

هَذَا مِنْ فَضْلِ رَبِّي



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**Chief Financial
Officer**

Ashar Husain

**Statutory
Auditors**

KPMG Taseer Hadi & Co.
Chartered Accountants

**Legal
Advisor**

Liaquat Merchant Associates
Barristers, Advocates & Corporate Legal Consultants

**Registered
Office**

126-C, Old Bahawalpur Road,
Multan

**Principal
Office**

2nd Floor, Mackinnons Building,
I.I. Chundrigar Road,
Karachi

**Share
Registrar**

CDC Share Registrar Services Limited
CDC House 99-B, Block-B, S.M.C.H.S.
Main Shahrah-e-Faisal, Karachi-74400.

Website

www.bankalhabib.com



DIRECTORS' REVIEW

It is our pleasure to present the un-audited financial statements of Bank AL Habib Limited along with the un-audited consolidated financial statements of Bank AL Habib Limited and the Bank's Subsidiaries AL Habib Capital Markets (Private) Limited, AL Habib Asset Management Limited, and AL Habib Exchange Company (Private) Limited for the period ended September 30, 2026.

Alhamdulillah, during the period under review, the performance of the Bank continued to be satisfactory. The deposits increased to Rs. 2.96 trillion as compared to Rs. 2.60 trillion on December 31, 2025. In the same period, advances increased to Rs. 888.67 billion from Rs. 792.05 billion, while investments increased to Rs. 2.42 trillion from Rs. 2.03 trillion. The pre-tax profit of the Bank for the nine months period ended September 30, 2026, was Rs. 49.02 billion as compared to Rs. 53.50 billion during the corresponding period last year. The profit after tax for the period ended September 30, 2026, was Rs. 23.54 billion compared with Rs. 25.39 billion during 2025.

The Board of Directors, in its meeting held on October 22, 2026, has declared 3rd interim cash dividend of Rs. 3.50 per share i.e. 35%, in addition to 70% already paid, bringing the total cash dividend to 105% for the nine months period ended September 30, 2026.

By the Grace of Allah, the Bank now has a network of 1,359 offices, comprising 1,356 branches, and 3 Representative Offices. Our branch network includes 451 Islamic Banking Branches and 2 Overseas Branches. Continuing with our branch expansion policy, the Bank intends to open more branches during the year 2026.

In September 2026, the Bank successfully completed its 11th issue of rated, unsecured, and subordinated Term Finance Certificates (TFCs) amounting to Rs. 20 billion (inclusive of a "Green Shoe" option of Rs. 5 billion) through private placement. This private placement was managed and arranged by your Bank. Subsequently, the TFC will be privately placed on Pakistan Stock Exchange Limited (OTC listing). This TFC issue will support future growth in our operations. PACRA has assigned preliminary rating of **AAA** (Triple A) for this Tier-II TFC-2026. Additionally, the Bank has also fully redeemed its unsecured, subordinated TFC-2021 on September 30, 2026.

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

In addition to the aforementioned Tier-II TFC-2026, the ratings of our unsecured, subordinated Term Finance Certificates (TFCs) are **AAA** (Triple A) for TFC-2022, and **AA+** (Double A plus) for TFC-2017 (perpetual) and TFC-2022 (perpetual). These ratings denote a very low expectation of credit risk emanating from a very strong capacity for timely payment of financial commitments. Further, the TFC-2022 & the TFC-2022 (perpetual) issued in 2022, were listed on Pakistan Stock Exchange (PSX) pursuant to Chapter 5C of PSX Rule Book.

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

Mansoor Ali Khan
Chief Executive

Abbas D. Habib
Chairman
Board of Directors

Karachi: October 22, 2026



ڈائریکٹرز کا جائزہ

ہمارے لئے یہ باعث مسرت ہے کہ ہم 30 ستمبر 2026 کو ختم ہونے والی مدت کے لئے بینک الحبیب لمیٹڈ کے غیر آڈٹ شدہ مالی حسابات مع بینک الحبیب لمیٹڈ کے غیر آڈٹ شدہ مجموعی مالیاتی حسابات بشمول بینک کی ذیلی کمپنیز الحبیب کپٹل مارکیٹس (پرائیویٹ) لمیٹڈ، الحبیب ایسٹ مینجمنٹ لمیٹڈ اور الحبیب انویسٹمنٹ کمپنی (پرائیویٹ) لمیٹڈ پیش کریں۔

الحمد للہ، زیر جائزہ مدت میں بینک کی کارکردگی اطمینان بخش رہی۔ 30 ستمبر 2026 کو ختم ہونے والی مدت میں فنانس بڑھ کر 2.96 ٹریلین روپے ہو گئے، جو کہ 31 دسمبر 2025 کو 2.60 ٹریلین روپے تھے۔ اسی مدت کے دوران ایڈوانسز 792.05 ٹریلین روپے سے بڑھ کر 888.67 ٹریلین روپے ہو گئے اور سرمایہ کاری 2.03 ٹریلین روپے سے بڑھ کر 2.42 ٹریلین روپے ہو گئی۔ 30 ستمبر 2026 کو ختم ہونے والے نو ماہ کے لئے آپ کے بینک کا قتل از نیکیس منافع 49.02 ٹریلین روپے رہا، جبکہ گزشتہ سال اس مدت میں یہ 53.50 ٹریلین روپے تھا۔ بینک کا بعد از نیکیس منافع 30 ستمبر 2026 کو ختم ہونے والی مدت کے لئے 23.54 ٹریلین روپے رہا، جبکہ گزشتہ سال یہ 25.39 ٹریلین روپے تھا۔

بورڈ آف ڈائریکٹرز نے 22 اکتوبر 2026ء کو منعقد ہونے والے اجلاس میں تیسرے عبوری 35٪ نقد منافع منقسمہ یعنی 3.50 روپے فی شیئر کا اعلان کیا ہے، جو کہ پہلے سے ادا شدہ 70٪ کے علاوہ ہے۔ جس کے بعد 30 ستمبر 2026 کو ختم ہونے والی مدت تک کیلئے کل نقد منافع منقسمہ کی شرح 105٪ پر پہنچ گئی ہے۔

اللہ تعالیٰ کے فضل و کرم سے بینک کا نیٹ ورک اب 1,359 دفاتر پر مشتمل ہے، جس میں 1,356 براچز اور 3 نمائندہ دفاتر شامل ہیں۔ ہمارے براچز نیٹ ورک میں اب 451 اسلامی بینکاری براچز اور 2 بیرون ملک براچز شامل ہیں۔ براچز میں اضافہ کی لپٹی پالیسی پر کاربند رہتے ہوئے ہم سال 2026 میں بھی مزید براچز کھولنے کا ارادہ رکھتے ہیں۔

ستمبر 2026 میں، بینک نے کامیابی کے ساتھ اپنا ریٹڈ، انسکیورڈ اور سہارڈ مینیڈڈ فرم فنانس سرٹیفیکیشن (ٹی ایف سی) کا گید ہواں لٹشو جس کی مالیت 20 ٹریلین روپے ہے، (بشمول 5 ٹریلین روپے "گرین شو" آپشن)، پرائیویٹ پبلیسمنٹ کے ذریعے مکمل کر لی ہے۔ اس پرائیویٹ پبلیسمنٹ کا انتظام اور بندوبست آپ کے بینک کے ذریعے کیا گیا تھا۔ اس کے بعد، ٹی ایف سی کو پرائیویٹ طور پر پاکستان اسٹاک ایکسچینج لمیٹڈ میں (او ٹی سی لسٹنگ) کرایا جائے گا۔ اس ٹی ایف سی لٹشو کے ذریعے ہمارے آپریٹرز کے فروغ میں مزید معاونت ملے گی۔ پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے اس TFC-2026 TIER-II کی ریٹنگ AAA (ٹرپل اے) شخص کی ہے۔ مذید برآں، بینک نے 30 ستمبر 2026 کو اپنے انسکیورڈ، سہارڈ مینیڈڈ TFC-2021 کو مکمل طور پر ادا کر دیا ہے۔

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

مذکورہ بالا TFC-2026 TIER-II کے علاوہ، ہمارے انسکیورڈ، سہارڈ مینیڈڈ فرم فنانس سرٹیفیکیشن کی ریٹنگ AAA (ٹرپل اے) برائے TFC-2022 اور AA+ (ڈبل اے پلس) برائے TFC-2017 (پریچپول) اور TFC-2022 (پریچپول) ہیں۔ یہ ریٹنگز کریڈٹ رسک کی بہت کم توقع ظاہر کرتی ہیں، جس کی وجہ مالی ذمہ داریوں سے عہدہ براہ ہونے کی بہت مضبوط صلاحیت ہے۔ مزید برآں TFC-2022 اور TFC-2022 (پریچپول) جو کہ 2022 میں لٹشو ہوئے پی ایس ایس رول بک کے باب 5C کے مطابق پاکستان اسٹاک ایکسچینج لمیٹڈ پر لسٹڈ کئے گئے۔

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

عباس ڈی۔ حبیب

چیئرمین

بورڈ آف ڈائریکٹرز

منصور علی خان

چیف ایگزیکٹو

کراچی: ۲۲ اکتوبر ۲۰۲۶ء



**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2026**

		(Un-audited) 30 September 2026	(Audited) 31 December 2025
	Note	(Rupees in '000)	
ASSETS			
Cash and balances with treasury banks	6	218,151,258	189,466,913
Balances with other banks	7	3,194,545	7,196,550
Lendings to financial institutions	8	18,232,280	24,453,908
Investments	9	2,416,924,729	2,028,480,131
Advances	10	888,668,654	792,050,395
Property and equipment	11	108,069,058	82,542,745
Right-of-use assets	12	20,326,990	16,828,865
Intangible assets	13	10,788	63,301
Deferred tax assets	14	5,363,189	—
Other assets	15	201,990,629	162,681,089
Total Assets		3,880,932,120	3,303,763,897
LIABILITIES			
Bills payable	17	46,111,056	59,749,478
Borrowings	18	488,908,351	290,260,824
Deposits and other accounts	19	2,962,741,622	2,599,087,013
Lease liabilities	20	25,231,560	20,845,724
Subordinated debt	21	40,935,824	25,983,600
Deferred tax liabilities	14	—	1,479,140
Other liabilities	22	136,433,371	135,089,767
Total Liabilities		3,700,361,784	3,132,495,546
NET ASSETS		180,570,336	171,268,351
REPRESENTED BY			
Share capital		11,114,254	11,114,254
Reserves		37,448,017	35,220,243
Surplus on revaluation of assets	23	27,991,194	29,514,238
Unappropriated profit		104,016,871	95,419,616
		180,570,336	171,268,351
CONTINGENCIES AND COMMITMENTS			
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The annexed notes 1 to 43 form an integral part of these unconsolidated condensed interim financial statements.

MANSOOR ALI KHAN
Chief Executive

ASHAR HUSAIN
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI
Director

FARHANA MOWJEE KHAN
Director

ABBAS D. HABIB
Chairman



**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026**

		Nine months period ended		Three months period ended	
		30 September 2026	30 September 2025	30 September 2026	30 September 2025
	Note	(Rupees in '000)			
Mark-up / return / interest earned	26	260,985,198	260,404,000	93,524,690	82,427,674
Mark-up / return / interest expensed	27	(161,451,100)	(161,087,818)	(58,953,339)	(49,446,186)
Net mark-up / interest income		99,534,098	99,316,182	34,571,351	32,981,488
NON MARK-UP / INTEREST INCOME					
Fee and commission income	28	15,778,244	14,169,553	5,404,213	3,501,533
Dividend income		828,888	996,122	1,903	34,545
Foreign exchange income		8,064,062	5,665,122	1,670,649	2,118,823
Income / (loss) from derivatives		—	—	—	—
(Loss) / gain on securities - net	29	(23,086)	551,417	(457,042)	985,313
Net gain / (loss) on derecognition of financial assets measured at amortised cost		—	—	—	—
Other income	30	1,260,681	768,236	611,997	168,609
Total non mark-up / interest income		25,908,789	22,150,450	7,231,720	6,808,823
Total income		125,442,887	121,466,632	41,803,071	39,790,311
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	31	(77,838,950)	(68,994,525)	(26,327,910)	(24,581,473)
Workers' welfare fund		(1,000,419)	(1,091,909)	(327,946)	(294,281)
Other charges	32	(104,336)	(76,271)	(97,567)	(45,676)
Total non mark-up / interest expenses		(78,943,705)	(70,162,705)	(26,753,423)	(24,921,430)
Profit before credit loss allowance		46,499,182	51,303,927	15,049,648	14,868,881
Credit loss allowance and write-offs - net	33	2,521,340	2,199,596	2,540,165	(449,159)
Extra ordinary / unusual items		—	—	—	—
PROFIT BEFORE TAXATION		49,020,522	53,503,523	17,589,813	14,419,722
Taxation	34	(25,476,219)	(28,110,493)	(9,135,958)	(8,351,028)
PROFIT AFTER TAXATION		23,544,303	25,393,030	8,453,855	6,068,694
(Rupees)					
Basic and diluted earnings per share	35	21.18	22.85	7.61	5.46

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

MANSOOR ALI KHAN
Chief Executive

ASHAR HUSAIN
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI
Director

FARHANA MOWJEE KHAN
Director

ABBAS D. HABIB
Chairman



**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026**

	Nine months period ended		Three months period ended	
	30 September 2026	30 September 2025	30 September 2026	30 September 2025
	(Rupees in '000)			
Profit after taxation for the period	23,544,303	25,393,030	8,453,855	6,068,694
Other comprehensive income				
<i>Items that may be reclassified to the statement of profit and loss account in subsequent periods:</i>				
Effect of translation of net investment in foreign branches	(126,656)	61,395	(37,498)	(91,195)
Movement in (deficit) / surplus on revaluation of investment in debt instruments classified as FVOCI - net of tax	(15,247,050)	2,700,132	(4,522,411)	693,395
	(15,373,706)	2,761,527	(4,559,909)	602,200
<i>Items that will not be reclassified to the statement of profit and loss account in subsequent periods:</i>				
Movement in surplus / (deficit) on revaluation of investment in equity instruments classified as FVOCI - net of tax	8,122	86,871	12,821	(35,530)
Movement in surplus on revaluation of property and equipment - net of tax	13,936,061	124,049	109,503	(1,594)
Movement in surplus on revaluation of non-banking assets - net of tax	—	741	—	—
	13,944,183	211,661	122,324	(37,124)
Total comprehensive income for the period	22,114,780	28,366,218	4,016,270	6,633,770

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

MANSOOR ALI KHAN
Chief Executive

ASHAR HUSAIN
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI
Director

FARHANA MOWJEE KHAN
Director

ABBAS D. HABIB
Chairman

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026**

	Share Capital	Statutory Reserve	Foreign Currency Translation Reserve	Revenue Reserves		Surplus / (deficit) on revaluation of			Unappropriated Profit	Total
				Special Reserve	General Reserve	Investments	Property and Equipment	Non Banking Assets		
				(Rupees in '000)						
Balance as at 01 January 2025 - restated	11,114,254	26,686,231	4,697,625	126,500	540,000	7,570,243	15,568,934	166,063	87,246,120	153,715,970
Profit after taxation for the nine months period ended 30 September 2025	-	-	-	-	-	-	-	-	25,393,030	25,393,030
Other comprehensive income for the nine months period ended 30 September 2025 - net of tax										
Effect of translation of net investment in foreign branches	-	-	61,395	-	-	-	-	-	-	61,395
Movement in surplus on revaluation of investment in debt instruments - net of tax	-	-	-	-	-	2,700,132	-	-	-	2,700,132
Movement in surplus on revaluation of investment in equity instruments - net of tax	-	-	-	-	-	86,871	-	-	-	86,871
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	124,049	-	-	124,049
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	741	-	741
Total other comprehensive income - net of tax	-	-	61,395	-	-	2,787,003	124,049	741	-	2,973,188
Transfer to statutory reserve	-	2,539,303	-	-	-	-	-	-	(2,539,303)	-
Loss on sale of equity instruments - FVOCI	-	-	-	-	-	11,390	-	-	(11,390)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	(158,211)	(97)	158,308	-
Transactions with owners, recorded directly in equity										
Final cash dividend (Rs. 6.5 per share) - December 2024	-	-	-	-	-	-	-	-	(7,224,265)	(7,224,265)
Interim cash dividend (Rs. 3.5 per share) - March 2025	-	-	-	-	-	-	-	-	(3,889,989)	(3,889,989)
Interim cash dividend (Rs. 3.5 per share) - June 2025	-	-	-	-	-	-	-	-	(3,889,989)	(3,889,989)
	-	-	-	-	-	-	-	-	(15,004,243)	(15,004,243)
Balance as at 30 September 2025 - unaudited	11,114,254	29,225,534	4,759,020	126,500	540,000	10,368,636	15,534,772	166,707	95,242,522	167,077,945
Profit after taxation for the three months period ended 31 December 2025	-	-	-	-	-	-	-	-	5,244,378	5,244,378
Other comprehensive income for the three months period ended 31 December 2025 - net of tax										
Effect of translation of net investment in foreign branches	-	-	44,751	-	-	-	-	-	-	44,751
Movement in surplus on revaluation of investment in debt instruments - net of tax	-	-	-	-	-	3,209,737	-	-	-	3,209,737
Movement in surplus on revaluation of investment in equity instruments - net of tax	-	-	-	-	-	231,849	-	-	-	231,849
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	(705,627)	(705,627)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	(37)	-	-	(37)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	55,344	-	55,344
Total other comprehensive income - net of tax	-	-	44,751	-	-	3,441,586	(37)	55,344	(705,627)	2,836,017



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

ABBAS D. HABIB
Chairman





**UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026**

	30 September 2026	30 September 2025
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	49,020,522	53,503,523
Less: dividend income	(828,888)	(996,122)
	48,191,634	52,507,401
Adjustments:		
Net mark-up / interest income	(99,534,098)	(99,316,182)
Depreciation	6,585,895	5,608,434
Depreciation on non-banking assets acquired in satisfaction of claims	456	456
Depreciation on right-of-use assets	2,561,377	2,120,045
Amortisation	84,424	132,610
Workers' welfare fund	1,000,419	1,091,909
Credit loss allowance and write-offs - net	(2,521,340)	(2,199,596)
Gain on sale of property and equipment - net	(1,206,423)	(641,678)
Gain on termination of leases - net	(25,343)	(102,374)
Unrealised loss / (gain) on revaluation of securities classified as FVPL	437,275	(660,016)
Charge for defined benefit plan	1,314,000	945,000
Charge for compensated absences	523,918	237,565
	(90,779,440)	(92,783,827)
	(42,587,806)	(40,276,426)
(Increase) / decrease in operating assets		
Lendings to financial institutions	6,222,468	(15,467,874)
Securities classified as FVPL	3,267,193	19,654
Advances	(98,042,387)	3,254,096
Other assets (excluding advance taxation and mark-up receivable)	4,305,664	(13,263,113)
	(84,247,062)	(25,457,237)
Increase / (decrease) in operating liabilities		
Bills payable	(13,638,422)	(11,935,681)
Borrowings	194,614,092	(253,471,011)
Deposits and other accounts	363,654,609	219,012,090
Other liabilities (excluding mark-up payable)	(5,982,418)	(10,668,726)
	538,647,861	(57,063,328)
	411,812,993	(122,796,991)
Interest received	219,281,112	243,136,783
Interest paid	(154,812,976)	(158,506,331)
Income tax paid	(25,419,586)	(44,161,665)
Net cash flow generated from / (used in) operating activities	450,861,543	(82,328,204)
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in amortised cost securities	(238,599,589)	(791,797)
Net investments in securities classified as FVOCI	(185,031,179)	90,799,553
Net investments in associates	3,000,000	(1,426,998)
Dividends received	803,832	996,122
Investments in property and equipment and intangible assets	(10,011,618)	(11,842,128)
Proceeds from sale of property and equipment	1,237,613	665,006
Effect of translation of net investment in foreign branches	(126,656)	61,395
Net cash flow (used in) / generated from investing activities	(428,727,597)	78,461,153
CASH FLOW FROM FINANCING ACTIVITIES		
Receipts / (payments) of subordinated debt - net	15,006,600	(3,400)
Dividend paid	(12,601,012)	(14,794,866)
Payments of lease obligations against right-of-use assets	(4,022,201)	(3,352,269)
Net cash flow used in financing activities	(1,616,613)	(18,150,535)
Increase / (decrease) in cash and cash equivalents	20,517,333	(22,017,586)
Cash and cash equivalents at beginning of the period	194,948,585	205,187,585
Cash and cash equivalents at end of the period	215,465,918	183,169,999

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

MANSOOR ALI KHAN
Chief Executive

ASHAR HUSAIN
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI
Director

FARHANA MOWJEE KHAN
Director

ABBAS D. HABIB
Chairman



**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026**

1. STATUS AND NATURE OF BUSINESS

Bank AL Habib Limited (the Bank) is a banking company incorporated in Pakistan on 15 October 1991 as a public limited company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) having its registered office at 126-C, Old Bahawalpur Road, Multan with principal place of business at 2nd Floor, Mackinnons Building, I.I. Chundrigar Road, Karachi. Its shares are listed on Pakistan Stock Exchange Limited. It is a scheduled bank principally engaged in the business of commercial banking with a network of 1,356 branches (31 December 2025: 1,323 branches), 03 representative offices (31 December 2025: 03 representative offices) and 13 booths (31 December 2025: 12 booths). The branch network of the Bank includes 02 overseas branches (31 December 2025: 02 overseas branches) and 451 Islamic Banking branches (31 December 2025: 392 Islamic Banking branches).

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

- 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 Institute of Chartered Accountants of Pakistan, as are notified under the Companies Act, 2017;
- Provisions of, directives and notifications issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives and notifications issued by SBP and SECP, differ with the requirements of the 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.

2.1.2 The disclosures made in these unconsolidated condensed interim financial statements have been limited based on the format prescribed by SBP vide BPRD Circular No. 02, dated 09 February 2023 and International Accounting Standard (IAS) 34, 'Interim Financial Reporting'. They do not include all the information required in the annual financial statements, and these unconsolidated condensed interim financial statements should be read in conjunction with the annual financial statements of the Bank for the year ended 31 December 2025.



- 2.1.3** SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for Banking Companies in Pakistan through BSD Circular Letter No. 10 dated 26 August 2002 till further instructions. Accordingly, the requirements of this standard have not been considered in the preparation of these unconsolidated condensed interim financial statements.
- 2.1.4** SBP has deferred the applicability of IFAS 3 'Profit and Loss Sharing on Deposits' for Islamic Banking Institutions (IBIs) through BPRD Circular No. 4 of 2015 dated 25 February 2015 till further instructions. The disclosures requirements relating to annual and interim financial statements have been based on a format prescribed by SBP vide BPRD Circular No. 02 dated 09 February 2023.
- 2.1.5** IFRS 10, 'Consolidated Financial Statements' was made applicable from period beginning on or after 01 January 2015 vide S.R.O 633 (I) / 2014 dated 10 July 2014 by SECP. However, SECP has directed through S.R.O 56 (I) / 2016 dated 28 January 2016 that the requirement of consolidation under section 228 of the Companies Act, 2017 and IFRS 10, 'Consolidated Financial Statements' is not applicable in case of investment by companies in mutual funds established under trust structure.
- 2.1.6** SBP through BPRD Circular Letter No. 01 of 2025 dated 22 January 2025 has clarified the followings:
- Islamic Banking Institutions (IBIs) are allowed to follow IFAS 1 and 2, where applicable and continue the existing accounting methodology on other Islamic products until issuance of further instructions in this regard.
 - The treatment of charity should be in line with the existing practices as defined in SBP's instructions issued via IBD Circular No. 02 of 2008 and should not be recognised as income.
- Revenue from Islamic products would have increased by Rs. 544.362 million, if IFRS 9 had been adopted in its entirety.
- 2.2** Key financial information of the Islamic Banking branches is disclosed in note 40 to these unconsolidated condensed interim financial statements.
- 2.3** These unconsolidated condensed interim financial statements are presented in Pak Rupees, which is the Bank's functional and presentation currency, and represent separate financial statements of the Bank in which investments in subsidiaries and associates are stated at cost less provision for impairment, if any, and are not consolidated or accounted for by using equity method of accounting.
- 2.4** The Bank believes that there is no significant doubt on the Bank's ability to continue as a going concern. Therefore, these unconsolidated condensed interim financial statements continue to be prepared on the going concern basis.



2.5 Standards, interpretations of and amendments to published approved accounting standards that are effective in the current period

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

2.6 Standards, interpretations of and amendments to published approved accounting standards that are not yet effective

There are certain new standards, interpretations of and amendments to existing accounting and reporting standards that are not effective in the current period. These are considered not to have any significant impact on these unconsolidated condensed interim financial statements other than those mentioned below.

Standards and amendments	Effective date (annual periods beginning on or after)
- IFRS 18 Presentation and Disclosure in Financial Statements	01 January 2027
- IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 - Climate-related Disclosures	31 December 2026

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The basis for accounting estimates adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the annual financial statements of the Bank for the year ended 31 December 2025.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in preparation of these unconsolidated condensed interim financial statements are the same as applied in the preparation of annual unconsolidated financial statements of the Bank for the year ended 31 December 2025 except for the following:

4.1 IFRS 9 - 'Financial Instruments' - Effective Interest Rate (EIR)

The Bank had received deferment of recording income and expense at Effective Interest Rate (EIR) via letter from SBP till 31 December 2025. Therefore, the Bank has adopted EIR from 01 January 2026 and has taken the impact on adoption of EIR to equity at the beginning of the current accounting period with modified retrospective approach for restatement permitted under IFRS 9.



The changes to material accounting policy is as follows:

Mark-up / return / interest earned and Mark-up / return / interest expensed

Mark-up / return / interest earned and Mark-up / return / interest expensed are recognised in unconsolidated statement of profit and loss account under the EIR. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

The calculation of the EIR includes transaction costs and fees and points paid or received that are an integral part of the EIR. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

In calculating mark-up / return / interest income and expense, the EIR is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, profit income is calculated by applying the EIR to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of profit income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, mark-up / return / interest income is calculated by applying the credit-adjusted EIR to the amortised cost of the asset. The calculation of mark-up / return / interest income does not revert to a gross basis, even if the credit risk of the asset improves.

The impact of application as at 01 January 2026 is as follows:

	Carrying amount as on 31 December 2025	EIR impact under IFRS 9 - Gross	Tax impact	Net impact	Carrying amount as on 01 January 2026
	(Rupees in '000)				
Investments	2,028,480,131	(7,421)	3,859	(3,562)	2,028,476,569
Advances	792,050,395	(98,691)	51,319	(47,372)	792,003,023
Subordinated debt	25,983,600	(40,689)	21,158	(19,531)	25,964,069
Unappropriated profit	95,419,616	(65,423)	34,020	(31,403)	95,388,213

5. FINANCIAL RISK MANAGEMENT

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



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

6. CASH AND BALANCES WITH TREASURY BANKS

In hand:

Local currency	56,105,187	46,877,386
Foreign currencies	3,117,316	3,569,481
	59,222,503	50,446,867

With State Bank of Pakistan in:

Local currency current accounts	114,006,378	95,535,579
Local currency current accounts - Islamic Banking	18,244,197	16,529,627
Foreign currency deposit accounts		
Cash reserve account	5,874,825	5,854,573
Cash reserve / special cash reserve account		
- Islamic Banking	1,350,378	1,303,412
Special cash reserve account	11,777,129	11,709,146
Local collection account	550,841	430,332
	151,803,748	131,362,669

With National Bank of Pakistan in:

Local currency current accounts	7,062,327	7,567,621
Prize bonds	62,680	89,756
Cash and balances with treasury banks	218,151,258	189,466,913

7. BALANCES WITH OTHER BANKS

In Pakistan:

In current accounts	348,923	71,897
In deposit accounts	9,851	9,481
	358,774	81,378

Outside Pakistan:

In current accounts	2,773,190	7,171,133
In deposit accounts	62,988	76,018
	2,836,178	7,247,151
	3,194,952	7,328,529

Less: credit loss allowance against
balances with other banks

7.1 (407) (131,979)

Balances with other banks - net of credit loss allowance

3,194,545 7,196,550



	(Un-audited) 30 September 2026 Note	(Audited) 31 December 2025
	(Rupees in '000)	
7.1 Credit loss allowance		
Opening balance	131,979	947
Charge / (reversal):		
Charge for the period / year	3,458	131,473
Reversal for the period / year	(135,029)	(443)
	(131,571)	131,030
Foreign exchange adjustments	(1)	2
Closing balance	407	131,979
8. LENDINGS TO FINANCIAL INSTITUTIONS		
In local currency:		
Musharaka placements	8,000,000	18,000,000
Repurchase agreement lendings (reverse repo)	10,234,742	6,457,210
	18,234,742	24,457,210
Less: credit loss allowance against lendings to financial institutions	8.1 (2,462)	(3,302)
Lendings to financial institutions - net of credit loss allowance	18,232,280	24,453,908
8.1 Lendings to financial institutions - particulars of credit loss allowance		
Credit loss allowance - Stage 1		
Opening balance	3,302	5,258
New financial assets originated or purchased	2,462	1,952
Financial assets that have been derecognised	(3,302)	(3,908)
	(840)	(1,956)
Closing balance	2,462	3,302

9. INVESTMENTS

	30 September 2026 (Un-audited)				31 December 2025 (Audited)			
	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
	(Rupees in '000)							
9.1 Investments by type:								
Debt instruments								
Amortised Cost								
Federal Government Securities	682,731,868	(14,900)	–	682,716,968	444,132,281	(14,547)	–	444,117,734
FVOCI								
Federal Government Securities	1,704,384,090	(61,132)	(7,887,848)	1,696,435,110	1,520,897,635	(1,380,069)	22,682,991	1,542,200,557
Non Government Debt Securities	10,638,083	(783,482)	247,190	10,101,791	7,456,941	(783,075)	(33,959)	6,639,907
Foreign Securities	5,440,584	(15,994)	(151,103)	5,273,487	7,165,210	(2,000,953)	1,323,895	6,488,152
	1,720,462,757	(860,608)	(7,791,761)	1,711,810,388	1,535,519,786	(4,164,097)	23,972,927	1,555,328,616
FVPL								
Federal Government Securities	1,423,721	–	–	1,423,721	886,072	–	–	886,072
Equity instruments								
FVOCI - Non-reclassifiable								
Shares								
- Listed Companies	228,443	–	576,952	805,395	182,690	–	664,594	847,284
- Unlisted Companies	154,236	–	4,243,723	4,397,959	154,236	–	4,133,774	4,288,010
	382,679	–	4,820,675	5,203,354	336,926	–	4,798,368	5,135,294
Investments mandatorily classified / measured at FVPL								
Units of Mutual Funds	4,822,672	–	(437,275)	4,385,397	8,910,944	–	(283,430)	8,627,514
Associates	7,501,651	–	–	7,501,651	10,501,651	–	–	10,501,651
Subsidiaries	3,883,250	–	–	3,883,250	3,883,250	–	–	3,883,250
Total Investments	<u>2,421,208,598</u>	<u>(875,508)</u>	<u>(3,408,361)</u>	<u>2,416,924,729</u>	<u>2,004,170,910</u>	<u>(4,178,644)</u>	<u>28,487,865</u>	<u>2,028,480,131</u>





	(Un-audited) 30 September 2026 (Rupees in '000)	(Audited) 31 December 2025
9.1.1 Investments given as collateral		
Pakistan Investment Bonds	<u>387,060,500</u>	<u>163,763,100</u>
9.2 Credit loss allowance		
Opening balance	4,178,644	7,493,416
Charge / (reversal):		
Charge for the period / year	22,846	298,099
Reversal for the period / year	(1,409,987)	(3,663,063)
Reversal on disposal	(1,888,541)	–
	<u>(3,275,682)</u>	<u>(3,364,964)</u>
Foreign exchange adjustments	(27,454)	50,192
Closing balance	<u>875,508</u>	<u>4,178,644</u>

9.3 Particulars of credit loss allowance against debt securities

		30 September 2026 (Un-audited)		31 December 2025 (Audited)	
		Outstanding amount	Credit loss allowance (Rupees in '000)	Outstanding amount	Credit loss allowance
Domestic					
Performing	Stage 1	8,198,788	2,109	4,280,895	1,127
Under-performing	Stage 2	1,659,295	1,373	2,396,046	1,948
Non-performing - loss	Stage 3	780,000	780,000	780,000	780,000
		<u>10,638,083</u>	<u>783,482</u>	<u>7,456,941</u>	<u>783,075</u>
Overseas					
Performing	Stage 1	16,157,338	92,026	5,630,003	30,305
Under-performing	Stage 2	–	–	17,993,474	3,365,264
		<u>16,157,338</u>	<u>92,026</u>	<u>23,623,477</u>	<u>3,395,569</u>
Total		<u>26,795,421</u>	<u>875,508</u>	<u>31,080,418</u>	<u>4,178,644</u>

9.4 Under the IFRS 9 Application instructions, the Bank is not required to compute Expected Credit Loss (ECL) on Government Securities and on Government guaranteed credit exposures in local currency.

9.5 The market value of securities classified as amortised cost at 30 September 2026 amounted to Rs. 686,191 million (31 December 2025: Rs. 454,685 million).

9.6 Summary of financial information of subsidiaries and associates

		30 September 2026 (Un-audited)				
	Percentage of holding	Assets	Liabilities	Revenue	Profit / (loss) after taxation	Total comprehensive income
(Rupees in '000)						
Subsidiaries						
AL Habib Capital Markets (Private) Limited	66.67%	1,382,811	747,495	296,390	58,809	55,979
AL Habib Asset Management Limited	100%	5,850,249	324,454	1,895,564	1,020,360	1,020,360
AL Habib Exchange Company (Private) Limited	100%	3,489,126	206,008	435,327	87,636	87,636
Associates						
AL Habib Money Market Fund	0.96%	64,932,851	160,181	6,225,926	5,708,921	5,708,921
AL Habib Islamic Cash Fund	0.41%	25,316,335	225,825	2,437,936	2,256,508	2,256,508
AL Habib Islamic Savings Fund	0.71%	14,618,421	60,124	1,300,016	1,202,696	1,202,696
AL Habib Income Fund	1.46%	28,078,093	160,901	1,917,188	1,748,472	1,748,472
AL Habib Islamic Stock Fund	15.28%	6,200,928	38,862	(182,829)	(446,963)	(446,963)
AL Habib Cash Fund	3.90%	89,536,826	97,608	6,867,934	6,260,502	6,260,502
AL Habib Stock Fund	11.71%	16,344,698	200,703	23,146	(503,923)	(503,923)
AL Habib Islamic Income Fund	0.32%	8,103,935	20,982	919,791	842,534	842,534

9.6.1 Subsidiaries and associate funds are incorporated in Pakistan. All associate funds are managed by AL Habib Asset Management Limited (the subsidiary company).

9.6.2 The above information is based on financial statements as on 30 September 2026.



10. ADVANCES

	Performing		Non-Performing		Total	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	30 September	31 December	30 September	31 December	30 September	31 December
	2026	2025	2026	2025	2026	2025
	(Rupees in '000)					
Loans, cash credits, running finances, etc.	639,748,987	591,104,648	32,993,365	34,009,817	672,742,352	625,114,465
Islamic financing and related assets	194,356,502	153,585,947	1,651,447	1,385,692	196,007,949	154,971,639
Bills discounted and purchased	68,169,342	58,984,097	385,173	389,355	68,554,515	59,373,452
Advances - gross	902,274,831	803,674,692	35,029,985	35,784,864	937,304,816	839,459,556
Less: credit loss allowance						
- Stage 1	9,133,476	7,415,134	-	-	9,133,476	7,415,134
- Stage 2	6,473,660	6,947,822	-	-	6,473,660	6,947,822
- Stage 3	-	-	33,029,026	33,046,205	33,029,026	33,046,205
	15,607,136	14,362,956	33,029,026	33,046,205	48,636,162	47,409,161
Advances - net of credit loss allowance	886,667,695	789,311,736	2,000,959	2,738,659	888,668,654	792,050,395





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

10.1 Particulars of advances (Gross)

In local currency	794,472,109	719,742,681
In foreign currencies	142,832,707	119,716,875
	<u>937,304,816</u>	<u>839,459,556</u>

10.2 Advances include Rs. 35,029.985 million (31 December 2025: Rs. 35,784.864 million) which have been placed under non-performing status as detailed below:

Category of classification - Stage 3	30 September 2026 (Un-audited)		31 December 2025 (Audited)	
	Non performing	Credit loss	Non performing	Credit loss
	loans	allowance	loans	allowance
	(Rupees in '000)			
Domestic				
Other assets especially mentioned (OAEM)	436,884	273,147	259,898	177,151
Substandard	201,997	125,463	2,932,248	2,204,657
Doubtful	2,189,840	1,545,780	3,361,018	2,488,492
Loss	26,893,207	25,776,579	23,866,013	22,810,218
	<u>29,721,928</u>	<u>27,720,969</u>	<u>30,419,177</u>	<u>27,680,518</u>
Overseas				
Loss	5,308,057	5,308,057	5,365,687	5,365,687
Total	<u>35,029,985</u>	<u>33,029,026</u>	<u>35,784,864</u>	<u>33,046,205</u>

10.3 Particulars of credit loss allowance against advances

	30 September 2026 (Un-audited)				31 December 2025 (Audited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)							
Opening balance	7,415,134	6,947,822	33,046,205	47,409,161	7,170,325	8,468,402	32,823,742	48,462,469
Charge / (reversal):								
Charge for the period / year	7,072,182	4,444,872	2,075,306	13,592,360	6,413,787	5,531,471	5,653,822	17,599,080
Reversal for the period / year	(5,352,041)	(4,918,541)	(2,030,463)	(12,301,045)	(6,176,683)	(7,055,854)	(3,278,707)	(16,511,244)
	1,720,141	(473,669)	44,843	1,291,315	237,104	(1,524,383)	2,375,115	1,087,836
Amounts written off	-	-	-	-	-	-	(64,492)	(64,492)
Amounts charged off	-	-	-	-	-	-	(2,136,310)	(2,136,310)
Foreign exchange adjustments	(1,799)	(493)	(62,022)	(64,314)	7,705	3,803	48,150	59,658
Closing balance	9,133,476	6,473,660	33,029,026	48,636,162	7,415,134	6,947,822	33,046,205	47,409,161

10.4 Advances - credit loss allowance

	30 September 2026 (Un-audited)				31 December 2025 (Audited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)							
Opening balance	7,415,134	6,947,822	33,046,205	47,409,161	7,170,325	8,468,402	32,823,742	48,462,469
New advances / additional charge	5,871,608	3,321,221	469,677	9,662,506	4,530,994	3,896,177	2,004,692	10,431,863
Advances derecognised / repaid / reversal	(3,588,386)	(3,192,181)	(901,189)	(7,681,756)	(3,545,305)	(4,231,967)	(2,148,965)	(9,926,237)
Transfer to Stage 1	569,613	(535,801)	(33,812)	-	1,275,754	(1,246,047)	(29,707)	-
Transfer to Stage 2	(245,831)	321,112	(75,281)	-	(266,995)	388,062	(121,067)	-
Transfer to Stage 3	(4,901)	(58,034)	62,935	-	(40,387)	(378,872)	419,259	-
	2,602,103	(143,683)	(477,670)	1,980,750	1,954,061	(1,572,647)	124,212	505,626
Amounts written off	-	-	-	-	-	-	(64,492)	(64,492)
Amounts charged off	-	-	-	-	-	-	(2,136,310)	(2,136,310)
Changes in risk parameters	(881,962)	(329,986)	522,513	(689,435)	(1,716,957)	48,264	2,250,903	582,210
Foreign exchange adjustments	(1,799)	(493)	(62,022)	(64,314)	7,705	3,803	48,150	59,658
Closing balance	9,133,476	6,473,660	33,029,026	48,636,162	7,415,134	6,947,822	33,046,205	47,409,161





30 September 2026 (Un-audited)		31 December 2025 (Audited)	
Outstanding amount	Credit loss allowance	Outstanding amount	Credit loss allowance
(Rupees in '000)			

10.5 Advances - category of classification

Domestic

Performing	Stage 1	737,156,964	8,878,660	667,330,924	7,298,564
Under-performing	Stage 2	113,517,363	6,472,302	104,829,666	6,937,251
Non-performing					
Other assets especially mentioned (OAEM)	Stage 3	436,884	273,147	259,898	177,151
Substandard	Stage 3	201,997	125,463	2,932,248	2,204,657
Doubtful	Stage 3	2,189,840	1,545,780	3,361,018	2,488,492
Loss	Stage 3	26,893,207	25,776,579	23,866,013	22,810,218
		<u>880,396,255</u>	<u>43,071,931</u>	<u>802,579,767</u>	<u>41,916,333</u>

Overseas

Performing	Stage 1	51,168,949	254,816	30,856,427	116,570
Under-performing	Stage 2	431,555	1,358	657,675	10,571
Non-performing - loss	Stage 3	5,308,057	5,308,057	5,365,687	5,365,687
		<u>56,908,561</u>	<u>5,564,231</u>	<u>36,879,789</u>	<u>5,492,828</u>
Total		<u>937,304,816</u>	<u>48,636,162</u>	<u>839,459,556</u>	<u>47,409,161</u>

10.6 Charged-off non performing loans

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

	(Un-audited) 30 September 2026	(Audited) 31 December 2025
Note	(Rupees in '000)	
Opening balance of charge-offs	2,136,310	—
Charged-off during the period / year	—	2,153,321
Recoveries made during the period / year	—	(20,162)
Foreign exchange adjustments	(20,559)	3,151
Closing balance of charge-offs	<u>2,115,751</u>	<u>2,136,310</u>
Number of borrowers	<u>3</u>	<u>3</u>

11. PROPERTY AND EQUIPMENT

Capital work-in-progress	11.1	8,176,588	5,750,298
Property and equipment		99,892,470	76,792,447
		<u>108,069,058</u>	<u>82,542,745</u>



	(Un-audited) 30 September 2026	(Audited) 31 December 2025
	(Rupees in '000)	
11.1 Capital work-in-progress		
Civil works	2,824,850	2,817,161
Advance payment for purchase of equipments	489,551	406,091
Advance payment towards suppliers, contractors and property	4,802,709	2,471,547
Consultants' fee and other charges	59,478	55,499
	<u>8,176,588</u>	<u>5,750,298</u>
	(Un-audited) Nine months period ended	
	30 September 2026	30 September 2025
	(Rupees in '000)	
11.2 Additions to property and equipment		
The following additions have been made to property and equipment during the period:		
Capital work-in-progress	6,744,018	6,201,465
Property and equipment		
Leasehold land	47,858	663,435
Buildings on leasehold land	1,186,233	302,908
Furniture and fixture	569,301	632,420
Electrical, office and computer equipment	3,087,946	5,070,703
Vehicles	1,555,948	2,110,517
Improvements to leasehold buildings	1,106,131	779,423
	<u>7,553,417</u>	<u>9,559,406</u>
Total	<u>14,297,435</u>	<u>15,760,871</u>
11.3 Disposal of property and equipment		
The net book value of property and equipment disposed off during the period is as follows:		
Furniture and fixture	4,100	1,603
Electrical, office and computer equipment	3,888	3,644
Vehicles	23,202	13,452
Improvements to leasehold buildings	—	4,629
Total	<u>31,190</u>	<u>23,328</u>



- 11.4** In accordance with the Bank's accounting policy, the Bank's leasehold land and buildings on leasehold land were revalued at 01 June 2026. The revaluation was carried out by an independent valuer, M/s. MYK Associates (Private) Limited on the basis of professional assessment of the present market value. The revaluation resulted in an increase amounting to Rs. 21,737.908 million in the surplus. The total surplus arising against revaluation of leasehold land and buildings on leasehold land as at 30 September 2026 amounts to Rs. 42,983.643 million. The carrying value of revalued leasehold land and buildings on leasehold land was Rs. 74,700.349 million as at 30 September 2026. Had the leasehold land and buildings on leasehold land not been revalued, the total carrying amounts of revalued properties as at 30 September 2026 would have been as follows:

	(Un-audited) 30 September 2026 (Rupees in '000)	(Audited) 31 December 2025
Leasehold land	14,455,345	14,345,487
Buildings on leasehold land	17,514,963	16,625,608
12. RIGHT-OF-USE ASSETS		
Buildings		
At 01 January,		
Cost	26,221,809	21,501,002
Accumulated depreciation	(9,392,944)	(7,821,804)
Net carrying amount	16,828,865	13,679,198
Additions during the period / year	6,104,469	6,309,716
Deletions during the period / year	(47,857)	(277,059)
Depreciation charge for the period / year	(2,561,377)	(2,912,165)
Foreign exchange adjustments	(331)	167
Other adjustments / transfers	3,221	29,008
Net carrying amount at end of the period / year	20,326,990	16,828,865
13. INTANGIBLE ASSETS		
Computer software	10,788	63,301
	(Un-audited) Nine months period ended 30 September 2026 (Rupees in '000)	30 September 2025
13.1 Additions to intangible assets		
Computer software - directly purchased	31,911	100,326



(Un-audited)
30 September
 Note **2026**
(Rupees in '000)

(Audited)
31 December
2025

14. DEFERRED TAX ASSETS / (LIABILITIES)

Deductible temporary differences on

Credit loss allowance against investments	455,264	2,172,895
Credit loss allowance against advances and off-balance sheet, etc.	12,006,996	12,772,856
Unrealised net loss on fair value of refinancing	165,358	559,790
Deficit on revaluation of securities classified as FVPL	227,383	147,384
Right-of-use assets and related lease liabilities	2,831,498	2,980,323
Workers' welfare fund	4,915,829	4,395,611
Deficit on revaluation of FVOCI investments	1,544,965	-
Others	47,244	-
	22,194,537	23,028,859

Taxable temporary differences on

Accelerated tax depreciation	(3,015,243)	(3,291,342)
Surplus on revaluation of FVOCI investments	-	(14,961,073)
Surplus on revaluation of property and equipment	(13,717,875)	(6,157,249)
Surplus on revaluation of non-banking assets	(98,230)	(98,335)
	(16,831,348)	(24,507,999)
	5,363,189	(1,479,140)

15. OTHER ASSETS

Income / mark-up accrued in local currency - net	98,817,980	57,169,039
Income / mark-up accrued in foreign currencies - net	989,733	895,470
Advances, deposits, advance rent and other prepayments	17,499,511	15,915,979
Advance taxation	24,522,581	22,683,333
Non-banking assets acquired in satisfaction of claims	3,847,360	3,847,614
Mark to market gain on forward foreign exchange contracts	1,730,100	902,892
Acceptances	38,912,379	41,733,362
Stationery and stamps on hand	1,721,786	1,647,545
Receivable against home remittance	4,372,875	10,701,413
Branch adjustment account	7,367,001	6,221,325
Others	2,186,492	962,683
	201,967,798	162,680,655
Less: credit loss allowance / provision against other assets 15.1	(297,320)	(319,919)
Other Assets - (net of credit loss allowance / provision)	201,670,478	162,360,736
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	320,151	320,353
Other Assets - total	201,990,629	162,681,089



	Note	(Un-audited) 30 September 2026 (Rupees in '000)	(Audited) 31 December 2025
15.1 Credit loss allowance / provision against other assets			
Mark-up accrued		287,883	296,098
Modification		–	14,431
Others - receivable against consumer loans		9,437	9,390
	15.1.1	<u>297,320</u>	<u>319,919</u>
15.1.1 Movement in credit loss allowance / provision against other assets			
Opening balance		319,919	580,371
Foreign exchange adjustments		(3)	37
Charge / (reversal):			
ECL charge for the period / year		198,604	236,575
ECL reversal for the period / year		(206,816)	(506,516)
Modification charge		–	14,431
Charge for the period / year		1,418	3,468
Reversal for the period / year		(1,371)	(2,003)
		(8,165)	(254,045)
Modification reversal		(14,431)	(6,444)
Closing balance		<u>297,320</u>	<u>319,919</u>
16. CONTINGENT ASSETS			
There were no contingent assets of the Bank as at 30 September 2026 (31 December 2025: Nil).			
		(Un-audited) 30 September 2026 (Rupees in '000)	(Audited) 31 December 2025
17. BILLS PAYABLE			
In Pakistan		<u>46,111,056</u>	<u>59,749,478</u>
18. BORROWINGS			
Secured			
Borrowings from the State Bank of Pakistan under:			
Export refinance scheme		37,959,033	52,594,474
Renewable energy		12,928,847	15,086,050
Long term financing for imported and locally manufactured plant and machinery		15,987,968	19,931,484
Modernisation of small and medium enterprises		833,298	1,143,308
Women entrepreneurship		85,174	127,457
Financing facility for storage of agricultural produce		879,763	578,558
Temporary economic refinance facility		18,219,475	21,779,323
Refinance facility for combating COVID-19		22,224	55,558
Repurchase agreement borrowings		385,581,930	120,111,600
		472,497,712	231,407,812
Repurchase agreement borrowings		–	43,000,000
Total secured		<u>472,497,712</u>	<u>274,407,812</u>
Unsecured			
Borrowings from financial institutions		10,530,347	14,006,155
Overdrawn nostro accounts		5,880,292	1,846,857
		16,410,639	15,853,012
		<u>488,908,351</u>	<u>290,260,824</u>



19. DEPOSITS AND OTHER ACCOUNTS

	30 September 2026 (Un-audited)			31 December 2025 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
(Rupees in '000)						
Customers						
Current deposits	989,777,120	57,928,777	1,047,705,897	826,582,359	58,898,969	885,481,328
Savings deposits	1,077,229,495	50,084,005	1,127,313,500	963,196,380	51,000,729	1,014,197,109
Term deposits	234,044,741	65,271,994	299,316,735	192,437,159	69,023,162	261,460,321
Current deposits - remunerative	377,513,084	11,047,417	388,560,501	301,441,838	6,035,937	307,477,775
Others	14,878,353	15,831,440	30,709,793	20,448,737	14,894,784	35,343,521
	2,693,442,793	200,163,633	2,893,606,426	2,304,106,473	199,853,581	2,503,960,054
Financial institutions						
Current deposits	18,945,936	729,900	19,675,836	12,977,278	974,028	13,951,306
Savings deposits	1,275,224	-	1,275,224	11,477,009	-	11,477,009
Term deposits	1,520,309	544,530	2,064,839	1,340,000	540,638	1,880,638
Current deposits - remunerative	44,300,188	1,764,098	46,064,286	66,547,783	1,221,903	67,769,686
Others	55,011	-	55,011	48,320	-	48,320
	66,096,668	3,038,528	69,135,196	92,390,390	2,736,569	95,126,959
	2,759,539,461	203,202,161	2,962,741,622	2,396,496,863	202,590,150	2,599,087,013

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

20. LEASE LIABILITIES

Opening balance	20,845,724	16,848,698
Additions during the period / year	6,104,469	6,309,716
Lease payments including interest	(4,022,201)	(4,588,344)
Finance charges on lease liabilities	2,373,891	2,641,430
Deletions during the period / year	(73,200)	(394,963)
Foreign exchange adjustments	(344)	179
Other adjustment	3,221	29,008
Closing balance	25,231,560	20,845,724

20.1 Contractual maturity of lease liabilities

Short-term lease liabilities - within one year	1,747,918	1,534,555
Long-term lease liabilities		
- 1 to 5 years	8,842,253	7,867,564
- 5 to 10 years	11,406,934	8,781,919
- More than 10 years	3,234,455	2,661,686
	23,483,642	19,311,169
Total	25,231,560	20,845,724

20.2 This carries average effective rate of 13.65% (31 December 2025: 13.70%) per annum.



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

21. SUBORDINATED DEBT - Unsecured

Term Finance Certificates (TFCs) - VI	21.1	7,000,000	7,000,000
Term Finance Certificates (TFCs) - VIII	21.2	–	4,992,000
Term Finance Certificates (TFCs) - IX	21.3	7,000,000	7,000,000
Term Finance Certificates (TFCs) - X	21.4	6,965,117	6,991,600
Term Finance Certificates (TFCs) - XI	21.5	19,970,707	–
		<u>40,935,824</u>	<u>25,983,600</u>

21.1 Term Finance Certificates - VI

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

- 21.2 During the period, the Bank exercised the call option of Term Finance Certificates - VIII in accordance with the Trust Deed and Terms and Conditions for the TFC issue, after completing the regulatory requirements. Accordingly, the said TFCs were redeemed in full on 30 September 2026.



21.3 Term Finance Certificates - IX

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

21.4 Term Finance Certificates - X

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



21.5 Term Finance Certificates - XI

Issue amount	Rupees 20,000 million
Issue date	September 2026
Maturity date	September 2036
Rating	AAA
Profit payment frequency	Semi-annually
Redemption	6th - 114th month: 0.02% per each semi-annual period; 120th month: 99.62%.
Mark-up	6 - Months KIBOR (ask side) + 1.00% per annum.
Call option	On or after five years with prior SBP approval.
Lock-in-clause	Neither profit nor principal may be paid if such payments will result in shortfall (or increase the shortfall) in the Bank's Minimum Capital Requirement ("MCR"), Leverage Ratio ("LR") or Capital Adequacy Ratio ("CAR").
Loss absorbency clause	The instrument will be subject to loss absorption and / or any other requirements under SBP's Basel III Capital Rules. Upon the occurrence of a point of non-viability event as defined by SBP's Basel III Capital Rules, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank (subject to a cap) at a price equivalent to the market value of shares of the Bank on the date of trigger, and / or have them immediately written off (either partially or in full).

	(Un-audited) 30 September Note 2026	(Audited) 31 December 2025
	(Rupees in '000)	
22. OTHER LIABILITIES		
Mark-up / return / interest payable in local currency	9,973,078	5,563,150
Mark-up / return / interest payable in foreign currencies	778,200	939,066
Unearned commission income	3,929,842	3,801,833
Accrued expenses	3,635,250	4,560,875
Acceptances	38,912,379	41,733,362
Unclaimed / dividend payable	1,551,445	1,371,065
Mark to market loss on forward foreign exchange contracts	2,738,291	1,294,874
Payable to defined benefit plan	4,881,048	3,567,048
Charity payable	129,229	112,228
Credit loss allowance against off-balance sheet obligations	22.1 4,786,267	4,756,981
Security deposits against leases / ijarah	25,748,844	18,543,826
Provision for compensated absences	3,161,990	2,638,376
Other security deposits	1,131,002	1,062,926
Workers' welfare fund	9,453,518	8,453,099
Payable to SBP / NBP	3,332,251	3,396,051
Insurance payable	924,467	651,987
ATM switch, clearing and settlement account	20,490,302	28,831,290
Others	875,968	3,811,730
	136,433,371	135,089,767



		(Un-audited) 30 September 2026 Note	(Audited) 31 December 2025
		(Rupees in '000)	
22.1 Credit loss allowance against off-balance sheet obligations			
Opening balance		4,756,981	4,742,981
Charge / (reversal):			
Charge for the period / year		2,522,514	2,697,591
Reversal for the period / year		(2,493,130)	(2,684,972)
		29,384	12,619
Foreign exchange adjustments		(98)	1,381
Closing balance		4,786,267	4,756,981
23. SURPLUS ON REVALUATION OF ASSETS			
Surplus / (deficit) on revaluation of:			
- Securities measured at FVOCI - debt	9.1	(7,791,761)	23,972,927
- Securities measured at FVOCI - equity	9.1	4,820,675	4,798,368
- Property and equipment		42,983,645	21,709,624
- Non-banking assets acquired in satisfaction of claims		320,151	320,353
		40,332,710	50,801,272
Deferred tax on surplus / (deficit) on revaluation of:			
- Securities measured at FVOCI - debt		(4,051,716)	12,465,922
- Securities measured at FVOCI - equity		2,506,751	2,495,151
- Property and equipment		13,788,251	6,227,626
- Non-banking assets acquired in satisfaction of claims		98,230	98,335
		12,341,516	21,287,034
		27,991,194	29,514,238
24. CONTINGENCIES AND COMMITMENTS			
Guarantees	24.1	236,855,233	276,837,359
Commitments	24.2	711,978,660	568,315,824
Other contingent liabilities	24.3.1	3,904,528	4,396,720
		952,738,421	849,549,903
24.1 Guarantees:			
Financial guarantees		45,899,361	38,127,822
Performance guarantees		190,955,872	238,709,537
		236,855,233	276,837,359



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

24.2 Commitments:

Documentary credits and short-term trade-related transactions:

- letters of credit		390,725,033	320,900,787
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Commitments in respect of:

- forward foreign exchange contracts	24.2.1	304,738,663	217,916,938
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- forward lendings	24.2.2	13,333,982	26,364,468
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Commitments for acquisition of:

- operating property and equipment		3,180,982	3,133,631
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	711,978,660	568,315,824
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24.2.1 Commitments in respect of forward foreign exchange contracts

Purchase		182,955,175	147,981,083
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Sale		121,783,488	69,935,855
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	304,738,663	217,916,938
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The maturities of above contracts are spread over the periods upto one year.

24.2.2 Commitments in respect of forward lendings	13,333,982	26,364,468
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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)	(Audited)
	30 September	31 December
	2026	2025
	(Rupees in '000)	

24.3 Other contingent liabilities

24.3.1 Claims against the Bank not acknowledged as debts	3,904,528	4,396,720
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24.3.2 Tax related contingent liabilities

There is no material change in the Bank's tax contingencies as disclosed in note 24.3.2 to the annual unconsolidated financial statements for the year ended 31 December 2025, except for the following matters:

- For Tax Years 2015, 2016, 2017, 2018, 2019, 2020, 2021 and 2022, Commissioner Inland Revenue (CIR) (Appeals) / Appellate Tribunal Inland Revenue (ATIR) has finalised the respective orders in favour of the Bank, and refund orders amounting to Rs. 3,499.682 million have been received by the Bank during the period.
- For Tax Year 2025 (Accounting Year 2024), Additional Commissioner Inland Revenue (ACIR) has finalised the order by disallowing certain expenses resulting in a tax impact of Rs. 2,314.231 million. The Bank has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the said order.

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

25. DERIVATIVE INSTRUMENTS

25.1 Product analysis

Counter parties	30 September 2026 (Un-audited)					
	Contracts		Swap		Total	
	Notional principal	Mark to market gain / (loss)	Notional principal	Mark to market gain / (loss)	Notional principal	Mark to market gain / (loss)
	(Rupees in '000)					
Banks						
Hedging	54,225,966	964,148	87,327,607	236,693	141,553,573	1,200,841
Other Entities						
Hedging	163,185,090	(2,209,032)	—	—	163,185,090	(2,209,032)
Total						
Hedging	<u>217,411,056</u>	<u>(1,244,884)</u>	<u>87,327,607</u>	<u>236,693</u>	<u>304,738,663</u>	<u>(1,008,191)</u>
	31 December 2025 (Audited)					
	Contracts		Swap		Total	
	Notional principal	Mark to market gain / (loss)	Notional principal	Mark to market gain / (loss)	Notional principal	Mark to market gain / (loss)
	(Rupees in '000)					
Banks						
Hedging	12,249,199	34,031	80,066,226	541,920	92,315,425	575,951
Other Entities						
Hedging	125,601,513	(967,933)	—	—	125,601,513	(967,933)
Total						
Hedging	<u>137,850,712</u>	<u>(933,902)</u>	<u>80,066,226</u>	<u>541,920</u>	<u>217,916,938</u>	<u>(391,982)</u>





25.2 Maturity analysis

	Number of contracts	Notional principal	30 September 2026 (Un-audited)		
			Mark to market		
			Negative	Positive	Net
			(Rupees in '000)		
Upto 1 month	308	80,513,932	(503,337)	517,402	14,065
1 to 3 months	764	112,171,316	(1,361,912)	830,623	(531,289)
3 to 6 months	942	87,319,950	(801,643)	280,184	(521,459)
Over 6 months to 1 year	210	24,733,465	(71,399)	101,891	30,492
	2,224	304,738,663	(2,738,291)	1,730,100	(1,008,191)

31 December 2025 (Audited)					
Upto 1 month	395	66,673,893	(324,252)	221,183	(103,069)
1 to 3 months	766	77,853,398	(660,555)	434,490	(226,065)
3 to 6 months	829	58,737,510	(296,826)	142,319	(154,507)
Over 6 months to 1 year	104	14,652,137	(13,241)	104,900	91,659
	2,094	217,916,938	(1,294,874)	902,892	(391,982)

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

26. MARK-UP / RETURN / INTEREST EARNED

Loans and advances	62,560,978	75,023,676
Investments	197,267,112	184,147,643
Lendings to financial institutions	291,322	422,400
Deposits with financial institutions	409,458	501,558
Securities purchased under resale agreements	456,328	308,723
	<u>260,985,198</u>	<u>260,404,000</u>

26.1 Interest income recognised on:

Financial assets measured at:	
- Amortised cost	113,773,775
- FVOCI	147,159,253
- FVPL	52,170
	<u>260,985,198</u>



		(Un-audited) Nine months period ended	
	Note	30 September 2026	30 September 2025
		(Rupees in '000)	
27. MARK-UP / RETURN / INTEREST EXPENSED			
Deposits		123,042,587	111,337,363
Borrowings		3,203,268	4,761,055
Subordinated debt		2,491,805	2,667,596
Cost of foreign currency swaps against deposits / borrowings		4,958,775	3,453,032
Repurchase agreement borrowings		25,380,774	36,934,135
Finance charges on lease liabilities		2,373,891	1,934,637
		<u>161,451,100</u>	<u>161,087,818</u>
28. FEE AND COMMISSION INCOME			
Branch banking customer fees		2,587,455	2,159,211
Investment banking fees		81,530	45,959
Consumer finance related fees		71,557	52,054
Card related fees (debit and credit cards)		5,941,082	4,959,942
Credit related fees		290,086	247,172
Commission on trade		5,310,842	5,264,941
Commission on guarantees		1,116,010	889,748
Commission on cash management		180,344	189,648
Commission on home remittances		143,567	313,853
Others		55,771	47,025
		<u>15,778,244</u>	<u>14,169,553</u>
29. (LOSS) / GAIN ON SECURITIES - NET			
Realised gain / (loss)	29.1	414,189	(108,599)
Unrealised (loss) / gain - measured at FVPL	9.1	(437,275)	660,016
		<u>(23,086)</u>	<u>551,417</u>
29.1 Realised gain / (loss) on:			
Federal Government Securities		(1,281)	(119,176)
Units of Mutual Funds		(85,277)	—
Associates - Mutual Funds		754,147	10,577
Foreign Currency Bonds		(253,400)	—
		<u>414,189</u>	<u>(108,599)</u>
29.2 Net (loss) / gain on financial assets:			
Net (loss) / gain on investments in securities mandatorily measured at FVPL		(522,552)	660,016
Net loss on financial assets measured at FVOCI		(254,681)	(119,176)
Gain on investments in associates		754,147	10,577
		<u>(23,086)</u>	<u>551,417</u>
30. OTHER INCOME			
Rent on property		28,915	24,184
Gain on sale of property and equipment - net		1,206,423	641,678
Gain on termination of leases - net		25,343	102,374
		<u>1,260,681</u>	<u>768,236</u>



		(Un-audited)	
		Nine months period ended	
		30 September 2026	30 September 2025
		(Rupees in '000)	
31. OPERATING EXPENSES			
Total compensation expenses		36,162,501	31,888,276
Property expenses			
Rent and taxes	328,920	210,754	
Insurance	30,628	21,447	
Utilities cost	3,225,864	2,632,064	
Security (including guards)	2,001,690	2,074,594	
Repair and maintenance (including janitorial charges)	809,411	750,595	
Depreciation	1,699,265	1,414,330	
Depreciation on non-banking assets acquired in satisfaction of claims	456	456	
Depreciation on right-of-use assets	2,561,377	2,120,045	
	10,657,611	9,224,285	
Information technology expenses			
Software maintenance	4,322,444	2,998,504	
Hardware maintenance	1,234,652	1,195,282	
Depreciation	1,716,899	1,328,975	
Amortisation	84,424	132,610	
Network charges	554,907	685,461	
	7,913,326	6,340,832	
Other operating expenses			
Directors' fees and allowances	60,940	67,710	
Fees and allowances to shariah board	38,176	32,583	
Insurance	1,058,871	937,900	
Legal and professional charges	491,626	384,609	
Outsourced services costs	3,081,064	2,709,803	
Travelling and conveyance	618,201	601,449	
NIFT and other clearing charges	282,618	259,382	
Depreciation	3,169,731	2,865,129	
Repair and maintenance	2,353,644	1,957,261	
Training and development	123,515	175,673	
Postage and courier charges	411,947	307,994	
Communication	2,265,312	2,097,172	
Stationery and printing	1,328,838	1,451,312	
Marketing, advertisement and publicity	2,206,212	3,175,185	
Donations	423,800	343,400	
Auditors' remuneration	25,538	20,084	
Commission and brokerage	2,014,775	1,278,766	
Entertainment and staff refreshment	640,453	634,467	
Vehicle running expenses	197,267	165,496	
Subscriptions and publications	305,078	241,406	
CNIC verification charges	312,351	308,543	
Security charges	913,257	791,318	
Others	782,298	734,490	
	23,105,512	21,541,132	
	77,838,950	68,994,525	



		(Un-audited)	
		Nine months period ended	
	Note	30 September 2026	30 September 2025
		(Rupees in '000)	
32. OTHER CHARGES			
Penalties imposed by the State Bank of Pakistan		<u>104,336</u>	<u>76,271</u>
33. CREDIT LOSS ALLOWANCE AND WRITE-OFFS - NET			
(Reversal) / charge against balances with other banks	7.1	<u>(131,571)</u>	48,518
(Reversal) / charge against lendings to financial institutions	8.1	<u>(840)</u>	2,088
Reversal against investments	9.2	<u>(3,275,682)</u>	(2,988,961)
Charge against loans and advances	10.3	<u>1,291,315</u>	982,904
Reversal against other assets	15.1.1	<u>(8,165)</u>	(234,572)
Charge / (reversal) against off-balance sheet items	22.1	<u>29,384</u>	(9,573)
Reversal of deficit on revaluation of property and equipment		<u>(425,781)</u>	–
		<u>(2,521,340)</u>	<u>(2,199,596)</u>
34. TAXATION			
Charge / (reversal):			
Current		<u>25,402,037</u>	28,027,624
Prior years		<u>(1,821,699)</u>	2,354,668
Deferred		<u>1,895,881</u>	(2,271,799)
		<u>25,476,219</u>	<u>28,110,493</u>
35. BASIC AND DILUTED EARNINGS PER SHARE			
Profit for the period		<u>23,544,303</u>	<u>25,393,030</u>
		(Number)	
Weighted average number of ordinary shares		<u>1,111,425,416</u>	<u>1,111,425,416</u>
		(Rupees)	
Basic and diluted earnings per share		<u>21.18</u>	<u>22.85</u>
36. FAIR VALUE MEASUREMENTS			
Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.			
36.1 Fair value of financial assets			
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).

There were no transfers between Levels 1 and 2 during the period / year.

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

30 September 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	–	1,697,858,831	–	1,697,858,831
Shares	805,395	171,137	4,226,822	5,203,354
Non Government Debt Securities	–	10,101,791	–	10,101,791
Foreign Securities	–	5,273,487	–	5,273,487
Units of Mutual Funds	4,385,397	–	–	4,385,397
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	–	686,190,976	–	686,190,976
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange contracts	–	180,367,619	–	180,367,619
Forward sale of foreign exchange contracts	–	123,362,853	–	123,362,853
31 December 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	–	1,543,086,629	–	1,543,086,629
Shares	847,284	160,110	4,127,900	5,135,294
Non Government Debt Securities	–	6,639,907	–	6,639,907
Foreign Securities	–	6,488,152	–	6,488,152
Units of Mutual Funds	8,627,514	–	–	8,627,514
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	–	454,684,915	–	454,684,915
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange contracts	–	147,047,803	–	147,047,803
Forward sale of foreign exchange contracts	–	70,477,153	–	70,477,153



36.2 Valuation techniques used in determination of fair values

Item	Valuation Approach	Input Used
Federal Government Securities	Federal Government Securities include Pakistan Investments Bonds (PIBs), Market Treasury Bills (MTBs) and Government Ijarah Sukuks (GISs) at fixed rate and floating rate. The fair value of fixed rates PIBs and MTBs are derived from PKRV and PKFRV rates. The fair value of GISs are revalued using PKISRV rates. Where PKISRV rates are not available for specific sukuk GISs, the average of available PKISRV rates for similar GISs are applied.	<ul style="list-style-type: none"> - PKRV rates - PKFRV rates - PKISRV rates
Term Finance Certificates (TFCs)	These are valued using the Mutual Funds Association of Pakistan (MUFAP) rate, if available, or the income approach. Future cash flows are estimated based on prevailing KIBOR rates as of the valuation date. These cash flows are then discounted using PKRV rate, adjusted for an instrument-specific credit spread to reflect the individual credit risk associated with each instrument.	<ul style="list-style-type: none"> - KIBOR - PKRV rates - Term sheets - MUFAP rates
Sukuks		
Foreign Securities	Fair values of investments in foreign securities are valued on the basis of closing quoted market prices available at the Mashreq Bank PSC and Reuters.	<ul style="list-style-type: none"> - Market price as per Mashreq Bank PSC - Reuters
Ordinary Shares - listed	The fair value of investments in listed equity securities are valued on the basis of closing quoted market price available at the Pakistan Stock Exchange (PSX).	- Fair value as per PSX
Units of Mutual Funds	Fair values of investments in units of mutual funds are determined based on redemption prices disclosed at MUFAP as at the close of the business days.	- Net Assets Value as per MUFAP
Ordinary Shares - unlisted	<p>The valuation of unlisted companies varies for each company, as explained below;</p> <ul style="list-style-type: none"> - Society for Worldwide Interbank Financial Telecommunication (SWIFT) is valued using the market approach. Valuation is based on its latest published share price in euros, converted to PKR using the exchange rate prevailing on the valuation date. - Pakistan Mortgage Refinance Company Limited (PMRC) has been valued based on price-to-book ratio of comparable market data. - 1LINK (Private) Limited has been valued based on discounted cash flows. Future cash flows were projected based on reasonable assumptions aligned with the company's historical performance. The discount rate was derived using the Capital Asset Pricing Model (CAPM), given that the company is currently unlevered. The CAPM inputs included the equity risk premium (ERP), PKRV rates, and the ungeared beta of comparable companies, adjusted for Pakistan's country risk premium (CRP). 	<ul style="list-style-type: none"> - Euro / Pak exchange rate - PKRV rates - Comparable company information - Historical PSX returns - Financials of the investee company



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

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

	(Un-audited) 30 September 2026	(Audited) 31 December 2025
	(Rupees in '000)	
Opening balance	4,127,900	3,596,078
Surplus recognised in OCI	98,922	531,822
Closing balance	<u>4,226,822</u>	<u>4,127,900</u>

Ordinary shares in unlisted companies	Unobservable Input	Fair Value (Rupees in '000)	Input	Relationship of unobservable inputs to fair value
Pakistan Mortgage Refinance Company Limited	Discounts for lack of marketability (DLOM)	132,052	20%	Increase / (decrease) in DLOM by 1% by all other variables held constant would (decrease) / increase the fair value by Rs. 1.6 m.
1LINK (Private) Limited	Discounts for lack of marketability (DLOM)	4,094,770	28%	Increase / (decrease) in DLOM by 1% by all other variables held constant would (decrease) / increase the fair value by Rs. 56.9 m.

37. SEGMENT INFORMATION

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

	Nine months period ended 30 September 2026 (Un-audited)					
	Corporate	Treasury	Retail	Islamic	Overseas	Total
	(Rupees in '000)					
Statement of profit and loss account						
Mark-up / return / profit	37,700,327	167,020,562	11,082,181	42,881,350	2,300,778	260,985,198
Inter segment revenue - net	26,490,021	702,378	111,580,555	—	1,278,335	140,051,289
Non mark-up / return / interest income	2,865,166	9,259,220	11,338,678	2,243,513	202,212	25,908,789
Total income	67,055,514	176,982,160	134,001,414	45,124,863	3,781,325	426,945,276
Segment direct expenses	(53,479,233)	(31,690,502)	(123,197,255)	(30,104,743)	(1,923,072)	(240,394,805)
Inter segment expense allocation	—	(139,348,911)	—	—	(702,378)	(140,051,289)
Total expenses	(53,479,233)	(171,039,413)	(123,197,255)	(30,104,743)	(2,625,450)	(380,446,094)
Credit loss allowance and write-offs - net	(182,713)	221,440	57,327	(723,436)	3,148,722	2,521,340
Profit before tax	13,393,568	6,164,187	10,861,486	14,296,684	4,304,597	49,020,522
	As at 30 September 2026 (Un-audited)					
	Corporate	Treasury	Retail	Islamic	Overseas	Total
	(Rupees in '000)					
Statement of financial position						
Cash and bank balances	65,379,963	98,405,817	25,146,944	32,120,538	292,541	221,345,803
Investments	—	2,021,387,761	—	379,691,064	15,845,904	2,416,924,729
Net inter segment lending	342,696,176	—	1,443,495,644	—	20,755,869	1,806,947,689
Lendings to financial institutions	—	10,233,360	—	7,998,920	—	18,232,280
Advances - performing	557,558,380	—	85,848,365	191,916,619	51,344,331	886,667,695
- non-performing net of credit loss allowance	1,835,858	—	38,548	126,553	—	2,000,959
Others	100,116,240	152,916,292	38,507,476	37,376,364	6,844,282	335,760,654
Total assets	1,067,586,617	2,282,943,230	1,593,036,977	649,230,058	95,082,927	5,687,879,809
Borrowings	65,805,170	401,992,569	—	17,508,125	3,602,487	488,908,351
Subordinated debt	—	40,935,824	—	—	—	40,935,824
Deposits and other accounts	950,467,586	—	1,519,041,032	444,509,933	48,723,071	2,962,741,622
Net inter segment borrowing	—	1,774,218,021	—	10,449,670	22,279,998	1,806,947,689
Others	30,634,946	12,047,477	68,215,213	89,984,425	6,893,926	207,775,987
Total liabilities	1,046,907,702	2,229,193,891	1,587,256,245	562,452,153	81,499,482	5,507,309,473
Equity	20,678,915	53,749,339	5,780,732	86,777,905	13,583,445	180,570,336
Total equity and liabilities	1,067,586,617	2,282,943,230	1,593,036,977	649,230,058	95,082,927	5,687,879,809
Contingencies and commitments	563,646,473	306,395,481	831,681	76,039,942	5,824,844	952,738,421



Statement of profit and loss account

Nine months period ended 30 September 2025 (Un-audited)					
Corporate	Treasury	Retail	Islamic	Overseas	Total
(Rupees in '000)					
Mark-up / return / profit	47,055,069	155,513,224	18,282,962	36,837,248	260,404,000
Inter segment revenue - net	8,216,123	832,959	94,693,436	—	105,005,321
Non mark-up / return / interest income	3,040,186	6,863,181	10,046,939	1,874,849	22,150,450
Total income	58,311,378	163,209,364	123,023,337	38,712,097	387,559,771
Segment direct expenses	(47,599,142)	(38,730,088)	(117,096,933)	(25,579,608)	(231,250,523)
Inter segment expense allocation	—	(104,172,362)	—	—	(105,005,321)
Total expenses	(47,599,142)	(142,902,450)	(117,096,933)	(25,579,608)	(336,255,844)
Credit loss allowance and write-offs - net	(1,444,610)	103,633	22,723	(362,737)	2,199,596
Profit before tax	9,267,626	20,410,547	5,949,127	12,769,752	53,503,523

As at 31 December 2025 (Audited)

Statement of financial position

Corporate	Treasury	Retail	Islamic	Overseas	Total
(Rupees in '000)					
Cash and bank balances	67,163,101	85,757,257	16,112,946	27,409,913	196,663,463
Investments	—	1,676,129,646	—	329,585,390	2,028,480,131
Net inter segment lending	198,193,364	—	1,416,629,585	—	1,640,300,145
Lendings to financial institutions	—	6,456,338	—	17,997,570	24,453,908
Advances - performing	545,341,116	—	60,926,055	151,657,603	789,311,736
- non-performing net of credit loss allowance	2,683,652	—	37,725	17,282	2,738,659
Others	88,919,404	114,419,961	22,190,049	29,027,376	262,116,000
Total assets	902,300,637	1,882,763,202	1,515,896,360	555,695,134	4,944,064,042
Borrowings	87,136,060	178,964,612	—	24,160,152	290,260,824
Subordinated debt	—	25,983,600	—	—	25,983,600
Deposits and other accounts	733,776,142	—	1,404,805,036	413,425,416	2,599,087,013
Net inter segment borrowing	1,261,933	1,620,269,964	—	18,768,248	1,640,300,145
Others	48,635,953	17,891,975	107,332,234	35,999,763	217,164,109
Total liabilities	870,810,088	1,843,110,151	1,512,137,270	73,152,851	4,772,795,691
Equity	31,490,549	39,653,051	3,759,090	82,109,803	171,268,351
Total equity and liabilities	902,300,637	1,882,763,202	1,515,896,360	555,695,134	4,944,064,042
Contingencies and commitments	549,253,643	219,429,568	687,622	68,114,936	849,549,903

38. RELATED PARTY TRANSACTIONS

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

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



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

	30 September 2026 (Un-audited)					31 December 2025 (Audited)				
	Directors	Key management personnel	Subsidiaries	Associates	Other related parties	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	(Rupees in '000)									
Investments										
Opening balance	-	-	3,883,250	10,501,651	4,097,713	-	-	3,883,250	4,614,653	811,604
Investment made during the period / year	-	-	-	5,000,000	-	-	-	-	7,500,000	-
Investment adjusted / redeemed / disposed off during the period / year	-	-	-	(8,000,000)	-	-	-	-	(1,613,002)	(182,690)
(Deficit) / surplus on revaluation	-	-	-	-	(2,944)	-	-	-	-	3,438,799
Credit loss allowance	-	-	-	-	-	-	-	-	-	30,000
Closing balance	-	-	3,883,250	7,501,651	4,094,769	-	-	3,883,250	10,501,651	4,097,713
Advances										
Opening balance	7,223	453,102	544,242	-	1,076,951	1,674	391,567	550,336	-	1,109,581
Addition during the period / year	12,570	494,195	112,847,774	-	28,983,556	130,940	605,791	67,548,169	-	42,247,630
Repaid during the period / year	(19,350)	(325,242)	(113,140,330)	-	(28,722,915)	(125,348)	(544,278)	(67,561,040)	-	(42,330,680)
Credit loss allowance	49	(88)	4,601	-	(4,600)	(43)	22	6,777	-	50,420
Closing balance	492	621,967	256,287	-	1,332,992	7,223	453,102	544,242	-	1,076,951
Right-of-use assets	-	-	-	-	7,972	-	-	-	-	11,959
Other assets										
Interest / mark-up accrued	-	497	13,266	-	14,162	-	517	22,012	-	46,017
Credit loss allowance on accrued mark-up	-	-	197	-	379	-	1	143	-	721
Other receivable	-	-	4,617	-	-	-	-	-	-	-
Subordinated debt										
Opening balance	-	-	-	-	244,000	-	-	-	-	244,000
Issued / purchased during the period / year	-	-	-	-	1,804,538	-	-	-	-	-
Redeemed / sold during the period / year	-	-	-	-	(77)	-	-	-	-	-
Closing balance	-	-	-	-	2,048,461	-	-	-	-	244,000
Deposits and other accounts										
Opening balance	473,249	834,169	1,210,721	38,763,597	2,979,643	1,106,745	854,460	1,020,652	11,795,080	15,445,734
Received during the period / year	5,358,341	4,221,840	210,669,283	1,048,569,451	75,463,384	10,183,847	6,909,437	514,833,412	1,208,186,155	398,533,940
Withdrawn during the period / year	(5,605,173)	(3,893,242)	(210,975,891)	(1,060,583,703)	(72,402,429)	(10,817,343)	(6,929,728)	(514,643,343)	(1,181,217,638)	(411,000,031)
Closing balance	226,417	1,162,767	904,113	26,749,345	6,040,598	473,249	834,169	1,210,721	38,763,597	2,979,643
Other liabilities										
Interest / mark-up payable	309	5,555	118	2,432	55,694	10	2,361	27	71,146	6,377
Credit loss allowance on off-balance sheet	-	-	-	-	16,597	-	-	-	-	16,910
Payable to staff gratuity fund	-	-	-	-	4,881,048	-	-	-	-	3,567,048
Other liabilities	1	3	2,718	-	-	-	33	1,782	-	-
Contingencies and commitments	-	-	-	-	1,171,961	-	-	-	-	1,195,406
Other transactions - Investor Portfolio Securities										
Opening balance	-	80,000	45,000	-	30,407,700	-	-	45,000	-	24,182,000
Increased during the period / year	-	-	-	-	6,849,400	-	80,000	-	-	12,475,800
Decreased during the period / year	-	-	-	-	(7,105,600)	-	-	-	-	(6,250,100)
Closing balance	-	80,000	45,000	-	30,151,500	-	80,000	45,000	-	30,407,700



38.1 Related Party Transactions

Income

Mark-up / return / interest earned

Fee and commission income

Dividend income

Net gain on sale / redemption of securities / mutual fund

Rental income

Other income

Expense

Mark-up / return / interest expensed

Foreign exchange expenses

Operating expenses

Brokerage and commission

Salaries and allowances

Bonus

Contribution to defined contribution plan

Contribution to defined benefit plan

Staff provident fund

Staff gratuity fund

Directors' fees

Donation

Insurance premium paid

Insurance claims settled

Other

Sale of government securities

Purchase / sale of foreign currencies (cross currency)

30 September 2026 (Un-audited)

	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
					(Rupees in '000)
Mark-up / return / interest earned	21	21,920	28,634	–	46,393
Fee and commission income	841	1,868	439	235	21,512
Dividend income	–	–	–	454,745	158,803
Net gain on sale / redemption of securities / mutual fund	–	–	–	754,147	–
Rental income	–	–	28,915	–	–
Other income	–	16	571	–	230
Mark-up / return / interest expensed	24,645	54,385	75,434	682,564	412,153
Foreign exchange expenses	–	–	23,589	–	–
Operating expenses	–	–	–	–	964,874
Brokerage and commission	–	–	15,381	–	–
Salaries and allowances	–	1,401,718	–	–	–
Bonus	–	295,392	–	–	–
Contribution to defined contribution plan	–	50,842	–	–	–
Contribution to defined benefit plan	–	170,587	–	–	–
Staff provident fund	–	–	–	–	1,233,515
Staff gratuity fund	–	–	–	–	1,314,000
Directors' fees	55,540	–	–	–	–
Donation	–	–	–	–	27,000
Insurance premium paid	–	–	–	–	344,328
Insurance claims settled	–	–	–	–	71,376
Sale of government securities	–	–	194,877	–	6,394,918
Purchase / sale of foreign currencies (cross currency)	–	–	17,438,487	–	–

30 September 2025 (Un-audited)

	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
Mark-up / return / interest earned	4,492	23,072	42,345	–	83,930
Fee and commission income	263	919	922	266	10,717
Dividend income	–	–	–	608,385	140,847
Net gain on sale / redemption of securities / mutual fund	–	–	–	10,577	4
Rental income	–	–	24,184	–	–
Other income	–	14	573	–	291
Mark-up / return / interest expensed	49,995	89,863	75,624	352,151	542,217
Foreign exchange expenses	–	–	–	–	–
Operating expenses	–	–	–	–	953,303
Brokerage and commission	–	–	16,722	–	–
Salaries and allowances	–	1,218,689	–	–	–
Bonus	–	256,898	–	–	–
Contribution to defined contribution plan	–	42,884	–	–	–
Contribution to defined benefit plan	–	249,092	–	–	–
Staff provident fund	–	–	–	–	1,066,628
Staff gratuity fund	–	–	–	–	945,000
Directors' fees	54,910	–	–	–	–
Donation	–	–	–	–	99,000
Insurance premium paid	–	–	–	–	188,383
Insurance claims settled	–	–	–	–	138,372
Sale of government securities	–	–	298,867	–	8,933,650
Purchase / sale of foreign currencies (cross currency)	–	–	2,961,720	–	–





39. CAPITAL ADEQUACY, LEVERAGE RATIO AND LIQUIDITY REQUIREMENTS

	(Un-audited) 30 September 2026 (Rupees in '000)	(Audited) 31 December 2025 (Rupees in '000)
Minimum Capital Requirement (MCR):		
Paid-up capital	11,114,254	11,114,254
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	157,161,332	147,597,060
Eligible Additional Tier 1 (ADT 1) Capital	12,949,532	13,026,476
Total Eligible Tier 1 Capital	170,110,864	160,623,536
Eligible Tier 2 Capital	56,130,399	52,182,666
Total Eligible Capital (Tier 1 + Tier 2)	226,241,263	212,806,202
Risk Weighted Assets (RWAs):		
Credit Risk	1,112,827,557	873,780,066
Market Risk	78,537,594	69,227,982
Operational Risk	305,193,173	305,193,173
Total	1,496,558,324	1,248,201,221
	(Un-audited) 30 September 2026 (Percentage)	(Audited) 31 December 2025 (Percentage)
Common Equity Tier 1 Capital Adequacy Ratio	10.50%	11.82%
Tier 1 Capital Adequacy Ratio	11.37%	12.87%
Total Capital Adequacy Ratio	15.12%	17.05%
	(Un-audited) 30 September 2026 (Rupees in '000)	(Audited) 31 December 2025 (Rupees in '000)
Leverage Ratio (LR):		
Eligible Tier-1 Capital	170,110,864	160,623,536
Total Exposures	4,433,599,596	3,829,478,348
Leverage Ratio	3.84%	4.19%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	1,583,917,730	1,365,295,341
Total Net Cash Outflow	605,269,763	480,920,313
Liquidity Coverage Ratio	261.69%	283.89%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	2,973,053,200	2,631,738,714
Total Required Stable Funding	1,729,853,070	1,366,097,618
Net Stable Funding Ratio	171.87%	192.65%

The Bank has applied transitional approach under IFRS 9 as prescribed in SBP Circular. CAR and LR would be 14.54% & 3.73% respectively, if full impact of IFRS 9 is applied.



40. ISLAMIC BANKING BUSINESS

The Bank is operating with 451 (31 December 2025: 392) Islamic Banking branches and 08 (31 December 2025: 08) Islamic Banking windows at the end of the period / year.

		(Un-audited)	(Audited)
		30 September	31 December
		2026	2025
		(Rupees in '000)	
STATEMENT OF FINANCIAL POSITION			
	Note		
ASSETS			
Cash and balances with treasury banks		32,110,688	27,400,433
Balances with other banks		9,850	9,480
Due from financial institutions	40.1	7,998,920	17,997,570
Investments	40.2	379,691,064	329,585,390
Islamic financing and related assets - net	40.3	192,043,172	151,674,885
Property and equipment		4,576,207	3,976,043
Right-of-use assets		7,187,763	6,521,920
Intangible assets		-	-
Due from Head Office		-	-
Other assets		25,612,394	18,529,413
Total Assets		649,230,058	555,695,134
LIABILITIES			
Bills payable		1,270,082	1,249,578
Due to financial institutions		17,508,125	24,160,152
Deposits and other accounts	40.4	444,509,933	413,425,416
Due to Head Office		10,449,670	8,509,501
Lease liabilities		9,102,300	7,886,845
Subordinated debt		-	-
Other liabilities		79,612,043	18,353,839
Total Liabilities		562,452,153	473,585,331
NET ASSETS			
		86,777,905	82,109,803
REPRESENTED BY			
Islamic Banking Fund		7,600,000	7,600,000
Reserves		-	-
(Deficit) / surplus on revaluation of assets		(6,568,581)	3,033,370
Unappropriated profit	40.5	85,746,486	71,476,433
		86,777,905	82,109,803
CONTINGENCIES AND COMMITMENTS			
	40.6		



STATEMENT OF PROFIT AND LOSS ACCOUNT		(Un-audited)	
		Nine months period ended	
	Note	30 September 2026	30 September 2025
(Rupees in '000)			
Profit / return earned	40.7	42,881,350	36,837,248
Profit / return expensed	40.8	(18,953,696)	(16,829,400)
Net profit / return		23,927,654	20,007,848
Other income			
Fee and commission income		2,097,298	1,623,722
Dividend income		43,123	61,787
Foreign exchange income		205,004	202,801
Loss on securities - net		(101,912)	(13,461)
Other income		—	—
Total other income		2,243,513	1,874,849
Total income		26,171,167	21,882,697
Other expenses			
Operating expenses		(11,149,867)	(8,749,522)
Other charges		(1,180)	(686)
Total other expenses		(11,151,047)	(8,750,208)
Profit before credit loss allowance		15,020,120	13,132,489
Credit loss allowance and write-offs - net		(723,436)	(362,737)
Profit for the period		14,296,684	12,769,752

40.1 Due from financial institutions	(Un-audited)	(Audited)
	30 September	31 December
	2026	2025
	(Rupees in '000)	
In local currency		
Musharaka placement	8,000,000	18,000,000
Less: credit loss allowance - Stage 1	(1,080)	(2,430)
Due from financial institutions - net of credit loss allowance	7,998,920	17,997,570



40.2 Investments

	30 September 2026 (Un-audited)				31 December 2025 (Audited)			
	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
	(Rupees in '000)							
Investments by segments:								
Debt instruments								
Amortised Cost								
Federal Government Securities								
- Bai Muajjal	23,506,941	-	-	23,506,941	24,383,389	-	-	24,383,389
- Ijarah Sukuks	10,177,149	-	-	10,177,149	-	-	-	-
	33,684,090	-	-	33,684,090	24,383,389	-	-	24,383,389
FVPL								
Federal Government Securities								
- Naya Pakistan Certificates	1,423,721	-	-	1,423,721	886,072	-	-	886,072
FVOCI								
Federal Government Securities								
- Ijarah Sukuks	346,174,299	-	(6,677,039)	339,497,260	297,726,212	-	3,037,050	300,763,262
- Neelum Jhelum Hydropower Co. Ltd. Sukuk	-	-	-	-	288,750	-	17,293	306,043
Non Government Debt Securities								
- Listed	2,168,463	(680,594)	130,822	1,618,691	1,122,000	(680,424)	2,855	444,431
- Unlisted	2,125,965	(542)	(22,364)	2,103,059	2,360,500	(634)	(23,828)	2,336,038
	350,468,727	(681,136)	(6,568,581)	343,219,010	301,497,462	(681,058)	3,033,370	303,849,774
Investments mandatorily classified / measured at FVPL								
Units of Mutual Funds	1,266,155	-	(101,912)	1,164,243	273,129	-	(6,974)	266,155
Associates								
- AL Habib Islamic Cash Fund	100,000	-	-	100,000	100,000	-	-	100,000
- AL Habib Islamic Savings Fund	100,000	-	-	100,000	100,000	-	-	100,000
	200,000	-	-	200,000	200,000	-	-	200,000
Total Investments	387,042,683	(681,136)	(6,670,493)	379,691,064	327,240,052	(681,058)	3,026,396	329,585,390

40.2.1 Particulars of credit loss allowance

	30 September 2026 (Un-audited)			
	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)			
Non Government Debt Securities	750	386	680,000	681,136
	31 December 2025 (Audited)			
	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)			
Non Government Debt Securities	614	444	680,000	681,058



	(Un-audited) 30 September 2026	(Audited) 31 December 2025
	(Rupees in '000)	
40.3 Islamic financing and related assets		
Ijarah	4,506,429	3,960,126
Murabaha	17,281,121	12,896,466
Diminishing Musharaka	58,216,888	32,362,289
Istisna	5,366,932	6,870,106
Islamic Long Term Financing Facility (ILTFF)	6,942,995	4,301,121
Islamic Refinance for Renewable Energy (IFRE)	2,576,479	2,916,460
Islamic Refinance for Temporary Economic Refinance Facility (ITERF)	3,914,554	2,028,789
Islamic Refinance Facility for Modernisation of SMEs (IRFSME)	166,442	133,037
Islamic Financing Facility for Storage of Agricultural Produce (IFFSAP)	78,701	99,457
Islamic Export Refinance (IERF) - Istisna	100,000	399,500
Musawamah	3,195,741	4,775,840
Running Musharaka	559,473	1,844,473
Islamic Export Refinance - Running Musharaka	13,301,641	13,963,641
Financing against Bills - Musawamah	12,397,603	6,919,778
Export Finance Scheme (EFS) - Discounting	8,716,076	8,405,335
Staff Financing	6,405,994	5,933,903
Bai Muajjal	19,480,720	-
Musawamah Inventory	4,863,990	4,430,963
Advance against Istisna	15,122,895	11,524,724
Advance against Istisna - IERF	6,662,199	3,807,743
Advance against Ijarah	520,998	589,164
Advance against Diminishing Musharaka	5,621,251	4,706,521
Advance against Bai Muajjal	-	22,038,007
Advance against IRFSME	-	64,196
Advance against Murabaha	8,827	-
Gross Islamic financing and related assets	196,007,949	154,971,639
Less: credit loss allowance against Islamic financings		
- Stage 1	(1,878,520)	(1,088,425)
- Stage 2	(561,363)	(839,919)
- Stage 3	(1,524,894)	(1,368,410)
	(3,964,777)	(3,296,754)
Islamic financing and related assets - net of credit loss allowance	192,043,172	151,674,885



	(Un-audited) 30 September 2026 (Rupees in '000)	(Audited) 31 December 2025
40.4 Deposits and other accounts		
Customers		
Current deposits	214,876,798	165,099,275
Savings deposits	210,081,809	216,447,312
Term deposits	18,290,184	20,546,384
	<u>443,248,791</u>	<u>402,092,971</u>
Financial institutions		
Current deposits	300,797	95,431
Savings deposits	960,345	11,237,014
	<u>1,261,142</u>	<u>11,332,445</u>
	<u>444,509,933</u>	<u>413,425,416</u>
40.5 Islamic Banking Business Unappropriated Profit		
Opening balance	71,476,433	54,066,152
Impact of change in accounting policy	(26,631)	—
Add: Islamic Banking profit for the period / year	14,296,684	17,410,281
Closing balance	<u>85,746,486</u>	<u>71,476,433</u>
40.6 Contingencies and Commitments		
Guarantees	16,719,332	27,884,693
Commitments	59,320,610	40,230,243
	<u>76,039,942</u>	<u>68,114,936</u>
	(Un-audited) Nine months period ended 30 September 2026 (Rupees in '000)	30 September 2025
40.7 Profit / Return Earned on Financings, Investments and Placements		
Profit earned on:		
Financings	12,519,532	8,385,441
Investments	30,070,168	28,029,068
Placements	291,650	422,739
	<u>42,881,350</u>	<u>36,837,248</u>
40.8 Profit on Deposits and Other Dues Expensed		
Deposits and other accounts	14,629,399	14,531,442
Due to financial institutions	1,380,494	1,357,216
Due to Head Office	2,074,735	319,342
Finance charges on lease liabilities	869,068	621,400
	<u>18,953,696</u>	<u>16,829,400</u>



40.9 Profit and Loss Distribution and Pool Management

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

General Pool PKR (Mudaraba)

Deposits which assume minimal risk of loss due to diversified assets being tagged thereto are parked in the general pool. In case of loss in general pool, the loss will be borne by the general pool members.

Special Pool(s) PKR (Mudaraba)

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

General Pool FCY (Mudaraba)

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

Special Pool(s) FCY (Mudaraba)

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

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

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

Equity Pool

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

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

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

Parameters associated with risk and rewards:

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

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



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

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

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

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

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

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

The Bank calculates the profit of the pool every month. Profit is distributed at the net income level. Net income is calculated after deducting direct costs such as cost of murabaha, cost of takaful, depreciation on ijarah assets, and amortisation of premium on sukuks and loss of investments directly incurred in deriving that income. The provisions created against non-performing assets as per relevant SBP regulations, write-offs and loss on sale of investments may be charged to the respective pool along with other direct expenses. In case of any reversal of the provision expense / value in investment, the benefit shall be allocated to the same pool.

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

The Bank's profit sharing ratio during the period was 50% (30 September 2025: 50%) of net income and the depositors' profit sharing ratio was 50% (30 September 2025: 50%) of net income.

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

The credit loss allowance under IFRS 9 and diminution in the value of investments as under Prudential Regulations and other SBP directives shall be borne by the IBIs as Mudarib.



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

30 September 2026 (Un-audited)					
	Distributable Income (Rupees in '000)	Mudarib Share (Rupees in '000)	Mudarib Share (Percentage)	HIBA Amount (Rupees in '000)	HIBA (Percentage)
LCY Pool	22,249,743	9,345,991	42.00%	3,446,615	36.88%
FCY Pool	358,272	279,283	77.95%	41,897	15.00%
30 September 2025 (Un-audited)					
LCY Pool	20,373,504	9,552,001	46.88%	4,054,090	42.44%
FCY Pool	328,100	271,293	82.69%	41,318	15.23%

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

(Un-audited) Nine months period ended		
	30 September 2026	30 September 2025
	(Percentage)	
Profit rate earned	10.16%	11.73%
Profit rate distributed	4.85%	5.78%

41. GENERAL

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

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

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

42. NON-ADJUSTING EVENT AFTER THE REPORTING DATE

The Board of Directors, in its meeting held on 22 October 2026, has announced an interim cash dividend of Rs. 3.50 per share (30 September 2025: Rs. 3.50 per share). These unconsolidated condensed interim financial statements do not include the effect of this appropriation, which will be accounted for subsequent to the period end.

43. DATE OF AUTHORISATION

These unconsolidated condensed interim financial statements were authorised for issue in the Board of Directors' meeting held on 22 October 2026.

MANSOOR ALI KHAN
Chief Executive

ASHAR HUSAIN
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI
Director

FARHANA MOWJEE KHAN
Director

ABBAS D. HABIB
Chairman



Consolidated Financial Statements

Bank AL Habib Limited

and

Subsidiary Companies



**CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2026**

	Note	(Un-audited) 30 September 2026 (Rupees in '000)	(Audited) 31 December 2025
ASSETS			
Cash and balances with treasury banks	6	219,223,835	190,063,529
Balances with other banks	7	3,328,443	7,552,576
Lendings to financial institutions	8	18,232,280	24,453,908
Investments	9	2,420,344,340	2,031,294,437
Advances	10	888,401,535	791,490,864
Property and equipment	11	108,273,456	82,711,235
Right-of-use assets	12	20,357,518	16,869,099
Intangible assets	13	109,076	166,943
Deferred tax assets	14	5,257,322	—
Other assets	15	203,070,025	164,906,911
Total Assets		3,886,597,830	3,309,509,502
LIABILITIES			
Bills payable	17	46,111,056	59,749,478
Borrowings	18	488,908,351	290,299,002
Deposits and other accounts	19	2,961,855,035	2,597,997,148
Lease liabilities	20	25,267,428	20,889,071
Subordinated debt	21	40,935,824	25,983,600
Deferred tax liabilities	14	—	1,514,392
Other liabilities	22	137,235,450	136,724,806
Total Liabilities		3,700,313,144	3,133,157,497
NET ASSETS		186,284,686	176,352,005
REPRESENTED BY			
Share capital		11,114,254	11,114,254
Reserves		37,448,017	35,220,243
Surplus on revaluation of assets	23	28,035,347	29,560,277
Unappropriated profit		109,475,288	100,264,082
Equity attributable to the shareholders of the Holding Company		186,072,906	176,158,856
Non-controlling interest	24	211,780	193,149
		186,284,686	176,352,005
CONTINGENCIES AND COMMITMENTS	25		

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

MANSOOR ALI KHAN
Chief Executive

ASHAR HUSAIN
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI
Director

FARHANA MOWJEE KHAN
Director

ABBAS D. HABIB
Chairman



**CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026**

		Nine months period ended		Three months period ended	
		30 September 2026	30 September 2025	30 September 2026	30 September 2025
	Note	(Rupees in '000)			
Mark-up / return / interest earned	27	261,146,397	260,631,796	93,583,307	82,501,076
Mark-up / return / interest expensed	28	(161,399,045)	(161,046,771)	(58,932,250)	(49,423,764)
Net mark-up / interest income		99,747,352	99,585,025	34,651,057	33,077,312
NON MARK-UP / INTEREST INCOME					
Fee and commission income	29	18,140,181	16,258,229	6,173,801	4,144,092
Dividend income		374,144	387,737	1,904	34,545
Foreign exchange income		8,064,105	5,665,122	1,669,011	2,111,574
Income / (loss) from derivatives		—	—	—	—
(Loss) / gain on securities - net	30	(775,634)	541,090	(456,492)	974,736
Net gain / (loss) on derecognition of financial assets measured at amortised cost		—	—	—	—
Share of profit from associates		958,880	1,015,054	55,953	577,797
Other income	31	1,244,651	744,079	615,105	160,264
Total non mark-up / interest income		28,006,327	24,611,311	8,059,282	8,003,008
Total income		127,753,679	124,196,336	42,710,339	41,080,320
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	32	(78,849,992)	(69,783,967)	(26,670,159)	(24,854,045)
Workers' welfare fund		(1,034,578)	(1,126,995)	(339,837)	(306,955)
Other charges	33	(104,336)	(76,271)	(97,567)	(45,676)
Total non mark-up / interest expenses		(79,988,906)	(70,987,233)	(27,107,563)	(25,206,676)
Profit before credit loss allowance		47,764,773	53,209,103	15,602,776	15,873,644
Credit loss allowance and write-offs - net	34	2,521,340	2,199,596	2,540,165	(449,159)
Extra ordinary / unusual items		—	—	—	—
PROFIT BEFORE TAXATION		50,286,113	55,408,699	18,142,941	15,424,485
Taxation	35	(26,108,285)	(28,732,006)	(9,374,896)	(8,537,981)
PROFIT AFTER TAXATION		24,177,828	26,676,693	8,768,045	6,886,504
Attributable to:					
Shareholders of the Holding Company		24,158,254	26,659,463	8,762,266	6,877,654
Non-controlling interest		19,574	17,230	5,779	8,850
		24,177,828	26,676,693	8,768,045	6,886,504
(Rupees)					
Basic and diluted earnings per share attributable to the shareholders of the Holding Company	36	21.74	23.99	7.88	6.19

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

MANSOOR ALI KHAN
Chief Executive

ASHAR HUSAIN
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI
Director

FARHANA MOWJEE KHAN
Director

ABBAS D. HABIB
Chairman



**CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026**

	Nine months period ended		Three months period ended	
	30 September 2026	30 September 2025	30 September 2026	30 September 2025
	(Rupees in '000)			
Profit after taxation for the period	24,177,828	26,676,693	8,768,045	6,886,504
Other comprehensive income				
<i>Items that may be reclassified to the statement of profit and loss account in subsequent periods:</i>				
Effect of translation of net investment in foreign branches	(126,656)	61,395	(37,498)	(91,195)
Movement in (deficit) / surplus on revaluation of investment in debt instruments classified as FVOCI - net of tax	(15,248,928)	2,711,185	(4,522,648)	693,043
	(15,375,584)	2,772,580	(4,560,146)	601,848
<i>Items that will not be reclassified to the statement of profit and loss account in subsequent periods:</i>				
Movement in surplus / (deficit) on revaluation of investment in equity instruments classified as FVOCI - net of tax	7,171	94,939	(994)	(18,540)
Movement in surplus on revaluation of property and equipment - net of tax	13,936,061	124,049	109,503	(1,594)
Movement in surplus on revaluation of non-banking assets - net of tax	—	741	—	—
	13,943,232	219,729	108,509	(20,134)
Total comprehensive income for the period	22,745,476	29,669,002	4,316,408	7,468,218
Attributable to:				
Shareholders of the Holding Company	22,726,845	29,645,397	4,315,313	7,454,120
Non-controlling interest	18,631	23,605	1,095	14,098
	22,745,476	29,669,002	4,316,408	7,468,218

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

MANSOOR ALI KHAN
Chief Executive

ASHAR HUSAIN
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI
Director

FARHANA MOWJEE KHAN
Director

ABBAS D. HABIB
Chairman

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026**

FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2025												
Attributable to shareholders of the Holding Company												
	Share Capital	Statutory Reserve	Foreign Currency Translation Reserve	Revenue Reserves		Surplus / (deficit) on revaluation of			Unappropriated Profit	Sub Total	Non-controlling interest	Total
				Special Reserve	General Reserve	Investments	Property and Equipment	Non Banking Assets				



Attributable to shareholders of the Holding Company												
	Share Capital	Statutory Reserve	Foreign Currency Translation Reserve	Revenue Reserves		Surplus / (deficit) on revaluation of			Unappropriated Profit	Sub Total	Non-controlling interest	Total
				Special Reserve	General Reserve	Investments	Property and Equipment	Non Banking Assets				
(Rupees in '000)												
Transfer to statutory reserve	-	524,438	-	-	-	-	-	-	(524,438)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	(52,737)	(33)	52,770	-	-	-
Transaction with owners, recorded directly in equity												
Interim cash dividend (Rs. 3.5 per share) - September 2025	-	-	-	-	-	-	-	-	(3,889,989)	(3,889,989)	-	(3,889,989)
Balance as at 31 December 2025 - audited	11,114,254	29,749,972	4,803,771	126,500	540,000	13,856,261	15,481,998	222,018	100,264,082	176,158,856	193,149	176,352,005
Impact of change in accounting policy - note 4.1	-	-	-	-	-	-	-	-	(31,403)	-	-	(31,403)
Profit after taxation for the nine months period ended 30 September 2026	-	-	-	-	-	-	-	-	24,158,254	24,158,254	19,574	24,177,828
Other comprehensive income for the nine months period ended 30 September 2026 - net of tax												
Effect of translation of net investment in foreign branches	-	-	(126,656)	-	-	-	-	-	-	(126,656)	-	(126,656)
Movement in deficit on revaluation of investment in debt instruments - net of tax	-	-	-	-	-	(15,248,302)	-	-	-	(15,248,302)	(626)	(15,248,928)
Movement in surplus on revaluation of investment in equity instruments - net of tax	-	-	-	-	-	7,488	-	-	-	7,488	(317)	7,171
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	13,936,061	-	-	13,936,061	-	13,936,061
Total other comprehensive income - net of tax	-	-	(126,656)	-	-	(15,240,814)	13,936,061	-	-	(1,431,409)	(943)	(1,432,352)
Transfer to statutory reserve	-	2,354,430	-	-	-	-	-	-	(2,354,430)	-	-	-
Loss on sale of equity instruments - FVOCI	-	-	-	-	-	2,585	-	-	(2,585)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit-net of tax	-	-	-	-	-	-	(222,665)	(97)	222,762	-	-	-
Transactions with owners, recorded directly in equity												
Final cash dividend (Rs. 4.5 per share) - December 2025	-	-	-	-	-	-	-	-	(5,001,414)	(5,001,414)	-	(5,001,414)
Interim cash dividend (Rs. 3.5 per share) - March 2026	-	-	-	-	-	-	-	-	(3,889,989)	(3,889,989)	-	(3,889,989)
Interim cash dividend (Rs. 3.5 per share) - June 2026	-	-	-	-	-	-	-	-	(3,889,989)	(3,889,989)	-	(3,889,989)
	-	-	-	-	-	-	-	-	(12,781,392)	(12,781,392)	-	(12,781,392)
Balance as at 30 September 2026 - unaudited	11,114,254	32,104,402	4,677,115	126,500	540,000	(1,381,968)	29,195,394	221,921	109,475,288	186,072,906	211,780	186,284,686
The annexed notes 1 to 44 form an integral part of these consolidated condensed interim financial statements.												

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

MANSOOR ALI KHAN
Chief Executive

ASHAR HUSAIN
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI
Director

FARHANA MOWJEE KHAN
Director

ABBAS D. HABIB
Chairman





**CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026**

	30 September 2026	30 September 2025
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	50,286,113	55,408,699
Less: dividend income	(374,144)	(387,737)
	49,911,969	55,020,962
Adjustments:		
Net mark-up / interest income	(99,747,352)	(99,585,025)
Depreciation	6,626,208	5,635,798
Depreciation on non-banking assets acquired in satisfaction of claims	456	456
Depreciation on right-of-use assets	2,572,299	2,131,428
Amortisation	94,511	142,283
Workers' welfare fund	1,034,578	1,126,995
Credit loss allowance and write-offs - net	(2,521,340)	(2,199,596)
Gain on sale of property and equipment - net	(1,219,308)	(641,705)
Gain on termination of leases - net	(25,343)	(102,374)
Unrealised loss / (gain) on revaluation of securities classified as FVPL	437,275	(660,016)
Charge for defined benefit plan	1,330,659	945,000
Charge for compensated absences	523,918	237,565
Share of profit from associates	(958,880)	(1,015,054)
	(91,852,319)	(93,984,245)
	(41,940,350)	(38,963,283)
(Increase) / decrease in operating assets		
Lendings to financial institutions	6,222,468	(15,467,874)
Securities classified as FVPL	3,267,193	8,812
Advances	(98,334,797)	3,307,383
Other assets (excluding advance taxation and mark-up receivable)	5,593,137	(13,413,192)
	(83,251,999)	(25,564,871)
Increase / (decrease) in operating liabilities		
Bills payable	(13,638,422)	(11,935,681)
Borrowings	194,575,914	(253,471,011)
Deposits and other accounts	363,857,887	219,009,499
Other liabilities (excluding mark-up payable)	(6,865,284)	(10,551,792)
	537,930,095	(56,948,985)
	412,737,746	(121,477,139)
Interest received	219,401,051	243,324,923
Interest paid	(154,756,278)	(158,458,500)
Income tax paid	(26,080,809)	(44,732,683)
Net cash flow generated from / (used in) operating activities	451,301,710	(81,343,399)
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in amortised cost securities	(238,494,582)	(628,611)
Net investments in securities classified as FVOCI	(185,034,187)	90,797,076
Net investments in associates	3,248,759	(1,550,599)
Dividends received	349,088	387,737
Investments in property and equipment and intangible assets	(10,092,612)	(11,902,556)
Proceeds from sale of property and equipment	1,250,509	665,112
Effect of translation of net investment in foreign branches	(126,656)	61,395
Net cash flow (used in) / generated from investing activities	(428,899,681)	77,829,554
CASH FLOW FROM FINANCING ACTIVITIES		
Receipts / (payments) of subordinated debt - net	15,006,600	(3,400)
Dividend paid	(12,601,012)	(14,794,866)
Payments of lease obligations against right-of-use assets	(4,036,451)	(3,365,356)
Net cash flow used in financing activities	(1,630,863)	(18,163,622)
Increase / (decrease) in cash and cash equivalents	20,771,166	(21,677,467)
Cash and cash equivalents at beginning of the period	195,901,227	205,641,643
Cash and cash equivalents at end of the period	216,672,393	183,964,176

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

MANSOOR ALI KHAN
Chief Executive

ASHAR HUSAIN
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI
Director

FARHANA MOWJEE KHAN
Director

ABBAS D. HABIB
Chairman



**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026**

1. STATUS AND NATURE OF BUSINESS

1.1 The Group comprises of:

Holding Company

- Bank AL Habib Limited

Subsidiaries

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

1.2 Bank AL Habib Limited (the Bank) is a banking company incorporated in Pakistan on 15 October 1991 as a public limited company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) having its registered office at 126-C, Old Bahawalpur Road, Multan with principal place of business at 2nd Floor, Mackinnons Building, I.I. Chundrigar Road, Karachi. Its shares are listed on Pakistan Stock Exchange Limited. It is a scheduled bank principally engaged in the business of commercial banking with a network of 1,356 branches (31 December 2025: 1,323 branches), 03 representative offices (31 December 2025: 03 representative offices) and 13 booths (31 December 2025: 12 booths). The branch network of the Bank includes 02 overseas branches (31 December 2025: 02 overseas branches) and 451 Islamic Banking branches (31 December 2025: 392 Islamic Banking branches).

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

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

1.4.1 The Company is managing following mutual funds:

Conventional Funds

- AL Habib Money Market Fund
- AL Habib Income Fund
- AL Habib Cash Fund
- AL Habib Stock Fund
- AL Habib Pension Fund
- AL Habib Fixed Return Fund
- AL Habib GOKP Money Market Fund
- AL Habib Sovereign Income Fund



Islamic Funds

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

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

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

- 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 Institute of Chartered Accountants of Pakistan, as are notified under the Companies Act, 2017;
- Provisions of, directives and notifications issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives and notifications issued by SBP and SECP, differ with the requirements of the 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.

2.1.2 The disclosures made in these consolidated condensed interim financial statements have been limited based on the format prescribed by SBP vide BPRD Circular No. 02, dated 09 February 2023 and International Accounting Standard (IAS) 34, 'Interim Financial Reporting'. They do not include all the information required in the annual financial statements, and these consolidated condensed interim financial statements should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2025.



2.1.3 SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for Banking Companies in Pakistan through BSD Circular Letter No. 10 dated 26 August 2002 till further instructions. Accordingly, the requirements of this standard have not been considered in the preparation of these consolidated condensed interim financial statements.

2.1.4 SBP has deferred the applicability of IFAS 3 'Profit and Loss Sharing on Deposits' for Islamic Banking Institutions (IBIs) through BPRD Circular No. 4 of 2015 dated 25 February 2015 till further instructions. The disclosures requirements relating to annual and interim financial statements have been based on a format prescribed by SBP vide BPRD Circular No. 02 dated 09 February 2023.

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

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

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

Revenue from Islamic products would have increased by Rs. 544.362 million, if IFRS 9 had been adopted in its entirety.

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

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

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

2.5 Standards, interpretations of and amendments to published approved accounting standards that are effective in the current period

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



2.6 Standards, interpretations of and amendments to published approved accounting standards that are not yet effective

There are certain new standards, interpretations of and amendments to existing accounting and reporting standards that are not effective in the current period. These are considered not to have any significant impact on these consolidated condensed interim financial statements other than those mentioned below.

Standards and amendments	Effective date (annual periods beginning on or after)
- IFRS 18 Presentation and Disclosure in Financial Statements	01 January 2027
- IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 - Climate-related Disclosures	31 December 2026

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The basis for accounting estimates adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the annual financial statements of the Group for the year ended 31 December 2025.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in preparation of these consolidated condensed interim financial statements are the same as applied in the preparation of annual consolidated financial statements of the Group for the year ended 31 December 2025 except for the following:

4.1 IFRS 9 - 'Financial Instruments' - Effective Interest Rate (EIR)

The Bank had received deferment of recording income and expense at Effective Interest Rate (EIR) via letter from SBP till 31 December 2025. Therefore, the Bank has adopted EIR from 01 January 2026 and has taken the impact on adoption of EIR to equity at the beginning of the current accounting period with modified retrospective approach for restatement permitted under IFRS 9. The changes to material accounting policy is as follows:

Mark-up / return / interest earned and Mark-up / return / interest expensed

Mark-up / return / interest earned and Mark-up / return / interest expensed are recognised in consolidated statement of profit and loss account under the EIR. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.



The calculation of the EIR includes transaction costs and fees and points paid or received that are an integral part of the EIR. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

In calculating mark-up / return / interest income and expense, the EIR is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, profit income is calculated by applying the EIR to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of profit income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, mark-up / return / interest income is calculated by applying the credit-adjusted EIR to the amortised cost of the asset. The calculation of mark-up / return / interest income does not revert to a gross basis, even if the credit risk of the asset improves.

The impact of application as at 01 January 2026 is as follows:

	Carrying amount as on 31 December 2025	EIR impact under IFRS 9 - Gross	Tax impact	Net impact	Carrying amount as on 01 January 2026
			(Rupees in '000)		
Investments	2,031,294,437	(7,421)	3,859	(3,562)	2,031,290,875
Advances	791,490,864	(98,691)	51,319	(47,372)	791,443,492
Subordinated debt	25,983,600	(40,689)	21,158	(19,531)	25,964,069
Unappropriated profit	100,264,082	(65,423)	34,020	(31,403)	100,232,679

5. FINANCIAL RISK MANAGEMENT

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



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

6. CASH AND BALANCES WITH TREASURY BANKS

In hand:

Local currency	56,772,264	46,918,971
Foreign currencies	3,522,816	4,124,512
	60,295,080	51,043,483

With State Bank of Pakistan in:

Local currency current accounts	114,006,378	95,535,579
Local currency current accounts - Islamic Banking	18,244,197	16,529,627
Foreign currency deposit accounts		
Cash reserve account	5,874,825	5,854,573
Cash reserve / special cash reserve account		
- Islamic Banking	1,350,378	1,303,412
Special cash reserve account	11,777,129	11,709,146
Local collection account	550,841	430,332
	151,803,748	131,362,669

With National Bank of Pakistan in:

Local currency current accounts	7,062,327	7,567,621
Prize bonds	62,680	89,756
Cash and balances with treasury banks	219,223,835	190,063,529

7. BALANCES WITH OTHER BANKS

In Pakistan:

In current accounts	417,674	316,580
In deposit accounts	74,998	120,824
	492,672	437,404

Outside Pakistan:

In current accounts	2,773,190	7,171,133
In deposit accounts	62,988	76,018
	2,836,178	7,247,151
	3,328,850	7,684,555

Less: credit loss allowance against
balances with other banks

7.1 **(407)** (131,979)

Balances with other banks - net of credit loss allowance

3,328,443 7,552,576



	(Un-audited) 30 September 2026 Note	(Audited) 31 December 2025
	(Rupees in '000)	
7.1 Credit loss allowance		
Opening balance	131,979	947
Charge / (reversal):		
Charge for the period / year	3,458	131,473
Reversal for the period / year	(135,029)	(443)
	(131,571)	131,030
Foreign exchange adjustments	(1)	2
Closing balance	407	131,979
8. LENDINGS TO FINANCIAL INSTITUTIONS		
In local currency:		
Musharaka placements	8,000,000	18,000,000
Repurchase agreement lendings (reverse repo)	10,234,742	6,457,210
	18,234,742	24,457,210
Less: credit loss allowance against lendings to financial institutions	8.1 (2,462)	(3,302)
Lendings to financial institutions - net of credit loss allowance	18,232,280	24,453,908
8.1 Lendings to financial institutions - particulars of credit loss allowance		
Credit loss allowance - Stage 1		
Opening balance	3,302	5,258
New financial assets originated or purchased	2,462	1,952
Financial assets that have been derecognised	(3,302)	(3,908)
	(840)	(1,956)
Closing balance	2,462	3,302

9. INVESTMENTS

	30 September 2026 (Un-audited)				31 December 2025 (Audited)			
	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
(Rupees in '000)								
9.1 Investments by type:								
Debt instruments								
Amortised Cost								
Federal Government Securities	684,383,552	(14,900)	–	684,368,652	445,888,960	(14,547)	–	445,874,413
FVOCI								
Federal Government Securities	1,704,486,781	(61,132)	(7,888,124)	1,696,537,525	1,520,997,318	(1,380,069)	22,684,593	1,542,301,842
Non Government Debt Securities	10,638,083	(783,482)	247,190	10,101,791	7,456,941	(783,075)	(33,959)	6,639,907
Foreign Securities	5,440,584	(15,994)	(151,103)	5,273,487	7,165,210	(2,000,953)	1,323,895	6,488,152
	1,720,565,448	(860,608)	(7,792,037)	1,711,912,803	1,535,619,469	(4,164,097)	23,974,529	1,555,429,901
FVPL								
Federal Government Securities	1,423,721	–	–	1,423,721	886,072	–	–	886,072
Equity instruments								
FVOCI - Non-reclassifiable								
Shares								
- Listed Companies	242,156	–	643,466	885,622	196,403	–	732,059	928,462
- Unlisted Companies	154,501	–	4,243,723	4,398,224	154,501	–	4,133,774	4,288,275
	396,657	–	4,887,189	5,283,846	350,904	–	4,865,833	5,216,737
Investments mandatorily classified / measured at FVPL								
Units of Mutual Funds	4,822,672	–	(437,275)	4,385,397	8,910,944	–	(283,430)	8,627,514
Associates	12,969,921	–	–	12,969,921	15,259,800	–	–	15,259,800
Total Investments	<u>2,424,561,971</u>	<u>(875,508)</u>	<u>(3,342,123)</u>	<u>2,420,344,340</u>	<u>2,006,916,149</u>	<u>(4,178,644)</u>	<u>28,556,932</u>	<u>2,031,294,437</u>





	(Un-audited) 30 September 2026 (Rupees in '000)	(Audited) 31 December 2025
9.1.1 Investments given as collateral		
Pakistan Investment Bonds	<u>387,060,500</u>	<u>163,763,100</u>
9.2 Credit loss allowance		
Opening balance	4,178,644	7,493,416
Charge / (reversal):		
Charge for the period / year	22,846	298,099
Reversal for the period / year	(1,409,987)	(3,663,063)
Reversal on disposal	(1,888,541)	—
	<u>(3,275,682)</u>	<u>(3,364,964)</u>
Foreign exchange adjustments	(27,454)	50,192
Closing balance	<u>875,508</u>	<u>4,178,644</u>

9.3 Particulars of credit loss allowance against debt securities

		30 September 2026 (Un-audited)		31 December 2025 (Audited)	
		Outstanding amount	Credit loss allowance (Rupees in '000)	Outstanding amount	Credit loss allowance
Domestic					
Performing	Stage 1	8,198,788	2,109	4,280,895	1,127
Under-performing	Stage 2	1,659,295	1,373	2,396,046	1,948
Non-performing - loss	Stage 3	780,000	780,000	780,000	780,000
		<u>10,638,083</u>	<u>783,482</u>	<u>7,456,941</u>	<u>783,075</u>
Overseas					
Performing	Stage 1	16,157,338	92,026	5,630,003	30,305
Under-performing	Stage 2	—	—	17,993,474	3,365,264
		<u>16,157,338</u>	<u>92,026</u>	<u>23,623,477</u>	<u>3,395,569</u>
Total		<u>26,795,421</u>	<u>875,508</u>	<u>31,080,418</u>	<u>4,178,644</u>

9.4 Under the IFRS 9 Application instructions, the Bank is not required to compute Expected Credit Loss (ECL) on Government Securities and on Government guaranteed credit exposures in local currency.

9.5 The market value of securities classified as amortised cost at 30 September 2026 amounted to Rs. 687,875 million (31 December 2025: Rs. 456,472 million).

9.6 Summary of financial information of associates

	Percentage of holding	30 September 2026 (Un-audited)				
		Assets	Liabilities	Revenue	Profit / (loss) after taxation	Total comprehensive income
		(Rupees in '000)				
AL Habib Money Market Fund	1.35%	64,932,851	160,181	6,225,926	5,708,921	5,708,921
AL Habib Islamic Savings Fund	0.71%	14,618,421	60,124	1,300,016	1,202,696	1,202,696
AL Habib Income Fund	1.46%	28,078,093	160,901	1,917,188	1,748,472	1,748,472
AL Habib Islamic Income Fund	50.43%	8,103,935	20,982	919,791	842,534	842,534
AL Habib Cash Fund	4.31%	89,536,826	97,608	6,867,934	6,260,502	6,260,502
AL Habib Islamic Cash Fund	1.71%	25,316,335	225,825	2,437,936	2,256,508	2,256,508
AL Habib Stock Fund	11.71%	16,344,698	200,703	23,146	(503,923)	(503,923)
AL Habib Islamic Stock Fund	15.28%	6,200,928	38,862	(182,829)	(446,963)	(446,963)
AL Habib Pension Fund - Debt Sub Fund	13.45%	428,212	775	30,847	27,240	27,240
AL Habib Islamic Pension Fund - Debt Sub Fund	16.67%	310,328	981	16,934	13,135	13,135
AL Habib Pension Fund - Money Market Sub Fund	8.72%	645,983	1,600	44,513	39,788	39,788
AL Habib Islamic Pension Fund - Money Market Sub Fund	9.15%	561,954	1,524	28,416	23,391	23,391
AL Habib Fixed Return Fund Plan 19	7.31%	78,199	541	4,677	4,148	4,148
AL Habib Fixed Return Fund Plan 28	0.41%	1,276,743	1,034	72,706	71,230	71,230
AL Habib Fixed Return Fund Plan 31	0.33%	1,546,426	810	43,725	42,714	42,714
AL Habib Fixed Return Fund Plan 33	0.13%	3,863,070	1,659	62,536	61,005	61,005
AL Habib Fixed Return Fund Plan 34	0.10%	4,975,627	1,108	40,819	39,712	39,712
AL Habib Fixed Return Fund Plan 36	0.11%	4,608,191	229	9,625	9,505	9,505
AL Habib GOKP Money Market Fund	36.82%	117,613	309	8,052	7,448	7,448
AL Habib GOKP Islamic Pension Fund - Money Market Sub Fund	44.38%	93,709	233	5,502	4,730	4,730
AL Habib Islamic Munafa Fund Plan 8	0.64%	807,750	528	23,249	22,619	22,619
AL Habib Islamic Munafa Fund Plan 9	0.10%	4,871,883	1,462	74,961	73,084	73,084
AL Habib Sovereign Income Fund Plan 2	5.71%	805,738	8,613	141,286	133,633	133,633

9.6.1 All of the above associate funds are incorporated in Pakistan and are managed by AL Habib Asset Management Limited (the subsidiary company).

9.6.2 The above information is based on financial statements as on 30 September 2026.



10. ADVANCES

	Performing		Non-Performing		Total	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	30 September	31 December	30 September	31 December	30 September	31 December
	2026	2025	2026	2025	2026	2025
	(Rupees in '000)					
Loans, cash credits, running finances, etc.	639,481,868	590,545,117	32,993,365	34,009,817	672,475,233	624,554,934
Islamic financing and related assets	194,356,502	153,585,947	1,651,447	1,385,692	196,007,949	154,971,639
Bills discounted and purchased	68,169,342	58,984,097	385,173	389,355	68,554,515	59,373,452
Advances - gross	902,007,712	803,115,161	35,029,985	35,784,864	937,037,697	838,900,025
Less: credit loss allowance						
- Stage 1	9,133,476	7,415,134	-	-	9,133,476	7,415,134
- Stage 2	6,473,660	6,947,822	-	-	6,473,660	6,947,822
- Stage 3	-	-	33,029,026	33,046,205	33,029,026	33,046,205
	15,607,136	14,362,956	33,029,026	33,046,205	48,636,162	47,409,161
Advances - net of credit loss allowance	886,400,576	788,752,205	2,000,959	2,738,659	888,401,535	791,490,864





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

10.1 Particulars of advances (Gross)

In local currency	794,204,990	719,183,150
In foreign currencies	142,832,707	119,716,875
	<u>937,037,697</u>	<u>838,900,025</u>

10.2 Advances include Rs. 35,029.985 million (31 December 2025: Rs. 35,784.864 million) which have been placed under non-performing status as detailed below:

Category of classification - Stage 3	30 September 2026 (Un-audited)		31 December 2025 (Audited)	
	Non performing loans	Credit loss allowance	Non performing loans	Credit loss allowance
	(Rupees in '000)			
Domestic				
Other assets especially mentioned (OAEM)	436,884	273,147	259,898	177,151
Substandard	201,997	125,463	2,932,248	2,204,657
Doubtful	2,189,840	1,545,780	3,361,018	2,488,492
Loss	26,893,207	25,776,579	23,866,013	22,810,218
	<u>29,721,928</u>	<u>27,720,969</u>	<u>30,419,177</u>	<u>27,680,518</u>
Overseas				
Loss	5,308,057	5,308,057	5,365,687	5,365,687
Total	<u>35,029,985</u>	<u>33,029,026</u>	<u>35,784,864</u>	<u>33,046,205</u>

10.3 Particulars of credit loss allowance against advances

	30 September 2026 (Un-audited)				31 December 2025 (Audited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)							
Opening balance	7,415,134	6,947,822	33,046,205	47,409,161	7,170,325	8,468,402	32,823,742	48,462,469
Charge / (reversal):								
Charge for the period / year	7,072,182	4,444,872	2,075,306	13,592,360	6,413,787	5,531,471	5,653,822	17,599,080
Reversal for the period / year	(5,352,041)	(4,918,541)	(2,030,463)	(12,301,045)	(6,176,683)	(7,055,854)	(3,278,707)	(16,511,244)
	1,720,141	(473,669)	44,843	1,291,315	237,104	(1,524,383)	2,375,115	1,087,836
Amounts written off	-	-	-	-	-	-	(64,492)	(64,492)
Amounts charged off	-	-	-	-	-	-	(2,136,310)	(2,136,310)
Foreign exchange adjustments	(1,799)	(493)	(62,022)	(64,314)	7,705	3,803	48,150	59,658
Closing balance	9,133,476	6,473,660	33,029,026	48,636,162	7,415,134	6,947,822	33,046,205	47,409,161

10.4 Advances - credit loss allowance

	30 September 2026 (Un-audited)				31 December 2025 (Audited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)							
Opening balance	7,415,134	6,947,822	33,046,205	47,409,161	7,170,325	8,468,402	32,823,742	48,462,469
New advances / additional charge	5,871,608	3,321,221	469,677	9,662,506	4,530,994	3,896,177	2,004,692	10,431,863
Advances derecognised / repaid / reversal	(3,588,386)	(3,192,181)	(901,189)	(7,681,756)	(3,545,305)	(4,231,967)	(2,148,965)	(9,926,237)
Transfer to Stage 1	569,613	(535,801)	(33,812)	-	1,275,754	(1,246,047)	(29,707)	-
Transfer to Stage 2	(245,831)	321,112	(75,281)	-	(266,995)	388,062	(121,067)	-
Transfer to Stage 3	(4,901)	(58,034)	62,935	-	(40,387)	(378,872)	419,259	-
	2,602,103	(143,683)	(477,670)	1,980,750	1,954,061	(1,572,647)	124,212	505,626
Amounts written off	-	-	-	-	-	-	(64,492)	(64,492)
Amounts charged off	-	-	-	-	-	-	(2,136,310)	(2,136,310)
Changes in risk parameters	(881,962)	(329,986)	522,513	(689,435)	(1,716,957)	48,264	2,250,903	582,210
Foreign exchange adjustments	(1,799)	(493)	(62,022)	(64,314)	7,705	3,803	48,150	59,658
Closing balance	9,133,476	6,473,660	33,029,026	48,636,162	7,415,134	6,947,822	33,046,205	47,409,161





30 September 2026 (Un-audited)		31 December 2025 (Audited)	
Outstanding amount	Credit loss allowance	Outstanding amount	Credit loss allowance
(Rupees in '000)			

10.5 Advances - category of classification

Domestic

Performing	Stage 1	736,889,845	8,878,660	666,771,393	7,298,564
Under-performing	Stage 2	113,517,363	6,472,302	104,829,666	6,937,251
Non-performing					
Other assets especially mentioned (OAEM)	Stage 3	436,884	273,147	259,898	177,151
Substandard	Stage 3	201,997	125,463	2,932,248	2,204,657
Doubtful	Stage 3	2,189,840	1,545,780	3,361,018	2,488,492
Loss	Stage 3	26,893,207	25,776,579	23,866,013	22,810,218
		880,129,136	43,071,931	802,020,236	41,916,333

Overseas

Performing	Stage 1	51,168,949	254,816	30,856,427	116,570
Under-performing	Stage 2	431,555	1,358	657,675	10,571
Non-performing - loss	Stage 3	5,308,057	5,308,057	5,365,687	5,365,687
		56,908,561	5,564,231	36,879,789	5,492,828
Total		937,037,697	48,636,162	838,900,025	47,409,161

10.6 Charged-off non performing loans

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

	(Un-audited) 30 September 2026	(Audited) 31 December 2025
Note	(Rupees in '000)	
Opening balance of charge-offs	2,136,310	—
Charged-off during the period / year	—	2,153,321
Recoveries made during the period / year	—	(20,162)
Foreign exchange adjustments	(20,559)	3,151
Closing balance of charge-offs	2,115,751	2,136,310
Number of borrowers	3	3

11. PROPERTY AND EQUIPMENT

Capital work-in-progress	11.1	8,176,588	5,753,282
Property and equipment		100,096,868	76,957,953
		108,273,456	82,711,235



	(Un-audited) 30 September 2026 (Rupees in '000)	(Audited) 31 December 2025
11.1 Capital work-in-progress		
Civil works	2,824,850	2,817,161
Advance payment for purchase of equipments	489,551	406,091
Advance payment towards suppliers, contractors and property	4,802,709	2,474,531
Consultants' fee and other charges	59,478	55,499
	<u>8,176,588</u>	<u>5,753,282</u>
	(Un-audited) Nine months period ended 30 September 2026 (Rupees in '000)	30 September 2025
11.2 Additions to property and equipment		
The following additions have been made to property and equipment during the period:		
Capital work-in-progress	6,747,406	6,204,449
Property and equipment		
Leasehold land	47,858	663,435
Buildings on leasehold land	1,186,233	302,908
Furniture and fixture	570,141	637,042
Electrical, office and computer equipment	3,110,371	5,079,243
Vehicles	1,603,821	2,154,431
Improvements to leasehold buildings	1,114,238	779,423
	<u>7,632,662</u>	<u>9,616,482</u>
Total	<u>14,380,068</u>	<u>15,820,931</u>
11.3 Disposal of property and equipment		
The net book value of property and equipment disposed off during the period is as follows:		
Furniture and fixture	4,100	1,603
Electrical, office and computer equipment	3,899	3,644
Vehicles	23,202	13,532
Improvements to leasehold buildings	—	4,629
Total	<u>31,201</u>	<u>23,408</u>
11.4	In accordance with the Bank's accounting policy, the Bank's leasehold land and buildings on leasehold land were revalued at 01 June 2026. The revaluation was carried out by an independent valuer, M/s. MYK Associates (Private) Limited on the basis of professional assessment of the present market value. The revaluation resulted in an increase amounting to Rs. 21,737.908 million in the surplus. The total surplus arising against revaluation of leasehold land and buildings on leasehold land as at 30 September 2026 amounts to Rs. 42,983.643 million. The carrying value of revalued leasehold land and buildings on leasehold land was Rs. 74,700.349 million as at 30 September 2026. Had the leasehold land and buildings on leasehold land not been revalued, the total carrying amounts of revalued properties as at 30 September 2026 would have been as follows:	



	Note	(Un-audited) 30 September 2026 (Rupees in '000)	(Audited) 31 December 2025
Leasehold land		14,455,345	14,345,487
Buildings on leasehold land		17,514,963	16,625,608
12. RIGHT-OF-USE ASSETS			
Buildings	12.1	20,357,518	16,866,928
Vehicles	12.2	–	2,171
		20,357,518	16,869,099
12.1 Buildings			
At 01 January,			
Cost		26,282,115	21,557,775
Accumulated depreciation		(9,415,187)	(7,833,066)
Net carrying amount		16,866,928	13,724,709
Additions during the period / year		6,105,685	6,313,249
Deletions during the period / year		(47,857)	(277,059)
Depreciation charge for the period / year		(2,570,128)	(2,923,146)
Foreign exchange adjustments		(331)	167
Other adjustments / transfers		3,221	29,008
Net carrying amount at end of the period / year		20,357,518	16,866,928
12.2 Vehicles			
At 01 January,			
Cost		21,710	21,710
Accumulated depreciation		(19,539)	(15,197)
Net carrying amount		2,171	6,513
Depreciation charge for the period / year		(2,171)	(4,342)
Net carrying amount at end of the period / year		–	2,171
13. INTANGIBLE ASSETS			
Capital work-in-progress - Computer software		3,684	–
Intangible assets	13.1	105,392	166,943
		109,076	166,943
13.1 Intangible assets			
Computer software		22,222	83,773
TRE certificates		2,500	2,500
Management rights		80,670	80,670
		105,392	166,943
13.2 Additions to intangible assets			
Capital work-in-progress - advance to supplier		3,684	–
Computer software - directly purchased		32,960	103,678
		36,644	103,678



	(Un-audited) 30 September 2026 Note	(Audited) 31 December 2025
	(Rupees in '000)	
14. DEFERRED TAX ASSETS / (LIABILITIES)		
Deductible temporary differences on		
Credit loss allowance against investments	455,264	2,172,895
Credit loss allowance against advances, and off-balance sheet, etc.	12,006,996	12,772,856
Unrealised net loss on fair value of refinancing	165,358	559,790
Deficit on revaluation of securities classified as FVPL	227,383	164,780
Right-of-use assets and related lease liabilities	2,861,915	2,998,222
Workers' welfare fund	4,945,585	4,413,405
Deficit on revaluataion of FVOCI investments	1,544,965	—
Others	104,431	—
	22,311,897	23,081,948
Taxable temporary differences on		
Accelerated tax depreciation	(3,054,513)	(3,313,287)
Surplus on revaluation of FVOCI investments	—	(14,961,073)
Surplus on revaluation of property and equipment	(13,717,875)	(6,157,249)
Surplus on revaluation of non-banking assets	(98,230)	(98,335)
Others	(183,957)	(66,396)
	(17,054,575)	(24,596,340)
	5,257,322	(1,514,392)
15. OTHER ASSETS		
Income / mark-up accrued in local currency - net	98,878,789	57,188,588
Income / mark-up accrued in foreign currencies - net	989,733	895,470
Advances, deposits, advance rent and other prepayments	17,541,779	15,941,362
Advance taxation	24,552,221	22,613,202
Non-banking assets acquired in satisfaction of claims	3,847,360	3,847,614
Mark to market gain on forward foreign exchange contracts	1,730,100	905,333
Acceptances	38,912,379	41,733,362
Stationery and stamps on hand	1,721,786	1,647,545
Receivable against home remittance	4,372,875	10,701,413
Branch adjustment account	7,367,001	6,221,325
Others	3,133,171	3,211,263
	203,047,194	164,906,477
Less: credit loss allowance / provision against other assets 15.1	(297,320)	(319,919)
Other Assets - (net of credit loss allowance / provision)	202,749,874	164,586,558
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	320,151	320,353
Other Assets - total	203,070,025	164,906,911



	Note	(Un-audited) 30 September 2026 (Rupees in '000)	(Audited) 31 December 2025
15.1 Credit loss allowance / provision against other assets			
Mark-up accrued		287,883	296,098
Modification		–	14,431
Others - receivable against consumer loans		9,437	9,390
	15.1.1	<u>297,320</u>	<u>319,919</u>
15.1.1 Movement in credit loss allowance / provision against other assets			
Opening balance		319,919	580,371
Foreign exchange adjustments		(3)	37
Charge / (reversal):			
ECL charge for the period / year		198,604	236,575
ECL reversal for the period / year		(206,816)	(506,516)
Modification charge		–	14,431
Charge for the period / year		1,418	3,468
Reversal for the period / year		(1,371)	(2,003)
		(8,165)	(254,045)
Modification reversal		(14,431)	(6,444)
Closing balance		<u>297,320</u>	<u>319,919</u>
16. CONTINGENT ASSETS			
There were no contingent assets of the Group as at 30 September 2026 (31 December 2025: Nil).			
		(Un-audited) 30 September 2026	(Audited) 31 December 2025
17. BILLS PAYABLE			
In Pakistan		<u>46,111,056</u>	<u>59,749,478</u>
18. BORROWINGS			
Secured			
Borrowings from the State Bank of Pakistan under:			
Export refinance scheme		37,959,033	52,594,474
Renewable energy		12,928,847	15,086,050
Long term financing for imported and locally manufactured plant and machinery		15,987,968	19,931,484
Modernisation of small and medium enterprises		833,298	1,143,308
Women entrepreneurship		85,174	127,457
Financing facility for storage of agricultural produce		879,763	578,558
Temporary economic refinance facility		18,219,475	21,779,323
Refinance facility for combating COVID-19		22,224	55,558
Repurchase agreement borrowings		385,581,930	120,111,600
		472,497,712	231,407,812
Repurchase agreement borrowings		–	43,000,000
Total secured		<u>472,497,712</u>	<u>274,407,812</u>
Unsecured			
Borrowings from financial institutions		10,530,347	14,044,333
Overdrawn nostro accounts		5,880,292	1,846,857
		16,410,639	15,891,190
		<u>488,908,351</u>	<u>290,299,002</u>



19. DEPOSITS AND OTHER ACCOUNTS

	30 September 2026 (Un-audited)			31 December 2025 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
(Rupees in '000)						
Customers						
Current deposits	989,777,120	57,928,777	1,047,705,897	826,582,359	58,898,969	885,481,328
Savings deposits	1,077,229,495	50,084,005	1,127,313,500	963,196,380	51,000,729	1,014,197,109
Term deposits	234,044,741	65,271,994	299,316,735	192,437,159	69,023,162	261,460,321
Current deposits - remunerative	377,513,084	11,047,417	388,560,501	301,441,838	6,035,937	307,477,775
Others	14,878,353	15,831,440	30,709,793	20,448,737	14,894,784	35,343,521
	<u>2,693,442,793</u>	<u>200,163,633</u>	<u>2,893,606,426</u>	<u>2,304,106,473</u>	<u>199,853,581</u>	<u>2,503,960,054</u>
Financial institutions						
Current deposits	18,945,936	564,369	19,510,305	12,953,168	842,116	13,795,284
Savings deposits	573,071	-	573,071	10,545,918	-	10,545,918
Term deposits	1,520,309	544,530	2,064,839	1,340,000	540,638	1,880,638
Current deposits - remunerative	44,281,285	1,764,098	46,045,383	66,545,031	1,221,903	67,766,934
Others	55,011	-	55,011	48,320	-	48,320
	<u>65,375,612</u>	<u>2,872,997</u>	<u>68,248,609</u>	<u>91,432,437</u>	<u>2,604,657</u>	<u>94,037,094</u>
	<u>2,758,818,405</u>	<u>203,036,630</u>	<u>2,961,855,035</u>	<u>2,395,538,910</u>	<u>202,458,238</u>	<u>2,597,997,148</u>

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

20. LEASE LIABILITIES

Opening balance	20,889,071	16,897,021
Additions during the period / year	6,105,685	6,313,249
Lease payments including interest	(4,036,451)	(4,605,832)
Finance charges on lease liabilities	2,379,446	2,650,409
Deletions during the period / year	(73,200)	(394,963)
Foreign exchange adjustments	(344)	179
Other adjustment	3,221	29,008
Closing balance	<u>25,267,428</u>	<u>20,889,071</u>

20.1 Contractual maturity of lease liabilities

Short-term lease liabilities - within one year	1,758,663	1,545,238
Long-term lease liabilities		
- 1 to 5 years	8,867,376	7,900,228
- 5 to 10 years	11,406,934	8,781,919
- More than 10 years	3,234,455	2,661,686
	<u>23,508,765</u>	<u>19,343,833</u>
Total	<u>25,267,428</u>	<u>20,889,071</u>

20.2 This carries average effective rate upto 13.65% (31 December 2025: 13.70% per annum).



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

21. SUBORDINATED DEBT - Unsecured

Term Finance Certificates (TFCs) - VI	21.1	7,000,000	7,000,000
Term Finance Certificates (TFCs) - VIII	21.2	–	4,992,000
Term Finance Certificates (TFCs) - IX	21.3	7,000,000	7,000,000
Term Finance Certificates (TFCs) - X	21.4	6,965,117	6,991,600
Term Finance Certificates (TFCs) - XI	21.5	19,970,707	–
		<u>40,935,824</u>	<u>25,983,600</u>

21.1 Term Finance Certificates - VI

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

- 21.2 During the period, the Bank exercised the call option of Term Finance Certificates - VIII in accordance with the Trust Deed and Terms and Conditions for the TFC issue, after completing the regulatory requirements. Accordingly, the said TFCs were redeemed in full on 30 September 2026.



21.3 Term Finance Certificates - IX

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

21.4 Term Finance Certificates - X

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



21.5 Term Finance Certificates - XI

Issue amount	Rupees 20,000 million
Issue date	September 2026
Maturity date	September 2036
Rating	AAA
Profit payment frequency	Semi-annually
Redemption	6th - 114th month: 0.02% per each semi-annual period; 120th month: 99.62%.
Mark-up	6 - Months KIBOR (ask side) + 1.00% per annum.
Call option	On or after five years with prior SBP approval.
Lock-in-clause	Neither profit nor principal may be paid if such payments will result in shortfall (or increase the shortfall) in the Bank's Minimum Capital Requirement ("MCR"), Leverage Ratio ("LR") or Capital Adequacy Ratio ("CAR").
Loss absorbency clause	The instrument will be subject to loss absorption and / or any other requirements under SBP's Basel III Capital Rules. Upon the occurrence of a point of non-viability event as defined by SBP's Basel III Capital Rules, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank (subject to a cap) at a price equivalent to the market value of shares of the Bank on the date of trigger, and / or have them immediately written off (either partially or in full).

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

22. OTHER LIABILITIES

Mark-up / return / interest payable in local currency	9,973,078	5,564,062
Mark-up / return / interest payable in foreign currencies	778,200	939,066
Unearned commission income	3,929,842	3,801,833
Accrued expenses	3,881,397	4,693,913
Acceptances	38,912,379	41,733,362
Unclaimed / dividend payable	1,551,445	1,371,065
Mark to market loss on forward foreign exchange contracts	2,738,291	1,294,874
Payable to defined benefit plan	4,961,836	3,631,177
Charity payable	129,229	112,228
Credit loss allowance against off-balance sheet obligations	22.1 4,786,267	4,756,981
Security deposits against leases / ijarah	25,748,844	18,543,826
Provision for compensated absences	3,165,459	2,641,856
Other security deposits	1,131,002	1,062,926
Workers' welfare fund	9,494,032	8,505,080
Payable to SBP / NBP	3,332,251	3,396,051
Insurance payable	924,467	651,987
Payable against purchase of marketable securities on behalf of customers	410,077	1,377,675
ATM switch, clearing and settlement account	20,490,302	28,831,290
Others	897,052	3,815,554
	137,235,450	136,724,806



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

22.1 Credit loss allowance against off-balance sheet obligations

Opening balance	4,756,981	4,742,981
Charge / (reversal):		
Charge for the period / year	2,522,514	2,697,591
Reversal for the period / year	(2,493,130)	(2,684,972)
	29,384	12,619
Foreign exchange adjustments	(98)	1,381
Closing balance	4,786,267	4,756,981

23. SURPLUS ON REVALUATION OF ASSETS

Surplus / (deficit) on revaluation of:

- Securities measured at FVOCI - debt	23.1.1	(7,791,945)	23,973,995
- Securities measured at FVOCI - equity	23.1.2	4,865,012	4,843,339
- Property and equipment		42,983,645	21,709,624
- Non-banking assets acquired in satisfaction of claims		320,151	320,353
		40,376,863	50,847,311

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

- Securities measured at FVOCI - debt	23.1.1	(4,051,716)	12,465,922
- Securities measured at FVOCI - equity	23.1.2	2,506,751	2,495,151
- Property and equipment		13,788,251	6,227,626
- Non-banking assets acquired in satisfaction of claims		98,230	98,335
		12,341,516	21,287,034
		28,035,347	29,560,277

23.1 Investments

23.1.1 Securities measured at FVOCI - debt	(7,792,037)	23,974,529
Non-controlling interest - loss / (gain)	92	(534)
	(7,791,945)	23,973,995
Less: related deferred tax	(4,051,716)	12,465,922
	(3,740,229)	11,508,073

23.1.2 Securities measured at FVOCI - equity	4,887,189	4,865,833
Non-controlling interest - gain	(22,177)	(22,494)
	4,865,012	4,843,339
Less: related deferred tax	2,506,751	2,495,151
	2,358,261	2,348,188



	(Un-audited) 30 September Note 2026	(Audited) 31 December 2025
	(Rupees in '000)	
24. NON-CONTROLLING INTEREST		
Opening balance	193,149	155,523
Profit attributable to non-controlling interest	19,574	24,672
(Loss) / profit on equity attributable to non-controlling interest - debt	(626)	3,865
(Loss) / profit on equity attributable to non-controlling interest - equity	(317)	9,089
Closing balance	<u>211,780</u>	<u>193,149</u>
25. CONTINGENCIES AND COMMITMENTS		
Guarantees	25.1 236,883,233	276,837,359
Commitments	25.2 711,978,660	568,900,717
Other contingent liabilities	25.3.1 3,904,528	4,396,720
	<u>952,766,421</u>	<u>850,134,796</u>
25.1 Guarantees:		
Financial guarantees	45,927,361	38,127,822
Performance guarantees	190,955,872	238,709,537
	<u>236,883,233</u>	<u>276,837,359</u>
25.2 Commitments:		
Documentary credits and short-term trade-related transactions:		
- letters of credit	390,725,033	320,900,787
Commitments in respect of:		
- forward foreign exchange contracts	25.2.1 304,738,663	218,501,551
- forward lendings	25.2.2 13,333,982	26,364,468
Commitments for acquisition of:		
- operating property and equipment	3,180,982	3,133,911
	<u>711,978,660</u>	<u>568,900,717</u>



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

25.2.1 Commitments in respect of forward foreign exchange contracts

Purchase	182,955,175	147,981,083
Sale	121,783,488	70,520,468
	<u>304,738,663</u>	<u>218,501,551</u>

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

25.2.2 Commitments in respect of forward lendings	<u>13,333,982</u>	<u>26,364,468</u>
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These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Group without the risk of incurring significant penalty or expense.

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

25.3 Other contingent liabilities

25.3.1 Claims against the Bank not acknowledged as debts	<u>3,904,528</u>	<u>4,396,720</u>
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25.3.2 Tax related contingent liabilities

There is no material change in the Bank's tax contingencies as disclosed in note 25.3.2 to the annual consolidated financial statements for the year ended 31 December 2025, except for the following matters:

- For Tax Years 2015, 2016, 2017, 2018, 2019, 2020, 2021 and 2022, Commissioner Inland Revenue (CIR) (Appeals) / Appellate Tribunal Inland Revenue (ATIR) has finalised the respective orders in favour of the Bank, and refund orders amounting to Rs. 3,499.682 million have been received by the Bank during the period.
- For Tax Year 2025 (Accounting Year 2024), Additional Commissioner Inland Revenue (ACIR) has finalised the order by disallowing certain expense resulting in a tax impact of Rs. 2,314.231 million. The Bank has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the said order.

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

26. DERIVATIVE INSTRUMENTS

26.1 Product analysis

		30 September 2026 (Un-audited)					
Counter parties	Contracts		Swap		Total		
	Notional principal	Mark to market gain / (loss)	Notional principal	Mark to market gain / (loss)	Notional principal	Mark to market gain / (loss)	
(Rupees in '000)							
Banks							
Hedging	54,225,966	964,148	87,327,607	236,693	141,553,573	1,200,841	
Other Entities							
Hedging	163,185,090	(2,209,032)	–	–	163,185,090	(2,209,032)	
Total							
Hedging	<u>217,411,056</u>	<u>(1,244,884)</u>	<u>87,327,607</u>	<u>236,693</u>	<u>304,738,663</u>	<u>(1,008,191)</u>	
		31 December 2025 (Audited)					
	Contracts		Swap		Total		
	Notional principal	Mark to market gain / (loss)	Notional principal	Mark to market gain / (loss)	Notional principal	Mark to market gain / (loss)	
(Rupees in '000)							
Banks							
Hedging	12,833,812	36,472	80,066,226	541,920	92,900,038	578,392	
Other Entities							
Hedging	125,601,513	(967,933)	–	–	125,601,513	(967,933)	
Total							
Hedging	<u>138,435,325</u>	<u>(931,461)</u>	<u>80,066,226</u>	<u>541,920</u>	<u>218,501,551</u>	<u>(389,541)</u>	





26.2 Maturity analysis

	Number of contracts	Notional principal	30 September 2026 (Un-audited)		
			Mark to market		
			Negative (Rupees in '000)	Positive	Net
Upto 1 month	308	80,513,932	(503,337)	517,402	14,065
1 to 3 months	764	112,171,316	(1,361,912)	830,623	(531,289)
3 to 6 months	942	87,319,950	(801,643)	280,184	(521,459)
Over 6 months to 1 year	210	24,733,465	(71,399)	101,891	30,492
	2,224	304,738,663	(2,738,291)	1,730,100	(1,008,191)

31 December 2025 (Audited)					
Upto 1 month	401	67,258,506	(324,252)	223,624	(100,628)
1 to 3 months	766	77,853,398	(660,555)	434,490	(226,065)
3 to 6 months	829	58,737,510	(296,826)	142,319	(154,507)
Over 6 months to 1 year	104	14,652,137	(13,241)	104,900	91,659
	2,100	218,501,551	(1,294,874)	905,333	(389,541)

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

27. MARK-UP / RETURN / INTEREST EARNED

Loans and advances	62,563,902	75,035,039
Investments	197,418,345	184,356,332
Lendings to financial institutions	291,322	422,400
Deposits with financial institutions	416,500	509,302
Securities purchased under resale agreements	456,328	308,723
	261,146,397	260,631,796

27.1 Interest income recognised on:

Financial assets measured at:	
- Amortised cost	113,926,076
- FVOCI	147,168,151
- FVPL	52,170
	261,146,397

28. MARK-UP / RETURN / INTEREST EXPENSED

Deposits	122,984,256	111,289,532
Borrowings	3,203,989	4,761,055
Subordinated debt	2,491,805	2,667,596
Cost of foreign currency swaps against deposits / borrowings	4,958,775	3,453,032
Repurchase agreement borrowings	25,380,774	36,934,135
Finance charges on lease liabilities	2,379,446	1,941,421
	161,399,045	161,046,771



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		(Un-audited) Nine months period ended	
		30 September 2026	30 September 2025
		(Rupees in '000)	
32. OPERATING EXPENSES			
Total compensation expenses		36,817,621	32,420,700
Property expenses			
Rent and taxes	332,585	215,347	
Insurance	30,698	22,327	
Utilities cost	3,236,041	2,639,123	
Security (including guards)	2,009,489	2,080,127	
Repair and maintenance (including janitorial charges)	812,969	752,467	
Depreciation	1,704,986	1,419,944	
Depreciation on non-banking assets acquired in satisfaction of claims	456	456	
Depreciation on right-of-use assets	2,570,128	2,128,171	
	10,697,352	9,257,962	
Information technology expenses			
Software maintenance	4,338,239	3,013,206	
Hardware maintenance	1,238,210	1,197,180	
Depreciation	1,730,258	1,328,975	
Amortisation	94,511	142,283	
Network charges	559,981	692,860	
	7,961,199	6,374,504	
Other operating expenses			
Directors' fees and allowances	66,340	71,285	
Fees and allowances to shariah board	38,176	32,583	
Insurance	1,077,965	950,221	
Legal and professional charges	499,399	391,028	
Outsourced services costs	3,081,064	2,709,803	
Travelling and conveyance	622,072	606,271	
NIFT and other clearing charges	305,435	279,770	
Depreciation	3,190,964	2,886,879	
Depreciation on right-of-use assets	2,171	3,257	
Repair and maintenance	2,361,685	1,962,546	
Training and development	123,551	178,367	
Postage and courier charges	412,444	308,411	
Communication	2,277,658	2,102,074	
Stationery and printing	1,332,150	1,454,224	
Marketing, advertisement and publicity	2,217,698	3,186,587	
Donations	423,800	344,000	
Auditors' remuneration	32,626	25,250	
Commission and brokerage	2,020,992	1,288,238	
Entertainment and staff refreshment	643,627	637,605	
Vehicle running expenses	245,173	200,915	
Subscriptions and publications	325,106	249,770	
CNIC verification charges	312,351	308,543	
Security charges	956,064	820,994	
Others	805,309	732,180	
	23,373,820	21,730,801	
	78,849,992	69,783,967	



		(Un-audited)	
		Nine months period ended	
		30 September	30 September
Note		2026	2025
		(Rupees in '000)	
33.	OTHER CHARGES		
	Penalties imposed by the State Bank of Pakistan	104,336	76,271
34.	CREDIT LOSS ALLOWANCE AND WRITE-OFFS - NET		
	(Reversal) / charge against balances with other banks	7.1 (131,571)	48,518
	(Reversal) / charge against lendings to financial institutions	8.1 (840)	2,088
	Reversal against investments	9.2 (3,275,682)	(2,988,961)
	Charge against loans and advances	10.3 1,291,315	982,904
	Reversal against other assets	15.1.1 (8,165)	(234,572)
	Charge / (reversal) against off-balance sheet items	22.1 29,384	(9,573)
	Reversal of deficit on revaluation of property and equipment	(425,781)	—
		(2,521,340)	(2,199,596)
35.	TAXATION		
	Charge / (reversal):		
	Current	25,963,489	28,662,058
	Prior years	(1,821,699)	2,354,668
	Deferred	1,966,495	(2,284,720)
		26,108,285	28,732,006
36.	BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE HOLDING COMPANY		
	Profit for the period attributable to shareholders of the Holding Company	24,158,254	26,659,463
		(Number)	
	Weighted average number of ordinary shares	1,111,425,416	1,111,425,416
		(Rupees)	
	Basic and diluted earnings per share	21.74	23.99
37.	FAIR VALUE MEASUREMENTS		
	Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.		
37.1	Fair value of financial assets		
	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).

There were no transfers between Levels 1 and 2 during the period / year.

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

30 September 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	–	1,697,961,246	–	1,697,961,246
Shares	885,622	171,402	4,226,822	5,283,846
Non Government Debt Securities	–	10,101,791	–	10,101,791
Foreign Securities	–	5,273,487	–	5,273,487
Units of Mutual Funds	4,385,397	–	–	4,385,397
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	–	687,875,024	–	687,875,024
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange contracts	–	180,367,619	–	180,367,619
Forward sale of foreign exchange contracts	–	123,362,853	–	123,362,853
31 December 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	–	1,543,187,914	–	1,543,187,914
Shares	928,462	160,375	4,127,900	5,216,737
Non Government Debt Securities	–	6,639,907	–	6,639,907
Foreign Securities	–	6,488,152	–	6,488,152
Units of Mutual Funds	8,627,514	–	–	8,627,514
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	–	456,472,166	–	456,472,166
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange contracts	–	147,047,803	–	147,047,803
Forward sale of foreign exchange contracts	–	71,064,207	–	71,064,207



37.2 Valuation techniques used in determination of fair values

Item	Valuation Approach	Input Used
Federal Government Securities	Federal Government Securities include Pakistan Investments Bonds (PIBs), Market Treasury Bills (MTBs) and Government Ijarah Sukuks (GISs) at fixed rate and floating rate. The fair value of fixed rates PIBs and MTBs are derived from PKRV and PKFRV rates. The fair value of GISs are revalued using PKISRV rates. Where PKISRV rates are not available for specific sukuk GISs, the average of available PKISRV rates for similar GISs are applied.	<ul style="list-style-type: none"> - PKRV rates - PKFRV rates - PKISRV rates
Term Finance Certificates (TFCs)	These are valued using the Mutual Funds Association of Pakistan (MUFAP) rate, if available, or the income approach. Future cash flows are estimated based on prevailing KIBOR rates as of the valuation date. These cash flows are then discounted using PKRV rate, adjusted for an instrument-specific credit spread to reflect the individual credit risk associated with each instrument.	<ul style="list-style-type: none"> - KIBOR - PKRV rates - Term sheets - MUFAP rates
Sukuks		
Foreign Securities	Fair values of investments in foreign securities are valued on the basis of closing quoted market prices available at the Mashreq Bank PSC and Reuters.	<ul style="list-style-type: none"> - Market price as per Mashreq Bank PSC - Reuters
Ordinary Shares - listed	The fair value of investments in listed equity securities are valued on the basis of closing quoted market price available at the Pakistan Stock Exchange (PSX).	- Fair value as per PSX
Units of Mutual Funds	Fair values of investments in units of mutual funds are determined based on redemption prices disclosed at MUFAP as at the close of the business days.	- Net Assets Value as per MUFAP
Ordinary Shares - unlisted	<p>The valuation of unlisted companies varies for each company, as explained below;</p> <ul style="list-style-type: none"> - Society for Worldwide Interbank Financial Telecommunication (SWIFT) is valued using the market approach. Valuation is based on its latest published share price in euros, converted to PKR using the exchange rate prevailing on the valuation date. - Pakistan Mortgage Refinance Company Limited (PMRC) has been valued based on price-to-book ratio of comparable market data. - 1LINK (Private) Limited has been valued based on discounted cash flows. Future cash flows were projected based on reasonable assumptions aligned with the company's historical performance. The discount rate was derived using the Capital Asset Pricing Model (CAPM), given that the company is currently unlevered. The CAPM inputs included the equity risk premium (ERP), PKRV rates, and the ungeared beta of comparable companies, adjusted for Pakistan's country risk premium (CRP). 	<ul style="list-style-type: none"> - Euro / Pak exchange rate - PKRV rates - Comparable company information - Historical PSX returns - Financials of the investee company



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

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

	(Un-audited) 30 September 2026	(Audited) 31 December 2025
	(Rupees in '000)	
Opening balance	4,127,900	3,596,078
Surplus recognised in OCI	98,922	531,822
Closing balance	<u>4,226,822</u>	<u>4,127,900</u>

Ordinary shares in unlisted companies	Unobservable Input	Fair Value (Rupees in '000)	Input	Relationship of unobservable inputs to fair value
Pakistan Mortgage Refinance Company Limited	Discounts for lack of marketability (DLOM)	132,052	20%	Increase / (decrease) in DLOM by 1% by all other variables held constant would (decrease) / increase the fair value by Rs. 1.6 m.
1LINK (Private) Limited	Discounts for lack of marketability (DLOM)	4,094,770	28%	Increase / (decrease) in DLOM by 1% by all other variables held constant would (decrease) / increase the fair value by Rs. 56.9 m.

38. SEGMENT INFORMATION

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

	Nine months period ended 30 September 2026 (Un-audited)							
	Corporate	Treasury	Retail	Islamic	Overseas	Retail brokerage	Asset management	Currency exchange
	(Rupees in '000)							
Statement of profit and loss account								
Mark-up / return / profit	37,613,361	167,020,562	11,082,181	42,881,350	2,300,778	62,687	6,490	178,988
Inter segment revenue - net	26,492,160	999,068	111,580,555	-	1,278,335	-	-	-
Non mark-up / return / interest income	2,300,405	9,259,220	11,338,678	2,243,513	202,212	233,702	2,172,258	256,339
Total income	66,405,926	177,278,850	134,001,414	45,124,863	3,781,325	296,389	2,178,748	435,327
Segment direct expenses	(53,360,700)	(31,690,502)	(123,197,255)	(30,104,743)	(1,923,072)	(204,836)	(594,661)	(312,182)
Inter segment expense allocation	-	(139,351,050)	-	-	(702,378)	(6,819)	(57,974)	(231,897)
Total expenses	(53,360,700)	(171,041,552)	(123,197,255)	(30,104,743)	(2,625,450)	(211,655)	(652,635)	(544,079)
Credit loss allowance and write-offs - net	(182,713)	221,440	57,327	(723,436)	3,148,722	-	-	-
Profit / (loss) before tax	12,862,513	6,458,738	10,861,486	14,296,684	4,304,597	84,734	1,526,113	(108,752)
	As at 30 September 2026 (Un-audited)							
	Corporate	Treasury	Retail	Islamic	Overseas	Retail brokerage	Asset management	Currency exchange
	(Rupees in '000)							
Statement of financial position								
Cash and bank balances	64,493,375	98,405,817	25,146,944	32,120,538	292,541	421,797	19,054	1,652,212
Investments	-	2,017,577,214	-	379,691,064	15,845,904	190,864	5,387,610	1,651,684
Net inter segment lending	342,723,849	-	1,443,495,644	-	20,755,869	-	-	-
Lendings to financial institutions	-	10,233,360	-	7,998,920	-	-	-	-
Advances - performing	557,291,261	-	85,848,365	191,916,619	51,344,331	-	-	-
- non-performing - net of credit loss allowance	1,835,858	-	38,548	126,553	-	-	-	-
Others	100,140,383	152,916,292	38,507,476	37,376,364	6,844,282	768,714	328,657	185,229
Total assets	1,066,484,726	2,279,132,683	1,593,036,977	649,230,058	95,082,927	1,381,375	5,735,321	3,489,125
Borrowings	65,538,052	401,992,569	-	17,508,125	3,602,487	267,118	-	-
Subordinated debt	-	40,935,824	-	-	-	-	-	-
Deposits and other accounts	949,580,999	-	1,519,041,032	444,509,933	48,723,071	-	-	-
Net inter segment borrowing	-	1,770,407,474	-	10,449,670	22,279,998	88,220	750,000	3,000,000
Others	30,578,419	12,047,477	68,215,213	89,984,425	6,893,926	478,942	209,525	206,007
Total liabilities	1,045,697,470	2,225,383,344	1,587,256,245	562,452,153	81,499,482	834,280	959,525	3,206,007
Equity	20,787,256	53,749,339	5,780,732	86,777,905	13,583,445	547,095	4,775,796	283,118
Total equity and liabilities	1,066,484,726	2,279,132,683	1,593,036,977	649,230,058	95,082,927	1,381,375	5,735,321	3,489,125
Contingencies and commitments	563,646,473	306,395,481	831,681	76,039,942	5,824,844	-	-	28,000



Statement of profit and loss account

Nine months period ended 30 September 2025 (Un-audited)								
Corporate	Treasury	Retail	Islamic	Overseas	Retail brokerage	Asset management	Currency exchange	Total
(Rupees in '000)								
Mark-up / return / profit	46,964,893	155,513,224	18,282,962	36,837,248	2,715,497	86,206	4,104	260,631,796
Inter segment revenue - net	8,252,047	1,132,858	94,693,436	—	1,262,803	—	—	105,341,144
Non mark-up / return / interest income	3,037,357	6,863,181	10,046,939	1,874,849	325,295	186,855	2,108,196	24,611,311
Total income	58,254,297	163,509,263	123,023,337	38,712,097	4,303,595	273,061	2,112,300	390,584,251
Segment direct expenses	(47,481,673)	(38,730,088)	(117,096,933)	(25,579,608)	(2,244,752)	(192,979)	(472,074)	(232,034,004)
Inter segment expense allocation	—	(104,208,286)	—	—	(832,959)	(9,365)	(58,107)	(105,341,144)
Total expenses	(47,481,673)	(142,938,374)	(117,096,933)	(25,579,608)	(3,077,711)	(202,344)	(530,181)	(337,375,148)
Credit loss allowance and write-offs - net	(1,444,610)	103,633	22,723	(362,737)	3,880,587	—	—	2,199,596
Profit / (loss) before tax	9,328,014	20,674,522	5,949,127	12,769,752	5,106,471	70,717	(72,023)	55,408,699

As at 31 December 2025 (Audited)

Statement of financial position

Corporate	Treasury	Retail	Islamic	Overseas	Retail brokerage	Asset management	Currency exchange	Total
(Rupees in '000)								
Cash and bank balances	66,073,234	85,757,257	16,112,946	27,409,913	220,246	2,830	1,337,267	197,616,105
Investments	—	1,672,852,295	—	329,585,390	22,765,095	190,685	4,144,270	2,031,294,437
Net inter segment lending	197,510,931	—	1,416,629,585	—	25,477,196	—	—	1,639,617,712
Lendings to financial institutions	—	6,456,338	—	17,997,570	—	—	—	24,453,908
Advances - performing	544,781,585	—	60,926,055	151,657,603	31,386,962	—	—	788,752,205
- non-performing - net of credit loss allowance	2,683,652	—	37,725	17,282	—	—	—	2,738,659
Others	88,932,963	114,419,961	22,190,049	29,027,376	7,559,210	1,735,529	159,238	264,654,188
Total assets	899,982,365	1,879,485,851	1,515,896,360	555,695,134	87,408,709	2,628,626	4,776,962	4,949,127,214
Borrowings	86,576,529	178,964,612	—	24,160,152	—	597,709	—	290,299,002
Subordinated debt	—	25,983,600	—	—	—	—	—	25,983,600
Deposits and other accounts	732,686,277	—	1,404,805,036	413,425,416	47,080,419	—	—	2,597,997,148
Net inter segment borrowing	—	1,616,992,613	—	—	18,768,248	106,851	750,000	1,639,617,712
Others	48,568,846	17,891,975	107,332,234	35,999,763	7,304,184	1,451,494	57,725	218,877,747
Total liabilities	867,831,652	1,839,832,800	1,512,137,270	473,585,331	73,152,851	2,156,054	1,021,526	4,772,775,209
Equity	32,150,713	39,653,051	3,759,090	82,109,803	14,255,858	472,572	3,755,436	176,352,005
Total equity and liabilities	899,982,365	1,879,485,851	1,515,896,360	555,695,134	87,408,709	2,628,626	4,776,962	4,949,127,214
Contingencies and commitments	549,253,643	219,429,568	687,622	68,114,936	12,064,134	—	584,893	850,134,796

39. RELATED PARTY TRANSACTIONS

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

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



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

	30 September 2026 (Un-audited)				31 December 2025 (Audited)			
	Directors	Key management personnel	Associates	Other related parties (Rupees in '000)	Directors	Key management personnel	Associates	Other related parties
Investments								
Opening balance	-	-	15,259,800	4,097,713	-	-	7,834,536	811,604
Investment made during the period / year	-	-	37,908,279	-	-	-	23,199,239	-
Investment adjusted / redeemed / disposed off during the period / year	-	-	(40,198,158)	-	-	-	(15,773,975)	(182,690)
(Deficit) / surplus on revaluation	-	-	-	(2,944)	-	-	-	3,438,799
Credit loss allowance	-	-	-	-	-	-	-	30,000
Closing balance	-	-	12,969,921	4,094,769	-	-	15,259,800	4,097,713
Advances								
Opening balance	7,223	453,102	-	1,076,951	1,674	391,567	-	1,109,581
Addition during the period / year	12,570	494,195	-	28,983,556	130,940	605,791	-	42,247,630
Repaid during the period / year	(19,350)	(325,242)	-	(28,722,915)	(125,348)	(544,278)	-	(42,330,680)
Credit loss allowance	49	(88)	-	(4,600)	(43)	22	-	50,420
Closing balance	492	621,967	-	1,332,992	7,223	453,102	-	1,076,951
Right-of-use assets	-	-	-	7,972	-	-	-	11,959
Other assets								
Interest / mark-up accrued	-	497	-	14,162	-	517	-	46,017
Credit loss allowance on accrued mark-up	-	-	-	379	-	1	-	721
Remuneration receivable from funds	-	-	277,392	-	-	-	538,814	-
Other receivable	-	-	-	2,922	-	-	-	5,266
Subordinated debt								
Opening balance	-	-	-	244,000	-	-	-	244,000
Issued / purchased during the period / year	-	-	-	1,804,538	-	-	-	-
Redeemed / sold during the period / year	-	-	-	(77)	-	-	-	-
Closing balance	-	-	-	2,048,461	-	-	-	244,000
Deposits and other accounts								
Opening balance	473,249	834,169	38,763,597	2,979,643	1,106,745	854,460	11,795,080	15,445,734
Received during the period / year	5,358,341	4,221,840	1,048,569,451	75,463,384	10,183,847	6,909,437	1,208,186,155	398,533,940
Withdrawn during the period / year	(5,605,173)	(3,893,242)	(1,060,583,703)	(72,402,429)	(10,817,343)	(6,929,728)	(1,181,217,638)	(411,000,031)
Closing balance	226,417	1,162,767	26,749,345	6,040,598	473,249	834,169	38,763,597	2,979,643
Other liabilities								
Interest / mark-up payable	309	5,555	2,432	55,694	10	2,361	71,146	6,377
Credit loss allowance on off-balance sheet	-	-	-	16,597	-	-	-	16,910
Payable to staff gratuity fund	-	-	-	4,961,836	-	-	-	3,631,177
Other liabilities	1	3	-	-	-	33	-	2
Contingencies and commitments	-	-	-	1,171,961	-	-	-	1,195,406
Other transactions - Investor Portfolio Securities								
Opening balance	-	80,000	-	30,407,700	-	-	-	24,182,000
Increased during the period / year	-	-	-	6,849,400	-	80,000	-	12,475,800
Decreased during the period / year	-	-	-	(7,105,600)	-	-	-	(6,250,100)
Closing balance	-	80,000	-	30,151,500	-	80,000	-	30,407,700



39.1 Related Party Transactions

	30 September 2026 (Un-audited)				30 September 2025 (Un-audited)			
	Directors	Key management personnel	Associates	Other related parties	Directors	Key management personnel	Associates	Other related parties
	(Rupees in '000)							
Income								
Mark-up / return / interest earned	21	21,920	—	46,393	4,492	23,072	—	83,930
Fee and commission income	841	1,936	1,917,575	21,512	263	1,034	1,703,111	10,717
Share of profit from associates	—	—	958,880	—	—	—	1,015,054	—
Dividend income	—	—	—	158,803	—	—	—	140,847
Net gain on sale / redemption of securities / mutual funds	—	—	—	—	—	—	—	4
Other income	—	16	—	230	—	14	—	291
Expense								
Mark-up / return / interest expensed	24,645	54,385	682,564	412,153	49,995	89,863	352,151	542,217
Operating expenses	—	—	—	964,874	—	—	—	953,303
Salaries and allowances	—	1,499,191	—	—	—	1,323,719	—	—
Bonus	—	325,891	—	—	—	256,898	—	—
Contribution to defined contribution plan	—	55,570	—	—	—	44,324	—	—
Contribution to defined benefit plan	—	170,587	—	—	—	249,092	—	—
Staff provident fund	—	—	—	1,258,774	—	—	—	1,077,735
Staff gratuity fund	—	—	—	1,330,659	—	—	—	945,000
Directors' fees	59,540	1,400	—	—	57,435	1,050	—	—
Donation	—	—	—	27,000	—	—	—	99,000
Insurance premium paid	—	—	—	344,328	—	—	—	188,383
Insurance claims settled	—	—	—	71,376	—	—	—	138,436
Other								
Sale of government securities	—	—	—	6,394,918	—	—	—	8,933,650
Purchase / sale of foreign currencies (cross currency)	—	367	—	—	—	3,056	—	—





40. CAPITAL ADEQUACY, LEVERAGE RATIO AND LIQUIDITY REQUIREMENTS

	(Un-audited) 30 September 2026	(Audited) 31 December 2025
	(Rupees in '000)	
Minimum Capital Requirement (MCR):		
Paid-up capital	11,114,254	11,114,254
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	162,521,469	152,337,889
Eligible Additional Tier 1 (ADT 1) Capital	12,045,913	13,105,645
Total Eligible Tier 1 Capital	174,567,382	165,443,534
Eligible Tier 2 Capital	58,376,535	52,152,954
Total Eligible Capital (Tier 1 + Tier 2)	232,943,917	217,596,488
Risk Weighted Assets (RWAs):		
Credit Risk	1,104,001,833	866,136,477
Market Risk	79,999,696	71,794,356
Operational Risk	310,545,399	310,545,399
Total	1,494,546,928	1,248,476,232
	(Un-audited) 30 September 2026	(Audited) 31 December 2025
	(Percentage)	
Common Equity Tier 1 Capital Adequacy Ratio	10.87%	12.20%
Tier 1 Capital Adequacy Ratio	11.68%	13.25%
Total Capital Adequacy Ratio	15.59%	17.43%
	(Un-audited) 30 September 2026	(Audited) 31 December 2025
	(Rupees in '000)	
Leverage Ratio (LR):		
Eligible Tier-1 Capital	174,567,382	165,443,534
Total Exposures	4,439,292,147	3,834,120,758
Leverage Ratio	3.93%	4.32%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	1,584,996,964	1,365,811,533
Total Net Cash Outflow	604,312,025	479,919,850
Liquidity Coverage Ratio	262.28%	284.59%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	2,977,666,418	2,635,572,489
Total Required Stable Funding	1,731,536,476	1,368,672,616
Net Stable Funding Ratio	171.97%	192.56%

The Group has applied transitional approach under IFRS 9 as prescribed in SBP Circular. CAR and LR would be 15.01% & 3.82% respectively, if full impact of IFRS 9 is applied.



41. ISLAMIC BANKING BUSINESS

The Bank is operating with 451 (31 December 2025: 392) Islamic Banking branches and 08 (31 December 2025: 08) Islamic Banking windows at the end of the period / year.

STATEMENT OF FINANCIAL POSITION		(Un-audited) 30 September 2026 (Rupees in '000)	(Audited) 31 December 2025
	Note		
ASSETS			
Cash and balances with treasury banks		32,110,688	27,400,433
Balances with other banks		9,850	9,480
Due from financial institutions	41.1	7,998,920	17,997,570
Investments	41.2	379,691,064	329,585,390
Islamic financing and related assets - net	41.3	192,043,172	151,674,885
Property and equipment		4,576,207	3,976,043
Right-of-use assets		7,187,763	6,521,920
Intangible assets		—	—
Due from Head Office		—	—
Other assets		25,612,394	18,529,413
Total Assets		649,230,058	555,695,134
LIABILITIES			
Bills payable		1,270,082	1,249,578
Due to financial institutions		17,508,125	24,160,152
Deposits and other accounts	41.4	444,509,933	413,425,416
Due to Head Office		10,449,670	8,509,501
Lease liabilities		9,102,300	7,886,845
Subordinated debt		—	—
Other liabilities		79,612,043	18,353,839
Total Liabilities		562,452,153	473,585,331
NET ASSETS		86,777,905	82,109,803
REPRESENTED BY			
Islamic Banking Fund		7,600,000	7,600,000
Reserves		—	—
(Deficit) / surplus on revaluation of assets		(6,568,581)	3,033,370
Unappropriated profit	41.5	85,746,486	71,476,433
		86,777,905	82,109,803
CONTINGENCIES AND COMMITMENTS	41.6		



STATEMENT OF PROFIT AND LOSS ACCOUNT	Note	(Un-audited) Nine months period ended	
		30 September 2026	30 September 2025
		(Rupees in '000)	
Profit / return earned	41.7	42,881,350	36,837,248
Profit / return expensed	41.8	(18,953,696)	(16,829,400)
Net profit / return		23,927,654	20,007,848
Other income			
Fee and commission income		2,097,298	1,623,722
Dividend income		43,123	61,787
Foreign exchange income		205,004	202,801
Loss on securities - net		(101,912)	(13,461)
Other income		—	—
Total other income		2,243,513	1,874,849
Total income		26,171,167	21,882,697
Other expenses			
Operating expenses		(11,149,867)	(8,749,522)
Other charges		(1,180)	(686)
Total other expenses		(11,151,047)	(8,750,208)
Profit before credit loss allowance		15,020,120	13,132,489
Credit loss allowance and write-offs - net		(723,436)	(362,737)
Profit for the period		14,296,684	12,769,752

41.1 Due from financial institutions	(Un-audited)		(Audited)
	30 September 2026	31 December 2025	
	(Rupees in '000)		
In local currency			
Musharaka placement	8,000,000	18,000,000	
Less: credit loss allowance - Stage 1	(1,080)	(2,430)	
Due from financial institutions - net of credit loss allowance	7,998,920	17,997,570	



41.2 Investments

	30 September 2026 (Un-audited)				31 December 2025 (Audited)			
	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
	(Rupees in '000)							
Investments by segments:								
Debt instruments								
Amortised Cost								
Federal Government Securities								
- Bai Muajjal	23,506,941	-	-	23,506,941	24,383,389	-	-	24,383,389
- Ijarah Sukuks	10,177,149	-	-	10,177,149	-	-	-	-
	33,684,090	-	-	33,684,090	24,383,389	-	-	24,383,389
FVPL								
Federal Government Securities								
- Naya Pakistan Certificates	1,423,721	-	-	1,423,721	886,072	-	-	886,072
FVOCI								
Federal Government Securities								
- Ijarah Sukuks	346,174,299	-	(6,677,039)	339,497,260	297,726,212	-	3,037,050	300,763,262
- Neelum Jhelum Hydropower Co. Ltd. Sukuk	-	-	-	-	288,750	-	17,293	306,043
Non Government Debt Securities								
- Listed	2,168,463	(680,594)	130,822	1,618,691	1,122,000	(680,424)	2,855	444,431
- Unlisted	2,125,965	(542)	(22,364)	2,103,059	2,360,500	(634)	(23,828)	2,336,038
	350,468,727	(681,136)	(6,568,581)	343,219,010	301,497,462	(681,058)	3,033,370	303,849,774
Investments mandatorily classified / measured at FVPL								
Units of Mutual Funds	1,266,155	-	(101,912)	1,164,243	273,129	-	(6,974)	266,155
Associates								
- AL Habib Islamic Cash Fund	100,000	-	-	100,000	100,000	-	-	100,000
- AL Habib Islamic Savings Fund	100,000	-	-	100,000	100,000	-	-	100,000
	200,000	-	-	200,000	200,000	-	-	200,000
Total Investments	387,042,683	(681,136)	(6,670,493)	379,691,064	327,240,052	(681,058)	3,026,396	329,585,390

41.2.1 Particulars of credit loss allowance

	30 September 2026 (Un-audited)			
	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)			
Non Government Debt Securities	750	386	680,000	681,136
	31 December 2025 (Audited)			
	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)			
Non Government Debt Securities	614	444	680,000	681,058



	(Un-audited) 30 September 2026	(Audited) 31 December 2025
	(Rupees in '000)	
41.3 Islamic financing and related assets		
Ijarah	4,506,429	3,960,126
Murabaha	17,281,121	12,896,466
Diminishing Musharaka	58,216,888	32,362,289
Istisna	5,366,932	6,870,106
Islamic Long Term Financing Facility (ILTFF)	6,942,995	4,301,121
Islamic Refinance for Renewable Energy (IFRE)	2,576,479	2,916,460
Islamic Refinance for Temporary Economic Refinance Facility (ITERF)	3,914,554	2,028,789
Islamic Refinance Facility for Modernisation of SMEs (IRFSME)	166,442	133,037
Islamic Financing Facility for Storage of Agricultural Produce (IFFSAP)	78,701	99,457
Islamic Export Refinance (IERF) - Istisna	100,000	399,500
Musawamah	3,195,741	4,775,840
Running Musharaka	559,473	1,844,473
Islamic Export Refinance - Running Musharaka	13,301,641	13,963,641
Financing against Bills - Musawamah	12,397,603	6,919,778
Export Finance Scheme (EFS) - Discounting	8,716,076	8,405,335
Staff Financing	6,405,994	5,933,903
Bai Muajjal	19,480,720	—
Musawamah Inventory	4,863,990	4,430,963
Advance against Istisna	15,122,895	11,524,724
Advance against Istisna - IERF	6,662,199	3,807,743
Advance against Ijarah	520,998	589,164
Advance against Diminishing Musharaka	5,621,251	4,706,521
Advance against Bai Muajjal	—	22,038,007
Advance against IRFSME	—	64,196
Advance against Murabaha	8,827	—
Gross Islamic financing and related assets	196,007,949	154,971,639
Less: credit loss allowance against Islamic financings		
- Stage 1	(1,878,520)	(1,088,425)
- Stage 2	(561,363)	(839,919)
- Stage 3	(1,524,894)	(1,368,410)
	(3,964,777)	(3,296,754)
Islamic financing and related assets - net of credit loss allowance	192,043,172	151,674,885



	(Un-audited) 30 September 2026 (Rupees in '000)	(Audited) 31 December 2025
41.4 Deposits and other accounts		
Customers		
Current deposits	214,876,798	165,099,275
Savings deposits	210,081,809	216,447,312
Term deposits	18,290,184	20,546,384
	<u>443,248,791</u>	<u>402,092,971</u>
Financial institutions		
Current deposits	300,797	95,431
Savings deposits	960,345	11,237,014
	<u>1,261,142</u>	<u>11,332,445</u>
	<u>444,509,933</u>	<u>413,425,416</u>
41.5 Islamic Banking Business Unappropriated Profit		
Opening balance	71,476,433	54,066,152
Impact of change in accounting policy	(26,631)	—
Add: Islamic Banking profit for the period / year	14,296,684	17,410,281
Closing balance	<u>85,746,486</u>	<u>71,476,433</u>
41.6 Contingencies and Commitments		
Guarantees	16,719,332	27,884,693
Commitments	59,320,610	40,230,243
	<u>76,039,942</u>	<u>68,114,936</u>
	(Un-audited) Nine months period ended 30 September 2026	30 September 2025
	(Rupees in '000)	
41.7 Profit / Return Earned on Financings, Investments and Placements		
Profit earned on:		
Financings	12,519,532	8,385,441
Investments	30,070,168	28,029,068
Placements	291,650	422,739
	<u>42,881,350</u>	<u>36,837,248</u>
41.8 Profit on Deposits and Other Dues Expensed		
Deposits and other accounts	14,629,399	14,531,442
Due to financial institutions	1,380,494	1,357,216
Due to Head Office	2,074,735	319,342
Finance charges on lease liabilities	869,068	621,400
	<u>18,953,696</u>	<u>16,829,400</u>



41.9 Profit and Loss Distribution and Pool Management

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

General Pool PKR (Mudaraba)

Deposits which assume minimal risk of loss due to diversified assets being tagged thereto are parked in the general pool. In case of loss in general pool, the loss will be borne by the general pool members.

Special Pool(s) PKR (Mudaraba)

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

General Pool FCY (Mudaraba)

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

Special Pool(s) FCY (Mudaraba)

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

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

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

Equity Pool

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

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

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

Parameters associated with risk and rewards:

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

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



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

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

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

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

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

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

The Bank calculates the profit of the pool every month. Profit is distributed at the net income level. Net income is calculated after deducting direct costs such as cost of murabaha, cost of takaful, depreciation on ijarah assets, and amortisation of premium on sukuks and loss of investments directly incurred in deriving that income. The provisions created against non-performing assets as per relevant SBP regulations, write-offs and loss on sale of investments may be charged to the respective pool along with other direct expenses. In case of any reversal of the provision expense / value in investment, the benefit shall be allocated to the same pool.

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

The Bank's profit sharing ratio during the period was 50% (30 September 2025: 50%) of net income and the depositors' profit sharing ratio was 50% (30 September 2025: 50%) of net income.



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

The credit loss allowance under IFRS 9 and diminution in the value of investments as under Prudential Regulations and other SBP directives shall be borne by the IBIs as Mudarib.

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

30 September 2026 (Un-audited)					
	Distributable Income (Rupees in '000)	Mudarib Share (Rupees in '000)	Mudarib Share (Percentage)	HIBA Amount (Rupees in '000)	HIBA (Percentage)
LCY Pool	22,249,743	9,345,991	42.00%	3,446,615	36.88%
FCY Pool	358,272	279,283	77.95%	41,897	15.00%
30 September 2025 (Un-audited)					
LCY Pool	20,373,504	9,552,001	46.88%	4,054,090	42.44%
FCY Pool	328,100	271,293	82.69%	41,318	15.23%

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

(Un-audited)		
Nine months period ended		
	30 September 2026	30 September 2025
	(Percentage)	
Profit rate earned	10.16%	11.73%
Profit rate distributed	4.85%	5.78%

42. GENERAL

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

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

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



43. NON-ADJUSTING EVENT AFTER THE REPORTING DATE

The Board of Directors, in its meeting held on 22 October 2026, has announced an interim cash dividend of Rs. 3.50 per share (30 September 2025: Rs. 3.50 per share). These consolidated condensed interim financial statements do not include the effect of this appropriation, which will be accounted for subsequent to the period end.

44. DATE OF AUTHORISATION

These consolidated condensed interim financial statements were authorised for issue in the Board of Directors' meeting held on 22 October 2026.

MANSOOR ALI KHAN
Chief Executive

ASHAR HUSAIN
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI
Director

FARHANA MOWJEE KHAN
Director

ABBAS D. HABIB
Chairman