HABIB METROPOLITAN BANK

[Subsidiary of Habib Bank AG Zurich]

HABIBMETRO

HALF YEARLY REPORT JUNE 2026

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بسم الله الرحمن الرحیم

هذا من فضل ربي

OUR VISION

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

OUR VALUES

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.


TRUST
TEAMWORK
INTEGRITY
RESPECT
RESPONSIBILITY
COMMITMENT

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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

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

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

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

DIRECTORS' REVIEW

On behalf of the Board of Directors of Habib Metropolitan Bank, I am pleased to present the condensed interim un-audited financial statements for the half year ended June 30, 2026.

In recognition of the Bank's robust financial strength, the Pakistan Credit Rating Agency Limited (PACRA) has upgraded HABIBMETRO's long-term credit rating to 'AAA', the highest attainable rating, while reaffirming the short-term rating at 'A1+', the highest short-term rating category. These ratings underscore the Bank's exceptionally strong capacity to meet financial commitments and reflect the highest degree of credit quality.

Pakistan closed FY26 with macroeconomic stability intact, although the energy shock transmitted by the Middle East conflict left a clear imprint on prices and on growth. Headline inflation eased to 9.2% in July 2026 from 11.1% in June 2026, returning to single digits for the first time since March 2026, while core inflation on the non-food non-energy measure was recorded at 8.6% in urban areas and 8.1% in rural areas. The deceleration is largely a base effect, as prices rose by 1.2% month-on-month. Inflation is expected to remain above the SBP medium term range of 5.0% - 7.0% over the next few months before stabilizing near its upper bound by June 2027.

The war that commenced on February 28, 2026 has passed through two phases. A memorandum of understanding concluded in late June 2026 reopened traffic through the Strait of Hormuz and returned Brent crude to approximately USD 71 per barrel, from a peak above USD 126 per barrel on April 30, 2026. Hostilities resumed thereafter and Brent has since traded in a volatile range around USD 85 per barrel, with freight and insurance costs above pre-conflict levels.

The current account recorded a deficit of USD 139 Mn in FY26 against a surplus of USD 1.84 Bn in FY25, within the projected range of 0.0% - 1.0% of GDP. Record workers' remittances of USD 41.6 Bn financed a widening trade deficit, as exports of goods and services rose only marginally to USD 40.9 Bn while imports increased to USD 76.39 Bn. SBP reserves surpassed the end of June 2026 target of USD 18.0 Bn before declining to USD 17.0 Bn as at July 24, 2026 on external debt repayments. PKR remained stable against USD at approximately 277.81.

Real GDP growth for FY26 was recorded at 3.7% on a provisional basis against a target of 4.2%, with the economy reaching USD 452.1 Bn and per capita income USD 1,901. Activity slowed in Q4-FY26 as anticipated, although high frequency indicators point to a recovery in June 2026, and growth is projected in the range of 3.5% - 4.5% in FY27. The Federal Board of Revenue achieved its revised target of Rs. 13.0 trillion for FY26, the primary balance remained in surplus for a third consecutive year, and FY27 targets a primary surplus of 2.0% of GDP and a fiscal deficit of 3.6% of GDP.

Broad money growth moderated to 13.2% year-on-year as at July 10, 2026 from 15.2%, whereas private sector credit growth accelerated to 14.9%, supported by easing financial conditions and the earlier reduction in the Cash Reserve Requirement. The State Bank of Pakistan kept the policy rate unchanged at 11.5% on July 27, 2026, a second consecutive hold following the 100 basis point increase effective April 28, 2026. Standard & Poor's upgraded the sovereign credit rating to B with a stable outlook. Volatility in global energy prices, administered price adjustments and unfavorable climate conditions remain the key risks to Pakistan CAD, FX reserves and CPI.

The banking sector remained resilient, with total deposits expanding by 15.2 percent year on year to Rs. 40.9 trillion as at end June 2026. Advances increased by 13.0 percent year on year to Rs. 15.3 trillion, while investments rose by 16.4 percent year on year to Rs. 42.6 trillion, highlighting sustained balance sheet strength amid a challenging macroeconomic environment.

By the Grace of Allah, HABIBMETRO posted a profit before tax of Rs. 19,193 million for H1 2026, with earnings per share of Rs. 8.78. Net mark-up income stood at Rs. 29,796 million, while non-mark-up income increased by 4.0% to Rs. 12,095 million. The Bank's investments stood at Rs. 1,022,172 million as compared to Rs. 864,652 million in December 2025, while net advances increased to Rs. 534,119 million from Rs. 514,783 million in December 2025. Deposits grew by 11.1% to Rs. 1,243,394 million, with current deposits comprising 36.0% of the total.

The Bank's net equity stood at Rs. 125,207 million with capital adequacy ratio of 15.63%. The Board approved an interim cash dividend of Rs. 2.50 per share (25%) for the second quarter ended June 30, 2026. This is in addition to the Rs. 2.50 per share paid for first quarter, taking the total interim payout for H1 2026 to Rs. 5.00 per share (50%).

HABIBMETRO operates 573 branches in 229 cities across Pakistan, including 252 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 as recognized by OICCI CSR Report 2025.

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: 13 August 2026

رکھنے کا فیصلہ تھا، جبکہ اس سے قبل 28 اپریل 2026 سے موثر 100 بیسز پوائنٹس کا اضافہ کیا گیا تھا۔ اسٹینڈرڈ اینڈ پورز نے پاکستان کی خودمختار کریڈٹ ریٹنگ کو بڑھا کر 'B' کر دیا ہے، جبکہ ریٹنگ کا مستحکم آؤٹ لک برقرار رکھا گیا ہے۔ بین الاقوامی توانائی کی قیمتوں میں اُتار چڑھاؤ، انتظامی طور پر مقرر کردہ قیمتوں میں ردوبدل اور ناموافق موسمی حالات بدستور پاکستان کے کرنٹ اکاؤنٹ خسارے (سی اے ڈی)، زرمبادلہ کے ذخائر اور صارف قیمت اشاریہ (سی پی آئی) کیلئے اہم خطرات میں شامل ہیں۔

بینکنگ شعبہ بدستور مضبوط اور مستحکم رہا۔ جون 2026 کے اختتام تک بینکنگ شعبے کے مجموعی ڈپازٹس سال بہ سال بنیاد پر 15.2 فیصد بڑھ کر 40.9 ٹریلین روپے ہوگئے۔ اسی دوران، ایڈوانسز میں سال بہ سال 13.0 فیصد اضافہ ہوا اور یہ 15.3 ٹریلین روپے تک پہنچ گئے، جبکہ سرمایہ کاری میں 16.4 فیصد سال بہ سال اضافہ ریکارڈ کیا گیا، جس کے نتیجے میں سرمایہ کاری کا حجم 42.6 ٹریلین روپے ہوگیا۔ یہ اعداد و شمار ایک چیلنجنگ مجموعی معاشی ماحول کے باوجود بینکاری شعبے کی مسلسل مضبوط بیلنس شیٹ اور مستحکم مالیاتی بنیاد کو اُجاگر کرتے ہیں۔

اللہ تعالیٰ کے فضل و کرم سے حبیب میٹرو نے مالی سال 2026 کی پہلی ششماہی کے دوران قبل از ٹیکس منافع کی مد میں 19,193 ملین روپے کا منافع حاصل کیا، جبکہ فی شیئر آمدنی 8.78 روپے رہی۔ بینک کی خالص مارک اَپ آمدنی 29,796 ملین روپے رہی، جبکہ نان مارک اَپ آمدنی میں 4.0 فیصد کا اضافہ ہوا اور یہ 12,095 ملین روپے تک پہنچ گئی۔ بینک کی سرمایہ کاری دسمبر 2025 میں 864,652 ملین روپے کے مقابلے میں بڑھ کر 1,022,172 ملین روپے ہوگئی جبکہ خالص ایڈوانسز دسمبر 2025 کے 514,783 ملین روپے سے بڑھ کر 534,119 ملین روپے ہوگئے۔ بینک کے ڈپازٹس میں 11.1 فیصد اضافہ ہوا اور یہ 1,243,394 ملین روپے تک پہنچ گئے، جن میں کرنٹ ڈپازٹس کا حصہ 36.0 فیصد رہا۔

بینک کی خالص ایکویٹی 125,207 ملین روپے رہی، جبکہ کیپٹل ایڈیکویسی ریشو 15.63 فیصد ریکارڈ کیا گیا۔ بورڈ نے 30 جون 2026 کو ختم ہونے والی دوسری سہ ماہی کے لئے 2.50 روپے فی شیئر (25 فیصد) کے عبوری نقد منافع منقسمہ کی منظوری دی۔ یہ پہلی سہ ماہی کیلئے ادا کیے گئے 2.50 روپے فی شیئر کے علاوہ ہے، جس کے نتیجے میں مالی سال 2026 کی پہلی ششماہی کیلئے مجموعی عبوری منافع 5.0 روپے فی شیئر (50 فیصد) ہوگیا ہے۔

حبیب میٹرو پاکستان بھر کے 229 شہروں میں 573 برانچز کے ذریعے اپنی خدمات انجام دے رہا ہے، جن میں 252 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 کر رہا ہے۔

بینک کارپوریٹ سماجی ذمہ داری کیلئے 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 جس کا اعتراف OICCI CSR رپورٹ 2025 میں بھی کیا گیا ہے۔

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

ہم اسٹیٹ بینک آف پاکستان، پاکستان کی وزارت خزانہ اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے مسلسل تعاون پر تہہ دل سے شکر گزار 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 شکریہ 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: 13 اگست 2026

ڈائریکٹرز ریویو

میں نہایت مسرت کے ساتھ حبیب میٹروپولیٹن بینک کے بورڈ آف ڈائریکٹرز کی جانب سے 30 جون 2026 کو ختم ہونے والی ششماہی کے غیر آڈٹ شدہ عبوری مالیاتی گوشوارے پیش کر رہا ہوں۔

بینک کی مضبوط مالیاتی حیثیت کے اعتراف میں، پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے حبیب میٹرو کی لانگ ٹرم کریڈٹ ریٹنگ کو بڑھا کر 'AAA' کر دیا ہے، جو حاصل کی جانے والی بلند ترین ریٹنگ ہے، جبکہ شارٹ ٹرم ریٹنگ '+A1' پر برقرار رکھی گئی ہے، جو قلیل مدتی ریٹنگ کی بلند ترین کیٹگری ہے۔ یہ ریٹنگز مالیاتی ذمہ داریوں کو پورا کرنے کیلئے بینک کی غیر معمولی طور پر مضبوط صلاحیت کی عکاسی کرتی ہیں اور اس کے کریڈٹ معیار کی اعلیٰ ترین سطح کو اجاگر کرتی ہیں۔

پاکستان نے مالی سال 2026 کا اختتام مجموعی معاشی استحکام کو برقرار رکھتے ہوئے کیا، تاہم مشرقِ وسطیٰ کے تنازع کے نتیجے میں پیدا ہونے والے توانائی کے بحران کے اثرات قیمتوں اور معاشی نمو پر واضح طور پر مرتب ہوئے۔ مجموعی افراطِ زر جولائی 2026 میں کم ہو کر 9.2 فیصد رہ گیا، جو جون 2026 میں 11.1 فیصد تھا۔ اس طرح مارچ 2026 کے بعد پہلی مرتبہ افراطِ زر کی شرح دوبارہ ایک ہندسے میں آ گئی۔ دریں اثنا، بنیادی افراطِ زر (Core)، جس کا تعین خوراک اور توانائی کو خارج کرتے ہوئے کیا جاتا ہے، شہری علاقوں میں 8.6 فیصد جبکہ دیہی علاقوں میں 8.1 فیصد ریکارڈ کی گئی۔ افراطِ زر میں یہ کمی بڑی حد تک بنیادی سطح کے اثر کا نتیجہ ہے، کیونکہ ماہ بہ ماہ بنیاد پر قیمتوں میں 1.2 فیصد اضافہ ہوا۔ توقع ہے کہ آئندہ چند ماہ کے دوران افراطِ زر کی شرح اسٹیٹ بینک آف پاکستان کی درمیانی مدت کی مقررہ حد 5.0 فیصد سے 7.0 فیصد تک بلند رہے گا، تاہم جون 2027 تک اس کے بتدریج مستحکم ہو کر مذکورہ حد کی بالائی سطح کے قریب آنے کی توقع ہے۔

28 فروری 2026 کو شروع ہونے والی جنگ اب تک دو مراحل سے گزر چکی ہے۔ جون 2026 کے آخری دنوں میں طے پانے والی مفاہمت کی ایک یادداشتِ مفاہمت کے نتیجے میں آبنائے ہرمز کے ذریعے بحری آمدورفت دوبارہ بحال ہوئی اور برینٹ خام تیل کی قیمت 30 اپریل 2026 کو 126 امریکی ڈالر فی بیرل سے زائد کی بلند ترین سطح سے کم ہو کر تقریباً 71 امریکی ڈالر فی بیرل رہ گئی۔ تاہم، اس کے بعد دوبارہ کشیدگی کا آغاز ہوا اور تب سے برینٹ خام تیل کی قیمت تقریباً 85 امریکی ڈالر فی بیرل کے گرد اُتار چڑھاؤ کا شکار ہے، جبکہ مال برداری اور بیمہ کے اخراجات بدستور تنازع سے قبل کی سطح سے بلند ہیں۔

مالی سال 2026 میں کرنٹ اکاؤنٹ نے 139 ملین امریکی ڈالر کا خسارہ ریکارڈ کیا، جبکہ مالی سال 2025 میں 1.84 بلین امریکی ڈالر کا سرپلس ریکارڈ کیا گیا تھا۔ تاہم، یہ خسارہ مجموعی ملکی پیداوار (جی ڈی پی) کے 0.0 فیصد سے 1.0 فیصد کے متوقع دائرے کے اندر رہا۔ بیرونِ ملک مقیم پاکستانی کارکنوں کی ریکارڈ ترسیلاتِ زر، جو 41.6 بلین امریکی ڈالر رہیں، نے بڑھتے ہوئے تجارتی خسارے کی مالی معاونت کی۔ اشیاء اور خدمات کی برآمدات معمولی اضافے کے ساتھ 40.9 بلین امریکی ڈالر تک پہنچیں، جبکہ درآمدات بڑھ کر 76.39 بلین امریکی ڈالر ہو گئیں۔ اسٹیٹ بینک آف پاکستان کے زرمبادلہ کے ذخائر جون 2026 کے اختتام کیلئے مقرر کردہ 18.0 بلین امریکی ڈالر کے ہدف سے تجاوز کر گئے تھے، تاہم بیرونی قرضوں کی ادائیگیوں کے باعث 24 جولائی 2026 تک کم ہو کر 17.0 بلین امریکی ڈالر رہ گئے۔ پاکستانی روپے کی قدر امریکی ڈالر کے مقابلے میں تقریباً 277.81 روپے فی امریکی ڈالر کی سطح پر مستحکم رہی۔

مالی سال 2026 میں حقیقی مجموعی ملکی پیداوار کی شرحِ نمو ابتدائی بنیادوں پر 3.7 فیصد ریکارڈ کی گئی، جبکہ ہدف 4.2 فیصد مقرر کیا گیا تھا۔ اس دوران ملکی معیشت کا حجم 452.1 بلین امریکی ڈالر جبکہ فی کس آمدنی 1,901 امریکی ڈالر رہی۔ توقع کے مطابق مالی سال 2026 کی چوتھی سہ ماہی میں معاشی سرگرمیوں کی رفتار میں کمی آئی، تاہم قلیل مدتی اور اعلیٰ تعدد والے معاشی اشاریئے جون 2026 میں بحالی کی نشاندہی کرتے ہیں اور مالی سال 2027 میں معاشی نمو 3.5 فیصد سے 4.5 فیصد کی حدود میں رہنے کی توقع ہے۔ وفاقی بورڈ آف ریونیو (ایف بی آر) نے مالی سال 2026 کیلئے نظرثانی شدہ 13.0 ٹریلین روپے کا ریونیو ہدف حاصل کر لیا۔ بنیادی مالیاتی توازن مسلسل تیسرے سال سرپلس میں رہا اور مالی سال 2027 کے لئے جی ڈی پی کے 2.0 فیصد کے بنیادی سرپلس اور جی ڈی پی کے 3.6 فیصد کے مالیاتی خسارے کا ہدف مقرر کیا گیا ہے۔

براڈ منی کی شرحِ نمو 10 جولائی 2026 تک سال بہ سال بنیاد پر کم ہو کر 13.2 فیصد رہ گئی، جو اس سے قبل 15.2 فیصد تھی۔ دوسری جانب، نجی شعبے کو قرضوں کی فراہمی کی شرحِ نمو میں تیزی آئی اور یہ 14.9 فیصد تک پہنچ گئی، جس سے مالیاتی حالات میں بہتری اور کیش ریزرو ریکوائرمنٹ میں اس سے قبل کی گئی کمی سے معاونت حاصل ہوئی۔ اسٹیٹ بینک آف پاکستان نے 27 جولائی 2026 کو پالیسی ریٹ 11.5 فیصد پر برقرار رکھا۔ یہ مسلسل دوسری مرتبہ پالیسی ریٹ برقرار

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INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF HABIB METROPOLITAN BANK LIMITED

Report on review of Unconsolidated Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Habib Metropolitan Bank Limited ("the Bank") as at 30 June 2026 and the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, unconsolidated condensed interim cash flow statement and notes to the unconsolidated condensed interim financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

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

Conclusion

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

Other Matter

Pursuant to the requirement of Section 237 (1) (b) of the Companies Act, 2017, only cumulative figures for the half year, presented in the second quarter accounts are subject to a limited scope review by the statutory auditors of the Bank. Accordingly, the figures of the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income for the quarter ended 30 June 2026 have not been reviewed by us.

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

Karachi: 18 August 2026
UDIN: RR202610188W3GDwC0xl

KPMG Taseer Hadi & Co.
Chartered Accountants

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

	Note	30 June 2026 (Un-Audited)	31 December 2025 (Audited)
		Rupees in '000	
ASSETS			
Cash and balances with treasury banks	7	**86,971,023**	88,751,233
Balances with other banks	8	**19,779,363**	13,542,382
Lendings to financial institutions	9	**14,449,926**	45,950,890
Investments	10	**1,022,172,188**	864,651,712
Advances	11	**534,118,556**	514,782,767
Property and equipment	12	**17,970,280**	17,446,345
Right-of-use assets	13	**9,741,391**	8,969,420
Intangible assets	14	**620,891**	641,326
Deferred tax assets	15	**610,407**	–
Other assets	16	**107,322,419**	104,141,556
Total Assets		**1,813,756,444**	1,658,877,631
LIABILITIES			
Bills payable	17	**42,541,375**	29,736,142
Borrowings	18	**281,299,405**	272,083,732
Deposits and other accounts	19	**1,243,394,098**	1,119,625,165
Lease liabilities	20	**12,178,346**	11,253,857
Subordinated debt		**–**	–
Deferred tax liabilities	15	**–**	5,095,030
Other liabilities	21	**109,135,841**	93,274,221
Total Liabilities		**1,688,549,065**	1,531,068,147
NET ASSETS		**125,207,379**	127,809,484
REPRESENTED BY			
Share capital		**10,478,315**	10,478,315
Reserves		**38,528,844**	37,609,753
Surplus on revaluation of assets - net of tax	22	**12,059,205**	16,471,384
Unappropriated profit		**64,141,015**	63,250,032
		125,207,379	127,809,484
CONTINGENCIES AND COMMITMENTS	23		

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

FUZAIL ABBAS	KHURRAM SHAHZAD KHAN	MOHSIN A. NATHANI	RASHID AHMED JAFER	MOHAMEDALI R. HABIB
Chief Financial Officer	Chief Executive Officer	Director	Director	Chairman

UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE QUARTER AND HALF YEAR ENDED 30 JUNE 2026

	Note	Quarter ended		Half year ended	
		30 June 2026	30 June 2025	**30 June 2026**	30 June 2025
		Rupees in '000			
Mark-up / return / interest earned	25	**41,424,417**	39,944,455	**80,334,331**	81,699,824
Mark-up / return / interest expensed	26	**(26,911,313)**	(22,574,144)	**(50,538,451)**	(46,695,086)
Net mark-up / interest income		**14,513,104**	17,370,311	**29,795,880**	35,004,738
NON MARK-UP / INTEREST INCOME					
Fee and commission income	27	**2,744,819**	2,752,611	**5,541,809**	5,578,871
Dividend income		**199,600**	171,446	**619,404**	431,820
Foreign exchange income		**2,636,098**	2,150,451	**4,828,121**	4,159,196
Income / (loss) from derivatives		**–**	–	**–**	–
Gain / (loss) on securities - net	28	**562,125**	1,132,255	**1,028,076**	1,379,406
Net gain / (loss) on derecognition of financial assets measured at amortised cost		**–**	–	**–**	–
Other income	29	**59,593**	20,301	**78,068**	83,523
Total non mark-up / interest income		**6,202,235**	6,227,064	**12,095,478**	11,632,816
Total Income		**20,715,339**	23,597,375	**41,891,358**	46,637,554
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	30	**11,149,518**	10,378,832	**22,076,722**	19,515,135
Workers' welfare fund		**184,128**	254,027	**391,702**	514,876
Other charges	31	**125**	271,317	**1,002**	287,897
Total non-mark-up / interest expenses		**(11,333,771)**	(10,904,176)	**(22,469,426)**	(20,317,908)
Profit before credit loss allowance		**9,381,568**	12,693,199	**19,421,932**	26,319,646
Credit loss allowance and write offs - net	32	**(368,589)**	(426,458)	**(228,565)**	(1,090,760)
PROFIT BEFORE TAXATION		**9,012,979**	12,266,741	**19,193,367**	25,228,886
Taxation	33	**(4,708,893)**	(6,750,690)	**(9,995,422)**	(13,659,317)
PROFIT AFTER TAXATION		**4,304,086**	5,516,051	**9,197,945**	11,569,569
		Rupees			
Basic and diluted earnings per share	34	**4.11**	5.26	**8.78**	11.04

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

FUZAIL ABBAS	**KHURRAM SHAHZAD KHAN**	**MOHSIN A. NATHANI**	**RASHID AHMED JAFER**	**MOHAMEDALI R. HABIB**
Chief Financial Officer	Chief Executive Officer	Director	Director	Chairman

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

FOR THE QUARTER AND HALF YEAR ENDED 30 JUNE 2026

	Quarter ended		Half year ended	
	30 June 2026	30 June 2025	**30 June 2026**	30 June 2025
	Rupees in '000			
Profit after taxation for the period	**4,304,086**	5,516,051	**9,197,945**	11,569,569
Other comprehensive income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Effect of translation of net investment in an offshore branch - net of tax	**(2,068)**	2,164	**(704)**	2,472
Movement in surplus / (deficit) on revaluation of debt securities measured at FVOCI - net of tax	**1,500,293**	1,665,144	**(4,090,771)**	254,178
	1,498,225	1,667,308	**(4,091,475)**	256,650
Items that will not be reclassified to profit and loss account in subsequent periods:				
Remeasurement loss on defined benefit obligations - net of tax	**(319,550)**	(7,499)	**(135,992)**	(144,082)
Movement in surplus / (deficit) on revaluation of equity securities measured at FVOCI - net of tax	**1,130,024**	285,602	**(181,265)**	315,560
Movement in surplus on revaluation of property and equipment - net of tax	**-**	-	**-**	25,924
Movement in surplus on revaluation of non-banking assets - net of tax	**-**	477,760	**-**	477,760
	810,474	755,863	**(317,257)**	675,162
Total comprehensive income	**6,612,785**	7,939,222	**4,789,213**	12,501,381

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

FUZAIL ABBAS	KHURRAM SHAHZAD KHAN	MOHSIN A. NATHANI	RASHID AHMED JAFER	MOHAMEDALI R. HABIB
Chief Financial Officer	Chief Executive Officer	Director	Director	Chairman

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

FOR THE HALF YEAR ENDED 30 JUNE 2026

	Share capital	Reserves					Surplus / (deficit) on revaluation		Un-appropriated profit	Total
		Exchange translation reserve	Share premium	Statutory reserve	Special reserve	Revenue reserve	Investments	Property, equipment & Non-banking assets		
	Rupees in '000									
Balance as at 31 December 2024 (Audited)	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 - net of tax	–	–	–	–	–	–	31,462	–	–	31,462
Balance as at 1 January 2025 (Audited)	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	–	–	–	–	–	–	–	–	11,569,569	11,569,569
Other comprehensive income										
Effect of translation of net investment in an offshore branch - net of tax	–	2,472	–	–	–	–	–	–	–	2,472
Movement in surplus on revaluation of debt securities measured at FVOCI - net of tax	–	–	–	–	–	–	254,178	–	–	254,178
Remeasurement loss on defined benefit obligations - net of tax	–	–	–	–	–	–	–	–	(144,082)	(144,082)
Movement in surplus on revaluation of equity securities measured at FVOCI - net of tax	–	–	–	–	–	–	315,560	–	–	315,560
Movement in surplus on revaluation of property and equipment - net of tax	–	–	–	–	–	–	–	25,924	–	25,924
Movement in surplus on revaluation of non-banking assets - net of tax	–	–	–	–	–	–	–	477,760	–	477,760
Total comprehensive income	–	2,472	–	–	–	–	569,738	503,684	(144,082)	931,812
Gain on sale of equity investments - FVOCI - net of tax	–	–	–	–	–	–	(356,161)	–	356,161	–
Transfer to statutory reserve	–	–	–	1,156,957	–	–	–	–	(1,156,957)	–
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	–	–	–	–	–	–	–	(75,800)	75,800	–
Transactions with owners, recorded directly in equity										
Final cash dividend (Rs. 4.50 per share) for the year ended 31 December 2024	–	–	–	–	–	–	–	–	(4,715,242)	(4,715,242)
Interim cash dividend (Rs. 2.50 per share) for the quarter ended 31 March 2025	–	–	–	–	–	–	–	–	(2,619,579)	(2,619,579)
Balance as at 30 June 2025 (Un-Audited)	10,478,315	13,832	2,550,985	32,207,065	240,361	1,500,000	7,705,768	7,300,839	58,232,672	120,229,837

	Share capital	Reserves: Exchange translation reserve	Reserves: Share premium	Reserves: Statutory reserve	Reserves: Special reserve	Reserves: Revenue reserve	Surplus / (deficit) on revaluation: Investments	Surplus / (deficit) on revaluation: Property, equipment & Non-banking assets	Un-appropriated profit	Total
	Rupees in '000									
Profit after taxation for the period	-	-	-	-	-	-	-	-	11,015,114	11,015,114
Other comprehensive income										
Effect of translation of net investment in an offshore branch - net of tax	-	(4,001)	-	-	-	-	-	-	-	(4,001)
Movement in deficit on revaluation of debt securities measured at FVOCI - net of tax	-	-	-	-	-	-	(266,858)	-	-	(266,858)
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	113,203	113,203
Movement in surplus on revaluation of equity securities measured at FVOCI - net of tax	-	-	-	-	-	-	1,961,347	-	-	1,961,347
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	-	-	-	-
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	(4,001)	-	-	-	-	1,694,489	-	113,203	1,803,691
Gain on sale of equity investments - FVOCI - net of tax	-	-	-	-	-	-	(152,656)	-	152,656	-
Transfer to statutory reserve	-	-	-	1,101,511	-	-	-	-	(1,101,511)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(77,056)	77,056	-
Transactions with owners, recorded directly in equity										
Interim cash dividend (Rs. 2.50 per share) for the quarter ended 30 June 2025	-	-	-	-	-	-	-	-	(2,619,579)	(2,619,579)
Interim cash dividend (Rs. 2.50 per share) for the quarter ended 30 September 2025	-	-	-	-	-	-	-	-	(2,619,579)	(2,619,579)
Balance as at 31 December 2025 (Audited)	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

	Share capital	Reserves: Exchange translation reserve	Reserves: Share premium	Reserves: Statutory reserve	Reserves: Special reserve	Reserves: Revenue reserve	Surplus / (deficit) on revaluation: Investments	Surplus / (deficit) on revaluation: Property, equipment & Non-banking assets	Un-appropriated profit	Total
	Rupees in '000									
Impact of adoption of IFRS 9 as at 1 January 2026 - net of tax (note 3.1)	-	-	-	-	-	-	-	-	(56,497)	(56,497)
Balance as at 1 January 2026 (Un-Audited)	10,478,315	9,831	2,550,985	33,308,576	240,361	1,500,000	9,247,601	7,223,783	63,193,535	127,752,987
Profit after taxation for the period	-	-	-	-	-	-	-	-	9,197,945	9,197,945
Other comprehensive income										
Effect of translation of net investment in an offshore branch - net of tax	-	(704)	-	-	-	-	-	-	-	(704)
Movement in deficit on revaluation of debt securities measured at FVOCI - net of tax	-	-	-	-	-	-	(4,090,771)	-	-	(4,090,771)
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	(135,992)	(135,992)
Movement in deficit on revaluation of equity securities measured at FVOCI - net of tax	-	-	-	-	-	-	(181,265)	-	-	(181,265)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	-	-	-	-
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	(704)	-	-	-	-	(4,272,036)	-	(135,992)	(4,408,732)
Gain on sale of equity investments - FVOCI - net of tax	-	-	-	-	-	-	(64,343)	-	64,343	-
Transfer to statutory reserve	-	-	-	919,795	-	-	-	-	(919,795)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(75,800)	75,800	-
Transactions with owners, recorded directly in equity										
Final cash dividend (Rs. 4.50 per share) for the year ended 31 December 2025	-	-	-	-	-	-	-	-	(4,715,242)	(4,715,242)
Interim cash dividend (Rs. 2.50 per share) for the quarter ended 31 March 2026	-	-	-	-	-	-	-	-	(2,619,579)	(2,619,579)
Balance as at 30 June 2026 (Un-Audited)	10,478,315	9,127	2,550,985	34,228,371	240,361	1,500,000	4,911,222	7,147,983	64,141,015	125,207,379

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

FUZAIL ABBAS	**KHURRAM SHAHZAD KHAN**	**MOHSIN A. NATHANI**	**RASHID AHMED JAFER**	**MOHAMEDALI R. HABIB**
Chief Financial Officer	Chief Executive Officer	Director	Director	Chairman

UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE HALF YEAR ENDED 30 JUNE 2026

	Note	30 June 2026	30 June 2025
		Rupees in '000	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		**19,193,367**	25,228,886
Less: Dividend income		**(619,404)**	(431,820)
		18,573,963	24,797,066
Adjustments			
Net mark-up / interest income (excluding mark-up on lease liabilities against right-of-use assets)		**(30,501,024)**	(35,635,833)
Depreciation on property and equipment	30	**1,520,062**	1,362,173
Depreciation on right-of-use assets	30	**906,808**	782,496
Depreciation on non-banking assets	30	**1,980**	–
Amortisation	30	**183,154**	136,740
Mark-up on lease liabilities against right-of-use assets	26	**705,144**	631,095
Credit loss allowance (excluding recoveries of written off / charged off bad debts)	32	**228,565**	1,302,601
Gain on sale of property and equipment - net	29	**(18,926)**	(31,921)
Gain on termination of right-of-use assets	29	**(34,127)**	–
Gain on sale of ijarah assets	29	**(8,324)**	(36,760)
Unrealised loss / (gain) on FVTPL securities	28	**108,812**	(233,161)
Unrealised - forward purchase of federal Government securities transactions	28	**33,132**	–
Provision against workers' welfare fund		**391,702**	514,876
Provision against compensated absences		**128,859**	98,850
Provision against defined benefit plan		**197,738**	177,759
		(26,156,445)	(30,931,085)
		(7,582,482)	(6,134,019)
(Increase) / decrease in operating assets			
Lendings to financial institutions		**31,501,379**	(5,592,172)
Securities classified as FVTPL		**(37,646,309)**	(2,203,876)
Advances		**(17,782,018)**	(18,410,621)
Other assets (excluding dividend, non-banking assets and advance taxation)		**2,286,324**	(385,528)
		(21,640,624)	(26,592,197)
Increase / (decrease) in operating liabilities			
Bills payable		**12,805,233**	8,477,009
Borrowings from financial institutions		**4,282,772**	(71,808,320)
Deposits and other accounts		**123,768,933**	135,330,051
Other liabilities (excluding unclaimed dividend)		**3,783,709**	1,486,806
		144,640,647	73,485,546
		115,417,541	40,759,330
Payment against compensated absences		**(29,416)**	(32,250)
Contribution to the defined benefit plan		**(30,000)**	(175,000)
Mark-up / Interest received		**82,070,905**	81,838,301
Mark-up / Interest paid		**(46,995,664)**	(49,721,629)
Income tax paid		**(11,636,895)**	(20,358,588)
Net cash flow generated from operating activities		**138,796,471**	52,310,164
CASH FLOW FROM INVESTING ACTIVITIES			
Net investment in securities classified as amortised cost		**22,610,075**	(501,940)
Net investment in securities classified as FVOCI		**(150,806,968)**	(33,816,798)
Net investment in subsidiaries		**(700,000)**	–
Dividend received		**625,247**	425,977
Investment in property and equipment		**(2,051,831)**	(1,589,194)
Investment in intangible assets		**(162,719)**	(89,410)
Proceeds from sale of property and equipment		**26,590**	44,738
Proceeds from sale of ijarah assets		**47,524**	128,308
Effect of translation of net investment in an offshore branch		**(704)**	2,472
Net cash flow used in investing activities		**(130,412,786)**	(35,395,847)
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend paid		**(7,438,318)**	(7,435,431)
Payment of lease liabilities against right-of-use assets		**(1,425,307)**	(1,239,363)
Net cash flow used in financing activities		**(8,863,625)**	(8,674,794)
(Decrease) / increase in cash and cash equivalents		**(479,940)**	8,239,523
Cash and cash equivalents at the beginning of the period		**93,982,812**	86,737,498
Cash and cash equivalents at the end of the period		**93,502,872**	94,977,021

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

FUZAIL ABBAS	**KHURRAM SHAHZAD KHAN**	**MOHSIN A. NATHANI**	**RASHID AHMED JAFER**	**MOHAMEDALI R. HABIB**
Chief Financial Officer	Chief Executive Officer	Director	Director	Chairman

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 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 573 (31 December 2025: 562) branches, including 252 (31 December 2025: 243) Islamic banking branches, an offshore branch (Karachi Export Processing Zone branch) (31 December 2025: 1) and 1 sub branch (31 December 2025: 1) in Pakistan. The Bank is a subsidiary of Habib Bank AG Zurich - Switzerland (the holding company with 51% shares in the Bank) which is incorporated in Switzerland.

1.1 The Pakistan Credit Rating Agency Limited (PACRA) has assigned the Bank's long term rating as AAA (31 December 2025: AA+) and short term rating as A1+ (31 December 2025: A1+) dated 30 June 2026.

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

2. BASIS OF PREPARATION

2.1 The Bank has controlling interest in HabibMetro Modaraba Management Company (Private) Limited, 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. The SBP through BPRD Circular No. 04 of 2015 dated February 25, 2015 has deferred the applicability of Islamic Financial Accounting Standard for Profit and Loss Sharing on Deposits (IFAS-3) issued by the ICAP and notified by the SECP, vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IIFS). Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements.

The SBP has adopted the requirements of IFRS 9 along with the application instructions through BPRD Circular No. 07 of 2023 dated April 13, 2023, while deferring certain requirements. For its Islamic Banking Window operations, Islamic banking institutions are allowed to follow Islamic Financial Accounting Standards (IFAS) 1 & 2 where applicable and continue existing accounting practices for other Islamic products until further instructions. However, if these relaxations had not been granted by SBP, the profit / return earned on financing would be increased by Rs 720,963 thousand and retained earnings would have been lower by Rs 154,196 thousand (net of tax).

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 published approved accounting and reporting standards that are effective in the current period

There are certain new and amended standards, interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 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 except for the following:

– IFRS 9 – Certain Requirements of IFRS 9 were deferred by the SBP is explained in Note 3.1

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 IFRS Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2027 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:

Standards, interpretations of and amendments to:	Effective date (annual periods beginning on or after)
Presentation and Disclosure in Financial Statements - IFRS 18	1 January 2027

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

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in preparation of these unconsolidated condensed interim financial statements are consistent with those as applied in the preparation of unconsolidated annual financial statements of the Bank for the year ended 31 December 2025 except for requirements of IFRS 9 relating to Effective Interest Rate (EIR) Method as explained in note 3.1

3.1 Change in accounting policy

IFRS 9 'Financial Instruments' – Mark-up / return earned and Mark-up / return expensed

The Bank adopted IFRS 9 – Financial Instruments effective 1 January 2024, except for certain relaxations and extensions granted by 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 31 December 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 recognition of mark-up / interest income and expense using Effective Interest Rate (EIR) method up to 31 December 2025. Accordingly, the Bank has adopted the EIR method with effect from 1 January 2026 and has recognized the cumulative impact of this transition in equity at the beginning of the current accounting period, applying the modified retrospective approach for transition permitted under IFRS 9. The resulting change to the material accounting policy is as follows:

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

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

The calculation of the EIR includes all transaction costs, fees, and points paid or received between parties to the contract that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability.

When calculating the EIR for financial instruments other than purchased or originated credit-impaired assets, the Bank estimates future cash flows considering all contractual terms of the financial instrument, but not ECL. For purchased or originated credit-impaired financial assets, a credit-adjusted EIR is calculated using estimated future cash flows including ECL.

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

The impact of application as at 1 January 2026 is shown below:

Financial Assets / Liabilities	Balances as of 31 December 2025	Impact due to remeasurements	Taxation	Impact - net of tax	Balances as of 1 January 2026
			Rupees in '000		
Assets					
Advances	514,782,767	(117,998)	–	(117,998)	514,664,769
Lendings to Financial Institutions	45,950,890	185	–	185	45,951,075
Liabilities					
Borrowings	272,083,732	(111)	–	(111)	272,083,621
Deferred tax liabilities	5,095,030	(61,205)	–	(61,205)	5,033,825
Equity					
Unappropriated profit	63,250,032	(117,702)	61,205	(56,497)	63,193,535

4. BASIS OF MEASUREMENT

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

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

	30 June 2026 (Un-Audited)	31 December 2025 (Audited)
	Rupees in '000	
7. CASH AND BALANCES WITH TREASURY BANKS		
In hand		
Local currency	**15,778,879**	13,125,548
Foreign currencies	**1,058,026**	1,290,906
	16,836,905	14,416,454
With State Bank of Pakistan in		
Local currency current accounts	**42,211,664**	45,336,035
Foreign currencies current accounts	**2,525,537**	3,192,545
Foreign currencies deposit accounts		
- cash reserve accounts	**7,500,503**	8,015,602
- special cash reserve	**14,211,049**	14,633,400
	66,448,753	71,177,582
With National Bank of Pakistan in		
Local currency current accounts	**3,757,495**	3,218,028
Local currency deposit accounts	**54,587**	67,225
	3,812,082	3,285,253
National Prize Bonds	**3,157**	7,410
Less: Credit loss allowance held against cash and balances with treasury banks - stage 1	**(129,874)**	(135,466)
Cash and balances with treasury banks - net of credit loss allowance	**86,971,023**	88,751,233

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

8. BALANCES WITH OTHER BANKS

	30 June 2026 (Un-Audited)	31 December 2025 (Audited)
In Pakistan		
In current accounts	4,967	44,637
In deposit accounts	177	170
	5,144	44,807
Outside Pakistan		
In current accounts	19,776,279	13,497,853
Less: Credit loss allowance held against balances with other banks - stage 1	(2,060)	(278)
Balances with other banks - net of credit loss allowance	19,779,363	13,542,382

9. LENDINGS TO FINANCIAL INSTITUTIONS

	30 June 2026 (Un-Audited)	31 December 2025 (Audited)
Call / clean money lendings	–	2,801,231
Repurchase agreement lendings (reverse repo)	–	10,000,000
Musharaka placements	14,450,000	33,150,000
Less: Credit loss allowance held against lendings to financial institutions - stage 1	(74)	(341)
Lendings to financial institutions - net of credit loss allowance	14,449,926	45,950,890

9.1 Particulars of lendings - gross

	30 June 2026 (Un-Audited)	31 December 2025 (Audited)
In local currency - secured	14,450,000	43,150,000
In foreign currency - unsecured	–	2,801,231
	14,450,000	45,951,231

9.2 Lendings to FIs - Particulars of credit loss allowance

		30 June 2026 (Un-Audited)		31 December 2025 (Audited)	
		Lendings	Credit loss allowance held	Lendings	Credit loss allowance held
		Rupees in '000			
Domestic					
Performing	Stage 1	14,450,000	74	43,150,000	127
Under-performing	Stage 2	–	–	–	–
Non-performing	Stage 3				
Substandard		–	–	–	–
Doubtful		–	–	–	–
Loss		–	–	–	–
		–	–	–	–
Total Domestic		14,450,000	74	43,150,000	127
Overseas					
Performing	Stage 1	–	–	2,801,231	214
Under-performing	Stage 2	–	–	–	–
Non-performing	Stage 3				
Substandard		–	–	–	–
Doubtful		–	–	–	–
Loss		–	–	–	–
		–	–	–	–
Total Overseas		–	–	2,801,231	214
Total		14,450,000	74	45,951,231	341

10. INVESTMENTS

10.1 Investments by type

	30 June 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							
FVTPL								
Federal Government securities	69,921,793	-	28,955	69,950,748	32,219,761	-	105,026	32,324,787
Non-government debt securities	1,997,125	-	(7,475)	1,989,650	1,997,423	-	(5,346)	1,992,077
Real estate investment trust units	1,715,061	-	1,939,793	3,654,854	1,770,486	-	1,984,463	3,754,949
	73,633,979	-	1,961,273	75,595,252	35,987,670	-	2,084,143	38,071,813
FVOCI								
Federal Government securities	813,984,969	-	3,324,359	817,309,328	663,430,895	-	11,846,798	675,277,693
Shares	7,130,624	-	6,910,144	14,040,768	6,802,827	-	7,415,266	14,218,093
Mutual Funds	230,974	-	(2,790)	228,184	171,829	-	3,771	175,600
Non-government debt securities	3,414,446	(414,544)	-	2,999,902	3,414,446	(414,700)	-	2,999,746
	824,761,013	(414,544)	10,231,713	834,578,182	673,819,997	(414,700)	19,265,835	692,671,132
Amortised Cost								
Federal Government securities	107,301,915	-	-	107,301,915	127,611,990	-	-	127,611,990
Non-government debt securities	2,200,000	(13)	-	2,199,987	4,500,000	(75)	-	4,499,925
	109,501,915	(13)	-	109,501,902	132,111,990	(75)	-	132,111,915
Subsidiaries	2,496,852	-	-	2,496,852	1,796,852	-	-	1,796,852
Total investments	1,010,393,759	(414,557)	12,192,986	1,022,172,188	843,716,509	(414,775)	21,349,978	864,651,712

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

10.1.1 Investments given as collateral against repo borrowing

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

	30 June 2026 (Un-Audited)	31 December 2025 (Audited)
Federal Government securities		
Market treasury bills	**3,025,064**	2,912,934
Pakistan investment bonds	**198,895,649**	181,798,076
	201,920,713	184,711,010

10.2 Credit loss allowance for diminution in value of investments

	30 June 2026 (Un-Audited)	31 December 2025 (Audited)
Opening balance	**414,775**	426,206
Charge / (reversal)		
Charge for the period / year	**–**	–
Reversal for the period / year	**(218)**	(11,431)
Reversal on disposal	**–**	–
Net reversal for the period / year	**(218)**	(11,431)
Amounts written off	**–**	–
Closing balance	**414,557**	414,775

10.3 Particulars of credit loss allowance against debt securities

		30 June 2026 (Un-Audited)		31 December 2025 (Audited)	
		Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
		Rupees in '000			
Category of classification - Domestic					
Performing	Stage 1	**5,200,000**	**110**	7,500,000	328
Under-performing	Stage 2	**–**	**–**	–	–
Non-performing	Stage 3				
Substandard		**–**	**–**	–	–
Doubtful		**–**	**–**	–	–
Loss		**414,447**	**414,447**	414,447	414,447
		414,447	**414,447**	414,447	414,447
Total		**5,614,447**	**414,557**	7,914,447	414,775

10.4 Investment in subsidiaries - incorporated in Pakistan

	30 June 2026 (Un-Audited)						
	Country of Incorporation	Holding	Assets	Liabilities	Revenue	Profit / (loss) after tax	Total Comprehensive income for the period
	Rupees in '000						
Subsidiaries							
Habib Metropolitan Financial Services Limited	**Pakistan**	**100%**	**729,309**	**164,861**	**69,023**	**(17,632)**	**(6,723)**
Habib Metropolitan Modaraba Management Company (Private) Limited	**Pakistan**	**100%**	**1,158,672**	**17,671**	**98,262**	**45,798**	**47,239**
First Habib Modaraba (FHM)	**Pakistan**	**4.43%**	**41,736,748**	**35,158,498**	**1,385,842**	**240,865**	**247,208**
HabibMetro Exchange Services Limited	**Pakistan**	**100%**	**1,419,149**	**36,080**	**77,154**	**(49,327)**	**(49,327)**

	31 December 2025 (Audited)						
	Country of Incorporation	Holding	Assets	Liabilities	Revenue	Profit / (loss) after tax	Total Comprehensive income for the year
	Rupees in '000						
Subsidiaries							
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. 109,470,744 thousand (31 December 2025: Rs. 131,396,941 thousand).

11. ADVANCES

	Performing/Under-Performing		Non-Performing		Total	
	30 June 2026 (Un-Audited)	31 December 2025 (Audited)	**30 June 2026** (Un-Audited)	31 December 2025 (Audited)	**30 June 2026** (Un-Audited)	31 December 2025 (Audited)
	Rupees in '000					
Loans, cash credits, running finances, etc.	**325,789,552**	315,897,047	**18,959,941**	19,020,911	**344,749,493**	334,917,958
Islamic financing and related assets	**159,800,720**	146,232,761	**2,479,816**	2,028,444	**162,280,536**	148,261,205
Bills discounted and purchased	**52,431,002**	57,182,825	**4,062,132**	5,529,373	**56,493,134**	62,712,198
Advances - gross	**538,021,274**	519,312,633	**25,501,889**	26,578,728	**563,523,163**	545,891,361
Credit loss allowance against advances						
- Stage 1	**(458,380)**	(237,628)	**-**	-	**(458,380)**	(237,628)
- Stage 2	**(3,727,714)**	(4,568,401)	**-**	-	**(3,727,714)**	(4,568,401)
- Stage 3	**-**	-	**(25,218,513)**	(26,302,565)	**(25,218,513)**	(26,302,565)
	(4,186,094)	(4,806,029)	**(25,218,513)**	(26,302,565)	**(29,404,607)**	(31,108,594)
Advances - net of credit loss allowance	**533,835,180**	514,506,604	**283,376**	276,163	**534,118,556**	514,782,767

11.1 Particulars of advances - gross

	30 June 2026 (Un-Audited)	31 December 2025 (Audited)
	Rupees in '000	
In local currency	**457,381,537**	449,351,243
In foreign currencies	**106,141,626**	96,540,118
	563,523,163	545,891,361

11.2 Advances include Rs. 25,501,889 thousand (31 December 2025: Rs. 26,578,728 thousand) which have been placed under non-performing / Stage 3 status as detailed below:

	30 June 2026 (Un-Audited)		31 December 2025 (Audited)	
	Non-performing loans	Credit loss allowance held	Non-performing loans	Credit loss allowance held
	Rupees in '000			
Category of classification in Stage 3				
Domestic				
Other asset especially mentioned (OAEM)	**46,645**	**20,514**	74,209	34,681
Substandard	**112,602**	**40,283**	87,887	41,520
Doubtful	**119,154**	**59,578**	30,105	16,992
Loss	**25,223,488**	**25,098,138**	26,386,527	26,209,372
	25,501,889	**25,218,513**	26,578,728	26,302,565

11.3 Particulars of credit loss allowance against advances

	30 June 2026 (Un-Audited)				31 December 2025 (Audited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	Rupees in '000							
Opening balance	**237,628**	**4,568,401**	**26,302,565**	**31,108,594**	853,418	4,527,310	24,121,428	29,502,156
Charge for the period / year	**299,682**	**374,410**	**1,011,855**	**1,685,947**	114,620	2,916,719	4,421,944	7,453,283
Reversals for the period / year	**(78,930)**	**(1,215,097)**	**(2,095,907)**	**(3,389,934)**	(730,410)	(2,875,628)	(2,240,807)	(5,846,845)
Net charge / (reversal) for the period / year	**220,752**	**(840,687)**	**(1,084,052)**	**(1,703,987)**	(615,790)	41,091	2,181,137	1,606,438
Amounts written off	**-**	**-**	**-**	**-**	-	-	-	-
Closing balance	**458,380**	**3,727,714**	**25,218,513**	**29,404,607**	237,628	4,568,401	26,302,565	31,108,594

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

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

11.5 Advances - Particulars of credit loss allowance

	30 June 2026 (Un-Audited)			31 December 2025 (Audited)		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	Rupees in '000					
11.5.1 Opening balance	237,628	4,568,401	26,302,565	853,418	4,527,310	24,121,428
New advances	281,425	361,730	537,474	112,992	2,673,931	905,091
Advances derecognised or repaid	(52,204)	(1,055,404)	(2,091,568)	(575,997)	(2,533,500)	(2,240,807)
Transfer to stage 1	18,257	(18,257)	-	1,628	(1,628)	–
Transfer to stage 2	(8,341)	12,680	(4,339)	(63,755)	63,755	–
Transfer to stage 3	(639)	(62,424)	63,063	(5,504)	(340,500)	346,004
	238,498	(761,675)	(1,495,370)	(530,636)	(137,942)	(989,712)
Amounts written off / charged off	-	-	-	–	–	–
Changes in risk parameters	(17,746)	(79,012)	411,318	(85,154)	179,033	3,170,849
Closing balance	458,380	3,727,714	25,218,513	237,628	4,568,401	26,302,565

11.5.2 Advances - Category of classification

		30 June 2026 (Un-Audited)		31 December 2025 (Audited)	
		Outstanding amount	Credit loss allowance	Outstanding amount	Credit loss allowance
		Rupees in '000			
Domestic					
Performing	Stage 1	432,000,291	458,380	406,383,496	237,628
Under-performing	Stage 2	106,020,983	3,727,714	112,929,137	4,568,401
Non-Performing	Stage 3				
Other assets especially mentioned		46,645	20,514	74,209	34,681
Substandard		112,602	40,283	87,887	41,520
Doubtful		119,154	59,578	30,105	16,992
Loss		25,223,488	25,098,138	26,386,527	26,209,372
		25,501,889	25,218,513	26,578,728	26,302,565
Total		563,523,163	29,404,607	545,891,361	31,108,594

	Note	30 June 2026 (Un-Audited)	31 December 2025 (Audited)
		Rupees in '000	
12. PROPERTY AND EQUIPMENT			
Capital work-in-progress	12.1	**1,057,451**	917,133
Property and equipment		**16,912,829**	16,529,212
		17,970,280	17,446,345
12.1 Capital work-in-progress			
Civil works	12.1.1	**638,857**	448,002
Advance to suppliers		**418,594**	469,131
		1,057,451	917,133

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

	30 June 2026	30 June 2025
	(Un-Audited)	
	Rupees in '000	
12.2 Additions to property and equipment		
The following additions have been made to property and equipment during the period:		
Capital work-in-progress additions - net	**140,318**	129,573
Property and equipment		
Freehold land	**269,925**	–
Leasehold land	**226,049**	–
Buildings on freehold land	**36,975**	–
Buildings on leasehold land	**18,751**	–
Furniture and fixture	**59,049**	100,789
Electrical, office and computer equipment	**1,015,275**	988,277
Vehicles	**–**	4,479
Lease hold improvements	**285,489**	366,076
	1,911,513	1,459,621
Total	**2,051,831**	1,589,194
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	**123**	139
Electrical, office and computer equipment	**487**	870
Vehicles	**7,054**	11,808
Total	**7,664**	12,817

13. RIGHT-OF-USE ASSETS

	30 June 2026 (Un-Audited)	31 December 2025 (Audited)
	Rupees in '000	
Cost	**14,763,394**	13,419,612
Accumulated Depreciation	**(5,793,974)**	(4,811,230)
Net carrying amount as at the start of the period / year	**8,969,420**	8,608,382
Additions during the period / year	**1,794,310**	2,014,226
Modification during the period / year	**–**	12,200
Termination / maturities during the period / year - Cost	**(492,379)**	(682,644)
Termination / maturities during the period / year - Accumulated Depreciation	**376,848**	649,502
Depreciation charge for the period / year	**(906,808)**	(1,632,246)
Closing carrying amount as at the end of the period / year	**9,741,391**	8,969,420

14. INTANGIBLE ASSETS

	30 June 2026 (Un-Audited)	31 December 2025 (Audited)
Capital work-in-progress - Computer Software	**186,204**	141,554
Computer Software	**434,687**	499,772
	620,891	641,326

14.1 Additions to intangible assets

The following additions have been made to intangible assets during the period:

	30 June 2026	30 June 2025
	(Un-Audited)	
	Rupees in '000	
Capital work-in-progress additions	**44,650**	54,309
Directly purchased	**118,069**	35,101
	162,719	89,410

15. DEFERRED TAX ASSETS / (LIABILITIES)

	30 June 2026 (Un-Audited)	31 December 2025 (Audited)
	Rupees in '000	
Deductible temporary differences on:		
- Credit loss allowance for diminution in value of investments	**215,570**	215,683
- Credit loss allowance against advances	**3,423,385**	3,913,002
- Credit loss allowance against off-balance sheet obligations	**1,383,153**	227,026
- Credit loss allowance - Others	**327,780**	469,753
- Right-of-use assets and related lease liabilities	**673,736**	667,145
- Deferred mark-up income	**57,728**	–
- Accelerated tax depreciation	**803,998**	573,881
- Deferred liability on defined benefit plan	**145,903**	39,187
- Surplus on revaluation of investments	**(5,320,491)**	(10,018,234)
	1,710,762	(3,912,557)
Taxable temporary differences on:		
- Surplus on revaluation of property and equipment	**(1,100,355)**	(1,182,473)
	610,407	(5,095,030)

	Note	30 June 2026 (Un-Audited)	31 December 2025 (Audited)
		Rupees in '000	
16. OTHER ASSETS			
Income / mark-up / profit accrued in local currency		**26,989,532**	28,744,917
Income / mark-up / profit accrued in foreign currencies		**285,551**	266,740
Advances, deposits, advance rent and other prepayments		**1,302,030**	875,772
Advance taxation		**7,048,027**	6,316,032
Non-banking assets acquired in satisfaction of claim		**3,901,456**	3,903,436
Mark-to-market gain on forward foreign exchange contracts		**3,205,690**	3,025,313
Mark-to-market gain on forward purchase of federal Government securities transactions		**89,058**	122,190
Acceptances		**48,507,069**	42,280,823
Receivable against rebate and remittances		**5,918,854**	4,386,735
Receivable from the SBP against encashment of Government securities		**46,320**	10,317
Stationery and stamps on hand		**405,272**	393,740
Receivable from 1Link		**–**	4,846,526
Prepaid employment benefit		**6,742,018**	6,525,898
Others		**932,426**	780,476
		105,373,303	102,478,915
Credit loss allowance / provision held against other assets	16.1	**(623,755)**	(910,230)
Other Assets (Net of credit loss allowance / provision)		**104,749,548**	101,568,685
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	16.2	**2,572,871**	2,572,871
Other assets - Total		**107,322,419**	104,141,556

16.1 Credit loss allowance / provision held against other assets

	30 June 2026	31 December 2025
Claims receivable against fraud and forgeries	**559,075**	559,075
Acceptances	**64,680**	351,155
	623,755	910,230

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

	30 June 2026	31 December 2025
Opening balance	**910,230**	412,982
Charge for the period / year	**–**	332,989
Reversal for the period / year	**(286,475)**	–
Net (reversal) / charge for the period / year	**(286,475)**	332,989
Amounts written off	**–**	–
Transfer in	**–**	164,259
Closing balance	**623,755**	910,230

16.1.2 Particulars of credit loss allowance / provision held against other assets

	30 June 2026	31 December 2025
Stage 1	**6,592**	1,014
Stage 2	**54,055**	6,170
Stage 3 / others	**563,108**	903,046
	623,755	910,230

16.2 Non-banking assets acquired in satisfaction of claims have been revalued as at June 30, 2026 by M/s Akbani & Javed Associates. The valuation was performed by the independent professional valuer on the basis of assessment of present market values. The revaluation has resulted in an incremental surplus of Rs. Nil over the existing revaluation surplus carried in the books. The total surplus arising on revaluation of Non-banking assets acquired in satisfaction of claims as at June 30, 2026 amounted to Rs. 2,572,871 thousand.

	30 June 2026 (Un-Audited)	31 December 2025 (Audited)
	Rupees in '000	
17. BILLS PAYABLE		
In Pakistan	**42,431,444**	29,634,183
Outside Pakistan	**109,931**	101,959
	42,541,375	29,736,142
18. BORROWINGS		
Secured		
Borrowings from the State Bank of Pakistan under:		
Export refinance scheme	**28,996,279**	42,610,243
Long term financing facility - renewable energy scheme	**1,488,234**	1,702,102
Long term financing facility	**10,090,780**	11,814,747
Temporary economic refinance facility	**14,741,302**	16,290,260
Long term financing facility - for storage of agricultural produce scheme	**436,161**	516,269
Refinance facility for modernization of SME	**171,695**	219,118
Refinance facility for combating COVID-19	**–**	2,590
Refinance and credit guarantee scheme for women entrepreneurs	**39,539**	50,398
	55,963,990	73,205,727
Repurchase agreement borrowings (Repo) - secured	**200,829,511**	182,762,717
Due against bills rediscounting - secured	**–**	2,066,279
Total secured	**256,793,501**	258,034,723
Unsecured		
Call borrowing	**11,126,456**	5,602,462
Overdrawn nostro accounts	**13,379,448**	8,446,547
Total unsecured	**24,505,904**	14,049,009
Total Borrowings	**281,299,405**	272,083,732

19. DEPOSITS AND OTHER ACCOUNTS

	30 June 2026 (Un-Audited)			31 December 2025 (Audited)		
	In local currency	**In foreign currencies**	**Total**	In local currency	In foreign currencies	Total
	Rupees in '000					
Customers						
Current deposits	**364,113,745**	**76,216,460**	**440,330,205**	343,056,005	68,835,626	411,891,631
Savings deposits	**378,256,654**	**14,433,371**	**392,690,025**	364,627,202	14,914,346	379,541,548
Term deposits	**216,032,891**	**95,342,735**	**311,375,626**	98,912,194	92,354,106	191,266,300
Others	**36,868,881**	**14,595**	**36,883,476**	31,094,342	7,461	31,101,803
	995,272,171	**186,007,161**	**1,181,279,332**	837,689,743	176,111,539	1,013,801,282
Financial institutions						
Current deposits	**5,877,161**	**1,749,506**	**7,626,667**	2,284,174	173,906	2,458,080
Savings deposits	**53,726,038**	**–**	**53,726,038**	103,077,540	–	103,077,540
Term deposits	**739,620**	**22,441**	**762,061**	265,666	22,597	288,263
Others	**–**	**–**	**–**	–	–	–
	60,342,819	**1,771,947**	**62,114,766**	105,627,380	196,503	105,823,883
	1,055,614,990	**187,779,108**	**1,243,394,098**	943,317,123	176,308,042	1,119,625,165

20. LEASE LIABILITIES

	30 June 2026 (Un-Audited)	31 December 2025 (Audited)
	Rupees in '000	
Outstanding amount as at the start of the period / year	**11,253,857**	10,463,713
Additions during the period / year	**1,794,310**	2,014,226
Modification during the period / year	**–**	12,200
Deletions during the period / year	**(149,658)**	(39,180)
Lease payments including interest	**(1,425,307)**	(2,512,852)
Interest expense	**705,144**	1,315,750
Outstanding amount as at the end of the period / year	**12,178,346**	11,253,857

20.1 Liabilities Outstanding

Not later than one year	**1,371,254**	1,258,819
Later than one year and upto five years	**6,356,252**	5,921,896
Over five years	**4,450,840**	4,073,142
Total at the period / year end	**12,178,346**	11,253,857

Aggregate 12.32% (31 December 2025: 12.35%) is used as discounting factor for the calculation of lease liabilities.

21. OTHER LIABILITIES

	Note	30 June 2026 (Un-Audited)	31 December 2025 (Audited)
		Rupees in '000	
Mark-up / return / interest payable in local currency		**15,467,884**	12,568,370
Mark-up / return / interest payable in foreign currencies		**1,421,107**	1,482,978
Unearned commission and income on bills discounted		**1,192,171**	1,071,473
Accrued expenses		**4,561,926**	2,977,005
Acceptances		**48,507,069**	42,280,823
Clearing and settlement account		**1,979,410**	14,832,413
Unclaimed dividend		**84,217**	187,714
Branch adjustment account		**2,778**	9,330
Mark-to-market loss on forward foreign exchange contracts		**4,154,309**	4,428,601
Provision for compensated absences		**512,921**	413,478
Deferred liability on defined benefit plan		**561,165**	150,719
Credit loss allowance against off-balance sheet obligations	21.1	**2,659,909**	436,587
Workers' welfare fund	21.2	**6,287,166**	5,895,464
Charity fund		**435**	126
Excise duty payable		**2,575**	2,676
Locker deposits		**1,240,464**	1,205,428
Payable to 1Link		**15,119,788**	–
Advance against diminishing musharaka		**22,222**	152,755
Advance rental for ijarah		**19,403**	20,354
Security deposits against leases / ijarah		**73,649**	75,860
Sundry creditors		**3,908,965**	3,413,334
Withholding tax / duties		**1,136,609**	1,199,912
Deferred grant income		**77,750**	99,269
Others		**141,949**	369,552
		109,135,841	93,274,221

21.1 Credit loss allowance against off-balance sheet obligations

Opening balance	**436,587**	353,883
Charge for the period / year	**2,223,322**	82,704
Reversal for the period / year	**–**	–
Net charge for the period / year	**2,223,322**	82,704
Amounts written off	**–**	–
Closing balance	**2,659,909**	436,587

21.1.1 Particulars of credit loss allowance against off-balance sheet obligations

Stage 1	**43,983**	17,307
Stage 2	**152,932**	88,713
Stage 3	**2,462,994**	330,567
	2,659,909	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	**30 June 2026** (Un-Audited)	31 December 2025 (Audited)
		Rupees in '000	
22. SURPLUS ON REVALUATION OF ASSETS - NET OF TAX			
Surplus on revaluation of:			
- Securities measured at FVOCI-Debt	10.1	**3,324,359**	11,846,798
- Securities measured at FVOCI-Equity	10.1	**6,907,354**	7,419,037
- Property and Equipment		**5,675,467**	5,833,385
- Non-banking assets acquired in satisfaction of claims		**2,572,871**	2,572,871
		18,480,051	27,672,091
Less: Deferred tax on surplus on revaluation of:			
- Securities measured at FVOCI-Debt		**1,728,667**	6,160,335
- Securities measured at FVOCI-Equity		**3,591,824**	3,857,899
- Property and Equipment		**1,100,355**	1,182,473
- Non-banking assets acquired in satisfaction of claims		**–**	–
		(6,420,846)	(11,200,707)
		12,059,205	16,471,384

23. CONTINGENCIES AND COMMITMENTS

	Note	**30 June 2026**	31 December 2025
Guarantees	23.1	**136,292,541**	166,456,804
Commitments	23.2	**1,123,799,806**	842,389,120
Other contingent liabilities	23.3	**2,880,338**	2,880,338
		1,262,972,685	1,011,726,262

23.1 Guarantees

	30 June 2026	31 December 2025
Financial guarantees	**30,285,446**	35,104,991
Performance guarantees	**42,368,441**	45,403,766
Other guarantees	**63,638,654**	85,948,047
	136,292,541	166,456,804

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

23.2 Commitments

	Note	30 June 2026	31 December 2025
Documentary credits and short-term trade-related transactions:			
Letters of credit		**287,601,831**	208,094,052
Commitments in respect of:			
Forward foreign exchange contracts	23.2.1	**760,364,664**	607,256,815
Forward Government securities transactions	23.2.2	**74,365,049**	26,408,764
Forward lendings	23.2.3	**–**	74,976
Commitments for:			
Acquisition of property and equipment		**1,468,262**	554,513
		1,123,799,806	842,389,120

23.2.1 Commitments in respect of forward foreign exchange contracts

	30 June 2026	31 December 2025
Purchase	**417,321,952**	332,412,173
Sale	**343,042,712**	274,844,642
	760,364,664	607,256,815

23.2.2 Commitments in respect of forward purchase of federal Government securities transactions

	30 June 2026	31 December 2025
Purchase	**74,365,049**	26,408,764
Sale	**–**	–
	74,365,049	26,408,764

23.2.3 Commitments in respect of forward lendings

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

	Note	30 June 2026 (Un-Audited)	31 December 2025 (Audited)
		Rupees in '000	
Commitments in respect of syndicate financing		**–**	74,976

23.3 Other contingent liabilities

	Note	30 June 2026	31 December 2025
Claims against bank not acknowledged as debt	23.3.1	**2,880,338**	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 INSTRUMENTS

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

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

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

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

24.1 Product Analysis

	Forward foreign exchange contracts			
	30 June 2026 (Un-Audited)		31 December 2025 (Audited)	
Counter Parties	**Notional Principal**	**Mark to Market Gain / (Loss)**	Notional Principal	Mark to Market Gain / (Loss)
	Rupees in '000			
Banks				
Hedging	**607,188,677**	**372,324**	448,643,639	412,051
Other Entities				
Hedging	**153,175,987**	**(1,320,943)**	158,613,176	(1,815,339)
Total				
Hedging	**760,364,664**	**(948,619)**	607,256,815	(1,403,288)

	Note	**30 June 2026**	30 June 2025
		(Un-Audited)	
		Rupees in '000	
25. MARK-UP / RETURN / INTEREST EARNED			
Loans and advances		**25,124,854**	28,555,984
Investments	25.1	**53,477,084**	51,116,343
Lendings with financial institutions		**1,555,914**	1,823,787
Balances with banks		**176,479**	203,710
		80,334,331	81,699,824
25.1 Interest income (calculated using effective interest rate method) recognised on:			
Financial assets measured at amortised cost;		**7,347,278**	5,418,371
Financial assets measured at FVTPL; and		**2,370,304**	3,584,988
Financial assets measured at FVOCI		**43,759,502**	42,112,984
		53,477,084	51,116,343
26. MARK-UP / RETURN / INTEREST EXPENSED			
Deposits		**33,157,958**	27,283,467
Borrowings		**13,706,958**	16,844,733
Cost of foreign currency swaps against foreign currency deposits / borrowings		**2,968,391**	1,935,791
Lease liabilities against right-of-use assets		**705,144**	631,095
		50,538,451	46,695,086

	Note	30 June 2026	30 June 2025
		(Un-Audited)	
		Rupees in '000	
27. FEE & COMMISSION INCOME			
Branch banking customer fees		**760,721**	737,536
Credit related fees		**55,163**	22,457
Card related fees		**663,134**	650,181
Commission on trade		**3,154,067**	3,206,163
Commission on guarantees		**650,756**	658,297
Commission on remittances including home remittances		**3,654**	38,037
Commission on bancassurance		**70,540**	79,438
Commission on cash management		**117,429**	103,238
Investment Banking Fee		**44,050**	55,031
Others		**22,295**	28,493
		5,541,809	5,578,871
28. GAIN / (LOSS) ON SECURITIES - NET			
Realised	28.1	**1,170,020**	1,051,603
Unrealised - measured at FVTPL		**(108,812)**	233,161
Unrealised - forward purchase of federal Government securities transactions		**(33,132)**	94,642
		1,028,076	1,379,406
28.1 Realised gain on:			
Federal Government securities - net		**1,168,872**	953,628
Mutual funds - net		**–**	97,975
Real estate investment trust - net		**1,148**	–
		1,170,020	1,051,603
28.2 Net gain on financial assets / liabilities measured at FVTPL:			
Designated upon initial recognition		**–**	–
Mandatorily measured at FVTPL		**471,056**	896,026
		471,056	896,026
Net gain on financial assets measured at FVOCI - Debt		**557,020**	483,380
		1,028,076	1,379,406
29. OTHER INCOME			
Rent on properties		**16,691**	14,784
Gain on sale of property and equipment - net		**18,926**	31,921
Gain on sale of ijarah assets - net		**8,324**	36,760
Gain on termination of right-of-use assets		**34,127**	–
Staff notice period and other recoveries		**–**	58
		78,068	83,523

	30 June 2026	30 June 2025
	(Un-Audited)	
	Rupees in '000	
30. OPERATING EXPENSES		
Total compensation expense	**8,662,232**	8,062,105
Property expense		
Rent & taxes	**132,392**	60,681
Insurance	**6,166**	9,996
Utilities cost	**802,993**	656,887
Security	**692,281**	694,042
Repair & maintenance	**510,290**	594,473
Depreciation on property and equipment	**561,196**	549,202
Depreciation on right-of-use assets	**906,808**	782,496
Depreciation on non-banking assets	**1,980**	–
	3,614,106	3,347,777
Information technology expenses		
Software maintenance	**586,166**	704,008
Hardware maintenance	**305,843**	236,610
Depreciation	**454,545**	337,289
Amortisation	**183,154**	136,740
Network charges	**351,970**	243,706
	1,881,678	1,658,353
Other operating expenses		
Directors' fees and allowances	**14,859**	14,789
Fees and allowances to Shariah Board	**16,285**	18,414
Legal & professional charges	**211,387**	138,669
Outsourced services costs	**232,710**	224,142
Travelling & conveyance	**830,646**	630,922
NIFT clearing charges	**79,406**	72,922
Depreciation	**504,321**	475,682
Training & development	**34,810**	39,768
Postage & courier charges	**92,129**	97,600
Communication	**368,604**	473,384
Subscription	**535,707**	484,747
Entertainment	**112,252**	129,643
Repair & maintenance	**211,849**	135,791
Brokerage & commission	**155,108**	160,133
Stationery & printing	**229,777**	228,197
Marketing, advertisement & publicity	**1,711,651**	366,928
Management fee	**1,100,074**	1,039,235
Insurance	**835,629**	789,568
Donations	**246,113**	263,300
Auditors' Remuneration	**21,400**	19,427
Security	**266,470**	255,547
Others	**107,519**	388,092
	7,918,706	6,446,900
	22,076,722	19,515,135

	Note	30 June 2026	30 June 2025
		(Un-Audited)	
		Rupees in '000	

31. OTHER CHARGES

	Note	30 June 2026	30 June 2025
Penalties imposed by the SBP		**1,002**	287,897

32. CREDIT LOSS ALLOWANCE & WRITE OFFS - NET

	Note	30 June 2026	30 June 2025
Credit loss allowance against cash and balances with banks		**(3,810)**	99,013
Credit loss allowance against lendings to financial institutions		**(267)**	196
Credit loss allowance for diminution in value of investments	10.2	**(218)**	(1,566)
Credit loss allowance against loans & advances	11.3	**(1,703,987)**	(781,667)
Credit loss allowance against other assets		**(286,475)**	53,518
Credit loss allowance against off-balance sheet obligations		**2,223,322**	1,933,107
Recoveries of written off / charged off bad debts		**-**	(211,841)
		228,565	1,090,760

33. TAXATION

	30 June 2026	30 June 2025
Current		
- For the period	**10,841,685**	12,116,401
- Prior year	**-**	579,141
	10,841,685	12,695,542
Deferred		
- For the period	**(846,263)**	1,721,392
- Prior year	**-**	(757,617)
	(846,263)	963,775
	9,995,422	13,659,317

34. BASIC AND DILUTED EARNINGS PER SHARE

	30 June 2026	30 June 2025
Profit after taxation for the period	**9,197,945**	11,569,569
	Number in '000	
Weighted average number of ordinary shares	**1,047,831**	1,047,831
	Rupees	
Basic and diluted earnings per share	**8.78**	11.04

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 measured using replacement price determined by the investee company on which shares can be surrendered.

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

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

35.1 Fair value of financial assets

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

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

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

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

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

On balance sheet financial instruments

	30 June 2026 (Un-Audited)			
	Fair value			
	Level 1	Level 2	Level 3	Total
	Rupees in '000			
Financial assets measured at fair value				
Investments				
– Federal Government securities	70,027,500	817,232,576	–	887,260,076
– Non Government debt securities	–	4,989,552	–	4,989,552
– Shares				
– Listed companies	13,938,003	–	–	13,938,003
– Unlisted companies	–	–	102,765	102,765
– Mutual funds	228,184	–	–	228,184
– Real estate investment trust	3,654,854	–	–	3,654,854
Financial assets - disclosed but not measured at fair value				
Investments				
– Federal Government securities	–	109,470,744	–	109,470,744
– Non Government debt securities	–	–	2,199,987	2,199,987
	87,848,541	931,692,872	2,302,752	1,021,844,165
Off-balance sheet financial instruments measured at fair value				
Forward purchase of foreign exchange contracts	–	413,322,684	–	413,322,684
Forward sale of foreign exchange contracts	–	346,093,362	–	346,093,362
Forward purchase of federal Government securities transactions	–	74,365,049	–	74,365,049

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
– 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
	64,633,172	797,411,244	4,595,395	866,639,811
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 securities transactions	–	26,530,954	–	26,530,954

35.2 Fair value of non-financial assets

	30 June 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	–	10,914,647	–	10,914,647
– Non-banking assets acquired in satisfaction of claim	–	6,474,327	–	6,474,327
	–	17,388,974	–	17,388,974

	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.

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	Property and equipment and non-banking assets are valued by professionally qualified valuators. 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. 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.

36. SEGMENT INFORMATION

36.1 Segment details with respect to business activities

	30 June 2026 (Un-Audited)				
	Trade & Sales	Retail Banking	Commercial Banking	Islamic Banking	Total
	Rupees in '000				
Profit and loss account					
Net mark-up / return / profit	29,649,261	(9,602,576)	1,575,065	8,174,130	29,795,880
Inter segment revenue - net	(23,298,194)	17,469,210	5,828,984	–	–
Non mark-up / return / interest income	3,090,703	1,888,539	6,280,325	835,911	12,095,478
Total Income	9,441,770	9,755,173	13,684,374	9,010,041	41,891,358
Segment direct expenses	(2,481,747)	(4,835,014)	(3,596,906)	–	(10,913,667)
Inter segment expense allocation	–	(2,163,844)	(3,035,400)	(6,356,515)	(11,555,759)
Total expenses	(2,481,747)	(6,998,858)	(6,632,306)	(6,356,515)	(22,469,426)
Credit loss allowance	156	8,748	61,868	(299,337)	(228,565)
Profit before tax	6,960,179	2,765,063	7,113,936	2,354,189	19,193,367
Statement of financial position					
Cash and bank balances	19,722,076	19,709,179	47,766,003	19,553,128	106,750,386
Investments	845,312,691	–	–	176,859,497	1,022,172,188
Net inter segment lending	–	386,285,266	214,502,397	–	600,787,663
Lendings to financial institutions	–	–	–	14,449,926	14,449,926
Advances - performing	–	8,962,575	369,257,979	159,800,720	538,021,274
Advances - non-performing	–	653,477	22,368,596	2,479,816	25,501,889
Credit loss allowance against advances	–	(674,792)	(24,938,120)	(3,791,695)	(29,404,607)
Others	24,646,497	7,947,201	86,057,313	17,614,377	136,265,388
Total Assets	889,681,264	422,882,906	715,014,168	386,965,769	2,414,544,107
Borrowings	225,335,415	–	39,444,139	16,519,851	281,299,405
Deposits and other accounts	–	375,024,923	540,566,619	327,802,556	1,243,394,098
Net inter segment borrowing	600,787,663	–	–	–	600,787,663
Others	4,218,982	15,998,439	117,311,955	26,326,186	163,855,562
Total liabilities	830,342,060	391,023,362	697,322,713	370,648,593	2,289,336,728
Equity	59,339,204	31,859,544	17,691,455	16,317,176	125,207,379
Total equity and liabilities	889,681,264	422,882,906	715,014,168	386,965,769	2,414,544,107
Contingencies and commitments	834,729,713	–	363,952,819	64,290,153	1,262,972,685

	30 June 2025 (Un-Audited)				
	Trade & Sales	Retail Banking	Commercial Banking	Islamic Banking	Total
	Rupees in '000				
Profit and loss account					
Net mark-up / return / profit	29,583,524	(8,754,117)	5,488,869	8,686,462	35,004,738
Inter segment revenue - net	(20,085,112)	17,703,478	2,381,634	–	–
Non mark-up / return / interest income	1,472,332	1,941,313	7,424,042	795,129	11,632,816
Total Income	10,970,744	10,890,674	15,294,545	9,481,591	46,637,554
Segment direct expenses	(2,284,486)	(3,939,916)	(3,118,756)	–	(9,343,158)
Inter segment expense allocation	–	(2,732,028)	(3,151,814)	(5,090,908)	(10,974,750)
Total expenses	(2,284,486)	(6,671,944)	(6,270,570)	(5,090,908)	(20,317,908)
Credit loss allowance	1,566	(60,392)	(2,267,423)	1,235,489	(1,090,760)
Profit before tax	8,687,824	4,158,338	6,756,552	5,626,172	25,228,886

	31 December 2025 (Audited)				
	Trade & Sales	Retail Banking	Commercial Banking	Islamic Banking	Total
	Rupees in '000				
Statement of financial position					
Cash and bank balances	18,538,338	19,021,823	44,163,518	20,569,936	102,293,615
Investments	712,758,517	–	–	151,893,195	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
Total assets	760,486,178	399,073,280	610,233,787	370,852,118	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	17,759,695	9,305,727	87,260,512	25,033,316	139,359,250
Total liabilities	698,405,432	361,910,378	597,826,848	354,693,221	2,012,835,879
Equity	62,080,746	37,162,902	12,406,939	16,158,897	127,809,484
Total equity and liabilities	760,486,178	399,073,280	610,233,787	370,852,118	2,140,645,363
Contingencies and commitments	633,665,579	–	338,611,533	39,449,150	1,011,726,262

37. RELATED PARTY TRANSACTIONS

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 Bank enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with persons of similar standing. Contributions in respect of staff retirement benefits are made in accordance with actuarial valuation and terms of contribution plan. Salaries and allowances of the key management personnel are in accordance with the terms of their employment. Other transactions are at agreed terms.

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

	30 June 2026 (Un-Audited)						
	Holding company	Directors	Key management personnel	Subsidiary companies	Associates	Retirement benefit plans	Total
	Rupees in '000						
Balances with other banks							
In current accounts	60,721	-	-	-	119,106	-	179,827
Investments							
Opening balance	-	6,296,779	-	-	-	-	6,296,779
Investment made during the period	-	6,400,061	-	-	-	-	6,400,061
Investment redeemed / disposed off during the period	-	(8,000,000)	-	-	-	-	(8,000,000)
Closing balance	-	4,696,840	-	-	-	-	4,696,840
Advances							
Opening balance	-	-	321,011	-	9,513,516	-	9,834,527
Addition during the period	-	-	48,536	-	35,642,322	-	35,690,858
Repaid during the period	-	-	(25,996)	-	(36,477,631)	-	(36,503,627)
Closing balance	-	-	343,551	-	8,678,207	-	9,021,758
Other Assets							
Mark-up / return / interest receivable	-	-	-	52,828	25,602	-	78,430
Prepayments / advance deposits / other receivables	936	-	-	213	31,681	-	32,830
	936	-	-	53,041	57,283	-	111,260
Deposits and other accounts							
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	5,760,531	2,842,829	1,106,431	193,055,046	2,083,554,041	2,110,186	2,288,429,064
Withdrawn during the period	(5,707,251)	(2,697,030)	(1,049,769)	(193,462,537)	(2,071,314,874)	(1,651,359)	(2,275,882,820)
Closing balance	255,068	1,300,636	420,493	1,467,701	21,891,317	1,751,564	27,086,779
Other Liabilities							
Mark-up / return / interest payable	-	20,804	7,947	13,379	405,934	133,647	581,711
Management fee payable for technical and consultancy services*	205,147	-	-	-	-	-	205,147
Other payables	-	955	-	-	630	561,165	562,750
	205,147	21,759	7,947	13,379	406,564	694,812	1,349,608
Contingencies and commitments							
Transaction-related contingent liabilities	-	-	-	-	8,553,503	-	8,553,503
Trade-related contingent liabilities	-	-	-	-	13,102,044	-	13,102,044
	-	-	-	-	21,655,547	-	21,655,547

* 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						
Balances with other banks							
In current accounts	65,299	–	–	–	112,618	–	177,917
Investments							
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
Advances							
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	–	9,513,516	–	9,834,527
Other Assets							
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
Deposits and other accounts							
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
Other Liabilities							
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
Contingencies and commitments							
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

	For the period ended 30 June 2026 (Un-Audited)						
	Holding company	Directors	Key management personnel	Subsidiary Companies	Associates	Retirement benefit plans	Total
	Rupees in '000						
Transactions during the period							
Income							
Mark-up / return / interest earned	–	–	7,215	200,427	49,517	–	257,159
Fee and commission income	–	121	–	1,283	317,809	8	319,221
Rent income	2,808	–	–	6,394	5,170	–	14,372
Expense							
Mark-up / return / interest expensed	–	39,242	10,506	70,498	610,804	172,066	903,116
Commission / Brokerage / Bank charges	334	–	–	741	1,259	–	2,334
Salaries and allowances	–	–	559,910	–	–	–	559,910
Directors' fees and allowances	–	14,859	–	–	–	–	14,859
Charge to defined benefit plan	–	–	–	–	–	197,738	197,738
Contribution to defined contribution plan	–	–	–	–	–	247,838	247,838
Insurance premium expenses	–	–	–	–	21,587	–	21,587
Management fee expense for technical and consultancy services *	1,100,074	–	–	–	–	–	1,100,074

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

	For the period ended 30 June 2025 (Un-Audited)						
	Holding company	Directors	Key management personnel	Subsidiaries companies	Associates	Retirement benefit plans	Total
	Rupees in '000						
Transactions during the period							
Income							
Mark-up / return / interest earned	–	–	8,897	181,534	69,894	–	260,325
Fee and commission income	–	65	–	604	366,305	9	366,983
Rent income	2,808	–	–	11,923	5,170	–	19,901
Expenses							
Mark-up / return / interest expensed	–	30,825	8,840	63,467	222,301	360,799	686,232
Commission / Brokerage / Bank charges	446	–	–	1,812	1,604	–	3,862
Salaries and allowances	–	–	452,094	–	–	–	452,094
Directors' fees and allowances	–	14,789	–	–	–	–	14,789
Charge to defined benefit plan	–	–	–	–	–	177,759	177,759
Contribution to defined contribution plan	–	–	–	–	–	215,101	215,101
Insurance premium expense	–	–	–	–	25,755	–	25,755
Management fee expense for technical and consultancy services *	1,039,235	–	–	–	–	–	1,039,235

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

38. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	30 June 2026 (Un-Audited)	31 December 2025 (Audited)
	Rupees in '000	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	**10,478,315**	10,478,315
Capital Adequacy Ratio (CAR):		
Eligible common equity tier 1 (CET 1) Capital	**112,021,891**	110,471,729
Eligible additional tier 1 (ADT 1) Capital	**–**	–
Total eligible tier 1 capital	**112,021,891**	110,471,729
Eligible tier 2 capital	**13,672,428**	18,704,542
Total eligible capital (tier 1 + tier 2)	**125,694,319**	129,176,271
Risk Weighted Assets (RWAs):		
Credit risk	**593,875,571**	557,389,893
Market risk	**44,561,891**	36,987,205
Operational risk	**165,565,281**	165,565,281
Total	**804,002,743**	759,942,379
CET 1 capital adequacy ratio	**13.93%**	14.54%
Tier 1 capital adequacy ratio	**13.93%**	14.54%
Total capital adequacy ratio	**15.63%**	17.00%
Minimum capital requirements prescribed by SBP		
CET 1 capital adequacy ratio	**6.00%**	6.00%
Tier 1 capital adequacy ratio	**7.50%**	7.50%
Total capital adequacy ratio	**11.50%**	11.50%

The Bank uses simple, maturity method and basic indicator approach for credit risk, market risk and operational risk exposures respectively in the capital adequacy calculation.

	30 June 2026 (Un-Audited)	31 December 2025 (Audited)
Leverage Ratio (LR):		
Eligible tier-1 capital	**112,021,891**	110,471,729
Total exposures	**2,292,298,617**	2,086,326,023
Leverage ratio	**4.89%**	5.30%
Liquidity Coverage Ratio (LCR):		
Total high quality liquid assets	**701,290,388**	608,412,975
Total net cash outflow	**433,339,307**	372,377,011
Liquidity coverage ratio	**162%**	163%
Net Stable Funding Ratio (NSFR):		
Total available stable funding	**1,137,057,104**	1,041,062,944
Total required stable funding	**581,725,723**	544,608,155
Net stable funding ratio	**195%**	191%

39. ISLAMIC BANKING BUSINESS

The bank is operating 252 (31 December 2025: 243) Islamic banking branches and 311 (31 December 2025: 311) Islamic banking windows at the end of the period.

	Note	30 June 2026 (Un-Audited)	31 December 2025 (Audited)
		Rupees in '000	
ASSETS			
Cash and balances with treasury banks		**19,495,841**	20,514,058
Balances with other banks		**57,287**	55,878
Due from financial institutions	39.1	**14,449,926**	33,149,874
Investments	39.2	**176,859,497**	151,893,193
Islamic financing and related assets - net	39.3	**158,488,841**	144,768,962
Property and equipment		**885,160**	859,544
Right-of-use assets		**3,972,651**	3,797,340
Intangible assets		**–**	–
Due from Head Office		**–**	6,274,499
Other assets		**12,756,566**	9,538,768
Total Assets		**386,965,769**	370,852,116
LIABILITIES			
Bills payable		**8,300,125**	7,862,011
Due to financial institutions		**16,519,851**	24,246,716
Deposits and other accounts	39.4	**327,802,556**	305,413,189
Due to Head Office		**2,841,170**	–
Lease liabilities		**4,895,658**	4,666,814
Subordinated debt		**–**	–
Deferred tax liabilities		**195,471**	989,235
Other liabilities		**10,093,762**	11,515,254
		370,648,593	354,693,219
NET ASSETS		**16,317,176**	16,158,897
REPRESENTED BY			
Islamic Banking Fund		**15,006,954**	11,007,003
Reserves		**–**	–
Surplus on revaluation of assets - net of tax		**180,435**	913,140
Unappropriated profit	39.5	**1,129,787**	4,238,754
		16,317,176	16,158,897
CONTINGENCIES AND COMMITMENTS	39.6		

The profit and loss account of the Bank's Islamic banking branches for the half year ended 30 June 2026 is as follows:

	Note	(Un-Audited) 30 June 2026	30 June 2025
		Rupees in '000	
PROFIT AND LOSS ACCOUNT			
Profit / return earned	39.7	**18,253,975**	16,550,169
Profit / return expensed	39.8	**(10,079,845)**	(7,863,707)
Net Profit / return		**8,174,130**	8,686,462
Other income			
Fee and Commission Income		**718,264**	647,644
Dividend Income		**–**	–
Foreign Exchange Income		**106,386**	95,608
Income / (loss) from derivatives		**–**	–
(Loss) / gain on securities - net		**(1,786)**	13,716
Other Income		**13,047**	38,161
Total other income		**835,911**	795,129
Total Income		**9,010,041**	9,481,591
Other expenses			
Operating expenses		**6,309,001**	5,090,465
Workers' welfare fund		**47,084**	–
Other charges		**430**	443
Total other expenses		**6,356,515**	5,090,908
Profit before credit loss allowance		**2,653,526**	4,390,683
Credit loss allowance and write offs - net		**(299,337)**	1,235,489
PROFIT BEFORE TAXATION		**2,354,189**	5,626,172
Taxation		**(1,224,402)**	(2,981,871)
PROFIT AFTER TAXATION		**1,129,787**	2,644,301

39.1 Due from Financial Institutions

	30 June 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 Musharaka placements	**14,450,000**	**–**	**14,450,000**	33,150,000	–	33,150,000
Less: Credit loss allowance						
Stage 1	**(74)**	**–**	**(74)**	(126)	–	(126)
Stage 2	**–**	**–**	**–**	–	–	–
Stage 3	**–**	**–**	**–**	–	–	–
	(74)	**–**	**(74)**	(126)	–	(126)
Due from financial institutions - net of credit loss allowances	**14,449,926**	**–**	**14,449,926**	33,149,874	–	33,149,874

39.2 Investments by segments

	30 June 2026 (Un-Audited)			
	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
	Rupees in '000			
Debt Instruments				
Measured at amortised cost				
Federal Government securities				
– Bai Muajjal	46,536,544	–	–	46,536,544
– Ijarah Sukuk	2,990,271	–	–	2,990,271
	49,526,815	–	–	49,526,815
Certificate of investment	2,200,000	(13)	–	2,199,987
	51,726,815	(13)	–	51,726,802
Measured at FVOCI				
Federal Government securities				
– Ijarah Sukuk	123,259,094	–	375,906	123,635,000
Non government debt securities	340,000	(340,000)	–	–
	123,599,094	(340,000)	375,906	123,635,000
Instruments mandatory classified / measured at FVTPL	1,503,652	–	(5,957)	1,497,695
Total investments	176,829,561	(340,013)	369,949	176,859,497

	31 December 2025 (Audited)			
	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
	Rupees in '000			
Debt Instruments				
Measured at amortised cost				
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
Measured at FVOCI				
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
Instruments mandatory classified / measured at FVTPL	1,198,698	–	(4,171)	1,194,527
Total investments	150,335,064	(340,075)	1,898,204	151,893,193

39.2.1 Particulars of credit loss allowance

	30 June 2026 (Un-Audited)			
	Stage 1	Stage 2	Stage 3	Total
	Rupees in '000			
Certificate of investment	13	–	–	13
Non government debt securities	–	–	340,000	340,000
	13	–	340,000	340,013

	31 December 2025 (Audited)			
	Stage 1	Stage 2	Stage 3	Total
	Rupees in '000			
Certificate of investment	75	–	–	75
Non government debt securities	–	–	340,000	340,000
	75	–	340,000	340,075

39.3 Islamic financing and related assets - net

	30 June 2026 (Un-Audited)			
	Financing	Advances	Inventory	Total
	Rupees in '000			
Ijarah	6,424,806	5,972,571	–	12,397,377
Ijarah - islamic long term financing facility	1,175	–	–	1,175
Murabaha	3,450,303	1,196,682	–	4,646,985
Working capital musharaka	38,677,118	–	–	38,677,118
Diminishing musharaka	27,891,492	3,147,086	–	31,038,578
Istisna	2,074,653	6,208,618	1,364,159	9,647,430
Al-bai	4,640,391	–	5,659,873	10,300,264
Bai Muajjal	9,261,115	–	–	9,261,115
Diminishing musharaka:				
Islamic long term financing facility	2,553,253	3,408,637	–	5,961,890
Islamic financing facility for storage of agricultural produce	222,193	–	–	222,193
Islamic temporary economic refinance facility	6,893,390	–	–	6,893,390
Islamic financing facility for renewable energy	332,413	–	–	332,413
Islamic export refinance:				
Working capital musharaka	25,840,310	–	–	25,840,310
Istisna	750,129	3,559,417	1,380,710	5,690,256
Al-bai	–	–	1,369,322	1,369,322
Gross islamic financing and related assets	129,013,461	23,493,011	9,774,064	162,280,536
Less: Credit loss allowance held against islamic financing and related assets				
– Stage 1	(98,495)	(103,411)	(3,669)	(205,575)
– Stage 2	(895,736)	(166,877)	(59,915)	(1,122,528)
– Stage 3	(2,463,592)	–	–	(2,463,592)
	(3,457,823)	(270,288)	(63,584)	(3,791,695)
Islamic financing and related assets - net of credit loss allowance held	125,555,638	23,222,723	9,710,480	158,488,841

	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
Diminishing musharaka:				
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
Islamic export refinance:				
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 financing and related assets				
– 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

	30 June 2026 (Un-Audited)			31 December 2025 (Audited)		
	In Local Currency	**In Foreign Currencies**	**Total**	In Local Currency	In Foreign Currencies	Total
	Rupees in '000					
Customers						
Current deposits	**109,507,254**	**18,568,462**	**128,075,716**	98,513,134	15,779,080	114,292,214
Savings deposits	**124,134,262**	**967,199**	**125,101,461**	96,079,646	934,265	97,013,911
Term deposits	**32,409,163**	**5,978,188**	**38,387,351**	25,444,133	6,105,300	31,549,433
Others	**6,052,104**	**-**	**6,052,104**	3,402,462	-	3,402,462
	272,102,783	**25,513,849**	**297,616,632**	223,439,375	22,818,645	246,258,020
Financial Institutions						
Current deposits	**888,103**	**-**	**888,103**	463,673	-	463,673
Savings deposits	**29,269,528**	**-**	**29,269,528**	58,528,651	-	58,528,651
Term deposits	**28,293**	**-**	**28,293**	162,845	-	162,845
Others	**-**	**-**	**-**	-	-	-
	30,185,924	**-**	**30,185,924**	59,155,169	-	59,155,169
	302,288,707	**25,513,849**	**327,802,556**	282,594,544	22,818,645	305,413,189

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

39.5 Unappropriated profit

Opening balance	**4,238,754**	2,874,296
Add: Islamic banking profit for the period / year	**2,354,189**	9,023,575
Less: Taxation	**(1,224,402)**	(4,784,821)
Less: Transferred to head office	**(4,238,754)**	(2,874,296)
Closing balance	**1,129,787**	4,238,754

39.6 Contingencies and commitments

Guarantees	**18,856,662**	18,572,365
Commitments	**45,433,491**	20,876,785
	64,290,153	39,449,150

	30 June 2026	30 June 2025
	(Un-Audited)	
	Rupees in '000	
39.7 Profit / return earned on:		
Financing	**7,701,867**	7,777,334
Investments	**9,894,282**	8,650,793
Placements	**657,826**	122,042
	18,253,975	16,550,169
39.8 Profit / return expensed on:		
Deposits and other accounts	**9,093,158**	5,952,044
Due to financial institutions	**692,342**	1,684,773
Lease liabilities against right-of-use assets	**294,345**	226,890
	10,079,845	7,863,707

40. GENERAL

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

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

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

41.1 The Board of Directors in its meeting held on 13 August 2026 has approved an interim cash dividend of Rs. 2.50 per share (30 June 2025: interim cash dividend of Rs. 2.50 per share).

41.2 These unconsolidated condensed interim financial statements were authorised for issue on 13 August 2026 by the Board of Directors of the Bank.

FUZAIL ABBAS	KHURRAM SHAHZAD KHAN	MOHSIN A. NATHANI	RASHID AHMED JAFER	MOHAMEDALI R. HABIB
Chief Financial Officer	Chief Executive Officer	Director	Director	Chairman