



[Subsidiary of Habib Bank AG Zurich]

# HABIBMETRO

**FIRST QUARTER REPORT MARCH 2025**

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هَذَا فَضْلُكَ

# OUR VISION

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



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# OUR VALUES

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## **RESPECT**

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

## **INTEGRITY**

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

## **TEAMWORK**

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

## **RESPONSIBILITY**

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

## **COMMITMENT**

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

## **TRUST**

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



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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### CHAIRMAN

Mohamedali R. Habib

#### PRESIDENT & CHIEF EXECUTIVE OFFICER

Khurram Shahzad Khan

#### DIRECTORS

Ali Abbas Sikander

Hamza Habib

Mohomed Bashir

Mohsin A. Nathani

Muhammad H. Habib

Rashid Ahmed Jafer

Tahira Raza

### BOARD COMMITTEES

#### AUDIT

Mohsin A. Nathani

Muhammad H. Habib

Rashid Ahmed Jafer

Tahira Raza

#### 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

Tahira Raza

#### SHARIAH BOARD

Tan Sri Dr. Mohd. Daud Bakar - Chairman

Mufti Abdul Sattar Laghari - Member

Mufti Khawaja Noor ul Hassan - Resident Member

### COMPANY SECRETARY

Ather Ali Khan

#### REGISTERED OFFICE

Ground Floor, HABIBMETRO Head Office

I. I. Chundrigar Road,

Karachi - 74200, Pakistan

#### INFORMATION TECHNOLOGY

Ali Abbas Sikander

Hamza Habib

Khurram Shahzad Khan

Mohamedali R. Habib

#### RISK & COMPLIANCE

Khurram Shahzad Khan

Mohsin A. Nathani

Muhammad H. Habib

Rashid Ahmed Jafer

Tahira Raza

#### SHARE REGISTRAR

CDC Share Registrar Services Limited

CDC House, 99-B, Block-B,

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

Karachi - 74400

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## DIRECTORS' REVIEW

On behalf of the Board of Directors of Habib Metropolitan Bank, I am pleased to present the condensed interim un-audited financial statements for the quarter ended March 31, 2025.

During the first quarter under review, Pakistan's economic and financial outlook continued to improve, moving steadily toward stabilization. Fitch Ratings upgraded Pakistan's sovereign credit rating to 'B-' with a stable outlook, citing a current account surplus of USD 1,852 million in the first nine months of FY2025.

On the global front, the new U.S. administration's imposition of trade tariffs has disrupted global trade flows, creating uncertainty for Pakistan's exports to the U.S., though the tariffs have been temporarily suspended. Meanwhile, Pakistan and the IMF reached a staff-level agreement for the release of the second tranche-USD 1 billion-under the USD 7 billion Extended Fund Facility, expected to be disbursed in May 2025. The Pakistani Rupee remained stable, averaging below Rs. 280/USD during the period.

GDP growth for FY2025 is projected between 2.5% and 3.5%. Inflation dropped significantly, reaching 0.7% in March 2025-its lowest level in 30 years-compared to a peak of nearly 38% in May 2023. This decline is attributed to a stable exchange rate, declining global commodity prices, and tight monetary policies. The State Bank of Pakistan (SBP) expects inflation to remain within the 5%-7% range in FY2026, down from its earlier forecast of 11.5%-13.5%.

Remittances hit an all-time high of over USD 4 billion in March 2025. In January 2025, the SBP reduced the policy rate by 100 basis points to 12.00% and maintained this rate in the March 2025 MPC meeting, despite lower-than-expected inflation on the back of stable food and energy prices.

By the Grace of Allah, HABIBMETRO posted a profit before tax of Rs. 12,962 million for Q1 2025, with earnings per share after tax of Rs. 5.78. Net mark-up income stood at Rs. 17,634 million, while non-mark-up income increased by 44.9% to Rs. 5,406 million. The Bank's investments stood at Rs. 755,047 million, while net advances increased by 26.6% to Rs. 600,270 million. Deposits grew by 9.1% to Rs. 1,011,246 million, with current deposits comprising 39.6% of the total.

The Bank's net equity stood at Rs. 114,879 million, while the Capital Adequacy Ratio (CAR) remained strong at 16.55%.

The Board of Directors is pleased to announce an interim cash dividend of Rs. 2.50 per share (25%) for the quarter ended March 31, 2025.

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

HABIBMETRO operates 551 branches in 221 cities across Pakistan, including 223 Islamic banking branches and 190 Islamic banking windows. The Bank continues to offer a comprehensive suite of conventional and Islamic banking products & services under the brand of Sirat.

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

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

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

On behalf of the Board

**KHURRAM SHAHZAD KHAN**

President & Chief Executive Officer

Karachi: 22 April 2025

حبیب میٹرو پاکستان بھر کے 221 شہروں میں 551 برانچز بشمول 223 اسلامک بینکنگ کی برانچز اور 190 اسلامک بینکنگ ونڈوز کا نیٹ ورک آپریٹ کر رہا ہے۔ بینک مستقل طور پر کنٹینرل اور اسلامک بینکاری کی پروڈکٹس کے ایک جامع مجموعے صراط کے برانڈ کے تحت سروسز کی پیشکش کرتا ہے۔ بینک اپنی کارپوریٹ سماجی ذمہ داریوں سے عہدہ براء ہونے کے لئے کاربند رہے گا اور اس کے ساتھ ہیلتھ کیئر اور تعلیم کے شعبوں پر خصوصی توجہ کے ساتھ سماجی طبقات کی بہبود کے اقدامات میں ملازمین کی موثر شراکت پر خصوصی توجہ دی جاتی رہے گی۔

بینک موبائل ایپس، ویب بینکنگ اور کارڈ کی بنیاد پر سروسز میں توسیع کے ساتھ اپنی ڈیجیٹل ٹرانسفارمیشن اسٹریٹیجی پر بھی توجہ دیتا رہے گا تاکہ اپنے صارفین کے لئے ہموار اور جدید بینکاری کے تجربے کو یقینی بنایا جاسکے۔

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

منجانب بورڈ

**خرم شہزاد خان**

صدر و چیف ایگزیکٹو آفیسر

کراچی: 22 اپریل 2025

## ڈائریکٹرز ریویو

میں نہایت مسرت کے ساتھ حبیب میٹرو پولیٹن بینک کے بورڈ آف ڈائریکٹرز کی جانب سے 31 مارچ 2025 کو ختم ہونے والی پہلی سہ ماہی کیلئے غیر آڈٹ شدہ عبوری مالیاتی گوشوارے پیش کر رہا ہوں۔

زیر جائزہ پہلی سہ ماہی کے دوران پاکستان کا معاشی اور مالیاتی منظر نامہ بہتری کی جانب گامزن رہا اور بتدریج استحکام کی جانب بڑھتا رہا۔ پاکستان کے استحکام کی کریڈٹ ریٹنگ فچ ریٹنگ نے آپ گریڈ کر کے "B"، مستحکم آؤٹ لک کر دی، جس کے ساتھ مالی سال 2025 کے پہلے 9 ماہ میں کرنٹ اکاؤنٹ سرپلس 1,852 ملین امریکی ڈالر ہو گیا۔

عالمی سطح پر پتی امریکی انتظامیہ کی جانب سے لاگو کردہ تجارتی ٹیرف نے عالمی تجارتی سرگرمیوں میں رکاوٹ ڈالی ہے اور اس سے پاکستان کی امریکا کیلئے برآمدات میں بھی غیر یقینی پیدا ہوئی ہے، اگرچہ ٹیرف کو عارضی طور پر معطل کر دیا گیا ہے۔ اسی دوران پاکستان اور آئی ایم ایف کے درمیان 7 بلین امریکی ڈالر کی ایکسیٹنڈڈ فنڈیشنل سہولت کے تحت ایک بلین امریکی ڈالر کی دوسری قسط جاری کرنے کے لئے اسٹاف لیول کا معاہدہ ہوا ہے، جس کے بارے میں توقع ہے کہ مئی 2025 تک موصول ہو جائے گا۔ پاکستانی روپیہ بتدریج مستحکم ہو رہا ہے اور اس مدت کے دوران اوسطاً اس کی قدر 280 روپے فی امریکی ڈالر سے نیچے رہی ہے۔

مالی سال 2025 کے لئے جی ڈی پی گروتھ 2.5 فیصد اور 3.5 فیصد کے درمیان رہنے کا امکان ہے۔ مہنگائی کی سطح نمایاں حد تک کم ہوئی اور مارچ 2025 میں 0.7 فیصد پر پہنچ گئی جو گزشتہ 30 سالوں میں کم ترین سطح ہے۔ جبکہ اس کے مقابلے میں یہ مئی 2023 میں گھک 38 فیصد کی بلند ترین سطح پر تھی۔ مہنگائی میں اس کمی کو مستحکم زرمبادلہ کی شرح، عالمی سطح پر اشیائے صرف کے نرخوں میں کمی اور سخت مانیٹری پالیسیوں سے منسوب کیا جاسکتا ہے۔ اسٹیٹ بینک آف پاکستان (ایس بی پی) کو توقع ہے کہ مالی سال 2026 میں مہنگائی کی سطح 5 تا 7 فیصد کی حد میں رہے گی جو اس سے قبل اندازہ لگائی جانے والی شرح 11.5 تا 13.5 فیصد سے کم ہے۔

زرتریسیات نے مارچ 2025 میں 4 بلین امریکی ڈالر کی بلند ترین سطح حاصل کر لی۔ جنوری 2025 میں ایس بی پی نے پالیسی ریٹ میں 100 پیسز پوائنٹس کم کر کے اسے 12.00 فیصد کر دیا تھا اور مارچ 2025 میں ایم بی سی اجلاس میں اس شرح کو برقرار رکھا، جبکہ توقع تھی کہ اشیائے خورد و نوش اور توانائی کے نرخوں کے سبب مہنگائی کم ہونے سے شرح مزید کم ہوگی۔

اللہ تعالیٰ کے فضل و کرم سے حبیب میٹرو نے 2025 کی پہلی سہ ماہی کیلئے 12,962 ملین روپے کا منافع قبل از ٹیکس مع 5.78 روپے کی آمدنی فی شیئر بعد از ٹیکس ظاہر کی۔ خالص مارک آپ کی آمدنی 17,634 ملین روپے پر موجود تھی جبکہ نان مارک آپ آمدنی 44.9 فیصد تک بڑھ کر 5,406 ملین روپے ہو گئی۔ بینک کی سرمایہ کاریاں 755,047 ملین روپے پر موجود تھیں جبکہ خالص ایڈوانسز 26.6 فیصد تک بڑھ کر 600,270 ملین روپے ہو گئے۔ ڈپازٹس مجموعی سطح کے 39.6 فیصد پر مشتمل کرنٹ ڈپازٹس کے ساتھ 9.1 فیصد تک بڑھ کر 1,011,246 ملین روپے پر پہنچ گئے۔ بینک کی خالص ایکویٹی 114,879 ملین روپے پر موجود تھی جبکہ کیپٹل ایکویٹی ریشو (سی اے آر) 16.55 فیصد کی مستحکم سطح پر برقرار تھی۔

بورڈ آف ڈائریکٹرز بمسرت 31 مارچ 2025 کو ختم ہونے والی پہلی سہ ماہی کے لئے 2.50 روپے فی شیئر کے عبوری نقد منافع منقسمہ (25 فیصد) کا اعلان کرتے ہیں۔

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) کی جانب سے بینک کی مستحکم کریڈٹ ریٹنگ AA+ (لاگ ٹرم) اور A1+ (شارٹ ٹرم) کی دوبارہ توثیق کی گئی ہے جو کریڈٹ کو ایٹمی کے اعلیٰ پیمانے اور مالیاتی ذمہ داریوں کو پورا کرنے کیلئے مستحکم گنجائش کی عکاسی کرتی ہے۔

## UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

|   | Note | 31 March<br>2025<br>(Un-Audited) | 31 December<br>2024<br>(Audited) |
|---|------|----------------------------------|----------------------------------|
| Rupees in '000                                |      |                                  |                                  |
| <b>ASSETS</b>                                 |      |                                  |                                  |
| Cash and balances with treasury banks         | 7    | 96,764,944                       | 86,815,817                       |
| Balances with other banks                     | 8    | 2,283,976                        | 6,434,551                        |
| Lendings to financial institutions            | 9    | 4,161,661                        | 5,570,998                        |
| Investments                                   | 10   | 755,046,740                      | 810,875,400                      |
| Advances                                      | 11   | 600,270,071                      | 474,300,584                      |
| Property and equipment                        | 12   | 16,957,829                       | 17,046,127                       |
| Right-of-use assets                           | 13   | 8,493,729                        | 8,608,382                        |
| Intangible assets                             | 14   | 428,431                          | 496,214                          |
| Deferred tax assets                           |      | —                                | —                                |
| Other assets                                  | 15   | 102,766,747                      | 89,985,707                       |
| Total Assets                                  |      | 1,587,174,128                    | 1,500,133,780                    |
| <b>LIABILITIES</b>                            |      |                                  |                                  |
| Bills payable                                 | 16   | 21,655,457                       | 28,478,822                       |
| Borrowings                                    | 17   | 339,239,572                      | 330,010,768                      |
| Deposits and other accounts                   | 18   | 1,011,246,102                    | 927,132,777                      |
| Lease liabilities                             | 19   | 10,447,108                       | 10,463,713                       |
| Sub-ordinated debts                           |      | —                                | —                                |
| Deferred tax liabilities                      | 20   | 2,737,671                        | 3,077,177                        |
| Other liabilities                             | 21   | 86,969,485                       | 85,938,708                       |
| Total Liabilities                             |      | 1,472,295,395                    | 1,385,101,965                    |
| <b>NET ASSETS</b>                             |      | 114,878,733                      | 115,031,815                      |
| <b>REPRESENTED BY</b>                         |      |                                  |                                  |
| Share capital                                 |      | 10,478,315                       | 10,478,315                       |
| Reserves                                      |      | 35,958,474                       | 35,352,814                       |
| Surplus on revaluation of assets - net of tax | 22   | 12,734,993                       | 14,333,684                       |
| Unappropriated profit                         |      | 55,706,951                       | 54,867,002                       |
|   |      | 114,878,733                      | 115,031,815                      |
| <b>CONTINGENCIES AND COMMITMENTS</b>          | 23   |                                  |                                  |

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

|  |   |                                       |                                      |  |
|--|---|---------------------------------------|--------------------------------------|--|
| <b>FUZAIL ABBAS</b><br>Chief Financial Officer | <b>KHURRAM SHAHZAD KHAN</b><br>President &<br>Chief Executive Officer | <b>RASHID AHMED JAFER</b><br>Director | <b>MOHSIN A. NATHANI</b><br>Director | <b>MOHAMEDALI R. HABIB</b><br>Chairman |
|--|---|---------------------------------------|--------------------------------------|--|

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

FOR THE QUARTER ENDED 31 MARCH 2025

|  | Note | 31 March<br>2025    | 31 March<br>2024 |
|--|------|---------------------|------------------|
|  |      | Rupees in '000      |                  |
| Mark-up / return / interest earned   | 25   | <b>41,755,369</b>   | 58,906,837       |
| Mark-up / return / interest expensed   | 26   | <b>(24,120,942)</b> | (42,561,977)     |
| Net mark-up / interest income  |      | <b>17,634,427</b>   | 16,344,860       |
| <b>NON MARK-UP / INTEREST INCOME</b>   |      |                     |                  |
| Fee and commission income  | 27   | <b>2,826,260</b>    | 2,466,270        |
| Dividend income  |      | <b>260,374</b>      | 207,119          |
| Foreign exchange income  |      | <b>2,008,745</b>    | 1,300,554        |
| Income / (loss) from derivatives   |      | <b>-</b>            | -                |
| Gain / (loss) on securities - net  | 28   | <b>247,151</b>      | (268,728)        |
| Net gain / (loss) on derecognition of financial assets<br>measured at amortised cost |      | <b>-</b>            | -                |
| Other income   | 29   | <b>63,222</b>       | 26,342           |
| Total non mark-up / interest income  |      | <b>5,405,752</b>    | 3,731,557        |
| Total Income   |      | <b>23,040,179</b>   | 20,076,417       |
| <b>NON MARK-UP / INTEREST EXPENSES</b>   |      |                     |                  |
| Operating expenses   | 30   | <b>9,136,303</b>    | 7,338,755        |
| Workers' welfare fund  |      | <b>260,849</b>      | 238,477          |
| Other charges  | 31   | <b>16,580</b>       | 71,777           |
| Total non-mark-up / interest expenses  |      | <b>(9,413,732)</b>  | (7,649,009)      |
| Profit before credit loss allowance  |      | <b>13,626,447</b>   | 12,427,408       |
| Credit loss allowance and write offs - net   | 32   | <b>(664,302)</b>    | (854,825)        |
| Extra ordinary / unusual items   |      | <b>-</b>            | -                |
| <b>PROFIT BEFORE TAXATION</b>  |      | <b>12,962,145</b>   | 11,572,583       |
| Taxation   | 33   | <b>(6,908,627)</b>  | (5,671,249)      |
| <b>PROFIT AFTER TAXATION</b>   |      | <b>6,053,518</b>    | 5,901,334        |
|  |      | Rupees              |                  |
| <b>Basic and diluted earnings per share</b>  | 34   | <b>5.78</b>         | 5.63             |

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

**FUZAIL ABBAS**  
Chief Financial Officer

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

**RASHID AHMED JAFER**  
Director

**MOHSIN A. NATHANI**  
Director

**MOHAMEDALI R. HABIB**  
Chairman

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

FOR THE QUARTER ENDED 31 MARCH 2025

|   | 31 March<br>2025 | 31 March<br>2024 |
|---|------------------|------------------|
|   | Rupees in '000   |                  |
| Profit after taxation   | 6,053,518        | 5,901,334        |
| <b>Other comprehensive income</b>   |                  |                  |
| <b>Items that may be reclassified to profit and loss<br/>in subsequent periods:</b>                 |                  |                  |
| Effect of translation of net investment in an offshore branch - net of tax                          | 308              | (894)            |
| Movement in surplus / (deficit) on revaluation of debt<br>securities measured at FVOCI - net of tax | (1,410,966)      | (125,603)        |
|   | (1,410,658)      | (126,497)        |
| <b>Items that will not be reclassified to profit and loss<br/>in subsequent periods:</b>            |                  |                  |
| Remeasurement loss on defined benefit obligations - net of tax                                      | (136,583)        | (51,153)         |
| Movement in surplus on revaluation of equity securities<br>measured at FVOCI - net of tax           | 29,958           | 125,188          |
| Movement in surplus / (deficit) on revaluation of property<br>and equipment - net of tax            | 25,925           | —                |
| Movement in surplus / (deficit) on revaluation of<br>non-banking assets - net of tax                | —                | —                |
|   | (80,700)         | 74,035           |
| <b>Total comprehensive income</b>   | <b>4,562,160</b> | <b>5,848,872</b> |

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



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

FOR THE QUARTER ENDED 31 MARCH 2025

|  | Share capital  | Reserves                     |               |                   |                 |                 | Surplus / (deficit) on revaluation |  | Un-appropriated profit | Total       |
|--|----------------|------------------------------|---------------|-------------------|-----------------|-----------------|------------------------------------|--|------------------------|-------------|
|  |                | Exchange translation reserve | Share premium | Statutory reserve | Special reserve | Revenue reserve | Investments                        | Property & equipment/ Non-banking assets |                        |             |
|  | Rupees in '000 |                              |               |                   |                 |                 |                                    |  |                        |             |
| <b>Balance as at 1 January 2024 (Audited)</b>  | 10,478,315     | 11,309                       | 2,550,985     | 26,115,406        | 240,361         | 1,500,000       | (1,735,664)                        | 6,369,534                                | 48,021,230             | 93,551,476  |
| Profit after taxation for the period   | -              | -                            | -             | -                 | -               | -               | -                                  | -  | 5,901,334              | 5,901,334   |
| Other comprehensive income - net of tax  |                |                              |               |                   |                 |                 |                                    |  |                        |             |
| Effect of translation of net investment in an offshore branch - net of tax             | -              | (894)                        | -             | -                 | -               | -               | -                                  | -  | -                      | (894)       |
| Movement in surplus on revaluation of debt securities measured at FVOCI - net of tax   | -              | -                            | -             | -                 | -               | -               | (125,603)                          | -  | -                      | (125,603)   |
| Remeasurement loss on defined benefit obligations - net of tax                         | -              | -                            | -             | -                 | -               | -               | -                                  | -  | (51,153)               | (51,153)    |
| Movement in surplus on revaluation of equity securities measured at FVOCI - net of tax | -              | -                            | -             | -                 | -               | -               | 125,188                            | -  | -                      | 125,188     |
| <b>Total other comprehensive income</b>  | -              | (894)                        | -             | -                 | -               | -               | (415)                              | -  | (51,153)               | (52,462)    |
| Gain on sale of equity investments - FVOCI   | -              | -                            | -             | -                 | -               | -               | (151,789)                          | -  | 151,789                | -           |
| Transfer to statutory reserve  | -              | -                            | -             | 1,180,267         | -               | -               | -                                  | -  | (1,180,267)            | -           |
| Transfer from surplus on revaluation of assets to unappropriated profit - net of tax   | -              | -                            | -             | -                 | -               | -               | -                                  | (40,491)                                 | 40,491                 | -           |
| <b>Transactions with owners, recorded directly in equity</b>                           |                |                              |               |                   |                 |                 |                                    |  |                        |             |
| Final Cash dividend (Rs. 5.50 per share) for the year ended 31 December 2023           | -              | -                            | -             | -                 | -               | -               | -                                  | -  | (5,763,073)            | (5,763,073) |

|  |                | Reserves                     |               |                   |                 |                 | Surplus / (deficit) on revaluation |  |                        |             |
|--|----------------|------------------------------|---------------|-------------------|-----------------|-----------------|------------------------------------|--|------------------------|-------------|
|  | Share capital  | Exchange translation reserve | Share premium | Statutory reserve | Special reserve | Revenue reserve | Investments                        | Property & equipment/ Non-banking assets | Un-appropriated profit | Total       |
|  | Rupees in '000 |                              |               |                   |                 |                 |                                    |  |                        |             |
| <b>Balance as at 31 March 2024 (Un-audited)</b>  | 10,478,315     | 10,415                       | 2,550,985     | 27,295,673        | 240,361         | 1,500,000       | (1,887,868)                        | 6,329,043                                | 47,120,351             | 93,637,275  |
| Profit after taxation for the period   | -              | -                            | -             | -                 | -               | -               | -                                  | -  | 18,772,174             | 18,772,174  |
| Other comprehensive income - net of tax  |                |                              |               |                   |                 |                 |                                    |  |                        |             |
| Effect of translation of net investment in an offshore branch - net of tax             | -              | 945                          | -             | -                 | -               | -               | -                                  | -  | -                      | 945         |
| Movement in surplus on revaluation of debt securities measured at FVOCI - net of tax   | -              | -                            | -             | -                 | -               | -               | 7,883,157                          | -  | -                      | 7,883,157   |
| Remeasurement gain / (loss) on defined benefit obligations - net of tax                | -              | -                            | -             | -                 | -               | -               | -                                  | -  | 169,666                | 169,666     |
| Movement in surplus on revaluation of equity securities measured at FVOCI - net of tax | -              | -                            | -             | -                 | -               | -               | 1,759,309                          | -  | -                      | 1,759,309   |
| Movement in surplus / (deficit) on revaluation of property & equipment - net of tax    | -              | -                            | -             | -                 | -               | -               | -                                  | (101,927)                                | -                      | (101,927)   |
| Movement in surplus on revaluation of non-banking assets - net of tax                  | -              | -                            | -             | -                 | -               | -               | -                                  | 769,953                                  | -                      | 769,953     |
| <b>Total comprehensive income</b>  | -              | 945                          | -             | -                 | -               | -               | 9,642,466                          | 668,026                                  | 169,666                | 10,481,103  |
| Gain on sale of equity investments - FVOCI   | -              | -                            | -             | -                 | -               | -               | (293,869)                          | -  | 293,869                | -           |
| Transfer to statutory reserve  | -              | -                            | -             | 3,754,435         | -               | -               | -                                  | -  | (3,754,435)            | -           |
| Transfer from surplus on revaluation of assets to unappropriated profit - net of tax   | -              | -                            | -             | -                 | -               | -               | -                                  | (124,114)                                | 124,114                | -           |
| <b>Transactions with owners, recorded directly in equity</b>                           |                |                              |               |                   |                 |                 |                                    |  |                        |             |
| Interim cash dividend (Rs. 2.50 per share) for the quarter ended 31 March 2024         | -              | -                            | -             | -                 | -               | -               | -                                  | -  | (2,619,579)            | (2,619,579) |
| Interim cash dividend (Rs. 2.50 per share) for the quarter ended 30 June 2024          | -              | -                            | -             | -                 | -               | -               | -                                  | -  | (2,619,579)            | (2,619,579) |
| Interim cash dividend (Rs. 2.50 per share) for the quarter ended 30 September 2024     | -              | -                            | -             | -                 | -               | -               | -                                  | -  | (2,619,579)            | (2,619,579) |
| <b>Balance as at 31 December 2024 (Audited)</b>  | 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 |

|  | 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    |                              |                  |                   |                 |                                    |                  |  |                        |                    |
| Profit after taxation for the period   | -                 | -                            | -                | -                 | -               | -                                  | -                | -  | 6,053,518              | 6,053,518          |
| Other comprehensive income - net of tax  |                   |                              |                  |                   |                 |                                    |                  |  |                        |                    |
| Effect of translation of net investment in an offshore branch - net of tax                       | -                 | 308                          | -                | -                 | -               | -                                  | -                | -  | -                      | 308                |
| Movement in surplus / (deficit) on revaluation of debt securities measured at FVOCI - net of tax | -                 | -                            | -                | -                 | -               | -                                  | (1,410,966)      | -  | -                      | (1,410,966)        |
| Remeasurement loss on defined benefit obligations - net of tax                                   | -                 | -                            | -                | -                 | -               | -                                  | -                | -  | (136,583)              | (136,583)          |
| Movement in surplus on revaluation of equity securities measured at FVOCI - net of tax           | -                 | -                            | -                | -                 | -               | -                                  | 29,958           | -  | -                      | 29,958             |
| Movement in surplus / (deficit) on revaluation of property & equipment - net of tax              | -                 | -                            | -                | -                 | -               | -                                  | -                | 25,925                                   | -                      | 25,925             |
| Movement in surplus on revaluation of non-banking assets - net of tax                            | -                 | -                            | -                | -                 | -               | -                                  | -                | -  | -                      | -                  |
| <b>Total comprehensive income</b>  | -                 | 308                          | -                | -                 | -               | -                                  | (1,381,008)      | 25,925                                   | (136,583)              | (1,491,358)        |
| Gain on sale of equity investments - FVOCI   | -                 | -                            | -                | -                 | -               | -                                  | (205,917)        | -  | 205,917                | -                  |
| Transfer to statutory reserve  | -                 | -                            | -                | 605,352           | -               | -                                  | -                | -  | (605,352)              | -                  |
| Transfer from surplus on revaluation of assets to unappropriated profit - net of tax             | -                 | -                            | -                | -                 | -               | -                                  | -                | (37,691)                                 | 37,691                 | -                  |
| <b>Transactions with owners, recorded directly in equity</b>                                     |                   |                              |                  |                   |                 |                                    |                  |  |                        |                    |
| Final Cash dividend (Rs. 450 per share) for the year ended 31 December 2024                      | -                 | -                            | -                | -                 | -               | -                                  | -                | -  | (4,715,242)            | (4,715,242)        |
| <b>Balance as at 31 March 2025 (Un-audited)</b>  | <b>10,478,315</b> | <b>11,668</b>                | <b>2,550,985</b> | <b>31,655,460</b> | <b>240,361</b>  | <b>1,500,000</b>                   | <b>5,873,804</b> | <b>6,861,189</b>                         | <b>55,706,951</b>      | <b>114,878,733</b> |

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

**FUZAIL ABBAS**  
Chief Financial Officer

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

**RASHID AHMED JAFER**  
Director

**MOHSIN A. NATHANI**  
Director

**MOHAMEDALI R. HABIB**  
Chairman

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

FOR THE QUARTER ENDED 31 MARCH 2025

|  | Note | 31 March<br>2025     | 31 March<br>2024    |
|--|------|----------------------|---------------------|
|  |      | Rupees in '000       |                     |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>   |      |                      |                     |
| Profit before taxation   |      | 12,962,145           | 11,572,583          |
| Less: Dividend income  |      | (260,374)            | (207,119)           |
|  |      | <b>12,701,771</b>    | <b>11,365,464</b>   |
| <b>Adjustments</b>   |      |                      |                     |
| Net mark-up / interest income (excluding mark up on lease liability against right-of-use assets) |      | (17,944,661)         | –                   |
| Depreciation on property and equipment   | 30   | 660,759              | 558,559             |
| Depreciation on right-of-use assets  | 30   | 382,700              | 371,916             |
| Amortisation   | 30   | 67,784               | 42,436              |
| Markup on lease liability against right-of-use assets  | 26   | 310,234              | 278,205             |
| Credit loss allowance (excluding write offs or recoveries)                                       | 32   | 765,677              | 854,825             |
| Gain on sale of property and equipment - net   | 29   | (21,297)             | (15,735)            |
| Unrealized gain on FVTPL securities  | 28   | 34,218               | (42,575)            |
| Provision against workers' welfare fund  |      | 260,849              | 238,477             |
| Provision against compensated absences   |      | 23,819               | 23,716              |
| Provision against defined benefit plan   |      | 90,955               | 81,936              |
|  |      | <b>(15,368,963)</b>  | <b>2,391,760</b>    |
|  |      | <b>(2,667,192)</b>   | <b>13,757,224</b>   |
| <b>(Increase) / decrease in operating assets</b>   |      |                      |                     |
| Lendings to financial institutions   |      | 1,408,613            | (23,686)            |
| Securities classified as FVTPL   |      | (2,776,010)          | –                   |
| Advances   |      | (127,173,466)        | (22,481,194)        |
| Other assets (excluding dividend and non-banking assets)   |      | 1,837,755            | (3,428,979)         |
|  |      | <b>(126,703,108)</b> | <b>(25,933,859)</b> |
| <b>Increase / (decrease) in operating liabilities</b>  |      |                      |                     |
| Bills payable  |      | (6,823,365)          | (10,725,199)        |
| Borrowings from financial institutions   |      | 2,463,716            | (50,165,332)        |
| Deposits and other accounts  |      | 84,113,325           | 74,381,014          |
| Other liabilities (excluding current taxation)   |      | 4,472,968            | (11,449,714)        |
|  |      | <b>84,226,644</b>    | <b>2,040,769</b>    |
|  |      | <b>(45,143,656)</b>  | <b>(10,135,866)</b> |
| Payment against compensated absences   |      | (10,019)             | (6,916)             |
| Contribution to the defined benefit plan   |      | (125,000)            | –                   |
| Mark-up / Interest received  |      | 31,860,727           | –                   |
| Mark-up / Interest paid  |      | (25,755,173)         | –                   |
| Income tax paid  |      | (10,895,014)         | (7,545,706)         |
|  |      | <b>(50,068,135)</b>  | <b>(17,688,488)</b> |
| <b>Net cash flow used in operating activities</b>  |      |                      |                     |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>   |      |                      |                     |
| Net investment in amortised cost securities  |      | (1,114,820)          | (1,688,228)         |
| Net investment in securities classified as FVOCI   |      | 56,395,021           | 27,944,494          |
| Investment in new subsidiary   |      | –                    | (1,000,000)         |
| Dividend received  |      | 254,531              | 207,119             |
| Investment in property and equipment   |      | (580,866)            | (1,081,949)         |
| Investment in intangible assets  |      | –                    | (54,185)            |
| Proceeds from sale of property and equipment   |      | 29,853               | 21,067              |
| Effect of translation of net investment in an offshore branch                                    |      | 308                  | (894)               |
|  |      | <b>54,984,027</b>    | <b>24,347,424</b>   |
| <b>Net cash flow from investing activities</b>   |      |                      |                     |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>   |      |                      |                     |
| Dividend paid  |      | (4,815,261)          | (5,763,077)         |
| Payment of lease liability against right-of-use assets   |      | (594,886)            | (467,401)           |
|  |      | <b>(5,410,147)</b>   | <b>(6,230,478)</b>  |
| <b>Net cash used in financing activities</b>   |      |                      |                     |
| <b>(Decrease) / increase in cash and cash equivalents</b>  |      |                      |                     |
| Cash and cash equivalents at the beginning of the period   |      | (494,255)            | 428,458             |
|  |      | <b>86,737,498</b>    | <b>111,701,908</b>  |
| <b>Cash and cash equivalents at the end of the period</b>  |      | <b>86,243,243</b>    | <b>112,130,366</b>  |

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

|                         |  |                           |                          |                            |
|-------------------------|--|---------------------------|--------------------------|----------------------------|
| <b>FUZAIL ABBAS</b>     | <b>KHURRAM SHAHZAD KHAN</b>            | <b>RASHID AHMED JAFER</b> | <b>MOHSIN A. NATHANI</b> | <b>MOHAMEDALI R. HABIB</b> |
| Chief Financial Officer | President &<br>Chief Executive Officer | Director                  | Director                 | Chairman                   |

## **NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**

FOR THE QUARTER ENDED 31 MARCH 2025

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

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

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

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 First Habib Modaraba, HabibMetro Modaraba Management Company, Habib Metropolitan Financial Services Limited and HabibMetro Exchange Services Limited and is required to prepare consolidated financial statements under the provision of Companies Act 2017. These condensed interim financial statements represent the unconsolidated results of the Bank and separate set of condensed interim consolidated financial statements are also being presented by the Bank.

#### **2.2 Statement of Compliance**

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

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

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

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

The State Bank of Pakistan (SBP) has allowed Islamic banking institutions to follow Islamic Financial Accounting Standards (IFAS) 1 & 2 where applicable and continue existing accounting practices for other Islamic products until further instructions.

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

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

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

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

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2026 but are considered not to be relevant or do not have any material effect on the Bank's operations and therefore not detailed in these unconsolidated condensed interim financial statements.

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

| <b>Standards, interpretations of and amendments to:</b>   | <b>Effective date (annual periods beginning on or after)</b> |
|---|--|
| Amendments to IFRS 1 First-time Adoption of International Financial Reporting                             | 1 January 2026   |
| Amendments to IFRS 10 Consolidated Financial Statements   | 1 January 2026   |
| Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 & IFRS 7 | 1 January 2026   |

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

# 3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in preparation of these unconsolidated condensed interim financial statements are consistent with those as applied in the preparation of unconsolidated annual financial statements of the Bank for the year ended December 31, 2024.

# 4. BASIS OF MEASUREMENT

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

# 5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

# 6. FINANCIAL RISK MANAGEMENT

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

|   | Note | 31 March<br>2025<br>(Un-Audited) | 31 December<br>2024<br>(Audited) |
|---|------|----------------------------------|----------------------------------|
| Rupees in '000  |      |                                  |                                  |
| <b>7. CASH AND BALANCES WITH TREASURY BANKS</b>                                   |      |                                  |                                  |
| <b>In hand</b>  |      |                                  |                                  |
| Local currency  |      | 15,627,495                       | 15,321,375                       |
| Foreign currencies  |      | 1,039,932                        | 1,393,358                        |
|   |      | <b>16,667,427</b>                | 16,714,733                       |
| <b>With State Bank of Pakistan in</b>   |      |                                  |                                  |
| Local currency current accounts   |      | 54,182,985                       | 46,256,955                       |
| Foreign currencies current account  |      | 3,029,472                        | 2,321,162                        |
| Foreign currencies deposit accounts   |      |                                  |                                  |
| - cash reserve accounts   |      | 7,582,535                        | 6,731,041                        |
| - deposit account - special cash reserve  |      | 13,613,092                       | 12,058,642                       |
|   |      | <b>78,408,084</b>                | 67,367,800                       |
| <b>With National Bank of Pakistan in</b>  |      |                                  |                                  |
| Local currency current accounts   |      | 1,807,063                        | 2,670,896                        |
| Local currency deposit accounts   |      | 22,082                           | 47,103                           |
|   |      | <b>1,829,145</b>                 | 2,717,999                        |
| <b>National Prize Bonds</b>   |      | 7,828                            | 16,080                           |
| Less: Credit loss allowance held against cash and<br>balances with treasury banks |      | (147,540)                        | (795)                            |
| Cash and balances with treasury banks - net of<br>credit loss allowance           |      | <b>96,764,944</b>                | 86,815,817                       |
| <b>8. BALANCES WITH OTHER BANKS</b>   |      |                                  |                                  |
| <b>In Pakistan</b>  |      |                                  |                                  |
| In current accounts   |      | 6,225                            | 10,050                           |
| In deposit accounts   |      | 163                              | 108                              |
|   |      | <b>6,388</b>                     | 10,158                           |
| <b>Outside Pakistan</b>   |      |                                  |                                  |
| In current accounts   |      | 2,277,908                        | 6,425,438                        |
| Less: Credit loss allowance held against balances with other banks                |      | (320)                            | (1,045)                          |
| Balances with other banks - net of credit loss allowance                          |      | <b>2,283,976</b>                 | 6,434,551                        |
| <b>9. LENDINGS TO FINANCIAL INSTITUTIONS</b>                                      |      |                                  |                                  |
| Call / clean money lendings   | 9.3  | 4,162,387                        | 5,571,000                        |
| Less: Credit loss allowance held against lendings<br>to financial institutions    |      | (726)                            | (2)                              |
| Lendings to financial institutions - net of credit loss allowance                 |      | <b>4,161,661</b>                 | 5,570,998                        |
| <b>9.1 Particulars of lendings</b>  |      |                                  |                                  |
| In local currency - secured   |      | -                                | -                                |
| In foreign currency - unsecured   |      | 4,161,661                        | 5,570,998                        |
|   |      | <b>4,161,661</b>                 | 5,570,998                        |

|   |         | 31 March 2025 (Un-Audited) |                            | 31 December 2024 (Audited) |                            |
|---|---------|----------------------------|----------------------------|----------------------------|----------------------------|
|   |         | Lending                    | Credit loss allowance held | Lending                    | Credit loss allowance held |
| Rupees in '000  |         |                            |                            |                            |                            |
| <b>9.2 Lendings to FIs - Particulars of credit loss allowance</b> |         |                            |                            |                            |                            |
| Performing  | Stage 1 | 4,162,387                  | 726                        | 5,571,000                  | 2                          |
| Under performing  | Stage 2 | -                          | -                          | -                          | -                          |
| Non-performing  | Stage 3 | -                          | -                          | -                          | -                          |
| Substandard   |         | -                          | -                          | -                          | -                          |
| Doubtful  |         | -                          | -                          | -                          | -                          |
| Loss  |         | -                          | -                          | -                          | -                          |
| Total   |         | 4,162,387                  | 726                        | 5,571,000                  | 2                          |

**9.3** These foreign currency lendings carry mark-up rates ranging from 6.25% to 7.25% (31 December 2024: 7.00% to 7.85%) per annum and are due to mature latest by 18 August 2025 (31 December 2024: 18 February 2025).

## 10. INVESTMENTS

### 10.1 Investments by type

|                                    | 31 March 2025 (Un-Audited)  |                          |                        |                   | 31 December 2024 (Audited)  |                          |                        |                   |
|------------------------------------|-----------------------------|--------------------------|------------------------|-------------------|-----------------------------|--------------------------|------------------------|-------------------|
|                                    | Cost /<br>amortised<br>cost | Credit loss<br>allowance | Surplus /<br>(deficit) | Carrying<br>value | Cost /<br>amortised<br>cost | Credit loss<br>allowance | Surplus /<br>(deficit) | Carrying<br>value |
| Rupees in '000                     |                             |                          |                        |                   |                             |                          |                        |                   |
| <b>FVTPL</b>                       |                             |                          |                        |                   |                             |                          |                        |                   |
| Federal government securities      | 47,531,443                  | -                        | (104,365)              | 47,427,078        | 42,055,433                  | -                        | (10,052)               | 42,045,381        |
| Non-government debt securities     | 1,997,589                   | -                        | (3,771)                | 1,993,818         | 1,997,589                   | -                        | (9,249)                | 1,988,340         |
| Mutual funds                       | -                           | -                        | -                      | -                 | 2,700,000                   | -                        | 85,219                 | 2,785,219         |
| Real estate investment trust units | 1,814,314                   | -                        | 1,311,577              | 3,125,891         | 1,814,314                   | -                        | 1,254,365              | 3,068,679         |
|                                    | 51,343,346                  | -                        | 1,203,441              | 52,546,787        | 48,567,336                  | -                        | 1,320,283              | 49,887,619        |
| <b>FVOCI</b>                       |                             |                          |                        |                   |                             |                          |                        |                   |
| Federal government securities      | 585,365,529                 | -                        | 9,344,059              | 594,709,588       | 642,446,225                 | -                        | 12,480,359             | 654,926,584       |
| Shares                             | 6,346,785                   | -                        | 3,303,390              | 9,650,175         | 5,287,950                   | -                        | 3,748,056              | 9,036,006         |
| Non-government debt securities     | 9,823,189                   | (425,977)                | (410,357)              | 8,986,855         | 9,767,355                   | (426,154)                | (354,523)              | 8,986,678         |
|                                    | 601,535,503                 | (425,977)                | 12,237,092             | 613,346,618       | 657,501,530                 | (426,154)                | 15,873,892             | 672,949,268       |
| <b>Amortised Cost</b>              |                             |                          |                        |                   |                             |                          |                        |                   |
| Federal government securities      | 83,823,385                  | -                        | -                      | 83,823,385        | 83,208,565                  | -                        | -                      | 83,208,565        |
| Non-government debt securities     | 3,500,000                   | (50)                     | -                      | 3,499,950         | 3,000,000                   | (52)                     | -                      | 2,999,948         |
|                                    | 87,323,385                  | (50)                     | -                      | 87,323,335        | 86,208,565                  | (52)                     | -                      | 86,208,513        |
|                                    | 1,830,000                   | -                        | -                      | 1,830,000         | 1,830,000                   | -                        | -                      | 1,830,000         |
| <b>Subsidiaries</b>                |                             |                          |                        |                   |                             |                          |                        |                   |
| <b>Total investments</b>           | 742,032,234                 | (426,027)                | 13,440,533             | 755,046,740       | 794,107,431                 | (426,206)                | 17,194,175             | 810,875,400       |



| 31 March<br>2025<br>(Un-Audited) | 31 December<br>2024<br>(Audited) |
|----------------------------------|----------------------------------|
| Rupees in '000                   |                                  |

## 10.1.1 Investments given as collateral against repo borrowings

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

### Federal government securities

|                           |                    |                    |
|---------------------------|--------------------|--------------------|
| Market treasury bills     | 23,475,243         | 34,402,365         |
| Pakistan investment bonds | 205,348,279        | 191,534,393        |
|                           | <b>228,823,522</b> | <b>225,936,758</b> |

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

|  |                |                |
|--|----------------|----------------|
| Opening balance                                  | 426,206        | 307,290        |
| Impact of reclassification on adoption of IFRS 9 | -              | (219,607)      |
| Impact of ECL recognised on adoption of IFRS 9   | -              | 578            |
| Charge for the period / year                     | -              | 337,945        |
| Reversal for the period / year                   | (179)          | -              |
| Net (reversal) / charge for the period / year    | (179)          | 337,945        |
| Reversal on disposal                             | -              | -              |
| Investment written off                           | -              | -              |
| Closing balance                                  | <b>426,027</b> | <b>426,206</b> |

## 10.3 Particulars of credit loss allowance against debt securities

|                                   |         | 31 March 2025 (Un-Audited) |                            | 31 December 2024 (Audited) |                            |
|-----------------------------------|---------|----------------------------|----------------------------|----------------------------|----------------------------|
|                                   |         | Outstanding amount         | Credit loss allowance held | Outstanding amount         | Credit loss allowance held |
| Rupees in '000                    |         |                            |                            |                            |                            |
| <b>Category of classification</b> |         |                            |                            |                            |                            |
| Performing                        | Stage 1 | 6,500,000                  | 2,666                      | 6,000,000                  | 2,843                      |
| Underperforming                   | Stage 2 | -                          | -                          | -                          | -                          |
| Non-performing                    | Stage 3 | -                          | -                          | -                          | -                          |
| Substandard                       |         | -                          | -                          | -                          | -                          |
| Doubtful                          |         | -                          | -                          | -                          | -                          |
| Loss                              |         | 423,361                    | 423,361                    | 423,363                    | 423,363                    |
|                                   |         | 423,361                    | 423,361                    | 423,363                    | 423,363                    |
| Total                             |         | <b>6,923,361</b>           | <b>426,027</b>             | <b>6,423,363</b>           | <b>426,206</b>             |

## 10.4 Investment in subsidiaries - incorporated in Pakistan

| 31 March 2025 (Un-Audited)                                       |                          |         |            |             |           |                           |   |
|--|--------------------------|---------|------------|-------------|-----------|---------------------------|---|
|  | Country of Incorporation | Holding | Assets     | Liabilities | Revenue   | Profit / (loss) after tax | Total Comprehensive income for the period |
| Rupees in '000   |                          |         |            |             |           |                           |   |
| <b>Subsidiaries</b>  |                          |         |            |             |           |                           |   |
| Habib Metropolitan Financial Services Limited                    | Pakistan                 | 100%    | 552,937    | 230,672     | 29,057    | (7,709)                   | (12,535)                                  |
| Habib Metropolitan Modaraba Management Company (Private) Limited | Pakistan                 | 100%    | 877,007    | 15,312      | 31,318    | 19,860                    | 35,155                                    |
| First Habib Modaraba (FHM)                                       | Pakistan                 | 5.43%   | 32,736,963 | 26,797,446  | 1,090,763 | 244,508                   | 256,565                                   |
| HabibMetro Exchange Services Limited                             | Pakistan                 | 100%    | 1,036,888  | 35,415      | 30,190    | (17,137)                  | (17,137)                                  |
| 31 December 2024 (Audited)                                       |                          |         |            |             |           |                           |   |
|  | Country of Incorporation | Holding | Assets     | Liabilities | Revenue   | Profit / (loss) after tax | Total Comprehensive income for the year   |
| Rupees in '000   |                          |         |            |             |           |                           |   |
| <b>Subsidiaries</b>  |                          |         |            |             |           |                           |   |
| Habib Metropolitan Financial Services Limited                    | Pakistan                 | 100%    | 600,488    | 265,997     | 99,516    | (4,200)                   | 24,774                                    |
| Habib Metropolitan Modaraba Management Company (Private) Limited | Pakistan                 | 100%    | 843,479    | 17,956      | 168,034   | 128,620                   | 184,084                                   |
| First Habib Modaraba (FHM)                                       | Pakistan                 | 5.43%   | 30,500,563 | 24,773,681  | 5,430,581 | 972,084                   | 1,001,161                                 |
| HabibMetro Exchange Services Limited                             | Pakistan                 | 100%    | 1,054,315  | 35,038      | 166,594   | 19,277                    | 19,277                                    |

**10.5** The market value of federal government securities classified as amortised cost is Rs. 86,300,508 thousand (31 December 2024: 85,407,793 thousand).

## 11. ADVANCES

|   | Performing                 |                            | Non Performing             |                            | Total                      |                            |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|   | 31 March 2025 (Un-Audited) | 31 December 2024 (Audited) | 31 March 2025 (Un-Audited) | 31 December 2024 (Audited) | 31 March 2025 (Un-Audited) | 31 December 2024 (Audited) |
| Rupees in '000                              |                            |                            |                            |                            |                            |                            |
| Loans, cash credits, running finances, etc. | 358,718,531                | 329,647,770                | 19,521,310                 | 19,153,873                 | 378,239,841                | 348,801,643                |
| Islamic financing and related assets        | 184,279,689                | 92,867,464                 | 3,097,689                  | 3,139,699                  | 187,377,378                | 96,007,163                 |
| Bills discounted and purchased              | 62,088,781                 | 56,120,236                 | 2,667,666                  | 2,873,698                  | 64,756,447                 | 58,993,934                 |
| Advances - gross                            | 605,087,001                | 478,635,470                | 25,286,665                 | 25,167,270                 | 630,373,666                | 503,802,740                |
| Credit loss allowance against advances      |                            |                            |                            |                            |                            |                            |
| Stage 1                                     | (794,249)                  | (853,418)                  | —                          | —                          | (794,249)                  | (853,418)                  |
| Stage 2                                     | (4,172,016)                | (4,527,310)                | —                          | —                          | (4,172,016)                | (4,527,310)                |
| Stage 3                                     | —                          | —                          | (25,137,330)               | (24,121,428)               | (25,137,330)               | (24,121,428)               |
|   | (4,966,265)                | (5,380,728)                | (25,137,330)               | (24,121,428)               | (30,103,595)               | (29,502,156)               |
| Advances - net of credit loss allowance     | 600,120,736                | 473,254,742                | 149,335                    | 1,045,842                  | 600,270,071                | 474,300,584                |

## 11.1 Particulars of advances - gross

|                       | 31 March<br>2025<br>(Un-Audited) | 31 December<br>2024<br>(Audited) |
|-----------------------|----------------------------------|----------------------------------|
|                       | Rupees in '000                   |                                  |
| In local currency     | 519,818,208                      | 386,583,391                      |
| In foreign currencies | 110,555,458                      | 117,219,349                      |
|                       | <u>630,373,666</u>               | <u>503,802,740</u>               |

**11.2** Advances include Rs. 25,286,665 thousand (31 December 2024: Rs. 25,167,270 thousand) which have been placed under non-performing / Stage 3 status as detailed below:

|                                   | 31 March 2025 (Un-Audited) |                       | 31 December 2024 (Audited) |                       |
|-----------------------------------|----------------------------|-----------------------|----------------------------|-----------------------|
|                                   | Non-performing loans       | Credit loss allowance | Non-performing loans       | Credit loss allowance |
|                                   | Rupees in '000             |                       |                            |                       |
| <b>Category of classification</b> |                            |                       |                            |                       |
| <b>Domestic</b>                   |                            |                       |                            |                       |
| Other asset especially mentioned  | -                          | -                     | -                          | -                     |
| Substandard                       | 3,559                      | -                     | 475,602                    | 270,348               |
| Doubtful                          | -                          | -                     | 1,901,249                  | 1,190,825             |
| Loss                              | 25,283,106                 | 25,137,330            | 22,790,419                 | 22,660,255            |
|                                   | <u>25,286,665</u>          | <u>25,137,330</u>     | <u>25,167,270</u>          | <u>24,121,428</u>     |

## 11.3 Particulars of credit loss allowance against advances

|   | 31 March 2025 (Unaudited) |                  |                   | 31 December 2024 (Audited) |                  |             |                   |
|---|---------------------------|------------------|-------------------|----------------------------|------------------|-------------|-------------------|
|   | Stage 3                   | Stage 1 & 2      | Total             | Specific/Stage 3           | Stage 1 & 2      | General     | Total             |
|   | Rupees in '000            |                  |                   |                            |                  |             |                   |
| Opening balance                                   | 24,121,428                | 5,380,728        | 29,502,156        | 19,273,580                 | -                | 7,325,642   | 26,599,222        |
| Impact of adoption of IFRS 9 as of 1 January 2024 | -                         | -                | -                 | 494,694                    | 4,282,512        | (5,963,784) | (1,186,578)       |
| Charge for the period / year                      | 1,223,285                 | 737,174          | 1,960,459         | 5,817,144                  | 3,636,187        | -           | 9,453,331         |
| Reversals for the period / year                   | (207,383)                 | (1,151,637)      | (1,359,020)       | (1,439,152)                | (2,537,971)      | (1,361,858) | (5,338,981)       |
| Net charge for the period / year                  | 1,015,902                 | (414,463)        | 601,439           | 4,377,992                  | 1,098,216        | (1,361,858) | 4,114,350         |
| Amount written off                                | -                         | -                | -                 | (24,838)                   | -                | -           | (24,838)          |
| Closing balance                                   | <u>25,137,330</u>         | <u>4,966,265</u> | <u>30,103,595</u> | <u>24,121,428</u>          | <u>5,380,728</u> | <u>-</u>    | <u>29,502,156</u> |

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

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

## 11.5 Advances - Particulars of credit loss allowance

|                                   | 31 March 2025 (Un-Audited) |           |            | 31 December 2024 (Audited) |           |             |
|-----------------------------------|----------------------------|-----------|------------|----------------------------|-----------|-------------|
|                                   | Stage 1                    | Stage 2   | Stage 3    | Stage 1                    | Stage 2   | Stage 3     |
|                                   | Rupees in '000             |           |            |                            |           |             |
| <b>11.5.1</b> Opening balance     | 853,418                    | 4,527,310 | 24,121,428 | –                          | –         | –           |
| Impact of adoption of IFRS 9      | –                          | –         | –          | 2,227,772                  | 2,054,740 | 19,768,274  |
| New advances                      | 150,067                    | 560,862   | 897,835    | 236,843                    | 3,037,877 | 271,322     |
| Advances derecognised or repaid   | (182,702)                  | (910,747) | (207,383)  | (1,292,683)                | (524,860) | (1,413,187) |
| Transfer to stage 1               | –                          | –         | –          | 10,281                     | (10,281)  | –           |
| Transfer to stage 2               | (26,244)                   | 26,244    | –          | (325,222)                  | 351,186   | (25,964)    |
| Transfer to stage 3               | (290)                      | (31,653)  | 31,943     | (3,573)                    | (384,947) | 388,520     |
|                                   | (59,169)                   | (355,294) | 722,395    | (1,374,354)                | 2,468,975 | (779,309)   |
| Amounts written off / charged off | –                          | –         | –          | –                          | –         | (24,838)    |
| Changes in risk parameters        | –                          | –         | 293,507    | –                          | 3,595     | 5,157,301   |
| Closing balance                   | 794,249                    | 4,172,016 | 25,137,330 | 853,418                    | 4,527,310 | 24,121,428  |

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

## 11.5.2 Advances - Category of classification

### Domestic

|                                   |         |             |            |             |            |
|-----------------------------------|---------|-------------|------------|-------------|------------|
| Performing                        | Stage 1 | 516,823,451 | 794,249    | 413,742,038 | 853,418    |
| Underperforming                   | Stage 2 | 88,263,550  | 4,172,016  | 64,893,432  | 4,527,310  |
| Non-Performing                    | Stage 3 | –           | –          | –           | –          |
| Other assets especially mentioned |         | –           | –          | –           | –          |
| Substandard                       |         | 3,559       | –          | 475,602     | 270,348    |
| Doubtful                          |         | –           | –          | 1,901,249   | 1,190,825  |
| Loss                              |         | 25,283,106  | 25,137,330 | 22,790,419  | 22,660,255 |
|                                   |         | 25,286,665  | 25,137,330 | 25,167,270  | 24,121,428 |
| Total                             |         | 630,373,666 | 30,103,595 | 503,802,740 | 29,502,156 |

Note  
**31 March 2025**  
(Un-Audited)  
31 December 2024  
(Audited)

Rupees in '000

## 12. PROPERTY AND EQUIPMENT

|                          |      |            |            |
|--------------------------|------|------------|------------|
| Capital work-in-progress | 12.1 | 604,956    | 646,639    |
| Property and equipment   |      | 16,352,873 | 16,399,488 |
|                          |      | 16,957,829 | 17,046,127 |

### 12.1 Capital work-in-progress

|                      |        |         |         |
|----------------------|--------|---------|---------|
| Civil works          |        | 365,669 | 265,241 |
| Advance to suppliers | 12.1.1 | 239,287 | 381,398 |
|                      |        | 604,956 | 646,639 |

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

31 March 2025 31 March 2024

(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 / (transfer to property and equipment) - net

(41,683)

83,841

### Property and equipment

Furniture and fixture

48,338

43,468

Electrical, office and computer equipment

503,027

834,739

Vehicles

4,479

13,523

Lease hold improvements

66,705

106,765

622,549

998,495

Total

580,866

1,082,336

## 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

42

244

Electrical, office and computer equipment

396

384

Vehicles

8,118

4,704

Total

8,556

5,332

31 March 2025

31 December 2024

(Un-Audited)

(Audited)

Rupees in '000

## 13. RIGHT-OF-USE ASSETS

Cost

13,419,612

12,452,599

Accumulated Depreciation

(4,811,230)

(4,851,146)

Net Carrying amount at January 1

8,608,382

7,601,453

Additions during the period / year

268,047

2,625,820

Termination / maturities during the period / year - Cost

(39,276)

(1,658,807)

Termination / maturities during the period / year - Accumulated Depreciation

39,276

1,582,770

Depreciation Charge for the period / year

(382,700)

(1,542,854)

Closing carrying amount as at the end of the period / year

8,493,729

8,608,382

## 14. INTANGIBLE ASSETS

Computer Software

428,431

496,214

31 March 2025

31 March 2024

(Un-Audited)

Rupees in '000

### 14.1 Additions to intangible assets

Directly purchased - computer software

-

54,185

|  | Note | 31 March<br>2025<br>(Un-Audited) | 31 December<br>2024<br>(Audited) |
|--|------|----------------------------------|----------------------------------|
| ————— Rupees in '000 —————   |      |                                  |                                  |
| <b>15. OTHER ASSETS</b>  |      |                                  |                                  |
| Income / mark-up / profit accrued in local<br>currency - net                       |      | <b>39,739,302</b>                | 29,923,592                       |
| Income / mark-up / profit accrued in foreign<br>currencies - net                   |      | <b>476,781</b>                   | 397,849                          |
| Advances, deposits, advance rent and other prepayments                             |      | <b>995,078</b>                   | 846,260                          |
| Dividend receivable  |      | <b>5,843</b>                     | —                                |
| Non-banking assets acquired in satisfaction of claim                               |      | <b>2,204,729</b>                 | 2,204,729                        |
| Mark-to-market gain on forward foreign exchange contracts                          |      | <b>1,671,610</b>                 | 3,974,963                        |
| Acceptances  |      | <b>46,225,101</b>                | 42,480,848                       |
| Receivable from the SBP against encashment of<br>government securities             |      | <b>8,341</b>                     | 23,182                           |
| Stationery and stamps on hand  |      | <b>369,388</b>                   | 339,127                          |
| Receivable from 1Link  |      | —                                | 2,183,238                        |
| Deferred cost on staff loans   |      | <b>5,906,329</b>                 | 4,857,532                        |
| Others   |      | <b>3,556,856</b>                 | 1,072,258                        |
|  |      | <b>101,159,358</b>               | 88,303,578                       |
| Credit loss allowance / provision held against other assets                        | 15.1 | <b>(487,722)</b>                 | (412,982)                        |
| Other Assets (Net of credit loss allowance)  |      | <b>100,671,636</b>               | 87,890,596                       |
| Surplus on revaluation of non-banking assets acquired<br>in satisfaction of claims |      | <b>2,095,111</b>                 | 2,095,111                        |
| Other assets - Total   |      | <b>102,766,747</b>               | 89,985,707                       |
| <b>15.1 Credit loss allowance held against other assets</b>                        |      |                                  |                                  |
| Claims receivable against fraud and forgeries                                      |      | <b>394,816</b>                   | 394,816                          |
| Acceptances  |      | <b>92,906</b>                    | 18,166                           |
|  |      | <b>487,722</b>                   | 412,982                          |
| <b>15.1.1 Movement in Credit loss allowance held<br/>against other assets</b>      |      |                                  |                                  |
| Opening balance  |      | <b>412,982</b>                   | 375,000                          |
| Impact of adoption of IFRS 9   |      | —                                | 88,854                           |
| Charge for the period / year   |      | <b>74,740</b>                    | 19,816                           |
| Reversal for the period / year   |      | —                                | (70,688)                         |
| Net charge / (reversal) for the period / year                                      |      | <b>74,740</b>                    | (50,872)                         |
| Closing balance  |      | <b>487,722</b>                   | 412,982                          |

|   | 31 March<br>2025<br>(Un-Audited) | 31 December<br>2024<br>(Audited) |
|---|----------------------------------|----------------------------------|
|   | Rupees in '000                   |                                  |
| <b>16. BILLS PAYABLE</b>  |                                  |                                  |
| In Pakistan   | 21,556,438                       | 28,378,790                       |
| Outside Pakistan  | 99,019                           | 100,032                          |
|   | <b>21,655,457</b>                | <b>28,478,822</b>                |
| <b>17. BORROWINGS</b>   |                                  |                                  |
| <b>Secured</b>  |                                  |                                  |
| Borrowings from the State Bank of Pakistan under:                         |                                  |                                  |
| Export refinance scheme   | 60,874,588                       | 59,242,166                       |
| Long term financing facility - renewable energy scheme                    | 2,077,827                        | 2,177,048                        |
| Long term financing facility  | 14,579,102                       | 15,438,369                       |
| Temporary economic refinance facility                                     | 18,925,029                       | 19,682,235                       |
| Long term financing facility - for storage of agricultural produce scheme | 788,266                          | 750,064                          |
| Refinance facility for modernization of SME                               | 191,688                          | 219,918                          |
| Refinance facility for combating COVID-19                                 | 16,103                           | 18,881                           |
| Refinance and credit guarantee scheme for women entrepreneurs             | 57,424                           | 59,816                           |
|   | <b>97,510,027</b>                | <b>97,588,497</b>                |
| Repurchase agreement borrowings (Repo) - secured                          | 228,776,008                      | 225,809,401                      |
| <b>Total secured</b>  | <b>326,286,035</b>               | <b>323,397,898</b>               |
| <b>Unsecured</b>  |                                  |                                  |
| Call borrowing  | —                                | 100,000                          |
| Overdrawn nostro accounts   | 12,953,537                       | 6,512,870                        |
| <b>Total unsecured</b>  | <b>12,953,537</b>                | <b>6,612,870</b>                 |
| <b>Total Borrowings</b>   | <b>339,239,572</b>               | <b>330,010,768</b>               |

## 18. DEPOSITS AND OTHER ACCOUNTS

|                               | 31 March 2025 (Un-Audited) |                          |                      | 31 December 2024 (Audited) |                          |                    |
|-------------------------------|----------------------------|--------------------------|----------------------|----------------------------|--------------------------|--------------------|
|                               | In local<br>currency       | In foreign<br>currencies | Total                | In local<br>currency       | In foreign<br>currencies | Total              |
|                               | Rupees in '000             |                          |                      |                            |                          |                    |
| <b>Customers</b>              |                            |                          |                      |                            |                          |                    |
| Current deposits              | 327,740,441                | 64,637,814               | 392,378,255          | 335,607,455                | 64,648,144               | 400,255,599        |
| Savings deposits              | 325,837,396                | 15,816,143               | 341,653,539          | 293,241,677                | 16,914,294               | 310,155,971        |
| Term deposits                 | 98,718,913                 | 80,265,317               | 178,984,230          | 120,938,951                | 47,383,383               | 168,322,334        |
| Others                        | 37,562,166                 | 80,709                   | 37,642,875           | 29,656,415                 | 240,192                  | 29,896,607         |
|                               | <b>789,858,916</b>         | <b>160,799,983</b>       | <b>950,658,899</b>   | <b>779,444,498</b>         | <b>129,186,013</b>       | <b>908,630,511</b> |
| <b>Financial institutions</b> |                            |                          |                      |                            |                          |                    |
| Current deposits              | 7,062,131                  | 1,098,779                | 8,160,910            | 3,150,604                  | 1,510,900                | 4,661,504          |
| Savings deposits              | 51,219,043                 | —                        | 51,219,043           | 12,587,401                 | —                        | 12,587,401         |
| Term deposits                 | 1,184,648                  | 22,602                   | 1,207,250            | 1,230,888                  | 22,473                   | 1,253,361          |
| Others                        | —                          | —                        | —                    | —                          | —                        | —                  |
|                               | <b>59,465,822</b>          | <b>1,121,381</b>         | <b>60,587,203</b>    | <b>16,968,893</b>          | <b>1,533,373</b>         | <b>18,502,266</b>  |
|                               | <b>849,324,738</b>         | <b>161,921,364</b>       | <b>1,011,246,102</b> | <b>796,413,391</b>         | <b>130,719,386</b>       | <b>927,132,777</b> |

|   | 31 March<br>2025<br>(Un-Audited) | 31 December<br>2024<br>(Audited) |
|---|----------------------------------|----------------------------------|
|   | Rupees in '000                   |                                  |
| <b>19. LEASE LIABILITIES</b>            |                                  |                                  |
| Opening Balance                         | 10,463,713                       | 9,051,378                        |
| Addition during the period / year       | 268,047                          | 2,625,820                        |
| Deletion during the period / year       | —                                | (97,017)                         |
| Lease payments including interest       | (594,886)                        | (2,315,877)                      |
| Interest expense                        | 310,234                          | 1,199,409                        |
| Closing balance                         | 10,447,108                       | 10,463,713                       |
| <b>19.1. Liabilities Outstanding</b>    |                                  |                                  |
| Not later than one year                 | 1,114,585                        | 1,045,765                        |
| Later than one year and upto five years | 5,257,060                        | 5,172,701                        |
| Over five years                         | 4,075,463                        | 4,245,247                        |
| Total as at the period / year end       | 10,447,108                       | 10,463,713                       |

Aggregate 12.35% (31 December 2024: 12.38%) is used as discounting factor for the calculation of lease liability.

|  | 31 March<br>2025<br>(Un-Audited) | 31 December<br>2024<br>(Audited) |
|--|----------------------------------|----------------------------------|
|  | Rupees in '000                   |                                  |
| <b>20. DEFERRED TAX LIABILITIES / (ASSETS)</b>                 |                                  |                                  |
| <b>Deductible temporary differences on</b>                     |                                  |                                  |
| - Credit loss allowance for diminution in value of investments | (221,534)                        | (225,889)                        |
| - Credit loss allowance against advances                       | (3,712,143)                      | (5,629,063)                      |
| - Credit loss allowance - Others                               | (476,872)                        | (419,319)                        |
| - Accelerated tax depreciation                                 | (456,213)                        | (404,683)                        |
| - Deferred liability on defined benefit plan                   | (66,091)                         | (31,024)                         |
| - (Deficit) / surplus on revaluation of investments            | 6,363,288                        | 8,413,163                        |
|  | 1,430,435                        | 1,703,185                        |
| <b>Taxable temporary differences on</b>                        |                                  |                                  |
| Surplus on revaluation of:                                     |                                  |                                  |
| - Property and equipment                                       | 1,307,236                        | 1,373,992                        |
| - Non-banking assets   | —                                | —                                |
|  | 1,307,236                        | 1,373,992                        |
|  | 2,737,671                        | 3,077,177                        |



|   | Note | 31 March<br>2024<br>(Un-Audited) | 31 December<br>2024<br>(Audited) |
|---|------|----------------------------------|----------------------------------|
|   |      | Rupees in '000                   |                                  |
| <b>21. OTHER LIABILITIES</b>                                |      |                                  |                                  |
| Mark-up / return / interest payable in local currency       |      | 13,766,244                       | 15,426,508                       |
| Mark-up / return / interest payable in foreign currencies   |      | 689,399                          | 973,600                          |
| Unearned commission and income on bills discounted          |      | 1,077,867                        | 1,016,338                        |
| Accrued expenses  |      | 2,731,809                        | 2,743,998                        |
| Current taxation (provision less payments)                  |      | 724,841                          | 6,221,510                        |
| Acceptances   |      | 46,225,101                       | 42,480,848                       |
| Unclaimed dividend  |      | 84,903                           | 184,922                          |
| Branch adjustment account                                   |      | 11,970                           | 8,944                            |
| Mark-to-market loss on forward foreign exchange contracts   |      | 1,789,153                        | 3,275,493                        |
| Provision for compensated absences                          |      | 370,693                          | 356,893                          |
| Deferred liability on defined benefit plan                  |      | 254,198                          | 117,071                          |
| Credit loss allowance against off-balance sheet obligations | 21.1 | 296,816                          | 353,883                          |
| Workers' welfare fund                                       | 21.2 | 5,155,850                        | 4,895,001                        |
| Charity fund  |      | 1,444                            | 458                              |
| Excise duty payable   |      | 2,257                            | 2,920                            |
| Locker deposits   |      | 977,194                          | 965,722                          |
| Advance against diminishing musharaka                       |      | 357,693                          | 7,693                            |
| Advance rental for ijarah                                   |      | 23,226                           | 19,695                           |
| Security deposits against leases / ijarah                   |      | 189,827                          | 197,598                          |
| Sundry creditors  |      | 4,418,046                        | 4,011,907                        |
| Withholding tax / duties                                    |      | 1,038,770                        | 1,496,718                        |
| Deferred grant income                                       |      | 132,116                          | 147,275                          |
| Others  |      | 6,650,068                        | 1,033,713                        |
|   |      | 86,969,485                       | 85,938,708                       |

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

|                                    |                 |           |
|------------------------------------|-----------------|-----------|
| Opening balance                    | <b>353,883</b>  | 32,583    |
| Impact of adoption of IFRS 9       | —               | 519,290   |
| Charge for the period / year       | —               | —         |
| Reversal for the period / year     | <b>(57,067)</b> | (197,990) |
| Net reversal for the period / year | <b>(57,067)</b> | (197,990) |
| Closing balance                    | <b>296,816</b>  | 353,883   |

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

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

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

|  | Note   | 31 March<br>2025<br>(Un-Audited) | 31 December<br>2024<br>(Audited) |
|--|--------|----------------------------------|----------------------------------|
| Rupees in '000   |        |                                  |                                  |
| <b>22. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS - NET OF TAX</b> |        |                                  |                                  |
| Surplus / (deficit) on revaluation of:                               |        |                                  |                                  |
| - Securities measured at FVOCI-Debt                                  | 10.1   | 8,933,702                        | 12,125,836                       |
| - Securities measured at FVOCI-Equity                                | 10.1   | 3,303,390                        | 3,748,056                        |
| - Property and Equipment   |        | 6,073,314                        | 6,151,836                        |
| - Non-banking assets acquired in satisfaction of claims              |        | 2,095,111                        | 2,095,111                        |
|  |        | 20,405,517                       | 24,120,839                       |
| Less: Deferred tax on surplus / (deficit) on revaluation of:         |        |                                  |                                  |
| - Securities measured at FVOCI-Debt                                  |        | 4,645,525                        | 6,426,693                        |
| - Securities measured at FVOCI-Equity                                |        | 1,717,763                        | 1,986,470                        |
| - Property and Equipment   |        | 1,307,236                        | 1,373,992                        |
| - Non-banking assets acquired in satisfaction of claims              |        | -                                | -                                |
|  |        | (7,670,524)                      | (9,787,155)                      |
|  |        | 12,734,993                       | 14,333,684                       |
| <b>23. CONTINGENCIES AND COMMITMENTS</b>                             |        |                                  |                                  |
| Guarantees   | 23.1   | 156,426,329                      | 152,625,779                      |
| Commitments  | 23.2   | 891,348,983                      | 778,364,854                      |
| Other contingent liabilities   | 23.3   | 2,986,394                        | 2,986,394                        |
|  |        | 1,050,761,706                    | 933,977,027                      |
| <b>23.1 Guarantees</b>   |        |                                  |                                  |
| Financial guarantees   |        | 33,415,581                       | 33,303,405                       |
| Performance guarantees   |        | 55,952,831                       | 55,070,186                       |
| Other guarantees   |        | 67,057,917                       | 64,252,188                       |
|  |        | 156,426,329                      | 152,625,779                      |
| <b>23.2 Commitments</b>  |        |                                  |                                  |
| Documentary credits and short-term trade-related transactions:       |        |                                  |                                  |
| Letters of credit  |        | 266,748,699                      | 229,691,020                      |
| Commitments in respect of:   |        |                                  |                                  |
| Forward foreign exchange contracts                                   | 23.2.1 | 623,410,267                      | 547,663,058                      |
| Forward lendings   | 23.2.2 | 441,500                          | 388,000                          |
| Commitments for:   |        |                                  |                                  |
| Acquisition of property and equipment                                |        | 748,517                          | 622,776                          |
|  |        | 891,348,983                      | 778,364,854                      |

|  | <b>31 March<br/>2025</b><br>(Un-Audited) | 31 December<br>2024<br>(Audited) |
|--|--|----------------------------------|
|  | Rupees in '000                           |                                  |
| <b>23.2.1 Commitments in respect of forward foreign exchange contracts</b> |  |                                  |
| Purchase   | <b>323,624,664</b>                       | 260,615,930                      |
| Sale   | <b>299,785,603</b>                       | 287,047,128                      |
|  | <b>623,410,267</b>                       | 547,663,058                      |

### 23.2.2 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 | <b>31 March<br/>2025</b><br>(Un-Audited) | 31 December<br>2024<br>(Audited) |
|---|------|--|----------------------------------|
|   |      | Rupees in '000                           |                                  |
| Commitments in respect of syndicate financing |      | <b>441,500</b>                           | 388,000                          |

### 23.3 Other contingent liabilities

|  |        |                  |           |
|--|--------|------------------|-----------|
| Claims against bank not acknowledged as debt | 23.3.1 | <b>2,880,338</b> | 2,880,338 |
| Foreign Exchange repatriation case           | 23.3.2 | <b>106,056</b>   | 106,056   |
|  |        | <b>2,986,394</b> | 2,986,394 |

**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.

### 23.3.2 Foreign exchange repatriation case

While adjudicating foreign exchange repatriation cases of exporters, the Foreign Exchange Adjudicating Court of the State Bank of Pakistan has adjudicated penalty of Rs.106.056 million, arbitrarily on the Bank. The Bank had filed appeal before the Appellate Board and Constitutional Petitions in the Honorable High Court of Sindh against the said judgment. The Honorable High Court has dismissed the matter. Subsequently, the Bank has filed counter appeal with the Supreme Court of Pakistan.

## 24. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

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

## 24.1 Product Analysis

| Product Analysis |                    | Forward foreign exchange contracts |                    |                              |  |
|------------------|--------------------|------------------------------------|--------------------|------------------------------|--|
|                  |                    | 31 March 2025 (Un-Audited)         |                    | 31 December 2024 (Audited)   |  |
| Counter Parties  | Notional Principal | Mark to Market Gain / (Loss)       | Notional Principal | Mark to Market Gain / (Loss) |  |
|                  | Rupees in '000     |                                    |                    |                              |  |
| Banks            |                    |                                    |                    |                              |  |
| Hedging          | 495,910,634        | (437,475)                          | 435,802,474        | 2,193,620                    |  |
| Other Entities   |                    |                                    |                    |                              |  |
| Hedging          | 127,499,633        | 319,932                            | 111,860,584        | (1,494,150)                  |  |
| Total            |                    |                                    |                    |                              |  |
| Hedging          | 623,410,267        | (117,543)                          | 547,663,058        | 699,470                      |  |

Note 31 March 2025 (Un-Audited) 31 March 2024  
Rupees in '000

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

|                                     |      |            |            |
|-------------------------------------|------|------------|------------|
| Loans and advances                  | 25.1 | 14,567,862 | 17,918,159 |
| Investments                         |      | 26,099,354 | 40,255,390 |
| Lending with financial institutions |      | 1,087,683  | 731,926    |
| Balances with banks                 |      | 470        | 1,362      |
|                                     |      | 41,755,369 | 58,906,837 |

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

|   |            |            |
|---|------------|------------|
| Financial assets measured at amortised cost         | 2,647,055  | 3,508,938  |
| Financial assets measured at fair value through P&L | 1,778,786  | 610,318    |
| Financial assets measured at fair value through OCI | 21,673,513 | 36,136,134 |
|   | 26,099,354 | 40,255,390 |

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

|   |            |            |
|---|------------|------------|
| Deposits  | 13,756,148 | 29,712,650 |
| Borrowings  | 9,310,675  | 11,192,597 |
| Cost of foreign currency swaps against foreign currency deposits / borrowings | 743,885    | 1,378,525  |
| Lease liability against right-of-use assets                                   | 310,234    | 278,205    |
|   | 24,120,942 | 42,561,977 |

## 27. FEE & COMMISSION INCOME

|  |           |           |
|--|-----------|-----------|
| Branch banking customer fees                         | 361,561   | 317,382   |
| Credit related fees                                  | 11,661    | 12,204    |
| Card related fees                                    | 312,513   | 275,289   |
| Commission on trade                                  | 1,681,274 | 1,524,172 |
| Commission on guarantees                             | 304,504   | 237,568   |
| Commission on remittances including home remittances | 33,797    | 12,518    |
| Commission on bancassurance                          | 43,531    | 40,461    |
| Commission on cash management                        | 48,355    | 41,495    |
| Investment Banking Fee                               | 14,973    | 84        |
| Others   | 14,091    | 5,097     |
|  | 2,826,260 | 2,466,270 |

|  | Note | 31 March<br>2025<br>(Un-Audited) | 31 March<br>2024<br>(Un-Audited) |
|--|------|----------------------------------|----------------------------------|
|  |      | Rupees in '000                   |                                  |
| <b>28. GAIN / (LOSS) ON SECURITIES - NET</b>                                       |      |                                  |                                  |
| Realised   | 28.1 | <b>281,369</b>                   | (311,303)                        |
| Unrealised - Measured at FVTPL   |      | <b>(34,218)</b>                  | 42,575                           |
|  |      | <b>247,151</b>                   | <b>(268,728)</b>                 |
| <b>28.1 Realised gain / (loss) on:</b>   |      |                                  |                                  |
| Federal government securities - net  |      | <b>183,394</b>                   | (311,303)                        |
| Real estate investment trust - net   |      | <b>97,975</b>                    | -                                |
|  |      | <b>281,369</b>                   | <b>(311,303)</b>                 |
| <b>28.2 Net gain / (loss) on financial assets / liabilities measured at FVTPL:</b> |      |                                  |                                  |
| Designated upon initial recognition  |      | -                                | -                                |
| Mandatorily measured at FVTPL  |      | <b>256,836</b>                   | (525,090)                        |
|  |      | <b>256,836</b>                   | <b>(525,090)</b>                 |
| Net gain on financial assets / liabilities measured at amortised cost              |      | -                                | -                                |
| Net (loss) / gain on financial assets measured at FVOCI                            |      | <b>(9,685)</b>                   | 256,362                          |
| Net gain on investments in equity instruments designated at FVOCI                  |      | -                                | -                                |
|  |      | <b>(9,685)</b>                   | 256,362                          |
|  |      | <b>247,151</b>                   | <b>(268,728)</b>                 |
| <b>29. OTHER INCOME</b>  |      |                                  |                                  |
| Rent on properties   |      | <b>11,289</b>                    | 7,335                            |
| Gain on sale of property and equipment - net                                       |      | <b>21,297</b>                    | 15,735                           |
| Gain on sale of ijarah assets - net  |      | <b>30,616</b>                    | 3,014                            |
| Staff notice period and other recoveries   |      | <b>20</b>                        | 258                              |
|  |      | <b>63,222</b>                    | <b>26,342</b>                    |

|  | 31 March<br>2025 | 31 March<br>2024 |
|--|------------------|------------------|
|  | (Un-Audited)     |                  |
|  | Rupees in '000   |                  |
| <b>30. OPERATING EXPENSES</b>          |                  |                  |
| Total compensation expense             | <b>3,741,870</b> | 2,963,035        |
| <b>Property expense</b>                |                  |                  |
| Rent & taxes                           | <b>15,785</b>    | 44,319           |
| Insurance                              | <b>4,998</b>     | 6,421            |
| Utilities cost                         | <b>304,932</b>   | 371,959          |
| Security                               | <b>357,712</b>   | 256,901          |
| Repair & maintenance                   | <b>321,046</b>   | 218,927          |
| Depreciation on property and equipment | <b>270,112</b>   | 241,979          |
| Depreciation on right-of-use assets    | <b>382,700</b>   | 371,916          |
|  | <b>1,657,285</b> | 1,512,422        |
| <b>Information technology expenses</b> |                  |                  |
| Software maintenance                   | <b>381,967</b>   | 179,390          |
| Hardware maintenance                   | <b>108,717</b>   | 107,840          |
| Depreciation                           | <b>155,151</b>   | 119,135          |
| Amortisation                           | <b>67,784</b>    | 42,436           |
| Network charges                        | <b>123,580</b>   | 42,367           |
|  | <b>837,199</b>   | 491,168          |
| <b>Other operating expenses</b>        |                  |                  |
| Directors' fees and allowances         | <b>5,900</b>     | 4,600            |
| Fees and allowances to Shariah Board   | <b>11,090</b>    | 9,018            |
| Legal & professional charges           | <b>74,942</b>    | 90,436           |
| Outsourced services costs              | <b>131,393</b>   | 87,055           |
| Travelling & conveyance                | <b>202,833</b>   | 201,844          |
| NIFT clearing charges                  | <b>38,481</b>    | 24,050           |
| Depreciation                           | <b>235,496</b>   | 197,445          |
| Training & development                 | <b>27,977</b>    | 7,853            |
| Postage & courier charges              | <b>48,103</b>    | 49,297           |
| Communication                          | <b>234,445</b>   | 175,309          |
| Subscription                           | <b>256,212</b>   | 205,548          |
| Repair & maintenance                   | <b>73,094</b>    | 78,568           |
| Brokerage & commission                 | <b>40,911</b>    | 31,195           |
| Stationery & printing                  | <b>110,512</b>   | 153,350          |
| Marketing, advertisement & publicity   | <b>126,304</b>   | 231,293          |
| Management fee                         | <b>409,005</b>   | 135,902          |
| Insurance                              | <b>379,080</b>   | 286,958          |
| Donations                              | <b>131,650</b>   | 140,688          |
| Auditors' Remuneration                 | <b>15,051</b>    | 9,000            |
| Security                               | <b>121,722</b>   | 105,362          |
| Others                                 | <b>225,748</b>   | 147,359          |
|  | <b>2,899,949</b> | 2,372,130        |
|  | <b>9,136,303</b> | 7,338,755        |

|  | Note | 31 March<br>2025<br>(Un-Audited) | 31 March<br>2024 |
|--|------|----------------------------------|------------------|
|  |      | Rupees in '000                   |                  |
| <b>31. OTHER CHARGES</b>   |      |                                  |                  |
| Penalties imposed by the SBP                                     |      | <u>16,580</u>                    | <u>71,777</u>    |
| <b>32. CREDIT LOSS ALLOWANCE &amp; WRITE OFFS - NET</b>          |      |                                  |                  |
| Credit loss allowance against cash and balances with banks       |      | <b>146,020</b>                   | 121,420          |
| Credit loss allowance against lendings to financial institutions |      | <b>724</b>                       | 1,424            |
| Credit loss allowance for diminution in value of investments     | 10.2 | <b>(179)</b>                     | 254,591          |
| Credit loss allowance against loans & advances                   | 11.3 | <b>601,439</b>                   | 676,569          |
| Credit loss allowance against other assets                       |      | <b>74,740</b>                    | 30,945           |
| Credit loss allowance against other liabilities                  |      | <b>(57,067)</b>                  | (230,124)        |
| Recovery of written off / charged off bad debts                  |      | <b>(101,375)</b>                 | -                |
|  |      | <u><b>664,302</b></u>            | <u>854,825</u>   |
| <b>33. TAXATION</b>  |      |                                  |                  |
| Current  |      | <b>5,137,268</b>                 | 5,078,743        |
| Deferred   |      | <b>1,771,359</b>                 | 592,506          |
|  |      | <u><b>6,908,627</b></u>          | <u>5,671,249</u> |
| <b>34. BASIC AND DILUTED EARNINGS PER SHARE</b>                  |      |                                  |                  |
| Profit after taxation  |      | <u><b>6,053,518</b></u>          | <u>5,901,334</u> |
|  |      | Number in '000                   |                  |
| Weighted average number of ordinary shares                       |      | <u><b>1,047,831</b></u>          | <u>1,047,831</u> |
|  |      | Rupees                           |                  |
| Basic and diluted earnings per share                             |      | <u><b>5.78</b></u>               | <u>5.63</u>      |

## 35. FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than investment in subsidiaries and those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities, other than investments in subsidiaries, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

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

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

### 35.1 Fair value of financial assets

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

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

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

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

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

#### On balance sheet financial instruments

|  | 31 March 2025 (Un-Audited) |             |         |             |
|--|----------------------------|-------------|---------|-------------|
|  | Fair value                 |             |         |             |
|  | Level 1                    | Level 2     | Level 3 | Total       |
|  | Rupees in '000             |             |         |             |
| <b>Financial assets measured at fair value</b> |                            |             |         |             |
| Investments                                    |                            |             |         |             |
| Federal Government securities                  | 80,049,500                 | 562,087,166 | –       | 642,136,666 |
| Non Government debt securities                 | –                          | 10,980,673  | –       | 10,980,673  |
| Shares - Listed companies                      | 9,598,606                  | –           | –       | 9,598,606   |
| Real estate investment trust                   | 3,125,891                  | –           | –       | 3,125,891   |

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

|                                |                   |                    |                  |                    |
|--------------------------------|-------------------|--------------------|------------------|--------------------|
| Investments                    |                   |                    |                  |                    |
| Federal Government securities  | –                 | 86,300,508         | –                | 86,300,508         |
| Non Government debt securities | –                 | –                  | 3,499,950        | 3,499,950          |
| Shares - Unlisted companies    | –                 | –                  | 51,569           | 51,569             |
|                                | <u>92,773,997</u> | <u>659,368,347</u> | <u>3,551,519</u> | <u>755,693,863</u> |

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

|  |   |             |   |             |
|--|---|-------------|---|-------------|
| Forward purchase of foreign exchange contracts | – | 323,785,933 | – | 323,785,933 |
| Forward sale of foreign exchange contracts     | – | 299,506,792 | – | 299,506,792 |



**On balance sheet financial instruments**

31 December 2024 (Audited)

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

**Financial assets measured at fair value**

## Investments

|                                |            |             |   |             |
|--------------------------------|------------|-------------|---|-------------|
| Federal Government securities  | 74,378,500 | 622,593,465 | – | 696,971,965 |
| Non Government debt securities | –          | 10,975,018  | – | 10,975,018  |
| Shares - Listed companies      | 8,984,437  | –           | – | 8,984,437   |
| Mutual funds                   | 2,785,219  | –           | – | 2,785,219   |
| Real estate investment trust   | 3,068,679  | –           | – | 3,068,679   |

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

## Investments

|                                |                   |                    |                  |                    |
|--------------------------------|-------------------|--------------------|------------------|--------------------|
| Federal Government securities  | –                 | 85,407,793         | –                | 85,407,793         |
| Non Government debt securities | –                 | –                  | 2,999,948        | 2,999,948          |
| Shares - Unlisted companies    | –                 | –                  | 51,569           | 51,569             |
|                                | <u>89,216,835</u> | <u>718,976,276</u> | <u>3,051,517</u> | <u>811,244,628</u> |

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

## Forward purchase of foreign exchange contracts

|   |             |   |             |
|---|-------------|---|-------------|
| – | 257,959,904 | – | 257,959,904 |
|---|-------------|---|-------------|

## Forward sale of foreign exchange contracts

|   |             |   |             |
|---|-------------|---|-------------|
| – | 290,402,624 | – | 290,402,624 |
|---|-------------|---|-------------|

**35.2 Fair value of non-financial assets**

31 March 2025 (Un-Audited)

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

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

|  |          |                   |          |                   |
|--|----------|-------------------|----------|-------------------|
| – Property and equipment                               | –        | 10,421,041        | –        | 10,421,041        |
| – Non-banking assets acquired in satisfaction of claim | –        | 4,299,840         | –        | 4,299,840         |
|  | <u>–</u> | <u>14,720,881</u> | <u>–</u> | <u>14,720,881</u> |

31 December 2024 (Audited)

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

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

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

#### Valuation techniques used in determination of fair valuation of financial instruments within level 2.

|  |  |
|--|--|
| 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. |
| Forward contracts  | The fair values are derived using forward exchange rates applicable to their respective remaining maturities.                              |
| Mutual funds   | The fair value is determined based on the net asset values published at the close of each business day.                                    |

#### Valuation techniques used in determination of fair values of non-financial assets within level 3.

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

### 36. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

|  | 31 March 2025 (Un-Audited) |                    |                    |                    |                      |
|--|----------------------------|--------------------|--------------------|--------------------|----------------------|
|  | Trade & Sales              | Retail Banking     | Commercial Banking | Islamic Banking    | Total                |
|  | Rupees in '000             |                    |                    |                    |                      |
| <b>Profit and loss account</b>         |                            |                    |                    |                    |                      |
| Net mark-up / return / profit          | 14,945,770                 | (5,377,612)        | 3,251,819          | 4,814,450          | 17,634,427           |
| Inter segment revenue - net            | (12,515,559)               | 9,385,456          | 3,130,103          | -                  | -                    |
| Non mark-up / return / interest income | 2,322,012                  | 345,594            | 2,227,333          | 510,813            | 5,405,752            |
| <b>Total Income</b>                    | <b>4,752,223</b>           | <b>4,353,438</b>   | <b>8,609,255</b>   | <b>5,325,263</b>   | <b>23,040,179</b>    |
| Segment direct expenses                | (151,302)                  | -                  | -                  | -                  | (151,302)            |
| Inter segment expense allocation       | -                          | (2,149,485)        | (4,629,976)        | (2,482,969)        | (9,262,430)          |
| Total expenses                         | (151,302)                  | (2,149,485)        | (4,629,976)        | (2,482,969)        | (9,413,732)          |
| Credit loss allowance                  | 179                        | (10,128)           | (978,658)          | 324,305            | (664,302)            |
| <b>Profit before tax</b>               | <b>4,601,100</b>           | <b>2,193,825</b>   | <b>3,000,621</b>   | <b>3,166,599</b>   | <b>12,962,145</b>    |
| <b>Statement of financial position</b> |                            |                    |                    |                    |                      |
| Cash and bank balances                 | 2,284,296                  | 24,103,741         | 51,680,936         | 20,979,947         | 99,048,920           |
| Investments                            | 615,679,280                | -                  | -                  | 139,367,460        | 755,046,740          |
| Net inter segment lending              | -                          | 378,256,708        | 33,724,535         | -                  | 411,981,243          |
| Lendings to financial institutions     | 4,161,661                  | -                  | -                  | -                  | 4,161,661            |
| Advances - performing                  | -                          | 10,942,230         | 409,865,082        | 184,279,689        | 605,087,001          |
| Advances - non-performing              | -                          | 336,133            | 21,852,843         | 3,097,689          | 25,286,665           |
| Credit loss allowance against advances | -                          | (589,199)          | (24,177,060)       | (5,337,336)        | (30,103,595)         |
| Others                                 | 26,442,366                 | 7,643,282          | 76,865,402         | 17,695,686         | 128,646,736          |
| <b>Total assets</b>                    | <b>648,567,603</b>         | <b>420,692,895</b> | <b>569,811,738</b> | <b>360,083,135</b> | <b>1,999,155,371</b> |
| Borrowings                             | 241,729,545                | -                  | 67,988,851         | 29,521,176         | 339,239,572          |
| Deposits and other accounts            | -                          | 376,615,264        | 399,841,314        | 234,789,524        | 1,011,246,102        |
| Net inter segment borrowing            | 362,981,243                | -                  | -                  | 49,000,000         | 411,981,243          |
| Others                                 | 8,807,859                  | 13,465,436         | 67,527,395         | 32,009,031         | 121,809,721          |
| <b>Total liabilities</b>               | <b>613,518,647</b>         | <b>390,080,700</b> | <b>535,357,560</b> | <b>345,319,731</b> | <b>1,884,276,638</b> |
| <b>Net assets</b>                      | <b>35,048,956</b>          | <b>30,612,195</b>  | <b>34,454,178</b>  | <b>14,763,404</b>  | <b>114,878,733</b>   |
| <b>Equity</b>                          |                            |                    |                    |                    | <b>114,878,733</b>   |
| <b>Contingencies and commitments</b>   | <b>623,410,267</b>         | <b>-</b>           | <b>384,273,324</b> | <b>43,078,115</b>  | <b>1,050,761,706</b> |

| 31 March 2024 (Un-Audited)             |                |                |                    |                 |             |
|--|----------------|----------------|--------------------|-----------------|-------------|
|  | Trade & Sales  | Retail Banking | Commercial Banking | Islamic Banking | Total       |
|  | Rupees in '000 |                |                    |                 |             |
| <b>Profit and loss account</b>         |                |                |                    |                 |             |
| Net mark-up / return / profit          | 32,761,119     | (14,496,522)   | (5,396,849)        | 3,477,112       | 16,344,860  |
| Inter segment revenue - net            | (31,681,561)   | 19,259,215     | 12,422,346         | –               | –           |
| Non mark-up / return / interest income | 1,491,853      | 247,192        | 1,829,288          | 163,224         | 3,731,557   |
| <b>Total Income</b>                    | 2,571,411      | 5,009,885      | 8,854,785          | 3,640,336       | 20,076,417  |
| Segment direct expenses                | (83,036)       | –              | –                  | –               | (83,036)    |
| Inter segment expense allocation       | –              | (1,933,221)    | (4,277,268)        | (1,355,484)     | (7,565,973) |
| <b>Total expenses</b>                  | (83,036)       | (1,933,221)    | (4,277,268)        | (1,355,484)     | (7,649,009) |
| Credit loss allowance                  | 20,376         | (236)          | (1,425,760)        | 550,795         | (854,825)   |
| <b>Profit before tax</b>               | 2,508,751      | 3,076,428      | 3,151,757          | 2,835,647       | 11,572,583  |

| 31 December 2024 (Audited)             |                |                |                    |                 |               |
|--|----------------|----------------|--------------------|-----------------|---------------|
|  | Trade & Sales  | Retail Banking | Commercial Banking | Islamic Banking | Total         |
|  | Rupees in '000 |                |                    |                 |               |
| <b>Statement of financial position</b> |                |                |                    |                 |               |
| Cash and bank balances                 | 6,435,596      | 25,145,136     | 46,698,111         | 14,971,525      | 93,250,368    |
| Investments                            | 663,854,898    | –              | –                  | 147,020,502     | 810,875,400   |
| Net inter segment lending              | –              | 379,807,962    | 27,488,264         | –               | 407,296,226   |
| Lendings to financial institutions     | 5,570,998      | –              | –                  | –               | 5,570,998     |
| Advances - performing                  | –              | 15,855,835     | 369,912,171        | 92,867,464      | 478,635,470   |
| Advances - non-performing              | –              | 336,133        | 21,691,438         | 3,139,699       | 25,167,270    |
| Credit loss allowance against advances | –              | (603,370)      | (23,237,144)       | (5,661,642)     | (29,502,156)  |
| Others                                 | 21,655,600     | 11,816,263     | 64,547,414         | 18,117,153      | 116,136,430   |
| <b>Total assets</b>                    | 697,517,092    | 432,357,959    | 507,100,254        | 270,454,701     | 1,907,430,006 |
| Borrowings                             | 232,422,271    | –              | 68,693,948         | 28,894,549      | 330,010,768   |
| Deposits and other accounts            | –              | 374,480,521    | 347,257,208        | 205,395,048     | 927,132,777   |
| Net inter segment borrowing            | 407,296,226    | –              | –                  | –               | 407,296,226   |
| Others                                 | 3,687,896      | 18,151,910     | 87,224,985         | 18,893,629      | 127,958,420   |
| <b>Total liabilities</b>               | 643,406,393    | 392,632,431    | 503,176,141        | 253,183,226     | 1,792,398,191 |
| <b>Net assets</b>                      | 54,110,699     | 39,725,528     | 3,924,113          | 17,271,475      | 115,031,815   |
| <b>Equity</b>                          |                |                |                    |                 | 115,031,815   |
| <b>Contingencies and commitments</b>   | 547,663,058    | –              | 341,670,958        | 44,643,011      | 933,977,027   |

## 37. TRANSACTIONS WITH RELATED PARTIES

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

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

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

|   | 31 March 2025 (Un-Audited) |           |                          |                      |               |                          |
|---|----------------------------|-----------|--------------------------|----------------------|---------------|--------------------------|
|   | Holding company            | Directors | Key management personnel | Subsidiary companies | Associates    | Retirement benefit plans |
|   | Rupees in '000             |           |                          |                      |               |                          |
| <b>Balances with other banks</b>                                |                            |           |                          |                      |               |                          |
| In current accounts   | 419,356                    | -         | -                        | -                    | 187,386       | -                        |
| <b>Investments</b>  |                            |           |                          |                      |               |                          |
| Opening balance   | -                          | -         | -                        | 4,830,000            | -             | -                        |
| Investment made during the period                               | -                          | -         | -                        | 3,500,000            | -             | -                        |
| Investment redeemed / disposed off during the period            | -                          | -         | -                        | (3,000,000)          | -             | -                        |
| Closing balance   | -                          | -         | -                        | 5,330,000            | -             | -                        |
| <b>Advances</b>   |                            |           |                          |                      |               |                          |
| Opening balance   | -                          | -         | 331,041                  | 56,689               | 6,504,983     | -                        |
| Addition during the period                                      | -                          | -         | 48,661                   | -                    | 23,424,929    | -                        |
| Repaid during the period  | -                          | -         | (13,342)                 | (56,689)             | (21,830,137)  | -                        |
| Closing balance   | -                          | -         | 366,360                  | -                    | 8,099,775     | -                        |
| <b>Other Assets</b>   |                            |           |                          |                      |               |                          |
| Mark-up / return / interest receivable                          | -                          | -         | -                        | 60,979               | 60,761        | -                        |
| Prepayments / advance deposits / other receivables              | 468                        | -         | -                        | 2,437                | 67,715        | -                        |
|   | 468                        | -         | -                        | 63,416               | 128,476       | -                        |
| <b>Deposits and other accounts</b>                              |                            |           |                          |                      |               |                          |
| Opening balance   | 231,356                    | 967,344   | 224,702                  | 2,304,739            | 5,567,651     | 2,168,691                |
| Received during the period                                      | 2,144,456                  | 742,418   | 477,444                  | 77,295,417           | 812,124,163   | 1,224,979                |
| Withdrawn during the period                                     | (2,082,106)                | (723,257) | (438,527)                | (77,567,789)         | (811,381,761) | (1,454,284)              |
| Closing balance   | 293,706                    | 986,505   | 263,619                  | 2,032,367            | 6,310,053     | 1,939,386                |
| <b>Other Liabilities</b>  |                            |           |                          |                      |               |                          |
| Mark-up / return / interest payable                             | -                          | 16,773    | 2,838                    | 19,942               | 100,857       | 155,252                  |
| Management fee payable for technical and consultancy services * | 166,085                    | -         | -                        | -                    | -             | -                        |
| Other payables  | -                          | 995       | -                        | -                    | 23,878        | 254,198                  |
|   | 166,085                    | 17,768    | 2,838                    | 19,942               | 124,735       | 409,450                  |
| <b>Contingencies and commitments</b>                            |                            |           |                          |                      |               |                          |
| Transaction-related contingent liabilities                      | -                          | -         | -                        | -                    | 15,942,100    | -                        |
| Trade-related contingent liabilities                            | -                          | -         | -                        | -                    | 8,114,431     | -                        |
|   | -                          | -         | -                        | -                    | 24,056,531    | -                        |

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

## 31 December 2024 (Audited)

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

## Transactions during the period

|   | For the period ended 31 March 2025 (Un-Audited) |           |                          |                        |            |                          |         |
|---|---|-----------|--------------------------|------------------------|------------|--------------------------|---------|
|   | Holding company                                 | Directors | Key management personnel | Subsidiaries companies | Associates | Retirement benefit plans | Total   |
|   | Rupees in '000                                  |           |                          |                        |            |                          |         |
| <b>Income</b>   |   |           |                          |                        |            |                          |         |
| Mark-up / return / interest earned                              | -   | -         | 4,689                    | 105,577                | 46,351     | -                        | 156,617 |
| Fee and commission income                                       | -   | 42        | -                        | 281                    | 184,883    | 6                        | 185,212 |
| Rent income   | 1,404   | -         | -                        | 4,684                  | 2,585      | -                        | 8,673   |
| <b>Expense</b>  |   |           |                          |                        |            |                          |         |
| Mark-up / return / interest expensed                            | -   | 18,295    | 7,190                    | 32,606                 | 119,600    | 291,791                  | 469,482 |
| Commission / brokerage / bank charges paid                      | 310   | -         | -                        | 699                    | 897        | -                        | 1,906   |
| Salaries and allowances   | -   | -         | 267,649                  | -                      | -          | -                        | 267,649 |
| Directors' fees and allowances                                  | -   | 5,900     | -                        | -                      | -          | -                        | 5,900   |
| Charge to defined benefit plan                                  | -   | -         | -                        | -                      | -          | 90,955                   | 90,955  |
| Contribution to defined contribution plan                       | -   | -         | -                        | -                      | -          | 107,751                  | 107,751 |
| Insurance premium expenses                                      | -   | -         | -                        | -                      | 35,727     | -                        | 35,727  |
| Management fee expense for technical and consultancy services * | 409,005   | -         | -                        | -                      | -          | -                        | 409,005 |
| Donation  | -   | -         | -                        | -                      | -          | -                        | -       |

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

## Transactions during the period

|   | For the period ended 31 March 2024 (Un-Audited) |           |                          |                        |            |                          |
|---|---|-----------|--------------------------|------------------------|------------|--------------------------|
|   | Holding company                                 | Directors | Key management personnel | Subsidiaries companies | Associates | Retirement benefit plans |
|   | Rupees in '000                                  |           |                          |                        |            |                          |
| <b>Income</b>   |   |           |                          |                        |            |                          |
| Mark-up / return / interest earned                              | –   | –         | 3,940                    | 313,509                | 18,405     | –                        |
| Fee and commission income                                       | 41  | 58        | –                        | 812                    | 204,152    | 7                        |
| Rent income   | 1,404   | –         | –                        | 3,054                  | 2,585      | –                        |
| <b>Expenses</b>   |   |           |                          |                        |            |                          |
| Mark-up / return / interest expensed                            | –   | 19,150    | 13,183                   | 51,964                 | 919,867    | 56,364                   |
| Commission / brokerage / bank charges paid                      | 54  | –         | –                        | 889                    | 717        | –                        |
| Salaries and allowances   | –   | –         | 215,407                  | –                      | –          | –                        |
| Directors' fees and allowances                                  | –   | 6,657     | –                        | –                      | –          | –                        |
| Charge to defined benefit plan                                  | –   | –         | –                        | –                      | –          | 81,936                   |
| Contribution to defined contribution plan                       | –   | –         | –                        | –                      | –          | 93,656                   |
| Insurance premium expenses                                      | –   | –         | –                        | –                      | 20,464     | –                        |
| Management fee expense for technical and consultancy services * | 135,902   | –         | –                        | –                      | –          | –                        |
| Donation  | –   | –         | –                        | –                      | 480        | –                        |

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



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

|   | 31 March<br>2025<br>(Un-Audited) | 31 December<br>2024<br>(Audited) |
|---|----------------------------------|----------------------------------|
|   | Rupees in '000                   |                                  |
| <b>Minimum Capital Requirement (MCR):</b>   |                                  |                                  |
| Paid-up capital (net of losses)   | 10,478,315                       | 10,478,315                       |
| <b>Capital Adequacy Ratio (CAR):</b>  |                                  |                                  |
| Eligible common equity tier 1 (CET 1) Capital   | 101,230,652                      | 99,689,869                       |
| Eligible additional tier 1 (ADT 1) Capital  | —                                | —                                |
| Total eligible tier 1 capital   | 101,230,652                      | 99,689,869                       |
| Eligible tier 2 capital   | 15,606,147                       | 17,619,301                       |
| Total eligible capital (tier 1 + tier 2)  | 116,836,799                      | 117,309,170                      |
| <b>Risk Weighted Assets (RWAs):</b>   |                                  |                                  |
| Credit risk   | 553,437,784                      | 455,454,722                      |
| Market risk   | 7,894,128                        | 8,395,647                        |
| Operational risk  | 144,429,169                      | 144,429,169                      |
| Total   | 705,761,081                      | 608,279,538                      |
| CET 1 capital adequacy ratio (in %)   | 14.34%                           | 16.39%                           |
| Tier 1 capital adequacy ratio (in %)  | 14.34%                           | 16.39%                           |
| Total capital adequacy ratio (in %)   | 16.55%                           | 19.29%                           |
| <b>Minimum capital requirements prescribed by SBP</b>   |                                  |                                  |
| CET 1 capital adequacy ratio (in %)   | 6.00%                            | 6.00%                            |
| Tier 1 capital adequacy ratio (in %)  | 7.50%                            | 7.50%                            |
| Total capital adequacy ratio (in %)   | 11.50%                           | 11.50%                           |
| Banks uses simple, maturity method and basic indicator approach for credit risk, market risk and operational risk exposures respectively in the capital adequacy calculation. |                                  |                                  |
| <b>Leverage Ratio (LR):</b>   |                                  |                                  |
| Eligible tier-1 capital   | 101,230,652                      | 99,689,869                       |
| Total exposures   | 2,059,569,624                    | 1,943,057,316                    |
| Leverage ratio (in %)   | 4.92%                            | 5.13%                            |
| <b>Liquidity Coverage Ratio (LCR):</b>  |                                  |                                  |
| Total high quality liquid assets  | 514,340,849                      | 719,857,270                      |
| Total net cash outflow  | 358,888,708                      | 330,851,160                      |
| Liquidity coverage ratio (in %)   | 143%                             | 218%                             |
| <b>Net Stable Funding Ratio (NSFR):</b>   |                                  |                                  |
| Total available stable funding  | 993,662,567                      | 955,276,822                      |
| Total required stable funding   | 608,652,942                      | 538,749,940                      |
| Net stable funding ratio (in %)   | 163%                             | 177%                             |

### 39. ISLAMIC BANKING BUSINESS

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

|  | Note | 31 March<br>2025<br>(Un-Audited) | 31 December<br>2024<br>(Audited) |
|--|------|----------------------------------|----------------------------------|
| Rupees in '000                             |      |                                  |                                  |
| <b>ASSETS</b>                              |      |                                  |                                  |
| Cash and balances with treasury banks      |      | 20,937,886                       | 14,936,606                       |
| Balances with other banks                  |      | 42,061                           | 34,919                           |
| Due from financial institutions            |      | –                                | –                                |
| Investments                                | 39.1 | 139,367,460                      | 147,020,502                      |
| Islamic financing and related assets - net | 39.2 | 182,040,042                      | 90,345,521                       |
| Property and equipment                     |      | 777,545                          | 800,502                          |
| Right-of-use assets                        |      | 3,034,801                        | 3,055,711                        |
| Intangible assets                          |      | –                                | –                                |
| Due from Head Office                       |      | –                                | 5,167,862                        |
| Other assets                               |      | 13,883,340                       | 9,093,078                        |
| <b>Total Assets</b>                        |      | <b>360,083,135</b>               | <b>270,454,701</b>               |
| <b>LIABILITIES</b>                         |      |                                  |                                  |
| Bills payable                              |      | 5,098,205                        | 6,374,863                        |
| Due to financial institutions              |      | 78,521,176                       | 28,894,549                       |
| Deposits and other accounts                | 39.3 | 234,789,524                      | 205,395,048                      |
| Due to Head Office                         |      | 14,296,239                       | –                                |
| Lease liabilities                          |      | 3,725,810                        | 3,696,838                        |
| Subordinated debt                          |      | –                                | –                                |
| Other liabilities                          |      | 8,888,777                        | 8,821,928                        |
|  |      | 345,319,731                      | 253,183,226                      |
| <b>NET ASSETS</b>                          |      | <b>14,763,404</b>                | <b>17,271,475</b>                |
| <b>REPRESENTED BY</b>                      |      |                                  |                                  |
| Islamic Banking Fund                       |      | 11,007,004                       | 11,006,964                       |
| Reserves                                   |      | –                                | –                                |
| Surplus on revaluation of assets           |      | 2,299,764                        | 3,390,215                        |
| Unappropriated profit                      | 39.4 | 1,456,636                        | 2,874,296                        |
|  |      | 14,763,404                       | 17,271,475                       |
| <b>CONTINGENCIES AND COMMITMENTS</b>       |      |                                  |                                  |
|  | 39.5 |                                  |                                  |

The profit and loss account of the Bank's Islamic banking branches for the period ended 31 March 2025 is as follows:

|  | Note | (Un-Audited)       |                  |
|--|------|--------------------|------------------|
|  |      | 31 March<br>2025   | 31 March<br>2024 |
|  |      | Rupees in '000     |                  |
| <b>PROFIT AND LOSS ACCOUNT</b>             |      |                    |                  |
| Profit / return earned                     | 39.6 | <b>8,700,500</b>   | 8,873,413        |
| Profit / return expensed                   | 39.7 | <b>(3,886,050)</b> | (5,396,301)      |
| <b>Net Profit / return</b>                 |      | <b>4,814,450</b>   | 3,477,112        |
| <b>Other income</b>                        |      |                    |                  |
| Fee and Commission Income                  |      | <b>335,623</b>     | 210,429          |
| Dividend Income                            |      | -                  | -                |
| Foreign Exchange Income                    |      | <b>46,877</b>      | 30,396           |
| Income / (loss) from derivatives           |      | -                  | -                |
| Gain / (loss) on securities                |      | <b>97,975</b>      | (81,303)         |
| Other Income                               |      | <b>30,338</b>      | 3,702            |
| <b>Total other income</b>                  |      | <b>510,813</b>     | 163,224          |
| <b>Total Income</b>                        |      | <b>5,325,263</b>   | 3,640,336        |
| <b>Other expenses</b>                      |      |                    |                  |
| Operating expenses                         |      | <b>2,482,964</b>   | 1,355,384        |
| Workers' welfare fund                      |      | -                  | -                |
| Other charges                              |      | <b>5</b>           | 100              |
| <b>Total other expenses</b>                |      | <b>2,482,969</b>   | 1,355,484        |
| <b>Profit before credit loss allowance</b> |      | <b>2,842,294</b>   | 2,284,852        |
| Credit loss allowance and write offs - net |      | <b>324,305</b>     | 550,795          |
| <b>Profit before taxation</b>              |      | <b>3,166,599</b>   | 2,835,647        |
| Taxation                                   |      | <b>(1,709,963)</b> | (1,389,467)      |
| <b>Profit after taxation</b>               |      | <b>1,456,636</b>   | 1,446,180        |

### 39.1 Investments by segments

31 March 2025 (Un-Audited)

|   | Cost /<br>amortised cost | Credit loss<br>allowance | Surplus /<br>(deficit) | Carrying<br>value |
|---|--------------------------|--------------------------|------------------------|-------------------|
|   | Rupees in '000           |                          |                        |                   |
| <b>Debt Instruments</b>                               |                          |                          |                        |                   |
| <b>Measured at amortised cost</b>                     |                          |                          |                        |                   |
| Federal government securities                         |                          |                          |                        |                   |
| – Ijarah Sukuk  | 2,976,497                | –                        | –                      | 2,976,497         |
| – Certificate of investment                           | 3,500,000                | (50)                     | –                      | 3,499,950         |
|   | 6,476,497                | (50)                     | –                      | 6,476,447         |
| <b>Measured at FVOCI</b>                              |                          |                          |                        |                   |
| Federal government securities                         | 122,761,550              | –                        | 2,511,951              | 125,273,501       |
| – Ijarah Sukuk  | 6,660,756                | (340,000)                | (212,187)              | 6,108,569         |
| Non Government Debt Securities                        | 129,422,306              | (340,000)                | 2,299,764              | 131,382,070       |
| <b>Instruments classified / measured<br/>at FVTPL</b> | 1,508,943                | –                        | –                      | 1,508,943         |
| <b>Total investments</b>                              | 137,407,746              | (340,050)                | 2,299,764              | 139,367,460       |

31 December 2024 (Audited)

|   | Cost /<br>amortised cost | Credit loss<br>allowance | Surplus /<br>(deficit) | Carrying<br>value |
|---|--------------------------|--------------------------|------------------------|-------------------|
|   | Rupees in '000           |                          |                        |                   |
| <b>Debt Instruments</b>   |                          |                          |                        |                   |
| <b>Measured at amortised cost</b>                               |                          |                          |                        |                   |
| Federal government securities                                   |                          |                          |                        |                   |
| – Ijarah Sukuk  | 2,974,050                | –                        | –                      | 2,974,050         |
| – Certificate of investment                                     | 3,000,000                | (52)                     | –                      | 2,999,948         |
|   | 5,974,050                | (52)                     | –                      | 5,973,998         |
| <b>Measured at FVOCI</b>  |                          |                          |                        |                   |
| Federal government securities                                   | 125,750,660              | –                        | 3,545,698              | 129,296,358       |
| – Ijarah Sukuk  | 6,683,993                | (340,000)                | (235,423)              | 6,108,570         |
| Non Government Debt Securities                                  | 132,434,653              | (340,000)                | 3,310,275              | 135,404,928       |
| <b>Instruments mandatory classified /<br/>measured at FVTPL</b> | 5,561,635                | –                        | 79,941                 | 5,641,576         |
| <b>Total investments</b>  | 143,970,338              | (340,052)                | 3,390,216              | 147,020,502       |

### 39.2 Islamic financing and related assets - net

| 31 March 2025 (Un-Audited)   |                |            |           |             |
|--|----------------|------------|-----------|-------------|
|  | Financing      | Advances   | Inventory | Total       |
|  | Rupees in '000 |            |           |             |
| Ijarah   | 516,467        | 668,777    | -         | 1,185,244   |
| Ijarah - islamic long term financing facility                            | 10,451         | -          | -         | 10,451      |
| Murabaha   | 4,919,105      | 2,105,229  | -         | 7,024,334   |
| Working capital musharaka  | 98,364,017     | -          | -         | 98,364,017  |
| Diminishing musharaka  | 20,889,143     | 3,553,976  | -         | 24,443,119  |
| Istisna  | 4,720,382      | 7,557,381  | 2,159,442 | 14,437,205  |
| Al-bai   | 1,331,035      | -          | 4,236,127 | 5,567,162   |
| <b>Diminishing musharaka:</b>  |                |            |           |             |
| Islamic long term financing facility                                     | 3,141,525      | -          | -         | 3,141,525   |
| Islamic refinance scheme for payment of wages and salaries               | -              | 93,534     | -         | 93,534      |
| Islamic financing facility for storage of agricultural produce           | 519,946        | -          | -         | 519,946     |
| Islamic temporary economic refinance facility                            | 8,547,280      | -          | -         | 8,547,280   |
| Islamic financing facility for renewable energy                          | 485,598        | -          | -         | 485,598     |
| <b>Islamic export refinance:</b>   |                |            |           |             |
| Working capital musharaka  | 18,246,816     | -          | -         | 18,246,816  |
| Istisna  | 1,438,352      | 1,910,139  | 170,154   | 3,518,645   |
| Al-bai   | 974,950        | -          | 817,552   | 1,792,502   |
| Gross islamic financing and related assets                               | 164,105,067    | 15,889,036 | 7,383,275 | 187,377,378 |
| Credit loss allowance held against non-performing islamic financings     |                |            |           |             |
| -Stage 1   | (81,017)       | (17,262)   | (8,040)   | (106,319)   |
| -Stage 2   | (1,872,182)    | (91,315)   | (169,831) | (2,133,328) |
| -Stage 3   | (3,097,689)    | -          | -         | (3,097,689) |
|  | (5,050,888)    | (108,577)  | (177,871) | (5,337,336) |
| Islamic financing and related assets - net of Credit loss allowance held | 159,054,179    | 15,780,459 | 7,205,404 | 182,040,042 |

31 December 2024 (Audited)

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

### 39.3 Deposits

|                  | 31 March 2025 (Un-Audited) |                        |                    | 31 December 2024 (Audited) |                        |                    |
|------------------|----------------------------|------------------------|--------------------|----------------------------|------------------------|--------------------|
|                  | Customers                  | Financial Institutions | Total              | Customers                  | Financial Institutions | Total              |
|                  | Rupees in '000             |                        |                    |                            |                        |                    |
| Current deposits | 101,609,803                | 296,423                | 101,906,226        | 103,322,951                | 337,309                | 103,660,260        |
| Savings deposits | 54,885,716                 | 41,903,956             | 96,789,672         | 57,562,083                 | 4,329,081              | 61,891,164         |
| Term deposits    | 31,540,306                 | 135,000                | 31,675,306         | 36,599,875                 | 135,000                | 36,734,875         |
| Others           | 4,418,320                  | –                      | 4,418,320          | 3,108,749                  | –                      | 3,108,749          |
|                  | <b>192,454,145</b>         | <b>42,335,379</b>      | <b>234,789,524</b> | <b>200,593,658</b>         | <b>4,801,390</b>       | <b>205,395,048</b> |

### 39.4 Unappropriated profit

|   | 31 March 2025<br>(Un-Audited) | 31 December 2024<br>(Audited) |
|---|-------------------------------|-------------------------------|
|   | Rupees in '000                |                               |
| Opening balance                                   | 2,874,296                     | 4,720,817                     |
| Add: Islamic banking profit for the period / year | 3,166,599                     | 6,248,469                     |
| Less: Taxation                                    | (1,709,963)                   | (3,374,173)                   |
| Less: Transferred to head office                  | (2,874,296)                   | (4,720,817)                   |
| Closing balance                                   | <b>1,456,636</b>              | <b>2,874,296</b>              |

### 39.5 Contingencies and commitments

|             | 31 March 2025<br>(Un-Audited) | 31 March 2024<br>(Audited) |
|-------------|-------------------------------|----------------------------|
|             | Rupees in '000                |                            |
| Guarantees  | 17,101,126                    | 18,073,842                 |
| Commitments | 25,976,989                    | 26,569,169                 |
|             | <b>43,078,115</b>             | <b>44,643,011</b>          |

### 39.6 Profit / return earned

|             | 31 March 2025<br>(Un-Audited) | 31 March 2024<br>(Audited) |
|-------------|-------------------------------|----------------------------|
|             | Rupees in '000                |                            |
| Financing   | 4,276,610                     | 5,002,172                  |
| Investments | 4,414,064                     | 3,860,883                  |
| Placements  | 9,826                         | 10,358                     |
|             | <b>8,700,500</b>              | <b>8,873,413</b>           |

|   | 31 March<br>2025 | 31 March<br>2024 |
|---|------------------|------------------|
|   | (Un-Audited)     |                  |
|   | Rupees in '000   |                  |
| <b>39.7 Profit / return expensed</b>        |                  |                  |
| Deposits and other accounts                 | <b>2,687,463</b> | 4,132,177        |
| Due to financial institutions               | <b>1,087,416</b> | 1,200,151        |
| Lease liability against right-of-use assets | <b>111,171</b>   | 63,973           |
|   | <b>3,886,050</b> | 5,396,301        |

#### 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 22 April 2025 has approved an interim cash dividend of Rs. 2.50 per share (2024: interim cash dividend of Rs. 2.50 per share).
- 41.2** These unconsolidated condensed interim financial statements were authorised for issue on 22 April 2025 by the Board of Directors of the Bank.