



[Subsidiary of Habib Bank AG Zurich]

# HABIBMETRO

**HALF YEARLY REPORT JUNE 2025**

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هَذَا فَضْلُكَ

# OUR VISION

To be the most respected financial institution  
based on trust, service and commitment



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# OUR VALUES

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## **RESPECT**

We respect our heritage, our team's dedication, and our customers' faith in us.

## **INTEGRITY**

We set high professional and ethical standards for ourselves and each other.

## **TEAMWORK**

We play to our strengths and build teams that deliver at the local and global levels.

## **RESPONSIBILITY**

We take responsibility for ourselves, our actions, and always give our best.

## **COMMITMENT**

We are committed to responding to the needs of our customers.

## **TRUST**

We safeguard the trust that our customers place in us, and foster the same with passion.



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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### CHAIRMAN

Mohamedali R. Habib

#### PRESIDENT & CHIEF EXECUTIVE OFFICER

Khurram Shahzad Khan

#### DIRECTORS

Ali Abbas Sikander

Hamza Habib

Mohomed Bashir

Mohsin A. Nathani

Muhammad H. Habib

Rashid Ahmed Jafer

### BOARD COMMITTEES

#### AUDIT

Mohsin A. Nathani

Muhammad H. Habib

Rashid Ahmed Jafer

#### CREDIT

Hamza Habib

Khurram Shahzad Khan

Mohamedali R. Habib

Mohsin A. Nathani

Rashid Ahmed Jafer

### HUMAN RESOURCE & REMUNERATION

Ali Abbas Sikander

Mohamedali R. Habib

Mohomed Bashir

Mohsin A. Nathani

### SHARIAH BOARD

Tan Sri Dr. Mohd. Daud Bakar - Chairman

Mufti Abdul Sattar Laghari - Member

Mufti Khawaja Noor ul Hassan - Resident Member

### HEAD OF LEGAL & COMPANY SECRETARY

Mehvish Muneera

### REGISTERED OFFICE

Ground Floor, HABIBMETRO Head Office

I. I. Chundrigar Road,

Karachi - 74200, Pakistan

### INFORMATION TECHNOLOGY

Ali Abbas Sikander

Hamza Habib

Khurram Shahzad Khan

Mohamedali R. Habib

### RISK & COMPLIANCE

Khurram Shahzad Khan

Mohsin A. Nathani

Muhammad H. Habib

Rashid Ahmed Jafer

### SHARE REGISTRAR

CDC Share Registrar Services Limited

CDC House, 99-B, Block-B,

S.M.C.H.S., Main Shahra-e-Faisal,

Karachi - 74400

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## DIRECTORS' REVIEW

On behalf of the Board of Directors of Habib Metropolitan Bank, I am pleased to present the condensed interim un-audited financial statements for the half year ended June 30, 2025.

During the review period, Pakistan's economic and financial position continued to improve. Fitch and S&P Global each upgraded Pakistan's sovereign credit rating by one notch-from CCC+ to B- while Moody's raised the rating to Caa1 from Caa2, all with a stable outlook. The second quarter saw some uncertainty due to heightened geopolitical tensions, which eased swiftly following effective measures by the government in external affairs and the demonstration of significant strategic military capability. These developments left Pakistan in a stronger position, with improved international relationships.

The current account recorded a surplus of USD 2.1 billion in FY2025 - the first annual surplus in fourteen years and the largest in twenty-two years - reflecting improved external balances, stronger exports, and resilient remittance inflows, which helped boost foreign exchange reserves. Remittances ended the fiscal year at USD 38.3 billion, marking a historic high. SBP's foreign exchange reserves rose by 36.4% during Q2 2025 to close at USD 14.5 billion. Pakistan also successfully secured the second tranche of USD 1 billion under the IMF's 37-month Extended Fund Facility.

Pakistan's GDP grew by 2.68% in FY2025, driven by stronger-than-expected performance in the industrial sector, which expanded by 4.77% despite challenging conditions. Manufacturing growth was supported by gains in small-scale manufacturing, offsetting slower recovery in large-scale industries. The services sector-accounting for 58.4% of GDP-expanded by 2.91%, while agriculture posted modest growth of 0.56% due to lower yields of major crops. Improved economic activity and stable exchange rates resulted in a rise in per-capita income up to USD 1,824, from USD 1,662 a year earlier.

Inflation fell sharply, averaging 4.6% in FY2025 compared to 23.9% in FY2024. This decline was supported by a stable exchange rate, tight monetary policy, and fiscal consolidation. With price pressures easing, the SBP reduced the policy rate from a peak of 22.0% to 11.0%, maintaining real interest rates at around 8% positive. In its most recent MPC meeting, however, the SBP kept the policy rate unchanged in response to a temporary uptick in inflation, driven mainly by higher-than-expected adjustments in energy tariffs, particularly for gas. The economy is still adjusting to the effects of the significant interest rate cuts over the past year.

By the Grace of Allah, HABIBMETRO delivered a profit before tax of Rs. 25,229 million, reflecting a 13.7% increase over the same period last year. Earnings per share after tax stood at Rs. 11.04. Net mark-up income grew by 12.5% to Rs. 35,005 million, while non-mark-up income rose by 23.7% to Rs. 11,633 million. Investments stood at Rs. 848,593 million, and net advances totaled Rs. 493,262 million. Deposits increased by 14.6% to Rs. 1,062,463 million, with current deposits comprising 40.2% of the total.

The Bank's net equity stood at Rs. 120,236 million, and its capital adequacy ratio was a healthy 18.54%. The Board approved an interim cash dividend of Rs. 2.50 per share (25%) for the second quarter ended June 30, 2025. This is in addition to the Rs. 2.50 per share paid for Q1, taking the total interim payout for H1 2025 to Rs. 5.00 per share (50%).

HABIBMETRO's strong credit ratings-AA+ (long-term) and A1+ (short-term)-were reaffirmed by PACRA, reflecting the Bank's high credit quality and strong capacity to meet financial obligations. The Bank operates 561 branches in 228 cities across Pakistan, including 228 Islamic banking branches and 190 Islamic banking windows, offering a full range of conventional and Islamic products under the Sirat brand.

We remain committed to our corporate social responsibility agenda, with a strong emphasis on healthcare and education, and encourage active employee involvement in community initiatives. At the same time, we continue to advance our digital transformation journey, enhancing mobile apps, web banking, and card services to deliver a modern, seamless banking experience.

We extend our sincere appreciation to the State Bank of Pakistan, the Ministry of Finance, and the Securities and Exchange Commission of Pakistan for their continued support. We are equally grateful to our shareholders and customers for their trust, to the Board of Directors for their guidance, and to our dedicated staff for their tireless efforts, which remain central to HABIBMETRO's continued growth and success.

On behalf of the Board

**KHURRAM SHAHZAD KHAN**

President & Chief Executive Officer

Karachi: 13 August 2025

اللہ تعالیٰ کے فضل و کرم سے، حبیب میٹرو نے 25,229 ملین روپے کا منافع قبل از ٹیکس حاصل کیا جو گزشتہ سال کی اسی مدت کے مقابلے میں 13.7 فیصد زیادہ ہے۔ ٹیکس کے بعد فی شیئر آمدنی 11.04 روپے رہی۔ خالص مارک آپ آمدنی میں 12.5 فیصد اضافہ ہوا، جو بڑھ کر 35,005 ملین روپے تک پہنچ گئی، جبکہ نان مارک آپ آمدنی میں 23.7 فیصد اضافہ ہوا اور یہ 11,633 ملین روپے رہی۔ سرمایہ کاری کا حجم 848,593 ملین روپے رہا، جبکہ خالص ایڈوانسز 493,262 ملین روپے تک پہنچ گئے۔ ڈپازٹس میں 14.6 فیصد اضافہ ہوا اور یہ بڑھ کر 1,062,463 ملین روپے ہو گئے، جن میں کرنٹ ڈپازٹس کا حصہ کل کا 40.2 فیصد رہا۔

بینک کی خالص ایکویٹی 120,236 ملین روپے رہی اور اس کا مضبوط کیپٹل ایڈیوکیٹی تناسب 18.54 فیصد کی سطح پر برقرار رہا۔ بورڈ نے 30 جون 2025 کو ختم ہونے والی دوسری سہ ماہی کیلئے فی شیئر 2.50 روپے (25 فیصد) کا عبوری نقد منافع منقسمہ منظور کیا۔ یہ پہلی سہ ماہی کے لئے دیے گئے فی شیئر 2.50 روپے کے علاوہ ہے، جس سے مالی سال 2025 کی پہلی ششماہی کیلئے کل عبوری منافع منفی شیئر 5.00 روپے (50 فیصد) ہو گیا۔

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے حبیب میٹرو کی مستحکم کریڈٹ ریٹنگ AA+ (لائگ ٹرم) اور A1+ (شارٹ ٹرم) کی توثیق کی، جو بینک کی اعلیٰ کریڈٹ کواٹی اور مالی ذمہ داریوں کو پورا کرنے کی مضبوط صلاحیت کو ظاہر کرتی ہیں۔ بینک پاکستان بھر کے 228 شہروں میں 561 برانچز چلا رہا ہے، جن میں 228 اسلامک بینکنگ برانچز اور 190 اسلامک بینکنگ ونڈوز شامل ہیں، جو صراط براڈ کے تحت کنوینشنل اور اسلامک بینکاری دونوں طرح کی مصنوعات کی مکمل رینج فراہم کرتے ہیں۔

ہم اپنے کارپوریٹ سماجی ذمہ داریوں کے ایجنڈے کے ساتھ پُر عزم ہیں جس میں صحت اور تعلیم پر خاص زور دیا گیا ہے اور ہم ملازمین کو کمیونٹی اقدامات میں فعال شمولیت کی ترغیب دیتے ہیں۔ اس کے ساتھ ساتھ ہم اپنی ڈیجیٹل ٹرانسفارمیشن کے سفر کو جاری رکھتے ہوئے موبائل ایپس، ویب بینکنگ اور کارڈ سروسز کو بہتر بنا رہے ہیں تاکہ صارفین کو جدید اور ہموار بینکنگ کا تجربہ فراہم کیا جاسکے۔

ہم اسٹیٹ بینک آف پاکستان، وزارت خزانہ اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی ان کی مسلسل سرپرستی اور تعاون کیلئے انتہائی شکرگزار ہیں۔ ہم اپنے قابل قدر شیئر ہولڈرز اور سٹاکرز کا بھی ان کے اعتماد، بورڈ آف ڈائریکٹرز کا ان کی رہنمائی اور حبیب میٹرو بینک کے مخلص اسٹاف کا ان کی پُر خلوص کادشوں اور جدوجہد کے لئے شکریہ ادا کرتے ہیں جن کی بدولت حبیب میٹرو مستقل ترقی اور کامیابی کی راہ پر گامزن ہے۔

منجانب بورڈ

**خرم شہزاد خان**

صدر و چیف ایگزیکٹو آفیسر

کراچی: 13 اگست 2025

## ڈائریکٹرز ریویو

میں نہایت مسرت کے ساتھ حبیب میٹرو پولیٹن بینک کے بورڈ آف ڈائریکٹرز کی جانب سے 30 جون 2025 کو ختم ہونے والی ششماہی کیلئے غیر آڈٹ شدہ عبوری مالیاتی گوشوارے پیش کر رہا ہوں۔

زیر جائزہ مدت کے دوران پاکستان کی معیشت اور مالیاتی صورتحال نے بہتری کا سلسلہ جاری رکھا ہے۔ فُج ایبڈ ایس اینڈ پی گلوبل دونوں نے پاکستان کی مجموعی کریڈٹ ریٹنگ ایک درجہ بڑھاتے ہوئے +CCC سے B- کر دی جبکہ موڈی نے مستحکم آؤٹ لک کے ساتھ ریٹنگ Caa2 سے بڑھا کر Caa1 کر دی۔ دوسری سہ ماہی نے عالمی جغرافیائی سیاسی صورتحال میں بے چینی کے سبب کچھ غیر یقینی صورتحال دیکھی گئی جس میں حکومت کی جانب سے بیرونی امور میں موثر اقدامات اور اسٹریٹجک فوجی صلاحیتوں کے شاندار مظاہرے کے بعد بتدریج بہتری آنا شروع ہو گئی۔ ان اہم پیشرفت کے نتیجے میں پاکستان نے مستحکم عالمی تعلقات کے ساتھ مضبوط پوزیشن حاصل کر لی۔

مالی سال 2025 میں کرنٹ اکاؤنٹ 2.1 بلین امریکی ڈالر سے تجاوز کر گیا۔ جو گزشتہ چودہ سالوں کے دوران پہلا سالانہ سر پلس اور بائیس سالوں میں سب سے بڑا سر پلس تھا۔ جو بہتر ہوتے ہوئے بیرونی بیلنسز، مستحکم برآمدات اور نمایاں زر ترسیلات کے ملک میں آنے کی عکاسی کرتا ہے اور اس سے غیر ملکی زرمبادلہ کے ذخائر بڑھانے میں مدد ملی۔ مالی سال کے اختتام پر زر ترسیلات کا حجم 38.3 بلین امریکی ڈالر تھا جس کی بدولت ایس بی پی کے غیر ملکی زرمبادلہ کے ذخائر تاریخی سطح تک بڑھ کر مالی سال 2025 کی دوسری سہ ماہی کے دوران 36.4 فیصد تک بڑھنے کے بعد 14.5 بلین امریکی ڈالر ہو گئے۔ پاکستان نے کامیابی کے ساتھ آئی ایم ایف کی 37 ماہ کی توسیع شدہ فنڈنگ سیلیٹی کے تحت ایک بلین امریکی ڈالر کی دوسری قسط وصول کر لی۔

پاکستان کی جی ڈی پی مالی صنعتی شعبے میں توقع سے زیادہ مستحکم کارکردگی کی بدولت سال 2025 میں 2.68 فیصد تک بڑھ گئی جو چیلنجنگ صورتحال کے باوجود 4.77 فیصد تک پھیل گئی، مینوفیکچرنگ گروتھ کو چھوٹے پیمانے کی مینوفیکچرنگ، بڑے پیمانے کی صنعتوں میں سست روی کے ساتھ بحالی کی وجہ سے ہونے والے فوائد کے ذریعے معاونت ملی۔ سروسز سیکٹر کے کھاتے تو وسیع شدہ جی ڈی پی کے 58.4 فیصد کیلئے 2.91 فیصد تک بڑھ گئے جبکہ زراعت کے شعبے نے اہم فصلوں کی کٹائی پیداوار کے ذریعے صرف 0.56 فیصد کی معمولی گروتھ حاصل کی۔ بہتر ہوتی ہوئی معاشی سرگرمی اور زرمبادلہ کے مستحکم ریٹس کے نتیجے میں کس آمدنی گزشتہ سال کے 1,662 امریکی ڈالر کے مقابلے میں بڑھ کر 1,824 امریکی ڈالر ہو گئی۔

مالی سال 2025 میں افراط زر میں نمایاں کمی واقع ہوئی، جو مالی سال 2024 کے اوسط 23.9 فیصد کے مقابلے میں گھٹ کر اوسطاً 4.6 فیصد رہی۔ اس کمی میں مستحکم زرمبادلہ کی شرح، سخت مالیاتی پالیسی اور مالیاتی استحکام نے معاونت فراہم کی۔ قیمتوں کے دباؤ میں کمی کے ساتھ، اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ کو 22.0 فیصد کی بلند ترین سطح سے گھٹا کر 11.0 فیصد کر دیا، جس سے حقیقی شرح سود تقریباً 8 فیصد مثبت برقرار رہی۔ تاہم، اپنی حالیہ مانیٹرنگ پالیسی کمیٹی (MPC) کے اجلاس میں، اسٹیٹ بینک نے پالیسی ریٹ کو تبدیل نہیں کیا کیونکہ افراط زر میں عارضی اضافہ ہوا، جو بنیادی طور پر توانائی کے نرخوں، خصوصاً گیس کے نرخوں میں توقع سے زیادہ اضافہ ہونے کے باعث سامنے آیا۔ معیشت اب بھی گزشتہ سال کے دوران شرح سود میں نمایاں کمی کے اثرات کو جذب کرنے کے عمل میں ہے۔

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**INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF HABIB METROPOLITAN BANK LIMITED****Report on review of Unconsolidated Condensed Interim Financial Statements****Introduction**

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Habib Metropolitan Bank Limited ("the Bank") as at 30 June 2025 and the related unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, unconsolidated condensed interim cash flow statement and notes to the unconsolidated condensed interim financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

**Scope of Review**

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

**Conclusion**

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

**Other Matter**

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

The engagement partner on the engagement resulting in this independent auditor's review report is Zeeshan Rashid.

Karachi: 19 August 2025  
UDIN: RR202510188w7JFYztmg

**KPMG Taseer Hadi & Co.**  
Chartered Accountants

## UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

	Note	30 June 2025 (Un-Audited)	31 December 2024 (Audited)
Rupees in '000			
<b>ASSETS</b>			
Cash and balances with treasury banks	7	102,116,647	86,815,817
Balances with other banks	8	3,503,070	6,434,551
Lendings to financial institutions	9	11,162,974	5,570,998
Investments	10	848,592,658	810,875,400
Advances	11	493,262,121	474,300,584
Property and equipment	12	17,071,232	16,856,551
Right-of-use assets	13	8,809,020	8,608,382
Intangible assets	14	638,460	685,790
Deferred tax assets		—	—
Other assets	15	88,158,279	89,985,707
Total Assets		1,573,314,461	1,500,133,780

### LIABILITIES

Bills payable	16	36,955,831	28,478,822
Borrowings	17	263,190,528	330,010,768
Deposits and other accounts	18	1,062,462,828	927,132,777
Lease liabilities	19	10,839,015	10,463,713
Subordinated debt		—	—
Deferred tax liabilities	20	3,905,535	3,077,177
Other liabilities	21	75,724,990	85,938,708
Total Liabilities		1,453,078,727	1,385,101,965

### NET ASSETS

120,235,734	115,031,815
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### REPRESENTED BY

Share capital		10,478,315	10,478,315
Reserves		36,512,243	35,352,814
Surplus on revaluation of assets - net of tax	22	15,012,504	14,333,684
Unappropriated profit		58,232,672	54,867,002
		120,235,734	115,031,815

### CONTINGENCIES AND COMMITMENTS

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

<b>FUZAIL ABBAS</b> Chief Financial Officer	<b>KHURRAM SHAHZAD KHAN</b> President & Chief Executive Officer	<b>RASHID AHMED JAFER</b> Director	<b>MOHOMED BASHIR</b> Director	<b>MOHAMEDALI R. HABIB</b> Chairman
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## UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE QUARTER AND HALF YEAR ENDED 30 JUNE 2025

	Note	Quarter ended		Half year ended	
		30 June 2025	30 June 2024 (Restated)	30 June 2025	30 June 2024 (Restated)
Rupees in '000					
Mark-up / return / interest earned	25	39,944,455	61,229,373	81,699,824	120,136,210
Mark-up / return / interest expensed	26	(22,574,144)	(46,448,487)	(46,695,086)	(89,010,464)
Net mark-up / interest income		17,370,311	14,780,886	35,004,738	31,125,746
<b>NON MARK-UP / INTEREST INCOME</b>					
Fee and commission income	27	2,752,611	2,407,831	5,578,871	4,874,101
Dividend income		171,446	139,833	431,820	346,952
Foreign exchange income		2,150,451	2,118,790	4,159,196	3,419,344
Income / (loss) from derivatives		—	—	—	—
Gain on securities - net	28	1,132,255	954,313	1,379,406	685,585
Net loss on derecognition of financial assets measured at amortised cost		—	(3,602)	—	(3,602)
Other income	29	20,301	52,262	83,523	78,604
Total non mark-up / interest income		6,227,064	5,669,427	11,632,816	9,400,984
Total Income		23,597,375	20,450,313	46,637,554	40,526,730
<b>NON MARK-UP / INTEREST EXPENSES</b>					
Operating expenses	30	10,378,832	8,527,828	19,515,135	15,866,583
Workers' welfare fund		254,027	211,153	514,876	449,630
Other charges	31	271,317	1,011	287,897	72,788
Total non-mark-up / interest expenses		(10,904,176)	(8,739,992)	(20,317,908)	(16,389,001)
Profit before credit loss allowance		12,693,199	11,710,321	26,319,646	24,137,729
Credit loss allowance and write offs - net	32	(426,458)	(1,093,180)	(1,090,760)	(1,948,004)
<b>PROFIT BEFORE TAXATION</b>		12,266,741	10,617,141	25,228,886	22,189,725
Taxation	33	(6,750,690)	(4,995,176)	(13,659,317)	(10,666,425)
<b>PROFIT AFTER TAXATION</b>		5,516,051	5,621,965	11,569,569	11,523,300
Rupees					
<b>Basic and diluted earnings per share</b>	34	5.26	5.37	11.04	11.00

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

**FUZAIL ABBAS**  
Chief Financial Officer

**KHURRAM SHAHZAD KHAN**  
President &  
Chief Executive Officer

**RASHID AHMED JAFER**  
Director

**MOHOMED BASHIR**  
Director

**MOHAMEDALI R. HABIB**  
Chairman

## UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE QUARTER AND HALF YEAR ENDED 30 JUNE 2025

	Quarter ended		Half year ended	
	30 June 2025	30 June 2024 (Restated)	30 June 2025	30 June 2024 (Restated)
	Rupees in '000			
Profit after taxation	5,516,051	5,621,965	11,569,569	11,523,300
<b>Other comprehensive income</b>				
<b>Items that may be reclassified to profit and loss account in subsequent periods:</b>				
Effect of translation of net investment in an offshore branch - net of tax	2,164	316	2,472	(578)
Movement in surplus on revaluation of debt securities measured at FVOCI - net of tax	1,665,144	1,879,632	254,178	1,754,029
	1,667,308	1,879,948	256,650	1,753,451
<b>Items that will not be reclassified to profit and loss account in subsequent periods:</b>				
Remeasurement (loss) / gain on defined benefit obligations - net of tax	(7,499)	10,300	(144,082)	(40,853)
Movement in surplus on revaluation of equity securities measured at FVOCI - net of tax	285,602	360,089	315,560	485,278
Movement in surplus on revaluation of property and equipment - net of tax	—	—	25,925	—
Movement in surplus on revaluation of non-banking assets - net of tax	477,760	513,302	477,760	513,302
	755,863	883,691	675,163	957,727
<b>Total comprehensive income</b>	<b>7,939,222</b>	<b>8,385,604</b>	<b>12,501,382</b>	<b>14,234,478</b>

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

**FUZAIL ABBAS**  
Chief Financial Officer

**KHURRAM SHAHZAD KHAN**  
President &  
Chief Executive Officer

**RASHID AHMED JAFER**  
Director

**MOHOMED BASHIR**  
Director

**MOHAMEDALI R. HABIB**  
Chairman

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE HALF YEAR ENDED 30 JUNE 2025

	Share capital	Reserves					Surplus / (deficit) on revaluation		Un-appropriated profit	Total
		Exchange translation reserve	Share premium	Statutory reserve	Special reserve	Revenue reserve	Investments	Property, equipment & Non-banking assets		
	Rupees in '000									
Balance as at 31 December 2023 (Audited)	10,478,315	11,309	2,550,985	26,115,406	240,361	1,500,000	(1,550,763)	6,369,534	47,560,186	93,275,333
Impact of adoption of IFRS 9 as at 1 January 2024 - net of tax	-	-	-	-	-	-	(184,901)	-	461,044	276,143
Balance as at 1 January 2024 (Audited)	10,478,315	11,309	2,550,985	26,115,406	240,361	1,500,000	(1,735,664)	6,369,534	48,021,230	93,551,476
Profit after taxation for the period (restated) - note 3.2	-	-	-	-	-	-	-	-	11,523,300	11,523,300
Other comprehensive income (restated)										
Effect of translation of net investment in an offshore branch - net of tax	-	(578)	-	-	-	-	-	-	-	(578)
Movement in surplus on revaluation of debt securities measured at FVOCI - net of tax	-	-	-	-	-	-	1,754,029	-	-	1,754,029
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	(40,853)	(40,853)
Movement in surplus on revaluation of equity securities measured at FVOCI - net of tax	-	-	-	-	-	-	485,278	-	-	485,278
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	513,302	-	513,302
Total comprehensive income (restated)	-	(578)	-	-	-	-	2,239,307	513,302	(40,853)	2,711,178
Gain on sale of equity investments - FVOCI - net of tax	-	-	-	-	-	-	(281,311)	-	281,311	-
Transfer to statutory reserve	-	-	-	2,304,660	-	-	-	-	(2,304,660)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(80,983)	80,983	-
Transactions with owners, recorded directly in equity										
Final cash dividend (Rs. 5.50 per share) for the year ended 31 December 2023	-	-	-	-	-	-	-	-	(5,763,073)	(5,763,073)
Interim cash dividend (Rs. 2.50 per share) for the quarter ended 31 March 2024	-	-	-	-	-	-	-	-	(2,619,579)	(2,619,579)
Balance as at 30 June 2024 (Un-audited & restated)	10,478,315	10,731	2,550,985	28,420,066	240,361	1,500,000	222,332	6,801,853	49,178,659	99,403,302

	Share capital	Exchange translation reserve	Reserves				Surplus / (deficit) on revaluation		Un-appropriated profit	Total
			Share premium	Statutory reserve	Special reserve	Revenue reserve	Investments	Property, equipment & Non-banking assets		
	Rupees in '000									
Profit after taxation for the period	-	-	-	-	-	-	-	-	13,150,208	13,150,208
Other comprehensive income										
Effect of translation of net investment in an offshore branch - net of tax	-	629	-	-	-	-	-	-	-	629
Movement in surplus on revaluation of debt securities measured at FVOCI - net of tax	-	-	-	-	-	-	6,003,525	-	-	6,003,525
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	159,366	159,366
Movement in surplus on revaluation of equity securities measured at FVOCI - net of tax	-	-	-	-	-	-	1,399,219	-	-	1,399,219
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	-	(101,927)	-	(101,927)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	256,651	-	256,651
<b>Total comprehensive income</b>	-	629	-	-	-	-	7,402,744	154,724	159,366	7,717,463
Gain on sale of equity investments - FVOCI - net of tax	-	-	-	-	-	-	(164,347)	-	164,347	-
Transfer to statutory reserve	-	-	-	2,630,042	-	-	-	-	(2,630,042)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(83,622)	83,622	-
<b>Transactions with owners, recorded directly in equity</b>										
Interim cash dividend (Rs. 2.50 per share) for the quarter ended 30 June 2024	-	-	-	-	-	-	-	-	(2,619,579)	(2,619,579)
Interim cash dividend (Rs. 2.50 per share) for the quarter ended 30 September 2024	-	-	-	-	-	-	-	-	(2,619,579)	(2,619,579)
<b>Balance as at 31 December 2024 (Audited)</b>	<b>10,478,315</b>	<b>11,360</b>	<b>2,550,985</b>	<b>31,050,108</b>	<b>240,361</b>	<b>1,500,000</b>	<b>7,460,729</b>	<b>6,872,955</b>	<b>54,867,002</b>	<b>115,031,815</b>

	Share capital	Exchange translation reserve	Reserves			Revenue reserve	Surplus / (deficit) on revaluation			Total
			Share premium	Statutory reserve	Special reserve		Investments	Property, equipment & Non-banking assets	Un-appropriated profit	
Rupees in '000										
Impact of adoption of IFRS 9 - net of tax (note 3.1)	-	-	-	-	-	-	37,358	-	-	37,358
Profit after taxation for the period	-	-	-	-	-	-	-	-	11,569,569	11,569,569
Other comprehensive income										
Effect of translation of net investment in an offshore branch - net of tax	-	2,472	-	-	-	-	-	-	-	2,472
Movement in surplus on revaluation of debt securities measured at FVOCI - net of tax	-	-	-	-	-	-	254,178	-	-	254,178
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	(144,082)	(144,082)
Movement in surplus on revaluation of equity securities measured at FVOCI - net of tax	-	-	-	-	-	-	315,560	-	-	315,560
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	-	25,925	-	25,925
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	477,760	-	477,760
Total comprehensive income	-	2,472	-	-	-	-	569,738	503,685	(144,082)	931,813
Gain on sale of equity investments - FVOCI - net of tax	-	-	-	-	-	-	(356,161)	-	356,161	-
Transfer to statutory reserve	-	-	-	1,156,957	-	-	-	-	(1,156,957)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(75,800)	75,800	-
<b>Transactions with owners, recorded directly in equity</b>										
Final cash dividend (Rs. 450 per share) for the year ended 31 December 2024	-	-	-	-	-	-	-	-	(4,715,242)	(4,715,242)
Interim cash dividend (Rs. 250 per share) for the quarter ended 31 March 2025	-	-	-	-	-	-	-	-	(2,619,579)	(2,619,579)
<b>Balance as at 30 June 2025 (Un-audited)</b>	<b>10,478,315</b>	<b>13,832</b>	<b>2,550,985</b>	<b>32,207,065</b>	<b>240,361</b>	<b>1,500,000</b>	<b>7,711,664</b>	<b>7,300,840</b>	<b>58,232,672</b>	<b>120,235,734</b>

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

**FUZAIL ABBAS**  
Chief Financial Officer

**KHURRAM SHAHZAD KHAN**  
President &  
Chief Executive Officer

**RASHID AHMED JAFER**  
Director

**MOHOMED BASHIR**  
Director

**MOHAMEDALI R. HABIB**  
Chairman

## UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE HALF YEAR ENDED 30 JUNE 2025

### CASH FLOW FROM OPERATING ACTIVITIES

Profit before taxation  
Less: Dividend income

Note	30 June 2025	30 June 2024 (Restated)
		Rupees in '000
	25,228,886	22,189,725
	(431,820)	(346,952)
	<b>24,797,066</b>	<b>21,842,773</b>

#### Adjustments

Net mark-up / interest income (excluding mark up on lease liabilities against right-of-use assets)  
Depreciation on property and equipment  
Depreciation on right-of-use assets  
Amortisation  
Markup on lease liabilities against right-of-use assets  
Credit loss allowance (excluding recoveries of written off / charged off bad debts)  
Gain on sale of property and equipment - net  
Gain on sale of ijarah assets  
Unrealized gain on FVTPL securities  
Provision against workers' welfare fund  
Provision against compensated absences  
Provision against defined benefit plan

	(35,635,833)	(31,125,746)
30	1,362,173	1,153,520
30	782,496	747,253
30	136,740	117,129
26	631,095	560,795
32	1,302,601	1,948,004
29	(31,921)	(27,258)
29	(36,760)	(33,399)
28	(233,161)	(681,758)
	514,876	449,630
	98,850	61,785
	177,759	164,242
	<b>(30,931,085)</b>	<b>(26,665,803)</b>
	<b>(6,134,019)</b>	<b>(4,823,030)</b>

#### (Increase) / decrease in operating assets

Lendings to financial institutions  
Securities classified as FVTPL  
Advances  
Other assets (excluding dividend and non-banking assets)

(5,592,172)	207,801
(2,203,876)	(7,244,460)
(18,410,621)	(20,468,122)
<b>(385,528)</b>	<b>(7,335,863)</b>
<b>(26,592,197)</b>	<b>(34,840,644)</b>

#### Increase / (decrease) in operating liabilities

Bills payable  
Borrowings from financial institutions  
Deposits and other accounts  
Other liabilities (excluding current taxation)

8,477,009	2,069,406
(71,808,320)	(106,536,116)
135,330,051	86,465,109
<b>1,486,806</b>	<b>(13,132,357)</b>
<b>73,485,546</b>	<b>(31,133,958)</b>

Payment against compensated absences  
Contribution to the defined benefit plan  
Mark-up / Interest received  
Mark-up / Interest paid  
Income tax paid

40,759,330	(70,797,632)
(32,250)	(28,185)
(175,000)	(30,000)
81,838,301	117,031,569
(49,721,629)	(87,425,485)
<b>(20,358,588)</b>	<b>(14,207,947)</b>
<b>52,310,164</b>	<b>(55,457,680)</b>

#### Net cash flow from / (used in) operating activities

### CASH FLOW FROM INVESTING ACTIVITIES

Net investment in amortised cost securities  
Net investment in securities classified as FVOCI  
Investment in new subsidiary  
Dividend received  
Investment in property and equipment  
Investment in intangible assets  
Proceeds from sale of property and equipment  
Proceeds from sale of ijarah assets  
Effect of translation of net investment in an offshore branch

(501,940)	(2,405,334)
(33,816,798)	67,191,540
-	(1,000,000)
425,977	346,952
(1,589,194)	(1,951,465)
(89,410)	(390,561)
44,738	37,347
128,308	135,744
2,472	(578)
<b>(35,395,847)</b>	<b>61,963,645</b>

#### Net cash flow (used in) / from investing activities

### CASH FLOW FROM FINANCING ACTIVITIES

Dividend paid  
Payment of lease liabilities against right-of-use assets

(7,435,431)	(8,382,803)
(1,239,363)	(1,154,981)
<b>(8,674,794)</b>	<b>(9,537,784)</b>

#### Net cash flow used in financing activities

### Increase / (decrease) in cash and cash equivalents

Cash and cash equivalents at the beginning of the period

Cash and cash equivalents at the end of the period

8,239,523	(3,031,819)
<b>86,737,498</b>	<b>111,701,908</b>
<b>94,977,021</b>	<b>108,670,089</b>

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

<b>FUZAIL ABBAS</b> Chief Financial Officer	<b>KHURRAM SHAHZAD KHAN</b> President & Chief Executive Officer	<b>RASHID AHMED JAFER</b> Director	<b>MOHOMED BASHIR</b> Director	<b>MOHAMEDALI R. HABIB</b> Chairman
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## **NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**

FOR THE HALF YEAR ENDED 30 JUNE 2025

### **1. STATUS AND NATURE OF BUSINESS**

Habib Metropolitan Bank Limited (the Bank) was incorporated in Pakistan on 3 August 1992, as a public limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and is engaged in commercial banking and related services. Its shares are listed on the Pakistan Stock Exchange. The Bank operates 561 (31 December 2024: 551) branches, including 228 (31 December 2024: 223) Islamic banking branches, an offshore branch (Karachi Export Processing Zone branch) and 1 (31 December 2024: 1) sub branch in Pakistan. The Bank is a subsidiary of Habib Bank AG Zurich - Switzerland (the holding company with 51% shares in the Bank) which is incorporated in Switzerland.

- 1.1** The Pakistan Credit Rating Agency Limited (PACRA) has assigned the Bank's long term rating as AA+ (31 December 2024: AA+) and short term rating as A1+ (31 December 2024: A1+) dated 24 June 2025.

The registered office of the Bank is situated at Habib Metro Head Office, I.I. Chundrigar Road, Karachi.

### **2. BASIS OF PREPARATION**

- 2.1** The Bank has controlling interest in HabibMetro Modaraba Management Company (Private) Limited, First Habib Modaraba, Habib Metropolitan Financial Services Limited and HabibMetro Exchange Services Limited and is required to prepare consolidated financial statements under the provision of Companies Act, 2017. These condensed interim financial statements represent the unconsolidated results of the Bank and separate set of condensed interim consolidated financial statements are also being presented by the Bank.

#### **2.2 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 for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB) as 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) from time to time.

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

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

The SBP through BPRD Circular No. 16 dated July 29, 2024 has allowed Islamic banking institutions to follow Islamic Financial Accounting Standards (IFAS) 1 & 2 where applicable and continue existing accounting practices for other Islamic products until further instructions.

The disclosures and presentation made in these unconsolidated condensed interim financial statements are based on a format prescribed by the SBP vide BPRD Circular Letter No. 2 dated February 09, 2023 and IAS 34, Interim Financial Reporting. They do not include all the disclosures required for annual financial statements, and these unconsolidated condensed interim financial statements should be read in conjunction with the audited unconsolidated financial statements of the Bank for the year ended 31 December 2024.

### **2.3 Standards, interpretations of and amendments to published approved accounting and reporting standards that are effective in the current period**

There are certain new and amended standards, interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2025 but are considered not to be relevant or do not have any material effect on the Bank's operations.

### **2.4 Standards, interpretations of and amendments to published approved 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 1, 2026 but are considered not to be relevant or do not have any material effect on the Bank's operations, and therefore, not detailed in these unconsolidated condensed interim financial statements.

Furthermore, the following standards, amendments and interpretations with respect to the accounting and reporting standards would be effective from the dates mentioned below against the respective standards, amendments or interpretations:

<b>Standards, interpretations of and amendments to:</b>	<b>Effective date (annual periods beginning on or after)</b>
Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 & IFRS 7	1 January 2026
IFRS 18 - Presentation and Disclosure in Financial Statements	1 January 2027

The above amendments are not expected to have any material impact on the unconsolidated condensed interim financial statements of the Bank.

### 3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in preparation of these unconsolidated condensed interim financial statements are consistent with those as applied in the preparation of unconsolidated annual financial statements of the Bank for the year ended December 31, 2024 except for requirements of IFRS 9 relating to unlisted equity instruments, subsidised loans to staff and borrowings from SBP and lendings to customers under SBP Temporary Economic Refinance Facility (TERF) scheme as explained in note 3.1 and 3.2 respectively.

#### 3.1 Unlisted Equity Securities

In accordance with BPRD Circular Letter No. 16 dated July 29, 2024, SBP has relaxed the banks for the application of IFRS 9 'Financial Instruments' to measure unlisted equity securities at fair value under IFRS 13 effective from 01 January 2025. Therefore, the Bank has taken the impact of fair value adjustment to equity at the beginning of the current accounting period with modified retrospective approach for restatement permitted under IFRS 9. The impact of application as at 01 January 2025 is shown below:

	(Rupees in '000)
Increase in investments	77,830
Increase in deferred tax liabilities	(40,472)
<b>Increase in surplus on revaluation of assets - net of tax</b>	<b>37,358</b>

#### 3.2 IFRS 9 'Financial Instruments' – Restatement of corresponding figures of the current period due to subsequent adjustments on adoption of IFRS 9

The Bank adopted IFRS 9 in accordance with the application instructions, effective January 1, 2024, using the modified retrospective approach for restatement as permitted under the standard. In the annual audited financial statements for the year ended December 31, 2024, the cumulative net of tax impact of the initial application amounted to Rs. 276.143 million, which was recorded as an adjustment to equity at the beginning of the comparative accounting period.

Further, pursuant to the extended implementation timelines provided by SBP under BPRD Circular Letter No. 16 dated July 29, 2024, and BPRD Circular Letter No. 01 dated January 22, 2025, the Bank was required to apply fair value measurement to subsidised staff financing, implement modification accounting for financial assets and liabilities, and recognise income using the effective yield rate (EIR) method, with effect from the last quarter of 2024. However, in line with the SBP via its letter no. BPRD/RPD/854478/25 dated February 3, 2025, the recognition of income on EIR has been further deferred till December 31, 2025.

Therefore, the comparative figures for the half year ended June 30, 2024, presented in these unconsolidated condensed interim statement of profit and loss account, unconsolidated condensed interim statement of comprehensive income and unconsolidated condensed interim statement of changes in equity for the half year ended June 30, 2025, have been restated to reflect the above changes.

The effect of the restatement on the financial statements is summarised below:

	Previously reported	Restatementt	As re-stated	Description
Rupees in '000				
<b>Unconsolidated Condensed Interim Profit and Loss Account</b>				
Mark-up / return / interest earned	118,671,615	1,464,595	120,136,210	Impact of subsidised loans to staff and TERF loans to Bank's customers.
Mark-up / return / interest expensed	88,203,198	807,266	89,010,464	Impact of subsidised TERF borrowings from SBP.
Net loss on derecognition of financial assets measured at amortised cost	–	(3,602)	(3,602)	Impact of modified loans
Operating expenses	15,176,511	690,072	15,866,583	Impact of amortisation of deferred cost on staff loans
Credit loss allowance and write offs - net	(2,038,273)	90,269	(1,948,004)	Impact on credit loss allowance due to subsidised staff loans and TERF loans.
Profit before taxation	22,135,801	53,924	22,189,725	Impact of restatement
Taxation	(10,637,306)	(29,119)	(10,666,425)	Impact of restatement
Profit after taxation	11,498,495	24,805	11,523,300	Impact of restatement
Basic and diluted earnings per share	10.97	0.03	11.00	Impact of restatement
<b>Unconsolidated Condensed Interim Statement of Comprehensive Income</b>				
Total comprehensive income	14,209,673	24,805	14,234,478	Impact of restatement
<b>Unconsolidated Condensed Interim Statement of Changes in Equity</b>				
Unappropriated profit	49,369,047	(190,388)	49,178,659	Impact of restatement

## 4. BASIS OF MEASUREMENT

These unconsolidated condensed interim financial statements have been prepared under the historical cost convention except for certain property and equipment and non banking assets acquired in satisfaction of claims which are stated at revalued amounts; certain investments and derivative contracts which have been marked to market and are carried at fair value, obligation in respect of staff retirement benefits and lease liabilities which have been carried at present value and right of use of assets which are initially measured at an amount equal to corresponding lease liabilities (adjusted for any lease payment and costs) and are depreciated over respective lease term.

## 5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The basis for accounting estimates adopted in the preparation of these unconsolidated condensed interim financial statements are the same as that applied in the preparation of the unconsolidated audited financial statements for the year ended 31 December 2024.

## 6. FINANCIAL RISK MANAGEMENT

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

## 7. CASH AND BALANCES WITH TREASURY BANKS

### In hand

	30 June 2025 (Un-Audited)	31 December 2024 (Audited)
Local currency	15,119,608	15,321,375
Foreign currencies	1,462,900	1,393,358
	<b>16,582,508</b>	<b>16,714,733</b>

### With State Bank of Pakistan in

Local currency current accounts	53,830,938	46,256,955
Foreign currencies		
- current accounts	2,690,707	2,321,162
- cash reserve accounts	8,119,799	6,731,041
- deposit accounts - special cash reserve	14,600,246	12,058,642
	<b>79,241,690</b>	<b>67,367,800</b>

### With National Bank of Pakistan in

Local currency		
- current accounts	6,303,830	2,670,896
- deposit accounts	79,803	47,103
	<b>6,383,633</b>	<b>2,717,999</b>

### National Prize Bonds

	<b>9,224</b>	<b>16,080</b>
Less: Credit loss allowance held against cash and balances with treasury banks - stage 1	<b>(100,408)</b>	<b>(795)</b>

Cash and balances with treasury banks - net of credit loss allowance	<b>102,116,647</b>	<b>86,815,817</b>
---	--------------------	-------------------

	Note	30 June 2025 (Un-Audited)	31 December 2024 (Audited)
Rupees in '000			
<b>8. BALANCES WITH OTHER BANKS</b>			
<b>In Pakistan</b>			
In current accounts		195	10,050
In deposit accounts		163	108
		358	10,158
<b>Outside Pakistan</b>			
In current accounts		3,503,157	6,425,438
Less: Credit loss allowance held against balances with other banks - stage 1		(445)	(1,045)
Balances with other banks - net of credit loss allowance		3,503,070	6,434,551
<b>9. LENDINGS TO FINANCIAL INSTITUTIONS</b>			
Call / clean money lendings	9.3	5,817,172	5,571,000
Repurchase agreement lendings (reverse repo)		5,346,000	-
Less: Credit loss allowance held against lendings to financial institutions - stage 1		(198)	(2)
Lendings to financial institutions - net of credit loss allowance		11,162,974	5,570,998
<b>9.1 Particulars of lendings - gross</b>			
In local currency - secured		5,346,000	-
In foreign currency - unsecured		5,817,172	5,571,000
		11,163,172	5,571,000

30 June 2025 (Un-Audited)		31 December 2024 (Audited)	
Lendings	Credit loss allowance held	Lendings	Credit loss allowance held
Rupees in '000			

#### 9.2 Lending to FIs - Particulars of credit loss allowance

Performing	Stage 1	11,163,172	198	5,571,000	2
Under performing	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
Total		11,163,172	198	5,571,000	2

**9.3** These foreign currency lendings carry mark-up rates ranging from 4.30% to 6.50% (31 December 2024: 7.00% to 7.85%) per annum and are due to mature latest by 18 August 2025 (31 December 2024: 18 February 2025).

## 10. INVESTMENTS

### 10.1 Investments by type

	30 June 2025 (Un-Audited)				31 December 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								
<b>FVTPL</b>								
Federal government securities	46,959,435	-	44,412	47,003,847	42,055,433	-	(10,052)	42,045,381
Non-government debt securities	1,997,463	-	(4,255)	1,993,208	1,997,589	-	(9,249)	1,988,340
Mutual funds	-	-	-	-	2,700,000	-	85,219	2,785,219
Real estate investment trust units	1,814,314	-	1,523,339	3,337,653	1,814,314	-	1,254,365	3,068,679
	50,771,212	-	1,563,496	52,334,708	48,567,336	-	1,320,283	49,887,619
<b>FVOCI</b>								
Federal government securities	675,875,292	-	12,967,931	688,843,223	642,446,225	-	12,480,359	654,926,584
Shares	6,481,385	-	3,663,215	10,144,600	5,287,950	-	3,748,056	9,036,006
Non-government debt securities	9,719,440	(424,600)	(565,178)	8,729,662	9,767,355	(426,154)	(354,523)	8,986,678
	692,076,117	(424,600)	16,065,968	707,717,485	657,501,530	(426,154)	15,873,892	672,949,268
<b>Amortised Cost</b>								
Federal government securities	84,410,505	-	-	84,410,505	83,208,565	-	-	83,208,565
Non-government debt securities	2,300,000	(40)	-	2,299,960	3,000,000	(52)	-	2,999,948
	86,710,505	(40)	-	86,710,465	86,208,565	(52)	-	86,208,513
<b>Subsidiaries</b>	1,830,000	-	-	1,830,000	1,830,000	-	-	1,830,000
<b>Total investments</b>	831,387,834	(424,640)	17,629,464	848,592,658	794,107,431	(426,206)	17,194,175	810,875,400

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

#### 10.1.1 Investments given as collateral against repo borrowing

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

##### Federal government securities

Market treasury bills	2,918,166	34,402,365
Pakistan investment bonds	166,247,470	191,534,393
	<u>169,165,636</u>	<u>225,936,758</u>

#### 10.2 Credit loss allowance for diminution in value of investments

Opening balance	426,206	307,290
Impact of reclassification on adoption of IFRS 9	-	(219,607)
Impact of ECL recognised on adoption of IFRS 9	-	578
Charge for the period / year	-	337,945
Reversal for the period / year	(1,566)	-
Net (reversal) / charge for the period / year	(1,566)	337,945
Reversal on disposal	-	-
Investment written off	-	-
Closing balance	<u>424,640</u>	<u>426,206</u>

30 June 2025 (Un-Audited)		31 December 2024 (Audited)	
Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
Rupees in '000			

#### 10.3 Particulars of credit loss allowance against debt securities

##### Category of classification

Performing	Stage 1	5,300,000	1,277	6,000,000	2,843
Underperforming	Stage 2	-	-	-	-
Non-performing	Stage 3	-	-	-	-
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		423,363	423,363	423,363	423,363
		<u>423,363</u>	<u>423,363</u>	<u>423,363</u>	<u>423,363</u>
Total		<u>5,723,363</u>	<u>424,640</u>	<u>6,423,363</u>	<u>426,206</u>

## 10.4 Investment in subsidiaries - incorporated in Pakistan

30 June 2025 (Un-Audited)

	Country of Incorporation	Holding	Assets	Liabilities	Revenue	Profit / (loss) after tax	Total Comprehensive income for the period
Rupees in '000							
<b>Subsidiaries</b>							
Habib Metropolitan Financial Services Limited	Pakistan	100%	681,514	355,037	61,902	(8,009)	(8,323)
Habib Metropolitan Modaraba Management Company (Private) Limited	Pakistan	100%	951,266	15,771	92,288	44,206	104,720
First Habib Modaraba (FHM)	Pakistan	5.43%	34,732,023	28,575,370	2,366,372	438,414	459,311
HabibMetro Exchange Services Limited	Pakistan	100%	1,023,581	41,594	68,562	(36,623)	(36,623)

31 December 2023 (Audited)

	Country of Incorporation	Holding	Assets	Liabilities	Revenue	Profit / (loss) after tax	Total Comprehensive income for the year
Rupees in '000							
<b>Subsidiaries</b>							
Habib Metropolitan Financial Services Limited	Pakistan	100%	600,488	265,997	99,516	(4,200)	24,774
Habib Metropolitan Modaraba Management Company (Private) Limited	Pakistan	100%	843,479	17,956	168,034	128,620	184,084
First Habib Modaraba (FHM)	Pakistan	5.43%	30,500,563	24,773,681	5,430,581	972,084	1,001,161
HabibMetro Exchange Services Limited	Pakistan	100%	1,054,315	35,038	166,594	19,277	19,277

**10.5** The market value of federal government securities classified as amortised cost is Rs. 87,923,567 thousand (31 December 2024: 85,407,793 thousand).

## 11. ADVANCES

	Performing		Non Performing		Total	
	30 June 2025 (Un-Audited)	31 December 2024 (Audited)	30 June 2025 (Un-Audited)	31 December 2024 (Audited)	30 June 2025 (Un-Audited)	31 December 2024 (Audited)
Rupees in '000						
Loans, cash credits, running finances, etc.	311,930,809	329,647,770	19,469,043	19,153,873	331,399,852	348,801,643
Islamic financing and related assets	119,156,217	92,867,464	3,089,659	3,139,699	122,245,876	96,007,163
Bills discounted and purchased	65,548,644	56,120,236	2,788,238	2,873,698	68,336,882	58,993,934
Advances - gross	496,635,670	478,635,470	25,346,940	25,167,270	521,982,610	503,802,740
Credit loss allowance against advances						
Stage 1	(458,418)	(853,418)	—	—	(458,418)	(853,418)
Stage 2	(3,134,249)	(4,527,310)	—	—	(3,134,249)	(4,527,310)
Stage 3	—	—	(25,127,822)	(24,121,428)	(25,127,822)	(24,121,428)
	(3,592,667)	(5,380,728)	(25,127,822)	(24,121,428)	(28,720,489)	(29,502,156)
Advances - net of credit loss allowance	493,043,003	473,254,742	219,118	1,045,842	493,262,121	474,300,584

### 11.1 Particulars of advances - gross

	30 June 2025 (Un-Audited)	31 December 2024 (Audited)
	Rupees in '000	
In local currency	422,311,671	386,583,391
In foreign currencies	99,670,939	117,219,349
	<u>521,982,610</u>	<u>503,802,740</u>

**11.2** Advances include Rs. 25,346,940 thousand (31 December 2024: Rs. 25,167,270 thousand) which have been placed under non-performing / Stage 3 status as detailed below:

	30 June 2025 (Un-Audited)		31 December 2024 (Audited)	
	Non-performing loans	Credit loss allowance held	Non-performing loans	Credit loss allowance held
	Rupees in '000			
<b>Category of classification in Stage 3</b>				
<b>Domestic</b>				
Other asset especially mentioned	78,249	36,851	—	—
Substandard	20,370	6,846	475,602	270,348
Doubtful	—	—	1,901,249	1,190,825
Loss	25,248,321	25,084,125	22,790,419	22,660,255
	<u>25,346,940</u>	<u>25,127,822</u>	<u>25,167,270</u>	<u>24,121,428</u>

### 11.3 Particulars of credit loss allowance against advances

	30 June 2025 (Unaudited)			31 December 2024 (Audited)				
	Stage 3	Stage 1 & 2	Total	Stage 3	Stage 1 & 2	Specific	General	Total
	Rupees in '000							
Opening balance	24,121,428	5,380,728	29,502,156	—	—	19,273,580	7,325,642	26,599,222
Impact of adoption of IFRS 9 as of 1 January 2024	—	—	—	19,768,274	4,282,512	(19,273,580)	(5,963,784)	(1,186,578)
Charge for the period / year	1,488,165	1,304,090	2,792,255	5,817,144	3,636,187	—	—	9,453,331
Reversals for the period / year	(481,771)	(3,092,151)	(3,573,922)	(1,439,152)	(2,537,971)	—	(1,361,858)	(5,338,981)
Net charge / (reversal) for the period / year	1,006,394	(1,788,061)	(781,667)	4,377,992	1,098,216	—	(1,361,858)	4,114,350
Amount written off	—	—	—	(24,838)	—	—	—	(24,838)
Closing balance	<u>25,127,822</u>	<u>3,592,667</u>	<u>28,720,489</u>	<u>24,121,428</u>	<u>5,380,728</u>	<u>—</u>	<u>—</u>	<u>29,502,156</u>

### 11.4 Consideration of forced sales value (FSV) for the purposes of provisioning against non-performing loans

During the current period, the Bank decided to not to avail the benefit of Forced Sales Value (FSV) against non-performing loans, as available under BSD Circular No. I of 21 October 2011 issued by the SBP.

## 11.5 Advances - Particulars of credit loss allowance

	30 June 2025 (Un-Audited)			31 December 2024 (Audited)		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	Rupees in '000					
<b>11.5.1</b> Opening balance	853,418	4,527,310	24,121,428	—	—	—
Impact of adoption of IFRS 9	—	—	—	2,227,772	2,054,740	19,768,274
New advances	139,704	1,369,731	959,906	236,843	3,037,877	271,322
Advances derecognised or repaid	(324,358)	(2,125,790)	(481,771)	(1,292,683)	(524,860)	(1,413,187)
Transfer to stage 1	12,849	(12,849)	—	10,281	(10,281)	—
Transfer to stage 2	(45,302)	45,302	—	(325,222)	351,186	(25,964)
Transfer to stage 3	(4,644)	(201,838)	206,482	(3,573)	(384,947)	388,520
	(221,751)	(925,444)	684,617	(1,374,354)	2,468,975	(779,309)
Amounts written off / charged off	—	—	—	—	—	(24,838)
Changes in risk parameters	(173,249)	(467,617)	321,777	—	3,595	5,157,301
Closing balance	<u>458,418</u>	<u>3,134,249</u>	<u>25,127,822</u>	<u>853,418</u>	<u>4,527,310</u>	<u>24,121,428</u>

30 June 2025 (Un-Audited)		31 December 2024 (Audited)	
Outstanding amount	Credit loss allowance	Outstanding amount	Credit loss allowance
Rupees in '000			

## 11.5.2 Advances - Category of classification

### Domestic

Performing	Stage 1	402,190,829	458,418	413,742,038	853,418
Underperforming	Stage 2	94,444,841	3,134,249	64,893,432	4,527,310
Non-Performing	Stage 3				
Other assets especially mentioned		78,249	36,851	—	—
Substandard		20,370	6,846	475,602	270,348
Doubtful		—	—	1,901,249	1,190,825
Loss		25,248,321	25,084,125	22,790,419	22,660,255
		<u>25,346,940</u>	<u>25,127,822</u>	<u>25,167,270</u>	<u>24,121,428</u>
Total		<u>521,982,610</u>	<u>28,720,489</u>	<u>503,802,740</u>	<u>29,502,156</u>

Note	<b>30 June 2025</b>	31 December 2024
	(Un-Audited)	(Audited)

## 12. PROPERTY AND EQUIPMENT

Capital work-in-progress	12.1	<u>586,636</u>	457,063
Property and equipment		<u>16,484,596</u>	16,399,488
		<u>17,071,232</u>	<u>16,856,551</u>

### 12.1 Capital work-in-progress

Civil works	12.1.1	<u>310,091</u>	265,241
Advance to suppliers		<u>276,545</u>	191,822
		<u>586,636</u>	<u>457,063</u>

**12.1.1** This represents advance against renovation being carried out at various locations.

## 12.2 Additions to property and equipment

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

### Capital work-in-progress additions - net

#### Property and equipment

Furniture and fixture  
Electrical, office and computer equipment  
Vehicles  
Lease hold improvements

Total

30 June  
2025  
(Un-Audited)

30 June  
2024

Rupees in '000

129,573

65,486

100,789

988,277

4,479

366,076

1,459,621

1,589,194

119,439

1,186,982

25,200

554,703

1,886,324

1,951,810

## 12.3 Disposal of property and equipment

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

Furniture and fixture  
Electrical, office and computer equipment  
Vehicles

Total

139

326

870

465

11,808

9,298

12,817

10,089

30 June  
2025  
(Un-Audited)

31 December  
2024  
(Audited)

Rupees in '000

## 13. RIGHT-OF-USE ASSETS

Cost  
Accumulated Depreciation  
Net carrying amount as at the start of the period / year  
Additions during the period / year  
Termination / maturities during the period / year - Cost  
Termination / maturities during the period / year - Accumulated Depreciation  
Depreciation charge for the period / year  
Closing carrying amount as at the end of the period / year

13,419,612

12,452,599

(4,811,230)

(4,851,146)

8,608,382

7,601,453

1,012,838

2,625,820

(339,441)

(1,658,807)

309,737

1,582,770

(782,496)

(1,542,854)

8,809,020

8,608,382

## 14. INTANGIBLE ASSETS

Capital work-in-progress - Computer Software  
Computer Software

243,885

189,576

394,575

496,214

638,460

685,790

### Computer software

30 June  
2025  
(Un-Audited)

30 June  
2024

Rupees in '000

## 14.1 Additions to intangible assets

Capital work-in-progress additions  
Directly purchased - Computer Software

54,309

10,450

35,101

380,111

89,410

390,561

	Note	30 June 2025 (Un-Audited)	31 December 2024 (Audited)
		Rupees in '000	
<b>15. OTHER ASSETS</b>			
Income / mark-up / profit accrued in local currency - net		29,789,580	29,923,592
Income / mark-up / profit accrued in foreign currencies - net		393,384	397,849
Advances, deposits, advance rent and other prepayments		1,236,284	846,260
Advance taxation (payments less provision)		1,039,908	—
Non-banking assets acquired in satisfaction of claim		2,204,729	2,204,729
Mark-to-market gain on forward foreign exchange contracts		2,663,884	3,974,963
Mark-to-market gain on forward purchase of federal Government security transactions		94,642	—
Acceptances		38,068,790	42,480,848
Receivable against rebate and remittances		3,224,488	337,728
Receivable from the SBP against encashment of Government securities		94,687	23,182
Stationery and stamps on hand		382,498	339,127
Receivable from TLink		450,009	2,183,238
Deferred cost on staff loans		5,725,118	4,857,532
Others		683,907	734,530
		<u>86,051,908</u>	<u>88,303,578</u>
Credit loss allowance / provision held against other assets	15.1	<u>(466,500)</u>	<u>(412,982)</u>
Other Assets (Net of credit loss allowance / provision)		<u>85,585,408</u>	<u>87,890,596</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	15.2	<u>2,572,871</u>	<u>2,095,111</u>
		<u>88,158,279</u>	<u>89,985,707</u>
<b>15.1 Credit loss allowance / provision held against other assets</b>			
Claims receivable against fraud and forgeries		394,816	394,816
Acceptances		71,684	18,166
		<u>466,500</u>	<u>412,982</u>
<b>15.1.1 Movement in Credit loss allowance / provision held against other assets</b>			
Opening balance		412,982	375,000
Impact of adoption of IFRS 9		—	88,854
Charge for the period / year		53,518	19,816
Reversal for the period / year		—	(70,688)
Net charge / (reversal) for the period / year		53,518	(50,872)
Closing balance		<u>466,500</u>	<u>412,982</u>
<b>15.1.2 Particulars of Credit loss allowance / provision held against other assets</b>			
Stage 1		7,686	12,518
Stage 2		10,146	5,648
Stage 3 / others		448,668	394,816
		<u>466,500</u>	<u>412,982</u>

**15.2** Non-banking assets acquired in satisfaction of claims have been revalued as at June 30, 2025 by M/s Akbani & Javed Associates. The valuation was performed by the independent professional valuer on the basis of assessment of present market values. The revaluation has resulted in an incremental surplus of Rs. 477,760 thousand over the existing revaluation surplus carried in the books. The total surplus arising on revaluation of Non-banking assets acquired in satisfaction of claims as at June 30, 2025 amounted to Rs. 2,572,871 thousand.

	<b>30 June 2025</b> (Un-Audited)	31 December 2024 (Audited)
	Rupees in '000	
<b>16. BILLS PAYABLE</b>		
In Pakistan	<b>36,851,784</b>	28,378,790
Outside Pakistan	<b>104,047</b>	100,032
	<b><u>36,955,831</u></b>	<u>28,478,822</u>
<b>17. BORROWINGS</b>		
<b>Secured</b>		
Borrowings from the State Bank of Pakistan under:		
Export refinance scheme	<b>53,938,874</b>	59,242,166
Long term financing facility - renewable energy scheme	<b>1,935,977</b>	2,177,048
Long term financing facility	<b>13,626,423</b>	15,438,369
Temporary economic refinance facility	<b>18,029,774</b>	19,682,235
Long term financing facility - for storage of agricultural produce scheme	<b>755,613</b>	750,064
Refinance facility for modernization of SME	<b>292,731</b>	219,918
Refinance facility for combating COVID-19	<b>10,736</b>	18,881
Refinance and credit guarantee scheme for women entrepreneurs	<b>55,032</b>	59,816
	<b><u>88,645,160</u></b>	97,588,497
Repurchase agreement borrowings (Repo) - secured	<b>163,801,819</b>	225,809,401
<b>Total secured</b>	<b>252,446,979</b>	323,397,898
<b>Unsecured</b>		
Call borrowing	<b>-</b>	100,000
Overdrawn nostro accounts	<b>10,743,549</b>	6,512,870
<b>Total unsecured</b>	<b>10,743,549</b>	6,612,870
<b>Total Borrowings</b>	<b><u>263,190,528</u></b>	<u>330,010,768</u>

## 18. DEPOSITS AND OTHER ACCOUNTS

	<b>30 June 2025 (Un-Audited)</b>			<b>31 December 2024 (Audited)</b>		
	<b>In local currency</b>	<b>In foreign currencies</b>	<b>Total</b>	<b>In local currency</b>	<b>In foreign currencies</b>	<b>Total</b>
	Rupees in '000					
<b>Customers</b>						
Current deposits	<b>351,978,039</b>	<b>68,107,233</b>	<b>420,085,272</b>	335,607,455	64,648,144	400,255,599
Savings deposits	<b>314,913,717</b>	<b>16,183,905</b>	<b>331,097,622</b>	293,241,677	16,914,294	310,155,971
Term deposits	<b>89,783,969</b>	<b>86,362,843</b>	<b>176,146,812</b>	120,938,951	47,383,383	168,322,334
Others	<b>46,524,710</b>	<b>4,321</b>	<b>46,529,031</b>	29,656,415	240,192	29,896,607
	<b>803,200,435</b>	<b>170,658,302</b>	<b>973,858,737</b>	779,444,498	129,186,013	908,630,511
<b>Financial institutions</b>						
Current deposits	<b>5,404,459</b>	<b>1,681,978</b>	<b>7,086,437</b>	3,150,604	1,510,900	4,661,504
Savings deposits	<b>81,257,058</b>	<b>-</b>	<b>81,257,058</b>	12,587,401	-	12,587,401
Term deposits	<b>237,703</b>	<b>22,893</b>	<b>260,596</b>	1,230,888	22,473	1,253,361
Others	<b>-</b>	<b>-</b>	<b>-</b>	-	-	-
	<b>86,899,220</b>	<b>1,704,871</b>	<b>88,604,091</b>	16,968,893	1,533,373	18,502,266
	<b><u>890,099,655</u></b>	<b><u>172,363,173</u></b>	<b><u>1,062,462,828</u></b>	<u>796,413,391</u>	<u>130,719,386</u>	<u>927,132,777</u>

	30 June 2025 (Un-Audited)	31 December 2024 (Audited)
	Rupees in '000	
<b>19. LEASE LIABILITIES</b>		
Opening balance	10,463,713	9,051,378
Additions during the period / year	1,012,838	2,625,820
Deletions during the period / year	(29,268)	(97,017)
Lease payments including interest	(1,239,363)	(2,315,877)
Interest expense	631,095	1,199,409
Closing balance	<u>10,839,015</u>	<u>10,463,713</u>

## 19.1. Liabilities Outstanding

Not later than one year	1,146,077	1,045,765
Later than one year and upto five years	5,491,010	5,172,701
Over five years	4,201,928	4,245,247
Total as at the period / year end	<u>10,839,015</u>	<u>10,463,713</u>

Aggregate 12.36% (31 December 2024: 12.38%) is used as discounting factor for the calculation of lease liabilities.

	30 June 2025 (Un-Audited)	31 December 2024 (Audited)
	Rupees in '000	
<b>20. DEFERRED TAX LIABILITIES / (ASSETS)</b>		
<b>Deductible temporary differences on</b>		
- Credit loss allowance for diminution in value of investments	(220,813)	(225,889)
- Credit loss allowance against advances	(2,664,546)	(5,629,063)
- Credit loss allowance against off-balance sheet obligations	(1,275,246)	(275,224)
- Credit loss allowance - Others	(220,796)	(144,095)
- Right-of-use assets and related lease liabilities	(687,862)	-
- Accelerated tax depreciation	(563,799)	(404,683)
- Deferred liability on defined benefit plan	(81,657)	(31,024)
- Surplus on revaluation of investments	8,354,304	8,413,163
	<u>2,639,585</u>	<u>1,703,185</u>
<b>Taxable temporary differences on</b>		
- Surplus on revaluation of property and equipment	1,265,950	1,373,992
	<u>3,905,535</u>	<u>3,077,177</u>

	Note	30 June 2025 (Un-Audited)	31 December 2024 (Audited)
		Rupees in '000	
<b>21. OTHER LIABILITIES</b>			
Mark-up / return / interest payable in local currency		11,245,417	15,426,508
Mark-up / return / interest payable in foreign currencies		1,497,053	973,600
Unearned commission and income on bills discounted		1,159,026	1,016,338
Accrued expenses		3,273,206	2,743,998
Current taxation (provision less payments)		–	6,221,510
Acceptances		38,068,790	42,480,848
Clearing and settlement account		344,692	812,976
Unclaimed dividend		84,312	184,922
Branch adjustment account		13,960	8,944
Mark-to-market loss on forward foreign exchange contracts		2,369,812	3,275,493
Provision for compensated absences		423,493	356,893
Deferred liability on defined benefit plan		314,067	117,071
Credit loss allowance against off-balance sheet obligations	21.1	2,286,990	353,883
Workers' welfare fund	21.2	5,409,877	4,895,001
Charity fund		1,478	458
Excise duty payable		3,232	2,920
Locker deposits		987,039	965,722
Advance against diminishing musharaka		347,544	7,693
Advance rental for ijarah		19,655	19,695
Security deposits against leases / ijarah		184,500	197,598
Sundry creditors		4,678,154	4,011,907
Withholding tax / duties		1,057,279	1,496,718
Deferred grant income		118,257	147,275
Others		1,837,157	220,737
		<u>75,724,990</u>	<u>85,938,708</u>
<b>21.1 Credit loss allowance against off-balance sheet obligations</b>			
Opening balance		353,883	32,583
Impact of adoption of IFRS 9		–	519,290
Charge for the period / year		1,933,107	–
Reversal for the period / year		–	(197,990)
Net charge / (reversal) for the period / year		1,933,107	(197,990)
Closing balance		<u>2,286,990</u>	<u>353,883</u>
<b>21.1.1 Particulars of Credit loss allowance against off-balance sheet obligations</b>			
Stage 1		29,510	40,098
Stage 2		110,885	127,985
Stage 3		2,146,595	185,800
		<u>2,286,990</u>	<u>353,883</u>

- 21.2** Under the Workers' Welfare Ordinance 1971, the Bank is liable to pay workers' welfare fund (WWF) @ 2% of accounting profit before tax or taxable income, whichever is higher. The Bank has made full provision for WWF based on profit for the respective years.

The Supreme Court of Pakistan vide its order dated 10 November 2016 has held that the amendments made in the law introduced by the Federal Government for the levy of WWF were not lawful. The Federal Board of Revenue has filed review petitions against this order which are currently pending.

Legal advice obtained on the matter indicates that consequent to filing of these review petitions the judgement may not currently be treated as conclusive. Accordingly the Bank maintains its provision in respect of WWF.

	Note	30 June 2025 (Un-Audited)	31 December 2024 (Audited)
Rupees in '000			
<b>22. SURPLUS ON REVALUATION OF ASSETS - NET OF TAX</b>			
Surplus on revaluation of			
- Securities measured at FVOCI-Debt	10.1	12,402,753	12,125,836
- Securities measured at FVOCI-Equity	10.1	3,663,215	3,748,056
- Property and equipment		5,993,919	6,151,836
- Non-banking assets acquired in satisfaction of claims		2,572,871	2,095,111
		<b>24,632,758</b>	24,120,839
Less: Deferred tax on surplus on revaluation of			
- Securities measured at FVOCI-Debt		6,449,432	6,426,693
- Securities measured at FVOCI-Equity		1,904,872	1,986,470
- Property and equipment		1,265,950	1,373,992
- Non-banking assets acquired in satisfaction of claims		-	-
		<b>(9,620,254)</b>	(9,787,155)
		<b>15,012,504</b>	14,333,684

	Note	30 June 2025 (Un-Audited)	31 December 2024 (Restated)
Rupees in '000			
<b>23. CONTINGENCIES AND COMMITMENTS</b>			
Guarantees	23.1	161,863,113	152,625,779
Commitments	23.2	767,198,224	794,758,394
Other contingent liabilities	23.3	2,880,338	2,986,394
		<b>931,941,675</b>	950,370,567

	30 June 2025 (Un-Audited)	31 December 2024 (Audited)
Rupees in '000		
<b>23.1 Guarantees</b>		
Financial guarantees	38,501,569	33,303,405
Performance guarantees	57,324,160	55,070,186
Other guarantees	66,037,384	64,252,188
	<b>161,863,113</b>	152,625,779

	Note	30 June 2025 (Un-Audited)	31 December 2024 (Restated)
		Rupees in '000	
<b>23.2 Commitments</b>			
Documentary credits and short-term trade-related transactions:			
Letters of credit		165,409,747	229,691,020
Commitments in respect of:			
Forward foreign exchange contracts	23.2.1	578,185,580	547,663,058
Forward federal Government security transactions	23.2.2	22,728,620	16,393,540
Forward lendings	23.2.3	237,476	388,000
Commitments for:			
Acquisition of property and equipment		636,801	622,776
		<u>767,198,224</u>	<u>794,758,394</u>

#### 23.2.1 Commitments in respect of forward foreign exchange contracts

Purchase	305,016,226	260,615,930
Sale	273,169,354	287,047,128
	<u>578,185,580</u>	<u>547,663,058</u>

#### 23.2.2 Commitments in respect of forward federal Government security transactions

Purchase	22,728,620	16,393,540
Sale	–	–
	<u>22,728,620</u>	<u>16,393,540</u>

#### 23.2.3 Commitments in respect of forward lendings

The Bank has made commitments to extend credit in the normal course of its business, but none of these commitments are irrevocable and do not attract any penalty if the facility is unilaterally withdrawn, except for:

	Note	30 June 2025 (Un-Audited)	31 December 2024 (Audited)
		Rupees in '000	
Commitments in respect of syndicate financing		<u>237,476</u>	<u>388,000</u>

#### 23.3 Other contingent liabilities

Claims against bank not acknowledged as debt	23.3.1	2,880,338	2,880,338
Foreign Exchange repatriation case		–	106,056
		<u>2,880,338</u>	<u>2,986,394</u>

**23.3.1** These mainly represent counter claims by borrowers for damages. Based on legal advice and internal assessments, management is confident that the matters will be decided in the Bank's favour and the possibility of any adverse outcome is remote. Accordingly, no provision has been made in these unconsolidated condensed interim financial statements.

### 24. DERIVATIVE FINANCIAL INSTRUMENTS

The Bank deals in derivative financial instruments namely forward foreign exchange contracts and foreign currency swaps with the principal view of hedging the risks arising from its trade business.

As per the Bank's policy, these contracts are reported on their fair value at the statement of financial position date. The gains and losses from revaluation of these contracts are included under "Foreign exchange income". Mark to market gains and losses on these contracts are recorded on the statement of financial position under "other assets / other liabilities".

These products are offered to the Bank's customers to protect from unfavorable movements in foreign currencies. The Bank hedges such exposures in the inter-bank foreign exchange market.

These positions are reviewed on a regular basis by the Bank's Asset and Liability Committee (ALCO).

## 24.1 Product Analysis

### Forward foreign exchange contracts

Counter Parties	30 June 2025 (Un-Audited)		31 December 2024 (Audited)	
	Notional Principal	Mark to Market Gain / (Loss)	Notional Principal	Mark to Market Gain / (Loss)
	Rupees in '000			
<b>Banks</b>				
Hedging	477,637,424	(549,832)	435,802,474	2,193,620
<b>Other Entities</b>				
Hedging	100,548,156	843,904	111,860,584	(1,494,150)
<b>Total</b>				
Hedging	578,185,580	294,072	547,663,058	699,470

Note

30 June  
2025

30 June  
2024  
(Restated)

(Un-Audited)

Rupees in '000

## 25. MARK-UP / RETURN / INTEREST EARNED

Loans and advances		28,555,984	36,314,355
Investments	25.1	51,116,343	82,065,376
Lending with financial institutions		1,823,787	1,507,610
Balances with banks		203,710	248,869
		81,699,824	120,136,210

30 June  
2025

30 June  
2024

(Un-Audited)

Rupees in '000

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

Financial assets measured at amortised cost;	5,418,371	7,045,366
Financial assets measured at FVTPL	3,584,988	1,961,808
Financial assets measured at FVOCI	42,112,984	73,058,202
	51,116,343	82,065,376

30 June  
2025

30 June  
2024

(Restated)

(Un-Audited)

Rupees in '000

## 26. MARK-UP / RETURN / INTEREST EXPENSED

Deposits	27,283,467	61,870,275
Borrowings	16,844,733	22,353,129
Cost of foreign currency swaps against foreign currency deposits / borrowings	1,935,791	4,226,265
Lease liabilities against right-of-use assets	631,095	560,795
	46,695,086	89,010,464

	Note	30 June 2025	30 June 2024
		(Un-Audited)	
		Rupees in '000	
<b>27. FEE &amp; COMMISSION INCOME</b>			
Branch banking customer fees		737,536	647,249
Credit related fees		22,457	21,997
Card related fees		650,181	382,154
Commission on trade		3,206,163	3,077,959
Commission on guarantees		658,297	538,449
Commission on remittances including home remittances		38,037	27,561
Commission on bancassurance		79,438	54,688
Commission on cash management		103,238	81,575
Investment Banking Fee		55,031	26,781
Others		28,493	15,688
		<u>5,578,871</u>	<u>4,874,101</u>
<b>28. GAIN ON SECURITIES - NET</b>			
Realised	28.1	1,051,603	3,827
Unrealised - measured at FVTPL		233,161	681,758
Unrealised - forward purchase of federal Government security transactions		94,642	-
		<u>1,379,406</u>	<u>685,585</u>
<b>28.1 Realised gain / (loss) on:</b>			
Federal government securities - net		953,628	(5,496)
Mutual funds - net		97,975	-
Real estate investment trust - net		-	9,323
		<u>1,051,603</u>	<u>3,827</u>
<b>28.2 Net gain / (loss) on financial assets / liabilities measured at FVTPL:</b>			
Designated upon initial recognition		-	-
Mandatorily measured at FVTPL		896,026	875,302
		<u>896,026</u>	<u>875,302</u>
Net gain / (loss) on financial assets measured at FVOCI - Debt		483,380	(189,717)
		<u>1,379,406</u>	<u>685,585</u>
<b>29. OTHER INCOME</b>			
Rent on properties		14,784	17,076
Gain on sale of property and equipment - net		31,921	27,258
Gain on sale of ijarah assets - net		36,760	33,399
Staff notice period and other recoveries		58	871
		<u>83,523</u>	<u>78,604</u>

## 30. OPERATING EXPENSES

	30 June 2025	30 June 2024 (Restated)
	(Un-Audited)	
	Rupees in '000	
Total compensation expense	7,934,573	6,753,685
<b>Property expense</b>		
Rent & taxes	60,681	37,378
Insurance	9,996	6,322
Utilities cost	619,464	616,898
Security	694,042	513,704
Repair & maintenance	594,473	420,985
Depreciation on property and equipment	549,202	498,022
Depreciation on right-of-use assets	782,496	747,253
	3,310,354	2,840,562
<b>Information technology expenses</b>		
Software maintenance	704,008	365,445
Hardware maintenance	236,610	231,599
Depreciation	337,289	249,181
Amortisation	136,740	117,129
Network charges	243,706	159,612
	1,658,353	1,122,966
<b>Other operating expenses</b>		
Directors' fees and allowances	14,789	12,233
Fees and allowances to Shariah Board	18,414	15,379
Legal & professional charges	138,669	169,190
Outsourced services costs	224,142	177,900
Travelling & conveyance	630,922	411,612
NIFT clearing charges	72,922	47,856
Depreciation	475,682	406,317
Training & development	39,768	24,061
Postage & courier charges	97,600	94,868
Communication	473,384	338,601
Subscription	484,747	412,747
Repair & maintenance	135,791	154,831
Brokerage & commission	109,305	86,796
Stationery & printing	228,197	258,953
Marketing, advertisement & publicity	366,928	442,674
Management fee	1,039,235	538,186
Insurance	789,568	727,069
Donations	263,300	219,976
Auditor's Remuneration	19,427	18,000
Security	255,547	215,855
Others	733,518	376,266
	6,611,855	5,149,370
	19,515,135	15,866,583

		30 June 2025	30 June 2024
		(Un-Audited)	
		Rupees in '000	
<b>31. OTHER CHARGES</b>			
Penalties imposed by the SBP		<u>287,897</u>	<u>72,788</u>
	Note	30 June 2025	30 June 2024
		(Un-Audited)	(Restated)
		Rupees in '000	
<b>32. CREDIT LOSS ALLOWANCE &amp; WRITE OFFS - NET</b>			
Credit loss allowance against cash and balances with banks		99,013	120,081
Credit loss allowance against lendings to financial institutions		196	1,171
Credit loss allowance for diminution in value of investments	10.2	(1,566)	381,638
Credit loss allowance against loans & advances	11.3	(781,667)	1,331,483
Credit loss allowance against other assets		53,518	32,625
Credit loss allowance against other liabilities		1,933,107	81,006
Recoveries of written off / charged off bad debts		(211,841)	–
		<u>1,090,760</u>	<u>1,948,004</u>
<b>33. TAXATION</b>			
Current			
- For the period		12,116,401	10,347,243
- Prior year		579,141	–
		12,695,542	10,347,243
Deferred			
- For the period		1,721,392	319,182
- Prior year		(757,617)	–
		963,775	319,182
		<u>13,659,317</u>	<u>10,666,425</u>
<b>34. BASIC AND DILUTED EARNINGS PER SHARE</b>			
Profit after taxation		11,569,569	11,523,300
		Number in '000	
Weighted average number of ordinary shares		1,047,831	1,047,831
		Rupees	
Basic and diluted earnings per share		11.04	11.00

### 35. FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than investment in subsidiaries and those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities, other than investments in subsidiaries, 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.

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

## 35.1 Fair value of financial assets

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

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

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

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

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 categorized:

### On balance sheet financial instruments

30 June 2025 (Un-Audited)				
Fair value				
Level 1	Level 2	Level 3	Total	
Rupees in '000				
Financial assets measured at fair value				
Investments				
– Federal Government securities	95,931,500	639,915,570	–	735,847,070
– Non Government debt securities	–	10,722,870	–	10,722,870
Shares				
– Listed companies	10,018,449	–	–	10,018,449
– Unlisted companies	–	–	126,151	126,151
– Real estate investment trust	3,337,653	–	–	3,337,653

### Financial assets - disclosed but not measured at fair value

Investments				
– Federal Government securities	–	87,923,567	–	87,923,567
– Non Government debt securities	–	–	2,299,960	2,299,960
	109,287,602	738,562,007	2,426,111	850,275,720

### Off-balance sheet financial instruments measured at fair value

Forward purchase of foreign exchange contracts	–	306,791,114	–	306,791,114
Forward sale of foreign exchange contracts	–	271,688,538	–	271,688,538
Forward purchase of federal Government security transactions	–	22,823,262	–	22,823,262

## On balance sheet financial instruments

On balance sheet financial instruments				
31 December 2024 (Audited)				
Fair value				
	Level 1	Level 2	Level 3	Total
	Rupees in '000			
<b>Financial assets measured at fair value</b>				
Investments				
– Federal Government securities	74,378,500	622,593,465	–	696,971,965
– Non Government debt securities	–	10,975,018	–	10,975,018
– Shares				
– Listed companies	8,984,437	–	–	8,984,437
– Unlisted companies	–	–	51,569	51,569
– Mutual funds	2,785,219	–	–	2,785,219
– Real estate investment trust	3,068,679	–	–	3,068,679

## Financial assets - disclosed but not measured at fair value

Investments				
– Federal Government securities	–	85,407,793	–	85,407,793
– Non Government debt securities	–	–	2,999,948	2,999,948
	<u>89,216,835</u>	<u>718,976,276</u>	<u>3,051,517</u>	<u>811,244,628</u>

## Off-balance sheet financial instruments measured at fair value

Forward purchase of foreign exchange contracts	–	257,959,904	–	257,959,904
Forward sale of foreign exchange contracts	–	290,402,624	–	290,402,624
Forward purchase of federal Government security transactions	–	16,393,540	–	16,393,540

## 35.2 Fair value of non-financial assets

	30 June 2025 (Un-Audited)			
	Fair value			
	Level 1	Level 2	Level 3	Total
	Rupees in '000			
<b>Non-financial assets measured at fair value</b>				
– Property and equipment	–	10,328,986	–	10,328,986
– Non-banking assets acquired in satisfaction of claim	–	4,777,600	–	4,777,600
	–	15,106,586	–	15,106,586

31 December 2024 (Audited)

Fair value			
Level 1	Level 2	Level 3	Total
Rupees in '000			

## Non-financial assets measured at fair value

– Property and equipment	–	10,015,686	–	10,015,686
– Non-banking assets acquired in satisfaction of claim	–	4,299,840	–	4,299,840
	–	14,315,526	–	14,315,526

## 35.3 Valuation techniques used in determination of fair valuation of financial instruments within level 2 and level 3

Federal government debt securities	The fair value of government securities are valued using PKRV, PKFRV, PKISRV and PSX rates.
Debt securities other than federal government securities	The fair value is determined using the prices / rates available on Mutual Funds Association of Pakistan (MUFAP) / Reuters website and PSX.
Unquoted equity securities	The fair value is determined using replacement price determined by the company or where the shares can be surrendered.
Forward contracts	The fair values are derived using forward exchange rates applicable to their respective remaining maturities.
Mutual funds	The fair value is determined based on the net asset values published at the close of each business day.

## Valuation techniques used in determination of fair values of non-financial assets within level 2

Property and equipment and non-banking assets acquired in satisfaction of claim	<p>Property and equipment and non-banking assets are valued by professionally qualified valuers. The valuation is based on their assessment of the market value of the assets. In determining the valuation for land and building the valuer refers to numerous independent market inquiries from local estate agents / realtors in the vicinity to establish the present market value. The fair valuation of land and building are considered to represent a level 2 valuation based on significant non-observable inputs being the location and condition of the assets.</p> <p>The fair value is subject to change owing to changes in input. However, management does not expect there to be a material sensitivity to the fair value arising from the non-observable inputs.</p>
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### 36. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

	30 June 2025 (Un-Audited)				
	Trade & Sales	Retail Banking	Commercial Banking	Islamic Banking	Total
	Rupees in '000				
<b>Profit and loss account</b>					
Net mark-up / return / profit	30,220,919	(9,071,494)	5,168,851	8,686,462	35,004,738
Inter segment revenue - net	(20,344,536)	15,236,049	5,108,487	-	-
Non mark-up / return / interest income	5,997,064	630,103	4,210,520	795,129	11,632,816
<b>Total Income</b>	<b>15,873,447</b>	<b>6,794,658</b>	<b>14,487,858</b>	<b>9,481,591</b>	<b>46,637,554</b>
Segment direct expenses	(251,877)	-	-	-	(251,877)
Inter segment expense allocation	-	(4,988,147)	(9,986,976)	(5,090,908)	(20,066,031)
Total expenses	(251,877)	(4,988,147)	(9,986,976)	(5,090,908)	(20,317,908)
Credit loss allowance	1,566	2,110	(2,329,925)	1,235,489	(1,090,760)
<b>Profit before tax</b>	<b>15,623,136</b>	<b>1,808,621</b>	<b>2,170,957</b>	<b>5,626,172</b>	<b>25,228,886</b>
<b>Statement of financial position</b>					
Cash and bank balances	3,498,547	25,745,092	51,502,640	24,873,438	105,619,717
Investments	697,424,084	-	-	151,168,574	848,592,658
Net inter segment lending	-	406,533,590	81,299,088	-	487,832,678
Lendings to financial institutions	11,162,974	-	-	-	11,162,974
Advances - performing	-	10,490,773	366,988,680	119,156,217	496,635,670
Advances - non-performing	-	624,345	21,632,936	3,089,659	25,346,940
Credit loss allowance against advances	-	(607,143)	(23,687,182)	(4,426,164)	(28,720,489)
Others	18,309,618	7,872,007	63,915,505	24,579,861	114,676,991
<b>Total Assets</b>	<b>730,395,223</b>	<b>450,658,664</b>	<b>561,651,667</b>	<b>318,441,585</b>	<b>2,061,147,139</b>
Borrowings	174,545,368	-	61,417,128	27,228,032	263,190,528
Deposits and other accounts	-	392,447,250	416,739,057	253,276,521	1,062,462,828
Net inter segment borrowing	487,832,678	-	-	-	487,832,678
Others	9,522,704	18,925,333	75,860,696	23,116,638	127,425,371
<b>Total liabilities</b>	<b>671,900,750</b>	<b>411,372,583</b>	<b>554,016,881</b>	<b>303,621,191</b>	<b>1,940,911,405</b>
<b>Net Assets</b>	<b>58,494,473</b>	<b>39,286,081</b>	<b>7,634,786</b>	<b>14,820,394</b>	<b>120,235,734</b>
<b>Equity</b>					<b>120,235,734</b>
<b>Contingencies and commitments</b>	<b>600,914,200</b>	<b>-</b>	<b>297,670,216</b>	<b>33,357,259</b>	<b>931,941,675</b>

	30 June 2024 (Un-Audited & Restated)				
	Trade & Sales	Retail Banking	Commercial Banking	Islamic Banking	Total
	Rupees in '000				
<b>Profit and loss account</b>					
Net mark-up / return / profit	59,348,967	(22,695,398)	(12,288,837)	6,761,014	31,125,746
Inter segment revenue - net	(62,316,108)	38,831,888	23,484,220	–	–
Non mark-up / return / interest income	4,496,643	412,298	3,964,969	527,074	9,400,984
<b>Total Income</b>	1,529,502	16,548,788	15,160,352	7,288,088	40,526,730
Segment direct expenses	(345,786)	–	–	–	(345,786)
Inter segment expense allocation	–	(4,034,995)	(8,675,880)	(3,332,340)	(16,043,215)
<b>Total expenses</b>	(345,786)	(4,034,995)	(8,675,880)	(3,332,340)	(16,389,001)
Credit loss allowance	(381,638)	(35,498)	(316,316)	(1,214,552)	(1,948,004)
<b>Profit before tax</b>	802,078	12,478,295	6,168,156	2,741,196	22,189,725
	31 December 2024 (Audited)				
	Trade & Sales	Retail Banking	Commercial Banking	Islamic Banking	Total
	Rupees in '000				
<b>Statement of financial position</b>					
Cash and bank balances	6,435,596	25,145,136	46,698,111	14,971,525	93,250,368
Investments	663,854,898	–	–	147,020,502	810,875,400
Net inter segment lending	–	379,807,962	27,488,264	–	407,296,226
Lendings to financial institutions	5,570,998	–	–	–	5,570,998
Advances - performing	–	15,855,835	369,912,171	92,867,464	478,635,470
Advances - non-performing	–	336,133	21,691,438	3,139,699	25,167,270
Credit loss allowance against advances	–	(603,370)	(23,237,144)	(5,661,642)	(29,502,156)
Others	21,655,600	11,816,263	64,547,414	18,117,153	116,136,430
<b>Total assets</b>	697,517,092	432,357,959	507,100,254	270,454,701	1,907,430,006
Borrowings	232,422,271	–	68,693,948	28,894,549	330,010,768
Deposits and other accounts	–	374,480,521	347,257,208	205,395,048	927,132,777
Net inter segment borrowing	407,296,226	–	–	–	407,296,226
Others	3,687,896	18,151,910	87,224,985	18,893,629	127,958,420
<b>Total liabilities</b>	643,406,393	392,632,431	503,176,141	253,183,226	1,792,398,191
<b>Net assets</b>	54,110,699	39,725,528	3,924,113	17,271,475	115,031,815
<b>Equity</b>					115,031,815
<b>Contingencies and commitments</b>	547,663,058	–	341,670,958	44,643,011	933,977,027

### 37. TRANSACTIONS WITH RELATED PARTIES

The Bank has related party relationships with its holding company, subsidiaries, associates, companies with common directorship, key management personnel, directors and employees' retirement benefit plans.

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 in respect of staff retirement benefits are made in accordance with actuarial valuation and terms of contribution plan. Salaries and allowances of the key management personnel are in accordance with the terms of their employment. Other transactions are at agreed terms.

Details of transactions with related parties during the period are as follows:

	30 June 2025 (Un-Audited)						
	Holding company	Directors	Key management personnel	Subsidiary companies	Associates	Retirement benefit plans	Total
	Rupees in '000						
<b>Balances with other banks</b>							
In current accounts	273,110	-	-	-	149,205	-	422,315
<b>Investments</b>							
Opening balance	-	-	-	4,830,000	-	-	4,830,000
Investment made during the period	-	-	-	5,800,000	-	-	5,800,000
Investment redeemed / disposed off during the period	-	-	-	(6,500,000)	-	-	(6,500,000)
Closing balance	-	-	-	4,130,000	-	-	4,130,000
<b>Advances</b>							
Opening balance	-	-	331,041	56,689	6,504,983	-	6,892,713
Addition during the period	-	-	35,393	-	44,399,461	-	44,434,854
Repaid during the period	-	-	(29,197)	(56,689)	(41,822,561)	-	(41,908,447)
Closing balance	-	-	337,237	-	9,081,883	-	9,419,120
<b>Other Assets</b>							
Mark-up / return / interest receivable	-	-	-	34,498	53,453	-	87,951
Prepayments / advance deposits / other receivables	468	-	-	1,462	32,489	-	34,419
	468	-	-	35,960	85,942	-	122,370
<b>Deposits and other accounts</b>							
Opening balance	231,356	967,344	224,702	2,304,739	5,567,651	2,168,691	11,464,483
Received during the period	7,467,117	1,427,601	729,079	183,229,311	1,655,449,816	1,571,785	1,849,874,709
Withdrawn during the period	(7,444,278)	(1,378,188)	(633,850)	(183,737,604)	(1,643,850,441)	(2,052,420)	(1,839,096,781)
Closing balance	254,195	1,016,757	319,931	1,796,446	17,167,026	1,688,056	22,242,411
<b>Other Liabilities</b>							
Mark-up / return / interest payable	-	15,355	5,669	13,262	123,041	215,565	372,892
Management fee payable for technical and consultancy services*	277,372	-	-	-	-	-	277,372
Other payables	-	955	-	-	2,719	314,067	317,741
	277,372	16,310	5,669	13,262	125,760	529,632	968,005
<b>Contingencies and commitments</b>							
Transaction-related contingent liabilities	-	-	-	-	18,496,889	-	18,496,889
Trade-related contingent liabilities	-	-	-	-	3,561,701	-	3,561,701
	-	-	-	-	22,058,590	-	22,058,590

\* Management fee is as per the agreement with the holding company.

31 December 2024 (Audited)

	Holding company	Directors	Key management personnel	Subsidiary companies	Associates	Retirement benefit plans	Total
	Rupees in '000						
<b>Balances with other banks</b>							
In current accounts	322,178	–	–	–	277,533	–	599,711
<b>Investments</b>							
Opening balance	–	–	–	5,530,000	–	–	5,530,000
Investment made during the year	–	–	–	20,400,000	–	–	20,400,000
Investment redeemed / disposed off during the year	–	–	–	(21,100,000)	–	–	(21,100,000)
Closing balance	–	–	–	4,830,000	–	–	4,830,000
<b>Advances</b>							
Opening balance	–	–	283,415	–	5,709,339	–	5,992,754
Addition during the year	–	–	124,870	3,865,202	134,111,594	–	138,101,666
Repaid during the year	–	–	(77,244)	(3,808,513)	(133,315,950)	–	(137,201,707)
Closing balance	–	–	331,041	56,689	6,504,983	–	6,892,713
<b>Other Assets</b>							
Mark-up / return / interest receivable	–	–	–	48,484	31,360	–	79,844
Prepayments / advance deposits / other receivables	468	–	–	–	67,006	–	67,474
	468	–	–	48,484	98,366	–	147,318
<b>Deposits and other accounts</b>							
Opening balance	242,044	822,094	319,529	1,522,026	25,278,888	1,421,701	29,606,282
Received during the year	19,784,319	3,140,332	1,534,947	234,317,102	2,786,954,112	6,790,530	3,052,521,342
Withdrawn during the year	(19,795,007)	(2,995,082)	(1,629,774)	(233,534,389)	(2,806,665,349)	(6,043,540)	(3,070,663,141)
Closing balance	231,356	967,344	224,702	2,304,739	5,567,651	2,168,691	11,464,483
<b>Other Liabilities</b>							
Mark-up / return / interest payable	–	8,566	10,616	14,866	105,119	217,415	356,582
Other payables	–	995	–	–	900	117,071	118,966
	–	9,561	10,616	14,866	106,019	334,486	475,548
<b>Contingencies and commitments</b>							
Transaction-related contingent liabilities	–	–	–	–	13,955,479	–	13,955,479
Trade-related contingent liabilities	–	–	–	–	6,073,667	–	6,073,667
	–	–	–	–	20,029,146	–	20,029,146

\* Management fee is as per the agreement with the holding company.

## Transactions during the period

	For the period ended 30 June 2025 (Un-Audited)					
	Holding company	Directors	Key management personnel	Subsidiary Companies	Associates	Retirement benefit plans
	Rupees in '000					
<b>Income</b>						
Mark-up / return / interest earned	-	-	8,897	181,534	69,894	-
Fee and commission income	-	65	-	604	366,305	9
Rent income	2,808	-	-	11,923	5,170	-
<b>Expense</b>						
Mark-up / return / interest expensed	-	30,825	8,840	63,467	222,301	360,799
Commission / brokerage / bank charges paid	446	-	-	1,812	1,604	-
Salaries and allowances	-	-	452,094	-	-	-
Directors' fees and allowances	-	14,789	-	-	-	-
Charge to defined benefit plan	-	-	-	-	-	177,759
Contribution to defined contribution plan	-	-	-	-	-	215,101
Insurance premium expenses	-	-	-	-	25,755	-
Management fee expense for technical and consultancy services *	1,039,235	-	-	-	-	-

\* Management fee is as per the agreement with the holding company.

**Transactions during the period**

For the period ended 30 June 2024 (Un-Audited)

	Holding company	Directors	Key management personnel	Subsidiaries companies	Associates	Retirement benefit plans	Total
	Rupees in '000						
<b>Income</b>							
Mark-up / return / interest earned	–	–	7,525	625,213	43,610	–	676,348
Fee and commission income	93	133	–	680	492,843	7	493,756
Rent income	2,808	–	–	6,201	5,170	–	14,179
<b>Expenses</b>							
Mark-up / return / interest expensed	–	42,976	22,173	135,444	1,536,544	131,219	1,868,356
Commission / brokerage / bank charges paid	101	–	–	1,808	1,411	–	3,320
Salaries and allowances	–	–	368,489	–	–	–	368,489
Directors' fees and allowances	–	13,446	–	–	–	–	13,446
Charge to defined benefit plan	–	–	–	–	–	163,872	163,872
Contribution to defined contribution plan	–	–	–	–	–	187,127	187,127
Insurance premium expenses	–	–	–	–	30,525	–	30,525
Management fee expense for technical and consultancy services *	538,186	–	–	–	–	–	538,186
Donation	–	–	–	–	960	–	960

\* Management fee is as per the agreement with the holding company .

### 38. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	30 June 2025 (Un-Audited)	31 December 2024 (Audited)
	Rupees in '000	
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	10,478,315	10,478,315
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible common equity tier 1 (CET 1) Capital	104,186,552	99,689,869
Eligible additional tier 1 (ADT 1) Capital	–	–
Total eligible tier 1 capital	104,186,552	99,689,869
Eligible tier 2 capital	16,032,300	17,619,301
Total eligible capital (tier 1 + tier 2)	120,218,852	117,309,170
<b>Risk Weighted Assets (RWAs):</b>		
Credit risk	499,347,158	455,454,722
Market risk	4,669,205	8,395,647
Operational risk	144,429,169	144,429,169
Total	648,445,532	608,279,538
CET 1 capital adequacy ratio (in %)	16.07%	16.39%
Tier 1 capital adequacy ratio (in %)	16.07%	16.39%
Total capital adequacy ratio (in %)	18.54%	19.29%
<b>Minimum capital requirements prescribed by SBP</b>		
CET 1 capital adequacy ratio (in %)	6.00%	6.00%
Tier 1 capital adequacy ratio (in %)	7.50%	7.50%
Total capital adequacy ratio (in %)	11.50%	11.50%
Banks uses simple, maturity method and basic indicator approach for credit risk, market risk and operational risk exposures respectively in the capital adequacy calculation.		
<b>Leverage Ratio (LR):</b>		
Eligible tier-1 capital	104,186,552	99,689,869
Total exposures	2,004,660,573	1,943,057,316
Leverage ratio (in %)	5.20%	5.13%
<b>Liquidity Coverage Ratio (LCR):</b>		
Total high quality liquid assets	575,405,176	719,857,270
Total net cash outflow	369,932,436	330,851,160
Liquidity coverage ratio (in %)	156%	218%
<b>Net Stable Funding Ratio (NSFR):</b>		
Total available stable funding	1,022,056,753	955,276,822
Total required stable funding	516,664,868	538,749,940
Net stable funding ratio (in %)	198%	177%

## 39. ISLAMIC BANKING BUSINESS

The bank is operating 228 (31 December 2024: 223) Islamic banking branches and 190 (31 December 2024: 190) Islamic banking windows at the end of the period.

	Note	30 June 2025 (Un-Audited)	31 December 2024 (Audited)
		Rupees in '000	
<b>ASSETS</b>			
Cash and balances with treasury banks		24,827,523	14,936,606
Balances with other banks		45,915	34,919
Due from financial institutions		–	–
Investments	39.1	151,168,574	147,020,502
Islamic financing and related assets – net	39.2	117,819,712	90,345,521
Property and equipment		759,953	800,502
Right-of-use assets		3,183,199	3,055,711
Intangible assets		–	–
Due from Head Office		9,224,187	5,167,862
Other assets		11,412,522	9,093,078
<b>Total Assets</b>		<b>318,441,585</b>	<b>270,454,701</b>
<b>LIABILITIES</b>			
Bills payable		8,244,745	6,374,863
Due to financial institutions		27,228,032	28,894,549
Deposits and other accounts	39.3	253,276,521	205,395,048
Due to Head Office		–	–
Lease liabilities		3,909,386	3,696,838
Subordinated debt		–	–
Deferred tax liabilities		1,266,415	1,754,446
Other liabilities		9,696,092	8,821,928
<b>Total Liabilities</b>		<b>303,621,191</b>	<b>254,937,672</b>
<b>NET ASSETS</b>		<b>14,820,394</b>	<b>15,517,029</b>
<b>REPRESENTED BY</b>			
Islamic Banking Fund		11,007,094	11,006,964
Reserves		–	–
Surplus on revaluation of assets		1,168,999	1,635,769
Unappropriated profit	39.4	2,644,301	2,874,296
		<b>14,820,394</b>	<b>15,517,029</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	39.5		

The profit and loss account of the Bank's Islamic banking branches for the half year ended 30 June 2025 is as follows:

	Note	(Un-Audited)	
		30 June 2025	30 June 2024 (Restated)
Rupees in '000			
<b>PROFIT AND LOSS ACCOUNT</b>			
Profit / return earned	39.6	<b>16,550,169</b>	17,938,264
Profit / return expensed	39.7	<b>(7,863,707)</b>	(11,177,250)
<b>Net Profit / return</b>		<b>8,686,462</b>	6,761,014
<b>Other income</b>			
Fee and Commission Income		<b>647,644</b>	502,640
Dividend Income		<b>-</b>	-
Foreign Exchange Income		<b>95,608</b>	69,675
Income / (loss) from derivatives		<b>-</b>	-
Gain / (loss) on securities		<b>13,716</b>	(81,303)
Other Income		<b>38,161</b>	36,062
<b>Total other income</b>		<b>795,129</b>	527,074
<b>Total Income</b>		<b>9,481,591</b>	7,288,088
<b>Other expenses</b>			
Operating expenses		<b>5,090,465</b>	3,332,233
Workers' welfare fund		<b>-</b>	-
Other charges		<b>443</b>	107
<b>Total other expenses</b>		<b>5,090,908</b>	3,332,340
<b>Profit before credit loss allowance</b>		<b>4,390,683</b>	3,955,748
Credit loss allowance and write offs – net		<b>1,235,489</b>	(1,214,552)
<b>Profit before taxation</b>		<b>5,626,172</b>	2,741,196
Taxation		<b>(2,981,871)</b>	(1,343,186)
<b>Profit after taxation</b>		<b>2,644,301</b>	1,398,010

### 39.1 Investments by segments

#### Debt Instruments

##### Measured at amortised cost

Federal government securities

- Ijarah Sukuk

Certificate of investment

30 June 2025 (Un-Audited)			
Cost / amortised cost	Credit loss allowance for diminution	Surplus / (deficit)	Carrying value
Rupees in '000			
2,979,085	-	-	2,979,085
2,300,000	(40)	-	2,299,960
5,279,085	(40)	-	5,279,045
135,905,508	-	2,881,492	138,787,000
6,636,078	(340,000)	(446,078)	5,850,000
142,541,586	(340,000)	2,435,414	144,637,000
1,256,530	-	(4,001)	1,252,529
149,077,201	(340,040)	2,431,413	151,168,574

##### Measured at FVOCI

Federal government securities

- Ijarah Sukuk

Non Government Debt Securities

##### Instruments measured at FVTPL

##### Total investments

31 December 2024 (Audited)

Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
Rupees in '000			
2,974,050	-	-	2,974,050
3,000,000	(52)	-	2,999,948
5,974,050	(52)	-	5,973,998
125,750,660	-	3,545,698	129,296,358
6,683,993	(340,000)	(235,423)	6,108,570
132,434,653	(340,000)	3,310,275	135,404,928
5,561,635	-	79,941	5,641,576
143,970,338	(340,052)	3,390,216	147,020,502

#### Debt Instruments

##### Measured at amortised cost

Federal government securities

- Ijarah Sukuk

Certificate of investment

##### Measured at FVOCI

Federal government securities

- Ijarah Sukuk

Non Government Debt Securities

##### Instruments mandatory at FVTPL

##### Total investments

### 39.2 Islamic financing and related assets - net

	30 June 2025 (Un-Audited)			
	Financing	Advances	Inventory	Total
	Rupees in '000			
Ijarah	511,780	669,474	–	1,181,254
Ijarah – islamic long term financing facility	8,596	–	–	8,596
Murabaha	3,672,213	1,434,127	–	5,106,340
Working capital musharaka	35,635,028	–	–	35,635,028
Diminishing musharaka	20,501,323	4,011,830	–	24,513,153
Istisna	3,269,980	7,037,806	3,490,214	13,798,000
Al-bai	3,284,682	–	2,848,791	6,133,473
<b>Diminishing musharaka:</b>				
Islamic long term financing facility	2,967,199	–	–	2,967,199
Islamic refinance scheme for payment of wages and salaries	–	93,534	–	93,534
Islamic financing facility for storage of agricultural produce	471,810	–	–	471,810
Islamic temporary economic refinance facility	8,262,699	–	–	8,262,699
Islamic financing facility for renewable energy	457,134	–	–	457,134
<b>Islamic export refinance:</b>				
Working capital musharaka	18,197,455	–	–	18,197,455
Istisna	838,263	2,597,680	271,445	3,707,388
Al-bai	1,463,139	–	249,674	1,712,813
Gross islamic financing and related assets	99,541,301	15,844,451	6,860,124	122,245,876
Credit loss allowance held against non-performing islamic financings				
- Stage 1	(66,154)	(11,874)	(5,393)	(83,421)
- Stage 2	(923,161)	(70,434)	(268,790)	(1,262,385)
- Stage 3	(3,080,358)	–	–	(3,080,358)
	(4,069,673)	(82,308)	(274,183)	(4,426,164)
Islamic financing and related assets – net of credit loss allowance	95,471,628	15,762,143	6,585,941	117,819,712

31 December 2024 (Audited)

	Financing	Advances	Inventory	Total
	Rupees in '000			
Ijarah	540,947	17,607	–	558,554
Ijarah - islamic long term financing facility	12,306	–	–	12,306
Murabaha	5,111,120	674,294	–	5,785,414
Working capital musharaka	13,745,539	–	–	13,745,539
Diminishing musharaka	20,926,138	2,060,716	–	22,986,854
Istisna	2,962,798	10,917,577	587,823	14,468,198
Al-bai	1,639,352	–	1,684,955	3,324,307
<b>Diminishing musharaka:</b>				
Islamic long term financing facility	3,293,757	–	–	3,293,757
Islamic refinance scheme for payment of wages and salaries	–	93,534	–	93,534
Islamic financing facility for storage of agricultural produce	522,889	–	–	522,889
Islamic temporary economic refinance facility	8,306,821	–	–	8,306,821
Islamic financing facility for renewable energy	506,756	–	–	506,756
<b>Islamic export refinance:</b>				
Working capital musharaka	18,146,877	–	–	18,146,877
Istisna	498,545	1,798,242	153,100	2,449,887
Al-bai	1,129,747	–	675,723	1,805,470
Gross islamic financing and related assets	77,343,592	15,561,970	3,101,601	96,007,163
Less: Credit loss allowance against Islamic financings				
-Stage 1	(103,977)	(18,873)	(6,466)	(129,316)
-Stage 2	(2,314,517)	(63,235)	(49,959)	(2,427,711)
-Stage 3	(3,104,615)	–	–	(3,104,615)
	(5,523,109)	(82,108)	(56,425)	(5,661,642)
Islamic financing and related assets - net of Credit loss allowance held	71,820,483	15,479,862	3,045,176	90,345,521

### 39.3 Deposits

	30 June 2025 (Un-Audited)			31 December 2024 (Audited)		
	Customers	Financial Institutions	Total	Customers	Financial Institutions	Total
	Rupees in '000					
Current deposits	111,768,893	298,719	112,067,612	103,322,951	337,309	103,660,260
Savings deposits	61,798,251	48,033,681	109,831,932	57,562,083	4,329,081	61,891,164
Term deposits	26,567,626	135,000	26,702,626	36,599,875	135,000	36,734,875
Others	4,674,351	–	4,674,351	3,108,749	–	3,108,749
	<u>204,809,121</u>	<u>48,467,400</u>	<u>253,276,521</u>	<u>200,593,658</u>	<u>4,801,390</u>	<u>205,395,048</u>

**30 June 2025**      31 December 2024  
(Un-Audited)      (Audited)  
————— Rupees in '000 —————

### 39.4 Unappropriated profit

Opening balance	<b>2,874,296</b>	4,720,817
Add: Islamic banking profit for the period / year	<b>5,626,172</b>	6,248,469
Less: Taxation	<b>(2,981,871)</b>	(3,374,173)
Less: Transferred to head office	<b>(2,874,296)</b>	(4,720,817)
Closing balance	<u><b>2,644,301</b></u>	<u>2,874,296</u>

### 39.5 Contingencies and commitments

Guarantees	<b>16,446,277</b>	18,073,842
Commitments	<b>16,910,982</b>	26,569,169
	<u><b>33,357,259</b></u>	<u>44,643,011</u>

**30 June 2025**      30 June 2024  
(Un-Audited)      (Restated)  
————— Rupees in '000 —————

### 39.6 Profit / return earned

Financing	<b>7,777,334</b>	9,705,698
Investments	<b>8,650,793</b>	7,670,315
Placements	<b>122,042</b>	562,251
	<u><b>16,550,169</b></u>	<u>17,938,264</u>

	30 June 2025	30 June 2024 (Restated) (Un-Audited)
	Rupees in '000	
<b>39.7 Profit / return expensed</b>		
Deposits and other accounts	5,952,044	8,830,718
Due to financial institutions	1,684,773	2,155,732
Lease liabilities against right-of-use assets	226,890	190,800
	<u>7,863,707</u>	<u>11,177,250</u>

## 40. GENERAL

**40.1** The figures have been rounded off to nearest thousand rupees, unless otherwise stated.

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

## 41. NON-ADJUSTING EVENT AFTER STATEMENT OF FINANCIAL POSITION / DATE OF AUTHORISATION FOR ISSUE

**41.1** The Board of Directors in its meeting held on 13 August 2025 has approved an interim cash dividend of Rs. 2.50 per share (30 June 2024: interim cash dividend of Rs. 2.50 per share).

**41.2** These unconsolidated condensed interim financial statements were authorised for issue on 13 August 2025 by the Board of Directors of the Bank.

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