

AL BARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED JUNE 30, 2025



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Al Baraka Bank (Pakistan) Limited

Report on review of Interim Financial Statements

Introduction

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

Scope of Review

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

Conclusion

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

Other Matter

Pursuant to the requirement of BSD Circular No. 01 of 2004, only cumulative figures for the half year, presented in the second quarter accounts are subject to a limited scope review by the statutory auditors of the Bank. Accordingly, the figures of the condensed interim statement of profit and loss account and condensed interim statement of comprehensive income for the quarters ended June 30, 2025 and June 30, 2024 have not been reviewed by us.

The engagement partner on the audit resulting in this independent auditor's report is Junaid Mesia.

A.F. Ferguson & Co.

Chartered Accountants

Place: Karachi

Dated: August 26, 2025

UDIN: RR202510611luH5veZo4

AL BARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Note	30 June 2025 (Un-audited)	31 December 2024 (Audited)
		----- (Rupees in '000) -----	
ASSETS			
Cash and balances with treasury banks	8	23,178,376	18,834,915
Balances with other banks	9	6,421,092	1,800,742
Due from financial institutions	10	3,831,623	1,398,776
Investments	11	125,362,366	126,851,952
Islamic financing and related assets - net	12	104,790,306	101,438,819
Property and equipment	13	3,247,914	2,792,479
Right-of-use assets	14	2,845,138	2,297,928
Intangible assets	15	1,220,747	1,249,863
Deferred tax assets	16	4,149,057	2,968,011
Other assets	17	11,739,369	13,627,468
Total assets		286,785,988	273,260,953
LIABILITIES			
Bills payable	18	10,470,746	7,282,964
Due to financial institutions	19	6,446,745	6,144,594
Deposits and other accounts	20	234,159,701	223,402,080
Lease liabilities	21	3,111,825	2,476,776
Subordinated mudaraba	22	3,124,241	3,124,241
Deferred tax liabilities		-	-
Other liabilities	23	7,884,912	9,211,885
Total liabilities		265,198,170	251,642,540
NET ASSETS		21,587,818	21,618,413
REPRESENTED BY			
Share capital - net		14,500,490	14,500,490
Reserves		2,454,893	2,187,858
Surplus on revaluation of assets	24	371,717	1,227,933
Unappropriated profit		4,260,718	3,702,132
		21,587,818	21,618,413
CONTINGENCIES AND COMMITMENTS			
	25		

The annexed notes 1 to 42 form an integral part of these condensed interim financial statements.


Attest


Chief Executive Officer


Chief Financial Officer


Chairman


Director


Director

AL BARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED 30 JUNE 2025

	Note	Half year ended		Quarter ended	
		30 June 2025	30 June 2024	30 June 2025	30 June 2024
		(Rupees in '000)			
		(Restated)		(Restated)	
Profit / return earned	26	14,409,324	20,183,675	6,956,532	10,991,011
Profit / return expensed	27	(8,259,873)	(12,434,835)	(4,138,477)	(6,270,500)
Net profit / return		6,149,451	7,748,840	2,818,055	4,720,511
Other income					
Fee and commission income	28	526,052	436,923	260,231	194,356
Dividend income		-	1,025	-	400
Foreign exchange income		705,911	680,346	276,854	239,171
Gain / (loss) on securities - net	29	123,581	18,768	7,699	(781)
Other income	30	8,975	16,964	5,312	16,862
Total other income		1,364,519	1,154,026	550,096	450,008
Total income		7,513,970	8,902,866	3,368,151	5,170,519
Other expenses					
Operating expenses	31	(5,070,045)	(4,456,389)	(2,549,255)	(2,327,554)
Workers' Welfare Fund		(54,589)	(89,423)	(16,008)	(51,697)
Other charges	32	(553)	(228)	(300)	(2)
Total other expenses		(5,125,187)	(4,546,040)	(2,565,563)	(2,379,253)
Profit before credit loss allowance / provisions		2,388,783	4,356,826	802,588	2,791,266
Reversal / (charge) in credit loss allowance / provisions and write offs - net	33	286,056	24,885	(18,212)	(255,459)
Extra ordinary / unusual items		-	-	-	-
Profit before taxation		2,674,839	4,381,711	784,376	2,535,807
Taxation	34	(1,339,666)	(2,148,533)	(335,935)	(1,255,762)
Profit after taxation		1,335,173	2,233,178	448,441	1,280,045
(Rupees)					
Basic / diluted earnings per share	35	0.97	1.63	0.32	0.94

The annexed notes 1 to 42 form an integral part of these condensed interim financial statements.

Appel


Chief Executive Officer


Chief Financial Officer


Chairman


Director


Director

AL BARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED 30 JUNE 2025


	Half year ended		Quarter ended	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	(Rupees in '000)			
	Restated		Restated	
Profit after taxation	1,335,173	2,233,178	448,441	1,280,045
Other comprehensive loss				
Items that may be reclassified to the condensed interim statement of profit and loss account in subsequent periods:				
- Movement in surplus on revaluation of debt investments through FVOCI - net of tax	(801,633)	(164,643)	(137,596)	(104,345)
- Gain on sale of debt investments carried at FVOCI – reclassified to the condensed interim statement of profit and loss account - net of tax	(47,867)	(190)	(5,713)	(239)
	(849,500)	(164,833)	(143,309)	(104,584)
Total comprehensive income	485,673	2,068,345	305,132	1,175,461

The annexed notes 1 to 42 form an integral part of these condensed interim financial statements.

Appr


Chief Executive Officer


Chief Financial Officer


Chairman


Director




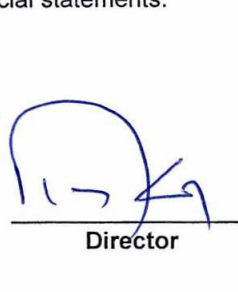


Director

AL BARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 30 JUNE 2025

	Share capital	Capital support fund	Discount on issue of shares	Statutory reserve*	Surplus / (deficit) on revaluation of		Unappropriated profit	Total
					investments	non banking assets		
	(Rupees in '000)							
Balance as at 31 December 2023 (Audited)	13,739,628	1,393,628	(632,766)	1,381,115	480,236	312,847	1,578,469	18,253,157
Impact of adoption of IFRS - 9	-	-	-	-	(32,447)	-	(1,083,127)	(1,115,574)
Balance as at 01 January 2024 after adoption of IFRS 9	13,739,628	1,393,628	(632,766)	1,381,115	447,789	312,847	495,342	17,137,583
Profit after taxation for the half year ended June 30, 2024 - restated (Note 5.1)	-	-	-	-	-	-	2,233,178	2,233,178
Other comprehensive loss - net of tax								
-Movement in surplus on revaluation of debt investments through FVOCI - net of tax	-	-	-	-	(164,643)	-	-	(164,643)
- Gain on sale of debt investments carried at FVOCI – reclassified to the condensed interim statement of profit and loss account - net of tax	-	-	-	-	(190)	-	-	(190)
	-	-	-	-	(164,833)	-	-	(164,833)
Transfer to statutory reserve	-	-	-	446,636	-	-	(446,636)	-
Balance as at 30 June 2024 (Un-audited) - restated	13,739,628	1,393,628	(632,766)	1,827,751	282,956	312,847	2,281,884	19,205,928
Profit after taxation for the half year ended December 31, 2024	-	-	-	-	-	-	1,800,536	1,800,536
Other comprehensive income - net of tax	-	-	-	-				
- Movement in surplus on revaluation of debt investments through FVOCI - net of tax	-	-	-	-	735,519	-	-	735,519
- Gain on sale of debt investments carried at FVOCI – reclassified to the condensed interim statement of profit and loss account - net of tax	-	-	-	-	(84,986)	-	-	(84,986)
- Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	(18,403)	-	(18,403)
- Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	-	(20,181)	(20,181)
	-	-	-	-	650,533	(18,403)	(20,181)	611,949
Transfer to statutory reserve	-	-	-	360,107	-	-	(360,107)	-
Balance as at 31 December 2024 (Audited)	13,739,628	1,393,628	(632,766)	2,187,858	933,489	294,444	3,702,132	21,618,413
Impact of adoption of IFRS - 9 (Note 5.3)	-	-	-	-	(6,716)	-	12,554	5,838
Balance as at 01 January 2025 after adoption of IFRS 9	13,739,628	1,393,628	(632,766)	2,187,858	926,773	294,444	3,714,686	21,624,251
Profit after taxation for the half year ended 30 June, 2025	-	-	-	-	-	-	1,335,173	1,335,173
Other comprehensive loss - net of tax								
- Movement in surplus on revaluation of debt investments through FVOCI - net of tax	-	-	-	-	(801,633)	-	-	(801,633)
- Gain on sale of debt investments carried at FVOCI – reclassified to the condensed interim statement of profit and loss account - net of tax	-	-	-	-	(47,867)	-	-	(47,867)
	-	-	-	-	(849,500)	-	-	(849,500)
Transfer to statutory reserve	-	-	-	267,035	-	-	(267,035)	-
Transactions with owners, recorded directly in equity								
Final cash dividend for the year ended 31 December 2024 @ Rupee 0.38 per share	-	-	-	-	-	-	(522,106)	(522,106)
Balance as at 30 June 2025 (Un-audited)	13,739,628	1,393,628	(632,766)	2,454,893	77,273	294,444	4,260,718	21,587,818

* This represents reserve created under section 21(i)(a) of the Banking Companies Ordinance, 1962.

The annexed notes 1 to 42 form an integral part of these condensed interim financial statements.

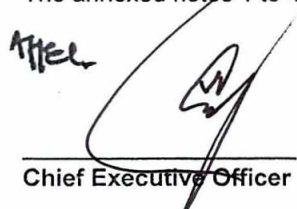







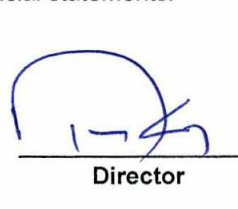

Chief Executive Officer
Chief Financial Officer
Chairman
Director
Director

AL BARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2025

	Half year ended	
	30 June 2025	30 June 2024
Note	(Rupees in '000)	
	(Restated)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,674,839	4,381,711
Less: Dividend income	-	(1,025)
	<u>2,674,839</u>	<u>4,380,686</u>
Adjustments:		
Net profit / return - excluding finance charge on lease liability	(6,382,683)	(7,811,245)
Depreciation on property and equipment	31 154,663	146,762
Depreciation on right-of-use assets	31 372,650	270,235
Amortisation	31 74,004	81,184
Depreciation - non banking assets	31 19,681	19,681
(Reversal) / charge in credit loss allowance / provisions and write offs - net	33 (286,056)	(24,885)
Gain on sale of property and equipment - net	30 (805)	(1,517)
Finance charge on lease liability against right-of-use assets	27 233,232	135,539
Unrealised gain on revaluation of securities classified as FVTPL	29 (2,982)	(3,540)
Workers' Welfare Fund	54,589	89,423
	<u>(5,763,707)</u>	<u>(7,098,363)</u>
	<u>(3,088,868)</u>	<u>(2,717,677)</u>
(Increase) / decrease in operating assets		
Due from financial institutions	(2,432,821)	3,571,161
Securities classified as FVTPL	104,353	11,708,451
Islamic financing and related assets - net	(3,202,558)	(3,498,413)
Other assets (excluding advance taxation)	283,319	(13,088)
	<u>(5,247,707)</u>	<u>11,768,111</u>
Increase / (decrease) in operating liabilities		
Bills payable	3,187,782	3,963,712
Due to financial institutions	302,151	(918,355)
Deposits and other accounts	10,757,621	(9,881,965)
Other liabilities	(611,916)	545,869
	<u>13,635,638</u>	<u>(6,290,739)</u>
Profit / return received	16,074,355	21,406,782
Profit / return paid	(8,745,586)	(12,610,524)
Income tax paid	<u>(2,045,165)</u>	<u>(1,620,889)</u>
Net cash flows generated from operating activities	<u>10,582,667</u>	<u>9,935,064</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investments in securities classified as FVOCI	(470,989)	(2,983,078)
Net investment in securities classified as FVTPL	104,353	(521,569)
Dividends received	-	1,025
Investments in property and equipment	(654,993)	(234,601)
Proceeds from sale of property and equipment	812	2,099
Net cash used in investing activities	<u>(1,020,817)</u>	<u>(3,736,124)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease liability against right-of-use assets	(518,043)	(333,632)
Dividend paid	(79,995)	-
Net cash used in financing activities	<u>(598,038)</u>	<u>(333,632)</u>
Increase in cash and cash equivalents	<u>8,963,812</u>	<u>5,865,308</u>
Credit loss on cash and cash equivalent	(1)	(50,847)
Cash and cash equivalents at the beginning of the period	<u>20,635,657</u>	<u>23,560,446</u>
Cash and cash equivalents at the end of the period	<u>29,599,468</u>	<u>29,374,907</u>

The annexed notes 1 to 42 form an integral part of these condensed interim financial statements.

Chief Executive Officer
Chief Financial Officer
Chairman
Director
Director

AL BARAKA BANK (PAKISTAN) LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2025

1. STATUS AND NATURE OF BUSINESS

- 1.1** Al Baraka Bank (Pakistan) Limited (the Bank) was incorporated in Pakistan on 20 December 2004 as a public limited company. The Bank was granted an Islamic Banking License BL(I)-01(07), issued by the Banking Policy and Regulations Department of the State Bank of Pakistan (SBP) on 18 January 2007. Subsequently, the Bank was also granted approval for commencement of business as a scheduled bank with effect from 13 February 2007. Upon merger of the Pakistan branches of Al Baraka Islamic Bank B.S.C. (c) with and into the Bank, fresh license no. BL(I)-01(2011) was issued by SBP on 12 March 2011, effective from close of business on 29 October 2010. The main objective of the Bank is to carry on Islamic banking business in Pakistan in accordance and in conformity with Shariah.

The Bank is a subsidiary of Al Baraka Islamic Bank B.S.C. (c) (Parent Bank) incorporated and domiciled in Bahrain, which is 92.81% (31 December 2024: 92.81%) owned by Al Baraka Group B.S.C. (Ultimate Parent).

The Bank's registered office is located at 162, Bangalore Town, Main Shahrah-e-Faisal, Karachi. The Bank has 185 branches (31 December 2024: 185 branches) in Pakistan.

- 1.2** During the year 2016, the shareholders of the Bank in their extra ordinary general meeting held on 22 August 2016 approved the merger of the Bank with Burj Bank Limited under a "Scheme of Amalgamation" (the Scheme). Further, State Bank of Pakistan, through its letter no. BPRD (R&P-02)/2016/24373 dated 14 October 2016, also approved the scheme of amalgamation and granted sanction order for the amalgamation of Ex Burj Bank Limited with and into the Bank. As of the effective date of amalgamation, the entire undertaking of Ex Burj Bank Limited including all the properties, assets and liabilities and all the rights and obligations shall, without any further act, action or deed and notwithstanding the terms of any contract or other document or any rule of law, stands amalgamated with and vest in the Bank and as a consequence, Ex Burj Bank Limited stood amalgamated with and into the Bank.

- 1.3** Based on the annual audited financial statements of the Bank for the year ended 31 December 2024, the VIS Credit Rating Company Limited upgraded the long-term rating at 'AA-' and maintained the short-term rating as A1.

- 1.4** In 2019, Al Baraka Islamic Bank, B.S.C (c) (the Parent Bank) injected a temporary Capital Support Fund amounting to Rs 1.394 billion (USD 9 million) which is an allowable capital for the purposes of CAR, MCR and Leverage ratio. These funds can only be remitted back after prior approval of SBP. In case capital of the Bank is not increased through alternate plans, the said capital support fund will be converted into share capital of the Bank. Currently, the Bank has applied for extension till 30 June 2026 and response from SBP is awaited in this respect. At present, the Bank does not have relevant basis to determine the number of shares to be issued at the time of any conversion into share capital, accordingly the diluted EPS cannot be ascertained.

As at 30 June 2025, the Minimum Capital Requirement (MCR) and Capital Adequacy Ratio (CAR) stood at Rs. 14.5 billion and 19.02% respectively.

2. BASIS OF PRESENTATION

These condensed interim financial statements have been prepared in conformity with the format of financial statements prescribed by the SBP vide BPRD Circular Letter No. 02 dated 09 February 2023 and the requirements of International Accounting Standard 34, "Interim Financial Reporting".

2.1 STATEMENT OF COMPLIANCE

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

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

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 IFRS Accounting Standards or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017, and the said directives have been followed.

The SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for banking companies through BSD Circular Letter No. 10 dated 26 August 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(1)/2008 dated 28 April 2008. The SBP through BPRD Circular No. 04 of 2015 dated 25 February 2015 had deferred the applicability of Islamic Financial Accounting Standard-3 for Profit and Loss Sharing on Deposits (IFAS-3) issued by the Institute of Chartered Accountants of Pakistan (ICAP) and notified by the SECP, vide their SRO No. 571 of 2013 dated 12 June 2013 for Institutions offering Islamic Financial Services (IIFS). Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim financial statements.

- 2.1.2** These condensed interim financial statements do not include all the information and disclosures required in the audited annual financial statements, and should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2024.

2.2 Amendments to published accounting and reporting standards that are effective in the current period:

There are certain new and amended standards, amendments and interpretations that are mandatory for the Bank's accounting periods beginning on 1 January 2025 but are considered not to be relevant or do not have any material effect on Bank's operations and are therefore not detailed in these condensed interim financial statements. The comparative period has been restated to incorporate the impact of adoption of IFRS 9 as disclosed in note 5.1 of these condensed interim financial statements.

2.3 Standards, interpretations of and amendments to approved accounting 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 1 January, 2026 but are considered not to be relevant or will not have any material effect on the Bank's condensed interim financial statements

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

3. BASIS OF MEASUREMENT

3.1 Accounting convention

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

4. FUNCTIONAL AND PRESENTATION CURRENCY

Items included in these condensed interim financial statements are measured using the currency of the primary economic environment in which the Bank operates. The financial statements are presented in Pakistani Rupees, which is the Bank's functional and presentation currency.

5. MATERIAL ACCOUNTING POLICY INFORMATION

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

5.1 IFRS 9 - 'Financial Instruments'

The Bank had adopted IFRS 9 effective from 01 January 2024 with modified retrospective approach for restatement permitted under IFRS 9. The cumulative impact of initial application amounting to Rs. 1,115.574 million was recorded as an adjustment to equity at the beginning of the previous accounting period. The Bank, in compliance with extended timelines prescribed in SBP's BPRD Circular Letter No. 16 dated 29 July 2024 and BPRD Circular Letter No. 01 dated 22 January 2025 had incorporated certain IFRS 9 related impacts in the last quarter of 2024. Therefore the condensed interim statement of profit and loss account (un-audited) for the half year ended 30 June 2024 have been restated to incorporate these impacts. Had the restatement not been incorporated the profit after tax and total comprehensive income for the half year ended 30 June 2024 would have been lower by Rs. 6.358 million. The details are tabulated below:

Head		(Rupees in '000)	Description
Profit / return earned	Increase	172,779	Fair value impact of subsidised financing and modification of restructured financing
Profit / return expensed	Increase	99,645	Fair value impact of subsidised borrowings
Operating expenses		59,311	Fair value impact of staff financing
Workers' Welfare Fund	Increase	277	Tax impact of restatement
		159,233	
Taxation	Increase	7,188	Tax impact of restatement
		6,358	
		Rupees	
Basic and diluted earnings per share		0.01	EPS impact of restatement

5.2 During the current period, in accordance with BPRD Circular No. 03 of 2022 dated 05 July 2022 and BPRD Circular Letter No. 16 dated 29 July 2024 the Bank has applied IFRS 9 'Financial Instruments' and measured unquoted equity securities at fair value. The cumulative impact of application in current period amounting to Rs. 5.838 million net of tax has been recorded as an adjustment to equity at the beginning of the current period.

5.3 The SBP has directed the Banks through its BPRD Circular Letter No. 1 dated 22 January 2025 to continue the existing revenue recognition methodology for Islamic operations, including the requirements of IFAS 1 and IFAS 2 until further instructions. Had IFRS 9 been adopted in its entirety for revenue recognition from Islamic operations, profit / return earned on Islamic financing and related assets in the condensed interim statement of profit and loss account for the period ended 30 June 2025 would have been lower by Rs. 38.93 million on net basis and tax expense would have been lower by Rs. 20.63 million. Further, unappropriated profit as at 30 June 2025 in the condensed interim statement of changes in equity would have been higher by Rs. 475.18 million (31 December 2024: Rs 483 million).

5.4 Additionally, the SBP issued a separate instruction dated 22 January 2025, allowing an extension for the application of the Effective Profit Rate until 31 December 2025.

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

7. FINANCIAL RISK MANAGEMENT

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

8. CASH AND BALANCES WITH TREASURY BANKS

	Note	30 June 2025 (Un-audited) ----- (Rupees in '000) -----	31 December 2024 (Audited)
In hand			
Local currency		3,873,998	3,735,364
Foreign currencies		803,771	1,071,839
		4,677,769	4,807,203
With State Bank of Pakistan in			
Local currency current account		14,780,373	11,689,261
Foreign currency current account		2,188,559	2,061,980
	8.1	16,968,932	13,751,241
With National Bank of Pakistan in			
Local currency current accounts		1,531,689	276,577
Local currency deposit accounts		9	9
		1,531,698	276,586
Less: Credit loss allowance held against cash and balances with treasury banks		(23)	(115)
Cash and balances with treasury banks - net of credit loss allowance		23,178,376	18,834,915

- 8.1 These include local and foreign currency amounts required to be maintained by the Bank with the SBP under the Banking Companies Ordinance, 1962 and / or stipulated by the SBP. These accounts are non-remunerative in nature.

		30 June 2025 (Un-audited)	31 December 2024 (Audited)
	Note	----- (Rupees in '000) -----	
9. BALANCES WITH OTHER BANKS			
In Pakistan			
In current accounts		100	600
In deposit accounts	9.1	13,255	133,523
		13,355	134,123
Outside Pakistan			
In current accounts		978,238	1,229,486
In deposit accounts	9.1	5,429,780	437,321
		6,408,018	1,666,807
Less: Credit loss allowance held against balances with other banks		(281)	(188)
Balances with other banks - net of credit loss allowance		<u>6,421,092</u>	<u>1,800,742</u>

- 9.1 The expected return on remunerative deposits ranges from 3.25% to 6.5% (31 December 2024: 3.5% to 9.8%) per annum.

		30 June 2025 (Un-audited)	31 December 2024 (Audited)
	Note	----- (Rupees in '000) -----	
10. DUE FROM FINANCIAL INSTITUTIONS			
Wakalah placement			
-inside Pakistan	10.1	3,000,000	-
-outside Pakistan		831,643	1,398,822
		3,831,643	1,398,822
Less: Credit loss allowance held against due from financial institutions	10.2	(20)	(46)
Due from financial institutions - net of credit loss allowance		<u>3,831,623</u>	<u>1,398,776</u>

- 10.1 The expected return on local placements is 11% (31 December 2024: Nil) per annum and the expected return on foreign placements is 1.78% (31 December 2024: 4.5%) per annum. These placements will mature by July 2025.

10.2 Due from financial institutions - particulars of credit loss allowance

	30 June 2025 (Un-audited)		31 December 2024 (Audited)	
	Due from financial institutions	Credit loss allowance held	Due from financial institutions	Credit loss allowance held
	----- (Rupees in '000) -----			
Domestic				
Stage 1 / Performing	3,831,643	20	1,398,822	46
Stage 2 / Under performing	-	-	-	-
Stage 3 / Non-performing				
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-
Total	<u>3,831,643</u>	<u>20</u>	<u>1,398,822</u>	<u>46</u>

11. INVESTMENTS

11.1 Investments by type:

FVTPL

Federal Government securities
Non-government debt securities
Shares

30 June 2025 (Un-audited)				31 December 2024 (Audited)			
Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
(Rupees in '000)							
-	-	-	-	47,476	-	222	47,698
100,000	-	-	100,000	100,000	-	-	100,000
170,142	-	(124,449)	45,693	227,019	-	(127,653)	99,366
270,142	-	(124,449)	145,693	374,495	-	(127,431)	247,064

FVOCI

Federal Government securities
Shares
Non-government debt securities
Foreign securities

Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
97,218,899	-	414,597	97,633,496	95,137,365	-	1,687,928	96,825,293
136,148	-	(13,992)	122,156	135,997	(26,154)	-	109,843
25,027,810	(137,131)	(194,939)	24,695,740	25,437,095	(157,049)	337,304	25,617,350
2,810,573	(612)	(44,680)	2,765,281	4,135,215	(2,350)	(80,463)	4,052,402
125,193,430	(137,743)	160,986	125,216,673	124,845,672	(185,553)	1,944,769	126,604,888

Total investments

125,463,572	(137,743)	36,537	125,362,366	125,220,167	(185,553)	1,817,338	126,851,952
-------------	-----------	--------	-------------	-------------	-----------	-----------	-------------

11.2 Investments by segments:

- Debt instruments

Classified / measured at FVOCI

Federal Government securities
- Ijarah sukuks
Non-government debt securities
Foreign securities

Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
97,218,899	-	414,597	97,633,496	95,137,365	-	1,687,928	96,825,293
25,027,810	(137,131)	(194,939)	24,695,740	25,437,095	(157,049)	337,304	25,617,350
2,810,573	(612)	(44,680)	2,765,281	4,135,215	(2,350)	(80,463)	4,052,402
125,057,282	(137,743)	174,978	125,094,517	124,709,675	(159,399)	1,944,769	126,495,045

Classified / measured at FVTPL

Federal Government securities
- Ijarah sukuks

-	-	-	-	47,476	-	222	47,698
---	---	---	---	--------	---	-----	--------

Instruments mandatorily classified / measured at FVTPL

Non-government debt securities

100,000	-	-	100,000	100,000	-	-	100,000
---------	---	---	---------	---------	---	---	---------

Equity instruments

Classified / measured at FVOCI

Shares

Unlisted companies

136,148	-	(13,992)	122,156	135,997	(26,154)	-	109,843
---------	---	----------	---------	---------	----------	---	---------

Classified / measured at FVTPL

Shares

Listed companies

170,142	-	(124,449)	45,693	227,019	-	(127,653)	99,366
---------	---	-----------	--------	---------	---	-----------	--------

Total investments

125,463,572	(137,743)	36,537	125,362,366	125,220,167	(185,553)	1,817,338	126,851,952
-------------	-----------	--------	-------------	-------------	-----------	-----------	-------------

11.3 Particulars of credit loss allowance - debt securities

Non government debt securities
Foreign securities

30 June 2025 (Un-audited)				31 December 2024 (Audited)			
Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
(Rupees in '000)							
8,275	17,401	111,455	137,131	8,849	36,745	111,455	157,049
612	-	-	612	2,350	-	-	2,350
8,887	17,401	111,455	137,743	11,199	36,745	111,455	159,399

	30 June 2025 (Un-audited)	31 December 2024 (Audited)
----- (Rupees in '000) -----		
11.3.1 Credit loss allowance / provision for diminution in value of investments		
Opening balance	185,553	418,208
Impact of adoption of IFRS 9	(26,154)	(280,599)
Balance as at January 01 after adopting IFRS 9	159,399	137,609
ECL charge on opening investment portfolio	-	71,141
Charge / reversals		
Charge for the period / year	3,104	5,577
Reversal for the period / year	(24,760)	(28,774)
	(21,656)	(23,197)
Closing balance	137,743	185,553

11.4. Particulars of credit loss allowance against debt securities - FVOCI

	30 June 2025 (Un-audited)		31 December 2024 (Audited)	
	Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
----- (Rupees in '000) -----				
Domestic				
Performing	124,612,493	8,887	124,181,553	11,199
Underperforming	333,334	17,401	416,667	36,745
Non-performing				
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	111,455	111,455	111,455	111,455
	111,455	111,455	111,455	111,455
Total	125,057,282	137,743	124,709,675	159,399

11.5 No investments given as collateral as at 30 June, 2025 (31 December 2024: Nil).

12. ISLAMIC FINANCING AND RELATED ASSETS - NET

	Performing		Non-performing		Total	
	30 June 2025 (Un-audited)	31 December 2024 (Audited)	30 June 2025 (Un-audited)	31 December 2024 (Audited)	30 June 2025 (Un-audited)	31 December 2024 (Audited)
----- (Rupees in '000) -----						
Note						
- Murabaha financing	1,126,796	984,198	1,825,686	1,947,318	2,952,482	2,931,516
- Advance against murabaha financing	392,265	303,200	123,120	123,120	515,385	426,320
- Export refinance under Islamic scheme	17,500	10,000	12,750	43,505	30,250	53,505
- Advance against export refinance under Islamic scheme	2,537,499	3,420,500	150,285	150,285	2,687,784	3,570,785
- Inventory against export refinance under Islamic scheme	611,200	1,134,200	-	-	611,200	1,134,200
- Diminishing musharaka and ijarah financing	35,056,441	32,866,669	2,838,081	3,041,320	37,894,522	35,907,989
- Advance against diminishing musharaka finance	1,613,612	684,151	-	-	1,613,612	684,151
- Running musharaka	20,253,020	18,289,378	-	-	20,253,020	18,289,378
- Tijarah finance	558,324	3,667,266	850	4,850	559,174	3,672,116
- Advance against tijarah	2,104,549	718,757	181,459	240,459	2,286,008	959,216
- Tijarah inventory	6,219,419	3,281,940	62,000	10,228	6,281,419	3,292,168
- Over-due acceptances	174,068	-	491,342	491,342	665,410	491,342
- Payment against guarantee	3,776	3,776	28,029	63,939	31,805	67,715
- Payment against documents	492,915	261,398	-	-	492,915	261,398
- Salam financing	938,682	23,900	20,878	27,639	959,560	51,539
- Advance against salam	4,506,614	5,605,046	2,296,369	2,422,533	6,802,983	8,027,579
- Salam inventory	1,125,114	1,725,830	592,517	136,347	1,717,631	1,862,177
- Rahnuma travel services	20,470	7,547	-	-	20,470	7,547
- Istisna finance	1,748,528	2,098,036	852,354	867,648	2,600,882	2,965,684
- Advance against istisna	21,195,122	23,182,246	2,592,101	3,330,501	23,787,223	26,512,747
- Istisna inventory	4,397,429	3,454,663	796,813	266,803	5,194,242	3,721,466
- Qarz-e-Hasna	54,897	51,723	61,397	97,762	116,294	149,485
Islamic financing and related assets - gross	105,148,240	101,774,424	12,926,031	13,265,599	118,074,271	115,040,023
Credit loss allowance against financing						
- Stage 1	(233,258)	(285,772)	-	-	(233,258)	(285,772)
- Stage 2	(343,474)	(603,950)	-	-	(343,474)	(603,950)
- Stage 3	(62,391)	(48,107)	(11,902,467)	(12,071,000)	(11,964,858)	(12,119,107)
	(639,123)	(937,829)	(11,902,467)	(12,071,000)	(12,541,590)	(13,008,829)
- General provision	(742,375)	(592,375)	-	-	(742,375)	(592,375)
Islamic financing and related assets - net of credit loss allowance / provisions	103,766,742	100,244,220	1,023,564	1,194,599	104,790,306	101,438,819

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

12.1 Particulars of Islamic financing and related assets (Gross)

In local currency	113,464,990	110,187,546
In foreign currency	4,609,281	4,852,477
	<u>118,074,271</u>	<u>115,040,023</u>

12.2 Islamic financing and related assets include Rs. 12,926.031 million (31 December 2024: Rs. 13,265.599 million) which have been placed under non-performing / Stage 3 status as detailed below:

Category of classification	30 June 2025 (Un-audited)		31 December 2024 (Audited)	
	Non-performing Islamic financing and related assets	Credit loss allowance	Non-performing Islamic financing and related assets	Credit loss allowance
----- (Rupees in '000) -----				

Domestic

Stage 3

- Other Assets Especially Mentioned (OAEM)	215,242	146,426	265,040	183,318
- Substandard	615,389	402,646	409,640	240,970
- Doubtful	344,167	228,302	1,302,663	903,197
- Loss	11,751,233	11,125,093	11,288,256	10,743,515
	<u>12,926,031</u>	<u>11,902,467</u>	<u>13,265,599</u>	<u>12,071,000</u>

12.3 Particulars of credit loss allowance against islamic financing and related assets

	30 June 2025 (Un-audited)						31 December 2024 (Audited)					
	Stage 1	Stage 2	Stage 3	Specific	General	Total	Stage 1	Stage 2	Stage 3	Specific	General	Total
----- (Rupees in '000) -----												
Opening balance	285,772	603,950	12,119,107	-	592,375	13,601,204	-	-	-	10,499,196	1,108,380	11,607,576
IFRS 9 Implementation	-	-	-	-	-	-	493,333	478,990	11,920,868	(10,499,196)	(316,005)	2,077,990
Charge for the period / year	138,824	215,555	726,065	-	150,000	1,230,444	211,489	408,069	1,777,168	-	-	2,396,726
Reversals for the period / year	(190,595)	(476,953)	(722,548)	-	-	(1,390,097)	(412,809)	(284,650)	(1,307,956)	-	(200,000)	(2,205,415)
	(51,771)	(261,398)	3,517	-	150,000	(159,653)	(201,320)	123,419	469,212	-	(200,000)	191,311
Amounts written off	-	-	-	-	-	-	-	-	(60,000)	-	-	(60,000)
Amounts charged off	-	-	(168,310)	-	-	(168,310)	-	-	(230,251)	-	-	(230,251)
Provision / amounts charged off - agriculture financing	(743)	922	10,545	-	-	10,723	(6,241)	1,541	19,278	-	-	14,578
Closing balance	<u>233,258</u>	<u>343,474</u>	<u>11,964,858</u>	<u>-</u>	<u>742,375</u>	<u>13,283,965</u>	<u>285,772</u>	<u>603,950</u>	<u>12,119,107</u>	<u>-</u>	<u>592,375</u>	<u>13,601,204</u>

12.3.1 The above provision against non-performing Islamic financing has been computed after considering allowable forced sale value (FSV) of collateral amounting to Rs. 2,301.352 million (31 December 2024: Rs. 2,341.630 million). The FSV benefit recognised is not allowed for distribution of cash or stock dividend to shareholders and bonus to employees. The cumulative net FSV benefit recognised while computing the credit loss allowance against Islamic financing and related assets amounted to Rs. 491.34 million (31 December 2024: Rs. 637.244 million) and the amount net of tax is Rs. 230.93 million (31 December 2024: Rs. 293.132 million).

12.3.2 The Bank has maintained a general provision of Rs. 742.375 million (31 December 2024: Rs. 592.375 million) against financing made on prudent basis, in view of prevailing economic conditions. This general provision can be maintained till December 31, 2026 under BPRD circular No. 1 of 2025 dated January 22, 2025.

12.4 Islamic financing and related assets - particulars of credit loss allowance

	30 June 2025 (Un-audited)						31 December 2024 (Audited)					
	Stage 1	Stage 2	Stage 3	Specific	General	Total	Stage 1	Stage 2	Stage 3	Specific	General	Total
(Rupees in '000)												
Opening balance	285,772	603,950	12,119,107	-	592,375	13,601,204	-	-	-	10,499,196	1,108,380	11,607,576
IFRS 9 implementation	-	-	-	-	-	-	493,333	478,990	11,920,868	(10,499,196)	(316,005)	2,077,990
New Islamic financing	130,465	143,685	123,994	-	150,000	548,144	210,089	334,383	368,142	-	-	912,614
Financing derecognised or repaid	(188,596)	(338,923)	(656,341)	-	-	(1,183,860)	(247,504)	(200,204)	(1,375,277)	-	(200,000)	(2,022,985)
Transfer to stage 1	53,570	(53,570)	-	-	-	-	34,916	(32,782)	(2,134)	-	-	-
Transfer to stage 2	(14,874)	15,446	(572)	-	-	(0)	(22,135)	38,234	(16,099)	-	-	-
Transfer to stage 3	(86)	(23,154)	23,240	-	-	0	(5,356)	(60,285)	65,641	-	-	-
	(19,521)	(256,515)	(509,679)	-	150,000	(635,715)	(29,990)	79,346	(959,727)	-	(200,000)	(1,110,371)
Amounts written off / charged o	-	-	(168,310)	-	-	(168,310)	-	-	(290,251)	-	-	(290,251)
Changes in risk parameters	(32,993)	(3,961)	523,740	-	-	486,786	(177,571)	45,614	1,448,217	-	-	1,316,260
Closing balance	233,258	343,474	11,964,858	-	742,375	13,283,965	285,772	603,950	12,119,107	-	592,375	13,601,204

12.5 Islamic financing and related assets - Category of classification

Category of classification		30 June 2025 (Un-audited)		31 December 2024 (Audited)	
		Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
----- (Rupees in '000) -----					
Domestic					
Performing	Stage 1	79,043,011	233,258	85,838,682	285,772
Underperforming	Stage 2	25,934,835	343,474	15,814,381	603,950
Underperforming (under cool-off period)	Stage 3	170,394	62,391	121,361	48,107
Non-performing	Stage 3				
Other Assets Especially Mentioned (OAEM)		215,242	146,426	265,040	183,318
Substandard		615,389	402,646	409,640	240,970
Doubtful		344,167	228,302	1,302,663	903,197
Loss		11,751,233	11,125,093	11,288,256	10,743,515
		12,926,031	11,902,467	13,265,599	12,071,000
General provision		-	742,375	-	592,375
Total		118,074,271	13,283,965	115,040,023	13,601,204

		30 June 2025 (Un-audited)	31 December 2024 (Audited)
	Note	(Rupees in '000)	(Rupees in '000)
13. PROPERTY AND EQUIPMENT			
Capital work-in-progress	13.1	467,240	355,123
Property and equipment		2,780,674	2,437,356
		3,247,914	2,792,479

13.1 Capital work-in-progress

Advances to suppliers and contractors for:

- civil works	448,293	337,009
- computer hardware	18,947	18,114

Advance for purchase of property - related party

Provisions for impairment against advance for purchase of property

251,680	251,680
(251,680)	(251,680)
-	-

Total capital work-in-progress

467,240	355,123
---------	---------

		30 June 2025 (Un-audited)	30 June 2024 (Audited)
		----- (Rupees in '000) -----	
13.2	Additions to property and equipment		
The following additions have been made to property and equipment during the period:			
	Capital work-in-progress	173,274	28,410
	Property and equipment		
	Building on leasehold land	84,671	11,896
	Furniture and fixture	75,372	6,893
	Electrical office and computer equipment	314,856	81,955
	Vehicles	23,100	43,869
		497,999	144,613
	Total	671,273	173,023
13.3	Disposal of property and equipment		
The net book value of property and equipment disposed off during the period is as follows:			
	Building on leasehold land	-	333
	Furniture and fixture	-	118
	Electrical office and computer equipment	7	130
	Total	7	581
14.	RIGHT-OF-USE ASSETS		
	Cost	3,810,005	2,789,356
	Accumulated depreciation	(1,512,077)	(1,245,456)
	Opening net carrying amount	2,297,928	1,543,900
	Additions during the period / year	919,860	1,456,027
	Depreciation charge during the period / year	(372,650)	(638,292)
	Derecognition during the period / year	-	(71,518)
	Modification during the period / year	-	7,811
	Closing net carrying amount	2,845,138	2,297,928
14.1	These rented agreements mainly pertain to the branches that operate throughout Pakistan.		
15.	INTANGIBLE ASSETS		
	Computer software	200,913	138,001
	Advance to suppliers against computer software - net	146,972	203,900
	Core deposits	93,600	128,700
	Brand	383,145	383,145
	Goodwill	396,117	396,117
		1,220,747	1,249,863
15.1	Additions to intangible assets		
The following additions have been made to intangible assets during the period:			
	Advance to suppliers against computer software - directly purchased	20,638	53,496
	Computer software - directly purchased	101,816	19,440
	Total additions to intangible assets	122,454	72,936
15.2	There were no disposals of intangible assets during the periods ended June 30, 2025 and June 30, 2024.		

		30 June 2025 (Un-Audited)	31 December 2024 (Audited)
	Note	----- (Rupees in '000) -----	
16. DEFERRED TAX ASSETS			
Deductible temporary differences on:			
- Fair value / credit loss allowance against assets		4,140,198	4,253,712
- Deficit on revaluation of equity securities measured at FVTPL		64,713	66,264
- Deficit on revaluation of equity securities measured at FVOCI		7,276	-
- Right of use assets		357,568	-
- Others		238,167	209,780
		4,807,922	4,529,756
Taxable temporary differences on:			
- Surplus on revaluation of debt securities measured at FVOCI		(90,988)	(1,011,279)
- Surplus on revaluation of non-banking assets		(318,982)	(318,982)
- Accelerated tax depreciation		(248,895)	(231,484)
		(658,865)	(1,561,745)
		<u>4,149,057</u>	<u>2,968,011</u>
17. OTHER ASSETS			
Profit / return accrued in local currency		4,064,148	5,721,515
Profit / return accrued in foreign currency		19,918	27,582
Advances, deposits, advance rent and other prepayments		721,590	500,598
Non-banking assets acquired in satisfaction of claims		1,214,378	1,234,059
Advance taxation (payments less provision)		39,718	-
Mark to market gain on re-measurement of forward exchange contracts		327,102	2,465
Stamps and stationery		815	776
Acceptances		1,808,024	2,195,985
Alternate Delivery Channel (ADC) settlement accounts		292,005	793,895
Branch adjustment account		28,670	-
Fair value impact on financing		2,639,113	2,584,440
Others		189,325	196,123
		<u>11,344,806</u>	<u>13,257,438</u>
Less: Credit loss allowance / provision held against other assets	17.1	<u>(218,863)</u>	<u>(243,396)</u>
Other assets (net of credit loss allowance / provision held)		<u>11,125,943</u>	<u>13,014,042</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		613,426	613,426
Other assets - total		<u>11,739,369</u>	<u>13,627,468</u>
17.1 Credit loss allowance / provision held against other assets			
17.1.1 Credit loss allowance held against other assets			
Profit receivable		23,886	41,037
Acceptances		1,845	4,034
		25,731	45,071
17.1.2 Provisions held against other assets			
Fraud and forgeries		181,582	186,775
Non-performing receivables		11,550	11,550
		193,132	198,325
		<u>218,863</u>	<u>243,396</u>
17.2 Movement in credit loss allowance / provision held against other assets			
Opening balance		243,396	226,970
ECL charge on adoption of IFRS 9		-	109,599
Charge for the period / year		9,781	18,902
Reversals		(31,820)	(112,075)
		(22,039)	(93,173)
Amount written off		(2,494)	-
Closing balance		<u>218,863</u>	<u>243,396</u>

18.	BILLS PAYABLE	Note	30 June 2025 (Un-audited)	31 December 2024 (Audited)
			----- (Rupees in '000) -----	
	In Pakistan		<u>10,470,746</u>	<u>7,282,964</u>
19.	DUE TO FINANCIAL INSTITUTIONS			
	Secured			
	Borrowings from State Bank of Pakistan			
	- Under Islamic export refinance scheme	19.1	4,061,199	4,761,700
	- Under Islamic temporary economic refinance facility for plant and machinery	19.2	1,167,170	1,219,862
	- Under Islamic refinance facility for combating COVID-19	19.3	16,267	22,693
	- Under Islamic financing facility for renewable energy	19.4	143,612	73,732
	- Under Islamic refinance and credit guarantee scheme for Women entrepreneurs	19.5	16,830	19,385
	- Under Islamic financing facility for storage of agricultural produce	19.6	41,667	47,222
			<u>5,446,745</u>	<u>6,144,594</u>
	Unsecured			
	- Wakala borrowing	19.7	1,000,000	-
			<u>6,446,745</u>	<u>6,144,594</u>
19.1	The range of profit rates on these borrowings is 7% to 9% per annum (31 December 2024: 9% to 16.5% per annum). The maximum limit approved by SBP to the Bank under Islamic export refinance scheme is Rs. 4,167 million. These contracts will mature between July 2025 to December 2025 (31 December 2024: January 2025 to June 2026).			
19.2	SBP vide its Circular No. 02 of 2020 had introduced an Islamic temporary economic refinance facility to support sustainable economic growth. The facility aims to provide concessionary finance for setting up of new industrial units through purchase of new imported and locally manufactured plant and machinery. The profit rate on these borrowings is 1% (31 December 2024: 1%) per annum. The maximum limit approved by SBP to the Bank under this scheme is Rs. 2,000 million. These contracts will mature between November 2025 to December 2033 (31 December 2024: November 2025 to December 2033).			
19.3	SBP vide its Circular No. 04 of 2020 had introduced an Islamic refinance facility to combat the impact of COVID-19. The facility aims to provide long term finance for purchase of new imported and locally manufactured medical equipments to be used for combating COVID-19 by hospitals and medical centers registered with provincials / federal agencies. The maximum limit approved by SBP to the Bank under this scheme is Rs. 75 million. These contracts will mature between November 2025 to December 2026 (31 December 2024: November 2025 to December 2026).			
19.4	The profit rate on these borrowings is 2% (31 December 2024: 2%) per annum. The maximum limit approved by SBP to the Bank is Rs. 168 million. Further, these contracts will mature between September 2031 to November 2035 (31 December 2024: September 2031 to April 2032).			
19.5	SBP vide its IH&SMEFD Circular No. 05 of 2017 has introduced a refinance and credit guarantee scheme to improve access to finance for women entrepreneurs in the underserved areas of the country. The maximum limit approved by SBP to the Bank under this scheme is Rs. 100 million. These contracts will mature between May 2028 to June 2029 (31 December 2024: May 2028 to June 2029).			
19.6	SBP vide its IH&SMEFD Circular No. 08 of 2010 had introduced a Financing Facility for Storage of Agricultural Produce (FFSAP) to encourage private sector to establish silos, warehouses and cold storages. The profit rate on these borrowings is 3.25% (31 December 2024: 3.25%) per annum. The maximum limit approved by SBP to the Bank under this scheme is Rs. 75 million. The contracts will mature in February 2029 (31 December 2024: February 2029).			
19.7	The profit rate on these borrowings is 10.95% (31 December 2024: Nil) per annum. These borrowings will mature in July 2025 (31 December 2024: Nil).			

**20. DEPOSITS AND
OTHER ACCOUNTS**

	30 June 2025 (Un-audited)			31 December 2024 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
----- (Rupees in '000) -----						
Customers						
Current deposits	51,960,030	9,323,052	61,283,082	46,685,892	8,938,344	55,624,236
Savings deposits	73,548,742	5,647,053	79,195,795	70,638,928	4,702,574	75,341,502
Term deposits	41,441,319	7,485,601	48,926,920	38,759,333	8,128,458	46,887,791
Margin accounts	3,993,977	-	3,993,977	5,593,139	-	5,593,139
	170,944,068	22,455,706	193,399,774	161,677,292	21,769,376	183,446,668
Financial Institutions						
Current deposits	8,360	479	8,839	65,973	57,082	123,055
Savings deposits	40,674,915	1,173	40,676,088	39,832,351	6	39,832,357
Term deposits	75,000	-	75,000	-	-	-
	40,758,275	1,652	40,759,927	39,898,324	57,088	39,955,412
	211,702,343	22,457,358	234,159,701	201,575,616	21,826,464	223,402,080

		30 June 2025 (Un-audited)	31 December 2024 (Audited)
	Note	----- (Rupees in '000) -----	
21. LEASE LIABILITIES			
Outstanding amount at the start of the period / year		2,476,776	1,677,081
Additions during the period / year		919,860	1,408,442
Finance charge for the period / year		233,232	398,299
Payments made during the period / year		(518,043)	(943,339)
Derecognition during the period / year		-	(71,518)
Modifications made during the period / year		-	7,811
Outstanding amount at the end of the period / year		3,111,825	2,476,776

21.1 Liabilities outstanding

Not later than one year	504,874	487,055
Later than one year and upto five years	1,559,186	1,378,649
Later than five years and upto ten years	1,016,859	611,072
Over ten years	30,906	-
Total at the period / year end	3,111,825	2,476,776

21.1.1 For the purpose of discounting, PKRV rates with a spread of 2.5% have been used.

22. SUBORDINATED MUDARABA

Tier II mudaraba sukuk - third issue	22.1	1,735,000	1,735,000
Additional Tier I capital	22.2	1,389,241	1,389,241
		3,124,241	3,124,241

22.1 In December 2021, the Bank issued regulatory shariah compliant unsecured, subordinated privately placed Tier-II sukuk (third issue) based on mudaraba of Rs. 1.735 billion as instruments of redeemable capital under section 66 of the Companies Act, 2017. A brief description of Tier-II sukuk (third issue) is as follows:

Credit rating	A+ by VIS Credit Rating Company Limited
Issue date	22 December 2021
Maturity date	21 December 2031
Tenor	10 years from the issue date
Profit payment frequency	Semi-annually in arrears
Redemption	Bullet payment at the end of the tenth year
Expected periodic profit amount (mudaraba profit amount)	Mudaraba profit is computed under the general depositors' pool on the basis of Profit Sharing Ratio (PSR) and monthly weightages announced by the Bank. Profit rate is 6 months KIBOR + 1.5% per annum.
Call option	The Bank may call Tier-II sukuk with prior approval of SBP after completion of five years from the date of issue.
Loss absorbency	The Tier-II sukuk, at the option of the SBP, will be fully and permanently converted into common shares upon the occurrence of a Point of Non-Viability (PONV) trigger event as determined by SBP or for any other reason as may be directed by SBP.
Lock-in-clause	Profit and / or redemption amount can be held back in respect of the Tier-II sukuk, if such payment will result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) requirement.

- 22.2** In December 2018, the Bank issued regulatory shariah compliant unsecured, subordinated privately placed Additional Tier-I (ADT-1) capital based on mudaraba of Rs. 1.389 billion. A brief description of Additional Tier-I (ADT-1) capital is as follows:

Credit rating	Not rated
Issue date	26 December 2018
Tenor	Perpetual
Profit payment frequency	Monthly
Redemption	Perpetual
Expected periodic profit amount (mudaraba profit amount)	Mudaraba profit is computed under the general depositors' pool on the basis of Profit Sharing Ratio (PSR) and monthly weightages announced by the Bank. Profit rate is 1 Year KIBOR + 2.50% per annum.
Call option	The Bank may call ADT-1 Capital sukuk with prior approval of SBP after completion of five years from the date of issue.
Loss absorbency	The ADT-1 capital, at the option of the SBP, will be fully and permanently converted into common shares upon the occurrence of a Point of Non-Viability (PONV) trigger event as determined by SBP or for any other reason as may be directed by SBP.
Lock-in-clause	Profit and / or redemption amount can be held back in respect of the ADT-1 capital, if such payment will result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) requirement.

		30 June 2025 (Un-audited)	31 December 2024 (Audited)
	Note	----- (Rupees in '000) -----	
23. OTHER LIABILITIES			
Return on deposits and other dues:			
- payable in local currency		1,525,630	2,159,645
- payable in foreign currencies		189,031	273,961
Accrued expenses		851,707	1,241,213
Current taxation (provisions less payments)		-	398,702
Mark to market loss on re-measurement of forward exchange contracts		83,424	210,520
Unearned income		112,775	115,438
Advance payments		1,167,263	887,770
Charity fund balance		22,509	38,552
Security deposits against ijarah		65,966	65,966
Payable in respect of defined benefit plan		396,120	380,546
Takaful payable against ijarah and diminishing musharakah assets		255,029	259,114
Workers Welfare Fund payable		458,013	403,424
Dividend payable (including unclaimed dividend)		442,111	-
Branch adjustment account		-	31,182
Acceptances		1,808,024	2,195,985
Alternate Delivery Channel (ADC) settlement accounts		107,829	48,692
Others		358,370	365,954
Credit loss allowance against off-balance sheet obligations	23.1	41,111	135,221
		<u>7,884,912</u>	<u>9,211,885</u>

23.1 Credit loss allowance against off-balance sheet obligations

Opening balance	135,221	-
ECL charge on adoption of IFRS 9	-	68,766
Charge for the period / year	19,861	104,411
Reversals for the period / year	(113,971)	(37,956)
	(94,110)	66,455
Amount written off	-	-
Closing balance	<u>41,111</u>	<u>135,221</u>

		Note	30 June 2025 (Un-audited)	31 December 2024 (Audited)
			----- (Rupees in '000) -----	
24. SURPLUS ON REVALUATION OF ASSETS				
Surplus / (deficit) on revaluation of:				
- Securities measured at FVOCI - Debt securities	11.2		174,978	1,944,769
- Securities measured at FVOCI - Equity security			(13,992)	-
- Non-banking assets acquired in satisfaction of claims	17		613,426	613,426
			774,412	2,558,195
Deferred tax on surplus / (deficit) on revaluation of:				
- Securities measured at FVOCI - Debt securities			(90,989)	(1,011,280)
- Securities measured at FVOCI - Equity security			7,276	-
- Non-banking assets acquired in satisfaction of claims			(318,982)	(318,982)
			(402,695)	(1,330,262)
			371,717	1,227,933
25. CONTINGENCIES AND COMMITMENTS				
- Guarantees	25.1		14,349,394	15,749,034
- Commitments	25.2		45,590,244	29,736,602
- Other contingent liabilities	25.3		4,767,069	2,301,416
			64,706,707	47,787,052
25.1 Guarantees:				
Performance guarantees			11,126,093	12,216,973
Other guarantees			3,223,301	3,532,061
			14,349,394	15,749,034
25.2 Commitments:				
Documentary credits and short-term trade-related transactions				
- letters of credit			14,924,012	15,049,172
Commitments in respect of forward foreign exchange contracts	25.2.1		27,621,400	10,717,947
Commitments for acquisition of operating fixed assets			62,698	47,748
Other commitments	25.2.2		2,982,134	3,921,735
			45,590,244	29,736,602
25.2.1 Commitments in respect of forward foreign exchange contracts				
Purchase			17,135,559	8,290,093
Sale			10,485,841	2,427,854
			27,621,400	10,717,947
25.2.1.1 The maturities of the above contracts are spread over the period upto one year.				
25.2.2 Other commitments				
Commitments in respect of financing	25.2.2.1		2,982,134	3,921,735
25.2.2.1 These represent commitments that are irrecoverable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense.				
			30 June 2025 (Un-Audited)	31 December 2024 (Audited)
			----- (Rupees in '000) -----	
25.3 Other contingent liabilities				
Claims against the Bank not acknowledged as debt			4,767,069	2,301,416
25.4 Tax contingencies				

There is no change in the status of contingencies disclosed in notes 24.3 to the financial statements for the year ended 31 December 2024 except for the following:

During the year 2023, the DCIR passed an Order under section 161(1) of the Ordinance for the tax year 2017 requiring the Bank to pay tax demand of Rs. 488.512 million. An appeal was filed before the Commissioner (Appeals) and the Commissioner (Appeals) passed the Appellate Order maintaining the action of DCIR. The Bank filed the appeal along with the stay application before the Appellate Tribunal Inland Revenue (ATIR). The ATIR passed the Appellate Order remanding back the matter to the tax officer for verification of the details / reconciliations relating to withholding taxes. During the current period, the tax officer has assessed and issued a revised Order of Rs. 11.286 million for which appeal has been filed before Commissioner Inland Revenue Authority (CIRA).

The management of the Bank, in consultation with its tax advisors, is confident that the matter is likely to be decided in favor of the Bank and hence, no provision has been made in these condensed interim financial statements for the income tax claims amounting to Rs. 11.286 million.

		Half year ended	
		30 June 2025	30 June 2024
		(Un-audited)	
		(Rupees in '000)	
		(Restated)	
26.	PROFIT / RETURN EARNED		
	On:		
	- Islamic financing and related assets - net	6,294,737	7,670,809
	- Investments	7,968,029	12,046,881
	- Due from financial institutions	143,872	458,587
	- Balances with banks	2,686	7,398
		<u>14,409,324</u>	<u>20,183,675</u>
26.1	Profit / return earned recognised on:		
	Financial assets measured at amortised cost	6,441,295	8,136,794
	Financial assets measured at fair value through profit or loss	167,792	136,540
	Financial assets measured at fair value through OCI	7,800,237	11,910,341
		<u>14,409,324</u>	<u>20,183,675</u>
27.	PROFIT / RETURN EXPENSED		
	On:		
	- Deposits	6,678,692	10,648,191
	- Due to financial institutions	666,090	177,145
	- Conversion cost against foreign currency deposits	181,478	458,081
	- Subordinated mudaraba	223,150	535,590
	- Finance charge on lease liability against right-of-use asset	233,232	135,539
	- SBP Islamic refinance schemes	277,231	480,289
		<u>8,259,873</u>	<u>12,434,835</u>
		Half year ended	
		30 June 2025	30 June 2024
		(Un-audited)	
		(Rupees in '000)	
28.	FEE AND COMMISSION INCOME		
	Branch banking customer fees	77,846	62,504
	Consumer finance related fees	51,574	62,123
	Debit card related fees and income	109,734	90,540
	Investment banking fees	21,923	5,703
	Commission on trade	168,478	165,759
	Commission on guarantees	60,651	18,950
	Commission on cash management	13,744	8,475
	Commission on remittances including home remittances	12,685	14,519
	Commission on bancatakaful	285	401
	Others	9,132	7,949
		<u>526,052</u>	<u>436,923</u>
29.	GAIN ON SECURITIES - NET		
	Realised	120,599	15,228
	Unrealised - measure at FVTPL	2,982	3,540
		<u>123,581</u>	<u>18,768</u>
29.1	Realised gain / (loss) on:		
	Federal Government securities	120,653	9,542
	Shares	(54)	5,686
		<u>120,599</u>	<u>15,228</u>
29.2	Net gain on financial assets measured at FVTPL		
	- designated upon initial recognition	21,737	18,355
	- mandatorily measured at FVTPL	-	-
		<u>21,737</u>	<u>18,355</u>
29.3	Net gain on financial assets measured at FVOCI		
		101,844	413
		<u>123,581</u>	<u>18,768</u>

		Half year ended	
		30 June 2025	30 June 2024
		(Un-audited)	
		(Rupees in '000)	
30. OTHER INCOME			
Rent on property		10,040	17,678
Gain on sale of property and equipment - net		805	1,517
Loss on termination of Islamic financing		(1,870)	(2,231)
		<u>8,975</u>	<u>16,964</u>
		Half year ended	
		30 June 2025	30 June 2024
		(Un-audited)	
		(Rupees in '000)	
31. OPERATING EXPENSES			
Total compensation expense		2,362,891	2,040,974
Property expense			
Rent and taxes		47,175	84,977
Takaful expense		25,110	18,450
Utilities		188,192	195,786
Security (including guards)	31.1	242,824	217,385
Repair and maintenance (including janitorial charges)	31.1	99,770	78,338
Depreciation		33,239	32,333
Depreciation on right of use assets		372,650	270,235
Depreciation - non banking assets		19,681	19,681
Branch license fee		5,050	3,600
		<u>1,033,691</u>	<u>920,785</u>
Information technology expenses			
Software maintenance		319,728	267,024
Hardware maintenance		29,618	15,572
Depreciation		50,524	54,103
Amortisation		38,904	46,084
Network charges		68,615	47,652
Mastercard association fee		118,966	81,575
		<u>626,355</u>	<u>512,010</u>
Other operating expenses			
Directors' fees and allowances		40,950	38,350
Fees and allowances to Shariah Board		2,600	3,192
Legal and professional charges		54,098	50,458
Outsourced services costs	31.1	211,174	181,258
Travelling and conveyance		43,298	39,896
NIFT clearing charges		13,328	10,686
Depreciation		70,900	60,326
Amortisation		35,100	35,100
Takaful and registration of Ijarah		11,033	3,275
Training and development		19,275	12,446
Postage and courier charges		15,866	39,041
Communication		31,762	29,823
Stationery and printing	31.1	102,553	84,627
Marketing, advertisement and publicity		86,220	105,341
Repair and maintenance		32,826	32,000
Auditors' remuneration		24,949	10,546
Depositors' protection		72,049	73,210
Brokerage, commission and bank charges		103,293	120,686
Others		75,834	52,359
		<u>1,047,108</u>	<u>982,620</u>
		<u>5,070,045</u>	<u>4,456,389</u>

31.1 These amounts include outsourcing services with regards to janitorial services, security services, contractual employees over third party contracts and printing activities.

		Half year ended	
		30 June	30 June
		2025	2024
		(Un-audited)	
		(Rupees in '000)	
32.	OTHER CHARGES		
	Penalties imposed by State Bank of Pakistan	553	228
33.	REVERSAL / (CHARGE) IN CREDIT LOSS ALLOWANCE / PROVISIONS AND WRITE OFFS - NET		
	Net (reversal) / charge in credit loss allowance against balances with treasury banks	(92)	40,696
	Net credit loss allowance against balances with other banks	93	8,594
	Net reversal in credit loss allowance against due from financial institutions	(26)	(576)
	Net reversal in credit loss allowance against investments	(21,656)	(5,284)
	Net reversal in credit loss allowance against Islamic financing and related assets	(148,929)	(2,365)
	Net reversal in credit loss allowance against other assets	(22,039)	(51,362)
	Net reversal in credit loss allowance against off balance sheet obligations	(94,110)	(30,930)
	Write off against other assets	703	13,291
	Write off against property and equipment	-	3,051
		(286,056)	(24,885)
		Half year ended	
		30 June	30 June
		2025	2024
		(Un-audited)	
		(Rupees in '000)	
34.	TAXATION		(Restated)
	Current tax - current period	1,285,039	2,149,617
	Current tax - prior period	321,706	-
		1,606,745	2,149,617
	Deferred tax - current period	(267,079)	(1,084)
		1,339,666	2,148,533
35.	BASIC / DILUTED EARNINGS PER SHARE		
	Profit after taxation for the period	1,335,173	2,233,178
	Weighted average number of ordinary shares	1,373,962,760	1,373,962,760
	Basic / diluted earnings per share	0.97	1.63

36. FAIR VALUE MEASUREMENTS

Fair value measurement defines fair value as the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of quoted securities other than those classified as amortised cost, is based on quoted market price. Quoted securities classified as amortised are carried at cost. The fair value of unquoted equity securities is determined on the basis of valuation methodologies.

The fair value of Federal Government securities classified at amortised cost, other assets, other liabilities, fixed term deposits and due to financial institutions cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

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

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 liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

36.1 Fair value of financial assets

The following table provides the fair value measurement hierarchy of the Bank's assets:

30 June 2025 (Un-audited)				
	Level 1	Level 2	Level 3	Total
(Rupees in '000)				
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government securities	11,223,568	86,409,928	-	97,633,496
Other securities	23,074,500	1,721,240	-	24,795,740
Shares	45,693	-	113,936	159,629
Foreign securities	-	2,765,281	-	2,765,281
	<u>34,343,761</u>	<u>90,896,449</u>	<u>113,936</u>	<u>125,354,146</u>
Financial assets - disclosed but not measured at fair value				
Investments	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	327,102	-	327,102
	<u>-</u>	<u>327,102</u>	<u>-</u>	<u>327,102</u>
Forward sale of foreign exchange	-	83,424	-	83,424
	<u>-</u>	<u>83,424</u>	<u>-</u>	<u>83,424</u>
31 December 2024 (Audited)				
	Level 1	Level 2	Level 3	Total
(Rupees in '000)				
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government securities	11,219,957	85,653,034	-	96,872,991
Other securities	23,630,145	2,087,205	-	25,717,350
Shares	99,366	-	-	99,366
Foreign securities	-	4,052,402	-	4,052,402
	<u>34,949,468</u>	<u>91,792,641</u>	<u>-</u>	<u>126,742,109</u>
Financial assets - disclosed but not measured at fair value				
Investments	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	2,465	-	2,465
	<u>-</u>	<u>2,465</u>	<u>-</u>	<u>2,465</u>
Forward sale of foreign exchange	-	210,520	-	210,520
	<u>-</u>	<u>210,520</u>	<u>-</u>	<u>210,520</u>

36.2 Valuation techniques used in determination of fair values

Particulars	Valuation approach and input used
Federal government securities	The fair value of GoP Ijarah sukuks listed on Pakistan Stock Exchange has been determined through closing rates of Pakistan Stock Exchange. The fair value of other GoP Ijarah sukuks are derived using PKISRV rates. The PKISRV rates are announced by FMA (Financial Market Association) through Reuters. The rates announced are simple average of quotes received from eight different pre-defined / approved dealers / brokers.. However, valuation of Pakistan Energy Sukuk on the basis of rates announced or last traded rates by PSX.
Non-government debt securities	Investment in non-government debt securities denominated in local currency are valued on the basis of rates announced by the Mutual Funds Association of Pakistan (MUFAP).
Foreign securities	The fair value of foreign securities are denominated on the basis of rates taken from Bloomberg / Reuters.
Listed equity securities	The fair value of investments in listed equity securities are valued on the basis of closing quoted market price available at the Pakistan Stock Exchange.
Unquoted equity securities	The fair value of investment in unlisted equity security is valued on the basis of income and market approach.
Forward foreign exchange contracts	The valuation has been determined by interpolating the mid rates announced by State Bank of Pakistan.
Non-banking assets acquired in satisfaction of claims	The fair value of land and building are derived using the sale comparison approach. The sales value is determined by physically analysing the condition of land and building and by ascertaining the current market value of similar land, which is selling in near vicinity. Moreover, for buildings, the valuer has also considered prevailing current cost of construction for relevant type of civil work carried out thereon, wherever required.
Corporate sukuks	The valuation has been determined through closing rates announced by FMA (Financial Market Association) through Reuters.

36.2.1 Fair value of financial assets

(a) Financial instruments in level 1

Financial instruments included in level 1 comprises of investments in ordinary shares of listed companies, listed GoP ijarah sukuks and listed non government debt securities traded at Pakistan Stock Exchange.

(b) Financial instruments in level 2

Financial instruments included in level 2 comprises of GoP ijarah sukuks, foreign sukuks and non government debt securities which are valued through MUFAP.

(c) Financial instruments in level 3

Financial instruments included in level 3 comprises of unlisted ordinary shares and foreign share. Valuation techniques are mentioned in the table above.

36.2.2 The Bank's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred.

There were no transfers between levels 1 and 2 during the period.

The valuations of land and building, mentioned above, are conducted by the valuation experts appointed by the Bank which are also on the panel of the Pakistan Banks' Association (PBA). The valuation experts use a market based approach to arrive at the fair value of the Bank's properties. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable or similar properties. These values are adjusted to reflect the current condition of the properties. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a quantitative disclosure of sensitivity has not been presented in these condensed interim financial statements.

The sensitivity analysis of the fair value measurement of unquoted equity securities due to changes in observable inputs has not been disclosed as the amount is not material and significant.

37. SEGMENT INFORMATION

37.1 Segment details with respect to business activities

30 June 2025 (Un-audited)						
Corporate Banking	Commercial and SME Banking	Retail and Consumer Banking	Trading and Sales	Others	Inter-segment Eliminations	Total

(Rupees in '000)

Condensed interim statement of profit and loss account for the half year ended 30 June 2025

Net profit / return earned	2,832,930	838,784	(2,252,698)	4,999,109	(268,674)	-	6,149,451
Inter-segment revenue - net	-	-	7,550,810	-	489,705	(8,040,515)	-
Other income	165,482	142,831	252,140	804,066	-	-	1,364,519
Total Income	2,998,412	981,615	5,550,252	5,803,175	221,031	(8,040,515)	7,513,970
Segment direct expenses	(227,877)	(213,209)	(4,526,166)	(88,220)	(69,715)	-	(5,125,187)
Inter segment expense allocation	(2,041,348)	(312,956)	(1,045,396)	(4,640,815)	-	8,040,515	-
Total expenses	(2,269,225)	(526,165)	(5,571,562)	(4,729,035)	(69,715)	8,040,515	(5,125,187)
(Provisions) / reversal	618,134	(201,637)	31,078	2,040	(163,559)	-	286,056
Profit / (loss) before tax	1,347,321	253,813	9,768	1,076,180	(12,243)	-	2,674,839

Condensed interim statement of financial position as at 30 June 2025

Cash and balances with treasury banks	2,100,318	585,836	17,799,629	2,692,593	-	-	23,178,376
Balances with other banks	-	-	-	6,421,092	-	-	6,421,092
Due from financial institutions	-	-	-	3,831,623	-	-	3,831,623
Investments	1,718,543	-	-	123,643,823	-	-	125,362,366
Net inter-segment lending	-	-	123,325,866	-	(5,439,901)	(117,885,965)	-
Islamic financing and related assets - performing	70,511,488	13,999,844	17,313,429	-	1,941,981	-	103,766,742
- non-performing	533,234	287,184	203,146	-	-	-	1,023,564
Others	2,578,287	816,068	8,233,342	2,922,797	8,651,731	-	23,202,225
Total assets	77,441,870	15,688,932	166,875,412	139,511,928	5,153,811	(117,885,965)	286,785,988
Bills payable	-	-	10,470,746	-	-	-	10,470,746
Due to financial institutions	4,738,788	707,957	-	1,000,000	-	-	6,446,745
Subordinated mudaraba	-	-	-	-	3,124,241	-	3,124,241
Deposits and other accounts	33,208,858	9,039,586	146,662,566	45,248,691	-	-	234,159,701
Net inter-segment borrowing	31,617,912	4,105,445	-	82,162,608	-	(117,885,965)	-
Others	2,045,826	654,748	6,481,078	574,255	1,240,830	-	10,996,737
Total liabilities	71,611,384	14,507,736	163,614,390	128,985,554	4,365,071	(117,885,965)	265,198,170
Equity	5,830,486	1,181,197	3,284,620	10,496,454	795,061	-	21,587,818
Total equity and liabilities	77,441,870	15,688,933	166,899,010	139,482,008	5,160,132	(117,885,965)	286,785,988
Contingencies and commitments	20,690,106	11,500,224	21,947	27,670,845	7,556,717	-	67,439,839

30 June 2024 (Un-audited)						
Corporate Banking	Commercial and SME Banking	Retail and Consumer Banking	Trading and Sales	Others	Inter-segment Eliminations	Total
(Rupees in '000)						
(Restated)						

**Condensed interim statement of profit and loss
account for the half year ended 30 June 2024**

Net profit / return earned	2,408,198	909,308	(3,801,234)	8,647,480	(414,912)	-	7,748,840
Inter-segment revenue - net	-	-	11,560,571	-	1,957,879	(13,518,450)	-
Other income	126,062	129,393	230,222	666,832	1,517	-	1,154,026
Total Income	2,534,260	1,038,701	7,989,559	9,314,312	1,544,484	(13,518,450)	8,902,866
Segment direct expenses	(198,229)	(223,205)	(3,983,793)	(81,225)	(59,588)	-	(4,546,040)
Inter-segment expense allocation	(3,452,168)	(392,346)	(2,302,298)	(7,371,638)	-	13,518,450	-
Total expenses	(3,650,397)	(615,551)	(6,286,091)	(7,452,863)	(59,588)	13,518,450	(4,546,040)
Provisions / (reversals)	2,433	(141,681)	(23,371)	(6,134)	193,638	-	24,885
(Loss) / profit before tax	(1,113,704)	281,469	1,680,097	1,855,315	1,678,534	-	4,381,711

31 December 2024 (Audited)						
Corporate Banking	Commercial and SME Banking	Retail and Consumer Banking	Trading and Sales	Others	Inter-segment Eliminations	Total
(Rupees in '000)						

**Statement of financial position
as at 31 December 2024**

Cash and balances with treasury banks	57,988	-	4,974,627	13,802,300	-	-	18,834,915
Balances with other banks	-	-	-	1,800,742	-	-	1,800,742
Due from financial institutions	-	-	-	1,398,776	-	-	1,398,776
Investments	2,087,204	-	-	124,764,748	-	-	126,851,952
Net inter-segment lending	-	-	128,169,117	-	15,320,840	(143,489,957)	-
Islamic financing and related assets - performing	68,742,522	12,996,624	16,797,845	-	1,707,229	-	100,244,220
- non-performing	647,571	207,329	339,699	-	-	-	1,194,599
Others	7,197,740	1,583,409	6,896,982	4,335,981	2,921,637	-	22,935,749
Total assets	78,733,025	14,787,362	157,178,270	146,102,547	19,949,706	(143,489,957)	273,260,953
Bills payable	98,135	-	7,184,829	-	-	-	7,282,964
Due to financial institutions	5,231,535	913,059	-	-	-	-	6,144,594
Subordinated mudaraba	-	-	-	-	3,124,241	-	3,124,241
Deposits and other accounts	29,314,935	9,969,286	142,111,790	42,006,069	-	-	223,402,080
Net inter-segment borrowing	43,108,698	2,102,506	-	98,278,753	-	(143,489,957)	-
Others	2,180,435	1,390,386	5,698,432	692,623	1,726,785	-	11,688,661
Total liabilities	79,933,738	14,375,237	154,995,051	140,977,445	4,851,026	(143,489,957)	251,642,540
Equity	(1,200,713)	412,125	2,183,219	5,125,102	15,098,680	-	21,618,413
Total equity and liabilities	78,733,025	14,787,362	157,178,270	146,102,547	19,949,706	(143,489,957)	273,260,953
Contingencies and commitments	22,569,335	12,144,708	4,603	10,766,990	5,566,989	-	51,052,625

38. RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its Parent, employee benefit plans and its directors and Key Management Personnel.

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

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

	30 June 2025 (Un-audited)					31 December 2024 (Audited)				
	Parent	Directors	Key management personnel	Other related parties	Total	Parent	Directors	Key management personnel	Other related parties	Total
(Rupees in '000)										
Islamic financing and related assets										
Opening balance	-	-	499,445	1,661	501,106	-	-	439,033	2,088	441,121
Addition during the period / year	-	-	91,802	-	91,802	-	-	157,516	-	157,516
Repaid during the period / year	-	-	(52,341)	(284)	(52,625)	-	-	(77,903)	(427)	(78,330)
Transfer in / out	-	-	(82,967)	-	(82,967)	-	-	(19,201)	-	(19,201)
Closing balance	-	-	455,939	1,377	457,316	-	-	499,445	1,661	501,106
Credit loss allowance held against Islamic financing and related assets	-	-	108	-	108	-	-	62	-	62
Property and equipment										
Property and equipment	-	-	-	251,680	251,680	-	-	-	251,680	251,680
Provision for impairment	-	-	-	251,680	251,680	-	-	-	251,680	251,680
Other assets										
Profit receivable on Islamic financing and related assets	-	-	195	1	196	-	-	330	10	340
Credit loss allowance held against other assets	-	-	1	-	1	-	-	-	-	-
Subordinated mudaraba	1,389,241	-	-	-	1,389,241	1,389,241	-	-	-	1,389,241
Deposits and other accounts										
Opening balance	16,840	71,976	36,505	664,376	789,697	16,937	60,215	40,466	648,517	766,135
Received during the period / year	153	161,112	324,469	567,095	1,052,829	-	91,489	405,792	1,820,080	2,317,361
Withdrawn during the period / year	-	(145,949)	(313,600)	(484,656)	(944,205)	(97)	(79,634)	(388,341)	(1,804,240)	(2,272,312)
Transfer in / out	-	-	(15,741)	(5,509)	(21,250)	-	(94)	(21,412)	19	(21,487)
Closing balance	16,993	87,139	31,633	741,306	877,071	16,840	71,976	36,505	664,376	789,697
Other liabilities										
Return payable on deposits	-	1,136	142	5,580	6,858	-	7,738	107	4,094	11,939
Return payable on sub-ordinated mudaraba	110,356	-	-	-	110,356	341,724	-	-	-	341,724
Payable in respect of defined benefit plan	-	-	-	222,588	222,588	-	-	-	222,588	222,588
Other liabilities	-	-	-	657	657	-	-	-	657	657
	Half year ended 30 June 2025 (Un-audited)					Half year ended 30 June 2024 (Un-Audited)				
	Parent	Directors	Key management personnel	Other related parties	Total	Parent	Directors	Key management personnel	Other related parties	Total
(Rupees in '000)										
Related party transactions during the period										
Income										
Profit earned on Islamic financing and related assets	-	-	6,847	43	6,890	-	-	7,171	57	7,228
Expense and transactions										
Return on deposits expenses	-	11,003	867	19,535	31,405	-	10,856	1,839	53,518	66,213
Salaries, allowances and benefits	-	-	328,178	-	328,178	-	-	243,705	-	243,705
Director fee and other allowances	-	40,950	-	-	40,950	-	38,350	-	-	38,350
Shariah board fee	-	-	-	2,600	2,600	-	-	-	3,192	3,192
Rent paid	-	-	-	31,084	31,084	-	-	-	42,928	42,928
Contribution to defined contribution plan	-	-	-	89,023	89,023	-	-	-	73,438	73,438
Contribution to defined benefit plan	-	-	-	76,008	76,008	-	-	-	60,802	60,802
Return on sub-ordinated mudaraba	102,620	-	-	-	102,620	167,014	-	-	-	167,014

39. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)

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

14,500,490	14,500,490
------------	------------

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital

Eligible Additional Tier 1 (ADT 1) Capital

Total Eligible Tier 1 Capital

Eligible Tier 2 Capital

Total Eligible Capital (Tier 1 + Tier 2)

17,906,476	17,767,782
1,389,241	1,389,241
19,295,717	19,157,023
2,749,957	3,368,153
22,045,674	22,525,176

Risk Weighted Assets (RWAs):

Credit Risk

Market Risk

Operational Risk

Total

87,053,148	81,928,943
1,433,838	1,750,696
27,421,837	27,421,837
115,908,823	111,101,476

Common Equity Tier 1 Capital Adequacy Ratio

15.45%	15.99%
--------	--------

Tier 1 Capital Adequacy Ratio

16.65%	17.24%
--------	--------

Total Capital Adequacy Ratio

19.02%	20.27%
--------	--------

The minimum capital adequacy ratio required by SBP as at 30 June 2025 is 11.50% (31 December 2024: 11.50%).

Leverage Ratio (LR):

Eligible Tier-1 Capital

Total Exposures

Leverage Ratio

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

19,295,717	19,157,023
317,966,665	313,546,250
6.07%	6.11%

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets

Total Net Cash Outflow

Liquidity Coverage Ratio

144,258,873	139,366,037
91,005,289	73,070,502
158.52%	190.73%

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding

Total Required Stable Funding

Net Stable Funding Ratio

163,394,189	181,099,222
98,906,154	84,608,589
165.20%	214.04%

40. CORRESPONDING FIGURES

Corresponding figures have been re-arranged and reclassified, wherever necessary, to facilitate comparison and better presentation. The effects of restatement due to adoption of IFRS 9 is mentioned in note 5.1 of these condensed interim financial statements.

41. GENERAL

Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

42. DATE OF AUTHORISATION

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

After



Chief Executive Officer



Chief Financial Officer



Chairman



Director



Director