Bank Alfalah

The Way Forward

Depth in Service
Banking the Right Way!

Half Yearly Report June 30, 2026 (Un-audited)

Bank Alfalah
The Way Forward

DEPOSITS	Rs. 2.66 trillion
ADVANCES-GROSS	Rs. 1.16 trillion
PROFIT AFTER TAX	Rs. 21.33 billion
EARNINGS PER SHARE	Rs. 6.76
DIVIDEND PER SHARE	Rs. 3.00 (60%)
CAPITAL ADEQUACY RATIO	17.41%
RETURN ON EQUITY	26.7%
RETURN ON ASSETS	1.2%
DEBT/EQUITY RATIO	16.5%

Contents

Company Information

Board of Directors

His Excellency Sheikh Nahayan Mabarak Al Nahayan
Chairman/Director

Abdulla Nasser Hawaileel Al Mansoori
Director

Abdulla Khalil Al Mutawa
Director

Khalid Mana Saeed Al Otaiba
Director

Khalid Qurashi
Director

Dr. Gyorgy Tamas Ladics
Director

Dr. Ayesha Khan
Director

Efstratios Georgios Arapoglou
Director

Atif Aslam Bajwa
President/CEO and Director

Senior Management Team

Atif Aslam Bajwa
President and Chief Executive Officer

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

Anjum Hai
Chief Financial Officer

Faisal Farooq Khan
Chief Human Resources Officer

Faisal Rabbani
Chief Risk Officer

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

Haroon Khalid
Group Head, Compliance and Business Solutions

Hasan Ahmed Khan
Head, Treasury Pakistan

Khawaja Muhammad Ahmad
Group Head, Operations and Corporate Services

Mehreen Ahmed
Group Head, Retail Banking

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

Mohammad Raheel Yousuf
Chief Marketing Officer

Mohib Hasan Khan
Chief Information Officer

Dr. Muhammad Imran
Group Head, Islamic Banking

Muhammad Yahya Khan
Chief Digital Banking Officer

Pervez Shahbaz Khan
Group Head, Global Markets and Treasury

Tahir Khurshid
Group Head, Audit and Inspection

Zahid Anjum
Group Head, Special Assets Management

Chief Financial Officer

Anjum Hai

Company Secretary

Mian Ejaz Ahmad

Chief Internal Auditor

Tahir Khurshid

Auditors

A. F. Ferguson & Co.
Chartered Accountants

Registered/Head Office

B. A. Building
I. I. Chundrigar Road
Karachi, Pakistan

Share Registrar

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

Legal Advisor

Mandviwalla & Zafar
Advocates and Legal Consultants

Official Website

http://www.bankalfalah.com/

Board Committees

Board Audit Committee (BAC)

Khalid Qurashi
Chairman

Abdulla Khalil Al Mutawa
Member

Khalid Mana Saeed Al Otaiba
Member

Dr. Ayesha Khan
Member

Efstratios Georgios Arapoglou
Member

Tahir Khurshid
Secretary

Board Risk Management Committee (BRMC)

Khalid Mana Saeed Al Otaiba
Chairman

Abdulla Khalil Al Mutawa
Member

Khalid Qurashi
Member

Dr. Ayesha Khan
Member

Efstratios Georgios Arapoglou
Member

Atif Aslam Bajwa
Member

Farhan Ali
Secretary

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

Efstratios Georgios Arapoglou
Chairman

Abdulla Khalil Al Mutawa
Member

Khalid Mana Saeed Al Otaiba
Member

Dr. Ayesha Khan
Member

Dr. Gyorgy Tamas Ladics
Member

Khalid Qurashi
Member

Mian Ejaz Ahmad
Secretary

Board Strategy and Finance Committee (BS&FC)

Abdulla Khalil Al Mutawa
Chairman

Khalid Mana Saeed Al Otaiba
Member

Dr. Gyorgy Tamas Ladics
Member

Dr. Ayesha Khan
Member

Khalid Qurashi
Member

Efstratios Georgios Arapoglou
Member

Atif Aslam Bajwa
Member

Aasim Wajid Jawad
Secretary

Board Committees

Board Crisis Management Committee (BCMC)

Abdulla Khalil Al Mutawa
Chairman

Khalid Mana Saeed Al Otaiba
Member

Khalid Qurashi
Member

Dr. Ayesha Khan
Member

Dr. Gyorgy Tamas Ladics
Member

Atif Aslam Bajwa
Member

Mian Ejaz Ahmad
Secretary

Board Information Technology Committee (BITC)

Dr. Gyorgy Tamas Ladics
Chairman

Abdulla Khalil Al Mutawa
Member

Khalid Mana Saeed Al Otaiba
Member

Khalid Qurashi
Member

Efstratios Georgios Arapoglou
Member

Atif Aslam Bajwa
Member

Aasim Wajid Jawad
Secretary

Board Real Estate Committee (BREC)

Abdulla Khalil Al Mutawa
Chairman

Khalid Mana Saeed Al Otaiba
Member

Khalid Qurashi
Member

Atif Aslam Bajwa
Member

Mian Ejaz Ahmad
Secretary

Directors' Review

On behalf of the Board of Directors, we are pleased to present the unconsolidated condensed interim financial statements of Bank Alfalah Limited for the half year ended June 30, 2026.

Economic Review

The first half of the year was characterized by heightened geopolitical volatility and uncertainty. The situation impacted global energy supply chain due to closure of Strait of Hormuz, resulting in a substantial jump of ~70% in crude oil prices. The tensions eased largely following the signing of the June 2026 Islamabad memorandum of understanding, where Pakistan played a key role as a mediator. As a result, the crude oil prices dropped to near pre-conflict levels.

Pakistan's economy faced several headwinds from the conflict, resulting in an inflated petroleum import bill and upward pressure on consumer prices. Headline inflation spiked to 11.07% in June 2026 as compared to 5.6% in December 2025, which was a function of regional conflict-related inflationary pressures and low base effect. Accordingly, the State Bank of Pakistan (SBP) responded prudently by raising the policy rate by 100bps to 11.50%.

Despite challenges, the economy remained resilient, with GDP growth of 3.7% year-on-year (YoY) in FY26 as compared to 3.2% in FY25. Services, Industrial, and Agriculture sectors posted growth of 4.1%, 3.5%, and 2.9% respectively. Furthermore, IMF's third review under Extended Fund Facility (EFF) and second review of the Resilience and Sustainability Facility (RSF) were successfully concluded, leading to a tranche of USD 1.3 billion.

SBP's Liquid Foreign Exchange Reserves increased to USD 18.5 billion[1], up from USD 16.1 billion in December 2025. The current account position remained broadly balanced, with a modest deficit of USD 139 million recorded for FY26, supported largely by record workers' remittances amid a widening trade deficit though a decline in remittances alongside higher imports in June led to a swing into deficit by June-end. Workers' remittances continued to remain robust, climbing to USD 41.6 billion in FY26 compared to USD 38.3 billion during FY25.

Backed by these inflows, the Pakistani Rupee maintained stability, appreciating slightly by 1% to close at PKR 278.16/USD as of June 30, 2026, against PKR 280.87/USD on December 31, 2025.

On the fiscal front, the country recorded a primary budget surplus of 3.2% of GDP during 9MFY26, improving upon the surplus of 3% of GDP during corresponding period last fiscal year. FBR also achieved its downward revised tax collection target by collecting over PKR 13 trillion.

The stock market experienced volatility amid geopolitical tensions. However, as regional risks reduced post-MOU, investor sentiment improved, driving a rebound in the KSE-100 Index. The benchmark closed at 180,302 as of June 30, 2026, reflecting a return of 3.6% in first half 2026 (Jan-Jun).

Going forward, Pakistan's economic outlook will be shaped by evolving global geopolitical developments, particularly the recent escalation in regional tensions and their impact on international oil prices and energy security. Adherence to the IMF reform program would be critical to sustaining the current path of economic consolidation.

Review of the Bank's Performance

The Bank's financial highlights for the half year ended June 30, 2026, are presented as follows:

Financial Position	June 30, 2026	December 31, 2025
	Rupees in Millions	
Shareholders' Equity	194,253	197,512
Total Assets	4,024,767	3,829,927
Deposits	2,658,878	2,496,208
Advances – net	1,112,621	1,104,924
Investments – net	2,336,148	2,173,447

Financial Performance	Half year ended June 30, 2026	Half year ended June 30, 2025
	Rupees in Millions	
Net Interest Income and Non-Markup Income	106,138	91,637
Non-Markup Expenses	61,518	56,810
Credit loss allowance / Provisions and write offs (net)	(579)	897
Profit before tax (PBT)	**45,199**	**33,931**
Profit after tax (PAT)	**21,327**	**15,275**
Basic and Diluted earnings per share – Rupees [adjusted for share split]	6.76	**(Restated)** 4.84

[1] As of 03 July 2026

Bank Alfalah delivered a profit after tax (PAT) of PKR 21.33 billion for the half year ended June 30, 2026, representing a robust 39.6% YoY growth. Meanwhile, the Bank's profit before tax grew by 33.2% to PKR 45.2 billion, largely underpinned by stronger capital gains, steady growth in net interest income (NII), and efficient management of cost structure. The Earnings per share (EPS) for the half year stood at PKR 6.76 [June 2025 (restated): PKR 4.84].

The Bank's total revenue for the half year increased by 15.8% to PKR 106.14 billion, wherein NII closed at PKR 70.80 billion, higher by 5.0% YoY. This was mainly attributable to improved lending margins and granular growth in sticky current account deposits. Non-Funded Income (NFI) rose by 46.0% over same period last year (SPLY) to PKR 35.34 billion, primarily driven by capital gains realized through timely rebalancing of portfolio positions to capitalize on yield curve movements. Fee and commission income increased by 6.4%, supported by higher earnings from remittances, trade business, the BISP Scheme, and ADC services. Exchange income also improved on the back of stronger FX flows.

The Bank's cost focus remained aligned with its strategic priorities and efficiency drivers. Consequently, operating expenses grew by 8.0% YoY, reflecting network expansion, sustained investment in strategic and technology-related initiatives, compensation, and inflationary pressures, partly offset by lower home remittance marketing expenses due to controlled volumes and a revised rebate structure. Excluding the impact of decline in remittance marketing costs, operating expenses increased by 18% YoY.

Total deposits surpassed the 2.5 trillion mark and closed at PKR 2.66 trillion as at June 30, 2026 with a YoY growth of 16.2%. The Bank continued to focus on building current account averages which resulted in current account deposits also surpassing the 1.0 trillion threshold amounting to PKR 1.15 trillion as at June 30, 2026 (a 21% YoY increase).

Gross advances of the Bank stood at PKR 1.16 trillion, reflecting a 9.7% increase YoY with significant growth witnessed by Consumer, SME and Agri finance segments. Asset quality remained healthy, with the infection ratio at 3.9% and the coverage ratio at 104.9% (including general provision/ECL) as at June 30, 2026. This reflects the Bank's continued emphasis on prudent credit underwriting, proactive risk monitoring, and adequate provisioning to safeguard against credit risk.

Total assets of the Bank expanded by 5.1% during the first half of 2026 and stood at PKR 4.02 trillion. As at June 30, 2026, the Bank remained adequately capitalized with CAR at 17.41%.

Significant Events

During the half year ended June 30, 2026, the shareholders of the Bank in its Annual General Meeting held on March 26, 2026, approved share split wherein the number of shares were sub-divided into ratio of 2-for-1. Accordingly, issued and paid-up capital of the Bank increased to 3,154,330,238 shares at face value of PKR 5/- each, resulting in restatement of earnings per share and dividend per share ratios for comparative periods.

The Bank is in the process of issuing subordinated Tier II Term Finance Certificate (TFC) under the Basel III regulatory framework. The total size of the Tier II TFC is PKR 20,000 million, inclusive of greenshoe option of PKR 10,000 million. The instrument received strong participation from the institutional investors, reflecting market confidence in the Bank's financial strength, sound governance, and long-term growth strategy. This is the largest Tier II TFC in Pakistan's Banking history and the Bank's first AAA rated instrument. As of June 30, 2026, the Bank had received advance against subscription money for this TFC amounting to PKR 18,045 million. Subsequent to the half year ended June 30, 2026, the Bank has received the complete issue amount of PKR 20,000 million. This Tier II TFC issue is a key element of the Bank's growth strategy and will further complement our Growth Capital allowing the Bank to continue its aggressive growth strategy particularly in SME, ESG initiatives and the Consumer segment. This landmark transaction will allow the Bank to enhance shareholder returns over a long-term horizon.

Further, the State Bank of Pakistan has allowed the Bank to consider advance subscription money received amounting to PKR 18,045 million against the subordinated Term Finance Certificate as Tier II eligible Term Finance Certificate for the purpose of calculation of Capital Adequacy Ratio (CAR) as at June 30, 2026.

Dividend

The Board of Directors, in its meeting held on July 30, 2026, declared an interim cash dividend of PKR 1.50 per share (30%) [Q2-25 (restated): PKR per share share(25%)] for the quarter ended June 30, 2026, bringing the total interim cash dividend for the half year to PKR 3.00 per share (60%) (HY-25 (restated): PKR 2.50 per share (50%)). The Board had earlier declared and paid interim cash dividend of PKR 1.50 per share (30%).

Credit Rating

The Bank has been assigned the following ratings by PACRA:

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

Future Outlook

Pakistan's economy expanded by 3.7% in FY26, marking its strongest growth in four years, driven by robust servic and industrial activity. However, the geopolitical conflict in February 2026 disrupted global energy markets, increasing oil prices and inflation, prompting the SBP to raise the policy rate by 100 basis points to 11.5% in April 2026.

Despite these external pressures, fiscal and external balances remained resilient, supported by record workers' remittances, higher foreign exchange reserves, and IMF support. The June 2026 ceasefire agreement improved investor confidence and market sentiment triggering improvement in Capital markets. Going forward, the durability of the ceasefire framework, and the trajectory of global energy prices will be the key determinants of Pakistan's macroeconomic stability and monetary policy direction in FY27.

Against this backdrop, Bank Alfalah remains focused on executing its strategic priorities and building resilience in a more demanding operating environment. The expansion of the Bank's deposit base, particularly through low-cost current and savings accounts, remains a central objective. The continued extension of the Bank's branch and digital footprint across the country supports this priority.

The Bank is maintaining its momentum in digital transformation, investing in advanced analytics, automation, and artificial intelligence (AI) to deliver secure, efficient, and customer-centric banking solutions. These initiatives are enabling the Bank to streamline operations, enhance decision-making, and drive service quality improvements. In parallel, the Bank is pursuing disciplined expense management and operational efficiency measures to optimize the cost-to-income ratio and protect margins amid rising input costs and a tighter monetary environment.

To build diversified and sustainable revenue streams, the Bank is deepening its cash management capabilities, scaling up trade finance volumes, and expanding supply chain financing, particularly for corporate and mid-market clients. These efforts position the Bank to support Pakistan's trade ecosystem and strengthen its role in the country's financial infrastructure.

Financial inclusion remains a strategic priority. The Bank continues to expand access to tailored financing solutions and advisory services for small and medium enterprises (SMEs) and individual consumers, supporting entrepreneurship and economic participation across underserved segments.

The culture of "One Bank, One Team" remains integral to the Bank's approach, fostering collaboration, creativity, and innovation across functions. Human capital development remains a core focus, with ongoing investments in building a skilled, agile, and motivated workforce aligned with the Bank's long-term ambitions.

The Bank remains committed to responsible and sustainable banking practices. Its initiatives continue to align with the United Nations Sustainable Development Goals and Pakistan's national development agenda. Through strengthened Environmental, Social, and Governance (ESG) frameworks and active corporate social responsibility (CSR) programmes, the Bank seeks to generate lasting impact and contribute meaningfully to the communities it serves.

Acknowledgement

On behalf of the Board, we would like to thank the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan, the Ministry of Finance and other regulatory authorities for their continued guidance and counsel. We also wish to convey our appreciation to our shareholders, our customers and business partners for their ongoing support.

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

Atif Aslam Bajwa	**Khalid Qurashi**
President and Chief Executive Officer	**Director**

July 30, 2026
Abu Dhabi

اس پس منظر میں، بینک الفلاح اپنی سٹریٹجک ترجیحات کو عملی جامہ پہنانے اور زیادہ ضروری آپریٹنگ ماحول میں لچک پیدا کرنے پر مرکوز ہے۔ بینک کے ڈپازٹ بیس کی توسیع، خاص طور پر کم لاگت والے کرنٹ اور سیونگ اکاؤنٹس کے ذریعے، ایک مرکزی مقصد ہے۔ ملک بھر میں بینک کی برانچ اور ڈیجیٹل فٹ پرنٹ کی مسلسل توسیع اس ترجیح کی تائید کرتی ہے۔

بینک ڈیجیٹل تبدیلی میں اپنی رفتار کو برقرار رکھے ہوئے ہے، محفوظ، موثر اور کسٹمر سینٹرک بینکنگ حل فراہم کرنے کے لیے جدید تجزیات، آٹومیشن، اور مصنوعی ذہانت (AI) میں سرمایہ کاری کر رہا ہے۔ یہ اقدامات بینک کو آپریشنز کو ہموار کرنے، فیصلہ سازی کو بڑھانے اور سروس کے معیار میں بہتری لانے کے قابل بنا رہے ہیں۔ متوازی طور پر، بینک لاگت سے آمدنی کے تناسب کو بہتر بنانے اور بڑھتے ہوئے ان پٹ اخراجات اور سخت مالیاتی ماحول کے درمیان مارجن کی حفاظت کے لیے نظم و ضبط کے اخراجات کے انتظام اور آپریشنل کارکردگی کے اقدامات پر عمل پیرا ہے۔

متنوع اور پائیدار آمدنی کے سلسلے کی تعمیر کے لیے، بینک اپنی نقدی کے انتظام کی صلاحیتوں کو مضبوط کر رہا ہے، تجارتی مالیاتی حجم کو بڑھا رہا ہے، اور سپلائی چین فنانسنگ کو بڑھا رہا ہے، خاص طور پر کارپوریٹ اور درمیانی مارکیٹ کے صارفین کے لیے۔ یہ کوششیں بینک کو پاکستان کے تجارتی ماحولیاتی نظام کو سپورٹ کرنے اور ملک کے مالیاتی ڈھانچے کو مضبوط بنانے میں بھرپور کردار ادا کر رہی ہیں۔

مالی شمولیت ایک اسٹریٹجک ترجیح ہے۔ بینک چھوٹے اور درمیانے درجے کے کاروباری اداروں (SMEs) اور انفرادی صارفین کے لیے موزوں فنانسنگ سلوشنز اور مشاورتی خدمات تک رسائی کو بڑھانا جاری رکھے ہوئے ہے، جو کہ غیر محفوظ طبقات میں کاروباری اور اقتصادی شراکت داری کی حمایت کرتا ہے۔

"ایک بینک، ایک ٹیم" کا کلچر بینک کے نقطہ نظر کے لیے لازم و ملزوم ہے، تمام افعال میں تعاون، تخلیقی صلاحیتوں اور جدت کو فروغ دیتا ہے۔ بینک کے طویل مدتی عزائم کے ساتھ ہم آہنگ ایک ہنر مند، چست، اور حوصلہ افزا افرادی قوت کی تعمیر میں جاری سرمایہ کاری کے ساتھ، انسانی سرمائے کی ترقی ایک بنیادی توجہ ہے۔

بینک ذمہ دار اور پائیدار بینکنگ طریقوں کے لیے پرعزم ہے۔ اس کے اقدامات اقوام متحدہ کے پائیدار ترقیاتی اہداف اور پاکستان کے قومی ترقی کے ایجنڈے کے ساتھ ہم آہنگ ہیں۔ مضبوط ماحولیاتی، سماجی، اور گورننس (ESG) فریم ورک اور فعال کارپوریٹ سماجی ذمہ داری (CSR) پروگراموں کے ذریعے، بینک دیرپا اثر پیدا کرنے اور ان کمیونٹیز کے لیے بامعنی تعاون کرنے کی کوشش کرتا ہے جن کی وہ خدمت کرتی ہے۔

اظہار تشکر

بورڈ کی جانب سے، ہم اسٹیٹ بینک آف پاکستان، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، وزارتِ خزانہ، اور دیگر ریگولیٹری اداروں کا شکریہ ادا کرتے ہیں جنہوں نے مسلسل رہنمائی اور مشاورت فراہم کی۔ ہم اپنے شیئر ہولڈرز، صارفین، اور کاروباری شراکت داروں کے مسلسل اعتماد اور تعاون پر بھی تہہ دل سے شکر گزار ہیں۔

گزشتہ برسوں کے دوران، بینک نے نہ صرف اپنی مالیاتی پوزیشن کو مضبوط کیا بلکہ صارفین اور تمام اسٹیک ہولڈرز کو قدر اور اعلیٰ معیار کی خدمات فراہم کرنے کے لیے مضبوط بنیادیں بھی استوار کیں۔ آگے بڑھتے ہوئے، بینک کی توجہ خدمت پر مرکوز رہے گی اور یہ معیشت کی بحالی میں اہم کردار ادا کرتا رہے گا۔ اس دوران، بینک اپنے ملازمین، مقامی کمیونٹی، اور شیئر ہولڈرز کے ساتھ اپنی ذمہ داریوں سے بخوبی آگاہ اور پُرعزم رہے گا۔

عاطف اسلم باجوہ	**خالد قریشی**
صدر اور چیف ایگزیکٹو آفیسر	**ڈائریکٹر**
۳۰ جولائی ۲۰۲۶	
ابوظہبی	

بینک الفلاح نے ۳۰ جون ۲۰۲۶ کو ختم ہونے والے ششماہی میں ۲۱.۳۳ بلین روپے کا بعد از ٹیکس منافع دیا، جو سال بہ سال ۳۹.۲ فیصد کی مضبوط نمو کی نمائندگی کرتا ہے۔ دریں اثنا، بینک کا ٹیکس سے پہلے کا منافع ۳۳.۲ فیصد بڑھ کر ۴۵.۲ بلین روپے ہو گیا، جس کی بڑی وجہ مضبوط سرمائے کے منافع، خالص مارک اپ کی آمدنی میں مسلسل اضافہ، اور لاگت کے ڈھانچے کا موثر انتظام ہے۔ ششماہی کے لیے فی حصص آمدنی ۲.۷۲ روپے رہی [جون ۲۰۲۵ (ترمیم شدہ: ۴.۸۴ روپے)۔]

ششماہی کے لیے بینک کی کل آمدنی ۱۵.۸% بڑھ کر ۱۰۲.۱۴ ارب روپے ہو گئی، جس میں NII ۷۰.۸۰ بلین روپے پر بند ہوا، جو کہ سال بہ سال ۵.۰% زیادہ ہے۔ یہ بنیادی طور پر بہتر قرض دینے کے مارجن اور مستحکم (Sticky) کرنٹ اکاؤنٹ ڈپازٹس میں بتدریج و وسیع البنیاد اضافے کی وجہ سے تھا۔ غیر فنڈڈ انکم گزشتہ سال اسی مدت کے مقابلے میں ۴۲.۰ فیصد بڑھ کر ۳۵.۳۴ بلین روپے تک پہنچ گئی، یہ اضافہ بنیادی طور پر پورٹ فولیو میں بروقت ردوبدل کے ذریعے حاصل ہونے والے کیپٹل گین کی وجہ سے ہوا، تاکہ ییلڈ کرو کی تبدیلیوں سے بھرپور فائدہ اٹھایا جا سکے۔ فیس اور کمیشن کی آمدنی میں ۲.۴ فیصد اضافہ ہوا، جس کی حمایت ترسیلات زر، تجارتی کاروبار، BISP اسکیم، اور ADC خدمات سے زیادہ آمدنی سے ہوئی۔ مضبوط FX بہاؤ کی وجہ سے ایکسچینج کی آمدنی بھی بہتر ہوئی۔

بینک کی توجہ اپنے اخراجات کو ترجیحاتی منصوبہ بندی اور بہتر کارکردگی پر مرکوز رکھنے پر رہی۔ نتیجتاً، آپریٹنگ اخراجات میں سال بہ سال ۸.۰% اضافہ ہوا، جو نیٹ ورک کی توسیع، سٹریٹجک اور ٹیکنالوجی سے متعلق اقدامات میں پائیدار سرمایہ کاری، معاوضہ، اور افراط زر کے دباؤ کو ظاہر کرتا ہے، جو کہ کنٹرول شدہ حجم اور نظر ثانی شدہ چھوٹ کے ڈھانچے کی وجہ سے گھریلو ترسیلات زر کے کم مارکیٹنگ کے اخراجات سے جزوی طور پر پورا ہوتا ہے۔ ترسیلات زر کی مارکیٹنگ کے اخراجات میں کمی کے اثرات کو چھوڑ کر، آپریٹنگ اخراجات میں سال بہ سال ۱۸% اضافہ ہوا۔

کل ڈپازٹس ۲.۵ ٹریلین سے تجاوز کر گئے اور ۳۰ جون ۲۰۲۶ تک ۲.۶۲ ٹریلین روپے پر بند ہوئے جس میں سال بہ سال ۱۲.۲ فیصد اضافہ ہوا۔ بینک نے کرنٹ اکاؤنٹ کی اوسط بنانے پر توجہ مرکوز رکھی جس کے نتیجے میں کرنٹ اکاؤنٹ ڈپازٹس بھی ۳۰ جون ۲۰۲۶ تک ۱.۰ ٹریلین کی حد سے بڑھ کر ۱.۱۵ ٹریلین روپے تک پہنچ گئے (سال بہ سال ۲۱ فیصد اضافہ)۔

بینک کی مجموعی پیش قدمی ۱.۱۲ ٹریلین روپے رہی جو کہ صارفین، ایس ایم ای اور ایگری فنانس سیگمنٹس کی نمایاں نمو کے ساتھ سال بہ سال ۹.۷ فیصد اضافے کی عکاسی کرتی ہے۔ ۳۰ جون ۲۰۲۶ تک انفیکشن کا تناسب ۳.۹% اور کوریج کا تناسب ۱۰۴.۹% (بشمول عمومی پرووژن/ECL) کے ساتھ اثاثہ کا معیار صحت مند رہا۔ یہ بینک کے محتاط کریڈٹ انڈر رائٹنگ، خطرے کی فعال نگرانی، اور کریڈٹ کے خطرے کے خلاف مناسب فراہمی پر مسلسل زور دینے کی عکاسی کرتا ہے۔

۲۰۲۶ کی پہلی ششماہی کے دوران بینک کے کل اثاثوں میں ۵.۱ فیصد اضافہ ہوا اور یہ ۴.۰۲ ٹریلین روپے رہا۔ ۳۰ جون ۲۰۲۶ تک بینک ۱۷.۴۱% CAR کے ساتھ کافی سرمایہ دار رہا۔

اہم واقعات

۳۰ جون ۲۰۲۶ کو ختم ہونے والے ششماہی کے دوران، ۲۶ مارچ ۲۰۲۶ کو منعقدہ اپنی سالانہ جنرل میٹنگ میں بینک کے حصص یافتگان نے حصص کی تقسیم کی منظوری دی جس میں حصص کی تعداد کو ۱ کے بدلے ۲ کے تناسب میں ذیلی تقسیم کیا گیا تھا۔ اس کے مطابق، بینک کا جاری کردہ اور ادا شدہ سرمایہ ۵ روپے فی حصص کی قیمت پر بڑھ کر ۳،۳۳۰،۱۵۴،۲۳۸ شیئرز ہو گیا، جس کے نتیجے میں تقابلی مدت کے لیے فی حصص آمدنی اور ڈیویڈنڈ فی حصص کا تناسب بحال ہوا۔

بینک باسل III ریگولیٹری فریم ورک کے تحت ماتحت ٹیئر II ٹرم فنانس سرٹیفکیٹ جاری کرنے کے عمل میں ہے۔ ٹیئر TFCII کا کل سائز ۲۰،۰۰۰ ملین روپے ہے جس میں ۱۰،۰۰۰ ملین روپے کے گرین شو آپشن شامل ہیں۔ اس انسٹرومنٹ کو ادارہ جاتی سرمایہ کاروں کی جانب سے بھرپور شرکت حاصل ہوئی، جو بینک کی مالیاتی طاقت، اچھی حکمرانی، اور طویل مدتی ترقی کی حکمت عملی میں مارکیٹ کے اعتماد کی عکاسی کرتی ہے۔ یہ پاکستان کی بینکنگ تاریخ کا سب سے بڑا ٹیئر TFCII ہے اور بینک کا پہلا AAA ریٹیڈ انسٹرومنٹ ہے۔ ۳۰ جون ۲۰۲۶ تک، بینک کو اس TFC کے لیے سبسکرپشن کی رقم کے بدلے ۱۸،۰۴۵ ملین روپے کی رقم ایڈوانس ملی تھی۔ ۳۰ جون ۲۰۲۶ کو ختم ہونے والے ششماہی کے بعد، بینک کو ۲۰،۰۰۰ ملین روپے کی مکمل جاری رقم موصول ہو گئی ہے۔ یہ ٹیئر TFCII ایشو بینک کی ترقی کی حکمت عملی کا ایک کلیدی عنصر ہے اور یہ ہمارے گروتھ کیپٹل کی مزید تکمیل کرے گا جو بینک کو اپنی جارحانہ ترقی کی حکمت عملی کو جاری رکھنے کی اجازت دے گا، خاص طور پر ایس ایم ای، ای ایس جی اقدامات اور صارفین کے حصے میں۔ یہ تاریخی لین دین بینک کو طویل مدتی افق پر شیئر ہولڈر کے منافع کو بڑھانے کی اجازت دے گا۔

مزید، اسٹیٹ بینک آف پاکستان نے بینک کو ۳۰ جون، ۲۰۲۶ تک کیپٹل ایڈوکیسی ریشو (CAR) کے حساب کے مقصد کے لیے ماتحت ٹرم فنانس سرٹیفکیٹ کے مقابلے میں ۱۸،۰۴۵ ملین روپے کی ایڈوانس سبسکرپشن رقم کو ٹائر II کے اہل ٹرم فنانس سرٹیفکیٹ کے طور پر غور کرنے کی اجازت دی ہے۔

ڈیویڈنڈ

بورڈ آف ڈائریکٹرز نے ۳۰ جولائی ۲۰۲۶ کو منعقدہ اپنے اجلاس میں ۳۰ جون ۲۰۲۶ کو ختم ہونے والی سہ ماہی کے لیے فی شیئر ۱.۵۰ روپے (۳۰%) عبوری نقد منافع کا اعلان کیا۔ (دوسری سہ ماہی ۲۰۲۵ (نظر ثانی شدہ: ۱.۲۵ روپے فی شیئر (۲۵ فیصد)۔ اس اعلان کے بعد سال کے لیے مجموعی عبوری نقد منافع فی شیئر ۳.۰۰ روپے (۶۰%) ہو گیا ہے۔ (نصف سال ۲۰۲۵ (نظر ثانی شدہ: ۲.۵۰ روپے فی شیئر (۵۰ فیصد) ۔ اس سے قبل بورڈ فی شیئر ۱.۵۰ روپے (۳۰%) کا عبوری نقد منافع کا اعلان کر چکا تھا، جس کی ادائیگی بھی کی جا چکی ہے۔

کریڈٹ ریٹنگ

بینک کو PACRA کی طرف سے درج ذیل درجہ بندی تفویض کی گئی ہے:

- اینٹیٹی کی درجہ بندی: طویل مدتی کے لیے 'AAA' (ٹرپل A) اور مختصر مدت کے لیے A1+' (اے ون پلس)' مستحکم' آؤٹ لک کے ساتھ،
- انسٹرومنٹس کی درجہ بندی: 'AA+' (ڈبل اے پلس)، غیر محفوظ ٹیئر I کیپٹل انسٹرومنٹس (ٹرم فنانس سرٹیفکیٹ) کے لیے 'مستحکم' آؤٹ لک کے ساتھ۔
- انسٹرومنٹ کی درجہ بندی: 'AAA' (ٹرپل اے)، غیر محفوظ ٹیئر II کیپٹل انسٹرومنٹ (ٹرم فنانس سرٹیفکیٹ) کے لیے 'مستحکم' آؤٹ لک کے ساتھ۔

مستقبل کا منظر نامہ

مالی سال ۲۶ میں پاکستان کی معیشت میں ۳.۷ فیصد کا اضافہ ہوا، جو کہ مضبوط خدمات اور صنعتی سرگرمیوں کی وجہ سے چار سالوں میں اس کی مضبوط ترین ترقی کا نشان ہے۔ تاہم، فروری ۲۰۲۶ میں جغرافیائی سیاسی تنازعہ نے توانائی کی عالمی منڈیوں میں خلل ڈالا، تیل کی قیمتوں میں اضافہ اور افراط زر نے اسٹیٹ بینک کو اپریل ۲۰۲۶ میں پالیسی ریٹ کو ۱۰۰ بیسس پوائنٹس سے بڑھا کر ۱۱.۵ فیصد کرنے پر مجبور کیا۔

ان بیرونی دباؤ کے باوجود، مالیاتی اور بیرونی توازن مستحکم رہے، جسے کارکنوں کی ریکارڈ ترسیلات، زرمبادلہ کے زیادہ ذخائر، اور آئی ایم ایف کی مدد سے تعاون حاصل رہا۔ جون ۲۰۲۶ کے جنگ بندی معاہدے نے سرمایہ کاروں کے اعتماد اور مارکیٹ کے جذبات کو بہتر کیا جس سے کیپٹل مارکیٹوں میں بہتری آئی۔ آگے بڑھتے ہوئے، جنگ بندی کے فریم ورک کی پائیداری، اور توانائی کی عالمی قیمتوں کی رفتار مالی سال ۲۷ میں پاکستان کے معاشی استحکام اور مانیٹری پالیسی کی سمت کے کلیدی تعین کرنے والے ہوں گے۔

ڈائریکٹرز کا جائزہ

بورڈ آف ڈائریکٹرز کی جانب سے ہم انتہائی مسرت کے ساتھ ۳۰ جون ۲۰۲۶ کو ختم ہونے والی مدت کے لیے بینک الفلاح لمیٹڈ کے غیر مجتمع شدہ مختصر عبوری مالیاتی گوشوارے پیش کر رہے ہیں۔

معاشی جائزہ

سال کی پہلی ششماہی جغرافیائی سیاسی اتار چڑھاؤ اور غیر یقینی صورتحال کی خصوصیت کی حامل رہی۔ آبنائے ہرمز کی بندش کی وجہ سے صورتحال نے عالمی توانائی کی سپلائی چین کو متاثر کیا، جس کے نتیجے میں خام تیل کی قیمتوں میں ۷۰~ فیصد کا نمایاں اضافہ ہوا۔ جون ۲۰۲۶ اسلام آباد کی مفاہمت کی یادداشت پر دستخط کے بعد کشیدگی میں بڑی حد تک کمی آئی، جہاں پاکستان نے ثالث کے طور پر کلیدی کردار ادا کیا۔ نتیجے کے طور پر، خام تیل کی قیمتیں کم ہو کر تنازعات سے پہلے کی سطح کے قریب آ گئیں۔

پاکستان کی معیشت کو تنازعات کی وجہ سے کئی مشکلات کا سامنا کرنا پڑا، جس کے نتیجے میں پیٹرولیم کے درآمدی بل میں اضافہ اور صارفین کی قیمتوں پر دباؤ بڑھ گیا۔ جون ۲۰۲۶ میں ہیڈ لائن افراط زر بڑھ کر ۱۱.۰۷ فیصد ہو گئی جو دسمبر ۲۰۲۵ میں ۵.۲ فیصد تھی، جو علاقائی تنازعات سے متعلق افراط زر کے دباؤ اور کم بنیاد اثر کی وجہ سے تھا۔ اسی مناسبت سے، اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ کو bps۱۰۰ سے بڑھا کر ۱۱.۵۰ فیصد کر کے سمجھداری سے جواب دیا۔

تمام تر مشکلات کے باوجود، معیشت مستحکم رہی، مالی سال ۲۵ میں ۳.۲ فیصد کے مقابلے مالی سال ۲۶ میں جی ڈی پی کی شرح نمو ۳.۷ فیصد سال بہ سال رہی۔ خدمات، صنعت اور زراعت کے شعبوں نے بالترتیب ۴.۱ فیصد، ۳.۵ فیصد اور ۲.۹ فیصد کی ترقی کی۔ مزید برآں، توسیعی فنڈ کی سہولت کے تحت آئی ایم ایف کا تیسرا جائزہ اور ریزیلینس اینڈ سسٹین ایبلٹی فیسیلٹی کا دوسرا جائزہ کامیابی کے ساتھ مکمل ہوا، جس کے نتیجے میں ۱.۳ ارب امریکی ڈالر کی قسط حاصل ہوئی۔

اسٹیٹ بینک آف پاکستان کے مائع زرمبادلہ کے ذخائر دسمبر ۲۰۲۵ میں ۱۲.۱ ارب امریکی ڈالر سے بڑھ کر ۱۸.۵ ارب[1] امریکی ڈالر تک پہنچ گئے۔ مالی سال ۲۶ میں ریکارڈ کردہ ۱۳۹ ملین امریکی ڈالر کے معمولی خسارے کے ساتھ کرنٹ اکاؤنٹ کی پوزیشن بڑے پیمانے پر متوازن رہی، جس میں اہم کردار بڑھتے ہوئے تجارتی خسارے کے باوجود بیرون ملک مقیم پاکستانیوں کی ریکارڈ ترسیلات زر کا رہا- اگرچہ جون میں ترسیلات زر میں کمی اور درآمدات میں اضافے کے باعث جون کے اختتام تک یہ خسارے میں تبدیل ہو گیا۔ کارکنوں کی ترسیلات زر بدستور مضبوط رہیں اور مالی سال ۲۵ کے دوران ۳۸.۳ ارب امریکی ڈالر کے مقابلے مالی سال ۲۶ میں بڑھ کر ۴۱.۲ ارب امریکی ڈالر تک پہنچ گئیں۔

ان آمدنی زر کی مدد سے، پاکستانی روپے نے استحکام برقرار رکھا، ۳۰ جون ۲۰۲۶ تک ۱ فیصد قدر ے اضافے کے ساتھ ۲۷۸.۱۲ روپے /امریکی ڈالر پر بند ہوا، جو ۳۱ دسمبر ۲۰۲۵ کو ۲۸۰.۸۷ روپے /امریکی ڈالر تھا۔

مالیاتی محاذ پر، ملک نے 9MFY26 کے دوران جی ڈی پی کا ۳.۲ فیصد کا بنیادی بجٹ سرپلس ریکارڈ کیا، جو گزشتہ مالی سال کی اسی مدت کے دوران جی ڈی پی کے ۳فیصد کے سرپلس سے بہتر ہوا۔ ایف بی آر نے بھی ۱۳ ٹریلین روپے سے زیادہ جمع کر کے اپنے نظرثانی شدہ (کم کیے گئے) ٹیکس وصولی ہدف کو حاصل کر لیا۔

جغرافیائی سیاسی کشیدگی کے درمیان اسٹاک مارکیٹ میں اتار چڑھاؤ دیکھنے میں آیا۔ تاہم، علاقائی خطرات میں ایم او یو کے بعد کمی کے باعث سرمایہ کاروں کے اعتماد میں بہتری آئی، جس سے کے ایس ای۔ ۱۰۰ انڈیکس میں بہتری آئی۔ بینچ مارک ۳۰ جون ۲۰۲۶ تک ۱۸۰،۳۰۲ پر بند ہوا، جو ۲۰۲۶ کی پہلی ششماہی (جنوری-جون) میں ۳.۲ فیصد منافع کی عکاسی کرتا ہے۔

مستقبل میں پاکستان کا معاشی منظر نامہ عالمی سطع پر ابھرتی ہوئی جغرافیائی وسیاسی صورتحال سے متاثر ہوگا۔ خصوصاً حالیہ علاقائی کشیدگی میں اضافے اور اس کے بین الاقوامی تیل کی قیمتوں اور توانائی کے تحفظ پر اثرات سے معاشی استحکام کے موجودہ راستے کو برقرار رکھنے کے لیے آئی ایم ایف کے اصلاحاتی پروگرام پر عمل کرنا اہم ہوگا۔

بینک کی کارکردگی کا جائزہ

بینک کی ۳۰ جون ۲۰۲۶ کو ختم ہونے والی مدت کے لیے مالیاتی کارکردگی کی جھلکیاں درج ذیل ہیں:

مالی حیثیت	۳۰ جون ۲۰۲۶	۳۱ دسمبر ۲۰۲۵
	روپے ملین میں	
شیئر ہولڈرز ایکوئٹی	۱۹۴،۲۵۳	۱۹۷،۵۱۲
کُل اثاثے	۴،۰۲۴،۷۶۷	۳،۸۲۹،۹۲۷
ڈپازٹس	۲،۶۵۸،۸۷۸	۲،۴۹۶،۲۰۸
ایڈوانسز (نیٹ)	۱،۱۱۲،۶۲۱	۱،۱۰۴،۹۲۴
سرمایہ کاری (نیٹ)	۲،۳۳۶،۱۴۸	۲،۱۷۳،۴۴۷

مالی لیاتی کا کردگی	۳۰ جون ۲۰۲۶ کو ختم ہونے والی ششماہی	۳۰ جون ۲۰۲۵ کو ختم ہونے والی ششماہی
	روپے ملین میں	
خالص مارک اپ اور نان مارک اپ آمدنی	۱۰۶،۱۳۸	۹۱،۶۳۷
نان مارک اپ اخراجات	۶۱،۵۱۸	۵۶،۸۱۰
کریڈٹ لاس الاؤنس/پرویژنز اور رائٹ آفز (خالص)	(۵۷۹)	۸۹۷
قبل از ٹیکس منافع (PBT)	۴۵،۱۹۹	۳۳،۹۳۱
بعد از ٹیکس منافع (PAT)	۲۱،۳۲۷	۱۵،۲۷۵
بیسک اور ڈائیلیوٹڈ آمدنی فی شیئر۔ روپے (شیئر اسپلٹ کے مطابق ایڈجسٹ شدہ)	۶.۷۶	ترمیم شدہ ۴.۸۴

[1] مطابق ۰۳ جولائی ۲۰۲۶

UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

HALF YEAR ENDED JUNE 30, 2026

Independent Auditor's Review Report

To the members of Bank Alfalah Limited

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Bank Alfalah Limited ("the Bank") as at June 30, 2026 and the related unconsolidated condensed interim statement of profit and loss account, the unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim cash flow statement, and notes to the unconsolidated condensed interim financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

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

Conclusion

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

Other Matter

Pursuant to the requirement of Section 237 (1) (b) of the Companies Act, 2017, only cumulative figures for the half year, presented in the second quarter accounts are subject to a limited scope review by the statutory auditors of the Bank. Accordingly, the figures of the unconsolidated condensed interim statement of profit and loss account and unconsolidated condensed interim statement of comprehensive income for the quarters ended June 30, 2026 and June 30, 2025 have not been reviewed by us.

The engagement partner on the audit resulting in this independent auditor's report is **Noman Abbas Sheikh.**

A.F. Ferguson & Co.
Chartered Accountants
Place: Karachi
Dated: August 6, 2026
UDIN: RR202610061GhE6urPaX

Unconsolidated Condensed Interim Statement of Financial Position

As at June 30, 2026

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		----------(Rupees in '000)----------	
ASSETS			
Cash and balances with treasury banks	7	214,444,227	227,463,156
Balances with other banks	8	21,493,762	24,109,552
Lendings to financial institutions	9	94,305,302	19,674,292
Investments	10	2,336,147,800	2,173,446,680
Advances	11	1,112,620,574	1,104,923,835
Property and equipment	12	72,391,820	71,100,467
Right-of-use assets	13	26,834,131	26,377,543
Intangible assets	14	1,718,789	1,723,556
Deferred tax assets		-	-
Other assets	15	144,810,370	181,108,039
Total assets		4,024,766,775	3,829,927,120
LIABILITIES			
Bills payable	16	102,218,623	56,957,969
Borrowings	17	840,980,561	832,127,882
Deposits and other accounts	18	2,658,877,939	2,496,208,099
Lease liabilities	19	33,909,991	32,471,152
Subordinated debt	20	32,045,000	14,000,000
Deferred tax liabilities	21	2,932,860	24,345,073
Other liabilities	22	159,548,986	176,304,889
Total liabilities		3,830,513,960	3,632,415,064
NET ASSETS		194,252,815	197,512,056
REPRESENTED BY			
Share capital		15,771,651	15,771,651
Reserves		44,188,219	42,366,356
Surplus on revaluation of assets	23	26,355,140	43,203,860
Unappropriated profit		107,937,805	96,170,189
		194,252,815	197,512,056
CONTINGENCIES AND COMMITMENTS	24		

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

President & Chief Executive Officer **Chief Financial Officer** **Director** **Director** **Director**

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

For the quarter and half year ended June 30, 2026

	Note	Quarter ended June 30, 2026	Quarter ended June 30, 2025	Half year ended June 30, 2026	Half year ended June 30, 2025
		----------------------------(Rupees in '000)	----------------------------		
Mark-up / return / interest earned	26	99,660,807	93,294,585	173,698,162	188,388,172
Mark-up / return / interest expensed	27	63,363,794	58,995,506	102,899,944	120,960,897
Net mark-up / return / interest income		36,297,013	34,299,079	70,798,218	67,427,275
NON MARK-UP / INTEREST INCOME					
Fee and commission income	28	4,112,340	4,166,619	8,303,540	7,807,361
Dividend income		690,529	575,281	1,451,460	1,455,503
Foreign exchange income	29	4,243,307	3,171,125	6,985,605	5,289,700
Income / (loss) from derivatives		283,075	(713,914)	582,449	388,566
Gain on securities	30	7,060,281	7,767,949	17,868,144	8,394,351
Net gain / (loss) on derecognition of financial assets measured at amortised cost		-	-	-	-
Other income	31	80,241	76,567	148,579	874,229
Total non-mark-up / interest income		16,469,773	15,043,627	35,339,777	24,209,710
Total income		52,766,786	49,342,706	106,137,995	91,636,985
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	32	29,844,846	29,004,603	60,467,155	55,978,382
Workers' welfare fund	33	422,130	421,462	1,033,758	821,570
Other charges	34	10,888	5,346	17,357	9,557
Total non-mark-up / interest expenses		30,277,864	29,431,411	61,518,270	56,809,509
Profit before credit loss allowance / provisions		22,488,922	19,911,295	44,619,725	34,827,476
(Reversal of) / charge against credit loss allowance / provisions and write offs - net	35	813,603	1,364,662	(579,353)	896,645
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		21,675,319	18,546,633	45,199,078	33,930,831
Taxation	36	11,474,787	10,312,154	23,872,190	18,656,250
PROFIT AFTER TAXATION		10,200,532	8,234,479	21,326,888	15,274,581
		----------------------------(Rupees)	----------------------------		
			(Restated)		(Restated)
Basic and diluted earnings per share	37	3.23	2.61	6.76	4.84

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

President & Chief Executive Officer **Chief Financial Officer** **Director** **Director** **Director**

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

For the quarter and half year ended June 30, 2026

	Quarter ended June 30, 2026	Quarter ended June 30, 2025	Half year ended June 30, 2026	Half year ended June 30, 2025
	----------(Rupees in '000)----------			
Profit after taxation for the period	10,200,532	8,234,479	21,326,888	15,274,581
Other comprehensive (loss) / income				
Items that may be reclassified to the statement of profit and loss account in subsequent periods:				
Effect of translation of net investment in foreign branches	(118,609)	281,468	(310,826)	260,686
Movement in surplus on revaluation of investments in debt securities classified as FVOCI - net of tax	1,762,706	5,260,791	(6,382,844)	3,131,049
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	(2,208,017)	(2,163,792)	(7,254,564)	(2,532,212)
	(563,920)	3,378,467	(13,948,234)	859,523
Items that will not be reclassified to the statement of profit and loss account in subsequent periods:				
Movement in surplus on revaluation of equity investments classified as FVOCI - net of tax	1,241,339	414,420	(781,653)	468,031
Movement in surplus on revaluation of property and equipment - net of tax	(16,479)	(17,970)	(34,575)	(36,814)
Movement in surplus on revaluation of non-banking assets - net of tax	(6,955)	(5,516)	(12,363)	(10,410)
	1,217,905	390,934	(828,591)	420,807
Total comprehensive income	10,854,517	12,003,880	6,550,063	16,554,911

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

President & Chief Executive Officer **Chief Financial Officer** **Director** **Director** **Director**

Unconsolidated Condensed Interim Statement of Changes in Equity

For the half year ended June 30, 2026

	Share capital	Capital reserves		Statutory reserve	Surplus / (deficit) on revaluation of			Unappro-priated profit	Total
		Share premium	Exchange translation reserve		Invest-ments	Property and equipment	Non banking assets		
	--(Rupees in '000)--								
Balance as at December 31, 2024 (audited)	15,771,651	4,731,049	12,425,956	26,309,920	15,911,027	17,553,045	314,715	85,095,047	178,112,410
Impact of adoption of IFRS 9 - net of tax	-	-	-	-	1,503,916	-	-	(81,096)	1,422,820
Balance as at January 01, 2025	15,771,651	4,731,049	12,425,956	26,309,920	17,414,943	17,553,045	314,715	85,013,951	179,535,230
Changes in equity for the half year ended June 30, 2025									
Profit after taxation	-	-	-	-	-	-	-	15,274,581	15,274,581
Other comprehensive income / (loss) - net of tax									
Effect of translation of net investment in foreign branches	-	-	260,686	-	-	-	-	-	260,686
Movement in surplus on revaluation of investments in debt securities classified as FVOCI - net of tax	-	-	-	-	3,131,049	-	-	-	3,131,049
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	-	-	-	-	(2,532,212)	-	-	-	(2,532,212)
Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax	-	-	-	-	468,031	-	-	-	468,031
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	(36,814)	-	-	(36,814)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	(10,410)	-	(10,410)
Total other comprehensive income / (loss) - net of tax	-	-	260,686	-	1,066,868	(36,814)	(10,410)	-	1,280,330
Transfer to statutory reserve	-	-	-	1,527,458	-	-	-	(1,527,458)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(60,769)	(10,070)	70,839	-
Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	(133,278)	-	-	133,278	-
Transactions with owners, recorded directly in equity									
Final cash dividend for the year ended December 31, 2024 - 25%	-	-	-	-	-	-	-	(3,942,913)	(3,942,913)
Interim cash dividend for the quarter ended March 31, 2025 - 25%	-	-	-	-	-	-	-	(3,942,913)	(3,942,913)
Closing balance as at June 30, 2025 (un-audited)	15,771,651	4,731,049	12,686,642	27,837,378	18,348,533	17,455,462	294,235	91,079,365	188,204,315
Changes in equity for the half year ended December 31, 2025						-	-		
Profit after taxation	-	-	-	-	-	-	-	13,062,476	13,062,476
Other comprehensive (loss) / income - net of tax									
Effect of translation of net investment in foreign branches	-	-	(4,194,961)	-	-	-	-	-	(4,194,961)
Movement in surplus on revaluation of investments in debt securities classified as FVOCI - net of tax	-	-	-	-	4,635,405	-	-	-	4,635,405
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	-	-	-	-	(807,846)	-	-	-	(807,846)
Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax	-	-	-	-	3,949,072	-	-	-	3,949,072
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-	503,076	503,076
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	(36,946)	-	-	(36,946)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	83,291	-	83,291
Total other comprehensive (loss) / income - net of tax	-	-	(4,194,961)	-	7,776,631	(36,946)	83,291	503,076	4,131,091
Balance carried forward	15,771,651	4,731,049	8,491,681	27,837,378	26,125,164	17,418,516	377,526	104,644,917	205,397,882

Unconsolidated Condensed Interim Statement of Changes in Equity

For the half year ended June 30, 2026

	Share capital	Capital reserves		Statutory reserve	Surplus / (deficit) on revaluation of			Unappropriated profit	Total
		Share premium	Exchange translation reserve		Investments	Property and equipment	Non banking assets		
	--(Rupees in '000)--								
Balance brought forward	15,771,651	4,731,049	8,491,681	27,837,378	26,125,164	17,418,516	377,526	104,644,917	205,397,882
Transfer to statutory reserve	-	-	-	1,306,248	-	-	-	(1,306,248)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(61,803)	(2,650)	64,453	-
Transfer of revaluation surplus from non-banking assets to property and equipment - net of tax	-	-	-	-	-	6,020	(6,020)	-	-
Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	(652,893)	-	-	652,893	-
Transactions with owners, recorded directly in equity									
Interim cash dividend for the half year ended June 30, 2025 - 25%	-	-	-	-	-	-	-	(3,942,913)	(3,942,913)
Interim cash dividend for the nine months period ended September 30, 2025 - 25%	-	-	-	-	-	-	-	(3,942,913)	(3,942,913)
Balance as at December 31, 2025 (audited)	15,771,651	4,731,049	8,491,681	29,143,626	25,472,271	17,362,733	368,856	96,170,189	197,512,056
Impact of adoption of IFRS 9 - net of tax (note 4.1.1)	-	-	-	-	-	-	-	(346,314)	(346,314)
Balance as at January 01, 2026 after adoption of IFRS 9	15,771,651	4,731,049	8,491,681	29,143,626	25,472,271	17,362,733	368,856	95,823,875	197,165,742
Changes in equity for the half year ended June 30, 2026									
Profit after taxation	-	-	-	-	-	-	-	21,326,888	21,326,888
Other comprehensive loss - net of tax									
Effect of translation of net investment in foreign branches	-	-	(310,826)	-	-	-	-	-	(310,826)
Movement in surplus on revaluation of investments in debt securities classified as FVOCI - net of tax	-	-	-	-	(6,382,844)	-	-	-	(6,382,844)
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	-	-	-	-	(7,254,564)	-	-	-	(7,254,564)
Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax	-	-	-	-	(781,653)	-	-	-	(781,653)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	(34,575)	-	-	(34,575)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	(12,363)	-	(12,363)
Total other comprehensive loss - net of tax	-	-	(310,826)	-	(14,419,061)	(34,575)	(12,363)	-	(14,776,825)
Transfer to statutory reserve	-	-	-	2,132,689	-	-	-	(2,132,689)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(161,471)	(1,586)	163,057	-
Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	(2,219,664)	-	-	2,219,664	-
Transactions with owners, recorded directly in equity									
Final cash dividend for the year ended December 31, 2025 - 30%	-	-	-	-	-	-	-	(4,731,495)	(4,731,495)
Interim cash dividend for the quarter ended March 31, 2026 - 30%	-	-	-	-	-	-	-	(4,731,495)	(4,731,495)
Closing balance as at June 30, 2026 (un-audited)	15,771,651	4,731,049	8,180,855	31,276,315	8,833,546	17,166,687	354,907	107,937,805	194,252,815

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

President & Chief Executive Officer **Chief Financial Officer** **Director** **Director** **Director**

Unconsolidated Condensed Interim Cash Flow Statement (Un-audited)

For the half year ended June 30, 2026

	Note	Half year ended June 30, 2026	Half year ended June 30, 2025
		------------(Rupees in '000)------------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		45,199,078	33,930,831
Less: Dividend income		(1,451,460)	(1,455,503)
		43,747,618	32,475,328
Adjustments:			
Net mark-up / return / interest income		(73,063,414)	(69,514,754)
Depreciation	32	3,337,230	2,901,659
Depreciation on right-of-use assets	32	2,388,413	2,227,770
Amortisation	32	213,908	199,057
(Reversal of) / charge against credit loss allowance / provisions and write offs - net	35	(579,353)	896,645
Unrealised loss on revaluation of investments classified as FVPL	30	259,118	319,701
Gain on disposal of subsidiary	30.1	-	(388,732)
Unrealised gain on advances classified as FVPL		-	(56,483)
Gain on sale of property and equipment - net	31	(48,872)	(26,726)
Gain on sale of non-banking assets - net	31	-	(3,368)
Gain on termination of leases - net	31	(85,549)	(54,117)
Staff loans - notional cost	32.1	2,441,630	1,746,960
Finance charges on leased assets	27	2,265,196	2,087,479
Workers' welfare fund		1,033,758	821,570
Charge for defined benefit plan	32.1	476,008	480,951
Charge for staff compensated absences	32.1	262,500	176,000
		(61,099,427)	(58,186,388)
		(17,351,809)	(25,711,060)
(Increase) / decrease in operating assets			
Lendings to financial institutions		(44,705,755)	(2,664,413)
Securities classified as FVPL		(40,298,809)	159,600,150
Advances		(3,013,433)	98,640,569
Other assets (excluding advance taxation and mark-up receivable)		20,268,248	(21,491,075)
		(67,749,749)	234,085,231
Increase / (decrease) in operating liabilities			
Bills payable		45,260,654	19,421,213
Borrowings		5,437,392	(575,990,313)
Deposits		162,669,840	151,315,677
Other liabilities (excluding current taxation and mark-up payable)		(16,330,755)	10,430,768
		197,037,131	(394,822,655)
		111,935,573	(186,448,484)
Mark-up / interest received		182,870,515	205,192,252
Mark-up / interest paid		(106,891,997)	(136,234,077)
Income tax paid		(26,484,972)	(19,622,086)
Net cash generated from / (used in) operating activities		161,429,119	(137,112,395)
Balance carried forward		161,429,119	(137,112,395)

Unconsolidated Condensed Interim Cash Flow Statement (Un-audited)

For the half year ended June 30, 2026

	Note	Half year ended June 30, 2026	Half year ended June 30, 2025
		------------(Rupees in '000)------------	
Balance brought forward		161,429,119	(137,112,395)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net (investments) / divestments in securities classified as FVOCI		(179,173,698)	203,577,759
Net divestments / (investments) in securities carried at amortised cost		29,276,204	(917,320)
Divestment of investment in subsidiary		-	388,732
Dividends received		1,451,460	1,455,503
Investments in property and equipment and intangible assets		(5,137,995)	(7,737,203)
Proceeds from sale of property and equipment		360,286	33,615
Proceeds from sale of non-banking assets		-	27,089
Effect of translation of net investment in foreign branches		(426,759)	260,686
Net cash (used in) / generated from investing activities		(153,650,502)	197,088,861
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of lease obligations against right-of-use assets		(3,584,834)	(3,200,274)
Advance subscription money received against subordinated debt		18,045,000	-
Dividend paid		(6,798,786)	(7,873,675)
Net cash generated from / (used in) financing activities		7,661,380	(11,073,949)
Increase in cash and cash equivalents		15,439,997	48,902,517
Cash and cash equivalents at the beginning of the period		254,403,792	229,857,147
Effects of exchange rate changes on cash and cash equivalents		(841,399)	2,092,890
		253,562,393	231,950,037
Expected credit loss allowance on cash and cash equivalents - net		(14,438)	(8,538)
Cash and cash equivalents at the end of the period	38	268,987,952	280,844,016

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

President & Chief Executive Officer **Chief Financial Officer** **Director** **Director** **Director**

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

For the half year ended June 30, 2026

1 STATUS AND NATURE OF BUSINESS

Bank Alfalah Limited (the Bank) is a banking company incorporated in Pakistan and is engaged in commercial banking and related services in both Pakistan and overseas. The Bank's registered office is located at B. A. Building, I. I. Chundrigar Road, Karachi and its shares are listed on the Pakistan Stock Exchange. The Bank is engaged in banking services as described in the Banking Companies Ordinance, 1962. The Bank is operating through 1,192 branches (December 31, 2025: 1,178 branches) and 8 sub-branches (December 31, 2025: 8 sub-branches). Out of the 1,192 branches, 735 (December 31, 2025: 717) are conventional, 446 (December 31, 2025: 450) are Islamic, 10 (December 31, 2025: 10) are overseas and 1 (December 31, 2025: 1) is an offshore banking unit.

The Pakistan Credit Rating Agency Limited has reaffirmed the Bank's long-term rating of 'AAA' and short-term rating of 'A1+' with stable outlook as of June 24, 2026.

2 BASIS OF PRESENTATION

2.1 STATEMENT OF COMPLIANCE

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

- International Accounting Standard 34 "Interim Financial Reporting" and IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act 2017;

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act, 2017;

- Provisions of, directives and notifications issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and

- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

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

The SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for banking companies through BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. The SBP through BPRD Circular No. 04 of 2015 dated February 25, 2015 has also deferred the applicability of Islamic Financial Accounting Standard-3 for Profit and Loss Sharing on Deposits (IFAS-3) issued by the Institute of Chartered Accountants of Pakistan (ICAP) and notified by the SECP, vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IIFS). Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements.

The SECP through SRO 56(1)/2016 dated January 28, 2016, has directed that the requirements of IFRS 10, 'Consolidated financial statements' are not applicable in case of investments by companies in mutual funds established under Trust Deed structure. Accordingly, implications of IFRS 10 in respect of investment in mutual funds are not considered in these unconsolidated condensed interim financial statements.

2.1.1 The disclosures made in these unconsolidated condensed interim financial statements have been limited based on the format prescribed by the SBP through BPRD Circular Letter No. 02 dated February 09, 2023 and the requirements of International Accounting Standard 34, "Interim Financial Reporting". These do not include all the information and disclosures required for annual financial statements, and therefore should be read in conjunction with the annual audited unconsolidated financial statements of the Bank for the year ended December 31, 2025.

2.1.2 These unconsolidated condensed interim financial statements represent separate financial statements of Bank Alfalah Limited in which investments in subsidiaries and associates are accounted for on the basis of cost less accumulated impairment losses, if any.

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

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

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

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

- IFRS 7, 'Financial Instruments: Disclosures'; the SECP through S.R.O. 742(1)/2025 dated April 16, 2025 has required disclosures regarding the significance of financial instruments to the Bank's financial position and performance, as well as the nature, extent, and management of risks arising from such instruments. Accordingly, the Bank will adopt IFRS 7 in preparing its annual financial statements for the year ending December 31, 2026. However, the disclosure requirements of IFRS 7 do not apply to these condensed interim financial statements except for those specified in paragraph 16A(j) of IAS 34, 'Interim Financial Reporting'.

- Certain amendments to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments' have become applicable on the Bank which clarify the date of recognition and derecognition of a financial asset or financial liability. These amendments do not have any material impact and, therefore, have not been detailed in these unconsolidated condensed interim financial statements.

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

There are certain new and amended standards, issued by the International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2027 but are considered not to be relevant or will not have any material effect on the Bank's unconsolidated condensed interim financial statements except for:

- the new standard - IFRS 18 'Presentation and Disclosure in Financial Statements' (published in April 2024) with an applicability date of January 01, 2027. The application of IFRS 18 will impact the presentation of the 'Statement of Profit and Loss Account' with certain additional disclosures as and when instructed by the SBP.

3 BASIS OF MEASUREMENT

3.1 Accounting convention

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

3.2 Functional and presentation currency

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

4 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the annual audited unconsolidated financial statements of the Bank for the year ended December 31, 2025 except for changes mentioned in note 4.1 to these unconsolidated condensed interim financial statements.

4.1 IFRS 9 - 'Financial Instruments'

4.1.1 The Bank adopted IFRS 9 effective from January 01, 2024, except for certain relaxations and extensions issued by the SBP from time to time. The impacts of these relaxations and extensions were incorporated in the annual audited unconsolidated financial statements of the Bank for the years ended December 31, 2024 and 2025, with the modified retrospective approach as permitted under IFRS 9.

In addition, the SBP, in a separate instruction vide SBPHOK-BPRD-RPD-BAF-834424 dated January 22, 2025, allowed an extension for application of the Effective Interest Rate (EIR) method up to December 31, 2025. During the current period, in accordance with the aforementioned instruction, the Bank has applied EIR on the financial instruments as at January 01, 2026. Accordingly, cumulative impact of application of EIR amounting to Rs. 346.314 million, net of tax, has decreased the equity at the beginning of the current period with a corresponding impact on the unearned fee commission, income / mark-up accrued and payable.

4.1.2 The SBP has directed the banks through its BPRD Circular Letter No. 1 dated January 22, 2025 to continue applying the existing revenue recognition methodology for Islamic operations, including the requirements of Islamic Financial Accounting Standard (IFAS) 1 and IFAS 2 until further instructions. Had IFRS 9 been adopted for revenue recognition related to Islamic financing, the unappropriated profit of the Bank as at June 30, 2026 would have been higher by Rs. 396.211 million.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

The significant judgments made by the management in applying the Bank's accounting policies and the key sources of estimation were the same as those applied in the preparation of annual audited unconsolidated financial statements for the year ended December 31, 2025 except for matters related to IFRS 9 which have been disclosed in note 4.1 to these unconsolidated condensed interim financial statements.

6 FINANCIAL RISK MANAGEMENT

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

		(Un-audited) June 30, 2026	(Audited) December 31, 2025
7 CASH AND BALANCES WITH TREASURY BANKS	**Note**	**---------(Rupees in '000)---------**	
In hand			
- local currency		60,487,820	52,330,676
- foreign currency		5,146,213	5,139,284
		65,634,033	57,469,960
With State Bank of Pakistan in			
- local currency current accounts		68,296,135	80,978,592
- foreign currency current accounts		9,276,242	9,870,481
- foreign currency deposit accounts		16,018,995	16,191,056
		93,591,372	107,040,129
With other central banks in			
- foreign currency current accounts		47,310,726	59,377,172
- foreign currency deposit accounts		5,221,403	1,493,118
		52,532,129	60,870,290
With National Bank of Pakistan in local currency current account		2,677,334	2,044,071
Prize bonds		72,902	86,871
		214,507,770	227,511,321
Less: Credit loss allowance held against cash and balances with treasury banks		(63,543)	(48,165)
Cash and balances with treasury banks - net of credit loss allowance		214,444,227	227,463,156

8 BALANCES WITH OTHER BANKS

In Pakistan in current accounts		14,718	11,898
Outside Pakistan			
- in current accounts		21,454,423	24,073,844
- in deposit accounts		31,885	32,014
		21,486,308	24,105,858
		21,501,026	24,117,756
Less: Credit loss allowance held against balances with other banks		(7,264)	(8,204)
Balances with other banks - net of credit loss allowance		21,493,762	24,109,552

9 LENDINGS TO FINANCIAL INSTITUTIONS

Call / clean money lendings		34,700,000	4,674,360
Repurchase agreement lendings (Reverse Repo)		59,605,755	15,000,000
	9.1	94,305,755	19,674,360
Less: Credit loss allowance held against lendings to financial institutions	9.1	(453)	(68)
Lendings to financial institutions - net of credit loss allowance		94,305,302	19,674,292

		June 30, 2026 (Un-audited)		December 31, 2025 (Audited)	
		Lending	Credit loss allowance held	Lending	Credit loss allowance held
		----------(Rupees in '000)----------			

9.1 Lending to financial institutions - particulars of credit loss allowance

		Lending	Credit loss allowance held	Lending	Credit loss allowance held
Domestic					
Performing	Stage 1	94,305,755	453	18,300,000	49
Overseas					
Performing	Stage 1	-	-	1,374,360	19
Total		94,305,755	453	19,674,360	68

10 INVESTMENTS

10.1 Investments by type:

	June 30, 2026 (Un-audited)				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)----------							
Fair value through profit or loss								
Federal Government Securities								
- Market Treasury Bills	189,066,013	-	16,863	189,082,876	150,646,774	-	88,233	150,735,007
- Pakistan Investment Bonds	139,477,338	-	32,532	139,509,870	148,435,134	-	987,996	149,423,130
- Ijarah Sukuks	10,967,912	-	590	10,968,502	252,784	-	(674)	252,110
- Naya Pakistan Certificates	1,126,837	-	-	1,126,837	819,226	-	-	819,226
Shares								
- Ordinary Shares - Listed	2,984,275	-	(130,969)	2,853,306	4,885,433	-	255,065	5,140,498
Non Government Debt Securities								
- Term Finance Certificates	1,450,000	-	-	1,450,000	1,450,000	-	-	1,450,000
- Sukuks	423,776	-	444	424,220	422,444	-	1,332	423,776
Foreign Securities								
- Overseas Bonds - Sovereign	11,574,460	-	(6,440)	11,568,020	8,289,997	-	(9,657)	8,280,340
- Redeemable Participating Certificates	7,508,637	-	(173,332)	7,335,305	7,849,325	-	20,685	7,870,010
REIT Fund - listed	113,658	-	1,194	114,852	-	-	-	-
	364,692,906	-	(259,118)	364,433,788	323,051,117	-	1,342,980	324,394,097
Fair value through other comprehensive income								
Federal Government Securities								
- Market Treasury Bills	939,421,379	-	(90,946)	939,330,433	499,822,811	-	2,662,370	502,485,181
- Pakistan Investment Bonds	400,710,352	-	6,868,877	407,579,229	754,647,088	-	24,086,480	778,733,568
- Ijarah Sukuks	320,912,018	-	880,580	321,792,598	210,939,890	-	5,225,757	216,165,647
- Government of Pakistan Euro Bonds	-	-	-	-	14,474,416	(1,770,177)	2,488,438	15,192,677
Shares								
- Ordinary Shares - Listed	7,955,893	-	6,379,778	14,335,671	13,929,483	-	12,276,445	26,205,928
- Ordinary Shares - Unlisted	1,319,050	-	5,149,340	6,468,390	1,319,050	-	5,167,448	6,486,498
- Preference Shares - Unlisted	25,000	(25,000)	-	-	25,000	(25,000)	-	-
Non Government Debt Securities								
- Term Finance Certificates	1,668,425	(96,705)	-	1,571,720	1,802,621	(99,924)	-	1,702,697
- Sukuks	96,511	(96,511)	-	-	306,511	(96,511)	12,577	222,577
Foreign Securities								
- Overseas Bonds - Sovereign	73,938,217	(24,020)	(662,378)	73,251,819	51,506,024	(28,329)	(401,445)	51,076,250
- Overseas Bonds - Others	22,549,081	(4,062)	(503,792)	22,041,227	36,111,967	(6,850)	(258,329)	35,846,788
- Equity Securities - Listed	265,082	-	(18,273)	246,809	266,966	-	(5,184)	261,782
- Preference Shares - Unlisted	556,368	-	(278,184)	278,184	560,308	-	-	560,308
REIT Fund - listed	1,062,244	-	(40,943)	1,021,301	1,034,094	-	5,753	1,039,847
	1,770,479,620	(246,298)	17,684,059	1,787,917,381	1,586,746,229	(2,026,791)	51,260,310	1,635,979,748
Balance carried forward	2,135,172,526	(246,298)	17,424,941	2,152,351,169	1,909,797,346	(2,026,791)	52,603,290	1,960,373,845

10.1 Investments by type:

	June 30, 2026 (Un-audited)				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)--------------------------------							
Balance brought forward	2,135,172,526	(246,298)	17,424,941	2,152,351,169	1,909,797,346	(2,026,791)	52,603,290	1,960,373,845
Amortised cost								
Federal Government Securities								
- Pakistan Investment Bonds	152,447,025	-	-	152,447,025	154,179,505	-	-	154,179,505
- Ijarah Sukuks	11,046,138	-	-	11,046,138	40,484,392	-	-	40,484,392
Non Government Debt Securities								
- Term Finance Certificates	312,180	(24,711)	-	287,469	349,680	(24,714)	-	324,966
- Sukuks	2,736,837	(29,248)	-	2,707,589	2,964,553	(29,257)	-	2,935,296
Foreign Securities								
- Overseas Bonds - Sovereign	14,906,035	(75,231)	-	14,830,804	12,685,594	(14,524)	-	12,671,070
	181,448,215	(129,190)	-	181,319,025	210,663,724	(68,495)	-	210,595,229
Associates	1,177,606	-	-	1,177,606	1,177,606	-	-	1,177,606
Subsidiaries	1,300,000	-	-	1,300,000	1,300,000	-	-	1,300,000
Total investments	2,319,098,347	(375,488)	17,424,941	2,336,147,800	2,122,938,676	(2,095,286)	52,603,290	2,173,446,680

10.2 Particulars of assets and liabilities of subsidiary and associates

				June 30, 2026 (Un-audited)				
	Subsidiary / Associate	Country of incorporation	Percentage of holding	Assets	Liabilities	Revenue	(Loss) / profit for the period	Total comprehensive (loss) / income
				-----------------(Rupees in '000)-----------------				
Alfalah Currency Exchange (Private) Limited	Subsidiary	Pakistan	100.00%	1,251,253	119,679	138,577	(47,431)	(47,637)
Alfalah Insurance Company Limited	Associate	Pakistan	30.00%	11,634,601	7,981,928	2,563,733	317,023	176,258
Sapphire Wind Power Company Limited	Associate	Pakistan	30.00%	13,844,202	596,161	1,234,302	(674,802)	(674,802)
Alfalah Asset Management Limited	Associate	Pakistan	40.22%	4,464,004	1,001,003	1,597,338	165,498	165,498

				December 31, 2025 (Audited)		June 30, 2025 (Un-audited)		
	Subsidiary / Associate	Country of incorporation	Percentage of holding	Assets	Liabilities	Revenue	(Loss) / profit for the period	Total comprehensive (loss) / income
				-----------------(Rupees in '000)-----------------				
Alfalah Currency Exchange (Private) Limited	Subsidiary	Pakistan	100.00%	1,328,637	149,426	89,982	(64,531)	(63,303)
Alfalah Insurance Company Limited	Associate	Pakistan	30.00%	10,811,177	7,168,687	1,547,909	332,611	268,801
Sapphire Wind Power Company Limited	Associate	Pakistan	30.00%	15,124,169	501,326	2,919,833	1,613,250	1,613,250
Alfalah Asset Management Limited	Associate	Pakistan	40.22%	4,711,807	1,414,304	1,438,243	341,143	341,143

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	--------(Rupees in '000)--------	

10.3 Investments given as collateral

- Market Treasury Bills	737,810,936	410,985,208
- Pakistan Investment Bonds	-	260,026,252
- Overseas Bonds	8,329,518	36,926,637
	746,140,454	707,938,097

10.3.1 The market value of securities given as collateral is Rs. 746,068.078 million (December 31, 2025: Rs. 718,094.513 million).

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	--------(Rupees in '000)--------	

10.4 Credit loss allowance / provision for diminution in value of total investments

10.4.1 Opening balance	2,095,286	4,050,491
Impact of adoption of IFRS 9	-	60,074
Balance as at January 01 after adopting IFRS 9	2,095,286	4,110,565
Exchange and other adjustments	(3,912)	26,012
Charge / (reversals)		
Charge for the period / year	127,544	361,487
Reversals for the period / year	(30,457)	(372,998)
Reversal on disposals	(1,812,973)	(524,563)
	(1,715,886)	(536,074)
Adjustment of provision on disposal of subsidiary	-	(1,505,217)
Closing balance	375,488	2,095,286

10.4.2 Particulars of credit loss allowance / provision against debt securities

Category of classification		June 30, 2026 (Un-audited)		December 31, 2025 (Audited)	
		Outstanding amount	Credit loss allowance	Outstanding amount	Credit loss allowance
Domestic		--------(Rupees in '000)--------			
Performing	Stage 1	637,500	34	706,250	47
Underperforming	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		272,141	272,141	275,359	275,359
		909,641	272,175	981,609	275,406
Overseas					
Performing	Stage 1	111,393,333	103,313	100,303,585	49,703
Underperforming	Stage 2	-	-	14,474,416	1,770,177
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
Total		112,302,974	375,488	115,759,610	2,095,286

10.4.2.1 The Government securities and Government guaranteed exposures are exempted by the SBP for the calculation of ECL.

10.4.3 The market value of securities classified at amortised cost as at June 30, 2026 amounted to Rs. 180,678.089 million (December 31, 2025: Rs. 214,074.433 million).

11 ADVANCES

	Note	Performing		Non-Performing		Total	
		June 30, 2026 (Un-audited)	December 31, 2025 (Audited)	June 30, 2026 (Un-audited)	December 31, 2025 (Audited)	June 30, 2026 (Un-audited)	December 31, 2025 (Audited)
		(Rupees in '000)					
Classified at amortised cost							
Loans, cash credits, running finances, etc.		819,733,103	762,898,168	39,537,066	41,006,331	859,270,169	803,904,499
Islamic financing and related assets	43.3	272,577,396	315,199,483	5,633,574	5,628,820	278,210,970	320,828,303
Bills discounted and purchased		20,731,102	26,060,353	187,869	900,622	20,918,971	26,960,975
		1,113,041,601	1,104,158,004	45,358,509	47,535,773	1,158,400,110	1,151,693,777
Classified at fair value through profit or loss							
Loans, cash credits, running finances, etc.		1,800,000	1,800,000	-	-	1,800,000	1,800,000
Advances - gross		1,114,841,601	1,105,958,004	45,358,509	47,535,773	1,160,200,110	1,153,493,777
Credit loss allowance / provision against advances							
- Stage 1	11.4	(2,227,657)	(1,483,302)	-	-	(2,227,657)	(1,483,302)
- Stage 2	11.4	(1,201,401)	(835,423)	-	-	(1,201,401)	(835,423)
- Stage 3	11.4	-	-	(39,984,955)	(42,095,261)	(39,984,955)	(42,095,261)
- Specific	11.4	-	-	-	-	-	-
- General	11.4	(4,165,523)	(4,155,956)	-	-	(4,165,523)	(4,155,956)
		(7,594,581)	(6,474,681)	(39,984,955)	(42,095,261)	(47,579,536)	(48,569,942)
Advances - net of credit loss allowance / provision		1,107,247,020	1,099,483,323	5,373,554	5,440,512	1,112,620,574	1,104,923,835

11.1 Advances include an amount of Rs. 474.325 million (December 31, 2025: Rs. 423.653 million), being Employee Loan facilities allowed to Citibank, N.A, Pakistan's employees, which were either taken over by the Bank, or were granted afresh, under a specific arrangement executed between the Bank and Citibank, N.A, Pakistan. The said arrangement is subject to certain relaxations as specified vide SBP Letter BPRD/BRD/Citi/2017/21089 dated September 11, 2017.

The said arrangement covers only existing employees of Citibank, N.A, Pakistan, and the relaxations allowed by the SBP are on continual basis, but subject to review by the SBP's BID and OSED departments. These loans carry mark-up at the rates ranging from 11.49% to 33.31% (December 31, 2025: 13.79% to 33.69%) per annum with maturities up to July 2045 (December 31, 2025: July 2045).

11.2 Particulars of advances (gross)	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	(Rupees in '000)	
In local currency	1,072,895,501	1,038,968,318
In foreign currencies	87,304,609	114,525,459
	1,160,200,110	1,153,493,777

11.3 Advances include Rs. 45,358.509 million (December 31, 2025: Rs. 47,535.773 million) which have been placed under non-performing status as detailed below:

Category of classification in stage 3	June 30, 2026 (Un-audited)		December 31, 2025 (Audited)	
	Non-Performing Loans	Credit loss allowance /provision	Non-Performing Loans	Credit loss allowance /provision
	(Rupees in '000)			
Domestic				
Other Assets Especially Mentioned (OAEM)	189,488	-	156,345	366
Substandard	1,386,950	427,611	3,347,182	1,385,197
Doubtful	8,055,180	4,027,646	6,256,133	3,106,590
Loss	35,099,727	34,966,813	37,093,274	36,992,066
	44,731,345	39,422,070	46,852,934	41,484,219
Overseas				
Substandard	27,713	13,458	29,577	13,154
Doubtful	-	-	-	-
Loss	599,451	549,427	653,262	597,888
	627,164	562,885	682,839	611,042
Total	45,358,509	39,984,955	47,535,773	42,095,261

11.4 Particulars of credit loss allowance / provision against advances

	June 30, 2026 (Un-audited)						December 31, 2025 (Audited)					
	Expected Credit Loss			Specific	General	Total	Expected Credit Loss			Specific	General	Total
	Stage 1	Stage 2	Stage 3				Stage 1	Stage 2	Stage 3			
	(Rupees in '000)											
Opening balance	1,483,302	835,423	42,095,261	-	4,155,956	48,569,942	2,232,954	1,388,083	38,436,013	587,690	4,237,082	46,881,822
Impact of adoption of IFRS 9	-	-	-	-	-	-	50,662	49,899	587,751	(587,690)	-	100,622
Balance as at January 01 after adopting IFRS 9	1,483,302	835,423	42,095,261	-	4,155,956	48,569,942	2,283,616	1,437,982	39,023,764	-	4,237,082	46,982,444
Exchange and other adjustments	(1,153)	-	(8,410)	-	(4,367)	(13,930)	867	-	(10,355)	-	(6,265)	(15,753)
Charge for the period / year	911,923	402,918	3,725,043	-	13,934	5,053,818	625,481	220,291	9,739,727	-	-	10,585,499
Reversals for the period / year	(132,704)	(50,261)	(4,936,524)	-	-	(5,119,489)	(1,480,219)	(878,247)	(5,277,165)	-	(74,861)	(7,710,492)
	779,219	352,657	(1,211,481)	-	13,934	(65,671)	(854,738)	(657,956)	4,462,562	-	(74,861)	2,875,007
						-						
Transfer	(33,711)	13,321	20,390	-	-	-	53,557	55,397	(108,954)	-	-	-
Amounts written off	-	-	(11,127)	-	-	(11,127)	-	-	(22,402)	-	-	(22,402)
Amounts charged off	-	-	(867,584)	-	-	(867,584)	-	-	(1,223,608)	-	-	(1,223,608)
Amounts charged off - agriculture financing	-	-	(32,094)	-	-	(32,094)	-	-	(25,746)	-	-	(25,746)
	(33,711)	13,321	(890,415)	-	-	(910,805)	53,557	55,397	(1,380,710)	-	-	(1,271,756)
Closing balance	2,227,657	1,201,401	39,984,955	-	4,165,523	47,579,536	1,483,302	835,423	42,095,261	-	4,155,956	48,569,942

11.4.1 The additional profit arising from availing the forced sales value (FSV) benefit - net of tax as at June 30, 2026 which is not available for distribution as either cash or stock dividend to shareholders / bonus to employees amounted to Rs. 24.009 million (December 31, 2025: Rs. 29.418 million).

11.4.2 General provision includes:

(i) Provision held at overseas branches to meet the requirements of the regulatory authorities of the respective countries in which overseas branches operate; and

(ii) Provision of Rs. 3,878.000 million (December 31, 2025: Rs. 3,878.000 million) against the high risk portfolio. The portfolio excludes Government of Pakistan backed exposure, staff loans and loans secured against liquid collaterals.

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

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

	June 30, 2026 (Un-audited)						December 31, 2025 (Audited)					
	Expected Credit Loss			Specific	General	Total	Expected Credit Loss			Specific	General	Total
	Stage 1	Stage 2	Stage 3				Stage 1	Stage 2	Stage 3			
	(Rupees in '000)											
Opening balance	1,483,302	835,423	42,095,261	-	4,155,956	48,569,942	2,232,954	1,388,083	38,436,013	587,690	4,237,082	46,881,822
Impact of adoption of IFRS 9	-	-	-	-	-	-	50,662	49,899	587,751	(587,690)	-	100,622
Balance as at January 01 after adopting IFRS 9	1,483,302	835,423	42,095,261	-	4,155,956	48,569,942	2,283,616	1,437,982	39,023,764	-	4,237,082	46,982,444
Exchange and other adjustments	(1,153)	-	(8,410)	-	(4,367)	(13,930)	867	-	(10,355)	-	(6,265)	(15,753)
New advances	613,320	371,661	2,375,342	-	13,934	3,374,257	625,481	220,290	6,806,443	-	-	7,652,214
Due to credit deterioration	-	-	1,349,701	-	-	1,349,701	-	-	2,933,284	-	-	2,933,284
Advances derecognised or	-	-	-									
repaid / reversal	(132,704)	(50,261)	(4,918,365)	-	-	(5,101,330)	(703,271)	(541,415)	(5,400,513)	-	(74,861)	(6,720,060)
Transfer to stage 1	35,663	(35,393)	(270)	-	-	-	148,383	(148,383)	-	-	-	-
Transfer to stage 2	(68,319)	68,319	-	-	-	-	(83,450)	314,803	(231,353)	-	-	-
Transfer to stage 3	(1,055)	(19,605)	20,660	-	-	-	(11,376)	(111,023)	122,399	-	-	-
Changes in risk parameters	298,603	31,257	(18,159)	-	-	311,701	(776,948)	(336,831)	123,348	-	-	(990,431)
	745,508	365,978	(1,191,091)	-	13,934	(65,671)	(801,181)	(602,559)	4,353,608	-	(74,861)	2,875,007
Amounts written off	-	-	(11,127)	-	-	(11,127)	-	-	(22,402)	-	-	(22,402)
Amounts charged off	-	-	(899,678)	-	-	(899,678)	-	-	(1,249,354)	-	-	(1,249,354)
Closing balance	2,227,657	1,201,401	39,984,955	-	4,165,523	47,579,536	1,483,302	835,423	42,095,261	-	4,155,956	48,569,942

11.6 Particulars of charged-off loans / advances / finances

	June 30, 2026 (Un-audited)		December 31, 2025 (Audited)	
	No. of borrowers	Rupees in '000	No. of borrowers	Rupees in '000
Corporate, Commercial and SME				
Opening balance	329	2,864,494	186	2,982,475
Charge-off during the period / year	23	205,590	165	174,416
Sub total	352	3,070,084	351	3,156,891
Recoveries made during the period / year against already charged-off cases	(12)	(155,991)	(22)	(292,397)
Closing balance	340	2,914,093	329	2,864,494

11.7 Advances - category of classification

		June 30, 2026 (Un-audited)		December 31, 2025 (Audited)	
		Outstanding	Credit loss allowance /provision	Outstanding	Credit loss allowance /provision
		----------(Rupees in '000)----------			
Domestic					
Performing	Stage 1	947,606,890	2,041,145	902,273,942	1,241,211
Underperforming	Stage 2	121,932,735	1,132,832	149,272,491	811,397
Non-performing	Stage 3				
Other Assets Especially Mentioned (OAEM)		189,488	-	156,345	366
Substandard		1,386,950	427,611	3,347,182	1,385,197
Doubtful		8,055,180	4,027,646	6,256,133	3,106,590
Loss		35,099,727	34,966,813	37,093,274	36,992,066
General provision		-	3,878,000	-	3,878,000
		1,114,270,970	46,474,047	1,098,399,367	47,414,827
Overseas					
Performing	Stage 1	40,049,791	186,512	51,382,054	242,091
Underperforming	Stage 2	5,252,185	68,569	3,029,517	24,026
Non-performing	Stage 3				
Substandard		27,713	13,458	29,577	13,154
Doubtful		-	-	-	-
Loss		599,451	549,427	653,262	597,888
General provision		-	287,523	-	277,956
		45,929,140	1,105,489	55,094,410	1,155,115
Total		1,160,200,110	47,579,536	1,153,493,777	48,569,942

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
12 PROPERTY AND EQUIPMENT		----------(Rupees in '000)----------	
Capital work-in-progress	12.1	5,522,944	4,763,629
Property and equipment	12.2	66,868,876	66,336,838
		72,391,820	71,100,467

12.1 Capital work-in-progress

Civil works	4,791,340	4,135,038
Equipment	567,114	620,749
Others	164,490	7,842
	5,522,944	4,763,629

12.2 These include land and buildings carried at revalued amount of Rs. 40,770.026 million (December 31, 2025: Rs. 40,808.896 million).

		(Un-audited) Half year ended	
		June 30, 2026	June 30, 2025
12.3	**Additions to property and equipment**	-----------(Rupees in '000)-----------	
	The following additions were made to property and equipment during the period:		
	Capital work-in-progress - net of transferred out for capitalisation	759,315	1,101,009
	Property and equipment		
	Freehold land	-	283,710
	Buildings on freehold land	70,020	234,372
	Buildings on leasehold land	231,474	204,571
	Leasehold improvement	1,410,124	1,876,629
	Furniture and fixtures	138,310	460,860
	Office equipment	1,817,781	2,189,474
	Vehicles	537,811	1,219,504
		4,205,520	6,469,120
	Total additions to property and equipment	4,964,835	7,570,129

12.4 Disposals of property and equipment

The net book values of property and equipment disposed of during the period are as follows:

	June 30, 2026	June 30, 2025
Building on freehold land	7,984	-
Building on leasehold land	155,760	-
Leasehold improvements	1,480	-
Furniture and fixtures	118	376
Office equipment	6,844	6,513
Vehicles	139,228	-
Total disposals of property and equipment	311,414	6,889

		(Un-audited) June 30, 2026	(Audited) December 31, 2025
13	**RIGHT-OF-USE ASSETS**	-----------(Rupees in '000)-----------	
		Buildings	**Buildings**
	At January 01		
	Cost	40,232,388	36,609,168
	Accumulated depreciation	(13,854,845)	(11,318,561)
	Net carrying amount at January 01	26,377,543	25,290,607
	Additions / renewals / amendments / (terminations) - net during the period / year	2,849,574	5,626,450
	Depreciation charge during the period / year	(2,388,413)	(4,538,289)
	Exchange rate adjustments	(4,573)	(1,225)
	Closing net carrying amount	26,834,131	26,377,543
14	**INTANGIBLE ASSETS**		
	Capital work-in-progress / advance payment to suppliers	563,675	432,589
	Software	1,155,114	1,290,967
		1,718,789	1,723,556

		(Un-audited) Half year ended	
		June 30, 2026	June 30, 2025
14.1	**Additions to intangible assets**	-----------(Rupees in '000)-----------	
	The following additions were made to intangible assets during the period:		
	Capital work-in-progress - net of transferred out for capitalisation	131,086	25,756
	Directly purchased	79,706	141,318
	Total additions to intangible assets	210,792	167,074

14.2 There were no disposals of intangible assets during the periods ended June 30, 2026 and June 30, 2025.

		Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
15	**OTHER ASSETS**		-----------(Rupees in '000)-----------	
	Income / mark-up accrued in local currency - net		48,869,833	60,141,410
	Income / mark-up accrued in foreign currencies - net		2,106,441	2,971,667
	Advances, deposits, advance rent and other prepayments		7,017,761	4,179,959
	Advance taxation (payments less provisions)		-	1,787,413
	Advance against subscription of share		55,343	55,343
	Non-banking assets acquired in satisfaction of claims	15.1	7,518,592	7,541,885
	Mark to market gain on forward foreign exchange contracts		2,119,484	1,794,697
	Mark to market gain on derivatives		1,367,636	1,643,940
	Stationery and stamps on hand		22,565	23,355
	Defined benefit plan		2,237,885	2,713,892
	Branch adjustment account		457,883	-
	Alternative Delivery Channel (ADC) settlement accounts	15.3	-	8,918,232
	Due from card issuing banks		2,983,565	3,697,630
	Accounts receivable		19,993,203	19,104,140
	Claims against fraud and forgeries		118,096	122,736
	Acceptances		30,809,123	45,736,218
	Receivable against Government of Pakistan and overseas government securities		43,369	12,448
	Receivable against marketable securities		192,095	1,054,801
	Deferred cost on staff loans		23,337,284	23,828,039
	Others		257,405	90,982
			149,507,563	185,418,787
	Less: Credit loss allowance / provision held against other assets	15.2	(5,303,666)	(4,920,297)
	Other assets (net of credit loss allowance / provision)		144,203,897	180,498,490
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims - net	15.1	606,473	609,549
	Other assets - total		144,810,370	181,108,039

15.1 The revalued amount of non-banking assets acquired in satisfaction of claims is Rs. 8,125.065 million (December 31, 2025: Rs. 8,151.434 million).

		Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
			-----------(Rupees in '000)-----------	
15.2	**Credit loss allowance / provision held against other assets**			
	Impairment against overseas operations	15.2.2	3,536,804	3,762,351
	Expected credit loss		476,565	32,456
	Fraud and forgeries		118,096	122,736
	Accounts receivable		950,139	772,498
	Others		222,062	230,256
			5,303,666	4,920,297
15.2.1	**Movement in credit loss allowance / provision held against other assets**			
	Opening balance		4,920,297	3,466,022
	Impact of adoption of IFRS 9		-	862
	Balance as at January 01 after adopting IFRS 9		4,920,297	3,466,884
	Exchange and other adjustments		-	(5,293)
	Charge for the period / year		649,137	1,680,896
	Reversals for the period / year		(264,718)	(187,975)
			384,419	1,492,921
	Amount written off		(1,050)	(34,215)
	Closing balance		5,303,666	4,920,297

15.2.2 The Bank, in light of uncertain conditions in one of the countries where the Bank operates, holds an impairment of Rs. 3,536.804 million (December 31, 2025: Rs. 3,762.351 million) against the cross border risk.

15.3 This represents settlement arising from channel transaction at the cut off date which were subsequently cleared.

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	---------(Rupees in '000)---------	

16 BILLS PAYABLE

In Pakistan	101,447,403	55,189,647
Outside Pakistan	771,220	1,768,322
	102,218,623	56,957,969

17 BORROWINGS

Secured		
Borrowings from State Bank of Pakistan under:		
Export Refinance Scheme	7,936,628	16,530,301
Long-Term Finance Facility	13,839,397	15,939,430
Financing Facility for Renewable Energy Projects	10,627,253	11,730,666
Financing Facility for Storage of Agriculture Produce (FFSAP)	743,842	750,932
Temporary Economic Refinance Facility (TERF)	24,185,911	22,080,355
Export Refinance under Bill Discounting	14,396,990	15,189,403
SME Asaan Finance (SAAF)	5,341,661	4,785,327
Refinance Facility for Combating COVID (RFCC)	406,610	688,185
Refinance and Credit Guarantee Scheme for Women Entrepreneurs	367,382	458,974
Modernization of Small and Medium Entities (MSMES)	1,754,846	2,105,849
Other refinance schemes	-	57,526
Repurchase agreement borrowings	689,463,500	639,717,757
	769,064,020	730,034,705
Repurchase agreement borrowings	50,706,296	67,541,995
Total secured	819,770,316	797,576,700
Unsecured		
Call borrowings	5,990,230	20,988,165
Overdrawn nostro accounts	1,550,037	2,684,675
Borrowings of overseas branches	78,245	90,950
Others		
- Pakistan Mortgage Refinance Company	11,037,351	7,872,733
- Karandaaz Risk Participation	2,554,382	2,914,659
Total unsecured	21,210,245	34,551,182
	840,980,561	832,127,882

18 DEPOSITS AND OTHER ACCOUNTS

	June 30, 2026 (Un-audited)			December 31, 2025 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	---------(Rupees in '000)---------					
Customers						
- Current deposits	982,426,327	155,823,306	1,138,249,633	797,623,294	146,092,338	943,715,632
- Savings deposits	594,751,861	40,910,515	635,662,376	582,480,833	46,121,610	628,602,443
- Term deposits	496,004,071	99,118,228	595,122,299	489,942,118	91,166,717	581,108,835
- Others	67,559,643	11,599,032	79,158,675	32,836,812	11,027,005	43,863,817
	2,140,741,902	307,451,081	2,448,192,983	1,902,883,057	294,407,670	2,197,290,727
Financial Institutions						
- Current deposits	6,378,054	4,489,431	10,867,485	5,108,983	5,966,173	11,075,156
- Savings deposits	96,313,802	977,649	97,291,451	150,983,805	525,614	151,509,419
- Term deposits	82,401,864	6,322,055	88,723,919	98,246,000	8,272,581	106,518,581
- Others	10,667,177	3,134,924	13,802,101	6,972,358	22,841,858	29,814,216
	195,760,897	14,924,059	210,684,956	261,311,146	37,606,226	298,917,372
	2,336,502,799	322,375,140	2,658,877,939	2,164,194,203	332,013,896	2,496,208,099

18.1 Current deposits include remunerative current deposits of Rs. 54,192.673 million (December 31, 2025: Rs. 40,186.585 million).

		Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
19	**LEASE LIABILITIES**		----------(Rupees in '000)---------	
	Opening as at January 01		32,471,152	29,481,938
	Additions / renewals / amendments / (terminations) - net		2,764,025	5,466,127
	Finance charges		2,265,196	4,310,585
	Lease payments including interest		(3,584,834)	(6,786,693)
	Exchange rate / other adjustment		(5,548)	(805)
	Closing net carrying amount		33,909,991	32,471,152

19.1 Liabilities outstanding

Not later than one year	2,811,271	2,415,548
Later than one year and upto five years	14,555,062	13,247,135
Over five years	16,543,658	16,808,469
Total as at period / year end	33,909,991	32,471,152

For the purpose of discounting PKRV rates are being used.

20 SUBORDINATED DEBT

Term Finance Certificates VI - Additional Tier-I (ADT-1)	20.1	7,000,000	7,000,000
Term Finance Certificates VIII - Additional Tier-I (ADT-1)	20.2	7,000,000	7,000,000
Advance subscription money - Term Finance Certificates IX - Tier-II	20.3	18,045,000	-
		32,045,000	14,000,000

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

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

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

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

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

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

20.3 Advance subscription money - Term Finance Certificates IX - Tier-II - Quoted, Unsecured

The Bank is in the process of issuing fully paid up, rated, quoted, unsecured and subordinated debt instruments in the nature of Term Finance Certificates under Section 66 of the Companies Act, 2017 which qualify as Tier II Capital as outlined by the State Bank of Pakistan under BPRD Circular No. 06 dated August 15, 2013. The total size of the Tier II Term Finance Certificates is Rs. 20,000 million, inclusive of a greenshoe option of Rs. 10,000 million. As of June 30, 2026, the Bank has received advance subscription money amounting to Rs. 18,045 million. Subsequent to the period end June 30, 2026, the Bank has received the remaining subscription amount of Rs. 1,955 million.

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
21 DEFERRED TAX LIABILITIES	------------(Rupees in '000)------------	
Deductible temporary differences on:		
- Credit loss allowance / provision against investments	(2,111,300)	(1,941,895)
- Credit loss allowance / provision against advances	(4,269,112)	(3,936,178)
- Modification of advances	(33,508)	(39,908)
- Credit loss allowance / provision against other assets	(2,698,993)	(2,344,065)
- Lease liabilities	(18,606,411)	(17,784,947)
- Credit loss allowance against balances with treasury banks	(33,282)	(25,233)
- Credit loss allowance against balances with other banks	(2,723)	(3,282)
- Credit loss allowance against lendings to financial institutions	(90)	110
- Unrealised (loss) / gain on FVPL investments	(134,741)	383,135
- Effective interest rate on financial assets	(391,009)	-
- Workers' welfare fund	(3,761,349)	(3,223,794)
	(32,042,518)	(28,916,057)
Balance carried forward	(32,042,518)	(28,916,057)

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		------------(Rupees in '000)------------	
Balance brought forward		(32,042,518)	(28,916,057)
Taxable temporary differences on:			
- Unrealised net gain on fair value of refinancing schemes		259,946	568,625
- Right-of-use assets		13,953,748	13,716,323
- Surplus on revaluation of FVOCI investments		9,569,674	27,594,959
- Surplus on revaluation of property and equipment		2,498,516	2,467,187
- Surplus on revaluation of non-banking assets		251,566	240,693
- Exchange translation reserve		3,422,386	3,538,319
- Effective interest rate on financial liabilities		245,056	-
- Accelerated tax depreciation		4,774,486	5,135,024
		34,975,378	53,261,130
		2,932,860	24,345,073

22 OTHER LIABILITIES

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
Mark-up / return / interest payable in local currency		20,793,005	26,959,506
Mark-up / return / interest payable in foreign currencies		1,508,698	1,823,824
Unearned fee commission and income on bills discounted and guarantees		5,020,907	5,092,375
Accrued expenses		29,208,419	25,591,941
Current taxation		947,201	-
Acceptances		30,809,123	45,736,218
Dividends payable		3,026,068	361,864
Mark to market loss on forward foreign exchange contracts		2,366,594	1,815,628
Mark to market loss on derivatives		58,921	64,270
Branch adjustment account		-	313,976
Alternative Delivery Channel (ADC) settlement accounts	22.2	3,724,380	-
Provision for compensated absences		1,983,000	1,720,500
Payable against redemption of customer loyalty / reward points		1,753,564	1,616,879
Charity payable		179,770	131,931
Credit loss allowance / provision against off-balance sheet obligations	22.1	2,198,833	1,036,203
Security deposits against leases, lockers and others		25,141,329	20,362,311
Workers' welfare fund		9,207,376	8,173,618
Payable to vendors and suppliers		490,760	467,549
Advance payments		2,397,372	2,713,358
Margin deposits on derivatives		634,516	1,042,368
Payable to merchants (card acquiring)		2,470,852	1,275,006
Withholding taxes payable		5,561,320	5,267,418
Payable against marketable securities		40,241	-
Liability against share based payment		1,164,105	1,350,000
Trading liability		-	15,118,700
Others		8,862,632	8,269,446
		159,548,986	176,304,889

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

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
Opening balance	1,036,203	780,711
Impact of adoption of IFRS 9	-	2,714
Balance as at January 01 after adopting IFRS 9	1,036,203	783,425
Exchange and other adjustments	(471)	5,033
Charge for the period / year	1,356,397	449,783
Reversals for the period / year	(193,296)	(202,038)
	1,163,101	247,745
Closing balance	2,198,833	1,036,203

22.2 This represents settlements arising from channel transaction at the cut off date which were subsequently cleared.

		Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
23	**SURPLUS ON REVALUATION OF ASSETS**		---------(Rupees in '000)---------	
	Surplus on revaluation of:			
	- Securities measured at FVOCI - debt	10.1	6,492,341	33,815,848
	- Securities measured at FVOCI - equity	10.1	11,191,718	17,444,462
	- Property and equipment		19,665,203	19,829,920
	- Non-banking assets acquired in satisfaction of claims		606,473	609,549
			37,955,735	71,699,779
	Less: Deferred tax liability on surplus on revaluation of:			
	- Securities measured at FVOCI - debt		(3,376,017)	(17,584,241)
	- Securities measured at FVOCI - equity		(5,819,693)	(9,071,120)
	- Property and equipment		(2,498,516)	(2,467,187)
	- Non-banking assets acquired in satisfaction of claims		(251,566)	(240,693)
			(11,945,792)	(29,363,241)
	Derivatives deficit		719,161	1,806,920
	Less: Deferred tax asset on derivative		(373,964)	(939,598)
			345,197	867,322
			26,355,140	43,203,860

24	**CONTINGENCIES AND COMMITMENTS**			
	- Guarantees	24.1	213,330,317	222,502,386
	- Commitments	24.2	1,100,657,693	946,253,493
	- Other contingent liabilities	24.3.1	20,636,788	23,827,667
			1,334,624,798	1,192,583,546
24.1	**Guarantees:**			
	Financial guarantees		5,457,656	6,702,626
	Performance guarantees		80,459,493	76,529,645
	Other guarantees		127,413,168	139,270,115
			213,330,317	222,502,386
24.2	**Commitments:**			
	Documentary credits and short-term trade-related transactions			
	- letters of credit		301,583,025	239,313,344
	Commitments in respect of:			
	- forward foreign exchange contracts	24.2.1	577,214,188	467,011,416
	- forward government securities transactions	24.2.2	156,759,194	165,504,849
	- derivatives	24.2.3	18,770,982	24,504,558
	- forward lending	24.2.4	40,433,816	42,777,444
	Commitments for acquisition of:			
	- property and equipment		3,833,132	4,971,020
	- intangible assets		576,001	483,507
	Commitments in respect of donations		1,487,355	1,687,355
			1,100,657,693	946,253,493
24.2.1	**Commitments in respect of forward foreign exchange contracts**			
	Purchase		335,254,095	271,592,770
	Sale		241,960,093	195,418,646
			577,214,188	467,011,416
24.2.2	**Commitments in respect of forward government securities transactions**			
	Purchase		37,228,360	44,558,744
	Sale		119,530,834	120,946,105
			156,759,194	165,504,849

		Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
24.2.3	**Commitments in respect of derivatives**		---------(Rupees in '000)---------	
	Interest rate swaps			
	Purchase	25.1	10,152,891	15,364,164
	Sale		-	-
			10,152,891	15,364,164
	Cross currency swaps			
	Purchase		-	-
	Sale	25.1	8,618,091	9,140,394
			8,618,091	9,140,394
	Total commitments in respect of derivatives		18,770,982	24,504,558
24.2.4	**Commitments in respect of forward lending**			
	Undrawn formal standby facilities, credit lines and other commitments to lend	24.2.4.1	40,433,816	42,777,444

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

		(Un-audited) June 30, 2026	(Audited) December 31, 2025
24.3	**Other contingent liabilities**	---------(Rupees in '000)---------	
24.3.1	Claims against the Bank not acknowledged as debts	20,636,788	23,827,667

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

24.4 Contingency for tax payable

24.4.1 There were no tax related contingencies other than those which are disclosed in note 36.1.

25 DERIVATIVE INSTRUMENTS

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

25.1 Product analysis

	June 30, 2026 (Un-audited)					
	Interest Rate Swaps			Cross Currency Swaps		
	No. of contracts	Notional principal	Mark to market gain - net	No. of contracts	Notional principal	Mark to market gain - net
Counterparties		-------------(Rupees in '000)------------			-------------(Rupees in '000)------------	
With banks for						
Hedging	14	10,152,891	587,213	-	-	-
With other entities for						
Market making	-	-	-	4	8,618,091	721,502
	14	10,152,891	587,213	4	8,618,091	721,502

	December 31, 2025 (Audited)					
	Interest Rate Swaps			Cross Currency Swaps		
	No. of contracts	Notional principal	Mark to market gain - net	No. of contracts	Notional principal	Mark to market gain - net
Counterparties		-------------(Rupees in '000)------------			-------------(Rupees in '000)------------	
With banks for						
Hedging	18	15,364,164	839,754	-	-	-
With other entities for						
Market making	-	-	-	4	9,140,394	739,916
	18	15,364,164	839,754	4	9,140,394	739,916

		Note	(Un-audited) Half year ended	
			June 30, 2026	June 30, 2025
			-----------(Rupees in '000)-----------	
26	**MARK-UP / RETURN / INTEREST EARNED**			
	On:			
	a) Loans and advances		62,035,903	58,553,231
	b) Investments		103,191,647	125,186,597
	c) Lendings to financial institutions		2,165,734	1,776,555
	d) Balances with banks		115,242	150,550
	e) On securities purchased under resale agreements		6,189,636	2,721,239
			173,698,162	188,388,172
26.1	**Interest income (calculated using effective interest rate method) recognised on:**			
	Financial assets measured at amortised cost		83,266,963	
	Financial assets measured at FVOCI		75,233,988	
		27.1.1	158,500,951	
27	**MARK-UP / RETURN / INTEREST EXPENSED**			
	On:			
	a) Deposits		60,978,065	58,854,416
	b) Borrowings		7,443,575	10,148,616
	c) Securities sold under repurchase agreements		29,663,902	47,132,511
	d) Subordinated debt		898,390	1,027,076
	e) Cost of foreign currency swaps against foreign currency deposits / borrowings		1,486,129	1,068,066
	f) Leased assets		2,265,196	2,087,479
	g) Reward points / customer loyalty		164,687	642,733
			102,899,944	120,960,897
27.1	**Interest expense calculated using effective interest rate method:**			
	Financial liabilities	27.1.1	101,249,128	

27.1.1 As disclosed in note 4.1.1, the Bank has applied the effective interest rate method during the current period under the modified retrospective approach. The impact has been recognised in opening equity, and accordingly, prior information has not been presented.

		Note	June 30, 2026	June 30, 2025
28	**FEE AND COMMISSION INCOME**			
	Branch banking customer fees		849,975	898,512
	Consumer finance related fees		365,378	392,905
	Card related fees (debit and credit cards)		1,722,610	1,642,385
	Credit related fees		306,161	295,107
	Investment banking fees		92,587	230,384
	Commission on trade		1,768,980	1,640,455
	Commission on guarantees		533,165	437,394
	Commission on cash management		38,187	36,433
	Commission on remittances including home remittances		578,584	204,720
	Commission on bancassurance		343,255	324,991
	Card acquiring business		212,021	548,027
	Wealth management fee		295,310	287,260
	Commission on Benazir Income Support Programme (BISP)		235,365	149,699
	Alternative Delivery Channel (ADC)		845,303	575,126
	Others		116,659	143,963
			8,303,540	7,807,361
29	**FOREIGN EXCHANGE INCOME**			
	Foreign exchange income		7,210,689	5,262,389
	Foreign exchange (loss) / gain related to derivatives		(225,084)	27,311
			6,985,605	5,289,700
30	**GAIN ON SECURITIES**			
	Realised gain	30.1	18,127,262	8,651,236
	Unrealised loss - measured at FVPL	10.1	(259,118)	(319,701)
	Unrealised gain on trading liabilities - net		-	62,816
		30.2	17,868,144	8,394,351

		Note	(Un-audited) Half year ended	
			June 30, 2026	June 30, 2025
			-----------(Rupees in '000)-----------	
30.1	**Realised gain on:**			
	Federal government securities		17,339,272	7,838,557
	Shares		542,276	31,521
	Non-government debt securities		-	49,990
	Foreign securities		245,714	342,436
	Subsidiary		-	388,732
			18,127,262	8,651,236
30.2	**Net gain / (loss) on financial assets / liabilities measured:**			
	At FVPL			
	Designated upon initial recognition		2,773,196	2,737,076
	Mandatorily measured at FVPL		(18,728)	(119,142)
			2,754,468	2,617,934
	Net gain on financial assets measured at FVOCI - Debt		15,113,676	5,387,685
	Gain on disposal of subsidiary		-	388,732
			17,868,144	8,394,351
31	**OTHER INCOME**			
	Rent on property		12,702	7,786
	Gain on sale of property and equipment - net		48,872	26,726
	Gain on sale of non-banking assets - net		-	3,368
	Profit on termination of leased contracts (Ijarah)		24	3
	Gain on FVPL loans / advances		-	56,483
	Gain on termination of leases		85,549	54,117
	Insurance premium of overseas branch recovered		-	719,128
	Others		1,432	6,618
			148,579	874,229
32	**OPERATING EXPENSES**			
	Total compensation expense	32.1	27,483,915	23,795,451
	Property expense			
	Rates and taxes		136,962	92,975
	Utilities cost		2,049,289	1,669,717
	Security (including guards)		1,413,004	1,092,907
	Repair and maintenance (including janitorial charges)		1,394,180	1,167,662
	Depreciation on right-of-use assets		2,388,413	2,227,770
	Depreciation on non-banking assets acquired in satisfaction of claims		26,369	35,535
	Depreciation on owned assets		801,770	642,500
			8,209,987	6,929,066
	Information technology expenses			
	Software maintenance		2,122,556	1,773,976
	Hardware maintenance		807,100	524,507
	Depreciation		897,182	874,908
	Amortisation		213,908	199,057
	Network charges		442,271	361,960
	Consultancy and support services		74,297	36,557
			4,557,314	3,770,965
	Balance carried forward		40,251,216	34,495,482

	(Un-audited) Half year ended	
	June 30, 2026	June 30, 2025
	-----------(Rupees in '000)-----------	
Balance brought forward	40,251,216	34,495,482
Other operating expenses		
Directors' fees and allowances	119,760	76,480
Fees and allowances to Shariah Board	16,302	15,311
Legal and professional charges	535,458	486,351
Outsourced services costs	1,013,602	836,442
Travelling and conveyance	1,371,079	1,036,424
Clearing and custodian charges	159,811	120,150
Depreciation	1,611,909	1,348,716
Training and development	155,215	131,415
Postage and courier charges	351,147	232,269
Communication	1,989,947	1,944,937
Stationery and printing	1,289,661	1,076,329
Marketing, advertisement and publicity	5,068,845	9,097,749
Donations	407,450	154,201
Auditors' remuneration	135,021	120,526
Brokerage and commission	1,093,527	809,218
Entertainment	567,399	448,597
Repairs and maintenance	672,589	557,586
Insurance	1,283,568	1,146,962
Cash handling charges	956,423	1,048,353
CNIC verification	339,368	359,428
Others	1,077,858	435,456
	20,215,939	21,482,900
	60,467,155	55,978,382

32.1 Total compensation expense

Managerial remuneration		
i) Fixed	15,319,688	13,673,832
ii) Variable:		
a) Cash bonus / awards etc.	3,694,634	3,347,227
b) Bonus and awards in shares etc.	1,003,978	461,143
Charge for defined benefit plan	476,008	480,951
Contribution to defined contribution plan	659,054	560,514
Medical	1,614,206	1,417,235
Conveyance	1,858,541	1,613,107
Staff compensated absences	262,500	176,000
Staff life insurance	86,634	86,251
Staff welfare	52,771	34,239
Club subscription	5,627	10,672
Sub-total	25,033,641	21,861,171
Sign-on bonus	8,644	33,421
Staff loans - notional cost	2,441,630	1,746,960
Severance allowance	-	153,899
Grand total	27,483,915	23,795,451

33 WORKERS' WELFARE FUND

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

	Note	(Un-audited) Half year ended	
		June 30, 2026	June 30, 2025
		-----------(Rupees in '000)-----------	
34 OTHER CHARGES			
Penalties imposed by the State Bank of Pakistan		12,759	9,557
Penalties imposed by other regulatory bodies		4,598	-
		17,357	9,557
35 (REVERSAL OF) / CHARGE AGAINST CREDIT LOSS ALLOWANCE / PROVISIONS AND WRITE OFFS - NET			
Credit loss allowance / (reversal) against cash and balances with treasury banks		15,479	(3,653)
(Reversal) / credit loss allowance against balances with other banks		(1,076)	7,340
Credit loss allowance / (reversal) against lending to financial institutions		385	(219)
Reversal of credit loss allowance / provision against diminution in value of investments	10.4.1	(1,715,886)	(257,624)
(Reversal) / credit loss allowance / provision against loans & advances	11.4	(65,671)	913,611
Credit loss allowance against other assets	15.2.1	384,419	537,467
Credit loss allowance against off-balance sheet obligations	22.1	1,163,101	119,595
Credit loss allowance / write off - net		33,417	22,066
Recovery of written off / charged off bad debts		(393,521)	(441,938)
		(579,353)	896,645
36 TAXATION			
Charge / (reversal) :			
Current		26,706,570	21,705,312
Prior years		108,380	3,986,399
Deferred		(2,942,760)	(7,035,461)
		23,872,190	18,656,250

36.1 a) The income tax assessments of the Bank have been finalized upto and including tax year 2025. In respect of tax years 2008, 2014 to 2017, 2019 and 2021 to 2025, the tax authority has raised certain issues including default in payment of WWF, allocation of expenses to dividend and capital gains, dividend income from mutual funds not being taken under income from business and disallowance of leasehold improvements resulting in tax demand of Rs. 3,327.303 million (December 31, 2025: Rs. 2,844.103 million) net of relief provided in appeal. The Bank has filed appeals which are pending before the Appellate Tribunal and High Court. The management is confident that the matter will be decided in favour of the Bank and consequently has not made any provision in this respect.

b) The Bank had received orders from a provincial tax authority for the periods from July 2011 to December 2020 wherein tax authority demanded sales tax on banking services and penalty amounting to Rs. 763.312 million [excluding default surcharge] by disallowing certain exemptions of sales tax on banking services and allegedly for short payment of sales tax. For periods from July 2011 to June 2014, appeals against the orders are pending before Commissioner Appeals whereas for periods from July 2014 to December 2020, SHC has remanded back the matter to the adjudicating authority.

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

c) The Bank had received two different orders for the same accounting year 2016 from a tax authority wherein Sales tax, further tax and penalty amounting to Rs. 5.191 million and Rs. 4.148 million [excluding default surcharge] were demanded allegedly for non-payment of sales tax on certain transactions. These matters are pending with the Assessing officer.

A similar order for the accounting years 2017 and 2018 was issued with tax demand of Rs. 11.536 million [excluding default surcharge] which is now remanded back by Appellate tribunal to the Assessing officer.

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

d) There are certain other addbacks made by tax authorities for various assessment years, appeals against which are pending with the Commissioner of Inland Revenue (Appeals), Appellate Tribunal Inland Revenue (ATIR), High Court of Sindh and Supreme Court of Pakistan. The Bank has not made any provision against these orders and the management is of the view that these matters will be favourably settled through appellate process.

37 BASIC AND DILUTED EARNINGS PER SHARE

	Note	(Un-audited) Half year ended June 30, 2026	June 30, 2025
		----------(Rupees in '000)----------	
Profit for the period		21,326,888	15,274,581
		----(Number of shares in '000)----	
			(Restated)
Weighted average number of ordinary shares	37.1	3,154,330	3,154,330
		--------------(Rupees)--------------	
			(Restated)
Basic and diluted earnings per share	37.1	6.76	4.84

37.1 During the half year, the shareholders of the Bank in their Annual General Meeting held on March 26, 2026 approved a share split wherein the number of shares have been sub-divided into ratio of 2 for 1. Consequently, issued and paid-up number of shares increased to 3,154,330,238 having face value of Rs. 5 per share. Accordingly, earnings per share of the corresponding has been restated.

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

38 CASH AND CASH EQUIVALENTS

	Note	(Un-audited) Half year ended June 30, 2026	June 30, 2025
		----------(Rupees in '000)----------	
Cash and balances with treasury banks	7	214,507,770	215,422,257
Balances with other banks	8	21,501,026	17,493,172
Call / clean money lendings	9	34,600,000	51,624,880
Overdrawn nostro accounts	17	(1,550,037)	(3,665,860)
Less: Expected credit loss		(70,807)	(30,433)
		268,987,952	280,844,016

39 FAIR VALUE MEASUREMENTS

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

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

39.1 Fair value of financial instruments

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

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

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

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

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

	June 30, 2026 (Un-audited)			
	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments	----------------------------(Rupees in '000)----------------------------			
Financial assets - measured at fair value				
Investments				
- Federal government securities	244,621,030	1,764,769,315	-	2,009,390,345
- Shares - listed companies	17,188,977	-	-	17,188,977
- Shares - unlisted companies	-	79,560	6,388,830	6,468,390
- REIT fund - listed	1,136,153	-	-	1,136,153
- Non-government debt securities	-	3,445,940	-	3,445,940
- Foreign government securities	-	84,819,839	-	84,819,839
- Foreign equity securities	246,809	-	-	246,809
- Foreign preference shares - unlisted	-	-	278,184	278,184
- Foreign non-government debt securities	-	22,041,227	7,335,305	29,376,532
Financial assets - disclosed but not measured at fair value				
Investments - amortised cost	-	180,678,089	-	180,678,089
Financial assets - measured at fair value				
Advances				
- Loans, cash credits, running finances, etc.	-	-	1,800,000	1,800,000
Off-balance sheet financial instruments - measured at fair value				
- Forward purchase of foreign exchange	-	2,119,484	-	2,119,484
- Forward sale of foreign exchange	-	(2,366,594)	-	(2,366,594)
- Forward purchase of government securities	-	142,654	-	142,654
- Forward sale of government securities	-	(6,985)	-	(6,985)
- Derivatives purchases	-	587,213	-	587,213
- Derivatives sales	-	721,502	-	721,502

	December 31, 2025 (Audited)			
	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments	----------------------------(Rupees in '000)----------------------------			
Financial assets - measured at fair value				
Investments				
- Federal government securities	83,830,507	1,729,976,039	-	1,813,806,546
- Shares - listed companies	31,346,426	-	-	31,346,426
- Shares - unlisted companies	-	-	6,486,498	6,486,498
- REIT fund - listed	1,039,847	-	-	1,039,847
- Non-government debt securities	-	3,799,050	-	3,799,050
- Foreign government securities	-	59,356,590	-	59,356,590
- Foreign equity securities	261,782	-	-	261,782
- Foreign preference shares - unlisted	-	-	560,308	560,308
- Foreign non-government debt securities	-	35,846,788	7,870,010	43,716,798
Financial assets - disclosed but not measured at fair value				
Investments - amortised cost	-	214,074,433	-	214,074,433
Financial assets - measured at fair value				
Advances				
- Loans, cash credits, running finances, etc.	-	-	1,800,000	1,800,000
Off-balance sheet financial instruments - measured at fair value				
- Forward purchase of foreign exchange	-	1,794,697	-	1,794,697
- Forward sale of foreign exchange	-	(1,815,628)	-	(1,815,628)
- Forward purchase of government securities	-	1,242,313	-	1,242,313
- Forward sale of government securities	-	(1,347,880)	-	(1,347,880)
- Derivatives purchases	-	839,754	-	839,754
- Derivatives sales	-	739,916	-	739,916

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

39.3 Valuation techniques used in determination of fair values:

39.3.1 Fair value of financial assets

(a) Financial instruments in level 1

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

(b) Financial instruments in level 2

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

(c) Financial instruments in level 3

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

For subsequent measurement of fair value of fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be reliably measured due to the absence of a current and active market for these assets and liabilities and lack of reliable data regarding market rates for similar instruments.

39.3.2 Fair value of non-financial assets

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

39.3.3 Valuation techniques

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

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

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

Description	Fair value as at June 30, 2026 (Un-audited)	Fair value as at December 31, 2025 (Audited)	Unobservable inputs*	Discount rate	Relationship of unobservable inputs to fair value
	----------(Rupees in '000)----------				
Ordinary shares - unlisted (income approach)	6,248,830	6,346,498	Discount rate	15.00% - 20.00%	Increase / (decrease) in discount rate by 1% with all other variables held constant, would (decrease) / increase the fair value by Rs. 209.646 million and Rs. 250.406 million (December 31, 2025: Rs. 228.076 million and Rs. 254.481 million) respectively.
Ordinary shares - unlisted (market approach)	140,000	140,000	Transaction price	Not applicable	Not applicable
Foreign preference shares - unlisted	278,184	560,308	EBIDTA multiples	Not applicable	Not applicable
Redeemable participating certificates	7,335,305	7,870,010	Net asset value	Not applicable	Not applicable
Advances classified at FVPL	1,800,000	1,800,000	Transaction price	Not applicable	Not applicable

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

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

	June 30, 2026 (Un-audited)		December 31, 2025 (Audited)	
	Investments	Advances	Investments	Advances
	---------(Rupees in '000)----------		---------(Rupees in '000)----------	
Opening balance	14,916,816	1,800,000	11,148,236	1,413,735
Impact of adoption of IFRS 9	-	-	3,133,601	-
Balance as at January 01 after adopting IFRS 9	14,916,816	1,800,000	14,281,837	1,413,735
Additions / (disposals) / transfers - net	-	-	37,626	386,265
Remeasurement recognised in OCI or profit and loss / adjustments	(914,497)	-	597,353	-
Closing balance	14,002,319	1,800,000	14,916,816	1,800,000

40 SEGMENT INFORMATION

40.1 Segment details with respect to business activities

	For the half year ended June 30, 2026 (Un-audited)								
	Retail	Corporate	Islamic (Domestic)	Treasury	Digital	Overseas	Others**	Elimination	Total
	(Rupees in '000)								
Unconsolidated statement of profit and loss account									
Net mark-up / return/ profit*	(20,554,035)	11,139,153	16,369,191	60,175,293	(257,491)	3,742,065	184,042	-	70,798,218
Inter segment revenue - net	60,329,973	(6,133,895)	(1,365,007)	(53,354,325)	5,371,237	(462,943)	(277,017)	(4,108,023)	-
Non mark-up / return / interest income*	6,146,006	4,923,429	1,832,590	24,258,110	2,422,158	1,842,475	275,938	(6,360,929)	35,339,777
Total income / (loss)	45,921,944	9,928,687	16,836,774	31,079,078	7,535,904	5,121,597	182,963	(10,468,952)	106,137,995
Segment direct expenses	25,613,637	3,610,814	11,343,583	1,252,558	4,042,640	2,147,076	14,508,321	(1,000,359)	61,518,270
Inter segment expense allocation	8,641,771	856,313	2,940,390	764,360	1,430,674	392,026	(14,508,321)	(517,213)	-
Total expenses	34,255,408	4,467,127	14,283,973	2,016,918	5,473,314	2,539,102	-	(1,517,572)	61,518,270
Credit loss allowance / provision / (reversals)	390,560	111,203	119,226	(13,420)	159,155	(1,529,040)	182,963	-	(579,353)
Profit / (loss) before tax	11,275,976	5,350,357	2,433,575	29,075,580	1,903,435	4,111,535	-	(8,951,380)	45,199,078

	As at June 30, 2026 (Un-audited)								
	Retail	Corporate	Islamic (Domestic)	Treasury	Digital	Overseas	Others**	Elimination	Total
	(Rupees in '000)								
Unconsolidated statement of financial position									
Cash and bank balances	109,839,255	19,517,050	44,647,468	-	4,228,364	59,746,571	-	(2,040,719)	235,937,989
Investments	-	4,063,440	248,679,026	1,946,349,951	-	129,833,432	7,221,951	-	2,336,147,800
Inter segment lending - net	1,289,577,966	-	-	-	66,631,317	-	71,242,375	(1,427,451,658)	-
Lendings to financial institutions	-	-	41,751,494	62,348,234	-	-	-	(9,794,426)	94,305,302
Advances - performing	319,569,288	452,014,070	272,081,471	-	19,257	44,758,919	18,804,015	-	1,107,247,020
- non-performing	1,523,146	2,672,268	983,600	-	5,296	64,731	124,513	-	5,373,554
Others	39,552,690	53,620,008	47,219,915	15,649,535	851,791	5,730,607	84,882,823	(1,752,259)	245,755,110
Total assets	1,760,062,345	531,886,836	655,362,974	2,024,347,720	71,736,025	240,134,260	182,275,677	(1,441,039,062)	4,024,766,775
Borrowings	18,607,689	49,283,916	31,065,123	733,369,504	-	20,463,451	-	(11,809,122)	840,980,561
Subordinated debt	-	18,045,000	-	-	-	-	14,000,000	-	32,045,000
Deposits and other accounts	1,621,222,391	319,287,256	478,926,632	-	70,472,739	168,375,890	657,031	(64,000)	2,658,877,939
Inter segment borrowing - net	-	103,925,013	-	1,283,817,379	-	41,087,753	-	(1,428,830,145)	-
Others	120,232,265	41,345,651	105,719,545	3,897,613	1,263,286	10,285,846	16,202,049	(335,795)	298,610,460
Total liabilities	1,760,062,345	531,886,836	615,711,300	2,021,084,496	71,736,025	240,212,940	30,859,080	(1,441,039,062)	3,830,513,960
Net assets	-	-	39,651,674	3,263,224	-	(78,680)	151,416,597	-	194,252,815
Equity									194,252,815
Contingencies and commitments	179,887,811	277,649,051	138,597,993	653,462,508	3,173	79,382,997	5,641,265	-	1,334,624,798

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

* Net mark-up and non mark-up income includes Rs. 239.139 million and Rs. 155.430 million respectively of investment banking.

** Others include head office related activities.

	For the half year ended June 30, 2025 (Un-audited)								
	Retail	Corporate	Islamic (Domestic)	Treasury	Digital	Overseas	Others**	Elimination	Total
	(Rupees in '000)								
Unconsolidated statement of profit and loss account									
Net mark-up / return/ profit*	(20,829,022)	15,102,239	15,216,486	54,258,787	(197,296)	4,003,787	(127,706)	-	67,427,275
Inter segment revenue - net	57,627,210	(11,174,395)	(1,248,572)	(45,372,362)	3,895,164	(222,344)	(654,201)	(2,850,500)	-
Non mark-up / return / interest income*	5,348,860	3,294,927	1,603,634	14,274,982	1,821,884	1,083,883	674,763	(3,893,223)	24,209,710
Total income / (loss)	42,147,048	7,222,771	15,571,548	23,161,407	5,519,752	4,865,326	(107,144)	(6,743,723)	91,636,985
Segment direct expenses	23,571,090	6,201,891	10,776,042	1,694,717	3,346,648	2,159,299	9,808,009	(748,187)	56,809,509
Inter segment expense allocation	5,660,256	573,971	1,897,590	480,417	1,004,443	464,270	(9,808,009)	(272,938)	-
Total expenses	29,231,346	6,775,862	12,673,632	2,175,134	4,351,091	2,623,569	-	(1,021,125)	56,809,509
Credit loss allowance / provision / (reversals)	1,361,319	(481,531)	(128,796)	4,508	2,957	245,332	(107,144)	-	896,645
Profit / (loss) before tax	11,554,383	928,440	3,026,712	20,981,765	1,165,704	1,996,425	-	(5,722,598)	33,930,831

	As at December 31, 2025 (Audited)								
	Retail	Corporate	Islamic (Domestic)	Treasury	Digital	Overseas	Others**	Elimination	Total
	(Rupees in '000)								
Unconsolidated statement of financial position									
Cash and bank balances	114,772,469	23,282,861	43,641,957	-	1,055,051	72,926,386	-	(4,106,016)	251,572,708
Investments	-	4,231,473	191,490,875	1,838,754,223	-	131,750,554	7,219,555	-	2,173,446,680
Inter segment lending - net	1,192,755,432	-	-	-	16,145,573	-	77,542,282	(1,286,443,287)	-
Lendings to financial institutions	-	-	10,451,855	25,924,801	-	6,136,549	-	(22,838,913)	19,674,292
Advances - performing	297,516,646	415,130,791	314,920,924	-	31,802	53,867,517	18,015,643	-	1,099,483,323
- non-performing	1,210,422	3,102,752	875,722	-	1,106	70,192	180,318	-	5,440,512
Others	27,864,357	65,007,826	54,276,576	13,247,278	1,134,402	5,725,031	113,074,938	(20,803)	280,309,605
Total assets	1,634,119,326	510,755,703	615,657,909	1,877,926,302	18,367,934	270,476,229	216,032,736	(1,313,409,019)	3,829,927,120
Borrowings	19,962,126	68,588,187	31,719,709	682,843,178	-	55,899,233	-	(26,884,551)	832,127,882
Subordinated debt	-	-	-	-	-	-	14,000,000	-	14,000,000
Deposits and other accounts	1,530,607,616	331,368,002	453,796,084	-	17,584,100	162,357,368	635,862	(140,933)	2,496,208,099
Inter segment borrowing - net	-	58,775,890	34,285,058	1,157,425,166	-	35,957,297	-	(1,286,443,411)	-
Others	83,549,584	52,023,624	90,711,541	20,967,174	783,834	14,519,738	27,463,712	59,876	290,079,083
Total liabilities	1,634,119,326	510,755,703	610,512,392	1,861,235,518	18,367,934	268,733,636	42,099,574	(1,313,409,019)	3,632,415,064
Net assets	-	-	5,145,517	16,690,784	-	1,742,593	173,933,162	-	197,512,056
Equity									197,512,056
Contingencies and commitments	157,527,579	258,330,744	117,941,930	591,870,733	3,123	60,808,181	6,101,256	-	1,192,583,546

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

* Net mark-up and non mark-up income includes Rs. 289.274 million and Rs. 288.417 million respectively of investment banking.

** Others include head office related activities.

41 RELATED PARTY TRANSACTIONS

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

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

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

	As at June 30, 2026 (Un-audited)					As at December 31, 2025 (Audited)				
	Directors / CEO	Key management personnel	Subsidiaries	Associates	Other related parties	Directors / CEO	Key management personnel	Subsidiaries	Associates	Other related parties
	(Rupees in '000)					(Rupees in '000)				
Investments										
Opening balance	-	-	1,300,000	1,177,606	7,146,806	-	-	2,505,217	1,177,606	2,923,188
Investment made during the period / year	-	-	-	-	-	-	-	300,000	-	825,072
Investment redeemed / disposed off during the period / year	-	-	-	-	-	-	-	(1,505,217)	-	(602,436)
Revaluation of investment during the period / year	-	-	-	-	(375,852)	-	-	-	-	3,663,310
Exchange adjustment	-	-	-	-	(3,940)	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	337,672
Closing balance	-	-	1,300,000	1,177,606	6,767,014	-	-	1,300,000	1,177,606	7,146,806
Advances										
Opening balance	8,359	1,033,415	-	-	1,214,849	11,225	971,469	-	-	1,052,432
Addition during the period / year	51,180	68,452	-	-	6,132,793	1,275	479,348	316,665	-	10,759,922
Repaid during the period / year	(7,073)	(80,229)	-	-	(5,377,935)	(4,141)	(418,586)	(316,665)	-	(10,599,369)
Transfer in / (out) - net	-	35,887	-	-	-	-	1,184	-	-	1,864
Closing balance	52,466	1,057,525	-	-	1,969,707	8,359	1,033,415	-	-	1,214,849
Credit loss allowance held against advances	14	805	-	-	3,811	5	459	-	-	2,487
Other assets										
Interest / mark-up accrued	6,444	107,551	-	-	14,655	5,303	89,704	-	-	46,590
Receivable from staff retirement fund	-	-	-	-	2,237,885	-	-	-	-	2,713,892
Prepayment / rent and other receivable	-	-	4,185	-	45,240	-	-	-	-	-
Advance against shares	-	-	-	-	55,343	-	-	-	-	55,343
Acceptances	-	-	-	-	963,743	-	-	-	-	2,727,155
Credit loss allowance against other assets	-	2	-	-	237	-	1	-	-	111
Borrowings										
Opening balance	-	-	-	-	7,872,733	-	-	-	-	2,464,030
Borrowings during the period / year	-	-	-	-	4,000,000	-	-	-	-	6,575,000
Settled during the period / year	-	-	-	-	(835,382)	-	-	-	-	(1,166,297)
Closing balance	-	-	-	-	11,037,351	-	-	-	-	7,872,733

	As at June 30, 2026 (Un-audited)					As at December 31, 2025 (Audited)				
	Directors / CEO	Key management personnel	Subsidiaries	Associates	Other related parties	Directors / CEO	Key management personnel	Subsidiaries	Associates	Other related parties
	(Rupees in '000)					(Rupees in '000)				
Deposits and other accounts										
Opening balance	141,514	599,016	819,171	25,455,995	13,480,958	185,847	392,643	807,925	60,026,664	12,533,349
Received during the period / year	738,481	3,422,518	70,025,225	845,147,917	67,830,724	2,917,889	6,191,100	79,341,342	2,165,611,698	166,285,596
Withdrawn during the period / year	(769,762)	(3,285,829)	(70,294,960)	(861,657,568)	(67,011,778)	(2,962,222)	(5,944,527)	(78,990,935)	(2,200,182,367)	(165,291,009)
Transfer in / (out) - net	-	(272)	-	-	(44)	-	(40,200)	(339,161)	-	(46,978)
Closing balance	110,233	735,433	549,436	8,946,344	14,299,860	141,514	599,016	819,171	25,455,995	13,480,958
Other liabilities										
Interest / mark-up payable	26	1,428	-	-	224,174	104	4,619	-	99,577	202,531
Dividend payable	1,087,708	-	-	-	956,969	-	-	-	-	13
Unearned rent	-	-	-	-	-	-	-	-	2,031	-
Others	-	-	-	-	395	-	-	-	-	15,790
Contingencies and commitments	-	-	-	-	3,802,528	-	-	-	-	5,224,995
	For the half year ended June 30, 2026 (Un-audited)					For the half year ended June 30, 2025 (Un-audited)				
	(Rupees in '000)					(Rupees in '000)				
Income										
Mark-up / return / interest earned	1,141	25,969	-	-	93,859	459	14,726	6	-	53,206
Fee and commission income	125	779	-	301,570	95,858	124	605	-	294,513	9,201
Dividend income	-	-	-	254,993	383,553	-	-	-	44,993	439,597
Gain on sale of securities	-	-	547	-	-	-	2	388,732	-	10,790
Rent on property	-	-	8,369	2,437	-	-	-	4,892	1,950	-
Gain on sale of property and equipment - net	-	28	-	12,614	-	7,094	132	-	3,642	-
Expenses										
Mark-up / return / interest paid	1,020	13,979	10,905	314,126	1,103,912	2,300	10,572	18,267	338,879	791,112
Operating expenses										
Fee and remuneration	671,670	1,605,807	-	-	-	431,974	1,390,753	-	-	-
Software maintenance	-	-	-	-	33,551	-	-	-	-	45,000
Stationery and printing	-	-	-	-	7,669	-	-	-	-	-
Communication cost	-	-	-	-	408,914	-	-	-	-	306,938
Brokerage and commission	-	-	-	-	-	-	-	1,307	-	-
Marketing, advertisement and publicity	-	-	-	-	46,983	-	-	-	-	-
Charge for defined benefit plan	-	-	-	-	476,008	-	-	-	-	480,951
Contribution to defined contribution plan	-	-	-	-	659,054	-	-	-	-	560,514
Training and subscription	-	-	-	-	8,785	-	-	-	-	-
Credit loss allowance / (reversal of) credit loss allowance against loans & advances	9	346	-	-	1,324	(27)	(3,380)	-	-	4,207
(Reversal of) / charge against credit loss allowance against off-balance sheet obligations	-	-	-	-	(117)	-	-	-	-	1,009
Credit loss allowance against other assets	-	1	-	-	126	-	-	-	-	135
Other information										
Dividend paid	1,092,939	8,179	-	17,761	1,279,041	1,851,866	7,736	-	11,694	1,863,329
Insurance premium paid	-	-	-	1,778,937	-	-	-	-	1,658,304	-
Insurance claims settled	-	-	-	612,010	-	-	-	-	473,812	-
Purchase of vehicle	-	-	-	51,500	-	-	-	-	-	-
Sale of ijarah sukuk	-	-	51,322	-	-	-	-	-	-	-

42	CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		------------(Rupees in '000)------------	
	Minimum Capital Requirement (MCR):		
	Paid-up capital (net of losses)	15,771,651	15,771,651
	Capital Adequacy Ratio (CAR):		
	Eligible Common Equity Tier 1 (CET 1) Capital	163,938,114	151,570,746
	Eligible Additional Tier 1 (ADT 1) Capital	13,550,000	13,550,000
	Total eligible tier 1 capital	177,488,114	165,120,746
	Eligible tier 2 capital	49,759,415	47,473,682
	Total eligible capital (tier 1 + tier 2)	227,247,529	212,594,428
	Risk weighted assets (RWAs):		
	Credit risk	954,083,919	981,244,262
	Market risk	49,125,988	56,599,613
	Operational risk	301,854,613	301,854,613
	Total	1,305,064,520	1,339,698,488
	Common equity tier 1 capital adequacy ratio	12.56%	11.31%
	Tier 1 capital adequacy ratio	13.60%	12.33%
	Total capital adequacy ratio	17.41%	15.87%

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

Common Equity Tier 1 Capital Adequacy ratio	6.00%	6.00%
Tier 1 Capital Adequacy Ratio	7.50%	7.50%
Total Capital Adequacy Ratio	11.50%	11.50%

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

Leverage Ratio (LR):		
Eligible tier-1 capital	177,488,114	165,120,746
Total exposures	4,715,735,998	4,137,781,046
Leverage ratio	3.76%	3.99%
Liquidity Coverage Ratio (LCR):		
Total high quality liquid assets	1,417,425,142	1,120,160,986
Total net cash outflow	761,815,211	621,924,548
Liquidity coverage ratio	186%	180%
Net Stable Funding Ratio (NSFR):		
Total available stable funding	2,026,641,159	1,916,051,651
Total required stable funding	1,304,864,575	1,365,278,952
Net stable funding ratio	155%	140%

42.1 The State Bank of Pakistan vide its letter no. SBPHOK-BPRD-BACPD-BAF-1180376 dated July 16, 2026 has allowed the Bank to consider advance subscription money received amounting to Rs. 18,045 million (note 20.3) against the subordinated term finance certificate as Tier II eligible term finance certificate for the purpose of calculation of Capital Adequacy Ratio.

42.2 The Bank has opted for transition arrangement to phase in ECL impact as permitted by SBP vide BPRD Circular No. 03 of 2022 dated July 05, 2022. Had the transitional arrangement not applied, CAR and Leverage ratio would have been 17.54% and 3.73% respectively.

43 ISLAMIC BANKING BUSINESS

The Bank operates 446 Islamic banking branches (December 31, 2025: 450 branches) and 4 sub branches (December 31, 2025: 4 sub branches) as at June 30, 2026.

STATEMENT OF FINANCIAL POSITION

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		-------------(Rupees in '000)-------------	
ASSETS			
Cash and balances with treasury banks		39,025,955	37,659,354
Balances with other banks		5,621,513	5,982,603
Due from financial institutions	43.1	41,751,494	10,451,855
Investments	43.2	248,679,026	191,490,875
Islamic financing and related assets - net	43.3	273,065,071	315,796,646
Property and equipment		14,645,941	14,793,400
Right-of-use assets		10,989,337	11,252,656
Intangible assets		25,467	31,379
Deferred tax assets		843,939	-
Other assets		20,715,231	28,199,141
Total assets		655,362,974	615,657,909
LIABILITIES			
Bills payable		22,059,131	13,489,959
Due to financial institutions		31,065,123	31,719,709
Deposits and other accounts	43.4	478,926,632	453,796,084
Lease liabilities		14,209,253	13,850,737
Deferred tax liabilities		-	1,389,427
Other liabilities		69,451,161	61,981,418
Total liabilities		615,711,300	576,227,334
NET ASSETS		39,651,674	39,430,575
REPRESENTED BY			
Islamic banking fund		3,950,000	3,950,000
Surplus on revaluation of assets		3,740,716	5,145,516
Unappropriated / unremitted profit	43.5	31,960,958	30,335,059
		39,651,674	39,430,575
CONTINGENCIES AND COMMITMENTS	43.6		

STATEMENT OF PROFIT AND LOSS ACCOUNT

	Note	(Un-audited) Half year ended June 30, 2026	June 30, 2025
		-------------(Rupees in '000)-------------	
Profit / return earned on Islamic financing and related assets, investments and placements	43.7	27,009,895	28,734,510
Profit / return expensed on deposits and other dues expensed	43.8	10,640,704	13,518,024
Net profit / return		16,369,191	15,216,486
Fee and commission income		1,027,642	1,114,332
Foreign exchange income		725,445	465,037
Gain on securities		32,321	6,086
Other income		47,182	18,179
Total other income		1,832,590	1,603,634
Total income		18,201,781	16,820,120
OTHER EXPENSES			
Operating expenses		14,181,178	11,786,426
Workers' welfare fund		100,591	116,725
Other charges		2,204	4,977
Total other expenses		14,283,973	11,908,128
Profit before credit loss allowance		3,917,808	4,911,992
(Reversal of) / credit loss allowance and write offs - net		119,226	(128,796)
PROFIT BEFORE TAXATION		3,798,582	5,040,788
Taxation		2,041,379	2,780,807
PROFIT AFTER TAXATION		1,757,203	2,259,981

43.1 Due from financial institutions

	June 30, 2026 (Un-audited)			December 31, 2025 (Audited)		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	--------------------------------(Rupees in '000)--------------------------------					
Musharaka Placements	34,600,000	-	34,600,000	3,300,000	-	3,300,000
Bai Muajjal Receivables	7,151,892	-	7,151,892	7,151,892	-	7,151,892
	41,751,892	-	41,751,892	10,451,892	-	10,451,892
Less: Credit loss allowance						
Stage 1	(398)	-	(398)	(37)	-	(37)
	41,751,494	-	41,751,494	10,451,855	-	10,451,855

43.2 Investments

	June 30, 2026 (Un-audited)				December 31, 2025 (Audited)			
	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value
By segment & type:	--------------------------------(Rupees in '000)--------------------------------							
Fair value through profit or loss								
Federal Government Securities								
Ijarah Sukuk	5,561,562	-	10,396	5,571,958	-	-	-	-
Naya Pakistan Certificates	1,126,837	-	-	1,126,837	819,226	-	-	819,226
Non Government Debt Securities								
Sukuks - Unlisted	200,000	-	-	200,000	200,000	-	-	200,000
	6,888,399	-	10,396	6,898,795	1,019,226	-	-	1,019,226
Fair value through other comprehensive income								
Federal Government Securities								
Ijarah Sukuks	231,161,124	-	851,474	232,012,598	171,993,928	-	3,757,519	175,751,447
Non Government Debt Securities								
Sukuks - Unlisted	-	-	-	-	210,000	-	12,577	222,577
	231,161,124	-	851,474	232,012,598	172,203,928	-	3,770,096	175,974,024
Amortised cost								
Federal Government Securities								
Ijarah Sukuks	7,060,044	-	-	7,060,044	11,562,329	-	-	11,562,329
Non Government Debt Securities								
Sukuks - Unlisted	2,736,837	(29,248)	-	2,707,589	2,964,553	(29,257)	-	2,935,296
	9,796,881	(29,248)	-	9,767,633	14,526,882	(29,257)	-	14,497,625
Total investments	247,846,404	(29,248)	861,870	248,679,026	187,750,036	(29,257)	3,770,096	191,490,875

43.2.1 Particulars of credit loss allowance

	June 30, 2026 (Un-audited)				December 31, 2025 (Audited)			
	Expected Credit Loss			Total	Expected Credit Loss			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
	--------------------------------(Rupees in '000)--------------------------------							
Sukuks - Unlisted	3	-	29,245	29,248	12	-	29,245	29,257

		(Un-audited) June 30, 2026	(Audited) December 31, 2025
43.3	**Islamic financing and related assets - net**	-----------(Rupees in '000)-----------	
	Classified at amortised cost		
	Ijarah	39,042,308	32,770,564
	Murabaha	2,472,969	3,246,212
	Musharaka	36,885,006	32,629,281
	Diminishing musharaka	75,140,134	61,674,894
	Salam	1,965,280	2,112,663
	Bai muajjal financing	27,770,817	92,491,363
	Musawama financing	3,649,114	3,381,270
	Tijarah financing	4,984,975	5,065,756
	Islamic staff financing	7,657,623	6,792,797
	SBP Islamic export refinance	107,894	219,933
	Islamic long term finance facility plant & machinery	3,570,394	3,908,001
	Islamic refinance renewable energy	2,034,588	2,094,011
	Islamic temporary economic refinance facility (ITERF)	6,546,897	6,013,785
	IFFSAP financing	6,316	-
	Naya Pakistan home financing	3,597,613	3,829,811
	Islamic refinance facility for combating COVID	295,263	513,483
	Refinance facility under bills discounting	13,883,328	19,963,186
	Advances against Islamic assets	19,981,895	23,426,073
	Inventory related to Islamic financing	26,899,054	20,448,546
	Other Islamic modes	1,719,502	246,674
	Gross Islamic financing and related assets	278,210,970	320,828,303
	Less: Credit loss allowance against Islamic financings		
	- Stage 1	(329,102)	(174,504)
	- Stage 2	(167,139)	(102,911)
	- Stage 3	(4,649,658)	(4,754,242)
		(5,145,899)	(5,031,657)
	Islamic financing and related assets - net of credit loss allowance	273,065,071	315,796,646

43.4 Deposits

	June 30, 2026 (Un-audited)			December 31, 2025 (Audited)		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	--(Rupees in '000)--					
Customers						
- Current deposits	228,672,734	11,061,909	239,734,643	188,638,484	10,589,367	199,227,851
- Savings deposits	109,734,819	4,077,993	113,812,812	121,084,970	4,244,446	125,329,416
- Term deposits	44,080,392	987,899	45,068,291	46,531,682	1,545,735	48,077,417
- Other deposits	4,532,622	2,456,053	6,988,675	4,389,201	2,351,777	6,740,978
	387,020,567	18,583,854	405,604,421	360,644,337	18,731,325	379,375,662
Financial Institutions						
- Current deposits	813,216	61,003	874,219	531,640	77,213	608,853
- Savings deposits	5,171,992	-	5,171,992	21,011,569	-	21,011,569
- Term deposits	67,276,000	-	67,276,000	52,800,000	-	52,800,000
	73,261,208	61,003	73,322,211	74,343,209	77,213	74,420,422
	460,281,775	18,644,857	478,926,632	434,987,546	18,808,538	453,796,084

43.4.1 Current deposits include remunerative current deposits of Rs. 54,192.673 million (December 31, 2025: Rs. 40,186.585 million).

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	----------(Rupees in '000)----------	

43.5 Islamic banking business unappropriated profit

Opening balance	30,335,059	26,426,467
Impact of adopting IFRS 9	(132,891)	-
Balance at January 01 on adopting IFRS 9	30,202,168	26,426,467
Add: Islamic banking profit before taxation for the period / year	3,798,582	8,649,730
Less: Taxation for the period / year	(2,041,379)	(4,744,336)
Add: Transfer from surplus on revaluation of assets to unappropriated profit - net	1,587	3,198
Closing balance	31,960,958	30,335,059

43.6 Contingencies and commitments

- Guarantees	11,190,841	8,239,714
- Commitments	127,407,152	109,702,216
	138,597,993	117,941,930

	(Un-audited) For the half year ended	
	June 30, 2026	June 30, 2025
	-----------(Rupees in '000)-----------	

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

Profit earned on:		
- Islamic financing and related assets	14,504,282	10,441,024
- Investments	11,034,053	15,304,643
- Placements	1,471,560	2,988,843
	27,009,895	28,734,510

43.8 Profit on deposits and other dues expensed

Deposits and other accounts	8,457,338	10,936,927
Due to financial institutions	1,234,012	1,328,505
Securities sold under repurchase agreements	1,025	160,914
Cost of foreign currency swaps against foreign currency deposits / borrowings	(25,734)	32,513
Finance charges on lease liability	936,292	911,509
Reward points / customer loyalty	37,771	147,656
	10,640,704	13,518,024

43.9 PLS Pool Management- Islamic Banking Group (IBG)

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

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

Currently, IBG is managing the following pools:

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

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

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

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

	(Un-audited) June 30, 2026	**(Audited) December 31, 2025**
43.9.2 Avenues / sectors where Mudaraba based deposits have been deployed:	-----------**(Rupees in '000)**	-----------
Agriculture, Forestry, Hunting And Fishing	12,564,024	75,774,258
Automobile and Transportation Equipment	2,676,065	1,743,505
Cement	1,930,311	2,144,732
Chemical and Pharmaceuticals	18,563,986	17,019,407
Construction	1,948,905	2,500,636
Electronics and Electrical Appliances	4,827,732	3,970,383
Food and Allied Products	9,274,580	10,728,000
Footwear and Leather Garments	2,322,329	1,957,532
Glass and Ceramics	779,669	276,280
Individuals	64,699,219	54,682,606
Metal and Allied Industries	5,406,081	4,911,797
Mining and Quarrying	373,210	375,590
Oil and Allied	6,327,315	4,659,434
Paper and Board	972,860	1,206,998
Plastic and Allied Industries	6,811,409	7,051,331
Power (Electricity), Gas, Water, Sanitary	48,388,602	45,518,591
Services	5,929,675	5,568,205
Sugar	4,954,473	3,171,452
Technology and Related Services	390,099	194,406
Textile	51,672,880	54,309,135
Transport, Storage and Communication	8,005,146	8,329,549
Wholesale and Retail Trade	12,309,097	9,547,435
Others	7,083,303	5,187,041
Total gross Islamic financing and related assets	278,210,970	320,828,303
Total gross investments (cost)	247,846,404	187,750,036
Total Islamic placements	41,751,892	10,451,892
Total invested funds	567,809,266	519,030,231

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

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

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

Remunerative Depositors' Pools	Profit rate and weightage announcement period	Profit rate return earned	Profit sharing ratio		Mudarib share	Profit rate return distributed to remunerative deposits (savings and fixed)	Percentage of Mudarib share transferred through Hiba	Amount of Mudarib share transferred through Hiba
		%	Mudarib Share / Fee	Rabbul Maal Share	(Rupees in '000)	%	%	(Rupees in '000)
General Pools								
PKR Pool	Monthly	9.10%	50.00%	50.00%	4,681,804	5.18%	1.79%	84,875
USD Pool	Monthly	3.68%	90.00%	10.00%	198,197	1.64%	12.09%	22,161
GBP Pool	Monthly	3.63%	90.00%	10.00%	35,337	1.97%	0.73%	160
EUR Pool	Monthly	6.75%	90.00%	10.00%	7,879	0.65%	3.68%	264
AED Pool	Monthly	5.12%	90.00%	10.00%	964	0.40%	0.42%	3
SAR Pool	Monthly	5.27%	90.00%	10.00%	583	0.27%	0.33%	2
CAD Pool	Monthly	7.44%	90.00%	10.00%	686	0.45%	0.00%	-
Specific Pools								
Special Pool (Saving & TDRs)	Monthly	11.27%	17.50%	82.50%	1,206,913	10.20%	95.53%	1,152,909

SBP Refinance Borrowing Pool	Profit rate and weightage announcement period	Profit rate return earned	Profit sharing ratio		Mudarib share	Profit rate return distributed to remunerative deposits (savings and fixed)	Percentage of Mudarib share transferred through Hiba	Amount of Mudarib share transferred through Hiba
		%	Mudarib Share / Fee	Rabbul Maal Share	(Rupees in '000)	%	%	(Rupees in '000)
Islamic Export Refinance (IERS/BD) Pool	Monthly	12.32%	93.43%	6.57%	1,568,467	Nil	0.00%	-

44 AFGHANISTAN OPERATIONS

Bank Alfalah Limited maintains a two-branch presence in Afghanistan. The Board and the management of the Bank continue to closely monitor the evolving situation in Afghanistan including constraints arising from frozen reserves and sanctions-related restrictions. Consequently, the Bank has taken reserve against Afghanistan operations.

In the year 2025, a non-binding indicative offer was received from Ghazanfar Bank, Afghanistan ("Ghazanfar Bank") to acquire the Bank's Afghanistan Operations (assets and liabilities). In this regard, during the period ended June 30, 2026, after obtaining the necessary regulatory approvals, Ghazanfar Bank commenced and completed its due diligence exercise. Subsequent to this , the Bank has received a binding bid from Ghanzanfar Bank. Accordingly, the Bank is now in process of acquiring regulatory approvals regarding completion of the transaction.

45 BANGLADESH OPERATIONS

In the year 2024, a non-binding indicative offer was received from Bank Asia Limited, Bangladesh ("Bank Asia") to acquire the Bank's Bangladesh Operations (assets and liabilities) and Bank Asia commenced due diligence after necessary regulatory approvals. The Board of Directors of Bank Alfalah Limited ("the Bank") had accorded its approval to sell the Bank's Bangladesh Operations to Bank Asia in the year 2025.

During the period ended June 30, 2026, shareholders of the Bank in the Annual General Meeting held on March 26, 2026 approved the sale of Bank's Bangladesh Operations to Bank Asia and shareholders of the Bank Asia also approved the transaction in their Extraordinary General Meeting held on April 12, 2026. Consequently, the Bank is now obtaining relevant regulatory approvals in compliance with applicable laws, rules, and regulations.

46 NON-ADJUSTING EVENT

The Board of Directors in its meeting held on July 30, 2026 has declared an interim cash dividend of 30% i.e. Rs. 1.50 per share for the quarter ended June 30, 2026 [June 30, 2025 (restated due to share split): Rs. 1.25 per share i.e. 25%]. These unconsolidated condensed interim financial statements do not include the effect of this appropriation which will be accounted for subsequent to the period end. The Board had earlier declared an interim cash dividend bringing the total cash dividend for the half year ended June 30, 2026 to Rs. 3.00 per share i.e. 60% [June 30, 2025: (restated due to share split): Rs. 2.50 per share i.e. 50%].

47 DATE OF AUTHORISATION

These unconsolidated condensed interim financial statements were authorised for issue on July 30, 2026 by the Board of Directors of the Bank.

48 GENERAL

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

President & Chief Executive Officer **Chief Financial Officer** **Director** **Director** **Director**

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

HALF YEAR ENDED JUNE 30, 2026

Consolidated Condensed Interim Statement of Financial Position

As at June 30, 2026

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		----------(Rupees in '000)----------	
ASSETS			
Cash and balances with treasury banks	7	214,629,532	227,583,076
Balances with other banks	8	21,493,762	24,109,552
Lendings to financial institutions	9	94,305,302	19,674,292
Investments	10	2,340,585,291	2,178,171,675
Advances	11	1,112,628,922	1,104,923,835
Property and equipment	12	72,578,393	71,295,025
Right-of-use assets	13	26,927,368	26,465,246
Intangible assets	14	1,723,423	1,728,936
Deferred tax assets		-	-
Other assets	15	144,817,773	181,133,531
Total assets		4,029,689,766	3,835,085,168
LIABILITIES			
Bills payable	16	102,218,623	56,957,969
Borrowings	17	840,980,561	832,127,882
Deposits and other accounts	18	2,658,328,503	2,495,388,928
Lease liabilities	19	34,015,283	32,573,375
Subordinated debt	20	32,045,000	14,000,000
Deferred tax liabilities	21	5,811,220	27,399,186
Other liabilities	22	159,549,166	176,427,279
Total liabilities		3,832,948,356	3,634,874,619
NET ASSETS		196,741,410	200,210,549
REPRESENTED BY			
Share capital		15,771,651	15,771,651
Reserves		44,188,219	42,366,356
Surplus on revaluation of assets	23	26,358,023	43,227,219
Unappropriated profit		110,423,517	98,845,323
		196,741,410	200,210,549
CONTINGENCIES AND COMMITMENTS	24		

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

President & Chief Executive Officer	Chief Financial Officer	Director	Director	Director

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

For the quarter and half year ended June 30, 2026

	Note	Quarter ended June 30, 2026	Quarter ended June 30, 2025	Half year ended June 30, 2026	Half year ended June 30, 2025
		------(Rupees in '000)------			
Mark-up / return / interest earned	26	99,666,501	93,299,420	173,709,018	188,398,347
Mark-up / return / interest expensed	27	63,362,695	59,075,676	102,896,023	120,947,512
Net mark-up / return / interest income		36,303,806	34,223,744	70,812,995	67,450,835
NON MARK-UP / INTEREST INCOME					
Fee and commission income	28	4,112,340	4,250,708	8,303,540	7,807,361
Dividend income		645,536	530,288	1,196,467	1,410,510
Foreign exchange income	29	4,308,339	3,207,633	7,102,422	5,351,308
Income from derivatives		283,075	(713,914)	582,449	388,566
Gain on securities	30	7,060,281	7,379,217	17,868,144	8,005,619
Net gain / (loss) on derecognition of financial assets measured at amortised cost		-	-	-	-
Share of (loss) / profit from associates		(6,401)	459,830	(40,764)	714,974
Other income	31	71,872	73,801	140,210	869,337
Total non-mark-up / interest income		16,475,042	15,187,563	35,152,468	24,547,675
Total income		52,778,848	49,411,307	105,965,463	91,998,510
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	32	29,932,157	29,088,940	60,636,023	56,122,936
Workers' welfare fund	33	422,130	421,462	1,033,758	821,570
Other charges	34	10,888	5,346	17,357	9,557
Total non-mark-up / interest expenses		30,365,175	29,515,748	61,687,138	56,954,063
Profit before credit loss allowance / provisions		22,413,673	19,895,559	44,278,325	35,044,447
(Reversal of) / charge against credit loss allowance / provisions and write offs - net	35	813,603	1,364,662	(579,353)	896,645
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION FROM CONTINUING OPERATIONS		21,600,070	18,530,897	44,857,678	34,147,802
Taxation	36	11,448,815	10,527,713	23,720,212	19,004,909
PROFIT AFTER TAXATION FROM CONTINUING OPERATIONS		10,151,255	8,003,184	21,137,466	15,142,893
DISCONTINUED OPERATIONS					
LOSS FROM DISCONTINUED OPERATIONS - NET OF TAX	37.3	-	(16,497)	-	(83,517)
PROFIT AFTER TAXATION		10,151,255	7,986,687	21,137,466	15,059,376
Profit / (loss) attributable to:					
Equity holders of the Holding Company					
from continuing operations		10,151,255	8,003,184	21,137,466	15,142,893
from discontinued operations		-	(17,641)	-	(81,706)
		10,151,255	7,985,543	21,137,466	15,061,187
Non-controlling interest					
from continuing operations		-	-	-	-
from discontinued operations		-	1,144	-	(1,811)
		-	1,144	-	(1,811)
		10,151,255	7,986,687	21,137,466	15,059,376
		------(Rupees)------			
			(Restated)		(Restated)
Basic and diluted earnings per share - continuing operations	38	3.22	2.56	6.70	4.80
Basic and diluted earnings per share	38	3.22	2.53	6.70	4.77

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

President & Chief Executive Officer **Chief Financial Officer** **Director** **Director** **Director**

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

For the quarter and half year ended June 30, 2026

	Quarter ended June 30, 2026	Quarter ended June 30, 2025	Half year ended June 30, 2026	Half year ended June 30, 2025
	---(Rupees in '000)---			
Profit after taxation for the period	10,151,255	7,986,687	21,137,466	15,059,376
Other comprehensive (loss) / income				
Items that may be reclassified to the statement of profit and loss account in subsequent periods:				
Effect of translation of net investment in foreign branches	(118,609)	281,468	(310,826)	260,686
Movement in surplus on revaluation of investments in debt securities classified as FVOCI - net of tax	1,763,162	5,262,290	(6,383,050)	3,132,277
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	(2,208,017)	(2,163,792)	(7,254,564)	(2,532,212)
Movement in share of (deficit) / surplus on revaluation of investments of associates - net of tax	8,486	(4,708)	(20,270)	(9,189)
	(554,978)	3,375,258	(13,968,710)	851,562
Items that will not be reclassified to the statement of profit and loss account in subsequent periods:				
Movement in surplus on revaluation of equity investments classified as FVOCI - net of tax	1,241,339	414,420	(781,653)	468,031
Movement in surplus on revaluation of property and equipment - net of tax	(16,479)	(17,970)	(34,575)	(36,814)
Movement in surplus on revaluation of non-banking assets - net of tax	(6,955)	(5,516)	(12,363)	(10,410)
	1,217,905	390,934	(828,591)	420,807
Total comprehensive income	10,814,182	11,752,879	6,340,165	16,331,745
Total comprehensive income / (loss) attributable to:				
Equity holders of the Holding Company				
from continuing operations	10,814,182	11,769,376	6,340,165	16,415,262
from discontinued operations	-	(17,641)	-	(81,706)
	10,814,182	11,751,735	6,340,165	16,333,556
Non-controlling interest				
from continuing operations	-	-	-	-
from discontinued operations	-	1,144	-	(1,811)
	-	1,144	-	(1,811)
	10,814,182	11,752,879	6,340,165	16,331,745

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

President & Chief Executive Officer **Chief Financial Officer** **Director** **Director** **Director**

Consolidated Condensed Interim Statement of Changes in Equity

For the half year ended June 30, 2026

	Share capital	Capital reserves		Statutory reserve	Surplus / (deficit) on revaluation of			Unappro-priated profit	Sub-total	Non controlling interest	Total
		Share premium	Exchange translation reserve		Invest-ments	Property and equipment	Non banking assets				
	--(Rupees in '000)--										
Balance as at December 31, 2024 (audited)	15,771,651	4,731,049	12,425,956	26,309,920	15,952,719	17,553,045	314,715	88,305,939	181,364,994	21,703	181,386,697
Impact of adoption of IFRS 9 - net of tax	-	-	-	-	1,503,916	-	-	(81,096)	1,422,820	-	1,422,820
Balance as at January 01, 2025	15,771,651	4,731,049	12,425,956	26,309,920	17,456,635	17,553,045	314,715	88,224,843	182,787,814	21,703	182,809,517
Changes in equity for the half year ended June 30, 2025											
Profit / (loss) after taxation	-	-	-	-	-	-	-	15,061,187	15,061,187	(1,811)	15,059,376
Other comprehensive (loss) / income - net of tax											
Effect of translation of net investment in foreign branches	-	-	260,686	-	-	-	-	-	260,686	-	260,686
Movement in surplus / (deficit) on revaluation of investments in debt securities classified as FVOCI - net of tax	-	-	-	-	3,132,277	-	-	-	3,132,277	-	3,132,277
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	-	-	-	-	(2,532,212)	-	-	-	(2,532,212)	-	(2,532,212)
Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax	-	-	-	-	468,031	-	-	-	468,031	-	468,031
Movement in share of surplus on revaluation of investments of associates - net of tax	-	-	-	-	(9,189)	-	-	-	(9,189)	-	(9,189)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	(36,814)	-	-	(36,814)	-	(36,814)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	(10,410)	-	(10,410)	-	(10,410)
Total other comprehensive (loss) / income - net of tax	-	-	260,686	-	1,058,907	(36,814)	(10,410)	-	1,272,369	-	1,272,369
Transfer to statutory reserve	-	-	-	1,527,458	-	-	-	(1,527,458)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(60,769)	(10,070)	70,839	-	-	-
Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	(133,278)	-	-	133,278	-	-	-
Transactions with owners, recorded directly in equity											
Derecognition of subsidiary										(19,892)	(19,892)
Final cash dividend for the year ended December 31, 2024 - 25%	-	-	-	-	-	-	-	(3,942,913)	(3,942,913)	-	(3,942,913)
Interim cash dividend for the quarter ended March 31, 2025 - 25%	-	-	-	-	-	-	-	(3,942,913)	(3,942,913)	-	(3,942,913)
Closing balance as at June 30, 2025 (un-audited)	15,771,651	4,731,049	12,686,642	27,837,378	18,382,264	17,455,462	294,235	94,076,863	191,235,544	-	191,235,544
Changes in equity for the half year ended December 31, 2025											
Profit after taxation	-	-	-	-	-	-	-	12,741,023	12,741,023	-	12,741,023
Other comprehensive (loss) / income - net of tax											
Effect of translation of net investment in foreign branches	-	-	(4,194,961)	-	-	-	-	-	(4,194,961)	-	(4,194,961)
Movement in surplus on revaluation of investments in debt securities classified as FVOCI - net of tax	-	-	-	-	4,635,200	-	-	-	4,635,200	-	4,635,200
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	-	-	-	-	(807,846)	-	-	-	(807,846)	-	(807,846)
Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax	-	-	-	-	3,949,072	-	-	-	3,949,072	-	3,949,072
Movement in share of surplus on revaluation of investments of associates - net of tax	-	-	-	-	(10,167)	-	-	-	(10,167)	-	(10,167)
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-	502,165	502,165	-	502,165
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	(36,946)	-	-	(36,946)	-	(36,946)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	83,291	-	83,291	-	83,291
Total other comprehensive (loss) / income - net of tax	-	-	(4,194,961)	-	7,766,259	(36,946)	83,291	502,165	4,119,808	-	4,119,808
Transfer to statutory reserve	-	-	-	1,306,248	-	-	-	(1,306,248)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(61,803)	(2,650)	64,453	-	-	-
Transfer of revaluation surplus from non-banking asset to property an equipment- net of tax	-	-	-	-	-	6,020	(6,020)	-	-	-	-
Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	(652,893)	-	-	652,893	-	-	-
Transactions with owners, recorded directly in equity											
Interim cash dividend for the half year ended June 30, 2025 - 25%	-	-	-	-	-	-	-	(3,942,913)	(3,942,913)	-	(3,942,913)
Interim cash dividend for the nine months period ended Septmber 30, 2025 - 25%	-	-	-	-	-	-	-	(3,942,913)	(3,942,913)	-	(3,942,913)
Balance as at December 31, 2025 (audited)	15,771,651	4,731,049	8,491,681	29,143,626	25,495,630	17,362,733	368,856	98,845,323	200,210,549	-	200,210,549
Impact of adoption of IFRS 9 - net of tax (note 4.1.1)	-	-	-	-	-	-	-	(346,314)	(346,314)	-	(346,314)
Balance as at January 01, 2026 after adoption of IFRS 9 / carried forward	15,771,651	4,731,049	8,491,681	29,143,626	25,495,630	17,362,733	368,856	98,499,009	199,864,235	-	199,864,235

Consolidated Condensed Interim Statement of Changes in Equity

For the half year ended June 30, 2026

	Share capital	Capital reserves		Statutory reserve	Surplus / (deficit) on revaluation of			Unappro-priated profit	Sub-total	Non controlling interest	Total
		Share premium	Exchange translation reserve		Invest-ments	Property and equipment	Non banking assets				
	-----------------(Rupees in '000)-----------------										
Balance brought forward	15,771,651	4,731,049	8,491,681	29,143,626	25,495,630	17,362,733	368,856	98,499,009	199,864,235	-	199,864,235
Changes in equity for the half year ended June 30, 2026											
Profit after taxation	-	-	-	-	-	-	-	21,137,466	21,137,466	-	21,137,466
Other comprehensive (loss) / income - net of tax											
Effect of translation of net investment in foreign branches	-	-	(310,826)	-	-	-	-	-	(310,826)	-	(310,826)
Movement in surplus on revaluation of investments in debt securities classified as FVOCI - net of tax	-	-	-	-	(6,383,050)	-	-	-	(6,383,050)	-	(6,383,050)
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	-	-	-	-	(7,254,564)	-	-	-	(7,254,564)	-	(7,254,564)
Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax	-	-	-	-	(781,653)	-	-	-	(781,653)	-	(781,653)
Movement in share of deficit on revaluation of investments of associates - net of tax	-	-	-	-	(20,270)	-	-	-	(20,270)	-	(20,270)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	(34,575)	-	-	(34,575)	-	(34,575)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	(12,363)	-	(12,363)	-	(12,363)
Total other comprehensive (loss) / income - net of tax	-	-	(310,826)	-	(14,439,537)	(34,575)	(12,363)	-	(14,797,301)	-	(14,797,301)
Transfer to statutory reserve	-	-	-	2,132,689	-	-	-	(2,132,689)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(161,471)	(1,586)	163,057	-	-	-
Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	(2,219,664)	-	-	2,219,664	-	-	-
Transactions with owners, recorded directly in equity											
Final cash dividend for the year ended December 31, 2025 - 30%	-	-	-	-	-	-	-	(4,731,495)	(4,731,495)	-	(4,731,495)
Interim cash dividend for the quarter ended March 31, 2026 - 30%	-	-	-	-	-	-	-	(4,731,495)	(4,731,495)	-	(4,731,495)
Closing balance as at June 30, 2026 (un-audited)	15,771,651	4,731,049	8,180,855	31,276,315	8,836,429	17,166,687	354,907	110,423,517	196,741,410	-	196,741,410

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

President & Chief Executive Officer **Chief Financial Officer** **Director** **Director** **Director**

Consolidated Condensed Interim Cash Flow Statement (Un-audited)

For the half year ended June 30, 2026

	Note	Half year ended June 30, 2026	Half year ended June 30, 2025
		----------(Rupees in '000)----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation from continuing operations		44,857,678	34,147,802
Profit before taxation from discontinued operations	37.3	-	7,796
Less: Dividend income		(1,196,467)	(1,410,510)
Share of (loss) / profit from associates		40,764	(714,974)
		43,701,975	32,030,114
Adjustments:			
Net mark-up / return / interest income		(73,085,175)	(69,562,997)
Depreciation		3,356,497	2,915,054
Depreciation on right-of-use assets		2,400,230	2,243,108
Amortisation		214,654	200,225
(Reversal of) / charge against credit loss allowance / provisions and write offs -net		(579,353)	892,084
Unrealised loss on revaluation of investments classified as FVPL		259,118	326,209
Unrealised gain on advances classified as FVPL		-	(56,483)
Gain on sale of property and equipment - net	31	(48,872)	(26,726)
Gain on sale of non-banking assets - net	31	-	(3,368)
Gain on termination of leases - net	31	(85,549)	(54,117)
Staff loans - notional cost	32.1	2,441,630	1,746,960
Finance charges on leased assets		2,272,180	2,094,817
Workers' welfare fund		1,033,758	821,570
Charge for defined benefit plan	32.1	476,008	480,951
Charge for staff compensated absences	32.1	262,500	176,000
		(61,082,374)	(57,806,713)
		(17,380,399)	(25,776,599)
(Increase) / decrease in operating assets			
Lendings to financial institutions		(44,705,755)	(2,664,413)
Securities classified as FVPL		(40,298,809)	159,600,150
Advances		(3,021,781)	98,640,822
Other assets (excluding advance taxation and mark-up receivable)		20,271,907	(21,444,479)
		(67,754,438)	234,132,080
Increase / (decrease) in operating liabilities			
Bills payable		45,260,654	19,421,213
Borrowings		5,437,392	(576,005,280)
Deposits		162,939,575	151,494,090
Other liabilities (excluding current taxation and mark-up payable)		(16,435,039)	10,558,664
		197,202,582	(394,531,313)
		112,067,745	(186,175,832)
Mark-up / interest received		182,881,127	205,236,748
Mark-up / interest paid		(106,881,092)	(136,236,804)
Income tax paid		(26,489,384)	(19,642,364)
Net cash generated from / (used in) operating activities		161,578,396	(136,818,252)
Balance carried forward		161,578,396	(136,818,252)

Consolidated Condensed Interim Cash Flow Statement (Un-audited)

For the half year ended June 30, 2026

	Note	Half year ended June 30, 2026	Half year ended June 30, 2025
		----------(Rupees in '000)----------	
Balance brought forward		161,578,396	(136,818,252)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net (investments) / divestments in securities classified as FVOCI		(179,173,697)	203,577,759
Net divestments / (investments) in securities carried at amortised cost		29,225,429	(917,320)
Dividends received from associates		254,993	44,993
Dividends received from other investments		1,196,467	1,410,510
Divestment of investment in subsidiary	37.2	-	388,732
Investments in property and equipment and intangible assets		(5,149,278)	(7,771,870)
Proceeds from sale of property and equipment		360,286	33,615
Proceeds from sale of non-banking assets		-	27,089
Effect of translation of net investment in foreign branches		(426,759)	260,686
Net cash (used in) / generated from investing activities		(153,712,559)	197,054,194
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of lease obligations against right-of-use assets		(3,606,669)	(3,206,391)
Advance subscription money received against subordinated debt		18,045,000	-
Dividend paid		(6,798,786)	(7,873,675)
Net cash generated from / (used in) financing activities		7,639,545	(11,080,066)
Increase In cash and cash equivalents		15,505,382	49,155,876
Cash and cash equivalents at beginning of the period		254,523,712	231,145,707
Effects of exchange rate changes on cash and cash equivalents		(841,399)	2,092,890
		253,682,313	233,238,597
Expected credit loss allowance on cash and cash equivalents - net		(14,438)	(8,538)
Cash and cash equivalents of discountinued operations		-	(1,442,577)
Cash and cash equivalents at end of the period	39	269,173,257	280,943,358

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

President & Chief Executive Officer **Chief Financial Officer** **Director** **Director** **Director**

1 STATUS AND NATURE OF BUSINESS

1.1 The "Group" consists of:

Holding Company: Bank Alfalah Limited, Pakistan

Bank Alfalah Limited (the Holding Company) is a banking company incorporated in Pakistan and is engaged in commercial banking and related services in Pakistan and overseas. The Holding Company's registered office is located at B. A. Building, I. I. Chundrigar Road, Karachi and its shares are listed on the Pakistan Stock Exchange. The Holding Company is engaged in banking services as described in the Banking Companies Ordinance, 1962. The Holding Company is operating through 1,192 branches (December 31, 2025: 1,178 branches) and 8 sub-branches (December 31, 2025: 8 sub-branches). Out of the 1,192 branches, 735 (December 31, 2025: 717) are conventional, 446 (December 31, 2025: 450) are Islamic, 10 (December 31, 2025: 10) are overseas and 1 (December 31, 2025: 1) is an offshore banking unit.

The Pakistan Credit Rating Agency Limited has reaffirmed the Holding Company's long-term rating of 'AAA' and short-term rating of 'A1+' with stable outlook as of June 24, 2026.

	Percentage of Holding	
Subsidiary	**June 30, 2026**	**December 31, 2025**
Alfalah Currency Exchange (Private) Limited	100.00%	100.00%

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

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

2 BASIS OF PRESENTATION

2.1 STATEMENT OF COMPLIANCE

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

- International Accounting Standard 34 "Interim Financial Reporting" and IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act 2017;

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act, 2017;

. Provisions of, directives and notifications issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and

- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

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

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

The SECP through SRO 56(1)/2016 dated January 28, 2016, has directed that the requirements of IFRS 10, 'Consolidated financial statements' are not applicable in case of investments by companies in mutual funds established under Trust Deed structure. Accordingly, implications of IFRS 10 in respect of investment in mutual funds are not considered in these consolidated condensed interim financial statements.

Moreover, Alfalah Insurance Company Limited has deferred the application of IFRS 9 till January 01, 2027, which is the same as the effective date for the application of IFRS 17 - Insurance Contracts, as allowed by the SECP through S.R.O. 1336(i)/2025 dated July 23, 2025. Furthermore, Sapphire Wind Power Company Limited has been granted a partial exemption from the application of IFRS 9 till December 31, 2026 vide SECP S.R.O.25(I)/2026 dated January 06, 2026. Consequently, the requirements of IFRS 9 with respect to the application of Expected Credit Losses (ECL) on trade debts and other receivables due from Central Power Purchasing Agency (CPPA-G) have not been followed.

2.1.1 The disclosures made in these consolidated condensed interim financial statements have been limited based on the format prescribed by the SBP through BPRD Circular Letter No. 02 dated February 09, 2023 and the requirements of International Accounting Standard 34, "Interim Financial Reporting". These do not include all the information and disclosures required for annual financial statements, and therefore should be read in conjunction with the annual audited consolidated financial statements of the Group for the year ended December 31, 2025.

2.1.2 Basis of consolidation

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

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

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

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

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

Non-controlling interests are that part of the net results of operations and of net assets of subsidiary which are not owned by the Holding Company. Material intra-group balances and transactions are eliminated.

Associates are those entities on which the Group has significant influence, but not control, over the financial and operating polices. Associates as well as investment in mutual funds established under trust structure are accounted for using the equity method.

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

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

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

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

- IFRS 7, 'Financial Instruments: Disclosures'; the SECP through S.R.O. 742(1)/2025 dated April 16, 2025 has required disclosures regarding the significance of financial instruments to the Group's financial position and performance, as well as the nature, extent, and management of risks arising from such instruments. Accordingly, the Group will adopt IFRS 7 in preparing its annual financial statements for the year ending December 31, 2026. However, the disclosure requirements of IFRS 7 do not apply to these condensed interim financial statements except for those specified in paragraph 16A(j) of IAS 34, 'Interim Financial Reporting'.

- Certain amendments to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments' have become applicable on the Group which clarify the date of recognition and derecognition of a financial asset or financial liability. These amendments do not have any material impact and therefore, have not been detailed in these consolidated condensed interim financial statements.

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

There are certain new and amended standards, issued by the International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2027 but are considered not to be relevant or will not have any material effect on the Group's consolidated condensed interim financial statements except for:

- the new standard - IFRS 18 'Presentation and Disclosure in Financial Statements' (published in April 2024) with an applicability date of January 01, 2027. The application of IFRS 18 will impact the presentation of the 'Statement of Profit and Loss Account' with certain additional disclosures as and when instructed by the SBP.

3 BASIS OF MEASUREMENT

3.1 Accounting convention

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

3.2 Functional and presentation currency

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

4 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the annual audited consolidated financial statements of the Group for the year ended December 31, 2025 except for changes mentioned in note 4.1 to these consolidated condensed interim financial statements.

4.1 IFRS 9 - 'Financial Instruments'

4.1.1 The Holding Company adopted IFRS 9 effective from January 01, 2024, except for certain relaxations and extensions issued by the SBP from time to time. The impacts of these relaxations and extensions were incorporated in the annual audited consolidated financial statements of the Group for the respective years ended December 31, 2024 and 2025, with the modified retrospective approach as permitted under IFRS 9.

In addition, the SBP, in a separate instruction, SBPHOK-BPRD-RPD-BAF-834424 dated January 22, 2025, allowed an extension for application of the Effective Interest Rate (EIR) up to December 31, 2025. During the current period, in accordance with the aforementioned instruction, the Holding Company has applied EIR on the financial instruments appearing as at January 1, 2026, and the cumulative impact of application of EIR amounting to Rs. 346.314 million, net of tax, has been recorded as an adjustment to equity at the beginning of the current period.

4.1.2 The SBP has directed the banks through its BPRD Circular Letter No. 1 dated January 22, 2025 to continue applying the existing revenue recognition methodology for Islamic operations, including the requirements of Islamic Financial Accounting Standard (IFAS) 1 and IFAS 2 until further instructions. Had IFRS 9 been adopted for revenue recognition related to Islamic financing, the unappropriated profit of the Bank as at June 30, 2026 would have been higher by Rs. 396.211 million.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

The significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation were the same as those applied in the preparation of annual audited financial statements for the year ended December 31, 2025 except for matter related to IFRS 9 which have been disclosed in note 4.1 to these consolidated condensed interim financial statements.

6 FINANCIAL RISK MANAGEMENT

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

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
7 CASH AND BALANCES WITH TREASURY BANKS		----------(Rupees in '000)----------	
In hand			
- local currency		60,529,166	52,337,092
- foreign currency		5,287,010	5,198,304
		65,816,176	57,535,396
With State Bank of Pakistan in			
- local currency current accounts		68,299,297	81,033,076
- foreign currency current accounts		9,276,242	9,870,481
- foreign currency deposit accounts		16,018,995	16,191,056
		93,594,534	107,094,613
With other central banks in			
- foreign currency current accounts		47,310,726	59,377,172
- foreign currency deposit accounts		5,221,403	1,493,118
		52,532,129	60,870,290
With National Bank of Pakistan in local currency current account		2,677,334	2,044,071
Prize bonds		72,902	86,871
		214,693,075	227,631,241
Less: Credit loss allowance held against cash and balances with treasury banks		(63,543)	(48,165)
Cash and balances with treasury banks - net of credit loss allowance		214,629,532	227,583,076

8 BALANCES WITH OTHER BANKS

In Pakistan in current accounts		14,718	11,898
Outside Pakistan			
- in current accounts		21,454,423	24,073,844
- in deposit accounts		31,885	32,014
		21,486,308	24,105,858
		21,501,026	24,117,756
Less: Credit loss allowance held against balances with other banks		(7,264)	(8,204)
Balances with other banks - net of credit loss allowance		21,493,762	24,109,552

9 LENDINGS TO FINANCIAL INSTITUTIONS

Call / clean money lendings		34,700,000	4,674,360
Repurchase agreement lendings (Reverse Repo)		59,605,755	15,000,000
	9.1	94,305,755	19,674,360
Less: Credit loss allowance held against lendings to financial institutions	9.1	(453)	(68)
Lendings to financial institutions - net of credit loss allowance		94,305,302	19,674,292

		June 30, 2026 (Un-audited)		December 31, 2025 (Audited)	
		Lending	Credit loss allowance held	Lending	Credit loss allowance held
		------------(Rupees in '000)------------			

9.1 Lending to Financial Institutions - Particulars of credit loss allowance

		June 30, 2026 (Un-audited) Lending	June 30, 2026 Credit loss allowance held	December 31, 2025 (Audited) Lending	December 31, 2025 Credit loss allowance held
Domestic					
Performing	Stage 1	94,305,755	453	18,300,000	49
Overseas					
Performing	Stage 1	-	-	1,374,360	19
Total		94,305,755	453	19,674,360	68

10 INVESTMENTS

10.1 Investments by type:

	June 30, 2026 (Un-audited)				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)------------							
Fair value through profit or loss								
Federal Government Securities								
- Market Treasury Bills	189,066,013	-	16,863	189,082,876	150,646,774	-	88,233	150,735,007
- Pakistan Investment Bonds	139,477,338	-	32,532	139,509,870	148,435,134	-	987,996	149,423,130
- Ijarah Sukuks	10,967,912	-	590	10,968,502	252,784	-	(674)	252,110
- Naya Pakistan Certificates	1,126,837	-	-	1,126,837	819,226	-	-	819,226
Shares								
- Ordinary Shares - Listed	2,984,275	-	(130,969)	2,853,306	4,885,433	-	255,065	5,140,498
Non Government Debt Securities								
- Term Finance Certificates	1,450,000	-	-	1,450,000	1,450,000	-	-	1,450,000
- Sukuks	423,776	-	444	424,220	422,444	-	1,332	423,776
Foreign Securities								
- Overseas Bonds - Sovereign	11,574,460	-	(6,440)	11,568,020	8,289,997	-	(9,657)	8,280,340
- Redeemable Participating Certificates	7,508,637	-	(173,332)	7,335,305	7,849,325	-	20,685	7,870,010
REIT Fund - listed	113,658	-	1,194	114,852	-	-	-	-
	364,692,906	-	(259,118)	364,433,788	323,051,117	-	1,342,980	324,394,097
Fair value through other comprehensive income								
Federal Government Securities								
- Market Treasury Bills	939,421,379	-	(90,946)	939,330,433	499,822,811	-	2,662,370	502,485,181
- Pakistan Investment Bonds	400,859,328	-	6,871,309	407,730,637	754,796,065	-	24,089,203	778,885,268
- Ijarah Sukuks	320,912,018	-	880,580	321,792,598	210,939,890	-	5,225,757	216,165,647
- Government of Pakistan Euro Bonds	-	-	-	-	14,474,416	(1,770,177)	2,488,438	15,192,677
Shares								
- Ordinary Shares - Listed	7,955,893	-	6,379,778	14,335,671	13,929,483	-	12,276,445	26,205,928
- Ordinary Shares - Unlisted	1,319,050	-	5,149,340	6,468,390	1,319,050	-	5,167,448	6,486,498
- Preference Shares - Unlisted	25,000	(25,000)	-	-	25,000	(25,000)	-	-
Non Government Debt Securities								
- Term Finance Certificates	1,668,425	(96,705)	-	1,571,720	1,802,621	(99,924)	-	1,702,697
- Sukuks	96,511	(96,511)	-	-	306,511	(96,511)	12,577	222,577
Foreign Securities								
- Overseas Bonds - Sovereign	73,938,217	(24,020)	(662,378)	73,251,819	51,506,024	(28,329)	(401,445)	51,076,250
- Overseas Bonds - Others	22,549,081	(4,062)	(503,792)	22,041,227	36,111,967	(6,850)	(258,329)	35,846,788
- Equity Securities - Listed	265,082	-	(18,273)	246,809	266,966	-	(5,184)	261,782
- Preference Shares - Unlisted	556,368	-	(278,184)	278,184	560,308	-	-	560,308
REIT Fund - listed	1,062,244	-	(40,943)	1,021,301	1,034,094	-	5,753	1,039,847
	1,770,628,596	(246,298)	17,686,491	1,788,068,789	1,586,895,206	(2,026,791)	51,263,033	1,636,131,448
Balance carried forward	2,135,321,502	(246,298)	17,427,373	2,152,502,577	1,909,946,323	(2,026,791)	52,606,013	1,960,525,545

10.1 Investments by type:

	June 30, 2026 (Un-audited)				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)							
Balance brought forward	2,135,321,502	(246,298)	17,427,373	2,152,502,577	1,909,946,323	(2,026,791)	52,606,013	1,960,525,545
Amortised cost								
Federal Government Securities								
- Pakistan Investment Bonds	152,447,025	-	-	152,447,025	154,179,505	-	-	154,179,505
- Ijarah Sukuks	11,096,913	-	-	11,096,913	40,484,392	-	-	40,484,392
Non Government Debt Securities								
- Term Finance Certificates	312,180	(24,711)	-	287,469	349,680	(24,714)	-	324,966
- Sukuks	2,736,837	(29,248)	-	2,707,589	2,964,553	(29,257)	-	2,935,296
Foreign Securities								
- Overseas Bonds - Sovereign	14,906,035	(75,231)	-	14,830,804	12,685,594	(14,524)	-	12,671,070
	181,498,990	(129,190)	-	181,369,800	210,663,724	(68,495)	-	210,595,229
Associates (valued at equity method)								
- Alfalah Insurance Company Limited	1,103,514	-	-	1,103,514	1,095,630	-	-	1,095,630
- Sapphire Wind Power Company Limited	4,216,582	-	-	4,216,582	4,629,023	-	-	4,629,023
- Alfalah Asset Management Limited	1,392,818	-	-	1,392,818	1,326,248	-	-	1,326,248
	6,712,914	-	-	6,712,914	7,050,901	-	-	7,050,901
Total investments	2,323,533,406	(375,488)	17,427,373	2,340,585,291	2,127,660,948	(2,095,286)	52,606,013	2,178,171,675

10.2 Particulars of assets and liabilities of associates

				June 30, 2026 (Un-audited)				
	Associate	Country of incorporation	Percentage of holding	Assets	Liabilities	Revenue	Profit / (loss) for the period	Total Comprehensive income / (loss)
				(Rupees in '000)				
Alfalah Insurance Company Limited	Associate	Pakistan	30.00%	11,634,601	7,981,928	2,563,733	317,023	176,258
Sapphire Wind Power Company Limited	Associate	Pakistan	30.00%	13,844,202	596,161	1,234,302	(674,802)	(674,802)
Alfalah Asset Management Limited	Associate	Pakistan	40.22%	4,464,004	1,001,003	1,597,338	165,498	165,498

				December 31, 2025 (Audited)		June 30, 2025 (Un-audited)		
	Associate	Country of incorporation	Percentage of holding	Assets	Liabilities	Revenue	Profit for the period	Total Comprehensive income
				(Rupees in '000)				
Alfalah Insurance Company Limited	Associate	Pakistan	30.00%	10,811,177	7,168,687	1,547,909	332,611	268,801
Sapphire Wind Power Company Limited	Associate	Pakistan	30.00%	15,124,169	501,326	2,919,833	1,613,250	1,613,250
Alfalah Asset Management Limited	Associate	Pakistan	40.22%	4,711,807	1,414,304	1,438,243	341,143	341,143

		(Un-audited) June 30, 2026	(Audited) December 31, 2025
		----------(Rupees in '000)----------	
10.3	**Investments given as collateral**		
	- Market Treasury Bills	737,810,936	410,985,208
	- Pakistan Investment Bonds	-	260,026,252
	- Overseas Bonds	8,329,518	36,926,637
		746,140,454	707,938,097

10.3.1 The market value of securities given as collateral is Rs. 746,068.078 million (December 31, 2025: Rs. 718,094.513 million).

		(Un-audited) June 30, 2026	(Audited) December 31, 2025
		----------(Rupees in '000)----------	
10.4	**Credit loss allowance / provision for diminution in value of total investments**		
10.4.1	Opening balance	2,095,286	2,545,274
	Impact of adoption of IFRS 9	-	60,074
	Balance as at January 01 after adopting IFRS 9	2,095,286	2,605,348
	Exchange and other adjustments	(3,912)	26,012
	Charge / (reversals)		
	Charge for the period / year	127,544	361,487
	Reversals for the period / year	(30,457)	(372,998)
	Reversal on disposals	(1,812,973)	(524,563)
		(1,715,886)	(536,074)
	Closing Balance	375,488	2,095,286

10.4.2 Particulars of credit loss allowance / provision against debt securities

Category of classification		June 30, 2026 (Un-audited)		December 31, 2025 (Audited)	
		Outstanding amount	Credit loss allowance	Outstanding amount	Credit loss allowance
Domestic		-----------------------------(Rupees in '000)		-----------------------------	
Performing	Stage 1	637,500	34	706,250	47
Underperforming	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		272,141	272,141	275,359	275,359
		909,641	272,175	981,609	275,406
Overseas					
Performing	Stage 1	111,393,333	103,313	100,303,585	49,703
Underperforming	Stage 2	-	-	14,474,416	1,770,177
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
Total		112,302,974	375,488	115,759,610	2,095,286

10.4.2.1 The Government securities and Government guaranteed exposures are exempted by the SBP for the calculation of ECL.

10.4.3 The market value of securities classified at amortised cost as at June 30, 2026 amounted to Rs. 180,728.069 million (December 31, 2025: Rs. 214,074.433 million).

11 ADVANCES

	Note	Performing		Non Performing		Total	
		June 30, 2026 (Un-audited)	December 31, 2025 (Audited)	June 30, 2026 (Un-audited)	December 31, 2025 (Audited)	June 30, 2026 (Un-audited)	December 31, 2025 (Audited)
		------------------------(Rupees in '000)------------------------					
Classified at amortised cost							
Loans, cash credits, running finances, etc.		819,741,451	762,898,168	39,537,066	41,006,331	859,278,517	803,904,499
Islamic financing and related assets		272,577,396	315,199,483	5,633,574	5,628,820	278,210,970	320,828,303
Bills discounted and purchased		20,731,102	26,060,353	187,869	900,622	20,918,971	26,960,975
		1,113,049,949	1,104,158,004	45,358,509	47,535,773	1,158,408,458	1,151,693,777
Classified at fair value through profit or loss							
Loans, cash credits, running finances, etc.		1,800,000	1,800,000	-	-	1,800,000	1,800,000
Advances - gross		1,114,849,949	1,105,958,004	45,358,509	47,535,773	1,160,208,458	1,153,493,777
Credit loss allowance / provision against advances							
- Stage 1	11.4	(2,227,657)	(1,483,302)	-	-	(2,227,657)	(1,483,302)
- Stage 2	11.4	(1,201,401)	(835,423)	-	-	(1,201,401)	(835,423)
- Stage 3	11.4	-	-	(39,984,955)	(42,095,261)	(39,984,955)	(42,095,261)
- Specific	11.4	-	-	-	-	-	-
- General	11.4	(4,165,523)	(4,155,956)	-	-	(4,165,523)	(4,155,956)
		(7,594,581)	(6,474,681)	(39,984,955)	(42,095,261)	(47,579,536)	(48,569,942)
Advances - net of credit loss allowance / provision		1,107,255,368	1,099,483,323	5,373,554	5,440,512	1,112,628,922	1,104,923,835

11.1 Advances include an amount of Rs. 474.325 million (December 31, 2025: Rs. 423.653 million), being Employee Loan facilities allowed to Citibank, N.A, Pakistan's employees, which were either taken over by the Holding Company, or were granted afresh, under a specific arrangement executed between the Holding Company and Citibank, N.A, Pakistan. The said arrangement is subject to certain relaxations as specified vide SBP Letter BPRD/BRD/Citi/2017/21089 dated September 11, 2017.

The said arrangement covers only existing employees of Citibank, N.A, Pakistan, and the relaxations allowed by the SBP are on continual basis, but subject to review by the SBP's BID and OSED departments. These loans carry mark-up at the rates ranging from 11.49% to 33.31% (December 31, 2025: 13.79% to 33.69%) per annum with maturities up to July 2045 (December 31, 2025: July 2045).

11.2 Particulars of advances (gross)	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	-------(Rupees in '000)-------	
In local currency	1,072,903,849	1,038,968,318
In foreign currencies	87,304,609	114,525,459
	1,160,208,458	1,153,493,777

11.3 Advances include Rs. 45,358.509 million (December 31, 2025: Rs. 47,535.773 million) which have been placed under non-performing status as detailed below:

Category of classification in stage 3	June 30, 2026 (Un-audited)		December 31, 2025 (Audited)	
	Non-Performing loans	Credit loss allowance /provision	Non- Performing loans	Credit loss allowance /provision
	----------(Rupees in '000)----------			
Domestic				
Other Assets Especially Mentioned (OAEM)	189,488	-	156,345	366
Substandard	1,386,950	427,611	3,347,182	1,385,197
Doubtful	8,055,180	4,027,646	6,256,133	3,106,590
Loss	35,099,727	34,966,813	37,093,274	36,992,066
	44,731,345	39,422,070	46,852,934	41,484,219
Overseas				
Substandard	27,713	13,458	29,577	13,154
Doubtful	-	-	-	-
Loss	599,451	549,427	653,262	597,888
	627,164	562,885	682,839	611,042
Total	45,358,509	39,984,955	47,535,773	42,095,261

11.4 Particulars of Credit loss allowance / provision against advances

	June 30, 2026 (Un-audited)						December 31, 2025 (Audited)					
	Expected Credit Loss			Specific	General	Total	Expected Credit Loss			Specific	General	Total
	Stage 1	Stage 2	Stage 3				Stage 1	Stage 2	Stage 3			
	(Rupees in '000)											
Opening balance	1,483,302	835,423	42,095,261	-	4,155,956	48,569,942	2,232,954	1,388,083	38,440,559	587,690	4,237,082	46,886,368
Impact of adoption of IFRS 9	-	-	-	-	-	-	50,662	49,899	587,751	(587,690)	-	100,622
Balance as at January 01 after adopting IFRS 9	1,483,302	835,423	42,095,261	-	4,155,956	48,569,942	2,283,616	1,437,982	39,028,310	-	4,237,082	46,986,990
Exchange and other adjustments	(1,153)	-	(8,410)	-	(4,367)	(13,930)	867	-	(10,355)	-	(6,265)	(15,753)
Charge for the period / year	911,923	402,918	3,725,043	-	13,934	5,053,818	625,481	220,291	9,739,727	-	-	10,585,499
Reversals for the period / year	(132,704)	(50,261)	(4,936,524)	-	-	(5,119,489)	(1,480,219)	(878,247)	(5,277,165)	-	(74,861)	(7,710,492)
	779,219	352,657	(1,211,481)	-	13,934	(65,671)	(854,738)	(657,956)	4,462,562	-	(74,861)	2,875,007
Transfer	(33,711)	13,321	20,390	-	-	-	53,557	55,397	(108,954)	-	-	-
Amounts written off	-	-	(11,127)	-	-	(11,127)	-	-	(22,402)	-	-	(22,402)
Amounts charged off	-	-	(867,584)	-	-	(867,584)	-	-	(1,223,608)	-	-	(1,223,608)
Amounts charged off - agriculture financing	-	-	(32,094)	-	-	(32,094)	-	-	(25,746)	-	-	(25,746)
	(33,711)	13,321	(890,415)	-	-	(910,805)	53,557	55,397	(1,380,710)	-	-	(1,271,756)
Reversal on derecognition of subsidiary	-	-	-	-	-	-	-	-	(4,546)	-	-	(4,546)
Closing balance	2,227,657	1,201,401	39,984,955	-	4,165,523	47,579,536	1,483,302	835,423	42,095,261	-	4,155,956	48,569,942

11.4.1 The additional profit arising from availing the forced sales value (FSV) benefit - net of tax as at June 30, 2026 which is not available for distribution as either cash or stock dividend to shareholders / bonus to employees amounted to Rs. 24.009 million (December 31, 2025: Rs. 29.418 million).

11.4.2 General provision includes:

(i) Provision held at overseas branches to meet the requirements of the regulatory authorities of the respective countries in which overseas branches operate; and

(ii) Provision of Rs. 3,878.000 million (December 31, 2025: Rs. 3,878.000 million) against the high risk portfolio. The portfolio excludes Government of Pakistan backed exposure, staff loans and loans secured against liquid collaterals.

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

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

	June 30, 2026 (Un-audited)						December 31, 2025 (Audited)					
	Expected Credit Loss			Specific	General	Total	Expected Credit Loss			Specific	General	Total
	Stage 1	Stage 2	Stage 3				Stage 1	Stage 2	Stage 3			
	(Rupees in '000)											
Opening balance	1,483,302	835,423	42,095,261	-	4,155,956	48,569,942	2,232,954	1,388,083	38,440,559	587,690	4,237,082	46,886,368
Impact of adoption of IFRS 9	-	-	-	-	-	-	50,662	49,899	587,751	(587,690)	-	100,622
Balance as at January 01 after adopting IFRS 9	1,483,302	835,423	42,095,261	-	4,155,956	48,569,942	2,283,616	1,437,982	39,028,310	-	4,237,082	46,986,990
Exchange and other adjustments	(1,153)	-	(8,410)	-	(4,367)	(13,930)	867	-	(10,355)	-	(6,265)	(15,753)
New Advances	613,320	371,661	2,375,342	-	13,934	3,374,257	625,481	220,290	6,806,443	-	-	7,652,214
Due to credit deterioration	-	-	1,349,701	-	-	1,349,701	-	-	2,933,284	-	-	2,933,284
Advances derecognised or repaid / reversal	(132,704)	(50,261)	(4,918,365)	-	-	(5,101,330)	(703,271)	(541,415)	(5,400,513)	-	(74,861)	(6,720,060)
Transfer to stage 1	35,663	(35,393)	(270)	-	-	-	148,383	(148,383)	-	-	-	-
Transfer to stage 2	(68,319)	68,319	-	-	-	-	(83,450)	314,803	(231,353)	-	-	-
Transfer to stage 3	(1,055)	(19,605)	20,660	-	-	-	(11,376)	(111,023)	122,399	-	-	-
Changes in risk parameters	298,603	31,257	(18,159)	-	-	311,701	(776,948)	(336,831)	123,348	-	-	(990,431)
	745,508	365,978	(1,191,091)	-	13,934	(65,671)	(801,181)	(602,559)	4,353,608	-	(74,861)	2,875,007
Amounts written off	-	-	(11,127)	-	-	(11,127)	-	-	(22,402)	-	-	(22,402)
Amounts charged off	-	-	(899,678)	-	-	(899,678)	-	-	(1,249,354)	-	-	(1,249,354)
Reversal on derecognition of subsidiary	-	-	-	-	-	-	-	-	(4,546)	-	-	(4,546)
Closing balance	2,227,657	1,201,401	39,984,955	-	4,165,523	47,579,536	1,483,302	835,423	42,095,261	-	4,155,956	48,569,942

11.6 Particulars of charged-off loans/ advances / finances

	June 30, 2026 (Un-audited)		December 31, 2025 (Audited)	
	No of borrowers	Rupees in '000	No of borrowers	Rupees in '000
Corporate, Commercial and SME				
Opening balance of charged-off	329	2,864,494	186	2,982,475
Charge-off during the period / year	23	205,590	165	174,416
Sub total	352	3,070,084	351	3,156,891
Recoveries made during the period / year against already charged-off cases	(12)	(155,991)	(22)	(292,397)
Closing balance	340	2,914,093	329	2,864,494

11.7 Advances - Category of classification

		June 30, 2026 (Un-audited)		December 31, 2025 (Audited)	
		Outstanding	Credit loss allowance /provision	Outstanding	Credit loss allowance /provision
		(Rupees in '000)			
Domestic					
Performing	Stage 1	947,615,238	2,041,145	902,273,942	1,241,211
Underperforming	Stage 2	121,932,735	1,132,832	149,272,491	811,397
Non-performing	Stage 3				
Other Assets Especially Mentioned (OAEM)		189,488	-	156,345	366
Substandard		1,386,950	427,611	3,347,182	1,385,197
Doubtful		8,055,180	4,027,646	6,256,133	3,106,590
Loss		35,099,727	34,966,813	37,093,274	36,992,066
General provision		-	3,878,000	-	3,878,000
		1,114,279,318	46,474,047	1,098,399,367	47,414,827
Overseas					
Performing	Stage 1	40,049,791	186,512	51,382,054	242,091
Underperforming	Stage 2	5,252,185	68,569	3,029,517	24,026
Non-performing	Stage 3				
Substandard		27,713	13,458	29,577	13,154
Doubtful		-	-	-	-
Loss		599,451	549,427	653,262	597,888
General provision		-	287,523	-	277,956
		45,929,140	1,105,489	55,094,410	1,155,115
Total		1,160,208,458	47,579,536	1,153,493,777	48,569,942

12 PROPERTY AND EQUIPMENT

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		(Rupees in '000)	
Capital work-in-progress	12.1	5,526,737	4,777,691
Property and equipment	12.2	67,051,656	66,517,334
		72,578,393	71,295,025

12.1 Capital work-in-progress

Civil works	4,792,733	4,149,100
Equipment	567,114	620,749
Others	166,890	7,842
	5,526,737	4,777,691

12.2 These include land and buildings carried at revalued amount of Rs. 40,770.026 million (December 31, 2025: Rs. 40,808.896 million).

		(Un-audited) Half year ended	
		June 30, 2026	June 30, 2025
12.3	**Additions to property and equipment**	------------(Rupees in 000)------------	

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

Capital work-in-progress - net of transferred out for capitalisation	749,046	1,102,477
Property and equipment		
Freehold land	-	283,710
Buildings on freehold land	70,020	234,372
Buildings on leasehold land	231,474	204,571
Leasehold improvements	1,418,315	1,879,716
Furniture and fixtures	140,761	461,757
Office equipments	1,825,347	2,217,782
Vehicles	541,154	1,219,504
	4,227,071	6,501,412
Total additions to property and equipment	4,976,117	7,603,889

12.4 Disposals of property and equipment

The net book values of property and equipment disposed off during the period are as follows:

Building on freehold land	7,984	-
Building on leasehold land	155,760	-
Leasehold improvements	1,480	-
Furniture and fixtures	118	376
Office equipments	6,844	6,513
Vehicles	139,228	-
Total disposals of property and equipment	311,414	6,889

		(Un-audited) June 30, 2026	(Audited) December 31, 2025
		------------(Rupees in 000)------------	
13	**RIGHT-OF-USE ASSETS**	**Buildings**	**Buildings**
	At January 1		
	Cost	40,343,508	36,730,369
	Accumulated depreciation	(13,878,262)	(11,364,670)
	Net carrying amount at January 01	26,465,246	25,365,699
	Additions / renewals / amendments / (terminations) - net during the period / year	2,866,925	5,697,933
	Depreciation charge during the period / year	(2,400,230)	(4,564,692)
	Exchange rate adjustments	(4,573)	(1,225)
	Derecognition of subsidiary	-	(32,469)
	Closing net carrying amount	26,927,368	26,465,246
14	**INTANGIBLE ASSETS**		
	Capital work-in-progress / advance payment to suppliers	563,675	432,589
	Software	1,159,334	1,295,879
	Trademark and copyrights	414	468
		1,723,423	1,728,936

		(Un-audited) Half year ended	
		June 30, 2026	June 30, 2025
14.1	**Additions to intangible assets**	------------(Rupees in 000)------------	

The following additions were made to intangible assets during the period:

Capital work-in-progress - net of transferred out for capitalisation	131,086	25,556
Directly purchased	79,706	142,425
Total additions to intangible assets	210,792	167,981

14.2 There were no disposal of intangible assets during the periods ended June 30, 2026 and June 30, 2025.

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		------------(Rupees in '000)------------	

15 OTHER ASSETS

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
Income / mark-up accrued in local currency - net		48,873,449	60,144,782
Income / mark-up accrued in foreign currencies - net		2,106,441	2,971,667
Advances, deposits, advance rent and other prepayments		7,021,546	4,187,007
Advance taxation (payments less provisions)		-	1,802,088
Advance against subscription of share		55,343	55,343
Non-banking assets acquired in satisfaction of claims	15.1	7,518,592	7,541,885
Mark to market gain on forward foreign exchange contracts		2,119,484	1,794,697
Mark to market gain on derivatives		1,367,636	1,643,940
Stationery and stamps on hand		22,565	23,355
Defined benefit plan		2,237,885	2,713,892
Branch adjustment account		457,883	-
Alternative Delivery Channel (ADC) settlement accounts	15.3	-	8,918,232
Due from card issuing banks		2,983,565	3,697,630
Accounts receivable		19,993,203	19,104,140
Claims against fraud and forgeries		118,096	122,736
Acceptances		30,809,123	45,736,218
Receivable against Government of Pakistan and overseas government securities		43,369	12,448
Receivable against marketable securities		192,095	1,054,801
Deferred cost on staff loans		23,337,284	23,828,039
Others		257,407	91,379
		149,514,966	185,444,279
Less: Credit loss allowance / provision held against other assets	15.2	(5,303,666)	(4,920,297)
Other assets (net of credit loss allowance / provision)		144,211,300	180,523,982
Surplus on revaluation of non-banking assets acquired in satisfaction of claims - net	15.1	606,473	609,549
Other assets - total		144,817,773	181,133,531

15.1 The revalued amount of non-banking assets acquired in satisfaction of claims is Rs. 8,125.065 million (December 31, 2025: Rs. 8,151.434 million).

15.2 Credit loss allowance / provision held against other assets

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		------------(Rupees in '000)------------	
Impairment against overseas operations	15.2.2	3,536,804	3,762,351
Expected credit loss		476,565	32,456
Fraud and forgeries		118,096	122,736
Accounts receivable		950,139	772,498
Others		222,062	230,256
		5,303,666	4,920,297

15.2.1 Movement in credit loss allowance / provision held against other assets

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
Opening balance	4,920,297	4,709,539
Impact of adoption of IFRS 9	-	862
Balance as at January 01 after adopting IFRS 9	4,920,297	4,710,401
Exchange and other adjustments	-	(5,293)
Charge for the period / year	649,137	1,680,896
Reversals for the period / year	(264,718)	(192,536)
	384,419	1,488,360
Amount written off	(1,050)	(34,215)
Reversal on derecognition of subsidiary	-	(1,238,956)
Closing balance	5,303,666	4,920,297

15.2.2 The Holding Company, in light of uncertain conditions in one of the countries where the Bank operates, holds an impairment of Rs. 3,536.804 million (December 31, 2025: Rs. 3,762.351 million) against the cross border risk.

15.3 This represents settlement arising from channel transaction at the cut off date which were subsequently cleared.

16 BILLS PAYABLE

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	---------(Rupees in '000)---------	
In Pakistan	101,447,403	55,189,647
Outside Pakistan	771,220	1,768,322
	102,218,623	56,957,969

17 BORROWINGS

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
Secured		
Borrowings from State Bank of Pakistan under:		
Export Refinance Scheme	7,936,628	16,530,301
Long-Term Finance Facility	13,839,397	15,939,430
Financing Facility for Renewable Energy Projects	10,627,253	11,730,666
Financing Facility for Storage of Agriculture Produce (FFSAP)	743,842	750,932
Temporary Economic Refinance Facility (TERF)	24,185,911	22,080,355
Export Refinance under Bill Discounting	14,396,990	15,189,403
SME Asaan Finance (SAAF)	5,341,661	4,785,327
Refinance Facility for Combating COVID (RFCC)	406,610	688,185
Refinance and Credit Guarantee Scheme for Women Entrepreneurs	367,382	458,974
Modernization of Small and Medium Entities (MSMES)	1,754,846	2,105,849
Other refinance schemes	-	57,526
Repurchase agreement borrowings	689,463,500	639,717,757
	769,064,020	730,034,705
Repurchase agreement borrowings	50,706,296	67,541,995
Total secured	819,770,316	797,576,700
Unsecured		
Call borrowings	5,990,230	20,988,165
Overdrawn nostro accounts	1,550,037	2,684,675
Borrowings of overseas branches	78,245	90,950
Others		
- Pakistan Mortgage Refinance Company	11,037,351	7,872,733
- Karandaaz Risk Participation	2,554,382	2,914,659
Total unsecured	21,210,245	34,551,182
	840,980,561	832,127,882

18 DEPOSITS AND OTHER ACCOUNTS

	June 30, 2026 (Un-audited)			December 31, 2025 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	--------(Rupees in '000)--------					
Customers						
- Current deposits	982,426,327	155,823,306	1,138,249,633	797,623,294	146,092,338	943,715,632
- Savings deposits	594,751,861	40,910,515	635,662,376	582,480,833	46,121,610	628,602,443
- Term deposits	496,004,071	99,118,228	595,122,299	489,942,118	91,166,717	581,108,835
- Others	67,559,643	11,599,032	79,158,675	32,836,812	11,027,005	43,863,817
	2,140,741,902	307,451,081	2,448,192,983	1,902,883,057	294,407,670	2,197,290,727
Financial Institutions						
- Current deposits	6,024,615	4,298,051	10,322,666	4,812,028	5,745,103	10,557,131
- Savings deposits	96,309,185	977,649	97,286,834	150,682,659	525,614	151,208,273
- Term deposits	82,401,864	6,322,055	88,723,919	98,246,000	8,272,581	106,518,581
- Others	10,667,177	3,134,924	13,802,101	6,972,358	22,841,858	29,814,216
	195,402,841	14,732,679	210,135,520	260,713,045	37,385,156	298,098,201
	2,336,144,743	322,183,760	2,658,328,503	2,163,596,102	331,792,826	2,495,388,928

18.1 Current deposits include remunerative current deposits of Rs. 54,192.673 million (December 31, 2025: Rs. 40,186.585 million).

		Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
19	**LEASE LIABILITIES**		---------(Rupees in '000)---------	
	Opening as at January 01		32,573,375	29,555,307
	Additions / renewals / amendments / (terminations) - net		2,781,945	5,537,611
	Finance charges		2,272,180	4,325,970
	Lease payments including interest		(3,606,669)	(6,801,788)
	Exchange rate / other adjustment		(5,548)	(805)
	Derecognition of subsidiary		-	(42,920)
	Closing net carrying amount		34,015,283	32,573,375
19.1	**Liabilities outstanding**			
	Not later than one year		2,834,630	2,432,462
	Later than one year and upto five years		14,623,731	13,307,140
	Over five years		16,556,922	16,833,773
	Total as at period / year end		34,015,283	32,573,375

For the purpose of discounting PKRV rates are being used.

		Note		
20	**SUBORDINATED DEBT**			
	Term Finance Certificates VI - Additional Tier-I (ADT-1)	20.1	7,000,000	7,000,000
	Term Finance Certificates VIII - Additional Tier-I (ADT-1)	20.2	7,000,000	7,000,000
	Advance subscription money - Term Finance Certificates IX - Tier-II	20.3	18,045,000	-
			32,045,000	14,000,000

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

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

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

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

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

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

20.3 Advance subscription money - Term Finance Certificates IX - Tier-II - Quoted, Unsecured

The Holding Company is in the process of issuing fully paid up, rated, quoted, unsecured and subordinated debt instruments in the nature of Term Finance Certificates under Section 66 of the Companies Act, 2017 which qualify as Tier II Capital as outlined by the State Bank of Pakistan under BPRD Circular No. 06 dated August 15, 2013. The total size of the Tier II Term Finance Certificates is Rs. 20,000 million, inclusive of a greenshoe option of Rs. 10,000 million. As of June 30, 2026, the Holding Company has received advance subscription money amounting to Rs. 18,045 million. Subsequent to the period end June 30, 2026, the Holding Company has received the remaining subscription amount of Rs. 1,955 million.

		(Un-audited) June 30, 2026	(Audited) December 31, 2025
21	**DEFERRED TAX LIABILITIES**	---------(Rupees in '000)---------	
	Deductible temporary differences on:		
	- Credit loss allowance / provision against investments	(2,111,300)	(1,941,895)
	- Credit loss allowance / provision against advances	(4,269,112)	(3,936,178)
	- Modification of advances	(33,508)	(39,908)
	- Credit loss allowance / provision against other assets	(2,698,993)	(2,345,172)
	- Lease liabilities	(18,685,635)	(17,818,373)
	- Credit loss allowance against balances with treasury banks	(33,282)	(25,233)
	- Credit loss allowance against balances with other banks	(2,802)	(3,311)
	- Credit loss allowance against lendings to financial institutions	(90)	110
	- Unrealised (loss) / gain on FVPL investments	(134,741)	382,680
	- Effective interest rate on financial assets	(391,009)	-
	- Workers' welfare fund	(3,761,349)	(3,223,794)
	- Pre-commencement expenditures	(11,704)	(5,019)
	- Others	(3,410)	-
		(32,136,935)	(28,956,093)
	Taxable temporary differences on:		
	- Unrealised net gain on fair value of refinancing schemes	259,946	568,625
	- Right-of-use assets	14,019,032	13,741,757
	- Surplus on revaluation of FVOCI investments	9,570,379	27,596,824
	- Surplus on revaluation of property and equipments	2,498,516	2,467,187
	- Surplus on revaluation of non banking assets	251,566	240,693
	- Exchange translation reserve	3,422,386	3,538,319
	- Share of profit and other comprehensive income from associates	2,878,360	3,054,114
	- Effective interest rate on financial liabilities	245,056	-
	- Accelerated tax depreciation	4,802,914	5,147,760
		37,948,155	56,355,279
		5,811,220	27,399,186

22	OTHER LIABILITIES	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
			-----------(Rupees in '000)-----------	
	Mark-up / return / interest payable in local currency		20,793,005	26,959,506
	Mark-up / return / interest payable in foreign currencies		1,508,698	1,823,824
	Unearned fee commission and income on bills discounted and guarantees		5,020,907	5,092,375
	Accrued expenses		29,213,221	25,616,958
	Current taxation		929,846	-
	Acceptances		30,809,123	45,736,218
	Dividends payable		3,026,068	361,864
	Mark to market loss on forward foreign exchange contracts		2,366,594	1,815,628
	Mark to market loss on derivatives		58,921	64,270
	Branch adjustment account		-	313,976
	Alternative Delivery Channel (ADC) settlement accounts	22.2	3,724,380	-
	Provision for compensated absences		1,983,000	1,720,500
	Payable against redemption of customer loyalty / reward points		1,753,564	1,616,879
	Charity payable		179,770	131,931
	Credit loss allowance / provision against off-balance sheet obligations	22.1	2,198,833	1,036,203
	Security deposits against leases, lockers and others		25,141,329	20,362,311
	Workers' welfare fund		9,208,571	8,174,813
	Payable to vendors and suppliers		490,760	467,549
	Advance payments		2,397,372	2,713,358
	Margin deposits on derivatives		634,516	1,042,368
	Payable to merchants (card acquiring)		2,470,852	1,275,006
	Withholding taxes payable		5,561,320	5,267,418
	Payable against marketable securities		40,241	-
	Liability against share based payment		1,164,105	1,350,000
	Trading liability		-	15,118,700
	Others		8,874,170	8,365,624
			159,549,166	176,427,279

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

	June 30, 2026	December 31, 2025
Opening balance	1,036,203	780,711
Impact of adoption of IFRS 9	-	2,714
Balance as at January 01 after adopting IFRS 9	1,036,203	783,425
Exchange and other adjustments	(471)	5,033
Charge for the period / year	1,356,397	449,783
Reversals for the period / year	(193,296)	(202,038)
	1,163,101	247,745
Closing balance	2,198,833	1,036,203

22.2 This represents settlement arising from channel transaction at the cut off date which were subsequently cleared.

		Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
23	**SURPLUS ON REVALUATION OF ASSETS**		----------(Rupees in '000)----------	
	Surplus / (deficit) on revaluation of:			
	- Securities measured at FVOCI - debt	10.1	6,494,773	33,818,571
	- Securities measured at FVOCI - equity	10.1	11,191,718	17,444,462
	- Available for sale securities of associates		2,408	44,638
	- Property and equipment		19,665,203	19,829,920
	- Non-banking assets acquired in satisfaction of claims		606,473	609,549
			37,960,575	71,747,140
	Less: Deferred tax on (liability on surplus) / asset on deficit on revaluation of:			
	- Securities measured at FVOCI - debt		(3,376,722)	(17,585,031)
	- Securities measured at FVOCI - equity		(5,819,693)	(9,071,120)
	- Available for sale securities of associates		(1,252)	(23,212)
	- Property and equipment		(2,498,516)	(2,467,187)
	- Non-banking assets acquired in satisfaction of claims		(251,566)	(240,693)
			(11,947,749)	(29,387,243)
	Derivatives deficit		719,161	1,806,920
	Less: Deferred tax asset on derivative		(373,964)	(939,598)
			345,197	867,322
			26,358,023	43,227,219

24	**CONTINGENCIES AND COMMITMENTS**			
	- Guarantees	24.1	213,330,317	222,502,386
	- Commitments	24.2	1,100,671,731	946,267,531
	- Other contingent liabilities	24.3.1	20,636,788	23,827,667
			1,334,638,836	1,192,597,584
24.1	**Guarantees:**			
	Financial guarantees		5,457,656	6,702,626
	Performance guarantees		80,459,493	76,529,645
	Other guarantees		127,413,168	139,270,115
			213,330,317	222,502,386
24.2	**Commitments:**			
	Documentary credits and short-term trade-related transactions			
	- Letters of credit		301,583,025	239,313,344
	Commitments in respect of:			
	- forward foreign exchange contracts	24.2.1	577,214,188	467,011,416
	- forward government securities transactions	24.2.2	156,759,194	165,504,849
	- derivatives	24.2.3	18,770,982	24,504,558
	- forward lending	24.2.4	40,433,816	42,777,444
	Commitments for acquisition of:			
	- property and equipment		3,847,170	4,985,058
	- intangible assets		576,001	483,507
	Commitments in respect of donations		1,487,355	1,687,355
			1,100,671,731	946,267,531
24.2.1	**Commitments in respect of forward foreign exchange contracts**			
	Purchase		335,254,095	271,592,770
	Sale		241,960,093	195,418,646
			577,214,188	467,011,416
24.2.2	**Commitments in respect of forward government securities transactions**			
	Purchase		37,228,360	44,558,744
	Sale		119,530,834	120,946,105
			156,759,194	165,504,849

		Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
			----------(Rupees in '000)----------	
24.2.3	**Commitments in respect of derivatives**			
	Interest rate swaps			
	Purchase	25.1	10,152,891	15,364,164
	Sale		-	-
			10,152,891	15,364,164
	Cross currency swaps			
	Purchase		-	-
	Sale	25.1	8,618,091	9,140,394
			8,618,091	9,140,394
	Total commitments in respect of derivatives		18,770,982	24,504,558
24.2.4	**Commitments in respect of forward lending**			
	Undrawn formal standby facilities, credit lines and other commitments to lend	24.2.4.1	40,433,816	42,777,444

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

		(Un-audited) June 30, 2026	(Audited) December 31, 2025
24.3	**Other contingent liabilities**	---------(Rupees in '000)---------	
24.3.1	Claims against the Holding Company not acknowledged as debts	20,636,788	23,827,667

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

24.4 Contingency for tax payable

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

25 DERIVATIVE INSTRUMENTS

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

25.1 Product Analysis

	June 30, 2026 (Un-audited)					
	Interest Rate Swaps			Cross Currency Swaps		
	No. of contracts	Notional Principal	Mark to market gain - net	No. of contracts	Notional Principal	Mark to market gain - net
Counterparties		---------(Rupees in '000)-------			-----------(Rupees in '000)----------	
With Banks for						
Hedging	14	10,152,891	587,213	-	-	-
With other entities for						
Market making	-	-	-	4	8,618,091	721,502
	14	10,152,891	587,213	4	8,618,091	721,502

	December 31, 2025 (Audited)					
	Interest Rate Swaps			Cross Currency Swaps		
	No. of contracts	Notional Principal	Mark to market gain - net	No. of contracts	Notional Principal	Mark to market gain - net
Counterparties		---------(Rupees in '000)-------			-----------(Rupees in '000)----------	
With Banks for						
Hedging	18	15,364,164	839,754	-	-	-
With other entities for						
Market making	-	-	-	4	9,140,394	739,916
	18	15,364,164	839,754	4	9,140,394	739,916

		Note	(Un-audited) Half year ended	
			June 30, 2026	June 30, 2025
			------------(Rupees in '000)-----------	

26 MARK-UP / RETURN / INTEREST EARNED

		Note	June 30, 2026	June 30, 2025
On:				
a)	Loans and advances		62,035,903	58,553,231
b)	Investments		103,202,503	125,196,772
c)	Lendings to financial institutions		2,165,734	1,776,555
d)	Balances with banks / financial institutions		115,242	150,550
e)	On securities purchased under resale agreements		6,189,636	2,721,239
			173,709,018	188,398,347

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

	Note	June 30, 2026
Financial assets measured at amortised cost		83,269,475
Financial assets measured at FVOCI		75,242,332
	27.1.1	158,511,807

27 MARK-UP / RETURN / INTEREST EXPENSED

		Note	June 30, 2026	June 30, 2025
On:				
a)	Deposits		60,967,160	58,836,217
b)	Borrowings		7,443,575	10,148,616
c)	Securities sold under repurchase agreements		29,663,902	47,132,511
d)	Subordinated debt		898,390	1,027,076
e)	Cost of foreign currency swaps against foreign currency deposits / borrowings		1,486,129	1,068,066
f)	Leased assets		2,272,180	2,092,293
g)	Reward points / customer loyalty		164,687	642,733
			102,896,023	120,947,512

27.1 Interest expense calculated using effective interest rate method

	Note	June 30, 2026
Financial liabilities	27.1.1	101,245,207

27.1.1 As disclosed in note 4.1.1, the Holding Company has applied the effective interest rate method during the current period under the modified retrospective approach. The impact has been recognised in opening equity, and accordingly, prior information has not been presented.

28 FEE AND COMMISSION INCOME

	June 30, 2026	June 30, 2025
Branch banking customer fees	849,975	898,512
Consumer finance related fees	365,378	392,905
Card related fees (debit and credit cards)	1,722,610	1,642,385
Credit related fees	306,161	295,107
Investment banking fees	92,587	230,384
Commission on trade	1,768,980	1,640,455
Commission on guarantees	533,165	437,394
Commission on cash management	38,187	36,433
Commission on remittances including home remittances	578,584	204,720
Commission on bancassurance	343,255	324,991
Card acquiring business	212,021	548,027
Wealth management fee	295,310	287,260
Commission on Benazir Income Support Programme (BISP)	235,365	149,699
Alternative Delivery Channel (ADC)	845,303	575,126
Others	116,659	143,963
	8,303,540	7,807,361

29 FOREIGN EXCHANGE INCOME

	June 30, 2026	June 30, 2025
Foreign exchange income	7,327,506	5,323,997
Foreign exchange (loss) / gain related to derivatives	(225,084)	27,311
	7,102,422	5,351,308

		Note	(Un-audited) Half year ended	
			June 30, 2026	June 30, 2025
			-----------(Rupees in '000)-----------	
30	**GAIN ON SECURITIES**			
	Realised gain	30.1	18,127,262	8,262,504
	Unrealised loss - measured at FVPL	10.1	(259,118)	(319,701)
	Unrealised gain on trading liabilities - net		-	62,816
		30.2	17,868,144	8,005,619
30.1	**Realised gain on:**			
	Federal government securities		17,339,272	7,838,557
	Shares		542,276	31,521
	Non-government debt securities		-	49,990
	Foreign securities		245,714	342,436
			18,127,262	8,262,504
30.2	**Net gain / (loss) on financial assets / liabilities measured:**			
	At FVPL			
	Designated upon initial recognition		2,773,196	2,737,076
	Mandatorily measured at FVPL		(18,728)	(119,142)
			2,754,468	2,617,934
	Net gain on financial assets measured at FVOCI - Debt		15,113,676	5,387,685
			17,868,144	8,005,619
31	**OTHER INCOME**			
	Rent on property		4,333	2,894
	Gain on sale of property and equipment - net		48,872	26,726
	Gain on sale of non banking assets - net		-	3,368
	Profit on termination of leased contracts (Ijarah)		24	3
	Gain on FVPL loans / advances		-	56,483
	Gain on termination of leases		85,549	54,117
	Insurance premium of overseas branch recovered		-	719,128
	Others		1,432	6,618
			140,210	869,337
32	**OPERATING EXPENSES**			
	Total compensation expense	32.1	27,590,135	23,878,235
	Property expense			
	Rates and taxes		136,943	92,975
	Utilities cost		2,050,269	1,669,958
	Security (including guards)		1,416,931	1,092,907
	Repair and maintenance (including janitorial charges)		1,395,349	1,169,143
	Depreciation on right-of-use assets		2,400,230	2,235,762
	Depreciation on non-banking assets acquired in satisfaction of claims		26,369	35,535
	Depreciation on owned assets		801,770	642,500
			8,227,861	6,938,780
	Information technology expenses			
	Software maintenance		2,124,822	1,773,976
	Hardware maintenance		807,100	524,507
	Depreciation		897,182	874,908
	Amortisation		214,654	199,920
	Network charges		442,271	361,960
	Consultancy and support services		74,852	37,123
			4,560,881	3,772,394
	Balance carried forward		40,378,877	34,589,409

	(Un-audited) Half year ended	
	June 30, 2026	June 30, 2025
	(Rupees in '000)	
Balance brought forward	40,378,877	34,589,409
Other operating expenses		
Directors' fees and allowances	119,760	76,480
Fees and allowances to Shariah Board	16,302	15,311
Legal and professional charges	535,567	486,809
Outsourced services costs	1,015,759	836,947
Travelling and conveyance	1,372,497	1,037,738
Clearing and custodian charges	159,811	120,150
Depreciation	1,631,176	1,357,067
Training and development	155,215	131,415
Postage and courier charges	351,165	232,326
Communication	1,992,505	1,945,556
Stationery and printing	1,292,783	1,079,345
Marketing, advertisement and publicity	5,069,091	9,098,076
Donations	407,450	154,201
Auditors' remuneration	136,521	121,426
Brokerage and commission	1,093,527	809,218
Entertainment	568,011	448,960
Repairs and maintenance	672,589	557,586
Insurance	1,288,137	1,149,535
Cash Handling charges	958,575	1,079,661
CNIC verification	339,368	359,428
Others	1,081,337	436,292
	20,257,146	21,533,527
	60,636,023	56,122,936

32.1 Total compensation expense

Managerial remuneration		
i) Fixed	15,425,829	13,756,491
ii) Variable:		
a) Cash bonus / awards etc.	3,694,634	3,347,227
b) Bonus and awards in shares etc.	1,003,978	461,143
Charge for defined benefit plan	476,008	480,951
Contribution to defined contribution plan	659,054	560,514
Medical	1,614,206	1,417,235
Conveyance	1,858,613	1,613,232
Staff compensated absences	262,500	176,000
Staff life insurance	86,634	86,251
Staff welfare	52,778	34,239
Club subscription	5,627	10,672
Sub-total	25,139,861	21,943,955
Sign-on bonus	8,644	33,421
Staff loans - notional cost	2,441,630	1,746,960
Severance allowance	-	153,899
Grand total	27,590,135	23,878,235

33 WORKERS' WELFARE FUND

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

		Note	(Un-audited) Half year ended	
			June 30, 2026	June 30, 2025
			-----------(Rupees in '000)-----------	
34	**OTHER CHARGES**			
	Penalties imposed by the State Bank of Pakistan		12,759	9,557
	Penalties imposed by other regulatory bodies		4,598	-
			17,357	9,557
35	**(REVERSAL OF) / CHARGE AGAINST CREDIT LOSS ALLOWANCE / PROVISIONS AND WRITE OFFS - NET**			
	Credit loss allowance / (reversal) against cash with treasury banks		15,479	(3,653)
	(Reversal) / credit loss allowance against balance with other banks		(1,076)	7,340
	Credit loss allowance / (reversal) against lending to financial institutions		385	(219)
	Reversal of credit loss allowance / provision against diminution in value of investments	10.4.1	(1,715,886)	(257,624)
	(Reversal) / credit loss allowance / provision against loans & advances	11.4	(65,671)	913,611
	Credit loss allowance against other assets		384,419	537,467
	Credit loss allowance against off-balance sheet obligations	22.1	1,163,101	119,595
	Credit loss allowance / write off - net		33,417	22,066
	Recovery of written off / charged off bad debts		(393,521)	(441,938)
			(579,353)	896,645
36	**TAXATION**			
	Charge / (reversal) :			
	Current		26,708,302	21,706,082
	Prior years		108,380	3,986,399
	Deferred		(3,096,470)	(6,687,572)
			23,720,212	19,004,909

36.1 a) The income tax assessments of the Holding Company have been finalized upto and including tax year 2025. In respect of tax years 2008, 2014 to 2017, 2019 and 2021 to 2025, the tax authority has raised certain issues including default in payment of WWF, allocation of expenses to dividend and capital gains, dividend income from mutual funds not being taken under income from business and disallowance of leasehold improvements resulting in tax demand of Rs. 3,327.303 million (December 31, 2025: Rs. 2,844.103 million) net of relief provided in appeal. The Holding Company has filed appeals which are pending before the Appellate Tribunal and High Court. The management is confident that the matter will be decided in favour of the Holding Company and consequently has not made any provision in this respect.

b) The Holding Company had received orders from a provincial tax authority for the periods from July 2011 to December 2020 wherein tax authority demanded sales tax on banking services and penalty amounting to Rs. 763.312 million [excluding default surcharge] by disallowing certain exemptions of sales tax on banking services and allegedly for short payment of sales tax. For periods from July 2011 to June 2014, appeals against the orders are pending before Commissioner Appeals whereas for periods from July 2014 to December 2020, SHC has remanded back the matter to the adjudicating authority.

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

c) The Holding Company had received two different orders for the same accounting year 2016 from a tax authority wherein sales tax, further tax and penalty thereon amounting to Rs. 5.191 million and Rs. 4.148 million (excluding default surcharge) were demanded allegedly for non-payment of sales tax on certain transactions. These matters are pending with the Assessing officer.

A similar order for the accounting years 2017 and 2018 was issued with a tax demand of Rs. 11.536 million (excluding default surcharge) which is now remanded back by Appellate tribunal to the Assessing officer.

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

d) There are certain other addbacks made by tax authorities for various assessment years, appeals against which are pending with the Commissioner of Inland Revenue (Appeals), Appellate Tribunal Inland Revenue (ATIR), High Court of Sindh and Supreme Court of Pakistan. The Holding Company has not made any provision against these orders and the management is of the view that these matters will be favourably settled through appellate process.

37 DISCONTINUED OPERATIONS - ALFALAH SECURITIES (PRIVATE) LIMITED

37.1 The shareholders of the Holding Company in their annual general meeting held on March 20, 2025 approved to sell the entire shareholding in its subsidiary, Alfalah Securities (Private) Limited. The sale transaction was completed during the year 2025 in accordance with the applicable legal and regulatory requirements against a consideration of Rs. 388.732 million.

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

	(Un-audited) As of April 30, 2025 (Rupees in '000)
ASSETS	
Cash and balances with treasury banks	115
Balances with other banks	1,442,462
Investments	46,299
Advances	135
Property and equipment	49,140
Right-of-use assets	32,469
Intangible assets	9,543
Other assets	368,385
Total assets	1,948,548
LIABILITIES	
Borrowings	300,000
Lease liabilities	42,920
Other liabilities	1,154,563
Total liabilities	1,497,483
NET ASSETS	451,065
Net assets attributable to:	
Equity holders of the Holding Company	431,173
Non-controlling interest	19,892
	451,065
Loss on derecognition of subsidiary attributable to equity holders of the Holding Company	
Net assets derecognised	431,173
Consideration received against derecognition of net assets of subsidiary	388,732
	(42,441)

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

	(Un-audited) From January 01 to April 30, 2025 (Rupees in '000)
Mark-up / return / interest earned	33,692
Mark-up / return / interest expensed	13,823
Net mark-up / return / interest income	19,869
NON MARK-UP / INTEREST INCOME	
Fee and commission income	145,835
Loss on securities	(6,508)
Other income	2,355
Total non-mark-up / interest income	141,682
Total income	161,551
NON MARK-UP / INTEREST EXPENSES	
Operating expenses	156,626
Other charges	1,690
Total non-mark-up / interest expenses	158,316
Profit before credit loss allowance / provisions	3,235
(Reversal of credit loss allowance) / provisions and write offs - net	(4,561)
PROFIT BEFORE TAXATION	7,796
Taxation	48,872
LOSS AFTER TAXATION	(41,076)
Loss on derecognition of subsidiary	(42,441)
LOSS AFTER TAXATION FROM DISCONTINUED OPERATIONS	(83,517)
Loss attributable to:	
Equity holders of the Holding Company	(81,706)
Non-controlling interest	(1,811)
	(83,517)

	Note	(Un-audited) Half year ended	
		June 30, 2026	June 30, 2025
		-----------(Rupees in '000)-----------	
38 BASIC AND DILUTED EARNINGS PER SHARE			
Attributable to equity holders of the Holding Company			
Profit for the period from continuing operations		21,137,466	15,142,893
Loss for the period from discontinued operations		-	(81,706)
		21,137,466	15,061,187
		------(Number of shares in '000)------	
			(Restated)
Weighted average number of ordinary shares	38.1	3,154,330	3,154,330
		----------------(Rupees)---------------	
			(Restated)
Basic and diluted earnings per share from continuing operations	38.1	6.70	4.80
Basic and diluted loss per share from discontinued operations	38.1	-	(0.03)
Basic and diluted earnings per share		6.70	4.77

38.1 During the half year, the shareholders of the Holding Company in their Annual General Meeting held on March 26, 2026 approved a share split wherein the number of shares have been sub-divided into ratio of 2 for 1. Consequently, issued and paid-up number of shares increased to 3,154,330,238 having face value of Rs. 5 per share. Accordingly, earnings per share of the corresponding has been restated.

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

	Note	(Un-audited) Half year ended	
		June 30, 2026	June 30, 2025
39 CASH AND CASH EQUIVALENTS		-----------(Rupees in '000)-----------	
Cash and balances with treasury banks	7	214,693,075	215,521,599
Balances with other banks	8	21,501,026	17,493,172
Call / clean money lendings	9	34,600,000	51,624,880
Overdrawn nostro accounts	17	(1,550,037)	(3,665,860)
Less: Expected credit loss		(70,807)	(30,433)
		269,173,257	280,943,358

40 FAIR VALUE MEASUREMENTS

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

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

40.1 Fair value of financial instruments

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

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

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

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

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

	June 30, 2026 (Un-audited)			
	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments	------------------------------(Rupees in '000)------------------------------			
Financial assets - measured at fair value				
Investments				
- Federal government securities	244,621,030	1,764,920,723	-	2,009,541,753
- Shares - listed companies	17,188,977	-	-	17,188,977
- Shares - unlisted companies	-	79,560	6,388,830	6,468,390
- REIT Fund - listed	1,136,153	-	-	1,136,153
- Non-government debt securities	-	3,445,940	-	3,445,940
- Foreign government securities	-	84,819,839	-	84,819,839
- Foreign equity securities	246,809	-	-	246,809
- Foreign preference shares - unlisted	-	-	278,184	278,184
- Foreign non-government debt securities	-	22,041,227	7,335,305	29,376,532
Financial assets - disclosed but not measured at fair value				
Investments - amortised cost	-	180,728,069	-	180,728,069
Financial assets - measured at fair value				
Advances				
- Loans, cash credits, running finances, etc.	-	-	1,800,000	1,800,000
Off-balance sheet financial instruments - measured at fair value				
- Forward purchase of foreign exchange	-	2,119,484	-	2,119,484
- Forward sale of foreign exchange	-	(2,366,594)	-	(2,366,594)
- Forward purchase of government securities	-	142,654	-	142,654
- Forward sale of government securities	-	(6,985)	-	(6,985)
- Derivatives purchases	-	587,213	-	587,213
- Derivatives sales	-	721,502	-	721,502

	December 31, 2025 (Audited)			
	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments	------------------------------(Rupees in '000)------------------------------			
Financial assets - measured at fair value				
Investments				
- Federal government securities	83,830,507	1,730,127,739	-	1,813,958,246
- Shares - listed companies	31,346,426	-	-	31,346,426
- Shares - unlisted companies	-	-	6,486,498	6,486,498
- REIT Fund - listed	1,039,847	-	-	1,039,847
- Non-government debt securities	-	3,799,050	-	3,799,050
- Foreign government securities	-	59,356,590	-	59,356,590
- Foreign equity securities	261,782	-	-	261,782
- Foreign preference shares - unlisted	-	-	560,308	560,308
- Foreign non-government debt securities	-	35,846,788	7,870,010	43,716,798
Financial assets - disclosed but not measured at fair value				
Investments - amortised cost	-	214,074,433	-	214,074,433
Financial assets - measured at fair value				
Advances				
- Loans, cash credits, running finances, etc.	-	-	1,800,000	1,800,000
Off-balance sheet financial instruments - measured at fair value				
- Forward purchase of foreign exchange	-	1,794,697	-	1,794,697
- Forward sale of foreign exchange	-	(1,815,628)	-	(1,815,628)
- Forward purchase of government securities	-	1,242,313	-	1,242,313
- Forward sale of government securities	-	(1,347,880)	-	(1,347,880)
- Derivatives purchases	-	839,754	-	839,754
- Derivatives sales	-	739,916	-	739,916

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

40.3 Valuation techniques used in determination of fair values:

40.3.1 Fair value of financial assets

(a) Financial instruments in level 1

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

(b) Financial instruments in level 2

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

(c) Financial instruments in level 3

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

For subsequent measurement of fair value of fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be reliably measured due to the absence of a current and active market for these assets and liabilities and lack of reliable data regarding market rates for similar instruments.

40.3.2 Fair value of non-financial assets

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

40.3.3 Valuation techniques

Item	Valuation approach and input used
Market Treasury Bills (MTB) / Pakistan Investment Bonds (PIB), and GoP Sukuks (GIS) including their forward contracts	The fair value of MTBs and PIBs is derived using PKRV rates. Floating rate PIBs are revalued using PKFRV rates. The fair value of GoP Sukuks listed on the Pakistan Stock Exchange is determined through closing rates of the Pakistan Stock Exchange. The fair value of other GIS is determined using PKISRV rates.
Overseas Sukuks, Overseas and GoP Euro Bonds	The fair value of overseas government sukuks, and overseas bonds is determined on the basis of price available on Bloomberg.
Debt Securities (TFCs and Sukuk other than Government)	Investment in Sukuks, debt securities (comprising term finance certificates, bonds and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued based on the rates announced by the Mutual Funds Association of Pakistan in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.
Ordinary shares - listed	The fair value of investments in listed equity securities is determined on the basis of closing quoted market price available at the Pakistan Stock Exchange.
Ordinary shares - unlisted	The fair value of investments in unlisted equity securities is determined on the basis of income and market approach.
Preference shares - unlisted	The fair value of investment in unlisted preference shares is determined using market approach.
Foreign preference shares - unlisted	The fair value of investment in unlisted preference shares is determined using market approach.
Redeemable participating certificates	The fair value of investment in redeemable participating certificates is determined at net asset value.
Advances	The fair value of advances is determined on the basis of Discounted Cashflow Method (DCF) and transaction price.

Item	Valuation approach and input used
Forward foreign exchange (FX) contracts	The valuation is determined by interpolating the FX revaluation rates announced by the SBP.
Derivative instruments	Derivatives that are valued using valuation techniques based on market observable inputs are mainly interest rate swaps and cross currency swaps. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations.
Property and equipment and non banking assets acquired in satisfaction of claims	The valuation experts use a market based approach to determined the fair value of the Group's properties. The market approach uses prices and other relevant information generated by market transactions involving identical, comparable or similar properties. These values are adjusted to reflect the current condition of the properties. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty; accordingly, a qualitative disclosure of sensitivity has not been presented in these consolidated condensed interim financial statements.

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

Description	Fair value as at June 30, 2026 (Un-audited)	Fair value as at December 31, 2025 (Audited)	Unobservable inputs*	Discount Rate	Relationship of unobservable inputs to fair value
	----------(Rupees in '000)---------				
Ordinary shares - unlisted (income approach)	6,248,830	6,346,498	Discount rate	15.00% - 20.00%	Increase / (decrease) in discount rate by 1% with all other variables held constant, would (decrease) / increase the fair value by Rs. 209.646 million and Rs. 250.406 million (December 31, 2025: Rs. 228.076 million and Rs. 254.481 million) respectively.
Ordinary shares - unlisted (market approach)	140,000	140,000	Transaction price	Not applicable	Not applicable
Foreign preference shares - unlisted	278,184	560,308	EBITDA multiples	Not applicable	Not applicable
Redeemable participating certificates	7,335,305	7,870,010	Net asset value	Not applicable	Not applicable
Advances classified at FVPL	1,800,000	1,800,000	Transaction price	Not applicable	Not applicable

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

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

	June 30, 2026 (Un-audited)		December 31, 2025 (Audited)	
	Investments	Advances	Investments	Advances
	------------------------------(Rupees in '000)------------------------------			
Opening balance	14,916,816	1,800,000	11,148,236	1,413,735
Impact of adoption of IFRS 9	-	-	3,133,601	-
Balance as at January 01 after adopting IFRS 9	14,916,816	1,800,000	14,281,837	1,413,735
Additions / (disposals) / transfers - net	-	-	37,626	386,265
Remeasurement recognised in OCI or profit and loss / adjustments	(914,497)	-	597,353	-
Closing balance	14,002,319	1,800,000	14,916,816	1,800,000

41 SEGMENT INFORMATION

41.1 Segment details with respect to business activities

	For the half year ended June 30, 2026 (Un-audited)									
	Retail	Corporate	Islamic (Domestic)	Treasury	Digital	Overseas	Subsidiaries	Others**	Elimination	Total
	(Rupees in '000)									
Consolidated statement of profit and loss account										
Net mark-up / return/ profit*	(20,554,035)	11,139,153	16,369,191	60,175,293	(257,491)	3,742,065	14,777	184,042	-	70,812,995
Inter segment revenue - net	60,329,973	(6,133,895)	(1,365,007)	(53,354,325)	5,371,237	(462,943)	-	(277,017)	(4,108,023)	-
Non mark-up / return / interest income*	6,146,006	4,923,429	1,832,590	24,258,110	2,422,158	1,842,475	116,817	(19,819)	(6,369,298)	35,152,468
Total income / (loss)	45,921,944	9,928,687	16,836,774	31,079,078	7,535,904	5,121,597	131,594	(112,794)	(10,477,321)	105,965,463
Segment direct expenses	25,613,637	3,610,814	11,343,583	1,252,558	4,042,640	2,147,076	177,237	14,508,321	(1,008,728)	61,687,138
Inter segment expense allocation	8,641,771	856,313	2,940,390	764,360	1,430,674	392,026	-	(14,508,321)	(517,213)	-
Total expenses	34,255,408	4,467,127	14,283,973	2,016,918	5,473,314	2,539,102	177,237	-	(1,525,941)	61,687,138
Credit loss allowance / provision / (reversals)	390,560	111,203	119,226	(13,420)	159,155	(1,529,040)	(27)	182,963	27	(579,353)
Profit / (loss) before tax	11,275,976	5,350,357	2,433,575	29,075,580	1,903,435	4,111,535	(45,616)	(295,757)	(8,951,407)	44,857,678

	As at June 30, 2026 (Un-audited)									
	Retail	Corporate	Islamic (Domestic)	Treasury	Digital	Overseas	Subsidiaries	Others**	Elimination	Total
	(Rupees in '000)									
Consolidated statement of financial position										
Cash and bank balances	109,839,255	19,517,050	44,647,468	-	4,228,364	59,746,571	727,408	-	(2,582,822)	236,123,294
Investments	-	4,063,440	248,679,026	1,946,349,951	-	129,833,432	202,183	11,457,259	-	2,340,585,291
Inter segment lending - net	1,289,577,966	-	-	-	66,631,317	-	-	71,242,375	(1,427,451,658)	-
Lendings to financial institutions	-	-	41,751,494	62,348,234	-	-	-	-	(9,794,426)	94,305,302
Advances - performing	319,569,288	452,014,070	272,081,471	-	19,257	44,758,919	8,348	18,804,015	-	1,107,255,368
- non-performing	1,523,146	2,672,268	983,600	-	5,296	64,731	-	124,513	-	5,373,554
Others	39,552,690	53,620,008	47,219,915	15,649,535	851,791	5,730,607	313,387	84,882,823	(1,773,799)	246,046,957
Total assets	1,760,062,345	531,886,836	655,362,974	2,024,347,720	71,736,025	240,134,260	1,251,326	186,510,985	(1,441,602,705)	4,029,689,766
Borrowings	18,607,689	49,283,916	31,065,123	733,369,504	-	20,463,451	-	-	(11,809,122)	840,980,561
Subordinated debt	-	18,045,000	-	-	-	-	-	14,000,000	-	32,045,000
Deposits and other accounts	1,621,222,391	319,287,256	478,926,632	-	70,472,739	168,375,890	-	657,031	(613,436)	2,658,328,503
Inter segment borrowing - net	-	103,925,013	-	1,283,817,379	-	41,087,753	-	-	(1,428,830,145)	-
Others	120,232,265	41,345,651	105,719,545	3,897,613	1,263,286	10,285,846	119,679	19,080,409	(350,002)	301,594,292
Total liabilities	1,760,062,345	531,886,836	615,711,300	2,021,084,496	71,736,025	240,212,940	119,679	33,737,440	(1,441,602,705)	3,832,948,356
Net assets	-	-	39,651,674	3,263,224	-	(78,680)	1,131,647	152,773,545	-	196,741,410
Equity										196,741,410
Contingencies and commitments	179,887,811	277,649,051	138,597,993	653,462,508	3,173	79,382,997	14,038	5,641,265	-	1,334,638,836

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

* Net mark-up and non mark-up income includes Rs. 239.139 million and Rs. 155.430 million respectively of investment banking.

** Others include head office related activities.

	For the half year ended June 30, 2025 (Un-audited)									
	Retail	Corporate	Islamic (Domestic)	Treasury	Digital	Overseas	Subsidiaries	Others**	Elimination	Total
	(Rupees in '000)									
Consolidated statement of profit and loss account										
Net mark-up / return/ profit*	(20,829,022)	15,102,239	15,216,486	54,258,787	(197,296)	4,003,787	23,560	(127,706)	-	67,450,835
Inter segment revenue - net	57,627,210	(11,174,395)	(1,248,572)	(45,372,362)	3,895,164	(222,344)	-	(654,201)	(2,850,500)	-
Non mark-up / return / interest income*	5,348,860	3,294,927	1,603,634	14,274,982	1,821,884	1,083,883	61,608	1,344,744	(4,286,847)	24,547,675
Total income / (loss)	42,147,048	7,222,771	15,571,548	23,161,407	5,519,752	4,865,326	85,168	562,837	(7,137,347)	91,998,510
Segment direct expenses	23,571,090	6,201,891	10,776,042	1,694,717	3,346,648	2,159,299	149,446	9,808,009	(753,079)	56,954,063
Inter segment expense allocation	5,660,256	573,971	1,897,590	480,417	1,004,443	464,270	-	(9,808,009)	(272,938)	-
Total expenses	29,231,346	6,775,862	12,673,632	2,175,134	4,351,091	2,623,569	149,446	-	(1,026,017)	56,954,063
Credit loss allowance / provision / (reversals)	1,361,319	(481,531)	(128,796)	4,508	2,957	245,332	(16)	(107,144)	16	896,645
Profit / (loss) before tax	11,554,383	928,440	3,026,712	20,981,765	1,165,704	1,996,425	(64,262)	669,981	(6,111,346)	34,147,802

	As at December 31, 2025 (Audited)									
	Retail	Corporate	Islamic (Domestic)	Treasury	Digital	Overseas	Subsidiaries	Others**	Elimination	Total
	(Rupees in '000)									
Consolidated statement of financial position										
Cash and bank balances	114,772,469	23,282,861	43,641,957	-	1,055,051	72,926,386	863,905	-	(4,850,001)	251,692,628
Investments	-	4,231,473	191,490,875	1,838,754,223	-	131,750,554	151,700	11,792,850	-	2,178,171,675
Inter segment lending - net	1,192,755,432	-	-	-	16,145,573	-	-	77,542,282	(1,286,443,287)	-
Lendings to financial institutions	-	-	10,451,855	25,924,801	-	6,136,549	-	-	(22,838,913)	19,674,292
Advances - performing	297,516,646	415,130,791	314,920,924	-	31,802	53,867,517	-	18,015,643	-	1,099,483,323
- non-performing	1,210,422	3,102,752	875,722	-	1,106	70,192	-	180,318	-	5,440,512
Others	27,864,357	65,007,826	54,276,576	13,247,278	1,134,402	5,725,031	315,106	113,074,938	(22,776)	280,622,738
Total assets	1,634,119,326	510,755,703	615,657,909	1,877,926,302	18,367,934	270,476,229	1,330,711	220,606,031	(1,314,154,977)	3,835,085,168
Borrowings	19,962,126	68,588,187	31,719,709	682,843,178	-	55,899,233	-	-	(26,884,551)	832,127,882
Subordinated debt	-	-	-	-	-	-	-	14,000,000	-	14,000,000
Deposits and other accounts	1,530,607,616	331,368,002	453,796,084	-	17,584,100	162,357,368	-	635,862	(960,104)	2,495,388,928
Inter segment borrowing - net	-	58,775,890	34,285,058	1,157,425,166	-	35,957,297	-	-	(1,286,443,411)	-
Others	83,549,584	52,023,624	90,711,541	20,967,174	783,834	14,519,738	151,400	30,517,825	133,089	293,357,809
Total liabilities	1,634,119,326	510,755,703	610,512,392	1,861,235,518	18,367,934	268,733,636	151,400	45,153,687	(1,314,154,977)	3,634,874,619
Net assets	-	-	5,145,517	16,690,784	-	1,742,593	1,179,311	175,452,344	-	200,210,549
Equity										200,210,549
Contingencies and commitments	157,527,579	258,330,744	117,941,930	591,870,733	3,123	60,808,181	14,038	6,101,256	-	1,192,597,584

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

* Net mark-up and non mark-up income includes Rs. 289.274 million and Rs. 288.417 million respectively of investment banking.

** Others include head office related activities.

42 RELATED PARTY TRANSACTIONS

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

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

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

	As at June 30, 2026 (Un-audited)				As at December 31, 2025 (Audited)			
	Directors/ CEO	Key management personnel	Associates	Other related parties	Directors/ CEO	Key management personnel	Associates	Other related parties
	(Rupees in '000)				(Rupees in '000)			
Investments								
Opening balance	-	-	7,050,901	7,146,806	-	-	6,925,737	2,923,188
Investment made during the period / year	-	-	-	-	-	-	-	825,072
Investment redeemed / disposed off during the period / year	-	-	-	-	-	-	-	(602,436)
Revaluation of investment during the period / year	-	-	-	(375,852)	-	-	-	3,663,310
Exchange adjustment	-	-	-	(3,940)	-	-	-	-
Equity method adjustment	-	-	(337,987)	-	-	-	125,164	-
Transfer in / (out) - net	-	-	-	-	-	-	-	337,672
Closing balance	-	-	6,712,914	6,767,014	-	-	7,050,901	7,146,806
Credit loss allowance / provision for diminution in value of investments	-	-	-	-	-	-	-	-
Advances								
Opening balance	8,359	1,033,415	-	1,214,849	11,225	971,469	-	1,052,432
Addition during the period / year	51,180	68,452	-	6,132,793	1,275	479,348	-	10,759,922
Repaid during the period / year	(7,073)	(80,229)	-	(5,377,935)	(4,141)	(418,586)	-	(10,599,369)
Transfer in / (out) - net	-	35,887	-	-	-	1,184	-	1,864
Closing balance	52,466	1,057,525	-	1,969,707	8,359	1,033,415	-	1,214,849
Credit loss allowance held against advances	14	805	-	3,811	5	459	-	2,487
Other Assets								
Interest / mark-up accrued	6,444	107,551	-	14,655	5,303	89,704	-	46,590
Receivable from staff retirement fund	-	-	-	2,237,885	-	-	-	2,713,892
Prepayment / rent and other receivable	-	-	-	45,240	-	-	-	-
Advance against shares	-	-	-	55,343	-	-	-	55,343
Acceptances	-	-	-	963,743	-	-	-	2,727,155
Credit loss allowance against other assets	-	2	-	237	-	1	-	111
Borrowings								
Opening balance	-	-	-	7,872,733	-	-	-	2,464,030
Borrowings during the period / year	-	-	-	4,000,000	-	-	-	6,575,000
Settled during the period / year	-	-	-	(835,382)	-	-	-	(1,166,297)
Closing balance	-	-	-	11,037,351	-	-	-	7,872,733

	As at June 30, 2026 (Un-audited)				As at December 31, 2025 (Audited)			
	Directors / CEO	Key management personnel	Associates	Other related parties	Directors / CEO	Key management personnel	Associates	Other related parties
	(Rupees in '000)				(Rupees in '000)			
Deposits and other accounts								
Opening balance	141,514	599,016	25,455,995	13,480,958	185,847	392,643	60,026,664	12,533,349
Received during the period / year	738,481	3,422,518	845,147,917	67,830,724	2,917,889	6,191,100	2,165,611,698	166,285,596
Withdrawn during the period / year	(769,762)	(3,285,829)	(861,657,568)	(67,011,778)	(2,962,222)	(5,944,527)	(2,200,182,367)	(165,291,009)
Transfer in / (out) - net	-	(272)	-	(44)	-	(40,200)	-	(46,978)
Closing balance	110,233	735,433	8,946,344	14,299,860	141,514	599,016	25,455,995	13,480,958
Other Liabilities								
Interest / mark-up payable	26	1,428	-	224,174	104	4,619	99,577	202,531
Dividend payable	1,087,708	-	-	956,969	-	-	-	13
Unearned rent	-	-	-	-	-	-	2,031	-
Others	-	-	-	395	-	-	-	15,790
Contingencies and commitments	-	-	-	3,802,528	-	-	-	5,224,995

	For the half year ended June 30, 2026 (Un-audited)				For the half year ended June 30, 2025 (Un-audited)			
	(Rupees in '000)				(Rupees in '000)			
Income								
Mark-up / return / interest earned	1,141	25,969	-	93,859	459	14,726	-	53,206
Fee and commission income	125	779	301,570	95,858	124	605	291,385	9,201
Dividend income	-	-	254,993	383,553	-	-	44,993	439,597
Gain on sale of securities	-	-	-	-	-	2	-	10,790
Rent on property	-	-	2,437	-	-	-	1,950	-
Gain on sale of property and equipment - net	-	28	12,614	-	7,094	132	3,642	-
Expenses								
Mark-up / return / interest paid	1,020	13,979	314,126	1,103,912	2,300	10,572	338,879	791,112
Operating expenses								
Fee and remuneration	671,670	1,605,807	-	-	431,974	1,390,753	-	-
Software maintenance	-	-	-	33,551	-	-	-	45,000
Stationery and printing	-	-	-	7,669	-	-	-	-
Communication cost	-	-	-	408,914	-	-	-	306,938
Marketing, advertisement and publicity	-	-	-	46,983	-	-	-	-
Charge for defined benefit plan	-	-	-	476,008	-	-	-	480,951
Contribution to defined contribution plan	-	-	-	659,054	-	-	-	560,514
Training and subscription	-	-	-	8,785	-	-	-	-
Credit loss allowance / (reversal of) credit loss allowance against loans & advances	9	346	-	1,324	(27)	(3,380)	-	4,207
(Reversal of) / charge against credit loss allowance against off-balance sheet obligations	-	-	-	(177)	-	-	-	1,009
Credit loss allowance against other assets	-	1	-	126	-	-	-	135
Other information								
Dividend paid	1,092,939	8,179	17,761	1,279,041	1,851,866	7,736	11,694	1,863,329
Insurance premium paid	-	-	1,781,386	-	-	-	1,665,706	-
Insurance claims settled	-	-	612,010	-	-	-	473,812	-
Purchase of vehicle	-	-	51,500	-	-	-	-	-

		(Un-audited) June 30, 2026	(Audited) December 31, 2025
43	**CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS**	------------(Rupees in '000)------------	
	Minimum Capital Requirement (MCR):		
	Paid-up capital (net of losses)	15,771,651	15,771,651
	Capital Adequacy Ratio (CAR):		
	Eligible Common Equity Tier 1 (CET 1) Capital	166,419,191	154,240,500
	Eligible Additional Tier 1 (ADT 1) Capital	13,550,000	13,550,000
	Total eligible tier 1 capital	179,969,191	167,790,500
	Eligible tier 2 capital	49,762,298	47,497,041
	Total eligible capital (tier 1 + tier 2)	229,731,489	215,287,541
	Risk weighted assets (RWAs):		
	Credit risk	982,844,865	1,011,521,641
	Market risk	49,125,988	56,599,613
	Operational risk	303,655,050	303,655,050
	Total	1,335,625,903	1,371,776,304
	Common equity tier 1 capital adequacy ratio	12.46%	11.24%
	Tier 1 capital adequacy ratio	13.47%	12.23%
	Total capital adequacy ratio	17.20%	15.69%

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

Common Equity Tier 1 Capital Adequacy ratio	6.00%	6.00%
Tier 1 Capital Adequacy Ratio	7.50%	7.50%
Total Capital Adequacy Ratio	11.50%	11.50%

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

Leverage Ratio (LR):		
Eligible tier-1 capital	179,969,191	167,790,500
Total exposures	4,720,731,613	4,143,747,096
Leverage ratio	3.81%	4.05%
Liquidity Coverage Ratio (LCR):		
Total high quality liquid assets	1,417,425,142	1,120,160,986
Total net cash outflow	761,815,211	621,924,548
Liquidity coverage ratio	186%	180%
Net Stable Funding Ratio (NSFR):		
Total available stable funding	2,026,641,159	1,916,051,651
Total required stable funding	1,304,864,575	1,365,278,952
Net stable funding ratio	155%	140%

43.1 The State Bank of Pakistan vide its letter no. SBPHOK-BPRD-BACPD-BAF-1180376 dated July 16, 2026 has allowed the Holding Company to consider advance subscription money received amounting to Rs. 18,045 million (note 20.3) against the subordinated term finance certificate as Tier II eligible term finance certificate for the purpose of calculation of Capital Adequacy Ratio.

43.2 The Holding Company has opted for transition arrangement to phase in ECL impact as permitted by SBP vide BPRD Circular No. 03 of 2022 dated July 05, 2022. Had the transitional arrangement not applied, CAR and Leverage ratio would have been 17.32% and 3.78% respectively.

44 AFGHANISTAN OPERATIONS

Bank Alfalah Limited maintains a two-branch presence in Afghanistan. The Board and the management of the Holding Company continue to closely monitor the evolving situation in Afghanistan including constraints arising from frozen reserves and sanctions-related restrictions. Consequently, the Holding Company has taken reserve against Afghanistan operations.

In the year 2025, a non-binding indicative offer was received from Ghazanfar Bank, Afghanistan ("Ghazanfar Bank") to acquire the Holding Company's Afghanistan Operations (assets and liabilities). In this regard, during the period ended June 30, 2026, after obtaining the necessary regulatory approvals, Ghazanfar Bank commenced and completed its due diligence exercise. Subsequent to this, the Holding Company has received a binding bid from Ghanzanfar Bank. Accordingly, the Holding Company is now in process of acquiring regulatory approvals regarding completion of the transaction.

45 BANGLADESH OPERATIONS

In the year 2024, a non-binding indicative offer was received from Bank Asia Limited, Bangladesh ("Bank Asia") to acquire the Holding Company's Bangladesh Operations (assets and liabilities) and Bank Asia commenced due diligence after necessary regulatory approvals. The Board of Directors of the Holding Company had accorded its approval to sell the Holding Company's Bangladesh Operations to Bank Asia in the year 2025.

During the period ended June 30, 2026, shareholders of the Holding Company in the Annual General Meeting held on March 26, 2026 approved the sale of the Holding Company's Bangladesh Operations to Bank Asia and shareholders of Bank Asia also approved the transaction in their Extraordinary General Meeting held on April 12, 2026. Consequently, the Holding Company is now obtaining relevant regulatory approvals in compliance with applicable laws, rules, and regulations.

46 NON-ADJUSTING EVENT

The Board of Directors of the Holding Company in its meeting held on July 30, 2026 has declared an interim cash dividend of 30% i.e. Rs. 1.50 per share for the quarter ended June 30, 2026 [June 30, 2025 (restated due to share split): Rs. 1.25 per share i.e. 25%]. These consolidated condensed interim financial statements do not include the effect of this appropriation which will be accounted for subsequent to the period end. The Board had earlier declared an interim cash dividend bringing the total cash dividend for the half year ended June 30, 2026 to Rs. 3.00 per share i.e. 60% [June 30, 2025: (restated due to share split): Rs. 2.50 per share i.e. 50%].

47 DATE OF AUTHORISATION

These consolidated condensed interim financial statements were authorised for issue on July 30, 2026 by the Board of Directors of the Holding Company.

48 GENERAL

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

President & Chief Executive Officer	Chief Financial Officer	Director	Director	Director

Bank Alfalah
The Way Forward

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