



Bank Alfalah
The Way Forward



Depth in Service
Banking the Right Way!

Quarterly Report **September 30, 2026 (Un-audited)**



Bank Alfalah

The Way Forward



DEPOSITS

Rs. 2.62 trillion



ADVANCES-GROSS

Rs. 1.20 trillion



PROFIT AFTER TAX

Rs. 30.61 billion



EARNINGS PER SHARE

Rs. 9.71



DIVIDEND PER SHARE

Rs. 4.50 (90%)



CAPITAL ADEQUACY RATIO

14.79%



RETURN ON EQUITY

25.0%



RETURN ON ASSETS

1.1%



DEBT/EQUITY RATIO

17.5%

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Company Information

Board of Directors

His Excellency Sheikh Nahayan Mabarak Al Nahayan
Chairman/Director

Abdulla Nasser Hawaileel Al Mansoori
Director

Abdulla Khalil Al Mutawa
Director

Khalid Mana Saeed Al Otaiba
Director

Khalid Qurashi
Director

Dr. Gyorgy Tamas Ladics
Director

Dr. Ayesha Khan
Director

Efstratios Georgios Arapoglou
Director

Atif Aslam Bajwa
President/CEO and Director

Senior Management Team

Atif Aslam Bajwa

President and Chief Executive Officer

Aasim Wajid Jawad

Group Head, Strategy, Transformation
and Customer Experience

Anjum Hai

Chief Financial Officer

Faisal Farooq Khan

Chief Human Resources Officer

Faisal Rabbani

Chief Risk Officer

Farooq Ahmed Khan

Group Head, Corporate, Investment Banking
and International Business

Haroon Khalid

Group Head, Compliance and Business Solutions

Hasan Ahmed Khan

Head, Treasury Pakistan

Khawaja Muhammad Ahmad

Group Head, Operations and Corporate Services

Mehreen Ahmed

Group Head, Retail Banking

Mian Ejaz Ahmad

Company Secretary and Group Head, Legal
and Corporate Affairs

Mohammad Raheel Yousuf

Chief Marketing Officer

Mohib Hasan Khan

Chief Information Officer

Dr. Muhammad Imran

Group Head, Islamic Banking

Muhammad Yahya Khan

Chief Digital Banking Officer

Pervez Shahbaz Khan

Group Head, Global Markets and Treasury

Tahir Khurshid

Group Head, Audit and Inspection

Zahid Anjum

Group Head, Special Assets Management

Chief Financial Officer

Anjum Hai

Company Secretary

Mian Ejaz Ahmad

Chief Internal Auditor

Tahir Khurshid

Auditors

A. F. Ferguson & Co.

Chartered Accountants

Registered/Head Office

B. A. Building

I. I. Chundrigar Road

Karachi, Pakistan

Share Registrar

F. D. Registrar Services Private Limited

1705, 17th Floor, Saima Trade Tower-A

I. I. Chundrigar Road

Karachi, Pakistan

Legal Advisor

Mandviwalla & Zafar

Advocates and Legal Consultants

Official Website

<http://www.bankalfalah.com/>

Board Committees

Board Audit Committee (BAC)

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

Board Risk Management Committee (BRMC)

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

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

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

Board Strategy and Finance Committee (BS&FC)

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

Board Committees

Board Crisis Management Committee (BCMC)

Abdulla Khalil Al Mutawa
Chairman

Khalid Mana Saeed Al Otaiba
Member

Khalid Qurashi
Member

Dr. Ayesha Khan
Member

Dr. Gyorgy Tamas Ladics
Member

Atif Aslam Bajwa
Member

Mian Ejaz Ahmad
Secretary

Board Information Technology Committee (BITC)

Dr. Gyorgy Tamas Ladics
Chairman

Abdulla Khalil Al Mutawa
Member

Khalid Mana Saeed Al Otaiba
Member

Khalid Qurashi
Member

Efstratios Georgios Arapoglou
Member

Atif Aslam Bajwa
Member

Aasim Wajid Jawad
Secretary

Board Real Estate Committee (BREC)

Abdulla Khalil Al Mutawa
Chairman

Khalid Mana Saeed Al Otaiba
Member

Khalid Qurashi
Member

Atif Aslam Bajwa
Member

Mian Ejaz Ahmad
Secretary

Directors' Review

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

Economic Review

The third quarter of the year 2026 saw renewed geopolitical volatility due to the resumption of the regional conflict, keeping energy prices elevated. Despite these challenging external headwinds, Pakistan demonstrated economic resilience and managed the situation effectively through strategic monetary and fiscal frameworks.

The State Bank of Pakistan (SBP) reserves increased to USD 21.4 billion¹, compared to USD 16.01 billion on December 31, 2025, led by Eurobond issuances. Likewise, total reserves of the country have also increased from USD 20.84 billion to USD 26.77 billion. The current account posted a cumulative surplus of USD 514 million in first eight months of 2026 (Jan-Aug) as compared to surplus of USD 60 million during the same period last year (SPLY). Remittances continue to remain crucial support for the economy, reaching USD 29.1 billion in 8MCY26 as compared to USD 26.8 billion during SPLY.

SBP continued to focus on containing volatility in the foreign exchange market, while sustained market-based FX purchases served to support FX reserves. SBP's Net FX Purchases amounted to USD 4.0 billion during the 1H

2026 versus USD 2.7 billion during SPLY. Resultantly, the rupee has remained stable, appreciating slightly by 1.34% to PKR 277.11/USD as of September 30, 2026, compared to PKR 280.87/USD as on December 31, 2025.

Headline inflation in Pakistan increased to 10.3% year-on-year in September 2026, compared to 5.8% in September 2025, driven by elevated food and energy costs. Core inflation also inched up to 8.4% compared to 7.3% in September 2025. SBP decided to maintain the policy rate at 11.50%, following a 100bps hike in April 2026.

On the fiscal front, the country recorded its third consecutive annual primary surplus, reaching 2.9% of GDP in FY26. FBR tax collection also exceeded its tax collection target, collecting PKR 3.083 trillion against PKR 3.053 trillion in 1QFY27, as per news flows.

The resumption of conflict in the region subdued the investor sentiment, leading to a decline in KSE-100 index to 169,969 points as of September 30, 2026, reflecting a YTD fall of 2.35%.

Going forward, Pakistan's economic outlook will be shaped by global developments, especially energy prices. The IMF board approval and program continuity will be critical to maintaining economic stability amid a tough external environment.

Review of the Bank's Performance

The Bank's financial highlights for the nine-months period ended September 30, 2026, are presented as follows:

Financial Position	September 30, 2026	December 31, 2025
Rupees in Millions		
Shareholders' Equity	194,839	197,512
Total Assets	3,374,278	3,829,927
Deposits	2,617,022	2,496,208
Advances – net	1,154,203	1,104,924
Investments – net	1,737,987	2,173,447
Financial Performance	Period ended September 30, 2026	Period ended September 30, 2025
Rupees in Millions		
Net Interest Income and Non-Markup Income	151,003	134,537
Non-Markup Expenses	89,217	85,295
(Reversal of) / Charge against credit loss allowance/ provisions and write offs (net)	(3,146)	1,948
Profit before tax (PBT)	64,932	47,295
Profit after tax (PAT)	30,614	21,439
		(Restated)
Basic and Diluted earnings per share – Rupees [adjusted for share split]	9.71	6.80

¹As of 25th September 2026

Bank Alfalah recorded a profit after tax (PAT) of PKR 30.61 billion for the nine-months period ended 30 September 2026 posting strong growth of 42.8% from same period last year (SPLY). The Bank's profit before tax (PBT) showed robust growth of 37.3% YoY. Further, Earnings per share (EPS) increased from PKR 6.80 in 9M'25 to PKR 9.71 in 9M'26.

The Bank's total revenue for the first nine months of 2026 increased to PKR 151.00 billion depicting a growth of 12.2%. NII reached PKR 104.82 billion representing 5.5% YoY increase on account of higher average CA volumes and improved margins on credits. Besides this, Non-Funded Income (NFI) posted strong growth of 31.1% over SPLY; driven largely by strategic rebalancing of the portfolio to capture capital gains based on favorable yield curve movements. Moreover, Fee and commission witnessed a 12.6% increase propelled by income earned through remittances, the G2P schemes, branch banking channel, trade business, and cash and wealth management services.

The Bank's operating expenses increased by just 4.1% reflecting impact of Bank's ongoing cost optimisation initiatives. Bank Alfalah's cost to income ratio improved to 58.1% in 9M26 from 62.6% in 9M25 as a result of high revenue growth along with contained expenses. Nevertheless, sustained investment in strategic and technology-related initiatives that deliver enhanced stakeholder returns will remain a priority for the Bank going forward.

Driven by a 20.8% YoY robust growth, total deposits stood at PKR 2.62 trillion as at September 30, 2026 and Current account deposits closed at PKR 1.10 trillion, an increase of 16.9% YoY. This reflects the Bank's continued focus towards current account mobilisation on a continuous basis.

The gross loan book of the Bank grew to PKR 1.20 trillion, witnessing an 11.3% YoY increase on the back of expansion across SME, Agri and Consumer segments. A healthy infection ratio of 3.5% and the coverage ratio of 106.9% (including general provision/ECL) as at September 30, 2026 represents robust asset quality and the Bank's continued commitment towards prudent risk management.

As at September 30, 2026, the Bank remained adequately capitalised with CAR at 14.79%.

Dividend

The Board of Directors, in its meeting held on October 22, 2026, declared an interim cash dividend of PKR 1.50 per share (30%) [Q3-25 (restated): PKR 1.25 per share (25%)] for the quarter ended September 30, 2026, bringing the total interim cash dividend for the nine-months period ended to PKR 4.50 per share (90%) (SPLY-25 (restated):

PKR 3.75 per share (75%)). The Board had earlier declared and paid interim cash dividend of PKR 3.00 per share (60%).

Credit Rating

The Bank has been assigned the following ratings by PACRA:

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

Future Outlook

Pakistan's economy entered FY27 on a cautious footing, as the collapse of the regional ceasefire in July 2026 renewed disruption around the Strait of Hormuz, keeping global oil prices elevated, with Brent crude trading above USD 100 per barrel in early October.

Headline inflation remained in double digits through the quarter, reaching 11.1% in August before easing to 10.3% in September, taking average inflation for 1QFY27 to 10.2%, driven primarily by higher transport, fuel and electricity costs. In response, the SBP prudently held the policy rate at 11.5% in both its July and September 2026 meetings, citing elevated inflation and persistent geopolitical risks, while retaining its FY27 real GDP growth projection of 3.5% - 4.5%.

The external sector remained resilient, with workers' remittances rising 14.7% year-on-year to USD 7.3 billion in July-August FY27, building on a record USD 41.6 billion in FY26. Pakistan's successful return to international capital markets through a USD 3 billion Eurobond issuance in September, alongside continued interbank purchases by the SBP, lifted SBP foreign exchange reserves to USD 21.4 billion. Moody's upgrade of Pakistan's sovereign rating to B3 with a stable outlook further reinforced confidence in the reform agenda. The IMF mission also commenced discussions on the fourth Extended Fund Facility (EFF) review in late September, which could unlock approximately USD 1.2 billion in combined disbursements.

Going forward, the course of the regional conflict, the trajectory of global energy prices, and timely completion of the IMF review will be the key determinants of Pakistan's macroeconomic stability and monetary policy direction in the remainder of FY27.

Against this backdrop, Bank Alfalah remains focused on executing its strategic priorities and building resilience in a challenging and uncertain operating environment.

The expansion of the Bank's deposit base, particularly through low-cost current accounts, remains a central objective. The continued extension of the Bank's branch and digital footprint across the country supports this priority.

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

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

Financial inclusion remains a strategic priority. The Bank continues to expand access to tailored financing solutions and advisory services for small and medium enterprises (SMEs) and individual consumers, supporting entrepreneurship and economic participation across underserved segments. Bank Alfalah's "One Bank, One Team" culture remains integral to its approach, fostering collaboration, creativity, and innovation across functions. The Bank continues to make investments in building a skilled, agile, and motivated workforce aligned with the Bank's long-term ambitions.

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

Acknowledgement

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

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

Atif Aslam Bajwa
President and Chief Executive Officer

Khalid Qurashi
Director

October 22, 2026
Abu Dhabi

فنانسنگ کو بڑھا رہا ہے، خاص طور پر کارپوریٹ اور درمیانی مارکیٹ کے صارفین کے لیے۔ یہ کوششیں بینک کو پاکستان کے تجارتی ماحولیاتی نظام کو سپورٹ کرنے اور ملک کے مالیاتی ڈھانچے میں اپنے کردار کو مضبوط بنانے کی پوزیشن میں رکھتی ہیں۔

مالی شمولیت ہماری ایک اسٹریٹجک ترجیح ہے۔ بینک چھوٹے اور درمیانی درجے کے کاروباری اداروں (SMEs) اور انفرادی صارفین کے لیے موزوں فنانسنگ سولوشنز اور مشاورتی خدمات تک رسائی کو بڑھانا جاری رکھے ہوئے ہے، جو کہ غیر محفوظ طبقوں میں کاروباری اور اقتصادی شراکت میں معاونت کرتا ہے۔ بینک الفلاح کا "ایک بینک، ایک ٹیم" کلچر اس کے منتقلہ نظر کے لیے لازم و ملزوم ہے، کاموں میں تعاون، تخلیقی صلاحیتوں اور جدت کو فروغ دیتا ہے۔ بینک ایک ہنر مند، چست، اور حوصلہ افزا افرادی قوت کی تعمیر میں سرمایہ کاری کرتا رہتا ہے جو بینک کے طویل مدتی عزائم کے مطابق ہوتا ہے۔

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

اظہار تشکر

بورڈ کی جانب سے، ہم اسٹیٹ بینک آف پاکستان، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، وزارت خزانہ اور دیگر ریگولیٹری اتھارٹیز کا ان کی

مسلسل رہنمائی اور مشورے پر شکریہ ادا کرنا چاہتے ہیں۔ ہم اپنے شیئر ہولڈرز، اپنے صارفین اور کاروباری شراکت داروں کو ان کے جاری تعاون کے لیے بھی انہیں خراج تحسین پیش کرتے ہیں۔

برسوں کے دوران، ہم نے اپنی مالی پوزیشن کو مضبوط کرتے ہوئے اپنے صارفین اور تمام اسٹیک ہولڈرز کو بہترین قیمت اور خدمات فراہم کرنے کے لیے بنیادیں رکھی ہیں۔ جیسے جیسے ہم آگے بڑھیں گے، ہم خدمت پر توجہ مرکوز رکھیں گے اور اقتصادی ترقی کی حمایت میں کلیدی کردار ادا کریں گے۔ اس کی پیروی کرتے ہوئے، ہم اپنے ملازمین اور مقامی کمیونٹی کے لیے اپنی ذمہ داریوں اور اپنے شیئر ہولڈرز کو منافع کی فراہمی کے لیے اپنی لگن کا خیال رکھیں گے۔

خالد قریشی

ڈائریکٹر

عاطف اسلم باجوہ

صدر اور چیف ایگزیکٹو آفیسر

اکتوبر ۲۲، ۲۰۲۲

ابوظہبی

بینک الفلاح نے ۳۰ ستمبر ۲۰۲۱ کو ختم ہونے والی نو ماہ کی مدت کے لیے ۳۰.۲۱ ارب پاکستانی روپے کا بعد از ٹیکس منافع ریکارڈ کیا، جو گزشتہ سال کی اسی مدت کے مقابلے میں ۲۸.۹ فیصد کی نمایاں نمو کو ظاہر کرتا ہے۔ بینک کے قبل از ٹیکس منافع میں گزشتہ سال کے مقابلے میں ۳۴.۳ فیصد کی مضبوط نمو دیکھی گئی۔ مزید برآں، فی حصص آمدنی ۲۰۵ کے لیے نو ماہ میں ۲.۸۰ روپے سے بڑھ کر ۲۰۲۱ کے پہلے نو ماہ میں ۹.۶۱ روپے ہو گئی۔

سال ۲۰۲۱ کے پہلے نو ماہ کے دوران بینک کی کل آمدنی ۱۵۱.۰۰ ارب روپے تک پہنچ گئی، جو کہ ۲۲.۲ فیصد کی نمو ہے۔ خالص سود کی آمدنی ۲۰.۸۴ ارب روپے رہی، جس میں گزشتہ سال کے مقابلے میں ۵.۵ فیصد اضافہ ہوا۔ اس اضافے کی وجہ کرنٹ اکاؤنٹس کے اوسط حجم میں اضافہ اور کریڈٹ (قرضوں) پر مارجن میں بہتری تھی۔ اس کے علاوہ، نان فنڈڈ انکم میں گزشتہ سال کی اسی مدت کے مقابلے میں ۳۱.۱ فیصد کی مضبوط نمو ریکارڈ کی گئی۔ اس کی بڑی وجہ پورٹ فولیو کی اسٹریٹجک تنظیم نو تھی، جس کا مقصد پیداوار کی سازگار حرکیات سے فائدہ اٹھانے پر تھی۔ بینک کیپٹل گینز حاصل کرنا تھا۔ مزید برآں، فیس اور کمیشن کی مدد میں ۱۲.۱ فیصد اضافہ ہوا، جس میں ترسیلات زر، G2P اسکیموں، پرائنج بینکنگ چینل، تجارتی کاروبار، اور کیش اینڈ ویلتیج مینجمنٹ کی خدمات سے حاصل ہونے والی آمدنی شامل ہے۔

بینک کے آپریٹنگ اخراجات میں صرف ۳.۱ فیصد اضافہ ہوا، جو بینک کی جانب سے جاری اخراجات کو بہتر بنانے کے اقدامات کے اثرات کو ظاہر کرتا ہے۔ آمدنی میں نمایاں اضافے اور اخراجات کو قابو میں رکھنے کے نتیجے میں بینک الفلاح کا کاسٹ ٹوانکم ریشو ۲۰۲۵ کے لیے نو ماہ کے ۲۲.۱ فیصد سے بہتر ہو کر ۲۰۲۱ کے پہلے نو ماہ میں ۵۸.۱ فیصد پر آ گیا۔ تاہم، بینک مستقبل میں بھی ایسے اسٹریٹجک اور ٹیکنالوجی سے متعلق اقدامات میں سرمایہ کاری جاری رکھے گا جو اسٹیک ہولڈرز کے لیے بہتر منافع کا باعث بنیں۔

گزشتہ سال کے مقابلے میں ۲۰.۸ فیصد کی نمایاں شرح نمو کے ساتھ، ۳۰ ستمبر ۲۰۲۱ کو کل ڈیپازٹس ۲.۲۲ ٹریلین پاکستانی روپے رہی، جبکہ کرنٹ اکاؤنٹ ڈیپازٹس ۱.۱۰ ٹریلین پاکستانی روپے تک پہنچ گئے، جو کہ گزشتہ سال کے مقابلے میں ۱.۹ فیصد اضافہ ہے۔ یہ اعداد و شمار کرنٹ اکاؤنٹس کے حصول پر بینک کی مسلسل توجہ کو ظاہر کرتے ہیں۔

بینک کا مجموعی قرضہ جات کا حجم بڑھ کر ۱.۲۰ ٹریلین پاکستانی روپے ہو گیا، جس میں گزشتہ سال کے مقابلے میں ۱۱.۳ فیصد اضافہ دیکھا گیا۔ اس اضافے کی وجہ ایس ایم ای، زرعی اور کنزیومر کے شعبوں میں بینک کی سرگرمیوں کا پھیلاؤ ہے۔ ۳۰ ستمبر ۲۰۲۱ کو ۳.۵ فیصد کا 'انفیکشن ریشو' اور ۱۰.۹ فیصد کا گوریج ریشو اثاثوں کے بہترین معیار اور محتاط رسک مینجمنٹ کے لیے بینک کے پختہ عزم کی عکاسی کرتے ہیں۔

۳۰ ستمبر ۲۰۲۱ تک، بینک کے پاس مناسب سرمایہ موجود تھا اور اس کا کیپیٹل ایڈیوکیسی ریشو ۱۴.۶۹ فیصد رہا۔

ڈیویڈنڈ

بورڈ آف ڈائریکٹرز نے ۲۲ اکتوبر ۲۰۲۱ کو منعقدہ اپنے اجلاس میں ۳۰ ستمبر ۲۰۲۱ کو ختم ہونے والی سہ ماہی کے لیے فی شیئر ۱.۵۰ روپے (۳۰ فیصد) عبوری نقد منافع کا اعلان کیا۔ (تیسری سہ ماہی ۲۰۲۵ (نظر ثانی شدہ: ۱.۲۵ روپے فی شیئر (۲۵ فیصد)۔ اس اعلان کے بعد نو ماہ کے لیے مجموعی عبوری نقد منافع فی شیئر ۳.۵۰ روپے (۹۰ فیصد) ہو گیا ہے۔ (متصل سال ۲۰۲۵ (نظر ثانی شدہ: ۳.۶۵ روپے فی شیئر (۵۵ فیصد)۔ اس سے قبل بورڈ فی شیئر ۳ روپے (۱۰ فیصد) کا عبوری نقد منافع کا اعلان کر چکا تھا، جس کی ادائیگی بھی کی جا چکی ہے۔

کریڈٹ ریٹنگ

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

- اینٹیٹیٹی کی درجہ بندی: طویل مدتی کے لیے 'AAA' (ٹریل اے) اور مختصر مدت کے لیے 'A1+' (ای او پلس) 'مستحکم' آؤٹ لک کے ساتھ،

- انسٹرومنٹس کی درجہ بندی: 'AA+' (ڈبل اے پلس)، غیر محفوظ ٹیئر I کیپیٹل انسٹرومنٹس (ٹرم فنانس سرٹیفیکٹ) کے لیے 'مستحکم' آؤٹ لک کے ساتھ۔

- انسٹرومنٹ کی درجہ بندی: 'AAA' (ٹریل اے)، غیر محفوظ ٹیئر II کیپیٹل انسٹرومنٹ (ٹرم فنانس سرٹیفیکٹ) کے لیے 'مستحکم' آؤٹ لک کے ساتھ۔

مستقبل کا منظر نامہ

پاکستان کی معیشت مالی سال ۲۴ میں محتاط بنیادوں پر داخل ہوئی، کیونکہ جولائی ۲۰۲۱ میں علاقائی جنگ بندی کے خاتمے نے آبشار پر مزے کے ارد گرد دوبارہ خلل پیدا کیا، جس سے تیل کی عالمی قیمتیں بلند رہیں، اکتوبر کے شروع میں پیرنٹ کرڈ کی تجارت ۱۱۰ امریکی ڈالر فی بیرل سے زیادہ تھی۔

سہ ماہی کے دوران ہیڈ لائن افراط زر دوہرے ہندسوں میں رہی، اگست میں ۱۱.۱ فیصد تک پہنچ گئی، ستمبر میں ۱۰.۳ فیصد تک نرمی سے پہلے، ۲۰۲۴ کی پہلی سہ ماہی کے لیے اوسط افراط زر ۱۰.۲ فیصد تک پہنچ گئی، بنیادی طور پر نقل و حمل، ایندھن اور بجلی کی زیادہ قیمتوں کی وجہ سے۔ اس کے جواب میں، ایس بی پی نے اپنی جولائی اور ستمبر ۲۰۲۱ دونوں میٹنگوں میں پالیسی کی شرح کو ۱۱.۵ فیصد پر رکھا، بلندا افراط زر اور مسلسل جغرافیائی سیاسی خطرات کا حوالہ دیتے ہوئے، جبکہ مالی سال ۲۴ کے اپنے حقیقی جی ڈی پی کی شرح نمو ۵.۵ فیصد-۳.۵ فیصد کو برقرار رکھا۔

پیرونی شعبہ مستحکم رہا، کارکنوں کی ترسیلات زر سال بہ سال جولائی تا اگست مالیات ۲۰۲۴ میں ۱۳.۴ فیصد بڑھ کر ۴.۳ بلین امریکی ڈالر ہو گئیں، جو ۲۰۲۲ میں ریکارڈ ۱۰.۱ بلین امریکی ڈالر تک پہنچ گئی۔ ستمبر میں امریکی ڈالر ۳ بلین پونڈ کے اجراء کے ذریعے بین الاقوامی کیپیٹل مارکیٹوں میں پاکستان کی کامیاب واپسی، ایس بی پی کی مسلسل انٹریپنک خریداریوں کے ساتھ ساتھ، ایس بی پی کے زرمبادلہ کے ذخائر ۲۱.۳ بلین امریکی ڈالر تک پہنچ گئے۔ موڈیز کی جانب سے پاکستان کی خود مختار درجہ بندی کو B3 میں مستحکم کرنے کے ساتھ اصلاحاتی ایجنٹ سے پر اعتماد کو مزید تقویت ملی۔ آئی ایم ایف مشن نے ستمبر کے آخر میں چوتھے توسیعی فنڈسہولت (ای ای ایف) کے جائزے پر بھی بات چیت شروع کی، جس سے تقریباً ۱۲ بلین امریکی ڈالر کی مشترکہ ادائیگیوں کو ممکن بنایا جاسکتا ہے۔

آگے بڑھتے ہوئے، علاقائی تنازعات، توانائی کی عالمی قیمتوں کی رفتار اور آئی ایم ایف کے جائزے کی بروقت تکمیل مالی سال ۲۴ کے بقیہ حصے میں پاکستان کے معاشی استحکام اور مانیٹری پالیسی کی سمت کے کلیدی عوامل ہوں گے۔

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

بینک ڈیجیٹل تبدیلی میں اپنی رفتار کو برقرار رکھے ہوئے ہے، محفوظ موثر اور کسٹمر سینٹرک بینکنگ حل فراہم کرنے کے لیے جدید تجربات، آٹومیشن، اور مصنوعی ذہانت (AI) میں سرمایہ کاری کر رہا ہے۔ یہ اقدامات بینک کو آپریٹنگ کو سہوار کرنے، فیصلہ سازی کو بڑھانے اور سروس کے معیار میں بہتری لانے کے قابل بنائے ہیں۔ متوازی طور پر، بینک اخراجات سے آمدنی کے تناسب کو بہتر بنانے اور مشکل معاشی ماحول اور مہنگائی کے بڑھتے ہوئے رجحان کے درمیان مارجن کی حفاظت کے لیے نظم و ضبط کے اخراجات کے انتظام اور آپریشنل کارکردگی کے اقدامات کو جاری رکھے ہوئے ہے۔

متنوع اور پائیدار آمدنی کے سلسلے کی تعمیر کے لیے بینک اپنی نقدی کے انتظام کی صلاحیتوں کو گہرا کر رہا ہے، تجارتی مالیاتی حجم کو اور سپلائی چین

ڈائریکٹرز کا جائزہ

بورڈ آف ڈائریکٹرز کی جانب سے ہم انتہائی مسرت کے ساتھ ۳۰ ستمبر ۲۰۲۲ کو ختم ہونے والی مدت کے لیے بینک الفلاح میٹنگ کے غیر مجتمع شدہ مختصر عبوری مالیاتی گوشوارے پیش کر رہے ہیں۔

معاشی جائزہ

سال ۲۰۲۲ کی تیسری سہ ماہی میں علاقائی تنازعے کے دوبارہ شروع ہونے کی وجہ سے جغرافیائی سیاسی غیر یقینی صورتحال میں اضافہ ہوا جس کے نتیجے میں توانائی کی قیمتیں بلند سطح پر برقرار رہیں۔ ان مشکل بیرونی حالات کے باوجود، پاکستان نے معاشی لچک کا مظاہرہ کیا اور اسٹریٹجک اور حکومتی مالیاتی فریم ورکس کے ذریعے صورتحال کو مؤثر طریقے سے سنبھالا۔

یورپانڈ کے اجراء کی بدولت، اسٹیٹ بینک آف پاکستان کے ذخائر ۳۱ دسمبر ۲۰۲۵ کے ۱۲.۰۱ ارب امریکی ڈالر سے بڑھ کر ۲۱.۰۳ ارب امریکی ڈالر ہو گئے۔ اسی طرح، ملک کے مجموعی ذخائر بھی ۲۰۰۸ ارب امریکی ڈالر سے بڑھ کر ۲۱.۶۷ ارب امریکی ڈالر تک پہنچ گئے۔ سال ۲۰۲۲ کے پہلے آٹھ مہینوں (جنوری تا اگست) کے دوران کرنٹ اکاؤنٹ میں ۱۲ ملین امریکی ڈالر کا مجموعی سرپلس (اضافی بچت) ریکارڈ کیا گیا، جبکہ گزشتہ سال کی اسی مدت میں یہ سرپلس ۱۰ ملین امریکی ڈالر تھا۔ ترسیلات زر معیشت کے لیے ایک اہم سہارا بنی ہوئی ہیں؛ سال ۲۰۲۲ کے پہلے آٹھ مہینوں میں یہ ۲۹.۱ ارب امریکی ڈالر تک پہنچ گئیں، جبکہ گزشتہ سال کی اسی مدت میں یہ ۲۸.۸ ارب امریکی ڈالر تھیں۔

اسٹیٹ بینک آف پاکستان نے زرمبادلہ کی مارکیٹ میں اتار چڑھاؤ کو قابو میں رکھنے پر توجہ مرکوز رکھی، جبکہ مارکیٹ کی بنیاد پر زرمبادلہ کی مسلسل خریداریوں نے زرمبادلہ کے ذخائر کو تقویت دی۔ سال ۲۰۲۲ کی پہلی ششماہی کے دوران اسٹیٹ بینک کی جانب سے زرمبادلہ کی خالص خریداری ۴۰ ارب امریکی ڈالر رہی، جبکہ گزشتہ سال کی اسی مدت میں یہ ۲۷ ارب امریکی ڈالر تھی۔ اس کے نتیجے میں، پاکستانی روپیہ مستحکم رہا اور اس کی قدر میں معمولی بہتری (تقریباً ۱.۳۲ فیصد) آئی؛ ۳۰ ستمبر ۲۰۲۲ کو ایک امریکی ڈالر

بینک کی کارکردگی کا جائزہ

بینک کی ۳۰ ستمبر ۲۰۲۲ کو ختم ہونے والی مدت کے لیے مالیاتی کارکردگی کی جھلکیاں درج ذیل ہیں:

مالیاتی حیثیت		۳۰ ستمبر ۲۰۲۲	۳۱ دسمبر ۲۰۲۵
شیفربولڈز ایکونٹی		۱۹۳,۸۳۹	۱۹۷,۵۱۲
کل اثاثے		۳,۳۷۳,۲۷۸	۳,۸۲۹,۹۲۷
ڈپازٹس		۲,۶۱۷,۰۲۲	۲,۳۹۶,۲۰۸
ایڈوانسز (نیٹ)		۱,۱۵۳,۲۰۳	۱,۱۰۳,۹۲۳
سرمایہ کاری (نیٹ)		۱,۷۷۷,۹۸۷	۲,۱۷۳,۳۴۷
مالیاتی کارکردگی		۳۰ ستمبر ۲۰۲۲ کو ختم ہونے والی مدت	۳۰ ستمبر ۲۰۲۵ کو ختم ہونے والی مدت
روپے ملین میں			
خالص مارک اپ اور نان مارک اپ آمدنی		۱۵۱,۰۰۳	۱۳۳,۵۳۷
نان مارک اپ اخراجات		۸۹,۴۱۷	۸۵,۲۰۵
کریڈٹ لاس الاؤنس / ریویژن اور رائلٹی (خالص)		(۳,۱۳۲)	۱,۹۳۸
قبل از ٹیکس منافع (PBT)		۶۴,۹۳۲	۴۷,۲۶۰
بعد از ٹیکس منافع (PAT)		۳۰,۹۱۳	۲۱,۳۳۹
ٹرمیم شدہ		۹,۷۱	۲,۸۰

بیسک اور ڈائریکٹرز آمدنی فی شیئر۔ روپے (شیئر اسپلٹ کے مطابق ایڈجسٹ شدہ)

مطابق ۲۵ ستمبر ۲۰۲۲

کی قیمت ۲۷۷.۱۱ پاکستانی روپے رہی، جبکہ ۳۱ دسمبر ۲۰۲۵ کو یہ ۲۸۰.۸۷ پاکستانی روپے تھی۔

پاکستان میں ستمبر ۲۰۲۲ کے دوران مجموعی افراط زر کی شرح گزشتہ سال کے اسی عرصے کے مقابلے میں بڑھ کر ۱۰.۳ فیصد ہو گئی، جبکہ ستمبر ۲۰۲۵ میں یہ ۵.۸ فیصد تھی۔ اس اضافے کی بنیادی وجہ خوراک اور توانائی کی بلند قیمتیں تھیں۔ بنیادی افراط زر کی شرح بھی بڑھ کر ۸.۳ فیصد ہو گئی، جو ستمبر ۲۰۲۵ میں ۷.۳ فیصد تھی۔ اپریل ۲۰۲۲ میں پالیسی ریٹ میں ۱۰۰ بی پی ایس کے اضافے کے بعد، اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ کو ۱۱.۵۰ فیصد کی سطح پر برقرار رکھنے کا فیصلہ کیا۔

مالیاتی محاذ پر، ملک نے مسلسل تیسرے سال پرانہ سرپلس ریکارڈ کیا، جو مالی سال ۲۰۲۲ میں مجموعی ملکی پیداوار کے ۲.۹ فیصد تک پہنچ گیا۔ اطلاعات کے مطابق، ایف بی آر کی جانب سے ٹیکس وصولی بھی اپنے مقررہ ہدف سے تجاوز کر گئی؛ مالی سال ۲۰۲۷ کی پہلی سہ ماہی میں ۳۰.۵۴ ٹریلین روپے کے ہدف کے مقابلے میں ۳۰.۸۳ ٹریلین روپے جمع کیے گئے۔

خطے میں تنازع کے دوبارہ شدت اختیار کرنے سے سرمایہ کاروں کے اعتماد پر متنی اثر پڑا، جس کے نتیجے میں ۳۰ ستمبر ۲۰۲۲ تک کے ایس ای ۱۰۰ انڈیکس کر ۱۲۹,۹۲۹ پوانٹس پر آ گیا؛ یہ رواں سال کے آغاز سے اب تک ۲.۳۵ فیصد کی کمی کو ظاہر کرتا ہے۔

مستقبل میں، پاکستان کے معاشی منظر نامے کا انحصار عالمی پیش رفت، بالخصوص توانائی کی قیمتوں پر ہوگا۔ مشکل بیرونی حالات کے درمیان معاشی استحکام برقرار رکھنے کے لیے آئی ایم ایف بورڈ کی منظوری اور پروگرام کا تسلسل انتہائی اہم ہوگا۔

UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2026



Unconsolidated Condensed Interim Statement of Financial Position

As at September 30, 2026

	Note	(Un-audited) September 30, 2026	(Audited) December 31, 2025
		----- (Rupees in '000) -----	
ASSETS			
Cash and balances with treasury banks	7	191,834,666	227,463,156
Balances with other banks	8	19,148,611	24,109,552
Lendings to financial institutions	9	3,358,906	19,674,292
Investments	10	1,737,987,115	2,173,446,680
Advances	11	1,154,203,170	1,104,923,835
Property and equipment	12	75,278,529	71,100,467
Right-of-use assets	13	27,661,952	26,377,543
Intangible assets	14	1,736,604	1,723,556
Deferred tax assets	15	3,443,944	-
Other assets	16	159,624,710	181,108,039
Total assets		3,374,278,207	3,829,927,120
LIABILITIES			
Bills payable	17	51,072,191	56,957,969
Borrowings	18	242,963,339	832,127,882
Deposits and other accounts	19	2,617,022,132	2,496,208,099
Lease liabilities	20	35,025,787	32,471,152
Subordinated debt	21	34,000,000	14,000,000
Deferred tax liabilities	15	-	24,345,073
Other liabilities	22	199,356,257	176,304,889
Total liabilities		3,179,439,706	3,632,415,064
NET ASSETS		<u>194,838,501</u>	<u>197,512,056</u>
REPRESENTED BY			
Share capital		15,771,651	15,771,651
Reserves		44,955,325	42,366,356
Surplus on revaluation of assets	23	21,958,918	43,203,860
Unappropriated profit		<u>112,152,607</u>	<u>96,170,189</u>
		<u>194,838,501</u>	<u>197,512,056</u>
CONTINGENCIES AND COMMITMENTS			
	24		

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

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

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

For the quarter and nine months period ended September 30, 2026

	Note	Quarter ended September 30, 2026	Quarter ended September 30, 2025	Nine months period ended September 30, 2026	Nine months period ended September 30, 2025
----- (Rupees in '000) -----					
Mark-up / return / interest earned	26	87,909,803	81,663,889	259,779,996	268,662,091
Mark-up / return / interest expensed	27	52,055,408	48,384,665	154,955,352	169,345,562
Net mark-up / return / interest income		35,854,395	33,279,224	104,824,644	99,316,529
NON MARK-UP / INTEREST INCOME					
Fee and commission income	28	5,158,519	4,149,560	13,462,059	11,956,921
Dividend income		456,944	606,633	1,908,404	2,062,136
Foreign exchange income	29	4,511,147	3,573,171	11,496,752	8,862,871
Income from derivatives		937,915	545,235	1,520,364	933,801
Gain / (loss) on securities	30	(355,392)	2,063,162	17,512,752	10,457,513
Net gain / (loss) on derecognition of financial assets measured at amortised cost		-	-	-	-
Other income	31	129,001	73,249	277,580	947,478
Total non-mark-up / interest income		10,838,134	11,011,010	46,177,911	35,220,720
Total income		46,692,529	44,290,234	151,002,555	134,537,249
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	32	29,041,755	29,606,142	87,680,941	84,194,554
Workers' welfare fund	33	456,225	268,502	1,489,983	1,090,072
Other charges	34	28,819	596	46,176	10,153
Total non-mark-up / interest expenses		29,526,799	29,875,240	89,217,100	85,294,779
Profit before credit loss allowance / provisions		17,165,730	14,414,994	61,785,455	49,242,470
(Reversal of) / charge against credit loss allowance / provisions and write offs - net	35	(2,566,733)	1,050,875	(3,146,086)	1,947,520
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		19,732,463	13,364,119	64,931,541	47,294,950
Taxation	36	10,445,241	7,199,515	34,317,431	25,855,765
PROFIT AFTER TAXATION		9,287,222	6,164,604	30,614,110	21,439,185
----- (Rupees) -----					
		(Restated)		(Restated)	
Basic and diluted earnings per share	37	2.95	1.96	9.71	6.80

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

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

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

For the quarter and nine months period ended September 30, 2026

Quarter ended September 30, 2026	Quarter ended September 30, 2025	Nine months period ended September 30, 2026	Nine months period ended September 30, 2025
(Rupees in '000)			

Profit after taxation for the period	9,287,222	6,164,604	30,614,110	21,439,185
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Other comprehensive (loss) / income

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

Effect of translation of net investment in foreign branches	(161,616)	(467,845)	(472,442)	(207,159)
Movement in surplus on revaluation of investments in debt securities classified as FVOCI - net of tax	(2,097,985)	910,638	(8,480,829)	4,041,687
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	(1,292,298)	(364,783)	(8,546,862)	(2,896,995)
	(3,551,899)	78,010	(17,500,133)	937,533

Items that will not be reclassified to the statement of profit and loss account in subsequent periods:

Movement in surplus on revaluation of equity investments classified as FVOCI - net of tax	(394,588)	2,753,868	(1,176,241)	3,221,899
Movement in surplus on revaluation of property and equipment - net of tax	(19,517)	(18,442)	(54,092)	(55,256)
Movement in surplus on revaluation of non-banking assets - net of tax	(4,037)	(5,501)	(16,400)	(15,911)
	(418,142)	2,729,925	(1,246,733)	3,150,732

Total comprehensive income	5,317,181	8,972,539	11,867,244	25,527,450
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The annexed notes 1 to 48 form an integral part of these unconsolidated condensed interim financial statements.

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

Unconsolidated Condensed Interim Statement of Changes in Equity

For the nine months period ended September 30, 2026

	Share capital	Capital reserves		Statutory reserve	Surplus / (deficit) on revaluation of			Unappropriated profit	Total
		Share premium	Exchange translation reserve		Investments	Property and equipment	Non banking assets		
(Rupees in '000)									
Balance as at December 31, 2024 (audited)	15,771,651	4,731,049	12,425,956	26,309,920	15,911,027	17,553,045	314,715	85,095,047	178,112,410
Impact of adoption of IFRS 9 - net of tax	-	-	-	-	1,503,916	-	-	(81,096)	1,422,820
Balance as at January 01, 2025	15,771,651	4,731,049	12,425,956	26,309,920	17,414,943	17,553,045	314,715	85,013,951	179,535,230
Changes in equity for the nine months period ended September 30, 2025									
Profit after taxation	-	-	-	-	-	-	-	21,439,185	21,439,185
Other comprehensive (loss) / income - net of tax									
Effect of translation of net investment in foreign branches	-	-	(207,159)	-	-	-	-	-	(207,159)
Movement in surplus on revaluation of investments in debt securities classified as FVOCI - net of tax	-	-	-	-	4,041,687	-	-	-	4,041,687
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	-	-	-	-	(2,896,995)	-	-	-	(2,896,995)
Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax	-	-	-	-	3,221,899	-	-	-	3,221,899
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	(55,256)	-	-	(55,256)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	(15,911)	-	(15,911)
Total other comprehensive income / (loss) - net of tax	-	-	(207,159)	-	4,366,591	(55,256)	(15,911)	-	4,088,265
Transfer to statutory reserve	-	-	-	2,143,919	-	-	-	(2,143,919)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(91,657)	(11,409)	103,066	-
Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	(547,291)	-	-	547,291	-
Transactions with owners, recorded directly in equity									
Final cash dividend for the year ended December 31, 2024 - 25%	-	-	-	-	-	-	-	(3,942,913)	(3,942,913)
Interim cash dividend for the quarter ended March 31, 2025 - 25%	-	-	-	-	-	-	-	(3,942,913)	(3,942,913)
Interim cash dividend for the half year ended June 30, 2025 - 25%	-	-	-	-	-	-	-	(3,942,913)	(3,942,913)
Closing balance as at September 30, 2025 (un-audited)	15,771,651	4,731,049	12,218,797	28,453,839	21,234,243	17,406,132	287,395	93,130,835	193,233,941
Changes in equity for the three months period ended December 31, 2025									
Profit after taxation	-	-	-	-	-	-	-	6,897,872	6,897,872
Other comprehensive (loss) / income - net of tax									
Effect of translation of net investment in foreign branches	-	-	(3,727,116)	-	-	-	-	-	(3,727,116)
Movement in surplus on revaluation of investments in debt securities classified as FVOCI - net of tax	-	-	-	-	3,724,767	-	-	-	3,724,767
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	-	-	-	-	(443,063)	-	-	-	(443,063)
Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax	-	-	-	-	1,195,204	-	-	-	1,195,204
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-	503,076	503,076
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	(18,504)	-	-	(18,504)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	88,792	-	88,792
Total other comprehensive (loss) / income - net of tax	-	-	(3,727,116)	-	4,476,908	(18,504)	88,792	503,076	1,323,156
Balance carried forward	15,771,651	4,731,049	8,491,681	28,453,839	25,711,151	17,387,628	376,187	100,531,783	201,454,969

Unconsolidated Condensed Interim Statement of Changes in Equity

For the nine months period ended September 30, 2026

	Share capital	Capital reserves		Statutory reserve	Surplus / (deficit) on revaluation of			Unappropriated profit	Total
		Share premium	Exchange translation reserve		Investments	Property and equipment	Non banking assets		
(Rupees in '000)									
Balance brought forward	15,771,651	4,731,049	8,491,681	28,453,839	25,711,151	17,387,628	376,187	100,531,783	201,454,969
Transfer to statutory reserve	-	-	-	689,787	-	-	-	(689,787)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(30,915)	(1,311)	32,226	-
Transfer of revaluation surplus from non-banking assets to property and equipment - net of tax	-	-	-	-	-	6,020	(6,020)	-	-
Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	(238,880)	-	-	238,880	-
Transactions with owners, recorded directly in equity									
Interim cash dividend for the nine months period ended September 30, 2025 - 25%	-	-	-	-	-	-	-	(3,942,913)	(3,942,913)
Balance as at December 31, 2025 (audited)	15,771,651	4,731,049	8,491,681	29,143,626	25,472,271	17,362,733	368,856	96,170,189	197,512,056
Impact of adoption of IFRS 9 - net of tax (note 4.1.1)	-	-	-	-	-	-	-	(346,314)	(346,314)
Balance as at January 01, 2026 after adoption of IFRS 9	15,771,651	4,731,049	8,491,681	29,143,626	25,472,271	17,362,733	368,856	95,823,875	197,165,742
Changes in equity for the three months period ended September 30, 2026									
Profit after taxation	-	-	-	-	-	-	-	30,614,110	30,614,110
Other comprehensive loss - net of tax									
Effect of translation of net investment in foreign branches	-	-	(472,442)	-	-	-	-	-	(472,442)
Movement in surplus on revaluation of investments in debt securities classified as FVOCI - net of tax	-	-	-	-	(8,480,829)	-	-	-	(8,480,829)
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	-	-	-	-	(8,546,862)	-	-	-	(8,546,862)
Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax	-	-	-	-	(1,176,241)	-	-	-	(1,176,241)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	(54,092)	-	-	(54,092)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	(16,400)	-	(16,400)
Total other comprehensive loss - net of tax	-	-	(472,442)	-	(18,203,932)	(54,092)	(16,400)	-	(18,746,866)
Transfer to statutory reserve	-	-	-	3,061,411	-	-	-	(3,061,411)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(221,105)	(4,638)	225,743	-
Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	(2,744,775)	-	-	2,744,775	-
Transactions with owners, recorded directly in equity									
Final cash dividend for the year ended December 31, 2025 - 30%	-	-	-	-	-	-	-	(4,731,495)	(4,731,495)
Interim cash dividend for the quarter ended March 31, 2026 - 30%	-	-	-	-	-	-	-	(4,731,495)	(4,731,495)
Interim cash dividend for the half year ended June 30, 2026 - 30%	-	-	-	-	-	-	-	(4,731,495)	(4,731,495)
Closing balance as at September 30, 2026 (un-audited)	15,771,651	4,731,049	8,019,239	32,205,037	4,523,564	17,087,536	347,818	112,152,607	194,838,501

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

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

Unconsolidated Condensed Interim Cash Flow Statement (Un-audited)

For the nine months period ended September 30, 2026

	Note	Nine months period ended	
		September 30, 2026	September 30, 2025
		------(Rupees in '000)-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		64,931,541	47,294,950
Less: Dividend income		(1,908,404)	(2,062,136)
		63,023,137	45,232,814
Adjustments:			
Net mark-up / return / interest income		(107,204,514)	(101,585,398)
Depreciation	32	5,252,963	4,470,968
Depreciation on right-of-use assets	32	3,635,901	3,387,199
Amortisation	32	324,345	300,500
(Reversal of) / charge against credit loss allowance / provisions and write offs - net	35	(3,146,086)	1,947,520
Unrealised loss on revaluation of investments classified as FVPL	30	3,465,656	201,564
Gain on disposal of subsidiary	30.1	-	(396,857)
Gain on sale of property and equipment - net	31	(28,577)	(43,642)
Gain on sale of non-banking assets - net	31	-	(3,368)
Gain on termination of leases - net	31	(186,769)	(85,693)
Finance charges on leased assets	27	3,461,828	3,173,375
Workers' welfare fund		1,489,983	1,090,072
Charge for defined benefit plan	32.1	794,011	721,426
Charge for staff compensated absences	32.1	393,750	313,000
		(91,747,509)	(86,509,334)
		(28,724,372)	(41,276,520)
(Increase) / decrease in operating assets			
Lendings to financial institutions		15,000,001	68,513,728
Securities classified as FVPL		(4,212,387)	69,164,500
Advances		(42,074,815)	78,518,817
Other assets (excluding advance taxation and mark-up receivable)		9,019,010	(8,346,267)
		(22,268,191)	207,850,778
(Decrease) / increase in operating liabilities			
Bills payable		(5,885,778)	(2,308,826)
Borrowings		(595,529,411)	(512,440,786)
Deposits		120,814,033	29,915,094
Other liabilities (excluding current taxation and mark-up payable)		13,920,990	5,137,922
		(466,680,166)	(479,696,596)
		(517,672,729)	(313,122,338)
Mark-up / interest received		266,342,416	275,545,346
Mark-up / interest paid		(148,505,014)	(178,692,332)
Income tax paid		(36,716,585)	(28,456,601)
Net cash used in operating activities		(436,551,911)	(244,725,925)
Balance carried forward			
		(436,551,911)	(244,725,925)

Unconsolidated Condensed Interim Cash Flow Statement (Un-audited)

For the nine months period ended September 30, 2026

	Note		Nine months period ended	
			September 30, 2026	September 30, 2025
			------(Rupees in '000)-----	
Balance brought forward			(436,551,911)	(244,725,925)
CASH FLOWS FROM INVESTING ACTIVITIES				
Net divestments in securities classified as FVOCI			372,371,116	250,462,806
Net divestments in securities carried at amortised cost			28,714,424	43,851,597
Divestment of investment in subsidiary			-	396,857
Dividends received			1,872,084	2,059,336
Investments in property and equipment and intangible assets			(10,384,248)	(10,572,903)
Proceeds from sale of property and equipment			668,953	79,666
Proceeds from sale of non-banking assets			-	27,089
Effect of translation of net investment in foreign branches			(617,876)	(207,159)
Net cash generated from investing activities			392,624,453	286,097,289
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments of lease obligations against right-of-use assets			(5,639,010)	(4,961,186)
Proceeds from issue of subordinated debt			20,000,000	-
Dividend paid			(14,143,869)	(11,796,006)
Net cash generated from / (used in) financing activities			217,121	(16,757,192)
(Decrease) / increase in cash and cash equivalents			(43,710,337)	24,614,172
Cash and cash equivalents at the beginning of the period			254,814,821	230,214,758
Effects of exchange rate changes on cash and cash equivalents			(1,252,428)	1,735,279
			253,562,393	231,950,037
Expected credit loss allowance on cash and cash equivalents - net			(7,493)	(64,899)
Cash and cash equivalents at the end of the period	38		209,844,563	256,499,310

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

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

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

For the nine months period ended September 30, 2026

1 STATUS AND NATURE OF BUSINESS

Bank Alfalah Limited (the Bank) is a banking company incorporated in Pakistan and is engaged in commercial banking and related services in both Pakistan and overseas. The Bank's registered office is located at B. A. Building, I. I. Chundrigar Road, Karachi and its shares are listed on the Pakistan Stock Exchange. The Bank is engaged in banking services as described in the Banking Companies Ordinance, 1962. The Bank is operating through 1,197 branches (December 31, 2025: 1,178 branches) and 7 sub-branches (December 31, 2025: 8 sub-branches). Out of the 1,197 branches, 739 (December 31, 2025: 717) are conventional, 447 (December 31, 2025: 450) are Islamic, 10 (December 31, 2025: 10) are overseas and 1 (December 31, 2025: 1) is an offshore banking unit.

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

2 BASIS OF PRESENTATION

2.1 STATEMENT OF COMPLIANCE

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

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

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

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

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

- 2.1.1** The disclosures made in these unconsolidated condensed interim financial statements have been limited based on the format prescribed by the SBP through BPRD Circular Letter No. 02 dated February 09, 2023 and the requirements of International Accounting Standard 34, "Interim Financial Reporting". These do not include all the information and disclosures required for annual financial statements, and therefore should be read in conjunction with the annual audited unconsolidated financial statements of the Bank for the year ended December 31, 2025.
- 2.1.2** These unconsolidated condensed interim financial statements represent separate financial statements of Bank Alfalah Limited in which investments in subsidiaries and associates are accounted for on the basis of cost less accumulated impairment losses, if any.
- 2.1.3** Key financial figures of the Islamic Banking branches are disclosed in note 43 to these unconsolidated condensed interim financial statements.
- 2.1.4** The Bank believes that there is no significant doubt on the Bank's ability to continue as a going concern. Therefore, these unconsolidated condensed interim financial statements have been prepared on a going concern basis.

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

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

- IFRS 7, 'Financial Instruments: Disclosures'; the SECP through S.R.O. 742(I)/2025 dated April 16, 2025 requires disclosures regarding the significance of financial instruments to the Bank's financial position and performance, as well as the nature, extent, and management of risks arising from such instruments. Accordingly, the Bank will adopt IFRS 7 in preparing its annual financial statements for the year ending December 31, 2026. However, the disclosure requirements of IFRS 7 do not apply to these condensed interim financial statements except for those specified in paragraph 16A(j) of IAS 34, 'Interim Financial Reporting'.
- Certain amendments to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments' have become applicable on the Bank which clarify the date of recognition and derecognition of a financial asset or financial liability. These amendments do not have any material impact and, therefore, have not been detailed in these unconsolidated condensed interim financial statements.

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

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

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

3 BASIS OF MEASUREMENT

3.1 Accounting convention

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

3.2 Functional and presentation currency

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

4 MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 IFRS 9 - 'Financial Instruments'

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

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

4.1.2 The SBP has directed the banks through its BPRD Circular Letter No. 1 dated January 22, 2025 to continue applying the existing revenue recognition methodology for Islamic operations, including the requirements of Islamic Financial Accounting Standard (IFAS) 1 and IFAS 2 until further instructions. Had IFRS 9 been adopted for revenue recognition related to Islamic financing, the unappropriated profit of the Bank as at September 30, 2026 would have been higher by Rs. 350.390 million.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

6 FINANCIAL RISK MANAGEMENT

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

7 CASH AND BALANCES WITH TREASURY BANKS

	(Un-audited) September 30, 2026	(Audited) December 31, 2025
Note	----- (Rupees in '000) -----	
In hand		
- local currency	50,594,656	52,330,676
- foreign currency	5,295,179	5,139,284
	55,889,835	57,469,960
With State Bank of Pakistan in		
- local currency current accounts	87,607,190	80,978,592
- foreign currency current accounts	9,565,287	9,870,481
- foreign currency deposit accounts	14,777,924	16,191,056
	111,950,401	107,040,129
With other central banks in		
- foreign currency current accounts	20,292,846	59,377,172
- foreign currency deposit accounts	2,696,976	1,493,118
	22,989,822	60,870,290
With National Bank of Pakistan in local currency current account	994,952	2,044,071
Prize bonds	70,502	86,871
	191,895,512	227,511,321
Less: Credit loss allowance held against cash and balances with treasury banks	(60,846)	(48,165)
Cash and balances with treasury banks - net of credit loss allowance	191,834,666	227,463,156

8 BALANCES WITH OTHER BANKS

In Pakistan in current accounts	19,495	11,898
Outside Pakistan		
- in current accounts	19,100,040	24,073,844
- in deposit accounts	32,092	32,014
	19,132,132	24,105,858
	19,151,627	24,117,756
Less: Credit loss allowance held against balances with other banks	(3,016)	(8,204)
Balances with other banks - net of credit loss allowance	19,148,611	24,109,552

9 LENDINGS TO FINANCIAL INSTITUTIONS

Call / clean money lendings	3,360,905	4,674,360
Repurchase agreement lendings (Reverse Repo)	-	15,000,000
	3,360,905	19,674,360
Less: Credit loss allowance held against lendings to financial institutions	(1,999)	(68)
Lendings to financial institutions - net of credit loss allowance	3,358,906	19,674,292

September 30, 2026 (Un-audited)		December 31, 2025 (Audited)	
Lending	Credit loss allowance held	Lending	Credit loss allowance held

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

9.1 Lending to financial institutions - particulars of credit loss allowance

Domestic					
Performing	Stage 1	100,000	6	18,300,000	49
Overseas					
Performing	Stage 1	3,260,905	1,993	1,374,360	19
Total		3,360,905	1,999	19,674,360	68

10 INVESTMENTS

10.1 Investments by type:

September 30, 2026 (Un-audited)				December 31, 2025 (Audited)			
Cost / Amortised cost	Credit loss allowance / Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / Amortised cost	Credit loss allowance / Provision for diminution	Surplus / (Deficit)	Carrying value

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

Fair value through profit or loss

Federal Government Securities								
- Market Treasury Bills	145,655,625	-	(951,660)	144,703,965	150,646,774	-	88,233	150,735,007
- Pakistan Investment Bonds	134,437,422	-	(1,700,639)	132,736,783	148,435,134	-	987,996	149,423,130
- Ijarah Sukuks	20,988,623	-	(64,418)	20,924,205	252,784	-	(674)	252,110
- Naya Pakistan Certificates	1,291,987	-	-	1,291,987	819,226	-	-	819,226
Shares								
- Ordinary Shares - Listed	3,606,526	-	(354,748)	3,251,778	4,885,433	-	255,065	5,140,498
Non Government Debt Securities								
- Term Finance Certificates	1,450,000	-	-	1,450,000	1,450,000	-	-	1,450,000
- Sukuks	423,776	-	(444)	423,332	422,444	-	1,332	423,776
Foreign Securities								
- Overseas Bonds - Sovereign	13,407,274	-	(35,547)	13,371,727	8,289,997	-	(9,657)	8,280,340
- Redeemable Participating Certificates	7,222,729	-	(352,508)	6,870,221	7,849,325	-	20,685	7,870,010
REIT Fund - listed	122,522	-	(5,692)	116,830	-	-	-	-
	328,606,484	-	(3,465,656)	325,140,828	323,051,117	-	1,342,980	324,394,097

Fair value through other comprehensive income

Federal Government Securities								
- Market Treasury Bills	557,747,264	-	(2,662,787)	555,084,477	499,822,811	-	2,662,370	502,485,181
- Pakistan Investment Bonds	236,914,769	-	4,285,614	241,200,383	754,647,088	-	24,086,480	778,733,568
- Ijarah Sukuks	313,339,835	-	388,982	313,728,817	210,939,890	-	5,225,757	216,165,647
- Government of Pakistan Euro Bonds	3,014,850	(31,409)	(29,742)	2,953,699	14,474,416	(1,770,177)	2,488,438	15,192,677
Shares								
- Ordinary Shares - Listed	7,949,458	-	4,212,221	12,161,679	13,929,483	-	12,276,445	26,205,928
- Ordinary Shares - Unlisted	1,319,050	-	5,459,111	6,778,161	1,319,050	-	5,167,448	6,486,498
- Preference Shares - Unlisted	25,000	(25,000)	-	-	25,000	(25,000)	-	-
Non Government Debt Securities								
- Term Finance Certificates	1,666,816	(95,096)	-	1,571,720	1,802,621	(99,924)	-	1,702,697
- Sukuks	96,511	(96,511)	-	-	306,511	(96,511)	12,577	222,577
Foreign Securities								
- Overseas Bonds - Sovereign	72,473,075	(40,435)	(1,288,812)	71,143,828	51,506,024	(28,329)	(401,445)	51,076,250
- Overseas Bonds - Others	23,538,667	(4,026)	(1,217,976)	22,316,665	36,111,967	(6,850)	(258,329)	35,846,788
- Equity Securities - Listed	264,084	-	(19,229)	244,855	266,966	-	(5,184)	261,782
- Preference Shares - Unlisted	554,274	-	(277,137)	277,137	560,308	-	-	560,308
REIT Fund - listed	1,125,742	-	(99,287)	1,026,455	1,034,094	-	5,753	1,039,847
	1,220,029,395	(292,477)	8,750,958	1,228,487,876	1,586,746,229	(2,026,791)	51,260,310	1,635,979,748

Balance carried forward	1,548,635,879	(292,477)	5,285,302	1,553,628,704	1,909,797,346	(2,026,791)	52,603,290	1,960,373,845
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10.1 Investments by type:

	September 30, 2026 (Un-audited)				December 31, 2025 (Audited)			
	Cost / Amortised cost	Credit loss allowance / Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / Amortised cost	Credit loss allowance / Provision for diminution	Surplus / (Deficit)	Carrying value
(Rupees in '000)								
Balance brought forward	1,548,635,879	(292,477)	5,285,302	1,553,628,704	1,909,797,346	(2,026,791)	52,603,290	1,960,373,845
Amortised cost								
Federal Government Securities								
- Pakistan Investment Bonds	153,380,703	-	-	153,380,703	154,179,505	-	-	154,179,505
- Ijarah Sukuks	11,049,225	-	-	11,049,225	40,484,392	-	-	40,484,392
Non Government Debt Securities								
- Term Finance Certificates	312,180	(24,718)	-	287,462	349,680	(24,714)	-	324,966
- Sukuks	2,386,837	(29,244)	-	2,357,593	2,964,553	(29,257)	-	2,935,296
Foreign Securities								
- Overseas Bonds - Sovereign	14,880,296	(74,474)	-	14,805,822	12,685,594	(14,524)	-	12,671,070
	182,009,241	(128,436)	-	181,880,805	210,663,724	(68,495)	-	210,595,229
Associates	1,177,606	-	-	1,177,606	1,177,606	-	-	1,177,606
Subsidiaries	1,300,000	-	-	1,300,000	1,300,000	-	-	1,300,000
Total investments	1,733,122,726	(420,913)	5,285,302	1,737,987,115	2,122,938,676	(2,095,286)	52,603,290	2,173,446,680

10.2 Particulars of assets and liabilities of subsidiary and associates

				September 30, 2026 (Un-audited)				
Subsidiary / Associate	Country of Incorporation	Percentage of holding		Assets	Liabilities	Revenue	(Loss) / profit for the period	Total comprehensive (loss) / income
(Rupees in '000)								
Alfalah Currency Exchange (Private) Limited	Subsidiary	Pakistan	100.00%	1,202,337	109,368	204,325	(86,405)	(86,242)
Alfalah Insurance Company Limited	Associate	Pakistan	30.00%	12,530,766	8,982,529	3,942,634	369,918	71,821
Sapphire Wind Power Company Limited	Associate	Pakistan	30.00%	13,513,666	614,148	2,283,318	(323,325)	(323,325)
Alfalah Asset Management Limited	Associate	Pakistan	40.22%	4,590,620	982,415	2,479,594	310,702	310,702

				December 31, 2025 (Audited)		September 30, 2025 (Un-audited)		
Subsidiary / Associate	Country of Incorporation	Percentage of holding		Assets	Liabilities	Revenue	(Loss) / profit for the period	Total comprehensive (loss) / income
(Rupees in '000)								
Alfalah Currency Exchange (Private) Limited	Subsidiary	Pakistan	100.00%	1,328,637	149,426	112,511	(134,930)	(133,659)
Alfalah Insurance Company Limited	Associate	Pakistan	30.00%	10,811,177	7,168,687	2,893,986	555,531	424,388
Sapphire Wind Power Company Limited	Associate	Pakistan	30.00%	15,124,169	501,326	4,611,571	2,645,732	2,645,732
Alfalah Asset Management Limited	Associate	Pakistan	40.22%	4,711,807	1,414,304	2,609,168	667,483	667,483

	(Un-audited) September 30, 2026	(Audited) December 31, 2025
	------(Rupees in '000)-----	
10.3 Investments given as collateral		
- Market Treasury Bills	90,132,349	410,985,208
- Pakistan Investment Bonds	2,998,699	260,026,252
- Ijarah Sukuk	10,005,584	-
- Overseas Bonds	15,057,048	36,926,637
	<u>118,193,680</u>	<u>707,938,097</u>

10.3.1 The market value of securities given as collateral is Rs. 116,769.807 million (December 31, 2025: Rs. 718,094.513 million).

	(Un-audited) September 30, 2026	(Audited) December 31, 2025
	------(Rupees in '000)-----	
10.4 Credit loss allowance / provision for diminution in value of total investments		
10.4.1 Opening balance	2,095,286	4,050,491
Impact of adoption of IFRS 9	-	60,074
Balance as at January 01 after adopting IFRS 9	<u>2,095,286</u>	<u>4,110,565</u>
Exchange and other adjustments	(4,058)	26,012
Charge / (reversals)		
Charge for the period / year	188,165	361,487
Reversals for the period / year	(39,077)	(372,998)
Reversal on disposals	<u>(1,819,403)</u>	<u>(524,563)</u>
	(1,670,315)	(536,074)
Adjustment of provision on disposal of subsidiary	-	(1,505,217)
Closing balance	<u>420,913</u>	<u>2,095,286</u>

10.4.2 Particulars of credit loss allowance / provision against debt securities

Category of classification		September 30, 2026 (Un-audited)		December 31, 2025 (Audited)	
		Outstanding amount	Credit loss allowance	Outstanding amount	Credit loss allowance
------(Rupees in '000)-----					
Domestic					
Performing	Stage 1	287,500	38	706,250	47
Underperforming	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		<u>270,531</u>	<u>270,531</u>	<u>275,359</u>	<u>275,359</u>
		558,031	270,569	981,609	275,406
Overseas					
Performing	Stage 1	113,906,888	150,344	100,303,585	49,703
Underperforming	Stage 2	-	-	14,474,416	1,770,177
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
Total		<u>114,464,919</u>	<u>420,913</u>	<u>115,759,610</u>	<u>2,095,286</u>

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

10.4.3 The market value of securities classified at amortised cost as at September 30, 2026 amounted to Rs. 179,918.397 million (December 31, 2025: Rs. 214,074.433 million).

11 ADVANCES

Note	Performing		Non-Performing		Total	
	September 30, 2026 (Un-audited)	December 31, 2025 (Audited)	September 30, 2026 (Un-audited)	December 31, 2025 (Audited)	September 30, 2026 (Un-audited)	December 31, 2025 (Audited)
------(Rupees in '000)-----						
Classified at amortised cost						
Loans, cash credits, running finances, etc.	791,561,018	762,898,168	36,684,382	41,006,331	828,245,400	803,904,499
Islamic financing and related assets	43.3 340,423,722	315,199,483	5,240,027	5,628,820	345,663,749	320,828,303
Bills discounted and purchased	23,302,111	26,060,353	86,947	900,622	23,389,058	26,960,975
	<u>1,155,286,851</u>	<u>1,104,158,004</u>	<u>42,011,356</u>	<u>47,535,773</u>	<u>1,197,298,207</u>	<u>1,151,693,777</u>
Classified at fair value through profit or loss						
Loans, cash credits, running finances, etc.	1,800,000	1,800,000	-	-	1,800,000	1,800,000
Advances - gross	<u>1,157,086,851</u>	<u>1,105,958,004</u>	<u>42,011,356</u>	<u>47,535,773</u>	<u>1,199,098,207</u>	<u>1,153,493,777</u>
Credit loss allowance / provision against advances						
- Stage 1	11.4 (2,167,258)	(1,483,302)	-	-	(2,167,258)	(1,483,302)
- Stage 2	11.4 (790,310)	(835,423)	-	-	(790,310)	(835,423)
- Stage 3	11.4 -	-	(37,821,431)	(42,095,261)	(37,821,431)	(42,095,261)
- Specific	11.4 -	-	-	-	-	-
- General	11.4 (4,116,038)	(4,155,956)	-	-	(4,116,038)	(4,155,956)
	<u>(7,073,606)</u>	<u>(6,474,681)</u>	<u>(37,821,431)</u>	<u>(42,095,261)</u>	<u>(44,895,037)</u>	<u>(48,569,942)</u>
Advances - net of credit loss allowance / provision	<u>1,150,013,245</u>	<u>1,099,483,323</u>	<u>4,189,925</u>	<u>5,440,512</u>	<u>1,154,203,170</u>	<u>1,104,923,835</u>

- 11.1** Advances include an amount of Rs. 469.528 million (December 31, 2025: Rs. 423.653 million), being Employee Loan facilities allowed to Citibank, N.A, Pakistan's employees, which were either taken over by the Bank, or were granted afresh, under a specific arrangement executed between the Bank and Citibank, N.A, Pakistan. The said arrangement is subject to certain relaxations as specified vide SBP Letter BPRD/BRD/Citi/2017/21089 dated September 11, 2017.

The said arrangement covers only existing employees of Citibank, N.A, Pakistan, and the relaxations allowed by the SBP are on continual basis, but subject to review by the SBP's BID and OSED departments. These loans carry mark-up at the rates ranging from 11.49% to 33.28% (December 31, 2025: 13.79% to 33.69%) per annum with maturities up to August 2046 (December 31, 2025: July 2045).

11.2 Particulars of advances (gross)

	(Un-audited) September 30, 2026	(Audited) December 31, 2025
------(Rupees in '000)-----		
In local currency	1,110,869,526	1,038,968,318
In foreign currencies	88,228,681	114,525,459
	<u>1,199,098,207</u>	<u>1,153,493,777</u>

- 11.3** Advances include Rs. 42,011.356 million (December 31, 2025: Rs. 47,535.773 million) which have been placed under non-performing status as detailed below:

Category of classification in stage 3

	September 30, 2026 (Un-audited)		December 31, 2025 (Audited)	
	Non-Performing Loans	Credit loss allowance /provision	Non-Performing Loans	Credit loss allowance /provision
------(Rupees in '000)-----				
Domestic				
Other Assets Especially Mentioned (OAE)	-	-	156,345	366
Substandard	2,324,433	870,472	3,347,182	1,385,197
Doubtful	5,047,926	2,498,887	6,256,133	3,106,590
Loss	34,014,305	33,881,172	37,093,274	36,992,066
	<u>41,386,664</u>	<u>37,250,531</u>	<u>46,852,934</u>	<u>41,484,219</u>
Overseas				
Substandard	-	-	29,577	13,154
Doubtful	-	-	-	-
Loss	624,692	570,900	653,262	597,888
	<u>624,692</u>	<u>570,900</u>	<u>682,839</u>	<u>611,042</u>
Total	<u>42,011,356</u>	<u>37,821,431</u>	<u>47,535,773</u>	<u>42,095,261</u>

11.4 Particulars of credit loss allowance / provision against advances

	September 30, 2026 (Un-audited)				December 31, 2025 (Audited)							
	Expected Credit Loss			Total	Expected Credit Loss			Specific	General	Total		
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3					
(Rupees in '000)												
Opening balance	1,483,302	835,423	42,095,261	-	4,155,956	48,569,942	2,232,954	1,388,083	38,436,013	587,690	4,237,082	46,881,822
Impact of adoption of IFRS 9	-	-	-	-	-	-	50,662	49,899	587,751	(587,690)	-	100,622
Balance as at January 01 after adopting IFRS 9	1,483,302	835,423	42,095,261	-	4,155,956	48,569,942	2,283,616	1,437,982	39,023,764	-	4,237,082	46,982,444
Exchange and other adjustments	(15,771)	-	(10,606)	-	(5,453)	(17,630)	867	-	(10,355)	-	(6,265)	(15,753)
Charge for the period / year	848,362	159,605	4,853,612	-	-	5,861,579	625,481	220,291	9,739,727	-	-	10,585,499
Reversals for the period / year	(182,126)	(187,104)	(7,620,187)	-	(34,465)	(8,023,882)	(1,480,219)	(878,247)	(5,277,165)	-	(74,861)	(7,710,492)
	666,236	(27,499)	(2,766,575)	-	(34,465)	(2,162,303)	(854,738)	(657,956)	4,462,562	-	(74,861)	2,875,007
Transfer	19,291	(17,614)	(1,677)	-	-	-	53,557	55,397	(108,954)	-	-	-
Amounts written off	-	-	(16,531)	-	-	(16,531)	-	-	(22,402)	-	-	(22,402)
Amounts charged off	-	-	(1,446,347)	-	-	(1,446,347)	-	-	(1,223,608)	-	-	(1,223,608)
Amounts charged off - agriculture financing	-	-	(32,094)	-	-	(32,094)	-	-	(25,746)	-	-	(25,746)
	19,291	(17,614)	(1,496,649)	-	-	(1,494,972)	53,557	55,397	(1,380,710)	-	-	(1,271,756)
Closing balance	2,167,258	790,310	37,821,431	-	4,116,038	44,895,037	1,483,302	835,423	42,095,261	-	4,155,956	48,569,942

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

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

	September 30, 2026 (Un-audited)				December 31, 2025 (Audited)								
	Expected Credit Loss			General	Specific	Total	Expected Credit Loss			Specific	General	Total	
	Stage 1	Stage 2	Stage 3				Stage 1	Stage 2	Stage 3				
Opening balance	1,483,302	835,423	42,095,261	-	-	4,155,956	48,569,942	2,232,954	1,388,083	38,436,013	587,690	4,237,082	46,881,822
Impact of adoption of IFRS 9	-	-	-	-	-	-	-	50,662	49,899	587,751	(587,690)	-	100,622
Balance as at January 01 after adopting IFRS 9	1,483,302	835,423	42,095,261	-	-	4,155,956	48,569,942	2,283,616	1,437,982	39,023,764	-	4,237,082	46,982,444
Exchange and other adjustments	(1,571)	-	(10,606)	-	-	(5,453)	(17,630)	867	-	(10,355)	-	(6,265)	(15,753)
New advances	380,560	159,605	3,061,224	-	-	-	3,601,389	625,481	220,290	6,806,443	-	-	7,652,214
Due to credit deterioration	-	-	1,654,333	-	-	-	1,654,333	-	-	2,933,284	-	-	2,933,284
Advances derecognised or repaid / reversal	(182,126)	(135,196)	(7,620,187)	-	-	(34,465)	(7,971,974)	(703,271)	(54,415)	(5,400,513)	-	(74,861)	(6,720,060)
Transfer to stage 1	51,856	(51,644)	(212)	-	-	-	-	148,383	(148,383)	-	-	-	-
Transfer to stage 2	(30,871)	66,131	(35,260)	-	-	-	-	(83,450)	314,803	(231,353)	-	-	-
Transfer to stage 3	(1,694)	(32,101)	33,795	-	-	-	-	(111,376)	(172,399)	172,399	-	-	-
Changes in risk parameters	467,802	(51,908)	138,055	-	-	-	553,949	(776,948)	(336,831)	123,348	-	-	(990,431)
	685,527	(45,113)	(2,768,252)	-	-	(34,465)	(2,162,303)	(801,181)	(602,559)	4,353,608	-	(74,861)	2,875,007
Amounts written off	-	-	(16,531)	-	-	-	(16,531)	-	-	(22,402)	-	-	(22,402)
Amounts charged off	-	-	(1,478,441)	-	-	-	(1,478,441)	-	-	(1,249,354)	-	-	(1,249,354)
Closing balance	2,167,258	790,310	37,821,431	-	-	4,116,038	44,895,037	1,483,302	835,423	42,095,261	-	4,155,956	48,569,942

11.6 Particulars of charged-off loans / advances / finances

	September 30, 2026 (Un-audited)		December 31, 2025 (Audited)	
	No. of borrowers	Rupees in '000	No. of borrowers	Rupees in '000
Corporate, Commercial and SME				
Opening balance	329	2,864,494	186	2,982,475
Charge-off during the period / year	23	205,590	165	174,416
Sub total	352	3,070,084	351	3,156,891
Recoveries made during the period / year against already charged-off cases	(20)	(207,662)	(22)	(292,397)
Closing balance	332	2,862,422	329	2,864,494

11.7 Advances - category of classification

Advances - category of classification		September 30, 2026 (Un-audited)		December 31, 2025 (Audited)	
		Outstanding	Credit loss allowance /provision	Outstanding	Credit loss allowance /provision
----- (Rupees in '000) -----					
Domestic					
Performing	Stage 1	838,228,372	1,950,475	902,273,942	1,241,211
Underperforming	Stage 2	272,231,986	771,942	149,272,491	811,397
Non-performing	Stage 3				
Other Assets Especially Mentioned (OAEM)		-	-	156,345	366
Substandard		2,324,433	870,472	3,347,182	1,385,197
Doubtful		5,047,926	2,498,887	6,256,133	3,106,590
Loss		34,014,305	33,881,172	37,093,274	36,992,066
General provision		-	3,878,000	-	3,878,000
		1,151,847,022	43,850,948	1,098,399,367	47,414,827
Overseas					
Performing	Stage 1	41,861,696	216,783	51,382,054	242,091
Underperforming	Stage 2	4,764,797	18,368	3,029,517	24,026
Non-performing	Stage 3				
Substandard		-	-	29,577	13,154
Doubtful		-	-	-	-
Loss		624,692	570,900	653,262	597,888
General provision		-	238,038	-	277,956
		47,251,185	1,044,089	55,094,410	1,155,115
Total		1,199,098,207	44,895,037	1,153,493,777	48,569,942

		Note	(Un-audited) September 30, 2026	(Audited) December 31, 2025
			----- (Rupees in '000) -----	
12 PROPERTY AND EQUIPMENT				
Capital work-in-progress		12.1	9,249,344	4,763,629
Property and equipment		12.2	66,029,185	66,336,838
			<u>75,278,529</u>	<u>71,100,467</u>

12.1 Capital work-in-progress

Civil works		8,272,491	4,135,038
Equipment		915,599	620,749
Others		61,254	7,842
		<u>9,249,344</u>	<u>4,763,629</u>

12.2 These include land and buildings carried at revalued amount of Rs. 40,455.772 million (December 31, 2025: Rs. 40,808.896 million).

12.3 Additions to property and equipment

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

	(Un-audited) Nine months period ended September 30, 2026 September 30, 2025 ------(Rupees in '000)-----	
Capital work-in-progress - net of transferred out for capitalisation	4,485,715	2,087,624
Property and equipment		
Freehold land	-	283,710
Buildings on freehold land	70,020	239,173
Buildings on leasehold land	231,474	324,292
Leasehold improvement	1,411,221	2,083,695
Furniture and fixtures	234,736	585,632
Office equipment	2,461,949	3,236,024
Vehicles	996,278	1,460,807
	5,405,678	8,213,333
Total additions to property and equipment	9,891,393	10,300,957

12.4 Disposals of property and equipment

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

Freehold land	224,475	-
Building on freehold land	9,142	-
Building on leasehold land	155,760	-
Leasehold improvements	24,644	1,598
Furniture and fixtures	1,043	903
Office equipment	51,643	15,885
Vehicles	173,669	17,638
Total disposals of property and equipment	640,376	36,024

13 RIGHT-OF-USE ASSETS

At January 01

Cost	40,232,388	36,609,168
Accumulated depreciation	(13,854,845)	(11,318,561)
Net carrying amount at January 01	26,377,543	25,290,607

Additions / renewals / amendments / (terminations)

- net during the period / year	4,926,301	5,626,450
Depreciation charge during the period / year	(3,635,901)	(4,538,289)
Exchange rate adjustments	(5,991)	(1,225)
Closing net carrying amount	27,661,952	26,377,543

14 INTANGIBLE ASSETS

Capital work-in-progress / advance payment to suppliers	678,243	432,589
Software	1,058,361	1,290,967
	1,736,604	1,723,556

(Un-audited)	
Nine months period ended	
September 30, 2026	September 30, 2025
------(Rupees in '000)-----	

14.1 Additions to intangible assets

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

Capital work-in-progress - net of transferred out for capitalisation	245,654	30,949
Directly purchased	93,657	240,997
Total additions to intangible assets	339,311	271,946

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

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

15 DEFERRED TAX ASSETS / LIABILITIES

Deductible temporary differences on:

- Credit loss allowance / provision against investments	2,142,822	1,941,895
- Credit loss allowance / provision against advances	3,738,219	3,936,178
- Modification of advances	29,882	39,908
- Credit loss allowance / provision against other assets	2,684,819	2,344,065
- Lease liabilities	19,198,219	17,784,947
- Credit loss allowance against balances with treasury banks	31,884	25,233
- Credit loss allowance against balances with other banks	515	3,282
- Credit loss allowance against lendings to financial institutions	894	(110)
- Unrealised loss / (gain) on FVPL investments	1,802,141	(383,135)
- Effective interest rate on financial assets	271,199	-
- Workers' welfare fund	3,998,586	3,223,794
	33,899,180	28,916,057

Taxable temporary differences on:

- Unrealised net gain on fair value of refinancing schemes	(228,287)	(568,625)
- Right-of-use assets	(14,384,215)	(13,716,323)
- Surplus on revaluation of FVOCI investments	(4,900,528)	(27,594,959)
- Surplus on revaluation of property and equipment	(2,483,403)	(2,467,187)
- Surplus on revaluation of non-banking assets	(257,092)	(240,693)
- Exchange translation reserve	(3,392,885)	(3,538,319)
- Effective interest rate on financial liabilities	(252,900)	-
- Accelerated tax depreciation	(4,555,926)	(5,135,024)
	(30,455,236)	(53,261,130)
	3,443,944	(24,345,073)

	Note	(Un-audited) September 30, 2026	(Audited) December 31, 2025
		------(Rupees in '000)-----	
16 OTHER ASSETS			
Income / mark-up accrued in local currency - net		52,538,995	60,141,410
Income / mark-up accrued in foreign currencies - net		2,412,245	2,971,667
Advances, deposits, advance rent and other prepayments		6,348,617	4,179,959
Advance taxation (payments less provisions)		-	1,787,413
Advance against subscription of share		55,343	55,343
Non-banking assets acquired in satisfaction of claims	16.1	7,506,752	7,541,885
Dividend receivable		36,320	-
Mark to market gain on forward foreign exchange contracts		3,575,289	1,794,697
Mark to market gain on derivatives		1,453,582	1,643,940
Stationery and stamps on hand		18,772	23,355
Defined benefit plan		1,919,881	2,713,892
Branch adjustment account		373,069	-
Alternative Delivery Channel (ADC) settlement accounts	16.3	-	8,918,232
Due from card issuing banks		1,962,538	3,697,630
Accounts receivable		11,163,722	19,104,140
Claims against fraud and forgeries		118,091	122,736
Acceptances		49,931,051	45,736,218
Receivable against Government of Pakistan and overseas government securities		6,687	12,448
Receivable against marketable securities		801,004	1,054,801
Deferred cost on staff loans		22,907,341	23,828,039
Others		910,432	90,982
		164,039,731	185,418,787
Less: Credit loss allowance / provision held against other assets	16.2	(5,019,931)	(4,920,297)
Other assets (net of credit loss allowance / provision)		159,019,800	180,498,490
Surplus on revaluation of non-banking assets acquired in satisfaction of claims - net	16.1	604,910	609,549
Other assets - total		159,624,710	181,108,039

16.1 The revalued amount of non-banking assets acquired in satisfaction of claims is Rs. 8,111.662 million (December 31, 2025: Rs. 8,151.434 million).

	Note	(Un-audited) September 30, 2026	(Audited) December 31, 2025
		------(Rupees in '000)-----	
16.2 Credit loss allowance / provision held against other assets			
Impairment against overseas operations	16.2.2	3,346,131	3,762,351
Expected credit loss		57,525	32,456
Fraud and forgeries		118,091	122,736
Accounts receivable		1,001,313	772,498
Others		496,871	230,256
		5,019,931	4,920,297

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

Opening balance	4,920,297	3,466,022
Impact of adoption of IFRS 9	-	862
Balance as at January 01 after adopting IFRS 9	4,920,297	3,466,884
Exchange and other adjustments	-	(5,293)
Charge for the period / year	535,928	1,680,896
Reversals for the period / year	(434,069)	(187,975)
	101,859	1,492,921
Amount written off	(2,225)	(34,215)
Closing balance	5,019,931	4,920,297

16.2.2 The Bank, in light of uncertain conditions in one of the countries where the Bank operates, holds an impairment of Rs. 3,346.131 million (December 31, 2025: Rs. 3,762.351 million) against the cross border risk.

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

	(Un-audited) September 30, 2026	(Audited) December 31, 2025
	------(Rupees in '000)-----	
17	BILLS PAYABLE	
In Pakistan	50,378,243	55,189,647
Outside Pakistan	693,948	1,768,322
	<u>51,072,191</u>	<u>56,957,969</u>

18 BORROWINGS

Secured

Borrowings from State Bank of Pakistan under:

Export Refinance Scheme	4,040,728	16,530,301
Long-Term Finance Facility	12,812,158	15,939,430
Financing Facility for Renewable Energy Projects	10,089,657	11,730,666
Financing Facility for Storage of Agriculture Produce (FFSAP)	692,960	750,932
Temporary Economic Refinance Facility (TERF)	22,929,507	22,080,355
Export Refinance under Bill Discounting	14,457,768	15,189,403
SME Asaan Finance (SAAF)	5,495,652	4,785,327
Refinance Facility for Combating COVID (RFCC)	288,933	688,185
Refinance and Credit Guarantee Scheme for Women Entrepreneurs	324,305	458,974
Modernization of Small and Medium Entities (MSMES)	1,594,045	2,105,849
Other refinance schemes	-	57,526
Repurchase agreement borrowings	10,093,526	639,717,757
	<u>82,819,239</u>	<u>730,034,705</u>

Repurchase agreement borrowings	105,824,450	67,541,995
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Total secured	<u>188,643,689</u>	<u>797,576,700</u>
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Unsecured

Call borrowings	33,850,207	20,988,165
Overdrawn nostro accounts	4,499,619	2,684,675
Borrowings of overseas branches	2,843,402	90,950
Others		
- Pakistan Mortgage Refinance Company	10,166,307	7,872,733
- Karandaaz Risk Participation	2,960,115	2,914,659
Total unsecured	<u>54,319,650</u>	<u>34,551,182</u>

	<u>242,963,339</u>	<u>832,127,882</u>
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19 DEPOSITS AND OTHER ACCOUNTS

September 30, 2026 (Un-audited)			December 31, 2025 (Audited)		
In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total

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

Customers

- Current deposits	937,374,514	143,659,531	1,081,034,045	797,623,294	146,092,338	943,715,632
- Savings deposits	626,119,765	32,094,388	658,214,153	582,480,833	46,121,610	628,602,443
- Term deposits	506,095,531	86,857,157	592,952,688	489,942,118	91,166,717	581,108,835
- Others	55,005,028	9,029,433	64,034,461	32,836,812	11,027,005	43,863,817
	<u>2,124,594,838</u>	<u>271,640,509</u>	<u>2,396,235,347</u>	<u>1,902,883,057</u>	<u>294,407,670</u>	<u>2,197,290,727</u>

Financial Institutions

- Current deposits	6,276,442	12,677,084	18,953,526	5,108,983	5,966,173	11,075,156
- Savings deposits	96,114,339	901,377	97,015,716	150,983,805	525,614	151,509,419
- Term deposits	80,751,000	6,310,014	87,061,014	98,246,000	8,272,581	106,518,581
- Others	11,922,565	5,833,964	17,756,529	6,972,358	22,841,858	29,814,216
	<u>195,064,346</u>	<u>25,722,439</u>	<u>220,786,785</u>	<u>261,311,146</u>	<u>37,606,226</u>	<u>298,917,372</u>
	<u>2,319,659,184</u>	<u>297,362,948</u>	<u>2,617,022,132</u>	<u>2,164,194,203</u>	<u>332,013,896</u>	<u>2,496,208,099</u>

19.1 Current deposits include remunerative current deposits of Rs. 56,383.133 million (December 31, 2025: Rs. 40,186.585 million).

		(Un-audited) September 30, 2026	(Audited) December 31, 2025
	Note	------(Rupees in '000)-----	
20 LEASE LIABILITIES			
Opening as at January 01		32,471,152	29,481,938
Additions / renewals / amendments / (terminations) - net		4,739,532	5,466,127
Finance charges		3,461,828	4,310,585
Lease payments including interest		(5,639,010)	(6,786,693)
Exchange rate / other adjustment		(7,715)	(805)
Closing net carrying amount		<u>35,025,787</u>	<u>32,471,152</u>

20.1 Liabilities outstanding

Not later than one year	2,932,219	2,415,548
Later than one year and upto five years	15,210,947	13,247,135
Over five years	<u>16,882,621</u>	<u>16,808,469</u>
Total as at period / year end	<u>35,025,787</u>	<u>32,471,152</u>

For the purpose of discounting PKRV rates are being used.

21 SUBORDINATED DEBT

Term Finance Certificates VI - Additional Tier-I (ADT-1)	21.1	7,000,000	7,000,000
Term Finance Certificates VIII - Additional Tier-I (ADT-1)	21.2	7,000,000	7,000,000
Term Finance Certificates IX - Tier-II	21.3	<u>20,000,000</u>	<u>-</u>
		<u>34,000,000</u>	<u>14,000,000</u>

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

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

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

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

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

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

21.3 Term Finance Certificates IX - Tier-II - Quoted, Unsecured

The Bank issued Rs. 20,000 million of privately placed / Debt Securities Listing Regulations (DSLRI) listed, fully paid up, rated, unsecured, subordinated, 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 Tier II Capital as outlined by the SBP under BPRD circular No. 06 dated August 15, 2013. Summary of key terms and conditions of the issue are as follows:

Issue amount	Rs. 20,000,000,000
Issue date	July 2026
Maturity date	July 2036
Rating	"AAA" (Triple A) by the Pakistan Credit Rating Agency Limited
Security	Unsecured
Ranking	Subordinated to all other indebtedness of the Bank including deposits. However, the Tier 2 Issue will rank pari passu with any other Tier 2 capital issues of the Bank (if any) and superior to outstanding Additional Tier 1 issues.
Profit payment frequency	Payable semi-annually in arrears.
Redemption	On maturity
Mark-up	<p>For the period at end of which the Bank is in compliance with the Minimum Capital Requirement (MCR), Capital Adequacy Ratio (CAR) and Leverage Ratio (LR) requirements of the SBP, mark-up rate will be Base Rate + 1.00%.</p> <p>Base Rate is defined as the six months KIBOR (ask side) prevailing on the relevant Base Rate setting date. The Base Rate will be set for the first profit payment on the Issue Date and for each subsequent semi-annual profit payment period on the day immediately preceding the start of each semi annual profit payment period.</p>
Lock-in-clause	Mark-up will only be paid if the Bank is in compliance of regulatory MCR, CAR and LR requirements set by the SBP from time to time.

Loss absorbcency clause	In conformity with the SBP Basel III Capital Rules, the TFCs shall, if directed by the SBP, be permanently converted into common shares of the Bank and / or have them immediately written off (either partially or in full) upon the occurrence of a Point of Non-Viability event as defined by SBP's Basel III Capital Rules. The SBP will have full discretion in declaring the point of non-viability Trigger Event. The amount of TFC's to be converted into common shares shall be determined by SBP.
Call option	The Bank may, at its sole discretion, exercise a call option any time after five years from the issue date, subject to prior approval of the SBP. The Call option once announced will be irrevocable.

		(Un-audited) September 30, 2026	(Audited) December 31, 2025
		------(Rupees in '000)-----	
22 OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		29,883,536	26,959,506
Mark-up / return / interest payable in foreign currencies		1,663,927	1,823,824
Unearned fee commission and income on bills discounted and guarantees		5,776,165	5,092,375
Accrued expenses		31,726,949	25,591,941
Current taxation		3,431,411	-
Acceptances		49,931,051	45,736,218
Dividends payable		412,480	361,864
Mark to market loss on forward foreign exchange contracts		4,817,445	1,815,628
Mark to market loss on derivatives		55,898	64,270
Branch adjustment account		-	313,976
Alternative Delivery Channel (ADC) settlement accounts	22.2	4,305,562	-
Provision for compensated absences		2,114,250	1,720,500
Payable against redemption of customer loyalty / reward points		1,798,964	1,616,879
Charity payable		221,608	131,931
Credit loss allowance / provision against off-balance sheet obligations	22.1	2,049,424	1,036,203
Security deposits against leases, lockers and others		27,682,779	20,362,311
Workers' welfare fund		9,663,601	8,173,618
Payable to vendors and suppliers		524,560	467,549
Advance payments		2,562,278	2,713,358
Margin deposits on derivatives		302,916	1,042,368
Payable to merchants (card acquiring)		2,935,319	1,275,006
Withholding taxes payable		5,902,871	5,267,418
Liability against share based payment		1,736,094	1,350,000
Trading liability		-	15,118,700
Others		9,857,169	8,269,446
		<u>199,356,257</u>	<u>176,304,889</u>

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

Opening balance	1,036,203	780,711
Impact of adoption of IFRS 9	-	2,714
Balance as at January 01 after adopting IFRS 9	<u>1,036,203</u>	<u>783,425</u>
Exchange and other adjustments	(790)	5,033
Charge for the period / year	<u>1,294,705</u>	<u>449,783</u>
Reversals for the period / year	<u>(280,694)</u>	<u>(202,038)</u>
	<u>1,014,011</u>	<u>247,745</u>
Closing balance	<u>2,049,424</u>	<u>1,036,203</u>

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

	Note	(Un-audited) September 30, 2026	(Audited) December 31, 2025
		------(Rupees in '000)-----	
23 SURPLUS ON REVALUATION OF ASSETS			
Surplus / (deficit) on revaluation of:			
- Securities measured at FVOCI - debt		(524,721)	33,815,848
- Securities measured at FVOCI - equity		9,275,679	17,444,462
- Property and equipment		19,570,939	19,829,920
- Non-banking assets acquired in satisfaction of claims		604,910	609,549
		28,926,807	71,699,779
Less: Deferred tax (liability) / asset on surplus on revaluation of:			
- Securities measured at FVOCI - debt		272,855	(17,584,241)
- Securities measured at FVOCI - equity		(4,823,353)	(9,071,120)
- Property and equipment		(2,483,403)	(2,467,187)
- Non-banking assets acquired in satisfaction of claims		(257,092)	(240,693)
		(7,290,993)	(29,363,241)
Derivatives deficit		673,134	1,806,920
Less: Deferred tax asset on derivative		(350,030)	(939,598)
		323,104	867,322
		<u>21,958,918</u>	<u>43,203,860</u>
24 CONTINGENCIES AND COMMITMENTS			
Guarantees	24.1	223,797,746	222,502,386
Commitments	24.2	1,082,478,816	946,253,493
Other contingent liabilities	24.3.1	20,398,144	23,827,667
		<u>1,326,674,706</u>	<u>1,192,583,546</u>
24.1 Guarantees:			
Financial guarantees		5,491,830	6,702,626
Performance guarantees		84,730,065	76,529,645
Other guarantees		133,575,851	139,270,115
		<u>223,797,746</u>	<u>222,502,386</u>
24.2 Commitments:			
Documentary credits and short-term trade-related transactions			
- letters of credit		348,198,020	239,313,344
Commitments in respect of:			
- forward foreign exchange contracts	24.2.1	581,640,753	467,011,416
- forward government securities transactions	24.2.2	93,786,946	165,504,849
- derivatives	24.2.3	18,471,615	24,504,558
- forward lending	24.2.4	31,448,072	42,777,444
Commitments for acquisition of:			
- property and equipment		6,913,275	4,971,020
- intangible assets		576,970	483,507
Commitments in respect of donations		1,443,165	1,687,355
		<u>1,082,478,816</u>	<u>946,253,493</u>
24.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		335,706,168	271,592,770
Sale		245,934,585	195,418,646
		<u>581,640,753</u>	<u>467,011,416</u>
24.2.2 Commitments in respect of forward government securities transactions			
Purchase		44,571,209	44,558,744
Sale		49,215,737	120,946,105
		<u>93,786,946</u>	<u>165,504,849</u>

	Note	(Un-audited) September 30, 2026	(Audited) December 31, 2025
----- (Rupees in '000) -----			
24.2.3 Commitments in respect of derivatives			
Interest rate swaps			
Purchase	25.1	10,114,676	15,364,164
Sale		-	-
		10,114,676	15,364,164
Cross currency swaps			
Purchase		-	-
Sale	25.1	8,356,939	9,140,394
		8,356,939	9,140,394
Total commitments in respect of derivatives		18,471,615	24,504,558

24.2.4 Commitments in respect of forward lending

Undrawn formal standby facilities, credit lines and other commitments to lend	24.2.4.1	31,448,072	42,777,444
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24.2.4.1 These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense.

	(Un-audited) September 30, 2026	(Audited) December 31, 2025
----- (Rupees in '000) -----		
24.3 Other contingent liabilities		
24.3.1 Claims against the Bank not acknowledged as debts	20,398,144	23,827,667

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

24.4 Contingency for tax payable

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

25 DERIVATIVE INSTRUMENTS

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

25.1 Product analysis

	September 30, 2026 (Un-audited)					
	Interest Rate Swaps			Cross Currency Swaps		
	No. of contracts	Notional principal	Mark to market gain - net	No. of contracts	Notional principal	Mark to market gain - net
	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
Counterparties						
With banks for						
Hedging	14	10,114,676	677,368	-	-	-
With other entities for						
Market making	-	-	-	4	8,356,939	720,316
	14	10,114,676	677,368	4	8,356,939	720,316
	December 31, 2025 (Audited)					
	Interest Rate Swaps			Cross Currency Swaps		
	No. of contracts	Notional principal	Mark to market gain - net	No. of contracts	Notional principal	Mark to market gain - net
	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
Counterparties						
With banks for						
Hedging	18	15,364,164	839,754	-	-	-
With other entities for						
Market making	-	-	-	4	9,140,394	739,916
	18	15,364,164	839,754	4	9,140,394	739,916

		Note	(Un-audited) Nine months period ended	
			September 30, 2026	September 30, 2025
			------(Rupees in '000)-----	
26	MARK-UP / RETURN / INTEREST EARNED			
	On:			
	a) Loans and advances		93,964,466	86,803,178
	b) Investments		155,583,958	174,804,409
	c) Lendings to financial institutions		2,403,639	3,189,786
	d) Balances with banks		496,348	233,843
	e) On securities purchased under resale agreements		7,331,585	3,630,875
			<u>259,779,996</u>	<u>268,662,091</u>
26.1	Interest income (calculated using effective interest rate method) recognised on:			
	Financial assets measured at amortised cost		122,230,154	
	Financial assets measured at FVOCI		111,505,289	
		27.1.1	<u>233,735,443</u>	
27	MARK-UP / RETURN / INTEREST EXPENSED			
	On:			
	a) Deposits		94,559,592	86,703,680
	b) Borrowings		11,988,178	12,707,168
	c) Securities sold under repurchase agreements		39,635,006	62,639,419
	d) Subordinated debt		2,000,301	1,498,157
	e) Cost of foreign currency swaps against foreign currency deposits / borrowings		3,044,062	1,783,056
	f) Leased assets		3,461,828	3,173,375
	g) Reward points / customer loyalty		266,385	840,707
			<u>154,955,352</u>	<u>169,345,562</u>
27.1	Interest expense calculated using effective interest rate method:			
	Financial liabilities	27.1.1	<u>151,644,905</u>	
27.1.1	As disclosed in note 4.1.1, the Bank has applied the effective interest rate method during the current period under the modified retrospective approach. The impact has been recognised in opening equity, and accordingly, prior information has not been presented.			
28	FEE AND COMMISSION INCOME			
	Branch banking customer fees		1,588,983	1,388,837
	Consumer finance related fees		568,875	606,427
	Card related fees (debit and credit cards)		2,850,885	2,599,021
	Credit related fees		512,420	469,600
	Investment banking fees		206,715	354,175
	Commission on trade		2,743,890	2,453,991
	Commission on guarantees		797,182	684,471
	Commission on cash management		70,925	54,792
	Commission on remittances including home remittances		731,915	351,248
	Commission on bancassurance		496,609	453,626
	Card acquiring business		194,748	704,837
	Wealth management fee		475,294	435,383
	Commission on G2P including Benazir Income Support Programme (BISP)		1,085,991	291,924
	Alternative Delivery Channel (ADC)		972,794	902,799
	Others		164,833	205,790
			<u>13,462,059</u>	<u>11,956,921</u>
29	FOREIGN EXCHANGE INCOME			
	Foreign exchange income		11,910,577	9,063,341
	Foreign exchange loss related to derivatives		(413,825)	(200,470)
			<u>11,496,752</u>	<u>8,862,871</u>
30	GAIN ON SECURITIES			
	Realised gain	30.1	20,978,408	10,659,077
	Unrealised loss - measured at FVPL	10.1	(3,465,656)	(201,564)
		30.2	<u>17,512,752</u>	<u>10,457,513</u>

	Note	(Un-audited)	
		Nine months period ended	
		September 30, 2026	September 30, 2025
		------(Rupees in '000)-----	
30.1 Realised gain on:			
Federal government securities		20,057,763	8,787,257
Shares		683,725	725,374
Non-government debt securities		-	99,920
Foreign securities		236,920	649,669
Subsidiary		-	396,857
		<u>20,978,408</u>	<u>10,659,077</u>
30.2 Net gain / (loss) on financial assets / liabilities measured:			
At FVPL			
Designated upon initial recognition		(198,474)	3,907,149
Mandatorily measured at FVPL		(94,737)	(10,313)
		<u>(293,211)</u>	<u>3,896,836</u>
Net gain on financial assets measured at FVOCI - Debt		17,805,963	6,163,820
Gain on disposal of subsidiary		-	396,857
		<u>17,512,752</u>	<u>10,457,513</u>
31 OTHER INCOME			
Rent on property		15,289	15,226
Gain on sale of property and equipment - net		28,577	43,642
Gain on sale of non-banking assets - net		-	3,368
Profit / (loss) on termination of leased contracts (Ijarah)		24	(37)
Gain on FVPL loans / advances		-	72,472
Gain on termination of leases		186,769	85,693
Insurance premium of overseas branch recovered		-	719,128
Subsidy from State Bank of Pakistan		41,679	-
Recoveries against previously expensed items		2,700	306
Others		2,542	7,680
		<u>277,580</u>	<u>947,478</u>
32 OPERATING EXPENSES			
Total compensation expense	32.1	38,283,322	34,116,742
Property expense			
Rates and taxes		237,661	332,061
Utilities cost		3,125,337	2,702,611
Security (including guards)		2,137,237	1,766,911
Repair and maintenance (including janitorial charges)		2,095,993	1,798,852
Depreciation on right-of-use assets		3,635,901	3,387,199
Depreciation on non-banking assets acquired in satisfaction of claims		39,772	53,597
Depreciation on owned assets		1,426,114	1,004,580
		<u>12,698,015</u>	<u>11,045,811</u>
Information technology expenses			
Software maintenance		3,323,021	2,655,829
Hardware maintenance		1,176,756	927,919
Depreciation		1,308,576	1,325,222
Amortisation		324,345	300,500
Network charges		725,589	591,484
Consultancy and support services		107,787	69,106
		<u>6,966,074</u>	<u>5,870,060</u>
Balance carried forward		<u>57,947,411</u>	<u>51,032,613</u>

	(Un-audited)	
	Nine months period ended	
	September 30, 2026	September 30, 2025
	------(Rupees in '000)-----	
Balance brought forward	57,947,411	51,032,613
Other operating expenses		
Directors' fees and allowances	172,080	116,320
Fees and allowances to Shariah Board	24,435	23,029
Legal and professional charges	660,916	783,856
Outsourced services costs	1,480,470	1,251,094
Travelling and conveyance	2,086,212	1,620,616
Clearing and custodian charges	240,791	197,580
Depreciation	2,478,501	2,087,569
Training and development	231,190	257,898
Postage and courier charges	502,604	433,730
Communication	2,809,804	2,911,559
Stationery and printing	1,895,264	1,641,718
Marketing, advertisement and publicity	7,933,824	13,703,251
Donations	461,842	208,498
Auditors' remuneration	198,296	183,813
Brokerage and commission	1,664,376	1,241,354
Entertainment	760,082	732,811
Repairs and maintenance	1,020,620	973,239
Insurance	1,960,730	1,735,046
Cash handling charges	1,426,622	1,601,804
CNIC verification	557,083	549,738
Others	1,167,788	907,418
	29,733,530	33,161,941
	87,680,941	84,194,554

32.1 Total compensation expense

Managerial remuneration		
i) Fixed	23,387,845	21,026,889
ii) Variable:		
a) Cash bonus / awards etc.	5,681,906	5,449,343
b) Bonus and awards in shares etc.	1,575,967	806,637
Charge for defined benefit plan	794,011	721,426
Contribution to defined contribution plan	983,605	843,903
Medical	2,398,490	2,127,343
Conveyance	2,791,831	2,451,652
Staff compensated absences	393,750	313,000
Staff life insurance	182,765	129,559
Staff welfare	75,109	51,789
Club subscription	9,399	7,485
Sub-total	38,274,678	33,929,026
Sign-on bonus	8,644	33,817
Severance allowance	-	153,899
Grand total	38,283,322	34,116,742

33 WORKERS' WELFARE FUND

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

	Note	(Un-audited)	
		Nine months period ended	
		September 30, 2026	September 30, 2025
------(Rupees in '000)-----			

34 OTHER CHARGES

Penalties imposed by the State Bank of Pakistan		41,502	10,153
Penalties imposed by other regulatory bodies		4,674	-
		<u>46,176</u>	<u>10,153</u>

35 (REVERSAL OF) / CHARGE AGAINST CREDIT LOSS ALLOWANCE / PROVISIONS AND WRITE OFFS - NET

Credit loss allowance against cash and balances with treasury banks		12,791	56,633
(Reversal) / credit loss allowance against balances with other banks		(5,321)	3,281
Credit loss allowance / (reversal) against lending to financial institutions		1,930	(285)
Reversal of credit loss allowance / provision against diminution in value of investments	10.4.1	(1,670,315)	(159,881)
(Reversal) / credit loss allowance / provision against loans & advances	11.4	(2,162,303)	1,497,078
Credit loss allowance against other assets	16.2.1	101,859	1,060,151
Credit loss allowance against off-balance sheet obligations	22.1	1,014,011	80,030
Other credit loss allowance / write off - net		119,368	10,319
Recovery of written off / charged off bad debts		<u>(558,106)</u>	<u>(599,806)</u>
		<u>(3,146,086)</u>	<u>1,947,520</u>

36 TAXATION

Charge / (reversal) :

Current		38,545,585	28,797,260
Prior years		416,318	3,167,631
Deferred		<u>(4,644,472)</u>	<u>(6,109,126)</u>
		<u>34,317,431</u>	<u>25,855,765</u>

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

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

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

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

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

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

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

	Note	(Un-audited)	
		Nine months period ended	
		September 30, 2026	September 30, 2025
		------(Rupees in '000)-----	
37 BASIC AND DILUTED EARNINGS PER SHARE			
Profit for the period		30,614,110	21,439,185
		-----(Number of shares in '000)----	
		(Restated)	
Weighted average number of ordinary shares	37.1	3,154,330	3,154,330
		------(Rupees)-----	
		(Restated)	
Basic and diluted earnings per share	37.1	9.71	6.80

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

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

	Note	(Un-audited)	
		Nine months period ended	
		September 30, 2026	September 30, 2025
		------(Rupees in '000)-----	
38 CASH AND CASH EQUIVALENTS			
Cash and balances with treasury banks	7	191,895,512	218,878,982
Balances with other banks	8	19,151,627	10,492,828
Call / clean money lendings	9	3,360,905	31,160,813
Overdrawn nostro accounts	18	(4,499,619)	(3,946,519)
Less: Expected credit loss		(63,862)	(86,794)
		209,844,563	256,499,310

39 FAIR VALUE MEASUREMENTS

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

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

39.1 Fair value of financial instruments

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

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

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

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

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

	September 30, 2026 (Un-audited)			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
- Federal government securities	259,544,226	1,153,080,090	-	1,412,624,316
- Shares - listed companies	15,413,457	-	-	15,413,457
- Shares - unlisted companies	-	78,986	6,699,175	6,778,161
- REIT fund - listed	1,143,285	-	-	1,143,285
- Non-government debt securities	-	3,445,052	-	3,445,052
- Foreign government securities	-	84,515,555	-	84,515,555
- Foreign equity securities	244,855	-	-	244,855
- Foreign preference shares - unlisted	-	-	277,137	277,137
- Foreign non-government debt securities	-	22,316,665	6,870,221	29,186,886
Financial assets - disclosed but not measured at fair value				
Investments - amortised cost	-	179,918,397	-	179,918,397
Financial assets - measured at fair value				
Advances				
- Loans, cash credits, running finances, etc.	-	-	1,800,000	1,800,000
Off-balance sheet financial instruments - measured at fair value				
- Forward purchase of foreign exchange	-	3,575,289	-	3,575,289
- Forward sale of foreign exchange	-	(4,817,445)	-	(4,817,445)
- Forward purchase of government securities	-	(15,097)	-	(15,097)
- Forward sale of government securities	-	930,274	-	930,274
- Derivatives purchases	-	677,368	-	677,368
- Derivatives sales	-	720,316	-	720,316
	December 31, 2025 (Audited)			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
- Federal government securities	83,830,507	1,729,976,039	-	1,813,806,546
- Shares - listed companies	31,346,426	-	-	31,346,426
- Shares - unlisted companies	-	-	6,486,498	6,486,498
- REIT fund - listed	1,039,847	-	-	1,039,847
- Non-government debt securities	-	3,799,050	-	3,799,050
- Foreign government securities	-	59,356,590	-	59,356,590
- Foreign equity securities	261,782	-	-	261,782
- Foreign preference shares - unlisted	-	-	560,308	560,308
- Foreign non-government debt securities	-	35,846,788	7,870,010	43,716,798
Financial assets - disclosed but not measured at fair value				
Investments - amortised cost	-	214,074,433	-	214,074,433
Financial assets - measured at fair value				
Advances				
- Loans, cash credits, running finances, etc.	-	-	1,800,000	1,800,000
Off-balance sheet financial instruments - measured at fair value				
- Forward purchase of foreign exchange	-	1,794,697	-	1,794,697
- Forward sale of foreign exchange	-	(1,815,628)	-	(1,815,628)
- Forward purchase of government securities	-	1,242,313	-	1,242,313
- Forward sale of government securities	-	(1,347,880)	-	(1,347,880)
- Derivatives purchases	-	839,754	-	839,754
- Derivatives sales	-	739,916	-	739,916

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

39.3 Valuation techniques used in determination of fair values:

39.3.1 Fair value of financial assets

(a) Financial instruments in level 1

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

(b) Financial instruments in level 2

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

(c) Financial instruments in level 3

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

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

39.3.2 Fair value of non-financial assets

Certain categories of property and equipment (land and buildings) and non-banking assets acquired in satisfaction of claims are carried at revalued amounts (level 3 measurement) determined by professional valuers based on their assessment of the market values as disclosed in notes 12 and 16 to the unconsolidated condensed interim financial statements. The valuations are conducted by valuation experts appointed by the Bank which are also on the panel of the State Bank of Pakistan.

39.3.3 Valuation techniques

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

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

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

Description	Fair value as at September 30, 2026 (Un-audited)	Fair value as at December 31, 2025 (Audited)	Unobservable inputs*	Discount rate	Relationship of unobservable inputs to fair value
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------(Rupees in '000)-----

Ordinary shares - unlisted (income approach)	6,559,175	6,346,498	Discount rate	14.20% - 20.00%	Increase / (decrease) in discount rate by 1% with all other variables held constant, would (decrease) / increase the fair value by Rs. 228.902 million and Rs. 254.760 million (December 31, 2025: Rs. 228.076 million and Rs. 254.481 million) respectively.
Ordinary shares - unlisted (market approach)	140,000	140,000	Transaction price	Not applicable	Not applicable
Foreign preference shares - unlisted	277,137	560,308	EBIDTA multiples	Not applicable	Not applicable
Redeemable participating certificates	6,870,221	7,870,010	Net asset value	Not applicable	Not applicable
Advances classified at FVPL	1,800,000	1,800,000	Transaction price	Not applicable	Not applicable

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

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

	September 30, 2026 (Un-audited)		December 31, 2025 (Audited)	
	Investments	Advances	Investments	Advances
	------(Rupees in '000)-----		------(Rupees in '000)-----	
Opening balance	14,916,816	1,800,000	11,148,236	1,413,735
Impact of adoption of IFRS 9	-	-	3,133,601	-
Balance as at January 01 after adopting IFRS 9	14,916,816	1,800,000	14,281,837	1,413,735
Additions / (disposals) / transfers - net	-	-	37,626	386,265
Remeasurement recognised in OCI or profit and loss / adjustments	(1,070,283)	-	597,353	-
Closing balance	13,846,533	1,800,000	14,916,816	1,800,000

40 SEGMENT INFORMATION

40.1 Segment details with respect to business activities

For the nine months period ended September 30, 2026 (Un-audited)							
	Retail	Corporate	Islamic (Domestic)	Treasury	Digital	Overseas	Others**
	- (Rupees in '000)						
							Elimination
							Total
Unconsolidated statement of profit and loss account							
Net mark-up / return / profit*	(34,231,004)	17,445,183	24,948,982	92,225,902	(448,640)	5,782,471	(898,250)
Inter segment revenue - net	95,015,394	(9,448,343)	(2,126,884)	(85,567,861)	8,875,317	(750,108)	(6,618,766)
Non mark-up / return / interest income*	9,658,752	7,368,452	2,872,622	29,515,845	4,422,619	1,982,681	(9,920,059)
Total income / (loss)	70,443,142	15,365,292	25,694,720	36,173,886	12,849,296	7,015,044	(16,538,825)
Segment direct expenses	37,238,258	5,273,564	16,367,840	2,137,547	5,939,538	3,076,957	20,513,920
Inter segment expense allocation	12,323,163	1,276,922	4,342,334	1,119,821	2,121,800	585,649	(20,895,188)
Total expenses	49,561,421	6,550,486	20,710,174	3,257,368	8,061,338	3,662,606	(874,501)
Credit loss allowance / provision / (reversals)	(13,783)	(1,526,101)	(295,325)	(6,288)	209,422	(1,895,279)	(2,205,025)
Profit / (loss) before tax	20,895,504	10,340,907	5,279,871	32,922,806	4,578,536	5,247,117	381,268
							(14,333,800)
							64,931,541
As at September 30, 2026 (Un-audited)							
	Retail	Corporate	Islamic (Domestic)	Treasury	Digital	Overseas	Others**
	- (Rupees in '000)						
							Elimination
							Total
Unconsolidated statement of financial position							
Cash and bank balances	112,820,212	19,235,465	42,262,598	-	2,010,672	35,014,625	-
Investments	-	4,062,552	233,025,887	1,361,787,625	-	131,987,032	7,124,019
Inter segment lending - net	1,317,601,466	-	-	-	32,739,191	-	112,545,938
Lendings to financial institutions	-	-	7,151,892	99,994	-	-	(1,462,886,595)
Advances - performing	323,819,814	421,288,515	339,953,557	-	15,572	7,962,509	(1,855,489)
- non-performing	1,419,111	1,515,182	1,079,078	-	4,669	51,775	18,780,467
Others	27,105,548	42,827,743	61,337,267	18,194,825	1,070,695	26,274,809	120,110
Total assets	1,782,766,151	488,929,457	684,810,279	1,380,082,444	35,840,799	247,446,070	92,895,162
							(1,477,062,689)
							3,374,278,207
Borrowings	16,924,333	52,800,077	58,141,469	92,835,413	-	34,577,604	(12,315,557)
Subordinated debt	-	-	-	-	-	-	-
Deposits and other accounts	1,676,452,253	277,282,845	483,700,263	-	33,519,790	144,362,854	34,000,000
Inter segment borrowing - net	-	-	-	1,282,385,268	-	63,637,038	1,921,202
Others	89,389,565	40,615,150	101,754,520	4,701,185	2,321,009	5,905,260	(1,464,253,691)
Total liabilities	1,782,766,151	488,929,457	643,596,252	1,379,921,866	35,840,799	248,482,756	41,043,912
							(1,477,062,689)
							285,454,235
Net assets	-	-	41,214,027	160,578	-	(1,036,686)	76,965,114
Equity							154,500,582
							194,838,501
Contingencies and commitments	179,408,476	325,743,902	143,697,586	599,468,243	2,980	69,520,757	8,832,762
							-
							1,326,674,706

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

* Net mark-up and non mark-up income includes Rs. 376,244 million and Rs. 269,681 million respectively of investment banking.

** Others include head office related activities.

the nine months period ended September 30, 2025 (Un-audited)

[Rupees in '000]									
(31,235,863)	23,409,121	22,001,506	80,037,671	(40,1124)	6,034,840	(529,602)	-	99,316,529	
84,803,602	(16,908,055)	(1,963,813)	(66,966,822)	6,025,368	(319,718)	(262,735)	(4,507,827)	-	
8,440,582	5,578,600	2,532,104	20,376,572	2,929,365	1,556,790	700,785	(6,894,078)	35,220,720	
62,008,301	12,179,666	22,569,797	33,447,421	8,553,609	7,271,912	(91,552)	(11,401,905)	134,537,249	
35,962,361	8,175,107	15,272,512	3,125,098	4,296,549	3,374,362	15,551,723	(462,933)	85,294,779	
9,037,931	988,832	3,202,950	716,016	1,540,703	470,834	(15,551,723)	(405,543)	-	
45,000,292	9,163,939	18,475,462	3,841,114	5,837,252	3,845,196	-	(868,476)	85,294,779	
1,857,404	(858,002)	(5,432)	46,764	530,531	477,807	(91,552)	-	1,947,520	
15,150,605	3,873,729	4,109,767	29,559,543	2,185,826	2,948,909	-	(10,533,429)	47,294,950	

As at December 31, 2025 (Audited)

114,772,469	23,282,861	43,641,957	-	1,055,051	72,926,386	-	-	251,572,708
-	4,231,473	191,490,875	1,838,754,223	-	131,750,554	7,219,555	-	2,173,446,680
1,192,755,432	-	-	-	16,145,573	-	77,542,282	-	-
-	-	-	25,924,801	15,145,573	6,136,549	(2,886,443,287)	-	-
297,516,646	415,130,791	10,451,855	35,924,801	31,802	53,867,517	18,015,643	19,674,292	1,099,483,323
1,210,422	3,102,752	875,722	-	1,106	70,192	180,318	-	5,440,512
27,864,357	65,007,826	54,276,576	13,247,278	1,134,402	5,725,021	113,074,938	-	280,309,605
1,634,119,326	510,755,703	65,657,909	1,877,926,302	18,367,934	270,476,229	216,032,736	(3,133,409,019)	3,829,927,120

19,962,126	68,588,187	31,719,709	682,843,178	-	55,899,233	-	(26,884,551)	832,127,882
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19,962,126	68,588,187	31,719,709	682,843,178	-	55,899,233	-	(26,884,551)	832,127,882
-	-	-	-	-	-	-	-	14,000,000
1,530,607,616	331,368,002	453,796,084	17,584,100	162,357,368	635,862	14,000,000	(140,933)	2,496,208,099
58,775,890	58,775,890	34,285,058	1,157,425,166	35,957,297	35,957,297	(128,644,341)	(128,644,341)	-
83,549,584	52,023,624	90,711,541	26,967,174	783,834	14,519,738	27,463,712	59,876	290,079,083
1,634,119,326	510,755,703	610,312,392	1,861,235,518	18,367,934	268,733,936	42,099,574	(1,313,409,019)	3,632,415,064
-	-	5,145,517	16,690,784	-	1,742,593	173,933,162	-	197,512,056

Equity

197,512,056					
1,192,583,546					
6,101,256					
60,808,181					
3,123					
591,870,733					
117,941,930					
258,330,744					
157,527,579					

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

* Net mark-up and non mark-up income includes Rs. 413.219 million and Rs. 428.672 million respectively of investment banking.

**** Others include head office related activities.**

RELATED PARTY TRANSACTIONS

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

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

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

	As at September 30, 2026 (Un-audited)					As at December 31, 2025 (Audited)				
	Directors / CEO	Key management personnel	Subsidiaries	Associates	Other related parties	Directors / CEO	Key management personnel	Subsidiaries	Associates	Other related parties
	(Rupees in '000)					(Rupees in '000)				
Investments										
Opening balance	-	-	1,300,000	1,177,606	7,146,806	-	-	2,505,217	1,177,606	2,923,188
Investment made during the period / year	-	-	-	-	-	-	-	300,000	-	825,072
Investment redeemed / disposed off during the period / year	-	-	-	-	-	-	-	(1,505,217)	-	(602,436)
Revaluation of investment during the period / year	-	-	-	-	(64,460)	-	-	-	-	3,663,310
Exchange adjustment	-	-	-	-	(6,034)	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	337,672
Closing balance	-	-	1,300,000	1,177,606	7,076,312	-	-	1,300,000	1,177,606	7,146,806
Advances										
Opening balance	8,359	1,033,415	-	-	1,214,849	11,225	971,469	-	-	1,052,432
Addition during the period / year	51,180	104,641	-	150	8,391,542	1,275	479,348	316,665	-	10,759,922
Repaid during the period / year	(14,060)	(126,876)	-	-	(7,635,425)	(4,141)	(418,586)	(316,665)	-	(10,599,369)
Transfer in / (out) - net	-	35,887	-	-	-	-	1,184	-	-	1,864
Closing balance	45,479	1,047,067	-	150	1,970,966	8,359	1,033,415	-	-	1,214,849
Credit loss allowance held against advances	12	806	-	10	2,971	5	459	-	-	2,487
Other assets										
Interest / mark-up accrued	7,354	115,732	-	-	14,485	5,303	89,704	-	-	46,590
Receivable from staff retirement fund	-	-	-	-	1,919,881	-	-	-	-	2,713,892
Prepayment / rent and other receivable	-	-	4,315	-	23,888	-	-	-	-	-
Advance against shares	-	-	-	-	55,343	-	-	-	-	55,343
Acceptances	-	-	-	-	3,180,936	-	-	-	-	2,727,155
Credit loss allowance against other assets	-	2	-	-	328	-	1	-	-	111
Borrowings										
Opening balance	-	-	-	-	7,872,733	-	-	-	-	2,464,030
Borrowings during the period / year	-	-	-	-	4,000,000	-	-	-	-	6,575,000
Settled during the period / year	-	-	-	-	(1,706,427)	-	-	-	-	(1,166,297)
Closing balance	-	-	-	-	10,166,306	-	-	-	-	7,872,733

	As at September 30, 2026 (Un-audited)					As at December 31, 2025 (Audited)				
	Directors / CEO	Key management personnel	Subsidiaries	Associates	Other related parties	Directors / CEO	Key management personnel	Subsidiaries	Associates	Other related parties
	(Rupees in '000)					(Rupees in '000)				
Deposits and other accounts										
Opening balance	141,514	599,016	819,171	25,455,995	13,480,958	185,847	392,643	807,925	60,026,664	12,533,349
Received during the period / year	865,708	4,634,961	114,846,162	1,478,200,759	124,005,161	2,917,889	6,191,100	79,341,342	2,165,610,698	166,285,596
Withdrawn during the period / year	(830,262)	(4,520,996)	(115,461,066)	(1,500,979,335)	(123,308,275)	(2,362,222)	(5,944,327)	(79,990,935)	(2,200,182,367)	(165,291,009)
Transfer in / (out) - net	-	20,361	-	-	(44)	-	(40,200)	(939,161)	-	(46,976)
Closing balance	176,960	733,342	204,267	2,677,419	14,177,800	141,514	599,016	819,171	25,455,995	13,480,958
Other liabilities										
Interest / mark-up payable	67	3,241	-	-	207,696	104	4,619	-	99,577	202,531
Dividend payable	-	6	-	-	16	-	-	-	-	13
Unearned rent	-	-	-	2,843	-	-	-	-	2,081	-
Others	-	-	-	-	370	-	-	-	-	15,790
Contingencies and commitments	-	-	-	-	2,955,489	-	-	-	-	5,224,995

	For the nine months period ended September 30, 2026 (Un-audited)					For the nine months period ended September 30, 2025 (Un-audited)				
	(Rupees in '000)					(Rupees in '000)				
Income										
Mark-up / return / interest earned	2,051	38,995	-	-	152,472	627	22,832	6	-	97,830
Fee and commission income	159	1,341	-	481,816	144,850	215	1,168	-	442,930	15,690
Dividend income	-	-	-	464,993	383,553	-	-	-	44,993	587,597
Gain on sale of securities	-	123	547	-	-	-	-	396,857	-	31,142
Rent on property	-	-	-	3,655	-	-	-	-	2,925	-
Gain on sale of property and equipment - net	-	28	-	21,854	-	7,094	132	-	8,191	-
Expenses										
Mark-up / return / interest paid	1,336	21,108	15,344	401,891	1,756,576	2,511	16,377	23,310	469,443	1,260,456
Operating expenses										
Fee and remuneration	786,299	1,920,790	-	-	56,108	518,804	1,799,145	-	-	87,424
Software maintenance	-	-	-	-	7,669	-	-	-	-	6,565
Stationery and printing	-	-	-	-	562,157	-	-	-	-	594,372
Communication cost	-	-	-	-	-	-	-	1,307	-	-
Brokerage and commission	-	-	-	-	57,953	-	-	-	-	1,150
Marketing, advertisement and publicity	-	-	-	-	794,011	-	-	-	-	721,426
Charge for defined benefit plan	-	-	-	-	983,605	-	-	-	-	843,903
Contribution to defined contribution plan	-	-	-	-	8,785	-	-	-	-	-
Training and subscription	-	-	-	-	-	-	-	-	-	-
Credit loss allowance / (reversal of) credit loss allowance against loans & advances	7	347	-	10	484	(29)	(3,398)	-	-	4,719
(Reversal of) / charge against credit loss allowance against off-balance sheet obligations	-	-	-	-	(142)	-	-	-	-	821
Credit loss allowance against other assets	-	1	-	-	217	-	-	-	-	(14)
Other information										
Dividend paid	3,180,601	12,275	-	24,156	3,353,991	2,761,050	11,529	-	20,941	2,794,993
Insurance premium paid	-	-	-	1,901,075	-	-	-	-	1,701,174	-
Insurance claims settled	-	-	-	906,292	-	-	-	-	713,576	-
Purchase of vehicle	-	-	-	51,500	-	-	-	-	-	-
Sale of ijarah sukuk	-	-	-	51,322	-	-	-	-	-	-

42 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Un-audited) September 30, 2026	(Audited) December 31, 2025
----- (Rupees in '000) -----		
CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	15,771,651	15,771,651
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	169,717,186	151,570,746
Eligible Additional Tier 1 (ADT 1) Capital	13,550,000	13,550,000
Total eligible tier 1 capital	183,267,186	165,120,746
Eligible tier 2 capital	46,604,194	47,473,682
Total eligible capital (tier 1 + tier 2)	229,871,380	212,594,428
Risk weighted assets (RWAs):		
Credit risk	1,147,514,841	981,244,262
Market risk	104,491,719	56,599,613
Operational risk	301,854,613	301,854,613
Total	1,553,861,173	1,339,698,488
Common equity tier 1 capital adequacy ratio	10.92%	11.31%
Tier 1 capital adequacy ratio	11.79%	12.33%
Total capital adequacy ratio	14.79%	15.87%
In line with Basel III capital adequacy guidelines, the following capital requirements are applicable to the Bank:		
Common Equity Tier 1 Capital Adequacy ratio	6.00%	6.00%
Tier 1 Capital Adequacy Ratio	7.50%	7.50%
Total Capital Adequacy Ratio	11.50%	11.50%
For Capital Adequacy calculation, the Bank has adopted Standardised Approach for credit and market risk related exposures and Alternate Standardised Approach (ASA) for operational risk.		
Leverage Ratio (LR):		
Eligible tier-1 capital	183,267,186	165,120,746
Total exposures	4,106,038,726	4,137,781,046
Leverage ratio	4.46%	3.99%
Total high quality liquid assets	1,486,286,087	1,120,160,986
Total net cash outflow	809,753,719	621,924,548
Liquidity coverage ratio	184%	180%
Net Stable Funding Ratio (NSFR):		
Total available stable funding	2,042,738,278	1,916,051,651
Total required stable funding	1,301,932,883	1,365,278,952
Net stable funding ratio	157%	140%

42.1 The Bank has opted for transition arrangement to phase in ECL impact as permitted by SBP vide BPRD Circular No. 03 of 2022 dated July 05, 2022. Had the transitional arrangement not applied, CAR and Leverage ratio would have been 14.90% and 4.42% respectively.

43 ISLAMIC BANKING BUSINESS

The Bank operates 447 Islamic banking branches (December 31, 2025: 450 branches) and 4 sub branches (December 31, 2025: 4 sub branches) as at September 30, 2026.

STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION		(Un-audited) September 30, 2026	(Audited) December 31, 2025
	Note	------(Rupees in '000)-----	
ASSETS			
Cash and balances with treasury banks		39,397,086	37,659,354
Balances with other banks		2,865,512	5,982,603
Due from financial institutions	43.1	7,151,892	10,451,855
Investments	43.2	233,025,887	191,490,875
Islamic financing and related assets - net	43.3	341,032,635	315,796,646
Property and equipment		14,653,963	14,793,400
Right-of-use assets		11,537,485	11,252,656
Intangible assets		23,251	31,379
Deferred tax assets		1,170,048	-
Other assets		33,952,520	28,199,141
Total assets		684,810,279	615,657,909
LIABILITIES			
Bills payable		11,303,864	13,489,959
Due to financial institutions		58,141,469	31,719,709
Deposits and other accounts	43.4	483,700,263	453,796,084
Lease liabilities		14,794,468	13,850,737
Deferred tax liabilities		-	1,389,427
Other liabilities		75,656,188	61,981,418
Total liabilities		643,596,252	576,227,334
NET ASSETS		41,214,027	39,430,575
REPRESENTED BY			
Islamic banking fund		3,950,000	3,950,000
Surplus on revaluation of assets		3,587,345	5,145,516
Unappropriated / unremitted profit	43.5	33,676,682	30,335,059
		41,214,027	39,430,575

CONTINGENCIES AND COMMITMENTS

STATEMENT OF PROFIT AND LOSS ACCOUNT

		(Un-audited) Nine months period ended	
		September 30, 2026	September 30, 2025
		------(Rupees in '000)-----	
Profit / return earned on Islamic financing and related assets, investments and placements	43.7	42,650,819	41,435,127
Profit / return expensed on deposits and other dues expensed	43.8	17,701,837	19,433,621
Net profit / return		24,948,982	22,001,506
Fee and commission income		1,617,581	1,661,687
Foreign exchange income		1,146,688	845,756
Gain / (loss) on securities		40,896	(3,936)
Other income		67,457	28,597
Total other income		2,872,622	2,532,104
Total income		27,821,604	24,533,610
OTHER EXPENSES			
Operating expenses		20,528,062	17,800,269
Workers' welfare fund		179,688	151,703
Other charges		2,424	5,632
Total other expenses		20,710,174	17,957,604
Profit before credit loss allowance		7,111,430	6,576,006
Reversal of credit loss allowance and write offs - net		(295,325)	(15,432)
PROFIT BEFORE TAXATION		7,406,755	6,591,438
Taxation		3,934,635	3,630,199
PROFIT AFTER TAXATION		3,472,120	2,961,239

September 30, 2026 (Un-audited)			December 31, 2025 (Audited)		
In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total

43.1 Due from financial institutions

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

Musharaka Placements	-	-	-	3,300,000	-	3,300,000
Bai Muajjal Receivables	7,151,892	-	7,151,892	7,151,892	-	7,151,892
	7,151,892	-	7,151,892	10,451,892	-	10,451,892
Less: Credit loss allowance						
Stage 1	-	-	-	(37)	-	(37)
	7,151,892	-	7,151,892	10,451,855	-	10,451,855

43.2 Investments

September 30, 2026 (Un-audited)				December 31, 2025 (Audited)			
Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value

By segment & type:

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

Fair value through profit or loss

Federal Government Securities

Ijarah Sukuk

531,072	-	(2,594)	528,478	-	-	-	-
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Naya Pakistan Certificates

1,291,987	-	-	1,291,987	819,226	-	-	819,226
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Non Government Debt Securities

Sukuks - Unlisted

200,000	-	-	200,000	200,000	-	-	200,000
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2,023,059	-	(2,594)	2,020,465	1,019,226	-	-	1,019,226
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Fair value through other comprehensive income

Federal Government Securities

Ijarah Sukuks

221,052,755	-	536,061	221,588,816	171,993,928	-	3,757,519	175,751,447
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Non Government Debt Securities

Sukuks - Unlisted

-	-	-	-	210,000	-	12,577	222,577
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221,052,755	-	536,061	221,588,816	172,203,928	-	3,770,096	175,974,024
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Amortised cost

Federal Government Securities

Ijarah Sukuks

7,059,014	-	-	7,059,014	11,562,329	-	-	11,562,329
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Non Government Debt Securities

Sukuks - Unlisted

2,386,837	(29,245)	-	2,357,592	2,964,553	(29,257)	-	2,935,296
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9,445,851	(29,245)	-	9,416,606	14,526,882	(29,257)	-	14,497,625
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232,521,665	(29,245)	533,467	233,025,887	187,750,036	(29,257)	3,770,096	191,490,875
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43.2.1 Particulars of credit loss allowance

September 30, 2026 (Un-audited)				December 31, 2025 (Audited)			
Expected Credit Loss			Total	Expected Credit Loss			Total
Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	

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

Sukuks - Unlisted	-	-	29,245	29,245	12	-	29,245	29,257
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	(Un-audited) September 30, 2026	(Audited) December 31, 2025
	----- (Rupees in '000) -----	
43.3 Islamic financing and related assets - net		
Classified at amortised cost		
Ijarah	41,630,763	32,770,564
Murabaha	2,528,853	3,246,212
Musharaka	47,283,484	32,629,281
Diminishing musharaka	77,054,756	61,674,894
Salam	3,034,178	2,112,663
Bai muajjal financing	90,464,561	92,491,363
Musawama financing	6,414,345	3,381,270
Tijarah financing	4,984,643	5,065,756
Islamic staff financing	7,637,394	6,792,797
SBP Islamic export refinance	48,138	219,933
Islamic long term finance facility plant & machinery	3,470,415	3,908,001
Islamic refinance renewable energy	1,941,108	2,094,011
Islamic temporary economic refinance facility (ITERF)	6,246,657	6,013,785
Islamic financing facility for storage of agriculture produce (IFFSAP)	3,158	-
Naya Pakistan home financing	3,432,984	3,829,811
Islamic refinance facility for combating COVID	221,447	513,483
Refinance facility under bills discounting	6,720,185	19,963,186
Advances against Islamic assets	19,101,433	23,426,073
Inventory related to Islamic financing	23,200,760	20,448,546
Other Islamic modes	244,487	246,674
Gross Islamic financing and related assets	345,663,749	320,828,303
Less: Credit loss allowance against Islamic financings		
- Stage 1	(321,552)	(174,504)
- Stage 2	(99,480)	(102,911)
- Stage 3	(4,210,082)	(4,754,242)
	(4,631,114)	(5,031,657)
Islamic financing and related assets - net of credit loss allowance	341,032,635	315,796,646

43.4 Deposits	September 30, 2026 (Un-audited)			December 31, 2025 (Audited)		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	----- (Rupees in '000) -----					
Customers						
- Current deposits	239,620,544	11,006,660	250,627,204	188,638,484	10,589,367	199,227,851
- Savings deposits	114,872,979	4,215,209	119,088,188	121,084,970	4,244,446	125,329,416
- Term deposits	43,187,687	1,014,891	44,202,578	46,531,682	1,545,735	48,077,417
- Other deposits	5,289,819	2,053,939	7,343,758	4,389,201	2,351,777	6,740,978
	402,971,029	18,290,699	421,261,728	360,644,337	18,731,325	379,375,662
Financial Institutions						
- Current deposits	2,244,907	96,266	2,341,173	531,640	77,213	608,853
- Savings deposits	1,092,362	-	1,092,362	21,011,569	-	21,011,569
- Term deposits	59,005,000	-	59,005,000	52,800,000	-	52,800,000
	62,342,269	96,266	62,438,535	74,343,209	77,213	74,420,422
	465,313,298	18,386,965	483,700,263	434,987,546	18,808,538	453,796,084

43.4.1 Current deposits include remunerative current deposits of Rs. 56,383.133 million (December 31, 2025: Rs. 40,186.585 million).

	(Un-audited) September 30, 2026	(Audited) December 31, 2025
	------(Rupees in '000)-----	
43.5 Islamic banking business unappropriated profit		
Opening balance	30,335,059	26,426,467
Impact of adopting IFRS 9	(132,891)	-
Balance at January 01 on adopting IFRS 9	30,202,168	26,426,467
Add: Islamic banking profit before taxation for the period / year	7,406,755	8,649,730
Less: Taxation for the period / year	(3,934,635)	(4,744,336)
Add: Transfer from surplus on revaluation of assets to unappropriated profit - net	2,394	3,198
Closing balance	33,676,682	30,335,059

43.6 Contingencies and commitments

- Guarantees	11,313,156	8,239,714
- Commitments	124,832,051	109,702,216
	136,145,207	117,941,930

	(Un-audited) For the nine months period ended	
	September 30, 2026	September 30, 2025
	------(Rupees in '000)-----	

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

Profit earned on:		
- Islamic financing and related assets	22,966,509	15,876,008
- Investments	17,870,316	21,400,196
- Placements	1,813,994	4,158,923
	42,650,819	41,435,127

43.8 Profit on deposits and other dues expensed

Deposits and other accounts	12,687,653	15,804,033
Due to financial institutions	2,490,549	1,847,409
Securities sold under repurchase agreements	1,034,913	160,914
Cost of foreign currency swaps against foreign currency deposits / borrowings	17,659	32,379
Finance charges on lease liability	1,426,462	1,386,063
Reward points / customer loyalty	44,601	202,823
	17,701,837	19,433,621

43.9 PLS Pool Management- Islamic Banking Group (IBG)

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

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

Currently, IBG is managing the following pools:

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

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

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

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

	(Un-audited) September 30, 2026	(Audited) December 31, 2025
	------(Rupees in '000)-----	
43.9.2 Avenues / sectors where Mudaraba based deposits have been deployed:		
Agriculture, Forestry, Hunting And Fishing	75,758,218	75,774,258
Automobile and Transportation Equipment	3,658,806	1,743,505
Cement	2,577,359	2,144,732
Chemical and Pharmaceuticals	17,475,457	17,019,407
Construction	1,939,236	2,500,636
Electronics and Electrical Appliances	3,597,969	3,970,383
Food and Allied Products	9,255,440	10,728,000
Footwear and Leather Garments	2,466,795	1,957,532
Glass and Ceramics	770,817	276,280
Individuals	71,746,567	54,682,606
Metal and Allied Industries	5,266,667	4,911,797
Mining and Quarrying	411,213	375,590
Oil and Allied	4,235,152	4,659,434
Paper and Board	863,553	1,206,998
Plastic and Allied Industries	6,856,543	7,051,331
Power (Electricity), Gas, Water, Sanitary	49,610,282	45,518,591
Services	6,722,255	5,568,205
Sugar	2,063,931	3,171,452
Technology and Related Services	534,007	194,406
Textile	54,403,648	54,309,135
Transport, Storage and Communication	7,756,622	8,329,549
Wholesale and Retail Trade	11,094,710	9,547,435
Others	6,598,502	5,187,041
Total gross Islamic financing and related assets	345,663,749	320,828,303
Total gross investments (cost)	232,521,665	187,750,036
Total Islamic placements	7,151,892	10,451,892
Total invested funds	585,337,306	519,030,231

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

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

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

Remunerative Depositors' Pools	Profit rate and weightage announcement period	Profit rate return earned	Profit sharing ratio		Mudarib share	Profit rate return distributed to remunerative deposits (savings and fixed)	Percentage of Mudarib share transferred through Hiba	Amount of Mudarib share transferred through Hiba
		%	Mudarib Share / Fee	Rabbul Maal Share	(Rupees in '000)	%	%	(Rupees in '000)
General Pools								
PKR Pool	Monthly	9.09%	50.00%	50.00%	7,174,678	5.16%	1.19%	84,875
USD Pool	Monthly	3.33%	90.00%	10.00%	304,229	1.64%	11.11%	31,733
GBP Pool	Monthly	3.26%	90.00%	10.00%	50,158	1.79%	0.77%	288
EUR Pool	Monthly	6.43%	90.00%	10.00%	11,229	0.66%	4.81%	483
AED Pool	Monthly	4.81%	90.00%	10.00%	1,444	0.37%	0.28%	3
SAR Pool	Monthly	5.33%	90.00%	10.00%	862	0.27%	0.22%	2
CAD Pool	Monthly	8.35%	90.00%	10.00%	973	0.44%	0.00%	-
Specific Pools								
Special Pool (Saving & TDRs)	Monthly	11.22%	17.50%	82.50%	1,764,234	10.39%	95.94%	1,692,560
SBP Refinance Borrowing Pool	Profit rate and weightage announcement period	Profit rate return earned	Profit sharing ratio		Mudarib share	Profit rate return distributed to remunerative deposits (savings and fixed)	Percentage of Mudarib share transferred through Hiba	Amount of Mudarib share transferred through Hiba
		%	Mudarib Share / Fee	Rabbul Maal Share	(Rupees in '000)	%	%	(Rupees in '000)
Islamic Export Refinance (IERS/BD) Pool	Monthly	12.24%	94.19%	5.81%	2,222,590	Nil	0.00%	-

44 AFGHANISTAN OPERATIONS

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

In the year 2025, a non-binding indicative offer was received from Ghazanfar Bank, Afghanistan ("Ghazanfar Bank") to acquire the Bank's Afghanistan Operations (assets and liabilities). In this regard, after obtaining the necessary regulatory approvals, Ghazanfar Bank commenced and completed its due diligence exercise. Subsequent to this, the Bank had received a binding bid from Ghazanfar Bank and have also acquired regulatory approvals to proceed with the transaction. Accordingly, the Bank has signed the agreement to sell the Afghanistan Operations to Ghazanfar Bank and the transaction is expected to complete before the year end.

45 BANGLADESH OPERATIONS

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

During the period, shareholders of the Bank in the Annual General Meeting held on March 26, 2026 approved the sale of the Bank's Bangladesh Operations to Bank Asia and the shareholders of the Bank Asia also approved the transaction in their Extraordinary General Meeting held on April 12, 2026. The relevant regulatory approvals have also been received. Consequently, Bank Asia and the Bank have now jointly applied to the High Court in Bangladesh to sanction the transaction.

46 NON-ADJUSTING EVENT

The Board of Directors in its meeting held on October 22, 2026 has declared an interim cash dividend of Rs. 1.50 per share i.e. 30% for the quarter ended September 30, 2026 [September 30, 2025 (restated due to share split): Rs. 1.25 per share i.e. 25%]. These unconsolidated condensed interim financial statements do not include the effect of this appropriation which will be accounted for subsequent to the period end. The Board had earlier declared an interim cash dividend bringing the total cash dividend for the nine months period ended September 30, 2026 to Rs. 4.50 per share i.e. 90% [September 30, 2025: (restated due to share split): Rs. 3.75 per share i.e. 75%].

47 DATE OF AUTHORISATION

These unconsolidated condensed interim financial statements were authorised for issue on October 22, 2026 by the Board of Directors of the Bank.

48 GENERAL

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

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2026



Consolidated Condensed Interim Statement of Financial Position

As at September 30, 2026

	Note	(Un-audited) September 30, 2026	(Audited) December 31, 2025
----- (Rupees in '000) -----			
ASSETS			
Cash and balances with treasury banks	7	192,290,203	227,583,076
Balances with other banks	8	19,171,977	24,109,552
Lendings to financial institutions	9	3,358,906	19,674,292
Investments	10	1,742,347,640	2,178,171,675
Advances	11	1,154,211,217	1,104,923,835
Property and equipment	12	75,467,931	71,295,025
Right-of-use assets	13	27,737,988	26,465,246
Intangible assets	14	1,740,860	1,728,936
Deferred tax assets	15	605,877	-
Other assets	16	159,640,931	181,133,531
Total assets		3,376,573,530	3,835,085,168
LIABILITIES			
Bills payable	17	51,072,191	56,957,969
Borrowings	18	242,963,339	832,127,882
Deposits and other accounts	19	2,616,817,865	2,495,388,928
Lease liabilities	20	35,116,601	32,573,375
Subordinated debt	21	34,000,000	14,000,000
Deferred tax liabilities	15	-	27,399,186
Other liabilities	22	199,352,280	176,427,279
Total liabilities		3,179,322,276	3,634,874,619
NET ASSETS		197,251,254	200,210,549
REPRESENTED BY			
Share capital		15,771,651	15,771,651
Reserves		44,955,325	42,366,356
Surplus on revaluation of assets	23	21,939,514	43,227,219
Unappropriated profit		114,584,764	98,845,323
		197,251,254	200,210,549
CONTINGENCIES AND COMMITMENTS			
	24		

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

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

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

For the quarter and nine months period ended September 30, 2026

	Note	Quarter ended September 30, 2026	Quarter ended September 30, 2025	Nine months period ended September 30, 2026	Nine months period ended September 30, 2025
(Rupees in '000)					
Mark-up / return / interest earned	26	87,915,453	81,668,496	259,796,502	268,676,873
Mark-up / return / interest expensed	27	52,054,174	48,382,581	154,950,197	169,330,093
Net mark-up / return / interest income		35,861,279	33,285,915	104,846,305	99,346,780
NON MARK-UP / INTEREST INCOME					
Fee and commission income	28	5,158,519	4,149,560	13,462,059	11,956,921
Dividend income		246,944	606,633	1,443,411	2,017,143
Foreign exchange income	29	4,566,806	3,586,050	11,669,228	8,937,358
Income from derivatives		937,915	545,235	1,520,364	933,801
Gain / (loss) on securities	30	(355,392)	2,055,037	17,512,752	10,060,656
Net gain / (loss) on derecognition of financial assets measured at amortised cost		-	-	-	-
Share of profit from associates		179,712	507,875	138,948	1,222,849
Other income	31	123,236	70,213	263,446	939,550
Total non-mark-up / interest income		10,857,740	11,520,603	46,010,208	36,068,278
Total income		46,719,019	44,806,518	150,856,513	135,415,058
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	32	29,137,397	29,689,881	87,945,451	84,422,847
Workers' welfare fund	33	456,225	268,502	1,489,983	1,090,072
Other charges	34	28,819	3,942	46,176	13,499
Total non-mark-up / interest expenses		29,622,441	29,962,325	89,481,610	85,526,418
Profit before credit loss allowance / provisions		17,096,578	14,844,193	61,374,903	49,888,640
(Reversal of) / charge against credit loss allowance / provisions and write offs - net	35	(2,566,730)	1,050,875	(3,146,083)	1,947,520
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION FROM CONTINUING OPERATIONS		19,663,308	13,793,318	64,520,986	47,941,120
Taxation	36	10,429,641	7,463,473	34,149,853	26,468,382
PROFIT AFTER TAXATION FROM CONTINUING OPERATIONS		9,233,667	6,329,845	30,371,133	21,472,738
DISCONTINUED OPERATIONS					
LOSS FROM DISCONTINUED OPERATIONS - NET OF TAX	37.3	-	8,125	-	(75,392)
PROFIT AFTER TAXATION		9,233,667	6,337,970	30,371,133	21,397,346
Profit / (loss) attributable to:					
Equity holders of the Holding Company					
from continuing operations		9,233,667	6,329,845	30,371,133	21,472,738
from discontinued operations		-	8,125	-	(73,581)
		9,233,667	6,337,970	30,371,133	21,399,157
Non-controlling interest					
from continuing operations		-	-	-	-
from discontinued operations		-	-	-	(1,811)
		-	-	-	(1,811)
		9,233,667	6,337,970	30,371,133	21,397,346
(Rupees)					
		(Restated)		(Restated)	
Basic and diluted earnings per share - continuing operations	38	2.93	2.01	9.63	6.81
Basic and diluted earnings per share	38	2.93	2.01	9.63	6.78

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

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

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

For the quarter and nine months period ended September 30, 2026

	Quarter ended September 30, 2026	Quarter ended September 30, 2025	Nine months period ended September 30, 2026	Nine months period ended September 30, 2025
	(Rupees in '000)			
Profit after taxation for the period	9,233,667	6,337,970	30,371,133	21,397,346
Other comprehensive (loss) / income				
Items that may be reclassified to the statement of profit and loss account in subsequent periods:				
Effect of translation of net investment in foreign branches	(161,616)	(467,845)	(472,442)	(207,159)
Movement in surplus on revaluation of investments in debt securities classified as FVOCI - net of tax	(2,097,616)	910,681	(8,480,666)	4,042,958
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	(1,292,298)	(364,783)	(8,546,862)	(2,896,995)
Movement in share of (deficit) / surplus on revaluation of investments of associates - net of tax	(22,656)	(9,695)	(42,926)	(18,884)
	(3,574,186)	68,358	(17,542,896)	919,920
Items that will not be reclassified to the statement of profit and loss account in subsequent periods:				
Movement in surplus on revaluation of equity investments classified as FVOCI - net of tax	(394,588)	2,753,868	(1,176,241)	3,221,899
Movement in surplus on revaluation of property and equipment - net of tax	(19,517)	(18,442)	(54,092)	(55,256)
Movement in surplus on revaluation of non-banking assets - net of tax	(4,037)	(5,501)	(16,400)	(15,911)
	(418,142)	2,729,925	(1,246,733)	3,150,732
Total comprehensive income	<u>5,241,339</u>	<u>9,136,253</u>	<u>11,581,504</u>	<u>25,467,998</u>
Total comprehensive income / (loss) attributable to:				
Equity holders of the Holding Company				
from continuing operations	5,241,339	9,128,128	11,581,504	25,543,390
from discontinued operations	-	8,125	-	(73,581)
	<u>5,241,339</u>	<u>9,136,253</u>	<u>11,581,504</u>	<u>25,469,809</u>
Non-controlling interest				
from continuing operations	-	-	-	-
from discontinued operations	-	-	-	(1,811)
	-	-	-	(1,811)
	<u>5,241,339</u>	<u>9,136,253</u>	<u>11,581,504</u>	<u>25,467,998</u>

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

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

Consolidated Condensed Interim Statement of Changes in Equity

For the nine months period ended September 30, 2026

	Share capital	Capital reserves		Statutory reserve	Surplus / (deficit) on revaluation of			Unappropriated profit	Sub-total	Non controlling interest	Total
		Share premium	Exchange translation reserve		Investments	Property and equipment	Non banking assets				
(Rupees in '000)											
Balance as at December 31, 2024 (audited)	15,771,651	4,731,049	12,425,956	26,309,920	15,952,719	17,553,045	314,715	88,305,939	181,364,994	21,703	181,386,697
Impact of adoption of IFRS 9 - net of tax	-	-	-	-	1,503,916	-	-	(81,096)	1,422,820	-	1,422,820
Balance as at January 01, 2025	15,771,651	4,731,049	12,425,956	26,309,920	17,456,635	17,553,045	314,715	88,224,843	182,787,814	21,703	182,809,517
Changes in equity for the nine months period ended September 30, 2025											
Profit / (loss) after taxation	-	-	-	-	-	-	-	21,399,157	21,399,157	(1,811)	21,397,346
Other comprehensive (loss) / income - net of tax	-	-	-	-	-	-	-	-	-	-	-
Effect of translation of net investment in foreign branches	-	-	(207,159)	-	-	-	-	-	(207,159)	-	(207,159)
Movement in surplus / (deficit) on revaluation of investments in debt securities classified as FVOCI - net of tax	-	-	-	-	4,042,958	-	-	-	4,042,958	-	4,042,958
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	-	-	-	-	(2,896,995)	-	-	-	(2,896,995)	-	(2,896,995)
Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax	-	-	-	-	3,221,899	-	-	-	3,221,899	-	3,221,899
Movement in share of surplus on revaluation of investments of associates - net of tax	-	-	-	-	(18,884)	-	-	-	(18,884)	-	(18,884)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	(55,256)	-	-	(55,256)	-	(55,256)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	(15,911)	-	(15,911)	-	(15,911)
Total other comprehensive (loss) / income - net of tax	-	-	(207,159)	-	4,348,978	(55,256)	(15,911)	-	4,070,652	-	4,070,652
Transfer to statutory reserve	-	-	-	2,143,919	-	-	-	(2,143,919)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(91,657)	(11,409)	103,066	-	-	-
Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	(547,291)	-	-	547,291	-	-	-
Transactions with owners, recorded directly in equity											
Derecognition of subsidiary	-	-	-	-	-	-	-	-	-	(19,892)	(19,892)
Final cash dividend for the year ended December 31, 2024 - 25%	-	-	-	-	-	-	-	(3,942,913)	(3,942,913)	-	(3,942,913)
Interim cash dividend for the quarter ended March 31, 2025 - 25%	-	-	-	-	-	-	-	(3,942,913)	(3,942,913)	-	(3,942,913)
Interim cash dividend for the half year ended June 30, 2025 - 25%	-	-	-	-	-	-	-	(3,942,913)	(3,942,913)	-	(3,942,913)
Closing balance as at September 30, 2025 (un-audited)	15,771,651	4,731,049	12,218,797	28,453,839	21,258,322	17,406,132	287,395	96,301,699	196,428,884	-	196,428,884
Changes in equity for the three months period ended December 31, 2025											
Profit after taxation	-	-	-	-	-	-	-	6,403,053	6,403,053	-	6,403,053
Other comprehensive (loss) / income - net of tax	-	-	-	-	-	-	-	-	-	-	-
Effect of translation of net investment in foreign branches	-	-	(3,727,116)	-	-	-	-	-	(3,727,116)	-	(3,727,116)
Movement in surplus on revaluation of investments in debt securities classified as FVOCI - net of tax	-	-	-	-	3,724,519	-	-	-	3,724,519	-	3,724,519
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	-	-	-	-	(443,063)	-	-	-	(443,063)	-	(443,063)
Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax	-	-	-	-	1,195,204	-	-	-	1,195,204	-	1,195,204
Movement in share of surplus on revaluation of investments of associates - net of tax	-	-	-	-	(472)	-	-	-	(472)	-	(472)
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-	502,165	502,165	-	502,165
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	(18,504)	-	-	(18,504)	-	(18,504)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	88,792	-	88,792	-	88,792
Total other comprehensive (loss) / income - net of tax	-	-	(3,727,116)	-	4,476,188	(18,504)	88,792	502,165	1,321,525	-	1,321,525
Transfer to statutory reserve	-	-	-	689,787	-	-	-	(689,787)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(30,915)	(1,311)	32,226	-	-	-
Transfer of revaluation surplus from non-banking asset to property an equipment -net of tax	-	-	-	-	-	6,020	(6,020)	-	-	-	-
Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	(238,880)	-	-	238,880	-	-	-
Transactions with owners, recorded directly in equity											
Interim cash dividend for the nine months period ended September 30, 2025 - 25%	-	-	-	-	-	-	-	(3,942,913)	(3,942,913)	-	(3,942,913)
Balance as at December 31, 2025 (audited)	15,771,651	4,731,049	8,491,681	29,143,626	25,495,630	17,362,733	368,856	98,845,323	200,210,549	-	200,210,549
Impact of adoption of IFRS 9 - net of tax (note: 4.1.1)	-	-	-	-	-	-	-	(346,314)	(346,314)	-	(346,314)
Balance as at January 01, 2026 after adoption of IFRS 9 / carried forward	15,771,651	4,731,049	8,491,681	29,143,626	25,495,630	17,362,733	368,856	98,499,009	199,864,235	-	199,864,235

Consolidated Condensed Interim Statement of Changes in Equity

For the nine months period ended September 30, 2026

	Share capital	Capital reserves		Statutory reserve	Surplus / (deficit) on revaluation of			Unappropriated profit	Sub-total	Non controlling interest	Total
		Share premium	Exchange translation reserve		Investments	Property and equipment	Non banking assets				
(Rupees in '000)											
Balance brought forward	15,771,651	4,731,049	8,491,681	29,143,626	25,495,630	17,362,733	368,856	98,499,009	199,864,235	-	199,864,235
Changes in equity for the nine months period ended September 30, 2026											
Profit after taxation	-	-	-	-	-	-	-	30,371,133	30,371,133	-	30,371,133
Other comprehensive (loss) / income - net of tax											
Effect of translation of net investment in foreign branches	-	-	(472,442)	-	-	-	-	-	(472,442)	-	(472,442)
Movement in surplus on revaluation of investments in debt securities classified as FVOCI - net of tax	-	-	-	-	(8,480,666)	-	-	-	(8,480,666)	-	(8,480,666)
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	-	-	-	-	(8,546,862)	-	-	-	(8,546,862)	-	(8,546,862)
Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax	-	-	-	-	(1,176,241)	-	-	-	(1,176,241)	-	(1,176,241)
Movement in share of deficit on revaluation of investments of associates - net of tax	-	-	-	-	(42,926)	-	-	-	(42,926)	-	(42,926)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	(54,092)	-	-	(54,092)	-	(54,092)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	(16,400)	-	(16,400)	-	(16,400)
Total other comprehensive (loss) / income - net of tax	-	-	(472,442)	-	(18,246,695)	(54,092)	(16,400)	-	(18,789,629)	-	(18,789,629)
Transfer to statutory reserve	-	-	-	3,061,411	-	-	-	(3,061,411)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(221,105)	(4,638)	225,743	-	-	-
Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	(2,744,775)	-	-	2,744,775	-	-	-
Transactions with owners, recorded directly in equity											
Final cash dividend for the year ended December 31, 2025 - 30%	-	-	-	-	-	-	-	(4,731,495)	(4,731,495)	-	(4,731,495)
Interim cash dividend for the quarter ended March 31, 2026 - 30%	-	-	-	-	-	-	-	(4,731,495)	(4,731,495)	-	(4,731,495)
Interim cash dividend for the half year ended June 30, 2026 - 30%	-	-	-	-	-	-	-	(4,731,495)	(4,731,495)	-	(4,731,495)
Closing balance as at September 30, 2026 (un-audited)	15,771,651	4,731,049	8,019,239	32,205,037	4,504,160	17,087,536	347,818	114,584,764	197,251,254	-	197,251,254

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

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

Consolidated Condensed Interim Cash Flow Statement (Un-audited)

For the nine months period ended September 30, 2026

	Note	Nine months period ended	
		September 30, 2026	September 30, 2025
		----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation from continuing operations		64,520,986	47,941,120
Profit before taxation from discontinued operations	37.3	-	7,796
Less: Dividend income		(1,443,411)	(2,017,143)
Share of profit from associates		(138,948)	(1,222,849)
		<u>62,938,627</u>	<u>44,708,924</u>
Adjustments:			
Net mark-up / return / interest income		(107,236,364)	(101,645,815)
Depreciation		5,282,615	4,490,027
Depreciation on right-of-use assets		3,653,670	3,408,222
Amortisation		325,469	302,133
(Reversal of) / charge against credit loss allowance / provisions and write offs -net		(3,146,083)	1,942,959
Unrealised loss on revaluation of investments classified as FVPL		3,465,656	208,072
Gain on sale of property and equipment - net	31	(27,127)	(43,642)
Gain on sale of non-banking assets - net	31	-	(3,368)
Gain on termination of leases - net	31	(186,769)	(85,693)
Finance charges on leased assets		3,472,017	3,183,672
Workers' welfare fund		1,489,983	1,090,072
Charge for defined benefit plan	32.1	794,011	721,426
Charge for staff compensated absences	32.1	393,750	313,000
		<u>(91,719,172)</u>	<u>(86,118,935)</u>
		<u>(28,780,545)</u>	<u>(41,410,011)</u>
(Increase) / decrease in operating assets			
Lendings to financial institutions		15,000,001	68,513,728
Securities classified as FVPL		(4,212,387)	69,164,500
Advances		(42,082,862)	78,519,070
Other assets (excluding advance taxation and mark-up receivable)		9,019,500	(8,286,764)
		<u>(22,275,748)</u>	<u>207,910,534</u>
(Decrease) / increase in operating liabilities			
Bills payable		(5,885,778)	(2,308,826)
Borrowings		(595,529,411)	(512,455,753)
Deposits		121,428,937	30,180,408
Other liabilities (excluding current taxation and mark-up payable)		13,812,273	5,291,364
		<u>(466,173,979)</u>	<u>(479,292,807)</u>
		<u>(517,230,272)</u>	<u>(312,792,284)</u>
Mark-up / interest received		266,353,028	275,589,842
Mark-up / interest paid		(148,489,670)	(178,687,492)
Income tax paid		<u>(36,722,159)</u>	<u>(28,477,887)</u>
Net cash used in operating activities		<u>(436,089,072)</u>	<u>(244,367,821)</u>
Balance carried forward		<u>(436,089,072)</u>	<u>(244,367,821)</u>

Consolidated Condensed Interim Cash Flow Statement (Un-audited)

For the nine months period ended September 30, 2026

	Note	Nine months period ended	
		September 30, 2026	September 30, 2025
		----- (Rupees in '000) -----	
Balance brought forward		(436,089,072)	(244,367,821)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net divestments in securities classified as FVOCI	37.2	372,371,117	250,462,806
Net divestments in securities carried at amortised cost		28,663,649	43,851,597
Dividends received from associates		464,993	44,993
Dividends received from other investments		1,407,091	2,014,343
Divestment of investment in subsidiary		-	396,857
Investments in property and equipment and intangible assets		(10,412,145)	(10,651,920)
Proceeds from sale of property and equipment		670,903	79,666
Proceeds from sale of non-banking assets		-	27,089
Effect of translation of net investment in foreign branches		(617,876)	(207,159)
Net cash generated from investing activities		392,547,732	286,018,272
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of lease obligations against right-of-use assets		(5,666,142)	(4,971,793)
Proceeds from issue of subordinated debt		20,000,000	-
Dividend paid		(14,143,869)	(11,796,006)
Net cash generated from / (used in) financing activities		189,989	(16,767,799)
(Decrease) / increase in cash and cash equivalents		(43,351,351)	24,882,652
Cash and cash equivalents at beginning of the period		254,934,741	231,503,318
Effects of exchange rate changes on cash and cash equivalents		(1,252,428)	1,735,279
		253,682,313	233,238,597
Expected credit loss allowance on cash and cash equivalents - net		(7,496)	(64,899)
Cash and cash equivalents of discontinued operations		-	(1,442,577)
Cash and cash equivalents at end of the period	39	210,323,466	256,613,773

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

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

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

For the nine months period ended September 30, 2026

1 STATUS AND NATURE OF BUSINESS

1.1 The "Group" consists of:

Holding Company: Bank Alfalah Limited, Pakistan

Bank Alfalah Limited (the Holding Company) is a banking company incorporated in Pakistan and is engaged in commercial banking and related services in Pakistan and overseas. The Holding Company's registered office is located at B. A. Building, I. I. Chundrigar Road, Karachi and its shares are listed on the Pakistan Stock Exchange. The Holding Company is engaged in banking services as described in the Banking Companies Ordinance, 1962. The Holding Company is operating through 1,197 branches (December 31, 2025: 1,178 branches) and 7 sub-branches (December 31, 2025: 8 sub-branches). Out of the 1,197 branches, 739 (December 31, 2025: 717) are conventional, 447 (December 31, 2025: 450) are Islamic, 10 (December 31, 2025: 10) are overseas and 1 (December 31, 2025: 1) is an offshore banking unit.

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

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

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

Associates

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

2 BASIS OF PRESENTATION

2.1 STATEMENT OF COMPLIANCE

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

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

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

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

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

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

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

2.1.2 Basis of consolidation

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

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

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

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

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

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

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

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

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

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

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

- IFRS 7, 'Financial Instruments: Disclosures'; the SECP through S.R.O. 742(I)/2025 dated April 16, 2025 requires disclosures regarding the significance of financial instruments to the Group's financial position and performance, as well as the nature, extent, and management of risks arising from such instruments. Accordingly, the Group will adopt IFRS 7 in preparing its annual financial statements for the year ending December 31, 2026. However, the disclosure requirements of IFRS 7 do not apply to these consolidated condensed interim financial statements except for those specified in paragraph 16A(j) of IAS 34, 'Interim Financial Reporting'.
- Certain amendments to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments' have become applicable on the Group which clarify the date of recognition and derecognition of a financial asset or financial liability. These amendments do not have any material impact and therefore, have not been detailed in these consolidated condensed interim financial statements.

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

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

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

3 BASIS OF MEASUREMENT

3.1 Accounting convention

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

3.2 Functional and presentation currency

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

4 MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 IFRS 9 - 'Financial Instruments'

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

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

4.1.2 The SBP has directed the banks through its BPRD Circular Letter No. 1 dated January 22, 2025 to continue applying the existing revenue recognition methodology for Islamic operations, including the requirements of Islamic Financial Accounting Standard (IFAS) 1 and IFAS 2 until further instructions. Had IFRS 9 been adopted for revenue recognition related to Islamic financing, the unappropriated profit of the Group as at September 30, 2026 would have been higher by Rs. 350.390 million.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

6 FINANCIAL RISK MANAGEMENT

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

		(Un-audited) September 30, 2026	(Audited) December 31, 2025
	Note	------(Rupees in '000)-----	
7 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
- local currency		50,613,428	52,337,092
- foreign currency		5,728,782	5,198,304
		56,342,210	57,535,396
With State Bank of Pakistan in			
- local currency current accounts		87,610,352	81,033,076
- foreign currency current accounts		9,565,287	9,870,481
- foreign currency deposit accounts		14,777,924	16,191,056
		111,953,563	107,094,613
With other central banks in			
- foreign currency current accounts		20,292,846	59,377,172
- foreign currency deposit accounts		2,696,976	1,493,118
		22,989,822	60,870,290
With National Bank of Pakistan in local currency current account		994,952	2,044,071
Prize bonds		70,502	86,871
		192,351,049	227,631,241
Less: Credit loss allowance held against cash and balances with treasury banks		(60,846)	(48,165)
Cash and balances with treasury banks - net of credit loss allowance		192,290,203	227,583,076
8 BALANCES WITH OTHER BANKS			
In Pakistan in current accounts		42,864	11,898
Outside Pakistan			
- in current accounts		19,100,040	24,073,844
- in deposit accounts		32,092	32,014
		19,132,132	24,105,858
		19,174,996	24,117,756
Less: Credit loss allowance held against balances with other banks		(3,019)	(8,204)
Balances with other banks - net of credit loss allowance		19,171,977	24,109,552
9 LENDINGS TO FINANCIAL INSTITUTIONS			
Call / clean money lendings		3,360,905	4,674,360
Repurchase agreement lendings (Reverse Repo)		-	15,000,000
	9.1	3,360,905	19,674,360
Less: Credit loss allowance held against lendings to financial institutions	9.1	(1,999)	(68)
Lendings to financial institutions - net of credit loss allowance		3,358,906	19,674,292

September 30, 2026 (Un-audited)		December 31, 2025 (Audited)	
Lending	Credit loss allowance held	Lending	Credit loss allowance held

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

9.1 Lending to Financial Institutions - Particulars of credit loss allowance

Domestic					
Performing	Stage 1	100,000	6	18,300,000	49
Overseas					
Performing	Stage 1	3,260,905	1,993	1,374,360	19
Total		3,360,905	1,999	19,674,360	68

10 INVESTMENTS

10.1 Investments by type:

September 30, 2026 (Un-audited)				December 31, 2025 (Audited)			
Cost / Amortised cost	Credit loss allowance / Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / Amortised cost	Credit loss allowance / Provision for diminution	Surplus / (Deficit)	Carrying value

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

Fair value through profit or loss

Federal Government Securities								
- Market Treasury Bills	145,655,625	-	(951,660)	144,703,965	150,646,774	-	88,233	150,735,007
- Pakistan Investment Bonds	134,437,422	-	(1,700,639)	132,736,783	148,435,134	-	987,996	149,423,130
- Ijarah Sukuks	20,988,623	-	(64,418)	20,924,205	252,784	-	(674)	252,110
- Naya Pakistan Certificates	1,291,987	-	-	1,291,987	819,226	-	-	819,226
Shares								
- Ordinary Shares - Listed	3,606,526	-	(354,748)	3,251,778	4,885,433	-	255,065	5,140,498
Non Government Debt Securities								
- Term Finance Certificates	1,450,000	-	-	1,450,000	1,450,000	-	-	1,450,000
- Sukuks	423,776	-	(444)	423,332	422,444	-	1,332	423,776
Foreign Securities								
- Overseas Bonds - Sovereign	13,407,274	-	(35,547)	13,371,727	8,289,997	-	(9,657)	8,280,340
- Redeemable Participating Certificates	7,222,729	-	(352,508)	6,870,221	7,849,325	-	20,685	7,870,010
REIT Fund - listed	122,522	-	(5,692)	116,830	-	-	-	-
	328,606,484	-	(3,465,656)	325,140,828	323,051,117	-	1,342,980	324,394,097

Fair value through other comprehensive income

Federal Government Securities								
- Market Treasury Bills	557,747,264	-	(2,662,787)	555,084,477	499,822,811	-	2,662,370	502,485,181
- Pakistan Investment Bonds	237,063,745	-	4,288,567	241,352,312	754,796,065	-	24,089,203	778,885,268
- Ijarah Sukuks	313,339,835	-	388,982	313,728,817	210,939,890	-	5,225,757	216,165,647
- Government of Pakistan Euro Bonds	3,014,850	(31,409)	(29,742)	2,953,699	14,474,416	(1,770,177)	2,488,438	15,192,677
Shares								
- Ordinary Shares - Listed	7,949,458	-	4,212,221	12,161,679	13,929,483	-	12,276,445	26,205,928
- Ordinary Shares - Unlisted	1,319,050	-	5,459,111	6,778,161	1,319,050	-	5,167,448	6,486,498
- Preference Shares - Unlisted	25,000	(25,000)	-	-	25,000	(25,000)	-	-
Non Government Debt Securities								
- Term Finance Certificates	1,666,816	(95,096)	-	1,571,720	1,802,621	(99,924)	-	1,702,697
- Sukuks	96,511	(96,511)	-	-	306,511	(96,511)	12,577	222,577
Foreign Securities								
- Overseas Bonds - Sovereign	72,473,075	(40,435)	(1,288,812)	71,143,828	51,506,024	(28,329)	(401,445)	51,076,250
- Overseas Bonds - Others	23,538,667	(4,026)	(1,217,976)	22,316,665	36,111,967	(6,850)	(258,329)	35,846,788
- Equity Securities - Listed	264,084	-	(19,229)	244,855	266,966	-	(5,184)	261,782
- Preference Shares - Unlisted	554,274	-	(277,137)	277,137	560,308	-	-	560,308
REIT Fund - listed								
	1,125,742	-	(99,287)	1,026,455	1,034,094	-	5,753	1,039,847
	1,220,178,371	(292,477)	8,753,911	1,228,639,805	1,586,895,206	(2,026,791)	51,263,033	1,636,131,448
Balance carried forward								
	1,548,784,855	(292,477)	5,288,255	1,553,780,633	1,909,946,323	(2,026,791)	52,606,013	1,960,525,545

10.1 Investments by type:

September 30, 2026 (Un-audited)				December 31, 2025 (Audited)			
Cost / Amortised cost	Credit loss allowance / Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / Amortised cost	Credit loss allowance / Provision for diminution	Surplus / (Deficit)	Carrying value

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

Balance brought forward	1,548,784,855	(292,477)	5,288,255	1,553,780,633	1,909,946,323	(2,026,791)	52,606,013	1,960,525,545
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Amortised cost

Federal Government Securities

- Pakistan Investment Bonds
- Ijarah Sukuks

153,380,703	-	-	153,380,703	154,179,505	-	-	154,179,505
11,100,000	-	-	11,100,000	40,484,392	-	-	40,484,392

Non Government Debt Securities

- Term Finance Certificates
- Sukuks

312,180	(24,718)	-	287,462	349,680	(24,714)	-	324,966
2,386,837	(29,244)	-	2,357,593	2,964,553	(29,257)	-	2,935,296

Foreign Securities

- Overseas Bonds - Sovereign

14,880,296	(74,474)	-	14,805,822	12,685,594	(14,524)	-	12,671,070
182,060,016	(128,436)	-	181,931,580	210,663,724	(68,495)	-	210,595,229

Associates (valued at equity method)

- Alfalah Insurance Company Limited
- Sapphire Wind Power Company Limited
- Alfalah Asset Management Limited

1,072,183	-	-	1,072,183	1,095,630	-	-	1,095,630
4,112,025	-	-	4,112,025	4,629,023	-	-	4,629,023
1,451,219	-	-	1,451,219	1,326,248	-	-	1,326,248
6,635,427	-	-	6,635,427	7,050,901	-	-	7,050,901

Total investments	1,737,480,298	(420,913)	5,288,255	1,742,347,640	2,127,660,948	(2,095,286)	52,606,013	2,178,171,675
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10.2 Particulars of assets and liabilities of associates

Associate	Country of incorporation	Percentage of holding	September 30, 2026 (Un-audited)				
			Assets	Liabilities	Revenue	Profit / (loss) for the period	Total Comprehensive income / (loss)

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

Alfalah Insurance Company Limited	Associate	Pakistan	30.00%	12,530,766	8,982,529	3,942,634	369,918	71,821
Sapphire Wind Power Company Limited	Associate	Pakistan	30.00%	13,513,666	614,148	2,283,318	(323,325)	(323,325)
Alfalah Asset Management Limited	Associate	Pakistan	40.22%	4,590,620	982,415	2,479,594	310,702	310,702

Associate	Country of incorporation	Percentage of holding	December 31, 2025 (Audited)		September 30, 2025 (Un-audited)		
			Assets	Liabilities	Revenue	Profit for the period	Total Comprehensive income

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

Alfalah Insurance Company Limited	Associate	Pakistan	30.00%	10,811,177	7,168,687	2,893,986	555,531	424,388
Sapphire Wind Power Company Limited	Associate	Pakistan	30.00%	15,124,169	501,326	4,611,571	2,645,732	2,645,732
Alfalah Asset Management Limited	Associate	Pakistan	40.22%	4,711,807	1,414,304	2,609,168	667,483	667,483

	(Un-audited) September 30, 2026	(Audited) December 31, 2025
	------(Rupees in '000)-----	
10.3 Investments given as collateral		
- Market Treasury Bills	90,132,349	410,985,208
- Pakistan Investment Bonds	2,998,699	260,026,252
- Ijarah Sukuk	10,005,584	-
- Overseas Bonds	15,057,048	36,926,637
	<u>118,193,680</u>	<u>707,938,097</u>

10.3.1 The market value of securities given as collateral is Rs. 116,769.807 million (December 31, 2025: Rs. 718,094.513 million).

	(Un-audited) September 30, 2026	(Audited) December 31, 2025
	------(Rupees in '000)-----	
10.4 Credit loss allowance / provision for diminution in value of total investments		
10.4.1 Opening balance	2,095,286	2,545,274
Impact of adoption of IFRS 9	-	60,074
Balance as at January 01 after adopting IFRS 9	<u>2,095,286</u>	<u>2,605,348</u>
Exchange and other adjustments	(4,058)	26,012
Charge / (reversals)		
Charge for the period / year	188,165	361,487
Reversals for the period / year	(39,077)	(372,998)
Reversal on disposals	<u>(1,819,403)</u>	<u>(524,563)</u>
	<u>(1,670,315)</u>	<u>(536,074)</u>
Closing Balance	<u>420,913</u>	<u>2,095,286</u>

10.4.2 Particulars of credit loss allowance / provision against debt securities

Category of classification		September 30, 2026 (Un-audited)		December 31, 2025 (Audited)	
		Outstanding amount	Credit loss allowance	Outstanding amount	Credit loss allowance
------(Rupees in '000)-----					
Domestic					
Performing	Stage 1	287,500	38	706,250	47
Underperforming	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		<u>270,531</u>	<u>270,531</u>	<u>275,359</u>	<u>275,359</u>
		<u>558,031</u>	<u>270,569</u>	<u>981,609</u>	<u>275,406</u>
Overseas					
Performing	Stage 1	113,906,888	150,344	100,303,585	49,703
Underperforming	Stage 2	-	-	14,474,416	1,770,177
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total		<u>114,464,919</u>	<u>420,913</u>	<u>115,759,610</u>	<u>2,095,286</u>

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

10.4.3 The market value of securities classified at amortised cost as at September 30, 2026 amounted to Rs. 179,968.347 million (December 31, 2025: Rs. 214,074.433 million).

11 ADVANCES

	Performing		Non Performing		Total	
	September 30, 2026	December 31, 2025	September 30, 2026	December 31, 2025	September 30, 2026	December 31, 2025
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
----- (Rupees in '000) -----						
Classified at amortised cost						
Loans, cash credits, running finances, etc.	791,569,065	762,898,168	36,684,382	41,006,331	828,253,447	803,904,499
Islamic financing and related assets	340,423,722	315,199,483	5,240,027	5,628,820	345,663,749	320,828,303
Bills discounted and purchased	23,302,111	26,060,353	86,947	900,622	23,389,058	26,960,975
	<u>1,155,294,898</u>	<u>1,104,158,004</u>	<u>42,011,356</u>	<u>47,535,773</u>	<u>1,197,306,254</u>	<u>1,151,693,777</u>
Classified at fair value through profit or loss						
Loans, cash credits, running finances, etc.	1,800,000	1,800,000	-	-	1,800,000	1,800,000
Advances - gross	<u>1,157,094,898</u>	<u>1,105,958,004</u>	<u>42,011,356</u>	<u>47,535,773</u>	<u>1,199,106,254</u>	<u>1,153,493,777</u>
Credit loss allowance / provision against advances						
- Stage 1	11.4 (2,167,258)	(1,483,302)	-	-	(2,167,258)	(1,483,302)
- Stage 2	11.4 (790,310)	(835,423)	-	-	(790,310)	(835,423)
- Stage 3	11.4 -	-	(37,821,431)	(42,095,261)	(37,821,431)	(42,095,261)
- Specific	11.4 -	-	-	-	-	-
- General	11.4 (4,116,038)	(4,155,956)	-	-	(4,116,038)	(4,155,956)
	<u>(7,073,606)</u>	<u>(6,474,681)</u>	<u>(37,821,431)</u>	<u>(42,095,261)</u>	<u>(44,895,037)</u>	<u>(48,569,942)</u>
Advances - net of credit loss allowance / provision	<u>1,150,021,292</u>	<u>1,099,483,323</u>	<u>4,189,925</u>	<u>5,440,512</u>	<u>1,154,211,217</u>	<u>1,104,923,835</u>

11.1 Advances include an amount of Rs. 469.528 million (December 31, 2025: Rs. 423.653 million), being Employee Loan facilities allowed to Citibank, N.A, Pakistan's employees, which were either taken over by the Holding Company, or were granted afresh, under a specific arrangement executed between the Holding Company and Citibank, N.A, Pakistan. The said arrangement is subject to certain relaxations as specified vide SBP Letter BPRD/BRD/Citi/2017/21089 dated September 11, 2017.

The said arrangement covers only existing employees of Citibank, N.A, Pakistan, and the relaxations allowed by the SBP are on continual basis, but subject to review by the SBP's BID and OSED departments. These loans carry mark-up at the rates ranging from 11.49% to 33.28% (December 31, 2025: 13.79% to 33.69%) per annum with maturities up to August 2046 (December 31, 2025: July 2045).

	(Un-audited) September 30, 2026	(Audited) December 31, 2025
----- (Rupees in '000) -----		
In local currency	1,110,877,573	1,038,968,318
In foreign currencies	88,228,681	114,525,459
	<u>1,199,106,254</u>	<u>1,153,493,777</u>

11.3 Advances include Rs. 42,011.356 million (December 31, 2025: Rs. 47,535.773 million) which have been placed under non-performing status as detailed below:

Category of classification ins stage 3

	September 30, 2026 (Un-audited)		December 31, 2025 (Audited)	
	Non-Performing loans	Credit loss allowance /provision	Non-Performing loans	Credit loss allowance /provision
----- (Rupees in '000) -----				
Domestic				
Other Assets Especially Mentioned (OAEM)	-	-	156,345	366
Substandard	2,324,433	870,472	3,347,182	1,385,197
Doubtful	5,047,926	2,498,887	6,256,133	3,106,590
Loss	34,014,305	33,881,172	37,093,274	36,992,066
	<u>41,386,664</u>	<u>37,250,531</u>	<u>46,852,934</u>	<u>41,484,219</u>
Overseas				
Substandard	-	-	29,577	13,154
Doubtful	-	-	-	-
Loss	624,692	570,900	653,262	597,888
	<u>624,692</u>	<u>570,900</u>	<u>682,839</u>	<u>611,042</u>
Total	<u>42,011,356</u>	<u>37,821,431</u>	<u>47,535,773</u>	<u>42,095,261</u>

11.4 Particulars of credit loss allowance / provision against advances

	September 30, 2026 (Un-audited)				December 31, 2025 (Audited)						
	Expected Credit Loss			Total	Expected Credit Loss			Specific	General	Total	
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3				
(Rupees in '000)											
Opening balance	1,483,302	835,423	42,095,261	-	4,155,956	48,569,942	2,232,954	1,388,083	38,440,559	587,751	46,886,368
Impact of adoption of IFRS 9	-	-	-	-	-	-	50,662	49,899	587,751	(587,690)	-
Balance as at January 01 after adopting IFRS 9	1,483,302	835,423	42,095,261	-	4,155,956	48,569,942	2,283,616	1,437,982	39,028,310	-	46,986,990
Exchange and other adjustments	(1,571)	-	(10,606)	-	(5,453)	(17,630)	867	-	(10,355)	-	(15,753)
Charge for the period / year	848,362	159,605	4,853,612	-	-	5,861,579	625,481	220,291	9,739,727	-	10,585,499
Reversals for the period / year	(182,126)	(187,104)	(7,620,187)	-	(34,465)	(8,023,882)	(1,480,219)	(878,247)	(5,277,165)	-	(7,710,492)
	666,236	(27,499)	(2,766,575)	-	(34,465)	(2,162,303)	(854,738)	(657,956)	4,462,562	-	2,875,007
Transfer	19,291	(17,614)	(1,677)	-	-	-	53,557	55,397	(108,954)	-	-
Amounts written off	-	-	(16,531)	-	-	(16,531)	-	-	(22,402)	-	(22,402)
Amounts charged off	-	-	(1,446,347)	-	-	(1,446,347)	-	-	(1,223,608)	-	(1,223,608)
Amounts charged off - agriculture financing	-	-	(32,094)	-	-	(32,094)	-	-	(25,746)	-	(25,746)
Reversal on derecognition of subsidiary	19,291	(17,614)	(1,496,649)	-	-	(1,494,972)	53,557	55,397	(1,380,710)	-	(1,271,756)
	-	-	-	-	-	-	-	-	(4,546)	-	(4,546)
Closing balance	2,167,258	790,310	37,821,431	-	4,116,038	44,895,037	1,483,302	835,423	42,095,261	4,155,956	48,569,942

11.4.1 The additional profit arising from availing the forced sales value (FSV) benefit - net of tax as at September 30, 2026 which is not available for distribution as either cash or stock dividend to shareholders / bonus to employees amounted to Rs. 27,152 million (December 31, 2025: Rs. 29,418 million).

11.4.2 General provision includes:

- (i) Provision held at overseas branches to meet the requirements of the regulatory authorities of the respective countries in which overseas branches operate; and
- (ii) Provision of Rs. 3,878,000 million (December 31, 2025: Rs. 3,878,000 million) against the high risk portfolio. The portfolio excludes Government of Pakistan backed exposure, staff loans and loans secured against liquid collaterals.

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

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

	September 30, 2026 (Un-audited)					December 31, 2025 (Audited)					
	Expected Credit Loss			General	Total	Expected Credit Loss			Specific	General	Total
	Stage 1	Stage 2	Stage 3			Stage 1	Stage 2	Stage 3			
(Rupees in '000)											
Opening balance	1,483,302	835,423	42,095,261	-	4,155,956	48,569,942	2,232,954	38,440,559	587,690	4,237,082	46,886,368
Impact of adoption of IFRS 9	-	-	-	-	-	-	50,662	49,899	587,751	(587,690)	100,622
Balance as at January 01 after adopting IFRS 9	1,483,302	835,423	42,095,261	-	4,155,956	48,569,942	2,283,616	39,028,310	-	4,237,082	46,986,990
Exchange and other adjustments	(1,571)	-	(10,606)	-	(5,453)	(17,630)	867	-	(10,355)	(6,265)	(15,753)
New advances	380,560	159,605	3,061,224	-	-	3,601,389	625,481	220,290	6,806,443	-	7,652,214
Due to credit deterioration	-	-	1,654,333	-	-	1,654,333	-	-	2,933,284	-	2,933,284
Advances derecognised or repaid / reversal	(182,126)	(135,196)	(7,620,187)	-	-	(7,971,974)	(703,271)	(541,415)	(5,400,513)	(74,861)	(6,720,060)
Transfer to stage 1	51,856	(51,644)	(212)	-	-	-	148,383	(148,383)	-	-	-
Transfer to stage 2	(30,871)	66,131	(35,260)	-	-	-	(83,450)	314,803	(231,353)	-	-
Transfer to stage 3	(1,694)	(32,101)	33,795	-	-	-	(11,376)	(111,023)	122,399	-	-
Changes in risk parameters	467,802	(51,908)	138,055	-	-	553,949	(776,948)	(336,831)	123,348	-	(990,431)
Amounts written off	685,527	(45,113)	(2,768,252)	-	(34,465)	(2,162,303)	(801,181)	(602,559)	4,353,608	(74,861)	2,875,007
Amounts charged off	-	-	(16,531)	-	-	(16,531)	-	-	(22,402)	-	(22,402)
Reversal on derecognition of subsidiary	-	-	(1,478,441)	-	-	(1,478,441)	-	-	(1,249,354)	-	(1,249,354)
Closing balance	2,167,258	790,310	37,821,431	-	4,116,038	44,895,037	1,483,302	835,423	42,095,261	-	48,569,942

11.6 Particulars of charged-off loans/ advances / finances

	September 30, 2026 (Un-audited)		December 31, 2025 (Audited)	
	No of borrowers	Rupees in '000	No of borrowers	Rupees in '000
Corporate, Commercial and SME				
Opening balance of charged-off	329	2,864,494	186	2,982,475
Charge-off during the period / year	23	205,590	165	174,416
Sub total	352	3,070,084	351	3,156,891
Recoveries made during the period / year against already charged-off cases	(20)	(207,662)	(22)	(292,397)
Closing balance	332	2,862,422	329	2,864,494

11.7 Advances - Category of classification

	September 30, 2026 (Un-audited)		December 31, 2025 (Audited)	
	Outstanding	Credit loss allowance /provision	Outstanding	Credit loss allowance /provision
(Rupees in '000)				
Domestic				
Performing	Stage 1 838,236,419	1,950,475	902,273,942	1,241,211
Underperforming	Stage 2 272,231,986	771,942	149,272,491	811,397
Non-performing	Stage 3			
Other Assets Especially Mentioned (OAEM)	-	-	156,345	366
Substandard	2,324,433	870,472	3,347,182	1,385,197
Doubtful	5,047,926	2,498,887	6,256,133	3,106,590
Loss	34,014,305	33,881,172	37,093,274	36,992,066
General provision	-	3,878,000	-	3,878,000
	1,151,855,069	43,850,948	1,098,399,367	47,414,827
Overseas				
Performing	Stage 1 41,861,696	216,783	51,382,054	242,091
Underperforming	Stage 2 4,764,797	18,368	3,029,517	24,026
Non-performing	Stage 3			
Substandard	-	-	29,577	13,154
Doubtful	-	-	-	-
Loss	624,692	570,900	653,262	597,888
General provision	-	238,038	-	277,956
	47,251,185	1,044,089	55,094,410	1,155,115
Total	1,199,106,254	44,895,037	1,153,493,777	48,569,942

12 PROPERTY AND EQUIPMENT

	Note	(Un-audited) September 30, 2026	(Audited) December 31, 2025
(Rupees in '000)			
Capital work-in-progress	12.1	9,249,344	4,777,691
Property and equipment	12.2	66,218,587	66,517,334
		<u>75,467,931</u>	<u>71,295,025</u>

12.1 Capital work-in-progress

Civil works	8,272,491	4,149,100
Equipment	915,599	620,749
Others	61,254	7,842
	<u>9,249,344</u>	<u>4,777,691</u>

12.2 These include land and buildings carried at revalued amount of Rs. 40,455.772 million (December 31, 2025: Rs. 40,808.896 million).

		(Un-audited) Nine months period ended	
		September 30, 2026	September 30, 2025
		----- (Rupees in '000) -----	
12.3 Additions to property and equipment			
The following additions were made to property and equipment during the period:			
Capital work-in-progress - net of transferred out for capitalisation		4,471,653	2,093,551
Property and equipment			
Freehold land		-	283,710
Buildings on freehold land		70,020	239,173
Buildings on leasehold land		231,474	324,292
Leasehold improvements		1,421,884	2,092,211
Furniture and fixtures		237,845	593,622
Office equipments		2,473,010	3,291,701
Vehicles		1,012,768	1,460,807
		5,447,001	8,285,516
Total additions to property and equipment		9,918,654	10,379,067
12.4 Disposals of property and equipment			
The net book values of property and equipment disposed off during the period are as follows:			
Freehold land		224,475	-
Building on freehold land		9,142	-
Building on leasehold land		155,760	-
Leasehold improvements		26,678	1,598
Furniture and fixtures		1,043	903
Office equipments		53,009	15,885
Vehicles		173,669	17,638
Total disposals of property and equipment		643,776	36,024
		(Un-audited) September 30, 2026	(Audited) December 31, 2025
		----- (Rupees in '000) -----	
13 RIGHT-OF-USE ASSETS		Buildings	Buildings
At January 1			
Cost		40,343,508	36,730,369
Accumulated depreciation		(13,878,262)	(11,364,670)
Net carrying amount at January 01		26,465,246	25,365,699
Additions / renewals / amendments / (terminations) - net during the period / year		4,932,403	5,697,933
Depreciation charge during the period / year		(3,653,670)	(4,564,692)
Exchange rate adjustments		(5,991)	(1,225)
Derecognition of subsidiary		-	(32,469)
Closing net carrying amount		27,737,988	26,465,246
14 INTANGIBLE ASSETS			
Capital work-in-progress / advance payment to suppliers		678,243	432,589
Software		1,062,230	1,295,879
Trademark and copyrights		387	468
		1,740,860	1,728,936

		(Un-audited)	
		Nine months period ended	
		September 30, 2026	September 30, 2025
		----- (Rupees in '000) -----	

14.1 Additions to intangible assets

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

Capital work-in-progress - net of transferred out for capitalisation	245,654	30,749
Directly purchased	93,657	242,104
Total additions to intangible assets	<u>339,311</u>	<u>272,853</u>

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

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

15 DEFERRED TAX ASSETS / LIABILITIES

Deductible temporary differences on:

- Credit loss allowance / provision against investments	2,142,822	1,941,895
- Credit loss allowance / provision against advances	3,738,219	3,936,178
- Modification of advances	29,882	39,908
- Credit loss allowance / provision against other assets	2,684,819	2,345,172
- Lease liabilities	19,274,818	17,818,373
- Credit loss allowance against balances with treasury banks	31,884	25,233
- Credit loss allowance against balances with other banks	582	3,311
- Credit loss allowance against lendings to financial institutions	894	(110)
- Unrealised loss / (gain) on FVPL investments	1,802,141	(382,680)
- Effective interest rate on financial assets	271,199	-
- Workers' welfare fund	3,998,586	3,223,794
- Pre-commencement expenditures	11,704	5,019
- Others	3,410	-
	<u>33,990,960</u>	<u>28,956,093</u>

Taxable temporary differences on:

- Unrealised net gain on fair value of refinancing schemes	(228,287)	(568,625)
- Right-of-use assets	(14,444,511)	(13,741,757)
- Surplus on revaluation of FVOCI investments	(4,901,384)	(27,596,824)
- Surplus on revaluation of property and equipment	(2,483,403)	(2,467,187)
- Surplus on revaluation of non-banking assets	(257,092)	(240,693)
- Exchange translation reserve	(3,392,885)	(3,538,319)
- Share of profit and other comprehensive income from associates	(2,838,067)	(3,054,114)
- Effective interest rate on financial liabilities	(252,900)	-
- Accelerated tax depreciation	(4,586,554)	(5,147,760)
	<u>(33,385,083)</u>	<u>(56,355,279)</u>
	<u>605,877</u>	<u>(27,399,186)</u>

	Note	(Un-audited) September 30, 2026	(Audited) December 31, 2025
		------(Rupees in '000)-----	
16 OTHER ASSETS			
Income / mark-up accrued in local currency - net		52,548,261	60,144,782
Income / mark-up accrued in foreign currencies - net		2,412,245	2,971,667
Advances, deposits, advance rent and other prepayments		6,354,658	4,187,007
Advance taxation (payments less provisions)		-	1,802,088
Advance against subscription of share		55,343	55,343
Non-banking assets acquired in satisfaction of claims	16.1	7,506,752	7,541,885
Dividend receivable		36,320	-
Mark to market gain on forward foreign exchange contracts		3,575,289	1,794,697
Mark to market gain on derivatives		1,453,582	1,643,940
Stationery and stamps on hand		18,772	23,355
Defined benefit plan		1,919,881	2,713,892
Branch adjustment account		373,069	-
Alternative Delivery Channel (ADC) settlement accounts	16.3	-	8,918,232
Due from card issuing banks		1,962,538	3,697,630
Accounts receivable		11,163,722	19,104,140
Claims against fraud and forgeries		118,091	122,736
Acceptances		49,931,051	45,736,218
Receivable against Government of Pakistan and overseas government securities		6,687	12,448
Receivable against marketable securities		801,004	1,054,801
Deferred cost on staff loans		22,907,341	23,828,039
Others		911,346	91,379
		164,055,952	185,444,279
Less: Credit loss allowance / provision held against other assets	16.2	(5,019,931)	(4,920,297)
Other assets (net of credit loss allowance / provision)		159,036,021	180,523,982
Surplus on revaluation of non-banking assets acquired in satisfaction of claims - net	16.1	604,910	609,549
Other assets - total		159,640,931	181,133,531

16.1 The revalued amount of non-banking assets acquired in satisfaction of claims is Rs. 8,111.662 million (December 31, 2025: Rs. 8,151.434 million).

		(Un-audited) September 30, 2026	(Audited) December 31, 2025
		------(Rupees in '000)-----	
16.2 Credit loss allowance / provision held against other assets			
Impairment against overseas operations	16.2.2	3,346,131	3,762,351
Expected credit loss		57,525	32,456
Fraud and forgeries		118,091	122,736
Accounts receivable		1,001,313	772,498
Others		496,871	230,256
		5,019,931	4,920,297

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

Opening balance	4,920,297	4,709,539
Impact of adoption of IFRS 9	-	862
Balance as at January 01 after adopting IFRS 9	4,920,297	4,710,401
Exchange and other adjustments	-	(5,293)
Charge for the period / year	535,928	1,680,896
Reversals for the period / year	(434,069)	(192,536)
	101,859	1,488,360
Amount written off	(2,225)	(34,215)
Reversal on derecognition of subsidiary	-	(1,238,956)
Closing balance	5,019,931	4,920,297

16.2.2 The Holding Company, in light of uncertain conditions in one of the countries where the Bank operates, holds an impairment of Rs. 3,346.131 million (December 31, 2025: Rs. 3,762.351 million) against the cross border risk.

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

	(Un-audited) September 30, 2026	(Audited) December 31, 2025
	------(Rupees in '000)-----	
17 BILLS PAYABLE		
In Pakistan	50,378,243	55,189,647
Outside Pakistan	693,948	1,768,322
	<u>51,072,191</u>	<u>56,957,969</u>

18 BORROWINGS

Secured

Borrowings from State Bank of Pakistan under:

Export Refinance Scheme	4,040,728	16,530,301
Long-Term Finance Facility	12,812,158	15,939,430
Financing Facility for Renewable Energy Projects	10,089,657	11,730,666
Financing Facility for Storage of Agriculture Produce (FFSAP)	692,960	750,932
Temporary Economic Refinance Facility (TERF)	22,929,507	22,080,355
Export Refinance under Bill Discounting	14,457,768	15,189,403
SME Asaan Finance (SAAF)	5,495,652	4,785,327
Refinance Facility for Combating COVID (RFCC)	288,933	688,185
Refinance and Credit Guarantee Scheme for Women Entrepreneurs	324,305	458,974
Modernization of Small and Medium Entities (MSMES)	1,594,045	2,105,849
Other refinance schemes	-	57,526
Repurchase agreement borrowings	10,093,526	639,717,757
	<u>82,819,239</u>	<u>730,034,705</u>

Repurchase agreement borrowings	105,824,450	67,541,995
Total secured	<u>188,643,689</u>	<u>797,576,700</u>

Unsecured

Call borrowings	33,850,207	20,988,165
Overdrawn nostro accounts	4,499,619	2,684,675
Borrowings of overseas branches	2,843,402	90,950
Others		
- Pakistan Mortgage Refinance Company	10,166,307	7,872,733
- Karandaaz Risk Participation	2,960,115	2,914,659
	<u>54,319,650</u>	<u>34,551,182</u>

Total unsecured

<u>242,963,339</u>	<u>832,127,882</u>
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19 DEPOSITS AND OTHER ACCOUNTS

	September 30, 2026 (Un-audited)			December 31, 2025 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	------(Rupees in '000)-----					
Customers						
- Current deposits	937,374,514	143,659,531	1,081,034,045	797,623,294	146,092,338	943,715,632
- Savings deposits	626,119,765	32,094,388	658,214,153	582,480,833	46,121,610	628,602,443
- Term deposits	506,095,531	86,857,157	592,952,688	489,942,118	91,166,717	581,108,835
- Others	55,005,028	9,029,433	64,034,461	32,836,812	11,027,005	43,863,817
	<u>2,124,594,838</u>	<u>271,640,509</u>	<u>2,396,235,347</u>	<u>1,902,883,057</u>	<u>294,407,670</u>	<u>2,197,290,727</u>
Financial Institutions						
- Current deposits	6,242,313	12,508,110	18,750,423	4,812,028	5,745,103	10,557,131
- Savings deposits	96,113,175	901,377	97,014,552	150,682,659	525,614	151,208,273
- Term deposits	80,751,000	6,310,014	87,061,014	98,246,000	8,272,581	106,518,581
- Others	11,922,565	5,833,964	17,756,529	6,972,358	22,841,858	29,814,216
	<u>195,029,053</u>	<u>25,553,465</u>	<u>220,582,518</u>	<u>260,713,045</u>	<u>37,385,156</u>	<u>298,098,201</u>
	<u>2,319,623,891</u>	<u>297,193,974</u>	<u>2,616,817,865</u>	<u>2,163,596,102</u>	<u>331,792,826</u>	<u>2,495,388,928</u>

19.1 Current deposits include remunerative current deposits of Rs. 56,383.133 million (December 31, 2025: Rs. 40,186.585 million).

	Note	(Un-audited) September 30, 2026	(Audited) December 31, 2025
20 LEASE LIABILITIES			
------(Rupees in '000)-----			
Opening as at January 01		32,573,375	29,555,307
Additions / renewals / amendments / (terminations) - net		4,745,066	5,537,611
Finance charges		3,472,017	4,325,970
Lease payments including interest		(5,666,142)	(6,801,788)
Exchange rate / other adjustment		(7,715)	(805)
Derecognition of subsidiary		-	(42,920)
Closing net carrying amount		<u>35,116,601</u>	<u>32,573,375</u>

20.1 Liabilities outstanding

Not later than one year	2,954,558	2,432,462
Later than one year and upto five years	15,265,637	13,307,140
Over five years	<u>16,896,406</u>	<u>16,833,773</u>
Total as at period / year end	<u>35,116,601</u>	<u>32,573,375</u>

For the purpose of discounting PKRV rates are being used.

21 SUBORDINATED DEBT

Term Finance Certificates VI - Additional Tier-I (ADT-1)	21.1	7,000,000	7,000,000
Term Finance Certificates VIII - Additional Tier-I (ADT-1)	21.2	7,000,000	7,000,000
Term Finance Certificates IX - Tier-II	21.3	<u>20,000,000</u>	-
		<u>34,000,000</u>	<u>14,000,000</u>

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

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

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

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

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

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

21.3 Term Finance Certificates IX - Tier-II - Quoted, Unsecured

The Holding Company issued Rs. 20,000 million of privately placed / Debt Securities Listing Regulations (DSLRL) listed, fully paid up, rated, unsecured, subordinated, 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 Tier II Capital as outlined by the SBP under BPRD circular No. 06 dated August 15, 2013. Summary of key terms and conditions of the issue are as follows:

Issue amount	Rs. 20,000,000,000
Issue date	July 2026
Maturity date	July 2036
Rating	"AAA" (Triple A) by the Pakistan Credit Rating Agency Limited
Security	Unsecured
Ranking	Subordinated to all other indebtedness of the Holding Company including deposits. However, the Tier 2 Issue will rank pari passu with any other Tier 2 capital issues of the Holding Company (if any) and superior to outstanding Additional Tier 1 issues.
Profit payment frequency	Payable semi-annually in arrears.
Redemption	On maturity
Mark-up	For the period at end of which the Holding Company is in compliance with the Minimum Capital Requirement (MCR), Capital Adequacy Ratio (CAR) and Leverage Ratio (LR) requirements of the SBP, mark-up rate will be Base Rate + 1.00%. Base Rate is defined as the six months KIBOR (ask side) prevailing on the relevant Base Rate setting date. The Base Rate will be set for the first profit payment on the Issue Date and for each subsequent semi-annual profit payment period on the day immediately preceding the start of each semi annual profit payment period.
Lock-in-clause	Mark-up will only be paid if the Holding Company is in compliance of regulatory MCR, CAR and LR requirements set by the SBP from time to time.
Loss absorbency clause	In conformity with the SBP Basel III Capital Rules, the TFCs shall, if directed by the SBP, be permanently converted into common shares of the Holding Company and / or have them immediately written off (either partially or in full) upon the occurrence of a Point of Non-Viability event as defined by SBP's Basel III Capital Rules. The SBP will have full discretion in declaring the point of non-viability Trigger Event. The amount of TFC's to be converted into common shares shall be determined by SBP.
Call option	The Holding Company may, at its sole discretion, exercise a call option any time after five years from the issue date, subject to prior approval of the SBP. The Call option once announced will be irrevocable.

22 OTHER LIABILITIES

	Note	(Un-audited) September 30, 2026	(Audited) December 31, 2025
		------(Rupees in '000)-----	
Mark-up / return / interest payable in local currency		29,883,536	26,959,506
Mark-up / return / interest payable in foreign currencies		1,663,927	1,823,824
Unearned fee commission and income on bills discounted and guarantees		5,776,165	5,092,375
Accrued expenses		31,735,515	25,616,958
Current taxation		3,413,195	-
Acceptances		49,931,051	45,736,218
Dividends payable		412,480	361,864
Mark to market loss on forward foreign exchange contracts		4,817,445	1,815,628
Mark to market loss on derivatives		55,898	64,270
Branch adjustment account		-	313,976
Alternative Delivery Channel (ADC) settlement accounts	22.2	4,305,562	-
Provision for compensated absences		2,114,250	1,720,500
Payable against redemption of customer loyalty / reward points		1,798,964	1,616,879
Charity payable		221,608	131,931
Credit loss allowance / provision against off-balance sheet obligations	22.1	2,049,424	1,036,203
Security deposits against leases, lockers and others		27,682,779	20,362,311
Workers' welfare fund		9,664,796	8,174,813
Payable to vendors and suppliers		524,560	467,549
Advance payments		2,562,278	2,713,358
Margin deposits on derivatives		302,916	1,042,368
Payable to merchants (card acquiring)		2,935,319	1,275,006
Withholding taxes payable		5,902,871	5,267,418
Liability against share based payment		1,736,094	1,350,000
Trading liability		-	15,118,700
Others		9,861,647	8,365,624
		<u>199,352,280</u>	<u>176,427,279</u>

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

Opening balance	1,036,203	780,711
Impact of adoption of IFRS 9	-	2,714
Balance as at January 01 after adopting IFRS 9	1,036,203	783,425
Exchange and other adjustments	(790)	5,033
Charge for the period / year	1,294,705	449,783
Reversals for the period / year	(280,694)	(202,038)
	<u>1,014,011</u>	<u>247,745</u>
Closing balance	<u>2,049,424</u>	<u>1,036,203</u>

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

	Note	(Un-audited) September 30, 2026	(Audited) December 31, 2025
------(Rupees in '000)-----			
23	SURPLUS ON REVALUATION OF ASSETS		
Surplus / (deficit) on revaluation of:			
- Securities measured at FVOCI - debt		(521,768)	33,818,571
- Securities measured at FVOCI - equity		9,275,679	17,444,462
- Available for sale securities of associates		(44,791)	44,638
- Property and equipment		19,570,939	19,829,920
- Non-banking assets acquired in satisfaction of claims		604,910	609,549
		28,884,969	71,747,140
Less: Deferred tax on (liability on surplus) / asset on deficit on revaluation of:			
- Securities measured at FVOCI - debt		271,998	(17,585,031)
- Securities measured at FVOCI - equity		(4,823,353)	(9,071,120)
- Available for sale securities of associates		23,291	(23,212)
- Property and equipment		(2,483,403)	(2,467,187)
- Non-banking assets acquired in satisfaction of claims		(257,092)	(240,693)
		(7,268,559)	(29,387,243)
Derivatives deficit		673,134	1,806,920
Less: Deferred tax asset on derivative		(350,030)	(939,598)
		323,104	867,322
		<u>21,939,514</u>	<u>43,227,219</u>
24	CONTINGENCIES AND COMMITMENTS		
- Guarantees	24.1	223,797,746	222,502,386
- Commitments	24.2	1,082,492,854	946,267,531
- Other contingent liabilities	24.3.1	20,398,144	23,827,667
		<u>1,326,688,744</u>	<u>1,192,597,584</u>
24.1	Guarantees:		
Financial guarantees			
		5,491,830	6,702,626
Performance guarantees			
		84,730,065	76,529,645
Other guarantees			
		133,575,851	139,270,115
		<u>223,797,746</u>	<u>222,502,386</u>
24.2	Commitments:		
Documentary credits and short-term trade-related transactions			
- Letters of credit		348,198,020	239,313,344
Commitments in respect of:			
- forward foreign exchange contracts	24.2.1	581,640,753	467,011,416
- forward government securities transactions	24.2.2	93,786,946	165,504,849
- derivatives	24.2.3	18,471,615	24,504,558
- forward lending	24.2.4	31,448,072	42,777,444
Commitments for acquisition of:			
- property and equipment		6,927,313	4,985,058
- intangible assets		576,970	483,507
Commitments in respect of donations		1,443,165	1,687,355
		<u>1,082,492,854</u>	<u>946,267,531</u>
24.2.1	Commitments in respect of forward foreign exchange contracts		
Purchase			
		335,706,168	271,592,770
Sale			
		245,934,585	195,418,646
		<u>581,640,753</u>	<u>467,011,416</u>
24.2.2	Commitments in respect of forward government securities transactions		
Purchase			
		44,571,209	44,558,744
Sale			
		49,215,737	120,946,105
		<u>93,786,946</u>	<u>165,504,849</u>

	Note	(Un-audited) September 30, 2026	(Audited) December 31, 2025
----- (Rupees in '000) -----			
24.2.3 Commitments in respect of derivatives			
Interest rate swaps			
Purchase	25.1	10,114,676	15,364,164
Sale		-	-
		10,114,676	15,364,164
Cross currency swaps			
Purchase		-	-
Sale	25.1	8,356,939	9,140,394
		8,356,939	9,140,394
Total commitments in respect of derivatives		18,471,615	24,504,558

24.2.4 Commitments in respect of forward lending

Undrawn formal standby facilities, credit lines and other commitments to lend

24.2.4.1	31,448,072	42,777,444
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24.2.4.1 These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Holding Company without the risk of incurring significant penalty or expense.

	(Un-audited) September 30, 2026	(Audited) December 31, 2025
----- (Rupees in '000) -----		
24.3 Other contingent liabilities		
24.3.1 Claims against the Holding Company not acknowledged as debts	20,398,144	23,827,667

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

24.4 Contingency for tax payable

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

25 DERIVATIVE INSTRUMENTS

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

25.1 Product Analysis

September 30, 2026 (Un-audited)						
Interest Rate Swaps			Cross Currency Swaps			
No. of contracts	Notional Principal	Mark to market gain - net	No. of contracts	Notional Principal	Mark to market gain - net	
----- (Rupees in '000) -----			----- (Rupees in '000) -----			
Counterparties						
With Banks for						
Hedging	14	10,114,676	677,368	-	-	-
With other entities for						
Market making	-	-	-	4	8,356,939	720,316
	14	10,114,676	677,368	4	8,356,939	720,316
December 31, 2025 (Audited)						
Interest Rate Swaps			Cross Currency Swaps			
No. of contracts	Notional Principal	Mark to market gain - net	No. of contracts	Notional Principal	Mark to market gain - net	
----- (Rupees in '000) -----			----- (Rupees in '000) -----			
Counterparties						
With Banks for						
Hedging	18	15,364,164	839,754	-	-	-
With other entities for						
Market making	-	-	-	4	9,140,394	739,916
	18	15,364,164	839,754	4	9,140,394	739,916

	Note	(Un-audited)	
		Nine months period ended	
		September 30, 2026	September 30, 2025
		------(Rupees in '000)-----	
26 MARK-UP / RETURN / INTEREST EARNED			
On:			
a) Loans and advances		93,964,466	86,803,178
b) Investments		155,600,464	174,819,191
c) Lendings to financial institutions		2,403,639	3,189,786
d) Balances with banks / financial institutions		496,348	233,843
e) On securities purchased under resale agreements		7,331,585	3,630,875
		<u>259,796,502</u>	<u>268,676,873</u>
26.1 Interest income (calculated using effective interest rate method) recognised on:			
Financial assets measured at amortised cost		122,234,015	
Financial assets measured at FVOCI		<u>111,517,934</u>	
	27.1.1	<u>233,751,949</u>	
27 MARK-UP / RETURN / INTEREST EXPENSED			
On:			
a) Deposits		94,544,248	86,680,438
b) Borrowings		11,988,178	12,707,168
c) Securities sold under repurchase agreements		39,635,006	62,639,419
d) Subordinated debt		2,000,301	1,498,157
e) Cost of foreign currency swaps against foreign currency deposits / borrowings		3,044,062	1,783,056
f) Leased assets		3,472,017	3,181,148
g) Reward points / customer loyalty		266,385	840,707
		<u>154,950,197</u>	<u>169,330,093</u>
27.1 Interest expense calculated using effective interest rate method			
Financial liabilities	27.1.1	<u>151,639,750</u>	
27.1.1 As disclosed in note 4.1.1, the Holding Company has applied the effective interest rate method during the current period under the modified retrospective approach. The impact has been recognised in opening equity, and accordingly, prior information has not been presented.			
28 FEE AND COMMISSION INCOME			
Branch banking customer fees		1,588,983	1,388,837
Consumer finance related fees		568,875	606,427
Card related fees (debit and credit cards)		2,850,885	2,599,021
Credit related fees		512,420	469,600
Investment banking fees		206,715	354,175
Commission on trade		2,743,890	2,453,991
Commission on guarantees		797,182	684,471
Commission on cash management		70,925	54,792
Commission on remittances including home remittances		731,915	351,248
Commission on bancassurance		496,609	453,626
Card acquiring business		194,748	704,837
Wealth management fee		475,294	435,383
Commission on Benazir Income Support Programme (BISP)		1,085,991	291,924
Alternative Delivery Channel (ADC)		972,794	902,799
Others		<u>164,833</u>	<u>205,790</u>
		<u>13,462,059</u>	<u>11,956,921</u>
29 FOREIGN EXCHANGE INCOME			
Foreign exchange income		12,083,053	9,137,828
Foreign exchange loss related to derivatives		<u>(413,825)</u>	<u>(200,470)</u>
		<u>11,669,228</u>	<u>8,937,358</u>

	Note	(Un-audited)	
		Nine months period ended	
		September 30, 2026	September 30, 2025
		------(Rupees in '000)-----	
30	GAIN ON SECURITIES		
	Realised gain	30.1	20,978,408
	Unrealised loss - measured at FVPL	10.1	(3,465,656)
		30.2	17,512,752
			10,060,656
30.1	Realised gain on:		
	Federal government securities		20,057,763
	Shares		683,725
	Non-government debt securities		-
	Foreign securities		236,920
			20,978,408
			10,262,220
30.2	Net gain / (loss) on financial assets / liabilities measured:		
	At FVPL		
	Designated upon initial recognition		(198,474)
	Mandatorily measured at FVPL		(94,737)
			(293,211)
	Net gain on financial assets measured at FVOCI - Debt		17,805,963
			17,512,752
			10,060,656
31	OTHER INCOME		
	Rent on property		2,605
	Gain on sale of property and equipment - net		27,127
	Gain on sale of non banking assets - net		-
	Profit / (loss) on termination of leased contracts (Ijarah)		24
	Gain on FVPL loans / advances		-
	Gain on termination of leases		186,769
	Insurance premium of overseas branch recovered		-
	Subsidy from State Bank of Pakistan		41,679
	Recoveries against previously expensed items		2,700
	Others		2,542
			263,446
			939,550
32	OPERATING EXPENSES		
	Total compensation expense	32.1	38,447,563
			34,247,517
	Property expense		
	Rates and taxes		237,684
	Utilities cost		3,126,941
	Security (including guards)		2,143,283
	Repair and maintenance (including janitorial charges)		2,099,680
	Depreciation on right-of-use assets		3,653,670
	Depreciation on non-banking assets acquired in satisfaction of claims		39,772
	Depreciation on owned assets		1,426,114
			12,727,144
	Information technology expenses		
	Software maintenance		3,326,301
	Hardware maintenance		1,176,756
	Depreciation		1,308,576
	Amortisation		325,469
	Network charges		725,655
	Consultancy and support services		108,522
			6,971,279
			5,872,726
	Balance carried forward		58,145,986
			51,183,835

	(Un-audited)	
	Nine months period ended	
	September 30, 2026	September 30, 2025
	----- (Rupees in '000) -----	
Balance brought forward	58,145,986	51,183,835
Other operating expenses		
Directors' fees and allowances	172,080	116,320
Fees and allowances to Shariah Board	24,435	23,029
Legal and professional charges	661,365	784,314
Outsourced services costs	1,483,909	1,251,935
Travelling and conveyance	2,089,100	1,622,581
Clearing and custodian charges	240,791	197,580
Depreciation	2,508,153	2,101,584
Training and development	231,190	257,898
Postage and courier charges	503,104	433,940
Communication	2,813,577	2,913,122
Stationery and printing	1,898,579	1,646,483
Marketing, advertisement and publicity	7,934,159	13,703,578
Donations	461,842	208,498
Auditors' remuneration	200,546	185,163
Brokerage and commission	1,664,376	1,241,604
Entertainment	761,359	733,294
Repairs and maintenance	1,020,620	973,239
Insurance	1,968,272	1,739,718
Cash Handling charges	1,431,236	1,646,525
CNIC verification	557,083	549,738
Others	1,173,689	908,869
	29,799,465	33,239,012
	<u>87,945,451</u>	<u>84,422,847</u>

32.1 Total compensation expense

Managerial remuneration		
i) Fixed	23,551,781	21,157,509
ii) Variable:		
a) Cash bonus / awards etc.	5,681,906	5,449,343
b) Bonus and awards in shares etc.	1,575,967	806,637
Charge for defined benefit plan	794,011	721,426
Contribution to defined contribution plan	983,605	843,903
Medical	2,398,490	2,127,343
Conveyance	2,792,127	2,451,807
Staff compensated absences	393,750	313,000
Staff life insurance	182,765	129,559
Staff welfare	75,118	51,789
Club subscription	9,399	7,485
Sub-total	38,438,919	34,059,801
Sign-on bonus	8,644	33,817
Severance allowance	-	153,899
Grand total	<u>38,447,563</u>	<u>34,247,517</u>

33 WORKERS' WELFARE FUND

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

	Note	(Un-audited)	
		Nine months period ended	
		September 30, 2026	September 30, 2025
		------(Rupees in '000)-----	
34 OTHER CHARGES			
Penalties imposed by the State Bank of Pakistan		41,502	13,499
Penalties imposed by other regulatory bodies		4,674	-
		<u>46,176</u>	<u>13,499</u>
35 (REVERSAL OF) / CHARGE AGAINST CREDIT LOSS ALLOWANCE / PROVISIONS AND WRITE OFFS - NET			
Credit loss allowance / (reversal) against cash with treasury banks		12,791	56,633
(Reversal) / credit loss allowance against balance with other banks		(5,318)	3,281
Credit loss allowance / (reversal) against lending to financial institutions		1,930	(285)
Reversal of credit loss allowance / provision against diminution in value of investments	10.4.1	(1,670,315)	(159,881)
(Reversal) / credit loss allowance / provision against loans & advances	11.4	(2,162,303)	1,497,078
Credit loss allowance against other assets	16.2.1	101,859	1,060,151
Credit loss allowance against off-balance sheet obligations	22.1	1,014,011	80,030
Other credit loss allowance / write off - net		119,368	10,319
Recovery of written off / charged off bad debts		(558,106)	(599,806)
		<u>(3,146,083)</u>	<u>1,947,520</u>
36 TAXATION			
Charge / (reversal) :			
Current		38,548,139	28,797,910
Prior years		415,797	3,167,631
Deferred		(4,814,083)	(5,497,159)
		<u>34,149,853</u>	<u>26,468,382</u>
36.1 a)	The income tax assessments of the Holding Company have been finalized upto and including tax year 2025. In respect of tax years 2008, 2014 to 2017, 2019 and 2021 to 2025, the tax authority has raised certain issues including default in payment of WWF, allocation of expenses to dividend and capital gains, dividend income from mutual funds not being taken under income from business and disallowance of leasehold improvements resulting in tax demand of Rs. 3,327.303 million (December 31, 2025: Rs. 2,844.103 million) net of relief provided in appeal. The Holding Company has filed appeals which are pending before the Appellate Tribunal and High Court. The management is confident that the matter will be decided in favour of the Holding Company and consequently has not made any provision in this respect.		
b)	The Holding Company had received orders from a provincial tax authority for the periods from July 2011 to December 2020 wherein tax authority demanded sales tax on banking services and penalty amounting to Rs. 763.312 million [excluding default surcharge] by disallowing certain exemptions of sales tax on banking services and allegedly for short payment of sales tax. For periods from July 2011 to June 2014, appeals against the orders are pending before Commissioner Appeals whereas for periods from July 2014 to December 2020, SHC has remanded back the matter to the adjudicating authority.		
	The Holding Company has not made any provision against these orders and the management is of the view that these matters will be settled in the Holding Company's favour through appellate process.		
c)	The Holding Company had received two different orders for the same accounting year 2016 from a tax authority wherein sales tax, further tax and penalty thereon amounting to Rs. 5.191 million and Rs. 4.148 million (excluding default surcharge) were demanded allegedly for non-payment of sales tax on certain transactions. These matters are pending with the Assessing officer.		

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

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

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

37 DISCONTINUED OPERATIONS - ALFALAH SECURITIES (PRIVATE) LIMITED

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

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

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

ASSETS

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

LIABILITIES

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

NET ASSETS

451,065

Net assets attributable to:

Equity holders of the Holding Company	431,173
Non-controlling interest	19,892
	451,065

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

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

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

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

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

NON MARK-UP / INTEREST INCOME

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

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

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

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

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

	Note	(Un-audited)	
		Nine months period ended	
		September 30, 2026	September 30, 2025
		------(Rupees in '000)-----	
38 BASIC AND DILUTED EARNINGS PER SHARE			
Attributable to equity holders of the Holding Company			
Profit for the period from continuing operations		30,371,133	21,472,738
Loss for the period from discontinued operations		-	(73,581)
		<u>30,371,133</u>	<u>21,399,157</u>
		------(Number of shares in '000)-----	
			(Restated)
Weighted average number of ordinary shares	38.1	<u>3,154,330</u>	<u>3,154,330</u>
		------(Rupees)-----	
			(Restated)
Basic and diluted earnings per share from continuing operations	38.1	9.63	6.81
Basic and diluted loss per share from discontinued operations	38.1	-	(0.03)
Basic and diluted earnings per share		<u>9.63</u>	<u>6.78</u>

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

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

	Note	(Un-audited)	
		Nine months period ended	
		September 30, 2026	September 30, 2025
		------(Rupees in '000)-----	
39 CASH AND CASH EQUIVALENTS			
Cash and balances with treasury banks	7	192,351,049	218,993,445
Balances with other banks	8	19,174,996	10,492,828
Call / clean money lendings	9	3,360,905	31,160,813
Overdrawn nostro accounts	18	(4,499,619)	(3,946,519)
Less: Expected credit loss		(63,865)	(86,794)
		<u>210,323,466</u>	<u>256,613,773</u>

40 FAIR VALUE MEASUREMENTS

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

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

40.1 Fair value of financial instruments

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

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

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

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

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

September 30, 2026 (Un-audited)				
	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments	(Rupees in '000)			
Financial assets - measured at fair value				
Investments				
- Federal government securities	259,544,226	1,153,232,019	-	1,412,776,245
- Shares - listed companies	15,413,457	-	-	15,413,457
- Shares - unlisted companies	-	78,986	6,699,175	6,778,161
- REIT Fund - listed	1,143,285	-	-	1,143,285
- Non-government debt securities	-	3,445,052	-	3,445,052
- Foreign government securities	-	84,515,555	-	84,515,555
- Foreign equity securities	244,855	-	-	244,855
- Foreign preference shares - unlisted	-	-	277,137	277,137
- Foreign non-government debt securities	-	22,316,665	6,870,221	29,186,886
Financial assets - disclosed but not measured at fair value				
Investments - amortised cost	-	179,968,347	-	179,968,347
Financial assets - measured at fair value				
Advances				
- Loans, cash credits, running finances, etc.	-	-	1,800,000	1,800,000
Off-balance sheet financial instruments - measured at fair value				
- Forward purchase of foreign exchange	-	3,575,289	-	3,575,289
- Forward sale of foreign exchange	-	(4,817,445)	-	(4,817,445)
- Forward purchase of government securities	-	(15,097)	-	(15,097)
- Forward sale of government securities	-	930,274	-	930,274
- Derivatives purchases	-	677,368	-	677,368
- Derivatives sales	-	720,316	-	720,316
December 31, 2025 (Audited)				
	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments	(Rupees in '000)			
Financial assets - measured at fair value				
Investments				
- Federal government securities	83,830,507	1,730,127,739	-	1,813,958,246
- Shares - listed companies	31,346,426	-	-	31,346,426
- Shares - unlisted companies	-	-	6,486,498	6,486,498
- REIT Fund - listed	1,039,847	-	-	1,039,847
- Non-government debt securities	-	3,799,050	-	3,799,050
- Foreign government securities	-	59,356,590	-	59,356,590
- Foreign equity securities	261,782	-	-	261,782
- Foreign preference shares - unlisted	-	-	560,308	560,308
- Foreign non-government debt securities	-	35,846,788	7,870,010	43,716,798
Financial assets - disclosed but not measured at fair value				
Investments - amortised cost	-	214,074,433	-	214,074,433
Financial assets - measured at fair value				
Advances				
- Loans, cash credits, running finances, etc.	-	-	1,800,000	1,800,000
Off-balance sheet financial instruments - measured at fair value				
- Forward purchase of foreign exchange	-	1,794,697	-	1,794,697
- Forward sale of foreign exchange	-	(1,815,628)	-	(1,815,628)
- Forward purchase of government securities	-	1,242,313	-	1,242,313
- Forward sale of government securities	-	(1,347,880)	-	(1,347,880)
- Derivatives purchases	-	839,754	-	839,754
- Derivatives sales	-	739,916	-	739,916

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

40.3 Valuation techniques used in determination of fair values:

40.3.1 Fair value of financial assets

(a) Financial instruments in level 1

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

(b) Financial instruments in level 2

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

(c) Financial instruments in level 3

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

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

40.3.2 Fair value of non-financial assets

Certain categories of property and equipment (land and buildings) and non banking assets acquired in satisfaction of claims are carried at revalued amounts (level 3 measurement) determined by professional valuers based on their assessment of market values as disclosed in notes 12 and 16 to the consolidated condensed interim financial statements. The valuations are conducted by the valuation experts appointed by the Holding Company which are also on the panel of the State Bank of Pakistan.

40.3.3 Valuation techniques

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

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

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

Description	Fair value as at September 30, 2026 (Un-audited)	Fair value as at December 31, 2025 (Audited)	Unobservable inputs*	Discount Rate	Relationship of unobservable inputs to fair value
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----- (Rupees in '000) -----

Ordinary shares - unlisted (income approach)	6,559,175	6,346,498	Discount rate	14.20% - 20.00%	Increase / (decrease) in discount rate by 1% with all other variables held constant, would (decrease) / increase the fair value by Rs. 228.902 million and Rs. 254.760 million (December 31, 2025: Rs. 228.076 million and Rs. 254.481 million) respectively.
Ordinary shares - unlisted (market approach)	140,000	140,000	Transaction price	Not applicable	Not applicable
Foreign preference shares - unlisted	277,137	560,308	EBITDA multiples	Not applicable	Not applicable
Redeemable participating certificates	6,870,221	7,870,010	Net asset value	Not applicable	Not applicable
Advances classified at FVPL	1,800,000	1,800,000	Transaction price	Not applicable	Not applicable

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

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

	September 30, 2026 (Un-audited)		December 31, 2025 (Audited)	
	Investments	Advances	Investments	Advances

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

Opening balance	14,916,816	1,800,000	11,148,236	1,413,735
Impact of adoption of IFRS 9	-	-	3,133,601	-
Balance as at January 01 after adopting IFRS 9	14,916,816	1,800,000	14,281,837	1,413,735
Additions / (disposals) / transfers - net	-	-	37,626	386,265
Remeasurement recognised in OCI or profit and loss / adjustments	(1,070,283)	-	597,353	-
Closing balance	13,846,533	1,800,000	14,916,816	1,800,000

41 SEGMENT INFORMATION

41.1 Segment details with respect to business activities

For the nine months period ended September 30, 2026 (Un-audited)							
Retail	Corporate	Islamic (Domestic)	Treasury	Digital	Overseas	Subsidiaries	Others**
(Rupees in '000)							

Consolidated statement of profit and loss account

Net mark-up / return/ profit*	(34,231,004)	17,445,183	24,948,982	92,225,902	5,782,471	21,661	(898,250)	-	104,846,305
Inter segment revenue - net	95,015,394	(9,448,343)	(2,126,884)	(85,567,861)	8,875,317	-	621,251	(6,618,766)	-
Non mark-up / return / interest income*	9,658,752	7,368,452	2,872,622	29,515,945	4,422,619	1,982,681	(49,046)	(9,932,743)	46,010,208
Total Income / (loss)	70,443,142	15,365,292	25,694,720	36,173,886	12,849,296	192,687	(326,045)	(16,551,509)	150,856,513
Segment direct expenses	37,238,258	5,273,564	16,367,840	2,137,547	5,939,538	3,076,957	277,195	(1,343,209)	89,481,610
Inter segment expense allocation	12,323,163	1,276,922	4,342,334	1,119,821	2,121,800	585,649	-	(20,895,188)	-
Total expenses	49,561,421	6,550,486	20,710,174	3,257,368	8,061,338	3,662,606	277,195	(381,268)	89,481,610
Credit loss allowance / provision / (reversals)	(13,783)	(1,526,101)	(295,325)	(6,288)	209,422	(1,895,079)	(70)	381,268	73
Profit / (loss) before tax	20,895,504	10,340,907	5,279,871	32,922,806	4,578,536	5,247,717	(84,438)	(326,045)	64,520,986

As at September 30, 2026 (Un-audited)							
Retail	Corporate	Islamic (Domestic)	Treasury	Digital	Overseas	Subsidiaries	Others**
(Rupees in '000)							

Consolidated statement of financial position

Cash and bank balances	112,820,212	19,235,465	42,262,598	-	2,010,672	35,014,625	684,083	-	211,462,180
Investments	-	4,062,552	233,025,887	1,361,787,625	-	131,987,032	202,704	11,281,840	1,742,347,640
Inter segment lending - net	1,317,601,466	-	-	-	32,739,191	-	-	112,545,938	-
Lendings to financial institutions	-	-	7,151,892	99,994	-	7,962,509	-	(11,855,489)	3,358,906
Advances - performing	323,819,814	421,288,515	339,953,557	-	15,572	46,155,320	8,047	18,780,467	1,150,021,292
- non-performing	1,419,111	1,515,182	1,079,078	-	4,669	51,775	-	120,110	4,189,925
Others	27,105,548	42,827,743	61,337,267	18,194,825	1,070,695	26,274,809	307,533	90,057,095	265,193,587
Total assets	1,782,766,151	488,929,457	684,810,279	1,380,082,444	35,840,799	247,446,070	1,202,367	232,785,450	3,376,573,530

Borrowings	16,924,333	52,800,077	58,141,469	92,835,413	-	34,577,604	-	-	242,963,339
Subordinated debt	-	-	-	-	-	-	-	-	34,000,000
Deposits and other accounts	1,676,452,253	277,282,845	483,700,263	-	33,519,790	144,362,854	-	1,921,202	2,616,817,865
Inter segment borrowing - net	-	-	-	-	-	63,637,038	-	-	-
Others	89,389,565	40,615,150	101,754,520	2,321,009	5,905,260	109,368	41,043,912	(298,897)	285,541,072
Total liabilities	1,782,766,151	488,929,457	643,596,252	1,379,921,866	35,840,799	248,482,756	109,368	76,965,114	3,179,322,276
Net assets	-	-	41,214,027	160,578	-	(1,036,686)	1,092,999	155,820,336	197,251,254

Equity

Contingencies and commitments	179,408,476	325,743,902	143,697,586	599,468,243	2,980	69,520,757	14,038	8,832,762	1,326,688,744
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The segment consolidated condensed interim statement of profit and loss account illustrates revenue based on customer, channel, and product ownership. Consequently, revenue might appear in multiple segments since each one plays a role in capturing that income stream.

* Net mark-up and non mark-up income includes Rs. 376.244 million and Rs. 269.681 million respectively of investment banking.

** Others include head office related activities.

For the nine months period ended September 30, 2025 (Un-audited)

Consolidated statement of profit and loss account

(Rupees in '000)

	Retail	Corporate	Islamic (Domestic)	Treasury	Digital	Overseas	Subsidiaries	Others**	Elimination	Total
Net mark-up / return / profit*	(31,235,883)	23,409,121	22,001,506	80,037,671	(40,112,4)	6,034,840	30,251	(529,602)	-	99,346,780
Inter segment revenue - net	84,803,602	(16,808,055)	(1,963,813)	(66,966,822)	6,025,368	(319,718)	-	(262,735)	(4,507,827)	-
Non mark-up / return / interest income*	8,440,582	5,578,600	2,376,104	20,376,572	2,929,365	1,556,790	74,487	1,878,641	(7,298,863)	36,068,278
Total income / (loss)	62,008,301	12,179,666	22,569,797	33,447,421	8,553,609	7,271,912	104,738	1,086,304	(11,806,690)	135,415,058
Segment direct expenses	35,962,361	8,175,107	15,272,512	3,125,098	4,296,549	3,374,362	239,567	15,551,723	(470,861)	85,526,418
Inter segment expense allocation	9,037,931	988,832	3,202,950	716,016	1,540,703	470,834	-	(15,551,723)	(405,543)	-
Total expenses	45,000,292	9,163,939	18,475,462	3,841,114	5,837,252	3,845,196	239,567	-	(876,404)	85,526,418
Credit loss allowance / provision / (reversals)	1,857,404	(858,002)	(15,432)	46,764	530,531	477,807	(30)	(91,552)	30	1,947,520
Profit / (loss) before tax	15,150,605	3,873,729	4,109,767	29,559,543	2,185,826	2,948,909	(134,799)	1,177,856	(10,930,316)	47,941,120

As at December 31, 2025 (Audited)

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

Consolidated statement of financial position

Cash and bank balances	114,772,469	23,282,861	43,641,957	-	1,055,051	72,926,386	863,905	-	(4,850,001)	251,692,628
Investments	-	4,231,473	191,490,875	1,838,754,223	16,145,573	131,750,554	151,700	11,792,850	-	2,178,171,675
Inter segment lending - net	1,192,755,432	-	-	-	-	-	-	77,542,282	(1,286,443,287)	19,674,292
Lendings to financial institutions	-	-	10,451,855	25,924,801	31,802	6,136,549	-	-	(22,838,913)	1,099,483,323
Advances - performing	297,516,646	415,130,791	314,920,924	-	1,106	53,867,517	-	18,015,643	-	5,440,512
- non-performing	1,210,422	3,102,752	875,722	-	-	70,192	-	180,318	-	280,622,738
Others	27,864,357	65,007,826	54,276,576	13,247,278	1,134,402	5,725,031	315,106	113,074,938	(22,776)	3,835,085,168
Total assets	1,634,119,326	510,755,703	615,657,909	1,877,926,302	18,367,934	270,476,229	1,330,711	220,606,031	(1,314,154,977)	832,127,882

Borrowings	19,962,126	68,588,187	31,719,709	682,843,178	-	55,899,233	-	-	(26,884,551)	14,000,000
Subordinated debt	-	-	-	-	-	162,357,368	-	14,000,000	(960,104)	2,495,388,928
Deposits and other accounts	1,530,607,616	331,368,002	453,796,084	1,157,425,166	17,584,100	35,957,297	-	635,862	(1,286,443,411)	293,357,809
Inter segment borrowing - net	-	58,775,890	34,285,058	90,711,541	20,967,174	14,519,738	151,400	30,517,825	133,089	3,634,874,619
Others	83,549,584	52,023,624	90,711,541	1,861,235,518	18,367,934	268,733,636	151,400	45,153,687	(1,314,154,977)	200,210,549
Total liabilities	1,634,119,326	510,755,703	610,512,392	1,861,235,518	18,367,934	268,733,636	151,400	175,452,344	-	200,210,549

Net assets	-	-	5,145,517	16,690,784	-	1,742,593	1,179,311	-	-	200,210,549
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Equity	157,527,579	258,330,744	117,941,930	591,870,733	3,123	60,808,181	14,038	6,101,256	-	1,192,597,584
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Contingencies and commitments

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

* Net mark-up and non mark-up income includes Rs. 413.219 million and Rs. 428.672 million respectively of investment banking.

** Others include head office related activities.

RELATED PARTY TRANSACTIONS

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

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

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

	As at September 30, 2026 (Un-audited)				As at December 31, 2025 (Audited)			
	Directors/ CEO	Key management personnel	Associates	Other related parties	Directors/ CEO	Key management personnel	Associates	Other related parties
	(Rupees in '000)				(Rupees in '000)			
Investments								
Opening balance	-	-	7,050,901	7,146,806	-	-	6,925,737	2,923,188
Investment made during the period / year	-	-	-	-	-	-	-	825,072
Investment redeemed / disposed off during the period / year	-	-	-	-	-	-	-	(602,436)
Revaluation of investment during the period / year	-	-	-	(64,460)	-	-	-	3,663,310
Exchange adjustment	-	-	-	(6,034)	-	-	-	-
Equity method adjustment	-	-	(415,474)	-	-	-	125,164	-
Transfer in / (out) - net	-	-	-	-	-	-	-	337,672
Closing balance	-	-	6,635,427	7,076,312	-	-	7,050,901	7,146,806
	-	-	-	-	-	-	-	-
Credit loss allowance / provision for diminution in value of investments								
Advances								
Opening balance	8,359	1,033,415	-	1,214,849	11,225	971,469	-	1,052,432
Addition during the period / year	51,180	104,641	150	8,391,542	1,275	479,348	-	10,759,922
Repaid during the period / year	(14,060)	(126,876)	-	(7,635,425)	(4,141)	(418,586)	-	(10,599,369)
Transfer in / (out) - net	-	35,887	-	-	-	1,184	-	1,864
Closing balance	45,479	1,047,067	150	1,970,966	8,359	1,033,415	-	1,214,849
	12	806	10	2,971	5	459	-	2,487
Credit loss allowance held against advances								
Other Assets								
Interest / mark-up accrued	7,354	115,732	-	14,485	5,303	89,704	-	46,590
Receivable from staff retirement fund	-	-	-	1,919,881	-	-	-	2,713,892
Prepayment / rent and other receivable	-	-	-	23,888	-	-	-	-
Advance against shares	-	-	-	55,343	-	-	-	55,343
Acceptances	-	-	-	3,180,936	-	-	-	2,727,155
	-	2	-	328	-	1	-	111
Credit loss allowance against other assets								
Borrowings								
Opening balance	-	-	-	7,872,733	-	-	-	2,464,030
Borrowings during the period / year	-	-	-	4,000,000	-	-	-	6,575,000
Settled during the period / year	-	-	-	(1,706,427)	-	-	-	(1,166,297)
Closing balance	-	-	-	10,166,306	-	-	-	7,872,733

43 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

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

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)	15,771,651	15,771,651
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Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital	172,145,087	154,240,500
Eligible Additional Tier 1 (ADT 1) Capital	13,550,000	13,550,000
Total eligible tier 1 capital	185,695,087	167,790,500
Eligible tier 2 capital	46,584,790	47,497,041
Total eligible capital (tier 1 + tier 2)	232,279,877	215,287,541

Risk weighted assets (RWAs):

Credit risk	1,166,748,895	1,011,521,641
Market risk	104,491,719	56,599,613
Operational risk	303,655,050	303,655,050
Total	1,574,895,664	1,371,776,304

Common equity tier 1 capital adequacy ratio	10.93%	11.24%
Tier 1 capital adequacy ratio	11.79%	12.23%
Total capital adequacy ratio	14.75%	15.69%

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

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

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

Leverage Ratio (LR):

Eligible tier-1 capital	185,695,087	167,790,500
Total exposures	4,104,576,456	4,143,747,096
Leverage ratio	4.52%	4.05%

Liquidity Coverage Ratio (LCR):

Total high quality liquid assets	1,486,286,087	1,120,160,986
Total net cash outflow	809,753,719	621,924,548
Liquidity coverage ratio	184%	180%

Net Stable Funding Ratio (NSFR):

Total available stable funding	2,042,738,278	1,916,051,651
Total required stable funding	1,301,932,883	1,365,278,952
Net stable funding ratio	157%	140%

- 43.1** The Holding Company has opted for transition arrangement to phase in ECL impact as permitted by SBP vide BPRD Circular No. 03 of 2022 dated July 05, 2022. Had the transitional arrangement not applied, CAR and Leverage ratio would have been 14.85% and 4.48% respectively.

44 AFGHANISTAN OPERATIONS

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

In the year 2025, a non-binding indicative offer was received from Ghazanfar Bank, Afghanistan ("Ghazanfar Bank") to acquire the Holding Company's Afghanistan Operations (assets and liabilities). In this regard, after obtaining the necessary regulatory approvals, Ghazanfar Bank commenced and completed its due diligence exercise. Subsequent to this, the Holding Company had received a binding bid from Ghazanfar Bank and have also acquired regulatory approvals to proceed with the transaction. Accordingly, the Holding Company has signed the agreement to sell the Afghanistan Operations to Ghazanfar Bank and the transaction is expected to complete before the year end.

45 BANGLADESH OPERATIONS

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

During the period, shareholders of the Holding Company in the Annual General Meeting held on March 26, 2026 approved the sale of the Holding Company's Bangladesh Operations to Bank Asia and shareholders of Bank Asia also approved the transaction in their Extraordinary General Meeting held on April 12, 2026. The relevant regulatory approvals have also been received. Consequently, Bank Asia and the Holding Company have now jointly applied to the High Court in Bangladesh to sanction the transaction.

46 NON-ADJUSTING EVENT

The Board of Directors of the Holding Company in its meeting held on October 22, 2026 has declared an interim cash dividend of Rs. 1.50 per share i.e. 30% for the quarter ended September 30, 2026 [September 30, 2025 (restated due to share split): Rs. 1.25 per share i.e. 25%]. These consolidated condensed interim financial statements do not include the effect of this appropriation which will be accounted for subsequent to the period end. The Board had earlier declared an interim cash dividend bringing the total cash dividend for the nine months period ended September 30, 2026 to Rs. 4.50 per share i.e. 90% [September 30, 2025: (restated due to share split): Rs. 3.75 per share i.e. 75%].

47 DATE OF AUTHORISATION

These consolidated condensed interim financial statements were authorised for issue on October 22, 2026 by the Board of Directors of the Holding Company.

48 GENERAL

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



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Bank Alfalah Limited
B. A. Building, I. I. Chundrigar Road
Karachi, Pakistan.
111 777 786