

# HBL



# HBLPSL

A reason to believe in

# PAKISTAN

2016 – 2025



Half Yearly Report

June 30, **2025**



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# CORPORATE INFORMATION

## Board of Directors

### Mr. Sultan Ali Allana

Chairman

### Mr. Shaffiq Dharamshi

Director

### Mr. Moez Ahamed Jamal

Director

### Mr. Salim Raza

Director

### Dr. Najeeb Samie

Director

### Mr. Khaleel Ahmed

Director

### Ms. Saba Kamal

Director

### Mr. Muhammad Nassir Salim

President & CEO

## Chief Financial Officer

Mr. Rayomond H. Kotwal

## Company Secretary

Mr. Uzman Naveed Chaudhary

## Legal Advisors

Mandviwalla and Zafar

Legal Consultants and Advocates

## Auditors

KPMG Taseer Hadi & Co

Chartered Accountants

## Share Registrar

CDC Share Registrar Services Limited

CDC House, 99 – B, Block 'B',

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

Karachi – 74400, Pakistan

Tel: Customer Support Services

(Toll Free) 0800-CDCPL (23275)

Fax: (92-21) 34326053

Email: info@cdcsrsl.com

Website: www.cdcsrsl.com

## HBL Corporate Secretariat

Phone: (92-21) 37137543

Fax: (92-21) 35148370

## Principal Office

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HBL Tower, Plot No. G-4,

KDA Scheme 5, Block 7 Clifton,

Karachi, Pakistan

Phone: (92-21) 33116030

## Registered Office

Habib Bank Limited

9th Floor, Habib Bank Tower,

Jinnah Avenue, Blue Area, Islamabad,

Pakistan

Phone: (92-51) 2270856, (92-51) 2821183

Fax: (92-51) 2872205

## Corporate Website

[www.hbl.com](http://www.hbl.com)

## Internet Banking

[www.hbl.com/personal/digital-banking/](http://www.hbl.com/personal/digital-banking/) hbl-internetbanking

## Konnect

[www.hbl.com/konnect](http://www.hbl.com/konnect)

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# 1

## **Condensed Interim Consolidated Financial Statements**



# DIRECTORS' REPORT

On behalf of the Board of Directors, we are pleased to present the Consolidated Financial Statements for the half-year ended June 30, 2025.

## Macroeconomic Review

Pakistan's economy is gradually transitioning from recovery to a growth phase with provisional estimates of 3.9% GDP growth in 2HFY'25 up from 1.4% in 1HFY'25. The growth momentum was driven by the services sector and small-scale industry, although the Large-Scale Manufacturing Index contracted 1.2% in 11MFY'25. The HBL Manufacturing PMI averaged 51.2 in Q2'25, down from 54.1 in the previous quarter, reflecting a slowdown in new orders attributed to the impact of the initial US tariffs announcements as well as disruptions linked to the India conflict. Headline inflation was 3.2% in Jun'25, bringing the FY'25 average to 4.5%, the lowest in 9 years. This was supported by several factors including softer food and energy prices, a stable exchange rate and a high base effect. The latest Core CPI print clocked in at 7.6%, down from peak levels of 22.7%, reflecting a broad-based containment of underlying price pressures.

The current account posted a surplus of \$ 2.1 billion in FY'25, the first in 14 years, compared to a deficit of \$ 2.1 billion in FY'24. This was driven by windfall remittances, which arrived at record highs of \$38.3 billion in FY'25, up 26.6%, more than offsetting a 20.8% rise in the trade deficit. Imports rose by 11.1%, driven by recovering demand and a weak domestic cotton crop, outpacing the modest 4.2% increase in exports, led by a rebound in textiles.

The external position improved significantly, with SBP's foreign exchange reserves boosted to \$14.5 billion by end-Jun'25, well above initial assessments. The IMF completed the first review under the Extended Fund Facility (EFF), acknowledging strong programme performance and releasing a \$ 1.0 billion tranche. Commercial borrowing from Middle Eastern banks, refinancing of Chinese loans and dollar purchases from the interbank market all contributed to building the more robust reserves. Over the year, the Rupee has depreciated slightly, by 1.9%.

S&P recently upgraded Pakistan's sovereign credit rating from CCC+ to B- with a Stable Outlook. The upgrade comes after a 3-year hiatus and signals that default risks have abated with reserves now sufficient to cover all external repayments in FY'26. The decision was also supported by progress on macroeconomic stabilization with lower inflation, monetary easing and reduced fiscal deficits. Along with the Fitch upgrade in Apr'25, this is now expected to enhance investor confidence, reduce external borrowing costs and improve Pakistan's prospects of re-entering international bond markets.

The FY'26 Budget, prepared in close coordination with the IMF, solidifies the GoP's commitment to consolidation and continuation of the fiscal discipline. The Government is targeting a third consecutive primary surplus of 2.4% of GDP with the fiscal deficit projected to narrow from 5.6% in FY'25 to 3.9% in FY'26. This is forecast on the basis of a 19% increase in FBR tax collection with only a modest 2% increase in the federal outlay, helped by lower interest and subsidy payments.

The equity market successfully navigated the various periods of volatility sparked by heightened geopolitical tensions as well as global trade uncertainty; since Dec'24, the index has grown 21% to date. For FY'25, the KSE-100 index posted its second-highest annual gain of 60%. The start of FY'26 has seen even better traction with the rally fueled by de-escalation of regional conflicts, a market-friendly budget, and favorable macro-conditions.

The SBP's monetary policy committee maintained the Policy Rate at 11.0% at its meeting in Jun'25. The committee acknowledged the sufficiently positive real interest rate; however, it also assessed that the expected pick-up in economic growth, projected rise in inflation from current low levels, and potential risks to the external account warranted a cautious approach. Muted economic activity led to an 8.8% contraction in private sector credit from Dec'24 which was elevated due to the ADR tax. Consequently, advances were down 15.5% for the half-year while deposits grew 17.2% over the same period. Banking spreads in H1'25 were 17bps higher than in H1'24, as deposits have repriced down faster than assets.

## Financial Performance

HBL has delivered a record consolidated profit before tax of Rs 75.3 billion for H1'25, 30% higher than in the same period last year; a consistent growth trajectory driven by strong results from the domestic franchise. Despite excessive taxation continuing to burden the banking sector, the Bank's profit after tax increased by 19% to Rs 34.4 billion in H1'25. Earnings per share improved from Rs 20.18 in H1'24 to Rs 23.44 in H1'25.

The Bank's balance sheet grew by 26% to Rs 7.6 trillion. HBL became the first bank to cross the Rs 5 trillion mark in total deposits which closed at Rs 5.2 trillion, an increase of 19% over Dec'24. Domestic deposits grew by 22% to their highest level of Rs 4.4 trillion; the majority of this was led by current accounts which contributed more than 50% of the growth, increasing by Rs 440 billion over Dec'24. As a result, the current account mix improved from 37.3% in Dec'24 to 40.5% in Jun'25. With domestic advances trending up during Q2'25, the Bank's loan book stood at nearly Rs 2.0 trillion. HBL's market-leading Consumer business continued its steady growth trajectory, with consumer lending increasing to Rs 156.2 billion.

With the continued monetary easing, the Policy Rate was 950 bps lower than in H1'24. The growth in average current accounts improved the mix to 37.7%, which helped drive a reduction of 578 bps in deposit cost. This enabled margins to be maintained at the same levels as in H1'24 and, with a Rs 425 billion increase in the average balance sheet, domestic net interest income grew by 11%; the Bank's total net interest income increased 12% to Rs 138 billion. Timely realization of opportunities for capital gains resulted in total non-fund income rising 12% to Rs 44 billion. HBL's total revenue thus rose to Rs 182 billion, a growth of 12% over the same period last year.

As proactive cost optimization measures continued, expenses in Q2'25 remained flat to Q1'25 levels, enabling the Bank to contain YoY expense growth at 8%. HBL's cost / income ratio improved by more than 200 bps, from 57.3% in H1'24 to 55.2% in H1'25. A strong recovery performance resulted in a decrease in the Bank's non-performing loans over the quarter; along with the uptick in advances, this reduced the infection ratio to 5.0%. The specific coverage strengthened to 90%, with the total coverage well above 100%.

## Movement in Reserves

	Rupees in million
Unappropriated profit brought forward	238,814
Impact of change in accounting policy	1,280
Unappropriated profit brought forward – restated	<u>240,094</u>
Profit attributable to equity holders of the Bank	34,387
Re-measurement gain on defined benefit obligations of associates – net of tax	12
Transferred from surplus on revaluation of assets – net of tax	50
Realised gain on equity investments designated as FVOCI	109
Acquisition of additional interest in subsidiary	26
	<u>34,584</u>
Profit available for appropriation	<u>274,678</u>
<b>Appropriations:</b>	
Transferred to statutory reserves	(3,396)
Cash dividend – Final 2024	(6,234)
Cash dividend – 1 <sup>st</sup> Interim 2025	(6,601)
Total appropriations	<u>(16,231)</u>
<b>Unappropriated profit carried forward</b>	<u>258,447</u>
<b>Earnings per share (Rupees)</b>	<u>23.44</u>

## Capital Ratios

The strong results continued to strengthen internally generated capital, adding 79 bps to the Tier 1 Capital Adequacy Ratio (CAR). With advances re-trending upwards after the Mar'25 trough and further increases in the Trading Book, total risk weighted assets increased by Rs 161 billion over Dec'24. HBL's consolidated Tier 1 CAR declined slightly by 11 bps over Dec'24 to 14.16%. With the rapid increase in the surplus on investments, total CAR rose by 21 bps to 17.91%. Both ratios remain comfortably above regulatory requirements.

## Dividend

The Board of Directors, in its meeting held on July 31, 2025, has declared an interim cash dividend of Rs 4.50 per share (45%) for the quarter ended June 30, 2025. This is in addition to the interim dividend of Rs 4.50 (45%) declared for the first quarter of 2025.

## Future Outlook

Inflationary pressures are projected to remain contained, supported by limited currency depreciation, continued softness in food and energy prices and a bearish outlook for global oil. The wide differential between inflation and the policy rate, along with a solid recovery in the external account, should lead to further monetary easing. However, this is likely to be modest, given the slow decline in core inflation, delayed transmission effects and the need to maintain positive real rates. The SBP expects inflation to slowly trend up and stabilize within its long-term target range of 5% – 7% range in FY'26. The Government expects the growth momentum observed in 2HFY'25 to continue and has targeted real GDP growth at 4.2% for the coming fiscal year. This is expected to be driven by the industry and services sectors given the sustained improvement in high-frequency indicators – business confidence, machinery imports and private sector credit – although the agriculture outlook remains subdued after a weak performance in FY'25.

Pakistan's external position is now more secure, with the current account positing its first surplus in 14 years and FX reserves rising to an import cover of 2.5 months from a low of 0.8 months, two years ago. With a stronger economic growth trajectory, a return to a current account deficit is likely as demand and import volumes pick up; however, favorable commodity prices and elevated remittances should keep the shortfall moderate. Reserve accumulation is expected to continue, stemming from improved access to international debt markets, the likely continued release of IMF tranches and bilateral and multilateral assistance. The global backdrop is expected to remain favorable, with signs of easing trade tensions, a weaker Dollar and likely subdued oil prices.

The Government's commitment to fiscal consolidation and adherence to the IMF program has raised policy credibility, as reflected by improved credit ratings and renewed access to commercial borrowing. Nascent signs of a more sustainable debt path are also emerging, with interest payments projected to fall from 89% of tax revenues in FY'24 to 58% in FY'26. Despite this progress, tangible progress in widening the tax base remains elusive; while the intent is evident, with the Budget laying out restrictions on non-filers and legislative steps to tax the agriculture sector, execution has not followed. Revenue collection targets required to deliver a third consecutive primary surplus are ambitious and will have to come from a broader – vs a deeper – tax base. Critical items on the reform agenda remain pending, particularly the need to address the government's large footprint in the economy. Nonetheless, the latest attempt to privatize the national airline does appear to be promising, with interest shown by several credible bidders.

HBL's results for the first half of 2025, delivering another record quarter in a challenging environment, are a testament to the strength of its franchise and business model. We continue to drive our digital presence, with 4.7 million users of Mobile and Internet Banking transacting Rs 5.3 trillion in the first half of 2025, an increase of over 50%. Konnect volumes increased by 23% over the same period last year and the business crossed Rs 1 billion in sales of digital insurance. Our support to the critical agriculture sector is multi-faceted, extending to much more than direct lending. HBL recently delivered the largest ever crop yield insurance payout to farmers, reflecting its commitment to climate resilience and financial inclusion. Our unique HBL Zarai initiative has scaled up to 10 locations since its launch just over a year ago and is transforming farmers' lives with innovative programs that provide farmers with financing options, agronomy advice and efficient farm management techniques. Recently, HBL launched an Agri internship programme in collaboration with the University of Agriculture, Faisalabad, demonstrating its commitment to capacity building in this crucial sector.

We successfully concluded HBLPSL 10, marking a decade of our commitment to cricket and to Pakistan. Our employees continue to volunteer their time for the betterment of society, organizing clean-up drives, sharing Eid with the less fortunate and caring for the elderly. We are honoured and delighted at Euromoney's recognition of HBL as the Best Bank in Pakistan and we dedicate this award to our millions of clients who repose their trust and confidence in the Bank. As an integral part of the nation's fabric, HBL is committed to uplifting all segments of society, to ensure a brighter future for all Pakistanis.

## Appreciation and Acknowledgement

On behalf of the Board and management, we would like to place on record our appreciation for the efforts of our regulators and the Government of Pakistan, in particular the State Bank of Pakistan, the Ministry of Finance and the Securities and Exchange Commission of Pakistan. In these challenging times, they have stepped up with policies and measures that are prudent, proactive and balanced, protecting the economy, customers and people of Pakistan, while also safeguarding the integrity and soundness of the banking and financial services industry.

We are indebted to our customers, many of whom have banked with us for generations, and who continue to entrust us with their business and confidence. Our shareholders have provided steadfast support and to them, and to all our stakeholders, we are deeply grateful. The Board and the management remain committed to maintaining the highest standards of governance and we assure our stakeholders that we will be industry leaders in this area.

Lastly, but certainly not the least, we express our deepest appreciation and gratitude to our employees and their families, especially in customer facing units and branches, who continually go the extra mile, even at personal cost, to ensure that our customers are able to meet their critical needs. They are our heroes and heroines and we salute them for their dedication and tireless efforts.

On behalf of the Board

**Muhammad Nassir Salim**  
**President & Chief Executive Officer**

**Moez Ahamed Jamal**  
**Director**

July 31, 2025

# ڈائریکٹرز رپورٹ

ہمیں بورڈ آف ڈائریکٹرز کی جانب سے 30 جون 2025 کو ختم ہونے والی پہلی ششماہی کے مختصر عبوری مجموعی مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس ہو رہی ہے۔

## کلیاتی اقتصادیات کا جائزہ

پاکستان کی معیشت بتدریج بحالی سے ترقی کی طرف گامزن ہے، مالی سال 25 کی دوسری ششماہی میں 3.9% جی ڈی پی کی نمو کا ابتدائی تخمینہ لگایا گیا ہے، جو مالی سال 25 کی پہلی ششماہی کے 1.4% سے زیادہ ہے۔ سروسز کے شعبے اور چھوٹے پیمانے کی صنعت نے ترقی کی رفتار میں اضافہ کیا، حالانکہ بڑے پیمانے کا مینوفیکچرنگ انڈیکس مالی سال 25 کے 11 مہینوں میں 1.2% کم ہوا۔ ایچ بی ایل مینوفیکچرنگ PMI مالی سال 25 کی دوسری سہ ماہی میں اوسطاً 51.2 رہا، جو پچھلی سہ ماہی کے 54.1 سے کم ہے، اس سے نئے آرڈرز میں سست روی ظاہر ہوتی ہے جس کی وجہ سے ابتدائی امریکی ٹریف کے اعلانات کے ساتھ ساتھ بھارتی تنازعے سے منسلک خلل اندازی تھی۔ جون 2025 میں عمومی افراط زر 3.2% تھا، جس سے مالی سال 25 کا اوسط 4.5% پر آگیا، جو 9 سالوں میں کم ترین ہے۔ اس کی وجہ کئی عوامل رہے، جن میں خوارک اور توانائی کی کم قیمتیں، ایک مستحکم شرح مبادلہ، اور ایک اعلیٰ بنیادی اثر شامل ہیں۔ تازہ ترین CPI پر 7.6% پر آیا، جو 22.7% کی بلند ترین سطح سے کم ہے، جو وسیع پیمانے پر عمومی قیمتوں کے دباؤ کے اثرات ظاہر کرتا ہے۔

مالی سال 25 میں کرنٹ اکاؤنٹ نے 2.1 بلین ڈالر کا سرپلس ظاہر کیا، جو 14 سالوں میں پہلی بار ہوا ہے، جبکہ اس کے مقابلے میں مالی سال 24 میں 2.1 بلین ڈالر کا خسارہ ہوا تھا۔ اس کی وجہ مالی سال 25 میں تریلاٹ زر میں بے انتہا اضافہ تھا جو 38.3 بلین ڈالر کی ریکارڈ بلند سطح پر تھیں، 26.6% زیادہ، جس نے تجارتی خسارے میں 20.8% اضافے کو سہارا دیا۔ درآمدات میں 11.1% اضافہ ہوا، جس کی وجہ طلب میں بحالی اور مقامی کپاس کی کمزور فصل تھی، جو برآمدات میں ٹیکسٹائل کے دوبارہ ابھرنے کے سبب ہونے والے معمولی 4.2% اضافے سے زیادہ تھا۔

بیرونی پوزیشن میں نمایاں بہتری آئی، اسٹیٹ بینک آف پاکستان (SBP) کے غیر ملکی زرمبادلہ کے ذخائر جون 2025 کے آخر تک 14.5 بلین ڈالر تک پہنچ گئے، جو ابتدائی تخمینوں سے کہیں زیادہ ہیں۔ آئی ایم ایف نے ایکسٹرنل ڈیفنڈنس فیسلٹی (EFF) کے تحت پہلا جائزہ مکمل کیا، پروگرام کی کارکردگی کو تسلیم کیا اور 1.0 بلین ڈالر کی قسط جاری کی۔ مشرق وسطیٰ کے بینکوں سے تجارتی قرضے، چینی قرضوں کی ری فننسنگ، اور انٹرنیشنل مارکیٹ سے ڈالر کی خریداری نے زیادہ مضبوط ذخائر بنانے میں کردار ادا کیا۔ سال بھر میں، روپے کی قدر میں معمولی 1.9% کمی آئی ہے۔

S&P نے حال ہی میں پاکستان کی خود مختار کریڈٹ ریٹنگ CCC+ سے B- پر مستحکم آؤٹ لک کے ساتھ اپ گریڈ کی ہے۔ یہ اپ گریڈ 3 سال کے وقفے کے بعد آیا ہے اور یہ اشارہ ہے کہ ڈیفالٹ کے خطرات کم ہو گئے ہیں کیونکہ اب ذخائر مالی سال 26 میں تمام بیرونی ادائیگیوں پوری کرنے کے لیے کافی ہیں۔ یہ فیصلہ کلیاتی اقتصادی استحکام میں پیش رفت کے ساتھ بھی منسلک تھا جس میں کم افراط زر، زری آسانی اور کم مالی خسارے شامل ہیں۔ اپریل 2025 میں فنانسنگ کے اپ گریڈ کے ساتھ، اب توقع ہے کہ سرمایہ کاروں کا اعتماد بڑھے گا، بیرونی قرض لینے کی لاگت کم ہو گی اور بین الاقوامی بانڈ مارکیٹوں میں پاکستان کے دوبارہ داخلے کے امکانات بہتر ہوں گے۔

مالی سال 26 کا بجٹ، جو آئی ایم ایف کی قریبی مشاورت سے تیار کیا گیا ہے، حکومت کے مالیاتی استحکام اور تنظیم کے عزم کو مستحکم کرتا ہے۔ حکومت جی ڈی پی کے 2.4% کے مسلسل تیسرے پرائمری سرپلس کے ہدف پر کام کر رہی ہے، جس میں مالیاتی خسارہ مالی سال 25 کے 5.6% سے مالی سال 26 میں 3.9% تک کم ہونے کا اندازہ ہے۔ یہ پیشین گوئی فیڈرل بورڈ آف ریونیو (FBR) کی ٹیکس وصولیوں میں 19% اضافے پر مبنی ہے جس میں وفاقی اخراجات میں صرف 2% معمولی اضافہ ہو گا، جس میں کم شرح سود اور سبسڈی کی ادائیگیوں سے مدد ملے گی۔

ایکویٹی مارکیٹ نے بڑھتی ہوئی جغرافیائی سیاسی کشیدگی کے ساتھ ساتھ عالمی تجارتی غیر یقینی صورتحال سے پیدا ہونے والے اتار چڑھاؤ کے مختلف ادوار کا کامیابی سے سامنا کیا۔ دسمبر 2024 کے بعد سے، انڈیکس اب تک 21% بڑھ چکا ہے۔ مالی سال 25 کے لیے، KSE-100 انڈیکس نے اپنی دوسری سب سے زیادہ سالانہ 60% کی بڑھوتری حاصل کی ہے۔ مالی سال 26 کے آغاز میں علاقائی تنازعات کے کم ہونے، ایک مارکیٹ دوست بجٹ، اور سازگار اقتصادی حالات سے مزید بہتر کارکردگی دیکھنے میں آئی۔

SBP کی مانیٹری پالیسی کمیٹی نے اپنی جون 2025 کی میٹنگ میں پالیسی ریٹ 11.0% پر برقرار رکھا۔ کمیٹی نے کافی مثبت حقیقی شرح سود کو تسلیم کیا؛ تاہم، اس نے یہ بھی اندازہ لگایا کہ اقتصادی ترقی میں متوقع تیزی، موجودہ کم سطح سے افراط زر میں متوقع اضافہ، اور بیرونی اکاؤنٹ پر ممکنہ خطرات ایک محتاط انداز کی ضمانت دیتے ہیں۔ سست اقتصادی سرگرمیوں کے نتیجے میں دسمبر 2024 کے بعد سے نجی شعبے کے کریڈٹ میں 8.8% کمی واقع ہوئی، جو ADR ٹیکس کی وجہ سے بڑھا ہوا تھا۔ نتیجتاً، نصف سال کے لیے ایڈوانسز 15.5% کم ہوئے، جبکہ اسی عرصے میں ڈپازٹس 17.2% بڑھے۔ سال 25 کی پہلی ششماہی میں بینکنگ اسپریڈز سال 24 کی پہلی ششماہی کے مقابلے میں 17bps زیادہ تھے، کیونکہ ڈپازٹس کی قیمتیں اثاثوں کے مقابلے میں تیزی سے کم ہوئی ہیں۔

## مالیاتی کارکردگی

ایچ بی ایل نے مالی سال 25 کی پہلی ششماہی کے لیے 75.3 بلین روپے کا ریکارڈ قبل از ٹیکس مجموعی منافع حاصل کیا ہے، جو پچھلے سال کی اسی مدت کے مقابلے میں 30% زیادہ ہے۔ یہ مسلسل ترقی مقامی فرنیچر کی مضبوط کارکردگی کی بدولت ہے۔ بینکنگ سیکٹر پر ضرورت سے زیادہ ٹیکسوں کا بوجھ جاری رہنے کے باوجود، بینک کا بعد از ٹیکس منافع مالی سال 25 کی پہلی ششماہی میں 19% اضافے کے ساتھ 34.4 بلین روپے تک پہنچ گیا۔ فی شیئر آمدنی مالی سال 24 کی پہلی ششماہی کے 20.18 روپے سے مالی سال 25 کی پہلی ششماہی میں 23.44 روپے تک بہتر ہوئی۔

بینک کی بیلنس شیٹ 26% اضافے کے ساتھ 7.6 ٹریلین روپے تک پہنچ گئی۔ ایچ بی ایل 5 ٹریلین روپے کا سنگ میل عبور کرنے والا پہلا بینک بن گیا جس کے کل ڈپازٹس 5.2 ٹریلین روپے پر بند ہوئے، جو دسمبر 2024 کے مقابلے میں 19% کا اضافہ ہے۔ مقامی ڈپازٹس 22% اضافے کے ساتھ اپنی بلند ترین سطح 4.4 ٹریلین روپے پر پہنچ گئے۔ اس میں سے زیادہ تر اضافہ کرنٹ اکاؤنٹس کی وجہ سے ہوا جس کا ترقی میں 50% سے زیادہ حصہ ہے، دسمبر 2024 کے مقابلے میں 440 ارب روپے کا اضافہ ہوا۔ نتیجتاً، کرنٹ اکاؤنٹس دسمبر 2024 کے 37.3% سے جون 2025 میں 40.5% تک بہتر ہوا۔ مالی سال 25 کی دوسری سہ ماہی کے دوران مقامی ایڈوانسز میں اضافے کے ساتھ، بینک کی لون بک تقریباً 2.0 ٹریلین روپے پر کھڑی تھی۔ ایچ بی ایل کا مارکیٹ لیڈر کنزیومر بزنس اپنی مستحکم ترقی کی رفتار جاری رکھے ہوئے ہے، جس میں کنزیومر لینڈنگ 156.2 بلین روپے تک بڑھ گئی۔

ہو جائے گا۔ حکومت کو توقع ہے کہ مالی سال 25 کی دوسری ششماہی میں نظر آنے والی ترقی کی رفتار جاری رہے گی جبکہ آئندہ مالی سال کے لیے حقیقی جی ڈی پی کی شرح نمو 4.2% مقرر کی گئی ہے۔ ہائی فریکوئنسی انڈیکسز، کاروباری اعتماد، مشینری کی درآمدات، اور نجی شعبے کے کریڈٹ میں مسلسل بہتری کے پیش نظر، توقع ہے کہ اس کی وجہ صنعت اور سروسز کے شعبے ہوں گے حالانکہ مالی سال 25 میں کمزور کارکردگی کے بعد زراعت کا منظر نامہ اب بھی کمزور ہے۔

پاکستان کی بیرونی پوزیشن اب زیادہ محفوظ ہے، کرنٹ اکاؤنٹ نے 14 سالوں میں اپنا پہلا سرپلس حاصل کیا ہے اور غیر ملکی زرمبادلہ کے ذخائر دو سال پہلے کی 0.8 ماہ کی کم ترین سطح سے بڑھ کر 2.5 ماہ کی درآمدی کوریج تک پہنچ گئے ہیں۔ مضبوط اقتصادی ترقی کے راستے پر، طلب اور درآمدی حجم میں اضافے کے ساتھ کرنٹ اکاؤنٹ میں خسارے کا امکان ہے؛ تاہم، اشیاء کی سازگار قیمتیں اور بلند ترسیلات زر اس کی کوآرڈینیشن پر رکھیں گی۔ ذخائر میں اضافہ جاری رہنے کی توقع ہے، جو بین الاقوامی قرضہ جاتی منڈیوں تک بہتر رسائی، آئی ایم ایف کی قسطوں کے ممکنہ مسلسل اجراء اور دو طرفہ اور کثیر الجہتی امداد سے حاصل ہوگا۔ تجارتی تناؤ میں کمی، ڈالر کی کمزوری، اور ممکنہ طور پر کم تیل کی قیمتوں کے آثار کے ساتھ عالمی پس منظر سازگار رہنے کی توقع ہے۔

حکومت کے مالیاتی استحکام اور آئی ایم ایف پروگرام پر عمل کے عزم سے پالیسی کی سادگی بہتر ہوئی ہے، جس کی عکاسی بہتر کریڈٹ ریٹنگز اور تجارتی قرض تک دوبارہ رسائی سے ہوتی ہے۔ ایک زیادہ پائیدار قرض کے راستے کے آثار بھی نمودار ہو رہے ہیں، جس میں سود کی ادائیگیوں کے مالی سال 24 میں ٹیکس محصولات کے 89% سے مالی سال 26 میں 58% تک جانے کا امکان ہے۔ اس کے باوجود، ٹیکس بیس کو وسیع کرنے میں ٹھوس پیش رفت ابھی تک نہیں ہوئی۔ اگرچہ ارادہ واضح ہے، بجٹ میں نان فائلرز پر پابندیاں اور زرعی شعبے پر ٹیکس لگانے کے لیے قانون سازی شامل ہیں، لیکن عمل درآمد نہیں ہوا ہے۔ مسلسل تیسرا پرائمری سرپلس فراہم کرنے کے لیے مطلوبہ محصول جمع کرنے کے اہداف حقیقت پسندانہ نہیں ہیں اور انہیں ایک گہرے کے مقابلے میں وسیع ٹیکس بیس کو بنیاد بنانا ہوگا۔ اصلاحاتی ایجنڈے پر اہم اشیاء ابھی بھی زیر التوا ہیں، خاص طور پر حکومت کے معیشت میں بڑے پیمانے پر شامل ہونے کی ضرورت ہے۔ اس کے باوجود، قومی ایئر لائن کو نجی بنانے کی تازہ ترین کوشش امید افزا نظر آتی ہے، جس میں کئی معیتر بڈجٹوں کے لچکے سے لچکے کی خاطر ہے۔

ایک جیلنگنگ ماحول میں ایک اور ریکارڈ سہ ماہی کے ساتھ 2025 کی پہلی ششماہی کے لیے ایچ بی ایل کے نتائج سامنے آئے ہیں، جو اس کے فریچائز اور کاروباری ماڈل کی طاقت کا ثبوت ہیں۔ ہم اپنی ڈیجیٹل موجودگی مسلسل بڑھا رہے ہیں، 2025 کی پہلی ششماہی میں موبائل اور انٹرنیٹ بینکنگ کے 4.7 ملین صارفین نے 5.3 ٹریلین روپے کی ٹرانزیکشن کی، جو 50% سے زیادہ کا اضافہ ہے۔ کنیکٹ کے حجم میں پچھلے سال کی اسی مدت کے مقابلے میں 23% اضافہ ہوا، اور بزنس نے ڈیجیٹل انشورنس میں 1 بلین روپے کی فروخت کو عبور کیا۔ ہم زرعی شعبے کے لیے ہماری معاونت کثیر جہتی ہے، جو براہ راست قرضے سے کہیں زیادہ ہے۔ ایچ بی ایل نے حال ہی میں کسانوں کو فصل کی پیداوار کی سب سے بڑی انشورنس فراہم کی، جو موسمیاتی بہتری اور مالیاتی شمولیت کے لیے اس کے عزم کی عکاسی کرتی ہے۔ ہمارا منفرد ایچ بی ایل زرعی اپنے آغاز سے صرف ایک سال میں 10 مقامات تک پہنچ گیا ہے اور یہ جدید پروگراموں کے ساتھ کسانوں کی زندگیاں تبدیل کر رہا ہے جو کسانوں کو مالیاتی اختیارات، زرعی مشورے، اور موثر فارم مینجمنٹ تکنیک فراہم کرتے ہیں۔ حال ہی میں، ایچ بی ایل نے زرعی یونیورسٹی، فیصل آباد کے تعاون سے ایک ایگری انٹرن شپ پروگرام شروع کیا، جو اس اہم شعبے میں صلاحیت سازی کے لیے اس کے عزم کو ظاہر کرتا ہے۔

ہم نے HBL PSL 10 کو میاں سے مکمل کیا، جو کرنٹ اور پاکستان سے ہمارے عزم کی ایک دہائی کی نشاندہی کرتا ہے۔ ہمارے ملازمین معاشرے کی بہتری کے لیے اپنا وقت رضاکارانہ طور پر دیتے ہیں، صفائی مہم چلاتے ہیں، عید کم پسماندہ طبقے کے ساتھ مناتے ہیں، اور بزرگوں کی دیکھ بھال کرتے ہیں۔ ہم یورو مینی کی جانب سے ایچ بی ایل کو پاکستان کا بہترین بینک تسلیم کرنے پر فخر اور خوشی محسوس کرتے ہیں، اور ہم یہ ایوارڈ اپنے لاکھوں کسٹمرز کو وقف کرتے ہیں جو بینک پر اعتماد رکھتے ہیں۔ قوم کے تانے بانے کا ایک لازمی حصہ ہونے کے ناطے، ایچ بی ایل تمام پاکستانیوں کے لیے ایک روشن مستقبل یقینی بنانے کے لیے معاشرے کے تمام طبقوں کی ترقی کے لیے پرعزم ہے۔

## اظہار تشکر

ہم اپنے ریگولیٹرز اور حکومت پاکستان، بالخصوص اسٹیٹ بینک آف پاکستان، وزارت مالیات اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی کاوشوں کا اعتراف کرتے ہیں۔ اس غیر معمولی اور مشکل وقت میں، انھوں نے ایسی پالیسی سازی اور اقدامات کیے جو مصلحت اندیشی اور متوازن ہیں، معیشت، کسٹمرز اور پاکستان کے عوام کی حفاظت کرتے ہیں، اور بینکنگ اور فنانشل سروسز انڈسٹری کی سالمیت اور بہتری کا تحفظ بھی کرتے ہیں۔

ہم اپنے کسٹمرز کے احسان مند ہیں جو نسلوں سے ہمارے ساتھ بینکاری کر رہے ہیں اور اپنے کاروبار اور اعتماد کے حوالے سے ہم پر بھروسہ قائم رکھے ہوئے ہیں۔ ہمارے شیئرز ہولڈرز نے ثابت قدمی سے ہمارا ساتھ دیا اور ان کے ساتھ ہم تمام اسٹیٹک ہولڈرز کے بھی انتہائی شکر گزار ہیں۔ بورڈ اور انتظامیہ گورننس کے اعلیٰ ترین معیارات برقرار رکھنے کے لیے پرعزم ہے اور ہم اپنے اسٹیٹک ہولڈرز کو یقین دلاتے ہیں کہ اس خطے میں ہم اپنی کاروباری صنعت میں عروج پر ہوں گے۔

آخر میں، مگر صرف یہی نہیں، ہم اپنے تمام ملازمین اور ان کے اہل خانہ، بالخصوص کسٹمر کا سامنا کرنے والے یونٹس اور برانچوں میں موجود عملے کے شکر گزار ہیں، جو اپنی پرواہ کے بغیر مسلسل اپنے فرائض سے بڑھ کر کام کرتے ہوئے ہمارے کسٹمرز کی بنیادی ضروریات کی تکمیل یقینی بنا رہے ہیں۔ یہ ہمارے ہیرو اور ہیروئن ہیں اور ہم ان کے عزم اور انتھک محنت کے لیے انھیں خراج تحسین پیش کرتے ہیں۔

منجانب بورڈ

معین احمد جمال  
ڈائریکٹر

محمد ناصر سلیم  
صدر اور چیف ایگزیکٹو افسر

31 جولائی 2025ء

مسلسل مانیٹری آسانی کے ساتھ، پالیسی ریٹ مالی سال 24 کی پہلی ششماہی کے مقابلے میں 950 bps کم تھا۔ اوسط کرنٹ اکاؤنٹس میں اضافے نے مکس کو 37.7% تک بہتر بنایا، جس سے ڈپازٹ کی لاگت میں 578 bps کی کمی واقع ہوئی۔ اس سے مارجن کو مالی سال 24 کی پہلی ششماہی کی سطح پر برقرار رکھنے میں مدد ملی اور اوسط بیلنس شیٹ میں 425 ارب روپے کے اضافے کے ساتھ، مقامی خالص سودی آمدنی میں 11% اضافہ ہوا۔ بینک کی کل خالص سودی آمدنی 12% اضافے کے ساتھ 138 بلین روپے تک پہنچ گئی۔ سرمائے کے منافع کے مواقع کی بروقت سمجھنا ان آمدنی میں 12% اضافے کا باعث بنی جو 44 بلین روپے تک پہنچ گئی۔ اس طرح ایچ بی ایل کی کل آمدنی 182 بلین روپے تک ہو گئی، جو پچھلے سال کی اسی مدت کے مقابلے میں 12% کا اضافہ ہے۔

لاگت کو بہتر بنانے کے فعال اقدامات کے جاری رہنے، مالی سال 25 کی دوسری سہ ماہی میں اخراجات پہلی سہ ماہی کی سطح پر برقرار رہے، جس سے بینک سال بہ سال اخراجات کی شرح نمو کو 8% پر برقرار رکھنے میں کامیاب رہا۔ ایچ بی ایل کا لاگت / آمدنی کا تناسب 200 bps سے زیادہ بہتر ہوا، مالی سال 24 کی پہلی ششماہی کے 57.3% سے مالی سال 25 کی پہلی ششماہی میں 55.2% پر آ گیا۔ ریکوری کی بہترین کارکردگی کے نتیجے میں سہ ماہی کے دوران بینک کے نان پرفارمنگ قرضوں میں کمی واقع ہوئی؛ ایڈوانسز میں اضافے کے ساتھ، اس نے انفیکشن کا تناسب 5.0% تک کم کیا۔ مخصوص کوریج 90% تک مضبوط ہوئی، جبکہ کل کوریج 100% سے کہیں زیادہ ہے۔

## ذخائر میں اتار چڑھاؤ

ملین روپے
238,814
1,280
240,094

افتتاحی غیر تخصیص شدہ منافع  
اکاؤنٹنگ پالیسی میں تبدیلی کے اثرات  
افتتاحی غیر تخصیص شدہ منافع دوبارہ بحال

34,387
12
50
109
26
34,584
274,678

بینک ایکویٹی کے حامل افراد کے لیے قابل ادائیگی منافع  
ایسوسی ایٹس کے متعین فوائد کی ذمہ داریوں کی دوبارہ پیمائش پر منافع۔ محصول کا خالص  
اثاثہ جات کی دوبارہ تشخیص پر سرپلس سے منتقل شدہ۔ محصول کا خالص  
FVOCI کے طور پر ایکویٹی کی سرمایہ کاری پر موصولہ منافع  
سبسڈیز میں اضافی نفع کا حصول

مناسب کارروائی کے لیے دستیاب منافع

(3,396)
(6,234)
(6,601)
(16,231)
258,447

## مختلف مدوں میں رکھی گئی رقم:

قانونی ذخائر میں منتقل شدہ  
نقد منافع منقسمہ - حتمی 2024  
نقد منافع منقسمہ - پہلا سہ ماہی 2025  
کل تخصیص  
اختتامی غیر تخصیص شدہ منافع

23.44

## نی حصص (شیر) آمدنی (روپے)

### سرمائے کا تناسب

مضبوط نتائج نے اندرونی طور پر پیدا ہونے والے سرمائے کو مضبوط بنانا جاری رکھا، جس نے Tier 1 کیپٹل ایڈیکویٹی ریٹو (CAR) میں 79 bps کا اضافہ کیا۔ مارچ 2025 میں ایڈوانسز میں دوبارہ اضافے کے رجحان کے ساتھ ٹریڈنگ بک میں اضافے سے کل رسک ویڈیو ایسٹس دسمبر 2024 سے 161 بلین روپے بڑھ گئے۔ ایچ بی ایل کی مجموعی CAR Tier 1 دسمبر 2024 کے مقابلے میں 11 bps کم ہو کر 14.16% ہو گئی جبکہ کل CAR سرمایہ کاری کے سرپلس میں تیزی سے اضافے سے 21 bps بڑھ کر 17.91% ہو گئی۔ دونوں تناسب ریگولیٹری تقاضوں سے اوپر آرام دہ سطح پر ہیں۔

### منافع منقسمہ

بورڈ آف ڈائریکٹرز نے 31 جولائی 2025 کو منعقد ہونے والے اجلاس میں 30 جون 2025 کو اختتام پذیر ہونے والی ششماہی کے لیے 4.50 روپے فی حصص (45%) کے عبوری نقد منافع منقسمہ کا اعلان کیا۔ یہ 2025 کی پہلی سہ ماہی کے لیے اعلان کردہ 4.50 روپے (45%) کے عبوری منافع منقسمہ کے علاوہ ہے۔

### مستقبل کی صورت حال

افراط زر کا دباؤ کسی حد تک کرنسی کی گراؤٹ، خوراک اور توانائی کی قیمتوں میں مسلسل نرمی، اور عالمی تیل کی مندی کے مد نظر قابو میں رہنے کا امکان ہے۔ افراط زر اور پالیسی ریٹ کے درمیان وسیع فرق، بیرونی اکاؤنٹ میں ٹھوس بحالی کے ساتھ، مزید مانیٹری نرمی کا باعث بننا چاہیے۔ تاہم، بنیادی افراط زر میں سست روکی، تاخیری منتقلی کے اثرات، اور مثبت حقیقی شرحوں کو برقرار رکھنے کے لیے، یہ غالباً معمولی ہو گا۔ اسٹیٹ بینک آف پاکستان کو توقع ہے کہ مالی سال 26 میں افراط زر آہستہ آہستہ بڑھے گا اور اپنی طویل المیعاد ہدف کی حد 5% - 7% کے درمیان مستحکم

# CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2025

	Note	(Unaudited) June 30, 2025 ------(Rupees in '000)-----	(Audited) December 31, 2024
<b>ASSETS</b>			
Cash and balances with treasury banks	5	629,072,276	460,194,916
Balances with other banks	6	49,301,215	51,324,612
Lendings to financial institutions	7	133,484,589	84,293,922
Investments	8	4,297,463,676	2,528,200,439
Advances	9	1,972,716,234	2,435,434,872
Property and equipment	10	139,396,315	130,825,175
Right-of-use assets	11	27,800,011	27,408,020
Intangible assets	12	26,747,597	24,848,435
Deferred tax assets		-	-
Other assets	13	339,737,817	312,582,486
		<b>7,615,719,730</b>	<b>6,055,112,877</b>
<b>LIABILITIES</b>			
Bills payable	14	73,878,091	96,104,151
Borrowings	15	1,524,988,374	826,883,400
Deposits and other accounts	16	5,193,941,724	4,370,370,642
Lease liabilities	17	36,830,131	35,869,231
Subordinated debt	18	20,374,000	20,374,000
Deferred tax liabilities	19	14,580,266	7,995,007
Other liabilities	20	300,712,748	286,718,352
		<b>7,165,305,334</b>	<b>5,644,314,783</b>
		<b>450,414,396</b>	<b>410,798,094</b>
<b>NET ASSETS</b>			
<b>REPRESENTED BY</b>			
<b>Shareholders' equity</b>			
Share capital		14,668,525	14,668,525
Reserves		104,667,941	98,302,935
Surplus on revaluation of assets - net of tax	21	70,945,698	57,370,781
Unappropriated profit		258,447,461	238,813,471
Total equity attributable to the equity holders of the Bank		<b>448,729,625</b>	<b>409,155,712</b>
Non-controlling interest		<b>1,684,771</b>	<b>1,642,382</b>
		<b>450,414,396</b>	<b>410,798,094</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	22		

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

Muhammad Nassir Salim  
President and  
Chief Executive Officer

Rayomond Kotwal  
Chief Financial Officer

Khaleel Ahmed  
Director

Moez Ahamed Jamal  
Director

Dr. Najeeb Samie  
Director

# CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

	Note	January 01 to June 30, 2025	January 01 to June 30, 2024	April 01 to June 30, 2025	April 01 to June 30, 2024
-----Rupees in '000-----					
Mark-up / return / profit / interest earned	24	323,551,783	408,722,039	166,856,795	209,741,073
Mark-up / return / profit / interest expensed	25	185,908,763	285,987,855	97,964,347	148,210,583
Net mark-up / return / profit / interest income		137,643,020	122,734,184	68,892,448	61,530,490
<b>Non mark-up / interest income</b>					
Fee and commission income	26	22,332,439	24,159,718	10,744,053	12,267,800
Dividend income		1,763,963	1,426,218	379,529	419,141
Share of profit of associates		3,348,493	2,436,752	1,999,238	1,540,346
Foreign exchange income		4,106,402	6,160,515	1,931,337	2,072,819
Income from derivatives		950,516	3,468,076	169,742	1,050,235
Gain on securities - net	27	9,442,772	1,576,611	5,275,062	1,859,708
Other income	28	2,328,746	298,277	2,160,384	149,392
Total non mark-up / interest income		44,273,331	39,526,167	22,659,345	19,359,441
Total income		181,916,351	162,260,351	91,551,793	80,889,931
<b>Non mark-up / interest expenses</b>					
Operating expenses	29	100,382,246	92,973,602	50,109,437	46,112,332
Workers' Welfare Fund		1,444,226	1,181,628	746,811	593,342
Other charges	30	111,955	158,837	100,664	341
Total non mark-up / interest expenses		101,938,427	94,314,067	50,956,912	46,706,015
<b>Profit before credit loss allowance and taxation</b>		79,977,924	67,946,284	40,594,881	34,183,916
Credit loss allowance and write offs - net	31	4,630,699	10,098,192	1,887,505	6,449,107
<b>Profit before taxation</b>		75,347,225	57,848,092	38,707,376	27,734,809
<b>Taxation</b>	32	40,899,224	28,791,045	20,886,136	13,721,345
<b>Profit after taxation</b>		34,448,001	29,057,047	17,821,240	14,013,464
<b>Attributable to:</b>					
Equity holders of the Bank		34,386,816	29,594,649	17,781,731	14,377,433
Non-controlling interest		61,185	(537,602)	39,509	(363,969)
		34,448,001	29,057,047	17,821,240	14,013,464
-----Rupees-----					
<b>Basic and diluted earnings per share</b>	33	23.44	20.18	12.12	9.81

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

Muhammad Nassir Salim  
President and  
Chief Executive Officer

Rayomond Kotwal  
Chief Financial Officer

Khaleel Ahmed  
Director

Moez Ahamed Jamal  
Director

Dr. Najeeb Samie  
Director

# CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

	January 01 to June 30, 2025	January 01 to June 30, 2024	April 01 to June 30, 2025	April 01 to June 30, 2024
	------(Rupees in '000)-----			
<b>Profit / (loss) after taxation for the period attributable to:</b>				
Equity holders of the Bank	34,386,816	29,594,649	17,781,731	14,377,433
Non-controlling interest	61,185	(537,602)	39,509	(363,969)
	<b>34,448,001</b>	29,057,047	<b>17,821,240</b>	14,013,464
<b>Other comprehensive income / (loss)</b>				
<i>Items that may be reclassified to the profit and loss account in subsequent periods:</i>				
Effect of translation of net investment in foreign branches, subsidiaries and associates - net of tax	3,947,585	(903,475)	2,767,263	(634,285)
Decrease in share of exchange translation reserve of associates - net of tax	(46,736)	(676,607)	(164,967)	(1,070,699)
Movement in surplus / deficit on revaluation of debt investments designated at Fair Value through Other Comprehensive Income (FVOCI) - net of tax, attributable to:				
Equity holders of the Bank	8,543,672	7,241,837	14,435,915	4,031,609
Non-controlling interest	17,296	15,697	22,257	12,371
	<b>8,560,968</b>	7,257,534	<b>14,458,172</b>	4,043,980
Movement in share of surplus / deficit on revaluation of investments of associates - net of tax	1,691,063	(528,682)	454,231	(233,372)
<i>Items that are not to be reclassified to the profit and loss account in subsequent periods:</i>				
Movement in surplus / deficit on revaluation of equity investments designated at FVOCI - net of tax	369,273	737,227	316,101	671,052
Share of remeasurement gain on defined benefit obligations of associates - net of tax	11,754	5,262	-	-
<b>Total comprehensive income</b>	<b>48,981,908</b>	34,948,306	<b>35,652,040</b>	16,790,140
<b>Total comprehensive income / (loss) attributable to:</b>				
Equity holders of the Bank	48,903,427	35,470,211	35,590,274	17,141,738
Non-controlling interest	78,481	(521,905)	61,766	(351,598)
	<b>48,981,908</b>	34,948,306	<b>35,652,040</b>	16,790,140

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

Muhammad Nassir Salim  
President and  
Chief Executive Officer

Rayomond Kotwal  
Chief Financial Officer

Khaleel Ahmed  
Director

Moez Ahamed Jamal  
Director

Dr. Najeeb Samie  
Director

# CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

	Attributable to shareholders of the Bank										Non-controlling interest	Total		
	Share capital	Statutory		Reserves			Capital		Surplus / (deficit) on revaluation of				Unappropriated profit	Sub Total
		Subsidiary	Bank	Exchange translation	Non-distributable	On acquisition of common control entity	Investments	Property & Equipment / Non Banking Assets						
	(Rupees in '000)													
<b>Balance as at December 31, 2023 - as reported</b>	14,668,525	1,293,922	48,815,676	50,305,150	547,115	(156,706)	(17,281,961)	43,139,284	221,883,756	363,214,761	2,805,892	366,020,653		
Change in accounting policy as at January 01, 2024	-	-	-	-	-	-	(954,904)	-	(13,536,103)	(14,491,007)	-	(14,811,324)		
<b>Balance as at January 01, 2024 - as restated</b>	14,668,525	1,293,922	48,815,676	50,305,150	547,115	(156,706)	(18,236,865)	43,139,284	208,347,653	348,723,754	2,485,575	351,209,329		
<b>Comprehensive income for the six months ended June 30, 2024</b>														
Profit after taxation for the six months ended June 30, 2024	-	-	-	-	-	-	-	-	29,594,649	29,594,649	(537,602)	29,057,047		
<b>Other comprehensive income / (loss)</b>														
Effect of translation of net investment in foreign branches, subsidiaries and associates - net of tax	-	-	(903,475)	-	-	-	-	-	-	(903,475)	-	(903,475)		
Decrease in share of exchange translation reserve of associates - net of tax	-	-	(676,607)	-	-	-	-	-	-	(676,607)	-	(676,607)		
Share of net remeasurement gain on defined benefit obligations of associates - net of tax	-	-	-	-	-	-	-	-	5,262	5,262	-	5,262		
Movement in surplus / deficit on revaluation of equity investments - net of tax	-	-	-	-	-	-	737,227	-	-	737,227	-	737,227		
Movement in surplus / deficit on revaluation of debt investments - net of tax	-	-	-	-	-	-	7,241,837	-	-	7,241,837	15,697	7,257,534		
Movement in share of surplus / deficit on revaluation of investments of associates - net of tax	-	-	-	-	-	-	(528,682)	-	-	(528,682)	-	(528,682)		
Transferred to statutory reserves	-	67,247	2,865,055	(1,580,082)	-	-	7,450,382	-	29,599,911	35,470,211	(521,905)	34,948,306		
Net realised gain on sale of equity investments - net of tax	-	-	-	-	-	-	(295,957)	-	295,957	-	-	-		
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	-	-	(51,015)	51,015	-	-	-		
Acquisition of additional interest in subsidiary	-	-	-	-	-	-	(4,749)	33,766	228,051	257,068	(257,068)	-		
<b>Transactions with owners, recorded directly in equity</b>														
Final cash dividend - Rs 4.00 per share declared subsequent to the year ended December 31, 2023	-	-	-	-	-	-	-	-	(5,867,410)	(5,867,410)	-	(5,867,410)		
1st interim cash dividend - Rs 4.00 per share	-	-	-	-	-	-	-	-	(5,867,410)	(5,867,410)	-	(5,867,410)		
	-	-	-	-	-	-	-	-	(11,734,820)	(11,734,820)	-	(11,734,820)		
<b>Balance as at June 30, 2024</b>	14,668,525	1,361,169	51,680,731	48,725,068	547,115	(156,706)	(11,087,189)	43,122,035	223,855,465	372,716,213	1,706,602	374,422,815		
<b>Comprehensive income for the six months ended December 31, 2024</b>														
Profit after taxation for the six months ended December 31, 2024	-	-	-	-	-	-	-	-	28,863,122	28,863,122	(115,510)	28,747,612		
<b>Other comprehensive income / (loss)</b>														
Effect of translation of net investment in foreign branches, subsidiaries and associates - net of tax	-	-	(1,060,198)	-	-	-	-	-	-	(1,060,198)	-	(1,060,198)		
Decrease in share of exchange translation reserve of associates - net of tax	-	-	(109,887)	-	-	-	-	-	-	(109,887)	-	(109,887)		
Movement in surplus / deficit on revaluation of equity investments - net of tax	-	-	-	-	-	-	2,541,724	-	-	2,541,724	-	2,541,724		
Movement in surplus / deficit on revaluation of debt investments - net of tax	-	-	-	-	-	-	23,497,134	-	-	23,497,134	43,064	23,540,198		
Net remeasurement (loss) / gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	(141,928)	(141,928)	8,226	(133,702)		
Share of net remeasurement loss on defined benefit obligations of associates - net of tax	-	-	-	-	-	-	-	-	(310)	(310)	-	(310)		
Increase in deferred tax rate on revaluation surplus of property and equipment	-	-	-	-	-	-	-	(231,851)	-	(231,851)	-	(231,851)		
Increase in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	29,730	-	29,730	-	29,730		
Movement in share of surplus / deficit on revaluation of assets of associates - net of tax	-	-	-	-	-	-	350,680	(12,155)	-	338,525	-	338,525		
Transferred to statutory reserves	-	55,858	2,811,527	(1,170,085)	-	-	26,389,538	(214,276)	28,720,884	53,726,061	(64,220)	53,661,841		
Net realised gain on sale of equity investments - net of tax	-	-	-	-	-	-	(667,665)	-	667,665	-	-	-		
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	-	-	(171,662)	171,662	-	-	-		
Exchange gain realised on closure / sale of the Bank's branches - net of tax	-	-	(5,551,742)	-	-	-	-	-	-	(5,551,742)	-	(5,551,742)		
<b>Transactions with owners, recorded directly in equity</b>														
2nd interim cash dividend - Rs 4.00 per share	-	-	-	-	-	-	-	-	(5,867,410)	(5,867,410)	-	(5,867,410)		
3rd interim cash dividend - Rs 4.00 per share	-	-	-	-	-	-	-	-	(5,867,410)	(5,867,410)	-	(5,867,410)		
	-	-	-	-	-	-	-	-	(11,734,820)	(11,734,820)	-	(11,734,820)		
<b>Balance as at December 31, 2024 - as reported</b>	14,668,525	1,417,027	54,492,258	42,003,241	547,115	(156,706)	14,634,684	42,736,097	238,813,471	409,155,712	1,642,382	410,798,094		
Change in accounting policy as at January 01, 2025 - note 3.3	-	-	-	-	-	-	3,120,285	-	1,280,345	4,400,630	-	4,400,630		
<b>Balance as at January 01, 2025 - as restated</b>	14,668,525	1,417,027	54,492,258	42,003,241	547,115	(156,706)	17,754,969	42,736,097	240,093,816	413,556,342	1,642,382	415,198,724		
<b>Comprehensive income for the six months ended June 30, 2025</b>														
Profit after taxation for the six months ended June 30, 2025	-	-	-	-	-	-	-	-	34,386,816	34,386,816	61,185	34,448,001		
<b>Other comprehensive income / (loss)</b>														
Effect of translation of net investment in foreign branches, subsidiaries and associates - net of tax	-	-	3,947,585	-	-	-	-	-	-	3,947,585	-	3,947,585		
Decrease in share of exchange translation reserve of associates - net of tax	-	-	(46,736)	-	-	-	-	-	-	(46,736)	-	(46,736)		
Share of net remeasurement gain on defined benefit obligations of associates - net of tax	-	-	-	-	-	-	-	-	11,754	11,754	-	11,754		
Movement in surplus / deficit on revaluation of equity investments - net of tax	-	-	-	-	-	-	369,273	-	-	369,273	-	369,273		
Movement in surplus / deficit on revaluation of debt investments - net of tax	-	-	-	-	-	-	8,543,672	-	-	8,543,672	17,296	8,560,968		
Movement in share of surplus / deficit on revaluation of investments of associates - net of tax	-	-	-	-	-	-	1,691,063	-	-	1,691,063	-	1,691,063		
Transferred to statutory reserves	-	253,580	3,141,854	3,900,849	-	-	10,604,008	-	34,398,570	48,903,427	78,481	48,981,908		
Net realised gain on sale of equity investments - net of tax	-	-	-	-	-	-	(108,610)	-	108,610	-	-	-		
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	-	-	(50,442)	50,442	-	-	-		
Exchange gain realised on closure of the Bank's branch - net of tax	-	-	(931,277)	-	-	-	-	-	-	(931,277)	-	(931,277)		
Acquisition of additional interest in subsidiary	-	-	-	-	-	-	4,549	5,127	26,416	36,092	(36,092)	-		
<b>Transactions with owners, recorded directly in equity</b>														
Final cash dividend - Rs 4.25 per share declared subsequent to the year ended December 31, 2024	-	-	-	-	-	-	-	-	(6,234,123)	(6,234,123)	-	(6,234,123)		
1st interim cash dividend - Rs 4.50 per share	-	-	-	-	-	-	-	-	(6,600,836)	(6,600,836)	-	(6,600,836)		
	-	-	-	-	-	-	-	-	(12,834,959)	(12,834,959)	-	(12,834,959)		
<b>Balance as at June 30, 2025</b>	14,668,525	1,670,607	57,634,112	44,972,813	547,115	(156,706)	28,254,916	42,690,782	258,447,461	448,729,625	1,684,771	450,414,396		

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

**Muhammad Nassir Salim**  
President and  
Chief Executive Officer

**Rayomond Kotwal**  
Chief Financial Officer

**Khaleel Ahmed**  
Director

**Moez Ahamed Jamal**  
Director

**Dr. Najeeb Samie**  
Director

# CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

January 01 to  
June 30,  
2025  
------(Rupees in '000)-----  
January 01 to  
June 30,  
2024

## CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation	75,347,225	57,848,092
Dividend income	(1,763,963)	(1,426,218)
Share of profit of associates	(3,348,493)	(2,436,752)
Mark-up / return / profit / interest expensed on subordinated debt	1,296,266	2,196,194
	<u>(3,816,190)</u>	<u>(1,666,776)</u>
	71,531,035	56,181,316

### Adjustments:

Depreciation	5,871,162	5,330,368
Amortisation	1,392,077	1,359,972
Depreciation on right-of-use assets	2,395,508	2,243,842
Mark-up / return / profit / interest expensed on lease liability against right-of-use assets	2,093,763	1,806,465
Charge / (reversal) of credit loss allowance against investments	119,615	(1,518,370)
Credit loss allowance against loans and advances	9,175,850	10,700,530
(Reversal) / charge of credit loss allowance against other assets	(35,083)	201,699
(Reversal) / charge of credit loss allowance against off-balance sheet obligations	(4,299,988)	936,932
Unrealised loss / (gain) on securities designated at fair value through profit and loss (FVTPL)	198,202	(1,226,854)
Exchange (gain) / loss on goodwill	(483,197)	82,400
Exchange gain realised on closure of the Bank's branch	(1,940,160)	-
Gain on sale of property and equipment - net	(2,133)	(29,289)
Workers' Welfare Fund	1,444,226	1,181,628
	<u>15,929,842</u>	<u>21,069,323</u>
	87,460,877	77,250,639

### (Increase) / decrease in operating assets

Lendings to financial institutions	(49,190,667)	(44,657,085)
Net investment in FVTPL securities	(207,002,889)	17,454,222
Advances	452,156,363	45,203,912
Other assets (excluding advance taxation)	(17,255,786)	(23,908,738)
	178,707,021	(5,907,689)

### Increase / (decrease) in operating liabilities

Bills payable	(22,226,060)	19,817,002
Borrowings from financial institutions	698,104,974	(75,939,744)
Deposits and other accounts	823,571,082	705,083,819
Other liabilities	17,539,880	38,078,721
	<u>1,516,989,876</u>	<u>687,039,798</u>
	1,783,157,774	758,382,748

Income tax paid

	(49,263,975)	(38,793,497)
	1,733,893,799	719,589,251

### Net cash flows generated from operating activities

## CASH FLOWS FROM INVESTING ACTIVITIES

Net investment in FVOCI securities	(1,477,939,741)	(566,448,311)
Net investment in securities carried at Amortised Cost	(60,853,996)	(49,776,465)
Net investment in associates	826,024	(1,675,299)
Dividend received	1,067,676	1,417,240
Investments in property and equipment	(13,645,429)	(10,939,027)
Investments in intangible assets	(2,776,389)	(1,573,051)
Proceeds from sale of property and equipment	55,890	36,140
Effect of translation of net investment in foreign branches, subsidiaries and associates - net of tax	3,900,849	(1,580,082)
	<u>(1,549,365,116)</u>	<u>(630,538,855)</u>

### Net cash flows used in investing activities

## CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from issuance of subordinated debt	-	675,000
Payment of mark-up on subordinated debt	(1,305,729)	(2,210,651)
Payment of lease liability against right-of-use assets	(3,630,561)	(1,804,083)
Dividend paid	(12,738,430)	(13,551,235)
	<u>(17,674,720)</u>	<u>(16,890,969)</u>

### Net cash flows used in financing activities

### Increase in cash and cash equivalents during the period

Cash and cash equivalents at the beginning of the period	519,005,250	625,512,980
Effect of exchange rate changes on cash and cash equivalents	(7,485,722)	(21,380,851)
	<u>511,519,528</u>	<u>604,132,129</u>
	678,373,491	676,291,556

### Cash and cash equivalents at the end of the period

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

Muhammad Nassir Salim  
President and  
Chief Executive Officer

Rayomond Kotwal  
Chief Financial Officer

Khaleel Ahmed  
Director

Moez Ahamed Jamal  
Director

Dr. Najeeb Samie  
Director

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

## 1 THE GROUP AND ITS OPERATIONS

The Group consists of:

### Holding company

- Habib Bank Limited, Pakistan

### Subsidiaries

- Habib Allied Holding Limited (HAHL) – 100% shareholding
- HBL Bank UK Limited – 100% effective shareholding
- HBL Currency Exchange (Private) Limited – 100% shareholding
- HBL Asset Management Limited – 100% shareholding
- HBL Microfinance Bank Limited – 90.83% (December 31, 2024: 89.38%) shareholding
- Habib Bank Financial Services (Private) Limited – 100% shareholding
- HBL Zarai Services Limited (HZSL) – 100% shareholding

Habib Bank Limited (the Bank) is incorporated in Pakistan and is engaged in commercial banking services in Pakistan and overseas. The Bank's registered office is at Habib Bank Tower, 9th Floor, Jinnah Avenue, Blue Area, Islamabad, Pakistan and its principal office is at HBL Tower, Plot # G-4, KDA Scheme 5, Block 7, Clifton, Karachi, Pakistan. The Bank's shares are listed on the Pakistan Stock Exchange. The Bank operates 1,640 (December 31, 2024: 1,705) branches inside Pakistan including 408 (December 31, 2024: 408) Islamic Banking Branches and 25 (December 31, 2024: 27) branches outside the country including in the Karachi Export Processing Zone (KEPZ). The Aga Khan Fund for Economic Development S.A. (AKFED) is the parent company of the Bank and its registered office is in Geneva, Switzerland.

- 1.1 The Bank had commenced an orderly winding down of its operations in Afghanistan and banking operations were ceased on June 10, 2019. The remaining formalities required for closure are in progress.
- 1.2 The Bank has sold its operations in Mauritius and has transferred the business to its new owners. The deregistration and related exit formalities are underway.
- 1.3 The Bank has commenced an orderly wind-down of its Lebanon operations. Formalities for completion of the wind-down are underway.
- 1.4 After obtaining approval from the National Bank of Belgium for the voluntary deregistration of its Belgium operations, the Bank has closed its operations in Belgium. The deregistration and related exit formalities are underway.
- 1.5 During the period, the Bank has subscribed to 200 million Rights shares issued by HBL Microfinance Bank Limited (HBL MfB). Post acquisition, the Bank's shareholding in HBL MfB has increased from 89.38% to 90.83%.
- 1.6 During the period, the Bank has subscribed to 285 million shares issued by HZSL.

## 2 BASIS OF PRESENTATION

### 2.1 STATEMENT OF COMPLIANCE

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

- International Financial Reporting Standards (IFRS) 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;
- Provisions of and directives issued under 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 IFRS or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives, shall prevail.

- 2.2 The disclosures made in these condensed interim consolidated financial statements have been limited based on the format prescribed by IAS 34 and by the SBP vide BPRD Circular Letter No. 2 dated February 09, 2023. These condensed interim consolidated financial statements do not include all the information and disclosures required for annual consolidated financial statements and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2024.

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

## 2.3 Amendments to existing accounting and reporting standards that have become effective in the current year

As directed by the SBP via BPRD Circular letter no. 7 of 2023, the results of overseas operations where IFRS 9, Financial Instruments is not applicable, are required to be adjusted in accordance with the requirements of IFRS 9 for the purpose of preparation of its financial statements with effect from January 01, 2025.

As directed by the SBP vide BPRD Circular letter no. 16 of 2024, unlisted equity securities which were carried at the lower of cost or breakup value till December 31, 2024, are required to be carried at fair value with effect from January 01, 2025.

Except for the changes mentioned above, the Bank expects that amendments to existing accounting and reporting standards will not affect its financial statements in the period of initial application.

## 2.4 Amendments to existing accounting and reporting standards that are not yet effective

There are various amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective. These are not likely to have a material effect on the Group's financial statements, except for the following relaxations earlier provided by the SBP in respect of the implementation of IFRS 9.

- General provision, over and above the ECL for Stage 1 and Stage 2 exposures may be maintained up to December 31, 2026.
- The Effective Interest Rate (EIR) requirements of IFRS 9 will be applicable for accounting periods beginning January 01, 2026.

## 2.5 Critical accounting estimates and judgements

The basis for accounting estimates and judgements adopted in the preparation of these condensed interim consolidated financial statements is the same as that applied in the preparation of the consolidated financial statements for the year ended December 31, 2024, except for changes as discussed in note 3.2.

## 3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these condensed interim consolidated financial statements are consistent with those followed in the preparation of the consolidated financial statements for the year ended December 31, 2024. The impact of amendments to existing accounting standards as mentioned in note 2.3 are summarized below:

### 3.1 Transitional Impact

To account for the changes, the Bank has elected to follow the modified retrospective approach for restatement as allowed under IFRS 9. The cumulative impact has been recorded as an adjustment to equity as of January 01, 2025. Accordingly, the information presented as of December 31, 2024 and for the six months ended June 30, 2024 has not been restated.

The following table reconciles the carrying amounts of financial instruments reported in accordance with the previous financial reporting framework with the carrying amounts reported under the new financial reporting framework.

Financial Assets / Liabilities	Carrying amount as of December 31, 2024	Fair valuation of unlisted securities	ECL	Carrying amount as of January 01, 2025
	(Rupees in '000)			
Cash and balances with treasury banks	460,194,916	-	-	460,194,916
Balances with other banks	51,324,612	-	(18,297)	51,306,315
Lendings to financial institutions	84,293,922	-	-	84,293,922
Investments				
FVTPL	150,501,600	4,140,061	-	154,641,661
FVOCI	1,921,538,852	6,500,594	-	1,928,039,446
Amortised Cost	414,021,189	-	(150,584)	413,870,605
Associates	42,138,798	-	-	42,138,798
Advances	2,435,434,872	-	(357,273)	2,435,077,599
Other assets	277,129,481	-	-	277,129,481
<b>Total Financial Assets</b>	<b>5,836,578,242</b>	<b>10,640,655</b>	<b>(526,154)</b>	<b>5,846,692,743</b>
Bills payable	96,104,151	-	-	96,104,151
Borrowings	826,883,400	-	-	826,883,400
Deposits and other accounts	4,370,370,642	-	-	4,370,370,642
Lease liabilities	35,869,231	-	-	35,869,231
Subordinated debt	20,374,000	-	-	20,374,000
Other liabilities	255,197,609	-	860,271	256,057,880
<b>Total Financial Liabilities</b>	<b>5,604,799,033</b>	<b>-</b>	<b>860,271</b>	<b>5,605,659,304</b>
<b>Net Financial Assets</b>	<b>231,779,209</b>	<b>10,640,655</b>	<b>(1,386,425)</b>	<b>241,033,439</b>
Non Financial Assets	187,013,892	-	-	187,013,892
Deferred tax liabilities	(7,995,007)	(5,574,541)	720,941	(12,848,607)
<b>Total Net Assets</b>	<b>410,798,094</b>	<b>5,066,114</b>	<b>(665,484)</b>	<b>415,198,724</b>

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

## 3.2 Fair valuation of unlisted equity securities

The measurement of the fair value of investments in unquoted equity securities involves the use of different methodologies and assumptions. The Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation techniques incorporate various factors that market participants would consider in pricing a transaction.

When observable inputs are not readily available, the fair value is determined using valuation techniques that include the use of mathematical models such as the dividend growth model and discounted cashflow techniques.

## 3.3 Reconciliation of retained earnings and surplus on revaluation of investments

The impact of the transition to IFRS 9 on retained earnings and on the surplus on revaluation of investments as at January 01, 2025 is as follows:

<b>Retained earnings</b>	<b>(Rupees in '000)</b>
Closing balance as at December 31, 2024 - as reported	238,813,471
ECL attributable to equity holders of the Bank	(1,386,425)
Increase in the fair valuation of unlisted equity securities carried at FVTPL	4,140,061
	2,753,636
Less: related deferred tax	(1,473,291)
Opening balance as at January 01, 2025 - as restated	<u>240,093,816</u>
<b>Surplus on revaluation of investments</b>	
Closing balance as at December 31, 2024 - as reported	14,634,684
Increase in the fair valuation of unlisted equity securities carried at FVOCI	6,500,594
Less: related deferred tax	(3,380,309)
	3,120,285
Opening balance as at January 01, 2025 - as restated	<u>17,754,969</u>

## 4 FINANCIAL RISK MANAGEMENT

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

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

	Note	(Unaudited) June 30, 2025 ------(Rupees in '000)-----	(Audited) December 31, 2024
<b>5 CASH AND BALANCES WITH TREASURY BANKS</b>			
In hand			
Local currency		76,817,867	76,319,391
Foreign currencies		8,952,058	7,463,467
		<u>85,769,925</u>	<u>83,782,858</u>
With State Bank of Pakistan in			
Local currency current accounts		283,528,076	181,601,094
Foreign currency current accounts		11,651,966	12,400,210
Foreign currency deposit accounts		24,061,561	25,348,734
		<u>319,241,603</u>	<u>219,350,038</u>
With other central banks in			
Foreign currency current accounts		47,793,982	63,824,715
Foreign currency deposit accounts		31,649,946	37,044,013
		<u>79,443,928</u>	<u>100,868,728</u>
With National Bank of Pakistan in			
Local currency current accounts		142,202,754	54,649,751
Local currency deposit account		2,183,815	1,304,514
		<u>144,386,569</u>	<u>55,954,265</u>
National Prize Bonds		235,072	244,123
Less: credit loss allowance	5.1	(4,821)	(5,096)
Cash and balances with Treasury banks - net of credit loss allowance		<u>629,072,276</u>	<u>460,194,916</u>
5.1 Cash and balances with Treasury banks are all classified as Stage 1.			
<b>6 BALANCES WITH OTHER BANKS</b>			
In Pakistan			
In current accounts		720,272	485,882
In deposit accounts		3,894,639	303,310
		<u>4,614,911</u>	<u>789,192</u>
Outside Pakistan			
In current accounts		28,451,948	34,095,774
In deposit accounts		16,282,265	16,442,835
		<u>44,734,213</u>	<u>50,538,609</u>
Less: credit loss allowance	6.1	(47,909)	(3,189)
Balances with other banks - net of credit loss allowance		<u>49,301,215</u>	<u>51,324,612</u>
6.1 Balances with other banks are all classified as Stage 1.			
<b>7 LENDINGS TO FINANCIAL INSTITUTIONS</b>			
Call money lendings		26,970,116	9,500,000
Repurchase agreement lendings (reverse repo)		106,522,246	74,801,635
		<u>133,492,362</u>	<u>84,301,635</u>
Less: credit loss allowance	7.1	(7,773)	(7,713)
Lendings to financial institutions - net of credit loss allowance		<u>133,484,589</u>	<u>84,293,922</u>
7.1 Lendings to financial institutions are all classified as Stage 1.			

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

## 8 INVESTMENTS

	Note	June 30, 2025 (Unaudited)			December 31, 2024 (Audited)				
		Cost / amortised cost	Credit loss allowance / provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Credit loss allowance / provision for diminution	Surplus / (deficit)	Carrying value
(Rupees in '000)									
<b>8.1 Investments by type</b>									
<b>Fair value through profit and loss (FVTPL)</b>									
<b>Federal Government securities</b>									
- Market Treasury Bills		242,670,481	-	23,590	242,694,071	70,682,260	-	154,602	70,836,862
- Pakistan Investment Bonds		83,105,930	-	788,169	83,894,099	47,441,474	-	156,510	47,597,984
- Ijarah Sukuk		12,541,839	-	(5,377)	12,536,462	12,810,694	-	104,464	12,915,158
- Other Federal Government securities		970,299	-	-	970,299	2,580,725	-	-	2,580,725
<b>Shares</b>									
- Listed companies		2,561,921	-	80,081	2,642,002	-	-	-	-
- Unlisted companies		8,639,530	-	(850,787)	7,788,743	4,496,354	-	-	4,496,354
<b>Non-Government debt securities</b>									
- Listed		2,691,019	-	1,871	2,692,890	2,722,858	-	(31,839)	2,691,019
- Unlisted		801,000	-	-	801,000	801,000	-	-	801,000
<b>Foreign securities</b>									
- Government debt securities		3,443,559	-	(139,240)	3,304,319	4,576,452	-	(236,941)	4,339,511
<b>Preference shares</b>									
- Listed		835,400	-	153,300	988,700	877,400	-	(42,000)	835,400
- Unlisted		14,465	-	-	14,465	38,480	-	-	38,480
<b>Real Estate Investment Trust units - Listed</b>		<b>3,369,107</b>	<b>-</b>	<b>(249,809)</b>	<b>3,119,298</b>	<b>2,210,700</b>	<b>-</b>	<b>1,158,407</b>	<b>3,369,107</b>
		<b>361,644,550</b>	<b>-</b>	<b>(198,202)</b>	<b>361,446,348</b>	<b>149,238,397</b>	<b>-</b>	<b>1,263,203</b>	<b>150,501,600</b>
<b>Fair value through other comprehensive income (FVOCI)</b>									
<b>Federal Government securities</b>									
- Market Treasury Bills		468,201,839	-	756,199	468,958,038	276,434,566	-	7,011,503	283,446,069
- Pakistan Investment Bonds		2,296,206,179	-	32,323,560	2,328,529,739	1,059,485,950	-	7,739,668	1,067,225,618
- Ijarah Sukuk		300,796,522	-	11,028,821	311,825,343	287,654,823	-	12,551,056	300,205,879
- Government of Pakistan US Dollar Bonds		16,448,151	(1,949,679)	2,217,326	16,715,798	12,470,809	(2,287,931)	1,676,199	11,859,077
<b>Shares</b>									
- Listed companies		20,208,375	-	2,881,951	23,090,326	17,814,570	-	2,703,103	20,517,673
- Unlisted companies		922,949	-	6,640,603	7,563,552	1,018,951	-	(137,414)	881,537
<b>Non-Government debt securities</b>									
- Listed		47,953,477	(1,913,395)	339,157	46,379,239	48,349,774	(1,432,238)	633,484	47,551,020
- Unlisted		364,300	(364,300)	-	-	973,382	(373,382)	4,922	604,922
<b>Foreign securities</b>									
- Government debt securities		196,838,471	(966,303)	895,158	196,767,326	178,358,276	(800,540)	427,304	177,985,040
- Non-Government debt securities - Listed		12,657,058	(5,179)	218,701	12,870,580	11,011,077	(4,299)	45,646	11,052,424
- Equity securities - Unlisted		6,568	-	65,737	72,305	6,459	-	-	6,459
<b>National Investment Unit Trust units</b>		<b>11,113</b>	<b>-</b>	<b>78,011</b>	<b>89,124</b>	<b>11,113</b>	<b>-</b>	<b>83,271</b>	<b>94,384</b>
<b>Real Estate Investment Trust units - Listed</b>		<b>55,000</b>	<b>-</b>	<b>80,050</b>	<b>135,050</b>	<b>55,000</b>	<b>-</b>	<b>53,750</b>	<b>108,750</b>
		<b>3,360,670,002</b>	<b>(5,198,856)</b>	<b>57,525,274</b>	<b>3,412,996,420</b>	<b>1,893,644,750</b>	<b>(4,898,390)</b>	<b>32,792,492</b>	<b>1,921,538,852</b>
<b>Amortised cost</b>									
<b>8.2</b>									
<b>Federal Government securities</b>									
- Market Treasury Bills		54,777,540	-	-	54,777,540	92,317,600	-	-	92,317,600
- Pakistan Investment Bonds		354,907,624	-	-	354,907,624	252,532,318	-	-	252,532,318
- Ijarah Sukuk		28,252,120	-	-	28,252,120	28,274,899	-	-	28,274,899
- Government of Pakistan US Dollar Bonds		1,314,109	(122,039)	-	1,192,070	1,297,113	-	-	1,297,113
<b>Non-Government debt securities</b>									
- Listed		899,410	(49)	-	899,361	899,130	(49)	-	899,081
- Unlisted		20,337,627	(629,519)	-	19,708,108	23,226,449	(640,324)	-	22,586,125
<b>Foreign Securities</b>									
- Government debt securities		15,043,096	-	-	15,043,096	16,130,021	(15,968)	-	16,114,053
		<b>475,531,526</b>	<b>(751,607)</b>	<b>-</b>	<b>474,779,919</b>	<b>414,677,530</b>	<b>(656,341)</b>	<b>-</b>	<b>414,021,189</b>
<b>Investments in associates</b>	8.1.1	<b>47,138,854</b>	<b>(323,084)</b>	<b>1,425,219</b>	<b>48,240,989</b>	<b>44,616,385</b>	<b>(379,757)</b>	<b>(2,097,830)</b>	<b>42,138,798</b>
<b>Total Investments</b>		<b>4,244,984,932</b>	<b>(6,273,547)</b>	<b>58,752,291</b>	<b>4,297,463,676</b>	<b>2,502,177,062</b>	<b>(5,934,488)</b>	<b>31,957,865</b>	<b>2,528,200,439</b>

8.1.1 The Group's share of surplus / (deficit) on investments held by these entities amounts to Rs 1,425.219 million (December 31, 2024: Rs 2,097.830 million).

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

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

## 8.1.2 Investments given as collateral

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

### Federal Government securities

- Market Treasury Bills	14,586,555	39,009,790
- Pakistan Investment Bonds	1,239,812,983	432,171,594

### Foreign securities

- Government debt securities	113,544	1,510,115
	<u>1,254,513,082</u>	<u>472,691,499</u>

8.2 The market value of investments classified as amortised cost amounted to Rs 476,669.558 million (December 31, 2024: Rs 412,403.301 million).

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

## 8.3 Particulars of provision / credit loss allowance against investments

Opening balance - as reported	5,934,488	10,405,710
Impact of adoption of IFRS 9	150,584	(1,340,461)
Opening balance - as restated	<u>6,085,072</u>	<u>9,065,249</u>
Exchange adjustment	68,860	(84,917)
Charge / (reversal)		
Charge for the period / year	239,801	1,081,632
Reversal for the period / year	(34,031)	(510,699)
Reversal on disposal during the period / year	(86,155)	(2,301,567)
Net charge / (reversal)	119,615	(1,730,634)
Written off during the year	-	(1,315,210)
Closing balance	<u>6,273,547</u>	<u>5,934,488</u>

## 8.4 Particulars of credit loss allowance against debt securities

Category of classification	(Unaudited) June 30, 2025		(Audited) December 31, 2024	
	Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
----- (Rupees in '000) -----				
<b>Domestic</b>				
Performing	3,949,245,151	38,003	2,227,129,901	40,573
Underperforming	225,000	1,668	1,662,500	12,324
Non-performing				
Loss	976,300	976,300	985,382	985,382
	<u>3,950,446,451</u>	<u>1,015,971</u>	<u>2,229,777,783</u>	<u>1,038,279</u>
<b>Overseas</b>				
Performing	230,185,801	503,194	207,606,036	112,288
Under performing	29,037,333	4,431,298	23,884,409	4,404,164
Non-performing				
Loss	-	-	-	-
	<u>259,223,134</u>	<u>4,934,492</u>	<u>231,490,445</u>	<u>4,516,452</u>
Total	<u>4,209,669,585</u>	<u>5,950,463</u>	<u>2,461,268,228</u>	<u>5,554,731</u>

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

9	ADVANCES	Note	Performing		Non - performing		Total	
			(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
			June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
----- (Rupees in '000) -----								
	Loans, cash credits, running finances, etc.		1,571,171,894	2,075,985,698	89,168,271	95,021,698	1,660,340,165	2,171,007,396
	Islamic financing and related assets	38.3	240,962,420	198,557,588	10,483,824	11,098,821	251,446,244	209,656,409
	Bills discounted and purchased		190,133,606	186,810,508	5,468,139	5,446,804	195,601,745	192,257,312
	Advances - gross		<u>2,002,267,920</u>	<u>2,461,353,794</u>	<u>105,120,234</u>	<u>111,567,323</u>	<u>2,107,388,154</u>	<u>2,572,921,117</u>
	Credit loss allowance							
	- Stage 1		(13,728,602)	(13,304,118)	-	-	(13,728,602)	(13,304,118)
	- Stage 2		(14,498,609)	(13,634,409)	-	-	(14,498,609)	(13,634,409)
	- Stage 3	9.3	-	-	(94,248,771)	(94,850,356)	(94,248,771)	(94,850,356)
	Provisions							
	Specific		-	-	-	(4,328,880)	-	(4,328,880)
	General		(12,195,938)	(11,368,482)	-	-	(12,195,938)	(11,368,482)
			<u>(40,423,149)</u>	<u>(38,307,009)</u>	<u>(94,248,771)</u>	<u>(99,179,236)</u>	<u>(134,671,920)</u>	<u>(137,486,245)</u>
	Advances - net of provision / credit loss allowance		<u>1,961,844,771</u>	<u>2,423,046,785</u>	<u>10,871,463</u>	<u>12,388,087</u>	<u>1,972,716,234</u>	<u>2,435,434,872</u>

		(Unaudited)	(Audited)
		June 30, 2025	December 31, 2024
		----- (Rupees in '000) -----	
9.1	Particulars of advances (gross)		
	In local currency	1,540,967,852	1,991,667,360
	In foreign currencies	566,420,302	581,253,757
		<u>2,107,388,154</u>	<u>2,572,921,117</u>

9.2 Advances include Rs 105,120.234 million (December 31, 2024: Rs 111,567.323 million) which have been placed under non-performing status as detailed below:

Category of classification	(Unaudited)		(Audited)	
	June 30, 2025	Credit loss allowance	December 31, 2024	Credit loss allowance / Provision
----- (Rupees in '000) -----				
<b>Domestic</b>				
Other assets especially mentioned	-	-	348,757	223,454
Substandard	17,807,029	12,553,988	17,732,493	11,945,859
Doubtful	11,094,761	8,846,714	10,471,238	7,802,013
Loss	51,816,173	50,910,161	52,689,475	51,341,484
	<u>80,717,963</u>	<u>72,310,863</u>	<u>81,241,963</u>	<u>71,312,810</u>
<b>Overseas</b>				
Substandard	924,667	177,478	846,853	159,318
Doubtful	1,384,133	737,475	1,186,283	621,723
Loss	22,093,471	21,022,955	28,292,224	27,085,385
	<u>24,402,271</u>	<u>21,937,908</u>	<u>30,325,360</u>	<u>27,866,426</u>
	<u>105,120,234</u>	<u>94,248,771</u>	<u>111,567,323</u>	<u>99,179,236</u>

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

## 9.3 Particulars of provisions / credit loss allowance against advances

	(Unaudited) June 30, 2025					
	Stage 1	Stage 2	Stage 3	Specific	General	Total
	----- (Rupees in '000) -----					
Opening balance - as reported	13,304,118	13,634,409	94,850,356	4,328,880	11,368,482	137,486,245
Impact of adoption of IFRS 9	546,327	166,375	4,370,824	(4,328,880)	(397,373)	357,273
Opening balance - as restated	13,850,445	13,800,784	99,221,180	-	10,971,109	137,843,518
Transfer to stage 1	193,882	(183,357)	(10,525)	-	-	-
Transfer to stage 2	(1,291,363)	1,314,084	(22,721)	-	-	-
Transfer to stage 3	(500,808)	(2,630,730)	3,131,538	-	-	-
Exchange adjustment	110,062	41,918	431,028	-	-	583,008
Charge for the period	3,477,669	2,678,727	7,926,136	-	1,224,829	15,307,361
Reversal for the period	(2,111,285)	(522,817)	(3,497,409)	-	-	(6,131,511)
Net charge against advances	1,366,384	2,155,910	4,428,727	-	1,224,829	9,175,850
Charged off during the period - agriculture financing	-	-	(444,047)	-	-	(444,047)
Charged off during the period - corporate, commercial and SME advances	-	-	(4,813,045)	-	-	(4,813,045)
Written off during the period	-	-	(7,691,061)	-	-	(7,691,061)
Other movement	-	-	17,697	-	-	17,697
Closing balance	13,728,602	14,498,609	94,248,771	-	12,195,938	134,671,920

	(Audited) December 31, 2024					
	Stage 1	Stage 2	Stage 3	Specific	General	Total
	----- (Rupees in '000) -----					
Opening balance - as reported	-	-	-	84,920,073	18,392,219	103,312,292
Impact of adoption of IFRS 9	13,256,248	17,241,118	86,791,214	(80,578,490)	(10,619,916)	26,090,174
Opening balance - as restated	13,256,248	17,241,118	86,791,214	4,341,583	7,772,303	129,402,466
Transfer to stage 1	461,482	(448,164)	(13,318)	-	-	-
Transfer to stage 2	(1,420,532)	2,009,381	(588,849)	-	-	-
Transfer to stage 3	(554,289)	(3,178,844)	3,733,133	-	-	-
Exchange adjustment	(44,796)	(24,324)	(605,460)	(52,951)	(16,125)	(743,656)
Charge for the year	9,927,206	24,240,602	26,686,494	94,483	3,629,188	64,577,973
Reversal for the year	(8,321,201)	(26,205,360)	(9,412,105)	(54,235)	(16,884)	(44,009,785)
Net charge / (reversal) against advances	1,606,005	(1,964,758)	17,274,389	40,248	3,612,304	20,568,188
Charged off during the year - agriculture financing	-	-	(274,326)	-	-	(274,326)
Charged off during the year - corporate, commercial and SME advances	-	-	(3,534,146)	-	-	(3,534,146)
Written off during the year	-	-	(7,932,281)	-	-	(7,932,281)
Closing balance	13,304,118	13,634,409	94,850,356	4,328,880	11,368,482	137,486,245

9.4 General provision represents an amount of Rs 12,195.938 million (January 01, 2025: Rs 10,971.109 million) carried as a matter of prudence, on account of borrowers impacted by stressed economic conditions.

## 9.5 Advances - Category of classification

	(Unaudited) June 30, 2025		(Audited) December 31, 2024	
	Outstanding amount	Provision / credit loss allowance	Outstanding amount	Provision / credit loss allowance
	----- (Rupees in '000) -----			
<b>Domestic</b>				
Performing	1,331,052,049	20,551,315	1,782,573,048	19,867,565
Underperforming	246,175,213	12,246,994	272,614,286	11,858,329
Non-Performing	80,717,963	72,310,863	81,241,963	71,312,810
Total	1,657,945,225	105,109,172	2,136,429,297	103,038,704
<b>Overseas</b>				
Performing	367,901,943	5,373,225	336,935,895	4,805,035
Underperforming	57,138,715	2,251,615	69,230,565	1,776,080
Non-Performing	24,402,271	21,937,908	30,325,360	27,866,426
Total	449,442,929	29,562,748	436,491,820	34,447,541
	2,107,388,154	134,671,920	2,572,921,117	137,486,245

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

10	PROPERTY AND EQUIPMENT	Note	(Unaudited) June 30, 2025 ----- <i>(Rupees in '000)</i> -----	(Audited) December 31, 2024
	Capital work-in-progress	10.1	22,847,958	14,336,662
	Property and equipment		116,548,357	116,488,513
			<u>139,396,315</u>	<u>130,825,175</u>
10.1	<b>Capital work-in-progress</b>			
	Civil works		9,056,336	4,039,008
	Equipment		2,814,824	1,620,150
	Advances to suppliers and contractors		10,976,798	8,677,504
			<u>22,847,958</u>	<u>14,336,662</u>
10.2	<b>Additions to property and equipment</b>		<b>(Unaudited)</b>	
			<b>For the six months ended</b>	
			<b>June 30,</b>	<b>June 30,</b>
			<b>2025</b>	<b>2024</b>
			----- <i>(Rupees in '000)</i> -----	
	The following additions have been made to property and equipment during the period:			
	<b>Capital work-in-progress - net</b>		8,511,296	5,103,106
	<b>Property and equipment</b>			
	Freehold Land		72,768	-
	Leasehold land		1,248	1,136,408
	Building on leasehold land		399,739	146,281
	Machinery		14,143	1,890
	Leasehold improvements		776,742	636,799
	Furniture and fixtures		396,294	457,061
	Electrical, office and computer equipment		2,258,677	3,252,218
	Vehicles		1,214,522	205,264
			<u>5,134,133</u>	<u>5,835,921</u>
			<u>13,645,429</u>	<u>10,939,027</u>
10.3	<b>Disposal of property and equipment</b>			
	The net book value of property and equipment disposed off during the period is as follows:			
	<b>Property and equipment</b>			
	Building on leasehold land		-	13,512
	Leasehold improvements		3,333	1,965
	Furniture and fixtures		990	1,961
	Electrical, office and computer equipment		7,254	743
	Vehicles		42,180	22,443
			<u>53,757</u>	<u>40,624</u>
11	<b>RIGHT-OF-USE ASSETS</b>		<b>(Unaudited)</b>	<b>(Audited)</b>
			<b>June 30,</b>	<b>December 31,</b>
			<b>2025</b>	<b>2024</b>
			----- <i>(Rupees in '000)</i> -----	
	At January 1,			
	Cost		44,639,101	41,826,150
	Accumulated depreciation		(17,231,082)	(17,171,405)
	Net carrying amount at January 1,		27,408,019	24,654,745
	Exchange adjustment		297,319	(183,273)
	Additions during the period / year		3,696,991	8,261,890
	Deletions during the period / year		(1,206,810)	(800,042)
	Depreciation charge for the period / year		(2,395,508)	(4,525,300)
	Net carrying amount at the end of the period / year		<u>27,800,011</u>	<u>27,408,020</u>
12	<b>INTANGIBLE ASSETS</b>			
	Capital work-in-progress - computer software		12,768,319	10,452,009
	Computer software		6,456,930	7,357,275
	Other intangibles		7,522,348	7,039,151
			<u>26,747,597</u>	<u>24,848,435</u>

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

	Note	(Unaudited)	
		For the six months ended	
		June 30, 2025	June 30, 2024
		------(Rupees in '000)-----	
<b>12.1 Additions to intangible assets</b>			
The following additions have been made to intangible assets during the period:			
Capital work-in-progress - net		2,316,310	1,260,966
Computer software		460,079	312,085
		<u>2,776,389</u>	<u>1,573,051</u>
		(Unaudited)	(Audited)
		June 30, 2025	December 31, 2024
		------(Rupees in '000)-----	
<b>13 OTHER ASSETS</b>			
Mark-up / return / profit / interest accrued in local currency - net of provision		122,843,425	101,422,077
Mark-up / return / profit / interest accrued in foreign currency - net of provision		9,317,669	9,923,261
Advances, deposits, advance rent and other prepayments		7,606,310	5,406,434
Advance taxation		28,918,518	29,410,477
Advance against subscription of securities		228,514	231,629
Stationery and stamps on hand		227,882	236,094
Accrued fees and commissions		714,894	945,999
Due from Government of Pakistan / SBP		12,761,626	12,963,514
Mark to market gain on forward foreign exchange contracts		3,955,858	3,780,879
Mark to market gain on derivative instruments		507,403	213,781
Non-banking assets acquired in satisfaction of claims		188,976	188,976
Receivable from defined benefit plan		1,101,998	1,101,998
Acceptances		76,243,199	79,594,883
Clearing and settlement accounts		34,945,341	31,512,297
Dividend receivable		701,242	4,955
Claims receivable against fraud and forgeries		958,506	1,236,679
Inventory		752,858	421,303
Deferred fair value loss	13.2	4,526,049	4,526,049
Prepaid deferred expense	13.3	35,040,948	32,075,467
Others		2,780,055	2,064,596
		<u>344,321,271</u>	<u>317,261,348</u>
Provision / credit loss allowance held against other assets		<u>(4,794,478)</u>	<u>(4,889,886)</u>
Other assets - net of provision / credit loss allowance		<u>339,526,793</u>	<u>312,371,462</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		211,024	211,024
Other assets - total		<u>339,737,817</u>	<u>312,582,486</u>
<b>13.1 Provision / credit loss allowance held against other assets</b>			
Fraud and forgeries		958,506	1,236,679
Suit filed cases		4,979	4,979
Others		3,830,993	3,648,228
		<u>4,794,478</u>	<u>4,889,886</u>
<b>13.2</b>	This represents the deferred fair value loss arising from the restructuring of the exposure to Pakistan International Airlines Corporation Limited (PIACL). To date, the Bank has amortized 15% of the loss, as allowed by the SBP.		
<b>13.3</b>	This represents the difference between the fair value of subsidised employee loans and the actual amount disbursed, and will be expensed over the tenor of the loans.		

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

	Note	(Unaudited) June 30, 2025	(Audited) December 31, 2024
		------(Rupees in '000)-----	
<b>13.1.1 Movement in credit loss allowance against other assets</b>			
Opening balance		4,889,886	2,577,641
Impact of adoption of IFRS 9		-	73,381
Exchange adjustment		5,430	(3,705)
Charge for the period / year		349,006	2,356,900
Reversal for the period / year		(384,089)	(16,372)
Net (reversal) / charge		(35,083)	2,340,528
Written off during the period / year		(87,837)	(109,314)
Other movement		22,082	11,355
Closing balance		<u>4,794,478</u>	<u>4,889,886</u>
<b>14 BILLS PAYABLE</b>			
In Pakistan		71,832,433	93,043,428
Outside Pakistan		2,045,658	3,060,723
		<u>73,878,091</u>	<u>96,104,151</u>
<b>15 BORROWINGS</b>			
<b>Secured</b>			
Borrowings from the SBP under			
- Export refinance scheme		38,332,531	48,258,894
- Export refinance scheme for bill discounting		20,960,081	23,155,596
- Long term financing facility		27,183,552	30,589,079
- Financing facility for renewable energy power plants		6,751,347	6,867,520
- Refinance facility for modernization of Small and Medium Enterprises (SMEs)		855,140	732,230
- Refinance and credit guarantee scheme for women entrepreneurs		45,216	10,015
- Financing facility for storage of agricultural produce		1,229,532	414,105
- Refinance facility for combating COVID-19		665,634	954,836
- Temporary economic refinance facility		19,622,546	21,621,311
- Refinance facility for SME Asaan Finance (SAAF)		8,787,170	9,725,252
- Long term financing facility of subsidiary		8,258,281	5,892,276
		<u>132,691,030</u>	<u>148,221,114</u>
Repurchase agreement borrowings		1,254,128,241	441,742,329
		<u>1,386,819,271</u>	<u>589,963,443</u>
<b>Unsecured</b>			
- Call money borrowings		18,146,774	89,049,391
- Overdrawn nostro accounts		1,252,725	3,625,072
- Borrowings of overseas branches and subsidiaries		67,695,227	95,048,371
- Other long-term borrowings	15.1	51,074,377	49,197,123
		<u>138,169,103</u>	<u>236,919,957</u>
		<u>1,524,988,374</u>	<u>826,883,400</u>

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

15.1 This includes the following:

15.1.1 A long-term financing facility from China Development Bank, utilized for on-lending to projects of the Bank's customers. The current amount outstanding is US\$ 158.327 million (December 31, 2024: US\$ 166.288 million). Drawn amounts are payable in semi-annual installments from January 2023 to January 2033. Interest at a fixed spread over SOFR is payable semi-annually.

15.1.2 A mortgage refinancing facility on Musharakah basis from Pakistan Mortgage Refinance Company Limited (PMRC) amounting to Rs 1,500.000 million (December 31, 2024: Rs 2,000.000 million) for on-lending to customers. The principal amount is payable in equal semi-annual installments from April 2025 to October 2026. Profit at a rate of 16.61% per annum (December 31, 2024: 16.61% per annum) is payable semi-annually.

15.1.3 A mortgage refinancing facility on Musharakah basis from PMRC amounting to Rs 4,000.000 million (December 31, 2024: nil) for on-lending to customers. The principal amount is payable in semi-annual installments from December 2025 to June 2028. Profit at a rate of 1-year KIBOR minus 2.25% with a floor of 9.00% per annum is payable semi-annually.

15.1.4 Mortgage refinancing facilities from PMRC, amounting to Rs 646.795 million (December 31, 2024: Rs 877.601 million), utilised by HBL Microfinance Bank Limited to extend mortgage finance to low income groups. The principal amount of the facilities is payable in quarterly installments from June 2020 to June 2031. Mark-up on all facilities is payable quarterly at rates ranging from 6.50% to 15.19% per annum (December 31, 2024: 6.50% to 17.94% per annum).

## 16 DEPOSITS AND OTHER ACCOUNTS

	June 30, 2025 (Unaudited)			December 31, 2024 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
----- (Rupees in '000) -----						
<b>Customers</b>						
Current deposits	1,709,022,551	296,597,102	2,005,619,653	1,268,164,330	288,526,337	1,556,690,667
Savings deposits	1,802,695,404	123,747,256	1,926,442,660	1,800,076,033	141,224,116	1,941,300,149
Term deposits	483,296,802	435,077,721	918,374,523	382,613,255	413,868,423	796,481,678
	<u>3,995,014,757</u>	<u>855,422,079</u>	<u>4,850,436,836</u>	<u>3,450,853,618</u>	<u>843,618,876</u>	<u>4,294,472,494</u>
<b>Financial institutions</b>						
Current deposits	5,382,497	2,475,473	7,857,970	6,738,205	2,217,589	8,955,794
Savings deposits	310,939,502	1,567,225	312,506,727	46,162,150	810,461	46,972,611
Term deposits	10,260,531	12,879,660	23,140,191	7,595,584	12,374,159	19,969,743
	<u>326,582,530</u>	<u>16,922,358</u>	<u>343,504,888</u>	<u>60,495,939</u>	<u>15,402,209</u>	<u>75,898,148</u>
	<u>4,321,597,287</u>	<u>872,344,437</u>	<u>5,193,941,724</u>	<u>3,511,349,557</u>	<u>859,021,085</u>	<u>4,370,370,642</u>

## 17 LEASE LIABILITIES

	(Unaudited) June 30, 2025	(Audited) December 31, 2024
----- (Rupees in '000) -----		
Opening balance	35,869,231	30,489,986
Exchange adjustment	193,665	(341,387)
Additions during the period / year	2,842,856	7,928,534
Interest expense	2,093,763	3,551,598
Lease payments including interest	(3,630,561)	(5,087,137)
Deletion during the period / year	(538,823)	(672,363)
Closing balance	<u>36,830,131</u>	<u>35,869,231</u>

### 17.1 Liabilities outstanding at the end of the period / year

Not later than one year	2,678,952	2,808,714
Later than one year and up to five years	11,303,648	11,321,306
Over five years	22,847,531	21,739,211
Total	<u>36,830,131</u>	<u>35,869,231</u>

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

	Note	(Unaudited) June 30, 2025 ------(Rupees in '000)-----	(Audited) December 31, 2024
18	<b>SUBORDINATED DEBT</b>		
	Additional Tier I Term Finance Certificates	18.1.1	12,374,000
	Additional Tier I Term Finance Certificates	18.1.2	6,500,000
	Tier II Term Finance Certificates	18.2	1,500,000
			<u>20,374,000</u>

- 18.1 The Bank has issued listed, fully paid up, rated, privately placed, perpetual, unsecured, subordinated, non-cumulative and contingent convertible debt instruments in the nature of Term Finance Certificates (TFCs) issued as instruments of redeemable capital under Section 66 of the Companies Act, 2017 which qualify as Additional Tier 1 Capital (AT 1) as outlined by the SBP under BPRD Circular No. 6 dated August 15, 2013.

The key features of these issues are as follows:

18.1.1	<b>Issue Date</b>	September 26, 2019
	<b>Issue amount</b>	Rs 12.374 billion
	<b>Rating</b>	AA+ (Double A plus) [December 31, 2024: AA+ (Double A plus)]
	<b>Original Tenor</b>	Perpetual
	<b>Security</b>	Unsecured and subordinated to all other indebtedness of the Bank including depositors and general creditors, but will rank pari passu with other Additional Tier I instruments and superior to the claims of ordinary shareholders.
	<b>Mark-up payment frequency</b>	Quarterly in arrears
	<b>Redemption</b>	Perpetual, hence not applicable.
	<b>Mark-up</b>	Floating rate of return at Base Rate + 1.60%. The Base Rate is defined as the average "Ask Side" rate of the three months Karachi Interbank Offered Rate (KIBOR).
	<b>Call option</b>	The Bank may, at its sole discretion, call the TFCs any time after five years from the Issue Date subject to the following:  (a) Prior approval of the SBP having been obtained; and (b) The Bank replacing the TFCs with capital of the same or better quality and the capital position of the Bank being above the minimum capital requirement after the Call Option is exercised.  If the Bank decides to exercise the Call Option, the Bank shall notify the Trustee and the investors not less than 30 calendar days prior to the date of exercise of such Call Option, which notice shall specify the date fixed for the exercise of the Call Option (the "Call Option Exercise Date").
	<b>Lock-in clause</b>	Mark-up will only be paid from the current year's earnings and only if the Bank is in compliance with regulatory capital and liquidity requirements.
	<b>Loss absorbency clause</b>	The TFCs will be subject to a loss absorbency clause as stipulated under the SBP's "Instructions for Basel III Implementation in Pakistan".

18.1.2	<b>Issue Date</b>	December 28, 2022
	<b>Issue amount</b>	Rs 6.500 billion
	<b>Rating</b>	AA+ (Double A plus) [December 31, 2024: AA+ (Double A plus)]
	<b>Original Tenor</b>	Perpetual
	<b>Security</b>	Unsecured and subordinated to all other indebtedness of the Bank including depositors and general creditors, but will rank pari passu with other Additional Tier I instruments and superior to the claims of ordinary shareholders.
	<b>Mark-up payment frequency</b>	Quarterly in arrears
	<b>Redemption</b>	Perpetual, hence not applicable.
	<b>Mark-up</b>	Floating rate of return at Base Rate + 2.00%. The Base Rate is defined as the average "Ask Side" rate of the three months Karachi Interbank Offered Rate (KIBOR).
	<b>Call option</b>	The Bank may, at its sole discretion, call the TFCs any time after five years from the Issue Date subject to the following:  (a) Prior approval of the SBP having been obtained; and (b) The Bank replacing the TFCs with capital of the same or better quality and the capital position of the Bank being above the minimum capital requirement after the Call Option is exercised.  If the Bank decides to exercise the Call Option, the Bank shall notify the Trustee and the investors not less than 30 calendar days prior to the date of exercise of such Call Option, which notice shall specify the date fixed for the exercise of the Call Option (the "Call Option Exercise Date").
	<b>Lock-in clause</b>	Mark-up will only be paid from the current year's earnings and only if the Bank is in compliance with regulatory capital and liquidity requirements.
	<b>Loss absorbency clause</b>	The TFCs will be subject to a loss absorbency clause as stipulated under the SBP's "Instructions for Basel III Implementation in Pakistan".

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

- 18.2 HBL MfB has issued fully paid up, rated, privately placed, unsecured, and subordinated debt instruments in the nature of TFCs issued as instruments of redeemable capital under Section 66(1) of the Companies Act, 2017, which qualify as Tier II Capital as outlined by the SBP under BPRD Circular No. 6, dated August 15, 2013.

The key features of the issue are as follows:

<b>Issue Date</b>	December 22, 2023
<b>Issue amount</b>	Rs 1.500 billion (including a greenshoe option of Rs 500 million)
<b>Rating</b>	A (December 31, 2024: A)
<b>Original Tenor</b>	10 years from the first disbursement date.
<b>Security</b>	Unsecured and subordinated as to payment of principal and markup to all other indebtedness of HBL MfB, including deposits, but will rank pari passu with other Tier II instruments and superior to the claims of ordinary shareholders.
<b>Profit payment frequency</b>	Semi-annually in arrears on the outstanding Issue Amount. The first such markup payment will fall due six months from the Issue Date and subsequently every six months thereafter.
<b>Redemption</b>	The instrument will not be redeemable before maturity without prior approval of the SBP. Principal: Bullet at Maturity Markup: Semi-annual from the issue date
<b>Mark-up</b>	Floating rate of return at Base Rate + 2.00%. The Base Rate is defined as the average "Ask Side" rate of the six months Karachi Interbank Offered Rate (KIBOR).
<b>Call option</b>	HBL MfB may, at its sole discretion, call the TFCs any time after five years from the Issue Date subject to the following: (a) Prior approval of the SBP having been obtained; and (b) HBL MfB being compliant with the minimum capital requirement (MCR) and Capital Adequacy Ratio (CAR) after the Call Option is exercised. If HBL MfB decides to exercise the Call Option, it shall notify the Trustee and the investors not less than 30 calendar days prior to the date of exercise of such Call Option, which notice shall specify the date fixed for the exercise of the Call Option (the "Call Option Exercise Date").
<b>Lock-in clause</b>	Neither markup nor principal can be paid (even at maturity) in respect of the TFC, if such payment will result in a shortfall in the Bank's MCR or CAR or result in an increase in any existing shortfall in MCR and CAR.
<b>Loss absorbency clause</b>	The TFCs will be subject to a loss absorbency clause as stipulated under the SBP's "Instructions for Basel III Implementation in Pakistan".

19 DEFERRED TAX LIABILITIES	Note	(Unaudited) June 30, 2025	(Audited) December 31, 2024
----- (Rupees in '000) -----			
<b>Deductible temporary differences on</b>			
- Tax losses of subsidiary		(3,974,067)	(4,100,869)
- Credit loss allowance against investments		(229,242)	(172,454)
- Credit loss allowance against doubtful debts and off-balance sheet obligations		(27,953,254)	(27,687,017)
- Liabilities written back under section 34(5) of the Income Tax Ordinance (ITO) 2001		(3,139,118)	(2,893,983)
- Ijarah financing		(600,587)	(644,964)
- Right-of-use assets and related lease liabilities		(7,147,689)	-
- Others		(753,640)	(606,360)
		(43,797,597)	(36,105,647)
<b>Taxable temporary differences on</b>			
- Accelerated tax depreciation		3,193,395	3,697,791
- Surplus on revaluation of investments	21	29,903,307	17,112,818
- Surplus / (deficit) on revaluation of investments of associates	21	741,114	(1,090,872)
- Surplus on revaluation of property and equipment	21	4,019,469	4,068,041
- Surplus on revaluation of property and equipment of associates	21	210,689	210,689
- Management rights and goodwill		461,601	447,462
- Share of profit of associates		12,264,804	11,385,210
- Exchange translation reserve		7,583,484	8,269,515
		58,377,863	44,100,654
<b>Net deferred tax liabilities</b>		14,580,266	7,995,007

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

	Note	(Unaudited) June 30, 2025	(Audited) December 31, 2024
----- (Rupees in '000) -----			
20	<b>OTHER LIABILITIES</b>		
	Mark-up / return / profit / interest payable in local currency	26,797,026	46,746,978
	Mark-up / return / profit / interest payable in foreign currency	8,227,962	9,418,289
	Security deposits	1,592,468	1,653,881
	Accrued expenses	47,157,760	42,351,359
	Mark to market loss on forward foreign exchange contracts	3,441,327	4,023,102
	Mark to market loss on derivative instruments	6,480,334	6,708,794
	Unclaimed dividends	852,404	807,670
	Dividends payable	288,392	236,597
	Provision for post retirement medical benefits	4,561,959	4,765,310
	Provision for employees' compensated absences	631,380	683,712
	Credit loss allowance against off-balance sheet obligations	20.1	4,800,774
	Acceptances	76,243,199	79,594,883
	Branch adjustment account	6,599,746	8,455,541
	Provision for staff retirement benefits	1,909,010	1,750,893
	Payable to defined benefit plans	863,274	692,228
	Provision for Workers' Welfare Fund	15,241,616	13,796,858
	Unearned income	7,058,982	6,239,889
	Qarza-e-Hasna Fund	338,409	338,409
	Levies and taxes payable	12,218,362	17,723,885
	Insurance payable	647,046	519,460
	Provision for rewards program expenses	3,899,522	3,211,001
	Liability against trading of securities	5,350,500	-
	Clearing and settlement accounts	52,568,213	20,079,238
	Payable to HBL Foundation	517,739	867,797
	Charity fund	77,037	51,276
	Unclaimed deposits	914,962	956,346
	Others	11,433,345	6,895,389
		<b>300,712,748</b>	<b>286,718,352</b>

		(Unaudited) June 30, 2025	(Audited) December 31, 2024
----- (Rupees in '000) -----			
20.1	<b>Credit loss allowance against off-balance sheet obligations</b>		
	Opening balance	8,149,567	1,927,866
	Impact of adoption of IFRS 9	860,271	1,691,809
	Exchange adjustment	70,870	(29,713)
	Charge for the period / year	85,407	5,150,988
	Reversal for the period / year	(4,385,395)	(544,682)
	Net (reversal) / charge	(4,299,988)	4,606,306
	Other movement	20,054	(46,701)
	Closing balance	<b>4,800,774</b>	<b>8,149,567</b>

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

## 21 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX

	Note	June 30, 2025 (Unaudited)			December 31, 2024 (Audited)		
		Attributable to		Total	Attributable to		Total
		Equity holders	Non-controlling interest		Equity holders	Non-controlling interest	
----- (Rupees in '000) -----							
Surplus / (deficit) arising on revaluation of:							
- Property and equipment		46,280,821	61,344	46,342,165	46,380,170	56,935	46,437,105
- Property and equipment of associates		405,171	-	405,171	405,171	-	405,171
- FVOCI securities - debt		47,706,833	72,089	47,778,922	30,027,434	62,348	30,089,782
- FVOCI securities - equity	8.1	9,746,352	-	9,746,352	2,702,710	-	2,702,710
- FVOCI securities held by associates		1,425,219	-	1,425,219	(2,097,830)	-	(2,097,830)
- Non-banking assets acquired in satisfaction of claims	13	211,024	-	211,024	211,024	-	211,024
		105,775,420	133,433	105,908,853	77,628,679	119,283	77,747,962
Deferred tax liability / (asset) on surplus / (deficit) on revaluation of:							
- Property and equipment		3,995,545	23,924	4,019,469	4,049,579	18,462	4,068,041
- Property and equipment of associates		210,689	-	210,689	210,689	-	210,689
- FVOCI securities - debt		24,814,271	20,933	24,835,204	15,683,093	24,316	15,707,409
- FVOCI securities - equity		5,068,103	-	5,068,103	1,405,409	-	1,405,409
- FVOCI securities held by associates		741,114	-	741,114	(1,090,872)	-	(1,090,872)
- Non-banking assets acquired in satisfaction of claims		-	-	-	-	-	-
		34,829,722	44,857	34,874,579	20,257,898	42,778	20,300,676
Surplus on revaluation of assets - net of tax		70,945,698	88,576	71,034,274	57,370,781	76,505	57,447,286

## 22 CONTINGENCIES AND COMMITMENTS

	Note	(Unaudited) June 30, 2025	(Audited) December 31, 2024
----- (Rupees in '000) -----			
- Guarantees	22.1	378,315,979	353,462,582
- Commitments	22.2	1,279,673,337	1,365,722,361
- Other contingent liabilities	22.3	18,494,527	18,484,403
		1,676,483,843	1,737,669,346
22.1 Guarantees:			
Financial guarantees		73,138,921	51,682,069
Performance guarantees		290,154,123	291,658,577
Other guarantees		15,022,935	10,121,936
		378,315,979	353,462,582
22.2 Commitments:			
Trade-related contingent liabilities		305,873,579	326,180,644
Commitments in respect of:			
- forward foreign exchange contracts	22.2.1	816,699,488	674,580,247
- forward Government securities transactions	22.2.2	58,902,742	270,514,553
- derivatives	22.2.3	54,171,150	48,832,145
- forward lending	22.2.4	31,551,155	32,974,875
		961,324,535	1,026,901,820
Commitments for acquisition of:			
- property and equipment		6,309,308	7,290,133
- intangible assets		6,165,915	5,349,764
		12,475,223	12,639,897
		1,279,673,337	1,365,722,361

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

	(Unaudited) June 30, 2025 ------(Rupees in '000)-----	(Audited) December 31, 2024
<b>22.2.1 Commitments in respect of forward foreign exchange contracts</b>		
Purchase	452,849,984	384,653,468
Sale	363,849,504	289,926,779
	<u>816,699,488</u>	<u>674,580,247</u>
<b>22.2.2 Commitments in respect of forward Government securities transactions</b>		
Purchase	21,837,272	270,104,759
Sale	37,065,470	409,794
	<u>58,902,742</u>	<u>270,514,553</u>
<b>22.2.3 Commitments in respect of derivatives</b>		
<b>Foreign currency options</b>		
Purchase	8,472,487	3,761,243
Sale	8,472,487	3,761,243
	<u>16,944,974</u>	<u>7,522,486</u>
<b>Cross currency swaps</b>		
Purchase	15,068,985	16,740,280
Sale	21,957,191	24,244,379
	<u>37,026,176</u>	<u>40,984,659</u>
<b>Interest rate swaps</b>		
Purchase	-	-
Sale	200,000	325,000
	<u>200,000</u>	<u>325,000</u>
<b>22.2.4 Commitments in respect of forward lending</b>		
Undrawn formal standby facilities, credit lines and other commitments to extend credit	<u>31,551,155</u>	<u>32,974,875</u>
These represent commitments that are irrevocable because they can not be withdrawn at the discretion of the Group without the risk of incurring a significant penalty or expense.		
	(Unaudited) June 30, 2025 ------(Rupees in '000)	(Audited) December 31, 2024

## 22.3 Other contingent liabilities

22.3.1 Claims against the Group not acknowledged as debts	<u>18,494,527</u>	<u>18,484,403</u>
These mainly represent counter claims by borrowers for damages, claims filed by former employees of the Group and other claims relating to banking transactions. Based on legal advice and / or internal assessments, management is confident that the matters will be decided in the Group's favour and the possibility of any adverse outcome is remote. Accordingly, no provision has been made in these condensed interim consolidated financial statements.		
22.3.2	There were no tax related contingencies as at the period end except for those disclosed in the consolidated financial statements for the year ended December 31, 2024.	

## 23 DERIVATIVE INSTRUMENTS

Product Analysis	June 30, 2025 (Unaudited)					
	Foreign currency options		Cross currency swaps		Interest rate swaps	
	Notional principal	Mark to market gain / (loss)	Notional principal	Mark to market loss	Notional principal	Mark to market loss
	----- (Rupees in '000) -----					
Hedging	8,472,487	(450,619)	-	-	-	-
Market Making	8,472,487	450,619	37,026,102	(5,971,548)	200,000	(1,383)
	----- (Rupees in '000) -----					
	December 31, 2024 (Audited)					
	Foreign currency options		Cross currency swaps		Interest rate swaps	
	Notional principal	Mark to market gain / (loss)	Notional principal	Mark to market loss	Notional principal	Mark to market loss
	----- (Rupees in '000) -----					
Hedging	3,761,243	(73,795)	-	-	-	-
Market Making	3,761,243	73,795	40,984,659	(6,487,980)	325,000	(7,033)

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

		(Unaudited)	
		For the six months ended	
		June 30, 2025	June 30, 2024
		----- (Rupees in '000) -----	
24	<b>MARK-UP / RETURN / PROFIT / INTEREST EARNED</b>	Note	
	On:		
	Loans and advances	128,605,488	160,964,635
	Investments	186,616,332	231,679,555
	Lendings to financial institutions	3,704,847	9,449,572
	Balances with banks	4,625,116	6,628,277
		<u>323,551,783</u>	<u>408,722,039</u>
24.1	<b>INTEREST INCOME RECOGNISED</b>		
	On:		
	Financial assets measured at amortised cost	162,483,635	208,482,321
	Financial assets measured at FVOCI	152,233,948	180,376,726
	Financial assets measured at FVTPL	8,834,200	19,862,992
		<u>323,551,783</u>	<u>408,722,039</u>
25	<b>MARK-UP / RETURN / PROFIT / INTEREST EXPENSED</b>		
	On:		
	Deposits	135,581,437	232,249,683
	Securities sold under repurchase agreement borrowings	31,507,422	28,678,779
	Borrowings	13,772,570	15,259,093
	Subordinated debt	1,296,266	2,196,194
	Cost of foreign currency swaps against foreign currency deposits / borrowings	1,657,305	5,797,641
	Lease liability against right-of-use assets	2,093,763	1,806,465
		<u>185,908,763</u>	<u>285,987,855</u>
26	<b>FEE AND COMMISSION INCOME</b>		
	Branch banking customer fees	2,929,340	2,853,673
	Branchless banking customer fees	13,974	240,451
	Consumer finance related fees	1,540,464	1,355,924
	Card related fees (debit and credit cards)	7,556,714	7,749,472
	Credit related fees	1,510,089	1,223,955
	Investment banking fees	888,688	529,422
	Commission on trade related products and guarantees	4,076,387	4,582,932
	Commission on cash management	814,953	803,438
	Commission on remittances (including home remittances)	(1,258,313)	1,007,792
	Commission on bancassurance	931,921	634,193
	Commission on Government to Person (G2P) payments	(103,794)	614,433
	Management fee	2,248,377	1,133,649
	Merchant discount and interchange fees	3,889,284	3,978,603
	Wealth management fee	427,933	344,883
	Others	62,671	68,450
		<u>25,528,688</u>	<u>27,121,270</u>
	Less: Sales tax / Federal Excise Duty on fee and commission income	(3,196,249)	(2,961,552)
		<u>22,332,439</u>	<u>24,159,718</u>
27	<b>GAIN / (LOSS) ON SECURITIES - NET</b>		
	Realised	27.1	9,640,974
	Unrealised - measured at FVTPL	8.1	(198,202)
			<u>9,442,772</u>
			<u>349,757</u>
			<u>1,226,854</u>
			<u>1,576,611</u>

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

		(Unaudited)	
		<u>For the six months ended</u>	
		June 30, 2025	June 30, 2024
		------(Rupees in '000)-----	
27.1	<b>Gain / (loss) on securities - realised</b>		
	On:		
	Federal Government securities		
	- Market Treasury Bills	3,376,808	534,567
	- Pakistan Investment Bonds	3,394,885	(19,114)
	- Ijarah Sukuk	2,847,407	25,572
	Shares	157,228	98,544
	Non-Government debt securities	7,215	8,375
	Foreign securities	(142,569)	(298,187)
		<u>9,640,974</u>	<u>349,757</u>
27.1.1	Composition of gain / (loss) on securities - realised		
	Net gain on securities measured at FVTPL	2,266,523	372,945
	Net gain / (loss) on debt securities measured at FVOCI	7,374,451	(23,188)
		<u>9,640,974</u>	<u>349,757</u>
28	<b>OTHER INCOME</b>		
	Incidental charges	382,350	263,371
	Gain on sale of property and equipment - net	2,133	29,289
	Gain realised on closure of the Bank's branch	1,940,160	-
	Rent on properties	4,103	5,617
		<u>2,328,746</u>	<u>298,277</u>
29	<b>OPERATING EXPENSES</b>		
	<b>Total compensation expense</b>	37,079,731	34,054,930
	<b>Property expense</b>		
	Rent and taxes	502,151	727,304
	Insurance	189,216	166,497
	Utilities cost	2,873,699	2,941,100
	Security (including guards)	1,861,911	1,728,111
	Repair and maintenance (including janitorial charges)	2,934,277	2,664,580
	Depreciation on owned property and equipment	2,954,138	2,733,627
	Depreciation on right-of-use assets	2,395,508	2,243,842
		<u>13,710,900</u>	<u>13,205,061</u>
	<b>Information technology expenses</b>		
	Software maintenance	5,845,426	5,348,250
	Hardware maintenance	1,290,246	1,253,017
	Depreciation	2,296,850	2,159,800
	Amortisation	1,392,077	1,359,972
	Network charges	1,071,882	1,072,003
	Consultancy charges	334,473	395,307
		<u>12,230,954</u>	<u>11,588,349</u>
	<b>Other operating expenses</b>		
	Legal and professional charges	4,231,603	3,706,112
	Outsourced services costs	1,666,646	1,349,545
	Travelling and conveyance	1,069,145	1,360,835
	Insurance	1,126,989	873,719
	Remittance charges	377,133	375,555
	Cash transportation and sorting charges	1,645,351	1,787,808
	Repairs and maintenance	1,363,873	1,298,815
	Depreciation	620,174	436,941
	Training and development	157,153	355,695
	Postage and courier charges	477,025	502,475
	Communication	1,844,189	2,277,662
	Stationery and printing	1,708,912	1,801,063
	Marketing, advertisement and publicity	4,704,495	3,511,666
	Donations	517,739	450,890
	Auditors' remuneration	308,750	292,389
	Brokerage and commission	493,433	454,546
	Subscription	360,838	465,180
	Documentation and processing charges	6,889,430	6,030,428
	Entertainment	421,912	426,947
	Consultancy charges	1,316,760	1,211,432
	Deposit insurance premium expense	2,093,074	1,818,763
	Product feature cost	2,865,187	2,427,447
	Others	1,100,850	909,349
		<u>37,360,661</u>	<u>34,125,262</u>
		<u>100,382,246</u>	<u>92,973,602</u>

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

		(Unaudited)	
		For the six months ended	
	Note	June 30, 2025	June 30, 2024
		------(Rupees in '000)-----	
30	<b>OTHER CHARGES</b>		
	Penalties imposed by the State Bank of Pakistan	99,922	146,586
	Penalties imposed by other regulatory bodies	12,033	12,251
		<u>111,955</u>	<u>158,837</u>
31	<b>CREDIT LOSS ALLOWANCE / (REVERSALS) AND WRITE OFFS - NET</b>		
	Charge / (reversal) of credit loss allowance against investments	8.3 119,615	(1,518,370)
	Credit loss allowance against loans and advances	9.3 9,175,850	10,700,530
	Charge / (reversal) of credit loss allowance against cash and cash equivalents	2,386	(1,637)
	(Reversal) / charge of credit loss allowance against other assets	13.1.1 (35,083)	201,699
	(Reversal) / charge of credit loss allowance against off-balance sheet obligations	20.1 (4,299,988)	936,932
	Recoveries against written off / charged off bad debts	(419,437)	(548,999)
	Recoveries against other assets written off	-	(1,398)
	Other write offs	87,356	329,435
		<u>4,630,699</u>	<u>10,098,192</u>
32	<b>TAXATION</b>		
	- Current		
	- For the period	39,372,786	34,610,227
	- Prior period	7,954,071	281,322
		<u>47,326,857</u>	<u>34,891,549</u>
	- Deferred		
	- For the period	259,461	(5,881,275)
	- Prior period	(6,687,094)	(219,229)
		<u>(6,427,633)</u>	<u>(6,100,504)</u>
		<u>40,899,224</u>	<u>28,791,045</u>
33	<b>BASIC AND DILUTED EARNINGS PER SHARE</b>		
	Profit for the period attributable to equity holders of the Bank	<u>34,386,816</u>	<u>29,594,649</u>
		<b>(Number)</b>	
	Weighted average number of ordinary shares	<u>1,466,852,508</u>	<u>1,466,852,508</u>
		<b>(Rupees)</b>	
	Basic and diluted earnings per share	<u>23.44</u>	<u>20.18</u>
33.1	Diluted earnings per share has not been presented separately as the Bank does not have any convertible instruments in issue.		
34	<b>FAIR VALUE OF FINANCIAL INSTRUMENTS</b>		
	The fair values of traded investments are based on quoted market prices.		
	Unquoted equity securities are carried at fair value. The valuation is carried out using appropriate methodologies.		
	The fair values of unquoted debt securities, fixed term advances, fixed term deposits and borrowings, other assets and other liabilities, cannot be calculated with sufficient reliability due to the absence of a current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments and therefore, are not reported as part of this disclosure.		
	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 they are either short-term in nature or, in the case of customer advances, deposits and certain long term borrowings, are frequently repriced.		
	All assets and liabilities for which fair value is measured or disclosed in these condensed interim consolidated financial statements are categorised within the following fair value hierarchy based on the lowest level input that is significant to the fair value measurement:		

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

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 inputs that are not based on observable market data.

## Valuation techniques used in determination of fair values within Level 2 and Level 3

Federal Government securities	The fair values of Federal Government securities are determined on the basis of rates / prices sourced from Reuters.
Non-Government debt securities	Non-Government debt securities denominated in Rupees are valued on the basis of rates announced by the Mutual Funds Association of Pakistan (MUFAP). Non-Government debt securities denominated in other currencies are valued on the basis of rates taken from Bloomberg / Reuters.
Foreign Government debt securities	The fair values of foreign Government debt securities are determined on the basis of rates taken from Bloomberg/ Reuters.
Unquoted equity securities	The fair values of unquoted equity investments are estimated using cashflow projections of the investee company. Where cashflow projections are not available, the estimate is based on comparable market data.  Where both the above valuation techniques cannot be used due to unavailability of data, the Bank uses the adjusted break-up value method as disclosed in note 34.1.1 below.  The valuations may be further discounted for marketability concerns.
Units of mutual funds	The fair values of units of mutual funds are determined based on their net asset values as published at the close of each business day.
Derivatives	The Group enters into derivatives contracts with various counterparties. Derivatives that are valued using valuation techniques based on market observable inputs are mainly interest rate swaps and cross currency swaps. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations.
Forward foreign exchange contracts and Forward Government securities transactions	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
Property and equipment and non-banking assets acquired in satisfaction of claims	Land, buildings and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets.

### 34.1 Level 3 fair valuation of unlisted equity securities

#### 34.1.1 Adjusted break-up value method:

The valuations are based on latest available financial statements of the investee company. These are adjusted for factors such as lack of control using haircuts ranging from 15% to 25%. A 1% change in the haircut actually applied would change the total fair value by Rs. 14,516 million. Any change to the valuation is reflected in other comprehensive income, since all investments for which this method is used are classified as FVOCI.

### 34.2 Fair value of financial assets

The following table provides the fair values of those of the Group's financial assets that are recognised or disclosed at fair value in these condensed interim consolidated financial statements:

On balance sheet financial instruments	As at June 30, 2025 (Unaudited)				Total
	Carrying value	Level 1	Level 2	Level 3	
----- (Rupees in '000) -----					
<b>Financial assets - measured at fair value</b>					
Investments					
- Federal Government securities	3,465,153,550	-	3,465,153,550	-	3,465,153,550
- Shares - listed companies	25,732,328	19,445,188	6,287,140	-	25,732,328
- Shares - unlisted companies	15,352,295	-	13,900,695	1,451,600	15,352,295
- Non-Government debt securities - listed	49,072,129	40,000,000	9,072,129	-	49,072,129
- Foreign securities					
Government debt securities	200,071,645	-	200,071,645	-	200,071,645
Non-Government debt securities - listed	12,870,580	-	12,870,580	-	12,870,580
- National Investment Unit Trust units	89,124	-	89,124	-	89,124
- Real Estate Investment Trust units - listed	3,254,348	3,254,348	-	-	3,254,348
- Preference Shares - Listed	988,700	988,700	-	-	988,700
	<b>3,772,584,699</b>	<b>63,688,236</b>	<b>3,707,444,863</b>	<b>1,451,600</b>	<b>3,772,584,699</b>
<b>Financial assets - disclosed but not measured at fair value</b>					
Investments					
- Federal Government securities	439,129,354	-	440,969,872	-	440,969,872
- Non-Government debt securities - listed	899,361	-	873,808	-	873,808
- Foreign securities					
Government debt securities	15,043,096	-	15,117,770	-	15,117,770
	<b>455,071,811</b>	<b>-</b>	<b>456,961,450</b>	<b>-</b>	<b>456,961,450</b>
	<b>4,227,656,510</b>	<b>63,688,236</b>	<b>4,164,406,313</b>	<b>1,451,600</b>	<b>4,229,546,149</b>

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

As at June 30, 2025 (Unaudited)				
Notional value	Level 1	Level 2	Level 3	Total
(Rupees in '000)				
Commitments				
- Forward foreign exchange contracts		514,531	-	514,531
- Forward Government securities transactions		22,149	-	22,149
- Derivative instruments		(5,972,931)	-	(5,972,931)

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

### Commitments

- Forward foreign exchange contracts
- Forward Government securities transactions
- Derivative instruments

As at December 31, 2024 (Audited)				
Carrying value	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
- Shares - listed companies
- Non-Government debt securities - Listed
- Foreign securities
  - Government debt securities
  - Non-Government debt securities - Listed
- National Investment Unit Trust units
- Real Estate Investment Trust units - Listed
- Preference Shares - Listed

1,794,086,647	-	1,794,086,647	-	1,794,086,647
20,517,673	13,707,545	6,810,128	-	20,517,673
50,242,039	40,400,000	9,842,039	-	50,242,039
182,324,551	-	182,324,551	-	182,324,551
11,052,424	-	11,052,424	-	11,052,424
94,384	-	94,384	-	94,384
3,477,857	3,477,857	-	-	3,477,857
835,400	835,400	-	-	835,400
2,062,630,975	58,420,802	2,004,210,173	-	2,062,630,975

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

#### Investments

- Federal Government securities
- Non-Government debt securities - Listed
- Foreign securities
  - Government debt securities

374,421,930	-	372,640,469	-	372,640,469
899,081	-	873,475	-	873,475
16,114,053	-	16,303,232	-	16,303,232
391,435,064	-	389,817,176	-	389,817,176
2,454,066,039	58,420,802	2,394,027,349	-	2,452,448,151

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

### Commitments

- Forward foreign exchange contracts
- Forward Government securities transactions
- Derivative instruments

As at December 31, 2024 (Audited)				
Notional value	Level 1	Level 2	Level 3	Total
(Rupees in '000)				

674,580,247	-	(242,223)	-	(242,223)
270,514,553	-	490,430	-	490,430
48,832,145	-	(6,495,013)	-	(6,495,013)

## 34.3 Fair value of non-financial assets

As at June 30, 2025 (Unaudited)				
Carrying value	Level 1	Level 2	Level 3	Total
(Rupees in '000)				
- Land and building		86,845,844	-	86,845,844
- Non-banking assets acquired in satisfaction of claims		400,000	-	400,000
		87,245,844	-	87,245,844

As at December 31, 2024 (Audited)				
Carrying value	Level 1	Level 2	Level 3	Total
(Rupees in '000)				
- Land and building		85,936,216	-	85,936,216
- Non-banking assets acquired in satisfaction of claims		400,000	-	400,000
		86,336,216	-	86,336,216

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

## 35 SEGMENT INFORMATION

### 35.1 Segment details with respect to Business Activities

	For the six months ended June 30, 2025 (Unaudited)										
	Retail Banking	Consumer, SME & Agriculture lending	Corporate, Commercial and Investment Banking	Treasury	Financial Institutions	Branchless banking	International	Asset management	Microfinance	Head office / others	Total
(Rupees in million)											
<b>Profit and loss account</b>											
Net mark-up / return / profit / interest income	(96,060)	27,694	37,762	139,408	8,041	(60)	12,927	(73)	8,931	(927)	137,643
Inter segment revenue / (expense) - net	151,928	(17,167)	(16,744)	(118,047)	(8,887)	1,141	158	-	-	7,618	-
Non mark-up / interest income	3,951	10,220	2,791	16,972	446	220	1,383	2,346	1,242	4,702	44,273
Total income	59,819	20,747	23,809	38,333	(400)	1,301	14,468	2,273	10,173	11,393	181,916
Segment direct expenses	23,588	13,401	2,289	1,179	131	1,128	13,764	1,346	6,422	38,690	101,938
Inter segment expense allocation	20,976	6,063	6,355	1,059	376	885	516	-	-	(36,230)	-
Total expenses	44,564	19,464	8,644	2,238	507	2,013	14,280	1,346	6,422	2,460	101,938
Credit loss allowance - (reversal) / charge	(40)	341	1,500	-	148	31	38	-	2,736	(123)	4,631
Profit / (loss) before tax	15,295	942	13,665	36,095	(1,055)	(743)	150	927	1,015	9,056	75,347
As at June 30, 2025 (Unaudited)											
	Retail Banking	Consumer, SME & Agriculture lending	Corporate, Commercial and Investment Banking	Treasury	Financial Institutions	Branchless banking	International	Asset management	Microfinance	Head office / others	Total
(Rupees in million)											
<b>Statement of financial position</b>											
Cash and bank balances	247,298	-	735	288,228	-	-	125,080	11	15,590	1,431	678,373
Lendings to financial institutions	-	-	-	133,485	-	-	-	-	-	-	133,485
Inter segment lending	2,901,091	-	9,016	-	157,760	31,004	3,423	-	-	215,882	3,318,176
Investments	-	-	72,255	3,844,792	4,573	-	254,295	2,420	74,138	44,991	4,297,464
Advances - performing	-	310,658	971,638	-	147,001	-	415,454	-	87,228	29,866	1,961,845
Advances - non-performing	-	2,503	5,261	-	-	-	2,464	-	618	25	10,871
Others	37,374	3,914	89,796	95,913	1,415	3,110	52,603	9,012	24,794	215,751	533,682
<b>Total assets</b>	3,185,763	317,075	1,148,701	4,362,418	310,749	34,114	853,319	11,443	202,368	507,946	10,933,896
Borrowings	-	4,710	119,723	1,278,721	-	-	75,933	4,500	41,401	-	1,524,988
Subordinated debt	-	-	-	-	-	-	-	-	1,500	18,874	20,374
Deposits and other accounts	3,143,065	1,817	959,379	-	310,338	30,572	630,447	-	128,266	(9,942)	5,193,942
Inter segment borrowing	-	279,682	-	3,038,494	-	-	-	-	-	-	3,318,176
Others	42,698	30,866	69,599	19,303	411	3,542	64,339	1,716	12,866	180,661	426,001
<b>Total liabilities</b>	3,185,763	317,075	1,148,701	4,336,518	310,749	34,114	770,719	6,216	184,033	189,593	10,483,481
Equity	-	-	-	25,900	-	-	82,600	5,227	18,335	318,353	450,415
<b>Total equity and liabilities</b>	3,185,763	317,075	1,148,701	4,362,418	310,749	34,114	853,319	11,443	202,368	507,946	10,933,896
<b>Contingencies and commitments</b>	-	25,979	562,495	707,405	50,978	-	299,353	-	-	30,274	1,676,484

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

For the six months ended June 30, 2024 (Unaudited)

	Retail Banking	Consumer, SME & Agriculture lending	Corporate, Commercial and Investment Banking	Treasury	Financial Institutions	Branchless banking	International	Asset management	Microfinance	Head office / others	Total
(Rupees in million)											
<b>Profit and loss account</b>											
Net mark-up / return / profit / interest income	(169,375)	31,438	58,437	188,343	(2,114)	(136)	14,450	(19)	4,203	(2,493)	122,734
Inter segment revenue / (expense) - net	250,656	(22,995)	(32,477)	(209,631)	2,215	4,916	257	-	-	7,059	-
Non mark-up / interest income	3,343	10,762	3,242	8,739	422	940	5,644	1,260	941	4,233	39,526
<b>Total Income</b>	<b>84,624</b>	<b>19,205</b>	<b>29,202</b>	<b>(12,549)</b>	<b>523</b>	<b>5,720</b>	<b>20,351</b>	<b>1,241</b>	<b>5,144</b>	<b>8,799</b>	<b>162,260</b>
Segment direct expenses	22,723	11,655	2,247	339	153	1,544	12,661	502	5,353	37,137	94,314
Inter segment expense allocation	19,229	5,574	6,015	963	344	582	487	-	-	(33,194)	-
<b>Total expenses</b>	<b>41,952</b>	<b>17,229</b>	<b>8,262</b>	<b>1,302</b>	<b>497</b>	<b>2,126</b>	<b>13,148</b>	<b>502</b>	<b>5,353</b>	<b>3,943</b>	<b>94,314</b>
Credit loss allowance - charge / (reversal)	421	797	10,468	-	26	-	(1,405)	-	3,587	(3,796)	10,098
<b>Profit / (loss) before tax</b>	<b>42,251</b>	<b>1,179</b>	<b>10,472</b>	<b>(13,851)</b>	<b>-</b>	<b>3,594</b>	<b>8,608</b>	<b>739</b>	<b>(3,796)</b>	<b>8,652</b>	<b>57,848</b>

As at December 31, 2024 (Audited)

	Retail Banking	Consumer, SME & Agriculture lending	Corporate, Commercial and Investment Banking	Treasury	Financial Institutions	Branchless banking	International	Asset management	Microfinance	Head office / others	Total
(Rupees in million)											
<b>Statement of financial position</b>											
Cash and bank balances	147,782	-	760	194,143	-	-	153,152	4	14,498	1,181	511,520
Lendings to financial institutions	-	-	-	84,294	-	-	-	-	-	-	84,294
Inter segment lending	2,763,575	-	-	-	-	38,086	1,685	-	-	217,313	3,020,659
Investments	-	-	72,132	2,097,402	5,990	-	226,980	2,070	72,723	50,903	2,528,200
Advances - performing	-	304,944	1,347,623	-	270,903	-	396,073	-	82,046	21,458	2,423,047
Advances - non-performing	-	1,778	5,433	-	-	-	2,459	-	2,486	232	12,388
Others	28,536	11,940	128,427	39,382	4,564	2,209	49,731	4,613	19,577	206,685	495,664
<b>Total assets</b>	<b>2,939,893</b>	<b>318,662</b>	<b>1,554,375</b>	<b>2,415,221</b>	<b>281,457</b>	<b>40,295</b>	<b>830,080</b>	<b>6,687</b>	<b>191,330</b>	<b>497,772</b>	<b>9,075,772</b>
Borrowings	-	4,016	138,192	534,990	-	-	108,915	-	40,770	-	826,883
Subordinated debt	-	-	-	-	-	-	-	-	1,500	18,874	20,374
Deposits and other accounts	2,885,744	1,902	676,750	-	43,673	36,788	607,038	-	122,641	(4,165)	4,370,371
Inter segment borrowing	-	284,309	672,964	1,825,666	237,629	-	91	-	-	-	3,020,659
Others	54,149	28,435	66,469	41,030	155	3,507	37,980	2,119	10,970	181,873	426,687
<b>Total liabilities</b>	<b>2,939,893</b>	<b>318,662</b>	<b>1,554,375</b>	<b>2,401,686</b>	<b>281,457</b>	<b>40,295</b>	<b>754,024</b>	<b>2,119</b>	<b>175,881</b>	<b>196,582</b>	<b>8,664,974</b>
Equity	-	-	-	13,535	-	-	76,056	4,568	15,449	301,190	410,798
<b>Total equity and liabilities</b>	<b>2,939,893</b>	<b>318,662</b>	<b>1,554,375</b>	<b>2,415,221</b>	<b>281,457</b>	<b>40,295</b>	<b>830,080</b>	<b>6,687</b>	<b>191,330</b>	<b>497,772</b>	<b>9,075,772</b>
<b>Contingencies and commitments</b>	<b>-</b>	<b>2,304</b>	<b>616,679</b>	<b>680,203</b>	<b>53,116</b>	<b>-</b>	<b>354,892</b>	<b>-</b>	<b>-</b>	<b>30,475</b>	<b>1,737,669</b>

## 36 RELATED PARTY TRANSACTIONS

The Group has related party relationships with various parties including its Directors, Key Management Personnel, Group entities, associated companies and employee benefit schemes of the Group.

Transactions with related parties, other than those under the terms of employment, are executed on an arm's length basis i.e. do not involve more than normal risk and are substantially on the same terms, including mark-up rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties.

Contributions to and accruals in respect of staff retirement and other benefit schemes are made in accordance with the actuarial valuations / terms of the schemes.

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

Details of transactions and balances with related parties as at the period / year end are as follows:

	As at June 30, 2025 (Unaudited)				
	Directors	Key Management Personnel	Group Entities	Associates	Other related parties
	(Rupees in '000)				
<b>Statement of financial position</b>					
<b>Balances with other banks</b>					
In current accounts	-	-	3,377	-	175
<b>Investments</b>					
Opening balance	-	-	-	42,138,798	13,758,615
Initial impact of the fair valuation of unlisted equity securities	-	-	-	-	9,608,380
Exchange adjustment	-	-	-	639,832	161,444
Investment made during the period	-	-	-	2,655,721	-
Investment redeemed / disposed off during the period	-	-	-	(2,393,723)	(1,533,500)
Share of profit - net of tax	-	-	-	3,348,493	-
Share of other comprehensive income - net of tax	-	-	-	(72,879)	-
Dividend received during the period	-	-	-	(1,654,976)	-
Revaluation of investments during the period	-	-	-	3,523,050	(319,846)
Reversal of credit loss allowance / reversal of provision for diminution in the value of investments	-	-	-	56,673	10,656
Closing balance	-	-	-	48,240,989	21,685,749
Credit loss allowance / provision for diminution in the value of investments - held	-	-	-	323,084	1,668
<b>Advances</b>					
Opening balance	1,295	537,494	5,093,585	125,000	11,438,546
Exchange adjustment	-	-	70,862	6,041	-
Addition during the period	8,192	252,398	7,737,236	2,805,950	12,932,766
Repaid during the period	(8,023)	(303,309)	(9,279,827)	(1,517,975)	(12,247,655)
Transfer in	-	47,807	-	-	-
Closing balance	1,464	534,390	3,621,856	1,419,016	12,123,657
<b>Other assets</b>					
Interest / mark-up accrued	-	330	46,004	262	178,108
Receivable from defined benefit plan	-	-	-	-	1,101,998
Prepaid insurance	-	-	-	288,269	-
Advance rent	-	2,042	19,721	28,003	-
Other prepayments	-	-	-	-	30,611
	-	2,372	65,725	316,534	1,310,717
<b>Borrowings</b>					
Opening balance	-	-	-	20,612,700	5,384,552
Exchange adjustment	-	-	-	404,934	34,224
Borrowings during the period	-	-	-	88,104,563	8,831,168
Settled during the period	-	-	-	(86,421,036)	(6,684,325)
Closing balance	-	-	-	22,701,161	7,565,619
<b>Deposits and other accounts</b>					
Opening balance	99,091	515,176	47,049,851	19,014,471	7,100,528
Exchange adjustment	559	5,802	497,059	269	127,751
Received during the period	195,069	3,696,510	260,518,160	1,254,345,837	93,335,445
Withdrawn during the period	(201,251)	(3,494,669)	(260,071,297)	(1,180,688,504)	(93,398,054)
Transfer out	-	(1,291)	-	-	-
Closing balance	93,468	721,528	47,993,773	92,672,073	7,165,670
<b>Other liabilities</b>					
Interest / mark-up payable	-	684	2,181,331	126,516	257,216
Payable to defined benefit plan	-	-	-	-	863,274
Donation payable	-	-	-	-	517,739
Unearned income	-	-	29,004	-	-
Insurance payable	-	-	-	252,001	-
Other payables	-	-	4,320	-	42,545
	-	684	2,214,655	378,517	1,680,774
<b>Contingencies and commitments</b>					
Letters of credit	-	-	835,134	-	291,003
Letters of guarantee	-	-	416,107	-	3,541,727
Forward purchase of Government securities	-	-	343,130	-	-
	-	-	1,594,371	-	3,832,730
<b>Others</b>					
Securities held as custodian	1,250	179,274	19,205,415	257,745,235	41,736,966

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

	For the six months ended June 30, 2025 (Unaudited)				
	Directors	Key Management Personnel	Group Entities	Associates	Other related parties
	(Rupees in '000)				
<b>Profit and loss account</b>					
<b>Income</b>					
Mark-up / return / profit / interest earned	2	7,942	158,370	27,810	823,166
Fee and commission income	493	6,604	213,634	721,623	15,257
Share of profit	-	-	-	3,348,494	-
Dividend income	-	-	-	-	1,228,286
Rent on properties	-	-	-	-	165
Gain on disposal of property and equipment	-	-	-	1,333	-
<b>Expenses</b>					
Mark-up / return / profit / interest expensed	3,005	14,363	2,232,952	1,763,048	452,146
Operating expenses					
Total compensation expense	-	1,964,778	-	-	1,090,388
Non-Executive Directors' fees	47,100	-	-	-	-
Insurance premium expense	-	-	-	2,153,275	-
Product feature cost	-	-	178,413	-	-
Travelling	-	-	11,856	-	-
Software maintenance	-	-	-	-	60,047
Rent and taxes	-	-	27,231	34,365	1,240
Subscription	-	-	-	-	9,493
Donation	-	-	-	-	517,739
Brokerage and commission	-	-	-	-	191,197
Documentation and processing charges	-	-	-	-	58,308
Other expenses	-	-	540	-	5,240
Reversal of credit loss allowance / reversal of provision for diminution in the value of investments	-	-	-	56,673	10,656
<b>Others</b>					
Purchase of Government securities	-	114,950	122,645,321	111,121,713	5,683,426
Sale of Government securities	1,183	170,171	126,774,036	88,848,963	9,603,133
Purchase of foreign currencies	-	5,948	5,433,592	54,711	153,119
Sale of foreign currencies	11,346	189,961	2,782,206	2,232,384	734,831
Insurance claims settled	-	-	-	328,149	-
<b>As at December 31, 2024 (Audited)</b>					
	Directors	Key Management Personnel	Group Entities	Associates	Other related parties
(Rupees in '000)					
<b>Statement of financial position</b>					
<b>Balances with other banks</b>					
In current accounts	-	-	103,491	-	157
<b>Investments</b>					
Opening balance	-	-	-	36,132,623	17,265,334
Impact of adoption of IFRS 9	-	-	-	-	(222,031)
Exchange adjustment	-	-	-	4,329,085	(491,390)
Investment made during the year	-	-	-	4,224,286	-
Investment redeemed / disposed off during the year	-	-	-	(3,410,115)	(2,837,500)
Share of profit - net of tax	-	-	-	4,763,000	-
Share of other comprehensive income - net of tax	-	-	-	(1,517,132)	-
Dividend received during the year	-	-	-	(1,652,708)	-
Revaluation of investments during the year	-	-	-	(472,428)	(165,505)
(Provision) for diminution / credit loss allowance in the value of investments	-	-	-	(257,813)	209,707
Closing balance	-	-	-	42,138,798	13,758,615
Credit loss allowance / provision for diminution in the value of investments - held	-	-	-	379,757	12,324
<b>Advances</b>					
Opening balance	1,969	1,293,004	5,352,719	375,000	10,230,405
Exchange adjustment	-	-	(1,169,263)	-	-
Addition during the year	14,004	388,237	34,360,119	-	21,500,993
Repaid during the year	(14,678)	(320,895)	(33,449,990)	(250,000)	(20,239,809)
Transfer out - net	-	(822,852)	-	-	(53,043)
Closing balance	1,295	537,494	5,093,585	125,000	11,438,546
<b>Other assets</b>					
Interest / mark-up accrued	-	967	44,109	7,620	325,042
Receivable from defined benefit plan	-	-	-	-	1,101,998
Prepaid insurance	-	-	-	693,055	-
Advance rent	-	2,887	28,294	33,689	-
Other prepayments	-	-	-	-	17,378
	-	3,854	72,403	734,364	1,444,418

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

	As at December 31, 2024 (Audited)				
	Directors	Key Management Personnel	Group Entities	Associates	Other related parties
	(Rupees in '000)				
<b>Borrowings</b>					
Opening balance	-	-	5,169,268	16,686,344	5,766,780
Exchange adjustment	-	-	-	(1,588,155)	(29,796)
Borrowings during the year	-	-	-	158,918,166	10,026,383
Settled during the year	-	-	(5,169,268)	(153,403,655)	(10,378,815)
Closing balance	-	-	-	20,612,700	5,384,552
<b>Deposits and other accounts</b>					
Opening balance	72,803	624,864	37,860,212	53,583,869	1,440,158
Exchange adjustment	(118)	(5,927)	(278,160)	(4,913)	(24,916)
Received during the year	1,973,990	5,432,243	457,762,803	1,409,332,394	69,869,176
Withdrawn during the year	(1,947,584)	(5,306,114)	(448,295,004)	(1,443,896,879)	(64,198,302)
Transfer (out) / in - net	-	(229,890)	-	-	14,412
Closing balance	99,091	515,176	47,049,851	19,014,471	7,100,528
<b>Other liabilities</b>					
Interest / mark-up payable	160	950	1,161,588	108,350	103,647
Payable to defined benefit plan	-	-	-	-	692,228
Donation payable	-	-	-	-	867,797
Unearned income	-	-	7,781	-	-
Insurance payable	-	-	-	88,492	-
Other payables	-	-	-	966	24,505
	160	950	1,169,369	197,808	1,688,177
<b>Contingencies and Commitments</b>					
Letters of credit	-	-	857,611	-	261,003
Letters of guarantee	-	-	187,974	-	3,541,727
Forward purchase of Government securities	-	-	1,002,095	-	351,855
Interest rate swaps	-	-	-	125,000	-
	-	-	2,047,680	125,000	4,154,585
<b>Others</b>					
Securities held as custodians	-	157,390	19,906,410	306,748,350	36,138,635
	For the six months ended June 30, 2024 (Unaudited)				
	Directors	Key Management Personnel	Group Entities	Associates	Other related parties
	(Rupees in '000)				
<b>Profit and loss account</b>					
<b>Income</b>					
Mark-up / return / profit / interest earned	13	15,157	217,124	37,142	1,264,408
Fee and commission income	399	6,663	180,024	504,397	8,705
Share of profit	-	-	-	2,436,754	-
Dividend income	-	-	-	-	918,243
Rent on properties	-	-	-	-	150
Gain on disposal of property and equipment	-	-	-	5,571	-
Unrealised loss on derivatives	-	-	-	(20,643)	-
<b>Expense</b>					
Mark-up / return / profit / interest expensed	6,351	32,062	2,269,098	3,894,674	635,309
Operating expenses					
Total compensation expense	-	2,499,920	-	-	764,272
Non-Executive Directors' fees	57,600	-	-	-	-
Insurance premium expense	-	-	-	1,722,221	-
Product feature cost	-	-	137,873	-	-
Travelling	-	-	9,045	-	-
Software maintenance	-	-	-	-	33,162
Rent and taxes	-	-	24,103	33,792	1,927
Subscription	-	-	-	-	3,630
Donation	-	-	-	-	436,437
Brokerage and commission	-	-	-	-	151,996
Documentation and processing charges	-	-	-	-	68,631
Other expenses	-	-	564	-	4,502
Credit loss allowance for diminution in value of investments	-	-	-	-	20,070
<b>Others</b>					
Purchase of Government securities	-	9,839	85,919,120	80,787,852	5,735,149
Sale of Government securities	-	78,753	89,118,879	49,749,020	12,665,792
Purchase of foreign currencies	-	1,583	5,698,227	45,983	15,677
Sale of foreign currencies	15,128	162,707	3,148,142	589,255	822,981
Insurance claims settled	-	-	-	182,589	-

36.1 Balances and transactions with group entities include deposits of Rs 0.637 million (December 31, 2024: Rs 0.638 million) from the parent and Rs 5,485 (June 30, 2024: Rs 3,220) as mark-up expense thereon.

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

	(Unaudited) June 30, 2025 ------(Rupees in '000)-----	(Audited) December 31, 2024
<b>37 CAPITAL ADEQUACY, LEVERAGE RATIO &amp; LIQUIDITY REQUIREMENTS</b>		
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	<u>14,668,525</u>	<u>14,668,525</u>
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	<u>335,888,573</u>	<u>316,238,451</u>
Eligible Additional Tier 1 (ADT 1) Capital	<u>18,935,237</u>	<u>18,621,353</u>
Total Eligible Tier 1 Capital	<u>354,823,810</u>	<u>334,859,804</u>
Eligible Tier 2 Capital	<u>94,211,243</u>	<u>80,462,444</u>
Total Eligible Capital (Tier 1 + Tier 2)	<u>449,035,053</u>	<u>415,322,248</u>
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	<u>1,765,763,861</u>	<u>1,725,824,589</u>
Market Risk	<u>352,238,675</u>	<u>231,458,425</u>
Operational Risk	<u>388,610,901</u>	<u>388,610,901</u>
Total	<u>2,506,613,437</u>	<u>2,345,893,915</u>
CET 1 CAR	<u>13.40%</u>	<u>13.48%</u>
Tier 1 CAR	<u>14.16%</u>	<u>14.27%</u>
Total CAR	<u>17.91%</u>	<u>17.70%</u>
<b>Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)</b>	<u>8.50%</u>	<u>8.50%</u>
of which: capital conservation buffer requirement	<u>1.50%</u>	<u>1.50%</u>
of which: countercyclical buffer requirement	<u>-</u>	<u>-</u>
of which: D-SIB buffer requirement	<u>1.00%</u>	<u>1.00%</u>
CET1 available to meet buffers (as a percentage of risk weighted assets)	<u>7.40%</u>	<u>7.48%</u>
<b>Other information:</b>		
<b>National minimum capital requirements prescribed by the SBP</b>		
CET1 minimum ratio (%)	<u>8.50%</u>	<u>8.50%</u>
Tier 1 minimum ratio (%)	<u>10.00%</u>	<u>10.00%</u>
Total capital minimum ratio (%)	<u>12.50%</u>	<u>12.50%</u>
	(Unaudited) June 30, 2025 ------(Rupees in '000)-----	(Audited) December 31, 2024
<b>Leverage Ratio (LR)</b>		
Eligible Tier-1 Capital	<u>354,823,810</u>	<u>334,859,804</u>
Total Exposures	<u>7,761,934,735</u>	<u>7,184,144,791</u>
<b>Leverage Ratio (%)</b>	<u>4.57%</u>	<u>4.66%</u>
<b>Minimum Requirement (%)</b>	<u>3.00%</u>	<u>3.00%</u>
<b>Liquidity Coverage Ratio (LCR)</b>		
Average High Quality Liquid Assets	<u>2,385,728,267</u>	<u>2,320,570,154</u>
Average Net Cash Outflow	<u>930,321,605</u>	<u>869,235,371</u>
<b>Liquidity Coverage Ratio (%)</b>	<u>256.44%</u>	<u>266.97%</u>
<b>Minimum Requirement (%)</b>	<u>100.00%</u>	<u>100.00%</u>
<b>Net Stable Funding Ratio (NSFR)</b>		
Available Stable Funding	<u>4,523,161,467</u>	<u>4,156,125,272</u>
Required Stable Funding	<u>2,585,740,197</u>	<u>2,732,852,018</u>
<b>Net Stable Funding Ratio (%)</b>	<u>174.93%</u>	<u>152.08%</u>
<b>Minimum Requirement (%)</b>	<u>100.00%</u>	<u>100.00%</u>

37.1 For the purpose of calculating CAR, the SBP has allowed banks to phase in the impact on opening retained earnings of the ECL calculated for financial assets classified as stage 1 and stage 2. The phasing is allowed over a period of five years. Had there been no such relaxation, the Group's total CAR would have been lower by 36 bps and the Leverage Ratio would have been lower by 12 bps.

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

## 38 ISLAMIC BANKING BUSINESS

The Bank operates 408 (December 31, 2024: 408) Islamic Banking branches and 575 (December 31, 2024: 581) Islamic Banking windows.

STATEMENT OF FINANCIAL POSITION	Note	(Unaudited) June 30, 2025 -----(Rupees in '000)----	(Audited) December 31, 2024
<b>ASSETS</b>			
Cash and balances with treasury banks		43,703,859	39,849,968
Balances with other banks		1,236,455	760,800
Due from financial institutions	38.1	37,200,000	30,000,000
Investments	38.2	377,857,726	349,841,214
Islamic financing and related assets - net	38.3	239,821,478	193,867,617
Property and equipment		7,144,245	7,307,282
Right-of-use assets		8,354,858	7,553,230
Intangible assets		35,416	43,133
Due from Head Office		1,332,225	-
Deferred tax assets		-	-
Other assets		38,459,543	25,835,979
		<b>755,145,805</b>	<b>655,059,223</b>
<b>LIABILITIES</b>			
Bills payable		32,381	39,072
Due to financial institutions	38.4	28,167,970	45,450,071
Deposits and other accounts	38.5	602,765,145	494,894,964
Due to Head Office		-	5,926,658
Lease liabilities		11,435,258	10,332,557
Subordinated debt		-	-
Deferred tax liabilities		4,809,178	1,904,986
Other liabilities		34,808,172	33,565,331
		<b>682,018,104</b>	<b>592,113,639</b>
<b>NET ASSETS</b>			
		<b>73,127,701</b>	<b>62,945,584</b>
<b>REPRESENTED BY</b>			
Islamic Banking Fund		500,000	500,000
Reserves		-	-
Surplus on revaluation of investments - net of tax		4,439,242	4,361,869
Unappropriated profit	38.6	68,188,459	58,083,715
		<b>73,127,701</b>	<b>62,945,584</b>
<b>Contingencies and commitments</b>			
	38.7	(Unaudited) For the six months ended	
		June 30, 2025	June 30, 2024
-----(Rupees in '000)----			
<b>PROFIT AND LOSS ACCOUNT</b>			
Profit / return earned	38.8	38,670,097	47,103,850
Profit / return expensed	38.9	15,099,955	24,401,673
Net profit / return		<b>23,570,142</b>	<b>22,702,177</b>
<b>Other income</b>			
Fee and commission income		1,199,972	1,162,292
Dividend income		-	-
Foreign exchange income		288,104	421,906
Income from derivatives		-	-
Gain on securities - net		521,603	25,075
Others		-	-
Total other income		<b>2,009,679</b>	<b>1,609,273</b>
<b>Total income</b>			
		<b>25,579,821</b>	<b>24,311,450</b>
<b>Other expenses</b>			
Operating expenses		6,295,865	5,779,585
Workers' Welfare Fund		430,984	313,798
Other charges		695	125
Total other expenses		<b>6,727,544</b>	<b>6,093,508</b>
<b>Profit before credit loss allowance</b>			
(Reversal) / charge of credit loss allowance and write offs - net		<b>18,852,277</b>	<b>18,217,942</b>
<b>Profit before taxation</b>			
Taxation		<b>(2,696,920)</b>	<b>2,528,060</b>
<b>Profit after taxation</b>			
		<b>21,549,197</b>	<b>15,689,882</b>
		<b>11,421,074</b>	<b>7,688,042</b>
		<b>10,128,123</b>	<b>8,001,840</b>

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

	(Unaudited) June 30, 2025	(Audited) December 31, 2024
	----- (Rupees in '000) -----	
38.1 <b>Due from Financial Institutions</b>		
Call money lendings	24,700,000	8,000,000
Secured lendings	12,500,000	22,000,000
	<u>37,200,000</u>	<u>30,000,000</u>

38.2 <b>Investments by segments</b>	June 30, 2025 (Unaudited)			
	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
	----- (Rupees in '000) -----			
<b>Debt Instruments</b>				
<b>Fair value through profit and loss (FVTPL)</b>				
<b>Federal Government securities</b>				
- Ijarah Sukuk	12,541,839	-	(5,377)	12,536,462
- Other Federal Government securities	970,299	-	-	970,299
<b>Non-Government debt securities</b>				
- Listed	191,674	-	1,871	193,545
- Unlisted	801,000	-	-	801,000
	14,504,812	-	(3,506)	14,501,306
<b>Fair value through other comprehensive income (FVOCI)</b>				
<b>Federal Government securities</b>				
- Ijarah Sukuk	272,060,250	-	9,193,592	281,253,842
<b>Non-Government debt securities</b>				
- Listed	42,250,000	(22,102)	54,828	42,282,726
	314,310,250	(22,102)	9,248,420	323,536,568
<b>Amortised cost</b>				
<b>Federal Government securities</b>				
- Ijarah Sukuk	28,252,120	-	-	28,252,120
<b>Non-Government debt securities</b>				
- Unlisted	12,195,447	(627,715)	-	11,567,732
	40,447,567	(627,715)	-	39,819,852
<b>Total Investments</b>	<u>369,262,629</u>	<u>(649,817)</u>	<u>9,244,914</u>	<u>377,857,726</u>
	December 31, 2024 (Audited)			
	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
	----- (Rupees in '000) -----			
<b>Fair value through profit and loss (FVTPL)</b>				
<b>Federal Government securities</b>				
- Ijarah Sukuk	10,273,922	-	71,409	10,345,331
- Other Federal Government securities	2,580,725	-	-	2,580,725
<b>Non-Government debt securities</b>				
- Listed	191,668	-	6	191,674
- Unlisted	801,000	-	-	801,000
	13,847,315	-	71,415	13,918,730
<b>Fair value through other comprehensive income (FVOCI)</b>				
<b>Federal Government securities</b>				
- Ijarah Sukuk	242,713,829	-	8,583,533	251,297,362
<b>Non-Government debt securities</b>				
- Listed	42,750,000	(17,539)	498,773	43,231,234
- Unlisted	600,000	(6,984)	4,922	597,938
	286,063,829	(24,523)	9,087,228	295,126,534
<b>Amortised cost</b>				
<b>Federal Government securities</b>				
- Ijarah Sukuk	28,274,899	-	-	28,274,899
<b>Non-Government debt securities</b>				
- Unlisted	13,148,915	(627,864)	-	12,521,051
	41,423,814	(627,864)	-	40,795,950
<b>Total Investments</b>	<u>341,334,958</u>	<u>(652,387)</u>	<u>9,158,643</u>	<u>349,841,214</u>



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

	Note	(Unaudited) June 30, 2025 ------(Rupees in '000)-----	(Audited) December 31, 2024
<b>38.5 Deposits and other accounts</b>			
<b>Customers</b>			
Current deposits		242,892,140	125,193,794
Savings deposits		260,851,702	345,117,509
Term deposits		25,265,266	19,019,144
		<b>529,009,108</b>	<b>489,330,447</b>
<b>Financial Institutions</b>			
Current deposits		100,716	70,917
Savings deposits		73,655,321	5,491,954
Term deposits		-	1,646
		<b>73,756,037</b>	<b>5,564,517</b>
		<b>602,765,145</b>	<b>494,894,964</b>
<b>38.6 Islamic Banking business unappropriated profit</b>			
Opening Balance		58,083,715	43,688,438
Impact of adoption of IFRS 9		-	(2,603,420)
Add: Islamic Banking profit for the period / year		21,549,197	37,011,071
Less: Taxation		(11,421,074)	(19,985,978)
Less: Transferred / Remitted to Head Office		(23,379)	(26,396)
Closing Balance		<b>68,188,459</b>	<b>58,083,715</b>
<b>38.7 Contingencies and commitments</b>			
- Financial Guarantees		8,422,235	-
- Performance Guarantees		24,741,802	8,005,532
- Commitments	38.7.1	107,836,302	64,541,386
		<b>141,000,339</b>	<b>72,546,918</b>
<b>38.7.1 Commitments</b>			
Trade-related contingent liabilities		74,949,777	42,534,511
Commitments in respect of forward foreign exchange contracts	38.7.1.1	32,886,525	22,006,875
		<b>107,836,302</b>	<b>64,541,386</b>
<b>38.7.1.1 Commitments in respect of forward foreign exchange contracts</b>			
Purchase		20,101,443	11,536,610
Sale		12,785,082	10,470,265
		<b>32,886,525</b>	<b>22,006,875</b>
<b>38.8 Profit / return earned</b>			
On:			
Financing		14,631,719	20,441,122
Investments		23,318,063	25,355,553
Amounts due from financial institutions		720,315	1,307,175
		<b>38,670,097</b>	<b>47,103,850</b>
<b>38.9 Profit / return expensed</b>			
On:			
Deposits and other accounts		10,989,383	20,782,556
Amounts due to financial institutions		3,141,793	2,634,680
Foreign currency deposits for Wa'ad based transactions		186,594	366,912
Lease liability against right-of-use assets		782,185	617,525
		<b>15,099,955</b>	<b>24,401,673</b>

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

## 39 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

39.1 The Board of Directors, in its meeting held on July 31, 2025, has declared a cash dividend of Rs 4.50 per share in respect of the quarter ended June 30, 2025 (June 30, 2024: Rs 4.00 per share). These condensed interim consolidated financial statements do not include the effect of this appropriation which will be accounted for subsequent to the period end.

## 40 DATE OF AUTHORISATION FOR ISSUE

These condensed interim consolidated financial statements were authorised for issue in the Board of Directors meeting held on July 31, 2025.

## 41 GENERAL

41.1 Comparative figures have been re-arranged and reclassified for comparison purposes.

Muhammad Nassir Salim  
President and  
Chief Executive Officer

Rayomond Kotwal  
Chief Financial Officer

Khaleel Ahmed  
Director

Moez Ahamed Jamal  
Director

Dr. Najeeb Samie  
Director



# 2

## Condensed Interim Unconsolidated Financial Statements

# DIRECTORS' REPORT

On behalf of the Board of Directors, we are pleased to present the Unconsolidated Financial Statements for the half-year ended June 30, 2025.

## Macroeconomic Review

Pakistan's economy is gradually transitioning from recovery to a growth phase with provisional estimates of 3.9% GDP growth in 2HFY'25 up from 1.4% in 1HFY'25. The growth momentum was driven by the services sector and small-scale industry, although the Large-Scale Manufacturing Index contracted 1.2% in 11MFY'25. The HBL Manufacturing PMI averaged 51.2 in Q2'25, down from 54.1 in the previous quarter, reflecting a slowdown in new orders attributed to the impact of the initial US tariffs announcements as well as disruptions linked to the India conflict. Headline inflation was 3.2% in Jun'25, bringing the FY'25 average to 4.5%, the lowest in 9 years. This was supported by several factors including softer food and energy prices, a stable exchange rate and a high base effect. The latest Core CPI print clocked in at 7.6%, down from peak levels of 22.7%, reflecting a broad-based containment of underlying price pressures.

The current account posted a surplus of \$ 2.1 billion in FY'25, the first in 14 years, compared to a deficit of \$ 2.1 billion in FY'24. This was driven by windfall remittances, which arrived at record highs of \$38.3 billion in FY'25, up 26.6%, more than offsetting a 20.8% rise in the trade deficit. Imports rose by 11.1%, driven by recovering demand and a weak domestic cotton crop, outpacing the modest 4.2% increase in exports, led by a rebound in textiles.

The external position improved significantly, with SBP's foreign exchange reserves boosted to \$14.5 billion by end-Jun'25, well above initial assessments. The IMF completed the first review under the Extended Fund Facility (EFF), acknowledging strong programme performance and releasing a \$ 1.0 billion tranche. Commercial borrowing from Middle Eastern banks, refinancing of Chinese loans and dollar purchases from the interbank market all contributed to building the more robust reserves. Over the year, the Rupee has depreciated slightly, by 1.9%.

S&P recently upgraded Pakistan's sovereign credit rating from CCC+ to B- with a Stable Outlook. The upgrade comes after a 3-year hiatus and signals that default risks have abated with reserves now sufficient to cover all external repayments in FY'26. The decision was also supported by progress on macroeconomic stabilization with lower inflation, monetary easing and reduced fiscal deficits. Along with the Fitch upgrade in Apr'25, this is now expected to enhance investor confidence, reduce external borrowing costs and improve Pakistan's prospects of re-entering international bond markets.

The FY'26 Budget, prepared in close coordination with the IMF, solidifies the GoP's commitment to consolidation and continuation of the fiscal discipline. The Government is targeting a third consecutive primary surplus of 2.4% of GDP with the fiscal deficit projected to narrow from 5.6% in FY'25 to 3.9% in FY'26. This is forecast on the basis of a 19% increase in FBR tax collection with only a modest 2% increase in the federal outlay, helped by lower interest and subsidy payments.

The equity market successfully navigated the various periods of volatility sparked by heightened geopolitical tensions as well as global trade uncertainty; since Dec'24, the index has grown 21% to date. For FY'25, the KSE-100 index posted its second-highest annual gain of 60%. The start of FY'26 has seen even better traction with the rally fueled by de-escalation of regional conflicts, a market-friendly budget, and favorable macro-conditions.

The SBP's monetary policy committee maintained the Policy Rate at 11.0% at its meeting in Jun'25. The committee acknowledged the sufficiently positive real interest rate; however, it also assessed that the expected pick-up in economic growth, projected rise in inflation from current low levels, and potential risks to the external account warranted a cautious approach. Muted economic activity led to an 8.8% contraction in private sector credit from Dec'24 which was elevated due to the ADR tax. Consequently, advances were down 15.5% for the half-year while deposits grew 17.2% over the same period. Banking spreads in H1'25 were 17bps higher than in H1'24, as deposits have repriced down faster than assets.

## Financial Performance

HBL has delivered a record unconsolidated profit before tax of Rs 70.6 billion for H1'25, 22% higher than in the same period last year; a consistent growth trajectory driven by strong results from the domestic franchise. Despite excessive taxation continuing to burden the banking sector, the Bank's profit after tax increased by 10% to Rs 31.4 billion in H1'25. Earnings per share improved from Rs 19.53 in H1'24 to Rs 21.42 in H1'25.

The Bank's balance sheet grew by 27% to Rs 7.2 trillion with total deposits rising to Rs 4.9 trillion, an increase of 20% over Dec'24. Domestic deposits grew by 22% to their highest level of Rs 4.4 trillion; the majority of this was led by current accounts which contributed more than 50% of the growth, increasing by Rs 440 billion over Dec'24. As a result, the current account mix improved from 37.3% in Dec'24 to 40.5% in Jun'25. With domestic advances trending up during Q2'25, the Bank's loan book stood at Rs 1.8 trillion. HBL's market-leading Consumer business continued its steady growth trajectory, with consumer lending increasing to Rs 156.2 billion.

With the continued monetary easing, the Policy Rate was 950 bps lower than in H1'24. The growth in average current accounts improved the mix to 37.7%, which helped drive a reduction of 578 bps in deposit cost. This enabled margins to

be maintained at the same levels as in H1'24 and, with a Rs 425 billion increase in the average balance sheet, domestic net interest income grew by 11%; the Bank's total net interest income increased 10% to Rs 125 billion. Timely realization of opportunities for capital gains resulted in total non-fund income rising 9% to Rs 38 billion. HBL's total revenue thus rose to Rs 163 billion, a growth of 9% over the same period last year.

As proactive cost optimization measures continued, expenses in Q2'25 are 2% lower than Q1'25, enabling the Bank to contain YoY expense growth at 6%. HBL's cost / income ratio improved by more than 170 bps, from 55.8% in H1'24 to 54.1% in H1'25. A strong recovery performance resulted in a decrease in the Bank's non-performing loans over the quarter; along with the uptick in advances, this reduced the infection ratio to 5.0%. The specific coverage strengthened to 90%, with the total coverage well above 100%.

## Movement in Reserves

	Rupees in million
Unappropriated profit brought forward	222,991
Impact of change in accounting policy	1,946
Unappropriated profit brought forward – restated	224,937
Profit after tax	31,418
Transferred from surplus on revaluation of assets – net of tax	40
Realised gain on equity investments designated as FVOCI	109
	31,567
Profit available for appropriation	256,504
<b>Appropriations:</b>	
Transferred to statutory reserves	(3,142)
Cash dividend – Final 2024	(6,234)
Cash dividend – 1 <sup>st</sup> Interim 2025	(6,601)
Total appropriations	(15,977)
<b>Unappropriated profit carried forward</b>	<b>240,527</b>
<b>Earnings per share (Rupees)</b>	<b>21.42</b>

## Capital Ratios

The strong results continued to strengthen internally generated capital, adding 80 bps to the Tier 1 Capital Adequacy Ratio (CAR). With advances re-trending upwards after the Mar'25 trough and further increases in the Trading Book, total risk weighted assets increased by Rs 136 billion over Dec'24. HBL's unconsolidated Tier 1 CAR declined slightly by 22 bps over Dec'24 to 14.54%. With the rapid increase in the surplus on investments, total CAR rose by 12 bps to 18.36%. Both ratios remain comfortably above regulatory requirements.

## Dividend

The Board of Directors, in its meeting held on July 31, 2025, has declared an interim cash dividend of Rs 4.50 per share (45%) for the quarter ended June 30, 2025. This is in addition to the interim dividend of Rs 4.50 (45%) declared for the first quarter of 2025.

## Future Outlook

Inflationary pressures are projected to remain contained, supported by limited currency depreciation, continued softness in food and energy prices and a bearish outlook for global oil. The wide differential between inflation and the policy rate, along with a solid recovery in the external account, should lead to further monetary easing. However, this is likely to be modest, given the slow decline in core inflation, delayed transmission effects and the need to maintain positive real rates. The SBP expects inflation to slowly trend up and stabilize within its long-term target range of 5% – 7% range in FY'26. The Government expects the growth momentum observed in 2HFY'25 to continue and has targeted real GDP growth at 4.2% for the coming fiscal year. This is expected to be driven by the industry and services sectors given the sustained improvement in high-frequency indicators – business confidence, machinery imports and private sector credit – although the agriculture outlook remains subdued after a weak performance in FY'25.

Pakistan's external position is now more secure, with the current account positing its first surplus in 14 years and FX reserves rising to an import cover of 2.5 months from a low of 0.8 months, two years ago. With a stronger economic growth trajectory, a return to a current account deficit is likely as demand and import volumes pick up; however, favorable commodity prices

and elevated remittances should keep the shortfall moderate. Reserve accumulation is expected to continue, stemming from improved access to international debt markets, the likely continued release of IMF tranches and bilateral and multilateral assistance. The global backdrop is expected to remain favorable, with signs of easing trade tensions, a weaker Dollar and likely subdued oil prices.

The Government's commitment to fiscal consolidation and adherence to the IMF program has raised policy credibility, as reflected by improved credit ratings and renewed access to commercial borrowing. Nascent signs of a more sustainable debt path are also emerging, with interest payments projected to fall from 89% of tax revenues in FY'24 to 58% in FY'26. Despite this progress, tangible progress in widening the tax base remains elusive; while the intent is evident, with the Budget laying out restrictions on non-filers and legislative steps to tax the agriculture sector, execution has not followed. Revenue collection targets required to deliver a third consecutive primary surplus are ambitious and will have to come from a broader – vs a deeper – tax base. Critical items on the reform agenda remain pending, particularly the need to address the government's large footprint in the economy. Nonetheless, the latest attempt to privatize the national airline does appear to be promising, with interest shown by several credible bidders.

HBL's results for the first half of 2025, delivering another record quarter in a challenging environment, are a testament to the strength of its franchise and business model. We continue to drive our digital presence, with 4.7 million users of Mobile and Internet Banking transacting Rs 5.3 trillion in the first half of 2025, an increase of over 50%. Konnect volumes increased by 23% over the same period last year and the business crossed Rs 1 billion in sales of digital insurance. Our support to the critical agriculture sector is multi-faceted, extending to much more than direct lending. HBL recently delivered the largest ever crop yield insurance payout to farmers, reflecting its commitment to climate resilience and financial inclusion. Our unique HBL Zarai initiative has scaled up to 10 locations since its launch just over a year ago and is transforming farmers' lives with innovative programs that provide farmers with financing options, agronomy advice and efficient farm management techniques. Recently, HBL launched an Agri internship programme in collaboration with the University of Agriculture, Faisalabad, demonstrating its commitment to capacity building in this crucial sector.

We successfully concluded HBLPSL 10, marking a decade of our commitment to cricket and to Pakistan. Our employees continue to volunteer their time for the betterment of society, organizing clean-up drives, sharing Eid with the less fortunate and caring for the elderly. We are honoured and delighted at Euromoney's recognition of HBL as the Best Bank in Pakistan and we dedicate this award to our millions of clients who repose their trust and confidence in the Bank. As an integral part of the nation's fabric, HBL is committed to uplifting all segments of society, to ensure a brighter future for all Pakistanis.

## Appreciation and Acknowledgement

On behalf of the Board and management, we would like to place on record our appreciation for the efforts of our regulators and the Government of Pakistan, in particular the State Bank of Pakistan, the Ministry of Finance and the Securities and Exchange Commission of Pakistan. In these challenging times, they have stepped up with policies and measures that are prudent, proactive and balanced, protecting the economy, customers and people of Pakistan, while also safeguarding the integrity and soundness of the banking and financial services industry.

We are indebted to our customers, many of whom have banked with us for generations, and who continue to entrust us with their business and confidence. Our shareholders have provided steadfast support and to them, and to all our stakeholders, we are deeply grateful. The Board and the management remain committed to maintaining the highest standards of governance and we assure our stakeholders that we will be industry leaders in this area.

Lastly, but certainly not the least, we express our deepest appreciation and gratitude to our employees and their families, especially in customer facing units and branches, who continually go the extra mile, even at personal cost, to ensure that our customers are able to meet their critical needs. They are our heroes and heroines and we salute them for their dedication and tireless efforts.

On behalf of the Board

**Muhammad Nassir Salim**  
**President & Chief Executive Officer**

**Moez Ahamed Jamal**  
**Director**

July 31, 2025

مسلل مانیٹری آسانی کے ساتھ، پالیسی ریٹ مالی سال 24 کی پہلی ششماہی کے مقابلے میں 950 bps کم تھا۔ اوسط کرنٹ اکاؤنٹس میں اضافے نے کمس کو 37.7% تک بہتر بنایا، جس سے ڈپازٹ کی لاگت میں 578 bps کی کمی واقع ہوئی۔ اس سے مارجن کومالی سال 24 کی پہلی ششماہی کی سطح پر برقرار رکھنے میں مدد ملی اور اوسط بینکنس شیٹ میں 425 ارب روپے کے اضافے کے ساتھ، مقامی خالص سودی آمدنی میں 11% اضافہ ہوا۔ بینک کی کل خالص سودی آمدنی 10% اضافے کے ساتھ 125 بلین روپے تک پہنچ گئی۔ سرمائے کے منافع کے مواقع کی بروقت سمجھ نان فنڈ آمدنی میں 9% اضافے کا باعث بنی جو 38 بلین روپے تک پہنچ گئی۔ اس طرح ایچ بی ایل کی کل آمدنی 163 بلین روپے تک ہو گئی، جو پچھلے سال کی اسی مدت کے مقابلے میں 9% کا اضافہ ہے۔

لاگت کو بہتر بنانے کے فعال اقدامات کے جاری رہتے، مالی سال 25 کی دوسری سہ ماہی میں اخراجات پہلی سہ ماہی سے 2% کم رہے، جس سے بینک سال بہ سال اخراجات کی شرح نمو کو 6% پر برقرار رکھنے میں کامیاب رہا۔ ایچ بی ایل کا لاگت / آمدنی کا تناسب 170 bps سے زیادہ بہتر ہوا، مالی سال 24 کی پہلی ششماہی کے 55.8% سے مالی سال 25 کی پہلی ششماہی میں 54.1% پر آ گیا۔ ریکوری کی بہترین کارکردگی کے نتیجے میں سہ ماہی کے دوران بینک کے نان پر فارمنگ قرضوں میں کمی واقع ہوئی؛ ایڈوانسز میں اضافے کے ساتھ، اس نے انفیکشن کا تناسب 5.0% تک کم کیا۔ مخصوص کوریج 90% تک مضبوط ہوئی، جبکہ کل کوریج 100% سے کہیں زیادہ ہے۔

## ذخائر میں اتار چڑھاؤ

بلین روپے
222,991
1,946
224,937
31,418
40
109
31,567
256,504

(3,142)
(6,234)
(6,601)
(15,977)
240,527
21.42

افتتاحی غیر تخصیص شدہ منافع  
اکاؤنٹنگ پالیسی میں تبدیلی کے اثرات  
افتتاحی غیر تخصیص شدہ منافع دوبارہ بحال

بعد از ٹیکس منافع  
اثاثہ جات کی دوبارہ تشخیص پر سرپلس سے منتقل شدہ۔ محصول کا خالص  
FVOCI کے طور پر ایکویٹی کی سرمایہ کاری پر موصولہ منافع

مناسب کارروائی کے لیے دستیاب منافع

## مختلف مدوں میں رکھی گئی رقم:

قانونی ذخائر میں منتقل شدہ  
نقد منافع منقسمہ۔ حتمی 2024  
نقد منافع منقسمہ۔ پہلا سہ ماہی 2025  
کل تخصیص  
اختتامی غیر تخصیص شدہ منافع

## فی حصص (شیر) آمدنی (روپے)

## سرمائے کا تناسب

مضبوط نتائج نے اندرونی طور پر پیدا ہونے والے سرمائے کو مضبوط بنانا جاری رکھا، جس نے Tier 1 کیپٹل ایڈیکویٹی ریٹو (CAR) میں 80 bps کا اضافہ کیا۔ مارچ 2025 میں ایڈوانسز میں دوبارہ اضافے کے رجحان کے ساتھ ٹریڈنگ بک میں اضافے سے کل رسک ویڈیو ایسٹس دسمبر 2024 سے 136 بلین روپے بڑھ گئے۔ ایچ بی ایل کی غیر مجموعی CAR Tier 1 دسمبر 2024 کے مقابلے میں 22 bps کم ہو کر 14.54% ہو گئی جبکہ کل CAR سرمایہ کاری کے سرپلس میں تیزی سے اضافے سے 12 bps بڑھ کر 18.36% ہو گئی۔ دونوں تناسب ریگولیٹری تقاضوں سے اوپر آرام دہ سطح پر ہیں۔

## منافع منقسمہ

بورڈ آف ڈائریکٹرز نے 31 جولائی 2025 کو منعقد ہونے والے اجلاس میں 30 جون 2025 کو اختتام پذیر ہونے والی ششماہی کے لیے 4.50 روپے فی حصص (45%) کے عبوری نقد منافع منقسمہ کا اعلان کیا۔ یہ 2025 کی پہلی سہ ماہی کے لیے اعلان کردہ 4.50 روپے (45%) کے عبوری منافع منقسمہ کے علاوہ ہے۔

## مستقبل کی صورت حال

افراط زر کا دباؤ کسی حد تک کرنسی کی گراؤٹ، خورداک اور توانائی کی قیمتوں میں مسلسل نرمی، اور عالمی تیل کی مندی کے مد نظر قابو میں رہنے کا امکان ہے۔ افراط زر اور پالیسی ریٹ کے درمیان وسیع فرق، بین الاقوامی اکاؤنٹ میں ٹھوس بحالی کے ساتھ، مزید مانیٹری نرمی کا باعث بننا چاہیے۔ تاہم، بنیادی افراط زر میں سست روکی، تاخیری منتقلی کے اثرات، اور مثبت حقیقی شرحوں کو برقرار رکھنے کے لیے، یہ غالباً معمولی ہو گا۔ اسٹیٹ بینک آف پاکستان کو توقع ہے کہ مالی سال 26 میں افراط زر آہستہ آہستہ بڑھے گا اور اپنی طویل المیعاد ہدف کی حد 5% - 7% کے درمیان مستحکم ہو جائے گا۔ حکومت کو توقع ہے کہ مالی سال 25 کی دوسری ششماہی میں نظر آنے والی ترقی کی رفتار جاری رہے گی جبکہ آئندہ مالی سال کے لیے حقیقی جی ڈی پی کی شرح نمو 4.2% مقرر کی گئی ہے۔ ہائی فریکوئنسی انڈیکسز، کاروباری اعتماد، مشینری کی درآمدات، اور نجی شعبے کے کریڈٹ میں مسلسل بہتری کے پیش نظر، توقع ہے کہ اس کی وجہ صنعت اور سروسز کے شعبے ہوں گے حالانکہ مالی سال 25 میں کمزور کارکردگی کے بعد زراعت کا منظر نامہ اب بھی کمزور ہے۔

# ڈائریکٹرز رپورٹ

ہمیں بورڈ آف ڈائریکٹرز کی جانب سے 30 جون 2025 کو ختم ہونے والی پہلی ششماہی کے مختصر عبوری غیر مجموعی مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس ہو رہی ہے۔

## کلیاتی اقتصادیات کا جائزہ

پاکستان کی معیشت بتدریج بحالی سے ترقی کی طرف گامزن ہے، مالی سال 25 کی دوسری ششماہی میں 3.9% جی ڈی پی کی نمو کا ابتدائی تخمینہ لگایا گیا ہے، جو مالی سال 25 کی پہلی ششماہی کے 1.4% سے زیادہ ہے۔ سروسز کے شعبے اور چھوٹے پیمانے کی صنعت نے ترقی کی رفتار میں اضافہ کیا، حالانکہ بڑے پیمانے کا مینوفیکچرنگ انڈیکس مالی سال 25 کے 11 مہینوں میں 1.2% کم ہوا۔ ایچ بی ایل مینوفیکچرنگ PMI مالی سال 25 کی دوسری سہ ماہی میں اوسطاً 51.2 رہا، جو پچھلی سہ ماہی کے 54.1 سے کم ہے، اس سے نئے آرڈرز میں سست روی ظاہر ہوتی ہے جس کی وجہ سے ابتدائی امریکی ٹریف کے اعلانات کے ساتھ ساتھ بھارتی تنازعے سے منسلک خلل اندازی تھی۔ جون 2025 میں عمومی افراط زر 3.2% تھا، جس سے مالی سال 25 کا اوسط 4.5% پر آگیا، جو 9 سالوں میں کم ترین ہے۔ اس کی وجہ کئی عوامل رہے، جن میں خوارک اور توانائی کی کم قیمتیں، ایک مستحکم شرح مبادلہ، اور ایک اعلیٰ بنیادی اثر شامل ہیں۔ تازہ ترین CPI پر 7.6% پر آیا، جو 22.7% کی بلند ترین سطح سے کم ہے، جو وسیع پیمانے پر عمومی قیمتوں کے دباؤ کے اثرات ظاہر کرتا ہے۔

مالی سال 25 میں کرنٹ اکاؤنٹ نے 2.1 بلین ڈالر کا سرپلس ظاہر کیا، جو 14 سالوں میں پہلی بار ہوا ہے، جبکہ اس کے مقابلے میں مالی سال 24 میں 2.1 بلین ڈالر کا خسارہ ہوا تھا۔ اس کی وجہ مالی سال 25 میں تریلاٹ زر میں بے انتہا اضافہ تھا جو 38.3 بلین ڈالر کی ریکارڈ بلند سطح پر تھیں، 26.6% زیادہ، جس نے تجارتی خسارے میں 20.8% اضافے کو سہارا دیا۔ درآمدات میں 11.1% اضافہ ہوا، جس کی وجہ طلب میں بحالی اور مقامی کپاس کی کمزور فصل تھی، جو برآمدات میں ٹیکسٹائل کے دوبارہ ابھرنے کے سبب ہونے والے معمولی 4.2% اضافے سے زیادہ تھا۔

بیرونی پوزیشن میں نمایاں بہتری آئی، اسٹیٹ بینک آف پاکستان (SBP) کے غیر ملکی زرمبادلہ کے ذخائر جون 2025 کے آخر تک 14.5 بلین ڈالر تک پہنچ گئے، جو ابتدائی تخمینوں سے کہیں زیادہ ہیں۔ آئی ایم ایف نے ایکسٹینڈڈ فنڈ فیسلٹی (EFF) کے تحت پہلا جائزہ مکمل کیا، پروگرام کی کارکردگی کو تسلیم کیا اور 1.0 بلین ڈالر کی قسط جاری کی۔ مشرق وسطیٰ کے بینکوں سے تجارتی قرضے، چینی قرضوں کی ری فننسنگ، اور انٹرنیشنل مارکیٹ سے ڈالر کی خریداری نے زیادہ مضبوط ذخائر بنانے میں کردار ادا کیا۔ سال بھر میں، روپے کی قدر میں معمولی 1.9% کمی آئی ہے۔

S&P نے حال ہی میں پاکستان کی خود مختار کریڈٹ ریٹنگ CCC+ سے B- پر مستحکم آؤٹ لک کے ساتھ اپ گریڈ کی ہے۔ یہ اپ گریڈ 3 سال کے وقفے کے بعد آیا ہے اور یہ اشارہ ہے کہ ڈیفالٹ کے خطرات کم ہو گئے ہیں کیونکہ اب ذخائر مالی سال 26 میں تمام بیرونی ادائیگیاں پوری کرنے کے لیے کافی ہیں۔ یہ فیصلہ کلیاتی اقتصادی استحکام میں پیش رفت کے ساتھ بھی منسلک تھا جس میں کم افراط زر، زری آسانی اور کم مالی خسارے شامل ہیں۔ اپریل 2025 میں فنانسنگ کے اپ گریڈ کے ساتھ، اب توقع ہے کہ سرمایہ کاروں کا اعتماد بڑھے گا، بیرونی قرض لینے کی لاگت کم ہو گی اور بین الاقوامی بانڈ مارکیٹوں میں پاکستان کے دوبارہ داخلے کے امکانات بہتر ہوں گے۔

مالی سال 26 کا بجٹ، جو آئی ایم ایف کی قریبی مشاورت سے تیار کیا گیا ہے، حکومت کے مالیاتی استحکام اور تنظیم کے عزم کو مستحکم کرتا ہے۔ حکومت جی ڈی پی کے 2.4% کے مسلسل تیسرے پرائمری سرپلس کے ہدف پر کام کر رہی ہے، جس میں مالیاتی خسارہ مالی سال 25 کے 5.6% سے مالی سال 26 میں 3.9% تک کم ہونے کا اندازہ ہے۔ یہ پیشین گوئی فیڈرل بورڈ آف ریونیو (FBR) کی ٹیکس وصولیوں میں 19% اضافے پر مبنی ہے جس میں وفاقی اخراجات میں صرف 2% کا معمولی اضافہ ہو گا، جس میں کم شرح سود اور سبسڈی کی ادائیگیوں سے مدد ملے گی۔

ایکویٹی مارکیٹ نے بڑھتی ہوئی جغرافیائی سیاسی کشیدگی کے ساتھ ساتھ عالمی تجارتی غیر یقینی صورتحال سے پیدا ہونے والے اتار چڑھاؤ کے مختلف ادوار کا کامیابی سے سامنا کیا۔ دسمبر 2024 کے بعد سے، انڈیکس اب تک 21% بڑھ چکا ہے۔ مالی سال 25 کے لیے، KSE-100 انڈیکس نے اپنی دوسری سب سے زیادہ سالانہ 60% کی بڑھوتری حاصل کی ہے۔ مالی سال 26 کے آغاز میں علاقائی تنازعات کے کم ہونے، ایک مارکیٹ دوست بجٹ، اور سازگار اقتصادی حالات سے مزید بہتر کارکردگی دیکھنے میں آئی۔

SBP کی مائٹری پالیسی کمیٹی نے اپنی جون 2025 کی میٹنگ میں پالیسی ریٹ 11.0% پر برقرار رکھا۔ کمیٹی نے کافی مثبت حقیقی شرح سود کو تسلیم کیا، تاہم، اس نے یہ بھی اندازہ لگایا کہ اقتصادی ترقی میں متوقع تیزی، موجودہ کم سطح سے افراط زر میں متوقع اضافہ، اور بیرونی اکاؤنٹ پر ممکنہ خطرات ایک محتاط انداز کی ضمانت دیتے ہیں۔ سست اقتصادی سرگرمیوں کے نتیجے میں دسمبر 2024 کے بعد سے نجی شعبے کے کریڈٹ میں 8.8% کمی واقع ہوئی، جو ADR ٹیکس کی وجہ سے بڑھا ہوا تھا۔ نتیجتاً، نصف سال کے لیے ایڈوانسز 15.5% کم ہوئے، جبکہ اسی عرصے میں ڈپازٹس 17.2% بڑھے۔ سال 25 کی پہلی ششماہی میں بینکنگ اسپریڈز سال 24 کی پہلی ششماہی کے مقابلے میں 17bps زیادہ تھے، کیونکہ ڈپازٹس کی قیمتیں اثاثوں کے مقابلے میں تیزی سے کم ہوئی ہیں۔

## مالیاتی کارکردگی

ایچ بی ایل نے مالی سال 25 کی پہلی ششماہی کے لیے 70.6 بلین روپے کارپوریٹ قبیل از ٹیکس مجموعی منافع حاصل کیا ہے، جو پچھلے سال کی اسی مدت کے مقابلے میں 22% زیادہ ہے۔ یہ مسلسل ترقی مقامی فرنیچر کی مضبوط کارکردگی کی بدولت ہے۔ بینکنگ سیکٹر پر ضرورت سے زیادہ ٹیکسوں کا بوجھ جاری رہنے کے باوجود، بینک کا بعد از ٹیکس منافع مالی سال 25 کی پہلی ششماہی میں 10% اضافے کے ساتھ 31.4 بلین روپے تک پہنچ گیا۔ فی شیئر آمدنی مالی سال 24 کی پہلی ششماہی کے 19.53 روپے سے مالی سال 25 کی پہلی ششماہی میں 21.42 روپے تک بہتر ہوئی۔

بینک کی بیلنس شیٹ 27% اضافے کے ساتھ 7.2 ٹریلین روپے تک پہنچ گئی۔ جس کے کل ڈپازٹس 4.9 ٹریلین روپے پر بند ہوئے، جو دسمبر 2024 کے مقابلے میں 20% کا اضافہ ہے۔ مقامی ڈپازٹس 22% اضافے کے ساتھ اپنی بلند ترین سطح 4.4 ٹریلین روپے پر پہنچ گئے۔ اس میں سے زیادہ تر اضافہ کرنٹ اکاؤنٹس کی وجہ سے ہوا جس کا ترقی میں 50% سے زیادہ حصہ ہے، دسمبر 2024 کے مقابلے میں 440 ارب روپے کا اضافہ ہوا۔ نتیجتاً، کرنٹ اکاؤنٹ کس دسمبر 2024 کے 37.3% سے جون 2025 میں 40.5% تک بہتر ہوا۔ مالی سال 25 کی دوسری سہ ماہی کے دوران مقامی ایڈوانسز میں اضافے کے ساتھ، بینک کی لون بک تقریباً 1.8 ٹریلین روپے پر کھڑی تھی۔ ایچ بی ایل کارپوریٹ لیڈرکنز کو مزید بزنس اپنی مستحکم ترقی کی رفتار جاری رکھے ہوئے ہے، جس میں کمزور لیڈنگ 156.2 بلین روپے تک بڑھ گئی۔

پاکستان کی بیرونی پوزیشن اب زیادہ محفوظ ہے، کرنٹ اکاؤنٹ نے 14 سالوں میں اپنا پہلا سر پلس حاصل کیا ہے اور غیر ملکی زرمبادلہ کے ذخائر دو سال پہلے کی 0.8 ماہ کی کم ترین سطح سے بڑھ کر 2.5 ماہ کی درآمدی کورینج تک پہنچ گئے ہیں۔ مضبوط اقتصادی ترقی کے راستے پر، طلب اور درآمدی حجم میں اضافے کے ساتھ کرنٹ اکاؤنٹ میں خسارے کا امکان ہے؛ تاہم، اشیاء کی سازگار قیمتیں اور بلند تر سیلےت زر اس کمی کو اعتدال پر رکھیں گی۔ ذخائر میں اضافہ جاری رہنے کی توقع ہے، جو بین الاقوامی قرضہ جاتی منڈیوں تک بہتر رسائی، آئی ایم ایف کی قسطوں کے ممکنہ مسلسل اجرا، اور دو طرفہ اور کثیر الجہتی امداد سے حاصل ہوگا۔ تجارتی تناؤ میں کمی، ڈالر کی کمزوری، اور ممکنہ طور پر کم تیل کی قیمتوں کے آثار کے ساتھ عالمی پلس منظر سازگار رہنے کی توقع ہے۔

حکومت کے مالیاتی استحکام اور آئی ایم ایف پروگرام پر عمل کے عزم سے پالیسی کی سادہ بہتر ہوئی ہے، جس کی عکاسی بہتر کریڈٹ رہنمائی اور تجارتی قرض تک دوبارہ رسائی سے ہوتی ہے۔ ایک زیادہ پائیدار قرض کے راستے کے آثار بھی نمودار ہو رہے ہیں، جس میں سود کی ادائیگیوں کے مالی سال 24 میں ٹیکس محصولات کے 89% سے مالی سال 26 میں 58% تک جانے کا امکان ہے۔ اس کے باوجود، ٹیکس میں کو وسیع کرنے میں ٹھوس پیش رفت ابھی تک نہیں ہوئی۔ اگرچہ ارادہ واضح ہے، بجٹ میں نان فائلرز پر پابندیاں اور زرعی شعبے پر ٹیکس لگانے کے لیے قانون سازی شامل ہیں، لیکن عمل درآمد نہیں ہوا ہے۔ مسلسل تیسرا پرائمری سر پلس فراہم کرنے کے لیے مطلوبہ محصول جمع کرنے کے اہداف حقیقت پسندانہ نہیں ہیں اور انہیں ایک گہرے کے مقابلے میں وسیع ٹیکس میں کو بنیاد بنانا ہوگا۔ اصلاحاتی ایجنڈے پر اہم اشیاء ابھی بھی زیر التوا ہیں، خاص طور پر حکومت کے معیشت میں بڑے پیمانے پر شامل ہونے کی ضرورت ہے۔ اس کے باوجود، قومی ایئر لائن کو نجی بنانے کی تازہ ترین کوشش امید افزا نظر آتی ہے، جس میں کئی معتبر بڈرز نے دلچسپی ظاہر کی ہے۔

ایک چیلنجنگ ماحول میں ایک اور ریکارڈ سہ ماہی کے ساتھ 2025 کی پہلی ششماہی کے لیے ایچ بی ایل کے نتائج سامنے آئے ہیں، جو اس کے فریچائز اور کاروباری ماڈل کی طاقت کا ثبوت ہیں۔ ہم اپنی ڈیجیٹل موجودگی مسلسل بڑھا رہے ہیں، 2025 کی پہلی ششماہی میں موبائل اور انٹرنیٹ بینکنگ کے 4.7 ملین صارفین نے 5.3 ٹریلین روپے کی ٹرانزیکشن کی، جو 50% سے زیادہ کا اضافہ ہے۔ کنیکٹ کے حجم میں پچھلے سال کی اسی مدت کے مقابلے میں 23% اضافہ ہوا، اور بزنس نے ڈیجیٹل انشورنس میں 1 بلین روپے کی فروخت کو عبور کیا۔ اہم زرعی شعبے کے لیے ہماری معاونت کثیر جہتی ہے، جو براہ راست قرضے سے کہیں زیادہ ہے۔ ایچ بی ایل نے حال ہی میں کسانوں کو فصل کی پیداوار کی سب سے بڑی انشورنس فراہم کی، جو موسمیاتی بہتری اور مالیاتی شمولیت کے لیے اس کے عزم کی عکاسی کرتی ہے۔ ہمارا منفرد ایچ بی ایل زرعی اپنے آغاز سے صرف ایک سال میں 10 مقامات تک پہنچ گیا ہے اور یہ جدید پروگراموں کے ساتھ کسانوں کی زندگیاں تبدیل کر رہا ہے جو کسانوں کو مالیاتی اختیارات، زرعی مشورے، اور موثر فارم مینجمنٹ تکنیک فراہم کرتے ہیں۔ حال ہی میں، ایچ بی ایل نے زرعی یونیورسٹی، فیصل آباد کے تعاون سے ایک ایگری انٹرن شپ پروگرام شروع کیا، جو اس اہم شعبے میں صلاحیت سازی کے لیے اس کے عزم کو ظاہر کرتا ہے۔

ہم نے HBL PSL 10 کو کامیابی سے مکمل کیا، جو کرکٹ اور پاکستان سے ہمارے عزم کی ایک دہائی کی نشاندہی کرتا ہے۔ ہمارے ملازمین معاشرے کی بہتری کے لیے اپنا وقت رضاکارانہ طور پر دیتے ہیں، صفائی مہم چلاتے ہیں، عید کم پیمانہ طبقے کے ساتھ مناتے ہیں، اور بزرگوں کو دیکھ بھال کرتے ہیں۔ ہم یورپی کی جانب سے ایچ بی ایل کو پاکستان کا بہترین بینک تسلیم کرنے پر فخر اور خوشی محسوس کرتے ہیں، اور ہم یہ ایوارڈ اپنے لاکھوں کسٹمرز کو وقف کرتے ہیں جو بینک پر اعتماد رکھتے ہیں۔ قوم کے تانے بانے کا ایک لازمی حصہ ہونے کے ناطے، ایچ بی ایل تمام پاکستانیوں کے لیے ایک روشن مستقبل یعنی بنانے کے لیے معاشرے کے تمام طبقوں کی ترقی کے لیے پرعزم ہے۔

## اظہارِ تشکر

ہم اپنے ریگولیٹرز اور حکومت پاکستان، بالخصوص اسٹیٹ بینک آف پاکستان، وزارت مالیات اور سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی کاوشوں کا اعتراف کرتے ہیں۔ اس غیر معمولی اور مشکل وقت میں، انھوں نے ایسی پالیسی سازی اور اقدامات کیے جو مصلحت اندیش، اور متوازن ہیں، معیشت، کسٹمرز اور پاکستان کے عوام کی حفاظت کرتے ہیں، اور بینکنگ اور فنانشل سروسز انڈسٹری کی سالمیت اور بہتری کا تحفظ بھی کرتے ہیں۔

ہم اپنے کسٹمرز کے احسان مند ہیں جو نسلوں سے ہمارے ساتھ بینکاری کر رہے ہیں اور اپنے کاروبار اور اعتماد کے حوالے سے ہم پر بھروسہ قائم رکھے ہوئے ہیں۔ ہمارے شیئر ہولڈرز نے ثابت قدمی سے ہمارا ساتھ دیا اور ان کے ساتھ ہم تمام اسٹیٹک ہولڈرز کے بھی انتہائی شکر گزار ہیں۔ بورڈ اور انتظامیہ گورننس کے اعلیٰ ترین معیارات برقرار رکھنے کے لیے پرعزم ہے اور ہم اپنے اسٹیٹک ہولڈرز کو یقین دلاتے ہیں کہ اس خطے میں ہم اپنی کاروباری صنعت میں عروج پر ہوں گے۔

آخر میں، مگر صرف یہی نہیں، ہم اپنے تمام ملازمین اور ان کے اہل خانہ، بالخصوص کسٹمر کا سامنا کرنے والے یونٹس اور برانچوں میں موجود عملے کے شکر گزار ہیں، جو اپنی پرواہ کے بغیر مسلسل اپنے فرائض سے بڑھ کر کام کرتے ہوئے ہمارے کسٹمرز کی بنیادی ضروریات کی تکمیل یقینی بنا رہے ہیں۔ یہ ہمارے ہیرو اور ہیروئن ہیں اور ہم ان کے عزم اور انتھک محنت کے لیے انھیں خراج تحسین پیش کرتے ہیں۔

مخائب بورڈ

معین احمد جمال  
ڈائریکٹر

محمد ناصر سلیم  
صدر اور چیف ایگزیکٹو افسر

31 جولائی 2025ء

# INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Habib Bank Limited

Report on review of Condensed Interim Unconsolidated Financial Statements

## Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of **Habib Bank Limited** ("the Bank") as at 30 June 2025 and the related condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity, and condensed interim unconsolidated statement of cash flows, and notes to the condensed interim unconsolidated financial statements for the six-month period 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 accounting and reporting standards as applicable in Pakistan for interim financial reporting.

## Other Matter

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

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

Date: 31 July 2025

Karachi

UDIN: RR202510201mVBQYH5oU

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

# CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2025

	Note	(Unaudited) June 30, 2025 ------(Rupees in '000) -----	(Audited) December 31, 2024
<b>ASSETS</b>			
Cash and balances with treasury banks	5	596,013,359	421,135,641
Balances with other banks	6	35,692,699	42,050,611
Lendings to financial institutions	7	133,484,589	84,293,922
Investments	8	4,178,069,380	2,398,928,165
Advances	9	1,766,077,271	2,254,964,431
Property and equipment	10	129,988,374	126,902,235
Right-of-use assets	11	24,218,262	23,402,937
Intangible assets	12	18,341,728	17,022,673
Deferred tax assets	19	-	3,213,765
Other assets	13	323,820,688	287,889,450
		<b>7,205,706,350</b>	<b>5,659,803,830</b>
<b>LIABILITIES</b>			
Bills payable	14	73,360,812	94,853,624
Borrowings	15	1,480,985,312	787,746,499
Deposits and other accounts	16	4,911,100,171	4,091,168,379
Lease liabilities	17	32,619,830	30,788,980
Subordinated debt	18	18,874,000	18,874,000
Deferred tax liabilities	19	885,566	-
Other liabilities	20	277,525,285	258,587,052
		<b>6,795,350,976</b>	<b>5,282,018,534</b>
<b>NET ASSETS</b>		<b>410,355,374</b>	<b>377,785,296</b>
<b>REPRESENTED BY</b>			
<b>Shareholders' equity</b>			
Share capital		14,668,525	14,668,525
Reserves		85,977,381	82,636,883
Surplus on revaluation of assets - net of tax	21	69,182,193	57,488,888
Unappropriated profit		240,527,275	222,991,000
		<b>410,355,374</b>	<b>377,785,296</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	22		

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

Muhammad Nassir Salim  
President and  
Chief Executive Officer

Rayomond Kotwal  
Chief Financial Officer

Khaleel Ahmed  
Director

Moez Ahamed Jamal  
Director

Dr. Najeeb Samie  
Director

# CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

	Note	January 01 to June 30, 2025	January 01 to June 30, 2024	April 01 to June 30, 2025	April 01 to June 30, 2024
----- (Rupees in '000) -----					
Mark-up / return / profit / interest earned	24	300,577,233	385,797,264	155,047,661	198,693,247
Mark-up / return / profit / interest expensed	25	175,571,507	271,701,522	92,875,614	141,122,626
Net mark-up / return / profit / interest income		125,005,726	114,095,742	62,172,047	57,570,621
<b>Non mark-up / interest income</b>					
Fee and commission income	26	17,682,787	21,268,960	8,596,647	10,738,142
Dividend income		3,347,145	2,882,282	1,776,885	1,228,391
Foreign exchange income		4,323,046	5,414,239	2,099,657	1,601,294
Income from derivatives		950,516	3,468,076	169,742	1,050,235
Gain on securities - net	27	9,327,864	1,570,195	5,141,603	1,857,302
Other income	28	2,322,327	351,392	2,139,877	311,280
Total non mark-up / interest income		37,953,685	34,955,144	19,924,411	16,786,644
Total income		162,959,411	149,050,886	82,096,458	74,357,265
<b>Non mark-up / interest expenses</b>					
Operating expenses	29	88,173,712	83,183,348	43,715,232	40,957,741
Workers' Welfare Fund		1,425,453	1,158,981	741,402	579,876
Other charges	30	111,955	158,837	100,664	341
Total non mark-up / interest expenses		89,711,120	84,501,166	44,557,298	41,537,958
<b>Profit before credit loss allowance and taxation</b>		73,248,291	64,549,720	37,539,160	32,819,307
Credit loss allowance and write offs - net	31	2,611,662	6,602,915	1,122,908	4,564,318
<b>Profit before taxation</b>		70,636,629	57,946,805	36,416,252	28,254,989
<b>Taxation</b>	32	39,218,088	29,296,260	20,113,261	14,199,421
<b>Profit after taxation</b>		31,418,541	28,650,545	16,302,991	14,055,568
----- (Rupees) -----					
<b>Basic and diluted earnings per share</b>	33	21.42	19.53	11.12	9.58

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

Muhammad Nassir Salim  
President and  
Chief Executive Officer

Rayomond Kotwal  
Chief Financial Officer

Khaleel Ahmed  
Director

Moez Ahamed Jamal  
Director

Dr. Najeeb Samie  
Director

# CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

	January 01 to June 30, 2025	January 01 to June 30, 2024	April 01 to June 30, 2025	April 01 to June 30, 2024
	----- (Rupees in '000) -----			
<b>Profit after taxation for the period</b>	<b>31,418,541</b>	<b>28,650,545</b>	<b>16,302,991</b>	<b>14,055,568</b>
<b>Other comprehensive income / (loss)</b>				
<i>Items that may be reclassified to the profit and loss account in subsequent periods:</i>				
Effect of translation of net investment in foreign branches - net of tax	1,129,921	(3,141,834)	950,276	(901,044)
Movement in surplus / deficit on revaluation of debt investments designated at Fair Value through Other Comprehensive Income (FVOCI) - net of tax	8,352,465	7,185,915	14,215,228	3,959,081
<i>Items that are not to be reclassified to the profit and loss account in subsequent periods:</i>				
Movement in surplus / deficit on revaluation of equity investments designated at FVOCI - net of tax	369,273	737,227	(53,172)	671,052
<b>Total comprehensive income</b>	<b>41,270,200</b>	<b>33,431,853</b>	<b>31,415,323</b>	<b>17,784,657</b>

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

Muhammad Nassir Salim  
President and  
Chief Executive Officer

Rayomond Kotwal  
Chief Financial Officer

Khaleel Ahmed  
Director

Moez Ahamed Jamal  
Director

Dr. Najeeb Samie  
Director

# CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

	Share capital	Reserves			Surplus / (deficit) on revaluation of		Unappropriated profit	Total
		Statutory	Exchange Translation	Non - distributable	Investments	Property & Equipment / Non Banking Assets		
(Rupees in '000)								
<b>Balance as at December 31, 2023 - as reported</b>	14,668,525	48,815,676	36,876,909	547,115	(16,152,001)	42,531,539	206,491,645	333,779,408
Change in accounting policy as at January 01, 2024	-	-	-	-	(954,905)	-	(12,152,096)	(13,107,001)
<b>Balance as at January 01, 2024 - as restated</b>	14,668,525	48,815,676	36,876,909	547,115	(17,106,906)	42,531,539	194,339,549	320,672,407
<b>Comprehensive income for the six months ended June 30, 2024</b>								
Profit after taxation for the six months ended June 30, 2024	-	-	-	-	-	-	28,650,545	28,650,545
<b>Other comprehensive income / (loss)</b>								
Effect of translation of net investment in foreign branches - net of tax	-	-	(3,141,834)	-	-	-	-	(3,141,834)
Movement in surplus / deficit on revaluation of equity investments - net of tax	-	-	-	-	737,227	-	-	737,227
Movement in surplus / deficit on revaluation of debt investments - net of tax	-	-	-	-	7,185,915	-	-	7,185,915
Transferred to statutory reserve	-	2,865,055	(3,141,834)	-	7,923,142	-	-	33,431,853
Net realised gain on equity investments designated at FVOCI - net of tax	-	-	-	-	(295,957)	-	295,957	-
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	(42,786)	42,786	-
<b>Transactions with owners, recorded directly in equity</b>								
Final cash dividend - Rs 4 per share declared subsequent to the year ended December 31, 2023	-	-	-	-	-	-	(5,867,410)	(5,867,410)
1st interim cash dividend - Rs 4.00 per share	-	-	-	-	-	-	(5,867,410)	(5,867,410)
<b>Balance as at June 30, 2024</b>	14,668,525	51,680,731	33,735,075	547,115	(9,479,721)	42,488,753	208,728,962	342,369,440
<b>Comprehensive income for the six months ended December 31, 2024</b>								
Profit after taxation for the six months ended December 31, 2024	-	-	-	-	-	-	28,115,274	28,115,274
<b>Other comprehensive income / (loss)</b>								
Effect of translation of net investment in foreign branches - net of tax	-	-	(585,823)	-	-	-	-	(585,823)
- Movement in surplus / deficit on revaluation of equity investments - net of tax	-	-	-	-	2,541,724	-	-	2,541,724
- Movement in surplus / deficit on revaluation of debt investments - net of tax	-	-	-	-	22,968,718	-	-	22,968,718
- Movement in surplus on revaluation of Property and equipment - net of tax	-	-	-	-	-	(225,276)	-	(225,276)
- Increase in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	29,730	-	29,730
Net remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	-	(141,929)	(141,929)
Transferred to statutory reserve	-	2,811,527	-	-	-	-	(2,811,527)	-
Net realised gain on sale of equity investments - net of tax	-	-	-	-	(667,665)	-	667,665	-
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	(167,375)	167,375	-
Exchange gain realised on closure / sale of the Bank's branches - net of tax	-	-	(5,551,742)	-	-	-	-	(5,551,742)
<b>Transactions with owners, recorded directly in equity</b>								
2nd interim cash dividend - Rs 4.00 per share	-	-	-	-	-	-	(5,867,410)	(5,867,410)
3rd interim cash dividend - Rs 4.00 per share	-	-	-	-	-	-	(5,867,410)	(5,867,410)
<b>Balance as at December 31, 2024 - as reported</b>	14,668,525	54,492,258	27,597,510	547,115	15,363,056	42,125,832	222,991,000	377,785,296
Change in accounting policy as at January 01, 2025 - note 3.3	-	-	-	-	3,120,285	-	1,945,829	5,066,114
<b>Balance as at January 01, 2025 - as restated</b>	14,668,525	54,492,258	27,597,510	547,115	18,483,341	42,125,832	224,936,829	382,851,410
<b>Comprehensive income for the six months ended June 30, 2025</b>								
Profit after taxation for the six months ended June 30, 2025	-	-	-	-	-	-	31,418,541	31,418,541
<b>Other comprehensive income</b>								
Effect of translation of net investment in foreign branches - net of tax	-	-	1,129,921	-	-	-	-	1,129,921
Movement in surplus / deficit on revaluation of equity investments - net of tax	-	-	-	-	369,273	-	-	369,273
Movement in surplus / deficit on revaluation of debt investments - net of tax	-	-	-	-	8,352,465	-	-	8,352,465
Transferred to statutory reserve	-	3,141,854	-	-	-	-	(3,141,854)	-
Net realised gain on sale of equity investments - net of tax	-	-	-	-	(108,610)	-	108,610	-
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	(40,108)	40,108	-
Exchange gain realised on closure of the Bank's branch - net of tax	-	-	(931,277)	-	-	-	-	(931,277)
<b>Transactions with owners, recorded directly in equity</b>								
Final cash dividend - Rs 4.25 per share declared subsequent to the year ended December 31, 2024	-	-	-	-	-	-	(6,234,123)	(6,234,123)
1st interim cash dividend - Rs 4.50 per share	-	-	-	-	-	-	(6,600,836)	(6,600,836)
<b>Balance as at June 30, 2025</b>	14,668,525	57,634,112	27,796,154	547,115	27,096,469	42,085,724	240,527,275	410,355,374

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

**Muhammad Nassir Salim**  
President and  
Chief Executive Officer

**Rayomond Kotwal**  
Chief Financial Officer

**Khaleel Ahmed**  
Director

**Moez Ahamed Jamal**  
Director

**Dr. Najeeb Samie**  
Director

# CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

January 01 to  
June 30,  
2025  
January 01 to  
June 30,  
2024  
----- (Rupees in '000) -----

## CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation	70,636,629	57,946,805
Dividend income	(3,347,145)	(2,882,282)
Mark-up / return / profit / interest expensed on subordinated debt	1,296,266	2,196,194
	<u>68,585,750</u>	<u>57,260,717</u>

### Adjustments:

Depreciation	5,431,287	4,967,763
Amortisation	1,286,597	1,284,947
Depreciation on right-of-use assets	1,937,819	1,901,464
Mark-up / return / profit / interest expensed on lease liability against right-of-use assets	1,835,814	1,619,010
Reversal of credit loss allowance against investments	(24,386)	(1,426,560)
Credit loss allowance against loans and advances	6,556,777	6,962,313
(Reversal) / provision for credit loss allowance against other assets	(29,605)	200,062
(Reversal) / charge of credit loss allowance against off-balance sheet obligations	(3,561,429)	936,932
Unrealised gain / (loss) on fair value through profit and loss (FVTPL) securities	361,422	(1,227,421)
Gain realised on closure of the Bank's branch	(1,940,160)	-
(Loss) / gain on sale of property and equipment - net	7,415	(25,808)
Workers' Welfare Fund	1,425,453	1,158,981
	<u>13,287,004</u>	<u>16,351,683</u>
	<u>81,872,754</u>	<u>73,612,400</u>

### (Increase) / decrease in operating assets

Lendings to financial institutions	(49,190,667)	(44,657,093)
Net investment in FVTPL securities	(218,823,652)	16,654,995
Advances	482,330,383	30,702,331
Other assets (excluding advance taxation)	(23,457,289)	(27,454,859)
	<u>190,858,775</u>	<u>(24,754,626)</u>

### Increase / (decrease) in operating liabilities

Bills payable	(21,492,812)	19,899,004
Borrowings from financial institutions	693,238,813	(79,791,701)
Deposits and other accounts	819,931,792	713,989,741
Other liabilities	23,873,919	30,726,607
	<u>1,515,551,712</u>	<u>684,823,651</u>
	<u>1,788,283,241</u>	<u>733,681,425</u>
	<u>(47,818,412)</u>	<u>(37,878,686)</u>
	<u>1,740,464,829</u>	<u>695,802,739</u>

Income tax paid

### Net cash flows generated from operating activities

## CASH FLOWS FROM INVESTING ACTIVITIES

Net investment in FVOCI securities	(1,483,059,421)	(532,695,916)
Net investment in securities carried at Amortised Cost	(60,737,248)	(51,134,595)
Net investment in subsidiaries	(5,006,435)	(7,894,415)
Net investment in associates	(9,472)	(6,701)
Dividend received	2,650,858	2,873,304
Investments in property and equipment	(8,219,507)	(10,447,094)
Investments in intangible assets	(2,590,246)	(1,499,436)
Proceeds from sale of property and equipment	37,092	62,353
Effect of translation of net investment in foreign branches - net of tax	1,129,921	(3,141,834)
	<u>(1,555,804,458)</u>	<u>(603,884,334)</u>

## CASH FLOWS FROM FINANCING ACTIVITIES

Payment of mark-up on subordinated debt	(1,305,729)	(2,305,489)
Payment of lease liability against right-of-use assets	(2,096,406)	(2,106,617)
Dividend paid	(12,738,430)	(13,551,235)
	<u>(16,140,565)</u>	<u>(17,963,341)</u>

### Increase in cash and cash equivalents during the period

Cash and cash equivalents at the beginning of the period	466,913,869	568,868,330
Effect of exchange rate changes on cash and cash equivalents	(3,727,617)	(20,674,247)
	<u>463,186,252</u>	<u>548,194,083</u>

### Cash and cash equivalents at the end of the period

	<u>631,706,058</u>	<u>622,149,147</u>
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The annexed notes 1 to 41 form an integral part of these condensed interim unconsolidated financial statements.

Muhammad Nassir Salim  
President and  
Chief Executive Officer

Rayomond Kotwal  
Chief Financial Officer

Khaleel Ahmed  
Director

Moez Ahamed Jamal  
Director

Dr. Najeeb Samie  
Director

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

## 1 STATUS AND NATURE OF BUSINESS

Habib Bank Limited (the Bank) is incorporated in Pakistan and is engaged in commercial banking services in Pakistan and overseas. The Bank's registered office is at Habib Bank Tower, 9th Floor, Jinnah Avenue, Blue Area, Islamabad, Pakistan and its principal office is at HBL Tower, Plot # G-4, KDA Scheme 5, Block 7, Clifton, Karachi, Pakistan. The Bank's shares are listed on the Pakistan Stock Exchange. The Bank operates 1640 (December 31, 2024: 1,705) branches inside Pakistan including 408 (December 31, 2024: 408) Islamic Banking Branches and 25 (December 31, 2024: 27) branches outside the country including in the Karachi Export Processing Zone (KEPZ). The Aga Khan Fund for Economic Development S.A. (AKFED) is the parent company of the Bank and its registered office is in Geneva, Switzerland.

- 1.1 The Bank had commenced an orderly winding down of its operations in Afghanistan and banking operations were ceased on June 10, 2019. The remaining formalities required for closure are in progress.
- 1.2 The Bank has sold its operations in Mauritius and has transferred the business to its new owners. The deregistration and related exit formalities are underway.
- 1.3 The Bank has commenced an orderly wind-down of its Lebanon operations. Formalities for completion of the wind-down are underway.
- 1.4 After obtaining approval from the National Bank of Belgium for the voluntary deregistration of its Belgium operations, the Bank has closed its operations in Belgium. The deregistration and related exit formalities are underway.
- 1.5 During the period, the Bank has subscribed to 200 million Rights shares issued by HBL Microfinance Bank Limited (HBL MfB). Post acquisition, the Bank's shareholding in HBL MfB has increased from 89.38% to 90.83%.
- 1.6 During the period, the Bank has subscribed to 285 million shares issued by HZSL.

## 2 BASIS OF PRESENTATION

### 2.1 STATEMENT OF COMPLIANCE

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

- International Financial Reporting Standards (IFRS) 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;
- Provisions of and directives issued under 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 IFRS or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives, shall prevail.

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

2.2 The disclosures made in these condensed interim unconsolidated financial statements have been limited based on the format prescribed by IAS 34 and by the SBP vide BPRD Circular Letter No. 2 dated February 09, 2023. These condensed interim unconsolidated financial statements do not include all the information and disclosures required for annual unconsolidated financial statements and should be read in conjunction with the unconsolidated financial statements for the year ended December 31, 2024.

## 2.3 Amendments to existing accounting and reporting standards that have become effective in the current year

As directed by the SBP via BPRD Circular letter no. 7 of 2023, the results of overseas operations where IFRS 9, Financial Instruments is not applicable, are required to be adjusted in accordance with the requirements of IFRS 9 for the purpose of preparation of its financial statements with effect from January 01, 2025.

As directed by the SBP vide BPRD Circular letter no. 16 of 2024, unlisted equity securities which were carried at the lower of cost or breakup value till December 31, 2024, are required to be carried at fair value with effect from January 01, 2025.

Except for the changes mentioned above, the Bank expects that amendments to existing accounting and reporting standards will not affect its financial statements in the period of initial application.

## 2.4 Amendments to existing accounting and reporting standards that are not yet effective

There are various amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective. These are not likely to have a material effect on the Group's financial statements, except for the following relaxations earlier provided by the SBP in respect of the implementation of IFRS 9:

- General provision, over and above the ECL Stage 1 and Stage 2 exposures may be maintained up to December 31, 2026.
- The effective interest Rate (EIR) requirements of IFRS 9 will be applicable for accounting periods beginning January 01, 2026.

## 2.5 Critical accounting estimates and judgements

The basis for accounting estimates and judgements adopted in the preparation of these condensed interim unconsolidated financial statements is the same as that applied in the preparation of the unconsolidated financial statements for the year ended December 31, 2024, except for changes as discussed in note 3.2.

## 3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these condensed interim unconsolidated financial statements are consistent with those followed in the preparation of the unconsolidated financial statements for the year ended December 31, 2024. The impact of amendments to existing accounting standards as mentioned in note 2.3 are summarized below:

### 3.1 Transitional Impact

To account for the changes, the Bank has elected to follow the modified retrospective approach for restatement as allowed under IFRS 9. The cumulative impact has been recorded as an adjustment to equity as of January 01, 2025. Accordingly, the information presented as of December 31, 2024 and for the six months ended June 30, 2025 has not been restated.

The following table reconciles the carrying amounts of financial instruments reported in accordance with the previous financial reporting framework with the carrying amounts reported under the new financial reporting framework.

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

Financial Assets / Liabilities	Carrying amount as of December 31, 2024	Fair valuation of unlisted securities	Carrying amount as of January 01, 2025
	----- (Rupees in '000) -----		
Cash and balances with treasury banks	421,135,641	-	421,135,641
Balances with other banks	42,050,611	-	42,050,611
Lendings to financial institutions	84,293,922	-	84,293,922
Investments			
FVTPL	107,546,049	4,140,061	111,686,110
FVOCI	1,838,087,606	6,500,594	1,844,588,200
Amortised Cost	409,140,806	-	409,140,806
Associates and subsidiaries	44,153,704	-	44,153,704
Advances	2,254,964,431	-	2,254,964,431
Other assets	253,378,795	-	253,378,795
<b>Total Financial Assets</b>	<b>5,454,751,565</b>	<b>10,640,655</b>	<b>5,465,392,220</b>
Bills payable	94,853,624	-	94,853,624
Borrowings	787,746,499	-	787,746,499
Deposits and other accounts	4,091,168,379	-	4,091,168,379
Lease liabilities	30,788,980	-	30,788,980
Subordinated debt	18,874,000	-	18,874,000
Other liabilities	226,188,326	-	226,188,326
<b>Total Financial Liabilities</b>	<b>5,249,619,808</b>	<b>-</b>	<b>5,249,619,808</b>
<b>Net Financial Assets</b>	<b>205,131,757</b>	<b>10,640,655</b>	<b>215,772,412</b>
Non Financial Assets	175,867,304	-	175,867,304
Deferred tax liabilities	(3,213,765)	(5,574,541)	(8,788,306)
<b>Total Net Assets</b>	<b>377,785,296</b>	<b>5,066,114</b>	<b>382,851,410</b>

### 3.2 Fair valuation of unlisted equity securities

The measurement of the fair value of investments in unquoted equity securities involves the use of different methodologies and assumptions. The Bank uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation techniques incorporate various factors that market participants would consider in pricing a transaction.

When observable inputs are not readily available, the fair value is determined using valuation techniques that include the use of mathematical models such as the dividend growth model and discounted cashflow techniques.

### 3.3 Reconciliation of retained earnings and surplus on revaluation of investments

The impact of the transition to IFRS 9 on retained earnings and on the surplus on revaluation of investments as at January 01, 2025 is as follows:

	(Rupees in '000)
<b>Retained earnings</b>	
Closing balance as at December 31, 2024 - as reported	222,991,000
Increase in the fair valuation of unlisted equity securities carried at FVTPL	4,140,061
Less: related deferred tax	(2,194,232)
	1,945,829
Opening balance as at January 01, 2025 - as restated	224,936,829
<b>Surplus on revaluation of investments</b>	
Closing balance as at December 31, 2024 - as reported	15,363,056
Increase in the fair valuation of unlisted equity securities carried at FVOCI	6,500,594
Less: related deferred tax	(3,380,309)
	3,120,285
Opening balance as at January 01, 2025 - as restated	18,483,341

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

## 4 FINANCIAL RISK MANAGEMENT

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

	Note	(Unaudited) June 30, 2025 ------(Rupees in '000)-----	(Audited) December 31, 2024
<b>5 CASH AND BALANCES WITH TREASURY BANKS</b>			
In hand			
Local currency		73,211,005	72,576,912
Foreign currencies		7,752,364	6,757,289
		<u>80,963,369</u>	<u>79,334,201</u>
With State Bank of Pakistan in			
Local currency current accounts		277,595,348	171,872,856
Foreign currency current accounts		11,651,966	12,400,210
Foreign currency deposit accounts		24,061,561	25,348,734
		<u>313,308,875</u>	<u>209,621,800</u>
With other Central Banks in			
Foreign currency current accounts		27,658,163	40,246,849
Foreign currency deposit accounts		31,649,946	37,044,013
		<u>59,308,109</u>	<u>77,290,862</u>
With National Bank of Pakistan in local currency current accounts		142,202,754	54,649,751
National Prize Bonds		235,073	244,123
Less: credit loss allowance	5.1	(4,821)	(5,096)
Cash and balances with Treasury banks - net of credit loss allowance		<u>596,013,359</u>	<u>421,135,641</u>

5.1 Cash and balances with Treasury banks are all classified as Stage 1.

## 6 BALANCES WITH OTHER BANKS

In Pakistan			
In current accounts		133,353	265,340
Outside Pakistan			
In current accounts		22,467,184	25,793,611
In deposit accounts		13,117,211	15,994,849
		<u>35,584,395</u>	<u>41,788,460</u>
Less: credit loss allowance	6.1	(25,049)	(3,189)
Balances with other banks - net of credit loss allowance		<u>35,692,699</u>	<u>42,050,611</u>

6.1 Balances with other banks are all classified as Stage 1.

## 7 LENDINGS TO FINANCIAL INSTITUTIONS

Call money lendings		26,970,116	9,500,000
Repurchase agreement lendings (reverse repo)		106,522,246	74,801,635
		<u>133,492,362</u>	<u>84,301,635</u>
Less: credit loss allowance	7.1	(7,773)	(7,713)
Lendings to financial institutions - net of credit loss allowance		<u>133,484,589</u>	<u>84,293,922</u>

7.1 Lendings to financial institutions are all classified as Stage 1.

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

## 8 INVESTMENTS

Note

June 30, 2025 (Unaudited)

December 31, 2024 (Audited)

### 8.1 Investments by type

#### Fair value through profit or loss (FVTPL)

##### Federal Government securities

- Market Treasury Bills	220,587,446	-	9,051	220,596,497	37,601,772	-	92,611	37,694,383
- Pakistan Investment Bonds	74,054,177	-	639,488	74,693,665	37,637,284	-	147,628	37,784,912
- Ijarah Sukuk	12,541,839	-	(5,377)	12,536,462	12,810,694	-	104,464	12,915,158
- Other Federal Government securities	970,299	-	-	970,299	2,580,725	-	-	2,580,725

##### Shares

- Listed companies	2,561,921	-	80,081	2,642,002	-	-	-	-
- Unlisted companies	8,639,530	-	(850,787)	7,788,743	4,496,354	-	-	4,496,354

##### Non-Government debt securities

- Listed	2,691,019	-	1,871	2,692,890	2,722,858	-	(31,839)	2,691,019
- Unlisted	801,000	-	-	801,000	801,000	-	-	801,000

##### Foreign securities

- Government debt securities	3,443,559	-	(139,240)	3,304,319	4,576,452	-	(236,941)	4,339,511
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##### Preference shares

- Listed	835,400	-	153,300	988,700	877,400	-	(42,000)	835,400
- Unlisted	14,465	-	-	14,465	38,480	-	-	38,480

##### Real Estate Investment Trust units - Listed

	3,369,107	-	(249,809)	3,119,298	2,210,700	-	1,158,407	3,369,107
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	330,509,762	-	(361,422)	330,148,340	106,353,719	-	1,192,330	107,546,049
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#### Fair value through other comprehensive income (FVOCI)

##### Federal Government securities

- Market Treasury Bills	465,398,778	-	749,578	466,148,356	275,432,878	-	7,004,086	282,436,964
- Pakistan Investment Bonds	2,260,424,366	-	31,544,036	2,291,968,402	1,034,682,135	-	7,160,003	1,041,842,138
- Ijarah Sukuk	300,796,522	-	11,028,821	311,825,343	287,654,823	-	12,551,056	300,205,879
- Government of Pakistan US Dollar Bonds	12,696,691	(1,722,557)	1,965,886	12,940,020	12,470,809	(2,287,931)	1,676,199	11,859,077

##### Shares

- Listed companies	20,208,375	-	2,881,951	23,090,326	17,814,570	-	2,703,103	20,517,673
- Unlisted companies	922,684	-	6,640,603	7,563,287	1,018,686	-	(137,414)	881,272

##### Non-Government debt securities

- Listed	47,953,477	(1,913,395)	339,157	46,379,239	48,349,774	(1,432,238)	633,484	47,551,020
- Unlisted	364,300	(364,300)	-	-	973,382	(373,382)	4,922	604,922

##### Foreign securities

- Government debt securities	155,905,022	(966,303)	858,446	155,797,165	121,352,906	(800,540)	374,178	120,926,544
- Non-Government debt securities - Listed	12,657,158	(5,179)	218,701	12,870,680	11,011,177	(4,299)	45,646	11,052,524
- Equity securities - Unlisted	6,568	-	65,737	72,305	6,459	-	-	6,459

##### National Investment Unit Trust units

	11,113	-	78,011	89,124	11,113	-	83,271	94,384
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##### Real Estate Investment Trust units - Listed

	55,000	-	80,050	135,050	55,000	-	53,750	108,750
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	3,277,400,054	(4,971,734)	56,450,977	3,328,879,297	1,810,833,712	(4,898,390)	32,152,284	1,838,087,606
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#### Amortised cost

8.2

##### Federal Government securities

- Market Treasury Bills	54,777,540	-	-	54,777,540	92,317,600	-	-	92,317,600
- Pakistan Investment Bonds	351,224,602	-	-	351,224,602	248,949,048	-	-	248,949,048
- Ijarah Sukuk	28,252,120	-	-	28,252,120	28,274,899	-	-	28,274,899

##### Non-Government debt securities

- Listed	899,410	(49)	-	899,361	899,130	(49)	-	899,081
- Unlisted	20,337,627	(629,519)	-	19,708,108	23,226,449	(640,324)	-	22,586,125

##### Foreign Securities

- Government debt securities	15,043,096	-	-	15,043,096	16,130,021	(15,968)	-	16,114,053
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	470,534,395	(629,568)	-	469,904,827	409,797,147	(656,341)	-	409,140,806
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##### Investments in associates

8.2

	7,127,717	(70,838)	-	7,056,879	7,137,189	(57,087)	-	7,080,102
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##### Investment in subsidiary companies

	42,080,037	-	-	42,080,037	37,073,602	-	-	37,073,602
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##### Total Investments

	4,127,651,965	(5,672,140)	56,089,555	4,178,069,380	2,371,195,369	(5,611,818)	33,344,614	2,398,928,165
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# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

	(Unaudited) June 30, 2025	(Audited) December 31, 2024
	----- (Rupees in '000) -----	
<b>8.1.1 Investments given as collateral</b>		
The market value of investments given as collateral against borrowings is as follows:		
<b>Federal Government securities</b>		
- Market Treasury Bills	14,586,555	33,609,790
- Pakistan Investment Bonds	1,239,812,983	407,571,594
<b>Foreign securities</b>		
- Government debt securities	113,544	1,510,115
	<u>1,254,513,082</u>	<u>442,691,499</u>

8.2 The market value of investments classified as amortised cost and investment in listed associates are as follows:

	(Unaudited) June 30, 2025		(Audited) December 31, 2024	
	Book value	Market value	Book value	Market value
	----- (Rupees in '000) -----			
- Investments classified as amortised cost	469,904,827	471,435,010	409,140,806	407,435,334
- Investment in listed associates	6,800,649	13,031,936	6,823,871	12,347,748
	<u>476,705,476</u>	<u>484,466,946</u>	<u>415,964,677</u>	<u>419,783,082</u>

	(Unaudited) June 30, 2025	(Audited) December 31, 2024
	----- (Rupees in '000) -----	
<b>8.3 Particulars of provision / credit loss allowance against investments</b>		
Opening balance - as reported	5,611,818	8,962,644
Impact of adoption of IFRS 9	-	(1,340,461)
Opening balance - as restated	5,611,818	7,622,183
Exchange adjustment	84,708	(74,792)
Charge / (reversal)		
Charge for the period / year	239,801	853,285
Reversal for the period / year	(248,456)	(437,059)
Reversal on disposal during the period / year	(15,731)	(2,351,799)
Net reversal	(24,386)	(1,935,573)
Closing balance	<u>5,672,140</u>	<u>5,611,818</u>

8.4 Particulars of credit loss allowance against debt securities

Category of classification	(Unaudited) June 30, 2025		(Audited) December 31, 2024	
	Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
	----- (Rupees in '000) -----			
<b>Domestic</b>				
Performing	3,874,893,104	38,003	2,154,198,499	40,573
Underperforming	225,000	1,668	1,662,500	12,324
Non-performing				
Loss	976,300	976,300	985,382	985,382
	<u>3,876,094,404</u>	<u>1,015,971</u>	<u>2,156,846,381</u>	<u>1,038,279</u>
<b>Overseas</b>				
Performing	183,898,729	154,033	149,250,526	112,288
Underperforming	29,037,333	4,431,298	23,884,409	4,404,164
Non-performing				
Loss	-	-	-	-
	<u>212,936,062</u>	<u>4,585,331</u>	<u>173,134,935</u>	<u>4,516,452</u>
Total	<u>4,089,030,466</u>	<u>5,601,302</u>	<u>2,329,981,316</u>	<u>5,554,731</u>

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

9	ADVANCES	Note	Performing		Non - performing		Total	
			(Unaudited) June 30, 2025	(Audited) December 31, 2024	(Unaudited) June 30, 2025	(Audited) December 31, 2024	(Unaudited) June 30, 2025	(Audited) December 31, 2024
------(Rupees in '000)-----								
	Loans, cash credits, running finances, etc.		1,391,172,265	1,919,668,255	78,029,070	83,771,497	1,469,201,335	2,003,439,752
	Islamic financing and related assets	38.3	240,962,420	198,557,588	10,483,824	11,098,821	251,446,244	209,656,409
	Bills discounted and purchased		161,213,648	162,868,492	5,468,139	5,446,803	166,681,787	168,315,295
	Advances - gross		1,793,348,333	2,281,094,335	93,981,033	100,317,121	1,887,329,366	2,381,411,456
	Credit loss allowance							
	- Stage 1		(11,603,032)	(11,345,420)	-	-	(11,603,032)	(11,345,420)
	- Stage 2		(12,986,924)	(12,926,671)	-	-	(12,986,924)	(12,926,671)
	- Stage 3		-	-	(84,466,201)	(90,087,556)	(84,466,201)	(90,087,556)
	Provisions:	9.3						
	Specific		-	-	-	(998,810)	-	(998,810)
	General		(12,195,938)	(11,088,568)	-	-	(12,195,938)	(11,088,568)
			(36,785,894)	(35,360,659)	(84,466,201)	(91,086,366)	(121,252,095)	(126,447,025)
	Advances - net of provision / credit loss allowance		1,756,562,439	2,245,733,676	9,514,832	9,230,755	1,766,077,271	2,254,964,431

9.1	Particulars of advances (gross)	(Unaudited) June 30, 2025	(Audited) December 31, 2024
------(Rupees in '000)-----			
	In local currency	1,445,677,640	1,901,706,491
	In foreign currencies	441,651,726	479,704,965
		1,887,329,366	2,381,411,456

9.2 Advances include Rs 93,981.033 million (December 31, 2024: Rs 100,317.121 million) which have been placed under non-performing status as detailed below:

Category of Classification	(Unaudited) June 30, 2025		(Audited) December 31, 2024	
	Non - performing advances	Credit loss allowance	Non - performing advances	Credit loss allowance / Provision
------(Rupees in '000)-----				
<b>Domestic</b>				
Substandard	16,435,055	11,398,827	13,101,311	8,930,350
Doubtful	6,895,921	5,084,254	9,486,290	7,154,640
Loss	50,385,923	49,445,110	51,405,827	50,465,020
	73,716,899	65,928,191	73,993,428	66,550,010
<b>Overseas</b>				
Substandard	31,376	22,426	38,146	22,209
Doubtful	1,384,133	737,475	1,186,283	621,723
Loss	18,848,625	17,778,109	25,099,264	23,892,424
	20,264,134	18,538,010	26,323,693	24,536,356
	93,981,033	84,466,201	100,317,121	91,086,366

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

## 9.3 Particulars of provisions / credit loss allowance against advances

	(Unaudited)					
	June 30, 2025					
	Stage 1	Stage 2	Stage 3	Specific	General	Total
	----- (Rupees in '000) -----					
Opening balance - as reported	11,345,420	12,926,671	90,087,556	998,810	11,088,568	126,447,025
Impact of adoption of IFRS 9	59,923	57,812	998,810	(998,810)	(117,735)	-
Opening balance - as restated	11,405,343	12,984,483	91,086,366	-	10,970,833	126,447,025
Transfer to stage 1	114,450	(114,450)	-	-	-	-
Transfer to stage 2	(1,221,203)	1,221,203	-	-	-	-
Transfer to stage 3	(347,845)	(2,380,746)	2,728,591	-	-	-
Exchange adjustment	56,710	30,868	366,295	-	-	453,873
Charge for the period	3,102,853	1,752,075	7,926,135	-	1,225,105	14,006,168
Reversal for the period	(1,507,276)	(506,509)	(5,435,606)	-	-	(7,449,391)
Net charge against advances	1,595,577	1,245,566	2,490,529	-	1,225,105	6,556,777
Charged off during the period - agriculture financing	-	-	(444,047)	-	-	(444,047)
Charged off during the period - Corporate / commercial and SME advances	-	-	(4,813,045)	-	-	(4,813,045)
Written off during the period	-	-	(6,966,185)	-	-	(6,966,185)
Other movement	-	-	17,697	-	-	17,697
Closing balance	11,603,032	12,986,924	84,466,201	-	12,195,938	121,252,095

	(Audited)					
	December 31, 2024					
	Stage 1	Stage 2	Stage 3	Specific	General	Total
	----- (Rupees in '000) -----					
Opening balance - as reported	-	-	-	80,251,974	16,032,464	96,284,438
Impact of adoption of IFRS 9	10,614,913	15,222,824	85,326,975	(79,243,853)	(8,546,908)	23,373,951
Opening balance - as restated	10,614,913	15,222,824	85,326,975	1,008,121	7,485,556	119,658,389
Transfer to stage 1	400,012	(400,012)	-	-	-	-
Transfer to stage 2	(1,211,296)	1,783,821	(572,525)	-	-	-
Transfer to stage 3	-	(2,240,018)	2,240,018	-	-	-
Exchange adjustment	(44,797)	(24,323)	(601,959)	(19,685)	(9,013)	(699,777)
Charge for the year	9,032,426	24,055,031	20,350,601	64,609	3,628,909	57,131,576
Reversal for the year	(7,445,838)	(25,470,652)	(9,012,219)	(54,235)	(16,884)	(41,999,828)
Net charge / (reversal) against advances	1,586,588	(1,415,621)	11,338,382	10,374	3,612,025	15,131,748
Charged off during the year - agriculture financing	-	-	(274,326)	-	-	(274,326)
Charged off during the year - Corporate / commercial	-	-	(3,534,146)	-	-	(3,534,146)
Written off during the year	-	-	(3,834,863)	-	-	(3,834,863)
Closing balance	11,345,420	12,926,671	90,087,556	998,810	11,088,568	126,447,025

9.4 General provision represents an amount of Rs 12,195.938 million (January 01, 2025: Rs 10,970.833 million) carried as a matter of prudence, on account of borrowers impacted by stressed economic conditions.

## 9.5 Advances - Category of classification

	(Unaudited)		(Audited)	
	June 30, 2025		December 31, 2024	
	Outstanding amount	Provision / credit loss allowance	Outstanding amount	Provision / credit loss allowance
	----- (Rupees in '000) -----			
<b>Domestic</b>				
Performing	1,245,979,382	18,898,547	1,703,239,723	17,908,590
Underperforming	242,958,733	10,838,615	269,235,277	11,150,592
Non-performing	73,716,899	65,928,191	73,993,428	66,550,010
Total	1,562,655,014	95,665,353	2,046,468,428	95,609,192
<b>Overseas</b>				
Performing	247,271,503	4,900,423	248,177,262	4,525,398
Underperforming	57,138,715	2,148,309	60,442,073	1,776,079
Non-performing	20,264,134	18,538,010	26,323,693	24,536,356
Total	324,674,352	25,586,742	334,943,028	30,837,833
	1,887,329,366	121,252,095	2,381,411,456	126,447,025

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

	Note	(Unaudited) June 30, 2025	(Audited) December 31, 2024
------(Rupees in '000)-----			
<b>10</b>	<b>PROPERTY AND EQUIPMENT</b>		
	Capital work-in-progress	17,848,106	14,180,944
	Property and equipment	<u>112,140,268</u>	<u>112,721,291</u>
		<u>129,988,374</u>	<u>126,902,235</u>
<b>10.1</b>	<b>Capital work-in-progress</b>		
	Civil works	4,302,675	3,949,581
	Equipment	2,780,581	1,620,150
	Advances to suppliers and contractors	<u>10,764,850</u>	<u>8,611,213</u>
		<u>17,848,106</u>	<u>14,180,944</u>
<b>10.2</b>	<b>Additions to property and equipment</b>		
		(Unaudited)	
		For the six months ended	
		June 30, 2025	June 30, 2024
		------(Rupees in '000)-----	
	The following additions have been made to property and equipment during the period:		
	<b>Capital work-in-progress - net</b>	3,667,162	5,090,415
	<b>Property and equipment</b>		
	leasehold land	1,248	1,136,408
	Building on leasehold land	395,887	146,281
	Machinery	14,143	1,890
	Leasehold improvements	674,872	512,802
	Furniture and fixtures	362,647	434,759
	Electrical, office and computer equipment	1,898,163	3,035,321
	Vehicles	1,205,385	89,218
		<u>4,552,345</u>	<u>5,356,679</u>
		<u>8,219,507</u>	<u>10,447,094</u>
<b>10.3</b>	<b>Disposal of property and equipment</b>		
	The net book value of property and equipment disposed off during the period is as follows:		
	<b>Property and equipment</b>		
	Building on leasehold land	-	13,512
	Leasehold improvements	375	6
	Furniture and fixtures	739	1,830
	Electrical, office and computer equipment	7,019	402
	Vehicles	<u>36,374</u>	<u>20,795</u>
		<u>44,507</u>	<u>36,545</u>
<b>11</b>	<b>RIGHT-OF-USE ASSETS</b>		
		(Unaudited) June 30, 2025	(Audited) December 31, 2024
		------(Rupees in '000)-----	
	At January 1,		
	Cost	37,033,836	34,140,237
	Accumulated depreciation	<u>(13,630,899)</u>	<u>(12,492,201)</u>
	Net carrying amount at January 1,	<u>23,402,937</u>	<u>21,648,036</u>
	Exchange adjustment	41,217	(100,292)
	Additions during the period / year	3,131,448	6,508,499
	Deletions during the period / year	(419,521)	(837,602)
	Depreciation charge for the period / year	<u>(1,937,819)</u>	<u>(3,815,704)</u>
	Net carrying amount at the end of the period / year	<u>24,218,262</u>	<u>23,402,937</u>

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

	Note	(Unaudited) June 30, 2025	(Audited) December 31, 2024
----- (Rupees in '000) -----			
<b>12 INTANGIBLE ASSETS</b>			
Capital work-in-progress - computer software		12,523,706	10,295,495
Computer software		5,818,022	6,727,178
		<u>18,341,728</u>	<u>17,022,673</u>
		(Unaudited)	
		For the six months ended	
<b>12.1 Additions to intangibles assets</b>		June 30, 2025	June 30, 2024
		----- (Rupees in '000) -----	
The following additions have been made to intangible assets during the period:			
Capital work-in-progress - net		2,228,211	1,258,831
Computer software		362,035	240,605
		<u>2,590,246</u>	<u>1,499,436</u>
		(Unaudited)	
		(Audited)	
		June 30, 2025	December 31, 2024
		----- (Rupees in '000) -----	
<b>13 OTHER ASSETS</b>			
Mark-up / return / profit / interest accrued in local currency - net of provision		116,069,651	94,739,661
Mark-up / return / profit / interest accrued in foreign currency - net of provision		7,919,196	8,473,312
Advances, deposits, advance rent and other prepayments		6,253,384	4,619,092
Advance taxation		27,943,433	29,281,098
Advance against subscription of securities		228,514	231,629
Stationery and stamps on hand		180,519	210,465
Accrued fees and commissions		345,203	335,944
Due from Government of Pakistan / SBP		12,205,844	12,256,868
Mark to market gain on forward foreign exchange contracts		3,648,540	3,355,232
Mark to market gain on derivative instruments		507,403	213,781
Non-banking assets acquired in satisfaction of claims		188,976	188,976
Receivable from defined benefit plan		1,101,998	1,101,998
Acceptances		74,127,217	67,792,929
Clearing and settlement accounts		34,945,341	31,512,297
Dividend receivable		701,242	4,955
Claims receivable against fraud and forgeries		958,506	1,236,679
Deferred fair value loss	13.2	4,526,049	4,526,049
Prepaid deferred expense	13.3	33,813,332	30,765,582
Others		2,739,794	1,721,765
		<u>328,404,142</u>	<u>292,568,312</u>
Provision / credit loss allowance held against other assets	13.1	(4,794,478)	(4,889,886)
Other assets - net of provision / credit loss allowance		<u>323,609,664</u>	<u>287,678,426</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	21	211,024	211,024
Other assets - total		<u>323,820,688</u>	<u>287,889,450</u>

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

	(Unaudited) June 30, 2025	(Audited) December 31, 2024
	-----(Rupees in '000)----	
<b>13.1 Provision / credit loss allowance held against other assets</b>		
Fraud and forgeries	958,506	1,236,678
Suit filed cases	4,979	4,979
Others	3,830,993	3,648,229
	<u>4,794,478</u>	<u>4,889,886</u>

13.2 This represents the deferred fair value loss arising from the restructuring of the exposure to Pakistan International Airlines Corporation Limited (PIACL). To date, the Bank has amortized 15% of the loss, as allowed by the SBP.

13.3 This represents the difference between the fair value of subsidised employee loans and the actual amount disbursed, and will be expensed over the tenor of the loans.

	Note	(Unaudited) June 30, 2025	(Audited) December 31, 2024
		-----(Rupees in '000)----	

## 13.1.1 Movement in credit loss allowance against other assets

Opening balance	4,889,886	2,577,641
Impact of adoption of IFRS 9	-	53,536
Exchange adjustment	2,829	(3,705)
Charge for the period / year	<u>349,006</u>	2,356,900
Reversal for the period / year	<u>(378,611)</u>	(16,372)
Net (reversal) / charge	(29,605)	2,340,528
Written off during the period / year	(87,837)	(109,314)
Other movement	19,205	31,200
Closing balance	<u>4,794,478</u>	<u>4,889,886</u>

## 14 BILLS PAYABLE

In Pakistan	71,597,413	92,049,697
Outside Pakistan	1,763,399	2,803,927
	<u>73,360,812</u>	<u>94,853,624</u>

## 15 BORROWINGS

### Secured

Borrowings from the SBP under

- Export refinance scheme	38,332,531	48,258,894
- Export refinance scheme for bill discounting	20,960,081	23,155,596
- Long term financing facility	27,183,552	30,589,079
- Financing facility for renewable energy power plants	6,751,347	6,867,520
- Refinance facility for modernization of Small and Medium Enterprises (SMEs)	855,140	732,230
- Refinance and credit guarantee scheme for women entrepreneurs	45,216	10,015
- Financing facility for storage of agricultural produce	1,229,532	414,105
- Refinance facility for combating COVID-19	665,634	954,836
- Temporary economic refinance facility	19,622,546	21,621,311
- Refinance facility for SME Asaan Finance (SAAF)	8,787,170	9,725,252
	<u>124,432,749</u>	<u>142,328,838</u>

Repurchase agreement borrowings

<u>1,254,128,241</u>	441,742,329
<u>1,378,560,990</u>	584,071,167

### Unsecured

- Call money borrowings	18,146,774	89,049,391
- Overdrawn nostro accounts	1,168,119	3,587,841
- Borrowings of overseas branches	32,681,847	62,718,578
- Other long-term borrowings	50,427,582	48,319,522
	<u>102,424,322</u>	<u>203,675,332</u>

15.1

<u>1,480,985,312</u>	<u>787,746,499</u>
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# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

15.1 This includes the following:

15.1.1 A long-term financing facility from China Development Bank, utilized for on-lending to projects of the Bank's customers. The current amount outstanding is US\$ 158.327 million (December 31, 2024: US\$ 166.288 million). Drawn amounts are payable in semi-annual installments from January 2023 to January 2033. Interest at a fixed spread over SOFR is payable semi-annually.

15.1.2 A mortgage refinancing facility on Musharakah basis from Pakistan Mortgage Refinance Company Limited (PMRC) amounting to Rs 1,500,000 million (December 31, 2024: Rs.2,000,000 million) for on-lending to customers. The principal amount is payable in semi-annual installments from April 2025 to October 2026. Profit at a rate of 16.61% per annum (December 31, 2024: 16.61% per annum) is payable semi-annually.

15.1.3 A mortgage refinancing facility on Musharakah basis from PMRC amounting to Rs 4,000,000 million (December 31, 2024: nil) for on-lending to customers. The principal amount is payable in semi-annual installments from December 2025 to June 2028. Profit at a rate of 1-year KIBOR minus 2.25% with a floor of 9.00% per annum is payable semi-annually.

## 16 DEPOSITS AND OTHER ACCOUNTS

	June 30, 2025 (Unaudited)			December 31, 2024 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
----- (Rupees in '000) -----						
<b>Customers</b>						
Current deposits	1,690,252,879	208,559,851	1,898,812,730	1,251,900,417	205,311,964	1,457,212,381
Savings deposits	1,780,757,030	113,731,053	1,894,488,083	1,777,922,115	130,647,455	1,908,569,570
Term deposits	429,797,034	374,216,596	804,013,630	328,170,145	352,805,210	680,975,355
	<b>3,900,806,943</b>	<b>696,507,500</b>	<b>4,597,314,443</b>	<b>3,357,992,677</b>	<b>688,764,629</b>	<b>4,046,757,306</b>
<b>Financial institutions</b>						
Current deposits	8,922,801	2,205,739	11,128,540	8,848,719	2,182,383	11,031,102
Savings deposits	286,210,772	1,567,225	287,777,997	17,450,767	810,461	18,261,228
Term deposits	1,999,531	12,879,660	14,879,191	2,744,584	12,374,159	15,118,743
	<b>297,133,104</b>	<b>16,652,624</b>	<b>313,785,728</b>	<b>29,044,070</b>	<b>15,367,003</b>	<b>44,411,073</b>
	<b>4,197,940,047</b>	<b>713,160,124</b>	<b>4,911,100,171</b>	<b>3,387,036,747</b>	<b>704,131,632</b>	<b>4,091,168,379</b>

## 17 LEASE LIABILITIES

	Note	(Unaudited) June 30, 2025	(Audited) December 31, 2024
----- (Rupees in '000) -----			
Opening balance		30,788,980	26,864,447
Exchange adjustment		72,986	(159,252)
Additions during the period / year		2,018,456	6,134,742
Interest expense		1,835,814	3,073,386
Lease payments including interest		(2,096,406)	(5,124,343)
Closing balance		<b>32,619,830</b>	<b>30,788,980</b>

### 17.1 Liabilities Outstanding at the end of the period / year

Not later than one year	1,848,046	1,876,697
Later than one year and upto five years	8,693,926	7,974,093
Over five years	22,077,858	20,938,190
Total	<b>32,619,830</b>	<b>30,788,980</b>

## 18 SUBORDINATED DEBT

Additional Tier I Term Finance Certificates	18.1.1	12,374,000	12,374,000
Additional Tier I Term Finance Certificates	18.1.2	6,500,000	6,500,000
		<b>18,874,000</b>	<b>18,874,000</b>

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

18.1 The Bank has issued listed, fully paid up, rated, privately placed, perpetual, unsecured, subordinated, non-cumulative and contingent convertible debt instruments in the nature of Term Finance Certificates (TFCs) issued as instruments of redeemable capital under Section 66 of the Companies Act, 2017 which qualify as Additional Tier 1 Capital (AT 1) as outlined by the SBP under BPRD Circular No. 6 dated August 15, 2013.

The key features of these issue are as follows:

18.1.1	<b>Issue date</b>	September 26, 2019
	<b>Issue amount</b>	Rs 12.374 billion
	<b>Rating</b>	AA+ (Double A plus) [December 31, 2024: AA+ (Double A plus)]
	<b>Original Tenor</b>	Perpetual
	<b>Security</b>	Unsecured and subordinated to all other indebtedness of the Bank including depositors and general creditors, but will rank pari passu with other Additional Tier 1 instruments and superior to the claims of ordinary shareholders.
	<b>Mark-up payment frequency</b>	Quarterly in arrears
	<b>Redemption</b>	Perpetual, hence not applicable.
	<b>Mark-up</b>	Floating rate of return at Base Rate + 1.60%. The Base Rate is defined as the average "Ask Side" rate of the three months Karachi Interbank Offered Rate (KIBOR).
	<b>Call option</b>	The Bank may, at its sole discretion, call the TFCs any time after five years from the Issue Date subject to the following:  (a) Prior approval of the SBP having been obtained; and  (b) The Bank replacing the TFCs with capital of the same or better quality and the capital position of the Bank being above the minimum capital requirement after the Call Option is exercised.  If the Bank decides to exercise the Call Option, the Bank shall notify the Trustee and the investors not less than 30 calendar days prior to the date of exercise of such Call Option, which notice shall specify the date fixed for the exercise of the Call Option (the "Call Option Exercise Date").
	<b>Lock-in clause</b>	Mark-up will only be paid from the current year's earnings and only if the Bank is in compliance with regulatory capital and liquidity requirements.
	<b>Loss absorbency clause</b>	The TFCs will be subject to a loss absorbency clause as stipulated under the SBP's "Instructions for Basel III Implementation in Pakistan".

18.1.2	<b>Issue date</b>	December 28, 2022
	<b>Issue amount</b>	Rs 6.500 billion
	<b>Rating</b>	AA+ (Double A plus) [December 31, 2024: AA+ (Double A plus)]
	<b>Original Tenor</b>	Perpetual
	<b>Security</b>	Unsecured and subordinated to all other indebtedness of the Bank including depositors and general creditors, but will rank pari passu with other Additional Tier 1 instruments and superior to the claims of ordinary shareholders.
	<b>Mark-up payment frequency</b>	Quarterly in arrears
	<b>Redemption</b>	Perpetual, hence not applicable.
	<b>Mark-up</b>	Floating rate of return at Base Rate + 2.00%. The Base Rate is defined as the average "Ask Side" rate of the three months Karachi Interbank Offered Rate (KIBOR).
	<b>Call option</b>	The Bank may, at its sole discretion, call the TFCs any time after five years from the Issue Date subject to the following:  (a) Prior approval of the SBP having been obtained; and  (b) The Bank replacing the TFCs with capital of the same or better quality and the capital position of the Bank being above the minimum capital requirement after the Call Option is exercised.  If the Bank decides to exercise the Call Option, the Bank shall notify the Trustee and the investors not less than 30 calendar days prior to the date of exercise of such Call Option, which notice shall specify the date fixed for the exercise of the Call Option (the "Call Option Exercise Date").
	<b>Lock-in clause</b>	Mark-up will only be paid from the current year's earnings and only if the Bank is in compliance with regulatory capital and liquidity requirements.
	<b>Loss absorbency clause</b>	The TFCs will be subject to a loss absorbency clause as stipulated under the SBP's "Instructions for Basel III Implementation in Pakistan".

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

## 19 DEFERRED TAX LIABILITIES / (ASSETS)

	Note	(Unaudited) June 30, 2025	(Audited) December 31, 2024
----- (Rupees in '000) -----			
<b>Deductible temporary differences on</b>			
- Credit loss allowance against investments		(447,942)	(460,622)
- Credit loss allowance against doubtful debts and off-balance sheet obligations		(24,365,070)	(24,769,854)
- Liabilities written back under section 34(5) of the Income Tax Ordinance (ITO) 2001		(3,135,118)	(2,886,167)
- Right-of-use assets and related lease liabilities		(7,147,689)	-
- Ijarah financing		(600,587)	(644,964)
		<b>(35,696,406)</b>	<b>(28,761,607)</b>
<b>Taxable temporary differences on</b>			
- Accelerated tax depreciation		3,145,657	3,665,245
- Surplus on revaluation of investments		29,354,508	16,789,228
- Surplus on revaluation of property and equipment		3,742,245	3,785,695
- Exchange translation reserve		339,562	1,307,674
		<b>36,581,972</b>	<b>25,547,842</b>
		<b>885,566</b>	<b>(3,213,765)</b>
<b>Net deferred tax liabilities / (assets)</b>			

## 20 OTHER LIABILITIES

		(Unaudited) June 30, 2025	(Audited) December 31, 2024
----- (Rupees in '000) -----			
Mark-up / return / profit / interest payable in local currency		21,502,146	42,009,415
Mark-up / return / profit / interest payable in foreign currency		6,994,611	8,406,158
Security deposits		1,592,468	1,653,881
Accrued expenses		42,900,760	38,860,072
Mark to market loss on forward foreign exchange contracts		3,030,010	3,731,381
Mark to market loss on derivative instruments		6,480,334	6,708,794
Unclaimed dividends		852,404	807,670
Dividends payable		288,392	236,597
Provision for post retirement medical benefits		4,561,959	4,765,310
Provision for employees' compensated absences		631,380	683,712
Credit loss allowance against off-balance sheet obligations	20.1	4,592,469	8,149,567
Acceptances		74,127,217	67,792,929
Branch adjustment account		587,030	3,885,262
Provision for staff retirement benefits		1,909,010	1,750,893
Payable to defined benefit plans		863,274	830,028
Provision for Workers' Welfare Fund		14,971,254	13,545,801
Unearned income		7,058,982	6,239,889
Qarza-e-Hasna Fund		338,409	338,409
Levies and taxes payable		11,735,687	18,482,312
Insurance payable		563,741	484,246
Provision for rewards program expenses		3,899,522	3,211,001
Liability against trading of securities		5,350,500	-
Clearing and settlement accounts		52,551,784	20,079,147
Payable to HBL Foundation		517,739	867,797
Charity fund		77,037	51,276
Unclaimed deposits		914,962	956,346
Others		8,632,204	4,059,159
		<b>277,525,285</b>	<b>258,587,052</b>

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

Opening balance		8,149,567	1,927,866
Impact of adoption of IFRS 9		-	1,691,809
Exchange adjustment		(15,723)	(29,713)
Charge for the period / year		85,407	5,150,988
Reversal for the period / year		(3,646,836)	(544,682)
Net (reversal) / charge		(3,561,429)	4,606,306
Other movement		20,054	(46,701)
Closing balance		<b>4,592,469</b>	<b>8,149,567</b>

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

	Note	(Unaudited) June 30, 2025	(Audited) December 31, 2024
<b>21 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX</b>		------(Rupees in '000)-----	
Surplus arising on revaluation of:			
- Property and equipment		45,616,945	45,700,503
- FVOCI securities - debt	8.1	46,704,625	29,449,574
- FVOCI securities - equity		9,746,352	2,702,710
- Non-banking assets acquired in satisfaction of claims	13	211,024	211,024
		<b>102,278,946</b>	<b>78,063,811</b>
Deferred tax on surplus on revaluation of:			
- Property and equipment		3,742,245	3,785,695
- FVOCI securities - debt		24,286,405	15,383,819
- FVOCI securities - equity		5,068,103	1,405,409
- Non-banking assets acquired in satisfaction of claims		-	-
		<b>33,096,753</b>	<b>20,574,923</b>
Surplus on revaluation of assets - net of tax		<b>69,182,193</b>	<b>57,488,888</b>
<b>22 CONTINGENCIES AND COMMITMENTS</b>			
- Guarantees	22.1	377,938,414	353,046,396
- Commitments	22.2	1,232,207,036	1,326,805,260
- Other contingent liabilities	22.3	18,339,373	18,344,870
		<b>1,628,484,823</b>	<b>1,698,196,526</b>
<b>22.1 Guarantees:</b>			
Financial guarantees		72,227,316	51,297,531
Performance guarantees		290,688,163	291,626,929
Other guarantees		15,022,935	10,121,936
		<b>377,938,414</b>	<b>353,046,396</b>
<b>22.2 Commitments:</b>			
Trade-related contingent liabilities			
Commitments in respect of:		303,575,177	323,966,907
- forward foreign exchange contracts	22.2.1	779,775,349	643,612,055
- forward Government securities transactions	22.2.2	58,902,742	270,514,553
- derivatives	22.2.3	54,171,150	48,832,145
- forward lending	22.2.4	23,307,395	27,239,703
		<b>916,156,636</b>	<b>990,198,456</b>
Commitments for acquisition of:			
- property and equipment		6,309,308	7,290,133
- intangible assets		6,165,915	5,349,764
		<b>12,475,223</b>	<b>12,639,897</b>
		<b>1,232,207,036</b>	<b>1,326,805,260</b>
<b>22.2.1 Commitments in respect of forward foreign exchange contracts</b>			
Purchase		434,426,551	369,141,560
Sale		345,348,798	274,470,495
		<b>779,775,349</b>	<b>643,612,055</b>

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

(Unaudited)  
June 30,  
2025  
----- (Rupees in '000) -----

(Audited)  
December 31,  
2024

## 22.2.2 Commitments in respect of forward Government securities transactions

Purchase	21,837,272	270,104,759
Sale	37,065,470	409,794
	<u>58,902,742</u>	<u>270,514,553</u>

## 22.2.3 Commitments in respect of derivatives

### Foreign currency options

Purchase	8,472,487	3,761,243
Sale	8,472,487	3,761,243
	<u>16,944,974</u>	<u>7,522,486</u>

### Cross currency swaps

Purchase	15,068,985	16,740,280
Sale	21,957,191	24,244,379
	<u>37,026,176</u>	<u>40,984,659</u>

### Interest rate swaps

Purchase	-	-
Sale	200,000	325,000
	<u>200,000</u>	<u>325,000</u>

## 22.2.4 Commitments in respect of forward lending

Undrawn formal standby facilities, credit lines and other commitments to extend credit	<u>23,307,395</u>	<u>27,239,703</u>
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These represent commitments that are irrevocable because they can not be withdrawn at the discretion of the Bank without the risk of incurring a significant penalty or expense.

(Unaudited)  
June 30,  
2025  
----- (Rupees in '000) -----

(Audited)  
December 31,  
2024

## 22.3 Other contingent liabilities

### 22.3.1 Claims against the Bank not acknowledged as debts

	<u>18,339,373</u>	<u>18,344,870</u>
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These mainly represent counter claims by borrowers for damages, claims filed by former employees of the Bank and other claims relating to banking transactions. Based on legal advice and / or 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 condensed interim unconsolidated financial statements.

22.3.2 There were no tax related contingencies as at the period end except for those disclosed in the unconsolidated financial statements for the year ended December 31, 2024.

## 23 DERIVATIVE INSTRUMENTS

### Product Analysis

	June 30, 2025 (Unaudited)					
	Foreign currency options		Cross currency swaps		Interest rate swaps	
	Notional principal	Mark to market gain / (loss)	Notional principal	Mark to market loss	Notional principal	Mark to market loss
----- (Rupees in '000) -----						
Hedging	8,472,487	(450,619)	-	-	-	-
Market Making	8,472,487	450,619	37,026,102	(5,971,548)	200,000	(1,383)
----- (Rupees in '000) -----						
	December 31, 2024 (Audited)					
	Foreign currency options		Cross currency swaps		Interest rate swaps	
	Notional principal	Mark to market gain / (loss)	Notional principal	Mark to market loss	Notional principal	Mark to market loss
----- (Rupees in '000) -----						
Hedging	3,761,243	(73,795)	-	-	-	-
Market Making	3,761,243	73,795	40,984,659	(6,487,980)	325,000	(7,033)

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

	Note	(Unaudited)	
		For the six months ended	
		June 30, 2025	June 30, 2024
		------(Rupees in '000)-----	
<b>24 MARK-UP / RETURN / PROFIT / INTEREST EARNED</b>			
On:			
Loans and advances		111,258,188	143,201,108
Investments		181,598,105	227,782,410
Lendings to financial institutions		3,638,047	9,268,190
Balances with banks		4,082,893	5,545,556
		<u>300,577,233</u>	<u>385,797,264</u>
<b>24.1 INTEREST INCOME RECOGNISED</b>			
On:			
Financial assets measured at amortised cost		144,327,564	189,100,371
Financial assets measured at FVOCI		147,954,464	176,859,426
Financial assets measured at FVTPL		8,295,205	19,837,467
		<u>300,577,233</u>	<u>385,797,264</u>
<b>25 MARK-UP / RETURN / PROFIT / INTEREST EXPENSED</b>			
On:			
Deposits		127,217,135	218,484,569
Securities sold under repurchase agreement borrowings		31,507,422	28,678,779
Borrowings		12,057,565	14,925,329
Subordinated debt		1,296,266	2,196,194
Cost of foreign currency swaps against foreign currency deposits / borrowings		1,657,305	5,797,641
Lease liability against right-of-use assets		1,835,814	1,619,010
		<u>175,571,507</u>	<u>271,701,522</u>
<b>26 FEE AND COMMISSION INCOME</b>			
Branch banking customer fees		2,791,254	2,653,904
Branchless banking customer fees		13,974	240,451
Consumer finance related fees		1,540,464	1,355,924
Card related fees (debit and credit cards)		7,277,263	7,412,556
Credit related fees		705,430	637,731
Investment banking fees		888,688	529,422
Commission on trade related products and guarantees		3,343,949	4,238,575
Commission on cash management		814,953	803,438
Commission on remittances (including home remittances)		(1,258,313)	1,007,792
Commission on bancassurance		931,921	634,193
Commission on Government to Person (G2P) payments		(124,040)	614,433
Merchant discount and interchange fees		3,889,284	3,978,603
Wealth Management Fee		7,335	15,133
Others		56,874	108,357
		<u>20,879,036</u>	<u>24,230,512</u>
Less: Sales tax / Federal Excise Duty on fee and commission income		<u>(3,196,249)</u>	<u>(2,961,552)</u>
		<u>17,682,787</u>	<u>21,268,960</u>
<b>27 GAIN / (LOSS) ON SECURITIES - NET</b>			
Realised	27.1	9,689,286	342,774
Unrealised - measured at FVTPL	8.1	(361,422)	1,227,421
		<u>9,327,864</u>	<u>1,570,195</u>
<b>27.1 Gain / (loss) on securities - realised</b>			
On:			
Federal Government securities			
- Market Treasury Bills		3,288,788	535,882
- Pakistan Investment Bonds		3,529,227	(19,114)
- Ijarah Sukuk		2,847,407	25,572
Shares		157,228	98,104
Non-Government debt securities		7,215	-
Foreign securities		(152,388)	(318,721)
Associates		11,809	21,051
		<u>9,689,286</u>	<u>342,774</u>

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

		(Unaudited)	
		For the six months ended	
		June 30, 2025	June 30, 2024
		------(Rupees in '000)-----	
27.1.1	<b>Composition of gain / (loss) on securities - realised</b>		
	Net gain on securities measured at FVTPL	2,266,523	372,945
	Net gain / (loss) on debt securities measured at FVOCI	7,410,954	(51,222)
	Net gain on sale of Associates	11,809	21,051
		<b>9,689,286</b>	<b>342,774</b>
28	<b>OTHER INCOME</b>		
	Incidental charges	309,992	261,577
	Loss / (gain) on sale of property and equipment - net	(7,415)	25,808
	Gain realised on closure of the Bank's branch	1,940,160	-
	Rent on properties	79,590	64,007
		<b>2,322,327</b>	<b>351,392</b>
29	<b>OPERATING EXPENSES</b>		
	<b>Total compensation expense</b>	<b>29,877,377</b>	<b>28,186,423</b>
	<b>Property expense</b>		
	Rent and taxes	520,831	604,535
	Insurance	129,705	125,236
	Utilities cost	2,648,980	2,724,646
	Security (including guards)	1,597,241	1,480,403
	Repair and maintenance (including janitorial charges)	2,814,475	2,551,869
	Depreciation on owned property and equipment	2,780,380	2,600,797
	Depreciation on right-of-use assets	1,937,819	1,901,464
		<b>12,429,431</b>	<b>11,988,950</b>
	<b>Information technology expenses</b>		
	Software maintenance	5,319,219	5,150,784
	Hardware maintenance	1,264,891	1,227,667
	Depreciation	2,169,637	2,046,551
	Amortisation	1,286,597	1,284,947
	Network charges	837,275	838,139
	Consultancy charges	195,745	348,256
		<b>11,073,364</b>	<b>10,896,344</b>
	<b>Other operating expenses</b>		
	Legal and professional charges	4,172,947	3,642,748
	Outsourced services costs	1,666,646	1,349,545
	Travelling and conveyance	754,378	1,078,099
	Insurance	543,925	400,706
	Remittance charges	239,692	228,206
	Cash transportation and sorting charges	1,532,011	1,687,593
	Repairs and maintenance	1,320,422	1,260,235
	Depreciation	481,270	320,415
	Training and development	106,266	321,254
	Postage and courier charges	403,482	445,012
	Communication	1,799,790	2,241,453
	Stationery and printing	1,533,942	1,601,238
	Marketing, advertisement and publicity	4,662,846	4,010,026
	Donations	517,739	450,537
	Auditor's remuneration	195,072	195,081
	Brokerage and commission	493,433	454,546
	Subscription	209,372	220,559
	Documentation and processing charges	6,800,526	5,796,709
	Entertainment	340,571	354,372
	Consultancy charges	1,209,801	1,083,964
	Deposits insurance premium expense	2,093,074	1,818,763
	Product feature cost	2,865,187	2,427,447
	Others	851,148	723,123
		<b>34,793,540</b>	<b>32,111,631</b>
		<b>88,173,712</b>	<b>83,183,348</b>

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

	Note	(Unaudited)	
		For the six months ended	
		June 30, 2025	June 30, 2024
		----- (Rupees in '000) -----	
<b>30 OTHER CHARGES</b>			
Penalties imposed by the State Bank of Pakistan		99,922	146,586
Penalties imposed by other regulatory bodies		12,033	12,251
		<u>111,955</u>	<u>158,837</u>
<b>31 CREDIT LOSS ALLOWANCE / (REVERSALS) AND WRITE OFFS - NET</b>			
Reversal of credit loss allowance against investments	8.3	(24,386)	(1,426,560)
Credit loss allowance against loans and advances	9.3	6,556,777	6,962,313
Charge / (reversal) of credit loss allowance against cash and cash equivalents		2,386	(1,637)
(Reversal) / charge of credit loss allowance against other assets	13.1.1	(29,605)	201,699
(Reversal) / charge of credit loss allowance against off-balance sheet obligations	20.1	(3,561,429)	936,932
Recoveries against written off / charged off bad debts		(419,437)	(397,869)
Recoveries against other assets written off		-	(1,398)
Other write offs		87,356	329,435
		<u>2,611,662</u>	<u>6,602,915</u>
<b>32 TAXATION</b>			
- Current			
- For the period		38,719,185	33,892,313
- Prior period		7,954,071	281,116
		<u>46,673,256</u>	<u>34,173,429</u>
- Deferred			
- For the period		(765,688)	(4,607,902)
- Prior period		(6,689,480)	(269,267)
		<u>(7,455,168)</u>	<u>(4,877,169)</u>
		<u>39,218,088</u>	<u>29,296,260</u>
<b>33 BASIC AND DILUTED EARNINGS PER SHARE</b>			
Profit for the period		<u>31,418,541</u>	<u>28,650,545</u>
		(Number)	
Weighted average number of ordinary shares		<u>1,466,852,508</u>	<u>1,466,852,508</u>
		(Rupees)	
Basic and diluted earnings per share		<u>21.42</u>	<u>19.53</u>

33.1 Diluted earnings per share has not been presented separately as the Bank does not have any convertible instruments in issue.

## 34 FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of traded investments are based on quoted market prices.

Unquoted equity securities are carried at fair value. The valuation is carried out using appropriate methodologies.

The fair values of unquoted debt securities, fixed term advances, fixed term deposits and borrowings, other assets and other liabilities, cannot be calculated with sufficient reliability due to the absence of a current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments and therefore, are not reported as part of this disclosure.

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 they are either short-term in nature or, in the case of customer advances, deposits and certain long term borrowings, are frequently repriced.

All assets and liabilities for which fair value is measured or disclosed in these condensed interim unconsolidated financial statements are categorised within the following fair value hierarchy based on the lowest level input that is significant to the fair value measurement.

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 inputs that are not based on observable market data.

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

## Valuation techniques used in determination of fair values within Level 2 and Level 3

Federal Government securities	The fair values of Federal Government securities are determined on the basis of rates / prices sourced from Reuters.
Non-Government debt securities	Non-Government debt securities denominated in Rupees are valued on the basis of rates announced by the Mutual Funds Association of Pakistan (MUFAP). Non-Government debt securities denominated in other currencies are valued on the basis of rates taken from Bloomberg / Reuters.
Foreign Government debt securities	The fair values of foreign Government debt securities are determined on the basis of rates taken from Bloomberg / Reuters.
Unquoted equity securities	The fair values of unquoted equity investments are estimated using cashflow projections of the investee company. Where cashflow projections are not available, the estimate is based on comparable market data.  Where both the above valuation techniques cannot be used due to unavailability of data, the Bank uses the adjusted break-up value method as disclosed in note 34.1.1 below.  The valuations may be further discounted for marketability concerns.
Units of mutual funds	The fair values of units of mutual funds are determined based on their net asset values as published at the close of each business day.
Derivatives	The Bank enters into derivatives contracts with various counterparties. Derivatives that are valued using valuation techniques based on market observable inputs are mainly interest rate swaps and cross currency swaps. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations.
Forward foreign exchange contracts and Forward Government securities transactions	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
Property and equipment and non-banking assets acquired in satisfaction of claims	Land, buildings and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets.

### 34.1 Level 3 fair valuation of unlisted equity securities

#### 34.1.1 Adjusted break-up value method:

The valuations are based on latest available financial statements of the investee company. These are adjusted for factors such as lack of control using haircuts ranging from 15% to 25%. A 1% change in the haircut actually applied would change the total fair value by Rs. 14.513 million. Any change to the valuation is reflected in other comprehensive income, since all investments for which this method is used are classified as FVOCI.

### 34.2 Fair value of financial assets

The following table provides the fair values of those of the Bank's financial assets that are recognised or disclosed at fair value in these condensed interim unconsolidated financial statements:

	As at June 30, 2025 (Unaudited)				
	Carrying value	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----					
<b>On balance sheet financial instruments</b>					
<b>Financial assets - measured at fair value</b>					
Investments					
- Federal Government securities	3,390,708,745	-	3,390,708,745	-	3,390,708,745
- Shares - listed companies	25,732,328	19,445,188	6,287,140	-	25,732,328
- Shares - unlisted companies	15,352,030	-	13,900,695	1,451,335	15,352,030
- Non-Government debt securities - Listed	49,072,129	40,000,000	9,072,129	-	49,072,129
- Foreign securities					
Government debt securities	159,101,484	-	159,101,484	-	159,101,484
Non-Government debt securities - Listed	12,870,680	-	12,870,680	-	12,870,680
- National Investment Unit Trust units	89,124	-	89,124	-	89,124
- Real Estate Investment Trust units - Listed	3,254,348	3,254,348	-	-	3,254,348
- Preference Shares - Listed	988,700	988,700	-	-	988,700
	3,657,169,568	63,688,236	3,592,029,997	1,451,335	3,657,169,568
<b>Financial assets - disclosed but not measured at fair value</b>					
Investments					
- Federal Government securities	434,254,262	-	435,735,324	-	435,735,324
- Non-Government debt securities - Listed	899,361	-	873,808	-	873,808
- Foreign securities					
Government debt securities	15,043,096	-	15,117,770	-	15,117,770
- Associates	6,800,649	13,031,936	-	-	13,031,936
	456,997,368	13,031,936	451,726,902	-	464,758,838
	4,114,166,936	76,720,172	4,043,756,899	1,451,335	4,121,928,406

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

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

- Commitments
- Forward foreign exchange contracts
  - Forward Government securities transactions
  - Derivative instruments

As at June 30, 2025 (Unaudited)				
Notional Value	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
779,775,349	-	618,530	-	618,530
58,902,742	-	22,149	-	22,149
37,226,176	-	(5,972,931)	-	(5,972,931)

## On balance sheet financial instruments

### Financial assets - measured at fair value

- Investments
- Federal Government securities
  - Shares - listed companies
  - Non-Government debt securities - Listed
  - Foreign securities
    - Government debt securities
    - Non-Government debt securities- Listed
  - National Investment Unit Trust units
  - Real Estate Investment Trust units
  - Preference Shares - Listed

As at December 31, 2024 (Audited)				
Carrying value	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
1,724,738,511	-	1,724,738,511	-	1,724,738,511
20,517,673	13,707,545	6,810,128	-	20,517,673
50,242,039	40,400,000	9,842,039	-	50,242,039
125,266,055	-	125,266,055	-	125,266,055
11,052,524	-	11,052,524	-	11,052,524
94,384	-	94,384	-	94,384
3,477,857	3,477,857	-	-	3,477,857
835,400	835,400	-	-	835,400
1,936,224,443	58,420,802	1,877,803,641	-	1,936,224,443

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

- Investments
- Federal Government securities
  - Non-Government debt securities - Listed
  - Foreign securities
    - Government debt securities
  - Associates

369,541,547	-	367,672,502	-	367,672,502
899,081	-	3,390,918	-	3,390,918
16,114,053	-	16,303,232	-	16,303,232
6,823,870	12,347,748	-	-	12,347,748
393,378,551	12,347,748	387,366,652	-	399,714,400
2,329,602,994	70,768,550	2,265,170,293	-	2,335,938,843

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

- Commitments
- Forward foreign exchange contracts
  - Forward Government securities transactions
  - Derivative instruments

As at December 31, 2024 (Audited)				
Notional Value	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
643,612,055	-	(376,149)	-	(376,149)
270,514,553	-	490,430	-	490,430
48,832,145	-	(6,495,013)	-	(6,495,013)

## 34.2 Fair value of non-financial assets

- Land and Buildings
- Non-banking assets acquired in satisfaction of claims

As at June 30, 2025 (Unaudited)				
Carrying value	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
85,206,996	-	85,206,996	-	85,206,996
400,000	-	400,000	-	400,000
85,606,996	-	85,606,996	-	85,606,996

- Land and Buildings
- Non-banking assets acquired in satisfaction of claims

As at December 31, 2024 (Audited)				
Carrying value	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
84,644,775	-	84,644,775	-	84,644,775
400,000	-	400,000	-	400,000
85,044,775	-	85,044,775	-	85,044,775

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

## 35 SEGMENT INFORMATION

### 35.1 Segment details with respect to Business Activities

For the six months ended June 30, 2025 (Unaudited)									
	Retail Banking	Consumer, SME & Agriculture Lending	Corporate, Commercial and Investment Banking	Treasury	Financial Institutions	Branchless Banking	International	Head Office / Others	Total

(Rupees in million)

#### Profit and loss account

Net mark-up / return / profit / interest income	(96,060)	27,694	37,762	139,408	8,041	(60)	9,279	(1,058)	125,006
Inter segment revenue / (expense) - net	151,928	(17,167)	(16,744)	(118,047)	(8,887)	1,141	158	7,618	-
Non mark-up / interest income	3,951	10,220	2,791	16,972	446	220	738	2,615	37,953
<b>Total income</b>	<b>59,819</b>	<b>20,747</b>	<b>23,809</b>	<b>38,333</b>	<b>(400)</b>	<b>1,301</b>	<b>10,175</b>	<b>9,175</b>	<b>162,959</b>
Segment direct expenses	23,588	13,401	2,289	1,179	131	1,128	9,739	38,256	89,711
Inter segment expense allocation	20,976	6,063	6,355	1,059	376	885	516	(36,230)	-
<b>Total expenses</b>	<b>44,564</b>	<b>19,464</b>	<b>8,644</b>	<b>2,238</b>	<b>507</b>	<b>2,013</b>	<b>10,255</b>	<b>2,026</b>	<b>89,711</b>
Credit loss allowance - (reversal) / charge	(40)	341	1,500	-	148	31	756	(124)	2,612
<b>Profit / (loss) before tax</b>	<b>15,295</b>	<b>942</b>	<b>13,665</b>	<b>36,095</b>	<b>(1,055)</b>	<b>(743)</b>	<b>(836)</b>	<b>7,273</b>	<b>70,636</b>

#### As at June 30, 2025 (Unaudited)

	Retail Banking	Consumer, SME & Agriculture Lending	Corporate, Commercial and Investment Banking	Treasury	Financial Institutions	Branchless Banking	International	Head Office / Others	Total
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(Rupees in million)

#### Statement of financial position

Cash and bank balances	247,298	-	735	288,228	-	-	95,445	-	631,706
Loanings to financial institutions	-	-	-	133,485	-	-	-	-	133,485
Inter segment lending	2,901,091	-	9,016	-	157,760	31,004	3,423	239,145	3,341,439
Investments	-	-	72,255	3,844,792	4,573	-	222,373	34,076	4,178,069
Advances - performing	-	310,658	971,638	-	147,001	-	297,787	29,478	1,756,562
Advances - non-performing	-	2,503	5,261	-	-	-	1,726	25	9,515
Others	37,374	3,914	89,796	95,913	1,415	3,110	38,074	226,774	496,370
<b>Total assets</b>	<b>3,185,763</b>	<b>317,075</b>	<b>1,148,701</b>	<b>4,362,418</b>	<b>310,749</b>	<b>34,114</b>	<b>658,828</b>	<b>529,498</b>	<b>10,547,146</b>
Borrowings	-	4,710	119,723	1,278,721	-	-	77,831	-	1,480,985
Subordinated debt	-	-	-	-	-	-	-	18,874	18,874
Deposits and other accounts	3,143,065	1,817	959,379	-	310,338	30,572	465,929	-	4,911,100
Inter segment borrowing	-	279,682	-	3,038,494	-	-	23,263	-	3,341,439
Others	42,698	30,866	69,599	19,303	411	3,542	33,851	184,123	384,393
<b>Total liabilities</b>	<b>3,185,763</b>	<b>317,075</b>	<b>1,148,701</b>	<b>4,336,518</b>	<b>310,749</b>	<b>34,114</b>	<b>600,874</b>	<b>202,997</b>	<b>10,136,791</b>
Equity	-	-	-	25,900	-	-	57,954	326,501	410,355
<b>Total equity and liabilities</b>	<b>3,185,763</b>	<b>317,075</b>	<b>1,148,701</b>	<b>4,362,418</b>	<b>310,749</b>	<b>34,114</b>	<b>658,828</b>	<b>529,498</b>	<b>10,547,146</b>
<b>Contingencies and commitments</b>	<b>-</b>	<b>25,979</b>	<b>562,495</b>	<b>707,405</b>	<b>50,978</b>	<b>-</b>	<b>251,353</b>	<b>30,274</b>	<b>1,628,484</b>

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

For the six months ended June 30, 2024 (Unaudited)

	Retail Banking	Consumer, SME & Agriculture lending	Corporate, Commercial and Investment Banking	Treasury	Financial Institutions	Branchless banking	International	Head Office / Others	Total
----- (Rupees in million) -----									
<b>Profit and loss account</b>									
Net mark-up / return / profit / interest income	(169,375)	31,437	58,437	188,343	(2,113)	(136)	10,275	(2,772)	114,096
Inter segment revenue / (expense) - net	250,655	(22,994)	(32,477)	(209,631)	2,215	4,916	257	7,059	-
Non mark-up / interest income	3,343	10,762	3,242	8,739	422	940	4,663	2,844	34,955
<b>Total income</b>	<b>84,623</b>	<b>19,205</b>	<b>29,202</b>	<b>(12,549)</b>	<b>524</b>	<b>5,720</b>	<b>15,195</b>	<b>7,131</b>	<b>149,051</b>
Segment direct expenses	22,723	11,655	2,247	339	153	1,544	8,884	36,956	84,501
Inter segment expense allocation	19,229	5,574	6,015	964	343	582	487	(33,194)	-
<b>Total expenses</b>	<b>41,952</b>	<b>17,229</b>	<b>8,262</b>	<b>1,303</b>	<b>496</b>	<b>2,126</b>	<b>9,371</b>	<b>3,762</b>	<b>84,501</b>
Credit loss allowance - charge / (reversal)	421	797	10,468	-	26	-	(1,333)	(3,776)	6,603
<b>Profit / (loss) before tax</b>	<b>42,250</b>	<b>1,179</b>	<b>10,472</b>	<b>(13,852)</b>	<b>2</b>	<b>3,594</b>	<b>7,157</b>	<b>7,145</b>	<b>57,947</b>

As at December 31, 2024 (Audited)

	Retail Banking	Consumer, SME & Agriculture lending	Corporate, Commercial and Investment Banking	Treasury	Financial Institutions	Branchless banking	International	Head Office / Others	Total
----- (Rupees in million) -----									
<b>Statement of financial position</b>									
Cash and bank balances	147,782	-	760	194,143	-	-	120,501	-	463,186
Lendings to financial institutions	-	-	-	84,294	-	-	-	-	84,294
Inter segment lending	2,763,575	-	-	-	-	38,086	1,685	241,961	3,045,307
Investments	-	-	72,132	2,097,402	5,990	-	182,484	40,920	2,398,928
Advances - performing	-	304,945	1,347,623	-	270,903	-	304,105	19,945	2,247,521
Advances - non-performing	-	1,778	5,433	-	-	-	-	232	7,443
Others	28,536	11,940	128,427	39,382	4,564	2,210	32,334	211,039	458,432
<b>Total assets</b>	<b>2,939,893</b>	<b>318,663</b>	<b>1,554,375</b>	<b>2,415,221</b>	<b>281,457</b>	<b>40,296</b>	<b>641,109</b>	<b>514,097</b>	<b>8,705,111</b>
Borrowings	-	4,016	138,192	534,990	-	-	110,548	-	787,746
Subordinated debt	-	-	-	-	-	-	-	18,874	18,874
Deposits and other accounts	2,885,744	1,902	676,751	-	43,673	36,788	446,310	-	4,091,168
Inter segment borrowing	-	284,309	672,964	1,825,666	237,630	-	24,738	-	3,045,307
Others	54,149	28,436	66,468	41,029	154	3,508	4,618	185,868	384,230
<b>Total liabilities</b>	<b>2,939,893</b>	<b>318,663</b>	<b>1,554,375</b>	<b>2,401,685</b>	<b>281,457</b>	<b>40,296</b>	<b>586,214</b>	<b>204,742</b>	<b>8,327,325</b>
Equity	-	-	-	13,536	-	-	54,895	309,355	377,786
<b>Total equity and liabilities</b>	<b>2,939,893</b>	<b>318,663</b>	<b>1,554,375</b>	<b>2,415,221</b>	<b>281,457</b>	<b>40,296</b>	<b>641,109</b>	<b>514,097</b>	<b>8,705,111</b>
<b>Contingencies and commitments</b>	<b>-</b>	<b>2,303</b>	<b>616,679</b>	<b>680,203</b>	<b>53,116</b>	<b>-</b>	<b>315,419</b>	<b>30,474</b>	<b>1,698,194</b>

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

## 36 RELATED PARTY TRANSACTIONS

The Bank has related party relationships with various parties including its Directors, Key Management Personnel, Group entities, subsidiaries, associated companies and employee benefit schemes of the Bank.

Transactions with related parties, other than those under terms of employment, are executed on an arm's length basis i.e. do not involve more than normal risk and are substantially on the same terms, including mark-up rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties.

Contributions to and accruals in respect of staff retirement and other benefit schemes are made in accordance with the actuarial valuations / terms of the schemes.

Details of transactions and balances with related parties as at the period / year end are as follows:

	As at June 30, 2025 (Unaudited)					
	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Other related parties
	(Rupees in '000)					
<b>Statement of financial position</b>						
<b>Balances with other banks</b>						
In current accounts	-	-	3,377	789,118	-	-
<b>Investments</b>						
Opening balance	-	-	-	37,073,602	7,080,101	13,758,615
Initial impact of fair valuation of unlisted equity securities	-	-	-	-	-	9,608,380
Exchange Adjustment	-	-	-	156,435	-	161,444
Investment made during the period	-	-	-	4,850,000	-	-
Investment redeemed / disposed off during the period	-	-	-	-	-	(1,533,500)
Revaluation of investment during the period	-	-	-	-	-	(319,846)
Reversal of credit loss allowance / reversal of provision for diminution in the value of investments	-	-	-	-	(23,222)	10,656
Closing balance	-	-	-	42,080,037	7,056,879	21,685,749
Credit loss allowance / provision for diminution in the value of investments - held	-	-	-	-	70,838	1,668
<b>Advances</b>						
Opening balance	1,295	505,825	5,093,585	2,026,128	125,000	11,470,215
Exchange adjustment	-	-	70,862	-	6,041	-
Addition during the period	8,191	201,901	7,737,238	128,470	2,805,951	12,983,257
Repaid during the period	(8,022)	(253,010)	(9,279,829)	(86,737)	(1,517,975)	(12,291,515)
Transfer in - net	-	41,374	-	-	-	-
Closing balance	1,464	496,090	3,621,856	2,067,861	1,419,017	12,161,957
<b>Other Assets</b>						
Interest / mark-up accrued	-	294	46,004	132,491	262	178,144
Receivables from defined benefit plan	-	-	-	-	-	1,101,998
Prepaid insurance	-	-	-	-	144,381	-
Advance rent	-	2,042	19,721	-	28,003	-
Other receivables / prepayments	-	-	-	259,733	-	78,378
	-	2,336	65,725	392,224	172,646	1,358,520
<b>Borrowings</b>						
Opening balance	-	-	-	2,228,400	20,612,700	4,506,950
Exchange adjustment	-	-	-	44,893	404,934	34,224
Borrowings during the period	-	-	-	2,525,290	88,104,563	8,831,168
Settled during the period	-	-	-	(2,244,702)	(86,421,036)	(6,453,519)
Closing balance	-	-	-	2,553,881	22,701,161	6,918,823
<b>Deposits and other accounts</b>						
Opening balance	56,743	346,426	32,227,130	3,756,121	3,595,859	3,387,662
Exchange adjustment	516	2,921	497,052	-	269	-
Received during the period	121,411	3,267,319	252,059,588	415,233,092	1,219,944,595	85,018,990
Withdrawn during the period	(96,830)	(2,960,112)	(251,174,995)	(408,922,599)	(1,143,674,215)	(85,451,296)
Closing balance	81,840	656,554	33,608,775	10,066,614	79,866,508	2,955,356
<b>Other liabilities</b>						
Interest / mark-up payable	-	682	247,977	10,465	126,125	43,341
Payable to defined benefit plan	-	-	-	-	-	863,274
Donation payable	-	-	-	-	-	517,739
Unearned income	-	-	29,004	33,820	-	-
Insurance payable	-	-	-	-	16,611	-
Other payables	-	-	-	407,639	-	2,040
	-	682	276,981	451,924	142,736	1,426,394

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

	As at June 30, 2025 (Unaudited)					
	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Other related parties
	(Rupees in '000)					
<b>Contingencies and Commitments</b>						
Letter of credit	-	-	835,134	-	-	291,003
Guarantees	-	-	416,107	-	-	3,541,727
Forward purchase of Government securities	-	-	343,130	-	-	-
	-	-	1,594,371	-	-	3,832,730
<b>Others</b>						
Securities held as custodian	1,250	153,774	19,205,415	-	257,745,235	41,762,466

	For the six months ended June 30, 2025 (Unaudited)					
	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Other related parties
	(Rupees in '000)					
<b>Profit and loss account</b>						
<b>Income</b>						
Mark-up / return / profit / interest earned	2	7,530	158,370	535,483	27,810	823,578
Fee and commission income	417	5,197	213,634	163,273	721,623	14,723
Dividend income	-	-	-	-	1,654,976	1,228,286
Unrealised loss on derivatives	-	-	-	-	-	-
Gain on sale of securities - net	-	-	-	-	1,061	928
Rent on properties	-	-	-	75,486	-	165
Gain on disposal of property and equipment	-	-	-	-	1,333	-
Other income	-	-	-	109	-	-
<b>Expense</b>						
Mark-up / return / profit / interest expensed	803	7,089	912,847	180,268	936,927	245,842
Operating expenses	-	-	-	-	-	-
Total compensation expense	-	1,612,040	-	-	-	905,285
Non-Executive Directors' fees	47,100	-	-	-	-	-
Insurance premium expense	-	-	-	-	1,487,398	-
Product feature cost	-	-	178,413	-	-	-
Travelling	-	-	7,211	-	-	-
Software maintenance	-	-	-	-	-	10,494
Rent and taxes	-	-	27,231	-	34,365	1,240
Subscription	-	-	-	-	-	9,493
Donation	-	-	-	-	-	517,739
Brokerage and commission	-	-	-	-	-	191,197
Documentation and processing charges	-	-	-	-	-	17,198
Marketing, advertisement and publicity	-	-	-	369,725	-	-
Utilities cost	-	-	-	18,509	-	-
Other expenses	-	-	-	451	-	3,902
Reversal of credit loss allowance / reversal of provision for diminution in the value of investments	-	-	-	-	13,751	10,656
<b>Others</b>						
Purchase of Government securities	-	114,950	122,645,321	59,197,407	111,121,713	5,683,426
Sale of Government securities	1,183	146,091	126,774,036	62,211,915	88,848,963	9,617,764
Purchase of foreign currencies	-	-	5,433,592	18,365,296	54,711	153,119
Sale of foreign currencies	-	-	2,782,206	16,408,064	2,232,384	688,557
Insurance claims settled	-	-	-	-	328,149	-

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

As at December 31, 2024 (Audited)

	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Other related parties
(Rupees in '000)						
<b>Statement of financial position</b>						
<b>Balances with other banks</b>						
In current accounts	-	-	103,491	592,339	-	-
<b>Investments</b>						
Opening balance	-	-	-	29,172,923	7,058,755	17,204,695
Impact of adoption of IFRS 9	-	-	-	-	-	60,639
Exchange Adjustment	-	-	-	(99,321)	20,766	(408,119)
Investment made during the year	-	-	-	8,000,000	580	-
Investment redeemed / disposed off during the year	-	-	-	-	-	(2,837,500)
Revaluation of investment during the year	-	-	-	-	-	(165,505)
Credit loss allowance in the value of investments	-	-	-	-	-	(12,324)
Closing balance	-	-	-	37,073,602	7,080,101	13,841,886
Credit loss allowance / provision for diminution in the value of investments - held	-	-	-	-	57,088	12,324
<b>Advances</b>						
Opening balance	1,969	649,863	5,352,719	2,086,003	375,000	10,200,880
Exchange adjustment	-	-	(1,169,263)	-	-	-
Addition during the year	14,004	339,935	34,360,119	46,492	-	21,552,947
Repaid during the year	(14,678)	(272,714)	(33,449,990)	(106,367)	(250,000)	(20,286,647)
Transfer (out) / in - net	-	(211,259)	-	-	-	3,035
Closing balance	1,295	505,825	5,093,585	2,026,128	125,000	11,470,215
<b>Other Assets</b>						
Interest / mark-up accrued	-	930	44,109	202,604	7,620	325,079
Receivable from defined benefit plan	-	-	-	-	-	1,101,998
Prepaid insurance	-	-	-	-	612,913	-
Other receivables / prepayments	-	2,887	28,294	216,168	-	17,196
	-	3,817	72,403	418,772	620,533	1,444,273
<b>Borrowings</b>						
Opening balance	-	-	5,169,268	1,409,304	16,686,344	4,536,746
Exchange adjustment	-	-	-	(16,436)	(1,588,155)	(29,796)
Borrowings during the year	-	-	-	6,415,957	158,918,166	10,026,383
Settled during the year	-	-	(5,169,268)	(5,580,425)	(153,403,655)	(10,026,383)
Closing balance	-	-	-	2,228,400	20,612,700	4,506,950
<b>Deposits and other accounts</b>						
Opening balance	23,411	572,514	23,823,074	3,698,361	33,215,657	1,363,336
Exchange adjustment	(88)	(5,571)	(336,548)	-	(4,913)	(17,377)
Received during the year	622,797	4,826,380	410,951,033	916,794,508	1,365,475,469	56,443,170
Withdrawn during the year	(589,377)	(4,816,766)	(402,210,429)	(916,736,748)	(1,395,090,354)	(54,404,861)
Transfer (out) / in - net	-	(230,131)	-	-	-	3,394
Closing balance	56,743	346,426	32,227,130	3,756,121	3,595,859	3,387,662
<b>Other liabilities</b>						
Interest / mark-up payable	160	948	159,756	10,179	103,264	47,077
Payable to defined benefit plan	-	-	-	-	-	692,228
Donation payable	-	-	-	-	-	867,797
Unearned income	-	-	7,781	-	-	-
Insurance payable	-	-	-	-	3,992	-
Other payables	-	-	-	245,089	966	-
	160	948	167,537	255,268	108,222	1,607,102
<b>Contingencies and Commitments</b>						
Letters of credit	-	-	857,611	-	-	261,003
Letters of guarantee	-	-	187,974	500	-	3,541,727
Forward purchase of Government securities	-	-	-	-	-	351,855
Forward purchase of foreign exchange contracts	-	-	1,002,095	139,275	-	6,931,972
Interest rate swaps	-	-	-	-	125,000	-
	-	-	2,047,680	139,775	125,000	11,086,557
<b>Others</b>						
Securities held as custodians	-	143,390	19,906,410	-	306,748,350	36,152,635

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

	For the six months ended June 30, 2024 (Unaudited)					
	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Other related parties
(Rupees in '000)						
<b>Profit and loss account</b>						
<b>Income</b>						
Mark-up / return / profit / interest earned	13	14,485	217,124	660,518	37,142	1,264,995
Fee and commission income	251	4,467	180,024	76,850	504,397	8,324
Dividend income	-	-	-	-	1,455,190	918,243
Unrealised loss on derivatives	-	-	-	-	(20,643)	-
Gain on sale of securities - net	-	-	-	-	517	-
Rent on properties	-	-	-	58,390	-	150
Gain on disposal of property and equipment	-	-	-	-	5,571	-
Other income	-	-	-	19,202	-	-
<b>Expense</b>						
Mark-up / return / profit / interest expensed	1,483	26,515	860,337	262,589	1,782,348	307,215
Operating expenses	-	-	-	-	-	-
Total compensation expense	-	2,132,023	-	-	-	600,196
Non-Executive Directors' fees	57,600	-	-	-	-	-
Insurance premium expense	-	-	-	-	1,191,763	-
Product Feature Cost	-	-	137,873	-	-	-
Travelling	-	-	7,189	-	-	-
Software maintenance	-	-	-	-	-	7,634
Rent and taxes	-	-	24,103	-	33,792	1,927
Subscription	-	-	-	-	-	3,630
Donation	-	-	-	-	-	436,437
Brokerage and Commission	-	-	-	-	-	151,996
Documentation and processing charges	-	-	-	-	-	24,683
Marketing, advertisement and publicity	-	-	-	375,483	-	-
Other expenses	-	-	24	7,010	-	3,430
Provision / credit loss allowance for diminution in the value of investments	-	-	-	-	18,802	20,070
<b>Others</b>						
Purchase of Government securities	-	9,839	85,919,120	104,846,982	80,787,852	5,735,149
Sale of Government securities	-	78,753	89,118,879	104,658,606	49,749,020	12,665,792
Purchase of foreign currencies	-	-	5,698,227	19,601,744	45,983	15,677
Sale of foreign currencies	-	-	3,148,142	14,961,795	589,255	796,998
Insurance claims Settled	-	-	-	-	182,436	-

36.1 Balances and transactions with group entities include deposits of Rs 0.637 million (December 31, 2024: Rs 0.638 million) from the parent and Rs 5,485 (June 30, 2024: Rs 3,220) as mark-up expense thereon.

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

37 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS	(Unaudited) June 30, 2025 ----- (Rupees in '000) -----	(Audited) December 31, 2024
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	14,668,525	14,668,525
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	312,226,388	296,656,489
Eligible Additional Tier 1 (ADT 1) Capital	13,177,316	13,519,903
Total Eligible Tier 1 Capital	325,403,704	310,176,392
Eligible Tier 2 Capital	85,441,271	73,236,490
Total Eligible Capital (Tier 1 + Tier 2)	410,844,975	383,412,882
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	1,573,319,091	1,549,436,526
Market Risk	297,181,750	185,097,775
Operational Risk	367,384,573	367,384,573
Total	2,237,885,414	2,101,918,874
CET 1 CAR	13.95%	14.11%
Tier 1 CAR	14.54%	14.76%
Total CAR	18.36%	18.24%
<b>Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)</b>	8.50%	8.50%
of which: capital conservation buffer requirement	1.50%	1.50%
of which: countercyclical buffer requirement	-	-
of which: D-SIB buffer requirement	1.00%	1.00%
CET1 available to meet buffers (as a percentage of risk weighted assets)	7.95%	8.11%
<b>Other information:</b>		
<b>Minimum capital requirements prescribed by the SBP</b>		
CET1 ratio (%)	8.50%	8.50%
Tier 1 ratio (%)	10.00%	10.00%
Total capital ratio (%)	12.50%	12.50%
<b>Leverage Ratio (LR)</b>	(Unaudited) June 30, 2025 ----- (Rupees in '000) -----	(Audited) December 31, 2024
Eligible Tier-1 Capital	325,403,704	310,176,392
Total Exposure	7,356,118,591	6,802,909,769
<b>Leverage Ratio (%)</b>	4.42%	4.56%
<b>Minimum Requirement (%)</b>	3.00%	3.00%
<b>Liquidity Coverage Ratio (LCR)</b>		
Average High Quality Liquid Assets	2,385,728,267	2,320,570,154
Average Net Cash Outflow	930,321,605	869,235,371
<b>Liquidity Coverage Ratio (%)</b>	256.44%	266.97%
<b>Minimum Requirement (%)</b>	100.00%	100.00%
<b>Net Stable Funding Ratio (NSFR)</b>		
Total Available Stable Funding	4,523,161,468	4,156,125,271
Total Required Stable Funding	2,585,740,197	2,732,852,018
<b>Net Stable Funding Ratio (%)</b>	174.93%	152.08%
<b>Minimum Requirement (%)</b>	100.00%	100.00%

37.1 For the purpose of calculating CAR, the SBP has allowed banks to phase in the impact on opening retained earnings of the ECL calculated for financial assets classified as stage 1 and stage 2. The phasing is allowed over a period of five years. Had there been no such relaxation, the Bank's total CAR would have been lower by 42 bps and the Leverage Ratio would have been lower by 11 bps.

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

## 38 ISLAMIC BANKING BUSINESS

The Bank operates 408 (December 31, 2024: 408) Islamic Banking branches and 575 (December 31, 2024: 581) Islamic Banking windows.

### STATEMENT OF FINANCIAL POSITION

#### ASSETS

	Note	(Unaudited) June 30, 2025	(Audited) December 31, 2024
------(Rupees in '000)-----			
Cash and balances with treasury banks		43,703,859	39,849,968
Balances with other banks		1,236,455	760,800
Due from financial institutions	38.1	37,200,000	30,000,000
Investments	38.2	377,857,726	349,841,214
Islamic financing and related assets - net	38.3	239,821,478	193,867,617
Property and equipment		7,144,245	7,307,282
Right-of-use assets		8,354,858	7,553,230
Intangible assets		35,415	43,133
Due from Head Office		1,332,226	-
Deferred tax assets		-	-
Other assets		38,459,543	25,835,979
		<b>755,145,805</b>	<b>655,059,223</b>

#### LIABILITIES

Bills payable		32,381	39,072
Due to financial institutions	38.4	28,167,970	45,450,071
Deposits and other accounts	38.5	602,765,145	494,894,964
Due to Head Office		-	5,926,658
Lease liabilities		11,435,258	10,332,557
Subordinated debt		-	-
Deferred tax liabilities		4,809,178	1,904,986
Other liabilities		34,808,172	33,565,331
		<b>682,018,104</b>	<b>592,113,639</b>

#### NET ASSETS

#### REPRESENTED BY

Islamic Banking Fund		500,000	500,000
Reserves		-	-
Surplus on revaluation of investments - net of tax		4,439,242	4,361,869
Unappropriated profit	38.6	68,188,459	58,083,715
		<b>73,127,701</b>	<b>62,945,584</b>

#### Contingencies and commitments

38.7

(Unaudited) For the six months ended	
June 30, 2025	June 30, 2024
------(Rupees in '000)-----	

### PROFIT AND LOSS ACCOUNT

Profit / return earned	38.8	38,670,097	47,103,850
Profit / return expensed	38.9	15,099,955	24,401,673
Net profit / return		<b>23,570,142</b>	<b>22,702,177</b>

#### Other income

Fee and commission income		1,199,972	1,162,292
Dividend income		-	-
Foreign exchange income		288,104	421,906
Income from derivatives		-	-
Gain on securities- net		521,603	25,075
Others		-	-
Total other income		<b>2,009,679</b>	<b>1,609,273</b>
<b>Total income</b>		<b>25,579,821</b>	<b>24,311,450</b>

#### Other expenses

Operating expenses		6,295,865	5,779,585
Workers' Welfare Fund		430,984	313,798
Other charges		695	125
Total other expenses		<b>6,727,544</b>	<b>6,093,508</b>

#### Profit before credit loss allowance

(Reversal) / charge of credit loss allowance and write offs - net		<b>(2,696,920)</b>	<b>2,528,060</b>
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#### Profit before taxation

Taxation		<b>11,421,074</b>	<b>7,688,042</b>
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#### Profit after taxation

		<b>10,128,123</b>	<b>8,001,840</b>
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# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

	(Unaudited) June 30, 2025	(Audited) December 31, 2024
	----- (Rupees in '000) -----	
38.1 <b>Due from Financial Institutions</b>		
Call money lendings	24,700,000	8,000,000
Secured lendings	12,500,000	22,000,000
	<u>37,200,000</u>	<u>30,000,000</u>

	June 30, 2025 (Unaudited)			
	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
	----- (Rupees in '000) -----			
<b>38.2 Investments by segments</b>				
<b>Debt Instruments</b>				
<b>Fair value through profit and loss (FVTPL)</b>				
<b>Federal Government securities</b>				
- Ijarah Sukuk	12,541,839	-	(5,377)	12,536,462
- Other Federal Government securities	970,299	-	-	970,299
<b>Non-Government debt securities</b>				
- Listed	191,674	-	1,871	193,545
- Unlisted	801,000	-	-	801,000
	<u>14,504,812</u>	<u>-</u>	<u>(3,506)</u>	<u>14,501,306</u>
<b>Fair value through other comprehensive income (FVOCI)</b>				
<b>Federal Government securities</b>				
- Ijarah Sukuk	272,060,250	-	9,193,592	281,253,842
<b>Non-Government debt securities</b>				
- Listed	42,250,000	(22,102)	54,828	42,282,726
	<u>314,310,250</u>	<u>(22,102)</u>	<u>9,248,420</u>	<u>323,536,568</u>
<b>Amortised cost</b>				
<b>Federal Government securities</b>				
- Ijarah Sukuk	28,252,120	-	-	28,252,120
<b>Non-Government debt securities</b>				
- Unlisted	12,195,447	(627,715)	-	11,567,732
	<u>40,447,567</u>	<u>(627,715)</u>	<u>-</u>	<u>39,819,852</u>
<b>Total Investments</b>	<u>369,262,629</u>	<u>(649,817)</u>	<u>9,244,914</u>	<u>377,857,726</u>
	December 31, 2024 (Audited)			
	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
	----- (Rupees in '000) -----			
<b>Fair value through profit and loss (FVTPL)</b>				
<b>Federal Government securities</b>				
- Ijarah Sukuk	10,273,922	-	71,409	10,345,331
- Other Federal Government securities	2,580,725	-	-	2,580,725
<b>Non-Government debt securities</b>				
- Listed	191,668	-	6	191,674
- Unlisted	801,000	-	-	801,000
	<u>13,847,315</u>	<u>-</u>	<u>71,415</u>	<u>13,918,730</u>
<b>Fair value through other comprehensive income (FVOCI)</b>				
<b>Federal Government securities</b>				
- Ijarah Sukuk	242,713,829	-	8,583,533	251,297,362
<b>Non-Government debt securities</b>				
- Listed	42,750,000	(17,539)	498,773	43,231,234
- Unlisted	600,000	(6,984)	4,922	597,938
	<u>286,063,829</u>	<u>(24,523)</u>	<u>9,087,228</u>	<u>295,126,534</u>
<b>Amortised cost</b>				
<b>Federal Government securities</b>				
- Ijarah Sukuk	28,274,899	-	-	28,274,899
<b>Non-Government debt securities</b>				
- Unlisted	13,148,915	(627,864)	-	12,521,051
	<u>41,423,814</u>	<u>(627,864)</u>	<u>-</u>	<u>40,795,950</u>
<b>Total Investments</b>	<u>341,334,958</u>	<u>(652,387)</u>	<u>9,158,643</u>	<u>349,841,214</u>



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

	Note	(Unaudited) June 30, 2025 ------(Rupees in '000)-----	(Audited) December 31, 2024 ------(Rupees in '000)-----
<b>38.5 Deposits and other accounts</b>			
<b>Customers</b>			
Current deposits		242,892,140	125,193,794
Savings deposits		260,851,702	345,117,509
Term deposits		25,265,266	19,019,144
		<b>529,009,108</b>	<b>489,330,447</b>
<b>Financial Institutions</b>			
Current deposits		100,716	70,917
Savings deposits		73,655,321	5,491,954
Term deposits		-	1,646
		<b>73,756,037</b>	<b>5,564,517</b>
		<b>602,765,145</b>	<b>494,894,964</b>
<b>38.6 Islamic Banking business unappropriated profit</b>			
Opening Balance		58,083,715	43,688,438
Impact of adoption of IFRS 9		-	(2,603,420)
Add: Islamic Banking profit for the period / year		21,549,197	37,011,071
Less: Taxation		(11,421,074)	(19,985,978)
Less: Transferred / Remitted to Head Office		(23,379)	(26,396)
Closing Balance		<b>68,188,459</b>	<b>58,083,715</b>
		<b>(Unaudited) June 30, 2025 ------(Rupees in '000)-----</b>	<b>(Audited) December 31, 2024 ------(Rupees in '000)-----</b>
<b>38.7 Contingencies and commitments</b>			
- Financial Guarantees		8,422,235	-
- Performance Guarantees		24,741,802	8,005,532
- Commitments	38.7.1	107,836,302	64,541,386
		<b>141,000,339</b>	<b>72,546,918</b>
<b>38.7.1 Commitments</b>			
Trade-related contingent liabilities		74,949,777	42,534,511
Commitments in respect of forward foreign exchange contracts	38.7.1.1	32,886,525	22,006,875
		<b>107,836,302</b>	<b>64,541,386</b>
<b>38.7.1.1 Commitments in respect of forward foreign exchange contracts</b>			
Purchase		20,101,443	11,536,610
Sale		12,785,082	10,470,265
		<b>32,886,525</b>	<b>22,006,875</b>
<b>38.8 Profit / return earned</b>		<b>(Unaudited) For the Six months ended June 30, 2025 ------(Rupees in '000)-----</b>	<b>(Audited) June 30, 2024 ------(Rupees in '000)-----</b>
On:			
Financing		14,631,719	20,441,122
Investments		23,318,063	25,355,553
Amounts due from financial institutions		720,315	1,307,175
		<b>38,670,097</b>	<b>47,103,850</b>
<b>38.9 Profit / return expensed</b>			
On:			
Deposits and other accounts		10,989,383	20,782,556
Amounts due to financial institutions		3,141,793	2,634,680
Foreign currency deposits for Wa'ad based transactions		186,594	366,912
Lease liability against right-of-use assets		782,185	617,525
		<b>15,099,955</b>	<b>24,401,673</b>

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 2025

## 39 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

39.1 The Board of Directors, in its meeting held on July 31, 2025 has declared a cash dividend of Rs. 4.50 per share in respect of the quarter ended June 30, 2025 (June 30, 2024: Rs 4.00 per share). These condensed interim unconsolidated financial statements do not include the effect of this appropriation which will be accounted for subsequent to the period end.

## 40 DATE OF AUTHORISATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorised for issue in the Board of Directors meeting held on July 31, 2025.

## 41 GENERAL

41.1 Comparative figures have been re-arranged and reclassified for comparison purposes.

Muhammad Nassir Salim  
President and  
Chief Executive Officer

Rayomond Kotwal  
Chief Financial Officer

Khaleel Ahmed  
Director

Moez Ahamed Jamal  
Director

Dr. Najeeb Samie  
Director





