



[Subsidiary of Habib Bank AG Zurich]

# HABIBMETRO

**FIRST QUARTER REPORT MARCH 2026**

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عَلَّمَ الْقُرْآنَ

# 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

Tushna D. Kandawalla

### BOARD COMMITTEES

#### AUDIT

Hamza Habib

Mohsin A. Nathani

Muhammad H. Habib

Rashid Ahmed Jafer

Tushna D. Kandawalla

#### CREDIT

Hamza Habib

Khurram Shahzad Khan

Mohamedali R. Habib

Mohsin A. Nathani

Rashid Ahmed Jafer

#### HUMAN RESOURCE & REMUNERATION

Mohamedali R. Habib

Mohomed Bashir

Mohsin A. Nathani

Tushna D. Kandawalla

#### SHARIAH BOARD

Mufti Mohammed Najeeb Khan - Chairman

Mufti Abdul Sattar Laghari - Member

Mufti Shahzaib Rajper - 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

Ali Abbas Sikander

Hamza Habib

Khurram Shahzad Khan

Mohsin A. Nathani

Muhammad H. Habib

#### SHARE REGISTRAR

CDC Share Registrar Services Limited

CDC House, 99-B, Block-B,

S.M.C.H.S., Main Shahr-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 quarter ended March 31, 2026.

During the first quarter under review, Pakistan's macroeconomic stabilization, achieved through considerable policy effort, is facing renewed stress as a result of escalating geopolitical tensions in the Middle East. Inflationary pressures have picked up, with headline inflation reaching 7.3 percent in March 2026 and is expected to close in 5% - 7% range for FY26. The IMF Extended Fund Facility (EFF) continues to underpin macroeconomic policy discipline, while foreign exchange buffers remain sufficient but not comfortable.

Despite the external challenges, the current account recorded a surplus of USD 1,369 million during January - March 2026, resulting in 9 month FY26 surplus of USD 8 million against surplus of USD 1,674 million in the same period last year. This decline is mainly due to an increase in imports by 8% year on year against stagnant exports. This widened trade deficit was supported by increased workers remittances. The exchange rate remained broadly stable, supported by continued SBP purchases in the interbank market, which contributed to a gradual buildup in foreign exchange reserves.

Recent policy and regulatory measures-including a reduction in the Cash Reserve Requirement (CRR), lower markup rates on bank financing for exporters, and downward adjustments in energy tariffs for the industrial sector-have supported manufacturing activity and improved business sentiment. Real GDP growth for FY26 is expected to remain within the previously projected range of 3.75-4.75 percent.

In the monetary policy domain, the SBP maintained the policy rate at 10.50 percent in the first two monetary policy decisions of 2026, reflecting a cautious stance as real interest rates declined amid rising inflation and heightened uncertainty.

Looking ahead, any further escalation of the Middle East conflict remains the key downside risk to Pakistan's current account balance, foreign exchange reserves, and inflation trajectory, given the country's heavy reliance on imported oil and gas.

The banking sector remained resilient, with total deposits expanding by 18.6 percent year on year to Rs. 37.5 trillion as at end March 2026. Advances increased by 8.1 percent year on year to Rs. 14.6 trillion, while investments rose strongly by 20.8 percent year on year to Rs. 39.1 trillion, highlighting sustained balance sheet strength amid a challenging macroeconomic environment.

By the Grace of Allah, HABIBMETRO posted a profit before tax of Rs. 10,180 million for Q1 2026, with earnings per share after tax of Rs. 4.67. Net mark-up income stood at Rs. 15,283 million, while non-mark-up income increased by 9.0% to Rs. 5,893 million. The Bank's investments stood at Rs. 938,895 million, while net advances increased to Rs. 528,492 million as compared to Rs. 864,652 million and Rs. 514,783 million in December 2025 respectively. Deposits grew by 6.2% to Rs. 1,188,751 million, with current deposits comprising 36.4% of the total.

The Bank's net equity stood at Rs. 121,236 million.

The Board of Directors is pleased to announce an interim cash dividend of Rs. 2.50 per share (25%) for the quarter ended March 31, 2026.

The Bank's strong credit ratings of AA+ (long-term) and A1+ (short-term) were reaffirmed by the Pakistan Credit Rating Agency Limited (PACRA), reflecting a high degree of credit quality and a strong capacity to meet financial obligations.

HABIBMETRO operates 563 branches in 229 cities across Pakistan, including 244 Islamic banking branches and 311 Islamic banking windows. The Bank continues to offer a comprehensive suite of conventional and Islamic banking products and services under the brand of Sirat.

The Bank remains committed to corporate social responsibility, with a strong focus on healthcare and education, and promotes active employee participation in community-based initiatives.

The Bank also continues to drive its digital transformation strategy, with enhancements to mobile apps, web banking, and card-based services, ensuring a seamless and modern banking experience for its customers.

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

On behalf of the Board

**KHURRAM SHAHZAD KHAN**

President & Chief Executive Officer

Karachi: 23 April 2026

بینک کی خالص ایکویٹی 121,236 ملین روپے رہی۔

بورڈ آف ڈائریکٹرز نے بمسرت 31 مارچ 2026 کو ختم ہونے والی سہ ماہی کیلئے 2.50 روپے فی شیئر (25 فیصد) کے عبوری نقد منافع منقسمہ کا اعلان کیا ہے۔

بینک کی مضبوط کریڈٹ ریٹنگز AA+ (لانگ ٹرم) اور A1+ (شارٹ ٹرم) کو پاکستان کریڈٹ ریٹنگ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے برقرار رکھا ہے، جو اعلیٰ درجے کی کریڈٹ کوالٹی اور مالی ذمے داریوں کو پورا کرنے کی مضبوط صلاحیت کی عکاسی کرتی ہیں۔

حبیب میٹرو پاکستان بھر کے 229 شہروں میں 563 برانچز کے ذریعے اپنی خدمات انجام دے رہا ہے، جن میں 244 اسلامک بینکنگ برانچز اور 311 اسلامک بینکنگ ونڈوز شامل ہیں۔ بینک ”صراط“ برانڈ کے تحت روایتی اور اسلامک بینکنگ کی مکمل مصنوعات اور خدمات فراہم کرتا رہتا ہے۔

بینک کارپوریٹ سماجی ذمے داری کے لیے اپنے عزم پر قائم ہے، جس میں صحت اور تعلیم کے شعبوں پر خصوصی توجہ دی جاتی ہے، اور کمیونٹی کی بنیاد پر اقدامات میں ملازمین کی فعال شرکت کو فروغ دیا جاتا ہے۔

بینک اپنی ڈیجیٹل تبدیلی کی حکمت عملی کو بھی جاری رکھے ہوئے ہے، جس کے تحت موبائل ایپس، ویب بینکاری، اور کارڈ بیسڈ خدمات میں بہتری لائی جا رہی ہے تاکہ صارفین کو جدید اور ہموار بینکنگ کا تجربہ فراہم کیا جاسکے۔

ہم اسٹیٹ بینک آف پاکستان، پاکستان کی وزارت خزانہ اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے مسلسل تعاون پر تہ دل سے شکرگزار ہیں۔ ہم اپنے معزز شیئر ہولڈرز اور صارفین کا بھی ان کے اعتماد، بورڈ آف ڈائریکٹرز کا ان کی سرپرستی و رہنمائی اور حبیب میٹرو کے اسٹاف کا ان کی انتھک محنت پر بھی شکر یہ ادا کرنا چاہیں گے، جو بینک کی مسلسل ترقی اور کامیابی میں بنیادی کردار ادا کر رہے ہیں۔

منجانب بورڈ

خرم شہزاد خان

صدر و چیف ایگزیکٹو آفیسر

کراچی: 23 اپریل 2026

## ڈائریکٹرز ریویو

میں نہایت مسرت کے ساتھ حبیب میٹرو پولیٹن بینک کے بورڈ آف ڈائریکٹرز کی جانب سے 31 مارچ 2026 کو ختم ہونے والی سہ ماہی کے غیر آڈٹ شدہ عبوری مالیاتی گوشوارے پیش کر رہا ہوں۔

زیر جائزہ پہلی سہ ماہی کے دوران پاکستان کا میکرو اکنامک استحکام، جو قابل ذکر پالیسی اقدامات کے ذریعے حاصل کیا گیا تھا، مشرق وسطیٰ میں بڑھتی ہوئی جغرافیائی سیاسی کشیدگی کے باعث دوبارہ دباؤ کا شکار ہو رہا ہے۔ مہنگائی کے دباؤ میں اضافہ ہوا ہے، اور مارچ 2026 میں مجموعی مہنگائی 7.3 فیصد تک پہنچ گئی، جبکہ مالی سال 2026 کے اختتام تک 5 فیصد سے 7 فیصد کی حد کے قریب رہنے کی توقع ہے۔ آئی ایم ایف کی ایکسٹریٹڈ فنڈ فیسلٹی (ای ایف ایف) میکرو اکنامک پالیسی نظم و ضبط کو برقرار رکھنے میں معاون ہے، جبکہ زرمبادلہ کے ذخائر مناسب تو ہیں مگر مکمل طور پر اطمینان بخش نہیں۔

بیرونی چیلنجز کے باوجود، جنوری تا مارچ 2026 کے دوران کرنٹ اکاؤنٹ میں 1,369 ملین امریکی ڈالر کا سرپلس ریکارڈ کیا گیا، جس کے نتیجے میں مالی سال 2026 کے نو ماہ میں مجموعی سرپلس 8 ملین امریکی ڈالر رہا، جبکہ گزشتہ سال اسی مدت میں یہ 1,674 ملین امریکی ڈالر تھا۔ اس کی بنیادی وجہ درآمدات میں سال بہ سال 8 فیصد اضافہ ہے، جبکہ برآمدات تقریباً جمود کا شکار رہیں۔ اس بڑھتے ہوئے تجارتی خسارے کو بیرون ملک مقیم پاکستانیوں کی جانب سے بڑھتی ہوئی ترسیلات زر نے سہارا دیا۔ شرح مبادلہ عمومی طور پر مستحکم رہی، جس میں اسٹیٹ بینک آف پاکستان کی انٹرنیشنل مارکیٹ میں مسلسل خریداری نے کردار ادا کیا، جس سے زرمبادلہ کے ذخائر میں بتدریج اضافہ ہوا۔

حالیہ پالیسی اور ریگولیٹری اقدامات — بشمول کیش ریزرو ریگولیشن (سی آر آر) میں کمی، برآمد کنندگان کیلئے بینک فنانسنگ پر مارک آپ ریٹس میں کمی اور صنعتی شعبے کیلئے توانائی کے نرخوں میں کمی کے مینوفیکچرنگ سرگرمیوں کو سہارا دیا اور کاروباری اعتماد میں بہتری لائی۔ مالی سال 2026 کیلئے حقیقی جی ڈی پی کی شرح نمو 3.75 سے 4.75 فیصد کے درمیان رہنے کی توقع ہے۔

مائینری پالیسی کے میدان میں اسٹیٹ بینک آف پاکستان نے 2026 کی پہلی دو مائینری پالیسیوں میں پالیسی ریٹ کو 10.50 فیصد پر برقرار رکھا، جو بڑھتی ہوئی مہنگائی اور غیر یقینی صورتحال کے باعث حقیقی شرح سود میں کمی کے تناظر میں محتاط حکمت عملی کی عکاسی کرتا ہے۔

آئندہ کے لئے، مشرق وسطیٰ میں کشیدگی میں کسی بھی مزید اضافے کو پاکستان کے کرنٹ اکاؤنٹ بیلنس، زرمبادلہ کے ذخائر اور افراط زر کے رجحان کے لئے ایک اہم منفی خطرہ تصور کیا جا رہا ہے، کیونکہ ملک درآمدی تیل اور گیس پر زیادہ انحصار کرتا ہے۔

بینکاری کا شعبہ مضبوط رہا، جہاں مجموعی ڈپازٹس میں سال بہ سال 18.6 فیصد اضافہ ہو کر مارچ 2026 کے اختتام پر 37.5 ٹریلین روپے ہو گئے۔ ایڈوانسز میں 8.1 فیصد کا اضافہ ہو کر 14.6 ٹریلین روپے جبکہ سرمایہ کاری میں 20.8 فیصد نمایاں اضافہ ہو کر 39.1 ٹریلین روپے ہو گیا، جو مشکل معاشی حالات کے باوجود بیلنس شیٹ کی مضبوطی کو ظاہر کرتا ہے۔

اللہ تعالیٰ کے فضل و کرم سے، حبیب میٹرو نے پہلی سہ ماہی 2026 میں 10,180 ملین روپے کا منافع قبل از ٹیکس حاصل کیا، جبکہ بعد از ٹیکس آمدنی 4.67 روپے فی شیئر رہی، خالص مارک اپ آمدنی 15,283 ملین روپے رہی، جبکہ نان مارک اپ آمدنی میں 9.0 فیصد اضافہ ہو کر 5,893 ملین روپے ہو گئی۔ بینک کی سرمایہ کاری 938,895 ملین روپے پر موجود تھی جبکہ خالص ایڈوانسز بلکہ 528,492 ملین روپے ہو گئے جو اس کے مقابلے میں دسمبر 2025 میں بالترتیب 864,652 ملین روپے اور 514,783 ملین روپے تھے۔ ڈپازٹس میں 6.2 فیصد اضافہ ہو کر 1,188,751 ملین روپے ہو گئے، جن میں کرنٹ ڈپازٹس کا حصہ 36.4 فیصد رہا۔

## UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2026

	Note	31 March 2026 (Un-Audited)	31 December 2025 (Audited)
Rupees in '000			
<b>ASSETS</b>			
Cash and balances with treasury banks	7	89,093,814	88,751,233
Balances with other banks	8	1,944,621	13,542,382
Lendings to financial institutions	9	53,661,015	45,950,890
Investments	10	938,895,408	864,651,712
Advances	11	528,491,717	514,782,767
Property and equipment	12	17,526,196	17,446,345
Right-of-use assets	13	9,259,107	8,969,420
Intangible assets	14	569,118	641,326
Deferred tax assets	15	3,385,459	-
Other assets	16	113,055,321	104,141,556
Total Assets		<b>1,755,881,776</b>	1,658,877,631
<b>LIABILITIES</b>			
Bills payable	17	26,604,948	29,736,142
Borrowings	18	317,561,070	272,083,732
Deposits and other accounts	19	1,188,751,428	1,119,625,165
Lease liabilities	20	11,649,527	11,253,857
Subordinated debt		-	-
Deferred tax liabilities	15	-	5,095,030
Other liabilities	21	90,079,001	93,274,221
Total Liabilities		<b>1,634,645,974</b>	1,531,068,147
<b>NET ASSETS</b>			
		<b>121,235,802</b>	127,809,484
<b>REPRESENTED BY</b>			
Share capital		10,478,315	10,478,315
Reserves		38,100,503	37,609,753
Surplus on revaluation of assets - net of tax	22	9,484,334	16,471,384
Unappropriated profit		63,172,650	63,250,032
		<b>121,235,802</b>	127,809,484
<b>CONTINGENCIES AND COMMITMENTS</b>			
	23		

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 ENDED 31 MARCH 2026

	Note	31 March 2026	31 March 2025
Rupees in '000			
Mark-up / return / interest earned	25	<b>38,909,914</b>	41,755,369
Mark-up / return / interest expensed	26	<b>(23,627,138)</b>	(24,120,942)
Net mark-up / interest income		<b>15,282,776</b>	17,634,427
<b>NON MARK-UP / INTEREST INCOME</b>			
Fee and commission income	27	<b>2,796,990</b>	2,826,260
Dividend income		<b>419,804</b>	260,374
Foreign exchange income		<b>2,192,023</b>	2,008,745
Income / (loss) from derivatives		-	-
Gain on securities - net	28	<b>465,951</b>	247,151
Net gain / (loss) on derecognition of financial assets measured at amortised cost		-	-
Other income	29	<b>18,475</b>	63,222
Total non mark-up / interest income		<b>5,893,243</b>	5,405,752
Total Income		<b>21,176,019</b>	23,040,179
<b>NON MARK-UP / INTEREST EXPENSES</b>			
Operating expenses	30	<b>10,927,204</b>	9,136,303
Workers' welfare fund		<b>207,574</b>	260,849
Other charges	31	<b>877</b>	16,580
Total non-mark-up / interest expenses		<b>(11,135,655)</b>	(9,413,732)
Profit before credit loss allowance		<b>10,040,364</b>	13,626,447
Credit loss allowance and write offs - net	32	<b>140,024</b>	(664,302)
<b>PROFIT BEFORE TAXATION</b>		<b>10,180,388</b>	12,962,145
Taxation	33	<b>(5,286,529)</b>	(6,908,627)
<b>PROFIT AFTER TAXATION</b>		<b>4,893,859</b>	6,053,518
Rupees			
<b>BASIC AND DILUTED EARNINGS PER SHARE</b>	34	<b>4.67</b>	5.78

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

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

FOR THE QUARTER ENDED 31 MARCH 2026

	31 March 2026	31 March 2025
	Rupees in '000	
Profit after taxation	4,893,859	6,053,518
<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	1,364	308
Movement in deficit on revaluation of debt securities measured at FVOCI - net of tax	(5,591,064)	(1,410,966)
	(5,589,700)	(1,410,658)
<b>Items that will not be reclassified to profit and loss account in subsequent periods:</b>		
Remeasurement gain / (loss) on defined benefit obligations - net of tax	183,558	(136,583)
Movement in (deficit) / surplus on revaluation of equity securities measured at FVOCI - net of tax	(1,311,289)	29,958
Movement in surplus on revaluation of property and equipment - net of tax	-	25,924
Movement in (deficit) / surplus on revaluation of non-banking assets - net of tax	-	-
	(1,127,731)	(80,701)
<b>Total comprehensive income</b>	<b>(1,823,572)</b>	<b>4,562,159</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 QUARTER ENDED 31 MARCH 2026

	Reserves						Surplus / (deficit) on revaluation		Un-appropriated profit	Total
	Share capital	Exchange translation reserve	Share premium	Statutory reserve	Special reserve	Revenue reserve	Investments	Property & equipment/ Non-banking assets		
	Rupees in '000									
<b>Balance as at 31 December 2024 (Audited)</b>	10,478,315	11,360	2,550,985	31,050,108	240,361	1,500,000	7,460,729	6,872,955	54,867,002	115,031,815
Impact of adoption of IFRS 9 as at 1 January 2025	-	-	-	-	-	-	31,462	-	-	31,462
<b>Balance as at 1 January 2025 (Audited)</b>	10,478,315	11,360	2,550,985	31,050,108	240,361	1,500,000	7,492,191	6,872,955	54,867,002	115,063,277
Profit after taxation for the period	-	-	-	-	-	-	-	-	6,053,518	6,053,518
Other comprehensive income - net of tax										
Effect of translation of net investment in an offshore branch - net of tax	-	308	-	-	-	-	-	-	-	308
Movement in deficit on revaluation of debt securities measured at FVOCI - net of tax	-	-	-	-	-	-	(1,410,966)	-	-	(1,410,966)
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	(136,583)	(136,583)
Movement in surplus on revaluation of equity securities measured at FVOCI - net of tax	-	-	-	-	-	-	29,958	-	-	29,958
Movement in surplus on revaluation of property & equipment - net of tax	-	-	-	-	-	-	-	25,924	-	25,924
<b>Total other comprehensive income</b>	-	308	-	-	-	-	(1,381,008)	25,924	(136,583)	(1,491,359)
Gain on sale of equity investments - FVOCI	-	-	-	-	-	-	(205,917)	-	205,917	-
Transfer to statutory reserve	-	-	-	605,352	-	-	-	-	(605,352)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(37,691)	37,691	-
<b>Transactions with owners, recorded directly in equity</b>										
Final Cash dividend (Rs. 4.50 per share) for the year ended 31 December 2024	-	-	-	-	-	-	-	-	(4,715,242)	(4,715,242)
<b>Balance as at 31 March 2025 (Un-audited)</b>	10,478,315	11,668	2,550,985	31,655,460	240,361	1,500,000	5,905,266	6,861,188	55,706,951	114,910,194

	Reserves					Surplus / (deficit) on revaluation			Total	
	Share capital	Exchange translation reserve	Share premium	Statutory reserve	Special reserve	Revenue reserve	Investments	Property & equipment/ Non-banking assets		Un-appropriated profit
	Rupees in '000									
Profit after taxation for the period	-	-	-	-	-	-	-	-	16,531,165	16,531,165
Other comprehensive income - net of tax										
Effect of translation of net investment in an offshore branch - net of tax	-	(1,837)	-	-	-	-	-	-	-	(1,837)
Movement in surplus on revaluation of debt securities measured at FVOCI - net of tax	-	-	-	-	-	-	1,398,286	-	-	1,398,286
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	105,704	105,704
Movement in surplus on revaluation of equity securities measured at FVOCI - net of tax	-	-	-	-	-	-	2,246,949	-	-	2,246,949
Movement in surplus / (deficit) on revaluation of property & equipment - net of tax	-	-	-	-	-	-	-	-	-	-
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	477,760	-	477,760
<b>Total comprehensive income</b>	-	(1,837)	-	-	-	-	3,645,235	477,760	105,704	4,226,862
Gain on sale of equity investments - FVOCI	-	-	-	-	-	-	(302,900)	-	302,900	-
Transfer to statutory reserve	-	-	-	1,653,116	-	-	-	-	(1,653,116)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(115,165)	115,165	-
<b>Transactions with owners, recorded directly in equity</b>										
Interim cash dividend (Rs. 250 per share) for the quarter ended 31 March 2025	-	-	-	-	-	-	-	-	(2,619,579)	(2,619,579)
Interim cash dividend (Rs. 250 per share) for the quarter ended 30 June 2025	-	-	-	-	-	-	-	-	(2,619,579)	(2,619,579)
Interim cash dividend (Rs. 250 per share) for the quarter ended 30 September 2025	-	-	-	-	-	-	-	-	(2,619,579)	(2,619,579)
<b>Balance as at 31 December 2025 (Audited)</b>	10,478,315	9,831	2,550,985	33,308,576	240,361	1,500,000	9,247,601	7,223,783	63,250,032	127,809,484
Impact of adoption of IFRS 9 as at 1 January 2026 (note 3.1)	-	-	-	-	-	-	-	-	(34,868)	(34,868)
<b>Balance as at 1 January 2026 - as restated</b>	10,478,315	9,831	2,550,985	33,308,576	240,361	1,500,000	9,247,601	7,223,783	63,215,164	127,774,616

	Reserves						Surplus / (deficit) on revaluation			Total
	Share capital	Exchange translation reserve	Share premium	Statutory reserve	Special reserve	Revenue reserve	Investments	Property & equipment/ Non-banking assets	Un-appropriated profit	
	Rupees in '000									
Profit after taxation for the period	-	-	-	-	-	-	-	-	4,893,859	4,893,859
Other comprehensive income - net of tax										
Effect of translation of net investment in an offshore branch - net of tax	-	1,364	-	-	-	-	-	-	-	1,364
Movement in deficit on revaluation of debt securities measured at FVOCI - net of tax	-	-	-	-	-	-	(5,591,064)	-	-	(5,591,064)
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	183,558	183,558
Movement in deficit on revaluation of equity securities measured at FVOCI - net of tax	-	-	-	-	-	-	(1,311,289)	-	-	(1,311,289)
Movement in surplus / (deficit) on revaluation of property & equipment - net of tax	-	-	-	-	-	-	-	-	-	-
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	-	1,364	-	-	-	-	(6,902,353)	-	183,558	(6,717,431)
Gain on sale of equity investments - FVOCI	-	-	-	-	-	-	(47,005)	-	47,005	-
Transfer to statutory reserve	-	-	-	489,386	-	-	-	-	(489,386)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(37,692)	37,692	-
<b>Transactions with owners, recorded directly in equity</b>										
Final Cash dividend (Rs. 4.50 per share) for the year ended 31 December 2025	-	-	-	-	-	-	-	-	(4,715,242)	(4,715,242)
<b>Balance as at 31 March 2026 (Un-audited)</b>	<u>10,478,315</u>	<u>11,195</u>	<u>2,550,985</u>	<u>33,797,962</u>	<u>240,361</u>	<u>1,500,000</u>	<u>2,298,243</u>	<u>7,186,091</u>	<u>63,172,650</u>	<u>121,235,802</u>

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 QUARTER ENDED 31 MARCH 2026

	Note	31 March 2026	31 March 2025
Rupees in '000			
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before taxation		10,180,388	12,962,145
Less: Dividend income		(419,804)	(260,374)
		<b>9,760,584</b>	<b>12,701,771</b>
<b>Adjustments</b>			
Net mark-up / interest income (excluding mark-up on lease liability against right-of-use assets)		(15,628,191)	(17,944,661)
Depreciation on property and equipment	30	747,937	660,759
Depreciation on right-of-use assets	30	428,344	382,700
Depreciation on non-banking assets	30	984	–
Amortisation	30	95,734	67,784
Mark-up on lease liability against right-of-use assets	26	345,415	310,234
Credit loss allowance (excluding write offs or recoveries)	32	(140,024)	765,677
Gain on sale of property and equipment - net	29	(7,851)	(21,297)
Loss on termination of right-of-use-assets - net		135	–
Unrealized loss on FVTPL securities	28	672,665	34,218
Provision against workers' welfare fund		207,574	260,849
Provision against compensated absences		56,360	23,819
Provision against defined benefit plan		100,740	90,955
		<b>(13,120,178)</b>	<b>(15,368,963)</b>
		<b>(3,359,594)</b>	<b>(2,667,192)</b>
<b>(Increase) / decrease in operating assets</b>			
Lendings to financial institutions		(7,709,834)	1,408,613
Securities classified as FVTPL		(44,214,869)	(2,776,010)
Advances		(11,307,429)	(127,173,466)
Other assets (excluding dividend, non-banking assets and advance taxation)		(1,259,623)	1,837,755
		<b>(64,491,755)</b>	<b>(126,703,108)</b>
<b>Increase / (decrease) in operating liabilities</b>			
Bills payable		(3,131,194)	(6,823,365)
Borrowings from financial institutions		46,190,495	2,463,716
Deposits and other accounts		69,126,263	84,113,325
Other liabilities (excluding current taxation)		(6,739,564)	4,472,968
		<b>105,446,000</b>	<b>84,226,644</b>
		<b>37,594,651</b>	<b>(45,143,656)</b>
		(6,144)	(10,019)
Payment against compensated absences		(6,144)	(10,019)
Contribution to the defined benefit plan		(123,695)	(125,000)
Mark-up / Interest received		32,860,302	31,860,727
Mark-up / Interest paid		(24,730,050)	(25,755,173)
Income tax paid		(5,156,404)	(10,895,014)
		<b>40,438,660</b>	<b>(50,068,135)</b>
<b>Net cash flow generated from / (used in) operating activities</b>		<b>40,438,660</b>	<b>(50,068,135)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Net investments in amortised cost securities		(1,086,255)	(1,114,820)
Net investments in securities classified as FVOCI		(43,984,883)	56,395,021
Dividend received		419,804	254,531
Investments in property and equipment		(828,135)	(580,866)
Investments in intangible assets		(23,526)	–
Proceeds from sale of property and equipment		8,115	29,853
Effect of translation of net investment in an offshore branch		(165)	308
		<b>(45,495,045)</b>	<b>54,984,027</b>
<b>Net cash flow (used in) / generated from investing activities</b>		<b>(45,495,045)</b>	<b>54,984,027</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Dividend paid		(4,818,739)	(4,815,261)
Payment of lease liability against right-of-use assets		(667,776)	(594,886)
		<b>(5,486,515)</b>	<b>(5,410,147)</b>
<b>Net cash flow used in financing activities</b>		<b>(5,486,515)</b>	<b>(5,410,147)</b>
<b>Decrease in cash and cash equivalents</b>		<b>(10,542,900)</b>	<b>(494,255)</b>
Cash and cash equivalents at the beginning of the period		93,982,812	86,737,498
<b>Cash and cash equivalents at the end of the period</b>		<b>83,439,912</b>	<b>86,243,243</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 (UN-AUDITED)**

FOR THE QUARTER ENDED 31 MARCH 2026

### **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 563 (31 December 2025: 562) branches, including 244 (31 December 2025: 243) Islamic banking branches, an offshore branch (Karachi Export Processing Zone branch) and 1 (31 December 2025: 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 determined the Bank's long term rating as AA+ (31 December 2025: AA+) and short term rating as A1+ (31 December 2025: A1+) dated 31 December 2025.

The registered office of the Bank is situated at HabibMetro Head Office, II. Chundrigar Road, Karachi.

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

- 2.1** The Bank has controlling interest in Habib Metropolitan Modaraba Management Company (Private) Limited, Habib Metropolitan Financial Services Limited, HabibMetro Exchange Services Limited and First Habib Modaraba 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 IFRS 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(l)/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 (IFS). 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. 1 of 2025 dated January 22, 2025 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 2025.

### **2.3 Standards, interpretations of and amendments to existing 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, 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.

### **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.

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 S1 - General Requirements for Disclosure of Sustainability - related Financial Information	1 January 2026
IFRS S2 - Climate - related Disclosures	1 January 2026
Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2026
Presentation and Disclosure in Financial Statements - IFRS 18	1 January 2027
Amendments to IAS 21 - Hyperinflationary presentation currency	1 January 2026

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, 2025 except for requirements of IFRS 9 relating to recognition of markup / return earned and markup / return expensed under effective interest rate as explained in note 3.1.

#### **3.1 Change in accounting policy**

##### **IFRS 9 'Financial Instruments' – Markup / return earned and Markup / return expensed**

The Bank adopted IFRS 9 – Financial Instruments effective January 1, 2024, except for certain relaxations and extensions granted by the State Bank of Pakistan (SBP) from time to time. The effects of these relaxations and extensions were incorporated in the Bank's audited financial statements for the years ended December 31, 2024 and 2025, using the modified retrospective approach, as permitted under IFRS 9.

Further, vide SBP instruction BPRD/RPD/822456/25 dated January 22, 2025, the Bank was allowed an extension for the application of the Effective Interest Rate (EIR) method up to December 31, 2025. Accordingly, during the current period, the Bank has applied the EIR method to the relevant financial instruments outstanding as at January 1, 2026. The cumulative impact arising from the application of EIR amounting to Rs. 34,868 thousand, net of tax, has been recognized as an adjustment to opening equity, with corresponding adjustments to deferred markup income under other liabilities and deferred tax assets.

### **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 liability 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 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 2025.

### **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 2025.

	Note	31 March 2026 (Un-Audited)	31 December 2025 (Audited)
Rupees in '000			
<b>7. CASH AND BALANCES WITH TREASURY BANKS</b>			
<b>In hand</b>			
Local currency		17,888,252	13,125,548
Foreign currencies		1,002,939	1,290,906
		<b>18,891,191</b>	14,416,454
<b>With State Bank of Pakistan in</b>			
Local currency current accounts		41,583,943	45,336,035
Foreign currencies current accounts		3,861,477	3,192,545
Foreign currencies deposit accounts			
- cash reserve account		7,429,545	8,015,602
- deposit account - special cash reserve		13,867,960	14,633,400
		<b>66,742,925</b>	71,177,582
<b>With National Bank of Pakistan in</b>			
Local currency current accounts		3,534,233	3,218,028
Local currency deposit accounts		52,671	67,225
		<b>3,586,904</b>	3,285,253
<b>National Prize Bonds</b>		6,120	7,410
Less: Credit loss allowance held against cash and balances with treasury banks		(133,326)	(135,466)
Cash and balances with treasury banks - net of credit loss allowance		<b>89,093,814</b>	88,751,233
<b>8. BALANCES WITH OTHER BANKS</b>			
<b>In Pakistan</b>			
In current accounts		28,526	44,637
In deposit accounts		177	170
		<b>28,703</b>	44,807
<b>Outside Pakistan</b>			
In current accounts		1,917,459	13,497,853
In deposit accounts		-	-
Less: Credit loss allowance held against balances with other banks		(1,541)	(278)
Balances with other banks - net of credit loss allowance		<b>1,944,621</b>	13,542,382
<b>9. LENDINGS TO FINANCIAL INSTITUTIONS</b>			
Call / clean money lendings	9.3	13,957,665	2,801,231
Repurchase agreement lendings (reverse repo)		29,603,400	10,000,000
Musharaka placements		10,100,000	33,150,000
Less: Credit loss allowance held against lendings to financial institutions		(50)	(341)
Lendings to financial institutions - net of credit loss allowance		<b>53,661,015</b>	45,950,890
<b>9.1 Particulars of lendings - Gross</b>			
In foreign currency - unsecured		13,957,665	2,801,231
In local currency - secured		39,703,400	43,150,000
		<b>53,661,065</b>	45,951,231

		31 March 2026 (Un-Audited)		31 December 2025 (Audited)	
		Lendings	Credit loss allowance held	Lendings	Credit loss allowance held
		Rupees in '000			
<b>9.2</b>	<b>Lendings to FIs - Particulars of credit loss allowance</b>				
	<b>Domestic</b>				
	Performing Stage 1	39,703,400	28	43,150,000	127
	Under performing Stage 2	-	-	-	-
	Non-performing Stage 3				
	Substandard	-	-	-	-
	Doubtful	-	-	-	-
	Loss	-	-	-	-
	<b>Total Domestic</b>	<b>39,703,400</b>	<b>28</b>	<b>43,150,000</b>	<b>127</b>
	<b>Overseas</b>				
	Performing Stage 1	13,957,665	22	2,801,231	214
	Under performing Stage 2	-	-	-	-
	Non-performing Stage 3				
	Substandard	-	-	-	-
	Doubtful	-	-	-	-
	Loss	-	-	-	-
	<b>Total Overseas</b>	<b>13,957,665</b>	<b>22</b>	<b>2,801,231</b>	<b>214</b>
	<b>Total</b>	<b>53,661,065</b>	<b>50</b>	<b>45,951,231</b>	<b>341</b>

**9.3** These foreign currency lendings carry mark-up rate ranging from 3.77% to 3.85% (31 December 2025: 5.60% to 5.65%) per annum and are due to mature latest by 01 April 2026 (31 December 2025: 16 February 2026).

## 10. INVESTMENTS

### 10.1 Investments by type

		31 March 2026 (Un-Audited)				31 December 2025 (Audited)			
		Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
		Rupees in '000							
	<b>FVTPL</b>								
	Federal Government securities	76,462,089	-	(159,196)	76,302,893	32,219,761	-	105,026	32,324,787
	Non-government debt securities	1,997,165	-	(3,917)	1,993,248	1,997,423	-	(5,346)	1,992,077
	Mutual funds	-	-	-	-	-	-	-	-
	Real estate investment trust units	1,743,285	-	1,584,755	3,328,040	1,770,486	-	1,984,463	3,754,949
	<b>Total</b>	<b>80,202,539</b>	<b>-</b>	<b>1,421,642</b>	<b>81,624,181</b>	<b>35,987,670</b>	<b>-</b>	<b>2,084,143</b>	<b>38,071,813</b>
	<b>FVOCI</b>								
	Federal Government securities	707,117,430	-	198,747	707,316,177	663,430,895	-	11,846,798	675,277,693
	Shares	7,205,578	-	4,624,700	11,830,278	6,802,827	-	7,415,266	14,218,093
	Mutual funds	165,353	-	(35,441)	129,912	171,829	-	3,771	175,600
	Non-government debt securities	3,414,446	(414,644)	-	2,999,802	3,414,446	(414,700)	-	2,999,746
	<b>Total</b>	<b>717,902,807</b>	<b>(414,644)</b>	<b>4,788,006</b>	<b>722,276,169</b>	<b>673,819,997</b>	<b>(414,700)</b>	<b>19,265,835</b>	<b>692,671,132</b>
	<b>Amortised Cost</b>								
	Federal Government securities	129,698,245	-	-	129,698,245	127,611,990	-	-	127,611,990
	Non-government debt securities	3,500,000	(39)	-	3,499,961	4,500,000	(75)	-	4,499,925
	<b>Total</b>	<b>133,198,245</b>	<b>(39)</b>	<b>-</b>	<b>133,198,206</b>	<b>132,111,990</b>	<b>(75)</b>	<b>-</b>	<b>132,111,915</b>
	<b>Subsidiaries</b>	1,796,852	-	-	1,796,852	1,796,852	-	-	1,796,852
	<b>Total investments</b>	<b>933,100,443</b>	<b>(414,683)</b>	<b>6,209,648</b>	<b>938,895,408</b>	<b>843,716,509</b>	<b>(414,775)</b>	<b>21,349,978</b>	<b>864,651,712</b>

<b>31 March 2026</b>	31 December 2025
(Un-Audited)	(Audited)
———— Rupees in '000 ————	

### 10.1.1 Investments given as collateral against repo borrowings

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

#### Federal Government securities

Market treasury bills	3,022,859	2,912,934
Pakistan investment bonds	<u>233,294,907</u>	<u>181,798,076</u>
	<u>236,317,766</u>	<u>184,711,010</u>

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

Opening balance	414,775	426,206
Charge for the period / year	-	-
Reversal for the period / year	(92)	(11,431)
Net reversal for the period / year	(92)	(11,431)
Reversal on disposal	-	-
Investment written off	-	-
Closing balance	<u>414,683</u>	<u>414,775</u>

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

		31 March 2026 (Un-Audited)		31 December 2025 (Audited)	
		Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
———— Rupees in '000 ————					
<b>Category of classification</b>					
Performing	Stage 1	6,500,000	237	7,500,000	329
Underperforming	Stage 2	-	-	-	-
Non-performing	Stage 3				
	Substandard	-	-	-	-
	Doubtful	-	-	-	-
	Loss	<u>414,446</u>	<u>414,446</u>	<u>414,446</u>	<u>414,446</u>
		<u>414,446</u>	<u>414,446</u>	<u>414,446</u>	<u>414,446</u>
Total		<u>6,914,446</u>	<u>414,683</u>	<u>7,914,446</u>	<u>414,775</u>

## 10.4 Investment in subsidiaries - incorporated in Pakistan

31 March 2026 (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%	575,057	242,164	40,415	(10,795)	(38,278)
Habib Metropolitan Modaraba Management Company (Private) Limited	Pakistan	100%	1,085,707	17,915	49,010	22,463	(25,970)
First Habib Modaraba (FHM)	Pakistan	4.43%	40,253,836	33,896,432	1,292,298	281,711	281,466
HabibMetro Exchange Services Limited	Pakistan	100%	939,801	36,643	30,513	(29,238)	(29,238)
31 December 2025 (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%	873,939	503,339	149,610	6,527	36,730
Habib Metropolitan Modaraba Management Company (Private) Limited	Pakistan	100%	1,109,859	20,616	216,436	102,377	265,122
First Habib Modaraba (FHM)	Pakistan	4.43%	38,924,306	32,784,380	4,574,333	705,906	714,658
HabibMetro Exchange Services Limited	Pakistan	100%	934,784	41,559	115,199	(125,386)	(125,386)

**10.5** The market value of federal Government securities classified as amortised cost is Rs. 131,643,897 thousand (31 December 2025: 131,396,941 thousand).

## 11. ADVANCES

	Performing / Under Performing		Non Performing		Total	
	31 March 2026 (Un-Audited)	31 December 2025 (Audited)	31 March 2026 (Un-Audited)	31 December 2025 (Audited)	31 March 2026 (Un-Audited)	31 December 2025 (Audited)
Rupees in '000						
Loans, cash credits, running finances, etc.	<b>331,314,043</b>	315,897,047	<b>18,936,694</b>	19,020,911	<b>350,250,737</b>	334,917,958
Islamic financing and related assets	<b>149,573,134</b>	146,232,761	<b>2,447,945</b>	2,028,444	<b>152,021,079</b>	148,261,205
Bills discounted and purchased	<b>51,676,489</b>	57,182,825	<b>3,250,485</b>	5,529,373	<b>54,926,974</b>	62,712,198
Advances - gross	<b>532,563,666</b>	519,312,633	<b>24,635,124</b>	26,578,728	<b>557,198,790</b>	545,891,361
Credit loss allowance against advances						
Stage 1	<b>(438,044)</b>	(237,628)	–	–	<b>(438,044)</b>	(237,628)
Stage 2	<b>(3,880,136)</b>	(4,568,401)	–	–	<b>(3,880,136)</b>	(4,568,401)
Stage 3	–	–	<b>(24,388,893)</b>	(26,302,565)	<b>(24,388,893)</b>	(26,302,565)
	<b>(4,318,180)</b>	(4,806,029)	<b>(24,388,893)</b>	(26,302,565)	<b>(28,707,073)</b>	(31,108,594)
Advances - net of credit loss allowance	<b>528,245,486</b>	514,506,604	<b>246,231</b>	276,163	<b>528,491,717</b>	514,782,767

### 11.1 Particulars of advances - gross

	<b>31 March 2026</b> (Un-Audited)	31 December 2025 (Audited)
	Rupees in '000	
In local currency	<b>464,429,017</b>	449,351,243
In foreign currencies	<b>92,769,773</b>	96,540,118
	<b><u>557,198,790</u></b>	<u>545,891,361</u>

11.2 Advances include Rs. 24,635,124 thousand (31 December 2025: Rs. 26,578,728 thousand) which have been placed under non-performing / Stage 3 status as detailed below:

	<b>31 March 2026 (Un-Audited)</b>		31 December 2025 (Audited)	
	Non-performing loans	Credit loss allowance	Non-performing loans	Credit loss allowance
	Rupees in '000			
<b>Category of classification</b>				
<b>Domestic - Stage 3</b>				
Other asset especially mentioned	<b>36,445</b>	<b>15,966</b>	74,209	34,681
Substandard	<b>64,125</b>	<b>29,788</b>	87,887	41,520
Doubtful	<b>58,818</b>	<b>30,663</b>	30,105	16,992
Loss	<b><u>24,475,736</u></b>	<b><u>24,312,476</u></b>	<u>26,386,527</u>	<u>26,209,372</u>
	<b><u>24,635,124</u></b>	<b><u>24,388,893</u></b>	<u>26,578,728</u>	<u>26,302,565</u>

### 11.3 Particulars of credit loss allowance against advances

	<b>31 March 2026 (Un-Audited)</b>			31 December 2025 (Audited)		
	Stage 3	Stage 1 & 2	Total	Stage 3	Stage 1 & 2	Total
	Rupees in '000					
Opening balance	<b>26,302,565</b>	<b>4,806,029</b>	<b>31,108,594</b>	24,121,428	5,380,728	29,502,156
Charge for the period / year	<b>909,341</b>	<b>1,150,813</b>	<b>2,060,154</b>	4,421,944	2,852,305	7,274,249
Reversals for the period / year	<b>(2,823,013)</b>	<b>(1,638,662)</b>	<b>(4,461,675)</b>	(2,240,807)	(3,427,004)	(5,667,811)
Net charge / (reversal) for the period / year	<b>(1,913,672)</b>	<b>(487,849)</b>	<b>(2,401,521)</b>	2,181,137	(574,699)	1,606,438
Amount written off	-	-	-	-	-	-
Closing balance	<b><u>24,388,893</u></b>	<b><u>4,318,180</u></b>	<b><u>28,707,073</u></b>	<u>26,302,565</u>	<u>4,806,029</u>	<u>31,108,594</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

	31 March 2026 (Un-Audited)			31 December 2025 (Audited)		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	Rupees in '000					
<b>11.5.1</b> Opening balance	237,628	4,568,401	26,302,565	853,418	4,527,310	24,121,428
New advances	345,149	382,780	493,867	112,993	2,673,930	905,091
Advances derecognised or repaid	(40,356)	(1,429,047)	(2,823,013)	(575,998)	(2,533,499)	(2,240,807)
Transfer to stage 1	16,798	(16,798)	-	1,628	(1,628)	-
Transfer to stage 2	(4,677)	4,677	-	(63,755)	63,755	-
Transfer to stage 3	(284)	(54,499)	54,783	(5,504)	(340,500)	346,004
	316,630	(1,112,887)	(2,274,363)	(530,636)	(137,942)	(989,712)
Amounts written off / charged off	-	-	-	-	-	-
Changes in risk parameters	(116,214)	424,622	360,691	(85,154)	179,033	3,170,849
Closing balance	438,044	3,880,136	24,388,893	237,628	4,568,401	26,302,565

	31 March 2026 (Un-Audited)		31 December 2025 (Audited)	
	Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
	Rupees in '000			

### 11.5.2 Advances - Category of classification

#### Domestic

Performing	Stage 1	413,140,723	438,044	406,383,496	237,628
Underperforming	Stage 2	119,422,943	3,880,136	112,929,137	4,568,401
Non-Performing	Stage 3				
Other assets especially mentioned		36,445	15,966	74,209	34,681
Substandard		64,125	29,788	87,887	41,520
Doubtful		58,818	30,663	30,105	16,992
Loss		24,475,736	24,312,476	26,386,527	26,209,372
		24,635,124	24,388,893	26,578,728	26,302,565
Total		557,198,790	28,707,073	545,891,361	31,108,594

	Note	31 March 2026 (Un-Audited)	31 December 2025 (Audited)
		Rupees in '000	
<b>12. PROPERTY AND EQUIPMENT</b>			
Capital work-in-progress	12.1	904,299	917,133
Property and equipment		16,621,897	16,529,212
		<u>17,526,196</u>	<u>17,446,345</u>
<b>12.1 Capital work-in-progress</b>			
Civil works	12.1.1	584,992	448,002
Advance to suppliers		319,307	469,131
		<u>904,299</u>	<u>917,133</u>

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

	31 March 2026 (Un-Audited)	31 March 2025
		Rupees in '000
<b>12.2 Additions to property and equipment</b>		

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

**Capital work-in-progress (transfer to property and equipment) / additions - net**

(12,834) 147,893

**Property and equipment**

Freehold land	176,000	-
Freehold building	34,000	-
Furniture and fixture	21,977	48,338
Electrical, office and computer equipment	594,892	503,027
Vehicles	-	4,479
Lease hold improvements	14,100	66,705
	<u>840,969</u>	<u>622,549</u>
Total	<u>828,135</u>	<u>770,442</u>

<b>31 March 2026</b>	31 March 2025 (Un-Audited)
————— Rupees in '000 —————	

## 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	<b>117</b>	42
Electrical, office and computer equipment	<b>147</b>	396
Vehicles	—	8,118
Total	<b><u>264</u></b>	<u>8,556</u>

<b>31 March 2026</b>	31 December 2025 (Audited)
————— Rupees in '000 —————	

## 13. RIGHT-OF-USE ASSETS

Cost	<b>14,763,394</b>	13,419,612
Accumulated Depreciation	<b><u>(5,793,974)</u></b>	<u>(4,811,230)</u>
Net Carrying amount at January 1	<b>8,969,420</b>	8,608,382
Additions during the period / year	<b>718,167</b>	2,014,226
Modification during the period / year	—	12,200
Termination / maturities during the period / year - Cost	<b>(136,886)</b>	(682,644)
Termination / maturities during the period / year - Accumulated Depreciation	<b>136,750</b>	649,502
Depreciation charge for the period / year	<b><u>(428,344)</u></b>	<u>(1,632,246)</u>
Closing carrying amount as at the end of the period / year	<b><u>9,259,107</u></b>	<u>8,969,420</u>

## 14. INTANGIBLE ASSETS

Capital work-in-progress - Computer Software	<b>58,747</b>	141,554
Computer Software	<b><u>510,371</u></b>	<u>499,772</u>
	<b><u>569,118</u></b>	<u>641,326</u>

### Computer software

<b>31 March 2026</b>	31 March 2025 (Un-Audited)
————— Rupees in '000 —————	

### 14.1 Additions to intangible assets

Capital work-in-progress - transfer to intangible assets - net Computer Software	<b>(82,807)</b>	—
	<b><u>106,333</u></b>	<u>—</u>
	<b><u>23,526</u></b>	<u>—</u>

	Note	31 March 2026 (Un-Audited)	31 December 2025 (Audited)
— Rupees in '000 —			
<b>15. DEFERRED TAX ASSETS / (LIABILITIES)</b>			
<b>Deductible temporary differences on</b>			
- Credit loss allowance for diminution in value of investments		215,635	215,683
- Credit loss allowance against advances		3,508,972	3,913,002
- Credit loss allowance against off-balance sheet obligations		1,566,614	227,026
- Credit loss allowance - Others		306,368	469,753
- Right-of-use assets and related lease liabilities		661,663	667,145
- Deferred mark-up income		34,877	-
- Accelerated tax depreciation		712,645	573,881
- Deferred liability on defined benefit plan		10,089	39,187
- Surplus on revaluation of investments		(2,489,763)	(10,018,234)
		<u>4,527,100</u>	<u>(3,912,557)</u>
<b>Taxable temporary differences on</b>			
- Surplus on revaluation of property and equipment		(1,141,641)	(1,182,473)
		<u>3,385,459</u>	<u>(5,095,030)</u>
<b>16. OTHER ASSETS</b>			
Income / mark-up / profit accrued in local currency - net		34,824,881	28,744,917
Income / mark-up / profit accrued in foreign currencies - net		236,388	266,740
Advances, deposits, advance rent and other prepayments		1,037,502	875,772
Advance taxation (payments less provision)		5,285,322	6,316,032
Non-banking assets acquired in satisfaction of claim		3,902,454	3,903,436
Mark-to-market gain on forward foreign exchange contracts		3,270,808	3,025,313
Mark-to-market gain on forward purchase of federal Government security transactions		-	122,190
Acceptances		44,603,669	42,280,823
Receivable against rebate and remittances		5,170,626	4,386,735
Receivable from the SBP against encashment of Government securities		8,316	10,317
Stationery and stamps on hand		429,213	393,740
Receivable from 1Link		5,101,959	4,846,526
Prepaid employment benefit		5,989,115	6,525,898
Others		1,219,051	780,476
		<u>111,079,304</u>	<u>102,478,915</u>
Credit loss allowance / provision held against other assets	16.1	(596,854)	(910,230)
Other Assets (Net of credit loss allowance / provision)		<u>110,482,450</u>	<u>101,568,685</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		2,572,871	2,572,871
Other assets - Total		<u>113,055,321</u>	<u>104,141,556</u>

	<b>31 March 2026</b> (Un-Audited)	31 December 2025 (Audited)
	Rupees in '000	
<b>16.1 Credit loss allowance / provision held against other assets</b>		
Claims receivable against fraud and forgeries	<b>559,075</b>	559,075
Acceptances	<b>37,779</b>	351,155
	<b>596,854</b>	910,230
<b>16.1.1 Movement in Credit loss allowance / provision held against other assets</b>		
Opening balance	<b>910,230</b>	412,982
Charge for the period / year	-	332,989
Reversal for the period / year	<b>(313,376)</b>	-
Net (reversal) / charge for the period / year	<b>(313,376)</b>	332,989
Transfer in	-	164,259
Closing balance	<b>596,854</b>	910,230
<b>17. BILLS PAYABLE</b>		
In Pakistan	<b>26,494,153</b>	29,634,183
Outside Pakistan	<b>110,795</b>	101,959
	<b>26,604,948</b>	29,736,142
<b>18. BORROWINGS</b>		
<b>Secured</b>		
Borrowings from the State Bank of Pakistan under:		
Export refinance scheme	<b>35,031,193</b>	42,610,243
Long term financing facility - renewable energy scheme	<b>1,622,968</b>	1,702,102
Long term financing facility	<b>10,955,853</b>	11,814,747
Temporary economic refinance facility	<b>15,526,002</b>	16,290,260
Long term financing facility - for storage of agricultural produce scheme	<b>480,633</b>	516,269
Refinance facility for modernization of SME	<b>202,482</b>	219,118
Refinance facility for combating COVID-19	<b>2,590</b>	2,590
Refinance and credit guarantee scheme for women entrepreneurs	<b>47,923</b>	50,398
	<b>63,869,644</b>	73,205,727
Repurchase agreement borrowings (Repo) - secured	<b>234,791,904</b>	182,762,717
Due against bills rediscounting - secured	-	2,066,279
<b>Total secured</b>	<b>298,661,548</b>	258,034,723
<b>Unsecured</b>		
Call borrowing	<b>11,166,132</b>	5,602,462
Overdrawn nostro accounts	<b>7,733,390</b>	8,446,547
<b>Total unsecured</b>	<b>18,899,522</b>	14,049,009
<b>Total Borrowings</b>	<b>317,561,070</b>	272,083,732

## 19. DEPOSITS AND OTHER ACCOUNTS

	31 March 2026 (Un-Audited)			31 December 2025 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
Rupees in '000						
<b>Customers</b>						
Current deposits	355,011,673	65,860,880	420,872,553	343,056,005	68,835,626	411,891,631
Savings deposits	359,576,610	16,873,219	376,449,829	364,627,202	14,914,346	379,541,548
Term deposits	154,860,145	81,747,947	236,608,092	98,912,194	92,354,106	191,266,300
Others	33,297,053	4,250	33,301,303	31,094,342	7,461	31,101,803
	<b>902,745,481</b>	<b>164,486,296</b>	<b>1,067,231,777</b>	837,689,743	176,111,539	1,013,801,282
<b>Financial institutions</b>						
Current deposits	9,994,272	1,622,226	11,616,498	2,284,174	173,906	2,458,080
Savings deposits	109,774,835	-	109,774,835	103,077,540	-	103,077,540
Term deposits	105,797	22,521	128,318	265,666	22,597	288,263
Others	-	-	-	-	-	-
	<b>119,874,904</b>	<b>1,644,747</b>	<b>121,519,651</b>	105,627,380	196,503	105,823,883
	<b>1,022,620,385</b>	<b>166,131,043</b>	<b>1,188,751,428</b>	943,317,123	176,308,042	1,119,625,165

**31 March 2026**      31 December 2025  
(Un-Audited)      (Audited)  
Rupees in '000

## 20. LEASE LIABILITIES

Opening Balance	<b>11,253,857</b>	10,463,713
Addition during the period / year	<b>718,167</b>	2,014,226
Modification during the period / year	-	12,200
Deletion during the period / year	-	(39,180)
Lease payments including interest	<b>(667,912)</b>	(2,512,852)
Interest expense	<b>345,415</b>	1,315,750
Closing balance	<b>11,649,527</b>	11,253,857

### 20.1. Liabilities Outstanding

Not later than one year	<b>1,329,117</b>	1,258,819
Later than one year and upto five years	<b>6,156,110</b>	5,921,896
Over five years	<b>4,164,300</b>	4,073,142
Total for the period / year end	<b>11,649,527</b>	11,253,857

Aggregate 12.33% (31 December 2025: 12.35%) is used as discounting factor for the calculation of lease liability.

	Note	31 March 2026 (Un-Audited)	31 December 2025 (Audited)
Rupees in '000			
<b>21. OTHER LIABILITIES</b>			
Mark-up / return / interest payable in local currency		<b>11,763,349</b>	12,568,370
Mark-up / return / interest payable in foreign currencies		<b>839,672</b>	1,482,978
Unearned commission and income on bills discounted		<b>1,079,169</b>	1,071,473
Accrued expenses		<b>4,259,098</b>	2,977,005
Acceptances		<b>44,603,669</b>	42,280,823
Unclaimed dividend		<b>84,217</b>	187,714
Branch adjustment account		<b>8,956</b>	9,330
Mark-to-market loss on forward purchase of federal Government security transactions		<b>10,204</b>	–
Mark-to-market loss on forward foreign exchange contracts		<b>3,416,029</b>	4,428,601
Provision for compensated absences		<b>463,694</b>	413,478
Deferred liability on defined benefit plan		<b>38,803</b>	150,719
Credit loss allowance against off-balance sheet obligations	21.1	<b>3,012,720</b>	436,587
Workers' welfare fund	21.2	<b>6,103,038</b>	5,895,464
Charity fund		<b>207</b>	126
Excise duty payable		<b>3,586</b>	2,676
Locker deposits		<b>1,222,430</b>	1,205,428
Clearing and settlement account		<b>7,522,310</b>	14,832,413
Advance against diminishing musharaka		<b>152,755</b>	152,755
Advance rental for ijarah		<b>23,430</b>	20,354
Security deposits against leases / ijarah		<b>75,125</b>	75,860
Sundry creditors		<b>3,841,387</b>	3,413,334
Withholding tax / duties		<b>1,250,361</b>	1,199,912
Deferred grant income		<b>84,900</b>	99,269
Deferred markup income		<b>65,293</b>	–
Others		<b>154,599</b>	369,552
		<b><u>90,079,001</u></b>	<u>93,274,221</u>

### 21.1 Credit loss allowance against off-balance sheet obligations

Opening balance	<b>436,587</b>	353,883
Charge for the period / year	<b>2,576,133</b>	82,704
Reversal for the period / year	<b>–</b>	–
Net charge for the period / year	<b>2,576,133</b>	82,704
Closing balance	<b>3,012,720</b>	436,587

**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	31 March 2026 (Un-Audited)	31 December 2025 (Audited)
Rupees in '000			
<b>22. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS - NET OF TAX</b>			
Surplus / (deficit) on revaluation of:			
- Securities measured at FVOCI - Debt	10.1	198,747	11,846,798
- Securities measured at FVOCI - Equity	10.1	4,589,259	7,419,037
- Property and Equipment		5,754,861	5,833,385
- Non-banking assets acquired in satisfaction of claims		2,572,871	2,572,871
		13,115,738	27,672,091
Less: Deferred tax on surplus / (deficit) on revaluation of:			
- Securities measured at FVOCI - Debt		103,348	6,160,335
- Securities measured at FVOCI - Equity		2,386,415	3,857,899
- Property and Equipment		1,141,641	1,182,473
- Non-banking assets acquired in satisfaction of claims		-	-
		(3,631,404)	(11,200,707)
		9,484,334	16,471,384
<b>23. CONTINGENCIES AND COMMITMENTS</b>			
Guarantees	23.1	173,668,014	166,456,804
Commitments	23.2	887,645,615	842,389,120
Other contingent liabilities	23.3	2,880,338	2,880,338
		1,064,193,967	1,011,726,262
<b>23.1 Guarantees</b>			
Financial guarantees		46,448,036	35,104,991
Performance guarantees		41,776,809	45,403,766
Other guarantees		85,443,169	85,948,047
		173,668,014	166,456,804
<b>23.2 Commitments</b>			
Documentary credits and short-term trade-related transactions:			
Letters of credit		295,142,393	208,094,052
Commitments in respect of:			
Forward foreign exchange contracts	23.2.1	590,383,601	607,256,815
Forward purchase of federal Government security transactions	23.2.2	928,677	26,408,764
Forward lendings	23.2.3	74,976	74,976
Commitments for:			
Acquisition of property and equipment		1,115,968	554,513
		887,645,615	842,389,120

	<b>31 March 2026</b> (Un-Audited)	31 December 2025 (Audited)
	Rupees in '000	
<b>23.2.1 Commitments in respect of forward foreign exchange contracts</b>		
Purchase	<b>315,185,821</b>	332,412,173
Sale	<b>275,197,780</b>	274,844,642
	<b>590,383,601</b>	607,256,815
<b>23.2.2 Commitments in respect of forward purchase of federal Government security transactions</b>		
Purchase	<b>928,677</b>	26,408,764
Sale	-	-
	<b>928,677</b>	26,408,764
<b>23.2.3 Commitments in respect of forward lendings</b>		
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	
	<b>31 March 2026</b> (Un-Audited)	31 December 2025 (Audited)
	Rupees in '000	
Commitments in respect of syndicate financing	<b>74,976</b>	74,976
<b>23.3 Other contingent liabilities</b>		
Claims against bank not acknowledged as debt	23.3.1	<b>2,880,338</b>
		2,880,338

**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

Counter Parties	Forward foreign exchange contracts			
	31 March 2026 (Un-Audited)		31 December 2025 (Audited)	
	Notional Principal	Mark to Market Gain / (Loss)	Notional Principal	Mark to Market Gain / (Loss)
	Rupees in '000			
<b>Banks</b>				
Hedging	459,042,848	1,278,575	448,643,639	412,051
<b>Other Entities</b>				
Hedging	131,340,753	(1,423,796)	158,613,176	(1,815,339)
<b>Total</b>				
Hedging	<u>590,383,601</u>	<u>(145,221)</u>	<u>607,256,815</u>	<u>(1,403,288)</u>

Note                      **31 March 2026**                      31 March 2025  
(Un-Audited)  
————— Rupees in '000 —————

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

Loans and advances		12,367,342	14,567,862
Investments	25.1	25,342,890	26,099,354
Lendings with financial institutions		1,199,335	1,087,683
Balances with banks		347	470
		<u>38,909,914</u>	<u>41,755,369</u>

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

Financial assets measured at amortised cost;	3,920,079	2,647,055
Financial assets measured at FVTPL; and	1,073,985	1,778,786
Financial assets measured at FVOCI	20,348,826	21,673,513
	<u>25,342,890</u>	<u>26,099,354</u>

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

Deposits	14,829,276	13,756,148
Borrowings	7,105,850	9,310,675
Cost of foreign currency swaps against foreign currency deposits / borrowings	1,346,597	743,885
Lease liability against right-of-use assets	345,415	310,234
	<u>23,627,138</u>	<u>24,120,942</u>

	Note	31 March 2026	31 March 2025
		(Un-Audited)	
		Rupees in '000	
<b>27. FEE &amp; COMMISSION INCOME</b>			
Branch banking customer fees		379,974	361,561
Credit related fees		20,462	11,661
Card related fees		365,622	312,513
Commission on trade		1,578,530	1,681,274
Commission on guarantees		310,325	304,504
Commission on remittances including home remittances		1,930	33,797
Commission on bancassurance		40,339	43,531
Commission on cash management		54,559	48,355
Investment Banking Fee		37,300	14,973
Others		7,949	14,091
		<u>2,796,990</u>	<u>2,826,260</u>
<b>28. GAIN / (LOSS) ON SECURITIES - NET</b>			
Realised	28.1	1,138,616	281,369
Unrealised - Measured at FVTPL		(672,665)	(34,218)
		<u>465,951</u>	<u>247,151</u>
<b>28.1 Realised gain on:</b>			
Federal Government securities - net		1,136,272	183,394
Real estate investment trust - net		2,344	97,975
		<u>1,138,616</u>	<u>281,369</u>
<b>28.2 Net gain / (loss) on financial assets / liabilities measured at FVTPL:</b>			
Designated upon initial recognition		-	-
Mandatorily measured at FVTPL		(75,738)	256,836
		(75,738)	256,836
Net gain / (loss) on financial assets measured at FVOCI - Debt		541,689	(9,685)
		<u>465,951</u>	<u>247,151</u>
<b>29. OTHER INCOME</b>			
Rent on properties		9,073	11,289
Gain on sale of property and equipment - net		7,851	21,297
Gain on sale of ijarah assets - net		1,686	30,616
Loss on termination of right-of-use-assets - net		(135)	-
Staff notice period and other recoveries		-	20
		<u>18,475</u>	<u>63,222</u>

	<b>31 March 2026</b>	31 March 2025
	(Un-Audited)	
	Rupees in '000	
<b>30. OPERATING EXPENSES</b>		
Total compensation expense	<b>4,376,146</b>	3,790,854
<b>Property expense</b>		
Rent & taxes	<b>85,589</b>	15,785
Insurance	<b>3,083</b>	4,998
Utilities cost	<b>321,186</b>	323,375
Security	<b>334,227</b>	355,416
Repair & maintenance	<b>253,647</b>	321,046
Depreciation on property and equipment	<b>277,708</b>	270,112
Depreciation on right-of-use assets	<b>428,344</b>	382,700
Depreciation on non-banking assets	<b>984</b>	-
	<b>1,704,768</b>	1,673,432
<b>Information technology expenses</b>		
Software maintenance	<b>292,659</b>	381,967
Hardware maintenance	<b>141,432</b>	108,717
Depreciation	<b>220,493</b>	155,151
Amortisation	<b>95,734</b>	67,784
Network charges	<b>153,280</b>	123,489
	<b>903,598</b>	837,108
<b>Other operating expenses</b>		
Directors' fees and allowances	<b>5,968</b>	8,676
Fees and allowances to Shariah Board	<b>10,241</b>	11,090
Legal & professional charges	<b>114,474</b>	74,942
Outsourced services costs	<b>124,739</b>	131,393
Travelling & conveyance	<b>359,647</b>	202,450
NIFT clearing charges	<b>45,939</b>	38,481
Depreciation	<b>249,736</b>	235,496
Training & development	<b>18,920</b>	27,977
Postage & courier charges	<b>48,030</b>	48,103
Communication	<b>194,163</b>	234,439
Subscription	<b>262,984</b>	256,212
Entertainment	<b>59,587</b>	75,521
Repair & maintenance	<b>118,956</b>	73,094
Brokerage & commission	<b>73,394</b>	61,869
Stationery & printing	<b>118,840</b>	110,512
Marketing, advertisement & publicity	<b>793,527</b>	126,304
Management fee	<b>588,449</b>	409,005
Insurance	<b>413,278</b>	379,080
Donations	<b>122,557</b>	131,650
Auditors' Remuneration	<b>17,424</b>	15,051
Security	<b>124,837</b>	121,722
Others	<b>77,002</b>	61,842
	<b>3,942,692</b>	2,834,909
	<b>10,927,204</b>	9,136,303

	Note	31 March 2026 (Un-Audited)	31 March 2025
		Rupees in '000	
<b>31. OTHER CHARGES</b>			
Penalties imposed by the SBP		<u>877</u>	<u>16,580</u>
<b>32. CREDIT LOSS ALLOWANCE &amp; WRITE OFFS - NET</b>			
Credit loss allowance against cash and balances with banks		(877)	146,020
Credit loss allowance against lendings to financial institutions		(291)	724
Credit loss allowance for diminution in value of investments	10.2	(92)	(179)
Credit loss allowance against loans & advances	11.3	(2,401,521)	601,439
Credit loss allowance against other assets		(313,376)	74,740
Credit loss allowance against off-balance sheet obligations		2,576,133	(57,067)
Recovery of written off / charged off bad debts		-	(101,375)
		<u>(140,024)</u>	<u>664,302</u>
<b>33. TAXATION</b>			
Current		6,187,114	5,137,268
Deferred		(900,585)	1,771,359
		<u>5,286,529</u>	<u>6,908,627</u>
<b>34. BASIC AND DILUTED EARNINGS PER SHARE</b>			
Profit after taxation		<u>4,893,859</u>	<u>6,053,518</u>
		Number in '000	
Weighted average number of ordinary shares		<u>1,047,831</u>	<u>1,047,831</u>
		Rupees	
Basic and diluted earnings per share		<u>4.67</u>	<u>5.78</u>

### 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 the break-up value of these investments as per their latest available audited financial statements.

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

	31 March 2026 (Un-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	65,282,500	718,336,570	-	783,619,070
Non Government debt securities	-	4,993,050	-	4,993,050
Shares - Listed companies	11,734,808	-	-	11,734,808
Shares - Unlisted companies	-	-	95,470	95,470
Mutual funds	129,912	-	-	129,912
Real estate investment trust	3,328,040	-	-	3,328,040
<b>Financial assets - disclosed but not measured at fair value</b>				
Investments				
Federal Government securities	-	131,643,897	-	131,643,897
Non Government debt securities	-	-	3,499,961	3,499,961
	<u>80,475,260</u>	<u>854,973,517</u>	<u>3,595,431</u>	<u>939,044,208</u>
<b>Off-balance sheet financial instruments measured at fair value</b>				
Forward purchase of foreign exchange contracts	-	311,947,698	-	311,947,698
Forward sale of foreign exchange contracts	-	278,290,683	-	278,290,683
Forward purchase of federal Government security transactions	-	918,473	-	918,473

## On balance sheet financial instruments

31 December 2025 (Audited)

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

### Financial assets measured at fair value

#### Investments

Federal Government securities	46,580,000	661,022,480	–	707,602,480
Non Government debt securities	–	4,991,823	–	4,991,823
Shares - Listed companies	14,122,623	–	–	14,122,623
Shares - Unlisted companies	–	–	95,470	95,470
Mutual funds	175,600	–	–	175,600
Real estate investment trust	3,754,949	–	–	3,754,949

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

#### Investments

Federal Government securities	–	131,396,941	–	131,396,941
Non Government debt securities	–	–	4,499,925	4,499,925
	<u>64,633,172</u>	<u>797,411,244</u>	<u>4,595,395</u>	<u>866,639,811</u>

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

Forward purchase of foreign exchange contracts	–	328,217,866	–	328,217,866
Forward sale of foreign exchange contracts	–	277,635,661	–	277,635,661
Forward purchase of federal Government security transactions	–	26,530,954	–	26,530,954

## 35.2 Fair value of non-financial assets

31 March 2026 (Un-Audited)

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

### Non-financial assets measured at fair value

– Property and equipment	–	10,667,670	–	10,667,670
– Non-banking assets acquired in satisfaction of claim	–	6,475,325	–	6,475,325
	<u>–</u>	<u>17,142,995</u>	<u>–</u>	<u>17,142,995</u>

31 December 2025 (Audited)

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

**Non-financial assets measured at fair value**

- Property and equipment	-	9,864,231	-	9,864,231
- Non-banking assets acquired in satisfaction of claim	-	6,476,307	-	6,476,307
	-	16,340,538	-	16,340,538

**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 investee company on which 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 INFORMATION

36.1 SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

31 March 2026 (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	14,107,774	(4,262,205)	1,343,327	4,093,880	15,282,776
Inter segment revenue - net	(10,438,908)	8,402,717	2,036,191	-	-
Non mark-up / return / interest income	1,260,364	856,510	3,330,888	445,481	5,893,243
<b>Total Income</b>	<b>4,929,230</b>	<b>4,997,022</b>	<b>6,710,406</b>	<b>4,539,361</b>	<b>21,176,019</b>
Segment direct expenses	(1,230,008)	(2,169,144)	(1,674,500)	(2,081,834)	(8,208,023)
Inter segment expense allocation	-	(1,248,226)	(1,679,406)	(1,052,537)	(2,927,632)
Total expenses	(1,230,008)	(3,417,370)	(3,353,906)	(3,134,371)	(11,135,655)
Credit loss allowance	92	(42,666)	594,987	(412,389)	140,024
<b>Profit before tax</b>	<b>3,699,314</b>	<b>1,536,986</b>	<b>3,951,487</b>	<b>992,601</b>	<b>10,180,388</b>
<b>Statement of financial position</b>					
Cash and bank balances	1,888,444	19,947,939	51,834,904	17,367,148	91,038,435
Investments	758,096,358	-	-	180,799,050	938,895,408
Net inter segment lending	-	383,158,166	129,321,895	-	512,480,061
Lendings to financial institutions	43,561,042	-	-	10,099,973	53,661,015
Advances - performing	-	3,862,905	379,127,627	149,573,134	532,563,666
Advances - non-performing	-	621,853	21,565,326	2,447,945	24,635,124
Credit loss allowance against advances	-	(662,930)	(24,139,376)	(3,904,767)	(28,707,073)
Others	24,070,854	7,403,711	93,737,492	18,583,144	143,795,201
<b>Total Assets</b>	<b>827,616,698</b>	<b>414,331,644</b>	<b>651,447,868</b>	<b>374,965,627</b>	<b>2,268,361,837</b>
Borrowings	253,691,426	-	43,919,479	19,950,165	317,561,070
Deposits and other accounts	-	370,132,480	497,634,426	320,984,522	1,188,751,428
Net inter segment borrowing	512,480,061	-	-	-	512,480,061
Others	3,371,099	8,832,557	97,946,911	18,182,909	128,333,476
<b>Total liabilities</b>	<b>769,542,586</b>	<b>378,965,037</b>	<b>639,500,816</b>	<b>359,117,596</b>	<b>2,147,126,035</b>
<b>Net Assets</b>	<b>58,074,112</b>	<b>35,366,607</b>	<b>11,947,052</b>	<b>15,848,031</b>	<b>121,235,802</b>
<b>Equity</b>					<b>121,235,802</b>
<b>Contingencies and commitments</b>	<b>590,383,601</b>	<b>-</b>	<b>410,457,862</b>	<b>63,352,504</b>	<b>1,064,193,967</b>

31 March 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	14,945,770	(5,377,612)	3,251,819	4,814,450	17,634,427
Inter segment revenue - net	(12,515,559)	9,385,456	3,130,103	-	-
Non mark-up / return / interest income	2,322,012	345,594	2,227,333	510,813	5,405,752
<b>Total Income</b>	4,752,223	4,353,438	8,609,255	5,325,263	23,040,179
Segment direct expenses	(151,302)	-	-	(1,682,308)	(2,634,271)
Inter segment expense allocation	-	(2,149,485)	(4,629,976)	(800,661)	(6,779,461)
<b>Total expenses</b>	(151,302)	(2,149,485)	(4,629,976)	(2,482,969)	(9,413,732)
Credit loss allowance	179	(10,128)	(978,658)	324,305	(664,302)
<b>Profit before tax</b>	4,601,100	2,193,825	3,000,621	3,166,599	12,962,145

31 December 2025 (Audited)

	Trade & Sales	Retail Banking	Commercial Banking	Islamic Banking	Total
	Rupees in '000				
<b>Statement of financial position</b>					
Cash and bank balances	18,538,338	19,021,823	44,163,518	20,569,936	102,293,615
Investments	712,758,519	-	-	151,893,193	864,651,712
Net inter segment lending	-	361,185,084	120,582,648	-	481,767,732
Lendings to financial institutions	12,801,016	-	-	33,149,874	45,950,890
Advances - performing	-	11,594,844	361,485,028	146,232,761	519,312,633
Advances - non-performing	-	623,207	23,927,077	2,028,444	26,578,728
Credit loss allowance against advances	-	(606,497)	(27,009,854)	(3,492,243)	(31,108,594)
Others	16,388,307	7,254,819	87,085,370	20,470,151	131,198,647
<b>Total assets</b>	760,486,180	399,073,280	610,233,787	370,852,116	2,140,645,363
Borrowings	198,878,005	-	48,959,011	24,246,716	272,083,732
Deposits and other accounts	-	352,604,651	461,607,325	305,413,189	1,119,625,165
Net inter segment borrowing	481,767,732	-	-	-	481,767,732
Others	17,759,697	9,305,727	87,260,512	25,033,314	139,359,250
<b>Total liabilities</b>	698,405,434	361,910,378	597,826,848	354,693,219	2,012,835,879
<b>Net Assets</b>	62,080,746	37,162,902	12,406,939	16,158,897	127,809,484
<b>Equity</b>					127,809,484
<b>Contingencies and commitments</b>	633,665,579	-	338,611,533	39,449,150	1,011,726,262

## 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:

	31 March 2026 (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	49,741	-	-	-	65,271	-	115,012
<b>Investments</b>							
Opening balance	-	-	-	6,296,779	-	-	6,296,779
Investment made during the period	-	-	-	3,499,959	-	-	3,499,959
Investment redeemed / disposed off during the period	-	-	-	(4,499,925)	-	-	(4,499,925)
Closing balance	-	-	-	5,296,813	-	-	5,296,813
<b>Advances</b>							
Opening balance	-	-	321,011	-	9,513,516	-	9,834,527
Addition during the period	-	-	4,095	-	12,738,125	-	12,742,220
Repaid during the period	-	-	(22,995)	-	(15,302,446)	-	(15,325,441)
Closing balance	-	-	302,111	-	6,949,195	-	7,251,306
<b>Other Assets</b>							
Mark-up / return / interest receivable	-	-	-	61,150	13,653	-	74,803
Prepayments / advance deposits / other receivables	936	-	-	920	15,454	-	17,310
	936	-	-	62,070	29,107	-	92,113
<b>Deposits and other accounts</b>							
Opening balance	201,788	1,154,837	363,831	1,875,192	9,652,150	1,292,737	14,540,535
Received during the period	2,150,048	1,687,394	420,270	91,030,696	1,043,239,604	1,230,484	1,139,758,496
Withdrawn during the period	(2,112,703)	(1,487,954)	(354,702)	(92,208,183)	(1,027,520,447)	(1,028,450)	(1,124,712,439)
Closing balance	239,133	1,354,277	429,399	697,705	25,371,307	1,494,771	29,586,592
<b>Other Liabilities</b>							
Mark-up / return / interest payable	-	14,985	-	11,615	103,366	74,622	204,588
Management fee payable for technical and consultancy services*	275,280	-	-	-	-	-	275,280
Other payables	-	955	-	-	630	38,803	40,388
	275,280	15,940	-	11,615	103,996	113,425	520,256
<b>Contingencies and commitments</b>							
Transaction-related contingent liabilities	-	-	-	-	18,597,231	-	18,597,231
Trade-related contingent liabilities	-	-	-	-	16,184,194	-	16,184,194
	-	-	-	-	34,781,425	-	34,781,425

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

31 December 2025 (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	65,299	-	-	-	112,618	-	177,917
<b>Investments</b>							
Opening balance	-	-	-	4,830,000	-	-	4,830,000
Investment made during the year	-	-	-	13,599,927	-	-	13,599,927
Investment redeemed / disposed off during the year	-	-	-	(12,133,148)	-	-	(12,133,148)
Closing balance	-	-	-	6,296,779	-	-	6,296,779
<b>Advances</b>							
Opening balance	-	-	331,041	56,689	6,504,983	-	6,892,713
Addition during the year	-	-	47,302	7,464,526	86,787,944	-	94,299,772
Repaid during the year	-	-	(57,332)	(7,521,215)	(83,779,411)	-	(91,357,958)
Closing balance	-	-	321,011	-	95,13,516	-	9,834,527
<b>Other Assets</b>							
Mark-up / return / interest receivable	-	-	-	66,420	41,867	-	108,287
Prepayments / advance deposits / other receivables	936	-	-	-	13,354	-	14,290
	936	-	-	66,420	55,221	-	122,577
<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 year	10,777,547	3,691,691	1,605,130	386,377,712	3,434,844,892	5,870,299	3,843,167,271
Withdrawn during the year	(10,807,115)	(3,504,198)	(1,466,001)	(386,807,259)	(3,430,760,393)	(6,746,253)	(3,840,091,219)
Closing balance	201,788	1,154,837	363,831	1,875,192	9,652,150	1,292,737	14,540,535
<b>Other Liabilities</b>							
Mark-up / return / interest payable	-	15,333	6,868	10,418	69,287	56,662	158,568
Other payables	-	955	-	-	802	150,719	152,476
	-	16,288	6,868	10,418	70,089	207,381	311,044
<b>Contingencies and commitments</b>							
Transaction-related contingent liabilities	-	-	-	-	17,838,094	-	17,838,094
Trade-related contingent liabilities	-	-	-	-	6,410,580	-	6,410,580
	-	-	-	-	24,248,674	-	24,248,674

## Transactions during the period

	For the period ended 31 March 2026 (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	-	-	3,459	118,836	7,551	-	129,846
Fee and commission income	-	23	-	1,003	151,018	6	152,050
Rent income	1,404	-	-	3,197	2,585	-	7,186
<b>Expense</b>							
Mark-up / return / interest expensed	-	16,010	7,863	30,419	184,602	105,259	344,153
Commission / brokerage / bank charges paid	105	-	-	587	870	-	1,562
Salaries and allowances	-	-	339,127	-	-	-	339,127
Directors' fees and allowances	-	5,968	-	-	-	-	5,968
Charge to defined benefit plan	-	-	-	-	-	100,740	100,740
Contribution to defined contribution plan	-	-	-	-	-	123,695	123,695
Insurance premium expenses	-	-	-	-	10,814	-	10,814
Management fee expense for technical and consultancy services *	588,449	-	-	-	-	-	588,449

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

## Transactions during the period

For the period ended 31 March 2025 (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	-	-	4,689	105,577	46,351	-	156,617
Fee and commission income	-	42	-	281	184,883	6	185,212
Rent income	1,404	-	-	4,684	2,585	-	8,673
<b>Expense</b>							
Mark-up / return / interest expensed	-	18,295	7,190	32,606	119,600	291,791	469,482
Commission / brokerage / bank charges paid	310	-	-	699	897	-	1,906
Salaries and allowances	-	-	267,649	-	-	-	267,649
Directors' fees and allowances	-	8,676	-	-	-	-	8,676
Charge to defined benefit plan	-	-	-	-	-	90,955	90,955
Contribution to defined contribution plan	-	-	-	-	-	107,751	107,751
Insurance premium expenses	-	-	-	-	35,727	-	35,727
Management fee expense for technical and consultancy services *	409,005	-	-	-	-	-	409,005

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

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

	<b>31 March 2026</b> (Un-Audited)	31 December 2025 (Audited)
	Rupees in '000	
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	<b>10,478,315</b>	10,478,315
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible common equity tier 1 (CET 1) Capital	<b>111,021,389</b>	110,471,729
Eligible additional tier 1 (ADT 1) Capital	-	-
Total eligible tier 1 capital	<b>111,021,389</b>	110,471,729
Eligible tier 2 capital	<b>11,229,643</b>	18,704,542
Total eligible capital (tier 1 + tier 2)	<b>122,251,032</b>	129,176,271
<b>Risk Weighted Assets (RWAs):</b>		
Credit risk	<b>602,188,312</b>	557,389,893
Market risk	<b>37,701,794</b>	36,987,205
Operational risk	<b>165,565,281</b>	165,565,281
Total	<b>805,455,387</b>	759,942,379
CET 1 capital adequacy ratio (in %)	<b>13.78%</b>	14.54%
Tier 1 capital adequacy ratio (in %)	<b>13.78%</b>	14.54%
Total capital adequacy ratio (in %)	<b>15.18%</b>	17.00%
<b>Minimum capital requirements prescribed by SBP</b>		
CET 1 capital adequacy ratio (in %)	<b>6.00%</b>	6.00%
Tier 1 capital adequacy ratio (in %)	<b>7.50%</b>	7.50%
Total capital adequacy ratio (in %)	<b>11.50%</b>	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	<b>111,021,389</b>	110,471,729
Total exposures	<b>2,201,343,482</b>	2,086,326,023
Leverage ratio (in %)	<b>5.04%</b>	5.30%
<b>Liquidity Coverage Ratio (LCR):</b>		
Total high quality liquid assets	<b>637,422,599</b>	608,412,975
Total net cash outflow	<b>418,939,344</b>	372,377,011
Liquidity coverage ratio (in %)	<b>152%</b>	163%
<b>Net Stable Funding Ratio (NSFR):</b>		
Total available stable funding	<b>1,061,209,204</b>	1,041,062,944
Total required stable funding	<b>569,480,460</b>	544,608,155
Net stable funding ratio (in %)	<b>186%</b>	191%

### 39. ISLAMIC BANKING BUSINESS

The Bank is operating 244 (31 December 2025: 243) Islamic banking branches and 311 (31 December 2025: 311) Islamic banking windows at the end of the period.

	Note	31 March 2026 (Un-Audited)	31 December 2025 (Audited)
Rupees in '000			
<b>ASSETS</b>			
Cash and balances with treasury banks		<b>17,310,971</b>	20,514,058
Balances with other banks		<b>56,177</b>	55,878
Due from financial institutions	39.1	<b>10,099,973</b>	33,149,874
Investments	39.2	<b>180,799,050</b>	151,893,193
Islamic financing and related assets - net	39.3	<b>148,116,312</b>	144,768,962
Property and equipment		<b>887,963</b>	859,544
Right-of-use assets		<b>3,696,998</b>	3,797,340
Intangible assets		-	-
Due from Head Office		<b>2,371,799</b>	6,274,499
Other assets		<b>11,626,384</b>	9,538,768
<b>Total Assets</b>		<b>374,965,627</b>	370,852,116
<b>LIABILITIES</b>			
Bills payable		<b>6,545,500</b>	7,862,011
Due to financial institutions		<b>19,950,165</b>	24,246,716
Deposits and other accounts	39.4	<b>320,984,522</b>	305,413,189
Due to Head Office		-	-
Lease liabilities		<b>4,624,469</b>	4,666,814
Subordinated debt		-	-
Deferred Tax Liabilities		<b>395,227</b>	989,235
Other liabilities		<b>6,617,713</b>	11,515,254
		<b>359,117,596</b>	354,693,219
<b>NET ASSETS</b>		<b>15,848,031</b>	16,158,897
<b>REPRESENTED BY</b>			
Islamic Banking Fund		<b>15,006,979</b>	11,007,003
Reserves		-	-
Surplus on revaluation of assets		<b>364,825</b>	913,140
Unappropriated profit	39.5	<b>476,227</b>	4,238,754
		<b>15,848,031</b>	16,158,897
<b>CONTINGENCIES AND COMMITMENTS</b>	39.6		

The profit and loss account of the Bank's Islamic banking branches for the period ended 31 March 2026 is as follows:

	Note	(Un-Audited)	
		31 March 2026	31 March 2025
Rupees in '000			
<b>PROFIT AND LOSS ACCOUNT</b>			
Profit / return earned	39.7	<b>8,784,790</b>	8,700,500
Profit / return expensed	39.8	<b>(4,690,910)</b>	(3,886,050)
<b>Net Profit / return</b>		<b>4,093,880</b>	4,814,450
<b>Other income</b>			
Fee and Commission Income		<b>387,059</b>	335,623
Dividend Income		-	-
Foreign Exchange Income		<b>51,103</b>	46,877
Income / (loss) from derivatives		-	-
Gain on securities - net		<b>4,222</b>	97,975
Other Income		<b>3,097</b>	30,338
<b>Total other income</b>		<b>445,481</b>	510,813
<b>Total Income</b>		<b>4,539,361</b>	5,325,263
<b>Other expenses</b>			
Operating expenses		<b>3,114,094</b>	2,482,964
Workers' welfare fund		<b>19,852</b>	-
Other charges		<b>425</b>	5
<b>Total other expenses</b>		<b>3,134,371</b>	2,482,969
<b>Profit before credit loss allowance</b>		<b>1,404,990</b>	2,842,294
Credit loss allowance and write offs - net		<b>(412,389)</b>	324,305
<b>Profit before taxation</b>		<b>992,601</b>	3,166,599
Taxation		<b>(516,374)</b>	(1,709,963)
<b>Profit after taxation</b>		<b>476,227</b>	1,456,636

### 39.1 Due from Financial Institutions

	31 March 2026 (Un-Audited)			31 December 2025 (Audited)		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
Rupees in '000						
Unsecured						
- Islamic Musharika placements	<b>10,100,000</b>	-	<b>10,100,000</b>	33,150,000	-	33,150,000
Less: Credit loss allowance						
Stage 1	(27)	-	(27)	(126)	-	(126)
Stage 2	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-
	<b>(27)</b>	-	<b>(27)</b>	(126)	-	(126)
Due from financial institutions - net of credit loss allowance	<b>10,099,973</b>	-	<b>10,099,973</b>	33,149,874	-	33,149,874

## 39.2 Investments by segments

31 March 2026 (Un-Audited)

	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
Rupees in '000				
<b>Debt Instruments</b>				
<b>Measured at amortised cost</b>				
Federal Government securities				
– Bai Muajjal	53,419,537	–	–	53,419,537
– Ijarah Sukuk	2,987,338	–	–	2,987,338
	56,406,875	–	–	56,406,875
Certificate of investment	3,500,000	(39)	–	3,499,961
	59,906,875	(39)	–	59,906,836
<b>Measured at FVOCI</b>				
Federal Government securities				
– Ijarah Sukuk	118,670,648	–	760,052	119,430,700
Non Government Debt Securities	340,000	(340,000)	–	–
	119,010,648	(340,000)	760,052	119,430,700
<b>Instruments mandatory classified / measured at FVTPL</b>				
	1,461,464	–	50	1,461,514
<b>Total investments</b>	<b>180,378,987</b>	<b>(340,039)</b>	<b>760,102</b>	<b>180,799,050</b>

31 December 2025 (Audited)

	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
Rupees in '000				
<b>Debt Instruments</b>				
<b>Measured at amortised cost</b>				
Federal Government securities				
– Bai Muajjal	51,937,179	–	–	51,937,179
– Ijarah Sukuk	2,984,563	–	–	2,984,563
	54,921,742	–	–	54,921,742
Certificate of investment	4,500,000	(75)	–	4,499,925
	59,421,742	(75)	–	59,421,667
<b>Measured at FVOCI</b>				
Federal Government securities				
– Ijarah Sukuk	89,374,624	–	1,902,375	91,276,999
Non Government Debt Securities	340,000	(340,000)	–	–
	89,714,624	(340,000)	1,902,375	91,276,999
<b>Instruments mandatory classified / measured at FVTPL</b>				
	1,198,698	–	(4,171)	1,194,527
<b>Total investments</b>	<b>150,335,064</b>	<b>(340,075)</b>	<b>1,898,204</b>	<b>151,893,193</b>

## 39.3 Islamic financing and related assets - net

	31 March 2026 (Un-Audited)			
	Financing	Advances	Inventory	Total
	Rupees in '000			
Ijarah	7,542,423	9,458	-	7,551,881
Ijarah – Islamic long term financing facility	3,030	-	-	3,030
Murabaha	2,792,126	12,283,021	-	15,075,147
Working capital musharaka	34,496,919	-	-	34,496,919
Diminishing musharaka	26,337,496	4,989,828	-	31,327,324
Istisna	2,725,940	5,173,616	2,083,837	9,983,393
Al-bai	3,716,309	-	6,945,560	10,661,869
<b>Diminishing musharaka:</b>				
Islamic long term financing facility	2,265,494	1,892,471	-	4,157,965
Islamic financing facility for storage of agricultural produce	264,161	-	-	264,161
Islamic temporary economic refinance facility	7,222,210	-	-	7,222,210
Islamic financing facility for renewable energy	354,468	-	-	354,468
<b>Islamic export refinance:</b>				
Working capital musharaka	23,725,069	-	-	23,725,069
Istisna	682,881	4,742,435	402,406	5,827,722
Al-bai	120,624	-	1,249,297	1,369,921
Gross Islamic financing and related assets	112,249,150	29,090,829	10,681,100	152,021,079
Less: Credit loss allowance against Islamic financings				
– Stage 1	(152,934)	(60,962)	(4,510)	(218,406)
– Stage 2	(817,218)	(267,028)	(160,854)	(1,245,100)
– Stage 3	(1,961,261)	(480,000)	-	(2,441,261)
	(2,931,413)	(807,990)	(165,364)	(3,904,767)
Islamic financing and related assets – net of credit loss allowance held	<u>109,317,737</u>	<u>28,282,839</u>	<u>10,515,736</u>	<u>148,116,312</u>

31 December 2025 (Audited)

	Financing	Advances	Inventory	Total
	Rupees in '000			
Ijarah	1,108,225	7,553,007	–	8,661,232
Ijarah – islamic long term financing facility	4,885	–	–	4,885
Murabaha	1,999,743	12,393,946	–	14,393,689
Working capital musharaka	33,803,189	–	–	33,803,189
Diminishing musharaka	23,005,880	9,158,861	–	32,164,741
Istisna	2,053,496	5,052,247	3,837,993	10,943,736
Al-bai	4,810,457	–	3,653,715	8,464,172
<b>Diminishing musharaka:</b>				
Islamic long term financing facility	2,420,220	1,227,100	–	3,647,320
Islamic financing facility for storage of agricultural produce	276,710	–	–	276,710
Islamic temporary economic refinance facility	7,577,657	–	–	7,577,657
Islamic financing facility for renewable energy	376,236	–	–	376,236
<b>Islamic export refinance:</b>				
Working capital musharaka	20,916,761	–	–	20,916,761
Istisna	980,928	3,507,686	1,169,132	5,657,746
Al-bai	90,604	–	1,282,527	1,373,131
Gross islamic financing and related assets	99,424,991	38,892,847	9,943,367	148,261,205
Less: Credit loss allowance against Islamic financings				
– Stage 1	(52,825)	(7,703)	(3,359)	(63,887)
– Stage 2	(931,571)	(145,337)	(332,667)	(1,409,575)
– Stage 3	(1,740,518)	(278,263)	–	(2,018,781)
	(2,724,914)	(431,303)	(336,026)	(3,492,243)
Islamic financing and related assets – net of credit loss allowance held	96,700,077	38,461,544	9,607,341	144,768,962

## 39.4 Deposits

	31 March 2026 (Un-Audited)			31 December 2025 (Audited)		
	Customers	Financial Institutions	Total	Customers	Financial Institutions	Total
	Rupees in '000					
Current deposits	119,138,630	479,881	119,618,511	114,292,214	463,673	114,755,887
Savings deposits	109,487,717	41,976,835	151,464,552	97,013,911	58,528,651	155,542,562
Term deposits	45,249,745	-	45,249,745	31,549,433	162,845	31,712,278
Others	4,651,714	-	4,651,714	3,402,462	-	3,402,462
	<b>278,527,806</b>	<b>42,456,716</b>	<b>320,984,522</b>	246,258,020	59,155,169	305,413,189

## 39.5 Unappropriated profit

	31 March 2026 (Un-Audited)	31 December 2025 (Audited)
Opening balance	4,238,754	2,874,296
Add: Islamic banking profit for the period / year	992,601	9,023,575
Less: Taxation	(516,374)	(4,784,821)
Less: Transferred to head office	(4,238,754)	(2,874,296)
Closing balance	<b>476,227</b>	4,238,754

## 39.6 Contingencies and commitments

	31 March 2026 (Un-Audited)	31 March 2025 (Audited)
Guarantees	23,173,322	18,572,365
Commitments	40,179,182	20,876,785
	<b>63,352,504</b>	39,449,150

## 39.7 Profit / return earned

	31 March 2026 (Un-Audited)	31 March 2025 (Audited)
Financing	3,770,070	4,276,610
Investments	4,632,693	4,414,064
Placements	382,027	9,826
	<b>8,784,790</b>	8,700,500

	<b>31 March 2026</b>	31 March 2025
	(Un-Audited)	
	———— Rupees in '000 ————	
<b>39.8 Profit / return expensed</b>		
Deposits and other accounts	<b>4,103,835</b>	2,687,463
Due to financial institutions	<b>447,514</b>	1,087,416
Lease liability against right-of-use assets	<b>139,561</b>	111,171
	<b><u>4,690,910</u></b>	<u>3,886,050</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 23 April 2026 has approved an interim cash dividend of Rs. 2.50 per share (2025: interim cash dividend of Rs. 2.50 per share).
- 41.2** These unconsolidated condensed interim financial statements were authorised for issue on 23 April 2026 by the Board of Directors of the Bank.

**FUZAIL ABBAS**  
Chief Financial Officer

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

**RASHID AHMED JAFER**  
Director

**MOHOMED BASHIR**  
Director

**MOHAMEDALI R. HABIB**  
Chairman