



# Quarterly Report

March 2026



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# CORPORATE INFORMATION

## Board of Directors

### Mr. Sultan Ali Allana

Chairman

### Mr. Shaffiq Dharamshi

Director

### Mr. Moez Ahamed Jamal

Director

### Mr. Salim Raza

Director

### Dr. Najeeb Samie

Director

### Mr. Khaleel Ahmed

Director

### Ms. Saba Kamal

Director

### Mr. Muhammad Nassir Salim

President & CEO

## Chief Financial Officer

Mr. Irfan Ahmed Meer

## Company Secretary

Mr. Uzman Naveed Chaudhary

## Legal Advisors

Mandviwalla and Zafar  
Legal Consultants and Advocates

## Auditors

A.F. Ferguson & Co.  
Chartered Accountants

## Share Registrar

CDC Share Registrar Services Limited  
CDC House, 99 – B, Block 'B',  
S.M.C.H.S., Main Shahra-e-Faisal  
Karachi – 74400, Pakistan  
Tel: Customer Support Services  
(Toll Free) 0800-CDCPL (23275)  
Fax: (92-21) 34326053  
Email: info@cdcsrsl.com  
Website: www.cdcsrsl.com

## HBL Corporate Secretariat

Phone: (92-21) 37137543  
Fax: (92-21) 35148370

## Principal Office

Habib Bank Limited  
HBL Tower, Plot No. G-4,  
KDA Scheme 5, Block 7 Clifton,  
Karachi, Pakistan  
Phone: (92-21) 33116030

## Registered Office

Habib Bank Limited  
9th Floor, Habib Bank Tower,  
Jinnah Avenue, Blue Area, Islamabad,  
Pakistan  
Phone: (92-51) 2270856, (92-51) 2821183  
Fax: (92-51) 2872205

## Corporate Website

[www.hbl.com](http://www.hbl.com)

## Internet Banking

[www.hbl.com/personal/digital-banking/](http://www.hbl.com/personal/digital-banking/) hbl-internetbanking

## Konnect

[www.hbl.com/konnect](http://www.hbl.com/konnect)

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# CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS



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# DIRECTORS' REPORT

On behalf of the Board of Directors, we are pleased to present the Consolidated Financial Statements for the quarter ended March 31, 2026.

## Macroeconomic Review

Pakistan's economy continued to stabilize during the first quarter of 2026, yet the overall outlook is clouded by the escalating crisis in Middle East. Real GDP growth accelerated to 3.89% in Q2FY'26, the second-highest quarterly growth recorded in the last four years, supported by a 5.8% year-on-year expansion in large-scale manufacturing. The expansion in large scale manufacturing resulted from strong performance in automobiles and allied sectors. Inflationary pressures have begun to re-emerge, intensified by the surge in oil prices, with headline CPI rising to 7.3% year-on-year in March 2026, pushing the average inflation for 9MFY'26 to 5.67% compared to 5.25% in the same period last year. Against this backdrop, the country is facing increased challenges in sustaining its hard-won macroeconomic recovery.

The external account, which had posted a surplus of \$479 million during 8MFY'25, shifted into a deficit of \$700 million during the first eight months of FY'26. This deficit on external account reflects the impact of a widening trade deficit which ballooned to \$21.1 billion, a 28% increase from \$16.5 billion in the corresponding period last year. Imports rose 9% year-on-year to \$41.8 billion, driven by a sharp surge in import of transport equipment and machinery as a result of recovering domestic demand, alongside higher food and chemical imports. Exports, on the other hand, declined by 5% to \$20.7 billion, primarily due to lower rice and sugar exports. Remittances continued their robust growth, rising by 10% to \$26.5 billion, providing essential support to the external position.

Staff-level agreement was reached with the IMF, for the Third Review under the Extended Fund Facility and the Second Review under the Resilience and Sustainability Facility, paving the way for the release of \$1.2 billion upon Executive Board approval. The IMF noted progress made by Pakistan, while highlighting the risks from the ongoing Middle East conflict that could exert upward pressure on inflation through volatile energy prices. The \$1.2 billion tranche alongside the new Eurobond issuance of \$750 million should provide a boost to foreign exchange reserves held with the SBP, which stood at \$15.1 billion on 10th April 2026, following the timely repayment of the \$1.43 billion Eurobond. The repayment of the \$3.5 billion UAE loan, with two tranches already settled by mid-April and the final tranche due late-April, has been covered through an additional \$3 billion commitment from Saudi Arabia, of which \$2 billion has already been received.

The equity markets, after a relatively good start to the year, came under severe pressure, recording back-to-back monthly declines of 8.7% in February and 11.5% in March, the highest monthly loss in the past five years. This is largely on account of heightened geopolitical strains. Trading volumes fell considerably below the CY'25 average amid continuous selling pressure from mutual funds. The global markets also remained under considerable stress. However, following the announcement of the two-week US-Iran ceasefire brokered by Pakistan, the KSE-100 rebounded sharply, posting its highest ever single-day gain.

In the latest Monetary Policy Committee meeting, the State Bank of Pakistan decided to keep the policy rate unchanged at 10.5%, citing heightened risks to inflation. On the fiscal front, the authorities maintained their consolidation efforts, with the overall balance registering a surplus and the primary surplus remaining close to last year's level; however, FBR tax collections during the first eight months of FY'26 remained below target, underscoring the need for broader revenue measures.

## Financial Performance

HBL delivered a consolidated profit before tax of Rs 33.7 billion for Q1'26 versus Rs 36.6 billion for the same period last year. Despite tightening spreads, the Bank's revenue remained resilient, driven by strong results from the domestic franchise. Consequently, the profit after tax for Q1'26 was Rs 16.2 billion, 3% down year on year. The earnings per share for the quarter was Rs 11.0.

HBL's balance sheet grew by 5% to Rs 8.1 trillion, with the total deposits closing at Rs 5.4 trillion. Conscious efforts by the Bank to optimise the deposit mix have resulted in improvement in the domestic current account mix from 37.6% in Dec'25 to 38.7% in Mar'26. HBL's loan book remained above Rs 2.0 trillion, supported by sustained performance across all businesses. Bank's industry leading Consumer portfolio maintained its growth trajectory, with loans increasing to Rs 180 billion.

HBL's net interest income increased to Rs 71 billion, even with the reduction in policy rate. Volumetric growth of ~Rs 700 billion in the average domestic balance sheet helped mitigate the rate impact and maintain spreads. Nearly 40% of this growth was driven by an increase in average current accounts, resulting in a reduction of 116 bps in the cost of deposits. HBL's non-fund income remained at Rs 21 billion and was driven by strong growth in fees. While the Bank's flagship



Cards business continued to drive nearly 50% of the total fees, remittances and cash management also registered stellar growth. As a result, HBL's total revenue for the quarter increased to Rs 92 billion.

With focus on expenses, the administrative expenses were contained to a subdued growth of 6%. A modest recovery trend during the quarter helped contain the domestic non-performing loans, while the total provision coverage remained well above 100%.

## Movement in Reserves

Rupees in million

Unappropriated profit brought forward	273,411
Impact of change in accounting policy	(1,842)
Unappropriated profit brought forward – restated	271,569
Profit attributable to equity holders of the Bank	16,136
Re-measurement gain on defined benefit obligations of associates – net of tax	9
Transferred from surplus on revaluation of assets – net of tax	21
Realised gain on equity investments designated as FVOCI	150
	16,316
Profit available for appropriation	287,885
<b>Appropriations:</b>	
Transferred to statutory reserves	(1,599)
Cash dividend – Final 2025	(8,801)
Total appropriations	(10,400)
<b>Unappropriated profit carried forward</b>	<b>277,485</b>
<b>Earnings per share (Rupees)</b>	<b>11.00</b>

## Capital Ratios

The strong results continued to increase internally generated capital, adding 60 bps to the Tier 1 Capital Adequacy Ratio (CAR). HBL's consolidated Tier 1 CAR decreased by 17 bps over December 2025 to 13.8%, resulting from a moderate increase in RWA. However, the consolidated total CAR has declined to 16.7% resulting from decrease in the revaluation reserves which impacted the Tier II capital. Both ratios remain comfortably above regulatory requirements.

## Dividend

The Board of Directors, in its meeting held on April 17, 2026, has declared an interim cash dividend of Rs 6 per share (60%) for the quarter ended March 31, 2026.

## Future Outlook

Looking ahead, the geopolitical landscape remains precarious considering the ongoing conflict in Middle East. While the ceasefire has introduced a measure of cautious optimism across the region, with financial markets rebounding and oil prices declining, the ceasefire remains fragile. Any breakdown could swiftly disrupt financial and commodity markets. In this uncertain environment, the full impact of the Middle East crisis on Pakistan's domestic economy is yet to be fully realized, adding a further layer of complexity as the country endeavours to sustain its momentum.

Inflationary pressures, which had already begun inching upward, have been further intensified by the crisis. Headline inflation is now above the SBP's 5% to 7% target range for two consecutive months, with recent increase in fuel prices adding to the strain. While the indirect effects of higher global energy costs are yet to fully materialize in the domestic price structure, continuation of the ceasefire and a successful resolution of the conflict could allow the country to escape the worst of the inflationary fallout.

Pakistan's external sector remains inherently vulnerable owing to its high dependence on oil imports, making the economy particularly exposed to any sustained surge in global oil prices. The recent escalation in oil prices is expected to translate into a higher import bill, further widening the trade deficit. While workers' remittances are anticipated to continue providing a vital cushion by financing a portion of this gap, the overall external position will remain under pressure. The State Bank has maintained its foreign exchange purchases in recent months to support reserve accumulation. The \$1.43 billion Eurobond has now been repaid timely, supported through a new \$ 750 million Eurobond issuance, while the first \$250 million tranche of the planned Panda bond is expected to provide additional support.

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On the fiscal front, FBR collections have recorded a shortfall during FY'26, a gap that was further exacerbated in March when the monthly shortfall widened by Rs 182 billion, largely on account of fuel-related subsidies. Overall tax collections have registered growth in FY'26, but they continue to lag behind targets.

Looking ahead to the upcoming Monetary Policy Committee meeting, the SBP faces a particularly complex decision on the policy rate amid rising inflationary pressures and the recent surge in global oil prices. Markets at this point anticipate a possible shift toward a rate upcycle, the timing and magnitude of which will depend heavily on how the Middle East situation evolves. At the same time, a reversal of the recent easing cycle could potentially affect the sustained domestic recovery path observed in the last 12-18 months.

HBL accelerated momentum as we move into 2026, delivering a strong performance amid macroeconomic uncertainties, maintaining its position as a cornerstone of Pakistan's financial ecosystem. Serving over 40 million customers across the country, HBL is making significant strides in expanding its reach and influence. Our plans for expanding our branch network will not only help us strengthen our deposit base but also allow us to venture into new areas of economic activity. The Bank's digital transformation is also gathering pace, with more than 5.2 million customers now using Mobile and Internet banking services—evidence of our growing digital footprint and commitment to customer convenience. Recognizing our systemic importance in Pakistan's economic development, HBL is channelling efforts into creating meaningful opportunities for the SME sector. The introduction of digitally enabled Asaan Finance stands out as a major initiative, designed to increase accessibility and convenience for our SME clients. This digital approach is expected to provide substantial support and open new avenues for business growth. A significant highlight of HBL's progress has been the steady growth in our Islamic branches. We are actively working to complete our suite of Shariah-compliant products, and the recent introduction of HBL Islamic Personal Finance marks a pivotal milestone. This addition empowers us to better serve the needs of our Islamic banking customers. Beyond its core financial services, HBL remains steadfast in promoting national spirit and community engagement. The ongoing HBL PSL 11, now featuring two new teams, is a clear demonstration of our commitment to national development and nurturing local talent.

## Appreciation and Acknowledgement

On behalf of the Board and management, we would like to place on record our appreciation for the efforts of our regulators and the Government of Pakistan, in particular the State Bank of Pakistan, the Ministry of Finance and the Securities and Exchange Commission of Pakistan. In these challenging times, they have stepped up with policies and measures that are prudent, proactive and balanced, protecting the economy, customers and people of Pakistan, while also safeguarding the integrity and soundness of the banking and financial services industry.

We are indebted to our customers, many of whom have banked with us for generations, and who continue to entrust us with their business and confidence. Our shareholders have provided steadfast support and to them, and to all our stakeholders, we are deeply grateful. The Board and the management remain committed to maintaining the highest standards of governance and we assure our stakeholders that we will be industry leaders in this area.

Lastly, but certainly not the least, we express our deepest appreciation and gratitude to our employees and their families, especially in customer facing units and branches, who continually go the extra mile, even at personal cost, to ensure that our customers are able to meet their critical needs. They are our heroes and heroines and we salute them for their dedication and tireless efforts.

On behalf of the Board

**Muhammad Nassir Salim**  
**President & Chief Executive Officer**

**Moez Ahamed Jamal**  
**Director**

April 17, 2026



## ڈائریکٹرز رپورٹ

ہمیں بورڈ آف ڈائریکٹرز کی جانب سے 31 مارچ 2026 کو ختم ہونے والی پہلی سہ ماہی کے مختصر عبوری مجموعی مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس ہو رہی ہے۔

### کلیاتی اقتصادیات کا جائزہ

پاکستانی معیشت 2026 کی پہلی سہ ماہی میں مستحکم رہی، تاہم مجموعی منظر نامہ مشرق وسطیٰ میں بڑھتے ہوئے بحران کی وجہ سے دھندلا گیا ہے۔ حقیقی GDP کی نمو مالی سال 26 کی دوسری سہ ماہی میں 3.89% تک تیز ہوئی، جو پچھلے چار سالوں میں ریکارڈ کی گئی دوسری سب سے زیادہ سہ ماہی ترقی ہے، جسے بڑے پیمانے پر مینوفیکچرنگ میں سال بہ سال 5.8% اضافے سے سہارا ملا۔ بڑے پیمانے پر مینوفیکچرنگ میں توسیع گاڑیوں اور متعلقہ شعبوں میں مضبوط کارکردگی کی وجہ سے ہوئی۔ افراط زر کا دباؤ دوبارہ بڑھنے لگا ہے، جو تیل کی قیمتوں میں اضافے کی وجہ سے مزید شدید ہو گیا۔ مارچ 2026 میں ہیڈلائن CPI سال بہ سال اضافے سے 7.3% تک پہنچ گیا، جس سے مالی سال 26 کے نوماہ کی اوسط مہنگائی 5.67% تک پہنچ گئی ہے، جو پچھلے سال کے اسی عرصے میں 5.25% تھی۔ اس پس منظر میں، ملک اپنی مشکل سے حاصل کردہ معاشی بحالی برقرار رکھنے میں بڑھتے ہوئے چیلنجز کا سامنا کر رہا ہے۔

ایکسٹرنل اکاؤنٹ، جس نے مالی سال 25 کے آٹھ ماہ کے دوران 479 ملین ڈالر کا سرپلس حاصل کیا تھا، مالی سال 26 کے پہلے آٹھ ماہ میں 700 ملین ڈالر کے خسارے میں تبدیل ہو گیا۔ ایکسٹرنل اکاؤنٹ پر یہ خسارہ بڑھتے ہوئے تجارتی خسارے کے اثرات کی عکاسی کرتا ہے، جو 21.1 بلین ڈالر تک پہنچ گیا، جو گزشتہ سال کے اسی عرصے میں 16.5 بلین ڈالر سے 28% زیادہ ہے۔ درآمدات سال بہ سال 9% بڑھ کر 41.8 بلین ڈالر تک پہنچ گئیں، جس کی وجہ سے ٹرانسپورٹ کے آلات اور مشینری کی درآمدات میں تیزی سے اضافہ ہے کیونکہ مقامی طلب بحال ہوئی، ساتھ ہی خوراک اور کیمیکل کی درآمدات میں بھی اضافہ ہوا۔ دوسری طرف، برآمدات 5% کم ہو کر 20.7 بلین ڈالر تک پہنچ گئیں، جس کی بنیادی وجہ چاول اور چینی کی برآمدات میں کمی تھی۔ ریٹینسز میں ترقی جاری رہی، جو 10% بڑھ کر 26.5 بلین ڈالر تک پہنچ گئیں، جس سے ایکسٹرنل پوزیشن کو مضبوط سہارا ملا۔

آئی ایم ایف کے ساتھ اسٹاف لیول ایگریمنٹ، ایکسٹینڈڈ فنڈ فیسلٹی کے تحت تیسرے جائزے اور ریزیلیئنس اینڈ سسٹین ایبلٹی فیسلٹی کے تحت دوسرے جائزے تک پہنچا، جس سے ایگزیکٹو بورڈ کی منظوری پر 1.2 بلین ڈالر کے اجر اکر استہمور ہوا۔ آئی ایم ایف نے پاکستان کی پیش رفت کو نوٹ کیا، جبکہ مشرق وسطیٰ کے جاری تنازعے کے خطرات کو اجاگر کیا جو توانائی کی قیمتوں میں اتار چڑھاؤ کے ذریعے افراط زر میں اضافے کا دباؤ ڈال سکتے ہیں۔ 1.2 بلین ڈالر کی قسط، اور 750 ملین ڈالر کے نئے یورو بانڈ کے اجرا کے ساتھ، SBP کے پاس موجود غیر ملکی زرمبادلہ کے ذخائر میں اضافہ ہو گا، جو 10 اپریل 2026 کو 15.1 بلین ڈالر پر پہنچ چکے تھے، جو 1.43 بلین ڈالر یورو بانڈ کی بروقت ادائیگی کے بعد تھے۔ متحدہ عرب امارات کے 3.5 بلین ڈالر کے قرضے کی واپسی کی دو قسطیں اپریل کے وسط تک پہلے ہی سیٹل ہو چکی ہیں اور آخری قسط اپریل کے آخر میں متوقع ہے، جو سعودی عرب سے اضافی 3 بلین ڈالر کے وعدے کے بعد مکمل کی گئی ہے، جس میں سے 2 بلین ڈالر پہلے ہی وصول ہو چکے ہیں۔

سال کے نسبتاً مناسب آغاز کے بعد ایکویٹی مارکیٹوں پر شدید دباؤ آ گیا، فروری میں مسلسل 8.7% اور مارچ میں 11.5% کی مسلسل ماہانہ کمی ریکارڈ کی گئی، جو پچھلے پانچ سالوں میں سب سے زیادہ ماہانہ خسارہ ہے۔ جس کی بڑی وجہ جغرافیائی سیاسی کشیدگی میں اضافہ ہے۔ میوچل فنڈز کی مسلسل فروخت کے دباؤ کی وجہ سے تجارتی حجم سال 2025 کے اوسط سے کافی کم ہو گیا۔ عالمی منڈیوں پر بھی کافی دباؤ رہا۔ تاہم، پاکستان کی کوششوں سے امریکہ - ایران کی پندرہ روزہ جنگ بندی کے اعلان کے بعد، KSE-100 تیزی سے واپس آیا اور اپنی اب تک کی سب سے زیادہ پومیہ بلندی حاصل کی۔

مائٹری پالیسی کمیٹی کی تازہ ترین میٹنگ میں، اسٹیٹ بینک آف پاکستان نے افراط زر کے بڑھتے ہوئے خطرات کی وجہ سے پالیسی ریٹ 10.5% پر برقرار رکھنے کا فیصلہ کیا۔ مالیاتی محاذ پر، حکام نے اپنی سنجائی کی کوششیں جاری رکھیں، مجموعی توازن سے سرپلس اور پرائمری سرپلس پچھلے سال کی سطح کے قریب رہا؛ تاہم، FBR کی ٹیکس وصولیاں مالی سال 26 کے پہلے آٹھ مہینوں میں ہدف سے کم رہیں، جو ریونیو کے وسیع تر اقدامات کی ضرورت کو اجاگر کرتی ہیں۔

### مالیاتی کارکردگی

HBL نے سال 26 کی پہلی سہ ماہی میں 33.7 بلین روپے کا قبل از ٹیکس مجموعی منافع دیا، جبکہ پچھلے سال اسی عرصے میں یہ 36.6 بلین روپے تھا۔ اسپریڈز میں کمی کے باوجود، بینک کی آمدنی مضبوط رہی، جس کی وجہ مقامی فریجائٹس کے مضبوط نتائج تھے۔ نتیجتاً، سال 26 کی پہلی سہ ماہی کے لیے بعد از ٹیکس منافع 16.2 بلین روپے تھا جو سال بہ سال 3% کم ہے۔ سہ ماہی کے لیے فی شیئر آمدنی 11.0 روپے تھی۔

HBL کی بیلنس شیٹ 5% بڑھ کر 8.1 ٹریلین روپے ہو گئی، جبکہ کل ڈپازٹس 5.4 ٹریلین روپے پر بند ہو گئے۔ بینک کی جانب سے ڈپازٹ کس کو بہتر بنانے کی شعوری کوششوں کے نتیجے میں مقامی کرنٹ اکاؤنٹ کس میں بہتری آئی ہے، جو دسمبر 2025 میں 37.6% سے مارچ 2026 میں 38.7% ہو گئی ہے۔ HBL کی لون بک 2.0 ٹریلین روپے سے اوپر رہی، جسے تمام کاروباروں میں مسلسل مستحکم کارکردگی سے سہارا ملا۔ بینک کے صنعت میں سب سے آگے کزن یومرپورٹ فولیو نے اپنی ترقی کی رفتار برقرار رکھی، اور قرضوں کی مالیت 180 بلین روپے تک بڑھ گئی۔

HBL کی خالص سودی آمدنی پالیسی ریٹ میں کمی کے باوجود 71 بلین روپے تک بڑھ گئی۔ اوسط مقامی بیلنس شیٹ کے حجم میں تقریباً 700 بلین روپے کی نمو نے شرح کے اثرات کم کرنے اور

فرق برقرار رکھنے میں مدد دی۔ اس نمو کا تقریباً 40% اوسط کرنٹ اکاؤنٹس میں اضافے کی وجہ سے ہوا، جس کے نتیجے میں ڈپازٹس کی لاگت میں 116bps کمی آئی۔ HBL کی نان فنڈ آمدنی 21 بلین روپے برقرار رہی، جس کی وجہ سے فیس میں اہم اضافہ تھا۔ جبکہ بینک کا فلنگ شپ کارڈز بزنس کل فیسوں کے تقریباً 50% کا حصہ دار رہا، ریٹیمینسز، اور کیش میجمنٹ نے بھی شاندار ترقی دکھائی۔ نتیجتاً، اس سہ ماہی کے لیے HBL کی کل آمدنی 92 بلین روپے تک بڑھ گئی۔

اخراجات پر توجہ کے ساتھ، انتظامی اخراجات میں 6% اضافہ ہوا، جو کم تھا۔ سہ ماہی کے دوران معمولی بحالی کے رجحان نے مقامی نان پرفارمنگ قرضوں کو محدود کرنے میں مدد دی، جبکہ کل پروڈون کو ریٹج 100% سے کہیں زیادہ رہی۔

## ذخائر میں اتار چڑھاؤ

بلین روپے
273,411
(1,842)
271,569

افتتاحی غیر تخصیص شدہ منافع  
اکاؤنٹنگ پالیسی میں تبدیلی کے اثرات  
افتتاحی غیر تخصیص شدہ منافع کے دوبارہ تخصیص

16,136
9
21
150
16,316
287,885

بینک ایکویٹی کے حامل افراد کے لیے قابل ادائیگی منافع  
ایسوسی ایٹس کے متعین فوائد کی ذمہ داریوں کی دوبارہ پیمائش پر منافع۔ محصول کا خالص  
اثاثہ جات کی دوبارہ تخصیص پر سرپلس سے منتقل شدہ۔ محصول کا خالص  
FVOCI کے طور پر ایکویٹی کی سرمایہ کاری پر موصولہ منافع

مناسب کارروائی کے لیے دستیاب منافع

(1,599)
(8,801)
(10,400)
277,485

مختلف مدوں میں رکھی گئی رقوم:

قانونی ذخائر میں منتقل شدہ  
نقد منافع منقسمہ۔ حتمی 2025  
کل تخصیص  
اختتامی غیر تخصیص شدہ منافع

11.00
-------

فی حصص (شیر) آمدنی (روپے)

## سرمائے کا تناسب

مضبوط نتائج نے اندرونی طور پر پیدا ہونے والے سرمائے کو مضبوط بنانا جاری رکھا، جس نے Tier 1 کیپٹل ایڈیکویسی ریشو (CAR) میں 60bps کا اضافہ کیا۔ HBL کی مربوط Tier 1 CAR 2025 کے مقابلے میں 17bps کم ہو کر 13.8% ہو گئی جو RWA میں معمولی اضافے سے ہوا جبکہ مجموعی کل CAR 16.7% کم ہو گئی جس کی وجہ سے ذخائر کی قدر کا دوبارہ تعین تھا۔ اس سے Tier II کیپٹل پر بھی اثر پڑا۔ دونوں تناسب ریگولیٹری تقاضوں سے اوپر آرام دہ سطح پر ہیں۔

## منافع منقسمہ

بورڈ آف ڈائریکٹرز نے 17 اپریل 2026 کو منعقد ہونے والے اجلاس میں 31 مارچ 2026 کو اختتام پذیر ہونے والی سہ ماہی کے لیے 6 روپے فی حصص (60%) کے عبوری نقد منافع منقسمہ کا اعلان کیا۔

## مستقبل کی صورت حال

آگے چل کر جغرافیائی سیاسی منظر نامہ مشرق وسطیٰ میں جاری کشیدگی کے سبب غیر مستحکم نظر آتا ہے۔ مالیاتی منڈیوں کی بحالی اور تیل کی قیمتوں میں کمی کے ساتھ اگرچہ جنگ بندی نے خطے میں موہوم امید پیدا کی ہے، تاہم یہ جنگ بندی اب بھی نازک مرحلے پر ہے۔ کوئی بھی خرابی مالیاتی اور کموڈٹی مارکیٹس کو تیزی سے متاثر کر سکتی ہے۔ اس غیر یقینی ماحول میں، مشرق وسطیٰ کے بحران کا پاکستان کی ملکی معیشت پر بھرپور اثر ابھی مکمل طور پر ظاہر نہیں ہوا، جس سے ملکی رفتار برقرار رکھنے کی کوششوں کے ساتھ مزید پیچیدگی پیدا ہو رہی ہے۔

مہنگائی کا دباؤ، جو پہلے ہی بڑھنا شروع ہو چکا تھا، بحران کی وجہ سے مزید شدت اختیار کر گیا ہے۔ ہیڈلائن افراط زر اب مسلسل دو مہینوں کے لیے SBP کے 5% سے 7% کے ہدف سے اوپر ہے، جس میں حالیہ ایندھن کی قیمتوں میں اضافہ اس دباؤ کو مزید بڑھا رہا ہے۔ عالمی توانائی کی قیمتوں میں اضافے کے باوجود اسے اثرات ابھی تک مقامی قیمتوں کے ڈھانچے میں مکمل طور پر ظاہر نہیں ہوئے۔ جنگ بندی کا ایسا سلسلہ، جو تنازعے کے کامیاب حل کی طرف لے جائے، ملک کی مہنگائی کے بدترین اثرات سے بچنے میں مدد کر سکتا ہے۔



پاکستان کا بیرونی شعبہ تیل کی درآمدات پر زیادہ انحصار کی وجہ سے فطری طور پر کمزور ہے، جس کی وجہ سے معیشت خاص طور پر عالمی تیل کی قیمتوں میں مسلسل اضافے کے سبب خطرے میں ہے۔ تیل کی قیمتوں میں حالیہ اضافہ درآمدی بل میں اضافے کی صورت میں تبدیل ہونے کی توقع ہے، جس سے تجارتی خسارہ مزید بڑھ جائے گا۔ اگرچہ توقع ہے کہ ورکرز کی ترسیلات اس خلا کے ایک حصے کو پُر کرنے میں مالی مدد دے کر ایک اہم سہارا بنیں گی، تاہم مجموعی بیرونی صورتحال بدستور دباؤ میں رہے گی۔ اسٹیٹ بینک نے حالیہ مہینوں میں اپنی غیر ملکی زرمبادلہ کی خریداری برقرار رکھی ہے تاکہ ذخائر جمع ہو سکیں۔ 1.43 ملین ڈالر کا یورو بانڈ اب وقت پر ادا کر دیا گیا ہے، جس کی معاونت 750 ملین ڈالر کے نئے یورو بانڈ کے اجراء کے ذریعے کی گئی ہے، جبکہ پانڈا بانڈ کے پہلے 250 ملین ڈالر کے حصے سے اضافی معاونت کی توقع ہے۔

مالیاتی محاذ پر، FBR کی وصولیوں میں مالی سال 26 کے دوران کمی ریکارڈ کی گئی ہے، جو مارچ میں مزید بڑھ گئی جب ماہانہ خسارہ 182 بلین روپے تک بڑھ گیا، جس کی بڑی وجہ ایندھن سے متعلق سبسڈی تھی۔ مجموعی طور پر ٹیکس وصولیوں میں مالی سال 26 میں اضافہ ہوا ہے، لیکن وہ اب بھی اہداف سے پیچھے ہیں۔

آئندہ ماہیٹری پالیسی کمیٹی میٹنگ کی طرف دیکھتے ہوئے، SBP کو پالیسی ریٹ پر، خصوصاً بڑھتی ہوئی افراط زر کے دباؤ اور حالیہ عالمی تیل کی قیمتوں میں اضافے کے درمیان ایک خاص طور پر پیچیدہ فیصلہ کرنا ہے۔ اس وقت مارکیٹیں شرح سود میں اضافے کی طرف ممکنہ تبدیلی کی توقع کر رہی ہیں، جس کا وقت اور شدت مشرق وسطیٰ کی صورتحال کے بدلنے پر منحصر ہوگی۔ اسی وقت، حالیہ نرمی کی واپسی ممکنہ طور پر گزشتہ 12 سے 18 ماہ میں دیکھی گئی ملکی بحالی کے راستے کو متاثر کر سکتی ہے۔

اب جب ہم 2026 میں داخل ہو رہے ہیں، تو HBL نے اپنی رفتار میں اضافہ کیا ہے۔ جاری معاشی غیر یقینی صورتحال کے باوجود، بینک نے مضبوط کارکردگی جاری رکھی ہے اور پاکستان کے مالیاتی نظام کی بنیاد کے طور پر اپنی پوزیشن برقرار رکھی ہے۔ ملک بھر میں 40 ملین سے زائد کسٹمرز کو سروسز فراہم کرتے ہوئے، HBL اپنی رسائی اور اثر بڑھانے میں نمایاں رہا ہے۔ ہمارے برانچ نیٹ ورک کو بڑھانے کے منصوبے نہ صرف ہمارے ڈپازٹ بینس کو مضبوط کرنے میں مدد دیں گے بلکہ ہمیں معاشی سرگرمیوں کے نئے شعبوں میں قدم رکھنے کا موقع بھی دیں گے۔ بینک کی ڈیجیٹل تبدیلی بھی تیزی سے بڑھ رہی ہے، اب 5.2 ملین سے زائد کسٹمرز موبائل اور انٹرنیٹ بینکنگ سروسز استعمال کر رہے ہیں، جو ہماری بڑھتی ہوئی ڈیجیٹل موجودگی اور کسٹمر کی سہولت کے عزم کا ثبوت ہے۔ پاکستان کی اقتصادی ترقی میں اہمیت کو تسلیم کرتے ہوئے، HBL اپنے SME شعبے کے لیے با معنی مواقع پیدا کرنے کی کوششیں کر رہا ہے۔ ڈیجیٹل ان ایبلڈ آسان فنانس کا آغاز ایک بڑا اقدام ہے، جو ہمارے SME کلائنٹس کی رسائی اور سہولت کے لیے ڈیزائن کیا گیا ہے۔ یہ ڈیجیٹل طریقہ کار کاروباری ترقی کے لیے خاطر خواہ مدد فراہم کرے گا اور نئے راستے کھولے گا۔ HBL کی ترقی کی ایک اہم اور خاص بات اسلامک برانچز میں مسلسل اضافہ رہی ہے۔ ہم اپنی شریعت سے ہم آہنگ پروڈکٹس کے لیے بھرپور کام کر رہے ہیں، اور HBL اسلامک پرسنل فنانس کا حالیہ آغاز ایک اہم سنگ میل ہے۔ یہ اضافہ ہمیں اپنے اسلامک بینکنگ کسٹمرز کی ضروریات کی بہتر تکمیل کے قابل بناتا ہے۔ بنیادی مالی خدمات سے بڑھ کر، HBL قومی جذبے اور کمیونٹی کی شمولیت کو فروغ دینے میں ثابت قدم ہے۔ HBL PSL 11، جس میں اب دو نئی ٹیمیں شامل ہیں، قومی ترقی اور مقامی ٹیلنٹ کے فروغ کے لیے ہماری وابستگی کا واضح مظاہرہ ہے۔

## اظہارِ تشکر

ہم بورڈ اور مینجمنٹ کی جانب سے اپنے ریگولیٹرز اور حکومت پاکستان، بالخصوص اسٹیٹ بینک آف پاکستان، وزارت مالیات اور سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی کاوشوں کا اعتراف کرتے ہیں۔ اس غیر معمولی اور مشکل وقت میں، انھوں نے ایسی پالیسی سازی اور اقدامات کیے جو مصلحت اندیش، اور متوازن ہیں، معیشت، کسٹمرز اور پاکستان کے عوام کی حفاظت کرتے ہیں، اور بینکنگ اور فنانشل سروسز انڈسٹری کی سالمیت اور بہتری کا تحفظ بھی کرتے ہیں۔

ہم اپنے کسٹمرز کے احسان مند ہیں جو نسلوں سے ہمارے ساتھ بینکنگ کر رہے ہیں اور اپنے کاروبار اور اعتماد کے حوالے سے ہم پر بھرپور اعتماد رکھے ہوئے ہیں۔ ہمارے شیئر ہولڈرز نے ثابت قدمی سے ہمارے ساتھ دیا اور ان کے ساتھ ہم تمام اسٹیٹک ہولڈرز کے بھی انتہائی شکر گزار ہیں۔ بورڈ اور مینجمنٹ گورننس کے اعلیٰ ترین معیارات برقرار رکھنے کے لیے پُر عزم ہے اور ہم اپنے اسٹیٹک ہولڈرز کو یقین دلاتے ہیں کہ اس نختے میں ہم انڈسٹری لیڈرز ہوں گے۔

آخر میں، جن کی اہمیت کسی سے کم نہیں، ہم اپنے تمام ملازمین اور ان کے اہل خانہ، بالخصوص کسٹمر فیسنگ یونٹس اور برانچوں میں موجود عملے کے شکر گزار ہیں، جو اپنی پرواہ کیے بغیر مسلسل اپنے فرائض سے بڑھ کر کام کرتے ہوئے ہمارے کسٹمرز کی بنیادی ضروریات کی تکمیل یقینی بنا رہے ہیں۔ یہ ہمارے ہیرو اور ہیروئن ہیں اور ہم ان کے عزم اور انتھک محنت کے لیے انھیں خراج تحسین پیش کرتے ہیں۔

منجانب بورڈ

معین احمد جمال  
ڈائریکٹر

محمد ناصر سلیم  
صدر اور چیف ایگزیکٹو افسر

17 اپریل 2026ء

# CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2026

	Note	(Unaudited) March 31, 2026	(Audited) December 31, 2025
------(Rupees in '000)-----			
<b>ASSETS</b>			
Cash and balances with treasury banks	5	481,326,477	564,755,888
Balances with other banks	6	49,760,748	53,972,937
Lendings to financial institutions	7	103,449,983	247,784,847
Investments	8	4,831,674,751	4,186,245,908
Advances	9	2,033,804,081	2,076,777,374
Property and equipment	10	147,030,416	144,059,161
Right-of-use assets	11	30,825,057	30,696,325
Intangible assets	12	30,680,398	30,696,658
Deferred tax assets	13	335,000	-
Other assets	14	399,826,076	373,155,122
		<b>8,108,712,987</b>	<b>7,708,144,220</b>
<b>LIABILITIES</b>			
Bills payable	15	56,241,987	59,422,812
Borrowings	16	1,805,438,409	1,216,019,536
Deposits and other accounts	17	5,393,093,508	5,546,000,371
Lease liabilities	18	40,949,128	40,115,807
Subordinated debt	19	20,374,000	20,374,000
Deferred tax liabilities	13	-	43,836,151
Other liabilities	20	336,777,258	293,760,838
		<b>7,652,874,290</b>	<b>7,219,529,515</b>
		<b>455,838,697</b>	<b>488,614,705</b>
<b>NET ASSETS</b>			
<b>REPRESENTED BY</b>			
<b>Shareholders' equity</b>			
Share capital		14,668,525	14,668,525
Reserves		108,796,877	108,660,604
Surplus on revaluation of assets - net of tax	21	53,319,234	90,203,622
Unappropriated profit		277,484,636	273,410,965
Total equity attributable to the equity holders of the Bank		<b>454,269,272</b>	<b>486,943,716</b>
Non-controlling interest		<b>1,569,425</b>	<b>1,670,989</b>
		<b>455,838,697</b>	<b>488,614,705</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	22		

Muhammad Nassir Salim  
President and  
Chief Executive Officer

Irfan Ahmed Meer  
Chief Financial Officer

Moez Ahamed Jamal  
Director

Dr. Najeeb Samie  
Director

Ms. Saba Kamal  
Director



# CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2026

	Note	January 01 to March 31, 2026	January 01 to March 31, 2025
------(Rupees in '000)-----			
Mark-up / return / profit / interest earned	24	184,234,514	156,694,988
Mark-up / return / profit / interest expensed	25	112,862,238	87,944,416
Net mark-up / return / profit / interest income		<u>71,372,276</u>	<u>68,750,572</u>
<b>Non mark-up / interest income</b>			
Fee and commission income	26	12,583,849	11,588,386
Dividend income		3,576,730	1,384,434
Share of profit of associates		1,297,922	1,349,255
Foreign exchange income		2,246,952	2,175,065
Income from derivatives		121,256	780,774
Gain / (loss) on securities - net	27	296,566	4,167,710
Other income	28	380,616	168,362
Total non mark-up / interest income		<u>20,503,891</u>	<u>21,613,986</u>
Total income		<u>91,876,167</u>	<u>90,364,558</u>
<b>Non mark-up / interest expenses</b>			
Operating expenses	29	53,129,896	50,272,809
Workers' Welfare Fund		661,602	697,415
Other charges	30	13,697	11,291
Total non mark-up / interest expenses		<u>53,805,195</u>	<u>50,981,515</u>
<b>Profit before credit loss allowance and taxation</b>		<u>38,070,972</u>	<u>39,383,043</u>
Credit loss allowance and write offs - net	31	4,332,088	2,743,194
<b>Profit before taxation</b>		<u>33,738,884</u>	<u>36,639,849</u>
<b>Taxation</b>	32	17,588,811	20,013,088
<b>Profit after taxation</b>		<u>16,150,073</u>	<u>16,626,761</u>
<b>Attributable to:</b>			
Equity holders of the Bank		16,136,337	16,605,085
Non-controlling interest		13,736	21,676
		<u>16,150,073</u>	<u>16,626,761</u>
-----Rupees-----			
<b>Basic and diluted earnings per share</b>	33	<u>11.00</u>	<u>11.32</u>

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

Muhammad Nassir Salim  
President and  
Chief Executive Officer

Irfan Ahmed Meer  
Chief Financial Officer

Moez Ahamed Jamal  
Director

Dr. Najeeb Samie  
Director

Ms. Saba Kamal  
Director

# CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2026

January 01 to  
March 31,  
2026  
-----  
(Rupees in '000)-----

## Profit after taxation for the period attributable to:

Equity holders of the Bank  
Non-controlling interest

16,136,337	16,605,085
13,736	21,676
16,150,073	16,626,761

## Other comprehensive income / (loss)

### Items that may be reclassified to the profit and loss account in subsequent periods:

Effect of translation of net investment in foreign branches, subsidiaries and associates - net of tax

(1,056,455) 1,180,322

Increase in share of exchange translation reserve of associates - net of tax

108,492 118,231

Movement in surplus / deficit on revaluation of debt investments designated at Fair value through other comprehensive income (FVOCI) - net of tax, attributable to:

Equity holders of the Bank  
Non-controlling interest

(34,388,935)	(5,892,243)
(61,620)	(4,961)
(34,450,555)	(5,897,204)

Movement in share of surplus / deficit on revaluation of investments of associates - net of tax

(54,563) 1,236,832

Movement in gain / (loss) on fair value of effective portion of hedging instruments - net of tax

(514,687) -

### Items that are not to be reclassified to the profit and loss account in subsequent periods:

Movement in surplus / deficit on revaluation of equity investments designated at FVOCI - net of tax

(2,161,101) 53,172

Movement in surplus / deficit on revaluation of non-banking assets - net of tax

(2,468) -

Share of remeasurement gain on defined benefit obligations of associates - net of tax

9,061 11,754

## Total comprehensive (loss) / income

(21,972,203) 13,329,868

## Total comprehensive (loss) / income attributable to:

Equity holders of the Bank  
Non-controlling interest

(21,924,319)	13,313,153
(47,884)	16,715
<u>(21,972,203)</u>	<u>13,329,868</u>

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

Muhammad Nassir Salim  
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Chief Executive Officer

Irfan Ahmed Meer  
Chief Financial Officer

Moez Ahamed Jamal  
Director

Dr. Najeeb Samie  
Director

Ms. Saba Kamal  
Director



# CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2026

Share capital	Attributable to shareholders of the Bank										Non-controlling interest	Total	
	Statutory		Reserves				Surplus / (deficit) on revaluation of		Unappropriated profit	Sub Total			
	Subsidiary	Bank	Exchange translation	Non-distributable	On acquisition of common control entity	Cash flow hedge (Note 3.3)	Investments	Property & Equipment / Non-Banking Assets					
(Rupees in '000)													
Balance as at December 31, 2024 - as reported	14,668,525	1,417,027	54,492,258	42,003,241	547,115	(156,706)	-	14,634,684	42,736,097	238,813,471	409,155,712	1,642,382	410,798,094
Change in accounting policy as at January 01, 2025	-	-	-	-	-	-	-	3,120,285	-	1,280,345	4,400,630	-	4,400,630
Balance as at January 01, 2025 - as restated	14,668,525	1,417,027	54,492,258	42,003,241	547,115	(156,706)	-	17,754,969	42,736,097	240,093,816	413,556,342	1,642,382	415,198,724
<b>Comprehensive income for the three months ended March 31, 2025</b>													
Profit after taxation for the three months ended March 31, 2025	-	-	-	-	-	-	-	-	-	16,605,085	16,605,085	21,676	16,626,761
<b>Other comprehensive income / (loss)</b>													
Effect of translation of net investment in foreign branches, subsidiaries and associates - net of tax	-	-	-	1,180,322	-	-	-	-	-	-	1,180,322	-	1,180,322
Increase in share of exchange translation reserve of associates - net of tax	-	-	-	118,231	-	-	-	-	-	-	118,231	-	118,231
Share of net remeasurement gain on defined benefit obligations of associates - net of tax	-	-	-	-	-	-	-	-	-	11,754	11,754	-	11,754
Movement in surplus / deficit on revaluation of equity investments - net of tax	-	-	-	-	-	-	-	53,172	-	-	53,172	-	53,172
Movement in surplus / deficit on revaluation of debt investments - net of tax	-	-	-	-	-	-	-	(5,892,243)	-	-	(5,892,243)	(4,961)	(5,897,204)
Movement in share of surplus / deficit on revaluation of investments of associates - net of tax	-	-	-	-	-	-	-	1,236,832	-	-	1,236,832	-	1,236,832
Transferred to statutory reserves	-	66,241	1,511,555	1,298,553	-	-	-	(4,602,239)	-	16,616,839	13,313,153	16,715	13,329,868
Net realised gain on sale of equity investments - net of tax	-	-	-	-	-	-	-	(73,799)	-	73,799	-	-	-
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	-	-	-	(22,083)	22,083	-	-	-
<b>Transactions with owners, recorded directly in equity</b>													
Final cash dividend - Rs 4.25 per share declared subsequent to the year ended December 31, 2024	-	-	-	-	-	-	-	-	-	(6,234,123)	(6,234,123)	-	(6,234,123)
Balance as at March 31, 2025	14,668,525	1,483,268	56,003,813	43,301,794	547,115	(156,706)	-	13,078,931	42,714,014	248,994,618	420,635,372	1,659,097	422,294,469
<b>Comprehensive income for the nine months ended December 31, 2025</b>													
Profit after taxation for the nine months ended December 31, 2025	-	-	-	-	-	-	-	-	-	50,111,105	50,111,105	26,050	50,137,155
<b>Other comprehensive income</b>													
Effect of translation of net investment in foreign branches, subsidiaries and associates - net of tax	-	-	-	3,299,954	-	-	-	-	-	-	3,299,954	-	3,299,954
Increase in share of exchange translation reserve of associates - net of tax	-	-	-	196,870	-	-	-	-	-	-	196,870	-	196,870
Movement in surplus / deficit on revaluation of equity investments - net of tax	-	-	-	-	-	-	-	3,987,866	-	-	3,987,866	-	3,987,866
Movement in surplus / deficit on revaluation of debt investments - net of tax	-	-	-	-	-	-	-	27,185,503	-	-	27,185,503	15,380	27,200,883
Net remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	-	838,055	838,055	6,554	844,609
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	-	83,729	-	83,729	-	83,729
Movement in share of surplus / deficit on revaluation of assets of associates - net of tax	-	-	-	-	-	-	-	2,036,382	-	-	2,036,382	-	2,036,382
Transferred to statutory reserves	-	178,086	4,737,687	3,496,824	-	-	-	33,209,751	83,729	50,949,160	87,739,464	47,984	87,787,448
Net realised loss on sale of equity investments - net of tax	-	-	-	-	-	-	-	1,206,779	-	(4,915,773)	-	-	-
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	-	-	-	(99,258)	99,258	-	-	-
Exchange gain realised on closure of the Bank's branch - net of tax	-	-	-	(931,277)	-	-	-	-	-	-	(931,277)	-	(931,277)
Acquisition of additional interest in subsidiary	-	-	-	-	-	-	-	4,549	5,127	26,416	36,092	(36,092)	-
<b>Transactions with owners, recorded directly in equity</b>													
1st interim cash dividend - Rs 4.50 per share	-	-	-	-	-	-	-	-	-	(6,600,836)	(6,600,836)	-	(6,600,836)
2nd interim cash dividend - Rs 4.50 per share	-	-	-	-	-	-	-	-	-	(6,600,836)	(6,600,836)	-	(6,600,836)
3rd interim cash dividend - Rs 5.00 per share	-	-	-	-	-	-	-	-	-	(7,334,263)	(7,334,263)	-	(7,334,263)
Balance as at December 31, 2025 - as reported	14,668,525	1,661,354	60,741,500	45,867,341	547,115	(156,706)	-	47,500,010	42,703,612	273,410,965	486,943,716	1,670,989	488,614,705
Change in accounting policy as at January 01, 2026 - note 3.2	-	-	-	-	-	-	-	(106,706)	-	(1,842,304)	(1,949,010)	(53,680)	(2,002,690)
Balance as at January 01, 2026 - as restated	14,668,525	1,661,354	60,741,500	45,867,341	547,115	(156,706)	-	47,393,304	42,703,612	271,568,661	484,994,706	1,617,309	486,612,015
<b>Comprehensive income for the three months ended March 31, 2026</b>													
Profit after taxation for the three months ended March 31, 2026	-	-	-	-	-	-	-	-	-	16,136,337	16,136,337	13,736	16,150,073
<b>Other comprehensive income / (loss)</b>													
Effect of translation of net investment in foreign branches, subsidiaries and associates - net of tax	-	-	-	(1,056,455)	-	-	-	-	-	-	(1,056,455)	-	(1,056,455)
Increase in share of exchange translation reserve of associates - net of tax	-	-	-	108,492	-	-	-	-	-	-	108,492	-	108,492
Share of net remeasurement gain on defined benefit obligations of associates - net of tax	-	-	-	-	-	-	-	-	-	9,061	9,061	-	9,061
Movement in gain / (loss) on fair value of effective portion of hedging instruments - net of tax	-	-	-	-	-	-	-	(514,687)	-	-	(514,687)	-	(514,687)
Movement in surplus / deficit on revaluation of equity investments - net of tax	-	-	-	-	-	-	-	(2,161,101)	-	-	(2,161,101)	-	(2,161,101)
Movement in surplus / deficit on revaluation of debt investments - net of tax	-	-	-	-	-	-	-	(34,388,935)	-	-	(34,388,935)	(61,620)	(34,450,555)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	-	(2,468)	-	(2,468)	-	(2,468)
Movement in share of surplus / deficit on revaluation of investments of associates - net of tax	-	-	-	-	-	-	-	(54,563)	-	-	(54,563)	-	(54,563)
Transferred to statutory reserves	-	57,372	1,541,551	(947,963)	-	-	-	(514,687)	(36,604,599)	(2,468)	16,145,398	(21,924,319)	(47,884)
Net realised gain on sale of equity investments - net of tax	-	-	-	-	-	-	-	(149,552)	-	(1,598,923)	-	-	-
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	-	-	-	(21,063)	21,063	-	-	-
<b>Transactions with owners, recorded directly in equity</b>													
Final cash dividend - Rs 6.00 per share declared subsequent to the year ended December 31, 2025	-	-	-	-	-	-	-	-	-	(8,801,115)	(8,801,115)	-	(8,801,115)
Balance as at March 31, 2026	14,668,525	1,718,726	62,283,051	44,919,378	547,115	(156,706)	(514,687)	10,639,153	42,680,081	277,484,636	454,269,272	1,569,425	455,838,697

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

**Muhammad Nassir Salim**  
President and  
Chief Executive Officer

**Irfan Ahmed Meer**  
Chief Financial Officer

**Moez Ahamed Jamal**  
Director

**Dr. Najeeb Samie**  
Director

**Ms. Saba Kamal**  
Director

# CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2026

	January 01 to March 31, 2026	January 01 to March 31, 2025
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	33,738,884	36,639,849
Dividend income	(3,576,730)	(1,384,434)
Share of profit of associates	(1,297,922)	(1,349,255)
Mark-up / return / profit / interest expensed on subordinated debt	577,592	648,248
	<u>(4,297,060)</u>	<u>(2,085,441)</u>
	29,441,824	34,554,408
<b>Adjustments:</b>		
Depreciation	3,244,554	2,909,957
Amortisation	696,995	698,055
Depreciation on right-of-use assets	1,219,627	1,192,511
Mark-up / return / profit / interest expensed on lease liability against right-of-use assets	1,280,545	1,013,852
(Reversal) / charge of credit loss allowance against investments	(105,216)	42,595
Credit loss allowance against loans and advances	991,619	5,455,343
Charge / (reversal) of credit loss allowance against other assets	234,984	(100,377)
Charge / (reversal) of credit loss allowance against off-balance sheet obligations	3,471,708	(2,493,223)
Unrealised loss on securities designated at fair value through profit and loss (FVTPL)	2,160,085	552,750
Gain on sale of property and equipment - net	(21,452)	(12,028)
Workers' Welfare Fund	661,602	697,415
	<u>13,835,051</u>	<u>9,956,850</u>
	43,276,875	44,511,258
<b>(Increase) / decrease in operating assets</b>		
Lendings to financial institutions	144,334,864	(26,361,373)
FVTPL securities	(134,426,175)	6,057,883
Advances	41,981,674	480,995,360
Other assets (excluding advance taxation)	(58,274,885)	(6,685,301)
	<u>(6,384,522)</u>	<u>454,006,569</u>
<b>Increase / (decrease) in operating liabilities</b>		
Bills payable	(3,180,825)	(39,869,262)
Borrowings from financial institutions	589,418,873	(191,812,748)
Deposits and other accounts	(152,906,863)	79,261,127
Other liabilities	28,047,533	18,467,396
	<u>461,378,718</u>	<u>(133,953,487)</u>
	498,271,071	364,564,340
Income tax paid	(30,265,219)	(21,002,209)
<b>Net cash flows generated from operating activities</b>	468,005,852	343,562,131
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net investment in FVOCI securities	(483,340,788)	(311,930,536)
Net investment in securities carried at Amortised Cost	(65,894,686)	317,103
Net investment in associates	702,934	(539,887)
Dividend received	2,977,906	1,020,978
Investments in property and equipment	(6,167,207)	(4,582,919)
Investments in intangible assets	(773,152)	(2,200,949)
Proceeds from sale of property and equipment	61,964	16,824
Effect of translation of net investment in foreign branches, subsidiaries and associates - net of tax	(947,963)	1,298,553
<b>Net cash flows used in investing activities</b>	(553,380,992)	(316,600,833)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of mark-up on subordinated debt	(575,578)	(648,628)
Payment of lease liability against right-of-use assets	(1,687,272)	(1,930,382)
Dividend paid	(3,610)	-
<b>Net cash flows used in financing activities</b>	(2,266,460)	(2,579,010)
<b>Increase / (decrease) in cash and cash equivalents during the period</b>	(87,641,600)	24,382,288
Cash and cash equivalents at the beginning of the period	617,803,863	509,055,796
Effect of exchange rate changes on cash and cash equivalents	924,962	2,463,732
	<u>618,728,825</u>	<u>511,519,528</u>
<b>Cash and cash equivalents at the end of the period</b>	<u>531,087,225</u>	<u>535,901,816</u>

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

Muhammad Nassir Salim  
President and  
Chief Executive Officer

Irfan Ahmed Meer  
Chief Financial Officer

Moez Ahamed Jamal  
Director

Dr. Najeeb Samie  
Director

Ms. Saba Kamal  
Director



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2026

## 1 THE GROUP AND ITS OPERATIONS

The Group consists of:

### Holding company

- Habib Bank Limited, Pakistan

### Subsidiaries

- Habib Allied Holding Limited (HAHL) – 100% shareholding
- HBL Bank UK Limited – 100% effective shareholding
- HBL Currency Exchange (Private) Limited – 100% shareholding
- HBL Asset Management Limited – 100% shareholding
- HBL Microfinance Bank Limited – 90.83% shareholding
- Habib Bank Financial Services (Private) Limited – 100% shareholding
- HBL Zarai Services Limited (HZSL) – 100% shareholding

Habib Bank Limited (the Bank) is incorporated in Pakistan and is engaged in commercial banking services in Pakistan and overseas. The Bank's registered office is at Habib Bank Tower, 9th Floor, Jinnah Avenue, Blue Area, Islamabad, Pakistan and its principal office is at HBL Tower, Plot # G-4, KDA Scheme 5, Block 7, Clifton, Karachi, Pakistan. The Bank's shares are listed on the Pakistan Stock Exchange. The Bank operates 1,723 (December 31, 2025: 1,715) branches inside Pakistan including 609 (December 31, 2025: 608) Islamic Banking Branches and 25 (December 31, 2025: 25) branches outside the country including in the Karachi Export Processing Zone (KEPZ). The Aga Khan Fund for Economic Development S.A. (AKFED) is the parent company of the Bank and its registered office is in Geneva, Switzerland.

- 1.1 The Bank had commenced an orderly winding down of its operations in Afghanistan and banking operations were ceased on June 10, 2019. The remaining formalities required for closure are in progress.
- 1.2 The deregistration has been completed, and Bank has sold its operations in Mauritius and transferred the business to its new owners. However, some exit formalities are underway.
- 1.3 The Bank has commenced an orderly wind-down of its Lebanon operations. Formalities for completion of the wind-down are underway.
- 1.4 The Bank has closed its operations in Belgium after obtaining necessary approvals from the Regulators and has also surrendered the Banking License. Cancellation of the commercial registration will commence after filing of Income Tax return for the operating period of 2025 and cancellation of VAT registration.
- 1.5 The Bank has received Regulatory approval for the voluntary liquidation of its operations in Turkey. The Bank is now in the process of completing the formalities for branch closure.

## 2 BASIS OF PRESENTATION

### 2.1 STATEMENT OF COMPLIANCE

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

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

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2026

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

2.2 The disclosures made in these condensed interim consolidated financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 2 dated February 09, 2023 and IAS 34. These condensed interim consolidated financial statements do not include all the information and disclosures required for annual consolidated financial statements and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2025.

### 2.3 **New Standard and amendments to existing accounting and reporting standards that have become effective in the current year**

There are certain standards and amendments to existing accounting and reporting standards that have become applicable to the Group for accounting periods beginning on or after January 1, 2026. These are considered either to not be relevant or to not have any material impact on these condensed interim consolidated financial statements, except for the following:

- Effective Interest Rate (EIR) requirements of IFRS 9 have become applicable from January 01, 2026 pursuant to relaxations earlier provided by the SBP. The impact of EIR is summarized in note 3.1 below.

As per the BPRD circular letter no. 01 of 2025 dated January 22, 2025, the Banks are allowed to continue the existing accounting methodology for Islamic products, including the requirements of IFAS 1 and IFAS 2 until further instructions. Had IFRS 9 Effective Interest Rate (EIR) methodology been applied, the retained earnings would have been lowered by Rs 1,674.886 million net of tax. The current period's profit after tax would have been higher by Rs 649.201 million.

### 2.4 **Standard and amendments to existing accounting and reporting standards that are not yet effective**

There are various amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective. These are not likely to have a material effect on the Group's condensed interim financial statements, except for the following relaxations earlier provided by the SBP in respect of the implementation of IFRS 9.

- General provision, over and above the ECL for Stage 1 and Stage 2 exposures may be maintained up to December 31, 2026.

### 2.5 **Critical accounting estimates and judgements**

The basis for accounting estimates and judgements adopted in the preparation of these condensed interim consolidated financial statements is the same as that applied in the preparation of the consolidated financial statements for the year ended December 31, 2025.

## 3 **MATERIAL ACCOUNTING POLICY INFORMATION**

The material accounting policies adopted in the preparation of these condensed interim consolidated financial statements are consistent with those followed in the preparation of the consolidated financial statements for the year ended December 31, 2025, except for changes as discussed in notes below:

### 3.1 **Transitional Impact**

To account for the changes, the Bank has elected to follow the modified retrospective approach for restatement as allowed under IFRS 9. The cumulative impact has been recorded as an adjustment to equity as of January 01, 2026. Accordingly, the information presented as of December 31, 2025 and for the quarter ended March 31, 2025 has not been restated.

The following table reconciles the carrying amounts of financial instruments reported in accordance with the previous financial reporting framework with the carrying amounts reported under the new financial reporting framework.

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)



FOR THE THREE MONTHS ENDED MARCH 31, 2026

Financial Assets / Liabilities	Carrying amount as of December 31, 2025	EIR	Carrying amount as of January 01, 2026
	(Rupees in '000)		
Cash and balances with treasury banks	564,755,888	-	564,755,888
Balances with other banks	53,972,937	-	53,972,937
Lendings to financial institutions	247,784,847	-	247,784,847
Investments	4,186,245,908	(119,204)	4,186,126,704
Advances	2,076,777,374	-	2,076,777,374
Other assets	313,586,375	(4,144,284)	309,442,091
<b>Total Financial Assets</b>	<b>7,443,123,329</b>	<b>(4,263,488)</b>	<b>7,438,859,841</b>
Bills payable	59,422,812	-	59,422,812
Borrowings	1,216,019,536	-	1,216,019,536
Deposits and other accounts	5,546,000,371	-	5,546,000,371
Lease liabilities	40,115,807	-	40,115,807
Subordinated debt	20,374,000	-	20,374,000
Other liabilities	262,641,706	(2,145,200)	260,496,506
<b>Total Financial Liabilities</b>	<b>7,144,574,232</b>	<b>(2,145,200)</b>	<b>7,142,429,032</b>
<b>Net Financial Assets</b>	<b>298,549,097</b>	<b>(2,118,288)</b>	<b>296,430,809</b>
Non Financial Assets	146,229,457	-	146,229,457
Deferred tax liabilities	43,836,151	115,598	43,951,749
<b>Total Net Assets</b>	<b>488,614,705</b>	<b>(2,002,690)</b>	<b>486,612,015</b>

### 3.2 Reconciliation of retained earnings

The impact of EIR on retained earnings as at January 01, 2026 is as follows:

	(Rupees in '000)
<b>Retained earnings</b>	
Closing balance as at December 31, 2025 - as reported	273,410,965
Impact of EIR	(3,602,060)
Less: related tax	1,759,756
Opening balance as at January 01, 2026 - as restated	<u>271,568,661</u>
<b>Surplus on revaluation of investments</b>	
Closing balance as at December 31, 2025 - as reported	47,500,010
Impact of EIR	(222,304)
Less: related tax	115,598
Opening balance as at January 01, 2026 - as restated	<u>47,393,304</u>

### 3.3 Cash flow hedge

If the cash flow hedge meets the qualifying criteria, the hedging instrument is re-measured at fair value. Gains or losses on the effective portion of the hedging instrument are recognised in Other Comprehensive Income (OCI). These amounts will be taken to a 'cashflow hedging reserve' as a separate component of equity. The ineffective portion of the gain or loss on the hedging instrument is recognised in the statement of profit and loss account. When cash flows relating to the hedged item are reported in profit and loss, amounts in OCI are also recycled to statement of profit and loss account.

The Group assesses hedge effectiveness using the hypothetical derivative method, which creates a derivative instrument to serve as a proxy for the hedged transaction. If a cash flow hedge is discontinued, the amount accumulated in the cash flow hedge reserve is recycled to the statement of profit and loss account.

## 4 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2025.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2026

	Note	(Unaudited) March 31, 2026 ------(Rupees in '000)-----	(Audited) December 31, 2025
<b>5 CASH AND BALANCES WITH TREASURY BANKS</b>			
In hand			
Local currency		77,288,853	75,886,750
Foreign currencies		11,087,885	7,791,355
		<u>88,376,738</u>	<u>83,678,105</u>
With State Bank of Pakistan in			
Local currency current accounts		169,031,040	268,441,900
Foreign currency current accounts		13,218,300	10,833,509
Foreign currency deposit accounts		29,093,707	22,064,778
		<u>211,343,047</u>	<u>301,340,187</u>
With other central banks in			
Foreign currency current accounts		55,099,054	52,506,915
Foreign currency deposit accounts		50,178,677	35,078,706
		<u>105,277,731</u>	<u>87,585,621</u>
With National Bank of Pakistan in			
Local currency current accounts		75,691,555	90,990,380
Local currency deposit account		455,852	942,790
		<u>76,147,407</u>	<u>91,933,170</u>
National Prize Bonds		191,233	223,246
Less: credit loss allowance	5.1	(9,679)	(4,441)
Cash and balances with Treasury banks - net of credit loss allowance		<u>481,326,477</u>	<u>564,755,888</u>
5.1 Cash and balances with Treasury banks are all classified as Stage 1.			
<b>6 BALANCES WITH OTHER BANKS</b>			
In Pakistan			
In current accounts		948,066	1,606,296
In deposit accounts		5,174,629	4,071,421
		<u>6,122,695</u>	<u>5,677,717</u>
Outside Pakistan			
In current accounts		22,393,536	32,757,410
In deposit accounts		21,281,543	15,577,251
		<u>43,675,079</u>	<u>48,334,661</u>
Less: credit loss allowance	6.1	(37,026)	(39,441)
Balances with other banks - net of credit loss allowance		<u>49,760,748</u>	<u>53,972,937</u>
6.1 Balances with other banks are all classified as Stage 1.			
<b>7 LENDINGS TO FINANCIAL INSTITUTIONS</b>			
Call money lendings		16,473,384	28,900,000
Repurchase agreement lendings (reverse repo)		86,977,899	218,886,132
		<u>103,451,283</u>	<u>247,786,132</u>
Less: credit loss allowance	7.1	(1,300)	(1,285)
Lendings to financial institutions - net of credit loss allowance		<u>103,449,983</u>	<u>247,784,847</u>
7.1 Lendings to financial institutions are all classified as Stage 1.			

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)



FOR THE THREE MONTHS ENDED MARCH 31, 2026

## 8 INVESTMENTS

Note	March 31, 2026 (Unaudited)				December 31, 2025 (Audited)			
	Cost / amortised cost	Credit loss allowance / provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Credit loss allowance / provision for diminution	Surplus / (deficit)	Carrying value

(Rupees in '000)

### 8.1 Investments by type

#### Fair value through profit and loss (FVTPL)

##### Federal Government securities

- Market Treasury Bills	178,885,223	-	(285,986)	178,599,237	90,104,450	-	60,950	90,165,400
- Pakistan Investment Bonds	116,807,419	-	(985,364)	115,822,055	87,773,374	-	988,870	88,762,244
- Ijarah Sukuk	18,918,670	-	(55,838)	18,862,832	998,031	-	(1,250)	996,781
- Government of Pakistan US Dollar Bonds	3,667,307	-	9,632	3,676,939	3,673,975	-	13,095	3,687,070
- Other Federal Government securities	975,239	-	-	975,239	719,629	-	-	719,629

##### Shares

- Listed companies	979,903	-	(136,772)	843,131	-	-	-	-
- Unlisted companies	7,632,130	-	-	7,632,130	8,639,530	-	(1,007,400)	7,632,130

##### Non-Government debt securities

- Listed	2,672,598	-	44,362	2,716,960	2,691,019	-	(18,421)	2,672,598
- Unlisted	800,545	-	(7,059)	793,486	801,000	-	(455)	800,545

##### Foreign securities

- Government debt securities	5,328,967	-	(200,331)	5,128,636	7,049,971	-	(244,542)	6,805,429
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##### Preference shares

- Listed	884,400	-	21,000	905,400	835,400	-	49,000	884,400
- Unlisted	14,465	-	-	14,465	14,465	-	-	14,465

##### Real Estate Investment Trust units - Listed

	2,301,339	-	(563,729)	1,737,610	3,369,107	-	(1,067,768)	2,301,339
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339,868,205 - (2,160,085) 337,708,120 206,669,951 - (1,227,921) 205,442,030

#### Fair value through other comprehensive income (FVOCI)

##### Federal Government securities

- Market Treasury Bills	594,990,778	-	(6,020,382)	588,970,396	208,796,128	-	537,127	209,333,255
- Pakistan Investment Bonds	2,657,822,056	-	3,142,933	2,660,964,989	2,496,270,243	-	61,962,416	2,558,232,659
- Ijarah Sukuk	343,112,576	-	3,548,996	346,661,572	344,928,733	-	8,639,930	353,568,663
- Government of Pakistan US Dollar Bonds	4,181,537	(53,004)	44,165	4,172,698	8,391,003	(470,410)	486,833	8,407,426

##### Shares

- Listed companies	11,988,965	-	7,808,624	19,797,589	11,641,136	-	12,586,543	24,227,679
- Unlisted companies	922,949	-	7,091,849	8,014,798	922,951	-	7,091,848	8,014,799

##### Non-Government debt securities

- Listed	7,039,415	(1,846,657)	1,268,572	6,461,330	7,379,580	(1,649,809)	1,369,931	7,099,702
- Unlisted	354,118	(354,118)	-	-	357,512	(357,512)	-	-

##### Foreign securities

- Government debt securities	152,114,958	(871,857)	313,539	151,556,640	175,944,192	(717,797)	1,061,177	176,287,572
- Non-Government debt securities - Listed	17,588,876	(3,532)	35,242	17,620,586	11,997,254	(2,652)	269,944	12,264,546
- Equity securities - Unlisted	6,429	-	64,981	71,410	6,469	-	64,940	71,409

##### National Investment Unit Trust units

	11,113	-	77,445	88,558	11,113	-	101,928	113,041
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##### Real Estate Investment Trust units - Listed

	55,000	-	125,750	180,750	55,000	-	137,250	192,250
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3,790,188,770 (3,129,168) 17,501,714 3,804,561,316 3,266,701,314 (3,198,180) 94,309,867 3,357,813,001

#### Amortised cost

8.2

##### Federal Government securities

- Market Treasury Bills	59,491,518	-	-	59,491,518	57,886,871	-	-	57,886,871
- Pakistan Investment Bonds	403,795,321	-	-	403,795,321	368,086,673	-	-	368,086,673
- Ijarah Sukuk	86,568,172	-	-	86,568,172	57,457,769	-	-	57,457,769
- Government of Pakistan US Dollar Bonds	1,362,156	(106,906)	-	1,255,250	1,374,461	(43,240)	-	1,331,221
- Other Federal Government securities	52,133,217	-	-	52,133,217	52,430,110	-	-	52,430,110

##### Non-Government debt securities

- Listed	590,707	(64)	-	590,643	899,190	(64)	-	899,126
- Unlisted	18,434,245	(612,276)	-	17,821,969	18,713,060	(612,276)	-	18,100,784

##### Foreign Securities

- Government debt securities	12,454,735	-	-	12,454,735	12,087,251	-	-	12,087,251
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634,830,071 (719,246) - 634,110,825 568,935,385 (655,580) - 568,279,805

#### Investments in associates

	50,940,476	(253,680)	4,607,694	55,294,490	50,345,488	(355,782)	4,721,366	54,711,072
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#### Total Investments

	4,815,827,522	(4,102,094)	19,949,323	4,831,674,751	4,092,652,138	(4,209,542)	97,803,312	4,186,245,908
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## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2026

(Unaudited) (Audited)  
March 31, December 31,  
2026 2025  
----- (Rupees in '000) -----

### 8.1.1 Investments given as collateral

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

#### Federal Government securities

- Market Treasury Bills	10,314,189	14,722,264
- Pakistan Investment Bonds	1,537,643,692	899,524,670

#### Foreign securities

- Government debt securities	-	2,757,024
	<u>1,547,957,881</u>	<u>917,003,958</u>

8.2 The market value of investments classified as amortised cost amounted to Rs 624,063.669 million (December 31, 2025: Rs 563,865.386 million).

(Unaudited) (Audited)  
March 31, December 31,  
2026 2025  
----- (Rupees in '000) -----

### 8.3 Particulars of provision / credit loss allowance against investments

Opening balance - as reported	4,209,542	5,934,488
Impact of adoption of IFRS 9	-	150,584
Opening balance - as restated	4,209,542	6,085,072
Exchange adjustment	(2,232)	54,779
Charge / (reversal)		
Charge for the period / year	154,593	29,251
Reversal for the period / year	(256,415)	(1,121,958)
Reversal on disposal during the period / year	(3,394)	(837,602)
Net reversal	(105,216)	(1,930,309)
Closing balance	<u>4,102,094</u>	<u>4,209,542</u>

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

Category of classification	(Unaudited) March 31, 2026		(Audited) December 31, 2025	
	Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
	----- (Rupees in '000) -----			
<b>Domestic</b>				
Performing	4,507,765,985	365	3,840,064,209	377
Underperforming	106,348	1	225,000	1
Non-performing				
Loss	966,118	966,118	969,512	969,512
	<u>4,508,838,451</u>	<u>966,484</u>	<u>3,841,258,721</u>	<u>969,890</u>
<b>Overseas</b>				
Performing	188,964,451	391,447	210,188,903	153,308
Under performing	43,139,932	2,490,483	40,489,460	2,730,562
Non-performing				
Loss	-	-	-	-
	<u>232,104,383</u>	<u>2,881,930</u>	<u>250,678,363</u>	<u>2,883,870</u>
Total	<u>4,740,942,834</u>	<u>3,848,414</u>	<u>4,091,937,084</u>	<u>3,853,760</u>

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)



FOR THE THREE MONTHS ENDED MARCH 31, 2026

9	ADVANCES	Note	Performing		Non - performing		Total	
			(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
			March 31, 2026	December 31, 2025	March 31, 2026	December 31, 2025	March 31, 2026	December 31, 2025
----- (Rupees in '000) -----								
	Loans, cash credits, running finances, etc.		1,496,486,872	1,593,429,873	93,237,116	86,987,428	1,589,723,988	1,680,417,301
	Islamic financing and related assets	38.3	362,868,822	307,460,495	10,479,028	10,557,384	373,347,850	318,017,879
	Bills discounted and purchased		197,451,492	203,893,531	2,742,944	4,797,759	200,194,436	208,691,290
	Advances - gross		<u>2,056,807,186</u>	<u>2,104,783,899</u>	<u>106,459,088</u>	<u>102,342,571</u>	<u>2,163,266,274</u>	<u>2,207,126,470</u>
	Credit loss allowance							
	- Stage 1		(11,328,209)	(10,668,187)	-	-	(11,328,209)	(10,668,187)
	- Stage 2	9.3	(10,779,659)	(9,690,239)	-	-	(10,779,659)	(9,690,239)
	- Stage 3		-	-	(90,017,928)	(91,507,445)	(90,017,928)	(91,507,445)
	Provisions	9.3 &						
	General	9.4	(17,336,397)	(18,483,225)	-	-	(17,336,397)	(18,483,225)
			<u>(39,444,265)</u>	<u>(38,841,651)</u>	<u>(90,017,928)</u>	<u>(91,507,445)</u>	<u>(129,462,193)</u>	<u>(130,349,096)</u>
	Advances - net of provision / credit loss allowance		<u>2,017,362,921</u>	<u>2,065,942,248</u>	<u>16,441,160</u>	<u>10,835,126</u>	<u>2,033,804,081</u>	<u>2,076,777,374</u>
							(Unaudited)	(Audited)
							March 31, 2026	December 31, 2025
							----- (Rupees in '000) -----	
9.1	Particulars of advances (gross)							
	In local currency						1,558,631,990	1,598,689,951
	In foreign currencies						604,634,284	608,436,519
							<u>2,163,266,274</u>	<u>2,207,126,470</u>

9.2 Advances include Rs 106,459.088 million (December 31, 2025: Rs 102,342.571 million) which have been placed under non-performing status as detailed below:

Category of classification	(Unaudited)		(Audited)	
	March 31, 2026	Credit loss allowance	December 31, 2025	Credit loss allowance / Provision
----- (Rupees in '000) -----				
<b>Domestic</b>				
Other assets especially mentioned	-	-	-	-
Substandard	17,202,967	11,050,256	17,815,710	11,602,638
Doubtful	4,720,359	3,273,729	3,713,433	2,483,637
Loss	59,881,867	59,054,867	61,713,016	60,788,784
	<u>81,805,193</u>	<u>73,378,852</u>	<u>83,242,159</u>	<u>74,875,059</u>
<b>Overseas</b>				
Substandard	6,836,319	378,207	1,107,495	500,274
Doubtful	1,085,251	636,117	1,141,641	639,106
Loss	16,732,325	15,624,752	16,851,276	15,493,006
	<u>24,653,895</u>	<u>16,639,076</u>	<u>19,100,412</u>	<u>16,632,386</u>
	<u>106,459,088</u>	<u>90,017,928</u>	<u>102,342,571</u>	<u>91,507,445</u>

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2026

### 9.3 Particulars of provisions / credit loss allowance against advances

	(Unaudited) March 31, 2026					
	Stage 1	Stage 2	Stage 3	Specific	General	Total
	----- (Rupees in '000) -----					
Opening balance	10,668,187	9,690,239	91,507,445	-	18,483,225	130,349,096
Transfer to stage 1	(21,587)	23,180	(1,593)	-	-	-
Transfer to stage 2	(388,287)	397,043	(8,756)	-	-	-
Transfer to stage 3	(177,478)	(189,869)	367,347	-	-	-
Exchange adjustment	132,527	(184,119)	(124,621)	-	-	(176,213)
Charge for the period	1,422,187	1,490,419	4,394,248	-	-	7,306,854
Reversal for the period	(307,340)	(447,234)	(4,413,833)	-	(1,146,828)	(6,315,235)
Net (reversal) / charge against advances	1,114,847	1,043,185	(19,585)	-	(1,146,828)	991,619
Charged off during the period - agriculture financing	-	-	(43,344)	-	-	(43,344)
Charged off during the period - corporate, commercial and SME advances	-	-	-	-	-	-
Written off during the period	-	-	(1,658,965)	-	-	(1,658,965)
Other movement	-	-	-	-	-	-
Closing balance	11,328,209	10,779,659	90,017,928	-	17,336,397	129,462,193

	(Audited) December 31, 2025					
	Stage 1	Stage 2	Stage 3	Specific	General	Total
	----- (Rupees in '000) -----					
Opening balance - as reported	13,304,118	13,634,409	94,850,356	4,328,880	11,368,482	137,486,245
Impact of adoption of IFRS 9	604,140	108,562	4,370,824	(4,328,880)	(397,373)	357,273
Opening balance - as restated	13,908,258	13,742,971	99,221,180	-	10,971,109	137,843,518
Transfer to stage 1	341,558	(322,039)	(19,519)	-	-	-
Transfer to stage 2	(470,641)	2,648,134	(2,177,493)	-	-	-
Transfer to stage 3	(283,662)	(1,005,984)	1,289,646	-	-	-
Exchange adjustment	(242,126)	16,408	151,841	-	-	(73,877)
Charge for the year	3,076,920	2,349,182	23,541,739	-	7,512,116	36,479,957
Reversal for the year	(5,662,120)	(7,738,433)	(8,365,346)	-	-	(21,765,899)
Net (reversal) / charge against advances	(2,585,200)	(5,389,251)	15,176,393	-	7,512,116	14,714,058
Charged off during the year - agriculture financing	-	-	(682,583)	-	-	(682,583)
Charged off during the year - corporate, commercial and SME advances	-	-	(7,983,388)	-	-	(7,983,388)
Written off during the year	-	-	(13,488,419)	-	-	(13,488,419)
Other movement	-	-	19,787	-	-	19,787
Closing balance	10,668,187	9,690,239	91,507,445	-	18,483,225	130,349,096

9.4 General provision is carried as a matter of prudence, on account of borrowers that may be impacted by stressed economic conditions.

### 9.5 Advances - Category of classification

	(Unaudited) March 31, 2026		(Audited) December 31, 2025	
	Outstanding amount	Provision / credit loss allowance	Outstanding amount	Provision / credit loss allowance
	----- (Rupees in '000) -----			
<b>Domestic</b>				
Performing	1,157,903,001	22,177,551	1,373,150,846	23,495,192
Underperforming	428,026,855	8,723,294	254,485,955	7,294,303
Non-Performing	81,805,193	73,378,852	83,242,159	74,875,059
Total	1,667,735,049	104,279,697	1,710,878,960	105,664,554
<b>Overseas</b>				
Performing	412,497,524	6,487,055	391,112,679	5,656,220
Underperforming	58,379,806	2,056,365	86,034,419	2,395,936
Non-Performing	24,653,895	16,639,076	19,100,412	16,632,386
Total	495,531,225	25,182,496	496,247,510	24,684,542
	2,163,266,274	129,462,193	2,207,126,470	130,349,096

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)



FOR THE THREE MONTHS ENDED MARCH 31, 2026

10 PROPERTY AND EQUIPMENT	Note	(Unaudited) March 31, 2026 ----- <i>(Rupees in '000)</i> -----	(Audited) December 31, 2025
Capital work-in-progress	10.1	25,185,289	22,258,621
Property and equipment		<u>121,845,127</u>	<u>121,800,540</u>
		<u>147,030,416</u>	<u>144,059,161</u>
<b>10.1 Capital work-in-progress</b>			
Land and under construction building		4,747,266	4,680,564
Civil works		5,175,514	3,868,127
Equipment		2,186,365	1,693,001
Advances to suppliers and contractors		13,076,144	12,016,929
		<u>25,185,289</u>	<u>22,258,621</u>
<b>10.2 Additions to property and equipment</b>			
		(Unaudited) For the three months ended	
		March 31, 2026	March 31, 2025
		----- <i>(Rupees in '000)</i> -----	
The following additions have been made to property and equipment during the period:			
<b>Capital work-in-progress - net</b>		2,926,668	2,169,738
<b>Property and equipment</b>			
Freehold Land		5,000	-
Lease hold land		293,744	-
Building on leasehold land		92,643	99,752
Machinery		12,100	11,460
Leasehold improvements		131,183	207,254
Furniture and fixtures		393,788	270,333
Electrical, office and computer equipment		1,735,560	1,048,294
Vehicles		576,521	776,088
		<u>3,240,539</u>	<u>2,413,181</u>
		<u>6,167,207</u>	<u>4,582,919</u>
<b>10.3 Disposal of property and equipment</b>			
The net book value of property and equipment disposed off during the period is as follows:			
<b>Property and equipment</b>			
Leasehold improvements		20,130	2,005
Furniture and fixtures		139	455
Electrical, office and computer equipment		29	2,185
Vehicles		20,214	151
		<u>40,512</u>	<u>4,796</u>
<b>11 RIGHT-OF-USE ASSETS</b>			
		(Unaudited) March 31, 2026 ----- <i>(Rupees in '000)</i> -----	(Audited) December 31, 2025
At January 1,			
Cost		50,845,518	44,639,101
Accumulated depreciation		<u>(20,149,193)</u>	<u>(17,231,081)</u>
Net carrying amount at January 1,		30,696,325	27,408,020
Exchange adjustment		(106,033)	153,284
Additions during the period / year		1,603,330	10,137,233
Deletions during the period / year		(148,938)	(2,242,049)
Depreciation charge for the period / year		(1,219,627)	(4,760,163)
Net carrying amount at the end of the period / year		<u>30,825,057</u>	<u>30,696,325</u>
<b>12 INTANGIBLE ASSETS</b>			
Capital work-in-progress - computer software		17,625,707	16,973,512
Computer software		5,780,523	6,345,008
Other intangibles		7,274,168	7,378,138
		<u>30,680,398</u>	<u>30,696,658</u>

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2026

	Note	(Unaudited)	
		For the three months ended	
		March 31, 2026	March 31, 2025
		----- (Rupees in '000) -----	
<b>12.1 Additions to intangible assets</b>			
The following additions have been made to intangible assets during the period:			
Capital work-in-progress - net		652,195	2,066,047
Computer software		120,957	134,902
		<u>773,152</u>	<u>2,200,949</u>
<b>13 DEFERRED TAX ASSETS / (LIABILITIES)</b>		(Unaudited) March 31, 2026	(Audited) December 31, 2025
		----- (Rupees in '000) -----	
<b>Deductible temporary differences on</b>			
- Tax losses of subsidiary		2,273,405	2,325,362
- Credit loss allowance against investments		785,549	52,064
- Credit loss allowance against doubtful debts and off-balance sheet obligations		27,815,148	25,769,376
- Liabilities written back under section 34(5) of the Income Tax Ordinance (ITO) 2001		1,854,489	3,172,542
- Ijarah financing		677,281	706,226
- Right-of-use assets and related lease liabilities		5,728,825	5,521,994
- Cash flow hedge reserve		557,578	-
- Others		272,985	95,187
		<u>39,965,260</u>	<u>37,642,751</u>
<b>Taxable temporary differences on</b>			
- Accelerated tax depreciation		(3,174,218)	(3,611,041)
- Surplus on revaluation of investments	21	(9,113,074)	(49,031,657)
- Surplus / (deficit) on revaluation of investments of associates	21	(2,396,001)	(2,455,110)
- Surplus on revaluation of property and equipment	21	(3,914,091)	(3,937,275)
- Surplus on revaluation of property and equipment of associates	21	(210,689)	(210,689)
- Management rights and goodwill		(563,574)	(540,829)
- Share of profit of associates		(14,334,515)	(13,879,210)
- Exchange translation reserve		(5,924,098)	(7,813,091)
		<u>(39,630,260)</u>	<u>(81,478,902)</u>
<b>Net deferred tax assets / (liabilities)</b>		<u>335,000</u>	<u>(43,836,151)</u>
<b>14 OTHER ASSETS</b>			
Mark-up / return / profit / interest accrued in local currency - net of provision		153,132,053	156,030,159
Mark-up / return / profit / interest accrued in foreign currency - net of provision		7,828,931	9,912,977
Advances, deposits, advance rent and other prepayments		10,481,015	8,425,292
Advance taxation		63,757,385	50,424,288
Advance against subscription of securities		778,514	228,514
Stationery and stamps on hand		258,275	235,438
Accrued fees and commissions		608,983	1,040,009
Due from Government of Pakistan / SBP		17,777,186	15,647,963
Mark to market gain on forward foreign exchange contracts		3,434,258	3,733,203
Mark to market gain on derivative instruments		397,914	253,662
Non-banking assets acquired in satisfaction of claims		188,976	188,976
Receivable from defined benefit plan		2,783,715	2,783,715
Acceptances		65,961,473	64,412,498
Clearing and settlement accounts		27,605,792	15,003,702
Dividend receivable		604,913	6,089
Claims receivable against fraud and forgeries		1,007,945	1,011,663
Inventory		1,699,429	1,438,074
Deferred fair value loss	14.2	3,727,049	3,727,049
Prepaid deferred expense	14.3	40,590,199	39,497,013
Others		3,113,234	4,846,444
		<u>405,737,239</u>	<u>378,846,728</u>
Provision / credit loss allowance held against other assets		(6,203,448)	(5,986,359)
Other assets - net of provision / credit loss allowance		<u>399,533,791</u>	<u>372,860,369</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		292,285	294,753
Other assets - total		<u>399,826,076</u>	<u>373,155,122</u>

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)



FOR THE THREE MONTHS ENDED MARCH 31, 2026

	(Unaudited) March 31, 2026	(Audited) December 31, 2025
	----- (Rupees in '000) -----	
<b>14.1 Provision / credit loss allowance held against other assets</b>		
Claims receivable against fraud and forgeries	1,007,945	1,011,663
Suit filed cases	4,979	4,979
Others	5,190,524	4,969,717
	<u>6,203,448</u>	<u>5,986,359</u>
<b>14.1.1 Movement in credit loss allowance against other assets</b>		
Opening balance	5,986,359	4,889,886
Exchange adjustment	(602)	772
Charge for the period / year	356,082	1,539,661
Reversal for the period / year	(121,098)	(386,375)
Net charge	234,984	1,153,286
Written off during the period / year	(2,476)	(101,788)
Other movement	(14,817)	44,203
Closing balance	<u>6,203,448</u>	<u>5,986,359</u>

14.2 This represents the deferred fair value loss arising from the restructuring of the exposure to Pakistan International Airlines Corporation Limited (PIACL). To date, the Bank has amortized 30% of the loss, as allowed by the SBP.

14.3 This represents the difference between the fair value of subsidised employee loans and the actual amount disbursed, and will be expensed over the tenor of the loans.

	Note	(Unaudited) March 31, 2026	(Audited) December 31, 2025
		----- (Rupees in '000) -----	
<b>15 BILLS PAYABLE</b>			
In Pakistan		55,066,333	58,182,640
Outside Pakistan		1,175,654	1,240,172
		<u>56,241,987</u>	<u>59,422,812</u>

## 16 BORROWINGS

### Secured

Borrowings from the SBP under

- Export refinance scheme	20,871,679	26,577,935
- Export refinance scheme for bill discounting	22,558,109	22,920,448
- Long term financing facility	22,307,933	23,858,769
- Financing facility for renewable energy power plants	5,922,777	6,142,227
- Refinance facility for modernization of Small and Medium Enterprises (SMEs)	1,006,354	1,117,806
- Refinance and credit guarantee scheme for women entrepreneurs	52,655	57,106
- Financing facility for storage of agricultural produce	1,073,079	1,134,407
- Refinance facility for combating COVID-19	315,574	315,574
- Temporary economic refinance facility	17,288,975	18,032,655
- Refinance facility for SME Asaan Finance (SAAF)	7,213,398	7,977,197
- Long term financing facility of subsidiary	8,371,052	8,258,280
	<u>106,981,585</u>	116,392,404
Repurchase agreement borrowings	1,549,330,206	908,645,583
	<u>1,656,311,791</u>	1,025,037,987

### Unsecured

- Call money borrowings	23,632,427	63,274,598
- Overdrawn nostro accounts	1,838,095	704,040
- Borrowings of overseas branches and subsidiaries	53,264,190	53,990,509
- Other long-term borrowings	70,391,906	73,012,402
	<u>149,126,618</u>	190,981,549
	<u>1,805,438,409</u>	<u>1,216,019,536</u>

16.1

16.1 This includes the following:

16.1.1 A long-term financing facility from China Development Bank, utilized for on-lending to projects of the Bank's customers. The current amount outstanding is US\$ 141.778 million (December 31, 2025: US\$ 150.157 million). Drawn amounts are payable in semi-annual installments from January 2023 to January 2033. Interest at a fixed spread over SOFR is payable semi-annually.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2026

- 16.1.2 A mortgage refinancing facility on Musharakah basis from Pakistan Mortgage Refinance Company Limited (PMRC) amounting to Rs 1,000.000 million (December 31, 2025: Rs 1,000.000 million) for on-lending to customers. The principal amount is payable in equal semi-annual installments from April 2025 to October 2026. Profit at a rate of 16.61% per annum (December 31, 2025: 16.61% per annum) is payable semi-annually.
- 16.1.3 A mortgage refinancing facility on Musharakah basis from PMRC amounting to Rs 3,920.000 million (December 31, 2025: 3,920.000) for on-lending to customers. The principal amount is payable in semi-annual installments from December 2025 to June 2028. Profit at a rate of 1-year KIBOR minus 2.25% with a floor of 9.00% per annum is payable semi-annually.
- 16.1.4 Mortgage refinancing facilities from PMRC, amounting to Rs 457.612 million (December 31, 2025: Rs 520.725 million), utilised by HBL Microfinance Bank Limited to extend mortgage finance to low income groups. The principal amount of the facilities is payable in quarterly installments from June 2026 to June 2031. Mark-up on all facilities is payable quarterly at rates ranging from 6.50% to 14.00% per annum (December 31, 2025: 6.50% to 14.00% per annum).
- 16.1.5 A long-term financing facility of US\$ 75.000 million was arranged from British International Investment plc during the year, to support farmers and Agri businesses in Pakistan. The amount outstanding is US\$ 75.000 million (December 31, 2025: US\$ 75.000 million) and repayment to commence after completion of the 2 years in semi-annual instalments till July 2030. Interest rate on the facility is SOFR plus a fixed spread payable semi-annually.
- 16.1.6 A loan from Allied Bank Limited to HBL Asset Management Limited amounting to Rs 4,500.000 million (December 31, 2025: 4,500.000 million). The principal amount is payable in semi-annual installments from 2027 to 2032. Mark-up is payable semi-annually at a rate of 11.72% per annum (December 31, 2025: 11.72% per annum).

### 17 DEPOSITS AND OTHER ACCOUNTS

	March 31, 2026 (Unaudited)			December 31, 2025 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	----- (Rupees in '000) -----					
<b>Customers</b>						
Current deposits	1,628,341,244	330,865,897	1,959,207,141	1,633,624,506	342,189,322	1,975,813,828
Savings deposits	1,850,655,521	134,624,615	1,985,280,136	1,928,737,053	123,998,045	2,052,735,098
Term deposits	656,180,513	450,290,671	1,106,471,184	673,374,339	419,462,174	1,092,836,513
	<b>4,135,177,278</b>	<b>915,781,183</b>	<b>5,050,958,461</b>	<b>4,235,735,898</b>	<b>885,649,541</b>	<b>5,121,385,439</b>
<b>Financial institutions</b>						
Current deposits	10,189,277	9,554,474	19,743,751	13,546,121	3,725,827	17,271,948
Savings deposits	301,386,314	658,928	302,045,242	384,231,578	3,229,562	387,461,140
Term deposits	9,844,126	10,501,928	20,346,054	6,855,491	13,026,353	19,881,844
	<b>321,419,717</b>	<b>20,715,330</b>	<b>342,135,047</b>	<b>404,633,190</b>	<b>19,981,742</b>	<b>424,614,932</b>
	<b>4,456,596,995</b>	<b>936,496,513</b>	<b>5,393,093,508</b>	<b>4,640,369,088</b>	<b>905,631,283</b>	<b>5,546,000,371</b>

	Note	(Unaudited)	(Audited)
		March 31, 2026	December 31, 2025
		----- (Rupees in '000) -----	
18 LEASE LIABILITIES			
Opening balance		40,115,807	35,869,231
Exchange adjustment		(24,159)	171,111
Additions during the period / year		1,397,366	9,264,495
Interest expense		1,280,545	4,064,694
Lease payments including interest		(1,687,272)	(6,502,609)
Deletion during the period / year		(133,159)	(2,751,115)
Closing balance		<b>40,949,128</b>	<b>40,115,807</b>
18.1 Liabilities outstanding at the end of the period / year			
Not later than one year		1,846,039	2,161,737
Later than one year and up to five years		11,214,650	11,922,729
Over five years		27,888,439	26,031,341
Total		<b>40,949,128</b>	<b>40,115,807</b>

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)



FOR THE THREE MONTHS ENDED MARCH 31, 2026

	Note	(Unaudited) March 31, 2026 ------(Rupees in '000)-----	(Audited) December 31, 2025
<b>19 SUBORDINATED DEBT</b>			
Additional Tier I Term Finance Certificates	19.1.1	12,374,000	12,374,000
Additional Tier I Term Finance Certificates	19.1.2	6,500,000	6,500,000
Tier II Term Finance Certificates	19.2	1,500,000	1,500,000
		<u>20,374,000</u>	<u>20,374,000</u>

19.1 The Bank has issued listed, fully paid up, rated, privately placed, perpetual, unsecured, subordinated, non-cumulative and contingent convertible debt instruments in the nature of Term Finance Certificates (TFCs) issued as instruments of redeemable capital under Section 66 of the Companies Act, 2017 which qualify as Additional Tier 1 Capital (AT 1) as outlined by the SBP under BPRD Circular No. 6 dated August 15, 2013.

The key features of these issues are as follows:

19.1.1	<b>Issue Date</b>	September 26, 2019
	<b>Issue amount</b>	Rs 12.374 billion
	<b>Rating</b>	AA+ (Double A plus) [December 31, 2025: AA+ (Double A plus)]
	<b>Original Tenor</b>	Perpetual
	<b>Security</b>	Unsecured and subordinated to all other indebtedness of the Bank including depositors and general creditors, but will rank pari passu with other Additional Tier I instruments and superior to the claims of ordinary shareholders.
	<b>Mark-up payment frequency</b>	Quarterly in arrears
	<b>Redemption</b>	Perpetual, hence not applicable.
	<b>Mark-up</b>	Floating rate of return at Base Rate + 1.60%. The Base Rate is defined as the average "Ask Side" rate of the three months Karachi Interbank Offered Rate (KIBOR).
	<b>Call option</b>	The Bank may, at its sole discretion, call the TFCs any time after five years from the Issue Date subject to the following:  (a) Prior approval of the SBP having been obtained; and (b) The Bank replacing the TFCs with capital of the same or better quality and the capital position of the Bank being above the minimum capital requirement after the Call Option is exercised.  If the Bank decides to exercise the Call Option, the Bank shall notify the Trustee and the investors not less than 30 calendar days prior to the date of exercise of such Call Option, which notice shall specify the date fixed for the exercise of the Call Option (the "Call Option Exercise Date").
	<b>Lock-in clause</b>	Mark-up will only be paid from the current year's earnings and only if the Bank is in compliance with regulatory capital and liquidity requirements.
	<b>Loss absorbency clause</b>	The TFCs will be subject to a loss absorbency clause as stipulated under the SBP's "Instructions for Basel III Implementation in Pakistan".
19.1.2	<b>Issue Date</b>	December 28, 2022
	<b>Issue amount</b>	Rs 6.500 billion
	<b>Rating</b>	AA+ (Double A plus) [December 31, 2025: AA+ (Double A plus)]
	<b>Original Tenor</b>	Perpetual
	<b>Security</b>	Unsecured and subordinated to all other indebtedness of the Bank including depositors and general creditors, but will rank pari passu with other Additional Tier I instruments and superior to the claims of ordinary shareholders.
	<b>Mark-up payment frequency</b>	Quarterly in arrears
	<b>Redemption</b>	Perpetual, hence not applicable.
	<b>Mark-up</b>	Floating rate of return at Base Rate + 2.00%. The Base Rate is defined as the average "Ask Side" rate of the three months Karachi Interbank Offered Rate (KIBOR).
	<b>Call option</b>	The Bank may, at its sole discretion, call the TFCs any time after five years from the Issue Date subject to the following:  (a) Prior approval of the SBP having been obtained; and (b) The Bank replacing the TFCs with capital of the same or better quality and the capital position of the Bank being above the minimum capital requirement after the Call Option is exercised.  If the Bank decides to exercise the Call Option, the Bank shall notify the Trustee and the investors not less than 30 calendar days prior to the date of exercise of such Call Option, which notice shall specify the date fixed for the exercise of the Call Option (the "Call Option Exercise Date").
	<b>Lock-in clause</b>	Mark-up will only be paid from the current year's earnings and only if the Bank is in compliance with regulatory capital and liquidity requirements.
	<b>Loss absorbency clause</b>	The TFCs will be subject to a loss absorbency clause as stipulated under the SBP's "Instructions for Basel III Implementation in Pakistan".

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2026

19.2 HBL MfB has issued fully paid up, rated, privately placed, unsecured, and subordinated debt instruments in the nature of TFCs issued as instruments of redeemable capital under Section 66(1) of the Companies Act, 2017, which qualify as Tier II Capital as outlined by the SBP under BPRD Circular No. 6, dated August 15, 2013.

The key features of the issue are as follows:

<b>Issue Date</b>	December 22, 2023
<b>Issue amount</b>	Rs 1.500 billion (including a greenshoe option of Rs 500 million)
<b>Rating</b>	A (December 31, 2025: A)
<b>Original Tenor</b>	10 years from the first disbursement date.
<b>Security</b>	Unsecured and subordinated as to payment of principal and markup to all other indebtedness of HBL MfB, including deposits, but will rank pari passu with other Tier II instruments and superior to the claims of ordinary shareholders.
<b>Profit payment frequency</b>	Semi-annually in arrears on the outstanding Issue Amount. The first such markup payment will fall due six months from the Issue Date and subsequently every six months thereafter.
<b>Redemption</b>	The instrument will not be redeemable before maturity without prior approval of the SBP. Principal: Bullet at Maturity Markup: Semi-annual from the issue date
<b>Mark-up</b>	Floating rate of return at Base Rate + 2.00%. The Base Rate is defined as the average "Ask Side" rate of the six months Karachi Interbank Offered Rate (KIBOR).
<b>Call option</b>	HBL MfB may, at its sole discretion, call the TFCs any time after five years from the Issue Date subject to the following: (a) Prior approval of the SBP having been obtained; and (b) HBL MfB being compliant with the minimum capital requirement (MCR) and Capital Adequacy Ratio (CAR) after the Call Option is exercised. If HBL MfB decides to exercise the Call Option, it shall notify the Trustee and the investors not less than 30 calendar days prior to the date of exercise of such Call Option, which notice shall specify the date fixed for the exercise of the Call Option (the "Call Option Exercise Date").
<b>Lock-in clause</b>	Neither markup nor principal can be paid (even at maturity) in respect of the TFC, if such payment will result in a shortfall in the Bank's MCR or CAR or result in an increase in any existing shortfall in MCR and CAR.
<b>Loss absorbency clause</b>	The TFCs will be subject to a loss absorbency clause as stipulated under the SBP's "Instructions for Basel III Implementation in Pakistan".

	Note	(Unaudited) March 31, 2026	(Audited) December 31, 2025
----- (Rupees in '000) -----			
20 OTHER LIABILITIES			
Mark-up / return / profit / interest payable in local currency		59,180,767	39,966,889
Mark-up / return / profit / interest payable in foreign currency		8,795,173	9,948,270
Security deposits		1,807,837	1,717,876
Accrued expenses		51,765,861	51,220,774
Mark to market loss on forward foreign exchange contracts		4,576,223	5,115,105
Mark to market loss on derivative instruments		6,148,719	4,823,073
Unclaimed dividends		867,108	868,471
Dividends payable		9,134,100	335,232
Provision for post retirement medical benefits		4,753,617	4,680,270
Provision for employees' compensated absences		585,384	615,462
Credit loss allowance against off-balance sheet obligations	20.1	8,635,932	5,163,319
Acceptances		65,961,473	64,412,498
Branch adjustment account		14,869,867	8,434,300
Provision for staff retirement benefits		2,163,417	2,071,794
Payable to defined benefit plans		988,272	1,077,144
Provision for Workers' Welfare Fund		17,313,274	16,651,558
Unearned income		21,845,074	24,179,950
Qarza-e-Hasna Fund		338,409	338,409
Levies and taxes payable		8,927,699	14,467,574
Insurance payable		768,290	634,439
Provision for rewards program expenses		4,387,859	3,769,494
Liability against trading of securities		15,191,611	1,696,133
Clearing and settlement accounts		18,619,946	21,481,223
Payable to HBL Foundation		260,788	1,001,336
Charity fund		64,160	53,582
Unclaimed deposits		808,638	760,882
Others		8,017,760	8,275,781
		<u>336,777,258</u>	<u>293,760,838</u>

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)



FOR THE THREE MONTHS ENDED MARCH 31, 2026

(Unaudited) (Audited)  
March 31, December 31,  
2026 2025  
----- (Rupees in '000) -----

## 20.1 Credit loss allowance against off-balance sheet obligations

Opening balance	5,163,319	8,149,567
Impact of adoption of IFRS 9	-	860,271
Exchange adjustment	742	98,999
Charge for the period / year	<b>3,890,469</b>	569,312
Reversal for the period / year	<b>(418,761)</b>	(4,518,154)
Net charge / (reversal)	<b>3,471,708</b>	(3,948,842)
Other movement	163	3,324
Closing balance	<b>8,635,932</b>	5,163,319

## 21 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX

Note	March 31, 2026 (Unaudited)			December 31, 2025 (Audited)		
	Attributable to			Attributable to		
	Equity holders	Non-controlling interest	Total	Equity holders	Non-controlling interest	Total
----- (Rupees in '000) -----						

Surplus / (deficit) arising on revaluation of:

- Property and equipment	46,092,217	47,351	46,139,568	46,137,435	47,563	46,184,998
- Property and equipment of associates	405,171	-	405,171	405,171	-	405,171
- FVOCI securities - debt	2,360,993	(27,928)	2,333,065	74,254,480	72,878	74,327,358
- FVOCI securities - equity	15,168,649	-	15,168,649	19,982,509	-	19,982,509
- FVOCI securities held by associates	4,607,694	-	4,607,694	4,721,366	-	4,721,366
- Non-banking assets acquired in satisfaction of claims	292,285	-	292,285	294,753	-	294,753
	<b>68,927,009</b>	<b>19,423</b>	<b>68,946,432</b>	145,795,714	120,441	145,916,155

Deferred tax liability / (asset) on surplus / (deficit) on revaluation of:

- Property and equipment	3,898,903	15,188	3,914,091	3,923,058	14,217	3,937,275
- Property and equipment of associates	210,689	-	210,689	210,689	-	210,689
- FVOCI securities - debt	1,214,485	10,892	1,225,377	38,612,330	28,422	38,640,752
- FVOCI securities - equity	7,887,697	-	7,887,697	10,390,905	-	10,390,905
- FVOCI securities held by associates	2,396,001	-	2,396,001	2,455,110	-	2,455,110
- Non-banking assets acquired in satisfaction of claims	-	-	-	-	-	-
	<b>15,607,775</b>	<b>26,080</b>	<b>15,633,855</b>	55,592,092	42,639	55,634,731

Surplus on revaluation of assets - net of tax

	<b>53,319,234</b>	<b>(6,657)</b>	<b>53,312,577</b>	90,203,622	77,802	90,281,424
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## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2026

22	CONTINGENCIES AND COMMITMENTS	Note	(Unaudited) March 31, 2026 ------(Rupees in '000)-----	(Audited) December 31, 2025
	- Guarantees	22.1	401,404,148	399,932,440
	- Commitments	22.2	1,548,820,565	1,264,256,793
	- Other contingent liabilities	22.3	18,048,881	18,361,578
			<u>1,968,273,594</u>	<u>1,682,550,811</u>
22.1	<b>Guarantees:</b>			
	Financial guarantees		71,537,129	85,080,216
	Performance guarantees		315,457,573	302,592,648
	Other guarantees		14,409,446	12,259,576
			<u>401,404,148</u>	<u>399,932,440</u>
22.2	<b>Commitments:</b>			
	Trade-related contingent liabilities		369,660,633	282,871,993
	Commitments in respect of:			
	- forward foreign exchange contracts	22.2.1	942,917,531	823,918,689
	- forward Government securities transactions	22.2.2	111,629,206	60,126,054
	- derivatives	22.2.3	79,992,236	58,229,568
	- forward lending	22.2.4	29,823,540	28,793,730
			1,164,362,513	971,068,041
	Commitments for acquisition of:			
	- property and equipment		8,249,002	5,089,389
	- intangible assets		6,548,417	5,227,370
			14,797,419	10,316,759
			<u>1,548,820,565</u>	<u>1,264,256,793</u>
22.2.1	<b>Commitments in respect of forward foreign exchange contracts</b>			
	Purchase		554,829,728	480,791,447
	Sale		388,087,803	343,127,242
			<u>942,917,531</u>	<u>823,918,689</u>
22.2.2	<b>Commitments in respect of forward Government securities transactions</b>			
	Purchase		47,453,044	47,282,681
	Sale		64,176,162	12,843,373
			<u>111,629,206</u>	<u>60,126,054</u>
22.2.3	<b>Commitments in respect of derivatives</b>			
	<b>Foreign currency options</b>			
	Purchase		13,555,247	11,601,055
	Sale		13,555,247	11,601,055
			<u>27,110,494</u>	<u>23,202,110</u>
	<b>Cross Currency swaps</b>			
	Purchase		13,928,641	14,653,517
	Sale		18,953,101	20,173,941
			<u>32,881,742</u>	<u>34,827,458</u>
	<b>Interest rate swaps</b>			
	Purchase		-	-
	Sale		20,000,000	200,000
			<u>20,000,000</u>	<u>200,000</u>

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)



FOR THE THREE MONTHS ENDED MARCH 31, 2026

(Unaudited)  
March 31,  
2026  
------(Rupees in '000)-----

(Audited)  
December 31,  
2025

## 22.2.4 Commitments in respect of forward lending

Undrawn formal standby facilities, credit lines and other commitments to extend credit 29,823,540 28,793,730

These represent commitments that are irrevocable because they can not be withdrawn at the discretion of the Group without the risk of incurring a significant penalty or expense.

(Unaudited)  
March 31,  
2026  
(Rupees in '000)

(Audited)  
December 31,  
2025

## 22.3 Other contingent liabilities

22.3.1 Claims against the Group not acknowledged as debts 18,048,881 18,361,578

These mainly represent counter claims by borrowers for damages, claims filed by former employees of the Group and other claims relating to banking transactions. Based on legal advice and / or internal assessments, management is confident that the matters will be decided in the Group's favour and the possibility of any adverse outcome is unlikely. Accordingly, no provision has been made in these condensed interim consolidated financial statements.

22.3.2 There were no tax related contingencies as at the period end except for those disclosed in the consolidated financial statements for the year ended December 31, 2025.

## 23 DERIVATIVE INSTRUMENTS

Product Analysis	March 31, 2026 (Unaudited)					
	Foreign currency options		Cross currency swaps		Interest rate Swaps	
	Notional principal	Mark to market gain / (loss)	Notional principal	Mark to market loss	Notional principal	Mark to market loss
	----- (Rupees in '000) -----					
Hedging	13,555,247	(237,819)	-	-	-	-
Market Making	13,555,247	237,819	32,881,743	(4,100,385)	20,000,000	(1,650,420)
	December 31, 2025 (Audited)					
	Foreign currency options		Cross currency swaps		Interest rate Swaps	
	Notional principal	Mark to market gain / (loss)	Notional principal	Mark to market loss	Notional principal	Mark to market loss
	----- (Rupees in '000) -----					
Hedging	11,601,055	(88,043)	-	-	-	-
Market Making	11,601,055	88,043	34,827,458	(4,569,222)	200,000	(189)

## 24 MARK-UP / RETURN / PROFIT / INTEREST EARNED

On:

	(Unaudited) For the three months ended March 31, 2026	March 31, 2025
	------(Rupees in '000)-----	
Loans and advances	58,336,380	66,692,465
Investments	119,676,664	85,720,406
Lendings to financial institutions	4,219,598	1,858,333
Balances with banks	2,001,872	2,423,784
	<u>184,234,514</u>	<u>156,694,988</u>

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2026

	Note	(Unaudited)	
		For the three months ended	
		March 31, 2026	March 31, 2025
		------(Rupees in '000)-----	
<b>24.1 INTEREST INCOME RECOGNISED</b>			
On:			
Financial assets measured at amortised cost		77,056,100	82,709,071
Financial assets measured at FVOCI		103,597,203	70,453,934
Financial assets measured at FVTPL		3,581,211	3,531,983
		<u>184,234,514</u>	<u>156,694,988</u>
<b>25 MARK-UP / RETURN / PROFIT / INTEREST EXPENSED</b>			
On:			
Deposits		66,445,904	68,074,580
Securities sold under repurchase agreement borrowings		37,336,906	9,886,675
Borrowings		5,454,458	7,682,179
Subordinated debt		577,592	648,248
Cost of foreign currency swaps against foreign currency deposits / borrowings		1,766,833	638,882
Lease liability against right-of-use assets		1,280,545	1,013,852
		<u>112,862,238</u>	<u>87,944,416</u>
<b>26 FEE AND COMMISSION INCOME</b>			
Branch banking customer fees		1,362,133	1,521,804
Branchless banking customer fees		13,754	11,174
Consumer finance related fees		745,428	733,711
Card related fees (debit and credit cards)		4,230,470	3,828,545
Credit related fees		585,828	707,473
Investment banking fees		933,141	448,837
Commission on trade related products and guarantees		1,937,137	2,198,392
Commission on cash management		616,502	337,234
Commission on remittances (including home remittances)		343,669	(605,918)
Commission on bancassurance		320,432	393,943
Commission on Government to Person (G2P) payments		217,916	(23,355)
Management fee		813,638	1,315,396
Merchant discount and interchange fees		1,779,696	1,967,287
Wealth management fee		204,602	216,324
Others		111,713	94,499
		<u>14,216,059</u>	<u>13,145,346</u>
Less: Sales tax / Federal Excise Duty on fee and commission income		(1,632,210)	(1,556,960)
		<u>12,583,849</u>	<u>11,588,386</u>
<b>27 GAIN / (LOSS) ON SECURITIES - NET</b>			
Realised	27.1	2,456,651	4,720,460
Unrealised - measured at FVTPL	8.1	(2,160,085)	(552,750)
		<u>296,566</u>	<u>4,167,710</u>
<b>27.1 Gain / (loss) on securities - realised</b>			
On:			
Federal Government securities			
- Market Treasury Bills		(373,485)	1,535,392
- Pakistan Investment Bonds		2,813,045	1,457,721
- Ijarah Sukuk		345,444	1,649,538
Shares		(128,061)	75,399
Non-Government debt securities		-	251
Foreign securities		(200,292)	2,159
		<u>2,456,651</u>	<u>4,720,460</u>

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)



FOR THE THREE MONTHS ENDED MARCH 31, 2026

	(Unaudited)	
	For the three months ended	
	March 31, 2026	March 31, 2025
	------(Rupees in '000)-----	
<b>27.1.1 Composition of gain / (loss) on securities - realised</b>		
Net gain on securities measured at FVTPL	647,619	629,992
Net gain on debt securities measured at FVOCI	1,809,032	4,090,468
	<u>2,456,651</u>	<u>4,720,460</u>
<b>28 OTHER INCOME</b>		
Incidental charges	354,728	154,307
Gain on sale of property and equipment - net	21,452	12,028
Rent on properties	4,436	2,027
	<u>380,616</u>	<u>168,362</u>
<b>29 OPERATING EXPENSES</b>		
<b>Total compensation expense</b>	<b>20,986,538</b>	18,859,002
<b>Property expense</b>		
Rent and taxes	527,253	254,662
Insurance	102,507	96,086
Utilities cost	1,290,450	1,338,733
Security (including guards)	1,048,767	921,100
Repair and maintenance (including janitorial charges)	1,481,959	1,296,997
Depreciation on owned property and equipment	1,609,302	1,495,725
Depreciation on right-of-use assets	1,219,627	1,192,511
	<u>7,279,865</u>	6,595,814
<b>Information technology expenses</b>		
Software maintenance	2,727,614	2,894,304
Hardware maintenance	670,044	684,244
Depreciation	1,079,874	1,162,257
Amortisation	696,995	698,055
Network charges	558,204	509,017
Consultancy charges	145,374	173,738
	<u>5,878,105</u>	6,121,615
<b>Other operating expenses</b>		
Legal and professional charges	918,669	2,067,163
Outsourced services costs	1,029,899	814,378
Travelling and conveyance	493,168	487,221
Insurance	592,079	564,874
Remittance charges	183,734	186,368
Cash transportation and sorting charges	722,527	731,969
Repairs and maintenance	725,161	640,883
Depreciation	555,378	251,975
Training and development	89,876	83,007
Postage and courier charges	262,724	244,181
Communication	1,051,928	933,014
Stationery and printing	906,585	827,031
Marketing, advertisement and publicity	2,514,322	2,984,273
Donations	260,788	250,608
Auditors' remuneration	129,391	137,112
Brokerage and commission	283,558	244,348
Subscription	193,327	187,649
Documentation and processing charges	3,964,891	3,441,311
Entertainment	225,303	100,878
Consultancy charges	541,916	649,678
Deposit insurance premium expense	1,137,537	1,046,537
Product feature cost	1,723,965	1,372,527
Others	478,662	449,393
	<u>18,985,388</u>	18,696,378
	<u>53,129,896</u>	<u>50,272,809</u>

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2026

		(Unaudited)	
		<u>For the three months ended</u>	
Note		March 31, 2026	March 31, 2025
		----- <u>(Rupees in '000)</u> -----	
30	<b>OTHER CHARGES</b>		
	Penalties imposed by the State Bank of Pakistan	6,509	679
	Penalties imposed by other regulatory bodies	7,188	10,612
		<u>13,697</u>	<u>11,291</u>
31	<b>CREDIT LOSS ALLOWANCE / (REVERSALS) AND WRITE OFFS - NET</b>		
	(Reversal) / credit loss allowance against investments	8.3 (105,216)	42,595
	Credit loss allowance against loans and advances	9.3 991,619	5,455,343
	Credit loss allowance against cash and cash equivalents	11,581	29,463
	Charge / (reversal) of credit loss allowance against other assets	14.1.1 234,984	(100,377)
	Charge / (reversal) of credit loss allowance against off-balance sheet obligations	20.1 3,471,708	(2,493,223)
	Recoveries against written off / charged off bad debts	(266,518)	(199,050)
	Other write offs	(6,070)	8,443
		<u>4,332,088</u>	<u>2,743,194</u>
32	<b>TAXATION</b>		
	- Current	18,947,285	18,998,064
	- Deferred	(1,358,474)	1,015,024
		<u>17,588,811</u>	<u>20,013,088</u>
33	<b>BASIC AND DILUTED EARNINGS PER SHARE</b>		
	Profit for the period attributable to equity holders of the Bank	<u>16,136,337</u>	<u>16,605,085</u>
		(Number)	
	Weighted average number of ordinary shares	<u>1,466,852,508</u>	<u>1,466,852,508</u>
		(Rupees)	
	Basic and diluted earnings per share	<u>11.00</u>	<u>11.32</u>
33.1	Diluted earnings per share has not been presented separately as the Bank does not have any convertible instruments in issue.		
34	<b>FAIR VALUE OF FINANCIAL INSTRUMENTS</b>		
	The fair values of traded investments are based on quoted market prices.		
	The fair value of unquoted debt securities, fixed term advances, fixed term deposits and borrowings, other assets and other liabilities, cannot be calculated with sufficient reliability due to the absence of a current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments and therefore, are not reported as part of this disclosure.		
	In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since they are either short-term in nature or, in the case of customer advances, deposits and certain long term borrowings, are frequently repriced.		
	All assets and liabilities for which fair value is measured or disclosed in these condensed interim consolidated financial statements are categorised within the following fair value hierarchy based on the lowest level input that is significant to the fair value measurement:		
	Level 1 - Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.		
	Level 2 - Fair value measurements using inputs, other than quoted prices included within Level 1, that are observable for the assets or liabilities either directly (i.e. as prices) or indirectly (i.e. derived from prices).		
	Level 3 - Fair value measurements using inputs that are not based on observable market data.		

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2026



## Valuation techniques used in determination of fair values within Level 2 and Level 3

Federal Government securities	The fair values of Federal Government securities are determined on the basis of rates / prices sourced from Reuters.
Non-Government debt securities	Non-Government debt securities denominated in Rupees are valued on the basis of rates announced by the Mutual Funds Association of Pakistan (MUFAP). Non-Government debt securities denominated in other currencies are valued on the basis of rates taken from Bloomberg / Reuters.
Foreign Government debt securities	The fair values of foreign Government debt securities are determined on the basis of rates taken from Bloomberg/ Reuters.
Unquoted equity securities	The fair value of unquoted equity securities are valued on the basis of either income approach, or market approach.  Where both the above valuation techniques cannot be used due to unavailability of data, the Bank uses the adjusted break-up value method as disclosed in note 34.1.1 below.
Units of mutual funds	The fair values of units of mutual funds are determined based on their net asset values as published at the close of each business day.
Derivatives	The Group enters into derivatives contracts with various counterparties. Derivatives that are valued using valuation techniques based on market observable inputs are mainly interest rate swaps and cross currency swaps. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations.
Forward foreign exchange contracts and Forward Government securities transactions	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
Property and equipment and non-banking assets acquired in satisfaction of claims	Land, buildings and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets.

### 34.1 Level 3 fair valuation of unlisted equity securities

#### 34.1.1 Adjusted breakup value method:

The valuations are based on latest available financial statements of the investee company. These are adjusted for factors such as lack of control and marketability using haircuts ranging from 15% to 25%. A 1% change in the haircut actually applied would change the total fair value by Rs. 18.003 million. Any change to the valuation is reflected in other comprehensive income, since all investments for which this method is used are classified as FVOCI.

#### 34.1.2 Reconciliation of Level 3 fair values

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

	(Unaudited) March 31, 2026	(Audited) December 31, 2025
	----- (Rupees in '000) -----	
Opening balance - as reported	1,800,268	-
Impact of adoption of IFRS 9	-	1,034,720
Opening balance - as restated	1,800,268	1,034,720
Remeasurement recognised in OCI	-	765,548
	<u>1,800,268</u>	<u>1,800,268</u>

### 34.2 Fair value of financial assets

The following table provides the fair values of those of the Group's financial assets that are recognised or disclosed at fair value in these condensed interim consolidated financial statements:

	As at March 31, 2026 (Unaudited)				
	Carrying value	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----				
<b>On balance sheet financial instruments</b>					
<b>Financial assets - measured at fair value</b>					
<b>Investments</b>					
- Federal Government securities	3,917,730,718	-	3,917,730,718	-	3,917,730,718
- Shares - listed companies	20,640,720	20,640,720	-	-	20,640,720
- Shares - unlisted companies	15,646,928	-	13,846,660	1,800,268	15,646,928
- Non-Government debt securities - listed	9,178,290	-	9,178,290	-	9,178,290
- Foreign securities					
Government debt securities	156,685,276	-	156,685,276	-	156,685,276
Non-Government debt securities - listed	17,620,586	-	17,620,586	-	17,620,586
- National Investment Unit Trust units	88,558	-	88,558	-	88,558
- Real Estate Investment Trust units - listed	1,918,360	1,918,360	-	-	1,918,360
- Preference Shares - Listed	905,400	905,400	-	-	905,400
	<u>4,140,414,836</u>	<u>23,464,480</u>	<u>4,115,150,088</u>	<u>1,800,268</u>	<u>4,140,414,836</u>

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2026

As at March 31, 2026 (Unaudited)

Carrying value	Level 1	Level 2	Level 3	Total
----------------	---------	---------	---------	-------

(Rupees in '000)

## Financial assets - disclosed but not measured at fair value

Investments

- Federal Government securities	551,110,261	-	593,145,125	-	593,145,125
- Non-Government debt securities - listed	590,643	-	598,110	-	598,110
- Foreign securities					
Government debt securities	12,454,735	-	12,498,465	-	12,498,465
	564,155,639	-	606,241,700	-	606,241,700
	4,704,570,475	23,464,480	4,721,391,788	1,800,268	4,746,656,536

As at March 31, 2026 (Unaudited)

Notional value	Level 1	Level 2	Level 3	Total
----------------	---------	---------	---------	-------

(Rupees in '000)

## Off-balance sheet financial instruments - measured at fair value

Commitments

- Forward foreign exchange contracts	942,917,531	-	(1,141,965)	-	(1,141,965)
- Forward Government securities transactions	111,629,206	-	55,492	-	55,492
- Derivative instruments	79,992,236	-	(5,750,805)	-	(5,750,805)

As at December 31, 2025 (Audited)

Carrying value	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	3,313,153,498	-	3,313,153,498	-	3,313,153,498
- Shares - listed companies	24,227,679	24,227,679	-	-	24,227,679
- Shares - unlisted companies	15,646,929	-	13,846,661	1,800,268	15,646,929
- Non-Government debt securities - listed	9,772,300	-	9,772,300	-	9,772,300
- Foreign securities					
Government debt securities	183,093,001	-	183,093,001	-	183,093,001
Non-Government debt securities - listed	12,264,546	-	12,264,546	-	12,264,546
- National Investment Unit Trust units	113,041	-	113,041	-	113,041
- Real Estate Investment Trust units - listed	2,493,589	2,493,589	-	-	2,493,589
- Preference Shares - listed	884,400	884,400	-	-	884,400
	3,561,648,983	27,605,668	3,532,243,047	1,800,268	3,561,648,983

### Financial assets - disclosed but not measured at fair value

Investments

- Federal Government securities	537,192,644	-	550,875,046	-	550,875,046
- Non-Government debt securities - listed	899,126	-	847,841	-	847,841
- Foreign securities					
Government debt securities	12,087,251	-	12,142,499	-	12,142,499
	550,179,021	-	563,865,386	-	563,865,386
	4,111,828,004	27,605,668	4,096,108,433	1,800,268	4,125,514,369

As at December 31, 2025 (Audited)

Notional value	Level 1	Level 2	Level 3	Total
----------------	---------	---------	---------	-------

(Rupees in '000)

## Off-balance sheet financial instruments - measured at fair value

Commitments

- Forward foreign exchange contracts	823,918,689	-	(1,381,902)	-	(1,381,902)
- Forward Government securities transactions	60,126,054	-	(327,919)	-	(327,919)
- Derivative instruments	58,229,568	-	(4,569,411)	-	(4,569,411)

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)



FOR THE THREE MONTHS ENDED MARCH 31, 2026

## 34.3 Fair value of non-financial assets

	As at March 31, 2026 (Unaudited)				
	Carrying value	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
- Land and building	89,030,289	-	89,030,289	-	89,030,289
- Non-banking assets acquired in satisfaction of claims	481,261	-	481,261	-	481,261
	<u>89,511,550</u>	<u>-</u>	<u>89,511,550</u>	<u>-</u>	<u>89,511,550</u>
	As at December 31, 2025 (Audited)				
	Carrying value	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
- Land and building	88,689,278	-	88,689,278	-	88,689,278
- Non-banking assets acquired in satisfaction of claims	483,729	-	483,729	-	483,729
	<u>89,173,007</u>	<u>-</u>	<u>89,173,007</u>	<u>-</u>	<u>89,173,007</u>

## 35 SEGMENT INFORMATION

### 35.1 Segment details with respect to Business Activities

	For the three months ended March 31, 2026 (Unaudited)										
	Retail Banking	Consumer, SME & Agriculture lending	Corporate, Commercial and Investment Banking	Treasury	Financial Institutions	Branchless banking	International and global remittance	Asset management	Microfinance	Head office / others	Total
	(Rupees in million)										
<b>Profit and loss account</b>											
Net mark-up / return / profit / interest income	(47,883)	15,286	16,678	77,408	(423)	(31)	5,904	(156)	5,071	(482)	71,372
Inter segment revenue / (expense) - net	72,798	(7,934)	(5,202)	(62,760)	758	704	86	-	-	1,550	-
Non mark-up / interest income	1,585	5,689	1,845	6,954	185	416	1,870	805	(68)	1,223	20,504
Total income	<u>26,500</u>	<u>13,041</u>	<u>13,321</u>	<u>21,602</u>	<u>520</u>	<u>1,089</u>	<u>7,860</u>	<u>649</u>	<u>5,003</u>	<u>2,291</u>	<u>91,876</u>
Segment direct expenses	13,868	7,572	1,311	607	122	715	6,508	684	3,603	18,815	53,805
Inter segment expense allocation	9,816	3,168	3,002	472	210	400	247	-	-	(17,315)	-
Total expenses	<u>23,684</u>	<u>10,740</u>	<u>4,313</u>	<u>1,079</u>	<u>332</u>	<u>1,115</u>	<u>6,755</u>	<u>684</u>	<u>3,603</u>	<u>1,500</u>	<u>53,805</u>
Credit loss allowance - (reversal) / charge	273	776	2,895	-	(1,573)	-	577	-	1,168	216	4,332
Profit / (loss) before tax	<u>2,543</u>	<u>1,525</u>	<u>6,113</u>	<u>20,523</u>	<u>1,761</u>	<u>(26)</u>	<u>528</u>	<u>(35)</u>	<u>232</u>	<u>575</u>	<u>33,739</u>
	As at March 31, 2026 (Unaudited)										
	Retail Banking	Consumer, SME & Agriculture lending	Corporate, Commercial and Investment Banking	Treasury	Financial Institutions	Branchless banking	International and global remittance	Asset management	Microfinance	Head office / others	Total
	(Rupees in million)										
<b>Statement of financial position</b>											
Cash and bank balances	181,713	-	742	183,983	-	-	150,693	11	12,386	1,559	531,087
Lendings to financial institutions	-	-	-	92,953	-	-	-	-	10,497	-	103,450
Inter segment lending	3,260,668	-	-	-	231,871	23,178	-	-	-	146,540	3,662,257
Investments	-	-	31,028	4,412,809	4,311	-	244,645	2,283	83,539	53,060	4,831,675
Advances - performing	-	366,896	1,051,477	-	30,298	-	458,079	-	90,670	19,943	2,017,363
Advances - non-performing	-	2,159	5,256	-	-	-	8,015	-	741	270	16,441
Others	31,272	961	106,712	96,781	520	3,088	36,345	9,670	20,355	302,993	608,697
<b>Total assets</b>	<u>3,473,653</u>	<u>370,016</u>	<u>1,195,215</u>	<u>4,786,526</u>	<u>267,000</u>	<u>26,266</u>	<u>897,777</u>	<u>11,964</u>	<u>218,188</u>	<u>524,365</u>	<u>11,770,970</u>
Borrowings	-	7,140	91,471	1,579,572	-	-	89,230	4,500	33,525	-	1,805,438
Subordinated debt	-	-	-	-	-	-	-	-	1,500	18,874	20,374
Deposits and other accounts	3,410,449	2,496	876,805	-	266,974	22,086	659,378	-	157,972	(3,066)	5,393,094
Inter segment borrowing	-	331,613	164,803	3,164,671	-	-	1,170	-	-	-	3,662,257
Others	63,204	28,767	62,136	37,144	26	4,180	66,347	7,571	8,232	156,361	433,968
<b>Total liabilities</b>	<u>3,473,653</u>	<u>370,016</u>	<u>1,195,215</u>	<u>4,781,387</u>	<u>267,000</u>	<u>26,266</u>	<u>816,125</u>	<u>12,071</u>	<u>201,229</u>	<u>172,169</u>	<u>11,315,131</u>
Equity	-	-	-	5,139	-	-	81,652	(107)	16,959	352,196	455,839
<b>Total equity and liabilities</b>	<u>3,473,653</u>	<u>370,016</u>	<u>1,195,215</u>	<u>4,786,526</u>	<u>267,000</u>	<u>26,266</u>	<u>897,777</u>	<u>11,964</u>	<u>218,188</u>	<u>524,365</u>	<u>11,770,970</u>
<b>Contingencies and commitments</b>	-	52,530	640,529	839,706	39,862	-	363,454	-	-	32,193	1,968,274

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2026

For the three months ended March 31, 2025 (Unaudited)

	Retail Banking	Consumer, SME & Agriculture lending	Corporate, Commercial and Investment Banking	Treasury	Financial Institutions	Branchless banking	International and global remittance	Asset management	Microfinance	Head office / others	Total
----- (Rupees in million) -----											
<b>Profit and loss account</b>											
Net mark-up / return / profit / interest income	(49,400)	13,738	23,128	66,025	5,507	(30)	6,468	(22)	4,104	(768)	68,751
Inter segment revenue / (expense) - net	77,529	(8,729)	(11,957)	(55,360)	(6,234)	549	49	-	-	4,152	(0)
Non mark-up / interest income	2,439	4,784	2,211	7,736	241	75	1,037	1,356	512	1,222	21,614
Total Income	30,568	9,793	13,383	18,401	(486)	595	7,554	1,334	4,616	4,606	90,364
Segment direct expenses	11,293	6,472	1,283	561	63	511	6,249	719	3,032	20,800	50,982
Inter segment expense allocation	11,993	3,289	3,360	573	196	486	271	-	-	(20,169)	-
Total expenses	23,285	9,761	4,643	1,134	259	997	6,520	719	3,032	631	50,982
Credit loss allowance - (reversal) / charge	(23)	505	829	-	(0)	-	(37)	-	1,323	146	2,743
Profit / (loss) before tax	7,305	(473)	7,910	17,268	(745)	(402)	1,071	616	261	3,829	36,640

As at December 31, 2025 (Audited)

	Retail Banking	Consumer, SME & Agriculture lending	Corporate, Commercial and Investment Banking	Treasury	Financial Institutions	Branchless banking	International and global remittance	Asset management	Microfinance	Head office / others	Total
----- (Rupees in million) -----											
<b>Statement of financial position</b>											
Cash and bank balances	202,746	-	647	263,592	-	-	136,571	87	13,437	1,649	618,729
Lendings to financial institutions	-	-	-	234,948	-	-	-	-	12,837	-	247,785
Inter segment lending	3,270,349	-	-	-	232,553	15,262	8,596	-	-	179,070	3,705,830
Investments	-	-	30,811	3,774,721	4,673	-	247,801	2,390	75,847	50,003	4,186,246
Advances - performing	-	374,598	982,171	-	132,861	-	464,824	-	89,223	22,265	2,065,942
Advances - non-performing	-	1,536	5,718	-	-	-	2,468	-	799	314	10,835
Others	22,195	4,400	118,475	65,948	1,274	2,238	51,733	9,159	21,234	281,951	578,607
<b>Total assets</b>	3,495,290	380,534	1,137,822	4,339,209	371,361	17,500	911,993	11,636	213,377	535,252	11,413,974
Borrowings	-	7,247	100,891	972,867	-	-	96,031	4,501	34,483	-	1,216,020
Subordinated debt	-	-	-	-	-	-	-	-	1,500	18,874	20,374
Deposits and other accounts	3,428,496	3,148	904,609	-	371,279	13,096	678,966	-	150,712	(4,306)	5,546,000
Inter segment borrowing	-	338,862	56,593	3,310,375	-	-	-	-	-	-	3,705,830
Others	66,794	31,277	75,729	18,085	82	4,404	54,034	6,438	8,641	171,652	437,136
<b>Total liabilities</b>	3,495,290	380,534	1,137,822	4,301,327	371,361	17,500	829,031	10,939	195,336	186,220	10,925,360
Equity	-	-	-	37,882	-	-	82,962	697	18,041	349,032	488,614
<b>Total equity and liabilities</b>	3,495,290	380,534	1,137,822	4,339,209	371,361	17,500	911,993	11,636	213,377	535,252	11,413,974
<b>Contingencies and commitments</b>	-	10,684	589,077	714,048	41,130	-	299,673	-	-	27,939	1,682,551

## 36 RELATED PARTY TRANSACTIONS

The Group has related party relationships with various parties including its Directors, Key Management Personnel, Group entities, associated companies and employee benefit schemes of the Group.

Transactions with related parties, other than those under the terms of employment, are executed on an arm's length basis i.e. do not involve more than normal risk and are substantially on the same terms, including mark-up rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties.

Contributions to and accruals in respect of staff retirement and other benefit schemes are made in accordance with the actuarial valuations / terms of the schemes.

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)



FOR THE THREE MONTHS ENDED MARCH 31, 2026

Details of transactions and balances with related parties as at the period / year end are as follows:

	As at March 31, 2026 (Unaudited)				
	Directors	Key Management Personnel	Group Entities	Associates	Other related parties
----- (Rupees in '000) -----					
<b>Statement of financial position</b>					
<b>Balances with other banks</b>					
In current accounts	-	-	8,091	-	-
<b>Investments</b>					
Opening balance	-	-	-	54,711,072	15,429,911
Exchange adjustment	-	-	-	(430,592)	-
Investment made during the period	-	-	-	692,438	-
Investment redeemed / disposed off during the period	-	-	-	(788,013)	(24,483)
Share of profit - net of tax	-	-	-	1,297,922	-
Share of other comprehensive income - net of tax	-	-	-	244,905	-
Dividend received during the period	-	-	-	(421,673)	-
Revaluation of investments during the period	-	-	-	(113,672)	-
Reversal of credit loss allowance / (provision) for diminution in the value of investments	-	-	-	102,103	-
Closing balance	-	-	-	55,294,490	15,405,428
Provision / credit loss allowance for diminution in the value of investments - held	-	-	-	253,680	1
<b>Advances</b>					
Opening balance	2,182	613,290	3,055,931	1,400,807	9,546,597
Exchange adjustment	-	(54)	(7,929)	(7,723)	-
Addition during the period	8,171	57,602	4,968,343	2,554,125	207,059
Repaid during the period	(8,356)	(87,908)	(5,387,700)	(838,917)	(426,501)
Closing balance	1,997	582,930	2,628,645	3,108,292	9,327,155
<b>Other assets</b>					
Interest / mark-up accrued	-	454	14,459	30,030	323,424
Receivable from defined benefit plan	-	-	-	-	2,783,715
Prepaid insurance	-	-	-	583,743	-
Advance rent	-	3,580	7,888	16,455	-
Other prepayments	-	-	-	-	24,583
	-	4,034	22,347	630,228	3,131,722
Provision against other assets	-	-	-	-	-
<b>Borrowings</b>					
Opening balance	-	-	-	17,367,632	5,440,725
Exchange adjustment	-	-	-	(40,177)	-
Borrowings during the period	-	-	-	5,592,567	-
Settled during the period	-	-	-	(17,336,955)	(63,113)
Closing balance	-	-	-	5,583,067	5,377,612
<b>Deposits and other accounts</b>					
Opening balance	159,739	630,461	58,370,148	82,546,591	8,899,579
Exchange adjustment	(79)	(497)	(41,471)	(154)	(19,303)
Received during the period	133,599	1,964,113	63,845,328	477,840,893	56,394,295
Withdrawn during the period	(151,247)	(1,746,747)	(62,835,873)	(487,931,057)	(50,799,984)
Closing balance	142,012	847,330	59,338,132	72,456,273	14,474,587
<b>Other liabilities</b>					
Interest / mark-up payable	233	7,629	1,635,505	38,978	118,721
Payable to defined benefit plan	-	-	-	-	988,272
Donation payable	-	-	-	-	260,788
Unearned income	-	-	20,380	-	-
Insurance payable	-	-	-	336,833	-
Other payables	-	-	1,865	-	421,194
	233	7,629	1,657,750	375,811	1,788,975

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2026

As at March 31, 2026 (Unaudited)					
Directors	Key Management Personnel	Group Entities	Associates	Other related parties	
(Rupees in '000)					
<b>Contingencies and commitments</b>					
Letters of credit	-	-	1,033,200	-	29,091
Letters of guarantee	-	-	518,695	-	3,541,727
	-	-	1,551,895	-	3,570,818
<b>Others</b>					
Securities held as custodian	-	157,905	19,826,910	244,860,500	44,412,970

For the three months ended March 31, 2026 (Unaudited)					
Directors	Key Management Personnel	Group Entities	Associates	Other related parties	
(Rupees in '000)					
<b>Profit and loss account</b>					
<b>Income</b>					
Mark-up / return / profit / interest earned	6	5,191	46,645	26,795	294,863
Fee and commission income	304	2,437	95,450	294,718	1,323
Share of profit	-	-	-	1,297,925	-
Dividend income	-	-	-	-	3,168,195
Rent on properties	-	-	-	-	91
<b>Expenses</b>					
Mark-up / return / profit / interest expensed	1,940	8,070	1,007,408	961,537	168,006
Operating expenses					
Total compensation expense	-	1,891,000	-	-	675,294
Non-Executive Directors' fees	22,550	-	-	-	-
Insurance premium expense	-	-	-	1,103,398	-
Product feature cost	-	-	102,985	-	-
Travelling	-	-	2,006	-	-
Software maintenance	-	-	-	-	13,203
Rent and taxes	-	-	14,384	17,634	1,714
Subscription	-	-	-	-	2,821
Donation	-	-	-	-	260,788
Brokerage and commission	-	-	-	-	105,651
Documentation and processing charges	-	-	-	-	32,074
Other expenses	-	-	294	-	1,925
Reversal of credit loss allowance in the value of investments	-	-	-	(102,102)	-
<b>Others</b>					
Purchase of Government securities	-	189,390	165,557	13,498,053	1,181,236
Sale of Government securities	-	212,519	5,518,731	52,720,558	6,271,861
Purchase of foreign currencies	-	1,049	2,497,583	40,941	-
Sale of foreign currencies	-	152,058	1,619,737	2,879,438	440,018
Insurance claims settled	-	-	-	219,599	-

As at December 31, 2025 (Audited)					
Directors	Key Management Personnel	Group Entities	Associates	Other related parties	
(Rupees in '000)					
<b>Statement of financial position</b>					
<b>Balances with other banks</b>					
In current accounts	-	-	102,434	-	-

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2026



	As at December 31, 2025 (Audited)				
	Directors	Key Management Personnel	Group Entities	Associates	Other related parties
	(Rupees in '000)				
<b>Investments</b>					
Opening balance	-	-	-	42,138,798	13,758,615
Impact of adoption of IFRS 9	-	-	-	-	9,608,380
Exchange adjustment	-	-	-	195,795	-
Investment made during the year	-	-	-	8,060,761	-
Investment redeemed / disposed off during the year	-	-	-	(8,002,830)	(8,343,628)
Share of profit - net of tax	-	-	-	6,516,993	-
Share of other comprehensive income - net of tax	-	-	-	680,948	-
Dividend received during the year	-	-	-	(1,722,567)	-
Revaluation of investments during the year	-	-	-	6,819,199	394,221
Reversal of provision / credit loss allowance for diminution in the value of investments	-	-	-	23,975	12,323
Closing balance	-	-	-	54,711,072	15,429,911
Provision / credit loss allowance for diminution in the value of investments - held	-	-	-	355,782	1
<b>Advances</b>					
Opening balance	1,295	537,494	5,093,585	125,000	11,409,456
Exchange adjustment	-	778	34,662	(4,914)	-
Addition during the year	14,393	526,014	28,044,445	4,217,165	23,787,973
Repaid during the year	(13,506)	(430,186)	(30,116,761)	(2,936,444)	(25,650,832)
Transfer out - net	-	(20,810)	-	-	-
Closing balance	2,182	613,290	3,055,931	1,400,807	9,546,597
<b>Other assets</b>					
Interest / mark-up accrued	-	483	16,981	3,449	190,376
Receivable from defined benefit plan	-	-	-	-	2,783,715
Prepaid insurance	-	-	-	749,379	-
Advance rent	-	5,474	11,833	34,089	-
Other receivables / prepayments	-	-	-	-	5,238
	-	5,957	28,814	786,917	2,979,329
<b>Borrowings</b>					
Opening balance	-	-	-	20,612,700	5,384,552
Exchange adjustment	-	-	-	128,585	-
Borrowings during the year	-	-	-	154,625,761	10,247,306
Settled during the year	-	-	-	(157,999,414)	(8,808,734)
Transfer out	-	-	-	-	(1,382,399)
Closing balance	-	-	-	17,367,632	5,440,725
<b>Deposits and other accounts</b>					
Opening balance	99,091	515,176	47,054,299	19,572,832	7,100,528
Exchange adjustment	223	3,779	41,075	164	63,338
Received during the year	686,256	5,247,714	463,792,799	2,374,243,570	286,824,829
Withdrawn during the year	(625,831)	(5,146,539)	(452,518,025)	(2,311,269,975)	(285,087,277)
Transfer (out) / in - net	-	10,331	-	-	(1,839)
Closing balance	159,739	630,461	58,370,148	82,546,591	8,899,579
<b>Other liabilities</b>					
Interest / mark-up payable	436	920	1,022,498	144,328	69,925
Payable to defined benefit plan	-	-	-	-	1,077,144
Donation payable	-	-	-	-	1,001,336
Unearned income	-	-	4,090	-	-
Insurance payable	-	-	-	171,948	-
Other payables	-	-	1,595	-	294,052
	436	920	1,028,183	316,276	2,442,457
<b>Contingencies and Commitments</b>					
Letters of credit	-	-	622,899	-	212,797
Letters of guarantee	-	-	537,282	-	3,541,727
	-	-	1,160,181	-	3,754,524
<b>Others</b>					
Securities held as custodian	-	166,635	19,404,845	240,721,530	43,589,665

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2026

	For the three months ended March 31, 2025 (Unaudited)				
	Directors	Key Management Personnel	Group Entities	Associates	Other related parties
	(Rupees in '000)				
<b>Profit and loss account</b>					
<b>Income</b>					
Mark-up / return / profit / interest earned	-	4,718	87,242	10,052	435,159
Fee and commission income	225	3,124	104,397	348,001	2,066
Share of profit	-	-	-	1,349,255	-
Dividend income	-	-	-	-	1,081,546
Rent on properties	-	-	-	-	83
Gain on disposal of property and equipment	-	-	-	494	-
Unrealised loss on derivatives	-	-	-	(1,017)	-
<b>Expense</b>					
Mark-up / return / profit / interest expensed	1,756	7,530	1,190,041	940,225	248,397
Operating expenses					
Total compensation expense	-	1,571,465	-	-	641,880
Non-Executive Directors' fees	20,300	-	-	-	-
Insurance premium expense	-	-	-	1,083,393	-
Product feature cost	-	-	86,069	-	-
Travelling	-	-	3,329	-	-
Software maintenance	-	-	-	-	10,484
Rent and taxes	-	-	13,435	17,166	540
Subscription	-	-	-	-	7,497
Donation	-	-	-	-	250,608
Brokerage and commission	-	-	-	-	95,765
Documentation and processing charges	-	-	-	-	29,217
Other expenses	-	-	455	-	3,718
Provision for diminution / (reversal) of credit loss allowance in the value of investments	-	-	-	21,327	(2,502)
<b>Others</b>					
Purchase of Government securities	-	11,644	70,812,546	26,810,454	1,016,408
Sale of Government securities	1,183	36,946	71,446,803	14,199,361	2,091,625
Purchase of foreign currencies	-	2,988	2,812,579	37,864	12,910
Sale of foreign currencies	1,126	125,898	1,627,431	898,999	351,955
Insurance claims settled	-	-	-	190,621	-

36.1 Balances and transactions with group entities include deposits of Rs 28.375 million (December 31, 2025: Rs 28.170 million) from the parent and Rs 0.367 million (March 31, 2025: Rs 3 thousand) as mark-up expense thereon.

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)



FOR THE THREE MONTHS ENDED MARCH 31, 2026

	(Unaudited) March 31, 2026	(Audited) December 31, 2025
	-----(Rupees in '000)----	
<b>37 CAPITAL ADEQUACY, LEVERAGE RATIO &amp; LIQUIDITY REQUIREMENTS</b>		
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	14,668,525	14,668,525
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	356,246,925	354,633,341
Eligible Additional Tier 1 (ADT 1) Capital	18,776,910	18,311,506
Total Eligible Tier 1 Capital	375,023,835	372,944,847
Eligible Tier 2 Capital	78,358,606	114,699,789
Total Eligible Capital (Tier 1 + Tier 2)	453,382,441	487,644,636
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	1,882,607,986	1,855,569,202
Market Risk	397,408,263	376,824,950
Operational Risk	429,016,970	429,016,970
Total	2,709,033,219	2,661,411,122
CET 1 CAR	13.15%	13.33%
Tier 1 CAR	13.84%	14.01%
Total CAR	16.74%	18.32%
<b>Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)</b>	9.00%	8.50%
of which: capital conservation buffer requirement	1.50%	1.50%
of which: countercyclical buffer requirement	-	-
of which: D-SIB buffer requirement	1.50%	1.00%
CET1 available to meet buffers (as a percentage of risk weighted assets)	7.15%	7.33%
<b>Other information:</b>		
<b>National minimum capital requirements prescribed by the SBP</b>		
CET1 minimum ratio (%)	9.00%	8.50%
Tier 1 minimum ratio (%)	10.50%	10.00%
Total capital minimum ratio (%)	13.00%	12.50%
	(Unaudited) March 31, 2026	(Audited) December 31, 2025
	-----(Rupees in '000)----	
<b>Leverage Ratio (LR)</b>		
Eligible Tier-1 Capital	375,023,835	372,944,847
Total Exposures	8,796,742,012	8,242,000,868
<b>Leverage Ratio (%)</b>	4.26%	4.52%
<b>Minimum Requirement (%)</b>	3.00%	3.00%
<b>Liquidity Coverage Ratio (LCR)</b>		
Average High Quality Liquid Assets	2,810,897,772	2,559,571,409
Average Net Cash Outflow	1,221,760,654	1,032,663,501
<b>Liquidity Coverage Ratio (%)</b>	230.07%	247.86%
<b>Minimum Requirement (%)</b>	100.00%	100.00%
<b>Net Stable Funding Ratio (NSFR)</b>		
Available Stable Funding	4,872,151,745	5,049,539,928
Required Stable Funding	2,780,124,546	2,774,467,787
<b>Net Stable Funding Ratio (%)</b>	175.25%	182.00%
<b>Minimum Requirement (%)</b>	100.00%	100.00%

37.1 The SBP, through its letter No. ECD/M&PRD/PR/01/2025-67 dated August 29, 2025, has increased the D-SIB buffer requirement for the Bank from 1.00% to 1.50% applicable from March 31, 2026.

37.2 For the purpose of calculating CAR, the SBP has allowed banks to phase in the impact on opening retained earnings of the ECL calculated for financial assets classified as stage 1 and stage 2. The phasing is allowed over a period of five years. Had there been no such relaxation, the Group's total CAR would have been lower by 24 bps and the Leverage Ratio would have been lower by 7 bps.

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2026

## 38 ISLAMIC BANKING BUSINESS

The Bank operates 609 (December 31, 2025: 608) Islamic Banking branches and 507 (December 31, 2025: 506) Islamic Banking windows.

<b>STATEMENT OF FINANCIAL POSITION</b>		<b>Note</b>	<b>(Unaudited) March 31, 2026</b>	<b>(Audited) December 31, 2025</b>
-----(Rupees in '000)----				
<b>ASSETS</b>				
Cash and balances with treasury banks			55,374,160	63,958,499
Balances with other banks			1,869,952	1,866,240
Due from financial institutions	38.1		9,300,000	75,800,000
Investments	38.2		505,781,135	465,825,478
Islamic financing and related assets - net	38.3		358,765,155	303,505,160
Property and equipment			7,957,602	7,234,675
Right-of-use assets			11,025,375	8,337,257
Intangible assets			24,756	28,261
Due from Head Office			1,530,420	31,815,763
Deferred tax assets			-	-
Other assets			43,010,805	42,347,099
			<b>994,639,360</b>	<b>1,000,718,432</b>
<b>LIABILITIES</b>				
Bills payable			63,948	33,195
Due to financial institutions	38.4		17,031,403	23,946,280
Deposits and other accounts	38.5		844,586,149	830,738,090
Due to Head Office			-	-
Lease liabilities			14,999,044	12,073,491
Subordinated debt			-	-
Deferred tax liabilities			1,818,925	4,324,322
Other liabilities			32,832,402	48,672,815
			<b>911,331,871</b>	<b>919,788,193</b>
			<b>83,307,489</b>	<b>80,930,239</b>
<b>NET ASSETS</b>				
<b>REPRESENTED BY</b>				
Islamic Banking Fund			500,000	500,000
Reserves			-	-
Surplus on revaluation of investments - net of tax			1,679,007	3,991,682
Unappropriated profit	38.6		81,128,482	76,438,557
			<b>83,307,489</b>	<b>80,930,239</b>
<b>Contingencies and commitments</b>				
	38.7		<b>(Unaudited) For the three months ended</b>	
			<b>March 31,</b>	<b>March 31,</b>
			<b>2026</b>	<b>2025</b>
			-----(Rupees in '000)----	
<b>PROFIT AND LOSS ACCOUNT</b>				
Profit / return earned	38.8		22,359,442	20,132,500
Profit / return expensed	38.9		9,257,122	7,853,762
Net profit / return			<b>13,102,320</b>	<b>12,278,738</b>
<b>Other income</b>				
Fee and commission income			981,447	582,370
Dividend income			-	-
Foreign exchange income			388,035	101,226
Income from derivatives			-	-
Gain on securities- net			245,023	475,597
Others			21,629	-
Total other income			<b>1,636,134</b>	<b>1,159,193</b>
<b>Total income</b>				
			<b>14,738,454</b>	<b>13,437,931</b>
<b>Other expenses</b>				
Operating expenses			4,558,454	3,030,767
Workers' Welfare Fund			198,184	203,525
Other charges			2,585	330
Total other expenses			<b>4,759,223</b>	<b>3,234,622</b>
<b>Profit before credit loss allowance</b>				
			<b>9,979,231</b>	<b>10,203,309</b>
Credit loss allowance and write offs - net			70,034	27,058
<b>Profit before taxation</b>				
			<b>9,909,197</b>	<b>10,176,251</b>
Taxation			5,152,782	5,393,413
<b>Profit after taxation</b>				
			<b>4,756,415</b>	<b>4,782,838</b>

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)



FOR THE THREE MONTHS ENDED MARCH 31, 2026

	(Unaudited) March 31, 2026	(Audited) December 31, 2025		
	----- (Rupees in '000) -----			
<b>38.1 Due from Financial Institutions</b>				
Call money lendings	6,300,000	22,800,000		
Secured lendings	3,000,000	53,000,000		
	<u>9,300,000</u>	<u>75,800,000</u>		
<b>38.2 Investments by segments</b>	<b>March 31, 2026 (Unaudited)</b>			
	<b>Cost / amortised cost</b>	<b>Credit loss allowance</b>	<b>Surplus / (deficit)</b>	<b>Carrying value</b>
	----- (Rupees in '000) -----			
<b>Debt Instruments</b>				
<b>Fair value through profit and loss (FVTPL)</b>				
<b>Federal Government securities</b>				
- Ijarah Sukuk	18,918,670	-	(55,838)	18,862,832
- Other Federal Government securities	975,239	-	-	975,239
<b>Non-Government debt securities</b>				
- Listed	193,545	-	-	193,545
- Unlisted	800,545	-	(7,059)	793,486
	<u>20,887,999</u>	<u>-</u>	<u>(62,897)</u>	<u>20,825,102</u>
<b>Fair value through other comprehensive income (FVOCI)</b>				
<b>Federal Government securities</b>				
- Ijarah Sukuk	330,952,641	-	3,433,528	334,386,169
<b>Non-Government debt securities</b>				
- Listed	1,435,632	(36)	64,404	1,500,000
	<u>332,388,273</u>	<u>(36)</u>	<u>3,497,932</u>	<u>335,886,169</u>
<b>Amortised cost</b>				
<b>Federal Government securities</b>				
- Ijarah Sukuk	86,568,172	-	-	86,568,172
- Other Federal Government securities	52,133,217	-	-	52,133,217
<b>Non-Government debt securities</b>				
- Unlisted	10,980,658	(612,183)	-	10,368,475
	<u>149,682,047</u>	<u>(612,183)</u>	<u>-</u>	<u>149,069,864</u>
<b>Total Investments</b>	<u>502,958,319</u>	<u>(612,219)</u>	<u>3,435,035</u>	<u>505,781,135</u>
	<b>December 31, 2025 (Audited)</b>			
	<b>Cost / amortised cost</b>	<b>Credit loss allowance</b>	<b>Surplus / (deficit)</b>	<b>Carrying value</b>
	----- (Rupees in '000) -----			
<b>Fair value through profit and loss (FVTPL)</b>				
<b>Federal Government securities</b>				
- Ijarah Sukuk	998,031	-	(1,250)	996,781
- Other Federal Government securities	719,629	-	-	719,629
<b>Non-Government debt securities</b>				
- Listed	191,674	-	1,871	193,545
- Unlisted	801,000	-	(455)	800,545
	<u>2,710,334</u>	<u>-</u>	<u>166</u>	<u>2,710,500</u>
<b>Fair value through other comprehensive income (FVOCI)</b>				
<b>Federal Government securities</b>				
- Ijarah Sukuk	332,704,602	-	8,299,343	341,003,945
<b>Non-Government debt securities</b>				
- Listed	1,750,000	(36)	16,661	1,766,625
	<u>334,454,602</u>	<u>(36)</u>	<u>8,316,004</u>	<u>342,770,570</u>
<b>Amortised cost</b>				
<b>Federal Government securities</b>				
- Ijarah Sukuk	57,457,769	-	-	57,457,769
- Other Federal Government securities	52,430,110	-	-	52,430,110
<b>Non-Government debt securities</b>				
- Unlisted	11,068,724	(612,195)	-	10,456,529
	<u>120,956,603</u>	<u>(612,195)</u>	<u>-</u>	<u>120,344,408</u>
<b>Total Investments</b>	<u>458,121,539</u>	<u>(612,231)</u>	<u>8,316,170</u>	<u>465,825,478</u>

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2026

		March 31, 2026 (Unaudited)			
		Stage 1	Stage 2	Stage 3	Total
		----- (Rupees in '000) -----			
38.2.1	<b>Particulars of credit loss allowance</b>				
	Non Government debt securities	219	-	612,000	612,219
		-----			
		December 31, 2025 (Audited)			
		Stage 1	Stage 2	Stage 3	Total
		----- (Rupees in '000) -----			
	<b>Particulars of credit loss allowance</b>				
	Non Government debt securities	231	-	612,000	612,231
		-----			
38.3	<b>Islamic financing and related assets - net</b>			(Unaudited) March 31, 2026	(Audited) December 31, 2025
				-----(Rupees in '000)----	
	Diminishing Musharakah			142,145,155	106,722,174
	Running Musharakah			49,555,069	48,617,049
	Wakalah			6,533,682	7,147,268
	Ijarah			41,828,165	43,845,969
	Murabaha			71,891,072	61,547,955
	Tijarah			2,449,112	3,160,409
	Istisna			3,773,916	3,304,359
	Musawamah			1,487,359	961,375
	Advance for Diminishing Musharakah			15,137,667	9,649,454
	Advance for Ijarah			615,474	372,353
	Advance for Murabaha			6,461,345	1,949,578
	Advance for Salam			4,868,010	1,398,949
	Advance for Istisna			16,736,884	16,710,399
	Advance for Musawamah			2,553,937	1,501,201
	Inventories against Murabaha			520,092	1,215,851
	Inventories against Salam			1,061,449	-
	Inventories against Tijarah			3,372,125	4,363,726
	Inventories against Istisna			2,357,337	5,549,810
	Islamic financing and related assets - gross			373,347,850	318,017,879
	Credit loss allowance against Islamic financing and related assets				
	- Stage 1			(291,134)	(296,182)
	- Stage 2			(391,659)	(441,082)
	- Stage 3			(9,496,834)	(9,801,704)
	- General			(4,403,068)	(3,973,751)
				(14,582,695)	(14,512,719)
	Islamic financing and related assets - net of credit loss allowance			358,765,155	303,505,160
38.4	<b>Due to financial institutions</b>				
	Unsecured acceptances of funds			1,690,000	7,500,000
	Acceptances from the SBP under:				
	- Islamic export refinance scheme			2,779,423	3,498,491
	- Islamic export refinance scheme for bill discounting			1,408,591	1,408,591
	- Islamic long term financing facility			4,326,477	4,552,322
	- Islamic financing facility for renewable energy power plants			416,085	455,009
	- Islamic refinance facility for modernization of Small & Medium Enterprises (SMEs)			130,420	147,681
	- Islamic refinance facility for combating COVID-19			157,288	157,288
	- Islamic temporary economic refinance facility			1,203,119	1,306,898
	Acceptances from Pakistan Mortgage Refinance Company			4,920,000	4,920,000
				17,031,403	23,946,280
38.5	<b>Deposits and other accounts</b>				
	<b>Customers</b>				
	Current deposits			384,724,197	411,207,347
	Savings deposits			359,291,882	350,204,662
	Term deposits			39,769,994	31,888,021
				783,786,073	793,300,030
	<b>Financial Institutions</b>				
	Current deposits			207,612	330,779
	Savings deposits			57,424,381	35,539,198
	Term deposits			3,168,083	1,568,083
				60,800,076	37,438,060
				844,586,149	830,738,090

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)



FOR THE THREE MONTHS ENDED MARCH 31, 2026

	Note	(Unaudited) March 31, 2026	(Audited) December 31, 2025
<b>38.6 Islamic Banking business unappropriated profit</b>			
Opening Balance		76,438,557	58,083,715
Impact of adoption of IFRS 9		(39,114)	-
Add: Islamic Banking profit for the period / year		9,909,197	39,102,597
Less: Taxation		(5,152,782)	(20,724,376)
Less: Transferred / Remitted to Head Office		(27,376)	(23,379)
Closing Balance		<u>81,128,482</u>	<u>76,438,557</u>
<b>38.7 Contingencies and commitments</b>			
- Financial Guarantees		240,347	230,305
- Performance Guarantees		10,030,759	8,923,616
- Commitments	38.7.1	<u>88,196,952</u>	<u>79,405,774</u>
		<u>98,468,058</u>	<u>88,559,695</u>
<b>38.7.1 Commitments:</b>			
Trade-related contingent liabilities		40,797,072	26,223,434
Commitments in respect of forward foreign exchange contracts	38.7.1.1	<u>47,399,880</u>	<u>53,182,340</u>
		<u>88,196,952</u>	<u>79,405,774</u>
<b>38.7.1.1 Commitments in respect of forward foreign exchange contracts</b>			
Purchase		31,881,080	33,956,795
Sale		15,518,800	19,225,545
		<u>47,399,880</u>	<u>53,182,340</u>
<b>38.8 Profit / return earned</b>			
On:			
Financing		8,161,542	7,651,626
Investments		12,152,792	11,996,479
Amounts due from financial institutions		2,045,108	484,395
		<u>22,359,442</u>	<u>20,132,500</u>
<b>38.9 Profit / return expensed</b>			
On:			
Deposits and other accounts		7,670,453	5,869,334
Amounts due to financial institutions		932,101	1,559,893
Foreign currency deposits for Wa'ad based transactions		147,093	45,409
Lease liability against right-of-use assets		507,475	379,126
		<u>9,257,122</u>	<u>7,853,762</u>
<b>39 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE</b>			
39.1	The Board of Directors, in its meeting held on April 17, 2026, has declared a cash dividend of Rs 6.00 per share in respect of the quarter ended March 31, 2026 (March 31, 2025: Rs 4.50 per share). These condensed interim consolidated financial statements do not include the effect of this appropriation which will be accounted for subsequent to the period end.		
<b>40 DATE OF AUTHORISATION FOR ISSUE</b>			
	These condensed interim consolidated financial statements were authorised for issue in the Board of Directors meeting held on April 17, 2026.		
<b>41 GENERAL</b>			
41.1	Comparative figures have been re-arranged and reclassified for comparison purposes.		

Muhammad Nassir Salim  
President and  
Chief Executive Officer

Irfan Ahmed Meer  
Chief Financial Officer

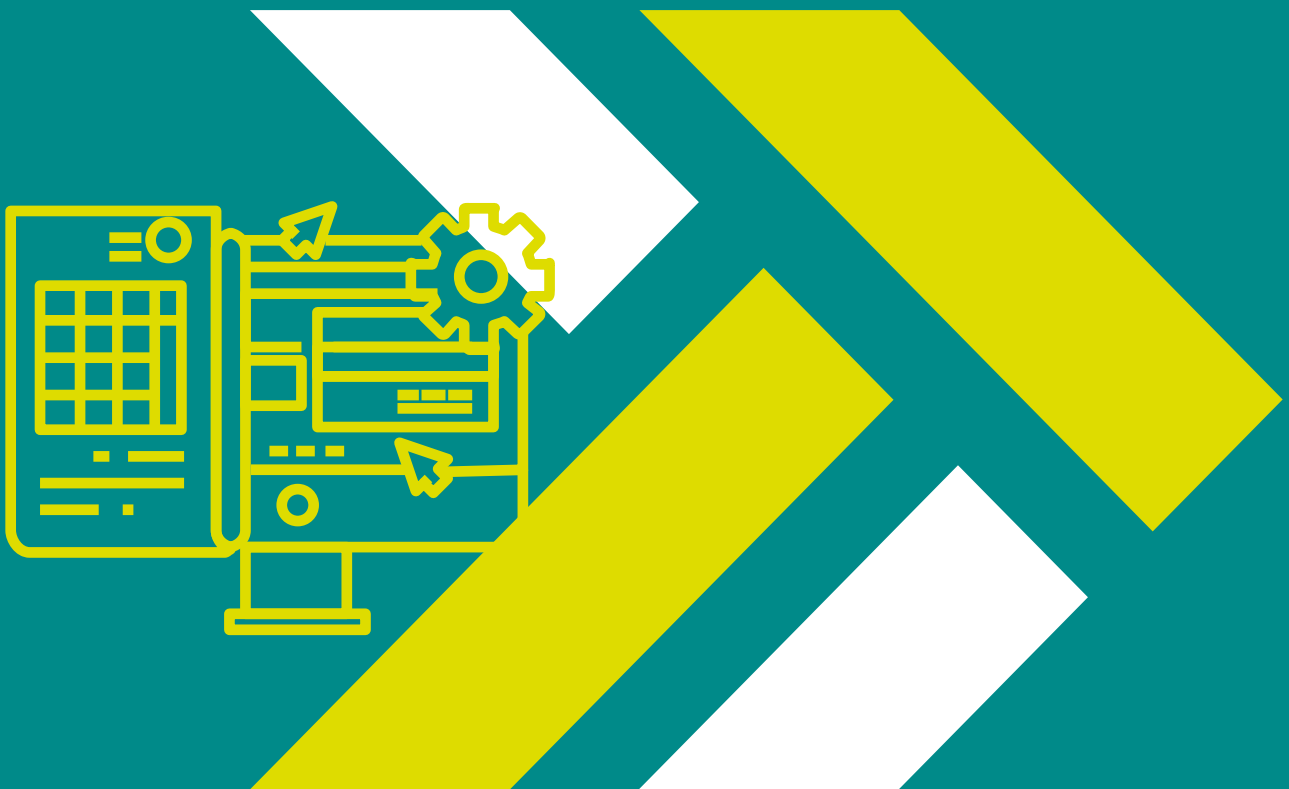
Moez Ahamed Jamal  
Director

Dr. Najeeb Samie  
Director

Ms. Saba Kamal  
Director

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# CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS





# DIRECTORS' REPORT

On behalf of the Board of Directors, we are pleased to present the Unconsolidated Financial Statements for the quarter ended March 31, 2026.

## Macroeconomic Review

Pakistan's economy continued to stabilize during the first quarter of 2026, yet the overall outlook is clouded by the escalating crisis in Middle East. Real GDP growth accelerated to 3.89% in Q2FY'26, the second-highest quarterly growth recorded in the last four years, supported by a 5.8% year-on-year expansion in large-scale manufacturing. The expansion in large scale manufacturing resulted from strong performance in automobiles and allied sectors. Inflationary pressures have begun to re-emerge, intensified by the surge in oil prices, with headline CPI rising to 7.3% year-on-year in March 2026, pushing the average inflation for 9MFY'26 to 5.67% compared to 5.25% in the same period last year. Against this backdrop, the country is facing increased challenges in sustaining its hard-won macroeconomic recovery.

The external account, which had posted a surplus of \$479 million during 8MFY'25, shifted into a deficit of \$700 million during the first eight months of FY'26. This deficit on external account reflects the impact of a widening trade deficit which ballooned to \$21.1 billion, a 28% increase from \$16.5 billion in the corresponding period last year. Imports rose 9% year-on-year to \$41.8 billion, driven by a sharp surge in import of transport equipment and machinery as a result of recovering domestic demand, alongside higher food and chemical imports. Exports, on the other hand, declined by 5% to \$20.7 billion, primarily due to lower rice and sugar exports. Remittances continued their robust growth, rising by 10% to \$26.5 billion, providing essential support to the external position.

Staff-level agreement was reached with the IMF, for the Third Review under the Extended Fund Facility and the Second Review under the Resilience and Sustainability Facility, paving the way for the release of \$1.2 billion upon Executive Board approval. The IMF noted progress made by Pakistan, while highlighting the risks from the ongoing Middle East conflict that could exert upward pressure on inflation through volatile energy prices. The \$1.2 billion tranche alongside the new Eurobond issuance of \$750 million should provide a boost to foreign exchange reserves held with the SBP, which stood at \$15.1 billion on 10th April 2026, following the timely repayment of the \$1.43 billion Eurobond. The repayment of the \$3.5 billion UAE loan, with two tranches already settled by mid-April and the final tranche due late-April, has been covered through an additional \$3 billion commitment from Saudi Arabia, of which \$2 billion has already been received.

The equity markets, after a relatively good start to the year, came under severe pressure, recording back-to-back monthly declines of 8.7% in February and 11.5% in March, the highest monthly loss in the past five years. This is largely on account of heightened geopolitical strains. Trading volumes fell considerably below the CY'25 average amid continuous selling pressure from mutual funds. The global markets also remained under considerable stress. However, following the announcement of the two-week US-Iran ceasefire brokered by Pakistan, the KSE-100 rebounded sharply, posting its highest ever single-day gain.

In the latest Monetary Policy Committee meeting, the State Bank of Pakistan decided to keep the policy rate unchanged at 10.5%, citing heightened risks to inflation. On the fiscal front, the authorities maintained their consolidation efforts, with the overall balance registering a surplus and the primary surplus remaining close to last year's level; however, FBR tax collections during the first eight months of FY'26 remained below target, underscoring the need for broader revenue measures.

## Financial Performance

HBL delivered an unconsolidated profit before tax of Rs 32.4 billion for Q1'26 versus Rs 34.2 billion for the same period last year. Despite tightening spreads, the Bank's revenue remained resilient, driven by strong results from the domestic franchise. Consequently, the profit after tax for Q1'26 was Rs 15.4 billion, an increase of 2% year on year. The earnings per share for the quarter was Rs 10.51.

HBL's balance sheet grew by 6% to Rs 7.7 trillion, with the total deposits closing at Rs 5.1 trillion. Conscious efforts by the Bank to optimise the deposit mix have resulted in improvement in the domestic current account mix from 37.6% in Dec'25 to 38.7% in Mar'26. HBL's loan book remained above Rs 1.8 trillion, supported by sustained performance across all businesses. Bank's industry leading Consumer portfolio maintained its growth trajectory, with loans increasing to Rs 180 billion.

HBL's net interest income increased to Rs 65 billion, even with the reduction in policy rate. Volumetric growth of ~Rs 700 billion in the average domestic balance sheet helped mitigate the rate impact and maintain spreads. Nearly 40% of this growth was driven by an increase in average current accounts, resulting in a reduction of 116 bps in the cost of deposits. HBL's non-fund income remained at Rs 18 billion and was driven by strong growth in fees. While the Bank's flagship

Cards business continued to drive nearly 50% of the total fees, remittances and cash management also registered stellar growth. As a result, HBL's total revenue for the quarter increased to Rs 83 billion.

With focus on expenses, the administrative expenses were contained to a subdued growth of 4%. A modest recovery trend during the quarter helped contain the domestic non-performing loans, while the total provision coverage remained well above 100%.

## Movement in Reserves

Rupees in million

Unappropriated profit brought forward	254,264
Impact of change in accounting policy	(1,311)
Unappropriated profit brought forward – restated	<u>252,953</u>
Profit after tax	15,416
Transferred from surplus on revaluation of assets – net of tax	20
Realised gain on equity investments designated as FVOCI	149
	<u>15,585</u>
Profit available for appropriation	<u>268,538</u>
<b>Appropriations:</b>	
Transferred to statutory reserves	(1,541)
Cash dividend – Final 2025	(8,801)
Total appropriations	<u>(10,342)</u>
<b>Unappropriated profit carried forward</b>	<u><u>258,196</u></u>
<b>Earnings per share (Rupees)</b>	<u><u>10.51</u></u>

## Capital Ratios

The strong results continued to increase internally generated capital, adding 64 bps to the Tier 1 Capital Adequacy Ratio (CAR). HBL's consolidated Tier 1 CAR decreased by 29 bps over December 2025 to 14.3%, resulting from a moderate increase in RWA. However, the consolidated total CAR has declined to 17.1% resulting from decrease in the revaluation reserves which impacted the Tier II capital. Both ratios remain comfortably above regulatory requirements.

## Dividend

The Board of Directors, in its meeting held on April 17, 2026, has declared an interim cash dividend of Rs 6 per share (60%) for the quarter ended March 31, 2026.

## Future Outlook

Looking ahead, the geopolitical landscape remains precarious considering the ongoing conflict in Middle East. While the ceasefire has introduced a measure of cautious optimism across the region, with financial markets rebounding and oil prices declining, the ceasefire remains fragile. Any breakdown could swiftly disrupt financial and commodity markets. In this uncertain environment, the full impact of the Middle East crisis on Pakistan's domestic economy is yet to be fully realized, adding a further layer of complexity as the country endeavours to sustain its momentum.

Inflationary pressures, which had already begun inching upward, have been further intensified by the crisis. Headline inflation is now above the SBP's 5% to 7% target range for two consecutive months, with recent increase in fuel prices adding to the strain. While the indirect effects of higher global energy costs are yet to fully materialize in the domestic price structure, continuation of the ceasefire and a successful resolution of the conflict could allow the country to escape the worst of the inflationary fallout.

Pakistan's external sector remains inherently vulnerable owing to its high dependence on oil imports, making the economy particularly exposed to any sustained surge in global oil prices. The recent escalation in oil prices is expected to translate into a higher import bill, further widening the trade deficit. While workers' remittances are anticipated to continue providing a vital cushion by financing a portion of this gap, the overall external position will remain under pressure. The State Bank has maintained its foreign exchange purchases in recent months to support reserve accumulation. The \$1.43 billion Eurobond has now been repaid timely, supported through a new \$ 750 million Eurobond issuance, while the first \$250 million tranche of the planned Panda bond is expected to provide additional support.



On the fiscal front, FBR collections have recorded a shortfall during FY'26, a gap that was further exacerbated in March when the monthly shortfall widened by Rs 182 billion, largely on account of fuel-related subsidies. Overall tax collections have registered growth in FY'26, but they continue to lag behind targets.

Looking ahead to the upcoming Monetary Policy Committee meeting, the SBP faces a particularly complex decision on the policy rate amid rising inflationary pressures and the recent surge in global oil prices. Markets at this point anticipate a possible shift toward a rate upcycle, the timing and magnitude of which will depend heavily on how the Middle East situation evolves. At the same time, a reversal of the recent easing cycle could potentially affect the sustained domestic recovery path observed in the last 12-18 months.

HBL accelerated momentum as we move into 2026, delivering a strong performance amid macroeconomic uncertainties, maintaining its position as a cornerstone of Pakistan's financial ecosystem. Serving over 40 million customers across the country, HBL is making significant strides in expanding its reach and influence. Our plans for expanding our branch network will not only help us strengthen our deposit base but also allow us to venture into new areas of economic activity. The Bank's digital transformation is also gathering pace, with more than 5.2 million customers now using Mobile and Internet banking services—evidence of our growing digital footprint and commitment to customer convenience. Recognizing our systemic importance in Pakistan's economic development, HBL is channelling efforts into creating meaningful opportunities for the SME sector. The introduction of digitally enabled Asaan Finance stands out as a major initiative, designed to increase accessibility and convenience for our SME clients. This digital approach is expected to provide substantial support and open new avenues for business growth. A significant highlight of HBL's progress has been the steady growth in our Islamic branches. We are actively working to complete our suite of Shariah-compliant products, and the recent introduction of HBL Islamic Personal Finance marks a pivotal milestone. This addition empowers us to better serve the needs of our Islamic banking customers. Beyond its core financial services, HBL remains steadfast in promoting national spirit and community engagement. The ongoing HBL PSL 11, now featuring two new teams, is a clear demonstration of our commitment to national development and nurturing local talent.

## Appreciation and Acknowledgement

On behalf of the Board and management, we would like to place on record our appreciation for the efforts of our regulators and the Government of Pakistan, in particular the State Bank of Pakistan, the Ministry of Finance and the Securities and Exchange Commission of Pakistan. In these challenging times, they have stepped up with policies and measures that are prudent, proactive and balanced, protecting the economy, customers and people of Pakistan, while also safeguarding the integrity and soundness of the banking and financial services industry.

We are indebted to our customers, many of whom have banked with us for generations, and who continue to entrust us with their business and confidence. Our shareholders have provided steadfast support and to them, and to all our stakeholders, we are deeply grateful. The Board and the management remain committed to maintaining the highest standards of governance and we assure our stakeholders that we will be industry leaders in this area.

Lastly, but certainly not the least, we express our deepest appreciation and gratitude to our employees and their families, especially in customer facing units and branches, who continually go the extra mile, even at personal cost, to ensure that our customers are able to meet their critical needs. They are our heroes and heroines and we salute them for their dedication and tireless efforts.

On behalf of the Board

**Muhammad Nassir Salim**  
**President & Chief Executive Officer**

**Moez Ahamed Jamal**  
**Director**

April 17, 2026

## ڈائریکٹرز رپورٹ

ہمیں بورڈ آف ڈائریکٹرز کی جانب سے 31 مارچ 2026 کو ختم ہونے والی پہلی سہ ماہی کے مختصر عبوری غیر مجموعی مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس ہو رہی ہے۔

### کلیاتی اقتصادیات کا جائزہ

پاکستانی معیشت 2026 کی پہلی سہ ماہی میں مستحکم رہی، تاہم مجموعی منظر نامہ مشرق وسطیٰ میں بڑھتے ہوئے بحران کی وجہ سے دھندلا گیا ہے۔ حقیقی GDP کی نمو مالی سال 26 کی دوسری سہ ماہی میں 3.89% تک تیز ہوئی، جو پچھلے چار سالوں میں ریکارڈ کی گئی دوسری سب سے زیادہ سہ ماہی ترقی ہے، جسے بڑے پیمانے پر مینوفیکچرنگ میں سال بہ سال 5.8% اضافے سے سہارا ملا۔ بڑے پیمانے پر مینوفیکچرنگ میں توسیع گاڑیوں اور متعلقہ شعبوں میں مضبوط کارکردگی کی وجہ سے ہوئی۔ افراط زر کا دباؤ دوبارہ بڑھنے لگا ہے، جو تیل کی قیمتوں میں اضافے کی وجہ سے مزید شدید ہو گیا۔ مارچ 2026 میں ہیڈلائن CPI سال بہ سال اضافے سے 7.3% تک پہنچ گیا، جس سے مالی سال 26 کے نوماہ کی اوسط مہنگائی 5.67% تک پہنچ گئی ہے، جو پچھلے سال کے اسی عرصے میں 5.25% تھی۔ اس پس منظر میں، ملک اپنی مشکل سے حاصل کردہ معاشی بحالی پر قرار رکھنے میں بڑھتے ہوئے چیلنجز کا سامنا کر رہا ہے۔

ایکسٹرنل اکاؤنٹ، جس نے مالی سال 25 کے آٹھ ماہ کے دوران 479 ملین ڈالر کا سرپلس حاصل کیا تھا، مالی سال 26 کے پہلے آٹھ ماہ میں 700 ملین ڈالر کے خسارے میں تبدیل ہو گیا۔ ایکسٹرنل اکاؤنٹ پر یہ خسارہ بڑھتے ہوئے تجارتی خسارے کے اثرات کی عکاسی کرتا ہے، جو 21.1 بلین ڈالر تک پہنچ گیا، جو گزشتہ سال کے اسی عرصے میں 16.5 بلین ڈالر سے 28% زیادہ ہے۔ درآمدات سال بہ سال 9% بڑھ کر 41.8 بلین ڈالر تک پہنچ گئیں، جس کی وجہ ٹرانسپورٹ کے آلات اور مشینری کی درآمدات میں تیزی سے اضافہ ہے کیونکہ مقامی طلب بحال ہوئی، ساتھ ہی خوراک اور کیمیکل کی درآمدات میں بھی اضافہ ہوا۔ دوسری طرف، برآمدات 5% کم ہو کر 20.7 بلین ڈالر تک پہنچ گئیں، جس کی بنیادی وجہ چاول اور چینی کی برآمدات میں کمی تھی۔ ریٹیننسز میں ترقی جاری رہی، جو 10% بڑھ کر 26.5 بلین ڈالر تک پہنچ گئیں، جس سے ایکسٹرنل پوزیشن کو مضبوط سہارا ملا۔

آئی ایم ایف کے ساتھ اسٹاف لیول ایگریمنٹ، ایکسٹرنل ڈیفنڈ فیسلٹی کے تحت تیسرے جائزے اور ریٹیننس اینڈ سسٹیم ایڈجسٹمنٹ کے تحت دوسرے جائزے تک پہنچا، جس سے ایگزیکٹو بورڈ کی منظوری پر 1.2 بلین ڈالر کے اجراء کا راستہ ہموار ہوا۔ آئی ایم ایف نے پاکستان کی پیش رفت کو نوٹ کیا، جبکہ مشرق وسطیٰ کے جاری تنازعے کے خطرات کو اجاگر کیا جو توانائی کی قیمتوں میں اتار چڑھاؤ کے ذریعے افراط زر میں اضافے کا دباؤ ڈال سکتے ہیں۔ 1.2 بلین ڈالر کی قسط، اور 750 ملین ڈالر کے نئے یورو بانڈ کے اجراء کے ساتھ، SBP کے پاس موجود غیر ملکی زرمبادلہ کے ذخائر میں اضافہ ہو گا، جو 10 اپریل 2026 تک 15.1 بلین ڈالر تک پہنچ چکے تھے، جو 1.43 بلین ڈالر یورو بانڈ کی بروقت ادائیگی کے بعد تھے۔ متحدہ عرب امارات کے 3.5 بلین ڈالر کے قرضے کی واپسی کی دو قسطیں اپریل کے وسط تک پہلے ہی سیٹل ہو چکی ہیں اور آخری قسط اپریل کے آخر میں متوقع ہے، جو سعودی عرب سے اضافی 3 بلین ڈالر کے وعدے کے بعد مکمل کی گئی ہے، جس میں سے 2 بلین ڈالر پہلے ہی وصول ہو چکے ہیں۔

سال کے نسبتاً مناسب آغاز کے بعد ایکویٹی مارکیٹوں پر شدید دباؤ آ گیا، فروری میں مسلسل 8.7% اور مارچ میں 11.5% کی مسلسل ماہانہ کمی ریکارڈ کی گئی، جو پچھلے پانچ سالوں میں سب سے زیادہ ماہانہ خسارہ ہے۔ جس کی بڑی وجہ جغرافیائی سیاسی کشیدگی میں اضافہ ہے۔ میوچل فنڈز کی مسلسل فروخت کے دباؤ کی وجہ سے تجارتی حجم سال 2025 کے اوسط سے کافی کم ہو گیا۔ عالمی منڈیوں پر بھی کافی دباؤ رہا۔ تاہم، پاکستان کی کوششوں سے امریکہ - ایران کی پندرہ روزہ جنگ بندی کے اعلان کے بعد، KSE-100 تیزی سے واپس آیا اور اپنی اب تک کی سب سے زیادہ پومہ بلندی حاصل کی۔

مائٹری پالیسی کمیٹی کی تازہ ترین میٹنگ میں، اسٹیٹ بینک آف پاکستان نے افراط زر کے بڑھتے ہوئے خطرات کی وجہ سے پالیسی ریٹ 10.5% پر برقرار رکھنے کا فیصلہ کیا۔ مالیاتی محاذ پر، حکام نے اپنی یکجہائی کی کوششیں جاری رکھیں، مجموعی توازن سے سرپلس اور پرائمری سرپلس پچھلے سال کی سطح کے قریب رہا؛ تاہم، FBR کی ٹیکس وصولیاں مالی سال 26 کے پہلے آٹھ مہینوں میں ہدف سے کم رہیں، جو ریونیو کے وسیع تر اقدامات کی ضرورت کو اجاگر کرتی ہیں۔

### مالیاتی کارکردگی

HBL نے سال 26 کی پہلی سہ ماہی میں 32.4 بلین روپے کا قبل از ٹیکس غیر مجموعی منافع دیا، جبکہ پچھلے سال اسی عرصے میں یہ 34.2 بلین روپے تھا۔ اسپریڈز میں کمی کے باوجود، بینک کی آمدنی مضبوط رہی، جس کی وجہ مقامی فرنیچائز کے مضبوط نتائج تھے۔ نتیجتاً، سال 26 کی پہلی سہ ماہی کے لیے بعد از ٹیکس منافع 15.4 بلین روپے تھا جو سال بہ سال 2% کا اضافہ ہے۔ سہ ماہی کے لیے فی شیئر آمدنی 10.51 روپے تھی۔

HBL کی بیلنس شیٹ 6% بڑھ کر 7.7 ٹریلین روپے ہو گئی، جبکہ کل ڈپازٹس 5.1 ٹریلین روپے پر بند ہو گئے۔ بینک کی جانب سے ڈپازٹ کس کو بہتر بنانے کی شعوری کوششوں کے نتیجے میں مقامی کرنٹ اکاؤنٹ کس میں بہتری آئی ہے، جو دسمبر 2025 میں 37.6% سے مارچ 2026 میں 38.7% ہو گئی ہے۔ HBL کی لون بک 1.8 ٹریلین روپے سے اوپر رہی، جسے تمام کاروباروں میں مسلسل مستحکم کارکردگی سے سہارا ملا۔ بینک کے صنعت میں سب سے آگے کنزومر پورٹ فولیو نے اپنی ترقی کی رفتار برقرار رکھی، اور قرضوں کی مالیت 180 بلین روپے تک بڑھ گئی۔

HBL کی خالص سودی آمدنی پالیسی ریٹ میں کمی کے باوجود 65 بلین روپے تک بڑھ گئی۔ اوسط مقامی بیلنس شیٹ کے حجم میں تقریباً 700 بلین روپے کی نمونے شرح کے اثرات کم کرنے اور فرق برقرار رکھنے میں مدد دی۔ اس نمو کا تقریباً 40% اوسط کرنٹ اکاؤنٹس میں اضافے کی وجہ سے ہوا، جس کے نتیجے میں ڈپازٹس کی لاگت میں 116 bps کمی آئی۔ HBL کی نان فنڈ



آمدنی 18 بلین روپے پر برقرار رہی، جس کی وجہ فیس میں اہم اضافہ تھا۔ جبکہ بینک کا فلنگ شیپ کارڈ بزنس کل فیسوں کے تقریباً 50% کا حصہ دار رہا، ریگولیشنز، اور کیش مینجمنٹ نے بھی شاندار ترقی دکھائی۔ نتیجتاً، اس سہ ماہی کے لیے HBL کی کل آمدنی 83 بلین روپے تک بڑھ گئی۔

اخراجات پر توجہ کے ساتھ، انتظامی اخراجات میں 4% اضافہ ہوا، جو کم تھا۔ سہ ماہی کے دوران معمولی بحالی کے رجحان نے مقامی نان پرفارمنگ قرضوں کو محدود کرنے میں مدد دی، جبکہ کل پروڈکشن کو توجہ 100% سے کہیں زیادہ رہی۔

## ذخائر میں اتار چڑھاؤ

ملین روپے
254,264
(1,311)
252,953

افتتاحی غیر تخصیص شدہ منافع  
اکاؤنٹنگ پالیسی میں تبدیلی کے اثرات  
افتتاحی غیر تخصیص شدہ منافع کے دوبارہ تخصیص

15,416
20
149
15,585
268,538

بعد از ٹیکس منافع  
اثاثہ جات کی دوبارہ تخصیص پر سرپلس سے منتقل شدہ۔ محصول کا خالص  
FVOCI کے طور پر ایکویٹی کی سرمایہ کاری پر موصولہ منافع

مناسب کارروائی کے لیے دستیاب منافع

(1,541)
(8,801)
(10,342)
258,196

## مختلف مدوں میں رکھی گئی رقوم:

قانونی ذخائر میں منتقل شدہ  
نقد منافع منقسمہ - حتمی 2025  
کل تخصیص  
اعتدائی غیر تخصیص شدہ منافع

10.51
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## نی حصص (شیر) آمدنی (روپے)

### سرمائے کا تناسب

مضبوط نتائج نے اندرونی طور پر پیدا ہونے والے سرمائے کو مضبوط بنانا جاری رکھا، جس نے Tier 1 کیپٹل ایڈیٹیو ریشو (CAR) میں 64 bps کا اضافہ کیا۔ HBL کی مربوط Tier 1 CAR ستمبر 2025 کے مقابلے میں 29 bps کم ہو کر 14.3% فیصد ہو گئی جو RWA میں معمولی اضافے سے ہوا جبکہ مجموعی کل CAR 17.1% کم ہو گئی جس کی وجہ ذخائر کی قدر کا دوبارہ تعین تھا۔ اس سے Tier II کیپٹل پر بھی اثر پڑا۔ دونوں تناسب ریگولیشنری تقاضوں سے اوپر آرام دہ سطح پر ہیں۔

### منافع منقسمہ

بورڈ آف ڈائریکٹرز نے 17 اپریل 2026 کو منعقد ہونے والے اجلاس میں 31 مارچ 2026 کو اختتام پذیر ہونے والی سہ ماہی کے لیے 6 روپے فی حصص (60%) کے عبوری نقد منافع منقسمہ کا اعلان کیا۔

### مستقبل کی صورت حال

آگے چل کر جغرافیائی سیاسی منظر نامہ مشرق وسطیٰ میں جاری کشیدگی کے سبب غیر مستحکم نظر آتا ہے۔ مالیاتی منڈیوں کی بحالی اور تیل کی قیمتوں میں کمی کے ساتھ اگرچہ جنگ بندی نے خطے میں موم امید پیدا کی ہے، تاہم یہ جنگ بندی اب بھی نازک مرحلے پر ہے۔ کوئی بھی خرابی مالیاتی اور کموڈٹی مارکیٹس کو تیزی سے متاثر کر سکتی ہے۔ اس غیر یقینی ماحول میں، مشرق وسطیٰ کے بحران کا پاکستان کی ملکی معیشت پر بھرپور اثر ابھی مکمل طور پر ظاہر نہیں ہوا، جس سے ملکی رفتار برقرار رکھنے کی کوششوں کے ساتھ مزید پیچیدگی پیدا ہو رہی ہے۔

مہنگائی کا دباؤ، جو پہلے ہی بڑھنا شروع ہو چکا تھا، بحران کی وجہ سے مزید شدت اختیار کر گیا ہے۔ ہیڈلائن افراط زر اب مسلسل دو مہینوں کے لیے SBP کے 5% سے 7% کے ہدف سے اوپر ہے، جس میں حالیہ اہدہ کی قیمتوں میں اضافہ اس دباؤ کو مزید بڑھا رہا ہے۔ عالمی توانائی کی قیمتوں میں اضافے کے باوجود اثرات ابھی تک مقامی قیمتوں کو ڈھانچے میں مکمل طور پر ظاہر نہیں ہوئے۔ جنگ بندی کا ایسا سلسلہ، جو تنازعے کے کامیاب حل کی طرف لے جائے، ملک کی مہنگائی کے بدترین اثرات سے بچنے میں مدد کر سکتا ہے۔

پاکستان کا بیرونی شعبہ تیل کی درآمدات پر زیادہ انحصار کی وجہ سے فطری طور پر کمزور ہے، جس کی وجہ سے معیشت خاص طور پر عالمی تیل کی قیمتوں میں مسلسل اضافے کے سبب خطرے میں ہے۔ تیل کی قیمتوں میں حالیہ اضافہ درآمدی بل میں اضافے کی صورت میں تبدیل ہونے کی توقع ہے، جس سے تجارتی خسارہ مزید بڑھ جائے گا۔ اگرچہ توقع ہے کہ ورکرز کی ترسیلات اس

خلا کے ایک حصے کو پُر کرنے میں مالی مدد دے کر ایک اہم سہارا بنیں گی، تاہم مجموعی بیرونی صورتحال بدستور دباؤ میں رہے گی۔ اسٹیٹ بینک نے حالیہ مہینوں میں اپنی غیر ملکی زرمبادلہ کی خریداری برقرار رکھی ہے تاکہ ذخائر جمع ہو سکیں۔ 1.43 بلین ڈالر کا یورو بانڈ اب وقت پر ادا کر دیا گیا ہے، جس کی معاونت 750 ملین ڈالر کے نئے یورو بانڈ کے اجرا کے ذریعے کی گئی ہے، جبکہ پانڈا بانڈ کے پہلے 250 ملین ڈالر کے حصے سے اضافی معاونت کی توقع ہے۔

مالیاتی محاذ پر، FBR کی وصولیوں میں مالی سال 26 کے دوران کمی ریکارڈ کی گئی ہے، جو مارچ میں مزید بڑھ گئی جب ماہانہ خسارہ 182 بلین روپے تک بڑھ گیا، جس کی بڑی وجہ ایندھن سے متعلق سبسڈی تھی۔ مجموعی طور پر ٹیکس وصولیوں میں مالی سال 26 میں اضافہ ہوا ہے، لیکن وہ اب بھی اہداف سے پیچھے ہیں۔

آئندہ مائیکرو پالیسی کمیٹی میٹنگ کی طرف دیکھتے ہوئے، SBP کو پالیسی ریٹ پر، خصوصاً بڑھتی ہوئی افراط زر کے دباؤ اور حالیہ عالمی تیل کی قیمتوں میں اضافے کے درمیان ایک خاص طور پر پیچیدہ فیصلہ کرنا ہے۔ اس وقت مارکیٹیں شرح سود میں اضافے کی طرف ممکنہ تبدیلی کی توقع کر رہی ہیں، جس کا وقت اور شدت مشرق وسطیٰ کی صورتحال کے بدلنے پر منحصر ہوگی۔ اسی وقت، حالیہ نرمی کی واپسی ممکنہ طور پر گزشتہ 12 سے 18 ماہ میں دیکھی گئی ملکی بحالی کے راستے کو متاثر کر سکتی ہے۔

اب جب ہم 2026 میں داخل ہو رہے ہیں تو HBL نے اپنی رفتار میں اضافہ کیا ہے۔ جاری معاشی غیر یقینی صورتحال کے باوجود، بینک نے مضبوط کارکردگی جاری رکھی ہے اور پاکستان کے مالیاتی نظام کی بنیاد کے طور پر اپنی پوزیشن برقرار رکھی ہے۔ ملک بھر میں 40 ملین سے زائد کسٹمرز کو سروسز فراہم کرتے ہوئے، HBL اپنی رسائی اور اثر بڑھانے میں نمایاں رہا ہے۔ ہمارے براؤنچ نیٹ ورک کو بڑھانے کے منصوبے نہ صرف ہمارے ڈپازٹس کو مضبوط کرنے میں مدد دیں گے بلکہ ہمیں معاشی سرگرمیوں کے نئے شعبوں میں قدم رکھنے کا موقع بھی دیں گے۔ بینک کی ڈیجیٹل تبدیلی بھی تیزی سے بڑھ رہی ہے، اب 5.2 ملین سے زائد کسٹمرز موبائل اور انٹرنیٹ بینکنگ سروسز استعمال کر رہے ہیں، جو ہماری بڑھتی ہوئی ڈیجیٹل موجودگی اور کسٹمر کی سہولت کے عزم کا ثبوت ہے۔ پاکستان کی اقتصادی ترقی میں اہمیت کو تسلیم کرتے ہوئے، HBL اپنے SME شعبے کے لیے با معنی مواقع پیدا کرنے کی کوششیں کر رہا ہے۔ ڈیجیٹل ان اسبلڈ آسان فنانس کا آغاز ایک بڑا اقدام ہے، جو ہمارے SME کلائنٹس کی رسائی اور سہولت کے لیے ڈیزائن کیا گیا ہے۔ یہ ڈیجیٹل طریقہ کار کاروباری ترقی کے لیے خاطر خواہ مدد فراہم کرے گا اور نئے راستے کھولے گا۔ HBL کی ترقی کی ایک اہم اور خاص بات ہماری اسلامک برانچز میں مسلسل اضافہ رہی ہے۔ ہم اپنی شریعت سے ہم آہنگ پروڈکٹس کے لیے بھرپور کام کر رہے ہیں، اور HBL اسلامک پرسنل فنانس کا حالیہ آغاز ایک اہم سنگ میل ہے۔ یہ اضافہ ہمیں اپنے اسلامک بینکنگ کسٹمرز کی ضروریات کی بہتر تکمیل کے قابل بناتا ہے۔ ہماری بنیادی مالی خدمات سے بڑھ کر، HBL قومی جذبے اور کمیونٹی کی شمولیت کو فروغ دینے میں ثابت قدم ہے۔ HBL PSL 11، جس میں اب دو نئی ٹیمیں شامل ہیں، قومی ترقی اور مقامی ٹیلنٹ کے فروغ کے لیے ہماری وابستگی کا واضح مظاہرہ ہے۔

## اظہارِ تشکر

ہم بورڈ اور مینجمنٹ کی جانب سے اپنے ریگولیٹرز اور حکومت پاکستان، بالخصوص اسٹیٹ بینک آف پاکستان، وزارت مالیات اور سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی کاوشوں کا اعتراف کرتے ہیں۔ اس غیر معمولی اور مشکل وقت میں، انھوں نے ایسی پالیسی سازی اور اقدامات کیے جو مصلحت اندیش، اور متوازن ہیں، معیشت، کسٹمرز اور پاکستان کے عوام کی حفاظت کرتے ہیں، اور بینکنگ اور فنانس سروسز انڈسٹری کی سالمیت اور بہتری کا تحفظ بھی کرتے ہیں۔

ہم اپنے کسٹمرز کے احسان مند ہیں جو نسلوں سے ہمارے ساتھ بینکنگ کر رہے ہیں اور اپنے کاروبار اور اعتماد کے حوالے سے ہم پر بھروسہ قائم رکھے ہوئے ہیں۔ ہمارے شیئر ہولڈرز نے ثابت قدمی سے ہمارا ساتھ دیا اور ان کے ساتھ ہم تمام اسٹیک ہولڈرز کے بھی انتہائی شکر گزار ہیں۔ بورڈ اور مینجمنٹ گورننس کے اعلیٰ ترین معیارات برقرار رکھنے کے لیے پُر عزم ہے اور ہم اپنے اسٹیک ہولڈرز کو یقین دلاتے ہیں کہ اس خطے میں ہم انڈسٹری لیڈرز ہوں گے۔

آخر میں، جن کی اہمیت کسی سے کم نہیں، ہم اپنے تمام ملازمین اور ان کے اہل خانہ، بالخصوص کسٹمر فینسنگ یونٹس اور برانچوں میں موجود عملے کے شکر گزار ہیں، جو اپنی پرواہ کیے بغیر مسلسل اپنے فرائض سے بڑھ کر کام کرتے ہوئے ہمارے کسٹمرز کی بنیادی ضروریات کی تکمیل یقینی بنا رہے ہیں۔ یہ ہمارے ہیرو اور ہیروئن ہیں اور ہم ان کے عزم اور انتھک محنت کے لیے انھیں خراج تحسین پیش کرتے ہیں۔

منجانب بورڈ

معزز احمد جمال  
ڈائریکٹر

محمد ناصر سلیم  
صدر اور چیف ایگزیکٹو افسر

17 اپریل 2026ء



# CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2026

	Note	(Unaudited) March 31, 2026 ------(Rupees in '000)-----	(Audited) December 31, 2025
<b>ASSETS</b>			
Cash and balances with treasury banks	5	457,880,415	534,020,346
Balances with other banks	6	33,947,148	40,891,524
Lendings to financial institutions	7	92,953,362	234,948,139
Investments	8	4,712,299,621	4,072,488,000
Advances	9	1,803,093,178	1,849,212,700
Property and equipment	10	136,024,470	134,006,176
Right-of-use assets	11	27,254,775	27,253,275
Intangible assets	12	22,341,255	22,221,191
Deferred tax assets	13	17,049,495	-
Other assets	14	379,846,161	352,329,424
		<b>7,682,689,880</b>	<b>7,267,370,775</b>
<b>LIABILITIES</b>			
Bills payable	15	55,654,241	58,852,506
Borrowings	16	1,770,148,494	1,179,248,080
Deposits and other accounts	17	5,071,219,514	5,230,771,466
Lease liabilities	18	36,710,564	36,122,376
Subordinated debt	19	18,874,000	18,874,000
Deferred tax liabilities	13	-	26,247,774
Other liabilities	20	315,610,356	271,250,924
		<b>7,268,217,169</b>	<b>6,821,367,126</b>
		<b>414,472,711</b>	<b>446,003,649</b>
<b>NET ASSETS</b>			
<b>REPRESENTED BY</b>			
<b>Shareholders' equity</b>			
Share capital		14,668,525	14,668,525
Reserves		90,935,490	90,097,602
Surplus on revaluation of assets - net of tax	21	50,673,176	86,973,861
Unappropriated profit		258,195,520	254,263,661
		<b>414,472,711</b>	<b>446,003,649</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	22		

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

Muhammad Nassir Salim  
President and  
Chief Executive Officer

Irfan Ahmed Meer  
Chief Financial Officer

Moez Ahamed Jamal  
Director

Dr. Najeeb Samie  
Director

Ms. Saba Kamal  
Director

# CONDENSED INTERIM UNCONSOLIDATED PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2026

	Note	January 01 to March 31, 2026	January 01 to March 31, 2025
----- (Rupees in '000) -----			
Mark-up / return / profit / interest earned	24	172,134,268	145,529,572
Mark-up / return / profit / interest expensed	25	107,372,824	82,695,893
Net mark-up / return / profit / interest income		<u>64,761,444</u>	<u>62,833,679</u>
<b>Non mark-up / interest income</b>			
Fee and commission income	26	10,823,614	9,086,140
Dividend income		3,998,403	1,570,260
Foreign exchange income		1,917,192	2,223,389
Income from derivatives		121,256	780,774
Gain / (loss) on securities - net	27	900,220	4,186,261
Other income	28	257,878	182,450
Total non mark-up / interest income		<u>18,018,563</u>	<u>18,029,274</u>
Total income		<u>82,780,007</u>	<u>80,862,953</u>
<b>Non mark-up / interest expenses</b>			
Operating expenses	29	46,352,405	44,458,480
Workers' Welfare Fund		658,102	684,051
Other charges	30	13,697	11,291
Total non mark-up / interest expenses		<u>47,024,204</u>	<u>45,153,822</u>
<b>Profit before credit loss allowance and taxation</b>		<u>35,755,803</u>	<u>35,709,131</u>
Credit loss allowance and write offs - net	31	3,316,901	1,488,754
<b>Profit before taxation</b>		<u>32,438,902</u>	<u>34,220,377</u>
<b>Taxation</b>	32	17,023,396	19,104,827
<b>Profit after taxation</b>		<u>15,415,506</u>	<u>15,115,550</u>
----- (Rupees) -----			
<b>Basic and diluted earnings per share</b>	33	<u>10.51</u>	<u>10.30</u>

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

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President and  
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Irfan Ahmed Meer  
Chief Financial Officer

Moez Ahamed Jamal  
Director

Dr. Najeeb Samie  
Director

Ms. Saba Kamal  
Director



# CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2026

	January 01 to March 31, 2026	January 01 to March 31, 2025
	----- (Rupees in '000) -----	
<b>Profit after taxation for the period</b>	15,415,506	15,115,550
<b>Other comprehensive income / (loss)</b>		
<i>Items that may be reclassified to the profit and loss account in subsequent periods:</i>		
Effect of translation of net investment in foreign branches - net of tax	(188,976)	179,645
Movement in surplus / deficit on revaluation of debt investments designated at Fair value through other comprehensive income (FVOCI) - net of tax	(33,860,799)	(5,862,763)
Movement in gain / (loss) on fair value of effective portion of hedging instruments - net of tax	(514,687)	-
<i>Items that are not to be reclassified to the profit and loss account in subsequent periods:</i>		
Movement in surplus / deficit on revaluation of equity investments - net of tax	(2,161,101)	53,172
Movement in deficit / surplus on revaluation of non-banking assets - net of tax	(2,468)	-
<b>Total comprehensive (loss) / income</b>	<b><u>(21,312,525)</u></b>	<b><u>9,485,604</u></b>

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

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President and  
Chief Executive Officer

Irfan Ahmed Meer  
Chief Financial Officer

Moez Ahamed Jamal  
Director

Dr. Najeeb Samie  
Director

Ms. Saba Kamal  
Director

# CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2026

Share capital	Reserves				Surplus / (deficit) on revaluation of		Unappropriated profit	Total
	Statutory	Exchange Translation	Non-distributable	Cashflow hedge Note 3.3	Investments	Property & Equipment / Non Banking Assets		
(Rupees in '000)								
<b>Balance as at December 31, 2024 - as reported</b>	14,668,525	54,492,258	27,597,510	547,115	-	15,363,056	42,125,832	377,785,296
Change in accounting policy as at January 01, 2025	-	-	-	-	-	3,120,285	-	5,066,114
<b>Balance as at January 01, 2025 - as restated</b>	14,668,525	54,492,258	27,597,510	547,115	-	18,483,341	42,125,832	382,851,410
<b>Comprehensive income for the three months ended March 31, 2025</b>								
Profit after taxation for the three months ended March 31, 2025	-	-	-	-	-	-	-	15,115,550
<b>Other comprehensive income / (loss)</b>								
Effect of translation of net investment in foreign branches - net of tax	-	-	179,645	-	-	-	-	179,645
Movement in surplus / deficit on revaluation of investments in equity instruments - net of tax	-	-	-	-	-	53,172	-	53,172
Movement in surplus / deficit on revaluation of investments in debt instruments - net of tax	-	-	-	-	-	(5,862,763)	-	(5,862,763)
	-	-	179,645	-	-	(5,809,591)	-	9,485,604
Transferred to statutory reserve	-	1,511,555	-	-	-	-	-	(1,511,555)
Net realised gain on sale equity investments - net of tax	-	-	-	-	-	(73,799)	-	73,799
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	-	(20,056)	20,056
<b>Transactions with owners, recorded directly in equity</b>								
Final cash dividend - Rs 4.25 per share declared subsequent to the year ended December 31, 2024	-	-	-	-	-	-	-	(6,234,123)
<b>Balance as at March 31, 2025</b>	14,668,525	56,003,813	27,777,155	547,115	-	12,599,951	42,105,776	386,102,891
<b>Comprehensive income for the nine months ended December 31, 2025</b>								
Profit after taxation for the nine months ended December 31, 2025	-	-	-	-	-	-	-	47,376,867
<b>Other comprehensive income</b>								
Effect of translation of net investment in foreign branches - net of tax	-	-	1,963,109	-	-	-	-	1,963,109
- Movement in surplus / deficit on revaluation of equity investments - net of tax	-	-	-	-	-	3,987,866	-	3,987,866
- Movement in surplus / deficit on revaluation of debt investments - net of tax	-	-	-	-	-	27,049,931	-	27,049,931
- Net remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	906,468	906,468
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	83,729	83,729
	-	-	1,963,109	-	-	31,037,797	83,729	48,283,335
Transferred to statutory reserve	-	4,737,687	-	-	-	-	-	(4,737,687)
Net realised gain on sale of equity investments - net of tax	-	-	-	-	-	1,206,779	-	(1,206,779)
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	-	(60,171)	60,171
Exchange gain realised on closure of the Bank's branch - net of tax	-	-	(931,277)	-	-	-	-	(931,277)
<b>Transactions with owners, recorded directly in equity</b>								
1st interim cash dividend - Rs 4.50 per share	-	-	-	-	-	-	-	(6,600,836)
2nd interim cash dividend - Rs 4.50 per share	-	-	-	-	-	-	-	(6,600,836)
3rd interim cash dividend - Rs 5.00 per share	-	-	-	-	-	-	-	(7,334,263)
	-	-	-	-	-	-	-	(20,535,935)
<b>Balance as at December 31, 2025 - as reported</b>	14,668,525	60,741,500	28,808,987	547,115	-	44,844,527	42,129,334	446,003,649
Change in accounting policy as at January 01, 2026 - note 3.2	-	-	-	-	-	(106,706)	-	(1,417,298)
<b>Balance as at January 01, 2026 - as restated</b>	14,668,525	60,741,500	28,808,987	547,115	-	44,737,821	42,129,334	444,586,351
<b>Comprehensive income for the three months ended March 31, 2026</b>								
Profit after taxation for the three months ended March 31, 2026	-	-	-	-	-	-	-	15,415,506
<b>Other comprehensive income / (loss)</b>								
Effect of translation of net investment in foreign branches - net of tax	-	-	(188,976)	-	-	-	-	(188,976)
Movement in gain / (loss) on fair value of effective portion of hedging instruments - net of tax	-	-	-	-	(514,687)	-	-	(514,687)
Movement in surplus / deficit on revaluation of equity investments - net of tax	-	-	-	-	-	(2,161,101)	-	(2,161,101)
Movement in surplus / deficit on revaluation of debt investments - net of tax	-	-	-	-	-	(33,860,799)	-	(33,860,799)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	(2,468)	(2,468)
	-	-	(188,976)	-	(514,687)	(36,021,900)	(2,468)	(21,312,525)
Transferred to statutory reserve	-	1,541,551	-	-	-	-	-	(1,541,551)
Net realised gain on sale of equity investments - net of tax	-	-	-	-	-	(149,552)	-	149,552
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	-	(20,059)	20,059
<b>Transactions with owners, recorded directly in equity</b>								
Final cash dividend - Rs 6.00 per share declared subsequent to the year ended December 31, 2025	-	-	-	-	-	-	-	(8,801,115)
<b>Balance as at March 31, 2026</b>	14,668,525	62,283,051	28,620,011	547,115	(514,687)	8,566,369	42,106,807	414,472,711

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

**Muhammad Nassir Salim**  
President and  
Chief Executive Officer

**Irfan Ahmed Meer**  
Chief Financial Officer

**Moez Ahamed Jamal**  
Director

**Dr. Najeeb Samie**  
Director

**Ms. Saba Kamal**  
Director



# CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2026

	January 01 to March 31, 2026	January 01 to March 31, 2025
	------(Rupees in '000)-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	32,438,902	34,220,377
Dividend income	(3,998,403)	(1,570,260)
Mark-up / return / profit / interest expensed on subordinated debt	577,592	648,248
	<b>29,018,091</b>	<b>33,298,365</b>
<b>Adjustments:</b>		
Depreciation	2,975,774	2,694,673
Amortisation	627,015	647,189
Depreciation on right-of-use assets	973,546	971,577
Mark-up / return / profit / interest expensed on lease liability against right-of-use assets	1,136,046	900,366
Credit loss allowance against investments	47,431	10,592
(Reversal) / charge of credit loss allowance against loans and advances	(176,100)	4,252,323
Charge / (reversal) of credit loss allowance against other assets	234,984	(100,377)
Charge / (reversal) of credit loss allowance against off-balance sheet obligations	3,471,594	(2,482,705)
Unrealised loss on fair value through profit and loss (FVTPL) securities	1,711,407	590,843
Gain on sale of property and equipment - net	(3,788)	(3,788)
Workers' Welfare Fund	658,102	684,051
	<b>11,656,011</b>	<b>8,164,744</b>
	<b>40,674,102</b>	<b>41,463,109</b>
<b>(Increase) / decrease in operating assets</b>		
Lendings to financial institutions	141,994,777	(26,361,373)
FVTPL securities	(130,886,477)	(16,138,935)
Advances	46,295,622	496,844,965
Other assets (excluding advance taxation)	(62,045,553)	(9,177,375)
	<b>(4,641,631)</b>	<b>445,167,282</b>
<b>Increase / (decrease) in operating liabilities</b>		
Bills payable	(3,198,265)	(39,015,425)
Borrowings from financial institutions	590,900,414	(193,721,200)
Deposits and other accounts	(159,551,952)	96,654,000
Other liabilities	32,156,444	15,126,858
	<b>460,306,641</b>	<b>(120,955,767)</b>
	<b>496,339,112</b>	<b>365,674,624</b>
Income tax paid	(29,375,957)	(20,199,234)
<b>Net cash flows generated from operating activities</b>	<b>466,963,155</b>	<b>345,475,390</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net investment in FVOCI securities	(480,967,678)	(302,093,952)
Net investment in securities carried at Amortised Cost	(65,873,953)	360,642
Net investment in subsidiaries	29,094	(48,438)
Net investment in associates	(2,519)	15,512
Dividend received	3,399,579	1,206,804
Investments in property and equipment	(4,848,885)	(4,501,956)
Investments in intangible assets	(729,385)	(2,270,899)
Proceeds from sale of property and equipment	24,002	6,330
Effect of translation of net investment in foreign branches - net of tax	(188,976)	179,645
<b>Net cash flows used in investing activities</b>	<b>(549,158,721)</b>	<b>(307,146,312)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of mark-up on subordinated debt	575,578	(648,628)
Payment of lease liability against right-of-use assets	(1,460,709)	(1,599,486)
Dividend paid	(3,610)	-
<b>Net cash flows used in financing activities</b>	<b>(888,741)</b>	<b>(2,248,114)</b>
<b>Increase / (decrease) in cash and cash equivalents during the period</b>	<b>(83,084,307)</b>	<b>36,080,964</b>
Cash and cash equivalents at the beginning of the period	574,454,779	445,557,484
Effect of exchange rate changes on cash and cash equivalents	457,091	17,628,768
	<b>574,911,870</b>	<b>463,186,252</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>491,827,563</b>	<b>499,267,216</b>

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

Muhammad Nassir Salim  
President and  
Chief Executive Officer

Irfan Ahmed Meer  
Chief Financial Officer

Moez Ahamed Jamal  
Director

Dr. Najeeb Samie  
Director

Ms. Saba Kamal  
Director

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# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2026

## 1 STATUS AND NATURE OF BUSINESS

Habib Bank Limited (the Bank) is incorporated in Pakistan and is engaged in commercial banking services in Pakistan and overseas. The Bank's registered office is at Habib Bank Tower, 9th Floor, Jinnah Avenue, Blue Area, Islamabad, Pakistan and its principal office is at HBL Tower, Plot # G-4, KDA Scheme 5, Block 7, Clifton, Karachi, Pakistan. The Bank's shares are listed on the Pakistan Stock Exchange. The Bank operates 1,723 (December 31, 2025: 1715) branches inside Pakistan including 609 (December 31, 2025: 608) Islamic Banking Branches and 25 (December 31, 2025: 25) branches outside the country including in the Karachi Export Processing Zone (KEPZ). The Aga Khan Fund for Economic Development S.A. (AKFED) is the parent company of the Bank and its registered office is in Geneva, Switzerland.

- 1.1 The Bank had commenced an orderly winding down of its operations in Afghanistan and banking operations were ceased on June 10, 2019. The remaining formalities required for closure are in progress.
- 1.2 The deregistration has been completed, and Bank has sold its operations in Mauritius and transferred the business to its new owners. However, some exit formalities are underway.
- 1.3 The Bank has commenced an orderly wind-down of its Lebanon operations. Formalities for completion of the wind-down are underway.
- 1.4 The Bank has closed its operations in Belgium after obtaining necessary approvals from the Regulators and has also surrendered the Banking License. Cancellation of the commercial registration will commence after filing of Income Tax return for the operating period of 2025 and cancellation of VAT registration.
- 1.5 The Bank has received regulatory approval for the voluntary liquidation of its operations in Turkey. The Bank's license in Turkey has now ceased. The Bank is now in the process of completing the formalities for branch closure.

## 2 BASIS OF PRESENTATION

### 2.1 STATEMENT OF COMPLIANCE

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

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

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

- 2.2 The disclosures made in these condensed interim unconsolidated financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 2 dated February 09, 2023 and IAS 34. These condensed interim unconsolidated financial statements do not include all the information and disclosures required for annual unconsolidated financial statements and should be read in conjunction with the unconsolidated financial statements for the year ended December 31, 2025.



**2.3 New Standard and amendments to existing accounting and reporting standards that have become effective in the current year**

There are certain standards and amendments to existing accounting and reporting standards that have become applicable to the Bank for accounting periods beginning on or after January 1, 2026. These are considered either to not be relevant or to not have any material impact on these condensed interim unconsolidated financial statements, except for the following:

- Effective Interest Rate (EIR) requirements of IFRS 9 have become applicable from January 01, 2026 pursuant to relaxations earlier provided by the SBP. The impact of EIR is summarized in note 3.1 below.

As per the BPRD circular letter no. 01 of 2025 dated January 22, 2025, the Banks are allowed to continue the existing accounting methodology for Islamic products, including the requirements of IFAS 1 and IFAS 2 until further instructions. Had IFRS 9 Effective Interest Rate (EIR) methodology been applied, the retained earnings would have been lowered by Rs 1,674.886 million net of tax. The current period's profit after tax would have been higher by Rs 649.201 million.

**2.4 Standard and amendments to existing accounting and reporting standards that are not yet effective**

There are various amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective. These are not likely to have a material effect on the Banks condensed interim financial statements, except for the following relaxations earlier provided by the SBP in respect of the implementation of IFRS 9.

- General provision, over and above the ECL for Stage 1 and Stage 2 exposures may be maintained up to December 31, 2026.

**2.5 Critical accounting estimates and judgements**

The basis for accounting estimates and judgements adopted in the preparation of these condensed interim unconsolidated financial statements is the same as that applied in the preparation of the unconsolidated financial statements for the year ended December 31, 2025.

**3 MATERIAL ACCOUNTING POLICY INFORMATION**

The material accounting policies adopted in the preparation of these condensed interim unconsolidated financial statements are consistent with those followed in the preparation of the unconsolidated financial statements for the year ended December 31, 2025 except for changes as discussed in notes below.

**3.1 Transitional Impact**

To account for the changes, the Bank has elected to follow the modified retrospective approach for restatement as allowed under IFRS 9. The cumulative impact has been recorded as an adjustment to equity as of January 01, 2026. Accordingly, the information presented as of December 31, 2025 and for the quarter ended March 31, 2025 has not been restated.

## NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2026

The following table reconciles the carrying amounts of financial instruments reported in accordance with the previous financial reporting framework with the carrying amounts reported under the new financial reporting framework.

Financial Assets / Liabilities	Carrying amount as of December 31, 2025	EIR	Carrying amount as of January 01, 2026
	----- (Rupees in '000) -----		
Cash and balances with treasury banks	534,020,346	-	534,020,346
Balances with other banks	40,891,524	-	40,891,524
Lendings to financial institutions	234,948,139	-	234,948,139
Investments	4,072,488,000	(168,204)	4,072,319,796
Advances	1,849,212,700	-	1,849,212,700
Other assets	251,184,563	(3,165,892)	248,018,671
<b>Total Financial Assets</b>	<b>6,982,745,272</b>	<b>(3,334,096)</b>	<b>6,979,411,176</b>
Bills payable	58,852,506	-	58,852,506
Borrowings	1,179,248,080	-	1,179,248,080
Deposits and other accounts	5,230,771,466	-	5,230,771,466
Subordinated debt	18,874,000	-	18,874,000
Lease liabilities	36,122,376	-	36,122,376
Other liabilities	226,188,326	(1,801,200)	224,387,126
<b>Total Financial Liabilities</b>	<b>6,750,056,754</b>	<b>(1,801,200)</b>	<b>6,748,255,554</b>
<b>Net Financial Assets</b>	<b>232,688,518</b>	<b>(1,532,896)</b>	<b>231,155,622</b>
Net Non Financial Assets	146,405,765	-	146,405,765
Deferred tax liabilities	26,247,774	115,598	26,363,372
<b>Total Net Assets</b>	<b>405,342,057</b>	<b>(1,417,298)</b>	<b>403,924,759</b>

### 3.2 Reconciliation of retained earnings

The impact of EIR on retained earnings as at January 01, 2026 is as follows:

Retained earnings	(Rupees in '000)
Closing balance as at December 31, 2025 - as reported	254,263,661
Impact of EIR	(2,730,400)
Less: related tax	1,419,808
Opening balance as at January 01, 2026 - as restated	<u>252,953,069</u>
<b>Surplus on revaluation of investments</b>	
Closing balance as at December 31, 2025 - as reported	44,844,527
Impact of EIR	(222,304)
Less: related tax	115,598
Opening balance as at January 01, 2026 - as restated	<u>44,737,821</u>

### 3.3 Cash flow hedge

If the cash flow hedge meets the qualifying criteria, the hedging instrument is re-measured at fair value. Gains or losses on the effective portion of the hedging instrument are recognised in OCI. These amounts will be taken to a 'cashflow hedging reserve' as a separate component of equity. The ineffective portion of the gain or loss on the hedging instrument is recognised in the statement of profit and loss account. When cash flows relating to the hedged item are reported in profit and loss, amounts in OCI are also recycled to statement of profit and loss account.

The Bank assesses hedge effectiveness using the hypothetical derivative method, which creates a derivative instrument to serve as a proxy for the hedged transaction. If a cash flow hedge is discontinued, the amount accumulated in the cash flow hedge reserve is released to the statement of profit and loss account.

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)



FOR THE THREE MONTHS ENDED MARCH 31, 2026

## 4 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the unconsolidated financial statements for the year ended December 31, 2025.

	Note	(Unaudited) March 31, 2026	(Audited) December 31, 2025
<b>5 CASH AND BALANCES WITH TREASURY BANKS</b>			
------(Rupees in '000)-----			
In hand			
Local currency		75,107,272	72,817,510
Foreign currencies		9,799,837	7,134,327
		<b>84,907,109</b>	<b>79,951,837</b>
With State Bank of Pakistan in			
Local currency current accounts		164,424,307	263,002,310
Foreign currency current accounts		13,218,300	10,833,509
Foreign currency deposit accounts		29,084,029	22,064,778
		<b>206,726,636</b>	<b>295,900,597</b>
With other Central Banks in			
Foreign currency current accounts		40,185,205	31,880,021
Foreign currency deposit accounts		50,178,677	35,078,706
		<b>90,363,882</b>	<b>66,958,727</b>
With National Bank of Pakistan in local currency current accounts		75,691,555	90,990,380
National Prize Bonds		191,233	223,246
Less: credit loss allowance	5.1	-	(4,441)
Cash and balances with Treasury banks - net of credit loss allowance		<b>457,880,415</b>	<b>534,020,346</b>

5.1 Cash and balances with Treasury banks are all classified as Stage 1.

## 6 BALANCES WITH OTHER BANKS

In Pakistan			
In current accounts		595,407	551,845
Outside Pakistan			
In current accounts		17,938,925	25,985,594
In deposit accounts		15,437,529	14,371,357
		<b>33,376,454</b>	<b>40,356,951</b>
Less: credit loss allowance	6.1	(24,713)	(17,272)
Balances with other banks - net of credit loss allowance		<b>33,947,148</b>	<b>40,891,524</b>

6.1 Balances with other banks are all classified as Stage 1.

## 7 LENDINGS TO FINANCIAL INSTITUTIONS

Call money lendings		6,470,284	22,800,000
Repurchase agreement lendings (reverse repo)		86,484,378	212,149,424
		<b>92,954,662</b>	<b>234,949,424</b>
Less: credit loss allowance	7.1	(1,300)	(1,285)
Lendings to financial institutions - net of credit loss allowance		<b>92,953,362</b>	<b>234,948,139</b>

7.1 Lendings to financial institutions are all classified as Stage 1.

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2026

## 8 INVESTMENTS

Note	March 31, 2026 (Unaudited)				December 31, 2025 (Audited)			
	Cost / amortised cost	Credit loss allowance / provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Credit loss allowance / provision for diminution	Surplus / (deficit)	Carrying value

### 8.1 Investments by type

(Rupees in '000)

#### Fair value through profit or loss (FVTPL)

##### Federal Government securities

- Market Treasury Bills	171,503,950	-	(205,319)	171,298,631	79,700,928	-	59,753	79,760,681
- Pakistan Investment Bonds	95,623,705	-	(617,353)	95,006,352	73,365,505	-	776,169	74,141,674
- Ijarah Sukuk	18,918,670	-	(55,838)	18,862,832	998,031	-	(1,250)	996,781
- Government of Pakistan US Dollar Bonds	3,667,307	-	9,632	3,676,939	3,673,975	-	13,095	3,687,070
- Other Federal Government securities	975,239	-	-	975,239	719,629	-	-	719,629

##### Shares

- Listed companies	979,903	-	(136,772)	843,131	-	-	-	-
- Unlisted companies	7,632,130	-	-	7,632,130	8,639,530	-	(1,007,400)	7,632,130

##### Non-Government debt securities

- Listed	2,672,598	-	44,362	2,716,960	2,691,019	-	(18,421)	2,672,598
- Unlisted	800,545	-	(7,059)	793,486	801,000	-	(455)	800,545

##### Foreign securities

- Government debt securities	5,328,967	-	(200,331)	5,128,636	7,049,971	-	(244,542)	6,805,429
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##### Preference shares

- Listed	884,400	-	21,000	905,400	835,400	-	49,000	884,400
- Unlisted	14,465	-	-	14,465	14,465	-	-	14,465

##### Real Estate Investment Trust units - Listed

	2,301,339	-	(563,729)	1,737,610	3,369,107	-	(1,067,768)	2,301,339
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	311,303,218	-	(1,711,407)	309,591,811	181,858,560	-	(1,441,819)	180,416,741
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#### Fair value through other comprehensive income (FVOCI)

##### Federal Government securities

- Market Treasury Bills	593,140,740	-	(6,011,978)	587,128,762	199,222,100	-	532,830	199,754,930
- Pakistan Investment Bonds	2,605,655,308	-	3,439,083	2,609,094,391	2,457,496,854	-	61,171,974	2,518,668,828
- Ijarah Sukuk	343,112,576	-	3,548,996	346,661,572	344,928,733	-	8,639,930	353,568,663
- Government of Pakistan US Dollar Bonds	4,181,537	(53,004)	44,165	4,172,698	6,727,811	(415,376)	415,938	6,728,373

##### Shares

- Listed companies	11,988,965	-	7,808,624	19,797,589	11,641,136	-	12,586,543	24,227,679
- Unlisted companies	922,684	-	7,091,849	8,014,533	922,686	-	7,091,848	8,014,534

##### Non-Government debt securities

- Listed	7,039,413	(1,846,015)	1,268,573	6,461,971	7,379,580	(1,649,809)	1,369,931	7,099,702
- Unlisted	354,118	(354,118)	-	-	357,512	(357,512)	-	-

##### Foreign securities

- Government debt securities	123,983,336	(871,857)	353,872	123,465,351	146,889,059	(717,797)	1,043,042	147,214,304
- Non-Government debt securities Listed	17,588,875	(3,532)	35,242	17,620,585	11,997,359	(2,652)	269,944	12,264,651
- Equity securities - Unlisted	6,429	-	64,981	71,410	6,469	-	64,940	71,409

##### National Investment Unit Trust units

	11,113	-	77,445	88,558	11,113	-	101,928	113,041
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##### Real Estate Investment Trust units -listed

	55,000	-	125,750	180,750	55,000	-	137,250	192,250
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	3,708,040,094	(3,128,526)	17,846,602	3,722,758,170	3,187,635,412	(3,143,146)	93,426,098	3,277,918,364
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#### Amortised cost

8.2

##### Federal Government securities

- Market Treasury Bills	59,491,518	-	-	59,491,518	57,841,350	-	-	57,841,350
- Pakistan Investment Bonds	401,863,666	-	-	401,863,666	366,233,577	-	-	366,233,577
- Ijarah Sukuk	86,568,172	-	-	86,568,172	57,457,769	-	-	57,457,769
- Other Federal Government securities	52,133,217	-	-	52,133,217	52,430,110	-	-	52,430,110

##### Non-Government debt securities

- Listed	590,707	(64)	-	590,643	899,190	(64)	-	899,126
- Unlisted	18,434,245	(612,276)	-	17,821,969	18,713,060	(612,276)	-	18,100,784

##### Foreign Securities

- Government debt securities	12,454,735	-	-	12,454,735	12,087,251	-	-	12,087,251
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	631,536,260	(612,340)	-	630,923,920	565,662,307	(612,340)	-	565,049,967
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#### Investments in associates

	7,134,652	(50,633)	-	7,084,019	7,132,133	-	-	7,132,133
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#### Investment in subsidiary companies

	41,941,701	-	-	41,941,701	41,970,795	-	-	41,970,795
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#### Total Investments

	4,699,955,925	(3,791,499)	16,135,195	4,712,299,621	3,984,259,207	(3,755,486)	91,984,279	4,072,488,000
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# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)



FOR THE THREE MONTHS ENDED MARCH 31, 2026

	(Unaudited) March 31, 2026	(Audited) December 31, 2025
	------(Rupees in '000) -----	
8.1.1 <b>Investments given as collateral</b>		
The market value of investments given as collateral against borrowings is as follows:		
<b>Federal Government securities</b>		
- Market Treasury Bills	9,820,820	14,722,264
- Pakistan Investment Bonds	1,537,643,692	897,462,824
<b>Foreign securities</b>		
- Government debt securities	-	2,757,024
	<u>1,547,464,512</u>	<u>914,942,112</u>

8.2 The market value of investments classified as amortised cost and investment in listed associates are as follows:

	(Unaudited) March 31, 2026		(Audited) December 31, 2025	
	Book value	Market value	Book value	Market value
	------(Rupees in '000) -----			
- Investments classified as amortised cost	630,923,920	620,864,137	565,049,967	578,693,684
- Investment in listed associates	6,827,787	17,665,064	6,875,902	17,792,580
	<u>637,751,707</u>	<u>638,529,201</u>	<u>571,925,869</u>	<u>596,486,264</u>

	(Unaudited) March 31, 2026	(Audited) December 31, 2025
	------(Rupees in '000) -----	
8.3 <b>Particulars of credit loss allowance against investments</b>		
Opening balance	3,755,486	5,611,818
Exchange adjustment	(11,418)	33,077
Charge / (reversal)		
Charge for the period / year	154,594	29,251
Reversal for the period / year	(3,394)	(1,081,058)
Reversal on disposal during the period / year	(103,769)	(837,602)
Net charge / (reversal)	47,431	(1,889,409)
Closing balance	<u>3,791,499</u>	<u>3,755,486</u>

8.4 **Particulars of credit loss allowance against debt securities**

	(Unaudited) March 31, 2026		(Audited) December 31, 2025	
Category of classification	Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
	------(Rupees in '000) -----			
<b>Domestic</b>				
Performing	4,424,005,788	365	3,763,998,146	377
Underperforming	106,348	1	225,000	1
Non-performing				
Loss	966,118	966,118	969,512	969,512
	<u>4,425,078,254</u>	<u>966,484</u>	<u>3,765,192,658</u>	<u>969,890</u>
<b>Overseas</b>				
Performing	159,511,005	283,899	178,007,193	55,034
Underperforming	43,139,932	2,490,483	40,489,460	2,730,562
Non-performing				
Loss	-	-	-	-
	<u>202,650,937</u>	<u>2,774,382</u>	<u>218,496,653</u>	<u>2,785,596</u>
Total	<u>4,627,729,191</u>	<u>3,740,866</u>	<u>3,983,689,311</u>	<u>3,755,486</u>

## NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2026

9	ADVANCES	Note	Performing		Non - performing		Total	
			(Unaudited) March 31, 2026	(Audited) December 31, 2025	(Unaudited) March 31, 2026	(Audited) December 31, 2025	(Unaudited) March 31, 2026	(Audited) December 31, 2025
------(Rupees in '000)-----								
	Loans, cash credits, running finances, etc.		1,298,365,616	1,398,639,758	75,611,656	73,854,046	1,373,977,272	1,472,493,804
	Islamic financing and related assets	38.3	362,868,822	307,460,494	10,479,028	10,557,385	373,347,850	318,017,879
	Bills discounted and purchased		165,403,896	166,900,123	2,742,945	4,797,757	168,146,841	171,697,880
	Advances - gross		1,826,638,334	1,873,000,375	88,833,629	89,209,188	1,915,471,963	1,962,209,563
	Credit loss allowance							
	- Stage 1		(9,155,762)	(8,973,274)	-	-	(9,155,762)	(8,973,274)
	- Stage 2	9.3	(7,858,241)	(7,160,181)	-	-	(7,858,241)	(7,160,181)
	- Stage 3		-	-	(79,353,108)	(79,779,906)	(79,353,108)	(79,779,906)
	Provisions:	9.3 &						
	General	9.4	(16,011,674)	(17,083,502)	-	-	(16,011,674)	(17,083,502)
			(33,025,677)	(33,216,957)	(79,353,108)	(79,779,906)	(112,378,785)	(112,996,863)
	Advances - net of provision / credit loss allowance		1,793,612,657	1,839,783,418	9,480,521	9,429,282	1,803,093,178	1,849,212,700

		(Unaudited) March 31, 2026	(Audited) December 31, 2025
		------(Rupees in '000)-----	
9.1	Particulars of advances (gross)		
	In local currency	1,459,828,993	1,500,846,932
	In foreign currencies	455,642,970	461,362,631
		1,915,471,963	1,962,209,563

9.2 Advances include Rs 88,833.629 million (December 31, 2025: Rs 89,209.188 million) which have been placed under non-performing status as detailed below:

Category of Classification	(Unaudited) March 31, 2026		(Audited) December 31, 2025	
	Non - performing advances	Credit loss allowance	Non - performing advances	Credit loss allowance
------(Rupees in '000)-----				
<b>Domestic</b>				
Other assets especially mentioned	-	-	-	-
Substandard	14,590,081	8,682,809	15,339,440	9,349,680
Doubtful	3,243,876	1,938,295	2,631,072	1,524,622
Loss	56,069,305	55,597,042	56,452,035	55,979,766
	73,903,262	66,218,146	74,422,547	66,854,068
<b>Overseas</b>				
Substandard	294,978	132,671	-	-
Doubtful	1,085,252	636,117	1,141,641	639,106
Loss	13,550,137	12,366,174	13,645,000	12,286,732
	14,930,367	13,134,962	14,786,641	12,925,838
	88,833,629	79,353,108	89,209,188	79,779,906

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)



FOR THE THREE MONTHS ENDED MARCH 31, 2026

## 9.3 Particulars of provisions / credit loss allowance against advances

(Unaudited) March 31, 2026						
	Stage 1	Stage 2	Stage 3	Specific	General	Total
	------(Rupees in '000)-----					
Opening balance	8,973,274	7,160,181	79,779,906	-	17,083,502	112,996,863
Transfer to stage 1	(45,738)	45,738	-	-	-	-
Transfer to stage 2	(106,903)	106,903	-	-	-	-
Transfer to stage 3	-	(309,072)	309,072	-	-	-
Exchange adjustment	(320,419)	(104,028)	77,738	-	-	(346,709)
Charge for the period	681,888	1,118,899	3,581,728	-	-	5,382,515
Reversal for the period	(26,340)	(160,380)	(4,300,067)	-	(1,071,828)	(5,558,615)
Net charge / (reversal) against advances	655,548	958,519	(718,339)	-	(1,071,828)	(176,100)
Charged off during the period - agriculture financing	-	-	(43,344)	-	-	(43,344)
Charged off during the period - corporate, commercial and SME advances	-	-	-	-	-	-
Written off during the period	-	-	(51,925)	-	-	(51,925)
Other Movement	-	-	-	-	-	-
Closing balance	<u>9,155,762</u>	<u>7,858,241</u>	<u>79,353,108</u>	<u>-</u>	<u>16,011,674</u>	<u>112,378,785</u>

(Audited) December 31, 2025						
	Stage 1	Stage 2	Stage 3	Specific	General	Total
	------(Rupees in '000)-----					
Opening balance - as reported	11,345,420	12,926,671	90,087,556	998,810	11,088,568	126,447,025
Impact of adoption of IFRS 9	117,736	-	998,810	(998,810)	(117,736)	-
Opening balance - as restated	11,463,156	12,926,671	91,086,366	-	10,970,832	126,447,025
Transfer to stage 1	258,939	(258,939)	-	-	-	-
Transfer to stage 2	(282,594)	2,449,549	(2,166,955)	-	-	-
Transfer to stage 3	(56,131)	(762,067)	818,198	-	-	-
Exchange adjustment	(281,348)	1,137	119,201	-	-	(161,010)
Charge for the year	2,178,118	342,297	18,262,487	-	6,112,670	26,895,572
Reversal for the year	(4,306,866)	(7,538,467)	(7,383,141)	-	-	(19,228,474)
Net (reversal) / charge against advances	(2,128,748)	(7,196,170)	10,879,346	-	6,112,670	7,667,098
Charged off during the year - agriculture financing	-	-	(682,583)	-	-	(682,583)
Charged off during the year - Corporate / commercial	-	-	(7,983,388)	-	-	(7,983,388)
Written off during the year	-	-	(12,310,066)	-	-	(12,310,066)
Other Movement	-	-	19,787	-	-	19,787
Closing balance	<u>8,973,274</u>	<u>7,160,181</u>	<u>79,779,906</u>	<u>-</u>	<u>17,083,502</u>	<u>112,996,863</u>

9.4 General provision is carried as a matter of prudence, on account of borrowers that may be impacted by stressed economic conditions.

## 9.5 Advances - Category of classification

	(Unaudited) March 31, 2026		(Audited) December 31, 2025	
	Outstanding amount	Provision / credit loss allowance	Outstanding amount	Provision / credit loss allowance
	------(Rupees in '000)-----			
<b>Domestic</b>				
Performing	1,074,531,632	19,838,021	1,292,001,748	20,913,211
Underperforming	420,497,152	6,040,164	246,611,646	5,274,592
Non-performing	73,903,262	66,218,146	74,422,547	66,854,069
	<u>1,568,932,046</u>	<u>92,096,331</u>	<u>1,613,035,941</u>	<u>93,041,872</u>
<b>Overseas</b>				
Performing	288,806,685	5,329,415	275,553,370	5,143,565
Underperforming	42,802,859	1,818,077	58,833,611	1,885,589
Non-performing	14,930,373	13,134,962	14,786,641	12,925,837
	<u>346,539,917</u>	<u>20,282,454</u>	<u>349,173,622</u>	<u>19,954,991</u>
Total	<u>1,915,471,963</u>	<u>112,378,785</u>	<u>1,962,209,563</u>	<u>112,996,863</u>

## NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2026

	Note	(Unaudited) March 31, 2026 ------(Rupees in '000)-----	(Audited) December 31, 2025
<b>10 PROPERTY AND EQUIPMENT</b>			
Capital work-in-progress	10.1	19,372,394	17,206,223
Property and equipment		116,652,076	116,799,953
		<u>136,024,470</u>	<u>134,006,176</u>
<b>10.1 Capital work-in-progress</b>			
Civil works		4,937,055	3,719,771
Equipment		1,520,337	1,533,027
Advances to suppliers and contractors		12,915,002	11,953,425
		<u>19,372,394</u>	<u>17,206,223</u>
<b>10.2 Additions to property and equipment</b>			
		(Unaudited)	
		For the three months ended	
		March 31, 2026	March 31, 2025
		------(Rupees in '000)-----	
The following additions have been made to property and equipment during the period:			
<b>Capital work-in-progress - net</b>		2,166,171	2,207,930
<b>Property and equipment</b>			
Building on leasehold land		92,643	99,752
Lease hold land		293,744	-
Machinery		12,100	11,460
Leasehold improvements		121,112	146,918
Furniture and fixtures		374,645	266,223
Electrical, office and computer equipment		1,364,962	993,585
Vehicles		423,508	776,088
		<u>2,682,714</u>	<u>2,294,026</u>
		<u>4,848,885</u>	<u>4,501,956</u>
<b>10.3 Disposal of property and equipment</b>			
The net book value of property and equipment disposed off during the period is as follows:			
<b>Property and equipment</b>			
Furniture and fixtures		-	455
Electrical, office and computer equipment		-	2,087
Vehicles		20,214	-
		<u>20,214</u>	<u>2,542</u>
<b>11 RIGHT-OF-USE ASSETS</b>			
		(Unaudited) March 31, 2026 ------(Rupees in '000)-----	(Audited) December 31, 2025
At January 1,			
Cost		43,511,828	37,033,836
Accumulated Depreciation		(16,258,553)	(13,630,899)
Net Carrying amount at January 1,		<u>27,253,275</u>	<u>23,402,937</u>
Exchange adjustment		2,015	75,928
Additions during the period / year		973,031	9,134,364
Deletions during the period / year		-	(1,533,147)
Depreciation charge for the period / year		(973,546)	(3,826,807)
Net carrying amount at period / year		<u>27,254,775</u>	<u>27,253,275</u>

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)



FOR THE THREE MONTHS ENDED MARCH 31, 2026

		(Unaudited) March 31, 2026 ------(Rupees in '000)-----	(Audited) December 31, 2025
12	<b>INTANGIBLE ASSETS</b>		
	Capital work-in-progress - computer software	17,466,585	16,827,931
	Computer software	4,874,670	5,393,260
		<u>22,341,255</u>	<u>22,221,191</u>
		<b>(Unaudited)</b>	
		<b>For the three months ended</b>	
12.1	<b>Additions to intangibles assets</b>	<b>March 31, 2026</b>	<b>March 31, 2025</b> ------(Rupees in '000)-----
	The following additions have been made to intangible assets during the period:		
	Capital work-in-progress - net	638,654	2,204,464
	Computer software	90,731	66,435
		<u>729,385</u>	<u>2,270,899</u>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
		<b>March 31, 2026</b>	<b>December 31, 2025</b> ------(Rupees in '000)-----
13	<b>DEFERRED TAX ASSETS / (LIABILITIES)</b>	<b>Note</b>	
	<b>Deductible temporary differences on</b>		
	- Credit loss allowance against investments	500,498	475,833
	- Credit loss allowance against doubtful debts and off-balance sheet obligations	22,395,953	20,216,084
	- Liabilities written back under section 34(5) of the Income Tax Ordinance (ITO) 2001	1,860,760	3,135,118
	- Ijarah financing	677,281	706,226
	- Cash flow hedge reserve	557,578	-
	- Right-of-use assets and related lease liabilities	5,605,602	5,332,809
		<u>31,597,672</u>	<u>29,866,070</u>
	<b>Taxable temporary differences on</b>		
	- Accelerated tax depreciation	(2,965,429)	(3,419,757)
	- Surplus on revaluation of investments	(9,280,233)	(48,581,571)
	- Surplus on revaluation of property and equipment	(3,677,052)	(3,698,782)
	- Exchange translation reserve	1,374,537	(413,734)
		<u>(14,548,177)</u>	<u>(56,113,844)</u>
	<b>Net deferred tax assets / (liabilities)</b>	<u>17,049,495</u>	<u>(26,247,774)</u>
14	<b>OTHER ASSETS</b>		
	Mark-up / return / profit / interest accrued in local currency - net of provision	146,773,812	148,049,240
	Mark-up / return / profit / interest accrued in foreign currency - net of provision	6,721,813	8,280,392
	Advances, deposits, advance rent and other prepayments	7,973,976	6,481,310
	Advance taxation	62,343,841	50,008,768
	Advance against subscription of securities	778,514	228,514
	Stationery and stamps on hand	216,160	201,935
	Accrued fees and commissions	608,983	730,711
	Due from Government of Pakistan / SBP	16,683,354	14,833,131
	Mark to market gain on forward foreign exchange contracts	3,138,719	3,472,620
	Mark to market gain on derivative instruments	397,914	253,662
	Non-banking assets acquired in satisfaction of claims	188,976	188,976
	Receivable from defined benefit plan	2,783,715	2,783,715
	Acceptances	61,190,951	60,193,132
	Clearing and settlement accounts	27,605,793	15,003,702
	Dividend receivable	604,913	6,089
	Claims receivable against fraud and forgeries	1,007,945	1,011,663
	Deferred fair value loss	3,727,049	3,727,049
	Prepaid deferred expense	39,016,571	37,923,385
	Others	3,983,046	4,631,757
		<u>385,746,045</u>	<u>358,009,751</u>
	Credit loss allowance held against other assets	(6,192,169)	(5,975,080)
	Other assets - net of credit loss allowance	<u>379,553,876</u>	<u>352,034,671</u>
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	292,285	294,753
	Other assets - total	<u>379,846,161</u>	<u>352,329,424</u>

## NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2026

	Note	(Unaudited) March 31, 2026 ------(Rupees in '000)-----	(Audited) December 31, 2025
<b>14.1 Provision / credit loss allowance held against other assets</b>			
Claims receivable against fraud and forgeries		1,007,945	1,011,663
Suit filed cases		4,979	4,979
Others		5,179,245	4,958,438
		<b>6,192,169</b>	<b>5,975,080</b>
<b>14.1.1 Movement in credit loss allowance against other assets</b>			
Opening balance		5,975,080	4,889,886
Exchange adjustment		(602)	772
Charge for the period / year		356,082	1,537,914
Reversal for the period / year		(121,098)	(386,375)
Net charge		234,984	1,151,539
Written off during the period / year		(2,476)	(101,788)
Other movement		(14,817)	34,671
Closing balance		<b>6,192,169</b>	<b>5,975,080</b>
<b>14.2</b>	This represents the deferred fair value loss arising from the restructuring of the exposure to Pakistan International Airlines Corporation Limited (PIACL). To date, the Bank has amortized 30% of the loss, as allowed by the SBP.		
<b>14.3</b>	This represents the difference between the fair value of subsidised employee loans and the actual amount disbursed, and will be expensed over the tenor of the loans.		
<b>15 BILLS PAYABLE</b>			
In Pakistan		54,742,821	57,880,170
Outside Pakistan		911,420	972,336
		<b>55,654,241</b>	<b>58,852,506</b>
<b>16 BORROWINGS</b>			
<b>Secured</b>			
Borrowings from the SBP under			
- Export refinance scheme		20,871,679	26,577,935
- Export refinance scheme for bill discounting		22,558,109	22,920,448
- Long term financing facility		22,307,933	23,858,769
- Financing facility for renewable energy power plants		5,922,777	6,142,227
- Refinance facility for modernization of Small and Medium Enterprises (SMEs)		1,006,354	1,117,806
- Refinance and credit guarantee scheme for women entrepreneurs		52,655	57,106
- Financing facility for storage of agricultural produce		1,073,079	1,134,407
- Refinance facility for combating COVID-19		315,574	315,574
- Temporary economic refinance facility		17,288,975	18,032,655
- Refinance facility for SME Asaan Finance (SAAF)		7,213,398	7,977,197
		98,610,533	108,134,124
Repurchase agreement borrowings		1,549,330,206	906,645,583
		<b>1,647,940,739</b>	<b>1,014,779,707</b>
<b>Unsecured</b>			
- Call money borrowings		23,632,427	63,274,598
- Overdrawn nostro accounts		1,788,916	674,261
- Borrowings of overseas branches		31,352,118	32,527,837
- Other long-term borrowings	16.1	65,434,294	67,991,677
		122,207,755	164,468,373
		<b>1,770,148,494</b>	<b>1,179,248,080</b>

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)



FOR THE THREE MONTHS ENDED MARCH 31, 2026

16.1 This includes the following:

- 16.1.1 A long-term financing facility arrangement from China Development Bank, utilized for on-lending to projects of the Bank's customers. The current amount outstanding is US\$ 141.778 million (December 31, 2025: US\$ 150.157 million). Drawn amounts are payable in semi-annual installments from January 2023 to January 2033. Interest at a fixed spread over SOFR is payable semi-annually.
- 16.1.2 A mortgage refinancing facility on Musharakah basis from Pakistan Mortgage Refinance Company Limited (PMRC) for on-lending to customers amounting to 1,000.000 million (December 31, 2025: 1,000.000 million). The principal amount is payable in equal semi-annual installments from April 2025 to October 2026. Profit at a rate of 16.61% per annum (December 31, 2025: 16.61% per annum) is payable semi-annually.
- 16.1.3 A mortgage refinancing facility on Musharakah basis from PMRC amounting to Rs 3,920.000 million (December 31, 2025; Rs 3920.000 million) for on-lending to customers. The principal amount is payable in semi-annual installments from December 2025 to June 2028. Profit at a rate of 1-Year KIBOR minus 2.25% with a floor of 9.00% per annum is payable semi-annually.
- 16.1.4 A long-term financing facility of US\$ 75.000 million was arranged from British International Investment plc, to support farmers and Agri businesses in Pakistan. The amount outstanding as on March 31, 2026 is US\$ 75.000 million (December 31, 2025: US\$ 75.000 million) and repayment to commence after completion of the 2 years in semi-annual instalments till July 2030. Interest rate on the facility is SOFR plus a fixed spread payable semi-annually.

## 17 DEPOSITS AND OTHER ACCOUNTS

	March 31, 2026 (Unaudited)			December 31, 2025 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
----- (Rupees in '000) -----						
<b>Customers</b>						
Current deposits	1,616,714,514	237,552,672	1,854,267,186	1,620,846,899	251,346,789	1,872,193,688
Savings deposits	1,825,125,967	126,723,110	1,951,849,077	1,903,376,115	115,766,607	2,019,142,722
Term deposits	596,898,588	389,930,012	986,828,600	606,645,300	356,342,706	962,988,006
	<b>4,038,739,069</b>	<b>754,205,794</b>	<b>4,792,944,863</b>	<b>4,130,868,314</b>	<b>723,456,102</b>	<b>4,854,324,416</b>
<b>Financial institutions</b>						
Current deposits	11,767,449	9,329,680	21,097,129	16,204,266	3,468,847	19,673,113
Savings deposits	241,063,648	658,928	241,722,576	338,703,531	3,229,562	341,933,093
Term deposits	4,953,018	10,501,928	15,454,946	1,814,491	13,026,353	14,840,844
	<b>257,784,115</b>	<b>20,490,536</b>	<b>278,274,651</b>	<b>356,722,288</b>	<b>19,724,762</b>	<b>376,447,050</b>
	<b>4,296,523,184</b>	<b>774,696,330</b>	<b>5,071,219,514</b>	<b>4,487,590,602</b>	<b>743,180,864</b>	<b>5,230,771,466</b>

	(Unaudited)	(Audited)
	March 31, 2026	December 31, 2025
----- (Rupees in '000) -----		
18 LEASE LIABILITIES		
Opening balance	36,122,376	30,788,980
Exchange adjustment	4,677	56,703
Additions during the period / year	908,174	8,601,687
Interest expense	1,136,046	3,615,599
Lease payments including interest	(1,460,709)	(5,228,170)
Deletions during the period / year	-	(1,712,423)
Closing balance	<b>36,710,564</b>	<b>36,122,376</b>
18.1 Liabilities Outstanding		
Not later than one year	1,570,385	1,604,502
Later than one year and upto five years	9,602,653	9,479,771
Over five years	25,537,526	25,038,103
Total	<b>36,710,564</b>	<b>36,122,376</b>

## NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2026

	Note	(Unaudited) March 31, 2026	(Audited) December 31, 2025
----- (Rupees in '000) -----			
19	<b>SUBORDINATED DEBT</b>		
	Additional Tier I Term Finance Certificates	19.1.1	12,374,000
	Additional Tier I Term Finance Certificates	19.1.2	6,500,000
		<b>18,874,000</b>	<b>18,874,000</b>

- 19.1 The Bank has issued listed, fully paid up, rated, privately placed, perpetual, unsecured, subordinated, non-cumulative and contingent convertible debt instruments in the nature of Term Finance Certificates (TFCs) issued as instruments of redeemable capital under Section 66 of the Companies Act, 2017 which qualify as Additional Tier 1 Capital (AT 1) as outlined by the SBP under BPRD Circular No. 6 dated August 15, 2013.

The key features of these issue are as follows:

19.1.1	<b>Issue date</b>	September 26, 2019
	<b>Issue amount</b>	Rs 12.374 billion
	<b>Rating</b>	AA+ (Double A plus) [December 31, 2025: AA+ (Double A plus)]
	<b>Original Tenor</b>	Perpetual
	<b>Security</b>	Unsecured and subordinated to all other indebtedness of the Bank including depositors and general creditors, but will rank pari passu with other Additional Tier 1 instruments and superior to the claims of ordinary shareholders.
	<b>Mark-up payment frequency</b>	Quarterly in arrears
	<b>Redemption</b>	Perpetual, hence not applicable.
	<b>Mark-up</b>	Floating rate of return at Base Rate + 1.60%. The Base Rate is defined as the average "Ask Side" rate of the three months Karachi Interbank Offered Rate (KIBOR).
	<b>Call option</b>	The Bank may, at its sole discretion, call the TFCs any time after five years from the Issue Date subject to the following:  (a) Prior approval of the SBP having been obtained; and (b) The Bank replacing the TFCs with capital of the same or better quality and the capital position of the Bank being above the minimum capital requirement after the Call Option is exercised.  If the Bank decides to exercise the Call Option, the Bank shall notify the Trustee and the Investors not less than 30 calendar days prior to the date of exercise of such Call Option, which notice shall specify the date fixed for the exercise of the Call Option (the "Call Option Exercise Date").
	<b>Lock-in clause</b>	Mark-up will only be paid from the current year's earnings and only if the Bank is in compliance with regulatory capital and liquidity requirements.
	<b>Loss absorbency clause</b>	The TFCs will be subject to a loss absorbency clause as stipulated under the SBP's "Instructions for Basel III Implementation in Pakistan".
19.1.2	<b>Issue date</b>	December 28, 2022
	<b>Issue amount</b>	Rs 6.500 billion
	<b>Rating</b>	AA+ (Double A plus) [December 31, 2025: AA+ (Double A plus)]
	<b>Original Tenor</b>	Perpetual
	<b>Security</b>	Unsecured and subordinated to all other indebtedness of the Bank including depositors and general creditors, but will rank pari passu with other Additional Tier 1 instruments and superior to the claims of ordinary shareholders.
	<b>Mark-up payment frequency</b>	Quarterly in arrears
	<b>Redemption</b>	Perpetual, hence not applicable.
	<b>Mark-up</b>	Floating rate of return at Base Rate + 2.00%. The Base Rate is defined as the average "Ask Side" rate of the three months Karachi Interbank Offered Rate (KIBOR).
	<b>Call option</b>	The Bank may, at its sole discretion, call the TFCs any time after five years from the Issue Date subject to the following:  (a) Prior approval of the SBP having been obtained; and (b) The Bank replacing the TFCs with capital of the same or better quality and the capital position of the Bank being above the minimum capital requirement after the Call Option is exercised.  If the Bank decides to exercise the Call Option, the Bank shall notify the Trustee and the Investors not less than 30 calendar days prior to the date of exercise of such Call Option, which notice shall specify the date fixed for the exercise of the Call Option (the "Call Option Exercise Date").
	<b>Lock-in clause</b>	Mark-up will only be paid from the current year's earnings and only if the Bank is in compliance with regulatory capital and liquidity requirements.
	<b>Loss absorbency clause</b>	The TFCs will be subject to a loss absorbency clause as stipulated under the SBP's "Instructions for Basel III Implementation in Pakistan".

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)



FOR THE THREE MONTHS ENDED MARCH 31, 2026

	Note	(Unaudited) March 31, 2026	(Audited) December 31, 2025
----- (Rupees in '000) -----			
<b>20 OTHER LIABILITIES</b>			
Mark-up / return / profit / interest payable in local currency		55,599,082	36,588,795
Mark-up / return / profit / interest payable in foreign currency		7,722,784	8,681,048
Security deposits		1,807,837	1,717,876
Accrued expenses		47,752,724	46,260,061
Mark to market loss on forward foreign exchange contracts		4,183,044	4,835,394
Mark to market loss on derivative instruments		6,148,719	4,823,073
Unclaimed dividends		867,108	868,471
Dividends payable		9,134,100	335,232
Provision for post retirement medical benefits		4,753,617	4,680,270
Provision for employees' compensated absences		585,384	615,462
Credit loss allowance against off-balance sheet obligations	20.1	8,594,436	5,117,334
Acceptances		61,190,951	60,193,132
Branch adjustment account		9,186,423	2,316,121
Provision for staff retirement benefits		2,163,417	2,071,794
Payable to defined benefit plans		809,137	898,009
Provision for Workers' Welfare Fund		16,986,114	16,328,012
Unearned income		21,845,074	24,179,950
Qarz-e-Hasna Fund		338,409	338,409
Levies and taxes payable		8,391,582	13,479,720
Insurance payable		656,012	566,716
Provision for rewards program expenses		4,387,859	3,769,494
Liability against trading of securities		15,191,611	1,696,133
Clearing and settlement accounts		18,583,286	21,463,697
Payable to HBL Foundation		260,788	1,001,336
Charity fund		64,160	53,582
Unclaimed deposits		808,638	760,881
Others		7,598,060	7,610,922
		<b>315,610,356</b>	<b>271,250,924</b>
<b>20.1 Credit loss allowance against off-balance sheet obligations</b>			
Opening balance		5,117,334	8,149,567
Impact of adoption of IFRS 9		-	-
Exchange adjustment		5,345	46,553
Charge for the period / year		3,890,355	569,312
Reversal for the period / year		(418,761)	(3,651,422)
Net charge / (reversal)		3,471,594	(3,082,110)
Other movement		163	3,324
Closing balance		<b>8,594,436</b>	<b>5,117,334</b>

## NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2026

	Note	(Unaudited) March 31, 2026	(Audited) December 31, 2025
------(Rupees in '000)-----			
<b>21 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX</b>			
Surplus arising on revaluation of:			
- Property and equipment		45,491,574	45,533,363
- FVOCI securities - debt	8.1	2,677,953	73,443,589
- FVOCI securities - equity		15,168,649	19,982,509
- Non-banking assets acquired in satisfaction of claims	14	292,285	294,753
		<b>63,630,461</b>	<b>139,254,214</b>
Deferred tax on surplus on revaluation of:			
- Property and equipment		3,677,052	3,698,782
- FVOCI securities - debt		1,392,536	38,190,666
- FVOCI securities - equity		7,887,697	10,390,905
- Non-banking assets acquired in satisfaction of claims		-	-
		<b>12,957,285</b>	<b>52,280,353</b>
Surplus on revaluation of assets - net of tax		<b>50,673,176</b>	<b>86,973,861</b>
<b>22 CONTINGENCIES AND COMMITMENTS</b>			
- Guarantees	22.1	401,066,870	399,548,368
- Commitments	22.2	1,509,674,341	1,242,520,426
- Other contingent liabilities	22.3	17,921,148	18,230,367
		<b>1,928,662,359</b>	<b>1,660,299,161</b>
<b>22.1 Guarantees:</b>			
Financial guarantees		71,211,077	84,729,179
Performance guarantees		315,446,347	302,559,613
Other guarantees		14,409,446	12,259,576
		<b>401,066,870</b>	<b>399,548,368</b>
<b>22.2 Commitments:</b>			
Trade-related contingent liabilities		366,772,916	280,786,065
Commitments in respect of:			
- forward foreign exchange contracts	22.2.1	911,921,624	806,363,022
- forward Government securities transactions	22.2.2	111,629,206	60,126,054
- derivatives	22.2.3	79,992,236	58,229,568
- forward lending	22.2.4	24,560,940	26,698,958
		<b>1,128,104,006</b>	<b>951,417,602</b>
Commitments for acquisition of:			
- property and equipment		8,249,002	5,089,389
- intangible assets		6,548,417	5,227,370
		<b>14,797,419</b>	<b>10,316,759</b>
		<b>1,509,674,341</b>	<b>1,242,520,426</b>
<b>22.2.1 Commitments in respect of forward foreign exchange contracts</b>			
Purchase		539,384,165	472,022,929
Sale		372,537,459	334,340,093
		<b>911,921,624</b>	<b>806,363,022</b>

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)



FOR THE THREE MONTHS ENDED MARCH 31, 2026

	(Unaudited) March 31, 2026	(Audited) December 31, 2025
	----- (Rupees in '000) -----	
<b>22.2.2 Commitments in respect of forward Government securities transactions</b>		
Purchase	47,453,044	47,282,681
Sale	64,176,162	12,843,373
	<u>111,629,206</u>	<u>60,126,054</u>
<b>22.2.3 Commitments in respect of derivatives</b>		
<b>Foreign currency options</b>		
Purchase	13,555,247	11,601,055
Sale	13,555,247	11,601,055
	<u>27,110,494</u>	<u>23,202,110</u>
<b>Cross currency swaps</b>		
Purchase	13,928,641	14,653,517
Sale	18,953,101	20,173,941
	<u>32,881,742</u>	<u>34,827,458</u>
<b>Interest rate swaps</b>		
Purchase	-	-
Sale	20,000,000	200,000
	<u>20,000,000</u>	<u>200,000</u>
<b>22.2.4 Commitments in respect of forward lending</b>		
Undrawn formal standby facilities, credit lines and other commitments to extend credit	<u>24,560,940</u>	<u>26,698,958</u>

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

	(Unaudited) March 31, 2026	(Audited) December 31, 2025
	----- (Rupees in '000) -----	
<b>22.3 Other contingent liabilities</b>		
22.3.1 Claims against the Bank not acknowledged as debts	<u>17,921,148</u>	<u>18,230,367</u>

These mainly represent counter claims by borrowers for damages, claims filed by former employees of the Bank and other claims relating to banking transactions. Based on legal advice and / or internal assessments, management is confident that the matters will be decided in the Bank's favour and the possibility of any adverse outcome is unlikely. Accordingly, no provision has been made in these condensed interim unconsolidated financial statements.

22.3.2 There were no tax related contingencies as at the period end except for those disclosed in the unconsolidated financial statements for the year ended December 31, 2025.

## 23 DERIVATIVE INSTRUMENTS

### Product Analysis

	March 31, 2026 (Unaudited)					
	Foreign Currency Options		Cross currency swaps		Interest rate swaps	
	Notional principal	Mark to market gain / (loss)	Notional principal	Mark to market gain / (loss)	Notional principal	Mark to market loss
	----- (Rupees in '000) -----					
Hedging	13,555,247	(237,819)	-	-	-	-
Market Making	<u>13,555,247</u>	<u>237,819</u>	<u>32,881,743</u>	<u>(4,100,385)</u>	<u>20,000,000</u>	<u>(1,650,420)</u>

	December 31, 2025 (Audited)					
	Foreign Currency Options		Cross currency swaps		Interest rate swaps	
	Notional principal	Mark to market gain / (loss)	Notional principal	Mark to market gain / (loss)	Notional principal	Mark to market loss
	----- (Rupees in '000) -----					
Hedging	11,601,055	(88,043)	-	-	-	-
Market Making	<u>11,601,055</u>	<u>88,043</u>	<u>34,827,458</u>	<u>(4,569,223)</u>	<u>200,000</u>	<u>(188)</u>

## NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2026

	Note	(Unaudited)	
		For the three months ended	
		March 31, 2026	March 31, 2025
		------(Rupees in '000)-----	
<b>24 MARK-UP / RETURN / PROFIT / INTEREST EARNED</b>			
On:			
Loans and advances		49,055,194	58,320,728
Investments		117,167,253	83,191,688
Lendings to financial institutions		4,125,111	1,819,477
Balances with banks		1,786,710	2,197,679
		<u>172,134,268</u>	<u>145,529,572</u>
<b>24.1 INTEREST INCOME RECOGNISED</b>			
On:			
Financial assets measured at amortised cost		67,427,187	73,971,288
Financial assets measured at FVOCI		101,660,506	68,312,047
Financial assets measured at FVTPL		3,046,575	3,246,237
		<u>172,134,268</u>	<u>145,529,572</u>
<b>25 MARK-UP / RETURN / PROFIT / INTEREST EXPENSED</b>			
On:			
Deposits		62,016,438	63,776,127
Securities sold under repurchase agreement borrowings		37,336,906	9,886,675
Borrowings		4,539,009	6,845,595
Subordinated debt		577,592	648,248
Cost of foreign currency swaps against foreign currency deposits / borrowings		1,766,833	638,882
Lease liability against right-of-use assets		1,136,046	900,366
		<u>107,372,824</u>	<u>82,695,893</u>
<b>26 FEE AND COMMISSION INCOME</b>			
Branch banking customer fees		1,299,660	1,451,955
Branchless banking customer fees		13,754	11,174
Consumer finance related fees		745,428	733,711
Card related fees (debit and credit cards)		3,989,569	3,668,795
Credit related fees		302,325	367,750
Investment banking fees		933,141	448,837
Commission on trade related products and guarantees		1,758,702	1,802,443
Commission on cash management		616,502	337,234
Commission on remittances (including home remittances)		343,667	(605,918)
Commission on bancassurance		320,432	393,943
Commission on Government to Person (G2P) payments		198,556	(31,203)
Merchant discount and interchange fees		1,796,532	1,967,287
Wealth Management Fee		26,474	3,112
Others		111,082	93,980
		<u>12,455,824</u>	<u>10,643,100</u>
Less: Sales tax / Federal Excise Duty on fee and commission income		<u>(1,632,210)</u>	<u>(1,556,960)</u>
		<u>10,823,614</u>	<u>9,086,140</u>
<b>27 GAIN / (LOSS) ON SECURITIES - NET</b>			
Realised	27.1	2,611,627	4,777,104
Unrealised - measured at FVTPL	8.1	(1,711,407)	(590,843)
		<u>900,220</u>	<u>4,186,261</u>
<b>27.1 Gain / (Loss) on securities - realised</b>			
On:			
Federal Government securities			
- Market Treasury Bills		253,940	1,569,295
- Pakistan Investment Bonds		2,346,339	1,479,793
- Ijarah Sukuk		345,444	1,649,538
Shares		(128,061)	75,399
Non-Government debt securities		-	251
Foreign securities		(206,699)	(84,922)
Associates		664	87,750
		<u>2,611,627</u>	<u>4,777,104</u>

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)



FOR THE THREE MONTHS ENDED MARCH 31, 2026

		(Unaudited)	
		For the three months ended	
		March 31, 2026	March 31, 2025
		------(Rupees in '000)-----	
27.1.1	<b>Composition of gain / (loss) on securities - realised</b>		
	Net gain on securities measured at FVTPL	647,619	629,992
	Net gain on debt securities measured at FVOCI	1,963,344	4,059,362
	Net gain on sale of associates	664	87,750
		<u>2,611,627</u>	<u>4,777,104</u>
28	<b>OTHER INCOME</b>		
	Incidental charges	209,133	139,220
	Gain on sale of property and equipment - net	3,788	3,788
	Rent on properties	44,957	39,442
		<u>257,878</u>	<u>182,450</u>
29	<b>OPERATING EXPENSES</b>		
	<b>Total compensation expense</b>	16,900,328	15,447,301
	<b>Property expense</b>		
	Rent and taxes	522,589	277,563
	Insurance	70,829	68,034
	Utilities cost	1,197,216	1,235,154
	Security (including guards)	903,305	790,583
	Repair and maintenance (including janitorial charges)	1,412,207	1,241,359
	Depreciation on property and equipment	1,523,150	1,414,564
	Depreciation on right-of-use assets	973,546	971,577
		<u>6,602,842</u>	<u>5,998,834</u>
	<b>Information technology expenses</b>		
	Software maintenance	2,456,457	2,645,459
	Hardware maintenance	653,921	672,439
	Depreciation	1,024,103	1,095,296
	Amortisation	627,015	647,189
	Network charges	430,203	411,109
	Consultancy charges	86,663	113,710
		<u>5,278,362</u>	<u>5,585,202</u>
	<b>Other operating expenses</b>		
	Legal and professional charges	887,615	2,027,696
	Outsourced services costs	1,029,899	814,378
	Travelling and conveyance	324,785	343,695
	Insurance	294,940	278,760
	Remittance charges	125,969	118,813
	Cash transportation and sorting charges	678,290	680,426
	Repairs and maintenance	712,537	625,980
	Depreciation	428,521	184,813
	Training and development	62,973	59,525
	Postage and courier charges	224,400	203,069
	Communication	1,031,631	912,846
	Stationery and printing	720,696	735,578
	Marketing, advertisement and publicity	2,543,177	2,955,161
	Donations	260,788	250,608
	Auditors' remuneration	78,477	79,953
	Brokerage and commission	283,558	244,348
	Subscription	125,537	109,202
	Documentation and processing charges	3,917,426	3,409,115
	Entertainment	180,830	62,012
	Consultancy charges	489,925	593,567
	Deposits insurance premium expense	1,137,537	1,046,537
	Product feature cost	1,723,965	1,372,527
	Others	307,397	318,534
		<u>17,570,873</u>	<u>17,427,143</u>
		<u>46,352,405</u>	<u>44,458,480</u>

## NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2026

	Note	(Unaudited)	
		For the three months ended	
		March 31, 2026	March 31, 2025
		------(Rupees in '000)-----	
<b>30 OTHER CHARGES</b>			
Penalties imposed by the State Bank of Pakistan		6,509	679
Penalties imposed by other regulatory bodies		7,188	10,612
		<u>13,697</u>	<u>11,291</u>
<b>31 CREDIT LOSS ALLOWANCE / (REVERSALS) AND WRITE OFFS - NET</b>			
Credit loss allowance against investments	8.3	47,431	10,592
Credit loss allowance against loans and advances	9.3	(176,100)	4,252,323
Credit loss allowance / (reversal) against cash and cash equivalents		11,580	(472)
Credit loss allowance / (reversal) against other assets	14.1.1	234,984	(100,377)
Credit loss allowance / (reversal) against off-balance sheet obligations	20.1	3,471,594	(2,482,705)
Recoveries against written off / charged off bad debts		(266,518)	(199,050)
Recoveries against other assets written off		-	-
Other write offs and operational losses		(6,070)	8,443
		<u>3,316,901</u>	<u>1,488,754</u>
<b>32 TAXATION</b>			
- Current		18,673,480	18,662,237
- Deferred		(1,650,084)	442,590
		<u>17,023,396</u>	<u>19,104,827</u>
<b>33 BASIC AND DILUTED EARNINGS PER SHARE</b>			
Profit for the period		<u>15,415,506</u>	<u>15,115,550</u>
		(Number)	
Weighted average number of ordinary shares		<u>1,466,852,508</u>	<u>1,466,852,508</u>
		(Rupees)	
Basic and diluted earnings per share		<u>10.51</u>	<u>10.30</u>

33.1 Diluted earnings per share has not been presented separately as the Bank does not have any convertible instruments in issue.

### 34 FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of traded investments are based on quoted market prices.

The fair value of unquoted debt securities, fixed term advances, fixed term deposits and borrowings, other assets and other liabilities, cannot be calculated with sufficient reliability due to the absence of a current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments and therefore, are not reported as part of this disclosure.

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

All assets and liabilities for which fair value is measured or disclosed in these condensed interim unconsolidated financial statements are categorised within the following fair value hierarchy based on the lowest level input that is significant to the fair value measurement.

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

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

Level 3 - Fair value measurements using inputs that are not based on observable market data.

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)



FOR THE THREE MONTHS ENDED MARCH 31, 2026

## Valuation techniques used in determination of fair values within Level 2 and Level 3

Federal Government securities	The fair values of Federal Government securities are determined on the basis of rates / prices sourced from Reuters.
Non-Government debt securities	Non-Government debt securities denominated in Rupees are valued on the basis of rates announced by the Mutual Funds Association of Pakistan (MUFAP). Non-Government debt securities denominated in other currencies are valued on the basis of rates taken from Bloomberg / Reuters.
Foreign Government debt securities	The fair values of Foreign Government debt securities are determined on the basis of rates taken from Bloomberg / Reuters.
Unquoted equity securities	The fair value of unquoted equity securities are valued on the basis of either income approach, or market approach.  Where both the above valuation techniques cannot be used due to unavailability of data, the Bank uses the adjusted break-up value method as disclosed in note 34.1.1 below.
Units of mutual funds	The fair values of units of mutual funds are determined based on their net asset values as published at the close of each business day.
Derivatives	The Bank enters into derivatives contracts with various counterparties. Derivatives that are valued using valuation techniques based on market observable inputs are mainly interest rate swaps and cross currency swaps. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations.
Forward foreign exchange contracts and Forward Government securities transactions	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
Property and equipment and non-banking assets acquired in satisfaction of claims	Land, buildings and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets.

### 34.1 Level 3 fair valuation of unlisted equity securities

#### 34.1.1 Adjusted breakup value method:

The valuations are based on latest available financial statements of the investee company. These are adjusted for factors such as lack of control and marketability using haircuts ranging from 15% to 25%. A 1% change in the haircut will change the total fair value by Rs. 18.003 million. Any change to the valuation is reflected in other comprehensive income, since all of these investments are classified as FVOCI.

#### 34.1.2 Reconciliation of Level 3 fair values

(Unaudited)      (Audited)  
March 31,      December 31,  
2026      2025  
------(Rupees in '000)-----

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

Opening balance - as reported	1,800,002	-
Impact of adoption of IFRS 9	-	1,034,454
Opening balance - as restated	<u>1,800,002</u>	<u>1,034,454</u>
Remeasurement recognised in OCI	-	765,548
	<u>1,800,002</u>	<u>1,800,002</u>

### 34.2 Fair value of financial assets

The following table provides the fair values of those Bank's financial assets that are recognised or disclosed at fair value in these condensed interim unconsolidated financial statements:

	As at March 31, 2026 (Unaudited)				
	Carrying value	Level 1	Level 2	Level 3	Total
------(Rupees in '000)-----					
<b>On balance sheet financial instruments</b>					
<b>Financial assets - measured at fair value</b>					
Investments					
- Federal Government securities	3,835,902,177	-	3,835,902,177	-	3,835,902,177
- Shares - listed companies	20,640,720	20,640,720	-	-	20,640,720
- Shares - unlisted companies	15,646,663	-	13,846,660	1,800,003	15,646,663
- Non-Government debt securities - Listed	9,178,931	-	9,178,931	-	9,178,931
- Foreign securities					
Government debt securities	128,593,987	-	128,593,987	-	128,593,987
Non-Government debt securities - Listed	17,620,585	-	17,620,585	-	17,620,585
- National Investment Unit Trust units	88,558	-	88,558	-	88,558
- Real Estate Investment Trust units - Listed	1,918,360	1,918,360	-	-	1,918,360
- Preference shares - Listed	905,400	905,400	-	-	905,400
	<u>4,030,495,381</u>	<u>23,464,480</u>	<u>4,005,230,898</u>	<u>1,800,003</u>	<u>4,030,495,381</u>
<b>Financial assets - disclosed but not measured at fair value</b>					
Investments					
- Federal Government securities	600,056,573	-	590,242,486	-	590,242,486
- Non-Government debt securities - Listed	590,643	-	598,110	-	598,110
- Foreign securities					
Government debt securities	12,454,735	-	12,498,465	-	12,498,465
- Associates	6,827,787	17,665,064	-	-	17,665,064
	<u>619,929,738</u>	<u>17,665,064</u>	<u>603,339,061</u>	<u>-</u>	<u>621,004,125</u>
	<u>4,650,425,119</u>	<u>41,129,544</u>	<u>4,608,569,959</u>	<u>1,800,003</u>	<u>4,651,499,506</u>

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2026

	As at March 31, 2026 (Unaudited)				
	Notional Value	Level 1	Level 2	Level 3	Total
<b>Off-balance sheet financial instruments - measured at fair value</b>	----- (Rupees in '000) -----				
Commitments					
- Forward foreign exchange contracts	911,921,624	-	(3,785,130)	-	(3,785,130)
- Forward Government securities transactions	111,629,206	-	55,492	-	55,492
- Derivative instruments	52,881,742	-	(5,959,743)	-	(5,959,743)

	As at December 31, 2025 (Audited)				
	Carrying value	Level 1	Level 2	Level 3	Total
<b>On- balance sheet financial instruments</b>	----- (Rupees in '000) -----				

## Financial assets - measured at fair value

Investments					
- Federal Government securities	3,237,307,000	-	3,237,307,000	-	3,237,307,000
- Shares - listed companies	24,227,679	24,227,679	-	-	24,227,679
- Shares - unlisted companies	15,646,662	-	13,846,660	1,800,002	15,646,662
- Non-Government debt securities - Listed	9,772,300	-	9,772,300	-	9,772,300
- Foreign securities					-
Government debt securities	154,019,733	-	154,019,733	-	154,019,733
Non-Government debt securities- Listed	12,264,651	-	12,264,651	-	12,264,651
- National Investment Unit Trust units	113,041	-	113,041	-	113,041
- Real Estate Investment Trust units	2,493,589	2,493,589	-	-	2,493,589
- Preference Shares - Listed	884,400	884,400	-	-	884,400
	3,456,729,055	27,605,668	3,427,323,385	1,800,002	3,456,729,055

## Financial assets - disclosed but not measured at fair value

Investments					
- Federal Government securities	533,962,806	-	547,602,560	-	547,602,560
- Non-Government debt securities - Listed	899,126	-	847,841	-	847,841
- Foreign securities					-
Government debt securities	12,087,251	-	12,142,499	-	12,142,499
- Associates	6,875,902	17,792,580	-	-	17,792,580
	553,825,085	17,792,580	560,592,900	-	578,385,480
	4,010,554,140	45,398,248	3,987,916,285	1,800,002	4,035,114,535

	As at December 31, 2025 (Audited)				
	Notional Value	Level 1	Level 2	Level 3	Total
<b>Off-balance sheet financial instruments - measured at fair value</b>	----- (Rupees in '000) -----				
Commitments					
- Forward foreign exchange contracts	806,363,022	-	(1,362,774)	-	(1,362,774)
- Forward Government securities transactions	60,126,054	-	(327,919)	-	(327,919)
- Derivative instruments	58,229,568	-	(4,569,411)	-	(4,569,411)

## 34.3 Fair value of non-financial assets

	As at March 31, 2026 (Unaudited)				
	Carrying value	Level 1	Level 2	Level 3	Total
<b>Land and Buildings</b>	----- (Rupees in '000) -----				
Land and Buildings	87,847,300	-	87,847,300	-	87,847,300
Non-banking assets acquired in satisfaction of claims	481,261	-	481,261	-	481,261
	88,328,561	-	88,328,561	-	88,328,561

	As at December 31, 2025 (Audited)				
	Carrying value	Level 1	Level 2	Level 3	Total
<b>Land and Buildings</b>	----- (Rupees in '000) -----				
Land and Buildings	87,429,383	-	87,429,383	-	87,429,383
Non-banking assets acquired in satisfaction of claims	483,729	-	483,729	-	483,729
	87,913,112	-	87,913,112	-	87,913,112

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)



FOR THE THREE MONTHS ENDED MARCH 31, 2026

## 35 SEGMENT INFORMATION

### 35.1 Segment Details with respect to Business Activities

For the three months ended March 31, 2026 (Unaudited)

	Retail Banking	Consumer, SME & Agriculture Lending	Corporate, Commercial and Investment Banking	Treasury	Financial Institutions	Branchless Banking	International and global remittances	Head Office / Others	Total
(Rupees in million)									
<b>Profit and loss account</b>									
Net mark-up / return / profit / interest income	(47,883)	15,286	16,678	77,408	(423)	(31)	4,247	(521)	64,761
Inter segment revenue / (expense) - net	72,798	(7,934)	(5,202)	(62,760)	758	704	86	1,550	-
Non mark-up / interest income	1,585	5,689	1,845	6,954	185	416	1,264	81	18,019
Total income / (loss)	26,500	13,041	13,321	21,602	520	1,089	5,597	1,110	82,780
Segment direct expenses	13,868	7,572	1,311	607	122	715	4,330	18,499	47,024
Inter segment expense allocation	9,816	3,168	3,002	472	210	400	247	(17,315)	-
Total expenses	23,684	10,740	4,313	1,079	332	1,115	4,577	1,184	47,024
Credit loss allowance - charge / (reversal)	273	776	2,895	-	(1,573)	-	729	216	3,316
Profit / (loss) before tax	2,543	1,525	6,113	20,523	1,761	(26)	291	(290)	32,440

As at March 31, 2026 (Unaudited)

	Retail Banking	Consumer, SME & Agriculture Lending	Corporate, Commercial and Investment Banking	Treasury	Financial Institutions	Branchless Banking	International and global remittances	Head Office / Others	Total
(Rupees in million)									
<b>Statement of financial position</b>									
Cash and bank balances	181,713	-	742	183,983	-	-	125,389	-	491,827
Lendings to financial institutions	-	-	-	92,953	-	-	-	-	92,953
Inter segment lending	3,260,668	-	-	-	231,871	23,178	-	146,540	3,662,257
Investments	-	-	31,028	4,412,809	4,311	-	213,760	50,392	4,712,300
Advances - performing	-	366,896	1,051,477	-	30,298	-	326,257	18,685	1,793,613
Advances - non-performing	-	2,159	5,256	-	-	-	1,795	270	9,480
Others	31,272	961	106,712	96,781	520	3,088	44,991	298,191	582,516
<b>Total assets</b>	3,473,653	370,016	1,195,215	4,786,526	267,000	26,266	712,192	514,078	11,344,946
Borrowings	-	7,140	91,471	1,579,572	-	-	91,966	-	1,770,149
Subordinated debt	-	-	-	-	-	-	-	18,874	18,874
Deposits and other accounts	3,410,449	2,496	876,805	-	266,974	22,086	492,409	-	5,071,219
Inter segment borrowing	-	331,613	164,803	3,164,671	-	-	1,170	-	3,662,257
Others	63,204	28,767	62,136	37,144	26	4,180	69,198	143,320	407,975
<b>Total liabilities</b>	3,473,653	370,016	1,195,215	4,781,387	267,000	26,266	654,743	162,194	10,930,474
Equity	-	-	-	5,139	-	-	57,449	351,884	414,472
<b>Total equity and liabilities</b>	3,473,653	370,016	1,195,215	4,786,526	267,000	26,266	712,192	514,078	11,344,946
<b>Contingencies and commitments</b>	-	52,530	640,529	839,706	39,862	-	323,842	32,194	1,928,663

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2026

For the three months ended March 31, 2025 (Unaudited)

	Retail Banking	Consumer, SME & Agriculture lending	Corporate, Commercial and Investment Banking	Treasury	Financial Institutions	Branchless banking	International and global remittances	Head Office / Others	Total
(Rupees in million)									
<b>Profit and loss account</b>									
Net mark-up / return / profit / interest income	(49,400)	13,738	23,128	66,025	5,507	(30)	4,694	(828)	62,834
Inter segment revenue / (expense) - net	77,529	(8,729)	(11,957)	(55,360)	(6,234)	549	49	4,153	-
Non mark-up / interest income	2,439	4,784	2,211	7,736	241	75	591	(48)	18,029
Total income / (loss)	30,568	9,793	13,382	18,401	(486)	594	5,334	3,277	80,863
Segment direct expenses	11,293	6,472	1,283	561	63	511	4,355	20,616	45,154
Inter segment expense allocation	11,993	3,289	3,360	573	196	486	271	(20,168)	-
Total expenses	23,286	9,761	4,643	1,134	259	997	4,626	448	45,154
Provision / Credit loss allowance - charge / (reversal)	(23)	505	829	-	-	-	31	146	1,488
Profit / (loss) before tax	7,305	(473)	7,910	17,267	(745)	(403)	677	2,683	34,221

As at December 31, 2025 (Audited)

	Retail Banking	Consumer, SME & Agriculture lending	Corporate, Commercial and Investment Banking	Treasury	Financial Institutions	Branchless banking	International and global remittances	Head Office / Others	Total
(Rupees in million)									
<b>Statement of financial position</b>									
Cash and bank balances	202,746	-	647	263,592	-	-	107,926	-	574,911
Lendings to financial institutions	-	-	-	234,948	-	-	-	-	234,948
Inter segment lending	3,270,349	-	-	-	232,553	15,262	8,596	179,070	3,705,830
Investments	-	-	30,811	3,774,721	4,673	-	229,624	32,659	4,072,488
Advances - performing	-	374,598	982,171	-	132,861	-	327,358	22,795	1,839,783
Advances - non-performing	-	1,536	5,718	-	-	-	1,860	315	9,429
Others	22,195	4,400	118,475	65,948	1,274	2,238	34,193	287,087	535,810
<b>Total assets</b>	3,495,290	380,534	1,137,822	4,339,209	371,361	17,500	709,557	521,926	10,973,199
Borrowings	-	7,247	100,891	972,867	-	-	98,243	-	1,179,248
Subordinated debt	-	-	-	-	-	-	-	18,874	18,874
Deposits and other accounts	3,428,496	3,148	904,609	-	371,279	13,096	510,143	-	5,230,771
Inter segment borrowing	-	338,862	56,593	3,310,375	-	-	-	-	3,705,830
Others	66,794	31,277	75,729	18,085	82	4,404	42,342	153,761	392,474
<b>Total liabilities</b>	3,495,290	380,534	1,137,822	4,301,327	371,361	17,500	650,728	172,635	10,527,197
Equity	-	-	-	37,882	-	-	58,829	349,291	446,002
<b>Total equity and liabilities</b>	3,495,290	380,534	1,137,822	4,339,209	371,361	17,500	709,557	521,926	10,973,199
<b>Contingencies and commitments</b>	-	10,684	589,077	714,048	41,130	-	277,421	27,939	1,660,299

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)



FOR THE THREE MONTHS ENDED MARCH 31, 2026

## 36 RELATED PARTY TRANSACTIONS

The Bank has related party relationships with various parties including its Directors, Key Management Personnel, Group entities, subsidiaries, associated companies and employee benefit schemes of the Bank.

Transactions with related parties, other than those under terms of employment, are executed on an arm's length basis i.e. do not involve more than normal risk and are substantially on the same terms, including mark-up rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties.

Contributions to and accruals in respect of staff retirement and other benefit schemes are made in accordance with the actuarial valuations / terms of the schemes.

Details of transactions and balances with related parties as at the period / year end are as follows:

	As at March 31, 2026 (Unaudited)					
	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Other related parties
----- (Rupees in '000) -----						
<b>Statement of financial position</b>						
<b>Balances with other banks</b>						
In current accounts	-	-	8,091	608,184	-	-
<b>Investments</b>						
Opening balance	-	-	-	41,970,795	7,132,133	15,429,911
Initial impact of the fair valuation of unlisted equity securities	-	-	-	-	-	-
Exchange Adjustment	-	-	-	(29,094)	-	-
Investment made during the period	-	-	-	-	-	-
Investment redeemed / disposed off during the period	-	-	-	-	-	(24,483)
Revaluation of investment during the period	-	-	-	-	2,519	-
Credit loss allowance diminution in the value of investments	-	-	-	-	(50,633)	-
Closing balance	-	-	-	41,941,701	7,084,019	15,405,428
Credit loss allowance / provision for diminution in the value of investments - held	-	-	-	-	50,633	1
<b>Advances</b>						
Opening balance	2,182	572,817	3,055,931	2,106,624	1,400,807	9,587,070
Exchange adjustment	-	(54)	(7,929)	-	(7,723)	-
Addition during the period	8,171	51,643	4,968,343	2,137,270	2,554,125	213,020
Repaid during the period	(8,356)	(78,990)	(5,387,700)	(1,994,425)	(838,917)	(435,421)
Transfer out - net	-	-	-	-	-	-
Closing balance	1,997	545,416	2,628,645	2,249,469	3,108,292	9,364,669
<b>Other Assets</b>						
Interest / mark-up accrued	-	432	14,459	241,449	30,030	322,576
Receivables from defined benefit plan	-	-	-	-	-	2,783,715
Prepaid insurance	-	-	-	-	465,384	-
Advance Rent	-	3,580	7,888	-	16,455	-
Advance subscription of shares	-	-	-	3,400,000	-	-
Other receivables / prepayments	-	-	-	109,901	-	24,583
	-	4,012	22,347	3,751,350	511,869	3,130,874
<b>Borrowings</b>						
Opening balance	-	-	-	2,801,667	17,367,632	4,920,000
Exchange adjustment	-	-	-	(20,216)	(40,177)	-
Borrowings during the period	-	-	-	1,424,104	5,592,567	-
Settled during the period	-	-	-	(1,413,806)	(17,336,955)	-
Transfer out	-	-	-	-	-	-
Closing balance	-	-	-	2,791,749	5,583,067	4,920,000
<b>Deposits and other accounts</b>						
Opening balance	109,202	511,414	39,747,867	4,586,926	60,442,990	6,165,396
Exchange adjustment	(79)	(190)	(41,471)	(686)	(154)	(6,307)
Received during the period	72,057	1,785,110	60,248,980	233,826,006	443,132,877	54,051,137
Withdrawn during the period	(107,120)	(1,585,077)	(59,842,838)	(234,115,997)	(454,882,591)	(49,045,317)
Transfer in	-	-	-	-	-	-
Closing balance	74,060	711,257	40,112,538	4,296,249	48,693,122	11,164,909
<b>Other liabilities</b>						
Interest / mark-up payable	233	6,227	400,892	2,771	38,474	8,149
Payable to defined benefit plan	-	-	-	-	-	809,137
Donation payable	-	-	-	-	-	260,788
Unearned income	-	-	20,380	35,351	-	-
Insurance payable	-	-	-	-	96,155	-
Other payables	-	-	-	40,823	-	-
	233	6,227	421,272	78,945	134,629	1,078,074

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FOR THE THREE MONTHS ENDED MARCH 31, 2026

	As at March 31, 2026 (Unaudited)					
	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Other related parties
	----- (Rupees in '000) -----					
<b>Contingencies and Commitments</b>						
Letter of credit	-	-	1,033,200	-	-	29,091
Guarantees	-	-	518,695	558,807	-	3,541,727
Forward purchase of foreign exchange contracts	-	-	-	6,775	-	-
	-	-	1,551,895	565,582	-	3,570,818
<b>Others</b>						
Securities held as custodian	-	127,905	19,826,910	-	244,860,500	44,442,970
	-	127,905	19,826,910	-	244,860,500	44,442,970
	For the three months ended March 31, 2026 (Unaudited)					
	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Other related parties
	----- (Rupees in '000) -----					
<b>Profit and loss account</b>						
<b>Income</b>						
Mark-up / return / profit / interest earned	6	4,857	46,645	247,054	26,795	295,197
Fee and commission income	304	1,442	95,450	100,791	294,718	1,217
Dividend income	-	-	-	-	421,673	3,168,195
Unrealised loss on derivatives	-	-	-	-	-	-
Gain / (loss) on sale of securities - net	-	-	-	-	(664,089)	-
Rent on properties	-	-	-	40,521	-	91
Gain on disposal of property and equipment	-	-	-	-	-	-
Other income	-	-	-	65	-	-
<b>Expense</b>						
Mark-up / return / profit / interest expensed	464	6,668	437,536	134,663	351,358	90,811
Operating expenses						
Total compensation expense	-	1,891,000	-	-	-	576,322
Non-Executive Directors' fees	22,550	-	-	-	-	-
Insurance premium expense	-	-	-	-	745,490	-
Product Feature Cost	-	-	102,985	2,853	-	-
Travelling	-	-	1,129	-	-	-
Software maintenance	-	-	-	-	-	5,203
Rent and taxes	-	-	14,384	-	17,634	1,714
Subscription	-	-	-	-	-	2,821
Donation	-	-	-	-	-	260,788
Brokerage and Commission	-	-	-	-	-	105,651
Documentation and processing charges	-	-	-	-	-	3,574
Marketing, advertisement and publicity	-	-	-	202,688	-	-
Security Charges	-	-	-	-	-	-
Utilities cost	-	-	-	-	-	-
Other expenses	-	-	24	6,423	-	1,376
Provision for diminution of credit loss allowance in the value of investments	-	-	-	-	50,633	-
<b>Others</b>						
Purchase of Government securities	-	189,390	165,557	2,485,443	13,498,053	1,181,236
Sale of Government securities	-	199,248	5,518,731	5,845,214	52,720,558	6,285,132
Purchase of foreign currencies	-	-	2,497,583	6,543,288	40,941	1,535
Sale of foreign currencies	-	-	1,619,737	5,884,248	2,879,438	422,174
Insurance claims settled	-	-	-	-	219,599	-

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)



FOR THE THREE MONTHS ENDED MARCH 31, 2026

	As at December 31, 2025 (Audited)					
	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Other related parties
	----- (Rupees in '000) -----					
<b>Statement of financial position</b>						
<b>Balances with other banks</b>						
In current accounts	-	-	102,434	1,057,716	-	-
<b>Investments</b>						
Opening balance	-	-	-	37,073,602	7,080,101	13,758,615
Impact of adoption of IFRS 9	-	-	-	-	-	9,608,380
Exchange Adjustment	-	-	-	47,193	-	-
Investment made during the year	-	-	-	4,850,000	-	-
Investment redeemed / disposed off during the year	-	-	-	-	(5,056)	(8,343,628)
Revaluation of investment during the year	-	-	-	-	-	394,221
Reversal of provision for diminution in the value of investments/ credit loss allowance	-	-	-	-	57,088	12,323
Closing balance	-	-	-	41,970,795	7,132,133	15,429,911
Credit loss allowance / provision for diminution in the value of investments - held	-	-	-	-	-	1
<b>Advances</b>						
Opening balance	1,295	505,825	5,093,585	2,026,128	125,000	11,441,125
Exchange adjustment	-	-	34,662	-	(4,914)	-
Addition during the year	14,394	474,075	28,043,328	856,242	4,217,165	23,844,918
Repaid during the year	(13,507)	(384,245)	(30,115,644)	(775,746)	(2,936,444)	(25,698,973)
Transfer out	-	(22,838)	-	-	-	-
Closing balance	2,182	572,817	3,055,931	2,106,624	1,400,807	9,587,070
<b>Other Assets</b>						
Interest / mark-up accrued	-	459	16,981	128,493	3,461	189,433
Receivable from defined benefit plan	-	-	-	-	-	2,783,715
Prepaid insurance	-	-	-	-	672,973	-
Advance Rent	-	5,474	11,833	-	34,089	-
Other receivables / prepayments	-	-	-	46,357	-	5,238
	-	5,933	28,814	174,850	710,523	2,978,386
<b>Borrowings</b>						
Opening balance	-	-	-	2,228,400	20,612,700	4,506,950
Exchange adjustment	-	-	-	55,264	128,585	-
Borrowings during the year	-	-	-	6,680,897	154,625,761	10,247,306
Settled during the year	-	-	-	(6,162,894)	(157,999,414)	(8,451,857)
Transfer out	-	-	-	-	-	(1,382,399)
Closing balance	-	-	-	2,801,667	17,367,632	4,920,000
<b>Deposits and other accounts</b>						
Opening balance	56,743	346,426	32,231,365	3,756,121	4,154,222	3,387,662
Exchange adjustment	80	1,968	41,087	9,620	164	(4,795)
Received during the year	439,687	3,816,403	416,635,708	839,879,209	2,308,953,825	255,924,029
Withdrawn during the year	(387,308)	(3,664,729)	(409,160,293)	(839,058,024)	(2,252,665,221)	(253,141,500)
Transfer in	-	11,346	-	-	-	-
Closing balance	109,202	511,414	39,747,867	4,586,926	60,442,990	6,165,396
<b>Other liabilities</b>						
Interest / mark-up payable	436	920	287,463	163	141,618	23,212
Payable to defined benefit plan	-	-	-	-	-	898,009
Donation payable	-	-	-	-	-	1,001,336
Unearned income	-	-	4,090	50,857	-	-
Insurance payable	-	-	-	-	7,900	-
Other payables	-	-	-	38,040	-	-
	436	920	291,553	89,060	149,518	1,922,557
<b>Contingencies and Commitments</b>						
Letters of credit	-	-	622,899	-	-	212,797
Letters of guarantee	-	-	537,282	560,724	-	3,541,727
Forward purchase of foreign exchange contracts	-	-	-	-	-	-
	-	-	1,160,181	560,724	-	3,754,524
<b>Others</b>						
Securities held as custodians	-	138,635	19,404,845	-	240,721,530	43,617,665

## NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2026

	For the three months ended March 31, 2025 (Unaudited)					
	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Other related parties
	(Rupees in '000)					
<b>Profit and loss account</b>						
<b>Income</b>						
Mark-up / return / profit / interest earned	-	4,445	87,242	271,468	9,339	435,432
Fee and commission income	219	2,460	104,397	83,835	348,001	1,512
Dividend income	-	-	-	-	185,825	1,081,546
Unrealised loss on derivatives	-	-	-	-	(1,017)	-
Gain on sale of securities - net	-	-	-	-	669	-
Rent on properties	-	-	-	37,415	-	83
Gain on disposal of property and equipment	-	-	-	-	494	-
Other income	-	-	-	61	-	-
<b>Expense</b>						
Mark-up / return / profit / interest expensed	423	3,612	506,309	60,465	523,637	141,826
Operating expenses						
Total compensation expense	-	1,165,669	-	-	-	548,802
Rent and taxes	-	-	13,435	-	17,166	540
Software maintenance	-	-	-	-	-	5,125
Non-Executive Directors' fees	20,300	-	-	-	-	-
Insurance premium expense	-	-	-	-	738,220	-
Product feature cost	-	-	86,069	-	-	-
Travelling	-	-	988	-	-	-
Subscription	-	-	-	-	-	7,497
Donation	-	-	-	-	-	250,608
Brokerage and commission	-	-	-	-	-	95,765
Documentation and processing charges	-	-	-	-	-	2,495
Marketing, advertisement and publicity	-	-	-	167,000	-	-
Utilities cost	-	-	-	7,894	-	-
Other expenses	-	-	455	437	-	3,212
Provision for diminution / (reversal) of credit loss allowance in the value of investments	-	-	-	-	21,327	(2,502)
<b>Others</b>						
Purchase of Government securities	-	11,644	70,812,546	40,542,978	26,810,454	1,016,408
Sale of Government securities	1,183	27,497	71,446,803	42,483,652	14,199,361	2,101,074
Purchase of foreign currencies	-	-	2,812,579	10,246,566	37,864	12,963
Sale of foreign currencies	-	-	1,627,431	9,248,005	898,999	335,846
Insurance claims settled	-	-	-	-	190,621	-

36.1 Balances and transactions with group entities include deposits of Rs 28.375 million (December 31, 2025: Rs 28.170 million) from the parent and Rs 0.367 million (March 31, 2025: Rs.3 thousand) as mark-up expense thereon.

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)



FOR THE THREE MONTHS ENDED MARCH 31, 2026

## 37 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Unaudited) March 31, 2026	(Audited) December 31, 2025
	----- (Rupees in '000) -----	
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	<u>14,668,525</u>	<u>14,668,525</u>
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	<u>336,810,097</u>	333,780,814
Eligible Additional Tier 1 (ADT 1) Capital	<u>13,019,312</u>	12,573,292
Total Eligible Tier 1 Capital	<u>349,829,409</u>	346,354,106
Eligible Tier 2 Capital	<u>68,870,999</u>	104,319,443
Total Eligible Capital (Tier 1 + Tier 2)	<u>418,700,408</u>	450,673,549
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	<u>1,702,531,260</u>	1,650,919,776
Market Risk	<u>339,425,188</u>	318,390,963
Operational Risk	<u>405,690,239</u>	405,690,239
Total	<u>2,447,646,687</u>	2,375,000,978
CET 1 CAR	<u>13.76%</u>	14.05%
Tier 1 CAR	<u>14.29%</u>	14.58%
Total CAR	<u>17.11%</u>	18.98%
<b>Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)</b>		
of which: capital conservation buffer requirement	9.00%	8.50%
of which: countercyclical buffer requirement	1.50%	1.50%
of which: D-SIB buffer requirement	1.50%	1.00%
CET1 available to meet buffers (as a percentage of risk weighted assets)	7.76%	8.05%
<b>Other information:</b>		
<b>Minimum capital requirements prescribed by the SBP</b>		
CET1 ratio (%)	9.00%	8.50%
Tier 1 ratio (%)	10.50%	10.00%
Total capital ratio (%)	13.00%	12.50%
<b>Leverage Ratio (LR)</b>	(Unaudited) March 31, 2026	(Audited) December 31, 2025
	----- (Rupees in '000) -----	
Eligible Tier-1 Capital	<u>349,829,409</u>	346,354,106
Total Exposure	<u>8,365,917,775</u>	7,831,299,364
<b>Leverage Ratio (%)</b>	<u>4.18%</u>	4.42%
<b>Minimum Requirement (%)</b>	<u>3.00%</u>	3.00%
<b>Liquidity Coverage Ratio (LCR)</b>		
Average High Quality Liquid Assets	<u>2,810,897,772</u>	2,559,571,409
Average Net Cash Outflow	<u>1,221,760,654</u>	1,032,663,501
<b>Liquidity Coverage Ratio (%)</b>	<u>230.07%</u>	247.86%
<b>Minimum Requirement (%)</b>	<u>100.00%</u>	100.00%
<b>Net Stable Funding Ratio (NSFR)</b>		
Total Available Stable Funding	<u>4,872,151,745</u>	5,049,539,928
Total Required Stable Funding	<u>2,780,124,546</u>	2,774,467,787
<b>Net Stable Funding Ratio (%)</b>	<u>175.25%</u>	182.00%
<b>Minimum Requirement (%)</b>	<u>100.00%</u>	100.00%

37.1 The SBP, through its letter No. ECD/M&PRD/PR/01/2025-67 dated August 29, 2025, has increased the D-SIB buffer requirement for the Bank from 1.00% to 1.50% applicable from March 31, 2026.

37.2 For the purpose of calculating CAR, the SBP has allowed banks to phase in the impact on opening retained earnings of the ECL calculated for financial assets classified as stage 1 and stage 2. The phasing is allowed over a period of five years. Had there been no such relaxation, the Bank's total CAR would have been lower by 14 bps and the Leverage Ratio would have been lower by 7 bps.

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2026

## 38 ISLAMIC BANKING BUSINESS

The Bank operates 609 (December 31, 2025: 608) Islamic Banking branches and 507 (December 31, 2025: 506) Islamic Banking windows.

STATEMENT OF FINANCIAL POSITION	Note	(Unaudited) March 31, 2026	(Audited) December 31, 2025
----- (Rupees in '000) -----			
<b>ASSETS</b>			
Cash and balances with treasury banks		55,374,160	63,958,499
Balances with other banks		1,869,952	1,866,240
Due from financial institutions	38.1	9,300,000	75,800,000
Investments	38.2	505,781,135	465,825,478
Islamic financing and related assets - net	38.3	358,765,155	303,505,160
Property and equipment		7,957,602	7,234,675
Right-of-use assets		11,025,375	8,337,257
Intangible assets		24,756	28,261
Due from Head Office		1,530,420	31,815,763
Deferred tax assets		-	-
Other assets		43,010,805	42,347,099
		<b>994,639,360</b>	<b>1,000,718,432</b>
<b>LIABILITIES</b>			
Bills payable		63,948	33,195
Due to financial institutions	38.4	17,031,403	23,946,280
Deposits and other accounts	38.5	844,586,149	830,738,090
Due to Head Office		-	-
Lease liabilities		14,999,044	12,073,491
Subordinated debt		-	-
Deferred tax liabilities		1,818,925	4,324,322
Other liabilities		32,832,402	48,672,815
		<b>911,331,871</b>	<b>919,788,193</b>
<b>NET ASSETS REPRESENTED BY</b>			
Islamic Banking Fund		500,000	500,000
Reserves		-	-
Surplus on revaluation of investments - net of tax		1,679,007	3,991,682
Unappropriated profit	38.6	81,128,482	76,438,557
		<b>83,307,489</b>	<b>80,930,239</b>
<b>Contingencies and commitments</b>	38.7		
<b>(Unaudited)</b>			
<b>For the three months ended</b>			
		March 31, 2026	March 31, 2025
----- (Rupees in '000) -----			
<b>PROFIT AND LOSS ACCOUNT</b>			
Profit / return earned	38.8	22,359,442	20,132,500
Profit / return expensed	38.9	9,257,122	7,853,762
Net profit / return		<b>13,102,320</b>	<b>12,278,738</b>
<b>Other income</b>			
Fee and commission income		981,447	582,370
Dividend income		-	-
Foreign exchange income		388,035	101,226
Income from derivatives		-	-
Gain on securities- net		245,023	475,597
Others		21,629	-
Total other income		<b>1,636,134</b>	<b>1,159,193</b>
<b>Total income</b>		<b>14,738,454</b>	<b>13,437,931</b>
<b>Other expenses</b>			
Operating expenses		4,558,454	3,030,767
Workers' Welfare Fund		198,184	203,525
Other charges		2,585	330
Total other expenses		<b>4,759,223</b>	<b>3,234,622</b>
<b>Profit before credit loss allowance</b>		<b>9,979,231</b>	<b>10,203,309</b>
Credit loss allowance and write offs - net		70,034	27,058
<b>Profit before taxation</b>		<b>9,909,197</b>	<b>10,176,251</b>
Taxation		5,152,782	5,393,413
<b>Profit after taxation</b>		<b>4,756,415</b>	<b>4,782,838</b>

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)



FOR THE THREE MONTHS ENDED MARCH 31, 2026

	(Unaudited) March 31, 2026	(Audited) December 31, 2025		
	----- (Rupees in '000) -----			
38.1 <b>Due from Financial Institutions</b>				
Call money lendings	6,300,000	22,800,000		
Secured lendings	3,000,000	53,000,000		
	<u>9,300,000</u>	<u>75,800,000</u>		
38.2 <b>Investments by segments</b>	<b>March 31, 2026 (Unaudited)</b>			
	<b>Cost / amortised cost</b>	<b>Credit loss allowance</b>	<b>Surplus / (deficit)</b>	<b>Carrying value</b>
	----- (Rupees in '000) -----			
<b>Debt Instruments</b>				
<b>Fair value through profit and loss (FVTPL)</b>				
<b>Federal Government securities</b>				
- Ijarah Sukuk	18,918,670	-	(55,838)	18,862,832
- Other Federal Government securities	975,239	-	-	975,239
<b>Non-Government debt securities</b>				
- Listed	193,545	-	-	193,545
- Unlisted	800,545	-	(7,059)	793,486
	<u>20,887,999</u>	<u>-</u>	<u>(62,897)</u>	<u>20,825,102</u>
<b>Fair value through other comprehensive income (FVOCI)</b>				
<b>Federal Government securities</b>				
- Ijarah Sukuk	330,952,641	-	3,433,528	334,386,169
<b>Non-Government debt securities</b>				
- Listed	1,435,632	(36)	64,404	1,500,000
- Unlisted	-	-	-	-
	<u>332,388,273</u>	<u>(36)</u>	<u>3,497,932</u>	<u>335,886,169</u>
<b>Amortised cost</b>				
<b>Federal Government securities</b>				
- Ijarah Sukuk	86,568,172	-	-	86,568,172
- Other Federal Government securities	52,133,217	-	-	52,133,217
<b>Non-Government debt securities</b>				
- Unlisted	10,980,658	(612,183)	-	10,368,475
	<u>149,682,047</u>	<u>(612,183)</u>	<u>-</u>	<u>149,069,864</u>
<b>Total Investments</b>	<u>502,958,319</u>	<u>(612,219)</u>	<u>3,435,035</u>	<u>505,781,135</u>
	<b>December 31, 2025 (Audited)</b>			
	<b>Cost / amortised cost</b>	<b>Credit loss allowance</b>	<b>Surplus / (deficit)</b>	<b>Carrying value</b>
	----- (Rupees in '000) -----			
<b>Fair value through profit and loss (FVTPL)</b>				
<b>Federal Government securities</b>				
- Ijarah Sukuk	998,031	-	(1,250)	996,781
- Other Federal Government securities	719,629	-	-	719,629
<b>Non-Government debt securities</b>				
- Listed	191,674	-	1,871	193,545
- Unlisted	801,000	-	(455)	800,545
	<u>2,710,334</u>	<u>-</u>	<u>166</u>	<u>2,710,500</u>
<b>Fair value through other comprehensive income (FVOCI)</b>				
<b>Federal Government securities</b>				
- Ijarah Sukuk	332,704,602	-	8,299,343	341,003,945
<b>Non-Government debt securities</b>				
- Listed	1,750,000	(36)	16,661	1,766,625
- Unlisted	-	-	-	-
	<u>334,454,602</u>	<u>(36)</u>	<u>8,316,004</u>	<u>342,770,570</u>
<b>Amortised cost</b>				
<b>Federal Government securities</b>				
- Ijarah Sukuk	57,457,769	-	-	57,457,769
- Other Federal Government securities	52,430,110	-	-	52,430,110
<b>Non-Government debt securities</b>				
- Unlisted	11,068,724	(612,195)	-	10,456,529
	<u>120,956,603</u>	<u>(612,195)</u>	<u>-</u>	<u>120,344,408</u>
<b>Total Investments</b>	<u>458,121,539</u>	<u>(612,231)</u>	<u>8,316,170</u>	<u>465,825,478</u>

## NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2026

		March 31, 2026 (Unaudited)			
		Stage 1	Stage 2	Stage 3	Total
		----- (Rupees in '000) -----			
38.2.1	<b>Particulars of credit loss allowance</b>				
	Non Government debt securities	219	-	612,000	612,219
		----- (Rupees in '000) -----			
		December 31, 2025 (Audited)			
		Stage 1	Stage 2	Stage 3	Total
		----- (Rupees in '000) -----			
	Non Government debt securities	231	-	612,000	612,231
				(Unaudited)	(Audited)
				March 31,	December 31,
				2026	2025
				----- (Rupees in '000) -----	
38.3	<b>Islamic financing and related assets - net</b>				
	Diminishing Musharakah			142,145,155	106,722,174
	Running Musharakah			49,555,069	48,617,049
	Wakalah			6,533,682	7,147,268
	Ijarah			41,828,165	43,845,969
	Murabaha			71,891,072	61,547,955
	Tijarah			2,449,112	3,160,409
	Istisna			3,773,916	3,304,359
	Musawamah			1,487,359	961,375
	Advance for Diminishing Musharakah			15,137,667	9,649,454
	Advance for Ijarah			615,474	372,353
	Advance for Murabaha			6,461,345	1,949,578
	Advance for Salam			4,868,010	1,398,949
	Advance for Istisna			16,736,884	16,710,399
	Advance for Musawamah			2,553,937	1,501,201
	Inventories against Murabaha			520,092	1,215,851
	Inventories against Salam			1,061,449	-
	Inventories against Tijarah			3,372,125	4,363,726
	Inventories against Istisna			2,357,337	5,549,810
	Islamic financing and related assets - gross			373,347,850	318,017,879
	Credit loss allowance against Islamic financing and related assets				
	- Stage 1			(291,134)	(296,182)
	- Stage 2			(391,659)	(441,082)
	- Stage 3			(9,496,834)	(9,801,704)
	General			(4,403,068)	(3,973,751)
				(14,582,695)	(14,512,719)
	Islamic financing and related assets - net of credit loss allowance			358,765,155	303,505,160
38.4	<b>Due to financial institutions</b>				
	Unsecured acceptances of funds			1,690,000	7,500,000
	Acceptances from the SBP under:				
	- Islamic export refinance scheme			2,779,423	3,498,491
	- Islamic export refinance scheme for bill discounting			1,408,591	1,408,591
	- Islamic long term financing facility			4,326,477	4,552,322
	- Islamic financing facility for renewable energy power plants			416,085	455,009
	- Islamic refinance facility for modernization of Small & Medium Enterprises (SMEs)			130,420	147,681
	- Islamic refinance facility for combating COVID-19			157,288	157,288
	- Islamic temporary economic refinance facility			1,203,119	1,306,898
	Acceptances from Pakistan Mortgage Refinance Company			4,920,000	4,920,000
				17,031,403	23,946,280

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)



FOR THE THREE MONTHS ENDED MARCH 31, 2026

	Note	(Unaudited) March 31, 2026	(Audited) December 31, 2025
------(Rupees in '000)-----			
<b>38.5 Deposits and other accounts</b>			
<b>Customers</b>			
Current deposits		384,724,197	411,207,347
Savings deposits		359,291,882	350,204,662
Term deposits		39,769,994	31,888,021
		<u>783,786,073</u>	<u>793,300,030</u>
<b>Financial Institutions</b>			
Current deposits		207,612	330,779
Savings deposits		57,424,381	35,539,198
Term deposits		3,168,083	1,568,083
		<u>60,800,076</u>	<u>37,438,060</u>
		<u>844,586,149</u>	<u>830,738,090</u>
<b>38.6 Islamic Banking business unappropriated profit</b>			
Opening Balance		76,438,557	58,083,715
Impact of adoption of IFRS 9		(39,114)	-
Add: Islamic Banking profit for the period / year		9,909,197	39,102,597
Less: Taxation		(5,152,782)	(20,724,376)
Less: Transferred / Remitted to Head Office		(27,376)	(23,379)
Closing Balance		<u>81,128,482</u>	<u>76,438,557</u>
<b>38.7 Contingencies and commitments</b>			
- Financial Guarantees		240,347	230,305
- Performance Guarantees		10,030,759	8,923,616
- Commitments	38.7.1	<u>88,196,952</u>	<u>79,405,774</u>
		<u>98,468,058</u>	<u>88,559,695</u>
<b>38.7.1 Commitments:</b>			
Trade-related contingent liabilities		40,797,072	26,223,434
Commitments in respect of forward foreign exchange contracts	38.7.1.1	<u>47,399,880</u>	<u>53,182,340</u>
		<u>88,196,952</u>	<u>79,405,774</u>
<b>38.7.1.1 Commitments in respect of forward foreign exchange contracts</b>			
Purchase		31,881,080	33,956,795
Sale		15,518,800	19,225,545
		<u>47,399,880</u>	<u>53,182,340</u>
<b>38.8 Profit / return earned</b>			
<b>(Unaudited)</b>			
<b>For the three months ended</b>			
		<b>March 31, 2026</b>	<b>March 31, 2025</b>
------(Rupees in '000)-----			
On:			
Financing		8,161,542	7,651,626
Investments		12,152,792	11,996,479
Amounts due from financial institutions		2,045,108	484,395
		<u>22,359,442</u>	<u>20,132,500</u>
<b>38.9 Profit / return expensed</b>			
On:			
Deposits and other accounts		7,670,453	5,869,334
Amounts due to financial institutions		932,101	1,559,893
Foreign currency deposits for Wa'ad based transactions		147,093	45,409
Lease liability against right-of-use assets		507,475	379,126
		<u>9,257,122</u>	<u>7,853,762</u>

## NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2026

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### 39 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

- 39.1 The Board of Directors, in its meeting held on April 17, 2026 has declared a cash dividend of Rs 6.00 per share in respect of the quarter ended March 31, 2026 (March 31, 2025: Rs 4.50 per share). These condensed interim unconsolidated financial statements do not include the effect of this appropriation which will be accounted for subsequent to the period end.

### 40 DATE OF AUTHORISATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorised for issue in the Board of Directors meeting held on April 17, 2026.

### 41 GENERAL

- 41.1 Comparative figures have been re-arranged and reclassified for comparison purposes.

Muhammad Nassir Salim  
President and  
Chief Executive Officer

Irfan Ahmed Meer  
Chief Financial Officer

Moez Ahamed Jamal  
Director

Dr. Najeeb Samie  
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