



[Subsidiary of Habib Bank AG Zurich]

HABIBMETRO

HALF YEARLY REPORT JUNE 2025

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هَذَا فَرْضُكَ

OUR VISION

To be the most respected financial institution
based on trust, service and commitment



OUR VALUES

RESPECT

We respect our heritage, our team's dedication, and our customers' faith in us.

INTEGRITY

We set high professional and ethical standards for ourselves and each other.

TEAMWORK

We play to our strengths and build teams that deliver at the local and global levels.

RESPONSIBILITY

We take responsibility for ourselves, our actions, and always give our best.

COMMITMENT

We are committed to responding to the needs of our customers.

TRUST

We safeguard the trust that our customers place in us, and foster the same with passion.



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CORPORATE INFORMATION

BOARD OF DIRECTORS

CHAIRMAN

Mohamedali R. Habib

PRESIDENT & CHIEF EXECUTIVE OFFICER

Khurram Shahzad Khan

DIRECTORS

Ali Abbas Sikander

Hamza Habib

Mohomed Bashir

Mohsin A. Nathani

Muhammad H. Habib

Rashid Ahmed Jafer

BOARD COMMITTEES

AUDIT

Mohsin A. Nathani

Muhammad H. Habib

Rashid Ahmed Jafer

CREDIT

Hamza Habib

Khurram Shahzad Khan

Mohamedali R. Habib

Mohsin A. Nathani

Rashid Ahmed Jafer

HUMAN RESOURCE & REMUNERATION

Ali Abbas Sikander

Mohamedali R. Habib

Mohomed Bashir

Mohsin A. Nathani

SHARIAH BOARD

Tan Sri Dr. Mohd. Daud Bakar - Chairman

Mufti Abdul Sattar Laghari - Member

Mufti Khawaja Noor ul Hassan - Resident Member

HEAD OF LEGAL & COMPANY SECRETARY

Mehvish Muneera

REGISTERED OFFICE

Ground Floor, HABIBMETRO Head Office

I. I. Chundrigar Road,

Karachi - 74200, Pakistan

INFORMATION TECHNOLOGY

Ali Abbas Sikander

Hamza Habib

Khurram Shahzad Khan

Mohamedali R. Habib

RISK & COMPLIANCE

Khurram Shahzad Khan

Mohsin A. Nathani

Muhammad H. Habib

Rashid Ahmed Jafer

SHARE REGISTRAR

CDC Share Registrar Services Limited

CDC House, 99-B, Block-B,

S.M.C.H.S., Main Shahra-e-Faisal,

Karachi - 74400

DIRECTORS' REVIEW

On behalf of the Board of Directors of Habib Metropolitan Bank, I am pleased to present the condensed interim un-audited financial statements for the half year ended June 30, 2025.

During the review period, Pakistan's economic and financial position continued to improve. Fitch and S&P Global each upgraded Pakistan's sovereign credit rating by one notch-from CCC+ to B- while Moody's raised the rating to Caa1 from Caa2, all with a stable outlook. The second quarter saw some uncertainty due to heightened geopolitical tensions, which eased swiftly following effective measures by the government in external affairs and the demonstration of significant strategic military capability. These developments left Pakistan in a stronger position, with improved international relationships.

The current account recorded a surplus of USD 2.1 billion in FY2025 - the first annual surplus in fourteen years and the largest in twenty-two years - reflecting improved external balances, stronger exports, and resilient remittance inflows, which helped boost foreign exchange reserves. Remittances ended the fiscal year at USD 38.3 billion, marking a historic high. SBP's foreign exchange reserves rose by 36.4% during Q2 2025 to close at USD 14.5 billion. Pakistan also successfully secured the second tranche of USD 1 billion under the IMF's 37-month Extended Fund Facility.

Pakistan's GDP grew by 2.68% in FY2025, driven by stronger-than-expected performance in the industrial sector, which expanded by 4.77% despite challenging conditions. Manufacturing growth was supported by gains in small-scale manufacturing, offsetting slower recovery in large-scale industries. The services sector-accounting for 58.4% of GDP-expanded by 2.91%, while agriculture posted modest growth of 0.56% due to lower yields of major crops. Improved economic activity and stable exchange rates resulted in a rise in per-capita income up to USD 1,824, from USD 1,662 a year earlier.

Inflation fell sharply, averaging 4.6% in FY2025 compared to 23.9% in FY2024. This decline was supported by a stable exchange rate, tight monetary policy, and fiscal consolidation. With price pressures easing, the SBP reduced the policy rate from a peak of 22.0% to 11.0%, maintaining real interest rates at around 8% positive. In its most recent MPC meeting, however, the SBP kept the policy rate unchanged in response to a temporary uptick in inflation, driven mainly by higher-than-expected adjustments in energy tariffs, particularly for gas. The economy is still adjusting to the effects of the significant interest rate cuts over the past year.

By the Grace of Allah, HABIBMETRO delivered a profit before tax of Rs. 25,229 million, reflecting a 13.7% increase over the same period last year. Earnings per share after tax stood at Rs. 11.04. Net mark-up income grew by 12.5% to Rs. 35,005 million, while non-mark-up income rose by 23.7% to Rs. 11,633 million. Investments stood at Rs. 848,593 million, and net advances totaled Rs. 493,262 million. Deposits increased by 14.6% to Rs. 1,062,463 million, with current deposits comprising 40.2% of the total.

The Bank's net equity stood at Rs. 120,236 million, and its capital adequacy ratio was a healthy 18.54%. The Board approved an interim cash dividend of Rs. 2.50 per share (25%) for the second quarter ended June 30, 2025. This is in addition to the Rs. 2.50 per share paid for Q1, taking the total interim payout for H1 2025 to Rs. 5.00 per share (50%).

HABIBMETRO's strong credit ratings-AA+ (long-term) and A1+ (short-term)-were reaffirmed by PACRA, reflecting the Bank's high credit quality and strong capacity to meet financial obligations. The Bank operates 561 branches in 228 cities across Pakistan, including 228 Islamic banking branches and 190 Islamic banking windows, offering a full range of conventional and Islamic products under the Sirat brand.

We remain committed to our corporate social responsibility agenda, with a strong emphasis on healthcare and education, and encourage active employee involvement in community initiatives. At the same time, we continue to advance our digital transformation journey, enhancing mobile apps, web banking, and card services to deliver a modern, seamless banking experience.

We extend our sincere appreciation to the State Bank of Pakistan, the Ministry of Finance, and the Securities and Exchange Commission of Pakistan for their continued support. We are equally grateful to our shareholders and customers for their trust, to the Board of Directors for their guidance, and to our dedicated staff for their tireless efforts, which remain central to HABIBMETRO's continued growth and success.

On behalf of the Board

KHURRAM SHAHZAD KHAN

President & Chief Executive Officer

Karachi: 13 August 2025

اللہ تعالیٰ کے فضل و کرم سے، حبیب میٹرو نے 25,229 ملین روپے کا منافع قبل از ٹیکس حاصل کیا جو گزشتہ سال کی اسی مدت کے مقابلے میں 13.7 فیصد زیادہ ہے۔ ٹیکس کے بعد فی شیئر آمدنی 11.04 روپے رہی۔ خالص مارک اپ آمدنی میں 12.5 فیصد اضافہ ہوا، جو بڑھ کر 35,005 ملین روپے تک پہنچ گئی، جبکہ نان مارک اپ آمدنی میں 23.7 فیصد اضافہ ہوا اور یہ 11,633 ملین روپے رہی۔ سرمایہ کاری کا حجم 848,593 ملین روپے رہا، جبکہ خالص ایڈوانسز 493,262 ملین روپے تک پہنچ گئے۔ ڈپازٹس میں 14.6 فیصد اضافہ ہوا اور یہ بڑھ کر 1,062,463 ملین روپے ہو گئے، جن میں کرنٹ ڈپازٹس کا حصہ کل کا 40.2 فیصد رہا۔

بینک کی خالص ایکویٹی 120,236 ملین روپے رہی اور اس کا مضبوط کیپٹل ایڈیوکیٹی تناسب 18.54 فیصد کی سطح پر برقرار رہا۔ بورڈ نے 30 جون 2025 کو ختم ہونے والی دوسری سہ ماہی کیلئے فی شیئر 2.50 روپے (25 فیصد) کا عبوری نقد منافع منقسمہ منظور کیا۔ یہ پہلی سہ ماہی کے لئے دیے گئے فی شیئر 2.50 روپے کے علاوہ ہے، جس سے مالی سال 2025 کی پہلی ششماہی کیلئے کل عبوری منافع منفی شیئر 5.00 روپے (50 فیصد) ہو گیا۔

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے حبیب میٹرو کی مستحکم کریڈٹ ریٹنگ AA+ (لائگ ٹرم) اور A1+ (شارٹ ٹرم) کی توثیق کی، جو بینک کی اعلیٰ کریڈٹ کواٹی اور مالی ذمہ داریوں کو پورا کرنے کی مضبوط صلاحیت کو ظاہر کرتی ہیں۔ بینک پاکستان بھر کے 228 شہروں میں 561 برانچز چلا رہا ہے، جن میں 228 اسلامک بینکنگ برانچز اور 190 اسلامک بینکنگ ونڈوز شامل ہیں، جو صراط براڈ کے تحت کنوینشنل اور اسلامک بینکاری دونوں طرح کی مصنوعات کی مکمل رینج فراہم کرتے ہیں۔

ہم اپنے کارپوریٹ سماجی ذمہ داریوں کے ایجنڈے کے ساتھ پُر عزم ہیں جس میں صحت اور تعلیم پر خاص زور دیا گیا ہے اور ہم ملازمین کو کمیونٹی اقدامات میں فعال شمولیت کی ترغیب دیتے ہیں۔ اس کے ساتھ ساتھ ہم اپنی ڈیجیٹل ٹرانسفارمیشن کے سفر کو جاری رکھتے ہوئے موبائل ایپس، ویب بینکنگ اور کارڈ سروسز کو بہتر بنا رہے ہیں تاکہ صارفین کو جدید اور ہموار بینکنگ کا تجربہ فراہم کیا جاسکے۔

ہم اسٹیٹ بینک آف پاکستان، وزارت خزانہ اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی ان کی مسلسل سرپرستی اور تعاون کیلئے انتہائی شکرگزار ہیں۔ ہم اپنے قابل قدر شیئر ہولڈرز اور سٹاکرز کا بھی ان کے اعتماد، بورڈ آف ڈائریکٹرز کا ان کی رہنمائی اور حبیب میٹرو بینک کے مخلص اسٹاف کا ان کی پُر خلوص کادشوں اور جدوجہد کے لئے شکریہ ادا کرتے ہیں جن کی بدولت حبیب میٹرو مستقل ترقی اور کامیابی کی راہ پر گامزن ہے۔

منجانب بورڈ

خرم شہزاد خان

صدر و چیف ایگزیکٹو آفیسر

کراچی: 13 اگست 2025

ڈائریکٹرز ریویو

میں نہایت مسرت کے ساتھ حبیب میٹرو پولیٹن بینک کے بورڈ آف ڈائریکٹرز کی جانب سے 30 جون 2025 کو ختم ہونے والی ششماہی کیلئے غیر آڈٹ شدہ عبوری مالیاتی گوشوارے پیش کر رہا ہوں۔

زیر جائزہ مدت کے دوران پاکستان کی معیشت اور مالیاتی صورتحال نے بہتری کا سلسلہ جاری رکھا ہے۔ فُج ایبڈ ایس اینڈ پی گلوبل دونوں نے پاکستان کی مجموعی کریڈٹ ریٹنگ ایک درجہ بڑھاتے ہوئے +CCC سے B- کر دی جبکہ موڈی نے مستحکم آؤٹ لک کے ساتھ ریٹنگ Caa2 سے بڑھا کر Caa1 کر دی۔ دوسری سہ ماہی نے عالمی جغرافیائی سیاسی صورتحال میں بے چینی کے سبب کچھ غیر یقینی صورتحال دیکھی گئی جس میں حکومت کی جانب سے بیرونی امور میں موثر اقدامات اور اسٹریٹجک فوجی صلاحیتوں کے شاندار مظاہرے کے بعد بتدریج بہتری آنا شروع ہو گئی۔ ان اہم پیشرفت کے نتیجے میں پاکستان نے مستحکم عالمی تعلقات کے ساتھ مضبوط پوزیشن حاصل کر لی۔

مالی سال 2025 میں کرنٹ اکاؤنٹ 2.1 بلین امریکی ڈالر سے تجاوز کر گیا۔ جو گزشتہ چودہ سالوں کے دوران پہلا سالانہ سر پلس اور بانئیں سالوں میں سب سے بڑا سر پلس تھا۔ جو بہتر ہوتے ہوئے بیرونی بیلنسز، مستحکم برآمدات اور نمایاں زر ترسیلات کے ملک میں آنے کی عکاسی کرتا ہے اور اس سے غیر ملکی زرمبادلہ کے ذخائر بڑھانے میں مدد ملی۔ مالی سال کے اختتام پر زر ترسیلات کا حجم 38.3 بلین امریکی ڈالر تھا جس کی بدولت ایس بی پی کے غیر ملکی زرمبادلہ کے ذخائر تاریخی سطح تک بڑھ کر مالی سال 2025 کی دوسری سہ ماہی کے دوران 36.4 فیصد تک بڑھنے کے بعد 14.5 بلین امریکی ڈالر ہو گئے۔ پاکستان نے کامیابی کے ساتھ آئی ایم ایف کی 37 ماہ کی توسیع شدہ فنڈنگ سیلیٹی کے تحت ایک بلین امریکی ڈالر کی دوسری قسط وصول کر لی۔

پاکستان کی جی ڈی پی مالی صنعتی شعبے میں توقع سے زیادہ مستحکم کارکردگی کی بدولت سال 2025 میں 2.68 فیصد تک بڑھ گئی جو چیلنجنگ صورتحال کے باوجود 4.77 فیصد تک پھیل گئی، مینوفیکچرنگ گروتھ کو چھوٹے پیمانے کی مینوفیکچرنگ، بڑے پیمانے کی صنعتوں میں سست روی کے ساتھ بحالی کی وجہ سے ہونے والے فوائد کے ذریعے معاونت ملی۔ سروسز سیکٹر کے کھاتے توسیع شدہ جی ڈی پی کے 58.4 فیصد کیلئے 2.91 فیصد تک بڑھ گئے جبکہ زراعت کے شعبے نے اہم فصلوں کی کٹائی پیداوار کے ذریعے صرف 0.56 فیصد کی معمولی گروتھ حاصل کی۔ بہتر ہوتی ہوئی معاشی سرگرمی اور زرمبادلہ کے مستحکم ریٹس کے نتیجے میں کس آمدنی گزشتہ سال کے 1,662 امریکی ڈالر کے مقابلے میں بڑھ کر 1,824 امریکی ڈالر ہو گئی۔

مالی سال 2025 میں افراط زر میں نمایاں کمی واقع ہوئی، جو مالی سال 2024 کے اوسط 23.9 فیصد کے مقابلے میں گھٹ کر اوسطاً 4.6 فیصد رہی۔ اس کمی میں مستحکم زرمبادلہ کی شرح، سخت مالیاتی پالیسی اور مالیاتی استحکام نے معاونت فراہم کی۔ قیمتوں کے دباؤ میں کمی کے ساتھ، اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ کو 22.0 فیصد کی بلند ترین سطح سے گھٹا کر 11.0 فیصد کر دیا، جس سے حقیقی شرح سود تقریباً 8 فیصد مثبت برقرار رہی۔ تاہم، اپنی حالیہ مانیٹرنگ پالیسی کمیٹی (MPC) کے اجلاس میں، اسٹیٹ بینک نے پالیسی ریٹ کو تبدیل نہیں کیا کیونکہ افراط زر میں عارضی اضافہ ہوا، جو بنیادی طور پر توانائی کے نرخوں، خصوصاً گیس کے نرخوں میں توقع سے زیادہ اضافہ ہونے کے باعث سامنے آیا۔ معیشت اب بھی گزشتہ سال کے دوران شرح سود میں نمایاں کمی کے اثرات کو جذب کرنے کے عمل میں ہے۔

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INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF HABIB METROPOLITAN BANK LIMITED**Report on review of Unconsolidated Condensed Interim Financial Statements****Introduction**

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Habib Metropolitan Bank Limited ("the Bank") as at 30 June 2025 and the related unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, 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 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 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 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 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 profit and loss account and unconsolidated condensed interim statement of comprehensive income for the quarter ended 30 June 2025 have not been reviewed by us.

The engagement partner on the engagement resulting in this independent auditor's review report is Zeeshan Rashid.

Karachi: 19 August 2025
UDIN: RR202510188w7JFYztmg

KPMG Taseer Hadi & Co.
Chartered Accountants

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

	Note	30 June 2025 (Un-Audited)	31 December 2024 (Audited)
Rupees in '000			
ASSETS			
Cash and balances with treasury banks	7	102,116,647	86,815,817
Balances with other banks	8	3,503,070	6,434,551
Lendings to financial institutions	9	11,162,974	5,570,998
Investments	10	848,592,658	810,875,400
Advances	11	493,262,121	474,300,584
Property and equipment	12	17,071,232	16,856,551
Right-of-use assets	13	8,809,020	8,608,382
Intangible assets	14	638,460	685,790
Deferred tax assets		—	—
Other assets	15	88,158,279	89,985,707
Total Assets		1,573,314,461	1,500,133,780

LIABILITIES

Bills payable	16	36,955,831	28,478,822
Borrowings	17	263,190,528	330,010,768
Deposits and other accounts	18	1,062,462,828	927,132,777
Lease liabilities	19	10,839,015	10,463,713
Subordinated debt		—	—
Deferred tax liabilities	20	3,905,535	3,077,177
Other liabilities	21	75,724,990	85,938,708
Total Liabilities		1,453,078,727	1,385,101,965

NET ASSETS

120,235,734	115,031,815
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REPRESENTED BY

Share capital		10,478,315	10,478,315
Reserves		36,512,243	35,352,814
Surplus on revaluation of assets - net of tax	22	15,012,504	14,333,684
Unappropriated profit		58,232,672	54,867,002
		120,235,734	115,031,815

CONTINGENCIES AND COMMITMENTS

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The annexed notes 1 to 41 form an integral part of these unconsolidated condensed interim financial statements.

FUZAIL ABBAS Chief Financial Officer	KHURRAM SHAHZAD KHAN President & Chief Executive Officer	RASHID AHMED JAFER Director	MOHOMED BASHIR Director	MOHAMEDALI R. HABIB Chairman
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UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE QUARTER AND HALF YEAR ENDED 30 JUNE 2025

	Note	Quarter ended		Half year ended	
		30 June 2025	30 June 2024 (Restated)	30 June 2025	30 June 2024 (Restated)
Rupees in '000					
Mark-up / return / interest earned	25	39,944,455	61,229,373	81,699,824	120,136,210
Mark-up / return / interest expensed	26	(22,574,144)	(46,448,487)	(46,695,086)	(89,010,464)
Net mark-up / interest income		17,370,311	14,780,886	35,004,738	31,125,746
NON MARK-UP / INTEREST INCOME					
Fee and commission income	27	2,752,611	2,407,831	5,578,871	4,874,101
Dividend income		171,446	139,833	431,820	346,952
Foreign exchange income		2,150,451	2,118,790	4,159,196	3,419,344
Income / (loss) from derivatives		—	—	—	—
Gain on securities - net	28	1,132,255	954,313	1,379,406	685,585
Net loss on derecognition of financial assets measured at amortised cost		—	(3,602)	—	(3,602)
Other income	29	20,301	52,262	83,523	78,604
Total non mark-up / interest income		6,227,064	5,669,427	11,632,816	9,400,984
Total Income		23,597,375	20,450,313	46,637,554	40,526,730
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	30	10,378,832	8,527,828	19,515,135	15,866,583
Workers' welfare fund		254,027	211,153	514,876	449,630
Other charges	31	271,317	1,011	287,897	72,788
Total non-mark-up / interest expenses		(10,904,176)	(8,739,992)	(20,317,908)	(16,389,001)
Profit before credit loss allowance		12,693,199	11,710,321	26,319,646	24,137,729
Credit loss allowance and write offs - net	32	(426,458)	(1,093,180)	(1,090,760)	(1,948,004)
PROFIT BEFORE TAXATION		12,266,741	10,617,141	25,228,886	22,189,725
Taxation	33	(6,750,690)	(4,995,176)	(13,659,317)	(10,666,425)
PROFIT AFTER TAXATION		5,516,051	5,621,965	11,569,569	11,523,300
Rupees					
Basic and diluted earnings per share	34	5.26	5.37	11.04	11.00

The annexed notes 1 to 41 form an integral part of these unconsolidated condensed interim financial statements.

FUZAIL ABBAS
Chief Financial Officer

KHURRAM SHAHZAD KHAN
President &
Chief Executive Officer

RASHID AHMED JAFER
Director

MOHOMED BASHIR
Director

MOHAMEDALI R. HABIB
Chairman

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE QUARTER AND HALF YEAR ENDED 30 JUNE 2025

	Quarter ended		Half year ended	
	30 June 2025	30 June 2024 (Restated)	30 June 2025	30 June 2024 (Restated)
	Rupees in '000			
Profit after taxation	5,516,051	5,621,965	11,569,569	11,523,300
Other comprehensive income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Effect of translation of net investment in an offshore branch - net of tax	2,164	316	2,472	(578)
Movement in surplus on revaluation of debt securities measured at FVOCI - net of tax	1,665,144	1,879,632	254,178	1,754,029
	1,667,308	1,879,948	256,650	1,753,451
Items that will not be reclassified to profit and loss account in subsequent periods:				
Remeasurement (loss) / gain on defined benefit obligations - net of tax	(7,499)	10,300	(144,082)	(40,853)
Movement in surplus on revaluation of equity securities measured at FVOCI - net of tax	285,602	360,089	315,560	485,278
Movement in surplus on revaluation of property and equipment - net of tax	—	—	25,925	—
Movement in surplus on revaluation of non-banking assets - net of tax	477,760	513,302	477,760	513,302
	755,863	883,691	675,163	957,727
Total comprehensive income	7,939,222	8,385,604	12,501,382	14,234,478

The annexed notes 1 to 41 form an integral part of these unconsolidated condensed interim financial statements.

FUZAIL ABBAS
Chief Financial Officer

KHURRAM SHAHZAD KHAN
President &
Chief Executive Officer

RASHID AHMED JAFER
Director

MOHOMED BASHIR
Director

MOHAMEDALI R. HABIB
Chairman

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE HALF YEAR ENDED 30 JUNE 2025

	Share capital	Reserves					Surplus / (deficit) on revaluation		Un-appropriated profit	Total
		Exchange translation reserve	Share premium	Statutory reserve	Special reserve	Revenue reserve	Investments	Property, equipment & Non-banking assets		
	Rupees in '000									
Balance as at 31 December 2023 (Audited)	10,478,315	11,309	2,550,985	26,115,406	240,361	1,500,000	(1,550,763)	6,369,534	47,560,186	93,275,333
Impact of adoption of IFRS 9 as at 1 January 2024 - net of tax	-	-	-	-	-	-	(184,901)	-	461,044	276,143
Balance as at 1 January 2024 (Audited)	10,478,315	11,309	2,550,985	26,115,406	240,361	1,500,000	(1,735,664)	6,369,534	48,021,230	93,551,476
Profit after taxation for the period (restated) - note 3.2	-	-	-	-	-	-	-	-	11,523,300	11,523,300
Other comprehensive income (restated)										
Effect of translation of net investment in an offshore branch - net of tax	-	(578)	-	-	-	-	-	-	-	(578)
Movement in surplus on revaluation of debt securities measured at FVOCI - net of tax	-	-	-	-	-	-	1,754,029	-	-	1,754,029
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	(40,853)	(40,853)
Movement in surplus on revaluation of equity securities measured at FVOCI - net of tax	-	-	-	-	-	-	485,278	-	-	485,278
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	513,302	-	513,302
Total comprehensive income (restated)	-	(578)	-	-	-	-	2,239,307	513,302	(40,853)	2,711,178
Gain on sale of equity investments - FVOCI - net of tax	-	-	-	-	-	-	(281,311)	-	281,311	-
Transfer to statutory reserve	-	-	-	2,304,660	-	-	-	-	(2,304,660)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(80,983)	80,983	-
Transactions with owners, recorded directly in equity										
Final cash dividend (Rs. 5.50 per share) for the year ended 31 December 2023	-	-	-	-	-	-	-	-	(5,763,073)	(5,763,073)
Interim cash dividend (Rs. 2.50 per share) for the quarter ended 31 March 2024	-	-	-	-	-	-	-	-	(2,619,579)	(2,619,579)
Balance as at 30 June 2024 (Un-audited & restated)	10,478,315	10,731	2,550,985	28,420,066	240,361	1,500,000	222,332	6,801,853	49,178,659	99,403,302

	Share capital	Exchange translation reserve	Reserves				Surplus / (deficit) on revaluation		Un-appropriated profit	Total
			Share premium	Statutory reserve	Special reserve	Revenue reserve	Investments	Property, equipment & Non-banking assets		
	Rupees in '000									
Profit after taxation for the period	-	-	-	-	-	-	-	-	13,150,208	13,150,208
Other comprehensive income										
Effect of translation of net investment in an offshore branch - net of tax	-	629	-	-	-	-	-	-	-	629
Movement in surplus on revaluation of debt securities measured at FVOCI - net of tax	-	-	-	-	-	-	6,003,525	-	-	6,003,525
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	159,366	159,366
Movement in surplus on revaluation of equity securities measured at FVOCI - net of tax	-	-	-	-	-	-	1,399,219	-	-	1,399,219
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	-	(101,927)	-	(101,927)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	256,651	-	256,651
Total comprehensive income	-	629	-	-	-	-	7,402,744	154,724	159,366	7,717,463
Gain on sale of equity investments - FVOCI - net of tax	-	-	-	-	-	-	(164,347)	-	164,347	-
Transfer to statutory reserve	-	-	-	2,630,042	-	-	-	-	(2,630,042)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(83,622)	83,622	-
Transactions with owners, recorded directly in equity										
Interim cash dividend (Rs. 2.50 per share) for the quarter ended 30 June 2024	-	-	-	-	-	-	-	-	(2,619,579)	(2,619,579)
Interim cash dividend (Rs. 2.50 per share) for the quarter ended 30 September 2024	-	-	-	-	-	-	-	-	(2,619,579)	(2,619,579)
Balance as at 31 December 2024 (Audited)	10,478,315	11,360	2,550,985	31,050,108	240,361	1,500,000	7,460,729	6,872,955	54,867,002	115,031,815

	Share capital	Exchange translation reserve	Reserves			Revenue reserve	Surplus / (deficit) on revaluation		Un-appropriated profit	Total
			Share premium	Statutory reserve	Special reserve		Investments	Property, equipment & Non-banking assets		
Rupees in '000										
Impact of adoption of IFRS 9 - net of tax (note 3.1)	-	-	-	-	-	-	37,358	-	-	37,358
Profit after taxation for the period	-	-	-	-	-	-	-	-	11,569,569	11,569,569
Other comprehensive income										
Effect of translation of net investment in an offshore branch - net of tax	-	2,472	-	-	-	-	-	-	-	2,472
Movement in surplus on revaluation of debt securities measured at FVOCI - net of tax	-	-	-	-	-	-	254,178	-	-	254,178
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	(144,082)	(144,082)
Movement in surplus on revaluation of equity securities measured at FVOCI - net of tax	-	-	-	-	-	-	315,560	-	-	315,560
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	-	25,925	-	25,925
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	477,760	-	477,760
Total comprehensive income	-	2,472	-	-	-	-	569,738	503,685	(144,082)	931,813
Gain on sale of equity investments - FVOCI - net of tax	-	-	-	-	-	-	(356,161)	-	356,161	-
Transfer to statutory reserve	-	-	-	1,156,957	-	-	-	-	(1,156,957)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(75,800)	75,800	-
Transactions with owners, recorded directly in equity										
Final cash dividend (Rs. 4.50 per share) for the year ended 31 December 2024	-	-	-	-	-	-	-	-	(4,715,242)	(4,715,242)
Interim cash dividend (Rs. 2.50 per share) for the quarter ended 31 March 2025	-	-	-	-	-	-	-	-	(2,619,579)	(2,619,579)
Balance as at 30 June 2025 (Un-audited)	10,478,315	13,832	2,550,985	32,207,065	240,361	1,500,000	7,711,664	7,300,840	58,232,672	120,235,734

The annexed notes 1 to 41 form an integral part of these unconsolidated condensed interim financial statements.

FUZAIL ABBAS
Chief Financial Officer

KHURRAM SHAHZAD KHAN
President &
Chief Executive Officer

RASHID AHMED JAFER
Director

MOHOMED BASHIR
Director

MOHAMEDALI R. HABIB
Chairman

UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE HALF YEAR ENDED 30 JUNE 2025

CASH FLOW FROM OPERATING ACTIVITIES

Profit before taxation
Less: Dividend income

Note	30 June 2025	30 June 2024 (Restated)
		Rupees in '000
	25,228,886	22,189,725
	(431,820)	(346,952)
	24,797,066	21,842,773

Adjustments

Net mark-up / interest income (excluding mark up on lease liabilities against right-of-use assets)
Depreciation on property and equipment
Depreciation on right-of-use assets
Amortisation
Markup on lease liabilities against right-of-use assets
Credit loss allowance (excluding recoveries of written off / charged off bad debts)
Gain on sale of property and equipment - net
Gain on sale of ijarah assets
Unrealized gain on FVTPL securities
Provision against workers' welfare fund
Provision against compensated absences
Provision against defined benefit plan

30
30
30
26
32
29
29
28

(35,635,833)
1,362,173
782,496
136,740
631,095
1,302,601
(31,921)
(36,760)
(233,161)
514,876
98,850
177,759

(31,125,746)
1,153,520
747,253
117,129
560,795
1,948,004
(27,258)
(33,399)
(681,758)
449,630
61,785
164,242

(30,931,085)
(6,134,019)

(26,665,803)
(4,823,030)

(Increase) / decrease in operating assets

Lendings to financial institutions
Securities classified as FVTPL
Advances
Other assets (excluding dividend and non-banking assets)

(5,592,172)
(2,203,876)
(18,410,621)
(385,528)

207,801
(7,244,460)
(20,468,122)
(7,335,863)

(26,592,197)

(34,840,644)

Increase / (decrease) in operating liabilities

Bills payable
Borrowings from financial institutions
Deposits and other accounts
Other liabilities (excluding current taxation)

8,477,009
(71,808,320)
135,330,051
1,486,806

2,069,406
(106,536,116)
86,465,109
(13,132,357)

73,485,546

(31,133,958)

Payment against compensated absences
Contribution to the defined benefit plan
Mark-up / Interest received
Mark-up / Interest paid
Income tax paid

40,759,330
(32,250)
(175,000)
81,838,301
(49,721,629)
(20,358,588)

(70,797,632)
(28,185)
(30,000)
117,031,569
(87,425,485)
(14,207,947)

Net cash flow from / (used in) operating activities

52,310,164

(55,457,680)

CASH FLOW FROM INVESTING ACTIVITIES

Net investment in amortised cost securities
Net investment in securities classified as FVOCI
Investment in new subsidiary
Dividend received
Investment in property and equipment
Investment in intangible assets
Proceeds from sale of property and equipment
Proceeds from sale of ijarah assets
Effect of translation of net investment in an offshore branch

(501,940)
(33,816,798)
—
425,977
(1,589,194)
(89,410)
44,738
128,308
2,472

(2,405,334)
67,191,540
(1,000,000)
346,952
(1,951,465)
(390,561)
37,347
135,744
(578)

Net cash flow (used in) / from investing activities

(35,395,847)

61,963,645

CASH FLOW FROM FINANCING ACTIVITIES

Dividend paid
Payment of lease liabilities against right-of-use assets

(7,435,431)
(1,239,363)

(8,382,803)
(1,154,981)

Net cash flow used in financing activities

(8,674,794)

(9,537,784)

Increase / (decrease) in cash and cash equivalents

Cash and cash equivalents at the beginning of the period

8,239,523
86,737,498

(3,031,819)
111,701,908

Cash and cash equivalents at the end of the period

94,977,021

108,670,089

The annexed notes 1 to 41 form an integral part of these unconsolidated condensed interim financial statements.

FUZAIL ABBAS Chief Financial Officer	KHURRAM SHAHZAD KHAN President & Chief Executive Officer	RASHID AHMED JAFER Director	MOHOMED BASHIR Director	MOHAMEDALI R. HABIB Chairman
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NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2025

1. STATUS AND NATURE OF BUSINESS

Habib Metropolitan Bank Limited (the Bank) was incorporated in Pakistan on 3 August 1992, as a public limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and is engaged in commercial banking and related services. Its shares are listed on the Pakistan Stock Exchange. The Bank operates 561 (31 December 2024: 551) branches, including 228 (31 December 2024: 223) Islamic banking branches, an offshore branch (Karachi Export Processing Zone branch) and 1 (31 December 2024: 1) sub branch in Pakistan. The Bank is a subsidiary of Habib Bank AG Zurich - Switzerland (the holding company with 51% shares in the Bank) which is incorporated in Switzerland.

- 1.1** The Pakistan Credit Rating Agency Limited (PACRA) has assigned the Bank's long term rating as AA+ (31 December 2024: AA+) and short term rating as A1+ (31 December 2024: A1+) dated 24 June 2025.

The registered office of the Bank is situated at Habib Metro Head Office, I.I. Chundrigar Road, Karachi.

2. BASIS OF PREPARATION

- 2.1** The Bank has controlling interest in HabibMetro Modaraba Management Company (Private) Limited, First Habib Modaraba, Habib Metropolitan Financial Services Limited and HabibMetro Exchange Services Limited and is required to prepare consolidated financial statements under the provision of Companies Act, 2017. These condensed interim financial statements represent the unconsolidated results of the Bank and separate set of condensed interim consolidated financial statements are also being presented by the Bank.

2.2 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 for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP), as 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) from time to time.

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

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 has deferred the applicability of Islamic Financial Accounting Standard for Profit and Loss Sharing on Deposits (IFAS-3) issued by the ICAP and notified by the SECP, vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IIFS). Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements.

The SBP through BPRD Circular No. 16 dated July 29, 2024 has allowed Islamic banking institutions to follow Islamic Financial Accounting Standards (IFAS) 1 & 2 where applicable and continue existing accounting practices for other Islamic products until further instructions.

The disclosures and presentation made in these unconsolidated condensed interim financial statements are based on a format prescribed by the SBP vide BPRD Circular Letter No. 2 dated February 09, 2023 and IAS 34, Interim Financial Reporting. They do not include all the disclosures required for annual financial statements, and these unconsolidated condensed interim financial statements should be read in conjunction with the audited unconsolidated financial statements of the Bank for the year ended 31 December 2024.

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

There are certain new and amended standards, interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2025 but are considered not to be relevant or do not have any material effect on the Bank's operations.

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

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2026 but are considered not to be relevant or do not have any material effect on the Bank's operations, and therefore, not detailed in these unconsolidated condensed interim financial statements.

Furthermore, the following standards, amendments and interpretations with respect to the accounting and reporting standards would be effective from the dates mentioned below against the respective standards, amendments or interpretations:

Standards, interpretations of and amendments to:	Effective date (annual periods beginning on or after)
Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 & IFRS 7	1 January 2026
IFRS 18 - Presentation and Disclosure in Financial Statements	1 January 2027

The above amendments are not expected to have any material impact on the unconsolidated condensed interim financial statements of the Bank.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in preparation of these unconsolidated condensed interim financial statements are consistent with those as applied in the preparation of unconsolidated annual financial statements of the Bank for the year ended December 31, 2024 except for requirements of IFRS 9 relating to unlisted equity instruments, subsidised loans to staff and borrowings from SBP and lendings to customers under SBP Temporary Economic Refinance Facility (TERF) scheme as explained in note 3.1 and 3.2 respectively.

3.1 Unlisted Equity Securities

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

	(Rupees in '000)
Increase in investments	77,830
Increase in deferred tax liabilities	(40,472)
Increase in surplus on revaluation of assets - net of tax	37,358

3.2 IFRS 9 'Financial Instruments' – Restatement of corresponding figures of the current period due to subsequent adjustments on adoption of IFRS 9

The Bank adopted IFRS 9 in accordance with the application instructions, effective January 1, 2024, using the modified retrospective approach for restatement as permitted under the standard. In the annual audited financial statements for the year ended December 31, 2024, the cumulative net of tax impact of the initial application amounted to Rs. 276.143 million, which was recorded as an adjustment to equity at the beginning of the comparative accounting period.

Further, pursuant to the extended implementation timelines provided by SBP under BPRD Circular Letter No. 16 dated July 29, 2024, and BPRD Circular Letter No. 01 dated January 22, 2025, the Bank was required to apply fair value measurement to subsidised staff financing, implement modification accounting for financial assets and liabilities, and recognise income using the effective yield rate (EIR) method, with effect from the last quarter of 2024. However, in line with the SBP via its letter no. BPRD/RPD/854478/25 dated February 3, 2025, the recognition of income on EIR has been further deferred till December 31, 2025.

Therefore, the comparative figures for the half year ended June 30, 2024, presented in these unconsolidated condensed interim statement of profit and loss account, unconsolidated condensed interim statement of comprehensive income and unconsolidated condensed interim statement of changes in equity for the half year ended June 30, 2025, have been restated to reflect the above changes.

The effect of the restatement on the financial statements is summarised below:

	Previously reported	Restatementt	As re-stated	Description
Rupees in '000				
Unconsolidated Condensed Interim Profit and Loss Account				
Mark-up / return / interest earned	118,671,615	1,464,595	120,136,210	Impact of subsidised loans to staff and TERF loans to Bank's customers.
Mark-up / return / interest expensed	88,203,198	807,266	89,010,464	Impact of subsidised TERF borrowings from SBP.
Net loss on derecognition of financial assets measured at amortised cost	–	(3,602)	(3,602)	Impact of modified loans
Operating expenses	15,176,511	690,072	15,866,583	Impact of amortisation of deferred cost on staff loans
Credit loss allowance and write offs - net	(2,038,273)	90,269	(1,948,004)	Impact on credit loss allowance due to subsidised staff loans and TERF loans.
Profit before taxation	22,135,801	53,924	22,189,725	Impact of restatement
Taxation	(10,637,306)	(29,119)	(10,666,425)	Impact of restatement
Profit after taxation	11,498,495	24,805	11,523,300	Impact of restatement
Basic and diluted earnings per share	10.97	0.03	11.00	Impact of restatement
Unconsolidated Condensed Interim Statement of Comprehensive Income				
Total comprehensive income	14,209,673	24,805	14,234,478	Impact of restatement
Unconsolidated Condensed Interim Statement of Changes in Equity				
Unappropriated profit	49,369,047	(190,388)	49,178,659	Impact of restatement

4. BASIS OF MEASUREMENT

These unconsolidated condensed interim financial statements have been prepared under the historical cost convention except for certain property and equipment and non banking assets acquired in satisfaction of claims which are stated at revalued amounts; certain investments and derivative contracts which have been marked to market and are carried at fair value, obligation in respect of staff retirement benefits and lease liabilities which have been carried at present value and right of use of assets which are initially measured at an amount equal to corresponding lease liabilities (adjusted for any lease payment and costs) and are depreciated over respective lease term.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

6. FINANCIAL RISK MANAGEMENT

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

7. CASH AND BALANCES WITH TREASURY BANKS

In hand

	30 June 2025 (Un-Audited)	31 December 2024 (Audited)
Local currency	15,119,608	15,321,375
Foreign currencies	1,462,900	1,393,358
	16,582,508	16,714,733

With State Bank of Pakistan in

Local currency current accounts	53,830,938	46,256,955
Foreign currencies		
- current accounts	2,690,707	2,321,162
- cash reserve accounts	8,119,799	6,731,041
- deposit accounts - special cash reserve	14,600,246	12,058,642
	79,241,690	67,367,800

With National Bank of Pakistan in

Local currency		
- current accounts	6,303,830	2,670,896
- deposit accounts	79,803	47,103
	6,383,633	2,717,999

National Prize Bonds

	9,224	16,080
Less: Credit loss allowance held against cash and balances with treasury banks - stage 1	(100,408)	(795)

Cash and balances with treasury banks - net of credit loss allowance	102,116,647	86,815,817
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	Note	30 June 2025 (Un-Audited)	31 December 2024 (Audited)
Rupees in '000			
8. BALANCES WITH OTHER BANKS			
In Pakistan			
In current accounts		195	10,050
In deposit accounts		163	108
		358	10,158
Outside Pakistan			
In current accounts		3,503,157	6,425,438
Less: Credit loss allowance held against balances with other banks - stage 1		(445)	(1,045)
Balances with other banks - net of credit loss allowance		3,503,070	6,434,551
9. LENDINGS TO FINANCIAL INSTITUTIONS			
Call / clean money lendings	9.3	5,817,172	5,571,000
Repurchase agreement lendings (reverse repo)		5,346,000	-
Less: Credit loss allowance held against lendings to financial institutions - stage 1		(198)	(2)
Lendings to financial institutions - net of credit loss allowance		11,162,974	5,570,998
9.1 Particulars of lendings - gross			
In local currency - secured		5,346,000	-
In foreign currency - unsecured		5,817,172	5,571,000
		11,163,172	5,571,000

30 June 2025 (Un-Audited)		31 December 2024 (Audited)	
Lendings	Credit loss allowance held	Lendings	Credit loss allowance held
Rupees in '000			

9.2 Lending to FIs - Particulars of credit loss allowance

Performing	Stage 1	11,163,172	198	5,571,000	2
Under performing	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
Total		11,163,172	198	5,571,000	2

9.3 These foreign currency lendings carry mark-up rates ranging from 4.30% to 6.50% (31 December 2024: 7.00% to 7.85%) per annum and are due to mature latest by 18 August 2025 (31 December 2024: 18 February 2025).

10. INVESTMENTS

10.1 Investments by type

	30 June 2025 (Un-Audited)				31 December 2024 (Audited)			
	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
Rupees in '000								
FVTPL								
Federal government securities	46,959,435	-	44,412	47,003,847	42,055,433	-	(10,052)	42,045,381
Non-government debt securities	1,997,463	-	(4,255)	1,993,208	1,997,589	-	(9,249)	1,988,340
Mutual funds	-	-	-	-	2,700,000	-	85,219	2,785,219
Real estate investment trust units	1,814,314	-	1,523,339	3,337,653	1,814,314	-	1,254,365	3,068,679
	50,771,212	-	1,563,496	52,334,708	48,567,336	-	1,320,283	49,887,619
FVOCI								
Federal government securities	675,875,292	-	12,967,931	688,843,223	642,446,225	-	12,480,359	654,926,584
Shares	6,481,385	-	3,663,215	10,144,600	5,287,950	-	3,748,056	9,036,006
Non-government debt securities	9,719,440	(424,600)	(565,178)	8,729,662	9,767,355	(426,154)	(354,523)	8,986,678
	692,076,117	(424,600)	16,065,968	707,717,485	657,501,530	(426,154)	15,873,892	672,949,268
Amortised Cost								
Federal government securities	84,410,505	-	-	84,410,505	83,208,565	-	-	83,208,565
Non-government debt securities	2,300,000	(40)	-	2,299,960	3,000,000	(52)	-	2,999,948
	86,710,505	(40)	-	86,710,465	86,208,565	(52)	-	86,208,513
Subsidiaries	1,830,000	-	-	1,830,000	1,830,000	-	-	1,830,000
Total investments	831,387,834	(424,640)	17,629,464	848,592,658	794,107,431	(426,206)	17,194,175	810,875,400

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

10.1.1 Investments given as collateral against repo borrowing

The market value of investments given as collateral against borrowings is as follows:

Federal government securities

Market treasury bills	2,918,166	34,402,365
Pakistan investment bonds	166,247,470	191,534,393
	<u>169,165,636</u>	<u>225,936,758</u>

10.2 Credit loss allowance for diminution in value of investments

Opening balance	426,206	307,290
Impact of reclassification on adoption of IFRS 9	-	(219,607)
Impact of ECL recognised on adoption of IFRS 9	-	578
Charge for the period / year	-	337,945
Reversal for the period / year	(1,566)	-
Net (reversal) / charge for the period / year	(1,566)	337,945
Reversal on disposal	-	-
Investment written off	-	-
Closing balance	<u>424,640</u>	<u>426,206</u>

30 June 2025 (Un-Audited)		31 December 2024 (Audited)	
Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
Rupees in '000			

10.3 Particulars of credit loss allowance against debt securities

Category of classification

Performing	Stage 1	5,300,000	1,277	6,000,000	2,843
Underperforming	Stage 2	-	-	-	-
Non-performing	Stage 3	-	-	-	-
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		423,363	423,363	423,363	423,363
		<u>423,363</u>	<u>423,363</u>	<u>423,363</u>	<u>423,363</u>
Total		<u>5,723,363</u>	<u>424,640</u>	<u>6,423,363</u>	<u>426,206</u>

10.4 Investment in subsidiaries - incorporated in Pakistan

30 June 2025 (Un-Audited)

	Country of Incorporation	Holding	Assets	Liabilities	Revenue	Profit / (loss) after tax	Total Comprehensive income for the period
Rupees in '000							
Subsidiaries							
Habib Metropolitan Financial Services Limited	Pakistan	100%	681,514	355,037	61,902	(8,009)	(8,323)
Habib Metropolitan Modaraba Management Company (Private) Limited	Pakistan	100%	951,266	15,771	92,288	44,206	104,720
First Habib Modaraba (FHM)	Pakistan	5.43%	34,732,023	28,575,370	2,366,372	438,414	459,311
HabibMetro Exchange Services Limited	Pakistan	100%	1,023,581	41,594	68,562	(36,623)	(36,623)

31 December 2023 (Audited)

	Country of Incorporation	Holding	Assets	Liabilities	Revenue	Profit / (loss) after tax	Total Comprehensive income for the year
Rupees in '000							
Subsidiaries							
Habib Metropolitan Financial Services Limited	Pakistan	100%	600,488	265,997	99,516	(4,200)	24,774
Habib Metropolitan Modaraba Management Company (Private) Limited	Pakistan	100%	843,479	17,956	168,034	128,620	184,084
First Habib Modaraba (FHM)	Pakistan	5.43%	30,500,563	24,773,681	5,430,581	972,084	1,001,161
HabibMetro Exchange Services Limited	Pakistan	100%	1,054,315	35,038	166,594	19,277	19,277

10.5 The market value of federal government securities classified as amortised cost is Rs. 87,923,567 thousand (31 December 2024: 85,407,793 thousand).

11. ADVANCES

	Performing		Non Performing		Total	
	30 June 2025 (Un-Audited)	31 December 2024 (Audited)	30 June 2025 (Un-Audited)	31 December 2024 (Audited)	30 June 2025 (Un-Audited)	31 December 2024 (Audited)
Rupees in '000						
Loans, cash credits, running finances, etc.	311,930,809	329,647,770	19,469,043	19,153,873	331,399,852	348,801,643
Islamic financing and related assets	119,156,217	92,867,464	3,089,659	3,139,699	122,245,876	96,007,163
Bills discounted and purchased	65,548,644	56,120,236	2,788,238	2,873,698	68,336,882	58,993,934
Advances - gross	496,635,670	478,635,470	25,346,940	25,167,270	521,982,610	503,802,740
Credit loss allowance against advances						
Stage 1	(458,418)	(853,418)	—	—	(458,418)	(853,418)
Stage 2	(3,134,249)	(4,527,310)	—	—	(3,134,249)	(4,527,310)
Stage 3	—	—	(25,127,822)	(24,121,428)	(25,127,822)	(24,121,428)
	(3,592,667)	(5,380,728)	(25,127,822)	(24,121,428)	(28,720,489)	(29,502,156)
Advances - net of credit loss allowance	493,043,003	473,254,742	219,118	1,045,842	493,262,121	474,300,584

11.1 Particulars of advances - gross

	30 June 2025 (Un-Audited)	31 December 2024 (Audited)
	Rupees in '000	
In local currency	422,311,671	386,583,391
In foreign currencies	99,670,939	117,219,349
	<u>521,982,610</u>	<u>503,802,740</u>

11.2 Advances include Rs. 25,346,940 thousand (31 December 2024: Rs. 25,167,270 thousand) which have been placed under non-performing / Stage 3 status as detailed below:

	30 June 2025 (Un-Audited)		31 December 2024 (Audited)	
	Non-performing loans	Credit loss allowance held	Non-performing loans	Credit loss allowance held
	Rupees in '000			
Category of classification in Stage 3				
Domestic				
Other asset especially mentioned	78,249	36,851	—	—
Substandard	20,370	6,846	475,602	270,348
Doubtful	—	—	1,901,249	1,190,825
Loss	25,248,321	25,084,125	22,790,419	22,660,255
	<u>25,346,940</u>	<u>25,127,822</u>	<u>25,167,270</u>	<u>24,121,428</u>

11.3 Particulars of credit loss allowance against advances

	30 June 2025 (Unaudited)			31 December 2024 (Audited)				
	Stage 3	Stage 1 & 2	Total	Stage 3	Stage 1 & 2	Specific	General	Total
	Rupees in '000							
Opening balance	24,121,428	5,380,728	29,502,156	—	—	19,273,580	7,325,642	26,599,222
Impact of adoption of IFRS 9 as of 1 January 2024	—	—	—	19,768,274	4,282,512	(19,273,580)	(5,963,784)	(1,186,578)
Charge for the period / year	1,488,165	1,304,090	2,792,255	5,817,144	3,636,187	—	—	9,453,331
Reversals for the period / year	(481,771)	(3,092,151)	(3,573,922)	(1,439,152)	(2,537,971)	—	(1,361,858)	(5,338,981)
Net charge / (reversal) for the period / year	1,006,394	(1,788,061)	(781,667)	4,377,992	1,098,216	—	(1,361,858)	4,114,350
Amount written off	—	—	—	(24,838)	—	—	—	(24,838)
Closing balance	<u>25,127,822</u>	<u>3,592,667</u>	<u>28,720,489</u>	<u>24,121,428</u>	<u>5,380,728</u>	<u>—</u>	<u>—</u>	<u>29,502,156</u>

11.4 Consideration of forced sales value (FSV) for the purposes of provisioning against non-performing loans

During the current period, the Bank decided to not to avail the benefit of Forced Sales Value (FSV) against non-performing loans, as available under BSD Circular No. I of 21 October 2011 issued by the SBP.

11.5 Advances - Particulars of credit loss allowance

	30 June 2025 (Un-Audited)			31 December 2024 (Audited)		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	Rupees in '000					
11.5.1 Opening balance	853,418	4,527,310	24,121,428	–	–	–
Impact of adoption of IFRS 9	–	–	–	2,227,772	2,054,740	19,768,274
New advances	139,704	1,369,731	959,906	236,843	3,037,877	271,322
Advances derecognised or repaid	(324,358)	(2,125,790)	(481,771)	(1,292,683)	(524,860)	(1,413,187)
Transfer to stage 1	12,849	(12,849)	–	10,281	(10,281)	–
Transfer to stage 2	(45,302)	45,302	–	(325,222)	351,186	(25,964)
Transfer to stage 3	(4,644)	(201,838)	206,482	(3,573)	(384,947)	388,520
	(221,751)	(925,444)	684,617	(1,374,354)	2,468,975	(779,309)
Amounts written off / charged off	–	–	–	–	–	(24,838)
Changes in risk parameters	(173,249)	(467,617)	321,777	–	3,595	5,157,301
Closing balance	<u>458,418</u>	<u>3,134,249</u>	<u>25,127,822</u>	<u>853,418</u>	<u>4,527,310</u>	<u>24,121,428</u>

30 June 2025 (Un-Audited)		31 December 2024 (Audited)	
Outstanding amount	Credit loss allowance	Outstanding amount	Credit loss allowance
Rupees in '000			

11.5.2 Advances - Category of classification
Domestic

Performing	Stage 1	402,190,829	458,418	413,742,038	853,418
Underperforming	Stage 2	94,444,841	3,134,249	64,893,432	4,527,310
Non-Performing	Stage 3				
Other assets especially mentioned		78,249	36,851	–	–
Substandard		20,370	6,846	475,602	270,348
Doubtful		–	–	1,901,249	1,190,825
Loss		25,248,321	25,084,125	22,790,419	22,660,255
		<u>25,346,940</u>	<u>25,127,822</u>	<u>25,167,270</u>	<u>24,121,428</u>
Total		<u>521,982,610</u>	<u>28,720,489</u>	<u>503,802,740</u>	<u>29,502,156</u>

Note	30 June 2025	31 December 2024
	(Un-Audited)	(Audited)

12. PROPERTY AND EQUIPMENT

Capital work-in-progress	12.1	<u>586,636</u>	457,063
Property and equipment		<u>16,484,596</u>	16,399,488
		<u>17,071,232</u>	<u>16,856,551</u>
12.1 Capital work-in-progress			
Civil works	12.1.1	<u>310,091</u>	265,241
Advance to suppliers		<u>276,545</u>	191,822
		<u>586,636</u>	<u>457,063</u>

12.1.1 This represents advance against renovation being carried out at various locations.

12.2 Additions to property and equipment

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

Capital work-in-progress additions - net

Property and equipment

Furniture and fixture
Electrical, office and computer equipment
Vehicles
Lease hold improvements

Total

30 June
2025
(Un-Audited)

30 June
2024

Rupees in '000

129,573

65,486

100,789

988,277

4,479

366,076

1,459,621

1,589,194

119,439

1,186,982

25,200

554,703

1,886,324

1,951,810

12.3 Disposal of property and equipment

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

Furniture and fixture
Electrical, office and computer equipment
Vehicles

Total

139

326

870

465

11,808

9,298

12,817

10,089

30 June
2025
(Un-Audited)

31 December
2024
(Audited)

Rupees in '000

13. RIGHT-OF-USE ASSETS

Cost
Accumulated Depreciation
Net carrying amount as at the start of the period / year
Additions during the period / year
Termination / maturities during the period / year - Cost
Termination / maturities during the period / year - Accumulated Depreciation
Depreciation charge for the period / year
Closing carrying amount as at the end of the period / year

13,419,612

(4,811,230)

8,608,382

1,012,838

(339,441)

309,737

(782,496)

8,809,020

12,452,599

(4,851,146)

7,601,453

2,625,820

(1,658,807)

1,582,770

(1,542,854)

8,608,382

14. INTANGIBLE ASSETS

Capital work-in-progress - Computer Software
Computer Software

243,885

394,575

638,460

189,576

496,214

685,790

Computer software

30 June
2025
(Un-Audited)

30 June
2024

Rupees in '000

14.1 Additions to intangible assets

Capital work-in-progress additions
Directly purchased - Computer Software

54,309

35,101

89,410

10,450

380,111

390,561

	Note	30 June 2025 (Un-Audited)	31 December 2024 (Audited)
		Rupees in '000	
15. OTHER ASSETS			
Income / mark-up / profit accrued in local currency - net		29,789,580	29,923,592
Income / mark-up / profit accrued in foreign currencies - net		393,384	397,849
Advances, deposits, advance rent and other prepayments		1,236,284	846,260
Advance taxation (payments less provision)		1,039,908	—
Non-banking assets acquired in satisfaction of claim		2,204,729	2,204,729
Mark-to-market gain on forward foreign exchange contracts		2,663,884	3,974,963
Mark-to-market gain on forward purchase of federal Government security transactions		94,642	—
Acceptances		38,068,790	42,480,848
Receivable against rebate and remittances		3,224,488	337,728
Receivable from the SBP against encashment of Government securities		94,687	23,182
Stationery and stamps on hand		382,498	339,127
Receivable from TLink		450,009	2,183,238
Deferred cost on staff loans		5,725,118	4,857,532
Others		683,907	734,530
		<u>86,051,908</u>	<u>88,303,578</u>
Credit loss allowance / provision held against other assets	15.1	<u>(466,500)</u>	<u>(412,982)</u>
Other Assets (Net of credit loss allowance / provision)		<u>85,585,408</u>	<u>87,890,596</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	15.2	<u>2,572,871</u>	<u>2,095,111</u>
		<u>88,158,279</u>	<u>89,985,707</u>
15.1 Credit loss allowance / provision held against other assets			
Claims receivable against fraud and forgeries		394,816	394,816
Acceptances		71,684	18,166
		<u>466,500</u>	<u>412,982</u>
15.1.1 Movement in Credit loss allowance / provision held against other assets			
Opening balance		412,982	375,000
Impact of adoption of IFRS 9		—	88,854
Charge for the period / year		53,518	19,816
Reversal for the period / year		—	(70,688)
Net charge / (reversal) for the period / year		53,518	(50,872)
Closing balance		<u>466,500</u>	<u>412,982</u>
15.1.2 Particulars of Credit loss allowance / provision held against other assets			
Stage 1		7,686	12,518
Stage 2		10,146	5,648
Stage 3 / others		448,668	394,816
		<u>466,500</u>	<u>412,982</u>

15.2 Non-banking assets acquired in satisfaction of claims have been revalued as at June 30, 2025 by M/s Akbani & Javed Associates. The valuation was performed by the independent professional valuer on the basis of assessment of present market values. The revaluation has resulted in an incremental surplus of Rs. 477,760 thousand over the existing revaluation surplus carried in the books. The total surplus arising on revaluation of Non-banking assets acquired in satisfaction of claims as at June 30, 2025 amounted to Rs. 2,572,871 thousand.

	30 June 2025 (Un-Audited)	31 December 2024 (Audited)
	Rupees in '000	
16. BILLS PAYABLE		
In Pakistan	36,851,784	28,378,790
Outside Pakistan	104,047	100,032
	<u>36,955,831</u>	<u>28,478,822</u>
17. BORROWINGS		
Secured		
Borrowings from the State Bank of Pakistan under:		
Export refinance scheme	53,938,874	59,242,166
Long term financing facility - renewable energy scheme	1,935,977	2,177,048
Long term financing facility	13,626,423	15,438,369
Temporary economic refinance facility	18,029,774	19,682,235
Long term financing facility - for storage of agricultural produce scheme	755,613	750,064
Refinance facility for modernization of SME	292,731	219,918
Refinance facility for combating COVID-19	10,736	18,881
Refinance and credit guarantee scheme for women entrepreneurs	55,032	59,816
	<u>88,645,160</u>	97,588,497
Repurchase agreement borrowings (Repo) - secured	163,801,819	225,809,401
Total secured	252,446,979	323,397,898
Unsecured		
Call borrowing	-	100,000
Overdrawn nostro accounts	10,743,549	6,512,870
Total unsecured	10,743,549	6,612,870
Total Borrowings	<u>263,190,528</u>	<u>330,010,768</u>

18. DEPOSITS AND OTHER ACCOUNTS

	30 June 2025 (Un-Audited)			31 December 2024 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000					
Customers						
Current deposits	351,978,039	68,107,233	420,085,272	335,607,455	64,648,144	400,255,599
Savings deposits	314,913,717	16,183,905	331,097,622	293,241,677	16,914,294	310,155,971
Term deposits	89,783,969	86,362,843	176,146,812	120,938,951	47,383,383	168,322,334
Others	46,524,710	4,321	46,529,031	29,656,415	240,192	29,896,607
	803,200,435	170,658,302	973,858,737	779,444,498	129,186,013	908,630,511
Financial institutions						
Current deposits	5,404,459	1,681,978	7,086,437	3,150,604	1,510,900	4,661,504
Savings deposits	81,257,058	-	81,257,058	12,587,401	-	12,587,401
Term deposits	237,703	22,893	260,596	1,230,888	22,473	1,253,361
Others	-	-	-	-	-	-
	86,899,220	1,704,871	88,604,091	16,968,893	1,533,373	18,502,266
	<u>890,099,655</u>	<u>172,363,173</u>	<u>1,062,462,828</u>	<u>796,413,391</u>	<u>130,719,386</u>	<u>927,132,777</u>

	30 June 2025 (Un-Audited)	31 December 2024 (Audited)
	Rupees in '000	
19. LEASE LIABILITIES		
Opening balance	10,463,713	9,051,378
Additions during the period / year	1,012,838	2,625,820
Deletions during the period / year	(29,268)	(97,017)
Lease payments including interest	(1,239,363)	(2,315,877)
Interest expense	631,095	1,199,409
Closing balance	10,839,015	10,463,713

19.1. Liabilities Outstanding

Not later than one year	1,146,077	1,045,765
Later than one year and upto five years	5,491,010	5,172,701
Over five years	4,201,928	4,245,247
Total as at the period / year end	10,839,015	10,463,713

Aggregate 12.36% (31 December 2024: 12.38%) is used as discounting factor for the calculation of lease liabilities.

	30 June 2025 (Un-Audited)	31 December 2024 (Audited)
	Rupees in '000	
20. DEFERRED TAX LIABILITIES / (ASSETS)		
Deductible temporary differences on		
- Credit loss allowance for diminution in value of investments	(220,813)	(225,889)
- Credit loss allowance against advances	(2,664,546)	(5,629,063)
- Credit loss allowance against off-balance sheet obligations	(1,275,246)	(275,224)
- Credit loss allowance - Others	(220,796)	(144,095)
- Right-of-use assets and related lease liabilities	(687,862)	-
- Accelerated tax depreciation	(563,799)	(404,683)
- Deferred liability on defined benefit plan	(81,657)	(31,024)
- Surplus on revaluation of investments	8,354,304	8,413,163
	2,639,585	1,703,185
Taxable temporary differences on		
- Surplus on revaluation of property and equipment	1,265,950	1,373,992
	3,905,535	3,077,177

	Note	30 June 2025 (Un-Audited)	31 December 2024 (Audited)
		Rupees in '000	
21. OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		11,245,417	15,426,508
Mark-up / return / interest payable in foreign currencies		1,497,053	973,600
Unearned commission and income on bills discounted		1,159,026	1,016,338
Accrued expenses		3,273,206	2,743,998
Current taxation (provision less payments)		–	6,221,510
Acceptances		38,068,790	42,480,848
Clearing and settlement account		344,692	812,976
Unclaimed dividend		84,312	184,922
Branch adjustment account		13,960	8,944
Mark-to-market loss on forward foreign exchange contracts		2,369,812	3,275,493
Provision for compensated absences		423,493	356,893
Deferred liability on defined benefit plan		314,067	117,071
Credit loss allowance against off-balance sheet obligations	21.1	2,286,990	353,883
Workers' welfare fund	21.2	5,409,877	4,895,001
Charity fund		1,478	458
Excise duty payable		3,232	2,920
Locker deposits		987,039	965,722
Advance against diminishing musharaka		347,544	7,693
Advance rental for ijarah		19,655	19,695
Security deposits against leases / ijarah		184,500	197,598
Sundry creditors		4,678,154	4,011,907
Withholding tax / duties		1,057,279	1,496,718
Deferred grant income		118,257	147,275
Others		1,837,157	220,737
		75,724,990	85,938,708
21.1 Credit loss allowance against off-balance sheet obligations			
Opening balance		353,883	32,583
Impact of adoption of IFRS 9		–	519,290
Charge for the period / year		1,933,107	–
Reversal for the period / year		–	(197,990)
Net charge / (reversal) for the period / year		1,933,107	(197,990)
Closing balance		2,286,990	353,883
21.1.1 Particulars of Credit loss allowance against off-balance sheet obligations			
Stage 1		29,510	40,098
Stage 2		110,885	127,985
Stage 3		2,146,595	185,800
		2,286,990	353,883

- 21.2** Under the Workers' Welfare Ordinance 1971, the Bank is liable to pay workers' welfare fund (WWF) @ 2% of accounting profit before tax or taxable income, whichever is higher. The Bank has made full provision for WWF based on profit for the respective years.

The Supreme Court of Pakistan vide its order dated 10 November 2016 has held that the amendments made in the law introduced by the Federal Government for the levy of WWF were not lawful. The Federal Board of Revenue has filed review petitions against this order which are currently pending.

Legal advice obtained on the matter indicates that consequent to filing of these review petitions the judgement may not currently be treated as conclusive. Accordingly the Bank maintains its provision in respect of WWF.

	Note	30 June 2025 (Un-Audited)	31 December 2024 (Audited)
Rupees in '000			
22. SURPLUS ON REVALUATION OF ASSETS - NET OF TAX			
Surplus on revaluation of			
- Securities measured at FVOCI-Debt	10.1	12,402,753	12,125,836
- Securities measured at FVOCI-Equity	10.1	3,663,215	3,748,056
- Property and equipment		5,993,919	6,151,836
- Non-banking assets acquired in satisfaction of claims		2,572,871	2,095,111
		24,632,758	24,120,839
Less: Deferred tax on surplus on revaluation of			
- Securities measured at FVOCI-Debt		6,449,432	6,426,693
- Securities measured at FVOCI-Equity		1,904,872	1,986,470
- Property and equipment		1,265,950	1,373,992
- Non-banking assets acquired in satisfaction of claims		-	-
		(9,620,254)	(9,787,155)
		15,012,504	14,333,684

	Note	30 June 2025 (Un-Audited)	31 December 2024 (Restated)
Rupees in '000			
23. CONTINGENCIES AND COMMITMENTS			
Guarantees	23.1	161,863,113	152,625,779
Commitments	23.2	767,198,224	794,758,394
Other contingent liabilities	23.3	2,880,338	2,986,394
		931,941,675	950,370,567

	30 June 2025 (Un-Audited)	31 December 2024 (Audited)
Rupees in '000		
23.1 Guarantees		
Financial guarantees	38,501,569	33,303,405
Performance guarantees	57,324,160	55,070,186
Other guarantees	66,037,384	64,252,188
	161,863,113	152,625,779

	Note	30 June 2025 (Un-Audited)	31 December 2024 (Restated)
		Rupees in '000	
23.2 Commitments			
Documentary credits and short-term trade-related transactions:			
Letters of credit		165,409,747	229,691,020
Commitments in respect of:			
Forward foreign exchange contracts	23.2.1	578,185,580	547,663,058
Forward federal Government security transactions	23.2.2	22,728,620	16,393,540
Forward lendings	23.2.3	237,476	388,000
Commitments for:			
Acquisition of property and equipment		636,801	622,776
		<u>767,198,224</u>	<u>794,758,394</u>

23.2.1 Commitments in respect of forward foreign exchange contracts

Purchase	305,016,226	260,615,930
Sale	273,169,354	287,047,128
	<u>578,185,580</u>	<u>547,663,058</u>

23.2.2 Commitments in respect of forward federal Government security transactions

Purchase	22,728,620	16,393,540
Sale	–	–
	<u>22,728,620</u>	<u>16,393,540</u>

23.2.3 Commitments in respect of forward lendings

The Bank has made commitments to extend credit in the normal course of its business, but none of these commitments are irrevocable and do not attract any penalty if the facility is unilaterally withdrawn, except for:

	Note	30 June 2025 (Un-Audited)	31 December 2024 (Audited)
		Rupees in '000	
Commitments in respect of syndicate financing		<u>237,476</u>	<u>388,000</u>

23.3 Other contingent liabilities

Claims against bank not acknowledged as debt	23.3.1	2,880,338	2,880,338
Foreign Exchange repatriation case		–	106,056
		<u>2,880,338</u>	<u>2,986,394</u>

23.3.1 These mainly represent counter claims by borrowers for damages. Based on legal advice and internal assessments, management is confident that the matters will be decided in the Bank's favour and the possibility of any adverse outcome is remote. Accordingly, no provision has been made in these unconsolidated condensed interim financial statements.

24. DERIVATIVE FINANCIAL INSTRUMENTS

The Bank deals in derivative financial instruments namely forward foreign exchange contracts and foreign currency swaps with the principal view of hedging the risks arising from its trade business.

As per the Bank's policy, these contracts are reported on their fair value at the statement of financial position date. The gains and losses from revaluation of these contracts are included under "Foreign exchange income". Mark to market gains and losses on these contracts are recorded on the statement of financial position under "other assets / other liabilities".

These products are offered to the Bank's customers to protect from unfavorable movements in foreign currencies. The Bank hedges such exposures in the inter-bank foreign exchange market.

These positions are reviewed on a regular basis by the Bank's Asset and Liability Committee (ALCO).

24.1 Product Analysis

Forward foreign exchange contracts

	30 June 2025 (Un-Audited)		31 December 2024 (Audited)	
Counter Parties	Notional Principal	Mark to Market Gain / (Loss)	Notional Principal	Mark to Market Gain / (Loss)
	Rupees in '000			
Banks				
Hedging	477,637,424	(549,832)	435,802,474	2,193,620
Other Entities				
Hedging	100,548,156	843,904	111,860,584	(1,494,150)
Total				
Hedging	578,185,580	294,072	547,663,058	699,470

Note

30 June
2025

30 June
2024
(Restated)

(Un-Audited)

Rupees in '000

25. MARK-UP / RETURN / INTEREST EARNED

Loans and advances		28,555,984	36,314,355
Investments	25.1	51,116,343	82,065,376
Lending with financial institutions		1,823,787	1,507,610
Balances with banks		203,710	248,869
		81,699,824	120,136,210

30 June
2025

30 June
2024

(Un-Audited)

Rupees in '000

25.1 Interest income (calculated using effective interest rate method) recognised on:

Financial assets measured at amortised cost;	5,418,371	7,045,366
Financial assets measured at FVTPL	3,584,988	1,961,808
Financial assets measured at FVOCI	42,112,984	73,058,202
	51,116,343	82,065,376

30 June
2025

30 June
2024

(Restated)

(Un-Audited)

Rupees in '000

26. MARK-UP / RETURN / INTEREST EXPENSED

Deposits	27,283,467	61,870,275
Borrowings	16,844,733	22,353,129
Cost of foreign currency swaps against foreign currency deposits / borrowings	1,935,791	4,226,265
Lease liabilities against right-of-use assets	631,095	560,795
	46,695,086	89,010,464

	Note	30 June 2025	30 June 2024
		(Un-Audited)	
		Rupees in '000	
27. FEE & COMMISSION INCOME			
Branch banking customer fees		737,536	647,249
Credit related fees		22,457	21,997
Card related fees		650,181	382,154
Commission on trade		3,206,163	3,077,959
Commission on guarantees		658,297	538,449
Commission on remittances including home remittances		38,037	27,561
Commission on bancassurance		79,438	54,688
Commission on cash management		103,238	81,575
Investment Banking Fee		55,031	26,781
Others		28,493	15,688
		<u>5,578,871</u>	<u>4,874,101</u>
28. GAIN ON SECURITIES - NET			
Realised	28.1	1,051,603	3,827
Unrealised - measured at FVTPL		233,161	681,758
Unrealised - forward purchase of federal Government security transactions		94,642	-
		<u>1,379,406</u>	<u>685,585</u>
28.1 Realised gain / (loss) on:			
Federal government securities - net		953,628	(5,496)
Mutual funds - net		97,975	-
Real estate investment trust - net		-	9,323
		<u>1,051,603</u>	<u>3,827</u>
28.2 Net gain / (loss) on financial assets / liabilities measured at FVTPL:			
Designated upon initial recognition		-	-
Mandatorily measured at FVTPL		896,026	875,302
		896,026	875,302
Net gain / (loss) on financial assets measured at FVOCI - Debt		483,380	(189,717)
		<u>1,379,406</u>	<u>685,585</u>
29. OTHER INCOME			
Rent on properties		14,784	17,076
Gain on sale of property and equipment - net		31,921	27,258
Gain on sale of ijarah assets - net		36,760	33,399
Staff notice period and other recoveries		58	871
		<u>83,523</u>	<u>78,604</u>

30. OPERATING EXPENSES

	30 June 2025	30 June 2024 (Restated)
	(Un-Audited)	
	Rupees in '000	
Total compensation expense	7,934,573	6,753,685
Property expense		
Rent & taxes	60,681	37,378
Insurance	9,996	6,322
Utilities cost	619,464	616,898
Security	694,042	513,704
Repair & maintenance	594,473	420,985
Depreciation on property and equipment	549,202	498,022
Depreciation on right-of-use assets	782,496	747,253
	3,310,354	2,840,562
Information technology expenses		
Software maintenance	704,008	365,445
Hardware maintenance	236,610	231,599
Depreciation	337,289	249,181
Amortisation	136,740	117,129
Network charges	243,706	159,612
	1,658,353	1,122,966
Other operating expenses		
Directors' fees and allowances	14,789	12,233
Fees and allowances to Shariah Board	18,414	15,379
Legal & professional charges	138,669	169,190
Outsourced services costs	224,142	177,900
Travelling & conveyance	630,922	411,612
NIFT clearing charges	72,922	47,856
Depreciation	475,682	406,317
Training & development	39,768	24,061
Postage & courier charges	97,600	94,868
Communication	473,384	338,601
Subscription	484,747	412,747
Repair & maintenance	135,791	154,831
Brokerage & commission	109,305	86,796
Stationery & printing	228,197	258,953
Marketing, advertisement & publicity	366,928	442,674
Management fee	1,039,235	538,186
Insurance	789,568	727,069
Donations	263,300	219,976
Auditor's Remuneration	19,427	18,000
Security	255,547	215,855
Others	733,518	376,266
	6,611,855	5,149,370
	19,515,135	15,866,583

		30 June 2025	30 June 2024
		(Un-Audited)	
		Rupees in '000	
31. OTHER CHARGES			
Penalties imposed by the SBP		<u>287,897</u>	<u>72,788</u>
	Note	30 June 2025	30 June 2024
		(Un-Audited)	(Restated)
		Rupees in '000	
32. CREDIT LOSS ALLOWANCE & WRITE OFFS - NET			
Credit loss allowance against cash and balances with banks		99,013	120,081
Credit loss allowance against lendings to financial institutions		196	1,171
Credit loss allowance for diminution in value of investments	10.2	(1,566)	381,638
Credit loss allowance against loans & advances	11.3	(781,667)	1,331,483
Credit loss allowance against other assets		53,518	32,625
Credit loss allowance against other liabilities		1,933,107	81,006
Recoveries of written off / charged off bad debts		(211,841)	-
		<u>1,090,760</u>	<u>1,948,004</u>
33. TAXATION			
Current			
- For the period		12,116,401	10,347,243
- Prior year		579,141	-
		12,695,542	10,347,243
Deferred			
- For the period		1,721,392	319,182
- Prior year		(757,617)	-
		963,775	319,182
		<u>13,659,317</u>	<u>10,666,425</u>
34. BASIC AND DILUTED EARNINGS PER SHARE			
Profit after taxation		11,569,569	11,523,300
		Number in '000	
Weighted average number of ordinary shares		1,047,831	1,047,831
		Rupees	
Basic and diluted earnings per share		11.04	11.00

35. FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than investment in subsidiaries and those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities, other than investments in subsidiaries, 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.

The fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since they are either short-term in nature or, in the case of customer advances, deposits and certain long term borrowings are frequently repriced.

35.1 Fair value of financial assets

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

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

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or 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 categorized:

On balance sheet financial instruments

	30 June 2025 (Un-Audited)			
	Fair value			
	Level 1	Level 2	Level 3	Total
	Rupees in '000			
Financial assets measured at fair value				
Investments				
– Federal Government securities	95,931,500	639,915,570	–	735,847,070
– Non Government debt securities	–	10,722,870	–	10,722,870
– Shares				
– Listed companies	10,018,449	–	–	10,018,449
– Unlisted companies	–	–	126,151	126,151
– Real estate investment trust	3,337,653	–	–	3,337,653

Financial assets - disclosed but not measured at fair value

Investments				
– Federal Government securities	–	87,923,567	–	87,923,567
– Non Government debt securities	–	–	2,299,960	2,299,960
	<u>109,287,602</u>	<u>738,562,007</u>	<u>2,426,111</u>	<u>850,275,720</u>

Off-balance sheet financial instruments measured at fair value

Forward purchase of foreign exchange contracts	–	306,791,114	–	306,791,114
Forward sale of foreign exchange contracts	–	271,688,538	–	271,688,538
Forward purchase of federal Government security transactions	–	22,823,262	–	22,823,262

On balance sheet financial instruments

	31 December 2024 (Audited)			
	Fair value			
	Level 1	Level 2	Level 3	Total
	Rupees in '000			
Financial assets measured at fair value				
Investments				
– Federal Government securities	74,378,500	622,593,465	–	696,971,965
– Non Government debt securities	–	10,975,018	–	10,975,018
– Shares				
– Listed companies	8,984,437	–	–	8,984,437
– Unlisted companies	–	–	51,569	51,569
– Mutual funds	2,785,219	–	–	2,785,219
– Real estate investment trust	3,068,679	–	–	3,068,679

Financial assets - disclosed but not measured at fair value

Investments				
– Federal Government securities	–	85,407,793	–	85,407,793
– Non Government debt securities	–	–	2,999,948	2,999,948
	<u>89,216,835</u>	<u>718,976,276</u>	<u>3,051,517</u>	<u>811,244,628</u>

Off-balance sheet financial instruments measured at fair value

Forward purchase of foreign exchange contracts	–	257,959,904	–	257,959,904
Forward sale of foreign exchange contracts	–	290,402,624	–	290,402,624
Forward purchase of federal Government security transactions	–	16,393,540	–	16,393,540

35.2 Fair value of non-financial assets

	30 June 2025 (Un-Audited)			
	Fair value			
	Level 1	Level 2	Level 3	Total
	Rupees in '000			
Non-financial assets measured at fair value				
– Property and equipment	–	10,328,986	–	10,328,986
– Non-banking assets acquired in satisfaction of claim	–	4,777,600	–	4,777,600
	–	15,106,586	–	15,106,586

31 December 2024 (Audited)

Fair value			
Level 1	Level 2	Level 3	Total
Rupees in '000			

Non-financial assets measured at fair value

– Property and equipment	–	10,015,686	–	10,015,686
– Non-banking assets acquired in satisfaction of claim	–	4,299,840	–	4,299,840
	–	14,315,526	–	14,315,526

35.3 Valuation techniques used in determination of fair valuation of financial instruments within level 2 and level 3

Federal government debt securities	The fair value of government securities are valued using PKRV, PKFRV, PKISRV and PSX rates.
Debt securities other than federal government securities	The fair value is determined using the prices / rates available on Mutual Funds Association of Pakistan (MUFAP) / Reuters website and PSX.
Unquoted equity securities	The fair value is determined using replacement price determined by the company or where the shares can be surrendered.
Forward contracts	The fair values are derived using forward exchange rates applicable to their respective remaining maturities.
Mutual funds	The fair value is determined based on the net asset values published at the close of each business day.

Valuation techniques used in determination of fair values of non-financial assets within level 2

Property and equipment and non-banking assets acquired in satisfaction of claim	<p>Property and equipment and non-banking assets are valued by professionally qualified valuers. The valuation is based on their assessment of the market value of the assets. In determining the valuation for land and building the valuer refers to numerous independent market inquiries from local estate agents / realtors in the vicinity to establish the present market value. The fair valuation of land and building are considered to represent a level 2 valuation based on significant non-observable inputs being the location and condition of the assets.</p> <p>The fair value is subject to change owing to changes in input. However, management does not expect there to be a material sensitivity to the fair value arising from the non-observable inputs.</p>
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36. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

	30 June 2025 (Un-Audited)				
	Trade & Sales	Retail Banking	Commercial Banking	Islamic Banking	Total
	Rupees in '000				
Profit and loss account					
Net mark-up / return / profit	30,220,919	(9,071,494)	5,168,851	8,686,462	35,004,738
Inter segment revenue - net	(20,344,536)	15,236,049	5,108,487	-	-
Non mark-up / return / interest income	5,997,064	630,103	4,210,520	795,129	11,632,816
Total Income	15,873,447	6,794,658	14,487,858	9,481,591	46,637,554
Segment direct expenses	(251,877)	-	-	-	(251,877)
Inter segment expense allocation	-	(4,988,147)	(9,986,976)	(5,090,908)	(20,066,031)
Total expenses	(251,877)	(4,988,147)	(9,986,976)	(5,090,908)	(20,317,908)
Credit loss allowance	1,566	2,110	(2,329,925)	1,235,489	(1,090,760)
Profit before tax	15,623,136	1,808,621	2,170,957	5,626,172	25,228,886
Statement of financial position					
Cash and bank balances	3,498,547	25,745,092	51,502,640	24,873,438	105,619,717
Investments	697,424,084	-	-	151,168,574	848,592,658
Net inter segment lending	-	406,533,590	81,299,088	-	487,832,678
Lendings to financial institutions	11,162,974	-	-	-	11,162,974
Advances - performing	-	10,490,773	366,988,680	119,156,217	496,635,670
Advances - non-performing	-	624,345	21,632,936	3,089,659	25,346,940
Credit loss allowance against advances	-	(607,143)	(23,687,182)	(4,426,164)	(28,720,489)
Others	18,309,618	7,872,007	63,915,505	24,579,861	114,676,991
Total Assets	730,395,223	450,658,664	561,651,667	318,441,585	2,061,147,139
Borrowings	174,545,368	-	61,417,128	27,228,032	263,190,528
Deposits and other accounts	-	392,447,250	416,739,057	253,276,521	1,062,462,828
Net inter segment borrowing	487,832,678	-	-	-	487,832,678
Others	9,522,704	18,925,333	75,860,696	23,116,638	127,425,371
Total liabilities	671,900,750	411,372,583	554,016,881	303,621,191	1,940,911,405
Net Assets	58,494,473	39,286,081	7,634,786	14,820,394	120,235,734
Equity					120,235,734
Contingencies and commitments	600,914,200	-	297,670,216	33,357,259	931,941,675

	30 June 2024 (Un-Audited & Restated)				
	Trade & Sales	Retail Banking	Commercial Banking	Islamic Banking	Total
	Rupees in '000				
Profit and loss account					
Net mark-up / return / profit	59,348,967	(22,695,398)	(12,288,837)	6,761,014	31,125,746
Inter segment revenue - net	(62,316,108)	38,831,888	23,484,220	–	–
Non mark-up / return / interest income	4,496,643	412,298	3,964,969	527,074	9,400,984
Total Income	1,529,502	16,548,788	15,160,352	7,288,088	40,526,730
Segment direct expenses	(345,786)	–	–	–	(345,786)
Inter segment expense allocation	–	(4,034,995)	(8,675,880)	(3,332,340)	(16,043,215)
Total expenses	(345,786)	(4,034,995)	(8,675,880)	(3,332,340)	(16,389,001)
Credit loss allowance	(381,638)	(35,498)	(316,316)	(1,214,552)	(1,948,004)
Profit before tax	802,078	12,478,295	6,168,156	2,741,196	22,189,725
	31 December 2024 (Audited)				
	Trade & Sales	Retail Banking	Commercial Banking	Islamic Banking	Total
	Rupees in '000				
Statement of financial position					
Cash and bank balances	6,435,596	25,145,136	46,698,111	14,971,525	93,250,368
Investments	663,854,898	–	–	147,020,502	810,875,400
Net inter segment lending	–	379,807,962	27,488,264	–	407,296,226
Lendings to financial institutions	5,570,998	–	–	–	5,570,998
Advances - performing	–	15,855,835	369,912,171	92,867,464	478,635,470
Advances - non-performing	–	336,133	21,691,438	3,139,699	25,167,270
Credit loss allowance against advances	–	(603,370)	(23,237,144)	(5,661,642)	(29,502,156)
Others	21,655,600	11,816,263	64,547,414	18,117,153	116,136,430
Total assets	697,517,092	432,357,959	507,100,254	270,454,701	1,907,430,006
Borrowings	232,422,271	–	68,693,948	28,894,549	330,010,768
Deposits and other accounts	–	374,480,521	347,257,208	205,395,048	927,132,777
Net inter segment borrowing	407,296,226	–	–	–	407,296,226
Others	3,687,896	18,151,910	87,224,985	18,893,629	127,958,420
Total liabilities	643,406,393	392,632,431	503,176,141	253,183,226	1,792,398,191
Net assets	54,110,699	39,725,528	3,924,113	17,271,475	115,031,815
Equity					115,031,815
Contingencies and commitments	547,663,058	–	341,670,958	44,643,011	933,977,027

37. TRANSACTIONS WITH RELATED PARTIES

The Bank has related party relationships with its holding company, subsidiaries, associates, companies with common directorship, key management personnel, directors and employees' retirement benefit plans.

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 in respect of staff retirement benefits are made in accordance with actuarial valuation and terms of contribution plan. Salaries and allowances of the key management personnel are in accordance with the terms of their employment. Other transactions are at agreed terms.

Details of transactions with related parties during the period are as follows:

	30 June 2025 (Un-Audited)						
	Holding company	Directors	Key management personnel	Subsidiary companies	Associates	Retirement benefit plans	Total
	Rupees in '000						
Balances with other banks							
In current accounts	273,110	-	-	-	149,205	-	422,315
Investments							
Opening balance	-	-	-	4,830,000	-	-	4,830,000
Investment made during the period	-	-	-	5,800,000	-	-	5,800,000
Investment redeemed / disposed off during the period	-	-	-	(6,500,000)	-	-	(6,500,000)
Closing balance	-	-	-	4,130,000	-	-	4,130,000
Advances							
Opening balance	-	-	331,041	56,689	6,504,983	-	6,892,713
Addition during the period	-	-	35,393	-	44,399,461	-	44,434,854
Repaid during the period	-	-	(29,197)	(56,689)	(41,822,561)	-	(41,908,447)
Closing balance	-	-	337,237	-	9,081,883	-	9,419,120
Other Assets							
Mark-up / return / interest receivable	-	-	-	34,498	53,453	-	87,951
Prepayments / advance deposits / other receivables	468	-	-	1,462	32,489	-	34,419
	468	-	-	35,960	85,942	-	122,370
Deposits and other accounts							
Opening balance	231,356	967,344	224,702	2,304,739	5,567,651	2,168,691	11,464,483
Received during the period	7,467,117	1,427,601	729,079	183,229,311	1,655,449,816	1,571,785	1,849,874,709
Withdrawn during the period	(7,444,278)	(1,378,188)	(633,850)	(183,737,604)	(1,643,850,441)	(2,052,420)	(1,839,096,781)
Closing balance	254,195	1,016,757	319,931	1,796,446	17,167,026	1,688,056	22,242,411
Other Liabilities							
Mark-up / return / interest payable	-	15,355	5,669	13,262	123,041	215,565	372,892
Management fee payable for technical and consultancy services*	277,372	-	-	-	-	-	277,372
Other payables	-	955	-	-	2,719	314,067	317,741
	277,372	16,310	5,669	13,262	125,760	529,632	968,005
Contingencies and commitments							
Transaction-related contingent liabilities	-	-	-	-	18,496,889	-	18,496,889
Trade-related contingent liabilities	-	-	-	-	3,561,701	-	3,561,701
	-	-	-	-	22,058,590	-	22,058,590

* Management fee is as per the agreement with the holding company.

31 December 2024 (Audited)

	Holding company	Directors	Key management personnel	Subsidiary companies	Associates	Retirement benefit plans	Total
	Rupees in '000						
Balances with other banks							
In current accounts	322,178	–	–	–	277,533	–	599,711
Investments							
Opening balance	–	–	–	5,530,000	–	–	5,530,000
Investment made during the year	–	–	–	20,400,000	–	–	20,400,000
Investment redeemed / disposed off during the year	–	–	–	(21,100,000)	–	–	(21,100,000)
Closing balance	–	–	–	4,830,000	–	–	4,830,000
Advances							
Opening balance	–	–	283,415	–	5,709,339	–	5,992,754
Addition during the year	–	–	124,870	3,865,202	134,111,594	–	138,101,666
Repaid during the year	–	–	(77,244)	(3,808,513)	(133,315,950)	–	(137,201,707)
Closing balance	–	–	331,041	56,689	6,504,983	–	6,892,713
Other Assets							
Mark-up / return / interest receivable	–	–	–	48,484	31,360	–	79,844
Prepayments / advance deposits / other receivables	468	–	–	–	67,006	–	67,474
	468	–	–	48,484	98,366	–	147,318
Deposits and other accounts							
Opening balance	242,044	822,094	319,529	1,522,026	25,278,888	1,421,701	29,606,282
Received during the year	19,784,319	3,140,332	1,534,947	234,317,102	2,786,954,112	6,790,530	3,052,521,342
Withdrawn during the year	(19,795,007)	(2,995,082)	(1,629,774)	(233,534,389)	(2,806,665,349)	(6,043,540)	(3,070,663,141)
Closing balance	231,356	967,344	224,702	2,304,739	5,567,651	2,168,691	11,464,483
Other Liabilities							
Mark-up / return / interest payable	–	8,566	10,616	14,866	105,119	217,415	356,582
Other payables	–	995	–	–	900	117,071	118,966
	–	9,561	10,616	14,866	106,019	334,486	475,548
Contingencies and commitments							
Transaction-related contingent liabilities	–	–	–	–	13,955,479	–	13,955,479
Trade-related contingent liabilities	–	–	–	–	6,073,667	–	6,073,667
	–	–	–	–	20,029,146	–	20,029,146

* Management fee is as per the agreement with the holding company.

Transactions during the period

	For the period ended 30 June 2025 (Un-Audited)					
	Holding company	Directors	Key management personnel	Subsidiary Companies	Associates	Retirement benefit plans
	Rupees in '000					
Income						
Mark-up / return / interest earned	-	-	8,897	181,534	69,894	-
Fee and commission income	-	65	-	604	366,305	9
Rent income	2,808	-	-	11,923	5,170	-
Expense						
Mark-up / return / interest expensed	-	30,825	8,840	63,467	222,301	360,799
Commission / brokerage / bank charges paid	446	-	-	1,812	1,604	-
Salaries and allowances	-	-	452,094	-	-	-
Directors' fees and allowances	-	14,789	-	-	-	-
Charge to defined benefit plan	-	-	-	-	-	177,759
Contribution to defined contribution plan	-	-	-	-	-	215,101
Insurance premium expenses	-	-	-	-	25,755	-
Management fee expense for technical and consultancy services *	1,039,235	-	-	-	-	-

* Management fee is as per the agreement with the holding company.

Transactions during the period

	For the period ended 30 June 2024 (Un-Audited)						
	Holding company	Directors	Key management personnel	Subsidiaries companies	Associates	Retirement benefit plans	Total
	Rupees in '000						
Income							
Mark-up / return / interest earned	–	–	7,525	625,213	43,610	–	676,348
Fee and commission income	93	133	–	680	492,843	7	493,756
Rent income	2,808	–	–	6,201	5,170	–	14,179
Expenses							
Mark-up / return / interest expensed	–	42,976	22,173	135,444	1,536,544	131,219	1,868,356
Commission / brokerage / bank charges paid	101	–	–	1,808	1,411	–	3,320
Salaries and allowances	–	–	368,489	–	–	–	368,489
Directors' fees and allowances	–	13,446	–	–	–	–	13,446
Charge to defined benefit plan	–	–	–	–	–	163,872	163,872
Contribution to defined contribution plan	–	–	–	–	–	187,127	187,127
Insurance premium expenses	–	–	–	–	30,525	–	30,525
Management fee expense for technical and consultancy services *	538,186	–	–	–	–	–	538,186
Donation	–	–	–	–	960	–	960

* Management fee is as per the agreement with the holding company .

38. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	30 June 2025 (Un-Audited)	31 December 2024 (Audited)
	Rupees in '000	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	10,478,315	10,478,315
Capital Adequacy Ratio (CAR):		
Eligible common equity tier 1 (CET 1) Capital	104,186,552	99,689,869
Eligible additional tier 1 (ADT 1) Capital	–	–
Total eligible tier 1 capital	104,186,552	99,689,869
Eligible tier 2 capital	16,032,300	17,619,301
Total eligible capital (tier 1 + tier 2)	120,218,852	117,309,170
Risk Weighted Assets (RWAs):		
Credit risk	499,347,158	455,454,722
Market risk	4,669,205	8,395,647
Operational risk	144,429,169	144,429,169
Total	648,445,532	608,279,538
CET 1 capital adequacy ratio (in %)	16.07%	16.39%
Tier 1 capital adequacy ratio (in %)	16.07%	16.39%
Total capital adequacy ratio (in %)	18.54%	19.29%
Minimum capital requirements prescribed by SBP		
CET 1 capital adequacy ratio (in %)	6.00%	6.00%
Tier 1 capital adequacy ratio (in %)	7.50%	7.50%
Total capital adequacy ratio (in %)	11.50%	11.50%
Banks uses simple, maturity method and basic indicator approach for credit risk, market risk and operational risk exposures respectively in the capital adequacy calculation.		
Leverage Ratio (LR):		
Eligible tier-1 capital	104,186,552	99,689,869
Total exposures	2,004,660,573	1,943,057,316
Leverage ratio (in %)	5.20%	5.13%
Liquidity Coverage Ratio (LCR):		
Total high quality liquid assets	575,405,176	719,857,270
Total net cash outflow	369,932,436	330,851,160
Liquidity coverage ratio (in %)	156%	218%
Net Stable Funding Ratio (NSFR):		
Total available stable funding	1,022,056,753	955,276,822
Total required stable funding	516,664,868	538,749,940
Net stable funding ratio (in %)	198%	177%

39. ISLAMIC BANKING BUSINESS

The bank is operating 228 (31 December 2024: 223) Islamic banking branches and 190 (31 December 2024: 190) Islamic banking windows at the end of the period.

	Note	30 June 2025 (Un-Audited)	31 December 2024 (Audited)
		Rupees in '000	
ASSETS			
Cash and balances with treasury banks		24,827,523	14,936,606
Balances with other banks		45,915	34,919
Due from financial institutions		–	–
Investments	39.1	151,168,574	147,020,502
Islamic financing and related assets – net	39.2	117,819,712	90,345,521
Property and equipment		759,953	800,502
Right-of-use assets		3,183,199	3,055,711
Intangible assets		–	–
Due from Head Office		9,224,187	5,167,862
Other assets		11,412,522	9,093,078
Total Assets		318,441,585	270,454,701
LIABILITIES			
Bills payable		8,244,745	6,374,863
Due to financial institutions		27,228,032	28,894,549
Deposits and other accounts	39.3	253,276,521	205,395,048
Due to Head Office		–	–
Lease liabilities		3,909,386	3,696,838
Subordinated debt		–	–
Deferred tax liabilities		1,266,415	1,754,446
Other liabilities		9,696,092	8,821,928
Total Liabilities		303,621,191	254,937,672
NET ASSETS		14,820,394	15,517,029
REPRESENTED BY			
Islamic Banking Fund		11,007,094	11,006,964
Reserves		–	–
Surplus on revaluation of assets		1,168,999	1,635,769
Unappropriated profit	39.4	2,644,301	2,874,296
		14,820,394	15,517,029
CONTINGENCIES AND COMMITMENTS			
	39.5		

The profit and loss account of the Bank's Islamic banking branches for the half year ended 30 June 2025 is as follows:

	Note	(Un-Audited)	
		30 June 2025	30 June 2024 (Restated)
		Rupees in '000	
PROFIT AND LOSS ACCOUNT			
Profit / return earned	39.6	16,550,169	17,938,264
Profit / return expensed	39.7	(7,863,707)	(11,177,250)
Net Profit / return		8,686,462	6,761,014
Other income			
Fee and Commission Income		647,644	502,640
Dividend Income		-	-
Foreign Exchange Income		95,608	69,675
Income / (loss) from derivatives		-	-
Gain / (loss) on securities		13,716	(81,303)
Other Income		38,161	36,062
Total other income		795,129	527,074
Total Income		9,481,591	7,288,088
Other expenses			
Operating expenses		5,090,465	3,332,233
Workers' welfare fund		-	-
Other charges		443	107
Total other expenses		5,090,908	3,332,340
Profit before credit loss allowance		4,390,683	3,955,748
Credit loss allowance and write offs – net		1,235,489	(1,214,552)
Profit before taxation		5,626,172	2,741,196
Taxation		(2,981,871)	(1,343,186)
Profit after taxation		2,644,301	1,398,010

39.1 Investments by segments

Debt Instruments

Measured at amortised cost

Federal government securities

- Ijarah Sukuk

Certificate of investment

30 June 2025 (Un-Audited)			
Cost / amortised cost	Credit loss allowance for diminution	Surplus / (deficit)	Carrying value
Rupees in '000			
2,979,085	-	-	2,979,085
2,300,000	(40)	-	2,299,960
5,279,085	(40)	-	5,279,045
135,905,508	-	2,881,492	138,787,000
6,636,078	(340,000)	(446,078)	5,850,000
142,541,586	(340,000)	2,435,414	144,637,000
1,256,530	-	(4,001)	1,252,529
149,077,201	(340,040)	2,431,413	151,168,574

Measured at FVOCI

Federal government securities

- Ijarah Sukuk

Non Government Debt Securities

Instruments measured at FVTPL

Total investments

31 December 2024 (Audited)

Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
Rupees in '000			
2,974,050	-	-	2,974,050
3,000,000	(52)	-	2,999,948
5,974,050	(52)	-	5,973,998
125,750,660	-	3,545,698	129,296,358
6,683,993	(340,000)	(235,423)	6,108,570
132,434,653	(340,000)	3,310,275	135,404,928
5,561,635	-	79,941	5,641,576
143,970,338	(340,052)	3,390,216	147,020,502

Debt Instruments

Measured at amortised cost

Federal government securities

- Ijarah Sukuk

Certificate of investment

Measured at FVOCI

Federal government securities

- Ijarah Sukuk

Non Government Debt Securities

Instruments mandatory at FVTPL

Total investments

39.2 Islamic financing and related assets - net

	30 June 2025 (Un-Audited)			
	Financing	Advances	Inventory	Total
	Rupees in '000			
Ijarah	511,780	669,474	–	1,181,254
Ijarah – islamic long term financing facility	8,596	–	–	8,596
Murabaha	3,672,213	1,434,127	–	5,106,340
Working capital musharaka	35,635,028	–	–	35,635,028
Diminishing musharaka	20,501,323	4,011,830	–	24,513,153
Istisna	3,269,980	7,037,806	3,490,214	13,798,000
Al-bai	3,284,682	–	2,848,791	6,133,473
Diminishing musharaka:				
Islamic long term financing facility	2,967,199	–	–	2,967,199
Islamic refinance scheme for payment of wages and salaries	–	93,534	–	93,534
Islamic financing facility for storage of agricultural produce	471,810	–	–	471,810
Islamic temporary economic refinance facility	8,262,699	–	–	8,262,699
Islamic financing facility for renewable energy	457,134	–	–	457,134
Islamic export refinance:				
Working capital musharaka	18,197,455	–	–	18,197,455
Istisna	838,263	2,597,680	271,445	3,707,388
Al-bai	1,463,139	–	249,674	1,712,813
Gross islamic financing and related assets	99,541,301	15,844,451	6,860,124	122,245,876
Credit loss allowance held against non-performing islamic financings				
- Stage 1	(66,154)	(11,874)	(5,393)	(83,421)
- Stage 2	(923,161)	(70,434)	(268,790)	(1,262,385)
- Stage 3	(3,080,358)	–	–	(3,080,358)
	(4,069,673)	(82,308)	(274,183)	(4,426,164)
Islamic financing and related assets – net of credit loss allowance	95,471,628	15,762,143	6,585,941	117,819,712

31 December 2024 (Audited)

	Financing	Advances	Inventory	Total
	Rupees in '000			
Ijarah	540,947	17,607	–	558,554
Ijarah - islamic long term financing facility	12,306	–	–	12,306
Murabaha	5,111,120	674,294	–	5,785,414
Working capital musharaka	13,745,539	–	–	13,745,539
Diminishing musharaka	20,926,138	2,060,716	–	22,986,854
Istisna	2,962,798	10,917,577	587,823	14,468,198
Al-bai	1,639,352	–	1,684,955	3,324,307
Diminishing musharaka:				
Islamic long term financing facility	3,293,757	–	–	3,293,757
Islamic refinance scheme for payment of wages and salaries	–	93,534	–	93,534
Islamic financing facility for storage of agricultural produce	522,889	–	–	522,889
Islamic temporary economic refinance facility	8,306,821	–	–	8,306,821
Islamic financing facility for renewable energy	506,756	–	–	506,756
Islamic export refinance:				
Working capital musharaka	18,146,877	–	–	18,146,877
Istisna	498,545	1,798,242	153,100	2,449,887
Al-bai	1,129,747	–	675,723	1,805,470
Gross islamic financing and related assets	77,343,592	15,561,970	3,101,601	96,007,163
Less: Credit loss allowance against Islamic financings				
-Stage 1	(103,977)	(18,873)	(6,466)	(129,316)
-Stage 2	(2,314,517)	(63,235)	(49,959)	(2,427,711)
-Stage 3	(3,104,615)	–	–	(3,104,615)
	(5,523,109)	(82,108)	(56,425)	(5,661,642)
Islamic financing and related assets - net of Credit loss allowance held	71,820,483	15,479,862	3,045,176	90,345,521

39.3 Deposits

	30 June 2025 (Un-Audited)			31 December 2024 (Audited)		
	Customers	Financial Institutions	Total	Customers	Financial Institutions	Total
	Rupees in '000					
Current deposits	111,768,893	298,719	112,067,612	103,322,951	337,309	103,660,260
Savings deposits	61,798,251	48,033,681	109,831,932	57,562,083	4,329,081	61,891,164
Term deposits	26,567,626	135,000	26,702,626	36,599,875	135,000	36,734,875
Others	4,674,351	–	4,674,351	3,108,749	–	3,108,749
	<u>204,809,121</u>	<u>48,467,400</u>	<u>253,276,521</u>	<u>200,593,658</u>	<u>4,801,390</u>	<u>205,395,048</u>

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

39.4 Unappropriated profit

Opening balance	2,874,296	4,720,817
Add: Islamic banking profit for the period / year	5,626,172	6,248,469
Less: Taxation	(2,981,871)	(3,374,173)
Less: Transferred to head office	(2,874,296)	(4,720,817)
Closing balance	<u>2,644,301</u>	<u>2,874,296</u>

39.5 Contingencies and commitments

Guarantees	16,446,277	18,073,842
Commitments	16,910,982	26,569,169
	<u>33,357,259</u>	<u>44,643,011</u>

30 June 2025 30 June 2024
(Un-Audited) (Restated)
————— Rupees in '000 —————

39.6 Profit / return earned

Financing	7,777,334	9,705,698
Investments	8,650,793	7,670,315
Placements	122,042	562,251
	<u>16,550,169</u>	<u>17,938,264</u>

	30 June 2025	30 June 2024 (Restated) (Un-Audited)
	Rupees in '000	
39.7 Profit / return expensed		
Deposits and other accounts	5,952,044	8,830,718
Due to financial institutions	1,684,773	2,155,732
Lease liabilities against right-of-use assets	226,890	190,800
	<u>7,863,707</u>	<u>11,177,250</u>

40. GENERAL

- 40.1** The figures have been rounded off to nearest thousand rupees, unless otherwise stated.
- 40.2** Comparative information has been re-classified, re-arranged or additionally incorporated in these unconsolidated condensed interim financial statements wherever necessary to facilitate comparison and better presentation.

41. NON-ADJUSTING EVENT AFTER STATEMENT OF FINANCIAL POSITION / DATE OF AUTHORISATION FOR ISSUE

- 41.1** The Board of Directors in its meeting held on 13 August 2025 has approved an interim cash dividend of Rs. 2.50 per share (30 June 2024: interim cash dividend of Rs. 2.50 per share).
- 41.2** These unconsolidated condensed interim financial statements were authorised for issue on 13 August 2025 by the Board of Directors of the Bank.

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[Subsidiary of Habib Bank AG Zurich]

HABIB METROPOLITAN BANK LTD.

[Subsidiary of Habib Bank AG Zurich]

Consolidated Accounts for the half year
and quarter ended 30 June 2025
(Un-audited)

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

	Note	30 June 2025 (Un-Audited)	31 December 2024 (Audited)
Rupees in '000			
ASSETS			
Cash and balances with treasury banks	7	102,321,395	86,903,001
Balances with other banks	8	3,717,999	6,462,022
Lendings to financial institutions	9	11,162,974	5,570,998
Investments	10	845,963,045	807,496,585
Advances	11	525,947,317	502,468,656
Property and equipment	12	17,249,181	17,007,330
Right-of-use assets	13	8,850,644	8,654,445
Intangible assets	14	692,573	741,652
Deferred tax assets		—	—
Other assets	15	88,270,072	90,279,655
Total Assets		1,604,175,200	1,525,584,344
LIABILITIES			
Bills payable	16	36,955,831	28,478,822
Borrowings	17	287,956,482	350,224,431
Deposits and other accounts	18	1,061,071,101	925,227,989
Lease liabilities	19	10,897,345	10,519,685
Sub-ordinated debts		—	—
Deferred tax liabilities	20	3,556,798	2,722,825
Other liabilities	21	77,212,053	87,517,942
Total Liabilities		1,477,649,610	1,404,691,694
NET ASSETS		126,525,590	120,892,650
REPRESENTED BY			
Share capital		10,478,315	10,478,315
Reserves		38,016,950	36,857,521
Surplus on revaluation of assets - net of tax	22	15,048,928	14,371,296
Unappropriated profit		57,774,902	54,342,480
		121,319,095	116,049,612
Non-controlling interest		5,206,495	4,843,038
		126,525,590	120,892,650
CONTINGENCIES AND COMMITMENTS	23		

The annexed notes 1 to 41 form an integral part of these consolidated condensed interim financial statements.

FUZAIL ABBAS Chief Financial Officer	KHURRAM SHAHZAD KHAN President & Chief Executive Officer	RASHID AHMED JAFER Director	MOHOMED BASHIR Director	MOHAMEDALI R. HABIB Chairman
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CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE QUARTER AND HALF YEAR ENDED 30 JUNE 2025

	Note	Quarter ended		Half year ended	
		30 June 2025	30 June 2024 (Restated)	30 June 2025	30 June 2024 (Restated)
Rupees in '000					
Mark-up / return / interest earned	25	41,083,681	62,759,323	83,864,149	122,823,376
Mark-up / return / interest expensed	26	(23,129,443)	(47,354,400)	(47,834,399)	(90,618,218)
Net mark-up / interest income		17,954,238	15,404,923	36,029,750	32,205,158
NON MARK-UP / INTEREST INCOME					
Fee and commission income	27	2,776,417	2,441,387	5,627,476	4,917,222
Dividend income		178,304	147,656	447,419	354,775
Foreign exchange income		2,170,630	2,118,967	4,189,757	3,419,521
Income / (loss) from derivatives		—	—	—	—
Gain on securities - net	28	1,136,045	952,722	1,386,767	685,585
Net loss on derecognition of financial assets measured at amortised cost		—	(3,602)	—	(3,602)
Other income	29	19,442	58,563	80,387	84,905
Total non mark-up / interest income		6,280,838	5,715,693	11,731,806	9,458,406
Total Income		24,235,076	21,120,616	47,761,556	41,663,564
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	30	10,593,586	8,731,287	19,894,043	16,165,380
Workers' welfare fund		262,521	217,612	529,989	462,088
Other charges	31	271,317	1,011	287,897	72,788
Total non-mark-up / interest expenses		(11,127,424)	(8,949,910)	(20,711,929)	(16,700,256)
Profit before credit loss allowance		13,107,652	12,170,706	27,049,627	24,963,308
Credit loss allowance and write offs - net	32	(441,949)	(1,173,058)	(1,120,280)	(2,064,630)
PROFIT BEFORE TAXATION		12,665,703	10,997,648	25,929,347	22,898,678
Taxation	33	(6,901,891)	(5,157,136)	(13,921,802)	(10,934,501)
PROFIT AFTER TAXATION		5,763,812	5,840,512	12,007,545	11,964,177
PROFIT ATTRIBUTABLE TO:					
Equity shareholders of the holding company		5,558,127	5,693,608	11,636,778	11,647,884
Non-controlling interest		205,685	146,904	370,767	316,293
		5,763,812	5,840,512	12,007,545	11,964,177
Rupees					
Basic and diluted earnings per share	34	5.30	5.43	11.11	11.12

The annexed notes 1 to 41 form an integral part of these consolidated condensed interim financial statements.

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE QUARTER AND HALF YEAR ENDED 30 JUNE 2025

	Quarter ended		Half year ended	
	30 June 2025	30 June 2024 (Restated)	30 June 2025	30 June 2024 (Restated)
	Rupees in '000			
Profit after taxation	5,763,812	5,840,512	12,007,545	11,964,177
Other comprehensive income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Effect of translation of net investment in an offshore branch - net of tax	2,164	316	2,472	(578)
Movement in surplus on revaluation of debt securities measured at FVOCI - net of tax	1,665,217	1,868,664	253,511	1,730,978
	1,667,381	1,868,980	255,983	1,730,400
Items that will not be reclassified to profit and loss account in subsequent periods:				
Remeasurement (loss) / gain on defined benefit obligations - net of tax	(7,499)	10,300	(147,042)	(40,853)
Movement in surplus on revaluation of equity securities measured at FVOCI - net of tax	279,176	501,915	310,232	483,219
Movement in surplus on revaluation of property and equipment - net of tax	—	—	25,925	—
Movement in surplus on revaluation of non-banking assets - net of tax	477,760	513,302	477,760	513,302
	749,437	1,025,517	666,875	955,668
Total comprehensive income	8,180,630	8,735,009	12,930,403	14,650,245
Equity shareholders of the holding company	7,982,255	8,665,270	12,566,946	14,296,987
Non-controlling interest	198,375	69,739	363,457	353,258
	8,180,630	8,735,009	12,930,403	14,650,245

The annexed notes 1 to 41 form an integral part of these consolidated condensed interim financial statements.

FUZAIL ABBAS
Chief Financial Officer

KHURRAM SHAHZAD KHAN
President &
Chief Executive Officer

RASHID AHMED JAFER
Director

MOHOMED BASHIR
Director

MOHAMEDALI R. HABIB
Chairman

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE HALF YEAR ENDED 30 JUNE 2025

	Reserves							Surplus / (deficit) on revaluation						
	Share capital	Exchange translation reserve	Share premium	Statutory reserve	Merger reserve	Special reserve	Revenue reserve	Investments	Property, equipment & Non-banking assets	Un- appropriated profit	Sub total	Non- controlling interest	Total	
	Rupees in '000													
Balance as at 31 December 2023 (Audited)	10,478,315	11,309	2,550,985	26,999,111	31,002	340,361	1,500,000	(1,539,720)	6,369,534	47,254,919	93,995,816	4,193,391	98,189,207	
Impact of adoption of IFRS 9 as at 1 January 2024 - net of tax	-	-	-	-	-	-	-	(184,901)	-	461,044	276,143	-	276,143	
Balance as at 1 January 2024 (Audited)	10,478,315	11,309	2,550,985	26,999,111	31,002	340,361	1,500,000	(1,724,621)	6,369,534	47,715,963	94,271,959	4,193,391	98,465,350	
Profit after taxation for the period (restated) - note 3.2	-	-	-	-	-	-	-	-	-	11,647,884	11,647,884	316,293	11,964,177	
Other comprehensive income (restated)														
Effect of translation of net investment in an offshore branch - net of tax	-	(578)	-	-	-	-	-	-	-	-	(578)	-	(578)	
Movement in surplus on revaluation of debt securities measured at FVOCI - net of tax	-	-	-	-	-	-	-	1,730,978	-	-	1,730,978	36,965	1,767,943	
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	-	(40,853)	(40,853)	-	(40,853)	
Movement in surplus on revaluation of equity securities measured at FVOCI - net of tax	-	-	-	-	-	-	-	483,219	-	-	483,219	-	483,219	
Movement in surplus on revaluation of non-banking asset - net of tax	-	-	-	-	-	-	-	-	513,302	-	513,302	-	513,302	
Total comprehensive income (restated)	-	(578)	-	-	-	-	-	2,214,197	513,302	(40,853)	2,686,068	36,965	2,723,033	
Gain on sale of equity investments FVOCI - net of tax	-	-	-	-	-	-	-	(281,311)	-	281,311	-	-	-	
Transfer to statutory reserve	-	-	-	2,304,660	-	-	-	-	-	(2,304,660)	-	-	-	
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	(80,983)	80,983	-	-	-	
Transactions with owners, recorded directly in equity														
Final cash dividend (Rs. 5.50 per share) for the year ended 31 December 2023	-	-	-	-	-	-	-	-	-	(5,763,073)	(5,763,073)	-	5,763,073	
Interim cash dividend (Rs. 2.50 per share) for the quarter ended 31 March 2024	-	-	-	-	-	-	-	-	-	(2,619,579)	(2,619,579)	-	(2,619,579)	
Balance as at 30 June 2024 (Un-Audited & restated)	10,478,315	10,731	2,550,985	29,303,771	31,002	340,361	1,500,000	208,265	6,801,853	48,997,976	100,223,259	4,546,649	104,769,908	

	Reserves						Surplus / (deficit) on revaluation			Sub total	Non-controlling interest	Total	
	Share capital	Exchange translation reserve	Share premium	Statutory reserve	Merger reserve	Special reserve	Revenue reserve	Investments	Property, equipment & Non-banking assets				Un-appropriated profit
Rupees in '000													
Profit after taxation for the period	-	-	-	-	-	-	-	-	-	13,295,274	13,295,274	505,800	13,801,074
Other comprehensive income													
Effect of translation of net investment in an offshore branch - net of tax	-	629	-	-	-	-	-	-	-	-	629	-	629
Movement in surplus on revaluation of debt securities measured at FVOCI - net of tax	-	-	-	-	-	-	-	6,015,203	-	-	6,015,203	(36,965)	5,978,238
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	-	160,461	160,461	2,697	163,158
Movement in surplus on revaluation of equity securities measured at FVOCI - net of tax	-	-	-	-	-	-	-	1,439,219	-	-	1,439,219	21,689	1,460,908
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	-	-	(101,926)	-	(101,926)	-	(101,926)
Movement in surplus on revaluation of non-banking asset - net of tax	-	-	-	-	-	-	-	-	256,651	-	256,651	-	256,651
Total comprehensive income	-	629	-	-	-	-	-	7,454,422	154,725	160,461	7,770,237	(12,579)	7,757,658
Gain on sale of equity investments FVOCI - net of tax	-	-	-	-	-	-	-	(164,347)	-	164,347	-	-	-
Transfer to statutory reserve	-	-	-	3,120,042	-	-	-	-	-	(3,120,042)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	(83,622)	83,622	-	-	-
Transactions with owners, recorded directly in equity													
Interim cash dividend (Rs. 250 per share) for the quarter ended 30 June 2024	-	-	-	-	-	-	-	-	-	(2,619,579)	(2,619,579)	-	(2,619,579)
Interim cash dividend (Rs. 250 per share) for the quarter ended 30 September 2024	-	-	-	-	-	-	-	-	-	(2,619,579)	(2,619,579)	-	(2,619,579)
Profit distribution by First Habib Modaraba (Rs. 2.10 per certificate) for the period ended 30 June 2024	-	-	-	-	-	-	-	-	-	-	-	(196,832)	(196,832)
Balance as at 31 Dec 2024 (Audited)	10,478,315	11,360	2,550,985	32,423,813	31,002	340,361	1,500,000	7,498,340	6,872,956	54,342,480	116,049,612	4,843,038	120,892,650

	Share capital	Reserves					Surplus / (deficit) on revaluation		Un-appropriated profit	Sub total	Non-controlling interest	Total	
		Exchange translation reserve	Share premium	Statutory reserve	Merger reserve	Special reserve	Revenue reserve	Investments					Property, equipment & Non-banking assets
Rupees in '000													
Impact of adoption of IFRS 9 - net of tax (note 3.1)	-	-	-	-	-	-	-	37,358	-	-	37,358	-	37,358
Profit after taxation for the period	-	-	-	-	-	-	-	-	-	11,636,778	11,636,778	370,767	12,007,545
Other comprehensive income - net of tax													
Effect of translation of net investment in an offshore branch - net of tax	-	2,472	-	-	-	-	-	-	-	2,472	-	-	2,472
Movement in surplus on revaluation of debt securities measured at FVOCI - net of tax	-	-	-	-	-	-	-	253,511	-	-	253,511	-	253,511
Movement in surplus on revaluation of equity securities measured at FVOCI - net of tax	-	-	-	-	-	-	-	315,039	-	-	315,039	(4,807)	310,232
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	-	(144,539)	(144,539)	(2,503)	(147,042)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	-	-	25,925	-	25,925	-	25,925
Movement in surplus on revaluation of non-banking asset - net of tax	-	-	-	-	-	-	-	-	477,760	-	477,760	-	477,760
Total comprehensive income	-	2,472	-	-	-	-	-	568,550	503,685	(144,539)	930,168	(7,310)	922,858
Gain on sale of equity investments FVOCI - net of tax	-	-	-	-	-	-	-	(356,161)	-	356,161	-	-	-
Transfer to statutory reserve	-	-	-	-	-	1,156,957	-	-	-	(1,156,957)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	(75,800)	75,800	-	-	-
Transactions with owners, recorded directly in equity													
Final cash dividend (Rs. 3.50 per share) for the year ended 31 December 2024	-	-	-	-	-	-	-	-	-	(4,715,242)	(4,715,242)	-	(4,715,242)
Interim cash dividend (Rs. 2.50 per share) for the quarter ended 31 March 2025	-	-	-	-	-	-	-	-	-	(2,619,579)	(2,619,579)	-	(2,619,579)
Balance as at 30 June 2025 (Un-Audited)	10,478,315	13,832	2,550,985	32,423,813	31,002	1,497,318	1,500,000	7,748,087	7,300,841	57,774,902	121,319,095	5,206,495	126,525,590

The annexed notes 1 to 41 form an integral part of these consolidated condensed interim financial statements.

FUZAIL ABBAS
Chief Financial Officer

KHURRAM SHAHZAD KHAN
President &
Chief Executive Officer

RASHID AHMED JAFER
Director

MOHOMED BASHIR
Director

MOHAMEDALI R. HABIB
Chairman

CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE HALF YEAR ENDED 30 JUNE 2025

CASH FLOWS FROM OPERATING ACTIVITIES

	Note	30 June 2025	30 June 2024 (Restated)
Profit before taxation		25,929,347	22,898,678
Less: Dividend income		(447,419)	(354,775)
		25,481,928	22,543,903

Adjustments

Net mark-up / interest income (excluding mark up on lease liabilities against right-of-use assets)		(36,664,063)	(32,205,158)
Depreciation on property and equipment	30	1,383,994	1,170,875
Depreciation on right-of-use assets	30	786,935	750,360
Amortisation	30	140,179	118,431
Markup on lease liabilities against right-of-use assets	26	634,313	562,858
Credit loss allowance (excluding recoveries of written off / charged off bad debts)	32	1,332,122	2,064,630
Gain on sale of property and equipment - net	29	(31,910)	(36,834)
Gain on sale of ijarah assets	29	(36,760)	(33,399)
Unrealized gain on FVTPL securities	28	(240,522)	(681,758)
Provision against workers' welfare fund		529,989	462,088
Provision against compensated absences		98,850	61,785
Provision against defined benefit plan		182,958	166,103
		(31,883,915)	(27,600,019)
		(6,401,987)	(5,056,116)

(Increase) / decrease in operating assets

Lendings to financial institutions		(5,592,172)	471,996
Securities classified as FVTPL		(2,302,256)	(7,261,580)
Advances		(23,213,587)	(24,126,508)
Other assets (excluding dividend and non-banking assets)		(185,730)	(7,759,689)
		(31,293,745)	(38,675,811)

Increase / (decrease) in operating liabilities

Bills payable		8,477,009	2,069,406
Borrowings from financial institutions		(67,241,194)	(104,839,515)
Deposits and other accounts		135,843,112	85,912,389
Other liabilities (excluding current taxation)		1,692,919	(11,806,542)
		78,771,846	(28,664,262)
Payment against compensated absences		41,076,113	(72,396,159)
Contribution to the defined benefit plan		(32,250)	(28,185)
Mark-up / Interest received		(175,000)	(30,000)
Mark-up / Interest paid		83,982,954	119,781,348
Income tax paid		(50,934,062)	(89,250,239)
		(20,627,626)	(14,483,319)

Net cash flow from / (used in) operating activities

CASH FLOWS FROM INVESTING ACTIVITIES

Net investment in amortised cost securities		(1,144,976)	(1,764,048)
Net Investment in securities classified as FVOCI		(33,818,233)	66,622,024
Dividend received		447,419	354,775
Investment in property and equipment		(1,638,702)	(2,047,119)
Investment in intangible assets		(89,410)	(403,238)
Proceeds from sale of property and equipment		44,760	56,804
Proceeds from sale of ijarah assets		128,308	135,744
Effect of translation of net investment in an offshore branch		2,472	(578)
		(36,068,362)	62,954,364

Net cash flow (used in) / from investing activities

CASH FLOWS FROM FINANCING ACTIVITIES

Dividend paid		(7,435,565)	(8,329,668)
Payment of lease liabilities against right-of-use assets		(1,241,657)	(1,163,295)
		(8,677,222)	(9,492,963)

Net cash used in financing activities

Increase / (decrease) in cash and cash equivalents

Cash and cash equivalents at the beginning of the period		8,544,545	(2,945,153)
		86,852,153	111,848,372

Cash and cash equivalents at the end of the period

		95,396,698	108,903,219
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The annexed notes 1 to 41 form an integral part of these consolidated condensed interim financial statements.

FUZAIL ABBAS Chief Financial Officer	KHURRAM SHAHZAD KHAN President & Chief Executive Officer	RASHID AHMED JAFER Director	MOHOMED BASHIR Director	MOHAMEDALI R. HABIB Chairman
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NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2025

1. STATUS AND NATURE OF BUSINESS

The Group comprises of Habib Metropolitan Bank Limited (the holding company), Habib Metropolitan Financial Services Limited and Habib Metropolitan Modaraba Management Company (Private) Limited (wholly owned subsidiary companies) and First Habib Modaraba (managed by Habib Metropolitan Modaraba Management Company (Private) Limited) and HABIBMETRO Exchange Services (Private) Limited.

1.1 Holding Company

Habib Metropolitan Bank Limited (the Bank) was incorporated in Pakistan on 3 August 1992, as a public limited company, under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and is engaged in commercial banking and related services. Its shares are listed on the Pakistan Stock Exchange. The Bank operates 561 (31 December 2024: 551) branches, including 228 (31 December 2024: 223) Islamic banking branches, an offshore branch (Karachi Export Processing Zone branch) and 1 (31 December 2024:1) sub branch in Pakistan. The Bank is a subsidiary of Habib Bank AG Zurich - Switzerland (the holding company with 51% shares in the Bank) which is incorporated in Switzerland.

1.2 Subsidiary Companies

1.2.1 Habib Metropolitan Financial Services Limited - 100% holding

Habib Metropolitan Financial Services Limited was incorporated in Pakistan on 28 September 2007 as a public limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The registered office of the subsidiary company is located at 1st Floor, GPC 2, Block 5, Kehkashan Clifton, Karachi. The subsidiary company is a corporate member of the Pakistan Stock Exchange Limited and engaged in equity brokerage services.

1.2.2 Habib Metropolitan Modaraba Management Company (Private) Limited - 100% holding

Habib Metropolitan Modaraba Management Company (Private) Limited (Modaraba management company) was incorporated in Pakistan on 01 June 2015 as a private limited under the Companies Ordinance, 1984 (now Companies Act, 2017) and Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980. The registered office of the subsidiary company is located at 6th Floor, HBZ Plaza, I.I. Chundrigar Road, Karachi. The Company is the Modaraba Management Company of First Habib Modaraba.

1.2.3 First Habib Modaraba - 15.43% holding

First Habib Modaraba (FHM) is a perpetual, multi-purpose modaraba having its registered office at 6th Floor, HBZ Plaza, I.I. Chundrigar Road, Karachi. It is listed on the Pakistan Stock Exchange and engaged in the business of leasing (Ijarah), Musharaka, Murabaha financing and other related business.

1.2.4 HABIBMETRO Exchange Services Limited - 100% holding

HABIBMETRO Exchange Services Limited, a wholly owned subsidiary of Habib Metropolitan Bank Limited, is incorporated in Pakistan with the objective of dealing in foreign exchange and facilitating remittances. The Company has its registered office at Ground Floor Al Manzoor Building, I.I. Chundrigar Road, Karachi.

2. BASIS OF PRESENTATION

- 2.1 These consolidated condensed interim financial statements represent separate financial statements of the Group. The consolidated financial statements of the Bank and its subsidiary companies are being separately issued.

2.2 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 for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP), as 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) from time to time.

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

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 has deferred the applicability of Islamic Financial Accounting Standard for Profit and Loss Sharing on Deposits (IFAS-3) issued by the 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.

The SBP through BPRD Circular No. 16 dated July 29, 2024 has allowed Islamic banking institutions to follow Islamic Financial Accounting Standards (IFAS) 1 & 2 where applicable and continue existing accounting practices for other Islamic products until further instructions.

The disclosures and presentation made in these consolidated condensed interim financial statements are based on a format prescribed by the SBP vide BPRD Circular Letter No. 2 dated February 09, 2023 and IAS 34, Interim Financial Reporting. They do not include all the disclosures required for annual financial statements, and these consolidated condensed interim financial statements should be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 December 2024.

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

There are certain new and amended standards, interpretations and amendments that are mandatory for the Group's accounting periods beginning on or after January 1, 2025 but are considered not to be relevant or do not have any material effect on the Group's operations.

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

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Group's accounting periods beginning on or after January 1, 2026 but are considered not to be relevant or do not have any material effect on the Group's operations and therefore not detailed in these consolidated condensed interim financial statements.

Furthermore, the following standards, amendments and interpretations with respect to the accounting and reporting standards would be effective from the dates mentioned below against the respective standards, amendments or interpretations:

Standards, interpretations of and amendments:	Effective date (annual periods beginning on or after)
Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 & IFRS 7	1 January 2026
Amendments to IFRS 10 Consolidated Financial Statements	1 January 2026
IFRS 18 - Presentation and Disclosure in Financial Statements	1 January 2027
The above amendments are not expected to have any material impact on the consolidated condensed interim financial statements of the Group.	

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in preparation of these consolidated condensed interim financial statements are consistent with those as applied in the preparation of consolidated annual financial statements of the Group for the year ended December 31, 2024 except for requirements of IFRS 9 relating to unlisted equity instruments, subsidised loans to staff and borrowings from SBP and lendings to customers under SBP Temporary Economic Refinance Facility (TERF) scheme as explained in note 3.1 and 3.2 respectively.

3.1 Unlisted Equity Securities

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

	(Rupees in '000)
Increase in investments	77,830
Increase in deferred tax liabilities	(40,472)
Increase in surplus on revaluation of assets - net of tax	37,358

3.2 IFRS 9 'Financial Instruments' – Restatement of corresponding figures of the current period due to subsequent adjustments on adoption of IFRS 9

The Group adopted IFRS 9 in accordance with the application instructions, effective January 1, 2024, using the modified retrospective approach for restatement as permitted under the standard. In the annual audited financial statements for the year ended December 31, 2024, the cumulative net of tax impact of the initial application amounted to Rs. 461.044 million, which was recorded as an adjustment to equity at the beginning of the comparative accounting period.

Further, pursuant to the extended implementation timelines provided by SBP under BPRD Circular Letter No. 16 dated July 29, 2024, and BPRD Circular Letter No. 01 dated January 22, 2025, the Bank was required to apply fair value measurement to subsidised staff financing, implement modification accounting for financial assets and liabilities, and recognise income using the effective yield rate (EIR) method, with effect from the last quarter of 2024. However, in line with the SBP via its letter no. BPRD/RPD/854478/25 dated February 3, 2025, the recognition of income on EIR has been further deferred till December 31, 2025.

Therefore, the comparative figures for the half year ended June 30, 2024, presented in these consolidated condensed interim statement of profit and loss account, condensed interim statement of comprehensive income and condensed interim statement of changes in equity for the half year ended June 30, 2025, have been restated to reflect the above changes.

The effect of the restatement on the financial statements is summarised below:

30 June 2024				
	Previously reported	Restatement	As re-stated	Description
	Rupees in '000			
Consolidated Condensed Interim Profit and Loss Account				
Mark-up / return / interest earned	121,358,781	1,464,595	122,823,376	Impact of subsidised staff loans and TERF loans.
Mark-up / return / interest expensed	89,810,952	807,266	90,618,218	Impact of subsidised TERF borrowings from SBP.
Net loss on derecognition of financial assets measured at amortised cost	–	(3,602)	(3,602)	Impact of modified loans
Operating expenses	15,475,308	690,072	16,165,380	Impact of amortisation of deferred cost on staff loans
Credit loss allowance and write offs - net	(2,154,899)	90,269	(2,064,630)	Impact on credit loss allowance due to subsidised staff loans and TERF loans.
Profit before taxation	22,844,754	53,924	22,898,678	Impact of restatement
Taxation	(10,905,382)	(29,119)	(10,934,501)	Impact of restatement
Profit after taxation	11,939,372	24,805	11,964,177	Impact of restatement
Basic and diluted earnings per share	11.09	0.03	11.12	Impact of restatement
Consolidated Condensed Interim Statement of Comprehensive Income				
Total comprehensive income	14,625,440	24,805	14,650,245	Impact of restatement
Consolidated Condensed Interim Statement of Changes in Equity				
Unappropriated profit	49,188,364	(190,388)	48,997,976	Impact of restatement

4. BASIS OF MEASUREMENT

These consolidated condensed interim financial statements have been prepared under the historical cost convention except for certain property and equipment and non banking assets acquired in satisfaction of claims which are stated at revalued amounts; certain investments and derivative contracts which have been marked to market and are carried at fair value, obligation in respect of staff retirement benefits and lease liability which have been carried at present value and right of use of assets which are initially measured at an amount equal to corresponding lease liabilities (adjusted for any lease payment and costs) and depreciated over respective lease term.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

6. FINANCIAL RISK MANAGEMENT

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

	Note	30 June 2025 (Un-Audited)	31 December 2024 (Audited)
		Rupees in '000	
7. CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		15,203,345	15,338,554
Foreign currencies		1,582,770	1,462,722
		16,786,115	16,801,276
With State Bank of Pakistan in			
Local currency current accounts		53,832,079	46,257,596
Foreign currencies			
- current accounts		2,690,707	2,321,162
- cash reserve accounts		8,119,799	6,731,041
- deposit accounts - special cash reserve		14,600,246	12,058,642
		79,242,831	67,368,441
With National Bank of Pakistan in			
Local currency			
- current accounts		6,303,830	2,670,896
- deposit accounts		79,803	47,103
		6,383,633	2,717,999
National Prize Bonds		9,224	16,080
Less: Credit loss allowance held against cash and balances with treasury banks - stage 1		(100,408)	(795)
Cash and balances with treasury banks - net of credit loss allowance		102,321,395	86,903,001
8. BALANCES WITH OTHER BANKS			
In Pakistan			
In current accounts		71,472	33,688
In deposit accounts		143,815	3,941
		215,287	37,629
Outside Pakistan			
In current accounts		3,503,157	6,425,438
Less: Credit loss allowance held against balances with other banks - stage 1		(445)	(1,045)
Balances with other banks - net of credit loss allowance		3,717,999	6,462,022
9. LENDINGS TO FINANCIAL INSTITUTIONS			
Call / clean money lendings	9.3	5,817,172	5,571,000
Repurchase agreement lendings (reverse repo)		5,346,000	-
Less: Credit loss allowance held against lendings to financial institutions - stage 1		(198)	(2)
Lendings to financial institutions - net of credit loss allowance		11,162,974	5,570,998
9.1 Particulars of lendings - gross			
In local currency - secured		5,346,000	-
In foreign currency - unsecured		5,817,172	5,571,000
		11,163,172	5,571,000

		30 June 2025 (Un-Audited)		31 December 2024 (Audited)	
		Lending	Credit loss allowance held	Lending	Credit loss allowance held
Rupees in '000					
9.2 Lending to Fls - Particulars of credit loss allowance					
Performing	Stage 1	11,163,172	198	5,571,000	2
Under performing	Stage 2	-	-	-	-
Non-performing	Stage 3	-	-	-	-
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
Total		11,163,172	198	5,571,000	2

9.3 These foreign currency lendings carry mark-up rates ranging from 4.30% to 6.50% (31 December 2024: 7.00% to 7.85%) per annum and are due to mature latest by 18 August 2025 (31 December 2024: 18 February 2025).

10. INVESTMENTS

10.1 Investments by type

	30 June 2025 (Un-Audited)				31 December 2024 (Audited)			
	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
Rupees in '000								
FVTPL								
Federal government securities	46,959,435	-	44,412	47,003,847	42,055,433	-	(10,052)	42,045,381
Non-government debt securities	1,997,463	-	(4,255)	1,993,208	1,997,589	-	(9,249)	1,988,340
Mutual funds	410,912	-	50,469	461,381	3,012,532	-	119,439	3,131,971
Real estate investment trust units	1,814,314	-	1,523,339	3,337,653	1,814,314	-	1,254,365	3,068,679
	51,182,124	-	1,613,965	52,796,089	48,879,868	-	1,354,503	50,234,371
FVOCI								
Federal government securities	675,973,730	-	12,967,934	688,941,664	642,543,228	-	12,481,301	655,024,529
Shares	6,529,788	-	3,752,442	10,282,230	5,336,354	-	3,846,229	9,182,583
Non-government debt securities	9,799,440	(424,600)	(565,178)	8,809,662	9,847,355	(426,154)	(354,523)	9,066,678
	692,302,958	(424,600)	16,155,198	708,033,556	657,726,937	(426,154)	15,973,007	673,273,790
Amortised Cost								
Federal government securities	85,133,400	-	-	85,133,400	83,988,424	-	-	83,988,424
Total investments	828,618,482	(424,600)	17,769,163	845,963,045	790,595,229	(426,154)	17,327,510	807,496,585

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

10.1.1 Investments given as collateral against repo borrowings

The market value of investments given as collateral against borrowings is as follows::

Federal government securities

Market treasury bills	2,918,166	34,402,365
Pakistan investment bonds	166,247,470	191,534,393
	<u>169,165,636</u>	<u>225,936,758</u>

10.2 Credit loss allowance for diminution in value of investments

Opening balance	426,154	307,290
Impact of reclassification on adoption of IFRS 9	-	(219,607)
Impact of ECL recognised on adoption of IFRS 9	-	578
Charge for the period / year	-	337,893
Reversal for the period / year	(1,554)	-
Net (reversal) / charge for the period / year	(1,554)	337,893
Reversal on disposal	-	-
Investment written off	-	-
Closing balance	<u>424,600</u>	<u>426,154</u>

10.3 Particulars of credit loss allowance against debt securities

		30 June 2025 (Un-Audited)		31 December 2024 (Audited)	
		Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
		Rupees in '000			
Category of classification					
Performing	Stage 1	3,000,000	2,616	3,000,000	2,791
Underperforming	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		421,984	421,984	423,363	423,363
		421,984	421,984	423,363	423,363
Total		3,421,984	424,600	3,423,363	426,154

10.4 The market value of federal government securities classified at amortised cost is Rs. 88,646,462 thousand (31 December 2024: 86,187,652 thousand).

11. ADVANCES

	Performing		Non Performing		Total	
	30 June 2025 (Un-Audited)	31 December 2024 (Audited)	30 June 2025 (Un-Audited)	31 December 2024 (Audited)	30 June 2025 (Un-Audited)	31 December 2024 (Audited)
	Rupees in '000					
Loans, cash credits, running finances, etc.	311,930,809	330,110,580	19,469,043	18,633,899	331,399,852	348,744,479
Islamic financing and related assets	152,735,785	121,251,615	3,196,273	3,953,216	155,932,058	125,204,831
Bills discounted and purchased	65,548,644	56,120,237	2,788,238	2,873,698	68,336,882	58,993,935
Advances - gross	530,215,238	507,482,432	25,453,554	25,460,813	555,668,792	532,943,245
Credit loss allowance against advances						
-Stage 1	(1,205,409)	(1,450,792)	-	-	(1,205,409)	(1,450,792)
-Stage 2	(3,299,004)	(4,615,450)	-	-	(3,299,004)	(4,615,450)
-Stage 3	-	-	(25,217,062)	(24,408,347)	(25,217,062)	(24,408,347)
	(4,504,413)	(6,066,242)	(25,217,062)	(24,408,347)	(29,721,475)	(30,474,589)
Advances - net of credit loss allowance	525,710,825	501,416,190	236,492	1,052,466	525,947,317	502,468,656

11.1 Particulars of advances - gross

	30 June 2025 (Un-Audited)	31 December 2024 (Audited)
	Rupees in '000	
In local currency	455,997,853	415,723,896
In foreign currencies	99,670,939	117,219,349
	555,668,792	532,943,245

11.2 Advances include Rs. 25,453,554 thousand (31 December 2024: Rs. 25,460,813 thousand) which have been placed under non-performing / Stage 3 status as detailed below:

	30 June 2025 (Un-Audited)		31 December 2024 (Audited)	
	Non-performing loans	Credit loss allowance	Non-performing loans	Credit loss allowance
	Rupees in '000			
Category of classification in Stage 3				
Domestic				
Other asset especially mentioned	89,192	47,218	230,478	223,854
Substandard	46,153	32,246	481,869	276,615
Doubtful	8,462	6,955	1,901,249	1,190,825
Loss	25,309,747	25,130,643	22,847,217	22,717,053
	25,453,554	25,217,062	25,460,813	24,408,347

11.3 Particulars of credit loss allowance against advances

	30 June 2025 (Unaudited)			31 December 2024 (Audited)				
	Stage 3	Stage 1 & 2	Total	Stage 3	Stage 1 & 2	Specific	General	Total
	Rupees in '000							
Opening balance	24,408,347	6,066,242	30,474,589	–	–	20,033,135	7,325,642	27,358,777
Impact of adoption of IFRS 9 as of 1 January 2024	–	–	–	20,016,316	4,794,026	(20,033,135)	(5,963,784)	(1,186,577)
Charge for the period / year	1,488,165	1,530,322	3,018,487	5,877,489	4,194,437	–	–	10,071,926
Reversals for the period / year	(679,434)	(3,092,151)	(3,771,585)	(1,460,604)	(2,922,221)	–	(1,361,858)	(5,744,683)
Net charge / (reversal) for the period / year	808,731	(1,561,829)	(753,098)	4,416,885	1,272,216	–	(1,361,858)	4,327,243
Amount written off	(16)	–	(16)	(24,854)	–	–	–	(24,854)
Closing balance	25,217,062	4,504,413	29,721,475	24,408,347	6,066,242	–	–	30,474,589

11.4 Consideration of forced sales value (FSV) for the purposes of provisioning against non-performing loans

During the period, the Group decided to not to avail the benefit of Forced Sales Value (FSV) against non-performing loans, as available under BSD Circular No. I of 21 October 2011 issued by the SBP.

11.5 Advances - Particulars of credit loss allowance

	30 June 2025 (Un-Audited)			31 December 2024 (Audited)		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	Rupees in '000					
11.5.1 Opening balance	1,450,792	4,615,450	24,408,347	–	–	–
Impact of adoption of IFRS 9	–	–	–	2,240,046	2,553,980	20,016,316
New advances	469,887	1,369,731	959,906	225,618	2,848,014	309,278
Advances derecognised or repaid	(538,999)	(2,138,914)	(515,739)	(656,019)	(753,998)	(1,444,704)
Transfer to stage 1	91,612	(75,077)	(16,535)	10,281	(10,281)	–
Transfer to stage 2	(68,886)	216,265	(147,379)	(365,348)	392,759	(27,411)
Transfer to stage 3	(4,980)	(201,838)	206,817	(3,786)	(418,619)	422,405
	(51,366)	(829,833)	487,070	(789,254)	2,057,875	(740,432)
Amounts written off / charged off	–	–	–	–	–	(24,854)
Changes in risk parameters	(194,017)	(486,613)	321,645	–	3,595	5,157,317
Closing balance	1,205,409	3,299,004	25,217,062	1,450,792	4,615,450	24,408,347

		30 June 2025 (Un-Audited)		31 December 2024 (Audited)	
		Outstanding amount	Credit loss allowance	Outstanding amount	Credit loss allowance
Rupees in '000					
11.5.2 Advances - Category of classification					
Domestic					
Performing	Stage 1	435,217,625	1,205,409	442,342,520	1,450,792
Underperforming	Stage 2	94,997,613	3,299,004	65,139,912	4,615,450
Non-Performing	Stage 3				
Other assets especially mentioned		89,192	47,218	230,478	223,854
Substandard		46,153	32,246	481,869	276,615
Doubtful		8,462	6,955	1,901,249	1,190,825
Loss		25,309,747	25,130,643	22,847,217	22,717,053
		25,453,554	25,217,062	25,460,813	24,408,347
Total		555,668,792	29,721,475	532,943,245	30,474,589

Note

30 June 2025
(Un-Audited)

31 December 2024
(Audited)

Rupees in '000

12. PROPERTY AND EQUIPMENT

Capital work-in-progress	12.1	586,636	457,063
Property and equipment		16,662,545	16,550,267
		17,249,181	17,007,330
12.1 Capital work-in-progress			
Civil works	12.1.1	310,091	265,241
Advance to suppliers		276,545	191,822
		586,636	457,063

12.1.1 This represents advance against renovation being carried out at various locations.

30 June 2025
(Un-Audited)

30 June 2024
(Audited)

Rupees in '000

12.2 Additions to property and equipment

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

Capital work-in-progress additions - net	129,573	65,486
Property and equipment		
Furniture and fixtures	110,197	152,333
Electrical, office and computer equipment	1,015,528	1,204,178
Vehicles	4,985	54,207
Lease hold improvements	377,935	571,260
	1,508,645	1,981,978
Total	1,638,218	2,047,464

12.3 Disposal of property and equipment

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

	30 June 2025 (Un-Audited)	30 June 2024 (Un-Audited)
Furniture and fixture	204	520
Electrical, office and computer equipment	897	546
Vehicles	11,749	18,904
Total	12,850	19,970

13. RIGHT-OF-USE ASSETS

	30 June 2025 (Un-Audited)	31 December 2024 (Audited)
Cost	15,058,181	12,479,390
Accumulated depreciation	(6,403,736)	(4,854,380)
Net carrying amount as at the start of the period / year	8,654,445	7,625,010
Additions during the period / year	1,012,838	2,654,828
Termination / maturities during the period / year - Cost	(339,441)	(1,658,577)
Termination / maturities during the period / year - Accumulated Depreciation	309,737	1,582,540
Depreciation charge for the period / year	(786,935)	(1,549,356)
Closing carrying amount as at the end of the period / year	8,850,644	8,654,445

14. INTANGIBLE ASSETS

Capital work-in-progress - computer software	243,885	189,576
Computer Software	407,088	510,476
Management rights	41,600	41,600
	692,573	741,652

Computer software

30 June 2025 (Un-Audited)	30 June 2024 (Un-Audited)

14.1 Additions to intangible assets

Capital work-in-progress additions	54,309	10,450
Directly purchased - Computer Software	35,101	392,788
	89,410	403,238

	Note	30 June 2025 (Un-Audited)	31 December 2024 (Audited)
		Rupees in '000	
15. OTHER ASSETS			
Income / mark-up / profit accrued in local currency - net		29,779,596	29,893,936
Income / mark-up / profit accrued in foreign currencies - net		393,384	397,849
Advances, deposits, advance rent and other prepayments		1,339,058	996,202
Advance taxation (payments less provision)		925,857	—
Non-banking assets acquired in satisfaction of claim		2,204,729	2,204,729
Mark-to-market gain on forward foreign exchange contracts		2,663,884	3,974,963
Mark-to-market gain on forward purchase of federal government security transactions		94,642	—
Acceptances		38,068,790	42,480,848
Receivable against rebate and remittances		3,224,488	337,782
Receivable from the SBP against encashment of government securities		94,687	23,182
Stationery and stamps on hand		382,498	339,127
Receivable from 1Link		450,009	2,183,238
Deferred cost on staff loans		5,725,118	4,857,532
Others		821,199	911,436
		86,167,939	88,600,824
Credit loss allowance / provision held against other assets	15.1	(470,738)	(416,280)
Other Assets (Net of credit loss allowance / provision)		85,697,201	88,184,544
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	15.2	2,572,871	2,095,111
Other assets - Total		88,270,072	90,279,655
15.1 Credit loss allowance / provision held against other assets			
Receivable against fraud and forgery		399,054	398,114
Acceptances		71,684	18,166
		470,738	416,280
15.1.1 Movement in credit loss allowance / provision held against other assets			
Opening balance		416,280	377,842
Impact of adoption of IFRS 9		—	88,854
Charge for the period / year		54,458	20,272
Reversal for the period / year		—	(70,688)
Net charge / (reversal) for the period / year		54,458	(50,416)
Closing balance		470,738	416,280
15.1.2 Particulars of Credit loss allowance / provision held against other assets			
Stage 1		7,686	12,518
Stage 2		10,146	5,648
Stage 3 / others		452,906	398,114
		470,738	416,280

15.2 Non-banking assets acquired in satisfaction of claims have been revalued as at June 30, 2025 by M/s Akbani & Javed Associates. The valuation was performed by the independent professional valuer on the basis of assessment of present market values. The revaluation has resulted in an incremental surplus of Rs. 477,760 thousand over the existing revaluation surplus carried in the books. The total surplus arising on revaluation of Non-banking assets acquired in satisfaction of claims as at June 30, 2025 amounted to Rs. 2,572,871 thousand.

	30 June 2025 (Un-Audited)	31 December 2024 (Audited)
	Rupees in '000	
16. BILLS PAYABLE		
In Pakistan	36,851,784	28,378,790
Outside Pakistan	104,047	100,032
	<u>36,955,831</u>	<u>28,478,822</u>
17. BORROWINGS		
Secured		
Borrowings from the State Bank of Pakistan under:		
Export refinance scheme	53,938,874	59,242,166
Long term financing facility - renewable energy scheme	1,935,977	2,177,048
Long term financing facility	13,626,423	15,438,369
Temporary economic refinance facility	18,029,774	19,682,235
Long term financing facility - for storage of agricultural produce scheme	755,613	750,064
Refinance facility for modernization of SME	292,731	219,918
Refinance facility for combating COVID-19	10,736	18,881
Refinance and credit guarantee scheme for women entrepreneurs	55,032	59,816
	<u>88,645,160</u>	<u>97,588,497</u>
Repurchase agreement borrowings (Repo) - secured	163,801,819	225,809,401
Total secured	<u>252,446,979</u>	<u>323,397,898</u>
Unsecured		
Certificates of investment	18,473,093	13,922,552
Call borrowing	-	100,000
Musharaka borrowing	6,292,861	6,291,111
Overdrawn nostro accounts	10,743,549	6,512,870
Total unsecured	<u>35,509,503</u>	<u>26,826,533</u>
Total borrowings	<u>287,956,482</u>	<u>350,224,431</u>

18. DEPOSITS AND OTHER ACCOUNTS

	30 June 2025 (Un-Audited)			31 December 2024 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000					
Customers						
Current deposits	351,122,875	68,107,233	419,230,108	335,112,480	64,648,144	399,760,624
Savings deposits	314,512,154	16,183,905	330,696,059	291,966,864	16,914,294	308,881,158
Term deposits	89,648,969	86,362,843	176,011,812	120,803,951	47,383,383	168,187,334
Others	46,524,710	4,321	46,529,031	29,656,415	240,192	29,896,607
	<u>801,808,708</u>	<u>170,658,302</u>	<u>972,467,010</u>	<u>777,539,710</u>	<u>129,186,013</u>	<u>906,725,723</u>
Financial institutions						
Current deposits	5,404,459	1,681,978	7,086,437	3,150,604	1,510,900	4,661,504
Savings deposits	81,257,058	-	81,257,058	12,587,401	-	12,587,401
Term deposits	237,703	22,893	260,596	1,230,888	22,473	1,253,361
	<u>86,899,220</u>	<u>1,704,871</u>	<u>88,604,091</u>	<u>16,968,893</u>	<u>1,533,373</u>	<u>18,502,266</u>
	<u>888,707,928</u>	<u>172,363,173</u>	<u>1,061,071,101</u>	<u>794,508,603</u>	<u>130,719,386</u>	<u>925,227,989</u>

	30 June 2025 (Un-Audited)	31 December 2024 (Audited)
	Rupees in '000	
19. LEASE LIABILITIES		
Opening balance	10,519,685	9,086,176
Addition during the period / year	1,012,838	2,654,829
Deletion during the period / year	(29,268)	(100,550)
Lease payments including interest	(1,242,093)	(2,331,748)
Interest expense	636,183	1,210,978
Closing balance	10,897,345	10,519,685

19.1. Liabilities Outstanding

Not later than one year	1,146,077	1,058,867
Later than one year and upto five years	5,491,010	5,191,901
Over five years	4,260,258	4,268,917
Total as at the period / year end	10,897,345	10,519,685

Aggregate 12.36% (31 December 2024: 12.38%) is used as discounting factor for the calculation of lease liabilities.

	30 June 2025 (Un-Audited)	31 December 2024 (Audited)
	Rupees in '000	
20. DEFERRED TAX LIABILITIES / (ASSETS)		
Deductible temporary differences on		
- Credit loss allowance for diminution in value of investments	(220,813)	(225,889)
- Credit loss allowance against advances	(3,060,285)	(5,741,218)
- Credit loss allowance against off-balance sheet obligations	(1,275,246)	(275,224)
- Credit loss allowance - Others	(215,481)	(415,382)
- Right-of-use assets and related lease liabilities	(687,862)	-
- Accelerated tax depreciation	(544,651)	(396,350)
- Deferred liability on defined benefit plan	(81,861)	(31,287)
- Surplus on revaluation of investments	8,377,047	8,439,796
- Others	-	(5,613)
	2,290,848	1,348,833
Taxable temporary differences on		
- Surplus on revaluation of property and equipment	1,265,950	1,373,992
	3,556,798	2,722,825

	Note	30 June 2025 (Un-Audited)	31 December 2024 (Audited)
		Rupees in '000	
21. OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		11,599,917	15,857,346
Mark-up / return / interest payable in foreign currencies		1,497,053	973,600
Unearned commission and income on bills discounted		1,159,026	1,016,338
Accrued expenses		3,367,832	2,782,577
Current taxation (provision less payments)		–	6,307,392
Acceptances		38,068,790	42,480,848
Clearing and settlement account		344,692	812,976
Unclaimed dividend		124,808	225,552
Dividend payable		15,400	15,504
Branch adjustment account		13,960	8,944
Mark-to-market loss on forward foreign exchange contracts		2,369,812	3,275,493
Provision for compensated absences		423,493	356,893
Deferred liability on defined benefit plan		320,195	121,020
Credit loss allowance against off-balance sheet obligations	21.1	2,286,990	353,883
Workers' welfare fund	21.2	5,474,278	4,959,413
Charity fund		1,478	458
Excise duty payable		3,232	2,920
Locker deposits		987,039	965,722
Advance against diminishing musharaka		347,544	7,693
Advance rental for ijarah		19,655	19,695
Security deposits against leases / ijarah		184,500	197,598
Sundry creditors		5,549,572	4,861,212
Withholding tax / duties		1,057,279	1,496,718
Deferred grant income		118,257	147,275
Others		1,877,251	270,872
		77,212,053	87,517,942

21.1 Credit loss allowance against off-balance sheet obligations

Opening balance	353,883	32,583
Impact of adoption of IFRS 9	–	519,290
Charge for the period / year	1,933,107	–
Reversal for the period / year	–	(197,990)
Net charge / (reversal) for the period / year	1,933,107	(197,990)
Closing balance	<u>2,286,990</u>	<u>353,883</u>

21.1.1 Particulars of Credit loss allowance against off-balance sheet obligations

Stage 1	29,510	40,098
Stage 2	110,885	127,985
Stage 3	2,146,595	185,800
	<u>2,286,990</u>	<u>353,883</u>

21.2 Under the Workers' Welfare Ordinance 1971, the Bank is liable to pay workers' welfare fund (WWF) @ 2% of accounting profit before tax or taxable income, whichever is higher. The Bank has made full provision for WWF based on profit for the respective years.

The Supreme Court of Pakistan vide its order dated 10 November 2016 has held that the amendments made in the law introduced by the Federal Government for the levy of WWF were not lawful. The Federal Board of Revenue has filed review petitions against this order which are currently pending.

Legal advice obtained on the matter indicates that consequent to filing of these review petitions the judgement may not currently be treated as conclusive. Accordingly the Bank maintains its provision in respect of WWF.

	Note	30 June 2025 (Un-Audited)	31 December 2024 (Audited)
Rupees in '000			
22. SURPLUS ON REVALUATION OF ASSETS - NET OF TAX			
Surplus on revaluation of			
- Securities measured at FVOCI - Debt	10.1	12,402,756	12,126,778
- Securities measured at FVOCI - Equity	10.1	3,752,442	3,846,229
- Property and equipment		5,993,919	6,151,836
- Non-banking assets acquired in satisfaction of claims		2,572,871	2,095,111
		24,721,988	24,219,954
Less: Deferred tax on surplus on revaluation of			
- Securities measured at FVOCI - Debt		6,449,432	6,426,965
- Securities measured at FVOCI - Equity		1,927,615	2,012,831
- Property and equipment		1,265,950	1,373,992
- Non-banking assets acquired in satisfaction of claims		-	-
		(9,642,997)	(9,813,788)
		15,078,991	14,406,166
Less: Surplus pertaining to non-controlling interest		(30,063)	(34,870)
Surplus pertaining to equity holder's share		15,048,928	14,371,296

	Note	30 June 2025 (Un-Audited)	31 December 2024 (Restated)
Rupees in '000			
23. CONTINGENCIES AND COMMITMENTS			
Guarantees	23.1	161,863,113	152,625,779
Commitments	23.2	768,407,156	796,313,394
Other contingent liabilities	23.3	2,880,338	2,986,394
		933,150,607	951,925,567
23.1 Guarantees			
Financial guarantees		38,501,569	33,303,405
Performance guarantees		57,324,160	55,070,186
Other guarantees		66,037,384	64,252,188
		161,863,113	152,625,779

	Note	30 June 2025 (Un-Audited)	31 December 2024 (Restated)
		Rupees in '000	
23.2 Commitments			
Documentary credits and short-term trade-related transactions:			
Letters of credit		165,409,747	229,691,020
Commitments in respect of:			
Forward foreign exchange contracts	23.2.1	578,185,580	547,663,058
Forward Government security transactions	23.2.2	22,728,620	16,393,540
Forward lendings	23.2.3	1,446,408	1,943,000
Commitments in respect of:			
Acquisition of property and equipment		636,801	622,776
		<u>768,407,156</u>	<u>796,313,394</u>

23.2.1 Commitments in respect of forward foreign exchange contracts

Purchase	305,016,226	260,615,930
Sale	<u>273,169,354</u>	<u>287,047,128</u>
	<u>578,185,580</u>	<u>547,663,058</u>

23.2.2 Commitments in respect of forward federal Government security transactions

Purchase	22,728,620	16,393,540
Sale	—	—
	<u>22,728,620</u>	<u>16,393,540</u>

23.2.3 Commitments in respect of forward lendings

The Group has made commitments to extend credit in the normal course of its business, but none of these commitments are irrevocable and do not attract any penalty if the facility is unilaterally withdrawn, except for:

	Note	30 June 2025 (Un-Audited)	31 December 2024 (Audited)
		Rupees in '000	
Commitments in respect of syndicate financing		237,476	388,000
Commitments in respect of other financing transactions		<u>1,208,932</u>	<u>1,555,000</u>
		<u>1,446,408</u>	<u>1,943,000</u>
23.3 Other contingent liabilities			
Claims against bank not acknowledged as debt	23.3.1	2,880,338	2,880,338
Foreign Exchange repatriation case		—	106,056
		<u>2,880,338</u>	<u>2,986,394</u>

23.3.1 These mainly represent counter claims by borrowers for damages. Based on legal advice and internal assessments, management is confident that the matters will be decided in the Group's favour and the possibility of any adverse outcome is remote. Accordingly, no provision has been made in these consolidated condensed interim financial statements.

24. DERIVATIVE FINANCIAL INSTRUMENTS

The holding company deals in derivative financial instruments namely forward foreign exchange contracts and foreign currency swaps with the principal view of hedging the risks arising from its trade business.

As per the holding company's policy, these contracts are reported on their fair value at the statement of financial position date. The gains and losses from revaluation of these contracts are included under "Foreign exchange income". Mark to market gains and losses on these contracts are recorded on the statement of financial position under "other assets / other liabilities".

These products are offered to the holding company's customers to protect from unfavorable movements in foreign currencies. The holding company hedges such exposures in the inter-bank foreign exchange market.

These positions are reviewed on a regular basis by the holding company's Asset and Liability Committee (ALCO).

24.1 Product Analysis

		Forward foreign exchange contracts	
		30 June 2025 (Un-Audited)	31 December 2024 (Audited)
Counter Parties		Notional Principal	Mark to Market Gain / (Loss)
		Rupees in '000	
Banks			
Hedging		477,637,424	(549,832)
Other Entities			
Hedging		100,548,156	843,904
Total			
Hedging		578,185,580	294,072

Note 30 June 2025 30 June 2024 (Restated)
(Un-Audited)

Rupees in '000

25. MARK-UP / RETURN / INTEREST EARNED

Loans and advances		30,821,272	39,025,878
Investments	25.1	50,997,399	82,012,975
Lending with financial institutions		1,823,787	1,507,610
Balances with banks		221,691	276,913
		83,864,149	122,823,376

30 June 2025 30 June 2024

(Un-Audited)

Rupees in '000

25.1 Interest income (calculated using effective interest rate method) recognised on:

Financial assets measured at amortised cost;	5,482,306	7,045,366
Financial assets measured at FVTPL	3,660,658	1,961,808
Financial assets measured at FVOCI	41,854,435	73,005,801
	50,997,399	82,012,975

30 June 2025 30 June 2024

(Un-Audited)

Rupees in '000

26. MARK-UP / RETURN / INTEREST EXPENSED

Deposits	27,216,920	61,735,481
Borrowings	18,047,375	24,093,614
Cost of foreign currency swaps against foreign currency deposits / borrowings	1,935,791	4,226,265
Lease liabilities against right-of-use assets	634,313	562,858
	47,834,399	90,618,218

	Note	30 June 2025	30 June 2024
		(Un-Audited)	
		Rupees in '000	
27. FEE & COMMISSION INCOME			
Branch banking customer fees		736,967	647,249
Credit related fees		22,457	21,997
Card related fees		650,181	382,154
Commission on trade		3,206,163	3,077,959
Commission on guarantees		658,297	538,449
Commission on remittances including home remittances		38,037	27,561
Commission on bancassurance		79,438	54,688
Commission on cash management		103,238	81,575
Investment Banking Fee		55,031	26,781
Others		77,667	58,809
		<u>5,627,476</u>	<u>4,917,222</u>
28. GAIN ON SECURITIES - NET			
Realised	28.1	1,051,603	3,827
Unrealised - Measured at FVTPL		240,522	681,758
Unrealised - forward purchase of federal government security transactions		94,642	-
		<u>1,386,767</u>	<u>685,585</u>
28.1 Realised gain / (loss) on:			
Federal government securities - net		953,628	(5,496)
Mutual funds - net		97,975	-
Real estate investment trust - net		-	9,323
		<u>1,051,603</u>	<u>3,827</u>
28.2 Net gain / (loss) on financial assets / liabilities measured at FVTPL:			
Designated upon initial recognition		-	-
Mandatorily measured at FVTPL		903,387	875,302
		<u>903,387</u>	<u>875,302</u>
Net gain / (loss) on financial assets measured at FVOCI - Debt		483,380	(189,717)
		<u>1,386,767</u>	<u>685,585</u>
29. OTHER INCOME			
Rent on properties		11,659	13,801
Gain on sale of fixed assets - net		31,910	36,834
Gain on sale of ijarah assets - net		36,760	33,399
Staff notice period and other recoveries		58	871
		<u>80,387</u>	<u>84,905</u>

	30 June 2025	30 June 2024 (Restated)
	(Un-Audited)	
	Rupees in '000	
30. OPERATING EXPENSES		
Total compensation expense	8,153,720	6,920,933
Property expense		
Rent & taxes	63,140	40,066
Insurance	9,996	6,322
Utilities cost	632,496	624,196
Security	694,042	513,961
Repair & maintenance	602,454	430,140
Depreciation on property and equipment	549,202	498,022
Depreciation on right-of-use assets	786,935	750,360
	3,338,265	2,863,067
Information technology expenses		
Software maintenance	711,630	365,445
Hardware maintenance	236,610	233,561
Depreciation	337,289	249,923
Amortisation	140,179	118,431
Network charges	243,707	159,612
	1,669,415	1,126,972
Other operating expenses		
Directors' fees and allowances	14,789	12,233
Fees and allowances to Shariah Board	18,414	15,379
Legal & professional charges	149,455	206,830
Outsourced services costs	225,841	177,900
Travelling & conveyance	639,500	414,968
NIFT clearing charges	72,922	47,856
Depreciation	497,503	422,930
Training & development	40,054	24,384
Postage & courier charges	98,268	95,336
Communication	481,999	342,645
Subscription	495,687	421,933
Repair & maintenance	139,130	154,831
Brokerage & commission	107,688	88,015
Stationery & printing	231,522	261,542
Marketing, advertisement & publicity	370,295	446,290
Management fee	1,057,698	538,186
Insurance	797,489	725,387
Donations	263,300	219,976
Auditor's Remuneration	30,719	22,625
Security	255,547	215,855
Others	744,823	399,307
	6,732,643	5,254,408
	19,894,043	16,165,380

		30 June 2025	30 June 2024
		(Un-Audited)	
		Rupees in '000	
31. OTHER CHARGES			
Penalties imposed by the SBP		<u>287,897</u>	<u>72,788</u>
	Note	30 June 2025	30 June 2024 (Restated)
		(Un-Audited)	
		Rupees in '000	
32. CREDIT LOSS ALLOWANCE & WRITE OFFS - NET			
Credit loss allowance against cash and balances with banks		99,013	120,081
Credit loss allowance against lending to financial institutions		196	1,171
Credit loss allowance for diminution in value of investments	10.2	(1,554)	381,586
Credit loss allowance against loans & advances	11.3	(753,098)	1,448,002
Credit loss allowance against other assets		54,458	32,784
Credit loss allowance against off balance sheet obligations		1,933,107	81,006
Recovery of written off / charged off bad debts		(211,842)	-
		<u>1,120,280</u>	<u>2,064,630</u>
33. TAXATION			
Current			
- For the period		12,413,608	10,615,015
- Prior year		579,141	-
		12,992,749	10,615,015
Deferred			
- For the period		1,686,670	319,486
- Prior year		(757,617)	-
		929,053	319,486
		<u>13,921,802</u>	<u>10,934,501</u>
34. BASIC AND DILUTED EARNINGS PER SHARE			
Profit attributable to equity shareholders of the holding company		<u>11,636,778</u>	<u>11,647,884</u>
		Number in '000	
Weighted average number of ordinary shares		<u>1,047,831</u>	<u>1,047,831</u>
		Rupees	
Basic and diluted earnings per share		<u>11.11</u>	<u>11.12</u>

35. FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than investment those classified as amortised cost, is based on quoted market price. Quoted securities classified as amortised cost are carried at cost. The fair value of unquoted equity securities 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.

The fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since they are either short-term in nature or, in the case of customer advances, deposits and certain long term borrowings are frequently repriced.

35.1 Fair value of financial assets

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

- Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or 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:

On balance sheet financial instruments

	30 June 2025 (Un-Audited)			
	Fair value			
	Level 1	Level 2	Level 3	Total
	Rupees in '000			
Financial assets measured at fair value				
Investments				
- Federal Government securities	95,931,500	640,014,011	-	735,945,511
- Non Government debt securities	-	10,802,870	-	10,802,870
- Shares				
- Listed companies	10,156,079	-	-	10,156,079
- Unlisted companies	-	-	126,151	126,151
- Mutual funds	461,381	-	-	461,381
- Real estate investment trust	3,337,653	-	-	3,337,653

Financial assets - disclosed but not measured at fair value

Investments				
- Federal Government securities	-	88,646,462	-	88,646,462
	109,886,613	739,463,343	126,151	849,476,107

Off-balance sheet financial instruments measured at fair value

Forward purchase of foreign exchange contracts	-	306,791,114	-	306,791,114
Forward sale of foreign exchange contracts	-	271,688,538	-	271,688,538
Forward purchase of federal Government security transactions	-	22,823,262	-	22,823,262

On balance sheet financial instruments

31 December 2024 (Audited)				
Fair value				
	Level 1	Level 2	Level 3	Total
	Rupees in '000			
Financial assets measured at fair value				
Investments				
- Federal Government securities	74,378,500	622,691,410	–	697,069,910
- Non Government debt securities	–	11,055,018	–	11,055,018
- Shares				
- Listed companies	9,131,014	–	–	9,131,014
- Unlisted companies	–	–	51,569	51,569
- Mutual funds	3,131,971	–	–	3,131,971
- Real estate investment trust	3,068,679	–	–	3,068,679

Financial assets - disclosed but not measured at fair value

Investments				
- Federal Government securities		86,187,652	–	86,187,652
	89,710,164	719,934,080	51,569	809,695,813

Off-balance sheet financial instruments measured at fair value

Forward purchase of foreign exchange contracts	–	257,959,904	–	257,959,904
Forward sale of foreign exchange contracts	–	290,402,624	–	290,402,624
Forward purchase of federal Government security transactions	–	16,393,540	–	16,393,540

35.2 Fair value of non-financial assets

	30 June 2025 (Un-Audited)			
	Fair value			
	Level 1	Level 2	Level 3	Total
	Rupees in '000			
Non-financial assets measured at fair value				
– Property and equipment	–	10,328,986	–	10,328,986
– Non-banking assets acquired in satisfaction of claim	–	4,299,840	–	4,299,840
	–	14,628,826	–	14,628,826

	31 December 2024 (Audited)			
	Fair value			
	Level 1	Level 2	Level 3	Total
	Rupees in '000			
Non-financial assets measured at fair value				
– Property and equipment	–	10,015,686	–	10,015,686
– Non-banking assets acquired in satisfaction of claim	–	4,299,840	–	4,299,840
	–	14,315,526	–	14,315,526

35.3 Valuation techniques used in determination of fair valuation of financial instruments within level 2 and level 3

Federal government debt securities	The fair value of government securities are valued using PKRV, PKFRV, PKISRV and PSX rates.
Debt securities other than federal government securities	The fair value is determined using the prices / rates available on Mutual Funds. Association of Pakistan (MUFAP) / Reuters website and PSX.
Unquoted equity securities	The fair value is determined using replacement price determined by the company or where the shares can be surrendered.
Forward contracts	The fair values are derived using forward exchange rates applicable to their respective remaining maturities.
Mutual funds	The fair value is determined based on the net asset values published at the close of each business day.

Valuation techniques used in determination of fair values of non-financial assets within level 3

Property and equipment and non-banking assets acquired in satisfaction of claim	<p>Property and equipment and non-banking assets are valued by professionally qualified valutors. The valuation is based on their assessment of the market value of the assets. In determining the valuation for land and building the valuer refers to numerous independent market inquiries from local estate agents / realtors in the vicinity to establish the present market value. The fair valuation of land and building are considered to represent a level 2 valuation based on significant non-observable inputs being the location and condition of the assets.</p> <p>The fair value is subject to change owing to changes in input. However, management does not expect there to be a material sensitivity to the fair value arising from the non-observable inputs.</p>
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36. SEGMENT INFORMATION

36.1. Segment details with respect to business activities

	30 June 2025 (Un-Audited)				
	Trade & Sales	Retail Banking	Commercial Banking	Islamic Banking	Total
	Rupees in '000				
Profit and Loss					
Net mark-up/return/profit	30,267,005	(9,071,494)	6,147,777	8,686,462	36,029,750
Inter segment revenue - net	(20,344,536)	15,236,049	5,108,487	-	-
Non mark-up / return / interest income	6,072,868	630,103	4,233,706	795,129	11,731,806
Total Income	15,995,337	6,794,658	15,489,970	9,481,591	47,761,556
Segment direct expenses	(412,906)	-	-	-	(412,906)
Inter segment expense allocation	-	(4,988,147)	(10,219,968)	(5,090,908)	(20,299,023)
Total expenses	(412,906)	(4,988,147)	(10,219,968)	(5,090,908)	(20,711,929)
Credit loss allowance	626	2,110	(2,358,505)	1,235,489	(1,120,280)
Profit before tax	15,583,057	1,808,621	2,911,497	5,626,172	25,929,347
Balance Sheet					
Cash and bank balances	3,700,521	25,745,092	51,720,343	24,873,438	106,039,394
Investments - net	694,794,471	-	-	151,168,574	845,963,045
Net inter segment lending	-	408,410,170	71,354,406	-	479,764,576
Lendings to financial institutions	11,162,974	-	-	-	11,162,974
Advances - performing	-	10,490,773	400,568,248	119,156,217	530,215,238
Advances - non-performing	-	624,345	21,739,550	3,089,659	25,453,554
Credit loss allowance against advances	-	(607,143)	(24,688,168)	(4,426,164)	(29,721,475)
Others	18,737,311	7,872,007	63,873,291	24,579,861	115,062,470
Total assets	728,395,277	452,535,244	584,567,670	318,441,585	2,083,939,776
Borrowings	174,545,368	-	86,183,082	27,228,032	287,956,482
Deposits and other accounts	-	392,447,250	415,347,330	253,276,521	1,061,071,101
Net inter segment borrowing	479,764,576	-	-	-	479,764,576
Others	9,904,074	18,925,333	76,675,982	23,116,638	128,622,027
Total liabilities	664,214,018	411,372,583	578,206,394	303,621,191	1,957,414,186
Net Assets	64,181,259	41,162,661	6,361,276	14,820,394	126,525,590
Equity					126,525,590
Contingencies and commitments	578,185,580	-	321,607,768	33,357,259	933,150,607

30 June 2024 (Un-Audited & Restated)					
	Trade & Sales	Retail Banking	Commercial Banking	Islamic Banking	Total
	Rupees in '000				
Profit and Loss					
Net mark-up/return/profit	59,457,804	(22,695,398)	(11,318,262)	6,761,014	32,205,158
Inter segment revenue - net	(71,770,557)	45,219,507	26,551,050	–	–
Non mark-up / return / interest income	4,501,272	266,819	4,163,241	527,074	9,458,406
Total Income	(7,811,481)	22,790,928	19,396,029	7,288,088	41,663,564
Segment direct expenses	(464,373)	–	–	–	(464,373)
Inter segment expense allocation	–	(4,034,995)	(8,868,548)	(3,332,340)	(16,235,883)
Total expenses	(464,373)	(4,034,995)	(8,868,548)	(3,332,340)	(16,700,256)
Credit loss allowance	(381,797)	(35,498)	(432,783)	(1,214,552)	(2,064,630)
Profit before tax	(8,657,651)	18,720,435	10,094,698	2,741,196	22,898,678
31 December 2024 (Audited)					
	Trade & Sales	Retail Banking	Commercial Banking	Islamic Banking	Total
	Rupees in '000				
Balance Sheet					
Cash and bank balances	6,522,567	25,145,136	46,725,795	14,971,525	93,365,023
Investments - net	660,476,083	–	–	147,020,502	807,496,585
Net inter segment lending	–	379,807,962	27,488,264	–	407,296,226
Lendings to financial institutions	5,570,998	–	–	–	5,570,998
Advances - performing	–	15,855,835	398,759,133	92,867,464	507,482,432
Advances - non-performing	–	336,133	21,984,981	3,139,699	25,460,813
Credit loss allowance against advances	–	(603,370)	(24,209,577)	(5,661,642)	(30,474,589)
Others	21,655,600	12,192,814	64,717,515	18,117,153	116,683,082
Total assets	694,225,248	432,734,510	535,466,111	270,454,701	1,932,880,570
Borrowings	232,483,335	–	88,846,547	28,894,549	350,224,431
Deposits and other accounts	–	374,480,521	345,352,420	205,395,048	925,227,989
Net inter segment borrowing	407,296,226	–	–	–	407,296,226
Others	3,687,896	18,151,910	88,505,839	18,893,629	129,239,274
Total liabilities	643,467,457	392,632,431	522,704,806	253,183,226	1,811,987,920
Net Assets	50,757,791	40,102,079	12,761,305	17,271,475	120,892,650
Equity					120,892,650
Contingencies and commitments	547,663,058	–	359,619,498	44,643,011	951,925,567

37. TRANSACTIONS WITH RELATED PARTIES

The Group has related party relationships with its ultimate parent company, associates, companies with common directorship, key management personnel, directors and employees' retirement benefit plans.

The Group enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions in respect of charge for employees' retirement benefits are made in accordance with actuarial valuation and terms of contribution plan. Salaries and allowances of the key management personnel are in accordance with the terms of their employment. Other transactions are at agreed terms.

Details of transactions with related parties during the period are as follows:

	30 June 2025 (Un-Audited)					
	Ultimate parent company	Associates	Key management personnel	Directors	Retirement benefit plans	Total
	Rupees in '000					
Balances with other banks						
In current accounts	273,110	149,205	-	-	-	422,315
Advances						
Opening balance	-	6,504,983	331,041	-	-	6,836,024
Addition during the period	-	44,399,461	35,393	-	-	44,434,854
Repaid during the period	-	(41,822,561)	(29,197)	-	-	(41,851,758)
Closing balance	-	9,081,883	337,237	-	-	9,419,120
Other Assets						
Mark-up / return / interest receivable	-	53,453	-	-	-	53,453
Dividend receivable						
Prepayments / advance deposits / other receivables	468	32,489	-	-	-	32,957
	468	85,942	-	-	-	86,410
Deposits and other accounts						
Opening balance	231,356	5,396,117	224,702	967,344	2,340,225	9,159,744
Received during the period	7,467,117	1,655,385,173	729,079	1,427,601	1,636,428	1,666,645,398
Withdrawn during the period	(7,444,278)	(1,643,794,527)	(633,850)	(1,378,188)	(2,108,334)	(1,655,359,177)
Closing balance	254,195	16,986,763	319,931	1,016,757	1,868,319	20,445,965
Other Liabilities						
Mark-up / return / interest payable	-	120,691	5,669	15,355	217,915	359,630
Management fee payable for technical and consultancy services *	277,372	-	-	-	-	277,372
Other payables	-	2,719	-	955	314,067	317,741
	277,372	123,410	5,669	16,310	531,982	954,743
Contingencies and commitments						
Transaction-related contingent liabilities	-	18,496,889	-	-	-	18,496,889
Trade-related contingent liabilities	-	3,561,701	-	-	-	3,561,701
	-	22,058,590	-	-	-	22,058,590

* Management fee is as per the agreement with the holding company .

31 December 2024 (Audited)

	Ultimate parent company	Associates	Key management personnel	Directors	Retirement benefit plans	Total
	Rupees in '000					
Balances with other banks						
In current accounts	322,178	277,533	–	–	–	599,711
Advances						
Opening balance	–	5,709,339	290,151	–	–	5,999,490
Addition during the year	–	134,111,594	124,870	–	–	134,236,464
Repaid during the year	–	(133,315,950)	(83,980)	–	–	(133,399,930)
Closing balance	–	6,504,983	331,041	–	–	6,836,024
Other Assets						
Mark-up / return / interest receivable	–	31,360	–	–	–	31,360
Prepayments / advance deposits / other receivables	468	67,006	–	–	–	67,474
	468	98,366	–	–	–	98,834
Deposits and other accounts						
Opening balance	242,044	25,121,296	319,529	822,094	1,579,294	28,084,257
Received during the year	19,784,319	2,786,807,658	1,534,947	3,140,332	6,936,984	2,818,204,240
Withdrawn during the year	(19,795,007)	(2,806,532,836)	(1,629,774)	(2,995,082)	(6,176,053)	(2,837,128,752)
Closing balance	231,356	5,396,118	224,702	967,344	2,340,225	9,159,745
Other Liabilities						
Mark-up / return / interest payable	–	102,296	10,616	8,566	220,238	341,716
Management fee payable for technical and consultancy services *	–	–	–	–	–	–
Other payables	–	900	–	995	117,071	118,966
	–	103,196	10,616	9,561	337,309	460,682
Contingencies and commitments						
Transaction-related contingent liabilities	–	13,955,479	–	–	–	13,955,479
Trade-related contingent liabilities	–	6,073,667	–	–	–	6,073,667
	–	20,029,146	–	–	–	20,029,146

* Management fee is as per the agreement with the holding company.

Transactions during the period

	For the period ended 30 June 2025 (Un-Audited)				
	Ultimate parent company	Associates	Key management personnel	Directors	Retirement benefit plans
	Rupees in '000				
Income					
Mark-up / return / interest earned	-	69,894	8,897	-	-
Fee and commission income	-	366,305	-	65	9
Rent income	2,808	5,170	-	-	-
Expense					
Mark-up / return / interest expensed	-	216,708	8,840	30,825	366,392
Commission / brokerage / bank charges paid	446	1,604	-	-	-
Salaries and allowances	-	-	472,150	-	-
Directors' fees and allowances	-	-	-	14,789	-
Charge to defined benefit plan	-	-	-	-	182,958
Contribution to defined contribution plan	-	-	-	-	219,262
Insurance premium expenses	-	25,755	-	-	-
Management fee expense for technical and consultancy services*	1,039,235	-	-	-	-

* Management fee is as per the agreement with the holding company.

Transactions during the period

	For the period ended 30 June 2024 (Un-Audited)				
	Ultimate parent company	Associates	Key management personnel	Directors	Retirement benefit plans
	Rupees in '000				
Income					
Mark-up / return / interest earned	–	43,610	7,525	–	–
Fee and commission income	93	492,843	–	133	7
Rent income	2,808	5,170	–	–	–
Expenses					
Mark-up / return / interest expensed	–	1,523,284	22,173	42,976	144,479
Commission / brokerage / bank charges paid	101	1,411	–	–	–
Salaries and allowances	–	–	390,615	–	–
Directors' fees and allowances	–	–	–	13,446	–
Charge to defined benefit plan	–	–	–	–	166,325
Contribution to defined contribution plan	–	–	–	–	190,062
Insurance premium expenses	–	30,525	–	–	–
Management fee expense for technical and consultancy services*	538,186	–	–	–	–
Donation	–	960	–	–	–

* Management fee is as per the agreement with the holding company.

38. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	30 June 2025 (Un-Audited)	31 December 2024 (Audited)
	Rupees in '000	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	10,478,315	10,478,315
Capital Adequacy Ratio (CAR):		
Eligible common equity tier 1 (CET 1) Capital	105,519,793	100,906,644
Eligible additional tier 1 (ADT 1) Capital	60,073	51,609
Total eligible tier 1 capital	105,579,866	100,958,253
Eligible tier 2 capital	17,110,656	18,293,582
Total eligible capital (tier 1 + tier 2)	122,690,522	119,251,835
Risk Weighted Assets (RWAs):		
Credit risk	520,508,512	474,510,547
Market risk	5,559,375	9,158,527
Operational risk	147,822,438	147,822,438
Total	673,890,325	631,491,512
CET 1 capital adequacy ratio	15.66%	15.98%
Tier 1 capital adequacy ratio	15.67%	15.99%
Total capital adequacy ratio	18.21%	18.88%
Minimum capital requirements prescribed by SBP		
CET 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%

The Group use simple, maturity method and basic indicator approach for credit risk, market risk and operational risk exposures respectively in the capital adequacy calculation.

Leverage Ratio (LR):

Eligible tier-1 capital	105,579,866	100,958,253
Total exposures	2,039,575,901	1,974,617,349
Leverage ratio	5.18%	5.11%

39. ISLAMIC BANKING BUSINESS

The bank is operating 228 (31 December 2024: 223) Islamic banking branches and 190 (31 December 2024: 190) Islamic banking windows at the end of the period.

	Note	30 June 2025 (Un-Audited)	31 December 2024 (Audited)
		Rupees in '000	
ASSETS			
Cash and balances with treasury banks		24,827,523	14,936,606
Balances with other banks		45,915	34,919
Due from financial institutions		–	–
Investments	39.1	151,168,574	147,020,502
Islamic financing and related assets – net	39.2	117,819,712	90,345,521
Property and equipment		759,953	800,502
Right-of-use assets		3,183,199	3,055,711
Intangible assets		–	–
Due from Head Office		9,224,187	5,167,862
Other assets		11,412,522	9,093,078
Total Assets		318,441,585	270,454,701
LIABILITIES			
Bills payable		8,244,745	6,374,863
Due to financial institutions		27,228,032	28,894,549
Deposits and other accounts	39.3	253,276,521	205,395,048
Due to Head Office		–	–
Lease liabilities		3,909,386	3,696,838
Subordinated debt		–	–
Deferred tax liabilities		1,266,415	1,754,446
Other liabilities		9,696,092	8,821,928
		303,621,191	254,937,672
NET ASSETS		14,820,394	15,517,029
REPRESENTED BY			
Islamic Banking Fund		11,007,094	11,006,964
Reserves		–	–
Surplus on revaluation of assets		1,168,999	1,635,769
Unappropriated profit	39.4	2,644,301	2,874,296
		14,820,394	15,517,029
CONTINGENCIES AND COMMITMENTS			
	39.5		

The profit and loss account of the Bank's Islamic banking branches for the period ended 30 June 2025 is as follows:

	Note	30 June 2025	30 June 2024 (Restated)
		(Un-Audited)	
		Rupees in '000	
PROFIT AND LOSS ACCOUNT			
Profit / return earned	39.6	16,550,169	17,938,264
Profit / return expensed	39.7	(7,863,707)	(11,177,250)
Net Profit / return		8,686,462	6,761,014
Other income			
Fee and Commission Income		647,644	502,640
Dividend Income		—	—
Foreign Exchange Income		95,608	69,675
Income / (loss) from derivatives		—	—
Gain / (loss) on securities		13,716	(81,303)
Other Income		38,161	36,062
Total other income		795,129	527,074
Total Income		9,481,591	7,288,088
Other expenses			
Operating expenses		5,090,465	3,332,233
Workers' welfare fund		—	—
Other charges		443	107
Total other expenses		5,090,908	3,332,340
Profit before credit loss allowance		4,390,683	3,955,748
Credit loss allowance and write offs – net		1,235,489	(1,214,552)
Profit before taxation		5,626,172	2,741,196
Taxation		(2,981,871)	(1,343,186)
Profit after taxation		2,644,301	1,398,010

39.1 Investments by segments

Debt Instruments

Measured at amortised cost

Federal government securities

– Ijarah Sukuk

– Certificate of investment

30 June 2025 (Un-Audited)			
Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
Rupees in '000			
2,979,085	–	–	2,979,085
2,300,000	(40)	–	2,299,960
5,279,085	(40)	–	5,279,045

Measured at FVOCI

Federal government securities

– Ijarah Sukuk

Non Government Debt Securities

135,905,508	–	2,881,492	138,787,000
6,636,078	(340,000)	(446,078)	5,850,000
142,541,586	(340,000)	2,435,414	144,637,000

Instruments classified / measured at FVTPL

1,256,530	–	(4,001)	1,252,529
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Total investments

149,077,201	(340,040)	2,431,413	151,168,574
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31 December 2024 (Audited)

Debt Instruments

Measured at amortised cost

Federal government securities

– Ijarah Sukuk

– Certificate of investment

Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
Rupees in '000			
2,974,050	–	–	2,974,050
3,000,000	(52)	–	2,999,948
5,974,050	(52)	–	5,973,998

Measured at FVOCI

Federal government securities

– Ijarah Sukuk

Non Government Debt Securities

125,750,660	–	3,545,698	129,296,358
6,683,993	(340,000)	(235,423)	6,108,570
132,434,653	(340,000)	3,310,275	135,404,928

Instruments mandatory classified / measured at FVTPL

5,561,635	–	79,941	5,641,576
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Total investments

143,970,338	(340,052)	3,390,216	147,020,502
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39.2 Islamic financing and related assets - net

31 June 2025 (Un-Audited)				
	Financing	Advances	Inventory	Total
	Rupees in '000			
Ijarah	511,780	669,474	-	1,181,254
Ijarah – islamic long term financing facility	8,596	-	-	8,596
Murabaha	3,672,213	1,434,127	-	5,106,340
Working capital musharaka	35,635,028	-	-	35,635,028
Diminishing musharaka	20,501,323	4,011,830	-	24,513,153
Istisna	3,269,980	7,037,806	3,490,214	13,798,000
Al-bai	3,284,682	-	2,848,791	6,133,473
Diminishing musharaka:				
Islamic long term financing facility	2,967,199	-	-	2,967,199
Islamic refinance scheme for payment of wages and salaries	-	93,534	-	93,534
Islamic financing facility for storage of agricultural produce	471,810	-	-	471,810
Islamic temporary economic refinance facility	8,262,699	-	-	8,262,699
Islamic financing facility for renewable energy	457,134	-	-	457,134
Islamic export refinance:				
Working capital musharaka	18,197,455	-	-	18,197,455
Istisna	838,263	2,597,680	271,445	3,707,388
Al-bai	1,463,139	-	249,674	1,712,813
Gross islamic financing and related assets	99,541,301	15,844,451	6,860,124	122,245,876
Credit loss allowance held against non-performing islamic financings				
-Stage 1	(66,154)	(11,874)	(5,393)	(83,421)
-Stage 2	(923,161)	(70,434)	(268,790)	(1,262,385)
-Stage 3	(3,080,358)	-	-	(3,080,358)
	(4,069,673)	(82,308)	(274,183)	(4,426,164)
Islamic financing and related assets – net of credit loss allowance held	95,471,628	15,762,143	6,585,941	117,819,712

31 December 2024 (Audited)

	Financing	Advances	Inventory	Total
	Rupees in '000			
Ijarah	540,947	17,607	–	558,554
Ijarah - islamic long term financing facility	12,306	–	–	12,306
Murabaha	5,111,120	674,294	–	5,785,414
Working capital musharaka	13,745,539	–	–	13,745,539
Diminishing musharaka	20,926,138	2,060,716	–	22,986,854
Istisna	2,962,798	10,917,577	587,823	14,468,198
Al-bai	1,639,352	–	1,684,955	3,324,307
Diminishing musharaka:				
Islamic long term financing facility	3,293,757	–	–	3,293,757
Islamic refinance scheme for payment of wages and salaries	–	93,534	–	93,534
Islamic financing facility for storage of agricultural produce	522,889	–	–	522,889
Islamic temporary economic refinance facility	8,306,821	–	–	8,306,821
Islamic financing facility for renewable energy	506,756	–	–	506,756
Islamic export refinance:				
Working capital musharaka	18,146,877	–	–	18,146,877
Istisna	498,545	1,798,242	153,100	2,449,887
Al-bai	1,129,747	–	675,723	1,805,470
Gross islamic financing and related assets	77,343,592	15,561,970	3,101,601	96,007,163
Less: Credit loss allowance against Islamic financings				
-Stage 1	(103,977)	(18,873)	(6,466)	(129,316)
-Stage 2	(2,314,517)	(63,235)	(49,959)	(2,427,711)
-Stage 3	(3,104,615)	–	–	(3,104,615)
	(5,523,109)	(82,108)	(56,425)	(5,661,642)
Islamic financing and related assets - net of Credit loss allowance held	71,820,483	15,479,862	3,045,176	90,345,521

39.3 Deposits

	30 June 2025 (Un-Audited)			31 December 2024 (Audited)		
	Customers	Financial Institutions	Total	Customers	Financial Institutions	Total
	Rupees in '000					
Current deposits	111,768,893	298,719	112,067,612	103,322,951	337,309	103,660,260
Savings deposits	61,798,251	48,033,681	109,831,932	57,562,083	4,329,081	61,891,164
Term deposits	26,567,626	135,000	26,702,626	36,599,875	135,000	36,734,875
Others	4,674,351	–	4,674,351	3,108,749	–	3,108,749
	<u>204,809,121</u>	<u>48,467,400</u>	<u>253,276,521</u>	<u>200,593,658</u>	<u>4,801,390</u>	<u>205,395,048</u>

39.4 Unappropriated profit

Opening balance	2,874,296	4,720,817
Add: Islamic banking profit for the period / year	5,626,172	6,248,469
Less: Taxation	(2,981,871)	(3,374,173)
Less: Transferred to head office	(2,874,296)	(4,720,817)
Closing balance	<u>2,644,301</u>	<u>2,874,296</u>

39.5 Contingencies and commitments

Guarantees	16,446,277	18,073,842
Commitments	16,910,982	26,569,169
	<u>33,357,259</u>	<u>44,643,011</u>

39.6 Profit / return earned

Financing	7,777,334	9,705,698
Investments	8,650,793	7,670,315
Placements	122,042	562,251
	<u>16,550,169</u>	<u>17,938,264</u>

	30 June 2025	30 June 2024 (Restated) (Un-Audited)
	Rupees in '000	
39.7 Profit / return expensed		
Deposits and other accounts	5,952,044	8,830,718
Due to financial institutions	1,684,773	2,155,732
Lease liabilities against right-of-use assets	226,890	190,800
	<u>7,863,707</u>	<u>11,177,250</u>

40. GENERAL

- 40.1** The figures have been rounded off to nearest thousand rupees, unless otherwise stated.
- 40.2** Comparative information has been re-classified, re-arranged or additionally incorporated in these consolidated condensed interim financial statements wherever necessary to facilitate comparison and better presentation.

41. NON-ADJUSTING EVENT AFTER STATEMENT OF FINANCIAL POSITION / DATE OF AUTHORISATION FOR ISSUE

- 41.1** The Board of Directors in its meeting held on 13 August 2025 has approved an interim cash dividend of Rs. 2.50 per share (30 June 2024: interim cash dividend of Rs. 2.50 per share)
- 41.2** These consolidated condensed interim financial statements were authorised for issue on 13 August 2025 by the Board of Directors of the Bank.

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