



Bank Alfalah

LDN/CA/25
31st July 2025

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Karachi

Financial Results for the 2nd Quarter/Half year ended 30th June 2025 of Bank Alfalah Limited

Dear Sir,

We have to inform you that the Board of Directors of Bank Alfalah Limited ("the Bank") in its meeting held on 31st July 2025 at 10:30 A.M. (UAE time) at Abu Dhabi and via Weblink, recommended the following:

- (i) **CASH DIVIDEND** - A 2nd interim Cash Dividend for the Quarter ended 30th June 2025 at the rate of PKR. 2.5/- per share i.e. 25%.
This is in addition to the 1st Interim Cash Dividend already paid at PKR. 2.5 per share i.e. 25%, cumulatively 50%, for the half year ended 30th June 2025.
- (ii) **BONUS SHARES** - Nil
- (iii) **RIGHT SHARES** - Nil
- (iv) **ANY OTHER ENTITLEMENT/CORPORATE ACTION** - Nil
- (v) **ANY OTHER PRICE-SENSITIVE INFORMATION** - Nil


The unconsolidated and consolidated financial statements of the Bank, which comprise of the following along with notes thereon are attached:

- a) Statement of Profit/Loss including Earning/(Loss) Per Share b) Statement of Financial Position;
c) Statement of Changes in Equity; and d) Statement of Cash Flows

The Share Transfer Books of the Bank for the purpose of interim cash dividend will be closed from 12th August 2025 to 13th August 2025 (both days inclusive). The above entitlement will be paid to the shareholders whose names appear in the Register of Members at the close of business on 11th August 2025. Transfers received at the office of Bank's Share Registrar F.D. Registrar Services (Pvt.) Ltd (1705, 17th Floor, Saima Trade Tower-A, I. I. Chundrigar Road, Karachi-74000) at the close of business on 11th August 2025 will be treated in time for the purpose of above entitlement to the transferees.

The Quarterly Report of the Bank will be transmitted through PUCARS, within the specified time.

Yours truly,


Mian Ejaz Ahmad
Company Secretary

Encl: as above

c.c. Executive Director/HOD,
Offsite-II Department, Supervision Division,
The SECP, 63, NIC Building, Jinnah Avenue, Blue Area, Islamabad.

BANK ALFALAH LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (Un-audited)
FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2025

| | Note | Quarter ended June 30, 2025 | Quarter ended June 30, 2024 | Half year ended June 30, 2025 | Half year ended June 30, 2024 |
|--|------|-----------------------------------|-----------------------------------|-------------------------------------|-------------------------------------|
| | | ----- (Rupees in '000) ----- | | | |
| | | (Restated) | | (Restated) | |
| Mark-up / return / interest earned | 26 | 93,294,585 | 128,443,100 | 188,388,172 | 258,387,207 |
| Mark-up / return / interest expensed | 27 | 58,921,983 | 97,171,408 | 120,803,285 | 195,831,367 |
| Net mark-up / return / interest income | | 34,372,602 | 31,271,692 | 67,584,887 | 62,555,840 |
| NON MARK-UP / INTEREST INCOME | | | | | |
| Fee and commission income | 28 | 4,093,096 | 5,358,165 | 7,649,749 | 10,021,206 |
| Dividend income | | 575,281 | 757,259 | 1,455,503 | 1,159,804 |
| Foreign exchange income | 29 | 3,171,125 | 2,973,574 | 5,289,700 | 5,242,394 |
| (Loss) / income from derivatives | | (713,914) | 829,102 | 388,566 | 1,373,514 |
| Gain on securities | 30 | 7,767,949 | 2,252,703 | 8,394,351 | 2,320,379 |
| Net gain / (loss) on derecognition of financial assets measured at amortised cost | | - | - | - | - |
| Other income | 31 | 76,567 | 123,648 | 874,229 | 189,716 |
| Total non-mark-up / interest income | | 14,970,104 | 12,294,451 | 24,052,098 | 20,307,013 |
| Total income | | 49,342,706 | 43,566,143 | 91,636,985 | 82,862,853 |
| NON MARK-UP / INTEREST EXPENSES | | | | | |
| Operating expenses | 32 | 29,004,603 | 20,452,409 | 55,978,382 | 39,629,066 |
| Workers' welfare fund | 33 | 421,462 | 493,789 | 821,570 | 919,010 |
| Other charges | 34 | 5,346 | 872 | 9,557 | 209,515 |
| Total non-mark-up / interest expenses | | 29,431,411 | 20,947,070 | 56,809,509 | 40,757,591 |
| Profit before credit loss allowance / provisions | | 19,911,295 | 22,619,073 | 34,827,476 | 42,105,262 |
| Credit loss allowance / provisions and write offs - net | 35 | 1,364,662 | 1,513,647 | 896,645 | 1,306,853 |
| Extra ordinary / unusual items | | - | - | - | - |
| PROFIT BEFORE TAXATION | | 18,546,633 | 21,105,426 | 33,930,831 | 40,798,409 |
| Taxation | 36 | 10,312,154 | 10,410,135 | 18,656,250 | 20,200,064 |
| PROFIT AFTER TAXATION | | 8,234,479 | 10,695,291 | 15,274,581 | 20,598,345 |
| ----- (Rupees) ----- | | | | | |
| | | (Restated) | | (Restated) | |
| Basic and diluted earnings per share | 37 | 5.22 | 6.78 | 9.68 | 13.06 |

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

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President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

BANK ALFALAH LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

| | Note | (Un-audited) June 30, 2025 | (Audited) December 31, 2024 |
|---------------------------------------|------|----------------------------------|-----------------------------------|
| ------(Rupees in '000)----- | | | |
| ASSETS | | | |
| Cash and balances with treasury banks | 7 | 215,406,020 | 227,823,979 |
| Balances with other banks | 8 | 17,478,976 | 18,469,608 |
| Lendings to financial institutions | 9 | 153,895,071 | 100,998,323 |
| Investments | 10 | 1,632,473,718 | 1,991,232,454 |
| Advances | 11 | 1,010,496,226 | 1,109,376,154 |
| Property and equipment | 12 | 68,233,175 | 63,543,484 |
| Right-of-use assets | 13 | 25,648,582 | 25,290,607 |
| Intangible assets | 14 | 1,511,086 | 1,543,109 |
| Deferred tax assets | | - | - |
| Other assets | 15 | 169,190,233 | 171,928,403 |
| Total assets | | 3,294,333,087 | 3,710,206,121 |
| LIABILITIES | | | |
| Bills payable | 16 | 61,189,539 | 41,768,326 |
| Borrowings | 17 | 555,834,086 | 1,141,885,742 |
| Deposits and other accounts | 18 | 2,288,228,299 | 2,136,912,622 |
| Lease liabilities | 19 | 30,902,605 | 29,481,938 |
| Subordinated debt | 20 | 14,000,000 | 14,000,000 |
| Deferred tax liabilities | 21 | 10,853,296 | 16,515,641 |
| Other liabilities | 22 | 146,259,256 | 151,529,442 |
| Total liabilities | | 3,107,267,081 | 3,532,093,711 |
| NET ASSETS | | 187,066,006 | 178,112,410 |
| REPRESENTED BY | | | |
| Share capital | | 15,771,651 | 15,771,651 |
| Reserves | | 45,255,069 | 43,466,925 |
| Surplus on revaluation of assets | 23 | 34,959,921 | 33,778,787 |
| Unappropriated profit | | 91,079,365 | 85,095,047 |
| | | 187,066,006 | 178,112,410 |
| CONTINGENCIES AND COMMITMENTS | 24 | | |

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

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President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

BANK ALFALAH LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED JUNE 30, 2025

| | Share capital | Capital reserves | | Statutory reserve | Surplus / (deficit) on revaluation of | | | Unappropriated profit | Total |
|---|---------------|------------------|------------------------------|-------------------|---------------------------------------|------------------------|--------------------|-----------------------|-------------|
| | | Share premium | Exchange translation reserve | | Investments | Property and equipment | Non banking assets | | |
| | | | | | (Rupees in '000) | | | | |
| Balance as at December 31, 2023 (audited) | 15,771,651 | 4,731,049 | 14,191,974 | 22,478,107 | (906,806) | 12,088,444 | 86,726 | 69,481,688 | 137,922,833 |
| Impact of adoption of IFRS 9 - net of tax (note 4.1.1) | - | - | - | - | 5,002,695 | - | - | (2,250,700) | 2,751,995 |
| Balance as at January 01, 2024 after adoption of IFRS 9 | 15,771,651 | 4,731,049 | 14,191,974 | 22,478,107 | 4,095,889 | 12,088,444 | 86,726 | 67,230,988 | 140,674,828 |
| Changes in equity for the half year ended June 30, 2024 | | | | | | | | | |
| Profit after taxation - (restated) | - | - | - | - | - | - | - | 20,598,345 | 20,598,345 |
| Other comprehensive (loss) / income - net of tax | | | | | | | | | |
| Effect of translation of net investment in foreign branches | - | - | (1,655,279) | - | - | - | - | - | (1,655,279) |
| Movement in surplus / (deficit) on revaluation of investments in debt securities classified as FVOCI - net of tax | - | - | - | - | (123,683) | - | - | - | (123,683) |
| Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax | - | - | - | - | (361,382) | - | - | - | (361,382) |
| Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax | - | - | - | - | 589,596 | - | - | - | 589,596 |
| Movement in surplus on revaluation of property and equipment - net of tax | - | - | - | - | - | (19,744) | - | - | (19,744) |
| Movement in surplus on revaluation of non-banking assets - net of tax | - | - | - | - | - | - | 968 | - | 968 |
| Total other comprehensive (loss) / income - net of tax | - | - | (1,655,279) | - | 104,531 | (19,744) | 968 | - | (1,569,524) |
| Transfer to statutory reserve | - | - | - | 2,060,876 | - | - | - | (2,060,876) | - |
| Transfer from surplus on revaluation of assets to unappropriated profit - net of tax | - | - | - | - | - | (44,116) | (9,180) | 53,296 | - |
| Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax | - | - | - | - | (22,941) | - | - | 22,941 | - |
| Transactions with owners, recorded directly in equity | | | | | | | | | |
| Final cash dividend for the year ended December 31, 2023 - 50% | - | - | - | - | - | - | - | (7,885,826) | (7,885,826) |
| Interim cash dividend for the quarter ended March 31, 2024 - 20% | - | - | - | - | - | - | - | (3,154,330) | (3,154,330) |
| Closing balance as at June 30, 2024 (un-audited) - restated | 15,771,651 | 4,731,049 | 12,536,695 | 24,538,983 | 4,177,479 | 12,024,584 | 78,514 | 74,804,538 | 148,663,493 |
| Changes in equity for half year ended December 31, 2024 | | | | | | | | | |
| Profit after taxation | - | - | - | - | - | - | - | 17,719,786 | 17,719,786 |
| Other comprehensive (loss) / income - net of tax | | | | | | | | | |
| Effect of translation of net investment in foreign branches | - | - | (110,739) | - | - | - | - | - | (110,739) |
| Movement in surplus on revaluation of investments in debt securities classified as FVOCI - net of tax | - | - | - | - | 10,925,097 | - | - | - | 10,925,097 |
| Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax | - | - | - | - | (538,564) | - | - | - | (538,564) |
| Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax | - | - | - | - | 1,441,123 | - | - | - | 1,441,123 |
| Remeasurement gain on defined benefit obligations - net of tax | - | - | - | - | - | - | - | 456,187 | 456,187 |
| Movement in surplus on revaluation of property and equipment - net of tax | - | - | - | - | - | 5,629,026 | - | - | 5,629,026 |
| Movement in surplus on revaluation of non-banking assets - net of tax | - | - | - | - | - | - | 235,661 | - | 235,661 |
| Total other comprehensive (loss) / income - net of tax | - | - | (110,739) | - | 11,827,656 | 5,629,026 | 235,661 | 456,187 | 18,037,791 |
| Balance carried forward | 15,771,651 | 4,731,049 | 12,425,956 | 24,538,983 | 16,005,135 | 17,653,610 | 314,175 | 92,980,511 | 184,421,070 |

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BANK ALFALAH LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED JUNE 30, 2025

| | Share capital | Capital reserves | | Statutory reserve | Surplus / (deficit) on revaluation of | | | Unappropriated profit | Total |
|---|---------------|------------------|------------------------------|-------------------|---------------------------------------|------------------------|--------------------|-----------------------|-------------|
| | | Share premium | Exchange translation reserve | | Investments | Property and equipment | Non banking assets | | |
| (Rupees in '000) | | | | | | | | | |
| Balance brought forward | 15,771,651 | 4,731,049 | 12,425,956 | 24,538,983 | 16,005,135 | 17,653,610 | 314,175 | 92,980,511 | 184,421,070 |
| Transfer to statutory reserve | - | - | - | 1,770,937 | - | - | - | (1,770,937) | - |
| Transfer from surplus on revaluation of assets to unappropriated profit - net of tax | - | - | - | - | - | (100,565) | 540 | 100,025 | - |
| Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax | - | - | - | - | (94,108) | - | - | 94,108 | - |
| Transactions with owners, recorded directly in equity | | | | | | | | | |
| Interim cash dividend for the half year ended June 30, 2024 - 20% | - | - | - | - | - | - | - | (3,154,330) | (3,154,330) |
| Interim cash dividend for the nine months period ended September 30, 2024 - 20% | - | - | - | - | - | - | - | (3,154,330) | (3,154,330) |
| Balance as at December 31, 2024 (audited) | 15,771,651 | 4,731,049 | 12,425,956 | 26,309,920 | 15,911,027 | 17,553,045 | 314,715 | 85,095,047 | 178,112,410 |
| Impact of adoption of IFRS 9 - net of tax (note 4.1.2) | - | - | - | - | 365,607 | - | - | (81,096) | 284,511 |
| Balance as at January 01, 2025 after adoption of IFRS 9 | 15,771,651 | 4,731,049 | 12,425,956 | 26,309,920 | 16,276,634 | 17,553,045 | 314,715 | 85,013,951 | 178,396,921 |
| Changes in equity for the half year ended June 30, 2025 | | | | | | | | | |
| Profit after taxation | - | - | - | - | - | - | - | 15,274,581 | 15,274,581 |
| Other comprehensive income / (loss) - net of tax | - | - | - | - | - | - | - | - | - |
| Effect of translation of net investment in foreign branches | - | - | 260,686 | - | - | - | - | - | 260,686 |
| Movement in surplus / (deficit) on revaluation of investments in debt securities classified as FVOCI - net of tax | - | - | - | - | 3,131,049 | - | - | - | 3,131,049 |
| Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax | - | - | - | - | (2,532,212) | - | - | - | (2,532,212) |
| Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax | - | - | - | - | 468,031 | - | - | - | 468,031 |
| Movement in surplus on revaluation of property and equipment - net of tax | - | - | - | - | - | (36,814) | - | - | (36,814) |
| Movement in surplus on revaluation of non-banking assets - net of tax | - | - | - | - | - | - | (10,410) | - | (10,410) |
| Total other comprehensive income / (loss) - net of tax | - | - | 260,686 | - | 1,066,868 | (36,814) | (10,410) | - | 1,280,330 |
| Transfer to statutory reserve | - | - | - | 1,527,458 | - | - | - | (1,527,458) | - |
| Transfer from surplus on revaluation of assets to unappropriated profit - net of tax | - | - | - | - | - | (60,769) | (10,070) | 70,839 | - |
| Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax | - | - | - | - | (133,278) | - | - | 133,278 | - |
| Transactions with owners, recorded directly in equity | | | | | | | | | |
| Final cash dividend for the year ended December 31, 2024 - 25% | - | - | - | - | - | - | - | (3,942,913) | (3,942,913) |
| Interim cash dividend for the quarter ended March 31, 2025 - 25% | - | - | - | - | - | - | - | (3,942,913) | (3,942,913) |
| Closing balance as at June 30, 2025 (un-audited) | 15,771,651 | 4,731,049 | 12,686,642 | 27,837,378 | 17,210,224 | 17,455,462 | 294,235 | 91,079,365 | 187,066,006 |

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

Signature



President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

BANK ALFALAH LIMITED
UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited)
FOR THE HALF YEAR ENDED JUNE 30, 2025

| | Note | Half year ended | |
|---|------|------------------------------|---------------------|
| | | June 30, 2025 | June 30, 2024 |
| | | ----- (Rupees in '000) ----- | |
| | | (Restated) | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before taxation | | 33,930,831 | 40,798,409 |
| Less: Dividend income | | (1,455,503) | (1,159,804) |
| | | 32,475,328 | 39,638,605 |
| Adjustments: | | | |
| Net mark-up / return / interest income | | (67,584,887) | (62,555,840) |
| Depreciation | 32 | 2,901,659 | 2,154,803 |
| Depreciation on right-of-use assets | 32 | 2,227,770 | 1,876,715 |
| Amortisation | 32 | 199,057 | 172,174 |
| Credit loss allowance /provisions and write offs - net | 35 | 896,645 | 1,306,853 |
| Unrealised loss / (gain) on revaluation of investments classified as FVPL | 30 | 319,701 | (149,044) |
| Gain on disposal of subsidiary | 30.1 | (388,732) | - |
| Unrealised gain on advances classified as FVPL | 31 | (56,483) | (30,724) |
| Gain on sale of property and equipment - net | 31 | (26,726) | (61,511) |
| Gain on sale of non banking assets - net | 31 | (3,368) | (27,800) |
| Gain on termination of leases - net | 31 | (54,117) | (52,740) |
| Staff loans - notional cost | 32.1 | 1,746,960 | 1,249,124 |
| Finance charges on leased assets | 27 | 2,087,479 | 1,621,407 |
| Workers' welfare fund | | 821,570 | 919,010 |
| Charge for defined benefit plan | 32.1 | 480,951 | 335,649 |
| Charge for staff compensated absences | 32.1 | 176,000 | 105,000 |
| | | (56,256,521) | (53,136,924) |
| | | (23,781,193) | (13,498,319) |
| Decrease / (Increase) in operating assets | | | |
| Lendings to financial institutions | | (2,664,413) | 65,889,953 |
| Securities classified as FVPL | | 159,600,150 | (77,474,550) |
| Advances | | 98,640,569 | (43,244,890) |
| Other assets (excluding advance taxation and mark-up receivable) | | (21,491,075) | (9,490,851) |
| | | 234,085,231 | (64,320,338) |
| (Decrease) / Increase in operating liabilities | | | |
| Bills payable | | 19,421,213 | 10,242,210 |
| Borrowings | | (575,990,313) | (55,978,885) |
| Deposits | | 151,315,677 | 16,811,069 |
| Other liabilities (excluding current taxation and mark-up payable) | | 10,430,768 | 25,412,966 |
| | | (394,822,655) | (3,512,640) |
| | | (184,518,617) | (81,331,297) |
| Mark-up / interest received | | 205,192,252 | 246,758,124 |
| Mark-up / interest paid | | (138,163,944) | (186,978,728) |
| Income tax paid | | (19,622,086) | (25,524,098) |
| Net cash used in operating activities | | (137,112,395) | (47,075,999) |
| Balance carried forward | | (137,112,395) | (47,075,999) |

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BANK ALFALAH LIMITED
UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited)
FOR THE HALF YEAR ENDED JUNE 30, 2025

| Note | Half year ended | |
|---|--|------------------|
| | June 30, 2025 | June 30, 2024 |
| | ----- (Rupees in '000) ----- (Restated) | |
| Balance brought forward | (137,112,395) | (47,075,999) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Net investments in securities classified as FVOCI | 203,577,759 | 116,586,073 |
| Net (divestments) / investments in securities carried at amortised cost | (917,320) | 2,865,822 |
| Divestment from / (investment in) subsidiaries | 388,732 | (2,200,000) |
| Dividends received | 1,455,503 | 1,170,235 |
| Investments in property and equipment and intangible assets | (7,737,203) | (12,820,431) |
| Proceeds from sale of property and equipment | 33,615 | 73,988 |
| Proceeds from sale of non-banking assets | 27,089 | 267,800 |
| Effect of translation of net investment in foreign branches | 260,686 | (1,655,279) |
| Net cash generated from investing activities | 197,088,861 | 104,288,208 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Payments of lease obligations against right-of-use assets | (3,200,274) | (2,754,091) |
| Dividend paid | (7,873,675) | (15,413,168) |
| Net cash used in financing activities | (11,073,949) | (18,167,259) |
| Net increase in cash and cash equivalents | 48,902,517 | 39,044,950 |
| Cash and cash equivalents at the beginning of the period | 229,857,147 | 249,771,602 |
| Effects of exchange rate changes on cash and cash equivalents | 2,092,890 | (1,871,683) |
| | 231,950,037 | 247,899,919 |
| Expected credit loss allowance on cash and cash equivalents - net | (8,538) | (35,901) |
| Cash and cash equivalents at the end of the period | 38 280,844,016 | 286,908,968 |

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

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President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

BANK ALFALAH LIMITED**CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (Un-audited)
FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2025**

| | Note | Quarter ended June 30, 2025 | Quarter ended June 30, 2024 | Half year ended June 30, 2025 | Half year ended June 30, 2024 |
|--|------|-----------------------------------|-----------------------------------|-------------------------------------|-------------------------------------|
| | | ----- (Rupees in '000) ----- | | | |
| | | (Restated) | | (Restated) | |
| Mark-up / return / interest earned | 26 | 93,299,420 | 128,608,469 | 188,398,347 | 258,530,947 |
| Mark-up / return / interest expensed | 27 | 58,918,064 | 97,353,124 | 120,789,900 | 196,016,843 |
| Net mark-up / return / interest income | | 34,381,356 | 31,255,345 | 67,608,447 | 62,514,104 |
| NON MARK-UP / INTEREST INCOME | | | | | |
| Fee and commission income | 28 | 4,093,096 | 5,244,602 | 7,649,749 | 10,040,783 |
| Dividend income | | 530,288 | 607,266 | 1,410,510 | 904,811 |
| Foreign exchange income | 29 | 3,207,633 | 2,974,051 | 5,351,308 | 5,242,871 |
| (Loss) / income from derivatives | | (713,914) | 829,102 | 388,566 | 1,373,514 |
| Gain on securities | 30 | 7,379,217 | 2,299,293 | 8,005,619 | 2,365,016 |
| Net gain / (loss) on derecognition of financial assets measured at amortised cost | | - | - | - | - |
| Share of profit from associates | | 459,830 | 389,343 | 714,974 | 664,236 |
| Other income | 31 | 73,801 | 123,648 | 869,337 | 189,716 |
| Total non-mark-up / interest income | | 15,029,951 | 12,467,305 | 24,390,063 | 20,780,947 |
| Total income | | 49,411,307 | 43,722,650 | 91,998,510 | 83,295,051 |
| NON MARK-UP / INTEREST EXPENSES | | | | | |
| Operating expenses | 32 | 29,088,940 | 20,672,140 | 56,122,936 | 40,018,818 |
| Workers' welfare fund | 33 | 421,462 | 494,288 | 821,570 | 919,944 |
| Other charges | 34 | 5,346 | 872 | 9,557 | 209,515 |
| Total non-mark-up / interest expenses | | 29,515,748 | 21,167,300 | 56,954,063 | 41,148,277 |
| Profit before credit loss allowance / provisions | | 19,895,559 | 22,555,350 | 35,044,447 | 42,146,774 |
| Credit loss allowance / (reversal of credit loss allowance) / provisions and write offs - net | 35 | 1,364,662 | (25,199) | 896,645 | (231,993) |
| Extra ordinary / unusual items | | - | - | - | - |
| PROFIT BEFORE TAXATION FROM CONTINUING OPERATIONS | | 18,530,897 | 22,580,549 | 34,147,802 | 42,378,767 |
| Taxation | 36 | 10,527,713 | 10,580,586 | 19,004,909 | 20,459,317 |
| PROFIT AFTER TAXATION FROM CONTINUING OPERATIONS | | 8,003,184 | 11,999,963 | 15,142,893 | 21,919,450 |
| DISCONTINUED OPERATIONS | | | | | |
| LOSS FROM DISCONTINUED OPERATIONS - NET OF TAX | 37.3 | (16,497) | - | (83,517) | - |
| PROFIT AFTER TAXATION | | 7,986,687 | 11,999,963 | 15,059,376 | 21,919,450 |
| Profit / (loss) attributable to: | | | | | |
| Equity holders of the Holding Company | | | | | |
| from continuing operations | | 8,003,184 | 11,971,927 | 15,142,893 | 21,917,916 |
| from discontinued operations | | (17,641) | - | (81,706) | - |
| | | 7,985,543 | 11,971,927 | 15,061,187 | 21,917,916 |
| Non-controlling interest | | | | | |
| from continuing operations | | - | 28,036 | - | 1,534 |
| from discontinued operations | | 1,144 | - | (1,811) | - |
| | | 1,144 | 28,036 | (1,811) | 1,534 |
| | | 7,986,687 | 11,999,963 | 15,059,376 | 21,919,450 |
| | | ----- (Rupees) ----- | | | |
| | | (Restated) | | (Restated) | |
| Basic and diluted earnings per share - continuing operations | 38 | 5.07 | 7.59 | 9.60 | 13.90 |
| Basic and diluted earnings per share | 38 | 5.07 | 7.59 | 9.55 | 13.90 |

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

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director



BANK ALFALAH LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

| | Note | (Un-audited) June 30, 2025 | (Audited) December 31, 2024 |
|--|------|----------------------------------|-----------------------------------|
| ----- (Rupees in '000) ----- | | | |
| ASSETS | | | |
| Cash and balances with treasury banks | 7 | 215,505,362 | 227,868,901 |
| Balances with other banks | 8 | 17,478,976 | 19,713,246 |
| Lendings to financial institutions | 9 | 153,895,071 | 100,998,323 |
| Investments | 10 | 1,638,023,285 | 1,996,182,261 |
| Advances | 11 | 1,010,496,226 | 1,109,376,542 |
| Property and equipment | 12 | 68,334,765 | 63,673,849 |
| Right-of-use assets | 13 | 25,734,567 | 25,365,699 |
| Intangible assets | 14 | 1,517,814 | 1,559,640 |
| Deferred tax assets | | - | - |
| Other assets | 15 | 169,171,977 | 172,317,236 |
| Total assets | | 3,300,158,043 | 3,717,055,697 |
| LIABILITIES | | | |
| Bills payable | 16 | 61,189,539 | 41,768,326 |
| Borrowings | 17 | 555,834,086 | 1,142,200,709 |
| Deposits and other accounts | 18 | 2,287,598,788 | 2,136,104,698 |
| Lease liabilities | 19 | 30,992,975 | 29,555,307 |
| Subordinated debt | 20 | 14,000,000 | 14,000,000 |
| Deferred tax liabilities | 21 | 14,180,760 | 19,459,032 |
| Other liabilities | 22 | 146,264,660 | 152,580,928 |
| Total liabilities | | 3,110,060,808 | 3,535,669,000 |
| NET ASSETS | | 190,097,235 | 181,386,697 |
| REPRESENTED BY | | | |
| Share capital | | 15,771,651 | 15,771,651 |
| Reserves | | 45,255,069 | 43,466,925 |
| Surplus on revaluation of assets | 23 | 34,993,652 | 33,820,479 |
| Unappropriated profit | | 94,076,863 | 88,305,939 |
| Total equity attributable to the equity holders of the Holding Company | | 190,097,235 | 181,364,994 |
| Non-controlling interest | | - | 21,703 |
| | | 190,097,235 | 181,386,697 |

CONTINGENCIES AND COMMITMENTS

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




President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

BANK ALFALAH LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED JUNE 30, 2025

| | Share capital | Capital reserves | | Statutory reserve | Surplus / (deficit) on revaluation of | | | Unappropriated profit | Sub-total | Non controlling interest | Total |
|---|---------------|------------------|------------------------------|-------------------|---------------------------------------|------------------------|--------------------|-----------------------|-------------|--------------------------|-------------|
| | | Share premium | Exchange translation reserve | | Investments | Property and equipment | Non banking assets | | | | |
| (Rupees in '000) | | | | | | | | | | | |
| Balance as at December 31, 2023 (audited) | 15,771,651 | 4,731,049 | 14,191,974 | 22,478,107 | (902,400) | 12,088,444 | 86,726 | 71,472,352 | 139,917,903 | (294,665) | 139,623,238 |
| Impact of adoption of IFRS 9 - net of tax (note 4.1.1) | - | - | - | - | 5,002,695 | - | - | (2,250,700) | 2,751,995 | - | 2,751,995 |
| Balance as at January 01, 2024 after adoption of IFRS 9 | 15,771,651 | 4,731,049 | 14,191,974 | 22,478,107 | 4,100,295 | 12,088,444 | 86,726 | 69,221,652 | 142,669,898 | (294,665) | 142,375,233 |
| Changes in equity for the half year ended June 30, 2024 | | | | | | | | | | | |
| Profit after taxation - (restated) | - | - | - | - | - | - | - | 21,917,916 | 21,917,916 | 1,534 | 21,919,450 |
| Other comprehensive (loss) / income - net of tax | | | | | | | | | | | |
| Effect of translation of net investment in foreign branches | - | - | (1,655,279) | - | - | - | - | - | (1,655,279) | - | (1,655,279) |
| Movement in surplus / (deficit) on revaluation of investments in debt securities classified as FVOCI - net of tax | - | - | - | - | (123,555) | - | - | - | (123,555) | - | (123,555) |
| Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax | - | - | - | - | (361,382) | - | - | - | (361,382) | - | (361,382) |
| Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax | - | - | - | - | 589,596 | - | - | - | 589,596 | - | 589,596 |
| Movement in share of surplus on revaluation of investments of associates - net of tax | - | - | - | - | 5,980 | - | - | - | 5,980 | - | 5,980 |
| Remeasurement loss on defined benefit obligations - net of tax | - | - | - | - | - | - | - | (691) | (691) | (414) | (1,105) |
| Movement in surplus on revaluation of property and equipment - net of tax | - | - | - | - | - | (19,744) | - | - | (19,744) | - | (19,744) |
| Movement in surplus on revaluation of non-banking assets - net of tax | - | - | - | - | - | - | 968 | - | 968 | - | 968 |
| Total other comprehensive (loss) / income - net of tax | - | - | (1,655,279) | - | 110,639 | (19,744) | 968 | (691) | (1,564,107) | (414) | (1,564,521) |
| Transfer to statutory reserve | - | - | - | 2,060,876 | - | - | - | (2,060,876) | - | - | - |
| Transfer from surplus on revaluation of assets to unappropriated profit - net of tax | - | - | - | - | - | (44,116) | (9,180) | 53,296 | - | - | - |
| Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax | - | - | - | - | (22,941) | - | - | 22,941 | - | - | - |
| Transactions with owners, recorded directly in equity | | | | | | | | | | | |
| Adjustment of non-controlling interest | - | - | - | - | - | - | - | (311,627) | (311,627) | 311,627 | - |
| Right Issuance cost - subsidiary | - | - | - | - | - | - | - | (8,314) | (8,314) | (4,988) | (13,302) |
| Final cash dividend for the year ended December 31, 2023 - 50% | - | - | - | - | - | - | - | (7,885,826) | (7,885,826) | - | (7,885,826) |
| Interim cash dividend for the quarter ended March 31, 2024 - 20% | - | - | - | - | - | - | - | (3,154,330) | (3,154,330) | - | (3,154,330) |
| Closing balance as at June 30, 2024 (un-audited) - restated | 15,771,651 | 4,731,049 | 12,536,695 | 24,538,983 | 4,187,993 | 12,024,584 | 78,514 | 77,794,141 | 151,663,610 | 13,094 | 151,676,704 |
| Changes in equity for half year ended December 31, 2024 | | | | | | | | | | | |
| Profit after taxation | - | - | - | - | - | - | - | 17,935,705 | 17,935,705 | 8,141 | 17,943,846 |
| Other comprehensive (loss) / income - net of tax | | | | | | | | | | | |
| Effect of translation of net investment in foreign branches | - | - | (110,739) | - | - | - | - | - | (110,739) | - | (110,739) |
| Movement in surplus on revaluation of investments in debt securities classified as FVOCI - net of tax | - | - | - | - | 10,925,879 | - | - | - | 10,925,879 | - | 10,925,879 |
| Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax | - | - | - | - | (538,564) | - | - | - | (538,564) | - | (538,564) |
| Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax | - | - | - | - | 1,441,123 | - | - | - | 1,441,123 | - | 1,441,123 |
| Movement in share of surplus on revaluation of investments of associates - net of tax | - | - | - | - | 30,396 | - | - | - | 30,396 | - | 30,396 |
| Remeasurement gain on defined benefit obligations - net of tax | - | - | - | - | - | - | - | 461,557 | 461,557 | 468 | 462,025 |
| Movement in surplus on revaluation of property and equipment - net of tax | - | - | - | - | - | 5,629,026 | - | - | 5,629,026 | - | 5,629,026 |
| Movement in surplus on revaluation of non-banking assets - net of tax | - | - | - | - | - | - | 235,661 | - | 235,661 | - | 235,661 |
| Total other comprehensive (loss) / income - net of tax | - | - | (110,739) | - | 11,858,834 | 5,629,026 | 235,661 | 461,557 | 18,074,339 | 468 | 18,074,807 |
| Transfer to statutory reserve | - | - | - | 1,770,937 | - | - | - | (1,770,937) | - | - | - |
| Transfer from surplus on revaluation of assets to unappropriated profit - net of tax | - | - | - | - | - | (100,565) | 540 | 100,025 | - | - | - |
| Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax | - | - | - | - | (94,108) | - | - | 94,108 | - | - | - |
| Transactions with owners, recorded directly in equity | | | | | | | | | | | |
| Interim cash dividend for the half year ended June 30, 2024 - 20% | - | - | - | - | - | - | - | (3,154,330) | (3,154,330) | - | (3,154,330) |
| Interim cash dividend for the nine months period ended September 30, 2024 - 20% | - | - | - | - | - | - | - | (3,154,330) | (3,154,330) | - | (3,154,330) |
| Balance as at December 31, 2024 (audited) | 15,771,651 | 4,731,049 | 12,425,956 | 26,309,920 | 15,952,719 | 17,553,045 | 314,715 | 88,305,939 | 181,364,994 | 21,703 | 181,386,697 |
| Impact of adoption of IFRS 9 - net of tax (note 4.1.2) | - | - | - | - | 365,607 | - | - | (81,096) | 284,511 | - | 284,511 |
| Balance as at January 01, 2025 after adoption of IFRS 9 / carried forward | 15,771,651 | 4,731,049 | 12,425,956 | 26,309,920 | 16,318,326 | 17,553,045 | 314,715 | 88,224,843 | 181,649,505 | 21,703 | 181,671,208 |


BANK ALFALAH LIMITED
FINANCE DIVISION
KARACHI
Head Office

BANK ALFALAH LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED JUNE 30, 2025

| | Share capital | Capital reserves | | Statutory reserve | Surplus / (deficit) on revaluation of | | | Unappropriated profit | Sub-total | Non controlling interest | Total |
|---|---------------|------------------|------------------------------|-------------------|---------------------------------------|------------------------|--------------------|-----------------------|-------------|--------------------------|-------------|
| | | Share premium | Exchange translation reserve | | Investments | Property and equipment | Non banking assets | | | | |
| (Rupees in '000) | | | | | | | | | | | |
| Balance brought forward | 15,771,651 | 4,731,049 | 12,425,956 | 26,309,920 | 16,318,326 | 17,553,045 | 314,715 | 88,224,843 | 181,649,505 | 21,703 | 181,671,208 |
| Changes in equity for the half year ended June 30, 2025 | | | | | | | | | | | |
| Profit / (loss) after taxation | - | - | - | - | - | - | - | 15,061,187 | 15,061,187 | (1,811) | 15,059,376 |
| Other comprehensive income / (loss) - net of tax | | | | | | | | | | | |
| Effect of translation of net investment in foreign branches | - | - | 260,686 | - | - | - | - | - | 260,686 | - | 260,686 |
| Movement in surplus / (deficit) on revaluation of investments in debt securities classified as FVOCI - net of tax | - | - | - | - | 3,132,277 | - | - | - | 3,132,277 | - | 3,132,277 |
| Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax | - | - | - | - | (2,532,212) | - | - | - | (2,532,212) | - | (2,532,212) |
| Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax | - | - | - | - | 468,031 | - | - | - | 468,031 | - | 468,031 |
| Movement in share of surplus / (deficit) on revaluation of investments of associates - net of tax | - | - | - | - | (9,189) | - | - | - | (9,189) | - | (9,189) |
| Movement in surplus on revaluation of property and equipment - net of tax | - | - | - | - | - | (36,814) | - | - | (36,814) | - | (36,814) |
| Movement in surplus on revaluation of non-banking assets - net of tax | - | - | - | - | - | - | (10,410) | - | (10,410) | - | (10,410) |
| Total other comprehensive income / (loss) - net of tax | - | - | 260,686 | - | 1,058,907 | (36,814) | (10,410) | - | 1,272,369 | - | 1,272,369 |
| Transfer to statutory reserve | - | - | - | 1,527,458 | - | - | - | (1,527,458) | - | - | - |
| Transfer from surplus on revaluation of assets to unappropriated profit - net of tax | - | - | - | - | - | (60,769) | (10,070) | 70,839 | - | - | - |
| Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax | - | - | - | - | (133,278) | - | - | 133,278 | - | - | - |
| Transactions with owners, recorded directly in equity | | | | | | | | | | | |
| Derecognition of subsidiary | - | - | - | - | - | - | - | - | - | (19,892) | (19,892) |
| Final cash dividend for the year ended December 31, 2024 - 25% | - | - | - | - | - | - | - | (3,942,913) | (3,942,913) | - | (3,942,913) |
| Interim cash dividend for the quarter ended March 31, 2025 - 25% | - | - | - | - | - | - | - | (3,942,913) | (3,942,913) | - | (3,942,913) |
| Closing balance as at June 30, 2025 (un-audited) | 15,771,651 | 4,731,049 | 12,686,642 | 27,837,378 | 17,243,955 | 17,455,462 | 294,235 | 94,076,863 | 190,097,235 | - | 190,097,235 |

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




President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

BANK ALFALAH LIMITED
CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited)
FOR THE HALF YEAR ENDED JUNE 30, 2025

| | Note | Half year ended | |
|---|------|------------------------------|---------------------|
| | | June 30, 2025 | June 30, 2024 |
| | | ----- (Rupees in '000) ----- | |
| | | (Restated) | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before taxation from continuing operations | | 34,147,802 | 42,378,767 |
| Profit before taxation from discontinued operations | 37.3 | 7,796 | - |
| Less: Dividend income | | (1,410,510) | (904,811) |
| Share of profit from associates | | (714,974) | (664,236) |
| | | <u>32,030,114</u> | <u>40,809,720</u> |
| Adjustments: | | | |
| Net mark-up / return / interest income | | (67,628,316) | (62,514,104) |
| Depreciation | | 2,915,054 | 2,170,697 |
| Depreciation on right-of-use assets | | 2,243,108 | 1,888,182 |
| Amortisation | | 200,225 | 172,601 |
| Credit loss allowance / (reversal of credit loss allowance) /provisions and write offs - net | | 892,084 | (231,993) |
| Unrealised loss / (gain) on revaluation of investments classified as FVPL | | 326,209 | (215,538) |
| Unrealised gain on advances classified as FVPL | 31 | (56,483) | (30,724) |
| Gain on sale of property and equipment - net | 31 | (26,726) | (61,511) |
| Gain on sale of non banking assets - net | 31 | (3,368) | (27,800) |
| Gain on termination of leases - net | 31 | (54,117) | (52,740) |
| Staff loans - notional cost | 32.1 | 1,746,960 | 1,249,124 |
| Finance charges on leased assets | | 2,094,817 | 1,634,163 |
| Workers' welfare fund | | 821,570 | 919,944 |
| Charge for defined benefit plan | 32.1 | 480,951 | 335,649 |
| Charge for staff compensated absences | 32.1 | 176,000 | 105,000 |
| | | <u>(55,872,032)</u> | <u>(54,659,050)</u> |
| | | (23,841,918) | (13,849,330) |
| Decrease / (increase) in operating assets | | | |
| Lendings to financial institutions | | (2,664,413) | 65,889,953 |
| Securities classified as FVPL | | 159,600,150 | (77,760,808) |
| Advances | | 98,640,822 | (43,241,589) |
| Other assets (excluding advance taxation and mark-up receivable) | | (21,444,479) | (9,125,352) |
| | | 234,132,080 | (64,237,796) |
| (Decrease) / increase in operating liabilities | | | |
| Bills payable | | 19,421,213 | 10,242,210 |
| Borrowings | | (576,005,280) | (55,978,885) |
| Deposits | | 151,494,090 | 16,001,254 |
| Other liabilities (excluding current taxation and mark-up payable) | | 10,558,664 | 25,167,863 |
| | | <u>(394,531,313)</u> | <u>(4,567,558)</u> |
| | | (184,241,151) | (82,654,684) |
| Mark-up / interest received | | 205,236,748 | 246,899,316 |
| Mark-up / interest paid | | (138,171,485) | (187,164,204) |
| Income tax paid | | (19,642,364) | (25,544,355) |
| Net cash used in operating activities | | <u>(136,818,252)</u> | <u>(48,463,927)</u> |
| Balance carried forward | | (136,818,252) | (48,463,927) |

[Signature]



BANK ALFALAH LIMITED
CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited)
FOR THE HALF YEAR ENDED JUNE 30, 2025

| | Note | Half year ended | |
|---|------|-----------------------------|------------------|
| | | June 30, 2025 | June 30, 2024 |
| | | ------(Rupees in '000)----- | |
| | | | (Restated) |
| Balance brought forward | | (136,818,252) | (48,463,927) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Net Investments in securities classified as FVOCI | | 203,577,759 | 116,438,486 |
| Net (divestments) / investments in securities carried at amortised cost | | (917,320) | 2,865,822 |
| Dividends received from associates | | 44,993 | 254,993 |
| Dividends received from other investments | | 1,410,510 | 915,242 |
| Divestment from subsidiary | 37.2 | 388,732 | - |
| Investments in property and equipment and intangible assets | | (7,771,870) | (12,897,974) |
| Proceeds from sale of property and equipment | | 33,615 | 73,988 |
| Proceeds from sale of non-banking assets | | 27,089 | 267,800 |
| Effect of translation of net investment in foreign branches | | 260,686 | (1,655,279) |
| Net cash generated from investing activities | | 197,054,194 | 106,263,078 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Payments of lease obligations against right-of-use assets | | (3,206,391) | (2,773,947) |
| Payment of right issuance cost | | - | (13,302) |
| Dividend paid | | (7,873,675) | (15,413,168) |
| Net cash used in financing activities | | (11,080,066) | (18,200,417) |
| Net increase in cash and cash equivalents | | 49,155,876 | 39,598,734 |
| Cash and cash equivalents at beginning of the period | | 231,145,707 | 249,771,375 |
| Effects of exchange rate changes on cash and cash equivalents | | 2,092,890 | (1,871,683) |
| | | 233,238,597 | 247,899,692 |
| Expected credit loss allowance on cash and cash equivalents - net | | (8,538) | (35,901) |
| Cash and cash equivalents of discontinued operations | | (1,442,577) | - |
| Cash and cash equivalents at end of the period | 39 | 280,943,358 | 287,462,525 |

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




President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director



Bank Alfalah Limited
Unconsolidated Condensed Interim
Financial Statements
Half year ended June 30, 2025

BANK ALFALAH LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

| | Note | (Un-audited) June 30, 2025 | (Audited) December 31, 2024 |
|---------------------------------------|------|----------------------------------|-----------------------------------|
| | | ----- (Rupees in '000) ----- | |
| ASSETS | | | |
| Cash and balances with treasury banks | 7 | 215,406,020 | 227,823,979 |
| Balances with other banks | 8 | 17,478,976 | 18,469,608 |
| Lendings to financial institutions | 9 | 153,895,071 | 100,998,323 |
| Investments | 10 | 1,632,473,718 | 1,991,232,454 |
| Advances | 11 | 1,010,496,226 | 1,109,376,154 |
| Property and equipment | 12 | 68,233,175 | 63,543,484 |
| Right-of-use assets | 13 | 25,648,582 | 25,290,607 |
| Intangible assets | 14 | 1,511,086 | 1,543,109 |
| Deferred tax assets | | - | - |
| Other assets | 15 | 169,190,233 | 171,928,403 |
| Total assets | | 3,294,333,087 | 3,710,206,121 |
| LIABILITIES | | | |
| Bills payable | 16 | 61,189,539 | 41,768,326 |
| Borrowings | 17 | 555,834,086 | 1,141,885,742 |
| Deposits and other accounts | 18 | 2,288,228,299 | 2,136,912,622 |
| Lease liabilities | 19 | 30,902,605 | 29,481,938 |
| Subordinated debt | 20 | 14,000,000 | 14,000,000 |
| Deferred tax liabilities | 21 | 10,853,296 | 16,515,641 |
| Other liabilities | 22 | 146,259,256 | 151,529,442 |
| Total liabilities | | 3,107,267,081 | 3,532,093,711 |
| NET ASSETS | | 187,066,006 | 178,112,410 |
| REPRESENTED BY | | | |
| Share capital | | 15,771,651 | 15,771,651 |
| Reserves | | 45,255,069 | 43,466,925 |
| Surplus on revaluation of assets | 23 | 34,959,921 | 33,778,787 |
| Unappropriated profit | | 91,079,365 | 85,095,047 |
| | | 187,066,006 | 178,112,410 |

CONTINGENCIES AND COMMITMENTS

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

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

BANK ALFALAH LIMITED**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (Un-audited)****FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2025**

| | Note | Quarter ended June 30, 2025 | Quarter ended June 30, 2024 | Half year ended June 30, 2025 | Half year ended June 30, 2024 |
|--|------|-----------------------------------|-----------------------------------|-------------------------------------|-------------------------------------|
| | | (Rupees in '000) | | | |
| | | (Restated) | | (Restated) | |
| Mark-up / return / interest earned | 26 | 93,294,585 | 128,443,100 | 188,388,172 | 258,387,207 |
| Mark-up / return / interest expensed | 27 | 58,921,983 | 97,171,408 | 120,803,285 | 195,831,367 |
| Net mark-up / return / interest income | | 34,372,602 | 31,271,692 | 67,584,887 | 62,555,840 |

NON MARK-UP / INTEREST INCOME

| | | | | | |
|--|----|------------|------------|------------|------------|
| Fee and commission income | 28 | 4,093,096 | 5,358,165 | 7,649,749 | 10,021,206 |
| Dividend income | | 575,281 | 757,259 | 1,455,503 | 1,159,804 |
| Foreign exchange income | 29 | 3,171,125 | 2,973,574 | 5,289,700 | 5,242,394 |
| (Loss) / income from derivatives | | (713,914) | 829,102 | 388,566 | 1,373,514 |
| Gain on securities | 30 | 7,767,949 | 2,252,703 | 8,394,351 | 2,320,379 |
| Net gain / (loss) on derecognition of financial assets measured at amortised cost | | - | - | - | - |
| Other income | 31 | 76,567 | 123,648 | 874,229 | 189,716 |
| Total non-mark-up / Interest income | | 14,970,104 | 12,294,451 | 24,052,098 | 20,307,013 |
| Total income | | 49,342,706 | 43,566,143 | 91,636,985 | 82,862,853 |

NON MARK-UP / INTEREST EXPENSES

| | | | | | |
|--|----|------------|------------|------------|------------|
| Operating expenses | 32 | 29,004,603 | 20,452,409 | 55,978,382 | 39,629,066 |
| Workers' welfare fund | 33 | 421,462 | 493,789 | 821,570 | 919,010 |
| Other charges | 34 | 5,346 | 872 | 9,557 | 209,515 |
| Total non-mark-up / interest expenses | | 29,431,411 | 20,947,070 | 56,809,509 | 40,757,591 |
| Profit before credit loss allowance / provisions | | 19,911,295 | 22,619,073 | 34,827,476 | 42,105,262 |
| Credit loss allowance / provisions and write offs - net | 35 | 1,364,662 | 1,513,647 | 896,645 | 1,306,853 |
| Extra ordinary / unusual items | | - | - | - | - |
| PROFIT BEFORE TAXATION | | 18,546,633 | 21,105,426 | 33,930,831 | 40,798,409 |
| Taxation | 36 | 10,312,154 | 10,410,135 | 18,656,250 | 20,200,064 |
| PROFIT AFTER TAXATION | | 8,234,479 | 10,695,291 | 15,274,581 | 20,598,345 |

| | | | | | |
|--------------------------------------|----|------------|------|------------|-------|
| | | (Rupees) | | | |
| | | (Restated) | | (Restated) | |
| Basic and diluted earnings per share | 37 | 5.22 | 6.78 | 9.68 | 13.06 |

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

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

BANK ALFALAH LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)
FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2025

| | Quarter ended June 30, 2025 | Quarter ended June 30, 2024 | Half year ended June 30, 2025 | Half year ended June 30, 2024 |
|---|-----------------------------------|-----------------------------------|-------------------------------------|-------------------------------------|
| | ----- (Rupees In '000) ----- | | | |
| | | (Restated) | | (Restated) |
| Profit after taxation for the period | 8,234,479 | 10,695,291 | 15,274,581 | 20,598,345 |
| Other comprehensive Income / (loss) | | | | |
| Items that may be reclassified to the statement of profit and loss account in subsequent periods: | | | | |
| Effect of translation of net investment in foreign branches | 281,468 | (949,118) | 260,686 | (1,655,279) |
| Movement in surplus / (deficit) on revaluation of investments in debt securities classified as FVOCI - net of tax | 5,260,791 | 1,439,821 | 3,131,049 | (123,683) |
| Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax | (2,163,792) | (80,237) | (2,532,212) | (361,382) |
| | 3,378,467 | 410,466 | 859,523 | (2,140,344) |
| Items that will not be reclassified to the statement of profit and loss account in subsequent periods: | | | | |
| Movement in surplus on revaluation of equity investments classified as FVOCI - net of tax | 414,420 | 467,885 | 468,031 | 589,596 |
| Movement in surplus on revaluation of property and equipment - net of tax | (17,970) | (9,920) | (36,814) | (19,744) |
| Movement in surplus on revaluation of non-banking assets - net of tax | (5,516) | 1,146 | (10,410) | 968 |
| | 390,934 | 459,111 | 420,807 | 570,820 |
| Total comprehensive income | <u>12,003,880</u> | <u>11,564,868</u> | <u>16,554,911</u> | <u>19,028,821</u> |

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

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

BANK ALFALAH LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED JUNE 30, 2025

| | Share capital | Capital reserves | | Statutory reserve | Surplus / (deficit) on revaluation of | | | Unappropriated profit | Total |
|---|---------------|------------------|------------------------------|-------------------|---------------------------------------|------------------------|--------------------|-----------------------|-------------|
| | | Share premium | Exchange translation reserve | | Investments | Property and equipment | Non banking assets | | |
| | | | | | | | | | |
| (Rupees in '000) | | | | | | | | | |
| Balance as at December 31, 2023 (audited) | 15,771,651 | 4,731,049 | 14,191,974 | 22,478,107 | (906,806) | 12,088,444 | 86,726 | 69,481,688 | 137,922,833 |
| Impact of adoption of IFRS 9 - net of tax (note 4.1.1) | - | - | - | - | 5,002,695 | - | - | (2,250,700) | 2,751,995 |
| Balance as at January 01, 2024 after adoption of IFRS 9 | 15,771,651 | 4,731,049 | 14,191,974 | 22,478,107 | 4,095,889 | 12,088,444 | 86,726 | 67,230,988 | 140,674,828 |
| Changes in equity for the half year ended June 30, 2024 | | | | | | | | | |
| Profit after taxation - (restated) | - | - | - | - | - | - | - | 20,598,345 | 20,598,345 |
| Other comprehensive (loss) / income - net of tax | | | | | | | | | |
| Effect of translation of net investment in foreign branches | - | - | (1,655,279) | - | - | - | - | - | (1,655,279) |
| Movement in surplus / (deficit) on revaluation of investments in debt securities classified as FVOCI - net of tax | - | - | - | - | (123,683) | - | - | - | (123,683) |
| Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax | - | - | - | - | (361,382) | - | - | - | (361,382) |
| Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax | - | - | - | - | 589,596 | - | - | - | 589,596 |
| Movement in surplus on revaluation of property and equipment - net of tax | - | - | - | - | - | (19,744) | - | - | (19,744) |
| Movement in surplus on revaluation of non-banking assets - net of tax | - | - | - | - | - | - | 968 | - | 968 |
| Total other comprehensive (loss) / income - net of tax | - | - | (1,655,279) | - | 104,531 | (19,744) | 968 | - | (1,569,524) |
| Transfer to statutory reserve | - | - | - | 2,060,876 | - | - | - | (2,060,876) | - |
| Transfer from surplus on revaluation of assets to unappropriated profit - net of tax | - | - | - | - | - | (44,116) | (9,180) | 53,296 | - |
| Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax | - | - | - | - | (22,941) | - | - | 22,941 | - |
| Transactions with owners, recorded directly in equity | | | | | | | | | |
| Final cash dividend for the year ended December 31, 2023 - 50% | - | - | - | - | - | - | - | (7,885,826) | (7,885,826) |
| Interim cash dividend for the quarter ended March 31, 2024 - 20% | - | - | - | - | - | - | - | (3,154,330) | (3,154,330) |
| Closing balance as at June 30, 2024 (un-audited) - restated | 15,771,651 | 4,731,049 | 12,536,695 | 24,538,983 | 4,177,479 | 12,024,584 | 78,514 | 74,804,538 | 148,663,493 |
| Changes in equity for half year ended December 31, 2024 | | | | | | | | | |
| Profit after taxation | - | - | - | - | - | - | - | 17,719,786 | 17,719,786 |
| Other comprehensive (loss) / income - net of tax | | | | | | | | | |
| Effect of translation of net investment in foreign branches | - | - | (110,739) | - | - | - | - | - | (110,739) |
| Movement in surplus on revaluation of investments in debt securities classified as FVOCI - net of tax | - | - | - | - | 10,925,097 | - | - | - | 10,925,097 |
| Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax | - | - | - | - | (538,564) | - | - | - | (538,564) |
| Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax | - | - | - | - | 1,441,123 | - | - | - | 1,441,123 |
| Remeasurement gain on defined benefit obligations - net of tax | - | - | - | - | - | - | - | 456,187 | 456,187 |
| Movement in surplus on revaluation of property and equipment - net of tax | - | - | - | - | - | 5,629,026 | - | - | 5,629,026 |
| Movement in surplus on revaluation of non-banking assets - net of tax | - | - | - | - | - | - | 235,661 | - | 235,661 |
| Total other comprehensive (loss) / income - net of tax | - | - | (110,739) | - | 11,827,656 | 5,629,026 | 235,661 | 456,187 | 18,037,791 |
| Balance carried forward | 15,771,651 | 4,731,049 | 12,425,956 | 24,538,983 | 16,005,135 | 17,653,610 | 314,175 | 92,980,511 | 184,421,070 |

BANK ALFALAH LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED JUNE 30, 2025

| | Share capital | Capital reserves | | Statutory reserve | Surplus / (deficit) on revaluation of | | | Unappropriated profit | Total |
|---|---------------|------------------|------------------------------|-------------------|---------------------------------------|------------------------|--------------------|-----------------------|-------------|
| | | Share premium | Exchange translation reserve | | Investments | Property and equipment | Non banking assets | | |
| (Rupees in '000) | | | | | | | | | |
| Balance brought forward | 15,771,651 | 4,731,049 | 12,425,956 | 24,538,983 | 16,005,135 | 17,653,610 | 314,175 | 92,980,511 | 184,421,070 |
| Transfer to statutory reserve | - | - | - | 1,770,937 | - | - | - | (1,770,937) | - |
| Transfer from surplus on revaluation of assets to unappropriated profit - net of tax | - | - | - | - | - | (100,565) | 540 | 100,025 | - |
| Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax | - | - | - | - | (94,108) | - | - | 94,108 | - |
| Transactions with owners, recorded directly in equity | | | | | | | | | |
| Interim cash dividend for the half year ended June 30, 2024 - 20% | - | - | - | - | - | - | - | (3,154,330) | (3,154,330) |
| Interim cash dividend for the nine months period ended September 30, 2024 - 20% | - | - | - | - | - | - | - | (3,154,330) | (3,154,330) |
| Balance as at December 31, 2024 (audited) | 15,771,651 | 4,731,049 | 12,425,956 | 26,309,920 | 15,911,027 | 17,553,045 | 314,715 | 85,095,047 | 178,112,410 |
| Impact of adoption of IFRS 9 - net of tax (note 4.1.2) | - | - | - | - | 365,607 | - | - | (81,096) | 284,511 |
| Balance as at January 01, 2025 after adoption of IFRS 9 | 15,771,651 | 4,731,049 | 12,425,956 | 26,309,920 | 16,276,634 | 17,553,045 | 314,715 | 85,013,951 | 178,396,921 |
| Changes in equity for the half year ended June 30, 2025 | | | | | | | | | |
| Profit after taxation | - | - | - | - | - | - | - | 15,274,581 | 15,274,581 |
| Other comprehensive Income / (loss) - net of tax | | | | | | | | | |
| Effect of translation of net investment in foreign branches | - | - | 260,686 | - | - | - | - | - | 260,686 |
| Movement in surplus / (deficit) on revaluation of investments in debt securities classified as FVOCI - net of tax | - | - | - | - | 3,131,049 | - | - | - | 3,131,049 |
| Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax | - | - | - | - | (2,532,212) | - | - | - | (2,532,212) |
| Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax | - | - | - | - | 468,031 | - | - | - | 468,031 |
| Movement in surplus on revaluation of property and equipment - net of tax | - | - | - | - | - | (36,814) | - | - | (36,814) |
| Movement in surplus on revaluation of non-banking assets - net of tax | - | - | - | - | - | - | (10,410) | - | (10,410) |
| Total other comprehensive Income / (loss) - net of tax | - | - | 260,686 | - | 1,066,868 | (36,814) | (10,410) | - | 1,280,330 |
| Transfer to statutory reserve | - | - | - | 1,527,458 | - | - | - | (1,527,458) | - |
| Transfer from surplus on revaluation of assets to unappropriated profit - net of tax | - | - | - | - | - | (60,769) | (10,070) | 70,839 | - |
| Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax | - | - | - | - | (133,278) | - | - | 133,278 | - |
| Transactions with owners, recorded directly in equity | | | | | | | | | |
| Final cash dividend for the year ended December 31, 2024 - 25% | - | - | - | - | - | - | - | (3,942,913) | (3,942,913) |
| Interim cash dividend for the quarter ended March 31, 2025 - 25% | - | - | - | - | - | - | - | (3,942,913) | (3,942,913) |
| Closing balance as at June 30, 2025 (un-audited) | 15,771,651 | 4,731,049 | 12,686,642 | 27,837,378 | 17,210,224 | 17,455,462 | 294,235 | 91,079,365 | 187,066,006 |

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

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

BANK ALFALAH LIMITED
UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited)
FOR THE HALF YEAR ENDED JUNE 30, 2025

| | Note | Half year ended | |
|---|------|------------------|------------------|
| | | June 30, 2025 | June 30, 2024 |
| | | (Rupees in '000) | |
| | | | (Restated) |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before taxation | | 33,930,831 | 40,798,409 |
| Less: Dividend income | | (1,455,503) | (1,159,804) |
| | | 32,475,328 | 39,638,605 |
| Adjustments: | | | |
| Net mark-up / return / interest income | | (67,584,887) | (62,555,840) |
| Depreciation | 32 | 2,901,659 | 2,154,803 |
| Depreciation on right-of-use assets | 32 | 2,227,770 | 1,876,715 |
| Amortisation | 32 | 199,057 | 172,174 |
| Credit loss allowance /provisions and write offs - net | 35 | 896,645 | 1,306,853 |
| Unrealised loss / (gain) on revaluation of Investments classified as FVPL | 30 | 319,701 | (149,044) |
| Gain on disposal of subsidiary | 30.1 | (388,732) | - |
| Unrealised gain on advances classified as FVPL | 31 | (56,483) | (30,724) |
| Gain on sale of property and equipment - net | 31 | (26,726) | (61,511) |
| Gain on sale of non banking assets - net | 31 | (3,368) | (27,800) |
| Gain on termination of leases - net | 31 | (54,117) | (52,740) |
| Staff loans - notional cost | 32.1 | 1,746,960 | 1,249,124 |
| Finance charges on leased assets | 27 | 2,087,479 | 1,621,407 |
| Workers' welfare fund | | 821,570 | 919,010 |
| Charge for defined benefit plan | 32.1 | 480,951 | 335,649 |
| Charge for staff compensated absences | 32.1 | 176,000 | 105,000 |
| | | (56,256,521) | (53,136,924) |
| | | (23,781,193) | (13,498,319) |
| Decrease / (increase) In operating assets | | | |
| Lendings to financial institutions | | (2,664,413) | 65,889,953 |
| Securities classified as FVPL | | 159,600,150 | (77,474,550) |
| Advances | | 98,640,569 | (43,244,890) |
| Other assets (excluding advance taxation and mark-up receivable) | | (21,491,075) | (9,490,851) |
| | | 234,085,231 | (64,320,338) |
| (Decrease) / Increase in operating liabilities | | | |
| Bills payable | | 19,421,213 | 10,242,210 |
| Borrowings | | (575,990,313) | (55,978,885) |
| Deposits | | 151,315,677 | 16,811,069 |
| Other liabilities (excluding current taxation and mark-up payable) | | 10,430,768 | 25,412,966 |
| | | (394,822,655) | (3,512,640) |
| | | (184,518,617) | (81,331,297) |
| Mark-up / interest received | | 205,192,252 | 246,758,124 |
| Mark-up / interest paid | | (138,163,944) | (186,978,728) |
| Income tax paid | | (19,622,086) | (25,524,098) |
| Net cash used in operating activities | | (137,112,395) | (47,075,999) |
| Balance carried forward | | (137,112,395) | (47,075,999) |

BANK ALFALAH LIMITED
UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited)
FOR THE HALF YEAR ENDED JUNE 30, 2025

| Note | Half year ended | |
|---|------------------------------|---------------------|
| | June 30, 2025 | June 30, 2024 |
| | ----- (Rupees in '000) ----- | |
| | | (Restated) |
| Balance brought forward | (137,112,395) | (47,075,999) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Net investments in securities classified as FVOCI | 203,577,759 | 116,586,073 |
| Net (divestments) / investments in securities carried at amortised cost | (917,320) | 2,865,822 |
| Divestment from / (Investment in) subsidiaries | 388,732 | (2,200,000) |
| Dividends received | 1,455,503 | 1,170,235 |
| Investments in property and equipment and intangible assets | (7,737,203) | (12,820,431) |
| Proceeds from sale of property and equipment | 33,615 | 73,988 |
| Proceeds from sale of non-banking assets | 27,089 | 267,800 |
| Effect of translation of net investment in foreign branches | 260,686 | (1,655,279) |
| Net cash generated from investing activities | 197,088,861 | 104,288,208 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Payments of lease obligations against right-of-use assets | (3,200,274) | (2,754,091) |
| Dividend paid | (7,873,675) | (15,413,168) |
| Net cash used in financing activities | (11,073,949) | (18,167,259) |
| Net increase in cash and cash equivalents | 48,902,517 | 39,044,950 |
| Cash and cash equivalents at the beginning of the period | 229,857,147 | 249,771,602 |
| Effects of exchange rate changes on cash and cash equivalents | 2,092,890 | (1,871,683) |
| | 231,950,037 | 247,899,919 |
| Expected credit loss allowance on cash and cash equivalents - net | (8,538) | (35,901) |
| Cash and cash equivalents at the end of the period | 280,844,016 | 286,908,968 |

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

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

BANK ALFALAH LIMITED**NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)
FOR THE HALF YEAR ENDED JUNE 30, 2025****1 STATUS AND NATURE OF BUSINESS**

Bank Alfalah Limited (the Bank) is a banking company incorporated in Pakistan and is engaged in commercial banking and related services in Pakistan and overseas. The Bank's registered office is located at B.A. Building, I.I. Chundrigar Road, Karachi and its shares are listed on the Pakistan Stock Exchange. The Bank is engaged in banking services as described in the Banking Companies Ordinance, 1962. The Bank is operating through 1,172 branches (December 31, 2024: 1,141 branches) and 12 sub-branches (December 31, 2024: 12 sub-branches). Out of the 1,172 branches, 713 (December 31, 2024: 707) are conventional, 448 (December 31, 2024: 423) are Islamic, 10 (December 31, 2024: 10) are overseas and 1 (December 31, 2024: 1) is an offshore banking unit.

The Pakistan Credit Rating Agency Limited has reaffirmed the Bank's long-term rating as 'AAA' and short-term rating as 'A1+' with stable outlook on June 28, 2025.

2 BASIS OF PRESENTATION**2.1 STATEMENT OF COMPLIANCE**

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

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

Wherever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of IFRS or IFAS, requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives have been followed.

The SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for banking companies through BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' on banks through its notification S.R.O 411(I)/2008 dated April 28, 2008. The SBP through BPRD Circular No. 04 of 2015 dated February 25, 2015 had deferred the applicability of Islamic Financial Accounting Standard-3 for Profit and Loss Sharing on Deposits (IFAS-3) issued by the Institute of Chartered Accountants of Pakistan (ICAP) and notified by the SECP, vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IIFS). Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements.

2.1.1 The disclosures made in these unconsolidated condensed interim financial statements have been limited based on the format prescribed by the SBP through BPRD Circular Letter No. 02 dated February 09, 2023 and the requirements of International Accounting Standard 34, "Interim Financial Reporting". These do not include all the information and disclosures required for annual financial statements, and therefore should be read in conjunction with the annual audited unconsolidated financial statements of the Bank for the year ended December 31, 2024.

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

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

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

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

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2025 but are considered not relevant or do not have any material effect on the Bank's operations and are therefore not detailed in these unconsolidated condensed interim financial statements. The impact of IFRS 9 for the current period is disclosed in note 4.1.2 of these unconsolidated condensed interim financial statements. Further, the comparative period has been restated to incorporate the impact of adoption of IFRS 9 as disclosed in note 4.1.1.

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

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

- the new standard - IFRS 18 'Presentation and Disclosure in Financial Statements' (published in April 2024) with applicability date of January 01, 2027 by IASB. IFRS 18 is yet to be adopted in Pakistan, IFRS 18 when adopted and applicable shall impact the presentation of 'Statement of Profit and Loss Account' with certain additional disclosures in the unconsolidated condensed interim financial statements.
- amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.
- amendment to IAS 21 'The Effects of Changes in Foreign Exchange Rates' which will require Banks to apply a consistent approach in assessing whether a currency can be exchanged into another currency and, when it cannot, in determining the exchange rate to use and the disclosures to provide.

3 BASIS OF MEASUREMENT

3.1 Accounting convention

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

3.2 Functional and presentation currency

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

4 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the annual audited unconsolidated financial statements of the Bank for the year ended December 31, 2024. Impacts of adoption of IFRS 9 for the comparative and current period are disclosed in note 4.1.

4.1 IFRS 9 - 'Financial Instruments'

4.1.1 The Bank had adopted IFRS 9 effective from January 01, 2024 with modified retrospective approach for restatement permitted under IFRS 9. The cumulative impact of initial application amounting to Rs. 2,751.995 million was recorded as an adjustment to equity at the beginning of the previous accounting period.

The Bank, in compliance with extended timelines prescribed in SBP's BPRD Circular Letter No. 16 dated July 29, 2024 and BPRD Circular Letter No. 01 dated January 22, 2025 had incorporated certain IFRS 9 related impacts in the last quarter of 2024. Therefore the unconsolidated condensed interim statement of profit and loss account (un-audited) for the half year ended June 30, 2024 have been restated to incorporate these impacts. Had the restatement not been incorporated the profit after tax and total comprehensive income for the half year ended June 30, 2024 would have been higher by Rs. 10.416 million. The details are tabulated below:

| Head | | (Rupees in '000) | Description |
|--------------------------------------|----------|------------------|--|
| Mark-up / return / interest earned | Increase | 1,345,058 | Fair value impact of subsidised advances and modification of advances |
| Mark-up / return / Interest earned | Increase | 1,249,124 | Fair value impact on staff loans |
| Other Income | Increase | 30,724 | Fair value impact of advances measured at fair value through profit and loss |
| | | 2,624,906 | |
| Mark-up / return / interest expensed | Increase | 1,396,206 | Fair value impact of subsidised borrowings |
| Operating expenses | Increase | 1,249,124 | Fair value impact on staff loans |
| | | 2,645,330 | |
| Taxation | Decrease | 10,008 | Tax impact of restatement |
| | | Rupees | |
| Basic and diluted earnings per share | Decrease | 0.01 | EPS impact of restatement |

4.1.2 During the current period, in accordance with BPRD Circular No. 03 of 2022 dated July 05, 2022 and BPRD Circular Letter No. 16 dated July 29, 2024 the Bank has applied IFRS 9 'Financial Instruments' for Bangladesh Operations and measured unquoted equity securities at fair value. The cumulative impact of application in current period amounting to Rs. 284.511 million net of tax has been recorded as an adjustment to equity at the beginning of the current period.

4.1.3 The SBP has directed the Banks through its BPRD Circular Letter No. 1 dated January 22, 2025 to continue the existing revenue recognition methodology for Islamic Operations, including the requirements of IFAS 1 and IFAS 2 until further instructions. Had IFRS 9 been adopted in its entirety for revenue recognition from Islamic operations, the profit after tax of the Bank would have been higher by Rs. 134.636 million.

4.1.4 The SBP in a separate instruction SBPHOK-BPRD-RPD-BAF-834424 dated January 22, 2025 has allowed extension for application of Effective Interest Rate upto December 31, 2025.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

The significant judgments made by the management in applying the Bank's accounting policies and the key sources of estimation were the same as those applied in the preparation of annual audited financial statements for the year ended December 31, 2024 except for matters related to IFRS 9 which have been disclosed in note 4.1 to these unconsolidated condensed interim financial statements.

6 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the annual audited unconsolidated financial statements for the year ended December 31, 2024.

| | | (Un-audited) June 30, 2025 | (Audited) December 31, 2024 |
|--|------|----------------------------------|-----------------------------------|
| | Note | ----- (Rupees in '000) ----- | |
| 7 CASH AND BALANCES WITH TREASURY BANKS | | | |
| In hand | | | |
| - local currency | | 48,391,658 | 48,323,420 |
| - foreign currency | | 4,564,694 | 5,594,597 |
| | | 52,956,352 | 53,918,017 |
| With State Bank of Pakistan in | | | |
| - local currency current accounts | | 65,884,748 | 92,348,385 |
| - foreign currency current accounts | | 7,926,927 | 7,192,719 |
| - foreign currency deposit accounts | | 12,772,008 | 10,832,548 |
| | | 86,583,683 | 110,373,652 |
| With other central banks in | | | |
| - foreign currency current accounts | | 63,356,120 | 60,980,202 |
| - foreign currency deposit accounts | | 1,557,796 | 1,820,112 |
| | | 64,913,916 | 62,800,314 |
| With National Bank of Pakistan in local currency current account | | 10,868,492 | 628,396 |
| Prize bonds | | 99,814 | 119,605 |
| | | 215,422,257 | 227,839,984 |
| Less: Credit loss allowance held against cash and balances with treasury banks | | (16,237) | (16,005) |
| Cash and balances with treasury banks - net of credit loss allowance | | 215,406,020 | 227,823,979 |
| 8 BALANCES WITH OTHER BANKS | | | |
| In Pakistan in current accounts | | 35,165 | 37,316 |
| Outside Pakistan | | | |
| - in current accounts | | 17,425,953 | 18,406,200 |
| - in deposit accounts | | 32,054 | 31,982 |
| | | 17,458,007 | 18,438,182 |
| | | 17,493,172 | 18,475,498 |
| Less: Credit loss allowance held against balances with other banks | | (14,196) | (5,890) |
| Balances with other banks - net of credit loss allowance | | 17,478,976 | 18,469,608 |
| 9 LENDINGS TO FINANCIAL INSTITUTIONS | | | |
| Call / clean money lendings | | 51,624,880 | 1,792,764 |
| Repurchase agreement lendings (Reverse Repo) | | 102,270,862 | 94,208,913 |
| Bai Muajjal receivable - other financial institution | | - | 4,997,525 |
| | | 153,895,742 | 100,999,202 |
| Less: Credit loss allowance held against lending to financial institutions | | (671) | (879) |
| Lending to financial institutions - net of credit loss allowance | 9.1 | 153,895,071 | 100,998,323 |

| June 30, 2025 (Un-audited) | | December 31, 2024 (Audited) | |
|-------------------------------|----------------------------|--------------------------------|----------------------------|
| Lending | Credit loss allowance held | Lending | Credit loss allowance held |

(Rupees in '000)

9.1 Lending to Financial Institutions - Particulars of credit loss allowance

| | | | | | |
|-----------------|---------|--------------------|------------|--------------------|------------|
| Domestic | | | | | |
| Performing | Stage 1 | 152,970,862 | 595 | 99,606,438 | 754 |
| Overseas | | | | | |
| Performing | Stage 1 | 924,880 | 76 | 1,392,764 | 125 |
| Total | | 153,895,742 | 671 | 100,999,202 | 879 |

10 INVESTMENTS

10.1 Investments by type:

| June 30, 2025 (Un-audited) | | | | December 31, 2024 (Audited) | | | |
|----------------------------|--|---------------------|----------------|-----------------------------|--|---------------------|----------------|
| Cost / amortised cost | Credit loss allowance / provision for diminution | Surplus / (deficit) | Carrying value | Cost / amortised cost | Credit loss allowance / provision for diminution | Surplus / (deficit) | Carrying value |

(Rupees in '000)

Fair value through profit and loss

| | | | | | | | | |
|---|-------------|---|-----------|-------------|-------------|---|-----------|-------------|
| Federal Government Securities | | | | | | | | |
| - Market Treasury Bills | 42,060,822 | - | (11,351) | 42,049,471 | 74,055,824 | - | (5,499) | 74,050,325 |
| - Pakistan Investment Bonds | 56,814,754 | - | 53,544 | 56,868,298 | 183,913,135 | - | 47,072 | 183,960,207 |
| - Ijarah Sukuks | 260,372 | - | 716 | 261,088 | 1,733,628 | - | 10,084 | 1,743,712 |
| - Naya Pakistan Certificates | 1,009,002 | - | - | 1,009,002 | 2,651,621 | - | - | 2,651,621 |
| Shares | | | | | | | | |
| - Ordinary Shares - Listed | 4,693,696 | - | (124,974) | 4,568,722 | 2,432,428 | - | 1,099,694 | 3,532,122 |
| - Preference Shares - Unlisted | - | - | - | - | - | - | 500,000 | 500,000 |
| Non Government Debt Securities | | | | | | | | |
| - Term Finance Certificates | 1,450,000 | - | - | 1,450,000 | 1,450,000 | - | - | 1,450,000 |
| - Sukuks | 422,444 | - | 957 | 423,401 | 422,000 | - | 444 | 422,444 |
| Foreign Securities | | | | | | | | |
| - Overseas Bonds - Sovereign | 15,095,846 | - | (16,938) | 15,078,908 | 13,043,880 | - | (6,799) | 13,037,081 |
| - Redeemable Participating Certificates | 8,255,474 | - | (221,655) | 8,033,819 | 5,913,093 | - | 2,401,955 | 8,315,048 |
| | 130,062,410 | - | (319,701) | 129,742,709 | 285,615,609 | - | 4,046,951 | 289,662,560 |

Fair value through other comprehensive income

| | | | | | | | | |
|---------------------------------------|----------------------|--------------------|-------------------|----------------------|----------------------|--------------------|-------------------|----------------------|
| Federal Government Securities | | | | | | | | |
| - Market Treasury Bills | 12,759,353 | - | 75,315 | 12,834,668 | 22,007,486 | - | 428,380 | 22,435,866 |
| - Pakistan Investment Bonds | 840,938,935 | - | 18,731,847 | 859,670,782 | 1,009,681,395 | - | 14,952,851 | 1,024,634,246 |
| - Ijarah Sukuks | 217,773,294 | - | 6,764,086 | 224,537,380 | 241,695,919 | - | 9,230,018 | 250,925,937 |
| - Government of Pakistan Euro Bonds | 12,178,653 | (1,947,664) | 1,178,820 | 11,409,809 | 12,368,725 | (2,145,627) | 922,305 | 11,145,403 |
| Shares | | | | | | | | |
| - Ordinary Shares - Listed | 13,158,541 | - | 5,733,660 | 18,892,201 | 10,202,508 | - | 4,768,790 | 14,971,298 |
| - Ordinary Shares - Unlisted | 1,319,051 | - | 2,080,704 | 3,399,755 | 1,351,363 | - | 1,471,825 | 2,823,188 |
| - Preference Shares - Unlisted | 25,000 | (25,000) | - | - | 25,000 | (25,000) | - | - |
| Non Government Debt Securities | | | | | | | | |
| - Term Finance Certificates | 1,942,200 | (108,526) | - | 1,833,674 | 2,076,398 | (111,745) | - | 1,964,653 |
| - Sukuks | 15,361,416 | (96,511) | (92,228) | 15,172,677 | 15,584,244 | (96,511) | 140,246 | 15,627,979 |
| Foreign Securities | | | | | | | | |
| - Overseas Bonds - Sovereign | 49,102,235 | (71,070) | (872,353) | 48,158,812 | 50,691,578 | (77,534) | (1,417,964) | 49,196,080 |
| - Overseas Bonds - Others | 24,023,296 | (5,992) | (678,330) | 23,338,974 | 26,231,004 | (7,505) | (1,030,029) | 25,193,470 |
| - Equity Securities - Listed | 270,436 | - | (15,754) | 254,682 | 265,427 | - | (8,246) | 257,181 |
| - Preference Shares - Unlisted | 567,545 | - | - | 567,545 | 557,108 | - | - | 557,108 |
| REIT Fund - listed | 1,072,965 | - | 407,336 | 1,480,301 | 1,000,489 | - | 514,493 | 1,514,982 |
| | 1,190,492,920 | (2,254,763) | 33,313,103 | 1,221,551,260 | 1,393,738,644 | (2,463,922) | 29,972,669 | 1,421,247,391 |
| Balance carried forward | 1,320,555,330 | (2,254,763) | 32,993,402 | 1,351,293,969 | 1,679,354,253 | (2,463,922) | 34,019,620 | 1,710,909,951 |

10.1 Investments by type:

| | June 30, 2025 (Un-audited) | | | | December 31, 2024 (Audited) | | | |
|---------------------------------------|----------------------------|--|---------------------|----------------------|-----------------------------|--|---------------------|----------------------|
| | Cost / amortised cost | Credit loss allowance / provision for diminution | Surplus / (deficit) | Carrying value | Cost / amortised cost | Credit loss allowance / provision for diminution | Surplus / (deficit) | Carrying value |
| (Rupees in '000) | | | | | | | | |
| Balance brought forward | 1,320,555,330 | (2,254,763) | 32,993,402 | 1,351,293,969 | 1,679,354,253 | (2,463,922) | 34,019,620 | 1,710,909,951 |
| Amortised cost | | | | | | | | |
| Federal Government Securities | | | | | | | | |
| - Pakistan Investment Bonds | 217,132,123 | - | - | 217,132,123 | 218,414,195 | - | - | 218,414,195 |
| - Ijarah Sukuks | 40,427,531 | - | - | 40,427,531 | 40,376,451 | - | - | 40,376,451 |
| Non Government Debt Securities | | | | | | | | |
| - Term Finance Certificates | 387,180 | (24,724) | - | 362,456 | 324,680 | (24,715) | - | 299,965 |
| - Sukuks | 3,250,645 | (56,413) | - | 3,194,232 | 3,509,612 | (56,421) | - | 3,453,191 |
| Foreign Securities | | | | | | | | |
| - Overseas Bonds - Sovereign | 17,939,771 | (53,970) | - | 17,885,801 | 15,601,311 | (216) | - | 15,601,095 |
| | 279,137,250 | (135,107) | - | 279,002,143 | 278,226,249 | (81,352) | - | 278,144,897 |
| Associates | 1,177,606 | - | - | 1,177,606 | 1,177,606 | - | - | 1,177,606 |
| Subsidiaries | 1,000,000 | - | - | 1,000,000 | 2,505,217 | (1,505,217) | - | 1,000,000 |
| Total investments | 1,601,870,186 | (2,389,870) | 32,993,402 | 1,632,473,718 | 1,961,263,325 | (4,050,491) | 34,019,620 | 1,991,232,454 |

10.2 Particulars of assets and liabilities of subsidiaries and associates

| | | | | June 30, 2025 (Un-audited) | | | | |
|---|--------------------------|-----------------------|---------|----------------------------|-------------|-----------|--------------------------------|-------------------------------------|
| Subsidiary / Associate | Country of Incorporation | Percentage of holding | | Assets | Liabilities | Revenue | (Loss) / profit for the period | Total comprehensive (loss) / Income |
| (Rupees in '000) | | | | | | | | |
| Alfalsh Currency Exchange (Private) Limited | Subsidiary | Pakistan | 100.00% | 1,093,074 | 133,434 | 89,982 | (64,531) | (63,303) |
| Alfalsh Insurance Company Limited | Associate | Pakistan | 30.00% | 9,067,098 | 5,652,907 | 1,547,909 | 332,611 | 268,801 |
| Sapphire Wind Power Company Limited | Associate | Pakistan | 30.00% | 19,794,137 | 2,503,947 | 2,919,833 | 1,613,250 | 1,613,250 |
| Alfalsh Asset Management Limited | Associate | Pakistan | 40.22% | 3,647,374 | 862,169 | 1,438,243 | 341,143 | 341,143 |

| | | | | December 31, 2024 (Audited) | | June 30, 2024 (Un-audited) | | |
|---|--------------------------|-----------------------|---------|-----------------------------|-------------|----------------------------|--------------------------------|-------------------------------------|
| Subsidiary / Associate | Country of Incorporation | Percentage of holding | | Assets | Liabilities | Revenue | (Loss) / profit for the period | Total comprehensive (loss) / Income |
| (Rupees in '000) | | | | | | | | |
| Alfalsh Securities (Private) Limited | Subsidiary | Pakistan | 95.59% | 1,850,958 | 1,358,817 | 402,659 | (178,710) | (178,710) |
| Alfalsh Currency Exchange (Private) Limited | Subsidiary | Pakistan | 100.00% | 1,081,681 | 58,738 | 80,024 | 15,299 | 15,427 |
| Alfalsh Insurance Company Limited | Associate | Pakistan | 30.00% | 7,622,491 | 4,327,101 | 1,322,373 | 353,768 | 392,855 |
| Sapphire Wind Power Company Limited | Associate | Pakistan | 30.00% | 19,530,002 | 3,853,062 | 3,011,661 | 1,640,280 | 1,640,280 |
| Alfalsh Asset Management Limited | Associate | Pakistan | 40.22% | 3,473,064 | 1,014,104 | 744,265 | 169,227 | 169,227 |

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

(Un-audited) (Audited)
June 30, December 31,
2025 2024
----- (Rupees in '000) -----

10.3 Investments given as collateral

- Market Treasury Bills
- Pakistan Investment Bonds
- Overseas Bonds

| | |
|--------------------|--------------------|
| - | 18,948,162 |
| 409,993,123 | 952,096,877 |
| 11,762,845 | 8,759,125 |
| <u>421,755,968</u> | <u>979,804,164</u> |

10.3.1 The market value of securities given as collateral is Rs. 426,304.813 million (December 31, 2024: Rs. 993,194.012 million).

| | (Un-audited) June 30, 2025 | (Audited) December 31, 2024 |
|--|----------------------------------|-----------------------------------|
| | ----- (Rupees in '000) ----- | |
| 10.4 Credit loss allowance / provision for diminution in value of investments | | |
| 10.4.1 Opening balance | 4,050,491 | 3,660,630 |
| Impact of adoption of IFRS 9 | 60,074 | (437,729) |
| Balance as at January 01 after adopting IFRS 9 | <u>4,110,565</u> | <u>3,222,901</u> |
| Exchange and other adjustments | 42,146 | (29,753) |
| Charge / (reversals) | | |
| Charge for the period / year | 80,531 | 1,436,742 |
| Reversals for the period / year | (144,830) | (578,980) |
| Reversal on disposals | <u>(193,325)</u> | <u>(419)</u> |
| | (257,624) | 857,343 |
| Adjustment of provision on disposal of subsidiary | 10.2.1 | (1,505,217) |
| Closing balance | <u>2,389,870</u> | <u>4,050,491</u> |

10.4.2 Particulars of credit loss allowance / provision against debt securities

Category of classification

| | | June 30, 2025 (Un-audited) | | December 31, 2024 (Audited) | |
|------------------------------|---------|-------------------------------|--|--------------------------------|--|
| | | Outstanding amount | Credit loss allowance / Provision held | Outstanding amount | Credit loss allowance / Provision held |
| ----- (Rupees in '000) ----- | | | | | |
| Domestic | | | | | |
| Performing | Stage 1 | 806,250 | 85 | 806,250 | 85 |
| Underperforming | Stage 2 | - | - | - | - |
| Non-performing | Stage 3 | | | | |
| Substandard | | - | - | - | - |
| Doubtful | | - | - | - | - |
| Loss | | <u>311,089</u> | <u>311,089</u> | <u>314,307</u> | <u>314,307</u> |
| | | <u>1,117,339</u> | <u>311,174</u> | <u>1,120,557</u> | <u>314,392</u> |
| Overseas | | | | | |
| Performing | Stage 1 | 91,065,302 | 131,032 | 78,312,741 | 85,255 |
| Underperforming | Stage 2 | - | - | 14,211,152 | - |
| Non-performing | Stage 3 | | | | |
| Substandard | | - | - | - | - |
| Doubtful | | - | - | - | - |
| Loss | | - | - | - | - |
| Total | | <u>104,361,294</u> | <u>2,389,870</u> | <u>106,013,175</u> | <u>2,545,274</u> |

10.4.3 The market value of securities classified at amortised cost as at June 30, 2025 amounted to Rs. 282,053.215 million (December 31, 2024: Rs. 279,284.570 million).

11 ADVANCES

| Note | Performing | | Non Performing | | Total | |
|---|-------------------------------|-----------------------------------|-------------------------------|-----------------------------------|-------------------------------|--------------------------------|
| | June 30, 2025 (Un-audited) | December 31, 2024 (Audited) | June 30, 2025 (Un-audited) | December 31, 2024 (Audited) | June 30, 2025 (Un-audited) | December 31, 2024 (Audited) |
| (Rupees in '000) | | | | | | |
| Classified at amortised cost | | | | | | |
| Loans, cash credits, running finances, etc. | 781,181,370 | 929,992,559 | 38,228,807 | 36,402,132 | 819,410,177 | 966,394,691 |
| Islamic financing and related assets 43.3 | 205,936,454 | 166,361,932 | 5,458,170 | 5,688,223 | 211,394,624 | 172,050,155 |
| Bills discounted and purchased | 24,192,002 | 16,129,793 | 198,704 | 269,602 | 24,390,706 | 16,399,395 |
| | <u>1,011,309,826</u> | <u>1,112,484,284</u> | <u>43,885,681</u> | <u>42,359,957</u> | <u>1,055,195,507</u> | <u>1,154,844,241</u> |
| Classified at FVPL | | | | | | |
| Loans, cash credits, running finances, etc. | 2,250,000 | 1,200,000 | - | - | 2,250,000 | 1,200,000 |
| Fair value adjustment on loans - FVPL | 270,218 | 213,735 | - | - | 270,218 | 213,735 |
| | <u>2,520,218</u> | <u>1,413,735</u> | <u>-</u> | <u>-</u> | <u>2,520,218</u> | <u>1,413,735</u> |
| Advances - gross | <u>1,013,830,044</u> | <u>1,113,898,019</u> | <u>43,885,681</u> | <u>42,359,957</u> | <u>1,057,715,725</u> | <u>1,156,257,976</u> |
| Credit loss allowance / provision against advances | | | | | | |
| - Stage 1 11.4 | (1,778,969) | (2,232,954) | - | - | (1,778,969) | (2,232,954) |
| - Stage 2 11.4 | (1,206,374) | (1,388,083) | - | - | (1,206,374) | (1,388,083) |
| - Stage 3 11.4 | - | - | (40,122,979) | (38,436,013) | (40,122,979) | (38,436,013) |
| - Specific 11.4 | - | - | - | (587,690) | - | (587,690) |
| - General 11.4 | (4,111,177) | (4,237,082) | - | - | (4,111,177) | (4,237,082) |
| | <u>(7,096,520)</u> | <u>(7,858,119)</u> | <u>(40,122,979)</u> | <u>(39,023,703)</u> | <u>(47,219,499)</u> | <u>(46,881,822)</u> |
| Advances - net of credit loss allowance / provision | <u>1,006,733,524</u> | <u>1,106,039,900</u> | <u>3,762,702</u> | <u>3,336,254</u> | <u>1,010,496,226</u> | <u>1,109,376,154</u> |

- 11.1** Advances include an amount of Rs. 425.928 million (December 31, 2024: Rs. 395.404 million), being Employee Loan facilities allowed to Citibank, N.A, Pakistan's employees, which were either taken over by the Bank, or were granted afresh, under a specific arrangement executed between the Bank and Citibank, N.A, Pakistan. The said arrangement is subject to certain relaxations as specified vide SBP Letter BPRD/BRD/Citi/2017/21089 dated September 11, 2017.

The said arrangement covers only existing employees of Citibank, N.A, Pakistan, and the relaxations allowed by the SBP are on continual basis, but subject to review by the SBP's BID and OSED departments. These loans carry mark-up at the rates ranging from 13.94% to 33.69% (December 31, 2024: 14.83% to 33.69%) per annum with maturities up to October 2043 (December 31, 2024: October 2043).

| | (Un-audited) June 30, 2025 | (Audited) December 31, 2024 |
|---|----------------------------------|-----------------------------------|
| (Rupees in '000) | | |
| 11.2 Particulars of advances (gross) | | |
| In local currency | 965,076,069 | 1,038,683,097 |
| In foreign currencies | <u>92,639,656</u> | <u>117,574,879</u> |
| | <u>1,057,715,725</u> | <u>1,156,257,976</u> |

- 11.3** Advances include Rs. 43,885.681 million (December 31, 2024: Rs. 42,359.957 million) which have been placed under non-performing status as detailed below:

Category of classification in stage 3

| | June 30, 2025 (Un-audited) | | December 31, 2024 (Audited) | |
|--|-------------------------------|--|--------------------------------|--|
| | Non-Performing Loans | Credit loss allowance /provision | Non-Performing Loans | Credit loss allowance /provision |
| (Rupees in '000) | | | | |
| Domestic | | | | |
| Other Assets Especially Mentioned (OAEM) | 269,574 | - | 237,808 | - |
| Substandard | 2,404,019 | 947,201 | 2,991,264 | 1,260,906 |
| Doubtful | 3,706,756 | 1,835,308 | 2,311,039 | 1,103,457 |
| Loss | 36,832,335 | 36,728,566 | 36,164,401 | 36,071,650 |
| | <u>43,212,684</u> | <u>39,511,075</u> | <u>41,704,512</u> | <u>38,436,013</u> |
| Overseas | | | | |
| Substandard | - | - | 38,700 | 23,355 |
| Doubtful | - | - | - | - |
| Loss | 672,997 | 611,904 | 616,745 | 564,335 |
| | <u>672,997</u> | <u>611,904</u> | <u>655,445</u> | <u>587,690</u> |
| Total | <u>43,885,681</u> | <u>40,122,979</u> | <u>42,359,957</u> | <u>39,023,703</u> |

11.4 Particulars of credit loss allowance / provision against advances

| | June 30, 2025 (Un-audited) | | | | December 31, 2024 (Audited) | | | | | | | |
|--|----------------------------|-----------|-------------|-----------|-----------------------------|-------------|----------------------|-----------|-------------|--------------|-------------|--------------|
| | Expected Credit Loss | | | Specific | General | Total | Expected Credit Loss | | | Specific | General | Total |
| | Stage 1 | Stage 2 | Stage 3 | | | | Stage 1 | Stage 2 | Stage 3 | | | |
| | | | | | | | | | | | | |
| (Rupees in '000) | | | | | | | | | | | | |
| Operating balance | 2,232,954 | 1,388,083 | 38,436,013 | 587,690 | 4,237,082 | 46,881,922 | - | - | - | 32,373,670 | 9,861,797 | 42,235,467 |
| Impact of adoption of IFRS 9 | 50,662 | 49,899 | 587,751 | (587,690) | - | 100,622 | 3,383,875 | 1,941,645 | 33,603,839 | (31,883,354) | (1,715,503) | 5,330,502 |
| Balance as at January 01 after adopting IFRS 9 | 2,283,616 | 1,437,982 | 39,023,764 | - | 4,237,082 | 46,982,444 | 3,383,875 | 1,941,645 | 33,603,839 | 490,316 | 8,146,294 | 47,565,969 |
| Exchange and other adjustments | 2,199 | - | (4,713) | - | (3,449) | (5,963) | (249) | - | - | (49,929) | (35,775) | (85,953) |
| Charge for the period / year | 264,689 | 434,011 | 5,024,607 | - | - | 5,723,307 | 989,912 | 228,688 | 14,209,301 | 148,294 | - | 15,176,195 |
| Reversals for the period / year | (703,294) | (624,139) | (3,359,807) | - | (122,456) | (4,809,696) | (1,576,721) | (680,132) | (7,187,019) | (991) | (3,873,437) | (13,318,300) |
| | (438,605) | (190,128) | 1,664,800 | - | (122,456) | 913,611 | (986,809) | (451,444) | 7,022,282 | 147,303 | (3,873,437) | 1,857,895 |
| Transfer | (68,241) | (41,480) | 109,721 | - | - | - | (163,863) | (102,118) | 265,981 | - | - | - |
| Amounts written off | - | - | (9,465) | - | - | (9,465) | - | - | (19,688) | - | - | (19,688) |
| Amounts charged off | - | - | (635,382) | - | - | (635,382) | - | - | (2,310,924) | - | - | (2,310,924) |
| Amounts charged off - agriculture financing | - | - | (25,746) | - | - | (25,746) | - | - | (125,477) | - | - | (125,477) |
| | (68,241) | (41,480) | (560,972) | - | - | (670,593) | (163,863) | (102,118) | (2,190,108) | - | - | (2,456,089) |
| Closing balance | 1,778,969 | 1,206,374 | 40,122,979 | - | 4,111,177 | 47,219,499 | 2,232,954 | 1,388,083 | 38,436,013 | 587,690 | 4,237,082 | 46,881,822 |

11.4.1 The additional profit arising from availing the forced sales value (FSV) benefit - net of tax as at June 30, 2025 which is not available for distribution as either cash or stock dividend to shareholders / bonus to employees amounted to Rs. 85,883 million (December 31, 2024: Rs. 79,607 million).

11.4.2 During the period, non performing loans and provisions were reduced by Rs. 442.462 million (December 31, 2024: Rs. 5,317,765 million) due to debt property swap transactions.

11.4.3 General provision includes:

- Provision held at overseas branches to meet the requirements of the regulatory authorities of the respective countries in which overseas branches operate; and
- Provision of Rs. 3,878,000 million (December 31, 2024: Rs. 3,878,000 million) against the high risk portfolio, which is showing higher economic vulnerability. The portfolio excludes GoP backed exposure, staff loans and loans secured against liquid collaterals.

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

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

| | June 30, 2025 (Un-audited) | | | | | December 31, 2024 (Audited) | | | | | | |
|--|----------------------------|-----------|-------------|-----------|-----------|-----------------------------|----------------------|-----------|-------------|--------------|-------------|--------------|
| | Expected Credit Loss | | | Specific | General | Total | Expected Credit Loss | | | Specific | General | Total |
| | Stage 1 | Stage 2 | Stage 3 | | | | Stage 1 | Stage 2 | Stage 3 | | | |
| | (Rupees in '000) | | | | | | | | | | | |
| Opening balance | 2,232,954 | 1,388,083 | 38,436,013 | 587,690 | 4,237,082 | 46,881,822 | - | - | - | 32,373,670 | 9,861,797 | 42,235,467 |
| Impact of adoption of IFRS 9 | 50,662 | 49,899 | 587,751 | (587,690) | - | 100,622 | 3,383,875 | 1,941,645 | 33,603,839 | (31,883,354) | (1,715,503) | 5,330,502 |
| Balance as at January 01 after adopting IFRS 9 | 2,283,616 | 1,437,982 | 39,023,764 | - | 4,237,082 | 46,982,444 | 3,383,875 | 1,941,645 | 33,603,839 | 490,316 | 8,146,294 | 47,565,969 |
| Exchange and other adjustments | 2,199 | - | (4,713) | - | (3,449) | (5,963) | (249) | - | - | (49,929) | (35,775) | (85,953) |
| New advances | 264,689 | 434,011 | 3,725,672 | - | - | 4,424,372 | 589,912 | 228,688 | 10,736,585 | 55,479 | - | 11,610,664 |
| Due to credit deterioration | - | - | 1,298,935 | - | - | 1,298,935 | - | - | 3,472,716 | 92,815 | - | 3,565,531 |
| Advances derecognised or repaid / reversal | (694,713) | (304,245) | (3,236,276) | - | (122,456) | (4,357,690) | (1,348,975) | (337,218) | (6,805,825) | (991) | (3,873,437) | (12,366,446) |
| Transfer to stage 1 | 43,421 | (43,421) | - | - | - | - | 209,329 | (209,329) | - | - | - | - |
| Transfer to stage 2 | (105,876) | 105,876 | - | - | - | - | (342,027) | 342,027 | - | - | - | - |
| Transfer to stage 3 | (5,786) | (103,935) | 109,721 | - | - | - | (31,165) | (234,816) | 265,981 | - | - | - |
| Changes in risk parameters | (8,581) | (319,894) | (123,531) | - | - | (452,006) | (227,746) | (342,914) | (381,194) | - | - | (951,854) |
| | (506,846) | (231,608) | 1,774,521 | - | (122,456) | 913,611 | (1,150,672) | (553,562) | 7,288,263 | 147,303 | (3,873,437) | 1,857,895 |
| Amounts written off | - | - | (9,465) | - | - | (9,465) | - | - | (19,688) | - | - | (19,688) |
| Amounts charged off | - | - | (661,128) | - | - | (661,128) | - | - | (2,436,401) | - | - | (2,436,401) |
| Closing balance | 1,778,969 | 1,206,374 | 40,122,979 | - | 4,111,177 | 47,219,499 | 2,232,954 | 1,388,083 | 38,436,013 | 587,690 | 4,237,082 | 46,881,822 |

11.6 Particulars of charged-off loans/ advances / finances

| | June 30, 2025 (Un-audited) | | December 31, 2024 (Audited) | |
|--|----------------------------|----------------|-----------------------------|----------------|
| | No of borrowers | Rupees in '000 | No of borrowers | Rupees in '000 |
| Corporate, Commercial and SME | | | | |
| Opening balance of charged-off | 186 | 2,982,475 | 44 | 2,267,137 |
| Charge-off during the period / year | 160 | 152,889 | 145 | 1,331,003 |
| Sub total | 346 | 3,135,364 | 189 | 3,598,140 |
| Recoveries made during the period / year against already charged-off cases | 12 | 175,281 | 2 | 247,585 |
| Amount written off from already charged off loans | - | - | - | - |
| Other movement | - | - | 1 | 368,080 |
| Closing balance of charged-offs | 334 | 2,960,083 | 186 | 2,982,475 |

11.7 Advances - category of classification

| | | June 30, 2025 | | December 31, 2024 | |
|--|---------|----------------------|----------------------------------|----------------------|----------------------------------|
| | | Outstanding | Credit loss allowance /provision | Outstanding | Credit loss allowance /provision |
| (Rupees in '000) | | | | | |
| Domestic | | | | | |
| Performing | Stage 1 | 843,002,879 | 1,634,444 | 950,300,223 | 2,101,954 |
| Underperforming | Stage 2 | 132,246,040 | 1,138,076 | 112,325,725 | 1,388,083 |
| Non-performing | Stage 3 | | | | |
| Other Assets Especially Mentioned (OAEM) | | 269,574 | - | 237,808 | - |
| Substandard | | 2,404,019 | 947,201 | 2,991,264 | 1,260,906 |
| Doubtful | | 3,706,756 | 1,835,308 | 2,311,039 | 1,103,457 |
| Loss | | 36,832,335 | 36,728,566 | 36,164,401 | 36,071,650 |
| General provision | | - | 3,878,000 | - | 3,878,000 |
| | | 1,018,461,603 | 46,161,595 | 1,104,330,460 | 45,804,050 |
| Overseas | | | | | |
| Performing | Stage 1 | 35,163,062 | 144,525 | 51,272,071 | 131,000 |
| Underperforming | Stage 2 | 3,418,064 | 68,298 | - | - |
| Non-performing | Stage 3 | | | | |
| Other Assets Especially Mentioned (OAEM) | | - | - | - | - |
| Substandard | | - | - | 38,700 | 23,355 |
| Doubtful | | - | - | - | - |
| Loss | | 672,996 | 611,904 | 616,745 | 564,335 |
| General provision | | - | 233,177 | - | 359,082 |
| | | 39,254,122 | 1,057,904 | 51,927,516 | 1,077,772 |
| Total | | 1,057,715,725 | 47,219,499 | 1,156,257,976 | 46,881,822 |

| | | Note | (Un-audited) June 30, 2025 | (Audited) December 31, 2024 |
|--------------------------------------|--|------|----------------------------------|-----------------------------------|
| | | | ----- (Rupees in '000) ----- | |
| 12 PROPERTY AND EQUIPMENT | | | | |
| Capital work-in-progress | | 12.1 | 4,572,208 | 3,471,199 |
| Property and equipment | | 12.2 | 63,660,967 | 60,072,285 |
| | | | 68,233,175 | 63,543,484 |
| 12.1 Capital work-in-progress | | | | |
| Civil works | | | 3,674,231 | 3,187,748 |
| Equipment | | | 868,885 | 252,122 |
| Others | | | 29,092 | 31,329 |
| | | | 4,572,208 | 3,471,199 |

12.2 It includes land and buildings carried at revalued amount of Rs. 40,013.824 million (December 31, 2024: Rs. 39,448.429 million).

| | | (Un-audited) Half year ended | |
|--|--|----------------------------------|-----------------------------------|
| | | June 30, 2025 | June 30, 2024 |
| | | ------(Rupees in '000)----- | |
| 12.3 | Additions to property and equipment | | |
| The following additions were made to property and equipment during the period: | | | |
| | Capital work-in-progress - net of transferred out for capitalisation | 1,101,009 | 251,909 |
| | Property and equipment | | |
| | Freehold land | 283,710 | 1,244,879 |
| | Leasehold land | - | 5,604,974 |
| | Buildings on freehold land | 234,372 | 565,440 |
| | Buildings on leasehold land | 204,571 | 355,244 |
| | Leasehold improvements | 1,876,629 | 1,464,151 |
| | Furniture and fixtures | 460,860 | 430,502 |
| | Office equipments | 2,189,474 | 2,181,109 |
| | Vehicles | 1,219,504 | 429,346 |
| | | 6,469,120 | 12,275,645 |
| | Total additions to property and equipment | 7,570,129 | 12,527,554 |
| 12.4 | Disposals of property and equipment | | |
| The net book values of property and equipment disposed off during the period are as follows: | | | |
| | Leasehold improvements | - | 1,181 |
| | Furniture and fixtures | 376 | 219 |
| | Office equipments | 6,513 | 10,861 |
| | Vehicles | - | 216 |
| | Total disposals of property and equipment | 6,889 | 12,477 |
| | | (Un-audited) June 30, 2025 | (Audited) December 31, 2024 |
| | | ------(Rupees in '000)----- | |
| 13 | RIGHT-OF-USE ASSETS | Buildings | Buildings |
| | At January 1 | | |
| | Cost | 36,609,168 | 28,813,726 |
| | Accumulated depreciation | (11,318,561) | (8,862,155) |
| | Net carrying amount at January 01 | 25,290,607 | 19,951,571 |
| | Additions / renewals / amendments / (terminations) - net during the period / year | 2,580,596 | 9,309,533 |
| | Depreciation charge during the period / year | (2,227,770) | (3,923,093) |
| | Exchange rate adjustments | 5,149 | (47,404) |
| | Closing net carrying amount | 25,648,582 | 25,290,607 |
| 14 | INTANGIBLE ASSETS | | |
| | Capital work-in-progress / advance payment to suppliers | 422,635 | 396,879 |
| | Software | 1,088,451 | 1,146,230 |
| | | 1,511,086 | 1,543,109 |
| | | (Un-audited) Half year ended | |
| | | June 30, 2025 | June 30, 2024 |
| | | ------(Rupees in '000)----- | |
| 14.1 | Additions to intangible assets | | |
| The following additions were made to intangible assets during the period: | | | |
| | Capital work-in-progress - net; of transferred out for capitalisation | 25,756 | (26,694) |
| | Directly purchased | 141,318 | 328,890 |
| | Total additions to Intangible assets | 167,074 | 302,196 |
| 14.2 | There were no disposals of Intangible assets during the periods ended June 30, 2025 and June 30, 2024. | | |

| | Note | (Un-audited) June 30, 2025 | (Audited) December 31, 2024 |
|---|------|----------------------------------|-----------------------------------|
| | | ------(Rupees in '000)----- | |
| 15 OTHER ASSETS | | | |
| Income / mark-up accrued in local currency - net | | 62,293,044 | 82,067,618 |
| Income / mark-up accrued in foreign currencies - net | | 2,013,623 | 2,724,193 |
| Advances, deposits, advance rent and other prepayments | | 6,473,830 | 4,582,638 |
| Advance taxation (payments less provisions) | | - | 3,673,656 |
| Advance against subscription of share | | 55,343 | - |
| Non-banking assets acquired in satisfaction of claims | 15.1 | 8,322,091 | 7,830,251 |
| Mark to market gain on forward foreign exchange contracts | | 1,417,928 | 1,288,538 |
| Mark to market gain on derivatives | | 2,290,603 | 3,128,782 |
| Stationery and stamps on hand | | 25,731 | 28,155 |
| Defined benefit plan | | 851,040 | 1,331,990 |
| Branch adjustment account | | 260,002 | 29,195 |
| Alternative Delivery Channel (ADC) settlement accounts | 15.3 | 5,456,513 | - |
| Due from card issuing banks | | 3,445,952 | 2,817,994 |
| Accounts receivable | | 14,298,850 | 10,613,225 |
| Claims against fraud and forgeries | | 119,812 | 108,907 |
| Acceptances | | 42,907,503 | 33,015,615 |
| Receivable against Government of Pakistan and overseas government securities | | 65,234 | 44,928 |
| Receivable against marketable securities | | - | 400,576 |
| Deferred cost on staff loans | | 22,296,456 | 21,080,743 |
| Others | | 114,875 | 135,539 |
| | | 172,708,430 | 174,902,543 |
| Less: Credit loss allowance / provision held against other assets | 15.2 | (3,998,230) | (3,466,022) |
| Other assets (net of credit loss allowance / provision) | | 168,710,200 | 171,436,521 |
| Surplus on revaluation of non-banking assets acquired in satisfaction of claims - net | 15.1 | 480,033 | 491,882 |
| Other assets - total | | 169,190,233 | 171,928,403 |

15.1 The revalued amount of non-banking assets acquired in satisfaction of claims is Rs. 8,802.124 million (December 31, 2024: Rs. 8,322.133 million).

| | (Un-audited) June 30, 2025 | (Audited) December 31, 2024 |
|---|----------------------------------|-----------------------------------|
| | ------(Rupees in '000)----- | |
| 15.2 Credit loss allowance / provision held against other assets | | |
| Impairment against overseas operations | 3,345,731 | 2,708,477 |
| Expected credit loss | 99,652 | 181,325 |
| Fraud and forgeries | 119,812 | 108,907 |
| Accounts receivable | 67,083 | 67,326 |
| Others | 365,952 | 399,987 |
| | 3,998,230 | 3,466,022 |
| 15.2.1 Movement in credit loss allowance / provision held against other assets | | |
| Opening balance | 3,466,022 | 2,984,277 |
| Impact of adoption of IFRS 9 | 862 | 370,152 |
| Balance as at January 01 after adopting IFRS 9 | 3,466,884 | 3,354,429 |
| Exchange and other adjustments | (3,843) | (2,777) |
| Charge for the period / year | 685,737 | 531,375 |
| Reversals for the period / year | (148,270) | (372,333) |
| | 537,467 | 159,042 |
| Amount written off | (2,278) | (44,672) |
| Closing balance | 3,998,230 | 3,466,022 |

15.3 This represents settlement arising from alternate delivery channel transactions at the cut off date.

(Un-audited) (Audited)
June 30, December 31,
2025 2024
------(Rupees in '000)-----

16 BILLS PAYABLE

| | | |
|------------------|-------------------|-------------------|
| In Pakistan | 60,712,307 | 41,462,676 |
| Outside Pakistan | 477,232 | 305,650 |
| | <u>61,189,539</u> | <u>41,768,326</u> |

17 BORROWINGS**Secured**

Borrowings from the State Bank of Pakistan under:

| | | |
|---|--------------------|----------------------|
| Export Refinance Scheme | 22,277,833 | 26,867,803 |
| Long-Term Finance Facility | 18,070,342 | 20,278,409 |
| Financing Facility for Renewable Energy Projects | 12,899,788 | 13,762,263 |
| Financing Facility for Storage of Agriculture Produce (FFSAP) | 787,450 | 698,919 |
| Temporary Economic Refinance Facility (TERF) | 23,922,342 | 25,697,206 |
| Export Refinance under Bill Discounting | 13,479,847 | 14,253,363 |
| SME Asaan Finance (SAAF) | 3,950,800 | 7,073,103 |
| Refinance Facility for Combating COVID (RFCC) | 990,571 | 932,258 |
| Refinance and Credit Guarantee Scheme for Women Entrepreneurs | 428,341 | 172,604 |
| Modernization of Small and Medium Entities (MSMES) | 2,207,727 | 1,855,749 |
| Other refinance schemes | 968 | 232 |
| Repurchase agreement borrowings | 355,585,500 | 911,260,540 |
| | <u>454,601,509</u> | <u>1,022,852,449</u> |

Repurchase agreement borrowings

| | | |
|-------------|------------|------------|
| Bai Muajjal | 21,928,158 | 32,209,792 |
|-------------|------------|------------|

| | | |
|----------------------|-------------------|-------------------|
| Total secured | <u>50,720,362</u> | <u>48,654,565</u> |
|----------------------|-------------------|-------------------|

Unsecured

| | | |
|---------------------------------------|-------------------|-------------------|
| Call borrowings | 11,350,580 | 11,414,695 |
| Overdrawn nostro accounts | 3,665,860 | 15,736,314 |
| Borrowings of overseas branches | 3,947,677 | 5,750,351 |
| Others | | |
| - Pakistan Mortgage Refinance Company | 6,257,616 | 2,464,030 |
| - Karandaz Risk Participation | 3,362,324 | 2,803,546 |
| Total unsecured | <u>28,584,057</u> | <u>38,168,936</u> |

555,834,086 1,141,885,742

18 DEPOSITS AND OTHER ACCOUNTS

| June 30, 2025 (Un-audited) | | | December 31, 2024 (Audited) | | |
|----------------------------|-----------------------|-------|-----------------------------|-----------------------|-------|
| In Local Currency | In Foreign Currencies | Total | In Local Currency | In Foreign Currencies | Total |

(Rupees in '000)

Customers

| | | | | | | |
|--------------------|----------------------|--------------------|----------------------|----------------------|--------------------|----------------------|
| - Current deposits | 781,343,826 | 159,346,436 | 940,690,262 | 644,305,838 | 165,613,660 | 809,919,498 |
| - Savings deposits | 621,551,492 | 32,926,059 | 654,477,551 | 607,199,365 | 34,755,471 | 641,954,836 |
| - Term deposits | 359,715,079 | 86,148,628 | 445,863,707 | 315,007,439 | 69,798,774 | 384,806,213 |
| - Others | 53,814,235 | 13,022,712 | 66,836,947 | 35,232,274 | 12,915,513 | 48,147,787 |
| | <u>1,816,424,632</u> | <u>291,443,835</u> | <u>2,107,868,467</u> | <u>1,601,744,916</u> | <u>283,083,418</u> | <u>1,884,828,334</u> |

Financial Institutions

| | | | | | | |
|--------------------|----------------------|--------------------|----------------------|----------------------|--------------------|----------------------|
| - Current deposits | 6,079,735 | 3,033,647 | 9,113,382 | 4,387,043 | 2,747,963 | 7,135,006 |
| - Savings deposits | 121,214,114 | 1,296,540 | 122,510,654 | 186,276,613 | 2,372,391 | 188,649,004 |
| - Term deposits | 40,462,363 | 8,163,178 | 48,625,541 | 47,797,204 | 8,366,800 | 56,164,004 |
| - Others | 110,157 | 98 | 110,255 | 136,154 | 120 | 136,274 |
| | <u>167,866,369</u> | <u>12,493,463</u> | <u>180,359,832</u> | <u>238,597,014</u> | <u>13,487,274</u> | <u>252,084,288</u> |
| | <u>1,984,291,001</u> | <u>303,937,298</u> | <u>2,288,228,299</u> | <u>1,840,341,930</u> | <u>296,570,692</u> | <u>2,136,912,622</u> |

18.1 Current deposits include remunerative current deposits of Rs. 33,305.574 million (December 31, 2024: Rs. 26,618.402 million).

| | | (Un-audited) June 30, 2025 | (Audited) December 31, 2024 |
|--|------|----------------------------------|-----------------------------------|
| | Note | ----- (Rupees in '000) ----- | |
| 19 LEASE LIABILITIES | | | |
| Opening as at January 01 | | 29,481,938 | 22,894,533 |
| Additions / renewals / amendments / (terminations) - net | | 2,526,479 | 9,245,802 |
| Finance charges | | 2,087,479 | 3,503,522 |
| Lease payments including interest | | (3,200,274) | (6,108,213) |
| Exchange rate / other adjustment | | 6,983 | (53,706) |
| Closing net carrying amount | | <u>30,902,605</u> | <u>29,481,938</u> |

19.1 Liabilities outstanding

| | | |
|---|-------------------|-------------------|
| Not later than one year | 2,239,421 | 2,045,816 |
| Later than one year and upto five years | 12,106,352 | 11,045,465 |
| Over five years | 16,556,832 | 16,390,657 |
| Total as at period / year end | <u>30,902,605</u> | <u>29,481,938</u> |

For the purpose of discounting PKRV rates are being used.

20 SUBORDINATED DEBT

| | | | |
|--|------|-------------------|-------------------|
| Term Finance Certificates VI - Additional Tier-I (ADT-1) | 20.1 | 7,000,000 | 7,000,000 |
| Term Finance Certificates VIII - Additional Tier-I (ADT-1) | 20.2 | 7,000,000 | 7,000,000 |
| | | <u>14,000,000</u> | <u>14,000,000</u> |

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

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

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

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

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

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

21 DEFERRED TAX LIABILITIES

(Un-audited)
June 30,
2025

(Audited)
December 31,
2024

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

Deductible Temporary Differences on:

- Credit loss allowance / provision against investments
- Credit loss allowance / provision against advances
- Modification of advances
- Credit loss allowance / provision against other assets
- Lease liabilities
- Credit loss allowance against balances with treasury banks
- Credit loss allowance against balances with other banks
- Credit loss allowance against lendings to financial institutions
- Unrealised loss on FVPL investments
- Workers' welfare fund

| | |
|--------------|--------------|
| (2,448,487) | (2,375,374) |
| (4,185,427) | (4,857,280) |
| (42,935) | (49,009) |
| (1,903,500) | (1,534,994) |
| (17,886,012) | - |
| (8,743) | (8,679) |
| (6,368) | (2,082) |
| (197) | (311) |
| (133,580) | - |
| (2,931,282) | (2,504,065) |
| (29,546,531) | (11,331,794) |

Taxable Temporary Differences on:

- Unrealised gain on FVPL investments
- Unrealised gain on FVPL advances
- Unrealised net gain on fair value of refinancing
- Right-of-use assets
- Surplus on revaluation of FVOCI investments
- Surplus on revaluation of property and equipments
- Surplus on revaluation of non banking assets
- Accelerated tax depreciation

| | |
|------------|------------|
| - | 2,087,729 |
| 140,514 | 111,143 |
| 598,135 | 643,213 |
| 13,337,263 | - |
| 18,644,410 | 17,236,946 |
| 2,423,721 | 2,386,906 |
| 185,798 | 177,167 |
| 5,069,986 | 5,204,331 |
| 40,399,827 | 27,847,435 |
| 10,853,296 | 16,515,641 |

| | Note | (Un-audited) June 30, 2025 | (Audited) December 31, 2024 |
|---|------|----------------------------------|-----------------------------------|
| | | ------(Rupees in '000)----- | |
| 22 OTHER LIABILITIES | | | |
| Mark-up / return / interest payable in local currency | | 15,635,755 | 35,004,706 |
| Mark-up / return / interest payable in foreign currencies | | 1,714,821 | 1,715,640 |
| Unearned fee commission and income on bills discounted and guarantees | | 4,716,727 | 4,063,795 |
| Accrued expenses | | 18,483,769 | 17,275,667 |
| Current taxation | | 2,546,261 | - |
| Acceptances | | 42,907,503 | 33,015,615 |
| Dividends payable | | 319,860 | 307,709 |
| Mark to market loss on forward foreign exchange contracts | | 483,371 | 1,090,874 |
| Mark to market loss on derivatives | | 80,822 | 69,063 |
| Alternative Delivery Channel (ADC) settlement accounts | 22.2 | - | 1,719,649 |
| Provision for compensated absences | | 1,466,476 | 1,290,476 |
| Payable against redemption of customer loyalty / reward points | | 1,422,507 | 1,041,845 |
| Charity payable | | 174,129 | 176,604 |
| Credit loss allowance / provision against off-balance sheet obligations | 22.1 | 909,236 | 780,711 |
| Security deposits against leases, lockers and others | | 17,026,080 | 13,058,856 |
| Workers' welfare fund | | 7,611,094 | 6,789,523 |
| Payable to vendors and suppliers | | 786,149 | 630,070 |
| Margin deposits on derivatives | | 1,719,927 | 2,415,337 |
| Payable to merchants (card acquiring) | | 1,500,372 | 959,295 |
| Indirect taxes payable | | 5,684,093 | 6,453,825 |
| Payable against marketable securities | | 111,321 | - |
| Liability against share based payment | | 609,012 | 870,000 |
| Trading liability | | 10,732,703 | 15,600,626 |
| Others | | 9,617,268 | 7,199,556 |
| | | <u>146,259,256</u> | <u>151,529,442</u> |

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

| | | |
|--|----------------|------------------|
| Opening balance | 780,711 | 78,624 |
| Impact of adoption of IFRS 9 | 2,714 | 1,085,673 |
| Balance as at January 01 after adopting IFRS 9 | 783,425 | 1,164,297 |
| Exchange and other adjustments | 6,216 | (4,925) |
| Charge for the period / year | 343,990 | 472,414 |
| Reversals for the period / year | (224,395) | (851,075) |
| | <u>119,595</u> | <u>(378,661)</u> |
| Closing balance | <u>909,236</u> | <u>780,711</u> |

22.2 This represents settlement arising from alternate delivery channel transactions at the cut off date.

| | Note | (Un-audited) June 30, 2025 | (Audited) December 31, 2024 |
|--|--------|----------------------------------|-----------------------------------|
| | | ----- (Rupees in '000) ----- | |
| 23 SURPLUS ON REVALUATION OF ASSETS | | | |
| Surplus on revaluation of: | | | |
| - Securities measured at FVOCI - debt | 10.1 | 25,107,157 | 23,225,807 |
| - Securities measured at FVOCI - equity | 10.1 | 8,205,946 | 6,746,862 |
| - Property and equipment | | 19,879,183 | 19,939,951 |
| - Non-banking assets acquired in satisfaction of claims | | 480,033 | 491,882 |
| | | 53,672,319 | 50,404,502 |
| Less: Deferred tax liability on surplus on revaluation of: | | | |
| - Securities measured at FVOCI - debt | | (13,055,722) | (12,077,420) |
| - Securities measured at FVOCI - equity | | (4,267,092) | (3,508,368) |
| - Property and equipment | | (2,423,721) | (2,386,906) |
| - Non-banking assets acquired in satisfaction of claims | | (185,798) | (177,167) |
| | | (19,932,333) | (18,149,861) |
| Derivatives deficit | | (2,541,531) | (3,175,304) |
| Less: Deferred tax asset on derivative | | 1,321,596 | 1,651,158 |
| | | (1,219,935) | (1,524,146) |
| | | <u>34,959,921</u> | <u>33,778,787</u> |
| 24 CONTINGENCIES AND COMMITMENTS | | | |
| - Guarantees | 24.1 | 188,447,081 | 181,819,233 |
| - Commitments | 24.2 | 808,663,588 | 693,195,425 |
| - Other contingent liabilities | 24.3.1 | 23,774,654 | 23,153,037 |
| | | <u>1,020,885,323</u> | <u>898,167,695</u> |
| 24.1 Guarantees: | | | |
| Financial guarantees | | 6,229,564 | 6,048,920 |
| Performance guarantees | | 67,981,851 | 66,136,458 |
| Other guarantees | | 114,235,666 | 109,633,855 |
| | | <u>188,447,081</u> | <u>181,819,233</u> |
| 24.2 Commitments: | | | |
| Documentary credits and short-term trade-related transactions | | | |
| - Letters of credit | | 247,385,477 | 220,709,466 |
| Commitments in respect of: | | | |
| - forward foreign exchange contracts | 24.2.1 | 425,709,303 | 266,938,066 |
| - forward government securities transactions | 24.2.2 | 80,133,205 | 149,529,384 |
| - derivatives | 24.2.3 | 31,582,038 | 33,466,502 |
| - forward lending | 24.2.4 | 17,421,614 | 16,490,171 |
| Commitments for acquisition of: | | | |
| - property and equipment | | 5,723,518 | 5,448,017 |
| - intangible assets | | 427,433 | 317,819 |
| Commitments in respect of donations | | 281,000 | 296,000 |
| | | <u>808,663,588</u> | <u>693,195,425</u> |
| 24.2.1 Commitments in respect of forward foreign exchange contracts | | | |
| Purchase | | 242,669,029 | 144,906,210 |
| Sale | | 183,040,274 | 122,031,856 |
| | | <u>425,709,303</u> | <u>266,938,066</u> |
| 24.2.2 Commitments in respect of forward government securities transactions | | | |
| Purchase | | 77,484,125 | 55,393,978 |
| Sale | | 2,649,080 | 94,135,406 |
| | | <u>80,133,205</u> | <u>149,529,384</u> |

| | Note | (Un-audited) June 30, 2025 | (Audited) December 31, 2024 |
|---|----------|----------------------------------|-----------------------------------|
| | | ----- (Rupees in '000) ----- | |
| 24.2.3 Commitments in respect of derivatives | | | |
| Interest rate swaps | | | |
| Purchase | 25.1 | 21,805,769 | 23,054,358 |
| Sale | | - | - |
| | | 21,805,769 | 23,054,358 |
| Cross currency swaps | | | |
| Purchase | 25.1 | - | - |
| Sale | | 9,776,269 | 10,412,144 |
| | | 9,776,269 | 10,412,144 |
| Total commitments in respect of derivatives | | <u>31,582,038</u> | <u>33,466,502</u> |
| 24.2.4 Commitments in respect of forward lending | | | |
| Undrawn formal standby facilities, credit lines and other commitments to lend | 24.2.4.1 | <u>17,421,614</u> | <u>16,490,171</u> |

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

| | | |
|---|----------------------------------|-----------------------------------|
| | (Un-audited) June 30, 2025 | (Audited) December 31, 2024 |
| ----- (Rupees in '000) ----- | | |
| 24.3 Other contingent liabilities | | |
| 24.3.1 Claims against the Bank not acknowledged as debts | <u>23,774,654</u> | <u>23,153,037</u> |

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

24.4 Contingency for tax payable

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

25 DERIVATIVE INSTRUMENTS

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

25.1 Product Analysis

| June 30, 2025 (Un-audited) | | | | | |
|-------------------------------|--------------------|---------------------------|------------------------------|--------------------|---------------------------|
| Interest Rate Swaps | | | Cross Currency Swaps | | |
| No. of contracts | Notional Principal | Mark to market gain - net | No. of contracts | Notional Principal | Mark to market gain - net |
| ----- (Rupees in '000) ----- | | | ----- (Rupees in '000) ----- | | |
| Counterparties | | | | | |
| With Banks for Hedging | 23 | 21,805,769 | 1,554,245 | - | - |
| With other entities | | | | | |
| Market making | - | - | - | 6 | 9,776,269 |
| | <u>23</u> | <u>21,805,769</u> | <u>1,554,245</u> | <u>6</u> | <u>9,776,269</u> |
| | | | | | <u>655,536</u> |
| December 31, 2024 (Audited) | | | | | |
| Interest Rate Swaps | | | Cross Currency Swaps | | |
| No. of contracts | Notional Principal | Mark to market gain - net | No. of contracts | Notional Principal | Mark to market gain - net |
| ----- (Rupees in '000) ----- | | | ----- (Rupees in '000) ----- | | |
| Counterparties | | | | | |
| With Banks for Hedging | 27 | 23,054,358 | 2,172,667 | - | - |
| With other entities | | | | | |
| Market making | - | - | - | 6 | 10,412,144 |
| | <u>27</u> | <u>23,054,358</u> | <u>2,172,667</u> | <u>6</u> | <u>10,412,144</u> |
| | | | | | <u>887,052</u> |

| | | (Un-audited) Half year ended | |
|-----------|--|---------------------------------|--------------------|
| | | June 30, 2025 | June 30, 2024 |
| | | ----- (Rupees in '000) ----- | |
| | | (Restated) | |
| 26 | MARK-UP / RETURN / INTEREST EARNED | | |
| | On: | | |
| | a) Loans and advances | 58,553,231 | 64,328,260 |
| | b) Investments | 125,186,597 | 188,426,571 |
| | c) Lendings to financial institutions | 1,776,555 | 3,251,077 |
| | d) Balances with banks | 150,550 | 81,342 |
| | e) On securities purchased under resale agreements | 2,721,239 | 2,299,957 |
| | | <u>188,388,172</u> | <u>258,387,207</u> |
| 27 | MARK-UP / RETURN / INTEREST EXPENSED | | |
| | On: | | |
| | a) Deposits | 58,854,416 | 118,075,021 |
| | b) Borrowings | 10,148,616 | 9,500,454 |
| | c) Securities sold under repurchase agreements | 47,132,511 | 60,493,416 |
| | d) Subordinated debt | 1,027,076 | 1,643,707 |
| | e) Cost of foreign currency swaps against foreign currency deposits / borrowings | 1,068,066 | 4,267,313 |
| | f) Leased assets | 2,087,479 | 1,621,407 |
| | g) Reward points / customer loyalty | 485,121 | 230,049 |
| | | <u>120,803,285</u> | <u>195,831,367</u> |
| | | Note | |
| | | (Un-audited) Half year ended | |
| | | June 30, 2025 | June 30, 2024 |
| | | ----- (Rupees in '000) ----- | |
| 28 | FEE & COMMISSION INCOME | | |
| | Branch banking customer fees | 898,512 | 753,959 |
| | Consumer finance related fees | 396,286 | 305,871 |
| | Card related fees (debit and credit cards) | 1,433,013 | 2,046,083 |
| | Credit related fees | 295,107 | 459,208 |
| | Investment banking fees | 230,384 | 28,433 |
| | Commission on trade | 1,640,455 | 1,500,094 |
| | Commission on guarantees | 437,394 | 373,907 |
| | Commission on cash management | 36,433 | 27,244 |
| | Commission on remittances including home remittances | 204,720 | 1,501,685 |
| | Commission on bancassurance | 327,817 | 295,548 |
| | Card acquiring business | 464,504 | 855,107 |
| | Wealth management fee | 288,958 | 154,789 |
| | Commission on Benazir Income Support Programme (BISP) | 149,699 | 934,549 |
| | Alternative Delivery Channel (ADC) settlement accounts | 702,504 | 654,451 |
| | Others | 143,963 | 130,278 |
| | | <u>7,649,749</u> | <u>10,021,206</u> |
| 29 | FOREIGN EXCHANGE INCOME | | |
| | Foreign exchange income | 5,262,389 | 6,151,625 |
| | Foreign exchange gain / (loss) related to derivatives | 27,311 | (909,231) |
| | | <u>5,289,700</u> | <u>5,242,394</u> |
| 30 | GAIN ON SECURITIES | | |
| | Realised gain | 30.1 8,651,236 | 2,174,031 |
| | Unrealised (loss) / gain - measured at FVPL | 10.1 (319,701) | 149,044 |
| | Unrealised gain / (loss) on trading liabilities - net | 62,816 | (2,696) |
| | | <u>30.2 8,394,351</u> | <u>2,320,379</u> |

| | Note | (Un-audited) | |
|---|--------|------------------------------|-------------------|
| | | Half year ended | |
| | | June 30, 2025 | June 30, 2024 |
| | | ----- (Rupees in '000) ----- | |
| 30.1 Realised gain on: | | | |
| Federal government securities | | 7,838,557 | 1,916,514 |
| Shares | | 31,521 | 80,886 |
| Non government debt securities | | 49,990 | - |
| Foreign securities | | 342,436 | 176,631 |
| Subsidiary | | 388,732 | - |
| | | <u>8,651,236</u> | <u>2,174,031</u> |
| 30.2 Net gain / (loss) on financial assets / liabilities measured: | | | |
| At FVPL | | | |
| Designated upon Initial recognition | | 2,737,076 | 790,347 |
| Mandatorily measured at FVPL | | (119,142) | 821,439 |
| | | <u>2,617,934</u> | <u>1,611,786</u> |
| Net gain on financial assets measured at FVOCI - Debt | | 5,387,685 | 708,593 |
| Gain on disposal of subsidiary | 10.2.1 | 388,732 | - |
| | | <u>8,394,351</u> | <u>2,320,379</u> |
| | | | |
| | Note | (Un-audited) | |
| | | Half year ended | |
| | | June 30, 2025 | June 30, 2024 |
| | | ----- (Rupees in '000) ----- | |
| 31 OTHER INCOME | | | (Restated) |
| Rent on property | | 7,786 | 15,466 |
| Gain on sale of property and equipment - net | | 26,726 | 61,511 |
| Gain on sale of non banking assets - net | | 3,368 | 27,800 |
| Profit on termination of leased contracts (Ijarah) | | 3 | 7 |
| Gain on termination of leases | | 54,117 | 52,740 |
| Unrealised gain on advances classified at FVPL | | 56,483 | 30,724 |
| Insurance premium of overseas recovered | | 719,128 | - |
| Others | | 6,618 | 1,468 |
| | | <u>874,229</u> | <u>189,716</u> |
| 32 OPERATING EXPENSES | | | |
| Total compensation expense | 32.1 | 23,795,451 | 18,417,849 |
| Property expense | | | |
| Rates and taxes | | 92,975 | 152,195 |
| Utilities cost | | 1,669,717 | 1,602,032 |
| Security (including guards) | | 1,092,907 | 770,539 |
| Repair and maintenance (including janitorial charges) | | 1,167,662 | 913,866 |
| Depreciation on right-of-use assets | | 2,227,770 | 1,876,715 |
| Depreciation on non-banking assets acquired in satisfaction of claims | | 35,535 | 15,170 |
| Depreciation on owned assets | | 642,500 | 477,243 |
| | | <u>6,929,066</u> | <u>5,807,760</u> |
| Information technology expenses | | | |
| Software maintenance | | 1,773,976 | 1,605,064 |
| Hardware maintenance | | 524,507 | 369,758 |
| Depreciation | | 874,908 | 654,852 |
| Amortisation | | 199,057 | 172,174 |
| Network charges | | 361,960 | 397,097 |
| Consultancy and support services | | 36,557 | 99,354 |
| | | <u>3,770,965</u> | <u>3,298,299</u> |
| Balance carried forward | | <u>34,495,482</u> | <u>27,523,908</u> |

| | (Un-audited) | |
|---|------------------|------------------|
| | Half year ended | |
| | June 30, 2025 | June 30, 2024 |
| | (Rupees in '000) | |
| | | (Restated) |
| Balance brought forward | 34,495,482 | 27,523,908 |
| Other operating expenses | | |
| Directors' fees and allowances | 76,480 | 69,600 |
| Fees and allowances to Shariah Board | 15,311 | 9,986 |
| Legal and professional charges | 486,351 | 225,408 |
| Outsourced services costs | 836,442 | 725,674 |
| Travelling and conveyance | 1,036,424 | 718,916 |
| Clearing and custodian charges | 120,150 | 70,135 |
| Depreciation | 1,348,716 | 1,007,538 |
| Training and development | 131,415 | 150,564 |
| Postage and courier charges | 232,269 | 239,621 |
| Communication | 1,944,937 | 1,306,582 |
| Stationery and printing | 1,076,329 | 869,611 |
| Marketing, advertisement and publicity | 9,097,749 | 2,341,627 |
| Donations | 154,201 | 181,870 |
| Auditors' remuneration | 120,526 | 65,448 |
| Brokerage and commission | 809,218 | 583,957 |
| Entertainment | 448,597 | 397,417 |
| Repairs and maintenance | 557,586 | 446,877 |
| Insurance | 1,146,962 | 1,027,824 |
| Cash handling charges | 1,048,353 | 993,704 |
| CNIC verification | 359,428 | 256,071 |
| Others | 435,456 | 416,728 |
| | 21,482,900 | 12,105,158 |
| | 55,978,382 | 39,629,066 |
| 32.1 Total compensation expense | | |
| Managerial remuneration | | |
| i) Fixed | 13,673,832 | 11,514,272 |
| ii) Variable: | | |
| a) Cash bonus / awards etc. | 3,347,227 | 2,527,891 |
| b) Bonus and awards in shares etc. | 461,143 | 287,500 |
| Charge for defined benefit plan | 480,951 | 335,649 |
| Contribution to defined contribution plan | 560,514 | 432,505 |
| Medical | 1,417,235 | 1,082,295 |
| Conveyance | 1,613,107 | 698,657 |
| Staff compensated absences | 176,000 | 105,000 |
| Staff life insurance | 86,251 | 94,907 |
| Staff welfare | 34,239 | 48,325 |
| Club subscription | 10,672 | 2,225 |
| Sub-total | 21,861,171 | 17,129,226 |
| Sign-on bonus | 33,421 | 39,499 |
| Staff loans - notional cost | 1,746,960 | 1,249,124 |
| Severance allowance | 153,899 | - |
| Grand total | 23,795,451 | 18,417,849 |

33 WORKERS' WELFARE FUND

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

| | Note | (Un-audited) Half year ended | |
|--|--------|---------------------------------|-------------------|
| | | June 30, 2025 | June 30, 2024 |
| | | ----- (Rupees in '000) ----- | |
| 34 OTHER CHARGES | | | |
| Penalties imposed by the State Bank of Pakistan | | 9,557 | 209,515 |
| 35 CREDIT LOSS ALLOWANCE / PROVISIONS AND WRITE OFFS - NET | | | |
| Reversal of credit loss allowance against cash with treasury banks | | (3,653) | (33,686) |
| Credit loss allowance against balance with other banks | | 7,340 | 5,556 |
| Reversal of credit loss allowance against lending to financial institutions | | (219) | (12,639) |
| (Reversal of) / credit loss allowance / provision against diminution in value of investments | 10.4.1 | (257,624) | 747,831 |
| Credit loss allowance / provision against loans & advances | 11.4 | 913,611 | 845,369 |
| Credit loss allowance against other assets | 15.2.1 | 537,467 | 133,667 |
| Credit loss allowance / (reversal) against off-balance sheet obligations | 22.1 | 119,595 | (30,743) |
| Credit loss allowance / (reversal of other credit loss allowance) / write off - net | | 22,066 | (48,458) |
| Recovery of written off / charged off bad debts | | (441,938) | (300,044) |
| | | <u>896,645</u> | <u>1,306,853</u> |
| 36 TAXATION | | | |
| Charge / (reversal) : | | | |
| Current | | 21,705,312 | 22,515,747 |
| Prior years | | 3,986,399 | (54,047) |
| Deferred | | (7,035,461) | (2,261,636) |
| | | <u>18,656,250</u> | <u>20,200,064</u> |

- 36.1 a)** The income tax assessments of the Bank have been finalised upto and including tax year 2024. In respect of tax years 2008, 2014, 2017, 2019 and 2021 to 2024, the tax authority has raised certain issues including default in payment of WWF, allocation of expenses to dividend and capital gains, dividend income from mutual funds not being taken under income from business and disallowance of leasehold improvements resulting in tax demand of Rs. 1,217.274 million (December 31, 2024: Rs. 1,217.274 million) net of relief provided in appeal. The Bank has filed an appeal which is pending before the Tribunal. The management is confident that the matter will be decided in favour of the Bank and consequently has not made any provision in this respect.
- b)** The Bank had received orders from a provincial tax authority for the periods from July 2011 to December 2020 wherein tax authority demanded sales tax on banking services and penalty amounting to Rs. 763.312 million (excluding default surcharge) by disallowing certain exemptions of sales tax on banking services and allegedly for short payment of sales tax. For periods from July 2011 to June 2014, appeals against orders are pending before Commissioner Appeals whereas for periods July 2014 to December 2020, Appellate Tribunal has decided the matters against the Bank. The Bank has filed appeals against these orders before Sindh High Court after consultation with the tax consultant.

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

- c) The Bank had received two different orders for the same accounting year 2016 from a tax authority wherein sales tax, further tax and penalty amounting to Rs. 5.191 million and Rs. 8.601 million (excluding default surcharge) were demanded allegedly for non-payment of sales tax on certain transactions. Appeals against these orders are pending before Commissioner Appeals and Appellate Tribunal.

A similar order for the accounting years 2017 and 2018 was issued with a tax demand of Rs. 11.536 million (excluding default surcharge) which is pending before the Commissioner Appeals.

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

- d) Certain other addbacks made by tax authorities for various assessment years, appeals against which are pending with the Commissioner of Inland Revenue (Appeals), Appellate Tribunal Inland Revenue (ATIR), High Court of Sindh and Supreme Court of Pakistan.

| | | (Un-audited) Half year ended | |
|--|--|--|------------------|
| | | June 30, 2025 | June 30, 2024 |
| | | ----- (Rupees in '000) ----- | |
| | | (Restated) | |
| 37 BASIC AND DILUTED EARNINGS PER SHARE | | | |
| Profit for the period | | 15,274,581 | 20,598,345 |
| | | ----- (Number of shares in '000) ----- | |
| Weighted average number of ordinary shares | | 1,577,165 | 1,577,165 |
| | | ----- (Rupees) ----- | |
| Basic and diluted earnings per share | | 9.68 | 13.06 |

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

| | | Note | (Un-audited) Half year ended | |
|---------------------------------------|----|------|---------------------------------|--------------------|
| | | | June 30, 2025 | June 30, 2024 |
| | | | ----- (Rupees in '000) ----- | |
| 38 CASH AND CASH EQUIVALENTS | | | | |
| Cash and balances with treasury banks | 7 | | 215,422,257 | 235,392,781 |
| Balances with other banks | 8 | | 17,493,172 | 16,280,113 |
| Call / clean money lendings | 9 | | 51,624,880 | 36,278,623 |
| Overdrawn nostro accounts | 17 | | (3,665,860) | (1,006,648) |
| Less: Expected credit loss | | | (30,433) | (35,901) |
| | | | <u>280,844,016</u> | <u>286,908,968</u> |

39 FAIR VALUE MEASUREMENTS

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

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

39.1 Fair value of financial instruments

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

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

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

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

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

| | June 30, 2025 (Un-audited) | | | |
|---|-------------------------------------|---------------|-----------|---------------|
| | Level 1 | Level 2 | Level 3 | Total |
| On balance sheet financial instruments | ----- (Rupees in '000) ----- | | | |
| Financial assets - measured at fair value | | | | |
| Investments | | | | |
| - Federal government securities | 60,171,844 | 1,148,468,654 | - | 1,208,640,498 |
| - Shares - listed companies | 23,460,923 | - | - | 23,460,923 |
| - Shares - unlisted companies | - | - | 3,399,755 | 3,399,755 |
| - REIT Fund - listed | 1,480,301 | - | - | 1,480,301 |
| - Non-government debt securities | 14,750,000 | 4,129,752 | - | 18,879,752 |
| - Foreign government securities | - | 63,237,720 | - | 63,237,720 |
| - Foreign equity securities | 254,682 | - | - | 254,682 |
| - Foreign preference shares - unlisted | - | - | 567,545 | 567,545 |
| - Foreign non-government debt securities | - | 23,338,974 | 8,033,819 | 31,372,793 |
| Financial assets - disclosed but not measured at fair value | | | | |
| Investments - amortised cost | - | 282,053,215 | - | 282,053,215 |
| Financial assets - measured at fair value | | | | |
| Advances | | | | |
| - Loans, cash credits, running finances, etc. | - | - | 2,520,218 | 2,520,218 |
| Off-balance sheet financial instruments - measured at fair value | | | | |
| - Forward purchase of foreign exchange | - | 1,417,928 | - | 1,417,928 |
| - Forward sale of foreign exchange | - | (483,371) | - | (483,371) |
| - Forward purchase of government securities | - | (256,351) | - | (256,351) |
| - Forward sale of government securities | - | 9,062 | - | 9,062 |
| - Derivatives purchases | - | 1,554,245 | - | 1,554,245 |
| - Derivatives sales | - | 655,536 | - | 655,536 |
| | | | | |
| | December 31, 2024 (Audited) | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| On balance sheet financial instruments | ----- (Rupees in '000) ----- | | | |
| Financial assets - measured at fair value | | | | |
| Investments | | | | |
| - Federal government securities | 67,225,943 | 1,504,321,374 | - | 1,571,547,317 |
| - Shares - listed companies | 18,503,420 | - | - | 18,503,420 |
| - Shares - unlisted companies | - | - | 2,333,188 | 2,333,188 |
| - Preference shares - unlisted companies | - | - | 500,000 | 500,000 |
| - REIT Fund - listed | 1,514,982 | - | - | 1,514,982 |
| - Non-government debt securities | 14,991,550 | 4,473,526 | - | 19,465,076 |
| - Foreign government securities | - | 62,233,161 | - | 62,233,161 |
| - Foreign equity securities | 257,181 | - | - | 257,181 |
| - Foreign non-government debt securities | - | 25,193,470 | 8,315,048 | 33,508,518 |
| Financial assets - disclosed but not measured at fair value | | | | |
| Investments - amortised cost | - | 279,284,570 | - | 279,284,570 |
| Financial assets - measured at fair value | | | | |
| Advances | | | | |
| - Loans, cash credits, running finances, etc. | - | - | 1,413,735 | 1,413,735 |
| Off-balance sheet financial instruments - measured at fair value | | | | |
| - Forward purchase of foreign exchange | - | 1,288,538 | - | 1,288,538 |
| - Forward sale of foreign exchange | - | (1,090,874) | - | (1,090,874) |
| - Forward purchase of government securities | - | (12,708) | - | (12,708) |
| - Forward sale of government securities | - | (451,343) | - | (451,343) |
| - Derivatives purchases | - | 2,172,667 | - | 2,172,667 |
| - Derivatives sales | - | 887,052 | - | 887,052 |

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

39.3 Valuation techniques used in determination of fair values:

39.3.1 Fair value of financial assets

(a) Financial instruments in level 1

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

(b) Financial instruments in level 2

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

(c) Financial instruments in level 3

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

The fair value of fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

39.3.2 Fair value of non-financial assets

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

39.3.3 Valuation techniques

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

| Item | Valuation approach and input used |
|--|--|
| Property and equipment and non banking assets acquired in satisfaction of claims | The valuation experts used a market based approach to 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. These values are adjusted to reflect the current condition of the properties. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty accordingly a qualitative disclosure of sensitivity has not been presented in these unconsolidated condensed interim financial statements. |

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

| Description | Fair value as at June 30, 2025 (Un-audited) | Fair value as at December 31, 2024 (Audited) | Unobservable inputs* | Discount rate | Relationship of unobservable inputs to fair value |
|--|---|--|-------------------------------------|-----------------|---|
| ----- (Rupees in '000) ----- | | | | | |
| Ordinary shares - unlisted (income approach) | 2,550,451 | 2,333,188 | Discount rate | 16.58% - 19.00% | Increase / (decrease) in discount rate by 1% with all other variables held constant, would (decrease) / increase the fair value by Rs. 114,540 million and Rs. 124,822 million (December 31, 2024: Rs. 90,457 million and Rs. 97,873 million) respectively. |
| Ordinary shares - unlisted (market approach) | 849,304 | - | Market multiple / transaction price | Not applicable | Not applicable |
| Foreign preference shares - unlisted (market approach) | 567,545 | - | Transaction price | Not applicable | Not applicable |
| Preference shares - unlisted | - | 500,000 | Transaction price | Not applicable | Not applicable |
| Redeemable participating certificates | 8,033,819 | 8,315,048 | Net asset value | Not applicable | Not applicable |
| Advances classified at FVPL | 2,520,218 | 1,413,735 | Discount rate | 25.00% - 30.00% | Increase / (decrease) in discount rate by 1% with all other variables held constant, would (decrease) / increase the fair value by Rs. 1,148 million and Rs. 1,157 million (December 31, 2024: Rs. 14,903 million and Rs. 15,134 million) respectively. |

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

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

| | June 30, 2025 (Un-audited) | | December 31, 2024 (Audited) | |
|--|----------------------------|-----------|-----------------------------|-----------|
| | Investments | Advances | Investments | Advances |
| ----- (Rupees in '000) ----- | | | | |
| Opening balance | 11,148,236 | 1,413,735 | 6,283,601 | 1,200,000 |
| Impact of adoption of IFRS 9 | 761,681 | - | 2,271,824 | 122,135 |
| Balance as at January 01 after adopting IFRS 9 | 11,909,917 | 1,413,735 | 8,555,425 | 1,322,135 |
| Additions / (disposals) / transfers - net | 341,621 | 1,050,000 | - | - |
| Remeasurement recognised in OCI or profit and loss / adjustments | (250,419) | 56,483 | 2,592,811 | 91,600 |
| Closing balance | 12,001,119 | 2,520,218 | 11,148,236 | 1,413,735 |

40 SEGMENT INFORMATION

40.1 Segment details with respect to Business Activities

| | For the half year ended June 30, 2025 (Un-audited) | | | | | |
|--|--|-----------|--------------------|----------|---------|----------|
| | Retail | Corporate | Islamic (Domestic) | Treasury | Digital | Overseas |
| | | | | | | |

(Rupees in '000)

Unconsolidated statement of profit and loss account

| | | | | | | | | | |
|---|--------------|--------------|-------------|--------------|-----------|-----------|--------------|-------------|------------|
| Net mark-up / return/ profit* | (20,347,065) | 15,115,359 | 15,291,412 | 54,258,787 | (197,296) | 4,003,787 | (540,097) | - | 67,584,887 |
| Inter segment revenue - net | 57,030,175 | (11,187,516) | (1,248,572) | (45,372,362) | 3,895,164 | (222,344) | (44,045) | (2,850,500) | - |
| Non mark-up / return / interest income* | 5,463,936 | 3,949,662 | 1,528,708 | 14,274,982 | 1,815,607 | 1,083,886 | 476,998 | (4,541,681) | 24,052,098 |
| Total income / (loss) | 42,147,046 | 7,877,505 | 15,571,548 | 23,161,407 | 5,513,475 | 4,865,329 | (107,144) | (7,392,181) | 91,636,985 |
| Segment direct expenses | 18,989,881 | 8,473,618 | 8,743,711 | 704,969 | 2,761,204 | 2,113,425 | 15,370,888 | (348,187) | 56,809,509 |
| Inter segment expense allocation | 9,404,102 | 942,358 | 3,164,417 | 578,322 | 1,190,579 | 510,029 | (15,370,888) | (418,919) | - |
| Total expenses | 28,393,983 | 9,415,976 | 11,908,128 | 1,283,291 | 3,951,783 | 2,623,454 | - | (767,106) | 56,809,509 |
| Credit loss allowance / provision / (reversals) | 1,361,319 | (481,531) | (128,796) | 4,508 | 2,957 | 245,332 | (107,144) | - | 896,645 |
| Profit / (loss) before tax | 12,351,744 | (1,056,940) | 3,792,216 | 21,873,608 | 1,558,735 | 1,996,543 | - | (6,625,075) | 33,930,831 |

| | As at June 30, 2025 (Un-audited) | | | | | |
|--|----------------------------------|-----------|--------------------|----------|---------|----------|
| | Retail | Corporate | Islamic (Domestic) | Treasury | Digital | Overseas |
| | | | | | | |

(Rupees in '000)

Unconsolidated statement of financial position

| | | | | | | | | | |
|------------------------------------|---------------|-------------|-------------|---------------|------------|-------------|-------------|-----------------|---------------|
| Cash and bank balances | 99,432,784 | 13,968,545 | 45,632,769 | - | 2,833,843 | 71,239,054 | - | (221,999) | 232,884,996 |
| Investments | - | 4,399,575 | 213,829,278 | 1,285,728,998 | - | 124,739,418 | 3,776,449 | - | 1,632,473,718 |
| Inter segment lending - net | 1,060,355,913 | - | - | - | 43,039,277 | - | 100,365,145 | (1,203,760,335) | - |
| Lendings to financial institutions | - | - | 68,177,296 | 107,378,623 | - | 6,605,108 | - | (28,265,956) | 153,895,071 |
| Advances - performing | 253,144,769 | 493,812,714 | 205,554,980 | - | 75,507 | 38,101,064 | 16,044,490 | - | 1,006,733,524 |
| - non-performing | 1,904,319 | 850,652 | 832,680 | - | 1,723 | 102,317 | 71,011 | - | 3,762,702 |
| Others | 58,169,234 | 58,477,298 | 54,105,940 | 18,693,878 | 2,057,366 | 5,545,479 | 65,257,466 | 2,276,415 | 264,583,076 |
| Total assets | 1,473,007,019 | 571,508,784 | 588,132,943 | 1,411,801,499 | 48,007,716 | 246,332,440 | 185,514,561 | (1,229,971,875) | 3,294,333,087 |
| Borrowings | 20,992,732 | 67,350,970 | 33,337,597 | 437,410,136 | - | 25,838,089 | - | (29,095,438) | 555,834,086 |
| Subordinated debt | - | - | - | - | - | - | 14,000,000 | - | 14,000,000 |
| Deposits and other accounts | 1,377,933,674 | 260,896,486 | 428,336,347 | - | 47,206,276 | 173,350,878 | 617,422 | (112,784) | 2,288,228,299 |
| Inter segment borrowing - net | - | 196,477,816 | 32,638,050 | 940,362,891 | - | 34,281,577 | - | (1,203,760,334) | - |
| Others | 74,080,613 | 46,783,512 | 88,700,139 | 21,782,671 | 801,440 | 11,828,001 | 2,231,639 | 2,995,681 | 249,204,696 |
| Total liabilities | 1,473,007,019 | 571,508,784 | 583,012,133 | 1,399,555,698 | 48,007,716 | 245,298,545 | 16,849,061 | (1,229,971,875) | 3,107,267,081 |
| Net assets | - | - | 5,120,810 | 12,245,801 | - | 1,033,895 | 168,665,500 | - | 187,066,006 |
| Equity | - | - | - | - | - | - | - | - | 187,066,006 |

Contingencies and commitments

| | | | | | | | | | |
|-------------|-------------|------------|-------------|-----|------------|-----------|---|---|---------------|
| 156,478,613 | 243,833,635 | 80,448,847 | 482,288,675 | 769 | 52,738,514 | 5,096,270 | - | - | 1,020,885,323 |
|-------------|-------------|------------|-------------|-----|------------|-----------|---|---|---------------|

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

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

** Others include head office related activities.

Unconsolidated statement of profit and loss account

| For the half year ended June 30, 2024 (Un-audited) - Restated | | | | | | | | | |
|---|--------------|------------|--------------------|---------------|-----------|-----------|--------------|-------------|------------|
| | Retail | Corporate | Islamic (Domestic) | Treasury | Digital | Overseas | Others** | Elimination | Total |
| (Rupees in '000) | | | | | | | | | |
| Unconsolidated statement of profit and loss account | | | | | | | | | |
| Net mark-up / return/ profit* | (58,261,566) | 5,841,426 | 16,172,072 | 95,688,250 | 49,191 | 4,165,052 | (1,098,585) | - | 62,555,840 |
| Inter segment revenue - net | 102,597,495 | 4,511,493 | (739,097) | (105,862,490) | 4,417,309 | 326,022 | 860,980 | (6,111,712) | - |
| Non mark-up / return / interest income* | 5,171,630 | 2,863,462 | 1,269,760 | 7,914,166 | 1,039,065 | 1,398,248 | 650,682 | - | 20,307,013 |
| Total income / (loss) | 49,507,559 | 13,216,381 | 16,702,735 | (2,260,074) | 5,505,565 | 5,889,322 | 413,077 | (6,111,712) | 82,862,853 |
| | | | | | | | | | |
| Segment direct expenses | 15,304,597 | 1,658,426 | 6,111,455 | 492,893 | 1,975,139 | 1,969,166 | 13,245,915 | - | 40,757,591 |
| Inter segment expense allocation | 8,167,588 | 967,731 | 2,746,420 | 180,801 | 1,176,899 | 279,884 | (12,832,838) | (686,485) | - |
| Total expenses | 23,472,185 | 2,626,157 | 8,857,875 | 673,694 | 3,152,038 | 2,249,050 | 413,077 | (686,485) | 40,757,591 |
| Credit loss allowance / provision / (reversals) | (953,400) | 2,051,490 | 298,950 | (9,917) | 5,737 | (86,007) | - | - | 1,306,853 |
| Profit / (loss) before tax | 26,988,774 | 8,538,734 | 7,545,910 | (2,923,851) | 2,347,790 | 3,726,279 | - | (5,425,227) | 40,798,409 |

Unconsolidated statement of financial position

| As at December 31, 2024 (Audited) | | | | | | | | | | |
|--|------------------------------------|---------------|--------------------|---------------|---------------|-------------|-------------|-----------------|-----------------|---------------|
| | Retail | Corporate | Islamic (Domestic) | Treasury | Digital | Overseas | Others** | Elimination | Total | |
| (Rupees in '000) | | | | | | | | | | |
| Unconsolidated statement of financial position | Cash and bank balances | 109,749,938 | 17,976,222 | 41,944,162 | - | 775,190 | 66,937,500 | - | 8,910,575 | 246,293,587 |
| | Investments | - | 5,492,251 | 242,118,099 | 1,617,562,126 | - | 123,313,534 | 2,746,444 | - | 1,991,232,454 |
| | Inter segment lending - net | 988,532,481 | - | - | - | 10,562,483 | - | 83,946,236 | (1,083,041,202) | - |
| | Lendings to financial institutions | - | - | 43,283,519 | 97,393,884 | - | 7,103,006 | - | (46,782,086) | 100,998,323 |
| | Advances - performing | 242,468,773 | 634,142,272 | 165,966,972 | - | 59,194 | 56,323,050 | 12,650,639 | (5,571,000) | 1,106,039,900 |
| | - non-performing | 1,140,010 | 1,072,573 | 917,894 | - | 1,966 | 67,755 | 106,117 | 29,939 | 3,336,254 |
| | Others | 24,516,991 | 39,838,680 | 53,364,017 | 42,082,631 | 2,095,622 | 2,843,261 | 100,201,974 | (2,637,573) | 262,305,603 |
| | Total assets | 1,366,408,193 | 698,521,998 | 547,594,663 | 1,757,038,641 | 13,494,455 | 256,588,106 | 199,651,412 | (1,129,091,347) | 3,710,206,121 |
| | Borrowings | 18,008,205 | 66,732,348 | 35,770,158 | 1,037,179,587 | - | 28,681,197 | - | (44,485,753) | 1,141,885,742 |
| | Subordinated debt | - | - | - | - | - | - | 14,000,000 | - | 14,000,000 |
| Deposits and other accounts | 1,277,413,227 | 262,957,681 | 398,788,680 | - | 12,936,578 | 185,193,870 | 2,800 | (380,214) | 2,136,912,622 | |
| Inter segment borrowing - net | - | 330,688,006 | 30,376,465 | 689,991,745 | - | 31,961,837 | - | (1,083,018,053) | - | |
| Others | 70,986,761 | 38,143,963 | 76,483,156 | 18,960,678 | 557,877 | 9,902,659 | 25,467,580 | (1,207,327) | 239,295,347 | |
| Total liabilities | 1,366,408,193 | 698,521,998 | 541,418,459 | 1,746,132,010 | 13,494,455 | 255,739,563 | 39,470,380 | (1,129,091,347) | 3,532,093,711 | |
| Net assets | - | - | 6,176,204 | 10,906,631 | - | 848,543 | 160,181,032 | - | 178,112,410 | |
| Equity | | | | | | | | | 178,112,410 | |
| Contingencies and commitments | 137,249,361 | 230,283,930 | 79,773,852 | 391,608,905 | 718 | 54,966,306 | 4,284,623 | - | 898,167,695 | |

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

* Net mark-up and non mark-up includes Rs. 179.016 million and Rs. 76.129 million respectively of investment banking.

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

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

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

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

| | As at June 30, 2025 (Un-audited) | | | | | As at December 31, 2024 (Audited) | | | | |
|--|----------------------------------|--------------------------|--------------|------------|-----------------------|-----------------------------------|--------------------------|--------------|------------|-----------------------|
| | Directors/ CEO | Key management personnel | Subsidiaries | Associates | Other related parties | Directors/ CEO | Key management personnel | Subsidiaries | Associates | Other related parties |
| | (Rupees in '000) | | | | | (Rupees in '000) | | | | |
| Investments | | | | | | | | | | |
| Opening balance | - | - | 2,505,217 | 1,177,606 | 2,923,188 | - | - | 305,217 | 1,177,606 | 1,802,909 |
| Investment made during the period / year | - | - | - | - | 286,441 | - | - | 2,200,000 | - | 511,863 |
| Investment redeemed / disposed off during the period / year | - | - | (1,505,217) | - | (286,441) | - | - | - | - | (331,613) |
| Revaluation of investment during the period / year | - | - | - | - | 576,567 | - | - | - | - | 2,190,383 |
| Transfer in / (out) - net | - | - | - | - | - | - | - | - | - | (1,250,354) |
| Closing balance | - | - | 1,000,000 | 1,177,606 | 3,495,755 | - | - | 2,505,217 | 1,177,606 | 2,923,188 |
| Credit loss allowance / provision for diminution in value of investments | - | - | - | - | - | - | - | 1,505,217 | - | - |
| Advances | | | | | | | | | | |
| Opening balance | 11,225 | 971,469 | - | - | 1,052,432 | 14,918 | 935,186 | - | - | 1,925,526 |
| Addition during the period / year | 830 | 127,348 | 316,665 | - | 6,340,086 | 1,715 | 232,432 | 16,288,652 | - | 43,510,218 |
| Repaid during the period / year | (1,664) | (224,119) | (316,665) | - | (5,763,379) | (5,408) | (194,161) | (16,288,652) | - | (44,383,312) |
| Transfer in / (out) - net | - | 43 | - | - | 1,864 | - | (1,988) | - | - | - |
| Closing balance | 10,191 | 674,741 | - | - | 1,631,003 | 11,225 | 971,469 | - | - | 1,052,432 |
| Credit loss allowance held against advances | 7 | 325 | - | - | 6,111 | 34 | 3,690 | - | - | 1,524 |
| Other assets | | | | | | | | | | |
| Interest / mark-up accrued | 4,953 | 83,857 | - | - | 36,013 | 4,593 | 81,687 | - | - | 22,681 |
| Receivable from staff retirement fund | - | - | - | - | 851,040 | - | - | - | - | 1,331,990 |
| Prepayment / rent and other receivable | - | - | 33,727 | - | 159,683 | - | - | 3,139 | - | - |
| Advance against shares | - | - | - | - | 55,343 | - | - | - | - | - |
| Acceptances | - | - | - | - | 2,153,448 | - | - | - | - | 17,061 |
| Credit loss allowance against other assets | - | - | - | - | 135 | - | - | - | - | 14 |
| Borrowings | | | | | | | | | | |
| Opening balance | - | - | - | - | 2,464,030 | - | - | - | - | 2,605,576 |
| Borrowings during the period / year | - | - | - | - | 5,100,000 | - | - | - | - | 1,149,273 |
| Settled during the period / year | - | - | - | - | (1,305,414) | - | - | - | - | (1,290,819) |
| Closing balance | - | - | - | - | 6,257,616 | - | - | - | - | 2,464,030 |

| | As at June 30, 2025 (Un-audited) | | | | | As at December 31, 2024 (Audited) | | | | |
|---|----------------------------------|--------------------------|--------------|-----------------|-----------------------|-----------------------------------|--------------------------|--------------|-----------------|-----------------------|
| | Directors/ CEO | Key management personnel | Subsidiaries | Associates | Other related parties | Directors/ CEO | Key management personnel | Subsidiaries | Associates | Other related parties |
| (Rupees in '000) | | | | | | | | | | |
| Deposits and other accounts | | | | | | | | | | |
| Opening balance | 185,847 | 392,643 | 807,925 | 50,026,664 | 12,533,349 | 406,959 | 340,757 | 55,874 | 17,153,420 | 18,350,205 |
| Received during the period / year | 810,697 | 2,931,391 | 37,620,713 | 1,031,861,288 | 62,498,342 | 5,668,276 | 4,582,080 | 47,640,508 | 1,211,982,771 | 276,598,239 |
| Withdrawn during the period / year | (953,274) | (2,730,846) | (37,459,965) | (1,071,405,623) | (60,762,496) | (5,889,395) | (4,574,294) | (46,868,557) | (1,169,109,527) | (278,997,497) |
| Transfer in / (out) - net | - | (8,977) | (339,161) | - | 261 | 7 | (5,900) | - | - | (3,617,598) |
| Closing balance | 43,270 | 584,211 | 629,512 | 20,482,329 | 14,289,456 | 185,847 | 392,643 | 807,925 | 60,026,664 | 12,533,349 |
| Subordinated debt | | | | | | | | | | |
| Opening balance | - | - | - | - | - | - | - | - | - | 300,000 |
| Transfer in / (out) - net | - | - | - | - | - | - | - | - | - | (300,000) |
| Closing balance | - | - | - | - | - | - | - | - | - | - |
| Other liabilities | | | | | | | | | | |
| Interest / mark-up payable | 25 | 1,992 | - | - | 236,352 | 226 | 248 | - | - | 126,062 |
| Dividend payable | - | - | - | - | 11 | 7 | - | - | - | 9 |
| Unearned rent | - | - | - | 583 | - | - | - | - | 2,532 | - |
| Others | - | - | - | - | 35,166 | - | - | 2,657 | - | 32,786 |
| Contingencies and commitments | | | | | | | | | | |
| | - | - | - | - | 8,928,298 | - | - | - | - | 559,419 |
| Income | | | | | | | | | | |
| Mark-up / return / interest earned | 459 | 14,726 | 6 | - | 53,206 | 927 | 15,168 | 51,037 | - | 212,035 |
| Fee and commission income | 124 | 605 | - | 288,958 | 9,201 | 10 | 271 | - | 154,789 | 3,415 |
| Dividend income | - | - | - | 44,993 | 439,597 | - | - | - | 254,993 | 591,804 |
| Gain / (loss) on sale of securities | - | 2 | 388,732 | - | 10,790 | - | 4 | - | - | (4,864) |
| Rent on property | - | - | 4,882 | 1,950 | - | - | - | 391 | 1,950 | - |
| Gain on sale of property and equipment - net | 7,094 | 132 | - | 3,642 | - | - | - | - | 6,658 | - |
| Expenses | | | | | | | | | | |
| Mark-up / return / interest paid | 2,300 | 10,572 | 18,267 | 338,879 | 791,112 | 14,802 | 16,708 | 76,315 | 413,343 | 1,199,362 |
| Operating expenses | | | | | | | | | | |
| Fee and remuneration | 431,974 | 1,390,753 | - | - | - | 359,559 | 1,103,864 | - | - | - |
| Cleaning and custodian charges | - | - | - | - | - | - | - | - | - | 61,237 |
| Software maintenance | - | - | - | - | 45,000 | - | - | - | - | 55,050 |
| Communication cost | - | - | - | - | 306,938 | - | - | - | - | 254,056 |
| Brokerage and commission | - | - | 1,307 | - | - | - | - | 3,604 | - | - |
| Charge for defined benefit plan | - | - | - | - | 480,951 | - | - | - | - | 335,649 |
| Contribution to defined contribution plan | - | - | - | - | 560,514 | - | - | - | - | 432,505 |
| Training and subscription | - | - | - | - | - | - | - | - | - | 505 |
| Provision charge for diminution in value of investments | - | - | - | - | - | - | - | 1,200,000 | - | - |
| (Reversal of) credit loss allowance / credit loss allowance against loans & advances | (27) | (3,360) | - | - | 4,207 | 5 | 1,524 | - | - | (6,100) |
| Credit loss allowance / (reversal of) credit loss allowance against off-balance sheet obligations | - | - | - | - | 1,009 | - | - | - | - | (66) |
| Credit loss allowance against other assets | - | - | - | - | 135 | - | - | - | - | 15 |
| Other information | | | | | | | | | | |
| Dividend paid | 1,851,866 | 7,736 | - | 11,694 | 1,863,329 | 3,831,825 | 12,685 | - | 9,260 | 3,815,932 |
| Insurance premium paid | - | - | - | 1,658,304 | - | - | - | - | 1,321,174 | - |
| Insurance claims settled | - | - | - | 473,812 | - | - | - | - | 411,554 | - |

| | (Un-audited) June 30, 2025 | (Audited) December 31, 2024 |
|---|----------------------------------|-----------------------------------|
| | ----- (Rupees in '000) ----- | |
| 42 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS | | |
| Minimum Capital Requirement (MCR): | | |
| Paid-up capital (net of losses) | 15,771,651 | 15,771,651 |
| Capital Adequacy Ratio (CAR): | | |
| Eligible Common Equity Tier 1 (CET 1) Capital | 151,170,204 | 143,542,085 |
| Eligible Additional Tier 1 (ADT 1) Capital | 13,550,000 | 13,550,000 |
| Total eligible tier 1 capital | 164,720,204 | 157,092,085 |
| Eligible tier 2 capital | 40,735,896 | 43,822,367 |
| Total eligible capital (tier 1 + tier 2) | 205,456,100 | 200,914,452 |
| Risk weighted assets (RWAs): | | |
| Credit risk | 877,565,732 | 828,663,610 |
| Market risk | 42,798,750 | 47,806,075 |
| Operational risk | 242,467,238 | 242,467,238 |
| Total | 1,162,831,720 | 1,118,936,923 |
| Common equity tier 1 capital adequacy ratio | 13.00% | 12.83% |
| Tier 1 capital adequacy ratio | 14.17% | 14.04% |
| Total capital adequacy ratio | 17.67% | 17.96% |
| In line with Basel III capital adequacy guidelines, the following capital requirements are applicable to the Bank: | | |
| Common Equity Tier 1 Capital Adequacy ratio | 6.00% | 6.00% |
| Tier 1 Capital Adequacy Ratio | 7.50% | 7.50% |
| Total Capital Adequacy Ratio | 11.50% | 11.50% |
| For Capital adequacy calculation, the Bank has adopted Standardised Approach for credit and market risk related exposures and Alternate Standardised Approach (ASA) for operational risk. | | |
| Leverage Ratio (LR): | | |
| Eligible tier-1 capital | 164,720,204 | 157,092,085 |
| Total exposures | 3,938,683,490 | 4,071,667,095 |
| Leverage ratio | 4.18% | 3.86% |
| Liquidity Coverage Ratio (LCR): | | |
| Total high quality liquid assets | 1,040,705,419 | 1,197,167,258 |
| Total net cash outflow | 581,475,008 | 626,056,805 |
| Liquidity coverage ratio | 179% | 191% |
| Net Stable Funding Ratio (NSFR): | | |
| Total available stable funding | 1,814,073,161 | 1,690,754,449 |
| Total required stable funding | 1,300,806,884 | 1,340,991,900 |
| Net stable funding ratio | 139% | 126% |

- 42.1** The Bank has opted for transition arrangement to phase in ECL impact as permitted by SBP vide BPRD Circular No. 03 of 2022 dated July 05, 2022. Had the transitional arrangement not applied, CAR and Leverage ratio would have been 17.86% and 4.12% respectively.

43 ISLAMIC BANKING BUSINESS

The Bank operates 448 Islamic banking branches (December 31, 2024: 423 branches) and 4 sub branches (December 31, 2024: 4 sub branch) as at June 30, 2025.

STATEMENT OF FINANCIAL POSITION

| STATEMENT OF FINANCIAL POSITION | | (Un-audited) June 30, 2025 | (Audited) December 31, 2024 |
|--------------------------------------|--|----------------------------------|-----------------------------------|
| Note | | ----- (Rupees in '000) ----- | |
| ASSETS | | | |
| | Cash and balances with treasury banks | 35,959,060 | 37,669,937 |
| | Balances with other banks | 9,673,709 | 4,274,225 |
| 43.1 | Due from financial institutions | 68,177,296 | 43,283,519 |
| 43.2 | Investments | 213,829,278 | 242,118,099 |
| 43.3 | Islamic financing and related assets - net | 206,387,660 | 166,884,866 |
| | Property and equipment | 14,664,618 | 13,455,659 |
| | Right-of-use assets | 11,056,912 | 10,805,081 |
| | Intangible assets | 31,994 | 36,315 |
| | Deferred tax assets | - | - |
| | Other assets | 28,352,416 | 29,066,962 |
| | Total assets | 588,132,943 | 547,594,663 |
| LIABILITIES | | | |
| | Bills payable | 14,406,876 | 9,532,140 |
| | Due to financial institutions | 33,337,597 | 35,770,158 |
| 43.4 | Deposits and other accounts | 428,336,347 | 398,788,680 |
| | Lease liabilities | 13,329,779 | 12,456,340 |
| | Deferred tax liabilities | 1,351,806 | 4,080,920 |
| | Other liabilities | 59,611,678 | 50,413,756 |
| | Total liabilities | 550,374,083 | 511,041,994 |
| | NET ASSETS | 37,758,860 | 36,552,669 |
| REPRESENTED BY | | | |
| | Islamic banking fund | 3,950,000 | 3,950,000 |
| | Surplus on revaluation of assets | 5,120,825 | 6,176,202 |
| 43.5 | Unappropriated / unremitted profit | 28,688,035 | 26,426,467 |
| | | 37,758,860 | 36,552,669 |
| CONTINGENCIES AND COMMITMENTS | | | |
| 43.6 | | | |
| PROFIT AND LOSS ACCOUNT | | | |
| | | (Un-audited) Half year ended | |
| | | June 30, 2025 | June 30, 2024 |
| Note | | ----- (Rupees in '000) ----- | |
| | | (Restated) | |
| | Profit / return earned on Islamic financing and related assets, investments and placements | 28,734,510 | 39,585,177 |
| 43.7 | | | |
| 43.8 | Profit / return expensed on deposits and other dues expensed | 13,443,098 | 23,413,105 |
| | Net profit / return | 15,291,412 | 16,172,072 |
| | Fee and commission income | 1,039,406 | 1,033,173 |
| | Foreign exchange income | 465,037 | 229,239 |
| | Gain on securities | 6,086 | 989 |
| | Net gain on derecognition of financial assets measured at amortised cost | - | - |
| | Other income | 18,179 | 6,359 |
| | Total other income | 1,528,708 | 1,269,760 |
| | Total income | 16,820,120 | 17,441,832 |
| OTHER EXPENSES | | | |
| | Operating expenses | 11,786,426 | 8,681,449 |
| | Workers' welfare fund | 116,725 | 169,082 |
| | Other charges | 4,977 | 7,344 |
| | Total other expenses | 11,908,128 | 8,857,875 |
| | Profit before credit loss allowance | 4,911,992 | 8,583,957 |
| | Credit loss allowance and write offs - net | (128,796) | 298,950 |
| | PROFIT BEFORE TAXATION | 5,040,788 | 8,285,007 |
| | Taxation | 2,780,807 | 4,092,760 |
| | PROFIT AFTER TAXATION | 2,259,981 | 4,192,247 |

43.1 Due from financial institutions

| | June 30, 2025 (Un-audited) | | | December 31, 2024 (Audited) | | |
|-----------------------------|----------------------------|-----------------------|------------|-----------------------------|-----------------------|------------|
| | In Local Currency | In Foreign Currencies | Total | In Local Currency | In Foreign Currencies | Total |
| (Rupees in '000) | | | | | | |
| Musharaka Placements | 50,700,000 | - | 50,700,000 | - | - | - |
| Bai Muajjal Receivables | 17,477,892 | - | 17,477,892 | 43,283,744 | - | 43,283,744 |
| | 68,177,892 | - | 68,177,892 | 43,283,744 | - | 43,283,744 |
| Less: Credit loss allowance | | | | | | |
| Stage 1 | (596) | - | (596) | (225) | - | (225) |
| | 68,177,296 | - | 68,177,296 | 43,283,519 | - | 43,283,519 |

43.2 Investments

By segment & type:

Fair value through profit and loss**Federal Government Securities**

Ijarah Sukuk

Naya Pakistan Certificates

Non Government Debt Securities

Sukuks - Unlisted

| | June 30, 2025 (Un-audited) | | | | December 31, 2024 (Audited) | | | |
|------------------|----------------------------|-----------------------|---------------------|----------------|-----------------------------|-----------------------|---------------------|----------------|
| | Cost / Amortised cost | Credit loss allowance | Surplus / (Deficit) | Carrying Value | Cost / Amortised cost | Credit loss allowance | Surplus / (Deficit) | Carrying Value |
| (Rupees in '000) | | | | | | | | |
| | - | - | - | - | - | - | - | - |
| | 1,009,002 | - | - | 1,009,002 | 2,651,621 | - | - | 2,651,621 |
| | 200,000 | - | - | 200,000 | 200,000 | - | - | 200,000 |
| | 1,209,002 | - | - | 1,209,002 | 2,851,621 | - | - | 2,851,621 |

Fair value through other comprehensive income**Federal Government Securities**

Ijarah Sukuks

Non Government Debt Securities

Sukuks - Unlisted

| | | | | | | | |
|-------------|---|-----------|-------------|-------------|---|-----------|-------------|
| 178,679,185 | - | 3,807,295 | 182,686,480 | 202,848,571 | - | 5,765,368 | 208,613,939 |
| 15,264,905 | - | (92,228) | 15,172,677 | 15,487,734 | - | 140,246 | 15,627,980 |
| 194,144,090 | - | 3,715,067 | 197,859,157 | 218,336,305 | - | 5,905,614 | 224,241,919 |

Amortised cost**Federal Government Securities**

Ijarah Sukuks

Non Government Debt Securities

Sukuks - Unlisted

| | | | | | | | |
|------------|----------|---|------------|------------|----------|---|------------|
| 11,566,886 | - | - | 11,566,886 | 11,571,369 | - | - | 11,571,369 |
| 3,250,646 | (56,413) | - | 3,194,233 | 3,509,611 | (56,421) | - | 3,453,190 |
| 14,817,532 | (56,413) | - | 14,761,119 | 15,080,980 | (56,421) | - | 15,024,559 |

Total Investments

| | | | | | | | |
|-------------|----------|-----------|-------------|-------------|----------|-----------|-------------|
| 210,170,624 | (56,413) | 3,715,067 | 213,829,278 | 236,268,906 | (56,421) | 5,905,614 | 242,118,099 |
|-------------|----------|-----------|-------------|-------------|----------|-----------|-------------|

43.2.1 Particulars of credit loss allowance

Sukuks - Unlisted

| June 30, 2025 (Un-audited) | | | | December 31, 2024 (Audited) | | | |
|----------------------------|---------|---------|--------|-----------------------------|---------|---------|--------|
| Expected Credit Loss | | | Total | Expected Credit Loss | | | Total |
| Stage 1 | Stage 2 | Stage 3 | | Stage 1 | Stage 2 | Stage 3 | |
| (Rupees in '000) | | | | | | | |
| 42 | - | 56,371 | 56,413 | 50 | - | 56,371 | 56,421 |

(Un-audited) (Audited)
June 30, December 31,
2025 2024
----- (Rupees in '000) -----

43.3 Islamic financing and related assets

Classified at amortised cost

| | | |
|---|-------------|-------------|
| Ijarah | 24,614,818 | 18,999,774 |
| Murabaha | 2,832,586 | 3,381,416 |
| Musharaka | 26,715,038 | 33,759,137 |
| Diminishing musharaka | 32,129,513 | 22,632,822 |
| Salam | 2,398,848 | 1,144,902 |
| Bai muajjal financing | 29,996,884 | - |
| Musawama financing | 2,929,199 | 3,920,834 |
| Tijarah financing | 5,081,523 | 5,144,193 |
| Islamic staff financing | 5,885,381 | 4,584,066 |
| SBP islamic export refinance | 170,131 | 36,718 |
| Islamic long term finance facility plant & machinery | 4,245,607 | 4,583,214 |
| Islamic refinance renewable energy | 2,316,691 | 2,398,333 |
| Islamic temporary economic refinance facility (ITERF) | 6,444,962 | 7,021,800 |
| Naya Pakistan home financing | 4,042,272 | 3,115,734 |
| Islamic refinance facility for combating COVID | 715,180 | 919,253 |
| Refinance facility under bills discounting | 18,094,337 | 17,192,728 |
| Advances against islamic assets | 26,282,431 | 27,919,555 |
| Inventory related to islamic financing | 16,208,429 | 14,483,301 |
| Other Islamic modes | 290,794 | 812,375 |
| Gross Islamic financing and related assets | 211,394,624 | 172,050,155 |

Less: Credit loss allowance against Islamic financings

| | | |
|-----------|-------------|-------------|
| - Stage 1 | (277,964) | (297,387) |
| - Stage 2 | (102,161) | (97,574) |
| - Stage 3 | (4,626,839) | (4,770,328) |
| | (5,006,964) | (5,165,289) |

Islamic financing and related assets - net of credit loss allowance

| | |
|-------------|-------------|
| 206,387,660 | 166,884,866 |
|-------------|-------------|

43.4 Deposits

| June 30, 2025 (Un-audited) | | | December 31, 2024 (Audited) | | |
|------------------------------|-----------------------|-------|-----------------------------|-----------------------|-------|
| In Local Currency | In Foreign Currencies | Total | In Local Currency | In Foreign Currencies | Total |
| ----- (Rupees in '000) ----- | | | | | |

Customers

| | | | | | | |
|--------------------|-------------|------------|-------------|-------------|------------|-------------|
| - Current deposits | 175,726,301 | 10,337,154 | 186,063,455 | 160,930,379 | 9,107,965 | 170,038,344 |
| - Savings deposits | 106,619,723 | 4,471,091 | 111,090,814 | 102,440,702 | 4,374,103 | 106,814,805 |
| - Term deposits | 58,792,970 | 826,402 | 59,619,372 | 65,010,578 | 443,177 | 65,453,755 |
| - Other deposits | 2,909,635 | 2,556,188 | 5,465,823 | 2,518,243 | 1,814,136 | 4,332,379 |
| | 344,048,629 | 18,190,835 | 362,239,464 | 330,899,902 | 15,739,381 | 346,639,283 |

Financial Institutions

| | | | | | | |
|--------------------|-------------|------------|-------------|-------------|------------|-------------|
| - Current deposits | 1,702,940 | 43,582 | 1,746,522 | 1,852,268 | 152 | 1,852,420 |
| - Savings deposits | 24,040,361 | - | 24,040,361 | 2,161,977 | - | 2,161,977 |
| - Term deposits | 40,310,000 | - | 40,310,000 | 48,135,000 | - | 48,135,000 |
| | 66,053,301 | 43,582 | 66,096,883 | 52,149,245 | 152 | 52,149,397 |
| | 410,101,930 | 18,234,417 | 428,336,347 | 383,049,147 | 15,739,533 | 398,788,680 |

43.4.1 Current deposits include remunerative current deposits of Rs. 33,305.574 million (December 31, 2024: Rs. 26,618.402 million).

| (Un-audited) | (Audited) |
|----------------------------|--------------|
| June 30, | December 31, |
| 2025 | 2024 |
| -----{Rupees in '000}----- | |

43.5 Islamic banking business unappropriated profit

| | | |
|--|-------------|-------------|
| Opening balance | 26,426,467 | 18,664,167 |
| Impact of adopting IFRS 9 | - | 414,335 |
| Balance at January 01 on adopting IFRS 9 | 26,426,467 | 18,249,832 |
| Add: Islamic Banking profit before taxation for the period / year | 5,040,788 | 17,921,026 |
| Less: Taxation for the period / year | (2,780,807) | (9,745,771) |
| Add: Transfer from surplus on revaluation of assets to unappropriated profit - net | 1,587 | 1,380 |
| Closing balance | 28,688,035 | 26,426,467 |

43.6 Contingencies and commitments

| | | |
|---------------|------------|------------|
| - Guarantees | 6,985,450 | 6,089,005 |
| - Commitments | 73,463,397 | 73,684,847 |
| | 80,448,847 | 79,773,852 |

| (Un-audited) | |
|------------------------------|----------|
| For the half year ended | |
| June 30, | June 30, |
| 2025 | 2024 |
| ----- (Rupees in '000) ----- | |
| (Restated) | |

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

| | | |
|--|------------|------------|
| Profit earned on: | | |
| - Islamic financing and related assets | 10,441,024 | 12,914,988 |
| - Investments | 15,304,643 | 23,474,389 |
| - Placements | 2,988,843 | 3,195,800 |
| | 28,734,510 | 39,585,177 |

43.8 Profit on deposits and other dues expensed

| | | |
|---|------------|------------|
| Deposits and other accounts | 10,936,927 | 20,607,402 |
| Due to financial institutions | 1,328,505 | 1,855,041 |
| Securities sold under repurchase agreements | 160,914 | - |
| Cost of foreign currency swaps against foreign currency deposits / borrowings | 32,513 | 303,639 |
| Finance charges on lease liability | 911,509 | 629,497 |
| Reward points / customer loyalty | 72,730 | 17,526 |
| | 13,443,098 | 23,413,105 |

43.9 PLS Pool Management- Islamic Banking Group (IBG)**43.9.1 The pools, their key features and risk and reward characteristics.**

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

Currently IBG is managing following pools:

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

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

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

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

| | (Un-audited) June 30, 2025 | (Audited) December 31, 2024 |
|---|----------------------------------|-----------------------------------|
| | ----- (Rupees in '000) ----- | |
| 43.9.2 Avenues / sectors where Mudaraba based deposits have been deployed. | | |
| Agriculture, Forestry, Hunting and Fishing | 30,803,338 | 726,781 |
| Automobile and transportation equipment | 1,902,535 | 3,860,359 |
| Cement | 1,482,780 | 1,009,611 |
| Chemical and Pharmaceuticals | 10,995,481 | 11,133,965 |
| Construction | 2,932,890 | 2,511,288 |
| Electronics and electrical appliances | 3,164,383 | 5,334,659 |
| Food & Allied Products | 9,563,940 | 10,179,543 |
| Footwear and Leather garments | 1,969,368 | 1,390,032 |
| Glass and Ceramics | 808,882 | 358,052 |
| Individuals | 46,445,479 | 34,367,473 |
| Metal & Allied industries | 3,815,223 | 3,457,419 |
| Mining and Quarrying | 417,901 | 454,714 |
| Oil and Allied | 4,194,710 | 2,175,309 |
| Paper and Board | 890,553 | 806,473 |
| Plastic and Allied Industries | 5,732,552 | 5,302,071 |
| Power (electricity), Gas, Water, Sanitary | 9,945,143 | 11,004,109 |
| Services | 3,949,332 | 3,061,744 |
| Sugar | 2,933,198 | 1,955,464 |
| Technology and Related services | 45,879 | 16,531 |
| Textile | 49,551,771 | 56,828,136 |
| Transport, Storage and Communication | 8,074,644 | 7,563,322 |
| Wholesale and Retail Trade | 7,591,520 | 6,017,248 |
| Others | 4,183,121 | 2,535,852 |
| Total gross islamic financing and related assets | 211,394,623 | 172,050,155 |
| Total gross investments (cost) | 210,170,624 | 235,268,906 |
| Total islamic placements | 68,177,892 | 43,283,744 |
| Total Invested funds | 489,743,139 | 451,602,805 |

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

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

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

| Remunerative Depositors' Pools | Profit rate and weightage announcement period | Profit rate return earned | Profit sharing ratio | | Mudarib share | Profit rate return distributed to remunerative deposits (savings and fixed) | Percentage of Mudarib share transferred through Hiba | Amount of Mudarib Share transferred through Hiba |
|---|---|---------------------------|----------------------|-------------------|------------------|---|--|--|
| | | % | Mudarib Share / Fee | Rabbul Maal Share | (Rupees in '000) | % | % | (Rupees in '000) |
| General Pools | | | | | | | | |
| PKR Pool | Monthly | 11.36% | 50.00% | 50.00% | 5,255,157 | 6.96% | 2.22% | 222,695 |
| USD Pool | Monthly | 5.89% | 88.89% | 11.11% | 104,092 | 1.89% | 14.97% | 37,651 |
| GBP Pool | Monthly | 6.61% | 88.89% | 11.11% | 15,777 | 0.68% | 0.00% | - |
| EUR Pool | Monthly | 6.79% | 88.89% | 11.11% | 10,294 | 0.74% | 0.00% | - |
| AED Pool | Monthly | 4.34% | 88.89% | 11.11% | 819 | 0.34% | 0.00% | - |
| SAR Pool | Monthly | 5.08% | 88.89% | 11.11% | 553 | 0.27% | 0.00% | - |
| CAD Pool | Monthly | 9.36% | 88.89% | 11.11% | 418 | 0.27% | 0.00% | - |
| Specific Pools | | | | | | | | |
| Special Pool (Saving & TDRs) | Monthly | 11.85% | 5.00% | 95.00% | 286,252 | 11.20% | 10.08% | 60,153 |
| SBP Refinance Borrowing Pool | Profit rate and weightage announcement period | Profit rate return earned | Profit sharing ratio | | Mudarib share | Profit rate return distributed to remunerative deposits (savings and fixed) | Percentage of Mudarib share transferred through Hiba | Amount of Mudarib Share transferred through Hiba |
| | | % | Mudarib Share / Fee | Rabbul Maal Share | (Rupees in '000) | % | % | (Rupees in '000) |
| Islamic Export Refinance (IERS/BD) Pool | Monthly | 13.43% | 44.33% | 5.67% | 1,948,092 | NII | 0.00% | - |

44 AFGHANISTAN OPERATIONS

Bank Alfalah maintains a two-branch presence in Afghanistan. The Board and the management of the Bank continue to closely monitor the evolving situation in Afghanistan which has been hampered due to the country's frozen reserves and uncertainty regarding international recognition which prevent normal flows in and out of Afghanistan. The Bank has taken impairment against net assets where there is an indication that carrying amount may be higher than its recoverable amount. The Bank remains focused on maintaining its control standards i.e. both onshore and through Head Office oversight.

45 BANGLADESH OPERATIONS

During the year 2024, a non-binding indicative offer was received from Bank Asia Limited, Dhaka, Bangladesh ("Bank Asia") to acquire the Bank's Bangladesh Operations (assets and liabilities). In this regard, the Bank was granted an in-principle approval by the State Bank of Pakistan to facilitate conduct of due diligence exercise by Bank Asia.

Subsequently, during the period ended June 30, 2025, the Board of Directors of Bank Alfalah Limited ("the Bank") has accorded its approval to sell the Bank's Bangladesh Operations to Bank Asia subject to approval of the State Bank of Pakistan, the Central Bank of Bangladesh, and /or any other regulatory and legal compliance and execution of definitive agreement.

Further, a non-binding offer was also received in year 2024 from Hatton National Bank of Sri Lanka ("HNB") to acquire the Bank's Bangladesh Operations. However, HNB has decided not to proceed with acquisition.

46 NON-ADJUSTING EVENT

The Board of Directors in its meeting held on July 31, 2025 has declared an interim cash dividend of 25% i.e. Rs. 2.5 per share for the quarter ended June 30, 2025 (June 30, 2024: Rs. 2.0 per share i.e. 20%). These unconsolidated condensed interim financial statements do not include the effect of this appropriation which will be accounted for subsequent to the period end. The Board had earlier declared an interim cash dividend bringing the total cash dividend for the half year ended June 30, 2025 to Rs. 5.0 per share (June 30, 2024: Rs. 4.0 per share).

47 DATE OF AUTHORISATION

These unconsolidated condensed interim financial statements were authorised for issue on July 31, 2025 by the Board of Directors of the Bank.

48 GENERAL

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

48.2 The effects of reclassification, rearrangement in the comparative information presented in these unconsolidated condensed interim financial statements are as follows:

| Description of Item | Nature | (Rupees in '000) | From | To |
|---------------------|---------|---------------------|---|--|
| Agent commission | Expense | 337,992 | Commission on Benazir Income Support Programme (BISP) | Brokerage and commission |
| Verification cost | Expense | 84,793 | Commission on Benazir Income Support Programme (BISP) | CNIC verification |
| Optional issuer fee | Income | 383,464 | Foreign exchange income | Card related fees (debit and credit cards) |
| Conversion fee | Expense | 170,947 | Foreign exchange income | Card related fees (debit and credit cards) |
| Conversion fee | Expense | 119,570 | Foreign exchange income | Card acquiring business |

48.3 The effects of restatement due to adoption of IFRS 9 is mentioned in note 4.1.1 of these unconsolidated condensed interim financial statements.



Bank Alfalah Limited
Consolidated Condensed Interim
Financial Statements
Half year ended June 30, 2025

BANK ALFALAH LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

| | Note | (Un-audited) June 30, 2025 | (Audited) December 31, 2024 |
|--|------|----------------------------------|-----------------------------------|
| ----- (Rupees in '000) ----- | | | |
| ASSETS | | | |
| Cash and balances with treasury banks | 7 | 215,505,362 | 227,868,901 |
| Balances with other banks | 8 | 17,478,976 | 19,713,246 |
| Lendings to financial institutions | 9 | 153,895,071 | 100,998,323 |
| Investments | 10 | 1,638,023,285 | 1,996,182,261 |
| Advances | 11 | 1,010,496,226 | 1,109,376,542 |
| Property and equipment | 12 | 68,334,765 | 63,673,849 |
| Right-of-use assets | 13 | 25,734,567 | 25,365,699 |
| Intangible assets | 14 | 1,517,814 | 1,559,640 |
| Deferred tax assets | | - | - |
| Other assets | 15 | 169,171,977 | 172,317,236 |
| Total assets | | 3,300,158,043 | 3,717,055,697 |
| LIABILITIES | | | |
| Bills payable | 16 | 61,189,539 | 41,768,326 |
| Borrowings | 17 | 555,834,086 | 1,142,200,709 |
| Deposits and other accounts | 18 | 2,287,598,788 | 2,136,104,698 |
| Lease liabilities | 19 | 30,992,975 | 29,555,307 |
| Subordinated debt | 20 | 14,000,000 | 14,000,000 |
| Deferred tax liabilities | 21 | 14,180,760 | 19,459,032 |
| Other liabilities | 22 | 146,264,660 | 152,580,928 |
| Total liabilities | | 3,110,060,808 | 3,535,669,000 |
| NET ASSETS | | 190,097,235 | 181,386,697 |
| REPRESENTED BY | | | |
| Share capital | | 15,771,651 | 15,771,651 |
| Reserves | | 45,255,069 | 43,466,925 |
| Surplus on revaluation of assets | 23 | 34,993,652 | 33,820,479 |
| Unappropriated profit | | 94,076,863 | 88,305,939 |
| Total equity attributable to the equity holders of the Holding Company | | 190,097,235 | 181,364,994 |
| Non-controlling interest | | - | 21,703 |
| | | 190,097,235 | 181,386,697 |

CONTINGENCIES AND COMMITMENTS

24

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

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

BANK ALFALAH LIMITED
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (Un-audited)
FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2025**

| | Note | Quarter ended June 30, 2025 | Quarter ended June 30, 2024 | Half year ended June 30, 2025 | Half year ended June 30, 2024 |
|--|------|-----------------------------------|-----------------------------------|-------------------------------------|-------------------------------------|
| | | (Rupees in '000) | | | |
| | | | (Restated) | | (Restated) |
| Mark-up / return / interest earned | 26 | 93,299,420 | 128,608,469 | 188,398,347 | 258,530,947 |
| Mark-up / return / interest expensed | 27 | 58,918,064 | 97,353,124 | 120,789,900 | 196,016,843 |
| Net mark-up / return / interest income | | 34,381,356 | 31,255,345 | 67,608,447 | 62,514,104 |
| NON MARK-UP / INTEREST INCOME | | | | | |
| Fee and commission income | 28 | 4,093,096 | 5,244,602 | 7,649,749 | 10,040,783 |
| Dividend income | | 530,288 | 607,266 | 1,410,510 | 904,811 |
| Foreign exchange income | 29 | 3,207,633 | 2,974,051 | 5,351,308 | 5,242,871 |
| (Loss) / income from derivatives | | (713,914) | 829,102 | 388,566 | 1,373,514 |
| Gain on securities | 30 | 7,379,217 | 2,299,293 | 8,005,619 | 2,365,016 |
| Net gain / (loss) on derecognition of financial assets measured at amortised cost | | - | - | - | - |
| Share of profit from associates | | 459,830 | 389,343 | 714,974 | 664,236 |
| Other income | 31 | 73,801 | 123,648 | 869,337 | 189,716 |
| Total non-mark-up / interest income | | 15,029,951 | 12,467,305 | 24,390,063 | 20,780,947 |
| Total income | | 49,411,307 | 43,722,650 | 91,998,510 | 83,295,051 |
| NON MARK-UP / INTEREST EXPENSES | | | | | |
| Operating expenses | 32 | 29,088,940 | 20,672,140 | 56,122,936 | 40,018,818 |
| Workers' welfare fund | 33 | 421,462 | 494,288 | 821,570 | 919,944 |
| Other charges | 34 | 5,346 | 872 | 9,557 | 209,515 |
| Total non-mark-up / interest expenses | | 29,515,748 | 21,167,300 | 56,954,063 | 41,148,277 |
| Profit before credit loss allowance / provisions | | 19,895,559 | 22,555,350 | 35,044,447 | 42,146,774 |
| Credit loss allowance / (reversal of credit loss allowance) / provisions and write offs - net | 35 | 1,364,662 | (25,199) | 896,645 | (231,993) |
| Extra ordinary / unusual items | | - | - | - | - |
| PROFIT BEFORE TAXATION FROM CONTINUING OPERATIONS | | 18,530,897 | 22,580,549 | 34,147,802 | 42,378,767 |
| Taxation | 36 | 10,527,713 | 10,580,586 | 19,004,909 | 20,459,317 |
| PROFIT AFTER TAXATION FROM CONTINUING OPERATIONS | | 8,003,184 | 11,999,963 | 15,142,893 | 21,919,450 |
| DISCONTINUED OPERATIONS | | | | | |
| LOSS FROM DISCONTINUED OPERATIONS - NET OF TAX | 37.3 | (16,497) | - | (83,517) | - |
| PROFIT AFTER TAXATION | | 7,986,687 | 11,999,963 | 15,059,376 | 21,919,450 |
| Profit / (loss) attributable to: | | | | | |
| Equity holders of the Holding Company | | | | | |
| from continuing operations | | 8,003,184 | 11,971,927 | 15,142,893 | 21,917,916 |
| from discontinued operations | | (17,641) | - | (81,706) | - |
| | | 7,985,543 | 11,971,927 | 15,061,187 | 21,917,916 |
| Non-controlling interest | | | | | |
| from continuing operations | | - | 28,036 | - | 1,534 |
| from discontinued operations | | 1,144 | - | (1,811) | - |
| | | 1,144 | 28,036 | (1,811) | 1,534 |
| | | 7,986,687 | 11,999,963 | 15,059,376 | 21,919,450 |
| | | (Rupees) | | | |
| | | | (Restated) | | (Restated) |
| Basic and diluted earnings per share - continuing operations | 38 | 5.07 | 7.59 | 9.60 | 13.90 |
| Basic and diluted earnings per share | 38 | 5.07 | 7.59 | 9.55 | 13.90 |

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

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

BANK ALFALAH LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)
FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2025

| | Quarter ended June 30, 2025 | Quarter ended June 30, 2024 | Half year ended June 30, 2025 | Half year ended June 30, 2024 |
|---|-----------------------------------|-----------------------------------|-------------------------------------|-------------------------------------|
| | (Rupees in '000) | | | |
| | | (Restated) | | (Restated) |
| Profit after taxation for the period | 7,986,687 | 11,999,963 | 15,059,376 | 21,919,450 |
| Other comprehensive income / (loss) | | | | |
| Items that may be reclassified to the statement of profit and loss account in subsequent periods: | | | | |
| Effect of translation of net investment in foreign branches | 281,468 | (949,118) | 260,686 | (1,655,279) |
| Movement in surplus / (deficit) on revaluation of investments in debt securities classified as FVOCI - net of tax | 5,262,290 | 1,439,949 | 3,132,277 | (123,555) |
| Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax | (2,163,792) | (80,237) | (2,532,212) | (361,382) |
| Movement in share of (deficit) / surplus on revaluation of investments of associates - net of tax | (4,708) | 6,223 | (9,189) | 5,980 |
| | 3,375,258 | 416,817 | 851,562 | (2,134,236) |
| Items that will not be reclassified to the statement of profit and loss account in subsequent periods: | | | | |
| Remeasurement loss on defined benefit obligations - net of tax | - | (1,105) | - | (1,105) |
| Movement in surplus on revaluation of equity investments classified as FVOCI - net of tax | 414,420 | 467,885 | 468,031 | 589,596 |
| Movement in surplus on revaluation of property and equipment - net of tax | (17,970) | (9,920) | (36,814) | (19,744) |
| Movement in surplus on revaluation of non-banking assets - net of tax | (5,516) | 1,146 | (10,410) | 968 |
| | 390,934 | 458,006 | 420,807 | 569,715 |
| Total comprehensive income | 11,752,879 | 12,874,786 | 16,331,745 | 20,354,929 |
| Total comprehensive income / (loss) attributable to: | | | | |
| Equity holders of the Holding Company | | | | |
| from continuing operations | 11,769,376 | 12,847,164 | 16,415,262 | 20,353,809 |
| from discontinued operations | (17,641) | - | (81,706) | - |
| | 11,751,735 | 12,847,164 | 16,333,556 | 20,353,809 |
| Non-controlling interest | | | | |
| from continuing operations | - | 27,622 | - | 1,120 |
| from discontinued operations | 1,144 | - | (1,811) | - |
| | 1,144 | 27,622 | (1,811) | 1,120 |
| | 11,752,879 | 12,874,786 | 16,331,745 | 20,354,929 |

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

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

BANK ALFALAH LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED JUNE 30, 2025

| | Share capital | Capital reserves | | Statutory reserve | Surplus / (deficit) on revaluation of | | | Unappropriated profit | Sub-total | Non controlling interest | Total |
|---|---------------|------------------|------------------------------|-------------------|---------------------------------------|------------------------|--------------------|-----------------------|-------------|--------------------------|-------------|
| | | Share premium | Exchange translation reserve | | Investments | Property and equipment | Non banking assets | | | | |
| (Rupees in '000) | | | | | | | | | | | |
| Balance as at December 31, 2023 (audited) | 15,771,651 | 4,731,049 | 14,191,974 | 22,478,107 | (902,400) | 12,088,444 | 86,726 | 71,472,352 | 139,917,903 | (294,665) | 139,623,238 |
| Impact of adoption of IFRS 9 - net of tax (note 4.1.1) | - | - | - | - | 5,002,695 | - | - | (2,250,700) | 2,751,995 | - | 2,751,995 |
| Balance as at January 01, 2024 after adoption of IFRS 9 | 15,771,651 | 4,731,049 | 14,191,974 | 22,478,107 | 4,100,295 | 12,088,444 | 86,726 | 69,221,652 | 142,669,898 | (294,665) | 142,375,233 |
| Changes in equity for the half year ended June 30, 2024 | | | | | | | | | | | |
| Profit after taxation - (restated) | - | - | - | - | - | - | - | 21,917,916 | 21,917,916 | 1,534 | 21,919,450 |
| Other comprehensive (loss) / income - net of tax | | | | | | | | | | | |
| Effect of translation of net investment in foreign branches | - | - | (1,655,279) | - | - | - | - | - | (1,655,279) | - | (1,655,279) |
| Movement in surplus / (deficit) on revaluation of investments in debt securities classified as FVOCI - net of tax | - | - | - | - | (123,555) | - | - | - | (123,555) | - | (123,555) |
| Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax | - | - | - | - | (361,382) | - | - | - | (361,382) | - | (361,382) |
| Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax | - | - | - | - | 589,596 | - | - | - | 589,596 | - | 589,596 |
| Movement in share of surplus on revaluation of investments of associates - net of tax | - | - | - | - | 5,980 | - | - | - | 5,980 | - | 5,980 |
| Remeasurement loss on defined benefit obligations - net of tax | - | - | - | - | - | - | - | (691) | (691) | (414) | (1,105) |
| Movement in surplus on revaluation of property and equipment - net of tax | - | - | - | - | - | (19,744) | - | - | (19,744) | - | (19,744) |
| Movement in surplus on revaluation of non-banking assets - net of tax | - | - | - | - | - | - | 968 | - | 968 | - | 968 |
| Total other comprehensive (loss) / income - net of tax | - | - | (1,655,279) | - | 110,639 | (19,744) | 968 | (691) | (1,564,107) | (414) | (1,564,521) |
| Transfer to statutory reserve | - | - | - | 2,060,876 | - | - | - | (2,060,876) | - | - | - |
| Transfer from surplus on revaluation of assets to unappropriated profit - net of tax | - | - | - | - | - | (44,116) | (9,180) | 53,296 | - | - | - |
| Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax | - | - | - | - | (22,941) | - | - | 22,941 | - | - | - |
| Transactions with owners, recorded directly in equity | | | | | | | | | | | |
| Adjustment of non-controlling interest | - | - | - | - | - | - | - | (311,627) | (311,627) | 311,627 | - |
| Right issuance cost - subsidiary | - | - | - | - | - | - | - | (8,314) | (8,314) | (4,988) | (13,302) |
| Final cash dividend for the year ended December 31, 2023 - 50% | - | - | - | - | - | - | - | (7,885,826) | (7,885,826) | - | (7,885,826) |
| Interim cash dividend for the quarter ended March 31, 2024 - 20% | - | - | - | - | - | - | - | (3,154,330) | (3,154,330) | - | (3,154,330) |
| Closing balance as at June 30, 2024 (un-audited) - restated | 15,771,651 | 4,731,049 | 12,536,695 | 24,538,983 | 4,187,993 | 12,024,584 | 78,514 | 77,794,141 | 151,663,610 | 13,094 | 151,676,704 |
| Changes in equity for half year ended December 31, 2024 | | | | | | | | | | | |
| Profit after taxation | - | - | - | - | - | - | - | 17,935,705 | 17,935,705 | 8,141 | 17,943,846 |
| Other comprehensive (loss) / income - net of tax | | | | | | | | | | | |
| Effect of translation of net investment in foreign branches | - | - | (110,739) | - | - | - | - | - | (110,739) | - | (110,739) |
| Movement in surplus on revaluation of investments in debt securities classified as FVOCI - net of tax | - | - | - | - | 10,925,879 | - | - | - | 10,925,879 | - | 10,925,879 |
| Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax | - | - | - | - | (538,564) | - | - | - | (538,564) | - | (538,564) |
| Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax | - | - | - | - | 1,441,123 | - | - | - | 1,441,123 | - | 1,441,123 |
| Movement in share of surplus on revaluation of investments of associates - net of tax | - | - | - | - | 30,396 | - | - | - | 30,396 | - | 30,396 |
| Remeasurement gain on defined benefit obligations - net of tax | - | - | - | - | - | - | - | 461,557 | 461,557 | 468 | 462,025 |
| Movement in surplus on revaluation of property and equipment - net of tax | - | - | - | - | - | 5,629,026 | - | - | 5,629,026 | - | 5,629,026 |
| Movement in surplus on revaluation of non-banking assets - net of tax | - | - | - | - | - | - | 235,661 | - | 235,661 | - | 235,661 |
| Total other comprehensive (loss) / income - net of tax | - | - | (110,739) | - | 11,858,834 | 5,629,026 | 235,661 | 461,557 | 18,074,339 | 468 | 18,074,807 |
| Transfer to statutory reserve | - | - | - | 1,770,937 | - | - | - | (1,770,937) | - | - | - |
| Transfer from surplus on revaluation of assets to unappropriated profit - net of tax | - | - | - | - | - | (100,565) | 540 | 100,025 | - | - | - |
| Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax | - | - | - | - | (94,108) | - | - | 94,108 | - | - | - |
| Transactions with owners, recorded directly in equity | | | | | | | | | | | |
| Interim cash dividend for the half year ended June 30, 2024 - 20% | - | - | - | - | - | - | - | (3,154,330) | (3,154,330) | - | (3,154,330) |
| Interim cash dividend for the nine months period ended September 30, 2024 - 20% | - | - | - | - | - | - | - | (3,154,330) | (3,154,330) | - | (3,154,330) |
| Balance as at December 31, 2024 (audited) | 15,771,651 | 4,731,049 | 12,425,956 | 26,309,920 | 15,952,719 | 17,553,045 | 314,715 | 88,305,939 | 181,364,994 | 21,703 | 181,386,697 |
| Impact of adoption of IFRS 9 - net of tax (note 4.1.2) | - | - | - | - | 365,607 | - | - | (81,096) | 284,511 | - | 284,511 |
| Balance as at January 01, 2025 after adoption of IFRS 9 / carried forward | 15,771,651 | 4,731,049 | 12,425,956 | 26,309,920 | 16,318,326 | 17,553,045 | 314,715 | 88,224,843 | 181,649,505 | 21,703 | 181,671,208 |

BANK ALFALAH LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED JUNE 30, 2025

| | Share capital | Capital reserves | | Statutory reserve | Surplus / (deficit) on revaluation of | | | Unappropriated profit | Sub-total | Non controlling interest | Total |
|---|---------------|------------------|------------------------------|-------------------|---------------------------------------|------------------------|--------------------|-----------------------|-------------|--------------------------|-------------|
| | | Share premium | Exchange translation reserve | | Investments | Property and equipment | Non banking assets | | | | |
| (Rupees in '000) | | | | | | | | | | | |
| Balance brought forward | 15,771,651 | 4,731,049 | 12,425,956 | 26,309,920 | 16,318,326 | 17,553,045 | 314,715 | 88,224,843 | 181,649,505 | 21,703 | 181,671,208 |
| Changes in equity for the half year ended June 30, 2025 | | | | | | | | | | | |
| Profit / (loss) after taxation | - | - | - | - | - | - | - | 15,061,187 | 15,061,187 | (1,811) | 15,059,376 |
| Other comprehensive income / (loss) - net of tax | | | | | | | | | | | |
| Effect of translation of net investment in foreign branches | - | - | 260,686 | - | - | - | - | - | 260,686 | - | 260,686 |
| Movement in surplus / (deficit) on revaluation of investments in debt securities classified as FVOCI - net of tax | - | - | - | - | 3,132,277 | - | - | - | 3,132,277 | - | 3,132,277 |
| Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax | - | - | - | - | (2,532,212) | - | - | - | (2,532,212) | - | (2,532,212) |
| Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax | - | - | - | - | 468,031 | - | - | - | 468,031 | - | 468,031 |
| Movement in share of surplus / (deficit) on revaluation of investments of associates - net of tax | - | - | - | - | (9,189) | - | - | - | (9,189) | - | (9,189) |
| Movement in surplus on revaluation of property and equipment - net of tax | - | - | - | - | - | (36,814) | - | - | (36,814) | - | (36,814) |
| Movement in surplus on revaluation of non-banking assets - net of tax | - | - | - | - | - | - | (10,410) | - | (10,410) | - | (10,410) |
| Total other comprehensive income / (loss) - net of tax | - | - | 260,686 | - | 1,058,907 | (36,814) | (10,410) | - | 1,272,369 | - | 1,272,369 |
| Transfer to statutory reserve | - | - | - | 1,527,458 | - | - | - | (1,527,458) | - | - | - |
| Transfer from surplus on revaluation of assets to unappropriated profit - net of tax | - | - | - | - | - | (60,769) | (10,070) | 70,839 | - | - | - |
| Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax | - | - | - | - | (133,278) | - | - | 133,278 | - | - | - |
| Transactions with owners, recorded directly in equity | | | | | | | | | | | |
| Derecognition of subsidiary | - | - | - | - | - | - | - | - | - | (19,892) | (19,892) |
| Final cash dividend for the year ended December 31, 2024 - 25% | - | - | - | - | - | - | - | (3,942,913) | (3,942,913) | - | (3,942,913) |
| Interim cash dividend for the quarter ended March 31, 2025 - 25% | - | - | - | - | - | - | - | (3,942,913) | (3,942,913) | - | (3,942,913) |
| Closing balance as at June 30, 2025 (un-audited) | 15,771,651 | 4,731,049 | 12,686,642 | 27,837,378 | 17,243,955 | 17,455,462 | 294,235 | 94,076,863 | 190,097,235 | - | 190,097,235 |

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

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

BANK ALFALAH LIMITED
CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited)
FOR THE HALF YEAR ENDED JUNE 30, 2025

| | Note | Half year ended | |
|--|------|------------------------------|---------------------|
| | | June 30, 2025 | June 30, 2024 |
| | | ----- (Rupees in '000) ----- | |
| | | (Restated) | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before taxation from continuing operations | | 34,147,802 | 42,378,767 |
| Profit before taxation from discontinued operations | 37.3 | 7,796 | - |
| Less: Dividend income | | (1,410,510) | (904,811) |
| Share of profit from associates | | (714,974) | (664,236) |
| | | <u>32,030,114</u> | <u>40,809,720</u> |
| Adjustments: | | | |
| Net mark-up / return / interest income | | (67,628,316) | (62,514,104) |
| Depreciation | | 2,915,054 | 2,170,697 |
| Depreciation on right-of-use assets | | 2,243,108 | 1,888,182 |
| Amortisation | | 200,225 | 172,601 |
| Credit loss allowance / (reversal of credit loss allowance) /provisions and write offs - net | | 892,084 | (231,993) |
| Unrealised loss / (gain) on revaluation of Investments classified as FVPL | | 326,209 | (215,538) |
| Unrealised gain on advances classified as FVPL | 31 | (56,483) | (30,724) |
| Gain on sale of property and equipment - net | 31 | (26,726) | (61,511) |
| Gain on sale of non banking assets - net | 31 | (3,368) | (27,800) |
| Gain on termination of leases - net | 31 | (54,117) | (52,740) |
| Staff loans - notional cost | 32.1 | 1,746,960 | 1,249,124 |
| Finance charges on leased assets | | 2,094,817 | 1,634,163 |
| Workers' welfare fund | | 821,570 | 919,944 |
| Charge for defined benefit plan | 32.1 | 480,951 | 335,649 |
| Charge for staff compensated absences | 32.1 | 176,000 | 105,000 |
| | | <u>(55,872,032)</u> | <u>(54,659,050)</u> |
| | | <u>(23,841,918)</u> | <u>(13,849,330)</u> |
| Decrease / (Increase) In operating assets | | | |
| Lendings to financial institutions | | (2,664,413) | 65,889,953 |
| Securities classified as FVPL | | 159,600,150 | (77,760,808) |
| Advances | | 98,640,822 | (43,241,589) |
| Other assets (excluding advance taxation and mark-up receivable) | | (21,444,479) | (9,125,352) |
| | | <u>234,132,080</u> | <u>(64,237,796)</u> |
| (Decrease) / increase in operating liabilities | | | |
| Bills payable | | 19,421,213 | 10,242,210 |
| Borrowings | | (576,005,280) | (55,978,885) |
| Deposits | | 151,494,090 | 16,001,254 |
| Other liabilities (excluding current taxation and mark-up payable) | | 10,558,664 | 25,167,863 |
| | | <u>(394,531,313)</u> | <u>(4,567,558)</u> |
| | | <u>(184,241,151)</u> | <u>(82,654,684)</u> |
| Mark-up / interest received | | 205,236,748 | 246,899,316 |
| Mark-up / interest paid | | (138,171,485) | (187,164,204) |
| Income tax paid | | (19,642,364) | (25,544,355) |
| Net cash used in operating activities | | <u>(136,818,252)</u> | <u>(48,463,927)</u> |
| Balance carried forward | | <u>(136,818,252)</u> | <u>(48,463,927)</u> |

BANK ALFALAH LIMITED
CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited)
FOR THE HALF YEAR ENDED JUNE 30, 2025

| | Note | Half year ended | |
|---|------|---|--------------------|
| | | June 30, 2025 | June 30, 2024 |
| | | ------(Rupees in '000)----- (Restated) | |
| Balance brought forward | | (136,818,252) | (48,463,927) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Net Investments in securities classified as FVOCI | | 203,577,759 | 116,438,486 |
| Net (divestments) / Investments in securities carried at amortised cost | | (917,320) | 2,865,822 |
| Dividends received from associates | | 44,993 | 254,993 |
| Dividends received from other investments | | 1,410,510 | 915,242 |
| Divestment from subsidiary | 37.2 | 388,732 | - |
| Investments in property and equipment and intangible assets | | (7,771,870) | (12,897,974) |
| Proceeds from sale of property and equipment | | 33,615 | 73,988 |
| Proceeds from sale of non-banking assets | | 27,089 | 267,800 |
| Effect of translation of net investment in foreign branches | | 260,686 | (1,655,279) |
| Net cash generated from Investing activities | | 197,054,194 | 106,263,078 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Payments of lease obligations against right-of-use assets | | (3,206,391) | (2,773,947) |
| Payment of right issuance cost | | - | (13,302) |
| Dividend paid | | (7,873,675) | (15,413,168) |
| Net cash used in financing activities | | (11,080,066) | (18,200,417) |
| Net increase in cash and cash equivalents | | 49,155,876 | 39,598,734 |
| Cash and cash equivalents at beginning of the period | | 231,145,707 | 249,771,375 |
| Effects of exchange rate changes on cash and cash equivalents | | 2,092,890 | (1,871,683) |
| | | 233,238,597 | 247,899,692 |
| Expected credit loss allowance on cash and cash equivalents - net | | (8,538) | (35,901) |
| Cash and cash equivalents of discontinued operations | | (1,442,577) | - |
| Cash and cash equivalents at end of the period | 39 | <u>280,943,358</u> | <u>287,462,525</u> |

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

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

BANK ALFALAH LIMITED
NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)
FOR THE HALF YEAR ENDED JUNE 30, 2025

1 STATUS AND NATURE OF BUSINESS

1.1 The "Group" consists of:

Holding Company : Bank Alfalah Limited, Pakistan

Bank Alfalah Limited (the Holding Company) is a banking company incorporated in Pakistan and is engaged in commercial banking and related services in Pakistan and overseas. The Holding Company's registered office is located at B.A. Building, I.I. Chundrigar Road, Karachi and its shares are listed on the Pakistan Stock Exchange. The Holding Company is engaged in banking services as described in the Banking Companies Ordinance, 1962. The Holding Company is operating through 1,172 branches (December 31, 2024: 1,141 branches) and 12 sub-branches (December 31, 2024: 12 sub-branches). Out of the 1,172 branches, 713 (December 31, 2024: 707) are conventional, 448 (December 31, 2024: 423) are Islamic, 10 (December 31, 2024: 10) are overseas and 1 (December 31 2024: 1) is an offshore banking unit.

| | Note | Percentage of Holding | |
|---|------|-----------------------|-------------------|
| | | June 30, 2025 | December 31, 2024 |
| Subsidiaries | | | |
| Alfalah Securities (Private) Limited (divestment during the current period) | 37 | - | 95.59% |
| Alfalah Currency Exchange (Private) Limited | | 100.00% | 100.00% |

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

Associates

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

2 BASIS OF PRESENTATION

2.1 STATEMENT OF COMPLIANCE

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

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

Wherever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of IFRS or IFAS, requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives have been followed.

The SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for banking companies through BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' on banks through its notification S.R.O 411(I)/2008 dated April 28, 2008. The SBP through BPRD Circular No. 04 of 2015 dated February 25, 2015 had deferred the applicability of Islamic Financial Accounting Standard-3 for Profit and Loss Sharing on Deposits (IFAS-3) issued by the Institute of Chartered Accountants of Pakistan (ICAP) and notified by the SECP, vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IIFS). Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements.

Moreover, Alfalah Insurance Company Limited has deferred the application of IFRS 9 till January 01, 2026, which is same as effective date for application of IFRS 17 - Insurance Contracts as allowed by the SECP through S.R.O. 506(i)/2024 dated March 29, 2024. Furthermore, Sapphire Wind Power Company Limited was granted a partial exemption from the application of IFRS 9 till December 31, 2025 vide SECP S.R.O. 1784(i)/2024- dated November 04, 2024. Consequently, the requirements of IFRS 9 with respect to application of Expected Credit Losses in respect of trade debts and other receivables due from Central Power Purchasing Agency (CPPA-G) have not been followed.

- 2.11** The disclosures made in these consolidated condensed interim financial statements have been limited based on the format prescribed by the SBP through BPRD Circular Letter No. 02 dated February 09, 2023 and the requirements of International Accounting Standard 34, "Interim Financial Reporting". These do not include all the information and disclosures required for annual financial statements, and therefore should be read in conjunction with the annual audited consolidated financial statements of the Group for the year ended December 31, 2024.

2.12 Basis of consolidation

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

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

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

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

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

Associates are those entities on which the Group has significant influence, but not control, over the financial and operating policies. Associates are accounted for using the equity method.

Non-controlling interests are that part of the net results of operations and of net assets of subsidiary which are not owned by the Holding Company.

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

- 2.14** The Holding Company 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 have been prepared on a going concern basis.

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

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Group's accounting periods beginning on or after January 01, 2025 but are considered not relevant or do not have any material effect on the Group's operations and are therefore not detailed in these consolidated condensed interim financial statements. The impact of IFRS 9 for the current period is disclosed in note 4.1.2 of these consolidated condensed interim financial statements. Further, the comparative period has been restated to incorporate the impact of adoption of IFRS 9 as disclosed in note 4.1.1.

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

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

- the new standard - IFRS 18 'Presentation and Disclosure in Financial Statements' (published in April 2024) with applicability date of January 01, 2027 by IASB. IFRS 18 is yet to be adopted in Pakistan. IFRS 18 when adopted and applicable shall impact the presentation of 'Statement of Profit and Loss Account' with certain additional disclosures in the consolidated condensed interim financial statements.
- amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.
- amendment to IAS 21 'The Effects of Changes in Foreign Exchange Rates' which will require Banks to apply a consistent approach in assessing whether a currency can be exchanged into another currency and, when it cannot, in determining the exchange rate to use and the disclosures to provide.

3 BASIS OF MEASUREMENT

3.1 Accounting convention

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

3.2 Functional and presentation currency

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

4 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the annual audited consolidated financial statements of the Group for the year ended December 31, 2024. Impacts of adoption of IFRS 9 for the comparative and current period are disclosed in note 4.1.

4.1 IFRS 9 - 'Financial Instruments'

4.1.1 The Holding Company had adopted IFRS 9 effective from January 01, 2024 with modified retrospective approach for restatement permitted under IFRS 9. The cumulative impact of initial application amounting to Rs. 2,751.995 million was recorded as an adjustment to equity at the beginning of the previous accounting period.

The Holding Company, in compliance with extended timelines prescribed in SBP's BPRD Circular Letter No. 16 dated July 29, 2024 and BPRD Circular Letter No. 01 dated January 22, 2025 had incorporated certain IFRS 9 related impacts in the last quarter of 2024. Therefore the consolidated condensed interim statement of profit and loss account (un-audited) for the half year ended June 30, 2024 have been restated to incorporate these impacts. Had the restatement not been incorporated the profit after tax and total comprehensive income for the half year ended June 30, 2024 would have been higher by Rs. 10.416 million. The details are tabulated below:

| Head | | (Rupees in '000) | Description |
|--------------------------------------|----------|------------------|--|
| Mark-up / return / interest earned | Increase | 1,345,058 | Fair value impact of subsidised advances and modification of advances |
| Mark-up / return / Interest earned | Increase | 1,249,124 | Fair value impact on staff loans |
| Other income | Increase | 30,724 | Fair value impact on advances measured at fair value through profit and loss |
| | | 2,624,906 | |
| Mark-up / return / interest expensed | Increase | 1,396,206 | Fair value impact on subsidised borrowings |
| Operating expenses | Increase | 1,249,124 | Fair value impact on staff loans |
| | | 2,645,330 | |
| Taxation | Decrease | 10,008 | Tax impact of restatement |

4.1.2 During the current period, in accordance with BPRD Circular No. 03 of 2022 dated July 05, 2022 and BPRD Circular Letter No. 16 dated July 29, 2024 the Group has applied IFRS 9 'Financial Instruments' for Bangladesh Operations and measured unquoted equity securities at fair value. The cumulative impact of application in current period amounting to Rs. 284.511 million net of tax has been recorded as an adjustment to equity at the beginning of the current period.

4.1.3 The SBP has directed the Banks through its BPRD Circular Letter No. 1 dated January 22, 2025 to continue the existing revenue recognition methodology for Islamic Operations, including the requirements of IFAS 1 and IFAS 2 until further instructions. Had IFRS 9 been adopted in its entirety for revenue recognition from Islamic operations, the profit after tax of the Group would have been higher by Rs. 134.636 million.

4.1.4 The SBP in a separate instruction SBPHOK-BPRD-RPD-BAF-834424 dated January 22, 2025 has allowed extension for application of Effective Interest Rate up to December 31, 2025.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

The significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation were the same as those applied in the preparation of annual audited financial statements for the year ended December 31, 2024 except for matters related to IFRS 9 which have been disclosed in note 4.1 to these consolidated condensed interim financial statements.

6 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Group are consistent with those disclosed in the annual audited consolidated financial statements for the year ended December 31, 2024.

| | Note | (Un-audited) June 30, 2025 | (Audited) December 31, 2024 |
|--|------|----------------------------------|-----------------------------------|
| | | ----- (Rupees in '000) ----- | |
| 7 CASH AND BALANCES WITH TREASURY BANKS | | | |
| In hand | | | |
| - local currency | | 48,415,186 | 48,338,529 |
| - foreign currency | | 4,635,499 | 5,619,401 |
| | | 53,050,685 | 53,957,930 |
| With State Bank of Pakistan in | | | |
| - local currency current accounts | | 65,889,757 | 92,353,394 |
| - foreign currency current accounts | | 7,926,927 | 7,192,719 |
| - foreign currency deposit accounts | | 12,772,008 | 10,832,548 |
| | | 86,588,692 | 110,378,661 |
| With other central banks in | | | |
| - foreign currency current accounts | | 63,356,120 | 60,980,202 |
| - foreign currency deposit accounts | | 1,557,796 | 1,820,112 |
| | | 64,913,916 | 62,800,314 |
| With National Bank of Pakistan in local currency current account | | 10,868,492 | 628,396 |
| Prize bonds | | 99,814 | 119,605 |
| | | 215,521,599 | 227,884,906 |
| Less: Credit loss allowance held against cash and balances with treasury banks | | (16,237) | (16,005) |
| Cash and balances with treasury banks - net of credit loss allowance | | 215,505,362 | 227,868,901 |
| 8 BALANCES WITH OTHER BANKS | | | |
| In Pakistan | | | |
| - in current accounts | | 35,165 | 803,655 |
| - in deposit accounts | | - | 477,299 |
| | | 35,165 | 1,280,954 |
| Outside Pakistan | | | |
| - in current accounts | | 17,425,953 | 18,406,200 |
| - in deposit accounts | | 32,054 | 31,982 |
| | | 17,458,007 | 18,438,182 |
| | | 17,493,172 | 19,719,136 |
| Less: Credit loss allowance held against balances with other banks | | (14,196) | (5,890) |
| Balances with other banks - net of credit loss allowance | | 17,478,976 | 19,713,246 |
| 9 LENDINGS TO FINANCIAL INSTITUTIONS | | | |
| Call / clean money lendings | | 51,624,880 | 1,792,764 |
| Repurchase agreement lendings (Reverse Repo) | | 102,270,862 | 94,208,913 |
| Bai Muajjal receivable - other financial institution | | - | 4,997,525 |
| | | 153,895,742 | 100,999,202 |
| Less: Credit loss allowance held against lending to financial institutions | 9.1 | (671) | (879) |
| Lending to financial institutions - net of credit loss allowance | | 153,895,071 | 100,998,323 |

| June 30, 2025 (Un-audited) | | December 31, 2024 (Audited) | |
|-------------------------------|----------------------------|--------------------------------|----------------------------|
| Lending | Credit loss allowance held | Lending | Credit loss allowance held |

9.1 Lending to Financial Institutions - Particulars of credit loss allowance

(Rupees in '000)

| | | | | | |
|-----------------|---------|--------------------|------------|--------------------|------------|
| Domestic | | | | | |
| Performing | Stage 1 | 152,970,862 | 595 | 99,606,438 | 754 |
| Overseas | | | | | |
| Performing | Stage 1 | 924,880 | 76 | 1,392,764 | 125 |
| Total | | 153,895,742 | 671 | 100,999,202 | 879 |

10 INVESTMENTS

10.1 Investments by type:

| June 30, 2025 (Un-audited) | | | | December 31, 2024 (Audited) | | | |
|----------------------------|--|---------------------|----------------|-----------------------------|--|---------------------|----------------|
| Cost / amortised cost | Credit loss allowance / provision for diminution | Surplus / (deficit) | Carrying value | Cost / amortised cost | Credit loss allowance / provision for diminution | Surplus / (deficit) | Carrying value |

(Rupees in '000)

Fair value through profit and loss

| | | | | | | | | |
|---|-------------|---|-----------|-------------|-------------|---|-----------|-------------|
| Federal Government Securities | | | | | | | | |
| - Market Treasury Bills | 42,060,822 | - | (11,351) | 42,049,471 | 74,055,824 | - | (5,499) | 74,050,325 |
| - Pakistan Investment Bonds | 56,814,754 | - | 53,544 | 56,868,298 | 183,813,135 | - | 47,072 | 183,960,207 |
| - Ijarah Sukuks | 260,372 | - | 716 | 261,088 | 1,733,628 | - | 10,084 | 1,743,712 |
| - Naya Pakistan Certificates | 1,009,002 | - | - | 1,009,002 | 2,651,621 | - | - | 2,651,621 |
| Shares | | | | | | | | |
| - Ordinary Shares - Listed | 4,693,696 | - | (124,974) | 4,568,722 | 2,451,629 | - | 1,133,300 | 3,584,929 |
| - Preference Shares - Unlisted | - | - | - | - | - | - | 500,000 | 500,000 |
| Non Government Debt Securities | | | | | | | | |
| - Term Finance Certificates | 1,450,000 | - | - | 1,450,000 | 1,450,000 | - | - | 1,450,000 |
| - Sukuks | 422,444 | - | 957 | 423,401 | 422,000 | - | 444 | 422,444 |
| Foreign Securities | | | | | | | | |
| - Overseas Bonds - Sovereign | 15,095,846 | - | (16,938) | 15,078,908 | 13,043,880 | - | (6,799) | 13,037,081 |
| - Redeemable Participating Certificates | 8,255,474 | - | (221,655) | 8,033,819 | 5,913,093 | - | 2,401,955 | 8,315,048 |
| | 130,062,410 | - | (319,701) | 129,742,709 | 285,634,810 | - | 4,080,557 | 289,715,367 |

Fair value through other comprehensive income

| | | | | | | | | |
|---------------------------------------|----------------------|--------------------|-------------------|----------------------|----------------------|--------------------|-------------------|----------------------|
| Federal Government Securities | | | | | | | | |
| - Market Treasury Bills | 12,759,353 | - | 75,315 | 12,834,668 | 22,155,073 | - | 429,662 | 22,584,735 |
| - Pakistan Investment Bonds | 841,086,522 | - | 18,734,858 | 859,821,380 | 1,009,681,395 | - | 14,952,851 | 1,024,634,246 |
| - Ijarah Sukuks | 217,773,294 | - | 6,764,086 | 224,537,380 | 241,695,919 | - | 9,230,018 | 250,925,937 |
| - Government of Pakistan Euro Bonds | 12,178,653 | (1,947,664) | 1,178,820 | 11,409,809 | 12,368,725 | (2,145,627) | 922,305 | 11,145,403 |
| Shares | | | | | | | | |
| - Ordinary Shares - Listed | 13,158,541 | - | 5,733,660 | 18,892,201 | 10,202,508 | - | 4,768,790 | 14,971,298 |
| - Ordinary Shares - Unlisted | 1,319,051 | - | 2,080,704 | 3,399,755 | 1,351,363 | - | 1,471,825 | 2,823,188 |
| - Preference Shares - Unlisted | 25,000 | (25,000) | - | - | 25,000 | (25,000) | - | - |
| Non Government Debt Securities | | | | | | | | |
| - Term Finance Certificates | 1,942,200 | (108,526) | - | 1,833,674 | 2,076,398 | (111,745) | - | 1,964,653 |
| - Sukuks | 15,361,416 | (96,511) | (92,228) | 15,172,677 | 15,584,244 | (96,511) | 140,246 | 15,627,979 |
| Foreign Securities | | | | | | | | |
| - Overseas Bonds - Sovereign | 49,102,235 | (71,070) | (872,353) | 48,158,812 | 50,691,578 | (77,534) | (1,417,964) | 49,196,080 |
| - Overseas Bonds - Others | 24,023,296 | (5,992) | (678,330) | 23,338,974 | 26,231,004 | (7,505) | (1,030,029) | 25,193,470 |
| - Equity Securities - Listed | 270,436 | - | (15,754) | 254,682 | 265,427 | - | (8,246) | 257,181 |
| - Preference Shares - Unlisted | 567,545 | - | - | 567,545 | 557,108 | - | - | 557,108 |
| REIT Fund - Listed | 1,072,965 | - | 407,336 | 1,480,301 | 1,000,489 | - | 514,493 | 1,514,982 |
| | 1,190,640,507 | (2,254,763) | 33,316,114 | 1,221,701,858 | 1,393,886,231 | (2,463,922) | 29,973,951 | 1,421,396,260 |
| Balance carried forward | 1,320,702,917 | (2,254,763) | 32,996,413 | 1,351,444,567 | 1,679,521,041 | (2,463,922) | 34,054,508 | 1,711,111,627 |

10.1 Investments by type:

| | June 30, 2025 (Un-audited) | | | | December 31, 2024 (Audited) | | | |
|---|----------------------------|--|---------------------|----------------------|-----------------------------|--|---------------------|----------------------|
| | Cost / amortised cost | Credit loss allowance / provision for diminution | Surplus / (deficit) | Carrying value | Cost / amortised cost | Credit loss allowance / provision for diminution | Surplus / (deficit) | Carrying value |
| (Rupees in '000) | | | | | | | | |
| Balance brought forward | 1,320,702,917 | (2,254,763) | 32,996,413 | 1,351,444,567 | 1,679,521,041 | (2,463,922) | 34,054,508 | 1,711,111,627 |
| Amortised cost | | | | | | | | |
| Federal Government Securities | | | | | | | | |
| - Pakistan Investment Bonds | 217,132,123 | - | - | 217,132,123 | 218,414,195 | - | - | 218,414,195 |
| - Ijarah Sukuks | 40,427,531 | - | - | 40,427,531 | 40,376,451 | - | - | 40,376,451 |
| Non Government Debt Securities | | | | | | | | |
| - Term Finance Certificates | 387,180 | (24,724) | - | 362,456 | 324,680 | (24,715) | - | 299,965 |
| - Sukuks | 3,250,645 | (56,413) | - | 3,194,232 | 3,509,612 | (56,421) | - | 3,453,191 |
| Foreign Securities | | | | | | | | |
| - Overseas Bonds - Sovereign | 17,939,771 | (53,970) | - | 17,885,801 | 15,601,311 | (216) | - | 15,601,095 |
| | 279,137,250 | (135,107) | - | 279,002,143 | 278,226,249 | (81,352) | - | 278,144,897 |
| Associates (valued at equity method) | | | | | | | | |
| - Alfalah Insurance Company Limited | 1,027,140 | - | - | 1,027,140 | 991,493 | - | - | 991,493 |
| - Sapphire Wind Power Company Limited | 5,429,227 | - | - | 5,429,227 | 4,945,252 | - | - | 4,945,252 |
| - Alfalah Asset Management Limited | 1,120,208 | - | - | 1,120,208 | 988,992 | - | - | 988,992 |
| | 7,576,575 | - | - | 7,576,575 | 6,925,737 | - | - | 6,925,737 |
| Total investments | 1,607,416,742 | (2,389,870) | 32,996,413 | 1,638,023,285 | 1,964,673,027 | (2,545,274) | 34,054,508 | 1,996,182,261 |

10.2 Particulars of assets and liabilities of associates

| | Associate | Country of Incorporation | Percentage of holding | June 30, 2025 (Un-audited) | | | | |
|-------------------------------------|-----------|--------------------------|-----------------------|-----------------------------|-------------|----------------------------|-----------------------|----------------------------|
| | | | | Assets | Liabilities | Revenue | Profit for the period | Total Comprehensive Income |
| | | | | (Rupees In '000) | | | | |
| Alfalah Insurance Company Limited | Associate | Pakistan | 30.00% | 9,067,098 | 5,652,907 | 1,547,909 | 332,611 | 268,801 |
| Sapphire Wind Power Company Limited | Associate | Pakistan | 30.00% | 19,794,137 | 2,503,947 | 2,919,833 | 1,613,250 | 1,613,250 |
| Alfalah Asset Management Limited | Associate | Pakistan | 40.22% | 3,647,374 | 862,169 | 1,438,243 | 341,143 | 341,143 |
| | Associate | Country of Incorporation | Percentage of holding | December 31, 2024 (Audited) | | June 30, 2024 (Un-audited) | | |
| | | | | Assets | Liabilities | Revenue | Profit for the period | Total Comprehensive Income |
| | | | | (Rupees In '000) | | | | |
| Alfalah Insurance Company Limited | Associate | Pakistan | 30.00% | 7,622,491 | 4,327,101 | 1,322,373 | 353,768 | 392,855 |
| Sapphire Wind Power Company Limited | Associate | Pakistan | 30.00% | 19,530,002 | 3,853,062 | 3,011,661 | 1,640,280 | 1,640,280 |
| Alfalah Asset Management Limited | Associate | Pakistan | 40.22% | 3,473,064 | 1,014,104 | 744,265 | 169,227 | 169,227 |

| | (Un-audited) June 30, 2025 ----- (Rupees in 000) ----- | (Audited) December 31, 2024 |
|---|---|-----------------------------------|
| 10.3 Investments given as collateral | | |
| - Market Treasury Bills | - | 18,948,162 |
| - Pakistan Investment Bonds | 409,993,123 | 952,096,877 |
| - Overseas Bonds | 11,762,845 | 8,759,125 |
| | <u>421,755,968</u> | <u>979,804,164</u> |

10.3.1 The market value of securities given as collateral is Rs. 426,304.813 million (December 31, 2024: Rs. 993,194.012 million).

| | (Un-audited) June 30, 2025 ----- (Rupees in 000) ----- | (Audited) December 31, 2024 |
|--|---|-----------------------------------|
| 10.4 Credit loss allowance / provision for diminution in value of Investments | | |
| 10.4.1 Opening balance | 2,545,274 | 3,355,413 |
| Impact of adoption of IFRS 9 | 60,074 | (437,729) |
| Balance as at January 01 after adopting IFRS 9 | <u>2,605,348</u> | <u>2,917,684</u> |
| Exchange and other adjustments | 42,146 | (29,753) |
| Charge / (reversals) | | |
| Charge for the period / year | 80,531 | 236,742 |
| Reversals for the period / year | (144,830) | (578,980) |
| Reversal on disposals | (193,325) | (419) |
| | <u>(257,624)</u> | <u>(342,657)</u> |
| Closing Balance | <u>2,389,870</u> | <u>2,545,274</u> |

10.4.2 Particulars of credit loss allowance / provision against debt securities

| Category of classification | | June 30, 2025 (Un-audited) | | December 31, 2024 (Audited) | |
|------------------------------|---------|-------------------------------|--|--------------------------------|--|
| | | Outstanding amount | Credit loss allowance / Provision held | Outstanding amount | Credit loss allowance / Provision held |
| ----- (Rupees in '000) ----- | | | | | |
| Domestic | | | | | |
| Performing | Stage 1 | 806,250 | 85 | 806,250 | 85 |
| Underperforming | Stage 2 | - | - | - | - |
| Non-performing | Stage 3 | - | - | - | - |
| Substandard | | - | - | - | - |
| Doubtful | | - | - | - | - |
| Loss | | <u>311,089</u> | <u>311,089</u> | <u>314,307</u> | <u>314,307</u> |
| | | <u>1,117,339</u> | <u>311,174</u> | <u>1,120,557</u> | <u>314,392</u> |
| Overseas | | | | | |
| Performing | Stage 1 | 91,065,302 | 131,032 | 78,312,741 | 85,255 |
| Performing | | - | - | 14,211,152 | - |
| Underperforming | Stage 2 | 12,178,653 | 1,947,664 | 12,368,725 | 2,145,627 |
| Non-performing | Stage 3 | - | - | - | - |
| Substandard | | - | - | - | - |
| Doubtful | | - | - | - | - |
| Loss | | - | - | - | - |
| Total | | <u>104,361,294</u> | <u>2,389,870</u> | <u>106,013,175</u> | <u>2,545,274</u> |

10.4.3 The market value of securities classified at amortised cost as at June 30, 2025 amounted to Rs. 282,053.215 million (December 31, 2024: Rs. 279,284.570 million).

11 ADVANCES

| Nota | Performing | | Non Performing | | Total | |
|--|-------------------------------|-----------------------------|-------------------------------|-----------------------------|-------------------------------|-----------------------------|
| | June 30, 2025 (Un-audited) | December 31, 2024 (Audited) | June 30, 2025 (Un-audited) | December 31, 2024 (Audited) | June 30, 2025 (Un-audited) | December 31, 2024 (Audited) |
| (Rupees in '000) | | | | | | |
| Classified at amortised cost | | | | | | |
| Loans, cash credits, running finances, etc. | 781,181,370 | 929,992,948 | 38,228,807 | 36,406,677 | 819,410,177 | 966,399,625 |
| Islamic financing and related assets | 205,936,454 | 166,361,932 | 5,458,170 | 5,688,223 | 211,394,624 | 172,050,155 |
| Bills discounted and purchased | 24,192,002 | 16,129,793 | 198,704 | 269,602 | 24,390,706 | 16,399,395 |
| | <u>1,011,309,826</u> | <u>1,112,484,673</u> | <u>43,885,681</u> | <u>42,364,502</u> | <u>1,055,195,507</u> | <u>1,154,849,175</u> |
| Classified at FVPL | | | | | | |
| Loans, cash credits, running finances, etc. | 2,250,000 | 1,200,000 | - | - | 2,250,000 | 1,200,000 |
| Fair value adjustment on loans - FVPL | 270,218 | 213,735 | - | - | 270,218 | 213,735 |
| | <u>2,520,218</u> | <u>1,413,735</u> | <u>-</u> | <u>-</u> | <u>2,520,218</u> | <u>1,413,735</u> |
| Advances - gross | <u>1,013,830,044</u> | <u>1,113,898,408</u> | <u>43,885,681</u> | <u>42,364,502</u> | <u>1,057,715,725</u> | <u>1,156,262,910</u> |
| Credit loss allowance / provision against advances | | | | | | |
| - Stage 1 | 11.4 (1,778,969) | (2,232,954) | - | - | (1,778,969) | (2,232,954) |
| - Stage 2 | 11.4 (1,206,374) | (1,388,083) | - | - | (1,206,374) | (1,388,083) |
| - Stage 3 | 11.4 - | - | (40,122,979) | (38,440,559) | (40,122,979) | (38,440,559) |
| - Specific | 11.4 - | - | - | (587,690) | - | (587,690) |
| - General | 11.4 (4,111,177) | (4,237,082) | - | - | (4,111,177) | (4,237,082) |
| | <u>(7,096,520)</u> | <u>(7,858,119)</u> | <u>(40,122,979)</u> | <u>(39,028,249)</u> | <u>(47,219,499)</u> | <u>(46,886,368)</u> |
| Advances - net of credit loss allowance / provision | <u>1,006,733,524</u> | <u>1,106,040,289</u> | <u>3,762,702</u> | <u>3,336,253</u> | <u>1,010,496,226</u> | <u>1,109,376,542</u> |

11.1 Advances include an amount of Rs. 425.928 million (December 31, 2024: Rs. 395.404 million), being Employee Loan facilities allowed to Citibank, N.A, Pakistan's employees, which were either taken over by the Holding Company, or were granted afresh, under a specific arrangement executed between the Holding Company and Citibank, N.A, Pakistan. The said arrangement is subject to certain relaxations as specified vide SBP Letter BPRD/BRD/Citi/2017/21089 dated September 11, 2017.

The said arrangement covers only existing employees of Citibank, N.A, Pakistan, and the relaxations allowed by the SBP are on continual basis, but subject to review by the SBP's BID and OSED departments. These loans carry mark-up at the rates ranging from 13.94% to 33.69% (December 31, 2024: 14.83% to 33.69%) per annum with maturities up to October 2043 (December 31, 2024: October 2043).

| | (Un-audited) June 30, 2025 | (Audited) December 31, 2024 |
|---|----------------------------------|-----------------------------------|
| 11.2 Particulars of advances (gross) | ----- (Rupees in '000) ----- | |
| In local currency | 965,076,069 | 1,038,688,031 |
| In foreign currencies | 92,639,656 | 117,574,879 |
| | <u>1,057,715,725</u> | <u>1,156,262,910</u> |

11.3 Advances include Rs. 43,885.681 million (December 31, 2024: Rs. 42,364.502 million) which have been placed under non-performing status as detailed below:

| Category of Classification | June 30, 2025 (Un-audited) | | December 31, 2024 (Audited) | |
|---|-------------------------------|--|--------------------------------|--|
| | Non-Performing Loans | Credit loss allowance /provision | Non-Performing Loans | Credit loss allowance /provision |
| (Rupees in '000) | | | | |
| Domestic | | | | |
| Other Assets Especially Mentioned (OAE) | 269,574 | - | 237,808 | - |
| Substandard | 2,404,019 | 947,201 | 2,991,264 | 1,260,906 |
| Doubtful | 3,706,756 | 1,835,308 | 2,311,039 | 1,103,457 |
| Loss | 36,832,335 | 36,728,566 | 36,168,946 | 36,076,196 |
| | <u>43,212,684</u> | <u>39,511,075</u> | <u>41,709,057</u> | <u>38,440,559</u> |
| Overseas | | | | |
| Substandard | - | - | 38,700 | 23,355 |
| Doubtful | - | - | - | - |
| Loss | 672,997 | 611,904 | 616,745 | 564,335 |
| | <u>672,997</u> | <u>611,904</u> | <u>655,445</u> | <u>587,690</u> |
| Total | <u>43,885,681</u> | <u>40,122,979</u> | <u>42,364,502</u> | <u>39,028,249</u> |

11.4 Particulars of Credit loss allowance / provision against advances

| | June 30, 2025 (Un-audited) | | | | December 31, 2024 (Audited) | | | | | | | | |
|--|----------------------------|-----------|-------------|-----------|-----------------------------|-------------|----------------------|-----------|-------------|--------------|-------------|--------------|--|
| | Expected Credit Loss | | | Specific | General | Total | Expected Credit Loss | | | Specific | General | Total | |
| | Stage 1 | Stage 2 | Stage 3 | | | | Stage 1 | Stage 2 | Stage 3 | | | | |
| (Rupees in '000) | | | | | | | | | | | | | |
| Opening balance | 2,232,954 | 1,388,083 | 38,440,559 | 587,690 | 4,237,082 | 46,886,368 | - | - | - | 32,374,940 | 9,861,797 | 42,236,737 | |
| Impact of adoption of IFRS 9 | 50,662 | 49,899 | 587,751 | (587,690) | - | 100,622 | 3,383,875 | 1,941,645 | 33,605,109 | (31,884,624) | (1,715,503) | 5,330,502 | |
| Balance as at January 01 after adopting IFRS 9 | 2,283,616 | 1,437,982 | 39,028,310 | - | 4,237,082 | 46,986,990 | 3,383,875 | 1,941,645 | 33,605,109 | 490,316 | 8,146,294 | 47,567,239 | |
| Exchange and other adjustments | 2,199 | - | (4,713) | - | (3,449) | (5,963) | (249) | - | - | (49,929) | (35,775) | (85,953) | |
| Charge for the period / year | 264,689 | 434,011 | 5,024,607 | - | - | 5,723,307 | 589,912 | 228,688 | 14,212,577 | 148,294 | - | 15,179,471 | |
| Reversals for the period / year | (703,294) | (624,139) | (3,359,807) | - | (222,456) | (4,809,696) | (1,576,721) | (680,132) | (7,187,019) | (991) | (3,873,437) | (13,318,300) | |
| | (438,605) | (190,128) | 1,664,800 | - | (222,456) | 913,611 | (986,809) | (451,444) | 7,025,558 | 147,303 | (3,873,437) | 1,861,171 | |
| Transfer | (68,241) | (41,480) | 109,721 | - | - | - | (163,863) | (102,118) | 265,981 | - | - | - | |
| Amounts written off | - | - | (9,465) | - | - | (9,465) | - | - | (19,688) | - | - | (19,688) | |
| Amounts charged off | - | - | (635,382) | - | - | (635,382) | - | - | (2,310,924) | - | - | (2,310,924) | |
| Amounts charged off - agriculture financing | - | - | (25,746) | - | - | (25,746) | - | - | (125,477) | - | - | (125,477) | |
| Reversal on derecognition of subsidiary | - | - | (4,546) | - | - | (4,546) | - | - | - | - | - | - | |
| | (68,241) | (41,480) | (565,418) | - | - | (675,139) | (163,863) | (102,118) | (2,190,108) | - | - | (2,456,089) | |
| Closing balance | 1,778,969 | 1,206,374 | 40,122,979 | - | 4,111,177 | 47,219,499 | 2,232,954 | 1,388,083 | 38,440,559 | 587,690 | 4,237,082 | 46,886,368 | |

11.4.1 The additional profit arising from availing the forced sales value (FSV) benefit - net of tax as at June 30, 2025 which is not available for distribution as either cash or stock dividend to shareholders / bonus to employees amounted to Rs. 85.883 million (December 31, 2024: Rs. 79.607 million).

11.4.2 During the period, non performing loans and provisions were reduced by Rs. 442.462 million (December 31, 2024: Rs. 5,317.765 million) due to debt property swap transactions.

11.4.3 General provision includes:

- (i) Provision held at overseas branches to meet the requirements of the regulatory authorities of the respective countries in which overseas branches operate; and
- (ii) Provision of Rs. 3,878.000 million (December 31, 2024: Rs. 3,878.000 million) against the high risk portfolio, which is showing higher economic vulnerability. The portfolio excludes GoP backed exposure, staff loans and loans secured against liquid collaterals.

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

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

| | June 30, 2025 (Un-audited) | | | | December 31, 2024 (Audited) | | | | | | | |
|--|----------------------------|-----------|-------------|-----------|-----------------------------|-------------|----------------------|-----------|-------------|--------------|-------------|--------------|
| | Expected Credit Loss | | | Total | General | Specific | Expected Credit Loss | | | General | Total | |
| | Stage 1 | Stage 2 | Stage 3 | | | | Stage 1 | Stage 2 | Stage 3 | | | |
| | (Rupees in '000) | | | | | | | | | | | |
| Opening balance | 2,232,954 | 1,388,083 | 38,440,559 | 587,690 | 4,237,082 | 46,886,368 | - | - | - | 32,374,940 | 9,861,797 | 42,236,737 |
| Impact of adoption of IFRS 9 | 50,662 | 49,899 | 587,751 | (587,690) | - | 100,622 | 3,383,875 | 1,941,645 | 33,605,109 | (31,884,624) | (1,715,503) | 5,330,502 |
| Balance as at January 01 after adopting IFRS 9 | 2,283,616 | 1,437,982 | 39,028,310 | - | 4,237,082 | 46,986,990 | 3,383,875 | 1,941,645 | 33,605,109 | 490,316 | 8,146,294 | 47,567,239 |
| Exchange and other adjustments | 2,199 | - | (4,713) | - | (3,449) | (5,963) | (249) | - | - | (49,929) | (35,775) | (85,953) |
| New Advances | 264,689 | 434,011 | 3,725,672 | - | - | 4,424,372 | 589,912 | 228,688 | 10,739,861 | 55,479 | - | 11,613,940 |
| Due to credit deterioration | - | - | 1,298,935 | - | - | 1,298,935 | - | - | 3,472,716 | 92,815 | - | 3,565,531 |
| Advances derecognised or repaid / reversal | (694,713) | (304,245) | (3,236,276) | - | (122,456) | (4,357,690) | (1,348,975) | (337,218) | (6,805,825) | (991) | (3,873,437) | (12,366,446) |
| Transfer to stage 1 | 43,421 | (43,421) | - | - | - | - | 209,329 | (209,329) | - | - | - | - |
| Transfer to stage 2 | (105,876) | 105,876 | - | - | - | - | (342,027) | 342,027 | - | - | - | - |
| Transfer to stage 3 | (5,786) | (103,935) | 109,771 | - | - | - | (31,165) | (234,816) | 265,981 | - | - | - |
| Changes in risk parameters | (8,581) | (319,894) | (123,531) | - | - | (452,006) | (227,746) | (342,914) | (381,194) | - | - | (951,854) |
| | (506,846) | (231,608) | 1,774,521 | - | (122,456) | 913,611 | (1,150,672) | (553,562) | 7,291,539 | 147,303 | (3,873,437) | 1,861,171 |
| Amounts written off | - | - | (9,469) | - | - | (9,469) | - | - | (19,688) | - | - | (19,688) |
| Amounts charged off | - | - | (661,128) | - | - | (661,128) | - | - | (2,436,401) | - | - | (2,436,401) |
| Reversal on derecognition of subsidiary | - | - | (4,546) | - | - | (4,546) | - | - | - | - | - | - |
| Closing balance | 1,778,969 | 1,206,374 | 40,122,979 | - | 4,111,177 | 47,219,499 | 2,232,954 | 1,388,083 | 38,440,559 | 587,690 | 4,237,082 | 46,886,368 |

11.6 Particulars of charged-off loans/ advances / finances

| | June 30, 2025 (Un-audited) | | December 31, 2024 (Audited) | |
|---|----------------------------|----------------|-----------------------------|----------------|
| | No of borrowers | Rupees in '000 | No of borrowers | Rupees in '000 |
| Corporate, Commercial and SME | | | | |
| Opening balance of charged-off | 186 | 2,982,475 | 44 | 2,267,137 |
| Charge-off during the period / year | 160 | 152,889 | 145 | 1,331,003 |
| Sub total | 346 | 3,135,364 | 189 | 3,598,140 |
| Recoveries made during the period / year | | | | |
| against already charged-off cases | 12 | 175,281 | 2 | 247,585 |
| Amount written off from already charged off loans | - | - | - | - |
| Other movement | - | - | 1 | 368,080 |
| Closing balance of charged-offs | 334 | 2,960,083 | 186 | 2,982,475 |

11.7 Advances - Category of classification

| | | June 30, 2025 (Un-audited) | | December 31, 2024 (Audited) | |
|--|---------|----------------------------|----------------------------------|-----------------------------|----------------------------------|
| | | Outstanding | Credit loss allowance /provision | Outstanding | Credit loss allowance /provision |
| (Rupees in '000) | | | | | |
| Domestic | | | | | |
| Performing | Stage 1 | 843,002,879 | 1,634,444 | 950,300,612 | 2,101,954 |
| Underperforming | Stage 2 | 132,246,040 | 1,138,076 | 112,325,725 | 1,388,083 |
| Non-Performing | Stage 3 | | | | |
| Other Assets Especially Mentioned (OAEM) | | 269,574 | - | 237,808 | - |
| Substandard | | 2,404,019 | 947,201 | 2,991,264 | 1,260,906 |
| Doubtful | | 3,706,756 | 1,835,308 | 2,311,039 | 1,103,457 |
| Loss | | 36,832,335 | 36,728,566 | 36,168,946 | 36,076,196 |
| General Provision | | - | 3,878,000 | - | 3,878,000 |
| | | 1,018,461,603 | 46,161,595 | 1,104,335,394 | 45,808,596 |
| Overseas | | | | | |
| Performing | Stage 1 | 35,163,062 | 144,525 | 51,272,071 | 131,000 |
| Underperforming | Stage 2 | 3,418,064 | 68,298 | - | - |
| Non-Performing | Stage 3 | | | | |
| Other Assets Especially Mentioned (OAEM) | | - | - | - | - |
| Substandard | | - | - | 38,700 | 23,355 |
| Doubtful | | - | - | - | - |
| Loss | | 672,996 | 611,904 | 616,745 | 564,335 |
| General Provision | | - | 233,177 | - | 359,082 |
| | | 39,254,122 | 1,057,904 | 51,927,516 | 1,077,772 |
| Total | | 1,057,715,725 | 47,219,499 | 1,156,262,910 | 46,886,368 |

12 PROPERTY AND EQUIPMENT

| | Note | (Un-audited) June 30, 2025 | (Audited) December 31, 2024 |
|--------------------------|------|-------------------------------|--------------------------------|
| (Rupees in '000) | | | |
| Capital work-in-progress | 12.1 | 4,576,231 | 3,473,754 |
| Property and equipment | 12.2 | 63,758,534 | 60,200,095 |
| | | 68,334,765 | 63,673,849 |

12.1 Capital work-in-progress

| | | |
|-------------|------------------|------------------|
| Civil works | 3,678,254 | 3,190,303 |
| Equipment | 868,885 | 252,122 |
| Others | 29,092 | 31,329 |
| | 4,576,231 | 3,473,754 |

12.2 It includes land and buildings carried at revalued amount of Rs. 40,013.824 million (December 31, 2024: Rs. 39,448.429 million).

| | | (Un-audited) Half year ended | |
|--|--|----------------------------------|-----------------------------------|
| | | June 30, 2025 | June 30, 2024 |
| | | ----- (Rupees in 000) ----- | |
| 12.3 | Additions to property and equipment | | |
| The following additions were made to property and equipment during the period: | | | |
| | Capital work-in-progress - net of transferred out for capitalisation | 1,102,477 | 272,228 |
| | Property and equipment | | |
| | Freehold land | 283,710 | 1,244,879 |
| | Leasehold land | - | 5,604,974 |
| | Buildings on freehold land | 234,372 | 565,440 |
| | Buildings on leasehold land | 204,571 | 355,244 |
| | Leasehold improvements | 1,879,716 | 1,464,151 |
| | Furniture and fixtures | 461,757 | 431,032 |
| | Office equipments | 2,217,782 | 2,195,254 |
| | Vehicles | 1,219,504 | 429,346 |
| | | 6,501,412 | 12,290,320 |
| | Total additions to property and equipment | 7,603,889 | 12,562,548 |
| 12.4 | Disposals of property and equipment | | |
| The net book values of property and equipment disposed off during the period are as follows: | | | |
| | Leasehold improvements | - | 1,181 |
| | Furniture and fixtures | 376 | 219 |
| | Office equipments | 6,513 | 10,861 |
| | Vehicles | - | 216 |
| | Total disposals of property and equipment | 6,889 | 12,477 |
| | | (Un-audited) June 30, 2025 | (Audited) December 31, 2024 |
| | | ----- (Rupees in 000) ----- | |
| 13 | RIGHT-OF-USE ASSETS | Buildings | Buildings |
| | At January 1 | | |
| | Cost | 36,730,369 | 28,896,873 |
| | Accumulated depreciation | (11,364,670) | (8,929,916) |
| | Net carrying amount at January 01 | 25,365,699 | 19,966,957 |
| | Additions / renewals / amendments / (terminations) - net during the period / year | 2,639,296 | 9,392,220 |
| | Depreciation charge during the period / year | (2,243,108) | (3,946,074) |
| | Exchange rate adjustments | 5,149 | (47,404) |
| | Derecognition of subsidiary | (32,469) | - |
| | Closing net carrying amount | 25,734,567 | 25,365,699 |
| 14 | INTANGIBLE ASSETS | | |
| | Capital work-in-progress / advance payment to suppliers | 422,635 | 398,802 |
| | Software | 1,094,074 | 1,154,088 |
| | Membership Card | - | 6,000 |
| | License fee | 583 | 750 |
| | Trademark & copyrights | 522 | - |
| | | 1,517,814 | 1,559,640 |
| | | (Un-audited) Half year ended | |
| | | June 30, 2025 | June 30, 2024 |
| | | ----- (Rupees in 000) ----- | |
| 14.1 | Additions to intangible assets | | |
| The following additions were made to intangible assets during the period: | | | |
| | Capital work-in-progress - net; of transferred out for capitalisation | 25,556 | (26,095) |
| | Directly purchased | 142,425 | 331,825 |
| | Total additions to intangible assets | 167,981 | 305,730 |
| 14.2 | There were no disposal of intangible assets during the periods ended June 30, 2025 and June 30, 2024. | | |

| | Note | (Un-audited) June 30, 2025 | (Audited) December 31, 2024 |
|---|------|----------------------------------|-----------------------------------|
| | | ----- (Rupees in '000) ----- | |
| 15 OTHER ASSETS | | | |
| Income / mark-up accrued in local currency - net | | 62,296,768 | 82,073,211 |
| Income / mark-up accrued in foreign currencies - net | | 2,013,623 | 2,724,193 |
| Advances, deposits, advance rent and other prepayments | | 6,482,879 | 4,619,209 |
| Advance taxation (payments less provisions) | | - | 3,729,029 |
| Advance against subscription of share | | 55,343 | - |
| Non-banking assets acquired in satisfaction of claims | 15.1 | 8,322,091 | 7,830,251 |
| Mark to market gain on forward foreign exchange contracts | | 1,417,928 | 1,288,538 |
| Mark to market gain on derivatives | | 2,290,603 | 3,128,782 |
| Stationery and stamps on hand | | 25,731 | 28,155 |
| Defined benefit plan | | 851,040 | 1,331,990 |
| Branch adjustment account | | 260,002 | 29,195 |
| Alternative Delivery Channel (ADC) settlement accounts | 15.3 | 5,456,513 | - |
| Due from card issuing banks | | 3,445,952 | 2,817,994 |
| Accounts receivable | | 14,267,805 | 10,613,225 |
| Claims against fraud and forgeries | | 119,812 | 108,907 |
| Acceptances | | 42,907,503 | 33,015,615 |
| Receivable against Government of Pakistan and overseas government securities | | 65,234 | 44,928 |
| Receivable against marketable securities | | - | 1,935,323 |
| Deferred cost on staff loans | | 22,296,456 | 21,080,743 |
| Others | | 114,891 | 135,605 |
| | | <u>172,690,174</u> | <u>176,534,893</u> |
| Less: Credit loss allowance / provision held against other assets | 15.2 | <u>(3,998,230)</u> | <u>(4,709,539)</u> |
| Other assets (net of credit loss allowance / provision) | | 168,691,944 | 171,825,354 |
| Surplus on revaluation of non-banking assets acquired in satisfaction of claims - net | 15.1 | <u>480,033</u> | <u>491,882</u> |
| Other assets - total | | <u>169,171,977</u> | <u>172,317,236</u> |

15.1 The revalued amount of non-banking assets acquired in satisfaction of claims is Rs. 8,802.124 million (December 31, 2024: Rs. 8,322.133 million).

| | (Un-audited) June 30, 2025 | (Audited) December 31, 2024 |
|---|----------------------------------|-----------------------------------|
| | ----- (Rupees in '000) ----- | |
| 15.2 Credit loss allowance / provision held against other assets | | |
| Impairment against overseas operations | 3,345,731 | 2,708,477 |
| Expected credit loss | 99,652 | 181,325 |
| Fraud and forgeries | 119,812 | 108,907 |
| Receivable against marketable securities | - | 1,243,517 |
| Accounts receivable | 67,083 | 67,326 |
| Others | 365,952 | 399,987 |
| | <u>3,998,230</u> | <u>4,709,539</u> |
| 15.2.1 Movement in credit loss allowance / provision held against other assets | | |
| Opening balance | 4,709,539 | 4,619,037 |
| Impact of adoption of IFRS 9 | 862 | 370,152 |
| Balance as at January 01 after adopting IFRS 9 | <u>4,710,401</u> | <u>4,989,189</u> |
| Exchange and other adjustments | (3,843) | (2,777) |
| Charge for the period / year | 685,737 | 531,375 |
| Reversals for the period / year | <u>(152,831)</u> | <u>(753,490)</u> |
| | 532,906 | (222,115) |
| Amount written off | (2,278) | (54,758) |
| Reversal on derecognition of subsidiary | <u>(1,238,956)</u> | <u>-</u> |
| Closing balance | <u>3,998,230</u> | <u>4,709,539</u> |

15.3 This represents settlement arising from alternate delivery channel transactions at the cut off date.

| | (Un-audited) June 30, 2025 | (Audited) December 31, 2024 |
|---|----------------------------------|-----------------------------------|
| | ------(Rupees in '000)----- | |
| 16 | BILLS PAYABLE | |
| In Pakistan | 60,712,307 | 41,462,676 |
| Outside Pakistan | 477,232 | 305,650 |
| | <u>61,189,539</u> | <u>41,768,326</u> |
| 17 | BORROWINGS | |
| Secured | | |
| Borrowings from State Bank of Pakistan under: | | |
| Export Refinance Scheme | 22,277,833 | 26,867,803 |
| Long-Term Finance Facility | 18,070,342 | 20,278,409 |
| Financing Facility for Renewable Energy Projects | 12,899,788 | 13,762,263 |
| Financing Facility for Storage of Agriculture Produce (FFSAP) | 787,450 | 698,919 |
| Temporary Economic Refinance Facility (TERF) | 23,922,342 | 25,697,206 |
| Export Refinance under Bill Discounting | 13,479,847 | 14,253,363 |
| SME Asaan Finance (SAAF) | 3,950,800 | 7,073,103 |
| Refinance Facility for Combating COVID (RFCC) | 990,571 | 932,258 |
| Refinance and Credit Guarantee Scheme for Women Entrepreneurs | 428,341 | 172,604 |
| Modernization of Small and Medium Entities (MSMES) | 2,207,727 | 1,855,749 |
| Other refinance schemes | 968 | 232 |
| Repurchase agreement borrowings | 355,585,500 | 911,260,540 |
| | 454,601,509 | 1,022,852,449 |
| Repurchase agreement borrowings | 21,928,158 | 32,209,792 |
| Bai Muajjal | 50,720,362 | 48,654,565 |
| Others | - | 314,967 |
| Total secured | <u>527,250,029</u> | <u>1,104,031,773</u> |
| Unsecured | | |
| Call borrowings | 11,350,580 | 11,414,695 |
| Overdrawn nostro accounts | 3,665,860 | 15,736,314 |
| Borrowings of overseas branches | 3,947,677 | 5,750,351 |
| Others | | |
| - Pakistan Mortgage Refinance Company | 6,257,616 | 2,464,030 |
| - Karandaz Risk Participation | 3,362,324 | 2,803,546 |
| Total unsecured | <u>28,584,057</u> | <u>38,168,936</u> |
| | <u>555,834,086</u> | <u>1,142,200,709</u> |

18 DEPOSITS AND OTHER ACCOUNTS

| | June 30, 2025 (Un-audited) | | | December 31, 2024 (Audited) | | |
|-------------------------------|----------------------------|--------------------------|----------------------|-----------------------------|--------------------------|----------------------|
| | In Local Currency | In Foreign Currencies | Total | In Local Currency | In Foreign Currencies | Total |
| | (Rupees in '000) | | | | | |
| Customers | | | | | | |
| - Current deposits | 781,343,826 | 159,346,436 | 940,690,262 | 644,305,838 | 165,613,660 | 809,919,498 |
| - Savings deposits | 621,551,492 | 32,926,059 | 654,477,551 | 607,199,365 | 34,755,471 | 641,954,836 |
| - Term deposits | 359,715,079 | 86,148,628 | 445,863,707 | 315,007,439 | 69,798,774 | 384,806,213 |
| - Others | 53,814,235 | 13,022,712 | 66,836,947 | 35,232,274 | 12,915,513 | 48,147,787 |
| | 1,816,424,632 | 291,443,835 | 2,107,868,467 | 1,601,744,916 | 283,083,418 | 1,884,828,334 |
| Financial Institutions | | | | | | |
| - Current deposits | 5,608,740 | 3,033,647 | 8,642,387 | 4,204,792 | 2,747,963 | 6,952,755 |
| - Savings deposits | 121,055,598 | 1,296,540 | 122,352,138 | 185,650,940 | 2,372,391 | 188,023,331 |
| - Term deposits | 40,462,363 | 8,163,178 | 48,625,541 | 47,797,204 | 8,366,800 | 56,164,004 |
| - Others | 110,157 | 98 | 110,255 | 136,154 | 120 | 136,274 |
| | 167,236,858 | 12,493,463 | 179,730,321 | 237,789,090 | 13,487,274 | 251,276,364 |
| | <u>1,983,661,490</u> | <u>303,937,298</u> | <u>2,287,598,788</u> | <u>1,839,534,006</u> | <u>296,570,692</u> | <u>2,136,104,698</u> |

18.1 Current deposits include remunerative current deposits of Rs. 33,305.574 million (December 31, 2024: Rs. 26,618.402 million).

| | Note | (Un-audited) June 30, 2025 | (Audited) December 31, 2024 |
|--|------|----------------------------------|-----------------------------------|
| | | ----- (Rupees in '000) ----- | |
| 19 LEASE LIABILITIES | | | |
| Opening as at January 01 | | 29,555,307 | 22,899,808 |
| Additions / renewals / amendments / (terminations) - net | | 2,585,179 | 9,328,489 |
| Finance charges | | 2,094,817 | 3,518,804 |
| Lease payments including interest | | (3,206,391) | (6,138,088) |
| Exchange rate / other adjustment | | 6,983 | (53,706) |
| Derecognition of subsidiary | 37.2 | (42,920) | - |
| Closing net carrying amount | | <u>30,992,975</u> | <u>29,555,307</u> |
| 19.1 Liabilities outstanding | | | |
| Not later than one year | | 2,247,577 | 2,061,668 |
| Later than one year and upto five years | | 12,164,835 | 11,067,332 |
| Over five years | | <u>16,580,563</u> | <u>16,426,307</u> |
| Total as at period / year end | | <u>30,992,975</u> | <u>29,555,307</u> |
| 20 SUBORDINATED DEBT | | | |
| Term Finance Certificates VI - Additional Tier-I (ADT-1) | 20.1 | 7,000,000 | 7,000,000 |
| Term Finance Certificates VIII - Additional Tier-I (ADT-1) | 20.2 | <u>7,000,000</u> | <u>7,000,000</u> |
| | | <u>14,000,000</u> | <u>14,000,000</u> |

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

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

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

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

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

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

21 DEFERRED TAX LIABILITIES

(Un-audited) (Audited)
June 30, December 31,
2025 2024
----- (Rupees in '000) -----

Deductible Temporary Differences on:

- Credit loss allowance / provision against investments
- Credit loss allowance / provision against advances
- Modification of advances
- Credit loss allowance / provision against other assets
- Lease liabilities
- Credit loss allowance against balances with treasury banks
- Credit loss allowance against balances with other banks
- Credit loss allowance against lendings to financial institutions
- Unrealised loss on FVPL investments
- Workers' welfare fund
- Pre-commencement expenditures
- Others

| | |
|--------------|--------------|
| (2,448,487) | (2,375,374) |
| (4,185,427) | (4,857,280) |
| (42,935) | (49,009) |
| (1,903,500) | (1,536,101) |
| (17,906,907) | (14,129) |
| (8,743) | (8,679) |
| (6,392) | (2,111) |
| (197) | (311) |
| (133,580) | - |
| (2,931,282) | (2,504,065) |
| 6,023 | (3,697) |
| - | (45,636) |
| (29,561,427) | (11,396,392) |

Taxable Temporary Differences on:

- Unrealised gain on FVPL investments
- Unrealised gain on FVPL advances
- Unrealised net gain on fair value of refinancing
- Right-of-use assets
- Surplus on revaluation of FVOCI investments
- Surplus on revaluation of property and equipments
- Surplus on revaluation of non banking assets
- Share of profit and other comprehensive income from associates
- Accelerated tax depreciation

| | |
|------------|------------|
| - | 2,087,274 |
| 140,514 | 111,143 |
| 598,135 | 643,213 |
| 13,349,385 | 12,812 |
| 18,645,283 | 17,238,393 |
| 2,423,721 | 2,386,906 |
| 185,798 | 177,167 |
| 3,327,464 | 2,989,028 |
| 5,071,887 | 5,209,488 |
| 43,742,187 | 30,855,424 |
| 14,180,760 | 19,459,032 |

| 22 | OTHER LIABILITIES | Note | (Un-audited) June 30, 2025 | (Audited) December 31, 2024 |
|----|---|------|----------------------------------|-----------------------------------|
| | | | (Rupees in '000) | |
| | Mark-up / return / interest payable in local currency | | 15,635,755 | 35,014,735 |
| | Mark-up / return / interest payable in foreign currencies | | 1,714,821 | 1,715,640 |
| | Unearned fee commission and income on bills discounted and guarantees | | 4,716,727 | 4,063,795 |
| | Accrued expenses | | 18,457,369 | 17,352,068 |
| | Current taxation | | 2,534,072 | - |
| | Acceptances | | 42,907,503 | 33,015,615 |
| | Dividends payable | | 319,860 | 307,709 |
| | Mark to market loss on forward foreign exchange contracts | | 483,371 | 1,090,874 |
| | Mark to market loss on derivatives | | 80,822 | 69,063 |
| | Alternative Delivery Channel (ADC) settlement accounts | 22.2 | - | 1,719,649 |
| | Provision for compensated absences | | 1,466,476 | 1,290,476 |
| | Payable against redemption of customer loyalty / reward points | | 1,422,507 | 1,041,845 |
| | Charity payable | | 174,129 | 176,604 |
| | Credit loss allowance / provision against off-balance sheet obligations | 22.1 | 909,236 | 780,711 |
| | Security deposits against leases, lockers and others | | 17,026,080 | 13,058,856 |
| | Workers' welfare fund | | 7,612,289 | 6,790,718 |
| | Payable to vendors and suppliers | | 786,149 | 630,070 |
| | Margin deposits on derivatives | | 1,719,927 | 2,415,337 |
| | Payable to merchants (card acquiring) | | 1,500,372 | 959,295 |
| | Indirect taxes payable | | 5,684,093 | 6,467,747 |
| | Payable against marketable securities | | 111,321 | 881,360 |
| | Liability against share based payment | | 609,012 | 870,000 |
| | Trading liability | | 10,732,703 | 15,600,626 |
| | Others | | 9,660,066 | 7,268,135 |
| | | | <u>146,264,660</u> | <u>152,580,928</u> |

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

| | | |
|--|------------------|------------------|
| Opening balance | 780,711 | 78,624 |
| Impact of adoption of IFRS 9 | <u>2,714</u> | <u>1,085,673</u> |
| Balance as at January 01 after adopting IFRS 9 | 783,425 | 1,164,297 |
| Exchange and other adjustments | 6,216 | (4,925) |
| Charge for the period / year | <u>343,990</u> | <u>472,414</u> |
| Reversals for the period / year | <u>(224,395)</u> | <u>(851,075)</u> |
| | 119,595 | (378,661) |
| Closing balance | <u>909,236</u> | <u>780,711</u> |

22.2 This represents settlement arising from alternate delivery channel transactions at the cut off date.

| | Note | (Un-audited) June 30, 2025 | (Audited) December 31, 2024 |
|--|--------|----------------------------------|-----------------------------------|
| | | ----- (Rupees in '000) ----- | |
| 23 SURPLUS ON REVALUATION OF ASSETS | | | |
| Surplus on revaluation of: | | | |
| - Securities measured at FVOCI - debt | 10.1 | 25,110,168 | 23,227,089 |
| - Securities measured at FVOCI - equity | 10.1 | 8,205,946 | 6,746,862 |
| - Available for sale securities of associates | | 65,820 | 84,963 |
| - Property and equipment | | 19,879,183 | 19,939,951 |
| - Non-banking assets acquired in satisfaction of claims | | 480,033 | 491,882 |
| | | 53,741,150 | 50,490,747 |
| Less: Deferred tax liability on surplus on revaluation of: | | | |
| - Securities measured at FVOCI - debt | | (13,056,595) | (12,077,792) |
| - Securities measured at FVOCI - equity | | (4,267,092) | (3,508,368) |
| - Available for sale securities of associates | | (34,227) | (44,181) |
| - Property and equipment | | (2,423,721) | (2,386,906) |
| - Non-banking assets acquired in satisfaction of claims | | (185,798) | (177,167) |
| | | (19,967,433) | (18,194,414) |
| Derivatives deficit | | (2,541,531) | (3,175,304) |
| Less: Deferred tax asset on derivative | | 1,321,596 | 1,651,158 |
| | | (1,219,935) | (1,524,146) |
| | | <u>34,993,652</u> | <u>33,820,479</u> |
| 24 CONTINGENCIES AND COMMITMENTS | | | |
| - Guarantees | 24.1 | 188,447,081 | 181,819,233 |
| - Commitments | 24.2 | 808,699,186 | 693,691,150 |
| - Other contingent liabilities | 24.3.1 | 23,774,654 | 23,153,037 |
| | | <u>1,020,920,921</u> | <u>898,663,420</u> |
| 24.1 Guarantees: | | | |
| Financial guarantees | | 6,229,564 | 6,048,920 |
| Performance guarantees | | 67,981,851 | 66,136,458 |
| Other guarantees | | 114,235,666 | 109,633,855 |
| | | <u>188,447,081</u> | <u>181,819,233</u> |
| 24.2 Commitments: | | | |
| Documentary credits and short-term trade-related transactions | | | |
| - Letters of credit | | 247,385,477 | 220,709,466 |
| Commitments in respect of: | | | |
| - forward foreign exchange contracts | 24.2.1 | 425,709,303 | 266,938,066 |
| - forward government securities transactions | 24.2.2 | 80,133,205 | 149,529,384 |
| - derivatives | 24.2.3 | 31,582,038 | 33,466,502 |
| - forward lending | 24.2.4 | 17,421,614 | 16,490,171 |
| Commitments for acquisition of: | | | |
| - property and equipment | | 5,745,116 | 5,479,175 |
| - intangible assets | | 441,433 | 332,386 |
| Commitments in respect of donations | | 281,000 | 296,000 |
| Other commitments | 24.2.5 | - | 450,000 |
| | | <u>808,699,186</u> | <u>693,691,150</u> |
| 24.2.1 Commitments in respect of forward foreign exchange contracts | | | |
| Purchase | | 242,669,029 | 144,906,210 |
| Sale | | 183,040,274 | 122,031,856 |
| | | <u>425,709,303</u> | <u>266,938,066</u> |
| 24.2.2 Commitments in respect of forward government securities transactions | | | |
| Purchase | | 77,484,125 | 55,393,978 |
| Sale | | 2,649,080 | 94,135,406 |
| | | <u>80,133,205</u> | <u>149,529,384</u> |

| | Note | (Un-audited) June 30, 2025 ----- (Rupees in '000) ----- | (Audited) December 31, 2024 |
|---|------|--|-----------------------------------|
| 24.2.3 Commitments in respect of derivatives | | | |
| Interest rate swaps | | | |
| Purchase | 25.1 | 21,805,769 | 23,054,358 |
| Sale | | - | - |
| | | <u>21,805,769</u> | <u>23,054,358</u> |
| Cross currency swaps | | | |
| Purchase | 25.1 | - | - |
| Sale | | 9,776,269 | 10,412,144 |
| | | <u>9,776,269</u> | <u>10,412,144</u> |
| Total commitments in respect of derivatives | | <u>31,582,038</u> | <u>33,466,502</u> |

24.2.4 Commitments in respect of forward lending

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

| | | |
|----------|-------------------|-------------------|
| 24.2.4.1 | <u>17,421,614</u> | <u>16,490,171</u> |
|----------|-------------------|-------------------|

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

24.2.5 Other Commitments

A commercial bank on behalf of Alfalah Securities (Private) Limited has given a guarantee of Rs. Nil (December 31, 2024: Rs. 450 million) to National Clearing Company of Pakistan Limited (NCCPL) in respect of margin eligible securities. The guarantee facility is for one year and is secured by 1st Pari Passu charge on current assets of the subsidiary.

| | (Un-audited) June 30, 2025 ----- (Rupees in '000) ----- | (Audited) December 31, 2024 |
|---|--|-----------------------------------|
| 24.3 Other contingent liabilities | | |
| 24.3.1 Claims against the Bank not acknowledged as debts | <u>23,774,654</u> | <u>23,153,037</u> |

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

24.4 Contingency for tax payable

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

25 DERIVATIVE INSTRUMENTS

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

25.1 Product Analysis

| | June 30, 2025 (Un-audited) | | | | | |
|----------------------------|------------------------------|--------------------|---------------------------|------------------------------|--------------------|---------------------------|
| | Interest Rate Swaps | | | Cross Currency Swaps | | |
| | No. of contracts | Notional Principal | Mark to market gain - net | No. of contracts | Notional Principal | Mark to market gain - net |
| | ----- (Rupees in '000) ----- | | | ----- (Rupees in '000) ----- | | |
| Counterparties | | | | | | |
| With Banks for | | | | | | |
| Hedging | 23 | 21,805,769 | 1,554,245 | - | - | - |
| With other entities | | | | | | |
| Market making | - | - | - | 6 | 9,776,269 | 655,536 |
| | <u>23</u> | <u>21,805,769</u> | <u>1,554,245</u> | <u>6</u> | <u>9,776,269</u> | <u>655,536</u> |
| | | | | | | |
| | December 31, 2024 (Audited) | | | | | |
| | Interest Rate Swaps | | | Cross Currency Swaps | | |
| | No. of contracts | Notional Principal | Mark to market gain - net | No. of contracts | Notional Principal | Mark to market gain - net |
| | ----- (Rupees in '000) ----- | | | ----- (Rupees in '000) ----- | | |
| Counterparties | | | | | | |
| With Banks for | | | | | | |
| Hedging | 27 | 23,054,358 | 2,172,667 | - | - | - |
| With other entities | | | | | | |
| Market making | - | - | - | 6 | 10,412,144 | 887,052 |
| | <u>27</u> | <u>23,054,358</u> | <u>2,172,667</u> | <u>6</u> | <u>10,412,144</u> | <u>887,052</u> |

| | | (Un-audited) | |
|-----------|--|-----------------------|--------------------|
| | | Half year ended | |
| | | June 30, 2025 | June 30, 2024 |
| | | (Rupees in '000) | |
| | | (Restated) | |
| 26 | MARK-UP/RETURN/INTEREST EARNED | | |
| | On: | | |
| | a) Loans and advances | 58,553,231 | 64,278,940 |
| | b) Investments | 125,196,772 | 188,430,668 |
| | c) Lendings to financial institutions | 1,776,555 | 3,251,077 |
| | d) Balances with banks / financial institutions | 150,550 | 270,305 |
| | e) On securities purchased under resale agreements | 2,721,239 | 2,299,957 |
| | | <u>188,398,347</u> | <u>258,530,947</u> |
| 27 | MARK-UP/RETURN/INTEREST EXPENSED | | |
| | On: | | |
| | a) Deposits | 58,836,217 | 117,998,706 |
| | b) Borrowings | 10,148,616 | 9,749,489 |
| | c) Securities sold under repurchase agreements | 47,132,511 | 60,493,416 |
| | d) Subordinated debt | 1,027,076 | 1,643,707 |
| | e) Cost of foreign currency swaps against foreign currency deposits / borrowings | 1,068,066 | 4,267,313 |
| | f) Leased assets | 2,092,293 | 1,634,163 |
| | g) Reward points / customer loyalty | 485,121 | 230,049 |
| | | <u>120,789,900</u> | <u>196,016,843</u> |
| | | (Un-audited) | |
| | | Half year ended | |
| | | June 30, 2025 | June 30, 2024 |
| | | (Rupees in '000) | |
| 28 | FEE & COMMISSION INCOME | | |
| | Branch banking customer fees | 898,512 | 753,959 |
| | Consumer finance related fees | 396,286 | 305,871 |
| | Card related fees (debit and credit cards) | 1,433,013 | 2,046,083 |
| | Credit related fees | 295,107 | 459,208 |
| | Investment banking fees | 230,384 | 28,620 |
| | Commission on trade | 1,640,455 | 1,500,094 |
| | Commission on guarantees | 437,394 | 373,907 |
| | Commission on cash management | 36,433 | 27,244 |
| | Commission on remittances including home remittances | 204,720 | 1,501,685 |
| | Commission on bancassurance | 327,817 | 295,548 |
| | Card acquiring business | 464,504 | 855,107 |
| | Wealth management fee | 288,958 | 154,789 |
| | Commission on Benazir Income Support Programme (BISP) | 149,699 | 934,549 |
| | Alternative Delivery Channel (ADC) settlement accounts | 702,504 | 654,451 |
| | Brokerage / commission Income | - | 19,390 |
| | Others | 143,963 | 130,278 |
| | | <u>7,649,749</u> | <u>10,040,783</u> |
| 29 | FOREIGN EXCHANGE INCOME | | |
| | Foreign exchange income | 5,323,997 | 6,152,102 |
| | Foreign exchange gain / (loss) related to derivatives | 27,311 | (909,231) |
| | | <u>5,351,308</u> | <u>5,242,871</u> |
| 30 | GAIN ON SECURITIES | | |
| | Realised gain | 30.1 8,262,504 | 2,152,174 |
| | Unrealised (loss) / gain - measured at FVPL | 10.1 (319,701) | 215,538 |
| | Unrealised gain / (loss) on trading liabilities - net | 62,816 | (2,696) |
| | | <u>30.2 8,005,619</u> | <u>2,365,016</u> |

| | Note | (Un-audited) | |
|--------------------------------|------|------------------|------------------|
| | | Half year ended | |
| | | June 30, 2025 | June 30, 2024 |
| | | (Rupees in '000) | |
| 30.1 Realised gain on: | | | |
| Federal government securities | | 7,838,557 | 1,916,514 |
| Shares | | 31,521 | 59,029 |
| Non government debt securities | | 49,990 | - |
| Foreign Securities | | 342,436 | 176,631 |
| | | <u>8,262,504</u> | <u>2,152,174</u> |

30.2 Net gain / (loss) on financial assets / liabilities measured:

At FVPL

| | | |
|---|------------------|------------------|
| Designated upon initial recognition | 2,737,076 | 834,984 |
| Mandatorily measured at FVPL | (119,142) | 821,439 |
| | <u>2,617,934</u> | <u>1,656,423</u> |
| Net gain on financial assets measured at FVOCI - Debt | 5,387,685 | 708,593 |
| | <u>8,005,619</u> | <u>2,365,016</u> |

| | Note | (Un-audited) | |
|--|------|------------------|------------------|
| | | Half year ended | |
| | | June 30, 2025 | June 30, 2024 |
| | | (Rupees in '000) | |
| 31 OTHER INCOME | | | (Restated) |
| Rent on property | | 2,894 | 15,466 |
| Gain on sale of property and equipment - net | | 26,726 | 61,511 |
| Gain on sale of non banking assets - net | | 3,368 | 27,800 |
| Profit on termination of leased contracts (Ijarah) | | 3 | 7 |
| Gain on termination of leases | | 54,117 | 52,740 |
| Unrealised gain on advances classified at FVPL | | 56,483 | 30,724 |
| Insurance premium of overseas recovered | | 719,128 | - |
| Others | | 6,618 | 1,468 |
| | | <u>869,337</u> | <u>189,716</u> |

32 OPERATING EXPENSES

| | | | |
|---|------|-------------------|-------------------|
| Total compensation expense | 32.1 | 23,878,235 | 18,618,237 |
| Property expense | | | |
| Rates and taxes | | 92,975 | 152,586 |
| Utilities cost | | 1,669,958 | 1,607,534 |
| Security (including guards) | | 1,092,907 | 770,539 |
| Repair and maintenance (including janitorial charges) | | 1,169,143 | 913,866 |
| Depreciation on right-of-use assets | | 2,235,762 | 1,888,182 |
| Depreciation on non-banking assets acquired in satisfaction of claims | | 35,535 | 15,170 |
| Depreciation on owned assets | | 642,500 | 477,243 |
| | | <u>6,938,780</u> | <u>5,825,120</u> |
| Information technology expenses | | | |
| Software maintenance | | 1,773,976 | 1,608,559 |
| Hardware maintenance | | 524,507 | 369,773 |
| Depreciation | | 874,908 | 654,852 |
| Amortisation | | 199,920 | 172,601 |
| Network charges | | 361,960 | 402,023 |
| Consultancy and support services | | 37,123 | 105,561 |
| | | <u>3,772,394</u> | <u>3,313,369</u> |
| Balance carried forward | | <u>34,589,409</u> | <u>27,756,726</u> |

| | (Un-audited) | |
|--|------------------|------------------|
| | Half year ended | |
| | June 30, 2025 | June 30, 2024 |
| | (Rupees in '000) | |
| | | (Restated) |
| Balance brought forward | 34,589,409 | 27,756,726 |
| Other operating expenses | | |
| Directors' fees and allowances | 76,480 | 69,600 |
| Fees and allowances to Shariah Board | 15,311 | 9,986 |
| Legal and professional charges | 486,809 | 250,493 |
| Outsourced services costs | 836,947 | 725,674 |
| Travelling and conveyance | 1,037,738 | 727,322 |
| Clearing and custodian charges | 120,150 | 86,201 |
| Depreciation | 1,357,067 | 1,023,432 |
| Training and development | 131,415 | 150,564 |
| Postage and courier charges | 232,326 | 239,708 |
| Communication | 1,945,556 | 1,310,618 |
| Stationery and printing | 1,079,345 | 870,459 |
| Marketing, advertisement and publicity | 9,098,076 | 2,342,072 |
| Donations | 154,201 | 181,870 |
| Auditors' remuneration | 121,426 | 114,710 |
| Brokerage and commission | 809,218 | 606,897 |
| Entertainment | 448,960 | 403,760 |
| Repairs and maintenance | 557,586 | 449,496 |
| Insurance | 1,149,535 | 1,031,151 |
| Cash Handling charges | 1,079,661 | 993,704 |
| CNIC verification | 359,428 | 256,071 |
| Others | 436,292 | 418,304 |
| | 21,533,527 | 12,262,092 |
| | 56,122,936 | 40,018,818 |

32.1 Total compensation expense

| | | |
|---|------------|------------|
| Managerial Remuneration | | |
| i) Fixed | 13,756,491 | 11,603,067 |
| ii) Variable: | | |
| a) Cash bonus / awards etc. | 3,347,227 | 2,612,847 |
| b) Bonus and awards in shares etc. | 461,143 | 287,500 |
| Charge for defined benefit plan | 480,951 | 335,649 |
| Contribution to defined contribution plan | 560,514 | 432,505 |
| Medical | 1,417,235 | 1,082,295 |
| Conveyance | 1,613,232 | 698,694 |
| Staff compensated absences | 176,000 | 105,000 |
| Staff life insurance | 86,251 | 94,907 |
| Staff welfare | 34,239 | 48,325 |
| Club subscription | 10,672 | 2,225 |
| Others | - | 26,600 |
| Sub-total | 21,943,955 | 17,329,614 |
| Sign-on Bonus | 33,421 | 39,499 |
| Staff loans - notional cost | 1,746,960 | 1,249,124 |
| Severance Allowance | 153,899 | - |
| Grand Total | 23,878,235 | 18,618,237 |

33 WORKERS' WELFARE FUND

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

| | Note | (Un-audited) | |
|----|---|------------------------------|------------------|
| | | Half year ended | |
| | | June 30, 2025 | June 30, 2024 |
| | | ----- (Rupees in '000) ----- | |
| 34 | OTHER CHARGES | | |
| | Penalties imposed by the State Bank of Pakistan | 9,557 | 209,515 |
| 35 | CREDIT LOSS ALLOWANCE / PROVISIONS / (REVERSALS) AND WRITE OFFS - NET | | |
| | Reversal of credit loss allowance against cash with treasury banks | (3,653) | (33,686) |
| | Credit loss allowance against balance with other banks | 7,340 | 5,556 |
| | Reversal of credit loss allowance against lending to financial institutions | (219) | (12,639) |
| | (Reversal of) / credit loss allowance against diminution in value of investments | 10.4.1 (257,624) | (452,169) |
| | Credit loss allowance / provision against loans & advances | 11.4 913,611 | 848,645 |
| | Credit loss allowance / (reversal of credit loss allowance) against other assets | 537,467 | (208,455) |
| | Credit loss allowance / (reversal of credit loss allowance) against off-balance sheet obligations | 22.1 119,595 | (30,743) |
| | Credit loss allowance / (reversal of other credit loss allowance) / write off - net | 22,066 | (48,458) |
| | Recovery of written off / charged off bad debts | (441,938) | (300,044) |
| | | 896,645 | (231,993) |

| | | (Un-audited) | |
|----|-----------------------|------------------------------|-------------------|
| | | Half year ended | |
| | | June 30, | June 30, |
| | | 2025 | 2024 |
| | | ----- (Rupees in '000) ----- | |
| | | (Restated) | |
| 36 | TAXATION | | |
| | Charge / (reversal) : | | |
| | Current | 21,706,082 | 22,580,473 |
| | Prior years | 3,986,399 | (54,047) |
| | Deferred | (6,687,572) | (2,067,109) |
| | | <u>19,004,909</u> | <u>20,459,317</u> |

- 36.1 a)** The income tax assessments of the Holding Company have been finalised upto and including tax year 2024. In respect of tax years 2008, 2014, 2017, 2019 and 2021 to 2024, the tax authority has raised certain issues including default in payment of WWF, allocation of expenses to dividend and capital gains, dividend income from mutual funds not being taken under income from business and disallowance of leasehold improvements resulting in tax demand of Rs. 1,217.274 million (December 31, 2024: Rs. 1,217.274 million) net of relief provided in appeal. The Holding Company has filed an appeal which is pending before the Tribunal. The management is confident that the matter will be decided in favour of the Holding Company and consequently has not made any provision in this respect.

- b)** The Holding Company had received orders from a provincial tax authority for the periods from July 2011 to December 2020 wherein tax authority demanded sales tax on banking services and penalty amounting to Rs. 763.312 million (excluding default surcharge) by disallowing certain exemptions of sales tax on banking services and allegedly for short payment of sales tax. For periods from July 2011 to June 2014, appeals against orders are pending before Commissioner Appeals whereas for periods July 2014 to December 2020, Appellate Tribunal has decided the matters against the Holding Company. The Holding Company has filed appeals against these orders before Sindh High Court after consultation with the tax consultant.

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

- c)** The Holding Company had received two different orders for the same accounting year 2016 from a tax authority wherein sales tax, further tax and penalty amounting to Rs. 5.191 million and Rs. 8.601 million (excluding default surcharge) were demanded allegedly for non-payment of sales tax on certain transactions. Appeals against these orders are pending before Commissioner Appeals and Appellate Tribunal.

A similar order for the accounting years 2017 and 2018 was issued with tax demand of Rs. 11.536 million (excluding default surcharge) which is pending before Commissioner Appeals.

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

- d) Certain other addbacks made by tax authorities for various assessment years, appeals against which are pending with the Commissioner of Inland Revenue (Appeals), Appellate Tribunal Inland Revenue (ATIR), High Court of Sindh and Supreme Court of Pakistan.

37 DISCONTINUED OPERATIONS - ALFALAH SECURITIES (PRIVATE) LIMITED

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

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

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

ASSETS

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

LIABILITIES

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

NET ASSETS

451,065

Net assets attributable to:

| | |
|---------------------------------------|----------------|
| Equity holders of the Holding Company | 431,173 |
| Non-controlling interest | 19,892 |
| | <u>451,065</u> |

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

| | |
|--|-----------------|
| Net assets derecognised | 431,173 |
| Consideration received against derecognition of net assets of subsidiary | 388,732 |
| | <u>(42,441)</u> |

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

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

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

NON MARK-UP / INTEREST INCOME

| | |
|-------------------------------------|----------------|
| Fee and commission income | 145,835 |
| Loss on securities | (6,508) |
| Other income | 2,355 |
| Total non-mark-up / interest income | <u>141,682</u> |
| Total income | <u>161,551</u> |

NON MARK-UP / INTEREST EXPENSES

| | |
|---------------------------------------|----------------|
| Operating expenses | 155,626 |
| Other charges | 1,690 |
| Total non-mark-up / interest expenses | <u>158,316</u> |

| | |
|--|--------------|
| Profit before credit loss allowance / provisions | <u>3,235</u> |
|--|--------------|

| | |
|---|---------|
| (Reversal of credit loss allowance) / provisions and write offs - net | (4,561) |
|---|---------|

| | |
|-------------------------------|--------------|
| PROFIT BEFORE TAXATION | <u>7,796</u> |
|-------------------------------|--------------|

| | |
|----------|--------|
| Taxation | 48,872 |
|----------|--------|

| | |
|----------------------------|-----------------|
| LOSS AFTER TAXATION | <u>(41,076)</u> |
|----------------------------|-----------------|

| | |
|-------------------------------------|----------|
| Loss on derecognition of subsidiary | (42,441) |
|-------------------------------------|----------|

| | |
|---|------------------------|
| LOSS AFTER TAXATION FROM DISCONTINUED OPERATIONS | <u><u>(83,517)</u></u> |
|---|------------------------|

Loss attributable to:

| | |
|---------------------------------------|------------------------|
| Equity holders of the Holding Company | (81,706) |
| Non-controlling interest | (1,811) |
| | <u><u>(83,517)</u></u> |

| | | (Un-audited) Half year ended | |
|---|--|--|-------------------|
| | | June 30, 2025 | June 30, 2024 |
| | | ----- (Rupees in '000) ----- | |
| 38 BASIC AND DILUTED EARNINGS PER SHARE | | | (Restated) |
| Attributable to equity holders of the Holding Company | | | |
| Profit for the period from continuing operations | | 15,142,893 | 21,919,450 |
| Loss for the period from discontinued operations | | (83,517) | - |
| Profit for the period | | <u>15,059,376</u> | <u>21,919,450</u> |
| | | ----- (Number of shares in '000) ----- | |
| Weighted average number of ordinary shares | | <u>1,577,165</u> | <u>1,577,165</u> |
| | | ----- (Rupees) ----- | |
| Basic and diluted earnings per share from continuing operations | | 9.60 | 13.90 |
| Basic and diluted loss per share from discontinued operations | | (0.05) | - |
| Basic and diluted earnings per share | | <u>9.55</u> | <u>13.90</u> |

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

| | | (Un-audited) Half year ended | |
|---------------------------------------|----|---------------------------------|--------------------|
| | | June 30, 2025 | June 30, 2024 |
| | | ----- (Rupees in '000) ----- | |
| 39 CASH AND CASH EQUIVALENTS | | | |
| Cash and balances with treasury banks | 7 | 215,521,599 | 235,398,616 |
| Balances with other banks | 8 | 17,493,172 | 17,317,897 |
| Call / clean money lendings | 9 | 51,624,880 | 36,278,623 |
| Borrowings - others | | - | (490,062) |
| Overdrawn nostro accounts | 17 | (3,665,860) | (1,006,648) |
| Less: Expected credit loss | | <u>(30,433)</u> | <u>(35,901)</u> |
| | | <u>280,943,358</u> | <u>287,462,525</u> |

40 FAIR VALUE MEASUREMENTS

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

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

40.1 Fair value of financial instruments

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

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

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

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

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

| | June 30, 2025 (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 | 60,171,844 | 1,148,619,252 | - | 1,208,791,096 |
| - Shares - listed companies | 23,460,923 | - | - | 23,460,923 |
| - Shares - unlisted companies | - | - | 3,399,755 | 3,399,755 |
| - REIT Fund - listed | 1,480,301 | - | - | 1,480,301 |
| - Non-government debt securities | 14,750,000 | 4,129,752 | - | 18,879,752 |
| - Foreign government securities | - | 63,237,720 | - | 63,237,720 |
| - Foreign equity securities | 254,682 | - | - | 254,682 |
| - Foreign preference shares - unlisted | - | - | 567,545 | 567,545 |
| - Foreign non-government debt securities | - | 23,338,974 | 8,033,819 | 31,372,793 |
| Financial assets - disclosed but not measured at fair value | | | | |
| Investments - amortised cost | - | 282,053,215 | - | 282,053,215 |
| Financial assets - measured at fair value | | | | |
| Advances | | | | |
| - Loans, cash credits, running finances, etc. | - | - | 2,520,218 | 2,520,218 |
| Off-balance sheet financial instruments - measured at fair value | | | | |
| - Forward purchase of foreign exchange | - | 1,417,928 | - | 1,417,928 |
| - Forward sale of foreign exchange | - | (483,371) | - | (483,371) |
| - Forward purchase of government securities | - | (256,351) | - | (256,351) |
| - Forward sale of government securities | - | 9,062 | - | 9,062 |
| - Derivatives purchases | - | 1,554,245 | - | 1,554,245 |
| - Derivatives sales | - | 655,536 | - | 655,536 |
| | | | | |
| | December 31, 2024 (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 | 67,225,943 | 1,504,470,243 | - | 1,571,696,186 |
| - Shares - listed companies | 18,556,227 | - | - | 18,556,227 |
| - Shares - unlisted companies | - | - | 2,333,188 | 2,333,188 |
| - Preference shares - unlisted companies | - | - | 500,000 | 500,000 |
| - REIT Fund - listed | 1,514,982 | - | - | 1,514,982 |
| - Non-government debt securities | 14,991,550 | 4,473,526 | - | 19,465,076 |
| - Foreign government securities | - | 62,233,161 | - | 62,233,161 |
| - Foreign equity securities | 257,181 | - | - | 257,181 |
| - Foreign non-government debt securities | - | 25,193,470 | 8,315,048 | 33,508,518 |
| Financial assets - disclosed but not measured at fair value | | | | |
| Investments - amortised cost | - | 274,074,182 | - | 274,074,182 |
| Financial assets - measured at fair value | | | | |
| Advances | | | | |
| - Loans, cash credits, running finances, etc. | - | - | 1,413,735 | 1,413,735 |
| Off-balance sheet financial instruments - measured at fair value | | | | |
| - Forward purchase of foreign exchange | - | 1,288,538 | - | 1,288,538 |
| - Forward sale of foreign exchange | - | (1,090,874) | - | (1,090,874) |
| - Forward purchase of government securities | - | (12,708) | - | (12,708) |
| - Forward sale of government securities | - | (451,343) | - | (451,343) |
| - Derivatives purchases | - | 2,172,667 | - | 2,172,667 |
| - Derivatives sales | - | 887,052 | - | 887,052 |

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

40.3 Valuation techniques used in determination of fair values:

40.3.1 Fair value of financial assets

(a) Financial Instruments in level 1

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

(b) Financial Instruments in level 2

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

(c) Financial Instruments in level 3

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

The fair value of fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

40.3.2 Fair value of non-financial assets

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

40.3.3 Valuation techniques

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

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

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

| Description | Fair value as at June 30, 2025 (Un-audited) | Fair value as at December 31, 2024 (Audited) | Unobservable inputs* | Discount Rate | Relationship of unobservable inputs to fair value |
|--|---|--|-------------------------------------|-----------------|---|
| ----- (Rupees in '000) ----- | | | | | |
| Ordinary shares - unlisted (income approach) | 2,550,451 | 2,333,188 | Discount rate | 16.58% - 19.00% | Increase / (decrease) in discount rate by 1% with all other variables held constant, would (decrease) / Increase the fair value by Rs. 114,540 million and Rs. 124,822 million (December 31, 2024: Rs. 90,457 million and Rs. 97,873 million) respectively. |
| Ordinary shares - unlisted (market approach) | 849,304 | - | Market multiple / transaction price | Not applicable | Not applicable |
| Foreign preference shares - unlisted (market approach) | 567,545 | - | Transaction price | Not applicable | Not applicable |
| Preference shares - unlisted | - | 500,000 | Transaction price | Not applicable | Not applicable |
| Redeemable participating certificates | 8,033,819 | 8,315,048 | Net asset value | Not applicable | Not applicable |
| Advances classified at FVPL | 2,520,218 | 1,413,735 | Discount rate | 25.00% - 30.00% | Increase / (decrease) in discount rate by 1% with all other variables held constant, would (decrease) / increase the fair value by Rs. 1,148 million and Rs. 1,157 million (December 31, 2024: Rs. 14,903 million and Rs. 15,134 million) respectively. |

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

The following table shows reconciliation of investment and advances level 3 fair value movement:

| | June 30, 2025 (Un-audited) | | December 31, 2024 (Audited) | |
|--|----------------------------|-----------|-----------------------------|-----------|
| | Investments | Advances | Investments | Advances |
| ----- (Rupees in '000) ----- | | | | |
| Opening balance | 11,148,236 | 1,413,735 | 6,283,601 | 1,200,000 |
| Impact of adoption of IFRS 9 | 761,681 | - | 2,271,824 | 122,135 |
| Balance as at January 01 after adopting IFRS 9 | 11,909,917 | 1,413,735 | 8,555,425 | 1,322,135 |
| Additions / (disposals) / transfers - net | 341,621 | 1,050,000 | - | - |
| Remeasurement recognised in OCI or profit and loss / adjustments | (250,419) | 56,483 | 2,592,811 | 91,600 |
| Closing balance | 12,001,119 | 2,520,218 | 11,148,236 | 1,413,735 |

41 SEGMENT INFORMATION

41.1 Segment details with respect to Business Activities

| For the half year ended June 30, 2025 (Un-audited) | | | | | | | | | | |
|--|--------|-----------|-----------------------|----------|---------|----------|--------------|----------|-------------|-------|
| | Retail | Corporate | Islamic (Domestic) | Treasury | Digital | Overseas | Subsidiaries | Others** | Elimination | Total |

Consolidated statement of profit and loss account

| | | | | | | | | | | |
|--|--------------|--------------|-------------|--------------|-----------|-----------|----------|--------------|-------------|------------|
| Net mark-up / return/ profit* | (20,347,065) | 15,115,359 | 15,291,412 | 54,258,787 | (197,296) | 4,003,787 | 23,560 | (540,097) | - | 67,608,447 |
| Inter segment revenue - net | 57,030,175 | (11,187,516) | (1,248,572) | (45,372,362) | 3,895,164 | (222,344) | - | (44,045) | (2,850,500) | - |
| Non mark-up / return / interest income* | 5,463,936 | 3,949,662 | 1,528,708 | 14,274,982 | 1,815,607 | 1,083,886 | 61,608 | 1,146,979 | (4,935,305) | 24,390,063 |
| Total income / (loss) | 42,147,046 | 7,877,505 | 15,571,548 | 23,161,407 | 5,513,475 | 4,865,329 | 85,168 | 562,837 | (7,785,805) | 91,998,510 |
| Segment direct expenses | 18,989,881 | 8,473,618 | 8,743,711 | 704,969 | 2,761,204 | 2,113,425 | 149,446 | 15,370,888 | (353,079) | 56,954,063 |
| Inter segment expense allocation | 9,404,102 | 942,358 | 3,164,417 | 578,322 | 1,190,579 | 510,029 | - | (15,370,888) | (418,919) | - |
| Total expenses | 28,393,983 | 9,415,976 | 11,908,128 | 1,283,291 | 3,951,783 | 2,623,454 | 149,446 | - | (771,998) | 56,954,063 |
| Credit loss allowance / provision / (reversals) | 1,361,319 | (481,531) | (128,796) | 4,508 | 2,957 | 245,332 | (16) | (107,144) | 16 | 896,645 |
| Profit / (loss) before tax - continuing operations | 12,391,744 | (1,056,940) | 3,792,216 | 21,873,608 | 1,558,735 | 1,996,543 | (64,262) | 669,981 | (7,013,823) | 34,147,802 |

As at June 30, 2025 (Un-audited)

| | Retail | Corporate | Islamic (Domestic) | Treasury | Digital | Overseas | Subsidiaries | Others** | Elimination | Total |
|--|--------|-----------|--------------------|----------|---------|----------|--------------|----------|-------------|-------|
|--|--------|-----------|--------------------|----------|---------|----------|--------------|----------|-------------|-------|

Consolidated statement of financial position

| | | | | | | | | | | |
|---|---------------|-------------|-------------|---------------|------------|-------------|-----------|-------------|-----------------|---------------|
| Cash and bank balances | 99,432,784 | 13,968,545 | 45,632,769 | - | 2,833,843 | 71,239,054 | 720,598 | - | (843,255) | 232,984,338 |
| Investments | - | 4,399,575 | 213,829,278 | 1,285,728,998 | - | 124,739,418 | 150,598 | 9,175,418 | - | 1,638,023,285 |
| Inter segment lending - net | 1,060,355,913 | - | - | - | 43,039,277 | - | - | 100,365,145 | (1,203,760,335) | - |
| Lendings to financial institutions | - | - | 68,177,296 | 107,378,623 | - | 6,605,108 | - | - | (28,265,956) | 153,895,071 |
| Advances - performing | 253,144,769 | 493,812,714 | 205,554,980 | - | 75,507 | 39,101,064 | - | 16,044,490 | - | 1,006,733,524 |
| - non-performing | 1,904,319 | 850,652 | 832,680 | - | 1,723 | 102,317 | - | 71,011 | - | 3,762,702 |
| Others | 58,169,234 | 58,477,298 | 54,105,940 | 18,693,878 | 2,057,366 | 5,545,479 | 221,963 | 65,257,466 | 2,230,499 | 264,759,123 |
| Total assets | 1,473,007,019 | 571,508,784 | 588,132,943 | 1,411,801,499 | 48,007,716 | 246,332,440 | 1,093,159 | 190,913,530 | (1,230,639,047) | 3,300,158,043 |
| Borrowings | 20,992,732 | 67,350,970 | 33,337,597 | 437,410,136 | - | 25,838,089 | - | - | (29,095,438) | 555,834,086 |
| Subordinated debt | - | - | - | - | - | - | - | 14,000,000 | - | 14,000,000 |
| Deposits and other accounts | 1,377,933,674 | 260,896,486 | 428,336,347 | - | 47,206,276 | 173,350,878 | - | 617,422 | (742,295) | 2,287,598,788 |
| Inter segment borrowing - net | - | 196,477,816 | 32,638,050 | 940,362,891 | - | 34,281,577 | - | - | (1,203,760,334) | - |
| Others | 74,080,613 | 46,783,512 | 88,700,139 | 21,782,671 | 801,440 | 11,828,001 | 133,434 | 5,559,104 | 2,959,020 | 252,627,934 |
| Total liabilities | 1,473,007,019 | 571,508,784 | 583,012,133 | 1,399,555,698 | 48,007,716 | 245,298,545 | 133,434 | 20,176,526 | (1,230,639,047) | 3,110,060,808 |
| Net assets | - | - | 5,120,810 | 12,245,801 | - | 1,033,895 | 959,725 | 170,737,004 | - | 190,097,235 |
| Equity including non-controlling interest | - | - | - | - | - | - | - | - | - | 190,097,235 |
| Contingencies and commitments | 156,478,613 | 243,833,635 | 80,448,847 | 482,288,675 | 769 | 52,738,514 | 35,598 | 5,096,270 | - | 1,020,920,921 |

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

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

** Others include head office related activities.

For the half year ended June 30, 2024 (Un-audited) - Restated

| | Retail | Corporate | Islamic (Domestic) | Treasury | Digital | Overseas | Subsidiaries | Others** | Elimination | Total |
|--|--------|-----------|-----------------------|----------|---------|----------|--------------|----------|-------------|-------|
|--|--------|-----------|-----------------------|----------|---------|----------|--------------|----------|-------------|-------|

Consolidated statement of profit and loss account

| | | | | | | | | | | |
|---|--------------|------------|------------|---------------|-----------|-----------|-----------|--------------|-------------|------------|
| Net mark-up / return/ profit* | (58,261,566) | 5,841,426 | 16,172,072 | 95,688,250 | 49,191 | 4,165,052 | (41,736) | (1,098,585) | - | 62,514,104 |
| Inter segment revenue - net | 102,597,495 | 4,511,493 | (739,097) | (105,862,490) | 4,417,309 | 326,022 | - | 860,980 | (6,111,712) | - |
| Non mark-up / return / interest income* | 5,171,630 | 2,863,462 | 1,269,760 | 7,914,166 | 1,039,065 | 1,398,248 | 68,295 | 1,059,925 | (3,604) | 20,780,947 |
| Total income / (loss) | 49,507,559 | 13,216,381 | 16,702,735 | (2,260,074) | 5,505,565 | 5,889,322 | 26,559 | 822,320 | (6,115,316) | 83,295,051 |
| Segment direct expenses | 15,304,597 | 1,658,426 | 6,111,455 | 492,893 | 1,975,139 | 1,969,166 | 394,290 | 13,245,915 | (3,604) | 41,148,277 |
| Inter segment expense allocation | 8,167,588 | 967,731 | 2,746,420 | 180,801 | 1,176,899 | 279,884 | - | (12,832,838) | (686,485) | - |
| Total expenses | 23,472,185 | 2,626,157 | 8,857,875 | 673,694 | 3,152,038 | 2,249,050 | 394,290 | 413,077 | (690,089) | 41,148,277 |
| Credit loss allowance / provision / (reversals) | (953,400) | 2,051,490 | 298,950 | (9,917) | 5,737 | (86,007) | (398,846) | - | (1,200,000) | (231,993) |
| Profit / (loss) before tax | 26,988,774 | 8,538,734 | 7,545,910 | (2,923,851) | 2,347,790 | 3,726,279 | (28,885) | 409,243 | (4,225,227) | 42,378,767 |

As at December 31, 2024 (Audited)

| | Retail | Corporate | Islamic (Domestic) | Treasury | Digital | Overseas | Subsidiaries | Others** | Elimination | Total |
|--|--------|-----------|-----------------------|----------|---------|----------|--------------|----------|-------------|-------|
|--|--------|-----------|-----------------------|----------|---------|----------|--------------|----------|-------------|-------|

Consolidated statement of financial position

| | | | | | | | | | | |
|------------------------------------|---------------|-------------|-------------|---------------|------------|-------------|-----------|-------------|-----------------|---------------|
| Cash and bank balances | 109,749,938 | 17,976,222 | 41,944,162 | - | 775,190 | 56,937,500 | 2,071,561 | - | 8,127,574 | 247,582,147 |
| Investments | - | 5,492,251 | 242,118,099 | 1,617,562,126 | - | 123,313,534 | 201,676 | 7,494,575 | - | 1,996,182,261 |
| Inter segment lending - net | 988,532,481 | - | - | - | 10,562,483 | - | - | 83,946,238 | (1,083,041,202) | - |
| Lendings to financial institutions | - | - | 43,283,519 | 97,393,884 | - | 7,103,006 | - | - | (46,782,086) | 100,998,323 |
| Advances - performing | 242,468,773 | 634,142,272 | 165,966,972 | - | 59,194 | 56,323,050 | 389 | 12,650,639 | (5,571,000) | 1,106,040,289 |
| - non-performing | 1,140,010 | 1,072,573 | 917,894 | - | 1,966 | 67,755 | - | 106,116 | 29,939 | 3,336,253 |
| Others | 24,516,991 | 39,838,680 | 53,364,017 | 42,082,631 | 2,095,622 | 2,843,261 | 613,478 | 100,201,974 | (2,640,230) | 262,916,424 |
| Total assets | 1,366,408,193 | 698,521,998 | 547,594,663 | 1,757,038,641 | 13,494,455 | 256,588,106 | 2,887,104 | 204,399,542 | (1,129,877,005) | 3,717,055,697 |

| | | | | | | | | | | |
|-------------------------------|---------------|-------------|-------------|---------------|------------|-------------|-----------|-------------|-----------------|---------------|
| Borrowings | 18,008,205 | 66,732,348 | 35,770,158 | 1,037,179,587 | - | 28,681,197 | 314,967 | - | (44,485,753) | 1,142,200,709 |
| Subordinated debt | - | - | - | - | - | - | - | 14,000,000 | - | 14,000,000 |
| Deposits and other accounts | 1,277,413,227 | 262,957,681 | 398,788,680 | - | 12,936,578 | 185,193,870 | - | 2,800 | (1,188,138) | 2,136,104,698 |
| Inter segment borrowing - net | - | 330,688,006 | 30,376,465 | 689,991,745 | - | 31,961,837 | - | - | (1,083,018,053) | - |
| Others | 70,986,761 | 38,143,963 | 76,483,156 | 18,960,678 | 557,877 | 9,902,659 | 1,056,951 | 28,456,609 | (1,185,061) | 243,363,593 |
| Total liabilities | 1,366,408,193 | 698,521,998 | 541,418,459 | 1,746,132,010 | 13,494,455 | 255,739,563 | 1,371,918 | 42,459,409 | (1,129,877,005) | 3,535,669,000 |
| Net assets | - | - | 6,176,204 | 10,906,631 | - | 848,543 | 1,515,186 | 161,940,133 | - | 181,386,697 |

Equity including non-controlling interest

| | | | | | | | | | | |
|---|-------------|-------------|------------|-------------|-----|------------|---------|-----------|---|-------------|
| Equity including non-controlling interest | 137,249,361 | 230,283,930 | 79,773,852 | 391,608,905 | 718 | 54,966,306 | 495,725 | 4,284,623 | - | 898,663,420 |
|---|-------------|-------------|------------|-------------|-----|------------|---------|-----------|---|-------------|

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

* Net mark-up and non mark-up income includes Rs. 179,016 million and Rs. 76,129 million respectively of investment banking.

** Others include head office related activities.

RELATED PARTY TRANSACTIONS

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

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

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

| | As at June 30, 2025 (Un-audited) | | | | As at December 31, 2024 (Audited) | | | |
|--|----------------------------------|--------------------------|-----------------|-----------------------|-----------------------------------|--------------------------|-----------------|-----------------------|
| | Directors/ CEO | Key management personnel | Associates | Other related parties | Directors/ CEO | Key management personnel | Associates | Other related parties |
| (Rupees in '000) | | | | | | | | |
| Investments | | | | | | | | |
| Opening balance | - | - | 6,925,737 | 2,923,188 | - | - | 6,052,472 | 1,802,909 |
| Investment made during the period / year | - | - | - | 286,441 | - | - | - | 511,863 |
| Investment redeemed / disposed off during the period / year | - | - | - | (286,441) | - | - | - | (331,613) |
| Revaluation of investment during the period / year | - | - | - | 576,567 | - | - | - | 2,190,383 |
| Equity method adjustment | - | - | - | - | - | - | - | - |
| Transfer in / (out) - net | - | - | 650,838 | - | - | - | 873,265 | - |
| Closing balance | - | - | 7,576,575 | 3,439,755 | - | - | 6,925,737 | 2,923,188 |
| Credit loss allowance / provision for diminution in value of Investments | - | - | - | - | - | - | - | - |
| Advances | | | | | | | | |
| Opening balance | 11,225 | 971,469 | - | 1,052,432 | 14,918 | 935,186 | - | 1,925,526 |
| Addition during the period / year | 530 | 127,348 | - | 6,340,086 | 1,715 | 232,432 | - | 43,510,218 |
| Repaid during the period / year | (1,664) | (224,118) | - | (5,763,379) | (5,408) | (194,161) | - | (44,383,312) |
| Transfer in / (out) - net | - | 43 | - | 1,864 | - | (1,988) | - | - |
| Closing balance | 10,191 | 874,741 | - | 1,631,003 | 11,225 | 971,469 | - | 1,052,432 |
| Credit loss allowance held against advances | 7 | 325 | - | 6,111 | 34 | 3,690 | - | 1,524 |
| Other Assets | | | | | | | | |
| Interest / mark-up accrued | 4,993 | 83,857 | - | 36,013 | 4,593 | 81,687 | - | 22,681 |
| Receivable from staff retirement fund | - | - | - | 851,040 | - | - | - | 1,391,990 |
| Prepayment / rent and other receivable | - | - | - | 159,683 | - | - | 9,209 | - |
| Advance against shares | - | - | - | 55,343 | - | - | - | - |
| Acceptances | - | - | - | 2,153,448 | - | - | - | 17,081 |
| Credit loss allowance held against other assets | - | - | - | 135 | - | - | - | 14 |
| Borrowings | | | | | | | | |
| Opening balance | - | - | - | 2,464,030 | - | - | - | 2,605,576 |
| Borrowings during the period / year | - | - | - | 5,100,000 | - | - | - | 1,149,273 |
| Settled during the period / year | - | - | - | (1,308,414) | - | - | - | (1,290,819) |
| Closing balance | - | - | - | 6,255,616 | - | - | - | 2,464,030 |
| Deposits and other accounts | | | | | | | | |
| Opening balance | 185,847 | 392,643 | 60,026,664 | 12,533,349 | 406,959 | 340,757 | 17,153,420 | 18,550,205 |
| Received during the period / year | 810,697 | 2,931,391 | 1,031,861,288 | 62,498,342 | 5,668,276 | 4,582,080 | 1,211,982,771 | 276,598,239 |
| Withdrawn during the period / year | (953,274) | (2,730,846) | (1,071,405,623) | (60,762,496) | (5,889,395) | (4,524,294) | (1,169,109,527) | (278,997,497) |
| Transfer in / (out) - net | - | (8,977) | - | 261 | 7 | (5,300) | - | (3,617,598) |
| Closing balance | 43,270 | 584,211 | 20,482,329 | 14,269,456 | 185,847 | 392,643 | 60,026,664 | 12,533,349 |

| | As at June 30, 2025 (Un-audited) | | | | As at December 31, 2024 (Audited) | | | |
|--|----------------------------------|--------------------------|------------|-----------------------|-----------------------------------|--------------------------|------------|-----------------------|
| | Directors/ CEO | Key management personnel | Associates | Other related parties | Directors/ CEO | Key management personnel | Associates | Other related parties |
| | (Rupees in '000) | | | | (Rupees in '000) | | | |

Subordinated debt

| | | | | | | | | |
|---------------------------|---|---|---|---|---|---|---|-----------|
| Opening balance | - | - | - | - | - | - | - | 300,000 |
| Transfer in / (out) - net | - | - | - | - | - | - | - | (300,000) |
| Closing balance | - | - | - | - | - | - | - | - |

Other Liabilities

| | | | | | | | | |
|----------------------------|----|-------|-----|---------|-----|-----|-------|---------|
| Interest / mark-up payable | 25 | 1,992 | - | 236,352 | 226 | 248 | - | 126,062 |
| Dividend payable | - | - | - | 11 | 7 | - | - | 9 |
| Unearned rent | - | - | 583 | - | - | - | 2,532 | - |
| Others | - | - | - | 35,166 | - | - | - | 32,786 |

Contingencies and commitments

| | | | | | | | | |
|--|---|---|---|-----------|---|---|---|---------|
| | - | - | - | 8,928,298 | - | - | - | 559,419 |
|--|---|---|---|-----------|---|---|---|---------|

Income

| | | | | | | | | |
|--|-------|--------|---------|---------|-----|--------|---------|---------|
| Mark-up / return / interest earned | 459 | 14,726 | - | 53,206 | 927 | 15,168 | - | 212,035 |
| Fee and commission income | 124 | 605 | 291,385 | 9,201 | 10 | 271 | 156,322 | 3,415 |
| Dividend income | - | - | 44,993 | 439,597 | - | - | 254,993 | 591,804 |
| Gain / (loss) on sale of securities | - | 2 | - | 10,790 | - | 4 | - | (4,864) |
| Rent on property | - | - | 1,950 | - | - | - | 1,950 | - |
| Gain on sale of property and equipment - net | 7,094 | 132 | 3,642 | - | - | - | 6,658 | - |

Expenses

| | | | | | | | | |
|---|---------|-----------|---------|---------|---------|-----------|---------|-----------|
| Mark-up / return / interest paid | 2,300 | 10,572 | 338,879 | 791,112 | 14,802 | 16,708 | 413,943 | 1,193,362 |
| Operating expenses | 431,974 | 1,390,753 | - | - | 359,559 | 1,103,864 | - | - |
| Fee and remuneration | - | - | - | - | - | - | - | 61,237 |
| Clearing and custodian charges | - | - | - | - | - | - | - | 55,050 |
| Software maintenance | - | - | - | 45,000 | - | - | - | 254,056 |
| Communication cost | - | - | - | 306,938 | - | - | - | 335,649 |
| Charge for defined benefit plan | - | - | - | 480,951 | - | - | - | 432,505 |
| Contribution to defined contribution plan | - | - | - | 560,514 | - | - | - | 505 |
| Training and subscription | - | - | - | - | - | - | - | - |

(Reversal of) credit loss allowance / credit loss allowance against loans & advances
Credit loss allowance / (reversal of) credit loss allowance against off-balance sheet obligations

| | | | | | | | | |
|--|------|---------|---|-------|---|-------|---|---------|
| | (27) | (3,380) | - | 4,207 | 5 | 1,524 | - | (6,100) |
|--|------|---------|---|-------|---|-------|---|---------|

Credit loss allowance against other assets

| | | | | | | | | |
|--|---|---|---|-----|---|---|---|----|
| | - | - | - | 135 | - | - | - | 15 |
|--|---|---|---|-----|---|---|---|----|

Other Information

| | | | | | | | | |
|--------------------------|-----------|-------|-----------|-----------|-----------|--------|-----------|-----------|
| Dividend paid | 1,851,866 | 7,736 | 11,694 | 1,863,329 | 3,831,825 | 12,685 | 9,260 | 3,815,932 |
| Insurance premium paid | - | - | 1,665,706 | - | - | - | 1,327,811 | - |
| Insurance claims settled | - | - | 473,812 | - | - | - | 411,554 | - |

43 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

(Un-audited) (Audited)
June 30, December 31,
2025 2024
----- (Rupees in '000) -----

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)

15,771,651 15,771,651

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital

154,160,976 146,742,124

Eligible Additional Tier 1 (ADT 1) Capital

13,550,000 13,551,002

Total eligible tier 1 capital

167,710,976 160,293,126

Eligible tier 2 capital

40,769,626 44,256,145

Total eligible capital (tier 1 + tier 2)

208,480,602 204,549,271

Risk weighted assets (RWAs):

Credit risk

911,919,350 859,896,850

Market risk

42,798,738 47,911,688

Operational risk

243,639,025 243,639,025

Total

1,198,357,113 1,151,447,563

Common equity tier 1 capital adequacy ratio

12.86% 12.74%

Tier 1 capital adequacy ratio

14.00% 13.92%

Total capital adequacy ratio

17.40% 17.76%

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

Common Equity Tier 1 Capital Adequacy ratio

6.00% 6.00%

Tier 1 Capital Adequacy Ratio

7.50% 7.50%

Total Capital Adequacy Ratio

11.50% 11.50%

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

Leverage Ratio (LR):

Eligible tier-1 capital

167,710,976 160,293,126

Total exposures

3,944,956,023 4,077,780,148

Leverage ratio

4.25% 3.93%

Liquidity Coverage Ratio (LCR):

Total high quality liquid assets

1,040,705,419 1,197,167,258

Total net cash outflow

581,475,008 626,056,805

Liquidity coverage ratio

179% 191%

Net Stable Funding Ratio (NSFR):

Total available stable funding

1,814,073,161 1,690,754,449

Total required stable funding

1,300,806,884 1,340,991,900

Net stable funding ratio

139% 126%

43.1 The Holding Company has opted for transition arrangement to phase in ECL impact as permitted by SBP vide BPRD Circular No. 03 of 2022 dated July 05, 2022. Had the transitional arrangement not applied, CAR and Leverage ratio would have been 17.58% and 4.19% respectively.

44 AFGHANISTAN OPERATIONS

Bank Alfalah maintains a two-branch presence in Afghanistan. The Board and the management of the Holding Company continue to closely monitor the evolving situation in Afghanistan which has been hampered due to the country's frozen reserves and uncertainty regarding international recognition which prevent normal flows in and out of Afghanistan. The Holding Company has taken impairment against net assets where there is an indication that carrying amount may be higher than its recoverable amount. The Holding Company remains focused on maintaining its control standards i.e. both onshore and through Head Office oversight.

45 BANGLADESH OPERATIONS

During the year 2024, a non-binding indicative offer was received from Bank Asia Limited, Dhaka, Bangladesh ("Bank Asia") to acquire the Holding Company's Bangladesh Operations (assets and liabilities). In this regard, the Holding Company was granted an in-principle approval by the State Bank of Pakistan to facilitate conduct of due diligence exercise by Bank Asia.

Subsequently, during the period ended June 30, 2025, the Board of Directors of Bank Alfalah Limited ("the Holding Company") has accorded its approval to sell the Holding Company's Bangladesh Operations to Bank Asia subject to approval of the State Bank of Pakistan, the Central Bank of Bangladesh, and /or any other regulatory and legal compliance and execution of definitive agreement.

Further, a non-binding offer was also received in year 2024 from Hatton National Bank of Sri Lanka ("HNB") to acquire the Holding Company's Bangladesh Operations. However, HNB has decided not to proceed with acquisition.

46 NON-ADJUSTING EVENT

The Board of Directors of the Holding Company in its meeting held on July 31, 2025 has declared an interim cash dividend of 25% i.e. Rs. 2.5 per share for the quarter ended June 30, 2025 (June 30, 2024: Rs. 2.0 per share i.e. 20%). These consolidated condensed interim financial statements do not include the effect of this appropriation which will be accounted for subsequent to the period end. The Board of the Holding Company had earlier declared an interim cash dividend bringing the total cash dividend for the half year ended June 30, 2025 to Rs. 5.0 per share (June 30, 2024: Rs. 4.0 per share).

47 DATE OF AUTHORISATION

These consolidated condensed interim financial statements were authorised for issue on July 31, 2025 by the Board of Directors of the Holding Company.

48 GENERAL

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

48.2 The effects of reclassification, rearrangement in the comparative information presented in these consolidated condensed interim financial statements are as follows:

| Description of item | Nature | (Rupees in '000) | From | To |
|---------------------|---------|------------------|---|--|
| Agent commission | Expense | 337,992 | Commission on Benazir Income Support Programme (BISP) | Brokerage and commission |
| Verification cost | Expense | 84,793 | Commission on Benazir Income Support Programme (BISP) | CNIC verification |
| Optional issuer fee | Income | 383,464 | Foreign exchange income | Card related fees (debit and credit cards) |
| Conversion fee | Expense | 170,947 | Foreign exchange income | Card related fees (debit and credit cards) |
| Conversion fee | Expense | 119,570 | Foreign exchange income | Card acquiring business |

48.3 The effects of restatement due to adoption of IFRS 9 is mentioned in note 4.1.1 of these consolidated condensed interim financial statements.