

ACCOUNTS FOR THE  
NINE MONTHS ENDED  
SEPTEMBER 30, 2025  
Unaudited



Bank AL Habib Limited

هَذَا مِنْ فَضْلِ رَبِّي



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Mr. Tariq Iqbal Khan, Member of the Board, Chairman Human Resource & Remuneration Committee, and member Audit Committee, resigned in September 2025



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



## DIRECTORS' REVIEW

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

Alhamdulillah, during the period under review, the performance of the Bank continued to be satisfactory. The deposits increased to Rs. 2.50 trillion as compared to Rs. 2.28 trillion on December 31, 2024. In the same period, advances decreased to Rs. 906.6 billion from Rs. 910.9 billion, while investments decreased to Rs. 1.85 trillion from Rs. 1.92 trillion. The pre-tax profit of the Bank for the nine months period ended September 30, 2025, was Rs. 53.50 billion as compared to Rs. 63.23 billion during the corresponding period last year. The profit after tax for the period ended September 30, 2025, was Rs. 25.39 billion compared with Rs. 33.15 billion during 2024.

The Board of Directors, in its meeting held on October 23, 2025, has declared 3rd interim cash dividend of Rs. 3.50 per share i.e. 35%, in addition to 70% already paid, bringing the total cash dividend to 105% for the nine months period ended September 30, 2025.

By the Grace of Allah, the Bank now has a network of 1,298 offices, comprising 1,295 branches, and 3 Representative Offices. Our branch network includes 350 Islamic Banking Branches and 2 Overseas Branches. Continuing with our branch expansion policy, the Bank intends to open more branches during the year 2025.

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

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

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

Mansoor Ali Khan  
*Chief Executive*

Abbas D. Habib  
*Chairman*  
*Board of Directors*

Karachi: October 23, 2025



## ڈائریکٹرز کا جائزہ

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

الحمد للہ، زیر جائزہ مدت میں بینک کی کارکردگی اطمینان بخش رہی۔ 30 ستمبر 2025 کو ختم ہونے والی مدت میں ڈپازٹس بڑھ کر 2.50 ٹریلین روپے ہو گئے، جو کہ 31 دسمبر 2024 کو 2.28 ٹریلین روپے تھے۔ اسی مدت کے دوران ایڈوانسز 910.9 ٹریلین روپے سے کم ہو کر 906.6 ٹریلین روپے ہو گئے اور سرمایہ کاری 1.92 ٹریلین روپے سے کم ہو کر 1.85 ٹریلین روپے ہو گئی۔ 30 ستمبر 2025 کو ختم ہونے والے نو ماہ کے لئے آپ کے بینک کا قبل از ٹیکس منافع 53.50 ٹریلین روپے رہا، جبکہ گزشتہ سال اس مدت میں یہ 63.23 ٹریلین روپے تھا۔ بینک کا بعد از ٹیکس منافع 30 ستمبر 2025 کو ختم ہونے والی مدت کے لئے 25.39 ٹریلین روپے رہا جبکہ گزشتہ سال یہ 33.15 ٹریلین روپے تھا۔

بورڈ آف ڈائریکٹرز نے 23 اکتوبر 2025 کو منعقد ہونے والے اجلاس میں تیسرے عبوری 35% نقد منافع منقسمہ یعنی 3.50 روپے فی شیئر کا اعلان کیا ہے، جو کہ پہلے سے ادا شدہ 70% کے علاوہ ہے۔ جس کے بعد 30 ستمبر 2025 کو ختم ہونے والی مدت تک کیلئے کل نقد منافع منقسمہ کی شرح 105% پر پہنچ گئی ہے۔ اللہ تعالیٰ کے فضل و کرم سے بینک کا نیٹ ورک اب 1,298 دفاتر پر مشتمل ہے، جس میں 1,295 برانچز اور 3 نمائندہ دفاتر شامل ہیں۔ ہمارے برانچ نیٹ ورک میں اب 350 اسلامی بینکاری برانچز اور 2 بیرون ملک برانچز شامل ہیں۔ برانچز میں اضافہ کی اپنی پالیسی پر کاربند رہتے ہوئے ہم سال 2025 میں بھی مزید برانچز کھولنے کا ارادہ رکھتے ہیں۔

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

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

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

عباس ڈی۔ حبیب  
چیرمین  
بورڈ آف ڈائریکٹرز

منصور علی خان  
چیف ایگزیکٹو

کراچی: ۲۳ اکتوبر ۲۰۲۵ء



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

	Note	(Un-audited) 30 September 2025	(Audited) 31 December 2024
(Rupees in '000)			
<b>ASSETS</b>			
Cash and balances with treasury banks	6	180,583,654	201,532,248
Balances with other banks	7	4,300,783	5,836,908
Lendings to financial institutions	8	54,407,328	38,941,542
Investments	9	1,847,289,396	1,924,732,913
Advances	10	906,613,199	910,850,199
Property and equipment	11	81,818,644	75,939,019
Right-of-use assets	12	16,313,280	13,679,198
Intangible assets	13	96,870	129,154
Deferred tax assets	14	3,269,140	4,535,942
Other assets	15	188,401,901	143,858,082
<b>Total Assets</b>		<b>3,283,094,195</b>	<b>3,320,035,205</b>
<b>LIABILITIES</b>			
Bills payable	17	40,327,362	52,263,043
Borrowings	18	413,153,590	667,043,213
Deposits and other accounts	19	2,497,969,001	2,278,956,911
Lease liabilities	20	20,082,842	16,848,698
Subordinated debt	21	25,985,000	25,988,400
Deferred tax liabilities		—	—
Other liabilities	22	119,398,722	126,946,320
<b>Total Liabilities</b>		<b>3,116,916,517</b>	<b>3,168,046,585</b>
<b>NET ASSETS</b>		<b>166,177,678</b>	<b>151,988,620</b>
<b>REPRESENTED BY</b>			
Share capital		11,114,254	11,114,254
Reserves		34,651,054	32,050,356
Surplus on revaluation of assets	23	25,169,848	21,604,223
Unappropriated profit		95,242,522	87,219,787
		<b>166,177,678</b>	<b>151,988,620</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
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The annexed notes 1 to 43 form an integral part of these unconsolidated condensed interim financial statements.

MANSOOR ALI KHAN  
Chief Executive

ASHAR HUSAIN  
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI  
Director

FARHANA MOWJEE KHAN  
Director

ABBAS D. HABIB  
Chairman



**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2025**

	Note	Nine months period ended		Three months period ended	
		30 September 2025	30 September 2024 (Rupees in '000) (Restated)	30 September 2025	30 September 2024 (Restated)
Mark-up / return / interest earned	26	260,404,000	367,161,608	82,427,674	123,414,850
Mark-up / return / interest expensed	27	(161,087,818)	(249,756,869)	(49,446,186)	(80,645,160)
Net mark-up / return / interest income		99,316,182	117,404,739	32,981,488	42,769,690
<b>NON MARK-UP / INTEREST INCOME</b>					
Fee and commission income	28	14,169,553	14,141,668	3,501,533	4,689,218
Dividend income		996,122	867,949	34,545	1,535
Foreign exchange income		5,665,122	3,862,206	2,118,823	398,444
Income / (loss) from derivatives		—	—	—	—
Gain / (loss) on securities - net	29	551,417	(234,312)	985,313	(66,125)
Net gain / (loss) on derecognition of financial assets measured at amortised cost		—	—	—	—
Other income	30	768,236	904,551	168,609	349,937
Total non mark-up / interest income		22,150,450	19,542,062	6,808,823	5,373,009
<b>Total income</b>		<b>121,466,632</b>	<b>136,946,801</b>	<b>39,790,311</b>	<b>48,142,699</b>
<b>NON MARK-UP / INTEREST EXPENSES</b>					
Operating expenses	31	(68,994,525)	(60,119,965)	(24,581,473)	(20,350,059)
Workers welfare fund		(1,091,909)	(1,412,504)	(294,281)	(501,646)
Other charges	32	(76,271)	(306,918)	(45,676)	(179,072)
Total non mark-up / interest expenses		(70,162,705)	(61,839,387)	(24,921,430)	(21,030,777)
<b>Profit before credit loss allowance</b>		<b>51,303,927</b>	<b>75,107,414</b>	<b>14,868,881</b>	<b>27,111,922</b>
Credit loss allowance and write offs - net	33	2,199,596	(11,874,577)	(449,159)	(4,482,861)
Extra ordinary / unusual items		—	—	—	—
<b>PROFIT BEFORE TAXATION</b>		<b>53,503,523</b>	<b>63,232,837</b>	<b>14,419,722</b>	<b>22,629,061</b>
Taxation	34	(28,110,493)	(30,087,444)	(8,351,028)	(10,621,782)
<b>PROFIT AFTER TAXATION</b>		<b>25,393,030</b>	<b>33,145,393</b>	<b>6,068,694</b>	<b>12,007,279</b>
<b>(Rupees)</b>					
<b>Basic and diluted earnings per share</b>	35	<b>22.85</b>	<b>29.82</b>	<b>5.46</b>	<b>10.80</b>

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

MANSOOR ALI KHAN  
Chief Executive

ASHAR HUSAIN  
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI  
Director

FARHANA MOWJEE KHAN  
Director

ABBAS D. HABIB  
Chairman





**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2025**

	<b>Nine months period ended</b>		<b>Three months period ended</b>	
	<b>30 September 2025</b>	<b>30 September 2024</b>	<b>30 September 2025</b>	<b>30 September 2024</b>
	<b>(Rupees in '000)</b>			
		<b>(Restated)</b>		<b>(Restated)</b>
<b>Profit after taxation for the period</b>	<b>25,393,030</b>	33,145,393	<b>6,068,694</b>	12,007,279
<b>Other comprehensive income</b>				
<i>Items that may be reclassified to statement of profit and loss account in subsequent periods:</i>				
Effect of translation of net investment in foreign branches	<b>61,395</b>	(134,749)	<b>(91,195)</b>	(61,518)
Movement in surplus on revaluation of debt investments through FVOCI - net of tax	<b>2,700,132</b>	8,081,367	<b>693,395</b>	6,264,262
	<b>2,761,527</b>	7,946,618	<b>602,200</b>	6,202,744
<i>Items that will not be reclassified to statement of profit and loss account in subsequent periods:</i>				
Movement in surplus / (deficit) on revaluation of equity investments - net of tax	<b>86,871</b>	(475,897)	<b>(35,530)</b>	15,606
Movement in surplus / (deficit) on revaluation of property and equipment - net of tax	<b>124,049</b>	309,511	<b>(1,594)</b>	106,031
Movement in surplus / (deficit) on revaluation of non-banking assets - net of tax	<b>741</b>	(31,013)	<b>—</b>	—
	<b>211,661</b>	(197,399)	<b>(37,124)</b>	121,637
<b>Total comprehensive income for the period</b>	<b>28,366,218</b>	40,894,612	<b>6,633,770</b>	18,331,660

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

MANSOOR ALI KHAN  
Chief Executive

ASHAR HUSAIN  
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI  
Director

FARHANA MOWJEE KHAN  
Director

ABBAS D. HABIB  
Chairman



**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2025**

	Share Capital	Statutory Reserve	Foreign Currency Translation Reserve	Revenue Reserves		Surplus / (deficit) on revaluation of			Unappropriated Profit	Total
				Special Reserve	General Reserve	Investments	Property and Equipment	Non Banking Assets		
	(Rupees in '000)									
Balance as at 01 January 2024 - audited	11,114,254	22,700,012	4,818,360	126,500	540,000	1,130,027	16,433,449	200,858	72,595,629	129,659,089
Effect of adoption of IFRS 9 (net of tax)	-	-	-	-	-	(1,773,407)	-	-	(3,510,353)	(5,283,760)
Profit after taxation for the nine months period ended 30 September 2024 - restated	-	-	-	-	-	-	-	-	33,145,393	33,145,393
<b>Other comprehensive income for the nine months period ended 30 September 2024 - net of tax</b>										
Effect of translation of net investment in foreign branches	-	-	(134,749)	-	-	-	-	-	-	(134,749)
Movement in surplus on revaluation of investments in debt securities - net of tax	-	-	-	-	-	8,081,367	-	-	-	8,081,367
Movement in deficit on revaluation of investments in equity securities - net of tax	-	-	-	-	-	(475,897)	-	-	-	(475,897)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	309,511	-	-	309,511
Movement in deficit on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	(31,013)	-	(31,013)
Total other comprehensive income - net of tax	-	-	(134,749)	-	-	7,605,470	309,511	(31,013)	-	7,749,219
Transfer to statutory reserve	-	3,314,539	-	-	-	-	-	-	(3,314,539)	-
Loss on sale of equity securities - FVOCI	-	-	-	-	-	826,620	-	-	(826,620)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	(165,991)	(509)	166,500	-
<b>Transactions with owners, recorded directly in equity</b>										
Final cash dividend (Rs. 5.0 per share) - December 2023	-	-	-	-	-	-	-	-	(5,557,127)	(5,557,127)
Interim cash dividend (Rs. 3.5 per share) - March 2024	-	-	-	-	-	-	-	-	(3,889,989)	(3,889,989)
Interim cash dividend (Rs. 3.5 per share) - June 2024	-	-	-	-	-	-	-	-	(3,889,989)	(3,889,989)
	-	-	-	-	-	-	-	-	(13,337,105)	(13,337,105)
<b>Balance as at 30 September 2024 - unaudited - restated</b>	<b>11,114,254</b>	<b>26,014,551</b>	<b>4,683,611</b>	<b>126,500</b>	<b>540,000</b>	<b>7,788,710</b>	<b>16,576,969</b>	<b>169,336</b>	<b>84,918,905</b>	<b>151,932,836</b>
Profit after taxation for the three months period ended 31 December 2024	-	-	-	-	-	-	-	-	6,716,794	6,716,794
<b>Other comprehensive income for the three months period ended 31 December 2024 - net of tax</b>										
Effect of translation of net investment in foreign branches	-	-	14,014	-	-	-	-	-	-	14,014
Movement in surplus on revaluation of investments in debt securities - net of tax	-	-	-	-	-	(1,968,835)	-	-	-	(1,968,835)
Movement in surplus on revaluation of investments in equity securities - net of tax	-	-	-	-	-	49,351	-	-	-	49,351
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	61,809	61,809
Movement in deficit on revaluation of property and equipment - net of tax	-	-	-	-	-	-	(924,079)	-	-	(924,079)
Movement in deficit on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	(3,281)	-	(3,281)
Total other comprehensive income - net of tax	-	-	14,014	-	-	(1,919,484)	(924,079)	(3,281)	61,809	(2,771,021)



	Share Capital	Statutory Reserve	Foreign Currency Translation Reserve	Revenue Reserves		Surplus / (deficit) on revaluation of			Unappropriated Profit	Total
				Special Reserve	General Reserve	Investments	Property and Equipment	Non Banking Assets		
										(Rupees in '000)
Transfer to statutory reserve	-	671,680	-	-	-	-	-	-	(671,680)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	(83,956)	8	83,948	-
<b>Transaction with owners, recorded directly in equity</b>										
Interim cash dividend (Rs. 3.5 per share) - September 2024	-	-	-	-	-	-	-	-	(3,889,989)	(3,889,989)
<b>Balance as at 31 December 2024 - audited</b>	<b>11,114,254</b>	<b>26,686,231</b>	<b>4,697,625</b>	<b>126,500</b>	<b>540,000</b>	<b>5,869,226</b>	<b>15,568,934</b>	<b>166,063</b>	<b>87,219,787</b>	<b>151,988,620</b>
Effect of adoption of IFRS 9 (net of tax)	-	-	-	-	-	800,750	-	-	26,333	827,083
Profit after taxation for the nine months period ended 30 September 2025	-	-	-	-	-	-	-	-	25,393,030	25,393,030
<b>Other comprehensive income for the nine months period ended 30 September 2025 - net of tax</b>										
Effect of translation of net investment in foreign branches	-	-	61,395	-	-	-	-	-	-	61,395
Movement in surplus on revaluation of investments in debt securities - net of tax	-	-	-	-	-	2,700,132	-	-	-	2,700,132
Movement in surplus on revaluation of investments in equity securities - net of tax	-	-	-	-	-	86,871	-	-	-	86,871
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	124,049	-	-	124,049
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	741	-	741
Total other comprehensive income - net of tax	-	-	61,395	-	-	2,787,003	124,049	741	-	2,973,188
Transfer to statutory reserve	-	2,539,303	-	-	-	-	-	-	(2,539,303)	-
Loss on sale of equity securities - FVOCI	-	-	-	-	-	11,390	-	-	(11,390)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	(158,211)	(97)	158,308	-
<b>Transactions with owners, recorded directly in equity</b>										
Final cash dividend (Rs. 6.5 per share) - December 2024	-	-	-	-	-	-	-	-	(7,224,265)	(7,224,265)
Interim cash dividend (Rs. 3.5 per share) - March 2025	-	-	-	-	-	-	-	-	(3,889,989)	(3,889,989)
Interim cash dividend (Rs. 3.5 per share) - June 2025	-	-	-	-	-	-	-	-	(3,889,989)	(3,889,989)
	-	-	-	-	-	-	-	-	(15,004,243)	(15,004,243)
<b>Balance as at 30 September 2025 - unaudited</b>	<b>11,114,254</b>	<b>29,225,534</b>	<b>4,759,020</b>	<b>126,500</b>	<b>540,000</b>	<b>9,468,369</b>	<b>15,534,772</b>	<b>166,707</b>	<b>95,242,522</b>	<b>166,177,678</b>

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

MOHAMMAD RAFIQUDDIN MEHKARI  
*Director*

MANSOOR ALI KHAN  
*Chief Executive*

FARHANA MOWJEE KHAN  
*Director*

ASHAR HUSAIN  
*Chief Financial Officer*

ABBAS D. HABIB  
*Chairman*



**UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2025**

	30 September 2025	30 September 2024 (Restated)
	(Rupees in '000)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	53,503,523	63,232,837
Less: dividend income	(996,122)	(867,949)
	52,507,401	62,364,888
<b>Adjustments:</b>		
Net mark-up / return / interest income	(99,316,182)	(117,404,739)
Depreciation	5,608,890	4,037,208
Depreciation on right-of-use assets	2,120,045	1,821,307
Amortisation	132,610	141,444
Workers welfare fund	1,091,909	1,412,504
Credit loss allowance and write-offs - net	(2,199,596)	11,874,577
Gain on sale of property and equipment - net	(641,678)	(834,455)
Gain on termination of leases and RoU - net	(102,374)	(58,345)
Unrealised (gain) / loss measured at FVPL	(660,016)	253,672
Charge for defined benefit plan	945,000	900,000
Charge for compensated absences	237,565	317,717
	(92,783,827)	(97,539,110)
	(40,276,426)	(35,174,222)
<b>(Increase) / decrease in operating assets</b>		
Lendings to financial institutions	(15,467,874)	1,649,716
Securities classified as FVPL	19,654	2,708,139
Advances	3,254,096	82,071,183
Other assets (excluding advance taxation and markup receivable)	(13,263,113)	4,733,909
	(25,457,237)	91,162,947
<b>(Decrease) / increase in operating liabilities</b>		
Bills payable	(11,935,681)	(18,907,494)
Borrowings	(253,471,011)	(11,665,541)
Deposits and other accounts	219,012,090	288,271,139
Other liabilities (excluding markup payable)	(10,668,726)	10,823,210
	(57,063,328)	268,521,314
	(122,796,991)	324,510,039
Mark-up / return / interest received	243,136,783	306,671,776
Mark-up / return / interest paid	(158,506,331)	(243,609,686)
Income tax paid	(44,161,665)	(27,694,858)
Net cash (used in) / generated from operating activities	(82,328,204)	359,877,271
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in amortised cost securities	(791,797)	20,775,171
Net investments in securities classified as FVOCI	90,799,553	(314,979,091)
Net investments in subsidiaries	-	(3,000,000)
Net investments in associates	(1,426,998)	-
Dividends received	996,122	878,996
Investments in property and equipment and intangible assets	(11,842,128)	(9,379,702)
Proceeds from sale of property and equipment	665,006	806,886
Effect of translation of net investment in foreign branches	61,395	(134,749)
Net cash generated from / (used in) investing activities	78,461,153	(305,032,489)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payments of subordinated debt	(3,400)	(3,995,400)
Dividend paid	(14,794,866)	(13,150,218)
Payments of lease obligations against right-of-use assets	(3,352,269)	(3,780,564)
Net cash used in financing activities	(18,150,535)	(20,926,182)
<b>(Decrease) / increase in cash and cash equivalents</b>	(22,017,586)	33,918,600
Cash and cash equivalents at beginning of the period	205,187,585	147,202,286
Cash and cash equivalents at end of the period	183,169,999	181,120,886

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

MANSOOR ALI KHAN  
Chief Executive

ASHAR HUSAIN  
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI  
Director

FARHANA MOWJEE KHAN  
Director

ABBAS D. HABIB  
Chairman



**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2025**

**1. STATUS AND NATURE OF BUSINESS**

Bank AL Habib Limited (the Bank) is a banking company incorporated in Pakistan on 15 October 1991 as a public limited company under repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Bank's registered office is at 126-C, Old Bahawalpur Road, Multan with principal place of business at 2nd Floor, Mackinnons Building, I.I. Chundrigar Road, Karachi. Its shares are listed on Pakistan Stock Exchange Limited. It is a scheduled bank principally engaged in the business of commercial banking with a network of 1,295 branches (31 December 2024: 1,207 branches), NIL sub-branches (31 December 2024: 14 sub-branches), 03 representative offices (31 December 2024: 04 representative offices) and 12 booths (31 December 2024: 12 booths). The branch network of the Bank includes 02 overseas branches (31 December 2024: 02 overseas branches) and 350 Islamic Banking branches (31 December 2024: 276 Islamic Banking branches).

**2. BASIS OF PREPARATION**

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

**2.5 Statement of Compliance**

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



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

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

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

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

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

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

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

2.5.7 The Bank received an extension from SBP up to 31 December 2025 for application of Effective Interest Rate (EIR) in general for all financial assets and liabilities (excluding staff loans / subsidised loans), however as financial assets other than advances and



financial liabilities were already effectively carried at EIR before the implementation of IFRS 9, hence said extension has only been applied on advances (excluding staff loans / subsidised loans i.e. Temporary Economic Refinance Facility). Therefore, advances are now carried at cost, excluding staff loans, TERF and advances pertaining to overseas operations, which are carried at amortised cost, net of expected credit loss allowances.

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

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

Revenue from Islamic products would have increased by Rs. 513.985 million, if IFRS 9 had been adopted in its entirety.

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

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

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

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

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

### **3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

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



#### 4. MATERIAL ACCOUNTING POLICY INFORMATION

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

##### 4.1 Unlisted Equity Securities

In accordance with BPRD Circular Letter No. 16 dated 29 July 2024, SBP has relaxed the requirement for the application of IFRS 9 'Financial Instruments' to measuring unlisted equity securities at fair value under IFRS 13 effective from 01 January 2025. The measurement of fair value of investments in unlisted equity securities involves the use of different methodologies and assumptions. The Bank measures the fair valuation of unlisted equity securities using appropriate valuation techniques and fair valuation models in accordance with IFRS 13 - Fair Value Measurement. Therefore, the Bank has taken the impact of fair value adjustment to equity at the beginning of the current accounting period and information related to 31 December 2024 has not been restated as allowed under modified retrospective approach for restatement permitted under IFRS 9. The impact of application as at 01 January 2025 is shown below:

	(Rupees in '000)
Increase in investments - unlisted equity securities	1,723,404
Increase in deferred tax liabilities	896,321
Increase in revaluation of assets	800,750
Increase in unappropriated profit	26,333

##### 4.2 Subsidised Loans and Borrowings

The Bank adopted IFRS 9 in accordance with the application instructions, effective 01 January 2024, using the modified retrospective approach for restatement as permitted under the standard. In the annual audited financial statements for the year ended 31 December 2024, the cumulative impact of the initial application amounted to Rs. 2,188.661 million, which was recorded as an adjustment to equity at the beginning of the comparative accounting period.

Further, pursuant to the extended implementation timelines provided by SBP under BPRD Circular Letter No. 16 dated 29 July 2024, and BPRD Circular Letter No. 01 dated 22 January 2025, the Bank was required to apply fair value measurement to subsidised staff financing, implement modification accounting for financial assets and liabilities, and recognize income using the EIR method, with effect from the last quarter of 2024. However, in line with SBP via its Letter No. BPRD/RPD/822456/25 dated 22 January 2025, the recognition of income on EIR has been further deferred till 31 December 2025.





Therefore, the comparative figures for the nine months period ended 30 September 2024, presented in the unconsolidated condensed interim statement of profit and loss for the nine months period ended 30 September 2025, have been restated as summarised:

**Unconsolidated Condensed Interim Statement of Profit and Loss Account**

	<b>Un-audited 30 September 2024 (Rupees in '000)</b>	<b>Description</b>
Mark-up / return / interest earned	2,145,065	Impact of subsidised loans and staff financing
Mark-up / return / interest expensed	1,316,724	Impact of subsidised borrowings from SBP
Operating expenses	658,990	Impact of prepaid staff cost amortisation
Taxation	81,288	Tax impact of restatement
Profit after taxation	88,063	
	<b>(Rupees)</b>	
Basic and diluted earnings per share	0.08	EPS impact of restatement

**5. FINANCIAL RISK MANAGEMENT**

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

**6. CASH AND BALANCES WITH TREASURY BANKS**

In hand:

Local currency  
Foreign currencies

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

<b>48,977,640</b>	45,854,281
<b>3,635,220</b>	2,704,346
<b>52,612,860</b>	48,558,627

With the State Bank of Pakistan (SBP) in:

Local currency current accounts  
Local currency current accounts - Islamic Banking  
Foreign currency deposit accounts  
Cash reserve account  
Cash reserve / special cash reserve account  
- Islamic Banking  
Special cash reserve account  
Local collection account

<b>85,146,251</b>	117,236,148
<b>15,419,483</b>	16,299,959
<b>5,837,334</b>	5,501,362
<b>552,788</b>	1,035,649
<b>12,338,014</b>	11,002,725
<b>376,936</b>	407,387
<b>119,670,806</b>	151,483,230

With the National Bank of Pakistan (NBP) in:

Local currency current accounts  
Prize bonds

<b>8,190,390</b>	1,332,163
<b>109,598</b>	158,228
<b>180,583,654</b>	201,532,248

Cash and balances with treasury banks



	Note	(Un-audited) 30 September 2025 (Rupees in '000)	(Audited) 31 December 2024
<b>7. BALANCES WITH OTHER BANKS</b>			
In Pakistan:			
In current accounts		108,900	211,927
In deposit accounts		9,341	8,642
		118,241	220,569
Outside Pakistan:			
In current accounts		4,162,554	5,129,043
In deposit accounts		69,456	488,243
		4,232,010	5,617,286
		4,350,251	5,837,855
Less: credit loss allowance held against balances with other banks	7.1	(49,468)	(947)
Balances with other banks - net of credit loss allowance		4,300,783	5,836,908
<b>7.1 Credit Loss Allowance - Stage 1</b>			
Opening balance		947	3,612
Charge / (reversal):			
Charge for the period / year		73,481	75
Reversal for the period / year		(24,963)	(2,738)
		48,518	(2,663)
Foreign exchange adjustments		3	(2)
Closing balance		49,468	947
<b>8. LENDINGS TO FINANCIAL INSTITUTIONS</b>			
In local currency:			
Musharaka placements		25,500,000	26,000,000
Repurchase agreement lendings (Reverse Repo)			
Pakistan Investment Bonds		25,929,200	12,946,800
Market Treasury Bills		2,985,474	—
		28,914,674	12,946,800
		54,414,674	38,946,800
Less: credit loss allowance held against lendings to financial institutions	8.1	(7,346)	(5,258)
Lendings to financial institutions - net of credit loss allowance		54,407,328	38,941,542
<b>8.1 Credit Loss Allowance - Stage 1</b>			
Opening balance		5,258	223
Charge / (reversal):			
Charge for the period / year		7,100	5,258
Reversal for the period / year		(5,012)	(223)
		2,088	5,035
Closing balance		7,346	5,258



## 9. INVESTMENTS

	30 September 2025 (Un-audited)				31 December 2024 (Audited)			
	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying Value
(Rupees in '000)								
<b>9.1 Investments by type:</b>								
<b>Debt instruments</b>								
<b>Amortised Cost</b>								
Federal Government Securities	394,357,443	(19,462)	–	394,337,981	393,561,165	(851,234)	–	392,709,931
Others	–	–	–	–	4,481	(4,481)	–	–
	394,357,443	(19,462)	–	394,337,981	393,565,646	(855,715)	–	392,709,931
<b>FVOCI</b>								
Federal Government Securities	1,404,691,008	(1,694,149)	16,446,502	1,419,443,361	1,492,622,676	(3,312,910)	10,919,609	1,500,229,375
Non Government Debt Securities	7,639,293	(783,039)	(451,105)	6,405,149	8,703,026	(881,964)	(138,403)	7,682,659
Foreign Securities	7,191,449	(2,074,173)	1,290,578	6,407,854	8,682,791	(2,442,827)	1,127,593	7,367,557
	1,419,521,750	(4,551,361)	17,285,975	1,432,256,364	1,510,008,493	(6,637,701)	11,908,799	1,515,279,591
<b>FVPL</b>								
Federal Government Securities	1,133,469	–	–	1,133,469	2,642,542	–	–	2,642,542
<b>Equity Instruments</b>								
<b>FVOCI - Non Reclassifiable</b>								
Shares								
- Listed companies	182,690	–	561,685	744,375	182,690	–	578,915	761,605
- Unlisted companies	154,236	–	1,878,108	2,032,344	192,202	(50,811)	–	141,391
	336,926	–	2,439,793	2,776,719	374,892	(50,811)	578,915	902,996
<b>Investments mandatorily classified / measured at FVPL</b>								
Units of Mutual Funds	6,199,946	–	660,016	6,859,962	4,238,097	–	461,853	4,699,950
<b>Associates</b>	6,041,651	–	–	6,041,651	4,614,653	–	–	4,614,653
<b>Subsidiaries</b>	3,883,250	–	–	3,883,250	3,883,250	–	–	3,883,250
<b>Total investments</b>	<u>1,831,474,435</u>	<u>(4,570,823)</u>	<u>20,385,784</u>	<u>1,847,289,396</u>	<u>1,919,327,573</u>	<u>(7,544,227)</u>	<u>12,949,567</u>	<u>1,924,732,913</u>



	(Un-audited) 30 September 2025 (Rupees in '000)	(Audited) 31 December 2024
<b>9.1.1 Investments given as collateral</b>		
Pakistan Investment Bonds	<u>290,371,900</u>	<u>518,019,000</u>
<b>9.2 Credit loss allowance</b>		
Opening balance	7,544,227	9,658,486
Impact of adoption of IFRS 9	(50,811)	—
Charge / (reversal):		
Charge for the period / year	323,494	813,987
Reversal for the period / year	(3,307,974)	(1,782,276)
Reversal on disposal	(4,481)	—
	(2,988,961)	(968,289)
Amounts written off	—	(1,046,371)
Foreign exchange adjustments	66,368	(99,599)
Closing Balance	<u>4,570,823</u>	<u>7,544,227</u>

### 9.3 Particulars of credit loss allowance against debt securities

		30 September 2025 (Un-audited)		31 December 2024 (Audited)	
		Outstanding amount	Credit loss allowance	Outstanding amount	Credit loss allowance
(Rupees in '000)					
<b>Domestic</b>					
Performing	Stage 1	4,030,955	981	4,718,515	766
Under performing	Stage 2	2,828,338	2,058	3,104,591	1,277
Non performing - loss	Stage 3	780,000	780,000	884,401	884,401
		<u>7,639,293</u>	<u>783,039</u>	<u>8,707,507</u>	<u>886,444</u>
<b>Overseas</b>					
Performing	Stage 1	5,650,688	42,187	2,765,414	11,592
Under performing	Stage 2	18,081,972	3,745,597	22,190,407	4,164,145
Non performing - loss	Stage 3	—	—	5,917,378	2,431,235
		<u>23,732,660</u>	<u>3,787,784</u>	<u>30,873,199</u>	<u>6,606,972</u>
Total		<u>31,371,953</u>	<u>4,570,823</u>	<u>39,580,706</u>	<u>7,493,416</u>

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

**9.5** The market value of securities classified as amortised cost at 30 September 2025 amounted to Rs. 401,652 million (31 December 2024: Rs. 395,391 million).



## 9.6 Summary of financial information of subsidiaries and associates

		30 September 2025 (Un-audited)				
	Percentage of holding	Assets	Liabilities	Revenue	Profit after taxation	Total comprehensive income
		(Rupees in '000)				
Subsidiaries						
AL Habib Capital Markets (Private) Limited	66.67%	1,977,266	1,439,913	273,061	52,188	71,311
AL Habib Asset Management Limited	100%	4,433,818	299,236	1,699,630	1,091,440	1,091,440
AL Habib Exchange Company (Private) Limited	100%	3,225,145	52,787	396,300	106,168	106,168
Associates						
AL Habib Money Market Fund	0.77%	80,483,398	503,304	4,848,370	4,401,121	4,401,121
AL Habib Islamic Cash Fund	0.40%	25,838,477	291,537	1,883,413	1,740,106	1,740,106
AL Habib Islamic Savings Fund	0.43%	24,297,922	386,751	1,767,361	1,628,266	1,628,266
AL Habib Income Fund	1.71%	23,695,149	70,851	1,481,917	1,342,185	1,342,185
AL Habib Islamic Stock Fund	6.55%	9,589,230	313,623	2,653,204	2,457,458	2,457,458
AL Habib Cash Fund	4.86%	71,649,770	201,649	7,230,929	6,495,809	6,495,809
AL Habib Stock Fund	9.16%	13,321,926	537,259	3,069,966	2,889,347	2,889,347
AL Habib Islamic Income Fund	0.11%	24,263,956	113,143	1,525,208	1,393,924	1,393,924
AL Habib Asset Allocation Fund	2.01%	1,318,922	86,545	138,739	128,434	128,434

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



## 10. ADVANCES

	Performing		Non Performing		Total	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	30 September	31 December	30 September	31 December	30 September	31 December
	2025	2024	2025	2024	2025	2024
(Rupees in '000)						
Loans, cash credits, running finances, etc.	759,963,188	756,764,309	33,470,892	34,261,459	793,434,080	791,025,768
Islamic financing and related assets	108,503,517	105,734,671	1,385,600	860,780	109,889,117	106,595,451
Bills discounted and purchased	50,217,722	61,304,281	390,777	387,168	50,608,499	61,691,449
Advances - gross	918,684,427	923,803,261	35,247,269	35,509,407	953,931,696	959,312,668
Less : credit loss allowance against advances						
- Stage 1	7,429,123	7,170,325	-	-	7,429,123	7,170,325
- Stage 2	7,245,875	8,468,402	-	-	7,245,875	8,468,402
- Stage 3	-	-	32,643,499	32,823,742	32,643,499	32,823,742
	14,674,998	15,638,727	32,643,499	32,823,742	47,318,497	48,462,469
Advances - net of credit loss allowance	904,009,429	908,164,534	2,603,770	2,685,665	906,613,199	910,850,199



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

**10.1 Particulars of advances (Gross)**

In local currency	<b>843,917,122</b>	829,484,523
In foreign currencies	<b>110,014,574</b>	129,828,145
	<b><u>953,931,696</u></b>	<b><u>959,312,668</u></b>

**10.2** Advances include Rs. 35,247.269 million (31 December 2024: Rs. 35,509.407 million) which have been placed under non-performing status as detailed below:

Category of classification - Stage 3	30 September 2025 (Un-audited)		31 December 2024 (Audited)	
	Non performing loans	Credit loss allowance	Non performing loans	Credit loss allowance
	(Rupees in '000)			
<b>Domestic</b>				
Other assets especially mentioned (OAEM)	306,365	262,587	280,847	280,847
Substandard	3,185,345	2,433,140	2,295,656	1,161,603
Doubtful	3,338,055	1,950,945	2,823,252	2,216,478
Loss	<b>23,028,942</b>	<b>22,608,265</b>	<b>23,572,777</b>	<b>23,331,415</b>
	<b>29,858,707</b>	<b>27,254,937</b>	28,972,532	26,990,343
<b>Overseas</b>				
Loss	<b>5,388,562</b>	<b>5,388,562</b>	6,536,875	5,833,399
Total	<b><u>35,247,269</u></b>	<b><u>32,643,499</u></b>	<b><u>35,509,407</u></b>	<b><u>32,823,742</u></b>



### 10.3 Particulars of credit loss allowance against advances

	30 September 2025 (Un-audited)				31 December 2024 (Audited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)							
Opening balance	7,170,325	8,468,402	32,823,742	48,462,469	4,410,985	8,663,207	21,355,055	34,429,247
Charge / (reversal):								
- ECL charge for the period / year	6,026,477	5,288,074	4,774,899	16,089,450	7,319,157	6,862,711	14,523,355	28,705,223
- ECL reversal for the period / year	(5,768,256)	(6,514,655)	(2,823,635)	(15,106,546)	(4,558,396)	(7,057,516)	(2,951,993)	(14,567,905)
	258,221	(1,226,581)	1,951,264	982,904	2,760,761	(194,805)	11,571,362	14,137,318
Amounts written off	-	-	(64,208)	(64,208)	-	-	(3,537)	(3,537)
Amounts charged off	-	-	(2,144,470)	(2,144,470)	-	-	-	-
Foreign exchange adjustments	577	4,054	77,171	81,802	(1,421)	-	(99,138)	(100,559)
Closing balance	7,429,123	7,245,875	32,643,499	47,318,497	7,170,325	8,468,402	32,823,742	48,462,469

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

### 10.4 Advances - Particulars of credit loss allowance

	30 September 2025 (Un-audited)				31 December 2024 (Audited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)							
Opening balance	7,170,325	8,468,402	32,823,742	48,462,469	4,410,985	8,663,207	21,355,055	34,429,247
New advances	4,445,813	3,910,415	1,256,181	9,612,409	3,950,335	4,441,716	3,665,689	12,057,740
Advances derecognised or repaid	(3,298,238)	(3,955,255)	(1,959,598)	(9,213,091)	(2,278,017)	(3,088,928)	(2,432,807)	(7,799,752)
Transfer to Stage 1	1,021,309	(992,027)	(29,282)	-	2,288,707	(2,202,515)	(86,192)	-
Transfer to Stage 2	(313,927)	409,868	(95,941)	-	(349,804)	365,366	(15,562)	-
Transfer to Stage 3	(36,949)	(387,935)	424,884	-	(5,687)	(1,069,687)	1,075,374	-
	1,818,008	(1,014,934)	(403,756)	399,318	3,605,534	(1,554,048)	2,206,502	4,257,988
Amounts written off	-	-	(64,208)	(64,208)	-	-	(3,537)	(3,537)
Amounts charged off	-	-	(2,144,470)	(2,144,470)	-	-	-	-
Changes in risk parameters	(1,559,787)	(211,647)	2,355,020	583,586	(844,773)	1,359,243	9,364,860	9,879,330
Foreign exchange adjustments	577	4,054	77,171	81,802	(1,421)	-	(99,138)	(100,559)
Closing balance	7,429,123	7,245,875	32,643,499	47,318,497	7,170,325	8,468,402	32,823,742	48,462,469





30 September 2025 (Un-audited) 31 December 2024 (Audited)

Outstanding amount Credit loss allowance Outstanding amount Credit loss allowance  
(Rupees in '000)

**10.5 Advances - Category of classification**

**Domestic**

Performing	Stage 1	770,138,552	7,359,277	752,504,546	7,092,623
Under performing	Stage 2	130,565,925	7,245,875	144,794,684	8,051,593
Non performing	Stage 3				
OAEM		306,365	262,587	280,847	280,847
Substandard		3,185,345	2,433,140	2,295,656	1,161,603
Doubtful		3,338,055	1,950,945	2,823,252	2,216,478
Loss		23,028,942	22,608,265	23,572,777	23,331,415
		930,563,184	41,860,089	926,271,762	42,134,559

**Overseas**

Performing	Stage 1	17,979,950	69,846	19,107,083	77,702
Under performing	Stage 2	–	–	7,396,948	416,809
Non performing - loss	Stage 3	5,388,562	5,388,562	6,536,875	5,833,399
		23,368,512	5,458,408	33,040,906	6,327,910
Total		953,931,696	47,318,497	959,312,668	48,462,469

**10.6 Charged-off Non Performing Loans**

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

(Un-audited)  
30 September 2025  
(Rupees in '000)

Charge-off during the period	2,153,321
Recoveries made during the period	(20,299)
Foreign exchange adjustments	11,448
Closing balance of charge-offs	2,144,470
Number of borrowers	3



		(Un-audited) 30 September 2025	(Audited) 31 December 2024
	Note	(Rupees in '000)	
<b>11. PROPERTY AND EQUIPMENT</b>			
Capital work-in-progress	11.1	6,826,663	4,644,267
Property and equipment		74,991,981	71,294,752
		<u>81,818,644</u>	<u>75,939,019</u>
<b>11.1 Capital work-in-progress</b>			
Civil works		2,792,487	1,946,354
Advance payment for purchase of equipments		360,262	494,841
Advance payment towards suppliers, contractors and property		3,624,354	2,159,615
Consultants' fee and other charges		49,560	43,457
		<u>6,826,663</u>	<u>4,644,267</u>
		(Un-audited) Nine months period ended	
		30 September 2025	30 September 2024
		(Rupees in '000)	
<b>11.2 Additions to property and equipment</b>			
The following additions have been made to property and equipment during the period:			
<b>Capital work-in-progress - net</b>		2,182,396	722,585
<b>Property and equipment</b>			
Leasehold land		663,435	143,282
Building on leasehold land		302,908	1,787,851
Furniture and fixture		632,420	579,578
Electrical, office and computer equipment		5,070,703	2,718,161
Vehicles		2,110,517	2,751,403
Improvements to leasehold building		779,423	599,860
		<u>9,559,406</u>	<u>8,580,135</u>
Total		<u>11,741,802</u>	<u>9,302,720</u>
<b>11.3 Disposal of property and equipment</b>			
The net book value of property and equipment disposed off during the period is as follows:			
Furniture and fixture		1,603	1,542
Electrical, office and computer equipment		3,644	15,977
Vehicles		13,452	3,212
Improvements to leasehold building		4,629	7,846
Total		<u>23,328</u>	<u>28,577</u>



	(Un-audited) 30 September 2025 (Rupees in '000)	(Audited) 31 December 2024
<b>12. RIGHT-OF-USE ASSETS</b>		
<b>BUILDINGS</b>		
Cost	21,501,002	18,288,334
Accumulated depreciation	(7,821,804)	(6,318,610)
Net carrying amount	13,679,198	11,969,724
Additions during the period / year	4,985,469	4,388,725
Deletions during the period / year	(243,736)	(230,800)
Depreciation charge for the period / year	(2,120,045)	(2,468,564)
Foreign exchange adjustments	374	(757)
Other adjustments / transfers	12,020	20,870
Net carrying amount at the end of the period / year	16,313,280	13,679,198
<b>13. INTANGIBLE ASSETS</b>		
Computer software	96,870	129,154
	(Un-audited) Nine months period ended	
	30 September 2025	30 September 2024
	(Rupees in '000)	
<b>13.1 Additions to intangible assets</b>		
Computer software - directly purchased	100,326	145,184
	(Un-audited) 30 September 2025	(Audited) 31 December 2024
	(Rupees in '000)	
<b>14. DEFERRED TAX ASSETS</b>		
<b>Deductible Temporary Differences on</b>		
Credit loss allowance against the value of investments	2,376,828	3,995,990
Credit loss allowance against loans and advances, off-balance sheet, etc.	12,749,940	13,056,485
Unrealised net loss on fair value of refinancing	608,317	—
Right-of-use assets and related lease liabilities	2,855,970	—
Workers welfare fund	4,268,092	3,771,459
	22,859,147	20,823,934
<b>Taxable Temporary Differences on</b>		
Accelerated tax depreciation	(2,736,611)	(2,875,674)
Surplus on revaluation of FVOCI investments	(10,257,399)	(6,618,488)
Surplus on revaluation of securities classified as FVPL	(343,208)	(244,782)
Surplus on revaluation of property and equipment	(6,214,375)	(6,509,788)
Surplus on revaluation of non banking assets	(38,414)	(39,260)
	(19,590,007)	(16,287,992)
	3,269,140	4,535,942



	Note	(Un-audited) 30 September 2025	(Audited) 31 December 2024
		(Rupees in '000)	
<b>15. OTHER ASSETS</b>			
Income / mark-up accrued in local currency - net		85,901,099	68,943,770
Income / mark-up accrued in foreign currencies - net		1,337,816	1,027,928
Advances, deposits, advance rent and other prepayments		15,516,698	13,351,070
Advance taxation (payments less provisions)		18,395,562	4,616,189
Non banking assets acquired in satisfaction of claims		3,847,698	3,841,737
Mark to market gain on forward foreign exchange contracts		829,811	751,223
Acceptances		36,651,369	35,827,371
Stationery and stamps on hand		1,676,794	2,161,940
Branch adjustment account		771,352	2,038,881
Others		23,614,379	11,673,021
		<u>188,542,578</u>	<u>144,233,130</u>
Less: credit loss allowance held against other assets	15.1	<u>(345,798)</u>	<u>(580,371)</u>
Other Assets - net of credit loss allowance		<u>188,196,780</u>	<u>143,652,759</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	23	<u>205,121</u>	<u>205,323</u>
Other Assets - total		<u>188,401,901</u>	<u>143,858,082</u>
<b>15.1 Credit loss allowance held against other assets</b>			
Mark-up accrued		316,391	566,002
Modification		20,874	6,444
Others - receivable against consumer loans		8,533	7,925
	15.1.1	<u>345,798</u>	<u>580,371</u>
<b>15.1.1 Movement in credit loss allowance held against other assets</b>			
Opening balance		580,371	472,179
Charge / (reversal):			
ECL charge for the period / year		20,302	102,380
ECL reversal for the period / year		(269,912)	(1,663)
Modification charge		14,430	6,444
Charge for the period / year		2,037	2,480
Reversals for the period / year		(1,429)	(2,795)
		<u>(234,572)</u>	<u>106,846</u>
Amount written off		-	(206)
Foreign exchange adjustments		<u>(1)</u>	<u>1,552</u>
Closing balance		<u>345,798</u>	<u>580,371</u>
<b>16. CONTINGENT ASSETS</b>			
There were no contingent assets of the Bank as at 30 September 2025 (31 December 2024: Nil).			



	(Un-audited) 30 September 2025 (Rupees in '000)	(Audited) 31 December 2024
<b>17. BILLS PAYABLE</b>		
In Pakistan	<u>40,327,362</u>	<u>52,263,043</u>
<b>18. BORROWINGS</b>		
<b>Secured</b>		
Borrowings from the State Bank of Pakistan under:		
Export refinance scheme	59,814,459	72,607,266
Renewable energy	15,936,933	17,895,611
Long term financing for imported and locally manufactured plant and machinery	21,090,980	25,306,703
Modernisation of small and medium enterprises	1,292,949	1,259,381
Women entrepreneurship	131,372	86,827
Financing facility for storage of agricultural produce	647,588	795,240
Temporary economic refinance facility	22,876,065	26,107,166
Refinance facility for combating COVID-19	64,688	100,001
Repurchase agreement borrowings	289,534,650	462,964,000
	<b>411,389,684</b>	<b>607,122,195</b>
Repurchase agreement borrowings	–	54,953,000
Borrowing from other banks	–	2,785,500
<b>Total secured</b>	<b>411,389,684</b>	<b>664,860,695</b>
<b>Unsecured</b>		
Overdrawn nostro accounts	1,763,906	2,182,518
	<u><b>413,153,590</b></u>	<u><b>667,043,213</b></u>

## 19. DEPOSITS AND OTHER ACCOUNTS

	30 September 2025 (Un-audited)			31 December 2024 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	(Rupees in '000)					
<b>Customers</b>						
Current deposits	868,499,571	61,303,447	929,803,018	705,137,306	57,423,924	762,561,230
Savings deposits	951,757,868	49,270,458	1,001,028,326	876,689,075	45,898,830	922,587,905
Term deposits	176,881,075	67,209,250	244,090,325	200,255,916	61,604,086	261,860,002
Current deposits - remunerative	232,998,208	7,334,007	240,332,215	204,592,225	4,207,345	208,799,570
Others	18,928,937	15,189,684	34,118,621	21,169,067	20,343,029	41,512,096
	<u>2,249,065,659</u>	<u>200,306,846</u>	<u>2,449,372,505</u>	<u>2,007,843,589</u>	<u>189,477,214</u>	<u>2,197,320,803</u>
<b>Financial institutions</b>						
Current deposits	10,252,535	950,401	11,202,936	16,114,493	2,175,247	18,289,740
Savings deposits	2,332,940	–	2,332,940	22,803,962	–	22,803,962
Term deposits	1,350,000	555,602	1,905,602	793,000	526,460	1,319,460
Current deposits - remunerative	31,940,273	1,172,878	33,113,151	37,231,817	1,953,119	39,184,936
Others	41,867	–	41,867	38,010	–	38,010
	<u>45,917,615</u>	<u>2,678,881</u>	<u>48,596,496</u>	<u>76,981,282</u>	<u>4,654,826</u>	<u>81,636,108</u>
	<u><b>2,294,983,274</b></u>	<u><b>202,985,727</b></u>	<u><b>2,497,969,001</b></u>	<u><b>2,084,824,871</b></u>	<u><b>194,132,040</b></u>	<u><b>2,278,956,911</b></u>



	(Un-audited) 30 September 2025 (Rupees in '000)	(Audited) 31 December 2024
Note		
<b>20. LEASE LIABILITIES</b>		
Opening balance	16,848,698	14,441,482
Additions during the period / year	4,985,469	4,388,725
Lease payments including interest	(3,352,269)	(3,780,564)
Finance charges on leased liabilities	1,934,637	2,101,060
Deletions during the period / year	(346,111)	(322,083)
Foreign exchange adjustments	398	(792)
Other adjustment	12,020	20,870
Closing balance	<u>20,082,842</u>	<u>16,848,698</u>
<b>20.1 Liabilities outstanding</b>		
Not later than one year	1,488,821	1,264,331
Later than one year and upto five years	7,599,430	6,852,173
Over five years	10,994,591	8,732,194
Total	<u>20,082,842</u>	<u>16,848,698</u>
<b>20.2</b>	This carries average effective rate of 13.70% per annum (2024: 14.61% per annum).	
<b>21. SUBORDINATED DEBT - Unsecured</b>		
Term Finance Certificates (TFCs) - VI	21.1 7,000,000	7,000,000
Term Finance Certificates (TFCs) - VIII	21.2 4,992,000	4,994,000
Term Finance Certificates (TFCs) - IX	21.3 7,000,000	7,000,000
Term Finance Certificates (TFCs) - X	21.4 6,993,000	6,994,400
	<u>25,985,000</u>	<u>25,988,400</u>
<b>21.1 Term Finance Certificates - VI</b>		
Issue amount	Rupees 7,000 million	
Issue date	December 2017	
Maturity date	Perpetual	
Rating	<b>AA+</b>	
Profit payment frequency	semi-annually	
Redemption	No fixed or final redemption date.	
Mark-up	Payable six monthly at six months KIBOR (ask side) plus 1.50% without any floor or cap.	
	The issuer will have full discretion over the amount and timing of profit distribution and waiver of any profit distribution or other payment will not constitute an event of default.	
Call option	On or after five years with prior SBP approval. As per SBP's requirement, the Bank shall not exercise call option unless the called instrument is replaced with capital of same or better quality.	
Lock-in-clause	No profit may be paid if such payment will result in shortfall (or increase the shortfall) in the Bank's Minimum Capital Requirement ("MCR"), Leverage Ratio ("LR") or Capital Adequacy Ratio ("CAR").	
Loss absorbency clause	The instrument will be subject to loss absorption and / or any other requirements under SBP's Basel III Capital Rules. Upon the occurrence of a point of non-viability event as defined by SBP's Basel III Capital Rules, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank (subject to a cap) at a price equivalent to the market value of shares of the Bank on the date of trigger, and / or have them immediately written off (either partially or in full).	



## 21.2 Term Finance Certificates - VIII

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

## 21.3 Term Finance Certificates - IX

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



## 21.4 Term Finance Certificates - X

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

	(Un-audited) 30 September Note 2025	(Audited) 31 December 2024
	(Rupees in '000)	
<b>22. OTHER LIABILITIES</b>		
Mark-up / return / interest payable in local currency	7,790,519	6,938,590
Mark-up / return / interest payable in foreign currencies	728,948	934,027
Unearned commission income	3,601,389	3,030,064
Accrued expenses	6,361,397	5,296,438
Acceptances	36,651,369	35,827,371
Unclaimed / dividend payable	1,348,874	1,139,497
Mark to market loss on forward foreign exchange contracts	1,100,215	2,069,960
Payable to defined benefit plan	3,010,714	2,065,715
Charity payable	122,887	83,726
Credit loss allowance against off-balance sheet obligations	22.1 4,733,521	4,742,981
Security deposits against leases / ijarah	16,628,405	11,733,771
Provision for compensated absences	2,198,642	1,960,780
Other security deposits	1,041,570	976,441
Workers welfare fund	8,207,864	7,115,960
Payable to SBP / NBP	7,798,316	12,326,744
ATM switch, clearing and settlement account	15,372,321	26,422,784
Others	2,701,771	4,281,471
	<b>119,398,722</b>	<b>126,946,320</b>





		(Un-audited) 30 September Note 2025	(Audited) 31 December 2024
		(Rupees in '000)	
<b>22.1 Credit loss allowance against off-balance sheet obligations</b>			
Opening balance		4,742,981	3,130,550
Charge / (reversal):			
Charge for the period / year		1,286,043	1,644,514
Reversal for the period / year		(1,295,616)	(31,866)
		(9,573)	1,612,648
Foreign exchange adjustments		113	(217)
Closing balance		4,733,521	4,742,981
<b>23. SURPLUS ON REVALUATION OF ASSETS</b>			
<b>Surplus on revaluation of:</b>			
- Securities measured at FVOCI - debt	9.1	17,285,975	11,908,799
- Securities measured at FVOCI - equity	9.1	2,439,793	578,915
- Property and equipment		21,819,493	22,149,099
- Non-banking assets acquired in satisfaction of claims	15	205,121	205,323
		41,750,382	34,842,136
<b>Deferred tax on surplus on revaluation of:</b>			
- Securities measured at FVOCI - debt		8,988,707	6,311,663
- Securities measured at FVOCI - equity		1,268,692	306,825
- Property and equipment		6,284,721	6,580,165
- Non-banking assets acquired in satisfaction of claims		38,414	39,260
		16,580,534	13,237,913
		25,169,848	21,604,223
<b>24. CONTINGENCIES AND COMMITMENTS</b>			
Guarantees	24.1	263,976,865	217,554,372
Commitments	24.2	513,214,833	542,967,594
Other contingent liabilities	24.3	4,561,515	3,504,960
		781,753,213	764,026,926



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

#### 24.1 Guarantees:

Financial guarantees	<b>35,230,330</b>	32,113,828
Performance guarantees	<b>228,746,535</b>	185,440,544
	<b><u>263,976,865</u></b>	<b><u>217,554,372</u></b>

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

#### 24.2 Commitments:

Documentary credits and short term trade-related transactions		
- letters of credit	<b>292,602,840</b>	291,149,845
Commitments in respect of:		
- forward foreign exchange contracts	24.2.1 <b>217,674,771</b>	245,803,016
- forward lendings	24.2.2 <b>261,288</b>	3,217,813
Commitments for acquisition of:		
- property and equipment	<b>2,675,934</b>	2,796,920
	<b><u>513,214,833</u></b>	<b><u>542,967,594</u></b>

##### 24.2.1 Commitments in respect of forward foreign exchange contracts

Purchase	<b>143,182,937</b>	145,237,825
Sale	<b>74,491,834</b>	100,565,191
	<b><u>217,674,771</u></b>	<b><u>245,803,016</u></b>

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



	(Un-audited) 30 September 2025 (Rupees in '000)	(Audited) 31 December 2024
<b>24.2.2 Commitments in respect of forward lending</b>	<b>261,288</b>	<b>3,217,813</b>

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

	(Un-audited) 30 September 2025 (Rupees in '000)	(Audited) 31 December 2024
<b>24.3 Other contingent liabilities</b>		
<b>24.3.1 Claims against the Bank not acknowledged as debts</b>	<b>4,561,515</b>	<b>3,504,960</b>

#### 24.3.2 Taxation

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

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

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



## 25. DERIVATIVE INSTRUMENTS

### 25.1 Product Analysis

30 September 2025 (Un-audited)						
Counter Parties	CONTRACT		SWAP		TOTAL	
	Notional Principal	Mark to Market gain / (loss)	Notional Principal	Mark to Market gain / (loss)	Notional Principal	Mark to Market gain / (loss)
(Rupees in '000)						
<b>Banks</b>						
Hedging	19,136,825	99,820	82,348,961	24,017	101,485,786	123,837
<b>Other Entities</b>						
Hedging	116,188,985	(394,241)	–	–	116,188,985	(394,241)
<b>Total</b>						
Hedging	<u>135,325,810</u>	<u>(294,421)</u>	<u>82,348,961</u>	<u>24,017</u>	<u>217,674,771</u>	<u>(270,404)</u>
31 December 2024 (Audited)						
	CONTRACT		SWAP		TOTAL	
	Notional Principal	Mark to Market gain / (loss)	Notional Principal	Mark to Market gain / (loss)	Notional Principal	Mark to Market gain / (loss)
(Rupees in '000)						
<b>Banks</b>						
Hedging	57,237,928	281,713	61,257,172	(309,505)	118,495,100	(27,792)
<b>Other Entities</b>						
Hedging	127,307,916	(1,290,945)	–	–	127,307,916	(1,290,945)
<b>Total</b>						
Hedging	<u>184,545,844</u>	<u>(1,009,232)</u>	<u>61,257,172</u>	<u>(309,505)</u>	<u>245,803,016</u>	<u>(1,318,737)</u>



## 25.2 Maturity Analysis

	Number of Contracts	Notional Principal	30 September 2025 (Un-audited)		
			Mark to Market		
			Negative (Rupees in '000)	Positive	Net
Upto 1 month	379	65,064,730	(396,448)	318,498	(77,950)
1 to 3 months	679	69,152,946	(453,645)	220,656	(232,989)
3 to 6 months	862	73,857,308	(249,898)	237,926	(11,972)
Over 6 months to 1 year	108	9,599,787	(224)	52,731	52,507
	<b>2,028</b>	<b>217,674,771</b>	<b>(1,100,215)</b>	<b>829,811</b>	<b>(270,404)</b>

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

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

## 26. MARK-UP / RETURN / INTEREST EARNED

Loans and advances	75,023,676	96,281,917
Investments	184,147,643	270,038,418
Lendings to financial institutions	422,400	—
Deposits with financial institutions	501,558	564,067
Securities purchased under resale agreements	308,723	277,206
	<b>260,404,000</b>	<b>367,161,608</b>

### 26.1 Interest income recognised on:

Financial assets measured at:		
- Amortised cost	43,450,540	60,741,032
- FVOCI	145,782,613	214,977,612
- FVPL	92,178	182,841
- Cost	71,078,669	91,260,123
	<b>260,404,000</b>	<b>367,161,608</b>

## 27. MARK-UP / RETURN / INTEREST EXPENSED

Deposits	111,337,363	186,799,201
Borrowings	4,761,055	9,874,569
Subordinated debt	2,667,596	4,834,560
Cost of foreign currency swaps against deposits / borrowings	3,453,032	4,592,562
Repurchase agreement borrowings	36,934,135	42,131,848
Finance charges on leased liabilities	1,934,637	1,524,129
	<b>161,087,818</b>	<b>249,756,869</b>



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

**28. FEE AND COMMISSION INCOME**

Branch banking customer fees	2,159,211	1,785,342
Investment banking fees	45,959	65,075
Consumer finance related fees	52,054	37,813
Card related fees (debit and credit cards)	4,959,942	3,709,818
Credit related fees	247,172	307,300
Commission on trade	5,264,941	5,776,938
Commission on guarantees	889,748	786,794
Commission on cash management	189,648	187,962
Commission on home remittances	313,853	1,448,525
Others	47,025	36,101
	<b>14,169,553</b>	<b>14,141,668</b>

**29. GAIN / (LOSS) ON SECURITIES - NET**

Realised (loss) / gain	29.1	(108,599)	19,360
Unrealised gain / (loss) - measured at FVPL	9.1	660,016	(253,672)
		<b>551,417</b>	<b>(234,312)</b>

**29.1 Realised (loss) / gain on:**

Federal Government Securities	(119,176)	745
Units of Mutual Funds	10,577	18,615
	<b>(108,599)</b>	<b>19,360</b>

**29.2 Net gain / (loss) on financial assets :**

Net gain / (loss) on investments in securities mandatorily measured at FVPL	670,593	(235,057)
Net (loss) / gain on financial assets measured at FVOCI	(119,176)	745
	<b>551,417</b>	<b>(234,312)</b>

**30. OTHER INCOME**

Rent on property	24,184	11,751
Gain on sale of property and equipment - net	641,678	834,455
Gain on termination of leases and RoU - net	102,374	58,345
	<b>768,236</b>	<b>904,551</b>



		(Un-audited) Nine months period ended	
		30 September 2025	30 September 2024
		(Rupees in '000)	
		(Restated)	
<b>31. OPERATING EXPENSES</b>			
<b>Total compensation expenses</b>	<b>31,888,276</b>	<b>29,611,524</b>	
<b>Property expenses</b>			
Rent and taxes	210,754	188,064	
Insurance	21,447	24,585	
Utilities cost	2,632,064	2,904,862	
Security (including guards)	2,074,594	1,678,859	
Repair and maintenance (including janitorial charges)	750,595	565,447	
Depreciation	1,414,786	1,150,686	
Depreciation - right of use assets	2,120,045	1,821,307	
	<b>9,224,285</b>	<b>8,333,810</b>	
<b>Information technology expenses</b>			
Software maintenance	2,998,504	2,702,545	
Hardware maintenance	1,195,282	965,587	
Depreciation	1,328,975	836,616	
Amortisation	132,610	141,444	
Network charges	685,461	808,437	
	<b>6,340,832</b>	<b>5,454,629</b>	
<b>Other operating expenses</b>			
Directors' fees and allowances	67,710	32,140	
Fees and allowances to shariah board	32,583	24,613	
Insurance	937,900	704,637	
Legal and professional charges	384,609	342,497	
Outsourced services costs	2,709,803	2,487,152	
Travelling and conveyance	601,449	467,910	
NIFT and other clearing charges	259,382	195,776	
Depreciation	2,865,129	2,049,906	
Repair and maintenance	1,957,261	1,689,318	
Training and development	175,673	91,115	
Postage and courier charges	307,994	323,154	
Communication	2,097,172	2,035,538	
Stationery and printing	1,451,312	1,135,006	
Marketing, advertisement and publicity	3,175,185	849,768	
Donations	343,400	355,675	
Auditors remuneration	20,084	14,928	
Commission and brokerage	1,278,766	1,180,594	
Entertainment and staff refreshment	634,467	548,605	
Vehicle running expenses	165,496	165,951	
Subscriptions and publications	241,406	239,314	
CNIC verification charges	308,543	243,305	
Security charges	791,318	755,659	
Others	734,490	787,441	
	<b>21,541,132</b>	<b>16,720,002</b>	
	<b>68,994,525</b>	<b>60,119,965</b>	



		<b>(Un-audited)</b>	
		<b>Nine months period ended</b>	
		<b>30 September</b>	<b>30 September</b>
		<b>2025</b>	<b>2024</b>
		<b>(Rupees in '000)</b>	
		<b>(Restated)</b>	
<b>32. OTHER CHARGES</b>			
Penalties imposed by the State Bank of Pakistan		<u>76,271</u>	<u>306,918</u>
<b>33. CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET</b>			
Charge against balance with other banks - net	7.1	48,518	191
Charge against lendings to financial institutions - net	8.1	2,088	–
Reversal against investments - net	9.2	(2,988,961)	(725,358)
Charge against loans and advances - net	10.3	982,904	11,745,491
Reversal against other assets - net	15.1.1	(234,572)	(86,804)
(Reversal) / charge against off-balance sheet items - net	22.1	(9,573)	941,057
		<u>(2,199,596)</u>	<u>11,874,577</u>
<b>34. TAXATION</b>			
Current		28,027,624	33,995,515
Prior		2,354,668	–
Deferred		(2,271,799)	(3,908,071)
		<u>28,110,493</u>	<u>30,087,444</u>
<b>35. BASIC AND DILUTED EARNINGS PER SHARE</b>			
Profit for the period		<u>25,393,030</u>	<u>33,145,393</u>
		<b>(Number)</b>	
Weighted average number of ordinary shares		<u>1,111,425,416</u>	<u>1,111,425,416</u>
		<b>(Rupees)</b>	
Basic and diluted earnings per share		<u>22.85</u>	<u>29.82</u>
<b>36. FAIR VALUE MEASUREMENTS</b>			
Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.			
<b>36.1 Fair value of financial assets</b>			
The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:			
Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.			
Level 2: Fair value measurements using inputs, other than quoted prices included within Level 1, that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).			





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

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

30 September 2025 (Un-audited)				
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government Securities	–	1,420,576,830	–	1,420,576,830
Shares - listed	744,375	–	–	744,375
Shares - unlisted	–	160,860	1,871,484	2,032,344
Non-Government Debt Securities	–	6,405,149	–	6,405,149
Foreign Securities	–	6,407,854	–	6,407,854
Units of Mutual Funds	–	6,859,962	–	6,859,962
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	–	401,652,433	–	401,652,433
Off-balance sheet financial instruments				
- measured at fair value				
Forward purchase of foreign exchange contracts	–	142,384,103	–	142,384,103
Forward sale of foreign exchange contracts	–	75,020,264	–	75,020,264
31 December 2024 (Audited)				
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government Securities	–	1,502,871,917	–	1,502,871,917
Shares - listed	761,605	–	–	761,605
Non-Government Debt Securities	4,240,451	3,442,208	–	7,682,659
Foreign Securities	–	7,367,557	–	7,367,557
Units of Mutual Funds	–	4,699,950	–	4,699,950
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	–	395,391,462	–	395,391,462
Off-balance sheet financial instruments				
- measured at fair value				
Forward purchase of foreign exchange contracts	–	143,574,254	–	143,574,254
Forward sale of foreign exchange contracts	–	100,910,025	–	100,910,025



### 36.2 Valuation techniques used in determination of fair values

Item	Valuation Approach	Input Used
Federal Government Securities	Federal Government Securities includes Pakistan Investments Bonds (PIBs), Market Treasury Bills (MTBs) and Government Ijarah Sukuks (GISs) at fixed rate and floating rate. The fair value of fixed rates PIBs and MTBs are derived from PKRV and PKFRV rates. The fair value of GISs are revalued using PKISRV rates.	- PKRV Rates - PKFRV Rates - PKISRV Rates
Term Finance Certificates (TFCs)	TFCs are valued using the income approach. Future cash flows are estimated based on prevailing KIBOR rates as of the valuation date. These cash flows are then discounted using a rate derived from the latest 10-year PIBs weighted average yield, adjusted for an instrument-specific credit spread to reflect the individual credit risk associated with each TFC.	- KIBOR - 10 year PIB yield - Term sheets
Sukuks	Corporate Sukuks are valued using the income approach. Expected cashflows are projected based on the current KIBOR rate. These cash flows are then discounted using the 10-year PIBs weighted average yield, adjusted for credit spreads to reflect the risk profile of each instrument.	- KIBOR - 10 year PIB yield - Term sheets
Foreign Securities	Fair values of investments in foreign securities are valued on the basis of closing quoted market prices available at the Mashreq Bank PSC.	- Market price as per Mashreq Bank PSC
Ordinary shares - listed	The fair value of investments in listed equity securities are valued on the basis of closing quoted market price available at the Pakistan Stock Exchange (PSX).	- Fair value as per PSX
Units of Mutual Funds	Fair values of investments in units of mutual funds are determined based on redemption prices disclosed at MUFAP as at the close of the business days.	- Net Assets Value as per MUFAP
Ordinary shares - unlisted	The valuation of unlisted companies varies for each company, as explained below: - The Society for Worldwide Interbank Financial Telecommunications (SWIFT) is valued using the market approach. Valuation is based on its latest published share price in euros, converted to PKR using the exchange rate prevailing on the valuation date. - Pakistan Mortgage Refinance Company Limited has been valued using the income approach, specifically the Dividend Discount Model (DDM). The discount rate applied is the cost of equity, as the company operates without leverage in its capital structure. The cost of equity is estimated through the Capital Asset Pricing Model (CAPM), incorporating a risk-free rate, market return, and sector-average unlevered beta. A long-term growth rate has been assumed in line with industry expectations. - 1LINK (Private) Limited has been valued using the income approach, specifically the Dividend Discount Model (DDM). Future cash flows were projected based on reasonable assumptions aligned with the company's historical performance. The discount rate was derived using the Capital Asset Pricing Model (CAPM), given that the company is currently unlevered. The CAPM inputs included the equity risk premium (ERP), the risk-free rate, and the ungeared beta of comparable companies, adjusted for Pakistan's country risk premium (CRP). Expected dividends were estimated in line with historical payout trends and subsequently discounted to their present value.	- Euro / Pak exchange rate - 10 year PIB yield - PKRV Rates - Comparable company information - Historical PSX returns - Financials of the investee company



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

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

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

Opening balance	100,000
Impact of adoption of IFRS 9	1,620,522
Balance as at 01 January after adopting IFRS 9	1,720,522
Remeasurement recognised in OCI	150,962
Closing balance	1,871,484

**36.4**

Ordinary shares in unlisted companies	Unobservable Input	Fair Value (Rupees in '000)	Input	Relationship of unobservable inputs to fair value
Pakistan Mortgage Refinance Company Limited	Growth Rate	105,647	3%	Increase / (decrease) in growth rate by 1% by all other variables held constant would increase / (decrease) the fair value by Rs. 11.7m and Rs. 9.7m respectively.
1 Link (Private) Limited	Dividend Payout Ratio	1,765,837	17%	Increase / (decrease) in dividend payout ratio by 1% by all other variables held constant would increase / (decrease) the fair value by Rs. 111.6m.
	Growth Rate	1,765,837	8%	Increase / (decrease) in growth rate by 1% by all other variables held constant would increase / (decrease) the fair value by Rs. 290m and Rs. 203m respectively.



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

	As at 30 September 2025 (Un-audited)			
	Commercial banking	Retail banking	Islamic banking	Total
	(Rupees in '000)			
<b>Statement of financial position</b>				
Cash and bank balances	149,332,351	9,546,173	26,005,913	184,884,437
Investments	1,538,999,433	–	308,289,963	1,847,289,396
Net inter segment lending	–	1,433,483,663	–	1,433,483,663
Lendings to financial institutions	28,910,771	–	25,496,557	54,407,328
Advances - performing - net	749,602,229	48,017,151	106,390,049	904,009,429
- non-performing - net	2,438,024	57,538	108,208	2,603,770
Others	237,567,977	15,712,407	36,619,451	289,899,835
<b>Total assets</b>	<b>2,706,850,785</b>	<b>1,506,816,932</b>	<b>502,910,141</b>	<b>4,716,577,858</b>
Borrowings	388,275,316	–	24,878,274	413,153,590
Subordinated debt	25,985,000	–	–	25,985,000
Deposits and other accounts	715,394,417	1,411,560,213	371,014,371	2,497,969,001
Net inter segment borrowing	1,433,483,663	–	–	1,433,483,663
Others	58,484,310	92,801,155	28,523,461	179,808,926
<b>Total liabilities</b>	<b>2,621,622,706</b>	<b>1,504,361,368</b>	<b>424,416,106</b>	<b>4,550,400,180</b>
Equity	85,228,079	2,455,564	78,494,035	166,177,678
<b>Total equity and liabilities</b>	<b>2,706,850,785</b>	<b>1,506,816,932</b>	<b>502,910,141</b>	<b>4,716,577,858</b>
<b>Contingencies and commitments</b>	<b>492,904,798</b>	<b>472,260</b>	<b>63,202,647</b>	<b>556,579,705</b>



Nine months period ended 30 September 2024 (Un-audited) - restated

	Commercial banking	Retail banking	Islamic banking	Total
	(Rupees in '000)			
<b>Statement of profit and loss account</b>				
Mark-up / return / profit	305,946,714	14,360,111	46,854,783	367,161,608
Inter segment revenue - net	—	101,590,152	—	101,590,152
Non mark-up / return / interest income	4,792,461	13,248,529	1,501,072	19,542,062
Total income	310,739,175	129,198,792	48,355,855	488,293,822
Segment direct expenses	(176,352,653)	(106,170,339)	(29,073,264)	(311,596,256)
Inter segment expense allocation	(101,590,152)	—	—	(101,590,152)
Total expenses	(277,942,805)	(106,170,339)	(29,073,264)	(413,186,408)
Credit loss allowance and write-offs - net	(10,880,238)	(472)	(993,867)	(11,874,577)
Profit before tax	21,916,132	23,027,981	18,288,724	63,232,837

As at 31 December 2024 (Audited)

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

### 38. RELATED PARTY TRANSACTIONS

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

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



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

	30 September 2025 (Un-audited)					31 December 2024 (Audited)				
	Directors	Key management personnel	Subsidiaries	Associates	Other related parties	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	(Rupees in '000)									
<b>Investments</b>										
Opening balance	-	-	3,883,250	4,614,653	811,604	-	-	883,250	4,614,653	654,086
Investment made during the period / year	-	-	-	1,500,000	-	-	-	3,000,000	-	130,000
Investment redeemed / adjusted during the period / year	-	-	-	(73,002)	(182,690)	-	-	-	-	-
Surplus on revaluation	-	-	-	-	1,136,924	-	-	-	-	157,518
Credit loss allowance	-	-	-	-	-	-	-	-	-	(130,000)
Closing balance	-	-	3,883,250	6,041,651	1,765,838	-	-	3,883,250	4,614,653	811,604
<b>Advances</b>										
Opening balance	1,674	391,567	550,336	-	1,109,581	4,048	345,035	588,969	-	1,680,782
Addition during the period / year	110,502	255,461	53,461,366	-	20,553,150	16,933	440,830	45,578,331	-	32,611,576
Repaid during the period / year	(49,371)	(194,187)	(53,412,526)	-	(20,520,316)	(19,277)	(394,084)	(45,596,934)	-	(33,100,534)
Credit loss allowance	6	38	8,630	-	34,553	(30)	(214)	(20,030)	-	(82,243)
Closing balance	62,811	452,879	607,806	-	1,176,968	1,674	391,567	550,336	-	1,109,581
<b>Right - of - use assets</b>	-	-	-	-	13,287	-	-	-	-	1,022
<b>Other assets</b>										
Interest / mark-up accrued	1,754	396	17,683	-	26,937	-	454	17,301	-	14,716
Credit loss allowance on accrued mark-up	13	-	316	-	803	-	2	314	-	521
Other receivable	-	-	-	-	-	-	-	447	-	-
<b>Subordinated debt</b>										
Opening balance	-	-	-	-	244,000	-	-	-	-	194,000
Issued / purchased during the period / year	-	-	-	-	-	-	-	-	-	50,000
Closing balance	-	-	-	-	244,000	-	-	-	-	244,000
<b>Deposits and other accounts</b>										
Opening balance	1,106,745	854,460	1,020,652	11,795,080	15,445,734	771,493	794,349	1,316,547	19,349,124	9,409,202
Received during the period / year	8,800,427	7,854,253	127,443,208	863,195,075	220,617,530	8,344,579	6,474,665	74,687,462	582,838,891	405,964,086
Withdrawn during the period / year	(9,364,287)	(7,371,769)	(127,335,516)	(872,954,437)	(228,616,093)	(8,009,327)	(6,414,554)	(74,983,357)	(590,392,935)	(399,927,554)
Closing balance	542,885	1,336,944	1,128,344	2,035,718	7,447,171	1,106,745	854,460	1,020,652	11,795,080	15,445,734
<b>Other liabilities</b>										
Interest / mark-up payable	3,876	6,527	36	4,875	50,799	156	669	-	-	13,995
Credit loss allowance on off balance sheet transactions	-	-	-	-	41,713	-	-	-	-	33,009
Payable to staff retirement fund	-	-	-	-	3,010,714	-	-	-	-	2,065,715
Other liabilities	-	33	2,733	-	-	-	75	2,570	-	-
<b>Contingencies and commitments</b>	-	-	-	-	1,848,013	-	-	-	-	1,617,658
<b>Other Transactions - Investor Portfolio Securities</b>										
Opening balance	-	-	45,000	-	24,182,000	-	-	45,000	-	18,863,500
Increased during the period / year	-	80,000	-	-	9,130,500	-	-	-	-	7,398,000
Decreased during the period / year	-	-	-	-	(5,945,500)	-	-	-	-	(2,079,500)
Closing balance	-	80,000	45,000	-	27,367,000	-	-	45,000	-	24,182,000



### 38.1 RELATED PARTY TRANSACTIONS

	30 September 2025 (Un-audited)					30 September 2024 (Un-audited)				
	Directors	Key management personnel	Subsidiaries	Associates	Other related parties (Rupees in '000)	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
<b>Income</b>										
Mark-up / return / interest earned	4,492	23,072	42,345	—	83,930	1	16,232	58,893	—	146,253
Fee and commission income	263	919	922	266	10,717	221	1,241	121	101	12,591
Dividend income	—	—	—	608,385	140,847	—	—	—	506,770	156,492
Net gain / (loss) on sale/redemption of securities / mutual fund	—	—	—	10,577	4	—	—	—	—	—
Rental income	—	—	24,184	—	—	—	—	10,671	—	—
Other income	—	14	573	—	291	—	—	1,472	—	263
<b>Expense</b>										
Mark-up / return / interest expensed	49,995	89,863	75,624	352,151	542,217	99,033	97,508	153,418	1,141,041	2,068,471
Operating expenses	—	—	—	—	953,303	—	—	—	—	4,469
Brokerage and commission	—	—	16,722	—	—	—	—	10,222	—	—
Salaries and allowances	—	1,218,689	—	—	—	—	968,507	—	—	—
Bonus	—	256,898	—	—	—	—	280,032	—	—	—
Contribution to defined contribution plan	—	42,884	—	—	—	—	40,029	—	—	—
Contribution to defined benefit plan	—	249,092	—	—	—	—	183,658	—	—	—
Staff provident fund	—	—	—	—	1,066,628	—	—	—	—	922,485
Staff gratuity fund	—	—	—	—	945,000	—	—	—	—	900,000
Directors' fees	54,910	—	—	—	—	64,280	—	—	—	—
Donation	—	—	—	—	99,000	—	—	—	—	12,000
Insurance premium paid	—	—	—	—	188,383	—	—	—	—	183,979
Insurance claims settled	—	—	—	—	138,372	—	—	—	—	98,206



### 39. CAPITAL ADEQUACY, LEVERAGE RATIO AND LIQUIDITY REQUIREMENTS

	(Un-audited) 30 September 2025 (Rupees in '000)	(Audited) 31 December 2024
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital	11,114,254	11,114,254
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	146,968,444	138,304,943
Eligible Additional Tier 1 (ADT 1) Capital	13,017,723	13,085,236
Total Eligible Tier 1 Capital	159,986,167	151,390,179
Eligible Tier 2 Capital	47,104,189	43,326,725
Total Eligible Capital (Tier 1 + Tier 2)	207,090,356	194,716,904
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	814,532,671	794,269,649
Market Risk	24,409,339	26,015,518
Operational Risk	267,347,656	267,347,656
Total	1,106,289,666	1,087,632,823
Common Equity Tier 1 Capital Adequacy Ratio	13.285%	12.716%
Tier 1 Capital Adequacy Ratio	14.462%	13.919%
Total Capital Adequacy Ratio	18.719%	17.903%
<b>Leverage Ratio (LR):</b>		
Eligible Tier 1 Capital	159,986,167	151,390,179
Total Exposures	3,913,581,823	3,781,832,541
Leverage Ratio	4.088%	4.003%
<b>Liquidity Coverage Ratio (LCR):</b>		
Total High Quality Liquid Assets	1,349,174,492	1,240,825,598
Total Net Cash Outflow	458,253,975	455,977,522
Liquidity Coverage Ratio	294.416%	272.124%
<b>Net Stable Funding Ratio (NSFR):</b>		
Total Available Stable Funding	2,560,267,463	2,345,924,658
Total Required Stable Funding	1,376,224,476	1,268,607,420
Net Stable Funding Ratio	186.036%	184.921%

The Bank has applied transitional approach under IFRS-9 as prescribed in SBP Circular. CAR and LR would be 18.04% & 3.93% respectively, if full impact of IFRS-9 is applied.





#### 40. ISLAMIC BANKING BUSINESS

The Bank is operating with 350 (31 December 2024: 276) Islamic Banking branches and 08 (31 December 2024: 10) Islamic Banking windows at the end of the period / year.

STATEMENT OF FINANCIAL POSITION		(Un-audited)	(Audited)
		30 September 2025	31 December 2024
	Note	(Rupees in '000)	
ASSETS			
Cash and balances with treasury banks		25,996,573	24,097,793
Balances with other banks		9,340	8,635
Due from financial institutions	40.1	25,496,557	25,996,490
Investments	40.2	308,289,963	256,341,204
Islamic financing and related assets - net	40.3	106,498,257	103,587,096
Property and equipment		3,552,797	2,571,153
Right-of-use assets		6,239,964	4,411,645
Intangible assets		—	—
Due from Head Office		—	—
Other assets		26,826,690	25,734,467
Total Assets		502,910,141	442,748,483
LIABILITIES			
Bills payable		970,559	848,638
Due to financial institutions		24,878,274	30,561,246
Deposits and other accounts	40.4	371,014,371	317,595,744
Due to Head Office		8,125,879	6,016,955
Lease liabilities		7,491,187	5,386,354
Subordinated debt		—	—
Other liabilities		11,935,836	14,820,648
Total Liabilities		424,416,106	375,229,585
NET ASSETS		78,494,035	67,518,898
REPRESENTED BY			
Islamic Banking Fund		7,600,000	7,600,000
Reserves		—	—
Surplus on revaluation of assets		4,058,131	5,852,746
Unappropriated profit	40.5	66,835,904	54,066,152
		78,494,035	67,518,898
CONTINGENCIES AND COMMITMENTS	40.6		



## STATEMENT OF PROFIT AND LOSS ACCOUNT

	Note	(Un-audited) Nine months period ended	
		30 September 2025	30 September 2024
		(Rupees in '000)	
			(Restated)
Profit / return earned	40.7	36,837,248	46,854,783
Profit / return expensed	40.8	(16,829,400)	(22,514,960)
<b>Net Profit / return</b>		<b>20,007,848</b>	<b>24,339,823</b>
<b>Other income</b>			
Fee and commission income		1,623,722	1,259,315
Dividend income		61,787	47,617
Foreign exchange income		202,801	183,068
(Loss) / gain on securities - net		(13,461)	11,072
Other income		—	—
<b>Total other income</b>		<b>1,874,849</b>	<b>1,501,072</b>
<b>Total income</b>		<b>21,882,697</b>	<b>25,840,895</b>
<b>Other expenses</b>			
Operating expenses		(8,749,522)	(6,558,182)
Other charges		(686)	(122)
<b>Total other expenses</b>		<b>(8,750,208)</b>	<b>(6,558,304)</b>
<b>Profit before credit loss allowance</b>		<b>13,132,489</b>	<b>19,282,591</b>
Credit loss allowance and write offs - net		(362,737)	(993,867)
<b>Profit for the period</b>		<b>12,769,752</b>	<b>18,288,724</b>

40.1 Due from financial institutions	(Un-audited)		(Audited)
	30 September 2025	31 December 2024	
	(Rupees in '000)		
In local currency:			
Musharaka placement	25,500,000	26,000,000	
Less: credit loss allowance - Stage 1	(3,443)	(3,510)	
<b>Due from financial institutions - net of credit loss allowance</b>	<b>25,496,557</b>	<b>25,996,490</b>	



	30 September 2025 (Un-audited)				31 December 2024 (Audited)			
	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
(Rupees in '000)								
<b>40.2 Investments by Segments:</b>								
<b>Amortised Cost</b>								
Federal Government Securities								
- Bai Muajjal	5,599,442	-	-	5,599,442	-	-	-	-
<b>FVPL</b>								
Federal Government Securities								
- Islamic Naya Pakistan Certificates	1,133,469	-	-	1,133,469	2,642,542	-	-	2,642,542
<b>FVOCI</b>								
<b>Federal Government Securities</b>								
- Ijarah Sukuks	272,480,514	-	3,536,236	276,016,750	221,990,413	-	5,664,287	227,654,700
- Neelum Jhelum Hydropower Co. Ltd. Sukuk	577,500	-	17,281	594,781	866,250	-	8,840	875,090
- Pakistan Energy Sukuk - Listed	21,101,591	-	511,085	21,612,676	21,101,875	-	209,125	21,311,000
<b>Non Government Debt Securities</b>								
- Listed	1,122,000	(680,358)	8,399	450,041	1,122,000	(680,227)	534	442,307
- Unlisted	2,438,625	(619)	(14,870)	2,423,136	2,973,000	(524)	(30,040)	2,942,436
	297,720,230	(680,977)	4,058,131	301,097,384	248,053,538	(680,751)	5,852,746	253,225,533
<b>Investments mandatorily classified / measured at FVPL</b>								
Units of Mutual Funds	273,129	-	(13,461)	259,668	252,242	-	20,887	273,129
<b>Associates</b>								
- AL Habib Islamic Cash Fund	100,000	-	-	100,000	100,000	-	-	100,000
- AL Habib Islamic Savings Fund	100,000	-	-	100,000	100,000	-	-	100,000
	200,000	-	-	200,000	200,000	-	-	200,000
<b>Total Investments</b>	<u>304,926,270</u>	<u>(680,977)</u>	<u>4,044,670</u>	<u>308,289,963</u>	<u>251,148,322</u>	<u>(680,751)</u>	<u>5,873,633</u>	<u>256,341,204</u>

#### 40.2.1 Particulars of credit loss allowance

	30 September 2025 (Un-audited)			
	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)			
Non Government Debt Securities	488	489	680,000	680,977
	31 December 2024 (Audited)			
	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)			
Non Government Debt Securities	384	367	680,000	680,751



	(Un-audited) 30 September 2025	(Audited) 31 December 2024
	(Rupees in '000)	
<b>40.3 Islamic financing and related assets</b>		
Ijarah	3,276,252	3,296,372
Murabaha	16,568,536	21,393,302
Diminishing Musharaka	15,393,545	14,901,120
Istisna	3,524,747	4,744,263
Islamic Long Term Financing Facility (ILTFF)	3,669,822	4,343,370
Islamic Refinance for Renewable Energy (IFRE)	3,027,747	3,177,094
Islamic Refinance for Temporary Economic Refinance Facility (ITERF)	4,284,138	5,217,018
Islamic Refinance Facility for Modernization of SMEs (IRFSME)	141,626	166,650
Islamic Financing Facility for Storage of Agricultural Produce (IFFSAP)	111,854	127,131
Islamic Export Refinance - Istisna (IERF)	—	70,000
Musawamah	3,364,447	4,188,383
Running Musharaka	2,933,938	2,844,245
Islamic Export Refinance - Running Musharaka	13,463,641	8,903,641
Financing against Bills - Musawamah	1,987,113	3,823,394
Export Finance Scheme (EFS) - Discounting	8,380,287	8,207,289
Staff Financing	3,020,839	1,098,884
Musawamah Inventory	6,681,287	2,673,423
Advance against Istisna	14,402,640	14,364,368
Advance against Istisna - IERF	1,587,225	818,500
Advance against Ijarah	822,784	250,250
Advance against Diminishing Musharaka	3,246,649	1,788,091
Advance against IFRE	—	198,663
Gross Islamic financing and related assets	109,889,117	106,595,451
Less: credit loss allowance against Islamic financings and related assets		
- Stage 1	(1,158,354)	(1,071,897)
- Stage 2	(955,114)	(1,061,392)
- Stage 3	(1,277,392)	(875,066)
	(3,390,860)	(3,008,355)
Islamic financing and related assets - net of credit loss allowance	106,498,257	103,587,096



	(Un-audited) 30 September 2025 (Rupees in '000)	(Audited) 31 December 2024
<b>40.4 Deposits and Other Accounts</b>		
<b>Customers</b>		
Current deposits	150,716,745	116,937,121
Savings deposits	198,779,931	158,666,856
Term deposits	19,377,175	20,269,782
	<u>368,873,851</u>	<u>295,873,759</u>
<b>Financial institutions</b>		
Current deposits	101,963	48,799
Savings deposits	2,038,557	21,673,186
	<u>2,140,520</u>	<u>21,721,985</u>
	<u>371,014,371</u>	<u>317,595,744</u>
<b>40.5 Islamic Banking Business Unappropriated Profit</b>		
Opening balance	54,066,152	30,550,755
Add: Islamic Banking profit for the period / year	12,769,752	23,523,465
Loss on sale of equity securities - FVOCI	—	(8,068)
Closing balance	<u>66,835,904</u>	<u>54,066,152</u>
<b>40.6 Contingencies and Commitments</b>		
Guarantees	26,272,642	19,198,384
Commitments	36,930,005	34,016,915
	<u>63,202,647</u>	<u>53,215,299</u>
	(Un-audited) Nine months period ended 30 September 2025 (Rupees in '000)	30 September 2024 (Restated)
<b>40.7 Profit / Return Earned on Financing, Investments and Placements</b>		
Profit earned on:		
Financing and related assets	8,385,441	13,069,531
Investments	28,029,068	33,784,529
Placements	422,739	723
	<u>36,837,248</u>	<u>46,854,783</u>
<b>40.8 Profit on Deposits and Other Dues Expensed</b>		
Deposits and other accounts	14,531,442	18,384,000
Due to Financial Institutions	1,357,216	2,463,521
Due to Head Office	319,342	1,206,425
Finance charges on leased liabilities	621,400	461,014
	<u>16,829,400</u>	<u>22,514,960</u>



## **40.9 Profit and Loss Distribution and Pool Management**

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

#### **General Pool PKR (Mudaraba)**

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

#### **Special Pool(s) PKR (Mudaraba)**

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

#### **General Pool FCY (Mudaraba)**

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

#### **Special Pool(s) FCY (Mudaraba)**

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

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

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

#### **Equity Pool**

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

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

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

#### **Parameters associated with risk and rewards:**

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

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



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

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

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

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

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

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

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

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

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

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

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



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

30 September 2025 (Un-audited)					
	Distributable Income (Rupees in '000)	Mudarib Share (Percentage)	Mudarib Share (Percentage)	HIBA Amount (Rupees in '000)	HIBA (Percentage)
LCY Pool	20,373,504	9,552,001	46.88%	4,054,090	42.44%
FCY Pool	328,100	271,293	82.69%	41,318	15.23%
30 September 2024 (Un-audited)					
LCY Pool	26,407,005	10,547,717	39.94%	4,439,731	42.09%
FCY Pool	364,207	279,715	76.80%	38,089	13.62%

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

(Un-audited) Nine months period ended		
	30 September 2025	30 September 2024
	(Percentage)	
Profit rate earned	11.73%	19.21%
Profit rate distributed	5.78%	10.19%

#### 41. GENERAL

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

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

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

#### 42. NON-ADJUSTING EVENT AFTER THE REPORTING DATE

The Board of Directors, in its meeting held on 23 October 2025, has announced an interim cash dividend of Rs. 3.50 per share (30 September 2024: Rs. 3.50 per share). These unconsolidated condensed interim financial statements do not include the effect of this appropriation, which will be accounted for subsequent to the period end.

#### 43. DATE OF AUTHORISATION

These unconsolidated condensed interim financial statements were authorised for issue in the Board of Directors' meeting held on 23 October 2025.

MANSOOR ALI KHAN  
Chief Executive

ASHAR HUSAIN  
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI  
Director

FARHANA MOWJEE KHAN  
Director

ABBAS D. HABIB  
Chairman





## **Consolidated Financial Statements**

Bank AL Habib Limited

and

Subsidiary Companies



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

	Note	(Un-audited) 30 September 2025 (Rupees in '000)	(Audited) 31 December 2024
<b>ASSETS</b>			
Cash and balances with treasury banks	6	181,004,708	201,935,630
Balances with other banks	7	4,673,906	5,887,584
Lendings to financial institutions	8	54,407,328	38,941,542
Investments	9	1,849,674,047	1,926,109,064
Advances	10	905,988,830	910,279,117
Property and equipment	11	81,967,806	76,057,034
Right-of-use assets	12	16,357,202	13,731,222
Intangible assets	13	198,419	237,024
Deferred tax assets	14	3,273,817	4,529,802
Other assets	15	190,092,571	145,422,433
<b>Total Assets</b>		<b>3,287,638,634</b>	<b>3,323,130,452</b>
<b>LIABILITIES</b>			
Bills payable	17	40,327,362	52,263,043
Borrowings	18	413,153,590	667,043,213
Deposits and other accounts	19	2,496,971,026	2,277,961,527
Lease liabilities	20	20,128,144	16,897,021
Subordinated debt	21	25,985,000	25,988,400
Deferred tax liabilities		—	—
Other liabilities	22	120,378,068	127,773,646
<b>Total Liabilities</b>		<b>3,116,943,190</b>	<b>3,167,926,850</b>
<b>NET ASSETS</b>		<b>170,695,444</b>	<b>155,203,602</b>
<b>REPRESENTED BY</b>			
Share capital		11,114,254	11,114,254
Reserves		34,651,054	32,050,356
Surplus on revaluation of assets	23	25,202,731	21,624,360
Unappropriated profit		99,548,277	90,259,109
<b>Equity attributable to the equity holders of the Holding company</b>		<b>170,516,316</b>	<b>155,048,079</b>
Non-controlling interest	24	179,128	155,523
<b>Total Equity</b>		<b>170,695,444</b>	<b>155,203,602</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	25		

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

MANSOOR ALI KHAN  
Chief Executive

ASHAR HUSAIN  
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI  
Director

FARHANA MOWJEE KHAN  
Director

ABBAS D. HABIB  
Chairman



**CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2025**

Note	Nine months period ended		Three months period ended	
	30 September 2025	30 September 2024 (Restated)	30 September 2025 (Rupees in '000) (Restated)	30 September 2024 (Restated)
Mark-up / return / interest earned	27	260,631,796	367,165,146	82,501,076
Mark-up / return / interest expensed	28	(161,046,771)	(249,635,913)	(49,423,764)
Net mark-up / return / interest income		99,585,025	117,529,233	33,077,312
<b>NON MARK-UP / INTEREST INCOME</b>				
Fee and commission income	29	16,258,229	15,815,721	4,144,092
Dividend income		387,737	361,598	34,545
Foreign exchange income		5,665,122	3,862,206	2,111,574
Income / (loss) from derivatives		—	—	—
Gain / (loss) on securities-net	30	541,090	(234,238)	974,736
Net gain / (loss) on derecognition of financial assets measured at amortised cost		—	—	—
Share of profit from associates		1,015,054	1,016,059	354,358
Other income	31	744,079	892,800	160,264
Total non mark-up / interest income		24,611,311	21,714,146	8,003,008
<b>Total income</b>		124,196,336	139,243,379	41,080,320
<b>NON MARK-UP / INTEREST EXPENSES</b>				
Operating expenses	32	(69,783,967)	(60,553,755)	(24,854,045)
Workers welfare fund		(1,126,995)	(1,444,736)	(306,955)
Other charges	33	(76,271)	(306,918)	(45,676)
Total non mark-up / interest expenses		(70,987,233)	(62,305,409)	(25,206,676)
<b>Profit before credit loss allowance</b>		53,209,103	76,937,970	15,873,644
Credit loss allowance and write offs - net	34	2,199,596	(11,877,077)	(449,159)
Extra ordinary / unusual items		—	—	—
<b>PROFIT BEFORE TAXATION</b>		55,408,699	65,060,893	15,424,485
Taxation	35	(28,732,006)	(30,649,525)	(8,537,981)
<b>PROFIT AFTER TAXATION</b>		26,676,693	34,411,368	6,886,504
<b>Attributable to:</b>				
Equity holders of the Holding Company		26,659,463	34,403,547	6,877,654
Non-controlling interest		17,230	7,821	8,850
		26,676,693	34,411,368	6,886,504
<b>(Rupees)</b>				
<b>Basic and diluted earnings per share attributable to the equity holders of the Holding Company</b>	36	23.99	30.95	6.19

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

MANSOOR ALI KHAN  
Chief Executive

ASHAR HUSAIN  
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI  
Director

FARHANA MOWJEE KHAN  
Director

ABBAS D. HABIB  
Chairman



**CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2025**

	<b>Nine months period ended</b>		<b>Three months period ended</b>	
	<b>30 September 2025</b>	<b>30 September 2024</b>	<b>30 September 2025</b>	<b>30 September 2024</b>
	<b>(Rupees in '000)</b>			
		<b>(Restated)</b>		<b>(Restated)</b>
<b>Profit after taxation for the period</b>	<b>26,676,693</b>	34,411,368	<b>6,886,504</b>	12,745,513
<b>Other comprehensive income</b>				
<i>Items that may be reclassified to statement of profit and loss account in subsequent periods:</i>				
Effect of translation of net investment in foreign branches	<b>61,395</b>	(134,749)	<b>(91,195)</b>	(61,518)
Movement in surplus on revaluation of debt investments through FVOCI - net of tax	<b>2,711,185</b>	8,090,628	<b>693,043</b>	6,273,323
	<b>2,772,580</b>	7,955,879	<b>601,848</b>	6,211,805
<i>Items that will not be reclassified to statement of profit and loss account in subsequent periods:</i>				
Movement in surplus / (deficit) on revaluation of equity investments - net of tax	<b>94,939</b>	(468,494)	<b>(18,540)</b>	17,433
Movement in surplus / (deficit) on revaluation of property and equipment - net of tax	<b>124,049</b>	309,511	<b>(1,594)</b>	106,031
Movement in surplus / (deficit) on revaluation of non-banking assets - net of tax	<b>741</b>	(31,013)	<b>-</b>	-
	<b>219,729</b>	(189,996)	<b>(20,134)</b>	123,464
<b>Total comprehensive income for the period</b>	<b>29,669,002</b>	42,177,251	<b>7,468,218</b>	19,080,782
<b>Attributable to:</b>				
Equity holders of the Holding Company	<b>29,645,397</b>	42,163,875	<b>7,454,120</b>	19,074,511
Non-controlling interest	<b>23,605</b>	13,376	<b>14,098</b>	6,271
	<b>29,669,002</b>	42,177,251	<b>7,468,218</b>	19,080,782

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

MANSOOR ALI KHAN  
Chief Executive

ASHAR HUSAIN  
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI  
Director

FARHANA MOWJEE KHAN  
Director

ABBAS D. HABIB  
Chairman



**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE NINE MONTHS PERIOD ENDED 30 September 2025**

Attributable to shareholders of the Holding Company												
	Share Capital	Statutory Reserve	Foreign Currency Translation Reserve	Revenue Reserves		Surplus / (deficit) on revaluation of			Unappropriated Profit	Sub - total	Non-controlling interest	Total
				Special Reserve	General Reserve	Investments	Property and Equipment	Non Banking Assets				
(Rupees in '000)												
Balance as at 01 January 2024 - audited	11,114,254	22,700,012	4,818,360	126,500	540,000	1,124,652	16,433,449	200,858	73,595,373	130,653,458	125,536	130,778,994
Effect of adoption of IFRS 9 (net of tax)	-	-	-	-	-	(1,773,407)	-	-	(3,510,353)	(5,283,760)	-	(5,283,760)
Profit after taxation for the nine months period ended 30 September 2024 - restated	-	-	-	-	-	-	-	-	34,403,547	34,403,547	7,821	34,411,368
Other comprehensive income for the nine months period ended 30 September 2024 - net of tax												
Effect of translation of net investment in foreign branches	-	-	(134,749)	-	-	-	-	-	-	(134,749)	-	(134,749)
Movement in surplus on revaluation of investments in debt securities - net of tax	-	-	-	-	-	8,087,541	-	-	-	8,087,541	3,087	8,090,628
Movement in deficit on revaluation of investments in equity securities - net of tax	-	-	-	-	-	(470,962)	-	-	-	(470,962)	2,468	(468,494)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	309,511	-	-	309,511	-	309,511
Movement in deficit on revaluation of non - banking assets - net of tax	-	-	-	-	-	-	-	(31,013)	-	(31,013)	-	(31,013)
Total other comprehensive income - net of tax	-	-	(134,749)	-	-	7,616,579	309,511	(31,013)	-	7,760,328	5,555	7,765,883
Transfer to statutory reserve	-	3,305,733	-	-	-	-	-	-	(3,305,733)	-	-	-
Loss on sale of equity securities - FVOCI	-	-	-	-	-	826,620	-	-	(826,620)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	(165,991)	(509)	166,500	-	-	-
Transactions with owners, recorded directly in equity												
Final cash dividend (Rs. 5.0 per share) - December 2023	-	-	-	-	-	-	-	-	(5,557,127)	(5,557,127)	-	(5,557,127)
Interim cash dividend (Rs. 3.5 per share) - March 2024	-	-	-	-	-	-	-	-	(3,889,989)	(3,889,989)	-	(3,889,989)
Interim cash dividend (Rs. 3.5 per share) - June 2024	-	-	-	-	-	-	-	-	(3,889,989)	(3,889,989)	-	(3,889,989)
	-	-	-	-	-	-	-	-	(13,337,105)	(13,337,105)	-	(13,337,105)
Balance as at 30 September 2024 - unaudited - restated	11,114,254	26,005,745	4,683,611	126,500	540,000	7,794,444	16,576,969	169,336	87,185,609	154,196,468	138,912	154,335,380
Profit after taxation for the three months period ended 31 December 2024	-	-	-	-	-	-	-	-	7,498,218	7,498,218	7,809	7,506,027
Other comprehensive income for the three months period ended 31 December 2024 - net of tax												
Effect of translation of net investment in foreign branches	-	-	14,014	-	-	-	-	-	-	14,014	-	14,014
Movement in surplus on revaluation of investments in debt securities - net of tax	-	-	-	-	-	(1,974,934)	-	-	-	(1,974,934)	(3,049)	(1,977,983)
Movement in surplus on revaluation of investments in equity securities - net of tax	-	-	-	-	-	69,853	-	-	-	69,853	11,851	81,704
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	61,809	61,809	-	61,809
Movement in deficit on revaluation of property and equipment - net of tax	-	-	-	-	-	-	(924,079)	-	-	(924,079)	-	(924,079)
Movement in deficit on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	(3,281)	-	(3,281)	-	(3,281)
Total other comprehensive income - net of tax	-	-	14,014	-	-	(1,905,081)	(924,079)	(3,281)	61,809	(2,756,618)	8,802	(2,747,816)
Transfer to statutory reserve	-	680,486	-	-	-	-	-	-	(680,486)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	(83,956)	8	83,948	-	-	-
Transaction with owners, recorded directly in equity												
Interim cash dividend (Rs. 3.5 per share) - September 2024	-	-	-	-	-	-	-	-	(3,889,989)	(3,889,989)	-	(3,889,989)
Balance as at 31 December 2024 - audited	11,114,254	26,686,231	4,697,625	126,500	540,000	5,889,363	15,588,934	166,063	90,259,109	155,048,079	155,523	155,203,602



Attributable to shareholders of the Holding Company

	Share Capital	Statutory Reserve	Foreign Currency Translation Reserve	Revenue Reserves		Surplus / (deficit) on revaluation of			Unappropriated Profit	Sub-total	Non-controlling interest	Total
				Special Reserve	General Reserve	Investments	Property and Equipment	Non Banking Assets				
						(Rupees in '000)						
Effect of adoption of IFRS 9 (net of tax)	-	-	-	-	-	800,750	-	-	26,333	827,083	-	827,083
Profit after taxation for the nine months period ended 30 September 2025	-	-	-	-	-	-	-	-	26,659,463	26,659,463	17,230	26,676,693
<b>Other comprehensive income for the nine months period ended 30 September 2025 - net of tax</b>												
Effect of translation of net investment in foreign branches	-	-	61,395	-	-	-	-	-	-	61,395	-	61,395
Movement in surplus on revaluation of investments in debt securities - net of tax	-	-	-	-	-	2,707,504	-	-	-	2,707,504	3,681	2,711,185
Movement in surplus on revaluation of investments in equity securities - net of tax	-	-	-	-	-	92,245	-	-	-	92,245	2,694	94,939
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	124,049	-	-	124,049	-	124,049
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	741	-	741	-	741
Total other comprehensive income - net of tax	-	-	61,395	-	-	2,799,749	124,049	741	-	2,985,934	6,375	2,992,309
Transfer to statutory reserve	-	2,539,303	-	-	-	-	-	-	(2,539,303)	-	-	-
Loss on sale of equity securities - FVOCI	-	-	-	-	-	11,390	-	-	(11,390)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit-net of tax	-	-	-	-	-	-	(158,211)	(97)	158,308	-	-	-
<b>Transactions with owners, recorded directly in equity</b>												
Final cash dividend (Rs. 6.5 per share) - December 2024	-	-	-	-	-	-	-	-	(7,224,265)	(7,224,265)	-	(7,224,265)
Interim cash dividend (Rs. 3.5 per share) - March 2025	-	-	-	-	-	-	-	-	(3,889,989)	(3,889,989)	-	(3,889,989)
Interim cash dividend (Rs. 3.5 per share) - June 2025	-	-	-	-	-	-	-	-	(3,889,989)	(3,889,989)	-	(3,889,989)
	-	-	-	-	-	-	-	-	(15,004,243)	(15,004,243)	-	(15,004,243)
<b>Balance as at 30 September 2025 - unaudited</b>	<b>11,114,254</b>	<b>29,225,534</b>	<b>4,759,020</b>	<b>126,500</b>	<b>540,000</b>	<b>9,501,252</b>	<b>15,534,772</b>	<b>166,707</b>	<b>99,548,277</b>	<b>170,516,316</b>	<b>179,128</b>	<b>170,695,444</b>

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

MANSOOR ALI KHAN  
Chief Executive

ASHAR HUSAIN  
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI  
Director

FARHANA MOWJEE KHAN  
Director

ABBAS D. HABIB  
Chairman



**CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2025**

	30 September 2025	30 September 2024
	(Rupees in '000)	(Restated)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	55,408,699	65,060,893
Less: dividend income	(387,737)	(361,598)
	<b>55,020,962</b>	<b>64,699,295</b>
<b>Adjustments:</b>		
Net mark-up / return / interest income	(99,585,025)	(117,529,233)
Depreciation	5,636,254	4,048,265
Depreciation on right-of-use assets	2,131,428	1,829,925
Amortisation	142,283	146,670
Workers welfare fund	1,126,995	1,444,736
Credit loss allowance and write-offs - net	(2,199,596)	11,877,077
Gain on sale of property and equipment - net	(641,704)	(834,455)
Gain on termination of leases and RoU - net	(102,375)	(58,345)
Unrealised (gain) / loss measured at FVPL	(660,016)	253,672
Charge for defined benefit plan	945,000	900,000
Charge for compensated absences	237,565	317,717
Share of profit from associates	(1,015,054)	(1,016,059)
	<b>(93,984,245)</b>	<b>(98,620,030)</b>
	<b>(38,963,283)</b>	<b>(33,920,735)</b>
<b>(Increase) / decrease in operating assets</b>		
Lendings to financial institutions	(15,467,874)	1,649,716
Securities classified as FVPL	8,812	2,708,139
Advances	3,307,383	81,665,327
Other assets (excluding advance taxation and markup receivable)	(13,413,192)	442,262
	<b>(25,564,871)</b>	<b>86,465,444</b>
<b>(Decrease) / increase in operating liabilities</b>		
Bills payable	(11,935,681)	(18,907,494)
Borrowings	(253,471,011)	(11,665,541)
Deposits and other accounts	219,009,499	287,230,438
Other liabilities (excluding markup payable)	(10,551,792)	13,471,282
	<b>(56,948,985)</b>	<b>270,128,685</b>
	<b>(121,477,139)</b>	<b>322,673,394</b>
Mark-up / return / interest received	243,324,923	308,820,379
Mark-up / return / interest paid	(158,458,500)	(244,798,178)
Income tax paid	(44,732,683)	(28,220,115)
Net cash (used in) / generated from operating activities	<b>(81,343,399)</b>	<b>358,475,480</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in amortised cost securities	(628,611)	19,210,755
Net investments in securities classified as FVOCI	90,797,076	(314,981,944)
Net investments in associates	(1,550,599)	(53,216)
Dividends received	387,737	372,645
Investments in property and equipment and intangible assets	(11,902,556)	(9,534,801)
Proceeds from sale of property and equipment	665,112	807,268
Effect of translation of net investment in foreign branches	61,395	(134,749)
Net cash generated from / (used in) investing activities	<b>77,829,554</b>	<b>(304,314,042)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payments of subordinated debt	(3,400)	(3,995,400)
Dividend paid	(14,794,866)	(13,150,218)
Payments of lease obligations against right-of-use assets	(3,365,356)	(2,792,676)
Net cash used in financing activities	<b>(18,163,622)</b>	<b>(19,938,294)</b>
<b>(Decrease) / increase in cash and cash equivalents</b>	<b>(21,677,467)</b>	<b>34,223,144</b>
Cash and cash equivalents at beginning of the period	<b>205,641,643</b>	<b>147,284,561</b>
Cash and cash equivalents at end of the period	<b>183,964,176</b>	<b>181,507,705</b>

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

MANSOOR ALI KHAN  
Chief Executive

ASHAR HUSAIN  
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI  
Director

FARHANA MOWJEE KHAN  
Director

ABBAS D. HABIB  
Chairman



**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2025**

**1. STATUS AND NATURE OF BUSINESS**

**1.1** The Group comprises of:

**Holding Company**

- Bank AL Habib Limited

**Subsidiaries**

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

**1.2** Bank AL Habib Limited (the Bank) is a banking company incorporated in Pakistan on 15 October 1991 as a public limited company under repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Bank's registered office is at 126-C, Old Bahawalpur Road, Multan with principal place of business at 2nd Floor, Mackinnons Building, I.I. Chundrigar Road, Karachi. Its shares are listed on Pakistan Stock Exchange Limited. It is a scheduled bank principally engaged in the business of commercial banking with a network of 1,295 branches (31 December 2024: 1,207 branches), NIL sub-branches (31 December 2024: 14 sub-branches), 03 representative offices (31 December 2024: 04 representative offices) and 12 booths (31 December 2024: 12 booths). The branch network of the Bank includes 02 overseas branches (31 December 2024: 02 overseas branches) and 350 Islamic Banking branches (31 December 2024: 276 Islamic Banking branches).

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

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

The Company is managing following mutual funds:

**Conventional Funds**

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





#### **Islamic Funds**

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

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

#### **2. BASIS OF PREPARATION**

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

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

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

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

#### **2.5 Statement of Compliance**

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

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



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

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



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

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

Revenue from Islamic products would have increased by Rs. 513.985 million, if IFRS 9 had been adopted in its entirety.

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

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

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

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

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

### **3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

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

### **4. MATERIAL ACCOUNTING POLICY INFORMATION**

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

#### **4.1 Unlisted Equity Securities**

In accordance with BPRD Circular Letter No. 16 dated 29 July 2024, SBP has relaxed the requirement for the application of IFRS 9 'Financial Instruments' to measuring unlisted equity securities at fair value under IFRS 13 effective from 01 January 2025. The measurement of fair value of investments in unlisted equity securities involves the use of different methodologies and assumptions. The Group measures



the fair valuation of unlisted equity securities using appropriate valuation techniques and fair valuation models in accordance with IFRS 13 - Fair Value Measurement. Therefore, the Bank has taken the impact of fair value adjustment to equity at the beginning of the current accounting period and information related to 31 December 2024 has not been restated as allowed under modified retrospective approach for restatement permitted under IFRS 9. The impact of application as at 01 January 2025 is shown below:

	(Rupees in '000)
Increase in investments - unlisted equity securities	1,723,404
Increase in deferred tax liabilities	896,321
Increase in revaluation of assets	800,750
Increase in unappropriated profit	26,333

#### 4.2 Subsidised Loans and Borrowings

The Bank adopted IFRS 9 in accordance with the application instructions, effective 01 January 2024, using the modified retrospective approach for restatement as permitted under the standard. In the annual audited financial statements for the year ended 31 December 2024, the cumulative impact of the initial application amounted to Rs. 2,188.661 million, which was recorded as an adjustment to equity at the beginning of the comparative accounting period.

Further, pursuant to the extended implementation timelines provided by SBP under BPRD Circular Letter No. 16 dated 29 July 2024, and BPRD Circular Letter No. 01 dated 22 January 2025, the Bank was required to apply fair value measurement to subsidised staff financing, implement modification accounting for financial assets and liabilities, and recognize income using the EIR method, with effect from the last quarter of 2024. However, in line with SBP via its letter no. BPRD/RPD/822456/25 dated 22 January 2025, the recognition of income on EIR has been further deferred till 31 December 2025.

Therefore, the comparative figures for the nine months period ended 30 September 2024, presented in the consolidated condensed interim statement of profit and loss for the nine months period ended 30 September 2025, have been restated as summarised:

#### Consolidated Condensed Interim Statement of Profit and Loss Account

	Un-audited 30 September 2025 (Rupees in '000)	Description
Mark-up / return / interest earned	2,145,065	Impact of subsidised loans and staff financing
Mark-up / return / interest expensed	1,316,724	Impact of subsidised borrowings from SBP
Operating expenses	658,990	Impact of prepaid staff cost amortisation
Taxation	81,288	Tax impact of restatement
Profit after taxation	88,063	
	(Rupees)	
Basic and diluted earnings per share	0.08	EPS impact of restatement



## 5. FINANCIAL RISK MANAGEMENT

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

	Note	(Un-audited) 30 September 2025 (Rupees in '000)	(Audited) 31 December 2024
<b>6. CASH AND BALANCES WITH TREASURY BANKS</b>			
In hand:			
Local currency		49,011,255	45,870,590
Foreign currencies		4,022,659	3,091,419
		<b>53,033,914</b>	48,962,009
With the State Bank of Pakistan (SBP) in:			
Local currency current accounts		85,146,251	117,236,148
Local currency current accounts - Islamic Banking		15,419,483	16,299,959
Foreign currency deposit accounts			
Cash reserve account		5,837,334	5,501,362
Cash reserve / special cash reserve account			
- Islamic Banking		552,788	1,035,649
Special cash reserve account		12,338,014	11,002,725
Local collection account		376,936	407,387
		<b>119,670,806</b>	151,483,230
With the National Bank of Pakistan (NBP) in:			
Local currency current accounts		8,190,390	1,332,163
Prize bonds		109,598	158,228
Cash and balances with treasury banks		<b>181,004,708</b>	201,935,630
<b>7. BALANCES WITH OTHER BANKS</b>			
In Pakistan:			
In current accounts		371,531	252,439
In deposit accounts		119,833	18,806
		<b>491,364</b>	271,245
Outside Pakistan:			
In current accounts		4,162,554	5,129,043
In deposit accounts		69,456	488,243
		<b>4,232,010</b>	5,617,286
		<b>4,723,374</b>	5,888,531
Less: credit loss allowance held against balances with other banks	7.1	<b>(49,468)</b>	(947)
Balances with other banks - net of credit loss allowance		<b>4,673,906</b>	5,887,584



	Note	(Un-audited) 30 September 2025 (Rupees in '000)	(Audited) 31 December 2024
<b>7.1 Credit Loss Allowance - Stage 1</b>			
Opening balance		947	3,612
Charge / (reversal):			
Charge for the period / year		73,481	75
Reversal for the period / year		(24,963)	(2,738)
		48,518	(2,663)
Foreign exchange adjustments		3	(2)
Closing balance		49,468	947
<b>8. LENDINGS TO FINANCIAL INSTITUTIONS</b>			
In local currency:			
Musharaka placements		25,500,000	26,000,000
Repurchase agreement lendings (Reverse Repo)			
Pakistan Investment Bonds		25,929,200	12,946,800
Market Treasury Bills		2,985,474	—
		28,914,674	12,946,800
		54,414,674	38,946,800
Less: credit loss allowance held against lendings to financial institutions	8.1	(7,346)	(5,258)
Lendings to financial institutions - net of credit loss allowance		54,407,328	38,941,542
<b>8.1 Credit Loss Allowance - Stage 1</b>			
Opening balance		5,258	223
Charge / (reversal):			
Charge for the period / year		7,100	5,258
Reversal for the period / year		(5,012)	(223)
		2,088	5,035
Closing balance		7,346	5,258



## 9. INVESTMENTS

	30 September 2025 (Un-audited)				31 December 2024 (Audited)			
	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying Value
(Rupees in '000)								
<b>9.1 Investments by type:</b>								
<b>Debt Instruments</b>								
<b>Amortised Cost</b>								
Federal Government Securities	396,104,825	(19,462)	–	396,085,363	395,460,837	(851,234)	–	394,609,603
Others	–	–	–	–	4,481	(4,481)	–	–
	396,104,825	(19,462)	–	396,085,363	395,465,318	(855,715)	–	394,609,603
<b>FVOCI</b>								
Federal Government Securities	1,404,789,677	(1,694,149)	16,447,553	1,419,543,081	1,492,727,676	(3,312,910)	10,909,607	1,500,324,373
Non Government Debt Securities	7,639,293	(783,039)	(451,105)	6,405,149	8,703,026	(881,964)	(138,403)	7,682,659
Foreign Securities	7,191,449	(2,074,173)	1,290,578	6,407,854	8,682,791	(2,442,827)	1,127,593	7,367,557
	1,419,620,419	(4,551,361)	17,287,026	1,432,356,084	1,510,113,493	(6,637,701)	11,898,797	1,515,374,589
<b>FVPL</b>								
Federal Government Securities	1,133,469	–	–	1,133,469	2,642,542	–	–	2,642,542
<b>Equity Instruments</b>								
<b>FVOCI - Non Reclassifiable</b>								
Shares								
- Listed companies	196,403	–	609,968	806,371	187,060	–	619,128	806,188
- Unlisted companies	154,501	–	1,878,108	2,032,609	192,467	(50,811)	–	141,656
	350,904	–	2,488,076	2,838,980	379,527	(50,811)	619,128	947,844
<b>Investments mandatorily classified / measured at FVPL</b>								
Units of Mutual Funds	6,199,946	–	660,016	6,859,962	4,238,097	–	461,853	4,699,950
<b>Associates</b>	10,400,189	–	–	10,400,189	7,834,536	–	–	7,834,536
<b>Total Investments</b>	<u>1,833,809,752</u>	<u>(4,570,823)</u>	<u>20,435,118</u>	<u>1,849,674,047</u>	<u>1,920,673,513</u>	<u>(7,544,227)</u>	<u>12,979,778</u>	<u>1,926,109,064</u>



	(Un-audited) 30 September 2025 (Rupees in '000)	(Audited) 31 December 2024
<b>9.1.1 Investments given as collateral</b>		
Pakistan Investment Bonds	<u>290,371,900</u>	<u>518,019,000</u>
<b>9.2 Credit loss allowance</b>		
Opening balance	7,544,227	9,658,486
Impact of adoption of IFRS 9	(50,811)	–
Charge / (reversal):		
Charge for the period / year	323,494	813,987
Reversal for the period / year	(3,307,974)	(1,782,276)
Reversal on disposal	(4,481)	–
	(2,988,961)	(968,289)
Amounts written off	–	(1,046,371)
Foreign exchange adjustments	66,368	(99,599)
Closing balance	<u>4,570,823</u>	<u>7,544,227</u>

### 9.3 Particulars of credit loss allowance against debt securities

		30 September 2025 (Un-audited)		31 December 2024 (Audited)	
		Outstanding amount	Credit loss allowance (Rupees in '000)	Outstanding amount	Credit loss allowance
<b>Domestic</b>					
Performing	Stage 1	4,030,955	981	4,718,515	766
Under performing	Stage 2	2,828,338	2,058	3,104,591	1,277
Non performing - loss	Stage 3	780,000	780,000	884,401	884,401
		<u>7,639,293</u>	<u>783,039</u>	<u>8,707,507</u>	<u>886,444</u>
<b>Overseas</b>					
Performing	Stage 1	5,650,688	42,187	2,765,414	11,592
Under performing	Stage 2	18,081,972	3,745,597	22,190,407	4,164,145
Non performing - loss	Stage 3	–	–	5,917,378	2,431,235
		<u>23,732,660</u>	<u>3,787,784</u>	<u>30,873,199</u>	<u>6,606,972</u>
Total		<u>31,371,953</u>	<u>4,570,823</u>	<u>39,580,706</u>	<u>7,493,416</u>

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

**9.5** The market value of securities classified as amortised cost at 30 September 2025 amounted to Rs. 403,120 million (31 December 2024: Rs. 397,393 million).





## 9.6 Summary of financial information of associates

	Percentage of holding	30 September 2025 (Un-audited)				
		Assets	Liabilities	Revenue	Profit after taxation	Total comprehensive income
		(Rupees in '000)				
AL Habib Money Market Fund	0.77%	80,483,398	503,304	4,848,370	4,401,121	4,401,121
AL Habib Islamic Cash Fund	1.07%	25,838,477	291,537	1,883,413	1,740,106	1,740,106
AL Habib Islamic Savings Fund	11.00%	24,297,922	386,751	1,767,361	1,628,266	1,628,266
AL Habib Income Fund	1.71%	23,695,149	70,851	1,481,917	1,342,185	1,342,185
AL Habib Islamic Stock Fund	6.55%	9,589,230	313,623	2,653,204	2,457,458	2,457,458
AL Habib Cash Fund	4.93%	71,649,770	201,649	7,230,929	6,495,809	6,495,809
AL Habib Stock Fund	9.16%	13,321,926	537,259	3,069,966	2,889,347	2,889,347
AL Habib Islamic Income Fund	0.15%	24,263,956	113,143	1,525,208	1,393,924	1,393,924
AL Habib Asset Allocation Fund	10.43%	1,318,922	86,545	138,739	128,434	128,434
AL Habib Pension Fund - Equity Sub Fund	24.50%	630,807	1,639	181,709	173,765	173,765
AL Habib Islamic Pension Fund - Equity Sub Fund	45.01%	349,200	24,353	80,317	75,827	75,827
AL Habib Pension Fund - Debt Sub Fund	16.45%	316,916	641	23,756	21,455	21,455
AL Habib Islamic Pension Fund - Debt Sub Fund	21.17%	227,472	221	13,324	11,741	11,741
AL Habib Pension Fund - Money Market Sub Fund	12.17%	417,970	859	29,513	26,579	26,579
AL Habib Islamic Pension Fund - Money Market Sub Fund	19.85%	238,697	301	14,974	13,878	13,878
AL Habib Fixed Return Fund 19	6.40%	83,153	128	5,921	5,747	5,747
AL Habib Fixed Return Fund 20	0.28%	1,917,745	15,322	116,479	114,582	114,582
AL Habib Fixed Return Fund 21	0.01%	4,940	4,940	35,345	34,594	34,594
AL Habib Fixed Return Fund 22	0.24%	2,178,223	6,716	75,209	72,978	72,978
AL Habib Fixed Return Fund 23	2.39%	3,190,793	241	14,793	14,552	14,552
AL Habib Fixed Return Fund 24	0.04%	2,638,139	513	13,147	12,632	12,632
AL Habib GOKP Islamic Pension Fund	73.22%	52,452	252	3,472	3,230	3,230
AL Habib GOKP Money Market	70.97%	55,155	187	3,888	3,640	3,640
AL Habib Sovereign Income Fund Plan 1	64.08%	120,921	7,885	4,901	4,693	4,693
AL Habib Sovereign Income Fund Plan 2	11.47%	1,445,189	827	16,482	16,256	16,256
AL Habib Sovereign Income Fund Plan 3	99.80%	103,302	133	3,131	3,054	3,054
AL Habib Government Securities Fund	0.01%	17,934,538	269,394	2,263,670	2,038,483	2,038,483

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



## 10. ADVANCES

	Performing		Non Performing		Total	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	30 September	31 December	30 September	31 December	30 September	31 December
	2025	2024	2025	2024	2025	2024
	(Rupees in '000)					
Loans, cash credits, running finances, etc.	759,338,819	756,193,227	33,470,892	34,261,459	792,809,711	790,454,686
Islamic financing and related assets	108,503,517	105,734,671	1,385,600	860,780	109,889,117	106,595,451
Bills discounted and purchased	50,217,722	61,304,281	390,777	387,168	50,608,499	61,691,449
Advances - gross	918,060,058	923,232,179	35,247,269	35,509,407	953,307,327	958,741,586
Less : credit loss allowance against advances						
- Stage 1	7,429,123	7,170,325	-	-	7,429,123	7,170,325
- Stage 2	7,245,875	8,468,402	-	-	7,245,875	8,468,402
- Stage 3	-	-	32,643,499	32,823,742	32,643,499	32,823,742
	14,674,998	15,638,727	32,643,499	32,823,742	47,318,497	48,462,469
Advances - net of credit loss allowance	903,385,060	907,593,452	2,603,770	2,685,665	905,988,830	910,279,117



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

**10.1 Particulars of advances (Gross)**

In local currency	<b>843,292,753</b>	828,913,441
In foreign currencies	<b>110,014,574</b>	129,828,145
	<b><u>953,307,327</u></b>	<b><u>958,741,586</u></b>

**10.2** Advances include Rs. 35,247.269 million (31 December 2024: Rs. 35,509.407 million) which have been placed under non-performing status as detailed below:

Category of classification - Stage 3	30 September 2025 (Un-audited)		31 December 2024 (Audited)	
	Non performing loans	Credit loss allowance	Non performing loans	Credit loss allowance
	(Rupees in '000)			
<b>Domestic</b>				
Other assets especially mentioned (OAEM)	306,365	262,587	280,847	280,847
Substandard	3,185,345	2,433,140	2,295,656	1,161,603
Doubtful	3,338,055	1,950,945	2,823,252	2,216,478
Loss	<b>23,028,942</b>	<b>22,608,265</b>	<b>23,572,777</b>	<b>23,331,415</b>
	<b>29,858,707</b>	<b>27,254,937</b>	28,972,532	26,990,343
<b>Overseas</b>				
Loss	<b>5,388,562</b>	<b>5,388,562</b>	6,536,875	5,833,399
Total	<b><u>35,247,269</u></b>	<b><u>32,643,499</u></b>	<b><u>35,509,407</u></b>	<b><u>32,823,742</u></b>



### 10.3 Particulars of credit loss allowance against advances

	30 September 2025 (Un-audited)				31 December 2024 (Audited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)							
Opening balance	7,170,325	8,468,402	32,823,742	48,462,469	4,410,985	8,663,207	21,355,055	34,429,247
Charge / (reversal):								
- ECL charge for the period / year	6,026,477	5,288,074	4,774,899	16,089,450	7,319,157	6,862,711	14,523,355	28,705,223
- ECL reversal for the period / year	(5,768,256)	(6,514,655)	(2,823,635)	(15,106,546)	(4,558,396)	(7,057,516)	(2,951,993)	(14,567,905)
	258,221	(1,226,581)	1,951,264	982,904	2,760,761	(194,805)	11,571,362	14,137,318
Amounts written off	-	-	(64,208)	(64,208)	-	-	(3,537)	(3,537)
Amounts charged off	-	-	(2,144,470)	(2,144,470)	-	-	-	-
Foreign exchange adjustments	577	4,054	77,171	81,802	(1,421)	-	(99,138)	(100,559)
Closing balance	7,429,123	7,245,875	32,643,499	47,318,497	7,170,325	8,468,402	32,823,742	48,462,469

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

### 10.4 Advances - Particulars of credit loss allowance

	30 September 2025 (Un-audited)				31 December 2024 (Audited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)							
Opening balance	7,170,325	8,468,402	32,823,742	48,462,469	4,410,985	8,663,207	21,355,055	34,429,247
New advances	4,445,813	3,910,415	1,256,181	9,612,409	3,950,335	4,441,716	3,665,689	12,057,740
Advances derecognised or repaid	(3,298,238)	(3,955,255)	(1,959,598)	(9,213,091)	(2,278,017)	(3,088,928)	(2,432,807)	(7,799,752)
Transfer to Stage 1	1,021,309	(992,027)	(29,282)	-	2,288,707	(2,202,515)	(86,192)	-
Transfer to Stage 2	(313,927)	409,868	(95,941)	-	(349,804)	365,366	(15,562)	-
Transfer to Stage 3	(36,949)	(387,935)	424,884	-	(5,687)	(1,069,687)	1,075,374	-
	1,818,008	(1,014,934)	(403,756)	399,318	3,605,534	(1,554,048)	2,206,502	4,257,988
Amounts written off	-	-	(64,208)	(64,208)	-	-	(3,537)	(3,537)
Amounts charged off	-	-	(2,144,470)	(2,144,470)	-	-	-	-
Changes in risk parameters	(1,559,787)	(211,647)	2,355,020	583,586	(844,773)	1,359,243	9,364,860	9,879,330
Foreign exchange adjustments	577	4,054	77,171	81,802	(1,421)	-	(99,138)	(100,559)
Closing balance	7,429,123	7,245,875	32,643,499	47,318,497	7,170,325	8,468,402	32,823,742	48,462,469



		30 September 2025 (Un-audited)		31 December 2024 (Audited)	
		Outstanding amount	Credit loss allowance	Outstanding amount	Credit loss allowance
		(Rupees in '000)			
<b>10.5</b>	<b>Advances - Category of classification</b>				
	<b>Domestic</b>				
Performing	Stage 1	769,514,183	7,359,277	751,933,464	7,092,623
Under performing	Stage 2	130,565,925	7,245,875	144,794,684	8,051,593
Non performing	Stage 3				
OAEM		306,365	262,587	280,847	280,847
Substandard		3,185,345	2,433,140	2,295,656	1,161,603
Doubtful		3,338,055	1,950,945	2,823,252	2,216,478
Loss		23,028,942	22,608,265	23,572,777	23,331,415
		929,938,815	41,860,089	925,700,680	42,134,559
	<b>Overseas</b>				
Performing	Stage 1	17,979,950	69,846	19,107,083	77,702
Under performing	Stage 2	–	–	7,396,948	416,809
Non performing - loss	Stage 3	5,388,562	5,388,562	6,536,875	5,833,399
		23,368,512	5,458,408	33,040,906	6,327,910
Total		953,307,327	47,318,497	958,741,586	48,462,469

#### 10.6 Charged-off Non Performing Loans

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

	(Un-audited) 30 September 2025 (Rupees in '000)
Charge-off during the period	2,153,321
Recoveries made during the period	(20,299)
Foreign exchange adjustments	11,448
Closing balance of charge-offs	2,144,470
Number of borrowers	3



		(Un-audited) 30 September 2025	(Audited) 31 December 2024
	Note	(Rupees in '000)	
<b>11. PROPERTY AND EQUIPMENT</b>			
Capital work-in-progress	11.1	6,826,663	4,644,267
Property and equipment		75,141,143	71,412,767
		<u>81,967,806</u>	<u>76,057,034</u>
<b>11.1 Capital work-in-progress</b>			
Civil works		2,792,487	1,946,354
Advance payment for purchase of equipments		360,262	494,841
Advance payment towards suppliers, contractors and property		3,624,354	2,159,615
Consultants' fee and other charges		49,560	43,457
		<u>6,826,663</u>	<u>4,644,267</u>
		(Un-audited) Nine months period ended	
		30 September 2025	30 September 2024
		(Rupees in '000)	
<b>11.2 Additions to property and equipment</b>			
The following additions have been made to property and equipment during the period:			
<b>Capital work-in-progress - net</b>		2,182,396	738,863
<b>Property and equipment</b>			
Leasehold land		663,435	143,282
Building on leasehold land		302,908	1,787,851
Furniture and fixture		637,042	587,433
Electrical, office and computer equipment		5,079,243	2,763,699
Vehicles		2,154,431	2,784,556
Improvements to leasehold building		779,423	624,340
		<u>9,616,482</u>	<u>8,691,161</u>
Total		<u>11,798,878</u>	<u>9,430,024</u>
<b>11.3 Disposal of property and equipment</b>			
The net book value of property and equipment disposed off during the period is as follows:			
Furniture and fixture		1,603	1,542
Electrical, office and computer equipment		3,644	16,168
Vehicles		13,532	3,212
Improvements to leasehold building		4,629	7,846
Total		<u>23,408</u>	<u>28,768</u>



	Note	(Un-audited) 30 September 2025 (Rupees in '000)	(Audited) 31 December 2024
<b>12. RIGHT-OF-USE ASSETS</b>			
Buildings	12.1	16,353,946	13,724,709
Vehicles	12.2	3,256	6,513
		<u>16,357,202</u>	<u>13,731,222</u>
<b>12.1 BUILDINGS</b>			
Cost		21,557,775	18,288,334
Accumulated depreciation		(7,833,067)	(6,318,610)
Net carrying amount		<u>13,724,708</u>	<u>11,969,724</u>
Additions during the period / year		4,988,751	4,445,498
Deletions during the period / year		(243,736)	(230,800)
Depreciation charge for the period / year		(2,128,171)	(2,479,826)
Foreign exchange adjustments		374	(757)
Other adjustments / transfers		12,020	20,870
Net carrying amount at the end of the period / year		<u>16,353,946</u>	<u>13,724,709</u>
<b>12.2 VEHICLES</b>			
Cost		21,710	21,710
Accumulated depreciation		(15,197)	(10,855)
Net carrying amount		<u>6,513</u>	<u>10,855</u>
Depreciation charge for the period / year		(3,257)	(4,342)
Net carrying amount at the end of the period / year		<u>3,256</u>	<u>6,513</u>
<b>13. INTANGIBLE ASSETS</b>			
Computer software		115,249	153,854
TRE certificates		2,500	2,500
Management rights		80,670	80,670
		<u>198,419</u>	<u>237,024</u>
		(Un-audited) Nine months period ended	
		30 September 2025	30 September 2024
		(Rupees in '000)	
<b>13.1 Additions to intangible assets</b>			
Computer software - directly purchased		<u>103,678</u>	<u>172,793</u>



		(Un-audited) 30 September 2025	(Audited) 31 December 2024
	Note		
(Rupees in '000)			
<b>14. DEFERRED TAX ASSETS</b>			
<b>Deductible Temporary Differences on</b>			
Credit loss allowance against the value of investments		2,376,828	3,995,990
Credit loss allowance against loans and advances, off-balance sheet, etc.		12,749,940	13,056,485
Unrealised net loss on fair value of refinancing		608,317	—
Right-of-use assets and related lease liabilities		2,842,225	—
Workers welfare fund		4,255,442	3,790,454
Others		22,405	—
		<b>22,855,157</b>	<b>20,842,929</b>
<b>Taxable Temporary Differences on</b>			
Accelerated tax depreciation		(2,727,944)	(2,883,358)
Surplus on revaluation of FVOCI investments		(10,257,399)	(6,618,488)
Surplus on revaluation of securities classified as FVPL		(343,208)	(227,386)
Surplus on revaluation of property and equipment		(6,214,375)	(6,509,788)
Surplus on revaluation of non-banking assets		(38,414)	(39,260)
Others		—	(34,847)
		<b>(19,581,340)</b>	<b>(16,313,127)</b>
		<b>3,273,817</b>	<b>4,529,802</b>
<b>15. OTHER ASSETS</b>			
Income / mark-up accrued in local currency - net		85,962,971	68,965,986
Income / mark-up accrued in foreign currencies - net		1,337,816	1,027,928
Advances, deposits, advance rent and other prepayments		15,554,192	13,388,608
Advance taxation (payments less provisions)		18,343,175	4,627,218
Non-banking assets acquired in satisfaction of claims		3,847,698	3,841,737
Mark to market gain on forward foreign exchange contracts		829,811	751,223
Acceptances		36,651,369	35,827,371
Stationery and stamps on hand		1,676,794	2,161,940
Branch adjustment account		771,352	2,038,881
Others		25,258,070	13,166,589
		<b>190,233,248</b>	<b>145,797,481</b>
Less: credit loss allowance held against other assets	15.1	(345,798)	(580,371)
Other Assets - net of credit loss allowance		<b>189,887,450</b>	<b>145,217,110</b>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	23	205,121	205,323
Other Assets - total		<b>190,092,571</b>	<b>145,422,433</b>
<b>15.1 Credit loss allowance held against other assets</b>			
Mark-up accrued		316,391	566,002
Modification		20,874	6,444
Others - receivable against consumer loans		8,533	7,925
	15.1.1	<b>345,798</b>	<b>580,371</b>





	(Un-audited) 30 September 2025	(Audited) 31 December 2024
	(Rupees in '000)	
<b>15.1.1 Movement in credit loss allowance held against other assets</b>		
Opening balance	580,371	472,179
Charge / (reversal):		
ECL charge for the period / year	20,302	102,380
ECL reversal for the period / year	(269,912)	(1,663)
Modification charge	14,430	6,444
Charge for the period / year	2,037	2,480
Reversals for the period / year	(1,429)	(2,795)
	(234,572)	106,846
Amount written off	—	(206)
Foreign exchange adjustments	(1)	1,552
Closing balance	345,798	580,371
<b>16. CONTINGENT ASSETS</b>		
There were no contingent assets of the Group as at 30 September 2025 (31 December 2024: Nil).		
	(Un-audited) 30 September 2025	(Audited) 31 December 2024
	(Rupees in '000)	
<b>17. BILLS PAYABLE</b>		
In Pakistan	40,327,362	52,263,043
<b>18. BORROWINGS</b>		
<b>Secured</b>		
Borrowings from the State Bank of Pakistan under:		
Export refinance scheme	59,814,459	72,607,266
Renewable energy	15,936,933	17,895,611
Long term financing for imported and locally manufactured plant and machinery	21,090,980	25,306,703
Modernisation of small and medium enterprises	1,292,949	1,259,381
Women entrepreneurship	131,372	86,827
Financing facility for storage of agricultural produce	647,588	795,240
Temporary economic refinance facility	22,876,065	26,107,166
Refinance facility for combating COVID-19	64,688	100,001
Repurchase agreement borrowings	289,534,650	462,964,000
	411,389,684	607,122,195
Repurchase agreement borrowings	—	54,953,000
Borrowing from other banks	—	2,785,500
<b>Total secured</b>	411,389,684	664,860,695
<b>Unsecured</b>		
Overdrawn nostro accounts	1,763,906	2,182,518
	413,153,590	667,043,213



## 19. DEPOSITS AND OTHER ACCOUNTS

	30 September 2025 (Un-audited)			31 December 2024 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
(Rupees in '000)						
<b>Customers</b>						
Current deposits	868,499,571	61,303,447	929,803,018	705,137,306	57,423,924	762,561,230
Savings deposits	951,757,868	49,270,458	1,001,028,326	876,689,075	45,898,830	922,587,905
Term deposits	176,881,075	67,209,250	244,090,325	200,255,916	61,604,086	261,860,002
Current deposits - remunerative	232,998,208	7,334,007	240,332,215	204,592,225	4,207,345	208,799,570
Others	18,928,937	15,189,684	34,118,621	21,169,067	20,343,029	41,512,096
	2,249,065,659	200,306,846	2,449,372,505	2,007,843,589	189,477,214	2,197,320,803
<b>Financial institutions</b>						
Current deposits	10,244,416	763,233	11,007,649	16,114,492	2,063,466	18,177,958
Savings deposits	1,530,252	-	1,530,252	22,246,047	-	22,246,047
Term deposits	1,350,000	555,602	1,905,602	793,000	526,460	1,319,460
Current deposits - remunerative	31,940,273	1,172,878	33,113,151	36,906,130	1,953,119	38,859,249
Others	41,867	-	41,867	38,010	-	38,010
	45,106,808	2,491,713	47,598,521	76,097,679	4,543,045	80,640,724
	2,294,172,467	202,798,559	2,496,971,026	2,083,941,268	194,020,259	2,277,961,527

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

## 20. LEASE LIABILITIES

Opening balance	16,897,021	14,441,482
Additions during the period / year	4,988,751	4,455,838
Lease payments including interest	(3,365,356)	(3,815,117)
Finance charges on leased liabilities	1,941,421	2,116,823
Deletions during the period / year	(346,111)	(322,083)
Foreign exchange adjustments	398	(792)
Other adjustment	12,020	20,870
Closing balance	20,128,144	16,897,021

### 20.1 Liabilities outstanding

Not later than one year	1,499,651	1,272,772
Later than one year and upto five years	7,633,902	6,891,969
Over five years	10,994,591	8,732,280
Total	20,128,144	16,897,021

20.2 This carries average effective rate of 13.70% per annum (2024: 14.61% per annum).

## 21. SUBORDINATED DEBT - Unsecured

Term Finance Certificates (TFCs) - VI	21.1	7,000,000	7,000,000
Term Finance Certificates (TFCs) - VIII	21.2	4,992,000	4,994,000
Term Finance Certificates (TFCs) - IX	21.3	7,000,000	7,000,000
Term Finance Certificates (TFCs) - X	21.4	6,993,000	6,994,400
		25,985,000	25,988,400



## 21.1 Term Finance Certificates - VI

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

## 21.2 Term Finance Certificates - VIII

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



### 21.3 Term Finance Certificates - IX

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

### 21.4 Term Finance Certificates - X

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



	(Un-audited) 30 September Note 2025	(Audited) 31 December 2024
	(Rupees in '000)	
22. OTHER LIABILITIES		
Mark-up / return / interest payable in local currency	7,790,519	6,938,590
Mark-up / return / interest payable in foreign currencies	728,948	934,027
Unearned commission income	3,601,389	3,030,064
Accrued expenses	6,491,621	5,334,307
Acceptances	36,651,369	35,827,371
Unclaimed / dividend payable	1,348,874	1,139,497
Mark to market loss on forward foreign exchange contracts	1,100,215	2,069,960
Payable to defined benefit plan	3,010,714	2,065,715
Charity payable	122,887	83,726
Credit loss allowance against off-balance sheet obligations	22.1 4,733,521	4,742,981
Security deposits against leases / ijarah	16,628,405	11,733,771
Provision for compensated absences	2,198,642	1,960,780
Other security deposits	1,041,570	976,441
Workers welfare fund	8,295,858	7,168,876
Payable to SBP / NBP	7,798,316	12,326,744
Payable against sale of marketable securities on behalf of customers	531,737	653,161
ATM switch, clearing and settlement account	15,596,661	26,422,784
Others	2,706,822	4,364,851
	<u>120,378,068</u>	<u>127,773,646</u>
22.1 Credit loss allowance against off - balance sheet obligations		
Opening balance	4,742,981	3,130,550
Charge / (reversal)		
Charge for the period / year	1,286,043	1,644,514
Reversal for the period / year	(1,295,616)	(31,866)
	(9,573)	1,612,648
Foreign exchange adjustments	113	(217)
Closing balance	<u>4,733,521</u>	<u>4,742,981</u>



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

**(Audited)**  
**31 December**  
**2024**

### 23. SURPLUS ON REVALUATION OF ASSETS

#### Surplus on revaluation of:

- Securities measured at FVOCI - debt	23.1.1	<b>17,286,676</b>	11,902,128
- Securities measured at FVOCI - equity	23.1.2	<b>2,471,975</b>	605,723
- Property and equipment		<b>21,819,493</b>	22,149,099
- Non-banking assets acquired in satisfaction of claims	15	<b>205,121</b>	205,323
		<b>41,783,265</b>	34,862,273

#### Deferred tax on surplus on revaluation of:

- Securities measured at FVOCI - debt	<b>8,988,707</b>	6,311,663
- Securities measured at FVOCI - equity	<b>1,268,692</b>	306,825
- Property and equipment	<b>6,284,721</b>	6,580,165
- Non-banking assets acquired in satisfaction of claims	<b>38,414</b>	39,260
	<b>16,580,534</b>	13,237,913
	<b>25,202,731</b>	21,624,360

#### 23.1 Investments

23.1.1 Securities measured at FVOCI - debt	<b>17,287,026</b>	11,898,797
Non-controlling interest - (gain) / loss	<b>(350)</b>	3,331
	<b>17,286,676</b>	11,902,128
Less: related deferred tax	<b>8,988,707</b>	6,311,663
	<b>8,297,969</b>	5,590,465
23.1.2 Securities measured at FVOCI - equity	<b>2,488,076</b>	619,128
Non-controlling interest - gain	<b>(16,101)</b>	(13,405)
	<b>2,471,975</b>	605,723
Less: related deferred tax	<b>1,268,692</b>	306,825
	<b>1,203,283</b>	298,898

### 24. NON-CONTROLLING INTEREST

Opening balance	<b>155,523</b>	125,536
Profit attributable to non-controlling interest	<b>17,230</b>	15,630
Movement in surplus on revaluation of:		
- debt investments through FVOCI - net of tax	<b>3,681</b>	38
- equity investments through FVOCI - net of tax	<b>2,694</b>	14,319
Closing balance	<b>179,128</b>	155,523



	(Un-audited) 30 September Note 2025	(Audited) 31 December 2024
	(Rupees in '000)	
<b>25. CONTINGENCIES AND COMMITMENTS</b>		
Guarantees	25.1 <b>263,976,865</b>	217,554,372
Commitments	25.2 <b>513,214,833</b>	542,967,594
Other contingent liabilities	25.3 <b>4,561,515</b>	3,504,960
	<u><b>781,753,213</b></u>	<u><b>764,026,926</b></u>
<b>25.1 Guarantees:</b>		
Financial guarantees	<b>35,230,330</b>	32,113,828
Performance guarantees	<b>228,746,535</b>	185,440,544
	<u><b>263,976,865</b></u>	<u><b>217,554,372</b></u>
<b>25.2 Commitments:</b>		
Documentary credits and short term trade-related transactions		
- letters of credit	<b>292,602,840</b>	291,149,845
Commitments in respect of:		
- forward foreign exchange contracts	25.2.1 <b>217,674,771</b>	245,803,016
- forward lendings	25.2.2 <b>261,288</b>	3,217,813
Commitments for acquisition of:		
- property and equipment	<b>2,675,934</b>	2,796,920
	<u><b>513,214,833</b></u>	<u><b>542,967,594</b></u>
<b>25.2.1 Commitments in respect of forward foreign exchange contracts</b>		
Purchase	<b>143,182,937</b>	145,237,825
Sale	<b>74,491,834</b>	100,565,191
	<u><b>217,674,771</b></u>	<u><b>245,803,016</b></u>
The maturities of above contracts are spread over the periods upto one year.		



	(Un-audited) 30 September 2025 (Rupees in '000)	(Audited) 31 December 2024
<b>25.2.2 Commitments in respect of forward lending</b>	<b>261,288</b>	<b>3,217,813</b>

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

	(Un-audited) 30 September 2025 (Rupees in '000)	(Audited) 31 December 2024
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### 25.3 Other contingent liabilities

<b>25.3.1 Claims against the Bank not acknowledged as debts</b>	<b>4,561,515</b>	<b>3,504,960</b>
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#### 25.3.2 Taxation

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

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

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





## 26. DERIVATIVE INSTRUMENTS

### 26.1 Product Analysis

30 September 2025 (Un-audited)						
Counter Parties	CONTRACT		SWAP		TOTAL	
	Notional Principal	Mark to Market gain / (loss)	Notional Principal	Mark to Market gain / (loss)	Notional Principal	Mark to Market gain / (loss)
(Rupees in '000)						
<b>Banks</b>						
Hedging	19,136,825	99,820	82,348,961	24,017	101,485,786	123,837
<b>Other Entities</b>						
Hedging	116,188,985	(394,241)	–	–	116,188,985	(394,241)
<b>Total</b>						
Hedging	<u>135,325,810</u>	<u>(294,421)</u>	<u>82,348,961</u>	<u>24,017</u>	<u>217,674,771</u>	<u>(270,404)</u>
31 December 2024 (Audited)						
	CONTRACT		SWAP		TOTAL	
	Notional Principal	Mark to Market gain / (loss)	Notional Principal	Mark to Market gain / (loss)	Notional Principal	Mark to Market gain / (loss)
(Rupees in '000)						
<b>Banks</b>						
Hedging	57,237,928	281,713	61,257,172	(309,505)	118,495,100	(27,792)
<b>Other Entities</b>						
Hedging	127,307,916	(1,290,945)	–	–	127,307,916	(1,290,945)
<b>Total</b>						
Hedging	<u>184,545,844</u>	<u>(1,009,232)</u>	<u>61,257,172</u>	<u>(309,505)</u>	<u>245,803,016</u>	<u>(1,318,737)</u>



## 26.2 Maturity Analysis

	Number of Contracts	Notional Principal	30 September 2025 (Un-audited)		
			Mark to Market		
			Negative (Rupees in '000)	Positive	Net
Upto 1 month	379	65,064,730	(396,448)	318,498	(77,950)
1 to 3 months	679	69,152,946	(453,645)	220,656	(232,989)
3 to 6 months	862	73,857,308	(249,898)	237,926	(11,972)
Over 6 months to 1 year	108	9,599,787	(224)	52,731	52,507
	<b>2,028</b>	<b>217,674,771</b>	<b>(1,100,215)</b>	<b>829,811</b>	<b>(270,404)</b>
31 December 2024 (Audited)					
Upto 1 month	488	92,288,053	(633,480)	264,498	(368,982)
1 to 3 months	681	84,488,275	(1,031,294)	220,396	(810,898)
3 to 6 months	690	59,912,062	(386,925)	178,113	(208,812)
Over 6 months to 1 year	54	9,114,626	(18,261)	88,216	69,955
	<b>1,913</b>	<b>245,803,016</b>	<b>(2,069,960)</b>	<b>751,223</b>	<b>(1,318,737)</b>

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

## 27. MARK-UP / RETURN / INTEREST EARNED

Loans and advances	75,035,039	96,234,245
Investments	184,356,332	270,076,292
Lendings to financial institutions	422,400	—
Deposits with financial institutions	509,302	577,403
Securities purchased under resale agreements	308,723	277,206
	<b>260,631,796</b>	<b>367,165,146</b>

### 27.1 Interest income recognised on:

Financial assets measured at:		
- Amortised cost	43,650,303	60,735,591
- FVOCI	145,791,540	214,986,591
- FVPL	92,178	182,841
- Cost	71,097,775	91,260,123
	<b>260,631,796</b>	<b>367,165,146</b>

## 28. MARK-UP / RETURN / INTEREST EXPENSED

Deposits	111,289,532	186,670,619
Borrowings	4,761,055	9,874,919
Subordinated debt	2,667,596	4,834,560
Cost of foreign currency swaps against deposits / borrowings	3,453,032	4,592,562
Repurchase agreement borrowings	36,934,135	42,131,848
Finance charges on leased liabilities	1,941,421	1,531,405
	<b>161,046,771</b>	<b>249,635,913</b>



(Un-audited)			
Nine months period ended			
	30 September	30 September	
Note	2025	2024	
(Rupees in '000)			
<b>29. FEE AND COMMISSION INCOME</b>			
Branch banking customer fees	2,158,846	1,785,342	
Investment banking fees	45,959	65,075	
Consumer finance related fees	52,054	37,813	
Card related fees (debit and credit cards)	4,959,942	3,709,818	
Credit related fees	247,172	307,300	
Commission on trade	5,430,534	5,776,938	
Commission on guarantees	889,748	786,794	
Commission on cash management	189,648	187,962	
Commission on home remittances	313,853	1,448,525	
Management fee	1,737,433	1,482,412	
Brokerage income	168,090	122,824	
Income on margin financing	4,806	18,402	
Profit on PSX exposure	13,682	21,971	
Others	46,462	64,545	
	<u>16,258,229</u>	<u>15,815,721</u>	
<b>30. GAIN / (LOSS) ON SECURITIES - NET</b>			
Realised (loss) / gain	30.1	(118,926)	19,434
Unrealised gain / (loss) - measured at FVPL	9.1	660,016	(253,672)
		<u>541,090</u>	<u>(234,238)</u>
<b>30.1 Realised (loss) / gain on:</b>			
Federal Government Securities		(118,926)	745
Units of Mutual Funds		—	18,689
		<u>(118,926)</u>	<u>19,434</u>
<b>30.2 Net gain / (loss) on financial assets :</b>			
Net gain / (loss) on investments in securities mandatorily measured at FVPL		660,016	(234,983)
Net (loss) / gain on financial assets measured at FVOCI		(118,926)	745
		<u>541,090</u>	<u>(234,238)</u>
<b>31. OTHER INCOME</b>			
Gain on sale of property and equipment - net		641,704	834,455
Gain on termination of leases and RoU - net		102,375	58,345
		<u>744,079</u>	<u>892,800</u>



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

**32. OPERATING EXPENSES**

<b>Total compensation expenses</b>	<b>32,420,700</b>	29,895,633
<b>Property expenses</b>		
Rent and taxes	215,347	191,407
Insurance	22,327	24,585
Utilities cost	2,639,123	2,909,984
Security (including guards)	2,080,127	1,682,568
Repair and maintenance (including janitorial charges)	752,467	567,812
Depreciation	1,420,400	1,153,065
Depreciation - right of use assets	2,131,428	1,829,925
	<b>9,261,219</b>	8,359,346
<b>Information technology expenses</b>		
Software maintenance	3,015,104	2,702,545
Hardware maintenance	1,195,282	974,718
Depreciation	1,328,975	841,267
Amortisation	142,283	146,670
Network charges	692,860	811,190
	<b>6,374,504</b>	5,476,390
<b>Other operating expenses</b>		
Directors' fees and allowances	71,285	32,640
Fees and allowances to shariah board	32,583	24,613
Insurance	950,221	710,004
Legal and professional charges	391,028	356,158
Outsourced services costs	2,709,803	2,487,152
Travelling and conveyance	606,271	470,938
NIFT and other clearing charges	279,770	206,006
Depreciation	2,886,879	2,053,933
Repair and maintenance	1,962,546	1,691,458
Training and development	178,367	91,715
Postage and courier charges	308,411	323,154
Communication	2,102,074	2,044,907
Stationery and printing	1,454,224	1,137,046
Marketing, advertisement and publicity	3,186,587	858,442
Donations	343,400	355,675
Auditors remuneration	25,250	18,244
Commission and brokerage	1,288,238	1,186,067
Entertainment and staff refreshment	637,605	550,696
Vehicle running expenses	200,915	190,341
Subscriptions and publications	249,770	275,832
CNIC verification charges	308,543	243,706
Security charges	820,994	757,906
Others	732,780	755,753
	<b>21,727,544</b>	16,822,386
	<b>69,783,967</b>	60,553,755



		<b>(Un-audited)</b>	
		<b>Nine months period ended</b>	
		<b>30 September</b>	<b>30 September</b>
		<b>2025</b>	<b>2024</b>
		<b>(Rupees in '000)</b>	
		<b>(Restated)</b>	
<b>33. OTHER CHARGES</b>			
Penalties imposed by the State Bank of Pakistan		<u>76,271</u>	<u>306,918</u>
<b>34. CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET</b>			
Charge against balances with other banks - net	7.1	<b>48,518</b>	191
Charge against lendings to financial institutions - net	8.1	<b>2,088</b>	—
Impairment against intangible assets		—	2,500
Reversal against investments - net	9.2	<b>(2,988,961)</b>	(725,358)
Charge against loans and advances - net	10.3	<b>982,904</b>	11,745,491
Reversal against other assets - net	15.1.1	<b>(234,572)</b>	(86,804)
(Reversal) / charge against off-balance sheet obligations - net	22.1	<b>(9,573)</b>	941,057
		<u><b>(2,199,596)</b></u>	<u>11,877,077</u>
<b>35. TAXATION</b>			
Current		<b>28,662,058</b>	34,557,784
Prior		<b>2,354,668</b>	—
Deferred		<b>(2,284,720)</b>	(3,908,259)
		<u><b>28,732,006</b></u>	<u>30,649,525</u>
<b>36. BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY</b>			
Profit for the period attributable to equity holders of the Holding Company		<u><b>26,659,463</b></u>	<u>34,403,547</u>
		<b>(Number)</b>	
Weighted average number of ordinary shares		<u><b>1,111,425,416</b></u>	<u>1,111,425,416</u>
		<b>(Rupees)</b>	
Basic and diluted earnings per share		<u><b>23.99</b></u>	<u>30.95</u>
<b>37. FAIR VALUE MEASUREMENTS</b>			
Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.			
<b>37.1 Fair value of financial assets</b>			
The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:			
Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.			
Level 2: Fair value measurements using inputs, other than quoted prices included within Level 1, that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).			



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

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

30 September 2025 (Un-audited)				
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government Securities	–	1,420,676,550	–	1,420,676,550
Shares - listed	806,371	–	–	806,371
Shares - unlisted	–	161,125	1,871,484	2,032,609
Non-Government Debt Securities	–	6,405,149	–	6,405,149
Foreign Securities	–	6,407,854	–	6,407,854
Units of Mutual Funds	–	6,859,962	–	6,859,962
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	–	403,120,124	–	403,120,124
Off-balance sheet financial instruments				
- measured at fair value				
Forward purchase of foreign exchange contracts	–	142,384,103	–	142,384,103
Forward sale of foreign exchange contracts	–	75,020,264	–	75,020,264
31 December 2024 (Audited)				
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government Securities	–	1,502,966,915	–	1,502,966,915
Shares	806,188	–	–	806,188
Non-Government Debt Securities	4,240,451	3,442,208	–	7,682,659
Foreign Securities	–	7,367,557	–	7,367,557
Units of Mutual Funds	–	4,699,950	–	4,699,950
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	–	397,392,944	–	397,392,944
Off-balance sheet financial instruments				
- measured at fair value				
Forward purchase of foreign exchange contracts	–	143,574,254	–	143,574,254
Forward sale of foreign exchange contracts	–	100,910,025	–	100,910,025



### 37.2 Valuation techniques used in determination of fair values

Item	Valuation Approach	Input Used
Federal Government Securities	Federal Government Securities includes Pakistan Investments Bonds (PIBs), Market Treasury Bills (MTBs) and Government Ijarah Sukuks (GISs) at fixed rate and floating rate. The fair value of fixed rates PIBs and MTBs are derived from PKRV and PKFRV rates. The fair value of GISs are revalued using PKISRV rates.	- PKRV Rates - PKFRV Rates - PKISRV Rates
Term Finance Certificates (TFCs)	TFCs are valued using the income approach. Future cash flows are estimated based on prevailing KIBOR rates as of the valuation date. These cash flows are then discounted using a rate derived from the latest 10-year PIBs weighted average yield, adjusted for an instrument-specific credit spread to reflect the individual credit risk associated with each TFC.	- KIBOR - 10 year PIB yield - Term sheets
Sukuks	Corporate Sukuks are valued using the income approach. Expected cashflows are projected based on the current KIBOR rate. These cash flows are then discounted using the 10-year PIBs weighted average yield, adjusted for credit spreads to reflect the risk profile of each instrument.	- KIBOR - 10 year PIB yield - Term sheets
Foreign Securities	Fair values of investments in foreign securities are valued on the basis of closing quoted market prices available at the Mashreq Bank PSC.	- Market price as per Mashreq Bank PSC
Ordinary shares - listed	The fair value of investments in listed equity securities are valued on the basis of closing quoted market price available at the Pakistan Stock Exchange (PSX).	- Fair value as per PSX
Units of Mutual Funds	Fair values of investments in units of mutual funds are determined based on redemption prices disclosed at MUFAP as at the close of the business days.	- Net Assets Value as per MUFAP
Ordinary shares - unlisted	The valuation of unlisted companies varies for each company, as explained below: - The Society for Worldwide Interbank Financial Telecommunications (SWIFT) is valued using the market approach. Valuation is based on its latest published share price in euros, converted to PKR using the exchange rate prevailing on the valuation date. - Pakistan Mortgage Refinance Company Limited has been valued using the income approach, specifically the Dividend Discount Model (DDM). The discount rate applied is the cost of equity, as the company operates without leverage in its capital structure. The cost of equity is estimated through the Capital Asset Pricing Model (CAPM), incorporating a risk-free rate, market return, and sector-average unlevered beta. A long-term growth rate has been assumed in line with industry expectations. - 1LINK (Private) Limited has been valued using the income approach, specifically the Dividend Discount Model (DDM). Future cash flows were projected based on reasonable assumptions aligned with the company's historical performance. The discount rate was derived using the Capital Asset Pricing Model (CAPM), given that the company is currently unlevered. The CAPM inputs included the equity risk premium (ERP), the risk-free rate, and the ungeared beta of comparable companies, adjusted for Pakistan's country risk premium (CRP). Expected dividends were estimated in line with historical payout trends and subsequently discounted to their present value.	- Euro / Pak exchange rate - 10 year PIB yield - PKRV Rates - Comparable company information - Historical PSX returns - Financials of the investee company



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

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

	<b>(Un-audited)</b>
	<b>30 September</b>
	<b>2025</b>
	<b>(Rupees in '000)</b>
Opening balance	<b>100,000</b>
Impact of adoption of IFRS 9	<b>1,620,522</b>
Balance as at 01 January after adopting IFRS 9	<b>1,720,522</b>
Remeasurement recognised in OCI	<b>150,962</b>
Closing balance	<b>1,871,484</b>

**37.4**

Ordinary shares in unlisted companies	Unobservable Input	Fair Value (Rupees in '000)	Input	Relationship of unobservable inputs to fair value
Pakistan Mortgage Refinance Company Limited	Growth Rate	105,647	3%	Increase / (decrease) in growth rate by 1% by all other variables held constant would increase / (decrease) the fair value by Rs. 11.7m and Rs. 9.7m respectively.
1 Link (Private) Limited	Dividend Payout Ratio	1,765,837	17%	Increase / (decrease) in dividend payout ratio by 1% by all other variables held constant would increase / (decrease) the fair value by Rs. 111.6m.
	Growth Rate	1,765,837	8%	Increase / (decrease) in growth rate by 1% by all other variables held constant would increase / (decrease) the fair value by Rs. 290m and Rs. 203m respectively.







Nine months period ended 30 September 2024 (Un-audited) - (restated)

	Commercial banking	Retail banking	Islamic banking	Retail brokerage (Rupees in '000)	Asset management	Currency exchange	Total
<b>Statement of profit and loss account</b>							
Mark-up / return / profit	305,758,239	14,360,111	46,854,783	45,885	4,207	141,921	367,165,146
Inter segment revenue - net	291,402	101,590,152	—	—	—	—	101,881,554
Non mark-up / return / interest income	5,018,198	13,248,529	1,501,072	123,317	1,792,777	30,253	21,714,146
Total income	311,067,839	129,198,792	48,355,855	169,202	1,796,984	172,174	490,760,846
Segment direct expenses	(176,147,109)	(106,170,339)	(29,073,264)	(172,296)	(256,625)	(121,689)	(311,941,322)
Inter segment expense allocation	(101,590,152)	—	—	(10,810)	(56,118)	(224,474)	(101,881,554)
Total expenses	(277,737,261)	(106,170,339)	(29,073,264)	(183,106)	(312,743)	(346,163)	(413,822,876)
Credit loss allowance and write-offs - net	(10,882,738)	(472)	(993,867)	—	—	—	(11,877,077)
Profit / (loss) before tax	22,447,840	23,027,981	18,288,724	(13,904)	1,484,241	(173,989)	65,060,893

As at 31 December 2024 (Audited)

<b>Statement of financial position</b>							
Cash and bank balances	172,571,850	9,695,495	24,106,428	573,128	27,909	848,404	207,823,214
Investments	1,664,960,047	—	256,341,204	147,805	2,558,473	2,101,535	1,926,109,064
Net inter segment lending	3,894,477	1,355,459,875	—	—	—	—	1,359,354,352
Lendings to financial institutions	12,945,052	—	25,996,490	—	—	—	38,941,542
Advances - performing - net	761,305,976	42,705,903	103,581,573	—	—	—	907,593,452
- non-performing - net	2,641,855	38,287	5,523	—	—	—	2,685,665
Others	194,451,250	11,031,008	32,717,265	1,029,150	591,648	157,194	239,977,515
<b>Total assets</b>	<b>2,812,770,507</b>	<b>1,418,930,568</b>	<b>442,748,483</b>	<b>1,750,083</b>	<b>3,178,030</b>	<b>3,107,133</b>	<b>4,682,484,804</b>
Borrowings	635,910,884	—	30,561,246	571,083	—	—	667,043,213
Subordinated debt	25,988,400	—	—	—	—	—	25,988,400
Deposits and other accounts	648,874,999	1,311,490,784	317,595,744	—	—	—	2,277,961,527
Net inter segment borrowing	1,355,459,875	—	—	144,477	750,000	3,000,000	1,359,354,352
Others	63,872,170	105,090,753	27,072,595	712,450	134,887	50,855	196,933,710
<b>Total liabilities</b>	<b>2,730,106,328</b>	<b>1,416,581,537</b>	<b>375,229,585</b>	<b>1,428,010</b>	<b>884,887</b>	<b>3,050,855</b>	<b>4,527,281,202</b>
Equity	82,664,179	2,349,031	67,518,898	322,073	2,293,143	56,278	155,203,602
<b>Total equity and liabilities</b>	<b>2,812,770,507</b>	<b>1,418,930,568</b>	<b>442,748,483</b>	<b>1,750,083</b>	<b>3,178,030</b>	<b>3,107,133</b>	<b>4,682,484,804</b>
<b>Contingencies and commitments</b>	<b>455,344,714</b>	<b>144,204</b>	<b>53,215,299</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>508,704,217</b>



### 39. RELATED PARTY TRANSACTIONS

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

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

	30 September 2025 (Un-audited)				31 December 2024 (Audited)			
	Directors	Key management personnel	Associates	Other related parties (Rupees in '000)	Directors	Key management personnel	Associates	Other related parties
<b>Investments</b>								
Opening balance	-	-	7,834,536	811,604	-	-	5,998,107	654,086
Investment made during the period / year	-	-	14,675,959	-	-	-	10,760,249	130,000
Investment redeemed / adjusted during the period / year	-	-	(12,110,306)	(182,690)	-	-	(8,923,820)	-
Surplus on revaluation	-	-	-	1,136,924	-	-	-	157,518
Credit loss allowance	-	-	-	-	-	-	-	(130,000)
Closing balance	-	-	10,400,189	1,765,838	-	-	7,834,536	811,604
<b>Advances</b>								
Opening balance	1,674	391,567	-	1,109,581	4,048	345,035	-	1,680,782
Addition during the period / year	110,502	255,461	-	20,553,150	16,933	440,830	-	32,611,576
Repaid during the period / year	(49,371)	(194,187)	-	(20,520,316)	(19,277)	(394,084)	-	(33,100,534)
Credit loss allowance	6	38	-	34,553	(30)	(214)	-	(82,243)
Closing balance	62,811	452,879	-	1,176,968	1,674	391,567	-	1,109,581
<b>Right of use assets</b>	-	-	-	13,287	-	-	-	1,022
<b>Other assets</b>								
Interest / mark-up accrued	1,754	396	-	26,937	-	454	-	14,716
Credit loss allowance on accrued mark-up	13	-	-	803	-	2	-	521
Other receivable	-	-	-	6,835	-	-	-	-
<b>Subordinated debt</b>								
Opening balance	-	-	-	244,000	-	-	-	194,000
Issued / purchased during the period / year	-	-	-	-	-	-	-	50,000
Closing balance	-	-	-	244,000	-	-	-	244,000
<b>Deposits and other accounts</b>								
Opening balance	1,106,745	854,460	11,795,080	15,445,734	771,493	794,349	19,349,124	9,409,202
Received during the period / year	8,800,427	7,854,253	863,195,075	220,617,530	8,344,579	6,474,665	582,838,891	405,964,086
Withdrawn during the period / year	(9,364,287)	(7,371,769)	(872,954,437)	(228,616,093)	(8,009,327)	(6,414,554)	(590,392,935)	(399,927,554)
Closing balance	542,885	1,336,944	2,035,718	7,447,171	1,106,745	854,460	11,795,080	15,445,734
<b>Other liabilities</b>								
Interest / mark-up payable	3,876	6,527	4,875	50,799	156	669	-	-
Credit loss allowance on accrued markup	-	-	-	41,713	-	-	-	33,009
Payable to staff retirement fund	-	-	-	3,010,714	-	-	-	2,065,715
Other liabilities	-	33	-	16	-	75	-	-
<b>Contingencies and commitments</b>	-	-	-	1,848,013	-	-	-	1,617,658
<b>Other Transactions - Investor Portfolio Securities</b>								
Opening balance	-	-	-	24,182,000	-	-	-	18,863,500
Increased during the period / year	-	80,000	-	9,130,500	-	-	-	7,398,000
Decreased during the period / year	-	-	-	(5,945,500)	-	-	-	(2,079,500)
Closing balance	-	80,000	-	27,367,000	-	-	-	24,182,000



### 39.1 RELATED PARTY TRANSACTIONS

	30 September 2025 (Un-audited)				30 September 2024 (Un-audited)			
	Directors	Key management personnel	Associates	Other related parties	Directors	Key management personnel	Associates	Other related parties
	(Rupees in '000)							
<b>Income</b>								
Mark-up / return / interest earned	4,492	23,072	—	83,930	1	16,232	—	146,253
Fee and commission income	263	1,034	1,703,111	10,717	221	1,241	1,484,922	13,216
Share of profit from associates	—	—	1,004,478	—	—	—	1,016,059	—
Dividend income	—	—	608,385	140,847	—	—	—	156,492
Net gain on sale of securities	—	—	10,577	4	—	—	—	—
Other income	—	14	—	291	—	—	—	263
<b>Expense</b>								
Mark-up / return / interest expensed	49,995	89,863	352,151	542,217	99,033	97,508	1,141,041	2,068,471
Operating expenses	—	—	—	953,303	—	—	—	4,480
Salaries and allowances	—	1,323,719	—	—	—	1,014,334	—	—
Bonus	—	256,898	—	—	—	287,232	—	—
Contribution to defined contribution plan	—	44,324	—	—	—	43,514	—	—
Contribution to defined benefit plan	—	249,092	—	—	—	183,658	—	—
Staff provident fund	—	—	—	1,077,735	—	—	—	932,889
Staff gratuity fund	—	—	—	945,000	—	—	—	900,000
Directors' fees	58,485	—	—	—	64,505	—	—	—
Donation	—	—	—	99,000	—	—	—	12,000
Insurance premium paid	—	—	—	188,383	—	—	—	188,890
Insurance claims settled	—	—	—	138,436	—	—	—	98,206



#### 40. CAPITAL ADEQUACY, LEVERAGE RATIO AND LIQUIDITY REQUIREMENTS

	(Un-audited) 30 September 2025 (Rupees in '000)	(Audited) 31 December 2024
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital	11,114,254	11,114,254
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	151,172,651	141,233,030
Eligible Additional Tier 1 (ADT 1) Capital	13,077,211	13,125,227
Total Eligible Tier 1 Capital	164,249,862	154,358,257
Eligible Tier 2 Capital	47,216,830	43,252,754
Total Eligible Capital (Tier 1 + Tier 2)	211,466,692	197,611,011
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	806,379,227	785,765,223
Market Risk	25,927,874	26,766,888
Operational Risk	270,525,524	270,525,524
Total	1,102,832,625	1,083,057,635
Common Equity Tier 1 Capital Adequacy Ratio	13.708%	13.040%
Tier 1 Capital Adequacy Ratio	14.893%	14.252%
Total Capital Adequacy Ratio	19.175%	18.246%
<b>Leverage Ratio (LR):</b>		
Eligible Tier-1 Capital	164,249,862	154,358,257
Total Exposures	3,918,291,803	3,784,495,954
Leverage Ratio	4.192%	4.079%
<b>Liquidity Coverage Ratio (LCR):</b>		
Total High Quality Liquid Assets	1,349,523,727	1,242,902,496
Total Net Cash Outflow	457,209,719	455,961,129
Liquidity Coverage Ratio	295.165%	272.590%
<b>Net Stable Funding Ratio (NSFR):</b>		
Total Available Stable Funding	2,563,634,730	2,347,965,230
Total Required Stable Funding	1,378,012,776	1,269,603,113
Net Stable Funding Ratio	186.039%	184.937%

The Group has applied transitional approach under IFRS-9 as prescribed in SBP Circular. CAR and LR would be 18.49% & 4.03% respectively, if full impact of IFRS-9 is applied.



#### 41. ISLAMIC BANKING BUSINESS

The Bank is operating with 350 (31 December 2024: 276) Islamic Banking branches and 08 (31 December 2024: 10) Islamic Banking windows at the end of the period / year.

<b>STATEMENT OF FINANCIAL POSITION</b>		(Un-audited) <b>30 September</b> <b>2025</b> (Rupees in '000)	(Audited) <b>31 December</b> <b>2024</b>
	Note		
<b>ASSETS</b>			
Cash and balances with treasury banks		25,996,573	24,097,793
Balances with other banks		9,340	8,635
Due from financial institutions	41.1	25,496,557	25,996,490
Investments	41.2	308,289,963	256,341,204
Islamic financing and related assets - net	41.3	106,498,257	103,587,096
Property and equipment		3,552,797	2,571,153
Right-of-use assets		6,239,964	4,411,645
Intangible assets		—	—
Due from Head Office		—	—
Other assets		26,826,690	25,734,467
<b>Total Assets</b>		<b>502,910,141</b>	<b>442,748,483</b>
<b>LIABILITIES</b>			
Bills payable		970,559	848,638
Due to financial institutions		24,878,274	30,561,246
Deposits and other accounts	41.4	371,014,371	317,595,744
Due to Head Office		8,125,879	6,016,955
Lease liabilities		7,491,187	5,386,354
Subordinated debt		—	—
Other liabilities		11,935,836	14,820,648
<b>Total Liabilities</b>		<b>424,416,106</b>	<b>375,229,585</b>
<b>NET ASSETS</b>		<b>78,494,035</b>	<b>67,518,898</b>
<b>REPRESENTED BY</b>			
Islamic Banking Fund		7,600,000	7,600,000
Reserves		—	—
Surplus on revaluation of assets		4,058,131	5,852,746
Unappropriated profit	41.5	66,835,904	54,066,152
		<b>78,494,035</b>	<b>67,518,898</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	41.6		



STATEMENT OF PROFIT AND LOSS ACCOUNT	Note	(Un-audited) Nine months period ended	
		30 September 2025	30 September 2024
		(Rupees in '000) (Restated)	
Profit / return earned	41.7	36,837,248	46,854,783
Profit / return expensed	41.8	(16,829,400)	(22,514,960)
<b>Net Profit / return</b>		<b>20,007,848</b>	<b>24,339,823</b>
<b>Other income</b>			
Fee and commission income		1,623,722	1,259,315
Dividend income		61,787	47,617
Foreign exchange income		202,801	183,068
(Loss) / gain on securities - net		(13,461)	11,072
Other income		—	—
<b>Total other income</b>		<b>1,874,849</b>	<b>1,501,072</b>
<b>Total income</b>		<b>21,882,697</b>	<b>25,840,895</b>
<b>Other expenses</b>			
Operating expenses		(8,749,522)	(6,558,182)
Other charges		(686)	(122)
<b>Total other expenses</b>		<b>(8,750,208)</b>	<b>(6,558,304)</b>
<b>Profit before credit loss allowance</b>		<b>13,132,489</b>	<b>19,282,591</b>
Credit loss allowance and write offs - net		(362,737)	(993,867)
<b>Profit for the period</b>		<b>12,769,752</b>	<b>18,288,724</b>

41.1 Due from financial institutions	(Un-audited)		(Audited)
	30 September 2025	31 December 2024	
	(Rupees in '000)		
In local currency:			
Musharaka placement	25,500,000	26,000,000	
Less: credit loss allowance - Stage 1	(3,443)	(3,510)	
<b>Due from financial institutions - net of credit loss allowance</b>	<b>25,496,557</b>	<b>25,996,490</b>	



	30 September 2025 (Un-audited)				31 December 2024 (Audited)			
	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
(Rupees in '000)								
<b>41.2 Investments by Segments:</b>								
<b>Amortised Cost</b>								
Federal Government Securities								
- Bai Muajjal	5,599,442	-	-	5,599,442	-	-	-	-
<b>FVPL</b>								
Federal Government Securities								
- Islamic Naya Pakistan Certificates	1,133,469	-	-	1,133,469	2,642,542	-	-	2,642,542
<b>FVOCI</b>								
<b>Federal Government Securities</b>								
- Ijarah Sukuks	272,480,514	-	3,536,236	276,016,750	221,990,413	-	5,664,287	227,654,700
- Neelum Jhelum Hydropower Co. Ltd. Sukuk	577,500	-	17,281	594,781	866,250	-	8,840	875,090
- Pakistan Energy Sukuk - Listed	21,101,591	-	511,085	21,612,676	21,101,875	-	209,125	21,311,000
<b>Non Government Debt Securities</b>								
- Listed	1,122,000	(680,358)	8,399	450,041	1,122,000	(680,227)	534	442,307
- Unlisted	2,438,625	(619)	(14,870)	2,423,136	2,973,000	(524)	(30,040)	2,942,436
	297,720,230	(680,977)	4,058,131	301,097,384	248,053,538	(680,751)	5,852,746	253,225,533
<b>Investments mandatorily classified / measured at FVPL</b>								
Units of Mutual Funds	273,129	-	(13,461)	259,668	252,242	-	20,887	273,129
<b>Associates</b>								
- AL Habib Islamic Cash Fund	100,000	-	-	100,000	100,000	-	-	100,000
- AL Habib Islamic Savings Fund	100,000	-	-	100,000	100,000	-	-	100,000
	200,000	-	-	200,000	200,000	-	-	200,000
<b>Total Investments</b>	<u>304,926,270</u>	<u>(680,977)</u>	<u>4,044,670</u>	<u>308,289,963</u>	<u>251,148,322</u>	<u>(680,751)</u>	<u>5,873,633</u>	<u>256,341,204</u>

#### 41.2.1 Particulars of credit loss allowance

	30 September 2025 (Un-audited)			
	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)			
Non Government Debt Securities	488	489	680,000	680,977
	31 December 2024 (Audited)			
	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)			
Non Government Debt Securities	384	367	680,000	680,751





	(Un-audited) 30 September 2025	(Audited) 31 December 2024
	(Rupees in '000)	
<b>41.3 Islamic financing and related assets</b>		
Ijarah	3,276,252	3,296,372
Murabaha	16,568,536	21,393,302
Diminishing Musharaka	15,393,545	14,901,120
Istisna	3,524,747	4,744,263
Islamic Long Term Financing Facility (ILTFF)	3,669,822	4,343,370
Islamic Refinance for Renewable Energy (IFRE)	3,027,747	3,177,094
Islamic Refinance for Temporary Economic Refinance Facility (ITERF)	4,284,138	5,217,018
Islamic Refinance Facility for Modernization of SMEs (IRFSME)	141,626	166,650
Islamic Financing Facility for Storage of Agricultural Produce (IFFSAP)	111,854	127,131
Islamic Export Refinance - Istisna (IERF)	–	70,000
Musawamah	3,364,447	4,188,383
Running Musharaka	2,933,938	2,844,245
Islamic Export Refinance - Running Musharaka	13,463,641	8,903,641
Financing against Bills - Musawamah	1,987,113	3,823,394
Export Finance Scheme (EFS) - Discounting	8,380,287	8,207,289
Staff Financing	3,020,839	1,098,884
Musawamah Inventory	6,681,287	2,673,423
Advance against Istisna	14,402,640	14,364,368
Advance against Istisna - IERF	1,587,225	818,500
Advance against Ijarah	822,784	250,250
Advance against Diminishing Musharaka	3,246,649	1,788,091
Advance against IFRE	–	198,663
Gross Islamic financing and related assets	109,889,117	106,595,451
Less: credit loss allowance against Islamic financings and related assets		
- Stage 1	(1,158,354)	(1,071,897)
- Stage 2	(955,114)	(1,061,392)
- Stage 3	(1,277,392)	(875,066)
	(3,390,860)	(3,008,355)
Islamic financing and related assets - net of credit loss allowance	106,498,257	103,587,096



	(Un-audited) 30 September 2025 (Rupees in '000)	(Audited) 31 December 2024
<b>41.4 Deposits and Other Accounts</b>		
<b>Customers</b>		
Current deposits	150,716,745	116,937,121
Savings deposits	198,779,931	158,666,856
Term deposits	19,377,175	20,269,782
	<u>368,873,851</u>	<u>295,873,759</u>
<b>Financial institutions</b>		
Current deposits	101,963	48,799
Savings deposits	2,038,557	21,673,186
	<u>2,140,520</u>	<u>21,721,985</u>
	<u>371,014,371</u>	<u>317,595,744</u>
<b>41.5 Islamic Banking Business Unappropriated Profit</b>		
Opening balance	54,066,152	30,550,755
Add: Islamic Banking profit for the period / year	12,769,752	23,523,465
Loss on sale of equity securities - FVOCI	—	(8,068)
Closing balance	<u>66,835,904</u>	<u>54,066,152</u>
<b>41.6 Contingencies and Commitments</b>		
Guarantees	26,272,642	19,198,384
Commitments	36,930,005	34,016,915
	<u>63,202,647</u>	<u>53,215,299</u>
	(Un-audited) Nine months period ended 30 September 2025 (Rupees in '000) (Restated)	30 September 2024
<b>41.7 Profit / Return Earned on Financing, Investments and Placements</b>		
Profit earned on:		
Financing and related assets	8,385,441	13,069,531
Investments	28,029,068	33,784,529
Placements	422,739	723
	<u>36,837,248</u>	<u>46,854,783</u>
<b>41.8 Profit on Deposits and Other Dues Expensed</b>		
Deposits and other accounts	14,531,442	18,384,000
Due to Financial Institutions	1,357,216	2,463,521
Due to Head Office	319,342	1,206,425
Finance charges on leased liabilities	621,400	461,014
	<u>16,829,400</u>	<u>22,514,960</u>



#### **41.9 Profit and Loss Distribution and Pool Management**

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

###### **General Pool PKR (Mudaraba)**

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

###### **Special Pool(s) PKR (Mudaraba)**

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

###### **General Pool FCY (Mudaraba)**

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

###### **Special Pool(s) FCY (Mudaraba)**

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

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

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

###### **Equity Pool**

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

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

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

###### **Parameters associated with risk and rewards:**

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

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



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

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

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

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

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

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

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

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

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

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

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



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

	30 September 2025 (Un-audited)				
	Distributable Income (Rupees in '000)	Mudarib Share (Rupees in '000)	Mudarib Share (Percentage)	HIBA Amount (Rupees in '000)	HIBA (Percentage)
LCY Pool	20,373,504	9,552,001	46.88%	4,054,090	42.44%
FCY Pool	328,100	271,293	82.69%	41,318	15.23%
30 September 2024 (Un-audited)					
LCY Pool	26,407,005	10,547,717	39.94%	4,439,731	42.09%
FCY Pool	364,207	279,715	76.80%	38,089	13.62%

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

	(Un-audited) Nine months period ended	
	30 September 2025 (Percentage)	30 September 2024 (Percentage)
Profit rate earned	11.73%	19.21%
Profit rate distributed	5.78%	10.19%

#### 42. GENERAL

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

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

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

#### 43. NON-ADJUSTING EVENT AFTER THE REPORTING DATE

The Board of Directors, in its meeting held on 23 October 2025, has announced an interim cash dividend of Rs. 3.50 per share (30 September 2024: Rs. 3.50 per share). These consolidated condensed interim financial statements do not include the effect of this appropriation, which will be accounted for subsequent to the period end.

#### 44. DATE OF AUTHORISATION

These consolidated condensed interim financial statements were authorised for issue in the Board of Directors' meeting held on 23 October 2025.

MANSOOR ALI KHAN  
Chief Executive

ASHAR HUSAIN  
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI  
Director

FARHANA MOWJEE KHAN  
Director

ABBAS D. HABIB  
Chairman