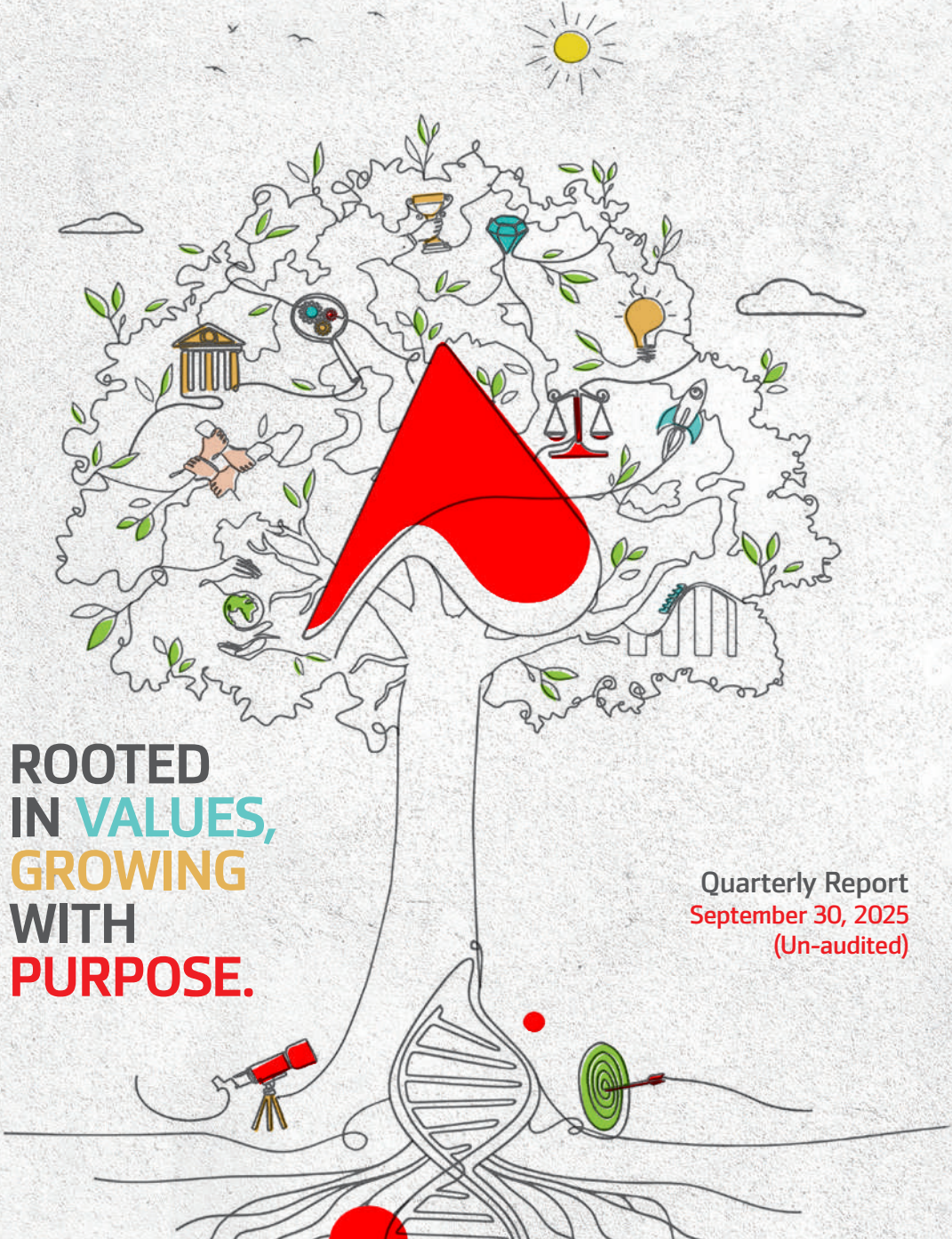




Bank Alfalah
The Way Forward



ROOTED
IN VALUES,
GROWING
WITH
PURPOSE.

Quarterly Report
September 30, 2025
(Un-audited)

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Company Information

Board of Directors

His Highness Sheikh Nahayan Mubarak Al Nahayan
Chairman/Director

Abdulla Nasser Hawaileel Al Mansoori
Director

Abdulla Khalil Al Mutawa
Director

Khalid Mana Saeed Al Otaiba
Director

Khalid Qurashi
Director

Dr. Gyorgy Tamas Ladics
Director

Dr. Ayesha Khan
Director

Efstratios Georgios Arapoglou
Director

Atif Aslam Bajwa
President/CEO and Director

Senior Management Team

Atif Aslam Bajwa
President and Chief Executive Officer

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

Anjum Hai
Chief Financial Officer

Faisal Farooq Khan
Chief Human Resources Officer

Faisal Rabbani
Chief Risk Officer

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

Haroon Khalid
Group Head, Compliance and Business Solutions

Hassan Ahmed Khan
Head, Treasury Pakistan Operations

Khawaja Muhammad Ahmad
Group Head, Operations and Corporate Services

Mehreen Ahmed
Group Head, Retail Banking

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

Mohammad Raheel Yousuf
Chief Marketing Officer

Mohib Hasan Khan
Chief Information Officer

Dr. Muhammad Imran
Group Head, Islamic Banking

Muhammad Yahya Khan
Chief Digital Officer

Pervez Shahbaz Khan
Group Head, Global Markets and Treasury

Tahir Khurshid
Group Head, Audit and Inspection

Zahid Anjum
Group Head, Special Assets Management

Chief Financial Officer
Anjum Hai

Company Secretary
Mian Ejaz Ahmad

Chief Internal Auditor
Tahir Khurshid

Auditors
A. F. Ferguson & Co.
Chartered Accountants

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

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

Legal Advisor
Mandviwalla & Zafar
Advocates and Legal Consultants

Board Committees

Board Audit Committee (BAC)

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

Board Risk Management Committee (BRMC)

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

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

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

Board Strategy and Finance Committee (BS&FC)

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

Board Committees

Board Crisis Management Committee (BCMC)

Abdulla Khalil Al Mutawa
Chairman

Khalid Mana Saeed Al Otaiba
Member

Khalid Qurashi
Member

Dr. Ayesha Khan
Member

Dr. Gyorgy Tamas Ladics
Member

Atif Aslam Bajwa
Member

Mian Ejaz Ahmad
Secretary

Board Information Technology Committee (BITC)

Dr. Gyorgy Tamas Ladics
Chairman

Abdulla Khalil Al Mutawa
Member

Khalid Mana Saeed Al Otaiba
Member

Khalid Qurashi
Member

Efstratios Georgios Arapoglou
Member

Atif Aslam Bajwa
Member

Aasim Wajid Jawad
Secretary

Board Real Estate Committee (BREC)

Abdulla Khalil Al Mutawa
Chairman

Khalid Mana Saeed Al Otaiba
Member

Khalid Qurashi
Member

Atif Aslam Bajwa
Member

Mian Ejaz Ahmad
Secretary

Directors’ Review

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

Economic Review

Pakistan’s economy demonstrated cautious yet notable stabilization over the first nine months of 2025, reflecting the impact of fiscal consolidation, monetary easing, and improved external balances.

On the economic front, Moody’s upgraded Pakistan’s credit rating to Caa1 from Caa2. Foreign exchange reserves held by the State Bank of Pakistan (SBP) increased to USD 14.4 billion as of September 2025 as compared to USD 11.7 billion in December 2024. Current account posted a surplus of USD 2.1 billion in FY25, this was for the first time in 14 years. The rupee remained largely stable, marginally depreciating by 1.0% to PKR 281.32 / USD as of September 30, 2025, compared to PKR 278.55 / USD as on December 31, 2024.

This quarter Punjab and Northern parts of the country were impacted by floods, with initial estimates suggesting that the damage is lower as compared to widespread destruction in 2022 floods. On the geopolitical front, Pakistan witnessed some positive developments in the shape of a Strategic Mutual Defence Agreement with Saudi Arabia, and a high-profile meeting with President of the United States of America. These relationships could serve to improve the investment landscape in Pakistan.

The headline inflation has reached 5.6% in September 2025 after bottoming out at 0.3% in April 2025. The increase is mainly attributable to end of favorable impacts of high base effect and higher food inflation post floods. SBP opted for a cautious stance and maintained policy rates at 11% for third consecutive policy meeting.

Economic activity has increased, with real GDP growth of 3.04% in FY25 as compared to 2.58% in FY24, led by the Industrial and Services sectors. Fiscal consolidation continued with primary surplus of PKR 2.7 trillion (2.4% of GDP) in FY25, as compared to PKR 0.9 trillion (0.9% of GDP) in FY24. FBR tax collection increased by 26% YoY to PKR 11.7 trillion in FY25.

The stock market continued its positive trend, with KSE-100 reaching an all-time high of 165,494 points on September 30, 2025. The surge came on the back of economic stability coupled with liquidity shift from other asset classes, particularly fixed income.

Going forward, the impact of floods may result in lower than target GDP growth and higher inflation. The IMF Extended Fund Facility (EFF) and Resilience and Sustainability Facility (RSF) programs’ continuity would be pivotal in sustaining macroeconomic stability and investor confidence. In this context, it is more critical than ever to navigate policy decisions judiciously, ensuring a balance between growth imperatives and fiscal discipline while safeguarding vulnerable communities affected by climate-related shocks.

Review of the Bank’s Performance

Highlights of the Bank’s financial results for the nine-month period ended September 30, 2025, are presented as follows:

Financial Position	September 30, 2025	December 31, 2024
Rupees in Millions		
Shareholders’ Equity	192,096	178,112
Total Assets	3,222,731	3,710,206
Deposits	2,166,828	2,136,913
Advances – net	1,029,575	1,109,376
Investments – net	1,638,416	1,991,232

Financial Performance	Period ended September 30, 2025	Period ended September 30, 2024
		(Restated)
	Rupees in Millions	
Net Interest Income and Non-Markup Income	136,697	130,291
Non-Markup Expenses	87,455	62,091
Credit loss allowance / Provisions and write offs (net)	1,948	1,746
Profit before tax (PBT)	47,295	66,453
Profit after tax (PAT)	21,439	33,628
Basic and Diluted earnings per share – Rupees	13.59	21.32

Bank Alfalah reported profit after tax (PAT) of PKR 21.44 billion for the nine-month period ended September 30, 2025 with an earnings per share of PKR 13.59 (September-2024: PKR 21.32). The bottom line was impacted by the decline in benchmark rates, higher remittance related promotional expenses and an increase in the effective tax rate. However, growth in average deposits and an improved CA mix provided support in offsetting these challenges.

Total revenue for the period stood at PKR 136.70 billion, depicting a 4.9% year-on-year (YoY) increase. Net Markup income of the Bank amounted to PKR 101.48 billion, up by 4.5%, primarily supported by a strategic focus on optimising cost of funds through volumetric growth in average current account balances. These measures helped cushion the impact of the reduction in interest rates. Non-Funded Income (NFI) amounted to PKR 35.22 billion, reflecting an increase of 6.1% over SPLY. A 23.0% increase in capital gains, 49.5% increase in dividend and 14.1% increase in foreign exchange income were the primary contributors towards NFI. However, these gains were offset by reduction in Fee and Commission Income by 13.5%. This decline was largely due to reduced income from home remittances segment, card-related services, acquiring business, and BISP commissions - areas that have experienced pricing related challenges during the period. Going forward, remittance-related income is expected to improve following recent regulatory changes to the pricing mechanism under the PRI scheme.

The Bank, in line with its strategic objectives, remains focused on expanding its footprint, investing in technology and enhancing digital capabilities. Investments in branch expansion, technology upgrades, inflationary effects and marketing related initiatives more specifically for promotion of remittances added to an overall increase in operating expenses by 42.7%. It is pertinent to note that the Bank is committed to optimise its cost structure in an efficient manner without compromising its long term strategic initiatives.

Customer deposits closed at PKR 2.17 trillion. The Bank's deposit sourcing approach continues to focus through garnering stable current account balances and with the aim of creating a diversified and sticky deposit base.

The gross advances of the Bank improved by 23.9% YoY to close at PKR 1.08 trillion, with growth contributions coming from all primary business segments, namely Corporate, Consumer, SME and Agri. The Bank's robust underwriting standards have enabled us to consistently maintain high credit quality, as outlined by infection ratio of 4.0%. On top of this, non-performing loans remain fully covered with a coverage ratio of 110.2% (including general provision / expected credit loss (ECL)).

As at September 30, 2025, the Bank remained adequately capitalized with CAR at 17.94%.

Dividend

The Board of Directors, in its meeting held on October 22, 2025, declared an interim cash dividend of PKR 2.50 per share (25%) (Q3-24: PKR 2.00 per share (20%)) for the quarter ended September 30, 2025, bringing the total interim cash dividend for the year to PKR 7.50 per share (75%) (SPLY: PKR 6.00 per share (60%)). The Board had earlier declared and paid interim cash dividend of PKR 5.0 per share (50%).

Credit Rating

The Bank has been assigned the following ratings by PACRA:

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

Future Outlook

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

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

To ensure balanced growth, the Bank is also strengthening its fee-based revenue lines by deepening cash management penetration, scaling up trade finance, and expanding supply chain financing capabilities, particularly for corporate clients. These initiatives reinforce the Bank's position in supporting Pakistan's trade and financial infrastructure.

Aligned with its strategic vision, the Bank aims to continue to empower small and medium enterprises (SMEs) and individual consumers by offering tailored financing solutions and advisory support, fostering entrepreneurship and financial inclusion across diverse segments of the economy.

Bank Alfalah's "One Bank, One Team" ethos remains central to its culture, promoting collaboration, creativity, and innovation. Human capital development is a core focus, enabling it to build a skilled, agile, and motivated workforce aligned with the Bank's long-term goals.

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

Acknowledgement

On behalf of the Board, we would like to thank the State Bank of Pakistan, the Securities and Exchange Commission of

Pakistan, the Ministry of Finance and other regulatory authorities for their continued guidance and counsel. We also wish to convey our appreciation to our shareholders, our customers and business partners for their ongoing support.

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

Atif Aslam Bajwa
President and Chief Executive Officer

Khalid Qurashi
Director

October 22, 2025
Abu Dhabi

کے ذریعے، بنیاد کو وسعت دینا ہے، جبکہ ملک بھر میں اپنی موجودگی کو بڑھا کر صارفین تک رسانی اور تجربے کو بہتر بنانا بھی شامل ہے۔

بینک اپنی ڈیجیٹل تبدیلی کو تیز کر رہا ہے اور ٹیکنالوجی کو استعمال میں لا کر محفوظ، ہموار اور صارف کو سہولیات پر مبنی بینکاری خدمات فراہم کر رہا ہے۔ جدید اینالٹکس، آٹومیشن اور مصنوعی ذہانت (آئی) میں سرمایہ کاری کے ذریعے آپریشنز کو بہتر بنایا جا رہا ہے، فیصلوں کو مؤثر بنایا جا رہا ہے اور سروس کے معیار کو بلند کیا جا رہا ہے۔ یہ اقدامات محتاط لاگت کنٹرول کے ساتھ مل کر، آپریشنل کارکردگی کو بہتر بنا رہے ہیں اور بینک کے اس وژن کو تقویت دے رہے ہیں کہ وہ بینکاری صنعت کی ڈیجیٹل ترقی میں رہنمائی کرے۔

متوازن ترقی کو یقینی بنانے کے لیے، بینک اپنی فیس پر مبنی آمدنی میں بھی اضافہ کر رہا ہے، خاص طور پر پرکیش مینجمنٹ کی خدمات کو فروغ دے کر ٹریڈ فنانس کو وسعت دے کر اور سپلائی چین فنانسنگ کی صلاحیتوں کو بڑھا کر، بالخصوص کارپوریٹ کلانٹس کے لیے۔ یہ اقدامات پاکستان کی تجارتی و مالیاتی انفراسٹرکچر کو سپورٹ کرنے میں بینک کے کردار کو مزید مضبوط کرتے ہیں۔

اپنے اسٹریٹجک وژن کے مطابق، بینک الفلاح کا مقصد چھوٹے اور درمیانے درجے کے کاروباروں (SMEs) اور انفرادی صارفین کو باختیار بنانا ہے، تاکہ انہیں مخصوص مالیاتی حل اور مشاورتی معاونت فراہم کی جاسکے۔ اس کے ذریعے کاروباری صلاحیت کو فروغ دیا جا رہا ہے اور معیشت کے مختلف شعبوں میں مالی شمولیت کو تقویت دی جا رہی ہے۔

بینک الفلاح کا "ون بینک، ون ٹیم" کا نظریہ اس کی تنظیمی ثقافت کا مرکزی جزو ہے، جو باہمی تعاون، تخلیقی سوچ اور جدت کو فروغ دیتا ہے۔ انسانی وسائل کی ترقی پر خصوصی توجہ دی جا رہی ہے، تاکہ ایک ماہر فعال اور باحوصلہ ٹیم تیار کی جاسکے جو بینک کے طویل المدتی اہداف سے ہم آہنگ ہو۔

بینک ذمہ دار اور پائیدار بینکاری کے لیے بھی پُر عزم ہے، اور اس کے اقدامات اقوام متحدہ کے پائیدار ترقیاتی اہداف اور پاکستان کے قومی ترقیاتی ایجنڈے سے مطابقت رکھتے ہیں۔ ماحولیاتی، سماجی اور حکومتی (ESG) اصولوں اور کارپوریٹ سوشل ریسپانسیبلٹی (CSR) کی مضبوط حکمت عملیوں کے ذریعے، بینک دیرپا اثرات پیدا کرنے اور ان کمیونٹیز کی فلاح میں مؤثر کردار ادا کرنے کا خواہاں ہے جن کی وہ خدمت کے لیے کوشاں ہے۔

شکریہ

بورڈ کی جانب سے، ہم اسٹیٹ بینک آف پاکستان، سیکیورٹیز اینڈ

ایکسچینج کمیشن آف پاکستان، وزارت خزانہ، اور دیگر ریگولیٹری حکام کا ان کی مسلسل رہنمائی اور مشاورت کے لیے شکریہ ادا کرتے ہیں۔ ہم اپنے شیئر ہولڈرز، اپنے صارفین، اور کاروباری شراکت داروں کا بھی ان کی جاری حمایت کے لیے ان کے شکر گزار ہیں۔

سالوں پر محیط، ہم نے اپنے صارفین اور تمام اسٹیک ہولڈرز کو اچھی اقدار اور عمدہ خدمات فراہم کرنے کے ساتھ ساتھ اپنی مالیاتی پوزیشن کو مضبوط کرنے کی بنیادیں رکھی ہیں۔ ہم اس جذبے کے ساتھ آگے بڑھ رہے ہیں کہ اپنی تمام تر توجہ خدمات پر مرکوز رکھیں گے اور اقتصادی نمو کو بہتر بنانے میں ایک کلیدی کردار ادا کرتے رہیں گے۔ اس کی پیروی کرتے ہوئے، ہم اپنے ملازمین اور مقامی کمیونٹی کے تنہا اپنی ذمہ داریوں سے غافل نہیں ہوں گے اور اپنے شیئر ہولڈرز کو منافع فراہم کرنے کے لیے اپنی لگن پر قائم رہیں گے۔

خالد قریشی
ڈائریکٹر

عاطف اسلم باجوہ
صدر اور چیف ایگزیکٹو آفیسر

۲۲ اکتوبر ۲۰۲۵
ابوظہبی

بینک الفلاح نے ۳۰ ستمبر ۲۰۲۵ کو ختم ہونے والی نو ماہ کی مدت کے لیے منافع بعد از ٹیکس (PAT) پاکستانی روپے ۲۱.۳۳ ارب رپورٹ کی ہے، جس کے نتیجے میں فی شیئر آمدن (EPS) روپے ۱۳.۵۹ رہی، جو ستمبر ۲۰۲۲ کے روپے ۲۱.۳۲ کے مقابلے میں کم ہے۔ بینک کے منافع پر بینج مارک ریٹس میں کمی، ترسیلات زر سے متعلق تشہیری اخراجات میں اضافہ، اور مؤثر ٹیکس ریٹ میں اضافے نے دباؤ ڈالا۔ تاہم، اوسط ڈپازٹس میں اضافہ اور بہتر کرنٹ اکاؤنٹس مکس نے ان چیلنجز کے اثرات کو کسی حد تک متوازن کیا۔

مجموعی آمدن روپے ۱۳۲۰۶ ارب رہی، جو سال بہ سال بنیاد پر ۲۰۹ فیصد اضافہ ظاہر کرتی ہے۔ بینک کی نیٹ مارک اپ آمدن روپے ۱۰۱۰۳۸ ارب رہی، جو ۲۰۵ فیصد زیادہ ہے اور اس کی بنیادی وجہ فنڈز کی لاگت کو بہتر بنانے پر بینک کی حکمت عملی تھی، جس کے تحت اوسط کرنٹ اکاؤنٹ بیلنس میں حجم کے لحاظ سے اضافہ کیا گیا۔ ان اقدامات نے شرح سود میں کمی کے اثر کو کم کرنے میں مدد دی۔ نان فنڈڈ انکم (NFI) روپے ۲۵۰۲۲ ارب رہی، جو گزشتہ سال کی اسی مدت کے مقابلے میں ۲۱۱ فیصد اضافہ ظاہر کرتی ہے۔ اس میں ۲۳۰۰ فیصد کیپیٹل گین میں اضافہ ۲۹۰۵ فیصد ڈیویڈنڈ انکم میں اضافہ اور ۱۲۰۱ فیصد فارن ایکسچینج آمدن میں اضافہ شامل ہیں۔ تاہم، فیس اور کمیشن آمدن میں ۱۳۰۵ فیصد کمی نے ان فوائد کو جزوی طور پر زائل کیا۔ یہ کمی بنیادی طور پر بوم ریمنٹنس، کارڈ سروسز، ایکوانرنگ بزنس، اور بی آئی ایس پی کمیشنز سے حاصل ہونے والی آمدن میں کمی کے باعث ہوئی۔ وہ شعبے جو اس عرصے میں قیمتوں سے متعلق چیلنجز سے دوچار رہے۔ آئندہ کے لیے توقع کی جارہی ہے کہ ترسیلات زر سے متعلق آمدن میں بہتری آئے گی، کیونکہ حال ہی میں PRI اسکیم کے تحت قیمتوں کے تعین کے طریقہ کار میں ریگولیٹری تبدیلیاں کی گئی ہیں۔

بینک اپنی اسٹریٹجک حکمت عملی کے مطابق اپنے دائرہ کار کو وسعت دینے، ٹیکنالوجی میں سرمایہ کاری کرنے اور ڈیجیٹل صلاحیتوں کو بہتر بنانے پر توجہ مرکوز رکھے ہوئے ہے۔ برانچ کے توسیعی منصوبے، ٹیکنالوجی اپ گریڈیشن، افراط زر کے اثرات اور مارکیٹنگ سے متعلق اقدامات (خصوصاً ترسیلات زر کے فروغ کے لیے) نے آپریٹنگ اخراجات میں مجموعی طور پر ۲۰۴ فیصد اضافہ کیا۔ یہ امر قابل ذکر ہے کہ بینک مؤثر انداز میں اپنی لاگت کے ڈھانچے کو بہتر بنانے کے لیے پُر عزم ہے، بغیر اس کے کہ اس کے طویل المدتی اسٹریٹجک اہداف متاثر ہوں۔

کسٹمر ڈپازٹس کی مالیت روپے ۲۰۱۴ کھرب پر بند ہوئی۔ بینک کی ڈپازٹس حاصل کرنے کی حکمت عملی کا فوکس مستحکم کرنٹ اکاؤنٹ بیلنسز میں اضافے پر رہا، تاکہ ایک متنوع اور پائیدار ڈپازٹ بیس تشکیل دی جاسکے۔

بینک کے کل ایڈوانسز میں سال بہ سال ۲۳۹ فیصد اضافہ ہوا، جس کے

بعد یہ روپے ۱۰۰۸ کھرب تک پہنچ گئے۔ یہ اضافہ تمام بڑے بزنس سیگمنٹس کارپوریٹ، کنزیومر ایس ایم ای (SME) اور ایگری کی جانب سے آیا۔ بینک کے مضبوط انٹر رائٹنگ معیارات نے اعلیٰ کریڈٹ کوالٹی برقرار رکھنے میں مدد دی، جس کا اظہار ۲۰۰ فیصد انٹیکشن ریشو سے ہوتا ہے۔ اس کے علاوہ، نان پرفارمنگ لونز (NPLs) مکمل طور پر کور ہیں، جن کی کوریج ریشو ۱۱۰۲ فیصد ہے (جس میں جنرل پروویژن/متوقع کریڈٹ لاس (ECL) شامل ہے)۔

۳۰ ستمبر ۲۰۲۵ تک، بینک مناسب طور پر کیپیٹلائزڈ رہا، جس کا کیپیٹل ایڈیٹو کنسنی ریشو CAR ۱۷۰۹۲ فیصد رہا۔

ڈیویڈنڈ

بورڈ آف ڈائریکٹرز نے ۲۲ اکتوبر ۲۰۲۵ کو منعقد ہونے والے اپنے اجلاس میں ۳۰ ستمبر ۲۰۲۵ کو ختم ہونے والی سہ ماہی کے لیے عبوری نقد ڈیویڈنڈ ۲۰۵۰ روپے (۲۵ فیصد) فی شیئر کا اعلان کیا۔ (۲۰۲۲ کی تیسری سہ ماہی میں ۲۰۰ روپے فی شیئر (۲۰ فیصد)) تھا۔ اس کے ساتھ، رواں سال کے لیے مجموعی عبوری نقد منافع ۷۰۵۰ روپے فی شیئر (۷۵ فیصد) تک پہنچ گیا۔ گزشتہ سال کی اسی مدت میں ۲۰۰۰ روپے فی شیئر (۲۰ فیصد) اس سے قبل بورڈ نے روپے ۵۰۰۰ فی شیئر (۵۰ فیصد) کا عبوری ڈیویڈنڈ بھی اعلان کیا اور ادا کیا تھا۔

کریڈٹ ریٹنگ

بینک کو PACRA کی جانب سے درج ذیل ریٹنگز دی گئی ہیں:

- ادارے کی ریٹنگ: طویل مدتی کے لیے 'AAA' (ٹریل اے) اے اور مختصر مدت کے لیے 'A1+' (اے ون پلس)، 'مستحکم' (Stable) آؤٹ لک کے ساتھ۔
- انسٹرومنٹس کی ریٹنگ: غیر محفوظ ٹنیر 'کیپیٹل انسٹرومنٹس کے لیے 'AA+' (ڈبل اے پلس) 'مستحکم' آؤٹ لک کے ساتھ۔ (ٹرم فنانس سرٹیفیکیٹ)

مستقبل کا منظر نامہ

میکرو اکانامک ماحول میں بہتری کو بنیاد بناتے ہوئے، بینک الفلاح اپنی ترقی کی رفتار کو برقرار رکھنے اور شیئر ہولڈرز کو طویل مدتی قدر فراہم کرنے کے لیے ایک مستحکم پوزیشن میں ہے۔ بینک کی اہم ترجیحات میں سے ایک ترجیح ڈیپازٹس، بالخصوص کرنٹ اکاؤنٹس

ڈائریکٹرز کا جائزہ

بورڈ آف ڈائریکٹرز کی جانب سے ہم انتہائی مسرت کے ساتھ ۳۰ ستمبر ۲۰۲۵ کو ختم ہونے والی مدت کے بینک الفلاح لمیٹڈ کے مجموعی اور مختصر عبوری مالیاتی گوشوارے پیش کر رہے ہیں۔

معاشی جائزہ

۲۰۲۵ کے ابتدائی نو ماہ کے دوران پاکستان کی معیشت نے محتاط مگر قابل ذکر استحکام کا مظاہرہ کیا جو مالیاتی استحکام، مالیاتی نرمی اور بہتر بیرونی توازن کے اثرات کو ظاہر کرتا ہے۔

اقتصادی محاذ پر موڈیز نے پاکستان کی کریڈٹ ریٹنگ کو Caa۲ سے اپ گریڈ کر کے Caa۱ کر دیا۔

اسٹیٹ بینک آف پاکستان (SBP) کے پاس موجود زرمبادلہ کے ذخائر دسمبر ۲۰۲۴ میں ۱۱۰۷ بلین امریکی ڈالر تھے جو ستمبر ۲۰۲۵ تک بڑھ کر ۱۳۰۳ بلین امریکی ڈالر ہو گئے۔ مالی سال ۲۰۲۵ میں کرنٹ اکاؤنٹ نے ۲۰۱ بلین امریکی ڈالر کا سرپلس (اضافہ) ظاہر کیا، جو کہ ۱۳ سالوں میں پہلی بار ہوا ہے۔ روپیہ استحکام کی جانب گامزن رہا اور ۳۱ دسمبر ۲۰۲۴ کو پاکستانی روپے ۲۷۸.۵۵ فی امریکی ڈالر کے مقابلے میں ۳۰ ستمبر ۲۰۲۵ تک محض ۱۰۰ فیصد کی معمولی کمی کے ساتھ ۲۸۱.۳۲ روپے فی امریکی ڈالر پر آ گیا۔

اس سہ ماہی میں پنجاب اور ملک کے شمالی حصے سیلابوں سے متاثر ہوئے لیکن ابتدائی اندازے کے مطابق ہونے والا نقصان ۲۰۲۲ کے وسیع پیمانے پر تباہی والے سیلابوں کے مقابلے میں کم ہے۔ جغرافیائی سیاسی محاذ پر پاکستان نے کچھ مثبت پیش رفتیں دیکھیں، جن میں سعودی عرب کے ساتھ اسٹریٹیجک باہمی دفاعی معاہدہ اور ریاست ہائے متحدہ امریکہ کے صدر کے ساتھ ایک اعلیٰ سطحی ملاقات شامل ہیں۔ یہ تعلقات پاکستان میں سرمایہ کاری کے منظر نامے کو بہتر بنانے میں مددگار ثابت ہو سکتے ہیں۔

مہنگائی کی شرح اپریل ۲۰۲۵ میں ۰.۳ فیصد کی کم ترین سطح کو چھونے کے بعد ستمبر ۲۰۲۵ میں ۵.۲ فیصد تک پہنچ گئی ہے۔ اس اضافے کی بنیادی وجہ سبز گار اثرات کا خاتمہ اور سیلاب کے بعد خوراک کی کمی اور زیادہ مہنگائی ہے۔ اسٹیٹ بینک آف پاکستان (SBP) نے محتاط رویہ اپنایا اور مسلسل تیسری پالیسی میٹنگ کے لیے پالیسی ریٹ کو ۱۱ فیصد پر برقرار رکھا۔

معاشی سرگرمیوں میں اضافے کا رجحان دیکھنے میں آیا۔ حقیقی جی ڈی پی کی شرح مالی سال ۲۰۲۵ میں ۳.۰۳ فیصد رہی جو گذشتہ مالی سال ۲۰۲۴ میں ۲.۵۸ فیصد کے مقابلے میں زیادہ تھی جس کی قیادت صنعتی اور خدمات کے شعبوں نے کی۔ مالی سال ۲۰۲۵ میں مالیاتی استحکام کا

عمل جاری رہا، جس کے تحت بنیادی سرپلس ۲۰۷ ٹریلین روپے رہا جو کہ (جی ڈی پی کا ۲.۰۴ فیصد) ہے۔ اس کے مقابلے میں مالی سال ۲۰۲۴ میں یہ صرف ۰.۹ ٹریلین روپے (جی ڈی پی کا ۰.۰۹ فیصد) تھا۔ اسی دوران، ایف بی آر کی ٹیکس وصولی میں سال بہ سال بنیاد پر ۲.۶ فیصد اضافہ ہوا، جو بڑھ کر مالی سال ۲۰۲۵ میں ۱۱۰۷ ٹریلین روپے تک پہنچ گئی۔

اسٹاک مارکیٹ نے اپنا مثبت رجحان برقرار رکھا اور کے ایس ای-۱۰۰ انڈیکس ۳۰ ستمبر ۲۰۲۵ کو بلند ترین سطح ۱۲۵,۴۹۴ پوائنٹس تک پہنچ گیا۔ یہ اضافہ معاشی استحکام اور دیگر سرمایہ کاری ذرائع، خصوصاً فکسڈ انکم سے لیکویڈیٹی کی منتقلی کے باعث دیکھنے میں آیا۔

بعد ازاں، سیلاب کے اثرات کی وجہ سے جی ڈی پی کی شرح نمونہ سے کم اور مہنگائی کی شرح زیادہ ہونے کا خدشہ ہے۔ آئی ایم ایف کے ایکسٹینڈڈ فنڈ فسیلٹی (EFF) اور ریزیلیئنس اینڈ سسٹین ایبلٹی فسیلٹی (RSF) پروگرامز کا تسلسل، معاشی استحکام اور سرمایہ کاروں کے اعتماد کو برقرار رکھنے کے لیے نہایت اہم ہوگا۔ اس تناظر میں، پالیسی فیصلوں میں دانشمندی سے کام لینا پہلے سے کہیں زیادہ ضروری ہو گیا ہے، تاکہ ترقیاتی اہداف اور مالی نظم و ضبط کے درمیان توازن قائم رکھا جاسکے، اور موسمیاتی تبدیلیوں سے متاثرہ کمزور طبقات کو تحفظ یقینی بنایا جاسکے۔

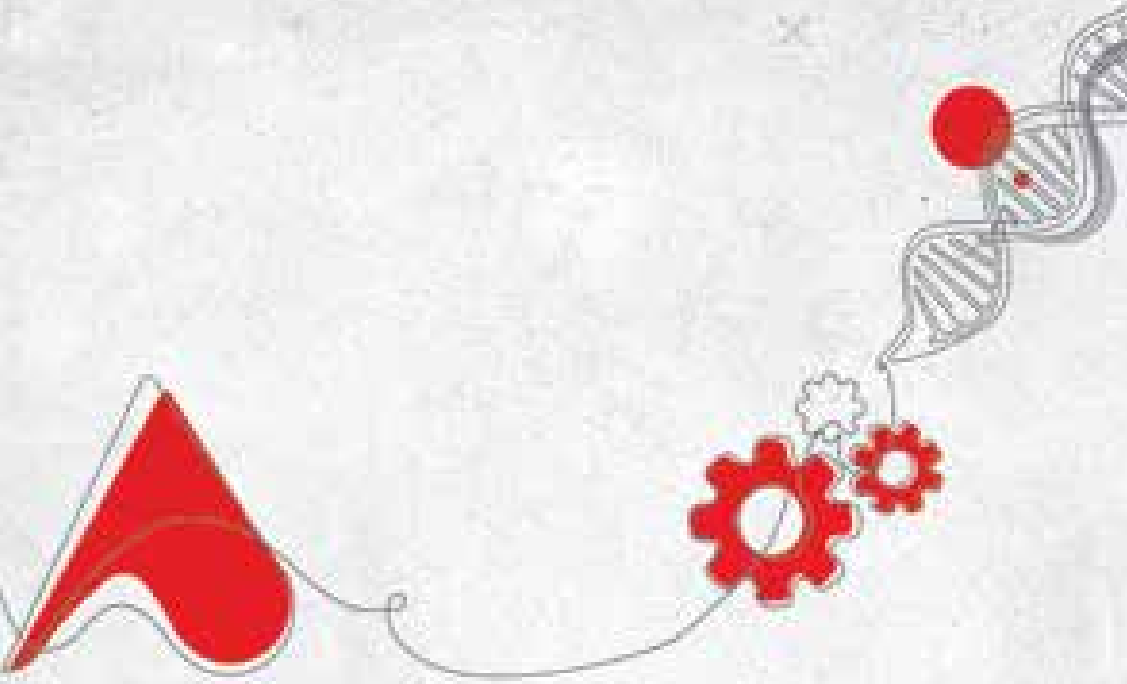
بینک کی کارکردگی کا جائزہ

۳۰ ستمبر ۲۰۲۵ کو ختم ہونے والے نو ماہ کی مدت کے لیے بینک کے مالیاتی نتائج کی اہم جھلکیاں درج ذیل ہیں:

مالی حیثیت	۳۰ ستمبر ۲۰۲۵	۳۱ دسمبر ۲۰۲۴
(روپے، ملین میں)		
شیر ہولڈرز ایکویٹی	۱۹۴,۰۹۲	۱۷۸,۱۱۲
کل اثاثے	۳,۴۲۲,۷۳۱	۳,۷۱۰,۲۰۶
ڈپازٹس	۲,۱۲۶,۸۲۸	۲,۱۳۲,۹۱۳
ایڈوانسز (نیٹ)	۱,۰۲۹,۵۷۵	۱,۰۹۱,۳۷۶
سرمایہ کاری (نیٹ)	۱,۷۸,۴۱۲	۱,۹۹۱,۲۳۲
مالیاتی کارکردگی	۳۰ ستمبر ۲۰۲۵	۳۰ ستمبر ۲۰۲۴
کو ختم ہونے والی مدت تک (مقرر شدہ)		
(روپے، ملین میں)		
خالص مارک اپ آمدن اور غیر	۱۳۶,۶۹۷	۱۳۰,۶۹۱
مارک اپ آمدن	۸۷,۳۵۵	۷۲,۰۹۱
غیر مارک اپ اخراجات	۱,۹۳۸	۱,۷۴۲
ریورسل کریڈٹ خسارہ الاؤنس / خسارے کی پروویڈنٹ	۳۷,۲۹۵	۲۶,۳۵۳
قبل از ٹیکس منافع	۲۱,۳۳۹	۳۳,۶۲۸
بعد از ٹیکس منافع	۱۳,۵۹	۲۱,۳۳
بنیادی اور مخفی فی حصص آمدنی - روپے		

UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025



Unconsolidated Condensed Interim Statement of Financial Position

As at September 30, 2025

	Note	(Un-audited) September 30, 2025	(Audited) December 31, 2024
------(Rupees in '000)-----			
ASSETS			
Cash and balances with treasury banks	7	218,802,383	227,823,979
Balances with other banks	8	10,482,633	18,469,608
Lendings to financial institutions	9	62,252,929	100,998,323
Investments	10	1,638,415,591	1,991,232,454
Advances	11	1,029,575,301	1,109,376,154
Property and equipment	12	69,380,218	63,543,484
Right-of-use assets	13	25,951,693	25,290,607
Intangible assets	14	1,514,471	1,543,109
Deferred tax assets		-	-
Other assets	15	166,355,606	171,928,403
Total assets		3,222,730,825	3,710,206,121
LIABILITIES			
Bills payable	16	39,459,500	41,768,326
Borrowings	17	620,551,967	1,141,885,742
Deposits and other accounts	18	2,166,827,716	2,136,912,622
Lease liabilities	19	31,658,421	29,481,938
Subordinated debt	20	14,000,000	14,000,000
Deferred tax liabilities	21	14,929,757	16,515,641
Other liabilities	22	143,207,832	151,529,442
Total liabilities		3,030,635,193	3,532,093,711
NET ASSETS		<u>192,095,632</u>	<u>178,112,410</u>
REPRESENTED BY			
Share capital		15,771,651	15,771,651
Reserves		45,403,685	43,466,925
Surplus on revaluation of assets	23	37,789,461	33,778,787
Unappropriated profit		93,130,835	85,095,047
		<u>192,095,632</u>	<u>178,112,410</u>
CONTINGENCIES AND COMMITMENTS	24		

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

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

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

For the quarter and nine months period ended September 30, 2025

	Note	Quarter ended September 30, 2025	Quarter ended September 30, 2024	Nine months period ended September 30, 2025	Nine months period ended September 30, 2024
		------(Rupees in '000)-----			
		(Restated)		(Restated)	
Mark-up / return / interest earned	26	82,433,777	132,920,098	270,821,949	391,307,305
Mark-up / return / interest expensed	27	48,384,665	98,422,735	169,345,562	294,222,004
Net mark-up / return / interest income		34,049,112	34,497,363	101,476,387	97,085,301
NON MARK-UP / INTEREST INCOME					
Fee and commission income	28	4,149,560	3,832,028	11,956,921	13,821,136
Dividend income		606,633	219,115	2,062,136	1,378,919
Foreign exchange income	29	3,573,171	2,524,050	8,862,871	7,766,444
Income from derivatives		545,235	113,094	933,801	1,486,608
Gain on securities	30	2,063,162	6,183,824	10,457,513	8,504,203
Net gain / (loss) on derecognition of financial assets measured at amortised cost		-	-	-	-
Other income	31	73,249	58,544	947,478	248,260
Total non-mark-up / interest income		11,011,010	12,930,655	35,220,720	33,205,570
Total income		45,060,122	47,428,018	136,697,107	130,290,871
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	32	30,376,030	20,877,800	86,354,412	60,506,866
Workers' welfare fund	33	268,502	446,704	1,090,072	1,365,714
Other charges	34	596	9,305	10,153	218,820
Total non-mark-up / interest expenses		30,645,128	21,333,809	87,454,637	62,091,400
Profit before credit loss allowance / provisions		14,414,994	26,094,209	49,242,470	68,199,471
Credit loss allowance / provisions and write offs - net	35	1,050,875	439,194	1,947,520	1,746,047
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		13,364,119	25,655,015	47,294,950	66,453,424
Taxation	36	7,199,515	12,625,464	25,855,765	32,825,528
PROFIT AFTER TAXATION		6,164,604	13,029,551	21,439,185	33,627,896
------(Rupees)-----					
		(Restated)		(Restated)	
Basic and diluted earnings per share	37	3.91	8.26	13.59	21.32

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

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

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

For the quarter and nine months period ended September 30, 2025

	Quarter ended September 30, 2025	Quarter ended September 30, 2024	Nine months period ended September 30, 2025	Nine months period ended September 30, 2024
	----- (Rupees in '000) -----			
	(Restated)		(Restated)	
Profit after taxation for the period	6,164,604	13,029,551	21,439,185	33,627,896
Other comprehensive income / (loss)				
Items that may be reclassified to the statement of profit and loss account in subsequent periods:				
Effect of translation of net investment in foreign branches	(467,845)	(278,450)	(207,159)	(1,933,729)
Movement in surplus on revaluation of investments in debt securities classified as FVOCI - net of tax	910,638	9,850,911	4,041,687	9,727,228
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	(364,783)	(241,014)	(2,896,995)	(602,396)
	78,010	9,331,447	937,533	7,191,103
Items that will not be reclassified to the statement of profit and loss account in subsequent periods:				
Movement in surplus on revaluation of equity investments classified as FVOCI - net of tax	2,753,868	15,090	3,221,899	604,686
Movement in surplus on revaluation of property and equipment - net of tax	(18,442)	(10,460)	(55,256)	(30,204)
Movement in surplus on revaluation of non-banking assets - net of tax	(5,501)	(184)	(15,911)	784
	2,729,925	4,446	3,150,732	575,266
Total comprehensive income	<u>8,972,539</u>	<u>22,365,444</u>	<u>25,527,450</u>	<u>41,394,265</u>

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

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

Unconsolidated Condensed Interim Statement of Changes in Equity

For the nine months period ended September 30, 2025

	Share capital	Capital reserves		Statutory reserve	Surplus / (deficit) on revaluation of			Unappropriated profit	Total
		Share premium	Exchange translation reserve		Investments	Property and equipment	Non banking assets		
(Rupees in '000)									
Balance as at December 31, 2023 (audited)	15,771,651	4,731,049	14,191,974	22,478,107	(906,806)	12,088,444	86,726	69,481,688	137,922,833
Impact of adoption of IFRS 9 - net of tax (note 4.1.1)	-	-	-	-	5,002,695	-	-	(2,250,700)	2,751,995
Balance as at January 01, 2024 after adoption of IFRS 9	15,771,651	4,731,049	14,191,974	22,478,107	4,095,889	12,088,444	86,726	67,230,988	140,674,828
Changes in equity for the nine months period ended September 30, 2024									
Profit after taxation - (restated)	-	-	-	-	-	-	-	33,627,896	33,627,896
Other comprehensive (loss) / income - net of tax									
Effect of translation of net investment in foreign branches	-	-	(1,933,729)	-	-	-	-	-	(1,933,729)
Movement in surplus / (deficit) on revaluation of investments in debt securities classified as FVOCI - net of tax	-	-	-	-	9,727,228	-	-	-	9,727,228
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	-	-	-	-	(602,396)	-	-	-	(602,396)
Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax	-	-	-	-	604,686	-	-	-	604,686
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	(30,204)	-	-	(30,204)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	784	-	784
Total other comprehensive (loss) / income - net of tax	-	-	(1,933,729)	-	9,729,518	(30,204)	784	-	7,766,369
Transfer to statutory reserve	-	-	-	3,364,268	-	-	-	(3,364,268)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(66,417)	(9,180)	75,597	-
Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	(54,200)	-	-	54,200	-
Transactions with owners, recorded directly in equity									
Final cash dividend for the year ended December 31, 2023 - 50%	-	-	-	-	-	-	-	(7,885,826)	(7,885,826)
Interim cash dividend for the quarter ended March 31, 2024 - 20%	-	-	-	-	-	-	-	(3,154,330)	(3,154,330)
Interim cash dividend for the half year ended June 30, 2024 - 20%	-	-	-	-	-	-	-	(3,154,330)	(3,154,330)
Closing balance as at September 30, 2024 (un-audited) - restated	15,771,651	4,731,049	12,258,245	25,842,375	13,771,207	11,991,823	78,330	83,429,927	167,874,607
Changes in equity for three months period ended December 31, 2024									
Profit after taxation	-	-	-	-	-	-	-	4,690,235	4,690,235
Other comprehensive (loss) / income - net of tax									
Effect of translation of net investment in foreign branches	-	-	167,711	-	-	-	-	-	167,711
Movement in surplus on revaluation of investments in debt securities classified as FVOCI - net of tax	-	-	-	-	1,074,186	-	-	-	1,074,186
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	-	-	-	-	(297,550)	-	-	-	(297,550)
Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax	-	-	-	-	1,426,033	-	-	-	1,426,033
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-	456,187	456,187
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	5,639,486	-	-	5,639,486
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	235,845	-	235,845
Total other comprehensive (loss) / income - net of tax	-	-	167,711	-	2,202,669	5,639,486	235,845	456,187	8,701,898
Balance carried forward	15,771,651	4,731,049	12,425,956	25,842,375	15,973,876	17,631,309	314,175	88,576,349	181,266,740

Unconsolidated Condensed Interim Statement of Changes in Equity

For the nine months period ended September 30, 2025

	Share capital	Capital reserves		Statutory reserve	Surplus / (deficit) on revaluation of			Unappropriated profit	Total
		Share premium	Exchange translation reserve		Investments	Property and equipment	Non banking assets		
----- (Rupees in '000) -----									
Balance brought forward	15,771,651	4,731,049	12,425,956	25,842,375	15,973,876	17,631,309	314,175	88,576,349	181,266,740
Transfer to statutory reserve	-	-	-	467,545	-	-	-	(467,545)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(78,264)	540	77,724	-
Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	(62,849)	-	-	62,849	-
Transactions with owners, recorded directly in equity									
Interim cash dividend for the nine months period ended September 30, 2024 - 20%	-	-	-	-	-	-	-	(3,154,330)	(3,154,330)
Balance as at December 31, 2024 (audited)	15,771,651	4,731,049	12,425,956	26,309,920	15,911,027	17,553,045	314,715	85,095,047	178,112,410
Impact of adoption of IFRS 9 - net of tax (note 4.1.2)	-	-	-	-	365,607	-	-	(81,096)	284,511
Balance as at January 01, 2025 after adoption of IFRS 9	15,771,651	4,731,049	12,425,956	26,309,920	16,276,634	17,553,045	314,715	85,013,951	178,396,921
Changes in equity for the nine months period ended September 30, 2025									
Profit after taxation	-	-	-	-	-	-	-	21,439,185	21,439,185
Other comprehensive income / (loss) - net of tax									
Effect of translation of net investment in foreign branches	-	-	(207,159)	-	-	-	-	-	(207,159)
Movement in surplus on revaluation of investments in debt securities classified as FVOCI - net of tax	-	-	-	-	4,041,687	-	-	-	4,041,687
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	-	-	-	-	(2,896,995)	-	-	-	(2,896,995)
Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax	-	-	-	-	3,221,899	-	-	-	3,221,899
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	(55,256)	-	-	(55,256)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	(15,911)	-	(15,911)
Total other comprehensive income / (loss) - net of tax	-	-	(207,159)	-	4,366,591	(55,256)	(15,911)	-	4,088,265
Transfer to statutory reserve	-	-	-	2,143,919	-	-	-	(2,143,919)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(91,657)	(11,409)	103,066	-
Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	(547,291)	-	-	547,291	-
Transactions with owners, recorded directly in equity									
Final cash dividend for the year ended December 31, 2024 - 25%	-	-	-	-	-	-	-	(3,942,913)	(3,942,913)
Interim cash dividend for the quarter ended March 31, 2025 - 25%	-	-	-	-	-	-	-	(3,942,913)	(3,942,913)
Interim cash dividend for the half year ended June 30, 2025 - 25%	-	-	-	-	-	-	-	(3,942,913)	(3,942,913)
Closing balance as at September 30, 2025 (un-audited)	15,771,651	4,731,049	12,218,797	28,453,839	20,095,934	17,406,132	287,395	93,130,835	192,095,632

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

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

Unconsolidated Condensed Interim Cash Flow Statement (Un-audited)

For the nine months period ended September 30, 2025

	Note	Nine months period ended	
		September 30, 2025	September 30, 2024
		------(Rupees in '000)-----	
			(Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		47,294,950	66,453,424
Less: Dividend income		(2,062,136)	(1,378,919)
		<u>45,232,814</u>	<u>65,074,505</u>
Adjustments:			
Net mark-up / return / interest income		(104,649,762)	(99,565,019)
Depreciation	32	4,470,968	3,380,100
Depreciation on right-of-use assets	32	3,387,199	2,832,251
Amortisation	32	300,500	274,168
Credit loss allowance /provisions and write offs - net	35	1,947,520	1,746,047
Unrealised loss / (gain) on revaluation of investments classified as FVPL	30	201,564	(3,416,886)
Gain on disposal of subsidiary	30.1	(396,857)	-
Unrealised gain on advances classified as FVPL		-	(57,165)
Gain on sale of property and equipment - net	31	(43,642)	(81,136)
Gain on sale of non banking assets - net	31	(3,368)	(27,800)
Gain on termination of leases - net	31	(85,693)	(62,345)
Staff loans - notional cost	32.1	3,064,364	1,968,928
Finance charges on leased assets	27	3,173,375	2,479,718
Workers' welfare fund		1,090,072	1,365,714
Charge for defined benefit plan	32.1	721,426	503,473
Charge for staff compensated absences	32.1	313,000	157,500
		<u>(86,509,334)</u>	<u>(88,502,452)</u>
		(41,276,520)	(23,427,947)
Decrease / (increase) in operating assets			
Lendings to financial institutions		68,513,728	71,618,222
Securities classified as FVPL		69,164,500	29,180,463
Advances		78,518,817	(127,431,849)
Other assets (excluding advance taxation and mark-up receivable)		(8,346,267)	(23,517,264)
		<u>207,850,778</u>	<u>(50,150,428)</u>
(Decrease) / Increase in operating liabilities			
Bills payable		(2,308,826)	(792,635)
Borrowings		(512,440,786)	(185,909,939)
Deposits		29,915,094	51,419,092
Other liabilities (excluding current taxation and mark-up payable)		5,137,922	30,492,166
		<u>(479,696,596)</u>	<u>(104,791,316)</u>
		(313,122,338)	(178,369,691)
Mark-up / interest received		275,545,346	361,543,701
Mark-up / interest paid		(178,692,332)	(281,289,688)
Income tax paid		(28,456,601)	(39,725,647)
Net cash used in operating activities		<u>(244,725,925)</u>	<u>(137,841,325)</u>
Balance carried forward		<u>(244,725,925)</u>	<u>(137,841,325)</u>

Unconsolidated Condensed Interim Cash Flow Statement (Un-audited)

For the nine months period ended September 30, 2025

	Note		Nine months period ended	
			September 30, 2025	September 30, 2024
			----- (Rupees in '000) -----	
			(Restated)	
Balance brought forward			(244,725,925)	(137,841,325)

CASH FLOWS FROM INVESTING ACTIVITIES

Net investments in securities classified as FVOCI	250,462,806	147,831,648
Net investments in securities carried at amortised cost	43,851,597	7,501,156
Divestment from / (investment in) subsidiaries	396,857	(2,200,000)
Dividends received	2,059,336	1,329,747
Investments in property and equipment and intangible assets	(10,572,903)	(16,289,569)
Proceeds from sale of property and equipment	79,666	96,162
Proceeds from sale of non-banking assets	27,089	267,800
Effect of translation of net investment in foreign branches	(207,159)	(1,933,729)
Net cash generated from investing activities	286,097,289	136,603,215

CASH FLOWS FROM FINANCING ACTIVITIES

Payments of lease obligations against right-of-use assets	(4,961,186)	(4,334,533)
Dividend paid	(11,796,006)	(20,059,906)
Net cash used in financing activities	(16,757,192)	(24,394,439)
Net increase / (decrease) in cash and cash equivalents	24,614,172	(25,632,549)
Cash and cash equivalents at the beginning of the period	230,214,758	249,435,426
Effects of exchange rate changes on cash and cash equivalents	1,735,279	(1,535,507)
	231,950,037	247,899,919
Expected credit loss allowance on cash and cash equivalents - net	(64,899)	(22,490)
Cash and cash equivalents at the end of the period	38 256,499,310	222,244,880

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

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the nine months period ended September 30, 2025

1 STATUS AND NATURE OF BUSINESS

Bank Alfalah Limited (the Bank) is a banking company incorporated in Pakistan and is engaged in commercial banking and related services in Pakistan and overseas. The Bank's registered office is located at B.A. Building, I.I. Chundrigar Road, Karachi and its shares are listed on the Pakistan Stock Exchange. The Bank is engaged in banking services as described in the Banking Companies Ordinance, 1962. The Bank is operating through 1,175 branches (December 31, 2024: 1,141 branches) and 10 sub-branches (December 31, 2024: 12 sub-branches). Out of the 1,175 branches, 715 (December 31, 2024: 707) are conventional, 449 (December 31, 2024: 423) are Islamic, 10 (December 31, 2024: 10) are overseas and 1 (December 31 2024: 1) is an offshore banking unit.

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

2 BASIS OF PRESENTATION

2.1 STATEMENT OF COMPLIANCE

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

- International Accounting Standard 34 "Interim Financial Reporting" and International Financial Reporting Standards (IFRS Accounting Standards) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

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

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

- 2.1.1 The disclosures made in these unconsolidated condensed interim financial statements have been limited based on the format prescribed by the SBP through BPRD Circular Letter No. 02 dated February 09, 2023 and the requirements of International Accounting Standard 34, "Interim Financial Reporting". These do not include all the information and disclosures required for annual financial statements, and therefore should be read in conjunction with the annual audited unconsolidated financial statements of the Bank for the year ended December 31, 2024.
- 2.1.2 These unconsolidated condensed interim financial statements represent separate financial statements of Bank Alfalah Limited in which investment in subsidiaries and associates are accounted for on the basis of cost less accumulated impairment losses, if any.
- 2.1.3 Key financial figures of the Islamic Banking branches are disclosed in note 43 to these unconsolidated condensed interim financial statements.
- 2.1.4 The Bank believes that there is no significant doubt on the **Bank's** ability to continue as a going concern. Therefore, these unconsolidated condensed interim financial statements have been prepared on a going concern basis.
- 2.2 Standards, interpretations of and amendments to published accounting and reporting standards that are effective in the current period:

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

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

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

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

3 BASIS OF MEASUREMENT

3.1 Accounting convention

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

3.2 Functional and presentation currency

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

4 MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 IFRS 9 - 'Financial Instruments'

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

The Bank, in compliance with extended timelines prescribed in SBP's BPRD Circular Letter No. 16 dated July 29, 2024 and BPRD Circular Letter No. 01 dated January 22, 2025 had incorporated certain IFRS 9 related impacts in the last quarter of 2024. Therefore the unconsolidated condensed interim statement of profit and loss account (un-audited) for the nine months period ended September 30, 2024 have been restated to incorporate these impacts. Had the restatement not been incorporated the profit after tax and total comprehensive income for the nine months period ended September 30, 2024 would have been higher by Rs. 14.782 million. The details are tabulated below:

Head		(Rupees in '000)	Description
Mark-up / return / interest earned	Increase	2,205,554	Fair value impact of subsidised advances and modification of advances
Mark-up / return / interest earned	Increase	1,968,928	Fair value impact of staff loans
Other income	Increase	57,165	Fair value impact of advances measured at fair value through profit and loss
		4,231,647	
Mark-up / return / interest expensed	Increase	2,286,504	Fair value impact of subsidised borrowings
Operating expenses	Increase	1,968,928	Fair value impact of staff loans
Workers' welfare fund	Increase	5,199	Impact of restatement
		4,260,631	
Taxation	Decrease	14,202	Tax impact of restatement
		Rupees	
Basic and diluted earnings per share	Decrease	0.01	EPS impact of restatement

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

4.1.3 The SBP has directed the Banks through its BPRD Circular Letter No. 1 dated January 22, 2025 to continue the existing revenue recognition methodology for Islamic Operations, including the requirements of IFAS 1 and IFAS 2 until further instructions. Had IFRS 9 been adopted in its entirety for revenue recognition from Islamic operations, the profit after tax of the Bank would have been higher by Rs. 232.961 million.

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

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

6 FINANCIAL RISK MANAGEMENT

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

		(Un-audited) September 30, 2025	(Audited) December 31, 2024
	Note	-----	-----
(Rupees in '000)-----			
7 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
- local currency		47,835,363	48,323,420
- foreign currency		5,222,614	5,594,597
		53,057,977	53,918,017
With State Bank of Pakistan in			
- local currency current accounts		95,010,225	92,348,385
- foreign currency current accounts		8,385,690	7,192,719
- foreign currency deposit accounts		12,715,602	10,832,548
		116,111,517	110,373,652
With other central banks in			
- foreign currency current accounts		42,404,565	60,980,202
- foreign currency deposit accounts		1,620,427	1,820,112
		44,024,992	62,800,314
With National Bank of Pakistan in local currency current account		5,577,595	628,396
Prize bonds		106,901	119,605
		218,878,982	227,839,984
Less: Credit loss allowance held against cash and balances with treasury banks		(76,599)	(16,005)
Cash and balances with treasury banks - net of credit loss allowance		<u>218,802,383</u>	<u>227,823,979</u>
8 BALANCES WITH OTHER BANKS			
In Pakistan in current accounts		4,595	37,316
Outside Pakistan			
- in current accounts		10,455,952	18,406,200
- in deposit accounts		32,281	31,982
		10,488,233	18,438,182
		10,492,828	18,475,498
Less: Credit loss allowance held against balances with other banks		(10,195)	(5,890)
Balances with other banks - net of credit loss allowance		<u>10,482,633</u>	<u>18,469,608</u>
9 LENDINGS TO FINANCIAL INSTITUTIONS			
Call / clean money lendings		31,160,813	1,792,764
Repurchase agreement lendings (Reverse Repo)		31,092,710	94,208,913
Bai Muajjal receivable - other financial institution		-	4,997,525
	9.1	62,253,523	100,999,202
Less: Credit loss allowance held against lending to financial institutions	9.1	(594)	(879)
Lending to financial institutions - net of credit loss allowance		<u>62,252,929</u>	<u>100,998,323</u>

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

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

9.1 Lending to Financial Institutions - Particulars of credit loss allowance

Domestic Performing	Stage 1	58,692,710	353	99,606,438	754
Overseas Performing	Stage 1	3,560,813	241	1,392,764	125
Total		62,253,523	594	100,999,202	879

10 INVESTMENTS

10.1 Investments by type:

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

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

Fair value through profit and loss

Federal Government Securities								
- Market Treasury Bills	40,330,997	-	(22,232)	40,308,765	74,055,824	-	(5,499)	74,050,325
- Pakistan Investment Bonds	155,649,927	-	(98,559)	155,551,368	183,913,135	-	47,072	183,960,207
- Ijarah Sukuks	255,570	-	10	255,580	1,733,628	-	10,084	1,743,712
- Naya Pakistan Certificates	897,939	-	-	897,939	2,651,621	-	-	2,651,621
Shares								
- Ordinary Shares - Listed	3,750,315	-	181,389	3,931,704	2,432,428	-	1,099,694	3,532,122
- Preference Shares - Unlisted	-	-	-	-	-	-	500,000	500,000
Non Government Debt Securities								
- Term Finance Certificates	1,450,000	-	-	1,450,000	1,450,000	-	-	1,450,000
- Sukuks	422,444	-	1,776	424,220	422,000	-	444	422,444
Foreign Securities								
- Overseas Bonds - Sovereign	9,858,080	-	4,385	9,862,465	13,043,880	-	(6,799)	13,037,081
- Redeemable Participating Certificates	7,882,788	-	(268,333)	7,614,455	5,913,093	-	2,401,955	8,315,048
	220,498,060	-	(201,564)	220,296,496	285,615,609	-	4,046,951	289,662,560

Fair value through other comprehensive income

Federal Government Securities								
- Market Treasury Bills	13,123,967	-	34,983	13,158,950	22,007,486	-	428,380	22,435,866
- Pakistan Investment Bonds	792,032,769	-	18,428,821	810,461,590	1,009,681,395	-	14,952,851	1,024,634,246
- Ijarah Sukuks	204,660,577	-	6,269,560	210,930,137	241,695,919	-	9,230,018	250,925,937
- Government of Pakistan Euro Bonds	15,285,118	(2,021,948)	2,598,242	15,861,412	12,368,725	(2,145,627)	922,305	11,145,403
Shares								
- Ordinary Shares - Listed	13,556,372	-	10,065,556	23,621,928	10,202,508	-	4,768,790	14,971,298
- Ordinary Shares - Unlisted	1,319,051	-	2,335,784	3,654,835	1,351,363	-	1,471,825	2,823,188
- Preference Shares - Unlisted	25,000	(25,000)	-	-	25,000	(25,000)	-	-
Non Government Debt Securities								
- Term Finance Certificates	1,940,590	(106,917)	-	1,833,673	2,076,398	(111,745)	-	1,964,653
- Sukuks	15,354,895	(96,511)	(63,641)	15,194,743	15,584,244	(96,511)	140,246	15,627,979
Foreign Securities								
- Overseas Bonds - Sovereign	59,804,279	(55,536)	(501,723)	59,247,020	50,691,578	(77,534)	(1,417,964)	49,196,080
- Overseas Bonds - Others	25,403,892	(7,168)	(274,869)	25,121,855	26,231,004	(7,505)	(1,030,029)	25,193,470
- Equity Securities - Listed	268,064	-	(11,191)	256,873	265,427	-	(8,246)	257,181
- Preference Shares - Unlisted	562,627	-	-	562,627	557,108	-	-	557,108
REIT Fund - listed	1,112,125	-	690,495	1,802,620	1,000,489	-	514,493	1,514,982
	1,144,449,326	(2,313,080)	39,572,017	1,181,708,263	1,393,738,644	(2,463,922)	29,972,669	1,421,247,391

Balance carried forward	1,364,947,386	(2,313,080)	39,370,453	1,402,004,759	1,679,354,253	(2,463,922)	34,019,620	1,710,909,951
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10.1 Investments by type:

	September 30, 2025 (Un-audited)				December 31, 2024 (Audited)			
	Cost / amortised cost	Credit loss allowance / provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Credit loss allowance / provision for diminution	Surplus / (deficit)	Carrying value
----- (Rupees in '000) -----								
Balance brought forward	1,364,947,386	(2,313,080)	39,370,453	1,402,004,759	1,679,354,253	(2,463,922)	34,019,620	1,710,909,951
Amortised cost								
Federal Government Securities								
- Pakistan Investment Bonds	171,004,710	-	-	171,004,710	218,414,195	-	-	218,414,195
- Ijarah Sukuks	40,455,313	-	-	40,455,313	40,376,451	-	-	40,376,451
Non Government Debt Securities								
- Term Finance Certificates	368,430	(24,731)	-	343,699	324,680	(24,715)	-	299,965
- Sukuks	3,219,395	(56,395)	-	3,163,000	3,509,612	(56,421)	-	3,453,191
Foreign Securities								
- Overseas Bonds - Sovereign	19,349,796	(83,292)	-	19,266,504	15,601,311	(216)	-	15,601,095
	234,397,644	(164,418)	-	234,233,226	278,226,249	(81,352)	-	278,144,897
Associates	1,177,606	-	-	1,177,606	1,177,606	-	-	1,177,606
Subsidiaries	1,000,000	-	-	1,000,000	2,505,217	(1,505,217)	-	1,000,000
Total investments	1,601,522,636	(2,477,498)	39,370,453	1,638,415,591	1,961,263,325	(4,050,491)	34,019,620	1,991,232,454

10.2 Particulars of assets and liabilities of subsidiaries and associates

				September 30, 2025 (Un-audited)				
	Subsidiary / Associate	Country of incorporation	Percentage of holding	Assets	Liabilities	Revenue	(Loss) / profit for the period	Total comprehensive (loss) / income
----- (Rupees in '000) -----								
Alfalal Currency Exchange (Private) Limited	Subsidiary	Pakistan	100.00%	1,058,087	168,803	112,511	(134,930)	(133,659)
Alfalal Insurance Company Limited	Associate	Pakistan	30.00%	11,537,350	7,967,571	2,893,986	555,531	424,388
Sapphire Wind Power Company Limited	Associate	Pakistan	30.00%	20,630,804	2,308,131	4,611,571	2,645,732	2,645,732
Alfalal Asset Management Limited	Associate	Pakistan	40.22%	4,307,656	1,196,110	2,609,168	667,483	667,483
				December 31, 2024 (Audited)		September 30, 2024 (Un-audited)		
	Subsidiary / Associate	Country of incorporation	Percentage of holding	Assets	Liabilities	Revenue	(Loss) / profit for the period	Total comprehensive (loss) / income
----- (Rupees in '000) -----								
Alfalal Securities (Private) Limited	Subsidiary	Pakistan	95.59%	1,850,958	1,358,817	620,270	(108,370)	(108,370)
Alfalal Currency Exchange (Private) Limited	Subsidiary	Pakistan	100.00%	1,081,681	58,738	126,121	20,282	21,160
Alfalal Insurance Company Limited	Associate	Pakistan	30.00%	7,622,491	4,327,101	2,011,571	479,020	584,389
Sapphire Wind Power Company Limited	Associate	Pakistan	30.00%	19,530,002	3,853,062	4,502,554	2,445,941	2,445,941
Alfalal Asset Management Limited	Associate	Pakistan	40.22%	3,473,064	1,014,104	1,818,446	355,161	355,161

10.2.1 The shareholders of the Bank in annual general meeting held on March 20, 2025 approved to sell entire shareholding in its subsidiary, Alfalah Securities (Private) Limited. The sale transaction was completed during the period in accordance with the applicable legal and regulatory requirements against a consideration of Rs. 396.857 million.

	(Un-audited) September 30, 2025	(Audited) December 31, 2024
	------(Rupees in '000)-----	
10.3 Investments given as collateral		
- Market Treasury Bills	-	18,948,162
- Pakistan Investment Bonds	468,911,750	952,096,877
- Overseas Bonds	32,186,861	8,759,125
	<u>501,098,611</u>	<u>979,804,164</u>

10.3.1 The market value of securities given as collateral is Rs. 510,704.304 million (December 31, 2024: Rs. 993,194.012 million).

	(Un-audited) September 30, 2025	(Audited) December 31, 2024
	------(Rupees in '000)-----	
10.4 Credit loss allowance / provision for diminution in value of investments	Note	
10.4.1 Opening balance	4,050,491	3,660,630
Impact of adoption of IFRS 9	60,074	(437,729)
Balance as at January 01 after adopting IFRS 9	<u>4,110,565</u>	<u>3,222,901</u>
Exchange and other adjustments	32,031	(29,753)
Charge / (reversals)		
Charge for the period / year	427,965	1,436,742
Reversals for the period / year	(198,567)	(578,980)
Reversal on disposals	(389,279)	(419)
	(159,881)	857,343
Adjustment of provision on disposal of subsidiary	10.2.1	(1,505,217)
Closing balance	<u>2,477,498</u>	<u>4,050,491</u>

10.4.2 Particulars of credit loss allowance / provision against debt securities

Category of classification		September 30, 2025 (Un-audited)		December 31, 2024 (Audited)	
		Outstanding amount	Credit loss allowance / Provision held	Outstanding amount	Credit loss allowance / Provision held
------(Rupees in '000)-----					
Domestic					
Performing	Stage 1	756,250	75	806,250	85
Underperforming	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		309,479	309,479	314,307	314,307
		<u>1,065,729</u>	<u>309,554</u>	<u>1,120,557</u>	<u>314,392</u>
Overseas					
Performing	Stage 1	104,557,967	145,996	78,312,741	85,255
Underperforming	Stage 2	-	-	14,211,152	-
Non-performing	Stage 3	15,285,118	2,021,948	12,368,725	2,145,627
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
Total		<u>120,908,814</u>	<u>2,477,498</u>	<u>106,013,175</u>	<u>2,545,274</u>

10.4.3 The market value of securities classified at amortised cost as at September 30, 2025 amounted to Rs. 236,662.806 million (December 31, 2024: Rs. 279,284.570 million).

Note	Performing		Non Performing		Total	
	September 30, 2025 (Un-audited)	December 31, 2024 (Audited)	September 30, 2025 (Un-audited)	December 31, 2024 (Audited)	September 30, 2025 (Un-audited)	December 31, 2024 (Audited)
------(Rupees in '000)-----						
Classified at amortised cost						
Loans, cash credits, running finances, etc.	775,196,296	929,992,559	37,275,953	36,402,132	812,472,249	966,394,691
Islamic financing and related assets	231,631,086	166,361,932	5,664,323	5,688,223	237,295,409	172,050,155
Bills discounted and purchased	25,344,865	16,129,793	151,606	269,602	25,496,471	16,399,395
	1,032,172,247	1,112,484,284	43,091,882	42,359,957	1,075,264,129	1,154,844,241
Classified at FVPL						
Loans, cash credits, running finances, etc.	1,800,000	1,200,000	-	-	1,800,000	1,200,000
Fair value adjustment on loans - FVPL	-	213,735	-	-	-	213,735
	1,800,000	1,413,735	-	-	1,800,000	1,413,735
Advances - gross	1,033,972,247	1,113,898,019	43,091,882	42,359,957	1,077,064,129	1,156,257,976
Credit loss allowance / provision against advances						
- Stage 1	(1,921,361)	(2,232,954)	-	-	(1,921,361)	(2,232,954)
- Stage 2	(1,139,055)	(1,388,083)	-	-	(1,139,055)	(1,388,083)
- Stage 3	-	-	(40,276,048)	(38,436,013)	(40,276,048)	(38,436,013)
- Specific	-	-	-	(587,690)	-	(587,690)
- General	(4,152,364)	(4,237,082)	-	-	(4,152,364)	(4,237,082)
	(7,212,780)	(7,858,119)	(40,276,048)	(39,023,703)	(47,488,828)	(46,881,822)
Advances - net of credit loss allowance / provision	1,026,759,467	1,106,039,900	2,815,834	3,336,254	1,029,575,301	1,109,376,154

- 11.1 Advances include an amount of Rs. 401.155 million (December 31, 2024: Rs. 395.404 million), being Employee Loan facilities allowed to Citibank, N.A, **Pakistan's** employees, which were either taken over by the Bank, or were granted afresh, under a specific arrangement executed between the Bank and Citibank, N.A, Pakistan. The said arrangement is subject to certain relaxations as specified vide SBP Letter BPRD/BRD/Citi/2017/21089 dated September 11, 2017.

The said arrangement covers only existing employees of Citibank, N.A, Pakistan, and the relaxations allowed by the SBP are on continual basis, but subject to review by the **SBP's** BID and OSED departments. These loans carry mark-up at the rates ranging from 13.79% to 33.69% (December 31, 2024: 14.83% to 33.69%) per annum with maturities up to July 2045 (December 31, 2024: October 2043).

11.2 Particulars of advances (gross)	(Un-audited) September 30, 2025	(Audited) December 31, 2024
	------(Rupees in '000)-----	
In local currency	976,668,488	1,038,683,097
In foreign currencies	100,395,641	117,574,879
	1,077,064,129	1,156,257,976

- 11.3 Advances include Rs. 43,091.882 million (December 31, 2024: Rs. 42,359.957 million) which have been placed under non-performing status as detailed below:

Category of classification in stage 3	September 30, 2025 (Un-audited)		December 31, 2024 (Audited)	
	Non-Performing Loans	Credit loss allowance /provision	Non-Performing Loans	Credit loss allowance /provision
------(Rupees in '000)-----				
Domestic				
Other Assets Especially Mentioned (OAE)	196,040	354	237,808	-
Substandard	1,971,360	726,060	2,991,264	1,260,906
Doubtful	2,383,482	1,171,516	2,311,039	1,103,457
Loss	37,868,925	37,766,899	36,164,401	36,071,650
	42,419,807	39,664,829	41,704,512	38,436,013
Overseas				
Substandard	-	-	38,700	23,355
Doubtful	-	-	-	-
Loss	672,075	611,219	616,745	564,335
	672,075	611,219	655,445	587,690
Total	43,091,882	40,276,048	42,359,957	39,023,703

11.4 Particulars of credit loss allowance / provision against advances

	September 30, 2025 (Un-audited)					December 31, 2024 (Audited)					
	Expected Credit Loss			General	Total	Expected Credit Loss			Specific	General	Total
	Stage 1	Stage 2	Stage 3			Stage 1	Stage 2	Stage 3			
----- (Rupees in '000) -----											
Opening balance	2,232,954	1,388,083	38,436,013	587,690	4,237,082	46,881,822	-	-	32,373,670	9,861,797	42,235,467
Impact of adoption of IFRS 9	50,662	49,899	587,751	(587,690)	-	100,622	3,383,875	1,941,645	33,603,839	(31,883,354)	5,330,502
Balance as at January 01 after adopting IFRS 9	2,283,616	1,437,982	39,023,764	-	4,237,082	46,982,444	3,383,875	1,941,645	33,603,839	490,316	47,565,969
Exchange and other adjustments	1,407	-	(5,366)	-	(3,962)	(7,921)	(249)	-	(49,929)	(35,775)	(85,953)
Charge for the period / year	370,288	174,955	7,195,758	-	-	7,741,001	589,912	228,688	14,209,301	148,294	15,176,195
Reversals for the period / year	(808,963)	(441,857)	(4,912,347)	-	(80,756)	(6,243,923)	(1,576,721)	(680,132)	(7,187,019)	(991)	(3,873,437)
	(438,675)	(266,902)	2,283,411	-	(80,756)	1,497,078	(986,809)	(451,444)	7,022,282	147,303	1,857,895
Transfer	75,013	(32,025)	(42,988)	-	-	-	(163,863)	(102,118)	265,981	-	-
Amounts written off	-	-	(16,209)	-	-	(16,209)	-	-	(19,688)	-	(19,688)
Amounts charged off	-	-	(940,818)	-	-	(940,818)	-	-	(2,310,924)	-	(2,310,924)
Amounts charged off - agriculture financing	-	-	(25,746)	-	-	(25,746)	-	-	(125,477)	-	(125,477)
	75,013	(32,025)	(1,025,761)	-	-	(982,773)	(163,863)	(102,118)	(2,190,108)	-	(2,456,089)
Closing balance	1,921,361	1,139,055	40,276,048	-	4,152,364	47,488,828	2,232,954	1,388,083	38,436,013	587,690	46,881,822

11.4.1 The additional profit arising from availing the forced sales value (FSV) benefit - net of tax as at September 30, 2025 which is not available for distribution as either cash or stock dividend to shareholders / bonus to employees amounted to Rs. 84.321 million (December 31, 2024: Rs. 70.421 million).

11.4.2 During the period, non performing loans and provisions were reduced by Rs. 442.462 million (December 31, 2024: Rs. 5,317,765 million) due to debt property swap transactions.

11.4.3 General provision includes:

- (i) Provision held at overseas branches to meet the requirements of the regulatory authorities of the respective countries in which overseas branches operate; and
- (ii) Provision of Rs. 3,878,000 million (December 31, 2024: Rs. 3,878,000 million) against the high risk portfolio, which is showing higher economic vulnerability. The portfolio excludes Gop backed exposure, staff loans and loans secured against liquid collaterals.

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

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

	September 30, 2025 (Un-audited)				December 31, 2024 (Audited)						
	Expected Credit Loss			Total	Expected Credit Loss			General	Total		
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3				
----- (Rupees in '000) -----											
Opening balance	2,232,954	1,388,083	38,436,013	587,690	4,237,082	46,881,822	-	-	32,373,670	9,861,797	42,235,467
Impact of adoption of IFRS 9	50,662	49,899	587,751	(587,690)	-	100,622	3,383,875	1,941,645	33,603,839	(31,883,354)	5,330,502
Balance as at January 01 after adopting IFRS 9	2,283,616	1,437,982	39,023,764	-	4,237,082	46,982,444	3,383,875	1,941,645	33,603,839	490,316	47,565,969
Exchange and other adjustments	1,407	-	(5,366)	-	(3,962)	(7,921)	(249)	-	(49,929)	(35,775)	(85,953)
New advances	370,288	174,955	4,597,589	-	-	5,142,832	589,912	228,688	10,736,585	55,479	11,610,664
Due to credit deterioration	-	-	2,598,169	-	-	2,598,169	-	-	3,472,716	92,815	3,565,531
Advances derecognised or repaid / reversal	(278,380)	(112,421)	(4,427,019)	-	(80,756)	(4,898,576)	(1,348,975)	(337,218)	(6,805,825)	(991)	(12,366,446)
Transfer to stage 1	151,838	(141,233)	(10,605)	-	-	-	209,329	(209,329)	-	-	-
Transfer to stage 2	(70,476)	195,432	(124,956)	-	-	-	(342,027)	342,027	-	-	-
Transfer to stage 3	(6,349)	(86,224)	92,573	-	-	-	(31,165)	(234,816)	265,981	-	-
Changes in risk parameters	(530,583)	(329,436)	(485,328)	-	-	(1,345,347)	(227,746)	(342,914)	(381,194)	-	(951,854)
Amount's written off	(363,662)	(298,927)	2,240,423	-	(80,756)	1,497,078	(1,150,672)	(553,562)	7,288,263	147,303	1,857,895
Amount's charged off	-	-	(16,209)	-	-	(16,209)	-	-	(19,688)	-	(19,688)
Closing balance	1,921,361	1,139,055	40,276,048	-	4,152,364	47,488,828	2,232,954	1,388,083	38,436,013	587,690	46,881,822

11.6 Particulars of charged-off loans/ advances / finances

	September 30, 2025 (Un-audited)		December 31, 2024 (Audited)	
	No of borrowers	Rupees in '000	No of borrowers	Rupees in '000
Corporate, Commercial and SME				
Opening balance of charged-off	186	2,982,475	44	2,267,137
Charge-off during the period / year	160	152,889	145	1,331,003
Sub total	346	3,135,364	189	3,598,140
Recoveries made during the period / year against already charged-off cases	15	209,699	2	247,585
Amount written off from already charged off loans	-	-	-	-
Other movement	-	-	1	368,080
Closing balance of charged-offs	331	2,925,665	186	2,982,475

11.7 Advances - category of classification

		September 30, 2025 (Un-audited)		December 31, 2024 (Audited)	
		Outstanding	Credit loss allowance /provision	Outstanding	Credit loss allowance /provision
----- (Rupees in '000) -----					
Domestic					
Performing	Stage 1	817,219,307	1,702,378	950,300,223	2,101,954
Underperforming	Stage 2	174,197,018	1,057,903	112,325,725	1,388,083
Non-performing	Stage 3				
Other Assets Especially Mentioned (OAEM)		196,040	354	237,808	-
Substandard		1,971,360	726,060	2,991,264	1,260,906
Doubtful		2,383,482	1,171,516	2,311,039	1,103,457
Loss		37,868,925	37,766,899	36,164,401	36,071,650
General provision		-	3,878,000	-	3,878,000
		1,033,836,132	46,303,110	1,104,330,460	45,804,050
Overseas					
Performing	Stage 1	39,436,848	218,983	51,272,071	131,000
Underperforming	Stage 2	3,119,074	81,151	-	-
Non-performing	Stage 3				
Other Assets Especially Mentioned (OAEM)		-	-	-	-
Substandard		-	-	38,700	23,355
Doubtful		-	-	-	-
Loss		672,075	611,219	616,745	564,335
General provision		-	274,365	-	359,082
		43,227,997	1,185,718	51,927,516	1,077,772
Total		1,077,064,129	47,488,828	1,156,257,976	46,881,822

		Note	(Un-audited) September 30, 2025	(Audited) December 31, 2024
----- (Rupees in '000) -----				
12	PROPERTY AND EQUIPMENT			
	Capital work-in-progress	12.1	5,558,823	3,471,199
	Property and equipment	12.2	63,821,395	60,072,285
			69,380,218	63,543,484
12.1	Capital work-in-progress			
	Civil works		4,483,214	3,187,748
	Equipment		958,899	252,122
	Others		116,710	31,329
			5,558,823	3,471,199

12.2 It includes land and buildings carried at revalued amount of Rs. 40,055.698 million (December 31, 2024: Rs. 39,448.429 million).

		(Un-audited)	
		Nine months period ended	
		September 30, 2025	September 30, 2024
		----- (Rupees in '000) -----	
12.3	Additions to property and equipment		
	The following additions were made to property and equipment during the period:		
	Capital work-in-progress - net of transferred out for capitalisation	2,087,624	226,761
	Property and equipment		
	Freehold land	283,710	1,244,879
	Leasehold land	-	5,604,974
	Buildings on freehold land	239,173	661,232
	Buildings on leasehold land	324,292	445,244
	Leasehold improvements	2,083,695	2,750,502
	Furniture and fixtures	585,632	585,994
	Office equipments	3,236,024	3,866,808
	Vehicles	1,460,807	471,672
		8,213,333	15,631,305
	Total additions to property and equipment	10,300,957	15,858,066
12.4	Disposals of property and equipment		
	The net book values of property and equipment disposed off during the period are as follows:		
	Leasehold improvements	1,598	1,181
	Furniture and fixtures	903	229
	Office equipments	15,885	13,400
	Vehicles	17,638	216
	Total disposals of property and equipment	36,024	15,026
		(Un-audited)	(Audited)
		September 30, 2025	December 31, 2024
		----- (Rupees in '000) -----	
13	RIGHT-OF-USE ASSETS	Buildings	Buildings
	At January 1		
	Cost	36,609,168	28,813,726
	Accumulated depreciation	(11,318,561)	(8,862,155)
	Net carrying amount at January 01	25,290,607	19,951,571
	Additions / renewals / amendments / (terminations)		
	- net during the period / year	4,046,841	9,309,533
	Depreciation charge during the period / year	(3,387,199)	(3,923,093)
	Exchange rate adjustments	1,444	(47,404)
	Closing net carrying amount	25,951,693	25,290,607
14	INTANGIBLE ASSETS		
	Capital work-in-progress / advance payment to suppliers	427,828	396,879
	Software	1,086,643	1,146,230
		1,514,471	1,543,109
		(Un-audited)	
		Nine months period ended	
		September 30, 2025	September 30, 2024
		----- (Rupees in '000) -----	
14.1	Additions to intangible assets		
	The following additions were made to intangible assets during the period:		
	Capital work-in-progress - net; of transferred out for capitalisation	30,949	(56,626)
	Directly purchased	240,997	504,311
	Total additions to intangible assets	271,946	447,685
14.2	There were no disposals of intangible assets during the periods ended September 30, 2025 and September 30, 2024.		

	Note	(Un-audited) September 30, 2025	(Audited) December 31, 2024
		------(Rupees in '000)-----	
15	OTHER ASSETS		
		71,281,956	82,067,618
		2,916,259	2,724,193
		5,186,362	4,582,638
		-	3,673,656
		55,343	-
	15.1	8,306,399	7,830,251
		2,800	-
		2,326,967	1,288,538
		2,161,293	3,128,782
		24,311	28,155
		610,565	1,331,990
		76,947	29,195
		2,598,961	2,817,994
		15,785,699	10,613,225
		123,504	108,907
		35,107,176	33,015,615
		28,893	44,928
		-	400,576
		23,570,914	21,080,743
		201,599	135,539
		170,365,948	174,902,543
	15.2	(4,489,036)	(3,466,022)
		165,876,912	171,436,521
	15.1	478,694	491,882
		166,355,606	171,928,403
15.1	The revalued amount of non-banking assets acquired in satisfaction of claims is Rs. 8,785.093 million (December 31, 2024: Rs. 8,322.133 million).		
		(Un-audited) September 30, 2025	(Audited) December 31, 2024
		------(Rupees in '000)-----	
15.2	Credit loss allowance / provision held against other assets		
		3,376,129	2,708,477
		57,135	181,325
		123,504	108,907
		567,455	67,326
		364,813	399,987
		4,489,036	3,466,022
15.2.1	Movement in credit loss allowance / provision held against other assets		
		3,466,022	2,984,277
		862	370,152
		3,466,884	3,354,429
		(4,834)	(2,777)
		1,230,083	531,375
		(169,932)	(372,333)
		1,060,151	159,042
		(33,165)	(44,672)
		4,489,036	3,466,022

		(Un-audited) September 30, 2025	(Audited) December 31, 2024
		------(Rupees in '000)-----	
16	BILLS PAYABLE		
	In Pakistan	34,729,053	41,462,676
	Outside Pakistan	4,730,447	305,650
		<u>39,459,500</u>	<u>41,768,326</u>
17	BORROWINGS		
	Secured		
	Borrowings from the State Bank of Pakistan under:		
	Export Refinance Scheme	21,111,828	26,867,803
	Long-Term Finance Facility	16,976,652	20,278,409
	Financing Facility for Renewable Energy Projects	12,315,649	13,762,263
	Financing Facility for Storage of Agriculture Produce (FFSAP)	717,553	698,919
	Temporary Economic Refinance Facility (TERF)	22,979,582	25,697,206
	Export Refinance under Bill Discounting	15,300,109	14,253,363
	SME Asaan Finance (SAAF)	4,413,756	7,073,103
	Refinance Facility for Combating COVID (RFCC)	836,112	932,258
	Refinance and Credit Guarantee Scheme for Women Entrepreneurs	531,062	172,604
	Modernization of Small and Medium Entities (MSMES)	2,283,641	1,855,749
	Other refinance schemes	861	232
	Repurchase agreement borrowings	474,336,950	911,260,540
		571,803,755	1,022,852,449
	Repurchase agreement borrowings	28,717,588	32,209,792
	Bai Muajjal	-	48,654,565
	Total secured	<u>600,521,343</u>	<u>1,103,716,806</u>
	Unsecured		
	Call borrowings	5,345,143	11,414,695
	Overdrawn nostro accounts	3,946,519	15,736,314
	Borrowings of overseas branches	106,895	5,750,351
	Others		
	- Pakistan Mortgage Refinance Company	7,539,292	2,464,030
	- Karandaaz Risk Participation	3,092,775	2,803,546
	Total unsecured	<u>20,030,624</u>	<u>38,168,936</u>
		<u>620,551,967</u>	<u>1,141,885,742</u>

18 DEPOSITS AND OTHER ACCOUNTS

	September 30, 2025 (Un-audited)			December 31, 2024 (Audited)		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	------(Rupees in '000)-----					
Customers						
- Current deposits	783,705,972	144,545,134	928,251,106	644,305,838	165,613,660	809,919,498
- Savings deposits	488,007,585	33,045,801	521,053,386	607,199,365	34,755,471	641,954,836
- Term deposits	417,158,882	68,693,496	485,852,378	315,007,439	69,798,774	384,806,213
- Others	38,007,085	13,579,475	51,586,560	35,232,274	12,915,513	48,147,787
	1,726,879,524	259,863,906	1,986,743,430	1,601,744,916	283,083,418	1,884,828,334
Financial Institutions						
- Current deposits	6,079,735	6,312,650	12,392,385	4,387,043	2,747,963	7,135,006
- Savings deposits	121,214,114	924,410	122,138,524	186,276,613	2,372,391	188,649,004
- Term deposits	40,462,363	4,976,309	45,438,672	47,797,204	8,366,800	56,164,004
- Others	110,157	4,548	114,705	136,154	120	136,274
	167,866,369	12,217,917	180,084,286	238,597,014	13,487,274	252,084,288
	<u>1,894,745,893</u>	<u>272,081,823</u>	<u>2,166,827,716</u>	<u>1,840,341,930</u>	<u>296,570,692</u>	<u>2,136,912,622</u>

18.1 Current deposits include remunerative current deposits of Rs. 39,042.040 million (December 31, 2024: Rs. 26,618.402 million).

			(Un-audited) September 30, 2025	(Audited) December 31, 2024
			------(Rupees in '000)-----	
19	LEASE LIABILITIES	Note		
	Opening as at January 01		29,481,938	22,894,533
	Additions / renewals / amendments / (terminations) - net		3,961,148	9,245,802
	Finance charges		3,173,375	3,503,522
	Lease payments including interest		(4,961,186)	(6,108,213)
	Exchange rate / other adjustment		3,146	(53,706)
	Closing net carrying amount		<u>31,658,421</u>	<u>29,481,938</u>
19.1	Liabilities outstanding			
	Not later than one year		2,364,403	2,045,816
	Later than one year and upto five years		12,657,808	11,045,465
	Over five years		<u>16,636,210</u>	<u>16,390,657</u>
	Total as at period / year end		<u>31,658,421</u>	<u>29,481,938</u>
	For the purpose of discounting PKRV rates are being used.			
20	SUBORDINATED DEBT			
	Term Finance Certificates VI - Additional Tier-I (ADT-1)	20.1	7,000,000	7,000,000
	Term Finance Certificates VIII - Additional Tier-I (ADT-1)	20.2	<u>7,000,000</u>	<u>7,000,000</u>
			<u>14,000,000</u>	<u>14,000,000</u>
20.1	Term Finance Certificates VI - Additional Tier-I (ADT-1) - Quoted, Unsecured			
	The Bank issued listed, fully paid up, rated, perpetual, unsecured, subordinated, non-cumulative and contingent convertible debt instruments in the nature of Term Finance Certificates (TFCs) issued as instruments of redeemable capital under Section 66 of the Companies Act, 2017 which qualify as Additional Tier 1 Capital (ADT 1) as outlined by the SBP under BPRD Circular No. 6 dated August 15, 2013. Summary of terms and conditions of the issue are:			
	Issue amount	Rs. 7,000,000,000		
	Issue date	March 2018		
	Maturity date	Perpetual		
	Rating	"AA+" (Double A plus) by the Pakistan Credit Rating Agency Limited.		
	Security	Unsecured		
	Ranking	Subordinated to all other indebtedness of the Bank including deposits but superior to equity.		
	Profit payment frequency	Payable semi-annually in arrears.		
	Redemption	Perpetual		
	Mark-up	For the period at end of which the Bank is in compliance with Minimum Capital Requirement (MCR) and Capital Adequacy Ratio (CAR) requirements of the SBP, mark-up rate will be Base Rate + 1.50% with no step up feature.		
		Base Rate is defined as the six months KIBOR (ask side) prevailing on one (1) business day prior to previous profit payment date.		
	Lock-in-clause	Mark-up will only be paid from the Bank's current year's earning and if the Bank is in compliance of regulatory MCR and CAR requirements set by the SBP from time to time.		
	Loss absorbcency clause	In conformity with the SBP Basel III Guidelines, the TFCs shall, if directed by the SBP, be permanently converted into ordinary shares upon: (i) the CET 1 Trigger Event; (ii) the point of non-viability Trigger Event; or (iii) failure by the Bank to comply with the Lock-In Clause. The SBP will have full discretion in declaring the point of non-viability Trigger Event.		
	Call Option	The Bank may, at its sole discretion, exercise call option any time after five years from the issue date, subject to prior approval of the SBP and instrument is replaced with capital of same and better quality.		

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

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

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

21 DEFERRED TAX LIABILITIES

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

Deductible Temporary Differences on:

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

(2,629,155)	(2,375,374)
(3,184,408)	(4,857,280)
(41,398)	(49,009)
(2,180,451)	(1,534,994)
(17,268,807)	-
(40,092)	(8,679)
(4,258)	(2,082)
(163)	(311)
(104,813)	-
(3,070,903)	(2,504,065)
(28,524,448)	(11,331,794)

Taxable Temporary Differences on:

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

-	2,087,729
-	111,143
588,298	643,213
13,494,880	-
21,770,595	17,236,946
2,442,163	2,386,906
191,299	177,167
4,966,970	5,204,331
43,454,205	27,847,435
14,929,757	16,515,641

22 OTHER LIABILITIES

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

Mark-up / return / interest payable in local currency		19,676,064	35,004,706
Mark-up / return / interest payable in foreign currencies		1,627,331	1,715,640
Unearned fee commission and income on bills discounted and guarantees		4,927,998	4,063,795
Accrued expenses		22,323,429	17,275,667
Current taxation		451,792	-
Acceptances		35,107,176	33,015,615
Dividends payable		340,442	307,709
Mark to market loss on forward foreign exchange contracts		2,121,089	1,090,874
Mark to market loss on derivatives		71,321	69,063
Alternative Delivery Channel (ADC) settlement accounts	22.2	7,005,699	1,719,649
Provision for compensated absences		1,603,476	1,290,476
Payable against redemption of customer loyalty / reward points		1,517,987	1,041,845
Charity payable		194,011	176,604
Credit loss allowance / provision against off-balance sheet obligations	22.1	868,875	780,711
Security deposits against leases, lockers and others		19,158,522	13,058,856
Workers' welfare fund		7,879,595	6,789,523
Payable to vendors and suppliers		886,070	630,070
Margin deposits on derivatives		1,398,459	2,415,337
Payable to merchants (card acquiring)		1,783,998	959,295
Withholding taxes payable		4,365,943	6,453,825
Payable against marketable securities		241,828	-
Liability against share based payment		954,506	870,000
Trading liability		-	15,600,626
Others		8,702,221	7,199,556
		<u>143,207,832</u>	<u>151,529,442</u>

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

Opening balance	780,711	78,624
Impact of adoption of IFRS 9	2,714	1,085,673
Balance as at January 01 after adopting IFRS 9	783,425	1,164,297
Exchange and other adjustments	5,420	(4,925)
Charge for the period / year	395,540	472,414
Reversals for the period / year	(315,510)	(851,075)
	80,030	(378,661)
Closing balance	868,875	780,711

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

	Note	(Un-audited) September 30, 2025	(Audited) December 31, 2024
------(Rupees in '000)-----			
23	SURPLUS ON REVALUATION OF ASSETS		
Surplus on revaluation of:			
- Securities measured at FVOCI - debt	10.1	26,491,373	23,225,807
- Securities measured at FVOCI - equity	10.1	13,080,644	6,746,862
- Property and equipment		19,848,295	19,939,951
- Non-banking assets acquired in satisfaction of claims		478,694	491,882
		59,899,006	50,404,502
Less: Deferred tax liability on surplus on revaluation of:			
- Securities measured at FVOCI - debt		(13,775,514)	(12,077,420)
- Securities measured at FVOCI - equity		(6,801,935)	(3,508,368)
- Property and equipment		(2,442,163)	(2,386,906)
- Non-banking assets acquired in satisfaction of claims		(191,299)	(177,167)
		(23,210,911)	(18,149,861)
Derivatives deficit		(2,294,512)	(3,175,304)
Less: Deferred tax asset on derivative		1,193,146	1,651,158
		(1,101,366)	(1,524,146)
		<u>37,789,461</u>	<u>33,778,787</u>
24	CONTINGENCIES AND COMMITMENTS		
- Guarantees	24.1	204,547,441	181,819,233
- Commitments	24.2	885,227,414	693,195,425
- Other contingent liabilities	24.3.1	23,774,654	23,153,037
		<u>1,113,549,509</u>	<u>898,167,695</u>
24.1	Guarantees:		
Financial guarantees		6,195,216	6,048,920
Performance guarantees		70,389,133	66,136,458
Other guarantees		127,963,092	109,633,855
		<u>204,547,441</u>	<u>181,819,233</u>
24.2	Commitments:		
Documentary credits and short-term trade-related transactions			
- Letters of credit		257,097,251	220,709,466
Commitments in respect of:			
- forward foreign exchange contracts	24.2.1	438,823,454	266,938,066
- forward government securities transactions	24.2.2	81,358,634	149,529,384
- derivatives	24.2.3	30,571,408	33,466,502
- forward lending	24.2.4	71,285,864	16,490,171
Commitments for acquisition of:			
- property and equipment		5,560,645	5,448,017
- intangible assets		249,158	317,819
Commitments in respect of donations		281,000	296,000
		<u>885,227,414</u>	<u>693,195,425</u>
24.2.1	Commitments in respect of forward foreign exchange contracts		
Purchase		238,494,474	144,906,210
Sale		200,328,980	122,031,856
		<u>438,823,454</u>	<u>266,938,066</u>
24.2.2	Commitments in respect of forward government securities transactions		
Purchase		12,805,917	55,393,978
Sale		68,552,717	94,135,406
		<u>81,358,634</u>	<u>149,529,384</u>

	Note	(Un-audited) September 30, 2025	(Audited) December 31, 2024
24.2.3 Commitments in respect of derivatives		------(Rupees in '000)-----	
Interest rate swaps			
Purchase	25.1	21,056,290	23,054,358
Sale		-	-
		21,056,290	23,054,358
Cross currency swaps			
Purchase	25.1	-	-
Sale		9,515,118	10,412,144
		9,515,118	10,412,144
Total commitments in respect of derivatives		30,571,408	33,466,502

24.2.4 Commitments in respect of forward lending

Undrawn formal standby facilities, credit lines and other commitments to lend	24.2.4.1	71,285,864	16,490,171
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24.2.4.1 These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense.

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

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

24.4 Contingency for tax payable

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

25 DERIVATIVE INSTRUMENTS

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

25.1 Product Analysis	September 30, 2025 (Un-audited)					
	Interest Rate Swaps			Cross Currency Swaps		
	No. of contracts	Notional Principal	Mark to market gain - net	No. of contracts	Notional Principal	Mark to market gain - net
	------(Rupees in '000)-----			------(Rupees in '000)-----		
Counterparties						
With Banks for Hedging	22	21,056,290	1,376,265	-	-	-
With other entities						
Market making	-	-	-	6	9,515,118	713,707
	22	21,056,290	1,376,265	6	9,515,118	713,707
	December 31, 2024 (Audited)					
	Interest Rate Swaps			Cross Currency Swaps		
	No. of contracts	Notional Principal	Mark to market gain - net	No. of contracts	Notional Principal	Mark to market gain - net
	------(Rupees in '000)-----			------(Rupees in '000)-----		
Counterparties						
With Banks for Hedging	27	23,054,358	2,172,667	-	-	-
With other entities						
Market making	-	-	-	6	10,412,144	887,052
	27	23,054,358	2,172,667	6	10,412,144	887,052

		(Un-audited)	
		Nine months period ended	
		September 30, 2025	September 30, 2024
		------(Rupees in '000)-----	
		(Restated)	
26	MARK-UP / RETURN / INTEREST EARNED		
	On:		
	a) Loans and advances	88,963,036	99,403,612
	b) Investments	174,804,409	283,837,074
	c) Lendings to financial institutions	3,189,786	4,415,310
	d) Balances with banks	233,843	169,791
	e) On securities purchased under resale agreements	3,630,875	3,481,518
		<u>270,821,949</u>	<u>391,307,305</u>
27	MARK-UP / RETURN / INTEREST EXPENSED		
	On:		
	a) Deposits	86,703,680	176,838,643
	b) Borrowings	12,707,168	14,411,085
	c) Securities sold under repurchase agreements	62,639,419	91,760,642
	d) Subordinated debt	1,498,157	2,435,916
	e) Cost of foreign currency swaps against foreign currency deposits / borrowings	1,783,056	5,997,990
	f) Leased assets	3,173,375	2,479,718
	g) Reward points / customer loyalty	840,707	298,010
		<u>169,345,562</u>	<u>294,222,004</u>
	Note		
		(Un-audited)	
		Nine months period ended	
		September 30, 2025	September 30, 2024
		------(Rupees in '000)-----	
28	FEE & COMMISSION INCOME		
	Branch banking customer fees	1,388,837	1,118,169
	Consumer finance related fees	606,427	451,171
	Card related fees (debit and credit cards)	2,599,021	2,696,125
	Credit related fees	469,600	612,589
	Investment banking fees	354,175	68,108
	Commission on trade	2,453,991	2,297,898
	Commission on guarantees	684,471	568,626
	Commission on cash management	54,792	48,653
	Commission on remittances including home remittances	351,248	2,105,570
	Commission on bancassurance	453,626	438,401
	Card acquiring business	704,837	1,210,421
	Wealth management fee	435,383	262,344
	Commission on Benazir Income Support Programme (BISP)	291,924	1,016,264
	Alternative Delivery Channel (ADC) settlement accounts	902,799	708,000
	Others	205,790	218,797
		<u>11,956,921</u>	<u>13,821,136</u>
29	FOREIGN EXCHANGE INCOME		
	Foreign exchange income	9,074,427	9,065,009
	Foreign exchange loss related to derivatives	(211,556)	(1,298,565)
		<u>8,862,871</u>	<u>7,766,444</u>
30	GAIN ON SECURITIES		
	Realised gain	30.1 10,659,077	5,521,870
	Unrealised (loss) / gain - measured at FVPL	10.1 (201,564)	3,416,886
	Unrealised loss on trading liabilities - net	-	(434,553)
		<u>30.2 10,457,513</u>	<u>8,504,203</u>

		Note	(Un-audited)	
			Nine months period ended	
			September 30, 2025	September 30, 2024
			------(Rupees in '000)-----	
30.1	Realised gain on:			
	Federal government securities		8,787,257	5,205,668
	Shares		725,374	17,002
	Non government debt securities		99,920	-
	Foreign securities		649,669	299,200
	Subsidiary		396,857	-
			<u>10,659,077</u>	<u>5,521,870</u>
30.2	Net gain / (loss) on financial assets / liabilities measured:			
	At FVPL			
	Designated upon initial recognition		3,907,149	5,885,858
	Mandatorily measured at FVPL		(10,313)	1,437,176
			3,896,836	7,323,034
	Net gain on financial assets measured at FVOCI - Debt		6,163,820	1,181,169
	Gain on disposal of subsidiary	10.2.1	396,857	-
			<u>10,457,513</u>	<u>8,504,203</u>
		Note	(Un-audited)	
			Nine months period ended	
			September 30, 2025	September 30, 2024
			------(Rupees in '000)-----	
31	OTHER INCOME			(Restated)
	Rent on property		15,226	18,339
	Gain on sale of property and equipment - net		43,642	81,136
	Gain on sale of non banking assets - net		3,368	27,800
	(Loss) / profit on termination of leased contracts (Ijarah)		(37)	7
	Gain on FVPL loans / advances		72,472	57,165
	Gain on termination of leases		85,693	62,345
	Insurance premium of overseas recovered		719,128	-
	Others		7,986	1,468
			<u>947,478</u>	<u>248,260</u>
32	OPERATING EXPENSES			
	Total compensation expense	32.1	36,276,600	28,122,776
	Property expense			
	Rates and taxes		332,061	287,427
	Utilities cost		2,702,611	2,780,735
	Security (including guards)		1,766,911	1,262,365
	Repair and maintenance (including janitorial charges)		1,798,852	1,445,396
	Depreciation on right-of-use assets		3,387,199	2,832,251
	Depreciation on non-banking assets acquired in satisfaction of claims		53,597	29,942
	Depreciation on owned assets		1,004,580	765,691
			<u>11,045,811</u>	<u>9,403,807</u>
	Information technology expenses			
	Software maintenance		2,655,829	2,422,012
	Hardware maintenance		927,919	556,159
	Depreciation		1,325,222	1,027,733
	Amortisation		300,500	274,168
	Network charges		591,484	571,673
	Consultancy and support services		69,106	155,162
			<u>5,870,060</u>	<u>5,006,907</u>
	Balance carried forward		<u>53,192,471</u>	<u>42,533,490</u>

(Un-audited)	
Nine months period ended	
September 30, 2025	September 30, 2024
------(Rupees in '000)-----	
(Restated)	

Balance brought forward	53,192,471	42,533,490
Other operating expenses		
Directors' fees and allowances	116,320	102,240
Fees and allowances to Shariah Board	23,029	15,046
Legal and professional charges	783,856	333,831
Outsourced services costs	1,251,094	1,064,779
Travelling and conveyance	1,620,616	1,116,132
Clearing and custodian charges	197,580	125,065
Depreciation	2,087,569	1,556,734
Training and development	257,898	225,466
Postage and courier charges	433,730	363,771
Communication	2,911,559	2,276,710
Stationery and printing	1,641,718	1,279,649
Marketing, advertisement and publicity	13,703,251	3,129,274
Donations	208,498	218,982
Auditors' remuneration	183,813	116,268
Brokerage and commission	1,241,354	756,006
Entertainment	732,811	623,238
Repairs and maintenance	973,239	737,361
Insurance	1,735,046	1,433,684
Cash handling charges	1,601,804	1,486,098
CNIC verification	549,738	346,862
Others	907,418	666,180
	33,161,941	17,973,376
	<u>86,354,412</u>	<u>60,506,866</u>

32.1 Total compensation expense

Managerial remuneration		
i) Fixed	20,122,383	17,308,139
ii) Variable:		
a) Cash bonus / awards etc.	5,449,343	4,221,268
b) Bonus and awards in shares etc.	806,637	455,250
Charge for defined benefit plan	721,426	503,473
Contribution to defined contribution plan	843,903	650,389
Medical	2,127,343	1,585,749
Conveyance	2,451,652	1,060,223
Staff compensated absences	313,000	157,500
Staff life insurance	129,559	108,046
Staff welfare	51,789	53,643
Club subscription	7,485	10,669
Sub-total	33,024,520	26,114,349
Sign-on bonus	33,817	39,499
Staff loans - notional cost	3,064,364	1,968,928
Severance allowance	153,899	-
Grand total	<u>36,276,600</u>	<u>28,122,776</u>

33 WORKERS' WELFARE FUND

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

	Note	(Un-audited)	
		Nine months period ended	
		September 30, 2025	September 30, 2024
		------(Rupees in '000)-----	
34	OTHER CHARGES		
	Penalties imposed by the State Bank of Pakistan	10,153	218,820
35	CREDIT LOSS ALLOWANCE / PROVISIONS AND WRITE OFFS - NET		
	Credit loss allowance / (reversal) against cash with treasury banks	56,633	(37,325)
	Credit loss allowance against balance with other banks	3,281	2,073
	Reversal of credit loss allowance against lending to financial institutions (Reversal of) / credit loss allowance / provision against diminution in value of investments	(285)	(13,153)
	10.4.1	(159,881)	928,866
	Credit loss allowance / provision against loans & advances	11.4	1,497,078
	15.2.1	1,060,151	(35,638)
	Credit loss allowance / (reversal) against other assets		
	Credit loss allowance / (reversal) against off-balance sheet obligations	22.1	80,030
	Credit loss allowance / (reversal of other credit loss allowance) / write off - net		10,319
	Recovery of written off / charged off bad debts	(599,806)	(419,045)
		1,947,520	1,746,047
36	TAXATION		
	Charge / (reversal) :		
	Current	28,797,260	33,459,984
	Prior years	3,167,631	(118,406)
	Deferred	(6,109,126)	(516,050)
		25,855,765	32,825,528

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

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

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

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

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

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

		(Un-audited) Nine months period ended	
		September 30, 2025	September 30, 2024
		------(Rupees in '000)----- (Restated)	
37	BASIC AND DILUTED EARNINGS PER SHARE		
	Profit for the period	<u>21,439,185</u>	<u>33,627,896</u>
		---(Number of shares in '000)---	
	Weighted average number of ordinary shares	<u>1,577,165</u>	<u>1,577,165</u>
		------(Rupees)-----	
	Basic and diluted earnings per share	<u>13.59</u>	<u>21.32</u>
37.1	Diluted earnings per share has not been presented separately as the Bank does not have any convertible instruments in issue.		

		Note	(Un-audited) Nine months period ended	
			September 30, 2025	September 30, 2024
			------(Rupees in '000)-----	
38	CASH AND CASH EQUIVALENTS			
	Cash and balances with treasury banks	7	218,878,982	207,128,735
	Balances with other banks	8	10,492,828	13,213,609
	Call / clean money lendings	9	31,160,813	6,488,591
	Overdrawn nostro accounts	17	(3,946,519)	(4,563,565)
	Less: Expected credit loss		<u>(86,794)</u>	<u>(22,490)</u>
			<u>256,499,310</u>	<u>222,244,880</u>

39 FAIR VALUE MEASUREMENTS

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

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

39.1 Fair value of financial instruments

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

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

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

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

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

	September 30, 2025 (Un-audited)			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
- Federal government securities	60,754,032	1,186,671,709	-	1,247,425,741
- Shares - listed companies	27,553,632	-	-	27,553,632
- Shares - unlisted companies	-	-	3,654,835	3,654,835
- REIT Fund - listed	1,802,620	-	-	1,802,620
- Non-government debt securities	14,762,000	4,140,636	-	18,902,636
- Foreign government securities	-	69,109,485	-	69,109,485
- Foreign equity securities	256,873	-	-	256,873
- Foreign preference shares - unlisted	-	-	562,627	562,627
- Foreign non-government debt securities	-	25,121,855	7,614,455	32,736,310
Financial assets - disclosed but not measured at fair value				
Investments - amortised cost	-	236,662,806	-	236,662,806
Financial assets - measured at fair value				
Advances				
- Loans, cash credits, running finances, etc.	-	-	1,800,000	1,800,000
Off-balance sheet financial instruments - measured at fair value				
- Forward purchase of foreign exchange	-	2,326,967	-	2,326,967
- Forward sale of foreign exchange	-	(2,121,089)	-	(2,121,089)
- Forward purchase of government securities	-	(10,747)	-	(10,747)
- Forward sale of government securities	-	73,263	-	73,263
- Derivatives purchases	-	1,376,265	-	1,376,265
- Derivatives sales	-	713,707	-	713,707
	December 31, 2024 (Audited)			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
- Federal government securities	67,225,943	1,504,321,374	-	1,571,547,317
- Shares - listed companies	18,503,420	-	-	18,503,420
- Shares - unlisted companies	-	-	2,333,188	2,333,188
- Preference shares - unlisted companies	-	-	500,000	500,000
- REIT Fund - listed	1,514,982	-	-	1,514,982
- Non-government debt securities	14,991,550	4,473,526	-	19,465,076
- Foreign government securities	-	62,233,161	-	62,233,161
- Foreign equity securities	257,181	-	-	257,181
- Foreign non-government debt securities	-	25,193,470	8,315,048	33,508,518
Financial assets - disclosed but not measured at fair value				
Investments - amortised cost	-	279,284,570	-	279,284,570
Financial assets - measured at fair value				
Advances				
- Loans, cash credits, running finances, etc.	-	-	1,413,735	1,413,735
Off-balance sheet financial instruments - measured at fair value				
- Forward purchase of foreign exchange	-	1,288,538	-	1,288,538
- Forward sale of foreign exchange	-	(1,090,874)	-	(1,090,874)
- Forward purchase of government securities	-	(12,708)	-	(12,708)
- Forward sale of government securities	-	(451,343)	-	(451,343)
- Derivatives purchases	-	2,172,667	-	2,172,667
- Derivatives sales	-	887,052	-	887,052

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

39.3 Valuation techniques used in determination of fair values:

39.3.1 Fair value of financial assets

(a) Financial instruments in level 1

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

(b) Financial instruments in level 2

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

(c) Financial instruments in level 3

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

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

39.3.2 Fair value of non-financial assets

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

39.3.3 Valuation techniques

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

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

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

Description	Fair value as at September 30, 2025 (Un-audited)	Fair value as at December 31, 2024 (Audited)	Unobservable inputs*	Discount rate	Relationship of unobservable inputs to fair value
-----{Rupees in '000}-----					
Ordinary shares - unlisted (Income approach)	2,805,531	2,333,188	Discount rate	16.50% - 19.00%	Increase / (decrease) in discount rate by 1% with all other variables held constant, would (decrease) / increase the fair value by Rs. 115.120 million and Rs. 125.336 million (December 31, 2024: Rs. 90.457 million and Rs. 97.873 million) respectively.
Ordinary shares - unlisted (market approach)	849,304	-	Market multiple / transaction price	Not applicable	Not applicable
Foreign preference shares - unlisted (market approach)	562,627	-	Transaction price	Not applicable	Not applicable
Preference shares - unlisted	-	500,000	Transaction price	Not applicable	Not applicable
Redeemable participating certificates	7,614,455	8,315,048	Net asset value	Not applicable	Not applicable
Advances classified at FVPL	-	1,413,735	Discount rate	30.0%	Increase / (decrease) in discount rate by 1% with all other variables held constant, would (decrease) / increase the fair value by Nil (December 31, 2024: Rs. 14.903 million and Rs. 15.134 million) respectively.
Advances classified at FVPL	1,800,000	-	Transaction price	Not applicable	Not applicable

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

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

	September 30, 2025 (Un-audited)		December 31, 2024 (Audited)	
	Investments	Advances	Investments	Advances
-----{Rupees in '000}-----				
Opening balance	11,148,236	1,413,735	6,283,601	1,200,000
Impact of adoption of IFRS 9	761,681	-	2,271,824	122,135
Balance as at January 01 after adopting IFRS 9	11,909,917	1,413,735	8,555,425	1,322,135
Additions / (disposals) / transfers - net	37,760	386,265	-	-
Remeasurement recognised in OCI or profit and loss / adjustments	(115,760)	-	2,592,811	91,600
Closing balance	11,831,917	1,800,000	11,148,236	1,413,735

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

As at September 30, 2025 (Un-audited)										
	Retail	Corporate	Islamic (Domestic)	Treasury	Digital	Overseas	Others**	Elimination	Total	
									(Rupees in '000)	
(30,398,264)	23,504,907	22,513,231	80,053,399	(259,349)	6,034,840	27,623	-	101,476,387		
84,955,927	(16,675,823)	(1,865,817)	(66,867,791)	6,025,608	(244,317)	(819,960)	(4,507,827)	-		
8,440,582	6,431,340	2,532,104	20,376,572	2,929,365	1,556,790	700,785	(7,746,818)	35,220,720		
62,998,245	13,260,424	23,179,518	33,562,180	8,695,624	7,347,313	(91,552)	(12,254,645)	136,697,107		
29,709,149	12,476,531	13,428,872	1,069,501	4,175,961	3,308,174	23,749,214	(462,765)	87,454,637		
14,368,993	1,508,142	5,040,457	850,938	1,836,784	549,443	(23,749,214)	(405,543)	-		
44,078,142	13,984,673	18,469,329	1,920,439	6,012,745	3,857,617	(91,552)	(868,308)	87,454,637		
1,857,404	(858,002)	(15,432)	46,764	530,531	477,807	-	-	1,947,520		
17,062,699	133,753	4,725,621	31,594,977	2,152,348	3,011,889	-	(11,386,337)	47,294,950		

108,418,188	4,381,643	200,776,327	1,291,746,391	1,108,510	48,800,220	-	(562,102)	229,283,018
-	-	200,776,327	1,291,746,391	-	137,804,276	3,706,954	-	1,638,415,591

1,024,527,676	-	27,599,658	36,437,727	26,352,253	-	120,791,014	(11,171,670,943)	62,252,929
257,851,611	-	231,253,801	-	47,855	9,749,679	17,487,917	(11,534,135)	1,026,759,467
1,123,387	478,220,774	897,604	-	(77)	41,897,509	176,240	-	2,815,834
40,330,010	59,379,660	59,646,938	21,424,498	1,248,750	144,771	74,256,982	1,648,740	263,201,988
1,432,251,472	557,595,777	575,956,737	1,349,608,616	29,355,291	243,662,865	216,419,107	(1,182,119,040)	3,222,730,825
21,110,110	56,110,040	33,182,655	475,979,565	-	46,228,452	-	(12,058,855)	620,551,967
-	-	-	-	-	-	14,000,000	-	14,000,000
1,349,286,021	222,099,166	422,501,575	6,204	28,441,850	144,447,107	164,836	(119,043)	2,166,827,716
-	234,494,831	33,340,096	869,148,823	35,901,643	35,901,643	-	(1,172,885,393)	-
61,855,341	44,891,740	81,700,138	(9,677,082)	913,441	15,115,277	31,512,404	2,944,251	229,255,510
1,432,251,472	557,595,777	570,724,464	1,335,457,510	29,355,291	241,692,479	45,677,240	(1,182,119,040)	3,030,635,193
-	-	5,232,273	14,151,106	-	1,970,386	170,741,867	-	192,095,632
152,729,971	235,695,874	176,709,974	492,697,152	2,384	50,940,288	4,773,866	-	1,113,549,509

*** Others include head office related activities.

Unconsolidated statement of profit and loss account

Net mark-up / return/ profit*
 Inter segment revenue - net
 Non mark-up / return / interest income*
 Total income / (loss)

For the nine months period ended September 30, 2024 (Un-audited) - Restated						
Retail	Corporate	Islamic (Domestic)	Treasury	Digital	Overseas	Others**
(Rupees in '000)						

(86,188,901)	10,771,521	24,897,904	142,419,276	74,377	6,439,152	(1,328,028)
151,399,025	4,688,111	(2,919,204)	(152,411,292)	6,502,384	682,830	1,375,825
6,783,962	5,092,613	2,105,635	14,874,377	1,156,818	2,547,497	644,668
71,994,086	20,552,245	24,084,335	4,882,361	7,733,579	9,669,479	692,465
						(9,317,679)
						130,290,871

Segment direct expenses
 Inter segment expense allocation
 Total expenses
 Credit loss allowance / provision / (reversals)
 Profit / (loss) before tax

23,940,743	3,009,053	9,467,887	737,016	2,880,856	2,825,466	19,230,379
11,872,618	1,352,856	4,031,176	255,692	1,665,122	448,165	(18,574,606)
35,813,361	4,361,909	13,499,063	992,708	4,545,978	3,273,631	655,773
208,056	2,807,069	160,220	(15,178)	15,423	(49,543)	(1,380,000)
35,972,669	13,383,267	10,425,052	3,904,831	3,172,178	6,445,391	1,416,692
						(8,266,656)
						66,453,424

As at December 31, 2024 (Audited)

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

Unconsolidated statement of financial position

Cash and bank balances
 Investments
 Inter segment lending - net
 Lendings to financial institutions
 Advances - performing
 - non-performing
 Others
 Total assets

109,749,938	17,976,222	41,944,162	-	775,190	66,937,500	-
-	5,492,251	242,118,099	1,617,562,126	-	123,313,534	2,746,444
988,532,481	-	-	-	10,562,483	83,946,238	-
-	-	43,283,519	97,393,884	-	7,103,006	-
242,468,773	634,142,273	165,966,972	-	59,194	56,323,050	12,650,639
1,140,010	1,072,572	917,894	-	1,966	67,755	106,117
24,516,991	39,838,680	53,364,017	42,082,631	2,095,622	2,843,261	100,201,974
1,366,408,193	698,521,998	547,594,663	1,757,038,641	13,494,455	256,588,106	199,651,412
						(1,129,091,347)
						3,710,206,121

Borrowings
 Subordinated debt
 Deposits and other accounts
 Inter segment borrowing - net
 Others
 Total liabilities
 Net assets

18,008,205	66,732,348	35,770,158	1,037,179,587	-	28,681,197	-
-	-	398,788,680	-	12,936,578	185,193,870	14,000,000
1,277,413,227	262,957,681	30,376,465	689,991,745	-	31,961,837	2,800
-	330,688,006	76,483,156	18,960,678	557,877	9,902,659	(1,083,018,053)
70,986,761	38,143,963	541,418,459	1,746,132,010	13,494,455	25,467,580	(1,207,327)
1,366,408,193	698,521,998	541,418,459	1,746,132,010	13,494,455	25,467,580	(1,207,327)
					39,470,380	(1,129,091,347)
						3,532,093,711
						-
						178,112,410

Equity
 Contingencies and commitments

137,249,361	230,283,930	79,773,852	391,608,905	718	54,966,306	4,284,623
						-
						898,167,695

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

* Net mark-up and non mark-up income includes Rs. 269,508 million and Rs. 145,367 million respectively of investment banking.

** Others include head office related activities.

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

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

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

	As at September 30, 2025 (Un-audited)					As at December 31, 2024 (Audited)				
	Directors/ CEO	Key management personnel	Subsidiaries	Associates	Other related parties	Directors/ CEO	Key management personnel	Subsidiaries	Associates	Other related parties
	(Rupees in '000)					(Rupees in '000)				
Investments										
Opening balance	-	-	2,505,217	1,177,606	2,923,188	-	-	305,217	1,177,606	1,802,909
Investment made during the period / year	-	-	-	-	825,072	-	-	2,200,000	-	511,863
Investment redeemed / disposed off during the period / year	-	-	(1,505,217)	-	(602,436)	-	-	-	-	(831,613)
Revaluation of investment during the period / year	-	-	-	-	828,232	-	-	-	-	2,190,383
Transfer in / (out) - net	-	-	-	-	562,627	-	-	-	-	(1,250,354)
Closing balance	-	-	1,000,000	1,177,606	4,536,683	-	-	2,505,217	1,177,606	2,923,188
Credit loss allowance / provision for diminution in value of investments										
	-	-	-	-	-	-	-	1,505,217	-	-
Advances										
Opening balance	11,225	971,469	-	-	1,052,432	14,918	935,186	-	-	1,925,526
Added during the period / year	630	340,106	316,665	-	8,437,337	1,715	232,432	16,288,652	-	43,510,218
Repaid during the period / year	(3,199)	(350,289)	(316,665)	-	(7,652,169)	(5,408)	(194,161)	(16,288,652)	-	(44,383,312)
Transfer in / (out) - net	-	1,184	-	-	1,864	-	(1,988)	-	-	-
Closing balance	8,656	962,470	-	-	1,859,464	11,225	971,469	-	-	1,052,432
Credit loss allowance held against advances										
	3	449	-	-	6,799	34	3,690	-	-	1,524
Other assets										
Interest / mark-up accrued	5,161	81,756	-	-	4,7129	4,593	81,687	-	-	22,681
Receivable from staff retirement fund	-	-	-	-	610,565	-	-	-	-	1,331,990
Prepayment / rent and other receivable	-	-	46,863	-	176,009	-	-	3,139	-	-
Advance against shares	-	-	-	-	55,343	-	-	-	-	-
Acceptances	-	-	-	-	-	-	-	-	-	17,081
Credit loss allowance against other assets										
	-	-	-	-	-	-	-	-	-	14
Borrowings										
Opening balance	-	-	-	-	2,464,030	-	-	-	-	2,605,576
Borrowings during the period / year	-	-	-	-	6,575,000	-	-	-	-	1,149,273
Settled during the period / year	-	-	-	-	(1,499,738)	-	-	-	-	(1,290,819)
Closing balance	-	-	-	-	7,539,292	-	-	-	-	2,464,030

	As at September 30, 2025 (Un-audited)					As at December 31, 2024 (Audited)				
	Directors/ CEO	Key management personnel	Subsidiaries	Associates	Other related parties	Directors/ CEO	Key management personnel	Subsidiaries	Associates	Other related parties
	(Rupees in '000)					(Rupees in '000)				
Deposits and other accounts										
Opening balance	185,847	392,643	807,925	60,026,664	12,533,349	406,959	340,757	55,874	17,153,420	18,550,205
Received during the period / year	2,729,726	4,653,738	54,419,766	15,282,202,653	123,463,067	5,648,276	4,582,080	47,640,608	1,211,982,771	278,598,239
Withdrawn during the period / year	(2,858,164)	(4,385,627)	(54,345,970)	(1,584,981,759)	(123,352,560)	(5,889,395)	(4,524,294)	(46,888,557)	(1,169,109,527)	(278,997,497)
Transfer in / (out) - net	-	(13,643)	(339,163)	-	213	7	(5,900)	-	-	(6,417,598)
Closing balance	57,409	64,111	542,610	3,247,558	12,844,129	185,847	392,643	807,925	60,026,664	12,533,349
Subordinated debt										
Opening balance	-	-	-	-	-	-	-	-	-	300,000
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-
Other liabilities										
Interest / mark-up payable	65	2,933	-	-	201,638	226	248	-	-	126,062
Dividend payable	-	-	-	-	12	7	-	-	-	9
Unearned rent	-	-	-	325	-	-	-	-	2,532	-
Others	-	-	-	-	26,431	-	-	2,657	-	32,786
Contingencies and commitments	-	-	-	-	6,796,554	-	-	-	-	559,419
	(Rupees in '000)					(Rupees in '000)				
	For the nine months period ended September 30, 2025 (Un-audited)					For the nine months period ended September 30, 2024 (Un-audited)				
Income										
Mark-up / return / interest earned	627	22,832	6	-	97,830	1,395	23,032	51,037	-	232,025
Fee and commission income	215	1,168	-	442,920	15,490	88	831	-	243,357	64,897
Dividend income	-	-	-	44,993	587,597	-	-	-	254,993	648,370
Gain / (loss) on sale of securities	-	-	396,857	-	31,142	-	4	-	-	(9,900)
Rent on property	-	-	7,928	2,925	-	-	-	1,495	1,950	-
Gain on sale of property and equipment - net	7,094	132	-	8,191	-	-	115	-	6,913	-
Expenses										
Mark-up / return / interest paid	2,511	16,377	23,310	469,443	1,260,456	22,970	24,088	108,697	589,222	1,863,758
Operating expenses										
Fee and remuneration	518,804	1,799,145	-	-	-	433,887	1,387,814	-	-	-
Clearing and custodian charges	-	-	-	-	-	-	-	-	-	-
Software maintenance	-	-	-	87,424	-	-	-	-	-	109,686
Stationery and printing	-	-	-	6,565	-	-	-	-	-	82,575
Communication cost	-	-	-	554,372	-	-	-	-	-	-
Brokerage and commission	-	-	1,307	-	-	-	-	8,936	-	528,901
Marketing, advertisement and publicity	-	-	-	1,150	-	-	-	-	-	-
Charge for defined benefit plan	-	-	-	721,426	-	-	-	-	-	503,473
Contribution to defined contribution plan	-	-	-	843,903	-	-	-	-	-	650,389
Training and subscription	-	-	-	-	-	-	-	-	-	694
Provision charge for diminution in value of investments	-	-	-	-	-	-	-	1,200,000	-	-
(Reversal of) credit loss allowance / credit loss allowance	-	-	-	-	-	-	-	-	-	-
against loans & advances	(29)	(3,398)	-	4,719	-	-	1,841	-	-	7,312
Credit loss allowance against off-balance sheet obligations	-	-	-	821	-	-	-	-	-	111
(Reversal of) credit loss allowance against other assets	-	-	-	(14)	-	-	-	-	-	-
Other information										
Dividend paid	2,761,050	11,529	-	20,941	2,794,993	5,313,570	15,921	-	10,416	5,199,233
Insurance premium paid	-	-	-	1,701,174	-	-	-	-	1,378,226	-
Insurance claims settled	-	-	-	713,576	-	-	-	-	626,234	-

	(Un-audited) September 30, 2025	(Audited) December 31, 2024
------(Rupees in '000)-----		
42 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	15,771,651	15,771,651
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	153,262,105	143,542,085
Eligible Additional Tier 1 (ADT 1) Capital	13,550,000	13,550,000
Total eligible tier 1 capital	166,812,105	157,092,085
Eligible tier 2 capital	42,532,348	43,822,367
Total eligible capital (tier 1 + tier 2)	209,344,453	200,914,452
Risk weighted assets (RWAs):		
Credit risk	887,731,854	828,663,610
Market risk	36,501,488	47,806,075
Operational risk	242,467,238	242,467,238
Total	1,166,700,580	1,118,936,923
Common equity tier 1 capital adequacy ratio	13.14%	12.83%
Tier 1 capital adequacy ratio	14.30%	14.04%
Total capital adequacy ratio	17.94%	17.96%
In line with Basel III capital adequacy guidelines, the following capital requirements are applicable to the Bank:		
Common Equity Tier 1 Capital Adequacy ratio	6.00%	6.00%
Tier 1 Capital Adequacy Ratio	7.50%	7.50%
Total Capital Adequacy Ratio	11.50%	11.50%
For Capital adequacy calculation, the Bank has adopted Standardised Approach for credit and market risk related exposures and Alternate Standardised Approach (ASA) for operational risk.		
Leverage Ratio (LR):		
Eligible tier-1 capital	166,812,105	157,092,085
Total exposures	3,806,043,924	4,071,667,095
Leverage ratio	4.38%	3.86%
Liquidity Coverage Ratio (LCR):		
Total high quality liquid assets	1,063,581,845	1,197,167,258
Total net cash outflow	566,347,605	626,056,805
Liquidity coverage ratio	188%	191%
Net Stable Funding Ratio (NSFR):		
Total available stable funding	1,803,610,975	1,690,754,449
Total required stable funding	1,282,839,598	1,340,991,900
Net stable funding ratio	141%	126%

- 42.1 The Bank has opted for transition arrangement to phase in ECL impact as permitted by SBP vide BPRD Circular No. 03 of 2022 dated July 05, 2022. Had the transitional arrangement not applied, CAR and Leverage ratio would have been 18.13% and 4.32% respectively.

The Bank operates 449 Islamic banking branches (December 31, 2024: 423 branches) and 4 sub branches (December 31, 2024: 4 sub branch) as at September 30, 2025.

STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION		(Un-audited) September 30, 2025	(Audited) December 31, 2024
	Note	------(Rupees in '000)-----	
ASSETS			
Cash and balances with treasury banks		50,298,140	37,669,937
Balances with other banks		5,484,269	4,274,225
Due from financial institutions	43.1	27,599,658	43,283,519
Investments	43.2	200,776,327	242,118,099
Islamic financing and related assets - net	43.3	232,151,405	166,884,866
Property and equipment		14,807,174	13,455,659
Right-of-use assets		11,040,414	10,805,081
Intangible assets		32,649	36,315
Deferred tax assets		-	-
Other assets		33,766,701	29,066,962
Total assets		575,956,737	547,594,663
LIABILITIES			
Bills payable		7,919,036	9,532,140
Due to financial institutions		33,182,655	35,770,158
Deposits and other accounts	43.4	422,501,575	398,788,680
Lease liabilities		13,623,720	12,456,340
Deferred tax liabilities		1,532,523	4,080,920
Other liabilities		58,624,859	50,413,756
Total liabilities		537,384,368	511,041,994
NET ASSETS		38,572,369	36,552,669
REPRESENTED BY			
Islamic banking fund		3,950,000	3,950,000
Surplus on revaluation of assets		5,232,273	6,176,202
Unappropriated / unremitted profit	43.5	29,390,096	26,426,467
		38,572,369	36,552,669
CONTINGENCIES AND COMMITMENTS			
	43.6		
PROFIT AND LOSS ACCOUNT			
		(Un-audited) Nine months period ended	
		September 30, 2025	September 30, 2024
	Note	------(Rupees in '000)-----	
		(Restated)	
Profit / return earned on Islamic financing and related assets, investments and placements	43.7	41,946,852	59,973,635
Profit / return expensed on deposits and other dues expensed	43.8	19,433,621	35,075,731
Net profit / return		22,513,231	24,897,904
Fee and commission income		1,661,687	1,680,719
Foreign exchange income		845,756	424,915
Gain on securities		(3,936)	(12,136)
Net gain on derecognition of financial assets measured at amortised cost		-	-
Other income		28,597	12,137
Total other income		2,532,104	2,105,635
Total income		25,045,335	27,003,539
OTHER EXPENSES			
Operating expenses		18,311,994	13,216,131
Workers' welfare fund		151,703	272,332
Other charges		5,632	10,600
Total other expenses		18,469,329	13,499,063
Profit before credit loss allowance		6,576,006	13,504,476
Credit loss allowance and write offs - net		(15,432)	160,220
PROFIT BEFORE TAXATION		6,591,438	13,344,256
Taxation		3,630,199	6,586,263
PROFIT AFTER TAXATION		2,961,239	6,757,993

43.1 Due from financial institutions

	September 30, 2025 (Un-audited)			December 31, 2024 (Audited)		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	------(Rupees in '000)-----					
Musharaka Placements	27,600,000	-	27,600,000	-	-	-
Bai Muajjal Receivables	-	-	-	43,283,744	-	43,283,744
	27,600,000	-	27,600,000	43,283,744	-	43,283,744
Less: Credit loss allowance						
Stage 1	(342)	-	(342)	(225)	-	(225)
	27,599,658	-	27,599,658	43,283,519	-	43,283,519

43.2 Investments

	September 30, 2025 (Un-audited)				December 31, 2024 (Audited)			
	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value
	------(Rupees in '000)-----							
By segment & type:								
Fair value through profit and loss								
Federal Government Securities								
Naya Pakistan Certificates	897,939	-	-	897,939	2,651,621	-	-	2,651,621
Non Government Debt Securities								
Sukuks - Unlisted	200,000	-	-	200,000	200,000	-	-	200,000
	1,097,939	-	-	1,097,939	2,851,621	-	-	2,851,621
Fair value through other comprehensive income								
Federal Government Securities								
Ijarah Sukuks	165,741,109	-	4,014,928	169,756,037	202,848,571	-	5,765,368	208,613,939
Non Government Debt Securities								
Sukuks - Unlisted	15,258,384	-	(63,641)	15,194,743	15,487,734	-	140,246	15,627,980
	180,999,493	-	3,951,287	184,950,780	218,336,305	-	5,905,614	224,241,919
Amortised cost								
Federal Government Securities								
Ijarah Sukuks	11,564,608	-	-	11,564,608	11,571,369	-	-	11,571,369
Non Government Debt Securities								
Sukuks - Unlisted	3,219,395	(56,395)	-	3,163,000	3,509,611	(56,421)	-	3,453,190
	14,784,003	(56,395)	-	14,727,608	15,080,980	(56,421)	-	15,024,559
Total investments	196,881,435	(56,395)	3,951,287	200,776,327	236,268,906	(56,421)	5,905,614	242,118,099

43.2.1 Particulars of credit loss allowance

	September 30, 2025 (Un-audited)				December 31, 2024 (Audited)			
	Expected Credit Loss			Total	Expected Credit Loss			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
	(Rupees in '000)							
Sukuks - Unlisted	23	-	56,372	56,395	50	-	56,371	56,421

43.3 Islamic financing and related assets

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

Classified at amortised cost

Ijarah	29,862,837	18,999,774
Murabaha	2,588,881	3,381,416
Musharaka	20,800,405	33,759,137
Diminishing musharaka	34,056,465	22,632,822
Salam	976,198	1,144,902
Bai muajjal financing	49,998,121	-
Musawama financing	7,578,022	3,920,834
Tijarah financing	5,053,617	5,144,193
Islamic staff financing	6,386,079	4,584,066
SBP islamic export refinance	299,133	36,718
Islamic long term finance facility plant & machinery	4,098,904	4,583,214
Islamic refinance renewable energy	2,188,441	2,398,333
Islamic temporary economic refinance facility (ITERF)	6,282,829	7,021,800
Naya Pakistan home financing	3,930,391	3,115,734
Islamic refinance facility for combating COVID	613,143	919,253
Refinance facility under bills discounting	20,306,944	17,192,728
Advances against islamic assets	23,942,532	27,919,555
Inventory related to islamic financing	18,016,511	14,483,301
Other Islamic modes	315,956	812,375
Gross Islamic financing and related assets	237,295,409	172,050,155

Less: Credit loss allowance against Islamic financings

- Stage 1	(289,987)	(297,387)
- Stage 2	(87,298)	(97,574)
- Stage 3	(4,766,719)	(4,770,328)
	(5,144,004)	(5,165,289)

Islamic financing and related assets - net of credit loss allowance

232,151,405	166,884,866
-------------	-------------

43.4 Deposits

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

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

Customers

- Current deposits	183,452,816	10,568,541	194,021,357	160,930,379	9,107,965	170,038,344
- Savings deposits	116,264,714	4,102,070	120,366,784	102,440,702	4,374,103	106,814,805
- Term deposits	54,399,743	916,188	55,315,931	65,010,578	443,177	65,453,755
- Other deposits	4,314,681	2,386,120	6,700,801	2,518,243	1,814,136	4,332,379
	358,431,954	17,972,919	376,404,873	330,899,902	15,739,381	346,639,283

Financial Institutions

- Current deposits	2,133,436	62,908	2,196,344	1,852,268	152	1,852,420
- Savings deposits	3,690,358	-	3,690,358	2,161,977	-	2,161,977
- Term deposits	40,210,000	-	40,210,000	48,135,000	-	48,135,000
	46,033,794	62,908	46,096,702	52,149,245	152	52,149,397
	404,465,748	18,035,827	422,501,575	383,049,147	15,739,533	398,788,680

43.4.1 Current deposits include remunerative current deposits of Rs. 39,042.040 million (December 31, 2024: Rs. 26,618.402 million).

	(Un-audited) September 30, 2025	(Audited) December 31, 2024
	------(Rupees in '000)-----	
43.5 Islamic banking business unappropriated profit		
Opening balance	26,426,467	18,664,167
Impact of adopting IFRS 9	-	(414,335)
Balance at January 01 on adopting IFRS 9	26,426,467	18,249,832
Add: Islamic Banking profit before taxation for the period / year	6,591,438	17,921,026
Less: Taxation for the period / year	(3,630,199)	(9,745,771)
Add: Transfer from surplus on revaluation of assets to unappropriated profit - net	2,390	1,380
Closing balance	<u>29,390,096</u>	<u>26,426,467</u>

43.6 Contingencies and commitments

- Guarantees	8,460,821	6,089,005
- Commitments	168,249,153	73,684,847
	<u>176,709,974</u>	<u>79,773,852</u>

	(Un-audited) For the nine months period ended	
	September 30, 2025	September 30, 2024
	------(Rupees in '000)-----	
	(Restated)	

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

Profit earned on:		
- Islamic financing and related assets	16,387,733	19,673,791
- Investments	21,400,196	35,203,799
- Placements	4,158,923	5,096,045
	<u>41,946,852</u>	<u>59,973,635</u>

43.8 Profit on deposits and other dues expensed

Deposits and other accounts	15,804,033	31,010,200
Due to financial institutions	1,847,409	2,732,805
Securities sold under repurchase agreements	160,914	-
Cost of foreign currency swaps against foreign currency deposits / borrowings	32,379	337,676
Finance charges on lease liability	1,386,063	958,535
Reward points / customer loyalty	202,823	36,515
	<u>19,433,621</u>	<u>35,075,731</u>

43.9 PLS Pool Management- Islamic Banking Group (IBG)

43.9.1 The pools, their key features and risk and reward characteristics.

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

Currently IBG is managing following pools:

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

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

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

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

	(Un-audited) September 30, 2025	(Audited) December 31, 2024
43.9.2 Avenues / sectors where Mudaraba based deposits have been deployed.	------(Rupees in '000)-----	
Agriculture, Forestry, Hunting and Fishing	54,817,772	726,781
Automobile and transportation equipment	1,809,838	3,860,359
Cement	985,302	1,009,611
Chemical and Pharmaceuticals	10,624,774	11,133,965
Construction	2,854,854	2,511,288
Electronics and electrical appliances	2,697,331	5,334,659
Food & Allied Products	7,318,390	10,179,543
Footwear and Leather garments	1,916,572	1,390,032
Glass and Ceramics	278,266	358,052
Individuals	52,176,271	34,367,473
Metal & Allied industries	5,039,675	3,457,419
Mining and Quarrying	416,205	454,714
Oil and Allied	2,973,072	2,175,309
Paper and Board	1,284,529	806,473
Plastic and Allied Industries	5,630,069	5,302,071
Power (electricity), Gas, Water, Sanitary	9,490,981	11,004,109
Services	4,223,454	3,061,744
Sugar	1,271,826	1,955,464
Technology and Related services	117,226	16,531
Textile	51,385,855	56,828,136
Transport, Storage and Communication	8,327,496	7,563,322
Wholesale and Retail Trade	7,835,183	6,017,248
Others	3,820,467	2,535,852
Total gross islamic financing and related assets	237,295,408	172,050,155
Total gross investments (cost)	196,881,435	236,268,906
Total islamic placements	27,600,000	43,283,744
Total invested funds	461,776,843	451,602,805

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

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

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

Remunerative Depositors' Pools	Profit rate and weightage announcement period	Profit rate return earned	Profit sharing ratio		Mudarib share	Profit rate return distributed to remunerative deposits (savings and fixed)	Percentage of Mudarib share transferred through Hiba	Amount of Mudarib Share transferred through Hiba
		%	Mudarib Share / Fee	Rabbul Maal Share	(Rupees in '000)	%	%	(Rupees in '000)
General Pools								
PKR Pool	Monthly	10.73%	50.00%	50.00%	7,614,538	6.58%	4.37%	422,617
USD Pool	Monthly	5.73%	88.89%	11.11%	158,140	1.91%	28.85%	59,632
GBP Pool	Monthly	8.07%	88.89%	11.11%	27,724	0.76%	0.00%	-
EUR Pool	Monthly	6.72%	88.89%	11.11%	14,996	0.56%	0.00%	-
AED Pool	Monthly	4.62%	88.89%	11.11%	1,313	0.36%	0.00%	-
SAR Pool	Monthly	6.24%	88.89%	11.11%	1,050	0.32%	0.00%	-
CAD Pool	Monthly	10.03%	88.89%	11.11%	661	0.29%	0.00%	-
Specific Pools								
Special Pool (Saving & TDRs)	Monthly	11.55%	5.00%	95.00%	408,097	10.93%	11.50%	68,075
SBP Refinance Borrowing Pool	Profit rate and weightage announcement period	Profit rate return earned	Profit sharing ratio		Mudarib share	Profit rate return distributed to remunerative deposits (savings and fixed)	Percentage of Mudarib share transferred through Hiba	Amount of Mudarib Share transferred through Hiba
		%	Mudarib Share / Fee	Rabbul Maal Share	(Rupees in '000)	%	%	(Rupees in '000)
Islamic Export Refinance (IERS/BD) Pool	Monthly	13.61%	67.13%	7.87%	2,979,648	Nil	0.00%	-

44 AFGHANISTAN OPERATIONS

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

45 BANGLADESH OPERATIONS

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

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

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

46 NON-ADJUSTING EVENT

The Board of Directors in its meeting held on October 22, 2025 has declared an interim cash dividend of 25% i.e. Rs. 2.5 per share for the quarter ended September 30, 2025 (September 30, 2024: Rs. 2.0 per share i.e. 20%). These unconsolidated condensed interim financial statements do not include the effect of this appropriation which will be accounted for subsequent to the period end. The Board had earlier declared an interim cash dividend bringing the total cash dividend for the nine months period ended September 30, 2025 to Rs. 7.5 per share (September 30, 2024: Rs. 6.0 per share).

47 DATE OF AUTHORISATION

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

48 GENERAL

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

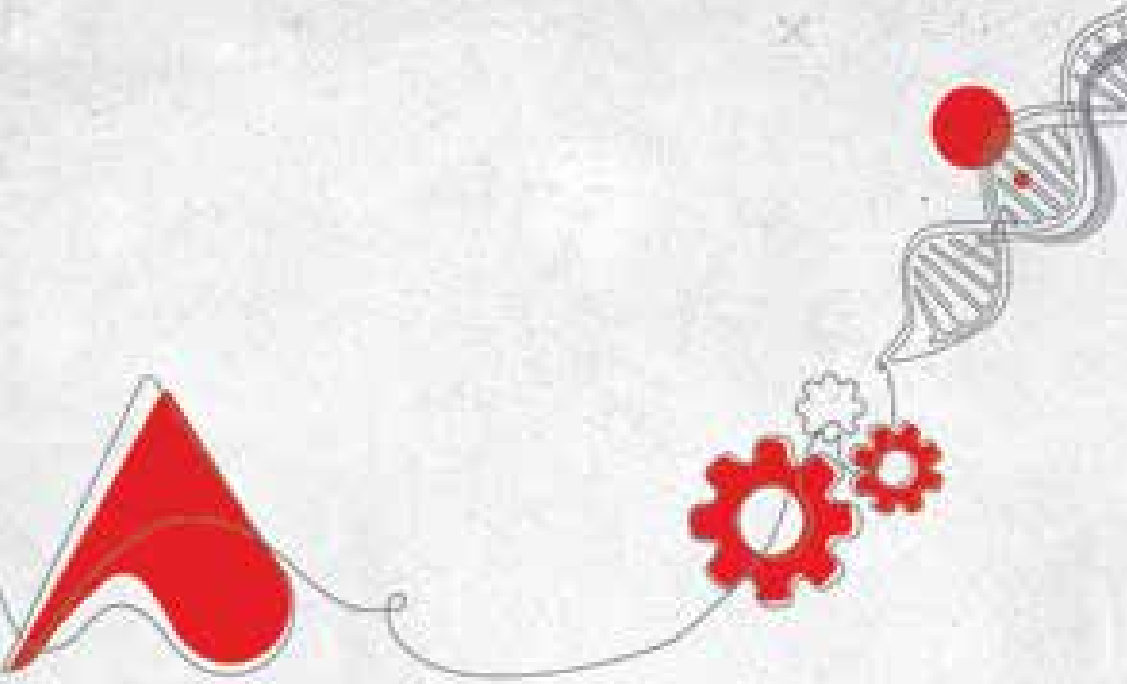
48.2 The effects of reclassification, rearrangement in the comparative information presented in these unconsolidated condensed interim financial statements are as follows:

Description of item	Nature	(Rupees in '000)	From	To
Agent commission	Expense	360,605	Commission on Benazir Income Support Programme (BISP)	Brokerage and commission
Verification cost	Expense	92,164	Commission on Benazir Income Support Programme (BISP)	CNIC verification
Optional issuer fee	Income	420,419	Foreign exchange income	Card related fees (debit and credit cards)
Conversion fee	Expense	269,987	Foreign exchange income	Card related fees (debit and credit cards)
Conversion fee	Expense	160,522	Foreign exchange income	Card acquiring business
Reward points	Expense	6,695	Reward points / customer loyalty	Consumer finance related fees
Reward points	Expense	3,005	Reward points / customer loyalty	Card related fees (debit and credit
Reward points	Expense	8,164	Reward points / customer loyalty	Commission on bancassurance
Reward points	Expense	1,814	Reward points / customer loyalty	Wealth management fee
Reward points	Expense	45,371	Reward points / customer loyalty	Alternative Delivery Channel (ADC) settlement accounts

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

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025



Consolidated Condensed Interim Statement of Financial Position

As at September 30, 2025

	Note	(Un-audited) September 30, 2025	(Audited) December 31, 2024
------(Rupees in '000)-----			
ASSETS			
Cash and balances with treasury banks	7	218,916,846	227,868,901
Balances with other banks	8	10,482,633	19,713,246
Lendings to financial institutions	9	62,252,929	100,998,323
Investments	10	1,644,452,894	1,996,182,261
Advances	11	1,029,575,301	1,109,376,542
Property and equipment	12	69,520,493	63,673,849
Right-of-use assets	13	26,046,014	25,365,699
Intangible assets	14	1,520,733	1,559,640
Deferred tax assets		-	-
Other assets	15	166,329,050	172,317,236
Total assets		3,229,096,893	3,717,055,697
LIABILITIES			
Bills payable	16	39,459,500	41,768,326
Borrowings	17	620,551,967	1,142,200,709
Deposits and other accounts	18	2,166,285,106	2,136,104,698
Lease liabilities	19	31,761,281	29,555,307
Subordinated debt	20	14,000,000	14,000,000
Deferred tax liabilities	21	18,510,812	19,459,032
Other liabilities	22	143,237,652	152,580,928
Total liabilities		3,033,806,318	3,535,669,000
NET ASSETS		195,290,575	181,386,697
REPRESENTED BY			
Share capital		15,771,651	15,771,651
Reserves		45,403,685	43,466,925
Surplus on revaluation of assets	23	37,813,540	33,820,479
Unappropriated profit		96,301,699	88,305,939
Total equity attributable to the equity holders of the Holding Company		195,290,575	181,364,994
Non-controlling interest		-	21,703
		195,290,575	181,386,697
CONTINGENCIES AND COMMITMENTS			
	24		

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

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

For the quarter and nine months period ended September 30, 2025

	Note	Quarter ended September 30, 2025	Quarter ended September 30, 2024	Nine months period ended September 30, 2025	Nine months period ended September 30, 2024
		(Rupees in '000)		(Rupees)	
		(Restated)		(Restated)	
Mark-up / return / interest earned	26	82,438,384	132,961,797	270,836,731	391,492,744
Mark-up / return / interest expensed	27	48,382,581	98,415,973	169,330,093	294,400,718
Net mark-up / return / interest income		34,055,803	34,545,824	101,506,638	97,092,026
NON MARK-UP / INTEREST INCOME					
Fee and commission income	28	4,149,560	3,960,747	11,956,921	13,969,432
Dividend income		606,633	219,115	2,017,143	1,123,926
Foreign exchange income	29	3,586,050	2,529,850	8,937,358	7,772,721
Income from derivatives		545,235	113,094	933,801	1,486,608
Gain on securities	30	2,055,037	6,233,600	10,060,656	8,598,616
Net gain / (loss) on derecognition of financial assets measured at amortised cost		-	-	-	-
Share of profit from associates		507,875	354,057	1,222,849	1,018,293
Other income	31	70,213	58,544	939,550	248,260
Total non-mark-up / interest income		11,520,603	13,469,007	36,068,278	34,217,856
Total income		45,576,406	48,014,831	137,574,916	131,309,882
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	32	30,459,769	21,042,675	86,582,705	61,061,493
Workers' welfare fund	33	268,502	446,982	1,090,072	1,366,926
Other charges	34	3,942	9,305	13,499	218,820
Total non-mark-up / interest expenses		30,732,213	21,498,962	87,686,276	62,647,239
Profit before credit loss allowance / provisions		14,844,193	26,515,869	49,888,640	68,662,643
Credit loss allowance / provisions and write offs - net	35	1,050,875	440,389	1,947,520	208,396
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION FROM CONTINUING OPERATIONS		13,793,318	26,075,480	47,941,120	68,454,247
Taxation	36	7,463,473	12,789,927	26,468,382	33,249,244
PROFIT AFTER TAXATION FROM CONTINUING OPERATIONS		6,329,845	13,285,553	21,472,738	35,205,003
DISCONTINUED OPERATIONS					
PROFIT / (LOSS) FROM DISCONTINUED OPERATIONS - NET OF TAX	37.3	8,125	-	(75,392)	-
PROFIT AFTER TAXATION		6,337,970	13,285,553	21,397,346	35,205,003
Profit / (loss) attributable to:					
Equity holders of the Holding Company					
from continuing operations		6,329,845	13,282,451	21,472,738	35,200,367
from discontinued operations		8,125	-	(73,581)	-
		6,337,970	13,282,451	21,399,157	35,200,367
Non-controlling interest					
from continuing operations		-	3,102	-	4,636
from discontinued operations		-	-	(1,811)	-
		-	3,102	(1,811)	4,636
		6,337,970	13,285,553	21,397,346	35,205,003
(Rupees)					
		(Restated)		(Restated)	
Basic and diluted earnings per share - continuing operations	38	4.01	8.42	13.61	22.32
Basic and diluted earnings per share	38	4.01	8.42	13.56	22.32

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

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

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

For the quarter and nine months period ended September 30, 2025

	Quarter ended September 30, 2025	Quarter ended September 30, 2024	Nine months period ended September 30, 2025	Nine months period ended September 30, 2024
	(Rupees in '000)			
	(Restated)		(Restated)	
Profit after taxation for the period	6,337,970	13,285,553	21,397,346	35,205,003
Other comprehensive income / (loss)				
Items that may be reclassified to the statement of profit and loss account in subsequent periods:				
Effect of translation of net investment in foreign branches	(467,845)	(278,450)	(207,159)	(1,933,729)
Movement in surplus on revaluation of investments in debt securities classified as FVOCI - net of tax	910,681	9,851,661	4,042,958	9,728,106
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	(364,783)	(241,014)	(2,896,995)	(602,396)
Movement in share of (deficit) / surplus on revaluation of investments of associates - net of tax	(9,695)	10,141	(18,884)	16,121
	68,358	9,342,338	919,920	7,208,102
Items that will not be reclassified to the statement of profit and loss account in subsequent periods:				
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	(1,105)
Movement in surplus on revaluation of equity investments classified as FVOCI - net of tax	2,753,868	15,090	3,221,899	604,686
Movement in surplus on revaluation of property and equipment - net of tax	(18,442)	(10,460)	(55,256)	(30,204)
Movement in surplus on revaluation of non-banking assets - net of tax	(5,501)	(184)	(15,911)	784
	2,729,925	4,446	3,150,732	574,161
Total comprehensive income	<u>9,136,253</u>	<u>22,632,337</u>	<u>25,467,998</u>	<u>42,987,266</u>
Total comprehensive income / (loss) attributable to:				
Equity holders of the Holding Company				
from continuing operations	9,128,128	22,629,235	25,543,390	42,983,044
from discontinued operations	8,125	-	(73,581)	-
	<u>9,136,253</u>	<u>22,629,235</u>	<u>25,469,809</u>	<u>42,983,044</u>
Non-controlling interest				
from continuing operations	-	3,102	-	4,222
from discontinued operations	-	-	(1,811)	-
	-	3,102	(1,811)	4,222
	<u>9,136,253</u>	<u>22,632,337</u>	<u>25,467,998</u>	<u>42,987,266</u>

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

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

Consolidated Condensed Interim Statement of Changes in Equity

For the nine months period ended September 30, 2025

	Share capital	Capital reserves		Statutory reserve	Surplus / (deficit) on revaluation of			Unappropriated profit	Sub-total	Non controlling interest	Total
		Share premium	Exchange translation reserve		Investments	Property and equipment	Non banking assets				
(Rupees in '000)											
Balance as at December 31, 2023 (audited)	15,771.651	4,731.049	14,191.974	22,478.107	(902.400)	12,088.444	86.726	71,472.352	139,917.903	(294.665)	139,623.238
Impact of adoption of IFRS 9 - net of tax (note 4.1.1)	-	-	-	-	5,002.695	-	-	(2,250.700)	2,751.995	-	2,751.995
Balance as at January 01, 2024 after adoption of IFRS 9	15,771.651	4,731.049	14,191.974	22,478.107	4,100.295	12,088.444	86.726	69,221.652	142,669.898	(294.665)	142,375.233
Changes in equity for the nine months period ended September 30, 2024											
Profit after taxation - (restated)	-	-	-	-	-	-	-	35,200.367	35,200.367	4.636	35,205.003
Other comprehensive (loss) / income - net of tax											
Effect of translation of net investment in foreign branches	-	-	(1,933.729)	-	-	-	-	-	(1,933.729)	-	(1,933.729)
Movement in surplus / (deficit) on revaluation of investments in debt securities classified as FVOCI - net of tax	-	-	-	-	9,728.106	-	-	-	9,728.106	-	9,728.106
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	-	-	-	-	(602.396)	-	-	-	(602.396)	-	(602.396)
Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax	-	-	-	-	604.686	-	-	-	604.686	-	604.686
Movement in share of surplus on revaluation of investments of associates - net of tax	-	-	-	-	16.121	-	-	-	16.121	-	16.121
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	-	-	(691)	(691)	(414)	(1,105)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	(30.204)	-	-	(30.204)	-	(30.204)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	784	-	784	-	784
Total other comprehensive (loss) / income - net of tax	-	-	(1,933.729)	-	9,746.517	(30.204)	784	(691)	7,782.617	(414)	7,782.263
Transfer to statutory reserve	-	-	-	3,364.268	-	-	-	(3,364.268)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(66,417)	(9,180)	75,597	-	-	-
Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	(54,200)	-	-	54,200	-	-	-
Transactions with owners, recorded directly in equity											
Adjustment of non-controlling interest	-	-	-	-	-	-	-	(311,627)	(311,627)	311,627	-
Right Issuance cost - subsidiary	-	-	-	-	-	-	-	(8,314)	(8,314)	(4,988)	(13,302)
Final cash dividend for the year ended December 31, 2023 - 50%	-	-	-	-	-	-	-	(7,885,826)	(7,885,826)	-	(7,885,826)
Interim cash dividend for the quarter ended March 31, 2024 - 20%	-	-	-	-	-	-	-	(3,154,330)	(3,154,330)	-	(3,154,330)
Interim cash dividend for the half year ended June 30, 2024 - 20%	-	-	-	-	-	-	-	(3,154,330)	(3,154,330)	-	(3,154,330)
Closing balance as at September 30, 2024 (un-audited) - restated	15,771.651	4,731.049	12,258,245	25,842,375	13,792,612	11,991,823	78,330	86,672,430	171,138,515	16,196	171,154,711
Changes in equity for three months period ended December 31, 2024											
Profit after taxation	-	-	-	-	-	-	-	4,653,254	4,653,254	5,039	4,658,293
Other comprehensive (loss) / income - net of tax											
Effect of translation of net investment in foreign branches	-	-	167,711	-	-	-	-	-	167,711	-	167,711
Movement in surplus on revaluation of investments in debt securities classified as FVOCI - net of tax	-	-	-	-	1,074,218	-	-	-	1,074,218	-	1,074,218
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	-	-	-	-	(297,550)	-	-	-	(297,550)	-	(297,550)
Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax	-	-	-	-	1,426,033	-	-	-	1,426,033	-	1,426,033
Movement in share of surplus on revaluation of investments of associates - net of tax	-	-	-	-	20,255	-	-	-	20,255	-	20,255
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-	461,557	461,557	468	462,025
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	5,639,486	-	-	5,639,486	-	5,639,486
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	235,845	-	235,845	-	235,845
Total other comprehensive (loss) / income - net of tax	-	-	167,711	-	2,222,956	5,639,486	235,845	461,557	8,727,555	468	8,728,023
Transfer to statutory reserve	-	-	-	467,545	-	-	-	(467,545)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(78,264)	540	77,724	-	-	-
Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	(62,849)	-	-	62,849	-	-	-
Transactions with owners, recorded directly in equity											
Interim cash dividend for the nine months period ended September 30, 2024 - 20%	-	-	-	-	-	-	-	(3,154,330)	(3,154,330)	-	(3,154,330)
Balance as at December 31, 2024 (audited)	15,771.651	4,731.049	12,425,956	26,309,920	15,952,719	17,553,045	314,715	88,305,939	181,364,994	21,703	181,386,697
Impact of adoption of IFRS 9 - net of tax (note 4.1.2)	-	-	-	-	365,607	-	-	(81,096)	284,511	-	284,511
Balance as at January 01, 2025 after adoption of IFRS 9 / carried forward	15,771.651	4,731.049	12,425,956	26,309,920	16,318,326	17,553,045	314,715	88,224,843	181,649,505	21,703	181,671,208

Consolidated Condensed Interim Statement of Changes in Equity

For the nine months period ended September 30, 2025

Share capital	Capital reserves		Statutory reserve	Surplus / (deficit) on revaluation of			Unappropriated profit	Sub-total	Non controlling interest	Total
	Share premium	Exchange translation reserve		Investments	Property and equipment	Non banking assets				

(Rupees in '000)

Balance brought forward 15,771,651 4,731,049 12,425,956 26,309,920 16,318,326 17,553,045 314,715 88,224,843 181,649,505 21,703 181,671,208

Changes in equity for the nine months period ended September 30, 2025

Profit / (loss) after taxation - - - - - - - 21,399,157 21,399,157 (1,811) 21,397,346

Other comprehensive income / (loss) - net of tax

Effect of translation of net investment in foreign branches - - (207,159) - - - - - (207,159) - (207,159)

Movement in surplus / (deficit) on revaluation of investments in debt securities classified as FVOCI - net of tax - - - - 4,042,958 - - - 4,042,958 - 4,042,958

Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax - - - - (2,896,995) - - - (2,896,995) - (2,896,995)

Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax - - - - 3,221,899 - - - 3,221,899 - 3,221,899

Movement in share of deficit on revaluation of investments of associates - net of tax - - - - (18,884) - - - (18,884) - (18,884)

Movement in surplus on revaluation of property and equipment - net of tax - - - - - (55,256) - - (55,256) - (55,256)

Movement in surplus on revaluation of non-banking assets - net of tax - - - - - (15,911) - - (15,911) - (15,911)

Total other comprehensive income / (loss) - net of tax - - (207,159) - 4,348,978 (55,256) (15,911) - 4,070,652 - 4,070,652

Transfer to statutory reserve - - - 2,143,919 - - - (2,143,919) - - -

Transfer from surplus on revaluation of assets to unappropriated profit - net of tax - - - - (91,657) (11,409) 103,066 - - -

Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax - - - - (547,291) - - 547,291 - - -

Transactions with owners, recorded directly in equity

Derecognition of subsidiary - - - - - - - - (19,892) (19,892)

Final cash dividend for the year ended December 31, 2024 - 25% - - - - - (3,942,913) (3,942,913) - (3,942,913)

Interim cash dividend for the quarter ended March 31, 2025 - 25% - - - - - (3,942,913) (3,942,913) - (3,942,913)

Interim cash dividend for the half year ended June 30, 2025 - 25% - - - - - (3,942,913) (3,942,913) - (3,942,913)

Closing balance as at September 30, 2025 (un-audited) 15,771,651 4,731,049 12,218,797 28,453,839 20,120,013 17,406,132 287,395 96,301,699 195,290,575 - 195,290,575

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

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

Consolidated Condensed Interim Cash Flow Statement (Un-audited)

For the nine months period ended September 30, 2025

	Note	Nine months period ended	
		September 30, 2025	September 30, 2024
		------(Rupees in '000)-----	
		(Restated)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation from continuing operations		47,941,120	68,454,247
Profit before taxation from discontinued operations	37.3	7,796	-
Less: Dividend income		(2,017,143)	(1,123,926)
Share of profit from associates		(1,222,849)	(1,018,293)
		<u>44,708,924</u>	<u>66,312,028</u>
Adjustments:			
Net mark-up / return / interest income		(104,710,179)	(99,584,042)
Depreciation		4,490,027	3,407,468
Depreciation on right-of-use assets		3,408,222	2,842,869
Amortisation		302,133	275,217
Credit loss allowance /provisions and write offs - net		1,942,959	208,396
Unrealised loss / (gain) on revaluation of investments classified as FVPL		208,072	(3,424,288)
Unrealised gain on advances classified as FVPL		-	(57,165)
Gain on sale of property and equipment - net	31	(43,642)	(81,136)
Gain on sale of non banking assets - net	31	(3,368)	(27,800)
Gain on termination of leases - net	31	(72,472)	(62,345)
Staff loans - notional cost	32.1	3,064,364	1,968,928
Finance charges on leased assets		3,183,672	2,492,016
Workers' welfare fund		1,090,072	1,366,926
Charge for defined benefit plan	32.1	721,426	503,473
Charge for staff compensated absences	32.1	313,000	157,500
		<u>(86,105,714)</u>	<u>(90,013,983)</u>
		(41,396,790)	(23,701,955)
Decrease / (increase) in operating assets			
Lendings to financial institutions		68,513,728	71,618,222
Securities classified as FVPL		69,164,500	29,180,463
Advances		78,519,070	(127,425,539)
Other assets (excluding advance taxation and mark-up receivable)		(8,286,764)	(22,876,220)
		<u>207,910,534</u>	<u>(49,503,074)</u>
(Decrease) / increase in operating liabilities			
Bills payable		(2,308,826)	(792,635)
Borrowings		(512,455,753)	(185,892,301)
Deposits		30,180,408	50,638,995
Other liabilities (excluding current taxation and mark-up payable)		5,278,143	29,873,139
		<u>(479,306,028)</u>	<u>(106,172,802)</u>
		(312,792,284)	(179,377,831)
Mark-up / interest received		275,589,842	361,715,725
Mark-up / interest paid		(178,687,492)	(281,433,911)
Income tax paid		(28,477,887)	(39,770,455)
Net cash used in operating activities		<u>(244,367,821)</u>	<u>(138,866,472)</u>
Balance carried forward		(244,367,821)	(138,866,472)

Consolidated Condensed Interim Cash Flow Statement (Un-audited)

For the nine months period ended September 30, 2025

	Note	Nine months period ended	
		September 30, 2025	September 30, 2024
		------(Rupees in '000)-----	
		(Restated)	
Balance brought forward		(244,367,821)	(138,866,472)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net Investments in securities classified as FVOCI		250,462,806	147,684,061
Net investments in securities carried at amortised cost		43,851,597	7,501,156
Dividends received from associates		44,993	254,993
Dividends received from other investments		2,014,343	1,074,754
Divestment from subsidiary	37.2	396,857	-
Investments in property and equipment and intangible assets		(10,651,920)	(16,399,399)
Proceeds from sale of property and equipment		79,666	96,162
Proceeds from sale of non-banking assets		27,089	267,800
Effect of translation of net investment in foreign branches		(207,159)	(1,933,729)
Net cash generated from investing activities		286,018,272	138,545,798
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of lease obligations against right-of-use assets		(4,971,793)	(4,362,509)
Payment of right issuance cost		-	(13,302)
Dividend paid		(11,796,006)	(20,059,906)
Net cash used in financing activities		(16,767,799)	(24,435,717)
Net increase / (decrease) in cash and cash equivalents		24,882,652	(24,756,391)
Cash and cash equivalents at beginning of the period		231,503,318	249,435,199
Effects of exchange rate changes on cash and cash equivalents		1,735,279	(1,535,507)
		233,238,597	247,899,692
Expected credit loss allowance on cash and cash equivalents - net		(64,899)	(22,490)
Cash and cash equivalents of discontinued operations		(1,442,577)	-
Cash and cash equivalents at end of the period	39	256,613,773	223,120,811

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

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

Notes to and Forming Part of the Consolidated Condensed Interim Financial Statements (Un-audited)

For the nine months period ended September 30, 2025

1 STATUS AND NATURE OF BUSINESS

1.1 The "Group" consists of:

Holding Company : Bank Alfalah Limited, Pakistan

Bank Alfalah Limited (the Holding Company) is a banking company incorporated in Pakistan and is engaged in commercial banking and related services in Pakistan and overseas. The Holding Company's registered office is located at B.A. Building, I.I. Chundrigar Road, Karachi and its shares are listed on the Pakistan Stock Exchange. The Holding Company is engaged in banking services as described in the Banking Companies Ordinance, 1962. The Holding Company is operating through 1,175 branches (December 31, 2024: 1,141 branches) and 10 sub-branches (December 31, 2024: 12 sub-branches). Out of the 1,175 branches, 715 (December 31, 2024: 707) are conventional, 449 (December 31, 2024: 423) are Islamic, 10 (December 31, 2024: 10) are overseas and 1 (December 31 2024: 1) is an offshore banking unit.

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

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

Associates

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

2 BASIS OF PRESENTATION

2.1 STATEMENT OF COMPLIANCE

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

- International Accounting Standard 34 "Interim Financial Reporting" and International Financial Reporting Standards (IFRS Accounting Standards) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

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

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

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

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

2.1.2 Basis of consolidation

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3 BASIS OF MEASUREMENT

3.1 Accounting convention

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

3.2 Functional and presentation currency

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

4 MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 IFRS 9 - 'Financial Instruments'

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

The Holding Company, in compliance with extended timelines prescribed in SBP's BPRD Circular Letter No. 16 dated July 29, 2024 and BPRD Circular Letter No. 01 dated January 22, 2025 had incorporated certain IFRS 9 related impacts in the last quarter of 2024. Therefore the consolidated condensed interim statement of profit and loss account (un-audited) for the nine months period ended September 30, 2024 have been restated to incorporate these impacts. Had the restatement not been incorporated the profit after tax and total comprehensive income for the nine months period ended September 30, 2024 would have been higher by Rs. 14.782 million. The details are tabulated below:

Head		(Rupees in '000)	Description
Mark-up / return / interest earned	Increase	2,205,554	Fair value impact of subsidised advances and modification of advances
Mark-up / return / interest earned	Increase	1,968,928	Fair value impact of staff loans
Other income	Increase	57,165	Fair value impact of advances measured at fair value through profit and loss
		4,231,647	
Mark-up / return / interest expensed	Increase	2,286,504	Fair value impact of subsidised borrowings
Operating expenses	Increase	1,968,928	Fair value impact of staff loans
Workers' welfare fund	Increase	5,199	Impact of restatement
		4,260,631	
Taxation	Decrease	14,202	Tax impact of restatement
		Rupees	
Basic and diluted earnings per share	Decrease	0.01	EPS impact of restatement

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

4.1.3 The SBP has directed the Banks through its BPRD Circular Letter No. 1 dated January 22, 2025 to continue the existing revenue recognition methodology for Islamic Operations, including the requirements of IFAS 1 and IFAS 2 until further instructions. Had IFRS 9 been adopted in its entirety for revenue recognition from Islamic operations, the profit after tax of the Group would have been higher by Rs. 232.961 million.

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

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

6 FINANCIAL RISK MANAGEMENT

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

	Note	(Un-audited) September 30, 2025	(Audited) December 31, 2024
		----- (Rupees in '000) -----	
7 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
- local currency		47,859,656	48,338,529
- foreign currency		5,307,775	5,619,401
		53,167,431	53,957,930
With State Bank of Pakistan in			
- local currency current accounts		95,015,234	92,353,394
- foreign currency current accounts		8,385,690	7,192,719
- foreign currency deposit accounts		12,715,602	10,832,548
		116,116,526	110,378,661
With other central banks in			
- foreign currency current accounts		42,404,565	60,980,202
- foreign currency deposit accounts		1,620,427	1,820,112
		44,024,992	62,800,314
With National Bank of Pakistan in local currency current account		5,577,595	628,396
Prize bonds		106,901	119,605
		218,993,445	227,884,906
Less: Credit loss allowance held against cash and balances with treasury banks		(76,599)	(16,005)
Cash and balances with treasury banks - net of credit loss allowance		<u>218,916,846</u>	<u>227,868,901</u>
8 BALANCES WITH OTHER BANKS			
In Pakistan			
- in current accounts		4,595	803,655
- in deposit accounts		-	477,299
		4,595	1,280,954
Outside Pakistan			
- in current accounts		10,455,952	18,406,200
- in deposit accounts		32,281	31,982
		10,488,233	18,438,182
		10,492,828	19,719,136
Less: Credit loss allowance held against balances with other banks		(10,195)	(5,890)
Balances with other banks - net of credit loss allowance		<u>10,482,633</u>	<u>19,713,246</u>
9 LENDINGS TO FINANCIAL INSTITUTIONS			
Call / clean money lendings		31,160,813	1,792,764
Repurchase agreement lendings (Reverse Repo)		31,092,710	94,208,913
Bai Muajjal receivable - other financial institution		-	4,997,525
	9.1	62,253,523	100,999,202
Less: Credit loss allowance held against lending to financial institutions	9.1	(594)	(879)
Lending to financial institutions - net of credit loss allowance		<u>62,252,929</u>	<u>100,998,323</u>

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

9.1 Lending to Financial Institutions - Particulars of credit loss allowance

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

Domestic					
Performing	Stage 1	58,692,710	353	99,606,438	754
Overseas					
Performing	Stage 1	3,560,813	241	1,392,764	125
Total		62,253,523	594	100,999,202	879

10 INVESTMENTS

10.1 Investments by type:

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

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

Fair value through profit and loss

Federal Government Securities								
- Market Treasury Bills	40,330,997	-	(22,232)	40,308,765	74,055,824	-	(5,499)	74,050,325
- Pakistan Investment Bonds	155,649,927	-	(98,559)	155,551,368	183,913,135	-	47,072	183,960,207
- Ijarah Sukuks	255,570	-	10	255,580	1,733,628	-	10,084	1,743,712
- Naya Pakistan Certificates	897,939	-	-	897,939	2,651,621	-	-	2,651,621
Shares								
- Ordinary Shares - Listed	3,750,315	-	181,389	3,931,704	2,451,629	-	1,133,300	3,584,929
- Preference Shares - Unlisted	-	-	-	-	-	-	500,000	500,000
Non Government Debt Securities								
- Term Finance Certificates	1,450,000	-	-	1,450,000	1,450,000	-	-	1,450,000
- Sukuks	422,444	-	1,776	424,220	422,000	-	444	422,444
Foreign Securities								
- Overseas Bonds - Sovereign	9,858,080	-	4,385	9,862,465	13,043,880	-	(6,799)	13,037,081
- Redeemable Participating Certificates	7,882,788	-	(268,333)	7,614,455	5,913,093	-	2,401,955	8,315,048
	220,498,060	-	(201,564)	220,296,496	285,634,810	-	4,080,557	289,715,367

Fair value through other comprehensive income

Federal Government Securities								
- Market Treasury Bills	13,123,967	-	34,983	13,158,950	22,155,073	-	429,662	22,584,735
- Pakistan Investment Bonds	792,180,356	-	18,431,893	810,612,249	1,009,681,395	-	14,952,851	1,024,634,246
- Ijarah Sukuks	204,660,577	-	6,269,560	210,930,137	241,695,919	-	9,230,018	250,925,937
- Government of Pakistan Euro Bonds	15,285,118	(2,021,948)	2,598,242	15,861,412	12,368,725	(2,145,627)	922,305	11,145,403
Shares								
- Ordinary Shares - Listed	13,556,372	-	10,065,556	23,621,928	10,202,508	-	4,768,790	14,971,298
- Ordinary Shares - Unlisted	1,319,051	-	2,335,784	3,654,835	1,351,363	-	1,471,825	2,823,188
- Preference Shares - Unlisted	25,000	(25,000)	-	-	25,000	(25,000)	-	-
Non Government Debt Securities								
- Term Finance Certificates	1,940,590	(106,917)	-	1,833,673	2,076,398	(111,745)	-	1,964,653
- Sukuks	15,354,895	(96,511)	(63,641)	15,194,743	15,584,244	(96,511)	140,246	15,627,979
Foreign Securities								
- Overseas Bonds - Sovereign	59,804,279	(55,536)	(501,723)	59,247,020	50,691,578	(77,534)	(1,417,964)	49,196,080
- Overseas Bonds - Others	25,403,892	(7,168)	(274,869)	25,121,855	26,231,004	(7,505)	(1,030,029)	25,193,470
- Equity Securities - Listed	268,064	-	(11,191)	256,873	265,427	-	(8,246)	257,181
- Preference Shares - Unlisted	562,627	-	-	562,627	557,108	-	-	557,108
REIT Fund - listed	1,112,125	-	690,495	1,802,620	1,000,489	-	514,493	1,514,982
	1,144,596,913	(2,313,080)	39,575,089	1,181,858,922	1,393,886,231	(2,463,922)	29,973,951	1,421,396,260
Balance carried forward	1,365,094,973	(2,313,080)	39,373,525	1,402,155,418	1,679,521,041	(2,463,922)	34,054,508	1,711,111,627

10.1 Investments by type:

	September 30, 2025 (Un-audited)				December 31, 2024 (Audited)			
	Cost / amortised cost	Credit loss allowance / provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Credit loss allowance / provision for diminution	Surplus / (deficit)	Carrying value
(Rupees in '000)								
Balance brought forward	1,365,094,973	(2,313,080)	39,373,525	1,402,155,418	1,679,521,041	(2,463,922)	34,054,508	1,711,111,627
Amortised cost								
Federal Government Securities								
- Pakistan Investment Bonds	171,004,710	-	-	171,004,710	218,414,195	-	-	218,414,195
- Ijarah Sukuks	40,455,313	-	-	40,455,313	40,376,451	-	-	40,376,451
Non Government Debt Securities								
- Term Finance Certificates	368,430	(24,731)	-	343,699	324,680	(24,715)	-	299,965
- Sukuks	3,219,395	(56,395)	-	3,163,000	3,509,612	(56,421)	-	3,453,191
Foreign Securities								
- Overseas Bonds - Sovereign	19,349,796	(83,292)	-	19,266,504	15,601,311	(216)	-	15,601,095
	234,397,644	(164,418)	-	234,233,226	278,226,249	(81,352)	-	278,144,897
Associates (valued at equity method)								
- Alfalah Insurance Company Limited	1,073,816	-	-	1,073,816	991,493	-	-	991,493
- Sapphire Wind Power Company Limited	5,738,972	-	-	5,738,972	4,945,252	-	-	4,945,252
- Alfalah Asset Management Limited	1,251,462	-	-	1,251,462	988,992	-	-	988,992
	8,064,250	-	-	8,064,250	6,925,737	-	-	6,925,737
Total investments	1,607,556,867	(2,477,498)	39,373,525	1,644,452,894	1,964,673,027	(2,545,274)	34,054,508	1,996,182,261

10.2 Particulars of assets and liabilities of associates

	Associate	Country of Incorporation	Percentage of holding	September 30, 2025 (Un-audited)				
				Assets	Liabilities	Revenue	Profit for the period	Total Comprehensive Income
------(Rupees in '000)-----								
Alfalah Insurance Company Limited	Associate	Pakistan	30.00%	11,537,350	7,967,571	2,893,986	555,531	424,388
Sapphire Wind Power Company Limited	Associate	Pakistan	30.00%	20,630,804	2,308,131	4,611,571	2,645,732	2,645,732
Alfalah Asset Management Limited	Associate	Pakistan	40.22%	4,307,656	1,196,110	2,609,168	667,483	667,483
	Associate	Country of Incorporation	Percentage of holding	December 31, 2024 (Audited)		September 30, 2024 (Un-audited)		
				Assets	Liabilities	Revenue	Profit for the period	Total Comprehensive Income
------(Rupees in '000)-----								
Alfalah Insurance Company Limited	Associate	Pakistan	30.00%	7,622,491	4,327,101	2,011,571	479,020	584,389
Sapphire Wind Power Company Limited	Associate	Pakistan	30.00%	19,530,002	3,853,062	4,502,554	2,445,941	2,445,941
Alfalah Asset Management Limited	Associate	Pakistan	40.22%	3,473,064	1,014,104	1,818,446	355,161	355,161

		(Un-audited) September 30, 2025	(Audited) December 31, 2024
		------(Rupees in 000)-----	
10.3	Investments given as collateral		
	- Market Treasury Bills	-	18,948,162
	- Pakistan Investment Bonds	468,911,750	952,096,877
	- Overseas Bonds	32,186,861	8,759,125
		<u>501,098,611</u>	<u>979,804,164</u>

10.3.1 The market value of securities given as collateral is Rs. 510,704.304 million (December 31, 2024: Rs. 993,194.012 million).

		(Un-audited) September 30, 2025	(Audited) December 31, 2024
		------(Rupees in 000)-----	
10.4	Credit loss allowance / provision for diminution in value of investments		
10.4.1	Opening balance	2,545,274	3,355,413
	Impact of adoption of IFRS 9	60,074	(437,729)
	Balance as at January 01 after adopting IFRS 9	<u>2,605,348</u>	<u>2,917,684</u>
	Exchange and other adjustments	32,031	(29,753)
	Charge / (reversals)		
	Charge for the period / year	427,965	236,742
	Reversals for the period / year	(198,567)	(578,980)
	Reversal on disposals	(389,279)	(419)
		<u>(159,881)</u>	<u>(342,657)</u>
	Closing Balance	<u>2,477,498</u>	<u>2,545,274</u>

10.4.2 Particulars of credit loss allowance / provision against debt securities

Category of classification		September 30, 2025 (Un-audited)		December 31, 2024 (Audited)	
		Outstanding amount	Credit loss allowance / Provision held	Outstanding amount	Credit loss allowance / Provision held
------(Rupees in '000)-----					
Domestic					
Performing	Stage 1	756,250	75	806,250	85
Underperforming	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		<u>309,479</u>	<u>309,479</u>	<u>314,307</u>	<u>314,307</u>
		<u>1,065,729</u>	<u>309,554</u>	<u>1,120,557</u>	<u>314,392</u>
Overseas					
Performing	Stage 1	104,557,967	145,996	78,312,741	85,255
Performing		-	-	14,211,152	-
Underperforming	Stage 2	15,285,118	2,021,948	12,368,725	2,145,627
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total		<u>120,908,814</u>	<u>2,477,498</u>	<u>106,013,175</u>	<u>2,545,274</u>

10.4.3 The market value of securities classified at amortised cost as at September 30, 2025 amounted to Rs. 236,662.806 million (December 31, 2024: Rs. 279,284.570 million).

Note	Performing		Non Performing		Total	
	September 30, 2025 (Un-audited)	December 31, 2024 (Audited)	September 30, 2025 (Un-audited)	December 31, 2024 (Audited)	September 30, 2025 (Un-audited)	December 31, 2024 (Audited)
	------(Rupees in '000)-----					
Classified at amortised cost						
Loans, cash credits, running finances, etc.	775,196,296	929,992,948	37,275,953	36,406,677	812,472,249	966,399,625
Islamic financing and related assets	231,631,086	166,361,932	5,664,323	5,688,223	237,295,409	172,050,155
Bills discounted and purchased	25,344,865	16,129,793	151,606	269,602	25,496,471	16,399,395
	<u>1,032,172,247</u>	<u>1,112,484,673</u>	<u>43,091,882</u>	<u>42,364,502</u>	<u>1,075,264,129</u>	<u>1,154,849,175</u>
Classified at FVPL						
Loans, cash credits, running finances, etc.	1,800,000	1,200,000	-	-	1,800,000	1,200,000
Fair value adjustment on loans - FVPL	-	213,735	-	-	-	213,735
	<u>1,800,000</u>	<u>1,413,735</u>	<u>-</u>	<u>-</u>	<u>1,800,000</u>	<u>1,413,735</u>
Advances - gross	<u>1,033,972,247</u>	<u>1,113,898,408</u>	<u>43,091,882</u>	<u>42,364,502</u>	<u>1,077,064,129</u>	<u>1,156,262,910</u>
Credit loss allowance / provision against advances						
- Stage 1	11.4 (1,921,361)	(2,232,954)	-	-	(1,921,361)	(2,232,954)
- Stage 2	11.4 (1,139,055)	(1,388,083)	-	-	(1,139,055)	(1,388,083)
- Stage 3	11.4 -	-	(40,276,048)	(38,440,559)	(40,276,048)	(38,440,559)
- Specific	11.4 -	-	(587,690)	-	-	(587,690)
- General	11.4 (4,152,364)	(4,237,082)	-	-	(4,152,364)	(4,237,082)
	<u>(7,212,780)</u>	<u>(7,858,119)</u>	<u>(40,276,048)</u>	<u>(39,028,249)</u>	<u>(47,488,828)</u>	<u>(46,886,368)</u>
Advances - net of credit loss allowance / provision	<u>1,026,759,467</u>	<u>1,106,040,289</u>	<u>2,815,834</u>	<u>3,336,253</u>	<u>1,029,575,301</u>	<u>1,109,376,542</u>

- 11.1 Advances include an amount of Rs. 401.155 million (December 31, 2024: Rs. 395.404 million), being Employee Loan facilities allowed to Citibank, N.A, **Pakistan's** employees, which were either taken over by the Holding Company, or were granted afresh, under a specific arrangement executed between the Holding Company and Citibank, N.A, Pakistan. The said arrangement is subject to certain relaxations as specified vide SBP Letter BPRD/BRD/Citi/2017/21089 dated September 11, 2017.

The said arrangement covers only existing employees of Citibank, N.A, Pakistan, and the relaxations allowed by the SBP are on continual basis, but subject to review by the **SBP's** BID and OSED departments. These loans carry mark-up at the rates ranging from 13.79% to 33.69% (December 31, 2024: 14.83% to 33.69%) per annum with maturities up to July 2045 (December 31, 2024: October 2043).

11.2 Particulars of advances (gross)	(Un-audited) September 30, 2025	(Audited) December 31, 2024
	------(Rupees in '000)-----	
In local currency	976,668,488	1,038,688,031
In foreign currencies	<u>100,395,641</u>	<u>117,574,879</u>
	<u>1,077,064,129</u>	<u>1,156,262,910</u>

- 11.3 Advances include Rs. 43,091.882 million (December 31, 2024: Rs. 42,364.502 million) which have been placed under non-performing status as detailed below:

Category of Classification	September 30, 2025 (Un-audited)		December 31, 2024 (Audited)	
	Non-Performing Loans	Credit loss allowance /provision	Non-Performing Loans	Credit loss allowance /provision
------(Rupees in '000)-----				
Domestic				
Other Assets Especially Mentioned (OAEM)	196,040	354	237,808	-
Substandard	1,971,360	726,060	2,991,264	1,260,906
Doubtful	2,383,482	1,171,516	2,311,039	1,103,457
Loss	37,868,925	37,766,899	36,168,946	36,076,196
	<u>42,419,807</u>	<u>39,664,829</u>	<u>41,709,057</u>	<u>38,440,559</u>
Overseas				
Substandard	-	-	38,700	23,355
Doubtful	-	-	-	-
Loss	672,075	611,219	616,745	564,335
	<u>672,075</u>	<u>611,219</u>	<u>655,445</u>	<u>587,690</u>
Total	<u>43,091,882</u>	<u>40,276,048</u>	<u>42,364,502</u>	<u>39,028,249</u>

11.4 Particulars of Credit loss allowance / provision against advances

	September 30, 2025 (Un-audited)				December 31, 2024 (Audited)						
	Expected Credit Loss			General	Total	Expected Credit Loss			General	Total	
	Stage 1	Stage 2	Stage 3			Stage 1	Stage 2	Stage 3			
(Rupees in '000)											
Opening balance	2,232,954	1,388,083	38,440,559	587,690	4,237,082	46,886,368	-	-	32,374,940	9,861,797	42,236,737
Impact of adoption of IFRS 9	50,662	49,899	587,751	(587,690)	-	100,622	3,383,875	1,941,645	33,605,109	(31,984,624)	(1,715,503)
Balance as at January 01 after adopting IFRS 9	2,283,616	1,437,982	39,028,310	-	4,237,082	46,986,990	3,383,875	1,941,645	33,605,109	8,146,294	47,567,239
Exchange and other adjustments	1,407	-	(5,366)	-	(3,962)	(7,921)	(249)	-	-	(49,929)	(85,953)
Charge for the period / year	370,288	174,955	7,195,758	-	-	7,741,001	589,912	228,688	14,212,577	148,294	15,179,471
Reversals for the period / year	(808,963)	(441,857)	(4,912,347)	-	(80,756)	(6,243,923)	(1,576,721)	(680,132)	(7,187,019)	(991)	(3,873,437)
	(438,675)	(266,902)	2,283,411	-	(80,756)	1,497,078	(986,809)	(451,444)	7,025,558	147,303	(3,873,437)
Transfer	75,013	(32,025)	(42,988)	-	-	-	(163,863)	(102,118)	265,981	-	-
Amounts written off	-	-	(16,209)	-	-	(16,209)	-	-	(19,688)	-	-
Amounts charged off	-	-	(940,818)	-	-	(940,818)	-	-	(2,310,924)	-	(2,310,924)
Amounts charged off - agriculture financing	-	-	(25,746)	-	-	(25,746)	-	-	(125,477)	-	(125,477)
Reversal on derecognition of subsidiary	-	-	(4,546)	-	-	(4,546)	-	-	-	-	-
	75,013	(32,025)	(1,030,307)	-	-	(987,319)	(163,863)	(102,118)	(2,190,108)	-	(2,456,089)
Closing balance	1,921,361	1,139,055	40,276,048	-	4,152,364	47,488,828	2,232,954	1,388,083	38,440,559	587,690	42,370,249

11.4.1 The additional profit arising from availing the forced sales value (FSV) benefit - net of tax as at September 30, 2025 which is not available for distribution as either cash or stock dividend to shareholders / bonus to employees amounted to Rs. 84,321 million (December 31, 2024: Rs. 70,421 million).

11.4.2 During the period, non performing loans and provisions were reduced by Rs. 442,462 million (December 31, 2024: Rs. 5,317,765 million) due to debt property swap transactions.

11.4.3 General provision includes:

- Provision held at overseas branches to meet the requirements of the regulatory authorities of the respective countries in which overseas branches operate; and
- Provision of Rs. 3,878,000 million (December 31, 2024: Rs. 3,878,000 million) against the high risk portfolio, which is showing higher economic vulnerability. The portfolio excludes GoP backed exposure, staff loans and loans secured against liquid collaterals.

11.6 Particulars of charged-off loans/ advances / finances

	September 30, 2025 (Un-audited)		December 31, 2024 (Audited)	
	No of borrowers	Rupees in '000	No of borrowers	Rupees in '000
Corporate, Commercial and SME				
Opening balance of charged-off	186	2,982,475	44	2,267,137
Charge-off during the period / year	160	152,889	145	1,331,003
Sub total	346	3,135,364	189	3,598,140
Recoveries made during the period / year against already charged-off cases	15	209,699	2	247,585
Amount written off from already charged off loans	-	-	-	-
Other movement			1	368,080
Closing balance of charged-offs	331	2,925,665	186	2,982,475

11.7 Advances - Category of classification

		September 30, 2025 (Un-audited)		December 31, 2024 (Audited)	
		Outstanding	Credit loss allowance /provision	Outstanding	Credit loss allowance /provision
----- (Rupees in '000) -----					
Domestic					
Performing	Stage 1	817,219,307	1,702,378	950,300,612	2,101,954
Underperforming	Stage 2	174,197,018	1,057,903	112,325,725	1,388,083
Non-Performing	Stage 3				
Other Assets Especially Mentioned (OAEM)		196,040	354	237,808	-
Substandard		1,971,360	726,060	2,991,264	1,260,906
Doubtful		2,383,482	1,171,516	2,311,039	1,103,457
Loss		37,868,925	37,766,899	36,168,946	36,076,196
General Provision		-	3,878,000	-	3,878,000
		1,033,836,132	46,303,110	1,104,335,394	45,808,596
Overseas					
Performing	Stage 1	39,436,848	218,983	51,272,071	131,000
Underperforming	Stage 2	3,119,074	81,151	-	-
Non-Performing	Stage 3				
Other Assets Especially Mentioned (OAEM)		-	-	-	-
Substandard		-	-	38,700	23,355
Doubtful		-	-	-	-
Loss		672,075	611,219	616,745	564,335
General Provision		-	274,365	-	359,082
		43,227,997	1,185,718	51,927,516	1,077,772
Total		1,077,064,129	47,488,828	1,156,262,910	46,886,368

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

12 PROPERTY AND EQUIPMENT

Capital work-in-progress	12.1	5,567,305	3,473,754
Property and equipment	12.2	63,953,188	60,200,095
		69,520,493	63,673,849

12.1 Capital work-in-progress

Civil works	4,491,696	3,190,303
Equipment	958,899	252,122
Others	116,710	31,329
	5,567,305	3,473,754

12.2 It includes land and buildings carried at revalued amount of Rs. 40,055.698 million (December 31, 2024: Rs. 39,448.429 million).

		(Un-audited) Nine months period ended	
		September 30, 2025	September 30, 2024
		------(Rupees in 000)-----	
12.3	Additions to property and equipment		
	The following additions were made to property and equipment during the period:		
	Capital work-in-progress - net of transferred out for capitalisation	2,093,551	254,326
	Property and equipment		
	Freehold land	283,710	1,244,879
	Leasehold land	-	5,604,974
	Buildings on freehold land	239,173	661,232
	Buildings on leasehold land	324,292	445,244
	Leasehold improvements	2,092,211	2,750,502
	Furniture and fixtures	593,622	586,524
	Office equipments	3,291,701	3,896,492
	Vehicles	1,460,807	471,784
		8,285,516	15,661,631
	Total additions to property and equipment	10,379,067	15,915,957
12.4	Disposals of property and equipment		
	The net book values of property and equipment disposed off during the period are as follows:		
	Leasehold improvements	1,598	1,181
	Furniture and fixtures	903	229
	Office equipments	15,885	13,400
	Vehicles	17,638	216
	Total disposals of property and equipment	36,024	15,026
		(Un-audited) September 30, 2025	(Audited) December 31, 2024
		------(Rupees in 000)-----	
13	RIGHT-OF-USE ASSETS	Buildings	Buildings
	At January 1		
	Cost	36,730,369	28,896,873
	Accumulated depreciation	(11,364,670)	(8,929,916)
	Net carrying amount at January 01	25,365,699	19,966,957
	Additions / renewals / amendments / (terminations) - net during the period / year	4,119,562	9,392,220
	Depreciation charge during the period / year	(3,408,222)	(3,946,074)
	Exchange rate adjustments	1,444	(47,404)
	Derecognition of subsidiary	(32,469)	-
	Closing net carrying amount	26,046,014	25,365,699
14	INTANGIBLE ASSETS		
	Capital work-in-progress / advance payment to suppliers	427,828	398,802
	Software	1,091,910	1,154,088
	Membership Card	-	6,000
	License fee	500	750
	Trademark & copyrights	495	-
		1,520,733	1,559,640
		(Un-audited) Nine months period ended	
		September 30, 2025	September 30, 2024
		------(Rupees in 000)-----	
14.1	Additions to intangible assets		
	The following additions were made to intangible assets during the period:		
	Capital work-in-progress - net; of transferred out for capitalisation	30,749	(56,360)
	Directly purchased	242,104	510,868
	Total additions to intangible assets	272,853	454,508
14.2	There were no disposal of intangible assets during the periods ended September 30, 2025 and September 30, 2024.		

	Note	(Un-audited) September 30, 2025	(Audited) December 31, 2024
		----- (Rupees in '000) -----	
15	OTHER ASSETS		
		71,290,287	82,073,211
		2,916,259	2,724,193
		5,194,571	4,619,209
		-	3,729,029
		55,343	-
	15.1	8,306,399	7,830,251
		2,800	-
		2,326,967	1,288,538
		2,161,293	3,128,782
		24,311	28,155
		610,565	1,331,990
		76,947	29,195
		2,598,961	2,817,994
		15,741,872	10,613,225
		123,504	108,907
		35,107,176	33,015,615
		28,893	44,928
		-	1,935,323
		23,570,914	21,080,743
		202,330	135,605
		170,339,392	176,534,893
	15.2	(4,489,036)	(4,709,539)
		165,850,356	171,825,354
		478,694	491,882
	15.1	166,329,050	172,317,236
15.1	The revalued amount of non-banking assets acquired in satisfaction of claims is Rs. 8,785.093 million (December 31, 2024: Rs. 8,322.133 million).		
		(Un-audited) September 30, 2025	(Audited) December 31, 2024
15.2	Credit loss allowance / provision held against other assets	----- (Rupees in '000) -----	
	Impairment against overseas operations	3,376,129	2,708,477
	Expected credit loss	57,135	181,325
	Fraud and forgeries	123,504	108,907
	Receivable against marketable securities	-	1,243,517
	Accounts receivable	567,455	67,326
	Others	364,813	399,987
		4,489,036	4,709,539
15.2.1	Movement in credit loss allowance / provision held against other assets		
	Opening balance	4,709,539	4,619,037
	Impact of adoption of IFRS 9	862	370,152
	Balance as at January 01 after adopting IFRS 9	4,710,401	4,989,189
	Exchange and other adjustments	(4,834)	(2,777)
	Charge for the period / year	1,230,083	531,375
	Reversals for the period / year	(174,493)	(753,490)
		1,055,590	(222,115)
	Amount written off	(33,165)	(54,758)
	Reversal on derecognition of subsidiary	(1,238,956)	-
	Closing balance	4,489,036	4,709,539

	(Un-audited) September 30, 2025	(Audited) December 31, 2024
	------(Rupees in '000)-----	
16	BILLS PAYABLE	
In Pakistan	34,729,053	41,462,676
Outside Pakistan	4,730,447	305,650
	<u>39,459,500</u>	<u>41,768,326</u>
17	BORROWINGS	
Secured		
Borrowings from State Bank of Pakistan under:		
Export Refinance Scheme	21,111,828	26,867,803
Long-Term Finance Facility	16,976,652	20,278,409
Financing Facility for Renewable Energy Projects	12,315,649	13,762,263
Financing Facility for Storage of Agriculture Produce (FFSAP)	717,553	698,919
Temporary Economic Refinance Facility (TERF)	22,979,582	25,697,206
Export Refinance under Bill Discounting	15,300,109	14,253,363
SME Asaan Finance (SAAF)	4,413,756	7,073,103
Refinance Facility for Combating COVID (RFCC)	836,112	932,258
Refinance and Credit Guarantee Scheme for Women Entrepreneurs	531,062	172,604
Modernization of Small and Medium Entities (MSMES)	2,283,641	1,855,749
Other refinance schemes	861	232
Repurchase agreement borrowings	474,336,950	911,260,540
	571,803,755	1,022,852,449
Repurchase agreement borrowings	28,717,588	32,209,792
Bai Muajjal	-	48,654,565
Others	-	314,967
Total secured	<u>600,521,343</u>	<u>1,104,031,773</u>
Unsecured		
Call borrowings	5,345,143	11,414,695
Overdrawn nostro accounts	3,946,519	15,736,314
Borrowings of overseas branches	106,895	5,750,351
Others		
- Pakistan Mortgage Refinance Company	7,539,292	2,464,030
- Karandaaaz Risk Participation	3,092,775	2,803,546
Total unsecured	<u>20,030,624</u>	<u>38,168,936</u>
	<u>620,551,967</u>	<u>1,142,200,709</u>

18 DEPOSITS AND OTHER ACCOUNTS

	September 30, 2025 (Un-audited)			December 31, 2024 (Audited)		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	------(Rupees in '000)-----					
Customers						
- Current deposits	783,705,972	144,545,134	928,251,106	644,305,838	165,613,660	809,919,498
- Savings deposits	488,007,585	33,045,801	521,053,386	607,199,365	34,755,471	641,954,836
- Term deposits	417,158,882	68,693,496	485,852,378	315,007,439	69,798,774	384,806,213
- Others	38,007,085	13,579,475	51,586,560	35,232,274	12,915,513	48,147,787
	1,726,879,524	259,863,906	1,986,743,430	1,601,744,916	283,083,418	1,884,828,334
Financial Institutions						
- Current deposits	5,844,543	6,034,782	11,879,325	4,204,792	2,747,963	6,952,755
- Savings deposits	121,184,564	924,410	122,108,974	185,650,940	2,372,391	188,023,331
- Term deposits	40,462,363	4,976,309	45,438,672	47,797,204	8,366,800	56,164,004
- Others	110,157	4,548	114,705	136,154	120	136,274
	167,601,627	11,940,049	179,541,676	237,789,090	13,487,274	251,276,364
	<u>1,894,481,151</u>	<u>271,803,955</u>	<u>2,166,285,106</u>	<u>1,839,534,006</u>	<u>296,570,692</u>	<u>2,136,104,698</u>

18.1 Current deposits include remunerative current deposits of Rs. 39,042.040 million (December 31, 2024: Rs. 26,618.402 million).

	Note	(Un-audited) September 30, 2025	(Audited) December 31, 2024
19	LEASE LIABILITIES	----- (Rupees in '000) -----	
	Opening as at January 01	29,555,307	22,899,808
	Additions / renewals / amendments / (terminations) - net	4,033,869	9,328,489
	Finance charges	3,183,672	3,518,804
	Lease payments including interest	(4,971,793)	(6,138,088)
	Exchange rate / other adjustment	3,146	(53,706)
	Derecognition of subsidiary	37.2	(42,920)
	Closing net carrying amount	<u>31,761,281</u>	<u>29,555,307</u>
19.1	Liabilities outstanding		
	Not later than one year	2,382,973	2,061,668
	Later than one year and upto five years	12,717,751	11,067,332
	Over five years	<u>16,660,557</u>	<u>16,426,307</u>
	Total as at period / year end	<u>31,761,281</u>	<u>29,555,307</u>
20	SUBORDINATED DEBT		
	Term Finance Certificates VI - Additional Tier-I (ADT-1)	20.1	7,000,000
	Term Finance Certificates VIII - Additional Tier-I (ADT-1)	20.2	<u>7,000,000</u>
		<u>14,000,000</u>	<u>14,000,000</u>

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

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

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

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

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

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

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

21 DEFERRED TAX LIABILITIES

Deductible Temporary Differences on:

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

(2,629,155)	(2,375,374)
(3,184,408)	(4,857,280)
(41,398)	(49,009)
(2,180,451)	(1,536,101)
(17,282,835)	(14,129)
(40,092)	(8,679)
(4,278)	(2,111)
(163)	(311)
(104,813)	-
(3,070,903)	(2,504,065)
(6,023)	(3,697)
-	(45,636)
(28,544,519)	(11,396,392)

Taxable Temporary Differences on:

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

-	2,087,274
-	111,143
588,298	643,213
13,506,657	12,812
21,771,486	17,238,393
2,442,163	2,386,906
191,299	177,167
3,581,055	2,989,028
4,974,373	5,209,488
47,055,331	30,855,424
18,510,812	19,459,032

22	OTHER LIABILITIES	Note	(Un-audited) September 30, 2025	(Audited) December 31, 2024
			------(Rupees in '000)-----	
	Mark-up / return / interest payable in local currency		19,676,064	35,014,735
	Mark-up / return / interest payable in foreign currencies		1,627,331	1,715,640
	Unearned fee commission and income on bills discounted and guarantees		4,927,998	4,063,795
	Accrued expenses		22,293,453	17,352,068
	Current taxation		438,475	-
	Acceptances		35,107,176	33,015,615
	Dividends payable		340,442	307,709
	Mark to market loss on forward foreign exchange contracts		2,121,089	1,090,874
	Mark to market loss on derivatives		71,321	69,063
	Alternative Delivery Channel (ADC) settlement accounts	22.2	7,005,699	1,719,649
	Provision for compensated absences		1,603,476	1,290,476
	Payable against redemption of customer loyalty / reward points		1,517,987	1,041,845
	Charity payable		194,011	176,604
	Credit loss allowance / provision against off-balance sheet obligations	22.1	868,875	780,711
	Security deposits against leases, lockers and others		19,158,522	13,058,856
	Workers' welfare fund		7,880,790	6,790,718
	Payable to vendors and suppliers		886,070	630,070
	Margin deposits on derivatives		1,398,459	2,415,337
	Payable to merchants (card acquiring)		1,783,998	959,295
	Withholding taxes payable		4,365,943	6,467,747
	Payable against marketable securities		241,828	881,360
	Liability against share based payment		954,506	870,000
	Trading liability		-	15,600,626
	Others		8,774,139	7,268,135
			<u>143,237,652</u>	<u>152,580,928</u>

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

Opening balance	780,711	78,624
Impact of adoption of IFRS 9	<u>2,714</u>	<u>1,085,673</u>
Balance as at January 01 after adopting IFRS 9	783,425	1,164,297
Exchange and other adjustments	5,420	(4,925)
Charge for the period / year	<u>395,540</u>	<u>472,414</u>
Reversals for the period / year	<u>(315,510)</u>	<u>(851,075)</u>
	80,030	(378,661)
Closing balance	<u>868,875</u>	<u>780,711</u>

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

	Note	(Un-audited) September 30, 2025	(Audited) December 31, 2024
		------(Rupees in '000)-----	
23	SURPLUS ON REVALUATION OF ASSETS		
Surplus on revaluation of:			
- Securities measured at FVOCI - debt	10.1	26,494,445	23,227,089
- Securities measured at FVOCI - equity	10.1	13,080,644	6,746,862
- Available for sale securities of associates		45,620	84,963
- Property and equipment		19,848,295	19,939,951
- Non-banking assets acquired in satisfaction of claims		478,694	491,882
		59,947,698	50,490,747
Less: Deferred tax liability on surplus on revaluation of:			
- Securities measured at FVOCI - debt		(13,776,405)	(12,077,792)
- Securities measured at FVOCI - equity		(6,801,935)	(3,508,368)
- Available for sale securities of associates		(23,722)	(44,181)
- Property and equipment		(2,442,163)	(2,386,906)
- Non-banking assets acquired in satisfaction of claims		(191,299)	(177,167)
		(23,235,524)	(18,194,414)
Derivatives deficit		(2,294,512)	(3,175,304)
Less: Deferred tax asset on derivative		1,193,146	1,651,158
		(1,101,366)	(1,524,146)
		<u>37,813,540</u>	<u>33,820,479</u>
24	CONTINGENCIES AND COMMITMENTS		
- Guarantees	24.1	204,547,441	181,819,233
- Commitments	24.2	885,306,986	693,691,150
- Other contingent liabilities	24.3.1	23,774,654	23,153,037
		<u>1,113,629,081</u>	<u>898,663,420</u>
24.1	Guarantees:		
Financial guarantees		6,195,216	6,048,920
Performance guarantees		70,389,133	66,136,458
Other guarantees		127,963,092	109,633,855
		<u>204,547,441</u>	<u>181,819,233</u>
24.2	Commitments:		
Documentary credits and short-term trade-related transactions			
- Letters of credit		257,097,251	220,709,466
Commitments in respect of:			
- forward foreign exchange contracts	24.2.1	438,823,454	266,938,066
- forward government securities transactions	24.2.2	81,358,634	149,529,384
- derivatives	24.2.3	30,571,408	33,466,502
- forward lending	24.2.4	71,285,864	16,490,171
Commitments for acquisition of:			
- property and equipment		5,640,217	5,479,175
- intangible assets		249,158	332,386
Commitments in respect of donations		281,000	296,000
Other commitments	24.2.5	-	450,000
		<u>885,306,986</u>	<u>693,691,150</u>
24.2.1	Commitments in respect of forward foreign exchange contracts		
Purchase		238,494,474	144,906,210
Sale		200,328,980	122,031,856
		<u>438,823,454</u>	<u>266,938,066</u>
24.2.2	Commitments in respect of forward government securities transactions		
Purchase		12,805,917	55,393,978
Sale		68,552,717	94,135,406
		<u>81,358,634</u>	<u>149,529,384</u>

	Note	(Un-audited) September 30, 2025	(Audited) December 31, 2024
------(Rupees in '000)-----			
24.2.3 Commitments in respect of derivatives			
Interest rate swaps			
Purchase	25.1	21,056,290	23,054,358
Sale		-	-
		<u>21,056,290</u>	<u>23,054,358</u>
Cross currency swaps			
Purchase	25.1	-	-
Sale		9,515,118	10,412,144
		<u>9,515,118</u>	<u>10,412,144</u>
Total commitments in respect of derivatives		<u>30,571,408</u>	<u>33,466,502</u>
24.2.4 Commitments in respect of forward lending			
Undrawn formal standby facilities, credit lines and other commitments to lend	24.2.4.1	<u>71,285,864</u>	<u>16,490,171</u>

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

24.2.5 Other Commitments

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

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

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

24.4 Contingency for tax payable

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

25 DERIVATIVE INSTRUMENTS

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

25.1 Product Analysis

September 30, 2025 (Un-audited)					
Interest Rate Swaps			Cross Currency Swaps		
No. of contracts	Notional Principal	Mark to market gain - net	No. of contracts	Notional Principal	Mark to market gain - net
------(Rupees in '000)-----			------(Rupees in '000)-----		
Counterparties					
With Banks for Hedging	22	21,056,290	1,376,265	-	-
With other entities					
Market making	-	-	-	6	9,515,118
	<u>22</u>	<u>21,056,290</u>	<u>1,376,265</u>	<u>6</u>	<u>9,515,118</u>
					<u>713,707</u>
December 31, 2024 (Audited)					
Interest Rate Swaps			Cross Currency Swaps		
No. of contracts	Notional Principal	Mark to market gain - net	No. of contracts	Notional Principal	Mark to market gain - net
------(Rupees in '000)-----			------(Rupees in '000)-----		
Counterparties					
With Banks for Hedging	27	23,054,358	2,172,667	-	-
With other entities					
Market making	-	-	-	6	10,412,144
	<u>27</u>	<u>23,054,358</u>	<u>2,172,667</u>	<u>6</u>	<u>10,412,144</u>
					<u>887,052</u>

		(Un-audited)	
		Nine months period ended	
		September 30, 2025	September 30, 2024
		------(Rupees in '000)-----	
		(Restated)	
26	MARK-UP/RETURN/INTEREST EARNED		
	On:		
	a) Loans and advances	88,963,036	99,354,349
	b) Investments	174,819,191	283,849,364
	c) Lendings to financial institutions	3,189,786	4,415,310
	d) Balances with banks / financial institutions	233,843	389,463
	e) On securities purchased under resale agreements	3,630,875	3,484,258
		<u>270,836,731</u>	<u>391,492,744</u>
27	MARK-UP/RETURN/INTEREST EXPENSED		
	On:		
	a) Deposits	86,680,438	176,729,946
	b) Borrowings	12,707,168	14,686,198
	c) Securities sold under repurchase agreements	62,639,419	91,760,642
	d) Subordinated debt	1,498,157	2,435,916
	e) Cost of foreign currency swaps against foreign currency deposits / borrowings	1,783,056	5,997,990
	f) Leased assets	3,181,148	2,492,016
	g) Reward points / customer loyalty	840,707	298,010
		<u>169,330,093</u>	<u>294,400,718</u>
	Note		
		(Un-audited)	
		Nine months period ended	
		September 30, 2025	September 30, 2024
		------(Rupees in '000)-----	
28	FEE & COMMISSION INCOME		
	Branch banking customer fees	1,388,837	1,118,108
	Consumer finance related fees	606,427	451,171
	Card related fees (debit and credit cards)	2,599,021	2,696,125
	Credit related fees	469,600	612,589
	Investment banking fees	354,175	68,295
	Commission on trade	2,453,991	2,297,898
	Commission on guarantees	684,471	568,626
	Commission on cash management	54,792	48,653
	Commission on remittances including home remittances	351,248	2,105,570
	Commission on bancassurance	453,626	438,401
	Card acquiring business	704,837	1,210,421
	Wealth management fee	435,383	262,344
	Commission on Benazir Income Support Programme (BISP)	291,924	1,016,264
	Alternative Delivery Channel (ADC) settlement accounts	902,799	708,000
	Brokerage / commission Income	-	148,170
	Others	205,790	218,797
		<u>11,956,921</u>	<u>13,969,432</u>
29	FOREIGN EXCHANGE INCOME		
	Foreign exchange income	9,148,914	9,071,286
	Foreign exchange loss related to derivatives	(211,556)	(1,298,565)
		<u>8,937,358</u>	<u>7,772,721</u>
30	GAIN ON SECURITIES		
	Realised gain	30.1 10,262,220	5,608,881
	Unrealised (loss) / gain - measured at FVPL	10.1 (201,564)	3,424,288
	Unrealised loss on trading liabilities - net	-	(434,553)
		<u>30.2 10,060,656</u>	<u>8,598,616</u>

		(Un-audited)	
		Nine months period ended	
		September 30, 2025	September 30, 2024
		------(Rupees in '000)-----	
30.1	Realised gain on:		
	Federal government securities	8,787,257	5,205,668
	Shares	725,374	104,013
	Non government debt securities	99,920	-
	Foreign Securities	649,669	299,200
		<u>10,262,220</u>	<u>5,608,881</u>
30.2	Net gain / (loss) on financial assets / liabilities measured:		
	At FVPL		
	Designated upon initial recognition	3,907,149	5,980,271
	Mandatorily measured at FVPL	(10,313)	1,437,176
		3,896,836	7,417,447
	Net gain on financial assets measured at FVOCI - Debt	6,163,820	1,181,169
		<u>10,060,656</u>	<u>8,598,616</u>
		(Un-audited)	
		Nine months period ended	
		September 30, 2025	September 30, 2024
		------(Rupees in '000)-----	
		(Restated)	
31	OTHER INCOME		
	Rent on property	7,298	18,339
	Gain on sale of property and equipment - net	43,642	81,136
	Gain on sale of non banking assets - net	3,368	27,800
	(Loss) / profit on termination of leased contracts (Ijarah)	(37)	7
	Gain on FVPL loans / advances	72,472	62,345
	Gain on termination of leases	85,693	57,165
	Insurance premium of overseas recovered	719,128	-
	Others	7,986	1,468
		<u>939,550</u>	<u>248,260</u>
32	OPERATING EXPENSES		
	Total compensation expense	32.1 36,407,375	28,428,699
	Property expense		
	Rates and taxes	332,659	288,964
	Utilities cost	2,703,212	2,791,590
	Security (including guards)	1,769,120	1,262,365
	Repair and maintenance (including janitorial charges)	1,799,548	1,445,669
	Depreciation on right-of-use assets	3,400,876	2,842,869
	Depreciation on non-banking assets acquired in satisfaction of claims	53,597	29,942
	Depreciation on owned assets	1,004,580	765,691
		11,063,592	9,427,090
	Information technology expenses		
	Software maintenance	2,656,735	2,427,067
	Hardware maintenance	927,919	556,174
	Depreciation	1,325,222	1,027,733
	Amortisation	301,828	275,217
	Network charges	591,484	578,943
	Consultancy and support services	69,538	168,819
		5,872,726	5,033,953
	Balance carried forward	<u>53,343,693</u>	<u>42,889,742</u>

	(Un-audited)	
	Nine months period ended	
	September 30, 2025	September 30, 2024
	------(Rupees in '000)-----	
		(Restated)
Balance brought forward	53,343,693	42,889,742
Other operating expenses		
Directors' fees and allowances	116,320	102,240
Fees and allowances to Shariah Board	23,029	15,046
Legal and professional charges	784,314	361,130
Outsourced services costs	1,251,935	1,064,779
Travelling and conveyance	1,622,581	1,139,962
Clearing and custodian charges	197,580	146,963
Depreciation	2,101,584	1,584,102
Training and development	257,898	225,466
Postage and courier charges	433,940	364,037
Communication	2,913,122	2,279,011
Stationery and printing	1,646,483	1,281,400
Marketing, advertisement and publicity	13,703,578	3,130,329
Donations	208,498	218,982
Auditors' remuneration	185,163	169,063
Brokerage and commission	1,241,604	775,415
Entertainment	733,294	630,232
Repairs and maintenance	973,239	741,291
Insurance	1,739,718	1,439,364
Cash Handling charges	1,646,525	1,486,098
CNIC verification	549,738	346,862
Others	908,869	669,979
	33,239,012	18,171,751
	<u>86,582,705</u>	<u>61,061,493</u>

32.1 Total compensation expense

Managerial Remuneration		
i) Fixed	20,253,003	17,450,633
ii) Variable:		
a) Cash bonus / awards etc.	5,449,343	4,365,194
b) Bonus and awards in shares etc.	806,637	455,250
Charge for defined benefit plan	721,426	503,473
Contribution to defined contribution plan	843,903	650,389
Medical	2,127,343	1,585,749
Conveyance	2,451,807	1,060,354
Staff compensated absences	313,000	157,500
Staff life insurance	129,559	108,046
Staff welfare	51,789	53,645
Club subscription	7,485	10,669
Others	-	19,370
Sub-total	33,155,295	26,420,272
Sign-on Bonus	33,817	39,499
Staff loans - notional cost	3,064,364	1,968,928
Severance Allowance	153,899	-
Grand Total	<u>36,407,375</u>	<u>28,428,699</u>

33 WORKERS' WELFARE FUND

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

		Note	(Un-audited)	
			Nine months period ended	
			September 30, 2025	September 30, 2024
			------(Rupees in '000)-----	
34	OTHER CHARGES			
	Penalties imposed by the State Bank of Pakistan		13,499	218,820
35	CREDIT LOSS ALLOWANCE / PROVISIONS / (REVERSALS) AND WRITE OFFS - NET			
	Credit loss allowance / (reversal) against cash with treasury banks		56,633	(37,325)
	Credit loss allowance against balance with other banks		3,281	2,073
	Reversal of credit loss allowance against lending to financial institutions		(285)	(13,153)
	(Reversal of) / credit loss allowance / provision against diminution in value of investments	10.4.1	(159,881)	(271,134)
	Credit loss allowance / provision against loans & advances	11.4	1,497,078	1,192,001
	Credit loss allowance / (reversal) against other assets		1,060,151	(376,565)
	Credit loss allowance / (reversal) against off-balance sheet obligations	22.1	80,030	162,100
	Credit loss allowance / (reversal of other credit loss allowance) / write off - net		10,319	(30,556)
	Recovery of written off / charged off bad debts		(599,806)	(419,045)
			1,947,520	208,396
			(Un-audited)	
			Nine months period ended	
			September 30, 2025	September 30, 2024
			------(Rupees in '000)-----	
			(Restated)	
36	TAXATION			
	Charge / (reversal) :			
	Current		28,797,910	33,555,679
	Prior years		3,167,631	(118,406)
	Deferred		(5,497,159)	(188,029)
			26,468,382	33,249,244
36.1	a)	The income tax assessments of the Holding Company have been finalised upto and including tax year 2024. In respect of tax years 2008, 2014, 2017, 2019 and 2021 to 2024, the tax authority has raised certain issues including default in payment of WWF, allocation of expenses to dividend and capital gains, dividend income from mutual funds not being taken under income from business and disallowance of leasehold improvements resulting in tax demand of Rs. 1,217.274 million (December 31, 2024: Rs. 1,217.274 million) net of relief provided in appeal. The Holding Company has filed an appeal which is pending before the Tribunal. The management is confident that the matter will be decided in favour of the Holding Company and consequently has not made any provision in this respect.		
	b)	The Holding Company had received orders from a provincial tax authority for the periods from July 2011 to December 2020 wherein tax authority demanded sales tax on banking services and penalty amounting to Rs. 763.312 million (excluding default surcharge) by disallowing certain exemptions of sales tax on banking services and allegedly for short payment of sales tax. For periods from July 2011 to June 2014, appeals against orders are pending before Commissioner Appeals whereas for periods July 2014 to December 2020, Appellate Tribunal has decided the matters against the Holding Company. The Holding Company has filed appeals against these orders before Sindh High Court after consultation with the tax consultant.		
		The Holding Company has not made any provision against these orders and the management is of the view that these matters will be settled in Holding Company's favour through appellate process.		
	c)	The Holding Company had received two different orders for the same accounting year 2016 from a tax authority wherein sales tax, further tax and penalty amounting to Rs. 5.191 million and Rs. 8.601 million (excluding default surcharge) were demanded allegedly for non-payment of sales tax on certain transactions. Appeals against these orders are pending before Commissioner Appeals and Appellate Tribunal.		

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

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

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

37 DISCONTINUED OPERATIONS - ALFALAH SECURITIES (PRIVATE) LIMITED

37.1 The shareholders of the Holding Company in annual general meeting held on March 20, 2025 approved to sell entire shareholding in its subsidiary, Alfalah Securities (Private) Limited. The sale transaction was completed during the period in accordance with the applicable legal and regulatory requirements against a consideration of Rs. 396.857 million.

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

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

ASSETS

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

LIABILITIES

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

NET ASSETS

Net assets attributable to:	
Equity holders of the Holding Company	431,173
Non-controlling interest	19,892
	451,065

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

Net assets derecognised	431,173
Consideration received against derecognition of net assets of subsidiary	396,857
	(34,316)

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

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

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

NON MARK-UP / INTEREST INCOME

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

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

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

Profit before credit loss allowance / provisions	<u>3,235</u>
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(Reversal of credit loss allowance) / provisions and write offs - net	(4,561)
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PROFIT BEFORE TAXATION	<u>7,796</u>
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Taxation	48,872
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LOSS AFTER TAXATION	<u>(41,076)</u>
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Loss on derecognition of subsidiary	(34,316)
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LOSS AFTER TAXATION FROM DISCONTINUED OPERATIONS	<u><u>(75,392)</u></u>
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Loss attributable to:

Equity holders of the Holding Company	(73,581)
Non-controlling interest	(1,811)
	<u><u>(75,392)</u></u>

		(Un-audited)	
		Nine months period ended	
		September 30, 2025	September 30, 2024
		----- (Rupees in '000) -----	
38	BASIC AND DILUTED EARNINGS PER SHARE		(Restated)
	Attributable to equity holders of the Holding Company		
	Profit for the period from continuing operations	21,472,738	35,200,367
	Loss for the period from discontinued operations	(73,581)	-
	Profit for the period	<u>21,399,157</u>	<u>35,200,367</u>
		----- (Number of shares in '000) -----	
	Weighted average number of ordinary shares	<u>1,577,165</u>	<u>1,577,165</u>
		----- (Rupees) -----	
	Basic and diluted earnings per share from continuing operations	13.61	22.32
	Basic and diluted loss per share from discontinued operations	(0.05)	-
	Basic and diluted earnings per share	<u>13.56</u>	<u>22.32</u>

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

		Note	(Un-audited)	
			Nine months period ended	
			September 30, 2025	September 30, 2024
			----- (Rupees in '000) -----	
39	CASH AND CASH EQUIVALENTS			
	Cash and balances with treasury banks	7	218,993,445	207,151,240
	Balances with other banks	8	10,492,828	14,067,035
	Call / clean money lendings	9	31,160,813	6,488,591
	Overdrawn nostro accounts	17	(3,946,519)	(4,563,565)
	Less: Expected credit loss		(86,794)	(22,490)
			<u>256,613,773</u>	<u>223,120,811</u>

40 FAIR VALUE MEASUREMENTS

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

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

40.1 Fair value of financial instruments

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

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

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

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

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

	September 30, 2025 (Un-audited)			
	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments	----- (Rupees in '000) -----			
Financial assets - measured at fair value				
Investments				
- Federal government securities	60,754,032	1,186,822,368	-	1,247,576,400
- Shares - listed companies	27,553,632	-	-	27,553,632
- Shares - unlisted companies	-	-	3,654,835	3,654,835
- REIT Fund - listed	1,802,620	-	-	1,802,620
- Non-government debt securities	14,762,000	4,140,636	-	18,902,636
- Foreign government securities	-	69,109,485	-	69,109,485
- Foreign equity securities	256,873	-	-	256,873
- Foreign preference shares - unlisted	-	-	562,627	562,627
- Foreign non-government debt securities	-	25,121,855	7,614,455	32,736,310
Financial assets - disclosed but not measured at fair value				
Investments - amortised cost	-	236,662,806	-	236,662,806
Financial assets - measured at fair value				
Advances				
- Loans, cash credits, running finances, etc.	-	-	1,800,000	1,800,000
Off-balance sheet financial instruments - measured at fair value				
- Forward purchase of foreign exchange	-	2,326,967	-	2,326,967
- Forward sale of foreign exchange	-	(2,121,089)	-	(2,121,089)
- Forward purchase of government securities	-	(10,747)	-	(10,747)
- Forward sale of government securities	-	73,263	-	73,263
- Derivatives purchases	-	1,376,265	-	1,376,265
- Derivatives sales	-	713,707	-	713,707
	December 31, 2024 (Audited)			
	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments	----- (Rupees in '000) -----			
Financial assets - measured at fair value				
Investments				
- Federal government securities	67,225,943	1,504,470,243	-	1,571,696,186
- Shares - listed companies	18,556,227	-	-	18,556,227
- Shares - unlisted companies	-	-	2,333,188	2,333,188
- Preference shares - unlisted companies	-	-	500,000	500,000
- REIT Fund - listed	1,514,982	-	-	1,514,982
- Non-government debt securities	14,991,550	4,473,526	-	19,465,076
- Foreign government securities	-	62,233,161	-	62,233,161
- Foreign equity securities	257,181	-	-	257,181
- Foreign non-government debt securities	-	25,193,470	8,315,048	33,508,518
Financial assets - disclosed but not measured at fair value				
Investments - amortised cost	-	279,284,570	-	279,284,570
Financial assets - measured at fair value				
Advances				
- Loans, cash credits, running finances, etc.	-	-	1,413,735	1,413,735
Off-balance sheet financial instruments - measured at fair value				
- Forward purchase of foreign exchange	-	1,288,538	-	1,288,538
- Forward sale of foreign exchange	-	(1,090,874)	-	(1,090,874)
- Forward purchase of government securities	-	(12,708)	-	(12,708)
- Forward sale of government securities	-	(451,343)	-	(451,343)
- Derivatives purchases	-	2,172,667	-	2,172,667
- Derivatives sales	-	887,052	-	887,052

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

40.3 Valuation techniques used in determination of fair values:

40.3.1 Fair value of financial assets

(a) Financial instruments in level 1

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

(b) Financial instruments in level 2

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

(c) Financial instruments in level 3

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

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

40.3.2 Fair value of non-financial assets

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

40.3.3 Valuation techniques

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

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

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

Description	Fair value as at September 30, 2025 (Un-audited)	Fair value as at December 31, 2024 (Audited)	Unobservable inputs*	Discount Rate	Relationship of unobservable inputs to fair value
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----- (Rupees in '000) -----

Ordinary shares - unlisted (income approach)	2,805,531	2,333,188	Discount rate	16.50% - 19.00%	Increase / (decrease) in discount rate by 1% with all other variables held constant, would (decrease) / increase the fair value by Rs. 115.120 million and Rs. 125.336 million (December 31, 2024: Rs. 90.457 million and Rs. 97.873 million) respectively.
Ordinary shares - unlisted (market approach)	849,304	-	Market multiple / transaction price	Not applicable	Not applicable
Foreign preference shares - unlisted (market approach)	562,627	-	Transaction price	Not applicable	Not applicable
Preference shares - unlisted	-	500,000	Transaction price	Not applicable	Not applicable
Redeemable participating certificates	7,614,455	8,315,048	Net asset value	Not applicable	Not applicable
Advances classified at FVPL	-	1,413,735	Discount rate	30.0%	Increase / (decrease) in discount rate by 1% with all other variables held constant, would (decrease) / increase the fair value by Nil (December 31, 2024: Rs. 14.903 million and Rs. 15.134 million) respectively.
Advances classified at FVPL	1,800,000	-	Transaction price	Not applicable	Not applicable

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

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

	September 30, 2025 (Un-audited)		December 31, 2024 (Audited)	
	Investments	Advances	Investments	Advances
----- (Rupees in '000) -----				
Opening balance	11,148,236	1,413,735	6,283,601	1,200,000
Impact of adoption of IFRS 9	761,681	-	2,271,824	122,135
Balance as at January 01 after adopting IFRS 9	11,909,917	1,413,735	8,555,425	1,322,135
Additions / (disposals) / transfers - net	37,760	386,265	-	-
Remeasurement recognised in OCI or profit and loss / adjustments	(115,760)	-	2,592,811	91,600
Closing balance	11,831,917	1,800,000	11,148,236	1,413,735

41 SEGMENT INFORMATION

41.1 Segment details with respect to Business Activities

For the nine months period ended September 30, 2025 (Un-audited)							
Retail	Corporate	Islamic (Domestic)	Treasury	Digital	Overseas	Subsidiaries	Others**
(Rupees in '000)							

Consolidated statement of profit and loss account

Net mark-up / return / profit *	23,504,907	22,513,231	80,053,399	(259,349)	6,034,840	30,251	27,623
Inter segment revenue - net	(16,675,823)	(1,865,877)	(66,867,791)	6,025,608	(244,317)	-	(819,960)
Non mark-up / return / interest income *	8,440,582	2,532,104	20,376,572	2,929,365	1,556,790	74,487	1,878,641
Total income / (loss)	62,998,245	13,260,424	33,562,180	8,695,624	7,347,313	104,738	1,086,304
Segment direct expenses	12,476,531	13,428,872	1,069,501	4,175,961	3,308,174	239,567	23,749,214
Inter segment expense allocation	15,081,412	5,040,457	850,938	1,836,784	549,443	-	(405,543)
Total expenses	44,078,142	13,984,673	18,469,329	6,012,745	3,857,617	239,567	(876,236)
Credit loss allowance / provision / (reversals)	1,857,404	(858,002)	(15,432)	46,764	530,531	477,807	(30)
Profit / (loss) before tax - continuing operations	17,662,699	133,763	4,725,621	31,594,977	2,152,348	3,011,889	1,177,856
						(134,799)	(11,783,224)
							47,941,120

As at September 30, 2025 (Un-audited)							
Retail	Corporate	Islamic (Domestic)	Treasury	Digital	Overseas	Subsidiaries	Others**
(Rupees in '000)							

Consolidated statement of financial position

Cash and bank balances	15,139,791	55,782,409	-	1,706,510	48,800,220	633,016	-
Investments	4,381,643	200,776,327	1,291,746,391	-	137,804,276	150,659	9,593,598
Inter segment lending - net	-	-	36,437,727	26,352,253	-	-	120,791,014
Lendings to financial institutions	478,220,774	27,599,658	-	-	9,749,679	-	17,487,917
Advances - performing	1,123,387	231,253,801	-	47,855	41,897,509	-	176,240
- non-performing	40,330,010	59,379,660	897,604	(77)	144,771	-	2,815,834
Others	59,379,660	59,646,938	21,424,498	1,248,750	5,266,410	274,482	74,256,982
Total assets	1,432,251,472	557,595,777	575,956,737	29,355,291	243,662,865	1,058,157	222,305,751
							(118,269,773)
							3,229,096,893

Borrowings	56,110,040	33,182,655	475,979,565	-	46,228,452	-	-
Subordinated debt	-	-	-	-	-	-	-
Deposits and other accounts	222,099,166	422,501,575	6,204	28,441,850	144,447,107	-	14,000,000
Inter segment borrowing - net	234,494,831	33,340,096	869,148,823	-	35,901,643	-	164,836
Others	61,855,341	81,700,138	(9,677,082)	913,441	15,115,277	168,803	(1,172,888,393)
Total liabilities	1,432,251,472	557,595,777	570,724,464	1,335,457,510	241,692,479	168,803	35,093,459
Net assets	-	-	-	-	-	-	2,908,128
Equity including non-controlling interest	-	-	-	-	-	-	(1,182,697,773)
Contingencies and commitments	-	-	-	-	-	-	3,033,806,318
							195,290,575
							195,290,575

The segment statement of profit and loss account

illustrates revenue based on customer, channel, and product ownership. Consequently, revenue might appear in multiple segments since each one plays a role in capturing that income stream.

* Net mark-up and non mark-up income includes Rs. 413,219 million and Rs. 428,672 million respectively of investment banking.

** Others include head office related activities.

Consolidated statement of profit and loss account

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As at December 31, 2024 (Audited)

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

Borrowings	18,008,205	66,732,348	35,770,158	1,037,179,587	-	28,681,197	314,967	-	(44,485,753)	1,142,200,709
Subordinated debt	-	-	-	-	-	-	-	14,000,000	-	14,000,000
Deposits and other accounts	1,277,413,227	262,957,681	398,788,680	-	12,936,578	185,193,870	-	2,800	(1,188,138)	2,136,104,698
Inter segment borrowing - net	-	330,688,006	30,376,465	689,991,745	-	31,961,837	-	-	(1,083,018,053)	-
Others	70,986,761	38,143,963	76,483,156	18,960,678	557,877	9,902,659	1,056,951	28,456,609	(1,185,061)	243,363,593
Total liabilities	1,366,408,193	698,521,998	541,418,459	1,746,132,010	13,494,455	255,739,563	1,371,918	42,459,409	(1,129,877,005)	3,535,669,000
Net assets	-	-	6,176,204	10,906,631	-	848,543	1,515,186	161,940,133	-	181,386,697
Equity including non-controlling interest	-	-	-	-	-	-	-	-	-	181,386,697
Contingencies and commitments	137,249,361	230,283,930	79,773,852	391,608,905	718	54,966,306	495,725	4,284,623	-	898,663,420

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

* Net mark-up and non mark-up income includes Rs. 269,508 million and Rs. 145,367 million respectively of investment banking.

** Others include head office related activities.

RELATED PARTY TRANSACTIONS

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

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

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

	As at September 30, 2025 (Un-audited)				As at December 31, 2024 (Audited)			
	Directors / CEO	Key management personnel	Associates	Other related parties	Directors / CEO	Key management personnel	Associates	Other related parties
	----- (Rupees in '000) -----				----- (Rupees in '000) -----			
Investments								
Opening balance	-	-	6,925,737	2,923,188	-	-	6,052,472	1,802,909
Investment made during the period / year	-	-	-	825,072	-	-	-	511,863
Investment redeemed / disposed off during the period / year	-	-	-	(602,436)	-	-	-	(331,613)
Revaluation of investment during the period / year	-	-	-	828,232	-	-	-	2,190,383
Equity method adjustment	-	-	1,138,513	-	-	-	873,265	-
Transfer in / (out) - net	-	-	-	562,627	-	-	-	(1,250,354)
Closing balance	-	-	8,064,250	4,536,683	-	-	6,925,737	2,923,188
Credit loss allowance / provision for diminution in value of investments								
	-	-	-	-	-	-	-	-
Advances								
Opening balance	11,225	971,469	-	1,052,432	14,918	935,186	-	1,925,526
Addition during the period / year	630	340,106	-	8,437,337	1,715	232,432	-	43,510,218
Repaid during the period / year	(3,199)	(350,289)	-	(7,632,169)	(5,408)	(194,161)	-	(44,383,312)
Transfer in / (out) - net	-	1,184	-	1,864	-	(1,988)	-	-
Closing balance	8,656	962,470	-	1,859,464	11,225	971,469	-	1,052,432
Credit loss allowance held against advances								
	3	449	-	6,799	34	3,690	-	1,524
Other Assets								
Interest / mark-up accrued	5,161	81,756	-	47,129	4,593	81,687	-	22,681
Receivable from staff retirement fund	-	-	-	610,565	-	-	-	1,331,990
Prepayment / rent and other receivable	-	-	-	176,009	-	-	9,209	-
Advance against shares	-	-	-	55,343	-	-	-	-
Acceptances	-	-	-	-	-	-	-	17,081
Credit loss allowance against other assets								
	-	-	-	-	-	-	-	14
Borrowings								
Opening balance	-	-	-	2,464,030	-	-	-	2,605,576
Borrowings during the period / year	-	-	-	6,575,000	-	-	-	1,149,273
Settled during the period / year	-	-	-	(1,499,738)	-	-	-	(1,290,819)
Closing balance	-	-	-	7,539,292	-	-	-	2,464,030
Deposits and other accounts								
Opening balance	185,847	392,643	60,026,664	12,533,349	406,959	340,757	17,153,420	18,550,205
Received during the period / year	2,729,726	4,653,738	1528,202,653	123,663,067	5,668,276	4,582,080	1,211,982,771	276,598,239
Withdrawn during the period / year	(2,858,164)	(4,385,627)	(1,584,981,759)	(123,352,560)	(5,889,395)	(4,524,294)	(1,169,109,527)	(278,997,497)
Transfer in / (out) - net	-	(13,643)	-	273	7	(5,900)	-	(3,617,598)
Closing balance	57,409	647,111	3,247,558	12,844,129	185,847	392,643	60,026,664	12,533,349

	As at September 30, 2025 (Un-audited)				As at December 31, 2024 (Audited)			
	Directors/ CEO	Key management personnel	Associates	Other related parties	Directors/ CEO	Key management personnel	Associates	Other related parties
	----- (Rupees in '000) -----				----- (Rupees in '000) -----			
Subordinated debt	-	-	-	-	-	-	-	300,000
Opening balance	-	-	-	-	-	-	-	(300,000)
Transfer in / (out) - net	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-
Other Liabilities	65	2,933	-	201,638	226	248	-	126,062
Interest / mark-up payable	-	-	-	12	7	-	-	9
Dividend payable	-	-	325	-	-	-	2,532	-
Unearned rent	-	-	-	26,431	-	-	-	32,786
Others	-	-	-	6,796,554	-	-	-	559,419
Contingencies and commitments	-	-	-	-	-	-	-	-
	----- (Rupees in '000) -----				----- (Rupees in '000) -----			
	For the nine months period ended September 30, 2025 (Un-audited)				For the nine months period ended September 30, 2024 (Un-audited)			
Income	627	22,832	-	97,830	1,395	23,032	-	232,025
Mark-up / return / interest earned	215	1,168	445,357	15,690	88	831	247,297	6,827
Fee and commission income	-	-	44,993	587,597	-	-	254,993	648,370
Dividend income	-	-	-	31,142	-	4	-	(19,901)
Gain / (loss) on sale of securities	-	-	2,925	-	-	-	1,950	-
Rent on property	-	-	8,191	-	-	115	6,913	-
Gain on sale of property and equipment - net	7,094	132	-	-	-	-	-	-
Expenses	2,511	16,377	469,443	1,260,456	22,970	24,088	589,222	1,863,758
Mark-up / return / interest paid	518,804	1,799,145	-	-	433,887	1,392,490	-	-
Operating expenses	-	-	-	-	-	-	-	109,686
Fee and remuneration	-	-	-	87,424	-	-	-	82,575
Clearing and custodian charges	-	-	-	6,565	-	-	-	-
Software maintenance	-	-	-	554,372	-	-	-	528,901
Stationery and printing	-	-	-	1,150	-	-	-	-
Communication cost	-	-	-	721,426	-	-	-	503,473
Marketing, advertisement and publicity	-	-	-	843,903	-	-	-	650,389
Charge for defined benefit plan	-	-	-	-	-	-	-	694
Contribution to defined contribution plan	-	-	-	-	-	-	-	-
Training and subscription	-	-	-	-	-	-	-	-
(Reversal of) credit loss allowance / credit loss allowance against loans & advances	(29)	(3,398)	-	4,719	-	1,841	-	7,312
Credit loss allowance against off-balance sheet obligations	-	-	-	821	-	-	-	111
(Reversal of) credit loss allowance against other assets	-	-	-	(14)	-	-	-	-
Other information	2,761,050	11,529	20,941	2,794,993	5,313,570	15,921	10,416	5,199,233
Dividend paid	-	-	1,706,567	-	-	-	1,384,681	-
Insurance premium paid	-	-	713,576	-	-	-	626,234	-
Insurance claims settled	-	-	-	-	-	-	-	-

43 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

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

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)

15,771,651

15,771,651

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital

156,426,706

146,742,124

Eligible Additional Tier 1 (ADT 1) Capital

13,550,000

13,551,002

Total eligible tier 1 capital

169,976,706

160,293,126

Eligible tier 2 capital

42,556,427

44,256,145

Total eligible capital (tier 1 + tier 2)

212,533,133

204,549,271

Risk weighted assets (RWAs):

Credit risk

924,873,743

859,896,850

Market risk

36,501,500

47,911,688

Operational risk

243,639,025

243,639,025

Total

1,205,014,268

1,151,447,563

Common equity tier 1 capital adequacy ratio

12.98%

12.74%

Tier 1 capital adequacy ratio

14.11%

13.92%

Total capital adequacy ratio

17.64%

17.76%

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

Common Equity Tier 1 Capital Adequacy ratio

6.00%

6.00%

Tier 1 Capital Adequacy Ratio

7.50%

7.50%

Total Capital Adequacy Ratio

11.50%

11.50%

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

Leverage Ratio (LR):

Eligible tier-1 capital

169,976,706

160,293,126

Total exposures

3,812,029,777

4,077,780,148

Leverage ratio

4.46%

3.93%

Liquidity Coverage Ratio (LCR):

Total high quality liquid assets

1,063,581,845

1,197,167,258

Total net cash outflow

566,347,605

626,056,805

Liquidity coverage ratio

188%

191%

Net Stable Funding Ratio (NSFR):

Total available stable funding

1,803,610,975

1,690,754,449

Total required stable funding

1,282,839,598

1,340,991,900

Net stable funding ratio

141%

126%

- 43.1 The Holding Company has opted for transition arrangement to phase in ECL impact as permitted by SBP vide BPRD Circular No. 03 of 2022 dated July 05, 2022. Had the transitional arrangement not applied, CAR and Leverage ratio would have been 17.82% and 4.40% respectively.

44 AFGHANISTAN OPERATIONS

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

45 BANGLADESH OPERATIONS

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

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

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

46 NON-ADJUSTING EVENT

The Board of Directors of the Holding Company in its meeting held on October 22, 2025 has declared an interim cash dividend of 25% i.e. Rs. 2.5 per share for the quarter ended September 30, 2025 (September 30, 2024: Rs. 2.0 per share i.e. 20%). These consolidated condensed interim financial statements do not include the effect of this appropriation which will be accounted for subsequent to the period end. The Board of the Holding Company had earlier declared an interim cash dividend bringing the total cash dividend for the nine months period ended September 30, 2025 to Rs. 7.5 per share (September 30, 2024: Rs. 6.0 per share).

47 DATE OF AUTHORISATION

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

48 GENERAL

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

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

Description of item	Nature	(Rupees in '000)	From	To
Agent commission	Expense	360,605	Commission on Benazir Income Support Programme (BISP)	Brokerage and commission
Verification cost	Expense	92,164	Commission on Benazir Income Support Programme (BISP)	CNIC verification
Optional issuer fee	Income	420,419	Foreign exchange income	Card related fees (debit and credit cards)
Conversion fee	Expense	269,987	Foreign exchange income	Card related fees (debit and credit cards)
Conversion fee	Expense	160,522	Foreign exchange income	Card acquiring business
Reward points	Expense	6,695	Reward points / customer loyalty	Consumer finance related fees
Reward points	Expense	3,005	Reward points / customer loyalty	Card related fees (debit and credit cards)
Reward points	Expense	8,164	Reward points / customer loyalty	Commission on bancassurance
Reward points	Expense	1,814	Reward points / customer loyalty	Wealth management fee
Reward points	Expense	45,371	Reward points / customer loyalty	Alternative Delivery Channel (ADC) settlement accounts

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



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