



**Bank Alfalah**  
The Way Forward



Depth in Service  
**Banking the Right Way!**

Quarterly Report **March 31, 2026 (Un-audited)**



**Bank Alfalah**

The Way Forward



**DEPOSITS**

**Rs. 2.47 trillion**



**ADVANCES-GROSS**

**Rs. 1.08 trillion**



**PROFIT AFTER TAX**

**Rs. 11.13 billion**



**EARNINGS PER SHARE**

**Rs. 3.53**



**DIVIDEND PER SHARE**

**Rs. 1.50 (30%)**



**CAPITAL ADEQUACY RATIO**

**16.22%**



**RETURN ON EQUITY**

**28.7%**



**RETURN ON ASSETS**

**1.4%**



**DEBT/EQUITY RATIO**

**7.4%**

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# Company Information

## Board of Directors

**His Excellency Sheikh Nahayan Mubarak Al Nahayan**  
Chairman/Director

**Abdulla Nasser Hawaileel Al Mansoori**  
Director

**Abdulla Khalil Al Mutawa**  
Director

**Khalid Mana Saeed Al Otaiba**  
Director

**Khalid Qurashi**  
Director

**Dr. Gyorgy Tamas Ladics**  
Director

**Dr. Ayesha Khan**  
Director

**Efstratios Georgios Arapoglou**  
Director

**Atif Aslam Bajwa**  
President/CEO and Director

## Senior Management Team

### **Atif Aslam Bajwa**

President and Chief Executive Officer

### **Aasim Wajid Jawad**

Group Head, Strategy, Transformation  
and Customer Experience

### **Anjum Hai**

Chief Financial Officer

### **Faisal Farooq Khan**

Chief Human Resources Officer

### **Faisal Rabbani**

Chief Risk Officer

### **Farooq Ahmed Khan**

Group Head, Corporate, Investment Banking  
and International Business

### **Haroon Khalid**

Group Head, Compliance and Business Solutions

### **Hassan Ahmed Khan**

Head, Treasury Pakistan Operations

### **Khawaja Muhammad Ahmad**

Group Head, Operations and Corporate Services

### **Mehreen Ahmed**

Group Head, Retail Banking

### **Mian Ejaz Ahmad**

Company Secretary and Group Head, Legal  
and Corporate Affairs

### **Mohammad Raheel Yousuf**

Chief Marketing Officer

### **Mohib Hasan Khan**

Chief Information Officer

### **Dr. Muhammad Imran**

Group Head, Islamic Banking

### **Muhammad Yahya Khan**

Chief Digital Banking Officer

### **Pervez Shahbaz Khan**

Group Head, Global Markets and Treasury

### **Tahir Khurshid**

Group Head, Audit and Inspection

### **Zahid Anjum**

Group Head, Special Assets Management

### **Chief Financial Officer**

Anjum Hai

### **Company Secretary**

Mian Ejaz Ahmad

### **Chief Internal Auditor**

Tahir Khurshid

### **Auditors**

**B. A. Ferguson & Co.**

Chartered Accountants

### **Registered/Head Office**

**B. A. Building**

I. I. Chundrigar Road  
Karachi, Pakistan

### **Share Registrar**

**F. D. Registrar Services (Pvt.) Limited**

1705, 17th Floor, Saima Trade Tower-A  
I. I. Chundrigar Road  
Karachi, Pakistan.

### **Legal Advisor**

**Mandviwalla & Zafar**

Advocates and Legal Consultants

### **Official Website**

<http://www.bankalfalah.com/>

## Board Committees

### Board Audit Committee (BAC)

**Khalid Qurashi**  
Chairman

**Abdulla Khalil Al Mutawa**  
Member

**Khalid Mana Saeed Al Otaiba**  
Member

**Dr. Ayesha Khan**  
Member

**Efstratios Georgios Arapoglou**  
Member

**Tahir Khurshid**  
Secretary

### Board Risk Management Committee (BRMC)

**Khalid Mana Saeed Al Otaiba**  
Chairman

**Abdulla Khalil Al Mutawa**  
Member

**Khalid Qurashi**  
Member

**Dr. Ayesha Khan**  
Member

**Efstratios Georgios Arapoglou**  
Member

**Atif Aslam Bajwa**  
Member

**Farhan Ali**  
Secretary

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### Board Human Resources, Remuneration & Nominations Committee (BHR&NC)

**Efstratios Georgios Arapoglou**  
Chairman

**Abdulla Khalil Al Mutawa**  
Member

**Khalid Mana Saeed Al Otaiba**  
Member

**Dr. Ayesha Khan**  
Member

**Dr. Gyorgy Tamas Ladics**  
Member

**Khalid Qurashi**  
Member

**Mian Ejaz Ahmad**  
Secretary

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### Board Strategy and Finance Committee (BS&FC)

**Abdulla Khalil Al Mutawa**  
Chairman

**Khalid Mana Saeed Al Otaiba**  
Member

**Dr. Gyorgy Tamas Ladics**  
Member

**Dr. Ayesha Khan**  
Member

**Khalid Qurashi**  
Member

**Efstratios Georgios Arapoglou**  
Member

**Atif Aslam Bajwa**  
Member

**Aasim Wajid Jawad**  
Secretary

## Board Committees

### Board Crisis Management Committee (BCMC)

**Abdulla Khalil Al Mutawa**  
Chairman

**Khalid Mana Saeed Al Otaiba**  
Member

**Khalid Qurashi**  
Member

**Dr. Ayesha Khan**  
Member

**Dr. Gyorgy Tamas Ladics**  
Member

**Atif Aslam Bajwa**  
Member

**Mian Ejaz Ahmad**  
Secretary

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### Board Information Technology Committee (BITC)

**Dr. Gyorgy Tamas Ladics**  
Chairman

**Abdulla Khalil Al Mutawa**  
Member

**Khalid Mana Saeed Al Otaiba**  
Member

**Khalid Qurashi**  
Member

**Efstratios Georgios Arapoglou**  
Member

**Atif Aslam Bajwa**  
Member

**Aasim Wajid Jawad**  
Secretary

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### Board Real Estate Committee (BREC)

**Abdulla Khalil Al Mutawa**  
Chairman

**Khalid Mana Saeed Al Otaiba**  
Member

**Khalid Qurashi**  
Member

**Atif Aslam Bajwa**  
Member

**Mian Ejaz Ahmad**  
Secretary

# Directors' Review

On behalf of the Board of Directors, we are pleased to present the unconsolidated condensed interim financial statements of Bank Alfalah Limited for the quarter ended March 31, 2026.

## Economic Review

The first quarter was characterized by increased geopolitical tension and sensitivity. Global energy markets witnessed volatility driven by disruptions in key trade routes such as the Strait of Hormuz, leading to a surge in oil prices. Amidst these challenges, Pakistan emerged as the key player mediating for regional peace.

Pakistan reached staff level agreement with IMF on the third review under Extended Fund Facility (EFF) and second review of the Resilience and Sustainability Facility (RSF) during the quarter.

FX Reserves of the State Bank of Pakistan (SBP) increased to USD 16.4 billion<sup>1</sup> as compared to USD 16.1 billion in December 2025. The Current account position remained comfortable, with surplus recorded in two months (Jan-Feb) of the first quarter. Remittances continued to remain robust, reaching USD 10.6 billion in 1Q 2026 as compared to USD 10.2 billion during same period last year (SPLY).

The rupee remained stable, appreciating slightly by 0.48% to PKR 279.51/USD as of March 31, 2026, compared to PKR 280.87/USD as on December 31, 2025. Headline inflation increased to 7.3% in March 2026 as compared to 5.6% in

December 2025 primarily driven by surge in energy prices and food cost. The Core inflation has remained largely stable at 7.7%, reflecting economic stability. SBP maintained the policy rate at 10.50% reflecting a cautious stance over inflation related pressures and rise in global energy prices due to uncertainty caused by certain domains of Asia.

Pakistan's GDP registered growth of 3.89% year-on-year (YoY) in 2QFY26 as compared to 2.18% 2QFY25. Agriculture and service sectors posted growth of 1.76% and 3.69% respectively, while industrial sector recovered on YoY basis and posted a growth of 7.40%. On the fiscal front, the country posted a surplus in both overall budget balance and primary balance. FBR tax collection for 1H FY26 was PKR 6.2 trillion as compared to PKR 5.6 trillion in 1H FY25.

The Pakistan Stock Exchange witnessed an all-time peak of 189,167 points in January 2026, before spiraling downwards amidst regional tensions to close the first quarter at 148,743 points, a drop of around 21%.

Going forward, Pakistan's economic situation would depend upon the global geopolitical scenario and resultant impact on commodity prices. The IMF board approval and prudent economic policies would be important in navigating the impacts of regional conflicts.

## Review of the Bank's Performance

Highlights of the Bank's financial results for the quarter ended March 31, 2026, are presented as follows:

Financial Position	March 31, 2026	December 31, 2025
	Rupees in Millions	
Shareholders' Equity	188,130	197,512
Total Assets	3,037,998	3,829,927
Deposits	2,471,520	2,496,208
Advances – net	1,029,032	1,104,924
Investments – net	1,324,432	2,173,447

<sup>1</sup>Week-end levels of March

Financial Performance	Period ended	Period ended
	March 31, 2026	March 31, 2025
	Rupees in Millions	
Net Interest Income and Non-Markup Income	53,371	42,294
Non-Markup Expenses	31,240	27,378
Credit loss allowance / Provisions and write offs (net)	(1,393)	(468)
<b>Profit before tax (PBT)</b>	<b>23,524</b>	<b>15,384</b>
<b>Profit after tax (PAT)</b>	<b>11,126</b>	<b>7,040</b>
		(Restated)
Basic and Diluted earnings per share – Rupees [adjusted for share split]	3.53	2.23

Bank Alfalah posted a profit after tax (PAT) of PKR 11.13 billion with an year-on-year (YoY) increase of 58% for the first quarter ended March 31, 2026 with an earnings per share of PKR 3.53 [March 2025 (restated): PKR 2.23]. The Bank's Profit before tax increased by 52.9% to PKR 23.5 billion in 1Q 2026. This profitability growth was mainly attributable to higher capital gains, alongside steady improvement in NII, and controlled growth in operating expenses.

Total revenue for the first quarter stood at PKR 53.37 billion, reflecting a 26.2% YoY increase. Net Markup income of the Bank amounted to PKR 34.50 billion, up by 4.1% on the back of better spreads on advances and growth in average Current Account Deposits.

Non-Funded Income (NFI) amounted to PKR 18.87 billion, reflecting an increase of 105.9% over SPLY. The growth in non-funded income was primarily driven by capital gains arising from portfolio positions which were timely realized to take advantage of yield curve movements. Fee & Commission rose by 15% due to higher income earned through Remittances, Trade Business, BISP Scheme and ADC services. Exchange income also grew on account of improved FX flows while income from derivatives declined owing to reduced forward positions as compared to last year.

Operating expenses of the Bank were up by 13.5% vis-à-vis same period last year. This was largely due to increase in variable cost of the Bank linked to growth in business volumes, increase in branch network, increments given to staff, continuous investment in strategic and technology related initiatives, and impact of general inflation.

Bank's Deposit base closed at PKR 2.47 trillion at the end of March 31, 2026 reflecting a year on year growth of 22.4%. Of the total deposits, Current Account Deposits amounted to PKR 1.02 trillion improving by 20% when compared with CA deposits of PKR 853 billion as at March 31, 2025. This is in line with the Bank's focused strategy to build its non-remunerative

deposits base on average basis.

The Gross financing of the Bank amounted to PKR 1.076 trillion, increasing by 16.1% on year on year basis. Credit growth was witnessed across all segments with major contributions coming through our more granular segments of Consumer, SME and Agri finance. Bank's infection ratio stood low at 4.1% with a healthy coverage ratio of 106%.

As at March 31, 2026, the Bank remained adequately capitalized with CAR at 16.22%.

## Share Split (2 for 1)

During the period, the shareholders of the Bank in its Annual General Meeting held on March 26, 2026 approved share split wherein the number of shares have been sub-divided into ratio of 2-for-1. Accordingly, issued and paid-up capital of the Bank has increased to 3,154,330,238 shares at face value of Rs. 5/- each, resulting in restatement of earnings per share and dividend per share ratios for comparative periods.

## Dividend

The Board of Directors, in its meeting held on April 23, 2026, declared an interim cash dividend of PKR 1.5 per share (30%) [Q1-25 (restated): PKR 1.25 per share (25%)] for the quarter ended March 31, 2026.

## Credit Rating

The Bank has been assigned the following ratings by PACRA:

-Entity rating: 'AAA' (Triple A) for the long-term and 'A1+' (A-One Plus) for the short-term, with a 'Stable' Outlook.

-Instruments' rating: 'AA+' (Double A Plus), with a 'Stable' Outlook for Unsecured Tier 1 Capital instruments (Term Finance Certificates)

## Future Outlook

Pakistan's macroeconomic environment faces a more complex landscape heading towards the last quarter of FY26 (fiscal year). While the economy gained meaningful momentum in the first half, with 1QFY26 GDP growing 3.7% YoY and large-scale manufacturing expanding 4.8% cumulatively through December 2025, the outbreak of the geopolitical regional conflict in late February 2026 has led to significant uncertainty.

Capital markets reflected this volatility, with the KSE-100 Index experienced sharp swings before recovering strongly following the recent ceasefire-related initiatives. Going forward, the durability of ceasefire will impact the trajectory of energy prices and commercial activity in the country which will be key determinants of macroeconomic stability in the remainder of FY26.

Against this backdrop, Bank Alfalah remains focused on executing its strategic priorities and building resilience in a challenging operating environment. The expansion of the Bank's deposit base, particularly through low-cost current account, remains a central objective, supported by the continued extension of its branch and digital footprint, and enhanced focus towards cost management.

The Bank is maintaining its momentum in digital transformation, investing in advanced analytics, automation, and artificial intelligence (AI) to deliver secure, efficient, and customer-centric banking solutions. These initiatives are enabling the Bank to streamline operations, enhance decision-making, and drive service quality improvements, while prudent cost management continues to support operational efficiency across all business lines.

To build diversified and sustainable revenue streams, the Bank is deepening its cash management capabilities, scaling up trade finance volumes, and expanding supply chain financing, particularly for corporate and mid-market clients. These efforts position the Bank to support Pakistan's trade ecosystem and strengthen its role in the country's financial infrastructure.

Financial inclusion remains a strategic priority. The Bank continues to expand access to tailored financing solutions and advisory services for small and medium enterprises (SMEs) and individual consumers, supporting entrepreneurship and economic participation across underserved segments. Bank Alfalah's "One Bank, One Team" culture remains integral to its approach, fostering collaboration, creativity, and innovation across functions. Human capital development remains a core focus, with ongoing investments in building a

skilled, agile, and motivated workforce aligned with the Bank's long-term ambitions.

The Bank remains committed to responsible and sustainable banking practices. Its initiatives continue to align with the United Nations Sustainable Development Goals and Pakistan's national development agenda. Through strengthened Environmental, Social, and Governance (ESG) frameworks and active corporate social responsibility (CSR) programmes, the Bank seeks to generate lasting impact and contribute meaningfully to the communities it serves.

## Acknowledgement

On behalf of the Board, we would like to thank the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan, the Ministry of Finance and other regulatory authorities for their continued guidance and counsel. We also wish to convey our appreciation to our shareholders, our customers and business partners for their ongoing support.

Over the years, we have laid the foundations to deliver great value and service to our customers and all stakeholders while strengthening our financial position. As we move forward, we shall remain focused on service and playing a key role in supporting economic growth. While pursuing this, we will remain mindful of our responsibilities to our employees and the local community, and our dedication to delivering returns to our shareholders.

**Atif Aslam Bajwa**  
President and  
Chief Executive Officer

**Abdulla Khalil Al Mutawa**  
Director

April 23, 2026  
Abu Dhabi

باصلاحیت افرادی قوت کی تیاری میں مسلسل سرمایہ کاری کی جا رہی ہے، جو بینک کے طویل مدتی اہداف سے ہم آہنگ ہے۔

بینک ذمہ دارانہ اور پائیدار بینکاری کے اصولوں پر کاربند ہے۔ اس کے اقدامات اقوام متحدہ کے پائیدار ترقیاتی اہداف اور پاکستان کے قومی ترقیاتی ایجنڈے کے مطابق جاری ہیں۔ مضبوط ماحولیاتی، سماجی اور گورننس (ESG) فریم ورک اور فعال کارپوریٹ سماجی ذمہ داری (CSR) پروگرامز کے ذریعے بینک دیرپا مثبت اثرات پیدا کرنے اور اپنی خدمات حاصل کرنے والی کمیونٹیز کی بہتری میں مؤثر کردار ادا کرنے کے لیے کوشاں ہے۔

### اظہار تشکر

بورڈ کی جانب سے، ہم اسٹیٹ بینک آف پاکستان، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، وزارت خزانہ، اور دیگر ریگولیٹری اداروں کا شکریہ ادا کرتے ہیں جنہوں نے مسلسل رہنمائی اور مشاورت فراہم کی۔ ہم اپنے شیئر ہولڈرز، صارفین، اور کاروباری شراکت داروں کے مسلسل اعتماد اور تعاون پر بھی تہہ دل سے شکر گزار ہیں۔

گزشتہ برسوں کے دوران، بینک نے نہ صرف اپنی مالیاتی پوزیشن کو مضبوط کیا بلکہ صارفین اور تمام اسٹیک ہولڈرز کو قدر اور اعلیٰ معیار کی خدمات فراہم کرنے کے لیے مضبوط بنیادیں بھی استوار کیں۔ آگے بڑھتے ہوئے، بینک کی توجہ خدمت پر مرکوز رہے گی اور یہ معیشت کی بحالی میں اہم کردار ادا کرتا رہے گا۔ اس دوران، بینک اپنے ملازمین، مقامی کمیونٹی، اور شیئر ہولڈرز کے ساتھ اپنی ذمہ داریوں سے بخوبی آگاہ اور پرعزم رہے گا۔

عبد اللہ خلیل المتناوی  
ڈائریکٹر

عاطف اسلم باجوہ  
صدر اور چیف ایگزیکٹو آفیسر

۱۳ اپریل، ۲۰۲۳  
ابوظہبی

مالی سال ۲۰۲۳ کی آخری سہ ماہی کی جانب بڑھتے ہوئے پاکستان کا معاشی ماحول مزید پیچیدہ ہوتا جا رہا ہے۔ اگرچہ معیشت نے پہلی ششماہی میں نمایاں بہتری دکھائی، جہاں پہلی سہ ماہی میں جی ڈی پی کی شرح نمو ۳.۷ فیصد رہی اور دسمبر ۲۰۲۲ تک بڑی صنعتوں کی پیداوار میں مجموعی طور پر ۳.۸ فیصد اضافہ ہوا، تاہم فروری ۲۰۲۳ کے آخر میں علاقائی جغرافیائی سیاسی تنازع کے آغاز نے غیر یقینی صورتحال کو بڑھا دیا ہے۔

سرمایہ کاری کی منڈیوں میں بھی اتار چڑھاؤ کا اثر دیکھا گیا، جہاں کے ایس ای-۱۰۰ انڈیکس میں شدید اتار چڑھاؤ آیا، تاہم حالیہ جنگ بندی سے متعلق اقدامات کے بعد مارکیٹ میں مضبوط بحالی دیکھنے میں آئی۔ مستقبل میں جنگ بندی کی پائیداری توانائی کی قیمتوں اور ملک میں تجارتی سرگرمیوں کی سمت کا تعین کرے گی، جو مالی سال ۲۰۲۳ کے باقی عرصے میں معاشی استحکام کے اہم عوامل ہوں گے۔

اس پس منظر میں بینک الفلاح اپنی حکمت عملی کے اہم اہداف پر عملدرآمد اور مشکل آپریٹنگ ماحول میں استحکام پیدا کرنے پر توجہ مرکوز رکھے ہوئے ہے۔ بینک کے ڈیپازٹ بیس میں اضافہ، خاص طور پر کم لاگت کرنٹ اکاؤنٹس کے ذریعے، ایک مرکزی ہدف ہے، جسے برانچ نیٹ ورک اور ڈیجیٹل سہولیات کی توسیع کے ساتھ ساتھ اخراجات کے مؤثر انتظام کے ذریعے تقویت دی جا رہی ہے۔

بینک ڈیجیٹل تبدیلی کے عمل کو بھی تیزی سے آگے بڑھا رہا ہے، جس کے تحت جدید تجزیاتی ٹیکنالوجی، آٹومیشن اور مصنوعی ذہانت (AI) میں سرمایہ کاری کی جا رہی ہے تاکہ محفوظ، مؤثر اور صارف مرکوز بینکاری خدمات فراہم کی جا سکیں۔ یہ اقدامات آپریشنز کو مزید بہتر بنانے، فیصلہ سازی کو مضبوط کرنے اور سروس کے معیار کو بہتر بنانے میں مدد دے رہے ہیں، جبکہ محتاط اخراجات کے انتظام کے ذریعے تمام کاروباری شعبوں میں کارکردگی کو برقرار رکھا جا رہا ہے۔

متنوع اور پائیدار آمدنی کے ذرائع قائم کرنے کے لیے بینک اپنی کیش مینجمنٹ صلاحیتوں کو مزید مستحکم کرنے کے ساتھ ٹریڈ فنانس کے حجم میں بھی اضافہ کر رہا ہے اور خاص طور پر کارپوریٹ اور مڈ مارکیٹ کلانٹس کے لیے سیلانی چین فنانسنگ کو وسعت دے رہا ہے۔ یہ اقدامات بینک کو پاکستان کے تجارتی نظام کی مؤثر معاونت اور ملک کے مالیاتی ڈھانچے میں اپنے کردار کو مزید مستحکم کرنے کے قابل بناتے ہیں۔

مالی شمولیت بینک کی ایک اہم ترجیح ہے۔ بینک چھوٹے اور درمیانے درجے کے کاروبار (SMEs) اور انفرادی صارفین کے لیے موزوں مالیاتی سہولیات اور مشاورتی خدمات تک رسائی کو بڑھا رہا ہے، جس سے کاروباری سرگرمیوں اور معاشی شمولیت کو فروغ مل رہا ہے، خصوصاً ان طبقات میں جو پہلے کم سہولیات رکھتے تھے۔ بینک الفلاح کی "ون بینک، ون ٹیم" ثقافت اس کے طرز عمل کا اہم حصہ ہے، جو مختلف شعبوں کے درمیان تعاون، تخلیقی صلاحیت اور جدت کو فروغ دیتی ہے۔ انسانی وسائل کی ترقی بھی بنیادی توجہ کا مرکز ہے، جس کے تحت ایک ماہر، متحرک اور

(روپے، ملین میں)

خالص مارک اپ اور غیر مارک اپ آمدنی	۵۳,۳۶۱	۴۲,۶۹۳
غیر مارک اپ اخراجات	۳۱,۲۳۰	۲۷,۳۷۸
کریڈٹ لاس الاؤنس/پروویژنز (نیٹ)	(۱,۶۹۳)	(۳۶۸)
منافع قبل از ٹیکس (PBT)	۲۳,۵۲۳	۱۵,۳۸۳
منافع بعد از ٹیکس (PAT)	۱۱,۱۱۶	۷,۴۳۰
بنیادی اور مخفف فی حصص آمدنی - روپے (شینئرسپلٹ کے مطابق ایڈجسٹ شدہ)	۳.۵۳	۲.۳۳

بخش ڈپازٹس کے حصے کو اوسط بنیاد پر ڈھانا ہے۔

بینک کی مجموعی فنانشنگ ۳۱ مارچ ۲۰۲۶ تک ۱,۰۷۶ کھرب روپے تک پہنچ گئی، جو سال بہ سال بنیاد پر ۶۹ فیصد اضافہ ظاہر کرتی ہے۔ قرضہ جاتی نمو تمام شعبوں میں دیکھی گئی، جس میں خاص طور پر کزیوم، ایس ایم ای (SME) اور زرعی فنانش جیسے نسبتاً چھوٹے لیکن اہم شعبوں کا نمایاں حصہ رہا۔ بینک کا انٹیکشن ریشو ۳.۱ فیصد کی کم سطح پر برقرار رہا، جبکہ کوریج ریشو ۱۰۶ فیصد کی مضبوط سطح پر موجود رہا، جو اثاثہ جاتی معیاری کی بہتر صورت حال کو ظاہر کرتا ہے۔

۳۱ مارچ ۲۰۲۳ تک، بینک مکمل طور پر سرمایہ جاتی تقاضے پورے کرتا ہے اور کیپیٹل ایڈیوسی ریشو (CAR) ۱۶.۳ فیصد رہا۔

### شینئرسپلٹ (۱ کے بدلے ۲)

اس عرصے کے دوران بینک کے شینئر ہولڈرز نے ۳۱ مارچ ۲۰۲۳ کو منعقد ہونے والے سالانہ جنرل اجلاس میں شینئر اسپلٹ کی منظوری دی، جس کے تحت حصص کو ۱ کے بدلے ۲ کے تناسب سے تقسیم کیا گیا۔ اس کے نتیجے میں بینک کے جاری شدہ اور ادا شدہ سرمائے میں اضافہ ہو کر ۳۳۸,۳۳۰,۳۳۸ حصص ہو گیا، جن کی فی حصص مالیت دروہ ہے۔ اس تبدیلی کے باعث تقابلی ادوار کے لیے فی حصص آمدنی اور فی حصص منافع کے تناسبات کو بھی ادرس نو مرتب کیا گیا ہے۔

### ڈیویڈنڈ

بورڈ آف ڈائریکٹرز نے مورخہ ۱۳ اپریل ۲۰۲۳ کو ہونے والے اپنے اجلاس میں ۳۱ مارچ ۲۰۲۳ کو ختم ہونے والی سہ ماہی کے لیے ۱.۵ روپیہ فی شینئر (۳۰ فیصد) عبوری نقد ڈیویڈنڈ (پہلی سہ ماہی ۲۰۲۵ کو ترمیم شدہ) ۱.۱۵ روپیہ فی شینئر یعنی ۲۵ فیصد) کا اعلان کیا ہے۔

### کریڈٹ ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے بینک کو درج ذیل درجہ بندیوں تفویض کی ہیں:

- ادارے کی درجہ بندی: طویل المدتی کے لیے 'AAA' (ٹریپل اے) اور قلیل المدتی کے لیے 'A1+' (اے ون پلس) دونوں کے لیے "مستحکم" آؤٹ لک برقرار ہے۔

- انسٹرومنٹس کی درجہ بندی: غیر محفوظ ڈیپازٹس - کیپیٹل انسٹرومنٹس (قرم فنانش سرٹیفیکیشن) کے لیے 'AA+' (ڈبل اے پلس) کے ساتھ "مستحکم" آؤٹ لک۔

بینک الفلاح نے ۳۱ مارچ ۲۰۲۳ کو ختم ہونے والی پہلی سہ ماہی کے لیے بعد از ٹیکس منافع (PAT) ۱۱.۱۳ روپے پوسٹ کیا ہے جس میں سال بہ سال کی بنیاد پر ۵۹ فیصد اضافہ ہوا اور اس کے ساتھ فی حصص آمدنی (EPS) ۳.۵۳ روپے رہی (مارچ ۲۰۲۵ ترمیم شدہ: ۲.۳۳ روپے)۔ بینک کا قبل از ٹیکس منافع ۲۳۶ کی پہلی سہ ماہی میں ۵۲.۹ فیصد اضافے کے ساتھ ۱۳۳.۵ ارب روپے تک پہنچ گیا۔ یہ منافع میں اضافہ بنیادی طور پر زیادہ کیپیٹل گینز نیٹ مارک اپ انکم (NII) میں مسلسل بہتری اور آپریٹنگ اخراجات میں کنٹرول شدہ اضافے کی وجہ سے ہوا۔

پہلی سہ ماہی کی مجموعی آمدن ۵۳,۳۶۱ ارب روپے رہی، جو سال بہ سال بنیاد پر ۳۶.۲ فیصد اضافہ ظاہر کرتی ہے۔ بینک کی نیٹ مارک اپ آمدن ۳۳,۵۰۰ ارب روپے تک پہنچ گئی، جس میں ۳.۱ فیصد اضافہ ہوا۔ یہ اضافہ بنیادی طور پر قرضوں پر بہتر منافع (اسپریڈز) اور اوسط کرنٹ اکاؤنٹ ڈپازٹس میں اضافے کی وجہ سے ہوا۔

نان فنڈڈ آمدن (NFI) ۸۸.۸۷ ارب روپے رہی، جو گزشتہ سال کی اسی مدت کے مقابلے میں ۱۰۵.۹ فیصد اضافہ ظاہر کرتی ہے۔ نان فنڈڈ آمدن میں یہ اضافہ بنیادی طور پر سرمایہ جاتی منافع (کیپیٹل گینز) کی وجہ سے ہوا، جو پورٹ فولیو یوز بنٹنز سے حاصل ہونے اور بیلڈ کریویٹی تبدیلیوں سے فائدہ اٹھاتے ہوئے بروقت رینلانڈنگ کے لیے۔ فیس اور کمیشن کی آمدن میں ۵ فیصد اضافہ ہوا، جو ری میٹنسنس ٹریڈ بنس، BISPA اسکیم اور ADC سروسز سے حاصل ہونے والی زیادہ آمدن کی وجہ سے ہے۔ ایکسچینج آمدن میں بھی بہتری آئی کیونکہ فارن ایکسچینج (FX) فلو بہتر ہوئے، تاہم ڈیویڈنڈز میں آمدن کمی ہوئی جو پچھلے سال کے مقابلے میں فارورڈ ڈیویڈنڈز میں کمی کی وجہ سے تھی۔

بینک کے آپریٹنگ اخراجات میں گزشتہ سال کے اسی عرصے کے مقابلے میں ۳.۵ فیصد اضافہ ہوا۔ یہ اضافہ زیادہ تر متغیر اخراجات میں اضافے کی وجہ سے ہوا، جو کاروباری حجم میں توسیع سے منسلک ہے۔ اس کے علاوہ برانچ نیٹ ورک میں اضافہ، عملے کو دیے گئے اضافے (تنخواہوں میں اضافہ)، اسٹریٹیجک اور ٹیکنالوجی سے متعلق مسلسل سرمایہ کاری، اور عمومی مہنگائی کے اثرات بھی اس اضافے کی وجوہات میں شامل ہیں۔

بینک کا ڈپازٹ بیس ۳۱ مارچ ۲۰۲۳ تک ۲,۳۷ کھرب روپے تک پہنچ گیا، جو سال بہ سال بنیاد پر ۲۲.۳ فیصد اضافہ ظاہر کرتا ہے۔ مجموعی ڈپازٹس میں سے کرنٹ اکاؤنٹ ڈپازٹس ۱,۰۷۶ کھرب روپے رہے، جو گزشتہ سال ۳۱ مارچ ۲۰۲۵ کو ۸۵۳ ارب روپے کے مقابلے میں ۲۰ فیصد اضافہ ہے۔ یہ پیش رفت بینک کی اس حکمت عملی کے مطابق ہے جس کا مقصد غیر منافع

## ڈائریکٹرز کا جائزہ

بورڈ آف ڈائریکٹرز کی جانب سے ہم انتہائی مسرت کے ساتھ ۳۱ مارچ ۲۰۲۶ کو ختم ہونے والی مدت کے لیے بینک الفلاح لمیٹڈ کے غیر مجتمع شدہ مختصر عبوری مالیاتی گوشوارے پیش کر رہے ہیں۔

## معاشی جائزہ

پہلی سہ ماہی میں جغرافیائی سیاسی کشیدگی اور حساسیت میں اضافہ دیکھنے میں آیا۔ عالمی توانائی مارکیٹ میں اتار چڑھاؤ رہا، جس کی بڑی وجہ اہم تجارتی راستوں جیسے اہم بنائے ہرگز میں رکاوٹیں تھیں، جس کے نتیجے میں نیٹل کی قیمتوں میں اضافہ ہوا۔ ان چیلنجز کے باوجود پاکستان علاقائی امن کے لیے ایک اہم ثالث کے طور پر سامنے آیا۔

اس سہ ماہی کے دوران پاکستان نے آئی ایم ایف کے ساتھ ایکسٹینڈڈ فنڈ فسیلیٹی (EFF) کے تحت تیسری جائزہ رپورٹ اور ریزیلینس اینڈ سسٹین ایبلٹی فسیلیٹی (RSF) کے دوسرے جائزے پر اسٹاف لیول معاہدہ حاصل کیا۔

اسٹیٹ بینک آف پاکستان کے زرمبادلہ کے ذخائر دسمبر ۲۰۲۵ پر ۱۱۶.۱ ارب ڈالر کے مقابلے میں بڑھ کر ۱۱۶.۴ ارب ڈالر ہو گئے۔ کرنٹ اکاؤنٹ کی صورتحال مستحکم رہی، جہاں پہلی سہ ماہی کے دو مہینوں (جنوری اور فروری) میں سرپلس ریکارڈ کیا گیا۔ ترسیلات زر مضبوط رہیں اور ۲۰۲۶ کی پہلی سہ ماہی میں ۱۱۶.۶ ارب ڈالر تک پہنچ گئیں، جو گزشتہ سال کے اسی عرصے (۱۱۰.۲ ارب ڈالر) کے مقابلے میں زیادہ ہیں۔

روپیہ مستحکم رہا اور ۳۱ مارچ ۲۰۲۶ تک ۰.۴ فیصد بہتری کے ساتھ ۲۷۹.۵ روپیہ فی ڈالر تک پہنچ گیا، جبکہ ۳۱ دسمبر ۲۰۲۵ کو یہ ۲۸۰.۸۷ روپیہ فی ڈالر تھا۔ مہنگائی کی شرح مارچ ۲۰۲۶ میں بڑھ کر ۷.۳ فیصد ہو گئی، جو دسمبر ۲۰۲۵ میں ۵.۶ فیصد تھی، جس کی بڑی وجہ توانائی اور خوراک کی قیمتوں

## بینک کی کارکردگی کا جائزہ

بینک کی ۳۱ مارچ ۲۰۲۶ کو ختم ہونے والی مدت کے لیے مالیاتی کارکردگی کی جھلکیاں درج ذیل ہیں:

مالی حیثیت		
۳۱ مارچ ۲۰۲۶	۳۱ دسمبر ۲۰۲۵	
شیر بولڈرز ایکویٹی	۱۸۸,۱۳۰	۱۹۷,۵۱۲
کل اثاثے	۳,۰۳۷,۹۹۸	۳,۰۸۹,۹۲۷
ڈپازٹس	۲,۰۳۷,۵۲۰	۲,۰۳۶,۲۰۸
خالص ایڈوانسز (نیٹ)	۱,۰۰۰,۳۲۲	۱,۰۰۳,۹۲۳
خالص سرمایہ کاری (نیٹ)	۱,۰۳۲,۴۳۲	۲,۰۱۳,۴۳۷

مارچ کے ویک اینڈ لیولز

میں اضافہ تھا۔ بنیادی مہنگائی تقریباً ۷.۷ فیصد پر مستحکم رہی، جو معاشی استحکام کی عکاسی کرتی ہے۔ اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ ۱۰.۵ فیصد پر برقرار رکھا، جو مہنگائی کے دباؤ اور عالمی توانائی قیمتوں میں اضافے کے پیش نظر محتاط حکمت عملی کو ظاہر کرتا ہے۔

پاکستان کی جی ڈی پی میں مالی سال ۲۰۲۶ کی دوسری سہ ماہی میں سال بہ سال ۳.۸۹ فیصد اضافہ ریکارڈ کیا گیا، جو مالی سال ۲۰۲۵ کی اسی مدت میں ۲.۸۸ فیصد تھا۔ زرعی اور خدمات کے شعبوں میں بالترتیب ۱.۷۶ فیصد اور ۳.۶۹ فیصد ترقی ہوئی، جبکہ صنعتی شعبے نے بھی سال بہ سال بنیاد پر بحالی دکھاتے ہوئے ۷.۴۰ فیصد اضافہ کیا۔ مالیاتی محاذ پر ملک نے مجموعی بجٹ بیلنس اور پرائمری بیلنس دونوں میں سرپلس حاصل کیا۔ ایف بی آر کی ٹیکس وصولیاں مالی سال ۲۰۲۶ کی پہلی سہ ماہی میں ۶.۲ کھرب روپے رہیں، جو مالی سال ۲۰۲۵ کی اسی مدت میں ۵.۶ کھرب روپے تھیں۔

پاکستان اسٹاک ایکسچینج نے جنوری ۲۰۲۶ میں ۱۸۹,۱۶۷ پوائنٹس کی تاریخی بلند ترین سطح حاصل کی، تاہم علاقائی کشیدگی کے باعث بعد میں کمی آئی اور پہلی سہ ماہی کے اختتام پر ۱۳۸,۷۳۳ پوائنٹس پر بند ہوئی، جو تقریباً ۳۱ فیصد کمی کو ظاہر کرتا ہے۔

آگے چل کر پاکستان کی معاشی صورتحال کا انحصار عالمی جغرافیائی سیاسی حالات اور ان کے نتیجے میں ایشیائی ضروریہ کی قیمتوں پر پڑنے والے اثرات پر ہوگا۔ آئی ایم ایف بورڈ کی منظوری اور محتاط معاشی پالیسیز علاقائی تنازعات کے اثرات سے نمٹنے میں اہم کردار ادا کریں گی۔

**UNCONSOLIDATED  
CONDENSED INTERIM  
FINANCIAL STATEMENTS**

**QUARTER ENDED MARCH 31, 2026**



# Unconsolidated Condensed Interim Statement of Financial Position

As at March 31, 2026

	Note	(Un-audited) March 31, 2026	(Audited) December 31, 2025
----- (Rupees in '000) -----			
<b>ASSETS</b>			
Cash and balances with treasury banks	7	222,018,483	227,463,156
Balances with other banks	8	25,391,583	24,109,552
Lendings to financial institutions	9	173,264,835	19,674,292
Investments	10	1,324,432,215	2,173,446,680
Advances	11	1,029,031,720	1,104,923,835
Property and equipment	12	71,224,612	71,100,467
Right-of-use assets	13	26,767,477	26,377,543
Intangible assets	14	1,703,977	1,723,556
Deferred tax assets		-	-
Other assets	15	164,163,109	181,108,039
<b>Total assets</b>		3,037,998,011	3,829,927,120
<b>LIABILITIES</b>			
Bills payable	16	39,837,408	56,957,969
Borrowings	17	132,733,963	832,127,882
Deposits and other accounts	18	2,471,520,245	2,496,208,099
Lease liabilities	19	33,529,009	32,471,152
Subordinated debt	20	14,000,000	14,000,000
Deferred tax liabilities	21	3,594,752	24,345,073
Other liabilities	22	154,652,841	176,304,889
<b>Total liabilities</b>		2,849,868,218	3,632,415,064
<b>NET ASSETS</b>		<u>188,129,793</u>	<u>197,512,056</u>
<b>REPRESENTED BY</b>			
Share capital		15,771,651	15,771,651
Reserves		43,286,775	42,366,356
Surplus on revaluation of assets	23	27,533,409	43,203,860
Unappropriated profit		101,537,958	96,170,189
		<u>188,129,793</u>	<u>197,512,056</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	24		

The annexed notes 1 to 48 form an integral part of these unconsolidated condensed interim financial statements.

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

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

For the quarter ended March 31, 2026

	Note	Quarter ended March 31, 2026	Quarter ended March 31, 2025
------(Rupees in '000)-----			
Mark-up / return / interest earned	26	74,037,355	95,093,587
Mark-up / return / interest expensed	27	39,536,150	61,965,391
Net mark-up / return / interest income		34,501,205	33,128,196
<b>NON MARK-UP / INTEREST INCOME</b>			
Fee and commission income	28	4,191,200	3,640,742
Dividend income		760,931	880,222
Foreign exchange income	29	2,742,298	2,118,575
Income from derivatives		299,374	1,102,480
Gain on securities	30	10,807,863	626,402
Net gain / (loss) on derecognition of financial assets measured at amortised cost		-	-
Other income	31	68,338	797,662
Total non-mark-up / interest income		18,870,004	9,166,083
Total income		53,371,209	42,294,279
<b>NON MARK-UP / INTEREST EXPENSES</b>			
Operating expenses	32	30,622,309	26,973,779
Workers' welfare fund	33	611,628	400,108
Other charges	34	6,469	4,211
Total non-mark-up / interest expenses		31,240,406	27,378,098
Profit before credit loss allowance / provisions		22,130,803	14,916,181
Reversal of credit loss allowance / provisions and write offs - net Extra ordinary / unusual items	35	(1,392,956)	(468,017)
		-	-
<b>PROFIT BEFORE TAXATION</b>		23,523,759	15,384,198
Taxation	36	12,397,403	8,344,096
<b>PROFIT AFTER TAXATION</b>		11,126,356	7,040,102
------(Rupees)-----			
<b>Basic and diluted earnings per share [adjusted for share split]</b>	37	3.53	2.23
(Restated)			

The annexed notes 1 to 48 form an integral part of these unconsolidated condensed interim financial statements.

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

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

For the quarter ended March 31, 2026

	Quarter ended March 31, 2026	Quarter ended March 31, 2025
	----- (Rupees in '000) -----	
Profit after taxation for the period	11,126,356	7,040,102
<b>Other comprehensive (loss) / income</b>		
<b>Items that may be reclassified to the statement of profit and loss account in subsequent periods:</b>		
Effect of translation of net investment in foreign branches	(192,217)	(20,782)
Movement in surplus on revaluation of investments in debt securities classified as FVOCI - net of tax	(8,145,550)	(2,129,742)
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	(5,046,547)	(368,420)
	(13,384,314)	(2,518,944)
<b>Items that will not be reclassified to the statement of profit and loss account in subsequent periods:</b>		
Movement in surplus on revaluation of equity investments classified as FVOCI - net of tax	(2,022,992)	53,611
Movement in surplus on revaluation of property and equipment - net of tax	(18,096)	(18,844)
Movement in surplus on revaluation of non-banking assets - net of tax	(5,408)	(4,894)
	(2,046,496)	29,873
<b>Total comprehensive (loss) / income</b>	<u>(4,304,454)</u>	<u>4,551,031</u>

The annexed notes 1 to 48 form an integral part of these unconsolidated condensed interim financial statements.

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

# Unconsolidated Condensed Interim Statement of Changes in Equity

For the quarter ended March 31, 2026

	Capital reserves		Statutory reserve	Surplus / (deficit) on revaluation of			Unappropriated profit	Total	
	Share premium	Exchange translation reserve		Investments	Property and equipment	Non banking assets			
	(Rupees in '000)								
<b>Balance as at December 31, 2024 (audited)</b>	15,771,651	4,731,049	12,425,956	26,309,920	15,911,027	17,553,045	314,715	85,095,047	178,112,410
Impact of adoption of IFRS 9 - net of tax	-	-	-	-	1,503,916	-	-	(81,096)	1,422,820
<b>Balance as at January 01, 2025</b>	15,771,651	4,731,049	12,425,956	26,309,920	17,414,943	17,553,045	314,715	85,013,951	179,535,230
<b>Changes in equity for the quarter ended March 31, 2025</b>									
Profit after taxation	-	-	-	-	-	-	-	7,040,102	7,040,102
Other comprehensive (loss) / income - net of tax									
Effect of translation of net investment in foreign branches	-	-	(20,782)	-	-	-	-	-	(20,782)
Movement in surplus / (deficit) on revaluation of investments in debt securities classified as FVOCI - net of tax	-	-	-	-	(2,129,742)	-	-	-	(2,129,742)
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	-	-	-	-	(368,420)	-	-	-	(368,420)
Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax	-	-	-	-	53,611	-	-	-	53,611
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	(18,844)	-	-	(18,844)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	(4,894)	-	(4,894)
Total other comprehensive (loss) / income - net of tax	-	-	(20,782)	-	(2,444,551)	(18,844)	(4,894)	-	(2,489,071)
Transfer to statutory reserve	-	-	-	704,010	-	-	-	(704,010)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(30,170)	(1,309)	31,479	-
Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	(45,261)	-	-	45,261	-
<b>Transactions with owners, recorded directly in equity</b>									
Final cash dividend for the year ended December 31, 2024 - 25%	-	-	-	-	-	-	-	(3,942,913)	(3,942,913)
<b>Closing balance as at March 31, 2025 (un-audited)</b>	15,771,651	4,731,049	12,405,174	27,013,930	14,925,131	17,504,031	308,512	87,483,870	180,143,348
<b>Changes in equity for the nine months period ended December 31, 2025</b>									
Profit after taxation	-	-	-	-	-	-	-	21,296,955	21,296,955
Other comprehensive (loss) / income - net of tax									
Effect of translation of net investment in foreign branches	-	-	(3,913,493)	-	-	-	-	-	(3,913,493)
Movement in surplus on revaluation of investments in debt securities classified as FVOCI - net of tax	-	-	-	-	9,896,196	-	-	-	9,896,196
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	-	-	-	-	(2,971,638)	-	-	-	(2,971,638)
Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax	-	-	-	-	4,363,492	-	-	-	4,363,492
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-	503,076	503,076
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	(54,916)	-	-	(54,916)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	77,775	-	77,775
Total other comprehensive (loss) / income - net of tax	-	-	(3,913,493)	-	11,288,050	(54,916)	77,775	503,076	7,900,492
<b>Balance carried forward</b>	15,771,651	4,731,049	8,491,681	27,013,930	26,213,181	17,449,115	386,287	109,283,901	209,340,795

# Unconsolidated Condensed Interim Statement of Changes in Equity

For the quarter ended March 31, 2026

	Capital reserves			Statutory reserve	Surplus / (deficit) on revaluation of			Unappropriated profit	Total
	Share premium	Exchange translation reserve			Investments	Property and equipment	Non banking assets		
	(Rupees in '000)								
<b>Balance brought forward</b>	15,771,651	4,731,049	8,491,681	27,013,930	26,213,181	17,449,115	386,287	109,283,901	209,340,795
Transfer to statutory reserve	-	-	-	2,129,696	-	-	-	(2,129,696)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(92,402)	(11,411)	103,813	-
Transfer of revaluation surplus upon change in use - net of tax	-	-	-	-	-	6,020	(6,020)	-	-
Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	(740,910)	-	-	740,910	-
<b>Transactions with owners, recorded directly in equity</b>									
Interim cash dividend for the quarter ended March 31, 2025 - 25%	-	-	-	-	-	-	-	(3,942,913)	(3,942,913)
Interim cash dividend for the half year ended June 30, 2025 - 25%	-	-	-	-	-	-	-	(3,942,913)	(3,942,913)
Interim cash dividend for the nine months period ended September 30, 2025 - 25%	-	-	-	-	-	-	-	(3,942,913)	(3,942,913)
<b>Balance as at December 31, 2025 (audited)</b>	<u>15,771,651</u>	<u>4,731,049</u>	<u>8,491,681</u>	<u>29,143,626</u>	<u>25,472,271</u>	<u>17,362,733</u>	<u>368,856</u>	<u>96,170,189</u>	<u>197,512,056</u>
Impact of adoption of IFRS 9 - net of tax (note 4.1.1)	-	-	-	-	-	-	-	(346,314)	(346,314)
<b>Balance as at January 01, 2026 after adoption of IFRS 9</b>	<u>15,771,651</u>	<u>4,731,049</u>	<u>8,491,681</u>	<u>29,143,626</u>	<u>25,472,271</u>	<u>17,362,733</u>	<u>368,856</u>	<u>95,823,875</u>	<u>197,165,742</u>
<b>Changes in equity for the quarter ended March 31, 2026</b>									
Profit after taxation	-	-	-	-	-	-	-	11,126,356	11,126,356
Other comprehensive (loss) / income - net of tax									
Effect of translation of net investment in foreign branches	-	-	(192,217)	-	-	-	-	-	(192,217)
Movement in surplus on revaluation of investments in debt securities classified as FVOCI - net of tax	-	-	-	-	(8,145,550)	-	-	-	(8,145,550)
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	-	-	-	-	(5,046,547)	-	-	-	(5,046,547)
Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax	-	-	-	-	(2,022,992)	-	-	-	(2,022,992)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	(18,096)	-	-	(18,096)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	(5,408)	-	(5,408)
Total other comprehensive (loss) / income - net of tax	-	-	(192,217)	-	(15,215,089)	(18,096)	(5,408)	-	(15,430,810)
Transfer to statutory reserve	-	-	-	1,112,636	-	-	-	(1,112,636)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(30,296)	(1,529)	31,825	-
Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	(400,033)	-	-	400,033	-
<b>Transactions with owners, recorded directly in equity</b>									
Final cash dividend for the year ended December 31, 2025 - 30%	-	-	-	-	-	-	-	(4,731,495)	(4,731,495)
<b>Closing balance as at March 31, 2026 (un-audited)</b>	<u>15,771,651</u>	<u>4,731,049</u>	<u>8,299,464</u>	<u>30,256,262</u>	<u>9,857,149</u>	<u>17,314,341</u>	<u>361,919</u>	<u>101,537,958</u>	<u>188,129,793</u>

The annexed notes 1 to 48 form an integral part of these unconsolidated condensed interim financial statements.

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

# Unconsolidated Condensed Interim Cash Flow Statement (Un-audited)

For the quarter ended March 31, 2026

	Note	Quarter ended	
		March 31, 2026	March 31, 2025
------(Rupees in '000)-----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		23,523,759	15,384,198
Less: Dividend income		(760,931)	(880,222)
		22,762,828	14,503,976
<b>Adjustments:</b>			
Net mark-up / return / interest income		(35,630,968)	(34,152,572)
Depreciation	32	1,650,546	1,398,645
Depreciation on right-of-use assets	32	1,187,343	1,102,458
Amortisation	32	106,791	98,714
Reversal of credit loss allowance /provisions and write offs - net	35	(1,392,956)	(468,017)
Unrealised loss on revaluation of investments classified as FVPL	30	1,809,976	885,431
Unrealised gain on advances classified as FVPL		-	(41,704)
Gain on sale of property and equipment - net	31	(13,648)	(19,934)
Gain on termination of leases - net	31	(51,474)	(12,411)
Staff loans - notional cost	32.1	1,125,937	704,893
Finance charges on leased assets	27	1,129,763	1,024,376
Workers' welfare fund		611,628	400,108
Charge for defined benefit plan	32.1	238,004	240,475
Charge for staff compensated absences	32.1	131,250	89,000
		(29,097,808)	(28,750,538)
		(6,334,980)	(14,246,562)
<b>Decrease / (increase) in operating assets</b>			
Lendings to financial institutions		(122,695,840)	9,216,237
Securities classified as FVPL		101,677,619	(31,678,269)
Advances		81,738,465	229,868,469
Other assets (excluding advance taxation and mark-up receivable)		12,024,985	(7,476,115)
		72,745,229	199,930,322
<b>(Decrease) / increase in operating liabilities</b>			
Bills payable		(17,120,561)	(12,879,843)
Borrowings		(702,798,997)	(84,579,977)
Deposits		(24,687,854)	(118,267,977)
Other liabilities (excluding current taxation and mark-up payable)		(23,270,668)	7,728,666
		(767,878,080)	(207,999,131)
		(701,467,831)	(22,315,371)
Mark-up / interest received		74,014,131	88,596,784
Mark-up / interest paid		(45,519,927)	(71,885,744)
Income tax paid		(10,868,476)	(11,872,764)
<b>Net cash used in operating activities</b>		(683,842,103)	(17,477,095)
<b>Balance carried forward</b>		(683,842,103)	(17,477,095)

# Unconsolidated Condensed Interim Cash Flow Statement (Un-audited)

For the quarter ended March 31, 2026

	Quarter ended	
	March 31, 2026	March 31, 2025
	------(Rupees in '000)-----	
<b>Balance brought forward</b>	(683,842,103)	(17,477,095)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net divestments in securities classified as FVOCI	717,558,701	36,761,129
Net investments in securities carried at amortised cost	(2,207,157)	(2,265,308)
Dividends received	718,489	551,238
Investments in property and equipment and intangible assets	(1,917,936)	(3,951,929)
Proceeds from sale of property and equipment	67,567	23,702
Effect of translation of net investment in foreign branches	(245,158)	(20,782)
<b>Net cash generated from investing activities</b>	<b>713,974,506</b>	<b>31,098,050</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments of lease obligations against right-of-use assets	(1,596,793)	(1,389,256)
Dividend paid	(1,494)	(1,594,559)
<b>Net cash used in financing activities</b>	<b>(1,598,287)</b>	<b>(2,983,815)</b>
<b>Increase in cash and cash equivalents</b>	<b>28,534,116</b>	<b>10,637,140</b>
Cash and cash equivalents at the beginning of the period	253,953,626	231,482,080
Effects of exchange rate changes on cash and cash equivalents	(391,233)	467,957
	253,562,393	231,950,037
Expected credit loss allowance on cash and cash equivalents - net	(47,636)	2,294
<b>Cash and cash equivalents at the end of the period</b>	<b>38 282,048,873</b>	<b>242,589,471</b>

The annexed notes 1 to 48 form an integral part of these unconsolidated condensed interim financial statements.

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

# Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the quarter ended March 31, 2026

## 1 STATUS AND NATURE OF BUSINESS

Bank Alfalah Limited (the Bank) is a banking company incorporated in Pakistan and is engaged in commercial banking and related services in Pakistan and overseas. The Bank's registered office is located at B. A. Building, I. I. Chundrigar Road, Karachi and its shares are listed on the Pakistan Stock Exchange. The Bank is engaged in banking services as described in the Banking Companies Ordinance, 1962. The Bank is operating through 1,179 branches (December 31, 2025: 1,178 branches) and 8 sub-branches (December 31, 2025: 8 sub-branches). Out of the 1,179 branches, 720 (December 31, 2025: 717) are conventional, 448 (December 31, 2025: 450) are Islamic, 10 (December 31, 2025: 10) are overseas and 1 (December 31, 2025: 1) is an offshore banking unit.

The Pakistan Credit Rating Agency Limited has reaffirmed the Bank's long-term rating of 'AAA' and short-term rating of 'A1+' with stable outlook as of June 28, 2025.

## 2 BASIS OF PRESENTATION

### 2.1 STATEMENT OF COMPLIANCE

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

- International Accounting Standard 34 "Interim Financial Reporting" and IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act, 2017;
- Provisions of, directives and notifications 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).

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

The SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for banking companies through BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. The SBP through BPRD Circular No. 04 of 2015 dated February 25, 2015 had deferred the applicability of Islamic Financial Accounting Standard-3 for Profit and Loss Sharing on Deposits (IFAS-3) issued by the Institute of Chartered Accountants of Pakistan (ICAP) and notified by the SECP, vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IIFS). Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements.

The SECP through SRO 56(1)/2016 dated January 28, 2016, has directed that the requirements of IFRS 10, 'Consolidated financial statements' are not applicable in case of investments by companies in mutual funds established under Trust Deed structure. Accordingly, implications of IFRS 10 in respect of investment in mutual funds are not considered in these unconsolidated condensed interim financial statements.

- 2.1.1** The disclosures made in these unconsolidated condensed interim financial statements have been limited based on the format prescribed by the SBP through BPRD Circular Letter No. 02 dated February 09, 2023 and the requirements of International Accounting Standard 34, "Interim Financial Reporting". These do not include all the information and disclosures required for annual financial statements, and therefore should be read in conjunction with the annual audited unconsolidated financial statements of the Bank for the year ended December 31, 2025.
- 2.1.2** These unconsolidated condensed interim financial statements represent separate financial statements of Bank Alfalah Limited in which investment in subsidiaries and associates are accounted for on the basis of cost less accumulated impairment losses, if any.
- 2.1.3** Key financial figures of the Islamic Banking branches are disclosed in note 43 to these unconsolidated condensed interim financial statements.
- 2.1.4** The Bank believes that there is no significant doubt on the Bank's ability to continue as a going concern. Therefore, these unconsolidated condensed interim financial statements have been prepared on a going concern basis.

## **2.2 Standards, interpretations of and amendments to published accounting and reporting standards that are effective in the current period:**

There are certain new and amended standards, issued by the International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2026 but are considered not relevant or do not have any material effect on the Bank's operations and are therefore not detailed in these unconsolidated condensed interim financial statements. The impact of application of Effective Interest Rate is disclosed in note 4.1 to these unconsolidated condensed interim financial statements.

The SECP through S.R.O. 742(t)/2025 dated April 16, 2025 has made IFRS 7 'Financial Instruments: Disclosures' applicable for banks from the annual reporting period beginning on or after January 01, 2026 resulting in certain additional disclosures in annual financial statements.

## **2.3 Standards, interpretations of and amendments to published accounting and reporting standards that are not yet effective:**

There are certain new and amended standards, issued by the International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2027 but are considered not to be relevant or will not have any material effect on the Bank's unconsolidated condensed interim financial statements except for:

- the new standard - IFRS 18 'Presentation and Disclosure in Financial Statements' (published in April 2024) with applicability date of January 01, 2027 by IASB. Application of IFRS 18 will impact the presentation of 'Statement of Profit and Loss Account' with certain additional disclosures as and when instructed by SBP in the unconsolidated condensed interim financial statements.

## **3 BASIS OF MEASUREMENT**

### **3.1 Accounting convention**

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

### **3.2 Functional and presentation currency**

These unconsolidated condensed interim financial statements are presented in Pakistani Rupees, which is the Bank's functional and presentation currency. The amounts are rounded off to the nearest thousand rupees except as stated otherwise.

## **4 MATERIAL ACCOUNTING POLICY INFORMATION**

The material accounting policies applied in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the annual audited unconsolidated financial statements of the Bank for the year ended December 31, 2025 except for changes mentioned in note 4.1 to these unconsolidated condensed interim financial statements.

### **4.1 IFRS 9 - 'Financial Instruments'**

#### **4.1.1** The Bank adopted IFRS 9 effective from January 01, 2024, except for certain relaxations and extensions issued by the SBP from time to time. The impacts of these relaxations and extensions were incorporated in the annual financial statements of the Bank for the respective years ended December 31, 2024 and 2025, with the modified retrospective approach for restatement permitted under IFRS 9.

In addition, the SBP, in a separate instruction, SBPHOK-BPRD-RPD-BAF-834424 dated January 22, 2025, allowed an extension for application of the Effective Interest Rate (EIR) up to December 31, 2025. During the current period, in accordance with the aforementioned instruction, the Bank has applied EIR on the financial instruments appearing as at January 1, 2026, and the cumulative impact of application of EIR amounting to Rs. 346.314 million, net of tax, has been recorded as an adjustment to equity at the beginning of the current period with a corresponding impact on the unearned fee commission, income / mark-up accrued and payable.

#### **4.1.2** The SBP has directed the banks through its BPRD Circular Letter No.1 dated January 22, 2025 to continue applying the existing revenue recognition methodology for Islamic Operations, including the requirements of IFAS 1 and IFAS 2 until further instructions. Had IFRS 9 been adopted for revenue recognition related to Islamic financing, the profit after tax of the Bank would have been higher by Rs. 77.899 million and unappropriated profit of the Bank as at March 31, 2026 would have been higher by Rs. 156.959 million.

## 5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these unconsolidated condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses as well as in the disclosure of contingent liabilities. It also requires management to exercise judgment in application of its accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, if the revision affects only that period, or in the period of revision and in future periods if the revision affects both current and future periods.

The significant judgments made by the management in applying the Bank's accounting policies and the key sources of estimation were the same as those applied in the preparation of annual audited financial statements for the year ended December 31, 2025 except for matter related to IFRS 9 which have been disclosed in note 4.1 to these unconsolidated condensed interim financial statements.

## 6 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the annual audited unconsolidated financial statements for the year ended December 31, 2025.

## 7 CASH AND BALANCES WITH TREASURY BANKS

	(Un-audited) March 31, 2026	(Audited) December 31, 2025
Note	----- (Rupees in '000) -----	
In hand		
- local currency	61,527,140	52,330,676
- foreign currency	6,668,376	5,139,284
	68,195,516	57,469,960
With State Bank of Pakistan in		
- local currency current accounts	59,618,166	80,978,592
- foreign currency current accounts	9,891,386	9,870,481
- foreign currency deposit accounts	16,015,434	16,191,056
	85,524,986	107,040,129
With other central banks in		
- foreign currency current accounts	64,152,476	59,377,172
- foreign currency deposit accounts	2,055,591	1,493,118
	66,208,067	60,870,290
With National Bank of Pakistan in local currency current account	2,101,658	2,044,071
Prize bonds	78,585	86,871
	222,108,812	227,511,321
Less: Credit loss allowance held against cash and balances with treasury banks	(90,329)	(48,165)
Cash and balances with treasury banks - net of credit loss allowance	<u>222,018,483</u>	<u>227,463,156</u>

## 8 BALANCES WITH OTHER BANKS

In Pakistan in current accounts	11,032	11,898
Outside Pakistan		
- in current accounts	25,362,098	24,073,844
- in deposit accounts	32,129	32,014
	25,394,227	24,105,858
	25,405,259	24,117,756
Less: Credit loss allowance held against balances with other banks	(13,676)	(8,204)
Balances with other banks - net of credit loss allowance	<u>25,391,583</u>	<u>24,109,552</u>

## 9 LENDINGS TO FINANCIAL INSTITUTIONS

Call / clean money lendings	35,569,971	4,674,360
Repurchase agreement lendings (Reverse Repo)	137,695,840	15,000,000
	9.1 173,265,811	19,674,360
Less: Credit loss allowance held against lendings to financial institutions	9.1 (976)	(68)
Lendings to financial institutions - net of credit loss allowance	<u>173,264,835</u>	<u>19,674,292</u>

March 31, 2026 (Un-audited)		December 31, 2025 (Audited)	
Lending	Credit loss allowance held	Lending	Credit loss allowance held

-----  
(Rupees in '000)  
-----

## 9.1 Lending to Financial Institutions - Particulars of credit loss allowance

<b>Domestic</b>					
Performing	Stage 1	167,195,840	947	18,300,000	49
<b>Overseas</b>					
Performing	Stage 1	6,069,971	29	1,374,360	19
<b>Total</b>		<b>173,265,811</b>	<b>976</b>	<b>19,674,360</b>	<b>68</b>

## 10 INVESTMENTS

### 10.1 Investments by type:

March 31, 2026 (Un-audited)				December 31, 2025 (Audited)			
Cost / Amortised cost	Credit loss allowance / Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / Amortised cost	Credit loss allowance / Provision for diminution	Surplus / (Deficit)	Carrying value

-----  
(Rupees in '000)  
-----

#### Fair value through profit and loss

<b>Federal Government Securities</b>								
- Market Treasury Bills	78,715,056	-	(68,956)	78,646,100	150,646,774	-	88,233	150,735,007
- Pakistan Investment Bonds	119,880,370	-	(687,098)	119,193,272	148,435,134	-	987,996	149,423,130
- Ijarah Sukuks	252,116	-	(1,356)	250,760	252,784	-	(674)	252,110
- Naya Pakistan Certificates	1,098,465	-	-	1,098,465	819,226	-	-	819,226
<b>Shares</b>								
- Ordinary Shares - Listed	4,574,912	-	(862,078)	3,712,834	4,885,433	-	255,065	5,140,498
<b>Non Government Debt Securities</b>								
- Term Finance Certificates	1,450,000	-	-	1,450,000	1,450,000	-	-	1,450,000
- Sukuks	423,776	-	-	423,776	422,444	-	1,332	423,776
<b>Foreign Securities</b>								
- Overseas Bonds - Sovereign	8,479,019	-	(5,660)	8,473,359	8,289,997	-	(9,657)	8,280,340
- Redeemable Participating Certificates	7,842,764	-	(184,828)	7,657,936	7,849,325	-	20,685	7,870,010
	222,716,478	-	(1,809,976)	220,906,502	323,051,117	-	1,342,980	324,394,097

#### Fair value through other comprehensive income

<b>Federal Government Securities</b>								
- Market Treasury Bills	36,341,942	-	(299,506)	36,042,436	499,822,811	-	2,662,370	502,485,181
- Pakistan Investment Bonds	561,711,511	-	7,277,905	568,989,416	754,647,088	-	24,086,480	778,733,568
- Ijarah Sukuks	176,992,837	-	1,225,469	178,218,306	210,939,890	-	5,225,757	216,165,647
- Government of Pakistan Euro Bonds	4,031,951	(571,217)	413,901	3,874,635	14,474,416	(1,770,177)	2,488,438	15,192,677
<b>Shares</b>								
- Ordinary Shares - Listed	12,956,640	-	7,414,739	20,371,379	13,929,483	-	12,276,445	26,205,928
- Ordinary Shares - Unlisted	1,319,050	-	5,246,583	6,565,633	1,319,050	-	5,167,448	6,486,498
- Preference Shares - Unlisted	25,000	(25,000)	-	-	25,000	(25,000)	-	-
<b>Non Government Debt Securities</b>								
- Term Finance Certificates	1,801,011	(98,315)	-	1,702,696	1,802,621	(99,924)	-	1,702,697
- Sukuks	306,511	(96,511)	6,713	216,713	306,511	(96,511)	12,577	222,577
<b>Foreign Securities</b>								
- Overseas Bonds - Sovereign	39,048,874	(24,374)	(1,009,428)	38,015,072	51,506,024	(28,329)	(401,445)	51,076,250
- Overseas Bonds - Others	33,618,939	(6,282)	(947,688)	32,664,969	36,111,967	(6,850)	(258,329)	35,846,788
- Equity Securities - Listed	266,031	-	(18,080)	247,951	266,966	-	(5,184)	261,782
- Preference Shares - Unlisted	558,375	-	-	558,375	560,308	-	-	560,308
<b>REIT Fund - listed</b>	1,024,889	-	(246,749)	778,140	1,034,094	-	5,753	1,039,847
	870,003,561	(821,699)	19,063,859	888,245,721	1,586,746,229	(2,026,791)	51,260,310	1,635,979,748
Balance carried forward	1,092,720,039	(821,699)	17,253,883	1,109,152,223	1,909,797,346	(2,026,791)	52,603,290	1,960,373,845

## 10.1 Investments by type:

March 31, 2026 (Un-audited)				December 31, 2025 (Audited)			
Cost / Amortised cost	Credit loss allowance / Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / Amortised cost	Credit loss allowance / Provision for diminution	Surplus / (Deficit)	Carrying value

----- (Rupees in '000) -----

Balance brought forward 1,092,720,039 (821,699) 17,253,883 1,109,152,223 1,909,797,346 (2,026,791) 52,603,290 1,960,373,845

### Amortised cost

#### Federal Government Securities

- Pakistan Investment Bonds
- Ijarah Sukuks

#### Non Government Debt Securities

- Term Finance Certificates
- Sukuks

#### Foreign Securities

- Overseas Bonds - Sovereign

155,045,513	-	-	155,045,513	154,179,505	-	-	154,179,505	
39,015,112	-	-	39,015,112	40,484,392	-	-	40,484,392	
330,930	(24,711)	-	306,219	349,680	(24,714)	-	324,966	
2,933,303	(29,255)	-	2,904,048	2,964,553	(29,257)	-	2,935,296	
15,559,929	(28,435)	-	15,531,494	12,685,594	(14,524)	-	12,671,070	
212,884,787	(82,401)	-	212,802,386	210,663,724	(68,495)	-	210,595,229	
Associates	1,177,606	-	1,177,606	1,177,606	-	-	1,177,606	
Subsidiaries	1,300,000	-	1,300,000	1,300,000	-	-	1,300,000	
Total investments	1,308,082,432	(904,100)	1,253,883	1,324,432,215	2,122,938,676	(2,095,286)	52,603,290	2,173,446,680

## 10.2 Particulars of assets and liabilities of subsidiary and associates

Subsidiary / Associate	Country of incorporation	Percentage of holding	March 31, 2026 (Un-audited)					Total comprehensive (loss) / income
			Assets	Liabilities	Revenue	(Loss) / profit for the period		

----- (Rupees in '000) -----

Alfalaha Currency Exchange (Private) Limited Subsidiary Pakistan 100.00% 1,282,315 126,584 63,364 (22,817) (23,480)

Alfalaha Insurance Company Limited Associate Pakistan 30.00% 12,061,157 8,394,892 1,366,508 223,469 23,775

Sapphire Wind Power Company Limited Associate Pakistan 30.00% 14,401,806 6,414,446 413,681 (162,483) (162,483)

Alfalaha Asset Management Limited Associate Pakistan 40.22% 4,010,528 843,969 513,341 (130,944) (130,944)

Subsidiary / Associate	Country of incorporation	Percentage of holding	December 31, 2025 (Audited)		March 31, 2025 (Un-audited)			Total comprehensive (loss) / income
			Assets	Liabilities	Revenue	(Loss) / profit for the period		

----- (Rupees in '000) -----

Alfalaha Currency Exchange (Private) Limited Subsidiary Pakistan 100.00% 1,330,610 151,400 41,819 (22,858) (23,130)

Alfalaha Insurance Company Limited Associate Pakistan 30.00% 10,811,177 7,168,687 702,980 148,740 117,624

Sapphire Wind Power Company Limited Associate Pakistan 30.00% 15,124,169 501,326 579,191 472,757 472,757

Alfalaha Asset Management Limited Associate Pakistan 40.22% 4,674,032 1,376,545 663,072 185,695 185,695

	(Un-audited) March 31, 2026	(Audited) December 31, 2025
	------(Rupees in '000)-----	
<b>10.3 Investments given as collateral</b>		
- Market Treasury Bills	-	410,985,208
- Pakistan Investment Bonds	-	260,026,252
- Overseas Bonds	32,196,421	36,926,637
	<u>32,196,421</u>	<u>707,938,097</u>

**10.3.1** The market value of securities given as collateral is Rs. 31,031.399 million (December 31, 2025: Rs. 718,094.513 million).

	(Un-audited) March 31, 2026	(Audited) December 31, 2025
	------(Rupees in '000)-----	
<b>10.4 Credit loss allowance / provision for diminution in value of total investments</b>		
<b>10.4.1</b> Opening balance	2,095,286	4,050,491
Impact of adoption of IFRS 9	-	60,074
Balance as at January 01 after adopting IFRS 9	<u>2,095,286</u>	<u>4,110,565</u>
Exchange and other adjustments	(3,463)	26,012
Charge / (reversals)		
Charge for the period / year	77,373	361,487
Reversals for the period / year	(18,976)	(372,998)
Reversal on disposals	(1,246,120)	(524,563)
	<u>(1,187,723)</u>	<u>(536,074)</u>
Adjustment of provision on disposal of subsidiary	-	(1,505,217)
Closing balance	<u>904,100</u>	<u>2,095,286</u>

**10.4.2 Particulars of credit loss allowance / provision against debt securities**

Category of classification	March 31, 2026 (Un-audited)		December 31, 2025 (Audited)		
	Outstanding amount	Credit loss allowance	Outstanding amount	Credit loss allowance	
	------(Rupees in '000)-----				
<b>Domestic</b>					
Performing	Stage 1	656,250	42	706,250	47
Underperforming	Stage 2	-	-	-	-
Non-performing	Stage 3	-	-	-	-
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		273,750	273,750	275,359	275,359
		<u>930,000</u>	<u>273,792</u>	<u>981,609</u>	<u>275,406</u>
<b>Overseas</b>					
Performing	Stage 1	88,227,742	59,091	100,303,585	49,703
Underperforming	Stage 2	4,031,951	571,217	14,474,416	1,770,177
Non-performing	Stage 3	-	-	-	-
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
<b>Total</b>		<u>93,189,693</u>	<u>904,100</u>	<u>115,759,610</u>	<u>2,095,286</u>

**10.4.3** The market value of securities classified at amortised cost amounted to Rs. 211,424.563 million (December 31, 2025: Rs. 214,074.433 million).

## 11 ADVANCES

Note	Performing		Non Performing		Total	
	March 31, 2026 (Un-audited)	December 31, 2025 (Audited)	March 31, 2026 (Un-audited)	December 31, 2025 (Audited)	March 31, 2026 (Un-audited)	December 31, 2025 (Audited)
------(Rupees in '000)-----						
<b>Classified at amortised cost</b>						
Loans, cash credits, running finances, etc.	731,823,388	762,898,168	38,235,273	41,006,331	770,058,661	803,904,499
Islamic financing and related assets	43.3 273,937,744	315,199,483	5,647,192	5,628,820	279,584,936	320,828,303
Bills discounted and purchased	24,178,504	26,060,353	539,899	900,622	24,718,403	26,960,975
	<u>1,029,939,636</u>	<u>1,104,158,004</u>	<u>44,422,364</u>	<u>47,535,773</u>	<u>1,074,362,000</u>	<u>1,151,693,777</u>
<b>Classified at FVPL</b>						
Loans, cash credits, running finances, etc.	1,800,000	1,800,000	-	-	1,800,000	1,800,000
Fair value adjustment on loans - FVPL	-	-	-	-	-	-
	<u>1,800,000</u>	<u>1,800,000</u>	<u>-</u>	<u>-</u>	<u>1,800,000</u>	<u>1,800,000</u>
Advances - gross	<u>1,031,739,636</u>	<u>1,105,958,004</u>	<u>44,422,364</u>	<u>47,535,773</u>	<u>1,076,162,000</u>	<u>1,153,493,777</u>
Credit loss allowance / provision against advances						
- Stage 1	11.4 (2,510,702)	(1,483,302)	-	-	(2,510,702)	(1,483,302)
- Stage 2	11.4 (914,404)	(835,423)	-	-	(914,404)	(835,423)
- Stage 3	11.4 -	-	(39,478,430)	(42,095,261)	(39,478,430)	(42,095,261)
- Specific	11.4 -	-	-	-	-	-
- General	11.4 (4,226,744)	(4,155,956)	-	-	(4,226,744)	(4,155,956)
	<u>(7,651,850)</u>	<u>(6,474,681)</u>	<u>(39,478,430)</u>	<u>(42,095,261)</u>	<u>(47,130,280)</u>	<u>(48,569,942)</u>
Advances - net of credit loss allowance / provision	<u>1,024,087,786</u>	<u>1,099,483,323</u>	<u>4,943,934</u>	<u>5,440,512</u>	<u>1,029,031,720</u>	<u>1,104,923,835</u>

**11.1** Advances include an amount of Rs. 445.967 million (December 31, 2025: Rs. 423.653 million), being Employee Loan facilities allowed to Citibank, N.A, Pakistan's employees, which were either taken over by the Bank, or were granted afresh, under a specific arrangement executed between the Bank and Citibank, N.A, Pakistan. The said arrangement is subject to certain relaxations as specified vide SBP Letter BPRD/BRD/Citi/2017/21089 dated September 11, 2017.

The said arrangement covers only existing employees of Citibank, N.A, Pakistan, and the relaxations allowed by the SBP are on continual basis, but subject to review by the SBP's BID and OSED departments. These loans carry mark-up at the rates ranging from 13.24% to 33.31% (December 31, 2025: 13.79% to 33.69%) per annum with maturities up to July 2045 (December 31, 2025: July 2045).

### 11.2 Particulars of advances (gross)

	(Un-audited) March 31, 2026	(Audited) December 31, 2025
In local currency	982,629,414	1,038,968,318
In foreign currencies	93,532,586	114,525,459
	<u>1,076,162,000</u>	<u>1,153,493,777</u>

**11.3** Advances include Rs. 44,422.364 million (December 31, 2025: Rs. 47,535.773 million) which have been placed under non-performing status as detailed below:

#### Category of classification in stage 3

March 31, 2026 (Un-audited)		December 31, 2025 (Audited)	
Non-Performing Loans	Credit loss allowance /provision	Non-Performing Loans	Credit loss allowance /provision

------(Rupees in '000)-----

#### Domestic

Other Assets Especially Mentioned (OAEM)

Substandard

Doubtful

Loss

215,396	-	156,345	366
1,631,665	570,896	3,347,182	1,385,197
6,895,803	3,427,637	6,256,133	3,106,590
35,001,608	34,871,668	37,093,274	36,992,066
<u>43,744,472</u>	<u>38,870,201</u>	<u>46,852,934</u>	<u>41,484,219</u>

#### Overseas

Substandard

Doubtful

Loss

29,377	14,688	29,577	13,154
-	-	-	-
648,515	593,541	653,262	597,888
677,892	608,229	682,839	611,042
<u>44,422,364</u>	<u>39,478,430</u>	<u>47,535,773</u>	<u>42,095,261</u>

Total



**11.4.3** Although the Bank has made provision against its non-performing portfolio as per the category of classification of the loan, the Bank holds enforceable collateral in the event of recovery through litigation. These securities comprise of charge against various tangible assets of the borrower including land, building and machinery, stock in trade etc.

**11.5 Advances - particulars of credit loss allowance / provision against advances**

	March 31, 2026 (Un-audited)				December 31, 2025 (Audited)							
	Expected Credit Loss		General	Total	Expected Credit Loss		Specific	General	Total			
	Stage 1	Stage 2			Stage 3	Stage 1				Stage 2	Stage 3	
Opening balance	1,483,302	835,423	42,095,261	-	4,155,956	48,569,942	2,232,954	1,388,083	38,436,013	587,690	4,237,082	46,981,822
Impact of adoption of IFRS 9	-	-	-	-	-	-	50,662	49,899	587,751	(587,690)	-	100,622
Balance as at January 01 after adopting IFRS 9	1,483,302	835,423	42,095,261	-	4,155,956	48,569,942	2,283,616	1,437,982	39,023,764	-	4,237,082	46,982,444
Exchange and other adjustments	(671)	-	(4,080)	-	(1,995)	(6,746)	867	-	(10,355)	-	(6,265)	(15,753)
New advances	1,167,935	195,938	1,314,766	-	72,783	2,751,422	625,481	220,290	6,806,443	-	-	7,652,214
Due to credit deterioration	-	-	519,861	-	-	519,861	-	-	2,933,284	-	-	2,933,284
Advances derecognised or repaid / reversal	(156,498)	(109,999)	(4,124,881)	-	-	(4,371,378)	(703,271)	(541,415)	(5,400,513)	-	(74,861)	(6,720,060)
Transfer to stage 1	40,782	(40,782)	-	-	-	-	148,383	(148,383)	-	-	-	-
Transfer to stage 2	(21,235)	31,948	(10,713)	-	-	-	(83,450)	314,803	(231,353)	-	-	-
Transfer to stage 3	(444)	(28,428)	28,872	-	-	-	(11,376)	(111,023)	122,399	-	-	-
Changes in risk parameters	(22,469)	30,304	(18,159)	-	-	(10,324)	(776,948)	(336,831)	123,348	-	-	(990,431)
Amounts written off	1,028,071	78,981	(2,290,254)	-	72,783	(1,110,419)	(801,181)	(602,559)	4,353,608	-	(74,861)	2,875,007
Amounts charged off	-	-	(4,461)	-	-	(4,461)	-	-	(22,402)	-	-	(22,402)
Closing balance	2,510,702	914,404	39,478,430	-	4,226,744	47,130,280	1,483,302	835,423	42,095,261	-	-	48,569,942

(Rupees in '000)

**11.6 Particulars of charged-off loans/ advances / finances**

	March 31, 2026 (Un-audited)		December 31, 2025 (Audited)	
	No of borrowers	Rupees in '000	No of borrowers	Rupees in '000
<b>Corporate, Commercial and SME</b>				
Opening balance of charged-off	329	2,864,494	186	2,982,475
Charge-off during the period / year	-	-	165	174,416
Sub total	329	2,864,494	351	3,156,891
Recoveries made during the period / year against already charged-off cases	(3)	(65,226)	(22)	(292,397)
Closing balance of charged-offs	326	2,799,268	329	2,864,494

**11.7 Advances - category of classification**

		March 31, 2026 (Un-audited)		December 31, 2025 (Audited)	
		Outstanding	Credit loss allowance /provision	Outstanding	Credit loss allowance /provision
------(Rupees in '000)-----					
<b>Domestic</b>					
Performing	Stage 1	874,459,542	2,187,044	902,273,942	1,241,211
Underperforming	Stage 2	107,266,998	838,613	149,272,491	811,397
Non-performing	Stage 3				
Other Assets Especially Mentioned (OAEM)		215,396	-	156,345	366
Substandard		1,631,665	570,896	3,347,182	1,385,197
Doubtful		6,895,803	3,427,637	6,256,133	3,106,590
Loss		35,001,608	34,871,668	37,093,274	36,992,066
General provision		-	3,878,000	-	3,878,000
		1,025,471,012	45,773,858	1,098,399,367	47,414,827
<b>Overseas</b>					
Performing	Stage 1	45,932,785	323,658	51,382,054	242,091
Underperforming	Stage 2	4,080,311	75,791	3,029,517	24,026
Non-performing	Stage 3				
Substandard		29,377	14,688	29,577	13,154
Doubtful		-	-	-	-
Loss		648,515	593,541	653,262	597,888
General provision		-	348,744	-	277,956
		50,690,988	1,356,422	55,094,410	1,155,115
<b>Total</b>		<b>1,076,162,000</b>	<b>47,130,280</b>	<b>1,153,493,777</b>	<b>48,569,942</b>

	Note	(Un-audited)	(Audited)
		March 31, 2026	December 31, 2025
------(Rupees in '000)-----			
<b>12 PROPERTY AND EQUIPMENT</b>			
Capital work-in-progress	12.1	4,725,366	4,763,629
Property and equipment	12.2	66,499,246	66,336,838
		<u>71,224,612</u>	<u>71,100,467</u>
<b>12.1 Capital work-in-progress</b>			
Civil works		4,049,011	4,135,038
Equipment		658,287	620,749
Others		18,068	7,842
		<u>4,725,366</u>	<u>4,763,629</u>

**12.2** It includes land and buildings carried at revalued amount of Rs. 40,841.163 million (December 31, 2025: Rs. 40,808.896 million).

		(Un-audited) Quarter ended	
		March 31, 2026	March 31, 2025
		----- (Rupees in '000) -----	
<b>12.3</b>	<b>Additions to property and equipment</b>		
	The following additions were made to property and equipment during the period:		
	<b>Capital work-in-progress - net of transferred out for capitalisation</b>	(38,263)	2,089,244
	<b>Property and equipment</b>		
	Buildings on freehold land	67,218	1,915
	Buildings on leasehold land	54,377	773
	Leasehold improvement	740,617	66,078
	Furniture and fixtures	48,157	322,836
	Office equipment	698,380	1,125,667
	Vehicles	258,689	284,635
		1,867,438	1,801,904
	Total additions to property and equipment	1,829,175	3,891,148
<b>12.4</b>	<b>Disposals of property and equipment</b>		
	The net book values of property and equipment disposed off during the period are as follows:		
	Furniture and fixtures	8	233
	Office equipment	2,608	3,535
	Vehicles	51,303	-
	Total disposals of property and equipment	53,919	3,768
<b>13</b>	<b>RIGHT-OF-USE ASSETS</b>	(Un-audited) March 31, 2026	(Audited) December 31, 2025
		----- (Rupees in '000) -----	
	<b>At January 01</b>	<b>Buildings</b>	<b>Buildings</b>
	Cost	40,232,388	36,609,168
	Accumulated depreciation	(13,854,845)	(11,318,561)
	<b>Net carrying amount at January 01</b>	26,377,543	25,290,607
	Additions / renewals / amendments / (terminations) - net during the period / year	1,579,319	5,626,450
	Depreciation charge during the period / year	(1,187,343)	(4,538,289)
	Exchange rate adjustments	(2,042)	(1,225)
	Closing net carrying amount	26,767,477	26,377,543
<b>14</b>	<b>INTANGIBLE ASSETS</b>		
	Capital work-in-progress / advance payment to suppliers	441,644	432,589
	Software	1,262,333	1,290,967
		1,703,977	1,723,556
		(Un-audited) Quarter ended	
		March 31, 2026	March 31, 2025
		----- (Rupees in '000) -----	
<b>14.1</b>	<b>Additions to intangible assets</b>		
	The following additions were made to intangible assets during the period:		
	Capital work-in-progress - net of transferred out for capitalisation	9,055	17,562
	Directly purchased	79,706	54,483
	Total additions to intangible assets	88,761	72,045
<b>14.2</b>	There were no disposals of intangible assets during the periods ended March 31, 2026 and March 31, 2025.		

	Note	(Un-audited) March 31, 2026	(Audited) December 31, 2025
------(Rupees in '000)-----			
<b>15 OTHER ASSETS</b>			
Income / mark-up accrued in local currency - net		58,291,688	60,141,410
Income / mark-up accrued in foreign currencies - net		2,790,246	2,971,667
Advances, deposits, advance rent and other prepayments		5,052,150	4,179,959
Advance taxation (payments less provisions)		-	1,787,413
Advance against subscription of share		55,343	55,343
Non-banking assets acquired in satisfaction of claims	15.1	7,530,303	7,541,885
Dividend receivable		42,442	-
Mark to market gain on forward foreign exchange contracts		1,506,183	1,794,697
Mark to market gain on derivatives		1,475,641	1,643,940
Stationery and stamps on hand		22,177	23,355
Defined benefit plan		2,475,889	2,713,892
Alternative Delivery Channel (ADC) settlement accounts	15.3	2,596,682	8,918,232
Due from card issuing banks		4,581,538	3,697,630
Accounts receivable		23,719,876	19,104,140
Claims against fraud and forgeries		118,162	122,736
Acceptances		34,860,608	45,736,218
Receivable against Government of Pakistan and overseas government securities		13,451	12,448
Receivable against marketable securities		7,451	1,054,801
Deferred cost on staff loans		23,624,598	23,828,039
Others		232,834	90,982
		<u>168,997,262</u>	<u>185,418,787</u>
Less: Credit loss allowance / provision held against other assets	15.2	<u>(5,442,172)</u>	<u>(4,920,297)</u>
Other assets (net of credit loss allowance / provision)		163,555,090	180,498,490
Surplus on revaluation of non-banking assets acquired in satisfaction of claims - net	15.1	<u>608,019</u>	<u>609,549</u>
Other assets - total		<u><u>164,163,109</u></u>	<u><u>181,108,039</u></u>

**15.1** The revalued amount of non-banking assets acquired in satisfaction of claims is Rs. 8,138.322 million (December 31, 2025: Rs. 8,151.434 million).

	Note	(Un-audited) March 31, 2026	(Audited) December 31, 2025
------(Rupees in '000)-----			
<b>15.2 Credit loss allowance / provision held against other assets</b>			
Impairment against overseas operations	15.2.2	3,607,119	3,762,351
Expected credit loss		630,980	32,456
Fraud and forgeries		118,162	122,736
Accounts receivable		870,394	772,498
Others		215,517	230,256
		<u>5,442,172</u>	<u>4,920,297</u>

**15.2.1 Movement in credit loss allowance / provision held against other assets**

Opening balance		4,920,297	3,466,022
Impact of adoption of IFRS 9		-	862
Balance as at January 01 after adopting IFRS 9		<u>4,920,297</u>	<u>3,466,884</u>
Exchange and other adjustments		-	(5,293)
Charge for the period / year		<u>714,030</u>	<u>1,680,896</u>
Reversals for the period / year		<u>(191,906)</u>	<u>(187,975)</u>
		522,124	1,492,921
Amount written off		<u>(249)</u>	<u>(34,215)</u>
Closing balance		<u><u>5,442,172</u></u>	<u><u>4,920,297</u></u>

**15.2.2** The Bank, in light of uncertain conditions in one of the countries where the Bank operates, holds an impairment of Rs. 3,607.119 million (December 31, 2025: Rs. 3,762.351 million) against the cross border risk.

**15.3** This represents settlement arising from channel transaction at the cut off date which were subsequently cleared.

	(Un-audited) March 31, 2026	(Audited) December 31, 2025
------(Rupees in '000)-----		
<b>16</b>	<b>BILLS PAYABLE</b>	
In Pakistan	39,004,816	55,189,647
Outside Pakistan	832,592	1,768,322
	<u>39,837,408</u>	<u>56,957,969</u>

**17** **BORROWINGS**

**Secured**

Borrowings from the State Bank of Pakistan under:

Export Refinance Scheme	11,925,293	16,530,301
Long-Term Finance Facility	14,824,541	15,939,430
Financing Facility for Renewable Energy Projects	11,190,978	11,730,666
Financing Facility for Storage of Agriculture Produce (FFSAP)	714,212	750,932
Temporary Economic Refinance Facility (TERF)	25,364,928	22,080,355
Export Refinance under Bill Discounting	14,988,936	15,189,403
SME Asaan Finance (SAAF)	5,139,496	4,785,327
Refinance Facility for Combating COVID (RFCC)	547,397	688,185
Refinance and Credit Guarantee Scheme for Women Entrepreneurs	410,810	458,974
Modernization of Small and Medium Entities (MSMES)	1,914,452	2,105,849
Other refinance schemes	5,000	57,526
Repurchase agreement borrowings	-	639,717,757
	87,026,043	730,034,705

Repurchase agreement borrowings

29,670,690

67,541,995

**Total secured**

116,696,733

797,576,700

**Unsecured**

Call borrowings

4,048,241

20,988,165

Overdrawn nostro accounts

931,164

2,684,675

Borrowings of overseas branches

84,589

90,950

Others

- Pakistan Mortgage Refinance Company

8,248,737

7,872,733

- Karandaaz Risk Participation

2,724,499

2,914,659

**Total unsecured**

16,037,230

34,551,182

132,733,963

832,127,882

**18** **DEPOSITS AND OTHER ACCOUNTS**

March 31, 2026 (Un-audited)			December 31, 2025 (Audited)		
In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total

------(Rupees in '000)-----

**Customers**

- Current deposits	872,453,689	141,866,365	1,014,320,054	797,623,294	146,092,338	943,715,632
- Savings deposits	599,659,236	45,550,691	645,209,927	582,480,833	46,121,610	628,602,443
- Term deposits	461,565,810	94,538,162	556,103,972	489,942,118	91,166,717	581,108,835
- Others	41,023,679	10,128,128	51,151,807	32,836,812	11,027,005	43,863,817
	1,974,702,414	292,083,346	2,266,785,760	1,902,883,057	294,407,670	2,197,290,727

**Financial Institutions**

- Current deposits	5,804,141	4,713,110	10,517,251	5,108,983	5,966,173	11,075,156
- Savings deposits	78,879,615	1,298,640	80,178,255	150,983,805	525,614	151,509,419
- Term deposits	89,261,364	9,375,005	98,636,369	98,246,000	8,272,581	106,518,581
- Others	4,491,592	10,911,018	15,402,610	6,972,358	22,841,858	29,814,216
	178,436,712	26,297,773	204,734,485	261,311,146	37,606,226	298,917,372
	<u>2,153,139,126</u>	<u>318,381,119</u>	<u>2,471,520,245</u>	<u>2,164,194,203</u>	<u>332,013,896</u>	<u>2,496,208,099</u>

**18.1** Current deposits include remunerative current deposits of Rs. 45,353.150 million (December 31, 2025: Rs. 40,186.585 million).

		(Un-audited) March 31, 2026	(Audited) December 31, 2025
------(Rupees in '000)-----			
<b>19 LEASE LIABILITIES</b>	<b>Note</b>		
Opening as at January 01		32,471,152	29,481,938
Additions / renewals / amendments / (terminations) - net		1,527,845	5,466,127
Finance charges		1,129,763	4,310,585
Lease payments including interest		(1,596,793)	(6,786,693)
Exchange rate / other adjustment		(2,958)	(805)
Closing net carrying amount		<u>33,529,009</u>	<u>32,471,152</u>

#### 19.1 Liabilities outstanding

Not later than one year	2,605,048	2,415,548
Later than one year and upto five years	14,225,049	13,247,135
Over five years	<u>16,698,912</u>	<u>16,808,469</u>
Total as at period / year end	<u>33,529,009</u>	<u>32,471,152</u>

For the purpose of discounting PKRV rates are being used.

#### 20 SUBORDINATED DEBT

Term Finance Certificates VI - Additional Tier-I (ADT-1)	20.1	7,000,000	7,000,000
Term Finance Certificates VIII - Additional Tier-I (ADT-1)	20.2	<u>7,000,000</u>	<u>7,000,000</u>
		<u>14,000,000</u>	<u>14,000,000</u>

#### 20.1 Term Finance Certificates VI - Additional Tier-I (ADT-1) - Quoted, Unsecured

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

Issue amount	Rs. 7,000,000,000
Issue date	March 2018
Maturity date	Perpetual
Rating	"AA+" (Double A plus) by the Pakistan Credit Rating Agency Limited.
Security	Unsecured
Ranking	Subordinated to all other indebtedness of the Bank including deposits but superior to equity.
Profit payment frequency	Payable semi-annually in arrears.
Redemption	Perpetual
Mark-up	For the period at end of which the Bank is in compliance with the Minimum Capital Requirement (MCR) and Capital Adequacy Ratio (CAR) requirements of the SBP, mark-up rate will be Base Rate + 1.50% with no step up feature.  Base Rate is defined as the six month KIBOR (ask side) prevailing on one (1) business day prior to the previous profit payment date.
Lock-in-clause	Mark-up will only be paid from the Bank's current year's earnings and if the Bank is in compliance of regulatory MCR and CAR requirements set by the SBP from time to time.
Loss absorbency clause	In conformity with the SBP Basel III Guidelines, the TFCs shall, if directed by the SBP, be permanently converted into ordinary shares upon: (i) the CET 1 Trigger Event; (ii) the point of non-viability Trigger Event; or (iii) failure by the Bank to comply with the Lock-In Clause. The SBP will have full discretion in declaring the point of non-viability Trigger Event.
Call Option	The Bank may, at its sole discretion, exercise a call option any time after five years from the issue date, subject to prior approval of the SBP and instrument is replaced with capital of the same and better quality.

## 20.2 Term Finance Certificates VIII - Additional Tier-I (ADT-1) - Quoted, Unsecured

The Bank issued Rs. 7,000 million of privately placed, listed, fully paid up, rated, perpetual, unsecured, subordinated, non-cumulative and contingent convertible debt instruments in the nature of Term Finance Certificates (TFCs) issued as instruments of redeemable capital under Section 66 of the Companies Act, 2017 which qualify as Additional Tier 1 Capital (ADT 1) as outlined by the SBP under BPRD circular No. 06 dated August 15, 2013. Summary of key terms and conditions of the issue are as follows:

Issue amount	Rs. 7,000,000,000
Issue date	December 2022
Maturity date	Perpetual
Rating	"AA+" (Double A plus) by the Pakistan Credit Rating Agency Limited.
Security	Unsecured
Ranking	Subordinated to all other indebtedness of the Bank including deposits but superior to equity.
Profit payment frequency	Payable semi-annually in arrears.
Redemption	Perpetual
Mark-up	For the period at end of which the Bank is in compliance with the Minimum Capital Requirement (MCR) and Capital Adequacy Ratio (CAR) requirements of the SBP, mark-up rate will be Base Rate + 2.00% with no step up feature.  Base Rate is defined as the six month KIBOR (ask side) prevailing on one (1) business day prior to previous profit payment date.
Lock-in-clause	Mark-up will only be paid from the Bank's current year's earnings and if the Bank is in compliance of regulatory MCR and CAR requirements set by the SBP from time to time.
Loss absorbency clause	In conformity with the SBP Basel III Guidelines, the TFCs shall, if directed by the SBP, be permanently converted into ordinary shares upon: (i) the CET 1 Trigger Event; (ii) the point of non-viability Trigger Event; or (iii) failure by the Bank to comply with the Lock-In Clause. The SBP will have full discretion in declaring the point of non-viability Trigger Event.
Call Option	The Bank may, at its sole discretion, exercise a call option any time after five years from the issue date, subject to prior approval of the SBP and instrument is replaced with capital of the same and better quality.

## 21 DEFERRED TAX LIABILITIES

### Deductible Temporary Differences on:

- Credit loss allowance / provision against investments
- Credit loss allowance / provision against advances
- Modification of advances
- Credit loss allowance / provision against other assets
- Lease liabilities
- Credit loss allowance against balances with treasury banks
- Credit loss allowance against balances with other banks
- Credit loss allowance against lendings to financial institutions
- Unrealised (loss) / gain on FVPL investments
- Effective interest rate impact
- Workers' welfare fund

	(Un-audited) March 31, 2026	(Audited) December 31, 2025
------(Rupees in '000)-----		
	(1,982,129)	(1,941,895)
	(4,576,426)	(3,936,178)
	(36,296)	(39,908)
	(2,727,299)	(2,344,065)
	(18,304,588)	(17,784,947)
	(47,223)	(25,233)
	(6,046)	(3,282)
	(362)	110
	(941,210)	383,135
	(192,928)	-
	(3,541,841)	(3,223,794)
	(32,356,348)	(28,916,057)

### Taxable Temporary Differences on:

- Unrealised net gain on fair value of refinancing schemes
- Right-of-use assets
- Surplus on revaluation of FVOCI investments
- Surplus on revaluation of property and equipments
- Surplus on revaluation of non banking assets
- Exchange translation reserve
- Accelerated tax depreciation

	231,831	568,625
	13,919,088	13,716,323
	10,678,577	27,594,959
	2,485,284	2,467,187
	246,100	240,693
	3,485,378	3,538,319
	4,904,842	5,135,024
	35,951,100	53,261,130
	3,594,752	24,345,073

	Note	(Un-audited) March 31, 2026	(Audited) December 31, 2025
----- (Rupees in '000) -----			
<b>22 OTHER LIABILITIES</b>			
Mark-up / return / interest payable in local currency		18,845,474	26,959,506
Mark-up / return / interest payable in foreign currencies		1,991,274	1,823,824
Unearned fee commission and income on bills discounted and guarantees		4,839,990	5,092,375
Accrued expenses		25,541,535	25,591,941
Current taxation		3,604,211	-
Acceptances		34,860,608	45,736,218
Dividends payable		5,091,865	361,864
Mark to market loss on forward foreign exchange contracts		1,674,810	1,815,628
Mark to market loss on derivatives		61,792	64,270
Branch adjustment account		1,542	313,976
Provision for compensated absences		1,851,750	1,720,500
Payable against redemption of customer loyalty / reward points		1,701,631	1,616,879
Charity payable		141,662	131,931
Credit loss allowance / provision against off-balance sheet obligations	22.1	1,538,440	1,036,203
Security deposits against leases, lockers and others		22,893,439	20,362,311
Workers' welfare fund		8,785,246	8,173,618
Payable to vendors and suppliers		544,504	467,549
Advance payments		2,487,547	2,713,358
Margin deposits on derivatives		502,785	1,042,368
Payable to merchants (card acquiring)		1,453,252	1,275,006
Withholding taxes payable		5,476,028	5,267,418
Liability against share based payment		672,048	1,350,000
Trading liability		365,917	15,118,700
Others		9,725,491	8,269,446
		<u>154,652,841</u>	<u>176,304,889</u>

#### 22.1 Credit loss allowance / provision against off-balance sheet obligations

Opening balance	1,036,203	780,711
Impact of adoption of IFRS 9	-	2,714
Balance as at January 01 after adopting IFRS 9	<u>1,036,203</u>	<u>783,425</u>
Exchange and other adjustments	(216)	5,033
Charge for the period / year	714,030	449,783
Reversals for the period / year	(211,577)	(202,038)
	<u>502,453</u>	<u>247,745</u>
Closing balance	<u>1,538,440</u>	<u>1,036,203</u>

	Note	(Un-audited) March 31, 2026	(Audited) December 31, 2025
<b>23</b>	<b>SURPLUS ON REVALUATION OF ASSETS</b>	------(Rupees in '000)-----	
Surplus on revaluation of:			
- Securities measured at FVOCI - debt	10.1	6,667,366	33,815,848
- Securities measured at FVOCI - equity	10.1	12,396,493	17,444,462
- Property and equipment		19,799,625	19,829,920
- Non-banking assets acquired in satisfaction of claims		608,019	609,549
		39,471,503	71,699,779
Less: Deferred tax liability on surplus on revaluation of:			
- Securities measured at FVOCI - debt		(3,467,030)	(17,584,241)
- Securities measured at FVOCI - equity		(6,446,176)	(9,071,120)
- Property and equipment		(2,485,284)	(2,467,187)
- Non-banking assets acquired in satisfaction of claims		(246,100)	(240,693)
		(12,644,590)	(29,363,241)
Derivatives deficit		1,471,867	1,806,920
Less: Deferred tax asset on derivative		(765,371)	(939,598)
		706,496	867,322
		<u>27,533,409</u>	<u>43,203,860</u>
<b>24</b>	<b>CONTINGENCIES AND COMMITMENTS</b>		
- Guarantees	24.1	218,452,338	222,502,386
- Commitments	24.2	854,567,064	946,253,493
- Other contingent liabilities	24.3.1	23,827,967	23,827,667
		<u>1,096,847,369</u>	<u>1,192,583,546</u>
<b>24.1</b>	<b>Guarantees:</b>		
Financial guarantees		6,394,400	6,702,626
Performance guarantees		78,749,575	76,529,645
Other guarantees		133,308,363	139,270,115
		<u>218,452,338</u>	<u>222,502,386</u>
<b>24.2</b>	<b>Commitments:</b>		
Documentary credits and short-term trade-related transactions			
- letters of credit		262,118,893	239,313,344
Commitments in respect of:			
- forward foreign exchange contracts	24.2.1	509,389,982	467,011,416
- forward government securities transactions	24.2.2	30,443,045	165,504,849
- derivatives	24.2.3	20,464,104	24,504,558
- forward lending	24.2.4	25,059,000	42,777,444
Commitments for acquisition of:			
- property and equipment		5,039,535	4,971,020
- intangible assets		551,008	483,507
Commitments in respect of donations		1,501,497	1,687,355
		<u>854,567,064</u>	<u>946,253,493</u>
<b>24.2.1</b>	<b>Commitments in respect of forward foreign exchange contracts</b>		
Purchase		289,140,370	271,592,770
Sale		220,249,612	195,418,646
		<u>509,389,982</u>	<u>467,011,416</u>
<b>24.2.2</b>	<b>Commitments in respect of forward government securities transactions</b>		
Purchase		3,598,948	44,558,744
Sale		26,844,097	120,946,105
		<u>30,443,045</u>	<u>165,504,849</u>

	Note	(Un-audited) March 31, 2026	(Audited) December 31, 2025
<b>24.2.3 Commitments in respect of derivatives</b>			
<b>Interest rate swaps</b>			
Purchase	25.1	11,584,862	15,364,164
Sale		-	-
		11,584,862	15,364,164
<b>Cross currency swaps</b>			
Purchase		-	-
Sale	25.1	8,879,242	9,140,394
		8,879,242	9,140,394
<b>Total commitments in respect of derivatives</b>		<b>20,464,104</b>	<b>24,504,558</b>

#### 24.2.4 Commitments in respect of forward lending

Undrawn formal standby facilities, credit lines and other commitments to lend	24.2.4.1	25,059,000	42,777,444
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24.2.4.1 These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense.

	(Un-audited) March 31, 2026	(Audited) December 31, 2025
<b>24.3 Other contingent liabilities</b>		
<b>24.3.1 Claims against the Bank not acknowledged as debts</b>		
	23,827,967	23,827,667

These mainly represent counter claims filed by the borrowers for restricting the Bank from disposal of collateral assets (such as hypothecated / mortgaged / pledged assets kept as security) and damage to reputation. Based on legal advices and / or internal assessments, management is confident that the matters will be decided in the Bank's favour and the possibility of any outcome against the Bank is remote and accordingly no provision has been made in these unconsolidated condensed interim financial statements.

#### 24.4 Contingency for tax payable

24.4.1 There were no tax related contingencies other than as disclosed in note 36.1.

### 25 DERIVATIVE INSTRUMENTS

Derivatives are a type of financial contract, the value of which is determined by reference to one or more underlying assets or indices. The major categories of such contracts include futures, swaps and options. Derivatives also include structured financial products that have one or more characteristics of forwards, futures, swaps and options.

#### 25.1 Product Analysis

	March 31, 2026 (Un-audited)					
	Interest Rate Swaps			Cross Currency Swaps		
	No. of contracts	Notional Principal	Mark to market gain - net	No. of contracts	Notional Principal	Mark to market gain - net
	------(Rupees in '000)-----			------(Rupees in '000)-----		
<b>Counterparties</b>						
<b>With Banks for</b>						
Hedging	15	11,584,862	689,531	-	-	-
<b>With other entities</b>						
Market making	-	-	-	4	8,879,242	724,318
	15	11,584,862	689,531	4	8,879,242	724,318
	------(Rupees in '000)-----			------(Rupees in '000)-----		
	December 31, 2025 (Audited)					
	Interest Rate Swaps			Cross Currency Swaps		
	No. of contracts	Notional Principal	Mark to market gain - net	No. of contracts	Notional Principal	Mark to market gain - net
	------(Rupees in '000)-----			------(Rupees in '000)-----		
<b>Counterparties</b>						
<b>With Banks for</b>						
Hedging	18	15,364,164	839,754	-	-	-
<b>With other entities</b>						
Market making	-	-	-	4	9,140,394	739,916
	18	15,364,164	839,754	4	9,140,394	739,916

	Note	(Un-audited)	
		Quarter ended	
		March 31, 2026	March 31, 2025
------(Rupees in '000)-----			
<b>26</b>	<b>MARK-UP / RETURN / INTEREST EARNED</b>		
	On:		
	a) Loans and advances	29,644,822	28,244,577
	b) Investments	39,331,402	64,691,119
	c) Lendings to financial institutions	856,061	766,929
	d) Balances with banks	55,098	73,087
	e) On securities purchased under resale agreements	4,149,972	1,317,875
		<u>74,037,355</u>	<u>95,093,587</u>
<b>26.1</b>	<b>Interest income (calculated using effective interest rate method) recognised on:</b>		
	Financial assets measured at amortised cost	41,153,786	
	Financial assets measured at FVOCI	29,023,853	
		<u>70,177,639</u>	
<b>27</b>	<b>MARK-UP / RETURN / INTEREST EXPENSED</b>		
	On:		
	a) Deposits	28,934,278	29,827,440
	b) Borrowings	3,198,870	4,406,805
	c) Securities sold under repurchase agreements	4,816,713	25,406,228
	d) Subordinated debt	436,248	544,700
	e) Cost of foreign currency swaps against foreign currency deposits / borrowings	924,290	408,313
	f) Leased assets	1,129,763	1,024,376
	g) Reward points / customer loyalty	95,988	347,529
		<u>39,536,150</u>	<u>61,965,391</u>
<b>27.1</b>	<b>Interest expense calculated using effective interest rate method:</b>		
	Financial liabilities	<u>38,515,872</u>	
<b>28</b>	<b>FEE &amp; COMMISSION INCOME</b>		
	Branch banking customer fees	440,312	453,359
	Consumer finance related fees	177,491	193,939
	Card related fees (debit and credit cards)	791,420	619,734
	Credit related fees	139,100	113,340
	Investment banking fees	82,462	151,341
	Commission on trade	862,361	817,422
	Commission on guarantees	255,379	202,845
	Commission on cash management	16,387	15,615
	Commission on remittances including home remittances	355,640	85,041
	Commission on bancassurance	144,057	168,508
	Card acquiring business	115,919	256,456
	Wealth management fee	136,458	155,833
	Commission on Benazir Income Support Programme (BISP)	150,093	46,535
	Alternative Delivery Channel (ADC) settlement accounts	460,042	305,048
	Others	64,079	55,726
		<u>4,191,200</u>	<u>3,640,742</u>
<b>29</b>	<b>FOREIGN EXCHANGE INCOME</b>		
	Foreign exchange income	2,857,354	2,117,069
	Foreign exchange (loss) / gain related to derivatives	(115,056)	1,506
		<u>2,742,298</u>	<u>2,118,575</u>
<b>30</b>	<b>GAIN ON SECURITIES</b>		
	Realised gain	30.1 12,617,881	1,509,136
	Unrealised loss - measured at FVPL	10.1 (1,809,976)	(885,431)
	Unrealised (loss) / gain on trading liabilities - net	(42)	2,697
		<u>30.2 10,807,863</u>	<u>626,402</u>

	Note	(Un-audited)	
		Quarter ended	
		March 31, 2026	March 31, 2025
------(Rupees in '000)-----			
<b>30.1 Realised gain on:</b>			
Federal government securities		12,170,252	1,312,407
Shares		340,398	32,073
Foreign securities		107,231	164,656
		<u>12,617,881</u>	<u>1,509,136</u>
<b>30.2 Net gain / (loss) on financial assets / liabilities measured:</b>			
<b>At FVPL</b>			
Designated upon initial recognition		479,051	(291,935)
Mandatorily measured at FVPL		(184,828)	134,465
		294,223	(157,470)
Net gain on financial assets measured at FVOCI - Debt		10,513,640	783,872
		<u>10,807,863</u>	<u>626,402</u>
<b>31 OTHER INCOME</b>			
Rent on property		2,431	3,101
Gain on sale of property and equipment - net		13,648	19,934
Gain on FVPL loans / advances		-	41,704
Gain on termination of leases		51,474	12,411
Insurance premium of overseas branch recovered		-	719,128
Others		785	1,384
		<u>68,338</u>	<u>797,662</u>
<b>32 OPERATING EXPENSES</b>			
<b>Total compensation expense</b>	32.1	14,088,725	11,991,645
<b>Property expense</b>			
Rates and taxes		33,502	30,931
Utilities cost		1,043,882	851,222
Security (including guards)		678,698	531,246
Repair and maintenance (including janitorial charges)		684,044	563,943
Depreciation on right-of-use assets		1,187,343	1,102,458
Depreciation on non-banking assets acquired in satisfaction of claims		13,112	17,669
Depreciation on owned assets		394,216	305,437
		4,034,797	3,402,906
<b>Information technology expenses</b>			
Software maintenance		1,089,848	906,882
Hardware maintenance		401,463	282,208
Depreciation		460,153	435,426
Amortisation		106,791	98,714
Network charges		217,481	180,506
Consultancy and support services		37,517	19,928
		2,313,253	1,923,664
Balance carried forward		20,436,775	17,318,215

**(Un-audited)**  
**Quarter ended**

**March 31,                      March 31,**  
**2026                              2025**

-----**(Rupees in '000)**-----

Balance brought forward	20,436,775	17,318,215
<b>Other operating expenses</b>		
Directors' fees and allowances	66,000	39,840
Fees and allowances to Shariah Board	8,151	7,655
Legal and professional charges	262,143	102,544
Outsourced services costs	497,273	459,437
Travelling and conveyance	603,904	518,001
Clearing and custodian charges	78,036	48,373
Depreciation	783,065	640,113
Training and development	77,832	36,384
Postage and courier charges	161,331	112,414
Communication	1,050,240	903,062
Stationery and printing	670,978	570,198
Marketing, advertisement and publicity	2,727,309	3,759,345
Donations	180,000	40,901
Auditors' remuneration	70,389	65,208
Brokerage and commission	459,799	273,746
Entertainment	264,348	230,967
Repairs and maintenance	342,228	319,827
Insurance	637,293	570,758
Cash handling charges	483,098	554,949
CNIC verification	217,884	170,813
Others	544,233	231,029
	<u>10,185,534</u>	<u>9,655,564</u>
	<u>30,622,309</u>	<u>26,973,779</u>

**32.1 Total compensation expense**

Managerial remuneration		
i) Fixed	8,060,359	7,186,704
ii) Variable:		
a) Cash bonus / awards etc.	1,891,535	1,704,454
b) Bonus and awards in shares etc.	501,989	230,572
Charge for defined benefit plan	238,004	240,475
Contribution to defined contribution plan	330,226	276,992
Medical	805,842	672,099
Conveyance	929,876	801,950
Staff compensated absences	131,250	89,000
Staff life insurance	43,296	42,886
Staff welfare	24,769	17,186
Club subscription	2,082	7,188
<b>Sub-total</b>	<u>12,959,228</u>	<u>11,269,506</u>
Sign-on bonus	3,560	17,246
Staff loans - notional cost	1,125,937	704,893
<b>Grand total</b>	<u>14,088,725</u>	<u>11,991,645</u>

**33 WORKERS' WELFARE FUND**

The Supreme Court of Pakistan vide its order dated November 10, 2016 has held that the amendments made in the law introduced by the Federal Government through the Finance Act, 2008 for the levy of Workers' Welfare Fund (WWF) on banks were not lawful. The Federal Board of Revenue has filed review petitions against this order, which are currently pending. A legal advice was obtained by the Pakistan Banking Association which highlights that consequent to filing of these review petitions, a risk has risen and the judgment is not conclusive until the review petitions are decided. Accordingly, the amount charged for WWF since 2008 has not been reversed.

Note	(Un-audited) Quarter ended	
	March 31, 2026	March 31, 2025

------(Rupees in '000)-----

**34 OTHER CHARGES**

Penalties imposed by the State Bank of Pakistan	1,901	4,211
Penalties imposed by other regulatory bodies	4,568	-
	<u>6,469</u>	<u>4,211</u>

**35 CREDIT LOSS ALLOWANCE / PROVISIONS AND WRITE OFFS - NET**

Credit loss allowance / (reversal) against cash with treasury banks	42,289	(14,194)
Credit loss allowance against balance with other banks	5,315	7,187
Credit loss allowance against lending to financial institutions	908	7,144
(Reversal of) / credit loss allowance / provision against diminution in value of investments	10.4.1 (1,187,723)	78,687
Reversal of credit loss allowance / provision against loans & advances	11.4 (1,110,419)	(1,137,269)
Credit loss allowance against other assets	15.2.1 522,124	574,183
Credit loss allowance against off-balance sheet obligations	22.1 502,453	183,307
Credit loss allowance / write off - net	22,958	5,274
Recovery of written off / charged off bad debts	<u>(190,861)</u>	<u>(172,336)</u>
	<u>(1,392,956)</u>	<u>(468,017)</u>

**36 TAXATION****Charge / (reversal) :**

Current	15,826,731	10,585,283
Prior years	-	-
Deferred	<u>(3,429,328)</u>	<u>(2,241,187)</u>
	<u>12,397,403</u>	<u>8,344,096</u>

- 36.1 a)** The income tax assessments of the Bank have been finalised upto and including tax year 2025. In respect of tax years 2008, 2014, 2017, 2019 and 2021 to 2025, the tax authority has raised certain issues including default in payment of WWF, allocation of expenses to dividend and capital gains, dividend income from mutual funds not being taken under income from business and disallowance of leasehold improvements resulting in tax demand of Rs. 2,844.103 million (December 31, 2025: Rs. 2,844.103 million) net of relief provided in appeal. The Bank has filed appeals which are pending before the Commissioner Appeals and Tribunal. The management is confident that the matter will be decided in favour of the Bank and consequently has not made any provision in this respect.
- b)** The Bank had received orders from a provincial tax authority for the periods from July 2011 to December 2020 wherein tax authority demanded sales tax on banking services and penalty amounting to Rs. 763.312 million (excluding default surcharge) by disallowing certain exemptions of sales tax on banking services and allegedly for short payment of sales tax. For periods from July 2011 to June 2014, appeals against the orders are pending before Commissioner Appeals whereas for periods from July 2014 to December 2020, SHC has remanded back the matter to the adjudicating authority.

The Bank has not made any provision against these orders and the management is of the view that these matters will be settled in the Bank's favour through appellate process.

- c) The Bank had received two different orders for the same accounting year 2016 from a tax authority wherein Sales tax, further tax and penalty amounting to Rs. 5.191 million and Rs. 8.601 million (excluding default surcharge) were demanded allegedly for non-payment of sales tax on certain transactions. Appeals against these orders are pending before Commissioner Appeals and Appellate Tribunal.

A similar order for the accounting years 2017 and 2018 was issued with tax demand of Rs. 11.536 million (excluding default surcharge) which is pending before Commissioner Appeals.

The Bank has not made any provision against these orders and the management is of the view that these matters will be favourably settled through appellate process.

- d) Certain other addbacks made by tax authorities for various assessment years, appeals against which are pending with the Commissioner of Inland Revenue (Appeals), Appellate Tribunal Inland Revenue (ATIR), High Court of Sindh and Supreme Court of Pakistan. The Bank has not made any provision against these orders and the management is of the view that these matters will be favourably settled through appellate process.

	Note	(Un-audited) Quarter ended	
		March 31, 2026	March 31, 2025
------(Rupees in '000)-----			
<b>37 BASIC AND DILUTED EARNINGS PER SHARE</b>			
Profit for the period		11,126,356	7,040,102
---(Number of shares in '000)---			
Weighted average number of ordinary shares	37.1	3,154,330	3,154,330
------(Rupees)-----			
Basic and diluted earnings per share	37.1	3.53	2.23

- 37.1** During the period the shareholders of the Bank in Annual General Meeting held on March 26, 2026 approved share split wherein the number of shares have been sub-divided into ratio of 2 for 1. Accordingly, issued and paid-up capital increased to 3,154,330,238 shares at face value of Rs. 5 per share.

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

	Note	(Un-audited) Quarter ended	
		March 31, 2026	March 31, 2025
------(Rupees in '000)-----			
<b>38 CASH AND CASH EQUIVALENTS</b>			
Cash and balances with treasury banks	7	222,108,812	219,767,168
Balances with other banks	8	25,405,259	14,318,802
Call / clean money lendings	9	35,569,971	9,658,120
Overdrawn nostro accounts	17	(931,164)	(1,135,018)
Less: Expected credit loss		(104,005)	(19,601)
		<u>282,048,873</u>	<u>242,589,471</u>

### 39 FAIR VALUE MEASUREMENTS

Fair value measurement defines fair value as the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of quoted securities other than those classified as amortised cost, is based on quoted market price. Quoted debt securities classified as amortised cost are carried at cost. The fair value of unquoted equity securities, other than investments in associates and subsidiary, is determined on the basis of valuation methodologies. The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

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

#### 39.1 Fair value of financial instruments

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

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

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

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

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

	<b>March 31, 2026 (Un-audited)</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>----- (Rupees in '000) -----</b>			
<b>On balance sheet financial instruments</b>				
<b>Financial assets - measured at fair value</b>				
Investments				
- Federal government securities	87,229,971	899,083,419	-	986,313,390
- Shares - listed companies	24,084,213	-	-	24,084,213
- Shares - unlisted companies	-	-	6,565,633	6,565,633
- REIT Fund - listed	778,140	-	-	778,140
- Non-government debt securities	-	3,793,185	-	3,793,185
- Foreign government securities	-	46,488,431	-	46,488,431
- Foreign equity securities	247,951	-	-	247,951
- Foreign preference shares - unlisted	-	-	558,375	558,375
- Foreign non-government debt securities	-	32,664,969	7,657,936	40,322,905
<b>Financial assets - disclosed but not measured at fair value</b>				
Investments - amortised cost	-	211,424,563	-	211,424,563
<b>Financial assets - measured at fair value</b>				
Advances				
- Loans, cash credits, running finances, etc.	-	-	1,800,000	1,800,000
<b>Off-balance sheet financial instruments - measured at fair value</b>				
- Forward purchase of foreign exchange	-	1,506,183	-	1,506,183
- Forward sale of foreign exchange	-	(1,674,810)	-	(1,674,810)
- Forward purchase of government securities	-	(330)	-	(330)
- Forward sale of government securities	-	(41,692)	-	(41,692)
- Derivatives purchases	-	689,531	-	689,531
- Derivatives sales	-	724,318	-	724,318
	<b>December 31, 2025 (Audited)</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>----- (Rupees in '000) -----</b>			
<b>On balance sheet financial instruments</b>				
<b>Financial assets - measured at fair value</b>				
Investments				
- Federal government securities	83,830,507	1,729,976,039	-	1,813,806,546
- Shares - listed companies	31,346,426	-	-	31,346,426
- Shares - unlisted companies	-	-	6,486,498	6,486,498
- REIT Fund - listed	1,039,847	-	-	1,039,847
- Non-government debt securities	-	3,799,050	-	3,799,050
- Foreign government securities	-	59,356,590	-	59,356,590
- Foreign equity securities	261,782	-	-	261,782
- Foreign preference shares - unlisted	-	-	560,308	560,308
- Foreign non-government debt securities	-	35,846,788	7,870,010	43,716,798
<b>Financial assets - disclosed but not measured at fair value</b>				
Investments - amortised cost	-	214,074,433	-	214,074,433
<b>Financial assets - measured at fair value</b>				
Advances				
- Loans, cash credits, running finances, etc.	-	-	1,800,000	1,800,000
<b>Off-balance sheet financial instruments - measured at fair value</b>				
- Forward purchase of foreign exchange	-	1,794,697	-	1,794,697
- Forward sale of foreign exchange	-	(1,815,628)	-	(1,815,628)
- Forward purchase of government securities	-	1,242,313	-	1,242,313
- Forward sale of government securities	-	(1,347,880)	-	(1,347,880)
- Derivatives purchases	-	839,754	-	839,754
- Derivatives sales	-	739,916	-	739,916

**39.2** The Bank's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date of the event or change in circumstances that caused the transfer, occurred. There were no transfers between levels 1 and 2 during the current period.

**39.3 Valuation techniques used in determination of fair values:**

**39.3.1 Fair value of financial assets**

**(a) Financial instruments in level 1**

Financial instruments included in level 1 comprise of investments in ordinary shares of listed companies, listed GoP Sukuks and listed non government debt securities.

**(b) Financial instruments in level 2**

Financial instruments included in level 2 comprise of Market Treasury Bills, Pakistan Investment Bonds, GoP Sukuks, GoP Euro Bonds, Overseas Government Sukuks, Overseas Bonds, Term Finance Certificates, and other than Government Sukuks, forward foreign exchange contracts, forward government securities contracts, cross currency swaps and interest rate swaps.

**(c) Financial instruments in level 3**

Financial instruments included in level 3 comprise of unlisted ordinary shares, unlisted preference shares, redeemable participating certificates and advances measured at fair value through profit and loss. Valuation techniques are mentioned in the table below.

For subsequent measurement of fair value of fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be reliably measured due to the absence of a current and active market for these assets and liabilities and lack of reliable data regarding market rates for similar instruments.

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

Certain categories of property and equipment (land and buildings) and non banking assets acquired in satisfaction of claims are carried at revalued amounts (level 3 measurement) determined by professional valuers based on their assessment of the market values as disclosed in notes 12 and 15. The valuations are conducted by the valuation experts appointed by the Bank which are also on the panel of the State Bank of Pakistan.

**39.3.3 Valuation techniques**

Item	Valuation approach and input used
Market Treasury Bills (MTB) / Pakistan Investment Bonds (PIB), and GoP Sukuks (GIS) including their forward contracts	The fair value of MTBs and PIBs is derived using PKRV rates. Floating rate PIBs are revalued using PKFRV rates. The fair value of GoP sukuks listed on the Pakistan Stock Exchange is determined through closing rates of the Pakistan Stock Exchange. The fair value of other GIS is revalued using PKISRV rates.
Overseas Sukuks, Overseas and GoP Euro Bonds	The fair value of overseas government sukuks, and overseas bonds is determined on the basis of price available on Bloomberg.
Debt Securities (TFCs and Sukuk other than Government)	Investment in sukuks, debt securities (comprising term finance certificates, bonds and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued based on the rates announced by the Mutual Funds Association of Pakistan in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.
Ordinary shares - listed	The fair value of investments in listed equity securities is determined on the basis of closing quoted market price available at the Pakistan Stock Exchange.
Ordinary shares - unlisted	The fair value of investments in unlisted equity securities is determined on the basis of income and market approach.
Preference shares - unlisted	The fair value of investment in unlisted preference shares is determined at market approach.
Foreign preference shares - unlisted	The fair value of investment in unlisted preference shares is determined at market approach.
Redeemable participating certificates	The fair value of investment in redeemable participating certificates is determined at net asset value.
Advances	The fair value of advances is determined on the basis of Discounted Cashflow Method (DCF) and transaction price.
Forward foreign exchange contracts	The valuation is determined by interpolating the FX revaluation rates announced by the SBP.
Derivative instruments	Derivatives that are valued using valuation techniques based on market observable inputs are mainly interest rate swaps and cross currency swaps. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations.

Item	Valuation approach and input used
Property and equipment and non banking assets acquired in satisfaction of claims	The valuation experts used a market based approach to determined the fair value of the Bank's properties. The market approach uses prices and other relevant information generated by market transactions involving identical, comparable or similar properties. These values are adjusted to reflect the current condition of the properties. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty; accordingly a qualitative disclosure of sensitivity has not been presented in these unconsolidated condensed interim financial statements.

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements of investment and advances (the valuation techniques are stated above):

Description	Fair value as at March 31, 2026 (Un-audited)	Fair value as at December 31, 2025 (Audited)	Unobservable inputs*	Discount rate	Relationship of unobservable inputs to fair value
------(Rupees in '000)-----					
Ordinary shares - unlisted (income approach)	6,425,633	6,346,498	Discount rate	13.93% - 20.00%	Increase / (decrease) in discount rate by 1% with all other variables held constant, would (decrease) / increase the fair value by Rs. 223.928 million and Rs. 249.716 million (December 31, 2025: Rs. 228.076 million and Rs. 254.481 million) respectively.
Ordinary shares - unlisted (market approach)	140,000	140,000	Transaction price	Not applicable	Not applicable
Foreign preference shares - unlisted	558,375	560,308	Transaction price	Not applicable	Not applicable
Redeemable participating certificates	7,657,936	7,870,010	Net asset value	Not applicable	Not applicable
Advances classified at FVPL	1,800,000	1,800,000	Transaction price	Not applicable	Not applicable

\* There were no significant inter-relationships between unobservable inputs that materially affect fair values.

The following table shows reconciliation of investments and advances Level 3 fair value movement:

	March 31, 2026 (Un-audited)		December 31, 2025 (Audited)	
	Investments	Advances	Investments	Advances
------(Rupees in '000)-----				
Opening balance	14,916,816	1,800,000	11,148,236	1,413,735
Impact of adoption of IFRS 9	-	-	3,133,601	-
Balance as at January 01 after adopting IFRS 9	14,916,816	1,800,000	14,281,837	1,413,735
Additions / (disposals) / transfers - net	-	-	37,626	386,265
Remeasurement recognised in OCI or profit and loss / adjustments	(134,872)	-	597,353	-
Closing balance	<u>14,781,944</u>	<u>1,800,000</u>	<u>14,916,816</u>	<u>1,800,000</u>

40 SEGMENT INFORMATION

40.1 Segment details with respect to Business Activities

For the quarter ended March 31, 2026 (Un-audited)									
	Retail	Corporate	Islamic (Domestic)	Treasury	Digital	Overseas	Others**	Elimination	Total

(Rupees in '000)

Unconsolidated statement of profit and loss account

Net mark-up / return/ profit*				1,838,757	(137,616)		(6,908)	-	34,501,205
Inter segment revenue - net	28,406,711	(2,563,074)	(98,618)	(23,889,431)	2,543,806	(191,259)	404,926	(1,793,061)	-
Non mark-up / return / interest income*	2,907,397	2,489,418	880,936	13,32,137	1,237,200	875,345	174,013	(3,026,442)	18,870,004
Total income / (loss)	21,541,356	4,873,928	8,176,356	16,857,808	3,643,390	2,525,843	572,031	(4,819,503)	53,371,209
Segment direct expenses	11,635,782	2,617,267	5,447,438	423,145	1,490,981	1,201,158	8,323,924	100,711	31,240,406
Inter segment expense allocation	5,175,567	436,351	1,606,632	365,392	693,736	256,300	(8,323,924)	(210,054)	-
Total expenses	16,811,349	3,053,618	7,054,070	788,537	2,184,717	1,457,458	-	(109,343)	31,240,406
Credit loss allowance / provision / (reversals)	(746,097)	(712,445)	(43,224)	22,779	75,713	(561,713)	572,031	-	(1,392,956)
Profit / (loss) before tax	5,476,104	2,532,755	1,165,510	16,046,492	1,382,960	1,630,098	-	(4,710,160)	23,523,759

As at March 31, 2026 (Un-audited)									
	Retail	Corporate	Islamic (Domestic)	Treasury	Digital	Overseas	Others**	Elimination	Total

(Rupees in '000)

Unconsolidated statement of financial position

Cash and bank balances	111,940,793	20,783,430	39,883,892	-	1,567,208	75,511,518	-	(2,276,775)	247,410,066
Investments	-	4,212,723	192,698,595	1,013,355,956	-	107,012,038	7,152,903	-	1,324,432,215
Inter segment lending - net	1,198,092,520	-	-	-	25,161,980	-	94,999,615	(1,318,254,115)	-
Lendings to financial institutions	-	-	45,982,719	139,393,100	-	9,421,164	-	(21,532,148)	173,264,835
Advances - performing	281,005,509	398,883,812	273,629,032	-	57,694	49,267,492	21,244,247	-	1,024,087,786
- non-performing	1,608,505	2,173,590	970,450	-	1,887	67,074	120,438	-	4,943,934
Others	29,051,212	70,000,596	61,701,775	23,132,855	11,044,320	8,681,232	71,664,288	(1,477,103)	263,859,175
<b>Total assets</b>	1,621,698,539	496,054,151	614,866,463	1,175,881,911	27,895,079	249,960,518	195,181,491	(1,343,540,141)	3,037,998,011
Borrowings	17,941,119	50,280,637	26,530,078	21,661,679	-	40,091,106	-	(23,770,656)	132,733,963
Subordinated debt	-	-	-	-	-	-	14,000,000	-	14,000,000
Deposits and other accounts	1,533,206,673	294,100,330	459,220,084	-	26,120,071	158,491,571	440,674	(59,158)	2,471,520,245
Inter segment borrowing - net	-	10,037,771	35,147,295	1,143,915,498	-	40,325,995	-	(1,319,706,559)	-
Others	70,550,747	51,355,413	90,043,607	6,155,605	1,775,008	11,094,771	642,627	(3,768)	231,614,010
<b>Total liabilities</b>	1,621,698,539	496,054,151	610,941,064	1,171,732,782	27,895,079	250,003,443	15,083,301	(1,343,540,141)	2,849,868,218
<b>Net assets</b>	-	-	3,925,399	4,149,129	-	(42,925)	180,098,190	-	188,129,793
<b>Equity</b>	-	-	-	-	-	-	-	-	188,129,793
<b>Contingencies and commitments</b>	165,772,225	262,386,541	129,898,079	459,408,419	2,080	73,405,810	5,974,215	-	1,096,847,369

The segment unconsolidated condensed interim statement of profit and loss account illustrates revenue based on customer, channel, and product ownership. Consequently, revenue might appear in multiple segments since each one plays a role in capturing that income stream.

\* Net mark-up and non mark-up income includes Rs. 116.470 million and Rs. 145.107 million respectively of investment banking.

\*\* Others include head office related activities.

For the quarter ended March 31, 2025 (Un-audited)									
	Retail	Corporate	Islamic (Domestic)	Treasury	Digital	Overseas	Others**	Elimination	Total
	(Rupees in '000)								

#### Unconsolidated statement of profit and loss account

Net mark-up / return/ profit*	(10,966,656)	6,879,667	7,660,267	27,622,833	50,322	2,001,900	(120,137)	-	33,128,196
Inter segment revenue - net	28,919,753	(5,157,061)	(924,764)	(23,587,189)	1,670,328	(25,255)	32,126	(827,938)	-
Non mark-up / return / interest income*	2,898,598	1,935,278	773,209	4,121,951	888,061	1,158,982	88,011	(2,698,007)	9,166,083
Total income / (loss)	20,851,695	3,657,884	7,508,712	8,157,595	2,608,711	3,035,627	-	(3,525,945)	42,294,279
Segment direct expenses	10,345,505	3,993,421	4,760,337	386,482	1,388,235	1,152,775	5,351,343	-	27,378,098
Inter segment expense allocation	3,459,257	391,987	1,041,603	110,884	480,200	158,505	(5,351,343)	(291,093)	-
Total expenses	13,804,762	4,385,408	5,801,940	497,366	1,868,435	1,311,280	-	(291,093)	27,378,098
Credit loss allowance / provision / (reversals)	(748,861)	(263,312)	6,615	(10,734)	416	547,859	-	-	(468,017)
Profit / (loss) before tax	7,795,794	(464,212)	1,700,157	7,670,963	739,860	1,176,488	-	(3,234,852)	15,384,198

As at December 31, 2025 (Audited)									
	Retail	Corporate	Islamic (Domestic)	Treasury	Digital	Overseas	Others**	Elimination	Total
	(Rupees in '000)								

#### Unconsolidated statement of financial position

Cash and bank balances	114,772,469	23,282,861	43,641,957	-	1,055,051	72,926,386	-	(4,106,016)	251,572,708
Investments	-	4,231,473	191,490,875	1,838,754,223	-	131,750,554	7,219,555	-	2,173,446,680
Inter segment lending - net	1,192,755,432	-	-	-	16,145,573	-	77,542,282	(1,286,443,287)	-
Lending to financial institutions	-	-	10,451,855	25,924,801	-	6,136,549	-	(22,838,913)	19,674,292
Advances - performing	297,516,646	415,130,791	314,920,924	-	31,802	53,867,517	18,015,643	-	1,099,483,323
- non-performing	1,210,422	3,102,752	875,722	-	1,106	70,192	180,318	-	5,440,512
Others	27,864,357	65,007,826	54,276,576	13,247,278	1,134,402	5,725,031	113,074,938	(20,803)	280,309,605
Total assets	1,634,119,326	510,755,703	615,657,909	1,877,926,302	18,367,934	270,476,229	216,032,736	(1,313,409,019)	3,829,927,120

Borrowings	19,962,126	68,588,187	31,719,709	682,843,178	-	55,899,233	-	(26,884,551)	832,127,882
Subordinated debt	-	-	-	-	-	-	14,000,000	-	14,000,000
Deposits and other accounts	1,530,607,616	331,368,002	453,796,084	-	17,584,100	162,357,368	635,862	(140,933)	2,496,208,099
Inter segment borrowing - net	-	58,775,890	34,285,058	1,157,425,166	-	35,957,297	-	(1,286,443,411)	-
Others	83,549,584	52,023,624	90,711,541	20,967,174	783,834	14,519,738	27,463,712	59,876	290,079,083
Total liabilities	1,634,119,326	510,755,703	610,512,392	1,861,235,518	18,367,934	268,733,636	42,099,574	(1,313,409,019)	3,632,415,064
Net assets	-	5,145,517	16,690,784	-	-	1,742,593	173,933,162	-	197,512,056

Equity	157,527,579	258,330,744	117,941,930	591,870,733	3,123	60,808,181	6,101,256	-	1,192,583,546
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#### Contingencies and commitments

The segment unconsolidated condensed interim statement of profit and loss account illustrates revenue based on customer, channel, and product ownership. Consequently, revenue might appear in multiple segments since each one plays a role in capturing that income stream.

\* Net mark-up and non mark-up income includes Rs. 13.4,075 million and Rs. 188.638 million respectively of investment banking.

\*\* Others include head office related activities.

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

The Banks enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of 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 unconsolidated condensed interim financial statements are as follows:

	As at March 31, 2026 (Un-audited)				As at December 31, 2025 (Audited)					
	Directors/ CEO	Key management personnel	Subsidiaries	Associates	Other related parties	Directors/ CEO	Key management personnel	Subsidiaries	Associates	Other related parties
	(Rupees in '000)									
<b>Investments</b>										
Opening balance	-	-	1,300,000	1,177,606	7,146,806	-	-	2,505,217	1,177,606	2,823,188
Investment made during the period / year	-	-	-	-	-	-	-	300,000	-	825,072
Investment redeemed / disposed off during the period / year	-	-	-	-	-	-	-	(1,505,217)	-	(602,436)
Revaluation of investment during the period / year	-	-	-	-	79,135	-	-	-	-	3,663,310
Exchange adjustment	-	-	-	-	(1,933)	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	337,672
Closing balance	-	-	1,300,000	1,177,606	7,224,008	-	-	1,300,000	1,177,606	7,146,806
	(Rupees in '000)									
<b>Advances</b>										
Opening balance	8,359	1,033,415	-	-	1,214,849	11,225	971,469	-	-	1,052,432
Addition during the period / year	787	11,158	-	-	3,749,884	1,275	479,348	316,665	-	10,759,922
Repaid during the period / year	(628)	(39,720)	-	-	(4,135,608)	(4,141)	(418,586)	(316,665)	-	(10,999,369)
Transfer in / (out) - net	-	-	-	-	-	-	1,84	-	-	1,864
Closing balance	8,528	1,004,853	-	-	829,125	8,359	1,033,415	-	-	1,214,849
	(Rupees in '000)									
Credit loss allowance held against advances	7	572	-	-	2,433	5	459	-	-	2,487
	(Rupees in '000)									
<b>Other assets</b>										
Interest / mark-up accrued	5,435	97,593	-	-	13,986	5,303	89,704	-	-	46,590
Receivable from staff retirement fund	-	-	-	-	2,475,889	-	-	-	-	2,713,882
Prepayment / rent and other receivable	-	-	4,165	-	-	-	-	-	-	-
Advance against shares	-	-	-	-	55,343	-	-	-	-	55,343
Acceptances	-	-	-	-	3,095,688	-	-	-	-	2,727,155
Credit loss allowance against other assets	-	-	-	-	110	-	-	-	-	84
	(Rupees in '000)									
<b>Borrowings</b>										
Opening balance	-	-	-	-	7,872,733	-	-	-	-	2,464,030
Borrowings during the period / year	-	-	-	-	1,000,000	-	-	-	-	6,575,000
Settled during the period / year	-	-	-	-	(623,996)	-	-	-	-	(1,166,297)
Closing balance	-	-	-	-	8,248,737	-	-	-	-	7,872,733



	(Un-audited) March 31, 2026	(Audited) December 31, 2025
	----- (Rupees in '000) -----	
<b>42 CAPITAL ADEQUACY, LEVERAGE RATIO &amp; LIQUIDITY REQUIREMENTS</b>		
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	15,771,651	15,771,651
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	157,463,143	151,570,746
Eligible Additional Tier 1 (ADT 1) Capital	13,550,000	13,550,000
Total eligible tier 1 capital	171,013,143	165,120,746
Eligible tier 2 capital	33,037,941	47,473,682
Total eligible capital (tier 1 + tier 2)	204,051,084	212,594,428
<b>Risk weighted assets (RWAs):</b>		
Credit risk	915,782,145	981,244,262
Market risk	40,042,288	56,599,613
Operational risk	301,854,613	301,854,613
Total	1,257,679,046	1,339,698,488
Common equity tier 1 capital adequacy ratio	12.52%	11.31%
Tier 1 capital adequacy ratio	13.60%	12.33%
Total capital adequacy ratio	16.22%	15.87%
In line with Basel III capital adequacy guidelines, the following capital requirements are applicable to the Bank:		
Common Equity Tier 1 Capital Adequacy ratio	6.00%	6.00%
Tier 1 Capital Adequacy Ratio	7.50%	7.50%
Total Capital Adequacy Ratio	11.50%	11.50%
For Capital adequacy calculation, the Bank has adopted Standardised Approach for credit and market risk related exposures and Alternate Standardised Approach (ASA) for operational risk.		
<b>Leverage Ratio (LR):</b>		
Eligible tier-1 capital	171,013,143	165,120,746
Total exposures	3,628,863,649	4,137,781,046
Leverage ratio	4.71%	3.99%
<b>Liquidity Coverage Ratio (LCR):</b>		
Total high quality liquid assets	1,410,278,477	1,120,160,986
Total net cash outflow	726,773,285	621,924,548
Liquidity coverage ratio	194%	180%
<b>Net Stable Funding Ratio (NSFR):</b>		
Total available stable funding	1,906,788,180	1,916,051,651
Total required stable funding	1,286,269,131	1,365,278,952
Net stable funding ratio	148%	140%

**42.1** The Bank has opted for transition arrangement to phase in ECL impact as permitted by SBP vide BPRD Circular No. 03 of 2022 dated July 05, 2022. Had the transitional arrangement not applied, CAR and Leverage ratio would have been 16.35% and 4.67% respectively.

43 ISLAMIC BANKING BUSINESS

The Bank operates 448 Islamic banking branches (December 31, 2025: 450 branches) and 4 sub branches (December 31, 2025: 4 sub branch) as at March 31, 2026.

STATEMENT OF FINANCIAL POSITION

	Note	(Un-audited)	(Audited)
		March 31, 2026	December 31, 2025
------(Rupees in '000)-----			
<b>ASSETS</b>			
Cash and balances with treasury banks		33,934,104	37,659,354
Balances with other banks		5,949,788	5,982,603
Due from financial institutions		45,982,719	10,451,855
Investments	43.1	192,698,595	191,490,875
Islamic financing and related assets - net	43.3	274,599,482	315,796,646
Property and equipment		14,611,908	14,793,400
Right-of-use assets		10,882,237	11,252,656
Intangible assets		27,284	31,379
Deferred tax assets		335,673	-
Other assets		35,844,673	28,199,141
<b>Total assets</b>		<b>614,866,463</b>	<b>615,657,909</b>
<b>LIABILITIES</b>			
Bills payable		7,993,364	13,489,959
Due to financial institutions		26,530,078	31,719,709
Deposits and other accounts	43.4	459,220,084	453,796,084
Lease liabilities		13,803,554	13,850,737
Deferred tax liabilities		-	1,389,427
Other liabilities		68,246,689	61,981,418
<b>Total liabilities</b>		<b>575,793,769</b>	<b>576,227,334</b>
<b>NET ASSETS</b>		<b>39,072,694</b>	<b>39,430,575</b>
<b>REPRESENTED BY</b>			
Islamic banking fund		3,950,000	3,950,000
Surplus on revaluation of assets		3,925,401	5,145,516
Unappropriated / unremitted profit	43.5	31,197,293	30,335,059
		<b>39,072,694</b>	<b>39,430,575</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	43.6		
<b>PROFIT AND LOSS ACCOUNT</b>			
		(Un-audited)	
		Quarter ended	
		March 31, 2026	March 31, 2025
------(Rupees in '000)-----			
Profit / return earned on Islamic financing and related assets, investments and placements	43.7	13,327,885	14,385,099
Profit / return expensed on deposits and other dues expensed	43.8	5,113,847	6,724,832
Net profit / return		8,214,038	7,660,267
Fee and commission income		511,191	580,700
Foreign exchange income		332,433	174,691
(Loss) / gain on securities		(8,970)	11,802
Other income		46,282	6,016
Total other income		880,936	773,209
<b>Total income</b>		<b>9,094,974</b>	<b>8,433,476</b>
<b>OTHER EXPENSES</b>			
Operating expenses		7,000,926	5,746,064
Workers' welfare fund		52,013	55,377
Other charges		1,131	499
Total other expenses		7,054,070	5,801,940
Profit before credit loss allowance		2,040,904	2,631,536
(Reversal of) / credit loss allowance and write offs - net		(43,224)	6,615
<b>PROFIT BEFORE TAXATION</b>		<b>2,084,128</b>	<b>2,624,921</b>
Taxation		1,089,792	1,417,272
<b>PROFIT AFTER TAXATION</b>		<b>994,336</b>	<b>1,207,649</b>

March 31, 2026 (Un-audited)			December 31, 2025 (Audited)		
In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
------(Rupees in '000)-----					
Musharaka Placements		28,500,000	3,300,000	-	3,300,000
Bai Muajjal Receivables		17,483,043	7,151,892	-	7,151,892
		45,983,043	10,451,892	-	10,451,892
Less: Credit loss allowance					
Stage 1		(324)	(37)	-	(37)
		45,982,719	10,451,855	-	10,451,855

#### 43.1 Due from financial institutions

March 31, 2026 (Un-audited)			December 31, 2025 (Audited)		
In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
------(Rupees in '000)-----					
Musharaka Placements		28,500,000	3,300,000	-	3,300,000
Bai Muajjal Receivables		17,483,043	7,151,892	-	7,151,892
		45,983,043	10,451,892	-	10,451,892
Less: Credit loss allowance					
Stage 1		(324)	(37)	-	(37)
		45,982,719	10,451,855	-	10,451,855

#### 43.2 Investments

March 31, 2026 (Un-audited)				December 31, 2025 (Audited)			
Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value

By segment & type:

------(Rupees in '000)-----

##### Fair value through profit and loss

###### Federal Government Securities

Naya Pakistan Certificates

1,098,465	-	-	1,098,465	819,226	-	-	819,226
<b>Non Government Debt Securities</b>							
Sukuks - Unlisted							
200,000	-	-	200,000	200,000	-	-	200,000
1,298,465	-	-	1,298,465	1,019,226	-	-	1,019,226

##### Fair value through other comprehensive income

###### Federal Government Securities

Ijarah Sukuks

176,992,837	-	1,225,469	178,218,306	171,993,928	-	3,757,519	175,751,447
<b>Non Government Debt Securities</b>							
Sukuks - Unlisted							
210,000	-	6,713	216,713	210,000	-	12,577	222,577
177,202,837	-	1,232,182	178,435,019	172,203,928	-	3,770,096	175,974,024

##### Amortised cost

###### Federal Government Securities

Ijarah Sukuks

10,061,063	-	-	10,061,063	11,562,329	-	-	11,562,329
<b>Non Government Debt Securities</b>							
Sukuks - Unlisted							
2,933,303	(29,255)	-	2,904,048	2,964,553	(29,257)	-	2,935,296
12,994,366	(29,255)	-	12,965,111	14,526,882	(29,257)	-	14,497,625

##### Total investments

191,495,668	(29,255)	1,232,182	192,698,595	187,750,036	(29,257)	3,770,096	191,490,875
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#### 43.2.1 Particulars of credit loss allowance

March 31, 2026 (Un-audited)				December 31, 2025 (Audited)			
Expected Credit Loss			Total	Expected Credit Loss			Total
Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	

------(Rupees in '000)-----

Sukuks - Unlisted	10	-	29,245	29,255	12	-	29,245	29,257
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	(Un-audited) March 31, 2026	(Audited) December 31, 2025
	------(Rupees in '000)-----	
<b>43.3 Islamic financing and related assets</b>		
<b>Classified at amortised cost</b>		
Ijarah	35,952,698	32,770,564
Murabaha	3,170,025	3,246,212
Musharaka	25,755,414	32,629,281
Diminishing musharaka	60,947,800	61,674,894
Salam	1,509,237	2,112,663
Bai muajjal financing	59,906,286	92,491,363
Musawama financing	3,850,094	3,381,270
Tijarah financing	5,021,986	5,065,756
Islamic staff financing	7,025,116	6,792,797
SBP Islamic export refinance	138,580	219,933
Islamic long term finance facility plant & machinery	3,761,297	3,908,001
Islamic refinance renewable energy	2,001,096	2,094,011
Islamic temporary economic refinance facility (ITERF)	6,828,386	6,013,785
Naya Pakistan home financing	3,732,316	3,829,811
Islamic refinance facility for combating COVID	416,138	513,483
Refinance facility under bills discounting	15,012,470	19,963,186
Advances against Islamic assets	23,643,364	23,426,073
Inventory related to Islamic financing	20,235,242	20,448,546
Other Islamic modes	677,391	246,674
Gross Islamic financing and related assets	279,584,936	320,828,303
Less: Credit loss allowance against Islamic financings		
- Stage 1	(214,546)	(174,504)
- Stage 2	(111,557)	(102,911)
- Stage 3	(4,659,351)	(4,754,242)
	(4,985,454)	(5,031,657)
Islamic financing and related assets - net of credit loss allowance	274,599,482	315,796,646

43.4 Deposits	March 31, 2026 (Un-audited)			December 31, 2025 (Audited)		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	------(Rupees in '000)-----					

#### Customers

- Current deposits	228,189,854	10,689,979	238,879,833	188,638,484	10,589,367	199,227,851
- Savings deposits	113,702,422	4,266,284	117,968,706	121,084,970	4,244,446	125,329,416
- Term deposits	26,570,675	1,367,910	27,938,585	46,531,682	1,545,735	48,077,417
- Other deposits	3,678,106	2,183,411	5,861,517	4,389,201	2,351,777	6,740,978
	372,141,057	18,507,584	390,648,641	360,644,337	18,731,325	379,375,662

#### Financial Institutions

- Current deposits	1,418,570	25,582	1,444,152	531,640	77,213	608,853
- Savings deposits	3,488,291	-	3,488,291	21,011,569	-	21,011,569
- Term deposits	63,639,000	-	63,639,000	52,800,000	-	52,800,000
	68,545,861	25,582	68,571,443	74,343,209	77,213	74,420,422
	440,686,918	18,533,166	459,220,084	434,987,546	18,808,538	453,796,084

43.4.1 Current deposits include remunerative current deposits of Rs. 45,353.150 million (December 31, 2025: Rs. 40,186.585 million).

	(Un-audited) March 31, 2026	(Audited) December 31, 2025
	------(Rupees in '000)-----	
<b>43.5 Islamic banking business unappropriated profit</b>		
Opening balance	30,335,059	26,426,467
Impact of adopting IFRS 9	(132,891)	-
Balance at January 01 on adopting IFRS 9	30,202,168	26,426,467
Add: Islamic Banking profit before taxation for the period / year	2,084,128	8,649,730
Less: Taxation for the period / year	(1,089,792)	(4,744,336)
Add: Transfer from surplus on revaluation of assets to unappropriated profit - net	789	3,198
Closing balance	<u>31,197,293</u>	<u>30,335,059</u>

#### 43.6 Contingencies and commitments

- Guarantees	7,779,554	8,239,714
- Commitments	122,118,525	109,702,216
	<u>129,898,079</u>	<u>117,941,930</u>

(Un-audited)  
For the quarter ended

March 31, 2026	March 31, 2025
------(Rupees in '000)-----	

#### 43.7 Profit / return earned on Islamic financing and related assets, investments and placements

Profit earned on:		
- Islamic financing and related assets	7,321,148	4,667,331
- Investments	5,365,950	8,107,944
- Placements	640,787	1,609,824
	<u>13,327,885</u>	<u>14,385,099</u>

#### 43.8 Profit on deposits and other dues expensed

Deposits and other accounts	4,072,414	5,336,003
Due to financial institutions	556,957	672,740
Securities sold under repurchase agreements	-	160,914
Cost of foreign currency swaps against foreign currency deposits / borrowings	7,957	17,079
Finance charges on lease liability	458,829	455,315
Reward points / customer loyalty	17,690	82,781
	<u>5,113,847</u>	<u>6,724,832</u>

#### 43.9 PLS Pool Management- Islamic Banking Group (IBG)

##### 43.9.1 The pools, their key features and risk and reward characteristics.

The profit and loss sharing between the Rabbul Maal (depositor) and Mudarib (Bank - IBG) is based upon the underlying principles of Mudaraba, where the Bank also contributes its equity to general pool of funds, and becomes the capital provider.

Currently IBG is managing following pools:

- 1) General Pool for LCY Depositors
- 2) FCY Pool for Foreign Currency (USD, GBP, EURO, AED, SAR and CAD) depositors
- 3) Fls Pool for Treasury Purposes
- 4) IERS Pool for Islamic Export Refinance Scheme facilities
- 5) Special pool
- 6) PMRC Musharikah Pool

All the Mudaraba based remunerative deposits shall be considered as an investment from Rabbul Maal in the pool, along with IBG's own share of equity, which is also commingled in the pool. The applications of these funds are on Islamic financing and related assets, investments, and placements for generating profits to be shared among the depositors as per the weightage

The IERS pool is maintained as per the guideline under the SBP IERS Scheme.

The assets, liabilities, equities, income and expenses are segregated for each of the pool. No pool investment is intermingled with each other. All pools are usually exposed to general credit risk, asset ownership risk and profit rate risk of the underlying assets involved in pool.

	(Un-audited) March 31, 2026	(Audited) December 31, 2025
	------(Rupees in '000)-----	
43.9.2 Avenues / sectors where Mudaraba based deposits have been deployed.		
Agriculture, Forestry, Hunting and Fishing	43,886,682	75,774,258
Automobile and transportation equipment	2,201,943	1,743,505
Cement	1,683,706	2,144,732
Chemical and Pharmaceuticals	16,054,038	17,019,407
Construction	2,282,378	2,500,636
Electronics and electrical appliances	5,239,557	3,970,383
Food & Allied Products	10,693,339	10,728,000
Footwear and Leather garments	2,087,300	1,957,532
Glass and Ceramics	449,132	276,280
Individuals	59,911,807	54,682,606
Metal & Allied industries	3,918,399	4,911,797
Mining and Quarrying	387,564	375,590
Oil and Allied	2,247,578	4,659,434
Paper and Board	1,181,493	1,206,998
Plastic and Allied Industries	5,576,907	7,051,331
Power (electricity), Gas, Water, Sanitary	41,350,558	45,518,591
Services	5,496,952	5,568,205
Sugar	5,327,849	3,171,452
Technology and Related services	305,680	194,406
Textile	45,805,582	54,309,135
Transport, Storage and Communication	8,048,967	8,329,549
Wholesale and Retail Trade	9,203,548	9,547,435
Others	6,243,977	5,187,041
<b>Total gross islamic financing and related assets</b>	<b>279,584,936</b>	<b>320,828,303</b>
Total gross investments (cost)	191,495,668	187,750,036
Total islamic placements	45,983,043	10,451,892
<b>Total invested funds</b>	<b>517,063,647</b>	<b>519,030,231</b>

#### 43.9.3 The major components of Profit distribution and charging of the expenses.

Profit is distributed among the Mudaraba deposits on the basis of underlying principles of weightage mechanism which are announced before the beginning of the relevant period. Only direct attributable expenses such as depreciation on ijarah assets, brokerage, CIB Charges, bad debts write off on advances and loss on sale of investments etc are charged to the pool.

#### 43.9.4 The Bank managed the following general and specific pools during the period:

Remunerative Depositors' Pools	Profit rate and weightage announcement period	Profit rate return earned	Profit sharing ratio		Mudarib share (Rupees in '000)	Profit rate return distributed to remunerative deposits (savings and fixed)	Percentage of Mudarib share transferred through Hiba	Amount of Mudarib Share transferred through Hiba (Rupees in '000)
			Mudarib Share / Fee	Rabbul Maal Share				
<b>General Pools</b>								
PKR Pool	Monthly	9.22%	50.00%	50.00%	2,317,137	5.00%	2.78%	66,186
USD Pool	Monthly	4.41%	90.00%	10.00%	104,323	1.66%	8.59%	10,950
GBP Pool	Monthly	3.10%	90.00%	10.00%	18,929	2.33%	1.03%	147
EUR Pool	Monthly	7.09%	90.00%	10.00%	3,764	0.66%	2.82%	124
AED Pool	Monthly	5.61%	90.00%	10.00%	510	0.47%	0.00%	-
SAR Pool	Monthly	5.76%	90.00%	10.00%	251	0.30%	0.00%	-
CAD Pool	Monthly	5.57%	90.00%	10.00%	355	0.45%	0.00%	-

#### Specific Pools

Special Pool (Saving & TDRs)	Monthly	11.56%	17.50%	82.50%	595,726	9.67%	93.26%	555,581
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SBP Refinance Borrowing Pool	Profit rate and weightage announcement period	Profit rate return earned	Profit sharing ratio		Mudarib share (Rupees in '000)	Profit rate return distributed to remunerative deposits (savings and fixed)	Percentage of Mudarib share transferred through Hiba	Amount of Mudarib Share transferred through Hiba (Rupees in '000)
			Mudarib Share / Fee	Rabbul Maal Share				
Islamic Export Refinance (IERS/BD) Pool	Monthly	12.38%	92.48%	7.52%	797,536,387	Nil	0.00%	-

#### 44 AFGHANISTAN OPERATIONS

Bank Alfalah Limited maintains a two-branch presence in Afghanistan. The Board and the management of the Bank continue to closely monitor the evolving situation in Afghanistan which has been hampered due to the country's frozen reserves and uncertainty regarding international recognition which prevent normal flows in and out of Afghanistan. Consequently, the Bank has taken reserve against Afghanistan operations. The Bank remains focused on maintaining its control standards i.e. both onshore and through Head Office oversight.

During the year 2025, a non-binding indicative offer was received from Ghazanfar Bank, Afghanistan ("Ghazanfar Bank") to acquire the Bank's Afghanistan Operations (assets and liabilities). In this regard, during the period ended March 31, 2026, the Bank was granted an in-principle approval by the State Bank of Pakistan for Ghazanfar Bank to conduct due diligence. Further, the Central Bank of Afghanistan also accorded its approval to Ghazanfar Bank to commence due diligence.

#### 45 BANGLADESH OPERATIONS

In the year 2024, a non-binding indicative offer was received from Bank Asia Limited, Bangladesh ("Bank Asia") to acquire the Bank's Bangladesh Operations (assets and liabilities) and Bank Asia commenced due diligence after necessary regulatory approvals. The Board of Directors of Bank Alfalah Limited ("the Bank") had accorded its approval to sell the Bank's Bangladesh Operations to Bank Asia in the year 2025.

During the current period, shareholders of the Bank in the Annual General Meeting held on March 26, 2026 approved the sale of Bank's Bangladesh Operations to Bank Asia and shareholders of the Bank Asia also approved the transaction in their Extraordinary General Meeting held on April 12, 2026 subject to regulatory approvals and compliance with applicable laws, rules and regulations.

**46 NON-ADJUSTING EVENT**

The Board of Directors in its meeting held on April 23, 2026 has declared an interim cash dividend of 30% i.e. Rs. 1.50 per share for the quarter ended March 31, 2026 [March 31, 2025 (restated due to share split): Rs. 1.25 per share i.e. 25%]. These unconsolidated condensed interim financial statements do not include the effect of this appropriation which will be accounted for subsequent to the period end.

**47 DATE OF AUTHORISATION**

These unconsolidated condensed interim financial statements were authorised for issue on April 23, 2026 by the Board of Directors of the Bank.

**48 GENERAL**

**48.1** Comparative information has been re-classified, re-arranged, restated or additionally incorporated in these unconsolidated condensed interim financial statements, wherever necessary to facilitate comparison.

**President & Chief Executive Officer**

**Chief Financial Officer**

**Director**

**Director**

**Director**

**CONSOLIDATED  
CONDENSED INTERIM  
FINANCIAL STATEMENTS**  
QUARTER ENDED MARCH 31, 2026



# Consolidated Condensed Interim Statement of Financial Position

As at March 31, 2026

	Note	(Un-audited) March 31, 2026	(Audited) December 31, 2025
----- (Rupees in '000) -----			
<b>ASSETS</b>			
Cash and balances with treasury banks	7	222,296,774	227,583,076
Balances with other banks	8	25,391,583	24,109,552
Lendings to financial institutions	9	173,264,835	19,674,292
Investments	10	1,328,902,780	2,178,171,675
Advances	11	1,029,031,720	1,104,923,835
Property and equipment	12	71,410,453	71,295,025
Right-of-use assets	13	26,860,359	26,465,246
Intangible assets	14	1,708,986	1,728,936
Deferred tax assets		-	-
Other assets	15	164,178,197	181,133,531
<b>Total assets</b>		<b>3,043,045,687</b>	<b>3,835,085,168</b>
<b>LIABILITIES</b>			
Bills payable	16	39,837,408	56,957,969
Borrowings	17	132,733,963	832,127,882
Deposits and other accounts	18	2,471,030,623	2,495,388,928
Lease liabilities	19	33,640,313	32,573,375
Subordinated debt	20	14,000,000	14,000,000
Deferred tax liabilities	21	6,490,644	27,399,186
Other liabilities	22	154,654,013	176,427,279
<b>Total liabilities</b>		<b>2,852,386,964</b>	<b>3,634,874,619</b>
<b>NET ASSETS</b>		<b>190,658,723</b>	<b>200,210,549</b>
<b>REPRESENTED BY</b>			
Share capital		15,771,651	15,771,651
Reserves		43,286,775	42,366,356
Surplus on revaluation of assets	23	27,527,350	43,227,219
Unappropriated profit		104,072,947	98,845,323
		<b>190,658,723</b>	<b>200,210,549</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	24		

The annexed notes 1 to 47 form an integral part of these consolidated condensed interim financial statements.

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

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

For the quarter ended March 31, 2026

	Note	Quarter ended March 31, 2026	Quarter ended March 31, 2025
------(Rupees in '000)-----			
Mark-up / return / interest earned	26	74,042,517	95,123,561
Mark-up / return / interest expensed	27	39,533,328	61,966,207
Net mark-up / return / interest income		<u>34,509,189</u>	<u>33,157,354</u>
<b>NON MARK-UP / INTEREST INCOME</b>			
Fee and commission income	28	4,191,200	3,748,559
Dividend income		550,931	880,222
Foreign exchange income	29	2,794,083	2,143,675
Income from derivatives		299,374	1,102,480
Gain on securities	30	10,807,863	621,549
Net gain / (loss) on derecognition of financial assets measured at amortised cost		-	-
Share of (loss) / profit from associates		(34,363)	255,144
Other income	31	68,338	795,536
Total non-mark-up / interest income		<u>18,677,426</u>	<u>9,547,165</u>
Total income		<u>53,186,615</u>	<u>42,704,519</u>
<b>NON MARK-UP / INTEREST EXPENSES</b>			
Operating expenses	32	30,703,866	27,161,486
Workers' welfare fund	33	611,628	400,108
Other charges	34	6,469	5,901
Total non-mark-up / interest expenses		<u>31,321,963</u>	<u>27,567,495</u>
Profit before credit loss allowance / provisions		<u>21,864,652</u>	<u>15,137,024</u>
Reversal of credit loss allowance / provisions and write offs - net Extra ordinary / unusual items	35	(1,392,956)	(467,750)
		-	-
<b>PROFIT BEFORE TAXATION</b>		<u>23,257,608</u>	<u>15,604,774</u>
Taxation	36	12,271,397	8,532,085
<b>PROFIT AFTER TAXATION</b>		<u>10,986,211</u>	<u>7,072,689</u>
<b>Profit / (loss) attributable to:</b>			
Equity holders of the Holding Company		10,986,211	7,075,644
Non-controlling interest		-	(2,955)
		<u>10,986,211</u>	<u>7,072,689</u>
------(Rupees)-----			
<b>(Restated)</b>			
Basic and diluted earnings per share [adjusted for share split]	37	<u>3.48</u>	<u>2.24</u>

The annexed notes 1 to 47 form an integral part of these consolidated condensed interim financial statements.

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

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

For the quarter ended March 31, 2026

	Quarter ended March 31, 2026	Quarter ended March 31, 2025
	-----Rupees in '000)-----	
Profit after taxation for the period	10,986,211	7,072,689
<b>Other comprehensive (loss) / income</b>		
<b>Items that may be reclassified to the statement of profit and loss account in subsequent periods:</b>		
Effect of translation of net investment in foreign branches	(192,217)	(20,782)
Movement in surplus on revaluation of investments in debt securities classified as FVOCI - net of tax	(8,146,212)	(2,130,013)
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	(5,046,547)	(368,420)
Movement in share of (deficit) / surplus on revaluation of investments of associates - net of tax	(28,756)	(4,481)
	(13,413,732)	(2,523,696)
<b>Items that will not be reclassified to the statement of profit and loss account in subsequent periods:</b>		
Movement in surplus on revaluation of equity investments classified as FVOCI - net of tax	(2,022,992)	53,611
Movement in surplus on revaluation of property and equipment - net of tax	(18,096)	(18,844)
Movement in surplus on revaluation of non-banking assets - net of tax	(5,408)	(4,894)
	(2,046,496)	29,873
<b>Total comprehensive (loss) / income</b>	<u>(4,474,017)</u>	<u>4,578,866</u>
<b>Total comprehensive income / (loss) attributable to:</b>		
Equity holders of the Holding Company	(4,474,017)	4,581,821
Non-controlling interest	-	(2,955)
	<u>(4,474,017)</u>	<u>4,578,866</u>

The annexed notes 1 to 47 form an integral part of these consolidated condensed interim financial statements.

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

# Consolidated Condensed Interim Statement of Changes in Equity

For the quarter ended March 31, 2026

	Share capital	Capital reserves		Statutory reserve	Surplus / (deficit) on revaluation of			Unappropriated profit	Sub-total	Non controlling interest	Total
		Share premium	Exchange translation reserve		Investments	Property and equipment	Non banking assets				
(Rupees in '000)											
<b>Balance as at December 31, 2024 (audited)</b>	15,771,651	4,731,049	12,425,956	26,309,920	15,952,719	17,553,045	314,715	88,305,939	181,364,994	21,703	181,386,697
Impact of adoption of IFRS 9 - net of tax	-	-	-	-	1,503,916	-	-	(81,096)	1,422,820	-	1,422,820
<b>Balance as at January 01, 2025</b>	15,771,651	4,731,049	12,425,956	26,309,920	17,456,635	17,553,045	314,715	88,224,843	182,787,814	21,703	182,809,517
<b>Changes in equity for the quarter ended March 31, 2025</b>											
Profit / (loss) after taxation	-	-	-	-	-	-	-	7,075,644	7,075,644	(2,955)	7,072,689
Other comprehensive (loss) / income - net of tax	-	-	-	-	-	-	-	-	-	-	-
Effect of translation of net investment in foreign branches	-	-	(20,782)	-	-	-	-	-	(20,782)	-	(20,782)
Movement in surplus / (deficit) on revaluation of investments in debt securities classified as FVOCI - net of tax	-	-	-	-	(2,130,013)	-	-	-	(2,130,013)	-	(2,130,013)
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	-	-	-	-	(368,420)	-	-	-	(368,420)	-	(368,420)
Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax	-	-	-	-	53,611	-	-	-	53,611	-	53,611
Movement in share of surplus on revaluation of investments of associates - net of tax	-	-	-	-	(4,481)	-	-	-	(4,481)	-	(4,481)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	(18,844)	-	-	(18,844)	-	(18,844)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	(4,894)	-	(4,894)	-	(4,894)
Total other comprehensive (loss) / income - net of tax	-	-	(20,782)	-	(2,449,303)	(18,844)	(4,894)	-	(2,493,823)	-	(2,493,823)
Transfer to statutory reserve	-	-	-	704,010	-	-	-	(704,010)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(30,170)	(1,309)	31,479	-	-	-
Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	(45,261)	-	-	45,261	-	-	-
<b>Transactions with owners, recorded directly in equity</b>											
Final cash dividend for the year ended December 31, 2024 - 25%	-	-	-	-	-	-	-	(3,942,913)	(3,942,913)	-	(3,942,913)
<b>Closing balance as at March 31, 2025 (un-audited)</b>	15,771,651	4,731,049	12,405,174	27,013,930	14,962,071	17,504,031	308,512	90,730,304	183,426,722	18,748	183,445,470
<b>Changes in equity for the nine months period ended December 31, 2025</b>											
Profit after taxation	-	-	-	-	-	-	-	20,726,566	20,726,566	1,144	20,727,710
Other comprehensive (loss) / income - net of tax	-	-	-	-	-	-	-	-	-	-	-
Effect of translation of net investment in foreign branches	-	-	(3,913,493)	-	-	-	-	-	(3,913,493)	-	(3,913,493)
Movement in surplus on revaluation of investments in debt securities classified as FVOCI - net of tax	-	-	-	-	9,897,490	-	-	-	9,897,490	-	9,897,490
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	-	-	-	-	(2,971,638)	-	-	-	(2,971,638)	-	(2,971,638)
Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax	-	-	-	-	4,363,492	-	-	-	4,363,492	-	4,363,492
Movement in share of surplus on revaluation of investments of associates - net of tax	-	-	-	-	(14,875)	-	-	-	(14,875)	-	(14,875)
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-	502,165	502,165	-	502,165
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	(54,916)	-	-	(54,916)	-	(54,916)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	77,775	-	77,775	-	77,775
Total other comprehensive (loss) / income - net of tax	-	-	(3,913,493)	-	11,274,469	(54,916)	77,775	502,165	7,886,000	-	7,886,000
Transfer to statutory reserve	-	-	-	2,129,696	-	-	-	(2,129,696)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(92,402)	(1,411)	103,813	-	-	-
Transfer of revaluation surplus upon change in use - net of tax	-	-	-	-	-	6,020	(6,020)	-	-	-	-
Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	(740,910)	-	-	740,910	-	-	-
<b>Transactions with owners, recorded directly in equity</b>											
Derecognition of subsidiary on disposal	-	-	-	-	-	-	-	-	-	(19,892)	(19,892)
Interim cash dividend for the quarter ended March 31, 2025 - 25%	-	-	-	-	-	-	-	(3,942,913)	(3,942,913)	-	(3,942,913)
Interim cash dividend for the half year ended June 30, 2025 - 25%	-	-	-	-	-	-	-	(3,942,913)	(3,942,913)	-	(3,942,913)
Interim cash dividend for the nine months period ended September 30, 2025 - 25%	-	-	-	-	-	-	-	(3,942,913)	(3,942,913)	-	(3,942,913)
<b>Balance as at December 31, 2025 (audited)</b>	15,771,651	4,731,049	8,491,681	29,143,626	25,495,630	17,362,733	368,856	98,845,323	200,210,549	-	200,210,549
Impact of adoption of IFRS 9 - net of tax (note 4.1.1)	-	-	-	-	-	-	-	(346,314)	(346,314)	-	(346,314)
<b>Balance as at January 01, 2026 after adoption of IFRS 9</b>	15,771,651	4,731,049	8,491,681	29,143,626	25,495,630	17,362,733	368,856	98,499,009	199,864,235	-	199,864,235

# Consolidated Condensed Interim Statement of Changes in Equity

For the quarter ended March 31, 2026

	Capital reserves		Statutory reserve	Surplus / (deficit) on revaluation of			Unappropriated profit	Sub-total	Non controlling interest	Total	
	Share capital	Share premium		Exchange translation reserve	Investments	Property and equipment					Non banking assets
(Rupees in '000)											
<b>Balance brought forward</b>	15,771,651	4,731,049	8,491,681	29,143,626	25,495,630	17,362,733	368,856	98,499,009	199,864,235	-	199,864,235
<b>Changes in equity for the quarter ended March 31, 2026</b>											
Profit after taxation	-	-	-	-	-	-	-	10,986,211	10,986,211	-	10,986,211
Other comprehensive (loss) / income - net of tax	-	-	-	-	-	-	-	-	-	-	-
Effect of translation of net investment in foreign branches	-	-	(192,217)	-	-	-	-	-	(192,217)	-	(192,217)
Movement in surplus on revaluation of investments in debt securities classified as FVOCI - net of tax	-	-	-	-	(8,146,212)	-	-	-	(8,146,212)	-	(8,146,212)
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	-	-	-	-	(5,046,547)	-	-	-	(5,046,547)	-	(5,046,547)
Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax	-	-	-	-	(2,022,992)	-	-	-	(2,022,992)	-	(2,022,992)
Movement in share of deficit on revaluation of investments of associates - net of tax	-	-	-	-	(28,756)	-	-	-	(28,756)	-	(28,756)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	(18,096)	-	-	(18,096)	-	(18,096)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	(5,408)	-	(5,408)	-	(5,408)
Total other comprehensive (loss) / income - net of tax	-	-	(192,217)	-	(15,244,507)	(18,096)	(5,408)	-	(15,460,228)	-	(15,460,228)
Transfer to statutory reserve	-	-	-	1,112,636	-	-	-	(1,112,636)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(30,296)	(1,529)	31,825	-	-	-
Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	(400,033)	-	-	400,033	-	-	-
<b>Transactions with owners, recorded directly in equity</b>											
Final cash dividend for the year ended December 31, 2025 - 30%	-	-	-	-	-	-	-	(4,731,495)	(4,731,495)	-	(4,731,495)
<b>Closing balance as at March 31, 2026 (un-audited)</b>	<u>15,771,651</u>	<u>4,731,049</u>	<u>8,299,464</u>	<u>30,256,262</u>	<u>9,851,090</u>	<u>17,314,341</u>	<u>361,919</u>	<u>104,072,947</u>	<u>190,658,723</u>	<u>-</u>	<u>190,658,723</u>

The annexed notes 1 to 47 form an integral part of these consolidated condensed interim financial statements.

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

# Consolidated Condensed Interim Cash Flow Statement (Un-audited)

For the quarter ended March 31, 2026

	Note	Quarter ended	
		March 31, 2026	March 31, 2025
------(Rupees in '000)-----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		23,257,608	15,604,774
Less: Dividend income		(550,931)	(880,222)
Share of loss / (profit) from associates		34,363	(255,144)
		<u>22,741,040</u>	<u>14,469,408</u>
<b>Adjustments:</b>			
Net mark-up / return / interest income		(35,642,547)	(34,185,571)
Depreciation	32	1,659,795	1,406,088
Depreciation on right-of-use assets	32	1,192,973	1,111,356
Amortisation	32	107,162	99,340
Reversal of credit loss allowance / provisions and write offs - net	35	(1,392,956)	(467,750)
Unrealised loss on revaluation of investments classified as FVPL	30	1,809,976	890,284
Unrealised gain on advances classified as FVPL		-	(41,704)
Gain on sale of property and equipment - net	31	(13,648)	(19,934)
Gain on termination of leases - net	31	(51,474)	(12,411)
Staff loans - notional cost	32.1	1,125,937	704,893
Finance charges on leased assets	27	1,133,358	1,028,217
Workers' welfare fund		611,628	400,108
Charge for defined benefit plan	32.1	238,004	240,475
Charge for staff compensated absences	32.1	131,250	89,000
		<u>(29,090,542)</u>	<u>(28,757,609)</u>
		(6,349,502)	(14,288,201)
<b>Decrease / (increase) in operating assets</b>			
Lendings to financial institutions		(122,695,840)	9,216,237
Securities classified as FVPL		101,677,619	(31,678,269)
Advances		81,738,465	229,868,668
Other assets (excluding advance taxation and mark-up receivable)		12,026,423	(7,516,571)
		72,746,667	199,890,065
<b>(Decrease) / increase in operating liabilities</b>			
Bills payable		(17,120,561)	(12,879,843)
Borrowings		(702,798,997)	(84,594,944)
Deposits		(24,358,305)	(118,515,673)
Other liabilities (excluding current taxation and mark-up payable)		(23,376,719)	7,450,875
		<u>(767,654,582)</u>	<u>(208,539,585)</u>
		(701,257,417)	(22,937,721)
Mark-up / interest received		74,013,584	88,622,140
Mark-up / interest paid		(45,513,510)	(71,884,611)
Income tax paid		(10,869,759)	(11,879,352)
<b>Net cash used in operating activities</b>		<u>(683,627,102)</u>	<u>(18,079,544)</u>
<b>Balance carried forward</b>		<u>(683,627,102)</u>	<u>(18,079,544)</u>

# Consolidated Condensed Interim Cash Flow Statement (Un-audited)

For the quarter ended March 31, 2026

	Quarter ended	
	March 31, 2026	March 31, 2025
	------(Rupees in '000)-----	
<b>Balance brought forward</b>	(683,627,102)	(18,079,544)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net divestments in securities classified as FVOCI	717,558,701	36,761,129
Net investments in securities carried at amortised cost	(2,257,932)	(2,265,308)
Dividends received from associates	210,000	-
Dividends received from other investments	508,489	551,238
Investments in property and equipment and intangible assets	(1,918,469)	(3,969,360)
Proceeds from sale of property and equipment	67,567	23,702
Effect of translation of net investment in foreign branches	(245,158)	(20,782)
<b>Net cash generated from investing activities</b>	<b>713,923,198</b>	<b>31,080,619</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments of lease obligations against right-of-use assets	(1,602,115)	(1,397,851)
Dividend paid	(1,494)	(1,594,559)
<b>Net cash used in financing activities</b>	<b>(1,603,609)</b>	<b>(2,992,410)</b>
<b>Increase In cash and cash equivalents</b>	<b>28,692,487</b>	<b>10,008,665</b>
Cash and cash equivalents at beginning of the period	254,073,546	232,770,640
Effects of exchange rate changes on cash and cash equivalents	(391,233)	467,957
	253,682,313	233,238,597
Expected credit loss allowance on cash and cash equivalents - net	(47,636)	2,294
<b>Cash and cash equivalents at end of the period</b>	<b>38 282,327,164</b>	<b>243,249,556</b>

The annexed notes 1 to 47 form an integral part of these consolidated condensed interim financial statements.

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

# Notes to and Forming Part of the Consolidated Condensed Interim Financial Statements (Un-audited)

For the quarter ended March 31, 2026

## 1 STATUS AND NATURE OF BUSINESS

### 1.1 The "Group" consists of:

#### Holding Company : Bank Alfalah Limited, Pakistan

Bank Alfalah Limited (the Holding Company) is a banking company incorporated in Pakistan and is engaged in commercial banking and related services in Pakistan and overseas. The Holding Company's registered office is located at B. A. Building, I. I. Chundrigar Road, Karachi and its shares are listed on the Pakistan Stock Exchange. The Holding Company is engaged in banking services as described in the Banking Companies Ordinance, 1962. The Holding Company is operating through 1,179 branches (December 31, 2025: 1,178 branches) and 8 sub-branches (December 31, 2025: 8 sub-branches). Out of the 1,179 branches, 720 (December 31, 2025: 717) are conventional, 448 (December 31, 2025: 450) are Islamic, 10 (December 31, 2025: 10) are overseas and 1 (December 31, 2025: 1) is an offshore banking unit.

The Pakistan Credit Rating Agency Limited has reaffirmed the Holding Company's long-term rating of 'AAA' and short-term rating of 'A1+' with stable outlook as of June 28, 2025.

Subsidiary	Percentage of Holding	
	March 31, 2026	December 31, 2025
Alfalah Currency Exchange (Private) Limited	100.00%	100.00%

### 1.2 In addition, the Group maintains investments in the following:

#### Associates

Alfalah Insurance Company Limited	30.00%	30.00%
Sapphire Wind Power Company Limited	30.00%	30.00%
Alfalah Asset Management Limited	40.22%	40.22%

## 2 BASIS OF PRESENTATION

### 2.1 STATEMENT OF COMPLIANCE

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

- International Accounting Standard 34 "Interim Financial Reporting" and IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act, 2017;
- Provisions of, directives and notifications 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).

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

The SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for banking companies through BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. The SBP through BPRD Circular No. 04 of 2015 dated February 25, 2015 had deferred the applicability of Islamic Financial Accounting Standard-3 for Profit and Loss Sharing on Deposits (IFAS-3) issued by the Institute of Chartered Accountants of Pakistan (ICAP) and notified by the SECP, vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IFS). Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements.

The SECP through SRO 56(1)/2016 dated January 28, 2016, has directed that the requirements of IFRS 10, 'Consolidated financial statements' are not applicable in case of investments by companies in mutual funds established under Trust Deed structure. Accordingly, implications of IFRS 10 in respect of investment in mutual funds are not considered in these consolidated condensed interim financial statements.

Moreover, Alfalah Insurance Company Limited has deferred the application of IFRS 9 till January 01, 2027, which is the same as the effective date for the application of IFRS 17 - Insurance Contracts, as allowed by the SECP through S.R.O. 1336(I)/2025 dated July 23, 2025. Furthermore, Sapphire Wind Power Company Limited has been granted a partial exemption from the application of IFRS 9 till December 31, 2026 vide SECP S.R.O.25(I)/2026- dated January 06, 2026. Consequently, the requirements of IFRS 9 with respect to the application of Expected Credit Losses (ECL) on trade debts and other receivables due from Central Power Purchasing Agency (CPPA-G) have not been followed.

**2.1.1** The disclosures made in these consolidated condensed interim financial statements have been limited based on the format prescribed by the SBP through BPRD Circular Letter No. 02 dated February 09, 2023 and the requirements of International Accounting Standard 34, "Interim Financial Reporting". These do not include all the information and disclosures required for annual financial statements, and therefore should be read in conjunction with the annual audited consolidated financial statements of the Group for the year ended December 31, 2025.

#### **2.1.2 Basis of consolidation**

A subsidiary is an entity controlled by the Group. Control exists when the Group is exposed, or has rights, to variable returns from its investment with the investee and has the ability to affect those returns through its power over the investee.

These consolidated condensed interim financial statements incorporate the financial statements of subsidiaries from the date control commences until the date control ceases.

Profit or loss and each component of Other Comprehensive Income (OCI) is attributed to the equity holders of the Holding Company and to the Non-Controlling interests (NCI) even if it results in the NCI having a deficit balance.

Material intra-group balances and transactions with subsidiaries are eliminated.

A change in ownership of a subsidiary, without loss of control is accounted for as an equity transaction.

Non-controlling interests are that part of the net results of operations and of net assets of subsidiary which are not owned by the Holding Company. Material intra-group balances and transactions are eliminated.

Associates are those entities on which the Group has significant influence, but not control, over the financial and operating policies. Associates as well as investment in mutual funds established under trust structure are accounted for using the equity method.

**2.1.3** Key financial figures of the Islamic Banking branches are disclosed in note 43 to the unconsolidated condensed interim financial statements.

**2.1.4** The management of the Holding Company believes that there is no significant doubt on the Group Companies' or the Group's ability to continue as a going concern. Therefore, the consolidated condensed interim financial statements have been prepared on a going concern basis.

#### **2.2 Standards, interpretations of and amendments to published accounting and reporting standards that are effective in the current period:**

There are certain new and amended standards, issued by the International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Group's accounting periods beginning on or after January 01, 2026 but are considered not relevant or do not have any material effect on the Group's operations and are therefore not detailed in these consolidated condensed interim financial statements. The impact of application of Effective Interest Rate is disclosed in note 4.1 to these consolidated condensed interim financial statements.

The SECP through S.R.O. 742(1)/2025 dated April 16, 2025 has made IFRS 7 'Financial Instruments: Disclosures' applicable for banks from the annual reporting period beginning on or after January 01, 2026 resulting in certain additional disclosures in annual financial statements.

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

There are certain new and amended standards, issued by the International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Group's accounting periods beginning on or after January 01, 2027 but are considered not to be relevant or will not have any material effect on the Group's consolidated condensed interim financial statements except for:

- the new standard - IFRS 18 'Presentation and Disclosure in Financial Statements' (published in April 2024) with applicability date of January 01, 2027 by IASB. Application of IFRS 18 will impact the presentation of 'Statement of Profit and Loss Account' with certain additional disclosures as and when instructed by SBP in the consolidated condensed interim financial statements .

## 3 BASIS OF MEASUREMENT

### 3.1 Accounting convention

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

### 3.2 Functional and presentation currency

These consolidated condensed interim financial statements are presented in Pakistani Rupees, which is the Group's functional and presentation currency. The amounts are rounded off to the nearest thousand rupees except as stated otherwise.

## 4 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the annual audited consolidated financial statements of the Group for the year ended December 31, 2025 except for changes mentioned in note 4.1 to these consolidated condensed interim financial statements.

### 4.1 IFRS 9 - 'Financial Instruments'

#### 4.1.1

The Holding Company adopted IFRS 9 effective from January 01, 2024, except for certain relaxations and extensions issued by the SBP from time to time. The impacts of these relaxations and extensions were incorporated in the annual financial statements of the Group for the respective years ended December 31, 2024 and 2025, with the modified retrospective approach for restatement permitted under IFRS 9.

In addition, the SBP, in a separate instruction, SBPHOK-BPRD-RPD-BAF-834424 dated January 22, 2025, allowed an extension for application of the Effective Interest Rate (EIR) up to December 31, 2025. During the current period, in accordance with the aforementioned instruction, the Holding Company has applied EIR on the financial instruments appearing as at January 1, 2026, and the cumulative impact of application of EIR amounting to Rs. 346.314 million, net of tax, has been recorded as an adjustment to equity at the beginning of the current period with a corresponding impact on the unearned fee commission, income / mark-up accrued and payable.

#### 4.1.2

The SBP has directed the banks through its BPRD Circular Letter No.1 dated January 22, 2025 to continue applying the existing revenue recognition methodology for Islamic Operations, including the requirements of IFAS 1 and IFAS 2 until further instructions. Had IFRS 9 been adopted for revenue recognition related to Islamic financing, the profit after tax of the Holding Company would have been higher by Rs. 77.899 million and unappropriated profit of the Holding Company as at March 31, 2026 would have been higher by Rs. 156.959 million.

## 5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these consolidated condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses as well as in the disclosure of contingent liabilities. It also requires management to exercise judgment in application of its accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, if the revision affects only that period, or in the period of revision and in future periods if the revision affects both current and future periods.

The significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation were the same as those applied in the preparation of annual audited financial statements for the year ended December 31, 2025 except for matter related to IFRS 9 which have been disclosed in note 4.1 to these consolidated condensed interim financial statements.

## 6 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Group are consistent with those disclosed in the annual audited consolidated financial statements for the year ended December 31, 2025.

	Note	(Un-audited) March 31, 2026	(Audited) December 31, 2025
<b>7 CASH AND BALANCES WITH TREASURY BANKS</b>		----- (Rupees in '000) -----	
In hand			
- local currency		61,561,180	52,337,092
- foreign currency		6,909,465	5,198,304
		68,470,645	57,535,396
With State Bank of Pakistan in			
- local currency current accounts		59,621,328	81,033,076
- foreign currency current accounts		9,891,386	9,870,481
- foreign currency deposit accounts		16,015,434	16,191,056
		85,528,148	107,094,613
With other central banks in			
- foreign currency current accounts		64,152,476	59,377,172
- foreign currency deposit accounts		2,055,591	1,493,118
		66,208,067	60,870,290
With National Bank of Pakistan in local currency current account		2,101,658	2,044,071
Prize bonds		78,585	86,871
		222,387,103	227,631,241
Less: Credit loss allowance held against cash and balances with treasury banks		(90,329)	(48,165)
		<u>222,296,774</u>	<u>227,583,076</u>
Cash and balances with treasury banks - net of credit loss allowance			
		<u>222,296,774</u>	<u>227,583,076</u>
<b>8 BALANCES WITH OTHER BANKS</b>			
In Pakistan			
- in current accounts		11,032	11,898
Outside Pakistan			
- in current accounts		25,362,098	24,073,844
- in deposit accounts		32,129	32,014
		25,394,227	24,105,858
		25,405,259	24,117,756
Less: Credit loss allowance held against balances with other banks		(13,676)	(8,204)
		<u>25,391,583</u>	<u>24,109,552</u>
Balances with other banks - net of credit loss allowance			
		<u>25,391,583</u>	<u>24,109,552</u>
<b>9 LENDINGS TO FINANCIAL INSTITUTIONS</b>			
Call / clean money lendings		35,569,971	4,674,360
Repurchase agreement lendings (Reverse Repo)		137,695,840	15,000,000
	9.1	173,265,811	19,674,360
Less: Credit loss allowance held against lendings to financial institutions	9.1	(976)	(68)
		<u>173,264,835</u>	<u>19,674,292</u>
Lendings to financial institutions - net of credit loss allowance			
		<u>173,264,835</u>	<u>19,674,292</u>

March 31, 2026 (Un-audited)		December 31, 2025 (Audited)	
Lending	Credit loss allowance held	Lending	Credit loss allowance held

## 9.1 Lending to Financial Institutions - Particulars of credit loss allowance

(Rupees in '000)

<b>Domestic</b>					
Performing	Stage 1	167,195,840	947	18,300,000	49
<b>Overseas</b>					
Performing	Stage 1	6,069,971	29	1,374,360	19
<b>Total</b>		<b>173,265,811</b>	<b>976</b>	<b>19,674,360</b>	<b>68</b>

## 10 INVESTMENTS

### 10.1 Investments by type:

March 31, 2026 (Un-audited)				December 31, 2025 (Audited)			
Cost / Amortised cost	Credit loss allowance / Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / Amortised cost	Credit loss allowance / Provision for diminution	Surplus / (Deficit)	Carrying value

(Rupees in '000)

#### Fair value through profit and loss

<b>Federal Government Securities</b>								
- Market Treasury Bills	78,715,056	-	(68,956)	78,646,100	150,646,774	-	88,233	150,735,007
- Pakistan Investment Bonds	119,880,370	-	(687,098)	119,193,272	148,435,134	-	987,996	149,423,130
- Ijarah Sukuks	252,116	-	(1,356)	250,760	252,784	-	(674)	252,110
- Naya Pakistan Certificates	1,098,465	-	-	1,098,465	819,226	-	-	819,226
<b>Shares</b>								
- Ordinary Shares - Listed	4,574,912	-	(862,078)	3,712,834	4,885,433	-	255,065	5,140,498
<b>Non Government Debt Securities</b>								
- Term Finance Certificates	1,450,000	-	-	1,450,000	1,450,000	-	-	1,450,000
- Sukuks	423,776	-	-	423,776	422,444	-	1,332	423,776
<b>Foreign Securities</b>								
- Overseas Bonds - Sovereign	8,479,019	-	(5,660)	8,473,359	8,289,997	-	(9,657)	8,280,340
- Redeemable Participating Certificates	7,842,764	-	(184,828)	7,657,936	7,849,325	-	20,685	7,870,010
	222,716,478	-	(1,809,976)	220,906,502	323,051,117	-	1,342,980	324,394,097

#### Fair value through other comprehensive income

<b>Federal Government Securities</b>								
- Market Treasury Bills	36,341,942	-	(299,506)	36,042,436	499,822,811	-	2,662,370	502,485,181
- Pakistan Investment Bonds	561,860,487	-	7,279,695	569,140,182	754,796,065	-	24,089,203	778,885,268
- Ijarah Sukuks	176,992,837	-	1,225,469	178,218,306	210,939,890	-	5,225,757	216,165,647
- Government of Pakistan Euro Bonds	4,031,951	(571,217)	413,901	3,874,635	14,474,416	(1,770,177)	2,488,438	15,192,677
<b>Shares</b>								
- Ordinary Shares - Listed	12,956,640	-	7,414,739	20,371,379	13,929,483	-	12,276,445	26,205,928
- Ordinary Shares - Unlisted	1,319,050	-	5,246,583	6,565,633	1,319,050	-	5,167,448	6,486,498
- Preference Shares - Unlisted	25,000	(25,000)	-	-	25,000	(25,000)	-	-
<b>Non Government Debt Securities</b>								
- Term Finance Certificates	1,801,011	(98,315)	-	1,702,696	1,802,621	(99,924)	-	1,702,697
- Sukuks	306,511	(96,511)	6,713	216,713	306,511	(96,511)	12,577	222,577
<b>Foreign Securities</b>								
- Overseas Bonds - Sovereign	39,048,874	(24,374)	(1,009,428)	38,015,072	51,506,024	(28,329)	(401,445)	51,076,250
- Overseas Bonds - Others	33,618,939	(6,282)	(947,688)	32,664,969	36,111,967	(6,850)	(258,329)	35,846,788
- Equity Securities - Listed	266,031	-	(18,080)	247,951	266,966	-	(5,184)	261,782
- Preference Shares - Unlisted	558,375	-	-	558,375	560,308	-	-	560,308
<b>REIT Fund - listed</b>	1,024,889	-	(246,749)	778,140	1,034,094	-	5,753	1,039,847
	870,152,537	(821,699)	19,065,649	888,396,487	1,586,895,206	(2,026,791)	51,263,033	1,636,131,448
Balance carried forward	1,092,869,015	(821,699)	17,255,673	1,109,302,989	1,909,946,323	(2,026,791)	52,606,013	1,960,525,545

## 10.1 Investments by type:

March 31, 2026 (Un-audited)				December 31, 2025 (Audited)			
Cost / Amortised cost	Credit loss allowance / Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / Amortised cost	Credit loss allowance / Provision for diminution	Surplus / (Deficit)	Carrying value

(Rupees in '000)

Balance brought forward 1,092,869,015 (821,699) 17,255,673 1,109,302,989 1,909,946,323 (2,026,791) 52,606,013 1,960,525,545

### Amortised cost

#### Federal Government Securities

- Pakistan Investment Bonds	155,045,513	-	-	155,045,513	154,179,505	-	-	154,179,505
- Ijarah Sukuks	39,065,887	-	-	39,065,887	40,484,392	-	-	40,484,392

#### Non Government Debt Securities

- Term Finance Certificates	330,930	(24,711)	-	306,219	349,680	(24,714)	-	324,966
- Sukuks	2,933,303	(29,255)	-	2,904,048	2,964,553	(29,257)	-	2,935,296

#### Foreign Securities

- Overseas Bonds - Sovereign	15,559,929	(28,435)	-	15,531,494	12,685,594	(14,524)	-	12,671,070
	212,935,562	(82,401)	-	212,853,161	210,663,724	(68,495)	-	210,595,229

#### Associates (valued at equity method)

- Alfalah Insurance Company Limited	1,102,763	-	-	1,102,763	1,095,630	-	-	1,095,630
- Sapphire Wind Power Company Limited	4,370,278	-	-	4,370,278	4,629,023	-	-	4,629,023
- Alfalah Asset Management Limited	1,273,589	-	-	1,273,589	1,326,248	-	-	1,326,248
	6,746,630	-	-	6,746,630	7,050,901	-	-	7,050,901

#### Total investments

1,312,551,207 (904,100) 17,255,673 1,328,902,780 2,127,660,948 (2,095,286) 52,606,013 2,178,171,675

## 10.2 Particulars of assets and liabilities of associates

Associate	Country of incorporation	Percentage of holding	March 31, 2026 (Un-audited)				
			Assets	Liabilities	Revenue	Profit / (loss) for the period	Total Comprehensive income / (loss)

(Rupees in '000)

Alfalah Insurance Company Limited	Associate	Pakistan	30.00%	12,061,157	8,394,892	1,366,508	223,469	23,775
Sapphire Wind Power Company Limited	Associate	Pakistan	30.00%	14,401,806	641,446	413,681	(162,483)	(162,483)
Alfalah Asset Management Limited	Associate	Pakistan	40.22%	4,010,528	843,969	513,341	(130,944)	(130,944)

Associate	Country of incorporation	Percentage of holding	December 31, 2025 (Audited)		March 31, 2025 (Un-audited)		
			Assets	Liabilities	Revenue	Profit for the period	Total Comprehensive income

(Rupees in '000)

Alfalah Insurance Company Limited	Associate	Pakistan	30.00%	10,811,177	7,168,687	702,980	148,740	117,624
Sapphire Wind Power Company Limited	Associate	Pakistan	30.00%	15,124,169	501,326	579,191	472,757	472,757
Alfalah Asset Management Limited	Associate	Pakistan	40.22%	4,674,032	1,376,545	663,072	185,695	185,695

	(Un-audited) March 31, 2026	(Audited) December 31, 2025
	----- (Rupees in 000) -----	
<b>10.3 Investments given as collateral</b>		
- Market Treasury Bills	-	410,985,208
- Pakistan Investment Bonds	-	260,026,252
- Overseas Bonds	32,196,421	36,926,637
	<u>32,196,421</u>	<u>707,938,097</u>

**10.3.1** The market value of securities given as collateral is Rs. 31,031.399 million (December 31, 2025: Rs. 718,094.513 million).

	(Un-audited) March 31, 2026	(Audited) December 31, 2025
	----- (Rupees in 000) -----	
<b>10.4 Credit loss allowance / provision for diminution in value of total investments</b>		
<b>10.4.1</b> Opening balance	2,095,286	2,545,274
Impact of adoption of IFRS 9	-	60,074
Balance as at January 01 after adopting IFRS 9	<u>2,095,286</u>	<u>2,605,348</u>
Exchange and other adjustments	(3,463)	26,012
Charge / (reversals)		
Charge for the period / year	77,373	361,487
Reversals for the period / year	(18,976)	(372,998)
Reversal on disposals	(1,246,120)	(524,563)
	<u>(1,187,723)</u>	<u>(536,074)</u>
Closing Balance	<u>904,100</u>	<u>2,095,286</u>

**10.4.2** Particulars of credit loss allowance / provision against debt securities

**Category of classification**

		March 31, 2026 (Un-audited)		December 31, 2025 (Audited)	
		Outstanding amount	Credit loss allowance	Outstanding amount	Credit loss allowance
----- (Rupees in '000) -----					
<b>Domestic</b>					
Performing	Stage 1	656,250	42	706,250	47
Underperforming	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		<u>273,750</u>	<u>273,750</u>	<u>275,359</u>	<u>275,359</u>
		<u>930,000</u>	<u>273,792</u>	<u>981,609</u>	<u>275,406</u>
<b>Overseas</b>					
Performing	Stage 1	88,227,742	59,091	100,303,585	49,703
Underperforming	Stage 2	4,031,951	571,217	14,474,416	1,770,177
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
<b>Total</b>		<u>93,189,693</u>	<u>904,100</u>	<u>115,759,610</u>	<u>2,095,286</u>

**10.4.3** The market value of securities classified at amortised cost amounted to Rs. 211,475.338 million (December 31, 2025: Rs. 214,074.433 million).

## 11 ADVANCES

Note	Performing		Non Performing		Total	
	March 31, 2026	December 31, 2025	March 31, 2026	December 31, 2025	March 31, 2026	December 31, 2025
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	----- (Rupees in '000) -----					
<b>Classified at amortised cost</b>						
Loans, cash credits, running finances, etc.	731,823,388	762,898,168	38,235,273	41,006,331	770,058,661	803,904,499
Islamic financing and related assets	273,937,744	315,199,483	5,647,192	5,628,820	279,584,936	320,828,303
Bills discounted and purchased	24,178,504	26,060,353	539,899	900,622	24,718,403	26,960,975
	<u>1,029,939,636</u>	<u>1,104,158,004</u>	<u>44,422,364</u>	<u>47,535,773</u>	<u>1,074,362,000</u>	<u>1,151,693,777</u>
<b>Classified at FVPL</b>						
Loans, cash credits, running finances, etc.	1,800,000	1,800,000	-	-	1,800,000	1,800,000
Fair value adjustment on loans - FVPL	-	-	-	-	-	-
	<u>1,800,000</u>	<u>1,800,000</u>			<u>1,800,000</u>	<u>1,800,000</u>
Advances - gross	<u>1,031,739,636</u>	<u>1,105,958,004</u>	<u>44,422,364</u>	<u>47,535,773</u>	<u>1,076,162,000</u>	<u>1,153,493,777</u>
Credit loss allowance / provision against advances						
- Stage 1	11.4 (2,510,702)	(1,483,302)	-	-	(2,510,702)	(1,483,302)
- Stage 2	11.4 (914,404)	(835,423)	-	-	(914,404)	(835,423)
- Stage 3	11.4 -	-	(39,478,430)	(42,095,261)	(39,478,430)	(42,095,261)
- Specific	11.4 -	-	-	-	-	-
- General	11.4 (4,226,744)	(4,155,956)	-	-	(4,226,744)	(4,155,956)
	<u>(7,651,850)</u>	<u>(6,474,681)</u>	<u>(39,478,430)</u>	<u>(42,095,261)</u>	<u>(47,130,280)</u>	<u>(48,569,942)</u>
Advances - net of credit loss allowance / provision	<u>1,024,087,786</u>	<u>1,099,483,323</u>	<u>4,943,934</u>	<u>5,440,512</u>	<u>1,029,031,720</u>	<u>1,104,923,835</u>

- 11.1** Advances include an amount of Rs. 445.967 million (December 31, 2025: Rs. 423.653 million), being Employee Loan facilities allowed to Citibank, N.A, Pakistan's employees, which were either taken over by the Holding Company, or were granted afresh, under a specific arrangement executed between the Holding Company and Citibank, N.A, Pakistan. The said arrangement is subject to certain relaxations as specified vide SBP Letter BPRD/BRD/Citi/2017/21089 dated September 11, 2017.

The said arrangement covers only existing employees of Citibank, N.A, Pakistan, and the relaxations allowed by the SBP are on continual basis, but subject to review by the SBP's BID and OSED departments. These loans carry mark-up at the rates ranging from 13.24% to 33.31% (December 31, 2025: 13.79% to 33.69%) per annum with maturities up to July 2045 (December 31, 2025: July 2045).

	(Un-audited)	(Audited)
	March 31, 2026	December 31, 2025
<b>11.2 Particulars of advances (gross)</b>	----- (Rupees in '000) -----	
In local currency	982,629,414	1,038,968,318
In foreign currencies	93,532,586	114,525,459
	<u>1,076,162,000</u>	<u>1,153,493,777</u>

- 11.3** Advances include Rs. 44,422.364 million (December 31, 2025: Rs. 47,535.773 million) which have been placed under non-performing status as detailed below:

Category of classification in stage 3	March 31, 2026		December 31, 2025	
	(Un-audited)		(Audited)	
	Non-Performing Loans	Credit loss allowance /provision	Non-Performing Loans	Credit loss allowance /provision
	----- (Rupees in '000) -----			
<b>Domestic</b>				
Other Assets Especially Mentioned (OAEM)	215,396	-	156,345	366
Substandard	1,631,665	570,896	3,347,182	1,385,197
Doubtful	6,895,803	3,427,637	6,256,133	3,106,590
Loss	35,001,608	34,871,668	37,093,274	36,992,066
	<u>43,744,472</u>	<u>38,870,201</u>	<u>46,852,934</u>	<u>41,484,219</u>
<b>Overseas</b>				
Substandard	29,377	14,688	29,577	13,154
Doubtful	-	-	-	-
Loss	648,515	593,541	653,262	597,888
	<u>677,892</u>	<u>608,229</u>	<u>682,839</u>	<u>611,042</u>
Total	<u>44,422,364</u>	<u>39,478,430</u>	<u>47,535,773</u>	<u>42,095,261</u>

#### 11.4 Particulars of Credit loss allowance / provision against advances

	March 31, 2026 (Un-audited)				December 31, 2025 (Audited)							
	Expected Credit Loss		Total	General	Expected Credit Loss		Specific	General	Total			
	Stage 1	Stage 2			Stage 3	Stage 1				Stage 2	Stage 3	
Opening balance	1,483,302	835,423	42,095,261	-	4,155,956	48,569,942	2,232,954	1,388,083	38,440,559	587,690	4,237,082	46,886,368
Impact of adoption of IFRS 9	-	-	-	-	-	-	50,662	49,899	587,751	(587,690)	-	100,622
Balance as at January 01 after adopting IFRS 9	1,483,302	835,423	42,095,261	-	4,155,956	48,569,942	2,283,616	1,437,982	39,028,310	-	4,237,082	46,986,990
Exchange and other adjustments	(671)	-	(4,080)	-	(1,995)	(6,746)	867	-	(10,355)	-	(6,265)	(15,753)
Charge for the period / year	1,167,935	195,938	1,834,627	-	72,783	3,272,283	625,481	220,291	9,739,727	-	-	10,585,499
Reversals for the period / year	(158,967)	(79,695)	(4,143,040)	-	-	(4,381,702)	(1,480,219)	(878,247)	(5,277,165)	-	(74,861)	(7,710,492)
	1,008,968	116,243	(2,308,413)	-	72,783	(1,110,419)	(854,738)	(657,956)	4,462,562	-	(74,861)	2,875,007
Transfer	19,103	(37,262)	18,159	-	-	-	53,557	55,397	(108,954)	-	-	-
Amounts written off	-	-	(4,461)	-	-	(4,461)	-	-	(22,402)	-	-	(22,402)
Amounts charged off	-	-	(318,036)	-	-	(318,036)	-	-	(1,223,608)	-	-	(1,223,608)
Amounts charged off - agriculture financing	-	-	-	-	-	-	-	-	(25,746)	-	-	(25,746)
Reversal on derecognition of subsidiary	19,103	(37,262)	(304,338)	-	-	(322,497)	53,557	55,397	(1,380,710)	-	-	(1,271,756)
Closing balance	2,510,702	914,404	39,478,430	-	4,226,744	47,130,280	1,483,302	835,423	42,095,261	-	4,155,956	48,569,942

**11.4.1** The additional profit arising from availing the forced sales value (FSV) benefit - net of tax as at March 31, 2026 which is not available for distribution as either cash or stock dividend to shareholders / bonus to employees amounted to Rs. 22.185 million (December 31, 2025: Rs. 29,418 million).

**11.4.2** General provision includes:

- Provision held at overseas branches to meet the requirements of the regulatory authorities of the respective countries in which overseas branches operate; and
- Provision of Rs. 3,878,000 million (December 31, 2025: Rs. 3,878,000 million) against the high risk portfolio. The portfolio excludes GoP backed exposure, staff loans and loans secured against liquid collaterals.

**11.4.3** Although the Holding Company has made provision against its non-performing portfolio as per the category of classification of the loan, the Holding Company holds enforceable collateral in the event of recovery through litigation. These securities comprise of charge against various tangible assets of the borrower including land, building and machinery, stock in trade etc.

**11.5 Advances - particulars of credit loss allowance / provision against advances**

	March 31, 2026 (Un-audited)				December 31, 2025 (Audited)				Total			
	Expected Credit Loss		General	Specific	Expected Credit Loss		Specific	General				
	Stage 1	Stage 2			Stage 1	Stage 2				Stage 3		
Opening balance	1,483,302	835,423	42,095,261	-	4,155,956	48,569,942	2,232,954	1,388,083	38,440,559	587,690	4,237,082	46,886,368
Impact of adoption of IFRS 9 Balance as at January 01 after adopting IFRS 9	-	-	-	-	-	-	50,662	49,899	587,751	(587,690)	-	100,622
Exchange and other adjustments	(671)	-	(4,080)	-	(1,995)	(6,746)	867	-	(10,355)	-	(6,265)	(15,753)
New Advances	1,167,935	195,938	1,314,766	-	72,783	2,751,422	625,481	220,290	6,806,443	-	-	7,652,214
Due to credit deterioration	-	-	519,861	-	-	519,861	-	-	2,933,284	-	-	2,933,284
Advances derecognition or repaid / reversal	(136,498)	(109,999)	(4,124,881)	-	-	(4,371,378)	(703,271)	(541,415)	(5,400,513)	-	(74,861)	(6,720,060)
Transfer to stage 1	40,782	(40,782)	-	-	-	148,383	(83,450)	314,803	(231,353)	-	-	-
Transfer to stage 2	(21,235)	31,948	(10,713)	-	-	-	(11,376)	(110,123)	122,399	-	-	-
Transfer to stage 3	(444)	(28,428)	28,872	-	-	-	(776,948)	(336,831)	123,348	-	-	(990,431)
Changes in risk parameters	(22,469)	30,304	(18,159)	-	-	(10,324)	(801,181)	(602,559)	4,353,608	-	(74,861)	2,875,007
Amounts written off	1,028,071	78,981	(2,290,254)	-	72,783	(1,110,419)	(4,461)	-	(2,402)	-	-	(22,402)
Amounts charged off	-	-	(4,461)	-	-	(4,461)	-	-	(1,249,354)	-	-	(1,249,354)
Reversal on derecognition of subsidiary	-	-	(318,036)	-	-	(318,036)	-	-	-	-	-	-
Closing balance	2,510,702	914,404	39,478,430	-	4,226,744	47,130,280	1,483,302	835,423	42,095,261	-	4,155,956	48,569,942

**11.6 Particulars of charged-off loans/ advances / finances**

	March 31, 2026 (Un-audited)		December 31, 2025 (Audited)	
	No of borrowers	Rupees in '000	No of borrowers	Rupees in '000
<b>Corporate, Commercial and SME</b>				
Opening balance of charged-off	329	2,864,494	186	2,982,475
Charge-off during the period / year	-	-	165	174,416
Sub total	329	2,864,494	351	3,156,891
Recoveries made during the period / year against already charged-off cases				
	(3)	(65,226)	(22)	(292,397)
Closing balance of charged-offs	326	2,799,268	329	2,864,494

**11.7 Advances - Category of classification**

		March 31, 2026 (Un-audited)		December 31, 2025 (Audited)	
		Outstanding	Credit loss allowance /provision	Outstanding	Credit loss allowance /provision
----- (Rupees in '000) -----					
<b>Domestic</b>					
Performing	Stage 1	874,459,542	2,187,044	902,273,942	1,241,211
Underperforming	Stage 2	107,266,998	838,613	149,272,491	811,397
Non-Performing	Stage 3				
Other Assets Especially Mentioned (OAEM)		215,396	-	156,345	366
Substandard		1,631,665	570,896	3,347,182	1,385,197
Doubtful		6,895,803	3,427,637	6,256,133	3,106,590
Loss		35,001,608	34,871,668	37,093,274	36,992,066
General Provision		-	3,878,000	-	3,878,000
		1,025,471,012	45,773,858	1,098,399,367	47,414,827
<b>Overseas</b>					
Performing	Stage 1	45,932,785	323,658	51,382,054	242,091
Underperforming	Stage 2	4,080,311	75,791	3,029,517	24,026
Non-Performing	Stage 3				
Substandard		29,377	14,688	29,577	13,154
Doubtful		-	-	-	-
Loss		648,515	593,541	653,262	597,888
General Provision		-	348,744	-	277,956
		50,690,988	1,356,422	55,094,410	1,155,115
<b>Total</b>		<u>1,076,162,000</u>	<u>47,130,280</u>	<u>1,153,493,777</u>	<u>48,569,942</u>

	Note	(Un-audited)	(Audited)
		March 31, 2026	December 31, 2025
----- (Rupees in '000) -----			
<b>12 PROPERTY AND EQUIPMENT</b>			
Capital work-in-progress	12.1	4,725,697	4,777,691
Property and equipment	12.2	66,684,756	66,517,334
		<u>71,410,453</u>	<u>71,295,025</u>

**12.1 Capital work-in-progress**

Civil works	4,049,342	4,149,100
Equipment	658,287	620,749
Others	18,068	7,842
	<u>4,725,697</u>	<u>4,777,691</u>

**12.2** It includes land and buildings carried at revalued amount of Rs. 40,841.163 million (December 31, 2025: Rs. 40,808.896 million).

		(Un-audited) Quarter ended	
		March 31, 2026	March 31, 2025
		----- (Rupees in 000) -----	
<b>12.3</b>	<b>Additions to property and equipment</b>		
	The following additions were made to property and equipment during the period:		
	<b>Capital work-in-progress - net of transferred out for capitalisation</b>	(51,994)	2,089,244
	<b>Property and equipment</b>		
	Buildings on freehold land	67,218	1,915
	Buildings on leasehold land	54,377	773
	Leasehold improvements	748,936	68,208
	Furniture and fixtures	49,607	322,836
	Office equipments	702,875	1,140,602
	Vehicles	258,689	284,635
		1,881,702	1,818,969
	Total additions to property and equipment	<u>1,829,708</u>	<u>3,908,213</u>
<b>12.4</b>	<b>Disposals of property and equipment</b>		
	The net book values of property and equipment disposed off during the period are as follows:		
	Furniture and fixtures	8	233
	Office equipments	2,608	3,535
	Vehicles	51,303	-
	Total disposals of property and equipment	<u>53,919</u>	<u>3,768</u>
		(Un-audited) March 31, 2026	(Audited) December 31, 2025
		----- (Rupees in 000) -----	
<b>13</b>	<b>RIGHT-OF-USE ASSETS</b>	<b>Buildings</b>	<b>Buildings</b>
	<b>At January 01</b>		
	Cost	40,343,508	36,730,369
	Accumulated depreciation	(13,878,262)	(11,364,670)
	<b>Net carrying amount at January 01</b>	<u>26,465,246</u>	<u>25,365,699</u>
	Additions / renewals / amendments / (terminations) - net during the period / year	1,590,128	5,697,933
	Depreciation charge during the period / year	(1,192,973)	(4,564,692)
	Exchange rate adjustments	(2,042)	(1,225)
	Derecognition of subsidiary	-	(32,469)
	Closing net carrying amount	<u>26,860,359</u>	<u>26,465,246</u>
<b>14</b>	<b>INTANGIBLE ASSETS</b>		
	Capital work-in-progress / advance payment to suppliers	441,644	432,589
	Software	1,266,901	1,295,879
	Trademark & copyrights	441	468
		<u>1,708,986</u>	<u>1,728,936</u>
		(Un-audited) Quarter ended	(Un-audited) Quarter ended
		March 31, 2026	March 31, 2025
		----- (Rupees in 000) -----	
<b>14.1</b>	<b>Additions to intangible assets</b>		
	The following additions were made to intangible assets during the period:		
	Capital work-in-progress - net of transferred out for capitalisation	9,055	17,362
	Directly purchased	79,706	55,050
	Total additions to intangible assets	<u>88,761</u>	<u>72,412</u>
<b>14.2</b>	There were no disposal of intangible assets during the periods ended March 31, 2026 and March 31, 2025.		

	Note	(Un-audited) March 31, 2026	(Audited) December 31, 2025
------(Rupees in '000)-----			
<b>15 OTHER ASSETS</b>			
Income / mark-up accrued in local currency - net		58,300,769	60,144,782
Income / mark-up accrued in foreign currencies - net		2,790,246	2,971,667
Advances, deposits, advance rent and other prepayments		5,057,863	4,187,007
Advance taxation (payments less provisions)		-	1,802,088
Advance against subscription of share		55,343	55,343
Non-banking assets acquired in satisfaction of claims	15.1	7,530,303	7,541,885
Dividend receivable		42,442	-
Mark to market gain on forward foreign exchange contracts		1,506,183	1,794,697
Mark to market gain on derivatives		1,475,641	1,643,940
Stationery and stamps on hand		22,177	23,355
Defined benefit plan		2,475,889	2,713,892
Alternative Delivery Channel (ADC) settlement accounts	15.3	2,596,682	8,918,232
Due from card issuing banks		4,581,538	3,697,630
Accounts receivable		23,719,876	19,104,140
Claims against fraud and forgeries		118,162	122,736
Acceptances		34,860,608	45,736,218
Receivable against Government of Pakistan and overseas government securities		13,451	12,448
Receivable against marketable securities		7,451	1,054,801
Deferred cost on staff loans		23,624,598	23,828,039
Others		233,128	91,379
		<u>169,012,350</u>	<u>185,444,279</u>
Less: Credit loss allowance / provision held against other assets	15.2	<u>(5,442,172)</u>	<u>(4,920,297)</u>
Other assets (net of credit loss allowance / provision)		163,570,178	180,523,982
Surplus on revaluation of non-banking assets acquired in satisfaction of claims - net	15.1	608,019	609,549
Other assets - total		<u>164,178,197</u>	<u>181,133,531</u>

**15.1** The revalued amount of non-banking assets acquired in satisfaction of claims is Rs. 8,138.322 million (December 31, 2025: Rs. 8,151.434 million).

	Note	(Un-audited) March 31, 2026	(Audited) December 31, 2025
------(Rupees in '000)-----			
<b>15.2 Credit loss allowance / provision held against other assets</b>			
Impairment against overseas operations	15.2.2	3,607,119	3,762,351
Expected credit loss		630,980	32,456
Fraud and forgeries		118,162	122,736
Accounts receivable		870,394	772,498
Others		215,517	230,256
		<u>5,442,172</u>	<u>4,920,297</u>

**15.2.1 Movement in credit loss allowance / provision held against other assets**

Opening balance		4,920,297	4,709,539
Impact of adoption of IFRS 9		-	862
Balance as at January 01 after adopting IFRS 9		<u>4,920,297</u>	<u>4,710,401</u>
Exchange and other adjustments		-	(5,293)
Charge for the period / year		714,030	1,680,896
Reversals for the period / year		(191,906)	(192,536)
		522,124	1,488,360
Amount written off		(249)	(34,215)
Reversal on derecognition of subsidiary		-	(1,238,956)
Closing balance		<u>5,442,172</u>	<u>4,920,297</u>

**15.2.2** The Holding Company, in light of uncertain conditions in one of the countries where the Holding Company operates, holds an impairment of Rs. 3,607.119 million (December 31, 2025: Rs. 3,762.351 million) against the cross border risk.

**15.3** This represents settlement arising from channel transaction at the cut off date which were subsequently cleared.

	(Un-audited) March 31, 2026	(Audited) December 31, 2025
	----- (Rupees in '000) -----	
<b>16 BILLS PAYABLE</b>		
In Pakistan	39,004,816	55,189,647
Outside Pakistan	832,592	1,768,322
	<u>39,837,408</u>	<u>56,957,969</u>

## 17 BORROWINGS

### Secured

Borrowings from State Bank of Pakistan under:

Export Refinance Scheme	11,925,293	16,530,301
Long-Term Finance Facility	14,824,541	15,939,430
Financing Facility for Renewable Energy Projects	11,190,978	11,730,666
Financing Facility for Storage of Agriculture Produce (FFSAP)	714,212	750,932
Temporary Economic Refinance Facility (TERF)	25,364,928	22,080,355
Export Refinance under Bill Discounting	14,988,936	15,189,403
SME Asaan Finance (SAAF)	5,139,496	4,785,327
Refinance Facility for Combating COVID (RFCC)	547,397	688,185
Refinance and Credit Guarantee Scheme for Women Entrepreneurs	410,810	458,974
Modernization of Small and Medium Entities (MSMES)	1,914,452	2,105,849
Other refinance schemes	5,000	57,526
Repurchase agreement borrowings	-	639,717,757
	87,026,043	730,034,705

Repurchase agreement borrowings

29,670,690

67,541,995

### Total secured

116,696,733

797,576,700

### Unsecured

Call borrowings	4,048,241	20,988,165
Overdrawn nostro accounts	931,164	2,684,675
Borrowings of overseas branches	84,589	90,950
Others		
- Pakistan Mortgage Refinance Company	8,248,737	7,872,733
- Karandaaz Risk Participation	2,724,499	2,914,659
	16,037,230	34,551,182

### Total unsecured

132,733,963

832,127,882

## 18 DEPOSITS AND OTHER ACCOUNTS

March 31, 2026 (Un-audited)			December 31, 2025 (Audited)		
In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
----- (Rupees in '000) -----					

### Customers

- Current deposits	872,453,689	141,866,365	1,014,320,054	797,623,294	146,092,338	943,715,632
- Savings deposits	599,659,236	45,550,691	645,209,927	582,480,833	46,121,610	628,602,443
- Term deposits	461,565,810	94,538,162	556,103,972	489,942,118	91,166,717	581,108,835
- Others	41,023,679	10,128,128	51,151,807	32,836,812	11,027,005	43,863,817
	1,974,702,414	292,083,346	2,266,785,760	1,902,883,057	294,407,670	2,197,290,727

### Financial Institutions

- Current deposits	5,665,055	4,449,674	10,114,729	4,812,028	5,745,103	10,557,131
- Savings deposits	78,792,515	1,298,640	80,091,155	150,682,659	525,614	151,208,273
- Term deposits	89,261,364	9,375,005	98,636,369	98,246,000	8,272,581	106,518,581
- Others	4,491,592	10,911,018	15,402,610	6,972,358	22,841,858	29,814,216
	178,210,526	26,034,337	204,244,863	260,713,045	37,385,156	298,098,201
	<u>2,152,912,940</u>	<u>318,117,683</u>	<u>2,471,030,623</u>	<u>2,163,596,102</u>	<u>331,792,826</u>	<u>2,495,388,928</u>

**18.1** Current deposits include remunerative current deposits of Rs. 45,353.150 million (December 31, 2025: Rs. 40,186.585 million).

	Note	(Un-audited) March 31, 2026	(Audited) December 31, 2025
<b>19 LEASE LIABILITIES</b>			
------(Rupees in '000)-----			
Opening as at January 01		32,573,375	29,555,307
Additions / renewals / amendments / (terminations) - net		1,538,653	5,537,611
Finance charges		1,133,358	4,325,970
Lease payments including interest		(1,602,115)	(6,801,788)
Exchange rate / other adjustment		(2,958)	(805)
Derecognition of subsidiary		-	(42,920)
Closing net carrying amount		<u>33,640,313</u>	<u>32,573,375</u>
<b>19.1 Liabilities outstanding</b>			
Not later than one year		2,624,204	2,432,462
Later than one year and upto five years		14,290,899	13,307,140
Over five years		16,725,210	16,833,773
Total as at period / year end		<u>33,640,313</u>	<u>32,573,375</u>
<b>20 SUBORDINATED DEBT</b>			
Term Finance Certificates VI - Additional Tier-I (ADT-1)	20.1	7,000,000	7,000,000
Term Finance Certificates VIII - Additional Tier-I (ADT-1)	20.2	7,000,000	7,000,000
		<u>14,000,000</u>	<u>14,000,000</u>

#### 20.1 Term Finance Certificates VI - Additional Tier-I (ADT-1) - Quoted, Unsecured

The Holding Company issued listed, fully paid-up, rated, perpetual, unsecured, subordinated, non-cumulative and contingent convertible debt instruments in the nature of Term Finance Certificates (TFCs) issued as instruments of redeemable capital under Section 66 of the Companies Act, 2017 which qualify as Additional Tier 1 Capital (ADT 1) as outlined by the SBP under BPRD Circular No. 6 dated August 15, 2013. Summary of terms and conditions of the issue are:

Issue amount	Rs. 7,000,000,000
Issue date	March 2018
Maturity date	Perpetual
Rating	"AA+" (Double A plus) by the Pakistan Credit Rating Agency Limited.
Security	Unsecured
Ranking	Subordinated to all other indebtedness of the Holding Company including deposits but superior to equity.
Profit payment frequency	Payable semi-annually in arrears.
Redemption	Perpetual
Mark-up	For the period at end of which the Holding Company is in compliance with the Minimum Capital Requirement (MCR) and Capital Adequacy Ratio (CAR) requirements of the SBP, mark-up rate will be Base Rate + 1.50% with no step up feature.  Base Rate is defined as the six month KIBOR (ask side) prevailing on one (1) business day prior to the previous profit payment date.
Lock-in-clause	Mark-up will only be paid from the Holding Company's current year's earnings and if the Holding Company is in compliance of regulatory MCR and CAR requirements set by the SBP from time to time.
Loss absorber clause	In conformity with the SBP Basel III Guidelines, the TFCs shall, if directed by the SBP, be permanently converted into ordinary shares upon: (i) the CET 1 Trigger Event; (ii) the point of non-viability Trigger Event; or (iii) failure by the Holding Company to comply with the Lock-In Clause. The SBP will have full discretion in declaring the point of non-viability Trigger Event.
Call option	The Holding Company may, at its sole discretion, exercise a call option any time after five years from the issue date, subject to prior approval of the SBP and instrument is replaced with capital of the same and better quality.

## 20.2 Term Finance Certificates VIII - Additional Tier-I (ADT-1) - Quoted, Unsecured

The Holding Company issued Rs. 7,000 million of privately placed, listed, fully paid up, rated, perpetual, unsecured, subordinated, non-cumulative and contingent convertible debt instruments in the nature of Term Finance Certificates (TFCs) issued as instruments of redeemable capital under Section 66 of the Companies Act, 2017 which qualify as Additional Tier 1 Capital (ADT 1) as outlined by the SBP under BPRD circular No. 06 dated August 15, 2013. Summary of key terms and conditions of the issue are as follows:

Issue amount	Rs. 7,000,000,000
Issue date	December 2022
Maturity date	Perpetual
Rating	"AA+" (Double A plus) by the Pakistan Credit Rating Agency Limited.
Security	Unsecured
Ranking	Subordinated to all other indebtedness of the Holding Company including deposits but superior to equity.
Profit payment frequency	Payable semi-annually in arrears.
Redemption	Perpetual
Mark-up	For the period at end of which the Holding Company is in compliance with Minimum Capital Requirement (MCR) and Capital Adequacy Ratio (CAR) requirements of the SBP, mark-up rate will be Base Rate + 2.00% with no step up feature. Base Rate is defined as the six months KIBOR (Ask side) prevailing on one (1) business day prior to previous profit payment date.
Lock-in-clause	Mark-up will only be paid from the Holding Company's current year's earning and if the Holding Company is in compliance of regulatory MCR and CAR requirements set by the SBP from time to time.
Loss absorbency clause	In conformity with the SBP Basel III Guidelines, the TFCs shall, if directed by the SBP, be permanently converted into ordinary shares upon: (i) the CET 1 Trigger Event; (ii) the point of non-viability Trigger Event; or (iii) failure by the Holding Company to comply with the Lock-In Clause. The SBP will have full discretion in declaring the point of non-viability Trigger Event.
Call option	The Holding Company may, at its sole discretion, exercise call option any time after five years from the issue date, subject to prior approval of the SBP and instrument is replaced with capital of same and better quality.

## 21 DEFERRED TAX LIABILITIES

(Un-audited) March 31, 2026	(Audited) December 31, 2025
------(Rupees in '000)-----	

### Deductible Temporary Differences on:

- Credit loss allowance / provision against investments
- Credit loss allowance / provision against advances
- Modification of advances
- Credit loss allowance / provision against other assets
- Lease liabilities
- Credit loss allowance against balances with treasury banks
- Credit loss allowance against balances with other banks
- Credit loss allowance against lendings to financial institutions
- Unrealised (loss) / gain on FVPL investments
- Effective interest rate impact
- Workers' welfare fund
- Pre-commencement expenditures
- Others

(1,982,129)	(1,941,895)
(4,576,426)	(3,936,178)
(36,296)	(39,908)
(2,727,299)	(2,345,172)
(18,383,548)	(17,818,373)
(47,223)	(25,233)
(6,123)	(3,311)
(362)	110
(941,210)	382,680
(192,928)	-
(3,541,841)	(3,223,794)
(11,704)	(5,019)
(3,410)	-
(32,450,499)	(28,956,093)

### Taxable Temporary Differences on:

- Unrealised net gain on fair value of refinancing schemes
- Right-of-use assets
- Surplus on revaluation of FVOCI investments
- Surplus on revaluation of property and equipments
- Surplus on revaluation of non banking assets
- Exchange translation reserve
- Share of profit and other comprehensive income from associates
- Accelerated tax depreciation

231,831	568,625
13,984,269	13,741,757
10,679,096	27,596,824
2,485,284	2,467,187
246,100	240,693
3,485,378	3,538,319
2,895,892	3,054,114
4,933,293	5,147,760
38,941,143	56,355,279
6,490,644	27,399,186

22 OTHER LIABILITIES	Note	(Un-audited) March 31, 2026	(Audited) December 31, 2025
------(Rupees in '000)-----			
Mark-up / return / interest payable in local currency		18,845,474	26,959,506
Mark-up / return / interest payable in foreign currencies		1,991,274	1,823,824
Unearned fee commission and income on bills discounted and guarantees		4,839,990	5,092,375
Accrued expenses		25,546,916	25,616,958
Current taxation		3,589,045	-
Acceptances		34,860,608	45,736,218
Dividends payable		5,091,865	361,864
Mark to market loss on forward foreign exchange contracts		1,674,810	1,815,628
Mark to market loss on derivatives		61,792	64,270
Branch adjustment account		1,542	313,976
Provision for compensated absences		1,851,750	1,720,500
Payable against redemption of customer loyalty / reward points		1,701,631	1,616,879
Charity payable		141,662	131,931
Credit loss allowance / provision against off-balance sheet obligations	22.1	1,538,440	1,036,203
Security deposits against leases, lockers and others		22,893,439	20,362,311
Workers' welfare fund		8,786,441	8,174,813
Payable to vendors and suppliers		544,504	467,549
Advance payments		2,487,547	2,713,358
Margin deposits on derivatives		502,785	1,042,368
Payable to merchants (card acquiring)		1,453,252	1,275,006
Withholding taxes payable		5,476,028	5,267,418
Liability against share based payment		672,048	1,350,000
Trading liability		365,917	15,118,700
Others		9,735,253	8,365,624
		<u>154,654,013</u>	<u>176,427,279</u>

#### 22.1 Credit loss allowance / provision against off-balance sheet obligations

Opening balance	1,036,203	780,711
Impact of adoption of IFRS 9	-	2,714
Balance as at January 01 after adopting IFRS 9	1,036,203	783,425
Exchange and other adjustments	(216)	5,033
Charge for the period / year	714,030	449,783
Reversals for the period / year	(211,577)	(202,038)
	<u>502,453</u>	<u>247,745</u>
Closing balance	<u>1,538,440</u>	<u>1,036,203</u>

	Note	(Un-audited) March 31, 2026	(Audited) December 31, 2025
<b>23 SURPLUS ON REVALUATION OF ASSETS</b>		----- (Rupees in '000) -----	
Surplus / (deficit) on revaluation of:			
- Securities measured at FVOCI - debt	10.1	6,669,156	33,818,571
- Securities measured at FVOCI - equity	10.1	12,396,493	17,444,462
- Available for sale securities of associates		(15,270)	44,638
- Property and equipment		19,799,625	19,829,920
- Non-banking assets acquired in satisfaction of claims		608,019	609,549
		<u>39,458,023</u>	<u>71,747,140</u>
Less: Deferred tax on (liability on surplus) / asset on deficit on revaluation of:			
- Securities measured at FVOCI - debt		(3,467,549)	(17,585,031)
- Securities measured at FVOCI - equity		(6,446,176)	(9,071,120)
- Available for sale securities of associates		7,940	(23,212)
- Property and equipment		(2,485,284)	(2,467,187)
- Non-banking assets acquired in satisfaction of claims		(246,100)	(240,693)
		<u>(12,637,169)</u>	<u>(29,387,243)</u>
Derivatives deficit		1,471,867	1,806,920
Less: Deferred tax asset on derivative		(765,371)	(939,598)
		<u>706,496</u>	<u>867,322</u>
		<u>27,527,350</u>	<u>43,227,219</u>
<b>24 CONTINGENCIES AND COMMITMENTS</b>			
- Guarantees	24.1	218,452,338	222,502,386
- Commitments	24.2	854,581,102	946,267,531
- Other contingent liabilities	24.3.1	23,827,967	23,827,667
		<u>1,096,861,407</u>	<u>1,192,597,584</u>
<b>24.1 Guarantees:</b>			
Financial guarantees		6,394,400	6,702,626
Performance guarantees		78,749,575	76,529,645
Other guarantees		133,308,363	139,270,115
		<u>218,452,338</u>	<u>222,502,386</u>
<b>24.2 Commitments:</b>			
Documentary credits and short-term trade-related transactions			
- Letters of credit		262,118,893	239,313,344
Commitments in respect of:			
- forward foreign exchange contracts	24.2.1	509,389,982	467,011,416
- forward government securities transactions	24.2.2	30,443,045	165,504,849
- derivatives	24.2.3	20,464,104	24,504,558
- forward lending	24.2.4	25,059,000	42,777,444
Commitments for acquisition of:			
- property and equipment		5,053,573	4,985,058
- intangible assets		551,008	483,507
Commitments in respect of donations		1,501,497	1,687,355
		<u>854,581,102</u>	<u>946,267,531</u>
<b>24.2.1 Commitments in respect of forward foreign exchange contracts</b>			
Purchase		289,140,370	271,592,770
Sale		220,249,612	195,418,646
		<u>509,389,982</u>	<u>467,011,416</u>
<b>24.2.2 Commitments in respect of forward government securities transactions</b>			
Purchase		3,598,948	44,558,744
Sale		26,844,097	120,946,105
		<u>30,443,045</u>	<u>165,504,849</u>

	Note	(Un-audited) March 31, 2026	(Audited) December 31, 2025
----- (Rupees in '000) -----			
<b>24.2.3 Commitments in respect of derivatives</b>			
<b>Interest rate swaps</b>			
Purchase	25.1	11,584,862	15,364,164
Sale		-	-
		<u>11,584,862</u>	<u>15,364,164</u>
<b>Cross currency swaps</b>			
Purchase		-	-
Sale	25.1	8,879,242	9,140,394
		<u>8,879,242</u>	<u>9,140,394</u>
<b>Total commitments in respect of derivatives</b>		<u>20,464,104</u>	<u>24,504,558</u>

#### 24.2.4 Commitments in respect of forward lending

Undrawn formal standby facilities, credit lines and other commitments to lend

24.2.4.1	<u>25,059,000</u>	<u>42,777,444</u>
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24.2.4.1 These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Holding Company without the risk of incurring significant penalty or expense.

	(Un-audited) March 31, 2026	(Audited) December 31, 2025
----- (Rupees in '000) -----		
<b>24.3 Other contingent liabilities</b>		
24.3.1 Claims against the Bank not acknowledged as debts	<u>23,827,967</u>	<u>23,827,667</u>

These mainly represent counter claims filed by the borrowers for restricting the Holding Company from disposal of collateral assets (such as hypothecated / mortgaged / pledged assets kept as security) and damage to reputation. Based on legal advices and / or internal assessments, management is confident that the matters will be decided in the Holding Company's favour and the possibility of any outcome against the Holding Company is remote and accordingly no provision has been made in these consolidated condensed interim financial statements.

#### 24.4 Contingency for tax payable

There were no tax related contingencies other than as disclosed in note 36.1

### 25 DERIVATIVE INSTRUMENTS

Derivatives are a type of financial contract, the value of which is determined by reference to one or more underlying assets or indices. The major categories of such contracts include futures, swaps and options. Derivatives also include structured financial products that have one or more characteristics of forwards, futures, swaps and options.

#### 25.1 Product Analysis

	March 31, 2026 (Un-audited)					
	Interest Rate Swaps			Cross Currency Swaps		
	No. of contracts	Notional Principal	Mark to market gain -	No. of contracts	Notional Principal	Mark to market gain -
----- (Rupees in '000) -----						
<b>Counterparties With Banks for Hedging</b>	15	11,584,862	689,531	-	-	-
<b>With other entities Market making</b>	-	-	-	4	8,879,242	724,318
	<u>15</u>	<u>11,584,862</u>	<u>689,531</u>	<u>4</u>	<u>8,879,242</u>	<u>724,318</u>
	December 31, 2025 (Audited)					
	Interest Rate Swaps			Cross Currency Swaps		
	No. of contracts	Notional Principal	Mark to market gain -	No. of contracts	Notional Principal	Mark to market gain -
----- (Rupees in '000) -----						
<b>Counterparties With Banks for Hedging</b>	18	15,364,164	839,754	-	-	-
<b>With other entities Market making</b>	-	-	-	4	9,140,394	739,916
	<u>18</u>	<u>15,364,164</u>	<u>839,754</u>	<u>4</u>	<u>9,140,394</u>	<u>739,916</u>

	Note	(Un-audited)	
		Quarter ended	
		March 31, 2026	March 31, 2025
------(Rupees in '000)-----			
<b>26</b>	<b>MARK-UP/RETURN/INTEREST EARNED</b>		
	On:		
	a) Loans and advances	29,644,822	28,267,504
	b) Investments	39,336,564	64,696,459
	c) Lendings to financial institutions	856,061	766,929
	d) Balances with banks / financial institutions	55,098	74,268
	e) On securities purchased under resale agreements	4,149,972	1,318,401
		<u>74,042,517</u>	<u>95,123,561</u>
<b>26.1</b>	<b>Interest income (calculated using effective interest rate method) recognised on:</b>		
	Financial assets measured at amortised cost	41,154,847	
	Financial assets measured at FVOCI	29,027,954	
		<u>70,182,801</u>	
<b>27</b>	<b>MARK-UP/RETURN/INTEREST EXPENSED</b>		
	On:		
	a) Deposits	28,927,861	29,816,055
	b) Borrowings	3,198,870	4,415,165
	c) Securities sold under repurchase agreements	4,816,713	25,406,228
	d) Subordinated debt	436,248	544,700
	e) Cost of foreign currency swaps against foreign currency deposits / borrowings	924,290	408,313
	f) Leased assets	1,133,358	1,028,217
	g) Reward points / customer loyalty	95,988	347,529
		<u>39,533,328</u>	<u>61,966,207</u>
<b>27.1</b>	<b>Interest expense calculated using effective interest rate method:</b>		
	Other financial liabilities	<u>38,513,050</u>	
<b>28</b>	<b>FEE &amp; COMMISSION INCOME</b>		
	Branch banking customer fees	440,312	453,321
	Consumer finance related fees	177,491	193,939
	Card related fees (debit and credit cards)	791,420	619,734
	Credit related fees	139,100	113,340
	Investment banking fees	82,462	151,341
	Commission on trade	862,361	817,422
	Commission on guarantees	255,379	202,845
	Commission on cash management	16,387	15,615
	Commission on remittances including home remittances	355,640	85,041
	Commission on bancassurance	144,057	168,508
	Card acquiring business	115,919	256,456
	Wealth management fee	136,458	155,833
	Commission on Benazir Income Support Programme (BISP)	150,093	46,535
	Alternative Delivery Channel (ADC) settlement accounts	460,042	305,048
	Brokerage / commission Income	-	107,855
	Others	64,079	55,726
		<u>4,191,200</u>	<u>3,748,559</u>

	Note	(Un-audited)	
		Quarter ended	
		March 31, 2026	March 31, 2025
------(Rupees in '000)-----			
<b>29 FOREIGN EXCHANGE INCOME</b>			
Foreign exchange income		2,909,139	2,142,169
Foreign exchange (loss) / gain related to derivatives		(115,056)	1,506
		<u>2,794,083</u>	<u>2,143,675</u>
<b>30 GAIN ON SECURITIES</b>			
Realised gain	30.1	12,617,881	1,509,136
Unrealised loss - measured at FVPL	10.1	(1,809,976)	(890,284)
Unrealised (loss) /gain on trading liabilities - net		(42)	2,697
	30.2	<u>10,807,863</u>	<u>621,549</u>
<b>30.1 Realised gain on:</b>			
Federal government securities		12,170,252	1,312,407
Shares		340,398	32,073
Foreign Securities		107,231	164,656
		<u>12,617,881</u>	<u>1,509,136</u>
<b>30.2 Net gain / (loss) on financial assets / liabilities measured:</b>			
<b>At FVPL</b>			
Designated upon initial recognition		479,051	(296,788)
Mandatorily measured at FVPL		(184,828)	134,465
		294,223	(162,323)
Net gain on financial assets measured at FVOCI - Debt		10,513,640	783,872
		<u>10,807,863</u>	<u>621,549</u>
<b>31 OTHER INCOME</b>			
Rent on property		2,431	975
Gain on sale of property and equipment - net		13,648	19,934
Gain on FVPL loans / advances		-	41,704
Gain on termination of leases		51,474	12,411
Insurance premium of overseas branch recovered		-	719,128
Others		785	1,384
		<u>68,338</u>	<u>795,536</u>
<b>32 OPERATING EXPENSES</b>			
<b>Total compensation expense</b>	32.1	14,137,300	12,123,407
<b>Property expense</b>			
Rates and taxes		33,442	30,931
Utilities cost		1,044,154	852,151
Security (including guards)		680,373	531,450
Repair and maintenance (including janitorial charges)		684,281	565,059
Depreciation on right-of-use assets		1,192,973	1,111,356
Depreciation on non-banking assets acquired in satisfaction of claims		13,112	17,669
Depreciation on owned assets		394,216	305,976
		<u>4,042,551</u>	<u>3,414,592</u>
<b>Information technology expenses</b>			
Software maintenance		1,091,100	907,918
Hardware maintenance		401,463	282,208
Depreciation		460,153	435,426
Amortisation		107,162	99,340
Network charges		217,481	184,650
Consultancy and support services		37,826	22,340
		<u>2,315,185</u>	<u>1,931,882</u>
Balance carried forward		<u>20,495,036</u>	<u>17,469,881</u>

	(Un-audited)	
	Quarter ended	
	March 31, 2026	March 31, 2025
	------(Rupees in '000)-----	
Balance brought forward	20,495,036	17,469,881
<b>Other operating expenses</b>		
Directors' fees and allowances	66,000	39,840
Fees and allowances to Shariah Board	8,151	7,655
Legal and professional charges	262,192	109,925
Outsourced services costs	498,402	459,645
Travelling and conveyance	604,218	519,129
Clearing and custodian charges	78,036	55,010
Depreciation	792,314	647,017
Training and development	77,832	36,384
Postage and courier charges	161,349	112,481
Communication	1,051,471	903,796
Stationery and printing	672,425	572,165
Marketing, advertisement and publicity	2,727,555	3,759,746
Donations	180,000	40,901
Auditors' remuneration	71,139	65,943
Brokerage and commission	459,799	272,477
Entertainment	264,679	231,578
Repairs and maintenance	342,228	320,451
Insurance	639,770	573,453
Cash Handling charges	483,319	555,174
CNIC verification	217,884	170,813
Others	550,067	238,022
	10,208,830	9,691,605
	<u>30,703,866</u>	<u>27,161,486</u>

### 32.1 Total compensation expense

Managerial Remuneration		
i) Fixed	8,108,903	7,259,877
ii) Variable:		
a) Cash bonus / awards etc.	1,891,535	1,753,421
b) Bonus and awards in shares etc.	501,989	230,572
Charge for defined benefit plan	238,004	240,475
Contribution to defined contribution plan	330,226	276,992
Medical	805,842	672,099
Conveyance	929,906	811,036
Staff compensated absences	131,250	89,000
Staff life insurance	43,296	42,886
Staff welfare	24,770	17,277
Club subscription	2,082	7,188
Others	-	445
<b>Sub-total</b>	13,007,803	11,401,268
Sign-on Bonus	3,560	17,246
Staff loans - notional cost	1,125,937	704,893
<b>Grand Total</b>	<u>14,137,300</u>	<u>12,123,407</u>

### 33 WORKERS' WELFARE FUND

The Supreme Court of Pakistan vide its order dated November 10, 2016 has held that the amendments made in the law introduced by the Federal Government through the Finance Act, 2008 for the levy of Workers' Welfare Fund (WWF) on banks were not lawful. The Federal Board of Revenue has filed review petitions against this order, which are currently pending. A legal advice was obtained by the Pakistan Banking Association which highlights that consequent to filing of these review petitions, a risk has risen and the judgment is not conclusive until the review petitions are decided. Accordingly, the amount charged for WWF since 2008 has not been reversed.

	Note	(Un-audited)	
		Quarter ended	
		March 31, 2026	March 31, 2025
------(Rupees in '000)-----			
<b>34 OTHER CHARGES</b>			
Penalties imposed by the State Bank of Pakistan		1,901	5,901
Penalties imposed by other regulatory bodies		4,568	-
		<u>6,469</u>	<u>5,901</u>
<b>35 CREDIT LOSS ALLOWANCE / PROVISIONS AND WRITE OFFS - NET</b>			
Credit loss allowance / (reversal) against cash with treasury banks		42,289	(14,194)
Credit loss allowance against balance with other banks		5,315	7,187
Credit loss allowance against lending to financial institutions		908	7,144
(Reversal of) / credit loss allowance / provision against diminution in value of investments	10.4.1	(1,187,723)	78,687
Reversal of credit loss allowance / provision against loans & advances	11.4	(1,110,419)	(1,137,269)
Credit loss allowance against other assets		522,124	574,450
Credit loss allowance against off-balance sheet obligations	22.1	502,453	183,307
Credit loss allowance / write off - net		22,958	5,274
Recovery of written off / charged off bad debts		(190,861)	(172,336)
		<u>(1,392,956)</u>	<u>(467,750)</u>
<b>36 TAXATION</b>			
<b>Charge / (reversal) :</b>			
Current		15,827,523	10,594,850
Prior years		-	-
Deferred		(3,556,126)	(2,062,765)
		<u>12,271,397</u>	<u>8,532,085</u>
<b>36.1</b>	a)	The income tax assessments of the Holding Company have been finalised upto and including tax year 2025. In respect of tax years 2008, 2014, 2017, 2019 and 2021 to 2025, the tax authority has raised certain issues including default in payment of WWF, allocation of expenses to dividend and capital gains, dividend income from mutual funds not being taken under income from business and disallowance of leasehold improvements resulting in tax demand of Rs. 2,844.103 million (December 31, 2025: Rs. 2,844.103 million) net of relief provided in appeal. The Holding Company has filed appeals which are pending before the Commissioner Appeals and Tribunal. The management is confident that the matter will be decided in favour of the Holding Company and consequently has not made any provision in this respect.	
	b)	The Holding Company had received orders from a provincial tax authority for the periods from July 2011 to December 2020 wherein tax authority demanded sales tax on banking services and penalty amounting to Rs. 763.312 million (excluding default surcharge) by disallowing certain exemptions of sales tax on banking services and allegedly for short payment of sales tax. For periods from July 2011 to June 2014, appeals against the orders are pending before Commissioner Appeals whereas for periods from July 2014 to December 2020, SHC has remanded back the matter to the adjudicating authority.	
		The Holding Company has not made any provision against these orders and the management is of the view that these matters will be settled in the Holding Company's favour through appellate process.	
	c)	The Holding Company had received two different orders for the same accounting year 2016 from a tax authority wherein Sales tax, further tax and penalty amounting to Rs. 5.191 million and Rs. 8.601 million (excluding default surcharge) were demanded allegedly for non-payment of sales tax on certain transactions. Appeals against these orders are pending before Commissioner Appeals and Appellate Tribunal.	
		A similar order for the accounting years 2017 and 2018 was issued with tax demand of Rs. 11.536 million (excluding default surcharge) which is pending before Commissioner Appeals.	
		The Holding Company has not made any provision against these orders and the management is of the view that these matters will be favourably settled through appellate process.	
	d)	Certain other addbacks made by tax authorities for various assessment years, appeals against which are pending with the Commissioner of Inland Revenue (Appeals), Appellate Tribunal Inland Revenue (ATIR), High Court of Sindh and Supreme Court of Pakistan. The Holding Company has not made any provision against these orders and the management is of the view that these matters will be favourably settled through appellate process.	

	Note	(Un-audited) Quarter ended	
		March 31, 2026	March 31, 2025
		------(Rupees in '000)-----	
<b>37 BASIC AND DILUTED EARNINGS PER SHARE</b>			(Restated)
Profit for the period attributable to equity holders of the Holding Company		<u>10,986,211</u>	<u>7,075,644</u>
		------(Number of shares in '000)-----	
			(Restated)
Weighted average number of ordinary shares	37.1	<u>3,154,330</u>	<u>3,154,330</u>
		------(Rupees)-----	
			(Restated)
Basic and diluted earnings per share	37.1	<u>3.48</u>	<u>2.24</u>

**37.1** During the period the shareholders of the Holding Company in Annual General Meeting held on March 26, 2026 approved share split wherein the number of shares have been sub-divided into ratio of 2 for 1. Accordingly, issued and paid-up capital increased to 3,154,330,238 shares at face value of Rs. 5 per share.

**37.2** Diluted earnings per share has not been presented separately as the Holding Company does not have any convertible instruments in issue.

	Note	(Un-audited) Quarter ended	
		March 31, 2026	March 31, 2025
		------(Rupees in '000)-----	
<b>38 CASH AND CASH EQUIVALENTS</b>			
Cash and balances with treasury banks	7	222,387,103	219,799,832
Balances with other banks	8	25,405,259	14,946,223
Call / clean money lendings	9	35,569,971	9,658,120
Overdrawn nostro accounts	17	(931,164)	(1,135,018)
Less: Expected credit loss		(104,005)	(19,601)
		<u>282,327,164</u>	<u>243,249,556</u>

### 39 FAIR VALUE MEASUREMENTS

Fair value measurement defines fair value as the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of quoted securities other than those classified as amortised cost, is based on quoted market price. Quoted debt securities classified as amortised cost are carried at cost. The fair value of unquoted equity securities, other than investments in associates, is determined on the basis of valuation methodologies. The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

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

#### 39.1 Fair value of financial instruments

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

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

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

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

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

	<b>March 31, 2026 (Un-audited)</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>On balance sheet financial instruments</b>	------(Rupees in '000)-----			
<b>Financial assets - measured at fair value</b>				
Investments				
- Federal government securities	87,229,971	899,234,185	-	986,464,156
- Shares - listed companies	24,084,213	-	-	24,084,213
- Shares - unlisted companies	-	-	6,565,633	6,565,633
- REIT Fund - listed	778,140	-	-	778,140
- Non-government debt securities	-	3,793,185	-	3,793,185
- Foreign government securities	-	46,488,431	-	46,488,431
- Foreign equity securities	247,951	-	-	247,951
- Foreign preference shares - unlisted	-	-	558,375	558,375
- Foreign non-government debt securities	-	32,664,969	7,657,936	40,322,905
<b>Financial assets - disclosed but not measured at fair value</b>				
Investments - amortised cost	-	211,475,338	-	211,475,338
<b>Financial assets - measured at fair value</b>				
Advances				
- Loans, cash credits, running finances, etc.	-	-	1,800,000	1,800,000
<b>Off-balance sheet financial instruments - measured at fair value</b>				
- Forward purchase of foreign exchange	-	1,506,183	-	1,506,183
- Forward sale of foreign exchange	-	(1,674,810)	-	(1,674,810)
- Forward purchase of government securities	-	(330)	-	(330)
- Forward sale of government securities	-	(41,692)	-	(41,692)
- Derivatives purchases	-	689,531	-	689,531
- Derivatives sales	-	724,318	-	724,318
	<b>December 31, 2025 (Audited)</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>On balance sheet financial instruments</b>	------(Rupees in '000)-----			
<b>Financial assets - measured at fair value</b>				
Investments				
- Federal government securities	83,830,507	1,730,127,739	-	1,813,958,246
- Shares - listed companies	31,346,426	-	-	31,346,426
- Shares - unlisted companies	-	-	6,486,498	6,486,498
- REIT Fund - listed	1,039,847	-	-	1,039,847
- Non-government debt securities	-	3,799,050	-	3,799,050
- Foreign government securities	-	59,356,590	-	59,356,590
- Foreign equity securities	261,782	-	-	261,782
- Foreign preference shares - unlisted	-	-	560,308	560,308
- Foreign non-government debt securities	-	35,846,788	7,870,010	43,716,798
<b>Financial assets - disclosed but not measured at fair value</b>				
Investments - amortised cost	-	214,074,433	-	214,074,433
<b>Financial assets - measured at fair value</b>				
Advances				
- Loans, cash credits, running finances, etc.	-	-	1,800,000	1,800,000
<b>Off-balance sheet financial instruments - measured at fair value</b>				
- Forward purchase of foreign exchange	-	1,794,697	-	1,794,697
- Forward sale of foreign exchange	-	(1,815,628)	-	(1,815,628)
- Forward purchase of government securities	-	1,242,313	-	1,242,313
- Forward sale of government securities	-	(1,347,880)	-	(1,347,880)
- Derivatives purchases	-	839,754	-	839,754
- Derivatives sales	-	739,916	-	739,916

**39.2** The Group's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date of the event or change in circumstances that caused the transfer, to occur. There were no transfers between level 1 and 2 during the current period.

**39.3 Valuation techniques used in determination of fair values:**

**39.3.1 Fair value of financial assets**

**(a) Financial instruments in level 1**

Financial instruments included in level 1 comprise of investments in ordinary shares of listed companies, listed GoP Sukuks, and listed non government debt securities.

**(b) Financial instruments in level 2**

Financial instruments included in level 2 comprise of Market Treasury Bills, Pakistan Investment Bonds, GoP Sukuks, GoP Euro Bonds, Overseas Government Sukuks, Overseas Bonds, Term Finance Certificates, and other than Government Sukuks, forward foreign exchange contracts, forward government securities contracts, cross currency swaps and interest rate swaps.

**(c) Financial instruments in level 3**

Financial instruments included in level 3 comprise of unlisted ordinary shares, unlisted preference shares, redeemable participating certificates and advances measured at fair value through profit and loss. Valuation techniques are mentioned in the table below.

For subsequent measurement of fair value of fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be reliably measured due to the absence of a current and active market for these assets and liabilities and lack of reliable data regarding market rates for similar instruments.

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

Certain categories of property and equipment (land and buildings) and non banking assets acquired in satisfaction of claims are carried at revalued amounts (level 3 measurement) determined by professional valuers based on their assessment of market values as disclosed in notes 12 and 15. The valuations are conducted by the valuation experts appointed by the Holding Company which are also on the panel of the State Bank of Pakistan.

**39.3.3 Valuation techniques**

Item	Valuation approach and input used
Market Treasury Bills (MTB) / Pakistan Investment Bonds (PIB), and GoP Sukuks (GIS) including their forward contracts	The fair value of MTBs and PIBs are derived using PKRV rates. Floating rate PIBs are revalued using PKFRV rates. The fair value of GoP sukuks listed on the Pakistan Stock Exchange has been determined through closing rates of the Pakistan Stock Exchange. The fair value of other GIS are revalued using PKISRV rates.
Overseas Sukuks, Overseas and GoP Euro Bonds	The fair value of overseas government sukuks, and overseas bonds are determined on the basis of price available on Bloomberg.
Debt Securities (TFCs and Sukuk other than Government)	Investment in sukuks, debt securities (comprising term finance certificates, bonds and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.
Ordinary shares - listed	The fair value of investments in listed equity securities are valued on the basis of closing quoted market price available at the Pakistan Stock Exchange.
Ordinary shares - unlisted	The fair value of investments in unlisted equity securities are valued on the basis of income and market approach.
Preference shares - unlisted	The fair value of investment in unlisted preference shares is determined at market approach.
Foreign preference shares - unlisted	The fair value of investment in unlisted preference shares is determined at market approach.
Redeemable participating certificates	The fair value of investment in redeemable participating certificates is determined at net asset value.
Advances	The fair value of advances is determined on the basis of Discounted Cashflow Method (DCF) and transaction price.
Forward foreign exchange contracts	The valuation is determined by interpolating the FX revaluation rates announced by the SBP.
Derivative instruments	Derivatives that are valued using valuation techniques based on market observable inputs are mainly interest rate swaps and cross currency swaps. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations.

Item	Valuation approach and input used
Property and equipment and non banking assets acquired in satisfaction of claims	The valuation experts use a market based approach to determined the fair value of the Group's properties. The market approach uses prices and other relevant information generated by market transactions involving identical, comparable or similar properties. These values are adjusted to reflect the current condition of the properties. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty; accordingly, a qualitative disclosure of sensitivity has not been presented in these consolidated condensed interim financial statements.

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements of investment and advances, (The valuation techniques are stated above):

Description	Fair value as at March 31, 2026 (Un-audited)	Fair value as at December 31, 2025 (Audited)	Unobservable inputs*	Discount Rate	Relationship of unobservable inputs to fair value
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----- (Rupees in '000) -----

Ordinary shares - unlisted (income approach)	6,425,633	6,346,498	Discount rate	13.93% - 20.00%	Increase / (decrease) in discount rate by 1% with all other variables held constant, would (decrease) / increase the fair value by Rs. 223.928 million and Rs. 249.716 million (December 31, 2025: Rs. 228.076 million and Rs. 254.481 million) respectively.
Ordinary shares - unlisted (market approach)	140,000	140,000	Transaction price	Not applicable	Not applicable
Foreign preference shares - unlisted	558,375	560,308	Transaction price	Not applicable	Not applicable
Redeemable participating certificates	7,657,936	7,870,010	Net asset value	Not applicable	Not applicable
Advances classified at FVPL	1,800,000	1,800,000	Transaction price	Not applicable	Not applicable

\* There were no significant inter-relationships between unobservable inputs that materially affect fair values.

The following table shows reconciliation of investments and advances Level 3 fair value movement:

	March 31, 2026 (Un-audited)		December 31, 2025 (Audited)	
	Investments	Advances	Investments	Advances
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Opening balance	14,916,816	1,800,000	11,148,236	1,413,735
Impact of adoption of IFRS 9	-	-	3,133,601	-
Balance as at January 01 after adopting IFRS 9	14,916,816	1,800,000	14,281,837	1,413,735
Additions / (disposals) / transfers - net	-	-	37,626	386,265
Remeasurement recognised in OCI or profit and loss / adjustments	(134,872)	-	597,353	-
Closing balance	<u>14,781,944</u>	<u>1,800,000</u>	<u>14,916,816</u>	<u>1,800,000</u>

40 SEGMENT INFORMATION

40.1 Segment details with respect to Business Activities

For the quarter ended March 31, 2026 (Un-audited)									
Retail	Corporate	Islamic (Domestic)	Treasury	Digital	Overseas	Subsidiary	Others**	Elimination	Total

(Rupees in '000)

Consolidated statement of profit and loss account

Net mark-up / return / profit*	4,947,584	8,214,038	29,418,102	(137,616)	1,838,757	7,984	(6,908)	-	34,509,189
Inter segment revenue - net	(2,563,074)	(918,618)	(25,889,431)	2,543,806	(191,259)	-	404,926	(1,793,061)	-
Non mark-up / return / interest income*	2,907,397	2,489,418	13,329,137	1,237,200	878,345	51,785	(70,350)	(3,026,442)	18,677,426
Total Income / (loss)	21,541,356	4,873,928	16,857,808	3,643,390	2,525,843	59,769	327,668	(4,819,503)	53,186,615
Segment direct expenses	11,635,782	2,617,267	5,447,438	423,145	1,490,918	1,201,158	81,557	8,323,924	31,321,963
Inter segment expense allocation	5,175,567	436,351	1,606,632	365,392	693,736	256,300	-	(210,054)	-
Total expenses	16,811,349	3,053,618	7,054,070	788,537	2,184,717	1,457,458	81,557	(103,343)	31,321,963
Credit loss allowance / provision / (reversals)	(746,097)	(712,445)	(43,224)	22,779	75,713	(561,713)	-	572,031	(1,392,956)
Profit / (loss) before tax	5,476,104	2,532,755	1,165,510	16,046,492	1,382,960	1,630,098	(21,788)	(4,710,160)	23,257,608

As at March 31, 2026 (Un-audited)

Retail	Corporate	Islamic (Domestic)	Treasury	Digital	Overseas	Subsidiary	Others**	Elimination	Total
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(Rupees in '000)

Consolidated statement of financial position

Cash and bank balances	111,940,793	20,783,430	39,883,892	1,567,208	75,511,518	762,688	-	(2,761,172)	247,688,357
Investments	1,198,092,520	4,212,723	192,698,595	1,013,355,956	107,012,038	201,541	11,421,927	-	1,328,902,780
Inter segment lending - net	-	-	-	25,161,980	-	-	94,995,615	(1,318,254,115)	-
Lendings to financial institutions	281,005,509	398,883,812	273,629,032	57,694	9,421,164	-	21,244,247	(21,532,148)	173,264,835
Advances - performing	1,608,505	2,173,590	970,450	3,877	67,074	-	120,438	-	1,024,087,786
- non-performing	29,051,212	70,000,596	61,701,775	23,132,855	8,681,232	318,151	71,166,428	-	4,943,934
Others	1,621,698,539	496,054,151	614,866,463	1,171,732,782	27,895,079	1,282,380	199,450,515	(1,344,043,869)	264,157,995
Total assets	17,941,119	50,280,637	26,530,078	21,661,679	40,091,106	-	14,000,000	(23,770,656)	132,733,963
Borrowings	1,533,206,673	294,100,330	459,220,084	26,120,071	158,491,571	-	440,674	(548,780)	14,000,000
Subordinated debt	-	100,317,771	35,147,295	-	40,325,995	-	-	(1,319,706,559)	2,471,030,623
Deposits and other accounts	70,550,747	51,255,413	90,043,607	6,155,605	11,094,771	126,582	3,538,519	(7,874)	234,622,378
Inter segment borrowing - net	1,621,698,539	496,054,151	610,941,064	1,732,782	27,895,079	250,003,443	17,979,193	(1,344,043,869)	2,852,386,964
Others	-	-	-	-	-	126,582	17,979,193	-	190,658,723
Total liabilities	-	-	-	-	(42,925)	1,155,798	181,471,322	-	-
Net assets	165,772,225	262,386,541	129,898,079	459,408,419	2,080	73,405,810	14,038	5,974,215	1,096,861,407
Equity	-	-	-	-	-	-	-	-	-

Contingencies and commitments

The segment unconsolidated condensed interim statement of profit and loss account illustrates revenue based on customer, channel, and product ownership. Consequently, revenue might appear in multiple segments since each one plays a role in capturing that income stream.									
* Net mark-up and non mark-up income includes Rs. 116.470 million and Rs. 145.107 million respectively of investment banking.									
** Others include head office related activities.									

For the quarter ended March 31, 2025 (Un-audited)										
	Retail	Corporate	Islamic (Domestic)	Treasury	Digital	Overseas	Subsidiaries	Others**	Elimination	Total

**Consolidated statement of profit and loss account**

Net mark-up / return/ profit*	(10,966,656)	6,879,667	7,660,267	27,622,833	50,322	2,001,900	29,158	(20,137)	-	33,157,354
Inter segment revenue - net	28,919,753	(5,157,061)	(924,764)	(23,587,189)	1,670,328	(125,255)	-	32,126	(827,938)	-
Non mark-up / return / interest income*	2,898,598	1,935,278	773,209	4,121,951	888,061	1,158,982	129,371	343,155	(2,701,440)	9,547,165
Total income / (loss)	20,851,695	3,657,884	7,508,712	8,157,595	2,608,711	3,035,627	158,529	255,144	(3,529,378)	42,704,519
Segment direct expenses	10,345,505	3,993,421	4,760,337	386,482	1,388,235	1,152,775	192,830	5,351,343	(3,433)	27,567,495
Inter segment expense allocation	3,459,257	391,987	1,041,603	10,884	480,200	158,505	-	(5,351,343)	(291,093)	-
Total expenses	13,804,762	4,385,408	5,801,940	497,366	1,868,435	1,311,280	192,830	-	(294,526)	27,567,495
Credit loss allowance / provision / (reversals)	(7,48,861)	(263,312)	6,615	(10,734)	416	547,859	264	-	3	(467,750)
Profit / (loss) before tax	7,795,794	(464,212)	1,700,157	7,670,963	739,860	1,176,488	(34,565)	255,144	(3,234,855)	15,604,774

As at December 31, 2025 (Audited)										
	Retail	Corporate	Islamic (Domestic)	Treasury	Digital	Overseas	Subsidiary	Others**	Elimination	Total

**Consolidated statement of financial position**

Cash and bank balances	114,772,469	23,282,861	43,641,957	-	1,055,051	72,926,386	863,905	-	(4,850,001)	251,692,628
Investments	-	4,231,473	191,490,875	1,838,754,223	16,145,573	131,750,554	151,700	11,792,850	-	2,178,171,675
Inter segment lending - net	1,192,755,432	-	-	25,924,801	-	6,136,549	-	77,542,282	(1,286,443,287)	-
Lendings to financial institutions	-	-	10,451,855	-	-	53,867,517	-	18,015,643	(22,838,913)	19,674,292
Advances - performing	297,516,646	415,130,791	314,920,924	-	31,802	-	-	-	-	1,099,483,323
- non-performing	1,210,422	3,102,752	875,722	-	1,106	70,192	-	180,318	-	5,440,512
Others	27,864,357	65,007,826	54,276,576	13,247,278	1,134,402	5,725,031	315,106	113,074,938	(22,776)	280,622,738
<b>Total assets</b>	1,634,119,326	510,755,703	615,657,909	1,877,926,302	18,367,934	270,476,229	1,330,711	220,606,031	(1,314,154,977)	3,835,085,168

Borrowings	19,962,126	68,588,187	31,719,709	682,843,178	-	55,899,233	-	-	(26,884,551)	832,127,882
Subordinated debt	-	-	-	-	-	-	-	-	-	14,000,000
Deposits and other accounts	1,530,607,616	331,368,002	453,796,084	-	17,584,100	162,357,368	-	14,000,000	(960,104)	2,495,388,928
Inter segment borrowing - net	-	58,775,890	34,285,058	1,157,425,166	-	35,957,297	-	635,862	(1,286,443,411)	-
Others	83,549,584	52,023,624	90,711,541	20,967,174	783,834	14,519,738	151,400	30,517,825	133,089	293,357,809
<b>Total liabilities</b>	1,634,119,326	510,755,703	610,512,392	1,861,235,518	18,367,934	268,733,636	151,400	45,153,687	(1,314,154,977)	3,634,874,619
<b>Net assets</b>	-	-	5,145,517	16,690,784	-	1,742,593	1,179,311	175,452,344	-	200,210,549
<b>Equity</b>	-	-	-	-	-	-	-	-	-	200,210,549
<b>Contingencies and commitments</b>	157,527,579	258,330,744	117,941,930	591,870,733	3,123	60,808,181	14,038	6,101,256	-	1,192,597,584

The segment unconsolidated condensed interim statement of profit and loss account illustrates revenue based on customer, channel, and product ownership. Consequently, revenue might appear in multiple segments since each one plays a role in capturing that income stream.

\* Net mark-up and non mark-up income includes Rs. 134.075 million and Rs. 188.638 million respectively of investment banking.

\*\* Others include head office related activities.

**RELATED PARTY TRANSACTIONS**

The Group has related party transactions with its associates, joint ventures, employee benefit plans, its directors, key management personnel and other related parties.

The Group 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 consolidated condensed interim financial statements are as follows:

	As at March 31, 2026 (Un-audited)				As at December 31, 2025 (Audited)			
	Directors/ CEO	Key management personnel	Associates	Other related parties	Directors/ CEO	Key management personnel	Associates	Other related parties
<b>Investments</b>								
Opening balance	-	-	7,050,901	7,146,806	-	-	6,925,737	2,923,188
Investment made during the period / year	-	-	-	-	-	-	-	825,072
Investment redeemed / disposed off during the period / year	-	-	-	-	-	-	-	(602,436)
Revaluation of investment during the period / year	-	-	-	79,135	-	-	-	3,663,310
Exchange adjustment	-	-	-	(1,933)	-	-	-	-
Equity method adjustment	-	-	(304,271)	-	-	-	125,164	-
Transfer in / (out) - net	-	-	-	-	-	-	-	337,672
Closing balance	-	-	6,746,630	7,224,008	-	-	7,050,901	7,146,806
<b>Advances</b>								
Opening balance	8,359	1,033,415	-	1,214,849	11,225	971,469	-	1,052,432
Addition during the period / year	797	11,158	-	3,749,884	1,275	479,348	-	10,759,922
Repaid during the period / year	(628)	(59,720)	-	(41,36,608)	(4,141)	(418,586)	-	(10,599,369)
Transfer in / (out) - net	-	-	-	-	-	1,184	-	1,864
Closing balance	8,528	1,004,853	-	829,125	8,359	1,033,415	-	1,214,849
Credit loss allowance held against advances	7	572	-	2,433	5	459	-	2,487
<b>Other Assets</b>								
Interest / mark-up accrued	5,435	97,593	-	13,986	5,303	89,704	-	46,590
Receivable from staff retirement fund	-	-	-	2,475,889	-	-	-	2,713,892
Advance against shares	-	-	-	55,343	-	-	-	55,343
Acceptances	-	-	-	3,095,688	-	-	-	2,727,155
Credit loss allowance against other assets	-	-	-	110	-	-	-	84
<b>Borrowings</b>								
Opening balance	-	-	-	7,872,733	-	-	-	2,464,030
Borrowings during the period / year	-	-	-	1,000,000	-	-	-	6,575,000
Settled during the period / year	-	-	-	(623,996)	-	-	-	(1,166,297)
Closing balance	-	-	-	8,248,737	-	-	-	7,872,733
<b>Deposits and other accounts</b>								
Opening balance	141,514	599,016	25,455,995	13,480,958	185,847	392,643	60,026,664	12,533,349
Received during the period / year	231,864	2,028,373	428,327,608	32,768,606	2,917,889	6,191,100	2,165,611,698	165,285,596
Withdrawn during the period / year	(274,175)	(1,26,782)	(434,143,205)	(32,049,044)	(2,962,222)	(5,944,527)	(2,200,182,367)	(165,291,009)
Transfer in / (out) - net	-	-	-	-	-	(40,200)	-	(46,978)
Closing balance	99,203	900,607	19,640,398	14,190,520	141,514	599,016	25,455,995	13,480,958



**42 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS**

(Un-audited)                      (Audited)  
**March 31,**                      **December 31,**  
**2026**                              **2025**  
 -----(Rupees in '000)-----

**Minimum Capital Requirement (MCR):**

Paid-up capital (net of losses)	15,771,651	15,771,651
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**Capital Adequacy Ratio (CAR):**

Eligible Common Equity Tier 1 (CET 1) Capital	159,993,124	154,240,500
Eligible Additional Tier 1 (ADT 1) Capital	13,550,000	13,550,000
Total eligible tier 1 capital	173,543,124	167,790,500
Eligible tier 2 capital	33,031,882	47,497,041
Total eligible capital (tier 1 + tier 2)	206,575,006	215,287,541

**Risk weighted assets (RWAs):**

Credit risk	942,569,439	1,011,521,641
Market risk	40,042,288	56,599,613
Operational risk	303,655,050	303,655,050
Total	1,286,266,777	1,371,776,304

Common equity tier 1 capital adequacy ratio	12.44%	11.24%
Tier 1 capital adequacy ratio	13.49%	12.23%
Total capital adequacy ratio	16.06%	15.69%

In line with Basel III capital adequacy guidelines, the following capital requirements are applicable to the Holding Company:

Common Equity Tier 1 Capital Adequacy ratio	6.00%	6.00%
Tier 1 Capital Adequacy Ratio	7.50%	7.50%
Total Capital Adequacy Ratio	11.50%	11.50%

For Capital adequacy calculation, the Holding Company has adopted Standardised Approach for credit and market risk related exposures and Alternate Standardised Approach (ASA) for operational risk.

**Leverage Ratio (LR):**

Eligible tier-1 capital	173,543,124	167,790,500
Total exposures	3,633,029,332	4,143,747,096
Leverage ratio	4.78%	4.05%

**Liquidity Coverage Ratio (LCR):**

Total high quality liquid assets	1,410,278,477	1,120,160,986
Total net cash outflow	726,773,285	621,924,548
Liquidity coverage ratio	194%	180%

**Net Stable Funding Ratio (NSFR):**

Total available stable funding	1,906,788,180	1,916,051,651
Total required stable funding	1,286,269,131	1,365,278,952
Net stable funding ratio	148%	140%

**42.1** The Holding Company has opted for transition arrangement to phase in ECL impact as permitted by SBP vide BPRD Circular No. 03 of 2022 dated July 05, 2022. Had the transitional arrangement not applied, CAR and Leverage ratio would have been 16.18% and 4.73% respectively.

#### **43 AFGHANISTAN OPERATIONS**

Bank Alfalah Limited maintains a two-branch presence in Afghanistan. The Board and the management of the Holding Company continue to closely monitor the evolving situation in Afghanistan which has been hampered due to the country's frozen reserves and uncertainty regarding international recognition which prevent normal flows in and out of Afghanistan. Consequently, the Holding Company has taken reserve against Afghanistan operations. The Holding Company remains focused on maintaining its control standards i.e. both onshore and through Head Office oversight.

During the year 2025, a non-binding indicative offer was received from Ghazanfar Bank, Afghanistan ("Ghazanfar Bank") to acquire the Holding Company's Afghanistan Operations (assets and liabilities). In this regard, during the period ended March 31, 2026, the Holding Company was granted an in-principle approval by the State Bank of Pakistan for Ghazanfar Bank to conduct due diligence. Further, the Central Bank of Afghanistan also accorded its approval to Ghazanfar Bank to commence due diligence.

#### **44 BANGLADESH OPERATIONS**

In the year 2024, a non-binding indicative offer was received from Bank Asia Limited, Bangladesh ("Bank Asia") to acquire the Holding Company's Bangladesh Operations (assets and liabilities) and Bank Asia commenced due diligence after necessary regulatory approvals. The Board of Directors of Bank Alfalah Limited ("the Holding Company") had accorded its approval to sell the Holding Company's Bangladesh Operations to Bank Asia in the year 2025.

During the current period, shareholders of the Holding Company in the Annual General Meeting held on March 26, 2026 approved the sale of Holding Company's Bangladesh Operations to Bank Asia and shareholders of the Bank Asia also approved the transaction in their Extraordinary General Meeting held on April 12, 2026 subject to regulatory approvals and compliance with applicable laws, rules and regulations.

#### **45 NON-ADJUSTING EVENT**

The Board of Directors of the Holding Company in its meeting held on April 23, 2026 has declared an interim cash dividend of 30% i.e. Rs. 1.50 per share for the quarter ended March 31, 2026 [March 31, 2025 (restated due to share split): Rs. 1.25 per share i.e. 25%]. These consolidated condensed interim financial statements do not include the effect of this appropriation which will be accounted for subsequent to the period end.

#### **46 DATE OF AUTHORISATION**

These consolidated condensed interim financial statements were authorised for issue on April 23, 2026 by the Board of Directors of the Holding Company.

#### **47 GENERAL**

**47.1** Comparative information has been re-classified, re-arranged, restated or additionally incorporated in these consolidated condensed interim financial statements, wherever necessary to facilitate comparison.

**President & Chief Executive Officer**

**Chief Financial Officer**

**Director**

**Director**

**Director**



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