

هَذَا مِنْ فَضْلِ رَبِّي



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CORPORATE INFORMATION

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



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



DIRECTORS' REVIEW

It is our pleasure to present the un-audited financial statements of Bank AL Habib Limited along with the un-audited consolidated financial statements of Bank AL Habib Limited and the Bank's Subsidiaries AL Habib Capital Markets (Private) Limited, AL Habib Asset Management Limited, and AL Habib Exchange Company (Private) Limited for the half year ended June 30, 2025.

Alhamdulillah, during the period under review, the performance of the Bank continued to be satisfactory. The deposits increased to Rs. 2.48 trillion as compared to Rs. 2.28 trillion on December 31, 2024. In the same period, advances decreased to Rs. 903.5 billion from Rs. 910.9 billion, while investments increased to Rs. 1.94 trillion from Rs. 1.92 trillion. The pre-tax profit of the Bank for the half year ended June 30, 2025, was Rs. 39.08 billion as compared to Rs. 40.60 billion during the corresponding period last year. The profit after tax for the half year ended June 30, 2025, was Rs. 19.32 billion compared with Rs. 21.14 billion during 2024.

The Board of Directors, in its meeting held on August 27, 2025, has declared 2nd interim cash dividend of Rs. 3.50 per share i.e. 35%, in addition to 35% already paid, bringing the total cash dividend to 70% for the half year ended June 30, 2025.

By the Grace of Allah, the Bank now has a network of 1,267 offices, comprising 1,256 branches, 8 sub-branches, and 3 Representative Offices. Our branch network includes 319 Islamic Banking Branches and 2 Overseas Branches. Continuing with our branch expansion policy, the Bank intends to open more branches during the year 2025. During the year, the Bank had closed its Representative office in Nairobi, Kenya. The closure of Representative office is in line with the Bank's strategy, and it will not have any material impact on the overall operating and financial position of the Bank.

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

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

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

Mansoor Ali Khan
Chief Executive

Abbas D. Habib
*Chairman
Board of Directors*

Karachi: August 27, 2025



ڈائریکٹرز کا جائزہ

ہمارے لئے یہ باعث مسرت ہے کہ ہم 30 جون 2025 کو ختم ہونے والی ششماہی کے لئے بینک الحیب لمیٹڈ کے غیر آڈٹ شدہ مالی حسابات مع بینک الحیب لمیٹڈ کے غیر آڈٹ شدہ مجموعی مالیاتی حسابات بشمول بینک کی ذیلی کمپنیز الحیب کمپنیل مارکیٹس (پرائیویٹ) لمیٹڈ، الحیب ایسٹ منجمنٹ لمیٹڈ، اور الحیب ایکسیجیج کمپنی (پرائیویٹ) لمیٹڈ پیش کریں۔

الحمد للہ، زبر جائزہ مدت میں بینک کی کارکردگی اطمینان بخش رہی۔ 30 جون 2025 کو ختم ہونے والی ششماہی میں ڈپازٹس بڑھ کر 2.48 ٹریلین روپے ہو گئے، جو کہ 31 دسمبر 2024 کو 2.28 ٹریلین روپے تھے۔ اسی مدت کے دوران ایڈوانسز 910.9 بلین روپے سے کم ہو کر 903.5 بلین روپے ہو گئے اور سرمایہ کاری 1.92 ٹریلین روپے سے بڑھ کر 1.94 ٹریلین روپے ہو گئی۔ 30 جون 2025 کو ختم ہونے والی ششماہی کے لئے آپ کے بینک کا قبل از ٹیکس منافع 39.08 بلین روپے رہا، جبکہ گزشتہ سال اسی مدت میں یہ 40.60 بلین روپے تھا۔ بینک کا بعد از ٹیکس منافع 30 جون 2025 کو ختم ہونے والی مدت کے لئے 19.32 بلین روپے رہا جبکہ گزشتہ سال یہ 21.14 بلین روپے تھا۔

بورڈ آف ڈائریکٹرز نے 27 اگست 2025 کو منعقد ہونے والے اجلاس میں دوسرا عبوری 35% نقد منافع منقسمہ یعنی 3.50 روپے فی شیئر کا اعلان کیا ہے، جو کہ پہلے سے ادا شدہ 35% کے علاوہ ہے۔ جس کے بعد 30 جون 2025 کو ختم ہونے والی ششماہی تک کیلئے کل نقد منافع منقسمہ کی شرح 70% پر پہنچ گئی ہے۔

اللہ تعالیٰ کے فضل و کرم سے بینک کا نیٹ ورک اب 1,267 دفاتر پر مشتمل ہے، جس میں 1,256 برانچز، 8 ذیلی برانچز اور 3 نمائندہ دفاتر شامل ہیں۔ ہمارے برانچ نیٹ ورک میں اب 1319 اسلامی بینکاری برانچز اور 2 بیرون ملک برانچز شامل ہیں۔ برانچز میں اضافہ کی اپنی پالیسی پر کاربند رہتے ہوئے ہم سال 2025 میں بھی مزید برانچز کھولنے کا ارادہ رکھتے ہیں۔ سال کے دوران بینک نے اپنے نمائندہ دفتر نیروبی۔ کینیا کو بند کر دیا۔ نمائندہ دفتر کی بندش بینک کی اسٹریٹیجی کا حصہ تھی اور اس سے بینک کی مجموعی کارکردگی اور مالیاتی حیثیت پر کسی قسم کے اثرات مرتب نہیں ہوئے۔

الحمد للہ، پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے طویل مدت کے لئے بینک کی ریٹنگ AAA (ٹرپل اے) اور مختصر مدت کے لئے A1+ (اے ون پلس) برقرار رکھی ہیں۔ یہ طویل مدتی کریڈٹ ریٹنگ AAA (ٹرپل اے) بینک کے بہترین کریڈٹ کے معیار، کم ترین کریڈٹ رسک کی توقع اور بروقت مالی ذمہ داریوں سے عہدہ براء ہونے کی غیر معمولی صلاحیت کو ظاہر کرتی ہے۔

ہمارے انسکیورڈ، سبارڈینڈ ٹرم فنانس سرٹیفکیٹس کی ریٹنگ AAA (ٹرپل اے) برائے TFC-2021 اور TFC-2022 اور AA+ (ڈبل اے پلس) برائے TFC-2017 (پریچپول) اور TFC-2022 (پریچپول) ہیں۔ یہ ریٹنگوں کریڈٹ رسک کی بہت کم توقع ظاہر کرتی ہیں، جس کی وجہ مالی ذمہ داریوں سے عہدہ براء ہونے کی بہت مضبوط صلاحیت ہے۔ مزید برآں TFC-2022 اور TFC-2022 (پریچپول) جو کہ 2022 میں الیشو ہوئے پی ایس ایکس رول بک کے باب 5C کے مطابق پاکستان اسٹاک ایکسیجیج لمیٹڈ پر لٹے گئے۔

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

عباس ڈی۔ حبیب
چیئر مین
بورڈ آف ڈائریکٹرز

منصور علی خان
چیف ایگزیکٹو

کراچی: ۲۷ اگست ۲۰۲۵ء



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Bank AL Habib Limited

Report on Review of Unconsolidated Condensed Interim Financial Statements

Introduction

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

Scope of Review

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

Conclusion

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

Other Matters

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 condensed interim unconsolidated profit and loss account and condensed interim unconsolidated statement of comprehensive income for the three months period ended 30 June 2025 have not been reviewed by us.

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

Date: August 28, 2025

Karachi

UDIN: RR202510106VRwWxnLAq

KPMG Taseer Hadi & Co.
Chartered Accountants



**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025**

	Note	(Un-audited) 30 June 2025 (Rupees in '000)	(Audited) 31 December 2024
ASSETS			
Cash and balances with treasury banks	6	178,196,880	201,532,248
Balances with other banks	7	4,650,050	5,836,908
Lendings to financial institutions	8	19,692,241	38,941,542
Investments	9	1,936,820,666	1,924,732,913
Advances	10	903,460,113	910,850,199
Property and equipment	11	81,176,125	75,939,019
Right-of-use assets	12	15,373,786	13,679,198
Intangible assets	13	127,326	129,154
Deferred tax assets	14	4,786,622	4,535,942
Other assets	15	152,957,531	143,858,082
Total Assets		3,297,241,340	3,320,035,205
LIABILITIES			
Bills payable	17	73,697,992	52,263,043
Borrowings	18	441,230,500	667,043,213
Deposits and other accounts	19	2,476,907,697	2,278,956,911
Lease liabilities	20	18,870,951	16,848,698
Subordinated debt	21	25,986,000	25,988,400
Deferred tax liabilities		—	—
Other liabilities	22	97,114,303	126,946,320
Total Liabilities		3,133,807,443	3,168,046,585
NET ASSETS		163,433,897	151,988,620
REPRESENTED BY			
Share capital		11,114,254	11,114,254
Reserves		34,135,380	32,050,356
Surplus on revaluation of assets	23	24,566,348	21,604,223
Unappropriated profit		93,617,915	87,219,787
		163,433,897	151,988,620
CONTINGENCIES AND COMMITMENTS			
	24		

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

MANSOOR ALI KHAN
Chief Executive

ASHAR HUSAIN
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI
Director

FARHANA MOWJEE KHAN
Director

ABBAS D. HABIB
Chairman



**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2025**

	Note	Half year ended		Three months period ended	
		30 June 2025	30 June 2024 (Rupees in '000) (Restated)	30 June 2025 (Rupees in '000) (Restated)	30 June 2024 (Restated)
Mark-up / return / interest earned	26	177,976,326	243,746,758	85,089,257	123,942,468
Mark-up / return / interest expensed	27	(111,641,632)	(169,111,709)	(52,310,773)	(86,400,789)
Net mark-up / return / interest income		66,334,694	74,635,049	32,778,484	37,541,679
NON MARK-UP / INTEREST INCOME					
Fee and commission income	28	10,668,020	9,452,450	5,209,385	5,188,365
Dividend income		961,577	866,414	892,664	563,452
Foreign exchange income		3,546,299	3,463,762	1,438,150	975,837
Income / (loss) from derivatives		—	—	—	—
Loss on securities - net	29	(433,896)	(168,187)	(189,441)	(388,699)
Net gain / (loss) on derecognition of financial assets measured at amortised cost		—	—	—	—
Other income	30	599,627	554,614	253,341	238,141
Total non mark-up / interest income		15,341,627	14,169,053	7,604,099	6,577,096
Total income		81,676,321	88,804,102	40,382,583	44,118,775
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	31	(44,413,052)	(39,769,906)	(22,986,434)	(21,736,080)
Workers welfare fund		(797,628)	(910,858)	(377,287)	(489,910)
Other charges	32	(30,595)	(127,846)	(23,654)	(1,628)
Total non mark-up / interest expenses		(45,241,275)	(40,808,610)	(23,387,375)	(22,227,618)
Profit before credit loss allowance		36,435,046	47,995,492	16,995,208	21,891,157
Credit loss allowance and write offs - net	33	2,648,755	(7,391,716)	1,491,895	(516,584)
Extra ordinary / unusual items		—	—	—	—
PROFIT BEFORE TAXATION		39,083,801	40,603,776	18,487,103	21,374,573
Taxation	34	(19,759,465)	(19,465,662)	(9,376,040)	(10,268,528)
PROFIT AFTER TAXATION		19,324,336	21,138,114	9,111,063	11,106,045
(Rupees)					
Basic and diluted earnings per share	35	17.39	19.02	8.20	9.99

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

MANSOOR ALI KHAN
Chief Executive

ASHAR HUSAIN
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI
Director

FARHANA MOWJEE KHAN
Director

ABBAS D. HABIB
Chairman



**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2025**

	Half year ended		Three months period ended	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	(Rupees in '000)			
		(Restated)		(Restated)
Profit after taxation for the period	19,324,336	21,138,114	9,111,063	11,106,045
Other comprehensive income				
<i>Items that may be reclassified to statement of profit and loss account in subsequent periods:</i>				
Effect of translation of net investment in foreign branches	152,590	(73,231)	30,033	31,217
Movement in surplus on revaluation of debt investments through FVOCI - net of tax	2,006,737	1,817,105	4,087,351	897,445
	2,159,327	1,743,874	4,117,384	928,662
<i>Items that will not be reclassified to statement of profit and loss account in subsequent periods:</i>				
Movement in surplus / (deficit) on revaluation of equity investments - net of tax	122,401	(491,503)	163,028	103,772
Movement in surplus on revaluation of property and equipment - net of tax	125,643	203,480	1,526	203,480
Movement in surplus / (deficit) on revaluation of non-banking assets - net of tax	741	(31,013)	-	-
	248,785	(319,036)	164,554	307,252
Total comprehensive income for the period	21,732,448	22,562,952	13,393,001	12,341,959

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

MANSOOR ALI KHAN
Chief Executive

ASHAR HUSAIN
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI
Director

FARHANA MOWJEE KHAN
Director

ABBAS D. HABIB
Chairman



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

	Share Capital	Statutory Reserve	Foreign Currency Translation Reserve	Revenue Reserves		Surplus / (deficit) on revaluation of			Unappropriated Profit	Total
				Special Reserve	General Reserve	Investments	Property and Equipment	Non Banking Assets		
	(Rupees in '000)									
Balance as at 01 January 2024 - audited	11,114,254	22,700,012	4,818,360	126,500	540,000	1,130,027	16,433,449	200,858	72,595,629	129,659,089
Effect of adoption of IFRS 9 (net of tax)	-	-	-	-	-	(1,773,407)	-	-	(3,510,353)	(5,283,760)
Profit after taxation for the half year ended 30 June 2024 - restated	-	-	-	-	-	-	-	-	21,138,114	21,138,114
Other comprehensive income for the half year ended 30 June 2024 - net of tax										
Effect of translation of net investment in foreign branches	-	-	(73,231)	-	-	-	-	-	-	(73,231)
Movement in surplus on revaluation of investments in debt securities - net of tax	-	-	-	-	-	1,817,105	-	-	-	1,817,105
Movement in deficit on revaluation of investments in equity securities - net of tax	-	-	-	-	-	(491,503)	-	-	-	(491,503)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	203,480	-	-	203,480
Movement in deficit on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	(31,013)	-	(31,013)
Total other comprehensive income - net of tax	-	-	(73,231)	-	-	1,325,602	203,480	(31,013)	-	1,424,838
Transfer to statutory reserve	-	2,113,811	-	-	-	-	-	-	(2,113,811)	-
Loss on sale of equity investments - FVOCI	-	-	-	-	-	826,620	-	-	(826,620)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	(110,659)	(477)	111,136	-
Transactions with owners, recorded directly in equity										
Final cash dividend (Rs. 5.0 per share) - December 2023	-	-	-	-	-	-	-	-	(5,557,127)	(5,557,127)
Interim cash dividend (Rs. 3.5 per share) - March 2024	-	-	-	-	-	-	-	-	(3,889,989)	(3,889,989)
	-	-	-	-	-	-	-	-	(9,447,116)	(9,447,116)
Balance as at 30 June 2024 - unaudited - restated	11,114,254	24,813,823	4,745,129	126,500	540,000	1,508,842	16,526,270	169,368	77,946,979	137,491,165
Profit after taxation for the half year ended 31 December 2024	-	-	-	-	-	-	-	-	18,724,073	18,724,073
Other comprehensive income for the half year ended 31 December 2024 - net of tax										
Effect of translation of net investment in foreign branches	-	-	(47,504)	-	-	-	-	-	-	(47,504)
Movement in surplus on revaluation of investments in debt securities - net of tax	-	-	-	-	-	4,295,427	-	-	-	4,295,427
Movement in surplus on revaluation of investments in equity securities - net of tax	-	-	-	-	-	64,957	-	-	-	64,957
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	61,809	61,809
Movement in deficit on revaluation of property and equipment - net of tax	-	-	-	-	-	-	(818,048)	-	-	(818,048)
Movement in deficit on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	(3,281)	-	(3,281)
Total other comprehensive income - net of tax	-	-	(47,504)	-	-	4,360,384	(818,048)	(3,281)	61,809	3,553,360



	Share Capital	Statutory Reserve	Foreign Currency Translation Reserve	Revenue Reserves		Surplus / (deficit) on revaluation of			Unappropriated Profit	Total
				Special Reserve	General Reserve	Investments	Property and Equipment	Non Banking Assets		
	(Rupees in '000)									
Transfer to statutory reserve	-	1,872,408	-	-	-	-	-	-	(1,872,408)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	(139,288)	(24)	139,312	-
Transactions with owners, recorded directly in equity										
Interim cash dividend (Rs. 3.5 per share) - June 2024	-	-	-	-	-	-	-	-	(3,889,989)	(3,889,989)
Interim cash dividend (Rs. 3.5 per share) - September 2024	-	-	-	-	-	-	-	-	(3,889,989)	(3,889,989)
	-	-	-	-	-	-	-	-	(7,779,978)	(7,779,978)
Balance as at 31 December 2024 - audited	11,114,254	26,686,231	4,697,625	126,500	540,000	5,869,226	15,568,934	166,063	87,219,787	151,988,620
Effect of adoption of IFRS 9 (net of tax)	-	-	-	-	-	800,750	-	-	26,333	827,083
Profit after taxation for the half year ended 30 June 2025	-	-	-	-	-	-	-	-	19,324,336	19,324,336
Other comprehensive income for the half year ended 30 June 2025 - net of tax										
Effect of translation of net investment in foreign branches	-	-	152,590	-	-	-	-	-	-	152,590
Movement in surplus on revaluation of investments in debt instruments - net of tax	-	-	-	-	-	2,006,737	-	-	-	2,006,737
Movement in surplus on revaluation of investments in equity instruments - net of tax	-	-	-	-	-	122,401	-	-	-	122,401
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	125,643	-	-	125,643
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	741	-	741
Total other comprehensive income - net of tax	-	-	152,590	-	-	2,129,138	125,643	741	-	2,408,112
Transfer to statutory reserve	-	1,932,434	-	-	-	-	-	-	(1,932,434)	-
Loss on sale of equity investments - FVOCI	-	-	-	-	-	11,390	-	-	(11,390)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	(105,473)	(64)	105,537	-
Transactions with owners, recorded directly in equity										
Final cash dividend (Rs. 6.5 per share) - December 2024	-	-	-	-	-	-	-	-	(7,224,265)	(7,224,265)
Interim cash dividend (Rs. 3.5 per share) - March 2025	-	-	-	-	-	-	-	-	(3,889,989)	(3,889,989)
	-	-	-	-	-	-	-	-	(11,114,254)	(11,114,254)
Balance as at 30 June 2025 - unaudited	11,114,254	28,618,665	4,850,215	126,500	540,000	8,810,504	15,589,104	166,740	93,617,915	163,433,897

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

MANSOOR ALI KHAN
Chief Executive

ASHAR HUSAIN
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI
Director

FARHANA MOWJEE KHAN
Director

ABBAS D. HABIB
Chairman



**UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2025**

	30 June 2025	30 June 2024 (Restated)
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	39,083,801	40,603,776
Less: dividend income	(961,577)	(866,414)
	38,122,224	39,737,362
Adjustments:		
Net mark-up / return / interest income	(66,334,694)	(74,635,049)
Depreciation	3,682,751	2,578,339
Depreciation on right-of-use assets	1,355,777	1,198,462
Amortisation	98,858	105,530
Workers welfare fund	797,628	910,858
Credit loss allowance and write-offs - net	(2,648,755)	7,391,716
Gain on sale of property and equipment - net	(498,210)	(500,528)
Gain on termination of leases and RoU - net	(85,578)	(46,488)
Unrealised loss measured at FVPL	314,331	237,212
Charge for defined benefit plan	630,000	600,000
Charge for compensated absences	161,708	211,733
	(62,526,184)	(61,948,215)
	(24,403,960)	(22,210,853)
Decrease / (increase) in operating assets		
Lendings to financial institutions	19,251,900	1,649,716
Securities classified as FVPL	1,494,669	2,865,881
Advances	7,997,973	62,379,929
Other assets (excluding advance taxation and markup receivable)	(8,968,500)	(2,213,200)
	19,776,042	64,682,326
(Decrease) / Increase in operating liabilities		
Bills payable	21,434,949	836,099
Borrowings	(227,124,187)	26,398,438
Deposits and other accounts	197,950,786	288,158,447
Other liabilities (excluding markup payable)	(29,489,267)	10,918,678
	(37,227,719)	326,311,662
	(41,855,637)	368,783,135
Mark-up / return / interest received	191,287,147	236,480,896
Mark-up / return / interest paid	(112,032,982)	(166,849,998)
Income tax paid	(36,001,895)	(18,797,429)
Net cash generated from operating activities	1,396,633	419,616,604
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in amortised cost securities	(5,449,829)	3,015,522
Net investments in securities classified as FVOCI	(993,731)	(333,222,664)
Net investments in subsidiaries	-	(1,000,000)
Dividends received	837,878	867,904
Investments in property and equipment and intangible assets	(9,030,992)	(6,689,158)
Proceeds from sale of property and equipment	512,618	473,741
Effect of translation of net investment in foreign branches	152,590	(73,231)
Net cash used in investing activities	(13,971,466)	(336,627,886)
CASH FLOW FROM FINANCING ACTIVITIES		
Payments of subordinated debt	(2,400)	(3,994,400)
Dividend paid	(10,985,247)	(9,315,446)
Payments of lease obligations against right-of-use assets	(2,198,107)	(1,834,574)
Net cash used in financing activities	(13,185,754)	(15,144,420)
(Decrease) / increase in cash and cash equivalents	(25,760,587)	67,844,298
Cash and cash equivalents at beginning of the period	205,187,585	147,202,286
Cash and cash equivalents at end of the period	179,426,998	215,046,584

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

MANSOOR ALI KHAN
Chief Executive

ASHAR HUSAIN
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI
Director

FARHANA MOWJEE KHAN
Director

ABBAS D. HABIB
Chairman



**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2025**

1. STATUS AND NATURE OF BUSINESS

Bank AL Habib Limited (the Bank) is a banking company incorporated in Pakistan on 15 October 1991 as a public limited company under repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Bank's registered office is at 126-C, Old Bahawalpur Road, Multan with principal place of business at 2nd Floor, Mackinnons Building, I.I. Chundrigar Road, Karachi. Its shares are listed on Pakistan Stock Exchange Limited. It is a scheduled bank principally engaged in the business of commercial banking with a network of 1,256 branches (31 December 2024: 1,207 branches), 08 sub-branches (31 December 2024: 14 sub-branches), 03 representative offices (31 December 2024: 04 representative offices) and 12 booths (31 December 2024: 12 booths). The branch network of the Bank includes 02 overseas branches (31 December 2024: 02 overseas branches) and 319 Islamic Banking branches (31 December 2024: 276 Islamic Banking branches).

2. BASIS OF PREPARATION

- 2.1** In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan (SBP) has issued various circulars from time to time. Permissible forms of trade-related modes of financing includes purchase of goods by banks from customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchase and resale arising under these arrangements are not reflected in these unconsolidated condensed interim financial statements as such, but are restricted to the amount of facility actually utilised and the appropriate portion of mark-up thereon. However, the Islamic Banking branches of the Bank have complied with the requirements set out under the Islamic Financial Accounting Standards (IFAS), issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the provisions of the Companies Act, 2017.
- 2.2** Key financial information of the Islamic Banking branches is disclosed in note 40 to these unconsolidated condensed interim financial statements.
- 2.3** These unconsolidated condensed interim financial statements are presented in Pak Rupees which is the Bank's functional and presentation currency and represent separate financial statements of the Bank in which investments in subsidiaries and associates are stated at cost less provision for impairment, if any and are not consolidated or accounted for by using equity method of accounting.
- 2.4** The Bank believes that there is no significant doubt on the Bank's ability to continue as a going concern. Therefore, these unconsolidated condensed interim financial statements are prepared on the going concern basis.

2.5 Statement of Compliance

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



- IFAS issued by ICAP, as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by SBP and the Securities and Exchange Commission of Pakistan (SECP).

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

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

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

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

2.5.5 IFRS 10, 'Consolidated Financial Statements' was made applicable from period beginning on or after 01 January 2015 vide S.R.O 633 (I) / 2014 dated 10 July 2014 by SECP. However, SECP has directed through S.R.O 56 (I) / 2016 dated 28 January 2016 that the requirement of consolidation under section 228 of the Companies Act, 2017 and IFRS 10, 'Consolidated Financial Statements' is not applicable in case of investment by companies in mutual funds established under trust structure.

2.5.6 These unconsolidated condensed interim financial statements of the Bank are prepared using generally consistent accounting policies. However, as per SBP's IFRS 9 application instructions, overseas branches comply with the local regulations enforced within their respective jurisdictions under IFRS 9 - 'Financial instruments'.



2.5.7 The Bank received an extension from SBP up to 31 December 2025 for application of Effective Interest Rate (EIR) in general for all financial assets and liabilities (excluding staff loans / subsidised loans), however as financial assets other than advances and financial liabilities were already effectively carried at EIR before the implementation of IFRS 9. Hence, said extension has only been applied on advances (excluding staff loans / subsidised loans i.e. Temporary Economic Refinance Facility). Therefore, advances are now carried at cost, excluding staff loans, TERF and advances pertaining to overseas operations, which are carried at amortised cost, net of expected credit loss allowances.

Further, SBP through BPRD Circular Letter No. 01 of 2025 dated 22 January 2025 has clarified the followings:

- Islamic Banking Institutions (IBIs) are allowed to follow IFAS 1 & 2 where applicable and continue the existing accounting methodology on other Islamic products until issuance of further instruction in this regard.
- The treatment of charity should be in line with the existing practices as defined in SBP's instructions issued via IBD Circular No. 02 of 2008 and should not be recognized as income.

Revenue from Islamic products would have increased by Rs. 440.573 million, if IFRS 9 had been adopted in its entirety.

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

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

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

Standards and amendments	Effective date (accounting periods beginning on or after)
- Amendments to Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	01 January 2026
- IFRS 18 - Presentation and disclosure in financial statements	01 January 2027

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

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The basis for accounting estimates adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the annual financial statements of the Bank for the year ended 31 December 2024 except for requirements of IFRS 9 relating to unlisted equity instruments as explained in note 4.1.



4. MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 Unlisted Equity Securities

In accordance with BPRD Circular Letter No. 16 dated 29 July 2024, SBP has relaxed the requirement for the application of IFRS 9 'Financial Instruments' to measuring unlisted equity securities at fair value under IFRS 13 effective from 01 January 2025. The measurement of fair value of investments in unlisted equity securities involves the use of different methodologies and assumptions. The Bank measures the fair valuation of unlisted equity securities using appropriate valuation techniques and fair valuation models in accordance with IFRS 13 - Fair Value Measurement. Therefore, the Bank has taken the impact of fair value adjustment to equity at the beginning of the current accounting period and information related to 31 December 2024 has not been restated as allowed under 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 - unlisted equity securities	1,723,404
Increase in deferred tax liabilities	896,321
Increase in revaluation of assets	800,750
Increase in unappropriated profit	26,333

4.2 Subsidised Loans and Borrowings

The Bank adopted IFRS 9 in accordance with the application instructions, effective 01 January 2024, using the modified retrospective approach for restatement as permitted under the standard. In the annual audited financial statements for the year ended 31 December 2024, the cumulative impact of the initial application amounted to Rs. 2,188.661 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 29 July 2024, and BPRD Circular Letter No. 01 dated 22 January 2025, the Bank was required to apply fair value measurement to subsidised staff financing, implement modification accounting for financial assets and liabilities, and recognize income using the EIR method, with effect from the last quarter of 2024. However, in line with SBP via its Letter No. BPRD/RPD/822456/25 dated 22 January 2025, the recognition of income on EIR has been further deferred till 31 December 2025.

Therefore, the comparative figures for the half year ended 30 June 2024, presented in the unconsolidated condensed interim statement of profit and loss for the half year ended 30 June 2025, have been restated as summarised:



Unconsolidated Condensed Interim Statement of Profit and Loss Account

	Un-audited 30 June 2024 (Rupees in '000)	Description
Mark-up / return / interest earned	1,431,190	Impact of subsidised loans and staff financing
Mark-up / return / interest expensed	902,136	Impact of subsidised borrowings from SBP
Operating expenses	428,906	Impact of prepaid staff cost amortisation
Taxation	49,073	Tax impact of restatement
Profit after taxation	51,075	
	(Rupees)	
Basic and diluted earnings per share	0.05	EPS impact of restatement

5. FINANCIAL RISK MANAGEMENT

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

6. CASH AND BALANCES WITH TREASURY BANKS

In hand:

	(Un-audited) 30 June 2025 (Rupees in '000)	(Audited) 31 December 2024
Local currency	51,390,832	45,854,281
Foreign currencies	2,930,080	2,704,346
	54,320,912	48,558,627

With the State Bank of Pakistan (SBP) in:

Local currency current accounts	72,086,144	117,236,148
Local currency current accounts - Islamic Banking	14,470,095	16,299,959
Foreign currency deposit accounts		
Cash reserve account	5,845,549	5,501,362
Cash reserve / special cash reserve account		
- Islamic Banking	1,117,465	1,035,649
Special cash reserve account	11,691,097	11,002,725
Local collection account	501,337	407,387
	105,711,687	151,483,230

With the National Bank of Pakistan (NBP) in:

Local currency current accounts	18,049,406	1,332,163
Prize bonds	114,875	158,228
Cash and balances with treasury banks	178,196,880	201,532,248



	Note	(Un-audited) 30 June 2025 (Rupees in '000)	(Audited) 31 December 2024
7. BALANCES WITH OTHER BANKS			
In Pakistan:			
In current accounts		147,090	211,927
In deposit accounts		9,341	8,642
		156,431	220,569
Outside Pakistan:			
In current accounts		4,495,120	5,129,043
In deposit accounts		72,559	488,243
		4,567,679	5,617,286
		4,724,110	5,837,855
Less: credit loss allowance held against balances with other banks	7.1	(74,060)	(947)
Balances with other banks - net of credit loss allowance		4,650,050	5,836,908
7.1 Credit Loss Allowance - Stage 1			
Opening balance		947	3,612
Charge / (reversal):			
Charge for the period / year		73,211	75
Reversal for the period / year		(101)	(2,738)
		73,110	(2,663)
Foreign exchange adjustments		3	(2)
Closing balance		74,060	947
8. LENDINGS TO FINANCIAL INSTITUTIONS			
In local currency:			
Musharaka placements		9,900,000	26,000,000
Repurchase agreement lendings (Reverse Repo)		9,794,900	12,946,800
		19,694,900	38,946,800
Less: credit loss allowance held against lendings to financial institutions	8.1	(2,659)	(5,258)
Lendings to financial institutions - net of credit loss allowance		19,692,241	38,941,542
8.1 Credit Loss Allowance - Stage 1			
Opening balance		5,258	223
Charge / (reversal):			
Charge for the period / year		2,413	5,258
Reversal for the period / year		(5,012)	(223)
		(2,599)	5,035
Closing balance		2,659	5,258



9. INVESTMENTS

	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)								
9.1 Investments by type:								
Debt instruments								
Amortised Cost								
Federal Government Securities	399,015,475	(697,443)	–	398,318,032	393,561,165	(851,234)	–	392,709,931
Others	–	–	–	–	4,481	(4,481)	–	–
	399,015,475	(697,443)	–	398,318,032	393,565,646	(855,715)	–	392,709,931
FVOCI								
Federal Government Securities	1,495,863,622	(2,582,530)	15,757,098	1,509,038,190	1,492,622,676	(3,312,910)	10,919,609	1,500,229,375
Non Government Debt Securities	8,029,954	(832,760)	(703,287)	6,493,907	8,703,026	(881,964)	(138,403)	7,682,659
Foreign Securities	7,249,442	(1,948,633)	787,592	6,088,401	8,682,791	(2,442,827)	1,127,593	7,367,557
	1,511,143,018	(5,363,923)	15,841,403	1,521,620,498	1,510,008,493	(6,637,701)	11,908,799	1,515,279,591
FVPL								
Federal Government Securities	1,147,873	–	–	1,147,873	2,642,542	–	–	2,642,542
Equity Instruments								
FVOCI - Non Reclassifiable								
Shares								
- Listed companies	182,690	–	570,535	753,225	182,690	–	578,915	761,605
- Unlisted companies	154,236	–	1,943,280	2,097,516	192,202	(50,811)	–	141,391
	336,926	–	2,513,815	2,850,741	374,892	(50,811)	578,915	902,996
Investments mandatorily classified / measured at FVPL								
Units of Mutual Funds	4,699,950	–	(314,331)	4,385,619	4,238,097	–	461,853	4,699,950
Associates	4,614,653	–	–	4,614,653	4,614,653	–	–	4,614,653
Subsidiaries	3,883,250	–	–	3,883,250	3,883,250	–	–	3,883,250
Total Investments	1,924,841,145	(6,061,366)	18,040,887	1,936,820,666	1,919,327,573	(7,544,227)	12,949,567	1,924,732,913



	(Un-audited) 30 June 2025 (Rupees in '000)	(Audited) 31 December 2024
9.1.1 Investments given as collateral		
Pakistan Investment Bonds	<u>304,638,000</u>	<u>518,019,000</u>
9.2 Credit loss allowance		
Opening balance	7,544,227	9,658,486
Impact of adoption of IFRS 9	(50,811)	—
Charge / (reversal):		
Charge for the period / year	174,179	813,987
Reversal for the period / year	(1,715,910)	(1,782,276)
Reversal on disposal	(4,481)	—
	(1,546,212)	(968,289)
Amounts written off	—	(1,046,371)
Foreign exchange adjustments	114,162	(99,599)
Closing Balance	<u>6,061,366</u>	<u>7,544,227</u>

9.3 Particulars of credit loss allowance against debt securities

		30 June 2025 (Un-audited)		31 December 2024 (Audited)	
		Outstanding amount	Credit loss allowance (Rupees in '000)	Outstanding amount	Credit loss allowance
Domestic					
Performing	Stage 1	5,362,205	1,392	4,718,515	766
Under performing	Stage 2	1,837,819	1,438	3,104,591	1,277
Non performing - loss	Stage 3	829,930	829,930	884,401	884,401
		<u>8,029,954</u>	<u>832,760</u>	<u>8,707,507</u>	<u>886,444</u>
Overseas					
Performing	Stage 1	1,404,399	2,595	2,765,414	11,592
Under performing	Stage 2	25,455,177	4,312,856	22,190,407	4,164,145
Non performing - loss	Stage 3	2,928,019	913,155	5,917,378	2,431,235
		<u>29,787,595</u>	<u>5,228,606</u>	<u>30,873,199</u>	<u>6,606,972</u>
Total		<u>37,817,549</u>	<u>6,061,366</u>	<u>39,580,706</u>	<u>7,493,416</u>

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

9.5 The market value of securities classified as amortised cost at 30 June 2025 amounted to Rs. 407,023 million (31 December 2024: Rs. 395,391 million).



9.6 Summary of financial information of subsidiaries and associates

		30 June 2025 (Un-audited)				
	Percentage of holding	Assets	Liabilities	Revenue	Profit after taxation	Total comprehensive income
(Rupees in '000)						
Subsidiaries						
AL Habib Capital Markets (Private) Limited	66.67%	1,921,311	1,426,240	158,334	26,544	29,029
AL Habib Asset Management Limited	100%	3,971,647	252,824	1,166,980	675,680	675,680
AL Habib Exchange Company (Private) Limited	100%	3,218,763	61,254	289,475	91,318	91,318
Associates						
AL Habib Money Market Fund	0.80%	91,037,631	5,273,418	2,610,148	2,344,226	2,344,226
AL Habib Islamic Cash Fund	0.33%	30,691,328	490,663	1,138,050	1,041,777	1,041,777
AL Habib Islamic Savings Fund	0.76%	13,627,773	460,165	1,209,715	1,109,911	1,109,911
AL Habib Income Fund	1.58%	25,139,806	261,779	806,227	726,465	726,465
AL Habib Islamic Stock Fund	0.26%	5,937,433	192,710	595,171	486,901	486,901
AL Habib Cash Fund	6.72%	51,186,326	813,043	5,540,712	4,927,530	4,927,530
AL Habib Stock Fund	0.26%	5,499,121	554,277	485,400	417,797	417,797
AL Habib Islamic Income Fund	0.13%	19,509,154	274,832	937,122	855,554	855,554
AL Habib Asset Allocation Fund	6.60%	321,609	17,492	14,450	10,526	10,526

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

9.6.2 The above information is based on financial statements as on 30 June 2025.



10. ADVANCES

	Performing		Non Performing		Total	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	30 June	31 December	30 June	31 December	30 June	31 December
	2025	2024	2025	2024	2025	2024
	(Rupees in '000)					
Loans, cash credits, running finances, etc.	753,626,234	756,764,309	30,877,916	34,261,459	784,504,150	791,025,768
Islamic financing and related assets	110,631,927	105,734,671	1,397,132	860,780	112,029,059	106,595,451
Bills discounted and purchased	52,370,704	61,304,281	394,416	387,168	52,765,120	61,691,449
Advances - gross	916,628,865	923,803,261	32,669,464	35,509,407	949,298,329	959,312,668
Less : credit loss allowance against advances						
- Stage 1	7,266,964	7,170,325	-	-	7,266,964	7,170,325
- Stage 2	7,987,367	8,468,402	-	-	7,987,367	8,468,402
- Stage 3	-	-	30,583,885	32,823,742	30,583,885	32,823,742
	15,254,331	15,638,727	30,583,885	32,823,742	45,838,216	48,462,469
Advances - net of credit loss allowance	901,374,534	908,164,534	2,085,579	2,685,665	903,460,113	910,850,199



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

10.1 Particulars of advances (Gross)

In local currency	845,091,458	829,484,523
In foreign currencies	104,206,871	129,828,145
	<u>949,298,329</u>	<u>959,312,668</u>

10.2 Advances include Rs. 32,669.464 million (31 December 2024: Rs. 35,509.407 million) which have been placed under non-performing status as detailed below:

Category of classification - Stage 3	30 June 2025 (Un-audited)		31 December 2024 (Audited)	
	Non performing loans	Credit loss allowance	Non performing loans	Credit loss allowance
	(Rupees in '000)			
Domestic				
Other assets especially mentioned (OAEM)	250,155	242,539	280,847	280,847
Substandard	1,573,265	1,184,414	2,295,656	1,161,603
Doubtful	3,063,961	1,700,403	2,823,252	2,216,478
Loss	<u>22,346,648</u>	<u>22,021,094</u>	<u>23,572,777</u>	<u>23,331,415</u>
	27,234,029	25,148,450	28,972,532	26,990,343
Overseas				
Loss	<u>5,435,435</u>	<u>5,435,435</u>	<u>6,536,875</u>	<u>5,833,399</u>
Total	<u>32,669,464</u>	<u>30,583,885</u>	<u>35,509,407</u>	<u>32,823,742</u>



10.3 Particulars of credit loss allowance against advances

	30 June 2025 (Un-audited)				31 December 2024 (Audited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)							
Opening balance	7,170,325	8,468,402	32,823,742	48,462,469	4,410,985	8,663,207	21,355,055	34,429,247
Charge / (reversal) for the period / year								
- ECL charge for the period / year	5,838,118	4,966,530	2,290,277	13,094,925	7,319,157	6,862,711	14,523,355	28,705,223
- ECL reversal for the period / year	(5,747,634)	(5,459,393)	(2,495,785)	(13,702,812)	(4,558,396)	(7,057,516)	(2,951,993)	(14,567,905)
	90,484	(492,863)	(205,508)	(607,887)	2,760,761	(194,805)	11,571,362	14,137,318
Amounts written off	-	-	-	-	-	-	(3,537)	(3,537)
Amounts charged off	-	-	(2,181,601)	(2,181,601)	-	-	-	-
Foreign exchange adjustments	6,155	11,828	147,252	165,235	(1,421)	-	(99,138)	(100,559)
Closing balance	7,266,964	7,987,367	30,583,885	45,838,216	7,170,325	8,468,402	32,823,742	48,462,469

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

10.4 Advances - Particulars of credit loss allowance

	30 June 2025 (Un-audited)				31 December 2024 (Audited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)							
Opening balance	7,170,325	8,468,402	32,823,742	48,462,469	4,410,985	8,663,207	21,355,055	34,429,247
New advances	4,058,018	3,512,923	387,535	7,958,476	3,950,335	4,441,716	3,665,689	12,057,740
Advances derecognised or repaid	(3,306,109)	(3,299,047)	(1,655,382)	(8,260,538)	(2,278,017)	(3,088,928)	(2,432,807)	(7,799,752)
Transfer to Stage 1	1,026,349	(998,126)	(28,223)	-	2,288,707	(2,202,515)	(86,192)	-
Transfer to Stage 2	(242,649)	341,814	(99,165)	-	(349,804)	365,366	(15,562)	-
Transfer to Stage 3	(27,853)	(57,375)	85,228	-	(5,687)	(1,069,687)	1,075,374	-
	1,507,756	(499,811)	(1,310,007)	(302,062)	3,605,534	(1,554,048)	2,206,502	4,257,988
Amounts written off	-	-	-	-	-	-	(3,537)	(3,537)
Amounts charged off	-	-	(2,181,601)	(2,181,601)	-	-	-	-
Changes in risk parameters	(1,417,272)	6,948	1,104,499	(305,825)	(844,773)	1,359,243	9,364,860	9,879,330
Foreign exchange adjustments	6,155	11,828	147,252	165,235	(1,421)	-	(99,138)	(100,559)
Closing balance	7,266,964	7,987,367	30,583,885	45,838,216	7,170,325	8,468,402	32,823,742	48,462,469



		30 June 2025 (Un-audited)		31 December 2024 (Audited)	
		Outstanding amount	Credit loss allowance	Outstanding amount	Credit loss allowance
(Rupees in '000)					
10.5 Advances - Category of classification					
Domestic					
Performing	Stage 1	752,712,850	7,233,010	752,504,546	7,092,623
Under performing	Stage 2	146,152,011	7,481,711	144,794,684	8,051,593
Non performing	Stage 3				
OAEM		250,155	242,539	280,847	280,847
Substandard		1,573,265	1,184,414	2,295,656	1,161,603
Doubtful		3,063,961	1,700,403	2,823,252	2,216,478
Loss		22,346,648	22,021,094	23,572,777	23,331,415
		926,098,890	39,863,171	926,271,762	42,134,559
Overseas					
Performing	Stage 1	8,614,354	33,954	19,107,083	77,702
Under performing	Stage 2	9,149,650	505,656	7,396,948	416,809
Non performing - loss	Stage 3	5,435,435	5,435,435	6,536,875	5,833,399
		23,199,439	5,975,045	33,040,906	6,327,910
Total		949,298,329	45,838,216	959,312,668	48,462,469

10.6 Charged-off Non Performing Loans

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

		(Un-audited) 30 June 2025	
		No. of Borrowers	(Rupees in '000)
Amounts charged-off during the period		3	2,181,601
		(Un-audited) 30 June 2025	(Audited) 31 December 2024
		Note	(Rupees in '000)
11. PROPERTY AND EQUIPMENT			
Capital work-in-progress	11.1	7,535,064	4,644,267
Property and equipment		73,641,061	71,294,752
		81,176,125	75,939,019
11.1 Capital work-in-progress			
Civil works		2,631,343	1,946,354
Advance payment for purchase of equipments		567,122	494,841
Advance payment towards suppliers, contractors and property		4,289,594	2,159,615
Consultants' fee and other charges		47,005	43,457
		7,535,064	4,644,267



		(Un-audited) Half year ended	
		30 June 2025	30 June 2024
		(Rupees in '000)	
11.2 Additions to property and equipment			
The following additions have been made to property and equipment during the period:			
Capital work-in-progress - net		2,890,797	174,591
Property and equipment			
Leasehold land	26,783	95,379	
Building on leasehold land	125,034	1,496,722	
Furniture and fixture	357,884	198,392	
Electrical, office and computer equipment	3,730,053	2,081,665	
Vehicles	1,265,130	2,203,066	
Improvements to leasehold building	538,281	367,923	
	6,043,165	6,443,147	
Total	8,933,962	6,617,738	
11.3 Disposal of property and equipment			
The net book value of property and equipment disposed off during the period is as follows:			
Furniture and fixture	1,371	483	
Electrical, office and computer equipment	3,182	14,374	
Vehicles	5,226	6,655	
Improvements to leasehold building	4,629	7,846	
	14,408	29,358	
	(Un-audited) 30 June 2025	(Audited) 31 December 2024	
	(Rupees in '000)		
12. RIGHT-OF-USE ASSETS			
BUILDINGS			
Cost	21,501,002	18,288,334	
Accumulated depreciation	(7,821,804)	(6,318,610)	
Net carrying amount	13,679,198	11,969,724	
Additions during the period / year	3,251,314	4,388,725	
Deletions during the period / year	(210,588)	(230,800)	
Depreciation charge for the period / year	(1,355,777)	(2,468,564)	
Foreign exchange adjustments	880	(757)	
Other adjustments / transfers	8,759	20,870	
Net carrying amount at the end of the period / year	15,373,786	13,679,198	
13. INTANGIBLE ASSETS			
Computer software	127,326	129,154	
	(Un-audited) Half year ended		
	30 June 2025	30 June 2024	
	(Rupees in '000)		
13.1 Additions to Intangible assets			
Computer software - directly purchased	97,030	139,622	



		(Un-audited) 30 June 2025	(Audited) 31 December 2024
	Note	(Rupees in '000)	
14. DEFERRED TAX ASSETS			
Deductible Temporary Differences on			
Credit loss allowance against the value of investments		3,151,910	3,995,990
Credit loss allowance against loans and advances, off-balance sheet, etc.		12,339,457	13,056,485
Unrealised net loss on fair value of refinancing		896,799	—
Deficit on revaluation of securities classified as FVPL		163,452	—
Right-of-use assets and related lease liabilities		2,675,636	—
Workers welfare fund		4,115,063	3,771,459
		23,342,317	20,823,934
Taxable Temporary Differences on			
Accelerated tax depreciation		(2,702,654)	(2,875,674)
Surplus on revaluation of FVOCI investments		(9,544,714)	(6,618,488)
Surplus on revaluation of securities classified as FVPL		—	(244,782)
Surplus on revaluation of property and equipment		(6,269,878)	(6,509,788)
Surplus on revaluation of non banking assets		(38,449)	(39,260)
		(18,555,695)	(16,287,992)
		4,786,622	4,535,942
15. OTHER ASSETS			
Income / mark-up accrued in local currency - net		55,622,970	68,943,770
Income / mark-up accrued in foreign currencies - net		1,037,907	1,027,928
Advances, deposits, advance rent and other prepayments		15,112,317	13,351,070
Advance taxation (payments less provisions)		17,783,618	4,616,189
Non banking assets acquired in satisfaction of claims		3,847,782	3,841,737
Mark to market gain on forward foreign exchange contracts		1,707,108	751,223
Acceptances		35,124,261	35,827,371
Stationery and stamps on hand		1,559,947	2,161,940
Branch adjustment account		4,714,932	2,038,881
Others		16,664,523	11,673,021
		153,175,365	144,233,130
Less: credit loss allowance held against other assets	15.1	(423,023)	(580,371)
Other Assets - net of credit loss allowance		152,752,342	143,652,759
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	23	205,189	205,323
Other Assets - total		152,957,531	143,858,082
15.1 Credit loss allowance held against other assets			
Mark-up accrued		400,381	566,002
Modification		14,431	6,444
Others - receivable against consumer loans		8,211	7,925
	15.1.1	423,023	580,371



	(Un-audited) 30 June 2025 (Rupees in '000)	(Audited) 31 December 2024
15.1.1 Movement in credit loss allowance held against other assets		
Opening balance	580,371	472,179
Charge / (reversal):		
ECL charge for the period / year	13,813	102,380
ECL reversal for the period / year	(179,476)	(1,663)
Modification charge	14,431	6,444
Charge for the period / year	1,357	2,480
Reversals for the period / year	(1,071)	(2,795)
	(150,946)	106,846
Adjustment	(6,444)	—
Amount written off	—	(206)
Foreign exchange adjustments	42	1,552
Closing balance	423,023	580,371
16. CONTINGENT ASSETS		
There were no contingent assets of the Bank as at 30 June 2025 (31 December 2024: Nil).		
	(Un-audited) 30 June 2025 (Rupees in '000)	(Audited) 31 December 2024
17. BILLS PAYABLE		
In Pakistan	73,697,992	52,263,043
18. BORROWINGS		
Secured		
Borrowings from the State Bank of Pakistan under:		
Export refinance scheme	66,065,240	72,607,266
Renewable energy	16,524,767	17,895,611
Long term financing for imported and locally manufactured plant and machinery	22,535,969	25,306,703
Modernisation of small and medium enterprises	1,158,117	1,259,381
Women entrepreneurship	120,045	86,827
Financing facility for storage of agricultural produce	719,827	795,240
Temporary economic refinance facility	24,002,764	26,107,166
Refinance facility for combating COVID-19	77,779	100,001
Repurchase agreement borrowings	304,632,000	462,964,000
	435,836,508	607,122,195
Repurchase agreement borrowings	—	54,953,000
Borrowing from other banks	—	2,785,500
Total secured	435,836,508	664,860,695
Unsecured		
Overdrawn nostro accounts	3,493,992	2,182,518
Musharka borrowings	1,900,000	—
Total unsecured	5,393,992	2,182,518
	441,230,500	667,043,213



19. DEPOSITS AND OTHER ACCOUNTS

	30 June 2025 (Un-audited)			31 December 2024 (Audited)		
	In local currency	In foreign currencies	Total (Rupees in '000)	In local currency	In foreign currencies	Total
Customers						
Current deposits	843,915,535	55,952,340	899,867,875	705,137,306	57,423,924	762,561,230
Savings deposits	924,112,094	48,511,843	972,623,937	876,689,075	45,898,830	922,587,905
Term deposits	192,363,511	60,874,341	253,237,852	200,255,916	61,604,086	261,860,002
Current deposits - remunerative	220,262,276	6,390,858	226,653,134	204,592,225	4,207,345	208,799,570
Others	25,419,522	15,653,073	41,072,595	21,169,067	20,343,029	41,512,096
	2,206,072,938	187,382,455	2,393,455,393	2,007,843,589	189,477,214	2,197,320,803
Financial institutions						
Current deposits	11,726,276	854,446	12,580,722	16,114,493	2,175,247	18,289,740
Savings deposits	8,065,754	–	8,065,754	22,803,962	–	22,803,962
Term deposits	957,000	138,229	1,095,229	793,000	526,460	1,319,460
Current deposits - remunerative	60,739,912	932,677	61,672,589	37,231,817	1,953,119	39,184,936
Others	38,010	–	38,010	38,010	–	38,010
	81,526,952	1,925,352	83,452,304	76,981,282	4,654,826	81,636,108
	2,287,599,890	189,307,807	2,476,907,697	2,084,824,871	194,132,040	2,278,956,911
				(Un-audited) 30 June 2025	(Audited) 31 December 2024	
			Note			(Rupees in '000)

20. LEASE LIABILITIES

Opening balance	16,848,698	14,441,482
Additions during the period / year	3,251,314	4,388,725
Lease payments including interest	(2,198,107)	(3,780,564)
Finance charges on leased liabilities	1,255,521	2,101,060
Deletions during the period / year	(296,165)	(322,083)
Foreign exchange adjustments	931	(792)
Other adjustment	8,759	20,870
Closing balance	18,870,951	16,848,698

20.1 Liabilities Outstanding

Not later than one year	1,401,400	1,264,331
Later than one year and upto five years	7,242,575	6,852,173
Over five years	10,226,976	8,732,194
Total	18,870,951	16,848,698

20.2 This carries average effective rate of 13.74% per annum (2024: 14.61% per annum).

21. SUBORDINATED DEBT - Unsecured

Term Finance Certificates (TFCs) - VI	21.1	7,000,000	7,000,000
Term Finance Certificates (TFCs) - VIII	21.2	4,993,000	4,994,000
Term Finance Certificates (TFCs) - IX	21.3	7,000,000	7,000,000
Term Finance Certificates (TFCs) - X	21.4	6,993,000	6,994,400
		25,986,000	25,988,400



21.1 Term Finance Certificates - VI

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

21.2 Term Finance Certificates - VIII

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



21.3 Term Finance Certificates - IX

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

21.4 Term Finance Certificates - X

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



	(Un-audited) 30 June 2025	(Audited) 31 December 2024
Note		
	(Rupees in '000)	
22. OTHER LIABILITIES		
Mark-up / return / interest payable in local currency	5,421,868	6,938,590
Mark-up / return / interest payable in foreign currencies	803,878	934,027
Unearned commission income	3,174,157	3,030,064
Accrued expenses	4,639,051	5,296,438
Acceptances	35,124,261	35,827,371
Unclaimed / dividend payable	1,268,504	1,139,497
Mark to market loss on forward foreign exchange contracts	194,147	2,069,960
Payable to defined benefit plan	2,695,715	2,065,715
Charity payable	107,542	83,726
Credit loss allowance against off-balance sheet obligations	22.1 4,331,365	4,742,981
Security deposits against leases / ijarah	693,987	653,582
Provision for compensated absences	2,123,065	1,960,780
Other security deposits	15,273,021	12,056,630
Workers welfare fund	7,913,583	7,115,960
Payable to SBP / NBP	6,607,955	12,326,744
ATM switch, clearing and settlement account	3,024,883	26,422,784
Others	3,717,321	4,281,471
	<u>97,114,303</u>	<u>126,946,320</u>
22.1 Credit loss allowance against off-balance sheet obligations		
Opening balance	4,742,981	3,130,550
Charge / (reversal):		
Charge for the period / year	822,926	1,644,514
Reversal for the period / year	(1,237,147)	(31,866)
	(414,221)	1,612,648
Foreign exchange adjustments	2,605	(217)
Closing balance	<u>4,331,365</u>	<u>4,742,981</u>



(Un-audited)
30 June
 Note **2025**
(Rupees in '000)

(Audited)
31 December
2024

23. SURPLUS ON REVALUATION OF ASSETS

Surplus on revaluation of:

- Securities measured at FVOCI - debt	9.1	15,841,403	11,908,799
- Securities measured at FVOCI - equity	9.1	2,513,815	578,915
- Property and equipment		21,929,362	22,149,099
- Non-banking assets acquired in satisfaction of claims	15	205,189	205,323
		40,489,769	34,842,136

Deferred tax on surplus on revaluation of:

- Securities measured at FVOCI - debt		8,237,530	6,311,663
- Securities measured at FVOCI - equity		1,307,184	306,825
- Property and equipment		6,340,258	6,580,165
- Non-banking assets acquired in satisfaction of claims		38,449	39,260
		15,923,421	13,237,913
		24,566,348	21,604,223

24. CONTINGENCIES AND COMMITMENTS

Guarantees	24.1	254,042,049	217,554,372
Commitments	24.2	445,157,087	542,967,594
Other contingent liabilities	24.3	4,349,104	3,504,960
		703,548,240	764,026,926

24.1 Guarantees:

Financial guarantees		34,324,504	32,113,828
Performance guarantees		219,717,545	185,440,544
		254,042,049	217,554,372

24.2 Commitments:

Documentary credits and short term trade-related transactions			
- letters of credit		292,192,559	291,149,845
Commitments in respect of:			
- forward foreign exchange contracts	24.2.1	149,352,816	245,803,016
- forward lendings	24.2.2	866,099	3,217,813
Commitments for acquisition of:			
- property and equipment		2,745,613	2,796,920
		445,157,087	542,967,594



	(Un-audited) 30 June 2025	(Audited) 31 December 2024
	(Rupees in '000)	
24.2.1 Commitments in respect of forward foreign exchange contracts		
Purchase	105,545,538	145,237,825
Sale	43,807,278	100,565,191
	<u>149,352,816</u>	<u>245,803,016</u>

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

24.2.2 Commitments in respect of forward lending	<u>866,099</u>	<u>3,217,813</u>
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These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense.

	(Un-audited) 30 June 2025	(Audited) 31 December 2024
	(Rupees in '000)	
24.3 Other contingent liabilities		
24.3.1 Claims against the Bank not acknowledged as debts	<u>4,349,104</u>	<u>3,504,960</u>

24.3.2 Taxation

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

- Additional Commissioner Inland Revenue (ACIR) has finalized order for Tax Year 2024 (Accounting Year 2023) by disallowing certain expense resulting in an impact of Rs. 1,738.875 million. The Bank has filed an appeal before Appellate Tribunal Inland Revenue against the above mentioned order.
- Assistant Commissioner Inland Revenue, Mirpur AJ&K has finalized audit of the Bank's Azad Kashmir operations for Tax Year 2023 by disallowing certain expenses resulting in an impact of Rs. 17.294 million. The Bank has filed an appeal before Commissioner Inland Revenue (Appeals), Mirpur AJ&K.
- Commissioner Inland Revenue (Appeal), Mirpur AJ&K has passed an appellate order against Assistant Commissioner Inland Revenue, Mirpur AJ&K for Tax Year 2019, 2020, 2021 & 2022 by allowing certain expenses. This resulted an allowable amount of Rs. 60.396 million. The resulted aggregate net tax impact stands at Rs. 58.358 million. The Bank has filed an appeal before Income Tax Appellate Tribunal (ITAT), Mirpur AJ&K against the above mentioned orders.
- Deputy Commissioner, Sindh Revenue Board (SRB) has passed Sindh sales tax on services order for the Year 2016 and 2017. This resulted a Sindh sales tax demand of Rs. 43.400 million. The Bank has filed an appeal before Commissioner Appeals, Sindh Revenue Board (SRB).

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



25. DERIVATIVE INSTRUMENTS

25.1 Product Analysis

30 June 2025 (Un-audited)						
Counter Parties	CONTRACT		SWAP		TOTAL	
	Notional Principal	Mark to Market gain / (loss)	Notional Principal	Mark to Market gain / (loss)	Notional Principal	Mark to Market gain / (loss)
(Rupees in '000)						
Banks						
Hedging	9,482,868	(5,494)	59,273,553	424,585	68,756,421	419,091
Other Entities						
Hedging	80,596,395	1,093,870	–	–	80,596,395	1,093,870
Total						
Hedging	<u>90,079,263</u>	<u>1,088,376</u>	<u>59,273,553</u>	<u>424,585</u>	<u>149,352,816</u>	<u>1,512,961</u>
31 December 2024 (Audited)						
	CONTRACT		SWAP		TOTAL	
	Notional Principal	Mark to Market gain / (loss)	Notional Principal	Mark to Market gain / (loss)	Notional Principal	Mark to Market gain / (loss)
(Rupees in '000)						
Banks						
Hedging	57,237,928	281,713	61,257,172	(309,505)	118,495,100	(27,792)
Other Entities						
Hedging	127,307,916	(1,290,945)	–	–	127,307,916	(1,290,945)
Total						
Hedging	<u>184,545,844</u>	<u>(1,009,232)</u>	<u>61,257,172</u>	<u>(309,505)</u>	<u>245,803,016</u>	<u>(1,318,737)</u>



25.2 Maturity Analysis

	Number of Contracts	Notional Principal	30 June 2025 (Un-audited)		
			Mark to Market		
			Negative (Rupees in '000)	Positive	Net
Upto 1 month	352	59,382,057	(155,426)	439,049	283,623
1 to 3 months	580	45,261,734	(33,778)	631,140	597,362
3 to 6 months	610	38,258,032	(4,156)	507,038	502,882
Over 6 months to 1 year	45	6,450,993	(787)	129,881	129,094
	1,587	149,352,816	(194,147)	1,707,108	1,512,961

	Number of Contracts	Notional Principal	31 December 2024 (Audited)		
			Negative (Rupees in '000)	Positive	Net
			Negative (Rupees in '000)	Positive	Net
Upto 1 month	488	92,288,053	(633,480)	264,498	(368,982)
1 to 3 months	681	84,488,275	(1,031,294)	220,396	(810,898)
3 to 6 months	690	59,912,062	(386,925)	178,113	(208,812)
Over 6 months to 1 year	54	9,114,626	(18,261)	88,216	69,955
	1,913	245,803,016	(2,069,960)	751,223	(1,318,737)

(Un-audited) Half year ended

30 June 2025	30 June 2024
(Rupees in '000)	
(Restated)	

26. MARK-UP / RETURN / INTEREST EARNED

Loans and advances	51,243,761	67,983,848
Investments	126,014,436	175,182,191
Lendings to financial institutions	122,536	—
Deposits with financial institutions	339,059	386,145
Securities purchased under resale agreements	256,534	194,574
	177,976,326	243,746,758

26.1 Interest income recognised on:

Financial assets measured at:		
- Amortised cost	29,652,756	40,982,476
- FVOCI	100,115,025	138,143,196
- FVPL	71,002	127,822
- Cost	48,137,543	64,493,264
	177,976,326	243,746,758

27. MARK-UP / RETURN / INTEREST EXPENSED

Deposits	75,558,628	124,342,179
Borrowings	3,595,668	6,780,621
Subordinated debt	1,810,002	3,366,719
Cost of foreign currency swaps against deposits / borrowings	2,151,010	3,077,725
Repurchase agreement borrowings	27,270,803	30,559,897
Finance charges on leased liabilities	1,255,521	984,568
	111,641,632	169,111,709



		(Un-audited) Half year ended	
	Note	30 June 2025	30 June 2024
		(Rupees in '000)	
28. FEE AND COMMISSION INCOME			
Branch banking customer fees		1,419,223	1,143,348
Investment banking fees		39,148	31,853
Consumer finance related fees		31,715	24,652
Card related fees (debit and credit cards)		3,157,697	2,457,248
Credit related fees		144,284	197,117
Commission on trade		3,558,010	3,981,228
Commission on guarantees		578,474	511,959
Commission on cash management		123,064	126,850
Commission on home remittances		1,589,054	959,411
Others		27,351	18,784
		<u>10,668,020</u>	<u>9,452,450</u>
29. LOSS ON SECURITIES - NET			
Realised (loss) / gain	29.1	(119,565)	69,025
Unrealised loss - measured at FVPL	9.1	(314,331)	(237,212)
		<u>(433,896)</u>	<u>(168,187)</u>
29.1 Realised (loss) / gain on:			
Federal Government Securities		(119,565)	632
Units of Mutual Funds		—	68,393
		<u>(119,565)</u>	<u>69,025</u>
29.2 Net (loss) / gain on financial assets :			
Net loss on investments in securities mandatorily measured at FVPL		(314,331)	(168,819)
Net (loss) / gain on financial assets measured at FVOCI		(119,565)	632
		<u>(433,896)</u>	<u>(168,187)</u>
30. OTHER INCOME			
Rent on property		15,839	7,598
Gain on sale of property and equipment - net		498,210	500,528
Gain on termination of leases and RoU - net		85,578	46,488
		<u>599,627</u>	<u>554,614</u>



		(Un-audited) Half year ended	
		30 June 2025	30 June 2024
		(Rupees in '000)	
		(Restated)	
31. OPERATING EXPENSES			
Total compensation expenses	21,753,302	20,602,843	
Property expenses			
Rent and taxes	118,971	110,424	
Insurance	16,848	17,511	
Utilities cost	1,577,330	1,540,354	
Security (including guards)	1,366,424	1,102,986	
Repair and maintenance (including janitorial charges)	513,728	336,828	
Depreciation	935,920	754,504	
Depreciation - right of use assets	1,355,777	1,198,462	
	5,884,998	5,061,069	
Information technology expenses			
Software maintenance	1,429,395	1,970,546	
Hardware maintenance	754,826	332,488	
Depreciation	881,987	538,809	
Amortisation	98,858	105,530	
Network charges	304,393	588,935	
	3,469,459	3,536,308	
Other operating expenses			
Directors' fees and allowances	43,930	20,760	
Fees and allowances to shariah board	21,811	15,810	
Insurance	618,260	468,648	
Legal and professional charges	252,768	262,298	
Outsourced services costs	1,892,043	1,387,384	
Travelling and conveyance	370,501	309,924	
NIFT and other clearing charges	163,325	130,086	
Depreciation	1,864,844	1,285,026	
Repair and maintenance	1,314,018	960,063	
Training and development	105,554	54,926	
Postage and courier charges	197,121	208,960	
Communication	1,538,016	1,455,673	
Stationery and printing	999,901	851,477	
Marketing, advertisement and publicity	786,282	466,316	
Donations	271,800	250,725	
Auditors remuneration	14,684	11,028	
Commission and brokerage	900,471	701,836	
Entertainment and staff refreshment	407,124	336,722	
Vehicle running expenses	99,304	110,934	
Subscriptions and publications	167,256	154,076	
CNIC verification charges	223,022	159,728	
Security charges	534,366	519,572	
Others	518,892	447,714	
	13,305,293	10,569,686	
	44,413,052	39,769,906	



		(Un-audited)	
		Half year ended	
	Note	30 June 2025	30 June 2024
		(Rupees in '000)	
		(Restated)	
32. OTHER CHARGES			
Penalties imposed by the State Bank of Pakistan		<u>30,595</u>	<u>127,846</u>
33. CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET			
Charge / (reversal) against balances with other banks - net	7.1	73,110	(2,870)
Reversal against lendings to financial institutions - net	8.1	(2,599)	(223)
Reversal against investments - net	9.2	(1,546,212)	(719,016)
(Reversal) / charge against loans and advances - net	10.3	(607,887)	7,233,902
(Reversal) / charge against other assets - net	15.1.1	(150,946)	8,464
(Reversal) / charge against off-balance sheet obligations - net	22.1	(414,221)	871,459
		<u>(2,648,755)</u>	<u>7,391,716</u>
34. TAXATION			
Current		20,479,798	21,918,769
Prior		2,354,668	–
Deferred		(3,075,001)	(2,453,107)
		<u>19,759,465</u>	<u>19,465,662</u>
35. BASIC AND DILUTED EARNINGS PER SHARE			
Profit for the period		<u>19,324,336</u>	<u>21,138,114</u>
		(Number)	
Weighted average number of ordinary shares		<u>1,111,425,416</u>	<u>1,111,425,416</u>
		(Rupees)	
Basic and diluted earnings per share		<u>17.39</u>	<u>19.02</u>
36. FAIR VALUE MEASUREMENTS			
Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.			
36.1 Fair value of financial assets			
The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:			
Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.			
Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).			



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

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

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

30 June 2025 (Un-audited)				
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government Securities	–	1,510,186,063	–	1,510,186,063
Shares - listed	753,225	–	–	753,225
Shares - unlisted	–	162,652	1,934,864	2,097,516
Non-Government Debt Securities	–	6,493,907	–	6,493,907
Foreign Securities	–	6,088,401	–	6,088,401
Units of Mutual Funds	–	4,385,619	–	4,385,619
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	–	407,022,510	–	407,022,510
Off-balance sheet financial instruments				
- measured at fair value				
Forward purchase of foreign exchange contracts	–	107,236,900	–	107,236,900
Forward sale of foreign exchange contracts	–	43,628,877	–	43,628,877
31 December 2024 (Audited)				
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government Securities	–	1,502,871,917	–	1,502,871,917
Shares - listed	761,605	–	–	761,605
Non-Government Debt Securities	4,240,451	3,442,208	–	7,682,659
Foreign Securities	–	7,367,557	–	7,367,557
Units of Mutual Funds	–	4,699,950	–	4,699,950
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	–	395,391,462	–	395,391,462
Off-balance sheet financial instruments				
- measured at fair value				
Forward purchase of foreign exchange contracts	–	143,574,254	–	143,574,254
Forward sale of foreign exchange contracts	–	100,910,025	–	100,910,025



36.2 Valuation techniques used in determination of fair values

Item	Valuation Approach	Input Used
Federal Government Securities	Federal Government Securities includes Pakistan Investments Bonds (PIBs), Market Treasury Bills (MTBs) and Government Ijarah Sukuks (GISs) at fixed rate and floating rate. The fair value of fixed rates PIBs and MTBs are derived from PKRV and PKFRV rates. The fair value of GISs are revalued using PKISRV rates.	- PKRV Rates - PKFRV Rates - PKISRV Rates
Term Finance Certificates (TFCs)	TFCs are valued using the income approach. Future cash flows are estimated based on prevailing KIBOR rates as of the valuation date. These cash flows are then discounted using a rate derived from the latest 10-year PIBs weighted average yield, adjusted for an instrument-specific credit spread to reflect the individual credit risk associated with each TFC.	- KIBOR - 10 year PIB yield - Term sheets
Sukuks	Corporate Sukuks are valued using the income approach. Expected cashflows are projected based on the current KIBOR rate. These cash flows are then discounted using the 10-year PIBs weighted average yield, adjusted for credit spreads to reflect the risk profile of each instrument.	- KIBOR - 10 year PIB yield - Term sheets
Foreign Securities	Fair values of investments in foreign securities are valued on the basis of closing quoted market prices available at the Mashreq Bank PSC.	- Market price as per Mashreq Bank PSC
Ordinary shares - listed	The fair value of investments in listed equity securities are valued on the basis of closing quoted market price available at the Pakistan Stock Exchange (PSX).	- Fair value as per PSX
Units of Mutual Funds	Fair values of investments in units of mutual funds are determined based on redemption prices disclosed at MUFAP as at the close of the business days.	- Net Assets Value as per MUFAP
Ordinary shares - unlisted	The valuation of unlisted companies varies for each company, as explained below: - SWIFT is valued using the market approach. Valuation is based on its latest published share price in euros, converted to PKR using the exchange rate prevailing on the valuation date. - Pakistan Mortgage Refinance Company Limited (PMRC) is valued using the income approach, applying the Dividend Discount Model (DDM) due to its consistent dividend distribution. The discount rate is the cost of equity, as the company has no debt in its capital structure. The cost of equity is derived using the Capital Asset Pricing Model (CAPM), with inputs including the 10-year PIBs weighted average yield as the risk-free rate, the 10-year average return of the PSX as the market return, and the average unlevered beta of the financial services sector. A 3% long-term growth rate is used, reflecting industry expectations. - 1LINK (Private) Limited (1 Link) has been valued using the income approach, specifically the Dividend Discount Model (DDM). Future cash flows were projected based on reasonable assumptions aligned with the company's historical performance. The discount rate was derived using the Capital Asset Pricing Model (CAPM), given that the company is currently unlevered. The CAPM inputs included the equity risk premium (ERP), the risk-free rate, and the ungeared beta of comparable companies, adjusted for Pakistan's country risk premium (CRP). Expected dividends were estimated in line with historical payout trends and subsequently discounted to their present value.	- Euro / Pak exchange rate - 10 year PIB yield - PKRV Rates - Comparable company information - Historical PSX returns - Financials of the investee company



Item	Valuation Approach	Input Used
Forward Foreign Exchange Contracts	The valuation has been determined by interpolating the foreign exchange revaluation rates announced by the State Bank of Pakistan (SBP).	- Foreign exchange revaluation rates announced by SBP
Property and Equipment - Land and Building	The valuation experts used a market based approach to arrive at the fair value of the Bank's properties. The market approach used prices and other relevant information generated by market transactions involving identical, comparable or similar properties.	- Prices and other relevant information generated by market transactions involving identical, comparable or similar properties.
Non - Banking Assets acquired in Satisfaction of Claims		

36.3 The following table shows reconciliation of investments held at Level 3 fair value movement:

	(Un-audited)
	30 June
	2025
	(Rupees in '000)
Opening balance	100,000
Impact of adoption of IFRS 9	1,620,522
Balance as at 01 January after adopting IFRS 9	1,720,522
Remeasurement recognised in OCI	214,342
Closing balance	1,934,864

36.4

Ordinary shares in unlisted companies	Unobservable Input	Fair Value (Rupees in '000)	Input	Relationship of unobservable inputs to fair value
Pakistan Mortgage Refinance Company Limited	Growth Rate	103,320	3%	Increase / (decrease) in growth rate by 1% by all other variables held constant would increase / (decrease) the fair value by Rs. 11.2m and Rs. 9.3m respectively.
1 Link (Private) Limited	Dividend Payout Ratio	1,831,544	17%	Increase / (decrease) in dividend payout ratio by 1% by all other variables held constant would increase / (decrease) the fair value by Rs. 107m.
	Growth Rate	1,831,544	8%	Increase / (decrease) in growth rate by 1% by all other variables held constant would increase / (decrease) the fair value by Rs. 302m and 214m respectively.



37. SEGMENT INFORMATION

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

Half year ended 30 June 2025 (Un-audited)				
	Commercial banking	Retail banking	Islamic banking	Total
	(Rupees in '000)			
Statement of profit and loss account				
Mark-up / return / profit	136,095,979	16,903,231	24,977,116	177,976,326
Inter segment revenue - net	—	26,744,650	—	26,744,650
Non mark-up / return / interest income	2,621,702	11,533,512	1,186,413	15,341,627
Total income	138,717,681	55,181,393	26,163,529	220,062,603
Segment direct expenses	(93,936,206)	(45,486,291)	(17,460,410)	(156,882,907)
Inter segment expense allocation	(26,744,650)	—	—	(26,744,650)
Total expenses	(120,680,856)	(45,486,291)	(17,460,410)	(183,627,557)
Credit loss allowance and write-offs-net	3,079,805	285	(431,335)	2,648,755
Profit before tax	21,116,630	9,695,387	8,271,784	39,083,801
As at 30 June 2025 (Un-audited)				
	Commercial banking	Retail banking	Islamic banking	Total
	(Rupees in '000)			
Statement of financial position				
Cash and bank balances	133,390,693	23,980,337	25,475,900	182,846,930
Investments	1,616,361,055	—	320,459,611	1,936,820,666
Net inter segment lending	—	1,400,579,283	—	1,400,579,283
Lendings to financial institutions	9,793,578	—	9,898,663	19,692,241
Advances - performing - net	763,736,080	29,049,030	108,589,424	901,374,534
- non-performing - net	2,053,980	30,264	1,335	2,085,579
Others	191,533,474	35,552,850	27,335,066	254,421,390
Total assets	2,716,868,860	1,489,191,764	491,759,999	4,697,820,623
Borrowings	413,006,821	—	28,223,679	441,230,500
Subordinated debt	25,986,000	—	—	25,986,000
Deposits and other accounts	738,651,688	1,380,933,718	357,322,291	2,476,907,697
Net inter segment borrowing	1,400,579,283	—	—	1,400,579,283
Others	53,527,881	103,679,981	32,475,384	189,683,246
Total liabilities	2,631,751,673	1,484,613,699	418,021,354	4,534,386,726
Equity	85,117,187	4,578,065	73,738,645	163,433,897
Total equity and liabilities	2,716,868,860	1,489,191,764	491,759,999	4,697,820,623
Contingencies and commitments	482,551,893	211,565	63,471,150	546,234,608



Half year ended 30 June 2024 (Un-audited) - restated

	Commercial banking	Retail banking	Islamic banking	Total
	(Rupees in '000)			
Statement of profit and loss account				
Mark-up / return / profit	203,983,446	9,042,182	30,721,130	243,746,758
Inter segment revenue - net	—	80,342,162	—	80,342,162
Non mark-up / return / interest income	3,412,631	9,778,226	978,196	14,169,053
Total income	207,396,077	99,162,570	31,699,326	338,257,973
Segment direct expenses	(106,758,994)	(83,336,709)	(19,824,616)	(209,920,319)
Inter segment expense allocation	(80,342,162)	—	—	(80,342,162)
Total expenses	(187,101,156)	(83,336,709)	(19,824,616)	(290,262,481)
Credit loss allowance and write-offs - net	(6,522,645)	(68,489)	(800,582)	(7,391,716)
Profit before tax	13,772,276	15,757,372	11,074,128	40,603,776

As at 31 December 2024 (Audited)

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

38. RELATED PARTY TRANSACTIONS

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

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



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

	30 June 2025 (Un-audited)					31 December 2024 (Audited)				
	Directors	Key management personnel	Subsidiaries	Associates	Other related parties	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	(Rupees in '000)									
Investments										
Opening balance	-	-	3,883,250	4,614,653	811,604	-	-	883,250	4,614,653	654,086
Investment made during the period / year	-	-	-	-	-	-	-	3,000,000	-	130,000
Investment redeemed / adjusted during the period / year	-	-	-	-	(182,690)	-	-	-	-	-
Surplus on revaluation	-	-	-	-	1,202,630	-	-	-	-	157,518
Credit loss allowance	-	-	-	-	-	-	-	-	-	(130,000)
Closing balance	-	-	3,883,250	4,614,653	1,831,544	-	-	3,883,250	4,614,653	811,604
Advances										
Opening balance	1,674	391,567	550,336	-	1,109,581	4,048	345,035	588,969	-	1,680,782
Addition during the period / year	105,407	219,230	34,810,378	-	13,040,059	16,933	440,830	45,578,331	-	32,611,576
Repaid during the period / year	(43,547)	(138,097)	(34,757,656)	-	(13,139,875)	(19,277)	(394,084)	(45,596,934)	-	(33,100,534)
Credit loss allowance	(22)	(15)	7,864	-	42,969	(30)	(214)	(20,030)	-	(82,243)
Closing balance	63,512	472,685	610,922	-	1,052,734	1,674	391,567	550,336	-	1,109,581
Right - of - use assets	-	-	-	-	14,616	-	-	-	-	1,022
Other assets										
Interest / mark-up accrued	2,190	429	11,335	-	29,310	-	454	17,301	-	14,716
Credit loss allowance on accrued mark-up	-	1	211	-	909	-	2	314	-	521
Dividend receivable	-	-	-	21,507	-	-	-	-	-	-
Other receivable	-	-	12,717	-	-	-	-	447	-	-
Subordinated debt										
Opening balance	-	-	-	-	244,000	-	-	-	-	194,000
Issued / purchased during the period / year	-	-	-	-	-	-	-	-	-	50,000
Closing balance	-	-	-	-	244,000	-	-	-	-	244,000
Deposits and other accounts										
Opening balance	1,106,745	854,460	1,020,652	11,795,080	15,445,734	771,493	794,349	1,316,547	19,349,124	9,409,202
Received during the period / year	5,483,153	5,598,916	83,639,334	587,178,883	170,863,425	8,344,579	6,474,665	74,687,462	582,838,891	405,964,086
Withdrawn during the period / year	(6,183,205)	(5,136,541)	(83,945,577)	(566,625,937)	(180,819,650)	(8,009,327)	(6,414,554)	(74,983,357)	(590,392,935)	(399,927,554)
Closing balance	406,693	1,316,835	714,409	32,348,026	5,509,509	1,106,745	854,460	1,020,652	11,795,080	15,445,734
Other liabilities										
Interest / mark-up payable	865	3,179	28	5,261	30,509	156	669	-	-	13,995
Credit loss allowance on off balance sheet transactions	-	-	-	-	40,015	-	-	-	-	33,009
Payable to staff retirement fund	-	-	-	-	2,695,715	-	-	-	-	2,065,715
Other liabilities	-	2	1,384	-	-	-	75	2,570	-	-
Contingencies and commitments	-	-	-	-	2,109,187	-	-	-	-	1,617,658
Other Transactions - Investor Portfolio Securities										
Opening balance	-	-	45,000	-	24,182,000	-	-	45,000	-	18,863,500
Increased during the period / year	-	-	-	-	6,380,500	-	-	-	-	7,398,000
Decreased during the period / year	-	-	-	-	(3,575,500)	-	-	-	-	(2,079,500)
Closing balance	-	-	45,000	-	26,987,000	-	-	45,000	-	24,182,000



38.1 RELATED PARTY TRANSACTIONS

	30 June 2025 (Un-audited)					30 June 2024 (Un-audited)				
	Directors	Key management personnel	Subsidiaries	Associates	Other related parties (Rupees in '000)	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
Income										
Mark-up / return / interest earned	2,464	14,647	24,662	—	54,119	1	10,608	47,902	—	95,722
Fee and commission income	206	686	217	173	6,145	164	300	59	48	6,258
Dividend income	—	—	—	608,385	140,847	—	—	—	485,387	156,492
Net gain on sale of securities	—	—	—	—	4	—	—	—	—	—
Rental income	—	—	15,839	—	—	—	—	7,598	—	—
Other income	—	6	382	—	207	—	—	1,144	—	176
Expense										
Mark-up / return / interest expensed	33,631	53,973	37,552	235,090	287,989	56,287	62,525	111,312	1,021,654	906,643
Operating expenses	—	—	—	—	702,700	—	—	—	—	2,950
Brokerage and commission	—	—	11,351	—	—	—	—	8,207	—	—
Salaries and allowances	—	812,422	—	—	—	—	637,837	—	—	—
Bonus	—	168,749	—	—	—	—	206,499	—	—	—
Contribution to defined contribution plan	—	28,962	—	—	—	—	27,593	—	—	—
Contribution to defined benefit plan	—	211,281	—	—	—	—	170,865	—	—	—
Staff provident fund	—	—	—	—	706,940	—	—	—	—	614,514
Staff gratuity fund	—	—	—	—	630,000	—	—	—	—	600,000
Directors' fees	36,230	—	—	—	—	19,760	—	—	—	—
Donation	—	—	—	—	84,000	—	—	—	—	12,000
Insurance premium paid	—	—	—	—	179,462	—	—	—	—	174,455
Insurance claims settled	—	—	—	—	107,642	—	—	—	—	81,971



39. CAPITAL ADEQUACY, LEVERAGE RATIO AND LIQUIDITY REQUIREMENTS

	(Un-audited) 30 June 2025 (Rupees in '000)	(Audited) 31 December 2024
Minimum Capital Requirement (MCR):		
Paid-up capital	11,114,254	11,114,254
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	144,886,170	138,304,943
Eligible Additional Tier 1 (ADT 1) Capital	12,977,379	13,085,236
Total Eligible Tier 1 Capital	157,863,549	151,390,179
Eligible Tier 2 Capital	46,821,494	43,326,725
Total Eligible Capital (Tier 1 + Tier 2)	204,685,043	194,716,904
Risk Weighted Assets (RWAs):		
Credit Risk	822,683,473	794,269,649
Market Risk	28,085,398	26,015,518
Operational Risk	267,347,656	267,347,656
Total	1,118,116,527	1,087,632,823
Common Equity Tier 1 Capital Adequacy ratio	12.958%	12.716%
Tier 1 Capital Adequacy Ratio	14.119%	13.919%
Total Capital Adequacy Ratio	18.306%	17.903%
Leverage Ratio (LR):		
Eligible Tier 1 Capital	157,863,549	151,390,179
Total Exposures	3,872,723,958	3,781,832,541
Leverage Ratio	4.076%	4.003%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	1,335,898,420	1,240,825,598
Total Net Cash Outflow	464,940,180	455,977,522
Liquidity Coverage Ratio	287.327%	272.124%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	2,528,270,198	2,345,924,658
Total Required Stable Funding	1,326,378,109	1,268,607,420
Net Stable Funding Ratio	190.615%	184.921%

The Bank has applied transitional approach under IFRS-9 as prescribed in SBP Circular. CAR and LR would be 17.57% & 3.91% respectively, if full impact of IFRS-9 is applied.



40. ISLAMIC BANKING BUSINESS

The Bank is operating with 319 (31 December 2024: 276) Islamic Banking branches and 08 (31 December 2024: 10) Islamic Banking windows at the end of the period / year.

STATEMENT OF FINANCIAL POSITION	Note	(Un-audited)	(Audited)
		30 June	31 December
		2025	2024
(Rupees in '000)			
ASSETS			
Cash and balances with treasury banks		25,466,560	24,097,793
Balances with other banks		9,340	8,635
Due from financial institutions	40.1	9,898,663	25,996,490
Investments	40.2	320,459,611	256,341,204
Islamic financing and related assets - net	40.3	108,590,759	103,587,096
Property and equipment		3,160,491	2,571,153
Right-of-use assets		5,677,106	4,411,645
Intangible assets		—	—
Due from Head Office		—	—
Other assets		18,497,469	25,734,467
Total Assets		491,759,999	442,748,483
LIABILITIES			
Bills payable		1,895,598	848,638
Due to financial institutions		28,223,679	30,561,246
Deposits and other accounts	40.4	357,322,291	317,595,744
Due to Head Office		5,685,555	6,016,955
Lease liabilities		6,774,028	5,386,354
Subordinated debt		—	—
Other liabilities		18,120,203	14,820,648
		418,021,354	375,229,585
NET ASSETS		73,738,645	67,518,898
REPRESENTED BY			
Islamic Banking Fund		7,600,000	7,600,000
Reserves		—	—
Surplus on revaluation of assets		3,800,709	5,852,746
Unappropriated profit	40.5	62,337,936	54,066,152
		73,738,645	67,518,898
CONTINGENCIES AND COMMITMENTS	40.6		



STATEMENT OF PROFIT AND LOSS ACCOUNT		(Un-audited) Half year ended	
		30 June 2025	30 June 2024
		(Rupees in '000)	
		(Restated)	
Note			
	Profit / return earned	40.7 24,977,116	30,721,130
	Profit / return expensed	40.8 (11,763,111)	(15,197,268)
	Net Profit / return	13,214,005	15,523,862
	Other income		
	Fee and commission income	1,044,023	806,223
	Dividend income	27,242	46,102
	Foreign exchange income	134,873	123,860
	(Loss) / gain on securities - net	(19,725)	2,011
	Other income	—	—
	Total other income	1,186,413	978,196
	Total income	14,400,418	16,502,058
	Other expenses		
	Operating expenses	(5,696,658)	(4,627,233)
	Other charges	(641)	(115)
	Total other expenses	(5,697,299)	(4,627,348)
	Profit before credit loss allowance	8,703,119	11,874,710
	Credit loss allowance and write offs - net	(431,335)	(800,582)
	Profit for the period	8,271,784	11,074,128

40.1 Due from financial institutions	(Un-audited)		(Audited)
	30 June 2025	31 December 2024	
(Rupees in '000)			
In local currency:			
Musharaka placement	9,900,000	26,000,000	
Less: credit loss allowance - Stage 1	(1,337)	(3,510)	
Due from financial institutions - net of credit loss allowance	9,898,663	25,996,490	



	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)							
40.2 Investments by segments:								
Amortised Cost								
Federal Government Securities								
- Bai Muajjal	5,433,577	-	-	5,433,577	-	-	-	-
FVPL								
Federal Government Securities								
- Islamic Naya Pakistan Certificates	1,147,873	-	-	1,147,873	2,642,542	-	-	2,642,542
FVOCI								
Federal Government Securities								
- Ijarah Sukuks	284,987,214	-	3,820,536	288,807,750	221,990,413	-	5,664,287	227,654,700
- Neelum Jhelum Hydropower Co. Ltd. Sukuk	577,500	-	3,681	581,181	866,250	-	8,840	875,090
- Pakistan Energy Sukuk - Listed	21,101,704	-	(1,704)	21,100,000	21,101,875	-	209,125	21,311,000
Non Government debt Securities								
- Listed	1,122,000	(680,383)	2,047	443,664	1,122,000	(680,227)	534	442,307
- Unlisted	2,516,750	(737)	(23,851)	2,492,162	2,973,000	(524)	(30,040)	2,942,436
	310,305,168	(681,120)	3,800,709	313,424,757	248,053,538	(680,751)	5,852,746	253,225,533
Investments mandatorily classified / measured at FVPL								
Units of Mutual Funds	273,129	-	(19,725)	253,404	252,242	-	20,887	273,129
Associates								
- AL Habib Islamic Cash Fund	100,000	-	-	100,000	100,000	-	-	100,000
- AL Habib Islamic Savings Fund	100,000	-	-	100,000	100,000	-	-	100,000
	200,000	-	-	200,000	200,000	-	-	200,000
Total Investments	<u>317,359,747</u>	<u>(681,120)</u>	<u>3,780,984</u>	<u>320,459,611</u>	<u>251,148,322</u>	<u>(680,751)</u>	<u>5,873,633</u>	<u>256,341,204</u>

40.2.1 Particulars of credit loss allowance

	30 June 2025 (Un-audited)			
	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)			
Non Government Debt Securities	661	459	680,000	681,120
	31 December 2024 (Audited)			
	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)			
Non Government Debt Securities	384	367	680,000	680,751



	(Un-audited) 30 June 2025	(Audited) 31 December 2024
	(Rupees in '000)	
40.3 Islamic financing and related assets		
Ijarah	3,253,638	3,296,372
Murabaha	18,047,291	21,393,302
Diminishing Musharaka	17,084,493	14,901,120
Istisna	6,542,999	4,744,263
Islamic Long Term Financing Facility (ILTFF)	3,881,897	4,343,370
Islamic Refinance for Renewable Energy (IFRE)	3,139,780	3,177,094
Islamic Refinance for Temporary Economic Refinance Facility (ITERF)	4,845,826	5,217,018
Islamic Refinance Facility for Modernization of SMEs (IRFSME)	150,674	166,650
Islamic Financing Facility for Storage of Agricultural Produce (IFFSAP)	113,294	127,131
Islamic Export Refinance - Istisna (IERF)	146,000	70,000
Musawamah	4,284,905	4,188,383
Running Musharaka	2,485,666	2,844,245
Islamic Export Refinance - Running Musharaka	12,963,641	8,903,641
Financing against Bills - Musawamah	3,048,607	3,823,394
Export Finance Scheme (EFS) - Discounting	8,431,147	8,207,289
Staff Financing	1,916,160	1,098,884
Musawamah Inventory	4,653,974	2,673,423
Advance against Istisna	12,882,255	14,364,368
Advance against Istisna - IERF	1,324,500	818,500
Advance against Ijarah	478,244	250,250
Advance against Diminishing Musharaka	2,285,858	1,788,091
Advance against IFRE	1,500	198,663
Advance against ITERF	66,710	—
Gross Islamic financing and related assets	112,029,059	106,595,451
Less: credit loss allowance against Islamic financings and related assets		
- Stage 1	(1,273,508)	(1,071,897)
- Stage 2	(894,567)	(1,061,392)
- Stage 3	(1,270,225)	(875,066)
	(3,438,300)	(3,008,355)
Islamic financing and related assets - net of credit loss allowance	108,590,759	103,587,096



	(Un-audited) 30 June 2025 (Rupees in '000)	(Audited) 31 December 2024
40.4 Deposits and Other Accounts		
Customers		
Current deposits	151,597,655	116,937,121
Savings deposits	178,281,770	158,666,856
Term deposits	20,234,771	20,269,782
	<u>350,114,196</u>	<u>295,873,759</u>
Financial institutions		
Current deposits	95,685	48,799
Savings deposits	7,112,410	21,673,186
	<u>7,208,095</u>	<u>21,721,985</u>
	<u>357,322,291</u>	<u>317,595,744</u>
40.5 Islamic Banking Business Unappropriated Profit		
Opening balance	54,066,152	30,550,755
Add: Islamic Banking profit for the period / year	8,271,784	23,523,465
Loss on sale of equity investments - FVOCI	—	(8,068)
Closing balance	<u>62,337,936</u>	<u>54,066,152</u>
40.6 Contingencies and Commitments		
Guarantees	25,314,365	19,198,384
Commitments	38,156,785	34,016,915
	<u>63,471,150</u>	<u>53,215,299</u>
	(Un-audited) Half year ended	
	30 June 2025	30 June 2024
	(Rupees in '000)	(Restated)
40.7 Profit / Return Earned on Financing, Investments and Placement		
Profit earned on:		
Financing and related assets	5,730,868	8,910,826
Investments	19,123,500	21,809,819
Placements	122,748	485
	<u>24,977,116</u>	<u>30,721,130</u>
40.8 Profit on Deposits and Other Dues Expensed		
Deposits and other accounts	9,888,422	12,221,607
Due to Financial Institutions	1,121,912	1,527,144
Due to Head Office	313,484	1,151,483
Finance charges on leased liabilities	439,293	297,034
	<u>11,763,111</u>	<u>15,197,268</u>



40.9 Profit and Loss Distribution and Pool Management

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

General Pool PKR (Mudaraba)

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

Special Pool(s) PKR (Mudaraba)

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

General Pool FCY (Mudaraba)

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

Special Pool(s) FCY (Mudaraba)

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

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

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

Equity Pool

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

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

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

Parameters associated with risk and rewards:

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

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



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

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

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

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

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

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

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

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

The Bank's profit sharing ratio during the period was 50% (30 June 2024: 50%) of Net Income and the depositors' profit sharing ratio was 50% (30 June 2024: 50%) of Net Income.

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

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



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

30 June 2025 (Un-audited)					
	Distributable Income (Rupees in '000)	Mudarib Share (Rupees in '000)	Mudarib Share (Percentage)	HIBA Amount (Rupees in '000)	HIBA (Percentage)
LCY Pool	14,038,653	6,568,359	46.79%	2,838,457	43.21%
FCY Pool	210,623	170,661	81.03%	25,716	15.07%
30 June 2024 (Un-audited)					
LCY Pool	17,113,405	6,685,202	39.06%	3,015,081	45.10%
FCY Pool	236,138	159,811	67.68%	24,606	15.40%

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

		(Un-audited) Half year ended	
		30 June 2025	30 June 2024
		(Percentage)	
Profit rate earned		12.05%	19.40%
Profit rate distributed		6.09%	10.51%

41. GENERAL

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

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

41.3 Comparative information has been re-classified, re-arranged or additionally incorporated in these unconsolidated condensed interim financial statements wherever necessary to facilitate comparison and better presentation. The impact of IFRS 9 adoption is mentioned in note 4.2 of these unconsolidated condensed interim financial statements.

42. NON-ADJUSTING EVENT AFTER THE REPORTING DATE

The Board of Directors, in its meeting held on 27 August 2025, has announced an interim cash dividend of Rs. 3.50 per share (30 June 2024: Rs. 3.50 per share). These unconsolidated condensed interim financial statements do not include the effect of this appropriation, which will be accounted for subsequent to the period end.

43. DATE OF AUTHORISATION

These unconsolidated condensed interim financial statements were authorised for issue in the Board of Directors' meeting held on 27 August 2025.

MANSOOR ALI KHAN
Chief Executive

ASHAR HUSAIN
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI
Director

FARHANA MOWJEE KHAN
Director

ABBAS D. HABIB
Chairman



Consolidated Financial Statements

Bank AL Habib Limited

and

Subsidiary Companies



**CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025**

		(Un-audited) 30 June 2025 (Rupees in '000)	(Audited) 31 December 2024
	Note		
ASSETS			
Cash and balances with treasury banks	6	178,576,445	201,935,630
Balances with other banks	7	4,812,268	5,887,584
Lendings to financial institutions	8	19,692,241	38,941,542
Investments	9	1,938,505,788	1,926,109,064
Advances	10	902,835,539	910,279,117
Property and equipment	11	81,329,831	76,057,034
Right-of-use assets	12	15,421,603	13,731,222
Intangible assets	13	229,566	237,024
Deferred tax assets	14	4,798,321	4,529,802
Other assets	15	155,000,165	145,422,433
Total Assets		3,301,201,767	3,323,130,452
LIABILITIES			
Bills payable	17	73,697,992	52,263,043
Borrowings	18	441,230,500	667,043,213
Deposits and other accounts	19	2,476,184,917	2,277,961,527
Lease liabilities	20	18,919,112	16,897,021
Subordinated debt	21	25,986,000	25,988,400
Deferred tax liabilities		—	—
Other liabilities	22	98,066,031	127,773,646
Total Liabilities		3,134,084,552	3,167,926,850
NET ASSETS		167,117,215	155,203,602
REPRESENTED BY			
Share capital		11,114,254	11,114,254
Reserves		34,135,380	32,050,356
Surplus on revaluation of assets	23	24,588,141	21,624,360
Unappropriated profit		97,114,410	90,259,109
Equity attributable to the equity holders of the Holding company		166,952,185	155,048,079
Non-controlling interest	24	165,030	155,523
Total Equity		167,117,215	155,203,602
CONTINGENCIES AND COMMITMENTS	25		

The annexed notes 1 to 44 form an integral part of these consolidated condensed interim financial statements.

MANSOOR ALI KHAN
Chief Executive

ASHAR HUSAIN
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI
Director

FARHANA MOWJEE KHAN
Director

ABBAS D. HABIB
Chairman



**CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2025**

Note	Half year ended		Three months period ended	
	30 June 2025	30 June 2024 (Restated)	30 June 2025 (Rupees in '000) (Restated)	30 June 2024 (Restated)
Mark-up / return / interest earned	27 178,130,720	243,722,701	85,160,212	123,938,415
Mark-up / return / interest expensed	28 (111,623,007)	(169,019,146)	(52,297,419)	(86,362,069)
Net mark-up / return / interest income	66,507,713	74,703,555	32,862,793	37,576,346
NON MARK-UP / INTEREST INCOME				
Fee and commission income	29 12,114,137	10,328,420	6,054,251	5,736,544
Dividend income	353,192	361,598	284,279	276,062
Foreign exchange income	3,553,548	3,463,762	1,384,859	975,837
Income / (loss) from derivatives	—	—	—	—
Loss on securities - net	30 (433,646)	(168,113)	(189,191)	(388,625)
Net gain / (loss) on derecognition of financial assets measured at amortised cost	—	—	—	—
Share of profit from associates	437,257	661,701	225,075	353,821
Other income	31 583,815	547,016	245,450	233,956
Total non mark-up / interest income	16,608,303	15,194,384	8,004,723	7,187,595
Total income	83,116,016	89,897,939	40,867,516	44,763,941
NON MARK-UP / INTEREST EXPENSES				
Operating expenses	32 (44,929,922)	(40,016,619)	(23,298,654)	(21,873,918)
Workers welfare fund	(820,040)	(927,711)	(388,581)	(500,621)
Other charges	33 (30,595)	(127,846)	(23,654)	(1,628)
Total non mark-up / interest expenses	(45,780,557)	(41,072,176)	(23,710,889)	(22,376,167)
Profit before credit loss allowance	37,335,459	48,825,763	17,156,627	22,387,774
Credit loss allowance and write offs - net	34 2,648,755	(7,391,716)	1,491,895	(517,347)
Extra ordinary / unusual items	—	—	—	—
PROFIT BEFORE TAXATION	39,984,214	41,434,047	18,648,522	21,870,427
Taxation	35 (20,194,025)	(19,768,192)	(9,582,300)	(10,457,638)
PROFIT AFTER TAXATION	19,790,189	21,665,855	9,066,222	11,412,789
Attributable to:				
Equity holders of the Holding Company	19,781,509	21,660,675	9,060,952	11,408,985
Non-controlling interest	8,680	5,180	5,270	3,804
	19,790,189	21,665,855	9,066,222	11,412,789
(Rupees)				
Basic and diluted earnings per share attributable to the equity holders of the Holding Company	36 17.80	19.49	8.15	10.27

The annexed notes 1 to 44 form an integral part of these consolidated condensed interim financial statements.

MANSOOR ALI KHAN
Chief Executive

ASHAR HUSAIN
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI
Director

FARHANA MOWJEE KHAN
Director

ABBAS D. HABIB
Chairman



**CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2025**

	Half year ended		Three months period ended	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	(Rupees in '000)			
		(Restated)		(Restated)
Profit after taxation for the period	19,790,189	21,665,855	9,066,222	11,412,789
Other comprehensive income				
<i>Items that may be reclassified to statement of profit and loss account in subsequent periods:</i>				
Effect of translation of net investment in foreign branches	152,590	(73,231)	30,033	31,217
Movement in surplus on revaluation of debt investments through FVOCI - net of tax	2,018,142	1,817,305	4,088,649	897,744
	2,170,732	1,744,074	4,118,682	928,961
<i>Items that will not be reclassified to statement of profit and loss account in subsequent periods:</i>				
Movement in surplus / (deficit) on revaluation of equity investments - net of tax	113,479	(485,927)	168,299	111,708
Movement in surplus on revaluation of property and equipment - net of tax	125,643	203,480	1,526	203,480
Movement in surplus / (deficit) on revaluation of non-banking assets - net of tax	741	(31,013)	—	—
	239,863	(313,460)	169,825	315,188
Total comprehensive income for the period	22,200,784	23,096,469	13,354,729	12,656,938
Attributable to:				
Equity holders of the Holding Company	22,191,277	23,089,364	13,347,269	12,650,389
Non-controlling interest	9,507	7,105	7,460	6,549
	22,200,784	23,096,469	13,354,729	12,656,938

The annexed notes 1 to 44 form an integral part of these consolidated condensed interim financial statements.

MANSOOR ALI KHAN
Chief Executive

ASHAR HUSAIN
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI
Director

FARHANA MOWJEE KHAN
Director

ABBAS D. HABIB
Chairman



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

Attributable to shareholders of the Holding Company													
	Share Capital	Statutory Reserve	Foreign Currency Translation Reserve	Revenue Reserves		Surplus / (deficit) on revaluation of			Unappropriated Profit	Sub - total	Non-controlling Interest	Total	
				Special Reserve	General Reserve	Investments	Property and Equipment	Non Banking Assets					
						(Rupees in '000)							
Balance as at 01 January 2024 - audited	11,114,254	22,700,012	4,818,360	126,500	540,000	1,124,652	16,433,449	200,858	73,595,373	130,653,458	125,536	130,778,994	
Effect of adoption of IFRS 9 (net of tax)	-	-	-	-	-	(1,773,407)	-	-	(3,510,353)	(5,283,760)	-	(5,283,760)	
Profit after taxation for the half year ended 30 June 2024 - restated	-	-	-	-	-	-	-	-	21,660,675	21,660,675	5,180	21,665,855	
Other comprehensive income for the half year ended 30 June 2024 - net of tax													
Effect of translation of net investment in foreign branches	-	-	(73,231)	-	-	-	-	-	-	(73,231)	-	(73,231)	
Movement in surplus on revaluation of investments in debt securities - net of tax	-	-	-	-	-	1,817,105	-	-	-	1,817,105	200	1,817,305	
Movement in deficit on revaluation of investments in equity securities - net of tax	-	-	-	-	-	(487,652)	-	-	-	(487,652)	1,725	(485,927)	
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	203,480	-	-	203,480	-	203,480	
Movement in deficit on revaluation of non - banking assets - net of tax	-	-	-	-	-	-	-	(31,013)	-	(31,013)	-	(31,013)	
Total other comprehensive income - net of tax	-	-	(73,231)	-	-	1,329,453	203,480	(31,013)	-	1,428,689	1,925	1,430,614	
Transfer to statutory reserve	-	2,113,811	-	-	-	-	-	-	(2,113,811)	-	-	-	
Loss on sale of equity investments - FVOCI	-	-	-	-	-	826,620	-	-	(826,620)	-	-	-	
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	(110,659)	(477)	111,136	-	-	-	
Transactions with owners, recorded directly in equity													
Final cash dividend (Rs. 5.0 per share) - December 2023	-	-	-	-	-	-	-	-	(5,557,127)	(5,557,127)	-	(5,557,127)	
Interim cash dividend (Rs. 3.5 per share) - March 2024	-	-	-	-	-	-	-	-	(3,889,989)	(3,889,989)	-	(3,889,989)	
	-	-	-	-	-	-	-	-	(9,447,116)	(9,447,116)	-	(9,447,116)	
Balance as at 30 June 2024 - unaudited - restated	11,114,254	24,813,823	4,745,129	126,500	540,000	1,507,318	16,526,270	169,368	79,469,284	139,011,946	132,641	139,144,587	
Profit after taxation for the half year ended 31 December 2024	-	-	-	-	-	-	-	-	20,241,090	20,241,090	10,450	20,251,540	
Other comprehensive income for the half year ended 31 December 2024 - net of tax													
Effect of translation of net investment in foreign branches	-	-	(47,504)	-	-	-	-	-	-	(47,504)	-	(47,504)	
Movement in surplus on revaluation of investments in debt securities - net of tax	-	-	-	-	-	4,295,502	-	-	-	4,295,502	(162)	4,295,340	
Movement in surplus on revaluation of investments in equity securities - net of tax	-	-	-	-	-	86,543	-	-	-	86,543	12,594	99,137	
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	61,809	61,809	-	61,809	
Movement in deficit on revaluation of property and equipment - net of tax	-	-	-	-	-	-	(818,048)	-	-	(818,048)	-	(818,048)	
Movement in deficit on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	(3,281)	-	(3,281)	-	(3,281)	
Total other comprehensive income - net of tax	-	-	(47,504)	-	-	4,382,045	(818,048)	(3,281)	61,809	3,575,021	12,432	3,587,453	
Transfer to statutory reserve	-	1,872,408	-	-	-	-	-	-	(1,872,408)	-	-	-	
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	(139,288)	(24)	139,312	-	-	-	
Transactions with owners, recorded directly in equity													
Interim cash dividend (Rs. 3.5 per share) - June 2024	-	-	-	-	-	-	-	-	(3,889,989)	(3,889,989)	-	(3,889,989)	
Interim cash dividend (Rs. 3.5 per share) - September 2024	-	-	-	-	-	-	-	-	(3,889,989)	(3,889,989)	-	(3,889,989)	
	-	-	-	-	-	-	-	-	(7,779,978)	(7,779,978)	-	(7,779,978)	
Balance as at 31 December 2024 - audited	11,114,254	26,686,231	4,697,625	126,500	540,000	5,889,363	15,568,934	166,063	90,259,109	155,048,079	155,523	155,203,602	



Share Capital	Statutory Reserve	Foreign Currency Translation Reserve	Revenue Reserves		Surplus / (deficit) on revaluation of			Unappropriated Profit	Sub - total	Non-controlling Interest	Total
			Special Reserve	General Reserve	Investments	Property and Equipment	Non Banking Assets				
			(Rupees in '000)								
-	-	-	-	-	800,750	-	-	26,333	827,083	-	827,083
-	-	-	-	-	-	-	-	19,781,509	19,781,509	8,680	19,790,189
-	-	152,590	-	-	-	-	-	-	152,590	-	152,590
-	-	-	-	-	2,014,342	-	-	-	2,014,342	3,800	2,018,142
-	-	-	-	-	116,452	-	-	-	116,452	(2,973)	113,479
-	-	-	-	-	-	125,643	-	-	125,643	-	125,643
-	-	-	-	-	-	-	741	-	741	-	741
-	-	152,590	-	-	2,130,794	125,643	741	-	2,409,768	827	2,410,595
-	1,832,434	-	-	-	-	-	-	(1,832,434)	-	-	-
-	-	-	-	-	11,390	-	-	(11,390)	-	-	-
-	-	-	-	-	-	(105,473)	(64)	105,537	-	-	-
-	-	-	-	-	-	-	-	(7,224,265)	(7,224,265)	-	(7,224,265)
-	-	-	-	-	-	-	-	(3,889,989)	(3,889,989)	-	(3,889,989)
-	-	-	-	-	-	-	-	(11,114,254)	(11,114,254)	-	(11,114,254)
11,114,254	28,618,665	4,850,215	126,500	540,000	8,832,297	15,589,104	166,740	97,114,410	166,952,185	165,030	167,117,215

ABBAS D. HABIB
Chairman



**CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2025**

	30 June 2025	30 June 2024 (Restated)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	39,984,214	41,434,047
Less: dividend income	(353,192)	(361,598)
	39,631,022	41,072,449
Adjustments:		
Net mark-up / return / interest income	(66,507,713)	(74,703,555)
Depreciation	3,702,212	2,584,413
Depreciation on right-of-use assets	1,361,094	1,205,254
Amortisation	104,848	107,472
Workers welfare fund	820,040	927,711
Credit loss allowance and write-offs - net	(2,648,755)	7,391,716
Gain on sale of property and equipment - net	(498,237)	(500,528)
Gain on termination of leases and RoU - net	(85,578)	(46,488)
Unrealised loss measured at FVPL	314,331	237,212
Charge for defined benefit plan	630,000	600,000
Charge for compensated absences	161,708	211,733
Share of profit from associates	(437,257)	(661,701)
	(63,083,307)	(62,646,761)
	(23,452,285)	(21,574,312)
Decrease / (increase) in operating assets		
Lendings to financial institutions	19,251,900	1,649,716
Securities classified as FVPL	1,494,669	2,865,807
Advances	8,051,465	62,159,637
Other assets (excluding advance taxation and markup receivable)	(9,485,719)	(2,149,105)
	19,312,315	64,526,055
(Decrease) / increase in operating liabilities		
Bills payable	21,434,949	836,099
Borrowings	(227,124,187)	26,398,438
Deposits and other accounts	198,223,390	287,397,895
Other liabilities (excluding markup payable)	(29,596,990)	11,990,666
	(37,062,838)	326,623,098
	(41,202,808)	369,574,841
Mark-up / return / interest received	191,442,252	236,447,800
Mark-up / return / interest paid	(111,800,024)	(167,495,321)
Income tax paid	(36,418,177)	(19,025,206)
Net cash generated from operating activities	2,021,243	419,502,114
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in amortised cost securities	(5,481,576)	2,868,157
Net investments in securities classified as FVOCI	(993,671)	(333,224,595)
Net investments in associates	164,513	218,779
Dividends received	229,493	363,088
Investments in property and equipment and intangible assets	(9,084,367)	(6,765,800)
Proceeds from sale of property and equipment	512,681	473,792
Effect of translation of net investment in foreign branches	152,590	(73,231)
Net cash used in investing activities	(14,500,337)	(336,139,810)
CASH FLOW FROM FINANCING ACTIVITIES		
Payments of subordinated debt	(2,400)	(3,994,400)
Dividend paid	(10,985,247)	(9,315,446)
Payments of lease obligations against right-of-use assets	(2,206,121)	(1,853,033)
Net cash used in financing activities	(13,193,768)	(15,162,879)
(Decrease) / increase in cash and cash equivalents	(25,672,862)	68,199,425
Cash and cash equivalents at beginning of the period	205,641,643	147,284,561
Cash and cash equivalents at end of the period	179,968,781	215,483,986

The annexed notes 1 to 44 form an integral part of these consolidated condensed interim financial statements.

MANSOOR ALI KHAN
Chief Executive

ASHAR HUSAIN
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI
Director

FARHANA MOWJEE KHAN
Director

ABBAS D. HABIB
Chairman



**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2025**

1. STATUS AND NATURE OF BUSINESS

1.1 The Group comprises of:

Holding Company

- Bank AL Habib Limited

Subsidiaries

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

1.2 Bank AL Habib Limited (the Bank) is a banking company incorporated in Pakistan on 15 October 1991 as a public limited company under repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Bank's registered office is at 126-C, Old Bahawalpur Road, Multan with principal place of business at 2nd Floor, Mackinnons Building, I.I. Chundrigar Road, Karachi. Its shares are listed on Pakistan Stock Exchange Limited. It is a scheduled bank principally engaged in the business of commercial banking with a network of 1,256 branches (31 December 2024: 1,207 branches), 08 sub-branches (31 December 2024: 14 sub-branches), 03 representative offices (31 December 2024: 04 representative offices) and 12 booths (31 December 2024: 12 booths). The branch network of the Bank includes 02 overseas branches (31 December 2024: 02 overseas branches) and 319 Islamic Banking branches (31 December 2024: 276 Islamic Banking branches).

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

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

1.4.1 The Company is managing following mutual funds:

Conventional Funds

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



Islamic Funds

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

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

2. BASIS OF PREPARATION

2.1 In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, SBP has issued various circulars from time to time. Permissible forms of trade-related modes of financing includes purchase of goods by banks from customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchase and resale arising under these arrangements are not reflected in these consolidated condensed interim financial statements as such, but are restricted to the amount of facility actually utilised and the appropriate portion of mark-up thereon. However, the Islamic Banking branches of the Bank have complied with the requirements set out under the Islamic Financial Accounting Standards (IFAS), issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the provisions of the Companies Act, 2017.

2.2 Key financial information of the Islamic Banking branches is disclosed in note 41 to these consolidated condensed interim financial statements.

2.3 These consolidated condensed interim financial statements are presented in Pak Rupees which is the Group's functional and presentation currency.

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

2.5 Statement of Compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- IFAS issued by ICAP, as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by SBP and SECP.



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

- 2.5.2 The disclosures made in these consolidated condensed interim financial statements have been limited based on the format prescribed by SBP vide BPRD Circular No. 02, dated 09 February 2023 and International Accounting Standard (IAS) 34, 'Interim Financial Reporting'. They do not include all the information required in the annual financial statements, and these consolidated condensed interim financial statements should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2024.
- 2.5.3 SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for Banking Companies in Pakistan through BSD Circular Letter No. 10 dated 26 August 2002 till further instructions. Also, SECP has deferred the applicability of IFRS 7, 'Financial Instruments: Disclosures' through its notification S.R.O 411 (I) / 2008 dated 28 April 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements.
- 2.5.4 SBP vide its BPRD Circular No. 04 dated 25 February 2015, has clarified that the reporting requirements of IFAS 3, 'Profit and Loss Sharing on Deposits' for Islamic Banking Institutions (IBIs) relating to annual, half yearly and quarterly financial statements would be notified by SBP through issuance of specific instructions and uniform disclosure formats in consultation with IBIs. These reporting requirements have not been ratified to date. Accordingly, the disclosure requirements under IFAS 3 have not been considered in the preparation of these consolidated condensed interim financial statements.
- 2.5.5 IFRS 10, 'Consolidated Financial Statements' was made applicable from period beginning on or after 01 January 2015 vide S.R.O 633 (I) / 2014 dated 10 July 2014 by SECP. However, SECP has directed through S.R.O 56 (I) / 2016 dated 28 January 2016 that the requirement of consolidation under section 228 of the Companies Act, 2017 and IFRS 10, 'Consolidated Financial Statements' is not applicable in case of investment by companies in mutual funds established under trust structure.
- 2.5.6 These consolidated condensed interim financial statements of the Group are prepared using generally consistent accounting policies. However, as per SBP's IFRS 9 application instructions, overseas branches comply with the local regulations enforced within their respective jurisdictions under IFRS 9 - 'Financial instruments'.
- 2.5.7 The Bank received an extension from SBP up to 31 December 2025 for application of Effective Interest Rate (EIR) in general for all financial assets and liabilities (excluding staff loans / subsidised loans), however as financial assets other than advances and financial liabilities were already effectively carried at EIR before the implementation of IFRS 9. Hence, said extension has only been applied on advances (excluding staff loans / subsidised loans i.e. Temporary Economic Refinance Facility). Therefore, advances are now carried at cost, excluding staff loans, TERF and advances pertaining to overseas operations, which are carried at amortised cost, net of expected credit loss allowances.



Further, SBP through BPRD Circular Letter No. 01 of 2025 dated 22 January 2025 has clarified the followings:

- Islamic Banking Institutions (IBIs) are allowed to follow IFAS 1 & 2 where applicable and continue the existing accounting methodology on other Islamic products until issuance of further instruction in this regard.
- The treatment of charity should be in line with the existing practices as defined in SBP's instructions issued via IBD Circular No. 02 of 2008 and should not be recognized as income.

Revenue from Islamic products would have increased by Rs. 440.573 million, if IFRS 9 had been adopted in its entirety.

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

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

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

Standards and amendments	Effective date (accounting period beginning on or after)
- Amendments to Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	01 January 2026
- IFRS 18 - Presentation and disclosure in financial statements	01 January 2027

The above amendments are not expected to have any material impact on these consolidated condensed interim financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The basis for accounting estimates adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the annual financial statements of the Group for the year ended 31 December 2024 except for requirements of IFRS 9 relating to unlisted equity instruments as explained in note 4.1.

4. MATERIAL ACCOUNTING POLICY INFORMATION

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



4.1 Unlisted Equity Securities

In accordance with BPRD Circular Letter No. 16 dated 29 July 2024, SBP has relaxed the requirement for the application of IFRS 9 'Financial Instruments' to measuring unlisted equity securities at fair value under IFRS 13 effective from 01 January 2025. The measurement of fair value of investments in unlisted equity securities involves the use of different methodologies and assumptions. The Group measures the fair valuation of unlisted equity securities using appropriate valuation techniques and fair valuation models in accordance with IFRS 13 - Fair Value Measurement. Therefore, the Bank has taken the impact of fair value adjustment to equity at the beginning of the current accounting period and information related to 31 December 2024 has not been restated as allowed under 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 - unlisted equity securities	1,723,404
Increase in deferred tax liabilities	896,321
Increase in revaluation of assets	800,750
Increase in unappropriated profit	26,333

4.2 Subsidised Loans and Borrowings

The Bank adopted IFRS 9 in accordance with the application instructions, effective 01 January 2024, using the modified retrospective approach for restatement as permitted under the standard. In the annual audited financial statements for the year ended 31 December 2024, the cumulative impact of the initial application amounted to Rs. 2,188.661 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 29 July 2024, and BPRD Circular Letter No. 01 dated 22 January 2025, the Bank was required to apply fair value measurement to subsidised staff financing, implement modification accounting for financial assets and liabilities, and recognize income using the EIR method, with effect from the last quarter of 2024. However, in line with SBP via its letter no. BPRD/RPD/822456/25 dated 22 January 2025, the recognition of income on EIR has been further deferred till 31 December 2025.

Therefore, the comparative figures for the half year ended 30 June 2024, presented in the consolidated condensed interim statement of profit and loss for the half year ended 30 June 2025, have been restated as summarised:



Consolidated Condensed Interim Statement of Profit and Loss Account

	Un-audited 30 June 2024 (Rupees in '000)	Description
Mark-up / return / interest earned	1,431,190	Impact of subsidised loans and staff financing
Mark-up / return / interest expensed	902,136	Impact of subsidised borrowings from SBP
Operating expenses	428,906	Impact of prepaid staff cost amortisation
Taxation	49,073	Tax impact of restatement
Profit after taxation	51,075	
	(Rupees)	
Basic and diluted earnings per share	0.05	EPS impact of restatement

5. FINANCIAL RISK MANAGEMENT

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

6. CASH AND BALANCES WITH TREASURY BANKS

In hand:

	(Un-audited) 30 June 2025 (Rupees in '000)	(Audited) 31 December 2024
Local currency	51,664,928	45,870,590
Foreign currencies	3,035,549	3,091,419
	54,700,477	48,962,009

With the State Bank of Pakistan (SBP) in:

Local currency current accounts	72,086,144	117,236,148
Local currency current accounts - Islamic Banking	14,470,095	16,299,959
Foreign currency deposit accounts		
Cash reserve account	5,845,549	5,501,362
Cash reserve / special cash reserve account		
- Islamic Banking	1,117,465	1,035,649
Special cash reserve account	11,691,097	11,002,725
Local collection account	501,337	407,387
	105,711,687	151,483,230

With the National Bank of Pakistan (NBP) in:

Local currency current accounts	18,049,406	1,332,163
Prize bonds	114,875	158,228
Cash and balances with treasury banks	178,576,445	201,935,630



	Note	(Un-audited) 30 June 2025 (Rupees in '000)	(Audited) 31 December 2024
7. BALANCES WITH OTHER BANKS			
In Pakistan:			
In current accounts		175,035	252,439
In deposit accounts		143,614	18,806
		318,649	271,245
Outside Pakistan:			
In current accounts		4,495,120	5,129,043
In deposit accounts		72,559	488,243
		4,567,679	5,617,286
		4,886,328	5,888,531
Less: credit loss allowance held against balances with other banks	7.1	(74,060)	(947)
Balances with other banks - net of credit loss allowance		4,812,268	5,887,584
7.1 Credit Loss Allowance - Stage 1			
Opening balance		947	3,612
Charge / (reversal):			
Charge for the period / year		73,211	75
Reversal for the period / year		(101)	(2,738)
		73,110	(2,663)
Foreign exchange adjustments		3	(2)
Closing balance		74,060	947
8. LENDINGS TO FINANCIAL INSTITUTIONS			
In local currency:			
Musharaka placements		9,900,000	26,000,000
Repurchase agreement lendings (Reverse Repo)		9,794,900	12,946,800
		19,694,900	38,946,800
Less: credit loss allowance held against lendings to financial institutions	8.1	(2,659)	(5,258)
Lendings to financial institutions - net of credit loss allowance		19,692,241	38,941,542
8.1 Credit Loss Allowance - Stage 1			
Opening balance		5,258	223
Charge / (reversal):			
Charge for the period / year		2,413	5,258
Reversal for the period / year		(5,012)	(223)
		(2,599)	5,035
Closing balance		2,659	5,258



9. INVESTMENTS

	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)								
9.1 Investments by type:								
Debt instruments								
Amortised Cost								
Federal Government Securities	400,946,894	(697,443)	–	400,249,451	395,460,837	(851,234)	–	394,609,603
Others	–	–	–	–	4,481	(4,481)	–	–
	400,946,894	(697,443)	–	400,249,451	395,465,318	(855,715)	–	394,609,603
FVOCI								
Federal Government Securities	1,495,961,273	(2,582,530)	15,758,505	1,509,137,248	1,492,727,676	(3,312,910)	10,909,607	1,500,324,373
Non Government Debt Securities	8,029,954	(832,760)	(703,287)	6,493,907	8,703,026	(881,964)	(138,403)	7,682,659
Foreign Securities	7,249,442	(1,948,633)	787,592	6,088,401	8,682,791	(2,442,827)	1,127,593	7,367,557
	1,511,240,669	(5,363,923)	15,842,810	1,521,719,556	1,510,113,493	(6,637,701)	11,898,797	1,515,374,589
FVPL								
Federal Government Securities	1,147,873	–	–	1,147,873	2,642,542	–	–	2,642,542
Equity Instruments								
FVOCI - Non Reclassifiable								
Shares								
- Listed companies	196,403	–	601,825	798,228	187,060	–	619,128	806,188
- Unlisted companies	154,501	–	1,943,280	2,097,781	192,467	(50,811)	–	141,656
	350,904	–	2,545,105	2,896,009	379,527	(50,811)	619,128	947,844
Investments mandatorily classified / measured at FVPL								
Units of Mutual Funds	4,699,950	–	(314,331)	4,385,619	4,238,097	–	461,853	4,699,950
Associates	8,107,280	–	–	8,107,280	7,834,536	–	–	7,834,536
Total Investments	<u>1,926,493,570</u>	<u>(6,061,366)</u>	<u>18,073,584</u>	<u>1,938,505,788</u>	<u>1,920,673,513</u>	<u>(7,544,227)</u>	<u>12,979,778</u>	<u>1,926,109,064</u>



	(Un-audited) 30 June 2025 (Rupees in '000)	(Audited) 31 December 2024
9.1.1 Investments given as collateral		
Pakistan Investment Bonds	<u>304,638,000</u>	<u>518,019,000</u>
9.2 Credit loss allowance		
Opening balance	7,544,227	9,658,486
Impact of adoption of IFRS 9	(50,811)	—
Charge / (reversal):		
Charge for the period / year	174,179	813,987
Reversal for the period / year	(1,715,910)	(1,782,276)
Reversal on disposal	(4,481)	—
	(1,546,212)	(968,289)
Amounts written off	—	(1,046,371)
Foreign exchange adjustments	114,162	(99,599)
Closing balance	<u>6,061,366</u>	<u>7,544,227</u>

9.3 Particulars of credit loss allowance against debt securities

		30 June 2025 (Un-audited)		31 December 2024 (Audited)	
		Outstanding amount	Credit loss allowance (Rupees in '000)	Outstanding amount	Credit loss allowance
Domestic					
Performing	Stage 1	5,362,205	1,392	4,718,515	766
Under performing	Stage 2	1,837,819	1,438	3,104,591	1,277
Non performing - loss	Stage 3	829,930	829,930	884,401	884,401
		<u>8,029,954</u>	<u>832,760</u>	<u>8,707,507</u>	<u>886,444</u>
Overseas					
Performing	Stage 1	1,404,399	2,595	2,765,414	11,592
Under performing	Stage 2	25,455,177	4,312,856	22,190,407	4,164,145
Non performing - loss	Stage 3	2,928,019	913,155	5,917,378	2,431,235
		<u>29,787,595</u>	<u>5,228,606</u>	<u>30,873,199</u>	<u>6,606,972</u>
Total		<u>37,817,549</u>	<u>6,061,366</u>	<u>39,580,706</u>	<u>7,493,416</u>

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

9.5 The market value of securities classified as amortised cost at 30 June 2025 amounted to Rs. 408,977 million (31 December 2024: Rs. 397,393 million).



9.6 Summary of financial information of associates

	Percentage of holding	30 June 2025 (Un-audited)				
		Assets	Liabilities	Revenue	Profit after taxation	Total comprehensive income
		(Rupees in '000)				
AL Habib Money Market Fund	0.80%	91,037,631	5,273,418	2,610,148	2,344,226	2,344,226
AL Habib Islamic Cash Fund	0.33%	30,691,328	490,663	1,138,050	1,041,777	1,041,777
AL Habib Islamic Savings Fund	17.92%	13,627,773	460,165	1,209,715	1,109,911	1,109,911
AL Habib Income Fund	1.58%	25,139,806	261,779	806,227	726,465	726,465
AL Habib Islamic Stock Fund	1.17%	5,937,433	192,710	595,171	486,901	486,901
AL Habib Cash Fund	6.72%	51,186,326	813,043	5,540,712	4,927,530	4,927,530
AL Habib Stock Fund	0.26%	5,499,121	554,277	485,400	417,797	417,797
AL Habib Islamic Income Fund	0.13%	19,509,154	274,832	937,122	855,554	855,554
AL Habib Asset Allocation Fund	82.49%	321,609	17,492	14,450	10,526	10,526
AL Habib Pension Fund - Equity Sub Fund	26.96%	441,971	5,537	36,244	32,962	32,962
AL Habib Islamic Pension Fund - Equity Sub Fund	53.61%	217,182	3,502	14,608	12,432	12,432
AL Habib Pension Fund - Debt Sub Fund	16.10%	315,926	484	15,584	13,754	13,754
AL Habib Islamic Pension Fund - Debt Sub Fund	23.02%	204,763	403	8,182	6,909	6,909
AL Habib Pension Fund - Money Market Sub Fund	12.55%	395,046	764	18,666	16,331	16,331
AL Habib Islamic Pension Fund - Money Market Sub Fund	19.96%	232,183	467	9,236	8,518	8,518
AL Habib Fixed Return Fund 19	6.40%	82,095	989	3,910	3,828	3,828
AL Habib Fixed Return Fund 20	0.28%	1,869,867	15,276	67,881	66,748	66,748
AL Habib Fixed Return Fund 21	1.02%	507,482	5,870	27,341	26,908	26,908
AL Habib Fixed Return Fund 22	0.24%	2,141,068	6,388	21,961	20,749	20,749
AL Habib GOKP Islamic Pension Fund	77.90%	48,134	194	2,212	2,042	2,042
AL Habib GOKP Money Market	76.30%	50,083	161	2,543	2,371	2,371
AL Habib Sovereign Income Fund Plan 1	99.20%	101,963	496	1,933	1,793	1,793
AL Habib Sovereign Income Fund Plan 2	100.00%	100,363	114	363	332	332
AL Habib Sovereign Income Fund Plan 3	100.00%	100,363	114	363	332	332
AL Habib Government Securities Fund	0.03%	12,181,543	601,392	1,834,734	1,650,167	1,650,167

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

9.6.2 The above information is based on financial statements as on 30 June 2025.



10. ADVANCES

	Performing		Non Performing		Total	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	30 June	31 December	30 June	31 December	30 June	31 December
	2025	2024	2025	2024	2025	2024
	(Rupees in '000)					
Loans, cash credits, running finances, etc.	753,001,660	756,193,227	30,877,916	34,261,459	783,879,576	790,454,686
Islamic financing and related assets	110,631,927	105,734,671	1,397,132	860,780	112,029,059	106,595,451
Bills discounted and purchased	52,370,704	61,304,281	394,416	387,168	52,765,120	61,691,449
Advances - gross	916,004,291	923,232,179	32,669,464	35,509,407	948,673,755	958,741,586
Less : credit loss allowance against advances						
- Stage 1	7,266,964	7,170,325	-	-	7,266,964	7,170,325
- Stage 2	7,987,367	8,468,402	-	-	7,987,367	8,468,402
- Stage 3	-	-	30,583,885	32,823,742	30,583,885	32,823,742
	15,254,331	15,638,727	30,583,885	32,823,742	45,838,216	48,462,469
Advances - net of credit loss allowance	900,749,960	907,593,452	2,085,579	2,685,665	902,835,539	910,279,117



	(Un-audited) 30 June 2025	(Audited) 31 December 2024
	(Rupees in '000)	
10.1 Particulars of advances (Gross)		
In local currency	844,466,884	828,913,441
In foreign currencies	104,206,871	129,828,145
	<u>948,673,755</u>	<u>958,741,586</u>

10.2 Advances include Rs. 32,669.464 million (31 December 2024: Rs. 35,509.407 million) which have been placed under non-performing status as detailed below:

Category of classification - Stage 3	30 June 2025 (Un-audited)		31 December 2024 (Audited)	
	Non performing loans	Credit loss allowance	Non performing loans	Credit loss allowance
	(Rupees in '000)			
Domestic				
Other assets especially mentioned (OAEM)	250,155	242,539	280,847	280,847
Substandard	1,573,265	1,184,414	2,295,656	1,161,603
Doubtful	3,063,961	1,700,403	2,823,252	2,216,478
Loss	22,346,648	22,021,094	23,572,777	23,331,415
	<u>27,234,029</u>	<u>25,148,450</u>	<u>28,972,532</u>	<u>26,990,343</u>
Overseas				
Loss	5,435,435	5,435,435	6,536,875	5,833,399
Total	<u>32,669,464</u>	<u>30,583,885</u>	<u>35,509,407</u>	<u>32,823,742</u>



10.3 Particulars of credit loss allowance against advances

	30 June 2025 (Un-audited)				31 December 2024 (Audited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)							
Opening balance	7,170,325	8,468,402	32,823,742	48,462,469	4,410,985	8,663,207	21,355,055	34,429,247
Charge / (reversal) for the period / year								
- ECL charge for the period / year	5,838,118	4,966,530	2,290,277	13,094,925	7,319,157	6,862,711	14,523,355	28,705,223
- ECL reversal for the period / year	(5,747,634)	(5,459,393)	(2,495,785)	(13,702,812)	(4,558,396)	(7,057,516)	(2,951,993)	(14,567,905)
	90,484	(492,863)	(205,508)	(607,887)	2,760,761	(194,805)	11,571,362	14,137,318
Amounts written off	-	-	-	-	-	-	(3,537)	(3,537)
Amounts charged off	-	-	(2,181,601)	(2,181,601)	-	-	-	-
Foreign exchange adjustments	6,155	11,828	147,252	165,235	(1,421)	-	(99,138)	(100,559)
Closing balance	7,266,964	7,987,367	30,583,885	45,838,216	7,170,325	8,468,402	32,823,742	48,462,469

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

10.4 Advances - Particulars of credit loss allowance

	30 June 2025 (Un-audited)				31 December 2024 (Audited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)							
Opening balance	7,170,325	8,468,402	32,823,742	48,462,469	4,410,985	8,663,207	21,355,055	34,429,247
New advances	4,058,018	3,512,923	387,535	7,958,476	3,950,335	4,441,716	3,665,689	12,057,740
Advances derecognised or repaid	(3,306,109)	(3,299,047)	(1,655,382)	(8,260,538)	(2,278,017)	(3,088,928)	(2,432,807)	(7,799,752)
Transfer to Stage 1	1,026,349	(998,126)	(28,223)	-	2,288,707	(2,202,515)	(86,192)	-
Transfer to Stage 2	(242,649)	341,814	(99,165)	-	(349,804)	365,366	(15,562)	-
Transfer to Stage 3	(27,853)	(57,375)	85,228	-	(5,687)	(1,069,687)	1,075,374	-
	1,507,756	(499,811)	(1,310,007)	(302,062)	3,605,534	(1,554,048)	2,206,502	4,257,988
Amounts written off	-	-	-	-	-	-	(3,537)	(3,537)
Amounts charged off	-	-	(2,181,601)	(2,181,601)	-	-	-	-
Changes in risk parameters	(1,417,272)	6,948	1,104,499	(305,825)	(844,773)	1,359,243	9,364,860	9,879,330
Foreign exchange adjustments	6,155	11,828	147,252	165,235	(1,421)	-	(99,138)	(100,559)
Closing balance	7,266,964	7,987,367	30,583,885	45,838,216	7,170,325	8,468,402	32,823,742	48,462,469



		30 June 2025 (Un-audited)		31 December 2024 (Audited)	
		Outstanding amount	Credit loss allowance	Outstanding amount	Credit loss allowance
(Rupees in '000)					
10.5 Advances - Category of classification					
Domestic					
Performing	Stage 1	752,088,276	7,233,010	751,933,464	7,092,623
Under performing	Stage 2	146,152,011	7,481,711	144,794,684	8,051,593
Non performing	Stage 3				
OAEM		250,155	242,539	280,847	280,847
Substandard		1,573,265	1,184,414	2,295,656	1,161,603
Doubtful		3,063,961	1,700,403	2,823,252	2,216,478
Loss		22,346,648	22,021,094	23,572,777	23,331,415
		925,474,316	39,863,171	925,700,680	42,134,559
Overseas					
Performing	Stage 1	8,614,354	33,954	19,107,083	77,702
Under performing	Stage 2	9,149,650	505,656	7,396,948	416,809
Non performing - loss	Stage 3	5,435,435	5,435,435	6,536,875	5,833,399
		23,199,439	5,975,045	33,040,906	6,327,910
Total		948,673,755	45,838,216	958,741,586	48,462,469

10.6 Charged-off Non Performing Loans

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

		(Un-audited) 30 June 2025	
		No. of Borrowers	(Rupees in '000)
Amounts charged-off during the period		3	2,181,601
		(Un-audited) 30 June 2025	(Audited) 31 December 2024
		(Rupees in '000)	
11. PROPERTY AND EQUIPMENT			
Capital work-in-progress	11.1	7,535,064	4,644,267
Property and equipment		73,794,767	71,412,767
		81,329,831	76,057,034
11.1 Capital work-in-progress			
Civil works		2,631,343	1,946,354
Advance payment for purchase of equipments		567,122	494,841
Advance payment towards suppliers, contractors and property		4,289,594	2,159,615
Consultants' fee and other charges		47,005	43,457
		7,535,064	4,644,267



		(Un-audited) Half year ended	
		30 June 2025	30 June 2024
		(Rupees in '000)	
11.2	Additions to property and equipment		
	The following additions have been made to property and equipment during the period:		
	Capital work-in-progress - net	2,890,797	174,591
	Property and equipment		
	Leasehold land	26,783	95,379
	Building on leasehold land	125,034	1,496,722
	Furniture and fixture	362,323	203,730
	Electrical, office and computer equipment	3,734,681	2,112,115
	Vehicles	1,308,660	2,214,961
	Improvements to leasehold building	538,700	382,199
		6,096,181	6,505,106
	Total	8,986,978	6,679,697
11.3	Disposal of property and equipment		
	The net book value of property and equipment disposed off during the period is as follows:		
	Furniture and fixture	1,371	483
	Electrical, office and computer equipment	3,182	14,425
	Vehicles	5,262	6,655
	Improvements to leasehold building	4,629	7,846
	Total	14,444	29,409
		(Un-audited) 30 June 2025	(Audited) 31 December 2024
		(Rupees in '000)	
12.	RIGHT-OF-USE ASSETS		
	Buildings	12.1 15,417,261	13,724,709
	Vehicles	12.2 4,342	6,513
		15,421,603	13,731,222
12.1	BUILDINGS		
	Cost	21,557,775	18,288,334
	Accumulated depreciation	(7,833,067)	(6,318,610)
	Net carrying amount	13,724,708	11,969,724
	Additions during the period / year	3,254,596	4,445,498
	Deletions during the period / year	(210,588)	(230,800)
	Depreciation charge for the period / year	(1,361,094)	(2,479,826)
	Foreign exchange adjustments	880	(757)
	Other adjustments / transfers	8,759	20,870
	Net carrying amount at the end of the period / year	15,417,261	13,724,709
12.2	VEHICLES		
	Cost	21,710	21,710
	Accumulated depreciation	(15,197)	(10,855)
	Net carrying amount	6,513	10,855
	Depreciation charge for the period / year	(2,171)	(4,342)
	Net carrying amount at the end of the period / year	4,342	6,513



	(Un-audited) 30 June 2025	(Audited) 31 December 2024
	(Rupees in '000)	
13. INTANGIBLE ASSETS		
Computer software	146,396	153,854
TRE certificates	2,500	2,500
Management rights	80,670	80,670
	229,566	237,024
	(Un-audited) Half year ended	
	30 June 2025	30 June 2024
	(Rupees in '000)	
13.1 Additions to intangible assets		
Computer software - directly purchased	97,391	143,347
	(Un-audited) 30 June 2025	(Audited) 31 December 2024
14. DEFERRED TAX ASSETS		
Deductible Temporary Differences on		
Credit loss allowance against the value of investments	3,151,910	3,995,990
Credit loss allowance against loans and advances, off-balance sheet, etc.	12,339,457	13,056,485
Unrealised net loss on fair value of refinancing	896,799	-
Deficit on revaluation of securities classified as FVPL	163,452	-
Right-of-use assets and related lease liabilities	2,703,394	-
Workers welfare fund	4,142,455	3,790,454
	23,397,467	20,842,929
Taxable Temporary Differences on		
Accelerated tax depreciation	(2,711,831)	(2,883,358)
Surplus on revaluation of FVOCI investments	(9,544,717)	(6,618,488)
Surplus on revaluation of securities classified as FVPL	-	(227,386)
Surplus on revaluation of property and equipment	(6,269,878)	(6,509,788)
Surplus on revaluation of non - banking assets	(38,449)	(39,260)
Others	(34,271)	(34,847)
	(18,599,146)	(16,313,127)
	4,798,321	4,529,802



		(Un-audited) 30 June 2025	(Audited) 31 December 2024
	Note	(Rupees in '000)	
15. OTHER ASSETS			
Income / mark-up accrued in local currency - net		55,644,475	68,965,986
Income / mark-up accrued in foreign currencies - net		1,037,907	1,027,928
Advances, deposits, advance rent and other prepayments		15,138,155	13,388,608
Advance taxation (payments less provisions)		17,756,422	4,627,218
Non banking assets acquired in satisfaction of claims		3,847,782	3,841,737
Mark to market gain on forward foreign exchange contracts		1,714,357	751,223
Acceptances		35,124,261	35,827,371
Stationery and stamps on hand		1,559,947	2,161,940
Branch adjustment account		4,714,932	2,038,881
Others		18,679,761	13,166,589
		<u>155,217,999</u>	<u>145,797,481</u>
Less: credit loss allowance held against other assets	15.1	(423,023)	(580,371)
Other Assets - net of credit loss allowance		<u>154,794,976</u>	<u>145,217,110</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	23	205,189	205,323
Other Assets - total		<u>155,000,165</u>	<u>145,422,433</u>
15.1 Credit loss allowance held against other assets			
Mark-up accrued		400,381	566,002
Modification		14,431	6,444
Others - receivable against consumer loans		8,211	7,925
	15.1.1	<u>423,023</u>	<u>580,371</u>
15.1.1 Movement in credit loss allowance held against other assets			
Opening balance		580,371	472,179
Charge / (reversal):			
ECL charge for the period / year		13,813	102,380
ECL reversal for the period / year		(179,476)	(1,663)
Modification charge		14,431	6,444
Charge for the period / year		1,357	2,480
Reversals for the period / year		(1,071)	(2,795)
		<u>(150,946)</u>	<u>106,846</u>
Adjustments		(6,444)	-
Amount written off		-	(206)
Foreign exchange adjustments		42	1,552
Closing balance		<u>423,023</u>	<u>580,371</u>
16. CONTINGENT ASSETS			
There were no contingent assets of the Group as at 30 June 2025 (31 December 2024: Nil).			



	(Un-audited) 30 June 2025 (Rupees in '000)	(Audited) 31 December 2024				
17. BILLS PAYABLE						
In Pakistan	<u>73,697,992</u>	<u>52,263,043</u>				
18. BORROWINGS						
Secured						
Borrowings from the State Bank of Pakistan under:						
Export refinance scheme	66,065,240	72,607,266				
Renewable energy	16,524,767	17,895,611				
Long term financing for imported and locally manufactured plant and machinery	22,535,969	25,306,703				
Modernisation of small and medium enterprises	1,158,117	1,259,381				
Women entrepreneurship	120,045	86,827				
Financing facility for storage of agricultural produce	719,827	795,240				
Temporary economic refinance facility	24,002,764	26,107,166				
Refinance facility for combating COVID-19	77,779	100,001				
Repurchase agreement borrowings	304,632,000	462,964,000				
	435,836,508	607,122,195				
Repurchase agreement borrowings	–	54,953,000				
Borrowing from other banks	–	2,785,500				
Total secured	435,836,508	664,860,695				
Unsecured						
Overdrawn nostro accounts	3,493,992	2,182,518				
Musharka borrowings	1,900,000	–				
Total unsecured	5,393,992	2,182,518				
	<u>441,230,500</u>	<u>667,043,213</u>				
19. 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	843,915,535	55,952,340	899,867,875	705,137,306	57,423,924	762,561,230
Savings deposits	924,112,094	48,511,843	972,623,937	876,689,075	45,898,830	922,587,905
Term deposits	192,363,511	60,874,341	253,237,852	200,255,916	61,604,086	261,860,002
Current deposits - remunerative	220,262,276	6,390,858	226,653,134	204,592,225	4,207,345	208,799,570
Others	25,419,522	15,653,073	41,072,595	21,169,067	20,343,029	41,512,096
	<u>2,206,072,938</u>	<u>187,382,455</u>	<u>2,393,455,393</u>	<u>2,007,843,589</u>	<u>189,477,214</u>	<u>2,197,320,803</u>
Financial institutions						
Current deposits	11,726,276	854,446	12,580,722	16,114,492	2,063,466	18,177,958
Savings deposits	7,685,793	–	7,685,793	22,246,047	–	22,246,047
Term deposits	957,000	138,229	1,095,229	793,000	526,460	1,319,460
Current deposits - remunerative	60,509,480	820,290	61,329,770	36,906,130	1,953,119	38,859,249
Others	38,010	–	38,010	38,010	–	38,010
	<u>80,916,559</u>	<u>1,812,965</u>	<u>82,729,524</u>	<u>76,097,679</u>	<u>4,543,045</u>	<u>80,640,724</u>
	<u>2,286,989,497</u>	<u>189,195,420</u>	<u>2,476,184,917</u>	<u>2,083,941,268</u>	<u>194,020,259</u>	<u>2,277,961,527</u>



	Note	(Un-audited) 30 June 2025 (Rupees in '000)	(Audited) 31 December 2024
20. LEASE LIABILITIES			
Opening balance		16,897,021	14,441,482
Additions during the period / year		3,254,596	4,455,838
Lease payments including interest		(2,206,121)	(3,815,117)
Finance charges on leased liabilities		1,260,091	2,116,823
Deletions during the period / year		(296,165)	(322,083)
Foreign exchange adjustments		931	(792)
Other adjustment		8,759	20,870
Closing balance		18,919,112	16,897,021
20.1 Liabilities outstanding			
Not later than one year		1,413,356	1,272,772
Later than one year and upto five years		7,278,780	6,891,969
Over five years		10,226,976	8,732,280
Total		18,919,112	16,897,021
20.2 This carries average effective rate of 13.74% per annum (2024: 14.61% per annum).			
21. SUBORDINATED DEBT - Unsecured			
Term Finance Certificates (TFCs) - VI	21.1	7,000,000	7,000,000
Term Finance Certificates (TFCs) - VIII	21.2	4,993,000	4,994,000
Term Finance Certificates (TFCs) - IX	21.3	7,000,000	7,000,000
Term Finance Certificates (TFCs) - X	21.4	6,993,000	6,994,400
		25,986,000	25,988,400
21.1 Term Finance Certificates - VI			
Issue amount	Rupees 7,000 million		
Issue date	December 2017		
Maturity date	Perpetual		
Rating	AA+		
Profit payment frequency	semi-annually		
Redemption	No fixed or final redemption date.		
Mark-up	Payable six monthly at six months KIBOR (ask side) plus 1.50% without any floor or cap. The issuer will have full discretion over the amount and timing of profit distribution and waiver of any profit distribution or other payment will not constitute an event of default.		
Call option	On or after five years with prior SBP approval. As per SBP's requirement, the Bank shall not exercise call option unless the called instrument is replaced with capital of same or better quality.		
Lock-in-clause	No profit may be paid if such payment will result in shortfall (or increase the shortfall) in the Bank's Minimum Capital Requirement ("MCR"), Leverage Ratio ("LR") or Capital Adequacy Ratio ("CAR").		
Loss absorbency clause	The instrument will be subject to loss absorption and / or any other requirements under SBP's Basel III Capital Rules. Upon the occurrence of a point of non-viability event as defined by SBP's Basel III Capital Rules, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank (subject to a cap) at a price equivalent to the market value of shares of the Bank on the date of trigger, and / or have them immediately written off (either partially or in full).		



21.2 Term Finance Certificates - VIII

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

21.3 Term Finance Certificates - IX

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



21.4 Term Finance Certificates - X

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

		(Un-audited) 30 June 2025	(Audited) 31 December 2024
	Note	(Rupees in '000)	
22. OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		5,631,631	6,938,590
Mark-up / return / interest payable in foreign currencies		803,878	934,027
Unearned commission income		3,174,157	3,030,064
Accrued expenses		4,710,371	5,334,307
Acceptances		35,124,261	35,827,371
Unclaimed / dividend payable		1,268,504	1,139,497
Mark to market loss on forward foreign exchange contracts		194,147	2,069,960
Payable to defined benefit plan		2,695,715	2,065,715
Charity payable		107,542	83,726
Credit loss allowance against off-balance sheet obligations	22.1	4,331,365	4,742,981
Security deposits against leases / ijarah		693,987	653,582
Provision for compensated absences		2,123,065	1,960,780
Other security deposits		15,273,021	12,056,630
Workers welfare fund		7,988,902	7,168,876
Payable to SBP / NBP		6,607,955	12,326,744
Payable against sale of marketable securities on behalf of customers		551,867	653,161
ATM switch, clearing and settlement account		3,024,883	26,422,784
Others		3,760,780	4,364,851
		98,066,031	127,773,646



	(Un-audited) 30 June 2025 (Rupees in '000)	(Audited) 31 December 2024
Note		
22.1 Credit loss allowance against off - balance sheet obligations		
Opening balance	4,742,981	3,130,550
Charge / (reversal):		
Charge for the period / year	822,926	1,644,514
Reversal for the period / year	(1,237,147)	(31,866)
	(414,221)	1,612,648
Foreign exchange adjustments	2,605	(217)
Closing balance	4,331,365	4,742,981
23. SURPLUS ON REVALUATION OF ASSETS		
Surplus on revaluation of:		
- Securities measured at FVOCI - debt	23.1.1 15,842,341	11,902,128
- Securities measured at FVOCI - equity	23.1.2 2,534,673	605,723
- Property and equipment	21,929,362	22,149,099
- Non-banking assets acquired in satisfaction of claims	15 205,189	205,323
	40,511,565	34,862,273
Deferred tax on surplus on revaluation of:		
- Securities measured at FVOCI - debt	8,237,533	6,311,663
- Securities measured at FVOCI - equity	1,307,184	306,825
- Property and equipment	6,340,258	6,580,165
- Non-banking assets acquired in satisfaction of claims	38,449	39,260
	15,923,424	13,237,913
	24,588,141	21,624,360
23.1 Investments		
23.1.1 Securities measured at FVOCI - debt	15,842,810	11,898,797
Non-controlling interest - (gain) / loss	(469)	3,331
	15,842,341	11,902,128
Less: related deferred tax	8,237,533	6,311,663
	7,604,808	5,590,465
23.1.2 Securities measured at FVOCI - equity	2,545,105	619,128
Non-controlling interest - gain	(10,432)	(13,405)
	2,534,673	605,723
Less: related deferred tax	1,307,184	306,825
	1,227,489	298,898



	(Un-audited) 30 June Note 2025	(Audited) 31 December 2024
	(Rupees in '000)	
24. NON-CONTROLLING INTEREST		
Opening balance	155,523	125,536
Profit attributable to non-controlling interest	8,680	15,630
Movement in surplus / (deficit) on revaluation of:		
- debt investments through FVOCI - net of tax	3,800	38
- equity investments through FVOCI - net of tax	(2,973)	14,319
Closing balance	<u>165,030</u>	<u>155,523</u>
25. CONTINGENCIES AND COMMITMENTS		
Guarantees	25.1 254,042,049	217,554,372
Commitments	25.2 445,761,072	542,967,594
Other contingent liabilities	25.3 4,349,104	3,504,960
	<u>704,152,225</u>	<u>764,026,926</u>
25.1 Guarantees:		
Financial guarantees	34,324,504	32,113,828
Performance guarantees	219,717,545	185,440,544
	<u>254,042,049</u>	<u>217,554,372</u>
25.2 Commitments:		
Documentary credits and short term trade-related transactions		
- letters of credit	292,192,559	291,149,845
Commitments in respect of:		
- forward foreign exchange contracts	25.2.1 149,956,801	245,803,016
- forward lendings	25.2.2 866,099	3,217,813
Commitments for acquisition of:		
- property and equipment	2,745,613	2,796,920
	<u>445,761,072</u>	<u>542,967,594</u>



	(Un-audited) 30 June 2025 (Rupees in '000)	(Audited) 31 December 2024
25.2.1 Commitments in respect of forward foreign exchange contracts		
Purchase	105,545,538	145,237,825
Sale	44,411,263	100,565,191
	<u>149,956,801</u>	<u>245,803,016</u>

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

25.2.2 Commitments in respect of forward lending	<u>866,099</u>	<u>3,217,813</u>
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These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense.

	(Un-audited) 30 June 2025 (Rupees in '000)	(Audited) 31 December 2024
25.3 Other contingent liabilities		
25.3.1 Claims against the Bank not acknowledged as debts	<u>4,349,104</u>	<u>3,504,960</u>

25.3.2 Taxation

There is no material change in Bank's tax contingencies as disclosed in note 25.4 to the annual financial statements for the year ended 31 December 2024 except for following:

- Additional Commissioner Inland Revenue (ACIR) has finalized order for Tax Year 2024 (Accounting Year 2023) by disallowing certain expense resulting in an impact of Rs. 1,738.875 million. The Bank has filed an appeal before Appellate Tribunal Inland Revenue against the above mentioned order.
- Assistant Commissioner Inland Revenue, Mirpur AJ&K has finalized audit of the Bank's Azad Kashmir operations for Tax Year 2023 by disallowing certain expenses resulting in an impact of Rs. 17.294 million. The Bank has filed an appeal before Commissioner Inland Revenue (Appeals), Mirpur AJ&K.
- Commissioner Inland Revenue (Appeal), Mirpur AJ&K has passed an appellate order against Assistant Commissioner Inland Revenue, Mirpur AJ&K for Tax Year 2019, 2020, 2021 & 2022 by allowing certain expenses. This resulted an allowable amount of Rs. 60.396 million. The resulted aggregate net tax impact stands at Rs. 58.358 million. The Bank has filed an appeal before Income Tax Appellate Tribunal (ITAT), Mirpur AJ&K against the above mentioned orders.
- Deputy Commissioner, Sindh Revenue Board (SRB) has passed Sindh sales tax on services order for the Year 2016 and 2017. This resulted a Sindh sales tax demand of Rs. 43.400 million. The Bank has filed an appeal before Commissioner Appeals, Sindh Revenue Board (SRB).

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



26. DERIVATIVE INSTRUMENTS

26.1 Product Analysis

30 June 2025 (Un-audited)						
Counter Parties	CONTRACT		SWAP		TOTAL	
	Notional Principal	Mark to Market gain / (loss)	Notional Principal	Mark to Market gain / (loss)	Notional Principal	Mark to Market gain / (loss)
(Rupees in '000)						
Banks						
Hedging	10,086,853	1,755	59,273,553	424,585	69,360,406	426,340
Other Entities						
Hedging	80,596,395	1,093,870	–	–	80,596,395	1,093,870
Total						
Hedging	<u>90,683,248</u>	<u>1,095,625</u>	<u>59,273,553</u>	<u>424,585</u>	<u>149,956,801</u>	<u>1,520,210</u>
31 December 2024 (Audited)						
	CONTRACT		SWAP		TOTAL	
	Notional Principal	Mark to Market gain / (loss)	Notional Principal	Mark to Market gain / (loss)	Notional Principal	Mark to Market gain / (loss)
(Rupees in '000)						
Banks						
Hedging	57,237,928	281,713	61,257,172	(309,505)	118,495,100	(27,792)
Other Entities						
Hedging	127,307,916	(1,290,945)	–	–	127,307,916	(1,290,945)
Total						
Hedging	<u>184,545,844</u>	<u>(1,009,232)</u>	<u>61,257,172</u>	<u>(309,505)</u>	<u>245,803,016</u>	<u>(1,318,737)</u>



26.2 Maturity Analysis

30 June 2025 (Un-audited)					
	Number of Contracts	Notional Principal	Mark to Market		
			Negative (Rupees in '000)	Positive	Net
Upto 1 month	355	59,986,042	(155,426)	446,298	290,872
1 to 3 months	580	45,261,734	(33,778)	631,140	597,362
3 to 6 months	610	38,258,032	(4,156)	507,038	502,882
Over 6 months to 1 year	45	6,450,993	(787)	129,881	129,094
	1,590	149,956,801	(194,147)	1,714,357	1,520,210
31 December 2024 (Audited)					
Upto 1 month	488	92,288,053	(633,480)	264,498	(368,982)
1 to 3 months	681	84,488,275	(1,031,294)	220,396	(810,898)
3 to 6 months	690	59,912,062	(386,925)	178,113	(208,812)
Over 6 months to 1 year	54	9,114,626	(18,261)	88,216	69,955
	1,913	245,803,016	(2,069,960)	751,223	(1,318,737)

(Un-audited) Half year ended

30 June 2025	30 June 2024
(Rupees in '000)	
(Restated)	

27. MARK-UP / RETURN / INTEREST EARNED

Loans and advances	51,250,351	67,941,563
Investments	126,157,348	175,192,255
Lendings to financial institutions	122,536	-
Deposits with financial institutions	343,951	394,309
Securities purchased under resale agreements	256,534	194,574
	178,130,720	243,722,701

27.1 Interest income recognised on:

Financial assets measured at:		
- Amortised cost	29,801,236	40,986,608
- FVOCI	100,120,939	138,149,128
- FVPL	71,002	127,822
- Cost	48,137,543	64,459,143
	178,130,720	243,722,701

28. MARK-UP / RETURN / INTEREST EXPENSED

Deposits	75,535,433	124,247,664
Borrowings	3,595,668	6,780,971
Subordinated debt	1,810,002	3,366,719
Cost of foreign currency swaps against deposits / borrowings	2,151,010	3,077,725
Repurchase agreement borrowings	27,270,803	30,559,897
Finance charges on leased liabilities	1,260,091	986,170
	111,623,007	169,019,146



		(Un-audited) Half year ended	
		30 June	30 June
		2025	2024
		(Rupees in '000)	
29. FEE AND COMMISSION INCOME			
Branch banking customer fees		1,419,223	1,143,348
Investment banking fees		39,148	31,853
Consumer finance related fees		31,715	24,652
Card related fees (debit and credit cards)		3,157,697	2,466,627
Credit related fees		144,284	197,117
Commission on trade		3,686,769	3,981,228
Commission on guarantees		578,474	511,959
Commission on cash management		123,064	126,850
Commission on home remittances		1,589,054	959,411
Management fee		1,210,620	747,800
Brokerage income		94,308	91,649
Income on margin financing		3,318	13,486
Profit on PSX exposure		9,112	13,414
Others		27,351	19,026
		<u>12,114,137</u>	<u>10,328,420</u>
30. LOSS ON SECURITIES - NET			
Realised (loss) / gain	30.1	(119,315)	69,099
Unrealised loss - measured at FVPL	9.1	(314,331)	(237,212)
		<u>(433,646)</u>	<u>(168,113)</u>
30.1 Realised (loss) / gain on:			
Federal Government Securities		(119,315)	632
Units of Mutual Funds		—	68,467
		<u>(119,315)</u>	<u>69,099</u>
30.2 Net (loss) / gain on financial assets :			
Net loss on investments in securities mandatorily measured at FVPL		(314,331)	(168,745)
Net (loss) / gain on financial assets measured at FVOCI		(119,315)	632
		<u>(433,646)</u>	<u>(168,113)</u>
31. OTHER INCOME			
Gain on sale of property and equipment - net		498,237	500,528
Gain on termination of leases and RoU - net		85,578	46,488
		<u>583,815</u>	<u>547,016</u>



		(Un-audited) Half year ended	
		30 June 2025	30 June 2024
		(Rupees in '000)	
		(Restated)	
32. OPERATING EXPENSES			
Total compensation expenses	22,107,091	20,774,596	
Property expenses			
Rent and taxes	121,971	112,017	
Insurance	16,904	17,511	
Utilities cost	1,581,756	1,542,960	
Security (including guards)	1,370,091	1,105,031	
Repair and maintenance (including janitorial charges)	514,220	339,031	
Depreciation	939,644	755,819	
Depreciation - right of use assets	1,361,094	1,205,254	
	5,905,680	5,077,623	
Information technology expenses			
Software maintenance	1,430,679	1,970,546	
Hardware maintenance	754,826	338,188	
Depreciation	886,725	541,646	
Amortisation	104,848	107,472	
Network charges	309,192	590,341	
	3,486,270	3,548,193	
Other operating expenses			
Directors' fees and allowances	45,905	21,135	
Fees and allowances to shariah board	21,811	15,810	
Insurance	626,583	472,149	
Legal and professional charges	257,664	272,987	
Outsourced services costs	1,892,043	1,387,384	
Travelling and conveyance	372,796	311,637	
NIFT and other clearing charges	174,085	136,545	
Depreciation	1,875,843	1,286,948	
Repair and maintenance	1,318,502	973,709	
Training and development	108,179	54,926	
Postage and courier charges	197,440	209,116	
Communication	1,541,194	1,461,412	
Stationery and printing	1,001,922	853,033	
Marketing, advertisement and publicity	796,029	474,232	
Donations	271,800	250,725	
Auditors remuneration	18,175	12,084	
Commission and brokerage	904,720	700,071	
Entertainment and staff refreshment	409,038	337,824	
Vehicle running expenses	120,582	113,122	
Subscriptions and publications	173,093	169,415	
CNIC verification charges	223,022	160,002	
Security charges	556,815	519,635	
Others	523,640	422,306	
	13,430,881	10,616,207	
	44,929,922	40,016,619	



		(Un-audited) Half year ended	
		30 June 2025	30 June 2024
		(Rupees in '000)	
		(Restated)	
Note			
33. OTHER CHARGES			
	Penalties imposed by the State Bank of Pakistan	30,595	127,846
34. CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET			
	Charge / (reversal) against balances with other banks - net	7.1 73,110	(2,870)
	Reversal against lendings to financial institutions - net	8.1 (2,599)	(223)
	Reversal against investments - net	9.2 (1,546,212)	(719,016)
	(Reversal) / charge against loans and advances - net	10.3 (607,887)	7,233,902
	(Reversal) / charge against other assets - net	15.1.1 (150,946)	8,464
	(Reversal) / charge against off-balance sheet obligations - net	22.1 (414,221)	871,459
		(2,648,755)	7,391,716
35. TAXATION			
	Current	20,934,305	22,222,258
	Prior	2,354,668	—
	Deferred	(3,094,948)	(2,454,066)
		20,194,025	19,768,192
36. BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY			
	Profit for the period attributable to equity holders of the Holding Company	19,781,509	21,660,675
		(Number)	
	Weighted average number of ordinary shares	1,111,425,416	1,111,425,416
		(Rupees)	
	Basic and diluted earnings per share	17.80	19.49
37. FAIR VALUE MEASUREMENTS			
	Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.		
37.1 Fair value of financial assets			
	The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:		
	Level 1:	Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.	
	Level 2:	Fair value measurements using inputs, other than quoted prices included within Level 1, that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).	



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

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

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

30 June 2025 (Un-audited)				
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government Securities	–	1,510,285,121	–	1,510,285,121
Shares - listed	798,228	–	–	798,228
Shares - unlisted	–	162,917	1,934,864	2,097,781
Non-Government Debt Securities	–	6,493,907	–	6,493,907
Foreign Securities	–	6,088,401	–	6,088,401
Units of Mutual Funds	–	4,385,619	–	4,385,619
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	–	408,976,524	–	408,976,524
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange contracts	–	107,236,900	–	107,236,900
Forward sale of foreign exchange contracts	–	44,240,111	–	44,240,111
31 December 2024 (Audited)				
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government Securities	–	1,502,966,915	–	1,502,966,915
Shares	806,188	–	–	806,188
Non-Government Debt Securities	4,240,451	3,442,208	–	7,682,659
Foreign Securities	–	7,367,557	–	7,367,557
Units of Mutual Funds	–	4,699,950	–	4,699,950
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	–	397,392,944	–	397,392,944
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange contracts	–	143,574,254	–	143,574,254
Forward sale of foreign exchange contracts	–	100,910,025	–	100,910,025



37.2 Valuation techniques used in determination of fair values

Item	Valuation Approach	Input Used
Federal Government Securities	Federal Government Securities includes Pakistan Investments Bonds (PIBs), Market Treasury Bills (MTBs) and Government Ijarah Sukuks (GISs) at fixed rate and floating rate. The fair value of fixed rates PIBs and MTBs are derived from PKRV and PKFRV rates. The fair value of GISs are revalued using PKISRV rates.	- PKRV Rates - PKFRV Rates - PKISRV Rates
Term Finance Certificates (TFCs)	TFCs are valued using the income approach. Future cash flows are estimated based on prevailing KIBOR rates as of the valuation date. These cash flows are then discounted using a rate derived from the latest 10-year PIBs weighted average yield, adjusted for an instrument-specific credit spread to reflect the individual credit risk associated with each TFC.	- KIBOR - 10 year PIB yield - Term sheets
Sukuks	Corporate Sukuks are valued using the income approach. Expected cashflows are projected based on the current KIBOR rate. These cash flows are then discounted using the 10-year PIBs weighted average yield, adjusted for credit spreads to reflect the risk profile of each instrument.	- KIBOR - 10 year PIB yield - Term sheets
Foreign Securities	Fair values of investments in foreign securities are valued on the basis of closing quoted market prices available at the Mashreq Bank PSC.	- Market price as per Mashreq Bank PSC
Ordinary shares - listed	The fair value of investments in listed equity securities are valued on the basis of closing quoted market price available at the Pakistan Stock Exchange (PSX).	- Fair value as per PSX
Units of Mutual Funds	Fair values of investments in units of mutual funds are determined based on redemption prices disclosed at MUFAP as at the close of the business days.	- Net Assets Value as per MUFAP
Ordinary shares - unlisted	The valuation of unlisted companies varies for each company, as explained below: - SWIFT is valued using the market approach. Valuation is based on its latest published share price in euros, converted to PKR using the exchange rate prevailing on the valuation date. - Pakistan Mortgage Refinance Company Limited (PMRC) is valued using the income approach, applying the Dividend Discount Model (DDM) due to its consistent dividend distribution. The discount rate is the cost of equity, as the company has no debt in its capital structure. The cost of equity is derived using the Capital Asset Pricing Model (CAPM), with inputs including the 10-year PIBs weighted average yield as the risk-free rate, the 10-year average return of the PSX as the market return, and the average unlevered beta of the financial services sector. A 3% long-term growth rate is used, reflecting industry expectations. - 1LINK (Private) Limited (1 Link) has been valued using the income approach, specifically the Dividend Discount Model (DDM). Future cash flows were projected based on reasonable assumptions aligned with the company's historical performance. The discount rate was derived using the Capital Asset Pricing Model (CAPM), given that the company is currently unlevered. The CAPM inputs included the equity risk premium (ERP), the risk-free rate, and the ungeared beta of comparable companies, adjusted for Pakistan's country risk premium (CRP). Expected dividends were estimated in line with historical payout trends and subsequently discounted to their present value.	- Euro / Pak exchange rate - 10 year PIB yield - PKRV Rates - Comparable company information - Historical PSX returns - Financials of the investee company



Item	Valuation Approach	Input Used
Forward Foreign Exchange Contracts	The valuation has been determined by interpolating the foreign exchange revaluation rates announced by the State Bank of Pakistan (SBP).	- Foreign exchange revaluation rates announced by SBP
Property and Equipment - Land and Building	The valuation experts used a market based approach to arrive at the fair value of the Bank's properties. The market approach used prices and other relevant information generated by market transactions involving identical, comparable or similar properties.	- Prices and other relevant information generated by market transactions involving identical, comparable or similar properties.
Non - Banking Assets acquired in Satisfaction of Claims		

37.3 The following table shows reconciliation of investments held at Level 3 fair value movement:

	(Un-audited)
	30 June
	2025
	(Rupees in '000)
Opening balance	100,000
Impact of Adoption of IFRS 9	1,620,522
Balance as at 01 January after adopting IFRS 9	1,720,522
Remeasurement recognised in OCI	214,342
Closing balance	1,934,864

37.4

Ordinary shares in unlisted companies	Unobservable Input	Fair Value (Rupees in '000')	Input	Relationship of unobservable inputs to fair value
Pakistan Mortgage Refinance Company Limited	Growth Rate	103,320	3%	Increase / (decrease) in growth rate by 1% by all other variables held constant would increase / (decrease) the fair value by Rs. 11.2m and Rs. 9.3m respectively.
1 Link (Private) Limited	Dividend Payout Ratio	1,831,544	17%	Increase / (decrease) in dividend payout ratio by 1% by all other variables held constant would increase / (decrease) the fair value by Rs. 107m.
	Growth Rate	1,831,544	8%	Increase / (decrease) in growth rate by 1% by all other variables held constant would increase / (decrease) the fair value by Rs. 302m and 214m respectively.



38. SEGMENT INFORMATION

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

	Half year ended 30 June 2025 (Un-audited)						
	Commercial banking	Retail banking	Islamic banking	Retail brokerage (Rupees in '000)	Asset management	Currency exchange	Total
Statement of profit and loss account							
Mark-up / return / profit	136,048,123	16,903,231	24,977,116	51,318	1,813	149,119	178,130,720
Inter segment revenue - net	74,185	26,744,650	—	—	—	—	26,818,835
Non mark-up / return / interest income	2,265,218	11,533,512	1,186,413	107,016	1,375,788	140,356	16,608,303
Total income	138,387,526	55,181,393	26,163,529	158,334	1,377,601	289,475	221,557,858
Segment direct expenses	(93,868,958)	(45,486,291)	(17,460,410)	(118,744)	(318,722)	(150,439)	(157,403,564)
Inter segment expense allocation	(26,744,650)	—	—	(2,577)	(14,322)	(57,286)	(26,818,835)
Total expenses	(120,613,608)	(45,486,291)	(17,460,410)	(121,321)	(333,044)	(207,725)	(184,222,399)
Credit loss allowance and write - off - net	3,079,805	285	(431,335)	—	—	—	2,648,755
Profit before tax	20,853,723	9,695,387	8,271,784	37,013	1,044,557	81,750	39,984,214
	As at 30 June 2025 (Un-audited)						
Statement of financial position							
Cash and bank balances	132,667,913	23,980,337	25,475,900	517,091	4,735	742,737	183,388,713
Investments	1,612,592,308	—	320,459,611	152,283	3,365,843	1,935,743	1,938,505,788
Net inter segment lending	3,884,969	1,400,579,283	—	—	—	—	1,404,464,252
Lendings to financial institutions	9,793,578	—	9,898,663	—	—	—	19,692,241
Advances - performing - net	763,111,506	29,049,030	108,589,424	—	—	—	900,749,960
- non-performing - net	2,053,980	30,264	1,335	—	—	—	2,085,579
Others	191,501,211	35,552,850	27,335,066	1,251,938	601,069	537,352	256,779,486
Total assets	2,715,605,465	1,489,191,764	491,759,999	1,921,312	3,971,647	3,215,832	4,705,666,019
Borrowings	412,382,247	—	28,223,679	624,574	—	—	441,230,500
Subordinated debt	25,986,000	—	—	—	—	—	25,986,000
Deposits and other accounts	737,928,908	1,380,933,718	357,322,291	—	—	—	2,476,184,917
Net inter segment borrowing	1,400,579,283	—	—	134,969	750,000	3,000,000	1,404,464,252
Others	53,414,955	103,679,981	32,475,384	801,667	252,825	58,323	190,683,135
Total liabilities	2,630,291,393	1,484,613,699	418,021,354	1,561,210	1,002,825	3,058,323	4,538,548,804
Equity	85,314,072	4,578,065	73,738,645	360,102	2,968,822	157,509	167,117,215
Total equity and liabilities	2,715,605,465	1,489,191,764	491,759,999	1,921,312	3,971,647	3,215,832	4,705,666,019
Contingencies and commitments	482,551,893	211,565	63,471,150	—	—	—	546,234,608



Half year ended 30 June 2024 (Un-audited) - (restated)

Statement of profit and loss account

	Commercial banking	Retail banking	Islamic banking	Retail brokerage (Rupees in '000) (Restated)	Asset management	Currency exchange	Total
Mark-up / return / profit	205,355,500	7,527,713	30,721,130	26,816	2,191	89,351	243,722,701
Inter segment revenue - net	241,241	76,595,013	—	—	—	—	76,836,254
Non mark-up / return / interest income	3,757,567	9,581,091	976,822	119,043	747,800	12,061	15,194,384
Total income	209,354,308	93,703,817	31,697,952	145,859	749,991	101,412	335,753,339
Segment direct expenses	(102,667,545)	(87,894,054)	(19,206,265)	(119,181)	(146,298)	(57,979)	(210,091,322)
Inter segment expense allocation	(76,595,013)	—	—	(8,950)	(46,458)	(185,833)	(76,836,254)
Total expenses	(179,262,558)	(87,894,054)	(19,206,265)	(128,131)	(192,756)	(243,812)	(286,927,576)
Credit loss allowance and write - offs - net	(7,202,536)	(347)	(188,833)	—	—	—	(7,391,716)
Profit / (loss) before tax	22,889,214	5,809,416	12,302,854	17,728	557,235	(142,400)	41,434,047

As at 31 December 2024 (Audited)

Statement of financial position

Cash and bank balances	172,576,109	9,691,236	24,106,428	573,128	27,909	848,404	207,823,214
Investments	1,664,960,047	—	256,341,204	147,805	2,558,473	2,101,535	1,926,109,064
Net inter segment lending	3,894,477	1,355,487,303	—	—	—	—	1,359,381,780
Lendings to financial institutions	12,945,052	—	25,996,490	—	—	—	38,941,542
Advances - performing - net	761,305,976	42,686,094	103,601,382	—	—	—	907,593,452
- non-performing - net	2,641,855	38,287	5,523	—	—	—	2,685,665
Others	194,456,092	11,026,166	32,717,265	1,029,150	591,648	157,194	239,977,515
Total assets	2,812,779,608	1,418,929,086	442,768,292	1,750,083	3,178,030	3,107,133	4,682,512,232
Borrowings	635,910,884	—	30,561,246	571,083	—	—	667,043,213
Subordinated debt	25,988,400	—	—	—	—	—	25,988,400
Deposits and other accounts	648,874,999	1,311,490,784	317,595,744	—	—	—	2,277,961,527
Net inter segment borrowing	1,355,487,303	—	—	144,477	750,000	3,000,000	1,359,381,780
Others	63,872,170	105,090,753	27,072,595	712,450	134,887	50,855	196,933,710
Total liabilities	2,730,133,756	1,416,581,537	375,229,585	1,428,010	884,887	3,050,855	4,527,308,630
Equity	82,645,852	2,347,549	67,538,707	322,073	2,293,143	56,278	155,203,602
Total equity and liabilities	2,812,779,608	1,418,929,086	442,768,292	1,750,083	3,178,030	3,107,133	4,682,512,232
Contingencies and commitments	455,344,714	144,204	53,215,299	—	—	—	508,704,217



39. RELATED PARTY TRANSACTIONS

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

Transactions with related parties of the Group are carried out on substantially the same terms as for comparable transactions with others. The transactions with employees of the Group are carried out in accordance with the terms of their employment. Transactions for the period / year and balances outstanding as at the period / year end with related parties are summarised as follows:

	30 June 2025 (Un-audited)				31 December 2024 (Audited)			
	Directors	Key management personnel	Associates	Other related parties	Directors	Key management personnel	Associates	Other related parties
	(Rupees in '000)							
Investments								
Opening balance	-	-	7,834,536	811,604	-	-	5,998,107	654,086
Investment made during the period / year	-	-	12,191,540	-	-	-	10,760,249	130,000
Investment redeemed / adjusted during the period / year	-	-	(11,918,796)	(182,690)	-	-	(8,923,820)	-
Surplus on revaluation	-	-	-	1,202,630	-	-	-	157,518
Credit loss allowance	-	-	-	-	-	-	-	(130,000)
Closing balance	-	-	8,107,280	1,831,544	-	-	7,834,536	811,604
Advances								
Opening balance	1,674	391,567	-	1,109,581	4,048	345,035	-	1,680,782
Addition during the period / year	105,407	219,230	-	13,040,059	16,933	440,830	-	32,611,576
Repaid during the period / year	(43,547)	(138,097)	-	(13,139,875)	(19,277)	(394,084)	-	(33,100,534)
Credit loss allowance	(22)	(15)	-	42,969	(30)	(214)	-	(82,243)
Closing balance	63,512	472,685	-	1,052,734	1,674	391,567	-	1,109,581
Right of use assets	-	-	-	14,616	-	-	-	1,022
Other assets								
Interest / mark-up accrued	2,190	429	-	29,310	-	454	-	14,716
Credit loss allowance on accrued mark-up	-	1	-	909	-	2	-	521
Dividend receivable	-	-	21,507	-	-	-	-	-
Other receivable	-	-	-	6,851	-	-	-	-
Subordinated debt								
Opening balance	-	-	-	244,000	-	-	-	194,000
Issued / purchased during the period / year	-	-	-	-	-	-	-	50,000
Closing balance	-	-	-	244,000	-	-	-	244,000
Deposits and other accounts								
Opening balance	1,106,745	854,460	11,795,080	15,445,734	771,493	794,349	19,349,124	9,409,202
Received during the period / year	5,483,153	5,598,916	587,178,883	170,683,425	8,344,579	6,474,665	582,838,891	405,964,086
Withdrawn during the period / year	(6,183,205)	(5,136,541)	(566,625,937)	(180,619,650)	(8,009,327)	(6,414,554)	(590,392,935)	(399,927,554)
Closing balance	406,693	1,316,835	32,348,026	5,509,509	1,106,745	854,460	11,795,080	15,445,734
Other liabilities								
Interest / mark-up payable	865	3,179	5,261	30,509	156	669	-	-
Credit loss allowance on accrued markup	-	-	-	40,015	-	-	-	33,009
Payable to staff retirement fund	-	-	-	2,695,715	-	-	-	2,065,715
Other liabilities	-	2	-	16	-	75	-	-
Contingencies and commitments	-	-	-	2,109,187	-	-	-	1,617,658
Other Transactions - Investor Portfolio Securities								
Opening balance	-	-	-	24,182,000	-	-	-	18,863,500
Increased during the period / year	-	-	-	6,380,500	-	-	-	7,398,000
Decreased during the period / year	-	-	-	(3,575,500)	-	-	-	(2,079,500)
Closing balance	-	-	-	26,987,000	-	-	-	24,182,000



39.1 RELATED PARTY TRANSACTIONS

	30 June 2025 (Un-audited)				30 June 2024 (Un-audited)			
	Directors	Key management personnel	Associates	Other related parties	Directors	Key management personnel	Associates	Other related parties
	(Rupees in '000)							
Income								
Mark-up / return / interest earned	2,464	14,647	—	54,119	1	10,608	—	95,722
Fee and commission income	206	801	1,176,355	6,145	164	300	748,949	8,143
Share of profit from associates	—	—	437,257	—	—	—	661,701	—
Dividend income	—	—	—	140,847	—	—	—	156,492
Net gain on sale of securities	—	—	—	4	—	—	—	—
Brokerage income	—	116	—	9,202	—	166	—	2,986
Other income	—	6	—	207	—	—	—	176
Expense								
Mark-up / return / interest expensed	33,631	53,973	235,090	287,989	56,287	62,525	1,021,654	906,643
Operating expenses	—	—	—	702,700	—	—	—	2,950
Salaries and allowances	—	882,413	—	—	—	664,004	—	—
Bonus	—	168,749	—	—	—	210,499	—	—
Contribution to defined contribution plan	—	28,962	—	—	—	29,193	—	—
Contribution to defined benefit plan	—	211,281	—	—	—	170,865	—	—
Staff provident fund	—	960	—	714,031	—	800	—	620,523
Staff gratuity fund	—	—	—	630,000	—	—	—	600,000
Directors' fees	38,205	—	—	—	19,910	—	—	—
Donation	—	—	—	84,000	—	—	—	12,000
Insurance premium paid	—	—	—	179,969	—	—	—	174,979
Insurance claims settled	—	—	—	107,706	—	—	—	81,971



40. CAPITAL ADEQUACY, LEVERAGE RATIO AND LIQUIDITY REQUIREMENTS

	(Un-audited) 30 June 2025 (Rupees in '000)	(Audited) 31 December 2024
Minimum Capital Requirement (MCR):		
Paid-up capital	11,114,254	11,114,254
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	148,280,427	141,233,030
Eligible Additional Tier 1 (ADT 1) Capital	12,859,135	13,125,227
Total Eligible Tier 1 Capital	161,139,562	154,358,257
Eligible Tier 2 Capital	46,737,447	43,252,754
Total Eligible Capital (Tier 1 + Tier 2)	207,877,009	197,611,011
Risk Weighted Assets (RWAs):		
Credit Risk	814,812,229	785,765,223
Market Risk	29,469,948	26,766,888
Operational Risk	270,525,524	270,525,524
Total	1,114,807,701	1,083,057,635
Common Equity Tier 1 Capital Adequacy ratio	13.301%	13.040%
Tier 1 Capital Adequacy Ratio	14.454%	14.252%
Total Capital Adequacy Ratio	18.647%	18.246%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	161,139,562	154,358,257
Total Exposures	3,870,525,471	3,784,495,954
Leverage Ratio	4.163%	4.079%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	1,336,398,309	1,242,902,496
Total Net Cash Outflow	464,062,531	455,961,129
Liquidity Coverage Ratio	287.978%	272.590%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	2,531,101,288	2,347,965,230
Total Required Stable Funding	1,328,141,648	1,269,603,113
Net Stable Funding Ratio	190.575%	184.937%

The Group has applied transitional approach under IFRS-9 as prescribed in SBP Circular. CAR and LR would be 17.91% & 3.99% respectively, if full impact of IFRS-9 is applied.



41. ISLAMIC BANKING BUSINESS

The Bank is operating with 319 (31 December 2024: 276) Islamic Banking branches and 08 (31 December 2024: 10) Islamic Banking windows at the end of the period / year.

STATEMENT OF FINANCIAL POSITION		(Un-audited) 30 June 2025	(Audited) 31 December 2024
		(Rupees in '000)	
ASSETS			
Cash and balances with treasury banks		25,466,560	24,097,793
Balances with other banks		9,340	8,635
Due from financial institutions	41.1	9,898,663	25,996,490
Investments	41.2	320,459,611	256,341,204
Islamic financing and related assets - net	41.3	108,590,759	103,587,096
Property and equipment		3,160,491	2,571,153
Right-of-use assets		5,677,106	4,411,645
Intangible assets		—	—
Due from Head Office		—	—
Other assets		18,497,469	25,734,467
Total Assets		491,759,999	442,748,483
LIABILITIES			
Bills payable		1,895,598	848,638
Due to financial institutions		28,223,679	30,561,246
Deposits and other accounts	41.4	357,322,291	317,595,744
Due to Head Office		5,685,555	6,016,955
Lease liabilities		6,774,028	5,386,354
Subordinated debt		—	—
Other liabilities		18,120,203	14,820,648
		418,021,354	375,229,585
NET ASSETS		73,738,645	67,518,898
REPRESENTED BY			
Islamic Banking Fund		7,600,000	7,600,000
Reserves		—	—
Surplus on revaluation of assets		3,800,709	5,852,746
Unappropriated profit	41.5	62,337,936	54,066,152
		73,738,645	67,518,898
CONTINGENCIES AND COMMITMENTS	41.6		



STATEMENT OF PROFIT AND LOSS ACCOUNT		(Un-audited) Half year ended	
		30 June 2025	30 June 2024
		(Rupees in '000)	
		(Restated)	
Note			
	Profit / return earned	41.7 24,977,116	30,721,130
	Profit / return expensed	41.8 (11,763,111)	(15,197,268)
	Net Profit / return	13,214,005	15,523,862
	Other income		
	Fee and commission income	1,044,023	806,223
	Dividend income	27,242	46,102
	Foreign exchange income	134,873	123,860
	(Loss) / gain on securities - net	(19,725)	2,011
	Other income	—	—
	Total other income	1,186,413	978,196
	Total income	14,400,418	16,502,058
	Other expenses		
	Operating expenses	(5,696,658)	(4,627,233)
	Other charges	(641)	(115)
	Total other expenses	(5,697,299)	(4,627,348)
	Profit before credit loss allowance	8,703,119	11,874,710
	Credit loss allowance and write offs - net	(431,335)	(800,582)
	Profit for the period	8,271,784	11,074,128

41.1 Due from financial institutions	(Un-audited)	(Audited)
	30 June 2025	31 December 2024
(Rupees in '000)		
In local currency:		
Musharaka placement	9,900,000	26,000,000
Less: credit loss allowance - Stage 1	(1,337)	(3,510)
Due from financial institutions - net of credit loss allowance	9,898,663	25,996,490



	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)							
41.2 Investments by segments:								
Amortised Cost								
Federal Government Securities								
- Bai Muajjal	5,433,577	-	-	5,433,577	-	-	-	-
FVPL								
Federal Government Securities								
- Islamic Naya Pakistan Certificates	1,147,873	-	-	1,147,873	2,642,542	-	-	2,642,542
FVOCI								
Federal Government Securities								
- Ijarah Sukuks	284,987,214	-	3,820,536	288,807,750	221,990,413	-	5,664,287	227,654,700
- Neelum Jhelum Hydropower Co. Ltd. Sukuk	577,500	-	3,681	581,181	866,250	-	8,840	875,090
- Pakistan Energy Sukuk - Listed	21,101,704	-	(1,704)	21,100,000	21,101,875	-	209,125	21,311,000
Non Government debt Securities								
- Listed	1,122,000	(680,383)	2,047	443,664	1,122,000	(680,227)	534	442,307
- Unlisted	2,516,750	(737)	(23,851)	2,492,162	2,973,000	(524)	(30,040)	2,942,436
	310,305,168	(681,120)	3,800,709	313,424,757	248,053,538	(680,751)	5,852,746	253,225,533
Investments mandatorily classified / measured at FVPL								
Units of Mutual Funds	273,129	-	(19,725)	253,404	252,242	-	20,887	273,129
Associates								
- AL Habib Islamic Cash Fund	100,000	-	-	100,000	100,000	-	-	100,000
- AL Habib Islamic Savings Fund	100,000	-	-	100,000	100,000	-	-	100,000
	200,000	-	-	200,000	200,000	-	-	200,000
Total Investments	<u>317,359,747</u>	<u>(681,120)</u>	<u>3,780,984</u>	<u>320,459,611</u>	<u>251,148,322</u>	<u>(680,751)</u>	<u>5,873,633</u>	<u>256,341,204</u>

41.2.1 Particulars of credit loss allowance

	30 June 2025 (Un-audited)			
	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)			
Non Government Debt Securities	661	459	680,000	681,120
	31 December 2024 (Audited)			
	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)			
Non Government Debt Securities	384	367	680,000	680,751



	(Un-audited) 30 June 2025	(Audited) 31 December 2024
	(Rupees in '000)	
41.3 Islamic financing and related assets		
Ijarah	3,253,638	3,296,372
Murabaha	18,047,291	21,393,302
Diminishing Musharaka	17,084,493	14,901,120
Istisna	6,542,999	4,744,263
Islamic Long Term Financing Facility (ILTFF)	3,881,897	4,343,370
Islamic Refinance for Renewable Energy (IFRE)	3,139,780	3,177,094
Islamic Refinance for Temporary Economic Refinance Facility (ITERF)	4,845,826	5,217,018
Islamic Refinance Facility for Modernization of SMEs (IRFSME)	150,674	166,650
Islamic Financing Facility for Storage of Agricultural Produce (IFFSAP)	113,294	127,131
Islamic Export Refinance - Istisna (IERF)	146,000	70,000
Musawamah	4,284,905	4,188,383
Running Musharaka	2,485,666	2,844,245
Islamic Export Refinance - Running Musharaka	12,963,641	8,903,641
Financing against Bills - Musawamah	3,048,607	3,823,394
Export Finance Scheme (EFS) - Discounting	8,431,147	8,207,289
Staff Financing	1,916,160	1,098,884
Musawamah Inventory	4,653,974	2,673,423
Advance against Istisna	12,882,255	14,364,368
Advance against Istisna - IERF	1,324,500	818,500
Advance against Ijarah	478,244	250,250
Advance against Diminishing Musharaka	2,285,858	1,788,091
Advance against IFRE	1,500	198,663
Advance against ITERF	66,710	—
Gross Islamic financing and related assets	112,029,059	106,595,451
Less: credit loss allowance against Islamic financings and related assets		
- Stage 1	(1,273,508)	(1,071,897)
- Stage 2	(894,567)	(1,061,392)
- Stage 3	(1,270,225)	(875,066)
	(3,438,300)	(3,008,355)
Islamic financing and related assets - net of credit loss allowance	108,590,759	103,587,096



	(Un-audited) 30 June 2025 (Rupees in '000)	(Audited) 31 December 2024
41.4 Deposits and Other Accounts		
Customers		
Current deposits	151,597,655	116,937,121
Savings deposits	178,281,770	158,666,856
Term deposits	20,234,771	20,269,782
	<u>350,114,196</u>	<u>295,873,759</u>
Financial institutions		
Current deposits	95,685	48,799
Savings deposits	7,112,410	21,673,186
	<u>7,208,095</u>	<u>21,721,985</u>
	<u>357,322,291</u>	<u>317,595,744</u>
41.5 Islamic Banking Business Unappropriated Profit		
Opening balance	54,066,152	30,550,755
Add: Islamic Banking profit for the period / year	8,271,784	23,523,465
Loss on sale of equity investments - FVOCI	-	(8,068)
Closing balance	<u>62,337,936</u>	<u>54,066,152</u>
41.6 Contingencies and Commitments		
Guarantees	25,314,365	19,198,384
Commitments	38,156,785	34,016,915
	<u>63,471,150</u>	<u>53,215,299</u>
	(Un-audited) Half year ended	
	30 June 2025	30 June 2024 (Restated)
41.7 Profit / Return Earned on Financing, Investments and Placements		
Profit earned on:		
Financing and related assets	5,730,868	8,910,826
Investments	19,123,500	21,809,819
Placements	122,748	485
	<u>24,977,116</u>	<u>30,721,130</u>
41.8 Profit on Deposits and Other Dues Expensed		
Deposits and other accounts	9,888,422	12,221,607
Due to Financial Institutions	1,121,912	1,527,144
Due to Head Office	313,484	1,151,483
Finance charges on leased liabilities	439,293	297,034
	<u>11,763,111</u>	<u>15,197,268</u>



41.9 Profit and Loss Distribution and Pool Management

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

General Pool PKR (Mudaraba)

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

Special Pool(s) PKR (Mudaraba)

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

General Pool FCY (Mudaraba)

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

Special Pool(s) FCY (Mudaraba)

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

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

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

Equity Pool

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

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

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

Parameters associated with risk and rewards:

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

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



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

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

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

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

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

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

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

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

The Bank's profit sharing ratio during the period was 50% (30 June 2024: 50%) of Net Income and the depositors' profit sharing ratio was 50% (30 June 2024: 50%) of Net Income.

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

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



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

	30 June 2025 (Un-audited)				
	Distributable Income (Rupees in '000)	Mudarib Share (Rupees in '000)	Mudarib Share (Percentage)	HIBA Amount (Rupees in '000)	HIBA (Percentage)
LCY Pool	14,038,653	6,568,359	46.79%	2,838,457	43.21%
FCY Pool	210,623	170,661	81.03%	25,716	15.07%
30 June 2024 (Un-audited)					
LCY Pool	17,113,405	6,685,202	39.06%	3,015,081	45.10%
FCY Pool	236,138	159,811	67.68%	24,606	15.40%

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

	(Un-audited) Half year ended	
	30 June 2025 (Percentage)	30 June 2024 (Percentage)
Profit rate earned	12.05%	19.40%
Profit rate distributed	6.09%	10.51%

42. GENERAL

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

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

42.3 Comparative information has been re-classified, re-arranged or additionally incorporated in these consolidated condensed interim financial statements wherever necessary to facilitate comparison and better presentation. The impact of IFRS 9 adoption is mentioned in note 4.2 of these consolidated condensed interim financial statements.

43. NON-ADJUSTING EVENT AFTER THE REPORTING DATE

The Board of Directors, in its meeting held on 27 August 2025, has announced an interim cash dividend of Rs. 3.50 per share (30 June 2024: Rs. 3.50 per share). These consolidated condensed interim financial statements do not include the effect of this appropriation, which will be accounted for subsequent to the period end.

44. DATE OF AUTHORISATION

These consolidated condensed interim financial statements were authorised for issue in the Board of Directors' meeting held on 27 August 2025.

MANSOOR ALI KHAN
Chief Executive

ASHAR HUSAIN
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI
Director

FARHANA MOWJEE KHAN
Director

ABBAS D. HABIB
Chairman