HBL

Half Yearly Report

June 2026

CONTENTS

CORPORATE INFORMATION

Board of Directors

Mr. Sultan Ali Allana
Chairman

Mr. Shaffiq Dharamshi
Director

Mr. Moez Ahamed Jamal
Director

Mr. Salim Raza
Director

Dr. Najeeb Samie
Director

Mr. Khaleel Ahmed
Director

Ms. Saba Kamal
Director

Mr. Muhammad Nassir Salim
President & CEO

Chief Financial Officer

Mr. Irfan Ahmed Meer

Company Secretary

Mr. Uzman Naveed Chaudhary

Legal Advisors

Mandviwalla and Zafar
Legal Consultants and Advocates

Auditors

A.F. Ferguson & Co.
Chartered Accountants

Share Registrar

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

HBL Corporate Secretariat

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

Principal Office

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

Registered Office

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

Corporate Website

www.hbl.com

Internet Banking

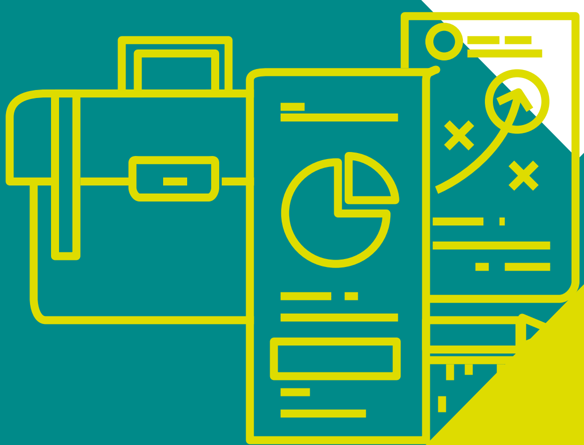
www.hbl.com/personal/digital-banking/ hbl-internetbanking

Konnect

www.hbl.com/konnect

hblbank | HBLPak

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS



DIRECTORS' REPORT

On behalf of the Board of Directors, we are pleased to present the Consolidated Financial Statements for the half-year ended June 30, 2026.

Macroeconomic Review

Pakistan's economy transitioned from stability to a growth phase with provisional estimates of 3.7% GDP growth in FY'26, up from 3.2% in FY'25. The growth momentum was driven by the industrial sector, supported by 6.1% rebound in Large-Scale Manufacturing Index which contracted 0.7% in FY'25. Agriculture sector showed resilience and grew by 2.9% despite of monsoon floods in 2025. Meanwhile, the surge in global commodity prices, due to the Middle East conflict, have increased inflation to 11.1% in Jun'26, which was the third consecutive month of double-digit reading; bringing the FY'26 average to 7.1%, which is above the upper band of SBP target range of 5 – 7%.

The current account converted into a deficit of $ 0.1 billion in FY'26, compared to a surplus of $ 1.8 billion in FY'25. Trade deficit rose by 25.4% to $ 33.6 billion as imports, driven by recovering demand and a surge in fuel prices, imports grew by 9.0%, while exports declined by 4.6%, led by a decline in food export. Remittances hit an all-time high of $ 4.3 billion in May'26 on account of Eid-related inflows and were up 8.6% to a record $ 41.6 billion in FY'26, from an already high base of $ 38.3 billion in FY'25. The windfall remittances played a vital role in containing the current account deficit.

The external position improved significantly, with SBP's foreign exchange reserves increasing to $18.1 billion, sufficient to cover 3-months imports. The IMF completed its third review under the Extended Fund Facility (EFF) and second Review under the Resilience and Sustainability Facility, acknowledging strong program performance and releasing $ 1.3 billion tranche. Proceeds from inaugural Panda bond, Eurobond issuance, assistance from Saudi Arabia and multilateral inflow all contributed to building the more robust reserves despite debt repayments. Over the period, the Rupee has appreciated just by 0.1%.

S&P further upgraded Pakistan's sovereign credit rating from B- last year to B with a Stable Outlook. The upgrade brings Pakistan's rating status to an 8-year high and acknowledges that institutional capacity has strengthened over this period. The decision was also supported by progress on fiscal consolidation and strong external buffers.

The FY'27 budget continues the fiscal discipline under IMF program, aiming for growth while reducing expenditures. Fiscal targets for FY'27 include a 4th consecutive primary surplus at 2.0% of GDP and a fiscal deficit at 3.6% of GDP.

The equity market successfully navigated the various periods of volatility sparked by heightened geopolitical tensions. For FY'26, the KSE-100 index posted its third consecutive double-digit gain of 44%. The start of FY'27 has seen a short rally fueled by de-escalation of regional conflict and a pro-growth budget before succumbing to resumption of the tensions in the middle east in mid-July. Since Dec'25, the index has grown 2% to date as ample local liquidity absorbs foreign portfolio outflow of $ 597 million compared to $ 251 million outflows in H1'FY25.

After tightening of 100bps in Apr'26 meeting, the SBP's monetary policy committee took a pause in its Jun'26 meeting and maintained the Policy Rate at 11.5%. The committee acknowledged that the impact of the conflict is now reflected in the recent economic indicators as headline inflation rose to double digits. However, the committee assessed that the current monetary policy stance remains appropriate to guide inflation towards the target range of 5 – 7 percent over the medium term.

Financial Performance

HBL delivered a consolidated profit before tax of Rs 73.1 billion for H1'26 compared to Rs 75.3 billion for the same period last year. With a 1% reduction in applicable tax rate, the profit after tax rose to Rs 34.5 billion. The Bank's revenue remained robust, despite the impact of spread compression, underpinned by the strength of its domestic franchise and sustained business momentum. The earnings per share improved from Rs 23.44 in H1'25 to Rs 23.51 in H1'26.

HBL's balance sheet grew by 4% over Dec'25 to Rs 8.0 trillion. Domestic deposits increased to a record high of Rs 5.1 trillion, underscoring the Bank's strong presence in the market. This growth was entirely driven by current account deposits, which surpassed the Rs 2 trillion milestone, resulting in improvement in the domestic CA mix from 37.6% in Dec'25 to 42.5% in Jun'26. Consequently, HBL's total deposits reached Rs 5.9 trillion. The Bank's industry-leading loan book expanded to Rs 2.1 trillion, reflecting continued commitment to supporting economic activity across key sectors. The flagship consumer business continued its growth trajectory with lending increasing to Rs 187 billion. The group's agriculture portfolio of Rs 110 billion continued to be the largest in the industry, while the SME lending book of Rs 170 billion remained the most dominant among peers.

Despite sustained pressure on spreads, HBL's net interest income rose to Rs 140 billion. The average balance sheet volumes expanded by ~ Rs 700 billion, with current accounts driving majority of the growth. The resulting improvement in funding mix reduced the cost of deposits, as compared to last year, helping to partly offset margin compression. Non-Fund Income continued to demonstrate resilience, increasing by 5% to Rs 47 billion. The growth was primarily driven by higher fees and an impressive performance from the Bank's treasury business. Fees and commissions increased by 16% to Rs 26 billion, supported by sustained momentum in the flagship cards business, alongside solid contributions from Remittances and G2P income. Consequently, HBL's total revenue for H1'26 increased to Rs 187 billion.

Cost efficiency remained a priority for the Bank. The growth in administrative expenses was restricted to 6%. Improved recoveries during the quarter drove down domestic non-performing loans, helping to contain the Bank's infection ratio. The total provision coverage remained well above 100%.

Movement in Reserves

	Rupees in million
Unappropriated profit brought forward	273,411
Impact of change in accounting policy	(1,739)
Unappropriated profit brought forward – restated	271,672
Profit attributable to equity holders of the Bank	34,488
Re-measurement gain on defined benefit obligations of associates – net of tax	9
Transferred from surplus on revaluation of assets – net of tax	1,428
Realised gain on equity investments designated as FVOCI	217
	36,142
Profit available for appropriation	307,814
Appropriations:	
Transferred to statutory reserves	(3,523)
Cash dividend – Final 2025	(8,801)
Cash Dividend – Q1 2026	(8,801)
Total appropriations	(21,125)
Unappropriated profit carried forward	286,689
Earnings per share (Rupees)	23.51

Capital Ratios

The strong results continued to increase internally generated capital, adding 67 bps to the Tier 1 Capital Adequacy Ratio (CAR). With advances trending upwards, the total risk weighted assets increased by Rs 151 billion. As a result, consolidated Tier 1 CAR decreased by 33 bps over Dec'25 to 13.7%. HBL's consolidated total CAR of 17.2% remained lower compared to Dec'25, however, increased by 43 bps from Mar'26, as MTM of investment improved. Both ratios remain comfortably above regulatory requirements.

Dividend

The Board of Directors, in its meeting held on August 04, 2026, has declared an interim cash dividend of Rs 6 per share (60%) for the quarter ended June 30, 2026. This is in addition to the interim dividend of Rs 6 (60%) declared for the first quarter of 2026.

Future Outlook

Building on the progress achieved in FY'26, Pakistan's economic outlook remains cautiously positive, supported by strengthening growth momentum, improving external buffers, robust remittance inflows, and continued adherence to the IMF-supported reform programme. The economy is expected to maintain its growth trajectory in FY'27 however, the pace of expansion remains contingent upon the regional geopolitical developments, in the Middle East, which could affect commodity prices, trade flows and investor sentiment.

Inflation is likely to remain a key challenge in the near term. The recent increase in global energy and commodity prices has pushed headline inflation above the State Bank of Pakistan's target range, this will continue to exert pressure on domestic prices. Although the current monetary policy stance is expected to help anchor inflation expectations, the outcome will largely depend on international commodity markets and the absence of further external shocks.

Pakistan's external position has strengthened considerably over the past year, supported by a record remittance inflow, IMF disbursements, and successful access to international capital markets. Nevertheless, the country's reliance on imported energy leaves the balance of payments vulnerable to sustained increases in oil prices. Therefore, maintaining external sector stability will require prudent macroeconomic management and continued reserve accumulation.

The government's commitment to fiscal discipline under the IMF programme is expected to support macroeconomic stability. Nevertheless, achieving fiscal targets will require continued revenue mobilization efforts and a focus on broadening the tax base.

The State Bank of Pakistan is likely to maintain a cautious monetary policy stance as it seeks to contain inflationary pressures while supporting the ongoing economic recovery. The policy outlook will largely depend on the trajectory of inflation, global commodity prices and external sector developments, with policymakers continuing to prioritize macroeconomic stability amid an evolving global environment.

As Pakistan's leading financial institution, HBL continues to set the benchmark for innovation, customer excellence and sustainable growth. Recognition by Euromoney as Pakistan's Best Bank and Pakistan's Best Retail Bank reflects the HBL's resilient performance and unwavering focus on creating long-term value for all stakeholders.

The Bank continues to expand its footprint through the sustained growth of both its branch network and digital channels. Ongoing expansion of the branch network, is expected to strengthen the Bank's presence in emerging economic centers. HBL's digital transformation journey continues to gather pace, with mobile banking users increasing to 5.4 million. The rollout of the NextGen App marks a significant milestone in enhancing the customer experience through simplified journeys and greater accessibility across customer segments.

On the international front, HBL continued to strengthen its role in fostering regional trade and economic cooperation. During the year, the Bank was nominated to chair the Shanghai Cooperation Organization Interbank Consortium (SCO IBC) for 2026–2027, reinforcing its standing within one of the world's largest regional economic blocs. HBL also marked the fifth anniversary of its Beijing Branch, underscoring its commitment to deepening economic connectivity and supporting investment flows between Pakistan, China and the wider region.

The successful conclusion of HBL PSL 11 further reinforced the Bank's connection with communities across the country and underscored its longstanding commitment to promoting talent, national pride, and social development. Backed by a strong brand, a culture of innovation and the trust of millions of customers, HBL remains confident in its ability to deliver sustainable growth while contributing meaningfully to Pakistan's economic and social progress.

Appreciation and Acknowledgement

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

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

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

On behalf of the Board

Muhammad Nassir Salim
President & Chief Executive Officer

Moez Ahamed Jamal
Director

August 04, 2026

ڈائریکٹرز رپورٹ

ہمیں بورڈ آف ڈائریکٹرز کی جانب سے 30 جون 2026 کو ختم ہونے والی پہلی ششماہی کے مختصر عبوری مجموعی مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس ہورہی ہے۔

کلیاتی اقتصادیات کا جائزہ

پاکستان کی معیشت مستحکم انداز سے ترقی کے مرحلے میں داخل ہوگئی، مالی سال 26 میں جی ڈی پی کی نمو کا ابتدائی تخمینہ 3.7% لگایا گیا ہے، جو مالی سال 25 کے 3.2% سے زیادہ ہے۔ صنعتی شعبے نے ترقی کی رفتار میں بنیادی کردار ادا کیا، جس سے بڑے پیمانے کی مینوفیکچرنگ انڈیکس میں 6.1% کی بحالی سے مدد ملی، جبکہ مالی سال 25 میں اس میں 0.7% کمی واقع ہوئی تھی۔ زرعی شعبے نے بھی لچک کا مظاہرہ کیا اور 2025 کے مون سون سیلابوں کے باوجود 2.9% کی نمو حاصل کی۔ اسی دوران مشرق وسطیٰ کے تنازعے کے باعث عالمی اجناس کی قیمتوں میں اضافے نے جون 2026 میں افراط زر بڑھا کر 11.1% تک پہنچادی، یہ مسلسل تیسرا مہینہ تھا جس میں افراط زر دوہندسوں میں ریکارڈ کی گئی۔ اس کے نتیجے میں مالی سال 26 کے لیے اوسط افراط زر 7.1% رہی، جو اسٹیٹ بینک آف پاکستان (SBP) کے 5% تا 7% کے ہدف کی بالائی سطح سے زیادہ ہے۔

مالی سال 26 میں کرنٹ اکاؤنٹ 0.1 بلین ڈالر کے خسارے میں تبدیل ہوگیا، جبکہ مالی سال 25 میں 1.8 بلین ڈالر کا سرپلس ریکارڈ کیا گیا تھا۔ تجارتی خسارہ 25.4% اضافے کے ساتھ 33.6 بلین ڈالر تک پہنچ گیا، کیونکہ طلب کی بحالی اور ایندھن کی قیمتوں میں اضافے کے باعث درآمدات میں 9.0% اضافہ ہوا، جبکہ غذائی برآمدات میں کمی کے سبب مجموعی برآمدات 4.6% کم ہوگئیں۔ مئی 2026 میں عید سے متعلق رقوم کی آمد کے باعث ریمٹنسز تاریخ کی بلند ترین سطح 4.3 بلین ڈالر تک پہنچ گئیں، جبکہ مالی سال 26 میں یہ 8.6% اضافے کے ساتھ ریکارڈ 41.6 بلین ڈالر رہیں، جو مالی سال 25 کے پہلے سے ہائی بیس 38.3 بلین ڈالر کے مقابلے میں زیادہ ہیں۔ ریمٹنسز میں یہ غیر معمولی اضافہ کرنٹ اکاؤنٹ خسارہ محدود رکھنے میں نہایت اہم ثابت ہوا۔

بیرونی پوزیشن میں نمایاں بہتری آئی، اسٹیٹ بینک آف پاکستان (SBP) کے زرمبادلہ کے ذخائر بڑھ کر 18.1 بلین ڈالر تک پہنچ گئے، جو تین ماہ کی درآمدات پوری کرنے کے لیے کافی ہیں۔ آئی ایم ایف نے ایکسٹینڈڈ فنڈ فیسلٹی (EFF) کے تحت تیسرا جائزہ اور ریزیلینس اینڈ سسٹین ایبلٹی فیسلٹی کے تحت دوسرا جائزہ مکمل کیا، پروگرام کی بہترین کارکردگی کو تسلیم کیا اور 1.3 بلین ڈالر کی قسط جاری کی۔ پہلی مرتبہ جاری کیے گئے پانڈا بانڈ، یوروبانڈ کے اجرا، سعودی عرب کی معاونت اور کثیر الجہتی مالی رقوم کی آمد نے قرضوں کی ادائیگیوں کے باوجود ذخائر کو مزید مضبوط بنانے میں اہم کردار ادا کیا۔ اس عرصے کے دوران روپے کی قدر میں معمولی 0.1% اضافہ ہوا۔

S&P نے گزشتہ سال کی B- ریٹنگ مزید اپ گریڈ کرتے ہوئے پاکستان کی خود مختار کریڈٹ ریٹنگ B کردی اور مستحکم آؤٹ لک برقرار رکھا۔ یہ اپ گریڈ پاکستان کی کریڈٹ ریٹنگ کو گزشتہ 8 سالوں کی بلند ترین سطح پر لے آیا ہے اور اس بات کا اعتراف ہے کہ اس عرصے کے دوران ادارہ جاتی صلاحیت میں نمایاں بہتری آئی ہے۔ مالیاتی استحکام کے اقدامات میں بہتری اور مضبوط بیرونی بفرز سے بھی اس فیصلے کو تقویت ملی۔

مالی سال 27 کا بجٹ آئی ایم ایف پروگرام کے تحت مالیاتی نظم وضبط برقرار رکھے ہوئے ہے، جس کا مقصد ترقی کے فروغ کے ساتھ اخراجات میں کمی ہے۔ مالی سال 27 کے مالیاتی اہداف میں جی ڈی پی کے 2.0% کا مسلسل چوتھا پرائمری سرپلس اور جی ڈی پی کے 3.6% کا مالیاتی خسارہ شامل ہے۔

ایکویٹی مارکیٹ نے بڑھتی ہوئی جغرافیائی سیاسی کشیدگی کے باعث پیدا ہونے والے اتار چڑھاؤ کے مختلف ادوار کا کامیابی سے سامنا کیا۔ مالی سال 26 کے دوران KSE-100 انڈیکس نے مسلسل تیسرے سال دوہندسوں میں 44% منافع درج کیا۔ مالی سال 27 کے آغاز میں علاقائی تنازعات میں کمی اور ترقی کے لیے سازگار بجٹ کے باعث مارکیٹ میں جزوی تیزی دیکھی گئی، تاہم جولائی کے وسط میں مشرق وسطیٰ میں کشیدگی دوبارہ بڑھنے کے بعد یہ رجحان کمزور پڑ گیا۔ دسمبر 2025 سے اب تک انڈیکس میں 2% اضافہ ہوا ہے، کیونکہ مقامی مارکیٹ میں وافر لیکویڈیٹی نے 597 ملین ڈالر کے غیر ملکی پورٹ فولیو کا آؤٹ فلو جذب کرلیا، جبکہ مالی سال 25 کی پہلی ششماہی میں یہ آؤٹ فلو 251 ملین ڈالر تھا۔

اپریل 2026 کے اجلاس میں 100bps سختی کے بعد، اسٹیٹ بینک آف پاکستان کی مانیٹری پالیسی کمیٹی نے جون 2026 کے اجلاس میں محتاط رہتے ہوئے پالیسی ریٹ 11.5% پر برقرار رکھا۔ کمیٹی نے تسلیم کیا کہ حالیہ اقتصادی اشاریوں میں تنازعے کے اثرات نمایاں ہونا شروع ہوگئے ہیں، کیونکہ عمومی افراط زر دوبارہ دوہندسوں تک پہنچ گئی ہے۔ تاہم، کمیٹی نے یہ بھی اندازہ لگایا کہ موجودہ زری پالیسی کا مؤقف درمیانی مدت میں افراط زر 5% تا 7% کے ہدف کی طرف لانے کے لیے موزوں اور مناسب ہے۔

مالیاتی کارکردگی

HBL نے مالی سال 26 کی پہلی ششماہی میں 73.1 بلین روپے کا مجموعی قبل از ٹیکس منافع حاصل کیا، جبکہ گزشتہ سال کے اسی عرصے میں یہ منافع 75.3 بلین روپے تھا۔ رائج ٹیکس کی شرح میں 1% کمی کے نتیجے میں بعد از ٹیکس منافع بڑھ کر 34.5 بلین روپے ہوگیا۔ اسپریڈز پر دباؤ کے باوجود بینک کی آمدنی مستحکم رہی، جس کی بنیاد اس کے مضبوط مقامی فرنچائز اور مسلسل کاروباری سرگرمیوں کی رفتار تھی۔ فی حصص آمدنی (EPS) مالی سال 25 کی پہلی ششماہی کے 23.44 روپے سے بڑھ کر مالی سال 26 کی پہلی ششماہی میں 23.51 روپے ہوگئی۔

دسمبر 2025 کے مقابلے میں HBL کی بیلنس شیٹ میں 4% اضافہ ہوا اور یہ 8.0 ٹریلین روپے تک پہنچ گئی۔ مقامی ڈپازٹس ریکارڈ 5.1 ٹریلین روپے تک بڑھ گئے، جو مارکیٹ میں بینک کی نمایاں موجودگی کی عکاسی کرتے ہیں۔ یہ اضافہ مکمل طور پر کرنٹ اکاؤنٹس ڈپازٹس کی بدولت ہوا، جو 2 ٹریلین روپے کا سنگِ میل عبور کرگئے، جس کے نتیجے میں مقامی کرنٹ اکاؤنٹ مکس دسمبر 2025 کے 37.6% سے بڑھ کر جون 2026 میں 42.5% ہوگیا۔ نتیجتاً، بینک کے مجموعی ڈپازٹس 5.9 ٹریلین روپے تک پہنچ گئے۔ بینک کی انڈسٹری لیڈنگ لون بک بڑھ کر 2.1 ٹریلین روپے تک پہنچ گئی، جو اہم معاشی شعبوں میں اقتصادی سرگرمیوں کے فروغ کے لیے بینک کے مسلسل عزم کی عکاسی کرتی ہے۔ بینک کے فلیگ شپ کنزیومر بزنس نے اپنی ترقی کی رفتار برقرار رکھی اور اس شعبے میں قرضے بڑھ کر 187 بلین روپے تک پہنچ گئے۔ گروپ کا 110 بلین روپے پر مشتمل زرعی پورٹ فولیو بدستور صنعت میں سب سے بڑا رہا، جبکہ 170 بلین

روپے کا ایس ایم ای لینڈنگ پورٹ فولیو اپنے ہم عصروں کے مقابلے میں نمایاں برتری برقرار رکھنے میں کامیاب رہا۔

اسپریڈز پر مسلسل دباؤ کے باوجود HBL کی خالص سودی آمدنی بڑھ کر 140 بلین روپے تک پہنچ گئی۔ اوسط بیلنس شیٹ کے حجم میں تقریباً 700 بلین روپے کا اضافہ ہوا، جس میں زیادہ تر اضافہ کرنٹ اکاؤنٹس کے سبب رہا۔ فنڈنگ مکس میں اس بہتری کے نتیجے میں گزشتہ سال کے مقابلے میں ڈپازٹس کی لاگت میں کمی آئی، جس نے مارجن میں دباؤ کے اثرات جزوی طور پر کم کرنے میں مدد دی۔ نان فنڈڈ انکم نے بھی لچک کا مظاہرہ جاری رکھا اور 5% اضافے کے ساتھ 47 بلین روپے تک پہنچ گئی۔ اس نمو کی بنیادی وجہ فیسوں میں اضافہ اور بینک کے ٹریژری بزنس کی شاندار کارکردگی تھی۔ فیس اور کمیشن 16% اضافے کے ساتھ 26 بلین روپے تک پہنچ گئے، جسے فلیگ شپ کارڈز بزنس کی مسلسل مضبوط کارکردگی کے ساتھ ساتھ ریمٹنسز اور G2P انکم سے حاصل ہونے والی نمایاں معاونت نے تقویت دی۔ نتیجتاً، مالی سال 26 کی پہلی ششماہی میں HBL کی مجموعی آمدنی بڑھ کر 187 بلین روپے ہو گئی۔

لاگت میں کفایت بینک کی بدستور ترجیح رہی۔ انتظامی اخراجات میں اضافہ 6% تک محدود رکھا گیا۔ سہ ماہی کے دوران وصولیوں میں بہتری کے نتیجے میں مقامی نان پرفارمنگ قرضہ جات میں کمی واقع ہوئی، جس سے بینک کے انفیکشن ریشو قابو میں رکھنے میں مدد ملی۔ مجموعی پروویژن کوریج 100% سے نمایاں طور پر اوپر رہی۔

ذخائر میں اتار چڑھاؤ

	ملین روپے
افتتاحی غیر تخصیص شدہ منافع	273,411
اکاؤنٹنگ پالیسی میں تبدیلی کے اثرات	(1,739)
افتتاحی غیر تخصیص شدہ منافع دوبارہ بحال	271,672
بینک ایکویٹی کے حامل افراد کے لیے قابلِ ادائیگی منافع	34,488
ایسوسی ایٹس کے متعین فوائد کی ذمہ داریوں کی دوبارہ پیمائش پر منافع – محصول کا خالص	9
اثاثہ جات کی دوبارہ تشخیص پر سرپلس سے منتقل شدہ – محصول کا خالص	1,428
FVOCI کے طور پر ایکویٹی کی سرمایہ کاری پر موصولہ منافع	217
	36,142
مناسب کارروائی کے لیے دستیاب منافع	307,814
مختلف مدوں میں رکھی گئی رقوم:	
قانونی ذخائر میں منتقل شدہ	(3,523)
نقد منافع منقسمہ – حتمی 2025	(8,801)
نقد منافع منقسمہ – پہلا سہ ماہی 2026	(8,801)
کل تخصیص	(21,125)
اختتامی غیر تخصیص شدہ منافع	286,689
فی حصص (شیئر) آمدنی (روپے)	23.51

سرمائے کا تناسب

مضبوط نتائج نے اندرونی طور پر پیدا ہونے والے سرمائے کو مضبوط بنانا جاری رکھا، جس نے Tier 1 کیپٹل ایڈیکویسی ریشو (CAR) میں 67 bps کا اضافہ کیا۔ ایڈوانسز میں دوبارہ اضافے کے رجحان کے ساتھ کل رسک ویٹڈ ایسٹس 151 بلین روپے بڑھ گئے۔ HBL کا مجموعی Tier 1 CAR دسمبر 2025 کے مقابلے میں 33 bps کم ہو کر 13.7% ہو گیا۔ HBL کا کُل مجموعی CAR دسمبر 2025 کے مقابلے میں کم 17.2% پر رہا۔ تاہم ماہ بہ ماہ سرمایہ کاری میں بہتری سے مارچ 2026 سے 43 bps بڑھ گیا۔ دونوں تناسب بدستور ریگولیٹری تقاضوں سے اوپر آرام دہ سطح پر ہیں۔

منافع منقسمہ

بورڈ آف ڈائریکٹرز نے 4 اگست 2026 کو منعقد ہونے والے اجلاس میں 30 جون 2026 کو اختتام پذیر ہونے والی ششماہی کے لیے 6 روپے فی حصص (60%) کے عبوری نقد منافع منقسمہ کا اعلان کیا۔ یہ 2026 کی پہلی سہ ماہی کے لیے اعلان کردہ 6 روپے فی شیئر (60%) کے عبوری منافع منقسمہ کے علاوہ ہے۔

مستقبل کی صورتِ حال

مالی سال 26 میں حاصل کی گئی ترقی کی بنیاد پر پاکستان کا اقتصادی منظر نامہ بدستور محتاط انداز میں مثبت ہے، جسے ترقی کی رفتار میں اضافے، بیرونی بفرز میں بہتری، ریمٹنسز کی آمد میں استحکام اور آئی ایم ایف کے تعاون سے جاری اصلاحاتی پروگرام پر مسلسل عمل درآمد سے سہارا رہا ہے۔ توقع ہے کہ مالی سال 27 میں بھی معیشت اپنی ترقی کی رفتار برقرار رکھے گی، تاہم اس توسیع کی رفتار کا انحصار بڑی حد تک مشرق وسطیٰ میں جاری علاقائی جغرافیائی سیاسی صورتحال پر ہو گا، جو اجناس کی قیمتوں، تجارتی بہاؤ اور سرمایہ کاروں کے جذبات کو متاثر کر سکتی ہے۔

مستقبل قریب میں افراط زر کا ایک اہم چیلنج بنی رہ سکتی ہے۔ عالمی سطح پر توانائی اور دیگر اجناس کی قیمتوں میں حالیہ اضافے نے عمومی افراط زر کو اسٹیٹ بینک آف پاکستان کے ہدف سے اوپر پہنچا دیا ہے، جس کے باعث مقامی قیمتوں پر دباؤ برقرار رہنے کا امکان ہے۔ اگرچہ موجودہ زری پالیسی کا مؤقف افراط زر سے متعلق توقعات مستحکم رکھنے میں معاون ثابت ہو سکتا ہے، تاہم اس کے نتائج کا انحصار بڑی حد تک بین الاقوامی اجناس کی منڈیوں کی صورتحال اور مزید بیرونی جھٹکے نہ ملنے پر ہو گا۔

گزشتہ ایک سال کے دوران پاکستان کی بیرونی پوزیشن میں خاطر خواہ بہتری آئی ہے، جسے ریکارڈ ریمٹنسز، آئی ایم ایف کی اقساط کی فراہمی اور بین الاقوامی کیپٹل مارکیٹ تک رسائی سے تقویت ملی۔ تاہم، درآمدی توانائی پر ملک کا انحصار ادائیگیوں کے توازن کو تیل کی قیمتوں میں مسلسل اضافے کے خطرات سے دوچار رکھتا ہے۔ لہٰذا بیرونی شعبے کا استحکام برقرار رکھنے کے لیے محتاط کلیاتی اقتصادی نظم و نسق اور زرمبادلہ کے ذخائر میں مسلسل اضافہ ناگزیر ہو گا۔

آئی ایم ایف پروگرام کے تحت مالیاتی نظم و نسق برقرار رکھنے کے لیے حکومت کا عزم کلیاتی اقتصادی استحکام کو مزید تقویت دینے کی توقع رکھتا ہے۔ تاہم، مالیاتی اہداف کے حصول کے لیے محصولات میں اضافے کی کوششیں جاری رکھنا اور ٹیکس نیٹ کو مزید وسیع کرنا ضروری ہو گا۔

اسٹیٹ بینک آف پاکستان سے توقع ہے کہ وہ اقتصادی بحالی کے عمل کی معاونت کے ساتھ افراط زر کا دباؤ محدود رکھنے کے لیے محتاط زری پالیسی کا مؤقف برقرار رکھے گا۔ آئندہ پالیسی کی سمت کا انحصار بڑی حد تک افراط زر کے رجحانات، عالمی اجناس کی قیمتوں اور بیرونی شعبے کی پیش رفت پر ہو گا، جبکہ پالیسی ساز بدلتے ہوئے عالمی ماحول میں کلیاتی اقتصادی استحکام کو بدستور ترجیح دیتے رہیں گے۔

پاکستان کے صف اول کے مالیاتی ادارے کی حیثیت سے HBL جدت، بہترین کسٹمر سروس اور پائیدار ترقی کے معیارات قائم کرنے کا سلسلہ جاری رکھے ہوئے ہے۔ یورومنی کی جانب سے پاکستان کا بہترین بینک (Pakistan's Best Bank) اور پاکستان کا بہترین ریٹیل بینک (Pakistan's Best Retail Bank) قرار دیا جانا HBL کی مستحکم کارکردگی اور تمام اسٹیک ہولڈرز کے لیے طویل المیعاد قدر پیدا کرنے کے غیر متزلزل عزم کا مظہر ہے۔

بینک اپنے برانچ نیٹ ورک اور ڈیجیٹل چینلز دونوں میں مسلسل توسیع کے ذریعے اپنی رسائی میں اضافہ کر رہا ہے۔ برانچ نیٹ ورک کی جاری توسیع سے ابھرتے ہوئے اقتصادی مراکز میں بینک کی موجودگی مزید مضبوط ہونے کی توقع ہے۔ HBL کے ڈیجیٹل ٹرانسفارمیشن کے سفر میں بھی تیزی آ رہی ہے، جہاں موبائل بینکنگ یوزر کی تعداد بڑھ کر 5.4 ملین تک پہنچ گئی ہے۔ NextGen ایپ کا اجرا کسٹمر ایکسپیرینس بہتر بنانے کی جانب ایک اہم سنگ میل ہے، جو زیادہ سہل اور تمام کسٹمر سیگمنٹ کے لیے بہتر رسائی فراہم کرتا ہے۔

بین الاقوامی سطح پر HBL نے علاقائی تجارت اور اقتصادی تعاون کے فروغ میں اپنا کردار مزید مستحکم کیا۔ سال کے دوران بینک کو شنگھائی کارپوریشن آرگنائزیشن انٹربینک کنسورشیم (SCO IBC) برائے 2026–2027 کی سربراہی کے لیے نامزد کیا گیا، جس سے دنیا کے بڑے علاقائی اقتصادی بلاکس میں سے ایک کے اندر اس کے نمایاں مقام کی مزید توثیق ہوئی۔ HBL نے اپنی بیجنگ برانچ کی پانچویں سالگرہ بھی منائی، جو پاکستان، چین اور وسیع تر خطے کے درمیان اقتصادی روابط مضبوط بنانے اور سرمایہ کاری کے بہاؤ کی معاونت کے لیے اس کے عزم کی عکاسی کرتی ہے۔

HBL PSL11 کے کامیاب انعقاد نے ملک بھر کی کمیونٹیز کے ساتھ بینک کے تعلق کو مزید مضبوط بنایا اور قابلیت کے فروغ، قومی وقار اور سماجی ترقی کے لیے اس کے دیرینہ عزم کو اجاگر کیا۔ مضبوط برانڈ، جدت پر مبنی ثقافت اور لاکھوں کسٹمر کے اعتماد کے ساتھ HBL اپنی پائیدار ترقی کے اہداف کے حصول کے حوالے سے پُراعتماد ہے، جبکہ پاکستان کی اقتصادی اور سماجی ترقی میں بامعنی کردار ادا کرنے کے لیے بھی پُرعزم ہے۔

اظہارِ تشکر

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

ہم اپنے کسٹمرز کے احسان مند ہیں جو نسلوں سے ہمارے ساتھ بینکاری کر رہے ہیں اور اپنے کاروبار اور اعتماد کے حوالے سے ہم پر بھروسا قائم رکھے ہوئے ہیں۔ ہمارے شیئر ہولڈرز نے ثابت قدمی سے ہمارا ساتھ دیا اور ان کے ساتھ ہم تمام اسٹیک ہولڈرز کے بھی انتہائی شکر گزار ہیں۔ بورڈ اور انتظامیہ گورننس کے اعلیٰ ترین معیارات برقرار رکھنے کے لیے پُرعزم ہے اور ہم اپنے اسٹیک ہولڈرز کو یقین دلاتے ہیں کہ اس خطے میں ہم اپنی کاروباری صنعت میں عروج پر ہوں گے۔

آخر میں، مگر صرف یہی نہیں، ہم اپنے تمام ملازمین اور اُن کے اہلِ خانہ، بالخصوص کسٹمر کا سامنا کرنے والے یونٹس اور برانچوں میں موجود عملے کے شکر گزار ہیں، جو اپنی پرواہ کیے بغیر مسلسل اپنے فرائض سے بڑھ کر کام کرتے ہوئے ہمارے کسٹمرز کی بنیادی ضروریات کی تکمیل یقینی بنا رہے ہیں۔ یہ ہمارے ہیرو اور ہیروئن ہیں اور ہم اُن کے عزم اور انتھک محنت کے لیے انھیں خراجِ تحسین پیش کرتے ہیں۔

منجانب بورڈ

محمد ناصر سلیم
صدر اور چیف ایگزیکٹو افسر

معیز احمد جمال
ڈائریکٹر

4 اگست 2026ء

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2026

	Note	(Unaudited) June 30, 2026	(Audited) December 31, 2025
		--------(Rupees in '000)--------	
ASSETS			
Cash and balances with treasury banks	5	**567,916,983**	564,755,888
Balances with other banks	6	**54,340,017**	53,972,937
Lendings to financial institutions	7	**141,091,532**	247,784,847
Investments	8	**4,530,159,097**	4,186,245,908
Advances	9	**2,142,471,736**	2,076,777,374
Property and equipment	10	**150,095,555**	144,059,161
Right-of-use assets	11	**34,049,411**	30,696,325
Intangible assets	12	**31,421,924**	30,696,658
Deferred tax assets		**-**	-
Other assets	13	**397,449,102**	373,155,122
		8,048,995,357	7,708,144,220
LIABILITIES			
Bills payable	14	**84,224,281**	59,422,812
Borrowings	15	**1,148,926,434**	1,216,019,536
Deposits and other accounts	16	**5,919,909,789**	5,546,000,371
Lease liabilities	17	**44,906,865**	40,115,807
Subordinated debt	18	**20,374,000**	20,374,000
Deferred tax liabilities	19	**26,352,454**	43,836,151
Other liabilities	20	**318,647,904**	293,760,838
		7,563,341,727	7,219,529,515
NET ASSETS		**485,653,630**	488,614,705
REPRESENTED BY			
Shareholders' equity			
Share capital		**14,668,525**	14,668,525
Reserves		**110,727,116**	108,660,604
Surplus on revaluation of assets - net of tax	21	**71,953,608**	90,203,622
Unappropriated profit		**286,689,294**	273,410,965
Total equity attributable to the equity holders of the Bank		**484,038,543**	486,943,716
Non-controlling interest		**1,615,087**	1,670,989
		485,653,630	488,614,705
CONTINGENCIES AND COMMITMENTS	22		

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

Muhammad Nassir Salim	**Irfan Ahmed Meer**	**Dr. Najeeb Samie**	**Shaffiq Dharamshi**	**Ms. Saba Kamal**
President and Chief Executive Officer	Chief Financial Officer	Director	Director	Director

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2026

	Note	January 01 to June 30, 2026	January 01 to June 30, 2025	April 01 to June 30, 2026	April 01 to June 30, 2025
		----------(Rupees in '000)----------			
Mark-up / return / profit / interest earned	24	**373,623,867**	323,551,783	**189,389,353**	166,856,795
Mark-up / return / profit / interest expensed	25	**233,330,840**	185,908,763	**120,468,602**	97,964,347
Net mark-up / return / profit / interest income		**140,293,027**	137,643,020	**68,920,751**	68,892,448
Non mark-up / interest income					
Fee and commission income	26	**25,813,062**	22,332,439	**13,229,213**	10,744,053
Dividend income		**4,824,028**	1,763,963	**1,247,298**	379,529
Share of profit of associates		**3,421,701**	3,348,493	**2,123,779**	1,999,238
Foreign exchange income		**7,563,574**	4,106,402	**5,316,622**	1,931,337
Income from derivatives		**959,763**	950,516	**838,507**	169,742
Gain on securities - net	27	**3,132,127**	9,442,772	**2,835,561**	5,275,062
Other income	28	**906,053**	2,328,746	**525,437**	2,160,384
Total non mark-up / interest income		**46,620,308**	44,273,331	**26,116,417**	22,659,345
Total income		**186,913,335**	181,916,351	**95,037,168**	91,551,793
Non mark-up / interest expenses					
Operating expenses	29	**106,865,992**	100,382,246	**53,736,096**	50,109,437
Workers' Welfare Fund		**1,440,645**	1,444,226	**779,043**	746,811
Other charges	30	**179,431**	111,955	**165,734**	100,664
Total non mark-up / interest expenses		**108,486,068**	101,938,427	**54,680,873**	50,956,912
Profit before credit loss allowance and taxation		**78,427,267**	79,977,924	**40,356,295**	40,594,881
Credit loss allowance / (reversals) and write offs - net	31	**5,326,570**	4,630,699	**994,482**	1,887,505
Profit before taxation		**73,100,697**	75,347,225	**39,361,813**	38,707,376
Taxation	32	**38,564,277**	40,899,224	**20,975,466**	20,886,136
Profit after taxation		**34,536,420**	34,448,001	**18,386,347**	17,821,240
Attributable to:					
Equity holders of the Bank		**34,488,401**	34,386,816	**18,352,064**	17,781,731
Non-controlling interest		**48,019**	61,185	**34,283**	39,509
		34,536,420	34,448,001	**18,386,347**	17,821,240
		----------Rupees----------			
Basic and diluted earnings per share	33	**23.51**	23.44	**12.51**	12.12

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

Muhammad Nassir Salim	Irfan Ahmed Meer	Dr. Najeeb Samie	Shaffiq Dharamshi	Ms. Saba Kamal
President and Chief Executive Officer	Chief Financial Officer	Director	Director	Director

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2026

	January 01 to June 30, 2026	January 01 to June 30, 2025	April 01 to June 30, 2026	April 01 to June 30, 2025
	--------------------------(Rupees in '000)'			--------------------------
Profit after taxation for the period attributable to:				
Equity holders of the Bank	**34,488,401**	34,386,816	**18,352,064**	17,781,731
Non-controlling interest	**48,019**	61,185	**34,283**	39,509
	34,536,420	34,448,001	**18,386,347**	17,821,240
Other comprehensive income / (loss)				
Items that may be reclassified to the statement of profit and loss account in subsequent periods:				
Effect of translation of net investment in foreign branches, subsidiaries and associates - net of tax	**(1,054,081)**	3,947,585	**2,374**	2,767,263
Increase / (decrease) in share of exchange translation reserve of associates - net of tax	**10,012**	(46,736)	**(98,480)**	(164,967)
Movement in surplus / deficit on revaluation of debt investments designated at Fair Value through Other Comprehensive Income (FVOCI) - net of tax, attributable to:				
Equity holders of the Bank	**(16,394,223)**	8,543,672	**17,994,712**	14,435,915
Non-controlling interest	**(22,633)**	17,296	**38,987**	22,257
	(16,416,856)	8,560,968	**18,033,699**	14,458,172
Movement in share of surplus / deficit on revaluation of investments of associates - net of tax	**(134,994)**	1,691,063	**(80,431)**	454,231
Movement in fair value of effective portion of hedging instruments - net of tax	**(411,998)**	-	**102,689**	-
Items that are not to be reclassified to the profit and loss account in subsequent periods:				
Movement in surplus / deficit on revaluation of equity investments designated at FVOCI - net of tax	**33,816**	369,273	**2,194,917**	316,101
Movement in surplus / deficit on revaluation of non-banking assets - net of tax	**(2,468)**	-	**-**	-
Share of remeasurement gain on defined benefit obligations of associates - net of tax	**9,061**	11,754	**-**	-
Total comprehensive income	**16,568,912**	48,981,908	**38,541,115**	35,652,040
Total comprehensive income attributable to:				
Equity holders of the Bank	**16,543,526**	48,903,427	**38,467,845**	35,590,274
Non-controlling interest	**25,386**	78,481	**73,270**	61,766
	16,568,912	48,981,908	**38,541,115**	35,652,040

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

Muhammad Nassir Salim	Irfan Ahmed Meer	Dr. Najeeb Samie	Shaffiq Dharamshi	Ms. Saba Kamal
President and Chief Executive Officer	Chief Financial Officer	Director	Director	Director

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2026

	Attributable to shareholders of the Bank											Non-controlling interest	Total
	Share capital	Reserves						Surplus / (deficit) on revaluation of		Unappropriated profit	Sub Total		
		Statutory		Capital			Cash flow hedge (Note 3.3)						
		Subsidiary	Bank	Exchange translation	Non-distributable	On acquisition of common control entity		Investments	Property & Equipment / Non Banking Assets				
	(Rupees in '000)												
Balance as at December 31, 2024 - as reported	14,668,525	1,417,027	54,492,258	42,003,241	547,115	(156,706)	-	14,634,684	42,736,097	238,813,471	409,155,712	1,642,382	410,798,094
Change in accounting policy as at January 01, 2025	-	-	-	-	-	-	-	3,120,285	-	1,280,345	4,400,630	-	4,400,630
Balance as at January 01, 2025 - as restated	14,668,525	1,417,027	54,492,258	42,003,241	547,115	(156,706)	-	17,754,969	42,736,097	240,093,816	413,556,342	1,642,382	415,198,724
Comprehensive income for the six months ended June 30, 2025													
Profit after taxation for the six months ended June 30, 2025	-	-	-	-	-	-	-	-	-	34,386,816	34,386,816	61,185	34,448,001
Other comprehensive income / (loss)													
Effect of translation of net investment in foreign branches, subsidiaries and associates - net of tax	-	-	-	3,947,585	-	-	-	-	-	-	3,947,585	-	3,947,585
Decrease in share of exchange translation reserve of associates - net of tax	-	-	-	(46,736)	-	-	-	-	-	-	(46,736)	-	(46,736)
Share of net remeasurement gain on defined benefit obligations of associates - net of tax	-	-	-	-	-	-	-	-	-	11,754	11,754	-	11,754
Movement in surplus / deficit on revaluation of equity investments - net of tax	-	-	-	-	-	-	-	369,273	-	-	369,273	-	369,273
Movement in surplus / deficit on revaluation of debt investments - net of tax	-	-	-	-	-	-	-	8,543,672	-	-	8,543,672	17,296	8,560,968
Movement in share of surplus / deficit on revaluation of investments of associates - net of tax	-	-	-	-	-	-	-	1,691,063	-	-	1,691,063	-	1,691,063
	-	-	-	3,900,849	-	-	-	10,604,008	-	34,398,570	48,903,427	78,481	48,981,908
Transferred to statutory reserves	-	244,327	3,141,854	-	-	-	-	-	-	(3,386,181)	-	-	-
Net gain transferred on sale of equity investments - net of tax	-	-	-	-	-	-	-	(108,610)	-	108,610	-	-	-
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	-	-	-	(50,442)	50,442	-	-	-
Exchange gain realised on closure of the Bank's branch - net of tax	-	-	-	(931,277)	-	-	-	-	-	-	(931,277)	-	(931,277)
Acquisition of additional interest in subsidiary	-	-	-	-	-	-	-	4,549	5,127	26,416	36,092	(36,092)	-
Transactions with owners, recorded directly in equity													
Final cash dividend - Rs 4.25 per share declared subsequent to the year ended December 31, 2024	-	-	-	-	-	-	-	-	-	(6,234,123)	(6,234,123)	-	(6,234,123)
1st interim cash dividend - Rs 4.50 per share	-	-	-	-	-	-	-	-	-	(6,600,836)	(6,600,836)	-	(6,600,836)
	-	-	-	-	-	-	-	-	-	(12,834,959)	(12,834,959)	-	(12,834,959)
Balance as at June 30, 2025	14,668,525	1,661,354	57,634,112	44,972,813	547,115	(156,706)	-	28,254,916	42,690,782	258,456,714	448,729,625	1,684,771	450,414,396
Comprehensive income for the six months ended December 31, 2025													
Profit after taxation for the six months ended December 31, 2025	-	-	-	-	-	-	-	-	-	32,329,374	32,329,374	(13,459)	32,315,915
Other comprehensive income / (loss)													
Effect of translation of net investment in foreign branches, subsidiaries and associates - net of tax	-	-	-	532,691	-	-	-	-	-	-	532,691	-	532,691
Increase in share of exchange translation reserve of associates - net of tax	-	-	-	361,837	-	-	-	-	-	-	361,837	-	361,837
Movement in surplus / deficit on revaluation of equity investments - net of tax	-	-	-	-	-	-	-	3,671,765	-	-	3,671,765	-	3,671,765
Movement in surplus / deficit on revaluation of debt investments - net of tax	-	-	-	-	-	-	-	12,749,588	-	-	12,749,588	(6,877)	12,742,711
Net remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	-	838,055	838,055	6,554	844,609
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	-	83,729	-	83,729	-	83,729
Movement in share of surplus / deficit on revaluation of investments of associates - net of tax	-	-	-	-	-	-	-	1,582,151	-	-	1,582,151	-	1,582,151
	-	-	-	894,528	-	-	-	18,003,504	83,729	33,167,429	52,149,190	(13,782)	52,135,408
Transferred to statutory reserves	-	-	3,107,388	-	-	-	-	-	-	(3,107,388)	-	-	-
Net loss transferred on sale of equity investments - net of tax	-	-	-	-	-	-	-	1,241,590	-	(1,241,590)	-	-	-
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	-	-	-	(70,899)	70,899	-	-	-
Transactions with owners, recorded directly in equity													
2nd interim cash dividend - Rs 4.50 per share	-	-	-	-	-	-	-	-	-	(6,600,836)	(6,600,836)	-	(6,600,836)
3rd interim cash dividend - Rs 5.00 per share	-	-	-	-	-	-	-	-	-	(7,334,263)	(7,334,263)	-	(7,334,263)
	-	-	-	-	-	-	-	-	-	(13,935,099)	(13,935,099)	-	(13,935,099)
Balance as at December 31, 2025 - as reported	14,668,525	1,661,354	60,741,500	45,867,341	547,115	(156,706)	-	47,500,010	42,703,612	273,410,965	486,943,716	1,670,989	488,614,705
Change in accounting policy as at January 01, 2026 - note 3.2	-	-	-	-	-	-	-	(106,706)	-	(1,739,763)	(1,846,469)	(81,288)	(1,927,757)
Balance as at January 01, 2026 - as restated	14,668,525	1,661,354	60,741,500	45,867,341	547,115	(156,706)	-	47,393,304	42,703,612	271,671,202	485,097,247	1,589,701	486,686,948
Comprehensive income for the six months ended June 30, 2026													
Profit after taxation for the six months ended June 30, 2026	-	-	-	-	-	-	-	-	-	34,488,401	34,488,401	48,019	34,536,420
Other comprehensive income / (loss)													
Effect of translation of net investment in foreign branches, subsidiaries and associates - net of tax	-	-	-	(1,054,081)	-	-	-	-	-	-	(1,054,081)	-	(1,054,081)
Increase in share of exchange translation reserve of associates - net of tax	-	-	-	10,012	-	-	-	-	-	-	10,012	-	10,012
Share of net remeasurement gain on defined benefit obligations of associates - net of tax	-	-	-	-	-	-	-	-	-	9,061	9,061	-	9,061
Movement in fair value of effective portion of hedging instruments - net of tax	-	-	-	-	-	-	(411,998)	-	-	-	(411,998)	-	(411,998)
Movement in surplus / deficit on revaluation of equity investments - net of tax	-	-	-	-	-	-	-	33,816	-	-	33,816	-	33,816
Movement in surplus / deficit on revaluation of debt investments - net of tax	-	-	-	-	-	-	-	(16,394,223)	-	-	(16,394,223)	(22,633)	(16,416,856)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	-	(2,468)	-	(2,468)	-	(2,468)
Movement in share of surplus / deficit on revaluation of investments of associates - net of tax	-	-	-	-	-	-	-	(134,994)	-	-	(134,994)	-	(134,994)
	-	-	-	(1,044,069)	-	-	(411,998)	(16,495,401)	(2,468)	34,497,462	16,543,526	25,386	16,568,912
Transferred to statutory reserves	-	93,255	3,429,324	-	-	-	-	-	-	(3,522,579)	-	-	-
Net gain transferred on sale of equity investments - net of tax	-	-	-	-	-	-	-	(217,196)	-	217,196	-	-	-
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	-	-	-	(1,428,243)	1,428,243	-	-	-
Transactions with owners, recorded directly in equity													
Final cash dividend - Rs 6.00 per share declared subsequent to the year ended December 31, 2025	-	-	-	-	-	-	-	-	-	(8,801,115)	(8,801,115)	-	(8,801,115)
1st interim cash dividend - Rs 6.00 per share	-	-	-	-	-	-	-	-	-	(8,801,115)	(8,801,115)	-	(8,801,115)
	-	-	-	-	-	-	-	-	-	(17,602,230)	(17,602,230)	-	(17,602,230)
Balance as at June 30, 2026	14,668,525	1,754,609	64,170,824	44,823,272	547,115	(156,706)	(411,998)	30,680,707	41,272,901	286,689,294	484,038,543	1,615,087	485,653,630

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

Muhammad Nassir Salim	Irfan Ahmed Meer	Dr. Najeeb Samie	Shaffiq Dharamshi	Ms. Saba Kamal
President and Chief Executive Officer	Chief Financial Officer	Director	Director	Director

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2026

	January 01 to June 30, 2026	January 01 to June 30, 2025
	--------(Rupees in '000)--------	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	**73,100,697**	75,347,225
Dividend income	**(4,824,028)**	(1,763,963)
Share of profit of associates	**(3,421,701)**	(3,348,493)
Mark-up / return / profit / interest expensed on subordinated debt	**1,195,456**	1,296,266
	(7,050,273)	(3,816,190)
	66,050,424	71,531,035
Adjustments:		
Depreciation	**5,781,546**	5,871,162
Amortisation	**1,385,384**	1,392,077
Depreciation on right-of-use assets	**2,496,184**	2,395,508
Mark-up / return / profit / interest expensed on lease liability against right-of-use assets	**2,619,906**	2,093,763
(Reversal) / charge of credit loss allowance against investments	**(128,507)**	119,615
Credit loss allowance against loans and advances	**4,703,663**	9,175,850
Charge / (reversal) of credit loss allowance against other assets	**48,078**	(35,083)
Charge / (reversal) of credit loss allowance against off-balance sheet obligations	**1,378,710**	(4,299,988)
Unrealised (gain) / loss on securities designated at fair value through profit and loss (FVTPL)	**(290,372)**	198,202
Exchange gain on goodwill	**(112,934)**	(483,197)
Exchange gain realised on closure of the Bank's branch	**-**	(1,940,160)
Gain on sale of property and equipment - net	**(119,782)**	(2,133)
Workers' Welfare Fund	**1,440,645**	1,444,226
	19,202,521	15,929,842
	85,252,945	87,460,877
(Increase) / decrease in operating assets		
Lendings to financial institutions	**106,693,315**	(49,190,667)
FVTPL securities	**(25,033,226)**	(207,002,889)
Advances	**(70,398,025)**	452,156,363
Other assets (excluding advance taxation)	**(5,908,805)**	(17,255,786)
	5,353,259	178,707,021
Increase / (decrease) in operating liabilities		
Bills payable	**24,801,469**	(22,226,060)
Borrowings from financial institutions	**(67,093,102)**	698,104,974
Deposits and other accounts	**373,909,418**	823,571,082
Other liabilities	**2,629,422**	17,539,880
	334,247,207	1,516,989,876
	424,853,411	1,783,157,774
Income tax paid	**(56,963,602)**	(49,263,975)
Net cash flows generated from operating activities	**367,889,809**	1,733,893,799
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investment in FVOCI securities	**(317,267,820)**	(1,477,939,741)
Net investment in securities carried at Amortised Cost	**(16,922,259)**	(60,853,996)
Net investment in associates	**2,632,662**	826,024
Dividend received	**4,082,387**	1,067,676
Investments in property and equipment	**(13,318,443)**	(13,645,429)
Investments in intangible assets	**(2,206,481)**	(2,776,389)
Proceeds from sale of property and equipment	**1,971,985**	55,890
Effect of translation of net investment in foreign branches, subsidiaries and associates - net of tax	**(1,044,069)**	3,900,849
Net cash flows used in investing activities	**(342,072,038)**	(1,549,365,116)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of mark-up on subordinated debt	**(1,199,199)**	(1,305,729)
Payment of lease liability against right-of-use assets	**(3,580,786)**	(3,630,561)
Dividend paid	**(17,509,611)**	(12,738,430)
Net cash flows used in financing activities	**(22,289,596)**	(17,674,720)
Increase in cash and cash equivalents during the period	**3,528,175**	166,853,963
Cash and cash equivalents at the beginning of the period	**617,324,045**	519,005,250
Effect of exchange rate changes on cash and cash equivalents	**1,404,780**	(7,485,722)
	618,728,825	511,519,528
Cash and cash equivalents at the end of the period	**622,257,000**	678,373,491

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

Muhammad Nassir Salim	Irfan Ahmed Meer	Dr. Najeeb Samie	Shaffiq Dharamshi	Ms. Saba Kamal
President and Chief Executive Officer	Chief Financial Officer	Director	Director	Director

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2026

1 THE GROUP AND ITS OPERATIONS

The Group consists of:

Holding company

- Habib Bank Limited, Pakistan

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

Habib Bank Limited (the Bank) is incorporated in Pakistan and is engaged in commercial banking services in Pakistan and overseas. The Bank's registered office is at Habib Bank Tower, 9th Floor, Jinnah Avenue, Blue Area, Islamabad, Pakistan and its principal office is at HBL Tower, Plot # G-4, KDA Scheme 5, Block 7, Clifton, Karachi, Pakistan. The Bank's shares are listed on the Pakistan Stock Exchange. The Bank operates 1,768 (December 31, 2025: 1,715) branches inside Pakistan including 619 (December 31, 2025: 608) Islamic Banking Branches and 25 (December 31, 2025: 25) branches outside the country including in the Karachi Export Processing Zone (KEPZ). The Aga Khan Fund for Economic Development S.A. (AKFED) is the parent company of the Bank and its registered office is in Geneva, Switzerland.

1.1 The Bank had commenced an orderly winding down of its operations in Afghanistan and banking operations were ceased on June 10, 2019. The remaining formalities required for closure are in progress.

1.2 The deregistration has been completed, and Bank has sold its operations in Mauritius and transferred the business to its new owners. However, some exit formalities are underway.

1.3 The Bank has commenced an orderly wind-down of its Lebanon operations. Formalities for completion of the wind-down are underway.

1.4 The Bank has closed its operations in Belgium after obtaining necessary approvals from the Regulators and has also surrendered the Banking License. Moreover, commercial license has been cancelled and income tax return was filed however, VAT deregistration is pending.

1.5 The Bank has received regulatory approval for the voluntary liquidation of its operations in Turkey. The Bank is in the process of completing the formalities for branch closure.

2 BASIS OF PRESENTATION

2.1 STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting 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).

Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of IAS 34 or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives and notifications, shall prevail.

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

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

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

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

As per the BPRD circular letter no. 01 of 2025 dated January 22, 2025, the Banks are allowed to continue the existing accounting methodology for Islamic products, including the requirements of IFAS 1 and IFAS 2 until further instructions. Had IFRS 9 Effective Interest Rate (EIR) methodology been applied, the retained earnings would have been lowered by Rs 1,674.886 million net of tax. The current period's profit after tax would have been higher by Rs 1,840.511 million.

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

There are various amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective. These are not likely to have a material effect on the Group's condensed interim consolidated financial statements, except for the following:

- IFRS 18 'Presentation and Disclosure in Financial Statements' will become applicable from 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.

- General provision, over and above the ECL for Stage 1 and Stage 2 exposures may be maintained up to December 31, 2026 as per the relaxations earlier provided by the SBP in respect of the implementation of IFRS 9.

2.5 Critical accounting estimates and judgements

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

During the period, the Bank has revised its estimate of the useful life of lease hold improvements in domestic branches from 5 years to 10 years. This revision has been accounted for as a change in accounting estimate in accordance with the requirements of IAS 8 and accordingly, has been recognised prospectively in the consolidated profit and loss account.

The effect of this change on depreciation expense in the current period and the next corresponding period is as follows:

	January 01 to June 30, 2027	January 01 to June 30, 2026
	(Rupees in '000)	
Decrease in other operating expenses - depreciation	820,416	797,244

3 MATERIAL ACCOUNTING POLICY INFORMATION

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

3.1 Transitional Impact

To account for the changes, the Bank has elected to follow the modified retrospective approach for restatement as allowed under IFRS 9. The cumulative impact has been recorded as an adjustment to equity as of January 01, 2026. Accordingly, the information presented as of December 31, 2025 and for the six months and three months ended June 30, 2025 and March 31, 2025 respectively has not been restated.

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

Financial Assets / Liabilities	Carrying amount as of December 31, 2025	EIR	Carrying amount as of January 01, 2026
	---------- (Rupees in '000) ----------		
Cash and balances with treasury banks	564,755,888	-	564,755,888
Balances with other banks	53,972,937	-	53,972,937
Lendings to financial institutions	247,784,847	-	247,784,847
Investments	4,186,245,908	103,100	4,186,349,008
Advances	2,076,777,374	(1,506,300)	2,075,271,074
Other assets	313,586,375	(2,329,857)	311,256,518
Total Financial Assets	7,443,123,329	(3,733,057)	7,439,390,272
Bills payable	59,422,812	-	59,422,812
Borrowings	1,216,019,536	-	1,216,019,536
Deposits and other accounts	5,546,000,371	-	5,546,000,371
Lease liabilities	40,115,807	-	40,115,807
Subordinated debt	20,374,000	-	20,374,000
Other liabilities	262,641,706	(1,689,702)	260,952,004
Total Financial Liabilities	7,144,574,232	(1,689,702)	7,142,884,530
Net Financial Assets	298,549,097	(2,043,355)	296,505,742
Non Financial Assets	146,229,457	-	146,229,457
Deferred tax liabilities	43,836,151	115,598	43,951,749
Total Net Assets	488,614,705	(1,927,757)	486,686,948

3.2 Reconciliation of retained earnings

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

	(Rupees in '000)
Retained earnings	
Closing balance as at December 31, 2025 - as reported	**273,410,965**
Impact of EIR	**(3,267,122)**
Less: related tax	**1,527,359**
Opening balance as at January 01, 2026 - as restated	**271,671,202**
Surplus on revaluation of investments	
Closing balance as at December 31, 2025 - as reported	**47,500,010**
Impact of EIR	**(222,304)**
Less: related tax	**115,598**
Opening balance as at January 01, 2026 - as restated	**47,393,304**

3.3 Cash flow hedge

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

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

4 FINANCIAL RISK MANAGEMENT

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

	Note	(Unaudited) June 30, 2026	(Audited) December 31, 2025
5 CASH AND BALANCES WITH TREASURY BANKS		-----(Rupees in '000)-----	
In hand			
Local currency		**78,756,593**	75,886,750
Foreign currencies		**9,506,303**	7,791,355
		88,262,896	83,678,105
With State Bank of Pakistan in			
Local currency current accounts		**259,901,613**	268,441,900
Foreign currency current accounts		**12,782,712**	10,833,509
Foreign currency deposit accounts		**25,552,529**	22,064,778
		298,236,854	301,340,187
With other central banks in			
Foreign currency current accounts		**45,588,366**	52,506,915
Foreign currency deposit accounts		**52,150,260**	35,078,706
		97,738,626	87,585,621
With National Bank of Pakistan in			
Local currency current accounts		**82,135,277**	90,990,380
Local currency deposit account		**1,366,603**	942,790
		83,501,880	91,933,170
National Prize Bonds		**185,353**	223,246
Less: credit loss allowance	5.1	**(8,626)**	(4,441)
Cash and balances with Treasury banks - net of credit loss allowance		**567,916,983**	564,755,888

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

6 BALANCES WITH OTHER BANKS

	Note	(Unaudited) June 30, 2026	(Audited) December 31, 2025
In Pakistan			
In current accounts		**1,235,271**	1,606,296
In deposit accounts		**4,357,893**	4,071,421
		5,593,164	5,677,717
Outside Pakistan			
In current accounts		**32,214,918**	32,757,410
In deposit accounts		**16,563,747**	15,577,251
		48,778,665	48,334,661
Less: credit loss allowance	6.1	**(31,812)**	(39,441)
Balances with other banks - net of credit loss allowance		**54,340,017**	53,972,937

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

7 LENDINGS TO FINANCIAL INSTITUTIONS

	Note	(Unaudited) June 30, 2026	(Audited) December 31, 2025
Call money lendings		**38,605,583**	28,900,000
Repurchase agreement lendings (reverse repo)		**102,487,670**	218,886,132
		141,093,253	247,786,132
Less: credit loss allowance	7.1	**(1,721)**	(1,285)
Lendings to financial institutions - net of credit loss allowance		**141,091,532**	247,784,847

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

8 INVESTMENTS

	Note	June 30, 2026 (Unaudited)				December 31, 2025 (Audited)			
		Cost / amortised cost	Credit loss allowance / provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Credit loss allowance / provision for diminution	Surplus / (deficit)	Carrying value
		---------- (Rupees in '000) ----------							
8.1 Investments by type									
Fair value through profit and loss (FVTPL)									
Federal Government securities									
- Market Treasury Bills		102,526,464	-	(126,758)	102,399,706	90,104,450	-	60,950	90,165,400
- Pakistan Investment Bonds		71,501,648	-	450,132	71,951,780	87,773,374	-	988,870	88,762,244
- Ijarah Sukuk		24,906,148	-	(7,933)	24,898,215	998,031	-	(1,250)	996,781
- Government of Pakistan US Dollar Bonds		5,449,767	-	72,527	5,522,294	3,673,975	-	13,095	3,687,070
- Other Federal Government securities		1,125,760	-	-	1,125,760	719,629	-	-	719,629
Shares									
- Listed companies		2,506,515	-	36,865	2,543,380	-	-	-	-
- Unlisted companies		7,632,130	-	-	7,632,130	8,639,530	-	(1,007,400)	7,632,130
Non-Government debt securities									
- Listed		2,672,598	-	87,501	2,760,099	2,691,019	-	(18,421)	2,672,598
- Unlisted		800,545	-	455	801,000	801,000	-	(455)	800,545
Foreign securities									
- Government debt securities		8,153,477	-	(129,603)	8,023,874	7,049,971	-	(244,542)	6,805,429
Preference shares									
- Listed		884,400	-	13,300	897,700	835,400	-	49,000	884,400
- Unlisted		14,465	-	-	14,465	14,465	-	-	14,465
Real Estate Investment Trust units - Listed		2,301,339	-	(106,114)	2,195,225	3,369,107	-	(1,067,768)	2,301,339
		230,475,256	-	290,372	230,765,628	206,669,951	-	(1,227,921)	205,442,030
Fair value through other comprehensive income (FVOCI)									
Federal Government securities									
- Market Treasury Bills		537,194,622	-	(3,387,773)	533,806,849	208,796,128	-	537,127	209,333,255
- Pakistan Investment Bonds		2,540,656,745	-	40,238,107	2,580,894,852	2,496,270,243	-	61,962,416	2,558,232,659
- Ijarah Sukuk		332,468,132	-	899,925	333,368,057	344,928,733	-	8,639,930	353,568,663
- Government of Pakistan US Dollar Bonds		-	-	-	-	8,391,003	(470,410)	486,833	8,407,426
Shares									
- Listed companies		12,106,360	-	12,360,636	24,466,996	11,641,136	-	12,586,543	24,227,679
- Unlisted companies		922,949	-	6,942,791	7,865,740	922,951	-	7,091,848	8,014,799
Non-Government debt securities									
- Listed		6,837,608	(1,917,994)	1,762,856	6,682,470	7,379,580	(1,649,809)	1,369,931	7,099,702
- Unlisted		350,722	(350,722)	-	-	357,512	(357,512)	-	-
Foreign securities									
- Government debt securities		155,785,688	(953,697)	366,033	155,198,024	175,944,192	(717,797)	1,061,177	176,287,572
- Non-Government debt securities - Listed		16,134,084	(3,475)	24,123	16,154,732	11,997,254	(2,652)	269,944	12,264,546
- Equity securities - Unlisted		6,382	-	65,027	71,409	6,469	-	64,940	71,409
National Investment Unit Trust units		11,113	-	94,763	105,876	11,113	-	101,928	113,041
Real Estate Investment Trust units - Listed		55,000	-	137,250	192,250	55,000	-	137,250	192,250
		3,602,529,405	(3,225,888)	59,503,738	3,658,807,255	3,266,701,314	(3,198,180)	94,309,867	3,357,813,001
Amortised cost	8.2								
Federal Government securities									
- Market Treasury Bills		47,885	-	-	47,885	57,886,871	-	-	57,886,871
- Pakistan Investment Bonds		403,052,544	-	-	403,052,544	368,086,673	-	-	368,086,673
- Ijarah Sukuk		87,434,704	-	-	87,434,704	57,457,769	-	-	57,457,769
- Government of Pakistan US Dollar Bonds		-	-	-	-	1,374,461	(43,240)	-	1,331,221
- Other Federal Government securities		65,490,461	-	-	65,490,461	52,430,110	-	-	52,430,110
Non-Government debt securities									
- Listed		606,031	(42)	-	605,989	899,190	(64)	-	899,126
- Unlisted		16,900,159	(612,266)	-	16,287,893	18,713,060	(612,276)	-	18,100,784
Foreign Securities									
- Government debt securities		12,325,860	-	-	12,325,860	12,087,251	-	-	12,087,251
		585,857,644	(612,308)	-	585,245,336	568,935,385	(655,580)	-	568,279,805
Investments in associates	8.1.1	51,134,527	(233,778)	4,440,129	55,340,878	50,345,488	(355,782)	4,721,366	54,711,072
Total Investments		4,469,996,832	(4,071,974)	64,234,239	4,530,159,097	4,092,652,138	(4,209,542)	97,803,312	4,186,245,908

8.1.1 The group share of surplus on investment held by these entities amounts to Rs 4,440.129 million (December 31, 2025: Rs 4721,366 million)

8.1.2 **Investments given as collateral**

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

	(Unaudited) June 30, 2026	(Audited) December 31, 2025
	-----(Rupees in '000)-----	
Federal Government securities		
- Market Treasury Bills	**47,256,462**	14,722,264
- Pakistan Investment Bonds	**870,970,804**	899,524,670
Foreign securities		
- Government debt securities	**-**	2,757,024
	918,227,266	917,003,958

8.2 The market value of investments classified as amortised cost amounted to Rs 583,028.224 million (December 31, 2025: Rs 563,865.386 million).

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

	(Unaudited) June 30, 2026	(Audited) December 31, 2025
	-----(Rupees in '000)-----	
Opening balance - as reported	**4,209,542**	5,934,488
Impact of adoption of IFRS 9	**-**	150,584
Opening balance - as restated	**4,209,542**	6,085,072
Exchange adjustment	**(9,061)**	54,779
Charge / (reversal)		
Charge for the period / year	**154,504**	29,251
Reversal for the period / year	**(276,221)**	(1,121,958)
Reversal on disposal during the period / year	**(6,790)**	(837,602)
Net reversal	**(128,507)**	(1,930,309)
Closing balance	**4,071,974**	4,209,542

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

Category of classification	(Unaudited) June 30, 2026		(Audited) December 31, 2025	
	Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
	---------- (Rupees in '000) ----------			
Domestic				
Performing	**4,189,830,909**	**320**	3,840,064,209	377
Underperforming	**-**	**-**	225,000	1
Non-performing				
Loss	**962,722**	**962,722**	969,512	969,512
	4,190,793,631	**963,042**	3,841,258,721	969,890
Overseas				
Performing	**201,892,603**	**400,917**	210,188,903	153,308
Underperforming	**39,985,010**	**2,474,237**	40,489,460	2,730,562
Non-performing	**-**	**-**	-	-
	241,877,613	**2,875,154**	250,678,363	2,883,870
Total	**4,432,671,244**	**3,838,196**	4,091,937,084	3,853,760

9 ADVANCES	Note	Performing (Unaudited) June 30, 2026	Performing (Audited) December 31, 2025	Non - performing (Unaudited) June 30, 2026	Non - performing (Audited) December 31, 2025	Total (Unaudited) June 30, 2026	Total (Audited) December 31, 2025
		(Rupees in '000)					
Loans, cash credits, running finances, etc.		**1,540,827,585**	1,593,429,873	**89,970,727**	86,987,428	**1,630,798,312**	1,680,417,301
Islamic financing and related assets	38.3	**429,984,103**	307,460,495	**10,719,759**	10,557,384	**440,703,862**	318,017,879
Bills discounted and purchased		**194,111,596**	203,893,531	**3,571,339**	4,797,759	**197,682,935**	208,691,290
Advances - gross		**2,164,923,284**	2,104,783,899	**104,261,825**	102,342,571	**2,269,185,109**	2,207,126,470
Credit loss allowance	9.3						
- Stage 1		**(11,889,401)**	(10,668,187)	**-**	-	**(11,889,401)**	(10,668,187)
- Stage 2		**(10,206,272)**	(9,690,239)	**-**	-	**(10,206,272)**	(9,690,239)
- Stage 3		-	-	**(88,334,921)**	(91,507,445)	**(88,334,921)**	(91,507,445)
General provision	9.4	**(16,282,779)**	(18,483,225)	**-**	-	**(16,282,779)**	(18,483,225)
		(38,378,452)	(38,841,651)	**(88,334,921)**	(91,507,445)	**(126,713,373)**	(130,349,096)
Advances - net of provision / credit loss allowance		**2,126,544,832**	2,065,942,248	**15,926,904**	10,835,126	**2,142,471,736**	2,076,777,374

9.1 Particulars of advances (gross)	(Unaudited) June 30, 2026	(Audited) December 31, 2025
	-----(Rupees in '000)-----	
In local currency	**1,661,876,629**	1,598,689,951
In foreign currencies	**607,308,480**	608,436,519
	2,269,185,109	2,207,126,470

9.2 Advances include Rs 104,261.825 million (December 31, 2025: Rs 102,342.571 million) which have been placed under non-performing status as detailed below:

Category of classification	(Unaudited) June 30, 2026 Non-performing advances	(Unaudited) June 30, 2026 Credit loss allowance	(Audited) December 31, 2025 Non-performing advances	(Audited) December 31, 2025 Credit loss allowance
Domestic	(Rupees in '000)			
Substandard	**14,206,456**	**8,858,006**	17,815,710	11,602,638
Doubtful	**5,180,811**	**4,159,227**	3,713,433	2,483,637
Loss	**60,520,679**	**58,995,488**	61,713,016	60,788,784
	79,907,946	**72,012,721**	83,242,159	74,875,059
Overseas				
Substandard	**6,821,881**	**519,883**	1,107,495	500,274
Doubtful	**1,080,211**	**634,587**	1,141,641	639,106
Loss	**16,451,787**	**15,167,730**	16,851,276	15,493,006
	24,353,879	**16,322,200**	19,100,412	16,632,386
	104,261,825	**88,334,921**	102,342,571	91,507,445

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

	(Unaudited) June 30, 2026					
	Stage 1	Stage 2	Stage 3	Specific	General	Total
	(Rupees in '000)					
Opening balance	10,668,187	9,690,239	91,507,445	-	18,483,225	130,349,096
Transfer to stage 1	78,608	(70,645)	(7,963)	-	-	-
Transfer to stage 2	(576,601)	617,550	(40,949)	-	-	-
Transfer to stage 3	(225,479)	(2,043,838)	2,269,317	-	-	-
Exchange adjustment	277,049	(15,793)	(238,184)	-	-	23,072
Charge for the period	2,419,591	2,671,707	8,402,859	-	150,000	13,644,157
Reversal for the period	(751,647)	(642,948)	(5,195,453)	-	(2,350,446)	(8,940,494)
Net (reversal) / charge against advances	1,667,944	2,028,759	3,207,406	-	(2,200,446)	4,703,663
Charged off during the period - agriculture financing	-	-	(188,478)	-	-	(188,478)
Charged off during the period - corporate, commercial and SME advances	-	-	(4,741,686)	-	-	(4,741,686)
Written off during the period	-	-	(3,431,987)	-	-	(3,431,987)
Transferred out	(307)	-	-	-	-	(307)
Closing balance	11,889,401	10,206,272	88,334,921	-	16,282,779	126,713,373

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

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

9.5 **Advances - Category of classification**

	(Unaudited) June 30, 2026		(Audited) December 31, 2025	
	Outstanding amount	Provision / credit loss allowance	Outstanding amount	Provision / credit loss allowance
	(Rupees in '000)			
Domestic				
Performing	1,352,189,688	21,423,493	1,373,150,846	23,495,192
Underperforming	341,731,698	8,023,983	254,485,955	7,294,303
Non-Performing	79,907,944	72,012,721	83,242,159	74,875,059
	1,773,829,330	101,460,197	1,710,878,960	105,664,554
Overseas				
Performing	386,964,007	6,748,687	391,112,679	5,656,220
Underperforming	84,037,892	2,182,289	86,034,419	2,395,936
Non-Performing	24,353,880	16,322,200	19,100,412	16,632,386
	495,355,779	25,253,176	496,247,510	24,684,542
Total	2,269,185,109	126,713,373	2,207,126,470	130,349,096

10 PROPERTY AND EQUIPMENT

	Note	(Unaudited) June 30, 2026	(Audited) December 31, 2025
		------(Rupees in '000)------	
Capital work-in-progress	10.1	**25,429,186**	22,258,621
Property and equipment		**124,666,369**	121,800,540
		150,095,555	144,059,161

10.1 Capital work-in-progress

Land and under construction building	**4,747,266**	4,680,564
Civil works	**5,532,012**	3,868,127
Equipment	**1,747,913**	1,693,001
Advances to suppliers and contractors	**13,401,995**	12,016,929
	25,429,186	22,258,621

10.2 Additions to property and equipment

	(Unaudited) For the six months ended June 30, 2026	June 30, 2025
	------(Rupees in '000)------	
The following additions have been made to property and equipment during the period:		
Capital work-in-progress - net	**3,170,565**	8,511,296
Property and equipment		
Freehold Land	**5,000**	72,768
Leasehold land	**1,077,369**	1,248
Building on leasehold land	**660,807**	399,739
Machinery	**19,083**	14,143
Leasehold improvements	**1,126,052**	776,742
Furniture and fixtures	**747,354**	396,294
Electrical, office and computer equipment	**4,979,511**	2,258,677
Vehicles	**1,532,702**	1,214,522
	10,147,878	5,134,133
	13,318,443	13,645,429

10.3 Disposal of property and equipment

The net book value of property and equipment disposed off during the period is as follows:

Property and equipment		
Leasehold land	**1,497,503**	-
Building on leasehold land	**217,115**	-
Leasehold improvements	**17,632**	3,333
Furniture and fixtures	**2,371**	990
Electrical, office and computer equipment	**1,788**	7,254
Vehicles	**115,794**	42,180
	1,852,203	53,757

11 RIGHT-OF-USE ASSETS

	(Unaudited) June 30, 2026	(Audited) December 31, 2025
	------(Rupees in '000)------	
Buildings		
At January 1,		
Cost	**50,845,518**	44,639,101
Accumulated depreciation	**(20,149,193)**	(17,231,081)
Net carrying amount at January 1,	**30,696,325**	27,408,020
Exchange adjustment	**(49,061)**	153,284
Additions during the period / year	**6,267,669**	10,137,233
Deletions during the period / year	**(369,338)**	(2,242,049)
Depreciation charge for the period / year	**(2,496,184)**	(4,760,163)
Net carrying amount at the end of the period / year	**34,049,411**	30,696,325

12 INTANGIBLE ASSETS

Capital work-in-progress - computer software	**18,934,492**	16,973,512
Computer software	**5,222,228**	6,345,008
Other intangibles	**7,265,204**	7,378,138
	31,421,924	30,696,658

	Note	(Unaudited) For the six months ended June 30, 2026	(Unaudited) For the six months ended June 30, 2025
		------(Rupees in '000)------	
12.1 Additions to intangible assets			
The following additions have been made to intangible assets during the period:			
Capital work-in-progress - net		**1,960,980**	2,316,310
Computer software		**245,501**	460,079
		2,206,481	2,776,389

13 OTHER ASSETS

	Note	(Unaudited) June 30, 2026	(Audited) December 31, 2025
		------(Rupees in '000)------	
Mark-up / return / profit / interest accrued in local currency - net of provision		**150,354,610**	156,030,159
Mark-up / return / profit / interest accrued in foreign currency - net of provision		**9,052,749**	9,912,977
Advances, deposits, advance rent and other prepayments		**7,412,656**	8,425,292
Advance taxation		**74,379,636**	50,424,288
Advance against subscription of securities		**258,047**	228,514
Stationery and stamps on hand		**255,945**	235,438
Accrued fees and commissions		**430,560**	1,040,009
Due from Government of Pakistan / SBP		**17,594,117**	15,647,963
Mark to market gain on forward foreign exchange contracts		**4,763,407**	3,733,203
Mark to market gain on derivative instruments		**376,330**	253,662
Non-banking assets acquired in satisfaction of claims		**188,976**	188,976
Receivable from defined benefit plan		**2,783,715**	2,783,715
Acceptances		**55,706,837**	64,412,498
Clearing and settlement accounts		**25,284,518**	15,003,702
Dividend receivable		**747,730**	6,089
Claims receivable against fraud and forgeries		**977,823**	1,011,663
Inventory		**2,947,341**	1,438,074
Deferred fair value loss	13.2	**3,727,049**	3,727,049
Prepaid deferred expense	13.3	**41,180,472**	39,497,013
Others		**4,764,831**	4,846,444
		403,187,349	378,846,728
Provision / credit loss allowance held against other assets	13.1	**(6,030,532)**	(5,986,359)
Other assets - net of provision / credit loss allowance		**397,156,817**	372,860,369
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		**292,285**	294,753
Other assets - total		**397,449,102**	373,155,122

13.1 Provision / credit loss allowance held against other assets

	(Unaudited) June 30, 2026	(Audited) December 31, 2025
Claims receivable against fraud and forgeries	**977,823**	1,011,663
Suit filed cases	**10,129**	4,979
Others	**5,042,580**	4,969,717
	6,030,532	5,986,359

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

	(Unaudited) June 30, 2026	(Audited) December 31, 2025
Opening balance	**5,986,359**	4,889,886
Exchange adjustment	**(1,527)**	772
Charge for the period / year	**177,215**	1,539,661
Reversal for the period / year	**(129,137)**	(386,375)
Net charge	**48,078**	1,153,286
Written off during the period / year	**(2,378)**	(101,788)
Other movement	**-**	44,203
Closing balance	**6,030,532**	5,986,359

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

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

	Note	(Unaudited) June 30, 2026	(Audited) December 31, 2025
		------(Rupees in '000)------	
14 BILLS PAYABLE			
In Pakistan		**82,303,146**	58,182,640
Outside Pakistan		**1,921,135**	1,240,172
		84,224,281	59,422,812
15 BORROWINGS			
Secured			
Borrowings from the SBP under			
- Export refinance scheme		**14,600,949**	26,577,935
- Export refinance scheme for bill discounting		**22,129,539**	22,920,448
- Long term financing facility		**20,998,953**	23,858,769
- Financing facility for renewable energy power plants		**5,611,826**	6,142,227
- Refinance facility for modernization of Small and Medium Enterprises (SMEs)		**880,461**	1,117,806
- Refinance and credit guarantee scheme for women entrepreneurs		**48,120**	57,106
- Financing facility for storage of agricultural produce		**1,014,938**	1,134,407
- Refinance facility for combating COVID-19		**103,525**	315,574
- Temporary economic refinance facility		**16,357,209**	18,032,655
- Refinance facility for SME Asaan Finance (SAAF)		**6,712,761**	7,977,197
- Long term financing facility of subsidiary		**7,414,919**	8,258,280
		95,873,200	116,392,404
Repurchase agreement borrowings		**903,168,847**	908,645,583
		999,042,047	1,025,037,987
Unsecured			
- Call money borrowings		**28,342,448**	63,274,598
- Overdrawn nostro accounts		**2,367,581**	704,040
- Borrowings of overseas branches and subsidiaries		**54,140,587**	53,990,509
- Other long-term borrowings	15.1	**65,033,771**	73,012,402
		149,884,387	190,981,549
		1,148,926,434	1,216,019,536

15.1 This includes the following:

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

15.1.2 A mortgage refinancing facility on Musharakah basis from Pakistan Mortgage Refinance Company Limited (PMRC) amounting to Rs 500.000 million (December 31, 2025: Rs 1,000.000 million) for on-lending to customers. The principal amount is payable in equal semi-annual installments from April 2025 to October 2026. Profit at a rate of 16.61% per annum (December 31, 2025: 16.61% per annum) is payable semi-annually.

15.1.3 A mortgage refinancing facility on Musharakah basis from PMRC amounting to Rs 3,840.000 million (December 31, 2025: Rs 3,920.000 million) for on-lending to customers. The principal amount is payable in semi-annual installments from December 2025 to June 2028. Profit at a rate of 1-year KIBOR minus 2.25% with a floor of 9.00% per annum is payable semi-annually.

15.1.4 Mortgage refinancing facilities from PMRC, amounting to Rs 394.499 million (December 31, 2025: Rs 520.725 million), utilised by HBL Microfinance Bank Limited to extend mortgage finance to low income groups. The principal amount of the facilities is payable in quarterly installments from June 2026 to June 2031. Mark-up on all facilities is payable quarterly at rates ranging from 6.50% to 14.00% per annum (December 31, 2025: 6.50% to 14.00% per annum).

15.1.5 A long-term financing facility of US$ 75.000 million (December 31, 2025: US$ 75.000 million) was arranged from British International Investment plc to support farmers and Agri businesses in Pakistan. The principal amount of the facility is payable in semi-annual instalments till July 2030. Interest rate on the facility is SOFR plus a fixed spread payable semi-annually.

16 DEPOSITS AND OTHER ACCOUNTS

	June 30, 2026 (Unaudited)			December 31, 2025 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	(Rupees in '000)					
Customers						
Current deposits	**2,044,661,028**	**345,619,156**	**2,390,280,184**	1,633,624,506	342,189,322	1,975,813,828
Savings deposits	**1,837,587,197**	**123,899,526**	**1,961,486,723**	1,928,737,053	123,998,045	2,052,735,098
Term deposits	**561,374,884**	**458,086,977**	**1,019,461,861**	673,374,339	419,462,174	1,092,836,513
	4,443,623,109	**927,605,659**	**5,371,228,768**	4,235,735,898	885,649,541	5,121,385,439
Financial institutions						
Current deposits	**17,615,412**	**11,943,365**	**29,558,777**	13,546,121	3,725,827	17,271,948
Savings deposits	**499,405,367**	**515,768**	**499,921,135**	384,231,578	3,229,562	387,461,140
Term deposits	**7,650,069**	**11,551,040**	**19,201,109**	6,855,491	13,026,353	19,881,844
	524,670,848	**24,010,173**	**548,681,021**	404,633,190	19,981,742	424,614,932
	4,968,293,957	**951,615,832**	**5,919,909,789**	4,640,369,088	905,631,283	5,546,000,371

17 LEASE LIABILITIES

	Note	(Unaudited) June 30, 2026	(Audited) December 31, 2025
		(Rupees in '000)	
Opening balance		**40,115,807**	35,869,231
Exchange adjustment		**(86,988)**	171,111
Additions during the period / year		**6,026,803**	9,264,495
Interest expense		**2,619,906**	4,064,694
Lease payments including interest		**(3,580,786)**	(6,502,609)
Deletion during the period / year		**(187,877)**	(2,751,115)
Closing balance		**44,906,865**	40,115,807

17.1 Liabilities outstanding at the end of the period / year

Not later than one year	**2,011,195**	2,161,737
Later than one year and up to five years	**12,348,025**	11,922,729
Over five years	**30,547,645**	26,031,341
Total	**44,906,865**	40,115,807

18 SUBORDINATED DEBT

Additional Tier I Term Finance Certificates	18.1.1	**12,374,000**	12,374,000
Additional Tier I Term Finance Certificates	18.1.2	**6,500,000**	6,500,000
Tier II Term Finance Certificates	18.2	**1,500,000**	1,500,000
		20,374,000	20,374,000

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

The key features of these issues are as follows:

18.1.1

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

18.1.2

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

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

The key features of the issue are as follows:

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

19 DEFERRED TAX LIABILITIES

	Note	(Unaudited) June 30, 2026	(Audited) December 31, 2025
		------(Rupees in '000)------	
Deductible temporary differences on			
- Tax losses of subsidiary		**(2,411,274)**	(2,325,362)
- Credit loss allowance against investments		**(519,642)**	(52,064)
- Credit loss allowance against doubtful debts and off-balance sheet obligations		**(24,021,213)**	(25,769,376)
- Liabilities written back under section 34(5) of the Income Tax Ordinance (ITO) 2001		**(1,862,760)**	(3,172,542)
- Ijarah financing		**(702,164)**	(706,226)
- Right-of-use assets and related lease liabilities		**(5,837,620)**	(5,521,994)
- Cash flow hedge reserve		**(446,331)**	-
- Others		**(188,557)**	(95,187)
		(35,989,561)	(37,642,751)
Taxable temporary differences on			
- Accelerated tax depreciation		**3,896,073**	3,611,041
- Surplus on revaluation of investments	21	**30,885,800**	49,031,657
- Surplus on revaluation of investments of associates	21	**2,308,867**	2,455,110
- Surplus on revaluation of property and equipment	21	**3,928,933**	3,937,275
- Surplus on revaluation of property and equipment of associates	21	**210,689**	210,689
- Management rights and goodwill		**586,493**	540,829
- Share of profit of associates		**14,725,659**	13,879,210
- Exchange translation reserve		**5,799,501**	7,813,091
		62,342,015	81,478,902
Net deferred liabilities		**26,352,454**	43,836,151

		Note	(Unaudited) June 30, 2026	(Audited) December 31, 2025
20	**OTHER LIABILITIES**		------(Rupees in '000)------	
	Mark-up / return / profit / interest payable in local currency		35,383,914	39,966,889
	Mark-up / return / profit / interest payable in foreign currency		9,714,046	9,948,270
	Security deposits		1,810,038	1,717,876
	Accrued expenses		51,949,419	51,220,774
	Mark to market loss on forward foreign exchange contracts		5,517,507	5,115,105
	Mark to market loss on derivative instruments		5,309,934	4,823,073
	Unclaimed dividends		886,127	868,471
	Dividends payable		410,195	335,232
	Provision for post retirement medical benefits		4,781,735	4,680,270
	Provision for employees' compensated absences		562,018	615,462
	Credit loss allowance against off-balance sheet obligations	20.1	6,535,242	5,163,319
	Acceptances		55,706,837	64,412,498
	Branch adjustment account		5,666,650	8,434,300
	Provision for staff retirement benefits		2,193,189	2,071,794
	Payable to defined benefit plans		913,446	1,077,144
	Provision for Workers' Welfare Fund		18,092,317	16,651,558
	Unearned income		25,871,013	24,179,950
	Qarza-e-hasna fund		338,409	338,409
	Levies and taxes payable		13,163,406	14,467,574
	Insurance payable		776,047	634,439
	Provision for rewards program expenses		5,200,578	3,769,494
	Liability against trading of securities		28,986,386	1,696,133
	Clearing and settlement accounts		30,819,958	21,481,223
	Payable to HBL Foundation		518,176	1,001,336
	Charity fund balance		82,351	53,582
	Unclaimed deposits		899,158	760,882
	Others		6,559,808	8,275,781
			318,647,904	293,760,838

20.1	**Credit loss allowance against off-balance sheet obligations**		
	Opening balance	5,163,319	8,149,567
	Impact of adoption of IFRS 9	-	860,271
	Exchange adjustment	(8,056)	98,999
	Charge for the period / year	2,899,240	569,312
	Reversal for the period / year	(1,520,530)	(4,518,154)
	Net charge / (reversal)	1,378,710	(3,948,842)
	Other movement	1,269	3,324
	Closing balance	6,535,242	5,163,319

21 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX

	Note	June 30, 2026 (Unaudited)			December 31, 2025 (Audited)		
		Attributable to			Attributable to		
		Equity holders	Non-controlling interest	Total	Equity holders	Non-controlling interest	Total
		(Rupees in '000)					
Surplus arising on revaluation of:							
- Property and equipment		44,684,597	78,129	44,762,726	46,137,435	47,563	46,184,998
- Property and equipment of associates		405,171	-	405,171	405,171	-	405,171
- FVOCI securities - debt		39,790,983	112,288	39,903,271	74,254,480	72,878	74,327,358
- FVOCI securities - equity	8.1	19,600,467	-	19,600,467	19,982,509	-	19,982,509
- FVOCI securities held by associates		4,440,129	-	4,440,129	4,721,366	-	4,721,366
- Non-banking assets acquired in satisfaction of claims	13	292,285	-	292,285	294,753	-	294,753
		109,213,632	190,417	109,404,049	145,795,714	120,441	145,916,155
Deferred tax liability on surplus on revaluation of:							
- Property and equipment		3,898,463	30,470	3,928,933	3,923,058	14,217	3,937,275
- Property and equipment of associates		210,689	-	210,689	210,689	-	210,689
- FVOCI securities - debt		20,649,762	43,795	20,693,557	38,612,330	28,422	38,640,752
- FVOCI securities - equity		10,192,243	-	10,192,243	10,390,905	-	10,390,905
- FVOCI securities held by associates		2,308,867	-	2,308,867	2,455,110	-	2,455,110
- Non-banking assets acquired in satisfaction of claims		-	-	-	-	-	-
		37,260,024	74,265	37,334,289	55,592,092	42,639	55,634,731
Surplus on revaluation of assets - net of tax		71,953,608	116,152	72,069,760	90,203,622	77,802	90,281,424

	Note	(Unaudited) June 30, 2026	(Audited) December 31, 2025
22 CONTINGENCIES AND COMMITMENTS		------(Rupees in '000)------	
- Guarantees	22.1	**421,910,332**	399,932,440
- Commitments	22.2	**1,954,027,889**	1,264,256,793
- Other contingent liabilities	22.3	**17,885,188**	18,361,578
		2,393,823,409	1,682,550,811

22.1 Guarantees:

Financial guarantees		**93,506,778**	85,080,216
Performance guarantees		**312,897,743**	302,592,648
Other guarantees		**15,505,811**	12,259,576
		421,910,332	399,932,440

22.2 Commitments:

Trade-related contingent liabilities		**388,932,966**	282,871,993
Commitments in respect of:			
- forward foreign exchange contracts	22.2.1	**1,343,009,014**	823,918,689
- forward Government securities transactions	22.2.2	**92,354,738**	60,126,054
- derivatives	22.2.3	**80,719,210**	58,229,568
- forward lending	22.2.4	**33,726,014**	28,793,730
		1,549,808,976	971,068,041
Commitments for acquisition of:			
- property and equipment		**8,348,433**	5,089,389
- intangible assets		**6,937,514**	5,227,370
		15,285,947	10,316,759
		1,954,027,889	1,264,256,793

22.2.1 Commitments in respect of forward foreign exchange contracts

Purchase	**765,140,229**	480,791,447
Sale	**577,868,787**	343,127,242
	1,343,009,016	823,918,689

22.2.2 Commitments in respect of forward Government securities transactions

Purchase	**85,354,250**	47,282,681
Sale	**7,000,488**	12,843,373
	92,354,738	60,126,054

22.2.3 Commitments in respect of derivatives

Foreign currency options		
Purchase	**13,888,485**	11,601,055
Sale	**13,888,485**	11,601,055
	27,776,970	23,202,110
Cross Currency swaps		
Purchase	**14,052,529**	14,653,517
Sale	**18,889,710**	20,173,941
	32,942,239	34,827,458
Interest rate swaps		
Purchase	**-**	-
Sale	**20,000,000**	200,000
	20,000,000	200,000

		(Unaudited) June 30, 2026	(Audited) December 31, 2025
		------(Rupees in '000)------	
22.2.4	**Commitments in respect of forward lending**		
	Undrawn formal standby facilities, credit lines and other commitments to extend credit	**33,726,014**	28,793,730

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

		(Unaudited) June 30, 2026	(Audited) December 31, 2025
		------(Rupees in '000)------	
22.3	**Other contingent liabilities**		
22.3.1	Claims against the Group not acknowledged as debts	**17,885,188**	18,361,578

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

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

23 DERIVATIVE INSTRUMENTS

Product Analysis	June 30, 2026 (Unaudited)					
	Foreign currency options		Cross currency swaps		Interest rate Swaps	
	Notional principal	Mark to market (loss) / gain	Notional principal	Mark to market loss	Notional principal	Mark to market loss
	(Rupees in '000)					
Hedging	**13,888,485**	**(149,283)**	**-**	**-**	**-**	**-**
Market Making	**13,888,485**	**149,283**	**32,942,241**	**(3,869,677)**	**20,000,000**	**(1,063,927)**

	December 31, 2025 (Audited)					
	Foreign currency options		Cross currency swaps		Interest rate Swaps	
	Notional principal	Mark to market (loss) / gain	Notional principal	Mark to market loss	Notional principal	Mark to market loss
	(Rupees in '000)					
Hedging	11,601,055	(88,043)	-	-	-	-
Market Making	11,601,055	88,043	34,827,458	(4,569,222)	200,000	(189)

		(Unaudited) For the six months ended June 30, 2026	(Unaudited) For the six months ended June 30, 2025
24	**MARK-UP / RETURN / PROFIT / INTEREST EARNED**		
		------(Rupees in '000)------	
	On:		
	Loans and advances	**119,882,959**	128,605,488
	Investments	**240,273,711**	186,616,332
	Lendings to financial institutions	**9,187,687**	3,704,847
	Balances with banks	**4,279,510**	4,625,116
		373,623,867	323,551,783

		Note	(Unaudited) For the six months ended June 30, 2026	June 30, 2025
			------(Rupees in '000)------	
24.1	**INTEREST INCOME RECOGNISED**			
	On:			
	Financial assets measured at amortised cost		**157,834,824**	162,483,635
	Financial assets measured at FVOCI		**208,853,755**	152,233,948
	Financial assets measured at FVTPL		**6,935,288**	8,834,200
			373,623,867	323,551,783
25	**MARK-UP / RETURN / PROFIT / INTEREST EXPENSED**			
	On:			
	Deposits		**137,794,624**	135,581,437
	Securities sold under repurchase agreement borrowings		**76,207,295**	31,507,422
	Borrowings		**11,173,104**	13,772,570
	Subordinated debt		**1,195,456**	1,296,266
	Cost of foreign currency swaps against foreign currency deposits / borrowings		**4,340,455**	1,657,305
	Lease liability against right-of-use assets		**2,619,906**	2,093,763
			233,330,840	185,908,763
26	**FEE AND COMMISSION INCOME**			
	Branch banking customer fees		**2,886,042**	2,929,340
	Branchless banking customer fees		**172,897**	13,974
	Consumer finance related fees		**1,636,542**	1,540,464
	Card related fees (debit and credit cards)		**8,371,728**	7,556,714
	Credit related fees		**1,191,063**	1,510,089
	Investment banking fees		**1,199,194**	888,688
	Commission on trade related products		**3,146,259**	3,308,022
	Commission on guarantees		**1,171,838**	768,365
	Commission on cash management		**1,132,400**	814,953
	Commission on remittances (including home remittances)		**701,473**	(1,258,313)
	Commission on bancassurance		**673,401**	931,921
	Commission on Government to Person (G2P) payments		**1,112,234**	(103,794)
	Management fee		**1,612,200**	2,248,377
	Merchant discount and interchange fees		**3,463,049**	3,889,284
	Wealth management fee		**446,633**	427,933
	Others		**119,310**	62,671
			29,036,263	25,528,688
	Less: Sales tax / Federal Excise Duty on fee and commission income		**(3,223,201)**	(3,196,249)
			25,813,062	22,332,439
27	**GAIN ON SECURITIES - NET**			
	Realised	27.1	**2,841,755**	9,640,974
	Unrealised - measured at FVTPL	8.1	**290,372**	(198,202)
			3,132,127	9,442,772
27.1	**Gain / (loss) on securities - realised**			
	On:			
	Federal Government securities			
	- Market Treasury Bills		**114,590**	3,376,808
	- Pakistan Investment Bonds		**2,108,006**	3,394,885
	- Ijarah Sukuk		**598,014**	2,847,407
	Shares		**(31,535)**	157,228
	Non-Government debt securities		**-**	7,215
	Foreign securities		**52,680**	(142,569)
			2,841,755	9,640,974

	(Unaudited) For the six months ended June 30, 2026	(Unaudited) For the six months ended June 30, 2025
	------(Rupees in '000)------	
27.1.1 Composition of gain on securities - realised		
Net gain on securities measured at FVTPL	**542,676**	2,266,523
Net gain on debt securities measured at FVOCI	**2,299,079**	7,374,451
	2,841,755	9,640,974
28 OTHER INCOME		
Incidental charges	**779,394**	382,350
Gain on sale of property and equipment - net	**119,782**	2,133
Gain realised on closure of the Bank's branch	**-**	1,940,160
Rent on properties	**6,877**	4,103
	906,053	2,328,746
29 OPERATING EXPENSES		
Total compensation expense	**40,978,766**	37,079,731
Property expense		
Rent and taxes	**1,011,152**	502,151
Insurance	**189,021**	189,216
Utilities cost	**2,543,643**	2,873,699
Security (including guards)	**1,979,795**	1,861,911
Repair and maintenance (including janitorial charges)	**2,984,602**	2,934,277
Depreciation on owned property and equipment	**2,469,773**	2,954,138
Depreciation on right-of-use assets	**2,496,184**	2,395,508
	13,674,170	13,710,900
Information technology expenses		
Software maintenance	**5,821,372**	5,845,426
Hardware maintenance	**1,390,950**	1,290,246
Depreciation	**2,162,138**	2,296,850
Amortisation	**1,385,384**	1,392,077
Network charges	**986,453**	1,071,882
Consultancy charges	**349,676**	334,473
	12,095,973	12,230,954
Other operating expenses		
Legal and professional charges	**1,830,090**	4,231,603
Outsourced services costs	**2,124,465**	1,666,646
Travelling and conveyance	**963,590**	1,069,145
Insurance	**1,155,454**	1,126,989
Remittance charges	**368,280**	377,133
Cash transportation and sorting charges	**1,500,049**	1,645,351
Repairs and maintenance	**1,361,154**	1,363,873
Depreciation	**1,149,635**	620,174
Training and development	**175,625**	157,153
Postage and courier charges	**505,521**	477,025
Communication	**2,042,188**	1,844,189
Stationery and printing	**1,720,150**	1,708,912
Marketing, advertisement and publicity	**5,885,754**	4,704,495
Donations	**518,176**	517,739
Auditors' remuneration	**254,805**	308,750
Brokerage and commission	**1,030,943**	493,433
Subscription	**448,947**	360,838
Documentation and processing charges	**7,994,092**	6,889,430
Entertainment	**422,071**	421,912
Consultancy charges	**959,260**	1,316,760
Deposit insurance premium expense	**2,274,941**	2,093,074
Product feature cost	**4,215,709**	2,865,187
Others	**1,216,184**	1,100,850
	40,117,083	37,360,661
	106,865,992	100,382,246

		Note	(Unaudited) For the six months ended June 30, 2026	June 30, 2025
			------(Rupees in '000)------	
30	**OTHER CHARGES**			
	Penalties imposed by the State Bank of Pakistan		**172,384**	99,922
	Penalties imposed by other regulatory bodies		**7,047**	12,033
			179,431	111,955
31	**CREDIT LOSS ALLOWANCE / (REVERSALS) AND WRITE OFFS - NET**			
	(Reversal) / credit loss allowance against investments	8.3	**(128,507)**	119,615
	Credit loss allowance against loans and advances	9.3	**4,703,663**	9,175,850
	Credit loss allowance against cash and cash equivalents		**(3,444)**	2,326
	Credit loss allowance against lendings to financial institutions		**436**	60
	Charge / (reversal) of credit loss allowance against other assets	13.1.1	**48,078**	(35,083)
	Charge / (reversal) of credit loss allowance against off-balance sheet obligations	20.1	**1,378,710**	(4,299,988)
	Recoveries against written off / charged off bad debts		**(718,181)**	(419,437)
	Other write offs		**45,815**	87,356
			5,326,570	4,630,699
32	**TAXATION**			
	- Current			
	- For the period		**35,215,189**	39,372,786
	- Prior period		**-**	7,954,071
			35,215,189	47,326,857
	- Deferred			
	- For the period		**3,349,088**	259,461
	- Prior period		**-**	(6,687,094)
			3,349,088	(6,427,633)
			38,564,277	40,899,224
33	**BASIC AND DILUTED EARNINGS PER SHARE**			
	Profit for the period attributable to equity holders of the Bank		**34,488,401**	34,386,816
			(Number)	
	Weighted average number of ordinary shares		**1,466,852,508**	1,466,852,508
			(Rupees)	
	Basic and diluted earnings per share		**23.51**	23.44

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

34 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

Level 1 - Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Fair value measurements using inputs, other than quoted prices included within Level 1, that are observable for the assets or liabilities either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 - Fair value measurements using inputs that are not based on observable market data.

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

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

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

34.1.1 Adjusted breakup value method:

The valuations are based on latest available financial statements of the investee company. These are adjusted for factors such as lack of control and marketability using haircuts ranging from 15% to 25%. A 1% change in the haircut actually applied would change the total fair value by Rs. 18.590 million. Any change to the valuation is reflected in other comprehensive income, since all investments for which this method is used are classified as FVOCI.

34.1.2 Reconciliation of Level 3 fair values

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

	(Unaudited) June 30, 2026	(Audited) December 31, 2025
	------(Rupees in '000)------	
Opening balance - as reported	**1,800,268**	-
Impact of adoption of IFRS 9	**-**	1,034,720
Opening balance - as restated	**1,800,268**	1,034,720
Remeasurement recognised in OCI	**58,687**	765,548
	1,858,955	1,800,268

34.2 **Fair value of financial assets**

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

	As at June 30, 2026 (Unaudited)				
On balance sheet financial instruments	Carrying value	Level 1	Level 2	Level 3	Total
	---------- (Rupees in '000) ----------				
Financial assets - measured at fair value					
Investments					
- Federal Government securities	**3,652,841,753**	**-**	**3,652,841,753**	**-**	**3,652,841,753**
- Shares - listed companies	**27,010,376**	**27,010,376**	**-**	**-**	**27,010,376**
- Shares - unlisted companies	**15,497,870**	**-**	**13,638,915**	**1,858,955**	**15,497,870**
- Non-Government debt securities - listed	**9,442,569**	**-**	**9,442,569**	**-**	**9,442,569**
- Foreign securities					
Government debt securities	**163,221,898**	**-**	**163,221,898**	**-**	**163,221,898**
Non-Government debt securities - listed	**16,154,732**	**-**	**16,154,732**	**-**	**16,154,732**
- National Investment Unit Trust units	**105,876**	**-**	**105,876**	**-**	**105,876**
- Real Estate Investment Trust units - listed	**2,387,475**	**2,387,475**	**-**	**-**	**2,387,475**
- Preference Shares - listed	**897,700**	**897,700**	**-**	**-**	**897,700**
	3,887,560,249	**30,295,551**	**3,855,405,743**	**1,858,955**	**3,887,560,249**

	As at June 30, 2026 (Unaudited)				
	Carrying value	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
Financial assets - disclosed but not measured at fair value					
Investments					
- Federal Government securities	556,025,594	-	553,241,195	-	553,241,195
- Non-Government debt securities - listed	605,989	-	598,187	-	598,187
- Foreign securities					
Government debt securities	12,325,860	-	12,349,651	-	12,349,651
	568,957,443	-	566,189,033	-	566,189,033
	4,456,517,692	30,295,551	4,421,594,776	1,858,955	4,453,749,282

	As at June 30, 2026 (Unaudited)				
	Notional value	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
Off-balance sheet financial instruments - measured at fair value					
Commitments					
- Forward foreign exchange contracts	1,343,009,014	-	(754,100)	-	(754,100)
- Forward Government securities transactions	92,354,738	-	(128,068)	-	(128,068)
- Derivative instruments	80,719,210	-	(4,933,604)	-	(4,933,604)

	As at December 31, 2025 (Audited)				
	Carrying value	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
- Federal Government securities	3,313,153,498	-	3,313,153,498	-	3,313,153,498
- Shares - listed companies	24,227,679	24,227,679	-	-	24,227,679
- Shares - unlisted companies	15,646,929	-	13,846,661	1,800,268	15,646,929
- Non-Government debt securities - listed	9,772,300	-	9,772,300	-	9,772,300
- Foreign securities					
Government debt securities	183,093,001	-	183,093,001	-	183,093,001
Non-Government debt securities - listed	12,264,546	-	12,264,546	-	12,264,546
- National Investment Unit Trust units	113,041	-	113,041	-	113,041
- Real Estate Investment Trust units - listed	2,493,589	2,493,589	-	-	2,493,589
- Preference Shares - listed	884,400	884,400	-	-	884,400
	3,561,648,983	27,605,668	3,532,243,047	1,800,268	3,561,648,983
Financial assets - disclosed but not measured at fair value					
Investments					
- Federal Government securities	537,192,644	-	550,875,046	-	550,875,046
- Non-Government debt securities - listed	899,126	-	847,841	-	847,841
- Foreign securities					
Government debt securities	12,087,251	-	12,142,499	-	12,142,499
	550,179,021	-	563,865,386	-	563,865,386
	4,111,828,004	27,605,668	4,096,108,433	1,800,268	4,125,514,369

	As at December 31, 2025 (Audited)				
	Notional value	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
Off-balance sheet financial instruments - measured at fair value					
Commitments					
- Forward foreign exchange contracts	823,918,689	-	(1,381,902)	-	(1,381,902)
- Forward Government securities transactions	60,126,054	-	(327,919)	-	(327,919)
- Derivative instruments	58,229,568	-	(4,569,411)	-	(4,569,411)

34.3 **Fair value of non-financial assets**

	As at June 30, 2026 (Unaudited)				
	Carrying value	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
- Land and building	**88,797,871**	**-**	**88,797,871**	**-**	**88,797,871**
- Non-banking assets acquired in satisfaction of claims	**481,261**	**-**	**481,261**	**-**	**481,261**
	89,279,132	**-**	**89,279,132**	**-**	**89,279,132**

	As at December 31, 2025 (Audited)				
	Carrying value	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
- Land and building	88,689,278	-	88,689,278	-	88,689,278
- Non-banking assets acquired in satisfaction of claims	483,729	-	483,729	-	483,729
	89,173,007	-	89,173,007	-	89,173,007

35 SEGMENT INFORMATION

35.1 Segment details with respect to Business Activities

	For the six months ended June 30, 2026 (Unaudited)										
	Retail Banking	Consumer, SME & Agriculture lending	Corporate, Commercial and Investment Banking	Treasury	Financial Institutions	Branchless banking	International and global remittance	Asset management	Microfinance	Head office / others	Total
Profit and loss account	(Rupees in million)										
Net mark-up / return / profit / interest income	(97,081)	31,193	32,532	153,437	(2,382)	249	11,772	(286)	10,834	25	140,293
Inter segment revenue / (expense) - net	157,556	(17,108)	(10,177)	(138,986)	2,657	1,201	106	-	-	4,751	0
Non mark-up / interest income	3,331	8,443	6,892	13,493	693	1,601	3,936	1,694	475	6,062	46,620
Total income	63,806	22,528	29,247	27,944	969	3,051	15,814	1,408	11,309	10,838	186,913
Segment direct expenses	27,732	16,275	2,935	1,027	203	1,531	12,877	1,427	7,087	37,391	108,486
Inter segment expense allocation	18,211	5,998	5,630	886	390	737	459	-	-	(32,311)	-
Total expenses	45,944	22,273	8,566	1,913	593	2,267	13,336	1,427	7,087	5,080	108,486
Credit loss allowance - (reversal) / charge	(46)	(258)	2,188	-	(739)	-	739	-	3,102	341	5,327
Profit / (loss) before tax	17,908	513	18,493	26,031	1,115	784	1,738	(19)	1,120	5,417	73,101

	As at June 30, 2026 (Unaudited)										
	Retail Banking	Consumer, SME & Agriculture lending	Corporate, Commercial and Investment Banking	Treasury	Financial Institutions	Branchless banking	International and global remittance	Asset management	Microfinance	Head office / others	Total
Statement of financial position	(Rupees in million)										
Cash and bank balances	193,748	(0)	643	267,654	-	-	144,780	105	13,260	2,067	622,257
Lendings to financial institutions	-	-	-	128,486	-	-	-	-	12,606	-	141,092
Inter segment lending	3,381,849	-	-	-	437,112	64,042	4,463	-	-	228,953	4,116,419
Investments	-	-	27,804	4,128,592	4,311	-	239,009	2,013	80,244	48,186	4,530,159
Advances - performing	-	391,016	1,128,904	-	28,639	-	459,224	-	91,909	26,853	2,126,545
Advances - non-performing	-	2,222	4,541	-	-	-	8,032	-	1,170	(37)	15,927
Others	40,808	6,273	106,322	69,475	560	693	73,846	5,259	22,933	286,847	613,016
Total assets	3,616,404	399,511	1,268,212	4,594,207	470,621	64,735	929,354	7,377	222,122	592,870	12,165,414
Borrowings	-	652	87,806	938,128	-	-	94,839	-	27,501	-	1,148,926
Subordinated debt	-	-	-	-	-	-	-	-	1,500	18,874	20,374
Deposits and other accounts	3,571,075	3,424	975,635	-	470,187	62,623	676,311	-	165,324	(4,669)	5,919,910
Inter segment borrowing	-	357,102	138,747	3,620,571	-	-	-	-	-	-	4,116,419
Others	45,329	38,333	66,025	9,899	435	2,112	78,450	7,377	10,310	215,863	474,132
Total liabilities	3,616,404	399,511	1,268,212	4,568,597	470,621	64,735	849,600	7,377	204,635	230,068	11,679,761
Equity	-	-	-	25,610	-	-	79,754	-	17,487	362,803	485,654
Total equity and liabilities	3,616,404	399,511	1,268,212	4,594,207	470,621	64,735	929,354	7,377	222,122	592,870	12,165,414
Contingencies and commitments	-	57,307	661,441	1,237,972	45,217	-	359,329	-	-	32,557	2,393,823

	For the six months ended June 30, 2025 (Unaudited)										
	Retail Banking	Consumer, SME & Agriculture lending	Corporate, Commercial and Investment Banking	Treasury	Financial Institutions	Branchless banking	International and global remittance	Asset management	Microfinance	Head office / others	Total
Profit and loss account	(Rupees in million)										
Net mark-up / return / profit / interest income	(96,060)	27,694	37,762	139,408	8,041	(60)	12,927	(73)	8,931	(927)	137,643
Inter segment revenue / (expense) - net	151,928	(17,167)	(16,744)	(118,047)	(8,887)	1,141	158	-	-	7,618	-
Non mark-up / interest income	3,951	10,220	2,791	16,972	446	220	1,383	2,346	1,242	4,702	44,273
Total Income	59,819	20,747	23,809	38,333	(400)	1,301	14,468	2,273	10,173	11,393	181,916
Segment direct expenses	23,588	13,401	2,289	1,179	131	1,128	13,764	1,346	6,422	38,690	101,938
Inter segment expense allocation	20,976	6,063	6,355	1,059	376	885	516	-	-	(36,230)	-
Total expenses	44,564	19,464	8,644	2,238	507	2,013	14,280	1,346	6,422	2,460	101,938
Credit loss allowance - (reversal) / charge	(40)	341	1,500	-	148	31	38	-	2,736	(123)	4,631
Profit / (loss) before tax	15,295	942	13,665	36,095	(1,055)	(743)	150	927	1,015	9,056	75,347

	As at December 31, 2025 (Audited)										
	Retail Banking	Consumer, SME & Agriculture lending	Corporate, Commercial and Investment Banking	Treasury	Financial Institutions	Branchless banking	International and global remittance	Asset management	Microfinance	Head office / others	Total
Statement of financial position	(Rupees in million)										
Cash and bank balances	202,746	-	647	263,592	-	-	136,571	87	13,437	1,649	618,729
Lendings to financial institutions	-	-	-	234,948	-	-	-	-	12,837	-	247,785
Inter segment lending	3,270,349	-	-	-	232,553	15,262	8,596	-	-	179,070	3,705,830
Investments	-	-	30,811	3,774,721	4,673	-	247,801	2,390	75,847	50,003	4,186,246
Advances - performing	-	374,598	982,171	-	132,861	-	464,824	-	89,223	22,265	2,065,942
Advances - non-performing	-	1,536	5,718	-	-	-	2,468	-	799	314	10,835
Others	22,195	4,400	118,475	65,948	1,274	2,238	51,733	9,159	21,234	281,951	578,607
Total assets	3,495,290	380,534	1,137,822	4,339,209	371,361	17,500	911,993	11,636	213,377	535,252	11,413,974
Borrowings	-	7,247	100,891	972,867	-	-	96,031	4,501	34,483	-	1,216,020
Subordinated debt	-	-	-	-	-	-	-	-	1,500	18,874	20,374
Deposits and other accounts	3,428,496	3,148	904,609	-	371,279	13,096	678,966	-	150,712	(4,306)	5,546,000
Inter segment borrowing	-	338,862	56,593	3,310,375	-	-	-	-	-	-	3,705,830
Others	66,794	31,277	75,729	18,085	82	4,404	54,034	6,438	8,641	171,652	437,136
Total liabilities	3,495,290	380,534	1,137,822	4,301,327	371,361	17,500	829,031	10,939	195,336	186,220	10,925,360
Equity	-	-	-	37,882	-	-	82,962	697	18,041	349,032	488,614
Total equity and liabilities	3,495,290	380,534	1,137,822	4,339,209	371,361	17,500	911,993	11,636	213,377	535,252	11,413,974
Contingencies and commitments	-	10,684	589,077	714,048	41,130	-	299,673	-	-	27,939	1,682,551

36 RELATED PARTY TRANSACTIONS

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

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

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

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

	As at June 30, 2026 (Unaudited)				
	Directors	Key Management Personnel	Group Entities	Associates	Other related parties
	---- (Rupees in '000) ----				
Statement of financial position					
Balances with other banks					
In current accounts	-	-	10,486	-	-
Investments					
Opening balance	-	-	-	54,711,072	15,429,911
Impact of adoption of IFRS 9	-	-	-	-	(161,160)
Exchange adjustment	-	-	-	(421,447)	-
Investment made during the period	-	-	-	5,083,322	-
Investment redeemed / disposed off during the period	-	-	-	(5,540,892)	(119,666)
Share of profit - net of tax	-	-	-	3,421,701	-
Share of other comprehensive income - net of tax	-	-	-	39,737	-
Dividend received during the period	-	-	-	(1,793,382)	-
Revaluation of investments during the period	-	-	-	(281,237)	-
Reversal of provision for diminution in the value of investments	-	-	-	122,004	-
Closing balance	-	-	-	55,340,878	15,149,085
Provision for diminution in the value of investments - held	-	-	-	233,779	-
Advances					
Opening balance	2,182	613,290	3,055,931	1,400,807	9,546,597
Exchange adjustment	-	(39)	(12,190)	(5,120)	-
Addition during the period	13,511	192,352	16,940,362	2,549,545	11,783,888
Repaid during the period	(14,350)	(185,071)	(17,650,075)	(3,945,232)	(11,463,595)
Closing balance	1,343	620,532	2,334,028	-	9,866,890
Other assets					
Interest / mark-up accrued	-	439	8,721	-	328,473
Receivable from defined benefit plan	-	-	-	-	2,783,715
Prepaid insurance	-	-	-	181,178	-
Advance rent	-	1,686	3,944	29,654	-
Other prepayments	-	-	-	-	22,785
	-	2,125	12,665	210,832	3,134,973
Borrowings					
Opening balance	-	-	-	17,367,632	5,440,725
Exchange adjustment	-	-	-	(111,983)	-
Borrowings during the period	-	-	-	32,099,445	-
Settled during the period	-	-	-	(34,890,701)	(706,226)
Closing balance	-	-	-	14,464,393	4,734,499
Deposits and other accounts					
Opening balance	159,739	630,461	58,370,148	82,546,591	8,899,579
Exchange adjustment	(961)	(1,850)	(288,395)	(275)	(21,449)
Received during the period	385,243	3,014,157	140,471,879	1,412,793,982	146,011,613
Withdrawn during the period	(376,657)	(2,891,330)	(139,746,764)	(1,391,512,467)	(145,150,893)
Closing balance	167,364	751,438	58,806,868	103,827,831	9,738,850
Other liabilities					
Interest / mark-up payable	335	710	1,948,576	117,767	202,038
Payable to defined benefit plan	-	-	-	-	913,446
Donation payable	-	-	-	-	518,176
Unearned income	-	-	14,215	-	-
Insurance payable	-	-	-	238,447	-
Other payables	-	-	2,135	-	595,316
	335	710	1,964,926	356,214	2,228,976

	As at June 30, 2026 (Unaudited)				
	Directors	Key Management Personnel	Group Entities	Associates	Other related parties
	(Rupees in '000)				
Contingencies and commitments					
Letters of credit	-	-	1,603,952	-	44,023
Letters of guarantee	-	-	614,763	-	3,630,174
Forwards	87,943	-	-	4,988,865	-
	87,943	-	2,218,715	4,988,865	3,674,197
Others					
Securities held as custodian	88,000	125,007	8,998,750	212,529,915	43,900,235

	For the six months ended June 30, 2026 (Unaudited)				
	Directors	Key Management Personnel	Group Entities	Associates	Other related parties
	(Rupees in '000)				
Profit and loss account					
Income					
Mark-up / return / profit / interest earned	9	10,499	85,377	51,857	596,935
Fee and commission income	744	5,024	174,879	611,283	16,269
Share of profit	-	-	-	3,421,702	-
Dividend income	-	-	-	-	4,188,102
Rent on properties	-	-	-	-	182
Gain on disposal of property and equipment	-	-	-	2,774	-
Expenses					
Mark-up / return / profit / interest expensed	3,937	18,375	1,990,658	2,380,280	418,469
Operating expenses					
Total compensation expense	-	2,316,519	-	-	948,989
Non-Executive Directors' fees	60,350	-	-	-	-
Insurance premium expense	-	-	-	2,378,621	-
Product feature cost	-	-	208,119	-	-
Travelling	-	-	4,444	-	-
Software maintenance	-	-	-	-	72,302
Rent and taxes	-	-	29,593	35,691	5,653
Subscription	-	-	-	-	86,474
Donation	-	-	-	-	518,176
Brokerage and commission	-	-	-	-	211,435
Documentation and processing charges	-	-	-	-	28,382
Other expenses	-	-	714	-	3,695
Reversal of credit loss allowance in the value of investments	-	-	-	(122,004)	-
Others					
Purchase of Government securities	-	275,862	165,557	60,744,224	28,244,587
Sale of Government securities	85,716	314,513	11,164,150	97,801,450	13,529,258
Purchase of foreign currencies	-	1,049	6,825,315	91,139	-
Sale of foreign currencies	1,386	204,006	3,185,982	4,625,370	505,245
Insurance claims settled	-	-	-	374,990	-

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

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

	For the six months ended June 30, 2025 (Unaudited)				
	Directors	Key Management Personnel	Group Entities	Associates	Other related parties
	---------- (Rupees in '000) ----------				
Profit and loss account					
Income					
Mark-up / return / profit / interest earned	2	7,942	158,370	27,810	823,166
Fee and commission income	493	6,604	213,634	721,623	15,257
Share of profit	-	-	-	3,348,494	-
Dividend income	-	-	-	-	1,228,286
Rent on properties	-	-	-	-	165
Gain on disposal of property and equipment	-	-	-	1,333	-
Expense					
Mark-up / return / profit / interest expensed	3,005	14,363	2,232,952	1,763,048	452,146
Operating expenses					
Total compensation expense	-	1,964,778	-	-	1,090,388
Non-Executive Directors' fees	48,725	-	-	-	-
Insurance premium expense	-	-	-	2,153,275	-
Product feature cost	-	-	178,413	-	-
Travelling	-	-	11,856	-	-
Software maintenance	-	-	-	-	60,047
Rent and taxes	-	-	27,231	34,365	1,240
Subscription	-	-	-	-	9,493
Donation	-	-	-	-	517,739
Brokerage and commission	-	-	-	-	191,197
Documentation and processing charges	-	-	-	-	58,308
Other expenses	-	-	540	-	5,240
Provision for dimunition / (reversal) of credit loss allowance in the value of investments	-	-	-	56,673	10,656
Others					
Purchase of Government securities	-	114,950	122,645,321	111,121,713	5,683,426
Sale of Government securities	1,183	170,171	126,774,036	88,848,963	9,603,133
Purchase of foreign currencies	-	5,948	5,433,592	54,711	153,119
Sale of foreign currencies	11,346	189,961	2,782,206	2,232,384	734,831
Insurance claims settled	-	-	-	328,149	-

36.1 Balances and transactions with group entities include deposits of Rs 28.435 million (December 31, 2025: Rs 28.170 million) from the parent and Rs 0.644 thousand (June 30, 2025: Rs 0.673 thousand) as mark-up expense thereon.

		(Unaudited) June 30, 2026	(Audited) December 31, 2025
		-----(Rupees in '000)-----	
37	**CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS**		
	Minimum Capital Requirement (MCR):		
	Paid-up capital (net of losses)	**14,668,525**	14,668,525
	Capital Adequacy Ratio (CAR):		
	Eligible Common Equity Tier 1 (CET 1) Capital	**366,324,780**	354,633,341
	Eligible Additional Tier 1 (ADT 1) Capital	**18,398,964**	18,311,506
	Total Eligible Tier 1 Capital	**384,723,744**	372,944,847
	Eligible Tier 2 Capital	**98,222,309**	114,699,789
	Total Eligible Capital (Tier 1 + Tier 2)	**482,946,053**	487,644,636
	Risk Weighted Assets (RWAs):		
	Credit Risk	**1,980,814,980**	1,855,569,202
	Market Risk	**403,068,350**	376,824,950
	Operational Risk	**429,016,970**	429,016,970
	Total	**2,812,900,300**	2,661,411,122
	CET 1 CAR	**13.02%**	13.33%
	Tier 1 CAR	**13.68%**	14.01%
	Total CAR	**17.17%**	18.32%
	Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)	**9.00%**	8.50%
	of which: capital conservation buffer requirement	**1.50%**	1.50%
	of which: countercyclical buffer requirement	**-**	-
	of which: D-SIB buffer requirement	**1.50%**	1.00%
	CET1 available to meet buffers (as a percentage of risk weighted assets)	**7.02%**	7.33%
	Other information:		
	National minimum capital requirements prescribed by the SBP		
	CET1 minimum ratio (%)	**9.00%**	8.50%
	Tier 1 minimum ratio (%)	**10.50%**	10.00%
	Total capital minimum ratio (%)	**13.00%**	12.50%

	(Unaudited) June 30, 2026	(Audited) December 31, 2025
	-----(Rupees in '000)-----	
Leverage Ratio (LR)		
Eligible Tier-1 Capital	**384,723,744**	372,944,847
Total Exposures	**8,943,930,864**	8,242,000,868
Leverage Ratio (%)	**4.30%**	4.52%
Minimum Requirement (%)	**3.00%**	3.00%
Liquidity Coverage Ratio (LCR)		
Average High Quality Liquid Assets	**2,852,094,555**	2,559,571,409
Average Net Cash Outflow	**1,269,934,133**	1,032,663,501
Liquidity Coverage Ratio (%)	**224.59%**	247.86%
Minimum Requirement (%)	**100.00%**	100.00%
Net Stable Funding Ratio (NSFR)		
Available Stable Funding	**5,327,875,162**	5,049,539,928
Required Stable Funding	**2,850,288,242**	2,774,467,787
Net Stable Funding Ratio (%)	**186.92%**	182.00%
Minimum Requirement (%)	**100.00%**	100.00%

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

37.2 For the purpose of calculating CAR, the SBP has allowed banks to phase in the impact on opening retained earnings of the ECL calculated for financial assets classified as stage 1 and stage 2. The phasing is allowed over a period of five years. Had there been no such relaxation, the Group's total CAR would have been lower by 23 bps and the Leverage Ratio would have been lower by 7 bps.

38 ISLAMIC BANKING BUSINESS

The Bank operates 619 (December 31, 2025: 608) Islamic Banking branches and 509 (December 31, 2025: 506) Islamic Banking windows.

STATEMENT OF FINANCIAL POSITION	Note	(Unaudited) June 30, 2026	(Audited) December 31, 2025
		-----(Rupees in '000)-----	
ASSETS			
Cash and balances with treasury banks		**65,793,002**	63,958,499
Balances with other banks		**1,302,990**	1,866,240
Due from financial institutions	38.1	**85,900,000**	75,800,000
Investments	38.2	**519,342,010**	465,825,478
Islamic financing and related assets - net	38.3	**425,790,359**	303,505,160
Property and equipment		**8,608,532**	7,234,675
Right-of-use assets		**11,041,872**	8,337,257
Intangible assets		**21,282**	28,261
Due from Head Office		**1,418,359**	31,815,763
Deferred tax assets		**-**	-
Other assets		**47,497,093**	42,347,099
		1,166,715,499	1,000,718,432
LIABILITIES			
Bills payable		**75,874**	33,195
Due to financial institutions	38.4	**36,934,596**	23,946,280
Deposits and other accounts	38.5	**982,557,564**	830,738,090
Due to Head Office		**-**	-
Lease liabilities		**15,329,932**	12,073,491
Subordinated debt		**-**	-
Deferred tax liabilities		**472,284**	4,324,322
Other liabilities		**44,333,690**	48,672,815
		1,079,703,940	919,788,193
NET ASSETS		**87,011,559**	80,930,239
REPRESENTED BY			
Islamic Banking Fund		**500,000**	500,000
Reserves		**-**	-
Surplus on revaluation of investments - net of tax		**435,954**	3,991,682
Unappropriated profit	38.6	**86,075,605**	76,438,557
		87,011,559	80,930,239
Contingencies and commitments	38.7		

PROFIT AND LOSS ACCOUNT	Note	(Unaudited) For the six months ended June 30, 2026	June 30, 2025
		-----(Rupees in '000)-----	
Profit / return earned	38.8	**47,089,327**	38,670,097
Profit / return expensed	38.9	**18,670,898**	15,099,955
Net profit / return		**28,418,429**	23,570,142
Other income			
Fee and commission income		**1,520,449**	1,199,972
Dividend income		**-**	-
Foreign exchange income		**652,015**	288,104
Income from derivatives		**-**	-
Gain on securities - net		**468,476**	521,603
Others		**23,906**	-
Total other income		**2,664,846**	2,009,679
Total income		**31,083,275**	25,579,821
Other expenses			
Operating expenses		**9,630,154**	6,295,865
Workers' Welfare Fund		**412,727**	430,984
Other charges		**3,055**	695
Total other expenses		**10,045,936**	6,727,544
Profit before credit loss allowance		**21,037,339**	18,852,277
Credit loss allowance and write offs - net		**400,998**	(2,696,920)
Profit before taxation		**20,636,341**	21,549,197
Taxation		**10,730,897**	11,421,074
Profit after taxation		**9,905,444**	10,128,123

		(Unaudited) June 30, 2026	(Audited) December 31, 2025
38.1	**Due from Financial Institutions**	-----(Rupees in '000)-----	
	Call money lendings	**25,900,000**	22,800,000
	Secured lendings	**60,000,000**	53,000,000
		85,900,000	75,800,000

38.2 **Investments by segments**

	June 30, 2026 (Unaudited)			
	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
	------------------ (Rupees in '000) ------------------			
Debt Instruments				
Fair value through profit and loss (FVTPL)				
Federal Government securities				
- Ijarah Sukuk	**20,352,117**	**-**	**(8,002)**	**20,344,115**
- Other Federal Government securities	**1,125,760**	**-**	**-**	**1,125,760**
Non-Government debt securities				
- Listed	**193,545**	**-**	**-**	**193,545**
- Unlisted	**800,545**	**-**	**455**	**801,000**
	22,471,967	**-**	**(7,547)**	**22,464,420**
Fair value through other comprehensive income (FVOCI)				
Federal Government securities				
- Ijarah Sukuk	**332,468,132**	**-**	**899,925**	**333,368,057**
Non-Government debt securities				
- Listed	**1,249,833**	**(12)**	**8,313**	**1,258,134**
	333,717,965	**(12)**	**908,238**	**334,626,191**
Amortised cost				
Federal Government securities				
- Ijarah Sukuk	**87,434,704**	**-**	**-**	**87,434,704**
- Other Federal Government securities	**65,490,461**	**-**	**-**	**65,490,461**
Non-Government debt securities				
- Unlisted	**9,938,391**	**(612,157)**	**-**	**9,326,234**
	162,863,556	**(612,157)**	**-**	**162,251,399**
Total Investments	**519,053,488**	**(612,169)**	**900,691**	**519,342,010**

	December 31, 2025 (Audited)			
	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
	------------------ (Rupees in '000) ------------------			
Fair value through profit and loss (FVTPL)				
Federal Government securities				
- Ijarah Sukuk	998,031	-	(1,250)	996,781
- Other Federal Government securities	719,629	-	-	719,629
Non-Government debt securities				
- Listed	191,674	-	1,871	193,545
- Unlisted	801,000	-	(455)	800,545
	2,710,334	-	166	2,710,500
Fair value through other comprehensive income (FVOCI)				
Federal Government securities				
- Ijarah Sukuk	332,704,602	-	8,299,343	341,003,945
Non-Government debt securities				
- Listed	1,750,000	(36)	16,661	1,766,625
	334,454,602	(36)	8,316,004	342,770,570
Amortised cost				
Federal Government securities				
- Ijarah Sukuk	57,457,769	-	-	57,457,769
- Other Federal Government securities	52,430,110	-	-	52,430,110
Non-Government debt securities				
- Unlisted	11,068,724	(612,195)	-	10,456,529
	120,956,603	(612,195)	-	120,344,408
Total Investments	458,121,539	(612,231)	8,316,170	465,825,478

	June 30, 2026 (Unaudited)			
	Stage 1	Stage 2	Stage 3	Total
	------------------ (Rupees in '000) ------------------			
38.2.1 Particulars of credit loss allowance				
Non-Government debt securities	**169**	**-**	**612,000**	**612,169**

	December 31, 2025 (Audited)			
	Stage 1	Stage 2	Stage 3	Total
	------------------ (Rupees in '000) ------------------			
Particulars of credit loss allowance				
Non-Government debt securities	231	-	612,000	612,231

38.3 Islamic financing and related assets - net

	(Unaudited) June 30, 2026	(Audited) December 31, 2025
	-----(Rupees in '000)-----	
Diminishing Musharakah	**165,512,209**	106,722,174
Running Musharakah	**66,154,068**	48,617,049
Wakalah	**4,489,009**	7,147,268
Ijarah	**68,142,280**	43,845,969
Murabaha	**75,927,004**	61,547,955
Salam	**1,061,449**	-
Tijarah	**3,389,141**	3,160,409
Istisna	**3,867,875**	3,304,359
Musawamah	**2,731,528**	961,375
Tawarruq	**159,258**	-
Advance for Diminishing Musharakah	**1,946,370**	9,649,454
Advance for Ijarah	**1,098,367**	372,353
Advance for Murabaha	**4,325,198**	1,949,578
Advance for Salam	**490,563**	1,398,949
Advance for Istisna	**21,884,297**	16,710,399
Advance for Musawamah	**2,425,044**	1,501,201
Inventories against Murabaha	**3,756,001**	1,215,851
Inventories against Salam	**4,288,551**	-
Inventories against Tijarah	**6,570,077**	4,363,726
Inventories against Istisna	**2,485,573**	5,549,810
Islamic financing and related assets - gross	**440,703,862**	318,017,879
Credit loss allowance against Islamic financing and related assets		
- Stage 1	**(63,493)**	(296,182)
- Stage 2	**(146,852)**	(441,082)
- Stage 3	**(9,765,651)**	(9,801,704)
General provision	**(4,937,507)**	(3,973,751)
	(14,913,503)	(14,512,719)
Islamic financing and related assets - net of credit loss allowance	**425,790,359**	303,505,160

38.4 Due to financial institutions

Unsecured acceptances of funds	**23,520,000**	7,500,000
Acceptances from the SBP under:		
- Islamic export refinance scheme	**1,961,516**	3,498,491
- Islamic export refinance scheme for bill discounting	**1,404,170**	1,408,591
- Islamic long term financing facility	**4,085,852**	4,552,322
- Islamic financing facility for renewable energy power plants	**378,180**	455,009
- Islamic refinance facility for modernization of Small and Medium Enterprises (SMEs)	**113,599**	147,681
- Islamic refinance facility for combating COVID-19	**87,617**	157,288
- Islamic temporary economic refinance facility	**1,043,662**	1,306,898
Acceptances from Pakistan Mortgage Refinance Company	**4,340,000**	4,920,000
	36,934,596	23,946,280

38.5 Deposits and other accounts

Customers		
Current deposits	**541,560,371**	411,207,347
Savings deposits	**282,839,049**	350,204,662
Term deposits	**54,005,680**	31,888,021
	878,405,100	793,300,030
Financial Institutions		
Current deposits	**102,091**	330,779
Savings deposits	**102,282,373**	35,539,198
Term deposits	**1,768,000**	1,568,083
	104,152,464	37,438,060
	982,557,564	830,738,090

		Note	(Unaudited) June 30, 2026	(Audited) December 31, 2025
			-----(Rupees in '000)-----	
38.6	**Islamic Banking business unappropriated profit**			
	Opening Balance		**76,438,557**	58,083,715
	Impact of adoption of IFRS 9		**(241,020)**	-
	Add: Islamic Banking profit for the period / year		**20,636,341**	39,102,597
	Less: Taxation		**(10,730,897)**	(20,724,376)
	Less: Transferred / Remitted to Head Office		**(27,376)**	(23,379)
	Closing Balance		**86,075,605**	76,438,557
38.7	**Contingencies and commitments**			
	- Financial Guarantees		**240,347**	230,305
	- Performance Guarantees		**8,902,427**	8,923,616
	- Commitments	38.7.1	**118,464,497**	79,405,774
			127,607,271	88,559,695
38.7.1	**Commitments:**			
	Trade-related contingent liabilities		**46,159,887**	26,223,434
	Commitments in respect of forward foreign exchange contracts	38.7.1.1	**72,304,610**	53,182,340
			118,464,497	79,405,774
38.7.1.1	**Commitments in respect of forward foreign exchange contracts**			
	Purchase		**46,273,116**	33,956,795
	Sale		**26,031,494**	19,225,545
			72,304,610	53,182,340

		(Unaudited) For the six months ended June 30, 2026	(Unaudited) For the six months ended June 30, 2025
		-----(Rupees in '000)-----	
38.8	**Profit / return earned**		
	On:		
	Financing	**18,543,047**	14,631,719
	Investments	**24,579,943**	23,318,063
	Amounts due from financial institutions	**3,966,337**	720,315
		47,089,327	38,670,097
38.9	**Profit / return expensed**		
	On:		
	Deposits and other accounts	**14,418,198**	10,989,383
	Amounts due to financial institutions	**2,853,261**	3,141,793
	Foreign currency deposits for Wa'ad based transactions	**370,158**	186,594
	Lease liability against right-of-use assets	**1,029,281**	782,185
		18,670,898	15,099,955

39 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

39.1 The Board of Directors, in its meeting held on August 04, 2026, has declared a cash dividend of Rs 6.00 per share in respect of the quarter ended June 30, 2026 (June 30, 2025: Rs 4.50 per share). These condensed interim consolidated financial statements do not include the effect of this appropriation which will be accounted for subsequent to the period end.

40 DATE OF AUTHORISATION FOR ISSUE

These condensed interim consolidated financial statements were authorised for issue in the Board of Directors meeting held on August 04, 2026.

41 GENERAL

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

Muhammad Nassir Salim President and Chief Executive Officer	Irfan Ahmed Meer Chief Financial Officer	Dr. Najeeb Samie Director	Shaffiq Dharamshi Director	Ms. Saba Kamal Director

CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

DIRECTORS' REPORT

On behalf of the Board of Directors, we are pleased to present the Unconsolidated Financial Statements for the half-year ended June 30, 2026.

Macroeconomic Review

Pakistan's economy transitioned from stability to a growth phase with provisional estimates of 3.7% GDP growth in FY'26, up from 3.2% in FY'25. The growth momentum was driven by the industrial sector, supported by 6.1% rebound in Large-Scale Manufacturing Index which contracted 0.7% in FY'25. Agriculture sector showed resilience and grew by 2.9% despite of monsoon floods in 2025. Meanwhile, the surge in global commodity prices, due to the Middle East conflict, have increased inflation to 11.1% in Jun'26, which was the third consecutive month of double-digit reading; bringing the FY'26 average to 7.1%, which is above the upper band of SBP target range of 5 – 7%.

The current account converted into a deficit of $ 0.1 billion in FY'26, compared to a surplus of $ 1.8 billion in FY'25. Trade deficit rose by 25.4% to $ 33.6 billion as imports, driven by recovering demand and a surge in fuel prices, imports grew by 9.0%, while exports declined by 4.6%, led by a decline in food export. Remittances hit an all-time high of $ 4.3 billion in May'26 on account of Eid-related inflows and were up 8.6% to a record $ 41.6 billion in FY'26, from an already high base of $ 38.3 billion in FY'25. The windfall remittances played a vital role in containing the current account deficit.

The external position improved significantly, with SBP's foreign exchange reserves increasing to $18.1 billion, sufficient to cover 3-months imports. The IMF completed its third review under the Extended Fund Facility (EFF) and second Review under the Resilience and Sustainability Facility, acknowledging strong program performance and releasing $ 1.3 billion tranche. Proceeds from inaugural Panda bond, Eurobond issuance, assistance from Saudi Arabia and multilateral inflow all contributed to building the more robust reserves despite debt repayments. Over the period, the Rupee has appreciated just by 0.1%.

S&P further upgraded Pakistan's sovereign credit rating from B- last year to B with a Stable Outlook. The upgrade brings Pakistan's rating status to an 8-year high and acknowledges that institutional capacity has strengthened over this period. The decision was also supported by progress on fiscal consolidation and strong external buffers.

The FY'27 budget continues the fiscal discipline under IMF program, aiming for growth while reducing expenditures. Fiscal targets for FY'27 include a 4th consecutive primary surplus at 2.0% of GDP and a fiscal deficit at 3.6% of GDP.

The equity market successfully navigated the various periods of volatility sparked by heightened geopolitical tensions. For FY'26, the KSE-100 index posted its third consecutive double-digit gain of 44%. The start of FY'27 has seen a short rally fueled by de-escalation of regional conflict and a pro-growth budget before succumbing to resumption of the tensions in the middle east in mid-July. Since Dec'25, the index has grown 2% to date as ample local liquidity absorbs foreign portfolio outflow of $ 597 million compared to $ 251 million outflows in H1'FY25.

After tightening of 100bps in Apr'26 meeting, the SBP's monetary policy committee took a pause in its Jun'26 meeting and maintained the Policy Rate at 11.5%. The committee acknowledged that the impact of the conflict is now reflected in the recent economic indicators as headline inflation rose to double digits. However, the committee assessed that the current monetary policy stance remains appropriate to guide inflation towards the target range of 5 – 7 percent over the medium term.

Financial Performance

HBL delivered an unconsolidated profit before tax of Rs 70.2 billion for H1'26 compared to Rs 70.6 billion for the same period last year. With a 1% reduction in applicable tax rate, the profit after tax rose to Rs 33.5 billion. The Bank's revenue remained robust, despite the impact of spread compression, underpinned by the strength of its domestic franchise and sustained business momentum. The earnings per share improved from Rs 21.42 in H1'25 to Rs 22.87 in H1'26.

HBL's balance sheet grew by 5% over Dec'25 to Rs 7.6 trillion. Domestic deposits increased to a record high of Rs 5.1 trillion, underscoring the Bank's strong presence in the market. This growth was entirely driven by current account deposits, which surpassed the Rs 2 trillion milestone, resulting in improvement in the domestic CA mix from 37.6% in Dec'25 to 42.5% in Jun'26. Consequently, HBL's total deposits reached Rs 5.6 trillion. The Bank's industry-leading loan book expanded to Rs 1.9 trillion, reflecting continued commitment to supporting economic activity across key sectors. The flagship consumer business continued its growth trajectory with lending increasing to Rs 187 billion.

Despite sustained pressure on spreads, HBL's net interest income rose to Rs 126 billion. The average domestic balance sheet volumes expanded by ~ Rs 640 billion, with current accounts driving majority of the growth. The resulting improvement in funding mix reduced the cost of deposits, as compared to last year, helping to partly offset margin compression. Non-Fund Income continued to demonstrate resilience, increasing by 8% to Rs 41 billion. The growth was primarily driven by higher fees and an impressive performance from the Bank's treasury business. Fees and commissions increased by 26% to Rs 22 billion, supported by sustained momentum in the flagship cards business, alongside solid contributions from Remittances and G2P income. Consequently, HBL's total revenue for H1'26 increased to Rs 167 billion.

Cost efficiency remained a priority for the Bank. The growth in administrative expenses was restricted to 6%. Improved recoveries during the quarter drove down domestic non-performing loans, helping to contain the Bank's infection ratio. The total provision coverage remained well above 100%.

Movement in Reserves

	Rupees in million
Unappropriated profit brought forward	254,264
Impact of change in accounting policy	(1,042)
Unappropriated profit brought forward – restated	253,222
Profit after tax	33,543
Transferred from surplus on revaluation of assets – net of tax	1,582
Realised gain on equity investments designated as FVOCI	217
	35,342
Profit available for appropriation	288,564
Appropriations:	
Transferred to statutory reserves	(3,354)
Cash dividend – Final 2025	(8,801)
Cash Dividend – Q1 2026	(8,801)
Total appropriations	(20,956)
Unappropriated profit carried forward	267,608
Earnings per share (Rupees)	22.87

Capital Ratios

The strong results continued to increase internally generated capital, adding 79 bps to the Tier 1 Capital Adequacy Ratio (CAR). With advances trending upwards, the total risk weighted assets increased by Rs 141 billion. As a result, unconsolidated Tier 1 CAR decreased by 29 bps over Dec'25 to 14.3%. HBL's unconsolidated total CAR of 17.8% remained lower compared to Dec'25, however, increased by 69 bps from Mar'26, as MTM of investment improved. Both ratios remain comfortably above regulatory requirements.

Dividend

The Board of Directors, in its meeting held on August 04, 2026, has declared an interim cash dividend of Rs 6 per share (60%) for the quarter ended June 30, 2026. This is in addition to the interim dividend of Rs 6 per share (60%) declared for the first quarter of 2026.

Future Outlook

Building on the progress achieved in FY'26, Pakistan's economic outlook remains cautiously positive, supported by strengthening growth momentum, improving external buffers, robust remittance inflows, and continued adherence to the IMF-supported reform programme. The economy is expected to maintain its growth trajectory in FY'27 however, the pace of expansion remains contingent upon the regional geopolitical developments, in the Middle East, which could affect commodity prices, trade flows and investor sentiment.

Inflation is likely to remain a key challenge in the near term. The recent increase in global energy and commodity prices has pushed headline inflation above the State Bank of Pakistan's target range, this will continue to exert pressure on domestic prices. Although the current monetary policy stance is expected to help anchor inflation expectations, the outcome will largely depend on international commodity markets and the absence of further external shocks.

Pakistan's external position has strengthened considerably over the past year, supported by a record remittance inflow, IMF disbursements, and successful access to international capital markets. Nevertheless, the country's reliance on imported energy leaves the balance of payments vulnerable to sustained increases in oil prices. Therefore, maintaining external sector stability will require prudent macroeconomic management and continued reserve accumulation.

The government's commitment to fiscal discipline under the IMF programme is expected to support macroeconomic stability. Nevertheless, achieving fiscal targets will require continued revenue mobilization efforts and a focus on broadening the tax base.

The State Bank of Pakistan is likely to maintain a cautious monetary policy stance as it seeks to contain inflationary pressures while supporting the ongoing economic recovery. The policy outlook will largely depend on the trajectory of inflation, global commodity prices and external sector developments, with policymakers continuing to prioritize macroeconomic stability amid an evolving global environment.

As Pakistan's leading financial institution, HBL continues to set the benchmark for innovation, customer excellence and sustainable growth. Recognition by Euromoney as Pakistan's Best Bank and Pakistan's Best Retail Bank reflects the HBL's resilient performance and unwavering focus on creating long-term value for all stakeholders.

The Bank continues to expand its footprint through the sustained growth of both its branch network and digital channels. Ongoing expansion of the branch network, is expected to strengthen the Bank's presence in emerging economic centers. HBL's digital transformation journey continues to gather pace, with mobile banking users increasing to 5.4 million. The rollout of the NextGen App marks a significant milestone in enhancing the customer experience through simplified journeys and greater accessibility across customer segments.

On the international front, HBL continued to strengthen its role in fostering regional trade and economic cooperation. During the year, the Bank was nominated to chair the Shanghai Cooperation Organization Interbank Consortium (SCO IBC) for 2026–2027, reinforcing its standing within one of the world's largest regional economic blocs. HBL also marked the fifth anniversary of its Beijing Branch, underscoring its commitment to deepening economic connectivity and supporting investment flows between Pakistan, China and the wider region.

The successful conclusion of HBL PSL 11 further reinforced the Bank's connection with communities across the country and underscored its longstanding commitment to promoting talent, national pride, and social development. Backed by a strong brand, a culture of innovation and the trust of millions of customers, HBL remains confident in its ability to deliver sustainable growth while contributing meaningfully to Pakistan's economic and social progress.

Appreciation and Acknowledgement

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

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

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

On behalf of the Board

Muhammad Nassir Salim
President & Chief Executive Officer

Moez Ahamed Jamal
Director

August 04, 2026

ڈائریکٹرز رپورٹ

ہمیں بورڈ آف ڈائریکٹرز کی جانب سے 30 جون 2026 کو ختم ہونے والی پہلی ششماہی کے مختصر عبوری غیر مجموعی مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس ہو رہی ہے۔

کلیاتی اقتصادیات کا جائزہ

پاکستان کی معیشت مستحکم انداز سے ترقی کے مرحلے میں داخل ہو گئی، مالی سال 26 میں جی ڈی پی کی نمو کا ابتدائی تخمینہ 3.7% لگایا گیا ہے، جو مالی سال 25 کے 3.2% سے زیادہ ہے۔ صنعتی شعبے نے ترقی کی رفتار میں بنیادی کردار ادا کیا، جس سے بڑے پیمانے کی مینوفیکچرنگ انڈیکس میں 6.1% کی بحالی سے مدد ملی، جبکہ مالی سال 25 میں اس میں 0.7% کمی واقع ہوئی تھی۔ زرعی شعبے نے بھی لچک کا مظاہرہ کیا اور 2025 کے مون سون سیلابوں کے باوجود 2.9% کی نمو حاصل کی۔ اسی دوران مشرق وسطیٰ کے تنازعے کے باعث عالمی اجناس کی قیمتوں میں اضافے نے جون 2026 میں افراط زر بڑھا کر 11.1% تک پہنچا دی، یہ مسلسل تیسرا مہینہ تھا جس میں افراط زر دوہندسوں میں ریکارڈ کی گئی۔ اس کے نتیجے میں مالی سال 26 کے لیے اوسط افراط زر 7.1% رہی، جو اسٹیٹ بینک آف پاکستان (SBP) کے 5% تا 7% کے ہدف کی بالائی سطح سے زیادہ ہے۔

مالی سال 26 میں کرنٹ اکاؤنٹ 0.1 بلین ڈالر کے خسارے میں تبدیل ہو گیا، جبکہ مالی سال 25 میں 1.8 بلین ڈالر کا سرپلس ریکارڈ کیا گیا تھا۔ تجارتی خسارہ 25.4% اضافے کے ساتھ 33.6 بلین ڈالر تک پہنچ گیا، کیونکہ طلب کی بحالی اور ایندھن کی قیمتوں میں اضافے کے باعث درآمدات میں 9.0% اضافہ ہوا، جبکہ غذائی برآمدات میں کمی کے سبب مجموعی برآمدات 4.6% کم ہو گئیں۔ مئی 2026 میں عید سے متعلق رقوم کی آمد کے باعث ریمٹنسز تاریخ کی بلند ترین سطح 4.3 بلین ڈالر تک پہنچ گئیں، جبکہ مالی سال 26 میں یہ 8.6% اضافے کے ساتھ ریکارڈ 41.6 بلین ڈالر رہیں، جو مالی سال 25 کے پہلے سے ہائی بیس 38.3 بلین ڈالر کے مقابلے میں زیادہ ہیں۔ ریمٹنسز میں یہ غیر معمولی اضافہ کرنٹ اکاؤنٹ خسارہ محدود رکھنے میں نہایت اہم ثابت ہوا۔

بیرونی پوزیشن میں نمایاں بہتری آئی، اسٹیٹ بینک آف پاکستان (SBP) کے زرمبادلہ کے ذخائر بڑھ کر 18.1 بلین ڈالر تک پہنچ گئے، جو تین ماہ کی درآمدات پوری کرنے کے لیے کافی ہیں۔ آئی ایم ایف نے ایکسٹینڈڈ فنڈ فیسلٹی (EFF) کے تحت تیسرا جائزہ اور ریزیلینس اینڈ سسٹین ایبلٹی فیسلٹی کے تحت دوسرا جائزہ مکمل کیا، پروگرام کی بہترین کارکردگی کو تسلیم کیا اور 1.3 بلین ڈالر کی قسط جاری کی۔ پہلی مرتبہ جاری کیے گئے پانڈا بانڈ، یوروبانڈ کے اجرا، سعودی عرب کی معاونت اور کثیر الجہتی مالی رقوم کی آمد نے قرضوں کی ادائیگیوں کے باوجود ذخائر کو مزید مضبوط بنانے میں اہم کردار ادا کیا۔ اس عرصے کے دوران روپے کی قدر میں معمولی 0.1% اضافہ ہوا۔

S&P نے گزشتہ سال کی B- ریٹنگ مزید اپ گریڈ کرتے ہوئے پاکستان کی خودمختار کریڈٹ ریٹنگ B کر دی اور مستحکم آؤٹ لک برقرار رکھا۔ یہ اپ گریڈ پاکستان کی کریڈٹ ریٹنگ کو گزشتہ 8 سالوں کی بلند ترین سطح پر لے آیا ہے اور اس بات کا اعتراف ہے کہ اس عرصے کے دوران ادارہ جاتی صلاحیت میں نمایاں بہتری آئی ہے۔ مالیاتی استحکام کے اقدامات میں بہتری اور مضبوط بیرونی بفرز سے بھی اس فیصلے کو تقویت ملی۔

مالی سال 27 کا بجٹ آئی ایم ایف پروگرام کے تحت مالیاتی نظم وضبط برقرار رکھے ہوئے ہے، جس کا مقصد ترقی کے فروغ کے ساتھ اخراجات میں کمی ہے۔ مالی سال 27 کے مالیاتی اہداف میں جی ڈی پی کے 2.0% کا مسلسل چوتھا پرائمری سرپلس اور جی ڈی پی کے 3.6% کا مالیاتی خسارہ شامل ہے۔

ایکویٹی مارکیٹ نے بڑھتی ہوئی جغرافیائی سیاسی کشیدگی کے باعث پیدا ہونے والے اتار چڑھاؤ کے مختلف ادوار کا کامیابی سے سامنا کیا۔ مالی سال 26 کے دوران KSE-100 انڈیکس نے مسلسل تیسرے سال دوہندسوں میں 44% منافع درج کیا۔ مالی سال 27 کے آغاز میں علاقائی تنازعات میں کمی اور ترقی کے لیے سازگار بجٹ کے باعث مارکیٹ میں جزوی تیزی دیکھی گئی، تاہم جولائی کے وسط میں مشرق وسطیٰ میں کشیدگی دوبارہ بڑھنے کے بعد یہ رجحان کمزور پڑ گیا۔ دسمبر 2025 سے اب تک انڈیکس میں 2% اضافہ ہوا ہے، کیونکہ مقامی مارکیٹ میں وافر لیکویڈیٹی نے 597 ملین ڈالر کے غیر ملکی پورٹ فولیو کا آؤٹ فلو جذب کر لیا، جبکہ مالی سال 25 کی پہلی ششماہی میں یہ آؤٹ فلو 251 ملین ڈالر تھا۔

اپریل 2026 کے اجلاس میں 100bps سختی کے بعد، اسٹیٹ بینک آف پاکستان کی مانیٹری پالیسی کمیٹی نے جون 2026 کے اجلاس میں محتاط رہتے ہوئے پالیسی ریٹ 11.5% پر برقرار رکھا۔ کمیٹی نے تسلیم کیا کہ حالیہ اقتصادی اشاریوں میں تنازعے کے اثرات نمایاں ہونا شروع ہو گئے ہیں، کیونکہ عمومی افراط زر دوبارہ دوہندسوں تک پہنچ گئی ہے۔ تاہم، کمیٹی نے یہ بھی اندازہ لگایا کہ موجودہ زری پالیسی کا مؤقف درمیانی مدت میں افراط زر 5% تا 7% کے ہدف کی طرف لانے کے لیے موزوں اور مناسب ہے۔

مالیاتی کارکردگی

HBL نے مالی سال 26 کی پہلی ششماہی میں 70.2 بلین روپے کا غیر مجموعی قبل از ٹیکس منافع حاصل کیا، جبکہ گزشتہ سال کے اسی عرصے میں یہ منافع 70.6 بلین روپے تھا۔ رائج ٹیکس کی شرح میں 1% کمی کے نتیجے میں بعد از ٹیکس منافع بڑھ کر 33.5 بلین روپے ہو گیا۔ اسپریڈز پر دباؤ کے باوجود بینک کی آمدنی مستحکم رہی، جس کی بنیاد اس کے مضبوط مقامی فرنچائز اور مسلسل کاروباری سرگرمیوں کی رفتار تھی۔ فی حصص آمدنی (EPS) مالی سال 25 کی پہلی ششماہی کے 21.42 روپے سے بڑھ کر مالی سال 26 کی پہلی ششماہی میں 22.87 روپے ہو گئی۔

دسمبر 2025 کے مقابلے میں HBL کی بیلنس شیٹ میں 5% اضافہ ہوا اور یہ 7.6 ٹریلین روپے تک پہنچ گئی۔ مقامی ڈپازٹس ریکارڈ 5.1 ٹریلین روپے تک بڑھ گئے، جو مارکیٹ میں بینک کی نمایاں موجودگی کی عکاسی کرتے ہیں۔ یہ اضافہ مکمل طور پر کرنٹ اکاؤنٹس ڈپازٹس کی بدولت ہوا، جو 2 ٹریلین روپے کا سنگِ میل عبور کر گئے، جس کے نتیجے میں مقامی کرنٹ اکاؤنٹ مکس دسمبر 2025 کے 37.6% سے بڑھ کر جون 2026 میں 42.5% ہو گیا۔ نتیجتاً، بینک کے مجموعی ڈپازٹس 5.6 ٹریلین روپے تک پہنچ گئے۔ بینک کی انڈسٹری لیڈنگ لون بک بڑھ کر 1.9 ٹریلین روپے تک پہنچ گئی، جو اہم معاشی شعبوں میں اقتصادی سرگرمیوں کے فروغ کے لیے بینک کے مسلسل عزم کی عکاسی کرتی ہے۔ بینک کے فلیگ شپ کنزیومر بزنس نے اپنی ترقی کی رفتار برقرار رکھی اور اس شعبے میں قرضے بڑھ کر 187 بلین روپے تک پہنچ گئے۔

اسپریڈز پر مسلسل دباؤ کے باوجود HBL کی خالص سودی آمدنی بڑھ کر 126 بلین روپے تک پہنچ گئی۔ اوسط مقامی بیلنس شیٹ کے حجم میں تقریباً 640 بلین روپے کا اضافہ ہوا، جس میں زیادہ تر اضافہ کرنٹ اکاؤنٹس کے سبب رہا۔ فنڈنگ مکس میں اس بہتری کے نتیجے میں گزشتہ سال کے مقابلے میں ڈپازٹس کی لاگت میں کمی آئی، جس نے مارجن میں دباؤ کے اثرات جزوی طور پر کم کرنے میں مدد دی۔ نان فنڈڈ انکم نے بھی لچک کا مظاہرہ جاری رکھا اور 8% اضافے کے ساتھ 41 بلین روپے تک پہنچ گئی۔ اس نمو کی بنیادی وجہ فیسوں میں اضافہ اور بینک کے ٹریژری بزنس کی شاندار کارکردگی تھی۔ فیس اور کمیشن 26% اضافے کے ساتھ 22 بلین روپے تک پہنچ گئے، جسے فلیگ شپ کارڈز بزنس کی مسلسل مضبوط کارکردگی کے ساتھ ساتھ ریمٹنسز اور G2P انکم سے حاصل ہونے والی نمایاں معاونت نے تقویت دی۔ نتیجتاً، مالی سال 26 کی پہلی ششماہی میں HBL کی مجموعی آمدنی بڑھ کر 167 بلین روپے ہو گئی۔

لاگت میں کفایت بینک کی بدستور ترجیح رہی۔ انتظامی اخراجات میں اضافہ 6% تک محدود رکھا گیا۔ سہ ماہی کے دوران وصولیوں میں بہتری کے نتیجے میں مقامی نان پرفارمنگ قرضہ جات میں کمی واقع ہوئی، جس سے بینک کے انفیکشن ریشو قابو میں رکھنے میں مدد ملی۔ مجموعی پرویژن کوریج 100% سے نمایاں طور پر اوپر رہی۔

ذخائر میں اتار چڑھاؤ

	ملین روپے
افتتاحی غیر تخصیص شدہ منافع	254,264
اکاؤنٹنگ پالیسی میں تبدیلی کے اثرات	(1,042)
افتتاحی غیر تخصیص شدہ منافع دوبارہ بحال	253,222
بعد از ٹیکس منافع	33,543
اثاثہ جات کی دوبارہ تشخیص پر سرپلس سے منتقل شدہ – محصول کا خالص	1,582
FVOCI کے طور پر ایکویٹی کی سرمایہ کاری پر موصولہ منافع	217
	35,342
مناسب کارروائی کے لیے دستیاب منافع	288,564
مختلف مدوں میں رکھی گئی رقوم:	
قانونی ذخائر میں منتقل شدہ	(3,354)
نقد منافع منقسمہ – حتمی 2025	(8,801)
نقد منافع منقسمہ – پہلا سہ ماہی 2026	(8,801)
کل تخصیص	(20,956)
اختتامی غیر تخصیص شدہ منافع	267,608
فی حصص (شیئر) آمدنی (روپے)	22.87

سرمائے کا تناسب

مضبوط نتائج نے اندرونی طور پر پیدا ہونے والے سرمائے کو مضبوط بنانا جاری رکھا، جس نے Tier 1 کیپٹل ایڈیکویسی ریشو (CAR) میں 79 bps کا اضافہ کیا۔ ایڈوانسز میں دوبارہ اضافے کے رجحان کے ساتھ کل رسک ویٹڈ ایسٹس 141 بلین روپے بڑھ گئے۔ HBL کا غیر مجموعی Tier 1 CAR دسمبر 2025 کے مقابلے میں 29 bps کم ہو کر 14.3% ہو گیا۔ HBL کا کُل غیر مجموعی CAR دسمبر 2025 کے مقابلے میں کم 17.8% پر رہا۔ تاہم ماہ بہ ماہ سرمایہ کاری میں بہتری سے مارچ 2026 سے 69 bps بڑھ گیا۔ دونوں تناسب بدستور ریگولیٹری تقاضوں سے اوپر آرام دہ سطح پر ہیں۔

منافع منقسمہ

بورڈ آف ڈائریکٹرز نے 4 اگست 2026 کو منعقد ہونے والے اجلاس میں 30 جون 2026 کو اختتام پذیر ہونے والی سہ ماہی کے لیے 6 روپے فی حصص (60%) کے عبوری نقد منافع منقسمہ کا اعلان کیا۔ یہ 2026 کی پہلی سہ ماہی کے لیے اعلان کردہ 6 روپے فی شیئر (60%) کے عبوری منافع منقسمہ کے علاوہ ہے۔

مستقبل کی صورتِ حال

مالی سال 26 میں حاصل کی گئی ترقی کی بنیاد پر پاکستان کا اقتصادی منظر نامہ بدستور محتاط انداز میں مثبت ہے، جسے ترقی کی رفتار میں اضافے، بیرونی بفرز میں بہتری، ریمٹنسز کی آمد میں استحکام اور آئی ایم ایف کے تعاون سے جاری اصلاحاتی پروگرام پر مسلسل عمل درآمد سے سہارا رہا ہے۔ توقع ہے کہ مالی سال 27 میں بھی معیشت اپنی ترقی کی رفتار برقرار رکھے گی، تاہم اس توسیع کی رفتار کا انحصار بڑی حد تک مشرق وسطیٰ میں جاری علاقائی جغرافیائی سیاسی صورتحال پر ہو گا، جو اجناس کی قیمتوں، تجارتی بہاؤ اور سرمایہ کاروں کے جذبات کو متاثر کر سکتی ہے۔

مستقبل قریب میں افراط زر کا ایک اہم چیلنج بنی رہ سکتی ہے۔ عالمی سطح پر توانائی اور دیگر اجناس کی قیمتوں میں حالیہ اضافے نے عمومی افراط زر کو اسٹیٹ بینک آف پاکستان کے ہدف سے اوپر پہنچا دیا ہے، جس کے باعث مقامی قیمتوں پر دباؤ برقرار رہنے کا امکان ہے۔ اگرچہ موجودہ زری پالیسی کا مؤقف افراط زر سے متعلق توقعات مستحکم رکھنے میں معاون ثابت ہو سکتا ہے، تاہم اس کے نتائج کا انحصار بڑی حد تک بین الاقوامی اجناس کی منڈیوں کی صورتحال اور مزید بیرونی جھٹکے نہ ملنے پر ہو گا۔

گزشتہ ایک سال کے دوران پاکستان کی بیرونی پوزیشن میں خاطر خواہ بہتری آئی ہے، جسے ریکارڈ ریمٹنسز، آئی ایم ایف کی اقساط کی فراہمی اور بین الاقوامی کیپٹل مارکیٹ تک رسائی سے تقویت ملی۔ تاہم، درآمدی توانائی پر ملک کا انحصار ادائیگیوں کے توازن کو تیل کی قیمتوں میں مسلسل اضافے کے خطرات سے دوچار رکھتا ہے۔ لہٰذا بیرونی شعبے کا استحکام برقرار رکھنے کے لیے محتاط کلیاتی اقتصادی نظم ونسق اور زرمبادلہ کے ذخائر میں مسلسل اضافہ ناگزیر ہوگا۔

آئی ایم ایف پروگرام کے تحت مالیاتی نظم ونسق برقرار رکھنے کے لیے حکومت کا عزم کلیاتی اقتصادی استحکام کو مزید تقویت دینے کی توقع رکھتا ہے۔ تاہم، مالیاتی اہداف کے حصول کے لیے محصولات میں اضافے کی کوششیں جاری رکھنا اور ٹیکس نیٹ کو مزید وسیع کرنا ضروری ہوگا۔

اسٹیٹ بینک آف پاکستان سے توقع ہے کہ وہ اقتصادی بحالی کے عمل کی معاونت کے ساتھ افراطِ زر کا دباؤ محدود رکھنے کے لیے محتاط زری پالیسی کا مؤقف برقرار رکھے گا۔ آئندہ پالیسی کی سمت کا انحصار بڑی حد تک افراطِ زر کے رجحانات، عالمی اجناس کی قیمتوں اور بیرونی شعبے کی پیش رفت پر ہوگا، جبکہ پالیسی ساز بدلتے ہوئے عالمی ماحول میں کلیاتی اقتصادی استحکام کو بدستور ترجیح دیتے رہیں گے۔

پاکستان کے صفِ اول کے مالیاتی ادارے کی حیثیت سے HBL جدت، بہترین کسٹمر سروس اور پائیدار ترقی کے معیارات قائم کرنے کا سلسلہ جاری رکھے ہوئے ہے۔ یورومنی کی جانب سے پاکستان کا بہترین بینک (Pakistan‘s Best Bank) اور پاکستان کا بہترین ریٹیل بینک (Pakistan‘s Best Retail Bank) قرار دیا جانا HBL کی مستحکم کارکردگی اور تمام اسٹیک ہولڈرز کے لیے طویل المیعاد قدر پیدا کرنے کے غیر متزلزل عزم کا مظہر ہے۔

بینک اپنے برانچ نیٹ ورک اور ڈیجیٹل چینلز دونوں میں مسلسل توسیع کے ذریعے اپنی رسائی میں اضافہ کر رہا ہے۔ برانچ نیٹ ورک کی جاری توسیع سے ابھرتے ہوئے اقتصادی مراکز میں بینک کی موجودگی مزید مضبوط ہونے کی توقع ہے۔ HBL کے ڈیجیٹل ٹرانسفارمیشن کے سفر میں بھی تیزی آ رہی ہے، جہاں موبائل بینکنگ یوزر کی تعداد بڑھ کر 5.4 ملین تک پہنچ گئی ہے۔ NextGen ایپ کا اجرا کسٹمر ایکسپیرینس بہتر بنانے کی جانب ایک اہم سنگِ میل ہے، جو زیادہ سہل اور تمام کسٹمر سیگمنٹ کے لیے بہتر رسائی فراہم کرتا ہے۔

بین الاقوامی سطح پر HBL نے علاقائی تجارت اور اقتصادی تعاون کے فروغ میں اپنا کردار مزید مستحکم کیا۔ سال کے دوران بینک کو شنگھائی کارپوریشن آرگنائزیشن انٹربینک کنسورشیم (SCO IBC) برائے 2026–2027 کی سربراہی کے لیے نامزد کیا گیا، جس سے دنیا کے بڑے علاقائی اقتصادی بلاکس میں سے ایک کے اندر اس کے نمایاں مقام کی مزید توثیق ہوئی۔ HBL نے اپنی بیجنگ برانچ کی پانچویں سالگرہ بھی منائی، جو پاکستان، چین اور وسیع تر خطے کے درمیان اقتصادی روابط مضبوط بنانے اور سرمایہ کاری کے بہاؤ کی معاونت کے لیے اس کے عزم کی عکاسی کرتی ہے۔

HBL PSL11 کے کامیاب انعقاد نے ملک بھر کی کمیونٹیز کے ساتھ بینک کے تعلق کو مزید مضبوط بنایا اور قابلیت کے فروغ، قومی وقار اور سماجی ترقی کے لیے اس کے دیرینہ عزم کو اجاگر کیا۔ مضبوط برانڈ، جدت پر مبنی ثقافت اور لاکھوں کسٹمر کے اعتماد کے ساتھ HBL اپنی پائیدار ترقی کے اہداف کے حصول کے حوالے سے پُراعتماد ہے، جبکہ پاکستان کی اقتصادی اور سماجی ترقی میں بامعنی کردار ادا کرنے کے لیے بھی پُرعزم ہے۔

اظہارِ تشکر

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

ہم اپنے کسٹمرز کے احسان مند ہیں جو نسلوں سے ہمارے ساتھ بینکاری کر رہے ہیں اور اپنے کاروبار اور اعتماد کے حوالے سے ہم پر بھروسا قائم رکھے ہوئے ہیں۔ ہمارے شیئر ہولڈرز نے ثابت قدمی سے ہمارا ساتھ دیا اور ان کے ساتھ ہم تمام اسٹیک ہولڈرز کے بھی انتہائی شکر گزار ہیں۔ بورڈ اور انتظامیہ گورننس کے اعلیٰ ترین معیارات برقرار رکھنے کے لیے پُرعزم ہے اور ہم اپنے اسٹیک ہولڈرز کو یقین دلاتے ہیں کہ اس خطے میں ہم اپنی کاروباری صنعت میں عروج پر ہوں گے۔

آخر میں، مگر صرف یہی نہیں، ہم اپنے تمام ملازمین اور اُن کے اہلِ خانہ، بالخصوص کسٹمر کا سامنا کرنے والے یونٹس اور برانچوں میں موجود عملے کے شکر گزار ہیں، جو اپنی پرواہ کیے بغیر مسلسل اپنے فرائض سے بڑھ کر کام کرتے ہوئے ہمارے کسٹمرز کی بنیادی ضروریات کی تکمیل یقینی بنا رہے ہیں۔ یہ ہمارے ہیرو اور ہیروئن ہیں اور ہم اُن کے عزم اور انتھک محنت کے لیے انھیں خراجِ تحسین پیش کرتے ہیں۔

منجانب بورڈ

محمد ناصر سلیم	**معیز احمد جمال**
صدر اور چیف ایگزیکٹیو افسر	**ڈائریکٹر**

4 اگست 2026ء

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Habib Bank Limited

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of Habib Bank Limited ("the Bank") as at June 30, 2026 and the related condensed interim unconsolidated statement of profit and loss account, the condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity, and condensed interim unconsolidated cash flow statement, and notes to the condensed interim unconsolidated financial statements for the six months 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 six months ended, presented in the second quarter accounts are subject to a limited scope review by the statutory auditors of the Bank. Accordingly, the figures of the condensed interim unconsolidated statement of profit and loss account and condensed interim unconsolidated statement of comprehensive income for the three months ended June 30, 2026 have not been reviewed by us.

The financial statements of the Bank for the year ended December 31, 2025 and six months ended June 30, 2025 were audited and reviewed by another firm of Chartered Accountants who had expressed an unmodified opinion / conclusion on those statements vide their reports dated March 3, 2026 and July 31, 2025 respectively.

The engagement partner on the audit resulting in this independent auditor's report is Shahbaz Akbar.

A. F. Ferguson & Co.
Chartered Accountants
Place: Karachi
Date: Aug 10, 2026
UDIN: RR2026100686cQKnBNSI

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2026

	Note	(Unaudited) June 30, 2026	(Audited) December 31, 2025
		--------(Rupees in '000)--------	
ASSETS			
Cash and balances with treasury banks	5	**543,921,714**	534,020,346
Balances with other banks	6	**35,274,414**	40,891,524
Lendings to financial institutions	7	**128,485,949**	234,948,139
Investments	8	**4,416,768,232**	4,072,488,000
Advances	9	**1,905,030,453**	1,849,212,700
Property and equipment	10	**142,955,444**	134,006,176
Right-of-use assets	11	**27,722,663**	27,253,275
Intangible assets	12	**23,081,129**	22,221,191
Deferred tax assets		**-**	-
Other assets	13	**378,534,673**	352,329,424
		7,601,774,671	7,267,370,775
LIABILITIES			
Bills payable	14	**83,604,857**	58,852,506
Borrowings	15	**1,122,719,254**	1,179,248,080
Deposits and other accounts	16	**5,588,963,434**	5,230,771,466
Lease liabilities	17	**37,892,844**	36,122,376
Subordinated debt	18	**18,874,000**	18,874,000
Deferred tax liabilities	19	**8,675,859**	26,247,774
Other liabilities	20	**297,221,978**	271,250,924
		7,157,952,226	6,821,367,126
NET ASSETS		**443,822,445**	446,003,649
REPRESENTED BY			
Shareholders' equity			
Share capital		**14,668,525**	14,668,525
Reserves		**92,487,500**	90,097,602
Surplus on revaluation of assets - net of tax	21	**69,058,030**	86,973,861
Unappropriated profit		**267,608,390**	254,263,661
		443,822,445	446,003,649
CONTINGENCIES AND COMMITMENTS	22		

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

Muhammad Nassir Salim President and Chief Executive Officer	Irfan Ahmed Meer Chief Financial Officer	Dr. Najeeb Samie Director	Shaffiq Dharamshi Director	Ms. Saba Kamal Director

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2026

	Note	January 01 to June 30, 2026	January 01 to June 30, 2025	April 01 to June 30, 2026	April 01 to June 30, 2025
		(Rupees in '000)			
Mark-up / return / profit / interest earned	24	**348,463,743**	300,577,233	**176,329,475**	155,047,661
Mark-up / return / profit / interest expensed	25	**222,140,845**	175,571,507	**114,768,021**	92,875,614
Net mark-up / return / profit / interest income		**126,322,898**	125,005,726	**61,561,454**	62,172,047
Non mark-up / interest income					
Fee and commission income	26	**22,315,487**	17,682,787	**11,491,873**	8,596,647
Dividend income		**6,617,409**	3,347,145	**2,619,006**	1,776,885
Foreign exchange income		**6,966,869**	4,323,046	**5,049,677**	2,099,657
Income from derivatives		**959,763**	950,516	**838,507**	169,742
Gain on securities - net	27	**3,663,706**	9,327,864	**2,763,486**	5,141,603
Other income	28	**559,556**	2,322,327	**301,678**	2,139,877
Total non mark-up / interest income		**41,082,790**	37,953,685	**23,064,227**	19,924,411
Total income		**167,405,688**	162,959,411	**84,625,681**	82,096,458
Non mark-up / interest expenses					
Operating expenses	29	**93,238,315**	88,173,712	**46,885,910**	43,715,232
Workers' Welfare Fund		**1,405,173**	1,425,453	**747,071**	741,402
Other charges	30	**179,431**	111,955	**165,734**	100,664
Total non mark-up / interest expenses		**94,822,919**	89,711,120	**47,798,715**	44,557,298
Profit before credit loss allowance and taxation		**72,582,769**	73,248,291	**36,826,966**	37,539,160
Credit loss allowance / (reversals) and write offs - net	31	**2,362,747**	2,611,662	**(954,154)**	1,122,908
Profit before taxation		**70,220,022**	70,636,629	**37,781,120**	36,416,252
Taxation	32	**36,676,687**	39,218,088	**19,653,291**	20,113,261
Profit after taxation		**33,543,335**	31,418,541	**18,127,829**	16,302,991
		(Rupees)			
Basic and diluted earnings per share	33	**22.87**	21.42	**12.36**	11.12

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

Muhammad Nassir Salim
President and Chief Executive Officer

Irfan Ahmed Meer
Chief Financial Officer

Dr. Najeeb Samie
Director

Shaffiq Dharamshi
Director

Ms. Saba Kamal
Director

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2026

	January 01 to June 30, 2026	January 01 to June 30, 2025	April 01 to June 30, 2026	April 01 to June 30, 2025
	---------- (Rupees in '000) ----------			
Profit after taxation for the period	**33,543,335**	31,418,541	**18,127,829**	16,302,991
Other comprehensive income / (loss)				
Items that may be reclassified to the profit and loss account in subsequent periods:				
Effect of translation of net investment in foreign branches - net of tax	**(552,438)**	1,129,921	**(363,462)**	950,276
Movement in surplus / deficit on revaluation of debt investments designated at Fair Value through Other Comprehensive Income (FVOCI) - net of tax	**(16,041,162)**	8,352,465	**17,819,637**	14,215,228
Movement in fair value of effective portion of hedging instruments - net of tax	**(411,998)**	-	**102,689**	-
Items that will not to be reclassified to the profit and loss account in subsequent periods:				
Movement in surplus / deficit on revaluation of equity investments designated at FVOCI - net of tax	**33,815**	369,273	**2,194,916**	(53,172)
Movement in surplus on revaluation of non-banking assets - net of tax	**(2,468)**	-	**-**	-
Total comprehensive income	**16,569,084**	41,270,200	**37,881,609**	31,415,323

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

Muhammad Nassir Salim	Irfan Ahmed Meer	Dr. Najeeb Samie	Shaffiq Dharamshi	Ms. Saba Kamal
President and Chief Executive Officer	Chief Financial Officer	Director	Director	Director

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2026

	Share capital	Reserves				Surplus / (deficit) on revaluation of		Unappropriated profit	Total
			Capital						
		Statutory	Exchange Translation	Non - distributable	Cashflow hedge Note 3.3	Investments	Property & Equipment / Non Banking Assets		
	----------------	----------------	----------------	----------------	(Rupees in '000)	----------------	----------------	----------------	----------------
Balance as at December 31, 2024 - as reported	14,668,525	54,492,258	27,597,510	547,115	-	15,363,056	42,125,832	222,991,000	377,785,296
Change in accounting policy as at January 01, 2025	-	-	-	-	-	3,120,285	-	1,945,829	5,066,114
Balance as at January 01, 2025 - as restated	14,668,525	54,492,258	27,597,510	547,115	-	18,483,341	42,125,832	224,936,829	382,851,410
Comprehensive income for the six months ended June 30, 2025									
Profit after taxation for the six months ended June 30, 2025	-	-	-	-	-	-	-	31,418,541	31,418,541
Other comprehensive income									
Effect of translation of net investment in foreign branches - net of tax	-	-	1,129,921	-	-	-	-	-	1,129,921
Movement in surplus / deficit on revaluation of equity investments - net of tax	-	-	-	-	-	369,273	-	-	369,273
Movement in surplus / deficit on revaluation of debt investments - net of tax	-	-	-	-	-	8,352,465	-	-	8,352,465
	-	-	1,129,921	-	-	8,721,738	-	31,418,541	41,270,200
Transferred to statutory reserve	-	3,141,854	-	-	-	-	-	(3,141,854)	-
Net gain transferred on sale of equity investments - net of tax	-	-	-	-	-	(108,610)	-	108,610	-
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	-	(40,108)	40,108	-
Exchange gain realised on closure of the Bank's branch - net of tax	-	-	(931,277)	-	-	-	-	-	(931,277)
Transactions with owners, recorded directly in equity									
Final cash dividend - Rs 4.25 per share declared subsequent to the year ended December 31, 2024	-	-	-	-	-	-	-	(6,234,123)	(6,234,123)
1st interim cash dividend - Rs 4.50 per share	-	-	-	-	-	-	-	(6,600,836)	(6,600,836)
	-	-	-	-	-	-	-	(12,834,959)	(12,834,959)
Balance as at June 30, 2025	14,668,525	57,634,112	27,796,154	547,115	-	27,096,469	42,085,724	240,527,275	410,355,374
Comprehensive income for the six months ended December 31, 2025									
Profit after taxation for the six months ended December 31, 2025	-	-	-	-	-	-	-	31,073,876	31,073,876
Other comprehensive Income									
Effect of translation of net investment in foreign branches - net of tax	-	-	1,012,833	-	-	-	-	-	1,012,833
Movement in surplus / deficit on revaluation of equity investments - net of tax	-	-	-	-	-	3,671,765	-	-	3,671,765
Movement in surplus / deficit on revaluation of debt investments - net of tax	-	-	-	-	-	12,834,703	-	-	12,834,703
Net remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-	906,468	906,468
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	83,729	-	83,729
	-	-	1,012,833	-	-	16,506,468	83,729	31,980,344	49,583,374
Transferred to statutory reserve	-	3,107,388	-	-	-	-	-	(3,107,388)	-
Net loss transferred on sale of equity investments - net of tax	-	-	-	-	-	1,241,590	-	(1,241,590)	-
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	-	(40,119)	40,119	-
Transactions with owners, recorded directly in equity									
2nd interim cash dividend - Rs 4.50 per share	-	-	-	-	-	-	-	(6,600,836)	(6,600,836)
3rd interim cash dividend - Rs 5.00 per share	-	-	-	-	-	-	-	(7,334,263)	(7,334,263)
	-	-	-	-		-	-	(13,935,099)	(13,935,099)
Balance as at December 31, 2025 - as reported	14,668,525	60,741,500	28,808,987	547,115	-	44,844,527	42,129,334	254,263,661	446,003,649
Change in accounting policy as at January 01, 2026 - note 3.2	-	-	-	-	-	(106,706)	-	(1,041,352)	(1,148,058)
Balance as at January 01, 2026 - as restated	14,668,525	60,741,500	28,808,987	547,115	-	44,737,821	42,129,334	253,222,309	444,855,591
Comprehensive income for the six months ended June 30, 2026									
Profit after taxation for the six months ended June 30, 2026	-	-	-	-	-	-	-	33,543,335	33,543,335
Other comprehensive income / (loss)									
Effect of translation of net investment in foreign branches - net of tax	-	-	(552,438)	-	-	-	-	-	(552,438)
Movement in fair value of effective portion of hedging instruments - net of tax	-	-	-	-	(411,998)	-	-	-	(411,998)
Movement in surplus / deficit on revaluation of equity investments - net of tax	-	-	-	-	-	33,815	-	-	33,815
Movement in surplus / deficit on revaluation of debt investments - net of tax	-	-	-	-	-	(16,041,162)	-	-	(16,041,162)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	(2,468)	-	(2,468)
	-	-	(552,438)	-	(411,998)	(16,007,347)	(2,468)	33,543,335	16,569,084
Transferred to statutory reserve	-	3,354,334	-	-	-	-	-	(3,354,334)	-
Net gain transferred on sale of equity investments - net of tax	-	-	-	-	-	(217,196)	-	217,196	-
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	-	(1,582,114)	1,582,114	-
Transactions with owners, recorded directly in equity									
Final cash dividend - Rs 6.00 per share declared subsequent to the year ended December 31, 2025	-	-	-	-	-	-	-	(8,801,115)	(8,801,115)
1st interim cash dividend - Rs 6.00 per share	-	-	-	-	-	-	-	(8,801,115)	(8,801,115)
	-	-	-	-	-	-	-	(17,602,230)	(17,602,230)
Balance as at June 30, 2026	**14,668,525**	**64,095,834**	**28,256,549**	**547,115**	**(411,998)**	**28,513,278**	**40,544,752**	**267,608,390**	**443,822,445**

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

Muhammad Nassir Salim
President and
Chief Executive Officer

Irfan Ahmed Meer
Chief Financial Officer

Dr. Najeeb Samie
Director

Shaffiq Dharamshi
Director

Ms. Saba Kamal
Director

CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2026

	January 01 to June 30, 2026	January 01 to June 30, 2025
	-----------(Rupees in '000)-----------	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	**70,220,022**	70,636,629
Dividend income	**(6,617,409)**	(3,347,145)
Mark-up / return / profit / interest expensed on subordinated debt	**1,195,456**	1,296,266
	64,798,069	68,585,750
Adjustments:		
Depreciation	**5,231,785**	5,431,287
Amortisation	**1,242,550**	1,286,597
Depreciation on right-of-use assets	**1,989,731**	1,937,819
Mark-up / return / profit / interest expensed on lease liability against right-of-use assets	**2,310,157**	1,835,814
Credit loss allowance / (reversal) against investments	**9,333**	(24,386)
Credit loss allowance against loans and advances	**1,625,855**	6,556,777
Charge / (reversal) of credit loss allowance against other assets	**48,078**	(29,605)
Charge / (reversal) of credit loss allowance against off-balance sheet obligations	**1,378,710**	(3,561,429)
Unrealised (gain) / loss on securities designated at fair value through profit and loss (FVTPL)	**(328,386)**	361,422
Gain realised on closure of the Bank's branch	**-**	(1,940,160)
(Gain) / loss on sale of property and equipment - net	**(100,774)**	7,415
Workers' Welfare Fund	**1,405,173**	1,425,453
	14,812,212	13,287,004
	79,610,281	81,872,754
(Increase) / decrease in operating assets		
Lendings to financial institutions	**106,462,190**	(49,190,667)
FVTPL securities	**(33,474,834)**	(218,823,652)
Advances	**(57,443,608)**	482,330,383
Other assets (excluding advance taxation)	**(6,338,111)**	(23,457,289)
	9,205,637	190,858,775
Increase / (decrease) in operating liabilities		
Bills payable	**24,752,351**	(21,492,812)
Borrowings from financial institutions	**(56,528,826)**	693,238,813
Deposits and other accounts	**358,191,968**	819,931,792
Other liabilities	**3,349,377**	23,873,919
	329,764,870	1,515,551,712
	418,580,788	1,788,283,241
Income tax paid	**(55,272,729)**	(47,818,412)
Net cash flows generated from operating activities	**363,308,059**	1,740,464,829
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investment in FVOCI securities	**(319,741,247)**	(1,483,059,421)
Net investment in securities carried at Amortised Cost	**(6,866,318)**	(60,737,248)
Net investment in subsidiaries	**-**	(5,006,435)
Net divestment / (investment) in associates	**4,699**	(9,472)
Dividend received	**5,875,768**	2,650,858
Investments in property and equipment	**(15,919,309)**	(8,219,507)
Investments in intangible assets	**(2,078,437)**	(2,590,246)
Proceeds from sale of property and equipment	**1,934,882**	37,092
Effect of translation of net investment in foreign branches - net of tax	**(552,438)**	1,129,921
Net cash flows used in investing activities	**(337,342,400)**	(1,555,804,458)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of mark-up on subordinated debt	**(1,199,199)**	(1,305,729)
Payment of lease liability against right-of-use assets	**(2,972,591)**	(2,096,406)
Dividend paid	**(17,509,611)**	(12,738,430)
Net cash flows used in financing activities	**(21,681,401)**	(16,140,565)
Increase in cash and cash equivalents during the period	**4,284,258**	168,519,806
Cash and cash equivalents at the beginning of the period	**574,023,433**	466,913,869
Effect of exchange rate changes on cash and cash equivalents	**888,437**	(3,727,617)
	574,911,870	463,186,252
Cash and cash equivalents at the end of the period	**579,196,128**	631,706,058

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

Muhammad Nassir Salim	Irfan Ahmed Meer	Dr. Najeeb Samie	Shaffiq Dharamshi	Ms. Saba Kamal
President and Chief Executive Officer	Chief Financial Officer	Director	Director	Director

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2026

1 STATUS AND NATURE OF BUSINESS

Habib Bank Limited (the Bank) is incorporated in Pakistan and is engaged in commercial banking services in Pakistan and overseas. The Bank's registered office is at Habib Bank Tower, 9th Floor, Jinnah Avenue, Blue Area, Islamabad, Pakistan and its principal office is at HBL Tower, Plot # G-4, KDA Scheme 5, Block 7, Clifton, Karachi, Pakistan. The Bank's shares are listed on the Pakistan Stock Exchange. The Bank operates 1,768 (December 31, 2025: 1,715) branches inside Pakistan including 619 (December 31, 2025: 608) Islamic Banking Branches and 25 (December 31, 2025: 25) branches outside the country including in the Karachi Export Processing Zone (KEPZ). The Aga Khan Fund for Economic Development S.A. (AKFED) is the parent company of the Bank and its registered office is in Geneva, Switzerland.

1.1 The Bank had commenced an orderly winding down of its operations in Afghanistan and banking operations were ceased on June 10, 2019. The remaining formalities required for closure are in progress.

1.2 The deregistration has been completed, and the Bank has sold its operations in Mauritius and transferred the business to its new owners. However, some exit formalities are underway.

1.3 The Bank has commenced an orderly wind-down of its Lebanon operations. Formalities for completion of the wind-down are underway.

1.4 The Bank has closed its operations in Belgium after obtaining necessary approvals from the Regulators and has also surrendered the Banking License. Moreover, commercial license has been cancelled and income tax return was filed however, VAT deregistration is pending.

1.5 The Bank has received regulatory approval for the voluntary liquidation of its operations in Turkey. The Bank is in the process of completing the formalities for branch closure.

2 BASIS OF PRESENTATION

2.1 STATEMENT OF COMPLIANCE

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

- International Accouting Standard (IAS) 34, Interim Financial Reporting 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).

Whenever 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 IAS 34 or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives and notifications shall prevail.

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

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

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

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

As per the BPRD circular letter no. 01 of 2025 dated January 22, 2025, the Banks are allowed to continue the existing accounting methodology for Islamic products, including the requirements of IFAS 1 and IFAS 2 until further instructions. Had IFRS 9 Effective Interest Rate (EIR) methodology been applied, the retained earnings would have been lowered by Rs 1,674.886 million net of tax.The current period's profit after tax would have been higher by Rs 1,840.511 million.

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

There are various amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective. These are not likely to have a material effect on the Bank's condensed interim unconsolidated financial statements, except for the following :

- IFRS 18 'Presentation and Disclosure in Financial Statements' will become applicable from 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.

- General provision, over and above the ECL for Stage 1 and Stage 2 exposures may be maintained up to December 31, 2026 as per the relaxations earlier provided by the SBP in respect of the implementation of IFRS 9.

2.5 Critical accounting estimates and judgements

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

During the period, the Bank has revised its estimate of the useful life of lease hold improvements in domestic branches from 5 years to 10 years. This revision has been accounted for as a change in accounting estimate in accordance with the requirements of IAS 8 and accordingly, has been recognised prospectively in the unconsolidated profit and loss account.

The effect of this change on depreciation expense in the current period and the next corresponding period is as follows:

	January 01 to June 30, 2027	January 01 to June 30, 2026
	---------(Rupees in '000) ---------	
Decrease in other operating expenses - depreciation	820,416	797,244

3 MATERIAL ACCOUNTING POLICY INFORMATION

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

3.1 Transitional Impact

To account for the changes, the Bank has elected to follow the modified retrospective approach for restatement as allowed under IFRS 9. The cumulative impact has been recorded as an adjustment to equity as of January 01, 2026. Accordingly, the information presented as of December 31, 2025 and for the six months and three months ended June 30, 2025 and March 31, 2025 respectively has not been restated.

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

Financial Assets / Liabilities	Carrying amount as of December 31, 2025	EIR	Carrying amount as of January 01, 2026
	---------------- (Rupees in '000) ----------------		
Cash and balances with treasury banks	534,020,346	-	534,020,346
Balances with other banks	40,891,524	-	40,891,524
Lendings to financial institutions	234,948,139	-	234,948,139
Investments	4,072,488,000	(168,204)	4,072,319,796
Advances	1,849,212,700	-	1,849,212,700
Other assets	295,153,682	(2,896,652)	292,257,030
Total Financial Assets	7,026,714,391	(3,064,856)	7,023,649,535
Bills payable	58,852,506	-	58,852,506
Borrowings	1,179,248,080	-	1,179,248,080
Deposits and other accounts	5,230,771,466	-	5,230,771,466
Subordinated debt	18,874,000	-	18,874,000
Lease liabilities	36,122,376	-	36,122,376
Other liabilities	241,443,192	(1,801,200)	239,641,992
Total Financial Liabilities	6,765,311,620	(1,801,200)	6,763,510,420
Net Financial Assets	261,402,771	(1,263,656)	260,139,115
Net Non Financial Assets	158,353,104	-	158,353,104
Deferred tax liabilities	26,247,774	115,598	26,363,372
Total Net Assets	446,003,649	(1,148,058)	444,855,591

3.2 **Reconciliation of retained earnings**

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

	(Rupees in '000)
Retained earnings	
Closing balance as at December 31, 2025 - as reported	254,263,661
Impact of EIR	(2,169,484)
Less: related tax	1,128,132
Opening balance as at January 01, 2026 - as restated	253,222,309
Surplus on revaluation of investments	
Closing balance as at December 31, 2025 - as reported	44,844,527
Impact of EIR	(222,304)
Less: related tax	115,598
Opening balance as at January 01, 2026 - as restated	44,737,821

3.3 **Cash flow hedge**

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

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

4 FINANCIAL RISK MANAGEMENT

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

5 CASH AND BALANCES WITH TREASURY BANKS

	Note	(Unaudited) June 30, 2026	(Audited) December 31, 2025
		------(Rupees in '000)------	
In hand			
Local currency		**76,073,565**	72,817,510
Foreign currencies		**8,411,343**	7,134,327
		84,484,908	79,951,837
With State Bank of Pakistan in			
Local currency current accounts		**255,006,323**	263,002,310
Foreign currency current accounts		**12,782,712**	10,833,509
Foreign currency deposit accounts		**25,552,529**	22,064,778
		293,341,564	295,900,597
With other Central Banks in			
Foreign currency current accounts		**31,632,978**	31,880,021
Foreign currency deposit accounts		**52,150,260**	35,078,706
		83,783,238	66,958,727
With National Bank of Pakistan in local currency current accounts		**82,135,277**	90,990,380
National Prize Bonds		**185,353**	223,246
Less: credit loss allowance	5.1	**(8,626)**	(4,441)
Cash and balances with Treasury banks - net of credit loss allowance		**543,921,714**	534,020,346

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

6 BALANCES WITH OTHER BANKS

	Note	(Unaudited) June 30, 2026	(Audited) December 31, 2025
In Pakistan			
In current accounts		**137,110**	551,845
Outside Pakistan			
In current accounts		**24,421,027**	25,985,594
In deposit accounts		**10,737,014**	14,371,357
		35,158,041	40,356,951
Less: credit loss allowance	6.1	**(20,737)**	(17,272)
Balances with other banks - net of credit loss allowance		**35,274,414**	40,891,524

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

7 LENDINGS TO FINANCIAL INSTITUTIONS

	Note	(Unaudited) June 30, 2026	(Audited) December 31, 2025
Call money lendings		**26,000,000**	22,800,000
Repurchase agreement lendings (reverse repo)		**102,487,670**	212,149,424
		128,487,670	234,949,424
Less: credit loss allowance	7.1	**(1,721)**	(1,285)
Lendings to financial institutions - net of credit loss allowance		**128,485,949**	234,948,139

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

8 INVESTMENTS

8.1 Investments by type

	Note	June 30, 2026 (Unaudited)				December 31, 2025 (Audited)			
		Cost / amortised cost	Credit loss allowance / provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
		(Rupees in '000)							
Fair value through profit or loss (FVTPL)									
Federal Government securities									
- Market Treasury Bills		96,303,372	-	(71,105)	96,232,267	79,700,928	-	59,753	79,760,681
- Pakistan Investment Bonds		61,141,059	-	432,493	61,573,552	73,365,505	-	776,169	74,141,674
- Ijarah Sukuk		24,906,148	-	(7,933)	24,898,215	998,031	-	(1,250)	996,781
-Government of Pakistan US Dollar Bonds		5,449,767	-	72,527	5,522,294	3,673,975	-	13,095	3,687,070
- Other Federal Government securities		1,125,760	-	-	1,125,760	719,629	-	-	719,629
Shares									
- Listed companies		2,506,515	-	36,865	2,543,380	-	-	-	-
- Unlisted companies		7,632,130	-	-	7,632,130	8,639,530	-	(1,007,400)	7,632,130
Non-Government debt securities									
- Listed		2,672,598	-	87,501	2,760,099	2,691,019	-	(18,421)	2,672,598
- Unlisted		800,545	-	455	801,000	801,000	-	(455)	800,545
Foreign securities									
- Government debt securities		8,153,477	-	(129,603)	8,023,874	7,049,971	-	(244,542)	6,805,429
Preference shares									
- Listed		884,400	-	13,300	897,700	835,400	-	49,000	884,400
- Unlisted		14,465	-	-	14,465	14,465	-	-	14,465
Real Estate Investment Trust units - Listed		2,301,339	-	(106,114)	2,195,225	3,369,107	-	(1,067,768)	2,301,339
		213,891,575	-	328,386	214,219,961	181,858,560	-	(1,441,819)	180,416,741
Fair value through other comprehensive income (FVOCI)									
Federal Government securities									
- Market Treasury Bills		525,290,486	-	(3,380,460)	521,910,026	199,222,100	-	532,830	199,754,930
- Pakistan Investment Bonds		2,502,079,069	-	40,118,507	2,542,197,576	2,457,496,854	-	61,171,974	2,518,668,828
- Ijarah Sukuk		332,468,132	-	899,925	333,368,057	344,928,733	-	8,639,930	353,568,663
- Government of Pakistan US Dollar Bonds		-	-	-	-	6,727,811	(415,376)	415,938	6,728,373
Shares									
- Listed companies		12,106,360	-	12,360,636	24,466,996	11,641,136	-	12,586,543	24,227,679
- Unlisted companies		922,684	-	6,942,791	7,865,475	922,686	-	7,091,848	8,014,534
Non-Government debt securities									
- Listed		6,837,351	(1,917,993)	1,762,854	6,682,212	7,379,580	(1,649,809)	1,369,931	7,099,702
- Unlisted		350,722	(350,722)	-	-	357,512	(357,512)	-	-
Foreign securities									
- Government debt securities		129,062,112	(845,556)	377,144	128,593,700	146,889,059	(717,797)	1,043,042	147,214,304
- Non-Government debt securities Listed		16,134,084	(3,475)	24,227	16,154,836	11,997,359	(2,652)	269,944	12,264,651
- Equity securities - Unlisted		6,382	-	65,027	71,409	6,469	-	64,940	71,409
National Investment Unit Trust units		11,113	-	94,762	105,875	11,113	-	101,928	113,041
Real Estate Investment Trust units - Listed		55,000	-	137,250	192,250	55,000	-	137,250	192,250
		3,525,323,495	(3,117,746)	59,402,663	3,581,608,412	3,187,635,412	(3,143,146)	93,426,098	3,277,918,364
Amortised cost	8.2								
Federal Government securities									
- Market Treasury Bills		-	-	-	-	57,841,350	-	-	57,841,350
- Pakistan Investment Bonds		389,771,410	-	-	389,771,410	366,233,577	-	-	366,233,577
- Ijarah Sukuk		87,434,704	-	-	87,434,704	57,457,769	-	-	57,457,769
- Other Federal Government securities		65,490,461	-	-	65,490,461	52,430,110	-	-	52,430,110
Non-Government debt securities									
- Listed		606,031	(42)	-	605,989	899,190	(64)	-	899,126
- Unlisted		16,900,159	(612,266)	-	16,287,893	18,713,060	(612,276)	-	18,100,784
Foreign Securities									
- Government debt securities		12,325,860	-	-	12,325,860	12,087,251	-	-	12,087,251
		572,528,625	(612,308)	-	571,916,317	565,662,307	(612,340)	-	565,049,967
Investments in associates	8.2	7,127,434	(15,836)	-	7,111,598	7,132,133	-	-	7,132,133
Investment in subsidiary companies		41,911,944	-	-	41,911,944	41,970,795	-	-	41,970,795
Total Investments		4,360,783,073	(3,745,890)	59,731,049	4,416,768,232	3,984,259,207	(3,755,486)	91,984,279	4,072,488,000

	(Unaudited) June 30, 2026	(Audited) December 31, 2025
8.1.1 Investments given as collateral	---------(Rupees in '000)	---------

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

Federal Government securities		
- Market Treasury Bills	**47,256,462**	14,722,264
- Pakistan Investment Bonds	**829,784,054**	897,462,824
Foreign securities		
- Government debt securities	**-**	2,757,024
	877,040,516	914,942,112

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

	(Unaudited) June 30, 2026		(Audited) December 31, 2025	
	Book value	Market value	Book value	Market value
	---------(Rupees in '000)			---------
- Investments classified as amortised cost	**571,916,317**	**569,434,945**	565,049,967	578,693,684
- Investment in listed associates	**6,855,367**	**17,669,648**	6,875,902	17,792,580
	578,771,684	**587,104,593**	571,925,869	596,486,264

	(Unaudited) June 30, 2026	(Audited) December 31, 2025
8.3 Particulars of provision / credit loss allowance against investments	---------(Rupees in '000)	---------
Opening balance	**3,755,486**	5,611,818
Exchange adjustment	**(18,929)**	33,077
Charge / (reversal)		
Charge for the period / year	**154,504**	29,251
Reversal for the period / year	**(138,381)**	(1,081,058)
Reversal on disposal during the period / year	**(6,790)**	(837,602)
Net charge / (reversal)	**9,333**	(1,889,409)
Closing balance	**3,745,890**	3,755,486

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

	(Unaudited) June 30, 2026		(Audited) December 31, 2025	
Category of classification	Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
	---------(Rupees in '000)			---------
Domestic				
Performing	**4,109,361,866**	**320**	3,763,998,146	377
Underperforming	**-**	**-**	225,000	1
Non-performing				
Loss	**962,722**	**962,722**	969,512	969,512
	4,110,324,588	**963,042**	3,765,192,658	969,890
Overseas				
Performing	**175,180,241**	**292,777**	178,007,193	55,034
Underperforming	**39,985,010**	**2,474,235**	40,489,460	2,730,562
Non-performing	**-**	**-**	-	-
	215,165,251	**2,767,012**	218,496,653	2,785,596
Total	**4,325,489,839**	**3,730,054**	3,983,689,311	3,755,486

9 ADVANCES	Note	Performing		Non - performing		Total	
		(Unaudited) June 30, 2026	(Audited) December 31, 2025	(Unaudited) June 30, 2026	(Audited) December 31, 2025	(Unaudited) June 30, 2026	(Audited) December 31, 2025
		(Rupees in '000)					
Loans, cash credits, running finances, etc.		**1,332,737,605**	1,398,639,758	**72,620,270**	73,854,046	**1,405,357,875**	1,472,493,804
Islamic financing and related assets	38.3	**429,984,103**	307,460,494	**10,719,759**	10,557,385	**440,703,862**	318,017,879
Bills discounted and purchased		**164,597,720**	166,900,123	**3,571,339**	4,797,757	**168,169,059**	171,697,880
Advances - gross		**1,927,319,428**	1,873,000,375	**86,911,368**	89,209,188	**2,014,230,796**	1,962,209,563
Credit loss allowance	9.3						
- Stage 1		**(9,029,922)**	(8,973,274)	**-**	-	**(9,029,922)**	(8,973,274)
- Stage 2		**(7,078,978)**	(7,160,181)	**-**	-	**(7,078,978)**	(7,160,181)
- Stage 3		**-**	-	**(78,358,387)**	(79,779,906)	**(78,358,387)**	(79,779,906)
General provision	9.4	**(14,733,056)**	(17,083,502)	**-**	-	**(14,733,056)**	(17,083,502)
		(30,841,956)	(33,216,957)	**(78,358,387)**	(79,779,906)	**(109,200,343)**	(112,996,863)
Advances - net of provision / credit loss allowance		**1,896,477,472**	1,839,783,418	**8,552,981**	9,429,282	**1,905,030,453**	1,849,212,700

9.1 Particulars of advances (gross)	(Unaudited) June 30, 2026	(Audited) December 31, 2025
	(Rupees in '000)	
In local currency	**1,559,567,369**	1,500,846,932
In foreign currencies	**454,663,427**	461,362,631
	2,014,230,796	1,962,209,563

9.2 Advances include Rs 86,911.368 million (December 31, 2025: Rs 89,209.188 million) which have been placed under non-performing (Stage 3) status as detailed below:

Category of Classification	(Unaudited) June 30, 2026		(Audited) December 31, 2025	
	Non - performing advances	Credit loss allowance	Non - performing advances	Credit loss allowance
	(Rupees in '000)			
Domestic				
Substandard	**11,852,337**	**7,001,512**	15,339,440	9,349,680
Doubtful	**2,976,121**	**2,198,168**	2,631,072	1,524,622
Loss	**57,429,171**	**56,332,261**	56,452,035	55,979,766
	72,257,629	**65,531,941**	74,422,547	66,854,068
Overseas				
Substandard	**294,312**	**132,386**	-	-
Doubtful	**1,080,211**	**634,587**	1,141,641	639,106
Loss	**13,279,216**	**12,059,473**	13,645,000	12,286,732
	14,653,739	**12,826,446**	14,786,641	12,925,838
	86,911,368	**78,358,387**	89,209,188	79,779,906

9.3 Particulars of provisions / credit loss allowance against advances

	(Unaudited) June 30, 2026					
	Stage 1	Stage 2	Stage 3	Specific	General	Total
	(Rupees in '000)					
Opening balance	**8,973,274**	**7,160,181**	**79,779,906**	**-**	**17,083,502**	**112,996,863**
Transfer to stage 1	**17,889**	**(17,889)**	**-**	**-**	**-**	**-**
Transfer to stage 2	**(470,113)**	**502,037**	**(31,924)**	**-**	**-**	**-**
Transfer to stage 3	**-**	**(512,297)**	**512,297**	**-**	**-**	**-**
Exchange adjustment	**(101,113)**	**(10,738)**	**(27,392)**	**-**	**-**	**(139,243)**
Charge for the period	**1,130,763**	**121,803**	**8,084,880**	**-**	**-**	**9,337,446**
Reversal for the period	**(520,471)**	**(164,119)**	**(4,676,555)**	**-**	**(2,350,446)**	**(7,711,591)**
Net charge / (reversal) against advances	**610,292**	**(42,316)**	**3,408,325**	**-**	**(2,350,446)**	**1,625,855**
Charged off during the period - agriculture financing	**-**	**-**	**(188,478)**	**-**	**-**	**(188,478)**
Charged off during the period - corporate, commercial and SME advances	**-**	**-**	**(4,741,686)**	**-**	**-**	**(4,741,686)**
Written off during the period	**-**	**-**	**(352,661)**	**-**	**-**	**(352,661)**
Transferred out	**(307)**	**-**	**-**	**-**	**-**	**(307)**
Closing balance	**9,029,922**	**7,078,978**	**78,358,387**	**-**	**14,733,056**	**109,200,343**

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

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

9.5 Advances - Category of classification

	(Unaudited) June 30, 2026		(Audited) December 31, 2025	
	Outstanding amount	Provision / credit loss allowance	Outstanding amount	Provision / credit loss allowance
	(Rupees in '000)			
Domestic				
Performing	**1,266,873,447**	**18,288,483**	1,292,001,748	20,913,211
Underperforming	**332,388,994**	**5,018,606**	246,611,646	5,274,592
Non-performing	**72,257,629**	**65,531,941**	74,422,547	66,854,069
	1,671,520,070	**88,839,030**	1,613,035,941	93,041,872
Overseas				
Performing	**260,869,831**	**5,474,495**	275,553,370	5,143,565
Underperforming	**67,187,156**	**2,060,372**	58,833,611	1,885,589
Non-performing	**14,653,739**	**12,826,446**	14,786,641	12,925,837
	342,710,726	**20,361,313**	349,173,622	19,954,991
Total	**2,014,230,796**	**109,200,343**	1,962,209,563	112,996,863

	Note	(Unaudited) June 30, 2026	(Audited) December 31, 2025
10 PROPERTY AND EQUIPMENT		------(Rupees in '000)------	
Capital work-in-progress	10.1	**24,237,059**	17,206,223
Property and equipment		**118,718,385**	116,799,953
		142,955,444	134,006,176

10.1 Capital work-in-progress

Civil works	**5,185,133**	3,719,771
Equipment	**1,162,656**	1,533,027
Advances to suppliers and contractors	**17,889,270**	11,953,425
	24,237,059	17,206,223

10.2 Additions to property and equipment

	(Unaudited) For the six months ended June 30, 2026	June 30, 2025
	------(Rupees in '000)------	
The following additions have been made to property and equipment during the period:		
Capital work-in-progress - net	**7,030,836**	3,667,162
Property and equipment		
Leasehold land	**1,077,369**	1,248
Building on leasehold land	**660,807**	395,887
Machinery	**19,083**	14,143
Leasehold improvements	**959,255**	674,872
Furniture and fixtures	**698,102**	362,647
Electrical, office and computer equipment	**4,313,713**	1,898,163
Vehicles	**1,160,144**	1,205,385
	8,888,473	4,552,345
	15,919,309	8,219,507

10.3 Disposal of property and equipment

The net book value of property and equipment disposed off during the period is as follows:

Property and equipment		
Leasehold land	**1,497,503**	-
Building on leasehold land	**217,115**	-
Leasehold Improvements	**-**	375
Furniture and fixtures	**2,103**	739
Electrical, office and computer equipment	**1,593**	7,019
Vehicles	**115,794**	36,374
	1,834,108	44,507

11 RIGHT-OF-USE ASSETS

	(Unaudited) June 30, 2026	(Audited) December 31, 2025
	-------(Rupees in '000)-------	
Buildings		
At January 1,		
Cost	**43,511,828**	37,033,836
Accumulated depreciation	**(16,258,553)**	(13,630,899)
Net carrying amount at January 1,	**27,253,275**	23,402,937
Exchange adjustment	**9,353**	75,928
Additions during the period / year	**2,449,766**	9,134,364
Deletions during the period / year	-	(1,533,147)
Depreciation charge for the period / year	**(1,989,731)**	(3,826,807)
Net carrying amount at the end of the period / year	**27,722,663**	27,253,275

		Note	(Unaudited) June 30, 2026	(Audited) December 31, 2025
			------(Rupees in '000)------	
12	**INTANGIBLE ASSETS**			
	Capital work-in-progress - computer software		**18,732,850**	16,827,931
	Computer software		**4,348,279**	5,393,260
			23,081,129	22,221,191

		(Unaudited) For the six months ended June 30, 2026	June 30, 2025
12.1	**Additions to intangibles assets**	------(Rupees in '000)------	
	The following additions have been made to intangible assets during the period:		
	Capital work-in-progress - net	**1,904,919**	2,228,211
	Computer software	**173,518**	362,035
		2,078,437	2,590,246

		Note	(Unaudited) June 30, 2026	(Audited) December 31, 2025
			------(Rupees in '000)------	
13	**OTHER ASSETS**			
	Mark-up / return / profit / interest accrued in local currency - net of provision		**142,579,379**	148,049,240
	Mark-up / return / profit / interest accrued in foreign currency - net of provision		**7,925,456**	8,280,392
	Advances, deposits, advance rent and other prepayments		**5,745,266**	6,481,310
	Advance taxation		**72,850,179**	50,008,768
	Advance against subscription of securities		**808,047**	228,514
	Stationery and stamps on hand		**198,681**	201,935
	Accrued fees and commissions		**430,560**	730,711
	Due from Government of Pakistan / SBP		**16,318,690**	14,833,131
	Mark to market gain on forward foreign exchange contracts		**4,513,771**	3,472,620
	Mark to market gain on derivative instruments		**376,330**	253,662
	Non-banking assets acquired in satisfaction of claims		**188,976**	188,976
	Receivable from defined benefit plan		**2,783,715**	2,783,715
	Acceptances		**53,061,745**	60,193,132
	Branch adjustment account		**565,652**	-
	Clearing and settlement accounts		**25,284,518**	15,003,702
	Dividend receivable		**747,730**	6,089
	Claims receivable against fraud and forgeries		**977,823**	1,011,663
	Deferred fair value loss	13.2	**3,727,049**	3,727,049
	Prepaid deferred expense	13.3	**39,442,463**	37,923,385
	Others		**5,735,612**	4,631,757
			384,261,642	358,009,751
	Provision / credit loss allowance held against other assets	13.1	**(6,019,254)**	(5,975,080)
	Other assets - net of credit loss allowance		**378,242,388**	352,034,671
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	21	**292,285**	294,753
	Other assets - total		**378,534,673**	352,329,424

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

13.1 Provision / credit loss allowance held against other assets

Claims receivable against fraud and forgeries	977,823	1,011,663
Suit filed cases	10,129	4,979
Others	5,031,302	4,958,438
	6,019,254	5,975,080

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

Opening balance	5,975,080	4,889,886
Exchange adjustment	(1,526)	772
Charge for the period / year	177,215	1,537,914
Reversal for the period / year	(129,137)	(386,375)
Net charge	48,078	1,151,539
Written off during the period / year	(2,378)	(101,788)
Other movement	-	34,671
Closing balance	6,019,254	5,975,080

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

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

14 BILLS PAYABLE

	Note	(Unaudited) June 30, 2026	(Audited) December 31, 2025
		-----(Rupees in '000)-----	
In Pakistan		81,944,924	57,880,170
Outside Pakistan		1,659,933	972,336
		83,604,857	58,852,506

15 BORROWINGS

	Note	(Unaudited) June 30, 2026	(Audited) December 31, 2025
Secured			
Borrowings from the SBP under			
- Export refinance scheme		14,600,949	26,577,935
- Export refinance scheme for bill discounting		22,129,539	22,920,448
- Long term financing facility		20,998,953	23,858,769
- Financing facility for renewable energy power plants		5,611,826	6,142,227
- Refinance facility for modernization of Small and Medium Enterprises (SMEs)		880,461	1,117,806
- Refinance and credit guarantee scheme for women entrepreneurs		48,120	57,106
- Financing facility for storage of agricultural produce		1,014,938	1,134,407
- Refinance facility for combating COVID-19		103,525	315,574
- Temporary economic refinance facility		16,357,209	18,032,655
- Refinance facility for SME Asaan Finance (SAAF)		6,712,761	7,977,197
		88,458,281	108,134,124
Repurchase agreement borrowings		903,168,847	906,645,583
		991,627,128	1,014,779,707
Unsecured			
- Call money borrowings		28,342,448	63,274,598
- Overdrawn nostro accounts		2,283,100	674,261
- Borrowings of overseas branches		35,827,307	32,527,837
- Other long-term borrowings	15.1	64,639,271	67,991,677
		131,092,126	164,468,373
		1,122,719,254	1,179,248,080

15.1 This includes the following:

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

15.1.2 A mortgage refinancing facility on Musharakah basis from Pakistan Mortgage Refinance Company Limited (PMRC) for on-lending to customers amounting to Rs 500.000 million (December 31, 2025: Rs 1,000.000 million). The principal amount is payable in equal semi-annual installments from April 2025 to October 2026. Profit at a rate of 16.61% per annum (December 31, 2025: 16.61% per annum) is payable semi-annually.

15.1.3 A mortgage refinancing facility on Musharakah basis from PMRC amounting to Rs 3,840.000 million (December 31, 2025: Rs 3,920.000 million) for on-lending to customers. The principal amount is payable in semi-annual installments from December 2025 to June 2028. Profit at a rate of 1-year KIBOR minus 2.25% with a floor of 9.00% per annum is payable.

15.1.4 A long-term financing facility of US$ 75.000 million (December 31, 2025: US$ 75.000 million) was arranged from British International Investment plc to support farmers and Agri businesses in Pakistan. The principal amount of the facility is payable in semi-annual installments till July 2030. Interest rate on the facility is SOFR plus a fixed spread payable semi-annually.

16 DEPOSITS AND OTHER ACCOUNTS

	June 30, 2026 (Unaudited)			December 31, 2025 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	(Rupees in '000)					
Customers						
Current deposits	**2,019,312,374**	**255,920,240**	**2,275,232,614**	1,620,846,899	251,346,789	1,872,193,688
Savings deposits	**1,809,447,849**	**115,192,231**	**1,924,640,080**	1,903,376,115	115,766,607	2,019,142,722
Term deposits	**508,661,900**	**391,448,570**	**900,110,470**	606,645,300	356,342,706	962,988,006
	4,337,422,123	**762,561,041**	**5,099,983,164**	4,130,868,314	723,456,102	4,854,324,416
Financial institutions						
Current deposits	**20,216,861**	**11,857,891**	**32,074,752**	16,204,266	3,468,847	19,673,113
Savings deposits	**442,079,641**	**515,768**	**442,595,409**	338,703,531	3,229,562	341,933,093
Term deposits	**2,759,069**	**11,551,040**	**14,310,109**	1,814,491	13,026,353	14,840,844
	465,055,571	**23,924,699**	**488,980,270**	356,722,288	19,724,762	376,447,050
	4,802,477,694	**786,485,740**	**5,588,963,434**	4,487,590,602	743,180,864	5,230,771,466

17 LEASE LIABILITIES

	(Unaudited) June 30, 2026	(Audited) December 31, 2025
	(Rupees in '000)	
Opening balance	**36,122,376**	30,788,980
Exchange adjustment	**(28,181)**	56,703
Additions during the period / year	**2,461,083**	8,601,687
Interest expense	**2,310,157**	3,615,599
Lease payments including interest	**(2,972,591)**	(5,228,170)
Deletions during the period / year	**-**	(1,712,423)
Closing balance	**37,892,844**	36,122,376

17.1 Liabilities outstanding at the end of the period / year

Not later than one year	**1,581,061**	1,604,502
Later than one year and upto five years	**9,804,320**	9,479,771
Over five years	**26,507,463**	25,038,103
Total	**37,892,844**	36,122,376

		Note	(Unaudited) June 30, 2026	(Audited) December 31, 2025
18	**SUBORDINATED DEBT**		--------- (Rupees in '000) ---------	
	Additional Tier I Term Finance Certificates	18.1.1	**12,374,000**	12,374,000
	Additional Tier I Term Finance Certificates	18.1.2	**6,500,000**	6,500,000
			18,874,000	18,874,000

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

The key features of these issue are as follows:

18.1.1

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

18.1.2

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

		Note	(Unaudited) June 30, 2026	(Audited) December 31, 2025
19	**DEFERRED TAX LIABILITIES**		------(Rupees in '000)------	
	Deductible temporary differences on			
	- Credit loss allowance against investments		**(558,242)**	(475,833)
	- Credit loss allowance against doubtful debts and off-balance sheet obligations		**(18,508,218)**	(20,216,084)
	- Liabilities written back under section 34(5) of the Income Tax Ordinance (ITO) 2001		**(1,860,760)**	(3,135,118)
	- Ijarah financing		**(702,164)**	(706,226)
	- Cash flow hedge reserve		**(446,331)**	-
	- Exchange translation reserve		**(1,397,202)**	413,734
	- Right-of-use assets and related lease liabilities		**(5,881,166)**	(5,332,809)
			(29,354,083)	(29,452,336)
	Taxable temporary differences on			
	- Accelerated tax depreciation		**3,545,463**	3,419,757
	- Surplus on revaluation of investments	21	**30,889,384**	48,581,571
	- Surplus on revaluation of property and equipment	21	**3,595,095**	3,698,782
			38,029,942	55,700,110
	Net deferred tax liabilities		**8,675,859**	26,247,774

		Note	(Unaudited) June 30, 2026	(Audited) December 31, 2025
20	**OTHER LIABILITIES**			
	Mark-up / return / profit / interest payable in local currency		**30,863,165**	36,588,795
	Mark-up / return / profit / interest payable in foreign currency		**9,056,271**	8,681,048
	Security deposits		**1,810,038**	1,717,876
	Accrued expenses		**47,120,562**	46,260,061
	Mark to market loss on forward foreign exchange contracts		**5,260,590**	4,835,394
	Mark to market loss on derivative instruments		**5,309,934**	4,823,073
	Unclaimed dividends		**886,127**	868,471
	Dividends payable		**410,195**	335,232
	Provision for post retirement medical benefits		**4,781,735**	4,680,270
	Provision for employees' compensated absences		**562,018**	615,462
	Credit loss allowance against off-balance sheet obligations	20.1	**6,491,894**	5,117,334
	Acceptances		**53,061,745**	60,193,132
	Branch adjustment account		**-**	2,316,121
	Provision for staff retirement benefits		**2,193,189**	2,071,794
	Payable to defined benefit plans		**734,311**	898,009
	Provision for Workers' Welfare Fund		**17,733,185**	16,328,012
	Unearned income		**25,871,013**	24,179,950
	Qarz-e-Hasna fund		**338,409**	338,409
	Levies and taxes payable		**12,401,214**	13,479,720
	Insurance payable		**719,666**	566,716
	Provision for rewards program expenses		**5,200,578**	3,769,494
	Liability against trading of securities		**28,986,386**	1,696,133
	Clearing and settlement accounts		**30,828,012**	21,463,697
	Payable to HBL Foundation		**518,176**	1,001,336
	Charity fund balance		**82,351**	53,582
	Unclaimed deposits		**899,158**	760,881
	Others		**5,102,056**	7,610,922
			297,221,978	271,250,924

		(Unaudited) June 30, 2026	(Audited) December 31, 2025
20.1	**Credit loss allowance against off-balance sheet obligations**		
	Opening balance	**5,117,334**	8,149,567
	Exchange adjustment	**(3,455)**	46,553
	Charge for the period / year	**2,899,240**	569,312
	Reversal for the period / year	**(1,520,530)**	(3,651,422)
	Net charge / (reversal)	**1,378,710**	(3,082,110)
	Other movement	**(695)**	3,324
	Closing balance	**6,491,894**	5,117,334

		Note	(Unaudited) June 30, 2026	(Audited) December 31, 2025
21	**SURPLUS ON REVALUATION OF ASSETS - NET OF TAX**		------(Rupees in '000)------	
	Surplus arising on revaluation of:			
	- Property and equipment		**43,847,561**	45,533,363
	- FVOCI securities - debt	8.1	**39,802,197**	73,443,589
	- FVOCI securities - equity		**19,600,466**	19,982,509
	- Non-banking assets acquired in satisfaction of claims	13	**292,285**	294,753
			103,542,509	139,254,214
	Deferred tax on surplus on revaluation of:			
	- Property and equipment		**3,595,095**	3,698,782
	- FVOCI securities - debt		**20,697,142**	38,190,666
	- FVOCI securities - equity		**10,192,242**	10,390,905
	- Non-banking assets acquired in satisfaction of claims		**-**	-
			34,484,479	52,280,353
	Surplus on revaluation of assets - net of tax		**69,058,030**	86,973,861
22	**CONTINGENCIES AND COMMITMENTS**			
	- Guarantees	22.1	**421,589,203**	399,548,368
	- Commitments	22.2	**1,927,570,321**	1,242,520,426
	- Other contingent liabilities	22.3	**17,758,736**	18,230,367
			2,366,918,260	1,660,299,161
22.1	**Guarantees:**			
	Financial guarantees		**93,197,579**	84,729,179
	Performance guarantees		**312,885,813**	302,559,613
	Other guarantees		**15,505,811**	12,259,576
			421,589,203	399,548,368
22.2	**Commitments:**			
	Trade-related contingent liabilities		**386,557,756**	280,786,065
	Commitments in respect of:			
	- forward foreign exchange contracts	22.2.1	**1,328,616,151**	806,363,022
	- forward Government securities transactions	22.2.2	**92,354,738**	60,126,054
	- derivatives	22.2.3	**80,719,209**	58,229,568
	- forward lending	22.2.4	**24,036,522**	26,698,958
			1,525,726,620	951,417,602
	Commitments for acquisition of:			
	- property and equipment		**8,348,432**	5,089,389
	- intangible assets		**6,937,513**	5,227,370
			15,285,945	10,316,759
			1,927,570,321	1,242,520,426
22.2.1	**Commitments in respect of forward foreign exchange contracts**			
	Purchase		**757,953,684**	472,022,929
	Sale		**570,662,467**	334,340,093
			1,328,616,151	806,363,022

	(Unaudited) June 30, 2026	(Audited) December 31, 2025
	-------(Rupees in '000)-------	
22.2.2 Commitments in respect of forward Government securities transactions		
Purchase	**85,354,250**	47,282,681
Sale	**7,000,488**	12,843,373
	92,354,738	60,126,054
22.2.3 Commitments in respect of derivatives		
Foreign currency options		
Purchase	**13,888,485**	11,601,055
Sale	**13,888,485**	11,601,055
	27,776,970	23,202,110
Cross currency swaps		
Purchase	**14,052,529**	14,653,517
Sale	**18,889,710**	20,173,941
	32,942,239	34,827,458
Interest rate swaps		
Purchase	**-**	-
Sale	**20,000,000**	200,000
	20,000,000	200,000
22.2.4 Commitments in respect of forward lending		
Undrawn formal standby facilities, credit lines and other commitments to extend credit	**24,036,522**	26,698,958

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

	(Unaudited) June 30, 2026	(Audited) December 31, 2025
	-------(Rupees in '000)-------	
22.3 Other contingent liabilities		
22.3.1 Claims against the Bank not acknowledged as debts	**17,758,736**	18,230,367

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

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

23 DERIVATIVE INSTRUMENTS

Product Analysis	June 30, 2026 (Unaudited)					
	Foreign Currency Options		Cross currency swaps		Interest rate swaps	
	Notional principal	Mark to market (loss) / gain	Notional principal	Mark to market loss	Notional principal	Mark to market loss
	---------- (Rupees in '000) ----------					
Hedging	**13,888,485**	**(149,283)**	**-**	**-**	**-**	**-**
Market Making	**13,888,485**	**149,283**	**32,942,239**	**(3,869,677)**	**20,000,000**	**(1,063,927)**

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

		Note	(Unaudited) For the six months ended June 30, 2026	June 30, 2025
24	**MARK-UP / RETURN / PROFIT / INTEREST EARNED**		-------(Rupees in '000)-------	
	On:			
	Loans and advances		**100,470,612**	111,258,188
	Investments		**235,199,030**	181,598,105
	Lendings to financial institutions		**9,000,693**	3,638,047
	Balances with banks		**3,793,408**	4,082,893
			348,463,743	300,577,233
24.1	**INTEREST INCOME RECOGNISED**			
	On:			
	Financial assets measured at amortised cost		**137,424,326**	144,327,564
	Financial assets measured at FVOCI		**205,024,106**	147,954,464
	Financial assets measured at FVTPL		**6,015,311**	8,295,205
			348,463,743	300,577,233
25	**MARK-UP / RETURN / PROFIT / INTEREST EXPENSED**			
	On:			
	Deposits		**128,873,988**	127,217,135
	Securities sold under repurchase agreement borrowings		**76,207,295**	31,507,422
	Borrowings		**9,213,494**	12,057,565
	Subordinated debt		**1,195,456**	1,296,266
	Cost of foreign currency swaps against foreign currency deposits / borrowings		**4,340,455**	1,657,305
	Lease liability against right-of-use assets		**2,310,157**	1,835,814
			222,140,845	175,571,507
26	**FEE AND COMMISSION INCOME**			
	Branch banking customer fees		**2,755,894**	2,791,254
	Branchless banking customer fees		**172,791**	13,974
	Consumer finance related fees		**1,636,542**	1,540,464
	Card related fees (debit and credit cards)		**7,951,384**	7,277,263
	Credit related fees		**609,150**	705,430
	Investment banking fees		**1,199,194**	888,688
	Commission on trade		**2,804,037**	2,580,671
	Commission on guarantees		**1,171,838**	763,278
	Commission on cash management		**1,132,400**	814,953
	Commission on remittances (including home remittances)		**701,473**	(1,258,313)
	Commission on bancassurance		**673,401**	931,921
	Commission on Government to Person (G2P) payments		**1,090,578**	(124,040)
	Merchant discount and interchange fees		**3,493,290**	3,889,284
	Wealth management fee		**28,564**	7,335
	Others		**118,152**	56,874
			25,538,688	20,879,036
	Less: Sales tax / Federal Excise Duty on fee and commission income		**(3,223,201)**	(3,196,249)
			22,315,487	17,682,787
27	**GAIN ON SECURITIES - NET**			
	Realised	27.1	**3,335,320**	9,689,286
	Unrealised - measured at FVTPL	8.1	**328,386**	(361,422)
			3,663,706	9,327,864
27.1	**Gain / (loss) on securities - realised**			
	On:			
	Federal Government securities			
	- Market Treasury Bills		**294,175**	3,288,788
	- Pakistan Investment Bonds		**2,427,834**	3,529,227
	- Ijarah Sukuk		**598,014**	2,847,407
	Shares		**(31,535)**	157,228
	Non-Government debt securities		**-**	7,215
	Foreign securities		**47,365**	(152,388)
	Associates		**(533)**	11,809
			3,335,320	9,689,286

		(Unaudited) For the six months ended	
		June 30, 2026	June 30, 2025
27.1.1	**Composition of gain / (loss) on securities - realised**	-------(Rupees in '000)-------	
	Net gain on securities measured at FVTPL	**542,676**	2,266,523
	Net gain on debt securities measured at FVOCI	**2,793,177**	7,410,954
	Net (loss) / gain on sale of associates	**(533)**	11,809
		3,335,320	9,689,286
28	**OTHER INCOME**		
	Incidental charges	**370,524**	309,992
	Gain / (loss) on sale of property and equipment - net	**100,774**	(7,415)
	Gain realised on closure of the Bank's branch	**-**	1,940,160
	Rent on properties	**88,258**	79,590
		559,556	2,322,327
29	**OPERATING EXPENSES**		
	Total compensation expense	**32,652,273**	29,877,377
	Property expense		
	Rent and taxes	**1,004,600**	520,831
	Insurance	**139,894**	129,705
	Utilities cost	**2,362,863**	2,648,980
	Security (including guards)	**1,739,154**	1,597,241
	Repair and maintenance (including janitorial charges)	**2,834,462**	2,814,475
	Depreciation on property and equipment	**2,292,734**	2,780,380
	Depreciation on right-of-use assets	**1,989,731**	1,937,819
		12,363,438	12,429,431
	Information technology expenses		
	Software maintenance	**5,302,627**	5,319,219
	Hardware maintenance	**1,349,613**	1,264,891
	Depreciation	**2,052,897**	2,169,637
	Amortisation	**1,242,550**	1,286,597
	Network charges	**831,689**	837,275
	Consultancy charges	**161,361**	195,745
		10,940,737	11,073,364
	Other operating expenses		
	Legal and professional charges	**1,776,634**	4,172,947
	Outsourced services costs	**2,124,465**	1,666,646
	Travelling and conveyance	**583,226**	754,378
	Insurance	**589,289**	543,925
	Remittance charges	**247,974**	239,692
	Cash transportation and sorting charges	**1,404,821**	1,532,011
	Repairs and maintenance	**1,320,745**	1,320,422
	Depreciation	**886,154**	481,270
	Training and development	**102,802**	106,266
	Postage and courier charges	**449,718**	403,482
	Communication	**2,001,769**	1,799,790
	Stationery and printing	**1,444,042**	1,533,942
	Marketing, advertisement and publicity	**5,919,337**	4,662,846
	Donations	**518,176**	517,739
	Auditors' remuneration	**154,028**	195,072
	Brokerage and commission	**1,030,943**	493,433
	Subscription	**308,341**	209,372
	Documentation and processing charges	**7,912,046**	6,800,526
	Entertainment	**322,766**	340,571
	Consultancy charges	**846,888**	1,209,801
	Deposits insurance premium expense	**2,274,941**	2,093,074
	Product feature cost	**4,215,709**	2,865,187
	Others	**847,053**	851,148
		37,281,867	34,793,540
		93,238,315	88,173,712

		Note	(Unaudited) For the six months ended June 30, 2026	June 30, 2025
			-------(Rupees in '000)-------	
30	**OTHER CHARGES**			
	Penalties imposed by the State Bank of Pakistan		**172,384**	99,922
	Penalties imposed by other regulatory bodies		**7,047**	12,033
			179,431	111,955
31	**CREDIT LOSS ALLOWANCE / (REVERSALS) AND WRITE OFFS - NET**			
	Credit loss allowance / (reversal) against investments	8.3	**9,333**	(24,386)
	Credit loss allowance against loans and advances	9.3	**1,625,855**	6,556,777
	Credit loss allowance against cash and cash equivalents		**7,650**	2,386
	Credit loss allowance against lendings to financial institutions		**436**	60
	Credit loss allowance / (reversal) against other assets	13.1.1	**48,078**	(29,605)
	Credit loss allowance / (reversal) against off-balance sheet obligations	20.1	**1,378,710**	(3,561,429)
	Recoveries against written off / charged off bad debts		**(718,182)**	(419,437)
	Other write offs and operational lossess		**10,867**	87,296
			2,362,747	2,611,662
32	**TAXATION**			
	- Current		**34,238,893**	38,719,185
	- For the period		**-**	7,954,071
	- Prior period		**34,238,893**	46,673,256
	- Deferred			
	- For the period		**2,437,794**	(765,688)
	- Prior period		**-**	(6,689,480)
			2,437,794	(7,455,168)
			36,676,687	39,218,088
33	**BASIC AND DILUTED EARNINGS PER SHARE**			
	Profit for the period		**33,543,335**	31,418,541
			(Number)	
	Weighted average number of ordinary shares		**1,466,852,508**	1,466,852,508
			(Rupees)	
	Basic and diluted earnings per share		**22.87**	21.42

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

34 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

Level 1 - Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Fair value measurements using inputs, other than quoted prices included within Level 1, that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 - Fair value measurements using inputs that are not based on observable market data.

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

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

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

34.1.1 Adjusted breakup value method:
The valuations are based on latest available financial statements of the investee company. These are adjusted for factors such as lack of control and marketability using haircuts ranging from 15% to 25%. A 1% change in the haircut will change the total fair value by Rs.18.587 million. Any change to the valuation is reflected in other comprehensive income, since all of these investments are classified as FVOCI.

34.1.2 **Reconciliation of Level 3 fair values**

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

	(Unaudited) June 30, 2026	(Audited) December 31, 2025
	------(Rupees in '000)------	
Opening balance - as reported	**1,800,002**	-
Impact of adoption of IFRS 9	**-**	1,034,454
Opening balance - as restated	**1,800,002**	1,034,454
Remeasurement recognised in OCI	**58,688**	765,548
	1,858,690	1,800,002

34.2 **Fair value of financial assets**

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

	As at June 30, 2026 (Unaudited)				
	Carrying value	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	3,585,701,987	-	3,585,701,987	-	3,585,701,987
- Shares - listed companies	27,010,376	27,010,376	-	-	27,010,376
- Shares - unlisted companies	15,497,605	-	13,638,915	1,858,690	15,497,605
- Non-Government debt securities - listed	9,442,311	-	9,442,311	-	9,442,311
- Foreign securities					
Government debt securities	136,617,574	-	136,617,574	-	136,617,574
Non-Government debt securities - listed	16,154,836	-	16,154,836	-	16,154,836
- National Investment Unit Trust units	105,875	-	105,875	-	105,875
- Real Estate Investment Trust units - listed	2,387,475	2,387,475	-	-	2,387,475
- Preference shares - listed	897,700	897,700	-	-	897,700
	3,793,815,739	30,295,551	3,761,661,498	1,858,690	3,793,815,739
Financial assets - disclosed but not measured at fair value					
Investments					
- Federal Government securities	542,696,575	-	540,199,214	-	540,199,214
- Non-Government debt securities - listed	605,989	-	598,187	-	598,187
- Foreign securities					
Government debt securities	12,325,860	-	12,349,651	-	12,349,651
- Associates	6,855,367	17,669,648	-	-	17,669,648
	562,483,791	17,669,648	553,147,052	-	570,816,700
	4,356,299,530	47,965,199	4,314,808,550	1,858,690	4,364,632,439

Off-balance sheet financial instruments - measured at fair value	As at June 30, 2026 (Unaudited)				
	Notional Value	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
Commitments					
- Forward foreign exchange contracts	**1,328,616,151**	**-**	**(746,819)**	**-**	**(746,819)**
- Forward Government securities transactions	**92,354,738**	**-**	**(128,068)**	**-**	**(128,068)**
- Derivative instruments	**52,942,239**	**-**	**(4,933,604)**	**-**	**(4,933,604)**

On- balance sheet financial instruments	As at December 31, 2025 (Audited)				
	Carrying value	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
Financial assets - measured at fair value					
Investments					
- Federal Government securities	3,237,307,000	-	3,237,307,000	-	3,237,307,000
- Shares - listed companies	24,227,679	24,227,679	-	-	24,227,679
- Shares - unlisted companies	15,646,662	-	13,846,660	1,800,002	15,646,662
- Non-Government debt securities - listed	9,772,300	-	9,772,300	-	9,772,300
- Foreign securities					
Government debt securities	154,019,733	-	154,019,733	-	154,019,733
Non-Government debt securities - listed	12,264,651	-	12,264,651	-	12,264,651
- National Investment Unit Trust units	113,041	-	113,041	-	113,041
- Real Estate Investment Trust units - listed	2,493,589	2,493,589	-	-	2,493,589
- Preference Shares - listed	884,400	884,400	-	-	884,400
	3,456,729,055	27,605,668	3,427,323,385	1,800,002	3,456,729,055
Financial assets - disclosed but not measured at fair value					
Investments					
- Federal Government securities	533,962,806	-	547,602,560	-	547,602,560
- Non-Government debt securities - listed	899,126	-	847,841	-	847,841
- Foreign securities					
Government debt securities	12,087,251	-	12,142,499	-	12,142,499
- Associates	6,875,902	17,792,580	-	-	17,792,580
	553,825,085	17,792,580	560,592,900	-	578,385,480
	4,010,554,140	45,398,248	3,987,916,285	1,800,002	4,035,114,535

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

34.3 Fair value of non-financial assets

	As at June 30, 2026 (Unaudited)				
	Carrying value	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
Land and Buildings	**87,260,186**	**-**	**87,260,186**	**-**	**87,260,186**
Non-banking assets acquired in satisfaction of claims	**481,261**	**-**	**481,261**	**-**	**481,261**
	87,741,447	**-**	**87,741,447**	**-**	**87,741,447**

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

35 SEGMENT INFORMATION

35.1 Segment Details with respect to Business Activities

	For the six months ended June 30, 2026 (Unaudited)								
	Retail Banking	Consumer, SME & Agriculture Lending	Corporate, Commercial and Investment Banking	Treasury	Financial Institutions	Branchless Banking	International and global remittances	Head office / Others	Total
	(Rupees in million)								
Profit and loss account									
Net mark-up / return / profit / interest income	(97,081)	31,193	32,532	153,437	(2,382)	249	8,434	(59)	126,323
Inter segment revenue / (expense) - net	157,556	(17,108)	(10,177)	(138,986)	2,657	1,201	106	4,751	0
Non mark-up / interest income	3,331	8,443	6,892	13,493	693	1,601	2,689	3,941	41,083
Total income	63,806	22,528	29,247	27,944	969	3,051	11,228	8,633	167,406
Segment direct expenses	27,732	16,275	2,935	1,027	203	1,531	8,559	36,560	94,823
Inter segment expense allocation	18,211	5,998	5,630	886	390	737	459	(32,311)	-
Total expenses	45,944	22,273	8,566	1,913	593	2,267	9,018	4,249	94,823
Credit loss allowance - charge / (reversal)	(46)	(258)	2,188	-	(739)	-	877	340	2,362
Profit before tax	17,908	513	18,493	26,031	1,115	784	1,333	4,043	70,221

	As at June 30, 2026 (Unaudited)								
	Retail Banking	Consumer, SME & Agriculture Lending	Corporate, Commercial and Investment Banking	Treasury	Financial Institutions	Branchless Banking	International and global remittances	Head office / Others	Total
	(Rupees in million)								
Statement of financial position									
Cash and bank balances	193,748	-	643	267,654	-	-	117,152	-	579,196
Lendings to financial institutions	-	-	-	128,486	-	-	-	-	128,486
Inter segment lending	3,381,849	-	-	-	437,112	64,042	4,463	228,953	4,116,419
Investments	-	-	27,804	4,128,592	4,311	-	226,252	29,809	4,416,768
Advances - performing	-	391,016	1,128,904	-	28,639	-	315,239	32,680	1,896,477
Advances - non-performing	-	2,222	4,541	-	-	-	1,827	(37)	8,553
Others	40,808	6,273	106,322	69,475	560	693	35,316	312,847	572,294
Total assets	3,616,404	399,511	1,268,212	4,594,207	470,621	64,735	700,250	604,253	11,718,194
Borrowings	-	652	87,806	938,128	-	-	96,133	-	1,122,719
Subordinated debt	-	-	-	-	-	-	-	18,874	18,874
Deposits and other accounts	3,571,075	3,424	975,635	-	470,187	62,623	506,020	-	5,588,963
Inter segment borrowing	-	357,102	138,747	3,620,571	-	-	-	-	4,116,419
Others	45,329	38,333	66,025	9,899	435	2,112	41,008	224,255	427,396
Total liabilities	3,616,404	399,511	1,268,212	4,568,597	470,621	64,735	643,161	243,129	11,274,371
Equity	-	-	-	25,610	-	-	57,088	361,124	443,822
Total equity and liabilities	3,616,404	399,511	1,268,212	4,594,207	470,621	64,735	700,250	604,253	11,718,194
Contingencies and commitments	-	57,307	661,450	1,237,972	45,217	-	326,851	38,121	2,366,918

	For the six months ended June 30, 2025 (Unaudited)								
	Retail Banking	Consumer, SME & Agriculture lending	Corporate, Commercial and Investment Banking	Treasury	Financial Institutions	Branchless banking	International and global remittances	Head office / Others	Total
	(Rupees in million)								
Profit and loss account									
Net mark-up / return / profit / interest income	(96,060)	27,694	37,762	139,408	8,041	(60)	9,279	(1,058)	125,006
Inter segment revenue / (expense) - net	151,928	(17,167)	(16,744)	(118,047)	(8,887)	1,141	158	7,618	-
Non mark-up / interest income	3,951	10,220	2,791	16,972	446	220	738	2,615	37,953
Total income / (loss)	59,819	20,747	23,809	38,333	(400)	1,301	10,175	9,175	162,959
Segment direct expenses	23,588	13,401	2,289	1,179	131	1,128	9,739	38,256	89,711
Inter segment expense allocation	20,976	6,063	6,355	1,059	376	885	516	(36,230)	-
Total expenses	44,564	19,464	8,644	2,238	507	2,013	10,255	2,026	89,711
Provision / Credit loss allowance - charge / (reversal)	(40)	341	1,500	-	148	31	756	(124)	2,612
Profit / (loss) before tax	15,295	942	13,665	36,095	(1,055)	(743)	(836)	7,273	70,636

	As at December 31, 2025 (Audited)								
	Retail Banking	Consumer, SME & Agriculture lending	Corporate, Commercial and Investment Banking	Treasury	Financial Institutions	Branchless banking	International and global remittances	Head Office / Others	Total
	(Rupees in million)								
Statement of financial position									
Cash and bank balances	202,746	-	647	263,592	-	-	107,926	-	574,911
Lendings to financial institutions	-	-	-	234,948	-	-	-	-	234,948
Inter segment lending	3,270,349	-	-	-	232,553	15,262	8,596	179,070	3,705,830
Investments	-	-	30,811	3,774,721	4,673	-	229,624	32,659	4,072,488
Advances - performing	-	374,598	982,171	-	132,861	-	327,358	22,795	1,839,783
Advances - non-performing	-	1,536	5,718	-	-	-	1,860	315	9,429
Others	22,195	4,400	118,475	65,948	1,274	2,238	34,193	287,087	535,810
Total assets	3,495,290	380,534	1,137,822	4,339,209	371,361	17,500	709,557	521,926	10,973,199
Borrowings	-	7,247	100,891	972,867	-	-	98,243	-	1,179,248
Subordinated debt	-	-	-	-	-	-	-	18,874	18,874
Deposits and other accounts	3,428,496	3,148	904,609	-	371,279	13,096	510,143	-	5,230,771
Inter segment borrowing	-	338,862	56,593	3,310,375	-	-	-	-	3,705,830
Others	66,794	31,277	75,729	18,085	82	4,404	42,342	153,761	392,474
Total liabilities	3,495,290	380,534	1,137,822	4,301,327	371,361	17,500	650,728	172,635	10,527,197
Equity	-	-	-	37,882	-	-	58,829	349,291	446,002
Total equity and liabilities	3,495,290	380,534	1,137,822	4,339,209	371,361	17,500	709,557	521,926	10,973,199
Contingencies and commitments	-	10,684	589,077	714,048	41,130	-	277,421	27,939	1,660,299

36 RELATED PARTY TRANSACTIONS

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

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

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

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

	As at June 30, 2026 (Unaudited)					
	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Other related parties
Statement of financial position	--- (Rupees in '000) ---					
Balances with other banks						
In current accounts	-	-	10,486	348,044	-	-
Investments						
Opening balance	-	-	-	41,970,795	7,132,133	15,429,911
Impact of adoption of IFRS 9	-	-	-	-	-	(161,160)
Exchange Adjustment	-	-	-	(58,851)	-	-
Investment redeemed / disposed off during the period	-	-	-	-	(4,699)	(119,666)
Provision of diminution in the value of investments	-	-	-	-	(15,836)	-
Closing balance	-	-	-	41,911,944	7,111,598	15,149,085
Provision of diminution in the value of investments	-	-	-	-	15,836	-
Advances						
Opening balance	2,182	572,817	3,055,931	2,106,624	1,400,807	9,587,070
Exchange adjustment	-	-	(12,190)	-	(5,120)	-
Addition during the period	13,512	175,412	16,940,363	5,375,646	2,549,545	11,800,412
Repaid during the period	(14,351)	(165,088)	(17,650,076)	(4,161,231)	(3,945,232)	(11,483,201)
Closing balance	1,343	583,141	2,334,028	3,321,039	-	9,904,281
Other Assets						
Interest / mark-up accrued	-	421	8,721	431,973	-	327,789
Receivable from defined benefit plan	-	-	-	-	-	2,783,715
Prepaid insurance	-	-	-	-	78,400	-
Advance Rent	-	1,686	3,944	-	29,654	-
Advance to Supplier	-	-	-	4,733,600	-	-
Other receivables / prepayments	-	-	-	134,776	-	21,687
	-	2,107	12,665	5,300,349	108,054	3,133,191
Borrowings						
Opening balance	-	-	-	2,801,667	17,367,632	4,920,000
Exchange adjustment	-	-	-	(16,954)	(111,983)	-
Borrowings during the period	-	-	-	4,236,241	32,099,445	-
Settled during the period	-	-	-	(5,630,416)	(34,890,701)	(580,000)
Closing balance	-	-	-	1,390,538	14,464,393	4,340,000
Deposits and other accounts						
Opening balance	109,202	511,414	39,747,867	4,586,926	60,442,990	6,165,396
Exchange adjustment	(358)	(1,602)	(288,772)	(2,014)	(275)	(12,747)
Received during the period	288,500	2,693,580	131,530,331	453,015,783	1,368,513,929	143,449,043
Withdrawn during the period	(310,133)	(2,531,382)	(129,807,837)	(452,636,296)	(1,343,935,062)	(142,955,102)
Closing balance	87,211	672,010	41,181,589	4,964,399	85,021,582	6,646,590
Other liabilities						
Interest / mark-up payable	335	710	400,328	2,384	117,408	24,159
Payable to defined benefit plan	-	-	-	-	-	734,311
Donation payable	-	-	-	-	-	518,176
Unearned income	-	-	14,215	76,992	-	-
Insurance payable	-	-	-	-	6,930	-
Other payables	-	-	-	68,669	-	-
	335	710	414,543	148,045	124,338	1,276,646

	As at June 30, 2026 (Unaudited)					
	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Other related parties
	------ (Rupees in '000) ------					
Contingencies and Commitments						
Letter of credit	-	-	1,603,952	9,263	-	44,023
Guarantees	-	-	614,763	403,834	-	3,630,174
Forward purchase of foreign exchange contracts	-	-	-	14,542	-	-
Forward Purchase of Government securities	87,943	-	-	-	4,988,865	-
	87,943	-	2,218,715	427,639	4,988,865	3,674,197
Others						
Securities held as custodian	88,000	89,007	8,998,750	-	212,529,915	43,936,235

	For the six months ended June 30, 2026 (Unaudited)					
	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Other related parties
	------ (Rupees in '000) ------					
Profit and loss account						
Income						
Mark-up / return / profit / interest earned	9	9,882	85,377	507,137	51,857	597,552
Fee and commission income	737	3,578	174,879	111,339	611,283	14,265
Dividend income	-	-	-	-	1,793,382	4,188,102
Gain on sale of securities - net	-	-	-	-	-	533
Rent on properties	-	-	-	81,381	-	182
Gain on disposal of property and equipment	-	-	-	-	2,774	-
Other income	-	-	-	86	-	-
Expense						
Mark-up / return / profit / interest expensed	1,276	16,315	864,962	249,123	1,111,304	246,254
Operating expenses						
Total compensation expense	-	1,905,642	-	-	-	751,365
Non-Executive Directors' fees	60,350	-	-	-	-	-
Insurance premium expense	-	-	-	-	1,673,438	-
Product Feature Cost	-	-	208,119	4,340	-	-
Rent and taxes	-	-	29,593	-	35,691	5,653
Software maintenaince	-	-	-	-	-	10,293
Travelling	-	-	3,249	-	-	-
Subscription	-	-	-	-	-	86,474
Donation	-	-	-	-	-	518,176
Brokerage and Commission	-	-	-	-	-	211,435
Documentation and processing charges	-	-	-	2,250	-	20,091
Marketing, advertisement and publicity	-	-	-	409,975	-	-
Other expenses	-	-	174	9,053	-	2,597
Credit loss allowance in the value of investments	-	-	-	-	15,836	-
Others						
Purchase of Government securities	-	275,862	165,557	7,848,006	60,744,224	28,244,587
Sale of Government securities	85,716	280,442	11,164,150	5,845,214	97,801,450	13,563,329
Purchase of foreign currencies	-	-	6,825,315	15,640,134	91,139	-
Sale of foreign currencies	-	-	3,185,982	14,569,708	4,625,370	481,682
Insurance claims settled	-	-	-	-	374,990	-

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

	For the six months ended June 30, 2025 (Unaudited)					
	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Other related parties
	(Rupees in '000)					
Profit and loss account						
Income						
Mark-up / return / profit / interest earned	2	7,530	158,370	535,483	27,810	823,578
Fee and commission income	417	5,197	213,634	163,273	721,623	14,723
Dividend income	-	-	-	-	1,654,976	1,228,286
Gain on sale of securities - net	-	-	-	-	1,061	928
Rent on properties	-	-	-	75,486	-	165
Gain on disposal of property and equipment	-	-	-	-	1,333	-
Other income	-	-	-	109	-	-
Expense						
Mark-up / return / profit / interest expensed	803	7,089	912,847	180,268	936,927	245,842
Operating expenses						
Total compensation expense	-	1,612,040	-	-	-	905,285
Rent and taxes	-	-	27,231	-	34,365	1,240
Software maintenaince	-	-	-	-	-	10,494
Non-Executive Directors' fees	48,725	-	-	-	-	-
Insurance premium expense	-	-	-	-	1,487,398	-
Product feature cost	-	-	178,413	-	-	-
Travelling	-	-	7,211	-	-	-
Subscription	-	-	-	-	-	9,493
Donation	-	-	-	-	-	517,739
Brokerage and commission	-	-	-	-	-	191,197
Documentation and processing charges	-	-	-	-	-	17,198
Marketing, advertisment and publicity	-	-	-	369,725	-	-
Utilities cost	-	-	-	18,509	-	-
Other expenses	-	-	-	451	-	3,902
Provision for dimunition / (reversal) of credit loss allowance in the value of investments	-	-	-	-	13,751	10,656
Others						
Purchase of Government securities	-	114,950	122,645,321	59,197,407	111,121,713	5,683,426
Sale of Government securities	1,183	146,091	126,774,036	62,211,915	88,848,963	9,617,764
Purchase of foreign currencies	-	-	5,433,592	18,365,298	54,711	153,119
Sale of foreign currencies	-	-	2,782,206	16,408,064	2,232,384	688,557
Insurance claims settled	-	-	-	-	328,149	-

36.1 Balances and transactions with group entities include deposits of Rs 28.435 million (December 31, 2025: Rs 28.170 million) from the parent and Rs 0.644 thousand (June 30, 2025: Rs 0.673 thousand) as mark-up expense thereon.

37 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Unaudited) June 30, 2026	(Audited) December 31, 2025
	(Rupees in '000)	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	**14,668,525**	14,668,525
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	**347,106,616**	333,780,814
Eligible Additional Tier 1 (ADT 1) Capital	**12,660,160**	12,573,292
Total Eligible Tier 1 Capital	**359,766,776**	346,354,106
Eligible Tier 2 Capital	**88,016,165**	104,319,443
Total Eligible Capital (Tier 1 + Tier 2)	**447,782,941**	450,673,549
Risk Weighted Assets (RWAs):		
Credit Risk	**1,762,562,615**	1,650,919,776
Market Risk	**347,965,575**	318,390,963
Operational Risk	**405,690,239**	405,690,239
Total	**2,516,218,429**	2,375,000,978
CET 1 CAR	**13.79%**	14.05%
Tier 1 CAR	**14.30%**	14.58%
Total CAR	**17.80%**	18.98%
Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)	**9.00%**	8.50%
of which: capital conservation buffer requirement	**1.50%**	1.50%
of which: countercyclical buffer requirement	**-**	-
of which: D-SIB buffer requirement	**1.50%**	1.00%
CET1 available to meet buffers (as a percentage of risk weighted assets)	**7.79%**	8.05%
Other information:		
Minimum capital requirements prescribed by the SBP		
CET1 ratio (%)	**9.00%**	8.50%
Tier 1 ratio (%)	**10.50%**	10.00%
Total capital ratio (%)	**13.00%**	12.50%

Leverage Ratio (LR)	(Unaudited) June 30, 2026	(Audited) December 31, 2025
	(Rupees in '000)	
Eligible Tier-1 Capital	**359,766,775**	346,354,106
Total Exposure	**8,499,232,588**	7,831,299,364
Leverage Ratio (%)	**4.23%**	4.42%
Minimum Requirement (%)	**3.00%**	3.00%
Liquidity Coverage Ratio (LCR)		
Average High Quality Liquid Assets	**2,852,094,555**	2,559,571,409
Average Net Cash Outflow	**1,269,934,133**	1,032,663,501
Liquidity Coverage Ratio (%)	**224.59%**	247.86%
Minimum Requirement (%)	**100.00%**	100.00%
Net Stable Funding Ratio (NSFR)		
Total Available Stable Funding	**5,327,875,162**	5,049,539,928
Total Required Stable Funding	**2,850,288,242**	2,774,467,787
Net Stable Funding Ratio (%)	**186.92%**	182.00%
Minimum Requirement (%)	**100.00%**	100.00%

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

37.2 For the purpose of calculating CAR, the SBP has allowed banks to phase in the impact on opening retained earnings of the ECL calculated for financial assets classified as stage 1 and stage 2. The phasing is allowed over a period of five years. Had there been no such relaxation, the Bank's total CAR would have been lower by 20 bps and the Leverage Ratio would have been lower by 6 bps.

38 ISLAMIC BANKING BUSINESS

The Bank operates 619 (December 31, 2025: 608) Islamic Banking branches and 509 (December 31, 2025: 506) Islamic Banking windows.

STATEMENT OF FINANCIAL POSITION	Note	(Unaudited) June 30, 2026	(Audited) December 31, 2025
ASSETS		-------(Rupees in '000)-------	
Cash and balances with treasury banks		**65,793,002**	63,958,499
Balances with other banks		**1,302,990**	1,866,240
Due from financial institutions	38.1	**85,900,000**	75,800,000
Investments	38.2	**519,342,010**	465,825,478
Islamic financing and related assets - net	38.3	**425,790,359**	303,505,160
Property and equipment		**8,608,532**	7,234,675
Right-of-use assets		**11,041,872**	8,337,257
Intangible assets		**21,282**	28,261
Due from Head Office		**1,418,359**	31,815,763
Deferred tax assets		**-**	-
Other assets		**47,497,093**	42,347,099
		1,166,715,499	1,000,718,432
LIABILITIES			
Bills payable		**75,874**	33,195
Due to financial institutions	38.4	**36,934,596**	23,946,280
Deposits and other accounts	38.5	**982,557,564**	830,738,090
Due to Head Office		**-**	-
Lease liabilities		**15,329,932**	12,073,491
Subordinated debt		**-**	-
Deferred tax liabilities		**472,284**	4,324,322
Other liabilities		**44,333,690**	48,672,815
		1,079,703,940	919,788,193
NET ASSETS		**87,011,559**	80,930,239
REPRESENTED BY			
Islamic Banking Fund		**500,000**	500,000
Reserves		**-**	-
Surplus on revaluation of investments - net of tax		**435,954**	3,991,682
Unappropriated profit	38.6	**86,075,605**	76,438,557
		87,011,559	80,930,239
Contingencies and commitments	38.7		

PROFIT AND LOSS ACCOUNT	Note	(Unaudited) For the six months ended June 30, 2026	June 30, 2025
		-------(Rupees in '000)-------	
Profit / return earned	38.8	**47,089,327**	38,670,097
Profit / return expensed	38.9	**18,670,898**	15,099,955
Net profit / return		**28,418,429**	23,570,142
Other income			
Fee and commission income		**1,520,449**	1,199,972
Dividend income		**-**	-
Foreign exchange income		**652,015**	288,104
Income from derivatives		**-**	-
Gain on securities - net		**468,476**	521,603
Others		**23,906**	-
Total other income		**2,664,846**	2,009,679
Total income		**31,083,275**	25,579,821
Other expenses			
Operating expenses		**9,630,154**	6,295,865
Workers' Welfare Fund		**412,727**	430,984
Other charges		**3,055**	695
Total other expenses		**10,045,936**	6,727,544
Profit before credit loss allowance		**21,037,339**	18,852,277
Credit loss allowance and write offs - net		**400,998**	(2,696,920)
Profit before taxation		**20,636,341**	21,549,197
Taxation		**10,730,897**	11,421,074
Profit after taxation		**9,905,444**	10,128,123

		(Unaudited) June 30, 2026	(Audited) December 31, 2025
38.1	**Due from Financial Institutions**	-------(Rupees in '000)-------	
	Call money lendings	**25,900,000**	22,800,000
	Secured lendings	**60,000,000**	53,000,000
		85,900,000	75,800,000

38.2 Investments by segments

	June 30, 2026 (Unaudited)			
	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
	------------------------ (Rupees in '000) ------------------------			
Debt Instruments				
Fair value through profit and loss (FVTPL)				
Federal Government securities				
- Ijarah Sukuk	**20,352,117**	**-**	**(8,002)**	**20,344,115**
- Other Federal Government securities	**1,125,760**	**-**	**-**	**1,125,760**
Non-Government debt securities				
- Listed	**193,545**	**-**	**-**	**193,545**
- Unlisted	**800,545**	**-**	**455**	**801,000**
	22,471,967	**-**	**(7,547)**	**22,464,420**
Fair value through other comprehensive income (FVOCI)				
Federal Government securities				
- Ijarah Sukuk	**332,468,132**	**-**	**899,925**	**333,368,057**
Non-Government debt securities				
- Listed	**1,249,833**	**(12)**	**8,313**	**1,258,134**
- Unlisted	**-**	**-**	**-**	**-**
	333,717,965	**(12)**	**908,238**	**334,626,191**
Amortised cost				
Federal Government securities				
- Ijarah Sukuk	**87,434,704**	**-**	**-**	**87,434,704**
- Other Federal Government securities	**65,490,461**	**-**	**-**	**65,490,461**
Non-Government debt securities				
- Unlisted	**9,938,391**	**(612,157)**	**-**	**9,326,234**
	162,863,556	**(612,157)**	**-**	**162,251,399**
Total Investments	**519,053,488**	**(612,169)**	**900,691**	**519,342,010**

	December 31, 2025 (Audited)			
	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
	------------------------ (Rupees in '000) ------------------------			
Fair value through profit and loss (FVTPL)				
Federal Government securities				
- Ijarah Sukuk	998,031	-	(1,250)	996,781
- Other Federal Government securities	719,629	-	-	719,629
Non-Government debt securities				
- Listed	191,674	-	1,871	193,545
- Unlisted	801,000	-	(455)	800,545
	2,710,334	-	166	2,710,500
Fair value through other comprehensive income (FVOCI)				
Federal Government securities				
- Ijarah Sukuk	332,704,602	-	8,299,343	341,003,945
Non-Government debt securities				
- Listed	1,750,000	(36)	16,661	1,766,625
- Unlisted	-	-	-	-
	334,454,602	(36)	8,316,004	342,770,570
Amortised cost				
Federal Government securities				
- Ijarah Sukuk	57,457,769	-	-	57,457,769
- Other Federal Government securities	52,430,110	-	-	52,430,110
Non-Government debt securities				
- Unlisted	11,068,724	(612,195)	-	10,456,529
	120,956,603	(612,195)	-	120,344,408
Total Investments	458,121,539	(612,231)	8,316,170	465,825,478

38.2.1 **Particulars of credit loss allowance**

	June 30, 2026 (Unaudited)			
	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)			
Non-Government debt securities	**169**	**-**	**612,000**	**612,169**

Particulars of credit loss allowance

	December 31, 2025 (Audited)			
	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)			
Non-Government debt securities	231	-	612,000	612,231

38.3 **Islamic financing and related assets - net**

	(Unaudited) June 30, 2026	(Audited) December 31, 2025
	(Rupees in '000)	
Diminishing Musharakah	**165,512,209**	106,722,174
Running Musharakah	**66,154,068**	48,617,049
Wakalah	**4,489,009**	7,147,268
Ijarah	**68,142,280**	43,845,969
Murabaha	**75,927,004**	61,547,955
Tijarah	**3,389,141**	3,160,409
Istisna	**3,867,875**	3,304,359
Musawamah	**2,731,528**	961,375
Salam	**1,061,449**	-
Tawarruq	**159,258**	-
Advance for Diminishing Musharakah	**1,946,370**	9,649,454
Advance for Ijarah	**1,098,367**	372,353
Advance for Murabaha	**4,325,198**	1,949,578
Advance for Salam	**490,563**	1,398,949
Advance for Istisna	**21,884,297**	16,710,399
Advance for Musawamah	**2,425,044**	1,501,201
Inventories against Murabaha	**3,756,001**	1,215,851
Inventories against Salam	**4,288,551**	-
Inventories against Tijarah	**6,570,077**	4,363,726
Inventories against Istisna	**2,485,573**	5,549,810
Islamic financing and related assets - gross	**440,703,862**	318,017,879
Credit loss allowance against Islamic financing and related assets		
- Stage 1	**(63,493)**	(296,182)
- Stage 2	**(146,852)**	(441,082)
- Stage 3	**(9,765,651)**	(9,801,704)
General provision	**(4,937,507)**	(3,973,751)
	(14,913,503)	(14,512,719)
Islamic financing and related assets - net of credit loss allowance	**425,790,359**	303,505,160

38.4 **Due to financial institutions**

Unsecured acceptances of funds	**23,520,000**	7,500,000
Acceptances from the SBP under:		
- Islamic export refinance scheme	**1,961,516**	3,498,491
- Islamic export refinance scheme for bill discounting	**1,404,170**	1,408,591
- Islamic long term financing facility	**4,085,852**	4,552,322
- Islamic financing facility for renewable energy power plants	**378,180**	455,009
- Islamic refinance facility for modernization of Small and Medium Enterprises (SMEs)	**113,599**	147,681
- Islamic refinance facility for combating COVID-19	**87,617**	157,288
- Islamic temporary economic refinance facility	**1,043,662**	1,306,898
Acceptances from Pakistan Mortgage Refinance Company	**4,340,000**	4,920,000
	36,934,596	23,946,280

			(Unaudited) June 30, 2026	(Audited) December 31, 2025
			------(Rupees in '000)------	
38.5	**Deposits and other accounts**			
	Customers			
	Current deposits		**541,560,371**	411,207,347
	Savings deposits		**282,839,049**	350,204,662
	Term deposits		**54,005,680**	31,888,021
			878,405,100	793,300,030
	Financial Institutions			
	Current deposits		**102,091**	330,779
	Savings deposits		**102,282,373**	35,539,198
	Term deposits		**1,768,000**	1,568,083
			104,152,464	37,438,060
			982,557,564	830,738,090
38.6	**Islamic Banking business unappropriated profit**			
	Opening Balance		**76,438,557**	58,083,715
	Impact of adoption of IFRS 9		**(241,020)**	-
	Add: Islamic Banking profit for the period / year		**20,636,341**	39,102,597
	Less: Taxation		**(10,730,897)**	(20,724,376)
	Less: Transferred / Remitted to Head Office		**(27,376)**	(23,379)
	Closing Balance		**86,075,605**	76,438,557
38.7	**Contingencies and commitments**			
	- Financial Gurantees		**240,347**	230,305
	- Performance Guarantees		**8,902,427**	8,923,616
	- Commitments	38.7.1	**118,464,497**	79,405,774
			127,607,271	88,559,695
38.7.1	**Commitments:**			
	Trade-related contingent liabilities		**46,159,887**	26,223,434
	Commitments in respect of forward foreign exchange contracts	38.7.1.1	**72,304,610**	53,182,340
			118,464,497	79,405,774
38.7.1.1	**Commitments in respect of forward foreign exchange contracts**			
	Purchase		**46,273,116**	33,956,795
	Sale		**26,031,494**	19,225,545
			72,304,610	53,182,340

		(Unaudited) For the six months ended June 30, 2026	June 30, 2025
		------(Rupees in '000)------	
38.8	**Profit / return earned**		
	On:		
	Financing	**18,543,047**	14,631,719
	Investments	**24,579,943**	23,318,063
	Amounts due from financial institutions	**3,966,337**	720,315
		47,089,327	38,670,097
38.9	**Profit / return expensed**		
	On:		
	Deposits and other accounts	**14,418,198**	10,989,383
	Amounts due to financial institutions	**2,853,261**	3,141,793
	Foreign currency deposits for Wa'ad based transactions	**370,158**	186,594
	Lease liability against right-of-use assets	**1,029,281**	782,185
		18,670,898	15,099,955

39 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

39.1 The Board of Directors, in its meeting held on August 04, 2026 has declared a cash dividend of Rs 6.00 per share in respect of the quarter ended June 30, 2026 (June 30, 2025: Rs 4.50 per share). These condensed interim unconsolidated financial statements do not include the effect of this appropriation which will be accounted for subsequent to the period end.

40 DATE OF AUTHORISATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorised for issue in the Board of Directors meeting held on August 04, 2026.

41 GENERAL

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

Muhammad Nassir Salim	Irfan Ahmed Meer	Dr. Najeeb Samie	Shaffiq Dharamshi	Ms. Saba Kamal
President and Chief Executive Officer	Chief Financial Officer	Director	Director	Director

111-111-425 | www.hbl.com | HBL Mobile