

BankIslami

SAVING HUMANITY FROM RIBA

آئیں انسانیت کو سود سے بچائیں!



2025
QUARTERLY REPORT SEPTEMBER

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Corporate Information

Board of Directors

Mr. Suleman Lalani	Chairman (Non-Executive Director)
Mr. Rizwan Ata	President & Chief Executive Officer
Mr. Akhtar Abbas	Independent Director
Dr. Shamshad Akhtar	Independent Director
Mr. Haider Ali Hilaly	Independent Director
Mr. Kalim Ur Rahman*	Non-Executive Director
Mr. Sulaiman Sadruddin Mehdi	Independent Director
Mr. Syed Ali Hasham	Non-Executive Director

Shariah Supervisory Board

Dr. Mufti Irshad Ahmad Aijaz	Chairperson
Mufti Javed Ahmad	Resident Shariah Board Member
Mufti Muhammad Husain Khaleel Khail	Member
Mufti Syed Hussain Ahmed	Member

Board Audit Committee

Mr. Haider Ali Hilaly	Chairperson
Dr. Shamshad Akhtar	Member
Mr. Sulaiman Sadruddin Mehdi	Member
Mr. Syed Ali Hasham	Member

Board Risk Management Committee

Dr. Shamshad Akhtar	Chairperson
Mr. Sulaiman Sadruddin Mehdi	Member
Mr. Syed Ali Hasham	Member
Mr. Rizwan Ata, President & Chief Executive Officer	Member

Board Human Resource & Remuneration Committee

Mr. Akhtar Abbas	Chairperson
Mr. Sulaiman Sadruddin Mehdi	Member
Mr. Suleman Lalani	Member
Mr. Syed Ali Hasham	Member

Board Information Technology Committee

Mr. Haider Ali Hilaly	Chairperson
Mr. Akhtar Abbas	Member
Mr. Suleman Lalani	Member
Mr. Rizwan Ata, President & Chief Executive Officer	Member

Company Secretary

Mr. S.M. Hasan Rizvi

Chief Financial Officer

Mr. Hasan Shahid

* Mr. Kalim Ur Rahman has been appointed as a Non-Executive Director of the Bank with effect from September 12, 2025, in place of Mr. Ali Hussain, to fill the casual vacancy.

Auditors

KPMG Taseer Hadi & Co.,
Chartered Accountants

Legal Advisers

Haidermota & Co.
Mohsin Tayebaly & Co.

Management (in alphabetical order)

Rizwan Ata	Chief Executive Officer
Imran Haleem Shaikh	Deputy CEO
Faisal Anwar	Group Head Treasury & Financial Institution
Haris Munawar	Head of Wholesale Banking
Hasan Saeed Akbar	Head of Marketing & Strategy
Hasan Shahid	Chief Financial Officer
Kabir Ahmad Qureshi	Group Head Distribution & Business Banking
Muhammad Amin	Group Head Information Technology
Muhammad Irfan Ahmed	Head Shariah Compliance
Muhammad Uzair Sipra	Head of Legal
Muzammil Aslam	Head of Operations
Ram Pal Punshi	Principal Credit Advisor
Saira Gabol	Head of Human Resource
Sajjad Hussain Qureshi	Chief Risk Officer
Sohail Sikandar	Chief Operations Officer
Syed Amir Raza Zaidi	Chief Internal Auditor
Syed Ghazanfar Hussain	Head of Compliance
Syed Mohammad Mujeeb	Chief Information Officer
Syed Muhammad Hasan Rizvi	Company Secretary
Wajid Hussain Junejo	Group Head Administration
Waqas Anis	Chief Digital Officer
Zaheer Elahi Babar	Group Head Credit
Zulfiqar Lehari	Group Head Consumer and Channel Sales

Registered Office

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Email: info@bankislami.com.pk

Share Registrar

CDC Share Registrar Services Limited
Head Office: CDC House, 99 – B, Block 'B',
S.M.C.H.S., Main Shahra-e-Faisal Karachi- 74400.
Tel: (92) 0800-23275 Fax: (92-21) 34326053
URL: www.cdcsrsl.com
Email: info@cdcsrsl.com

Website

www.bankislami.com.pk

Directors' Report to the Members

Dear Members,

On behalf of the Board of Directors, we are pleased to present the condensed interim un-audited stand-alone Financial Statements of BankIslami Pakistan Limited ('the Bank' or 'BankIslami') along with the consolidated Financial Statements for the nine months ended September 30, 2025.

Economy Snapshot

Pakistan's economy entered a phase of stabilization and steady recovery during the period under review. Inflation dropped to historic lows, enabling the central bank to loosen monetary policy further and support economic activity. Improved fiscal management resulted in a primary surplus and a narrower budget deficit, driven by stronger revenues. The external sector also showed progress, with record remittances leading to a current account surplus after 14 years for FY2024-25, boosting reserves. However, growth remained moderate, as structural challenges, external pressures, and climate-related risks continue to limit long-term economic expansion.

Pakistan posted a revised real GDP growth rate of 3.0% for FY2024-25 compared to 2.6% of the previous year led by Services and Industrial sectors. However, recent floods have slightly deteriorated the growth outlook for FY2025-26, with agriculture output losses and supply disruptions expected to weigh on manufacturing and services sectors as well in the near term. Whereas improved prospects for the next crop season may partially offset these effects. Broad expectations for the real GDP growth for FY2025-26 are in the range of 3.0% – 3.6%.

As economic activity improved and inflation remained anchored, the Monetary Policy Committee (MPC) reduced the Policy Rate from 13% to 11% during the period under review with the last cut of 100 basis points seen in May 2025. Average inflation for FY2024-25 stood at 4.5%. Afterwards MPC kept the Policy Rate unchanged at 11% with rising trade deficit as economy gains traction, and risks to inflation amidst supply shocks in food items while core inflation on the other hand remains sticky.

The Current Account of the Balance of Payments recorded a surplus after 14 years amounting to USD 2.1 billion during FY2024-25. However, during the first two months of the ongoing fiscal year, the Current Account posted a deficit of USD 624 million amidst rising trade deficit. Remittances from overseas Pakistanis continue to post a healthy growth restricting the overall deficit. As of September 26, 2025, Pakistan's foreign exchange reserves held by the SBP stood at USD 14.4 billion, with total reserves, reaching USD 19.8 billion and the currency remained stable against the US Dollar with a devaluation of 0.6% during the period under review.

Subsequent to the period under review, Pakistan reached a Staff-Level Agreement with the IMF after completing the second review under the 37-month Extended Fund Facility (EFF) and the first review under the 28-month Resilience and Sustainability Facility (RSF) entitling Pakistan for USD 1.2 billion combined tranche after approval of the Executive Board of the IMF. The IMF staff highlighted strong program implementation, including fiscal consolidation, tight monetary policy, energy sector reforms, and structural initiatives to enhance governance and climate resilience. With the support of the IMF and other bilateral and multilateral partners SBP projects reserves that it holds to reach USD 15.5 billion by December 2025.

Looking ahead, sustainable long-term growth in Pakistan will depend on structural reforms, disciplined fiscal management, export diversification, and attracting foreign direct investment. Key risks include volatile international trade dynamics, particularly in light of U.S. tariffs, adverse weather conditions, and the potential resurgence of inflationary pressures as economic activity strengthens.

(Source: SBP Monetary Policy Statement and News Reports)

Overview of Financial Performance

Following are the key financial highlights for the nine months ended September 30, 2025:

Key Balance Sheet Numbers	Sept 2025	December 2024	Sept 2024	Sept 2025 vs December 2024	Sept 2025 vs Sept 2024
	-----Rupees in '000 -----			%	
Deposits	605,523,342	559,177,932	551,897,381	8.29%	9.72%
Due to FI	62,607,470	87,662,161	28,055,865	-28.58%	123.15%
Financing & related assets - net	259,890,316	296,097,250	170,485,709	-12.23%	52.44%
Investments – net	353,489,527	345,051,553	346,744,229	2.45%	1.95%
Net Assets	47,606,967	48,309,276	46,048,423	-1.45%	3.38%

Key Income and Expense Numbers

	Sept 2025	Sept 2024	Change
	-----Rupees in '000 -----		%
Profit / return earned	56,089,043	86,444,730	-35.12%
Profit / return expensed	29,738,348	52,542,898	-43.40%
Net Spread Earned	26,350,695	33,901,832	-22.27%
Fee, Commission and other Income	7,234,925	3,497,172	106.88%
Total Income	33,585,620	37,399,004	-10.20%
Operating expenses	23,026,403	15,968,190	44.20%
Operating Profit before credit loss allowance	10,148,645	21,020,984	-51.72%
Profit before taxation	10,876,108	19,923,410	-45.41%
Profit after taxation	5,077,105	10,172,525	-50.09%
Earnings per share (in Rupees)	4.5793	9.1752	-50.09%

During the period, the Bank expanded its group size by incorporating BIPL Exchange Company (Private) Limited as a wholly owned subsidiary of the Bank to provide foreign exchange services. Currently, the Company is in the process of submission of application for obtaining In-Principle approval of the Exchange Company from SBP.

Alhamdulillah! the Bank continued its upward deposit trend, reporting an overall deposits portfolio of PKR 605.5 billion reflecting a growth of 8.29% over December 31, 2024 and 9.7% over September 30, 2024. This increase is contributed by a substantial growth in current deposits which expanded by 20.9% and 33.1% from December 31, 2024 and September 30, 2024 respectively, indicating strong customer confidence and transactional activity. Saving deposits also showed positive growth of 2.3% and 15.4% from December 2024 and September 2024. A consistent decline in term deposits since September 2024, indicates a shift towards a more liquid deposit mix, contributed to a steady improvement in the Bank's CASA ratio. Through focused initiatives in trade finance, employee banking, and cash management, the Bank has consistently maintained a stable and resilient CASA ratio of over 60% over the past three years and further raised it to 68.6% during the period. This improvement reflects growing customer confidence and reaffirms the Bank's commitment to maintaining a well-diversified and sustainable funding profile.

BankIslami

The Bank's gross financing portfolio has posted a decline of 11.3% from December 31, 2024, reflecting a cautious lending approach in line with prevailing market conditions. However, on YoY basis the portfolio posted a healthy growth of 45.45% against September last year. Consequently, the Advances-to-Deposit ratio (ADR) has reduced to 47.9% in September 2025 from 58.5% in December 2024 indicating a shift towards more balanced asset mix where the Bank has strategically extended financing to selected large corporate, commercial, and SME clients, prudently leveraging emerging opportunities while diversifying its earning assets and exploring new investment avenues.

From a risk management standpoint, the Bank's delinquent financing portfolio recorded a decline of 8.7%, standing at Rs. 22.1 billion as of September 2025 compared to Rs. 24.2 billion as of December 2024. Despite this improvement, the infection ratio increased slightly to 7.6% from December 2024, mainly due to a contraction in the overall financing portfolio base. The Bank's coverage ratio strengthened to 111.9% from 105% at year-end 2024, reflecting prudent provisioning practices and a sound risk management framework.

The Bank's investment portfolio recorded an increase of 2.45% over the position as of December 31, 2024. This growth was primarily driven by higher holdings of risk-free GoP Ijarah Sukuks, complemented by a measured expansion in the equity portfolio, including a strategic investment in an exchange company. The expansion reflects the Bank's focus on optimizing returns through dividends and capital gains while maintaining a prudent and balanced risk profile.

The Bank's Capital Adequacy Ratio (CAR) experienced a notable decline from 24.11% on December 31, 2024, to 17.78% on September 30, 2025, a change primarily attributed to a reduction in its eligible Tier-2 capital following the settlement of a long-term facility from the SBP. Concurrently, the Bank witnessed an increase in its risk-weighted assets, driven by higher investments and non-funded exposures, which included strategic initiatives like incorporating an exchange company and acquiring a landmark 32-storey commercial tower in Clifton, Karachi, aimed at bolstering operational capacity and corporate presence. Nonetheless, the Bank maintains CAR which is comfortably above the regulatory minimum, signifying a strong capital position and effective risk management practices.

The Bank's profitability came under significant pressure during the period, primarily due to a sharp reduction in policy rates, which fell by half from 22% in May 2024 to 11.0% by June 2025 resulting in a substantial squeeze in profit margins. This pressure was further compounded by a regulatory change effective January 01, 2025, requiring all Islamic Banking Institutions (IBIs) to pay profit on saving deposits at a minimum of 75% of the weighted average gross yield of their investment pools. Consequently, spreads contracted by 22.2% on a year-on-year basis. Despite these challenges to core financing income, the Bank's strategic focus on diversification yielded positive results, with Non-Funded Income (NFI) increasing by 106.9%, thereby contracting the overall decline in total income to just 10.2%. Operating expenses, however, rose by 44.2%, from the comparative period last year, largely due to inflationary pressures and the Bank's continued investment in strategic initiatives, including branch network expansion and technology enhancements to support long-term sustainable growth.

Group Results

During the period ended September 30, 2025, the Group's total assets stood at Rs. 750.6 billion, reflecting a growth of 1.7% compared to December 31, 2024. The Group reported a profit before tax of Rs. 10.8 billion, lower than the level recorded in September 2024, mainly due to the impact of reduced policy rates and persistent inflationary pressures. The Group remains focused on prudent balance sheet management and strategic growth, ensuring that each initiative contributes meaningful and sustainable value to its stakeholders.

Acknowledgements

The Board wishes to express its profound gratitude to the State Bank of Pakistan for their invaluable assistance and guidance. Additionally, we extend our appreciation to the Securities and Exchange Commission of Pakistan and other regulatory bodies for their unwavering support towards the Bank's endeavors. Our sincere gratitude goes out to our esteemed customers, valued business partners, and shareholders for their continuous loyalty and trust.

Furthermore, we would like to recognize the exceptional dedication, commitment, and tireless efforts exhibited by our management team and employees. Their contributions have been instrumental in propelling BankIslami to a prominent position within the broader banking sector and particularly in the Islamic Banking industry.

On behalf of the Board,

-sd-

Rizwan Ata

President & Chief Executive Officer

Karachi: October 23, 2025

-sd-

Suleman Lalani

Chairman of the Board of Directors

اظہارِ تشکر

بورڈ، اسٹیٹ بینک آف پاکستان کو معاونت اور رہنمائی فراہم کرنے پر خراجِ تحسین پیش کرنا چاہتا ہے۔ بورڈ، سکیورٹیز اینڈ ایکس چینج کمیشن آف پاکستان اور دیگر انضباطی حکام کی جانب سے بینک کی کوششوں کیلئے غیر متزلزل تائید کئے جانے پر بھی تہ دل سے مشکور ہے۔ ہم اپنے گراں قدر صارفین، کاروباری شرکاء اور حوصّہ یافتگان کی جانب سے ان کے مسلسل اعتماد اور وفاداری کے لئے بھی بے حد مشکور ہیں۔

مزید یہ کہ ہم اپنی انتظامی ٹیم اور ملازمین کی لگن، عزم اور انتھک محنت کو بھی قدر کی نگاہ سے دیکھتے ہیں۔ جس نے بینک اسلامی کو نہ صرف بینکاری کی صنعت میں بلکہ خاص طور پر اسلامی بینکاری کی صنعت میں اہم مقام دیا ہے۔

منجانبِ وحسبِ الحکم بورڈ،

سلیمان لالائی

چیئرمین بورڈ آف ڈائریکٹرز

رضوان عطاء

صدر اور چیف ایگزیکٹو آفیسر

کراچی 23 اکتوبر 2025ء

جو 2025 کی نو ماہی مدت میں مزید بڑھ کر 68.6 فیصد تک پہنچ گیا۔ یہ بہتری صارفین کے بڑھتے اعتماد اور بینک کی متنوع پائیدار مالیاتی پروفاائل برقرار رکھنے کے عزم کی عکاسی کرتی ہے۔

بینک کے مجموعی فنانسنگ پورٹ فولیو میں 31 دسمبر 2024 کے مقابلے میں 11.3 فیصد کمی دیکھی گئی، جو موجودہ مارکیٹ حالات کے مطابق محتاط قرضہ جاتی حکمت عملی کا نتیجہ ہے۔ تاہم، سال بہ سال بنیاد پر ستمبر 2024 کے مقابلے میں 45.45 فیصد کی صحت مند ترقی ریکارڈ کی گئی۔ نتیجتاً، Advances-to-Deposit Ratio (ADR) دسمبر 2024 میں 58.5 فیصد سے گھٹ کر ستمبر 2025 میں 47.9 فیصد ہو گیا، جو ایک متوازن اثاثہ جاتی حکمت عملی کی نشاندہی کرتا ہے۔ بینک نے بڑے کارپوریٹ، کمرشل اور SME صارفین کو محتاط انداز میں فنانسنگ فراہم کرتے ہوئے اپنی آمدنی کے ذرائع کو متنوع بنایا اور نئے سرمایہ کاری مواقع تلاش کیے۔

خطرات کے نظم و نسق کے نقطہ نظر سے، بینک کے تاخیر شدہ فنانسنگ پورٹ فولیو میں 8.7 فیصد کمی ہوئی، جو دسمبر 2024 کے 24.2 ارب روپے سے کم ہو کر ستمبر 2025 میں 22.1 ارب روپے رہا۔ اگرچہ یہ بہتری قابل ذکر ہے، تاہم مجموعی فنانسنگ میں کمی کے باعث انٹیکیشن ریٹو قدرے بڑھ کر 7.6 فیصد ہو گیا۔ بینک کا اورینٹیشن 2024 کے اختتام پر 105 فیصد سے بڑھ کر 111.9 فیصد ہو گیا، جو محتاط پرویزنگ اور مضبوط خطرات کے نظم و نسق کے فریم ورک کو ظاہر کرتا ہے۔

بینک کے سرمایہ کاری پورٹ فولیو میں 31 دسمبر 2024 کے مقابلے میں 2.45 فیصد اضافہ ریکارڈ کیا گیا۔ یہ اضافہ بنیادی طور پر حکومت پاکستان کے اجارہ سلوک میں سرمایہ کاری اور ایٹو کی پورٹ فولیو میں متوازن وسعت کے باعث ہوا، جس میں ایچ ایچ سی پی میں حکمت عملی پر مبنی سرمایہ کاری بھی شامل ہے۔ یہ وسعت متنازع اور سرمائے کے حصول کے متوازن مواقع کے ساتھ بینک کی محتاط سرمایہ کاری پالیسی کو ظاہر کرتی ہے۔

بینک کا کپٹیل ایڈجسٹڈ کوریٹو (CAR) 31 دسمبر 2024 کے 24.11 فیصد سے کم ہو کر 30 ستمبر 2025 تک 17.78 فیصد ہو گیا۔ یہ کمی بنیادی طور پر اسٹیٹ بینک آف پاکستان کے ایک طویل مدتی فنانسنگ سہولت کی ادائیگی کے بعد Tier-2 سرمایہ میں کمی کی وجہ سے ہوئی۔ اس دوران بینک کے خطرے سے مشروط اثاثہ جات (Risk-Weighted Assets) میں اضافہ دیکھا گیا، جس کی وجہ حکومتی سلوک میں سرمایہ کاری، غیر مالیاتی سرمایہ کاری اور حکمت عملی پر مبنی اقدامات تھے، جن میں ایچ ایچ سی پی کا قیام اور کراچی کے علاقے کلفٹن میں 32 منزلہ کمرشل ٹاور کی خریداری شامل ہے۔ باوجود اس کے، بینک کا CAR ریگولیٹری تقاضوں سے خاصا زیادہ ہے، جو مضبوط سرمایہ جاتی پوزیشن اور موثر خطرات کے نظم و نسق کا مظہر ہے۔

جاری مدت کے دوران بینک کی منفعت شدید دباؤ کا شکار رہی، جس کی بنیادی وجہ پالیسی شرح میں نمایاں کمی تھی، جو مئی 2024 کے 22 فیصد سے کم ہو کر جون 2025 میں 11 فیصد پر آگئی، جس سے منافع کی شرح پر منفی اثر پڑا۔ مزید برآں، جنوری 2025 سے نافذ کردہ ریگولیٹری تبدیلی کے تحت تمام اسلامی بینکاری اداروں (IBIs) کو لازمی قرار دیا گیا کہ وہ سیونگ ڈپازٹس پر اپنے سرمایہ کاری پورٹ فولے کے اوسط مجموعی منافع کم از کم 75 فیصد ادا کریں۔ نتیجتاً، شرح فرق سال بہ سال 22.2 فیصد گر گیا۔

اس کے باوجود، بینک کی متنوع آمدنی پر مبنی حکمت عملی کے مثبت نتائج سامنے آئے، اور غیر مالیاتی آمدنی (NFI) میں 106.9 فیصد اضافہ ہوا، جس سے مجموعی آمدنی میں کمی صرف 10.2 فیصد تک محدود رہی۔ دوسری جانب، عملیاتی اخراجات گزشتہ سال کے مقابلے میں 44.2 فیصد بڑھ گئے، جو مہنگائی کے دباؤ اور برائے نظام کی توسیع و یکسانا جی میں سرمایہ کاری کے باعث ہوا، تاکہ مستقبل میں پائیدار ترقی کو یقینی بنایا جاسکے۔

گروپ کے نتائج

30 ستمبر 2025 تک گروپ کے کل اثاثے 750.6 ارب روپے رہے، جو 31 دسمبر 2024 کے مقابلے میں 1.7 فیصد اضافہ ظاہر کرتے ہیں۔ گروپ کا منافع قبل از محصولات 10.8 ارب روپے رہا، جو گزشتہ سال کے اسی عرصے کے مقابلے میں کم ہے، اس کی بنیادی وجوہات پالیسی شرح میں کمی اور مسلسل مہنگائی کا دباؤ تھیں۔ گروپ بدستور محتاط انداز میں بیلینس شیٹ کے نظم و نسق اور حکمت عملی پر مبنی ترقی پر زور دے رہا ہے، تاکہ ہر اقدام فریقین کے لیے پائیدار قدر میں اضافہ کرے۔

ستمبر 2025 بمقابل ستمبر 2024	ستمبر 2025 بمقابل دسمبر 2024	ستمبر 2024	دسمبر 2024	ستمبر 2025	ستمبر 2025 کے اہم اعداد اور شمار
فیصد		روپے ہزاروں میں			
9.72 فیصد	8.29 فیصد	551,897,381	559,177,932	605,523,342	ڈپازٹس
123.15 فیصد	-28.58 فیصد	28,055,865	87,662,161	62,607,470	مالیاتی اداروں کو واجب الاواد
52.44 فیصد	-12.23 فیصد	170,485,709	296,097,250	259,890,316	فنانسنگ اور متعلقہ اثاثے جات۔ صافی
1.95 فیصد	2.45 فیصد	346,744,229	345,051,553	353,489,527	سرمایہ کاری۔ صافی
3.38 فیصد	-1.45 فیصد	46,048,423	48,309,276	47,606,967	صافی اثاثے جات

تبدیلی	ستمبر 2024	ستمبر 2025	منافع اور اخراجات کے اہم اعداد اور
فیصد	روپے ہزاروں میں		
-35.12 فیصد	86,444,730	56,089,043	حاصل کردہ منافع آمدن
-43.40 فیصد	52,542,898	29,738,348	خرچہ کردہ منافع آمدن
-22.27 فیصد	33,901,832	26,350,695	حاصل کردہ صافی آمدن
106.88 فیصد	3,497,172	7,234,925	فیس اور کمیشن سے حاصل آمدن
-10.20 فیصد	37,399,004	33,585,620	مطلوبہ آمدنی
44.20 فیصد	15,968,190	23,026,403	عملیاتی اخراجات
-51.72 فیصد	21,020,984	10,148,645	کریڈٹ نقصان الاؤنس سے قبل آپریٹنگ منافع
-45.41 فیصد	19,923,410	10,876,108	قبل از محصول منافع
-50.09 فیصد	10,172,525	5,077,105	بعد از محصول منافع
-50.09 فیصد	9.1752	4.5793	فی حصص آمدن (روپے میں)

اس مدت کے دوران بینک نے اپنی گروپ ساخت کو وسعت دیتے ہوئے BIPL (پرائیویٹ) لمیٹڈ کو بطور مکمل ملکیتی ذیلی ادارہ شامل کیا، تاکہ غیر ملکی زرمبادلہ کی خدمات فراہم کی جا سکیں۔ فی الحال، کمپنی اسٹیٹ بینک آف پاکستان سے آپریٹنگ کمپنی کے قیام کیلئے ابتدائی منظوری (In-Principle Approval) حاصل کرنے کی درخواست جمع کرانے کے عمل میں ہے۔

الحمد للہ! بینک نے اپنے ڈپازٹس میں مسلسل ترقی کارخان برقرار رکھا، اور 30 ستمبر 2025 تک کل 605.5 ارب روپے کے ڈپازٹس رپورٹ کیے، جو 31 دسمبر 2024 کے مقابلے میں 8.29 فیصد اور 30 ستمبر 2024 کے مقابلے میں 9.7 فیصد اضافہ ظاہر کرتے ہیں۔ اس نمایاں اضافے میں کرنٹ ڈپازٹس کا اہم کردار رہا، جن میں 31 دسمبر 2024 اور 30 ستمبر 2024 کے مقابلے میں بالترتیب 20.9 فیصد اور 33.1 فیصد اضافہ ہوا، جو صارفین کے بڑھتے اعتماد اور بین دین کی سرگرمیوں کا مظہر ہے۔ سیونگ ڈپازٹس میں بھی دسمبر 2024 اور ستمبر 2024 کے مقابلے میں بالترتیب 2.3 فیصد اور 15.4 فیصد اضافہ ہوا۔ ستمبر 2024 سے مدنی ڈپازٹس میں کمی کے نتیجے میں بینک کے CASA تناسب میں بہتری آئی۔ تجارت، ملازمین بینکنگ اور کیش منیجمنٹ کے شعبوں میں خصوصی اقدامات کے باعث، بینک نے گزشتہ تین سالوں میں 60 فیصد سے زائد کا مستحکم CASA تناسب برقرار رکھا،

ڈائریکٹرز کی ممبران کے لیے رپورٹ

معزز اراکین،

بورڈ آف ڈائریکٹرز کی جانب سے، ہم بینک اسلامی پاکستان لمیٹڈ ('بینک' یا 'بینک اسلامی') کے ڈائریکٹرز کی رپورٹ کے ساتھ 30 ستمبر 2025 کو اختتام پزیر ہونے والی نو ماہی مدت کیلئے مختصر عبوری غیر پڑتال شدہ مالیاتی گوشواروں کے ساتھ ہر ماہیاتی گوشواروں کو پیش کرنے میں خوش محسوس کر رہے ہیں۔

معاشی جائزہ

جائزہ شدہ مدت کے دوران پاکستان کی معیشت مثبت طور پر استحکام اور بہتر ترقی بحالی کے مرحلے میں داخل ہوئی۔ مہنگائی تاریخی طور پر کم ترین سطح تک گرنے سے مرکزی بینک کو مالیاتی پالیسی میں نرمی کی گنجائش ملی جس نے معاشی سرگرمیوں کو فروغ دیا۔ بہتر مالی نظم و ضبط کے باعث محصولات میں اضافے کے ساتھ بنیادی پخت حاصل ہوئی اور بجٹ خسارہ کم ہوا۔ بیرونی کھاتے بھی مضبوط ہوئے، جبکہ 14 سال بعد ترسیلات زر میں تاریخی اضافے کے باعث مالی سال 2024-25 میں کرنٹ کھاتہ پخت میں بدل گیا جس نے زرمبادلہ کے ذخائر کو تقویت دی۔ تاہم ساختی مسائل، بیرونی دباؤ اور موسمی خطرات بدستور طویل المدتی ترقی میں رکاوٹ بنے ہوئے ہیں، جس کے باعث مجموعی نمو معتدل سطح پر رہی۔

پاکستان نے مالی سال 2024-25 کے لیے 3.0 فیصد حقیقی جی ڈی پی نمو ریکارڈ کی جو گزشتہ سال کے 2.6 فیصد کے مقابلے میں بہتر رہی، اور اس ترقی میں خدمات اور صنعتی شعبوں نے نمایاں کردار ادا کیا۔ تاہم حالیہ سیلابوں کے باعث مالی سال 2025-26 کے لیے شرح نمو کی توقعات قدرے متاثر ہوئیں کیونکہ زرعی پیداوار میں کمی اور سیلابی زمینوں کے تعطیل سے مینوفیکچرنگ اور خدمات کے شعبوں پر دباؤ متوقع ہے۔ اگرچہ اگلی فصل کے سیزن کے بہتر امکانات ان اثرات کی جزوی تلافی کر سکتے ہیں۔ مالی سال 2025-26 کے لیے حقیقی جی ڈی پی کی متوقع شرح نمو 3.0 سے 3.6 فیصد کے درمیان ہے۔

معاشی سرگرمیوں میں بہتری اور مہنگائی کے قابو میں رہنے کے باعث مالیاتی پالیسی کمیٹی (MPC) نے پالیسی شرح کو 13 فیصد سے کم کر کے 11 فیصد کر دیا، جس میں آخری 100 بیس پوائنٹس کی کمی مئی 2025 میں کی گئی۔ مالی سال 2024-25 میں اوسط افراط زر 4.5 فیصد رہی۔ بعد ازاں تجارتی خسارے میں اضافے اور خوردگاہ کی فراہمی میں رکاوٹوں کے خدشات کے باعث کمیٹی نے پالیسی شرح کو برقرار رکھا، اگرچہ بنیادی افراط زر نسبتاً ٹھنڈا رہا۔

اوبائیگیوں کے توازن میں کرنٹ کھاتے نے 14 سال بعد 2.1 ارب امریکی ڈالر کی پخت کے ساتھ مالی سال 2024-25 مکمل کیا۔ تاہم جاری مالی سال کے ابتدائی دو ماہ میں بڑھتے ہوئے تجارتی خسارے کے سبب 624 ملین ڈالر کا خسارہ ریکارڈ کیا گیا۔ بیرون ملک مقیم پاکستانیوں کی ترسیلات زر میں صحت مند اضافہ جاری رہا جس نے مجموعی خسارے کو محدود رکھنے میں مدد دی۔ 26 ستمبر 2025 تک اسٹیٹ بینک کے پاس زرمبادلہ کے ذخائر 14.4 ارب ڈالر تھے، جبکہ مجموعی ذخائر 19.8 ارب ڈالر تک پہنچ گئے، اور امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر صرف 0.6 فیصد کم ہوئی، جو شرح تبادلہ کے استحکام کی عکاسی کرتی ہے۔

جائزہ مدت کے بعد پاکستان نے بین الاقوامی مالیاتی فنڈ (IMF) کے ساتھ توسیع مالیاتی سہولت (EFF) کے دوسرے اور استقامتی اور پائیداری سہولت (RSF) کے پہلے جائزے کا کامیاب تکمیل کے بعد اسٹاف لیول معاہدہ کر لیا، جس کے تحت ایگزیکٹو بورڈ کی منظوری کے بعد 1.2 ارب امریکی ڈالر کی مشترکہ قسط جاری کی جائے گی۔ IMF نے پاکستان کے مالی نظم و ضبط، سخت مالیاتی پالیسی، توانائی کے شعبے میں اصلاحات، اور گورننس و موسمیاتی چیلنجز میں بہتری کے اقدامات کو سراہا۔ IMF اور دیگر دو طرفہ و کثیرالاجہتی شراکت داروں کی حمایت سے اسٹیٹ بینک کو توقع ہے کہ دسمبر 2025 تک زرمبادلہ کے ذخائر 15.5 ارب امریکی ڈالر تک پہنچ جائیں گے۔

آئندہ کیلئے پائیدار طویل المدتی ترقی کا محاصرہ ساختی اصلاحات، مضبوط مالی نظم، برآمدات میں تنوع، اور غیر ملکی براہ راست سرمایہ کاری میں اضافے پر ہوگا۔ تاہم بین الاقوامی تجارت میں غیر یقینی صورت حال، امریکی محصولات پالیسیوں، موسمی اثرات اور مہنگائی کے دوبارہ بڑھنے کے خدشات وہ اہم خطرات ہیں جو معاشی بحالی کی رفتار کو متاثر کر سکتے ہیں۔

(ماخذ: ایس پی پی نیٹور کی پالیسی سٹیٹمنٹ اور اخباراتی خبریں)

UNCONSOLIDATED FINANCIAL STATEMENTS

GUARDING SOCIETY AGAINST RIBA

Islam teaches that Riba undermines justice and equality. By rejecting exploitative financial practices, we honor the values of fairness, compassion, and social well-being in society.





BankIslami

Condensed Interim Unconsolidated Statement of Financial Position

As at September 30, 2025

	(Un-audited) September 30, 2025	(Audited) December 31, 2024
	----- Rupees in '000 -----	
ASSETS		
Cash and balances with treasury banks	6 41,954,312	41,093,952
Balances with other banks	7 427,791	982,664
Due from financial institutions	8 9,172,360	4,257,928
Investments	9 353,489,527	345,051,553
Islamic financing, related assets and advances	10 259,890,316	296,097,250
Property and equipment	11 22,817,927	15,102,917
Right-of-use assets	12 3,875,987	4,314,535
Intangible assets	13 4,376,474	4,050,161
Deferred tax assets	14 1,789,088	-
Other assets	15 54,012,344	26,883,065
Total Assets	751,806,126	737,834,025
LIABILITIES		
Bills payable	16 5,415,576	13,773,529
Due to financial institutions	17 62,607,470	87,662,161
Deposits and other accounts	18 605,523,342	559,177,932
Lease liabilities	19 5,199,029	4,839,747
Subordinated sukuk	20 3,000,000	3,000,000
Deferred tax liabilities	14 -	1,384,914
Other liabilities	21 22,453,742	19,686,466
Total Liabilities	704,199,159	689,524,749
NET ASSETS	47,606,967	48,309,276
REPRESENTED BY		
Share capital - net	11,007,991	11,007,991
Reserves	8,182,240	7,166,819
Surplus on revaluation of assets	22 4,584,205	7,396,069
Unappropriated profit	23,832,531	22,738,397
	47,606,967	48,309,276
CONTINGENCIES AND COMMITMENTS		
	23	

The annexed notes 1 to 39 form an integral part of these condensed interim unconsolidated financial statements.

-Sd-
PRESIDENT /
CHIEF EXECUTIVE
OFFICER

-Sd-
CHIEF FINANCIAL
OFFICER

-Sd-
CHAIRMAN

-Sd-
DIRECTOR

-Sd-
DIRECTOR

Condensed Interim Unconsolidated Profit and Loss Account (Un-audited)

For the Quarter and Nine Months Ended September 30, 2025

Note	Quarter Ended		Nine Months Ended		
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024	
	----- Rupees in '000 -----				
		(Restated)		(Restated)	
Profit / return earned	24	17,191,281	27,414,563	56,089,043	86,444,730
Profit / return expensed	25	9,363,777	15,569,937	29,738,348	52,542,898
Net profit / return		7,827,504	11,844,626	26,350,695	33,901,832
OTHER INCOME					
Fee and commission income	26	780,721	584,289	2,563,545	1,674,010
Dividend income		54,690	1,560	165,842	64,096
Foreign exchange income / (loss)		806,642	(165,702)	1,053,251	1,241,523
(Loss) / income from shariah compliant alternative of forward foreign exchange contracts		(342,267)	432,617	(54,672)	(13,266)
Gain on securities - net	27	976,363	18,876	3,364,401	395,841
Net gain on derecognition of financial assets measured at amortised cost		-	-	-	-
Other income	28	62,653	56,526	142,558	134,968
Total other income		2,338,802	928,166	7,234,925	3,497,172
Total Income		10,166,306	12,772,792	33,585,620	37,399,004
OTHER EXPENSES					
Operating expenses	29	8,013,787	5,766,062	23,026,403	15,968,190
Workers welfare fund		39,182	126,543	221,961	407,987
Other charges	30	1,825	1,429	188,611	1,843
Total other expenses		8,054,794	5,894,034	23,436,975	16,378,020
Profit before credit loss allowance		2,111,512	6,878,758	10,148,645	21,020,984
Credit loss allowance and write offs - net	31	191,582	692,188	(727,463)	1,097,574
Extraordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		1,919,930	6,186,570	10,876,108	19,923,410
Taxation	32	1,251,832	3,050,931	5,799,003	9,750,885
PROFIT AFTER TAXATION		668,098	3,135,639	5,077,105	10,172,525
----- Rupees -----					
Basic and Diluted earnings per share	33	0.6026	2.8282	4.5793	9.1752

The annexed notes 1 to 39 form an integral part of these condensed interim unconsolidated financial statements.

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DIRECTOR

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DIRECTOR

Condensed Interim Unconsolidated Statement of Comprehensive Income (Un-audited)

For the Quarter and Nine Months Ended September 30, 2025

	Quarter Ended		Nine Months Ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
	----- Rupees in '000 -----			
		(Restated)		(Restated)
Profit after taxation for the period	668,098	3,135,639	5,077,105	10,172,525
Other comprehensive income / (loss)				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in surplus on revaluation of debt investments through FVOCI - net of tax	(376,957)	3,234,897	(3,430,543)	2,529,298
Items that will not be reclassified to profit and loss account in subsequent periods:				
Movement in surplus on revaluation of equity investments - net of tax	515,786	-	700,063	-
Total comprehensive income	<u>806,927</u>	<u>6,370,536</u>	<u>2,346,625</u>	<u>12,701,823</u>

The annexed notes 1 to 39 form an integral part of these condensed interim unconsolidated financial statements.

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-Sd-
CHAIRMAN

-Sd-
DIRECTOR

-Sd-
DIRECTOR

Condensed Interim Unconsolidated Statement of Changes in Equity

For the Nine Months Ended September 30, 2025

	Share capital	Discount on issue of shares	Statutory reserve*	Surplus on revaluation of		Unappropriated profit	Total
				Investments	Property & Equipment / Non Banking Assets		
Rupees in '000							
Opening Balance as at January 01, 2024	11,087,033	(79,042)	4,800,111	3,206,282	1,455,808	15,995,726	36,465,918
Impact of initial application of IFRS 9 as at January 01, 2024 - net of tax	-	-	-	(166,708)	-	(113,670)	(280,378)
Opening Balance as at January 01, 2024 (Audited)	11,087,033	(79,042)	4,800,111	3,039,574	1,455,808	15,882,056	36,185,540
Profit after taxation for the nine months ended September 30, 2024 - (restated)	-	-	-	-	-	10,172,525	10,172,525
Other comprehensive income for the nine months ended September 30, 2024	-	-	-	-	-	-	-
Movement in surplus on revaluation of investments in debt instruments - net of tax	-	-	-	2,529,298	-	-	2,529,298
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	(129,205)	129,205	-
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	(1,292)	1,292	-
Transfer from surplus on revaluation of property and equipment on sale to unappropriated profit - net of tax	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	2,041,438	-	-	(2,041,438)	-
Transactions with owners, recorded directly in equity							
Final cash dividend to shareholders for the year 2023 @ Re. 1 per share	-	-	-	-	-	(1,108,703)	(1,108,703)
First Interim cash dividend to shareholders for the year 2024 @ Rs. 1.5 per share	-	-	-	-	-	(1,663,055)	(1,663,055)
Opening Balance as at October 01, 2024 - (restated)	11,087,033	(79,042)	6,841,549	5,568,872	1,325,311	21,371,882	46,115,605
Profit after taxation for the period from October 01, 2024 to December 31, 2024	-	-	-	-	-	1,661,016	1,661,016
Other comprehensive income for the period from October 01, 2024 to December 31, 2024	-	-	-	-	-	-	-
Movement in surplus on revaluation of investments in debt instruments - net of tax	-	-	-	276,667	-	-	276,667
Movement in surplus on revaluation of investments in equity instruments - net of tax	-	-	-	3,020	-	-	3,020
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	(42,689)	(42,689)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	277,152	-	277,152
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	18,505	-	18,505
	-	-	-	279,687	295,657	(42,689)	532,655
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	(73,511)	73,511	-
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	53	(53)	-
Transfer to statutory reserve	-	-	325,270	-	-	(325,270)	-
Opening Balance as at January 01, 2025 - (Audited)	11,087,033	(79,042)	7,166,819	5,848,559	1,547,510	22,738,397	48,309,276
Profit after taxation for the nine months ended September 30, 2025	-	-	-	-	-	5,077,105	5,077,105
Other comprehensive income for the nine months ended September 30, 2025	-	-	-	-	-	-	-
Movement in surplus on revaluation of investments in debt instruments - net of tax	-	-	-	(3,430,543)	-	-	(3,430,543)
Movement in surplus on revaluation of investments in equity instruments - net of tax	-	-	-	700,063	-	-	700,063
	-	-	-	(2,730,480)	-	-	(2,730,480)
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	(62,407)	62,407	-
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	(96)	96	-
Gain on sale of equity instruments-FVOCI	-	-	-	(18,881)	-	18,881	-
Transfer to statutory reserve	-	-	1,015,421	-	-	(1,015,421)	-
Transactions with owners, recorded directly in equity							
Final cash dividend to shareholders for the year 2024 @ Rs. 1.25 per share	-	-	-	-	-	(1,385,879)	(1,385,879)
First Interim cash dividend to shareholders for the year 2025 @ Rs. 1.5 per share	-	-	-	-	-	(1,663,055)	(1,663,055)
Closing Balance as at September 30, 2025 (Un-audited)	11,087,033	(79,042)	8,182,240	3,099,198	1,485,007	23,832,531	47,606,967

*This represents reserve created under section 21(1) of the Banking Companies Ordinance, 1962.

The annexed notes 1 to 39 form an integral part of these condensed interim unconsolidated financial statements.

-Sd-
PRESIDENT /
CHIEF EXECUTIVE
OFFICER

-Sd-
CHIEF FINANCIAL
OFFICER

-Sd-
CHAIRMAN

-Sd-
DIRECTOR

-Sd-
DIRECTOR

Condensed Interim Unconsolidated Cash Flow Statement (Un-audited)

For the Nine Months Ended September 30, 2025

	September 30, 2025	September 30, 2024
	----- Rupees in '000 ----- (Restated)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	10,876,108	19,923,410
Less: Dividend income	(165,842)	(64,096)
	<u>10,710,266</u>	<u>19,859,314</u>
Adjustments for non-cash charges and other items:		
Net profit / return	(26,350,695)	(33,901,832)
Depreciation on property and equipment	29 1,547,446	1,240,619
Depreciation on non-banking assets	29 1,769	1,289
Depreciation on right-of-use assets	29 1,264,133	1,021,679
Amortisation	281,701	197,388
Depreciation on operating Ijarah assets	138,530	62,316
Finance charges on leased assets	25 666,790	587,199
Credit loss allowance and write offs - net	31 (727,463)	1,063,559
Unrealized loss / (gain) on revaluation of investments classified as FVPL	27 9,840	(47,069)
Charge for defined benefit plan	265,438	201,310
Gain on sale of property and equipment	28 (55,108)	(37,406)
	<u>(22,957,619)</u>	<u>(29,610,948)</u>
	<u>(12,247,353)</u>	<u>(9,751,634)</u>
(Increase) / decrease in operating assets		
Due from financial institutions	(4,912,037)	(23,030,656)
Securities classified as FVPL	(9,606)	47,069
Islamic financing, related assets and advances	36,875,410	55,466,538
Other assets (excluding advance taxation)	(27,211,474)	3,131,765
	<u>4,742,293</u>	<u>35,614,716</u>
(Decrease) / increase in operating liabilities		
Bills payable	(8,357,953)	(1,737,784)
Due to financial institutions	(25,054,691)	(32,947,816)
Deposits and other accounts	46,345,410	29,356,456
Other liabilities (excluding current taxation)	5,606,446	1,491,409
	<u>18,539,212</u>	<u>(3,837,735)</u>
	<u>11,034,152</u>	<u>22,025,347</u>
Profit / return received	53,148,389	79,546,650
Profit / return paid	(31,470,982)	(51,928,233)
Income tax paid	(7,439,010)	(9,814,517)
Payment to gratuity fund	-	(100,000)
Net cash generated from operating activities	<u>25,272,549</u>	<u>39,729,247</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net Investments in securities classified as FVOCI / AFS	(11,187,343)	(30,131,084)
Dividends received	165,842	64,096
Investments in property and equipment	(9,267,490)	(3,328,457)
Investments in intangible assets	(611,048)	(504,388)
Proceeds from disposal of property and equipment	63,176	57,854
Net cash used in investing activities	<u>(20,836,863)</u>	<u>(33,841,979)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Payments of lease obligations against right-of-use assets	(1,162,854)	(1,438,845)
Dividend paid	(2,967,345)	(2,791,839)
Proceeds from issuance of subordinated sukuk	-	150,000
Net cash used in financing activities	<u>(4,130,199)</u>	<u>(4,080,684)</u>
Increase in cash and cash equivalents	<u>305,487</u>	<u>1,806,584</u>
Cash and cash equivalents at the beginning of the period	42,076,616	42,660,257
Cash and cash equivalents at the end of the period	<u>42,382,103</u>	<u>44,466,841</u>

The annexed notes 1 to 39 form an integral part of these condensed interim unconsolidated financial statements.

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-Sd-
DIRECTOR

Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the Nine Months Ended September 30, 2025

1 STATUS AND NATURE OF BUSINESS

1.1 BankIslami Pakistan Limited (the Bank) was incorporated in Pakistan on October 18, 2004 as a public limited company to carry out the business of an Islamic Commercial Bank in accordance with the principles of Islamic Shariah.

The State Bank of Pakistan (SBP) granted a 'Scheduled Islamic Commercial Bank' license to the Bank on March 18, 2005. The Bank commenced its operations as a Scheduled Islamic Commercial Bank with effect from April 07, 2006 on receiving Certificate of Commencement of Business from the State Bank of Pakistan (SBP) under section 37 of the State Bank of Pakistan Act, 1956. The Bank is principally engaged in corporate, commercial, consumer, retail banking and investment activities.

The Bank is operating through 550 branches including 60 sub-branches as at September 30, 2025 (December 31, 2024: 540 branches including 60 sub-branches). The registered office of the Bank is situated at 11th Floor, Executive Tower, Dolmen City, Marine Drive, Block-4, Clifton, Karachi. The shares of the Bank are quoted on the Pakistan Stock Exchange Limited.

The Pakistan Credit Rating Agency (Private) Limited (PACRA) has maintained the Bank's long-term rating to 'AA-' and short-term rating at 'A1' with stable outlook.

The Bank is a subsidiary of JS Bank Limited (JSBL), which holds 75.12% shareholding in the Bank. Further JSBL is a subsidiary of Jahangir Siddiqui & Co. Ltd. (JSCL), making JSCL the ultimate parent of the Bank

1.2 During the period, the Bank has incorporated BIPL Exchange Company (Private) Limited as a wholly owned subsidiary of the Bank pursuant to receipt of No Objection Certificate from the State Bank of Pakistan. The principal business of the Company, upon commencement of operations, will be to provide foreign exchange services. Currently, the Company is in the process of submission of application for obtaining In-Principle approval of the Exchange Company from the State Bank of Pakistan.

2 BASIS OF PRESENTATION

2.1 STATEMENT OF COMPLIANCE

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

- International Accounting Standard 34 "Interim Financial Reporting" and 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 and the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the Nine Months Ended September 30, 2025

- 2.2** 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 IAS, IFRS or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.
- 2.3** The SBP, through its BSD Circular Letter No. 10 dated August 26, 2002, has deferred the implementation of IAS 40 - "Investment Property" for Banking Companies in Pakistan, till further instructions. Accordingly, the requirements of these Standards have not been considered in the preparation of these condensed interim unconsolidated financial statements. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7 "Financial Instruments: Disclosures" through its S.R.O. 411(I)/2008 dated April 28, 2008. Accordingly, the requirements of this standard have also not been considered in the preparation of these condensed interim unconsolidated financial statements. However non-banking assets have been classified and valued in accordance with the requirements prescribed by the SBP.
- 2.4** The SBP vide its BPRD Circular No. 04 dated February 25, 2015 has clarified that the reporting requirements of IFAS-3 for Islamic Banking Institutions (IBIs) relating to annual, half yearly and quarterly unconsolidated financial statements would be notified by the SBP through issuance of specific instructions and uniform disclosure formats in consultation with IBIs. These reporting requirements have not been ratified to date. Accordingly, the disclosure requirements under IFAS 3 have not been considered in these condensed interim unconsolidated financial statements.
- 2.5** The Bank received an extension from SBP up to December 31, 2025 for application of EPR in general for all financial assets and liabilities (excluding staff loans / subsidized loans), however as financial assets other than financing and financial liabilities were already effectively carried at EPR before the implementation of IFRS 9, hence said extension has only been applied on Islamic financing (excluding staff loans / subsidized loans i.e. Temporary Economic Refinance Facility). Therefore, Islamic financing are now carried at cost, excluding staff loans and TERF, which are carried at amortized cost, net of expected credit loss allowances.
- 2.6** The treatment of charity should be in line with the existing practices as defined in SBP instructions issued via IBD Circular No. 02 of 2008 and should not be recognized as income.
- 2.7** As per BPRD Circular Letter No. 01 of 2025 dated January 22, 2025, Islamic Banking Institutions (IBIs) are allowed to follow Islamic Financial Accounting Standards (IFAS) 1 & 2 where applicable and continue the existing accounting methodology on other Islamic products until issuance of further instruction in this regard.

If the revenue had been recognized in accordance with IFRS 9 and SBP Application guidelines, the following impact on profit and loss would have resulted: -

	Rupees in '000
Increase in opening retained earning - net of tax	<u>837,455</u>
Increase in profit and loss account - net of tax	<u>634,711</u>

Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the Nine Months Ended September 30, 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies and methods of computation adopted in the preparation of these condensed interim unconsolidated financial statements are consistent with those applied in the preparation of the audited annual financial statements of the Bank for the year ended December 31, 2024. Impact of adoption of IFRS 9 for the comparative and current period are disclosed in note 3.1.

3.1 IFRS 9 'Financial Instruments' – Restatement of corresponding figures of the current period due to subsequent adjustments on adoption of IFRS 9

The Bank had adopted IFRS 9 effective from January 01, 2024 with modified retrospective approach for restatement permitted under IFRS 9. The cumulative impact of initial application amounting to Rs. 280.378 million was recorded as an adjustment to equity at the beginning of the previous accounting period.

The Bank, in compliance with extended timelines prescribed in SBP's BPRD Circular Letter No. 16 dated July 29, 2024 and BPRD Circular Letter No. 01 dated January 22, 2025 had incorporated certain IFRS 9 related impacts in the last quarter of 2024. Therefore, the unconsolidated condensed interim statement of profit and loss account (un-audited) for the nine months ended September 30, 2024 have been restated to incorporate these impacts, had the restatement not been incorporated the profit after tax and total comprehensive income for the nine months ended September 30, 2024 would have been higher by Rs. 34.667 million. The details are tabulated below:

	September 30, 2024			Description
	Previously reported	Restatement	As re-stated	
Unconsolidated Condensed Interim	----- Rupees in '000 -----			
Profit and Loss Account				
Profit / return earned	85,967,950	476,780	86,444,730	Increase in profit earned due to impact of subsidised and staff financing
Profit / return expensed	52,198,273	344,625	52,542,898	Increase in profit expensed due to impact of subsidised financing from SBP
Net profit / return	33,769,677	132,155	33,901,832	
Operating expenses	15,802,076	166,114	15,968,190	Increase in operating expenses due to amortisation of staff financing prepaid cost
Credit loss allowance and write offs - net	1,063,559	34,015	1,097,574	Increase due to impact of modification loss
Profit / (loss) before taxation	19,991,384	(67,974)	19,923,410	
Taxation	9,784,192	33,307	9,750,885	
Profit after taxation	10,207,192	(34,667)	10,172,525	Impact of restatement
Basic and Diluted earnings per share (Rupees)	9.2064	(0.0313)	9.1752	

Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the Nine Months Ended September 30, 2025

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

There are certain interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2026 but are considered not to be relevant or do not have any significant effect on the Bank's operations and therefore not detailed in these condensed interim unconsolidated financial statements.

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

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

Standard, Interpretation or Amendment	Effective date (annual periods beginning on or after)
Amendments to Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	01 January 2026
IFRS 18 - Presentation and Disclosure in Financial Statements	01 January 2027

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

5 FINANCIAL RISK MANAGEMENT

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

Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the Nine Months Ended September 30, 2025

	<u>(Un-audited)</u> September 30, 2025	<u>(Audited)</u> December 31, 2024
	----- Rupees in '000 -----	
6 CASH AND BALANCES WITH TREASURY BANKS		
In hand:		
- Local currency	13,963,164	12,338,658
- Foreign currencies	476,567	844,077
	<u>14,439,731</u>	<u>13,182,735</u>
With the State Bank of Pakistan in:		
- Local currency current account	22,782,825	23,590,078
- Foreign currency deposit accounts:		
- Cash reserve account	1,451,316	1,386,343
- Special cash reserve account	1,746,699	1,668,793
- US dollar clearing account	153,982	10,999
	<u>3,351,997</u>	<u>3,066,135</u>
With National Bank of Pakistan in:		
- Local currency current account	1,380,202	1,255,110
Prize Bonds	-	83
Less: Credit loss allowance held against cash and balances with treasury banks	(443)	(189)
Cash and balances with treasury banks - net of credit loss allowance	<u>41,954,312</u>	<u>41,093,952</u>
7 BALANCES WITH OTHER BANKS		
In Pakistan:		
- In current accounts	9	9
- In deposit accounts	166	164
	<u>175</u>	<u>173</u>
Outside Pakistan:		
- In current accounts	362,229	667,135
- In deposit accounts	66,378	315,659
	<u>428,607</u>	<u>982,794</u>
Less: Credit loss allowance held against balances with other banks	(991)	(303)
Balances with other banks - net of credit loss allowance	<u>427,791</u>	<u>982,664</u>

Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the Nine Months Ended September 30, 2025

		<u>(Un-audited)</u> September 30, 2025	<u>(Audited)</u> December 31, 2024
	Note	----- Rupees in '000 -----	
8 DUE FROM FINANCIAL INSTITUTIONS			
Secured			
Bai Muajjal Receivable -with Other Financial Institutions	8.1	9,172,395	-
Unsecured			
Bai Muajjal Receivable -with Other Financial Institutions	8.1	-	4,257,928
Other placements		<u>12,150</u>	<u>14,580</u>
		9,184,545	4,272,508
Less: Credit loss allowance held against due from financial institutions	8.2	(12,185)	(14,580)
Due from financial institutions - net of credit loss allowance		<u>9,172,360</u>	<u>4,257,928</u>

8.1 The average return on this product is 10.9% (December 31, 2024: 19.6%) per annum. The balance has maturity in 41 days (December 31, 2024: 24 days).

	<u>(Un-audited)</u> September 30, 2025		<u>(Audited)</u> December 31, 2024	
	Due from financial institutions	Credit loss allowance held	Due from financial institutions	Credit loss allowance held
	----- Rupees in '000 -----			
8.2 Due from financial institutions - Particulars of credit loss allowance				
Domestic				
Performing Stage 1	9,172,395	35	4,257,928	-
Under performing Stage 2	-	-	-	-
Non-performing Stage 3				
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	<u>12,150</u>	<u>12,150</u>	<u>14,580</u>	<u>14,580</u>
	12,150	12,150	14,580	14,580
Total	<u>9,184,545</u>	<u>12,185</u>	<u>4,272,508</u>	<u>14,580</u>

8.2.1 The Bank does not hold overseas classified placements.

		<u>(Un-audited)</u> September 30, 2025	<u>(Audited)</u> December 31, 2024
	Note	----- Rupees in '000 -----	
9 INVESTMENTS			
Investments - Islamic	9.1	353,489,527	345,051,553
Investments - Conventional (relating to amalgamated entity)	9.2	-	-
		<u>353,489,527</u>	<u>345,051,553</u>

Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the Nine Months Ended September 30, 2025

9.1	Islamic Investments by type	(Un-audited)				(Audited)			
		September 30, 2025				December 31, 2024			
		Cost / Amortised cost	Credit loss allowance held	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Credit loss allowance held	Surplus / (Deficit)	Carrying Value
----- Rupees in '000 -----									
	- Debt Instruments								
	Classified / Measured at FVOCI								
	Federal Government Shariah								
	Compliant Securities	309,404,751	-	4,658,009	314,062,760	299,226,475	-	11,799,026	311,025,501
	Non-Government Shariah								
	Compliant Securities	33,325,690	(35,891)	351,526	33,641,325	32,808,817	(35,883)	357,473	33,130,407
		342,730,441	(35,891)	5,009,535	347,704,085	332,035,292	(35,883)	12,156,499	344,155,908
	Classified / Measured at FVPL								
	Non-Government Shariah								
	Compliant Securities	50,000	-	-	50,000	50,000	-	-	50,000
	- Equity Instruments								
	Classified / Measured at FVPL								
	Shares - listed companies	20,958	-	20,439	41,397	70,739	-	54,344	125,083
	Mutual Funds	52,179	-	21,901	74,080				
	Classified / Measured at FVOCI (Non-Reclassifiable)								
	Shares								
	Listed companies	2,966,017	-	1,447,128	4,413,145	685,744	-	27,998	713,742
	Foreign securities	6,820	-	-	6,820	6,820	-	-	6,820
	Associate	9.7	627,942	(627,942)	-	627,942	(627,942)	-	-
	Subsidiary	1.2 & 9.6	1,200,000	-	1,200,000				
	Total Islamic investments	347,654,357	(663,833)	6,499,003	353,489,527	333,476,537	(663,825)	12,238,841	345,051,553
9.2	Conventional Investments by type								
	- Debt Instruments								
	Classified / Measured at FVOCI								
	Non-Government Debt Securities	74,607	(74,607)	-	-	74,607	(74,607)	-	-
	- Equity Instruments								
	Classified / Measured at FVPL	9.2.1							
	Shares								
	Un-listed companies	-	-	-	-	-	-	-	-
	Foreign securities	-	-	-	-	-	-	-	-
	Associates	9.7	474,169	(474,169)	-	474,169	(474,169)	-	-
	Subsidiary	9.6	104,771	(104,771)	-	104,771	(104,771)	-	-
	Total conventional investments	653,547	(653,547)	-	-	653,547	(653,547)	-	-

9.2.1 With the adoption of IFRS 9, fully provided equity securities related to amalgamated entity previously classified as available for sale have been designated to FVPL as of January 01, 2024. Following is the break-up of such securities:

Name of Investee Company	No. of shares held
Riverstone Consultancy (Private) Limited	3,985,000
New Horizon Exploration and Production Limited	61,600,000
Pakistan Export Finance Guarantee Agency Limited	568,044

Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the Nine Months Ended September 30, 2025

During the period the Bank has disposed off 5,400,000 unquoted foreign equity securities of Evolve Capital Limited.

	(Un-audited) September 30, 2025	(Audited) December 31, 2024
-----Rupees in '000-----		
9.3 Investments given as collateral		
Federal Government Securities - GOP Ijarah Sukuk	28,700,000	57,565,700
9.4 Credit loss allowance held against investments		
Opening balance	1,317,372	3,306,404
Impact of adoption of IFRS 9	-	132
Charge / (reversal)		
Charge for the period / year	8	-
Reversals for the period / year	-	(242,134)
Reversal on disposals	-	-
	8	(242,134)
Amounts written off	-	-
Impact of reclassification of equity securities from FVOCI to FVPL	-	(1,747,030)
Closing Balance	1,317,380	1,317,372

	(Un-audited)		(Audited)	
	September 30, 2025		December 31, 2024	
9.5 Particulars of credit loss allowance against debt securities				
9.5.1 Category of classification	Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
----- Rupees in '000 -----				
Domestic				
Performing	342,468,310	11	331,773,161	3
Underperforming	-	-	-	-
Non-performing				
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	386,738	110,487	386,738	110,487
	386,738	110,487	386,738	110,487
Total	342,855,048	110,498	332,159,899	110,490

9.5.2 The Bank does not hold overseas classified debt securities.

As at	Holding %	Country of incorporation	Assets	Liabilities	Revenue	Profit / (loss) after taxation	Total comprehensive income / (loss)
----- Rupees in '000 -----							

9.6 Details of investment in subsidiary

Unlisted

My Solutions Corporation Limited	December 31, 2013	100.00	Pakistan	69,539	10,105	14,580	(1,763)	(1,763)
BIPL Exchange Company (Private) Limited	September 30, 2025	100.00	Pakistan	1,202,293	10,546	2,095	(8,253)	(8,253)

9.7 Details of investment in associates

Unlisted

Islamic								
Shakarganj Food Products Limited	March 31, 2025	36.38	Pakistan	9,916,306	7,066,978	4,951,003	(568,838)	(536,952)

Conventional

KASB Funds Limited	December 31, 2015	43.89	Pakistan	46,465	32,465	23,640	(66,241)	(65,679)
KASB Capital Limited	December 31, 2016	21.78	Mauritius	\$652,864	\$135,428	\$ -	\$(34,084)	\$(34,084)

Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the Nine Months Ended September 30, 2025

Note	(Un-audited) September 30, 2025	(Audited) December 31, 2024
	-----Rupees in '000-----	

10 ISLAMIC FINANCING, RELATED ASSETS AND ADVANCES

Islamic financing and related assets - net	10.1	259,831,752	296,038,293
Advances (relating to amalgamated entity) - net	10.2	58,564	58,957
		259,890,316	296,097,250

10.1 ISLAMIC FINANCING AND RELATED ASSETS

Note	Performing		Non Performing		Total		
	(Un-audited) September 30, 2025	(Audited) December 31, 2024	(Un-audited) September 30, 2025	(Audited) December 31, 2024	(Un-audited) September 30, 2025	(Audited) December 31, 2024	
	----- Rupees in '000 -----						
In Pakistan							
- Running Musharakah	10.9	88,406,579	78,360,146	1,444,954	1,444,955	89,851,533	79,805,101
- Diminishing Musharakah financing and related assets - Others	10.3	80,811,371	58,097,978	3,635,399	5,863,442	84,446,770	63,961,420
- Diminishing Musharakah - Housing		20,899,836	20,731,082	1,762,918	2,120,603	22,662,754	22,851,685
- Istisna financing and related assets	10.4 & 10.10	21,622,835	27,767,369	4,110,823	3,663,174	25,733,658	31,430,543
- Diminishing Musharakah financing and related assets - Auto		23,671,485	16,734,243	623,518	642,621	24,295,003	17,376,864
- Murabahah financing and related assets	10.5 & 10.11	10,075,556	85,092,279	1,105,355	753,869	11,180,911	85,846,148
- Musawah financing and related assets / Tijarah	10.6	8,971,717	7,894,372	3,776,932	3,945,758	12,748,649	11,840,130
- Investment Agency Wakalah		6,724,767	4,273,450	-	-	6,724,767	4,273,450
- Murabahah against Bills		1,365,747	285,574	191,156	192,062	1,556,903	477,636
- Ijarah financing under IFAS 2 and related assets	10.7	1,121,236	590,135	42,753	53,902	1,163,989	644,037
- Financing against Bills		4,089,220	2,694,138	-	-	4,089,220	2,694,138
- Qardh-e-Hasana		41,759	27,577	124,980	123,378	166,739	150,955
- Musharakah financing		-	-	160,000	160,000	160,000	160,000
- Past Due Acceptance		113,430	164,607	27,128	27,128	140,558	191,735
- Net investment in Ijarah financing in Pakistan		21,686	28,055	36,867	39,969	58,553	68,024
- Housing finance portfolio - others		-	-	15,825	7,086	15,825	7,086
- Salam	10.8	33,554	177,047	-	-	33,554	177,047
Islamic financing and related assets - gross		267,970,778	302,918,052	17,058,608	19,037,947	285,029,386	321,955,999
Credit loss allowance against islamic financing and related assets							
- Stage 1	10.14	(3,102,282)	(2,761,225)	-	-	(3,102,282)	(2,761,225)
- Stage 2		(731,827)	(468,780)	-	-	(731,827)	(468,780)
- Stage 3		-	-	(15,912,804)	(17,076,658)	(15,912,804)	(17,076,658)
		(3,834,109)	(3,230,005)	(15,912,804)	(17,076,658)	(19,746,913)	(20,306,663)
Modification loss due to IFRS 9	10.1.1	(57,721)	(94,079)	-	-	(57,721)	(94,079)
Fair value adjustment	10.1.2	(5,393,000)	(5,516,964)	-	-	(5,393,000)	(5,516,964)
Islamic financing and related assets - net of credit loss allowance and fair value adjustment		258,685,948	294,077,004	1,145,804	1,961,289	259,831,752	296,038,293

10.1.1 This represents modification loss arising from restructuring or rescheduling of financings.

10.1.2 This represents deferred fair value loss arising due to difference between the market value and the book amount of financings.

Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the Nine Months Ended September 30, 2025

10.1.3 Islamic Financing and related assets include Rs.17,058.608 million (December 31, 2024: Rs.19,037.947 million) which have been placed under non-performing / Stage 3 status as detailed below:

	(Un-audited) September 30, 2025		(Audited) December 31, 2024	
	Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
----- Rupees in '000 -----				
Islamic financing and related assets - Category of classification				
Domestic				
Other assets especially mentioned	179,967	-	264,933	47,483
Substandard	718,294	446,266	1,767,062	981,368
Doubtful	648,105	349,076	911,076	474,167
Loss	15,512,242	15,117,462	16,094,876	15,573,640
	<u>17,058,608</u>	<u>15,912,804</u>	<u>19,037,947</u>	<u>17,076,658</u>

10.1.4 The Bank does not hold overseas Islamic financing and related assets.

Performing		Non Performing		Total	
(Un-audited) September 30, 2025	(Audited) December 31, 2024	(Un-audited) September 30, 2025	(Audited) December 31, 2024	(Un-audited) September 30, 2025	(Audited) December 31, 2024
----- Rupees in '000 -----					

10.2 ADVANCES

- Loans, cash credits, running finances, etc. - In Pakistan	-	-	3,853,279	3,991,053	3,853,279	3,991,053
- Bills discounted and purchased (excluding treasury bills) - Payable in Pakistan	-	-	684,295	684,295	684,295	684,295
- Net investment in finance lease - In Pakistan	-	-	549,859	553,463	549,859	553,463
Advances - gross	-	-	5,087,433	5,228,811	5,087,433	5,228,811
Credit loss allowance against advances						
- Stage 1	-	-	-	-	-	-
- Stage 2	-	-	-	-	-	-
- Stage 3	-	-	(5,028,869)	(5,169,854)	(5,028,869)	(5,169,854)
	-	-	(5,028,869)	(5,169,854)	(5,028,869)	(5,169,854)
Advances - net of credit loss allowance	-	-	58,564	58,957	58,564	58,957

10.2.1 Advances include Rs. 5,087.433 million (December 31, 2024 Rs. 5,228.811 million) which have been placed under non-performing / Stage 3 status as detailed below:

	(Un-audited) September 30, 2025		(Audited) December 31, 2024	
	Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
----- Rupees in '000 -----				
Advances - Category of classification				
Domestic				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	5,087,433	5,028,869	5,228,811	5,169,854
	<u>5,087,433</u>	<u>5,028,869</u>	<u>5,228,811</u>	<u>5,169,854</u>

10.2.2 The Bank does not hold overseas advances.

Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

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	<u>(Un-audited)</u> September 30, 2025	<u>(Audited)</u> December 31, 2024
	-----Rupees in '000-----	
10.3 Diminishing Musharakah financing and related assets - Others		
Diminishing Musharakah financing	78,412,878	52,413,896
Advance against Diminishing Musharakah financing	6,033,892	11,547,524
	<u>84,446,770</u>	<u>63,961,420</u>
10.4 Istisna financing and related assets		
Istisna financing	8,885,540	5,810,579
Advance against Istisna financing	16,848,118	25,440,494
Istisna inventories	-	179,470
	<u>25,733,658</u>	<u>31,430,543</u>
10.5 Murabahah financing and related assets		
Murabahah financing	6,909,643	79,105,798
Deferred murabahah income	400,266	3,434,967
Advances against Murabaha financing	2,212,459	3,242,983
Murabaha Inventories	1,658,543	62,400
	<u>11,180,911</u>	<u>85,846,148</u>
10.6 Musawamah financing and related assets / Tijarah		
Musawamah financing	5,542,385	5,724,219
Advance against Musawamah financing	6,229,669	59,114
Musawamah inventories	976,595	6,056,797
	<u>12,748,649</u>	<u>11,840,130</u>
10.7 Ijarah financing under IFAS 2 and related assets		
Net book value of assets under IFAS 2	992,067	643,717
Advance against Ijarah financing	171,922	320
	<u>1,163,989</u>	<u>644,037</u>
10.8 Salam		
Salam financing	23,554	153,525
Advance against Salam	10,000	23,522
	<u>33,554</u>	<u>177,047</u>
10.9 Running musharakah financing and related assets includes financing amounting to Rs. 500 million (December 31, 2024: Rs. 930 million) under Islamic Export Refinance Scheme.		
10.10 Istisna financing and related assets includes financing amounting to Rs. Nil (December 31, 2024: Rs. 37 million) and advance amounting to Rs. 550 million (December 31, 2024: Rs. 411 million) under Islamic Export Refinance Scheme.		
10.11 Murabahah financing and related assets includes financing amounting to Rs. 0.061 million (December 31, 2024: Rs.0.061 million) under Islamic Export Refinance Scheme.		

Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the Nine Months Ended September 30, 2025

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

10.12 Particulars of Islamic financing, related assets and advances - gross

In local currency	279,833,400	322,877,829
In foreign currency	<u>10,283,419</u>	4,306,981
	<u>290,116,819</u>	<u>327,184,810</u>

10.12.1 Financing to Women, Women-owned and Managed Enterprises

Women	2,925,821	2,842,695
Women Owned and Managed Enterprises	<u>1,769,456</u>	5,682,401
	<u>4,695,277</u>	<u>8,525,096</u>

10.12.2 Gross financing disbursed to Women, Women-owned and Managed Enterprises

Women	858,537	558,796
Women Owned and Managed Enterprises	<u>1,361,742</u>	5,281,435
	<u>2,220,279</u>	<u>5,840,231</u>

10.13 Particulars of credit loss allowance

	(Un-audited)			(Audited)		
	September 30, 2025			December 31, 2024		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Islamic financing, related assets and advances - Exposure	----- Rupees in '000 -----					
Opening balance	293,693,573	9,224,479	24,266,758	208,066,911	23,077,362	22,890,642
New financing	56,934,476	1,316,263	2,673	139,297,187	3,255,728	28,484
Financing derecognised or repaid	(91,893,417)	(3,151,806)	(276,180)	(66,039,661)	(1,280,608)	(2,111,235)
Transfer to stage 1	7,415,920	(7,086,669)	(329,251)	15,290,890	(15,131,933)	(158,957)
Transfer to stage 2	(2,423,125)	4,795,949	(2,372,824)	(1,723,397)	2,556,297	(832,900)
Transfer to stage 3	(402,135)	(452,730)	854,865	(1,198,357)	(3,252,367)	4,450,724
	(30,368,281)	(4,578,993)	(2,120,717)	85,626,662	(13,852,883)	1,376,116
Closing balance	<u>263,325,292</u>	<u>4,645,486</u>	<u>22,146,041</u>	<u>293,693,573</u>	<u>9,224,479</u>	<u>24,266,758</u>

10.13.2 Islamic financing, related assets and advances - Credit loss allowance

Opening balance	2,761,225	468,780	22,246,512	-	-	-
Impact of adoption of IFRS 9	-	-	-	1,477,937	1,439,302	21,459,788
New financing	1,003,472	4,107	6	1,042,546	34,544	19,994
Financing derecognised or repaid	(134,792)	(41,160)	(227,760)	(540,797)	(810,332)	(4,363,215)
Transfer to stage 1	354,464	(128,067)	(226,398)	476,088	(468,434)	(7,654)
Transfer to stage 2	(39,102)	1,592,805	(1,553,703)	(260,243)	270,625	(10,382)
Transfer to stage 3	(7,157)	(27,869)	35,026	(933,971)	(2,080,271)	3,014,242
	1,176,885	1,399,816	(1,972,829)	(216,377)	(3,053,868)	(1,347,015)
Amounts written off / charged off	-	-	-	-	-	-
Changes in risk parameters	(835,828)	(1,136,769)	667,990	1,499,665	2,083,346	2,133,739
Closing balance	<u>3,102,282</u>	<u>731,827</u>	<u>20,941,673</u>	<u>2,761,225</u>	<u>468,780</u>	<u>22,246,512</u>

Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the Nine Months Ended September 30, 2025

10.14 Particulars of credit loss allowances held against Islamic financing, related assets and advances

	(Un-audited)				(Audited)				
	September 30, 2025				December 31, 2024				
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	
	Rupees in '000								
10.14.1	Opening balance	2,761,225	468,780	22,246,512	25,476,517	-	-	-	-
	Impact of adoption of IFRS 9	-	-	-	-	1,444,830	1,382,780	21,459,788	24,287,398
	Charge for the period / year	379,204	464,332	396,428	1,239,964	1,605,492	41,831	1,807,156	3,454,479
	Reversals for the period / year	(38,147)	(201,285)	(1,701,267)	(1,940,699)	(289,097)	(955,831)	(1,020,432)	(2,265,360)
		341,057	263,047	(1,304,839)	(700,735)	1,316,395	(914,000)	786,724	1,189,119
	Amount written off	-	-	-	-	-	-	-	-
	Closing balance	<u>3,102,282</u>	<u>731,827</u>	<u>20,941,673</u>	<u>24,775,782</u>	<u>2,761,225</u>	<u>468,780</u>	<u>22,246,512</u>	<u>25,476,517</u>
10.14.2	Islamic	3,102,282	731,827	15,912,804	19,746,913	2,761,225	468,780	17,076,658	20,306,663
	Conventional	-	-	5,028,869	5,028,869	-	-	5,169,854	5,169,854
		<u>3,102,282</u>	<u>731,827</u>	<u>20,941,673</u>	<u>24,775,782</u>	<u>2,761,225</u>	<u>468,780</u>	<u>22,246,512</u>	<u>25,476,517</u>
10.14.3	Particulars of credit loss allowance against advances								
	In local currency	3,102,282	731,827	20,941,673	24,775,782	2,761,225	468,780	22,246,512	25,476,517
	In foreign currencies	-	-	-	-	-	-	-	-
		<u>3,102,282</u>	<u>731,827</u>	<u>20,941,673</u>	<u>24,775,782</u>	<u>2,761,225</u>	<u>468,780</u>	<u>22,246,512</u>	<u>25,476,517</u>

10.14.4 In accordance with BSD Circular No. 2 dated January 27, 2009 issued by the SBP, the Bank has availed the benefit of Forced Sale Value (FSV) of collaterals against the non-performing financings. The benefit availed as at September 30, 2025 amounts to Rs. 267.490 million (December 31, 2024: Rs. 351.907 million). The additional profit arising from availing the FSV benefit - net of tax amounts to Rs. 125.72 million (December 31, 2024: Rs. 161.877 million). The increase in profit, due to availing of the benefit, is not available for distribution of cash and stock dividend to share holders.

	Note	(Un-audited)	(Audited)
		September 30, 2025	December 31, 2024
-----Rupees in '000-----			
10.15	SBP other refinance schemes		
	Refinance facility for Islamic Temporary Economic Refinance Facility (TERF)	6,323,109	7,272,740
	Islamic Long-Term Financing Facility	1,201,867	1,356,372
	Islamic refinance scheme for payment of wages and salaries	73,854	54,822
	RM EFS - Rupee Based Discounting (TFA)	11,238,797	9,756,938
	Islamic refinance scheme for Renewable Energy	543,099	610,996
	Islamic refinance scheme for combating COVID (IRFCC)	68,439	123,754
	Islamic refinance facility for Modernization of SMEs	119,662	85,341
	Refinance for Islamic Financing Facility of Storage of Agricultural Produce (IFFSAP)	149,041	204,027
	Islamic Credit Guarantee Scheme For Women Entrepreneur	203,910	127,855
		<u>19,921,778</u>	<u>19,592,845</u>

11 PROPERTY AND EQUIPMENT

Capital work-in-progress	11.1	7,474,610	1,659,567
Property and equipment		15,343,317	13,443,350
		<u>22,817,927</u>	<u>15,102,917</u>

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For the Nine Months Ended September 30, 2025

	<u>(Un-audited)</u> <u>September</u> <u>30, 2025</u>	<u>(Audited)</u> <u>December</u> <u>31, 2024</u>
11.1 Capital work-in-progress		-----Rupees in '000-----
Advances to suppliers and contractors	903,079	468,844
Advance for acquiring properties and office premises	6,571,531	1,190,723
	<u>7,474,610</u>	<u>1,659,567</u>

	<u>(Un-audited)</u>	
	<u>September</u> <u>30, 2025</u>	<u>September</u> <u>30, 2024</u>
11.2 Additions to property and equipment		----- Rupees in '000 -----
The following additions have been made to property and equipment during the period:		
Capital work-in-progress	6,220,895	772,057
Property and equipment		
Furniture and fixture	1,255,555	1,477,072
Electrical, office and computer equipment	2,196,986	1,239,271
Vehicles	36,508	96,236
	<u>3,489,049</u>	<u>2,812,579</u>
Total	<u>9,709,944</u>	<u>3,584,636</u>

11.3 Disposal of property and equipment		
The net book value of property and equipment disposed off during the period is as follows:		
Furniture and fixture	2,821	4,357
Electrical, office and computer equipment	2,213	461
Total	<u>5,034</u>	<u>4,818</u>

12	RIGHT-OF-USE ASSETS	<u>(Un-audited)</u>			<u>(Audited)</u>		
		<u>September 30, 2025</u>			<u>December 31, 2024</u>		
		<u>Buildings</u>	<u>Others</u>	<u>Total</u>	<u>Buildings</u>	<u>Others</u>	<u>Total</u>
		-----Rupees in '000-----					
	At January 1,						
	Cost	9,765,458	-	9,765,458	7,693,776	-	7,693,776
	Accumulated Depreciation	(5,450,923)	-	(5,450,923)	(4,127,509)	-	(4,127,509)
	Net Carrying amount as at January 1,	<u>4,314,535</u>	<u>-</u>	<u>4,314,535</u>	<u>3,566,267</u>	<u>-</u>	<u>3,566,267</u>
	Additions during the period / year	855,346	-	855,346	2,336,666	-	2,336,666
	Deletions during the period / year	(29,761)	-	(29,761)	(264,984)	-	(264,984)
	Depreciation charge for the period / year	(1,264,133)	-	(1,264,133)	(1,323,414)	-	(1,323,414)
	Net Carrying amount as at	<u>3,875,987</u>	<u>-</u>	<u>3,875,987</u>	<u>4,314,535</u>	<u>-</u>	<u>4,314,535</u>

Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the Nine Months Ended September 30, 2025

	<u>(Un-audited)</u> <u>September</u> <u>30, 2025</u>	<u>(Audited)</u> <u>December</u> <u>31, 2024</u>
	----- Rupees in '000 -----	
13 INTANGIBLE ASSETS		
Computer software	1,385,215	1,045,253
Core deposits	16,660	18,345
Membership and Subscription	30,302	42,266
Goodwill	2,944,297	2,944,297
	<u>4,376,474</u>	<u>4,050,161</u>
	<u>(Un-audited)</u>	
	<u>September</u> <u>30, 2025</u>	<u>September</u> <u>30, 2024</u>
	----- Rupees in '000 -----	
13.1 Additions to intangible assets		
The following additions have been made to intangible assets during the period:		
Directly purchased	<u>611,049</u>	<u>504,388</u>
13.2 Disposals of intangible assets		
The net book value of intangible assets disposed off during the period is as follows:		
Membership and subscription	<u>3,033</u>	<u>15,630</u>
	<u>(Un-audited)</u>	<u>(Audited)</u>
	<u>September</u> <u>30, 2025</u>	<u>December</u> <u>31, 2024</u>
	----- Rupees in '000 -----	
14 DEFERRED TAX ASSETS / (LIABILITIES)		
Deductible Temporary Differences on:		
Credit loss allowance against investments	45,752	171,659
Credit loss allowance against non-performing Islamic financing, related assets and advances	6,302,396	5,306,162
Modification and fair value adjustments	-	17,688
Other credit loss allowance	923,281	794,103
Ijarah financing and related assets	71,890	43,798
Others	1,125,484	490,823
	<u>8,468,803</u>	<u>6,824,233</u>
Taxable Temporary Differences on:		
Fair value adjustments relating to net assets acquired upon amalgamation	(349,228)	(230,539)
Surplus on revaluation of FVOCI Investment	(3,357,465)	(6,335,938)
Surplus on revaluation of FVPL Investment	(22,017)	(28,259)
Surplus on revaluation of property and equipment	(975,013)	(1,042,621)
Surplus on revaluation of non-banking assets	(17,748)	(17,852)
Accelerated tax depreciation	(1,533,442)	(553,938)
Right-of-use assets	(423,584)	-
Modification and fair value adjustments	(1,218)	-
	<u>(6,679,715)</u>	<u>(8,209,147)</u>
	<u>1,789,088</u>	<u>(1,384,914)</u>

Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the Nine Months Ended September 30, 2025

		(Un-audited) September 30, 2025	(Audited) December 31, 2024
15	OTHER ASSETS		
		----- Rupees in '000 -----	
	Profit / return accrued in local currency	20,539,251	17,627,108
	Profit / return accrued in foreign currency	59,993	31,482
	Receivable from NCCPL against marketable securities	20,814,445	-
	Advances, deposits, advance rent and other prepayments	2,179,368	1,349,803
	Advance taxation	1,438,614	-
	Prepaid staff cost	3,123,352	3,045,731
	Non-banking assets acquired in satisfaction of claims	1,448,760	1,450,462
	Takaful claim receivable	52,749	35,305
	Receivable against takaful and registration charges	708,121	251,519
	Receivable against First WAPDA Sukuk	50,000	50,000
	Acceptances	3,495,397	1,648,773
	Unrealized gain on Shariah compliant alternative of forward foreign exchange contracts	-	43,305
	Clearing and settlement accounts	-	1,189,680
	Others	1,123,355	1,206,804
		<u>55,033,405</u>	<u>27,929,972</u>
	Less: Credit loss allowance held against other assets	<u>(1,090,819)</u>	<u>(1,116,865)</u>
	Other Assets - net of credit loss allowance	53,942,586	26,813,107
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	69,758	69,958
	Other assets - total	<u>54,012,344</u>	<u>26,883,065</u>
15.1	Revalued amount of non-banking assets acquired in satisfaction of claims	<u>1,212,756</u>	<u>1,214,658</u>
15.2	Credit loss allowance held against other assets		
	Advances, deposits, advance rent & other prepayments	50,842	50,842
	Non banking assets acquired in satisfaction of claims	305,762	305,762
	Profit / return accrued	78,577	78,887
	Others	655,638	681,374
		<u>1,090,819</u>	<u>1,116,865</u>
15.2.1	Movement in Credit loss allowance held against other assets		
	Opening balance	1,116,865	921,326
	Impact of adoption of IFRS 9	-	99,693
	Charge for the period / year	27,664	174,755
	Reversals during the period / year	(53,710)	(78,409)
		(26,046)	96,346
	Amount written off	-	(500)
	Closing balance	<u>1,090,819</u>	<u>1,116,865</u>

Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the Nine Months Ended September 30, 2025

	(Un-audited) September 30, 2025	(Audited) December 31, 2024
	----- Rupees in '000 -----	
16	BILLS PAYABLE	
In Pakistan	5,415,576	13,773,529
Outside Pakistan	-	-
	<u>5,415,576</u>	<u>13,773,529</u>
17	DUE TO FINANCIAL INSTITUTIONS	
	Secured	
Due to State Bank of Pakistan	518,646	21,096,917
Acceptances from SBP under Mudaraba		
Refinance facility for Islamic Temporary		
Economic Refinance Facility (TERF)	6,030,981	6,914,923
Islamic Export Finance Scheme - Rupee based discounting	4,723,042	5,210,889
Acceptances for financial assistance	-	4,827,290
Acceptances under Islamic Export Refinance Scheme	800,000	1,053,000
Islamic Long-Term Financing Facility	806,099	902,471
Islamic refinance scheme for Renewable Energy	489,440	555,900
Islamic refinance scheme for combating COVID (IRFCC)	66,667	116,667
Islamic Refinance Scheme for Working Capital Financing	11,854	-
Islamic Refinance Scheme for Modernization of SMEs	79,726	63,186
Islamic refinance scheme for Facility of Storage		
of Agricultural Produce (IFFSAP)	44,377	76,784
Islamic Credit Guarantee Scheme for Women Entrepreneur	155,756	111,757
	<u>13,726,588</u>	40,929,784
Musharakah Acceptance	28,700,000	33,085,000
Refinance facility for Islamic Mortgage	5,795,738	3,340,466
Total secured	<u>48,222,326</u>	77,355,250
	Unsecured	
Wakalah Acceptance	2,500,000	-
Musharakah Acceptance	12,300,000	11,350,000
Overdrawn nostro accounts	1,045,437	584,854
Others	-	16,000
Total unsecured	<u>15,845,437</u>	11,950,854
Fair value adjustment	(1,460,293)	(1,643,943)
	<u>62,607,470</u>	<u>87,662,161</u>
17.1	Particulars of due to financial institutions with respect to currencies	
In local currency	61,562,033	87,077,307
In foreign currencies	1,045,437	584,854
	<u>62,607,470</u>	<u>87,662,161</u>

Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the Nine Months Ended September 30, 2025

18 DEPOSITS AND OTHER ACCOUNTS

	(Un-audited)			(Audited)		
	September 30, 2025			December 31, 2024		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
----- Rupees in '000 -----						
Customers						
Current deposits	237,926,528	10,024,408	247,950,936	198,501,518	8,639,600	207,141,118
Savings deposits	145,062,582	3,536,737	148,599,319	147,266,628	3,746,306	151,012,934
Term deposits	174,077,674	14,860,353	188,938,027	175,856,996	15,345,465	191,202,461
Margin deposits	8,363,698	122,522	8,486,220	5,204,744	94,990	5,299,734
	565,430,482	28,544,020	593,974,502	526,829,886	27,826,361	554,656,247
Financial Institutions						
Current deposits	897,307	32,634	929,941	410,164	13,779	423,943
Savings deposits	9,395,593	-	9,395,593	3,461,154	-	3,461,154
Term deposits	1,223,160	-	1,223,160	636,442	-	636,442
Margin deposits	146	-	146	146	-	146
	11,516,206	32,634	11,548,840	4,507,906	13,779	4,521,685
	<u>576,946,688</u>	<u>28,576,654</u>	<u>605,523,342</u>	<u>531,337,792</u>	<u>27,840,140</u>	<u>559,177,932</u>

19 LEASE LIABILITIES	Note	(Un-audited)	(Audited)
		September 30, 2025	December 31, 2024
-----Rupees in '000-----			
Outstanding amount at the start of the period / year		4,839,747	4,252,295
Additions during the period / year		855,346	2,336,666
Lease termination / payments including profit		(1,162,854)	(2,555,969)
Finance charges on leased assets		666,790	806,755
Outstanding amount at the end of the period / year	19.1	<u>5,199,029</u>	<u>4,839,747</u>
19.1 Contractual maturity of lease liabilities			
Not later than one year		286,835	344,239
Long-term lease liabilities			
- 1 to 5 years		4,912,194	4,495,508
- 5 to 10 years		-	-
- More than 10 years		-	-
		<u>4,912,194</u>	<u>4,495,508</u>
		<u>5,199,029</u>	<u>4,839,747</u>

19.2 The Bank enters in to lease agreements with terms and conditions mainly included rent escalation usually at 10% p.a, sub-letting of the property at discretion of the Bank, alterations to the premises as per business requirement, termination of the agreement with notice period, agreement period, renewal of agreement usually at same terms with change in monthly rent, escalation clause and termination of the agreement. Discount rate ranges between 8.99% to 17.5% (December 31, 2024: 11.43% to 17.5%) p.a.

Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the Nine Months Ended September 30, 2025

20	SUBORDINATED SUKUK	Note	<u>(Un-audited)</u> September 30, 2025	<u>(Audited)</u> December 31, 2024
			-----Rupees in '000-----	
	ADT-1 Sukuk Issue I	20.1.1	2,000,000	2,000,000
	ADT-1 Sukuk Issue II	20.1.2	1,000,000	1,000,000
			<u>3,000,000</u>	<u>3,000,000</u>

20.1 The Bank has issued fully paid up, rated, listed, perpetual, unsecured, subordinated, non-cumulative and contingent convertible debt instruments in the nature of sukuk under Section 66 of the Companies Act, 2017 which qualify as Additional Tier I (ADT-1) Capital as outlined by State Bank of Pakistan (SBP) under BPRD Circular No. 6 dated August 15, 2013.

20.1.1 **Salient features of the ADT-1 sukuk issue I are as follows:**

Issued Amount	Rs. 2,000 million.
Issue Date	April 21, 2020
Tenor	Perpetual (i.e. no fixed or final redemption date)
Instrument Rating	PACRA has rated this Sukuk at 'A'
Security	Unsecured
Profit payment frequency	Profit shall be payable monthly in arrears, on a non-cumulative basis
Expected Profit Rate	The Sukuk carries a profit at the rate of 3 Months KIBOR + 2.75%. The Mudaraba Profit is computed under General Pool on the basis of profit sharing ratio and monthly weightages announced by the Bank inline with SBP's guidelines of pool management.
Call option	The Bank may, at its sole discretion, call the Sukuks, at any time after five years from the Issue Date subject to the prior approval of the SBP.
Lock-in clause	In the event where payment of profit results in breach of regulatory MCR/CAR requirements or SBP determines a bar on profit distribution, the monthly profit weightage of the Sukuk holders will be reduced to a minimum level e.g. 0.005, till the month in which such condition is withdrawn by SBP.
Loss absorbency clause	The Sukuks shall, at the discretion of the SBP, be permanently converted into ordinary shares pursuant to the loss absorbency clause as stipulated in the "Instructions for Basel-III Implementation in Pakistan" issued vide BPRD Circular No. 6 dated August 15, 2013.

Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the Nine Months Ended September 30, 2025

20.1.2 Salient features of the ADT-1 sukuk issue II are as follows:

Issued Amount	Rs. 1,000 million.
Issue Date	February 21, 2024
Tenor	Perpetual (i.e. no fixed or final redemption date)
Instrument Rating	PACRA has rated this Sukuk at 'A'
Security	Unsecured
Profit payment frequency	Profit shall be payable monthly in arrears, on a non-cumulative basis
Expected Profit Rate	The Sukuk carries a profit at the rate of 1 Month KIBOR + 2.5%. The Mudaraba Profit is computed under General Pool on the basis of profit sharing ratio and monthly weightages announced by the Bank inline with SBP's guidelines of pool management.
Call option	The Bank may, at its sole discretion, call the Sukuks, at any time after five years from the Issue Date subject to the prior approval of the SBP.
Lock-in clause	In the event where payment of profit results in breach of regulatory MCR/CAR requirements or SBP determines a bar on profit distribution, the monthly profit weightage of the Sukuk holders will be reduced to a minimum level e.g. 0.005, till the month in which such condition is withdrawn by SBP.
Loss absorbency clause	The Sukuks shall, at the discretion of the SBP, be permanently converted into ordinary shares pursuant to the loss absorbency clause as stipulated in the "Instructions for Basel-III Implementation in Pakistan" issued vide BPRD Circular No. 6 dated August 15, 2013.

Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the Nine Months Ended September 30, 2025

21	OTHER LIABILITIES	Note	(Un-audited)	(Audited)
			September 30, 2025	December 31, 2024
			-----Rupees in '000-----	
	Profit / return payable in local currency		5,366,210	7,269,082
	Profit / return payable in foreign currencies		467,476	297,238
	Accrued expenses		4,146,206	3,019,169
	Deferred Murabahah Income Financing, IERS and Others		211,965	643,923
	Payable to defined benefit plan		4,677	4,677
	Payable to defined contribution plan		75,500	54,371
	Defined benefit plan liabilities		590,912	525,474
	Security deposits against ljarah		409,158	462,136
	Credit loss allowance against off-balance sheet obligations	21.1	436,735	378,109
	Acceptances		3,495,397	1,648,773
	Current taxation (provisions less payments)		-	1,512,189
	Withholding taxes payable		751,312	322,562
	Unrealized loss on Shariah compliant alternative of forward foreign exchange contracts		11,423	-
	Sundry creditors		1,599,914	903,578
	Payable to brokers against purchase of shares - net		880	82,786
	Charity payable		218,670	95,696
	Retention money payable		95,512	83,990
	Provision for workers welfare fund		1,511,862	1,289,902
	Dividend payable		115,568	33,979
	Clearing and settlement accounts		2,709,490	-
	Others		234,875	1,058,832
			<u>22,453,742</u>	<u>19,686,466</u>

21.1 Credit loss allowance against off-balance sheet obligations

Opening balance	378,109	85,975
Impact on adoption of IFRS 9	-	130,338
Charge for the period / year	96,779	161,796
Reversals for the period / year	(38,153)	-
	58,626	161,796
Amount written off	-	-
Closing balance	21.1.1 <u>436,735</u>	<u>378,109</u>

21.1.1 This includes overdue non-funded facilities that could not be transferred to funded facilities due to litigation.

Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the Nine Months Ended September 30, 2025

		<u>(Un-audited)</u> <u>September</u> <u>30, 2025</u>	<u>(Audited)</u> <u>December</u> <u>31, 2024</u>
22	SURPLUS ON REVALUATION OF ASSETS		
		-----Rupees in '000-----	
	Surplus on revaluation of:		
	- Securities measured at FVOCI - Debt	9.1 5,009,535	12,156,499
	- Securities measured at FVOCI - Equity	9.1 1,447,128	27,998
	- Property and equipment	2,408,010	2,538,025
	- Non-banking assets acquired in satisfaction of claims	15 69,758	69,958
		<u>8,934,431</u>	<u>14,792,480</u>
	Deferred tax liability on surplus on revaluation of:		
	- Securities measured at FVOCI - Debt	14 (2,604,958)	(6,321,379)
	- Securities measured at FVOCI - Equity	14 (752,507)	(14,559)
	- Property and equipment	14 (975,013)	(1,042,621)
	- Non-banking assets acquired in satisfaction of claims	14 (17,748)	(17,852)
		<u>(4,350,226)</u>	<u>(7,396,411)</u>
		<u>4,584,205</u>	<u>7,396,069</u>
23	CONTINGENCIES AND COMMITMENTS		
	- Guarantees	23.1 26,680,839	16,183,014
	- Commitments	23.2 257,700,884	479,256,656
	- Other contingent liabilities	23.3 645,595	720,593
		<u>285,027,318</u>	<u>496,160,263</u>
23.1	Guarantees:		
	Performance guarantees	17,046,839	10,122,636
	Other guarantees	9,634,000	6,060,378
		<u>26,680,839</u>	<u>16,183,014</u>
23.2	Commitments:		
	Documentary credits and short-term trade-related transactions:		
	- letters of credit	29,889,873	23,754,604
	Commitments in respect of:		
	- Shariah compliant alternative of forward foreign exchange contracts	23.2.1 108,841,686	174,461,152
	Commitments for acquisition of:		
	- property and equipment	963,402	708,427
	- intangible assets	1,997,719	78,609
	Other commitments		
	- commitments in respect of financing	23.2.2 116,008,204	280,253,864
		<u>257,700,884</u>	<u>479,256,656</u>
23.2.1	Commitments in respect of Shariah compliant alternative of forward foreign exchange transactions		
	Purchase	62,186,772	96,427,628
	Sale	46,654,914	78,033,524
		<u>108,841,686</u>	<u>174,461,152</u>

Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the Nine Months Ended September 30, 2025

23.2.2 The Bank makes commitments to extend shariah compliant Islamic financing (including to related parties) in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

23.3 Other contingent liabilities

Suit filed for recovery of alleged losses suffered, pending in the High Court, which the Bank has not acknowledged as debt
Tax Contingencies

<u>(Un-audited)</u> September 30, 2025	<u>(Audited)</u> December 31, 2024
--	--

-----Rupees in '000-----

1,804	1,804
643,791	718,789
<u>645,595</u>	<u>720,593</u>

(Un-audited)

September 30, 2025	September 30, 2024
-----------------------	-----------------------

-----Rupees in '000-----

(Restated)

24 PROFIT / RETURN EARNED

Profit earned on:

Financing	22,713,250	31,090,133
Investments	32,246,263	51,681,136
Placements	641,942	3,497,479
Others	487,588	175,982
	<u>56,089,043</u>	<u>86,444,730</u>

24.1 Profit income (calculated using effective profit rate method) recognised on:

Financial assets measured at amortised cost	1,432,517	4,150,241
Financial assets measured at FVOCI	<u>32,240,924</u>	<u>51,672,477</u>
	<u>33,673,441</u>	<u>55,822,718</u>
Financial assets measured at FVPL	5,339	8,659
Financial assets measured at cost	<u>22,410,263</u>	<u>30,613,353</u>
	<u>22,415,602</u>	<u>30,622,012</u>

25 PROFIT / RETURN EXPENSED

Deposits and other accounts	23,313,937	42,015,072
Due to financial institutions	4,846,676	8,422,932
Subordinated Sukuk	326,445	534,304
Cost of foreign currency swaps against foreign currency deposits	584,500	983,391
Finance charges on leased assets	666,790	587,199
	<u>29,738,348</u>	<u>52,542,898</u>

25.1 Profit expense calculated using effective profit rate method

Other financial liabilities	5,839,911	9,544,435
	<u>23,898,437</u>	<u>42,998,463</u>
	<u>29,738,348</u>	<u>52,542,898</u>

Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the Nine Months Ended September 30, 2025

		(Un-audited)	
		September 30, 2025	September 30, 2024
		-----Rupees in '000-----	
26	FEE AND COMMISSION INCOME		
	Card related fees	1,380,159	937,264
	Commission on trade	447,613	332,777
	Commission on arrangement with financial institutions	152,621	93,380
	Investment banking fees	120,879	118,273
	Commission on bancatakaful	125,321	46,109
	Commission on guarantees	158,871	47,606
	Consumer finance related fees	20,432	8,948
	Branch banking customer fees	83,940	25,955
	Commission on remittances including home remittances	33,423	38,874
	Commission on cash management	22,988	19,181
	Others	17,298	5,643
		<u>2,563,545</u>	<u>1,674,010</u>
27	GAIN ON SECURITIES - NET		
	Realized	3,374,241	348,772
	Unrealized - Measured at FVPL	(9,840)	47,069
		<u>3,364,401</u>	<u>395,841</u>
27.1	Realized gain / (loss) on:		
	Shares	172,716	286,353
	Federal Government Shariah Compliant Securities	2,823,784	44,883
	Non-Government Shariah Compliant Securities	377,741	17,536
		<u>3,374,241</u>	<u>348,772</u>
27.2	Net gain on financial assets / liabilities measured at FVPL:		
	Designated upon initial recognition	(9,840)	47,069
28	OTHER INCOME		
	Recoveries against previously expensed items	21,957	11,216
	Gain on termination of financing	54,105	80,984
	Gain on sale of property and equipment	55,108	37,406
	Gain on termination of lease	8,959	-
	Others	2,429	5,362
		<u>142,558</u>	<u>134,968</u>

Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the Nine Months Ended September 30, 2025

		(Un-audited)	
		September 30, 2025	September 30, 2024
		-----Rupees in '000----- (Restated)	
29	OPERATING EXPENSES		
	Total compensation expense	10,788,668	7,041,470
	Property expense		
	Rent & taxes	83,265	201,407
	Takaful cost	9,734	2,146
	Utilities cost	955,690	939,901
	Security (including guards)	880,334	683,697
	Repair & maintenance (including janitorial charges)	432,513	360,207
	Depreciation	483,266	537,831
	Depreciation on right-of-use assets	1,264,133	1,021,679
	Others	1,921	-
		4,110,856	3,746,868
	Information technology expenses		
	Software maintenance	1,749,443	514,574
	Hardware maintenance	400,081	186,868
	Depreciation	564,163	341,148
	Amortization	271,086	186,612
	Network charges	445,393	305,877
		3,430,166	1,535,079
	Other operating expenses		
	Directors' fees and allowances	20,320	19,920
	Fees and allowances to Shariah Board	28,275	24,912
	Legal & professional charges	317,589	126,876
	Travelling & conveyance	237,575	155,018
	NIFT clearing charges	46,826	41,286
	Depreciation	500,017	361,640
	Depreciation on non-banking assets	1,769	1,289
	Training & development	73,568	30,629
	Postage & courier charges	79,532	54,772
	Communication	350,850	273,687
	Stationery & printing	419,866	322,639
	Marketing, advertisement & publicity	559,617	153,609
	Repairs and maintenance	285,789	225,213
	Takaful / Insurance	434,539	353,745
	Fee and subscription	547,468	508,344
	Vehicle running and maintenance	494,272	435,058
	Donations	42,806	148,871
	Auditors' remuneration	34,600	27,968
	Amortization	10,615	10,776
	Others	210,820	368,521
		4,696,713	3,644,773
		23,026,403	15,968,190

Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the Nine Months Ended September 30, 2025

Note	(Un-audited)	
	September 30, 2025	September 30, 2024
	-----Rupees in '000----- (Restated)	
30 OTHER CHARGES		
Penalties imposed by regulatory authorities	75,197	1,843
Other regulatory charges	113,414	-
	188,611	1,843
31 CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET		
Credit loss allowance against due from financial institutions	(2,395)	(2,336)
Charge / (reversal) of credit loss allowance against investments	8	(107)
(Reversal) / charge of credit loss allowance against Islamic financing, related assets and advances - net	(700,735)	1,050,681
Fair value loss recognized	(21,505)	-
Modification loss	(36,358)	34,015
Charge / (reversal) of credit loss allowance against balance with treasury and other banks	942	(3,749)
Credit loss allowance / (Reversal) against off balance sheet items - net	58,626	66,910
Other credit loss allowance / (reversal) / write offs - net	(26,046)	(47,840)
	(727,463)	1,097,574
32 TAXATION		
Current	5,606,328	9,581,775
Prior years	320,493	-
Deferred	(127,818)	169,110
	5,799,003	9,750,885
33 BASIC AND DILUTED EARNINGS PER SHARE		
Profit after taxation for the period	5,077,105	10,172,525
	----- Number of shares -----	
Weighted average number of ordinary shares	1,108,703,299	1,108,703,299
	----- Rupees -----	
Basic and diluted earnings per share	33.1 4.5793	9.1752
33.1	There were no convertible / dilutive potential ordinary shares outstanding as at September 30, 2025 and September 30, 2024, therefore diluted earning per share has not been presented separately.	

Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the Nine Months Ended September 30, 2025

34 FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified as amortized cost or investments in associates and subsidiary, is based on quoted market price. Quoted securities classified as amortized cost are carried at cost less impairment losses. The fair value of unquoted equity securities, other than investments in associates and subsidiary, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

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

34.1 Fair value of financial assets

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

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

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

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

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

(Un-audited)			
September 30, 2025			
Level 1	Level 2	Level 3	Total

----- Rupees in '000 -----

On balance sheet financial instruments

Financial assets - measured at fair value

Investments				
Shares / Modaraba certificates	4,454,542	-	6,820	4,461,362
GoP Ijara Sukuk	59,013,472	255,049,288	-	314,062,760
Non-Government Shariah compliant securities	3,415,471	30,275,854	-	33,691,325

Off-balance sheet financial instruments - measured at fair value

Shariah compliant alternative of forward purchase of foreign exchange	-	62,186,772	-	62,186,772
Shariah compliant alternative of forward sale of foreign exchange	-	46,654,914	-	46,654,914

On balance sheet non-financial assets

Non-Financial Assets - measured at fair value

Fixed assets - Land and building	-	6,722,914	-	6,722,914
Non-banking assets acquired in satisfaction of claims	-	1,212,756	-	1,212,756

Shariah compliant future purchase of shares	-	-	-	-
Shariah compliant future sale of shares	-	-	-	-

Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the Nine Months Ended September 30, 2025

(Audited)			
December 31, 2024			
Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----			

On balance sheet financial instruments

Financial assets - measured at fair value

Investments

Shares / Modaraba certificates	838,825	-	6,820	845,645
GOP Ijarah Sukuk	54,455,722	256,569,779	-	311,025,501
Non-Government Shariah compliant Securities	3,415,471	29,764,936	-	33,180,407

Off-balance sheet financial instruments - measured at fair value

Shariah compliant alternative of forward purchase of foreign exchange	-	96,427,628	-	96,427,628
Shariah compliant alternative of forward sale of foreign exchange	-	78,033,524	-	78,033,524

On balance sheet non-financial assets

Non-Financial Assets - measured at fair value

Fixed assets - Land and building	-	6,505,413	-	6,505,413
Non-banking assets acquired in satisfaction of claims	-	1,214,658	-	1,214,658

Valuation techniques used in determination of fair values within level 1

Item	Valuation approach and input used
GOP Sukuks	The valuation has been determined through closing rates on Pakistan Stock Exchange.
Listed securities (Shares, Modaraba and Sukuks)	The valuation has been determined through closing rates on Pakistan Stock Exchange.

Valuation techniques used in determination of fair values within level 2

Item	Valuation approach and input used
GOP Sukuks	The fair value of GOP Ijarah Sukuks are revalued using PKISRV rates. The PKISRV rates are announced by FMA (Financial Market Association) through Reuters. The rates announced are simple average of quotes received from 6 different pre-defined / approved dealers / brokers.
Non-Government Shariah compliant Securities	Non-Government Shariah compliant Securities are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.
Shariah compliant alternative of forward foreign exchange contracts	The valuation has been determined by interpolating the mid rates announced by State Bank of Pakistan.
Fixed assets - Land and building	The valuation experts used a market based approach to arrive at the fair value of the Bank's properties. The market approach used prices and other relevant information generated by market transactions involving identical, comparable or similar properties.
Non-banking assets acquired in satisfaction of claims	

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

Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the Nine Months Ended September 30, 2025

35 SEGMENT INFORMATION

	(Un-audited)				
	September 30, 2025				
	Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
	----- Rupees in '000 -----				
Profit & Loss					
Net profit / return	28,553,599	(19,504,335)	17,814,871	(513,440)	26,350,695
Inter segment revenue - net	(29,641,960)	45,532,524	(18,381,348)	2,490,784	-
Total other income	4,693,364	1,702,090	751,017	88,454	7,234,925
Total income	3,605,003	27,730,279	184,540	2,065,798	33,585,620
Segment direct expenses	215,388	13,092,071	713,920	9,415,596	23,436,975
Inter segment expense allocation	140,270	7,461,029	1,403,725	(9,005,024)	-
Total expenses	355,658	20,553,100	2,117,645	410,572	23,436,975
Credit loss allowance	(1,443)	115,593	(640,285)	(201,328)	(727,463)
Profit / (loss) before tax	3,250,788	7,061,586	(1,292,820)	1,856,554	10,876,108
Balance Sheet					
Assets					
Cash & Bank balances	427,792	41,954,311	-	-	42,382,103
Investments	351,882,891	-	1,606,636	-	353,489,527
Net inter segment placements	-	530,446,945	-	-	530,446,945
Due from financial institutions	9,172,360	-	-	-	9,172,360
Islamic financing and related assets - performing	-	36,000,337	214,461,561	8,224,049	258,685,947
- non-performing - net	-	780,392	4,946,055	(4,522,078)	1,204,369
Others	-	-	-	86,871,820	86,871,820
Total Assets	361,483,043	609,181,985	221,014,252	90,573,791	1,282,253,071
Liabilities					
Due to financial institutions	45,064,084	5,795,738	11,747,648	-	62,607,470
Subordinated sukuk	-	-	-	3,000,000	3,000,000
Deposits & other accounts	2,137,095	603,386,247	-	-	605,523,342
Net inter segment acceptances	314,281,864	-	209,266,604	6,898,477	530,446,945
Others	-	-	-	33,068,347	33,068,347
Total liabilities	361,483,043	609,181,985	221,014,252	42,966,824	1,234,646,104
Equity	-	-	-	47,606,967	47,606,967
Total Equity & liabilities	361,483,043	609,181,985	221,014,252	90,573,791	1,282,253,071
Contingencies & Commitments	108,841,686	-	56,570,712	119,614,920	285,027,318

Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the Nine Months Ended September 30, 2025

(Un-audited)					
September 30, 2024					
	Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
Profit & Loss	----- Rupees in '000 -----				
					(Restated)
Net profit / return	46,618,515	(35,906,369)	23,502,170	(312,484)	33,901,832
Inter segment revenue - net	(48,168,376)	69,875,325	(25,266,967)	3,560,018	-
Total other income	1,781,574	1,145,973	515,637	53,988	3,497,172
Total Income	231,713	35,114,929	(1,249,160)	3,301,522	37,399,004
Segment direct expenses	100,216	7,639,113	645,169	7,993,522	16,378,020
Inter segment expense allocation	118,365	6,281,067	1,018,146	(7,417,578)	-
Total expenses	218,581	13,920,180	1,663,315	575,944	16,378,020
Credit loss allowance	(6,193)	6,089	1,105,754	(8,076)	1,097,574
Profit / (loss) before tax	19,325	21,188,660	(4,018,229)	2,733,654	19,923,410

(Audited)					
December 31, 2024					
	Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
Balance Sheet	----- Rupees in '000 -----				
Assets					
Cash & Bank balances	982,664	41,093,952	-	-	42,076,616
Investments	344,424,053	-	627,500	-	345,051,553
Net inter segment placements	-	487,602,377	-	34,431,139	522,033,516
Due from financial institutions	4,257,928	-	-	-	4,257,928
Islamic financing and related assets - performing	-	30,571,110	257,575,697	-	288,146,807
- non-performing - net	-	1,089,318	649,010	6,212,115	7,950,443
Others	-	-	-	50,350,678	50,350,678
Total Assets	349,664,645	560,356,757	258,852,207	90,993,932	1,259,867,541
Liabilities					
Due to financial institutions	70,960,060	3,340,467	13,361,634	-	87,662,161
Subordinated sukuk	-	-	-	3,000,000	3,000,000
Deposits & other accounts	2,161,642	557,016,290	-	-	559,177,932
Net inter segment acceptances	276,542,943	-	245,490,573	-	522,033,516
Others	-	-	-	39,684,656	39,684,656
Total liabilities	349,664,645	560,356,757	258,852,207	42,684,656	1,211,558,265
Equity	-	-	-	48,309,276	48,309,276
Total Equity & liabilities	349,664,645	560,356,757	258,852,207	90,993,932	1,259,867,541
Contingencies & Commitments	174,461,152	-	39,937,618	281,761,493	496,160,263

36 RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its parent, subsidiary, associates, employee benefit plans, its directors and key management personnel.

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

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

Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the Nine Months Ended September 30, 2025

	(Un-audited) September 30, 2025						(Audited) December 31, 2024					
	Parent	Directors	Key management personnel	Subsidiary	Associates	Other related parties	Parent	Directors	Key management personnel	Subsidiary	Associates	Other related parties
	(Rupees in '000)											
Investments												
Opening balance	-	-	-	104,771	1,102,111	-	-	-	-	104,771	1,102,111	-
Investment made during the period / year	-	-	-	1,200,000	-	-	-	-	-	-	-	-
Investment redeemed / disposed-off during the period / year	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	1,304,771	1,102,111	-	-	-	-	104,771	1,102,111	-
Credit loss allowance held against investments	-	-	-	(104,771)	(1,102,111)	-	-	-	-	(104,771)	(1,102,111)	-
Islamic financing and related assets												
Opening balance	-	-	467,815	-	480,187	1,608,466	-	-	422,999	-	480,187	248,878
Addition during the period / year	-	-	238,252	-	-	703,711	-	-	196,713	-	618,721	1,880,987
Repaid during the period / year	-	-	(179,943)	-	(187)	(1,161,767)	-	-	(109,659)	-	(618,721)	(621,399)
Transfer in / (out) - net	-	-	103,939	-	-	954,327	-	-	(44,038)	-	-	-
Closing balance	-	-	630,063	-	480,000	2,104,737	-	-	467,815	-	480,187	1,608,466
Credit loss allowance held against Islamic financing and related assets	-	-	-	-	(480,000)	-	-	-	-	-	(480,187)	-
Other assets												
Unrealized gain on Shariah compliant alternative of forward foreign exchange contracts	27,130	-	-	-	-	-	-	-	-	-	-	-
Profit receivable on financings	-	-	445	-	-	63,591	-	-	425	-	-	17,902
Others	-	-	-	10,462	-	-	-	-	-	-	-	-
Due to financial institutions - net												
Opening balance	2,000,000	-	-	-	-	-	-	-	-	-	-	-
Additions during the period / year	50,000,000	-	-	-	-	500,000	141,000,000	-	-	-	-	-
Settled during the period / year	(52,000,000)	-	-	-	-	(500,000)	(139,000,000)	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	2,000,000	-	-	-	-	-
Subordinated sukuk												
Opening balance	-	-	485	-	-	143,465	-	-	485	-	-	1,120
Issued / purchased during the period / year	-	-	-	-	-	3,565	-	-	-	-	-	143,585
Redemption / sold during the period / year	-	-	-	-	-	(2,100)	-	-	-	-	-	(1,240)
Transfer in / (out)	-	-	(450)	-	-	-	-	-	-	-	-	-
Closing balance	-	-	35	-	-	144,930	-	-	485	-	-	143,465
Deposits and other accounts												
Opening balance	-	9,305	126,828	4	1,083	1,461,374	-	5,741	72,646	4	29,503	6,162,706
Received during the period / year	-	502,313	1,029,484	1,700,000	686,664	90,706,612	-	1,067,531	1,259,126	-	2,120,383	55,109,096
Withdrawn during the period / year	-	(506,039)	(1,008,736)	(613,223)	(686,851)	(89,620,104)	-	(1,063,967)	(1,148,229)	-	(2,148,803)	(59,821,044)
Transfer in / (out) - net	-	(3,159)	(61,053)	-	-	140,171	-	-	(56,715)	-	-	10,616
Closing balance	-	2,420	86,523	1,086,781	896	2,688,053	-	9,305	126,828	4	1,083	1,461,374
Other Liabilities												
Profit / return payable	-	1	2,001	2,620	1	15,047	762	8	688	-	2	13,085
Dividend Payable	-	-	-	-	-	64,986	-	-	-	-	-	-
Other liabilities	425,000	-	-	-	-	290	-	-	-	-	-	29,610
Unrealized loss on Shariah compliant alternative of forward foreign exchange contracts	-	-	-	-	-	-	3,422	-	-	-	-	-
Meeting fee / remuneration payable	-	-	-	-	-	-	400	-	-	-	-	-
Contingencies and Commitments												
Other contingencies	1,408,620	-	-	-	-	2,067,448	3,220,639	-	-	-	-	-

Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the Nine Months Ended September 30, 2025

	(Un-audited)						(Un-audited)					
	September 30, 2025						September 30, 2024					
	Parent	Directors	Key management personnel	Subsidiary	Associates	Other related parties	Parent	Directors	Key management personnel	Subsidiary	Associates	Other related parties
	(Rupees in '000)											
Income												
Profit / return earned	-	-	21,376	-	-	235,209	-	-	23,863	-	-	90,362
Other income	2,290	-	-	-	-	40,078	-	-	16	-	22	-
Foreign exchange income	29,121	-	-	-	-	-	-	-	-	-	-	-
Expense												
Profit / return expensed	23,634	199	3,980	2,620	107	175,434	45,297	2,444	10,428	-	73	434,034
Other administrative expenses	425,078	1,081	49,205	-	-	281,495	-	3,627	26,605	-	-	147,738
Meeting fee / remuneration	-	20,320	444,943	-	-	-	-	19,920	350,895	-	-	-
Contribution to employees provident fund	-	-	-	-	-	306,294	-	-	-	-	-	208,836
Charge for employees gratuity fund	-	-	-	-	-	265,438	-	-	-	-	-	201,310
Donation paid	-	-	-	-	-	126,440	-	-	-	-	-	60,000
Dividend paid	2,290,233	146,897	1	-	-	126,066	2,082,030	386,296	99	-	-	65,287
Others	-	-	-	-	-	-	38,520	-	-	-	-	-

37 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Un-audited) September 30, 2025	(Audited) December 31, 2024
	----- Rupees in '000 -----	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	11,007,991	11,007,991
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	40,450,705	38,792,658
Eligible Additional Tier 1 (ADT 1) Capital	3,000,000	3,000,000
Total Eligible Tier 1 Capital	43,450,705	41,792,658
Eligible Tier 2 Capital	4,532,195	12,171,253
Total Eligible Capital (Tier 1 + Tier 2)	47,982,900	53,963,911
Risk Weighted Assets (RWAs):		
Credit Risk	185,996,435	146,543,665
Market Risk	10,435,025	3,897,306
Operational Risk	73,387,323	73,387,322
Total	269,818,783	223,828,293
Common Equity Tier 1 Capital Adequacy ratio	14.99%	17.33%
Tier 1 Capital Adequacy Ratio	16.10%	18.67%
Total Capital Adequacy Ratio	17.78%	24.11%
National minimum capital requirements prescribed by SBP		
CET1 minimum ratio	6.00%	6.00%
Tier 1 minimum ratio	7.50%	7.50%
Total capital minimum ratio	10.00%	10.00%
Capital Conservation Buffer (CCB) (Consisting of CET 1 only)	1.50%	1.50%
Total Capital plus CCB	11.50%	11.50%

Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For the Nine Months Ended September 30, 2025

- 37.1** The capital to risk weighted assets ratio is calculated in accordance with the SBP guidelines on capital adequacy, under Basel III and Pre-Basel III treatment using Standardized Approach for credit and market risk and Basic Indicator Approach for operational Risk.

	(Un-audited)	(Audited)
	September 30, 2025	December 31, 2024
	----- Rupees in '000 -----	
Leverage Ratio (LR):		
Eligible Tier-1 Capital	43,450,705	41,792,658
Total Exposures	<u>817,560,457</u>	<u>880,567,551</u>
Leverage Ratio	<u>5.31%</u>	<u>4.75%</u>

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets	354,497,219	318,819,831
Total Net Cash Outflow	<u>128,204,690</u>	<u>90,470,492</u>
Liquidity Coverage Ratio	<u>276.51%</u>	<u>352.40%</u>

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding	550,898,474	580,745,235
Total Required Stable Funding	<u>259,229,381</u>	<u>211,839,059</u>
Net Stable Funding Ratio	<u>212.51%</u>	<u>274.14%</u>

- 37.2** The full disclosures on the capital adequacy, leverage ratio & liquidity requirements as per SBP instructions issued from time to time has been placed on the Bank's website. The link to the full disclosures is available at www.bankislami.com.pk/investor-relations.

38 GENERAL

- 38.1** Captions, as prescribed by BPRD Circular No. 02, dated: January 25, 2018 issued by the SBP, in respect of which there are no amounts, have not been reproduced in these condensed interim unconsolidated financial statements, except for captions of the unconsolidated Statement of Financial Position and unconsolidated Profit and Loss Account.

- 38.2** These condensed interim unconsolidated financial statements are presented in Pakistani Rupees, which is the Bank's functional and presentation currency.

- 38.3** The figures in these condensed interim unconsolidated financial statements have been rounded off to the nearest thousand rupee.

39 DATE OF AUTHORISATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorized for issue on October 23, 2025 by the Board of Directors of the Bank.

-Sd-
PRESIDENT /
CHIEF EXECUTIVE
OFFICER

-Sd-
CHIEF FINANCIAL
OFFICER

-Sd-
CHAIRMAN

-Sd-
DIRECTOR

-Sd-
DIRECTOR

CONSOLIDATED FINANCIAL STATEMENTS

STANDING FAITHFULLY AGAINST RIBA

Christianity's teachings of compassion and justice urge us to stand against Riba. By nurturing fairness in finance, we strive for a world where everyone is free from exploitation and oppression.



BankIslami



Condensed Interim Consolidated Statement of Financial Position

As at September 30, 2025

	(Un-audited) September 30, 2025	(Audited) December 31, 2024
Note	30, 2025	31, 2024
	----- Rupees in '000 -----	

ASSETS

Cash and balances with treasury banks	6	41,954,312	41,093,952
Balances with other banks	7	429,993	984,866
Due from financial institutions	8	9,172,360	4,257,928
Investments	9	352,402,750	345,051,553
Islamic financing, related assets and advances	10	259,890,316	296,097,250
Property and equipment	11	22,818,979	15,103,969
Right-of-use assets	12	3,875,987	4,314,535
Intangible assets	13	4,423,485	4,097,172
Deferred tax assets	14	1,664,002	-
Other assets	15	54,006,630	26,883,337
Total Assets		750,638,814	737,884,562

LIABILITIES

Bills payable	16	5,415,576	13,773,529
Due to financial institutions	17	62,607,470	87,662,161
Deposits and other accounts	18	604,436,560	559,177,927
Lease liabilities	19	5,199,029	4,839,747
Subordinated sukuk	20	3,000,000	3,000,000
Deferred tax liabilities	14	-	1,510,000
Other liabilities	21	22,471,283	19,706,230
Total Liabilities		703,129,918	689,669,594

NET ASSETS

47,508,896	48,214,968
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REPRESENTED BY

Share capital - net		11,007,991	11,007,991
Reserves		8,181,467	7,166,799
Surplus on revaluation of assets	22	4,575,140	7,387,004
Unappropriated profit		23,744,298	22,653,174
		47,508,896	48,214,968

CONTINGENCIES AND COMMITMENTS

23

The annexed notes 1 to 39 form an integral part of these condensed interim consolidated financial statements.

-Sd-
PRESIDENT /
CHIEF EXECUTIVE
OFFICER

-Sd-
CHIEF FINANCIAL
OFFICER

-Sd-
CHAIRMAN

-Sd-
DIRECTOR

-Sd-
DIRECTOR

Condensed Interim Consolidated Profit and Loss Account (Un-audited)

For the Quarter and Nine Months Ended September 30, 2025

Note	Quarter Ended		Nine Months Ended		
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024	
----- Rupees in '000 -----					
		(Restated)	(Restated)		
Profit / return earned	24	17,191,313	27,414,563	56,089,075	86,444,730
Profit / return expensed	25	9,361,715	15,569,937	29,736,286	52,542,898
Net profit / return		7,829,598	11,844,626	26,352,789	33,901,832
OTHER INCOME					
Fee and commission income	26	780,721	584,289	2,563,545	1,674,010
Dividend income		54,690	1,560	165,842	64,096
Foreign exchange income / (loss)		806,642	(165,702)	1,053,251	1,241,523
(Loss) / income from shariah compliant alternative of forward foreign exchange contracts		(342,267)	432,617	(54,672)	(13,266)
Gain on securities - net	27	976,363	18,876	3,364,401	395,841
Net gain on derecognition of financial assets measured at amortised cost		-	-	-	-
Other income	28	62,653	56,526	142,558	134,968
Total other income		2,338,802	928,166	7,234,925	3,497,172
Total Income		10,168,400	12,772,792	33,587,714	37,399,004
OTHER EXPENSES					
Operating expenses	29	8,024,052	5,766,062	23,036,668	15,968,190
Workers welfare fund		39,019	126,543	221,798	407,987
Other charges	30	1,825	1,429	188,611	1,843
Total other expenses		8,064,896	5,894,034	23,447,077	16,378,020
Share of profit from associates		-	62,692	-	62,692
Profit before credit loss allowance		2,103,504	6,941,450	10,140,637	21,083,676
Credit loss allowance and write offs - net	31	191,582	754,880	(727,463)	1,160,266
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		1,911,922	6,186,570	10,868,100	19,923,410
Taxation	32	1,247,587	3,050,931	5,794,758	9,750,885
PROFIT AFTER TAXATION		664,335	3,135,639	5,073,342	10,172,525
ATTRIBUTABLE TO:					
Equity Shareholders of the Holding Company		664,335	3,135,639	5,073,342	10,172,525
Non-controlling interest		-	-	-	-
		664,335	3,135,639	5,073,342	10,172,525
----- Rupees -----					
Basic and Diluted earnings per share	33	0.5992	2.8282	4.5759	9.1752

The annexed notes 1 to 39 form an integral part of these condensed interim consolidated financial statements.

-Sd-
PRESIDENT /
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OFFICER

-Sd-
CHIEF FINANCIAL
OFFICER

-Sd-
CHAIRMAN

-Sd-
DIRECTOR

-Sd-
DIRECTOR

Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited)

For the Quarter and Nine Months Ended September 30, 2025

	Quarter Ended		Nine Months Ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
	----- Rupees in '000 -----			
		(Restated)		(Restated)
Profit after taxation for the period	664,335	3,135,639	5,073,342	10,172,525
Other comprehensive income / (loss)				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in surplus on revaluation of debt investments through FVOCI - net of tax	(376,957)	3,234,897	(3,430,543)	2,529,298
Items that will not be reclassified to profit and loss account in subsequent periods:				
Movement in surplus on revaluation of equity investments - net of tax	515,786	-	700,063	-
Total comprehensive income	803,164	6,370,536	2,342,862	12,701,823
Total comprehensive income attributable to:				
Equity Shareholders of the Holding Company	803,164	6,370,536	2,342,862	12,701,823
Non-controlling interest	-	-	-	-
	803,164	6,370,536	2,342,862	12,701,823

The annexed notes 1 to 39 form an integral part of these condensed interim consolidated financial statements.

-Sd-
PRESIDENT /
CHIEF EXECUTIVE
OFFICER

-Sd-
CHIEF FINANCIAL
OFFICER

-Sd-
CHAIRMAN

-Sd-
DIRECTOR

-Sd-
DIRECTOR

Condensed Interim Consolidated Statement of Changes in Equity

For the Nine Months Ended September 30, 2025

	Share capital	Discount on issue of shares	Statutory reserve*	Surplus on revaluation of		Unappropriated profit	Sub total	Non Controlling interest	Total
				Investments	Property & Equipment / Non Banking Assets				
Rupees in '000									
Opening Balance as at January 01, 2024	11,087,033	(79,042)	4,800,091	3,197,217	1,455,808	15,910,503	36,371,610	-	36,371,610
Impact of initial application of IFRS 9 as at January 01, 2024 - net of tax	-	-	-	(166,708)	-	(113,670)	(280,378)	-	(280,378)
Opening Balance as at January 01, 2024 (Audited)	11,087,033	(79,042)	4,800,091	3,030,509	1,455,808	15,796,833	36,091,232	-	36,091,232
Profit after taxation for the nine months ended September 30, 2024 - (restated)	-	-	-	-	-	10,172,525	10,172,525	-	10,172,525
Other comprehensive income for the nine months ended September 30, 2024	-	-	-	-	-	-	-	-	-
Movement in surplus on revaluation of investments in debt instruments - net of tax	-	-	-	2,529,298	-	-	2,529,298	-	2,529,298
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	(129,205)	129,205	-	-	-
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	(1,292)	1,292	-	-	-
Transfer from surplus on revaluation of property and equipment on sale to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	2,041,438	-	-	(2,041,438)	-	-	-
Transactions with owners, recorded directly in equity									
Final cash dividend to shareholders for the year 2023 @ Re. 1 per share	-	-	-	-	-	(1,108,703)	(1,108,703)	-	(1,108,703)
First Interim cash dividend to shareholders for the year 2024 @ Rs. 1.5 per share	-	-	-	-	-	(1,663,055)	(1,663,055)	-	(1,663,055)
Opening Balance as at October 01, 2024 - (restated)	11,087,033	(79,042)	6,841,529	5,559,807	1,325,311	21,286,659	46,021,297	-	46,021,297
Profit after taxation for the period from October 01, 2024 to December 31, 2024	-	-	-	-	-	1,661,016	1,661,016	-	1,661,016
Other comprehensive income for the period from October 01, 2024 to December 31, 2024	-	-	-	-	-	-	-	-	-
Movement in surplus on revaluation of investments in debt instruments - net of tax	-	-	-	276,667	-	-	276,667	-	276,667
Movement in surplus on revaluation of investments in equity instruments - net of tax	-	-	-	3,020	-	-	3,020	-	3,020
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	(42,689)	(42,689)	-	(42,689)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	277,152	-	277,152	-	277,152
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	18,505	-	18,505	-	18,505
	-	-	-	279,687	295,657	(42,689)	532,655	-	532,655
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	(73,511)	73,511	-	-	-
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	53	(53)	-	-	-
Transfer to statutory reserve	-	-	325,270	-	-	(325,270)	-	-	-
Opening Balance as at January 01, 2025 - (Audited)	11,087,033	(79,042)	7,166,799	5,839,494	1,547,510	22,653,174	48,214,968	-	48,214,968
Profit after taxation for the nine months ended September 30, 2025	-	-	-	-	-	5,073,342	5,073,342	-	5,073,342
Other comprehensive income for the nine months ended September 30, 2025	-	-	-	-	-	-	-	-	-
Movement in surplus on revaluation of investments in debt instruments - net of tax	-	-	-	(3,430,543)	-	-	(3,430,543)	-	(3,430,543)
Movement in surplus on revaluation of investments in equity instruments - net of tax	-	-	-	700,063	-	-	700,063	-	700,063
	-	-	-	(2,730,480)	-	-	(2,730,480)	-	(2,730,480)
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	(62,407)	62,407	-	-	-
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	(96)	96	-	-	-
Gain on sale of equity instruments-FVOCI	-	-	-	(18,881)	-	18,881	-	-	-
Transfer to statutory reserve	-	-	1,014,668	-	-	(1,014,668)	-	-	-
Transactions with owners, recorded directly in equity									
Final cash dividend to shareholders for the year 2024 @ Rs. 1.25 per share	-	-	-	-	-	(1,385,879)	(1,385,879)	-	(1,385,879)
First Interim cash dividend to shareholders for the year 2025 @ Rs. 1.5 per share	-	-	-	-	-	(1,663,055)	(1,663,055)	-	(1,663,055)
Closing Balance as at September 30, 2025 (Un-audited)	11,087,033	(79,042)	8,181,467	3,090,133	1,485,007	23,744,298	47,508,896	-	47,508,896

*This represents reserve created under section 21(1) of the Banking Companies Ordinance, 1962.

The annexed notes 1 to 39 form an integral part of these condensed interim consolidated financial statements.

-Sd-
PRESIDENT /
CHIEF EXECUTIVE
OFFICER

-Sd-
CHIEF FINANCIAL
OFFICER

-Sd-
CHAIRMAN

-Sd-
DIRECTOR

-Sd-
DIRECTOR

Condensed Interim Consolidated Cash Flow Statement (Un-audited)

For the Nine Months Ended September 30, 2025

	Note	September 30, 2025	September 30, 2024
		----- Rupees in '000 -----	
		(Restated)	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		10,868,100	19,923,410
Less: Dividend income		(165,842)	(64,096)
Less: Share of profit from associate		-	(62,692)
		10,702,258	19,796,622
Adjustments for non-cash charges and other items:			
Net profit / return		(26,352,789)	(33,901,832)
Depreciation on property and equipment	29	1,547,446	1,240,619
Depreciation on non-banking assets	29	1,769	1,289
Depreciation on right-of-use assets	29	1,264,133	1,021,679
Amortisation		281,701	197,388
Depreciation on operating Ijarah assets		138,530	62,316
Finance charges on leased assets		666,790	587,199
Credit loss allowance and write offs - net	31	(727,463)	1,126,251
Unrealized loss / (gain) on revaluation of investments classified as FVPL	27	9,840	(47,069)
Charge for defined benefit plan		265,438	201,310
Gain on sale of property and equipment	28	(55,108)	(37,406)
		(22,959,713)	(29,548,256)
		(12,257,455)	(9,751,634)
(Increase) / decrease in operating assets			
Due from financial institutions		(4,912,037)	(23,030,656)
Securities classified as FVPL		(9,606)	47,069
Islamic financing, related assets and advances		36,875,410	55,466,538
Other assets (excluding advance taxation)		(27,205,456)	3,131,765
		4,748,311	35,614,716
(Decrease) / increase in operating liabilities			
Bills payable		(8,357,953)	(1,737,784)
Due to financial institutions		(25,054,691)	(32,947,816)
Deposits and other accounts		45,258,633	29,356,456
Other liabilities (excluding current taxation)		5,595,801	1,491,409
		17,441,790	(3,837,735)
		9,932,646	22,025,347
Profit / return received		53,148,389	79,546,650
Profit / return paid		(31,470,982)	(51,928,233)
Income tax paid		(7,424,281)	(9,814,517)
Payment to gratuity fund		-	(100,000)
Net cash generated from operating activities		24,185,772	39,729,247
CASH FLOW FROM INVESTING ACTIVITIES			
Net Investments in securities classified as FVOCI / AFS		(10,100,566)	(30,131,084)
Dividends received		165,842	64,096
Investments in property and equipment		(9,267,490)	(3,328,457)
Investments in intangible assets		(611,048)	(504,388)
Proceeds from disposal of property and equipment		63,176	57,854
Net cash used in investing activities		(19,750,086)	(33,841,979)
CASH FLOW FROM FINANCING ACTIVITIES			
Payments of lease obligations against right-of-use assets		(1,162,854)	(1,438,845)
Dividend paid		(2,967,345)	(2,791,839)
Proceeds from issuance of subordinated sukuk		-	150,000
Net cash used in financing activities		(4,130,199)	(4,080,684)
Increase in cash and cash equivalents		305,487	1,806,584
Cash and cash equivalents at the beginning of the period		42,078,818	42,662,459
Cash and cash equivalents at the end of the period		42,384,305	44,469,043

The annexed notes 1 to 39 form an integral part of these condensed interim consolidated financial statements.

-Sd-
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OFFICER

-Sd-
CHIEF FINANCIAL
OFFICER

-Sd-
CHAIRMAN

-Sd-
DIRECTOR

-Sd-
DIRECTOR

Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2025

1 STATUS AND NATURE OF BUSINESS

The Group comprises of:

1.1 BankIslami Pakistan Limited (Holding Company or the Bank)

BankIslami Pakistan Limited (the Holding Company) was incorporated in Pakistan on October 18, 2004 as a public limited company to carry out the business of an Islamic Commercial Bank in accordance with the principles of Islamic Shariah.

The State Bank of Pakistan (SBP) granted a 'Scheduled Islamic Commercial Bank' license to the Holding Company on March 18, 2005. The Holding Company commenced its operations as a Scheduled Islamic Commercial Bank with effect from April 07, 2006 on receiving Certificate of Commencement of Business from the State Bank of Pakistan (SBP) under section 37 of the State Bank of Pakistan Act, 1956. The Holding Company is principally engaged in corporate, commercial, consumer, retail banking and investment activities.

The Holding Company is operating through 550 branches including 60 sub-branches as at September 30, 2025 (December 31, 2024: 540 branches including 60 sub-branches). The registered office of the Holding Company is situated at 11th Floor, Executive Tower Dolmen City, Marine Drive, Block-4, Clifton, Karachi. The shares of the Holding Company are quoted on the Pakistan Stock Exchange Limited.

The Pakistan Credit Rating Agency (Private) Limited (PACRA) has maintained the Holding Company's long-term rating to 'AA-' and short-term rating at 'A1' with stable outlook.

The Holding Company is a subsidiary of JS Bank Limited (JSBL), which holds 75.12% shareholding in the Holding Company. Further JSBL is a subsidiary of Jahangir Siddiqui & Co. Ltd. (JSCL), making JSCL the ultimate parent of the Holding Company.

1.2 Subsidiary Companies

	Note	Percentage of Holding	
		September 30, 2025	December 31, 2024
		Percentage	
My Solutions Corporations Limited	1.2.1	100%	100%
BIPL Exchange Company (Private) Limited	1.2.2	100%	-

1.2.1 My Solutions Corporation Limited (the Company) was incorporated as a private limited company on November 05, 1995 and was converted into a public limited company on March 24, 2003. The Company is currently dormant. Its registered office is situated at the 9th floor, Trade Centre, I.I Chundrigar Road, Karachi.

1.2.2 During the period, the Holding Company has incorporated BIPL Exchange Company (Private) Limited as a wholly owned subsidiary of the Holding Company pursuant to receipt of No Objection Certificate from the State Bank of Pakistan. The principal business of the Company, upon commencement of operations, will be to provide foreign exchange services. Currently, the Company is in the process of submission of application for obtaining In-Principle approval of the Exchange Company from the State Bank of Pakistan.

Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2025

2 BASIS OF PRESENTATION

2.1 STATEMENT OF COMPLIANCE

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

- International Accounting Standard 34 "Interim Financial Reporting" and 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 and the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

2.2 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 IAS, IFRS or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

2.3 The SBP, through its BSD Circular Letter No. 10 dated August 26, 2002, has deferred the implementation of IAS 40 - "Investment Property" for Banking Companies in Pakistan, till further instructions. Accordingly, the requirements of these Standards have not been considered in the preparation of these condensed interim consolidated financial statements. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7 "Financial Instruments: Disclosures" through its S.R.O. 411(I)/2008 dated April 28, 2008. Accordingly, the requirements of this standard have also not been considered in the preparation of these condensed interim consolidated financial statements. However non-banking assets have been classified and valued in accordance with the requirements prescribed by the SBP.

2.4 The SBP vide its BPRD Circular No. 04 dated February 25, 2015 has clarified that the reporting requirements of IFAS-3 for Islamic Banking Institutions (IBIs) relating to annual, half yearly and quarterly consolidated financial statements would be notified by the SBP through issuance of specific instructions and uniform disclosure formats in consultation with IBIs. These reporting requirements have not been ratified to date. Accordingly, the disclosure requirements under IFAS 3 have not been considered in these condensed interim consolidated financial statements.

2.5 The Holding Company received an extension from SBP up to December 31, 2025 for application of EPR in general for all financial assets and liabilities (excluding staff loans / subsidized loans), however as financial assets other than financing and financial liabilities were already effectively carried at EPR before the implementation of IFRS 9, hence said extension has only been applied on Islamic financing (excluding staff loans / subsidized loans i.e. Temporary Economic Refinance Facility). Therefore, Islamic financing are now carried at cost, excluding staff loans and TERF, which are carried at amortized cost, net of expected credit loss allowances.

Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2025

- 2.6** The treatment of charity should be in line with the existing practices as defined in SBP instructions issued via IBD Circular No. 02 of 2008 and should not be recognized as income.
- 2.7** As per BPRD Circular Letter No. 01 of 2025 dated January 22, 2025, Islamic Banking Institutions (IBIs) are allowed to follow Islamic Financial Accounting Standards (IFAS) 1 & 2 where applicable and continue the existing accounting methodology on other Islamic products until issuance of further instruction in this regard.

If the revenue had been recognized in accordance with IFRS 9 and SBP Application guidelines, the following impact on profit and loss would have resulted: -

	Rupees in '000
Increase in opening retained earning - net of tax	<u>837,455</u>
Increase in profit and loss account - net of tax	<u>634,711</u>

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies and methods of computation adopted in the preparation of these condensed interim consolidated financial statements are consistent with those applied in the preparation of the audited annual financial statements of the Holding Company for the year ended December 31, 2024. Impact of adoption of IFRS 9 for the comparative and current period are disclosed in note 3.1.

3.1 IFRS 9 'Financial Instruments' – Restatement of corresponding figures of the current period due to subsequent adjustments on adoption of IFRS 9

The Holding Company had adopted IFRS 9 effective from January 01, 2024 with modified retrospective approach for restatement permitted under IFRS 9. The cumulative impact of initial application amounting to Rs. 280.378 million was recorded as an adjustment to equity at the beginning of the previous accounting period.

The Holding Company, in compliance with extended timelines prescribed in SBP's BPRD Circular Letter No. 16 dated July 29, 2024 and BPRD Circular Letter No. 01 dated January 22, 2025 had incorporated certain IFRS 9 related impacts in the last quarter of 2024. Therefore, the consolidated condensed interim statement of profit and loss account (un-audited) for the nine months ended September 30, 2024 have been restated to incorporate these impacts, had the restatement not been incorporated the profit after tax and total comprehensive income for the nine months ended September 30, 2024 would have been higher by Rs. 34.667 million. The details are tabulated below:

Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2025

	September 30, 2024			Description
	Previously reported	Restatement	As re-stated	
----- Rupees in '000 -----				
Consolidated Condensed Interim Profit and Loss Account				
Profit / return earned	85,967,950	476,780	86,444,730	Increase in profit earned due to impact of subsidised and staff financing
Profit / return expensed	52,198,273	344,625	52,542,898	Increase in profit expensed due to impact of subsidised financing from SBP
Net profit / return	33,769,677	132,155	33,901,832	
Operating expenses	15,802,076	166,114	15,968,190	Increase in operating expenses due to amortisation of staff financing prepaid cost
Credit loss allowance and write offs - net	1,063,559	34,015	1,097,574	Increase due to impact of modification loss
Profit / (loss) before taxation	19,991,384	(67,974)	19,923,410	
Taxation	9,784,192	33,307	9,750,885	
Profit after taxation	10,207,192	(34,667)	10,172,525	Impact of restatement
Basic and Diluted earnings per share (Rupees)	9.2064	(0.0313)	9.1752	

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

There are certain interpretations and amendments that are mandatory for the Holding Company's accounting periods beginning on or after January 01, 2026 but are considered not to be relevant or do not have any significant effect on the Holding Company's operations and therefore not detailed in these condensed interim consolidated financial statements.

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

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

Standard, Interpretation or Amendment	Effective date (annual periods beginning on or after)
Amendments to Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	01 January 2026
IFRS 18 - Presentation and Disclosure in Financial Statements	01 January 2027

The above amendments are not expected to have any material impact on consolidated condensed interim financial statements of Holding Company.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The basis for accounting estimates adopted in the preparation of these condensed interim consolidated financial statements are the same as those applied in the preparation of the audited annual consolidated financial statements of the Holding Company for the year ended December 31, 2024.

Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2025

5 FINANCIAL RISK MANAGEMENT

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

<u>(Un-audited)</u> September 30, 2025	<u>(Audited)</u> December 31, 2024
----- Rupees in '000 -----	

6 CASH AND BALANCES WITH TREASURY BANKS

In hand:

- Local currency	13,963,164	12,338,658
- Foreign currencies	476,567	844,077
	<u>14,439,731</u>	<u>13,182,735</u>

With the State Bank of Pakistan in:

- Local currency current account	22,782,825	23,590,078
- Foreign currency deposit accounts:		
- Cash reserve account	1,451,316	1,386,343
- Special cash reserve account	1,746,699	1,668,793
- US dollar clearing account	153,982	10,999
	<u>3,351,997</u>	<u>3,066,135</u>

With National Bank of Pakistan in:

- Local currency current account	1,380,202	1,255,110
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Prize Bonds

- 83

Less: Credit loss allowance held against cash and balances with treasury banks

(443) (189)

Cash and balances with treasury banks - net of credit loss allowance

41,954,312 41,093,952

7 BALANCES WITH OTHER BANKS

In Pakistan:

- In current accounts	9	9
- In deposit accounts	2,368	2,366
	<u>2,377</u>	<u>2,375</u>

Outside Pakistan:

- In current accounts	362,229	667,135
- In deposit accounts	66,378	315,659
	<u>428,607</u>	<u>982,794</u>

Less: Credit loss allowance held against balances with other banks

(991) (303)

Balances with other banks - net of credit loss allowance

429,993 984,866

Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2025

	Note	(Un-audited) September 30, 2025	(Audited) December 31, 2024
----- Rupees in '000 -----			
8	DUE FROM FINANCIAL INSTITUTIONS		
	Secured		
	Bai Muajjal Receivable -with Other Financial Institutions	8.1 9,172,395	-
	Unsecured		
	Bai Muajjal Receivable -with Other Financial Institutions	8.1 -	4,257,928
	Other placements	<u>12,150</u>	<u>14,580</u>
		9,184,545	4,272,508
	Less: Credit loss allowance held against due from financial institutions	8.2 (12,185)	(14,580)
	Due from financial institutions - net of credit loss allowance	<u>9,172,360</u>	<u>4,257,928</u>

8.1 The average return on this product is 10.9% (December 31, 2024: 19.6%) per annum. The balance has maturity in 41 days (December 31, 2024: 24 days).

	(Un-audited) September 30, 2025		(Audited) December 31, 2024	
	Due from financial institutions	Credit loss allowance held	Due from financial institutions	Credit loss allowance held
8.2	----- Rupees in '000 -----			
Due from financial institutions - Particulars of credit loss allowance				
Domestic				
Performing	9,172,395	35	4,257,928	-
Under performing	-	-	-	-
Non-performing				
Stage 1				
Stage 2				
Stage 3				
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	<u>12,150</u>	<u>12,150</u>	<u>14,580</u>	<u>14,580</u>
	<u>12,150</u>	<u>12,150</u>	<u>14,580</u>	<u>14,580</u>
Total	<u>9,184,545</u>	<u>12,185</u>	<u>4,272,508</u>	<u>14,580</u>

8.2.1 The Holding Company does not hold overseas classified placements.

	Note	(Un-audited) September 30, 2025	(Audited) December 31, 2024
----- Rupees in '000 -----			
9	INVESTMENTS		
	Investments - Islamic	9.1 352,402,750	345,051,553
	Investments - Conventional (relating to amalgamated entity)	9.2 -	-
		<u>352,402,750</u>	<u>345,051,553</u>

Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2025

		(Un-audited)				(Audited)			
		September 30, 2025				December 31, 2024			
9.1	Islamic Investments by type	Cost / Amortised cost	Credit loss allowance held	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Credit loss allowance held	Surplus / (Deficit)	Carrying Value
----- Rupees in '000 -----									
	- Debt Instruments								
	Classified / Measured at FVOCI								
	Federal Government Shariah								
	Compliant Securities	309,517,974	-	4,658,009	314,175,983	299,226,475	-	11,799,026	311,025,501
	Non-Government								
	Shariah Compliant Securities	33,325,690	(35,891)	351,526	33,641,325	32,808,817	(35,883)	357,473	33,130,407
		<u>342,843,664</u>	<u>(35,891)</u>	<u>5,009,535</u>	<u>347,817,308</u>	<u>332,035,292</u>	<u>(35,883)</u>	<u>12,156,499</u>	<u>344,155,908</u>
	Classified / Measured at FVPL								
	Non-Government								
	Shariah Compliant Securities	50,000	-	-	50,000	50,000	-	-	50,000
	- Equity instruments								
	Classified / Measured at FVPL								
	Shares - listed companies	20,958	-	20,439	41,397	70,739	-	54,344	125,083
	Mutual Funds	52,179		21,901	74,080				
	Classified / Measured at FVOCI (Non-Reclassifiable)								
	Shares								
	Listed companies	2,966,017	-	1,447,128	4,413,145	685,744	-	27,998	713,742
	Foreign securities	6,820	-	-	6,820	6,820	-	-	6,820
	Associate	9.6 1,123,432	(1,123,432)	-	-	1,123,432	(1,123,432)	-	-
	Total Islamic investments	<u>347,063,070</u>	<u>(1,159,323)</u>	<u>6,499,003</u>	<u>352,402,750</u>	<u>333,972,027</u>	<u>(1,159,315)</u>	<u>12,238,841</u>	<u>345,051,553</u>
9.2	Conventional Investments by type								
	- Debt Instruments								
	Classified / Measured at FVOCI								
	Non-Government Debt Securities	74,607	(74,607)	-	-	74,607	(74,607)	-	-
	- Equity instruments								
	Classified / Measured at FVPL 9.2.1								
	Shares								
	Un-listed companies	-	-	-	-	-	-	-	-
	Foreign securities	-	-	-	-	-	-	-	-
	Associates	9.6 474,169	(474,169)	-	-	474,169	(474,169)	-	-
	Total conventional investments	<u>548,776</u>	<u>(548,776)</u>	<u>-</u>	<u>-</u>	<u>548,776</u>	<u>(548,776)</u>	<u>-</u>	<u>-</u>

Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2025

9.2.1 With the adoption of IFRS 9, fully provided equity securities related to amalgamated entity previously classified as available for sale have been designated to FVPL as of January 01, 2024. Following is the break-up of such securities:

Name of Investee Company	No. of shares held
Riverstone Consultancy (Private) Limited	3,985,000
New Horizon Exploration and Production Limited	61,600,000
Pakistan Export Finance Guarantee Agency Limited	568,044

During the period the Holding Company has disposed off 5,400,000 unquoted foreign equity securities of Evolve Capital Limited.

9.3 Investments given as collateral	(Un-audited)	(Audited)
	September 30, 2025	December 31, 2024
	-----Rupees in '000-----	
Federal Government Securities - GOP Ijarah Sukuk	<u>28,700,000</u>	<u>57,565,700</u>

9.4 Credit loss allowance held against investments

Opening balance	1,708,091	3,697,123
Impact of adoption of IFRS 9	-	132
Charge / (reversal)		
Charge for the period / year	8	-
Reversals for the period / year	-	(242,134)
Reversal on disposals	-	-
	8	(242,134)
Amounts written off	-	-
Impact of reclassification of equity securities from FVOCI to FVPL	-	(1,747,030)
Closing Balance	<u>1,708,099</u>	<u>1,708,091</u>

9.5 Particulars of credit loss allowance against debt securities

9.5.1 Category of classification	(Un-audited)		(Audited)	
	September 30, 2025		December 31, 2024	
	Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
	----- Rupees in '000 -----			
Domestic				
Performing Stage 1	342,581,533	11	331,773,161	3
Underperforming Stage 2	-	-	-	-
Non-performing Stage 3				
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	386,738	110,487	386,738	110,487
	386,738	110,487	386,738	110,487
Total	<u>342,968,271</u>	<u>110,498</u>	<u>332,159,899</u>	<u>110,490</u>

Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2025

9.5.2 The Holding Company does not hold overseas classified debt securities.

As at	Holding %	Country of incorporation	Assets	Liabilities	Revenue	Profit / (loss) after taxation	Total comprehensive income / (loss)
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-----Rupees in '000-----

9.6 Details of investment in associates

Unlisted

Islamic

Shakarganj Food Products Limited March 31, 2025 36.38 Pakistan 9,916,306 7,066,978 4,951,003 (568,838) (536,952)

Conventional

KASB Funds Limited December 31, 2015 43.89 Pakistan 46,465 32,465 23,640 (66,241) (65,679)

KASB Capital Limited December 31, 2016 21.78 Mauritius \$652,864 \$135,428 \$- \$(34,084) \$(34,084)

(Un-audited) (Audited)

September December

Note 30, 2025 31, 2024

-----Rupees in '000-----

10 ISLAMIC FINANCING, RELATED ASSETS AND ADVANCES

Islamic financing and related assets - net	10.1	259,831,752	296,038,293
Advances (relating to amalgamated entity) - net	10.2	58,564	58,957
		259,890,316	296,097,250

10.1 ISLAMIC FINANCING AND RELATED ASSETS

Note	Performing		Non Performing		Total		
	(Un-audited) September 30, 2025	(Audited) December 31, 2024	(Un-audited) September 30, 2025	(Audited) December 31, 2024	(Un-audited) September 30, 2025	(Audited) December 31, 2024	
	-----Rupees in '000-----						
In Pakistan							
- Running Musharakah	10.9	88,406,579	78,360,146	1,444,954	1,444,955	89,851,533	79,805,101
- Diminishing Musharakah financing and related assets - Others	10.3	80,811,371	58,097,978	3,635,399	5,863,442	84,446,770	63,961,420
- Diminishing Musharakah - Housing		20,899,836	20,731,082	1,762,918	2,120,603	22,662,754	22,851,685
- Istisna financing and related assets	10.4 & 10.10	21,622,835	27,767,369	4,110,823	3,663,174	25,733,658	31,430,543
- Diminishing Musharakah financing and related assets - Auto		23,671,485	16,734,243	623,518	642,621	24,295,003	17,376,864
- Murabahah financing and related assets	10.5 & 10.11	10,075,556	85,092,279	1,105,355	753,869	11,180,911	85,846,148
- Musawamah financing and related assets / Tijarah	10.6	8,971,717	7,894,372	3,776,932	3,945,758	12,748,649	11,840,130
- Investment Agency Wakalah		6,724,767	4,273,450	-	-	6,724,767	4,273,450
- Murabahah against Bills		1,365,747	285,574	191,156	192,062	1,556,903	477,636
- Ijarah financing under IFAS 2 and related assets	10.7	1,121,236	590,135	42,753	53,902	1,163,989	644,037
- Financing against Bills		4,089,220	2,694,138	-	-	4,089,220	2,694,138
- Qardh-e-Hasana		41,759	27,577	124,980	123,378	166,739	150,955
- Musharakah financing		-	-	160,000	160,000	160,000	160,000
- Past Due Acceptance		113,430	164,607	27,128	27,128	140,558	191,735
- Net investment in Ijarah financing in Pakistan		21,686	28,055	36,867	39,969	58,553	68,024
- Housing finance portfolio - others		-	-	15,825	7,086	15,825	7,086
- Salam	10.8	33,554	177,047	-	-	33,554	177,047
Islamic financing and related assets - gross		267,970,778	302,918,052	17,058,608	19,037,947	285,029,386	321,955,999
Credit loss allowance against Islamic financing and related assets	10.14	(3,102,282)	(2,761,225)	-	-	(3,102,282)	(2,761,225)
- Stage 1		(731,827)	(468,780)	-	-	(731,827)	(468,780)
- Stage 2		-	-	(15,912,804)	(17,076,658)	(15,912,804)	(17,076,658)
- Stage 3		-	-	-	-	-	-
		(3,834,109)	(3,230,005)	(15,912,804)	(17,076,658)	(19,746,913)	(20,306,663)
Modification loss due to IFRS 9	10.1.1	(57,721)	(94,079)	-	-	(57,721)	(94,079)
Fair value adjustment	10.1.2	(5,393,000)	(5,516,964)	-	-	(5,393,000)	(5,516,964)
Islamic financing and related assets - net of credit loss allowance and fair value adjustment		258,685,948	294,077,004	1,145,804	1,961,289	259,831,752	296,038,293

Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2025

- 10.1.1** This represents modification loss arising from restructuring or rescheduling of financings.
- 10.1.2** This represents deferred fair value loss arising due to difference between the market value and the book amount of financings.
- 10.1.3** Islamic Financing and related assets include Rs.17,058.608 million (December 31, 2024: Rs.19,037.947 million) which have been placed under non-performing / Stage 3 status as detailed below:

(Un-audited) September 30, 2025		(Audited) December 31, 2024	
Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held

----- Rupees in '000 -----

Islamic financing and related assets - Category of classification

Domestic

Other assets especially mentioned	179,967	-	264,933	47,483
Substandard	718,294	446,266	1,767,062	981,368
Doubtful	648,105	349,076	911,076	474,167
Loss	15,512,242	15,117,462	16,094,876	15,573,640
	17,058,608	15,912,804	19,037,947	17,076,658

- 10.1.4** The Holding Company does not hold overseas Islamic financing and related assets.

Performing		Non Performing		Total	
(Un-audited) September 30, 2025	(Audited) December 31, 2024	(Un-audited) September 30, 2025	(Audited) December 31, 2024	(Un-audited) September 30, 2025	(Audited) December 31, 2024

----- Rupees in '000 -----

10.2 ADVANCES

- Loans, cash credits, running finances, etc. - In Pakistan	-	-	3,853,279	3,991,053	3,853,279	3,991,053
- Bills discounted and purchased (excluding treasury bills) - Payable in Pakistan	-	-	684,295	684,295	684,295	684,295
- Net investment in finance lease - In Pakistan	-	-	549,859	553,463	549,859	553,463
Advances - gross	-	-	5,087,433	5,228,811	5,087,433	5,228,811

Credit loss allowance against advances

- Stage 1	-	-	-	-	-	-
- Stage 2	-	-	-	-	-	-
- Stage 3	-	-	(5,028,869)	(5,169,854)	(5,028,869)	(5,169,854)
	-	-	(5,028,869)	(5,169,854)	(5,028,869)	(5,169,854)
Advances - net of credit loss allowance	-	-	58,564	58,957	58,564	58,957

- 10.2.1** Advances include Rs. 5,087.433 million (December 31, 2024 Rs. 5,228.811 million) which have been placed under non-performing / Stage 3 status as detailed below:

(Un-audited) September 30, 2025		(Audited) December 31, 2024	
Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held

----- Rupees in '000 -----

Advances - Category of classification

Domestic

Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	5,087,433	5,028,869	5,228,811	5,169,854
	5,087,433	5,028,869	5,228,811	5,169,854

Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2025

10.2.2 The Holding Company does not hold overseas advances.

	<u>(Un-audited)</u>	<u>(Audited)</u>
	<u>September</u>	<u>December</u>
	<u>30, 2025</u>	<u>31, 2024</u>
	-----Rupees in '000-----	
10.3 Diminishing Musharakah financing and related assets - Others		
Diminishing Musharakah financing	78,412,878	52,413,896
Advance against Diminishing Musharakah financing	6,033,892	11,547,524
	<u>84,446,770</u>	<u>63,961,420</u>
10.4 Istisna financing and related assets		
Istisna financing	8,885,540	5,810,579
Advance against Istisna financing	16,848,118	25,440,494
Istisna inventories	-	179,470
	<u>25,733,658</u>	<u>31,430,543</u>
10.5 Murabahah financing and related assets		
Murabahah financing	6,909,643	79,105,798
Deferred murabahah income	400,266	3,434,967
Advances against Murabaha financing	2,212,459	3,242,983
Murabaha Inventories	1,658,543	62,400
	<u>11,180,911</u>	<u>85,846,148</u>
10.6 Musawamah financing and related assets / Tijarah		
Musawamah financing	5,542,385	5,724,219
Advance against Musawamah financing	6,229,669	59,114
Musawamah inventories	976,595	6,056,797
	<u>12,748,649</u>	<u>11,840,130</u>
10.7 Ijarah financing under IFAS 2 and related assets		
Net book value of assets under IFAS 2	992,067	643,717
Advance against Ijarah financing	171,922	320
	<u>1,163,989</u>	<u>644,037</u>
10.8 Salam		
Salam financing	23,554	153,525
Advance against Salam	10,000	23,522
	<u>33,554</u>	<u>177,047</u>
10.9 Running musharakah financing and related assets includes financing amounting to Rs. 500 million (December 31, 2024: Rs. 930 million) under Islamic Export Refinance Scheme.		
10.10 Istisna financing and related assets includes financing amounting to Rs. Nil (December 31, 2024: Rs. 37 million) and advance amounting to Rs. 550 million (December 31, 2024: Rs. 411 million) under Islamic Export Refinance Scheme.		
10.11 Murabahah financing and related assets includes financing amounting to Rs. 0.061 million (December 31, 2024: Rs.0.061 million) under Islamic Export Refinance Scheme.		

Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2025

<u>(Un-audited)</u> September 30, 2025	<u>(Audited)</u> December 31, 2024
----- Rupees in '000 -----	

10.12 Particulars of Islamic financing, related assets and advances - gross

In local currency	279,833,400	322,877,829
In foreign currency	10,283,419	4,306,981
	<u>290,116,819</u>	<u>327,184,810</u>

10.12.1 Financing to Women, Women-owned and Managed Enterprises

Women	2,925,821	2,842,695
Women Owned and Managed Enterprises	1,769,456	5,682,401
	<u>4,695,277</u>	<u>8,525,096</u>

10.12.2 Gross financing disbursed to Women, Women-owned and Managed Enterprises

Women	858,537	558,796
Women Owned and Managed Enterprises	1,361,742	5,281,435
	<u>2,220,279</u>	<u>5,840,231</u>

10.13 Particulars of credit loss allowance

10.13.1 Islamic financing, related assets and advances - Exposure	(Un-audited)			(Audited)		
	September 30, 2025			December 31, 2024		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
----- Rupees in '000 -----						
Opening balance	293,693,573	9,224,479	24,266,758	208,066,911	23,077,362	22,890,642
New financing	56,934,476	1,316,263	2,673	139,297,187	3,255,728	28,484
Financing derecognised or repaid	(91,893,417)	(3,151,806)	(276,180)	(66,039,661)	(1,280,608)	(2,111,235)
Transfer to stage 1	7,415,920	(7,086,669)	(329,251)	15,290,890	(15,131,933)	(158,957)
Transfer to stage 2	(2,423,125)	4,795,949	(2,372,824)	(1,723,397)	2,556,297	(832,900)
Transfer to stage 3	(402,135)	(452,730)	854,865	(1,198,357)	(3,252,367)	4,450,724
	<u>(30,368,281)</u>	<u>(4,578,993)</u>	<u>(2,120,717)</u>	<u>85,626,662</u>	<u>(13,852,883)</u>	<u>1,376,116</u>
Closing balance	<u>263,325,292</u>	<u>4,645,486</u>	<u>22,146,041</u>	<u>23,693,573</u>	<u>9,224,479</u>	<u>24,266,758</u>

Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2025

10.13.2 Islamic financing, related assets and advances - Credit loss allowance

	(Un-audited)			(Audited)		
	September 30, 2025			December 31, 2024		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	----- Rupees in '000 -----					
Opening balance	2,761,225	468,780	22,246,512	-	-	-
Impact of adoption of IFRS 9	-	-	-	1,477,937	1,439,302	21,459,788
New financing	1,003,472	4,107	6	1,042,546	34,544	19,994
Financing derecognised or repaid	(134,792)	(41,160)	(227,760)	(540,797)	(810,332)	(4,363,215)
Transfer to stage 1	354,464	(128,067)	(226,398)	476,088	(468,434)	(7,654)
Transfer to stage 2	(39,102)	1,592,805	(1,553,703)	(260,243)	270,625	(10,382)
Transfer to stage 3	(7,157)	(27,869)	35,026	(933,971)	(2,080,271)	3,014,242
	1,176,885	1,399,816	(1,972,829)	(216,377)	(3,053,868)	(1,347,015)
Amounts written off / charged off	-	-	-	-	-	-
Changes in risk parameters	(835,828)	(1,136,769)	667,990	1,499,665	2,083,346	2,133,739
Closing balance	3,102,282	731,827	20,941,673	2,761,225	468,780	22,246,512

10.14 Particulars of credit loss allowances held against Islamic financing, related assets and advances

	(Un-audited)				(Audited)			
	September 30, 2025				December 31, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	----- Rupees in '000 -----							
10.14.1 Opening balance	2,761,225	468,780	22,246,512	25,476,517	-	-	-	-
Impact of adoption of IFRS 9	-	-	-	-	1,444,830	1,382,780	21,459,788	24,287,398
Charge for the period / year	379,204	464,332	396,428	1,239,964	1,605,492	41,831	1,807,156	3,454,479
Reversals for the period / year	(38,147)	(201,285)	(1,701,267)	(1,940,699)	(289,097)	(955,831)	(1,020,432)	(2,265,360)
	341,057	263,047	(1,304,839)	(700,735)	1,316,395	(914,000)	786,724	1,189,119
Amount written off	-	-	-	-	-	-	-	-
Closing balance	3,102,282	731,827	20,941,673	24,775,782	2,761,225	468,780	22,246,512	25,476,517
10.14.2 Islamic	3,102,282	731,827	15,912,804	19,746,913	2,761,225	468,780	17,076,658	20,306,663
Conventional	-	-	5,028,869	5,028,869	-	-	5,169,854	5,169,854
	3,102,282	731,827	20,941,673	24,775,782	2,761,225	468,780	22,246,512	25,476,517
10.14.3 Particulars of credit loss allowance against advances								
In local currency	3,102,282	731,827	20,941,673	24,775,782	2,761,225	468,780	22,246,512	25,476,517
In foreign currencies	-	-	-	-	-	-	-	-
	3,102,282	731,827	20,941,673	24,775,782	2,761,225	468,780	22,246,512	25,476,517

Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2025

	(Un-audited) September 30, 2025	(Audited) December 31, 2024
	-----Rupees in '000-----	
10.15 SBP other refinance schemes		
Refinance facility for Islamic Temporary Economic Refinance Facility (TERF)	6,323,109	7,272,740
Islamic Long-Term Financing Facility	1,201,867	1,356,372
Islamic refinance scheme for payment of wages and salaries	73,854	54,822
RM EFS - Rupee Based Discounting (TFA)	11,238,797	9,756,938
Islamic refinance scheme for Renewable Energy	543,099	610,996
Islamic refinance scheme for combating COVID (IRFCC)	68,439	123,754
Islamic refinance facility for Modernization of SMEs	119,662	85,341
Refinance for Islamic Financing Facility of Storage of Agricultural Produce (IFFSAP)	149,041	204,027
Islamic Credit Guarantee Scheme For Women Entrepreneur	203,910	127,855
	<u>19,921,778</u>	<u>19,592,845</u>
11 PROPERTY AND EQUIPMENT		
Capital work-in-progress	7,474,610	1,659,567
Property and equipment	15,344,369	13,444,402
	<u>22,818,979</u>	<u>15,103,969</u>
11.1 Capital work-in-progress		
Advances to suppliers and contractors	903,079	468,844
Advance for acquiring properties and office premises	6,571,531	1,190,723
	<u>7,474,610</u>	<u>1,659,567</u>
	(Un-audited)	
	September 30, 2025	September 30, 2024
	-----Rupees in '000-----	
11.2 Additions to property and equipment		
The following additions have been made to property and equipment during the period:		
Capital work-in-progress	6,220,895	772,057
Property and equipment		
Furniture and fixture	1,255,555	1,477,072
Electrical, office and computer equipment	2,196,986	1,239,271
Vehicles	36,508	96,236
Total	<u>3,489,049</u>	<u>2,812,579</u>
	<u>9,709,944</u>	<u>3,584,636</u>
11.3 Disposal of property and equipment		
The net book value of property and equipment disposed off during the period is as follows:		
Furniture and fixture	2,821	4,357
Electrical, office and computer equipment	2,213	461
Total	<u>5,034</u>	<u>4,818</u>

Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2025

	(Un-audited) September 30, 2025	(Audited) December 31, 2024
14 DEFERRED TAX ASSETS / (LIABILITIES)		
Deductible Temporary Differences on:		
Credit loss allowance against investments	(79,334)	46,573
Credit loss allowance against non-performing Islamic financing, related assets and advances	6,302,396	5,306,162
Modification and fair value adjustments	-	17,688
Other credit loss allowance	923,281	794,103
Ijarah financing and related assets	71,890	43,798
Others	1,125,484	490,823
	8,343,717	6,699,147
Taxable Temporary Differences on:		
Fair value adjustments relating to net assets acquired upon amalgamation	(349,228)	(230,539)
Surplus on revaluation of FVOCI Investment	(3,357,465)	(6,335,938)
Surplus on revaluation of FVPL Investment	(22,017)	(28,259)
Surplus on revaluation of property and equipment	(975,013)	(1,042,621)
Surplus on revaluation of non-banking assets	(17,748)	(17,852)
Accelerated tax depreciation	(1,533,442)	(553,938)
Right-of-use assets	(423,584)	-
Modification and fair value adjustments	(1,218)	-
	(6,679,715)	(8,209,147)
	1,664,002	(1,510,000)

Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2025

		(Un-audited) September 30, 2025	(Audited) December 31, 2024
	Note	-----Rupees in '000-----	
15 OTHER ASSETS			
Profit / return accrued in local currency		20,539,283	17,627,108
Profit / return accrued in foreign currency		59,993	31,482
Receivable from NCCPL against marketable securities		20,814,445	-
Advances, deposits, advance rent and other prepayments		2,169,279	1,349,977
Advance taxation		1,442,859	-
Prepaid staff cost		3,123,352	3,045,731
Non-banking assets acquired in satisfaction of claims	15.1	1,448,760	1,450,462
Takaful claim receivable		52,749	35,305
Receivable against takaful and registration charges		708,121	251,519
Receivable against First WAPDA Sukuk		50,000	50,000
Trade debts		532	532
Acceptances		3,495,397	1,648,773
Unrealized gain on Shariah compliant alternative of forward foreign exchange contracts		-	43,305
Clearing and settlement accounts		-	1,189,680
Others		1,122,921	1,206,370
		<u>55,027,691</u>	<u>27,930,244</u>
Less: Credit loss allowance held against other assets	15.2	<u>(1,090,819)</u>	<u>(1,116,865)</u>
Other Assets - net of credit loss allowance		<u>53,936,872</u>	<u>26,813,379</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	22	<u>69,758</u>	<u>69,958</u>
Other assets - total		<u>54,006,630</u>	<u>26,883,337</u>
15.1 Revalued amount of non-banking assets acquired in satisfaction of claims		<u>1,212,756</u>	<u>1,214,658</u>
15.2 Credit loss allowance held against other assets			
Advances, deposits, advance rent & other prepayments		50,842	50,842
Non banking assets acquired in satisfaction of claims		305,762	305,762
Profit / return accrued		78,577	78,887
Others		655,638	681,374
	15.2.1	<u>1,090,819</u>	<u>1,116,865</u>
15.2.1 Movement in Credit loss allowance held against other assets			
Opening balance		1,116,865	921,326
Impact of adoption of IFRS 9		-	99,693
Charge for the period / year		27,664	174,755
Reversals during the period / year		(53,710)	(78,409)
		(26,046)	96,346
Amount written off		-	(500)
Closing balance		<u>1,090,819</u>	<u>1,116,865</u>

Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2025

	(Un-audited) September 30, 2025	(Audited) December 31, 2024
	-----Rupees in '000-----	
16	BILLS PAYABLE	
In Pakistan	5,415,576	13,773,529
Outside Pakistan	-	-
	<u>5,415,576</u>	<u>13,773,529</u>
17	DUE TO FINANCIAL INSTITUTIONS	
	Secured	
Due to State Bank of Pakistan	518,646	21,096,917
Acceptances from SBP under Mudaraba Refinance facility for Islamic Temporary Economic Refinance Facility (TERF)	6,030,981	6,914,923
Islamic Export Finance Scheme - Rupee based discounting	4,723,042	5,210,889
Acceptances for financial assistance	-	4,827,290
Acceptances under Islamic Export Refinance Scheme	800,000	1,053,000
Islamic Long-Term Financing Facility	806,099	902,471
Islamic refinance scheme for Renewable Energy	489,440	555,900
Islamic refinance scheme for combating COVID (IRFCC)	66,667	116,667
Islamic Refinance Scheme for Working Capital Financing	11,854	-
Islamic Refinance Scheme for Modernization of SMEs	79,726	63,186
Islamic refinance scheme for Facility of Storage of Agricultural Produce (IFFSAP)	44,377	76,784
Islamic Credit Guarantee Scheme for Women Entrepreneur	155,756	111,757
	<u>13,726,588</u>	<u>40,929,784</u>
Musharakah Acceptance	28,700,000	33,085,000
Refinance facility for Islamic Mortgage	5,795,738	3,340,466
Total secured	<u>48,222,326</u>	<u>77,355,250</u>
	Unsecured	
Wakalah Acceptance	2,500,000	-
Musharakah Acceptance	12,300,000	11,350,000
Overdrawn nostro accounts	1,045,437	584,854
Others	-	16,000
Total unsecured	<u>15,845,437</u>	<u>11,950,854</u>
Fair value adjustment	(1,460,293)	(1,643,943)
	<u>62,607,470</u>	<u>87,662,161</u>
17.1	Particulars of due to financial institutions with respect to currencies	
In local currency	61,562,033	87,077,307
In foreign currencies	1,045,437	584,854
	<u>62,607,470</u>	<u>87,662,161</u>

Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2025

18 DEPOSITS AND OTHER ACCOUNTS

	(Un-audited)			(Audited)		
	September 30, 2025			December 31, 2024		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
-----Rupees in '000-----						
Customers						
Current deposits	237,926,528	10,024,408	247,950,936	198,501,518	8,639,600	207,141,118
Savings deposits	144,475,805	3,536,737	148,012,542	147,266,628	3,746,306	151,012,934
Term deposits	173,577,674	14,860,353	188,438,027	175,856,996	15,345,465	191,202,461
Margin deposits	8,363,698	122,522	8,486,220	5,204,744	94,990	5,299,734
	564,343,705	28,544,020	592,887,725	526,829,886	27,826,361	554,656,247
Financial Institutions						
Current deposits	897,307	32,634	929,941	410,164	13,779	423,943
Savings deposits	9,395,588	-	9,395,588	3,461,149	-	3,461,149
Term deposits	1,223,160	-	1,223,160	636,442	-	636,442
Margin deposits	146	-	146	146	-	146
	11,516,201	32,634	11,548,835	4,507,901	13,779	4,521,680
	575,859,906	28,576,654	604,436,560	531,337,787	27,840,140	559,177,927

19	LEASE LIABILITIES	Note	(Un-audited)	(Audited)
			September 30, 2025	December 31, 2024
-----Rupees in '000-----				
	Outstanding amount at the start of the period / year		4,839,747	4,252,295
	Additions during the period / year		855,346	2,336,666
	Lease termination / payments including profit		(1,162,854)	(2,555,969)
	Finance charges on leased assets		666,790	806,755
	Outstanding amount at the end of the period / year	19.1	5,199,029	4,839,747
19.1	Contractual maturity of lease liabilities			
	Not later than one year		286,835	344,239
	Long-term lease liabilities			
	- 1 to 5 years		4,912,194	4,495,508
	- 5 to 10 years		-	-
	- More than 10 years		-	-
			4,912,194	4,495,508
			5,199,029	4,839,747

19.2 The Holding Company enters in to lease agreements with terms and conditions mainly included rent escalation usually at 10% p.a, sub-letting of the property at discretion of the Holding Company, alterations to the premises as per business requirement, termination of the agreement with notice period, agreement period, renewal of agreement usually at same terms with change in monthly rent, escalation clause and termination of the agreement. Discount rate ranges between 8.99% to 17.5% (December 31, 2024: 11.43% to 17.5%) p.a.

Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2025

20	SUBORDINATED SUKUK	Note	(Un-audited)	(Audited)
			September 30, 2025	December 31, 2024
			-----Rupees in '000-----	
	ADT-1 Sukuk Issue I	20.1.1	2,000,000	2,000,000
	ADT-1 Sukuk Issue II	20.1.2	1,000,000	1,000,000
			<u>3,000,000</u>	<u>3,000,000</u>

20.1 The Holding Company has issued fully paid up, rated, listed, perpetual, unsecured, subordinated, non-cumulative and contingent convertible debt instruments in the nature of sukuk under Section 66 of the Companies Act, 2017 which qualify as Additional Tier I (ADT-1) Capital as outlined by State Bank of Pakistan (SBP) under BPRD Circular No. 6 dated August 15, 2013.

20.1.1 Salient features of the ADT-1 sukuk issue I are as follows:

Issued Amount	Rs. 2,000 million.
Issue Date	April 21, 2020
Tenor	Perpetual (i.e. no fixed or final redemption date)
Instrument Rating	PACRA has rated this Sukuk at 'A'
Security	Unsecured
Profit payment frequency	Profit shall be payable monthly in arrears, on a non-cumulative basis
Expected Profit Rate	The Sukuk carries a profit at the rate of 3 Months KIBOR + 2.75%. The Mudaraba Profit is computed under General Pool on the basis of profit sharing ratio and monthly weightages announced by the Holding Company inline with SBP's guidelines of pool management.
Call option	The Holding Company may, at its sole discretion, call the Sukuks, at any time after five years from the Issue Date subject to the prior approval of the SBP.
Lock-in clause	In the event where payment of profit results in breach of regulatory MCR/CAR requirements or SBP determines a bar on profit distribution, the monthly profit weightage of the Sukuk holders will be reduced to a minimum level e.g. 0.005, till the month in which such condition is withdrawn by SBP.
Loss absorbency clause	The Sukuks shall, at the discretion of the SBP, be permanently converted into ordinary shares pursuant to the loss absorbency clause as stipulated in the "Instructions for Basel-III Implementation in Pakistan" issued vide BPRD Circular No. 6 dated August 15, 2013.

Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2025

20.1.2 Salient features of the ADT-1 sukuk issue II are as follows:

Issued Amount	Rs. 1,000 million.
Issue Date	February 21, 2024
Tenor	Perpetual (i.e. no fixed or final redemption date)
Instrument Rating	PACRA has rated this Sukuk at 'A'
Security	Unsecured
Profit payment frequency	Profit shall be payable monthly in arrears, on a non-cumulative basis
Expected Profit Rate	The Sukuk carries a profit at the rate of 1 Month KIBOR + 2.5%. The Mudaraba Profit is computed under General Pool on the basis of profit sharing ratio and monthly weightages announced by the Holding Company inline with SBP's guidelines of pool management.
Call option	The Holding Company may, at its sole discretion, call the Sukuks, at any time after five years from the Issue Date subject to the prior approval of the SBP.
Lock-in clause	In the event where payment of profit results in breach of regulatory MCR/CAR requirements or SBP determines a bar on profit distribution, the monthly profit weightage of the Sukuk holders will be reduced to a minimum level e.g. 0.005, till the month in which such condition is withdrawn by SBP.
Loss absorbency clause	The Sukuks shall, at the discretion of the SBP, be permanently converted into ordinary shares pursuant to the loss absorbency clause as stipulated in the "Instructions for Basel-III Implementation in Pakistan" issued vide BPRD Circular No. 6 dated August 15, 2013.

Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2025

21	OTHER LIABILITIES	Note	(Un-audited)	(Audited)
			September 30, 2025	December 31, 2024
			-----Rupees in '000-----	
	Profit / return payable in local currency		5,364,148	7,269,082
	Profit / return payable in foreign currencies		467,476	297,238
	Accrued expenses		4,162,404	3,035,365
	Deferred Murabahah Income Financing, IERS and Others		211,965	643,923
	Payable to defined benefit plan		4,677	4,677
	Payable to defined contribution plan		75,500	54,371
	Defined benefit plan liabilities		590,912	525,474
	Security deposits against Ijarah		409,393	462,371
	Credit loss allowance against off-balance sheet obligations	21.1	436,735	378,109
	Acceptances		3,495,397	1,648,773
	Current taxation (provisions less payments)		-	1,501,705
	Withholding taxes payable		751,312	322,562
	Unrealized loss on Shariah compliant alternative of forward foreign exchange contracts		11,423	-
	Sundry creditors		1,599,914	903,578
	Payable to brokers against purchase of shares - net		880	82,786
	Charity payable		218,670	95,696
	Retention money payable		95,512	83,990
	Provision for workers welfare fund		1,511,699	1,289,902
	Dividend payable		115,568	33,979
	Clearing and settlement accounts		2,709,490	-
	Others		238,208	1,072,649
			<u>22,471,283</u>	<u>19,706,230</u>
21.1	Credit loss allowance against off-balance sheet obligations			
	Opening balance		378,109	85,975
	Impact on adoption of IFRS 9		-	130,338
	Charge for the period / year		96,779	161,796
	Reversals for the period / year		(38,153)	-
			58,626	161,796
	Amount written off		-	-
	Closing balance	21.1.1	<u>436,735</u>	<u>378,109</u>
21.1.1	This includes overdue non-funded facilities that could not be transferred to funded facilities due to litigation.			

Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2025

		(Un-audited) September 30, 2025	(Audited) December 31, 2024
	Note	-----Rupees in '000-----	
22	SURPLUS ON REVALUATION OF ASSETS		
	Surplus on revaluation of:		
	- Securities measured at FVOCI - Debt	9.1 5,009,535	12,156,499
	- Securities measured at FVOCI - Equity	9.1 1,447,128	27,998
	- Property and equipment	2,398,945	2,528,960
	- Non-banking assets acquired in satisfaction of claims	15 69,758	69,958
		8,925,366	14,783,415
	Deferred tax liability on surplus on revaluation of:		
	- Securities measured at FVOCI - Debt	14 (2,604,958)	(6,321,379)
	- Securities measured at FVOCI - Equity	14 (752,507)	(14,559)
	- Property and equipment	14 (975,013)	(1,042,621)
	- Non-banking assets acquired in satisfaction of claims	14 (17,748)	(17,852)
		(4,350,226)	(7,396,411)
		4,575,140	7,387,004
23	CONTINGENCIES AND COMMITMENTS		
	- Guarantees	23.1 26,680,839	16,183,014
	- Commitments	23.2 257,700,884	479,256,656
	- Other contingent liabilities	23.3 645,595	720,593
		285,027,318	496,160,263
23.1	Guarantees:		
	Performance guarantees	17,046,839	10,122,636
	Other guarantees	9,634,000	6,060,378
		26,680,839	16,183,014
23.2	Commitments:		
	Documentary credits and short-term trade-related transactions:		
	- letters of credit	29,889,873	23,754,604
	Commitments in respect of:		
	- Shariah compliant alternative of forward foreign exchange contracts	23.2.1 108,841,686	174,461,152
	Commitments for acquisition of:		
	- property and equipment	963,402	708,427
	- intangible assets	1,997,719	78,609
	Other commitments		
	- commitments in respect of financing	23.2.2 116,008,204	280,253,864
		257,700,884	479,256,656
23.2.1	Commitments in respect of Shariah compliant alternative of forward foreign exchange transactions		
	Purchase	62,186,772	96,427,628
	Sale	46,654,914	78,033,524
		108,841,686	174,461,152

Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2025

23.2.2 The Holding Company makes commitments to extend shariah compliant Islamic financing (including to related parties) in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

	(Un-audited) September 30, 2025	(Audited) December 31, 2024
23.3 Other contingent liabilities		
	-----Rupees in '000-----	
Suit filed for recovery of alleged losses suffered, pending in the High Court, which the Holding Company has not acknowledged as debt	1,804	1,804
Tax Contingencies	643,791	718,789
	<u>645,595</u>	<u>720,593</u>

	(Un-audited) September 30, 2025	September 30, 2024
	-----Rupees in '000-----	
	(Restated)	

24 PROFIT / RETURN EARNED

Profit earned on:

Financing	22,713,250	31,090,133
Investments	32,246,295	51,681,136
Placements	641,942	3,497,479
Others	487,588	175,982
	<u>56,089,075</u>	<u>86,444,730</u>

24.1 Profit income (calculated using effective profit rate method) recognised on:

Financial assets measured at amortised cost	1,432,517	4,150,241
Financial assets measured at FVOCI	32,240,956	51,672,477
	<u>33,673,473</u>	<u>55,822,718</u>
Financial assets measured at FVPL	5,339	8,659
Financial assets measured at cost	22,410,263	30,613,353
	<u>22,415,602</u>	<u>30,622,012</u>

25 PROFIT / RETURN EXPENSED

Deposits and other accounts	23,311,875	42,015,072
Due to financial institutions	4,846,676	8,422,932
Subordinated Sukuk	326,445	534,304
Cost of foreign currency swaps against foreign currency deposits	584,500	983,391
Finance charges on leased assets	666,790	587,199
	<u>29,736,286</u>	<u>52,542,898</u>

25.1 Profit expense calculated using effective profit rate method

Other financial liabilities	5,839,911	9,544,435
	<u>23,896,375</u>	<u>42,998,463</u>
	<u>29,736,286</u>	<u>52,542,898</u>

Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2025

		(Un-audited)	
		September 30, 2025	September 30, 2024
		-----Rupees in '000-----	
26	FEE AND COMMISSION INCOME		
	Card related fees	1,380,159	937,264
	Commission on trade	447,613	332,777
	Commission on arrangement with financial institutions	152,621	93,380
	Investment banking fees	120,879	118,273
	Commission on bancatakaful	125,321	46,109
	Commission on guarantees	158,871	47,606
	Consumer finance related fees	20,432	8,948
	Branch banking customer fees	83,940	25,955
	Commission on remittances including home remittances	33,423	38,874
	Commission on cash management	22,988	19,181
	Others	17,298	5,643
		<u>2,563,545</u>	<u>1,674,010</u>
27	GAIN ON SECURITIES - NET		
	Realized	3,374,241	348,772
	Unrealized - Measured at FVPL	(9,840)	47,069
		<u>3,364,401</u>	<u>395,841</u>
27.1	Realized gain / (loss) on:		
	Shares	172,716	286,353
	Federal Government Shariah Compliant Securities	2,823,784	44,883
	Non-Government Shariah Compliant Securities	377,741	17,536
		<u>3,374,241</u>	<u>348,772</u>
27.2	Net gain on financial assets / liabilities measured at FVPL:		
	Designated upon initial recognition	(9,840)	47,069
28	OTHER INCOME		
	Recoveries against previously expensed items	21,957	11,216
	Gain on termination of financing	54,105	80,984
	Gain on sale of property and equipment	55,108	37,406
	Gain on termination of lease	8,959	-
	Others	2,429	5,362
		<u>142,558</u>	<u>134,968</u>

Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2025

		(Un-audited)	
		September 30, 2025	September 30, 2024
		-----Rupees in '000----- (Restated)	
29	OPERATING EXPENSES		
	Total compensation expense	10,788,668	7,041,470
	Property expense		
	Rent & taxes	83,265	201,407
	Takaful cost	9,734	2,146
	Utilities cost	955,690	939,901
	Security (including guards)	880,334	683,697
	Repair & maintenance (including janitorial charges)	432,513	360,207
	Depreciation	483,266	537,831
	Depreciation on right-of-use assets	1,264,133	1,021,679
	Others	1,921	-
		4,110,856	3,746,868
	Information technology expenses		
	Software maintenance	1,749,443	514,574
	Hardware maintenance	400,081	186,868
	Depreciation	564,163	341,148
	Amortization	271,086	186,612
	Network charges	445,393	305,877
		3,430,166	1,535,079
	Other operating expenses		
	Directors' fees and allowances	20,320	19,920
	Fees and allowances to Shariah Board	28,275	24,912
	Legal & professional charges	327,937	126,876
	Travelling & conveyance	237,575	155,018
	NIFT clearing charges	46,826	41,286
	Depreciation	500,017	361,640
	Depreciation on non-banking assets	1,769	1,289
	Training & development	73,568	30,629
	Postage & courier charges	79,532	54,772
	Communication	350,850	273,687
	Stationery & printing	419,866	322,639
	Marketing, advertisement & publicity	559,617	153,609
	Repairs and maintenance	285,789	225,213
	Takaful / Insurance	434,539	353,745
	Fee and subscription	547,468	508,344
	Vehicle running and maintenance	494,272	435,058
	Donations	42,723	148,871
	Auditors' remuneration	34,600	27,968
	Amortization	10,615	10,776
	Others	210,820	368,521
		4,706,978	3,644,773
		23,036,668	15,968,190

Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2025

		(Un-audited)	
		September 30, 2025	September 30, 2024
Note		-----Rupees in '000----- (Restated)	
30	OTHER CHARGES		
	Penalties imposed by regulatory authorities	75,197	1,843
	Other regulatory charges	<u>113,414</u>	-
		<u>188,611</u>	<u>1,843</u>
31	CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET		
	Credit loss allowance against due from financial institutions	(2,395)	(2,336)
	Charge / (reversal) of credit loss allowance against investments	8	62,585
	(Reversal) / charge of credit loss allowance against Islamic financing, related assets and advances - net	(700,735)	1,050,681
	Fair value loss recognized	(21,505)	-
	Modification loss	(36,358)	34,015
	Charge / (reversal) of credit loss allowance against balance with treasury and other banks	942	(3,749)
	Credit loss allowance / (Reversal) against off balance sheet items - net	58,626	66,910
	Other credit loss allowance / (reversal) / write offs - net	(26,046)	(47,840)
		<u>(727,463)</u>	<u>1,160,266</u>
32	TAXATION		
	Current	5,602,083	9,581,775
	Prior years	320,493	-
	Deferred	(127,818)	169,110
		<u>5,794,758</u>	<u>9,750,885</u>
33	BASIC AND DILUTED EARNINGS PER SHARE		
	Profit after taxation for the period	<u>5,073,342</u>	<u>10,172,525</u>
		----- Number of shares -----	
	Weighted average number of ordinary shares	<u>1,108,703,299</u>	<u>1,108,703,299</u>
		----- Rupees -----	
	Basic and diluted earnings per share	33.1 <u>4.5759</u>	<u>9.1752</u>
33.1	There were no convertible / dilutive potential ordinary shares outstanding as at September 30, 2025 and September 30, 2024, therefore diluted earning per share has not been presented separately.		

Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2025

34 FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified as amortized cost or investments in associates, is based on quoted market price. Quoted securities classified as amortized cost are carried at cost less impairment losses. The fair value of unquoted equity securities, other than investments in associates, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

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

34.1 Fair value of financial assets

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

- Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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

	(Un-audited)			
	September 30, 2025			
	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Shares / Modaraba certificates	4,454,542	-	6,820	4,461,362
GoP Ijara Sukuk	59,013,472	255,162,511	-	314,175,983
Non-Government Shariah compliant securities	3,415,471	30,275,854	-	33,691,325
Off-balance sheet financial instruments - measured at fair value				
Shariah compliant alternative of forward purchase of foreign exchange	-	62,186,772	-	62,186,772
Shariah compliant alternative of forward sale of foreign exchange	-	46,654,914	-	46,654,914
On balance sheet non-financial assets				
Non-Financial Assets - measured at fair value				
Fixed assets - Land and building	-	6,722,914	-	6,722,914
Non-banking assets acquired in satisfaction of claims	-	1,212,756	-	1,212,756
Shariah compliant future purchase of shares	-	-	-	-
Shariah compliant future sale of shares	-	-	-	-

Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2025

(Audited)			
December 31, 2024			
Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----			

On balance sheet financial instruments

Financial assets - measured at fair value

Investments				
Shares / Modaraba certificates	838,825	-	6,820	845,645
GoP Ijara Sukuk	54,455,722	256,569,779	-	311,025,501
Non-Government Shariah compliant Securities	3,415,471	29,764,936	-	33,180,407

Off-balance sheet financial instruments - measured at fair value

Shariah compliant alternative of forward purchase of foreign exchange	-	96,427,628	-	96,427,628
Shariah compliant alternative of forward sale of foreign exchange	-	78,033,524	-	78,033,524

On balance sheet non-financial assets

Non-Financial Assets - measured at fair value

Fixed assets - Land and building	-	6,505,413	-	6,505,413
Non-banking assets acquired in satisfaction of claims	-	1,214,658	-	1,214,658

Valuation techniques used in determination of fair values within level 1

Item	Valuation approach and input used
GoP Sukuks	The valuation has been determined through closing rates on Pakistan Stock Exchange.
Listed securities (Shares, Modaraba and Sukuks)	The valuation has been determined through closing rates on Pakistan Stock Exchange.

Valuation techniques used in determination of fair values within level 2

Item	Valuation approach and input used
GoP Sukuks	The fair value of GOP Ijarah Sukuks are revalued using PKISRV rates. The PKISRV rates are announced by FMA (Financial Market Association) through Reuters. The rates announced are simple average of quotes received from 6 different pre-defined / approved dealers / brokers.
Non-Government Shariah compliant Securities	Non-Government Shariah compliant Securities are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.
Shariah compliant alternative of forward foreign exchange contracts	The valuation has been determined by interpolating the mid rates announced by State Bank of Pakistan.
Fixed assets - Land and building	The valuation experts used a market based approach to arrive at the fair value of the Holding Company's properties. The market approach used prices and other relevant information generated by market transactions involving identical, comparable or similar properties.
Non-banking assets acquired in satisfaction of claims	The valuation experts used a market based approach to arrive at the fair value of the Holding Company's properties. The market approach used prices and other relevant information generated by market transactions involving identical, comparable or similar properties.

Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2025

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

35 SEGMENT INFORMATION

(Un-audited)					
September 30, 2025					
Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total	
----- Rupees in '000 -----					
Profit & Loss					
Net profit / return	28,553,599	(19,504,335)	17,814,871	(511,346)	26,352,789
Inter segment revenue - net	(29,641,960)	45,532,524	(18,381,348)	2,490,784	-
Total other income	4,693,364	1,702,090	751,017	88,454	7,234,925
Total income	3,605,003	27,730,279	184,540	2,067,892	33,587,714
Segment direct expenses	215,388	13,092,071	713,920	9,425,698	23,447,077
Inter segment expense allocation	140,270	7,461,029	1,403,725	(9,905,024)	-
Total expenses	355,658	20,553,100	2,117,645	420,674	23,447,077
Credit loss allowance	(1,443)	115,593	(640,285)	(201,328)	(727,463)
Profit / (loss) before tax	3,250,788	7,061,586	(1,292,820)	1,848,546	10,868,100
Balance Sheet					
Assets					
Cash & Bank balances	427,792	41,954,311	-	2,202	42,384,305
Investments	350,796,114	-	1,606,636	-	352,402,750
Net inter segment placements	-	530,446,945	-	-	530,446,945
Due from financial institutions	9,172,360	-	-	-	9,172,360
Islamic financing and related assets - performing	-	36,000,337	214,461,561	8,224,049	258,685,947
- non-performing - net	-	780,392	4,946,055	(4,522,078)	1,204,369
Others	-	-	-	86,789,083	86,789,083
Total Assets	360,396,266	609,181,985	221,014,252	90,493,256	1,281,085,759
Liabilities					
Due to financial institutions	45,064,084	5,795,738	11,747,648	-	62,607,470
Subordinated sukuk	-	-	-	3,000,000	3,000,000
Deposits & other accounts	2,137,095	603,386,247	-	(1,086,782)	604,436,560
Net inter segment acceptances	313,195,087	-	209,266,604	7,985,254	530,446,945
Others	-	-	-	33,085,888	33,085,888
Total liabilities	360,396,266	609,181,985	221,014,252	42,984,360	1,233,576,863
Equity	-	-	-	47,508,896	47,508,896
Total Equity & liabilities	360,396,266	609,181,985	221,014,252	90,493,256	1,281,085,759
Contingencies & Commitments	108,841,686	-	56,570,712	119,614,920	285,027,318

Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2025

(Un-audited)					
September 30, 2024					
	Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
Profit & Loss	----- Rupees in '000 -----				
	(Restated)				
Net profit / return	46,618,515	(35,906,369)	23,502,170	(312,484)	33,901,832
Inter segment revenue - net	(48,168,376)	69,875,325	(25,266,967)	3,560,018	-
Total other income	1,781,574	1,145,973	515,637	116,680	3,559,864
Total Income	231,713	35,114,929	(1,249,160)	3,364,214	37,461,696
Segment direct expenses	100,216	7,639,113	645,169	7,993,522	16,378,020
Inter segment expense allocation	118,365	6,281,067	1,018,146	(7,417,578)	-
Total expenses	218,581	13,920,180	1,663,315	575,944	16,378,020
Credit loss allowance	(6,193)	6,089	1,105,754	54,616	1,160,266
Profit / (loss) before tax	19,325	21,188,660	(4,018,229)	2,733,654	19,923,410

(Audited)					
December 31, 2024					
	Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
Balance Sheet	----- Rupees in '000 -----				
Assets					
Cash & Bank balances	982,664	41,093,952	-	2,202	42,078,818
Investments	344,424,053	-	627,500	-	345,051,553
Net inter segment placements	-	487,602,372	-	34,431,144	522,033,516
Due from financial institutions	4,257,928	-	-	-	4,257,928
Islamic financing and related assets - performing	-	30,571,110	257,575,697	-	288,146,807
- non-performing - net	-	1,089,318	649,010	6,212,115	7,950,443
Others	-	-	-	50,399,013	50,399,013
Total Assets	349,664,645	560,356,752	258,852,207	91,044,474	1,259,918,078
Liabilities					
Due to financial institutions	70,960,060	3,340,467	13,361,634	-	87,662,161
Subordinated sukuk	-	-	-	3,000,000	3,000,000
Deposits & other accounts	2,161,642	557,016,285	-	-	559,177,927
Net inter segment acceptances	276,542,943	-	245,490,573	-	522,033,516
Others	-	-	-	39,829,506	39,829,506
Total liabilities	349,664,645	560,356,752	258,852,207	42,829,506	1,211,703,110
Equity	-	-	-	48,214,968	48,214,968
Total Equity & liabilities	349,664,645	560,356,752	258,852,207	91,044,474	1,259,918,078

Contingencies & Commitments	174,461,152	-	39,937,618	281,761,493	496,160,263

36 RELATED PARTY TRANSACTIONS

The Holding Company has related party transactions with its parent, associates, employee benefit plans, its directors and key management personnel.

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

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

Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2025

37 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Un-audited) September 30, 2025	(Audited) December 31, 2024
	----- Rupees in '000 -----	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	<u>11,007,991</u>	<u>11,007,991</u>
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	40,361,699	38,792,658
Eligible Additional Tier 1 (ADT 1) Capital	3,000,000	3,000,000
Total Eligible Tier 1 Capital	43,361,699	41,792,658
Eligible Tier 2 Capital	4,532,195	12,171,253
Total Eligible Capital (Tier 1 + Tier 2)	<u>47,893,894</u>	<u>53,963,911</u>
Risk Weighted Assets (RWAs):		
Credit Risk	182,677,974	146,543,665
Market Risk	10,435,025	3,897,306
Operational Risk	73,387,323	73,387,322
Total	<u>266,500,322</u>	<u>223,828,293</u>
Common Equity Tier 1 Capital Adequacy ratio	<u>15.15%</u>	<u>17.33%</u>
Tier 1 Capital Adequacy Ratio	<u>16.27%</u>	<u>18.67%</u>
Total Capital Adequacy Ratio	<u>17.97%</u>	<u>24.11%</u>
National minimum capital requirements prescribed by SBP		
CET1 minimum ratio	6.00%	6.00%
Tier 1 minimum ratio	7.50%	7.50%
Total capital minimum ratio	10.00%	10.00%
Capital Conservation Buffer (CCB) (Consisting of CET 1 only)	1.50%	1.50%
Total Capital plus CCB	11.50%	11.50%

37.1 The capital to risk weighted assets ratio is calculated in accordance with the SBP guidelines on capital adequacy, under Basel III and Pre-Basel III treatment using Standardized Approach for credit and market risk and Basic Indicator Approach for operational Risk.

	(Un-audited) September 30, 2025	(Audited) December 31, 2024
	----- Rupees in '000 -----	
Leverage Ratio (LR):		
Eligible Tier-1 Capital	43,361,699	41,792,658
Total Exposures	817,171,353	880,567,551
Leverage Ratio	<u>5.31%</u>	<u>4.75%</u>
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	354,497,219	318,819,831
Total Net Cash Outflow	128,204,690	90,470,492
Liquidity Coverage Ratio	<u>276.51%</u>	<u>352.40%</u>
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	550,820,701	580,745,235
Total Required Stable Funding	258,056,044	211,839,059
Net Stable Funding Ratio	<u>213.45%</u>	<u>274.14%</u>

37.2 The full disclosures on the capital adequacy, leverage ratio & liquidity requirements as per SBP instructions issued from time to time has been placed on the Holding Company's website. The link to the full disclosures is available at www.bankislami.com.pk/investor-relations

Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For the Nine Months Ended September 30, 2025

38 GENERAL

38.1 Captions, as prescribed by BPRD Circular No. 02, dated: January 25, 2018 issued by the SBP, in respect of which there are no amounts, have not been reproduced in these condensed interim consolidated financial statements, except for captions of the consolidated Statement of Financial Position and consolidated Profit and Loss Account.

38.2 These condensed interim consolidated financial statements are presented in Pakistani Rupees, which is the Holding Company's functional and presentation currency.

38.3 The figures in these condensed interim consolidated financial statements have been rounded off to the nearest thousand rupee.

39 DATE OF AUTHORISATION FOR ISSUE

These condensed interim consolidated financial statements were authorized for issue on October 23, 2025 by the Board of Directors of the Holding Company.

-Sd-
PRESIDENT /
CHIEF EXECUTIVE
OFFICER

-Sd-
CHIEF FINANCIAL
OFFICER

-Sd-
CHAIRMAN

-Sd-
DIRECTOR

-Sd-
DIRECTOR

BankIslami Pakistan Limited

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