



# Bank Alfalah

LDN/CA/25  
22<sup>nd</sup> October 2025

**The General Manager**  
Pakistan Stock Exchange Limited  
Stock Exchange Building  
**Karachi**

## Financial Results for the 3<sup>rd</sup> Quarter/Nine Months ended 30<sup>th</sup> September 2025 of Bank Alfalah Ltd

Dear Sir,

We have to inform you that the Board of Directors of Bank Alfalah Limited ("the Bank") in its meeting held on 22<sup>nd</sup> October 2025 at 02:30 P.M. (UAE time) at Abu Dhabi and via Weblink, recommended the following:

- (i) **CASH DIVIDEND** - 3<sup>rd</sup> interim Cash Dividend for the Quarter ended 30<sup>th</sup> September 2025 at the rate of PKR. 2.5/- per share i.e. 25%.  
*This is in addition to the already paid two interim cash dividends @ 25% each, cumulatively 75% up to 30<sup>th</sup> September 2025.*
- (ii) **BONUS SHARES** - Nil
- (iii) **RIGHT SHARES** - Nil
- (iv) **ANY OTHER ENTITLEMENT/CORPORATE ACTION** - Nil
- (v) **ANY OTHER PRICE-SENSITIVE INFORMATION** - Nil

The unconsolidated and consolidated financial statements of the Bank, which comprise of the following along with notes thereon are attached:

- a) Statement of Profit/Loss including Earning/(Loss) Per Share      b) Statement of Financial Position;  
c) Statement of Changes in Equity; and                                      d) Statement of Cash Flows

The Share Transfer Books of the Bank for the purpose of Interim Cash Dividend will be closed from **5<sup>th</sup> November 2025 to 6<sup>th</sup> November 2025** (both days inclusive). The above entitlement will be paid to the shareholders whose names appear in the Register of Members at the close of business on 4<sup>th</sup> November 2025. Transfers received at the office of Bank's Share Registrar F.D. Registrar Services (Pvt.) Ltd (1705, 17<sup>th</sup> Floor, Saima Trade Tower-A, I. I. Chundrigar Road, Karachi-74000) at the close of business on 4<sup>th</sup> November 2025 will be treated in time for the purpose of above entitlement to the transferees.

The Quarterly Financial Statements (Quarterly Report) of the Bank will be transmitted through PUCARS, within the specified time.

Yours truly,

**Mian Ejaz Ahmad**  
Company Secretary

Encl: as above

c.c. Executive Director/HOD,  
Offsite-II Department, Supervision Division,  
The SECP, 63, NIC Building, Jinnah Avenue, Blue Area, Islamabad.

**BANK ALFALAH LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (Un-audited)**  
**FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025**

	Note	Quarter ended September 30, 2025	Quarter ended September 30, 2024	Nine months period ended September 30, 2025	Nine months period ended September 30, 2024
------(Rupees in '000)-----					
			(Restated)		
				(Restated)	
Mark-up / return / interest earned	26	82,433,777	132,920,098	270,821,949	391,307,305
Mark-up / return / interest expensed	27	48,384,665	98,422,735	169,345,562	294,222,004
Net mark-up / return / interest income		<u>34,049,112</u>	<u>34,497,363</u>	<u>101,476,387</u>	<u>97,085,301</u>
<b>NON MARK-UP / INTEREST INCOME</b>					
Fee and commission income	28	4,149,560	3,832,028	11,956,921	13,821,136
Dividend income		606,633	219,115	2,062,136	1,378,919
Foreign exchange income	29	3,573,171	2,524,050	8,862,871	7,766,444
Income from derivatives		545,235	113,094	933,801	1,486,608
Gain on securities	30	2,063,162	6,183,824	10,457,513	8,504,203
Net gain / (loss) on derecognition of financial assets measured at amortised cost		-	-	-	-
Other income	31	73,249	58,544	947,478	248,260
Total non-mark-up / interest income		<u>11,011,010</u>	<u>12,930,655</u>	<u>35,220,720</u>	<u>33,205,570</u>
Total income		<u>45,060,122</u>	<u>47,428,018</u>	<u>136,697,107</u>	<u>130,290,871</u>
<b>NON MARK-UP / INTEREST EXPENSES</b>					
Operating expenses	32	30,376,030	20,877,800	86,354,412	60,506,866
Workers' welfare fund	33	268,502	446,704	1,090,072	1,365,714
Other charges	34	596	9,305	10,153	218,820
Total non-mark-up / interest expenses		<u>30,645,128</u>	<u>21,333,809</u>	<u>87,454,637</u>	<u>62,091,400</u>
Profit before credit loss allowance / provisions		<u>14,414,994</u>	<u>26,094,209</u>	<u>49,242,470</u>	<u>68,199,471</u>
Credit loss allowance / provisions and write offs - net	35	1,050,875	439,194	1,947,520	1,746,047
Extra ordinary / unusual items		-	-	-	-
<b>PROFIT BEFORE TAXATION</b>		<u>13,364,119</u>	<u>25,655,015</u>	<u>47,294,950</u>	<u>66,453,424</u>
Taxation	36	7,199,515	12,625,464	25,855,765	32,825,528
<b>PROFIT AFTER TAXATION</b>		<u>6,164,604</u>	<u>13,029,551</u>	<u>21,439,185</u>	<u>33,627,896</u>
------(Rupees)-----					
			(Restated)		
				(Restated)	
Basic and diluted earnings per share	37	<u>3.91</u>	<u>8.26</u>	<u>13.59</u>	<u>21.32</u>

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



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President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

**BANK ALFALAH LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2025**

	Note	(Un-audited) September 30, 2025	(Audited) December 31, 2024
------(Rupees in '000)-----			
<b>ASSETS</b>			
Cash and balances with treasury banks	7	218,802,383	227,823,979
Balances with other banks	8	10,482,633	18,469,608
Lendings to financial institutions	9	62,252,929	100,998,323
Investments	10	1,638,415,591	1,991,232,454
Advances	11	1,029,575,301	1,109,376,154
Property and equipment	12	69,380,218	63,543,484
Right-of-use assets	13	25,951,693	25,290,607
Intangible assets	14	1,514,471	1,543,109
Deferred tax assets		-	-
Other assets	15	166,355,606	171,928,403
<b>Total assets</b>		<b>3,222,730,825</b>	<b>3,710,206,121</b>
<b>LIABILITIES</b>			
Bills payable	16	39,459,500	41,768,326
Borrowings	17	620,551,967	1,141,885,742
Deposits and other accounts	18	2,166,827,716	2,136,912,622
Lease liabilities	19	31,658,421	29,481,938
Subordinated debt	20	14,000,000	14,000,000
Deferred tax liabilities	21	14,929,757	16,515,641
Other liabilities	22	143,207,832	151,529,442
<b>Total liabilities</b>		<b>3,030,635,193</b>	<b>3,532,093,711</b>
<b>NET ASSETS</b>		<b>192,095,632</b>	<b>178,112,410</b>
<b>REPRESENTED BY</b>			
Share capital		15,771,651	15,771,651
Reserves		45,403,685	43,466,925
Surplus on revaluation of assets	23	37,789,461	33,778,787
Unappropriated profit		93,130,835	85,095,047
		<b>192,095,632</b>	<b>178,112,410</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	24		

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



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President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

**BANK ALFALAH LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025**

	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, 2023 (audited)</b>	15,771,651	4,731,049	14,191,974	22,478,107	(906,806)	12,088,444	86,726	69,481,688	137,922,833
Impact of adoption of IFRS 9 - net of tax (note 4.1.1)	-	-	-	-	5,002,695	-	-	(2,250,700)	2,751,995
<b>Balance as at January 01, 2024 after adoption of IFRS 9</b>	15,771,651	4,731,049	14,191,974	22,478,107	4,095,889	12,088,444	86,726	67,230,988	140,674,828
<b>Changes in equity for the nine months period ended September 30, 2024</b>									
Profit after taxation - (restated)	-	-	-	-	-	-	-	33,627,896	33,627,896
Other comprehensive (loss) / income - net of tax									
Effect of translation of net investment in foreign branches	-	-	(1,933,729)	-	-	-	-	-	(1,933,729)
Movement in surplus / (deficit) on revaluation of investments in debt securities classified as FVOCI - net of tax	-	-	-	-	9,727,228	-	-	-	9,727,228
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	-	-	-	-	(602,396)	-	-	-	(602,396)
Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax	-	-	-	-	604,686	-	-	-	604,686
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	(30,204)	-	-	(30,204)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	784	-	784
Total other comprehensive (loss) / income - net of tax	-	-	(1,933,729)	-	9,729,518	(30,204)	784	-	7,766,369
Transfer to statutory reserve	-	-	-	3,364,268	-	-	-	(3,364,268)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(66,417)	(9,180)	75,597	-
Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	(54,200)	-	-	54,200	-
<b>Transactions with owners, recorded directly in equity</b>									
Final cash dividend for the year ended December 31, 2023 - 50%	-	-	-	-	-	-	-	(7,885,826)	(7,885,826)
Interim cash dividend for the quarter ended March 31, 2024 - 20%	-	-	-	-	-	-	-	(3,154,330)	(3,154,330)
Interim cash dividend for the half year ended June 30, 2024 - 20%	-	-	-	-	-	-	-	(3,154,330)	(3,154,330)
<b>Closing balance as at September 30, 2024 (un-audited) - restated</b>	15,771,651	4,731,049	12,258,245	25,842,375	13,771,207	11,991,823	78,330	83,429,927	167,874,607
<b>Changes in equity for three months period ended December 31, 2024</b>									
Profit after taxation	-	-	-	-	-	-	-	4,690,235	4,690,235
Other comprehensive (loss) / income - net of tax									
Effect of translation of net investment in foreign branches	-	-	167,711	-	-	-	-	-	167,711
Movement in surplus on revaluation of investments in debt securities classified as FVOCI - net of tax	-	-	-	-	1,074,186	-	-	-	1,074,186
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	-	-	-	-	(297,550)	-	-	-	(297,550)
Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax	-	-	-	-	1,426,033	-	-	-	1,426,033
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-	456,187	456,187
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	5,639,486	-	-	5,639,486
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	235,845	-	235,845
Total other comprehensive (loss) / income - net of tax	-	-	167,711	-	2,202,669	5,639,486	235,845	456,187	8,701,898
<b>Balance carried forward</b>	15,771,651	4,731,049	12,425,956	25,842,375	15,973,876	17,631,309	314,175	88,576,349	181,266,740



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**BANK ALFALAH LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025**

	Share capital	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	12,425,956	25,842,375	15,973,876	17,631,309	314,175	88,576,349	181,266,740
Transfer to statutory reserve	-	-	-	467,545	-	-	-	(467,545)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(78,264)	540	77,724	-
Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	(62,849)	-	-	62,849	-
<b>Transactions with owners, recorded directly in equity</b>									
Interim cash dividend for the nine months period ended September 30, 2024 - 20%	-	-	-	-	-	-	-	(3,154,330)	(3,154,330)
<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 (note 4.1.2)	-	-	-	-	365,607	-	-	(81,096)	284,511
<b>Balance as at January 01, 2025 after adoption of IFRS 9</b>	15,771,651	4,731,049	12,425,956	26,309,920	16,276,634	17,553,045	314,715	85,013,951	178,396,921
<b>Changes in equity for the nine months period ended September 30, 2025</b>									
Profit after taxation	-	-	-	-	-	-	-	21,439,185	21,439,185
Other comprehensive income / (loss) - net of tax	-	-	-	-	-	-	-	-	-
Effect of translation of net investment in foreign branches	-	-	(207,159)	-	-	-	-	-	(207,159)
Movement in surplus on revaluation of investments in debt securities classified as FVOCI - net of tax	-	-	-	-	4,041,687	-	-	-	4,041,687
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	-	-	-	-	(2,896,995)	-	-	-	(2,896,995)
Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax	-	-	-	-	3,221,899	-	-	-	3,221,899
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	(55,256)	-	-	(55,256)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	(15,911)	-	(15,911)
Total other comprehensive income / (loss) - net of tax	-	-	(207,159)	-	4,366,591	(55,256)	(15,911)	-	4,088,265
Transfer to statutory reserve	-	-	-	2,143,919	-	-	-	(2,143,919)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(91,657)	(11,409)	103,066	-
Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	(547,291)	-	-	547,291	-
<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)
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)
<b>Closing balance as at September 30, 2025 (un-audited)</b>	<b>15,771,651</b>	<b>4,731,049</b>	<b>12,218,797</b>	<b>28,453,839</b>	<b>20,095,934</b>	<b>17,406,132</b>	<b>287,395</b>	<b>93,130,835</b>	<b>192,095,632</b>

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

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**President & Chief Executive Officer**

**Chief Financial Officer**

**Director**

**Director**

**Director**

**BANK ALFALAH LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited)**  
**FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025**

Note	Nine months period ended	
	September 30, 2025	September 30, 2024
------(Rupees in '000)-----		
		(Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	47,294,950	66,453,424
Less: Dividend income	(2,062,136)	(1,378,919)
	45,232,814	65,074,505
<b>Adjustments:</b>		
Net mark-up / return / interest income	(104,649,762)	(99,565,019)
Depreciation	32 4,470,968	3,380,100
Depreciation on right-of-use assets	32 3,387,199	2,832,251
Amortisation	32 300,500	274,168
Credit loss allowance /provisions and write offs - net	35 1,947,520	1,746,047
Unrealised loss / (gain) on revaluation of investments classified as FVPL	30 201,564	(3,416,886)
Gain on disposal of subsidiary	30.1 (396,857)	-
Unrealised gain on advances classified as FVPL	-	(57,165)
Gain on sale of property and equipment - net	31 (43,642)	(81,136)
Gain on sale of non banking assets - net	31 (3,368)	(27,800)
Gain on termination of leases - net	31 (85,693)	(62,345)
Staff loans - notional cost	32.1 3,064,364	1,968,928
Finance charges on leased assets	27 3,173,375	2,479,718
Workers' welfare fund	1,090,072	1,365,714
Charge for defined benefit plan	32.1 721,426	503,473
Charge for staff compensated absences	32.1 313,000	157,500
	(86,509,334)	(88,502,452)
	(41,276,520)	(23,427,947)
<b>Decrease / (increase) in operating assets</b>		
Lendings to financial institutions	68,513,728	71,618,222
Securities classified as FVPL	69,164,500	29,180,463
Advances	78,518,817	(127,431,849)
Other assets (excluding advance taxation and mark-up receivable)	(8,346,267)	(23,517,264)
	207,850,778	(50,150,428)
<b>(Decrease) / Increase in operating liabilities</b>		
Bills payable	(2,308,826)	(792,635)
Borrowings	(512,440,786)	(185,909,939)
Deposits	29,915,094	51,419,092
Other liabilities (excluding current taxation and mark-up payable)	5,137,922	30,492,166
	(479,696,596)	(104,791,316)
	(313,122,338)	(178,369,691)
Mark-up / interest received	275,545,346	361,543,701
Mark-up / interest paid	(178,692,332)	(281,289,688)
Income tax paid	(28,456,601)	(39,725,647)
<b>Net cash used in operating activities</b>	(244,725,925)	(137,841,325)
<b>Balance carried forward</b>	(244,725,925)	(137,841,325)



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**BANK ALFALAH LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited)**  
**FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025**

	Note	Nine months period ended	
		September 30, 2025	September 30, 2024
		------(Rupees in '000)-----	
		(Restated)	
<b>Balance brought forward</b>		(244,725,925)	(137,841,325)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net investments in securities classified as FVOCI		250,462,806	147,831,648
Net investments in securities carried at amortised cost		43,851,597	7,501,156
Divestment from / (investment in) subsidiaries		396,857	(2,200,000)
Dividends received		2,059,336	1,329,747
Investments in property and equipment and intangible assets		(10,572,903)	(16,289,569)
Proceeds from sale of property and equipment		79,666	96,162
Proceeds from sale of non-banking assets		27,089	267,800
Effect of translation of net investment in foreign branches		(207,159)	(1,933,729)
<b>Net cash generated from investing activities</b>		<b>286,097,289</b>	<b>136,603,215</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payments of lease obligations against right-of-use assets		(4,961,186)	(4,334,533)
Dividend paid		(11,796,006)	(20,059,906)
<b>Net cash used in financing activities</b>		<b>(16,757,192)</b>	<b>(24,394,439)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>24,614,172</b>	<b>(25,632,549)</b>
Cash and cash equivalents at the beginning of the period		230,214,758	249,435,426
Effects of exchange rate changes on cash and cash equivalents		1,735,279	(1,535,507)
		231,950,037	247,899,919
Expected credit loss allowance on cash and cash equivalents - net		(64,899)	(22,490)
<b>Cash and cash equivalents at the end of the period</b>	38	<b>256,499,310</b>	<b>222,244,880</b>

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



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**President & Chief Executive Officer**

**Chief Financial Officer**

**Director**

**Director**

**Director**

**BANK ALFALAH LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (Un-audited)**  
**FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025**

	Note	Quarter ended September 30, 2025	Quarter ended September 30, 2024	Nine months period ended September 30, 2025	Nine months period ended September 30, 2024
------(Rupees in '000)-----					
			(Restated)	(Restated)	
Mark-up / return / interest earned	26	82,438,384	132,961,797	270,836,731	391,492,744
Mark-up / return / interest expensed	27	48,382,581	98,415,973	169,330,093	294,400,718
Net mark-up / return / interest income		34,055,803	34,545,824	101,506,638	97,092,026
<b>NON MARK-UP / INTEREST INCOME</b>					
Fee and commission income	28	4,149,560	3,960,747	11,956,921	13,969,432
Dividend income		606,633	219,115	2,017,143	1,123,926
Foreign exchange income	29	3,586,050	2,529,850	8,937,358	7,772,721
Income from derivatives		545,235	113,094	933,801	1,486,608
Gain on securities	30	2,055,037	6,233,600	10,060,656	8,598,616
Net gain / (loss) on derecognition of financial assets measured at amortised cost		-	-	-	-
Share of profit from associates		507,875	354,057	1,222,849	1,018,293
Other income	31	70,213	58,544	939,550	248,260
Total non-mark-up / interest income		11,520,603	13,469,007	36,068,278	34,217,856
Total income		45,576,406	48,014,831	137,574,916	131,309,882
<b>NON MARK-UP / INTEREST EXPENSES</b>					
Operating expenses	32	30,459,769	21,042,675	86,582,705	61,061,493
Workers' welfare fund	33	268,502	446,982	1,090,072	1,366,926
Other charges	34	3,942	9,305	13,499	218,820
Total non-mark-up / interest expenses		30,732,213	21,498,962	87,686,276	62,647,239
Profit before credit loss allowance / provisions		14,844,193	26,515,869	49,888,640	68,662,643
Credit loss allowance / provisions and write offs - net Extra ordinary / unusual items	35	1,050,875	440,389	1,947,520	208,396
		-	-	-	-
<b>PROFIT BEFORE TAXATION FROM CONTINUING OPERATIONS</b>		13,793,318	26,075,480	47,941,120	68,454,247
Taxation	36	7,463,473	12,789,927	26,468,382	33,249,244
<b>PROFIT AFTER TAXATION FROM CONTINUING OPERATIONS</b>		6,329,845	13,285,553	21,472,738	35,205,003
<b>DISCONTINUED OPERATIONS</b>					
<b>PROFIT / (LOSS) FROM DISCONTINUED OPERATIONS - NET OF TAX</b>	37.3	8,125	-	(75,392)	-
<b>PROFIT AFTER TAXATION</b>		6,337,970	13,285,553	21,397,346	35,205,003
<b>Profit / (loss) attributable to:</b>					
Equity holders of the Holding Company					
from continuing operations		6,329,845	13,282,451	21,472,738	35,200,367
from discontinued operations		8,125	-	(73,581)	-
		6,337,970	13,282,451	21,399,157	35,200,367
Non-controlling interest					
from continuing operations		-	3,102	-	4,636
from discontinued operations		-	-	(1,811)	-
		-	3,102	(1,811)	4,636
		6,337,970	13,285,553	21,397,346	35,205,003
------(Rupees)-----					
			(Restated)	(Restated)	
<b>Basic and diluted earnings per share - continuing operations</b>	38	4.01	8.42	13.61	22.32
<b>Basic and diluted earnings per share</b>	38	4.01	8.42	13.56	22.32

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

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director



**BANK ALFALAH LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2025**

	Note	(Un-audited) September 30, 2025	(Audited) December 31, 2024
------(Rupees in '000)-----			
<b>ASSETS</b>			
Cash and balances with treasury banks	7	218,916,846	227,868,901
Balances with other banks	8	10,482,633	19,713,246
Lendings to financial institutions	9	62,252,929	100,998,323
Investments	10	1,644,452,894	1,996,182,261
Advances	11	1,029,575,301	1,109,376,542
Property and equipment	12	69,520,493	63,673,849
Right-of-use assets	13	26,046,014	25,365,699
Intangible assets	14	1,520,733	1,559,640
Deferred tax assets		-	-
Other assets	15	166,329,050	172,317,236
<b>Total assets</b>		<b>3,229,096,893</b>	<b>3,717,055,697</b>
<b>LIABILITIES</b>			
Bills payable	16	39,459,500	41,768,326
Borrowings	17	620,551,967	1,142,200,709
Deposits and other accounts	18	2,166,285,106	2,136,104,698
Lease liabilities	19	31,761,281	29,555,307
Subordinated debt	20	14,000,000	14,000,000
Deferred tax liabilities	21	18,510,812	19,459,032
Other liabilities	22	143,237,652	152,580,928
<b>Total liabilities</b>		<b>3,033,806,318</b>	<b>3,535,669,000</b>
<b>NET ASSETS</b>		<b>195,290,575</b>	<b>181,386,697</b>
<b>REPRESENTED BY</b>			
Share capital		15,771,651	15,771,651
Reserves		45,403,685	43,466,925
Surplus on revaluation of assets	23	37,813,540	33,820,479
Unappropriated profit		96,301,699	88,305,939
Total equity attributable to the equity holders of the Holding Company		195,290,575	181,364,994
Non-controlling interest		-	21,703
		<b>195,290,575</b>	<b>181,386,697</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	24		

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

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director



**BANK ALFALAH LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025**

	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 as at December 31, 2023 (audited)</b>	15,771,651	4,731,049	14,191,974	22,478,107	(902,400)	12,088,444	86,726	71,472,352	139,917,903	(294,665)	139,623,238
Impact of adoption of IFRS 9 - net of tax (note 4.1.1)	-	-	-	-	5,002,695	-	-	(2,250,700)	2,751,995	-	2,751,995
<b>Balance as at January 01, 2024 after adoption of IFRS 9</b>	15,771,651	4,731,049	14,191,974	22,478,107	4,100,295	12,088,444	86,726	69,221,652	142,669,898	(294,665)	142,375,233
<b>Changes in equity for the nine months period ended September 30, 2024</b>											
Profit after taxation - (restated)	-	-	-	-	-	-	-	35,200,367	35,200,367	4,636	35,205,003
Other comprehensive (loss) / income - net of tax											
Effect of translation of net investment in foreign branches	-	-	(1,933,729)	-	-	-	-	-	(1,933,729)	-	(1,933,729)
Movement in surplus / (deficit) on revaluation of investments in debt securities classified as FVOCI - net of tax	-	-	-	-	9,728,106	-	-	-	9,728,106	-	9,728,106
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	-	-	-	-	(602,396)	-	-	-	(602,396)	-	(602,396)
Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax	-	-	-	-	604,686	-	-	-	604,686	-	604,686
Movement in share of surplus on revaluation of investments of associates - net of tax	-	-	-	-	16,121	-	-	-	16,121	-	16,121
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	-	-	(691)	(691)	(414)	(1,105)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	(30,204)	-	-	(30,204)	-	(30,204)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	784	-	784	-	784
Total other comprehensive (loss) / income - net of tax	-	-	(1,933,729)	-	9,746,517	(30,204)	784	(691)	7,782,677	(414)	7,782,263
Transfer to statutory reserve	-	-	-	3,364,268	-	-	-	(3,364,268)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(66,417)	(9,180)	75,597	-	-	-
Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	(54,200)	-	-	54,200	-	-	-
<b>Transactions with owners, recorded directly in equity</b>											
Adjustment of non-controlling interest	-	-	-	-	-	-	-	(311,627)	(311,627)	311,627	-
Right issuance cost - subsidiary	-	-	-	-	-	-	-	(8,314)	(8,314)	(4,988)	(13,302)
Final cash dividend for the year ended December 31, 2023 - 50%	-	-	-	-	-	-	-	(7,885,826)	(7,885,826)	-	(7,885,826)
Interim cash dividend for the quarter ended March 31, 2024 - 20%	-	-	-	-	-	-	-	(3,154,330)	(3,154,330)	-	(3,154,330)
Interim cash dividend for the half year ended June 30, 2024 - 20%	-	-	-	-	-	-	-	(3,154,330)	(3,154,330)	-	(3,154,330)
<b>Closing balance as at September 30, 2024 (un-audited) - restated</b>	15,771,651	4,731,049	12,258,245	25,842,375	13,792,612	11,991,823	78,330	86,672,430	171,138,515	16,196	171,154,711
<b>Changes in equity for three months period ended December 31, 2024</b>											
Profit after taxation	-	-	-	-	-	-	-	4,653,254	4,653,254	5,039	4,658,293
Other comprehensive (loss) / income - net of tax											
Effect of translation of net investment in foreign branches	-	-	167,711	-	-	-	-	-	167,711	-	167,711
Movement in surplus on revaluation of investments in debt securities classified as FVOCI - net of tax	-	-	-	-	1,074,218	-	-	-	1,074,218	-	1,074,218
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	-	-	-	-	(297,550)	-	-	-	(297,550)	-	(297,550)
Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax	-	-	-	-	1,426,033	-	-	-	1,426,033	-	1,426,033
Movement in share of surplus on revaluation of investments of associates - net of tax	-	-	-	-	20,255	-	-	-	20,255	-	20,255
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-	461,557	461,557	468	462,025
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	5,639,486	-	-	5,639,486	-	5,639,486
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	235,845	-	235,845	-	235,845
Total other comprehensive (loss) / income - net of tax	-	-	167,711	-	2,222,956	5,639,486	235,845	461,557	8,727,555	468	8,728,023
Transfer to statutory reserve	-	-	-	467,545	-	-	-	(467,545)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(78,264)	540	77,724	-	-	-
Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	(62,849)	-	-	62,849	-	-	-
<b>Transactions with owners, recorded directly in equity</b>											
Interim cash dividend for the nine months period ended September 30, 2024 - 20%	-	-	-	-	-	-	-	(3,154,330)	(3,154,330)	-	(3,154,330)
<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 (note 4.1.2)	-	-	-	-	365,607	-	-	(81,096)	284,511	-	284,511
<b>Balance as at January 01, 2025 after adoption of IFRS 9 / carried forward</b>	15,771,651	4,731,049	12,425,956	26,309,920	16,318,326	17,553,045	314,715	88,224,843	181,649,505	21,703	181,671,208



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**BANK ALFALAH LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025**

	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)										
Balance brought forward	15,771,651	4,731,049	12,425,956	26,309,920	16,318,326	17,553,045	314,715	88,224,843	181,649,505	21,703	181,671,208
<b>Changes in equity for the nine months period ended September 30, 2025</b>											
Profit / (loss) after taxation	-	-	-	-	-	-	-	21,399,157	21,399,157	(1,811)	21,397,346
Other comprehensive income / (loss) - net of tax											
Effect of translation of net investment in foreign branches	-	-	(207,159)	-	-	-	-	-	(207,159)	-	(207,159)
Movement in surplus / (deficit) on revaluation of investments in debt securities classified as FVOCI - net of tax	-	-	-	-	4,042,958	-	-	-	4,042,958	-	4,042,958
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	-	-	-	-	(2,896,995)	-	-	-	(2,896,995)	-	(2,896,995)
Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax	-	-	-	-	3,221,899	-	-	-	3,221,899	-	3,221,899
Movement in share of deficit on revaluation of investments of associates - net of tax	-	-	-	-	(18,884)	-	-	-	(18,884)	-	(18,884)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	(55,256)	-	-	(55,256)	-	(55,256)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	(15,911)	-	(15,911)	-	(15,911)
Total other comprehensive income / (loss) - net of tax	-	-	(207,159)	-	4,348,978	(55,256)	(15,911)	-	4,070,652	-	4,070,652
Transfer to statutory reserve	-	-	-	2,143,919	-	-	-	(2,143,919)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(91,657)	(11,409)	103,066	-	-	-
Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	(547,291)	-	-	547,291	-	-	-
<b>Transactions with owners, recorded directly in equity</b>											
Derecognition of subsidiary	-	-	-	-	-	-	-	-	-	(19,892)	(19,892)
Final cash dividend for the year ended December 31, 2024 - 25%	-	-	-	-	-	-	-	(3,942,913)	(3,942,913)	-	(3,942,913)
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)
<b>Closing balance as at September 30, 2025 (un-audited)</b>	<u>15,771,651</u>	<u>4,731,049</u>	<u>12,218,797</u>	<u>28,453,839</u>	<u>20,120,013</u>	<u>17,406,132</u>	<u>287,395</u>	<u>96,301,699</u>	<u>195,290,575</u>	<u>-</u>	<u>195,290,575</u>

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



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President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

**BANK ALFALAH LIMITED**  
**CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited)**  
**FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025**

	Note	Nine months period ended	
		September 30, 2025	September 30, 2024
		------(Rupees in '000)-----	
		(Restated)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation from continuing operations		47,941,120	68,454,247
Profit before taxation from discontinued operations	37.3	7,796	-
Less: Dividend income		(2,017,143)	(1,123,926)
Share of profit from associates		<u>(1,222,849)</u>	<u>(1,018,293)</u>
		44,708,924	66,312,028
<b>Adjustments:</b>			
Net mark-up / return / interest income		(104,710,179)	(99,584,042)
Depreciation		4,490,027	3,407,468
Depreciation on right-of-use assets		3,408,222	2,842,869
Amortisation		302,133	275,217
Credit loss allowance /provisions and write offs - net		1,942,959	208,396
Unrealised loss / (gain) on revaluation of investments classified as FVPL		208,072	(3,424,288)
Unrealised gain on advances classified as FVPL		-	(57,165)
Gain on sale of property and equipment - net	31	(43,642)	(81,136)
Gain on sale of non banking assets - net	31	(3,368)	(27,800)
Gain on termination of leases - net	31	(72,472)	(62,345)
Staff loans - notional cost	32.1	3,064,364	1,968,928
Finance charges on leased assets		3,183,672	2,492,016
Workers' welfare fund		1,090,072	1,366,926
Charge for defined benefit plan	32.1	721,426	503,473
Charge for staff compensated absences	32.1	313,000	157,500
		<u>(86,105,714)</u>	<u>(90,013,983)</u>
		(41,396,790)	(23,701,955)
<b>Decrease / (increase) in operating assets</b>			
Lendings to financial institutions		68,513,728	71,618,222
Securities classified as FVPL		69,164,500	29,180,463
Advances		78,519,070	(127,425,539)
Other assets (excluding advance taxation and mark-up receivable)		<u>(8,286,764)</u>	<u>(22,876,220)</u>
		207,910,534	(49,503,074)
<b>(Decrease) / increase in operating liabilities</b>			
Bills payable		(2,308,826)	(792,635)
Borrowings		(512,455,753)	(185,892,301)
Deposits		30,180,408	50,638,995
Other liabilities (excluding current taxation and mark-up payable)		5,278,143	29,873,139
		<u>(479,306,028)</u>	<u>(106,172,802)</u>
		(312,792,284)	(179,377,831)
Mark-up / interest received		275,589,842	361,715,725
Mark-up / interest paid		(178,687,492)	(281,433,911)
Income tax paid		<u>(28,477,887)</u>	<u>(39,770,455)</u>
<b>Net cash used in operating activities</b>		<u>(244,367,821)</u>	<u>(138,866,472)</u>
<b>Balance carried forward</b>		<u>(244,367,821)</u>	<u>(138,866,472)</u>

*[Signature]*



**BANK ALFALAH LIMITED**  
**CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited)**  
**FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025**

	Note	Nine months period ended	
		September 30, 2025	September 30, 2024
		------(Rupees in '000)-----	
		(Restated)	
<b>Balance brought forward</b>		(244,367,821)	(138,866,472)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net Investments in securities classified as FVOCI		250,462,806	147,684,061
Net investments in securities carried at amortised cost		43,851,597	7,501,156
Dividends received from associates		44,993	254,993
Dividends received from other investments		2,014,343	1,074,754
Divestment from subsidiary	37.2	396,857	-
Investments in property and equipment and intangible assets		(10,651,920)	(16,399,399)
Proceeds from sale of property and equipment		79,666	96,162
Proceeds from sale of non-banking assets		27,089	267,800
Effect of translation of net investment in foreign branches		(207,159)	(1,933,729)
<b>Net cash generated from investing activities</b>		<b>286,018,272</b>	<b>138,545,798</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payments of lease obligations against right-of-use assets		(4,971,793)	(4,362,509)
Payment of right issuance cost		-	(13,302)
Dividend paid		(11,796,006)	(20,059,906)
<b>Net cash used in financing activities</b>		<b>(16,767,799)</b>	<b>(24,435,717)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>24,882,652</b>	<b>(24,756,391)</b>
Cash and cash equivalents at beginning of the period		231,503,318	249,435,199
Effects of exchange rate changes on cash and cash equivalents		1,735,279	(1,535,507)
		233,238,597	247,899,692
Expected credit loss allowance on cash and cash equivalents - net		(64,899)	(22,490)
Cash and cash equivalents of discontinued operations		(1,442,577)	-
<b>Cash and cash equivalents at end of the period</b>	39	<b>256,613,773</b>	<b>223,120,811</b>

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



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**President & Chief Executive Officer**

**Chief Financial Officer**

**Director**

**Director**

**Director**



**Bank Alfalah Limited**  
**Unconsolidated Condensed Interim**  
**Financial Statements**  
**Nine months period ended September 30, 2025**

**BANK ALFALAH LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2025**

	Note	(Un-audited) September 30, 2025	(Audited) December 31, 2024
------(Rupees in '000)-----			
<b>ASSETS</b>			
Cash and balances with treasury banks	7	218,802,383	227,823,979
Balances with other banks	8	10,482,633	18,469,608
Lendings to financial institutions	9	62,252,929	100,998,323
Investments	10	1,638,415,591	1,991,232,454
Advances	11	1,029,575,301	1,109,376,154
Property and equipment	12	69,380,218	63,543,484
Right-of-use assets	13	25,951,693	25,290,607
Intangible assets	14	1,514,471	1,543,109
Deferred tax assets		-	-
Other assets	15	166,355,606	171,928,403
<b>Total assets</b>		<b>3,222,730,825</b>	<b>3,710,206,121</b>
<b>LIABILITIES</b>			
Bills payable	16	39,459,500	41,768,326
Borrowings	17	620,551,967	1,141,885,742
Deposits and other accounts	18	2,166,827,716	2,136,912,622
Lease liabilities	19	31,658,421	29,481,938
Subordinated debt	20	14,000,000	14,000,000
Deferred tax liabilities	21	14,929,757	16,515,641
Other liabilities	22	143,207,832	151,529,442
<b>Total liabilities</b>		<b>3,030,635,193</b>	<b>3,532,093,711</b>
<b>NET ASSETS</b>		<b>192,095,632</b>	<b>178,112,410</b>
<b>REPRESENTED BY</b>			
Share capital		15,771,651	15,771,651
Reserves		45,403,685	43,466,925
Surplus on revaluation of assets	23	37,789,461	33,778,787
Unappropriated profit		93,130,835	85,095,047
		<b>192,095,632</b>	<b>178,112,410</b>
<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

**BANK ALFALAH LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (Un-audited)**  
**FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025**

	Note	Quarter ended September 30, 2025	Quarter ended September 30, 2024	Nine months period ended September 30, 2025	Nine months period ended September 30, 2024
------(Rupees in '000)-----					
		(Restated)		(Restated)	
Mark-up / return / interest earned	26	82,433,777	132,920,098	270,821,949	391,307,305
Mark-up / return / interest expensed	27	48,384,665	98,422,735	169,345,562	294,222,004
Net mark-up / return / interest income		34,049,112	34,497,363	101,476,387	97,085,301
<b>NON MARK-UP / INTEREST INCOME</b>					
Fee and commission income	28	4,149,560	3,832,028	11,956,921	13,821,136
Dividend income		606,633	219,115	2,062,136	1,378,919
Foreign exchange income	29	3,573,171	2,524,050	8,862,871	7,766,444
Income from derivatives		545,235	113,094	933,801	1,486,608
Gain on securities	30	2,063,162	6,183,824	10,457,513	8,504,203
Net gain / (loss) on derecognition of financial assets measured at amortised cost		-	-	-	-
Other Income	31-	73,249	58,544	947,478	248,260
Total non-mark-up / interest income		11,011,010	12,930,655	35,220,720	33,205,570
Total income		45,060,122	47,428,018	136,697,107	130,290,871
<b>NON MARK-UP / INTEREST EXPENSES</b>					
Operating expenses	32	30,376,030	20,877,800	86,354,412	60,506,866
Workers' welfare fund	33	268,502	446,704	1,090,072	1,365,714
Other charges	34	596	9,305	10,153	218,820
Total non-mark-up / interest expenses		30,645,128	21,333,809	87,454,637	62,091,400
Profit before credit loss allowance / provisions		14,414,994	26,094,209	49,242,470	68,199,471
Credit loss allowance / provisions and write offs - net	35	1,050,875	439,194	1,947,520	1,746,047
Extra ordinary / unusual Items		-	-	-	-
<b>PROFIT BEFORE TAXATION</b>		13,364,119	25,655,015	47,294,950	66,453,424
Taxation	36	7,199,515	12,625,464	25,855,765	32,825,528
<b>PROFIT AFTER TAXATION</b>		6,164,604	13,029,551	21,439,185	33,627,896
------(Rupees)-----					
		(Restated)		(Restated)	
Basic and diluted earnings per share	37	3.91	8.26	13.59	21.32

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

**BANK ALFALAH LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)**  
**FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025**

	Quarter ended September 30, 2025	Quarter ended September 30, 2024	Nine months period ended September 30, 2025	Nine months period ended September 30, 2024
	----- (Rupees in '000) -----			
	(Restated)		(Restated)	
Profit after taxation for the period	6,164,604	13,029,551	21,439,185	33,627,896
<b>Other comprehensive income / (loss)</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	(467,845)	(278,450)	(207,159)	(1,933,729)
Movement in surplus on revaluation of investments in debt securities classified as FVOCI - net of tax	910,638	9,850,911	4,041,687	9,727,228
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	(364,783)	(241,014)	(2,896,995)	(602,396)
	78,010	9,331,447	937,533	7,191,103
<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	2,753,868	15,090	3,221,899	604,686
Movement in surplus on revaluation of property and equipment - net of tax	(18,442)	(10,460)	(55,256)	(30,204)
Movement in surplus on revaluation of non-banking assets - net of tax	(5,501)	(184)	(15,911)	784
	2,729,925	4,446	3,150,732	575,266
<b>Total comprehensive income</b>	<u>8,972,539</u>	<u>22,365,444</u>	<u>25,527,450</u>	<u>41,394,265</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

**BANK ALFALAH LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025**

	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)									
Balance as at December 31, 2023 (audited)	15,771,651	4,731,049	14,191,974	22,478,107	(906,806)	12,088,444	86,726	69,481,688	137,922,833
Impact of adoption of IFRS 9 - net of tax (note 4.1.1)	-	-	-	-	5,002,695	-	-	(2,250,700)	2,751,995
Balance as at January 01, 2024 after adoption of IFRS 9	15,771,651	4,731,049	14,191,974	22,478,107	4,095,889	12,088,444	86,726	67,230,988	140,674,828
<b>Changes in equity for the nine months period ended September 30, 2024</b>									
Profit after taxation - (restated)	-	-	-	-	-	-	-	33,627,896	33,627,896
Other comprehensive (loss) / income - net of tax									
Effect of translation of net investment in foreign branches	-	-	(1,933,729)	-	-	-	-	-	(1,933,729)
Movement in surplus / (deficit) on revaluation of investments in debt securities classified as FVOCI - net of tax	-	-	-	-	9,727,228	-	-	-	9,727,228
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	-	-	-	-	(602,396)	-	-	-	(602,396)
Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax	-	-	-	-	604,686	-	-	-	604,686
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	(30,204)	-	-	(30,204)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	784	-	784
Total other comprehensive (loss) / income - net of tax	-	-	(1,933,729)	-	9,729,518	(30,204)	784	-	7,766,369
Transfer to statutory reserve	-	-	-	3,364,268	-	-	-	(3,364,268)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(66,417)	(9,180)	75,597	-
Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	(54,200)	-	-	54,200	-
<b>Transactions with owners, recorded directly in equity</b>									
Final cash dividend for the year ended December 31, 2023 - 50%	-	-	-	-	-	-	-	(7,885,826)	(7,885,826)
Interim cash dividend for the quarter ended March 31, 2024 - 20%	-	-	-	-	-	-	-	(3,154,330)	(3,154,330)
Interim cash dividend for the half year ended June 30, 2024 - 20%	-	-	-	-	-	-	-	(3,154,330)	(3,154,330)
Closing balance as at September 30, 2024 (un-audited) - restated	15,771,651	4,731,049	12,258,245	25,842,375	13,771,207	11,991,823	78,330	83,429,927	167,874,607
<b>Changes in equity for three months period ended December 31, 2024</b>									
Profit after taxation	-	-	-	-	-	-	-	4,690,235	4,690,235
Other comprehensive (loss) / income - net of tax									
Effect of translation of net investment in foreign branches	-	-	167,711	-	-	-	-	-	167,711
Movement in surplus on revaluation of investments in debt securities classified as FVOCI - net of tax	-	-	-	-	1,074,186	-	-	-	1,074,186
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	-	-	-	-	(297,550)	-	-	-	(297,550)
Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax	-	-	-	-	1,426,033	-	-	-	1,426,033
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-	456,187	456,187
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	-	-	-
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	5,639,486	-	-	5,639,486
Total other comprehensive (loss) / income - net of tax	-	-	167,711	-	2,202,669	5,639,486	235,845	456,187	8,701,898
Balance carried forward	15,771,651	4,731,049	12,425,956	25,842,375	15,973,876	17,631,309	314,175	88,576,349	181,266,740

**BANK ALFALAH LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025**

	Share capital	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)									
Balance brought forward	15,771,651	4,731,049	12,425,956	25,842,375	15,973,876	17,631,309	314,175	88,576,349	181,266,740
Transfer to statutory reserve	-	-	-	467,545	-	-	-	(467,545)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(78,264)	540	77,724	-
Gain on disposal of equity Investments classified as FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	(62,849)	-	-	62,849	-
<b>Transactions with owners, recorded directly in equity</b>									
Interim cash dividend for the nine months period ended September 30, 2024 - 20%	-	-	-	-	-	-	-	(3,154,330)	(3,154,330)
Balance as at December 31, 2024 (audited)	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 (note 4.1.2)	-	-	-	-	365,607	-	-	(81,096)	284,511
Balance as at January 01, 2025 after adoption of IFRS 9	15,771,651	4,731,049	12,425,956	26,309,920	16,276,634	17,553,045	314,715	85,013,951	178,396,921
<b>Changes in equity for the nine months period ended September 30, 2025</b>									
Profit after taxation	-	-	-	-	-	-	-	21,439,185	21,439,185
Other comprehensive income / (loss) - net of tax	-	-	(207,159)	-	-	-	-	-	(207,159)
Effect of translation of net investment in foreign branches	-	-	(207,159)	-	-	-	-	-	(207,159)
Movement in surplus on revaluation of investments in debt securities classified as FVOCI - net of tax	-	-	-	-	4,041,687	-	-	-	4,041,687
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	-	-	-	-	(2,896,995)	-	-	-	(2,896,995)
Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax	-	-	-	-	3,221,899	-	-	-	3,221,899
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	(55,256)	-	-	(55,256)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	(15,911)	-	(15,911)
Total other comprehensive income / (loss) - net of tax	-	-	(207,159)	-	4,366,591	(55,256)	(15,911)	-	4,088,265
Transfer to statutory reserve	-	-	-	2,143,919	-	-	-	(2,143,919)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(91,657)	(11,409)	103,066	-
Gain on disposal of equity Investments classified as FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	(547,291)	-	-	547,291	-
<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)
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)
Closing balance as at September 30, 2025 (un-audited)	15,771,651	4,731,049	12,218,797	28,453,839	20,095,934	17,406,132	287,395	93,130,835	192,095,632

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

**BANK ALFALAH LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited)**  
**FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025**

	Note	Nine months period ended	
		September 30, 2025	September 30, 2024
		----- (Rupees in '000) -----	
		(Restated)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		47,294,950	66,453,424
Less: Dividend income		(2,062,136)	(1,378,919)
		<u>45,232,814</u>	<u>65,074,505</u>
<b>Adjustments:</b>			
Net mark-up / return / Interest income		(104,649,762)	(99,565,019)
Depreciation	32	4,470,968	3,380,100
Depreciation on right-of-use assets	32	3,387,199	2,832,251
Amortisation	32	300,500	274,168
Credit loss allowance /provisions and write offs - net	35	1,947,520	1,746,047
Unrealised loss / (gain) on revaluation of investments classified as FVPL	30	201,564	(3,416,886)
Gain on disposal of subsidiary	30.1	(396,857)	-
Unrealised gain on advances classified as FVPL		-	(57,165)
Gain on sale of property and equipment - net	31	(43,642)	(81,136)
Gain on sale of non banking assets - net	31	(3,368)	(27,800)
Gain on termination of leases - net	31	(85,693)	(62,345)
Staff loans - notional cost	32.1	3,064,364	1,968,928
Finance charges on leased assets	27	3,173,375	2,479,718
Workers' welfare fund		1,090,072	1,365,714
Charge for defined benefit plan	32.1	721,426	503,473
Charge for staff compensated absences	32.1	313,000	157,500
		<u>(86,509,334)</u>	<u>(88,502,452)</u>
		<u>(41,276,520)</u>	<u>(23,427,947)</u>
<b>Decrease / (Increase) in operating assets</b>			
Lendings to financial institutions		68,513,728	71,618,222
Securities classified as FVPL		69,164,500	29,180,463
Advances		78,518,817	(127,431,849)
Other assets (excluding advance taxation and mark-up receivable)		(8,346,267)	(23,517,264)
		<u>207,850,778</u>	<u>(50,150,428)</u>
<b>(Decrease) / increase in operating liabilities</b>			
Bills payable		(2,308,826)	(792,635)
Borrowings		(512,440,786)	(185,909,939)
Deposits		29,915,094	51,419,092
Other liabilities (excluding current taxation and mark-up payable)		5,137,922	30,492,166
		<u>(479,696,596)</u>	<u>(104,791,316)</u>
		<u>(313,122,338)</u>	<u>(178,369,691)</u>
Mark-up / interest received		275,545,346	361,543,701
Mark-up / interest paid		(178,692,332)	(281,289,688)
Income tax paid		(28,456,601)	(39,725,647)
<b>Net cash used in operating activities</b>		<u>(244,725,925)</u>	<u>(137,841,325)</u>
<b>Balance carried forward</b>		<u>(244,725,925)</u>	<u>(137,841,325)</u>

**BANK ALFALAH LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited)**  
**FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025**

	Note	Nine months period ended	
		September 30, 2025	September 30, 2024
		----- (Rupees in '000) -----	
		(Restated)	
Balance brought forward		(244,725,925)	(137,841,325)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net investments in securities classified as FVOCI		250,462,806	147,831,648
Net investments in securities carried at amortised cost		43,851,597	7,501,156
Divestment from / (investment in) subsidiaries		396,857	(2,200,000)
Dividends received		2,059,336	1,329,747
Investments in property and equipment and intangible assets		(10,572,903)	(16,289,569)
Proceeds from sale of property and equipment		79,666	96,162
Proceeds from sale of non-banking assets		27,089	267,800
Effect of translation of net investment in foreign branches		(207,159)	(1,933,729)
<b>Net cash generated from investing activities</b>		<b>286,097,289</b>	<b>136,603,215</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payments of lease obligations against right-of-use assets		(4,961,186)	(4,334,533)
Dividend paid		(11,796,006)	(20,059,906)
<b>Net cash used in financing activities</b>		<b>(16,757,192)</b>	<b>(24,394,439)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>24,614,172</b>	<b>(25,632,549)</b>
Cash and cash equivalents at the beginning of the period		230,214,758	249,435,426
Effects of exchange rate changes on cash and cash equivalents		1,735,279	(1,535,507)
		231,950,037	247,899,919
Expected credit loss allowance on cash and cash equivalents - net		(64,899)	(22,490)
<b>Cash and cash equivalents at the end of the period</b>	<b>38</b>	<b>256,499,310</b>	<b>222,244,880</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

**BANK ALFALAH LIMITED****NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025****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 1,175 branches (December 31, 2024: 1,141 branches) and 10 sub-branches (December 31, 2024: 12 sub-branches). Out of the 1,175 branches, 715 (December 31, 2024: 707) are conventional, 449 (December 31, 2024: 423) are Islamic, 10 (December 31, 2024: 10) are overseas and 1 (December 31, 2024: 1) is an offshore banking unit.

The Pakistan Credit Rating Agency Limited has reaffirmed the Bank's long-term rating as 'AAA' and short-term rating as 'A1+' with stable outlook on 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 International Financial Reporting Standards (IFRS Accounting Standards) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the 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 issued by the SBP and the SECP differ with the requirements of IFRS or IFAS, requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives have been followed.

The SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for banking companies through BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' on banks through its notification S.R.O 411(I)/2008 dated April 28, 2008. The 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.

- 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, 2024.
- 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 International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2025 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 IFRS 9 for the current period is disclosed in note 4.1.2 of these unconsolidated condensed interim financial statements. Further, the comparative period has been restated to incorporate the impact of adoption of IFRS 9 as disclosed in note 4.1.1.

### 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 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 to be relevant or will not have any material effect on the Bank's 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. IFRS 18 is yet to be adopted in Pakistan. IFRS 18 when adopted and applicable shall impact the presentation of 'Statement of Profit and Loss Account' with certain additional disclosures in the unconsolidated condensed interim financial statements.
- amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.
- amendment to IAS 21 'The Effects of Changes in Foreign Exchange Rates' which will require Banks to apply a consistent approach in assessing whether a currency can be exchanged into another currency and, when it cannot, in determining the exchange rate to use and the disclosures to provide.

## 3 BASIS OF MEASUREMENT

### 3.1 Accounting convention

These 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 and loss and fair value through other comprehensive income; advances classified at fair value through profit and 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 staff loans 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, 2024. Impacts of adoption of IFRS 9 for the comparative and current period are disclosed in note 4.1.

### 4.1 IFRS 9 - 'Financial Instruments'

4.1.1 The Bank had adopted IFRS 9 effective from January 01, 2024 with modified retrospective approach for restatement permitted under IFRS 9. The cumulative impact of initial application amounting to Rs. 2,751,995 million was recorded as an adjustment to equity at the beginning of the previous accounting period.

The Bank, in compliance with extended timelines prescribed in SBP's BPRD Circular Letter No. 16 dated July 29, 2024 and BPRD Circular Letter No. 01 dated January 22, 2025 had incorporated certain IFRS 9 related impacts in the last quarter of 2024. Therefore the unconsolidated condensed interim statement of profit and loss account (un-audited) for the nine months period ended September 30, 2024 have been restated to incorporate these impacts. Had the restatement not been incorporated the profit after tax and total comprehensive income for the nine months period ended September 30, 2024 would have been higher by Rs. 14,782 million. The details are tabulated below:

Head		(Rupees in '000)	Description
Mark-up / return / interest earned	Increase	2,205,554	Fair value impact of subsidised advances and modification of advances
Mark-up / return / interest earned	Increase	1,968,928	Fair value impact of staff loans
Other income	Increase	57,165	Fair value impact of advances measured at fair value through profit and loss
		4,231,647	
Mark-up / return / interest expensed	Increase	2,286,504	Fair value impact of subsidised borrowings
Operating expenses	Increase	1,968,928	Fair value impact of staff loans
Workers' welfare fund	Increase	5,199	Impact of restatement
		4,260,631	
Taxation	Decrease	14,202	Tax impact of restatement
		Rupees	
Basic and diluted earnings per share	Decrease	0.01	EPS impact of restatement

4.1.2 During the current period, in accordance with BPRD Circular No. 03 of 2022 dated July 05, 2022 and BPRD Circular Letter No. 16 dated July 29, 2024 the Bank has applied IFRS 9 'Financial Instruments' for Bangladesh Operations and measured unquoted equity securities at fair value. The cumulative impact of application in current period amounting to Rs. 284,511 million net of tax has been recorded as an adjustment to equity at the beginning of the current period.

4.1.3 The SBP has directed the Banks through its BPRD Circular Letter No. 1 dated January 22, 2025 to continue the existing revenue recognition methodology for Islamic Operations, including the requirements of IFAS 1 and IFAS 2 until further instructions. Had IFRS 9 been adopted in its entirety for revenue recognition from Islamic operations, the profit after tax of the Bank would have been higher by Rs. 232,961 million.

4.1.4 The SBP in a separate instruction SBPHOK-BPRD-RPD-BAF-834424 dated January 22, 2025 has allowed extension for application of Effective Interest Rate upto December 31, 2025.

## 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, 2024 except for matters 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, 2024.

	(Un-audited) September 30, 2025	(Audited) December 31, 2024
7	Note	(Rupees in '000)
<b>CASH AND BALANCES WITH TREASURY BANKS</b>		
In hand		
- local currency	47,835,363	48,323,420
- foreign currency	5,222,614	5,594,597
	53,057,977	53,918,017
With State Bank of Pakistan in		
- local currency current accounts	95,010,225	92,348,385
- foreign currency current accounts	8,385,690	7,192,719
- foreign currency deposit accounts	12,715,602	10,832,548
	116,111,517	110,373,652
With other central banks in		
- foreign currency current accounts	42,404,565	60,980,202
- foreign currency deposit accounts	1,620,427	1,820,112
	44,024,992	62,800,314
With National Bank of Pakistan in local currency current account	5,577,595	628,396
Prize bonds	106,901	119,605
	218,878,982	227,839,984
Less: Credit loss allowance held against cash and balances with treasury banks	(76,599)	(16,005)
Cash and balances with treasury banks - net of credit loss allowance	<u>218,802,383</u>	<u>227,823,979</u>
<b>8 BALANCES WITH OTHER BANKS</b>		
In Pakistan in current accounts	4,595	37,316
Outside Pakistan		
- in current accounts	10,455,952	18,406,200
- in deposit accounts	32,281	31,982
	10,488,233	18,438,182
	10,492,828	18,475,498
Less: Credit loss allowance held against balances with other banks	(10,195)	(5,890)
Balances with other banks - net of credit loss allowance	<u>10,482,633</u>	<u>18,469,608</u>
<b>9 LENDINGS TO FINANCIAL INSTITUTIONS</b>		
Call / clean money lendings	31,160,813	1,792,764
Repurchase agreement lendings (Reverse Repo)	31,092,710	94,208,913
Bai Muajjal receivable - other financial institution	-	4,997,525
	9.1 62,253,523	100,999,202
Less: Credit loss allowance held against lending to financial institutions	9.1 (594)	(879)
Lending to financial institutions - net of credit loss allowance	<u>62,252,929</u>	<u>100,998,323</u>

September 30, 2025 (Un-audited)		December 31, 2024 (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	58,692,710	353	99,606,438	754
<b>Overseas</b>					
Performing	Stage 1	3,560,813	241	1,392,764	125
<b>Total</b>		<b>62,253,523</b>	<b>594</b>	<b>100,999,202</b>	<b>879</b>

**10 INVESTMENTS****10.1 Investments by type:**

September 30, 2025 (Un-audited)				December 31, 2024 (Audited)			
Cost / amortised cost	Credit loss allowance / provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Credit loss allowance / provision for diminution	Surplus / (deficit)	Carrying value

(Rupees in '000)

**Fair value through profit and loss**

<b>Federal Government Securities</b>								
- Market Treasury Bills	40,330,997	-	(22,232)	40,308,765	74,055,824	-	(5,499)	74,050,325
- Pakistan Investment Bonds	155,649,927	-	(98,559)	155,551,368	183,913,135	-	47,072	183,960,207
- Ijarah Sukuks	255,570	-	10	255,580	1,733,628	-	10,084	1,743,712
- Naya Pakistan Certificates	897,939	-	-	897,939	2,651,621	-	-	2,651,621
<b>Shares</b>								
- Ordinary Shares - Listed	3,750,315	-	181,389	3,931,704	2,432,428	-	1,099,694	3,532,122
- Preference Shares - Unlisted	-	-	-	-	-	-	500,000	500,000
<b>Non Government Debt Securities</b>								
- Term Finance Certificates	1,450,000	-	-	1,450,000	1,450,000	-	-	1,450,000
- Sukuks	422,444	-	1,776	424,220	422,000	-	444	422,444
<b>Foreign Securities</b>								
- Overseas Bonds - Sovereign	9,858,080	-	4,385	9,862,465	13,043,880	-	(6,799)	13,037,081
- Redeemable Participating Certificates	7,882,788	-	(268,333)	7,614,455	5,913,093	-	2,401,955	8,315,048
	220,498,060	-	(201,564)	220,296,496	285,615,609	-	4,046,951	289,662,560

**Fair value through other comprehensive income**

<b>Federal Government Securities</b>								
- Market Treasury Bills	13,123,967	-	34,983	13,158,950	22,007,486	-	428,380	22,435,866
- Pakistan Investment Bonds	792,032,769	-	18,428,821	810,461,590	1,009,681,395	-	14,952,851	1,024,634,246
- Ijarah Sukuks	204,660,577	-	6,269,560	210,930,137	241,695,919	-	9,230,018	250,925,937
- Government of Pakistan Euro Bonds	15,285,118	(2,021,948)	2,598,242	15,861,412	12,368,725	(2,145,627)	922,305	11,145,403
<b>Shares</b>								
- Ordinary Shares - Listed	13,556,372	-	10,065,556	23,621,928	10,202,508	-	4,768,790	14,971,298
- Ordinary Shares - Unlisted	1,319,051	-	2,335,784	3,654,835	1,351,363	-	1,471,825	2,823,189
- Preference Shares - Unlisted	25,000	(25,000)	-	-	25,000	(25,000)	-	-
<b>Non Government Debt Securities</b>								
- Term Finance Certificates	1,940,590	(106,917)	-	1,833,673	2,076,398	(111,745)	-	1,964,653
- Sukuks	15,354,895	(96,511)	(63,641)	15,194,743	15,584,244	(96,511)	140,246	15,627,979
<b>Foreign Securities</b>								
- Overseas Bonds - Sovereign	59,804,279	(55,536)	(501,723)	59,247,020	50,691,578	(77,534)	(1,417,964)	49,196,080
- Overseas Bonds - Others	25,403,892	(7,168)	(274,869)	25,121,855	26,231,004	(7,505)	(1,030,029)	25,193,470
- Equity Securities - Listed	268,064	-	(11,191)	256,873	265,427	-	(8,246)	257,181
- Preference Shares - Unlisted	562,627	-	-	562,627	557,108	-	-	557,108
<b>REIT Fund - listed</b>	1,112,125	-	690,495	1,802,620	1,000,489	-	514,493	1,514,982
	1,144,449,326	(2,313,080)	39,572,017	1,181,708,263	1,393,738,644	(2,463,922)	29,972,669	1,421,247,391
<b>Balance carried forward</b>	1,364,947,386	(2,313,080)	39,370,453	1,402,004,759	1,679,354,253	(2,463,922)	34,019,620	1,710,909,951

## 10.1 Investments by type:

	September 30, 2025 (Un-audited)				December 31, 2024 (Audited)			
	Cost / amortised cost	Credit loss allowance / provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Credit loss allowance / provision for diminution	Surplus / (deficit)	Carrying value
	(Rupees in '000)							
Balance brought forward	1,364,947,386	(2,313,080)	39,370,453	1,402,004,759	1,679,354,253	(2,463,922)	34,019,620	1,710,909,951
Amortised cost								
Federal Government Securities								
- Pakistan Investment Bonds	171,004,710	-	-	171,004,710	218,414,195	-	-	218,414,195
- Ijarah Sukuks	40,455,313	-	-	40,455,313	40,376,451	-	-	40,376,451
Non Government Debt Securities								
- Term Finance Certificates	368,430	(24,731)	-	343,699	324,680	(24,715)	-	299,965
- Sukuks	3,219,395	(56,395)	-	3,163,000	3,509,612	(56,421)	-	3,453,191
Foreign Securities								
- Overseas Bonds - Sovereign	19,349,796	(83,292)	-	19,266,504	15,601,311	(216)	-	15,601,095
	234,397,644	(164,418)	-	234,233,226	278,226,249	(81,352)	-	278,144,897
Associates	1,177,606	-	-	1,177,606	1,177,606	-	-	1,177,606
Subsidiaries	1,000,000	-	-	1,000,000	2,505,217	(1,505,217)	-	1,000,000
Total Investments	1,601,522,636	(2,477,498)	39,370,453	1,638,415,591	1,961,263,325	(4,050,491)	34,019,620	1,991,232,454

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

	Subsidiary / Associate	Country of Incorporation	Percentage of holding	September 30, 2025 (Un-audited)				
				Assets	Liabilities	Revenue	(Loss) / profit for the period	Total comprehensive (loss) / Income
	(Rupees in '000)							
Aifalah Currency Exchange (Private) Limited	Subsidiary	Pakistan	100.00%	1,058,087	168,803	112,511	(134,930)	(133,659)
Aifalah Insurance Company Limited	Associate	Pakistan	30.00%	11,537,350	7,967,571	2,893,986	555,531	424,388
Sapphire Wind Power Company Limited	Associate	Pakistan	30.00%	20,630,804	2,308,131	4,611,571	2,645,732	2,645,732
Aifalah Asset Management Limited	Associate	Pakistan	40.22%	4,307,656	1,196,110	2,609,168	667,483	667,483
	(Rupees in '000)							
	Subsidiary / Associate	Country of Incorporation	Percentage of holding	December 31, 2024 (Audited)		September 30, 2024 (Un-audited)		
				Assets	Liabilities	Revenue	(Loss) / profit for the period	Total comprehensive (loss) / Income
	(Rupees in '000)							
Aifalah Securities (Private) Limited	Subsidiary	Pakistan	95.59%	1,850,958	1,358,817	620,270	(108,370)	(108,370)
Aifalah Currency Exchange (Private) Limited	Subsidiary	Pakistan	100.00%	1,081,681	58,736	126,121	20,282	21,160
Aifalah Insurance Company Limited	Associate	Pakistan	30.00%	7,622,491	4,327,101	2,011,571	479,020	584,389
Sapphire Wind Power Company Limited	Associate	Pakistan	30.00%	19,530,002	3,853,062	4,502,554	2,445,941	2,445,941
Aifalah Asset Management Limited	Associate	Pakistan	40.22%	3,473,064	1,014,104	1,818,446	355,161	355,161

10.2.1 The shareholders of the Bank in annual general meeting held on March 20, 2025 approved to sell entire shareholding in its subsidiary, Aifalah Securities (Private) Limited. The sale transaction was completed during the period in accordance with the applicable legal and regulatory requirements against a consideration of Rs. 396.857 million.

	(Un-audited) September 30, 2025	(Audited) December 31, 2024
	----- (Rupees in '000) -----	
<b>10.3 Investments given as collateral</b>		
- Market Treasury Bills	-	18,948,162
- Pakistan Investment Bonds	468,911,750	952,096,877
- Overseas Bonds	32,186,861	8,759,125
	<u>501,098,611</u>	<u>979,804,164</u>

10.3.1 The market value of securities given as collateral is Rs. 510,704.304 million (December 31, 2024: Rs. 993,194.012 million).

	(Un-audited) September 30, 2025	(Audited) December 31, 2024
	----- (Rupees in '000) -----	
<b>10.4 Credit loss allowance / provision for diminution in value of Investments</b>		
		Note
<b>10.4.1</b> Opening balance	4,050,491	3,660,630
Impact of adoption of IFRS 9	60,074	(437,729)
Balance as at January 01 after adopting IFRS 9	4,110,565	3,222,901
Exchange and other adjustments	32,031	(29,753)
Charge / (reversals)		
Charge for the period / year	427,965	1,436,742
Reversals for the period / year	(198,567)	(578,980)
Reversal on disposals	(389,279)	(419)
	(159,881)	857,343
Adjustment of provision on disposal of subsidiary	(1,505,217)	-
Closing balance	<u>2,477,498</u>	<u>4,050,491</u>
		10.2.1

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

Category of classification	September 30, 2025 (Un-audited)		December 31, 2024 (Audited)	
	Outstanding amount	Credit loss allowance / Provision held	Outstanding amount	Credit loss allowance / Provision held
	----- (Rupees in '000) -----			
<b>Domestic</b>				
Performing	756,250	75	806,250	85
Underperforming	-	-	-	-
Non-performing				
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	309,479	309,479	314,307	314,307
	<u>1,065,729</u>	<u>309,554</u>	<u>1,120,557</u>	<u>314,392</u>
<b>Overseas</b>				
Performing	104,557,967	145,996	78,312,741	85,255
Performing	-	-	14,211,152	-
Underperforming	15,285,118	2,021,948	12,368,725	2,145,627
Non-performing				
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-
<b>Total</b>	<u>120,908,814</u>	<u>2,477,498</u>	<u>106,013,175</u>	<u>2,545,274</u>

10.4.3 The market value of securities classified at amortised cost as at September 30, 2025 amounted to Rs. 236,662.806 million (December 31, 2024: Rs. 279,284.570 million).

11 ADVANCES

Note	Performing		Non Performing		Total	
	September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
----- (Rupees in '000) -----						
<b>Classified at amortised cost</b>						
Loans, cash credits, running finances, etc.	775,196,296	929,992,559	37,275,953	36,402,132	812,472,249	966,394,691
Islamic financing and related assets 43.3	231,631,086	166,361,932	5,664,323	5,688,223	237,295,409	172,050,155
Bills discounted and purchased	25,344,865	16,129,793	151,606	269,602	25,496,471	16,399,395
	<u>1,032,172,247</u>	<u>1,112,484,284</u>	<u>43,091,882</u>	<u>42,359,957</u>	<u>1,075,264,129</u>	<u>1,154,844,241</u>
<b>Classified at FVPL</b>						
Loans, cash credits, running finances, etc.	1,800,000	1,200,000	-	-	1,800,000	1,200,000
Fair value adjustment on loans - FVPL	-	213,735	-	-	-	213,735
	<u>1,800,000</u>	<u>1,413,735</u>	<u>-</u>	<u>-</u>	<u>1,800,000</u>	<u>1,413,735</u>
Advances - gross	<u>1,033,972,247</u>	<u>1,113,898,019</u>	<u>43,091,882</u>	<u>42,359,957</u>	<u>1,077,064,129</u>	<u>1,156,257,976</u>
<b>Credit loss allowance / provision against advances</b>						
- Stage 1 11.4	(1,921,361)	(2,232,954)	-	-	(1,921,361)	(2,232,954)
- Stage 2 11.4	(1,139,055)	(1,388,083)	-	-	(1,139,055)	(1,388,083)
- Stage 3 11.4	-	-	(40,276,048)	(38,436,013)	(40,276,048)	(38,436,013)
- Specific 11.4	-	-	-	(587,690)	-	(587,690)
- General 11.4	(4,152,364)	(4,237,082)	-	-	(4,152,364)	(4,237,082)
	<u>(7,212,780)</u>	<u>(7,858,119)</u>	<u>(40,276,048)</u>	<u>(39,023,703)</u>	<u>(47,488,828)</u>	<u>(46,881,822)</u>
Advances - net of credit loss allowance / provision	<u>1,026,759,467</u>	<u>1,106,039,900</u>	<u>2,815,834</u>	<u>3,336,254</u>	<u>1,029,575,301</u>	<u>1,109,376,154</u>

11.1 Advances include an amount of Rs. 401.155 million (December 31, 2024: Rs. 395.404 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 13.79% to 33.69% (December 31, 2024: 14.83% to 33.69%) per annum with maturities up to July 2045 (December 31, 2024: October 2043).

11.2 Particulars of advances (gross)	(Un-audited)	(Audited)
	September 30, 2025	December 31, 2024
	----- (Rupees in '000) -----	
In local currency	976,668,488	1,038,683,097
In foreign currencies	100,395,641	117,574,879
	<u>1,077,064,129</u>	<u>1,156,257,976</u>

11.3 Advances include Rs. 43,091.882 million (December 31, 2024: Rs. 42,359.957 million) which have been placed under non-performing status as detailed below:

Category of classification in stage 3

	September 30, 2025		December 31, 2024	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	----- (Rupees in '000) -----			
	Non-Performing Loans	Credit loss allowance /provision	Non-Performing Loans	Credit loss allowance /provision
<b>Domestic</b>				
Other Assets Especially Mentioned (OAEM)	196,040	354	237,808	-
Substandard	1,971,360	726,060	2,991,264	1,260,906
Doubtful	2,383,482	1,171,516	2,311,039	1,103,457
Loss	<u>37,868,925</u>	<u>37,766,899</u>	<u>36,164,401</u>	<u>36,071,650</u>
	42,419,807	39,664,829	41,704,512	38,436,013
<b>Overseas</b>				
Substandard	-	-	38,700	23,355
Doubtful	-	-	-	-
Loss	<u>672,075</u>	<u>611,219</u>	<u>616,745</u>	<u>564,335</u>
	672,075	611,219	655,445	587,690
<b>Total</b>	<u>43,091,882</u>	<u>40,276,048</u>	<u>42,359,957</u>	<u>39,023,703</u>

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

	September 30, 2025 (Un-audited)			December 31, 2024 (Audited)							
	Expected Credit Loss			Total	Expected Credit Loss			Total			
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3				
Opening balance	2,232,954	1,388,083	38,436,013	587,690	4,237,082	46,881,822	-	-	32,373,670	9,861,797	42,235,467
Impact of adoption of IFRS 9	50,662	49,899	587,751	(587,690)	-	100,622	3,383,875	1,941,645	33,603,839	(31,883,354)	(1,715,503)
Balance as at January 01 after adopting IFRS 9	2,283,616	1,437,982	39,023,764	-	4,237,082	46,982,444	3,383,875	1,941,645	33,603,839	490,316	8,146,294
Exchange and other adjustments	1,407	-	(5,366)	-	(3,962)	(7,921)	(249)	-	-	(49,929)	(35,775)
Charge for the period / year	370,288	174,955	7,195,758	-	-	7,741,001	589,912	228,686	14,209,301	148,294	15,176,195
Reversals for the period / year	(808,963)	(441,857)	(4,912,347)	-	(80,756)	(6,243,923)	(1,576,721)	(580,132)	(7,187,039)	(991)	(3,873,437)
	(438,675)	(266,902)	2,283,411	-	(80,756)	1,497,078	(986,809)	(451,444)	7,022,282	147,303	(3,873,437)
Transfer	75,013	(32,025)	(42,988)	-	-	-	(163,863)	(102,118)	265,981	-	-
Amounts written off	-	-	(16,209)	-	-	(16,209)	-	-	(19,688)	-	(19,688)
Amounts charged off	-	-	(940,818)	-	-	(940,818)	-	-	(2,310,924)	-	(2,310,924)
Amounts charged off - agriculture financing	-	-	(25,746)	-	-	(25,746)	-	-	(125,477)	-	(125,477)
	75,013	(32,025)	(1,025,761)	-	-	(982,773)	(163,863)	(102,118)	(2,190,108)	-	(2,456,089)
Closing balance	1,921,361	1,139,055	40,276,048	-	4,152,364	47,488,828	2,232,954	1,388,083	38,436,013	587,690	4,237,082

11.4.1 The additional profit arising from availing the forced sales value (FSV) benefit - net of tax as at September 30, 2025 which is not available for distribution as either cash or stock dividend to shareholders / bonus to employees amounted to Rs. 84,321 million (December 31, 2024; Rs. 70,421 million).

11.4.2 During the period, non performing loans and provisions were reduced by Rs. 442,462 million (December 31, 2024; Rs. 5,317,765 million) due to debt property swap transactions.

#### 11.4.3 General provision includes:

- (i) Provision held at overseas branches to meet the requirements of the regulatory authorities of the respective countries in which overseas branches operate; and
- (ii) Provision of Rs. 3,878,000 million (December 31, 2024; Rs. 3,878,000 million) against the high risk portfolio, which is showing higher economic vulnerability. The portfolio excludes GoP backed exposure, staff loans and loans secured against liquid collaterals.

11.4.4 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

	September 30, 2025 (Un-audited)						December 31, 2024 (Audited)						
	Expected Credit Loss			Total	General	Specific	Expected Credit Loss			Total	Specific	General	Total
	Stage 1	Stage 2	Stage 3				Stage 1	Stage 2	Stage 3				
Opening balance	2,232,954	1,388,083	38,436,013	587,690	4,237,082	46,881,822	-	-	-	32,373,670	9,861,797	42,235,467	
Impact of adoption of IFRS 9	50,662	49,899	587,751	(587,690)	-	100,622	3,383,875	1,941,645	33,603,839	(31,883,354)	(1,715,503)	5,330,502	
Balance as at January 01 after adopting IFRS 9	2,283,616	1,437,982	39,023,764	-	4,237,082	46,982,444	3,383,875	1,941,645	33,603,839	490,316	8,146,294	47,555,969	
Exchange and other adjustments	1,407	-	(5,366)	-	(3,962)	(7,921)	(249)	-	-	(49,928)	(35,775)	(85,953)	
New advances	370,288	174,955	4,597,589	-	-	5,142,832	589,912	228,688	10,736,585	55,479	-	11,610,664	
Due to credit deterioration	-	-	2,598,169	-	-	2,598,169	-	-	3,472,716	92,815	-	3,565,531	
Advances derecognised or repaid / reversal	(278,380)	(112,421)	(4,427,019)	-	(80,756)	(4,898,576)	(1,348,975)	(337,218)	(6,605,825)	(991)	(3,873,437)	(12,366,446)	
Transfer to stage 1	151,838	(141,233)	(10,605)	-	-	-	209,329	(209,329)	-	-	-	-	
Transfer to stage 2	(70,476)	195,432	(124,956)	-	-	-	(942,027)	342,027	-	-	-	-	
Transfer to stage 3	(6,349)	(86,224)	92,573	-	-	-	(31,165)	(234,816)	265,981	-	-	-	
Changes in risk parameters	(530,583)	(329,436)	(485,328)	-	-	(1,345,347)	(227,746)	(342,914)	(381,194)	-	-	(951,854)	
Amounts written off	(363,662)	(298,927)	2,240,423	-	(80,756)	1,497,078	(1,150,672)	(553,562)	7,288,263	147,303	(3,873,437)	1,857,895	
Amounts charged off	-	-	(16,209)	-	-	(16,209)	-	-	(19,688)	-	-	(19,688)	
Closing balance	1,921,361	1,139,055	40,276,048	-	4,152,364	47,488,828	2,232,954	1,388,083	38,436,013	587,690	4,237,082	46,881,822	

(Rupees in '000)

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

	September 30, 2025 (Un-audited)		December 31, 2024 (Audited)	
	No of borrowers	Rupees in '000	No of borrowers	Rupees in '000
<b>Corporate, Commercial and SME</b>				
Opening balance of charged-off	186	2,982,475	44	2,267,137
Charge-off during the period / year	160	152,889	145	1,331,003
Sub total	346	3,135,364	189	3,598,140
Recoveries made during the period / year against already charged-off cases	15	209,699	2	247,585
Amount written off from already charged off loans	-	-	-	-
Other movement	-	-	1	368,080
Closing balance of charged-offs	331	2,925,665	186	2,982,475

## 11.7 Advances - category of classification

		September 30, 2025 (Un-audited)		December 31, 2024 (Audited)	
		Outstanding	Credit loss allowance /provision	Outstanding	Credit loss allowance /provision
(Rupees in '000)					
<b>Domestic</b>					
Performing	Stage 1	817,219,307	1,702,378	950,300,223	2,101,954
Underperforming	Stage 2	174,197,018	1,057,903	112,325,725	1,388,083
Non-performing	Stage 3				
Other Assets Especially Mentioned (OAEM)		196,040	354	237,808	-
Substandard		1,971,360	726,060	2,991,264	1,260,906
Doubtful		2,383,482	1,171,516	2,311,039	1,103,457
Loss		37,868,925	37,766,899	36,164,401	36,071,650
General provision		-	3,878,000	-	3,878,000
		1,033,836,132	46,303,110	1,104,330,460	45,804,050
<b>Overseas</b>					
Performing	Stage 1	39,436,848	218,983	51,272,071	131,000
Underperforming	Stage 2	3,119,074	81,151	-	-
Non-performing	Stage 3				
Other Assets Especially Mentioned (OAEM)		-	-	-	-
Substandard		-	-	38,700	23,355
Doubtful		-	-	-	-
Loss		672,075	611,219	616,745	564,335
General provision		-	274,365	-	359,082
		43,227,997	1,185,718	51,927,516	1,077,772
<b>Total</b>		<b>1,077,064,129</b>	<b>47,488,828</b>	<b>1,156,257,976</b>	<b>46,881,822</b>

## 12 PROPERTY AND EQUIPMENT

	Note	(Un-audited)	(Audited)
		September 30, 2025	December 31, 2024
(Rupees in '000)			
Capital work-in-progress	12.1	5,558,823	3,471,199
Property and equipment	12.2	63,821,395	60,072,285
		<b>69,380,218</b>	<b>63,543,484</b>
<b>12.1 Capital work-in-progress</b>			
Civil works		4,483,214	3,187,748
Equipment		958,899	252,122
Others		116,710	31,329
		<b>5,558,823</b>	<b>3,471,199</b>

12.2 It includes land and buildings carried at revalued amount of Rs. 40,055.698 million (December 31, 2024: Rs. 39,448.429 million).

		(Un-audited)	
		Nine months period ended	
		September 30, 2025	September 30, 2024
		----- (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>	2,087,624	226,761
	<b>Property and equipment</b>		
	Freehold land	283,710	1,244,879
	Leasehold land	-	5,604,974
	Buildings on freehold land	239,173	661,232
	Buildings on leasehold land	324,292	445,244
	Leasehold improvements	2,083,695	2,750,502
	Furniture and fixtures	585,632	585,994
	Office equipments	3,236,024	3,866,808
	Vehicles	1,460,807	471,672
		8,213,333	15,631,305
	<b>Total additions to property and equipment</b>	<u>10,300,957</u>	<u>15,858,066</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:		
	Leasehold improvements	1,598	1,181
	Furniture and fixtures	903	229
	Office equipments	15,885	13,400
	Vehicles	17,638	216
	<b>Total disposals of property and equipment</b>	<u>36,024</u>	<u>15,026</u>
<b>13</b>	<b>RIGHT-OF-USE ASSETS</b>	(Un-audited) September 30, 2025	(Audited) December 31, 2024
		----- (Rupees in '000) -----	
	<b>At January 1</b>		
	Cost	36,609,168	28,813,726
	Accumulated depreciation	(11,318,561)	(8,862,155)
	<b>Net carrying amount at January 01</b>	<u>25,290,607</u>	<u>19,951,571</u>
	<b>Additions / renewals / amendments / (terminations)</b>		
	- net during the period / year	4,046,841	9,309,533
	Depreciation charge during the period / year	(3,387,199)	(3,923,093)
	Exchange rate adjustments	1,444	(47,404)
	<b>Closing net carrying amount</b>	<u>25,951,693</u>	<u>25,290,607</u>
<b>14</b>	<b>INTANGIBLE ASSETS</b>		
	Capital work-in-progress / advance payment to suppliers	427,828	396,879
	Software	1,086,643	1,146,230
		<u>1,514,471</u>	<u>1,543,109</u>
		(Un-audited)	(Un-audited)
		Nine months period ended	
		September 30, 2025	September 30, 2024
		----- (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	30,949	(56,626)
	Directly purchased	240,997	504,311
	<b>Total additions to intangible assets</b>	<u>271,946</u>	<u>447,685</u>
<b>14.2</b>	There were no disposals of intangible assets during the periods ended September 30, 2025 and September 30, 2024.		

	Note	(Un-audited) September 30, 2025	(Audited) December 31, 2024
----- (Rupees in '000) -----			
<b>15 OTHER ASSETS</b>			
Income / mark-up accrued in local currency - net		71,281,956	82,067,618
Income / mark-up accrued in foreign currencies - net		2,916,259	2,724,193
Advances, deposits, advance rent and other prepayments		5,186,362	4,582,638
Advance taxation (payments less provisions)		-	3,673,656
Advance against subscription of share		55,343	-
Non-banking assets acquired in satisfaction of claims	15.1	8,306,399	7,830,251
Dividend receivable		2,800	-
Mark to market gain on forward foreign exchange contracts		2,326,967	1,288,538
Mark to market gain on derivatives		2,161,293	3,128,782
Stationery and stamps on hand		24,311	28,155
Defined benefit plan		610,565	1,331,990
Branch adjustment account		76,947	29,195
Due from card issuing banks		2,598,961	2,817,994
Accounts receivable		15,785,699	10,613,225
Claims against fraud and forgeries		123,504	108,907
Acceptances		35,107,176	33,015,615
Receivable against Government of Pakistan and overseas government securities		28,893	44,928
Receivable against marketable securities		-	400,576
Deferred cost on staff loans		23,570,914	21,080,743
Others		201,599	135,539
		<u>170,365,948</u>	<u>174,902,543</u>
Less: Credit loss allowance / provision held against other assets	15.2	<u>(4,489,036)</u>	<u>(3,466,022)</u>
Other assets (net of credit loss allowance / provision)		165,876,912	171,436,521
Surplus on revaluation of non-banking assets acquired in satisfaction of claims - net	15.1	<u>478,694</u>	<u>491,882</u>
Other assets - total		<u>166,355,606</u>	<u>171,928,403</u>

**15.1** The revalued amount of non-banking assets acquired in satisfaction of claims is Rs. 8,785.093 million (December 31, 2024: Rs. 8,322.133 million).

	(Un-audited) September 30, 2025	(Audited) December 31, 2024
----- (Rupees in '000) -----		
<b>15.2 Credit loss allowance / provision held against other assets</b>		
Impairment against overseas operations	3,376,129	2,708,477
Expected credit loss	57,135	181,325
Fraud and forgeries	123,504	108,907
Accounts receivable	567,455	67,326
Others	364,813	399,987
	<u>4,489,036</u>	<u>3,466,022</u>
<b>15.2.1 Movement in credit loss allowance / provision held against other assets</b>		
Opening balance	3,466,022	2,984,277
Impact of adoption of IFRS 9	862	370,152
Balance as at January 01 after adopting IFRS 9	<u>3,466,884</u>	<u>3,354,429</u>
Exchange and other adjustments	(4,834)	(2,777)
Charge for the period / year	<u>1,230,083</u>	<u>531,375</u>
Reversals for the period / year	<u>(169,932)</u>	<u>(372,333)</u>
	1,060,151	159,042
Amount written off	(33,165)	(44,672)
Closing balance	<u>4,489,036</u>	<u>3,466,022</u>

	(Un-audited) September 30, 2025	(Audited) December 31, 2024
	----- (Rupees in '000) -----	
<b>16</b>	<b>BILLS PAYABLE</b>	
In Pakistan	34,729,053	41,462,676
Outside Pakistan	4,730,447	305,650
	<u>39,459,500</u>	<u>41,768,326</u>
<b>17</b>	<b>BORROWINGS</b>	
<b>Secured</b>		
Borrowings from the State Bank of Pakistan under:		
Export Refinance Scheme	21,111,828	26,867,803
Long-Term Finance Facility	16,976,652	20,278,409
Financing Facility for Renewable Energy Projects	12,315,649	13,762,263
Financing Facility for Storage of Agriculture Produce (FFSAP)	717,553	698,919
Temporary Economic Refinance Facility (TERF)	22,979,582	25,697,206
Export Refinance under Bill Discounting	15,300,109	14,253,363
SME Asaan Finance (SAAF)	4,413,756	7,073,103
Refinance Facility for Combating COVID (RFCC)	836,112	932,258
Refinance and Credit Guarantee Scheme for Women Entrepreneurs	531,062	172,604
Modernization of Small and Medium Entities (MSMES)	2,283,641	1,855,749
Other refinance schemes	861	232
Repurchase agreement borrowings	474,336,950	911,260,540
	571,803,755	1,022,852,449
Repurchase agreement borrowings	28,717,588	32,209,792
Bai Muajjal	-	48,654,565
<b>Total secured</b>	<u>600,521,343</u>	<u>1,103,716,806</u>
<b>Unsecured</b>		
Call borrowings	5,345,143	11,414,695
Overdrawn nostro accounts	3,946,519	15,736,314
Borrowings of overseas branches	106,895	5,750,351
Others		
- Pakistan Mortgage Refinance Company	7,539,292	2,464,030
- Karandaaz Risk Participation	3,092,775	2,803,546
<b>Total unsecured</b>	<u>20,030,624</u>	<u>38,168,936</u>
	<u>620,551,967</u>	<u>1,141,885,742</u>

**18 DEPOSITS AND OTHER ACCOUNTS**

	September 30, 2025 (Un-audited)			December 31, 2024 (Audited)		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	----- (Rupees in '000) -----					
<b>Customers</b>						
- Current deposits	783,705,972	144,545,134	928,251,106	644,305,838	165,613,660	809,919,498
- Savings deposits	488,007,585	33,045,801	521,053,386	607,199,365	34,755,471	641,954,836
- Term deposits	417,158,882	68,693,496	485,852,378	315,007,439	69,798,774	384,806,213
- Others	38,007,085	13,579,475	51,586,560	35,232,274	12,915,513	48,147,787
	1,726,879,524	259,863,906	1,986,743,430	1,601,744,916	283,083,418	1,884,828,334
<b>Financial Institutions</b>						
- Current deposits	6,079,735	6,312,650	12,392,385	4,387,043	2,747,963	7,135,006
- Savings deposits	121,214,114	924,410	122,138,524	186,276,613	2,372,391	188,649,004
- Term deposits	40,462,363	4,976,309	45,438,672	47,797,204	8,366,800	56,164,004
- Others	110,157	4,548	114,705	136,154	120	136,274
	167,866,369	12,217,917	180,084,286	238,597,014	13,487,274	252,084,288
	<u>1,894,745,893</u>	<u>272,081,823</u>	<u>2,166,827,716</u>	<u>1,840,341,930</u>	<u>296,570,692</u>	<u>2,136,912,622</u>

**18.1** Current deposits include remunerative current deposits of Rs. 39,042.040 million (December 31, 2024: Rs. 26,618.402 million).

19 LEASE LIABILITIES	Note	(Un-audited)	(Audited)
		September 30, 2025	December 31, 2024
------(Rupees in '000)-----			
Opening as at January 01		29,481,938	22,894,533
Additions / renewals / amendments / (terminations) - net		3,961,148	9,245,802
Finance charges		3,173,375	3,503,522
Lease payments including interest		(4,961,186)	(6,108,213)
Exchange rate / other adjustment		3,146	(53,706)
Closing net carrying amount		<u>31,658,421</u>	<u>29,481,938</u>
<b>19.1 Liabilities outstanding</b>			
Not later than one year		2,364,403	2,045,816
Later than one year and upto five years		12,657,808	11,045,465
Over five years		16,636,210	16,390,657
Total as at period / year end		<u>31,658,421</u>	<u>29,481,938</u>
For the purpose of discounting PKRV rates are being used.			
<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 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 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 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 Bank's current year's earning 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 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.

## 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 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 Bank's current year's earning 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 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

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

### Deductible Temporary Differences on:

- Credit loss allowance / provision against investments	(2,629,155)	(2,375,374)
- Credit loss allowance / provision against advances	(3,184,408)	(4,857,280)
- Modification of advances	(41,398)	(49,009)
- Credit loss allowance / provision against other assets	(2,180,451)	(1,534,994)
- Lease liabilities	(17,268,807)	-
- Credit loss allowance against balances with treasury banks	(40,092)	(8,679)
- Credit loss allowance against balances with other banks	(4,258)	(2,082)
- Credit loss allowance against lendings to financial institutions	(163)	(311)
- Unrealised loss on FVPL investments	(104,813)	-
- Workers' welfare fund	(3,070,903)	(2,504,065)
	<b>(28,524,448)</b>	<b>(11,331,794)</b>

### Taxable Temporary Differences on:

- Unrealised gain on FVPL investments	-	2,087,729
- Unrealised gain on FVPL advances	-	111,143
- Unrealised net gain on fair value of refinancing	588,298	643,213
- Right-of-use assets	13,494,880	-
- Surplus on revaluation of FVOCI investments	21,770,595	17,236,946
- Surplus on revaluation of property and equipments	2,442,163	2,386,906
- Surplus on revaluation of non banking assets	191,299	177,167
- Accelerated tax depreciation	4,966,970	5,204,331
	<b>43,454,205</b>	<b>27,847,435</b>
	<b>14,929,757</b>	<b>16,515,641</b>

	Note	(Un-audited) September 30, 2025	(Audited) December 31, 2024
------(Rupees in '000)-----			
<b>22 OTHER LIABILITIES</b>			
Mark-up / return / interest payable in local currency		19,676,064	35,004,706
Mark-up / return / interest payable in foreign currencies		1,627,331	1,715,640
Unearned fee commission and income on bills discounted and guarantees		4,927,998	4,063,795
Accrued expenses		22,323,429	17,275,667
Current taxation		451,792	-
Acceptances		35,107,176	33,015,615
Dividends payable		340,442	307,709
Mark to market loss on forward foreign exchange contracts		2,121,089	1,090,874
Mark to market loss on derivatives		71,321	69,063
Alternative Delivery Channel (ADC) settlement accounts	22.2	7,005,699	1,719,649
Provision for compensated absences		1,603,476	1,290,476
Payable against redemption of customer loyalty / reward points		1,517,987	1,041,845
Charity payable		194,011	176,604
Credit loss allowance / provision against off-balance sheet obligations	22.1	868,875	780,711
Security deposits against leases, lockers and others		19,158,522	13,058,856
Workers' welfare fund		7,879,595	6,789,523
Payable to vendors and suppliers		886,070	630,070
Margin deposits on derivatives		1,398,459	2,415,337
Payable to merchants (card acquiring)		1,783,998	959,295
Withholding taxes payable		4,365,943	6,453,825
Payable against marketable securities		241,828	-
Liability against share based payment		954,506	870,000
Trading liability		-	15,600,626
Others		8,702,221	7,199,556
		<u>143,207,832</u>	<u>151,529,442</u>

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

Opening balance	780,711	78,624
Impact of adoption of IFRS 9	2,714	1,085,673
Balance as at January 01 after adopting IFRS 9	<u>783,425</u>	<u>1,164,297</u>
Exchange and other adjustments	5,420	(4,925)
Charge for the period / year	<u>395,540</u>	<u>472,414</u>
Reversals for the period / year	<u>(315,510)</u>	<u>(851,075)</u>
	<u>80,030</u>	<u>(378,661)</u>
Closing balance	<u>868,875</u>	<u>780,711</u>

**22.2** This represents settlement arising from alternate delivery channel transactions at the cut off date.

	Note	(Un-audited) September 30, 2025	(Audited) December 31, 2024
------(Rupees in '000)-----			
<b>23 SURPLUS ON REVALUATION OF ASSETS</b>			
Surplus on revaluation of:			
- Securities measured at FVOCI - debt	10.1	26,491,373	23,225,807
- Securities measured at FVOCI - equity	10.1	13,080,644	6,746,862
- Property and equipment		19,848,295	19,939,951
- Non-banking assets acquired in satisfaction of claims		478,694	491,882
		59,899,006	50,404,502
Less: Deferred tax liability on surplus on revaluation of:			
- Securities measured at FVOCI - debt		(13,775,514)	(12,077,420)
- Securities measured at FVOCI - equity		(6,801,935)	(3,508,368)
- Property and equipment		(2,442,163)	(2,386,906)
- Non-banking assets acquired in satisfaction of claims		(191,299)	(177,167)
		(23,210,911)	(18,149,861)
Derivatives deficit		(2,294,512)	(3,175,304)
Less: Deferred tax asset on derivative		1,193,146	1,651,158
		(1,101,366)	(1,524,146)
		<u>37,789,461</u>	<u>33,778,787</u>
<b>24 CONTINGENCIES AND COMMITMENTS</b>			
- Guarantees	24.1	204,547,441	181,819,233
- Commitments	24.2	885,227,414	693,195,425
- Other contingent liabilities	24.3.1	23,774,654	23,153,037
		<u>1,113,549,509</u>	<u>898,167,695</u>
<b>24.1 Guarantees:</b>			
Financial guarantees		6,195,216	6,048,920
Performance guarantees		70,389,133	66,136,458
Other guarantees		127,963,092	109,633,855
		<u>204,547,441</u>	<u>181,819,233</u>
<b>24.2 Commitments:</b>			
Documentary credits and short-term trade-related transactions			
- Letters of credit		257,097,251	220,709,466
Commitments in respect of:			
- forward foreign exchange contracts	24.2.1	438,823,454	266,938,066
- forward government securities transactions	24.2.2	81,358,634	149,529,384
- derivatives	24.2.3	30,571,408	33,466,502
- forward lending	24.2.4	71,285,864	16,490,171
Commitments for acquisition of:			
- property and equipment		5,560,645	5,448,017
- intangible assets		249,158	317,819
Commitments in respect of donations		281,000	296,000
		<u>885,227,414</u>	<u>693,195,425</u>
<b>24.2.1 Commitments in respect of forward foreign exchange contracts</b>			
Purchase		238,494,474	144,906,210
Sale		200,328,980	122,031,856
		<u>438,823,454</u>	<u>266,938,066</u>
<b>24.2.2 Commitments in respect of forward government securities transactions</b>			
Purchase		12,805,917	55,393,978
Sale		68,552,717	94,135,406
		<u>81,358,634</u>	<u>149,529,384</u>

	Note	(Un-audited) September 30, 2025	(Audited) December 31, 2024
----- (Rupees in '000) -----			
<b>24.2.3 Commitments in respect of derivatives</b>			
<b>Interest rate swaps</b>			
Purchase	25.1	21,056,290	23,054,358
Sale		-	-
		21,056,290	23,054,358
<b>Cross currency swaps</b>			
Purchase		-	-
Sale	25.1	9,515,118	10,412,144
		9,515,118	10,412,144
<b>Total commitments in respect of derivatives</b>		<b>30,571,408</b>	<b>33,466,502</b>
<b>24.2.4 Commitments in respect of forward lending</b>			
Undrawn formal standby facilities, credit lines and other commitments to lend	24.2.4.1	71,285,864	16,490,171

**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) September 30, 2025	(Audited) December 31, 2024
----- (Rupees in '000) -----		
<b>24.3 Other contingent liabilities</b>		
<b>24.3.1</b> Claims against the Bank not acknowledged as debts	23,774,654	23,153,037

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), damage to reputation and cases filed by ex-employees of the Bank for damages. 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

	September 30, 2025 (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) -----						
<b>Counterparties</b>						
<b>With Banks for Hedging</b>	22	21,056,290	1,376,265	-	-	-
<b>With other entities</b>						
Market making	-	-	-	6	9,515,118	713,707
	<b>22</b>	<b>21,056,290</b>	<b>1,376,265</b>	<b>6</b>	<b>9,515,118</b>	<b>713,707</b>
December 31, 2024 (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) -----					
<b>Counterparties</b>						
<b>With Banks for Hedging</b>	27	23,054,358	2,172,667	-	-	-
<b>With other entities</b>						
Market making	-	-	-	6	10,412,144	887,052
	<b>27</b>	<b>23,054,358</b>	<b>2,172,667</b>	<b>6</b>	<b>10,412,144</b>	<b>887,052</b>

		(Un-audited)	
		Nine months period ended	
		September 30, 2025	September 30, 2024
		------(Rupees in '000)-----	
		(Restated)	
<b>26</b>	<b>MARK-UP / RETURN / INTEREST EARNED</b>		
	On:		
	a) Loans and advances	88,963,036	99,403,612
	b) Investments	174,804,409	283,837,074
	c) Lendings to financial institutions	3,189,786	4,415,310
	d) Balances with banks	233,843	169,791
	e) On securities purchased under resale agreements	3,630,875	3,481,518
		<u>270,821,949</u>	<u>391,307,305</u>
<b>27</b>	<b>MARK-UP / RETURN / INTEREST EXPENSED</b>		
	On:		
	a) Deposits	86,703,680	176,838,643
	b) Borrowings	12,707,168	14,411,085
	c) Securities sold under repurchase agreements	62,639,419	91,760,642
	d) Subordinated debt	1,498,157	2,435,916
	e) Cost of foreign currency swaps against foreign currency deposits / borrowings	1,783,056	5,997,990
	f) Leased assets	3,173,375	2,479,718
	g) Reward points / customer loyalty	840,707	298,010
		<u>169,345,562</u>	<u>294,222,004</u>
		Note	(Un-audited)
		Nine months period ended	
		September 30, 2025	September 30, 2024
		------(Rupees in '000)-----	
<b>28</b>	<b>FEE &amp; COMMISSION INCOME</b>		
	Branch banking customer fees	1,388,837	1,118,169
	Consumer finance related fees	606,427	451,171
	Card related fees (debit and credit cards)	2,599,021	2,696,125
	Credit related fees	469,600	612,589
	Investment banking fees	354,175	68,108
	Commission on trade	2,453,991	2,297,898
	Commission on guarantees	684,471	568,626
	Commission on cash management	54,792	48,653
	Commission on remittances including home remittances	351,248	2,105,570
	Commission on bancassurance	453,626	438,401
	Card acquiring business	704,837	1,210,421
	Wealth management fee	435,383	262,344
	Commission on Benazir Income Support Programme (BISP)	291,924	1,016,264
	Alternative Delivery Channel (ADC) settlement accounts	902,799	708,000
	Others	205,790	218,797
		<u>11,956,921</u>	<u>13,821,136</u>
<b>29</b>	<b>FOREIGN EXCHANGE INCOME</b>		
	Foreign exchange income	9,074,427	9,065,009
	Foreign exchange loss related to derivatives	(211,556)	(1,298,565)
		<u>8,862,871</u>	<u>7,766,444</u>
<b>30</b>	<b>GAIN ON SECURITIES</b>		
	Realised gain	30.1 10,659,077	5,521,870
	Unrealised (loss) / gain - measured at FVPL	10.1 (201,564)	3,416,886
	Unrealised loss on trading liabilities - net	-	(434,553)
		<u>30.2 10,457,513</u>	<u>8,504,203</u>



	(Un-audited)	
	Nine months period ended	
	September 30, 2025	September 30, 2024
	----- (Rupees in '000) -----	
		(Restated)
Balance brought forward	53,192,471	42,533,490
<b>Other operating expenses</b>		
Directors' fees and allowances	116,320	102,240
Fees and allowances to Shariah Board	23,029	15,046
Legal and professional charges	783,856	333,831
Outsourced services costs	1,251,094	1,064,779
Travelling and conveyance	1,620,616	1,116,132
Clearing and custodian charges	197,580	125,065
Depreciation	2,087,569	1,556,734
Training and development	257,898	225,466
Postage and courier charges	433,730	363,771
Communication	2,911,559	2,276,710
Stationery and printing	1,641,718	1,279,649
Marketing, advertisement and publicity	13,703,251	3,129,274
Donations	208,498	218,982
Auditors' remuneration	183,813	116,268
Brokerage and commission	1,241,354	756,006
Entertainment	732,811	623,238
Repairs and maintenance	973,239	737,361
Insurance	1,735,046	1,433,684
Cash handling charges	1,601,804	1,486,098
CNIC verification	549,738	346,862
Others	907,418	666,180
	33,161,941	17,973,376
	<u>86,354,412</u>	<u>60,506,866</u>
<b>32.1 Total compensation expense</b>		
Managerial remuneration		
i) Fixed	20,122,383	17,308,139
ii) Variable:		
a) Cash bonus / awards etc.	5,449,343	4,221,268
b) Bonus and awards in shares etc.	806,637	455,250
Charge for defined benefit plan	721,426	503,473
Contribution to defined contribution plan	843,903	650,389
Medical	2,127,343	1,585,749
Conveyance	2,451,652	1,060,223
Staff compensated absences	313,000	157,500
Staff life insurance	129,559	108,046
Staff welfare	51,789	53,643
Club subscription	7,485	10,669
<b>Sub-total</b>	33,024,520	26,114,349
Sign-on bonus	33,817	39,499
Staff loans - notional cost	3,064,364	1,968,928
Severance allowance	153,899	-
<b>Grand total</b>	<u>36,276,600</u>	<u>28,122,776</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)	
		Nine months period ended	
		September 30, 2025	September 30, 2024
----- (Rupees in '000) -----			
<b>34 OTHER CHARGES</b>			
Penalties imposed by the State Bank of Pakistan		10,153	218,820
<b>35 CREDIT LOSS ALLOWANCE / PROVISIONS AND WRITE OFFS - NET</b>			
Credit loss allowance / (reversal) against cash with treasury banks		56,633	(37,325)
Credit loss allowance against balance with other banks		3,281	2,073
Reversal of credit loss allowance against lending to financial institutions		(285)	(13,153)
(Reversal of) / credit loss allowance / provision against diminution in value of investments	10.4.1	(159,881)	928,866
Credit loss allowance / provision against loans & advances	11.4	1,497,078	1,188,725
Credit loss allowance / (reversal) against other assets	15.2.1	1,060,151	(35,638)
Credit loss allowance / (reversal) against off-balance sheet obligations	22.1	80,030	162,100
Credit loss allowance / (reversal of other credit loss allowance) / write off - net		10,319	(30,556)
Recovery of written off / charged off bad debts		(599,806)	(419,045)
		<u>1,947,520</u>	<u>1,746,047</u>
<b>36 TAXATION</b>			
<b>Charge / (reversal) :</b>			
Current		28,797,260	33,459,984
Prior years		3,167,631	(118,406)
Deferred		(6,109,126)	(516,050)
		<u>25,855,765</u>	<u>32,825,528</u>
<b>36.1 a)</b>	The income tax assessments of the Bank have been finalised upto and including tax year 2024. In respect of tax years 2008, 2014, 2017, 2019 and 2021 to 2024, 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. 1,217.274 million (December 31, 2024: Rs. 1,217.274 million) net of relief provided in appeal. The Bank has filed an appeal which is pending before the 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>b)</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 orders are pending before Commissioner Appeals whereas for periods July 2014 to December 2020, Appellate Tribunal has decided the matters against the Bank. The Bank has filed appeals against these orders before Sindh High Court after consultation with the tax consultant.		

The Bank has not made any provision against these orders and the management is of the view that these matters will be settled in 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 a tax demand of Rs. 11.536 million (excluding default surcharge) which is pending before the 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.

		(Un-audited)	
		Nine months period ended	
		September 30, 2025	September 30, 2024
		------(Rupees in '000)-----	
		(Restated)	
<b>37</b>	<b>BASIC AND DILUTED EARNINGS PER SHARE</b>		
	Profit for the period	<u>21,439,185</u>	<u>33,627,896</u>
		---(Number of shares in '000)---	
	Weighted average number of ordinary shares	<u>1,577,165</u>	<u>1,577,165</u>
		------(Rupees)-----	
	Basic and diluted earnings per share	<u>13.59</u>	<u>21.32</u>

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

		Note	(Un-audited)	
			Nine months period ended	
			September 30, 2025	September 30, 2024
			------(Rupees in '000)-----	
<b>38</b>	<b>CASH AND CASH EQUIVALENTS</b>			
	Cash and balances with treasury banks	7	218,878,982	207,128,735
	Balances with other banks	8	10,492,828	13,213,609
	Call / clean money lendings	9	31,160,813	6,488,591
	Overdrawn nostro accounts	17	(3,946,519)	(4,563,565)
	Less: Expected credit loss		(86,794)	(22,490)
			<u>256,499,310</u>	<u>222,244,880</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:

	September 30, 2025 (Un-audited)			
	Level 1	Level 2	Level 3	Total
	------(Rupees in '000)-----			
<b>On balance sheet financial instruments</b>				
<b>Financial assets - measured at fair value</b>				
<b>Investments</b>				
- Federal government securities	60,754,032	1,186,671,709	-	1,247,425,741
- Shares - listed companies	27,553,632	-	-	27,553,632
- Shares - unlisted companies	-	-	3,654,835	3,654,835
- REIT Fund - listed	1,802,620	-	-	1,802,620
- Non-government debt securities	14,762,000	4,140,636	-	18,902,636
- Foreign government securities	-	69,109,485	-	69,109,485
- Foreign equity securities	256,873	-	-	256,873
- Foreign preference shares - unlisted	-	-	562,627	562,627
- Foreign non-government debt securities	-	25,121,855	7,614,455	32,736,310
<b>Financial assets - disclosed but not measured at fair value</b>				
Investments - amortised cost	-	236,662,806	-	236,662,806
<b>Financial assets - measured at fair value</b>				
<b>Advances</b>				
- 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	-	2,326,967	-	2,326,967
- Forward sale of foreign exchange	-	(2,121,089)	-	(2,121,089)
- Forward purchase of government securities	-	(10,747)	-	(10,747)
- Forward sale of government securities	-	73,263	-	73,263
- Derivatives purchases	-	1,376,265	-	1,376,265
- Derivatives sales	-	713,707	-	713,707
<b>December 31, 2024 (Audited)</b>				
	Level 1	Level 2	Level 3	Total
	------(Rupees in '000)-----			
<b>On balance sheet financial instruments</b>				
<b>Financial assets - measured at fair value</b>				
<b>Investments</b>				
- Federal government securities	67,225,943	1,504,321,374	-	1,571,547,317
- Shares - listed companies	18,503,420	-	-	18,503,420
- Shares - unlisted companies	-	-	2,333,188	2,333,188
- Preference shares - unlisted companies	-	-	500,000	500,000
- REIT Fund - listed	1,514,982	-	-	1,514,982
- Non-government debt securities	14,991,550	4,473,526	-	19,465,076
- Foreign government securities	-	62,233,161	-	62,233,161
- Foreign equity securities	257,181	-	-	257,181
- Foreign non-government debt securities	-	25,193,470	8,315,048	33,508,518
<b>Financial assets - disclosed but not measured at fair value</b>				
Investments - amortised cost	-	279,284,570	-	279,284,570
<b>Financial assets - measured at fair value</b>				
<b>Advances</b>				
- Loans, cash credits, running finances, etc.	-	-	1,413,735	1,413,735
<b>Off-balance sheet financial instruments - measured at fair value</b>				
- Forward purchase of foreign exchange	-	1,288,538	-	1,288,538
- Forward sale of foreign exchange	-	(1,090,874)	-	(1,090,874)
- Forward purchase of government securities	-	(12,708)	-	(12,708)
- Forward sale of government securities	-	(451,343)	-	(451,343)
- Derivatives purchases	-	2,172,667	-	2,172,667
- Derivatives sales	-	887,052	-	887,052

**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.

The fair value of 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.

**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 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 are valued at market approach.
Foreign preference shares - unlisted	The fair value of investment in unlisted preference shares are valued at market approach.
Redeemable participating certificates	The fair value of investment in redeemable participating certificates are valued at net asset value.
Advances	The fair value of advances are valued on the basis of Discounted Cashflow Method (DCF) and transaction price.
Forward foreign exchange contracts	The valuation has been 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 arrive at the fair value of the Bank's properties. The market approach used prices and other relevant information generated by market transactions involving identical, comparable or similar properties. 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 September 30, 2025 (Un-audited)	Fair value as at December 31, 2024 (Audited)	Unobservable inputs*	Discount rate	Relationship of unobservable inputs to fair value
----- (Rupees in '000) -----					
Ordinary shares - unlisted (income approach)	2,805,531	2,333,188	Discount rate	16.50% - 19.00%	Increase / (decrease) in discount rate by 1% with all other variables held constant, would (decrease) / increase the fair value by Rs. 115.120 million and Rs. 125.336 million (December 31, 2024: Rs. 90.457 million and Rs. 97.873 million) respectively.
Ordinary shares - unlisted (market approach)	849,304	-	Market multiple / transaction price	Not applicable	Not applicable
Foreign preference shares - unlisted (market approach)	562,627	-	Transaction price	Not applicable	Not applicable
Preference shares - unlisted	-	500,000	Transaction price	Not applicable	Not applicable
Redeemable participating certificates	7,614,455	8,315,048	Net asset value	Not applicable	Not applicable
Advances classified at FVPL	-	1,413,735	Discount rate	30.0%	Increase / (decrease) in discount rate by 1% with all other variables held constant, would (decrease) / increase the fair value by Nil (December 31, 2024: Rs. 14.903 million and Rs. 15.134 million) respectively.
Advances classified at FVPL	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:

	September 30, 2025 (Un-audited)		December 31, 2024 (Audited)	
	Investments	Advances	Investments	Advances
----- (Rupees in '000) -----				
Opening balance	11,148,236	1,413,735	6,283,601	1,200,000
Impact of adoption of IFRS 9	761,681	-	2,271,824	122,135
Balance as at January 01 after adopting IFRS 9	11,909,917	1,413,735	8,555,425	1,322,135
Additions / (disposals) / transfers - net	37,760	386,265	-	-
Remeasurement recognised in OCI or profit and loss / adjustments	(115,760)	-	2,592,811	91,600
Closing balance	11,831,917	1,800,000	11,148,236	1,413,735

**40 SEGMENT INFORMATION**  
**40.1 Segment details with respect to Business Activities**

	For the nine months period ended September 30, 2025 (Un-audited)							
	Retail	Corporate	Islamic (Domestic)	Treasury	Digital	Overseas	Others**	Elimination

	(Rupees in '000)									
<b>Unconsolidated statement of profit and loss account</b>										
Net mark-up / return/ profit*										
Inter segment revenue - net	84,955,927	(16,675,823)	(1,865,817)	(66,867,791)	6,025,608	(2,44,317)	(819,960)	(4,507,827)	-	101,476,987
Non mark-up / return / interest income*	8,440,582	6,431,340	2,532,104	20,376,572	2,929,365	1,556,790	700,785	(7,746,818)	-	35,220,720
Total income / (loss)	62,998,245	13,260,424	23,179,518	33,562,180	8,695,624	7,347,313	(91,552)	(12,254,645)	-	136,697,107
Segment direct expenses	29,709,149	12,476,531	13,428,872	1,069,501	4,175,961	3,308,174	23,749,214	(462,765)	-	87,454,637
Inter segment expense allocation	14,368,993	1,508,142	5,040,457	850,938	1,836,784	549,443	(23,749,214)	(405,543)	-	17,547,900
Total expenses	44,078,142	13,984,673	18,469,329	1,920,439	6,012,745	3,857,617	-	(868,308)	-	87,454,637
Credit loss allowance / provision / (reversals)	1,857,404	(958,002)	(15,432)	46,764	530,531	477,807	(91,552)	-	-	1,947,520
Profit / (loss) before tax	17,062,699	133,753	4,725,621	31,594,977	2,152,348	3,011,889	-	(11,386,337)	-	47,294,950

	As at September 30, 2025 (Un-audited)							
	Retail	Corporate	Islamic (Domestic)	Treasury	Digital	Overseas	Others**	Elimination

	(Rupees in '000)									
<b>Unconsolidated statement of financial position</b>										
Cash and bank balances	108,418,788	15,193,791	55,782,409	-	1,706,510	48,800,220	-	(562,702)	-	229,285,016
Investments	-	4,381,643	200,776,327	1,291,746,391	-	137,804,276	3,706,954	-	-	1,638,415,591
Inter segment lending - net	1,024,527,676	-	-	-	26,352,253	-	120,791,014	(1,171,670,943)	-	-
Lendings to financial institutions	-	-	27,599,658	36,437,727	-	9,749,679	-	(11,534,135)	-	62,252,929
Advances - performing	257,851,611	478,220,774	231,253,801	-	47,855	41,897,509	17,487,917	-	-	1,026,759,467
- non-performing	1,123,387	473,909	897,604	-	(77)	144,771	176,240	-	-	2,815,834
Others	40,330,010	59,379,660	59,646,938	21,424,498	1,248,750	5,266,410	74,256,982	1,648,740	-	263,201,988
Total assets	1,432,251,472	557,595,777	575,956,737	1,349,608,616	29,355,291	243,662,865	216,419,107	(1,182,119,040)	-	3,222,730,825
Borrowings	21,110,110	56,110,040	33,182,655	475,979,565	-	46,228,452	-	(12,058,855)	-	620,551,967
Subordinated debt	-	-	-	-	-	-	14,000,000	-	-	14,000,000
Deposits and other accounts	1,349,286,021	222,099,166	422,501,575	6,204	28,441,850	144,447,107	164,836	(119,043)	-	2,166,827,716
Inter segment borrowing - net	-	234,494,831	33,340,096	869,148,823	-	35,901,643	-	(1,172,885,393)	-	-
Others	61,855,341	44,891,740	81,700,138	(9,677,082)	913,441	15,115,277	31,512,404	2,944,251	-	229,255,510
Total liabilities	1,432,251,472	557,595,777	570,724,464	1,355,457,510	29,355,291	241,692,479	45,677,240	(1,182,119,040)	-	3,030,635,193
Net assets	-	-	5,232,273	14,151,106	-	1,970,386	170,741,867	-	-	192,095,632
Equity	-	-	-	-	-	-	-	-	-	-
Contingencies and commitments	152,729,971	235,695,874	176,709,974	492,697,152	2,384	50,940,288	4,773,866	-	-	1,113,549,509

The segment 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. 413.219 million and Rs. 428.672 million respectively of investment banking.

\*\* Others include head office related activities.

For the nine months period ended September 30, 2024 (Un-audited) - Restated									
	Retail	Corporate	Islamic (Domestic)	Treasury	Digital	Overseas	Others**	Elimination	Total

**Unconsolidated statement of profit and loss account**

Net mark-up / return/ profit*	(86,188,901)	10,771,521	24,897,904	142,419,276	74,377	6,439,152	(1,328,028)	-	97,085,301
Inter segment revenue - net	151,399,025	4,688,111	(2,919,204)	(52,411,292)	6,502,384	682,830	1,375,825	(9,317,679)	-
Non mark-up / return / interest income*	6,783,962	5,092,613	2,105,635	14,874,377	1,156,818	2,547,497	644,668	-	33,205,570
Total income / (loss)	71,994,086	20,552,245	24,084,335	4,882,361	7,733,579	9,669,479	692,465	(9,317,679)	130,290,871
Segment direct expenses	23,940,743	3,009,053	9,467,887	737,016	2,880,856	2,825,466	19,230,379	-	62,091,400
Inter segment expense allocation	11,872,618	1,352,856	4,031,176	255,692	1,665,122	448,165	(18,574,606)	(1,051,023)	-
Total expenses	35,813,361	4,361,909	13,499,063	992,708	4,545,978	3,273,631	655,773	(1,051,023)	62,091,400
Credit loss allowance / provision / (reversals)	208,056	2,807,069	160,220	(15,178)	15,423	(49,543)	(1,380,000)	-	1,746,047
Profit / (loss) before tax	35,972,669	13,383,267	10,425,052	3,904,831	3,172,178	6,445,391	1,416,692	(8,266,656)	66,453,424

As at December 31, 2024 (Audited)									
	Retail	Corporate	Islamic (Domestic)	Treasury	Digital	Overseas	Others**	Elimination	Total

**Unconsolidated statement of financial position**

Cash and bank balances	109,749,938	17,976,222	41,944,162	-	775,190	66,937,500	-	8,910,575	246,293,587
Investments	-	5,492,251	242,118,099	1,617,562,126	-	123,313,534	2,746,444	-	1,991,232,454
Inter segment lending - net	988,532,481	-	43,283,519	97,393,884	10,562,483	-	83,946,238	(1,083,041,202)	-
Lendings to financial institutions	242,468,773	634,142,272	165,966,972	-	59,194	7,103,006	-	(46,782,086)	100,998,323
Advances - performing	1,140,010	1,072,573	917,894	-	1,966	56,323,050	12,650,639	(5,571,000)	1,106,039,900
- non-performing	24,516,991	39,838,680	53,364,017	42,082,631	1,966	67,755	106,117	29,939	3,336,254
Others	1,366,408,193	698,521,998	547,594,663	1,757,038,641	2,095,622	2,843,261	100,201,974	(2,637,573)	262,305,603
Total assets	18,008,205	66,732,348	35,770,158	1,037,179,587	-	28,681,197	-	(44,485,753)	1,141,885,742
Borrowings	-	-	-	-	-	-	14,000,000	-	14,000,000
Subordinated debt	1,277,413,227	262,957,681	398,788,680	-	12,936,578	185,193,870	2,800	(380,214)	2,136,912,622
Deposits and other accounts	-	-	30,376,465	689,991,745	-	31,961,837	-	(1,083,018,053)	-
Inter segment borrowing - net	70,986,761	38,143,963	76,483,156	18,960,678	557,877	9,902,659	25,467,580	(1,207,327)	239,295,347
Others	1,366,408,193	698,521,998	541,418,459	1,746,132,010	13,494,455	255,739,563	39,470,380	(1,129,091,347)	3,532,093,711
Total liabilities	-	-	6,176,204	10,906,631	-	848,543	160,181,032	-	178,112,410
Net assets	137,249,361	230,283,930	79,773,852	391,608,905	718	54,966,306	4,284,623	-	898,167,695
Equity	-	-	-	-	-	-	-	-	-
Contingencies and commitments	-	-	-	-	-	-	-	-	-

The segment 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. 269,508 million and Rs. 145,367 million respectively of investment banking.

\*\* Others include head office related activities.

#### 41 RELATED PARTY TRANSACTIONS

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 September 30, 2025 (Un-audited)				As at December 31, 2024 (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	-	-	2,505,217	1,177,606	2,923,188	-	-	305,217	1,177,606	1,602,909
Investment made during the period / year	-	-	-	-	825,072	-	-	2,200,000	-	511,863
Investment redeemed / disposed off during the period / year	-	-	(1,505,217)	-	(602,436)	-	-	-	-	(331,613)
Revaluation of investment during the period / year	-	-	-	-	828,232	-	-	-	-	2,190,383
Transfer in / (out) - net	-	-	-	-	562,627	-	-	-	-	(1,250,354)
Closing balance	-	-	1,000,000	1,177,606	4,536,683	-	-	2,505,217	1,177,606	2,923,188
Credit loss allowance / provision for diminution in value of investments	-	-	-	-	-	-	-	1,505,217	-	-
<b>Advances</b>										
Opening balance	11,225	971,469	-	-	1,052,432	14,918	935,186	-	-	1,925,526
Addition during the period / year	630	340,106	316,655	-	8,437,337	1,715	232,432	16,288,652	-	43,510,218
Repaid during the period / year	(3,199)	(350,289)	(316,655)	-	(7,632,169)	(5,408)	(194,161)	(16,288,652)	-	(44,383,312)
Transfer in / (out) - net	-	1,184	-	-	1,864	-	(1,988)	-	-	-
Closing balance	8,656	962,470	-	-	1,859,464	11,225	971,469	-	-	1,052,432
Credit loss allowance held against advances	3	449	-	-	6,799	34	3,690	-	-	1,524
<b>Other assets</b>										
Interest / mark-up accrued	5,161	81,756	-	-	47,129	4,593	81,687	-	-	22,681
Receivable from staff retirement fund	-	-	-	-	610,565	-	-	-	-	1,331,990
Prepayment / rent and other receivable	-	-	46,863	-	176,009	-	-	3,139	-	-
Advance against shares	-	-	-	-	55,343	-	-	-	-	-
Acceptances	-	-	-	-	-	-	-	-	-	17,081
Credit loss allowance against other assets	-	-	-	-	-	-	-	-	-	14
<b>Borrowings</b>										
Opening balance	-	-	-	-	2,464,030	-	-	-	-	2,605,576
Borrowings during the period / year	-	-	-	-	5,575,000	-	-	-	-	1,149,273
Settled during the period / year	-	-	-	-	(1,499,738)	-	-	-	-	(1,290,819)
Closing balance	-	-	-	-	7,539,292	-	-	-	-	2,464,030

	As at September 30, 2025 (Un-audited)					As at December 31, 2024 (Audited)				
	Directors/ CEO	Key management personnel	Subsidiaries	Associates	Other related parties	Directors/ CEO	Key management personnel	Subsidiaries	Associates	Other related parties
<b>Deposits and other accounts</b>										
Opening balance	185,847	392,643	807,925	60,026,664	12,533,349	406,959	340,757	55,874	17,153,420	18,550,205
Received during the period / year	2,729,726	4,653,738	54,419,756	1,578,202,653	123,663,067	5,668,276	4,582,080	47,640,608	1,211,982,771	276,598,239
Withdrawn during the period / year	(2,850,164)	(4,385,627)	(54,345,910)	(1,584,981,759)	(123,552,560)	(5,889,395)	(4,524,294)	(46,888,557)	(1,169,109,527)	(279,997,497)
Transfer in / (out) - net		(13,643)	(339,161)		273	7	(5,900)			(3,617,598)
Closing balance	57,409	647,111	542,610	3,247,558	12,844,129	185,847	392,643	807,925	60,026,664	12,533,349
<b>Subordinated debt</b>										
Opening balance	-	-	-	-	-	-	-	-	-	300,000
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	(300,000)
Closing balance	-	-	-	-	-	-	-	-	-	-
<b>Other liabilities</b>										
Interest / mark-up payable	65	2,933	-	-	201,638	226	248	-	-	126,062
Dividend payable	-	-	-	-	12	7	-	-	-	9
Unearned rent	-	-	-	325	-	-	-	-	2,532	-
Others	-	-	-	-	26,431	-	-	2,657	-	32,786
<b>Contingencies and commitments</b>										
	-	-	-	-	6,796,554	-	-	-	-	559,419

	For the nine months period ended September 30, 2025 (Un-audited)					For the nine months period ended September 30, 2024 (Un-audited)				
	Directors/ CEO	Key management personnel	Subsidiaries	Associates	Other related parties	Directors/ CEO	Key management personnel	Subsidiaries	Associates	Other related parties
<b>Income</b>										
Mark-up / return / interest earned	627	22,832	6	-	97,830	1,395	23,032	51,037	-	232,025
Fee and commission income	215	1,168	-	442,930	15,690	88	831	-	243,257	6,827
Dividend income	-	-	-	44,993	587,597	-	-	-	254,993	648,370
Gain / (loss) on sale of securities	-	-	396,857	-	30,142	-	4	-	-	(19,901)
Rent on property	-	-	7,928	2,925	-	-	-	1,495	-	1,950
Gain on sale of property and equipment - net	7,094	132	-	8,191	-	-	115	-	-	6,913
<b>Expenses</b>										
Mark-up / return / interest paid	2,511	16,377	23,310	469,443	1,260,456	22,970	24,088	108,697	589,222	1,863,758
Operating expenses	518,804	1,799,145	-	-	-	433,887	1,387,814	-	-	-
Fee and remuneration	-	-	-	-	-	-	-	-	-	109,686
Clearing and custodian charges	-	-	-	-	87,424	-	-	-	-	82,575
Software maintenance	-	-	-	-	6,565	-	-	-	-	-
Stationery and printing	-	-	-	-	554,372	-	-	-	-	528,901
Communication cost	-	-	1,307	-	-	-	-	8,936	-	-
Brokerage and commission	-	-	-	-	1,150	-	-	-	-	-
Marketing, advertisement and publicity	-	-	-	-	721,426	-	-	-	-	503,473
Charge for defined benefit plan	-	-	-	-	843,903	-	-	-	-	650,389
Contribution to defined contribution plan	-	-	-	-	-	-	-	-	-	694
Training and subscription	-	-	-	-	-	-	-	-	-	-
Provision charge for diminution in value of investments	-	-	-	-	-	-	-	1,200,000	-	-
(Reversal of) credit loss allowance / credit loss allowance against loans & advances	(29)	(3,398)	-	-	4,719	-	1,841	-	-	7,312
Credit loss allowance against off-balance sheet obligations	-	-	-	-	821	-	-	-	-	111
(Reversal of) credit loss allowance against other assets	-	-	-	(14)	-	-	-	-	-	-
<b>Other information</b>										
Dividend paid	2,761,050	11,529	-	20,941	2,794,993	5,313,570	15,921	-	10,416	5,199,233
Insurance premium paid	-	-	-	1,701,174	-	-	-	-	1,378,226	-
Insurance claims settled	-	-	-	713,576	-	-	-	-	626,234	-

	(Un-audited) September 30, 2025	(Audited) December 31, 2024
	----- (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	153,262,105	143,542,085
Eligible Additional Tier 1 (ADT 1) Capital	13,550,000	13,550,000
Total eligible tier 1 capital	166,812,105	157,092,085
Eligible tier 2 capital	42,532,348	43,822,367
Total eligible capital (tier 1 + tier 2)	209,344,453	200,914,452
<b>Risk weighted assets (RWAs):</b>		
Credit risk	887,731,854	828,663,610
Market risk	36,501,488	47,806,075
Operational risk	242,467,238	242,467,238
Total	1,166,700,580	1,118,936,923
Common equity tier 1 capital adequacy ratio	13.14%	12.83%
Tier 1 capital adequacy ratio	14.30%	14.04%
Total capital adequacy ratio	17.94%	17.96%
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	166,812,105	157,092,085
Total exposures	3,806,043,924	4,071,667,095
Leverage ratio	4.38%	3.86%
<b>Liquidity Coverage Ratio (LCR):</b>		
Total high quality liquid assets	1,063,581,845	1,197,167,258
Total net cash outflow	566,347,605	626,056,805
Liquidity coverage ratio	188%	191%
<b>Net Stable Funding Ratio (NSFR):</b>		
Total available stable funding	1,803,610,975	1,690,754,449
Total required stable funding	1,282,839,598	1,340,991,900
Net stable funding ratio	141%	126%

**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 18.13% and 4.32% respectively.

## 43 ISLAMIC BANKING BUSINESS

The Bank operates 449 Islamic banking branches (December 31, 2024: 423 branches) and 4 sub branches (December 31, 2024: 4 sub branch) as at September 30, 2025.

## STATEMENT OF FINANCIAL POSITION

	Note	(Un-audited)	(Audited)
		September 30, 2025	December 31, 2024
		----- (Rupees in '000) -----	
<b>ASSETS</b>			
Cash and balances with treasury banks		50,298,140	37,669,937
Balances with other banks		5,484,269	4,274,225
Due from financial institutions	43.1	27,599,658	43,283,519
Investments	43.2	200,776,327	242,118,099
Islamic financing and related assets - net	43.3	232,151,405	166,884,866
Property and equipment		14,807,174	13,455,659
Right-of-use assets		11,040,414	10,805,081
Intangible assets		32,649	36,315
Deferred tax assets		-	-
Other assets		33,766,701	29,066,962
<b>Total assets</b>		<b>575,956,737</b>	<b>547,594,663</b>
<b>LIABILITIES</b>			
Bills payable		7,919,036	9,532,140
Due to financial institutions		33,182,655	35,770,158
Deposits and other accounts	43.4	422,501,575	398,788,680
Lease liabilities		13,623,720	12,456,340
Deferred tax liabilities		1,532,523	4,080,920
Other liabilities		58,624,859	50,413,756
<b>Total liabilities</b>		<b>537,384,368</b>	<b>511,041,994</b>
<b>NET ASSETS</b>		<b>38,572,369</b>	<b>36,552,669</b>
<b>REPRESENTED BY</b>			
Islamic banking fund		3,950,000	3,950,000
Surplus on revaluation of assets		5,232,273	6,176,202
Unappropriated / unremitted profit	43.5	29,390,096	26,426,467
		<b>38,572,369</b>	<b>36,552,669</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	43.6		
<b>PROFIT AND LOSS ACCOUNT</b>			
		(Un-audited)	
		Nine months period ended	
		September 30,	September 30,
		2025	2024
	Note	----- (Rupees in '000) -----	
		(Restated)	
Profit / return earned on Islamic financing and related assets, Investments and placements	43.7	41,946,852	59,973,635
Profit / return expensed on deposits and other dues expensed	43.8	19,433,621	35,075,731
Net profit / return		22,513,231	24,897,904
Fee and commission income		1,661,687	1,680,719
Foreign exchange income		845,756	424,915
Gain on securities		(3,936)	(12,136)
Net gain on derecognition of financial assets measured at amortised cost		-	-
Other income		28,597	12,137
Total other income		2,532,104	2,105,635
<b>Total income</b>		<b>25,045,335</b>	<b>27,003,539</b>
<b>OTHER EXPENSES</b>			
Operating expenses		18,311,994	13,216,131
Workers' welfare fund		151,703	272,332
Other charges		5,632	10,600
Total other expenses		18,469,329	13,499,063
Profit before credit loss allowance		6,576,006	13,504,476
Credit loss allowance and write offs - net		(15,432)	160,220
<b>PROFIT BEFORE TAXATION</b>		<b>6,591,438</b>	<b>13,344,256</b>
Taxation		3,630,199	6,586,263
<b>PROFIT AFTER TAXATION</b>		<b>2,961,239</b>	<b>6,757,993</b>

**43.1 Due from financial institutions**

	September 30, 2025 (Un-audited)			December 31, 2024 (Audited)		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	----- (Rupees in '000) -----					
Musharaka Placements	27,600,000	-	27,600,000	-	-	-
Bai Muajjal Receivables	-	-	-	43,283,744	-	43,283,744
	27,600,000	-	27,600,000	43,283,744	-	43,283,744
Less: Credit loss allowance						
Stage 1	(342)	-	(342)	(225)	-	(225)
	27,599,658	-	27,599,658	43,283,519	-	43,283,519

**43.2 Investments**

	September 30, 2025 (Un-audited)				December 31, 2024 (Audited)			
	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value
	----- (Rupees in '000) -----							
<b>By segment &amp; type:</b>								
<b>Fair value through profit and loss</b>								
Federal Government Securities								
Naya Pakistan Certificates	897,939	-	-	897,939	2,651,621	-	-	2,651,621
Non Government Debt Securities								
Sukuks - Unlisted	200,000	-	-	200,000	200,000	-	-	200,000
	1,097,939	-	-	1,097,939	2,851,621	-	-	2,851,621
<b>Fair value through other comprehensive income</b>								
Federal Government Securities								
Ijarah Sukuks	165,741,109	-	4,014,928	169,756,037	202,848,571	-	5,765,368	208,613,939
Non Government Debt Securities								
Sukuks - Unlisted	15,258,384	-	(63,641)	15,194,743	15,487,734	-	140,246	15,627,980
	180,999,493	-	3,951,287	184,950,780	218,336,305	-	5,905,614	224,241,919
<b>Amortised cost</b>								
Federal Government Securities								
Ijarah Sukuks	11,564,608	-	-	11,564,608	11,571,369	-	-	11,571,369
Non Government Debt Securities								
Sukuks - Unlisted	3,219,395	(56,395)	-	3,163,000	3,509,611	(56,421)	-	3,453,190
	14,784,003	(56,395)	-	14,727,608	15,080,980	(56,421)	-	15,024,559
<b>Total Investments</b>	196,881,435	(56,395)	3,951,287	200,776,327	236,268,906	(56,421)	5,905,614	242,118,099

**43.2.1 Particulars of credit loss allowance**

	September 30, 2025 (Un-audited)				December 31, 2024 (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	23	-	56,372	56,395	50	-	56,371	56,421

43.3 Islamic financing and related assets	(Un-audited)	(Audited)
	September 30, 2025	December 31, 2024
	----- (Rupees in '000) -----	
<b>Classified at amortised cost</b>		
Ijarah	29,862,837	18,999,774
Murabaha	2,588,881	3,381,416
Musharaka	20,800,405	33,759,137
Diminishing musharaka	34,056,465	22,632,822
Salam	976,198	1,144,902
Bal muajjal financing	49,998,121	-
Musawama financing	7,578,022	3,920,834
Tijarah financing	5,053,617	5,144,193
Islamic staff financing	6,386,079	4,584,066
SBP Islamic export refinance	299,133	36,718
Islamic long term finance facility plant & machinery	4,098,904	4,583,214
Islamic refinance renewable energy	2,188,441	2,398,333
Islamic temporary economic refinance facility (ITERF)	6,282,829	7,021,800
Naya Pakistan home financing	3,930,391	3,115,734
Islamic refinance facility for combating COVID	613,143	919,253
Refinance facility under bills discounting	20,306,944	17,192,728
Advances against Islamic assets	23,942,532	27,919,555
Inventory related to Islamic financing	18,016,511	14,483,301
Other Islamic modes	315,956	812,375
<b>Gross Islamic financing and related assets</b>	<b>237,295,409</b>	<b>172,050,155</b>
<b>Less: Credit loss allowance against Islamic financings</b>		
- Stage 1	(289,987)	(297,387)
- Stage 2	(87,298)	(97,574)
- Stage 3	(4,766,719)	(4,770,328)
	(5,144,004)	(5,165,289)
<b>Islamic financing and related assets - net of credit loss allowance</b>	<b>232,151,405</b>	<b>166,884,866</b>

## 43.4 Deposits

	September 30, 2025 (Un-audited)			December 31, 2024 (Audited)		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	----- (Rupees in '000) -----					
<b>Customers</b>						
- Current deposits	183,452,816	10,568,541	194,021,357	160,930,379	9,107,965	170,038,344
- Savings deposits	116,264,714	4,102,070	120,366,784	102,440,702	4,374,103	106,814,805
- Term deposits	54,399,743	916,188	55,315,931	65,010,578	443,177	65,453,755
- Other deposits	4,314,681	2,386,120	6,700,801	2,518,243	1,814,136	4,332,379
	358,431,954	17,972,919	376,404,873	330,899,902	15,739,381	346,639,283
<b>Financial Institutions</b>						
- Current deposits	2,133,436	62,908	2,196,344	1,852,268	152	1,852,420
- Savings deposits	3,690,358	-	3,690,358	2,161,977	-	2,161,977
- Term deposits	40,210,000	-	40,210,000	48,135,000	-	48,135,000
	46,033,794	62,908	46,096,702	52,149,245	152	52,149,397
	404,465,748	18,035,827	422,501,575	383,049,147	15,739,533	398,788,680

43.4.1 Current deposits include remunerative current deposits of Rs. 39,042.040 million (December 31, 2024: Rs. 26,618.402 million).

	(Un-audited) September 30, 2025	(Audited) December 31, 2024
	----- (Rupees in '000) -----	
<b>43.5 Islamic banking business unappropriated profit</b>		
Opening balance	26,426,467	18,664,167
Impact of adopting IFRS 9	-	(414,335)
Balance at January 01 on adopting IFRS 9	26,426,467	18,249,832
Add: Islamic Banking profit before taxation for the period / year	6,591,438	17,921,026
Less: Taxation for the period / year	(3,630,199)	(9,745,771)
Add: Transfer from surplus on revaluation of assets to unappropriated profit - net	2,390	1,380
Closing balance	<u>29,390,096</u>	<u>26,426,467</u>
<b>43.6 Contingencies and commitments</b>		
- Guarantees	8,460,821	6,089,005
- Commitments	168,249,153	73,684,847
	<u>176,709,974</u>	<u>79,773,852</u>
	(Un-audited)	
	For the nine months period ended	
	September 30, 2025	September 30, 2024
	----- (Rupees in '000) -----	
		(Restated)
<b>43.7 Profit / return earned on Islamic financing and related assets, investments and placements</b>		
Profit earned on:		
- Islamic financing and related assets	16,387,733	19,673,791
- Investments	21,400,196	35,203,799
- Placements	4,158,923	5,096,045
	<u>41,946,852</u>	<u>59,973,635</u>
<b>43.8 Profit on deposits and other dues expensed</b>		
Deposits and other accounts	15,804,033	31,010,200
Due to financial institutions	1,847,409	2,732,805
Securities sold under repurchase agreements	160,914	-
Cost of foreign currency swaps against foreign currency deposits / borrowings	32,379	337,676
Finance charges on lease liability	1,386,063	958,535
Reward points / customer loyalty	202,823	36,515
	<u>19,433,621</u>	<u>35,075,731</u>
<b>43.9 PLS Pool Management- Islamic Banking Group (IBG)</b>		
<b>43.9.1 The pools, their key features and risk and reward characteristics.</b>		
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) FIs Pool for Treasury Purposes
- 4) IERS Pool for Islamic Export Refinance Scheme facilities
- 5) Special pool
- 6) PMRC Musharikhah 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 system.

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) September 30, 2025	(Audited) December 31, 2024
	----- (Rupees in '000) -----	
<b>43.9.2 Avenues / sectors where Mudaraba based deposits have been deployed.</b>		
Agriculture, Forestry, Hunting and Fishing	54,817,772	726,781
Automobile and transportation equipment	1,809,838	3,860,359
Cement	985,302	1,009,611
Chemical and Pharmaceuticals	10,624,774	11,133,965
Construction	2,854,854	2,511,288
Electronics and electrical appliances	2,697,331	5,334,659
Food & Allied Products	7,318,390	10,179,543
Footwear and Leather garments	1,916,572	1,390,032
Glass and Ceramics	278,266	358,052
Individuals	52,176,271	34,367,473
Metal & Allied industries	5,039,675	3,457,419
Mining and Quarrying	416,205	454,714
Oil and Allied	2,973,072	2,175,309
Paper and Board	1,284,529	806,473
Plastic and Allied Industries	5,630,069	5,302,071
Power (electricity), Gas, Water, Sanitary	9,490,981	11,004,109
Services	4,223,454	3,061,744
Sugar	1,271,826	1,955,464
Technology and Related services	117,226	16,531
Textile	51,385,855	56,828,136
Transport, Storage and Communication	8,327,496	7,563,322
Wholesale and Retail Trade	7,835,183	6,017,248
Others	3,820,467	2,535,852
<b>Total gross islamic financing and related assets</b>	<b>237,295,408</b>	<b>172,050,155</b>
<b>Total gross investments (cost)</b>	<b>196,881,435</b>	<b>236,268,906</b>
<b>Total islamic placements</b>	<b>27,600,000</b>	<b>43,283,744</b>
<b>Total Invested funds</b>	<b>461,776,843</b>	<b>451,602,805</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	10.73%	50.00%	50.00%	7,614,538	6.58%	4.37%	422,617
USD Pool	Monthly	5.73%	88.89%	11.11%	158,140	1.91%	28.85%	59,632
GBP Pool	Monthly	8.07%	88.89%	11.11%	27,724	0.76%	0.00%	-
EUR Pool	Monthly	6.72%	88.89%	11.11%	14,996	0.56%	0.00%	-
AED Pool	Monthly	4.62%	88.89%	11.11%	1,313	0.36%	0.00%	-
SAR Pool	Monthly	6.24%	88.89%	11.11%	1,050	0.32%	0.00%	-
CAD Pool	Monthly	10.03%	88.89%	11.11%	661	0.29%	0.00%	-
<b>Specific Pools</b>								
Special Pool (Saving & TDRs)	Monthly	11.55%	5.00%	95.00%	408,097	10.93%	11.50%	68,075

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	13.61%	67.13%	7.87%	2,979,648	Nil	0.00%	-

#### 44 AFGHANISTAN OPERATIONS

Bank Alfalah 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. The Bank has taken impairment against net assets where there is an indication that carrying amount may be higher than its recoverable amount. The Bank remains focused on maintaining its control standards i.e. both onshore and through Head Office oversight.

#### 45 BANGLADESH OPERATIONS

During the year 2024, a non-binding indicative offer was received from Bank Asia Limited, Dhaka, Bangladesh ("Bank Asia") to acquire the Bank's Bangladesh Operations (assets and liabilities). In this regard, the Bank was granted an in-principle approval by the State Bank of Pakistan to facilitate conduct of due diligence exercise by Bank Asia.

Subsequently, during the period ended September 30, 2025, the Board of Directors of Bank Alfalah Limited ("the Bank") has accorded its approval to sell the Bank's Bangladesh Operations to Bank Asia subject to approval of the State Bank of Pakistan, the Central Bank of Bangladesh, and /or any other regulatory and legal compliance and execution of definitive agreement.

Further, a non-binding offer was also received in year 2024 from Hatton National Bank of Sri Lanka ("HNB") to acquire the Bank's Bangladesh Operations. However, HNB has decided not to proceed with acquisition.

**46 NON-ADJUSTING EVENT**

The Board of Directors in its meeting held on October 22, 2025 has declared an interim cash dividend of 25% i.e. Rs. 2.5 per share for the quarter ended September 30, 2025 (September 30, 2024: Rs. 2.0 per share i.e. 20%). These unconsolidated condensed interim financial statements do not include the effect of this appropriation which will be accounted for subsequent to the period end. The Board had earlier declared an interim cash dividend bringing the total cash dividend for the nine months period ended September 30, 2025 to Rs. 7.5 per share (September 30, 2024: Rs. 6.0 per share).

**47 DATE OF AUTHORISATION**

These unconsolidated condensed interim financial statements were authorised for issue on October 22, 2025 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.

**48.2** The effects of reclassification, rearrangement in the comparative information presented in these unconsolidated condensed interim financial statements are as follows:

Description of Item	Nature	(Rupees in '000)	From	To
Agent commission	Expense	360,605	Commission on Benazir Income Support Programme (BISP)	Brokerage and commission
Verification cost	Expense	92,164	Commission on Benazir Income Support Programme (BISP)	CNIC verification
Optional issuer fee	Income	420,419	Foreign exchange income	Card related fees (debit and credit cards)
Conversion fee	Expense	269,987	Foreign exchange income	Card related fees (debit and credit cards)
Conversion fee	Expense	160,522	Foreign exchange income	Card acquiring business
Reward points	Expense	6,695	Reward points / customer loyalty	Consumer finance related fees
Reward points	Expense	3,005	Reward points / customer loyalty	Card related fees (debit and credit
Reward points	Expense	8,164	Reward points / customer loyalty	Commission on bancassurance
Reward points	Expense	1,814	Reward points / customer loyalty	Wealth management fee
Reward points	Expense	45,371	Reward points / customer loyalty	Alternative Delivery Channel (ADC) settlement accounts

**48.3** The effects of restatement due to adoption of IFRS 9 is mentioned in note 4.1.1 of these unconsolidated condensed interim financial statements.

President &amp; Chief Executive Officer

Chief Financial Officer

Director

Director

Director



**Bank Alfalah Limited**  
**Consolidated Condensed Interim**  
**Financial Statements**  
**Nine months period ended September 30, 2025**

**BANK ALFALAH LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2025**

	Note	(Un-audited) September 30, 2025	(Audited) December 31, 2024
----- (Rupees In '000) -----			
<b>ASSETS</b>			
Cash and balances with treasury banks	7	218,916,846	227,868,901
Balances with other banks	8	10,482,633	19,713,246
Lendings to financial institutions	9	62,252,929	100,998,323
Investments	10	1,644,452,894	1,996,182,261
Advances	11	1,029,575,301	1,109,376,542
Property and equipment	12	69,520,493	63,673,849
Right-of-use assets	13	26,046,014	25,365,699
Intangible assets	14	1,520,733	1,559,640
Deferred tax assets		-	-
Other assets	15	166,329,050	172,317,236
<b>Total assets</b>		<b>3,229,096,893</b>	<b>3,717,055,697</b>
<b>LIABILITIES</b>			
Bills payable	16	39,459,500	41,768,326
Borrowings	17	620,551,967	1,142,200,709
Deposits and other accounts	18	2,166,285,106	2,136,104,698
Lease liabilities	19	31,761,281	29,555,307
Subordinated debt	20	14,000,000	14,000,000
Deferred tax liabilities	21	18,510,812	19,459,032
Other liabilities	22	143,237,652	152,580,928
<b>Total liabilities</b>		<b>3,033,806,318</b>	<b>3,535,669,000</b>
<b>NET ASSETS</b>		<b>195,290,575</b>	<b>181,386,697</b>
<b>REPRESENTED BY</b>			
Share capital		15,771,651	15,771,651
Reserves		45,403,685	43,466,925
Surplus on revaluation of assets	23	37,813,540	33,820,479
Unappropriated profit		96,301,699	88,305,939
Total equity attributable to the equity holders of the Holding Company		195,290,575	181,364,994
Non-controlling interest		-	21,703
		<b>195,290,575</b>	<b>181,386,697</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	24		

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

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

**BANK ALFALAH LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (Un-audited)**  
**FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025**

	Nota	Quarter ended September 30, 2025	Quarter ended September 30, 2024	Nine months period ended September 30, 2025	Nine months period ended September 30, 2024
----- (Rupees in '000) -----					
			(Restated)	(Restated)	
Mark-up / return / interest earned	26	82,438,384	132,961,797	270,836,731	391,492,744
Mark-up / return / interest expensed	27	48,382,581	98,415,973	169,330,093	294,400,718
Net mark-up / return / Interest income		34,055,803	34,545,824	101,506,638	97,092,026
<b>NON MARK-UP / INTEREST INCOME</b>					
Fee and commission income	28	4,149,560	3,960,747	11,956,921	13,969,432
Dividend Income		606,633	219,115	2,017,143	1,123,926
Foreign exchange income	29	3,586,050	2,529,850	8,937,358	7,772,721
Income from derivatives		545,235	113,094	933,801	1,486,608
Gain on securities	30	2,055,037	6,233,600	10,060,656	8,598,616
Net gain / (loss) on derecognition of financial assets measured at amortised cost		-	-	-	-
Share of profit from associates		507,875	354,057	1,222,849	1,018,293
Other income	31	70,213	58,544	939,550	248,260
Total non-mark-up / interest income		11,520,603	13,469,007	36,068,278	34,217,856
Total income		45,576,406	48,014,831	137,574,916	131,309,882
<b>NON MARK-UP / INTEREST EXPENSES</b>					
Operating expenses	32	30,459,769	21,042,675	86,582,705	61,061,493
Workers' welfare fund	33	268,502	446,982	1,090,072	1,366,926
Other charges	34	3,942	9,305	13,499	218,820
Total non-mark-up / interest expenses		30,732,213	21,498,962	87,686,276	62,647,239
Profit before credit loss allowance / provisions		14,844,193	26,515,869	49,888,640	68,662,643
Credit loss allowance / provisions and write offs - net	35	1,050,875	440,389	1,947,520	208,396
Extra ordinary / unusual items		-	-	-	-
<b>PROFIT BEFORE TAXATION FROM CONTINUING OPERATIONS</b>		13,793,318	26,075,480	47,941,120	68,454,247
Taxation	36	7,463,473	12,789,927	26,468,382	33,249,244
<b>PROFIT AFTER TAXATION FROM CONTINUING OPERATIONS</b>		6,329,845	13,285,553	21,472,738	35,205,003
<b>DISCONTINUED OPERATIONS</b>					
<b>PROFIT / (LOSS) FROM DISCONTINUED OPERATIONS - NET OF TAX</b>	37.3	8,125	-	(75,392)	-
<b>PROFIT AFTER TAXATION</b>		6,337,970	13,285,553	21,397,346	35,205,003
<b>Profit / (loss) attributable to:</b>					
<b>Equity holders of the Holding Company</b>					
from continuing operations		6,329,845	13,282,451	21,472,738	35,200,367
from discontinued operations		8,125	-	(75,581)	-
		6,337,970	13,282,451	21,399,157	35,200,367
<b>Non-controlling interest</b>					
from continuing operations		-	3,102	-	4,636
from discontinued operations		-	-	(1,811)	-
		-	3,102	(1,811)	4,636
		6,337,970	13,285,553	21,397,346	35,205,003
----- (Rupees) -----					
			(Restated)	(Restated)	
Basic and diluted earnings per share - continuing operations	38	4.01	8.42	13.61	22.32
Basic and diluted earnings per share	38	4.01	8.42	13.56	22.32

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

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

**BANK ALFALAH LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)**  
**FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025**

	Quarter ended September 30, 2025	Quarter ended September 30, 2024	Nine months period ended September 30, 2025	Nine months period ended September 30, 2024
	(Rupees in '000)			
	(Restated)		(Restated)	
Profit after taxation for the period	6,337,970	13,285,553	21,397,346	35,205,003
<b>Other comprehensive income / (loss)</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	(467,845)	(278,450)	(207,159)	(1,933,729)
Movement in surplus on revaluation of investments in debt securities classified as FVOCI - net of tax	910,681	9,851,661	4,042,958	9,728,106
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	(364,783)	(241,014)	(2,896,995)	(602,396)
Movement in share of (deficit) / surplus on revaluation of investments of associates - net of tax	(9,695)	10,141	(18,884)	16,121
	68,358	9,342,338	919,920	7,208,102
<b>Items that will not be reclassified to the statement of profit and loss account in subsequent periods:</b>				
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	(1,105)
Movement in surplus on revaluation of equity investments classified as FVOCI - net of tax	2,753,868	15,090	3,221,899	604,686
Movement in surplus on revaluation of property and equipment - net of tax	(18,442)	(10,460)	(55,256)	(30,204)
Movement in surplus on revaluation of non-banking assets - net of tax	(5,501)	(184)	(15,911)	784
	2,729,925	4,446	3,150,732	574,161
<b>Total comprehensive income</b>	<u>9,136,253</u>	<u>22,632,337</u>	<u>25,467,998</u>	<u>42,987,266</u>
<b>Total comprehensive income / (loss) attributable to:</b>				
<b>Equity holders of the Holding Company</b>				
from continuing operations	9,128,128	22,629,235	25,543,390	42,983,044
from discontinued operations	8,125	-	(73,581)	-
	<u>9,136,253</u>	<u>22,629,235</u>	<u>25,469,809</u>	<u>42,983,044</u>
<b>Non-controlling interest</b>				
from continuing operations	-	3,102	-	4,222
from discontinued operations	-	-	(1,811)	-
	-	3,102	(1,811)	4,222
	<u>9,136,253</u>	<u>22,632,337</u>	<u>25,467,998</u>	<u>42,987,266</u>

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

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

**BANK ALFALAH LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025**

	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)										
Balance as at December 31, 2023 (audited)	15,771,651	4,731,049	14,191,974	22,478,107	(902,400)	12,088,444	86,726	71,472,352	139,917,903	(294,665)	139,623,238
Impact of adoption of IFRS 9 - net of tax (note 4.1.1)	-	-	-	-	5,002,695	-	-	(2,250,700)	2,751,995	-	2,751,995
Balance as at January 01, 2024 after adoption of IFRS 9	15,771,651	4,731,049	14,191,974	22,478,107	4,100,295	12,088,444	86,726	69,221,652	142,669,898	(294,665)	142,375,233
<b>Changes in equity for the nine months period ended September 30, 2024</b>											
Profit after taxation - (restated)	-	-	-	-	-	-	-	35,200,367	35,200,367	4,636	35,205,003
Other comprehensive (loss) / income - net of tax											
Effect of translation of net investment in foreign branches	-	-	(1,933,729)	-	-	-	-	-	(1,933,729)	-	(1,933,729)
Movement in surplus / (deficit) on revaluation of investments in debt securities classified as FVOCI - net of tax	-	-	-	-	9,728,106	-	-	-	9,728,106	-	9,728,106
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	-	-	-	-	(602,396)	-	-	-	(602,396)	-	(602,396)
Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax	-	-	-	-	604,686	-	-	-	604,686	-	604,686
Movement in share of surplus on revaluation of investments of associates - net of tax	-	-	-	-	16,121	-	-	-	16,121	-	16,121
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	-	-	(691)	(691)	(414)	(1,105)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	(30,204)	-	-	(30,204)	-	(30,204)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	784	-	784	-	784
Total other comprehensive (loss) / income - net of tax	-	-	(1,933,729)	-	9,746,517	(30,204)	784	(691)	7,782,677	(414)	7,782,263
Transfer to statutory reserve	-	-	-	3,364,268	-	-	-	(3,364,268)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(66,417)	(9,180)	75,597	-	-	-
Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	(54,200)	-	-	54,200	-	-	-
<b>Transactions with owners, recorded directly in equity</b>											
Adjustment of non-controlling interest	-	-	-	-	-	-	-	(311,627)	(311,627)	311,627	-
Right Issuance cost - subsidiary	-	-	-	-	-	-	-	(8,314)	(8,314)	(4,988)	(13,302)
Final cash dividend for the year ended December 31, 2023 - 50%	-	-	-	-	-	-	-	(7,885,826)	(7,885,826)	-	(7,885,826)
Interim cash dividend for the quarter ended March 31, 2024 - 20%	-	-	-	-	-	-	-	(3,154,330)	(3,154,330)	-	(3,154,330)
Interim cash dividend for the half year ended June 30, 2024 - 20%	-	-	-	-	-	-	-	(3,154,330)	(3,154,330)	-	(3,154,330)
Closing balance as at September 30, 2024 (un-audited) - restated	15,771,651	4,731,049	12,258,245	25,842,375	13,792,612	11,991,823	78,330	85,672,430	171,138,515	16,196	171,154,711
<b>Changes in equity for three months period ended December 31, 2024</b>											
Profit after taxation	-	-	-	-	-	-	-	4,653,254	4,653,254	5,039	4,658,293
Other comprehensive (loss) / income - net of tax											
Effect of translation of net investment in foreign branches	-	-	167,711	-	-	-	-	-	167,711	-	167,711
Movement in surplus on revaluation of investments in debt securities classified as FVOCI - net of tax	-	-	-	-	1,074,218	-	-	-	1,074,218	-	1,074,218
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	-	-	-	-	(297,550)	-	-	-	(297,550)	-	(297,550)
Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax	-	-	-	-	1,426,033	-	-	-	1,426,033	-	1,426,033
Movement in share of surplus on revaluation of investments of associates - net of tax	-	-	-	-	20,255	-	-	-	20,255	-	20,255
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-	461,557	461,557	468	462,025
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	5,639,486	-	-	5,639,486	-	5,639,486
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	235,845	-	235,845	-	235,845
Total other comprehensive (loss) / income - net of tax	-	-	167,711	-	2,222,956	5,639,486	235,845	461,557	8,727,555	468	8,728,023
Transfer to statutory reserve	-	-	-	467,545	-	-	-	(467,545)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(78,264)	540	77,724	-	-	-
Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	(62,849)	-	-	62,849	-	-	-
<b>Transactions with owners, recorded directly in equity</b>											
Interim cash dividend for the nine months period ended September 30, 2024 - 20%	-	-	-	-	-	-	-	(3,154,330)	(3,154,330)	-	(3,154,330)
Balance as at December 31, 2024 (audited)	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 (note 4.1.2)	-	-	-	-	365,607	-	-	(81,096)	284,511	-	284,511
Balance as at January 01, 2025 after adoption of IFRS 9 / carried forward	15,771,651	4,731,049	12,425,956	26,309,920	16,318,326	17,553,045	314,715	88,224,843	181,649,505	21,703	181,671,208

**BANK ALFALAH LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025**

	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)										
Balance brought forward	15,771,651	4,731,049	12,425,956	26,309,920	16,318,326	17,553,045	314,715	88,224,843	181,649,505	21,703	181,671,208
Changes in equity for the nine months period ended September 30, 2025											
Profit / (loss) after taxation	-	-	-	-	-	-	-	21,399,157	21,399,157	(1,811)	21,397,346
Other comprehensive income / (loss) - net of tax											
Effect of translation of net investment in foreign branches	-	-	(207,159)	-	-	-	-	-	(207,159)	-	(207,159)
Movement in surplus / (deficit) on revaluation of investments in debt securities classified as FVOCI - net of tax	-	-	-	-	4,042,958	-	-	-	4,042,958	-	4,042,958
Gain on sale of debt securities classified as FVOCI reclassified to profit and loss - net of tax	-	-	-	-	(2,896,995)	-	-	-	(2,896,995)	-	(2,896,995)
Movement in surplus on revaluation of equity securities classified as FVOCI - net of tax	-	-	-	-	3,221,899	-	-	-	3,221,899	-	3,221,899
Movement in share of deficit on revaluation of investments of associates - net of tax	-	-	-	-	(18,884)	-	-	-	(18,884)	-	(18,884)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	(55,256)	-	-	(55,256)	-	(55,256)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	(15,911)	-	(15,911)	-	(15,911)
Total other comprehensive income / (loss) - net of tax	-	-	(207,159)	-	4,348,978	(55,256)	(15,911)	-	4,070,652	-	4,070,652
Transfer to statutory reserve	-	-	-	2,143,919	-	-	-	(2,143,919)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(91,657)	(11,409)	103,066	-	-	-
Gain on disposal of equity investments classified as FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	(547,291)	-	-	547,291	-	-	-
Transactions with owners, recorded directly in equity											
Derecognition of subsidiary	-	-	-	-	-	-	-	-	-	(19,892)	(19,892)
Final cash dividend for the year ended December 31, 2024 - 25%	-	-	-	-	-	-	-	(3,942,913)	(3,942,913)	-	(3,942,913)
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)
Closing balance as at September 30, 2025 (un-audited)	<u>15,771,651</u>	<u>4,731,049</u>	<u>12,218,797</u>	<u>28,453,839</u>	<u>20,120,013</u>	<u>17,406,132</u>	<u>287,395</u>	<u>96,301,699</u>	<u>195,290,575</u>	<u>-</u>	<u>195,290,575</u>

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

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

**BANK ALFALAH LIMITED**  
**CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited)**  
**FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025**

	Note	Nine months period ended	
		September 30, 2025	September 30, 2024
		----- (Rupees In '000) -----	
			(Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation from continuing operations		47,941,120	68,454,247
Profit before taxation from discontinued operations	37.3	7,796	-
Less: Dividend income		(2,017,143)	(1,123,926)
Share of profit from associates		(1,222,849)	(1,018,293)
		<u>44,708,924</u>	<u>66,312,028</u>
<b>Adjustments:</b>			
Net mark-up / return / interest income		(104,710,179)	(99,584,042)
Depreciation		4,490,027	3,407,468
Depreciation on right-of-use assets		3,408,222	2,842,869
Amortisation		302,133	275,217
Credit loss allowance / provisions and write offs - net		1,942,959	208,396
Unrealised loss / (gain) on revaluation of investments classified as FVPL		208,072	(3,424,288)
Unrealised gain on advances classified as FVPL		-	(57,165)
Gain on sale of property and equipment - net	31	(43,642)	(81,136)
Gain on sale of non banking assets - net	31	(3,368)	(27,800)
Gain on termination of leases - net	31	(72,472)	(62,345)
Staff loans - notional cost	32.1	3,064,364	1,968,928
Finance charges on leased assets		3,183,672	2,492,016
Workers' welfare fund		1,090,072	1,366,926
Charge for defined benefit plan	32.1	721,426	503,473
Charge for staff compensated absences	32.1	313,000	157,500
		<u>(86,105,714)</u>	<u>(90,013,983)</u>
		(41,396,790)	(23,701,955)
<b>Decrease / (increase) in operating assets</b>			
Lendings to financial institutions		68,513,728	71,618,222
Securities classified as FVPL		69,164,500	29,180,463
Advances		78,519,070	(127,425,539)
Other assets (excluding advance taxation and mark-up receivable)		(8,286,764)	(22,876,220)
		<u>207,910,534</u>	<u>(49,503,074)</u>
<b>(Decrease) / Increase in operating liabilities</b>			
Bills payable		(2,308,826)	(792,635)
Borrowings		(512,455,753)	(185,892,301)
Deposits		30,180,408	50,638,995
Other liabilities (excluding current taxation and mark-up payable)		5,278,143	29,873,139
		<u>(479,306,028)</u>	<u>(106,172,802)</u>
		(312,792,284)	(179,377,831)
Mark-up / interest received		275,589,842	361,715,725
Mark-up / interest paid		(178,687,492)	(281,433,911)
Income tax paid		(28,477,887)	(39,770,455)
<b>Net cash used in operating activities</b>		<u>(244,367,821)</u>	<u>(138,866,472)</u>
<b>Balance carried forward</b>		<u>(244,367,821)</u>	<u>(138,866,472)</u>

**BANK ALFALAH LIMITED**  
**CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited)**  
**FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025**

	Note	Nine months period ended	
		September 30, 2025	September 30, 2024
		----- (Rupees in '000) -----	
		(Restated)	
<b>Balance brought forward</b>		(244,367,821)	(138,866,472)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net Investments in securities classified as FVOCI		250,462,806	147,684,061
Net investments in securities carried at amortised cost		43,851,597	7,501,156
Dividends received from associates		44,993	254,993
Dividends received from other Investments		2,014,343	1,074,754
Divestment from subsidiary	37.2	396,857	-
Investments in property and equipment and intangible assets		(10,651,920)	(16,399,399)
Proceeds from sale of property and equipment		79,666	96,162
Proceeds from sale of non-banking assets		27,089	267,800
Effect of translation of net Investment in foreign branches		(207,159)	(1,933,729)
<b>Net cash generated from Investing activities</b>		286,018,272	138,545,798
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payments of lease obligations against right-of-use assets		(4,971,793)	(4,362,509)
Payment of right issuance cost		-	(13,302)
Dividend paid		(11,796,006)	(20,059,906)
<b>Net cash used in financing activities</b>		(16,767,799)	(24,435,717)
<b>Net increase / (decrease) in cash and cash equivalents</b>		24,882,652	(24,756,391)
Cash and cash equivalents at beginning of the period		231,503,318	249,435,199
Effects of exchange rate changes on cash and cash equivalents		1,735,279	(1,535,507)
		233,238,597	247,899,692
Expected credit loss allowance on cash and cash equivalents - net		(64,899)	(22,490)
Cash and cash equivalents of discontinued operations		(1,442,577)	-
<b>Cash and cash equivalents at end of the period</b>	39	<u>256,613,773</u>	<u>223,120,811</u>

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

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

**BANK ALFALAH LIMITED****NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025****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 1,175 branches (December 31, 2024: 1,141 branches) and 10 sub-branches (December 31, 2024: 12 sub-branches). Out of the 1,175 branches, 715 (December 31, 2024: 707) are conventional, 449 (December 31, 2024: 423) are Islamic, 10 (December 31, 2024: 10) are overseas and 1 (December 31 2024: 1) is an offshore banking unit.

	Note	Percentage of Holding	
		September 30, 2025	December 31, 2024
<b>Subsidiaries</b>			
Alfalah Securities (Private) Limited (divestment during the current period)	37	-	95.59%
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 International Financial Reporting Standards (IFRS Accounting Standards) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the 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 issued by the SBP and the SECP differ with the requirements of IFRS or IFAS, requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives have been followed.

The SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for banking companies through BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' on banks through its notification S.R.O 411(I)/2008 dated April 28, 2008. The 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.

Moreover, Alfalah Insurance Company Limited has deferred the application of IFRS 9 till January 01, 2026, which is same as effective date for application of IFRS 17 - Insurance Contracts as allowed by the SECP through S.R.O. 506(I)/2024 dated March 29, 2024. Furthermore, Sapphire Wind Power Company Limited was granted a partial exemption from the application of IFRS 9 till December 31, 2025 vide SECP S.R.O. 1784(I)/2024- dated November 04, 2024. Consequently, the requirements of IFRS 9 with respect to application of Expected Credit Losses in respect of 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, 2024.

#### **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 return through its power over the investee.

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

Profit or loss and each component of the Other Comprehensive Income (OCI) are 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.

Associates are those entities on which the Group has significant influence, but not control, over the financial and operating policies. Associates are accounted for using the equity method.

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.

**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 Holding Company believes that there is no significant doubt on the Group's ability to continue as a going concern. Therefore, these 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 International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Group's accounting periods beginning on or after January 01, 2025 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 IFRS 9 for the current period is disclosed in note 4.1.2 of these consolidated condensed interim financial statements. Further, the comparative period has been restated to incorporate the impact of adoption of IFRS 9 as disclosed in note 4.1.1.

#### **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 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 to be relevant or will not have any material effect on the Group's 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. IFRS 18 is yet to be adopted in Pakistan. IFRS 18 when adopted and applicable shall impact the presentation of 'Statement of Profit and Loss Account' with certain additional disclosures in the consolidated condensed interim financial statements.
- amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.
- amendment to IAS 21 'The Effects of Changes in Foreign Exchange Rates' which will require Banks to apply a consistent approach in assessing whether a currency can be exchanged into another currency and, when it cannot, in determining the exchange rate to use and the disclosures to provide.

### 3 BASIS OF MEASUREMENT

#### 3.1 Accounting convention

These 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 and loss and fair value through other comprehensive income; advances classified at fair value through profit and 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 staff loans 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, 2024. Impacts of adoption of IFRS 9 for the comparative and current period are disclosed in note 4.1.

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

4.1.1 The Holding Company had adopted IFRS 9 effective from January 01, 2024 with modified retrospective approach for restatement permitted under IFRS 9. The cumulative impact of initial application amounting to Rs. 2,751.995 million was recorded as an adjustment to equity at the beginning of the previous accounting period.

The Holding Company, in compliance with extended timelines prescribed in SBP's BPRD Circular Letter No. 16 dated July 29, 2024 and BPRD Circular Letter No. 01 dated January 22, 2025 had incorporated certain IFRS 9 related impacts in the last quarter of 2024. Therefore the consolidated condensed interim statement of profit and loss account (un-audited) for the nine months period ended September 30, 2024 have been restated to incorporate these impacts. Had the restatement not been incorporated the profit after tax and total comprehensive income for the nine months period ended September 30, 2024 would have been higher by Rs. 14.782 million. The details are tabulated below:

Head		(Rupees in '000)	Description
Mark-up / return / interest earned	Increase	2,205,554	Fair value impact of subsidised advances and modification of advances
Mark-up / return / interest earned	Increase	1,968,928	Fair value impact of staff loans
Other Income	Increase	57,165	Fair value impact of advances measured at fair value through profit and loss
		4,231,647	
Mark-up / return / interest expensed	Increase	2,286,504	Fair value impact of subsidised borrowings
Operating expenses	Increase	1,968,928	Fair value impact of staff loans
Workers' welfare fund	Increase	5,199	Impact of restatement
		4,260,631	
Taxation	Decrease	14,202	Tax impact of restatement
		Rupees	
Basic and diluted earnings per share	Decrease	0.01	EPS impact of restatement

4.1.2 During the current period, in accordance with BPRD Circular No. 03 of 2022 dated July 05, 2022 and BPRD Circular Letter No. 16 dated July 29, 2024 the Group has applied IFRS 9 'Financial Instruments' for Bangladesh Operations and measured unquoted equity securities at fair value. The cumulative impact of application in current period amounting to Rs. 284.511 million net of tax has been recorded as an adjustment to equity at the beginning of the current period.

4.1.3 The SBP has directed the Banks through its BPRD Circular Letter No. 1 dated January 22, 2025 to continue the existing revenue recognition methodology for Islamic Operations, including the requirements of IFAS 1 and IFAS 2 until further instructions. Had IFRS 9 been adopted in its entirety for revenue recognition from Islamic operations, the profit after tax of the Group would have been higher by Rs. 232.961 million.

4.1.4 The SBP in a separate instruction SBPHOK-BPRD-RPD-BAF-834424 dated January 22, 2025 has allowed extension for application of Effective Interest Rate up to December 31, 2025.

### 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, 2024 except for matters 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, 2024.

	Nota	(Un-audited) September 30, 2025	(Audited) December 31, 2024
		----- (Rupees in '000) -----	
<b>7 CASH AND BALANCES WITH TREASURY BANKS</b>			
In hand			
- local currency		47,859,656	48,338,529
- foreign currency		5,307,775	5,619,401
		53,167,431	53,957,930
With State Bank of Pakistan in			
- local currency current accounts		95,015,234	92,353,394
- foreign currency current accounts		8,385,690	7,192,719
- foreign currency deposit accounts		12,715,602	10,832,548
		116,116,526	110,378,661
With other central banks in			
- foreign currency current accounts		42,404,565	60,980,202
- foreign currency deposit accounts		1,620,427	1,820,112
		44,024,992	62,800,314
With National Bank of Pakistan in local currency current account		5,577,595	628,396
Prize bonds		106,901	119,605
		218,993,445	227,884,906
Less: Credit loss allowance held against cash and balances with treasury banks		(76,599)	(16,005)
Cash and balances with treasury banks - net of credit loss allowance		<u>218,916,846</u>	<u>227,868,901</u>
<b>8 BALANCES WITH OTHER BANKS</b>			
In Pakistan			
- In current accounts		4,595	803,655
- In deposit accounts		-	477,299
		4,595	1,280,954
Outside Pakistan			
- In current accounts		10,455,952	18,406,200
- In deposit accounts		32,281	31,982
		10,488,233	18,438,182
		10,492,828	19,719,136
Less: Credit loss allowance held against balances with other banks		(10,195)	(5,890)
Balances with other banks - net of credit loss allowance		<u>10,482,633</u>	<u>19,713,246</u>
<b>9 LENDINGS TO FINANCIAL INSTITUTIONS</b>			
Call / clean money lendings		31,160,813	1,792,764
Repurchase agreement lendings (Reverse Repo)		31,092,710	94,208,913
Bal Muajjal receivable - other financial Institution		-	4,997,525
	9.1	62,253,523	100,999,202
Less: Credit loss allowance held against lending to financial institutions	9.1	(594)	(879)
Lending to financial institutions - net of credit loss allowance		<u>62,252,929</u>	<u>100,998,323</u>

September 30, 2025 (Un-audited)		December 31, 2024 (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)			
Domestic Performing	Stage 1	58,692,710	353	99,606,438	754		
Overseas Performing	Stage 1	3,560,813	241	1,392,764	125		
<b>Total</b>		<b>62,253,523</b>	<b>594</b>	<b>100,999,202</b>	<b>879</b>		

## 10 INVESTMENTS

### 10.1 Investments by type:

September 30, 2025 (Un-audited)				December 31, 2024 (Audited)			
Cost / amortised cost	Credit loss allowance / provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Credit loss allowance / provision for diminution	Surplus / (deficit)	Carrying value

(Rupees in '000)

#### Fair value through profit and loss

<b>Federal Government Securities</b>								
- Market Treasury Bills	40,330,997	-	(22,232)	40,308,765	74,055,824	-	(5,499)	74,050,325
- Pakistan Investment Bonds	155,649,927	-	(98,559)	155,551,368	183,913,135	-	47,072	183,960,207
- Ijarah Sukuks	255,570	-	10	255,580	1,733,628	-	10,084	1,743,712
- Naya Pakistan Certificates	897,939	-	-	897,939	2,651,621	-	-	2,651,621
<b>Shares</b>								
- Ordinary Shares - Listed	3,750,315	-	181,389	3,931,704	2,451,629	-	1,133,300	3,584,929
- Preference Shares - Unlisted	-	-	-	-	-	-	500,000	500,000
<b>Non Government Debt Securities</b>								
- Term Finance Certificates	1,450,000	-	-	1,450,000	1,450,000	-	-	1,450,000
- Sukuks	422,444	-	1,776	424,220	422,000	-	444	422,444
<b>Foreign Securities</b>								
- Overseas Bonds - Sovereign	9,858,080	-	4,385	9,862,465	13,043,880	-	(6,799)	13,037,081
- Redeemable Participating Certificates	7,882,788	-	(268,333)	7,614,455	5,913,093	-	2,401,955	8,315,048
	220,498,060	-	(201,564)	220,296,496	285,634,810	-	4,080,557	289,715,367

#### Fair value through other comprehensive income

<b>Federal Government Securities</b>								
- Market Treasury Bills	13,123,967	-	34,983	13,158,950	22,155,073	-	429,662	22,584,735
- Pakistan Investment Bonds	792,180,356	-	18,431,893	810,612,249	1,009,681,395	-	14,952,851	1,024,634,246
- Ijarah Sukuks	204,660,577	-	6,269,560	210,930,137	241,695,919	-	9,230,018	250,925,937
- Government of Pakistan Euro Bonds	15,285,118	(2,021,948)	2,598,242	15,861,412	12,368,725	(2,145,627)	922,305	11,145,403
<b>Shares</b>								
- Ordinary Shares - Listed	13,556,372	-	10,065,556	23,621,928	10,202,508	-	4,768,790	14,971,298
- Ordinary Shares - Unlisted	1,319,051	-	2,335,784	3,654,835	1,351,363	-	1,471,825	2,823,188
- Preference Shares - Unlisted	25,000	(25,000)	-	-	25,000	(25,000)	-	-
<b>Non Government Debt Securities</b>								
- Term Finance Certificates	1,940,590	(106,917)	-	1,833,673	2,076,398	(111,745)	-	1,964,653
- Sukuks	15,354,895	(96,511)	(63,641)	15,194,743	15,584,244	(96,511)	140,246	15,627,979
<b>Foreign Securities</b>								
- Overseas Bonds - Sovereign	59,804,279	(55,536)	(501,723)	59,247,020	50,691,578	(77,534)	(1,417,964)	49,196,080
- Overseas Bonds - Others	25,403,892	(7,168)	(274,869)	25,121,855	26,231,004	(7,505)	(1,030,029)	25,193,470
- Equity Securities - Listed	268,064	-	(11,191)	256,873	265,427	-	(8,246)	257,181
- Preference Shares - Unlisted	562,627	-	-	562,627	557,108	-	-	557,108
<b>REIT Fund - listed</b>	1,112,125	-	690,495	1,802,620	1,000,489	-	514,493	1,514,982
	1,144,596,913	(2,313,080)	39,575,089	1,181,858,922	1,393,886,231	(2,463,922)	29,973,951	1,421,396,260
<b>Balance carried forward</b>	1,365,094,973	(2,313,080)	39,373,525	1,402,155,418	1,679,521,041	(2,463,922)	34,054,508	1,711,111,627

## 10.1 Investments by type:

	September 30, 2025 (Un-audited)				December 31, 2024 (Audited)			
	Cost / amortised cost	Credit loss allowance / provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Credit loss allowance / provision for diminution	Surplus / (deficit)	Carrying value
	(Rupees in '000)							
Balance brought forward	1,365,094,973	(2,313,080)	39,373,525	1,402,155,418	1,679,521,041	(2,463,922)	34,054,508	1,711,111,627
<b>Amortised cost</b>								
<b>Federal Government Securities</b>								
- Pakistan Investment Bonds	171,004,710	-	-	171,004,710	218,414,195	-	-	218,414,195
- Ijarah Sukuks	40,455,313	-	-	40,455,313	40,376,451	-	-	40,376,451
<b>Non Government Debt Securities</b>								
- Term Finance Certificates	368,430	(24,731)	-	343,699	324,680	(24,715)	-	299,965
- Sukuks	3,219,395	(56,395)	-	3,163,000	3,509,612	(56,421)	-	3,453,191
<b>Foreign Securities</b>								
- Overseas Bonds - Sovereign	19,349,796	(83,292)	-	19,266,504	15,601,311	(216)	-	15,601,095
	234,397,644	(164,418)	-	234,233,226	276,226,249	(81,352)	-	276,144,897
<b>Associates (valued at equity method)</b>								
- Alfalah Insurance Company Limited	1,073,816	-	-	1,073,816	991,493	-	-	991,493
- Sapphire Wind Power Company Limited	5,738,972	-	-	5,738,972	4,945,252	-	-	4,945,252
- Alfalah Asset Management Limited	1,251,462	-	-	1,251,462	988,992	-	-	988,992
	8,064,250	-	-	8,064,250	6,925,737	-	-	6,925,737
<b>Total Investments</b>	<b>1,607,556,867</b>	<b>(2,477,498)</b>	<b>39,373,525</b>	<b>1,644,452,894</b>	<b>1,964,673,027</b>	<b>(2,545,274)</b>	<b>34,054,508</b>	<b>1,996,182,261</b>

## 10.2 Particulars of assets and liabilities of associates

	Associate	Country of Incorporation	Percentage of holding	September 30, 2025 (Un-audited)				Total Comprehensive Income
				Assets	Liabilities	Revenue	Profit for the period	
	(Rupees in '000)							
Alfalah Insurance Company Limited	Associate	Pakistan	30.00%	11,537,350	7,967,571	2,893,986	555,531	424,388
Sapphire Wind Power Company Limited	Associate	Pakistan	30.00%	20,630,804	2,308,131	4,611,571	2,645,732	2,645,732
Alfalah Asset Management Limited	Associate	Pakistan	40.22%	4,307,656	1,196,110	2,609,168	667,483	667,483
	Associate	Country of Incorporation	Percentage of holding	December 31, 2024 (Audited)		September 30, 2024 (Un-audited)		Total Comprehensive Income
				Assets	Liabilities	Revenue	Profit for the period	
	(Rupees in '000)							
Alfalah Insurance Company Limited	Associate	Pakistan	30.00%	7,622,491	4,327,101	2,011,571	479,020	584,389
Sapphire Wind Power Company Limited	Associate	Pakistan	30.00%	19,530,002	3,853,062	4,502,554	2,445,941	2,445,941
Alfalah Asset Management Limited	Associate	Pakistan	40.22%	3,473,064	1,014,104	1,818,446	355,161	355,161

	(Un-audited) September 30, 2025 ----- (Rupees in 000) -----	(Audited) December 31, 2024
<b>10.3 Investments given as collateral</b>		
- Market Treasury Bills	-	18,948,162
- Pakistan Investment Bonds	468,911,750	952,096,877
- Overseas Bonds	32,186,861	8,759,125
	<u>501,098,611</u>	<u>979,804,164</u>

10.3.1 The market value of securities given as collateral is Rs. 510,704.304 million (December 31, 2024: Rs. 993,194.012 million).

	(Un-audited) September 30, 2025 ----- (Rupees in 000) -----	(Audited) December 31, 2024
<b>10.4 Credit loss allowance / provision for diminution in value of Investments</b>		
10.4.1 Opening balance	2,545,274	3,355,413
Impact of adoption of IFRS 9	60,074	(437,729)
Balance as at January 01 after adopting IFRS 9	<u>2,605,348</u>	<u>2,917,684</u>
Exchange and other adjustments	32,031	(29,753)
Charge / (reversals)		
Charge for the period / year	427,965	236,742
Reversals for the period / year	(198,567)	(578,980)
Reversal on disposals	(389,279)	(419)
	<u>(159,881)</u>	<u>(342,657)</u>
Closing Balance	<u>2,477,498</u>	<u>2,545,274</u>

10.4.2 Particulars of credit loss allowance / provision against debt securities

Category of classification	September 30, 2025 (Un-audited)		December 31, 2024 (Audited)	
	Outstanding amount	Credit loss allowance / Provision held	Outstanding amount	Credit loss allowance / Provision held
	----- (Rupees in '000) -----			
<b>Domestic</b>				
Performing	756,250	75	806,250	85
Underperforming	-	-	-	-
Non-performing				
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	309,479	309,479	314,307	314,307
	<u>1,065,729</u>	<u>309,554</u>	<u>1,120,557</u>	<u>314,392</u>
<b>Overseas</b>				
Performing	104,557,967	145,996	78,312,741	85,255
Underperforming	-	-	14,211,152	-
Non-performing	15,285,118	2,021,948	12,368,725	2,145,627
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-
<b>Total</b>	<u>120,908,814</u>	<u>2,477,498</u>	<u>106,013,175</u>	<u>2,545,274</u>

10.4.3 The market value of securities classified at amortised cost as at September 30, 2025 amounted to Rs. 236,662.806 million (December 31, 2024: Rs. 279,284.570 million).

## 11 ADVANCES

Note	Performing		Non Performing		Total	
	September 30, 2025 (Un-audited)	December 31, 2024 (Audited)	September 30, 2025 (Un-audited)	December 31, 2024 (Audited)	September 30, 2025 (Un-audited)	December 31, 2024 (Audited)
(Rupees in '000)						
<b>Classified at amortised cost</b>						
Loans, cash credits, running finances, etc.	775,196,296	929,992,948	37,275,953	36,406,677	812,472,249	966,399,625
Islamic financing and related assets	231,631,086	166,361,932	5,664,323	5,668,223	237,295,409	172,050,155
Bills discounted and purchased	25,344,865	16,129,793	151,606	269,602	25,496,471	16,399,395
	<u>1,032,172,247</u>	<u>1,112,484,673</u>	<u>43,091,882</u>	<u>42,364,502</u>	<u>1,075,264,129</u>	<u>1,154,849,175</u>
<b>Classified at FVPL</b>						
Loans, cash credits, running finances, etc.	1,800,000	1,200,000	-	-	1,800,000	1,200,000
Fair value adjustment on loans - FVPL	-	213,735	-	-	-	213,735
	<u>1,800,000</u>	<u>1,413,735</u>	<u>-</u>	<u>-</u>	<u>1,800,000</u>	<u>1,413,735</u>
<b>Advances - gross</b>	<u>1,033,972,247</u>	<u>1,113,898,408</u>	<u>43,091,882</u>	<u>42,364,502</u>	<u>1,077,064,129</u>	<u>1,156,262,910</u>
<b>Credit loss allowance / provision against advances</b>						
- Stage 1	11.4 (1,921,361)	(2,232,954)	-	-	(1,921,361)	(2,232,954)
- Stage 2	11.4 (1,139,055)	(1,388,083)	-	-	(1,139,055)	(1,388,083)
- Stage 3	11.4 -	-	(40,276,048)	(38,440,559)	(40,276,048)	(38,440,559)
- Specific	11.4 -	-	-	(587,690)	-	(587,690)
- General	11.4 (4,152,364)	(4,237,082)	-	-	(4,152,364)	(4,237,082)
	<u>(7,212,780)</u>	<u>(7,858,119)</u>	<u>(40,276,048)</u>	<u>(39,028,249)</u>	<u>(47,488,828)</u>	<u>(46,886,368)</u>
<b>Advances - net of credit loss allowance / provision</b>	<u>1,026,759,467</u>	<u>1,106,040,289</u>	<u>2,815,834</u>	<u>3,336,253</u>	<u>1,029,575,301</u>	<u>1,109,376,542</u>

**11.1** Advances include an amount of Rs. 401.155 million (December 31, 2024: Rs. 395.404 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 13.79% to 33.69% (December 31, 2024: 14.83% to 33.69%) per annum with maturities up to July 2045 (December 31, 2024: October 2043).

11.2 Particulars of advances (gross)	(Un-audited)	(Audited)
	September 30, 2025	December 31, 2024
	(Rupees in '000)	
In local currency	976,668,488	1,038,688,031
In foreign currencies	100,395,641	117,574,879
	<u>1,077,064,129</u>	<u>1,156,262,910</u>

**11.3** Advances include Rs. 43,091,882 million (December 31, 2024: Rs. 42,364,502 million) which have been placed under non-performing status as detailed below:

Category of Classification	September 30, 2025 (Un-audited)		December 31, 2024 (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)	196,040	354	237,808	-
Substandard	1,971,360	726,060	2,991,264	1,260,906
Doubtful	2,383,482	1,171,516	2,311,039	1,103,457
Loss	37,868,925	37,766,899	36,168,946	36,076,196
	<u>42,419,807</u>	<u>39,664,829</u>	<u>41,709,057</u>	<u>38,440,559</u>
<b>Overseas</b>				
Substandard	-	-	38,700	23,355
Doubtful	-	-	-	-
Loss	672,075	611,219	616,745	564,335
	<u>672,075</u>	<u>611,219</u>	<u>655,445</u>	<u>587,690</u>
<b>Total</b>	<u>43,091,882</u>	<u>40,276,048</u>	<u>42,364,502</u>	<u>39,028,249</u>

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

	September 30, 2025 (Un-audited)				December 31, 2024 (Audited)					
	Expected Credit Loss			Total	Expected Credit Loss			Total		
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3			
Opening balance	2,232,954	1,388,083	38,440,559	4,237,082	46,886,368	-	-	32,374,940	9,861,797	42,236,737
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	3,383,875	1,941,645	33,605,109	(31,884,624)	(1,715,503)
Exchange and other adjustments	2,283,616	1,437,982	39,028,310	-	4,237,082	3,383,875	1,941,645	33,605,109	490,316	8,146,294
Charge for the period / year	1,407	-	(5,366)	(3,962)	(7,921)	(249)	-	-	(49,929)	(35,775)
Reversals for the period / year	370,288	174,955	7,195,758	-	7,741,001	589,912	228,688	14,212,577	148,294	-
	(808,963)	(441,857)	(4,912,347)	(80,756)	(6,243,923)	(1,576,721)	(680,132)	(7,187,019)	(991)	(3,873,437)
	(438,675)	(266,902)	2,283,411	(80,756)	1,497,078	(986,809)	(451,444)	7,025,558	147,303	(3,873,437)
Transfer	75,013	(32,025)	(42,988)	-	-	(163,863)	(102,118)	265,981	-	-
Amounts written off	-	-	(16,209)	-	(16,209)	-	-	(19,688)	-	-
Amounts charged off - agriculture financing	-	-	(940,818)	-	(940,818)	-	-	(2,310,924)	-	(2,310,924)
Reversal on derecognition of subsidiary	-	-	(25,746)	-	(25,746)	-	-	(125,477)	-	(125,477)
	75,013	(32,025)	(1,030,307)	-	(987,319)	(163,863)	(102,118)	(2,190,108)	-	(2,456,089)
Closing balance	1,921,361	1,139,055	40,276,048	-	4,152,364	2,232,954	1,388,083	38,440,559	587,690	4,237,082
					47,488,828	2,232,954	1,388,083	38,440,559	587,690	4,237,082

**11.4.1** The additional profit arising from availing the forced sales value (FSV) benefit - net of tax as at September 30, 2025 which is not available for distribution as either cash or stock dividend to shareholders / bonus to employees amounted to Rs. 84.321 million (December 31, 2024: Rs. 70.421 million).

**11.4.2** During the period, non performing loans and provisions were reduced by Rs. 442.462 million (December 31, 2024: Rs. 5,317.765 million) due to debt property swap transactions.

**11.4.3 General provision includes:**

- (i) Provision held at overseas branches to meet the requirements of the regulatory authorities of the respective countries in which overseas branches operate; and
- (ii) Provision of Rs. 3,878,000 million (December 31, 2024: Rs. 3,878,000 million) against the high risk portfolio, which is showing higher economic vulnerability. The portfolio excludes 60P backed exposure, staff loans and loans secured against liquid collaterals.

**11.4.4** 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**

	September 30, 2025 (Un-audited)			December 31, 2024 (Audited)							
	Expected Credit Loss			Total	Expected Credit Loss			General	Total		
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3				
Opening balance	2,232,954	1,388,083	38,440,359	587,690	4,237,082	46,886,368	-	32,374,940	9,861,797	42,236,737	
Impact of adoption of IFRS 9	50,662	49,899	587,751	(587,690)	-	100,622	3,383,875	1,941,645	33,605,109	(31,884,624)	5,330,502
Balance as at January 01 after adopting IFRS 9	2,283,616	1,437,982	39,028,310	-	4,237,082	46,986,990	3,383,875	1,941,645	33,605,109	490,316	47,567,239
Exchange and other adjustments	1,407	-	(5,366)	-	(3,962)	(7,921)	(2,49)	-	-	(49,929)	(85,953)
New Advances	370,288	174,955	4,597,589	-	-	5,142,832	589,912	228,688	10,739,861	55,479	11,613,940
Due to credit deterioration	-	-	2,598,169	-	-	2,598,169	-	-	3,472,716	92,815	3,565,531
Advances derecognised or repaid / reversal	(278,380)	(112,421)	(4,427,019)	-	(80,756)	(4,898,576)	(1,348,975)	(337,218)	(6,805,825)	(991)	(12,366,446)
Transfer to stage 1	151,898	(141,239)	(10,605)	-	-	-	209,329	(209,329)	-	-	-
Transfer to stage 2	(70,476)	195,432	(124,956)	-	-	-	(342,027)	342,027	-	-	-
Transfer to stage 3	(6,349)	(86,224)	92,573	-	-	-	(31,165)	(234,816)	265,981	-	-
Changes in risk parameters	(530,583)	(329,436)	(485,328)	-	-	(1,345,347)	(227,746)	(342,914)	(381,194)	-	(951,854)
Amounts written off	(363,662)	(298,927)	2,240,423	-	(80,756)	1,497,078	(1,150,672)	(553,562)	7,291,539	147,303	1,861,171
Amounts charged off	-	-	(16,209)	-	-	(16,209)	-	-	(19,688)	-	(19,688)
Reversal on derecognition of subsidiary	-	-	(966,564)	-	-	(966,564)	-	-	(2,496,401)	-	(2,436,401)
Closing balance	1,921,361	1,138,055	40,276,048	-	4,152,364	47,488,828	2,232,954	1,388,083	38,440,559	587,690	46,886,368

(Rupees in '000)

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

	September 30, 2025 (Un-audited)		December 31, 2024 (Audited)	
	No of borrowers	Rupees in '000	No of borrowers	Rupees in '000
<b>Corporate, Commercial and SME</b>				
Opening balance of charged-off	186	2,982,475	44	2,267,137
Charge-off during the period / year	160	152,889	145	1,331,003
Sub total	346	3,135,364	189	3,598,140
Recoveries made during the period / year against already charged-off cases	15	209,699	2	247,585
Amount written off from already charged off loans	-	-	-	-
Other movement	-	-	1	368,080
Closing balance of charged-offs	331	2,925,665	186	2,982,475

**11.7 Advances - Category of classification**

		September 30, 2025 (Un-audited)		December 31, 2024 (Audited)	
		Outstanding	Credit loss allowance /provision	Outstanding	Credit loss allowance /provision
(Rupees in '000)					
<b>Domestic</b>					
Performing	Stage 1	817,219,307	1,702,378	950,300,612	2,101,954
Underperforming	Stage 2	174,197,018	1,057,903	112,325,725	1,388,083
Non-Performing	Stage 3				
Other Assets Especially Mentioned (OAEM)		196,040	354	237,808	-
Substandard		1,971,360	726,060	2,991,264	1,260,906
Doubtful		2,383,482	1,171,516	2,311,039	1,103,457
Loss		37,868,925	37,766,899	36,168,946	36,076,196
General Provision		-	3,878,000	-	3,878,000
		1,033,836,132	46,303,110	1,104,335,394	45,808,596
<b>Overseas</b>					
Performing	Stage 1	39,436,848	218,983	51,272,071	131,000
Underperforming	Stage 2	3,119,074	81,151	-	-
Non-Performing	Stage 3				
Other Assets Especially Mentioned (OAEM)		-	-	-	-
Substandard		-	-	38,700	23,355
Doubtful		-	-	-	-
Loss		672,075	611,219	616,745	564,335
General Provision		-	274,365	-	359,082
		43,227,997	1,185,718	51,927,516	1,077,772
<b>Total</b>		<b>1,077,064,129</b>	<b>47,488,828</b>	<b>1,156,262,910</b>	<b>46,886,368</b>

**12 PROPERTY AND EQUIPMENT**

	Note	(Un-audited) September 30, 2025	(Audited) December 31, 2024
(Rupees in '000)			
Capital work-in-progress	12.1	5,567,305	3,473,754
Property and equipment	12.2	63,953,188	60,200,095
		<b>69,520,493</b>	<b>63,673,849</b>
<b>12.1 Capital work-in-progress</b>			
Civil works		4,491,696	3,190,303
Equipment		958,899	252,122
Others		116,710	31,329
		<b>5,567,305</b>	<b>3,473,754</b>

**12.2** It includes land and buildings carried at revalued amount of Rs. 40,055.698 million (December 31, 2024: Rs. 39,448.429 million).

		(Un-audited)	
		Nine months period ended	
		September 30, 2025	September 30, 2024
		----- (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>	2,093,551	254,326
	<b>Property and equipment</b>		
	Freehold land	283,710	1,244,879
	Leasehold land	-	5,604,974
	Buildings on freehold land	239,173	661,232
	Buildings on leasehold land	324,292	445,244
	Leasehold improvements	2,092,211	2,750,502
	Furniture and fixtures	593,622	586,524
	Office equipments	3,291,701	3,896,492
	Vehicles	1,460,807	471,784
		8,285,516	15,661,631
	<b>Total additions to property and equipment</b>	<u>10,379,067</u>	<u>15,915,957</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:		
	Leasehold improvements	1,598	1,181
	Furniture and fixtures	903	229
	Office equipments	15,885	13,400
	Vehicles	17,638	216
	<b>Total disposals of property and equipment</b>	<u>36,024</u>	<u>15,026</u>
		(Un-audited)	(Audited)
		September 30, 2025	December 31, 2024
		----- (Rupees in 000) -----	
<b>13</b>	<b>RIGHT-OF-USE ASSETS</b>		
	<b>At January 1</b>		
	Cost	36,730,369	28,896,873
	Accumulated depreciation	(11,364,670)	(8,929,916)
	<b>Net carrying amount at January 01</b>	<u>25,365,699</u>	<u>19,966,957</u>
	Additions / renewals / amendments / (terminations) - net during the period / year	4,119,562	9,392,220
	Depreciation charge during the period / year	(3,408,222)	(3,946,074)
	Exchange rate adjustments	1,444	(47,404)
	Derecognition of subsidiary	(32,469)	-
	Closing net carrying amount	<u>26,046,014</u>	<u>25,365,699</u>
		Note	
		Buildings	Buildings
<b>14</b>	<b>INTANGIBLE ASSETS</b>		
	Capital work-in-progress / advance payment to suppliers	427,828	398,802
	Software	1,091,910	1,154,088
	Membership Card	-	6,000
	License fee	500	750
	Trademark & copyrights	495	-
		<u>1,520,733</u>	<u>1,559,640</u>
		(Un-audited)	
		Nine months period ended	
		September 30, 2025	September 30, 2024
		----- (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	30,749	(56,360)
	Directly purchased	242,104	510,868
	<b>Total additions to intangible assets</b>	<u>272,853</u>	<u>454,508</u>
<b>14.2</b>	There were no disposal of intangible assets during the periods ended September 30, 2025 and September 30, 2024.		

	Note	(Un-audited) September 30, 2025	(Audited) December 31, 2024
----- (Rupees in '000) -----			
<b>15 OTHER ASSETS</b>			
Income / mark-up accrued in local currency - net		71,290,287	82,073,211
Income / mark-up accrued in foreign currencies - net		2,916,259	2,724,193
Advances, deposits, advance rent and other prepayments		5,194,571	4,619,209
Advance taxation (payments less provisions)		-	3,729,029
Advance against subscription of share		55,343	-
Non-banking assets acquired in satisfaction of claims	15.1	8,306,399	7,830,251
Dividend receivable		2,800	-
Mark to market gain on forward foreign exchange contracts		2,326,967	1,288,538
Mark to market gain on derivatives		2,161,293	3,128,782
Stationery and stamps on hand		24,311	28,155
Defined benefit plan		610,565	1,331,990
Branch adjustment account		76,947	29,195
Due from card issuing banks		2,598,961	2,817,994
Accounts receivable		15,741,872	10,613,225
Claims against fraud and forgeries		123,504	108,907
Acceptances		35,107,176	33,015,615
Receivable against Government of Pakistan and overseas government securities		28,893	44,928
Receivable against marketable securities		-	1,935,323
Deferred cost on staff loans		23,570,914	21,080,743
Others		202,330	135,605
		<u>170,339,392</u>	<u>176,534,893</u>
Less: Credit loss allowance / provision held against other assets	15.2	(4,489,036)	(4,709,539)
Other assets (net of credit loss allowance / provision)		165,850,356	171,825,354
Surplus on revaluation of non-banking assets acquired in satisfaction of claims - net	15.1	478,694	491,882
Other assets - total		<u>166,329,050</u>	<u>172,317,236</u>

**15.1** The revalued amount of non-banking assets acquired in satisfaction of claims is Rs. 8,785.093 million (December 31, 2024: Rs. 8,322.133 million).

	(Un-audited) September 30, 2025	(Audited) December 31, 2024
----- (Rupees in '000) -----		
<b>15.2 Credit loss allowance / provision held against other assets</b>		
Impairment against overseas operations	3,376,129	2,708,477
Expected credit loss	57,135	181,325
Fraud and forgeries	123,504	108,907
Receivable against marketable securities	-	1,243,517
Accounts receivable	567,455	67,326
Others	364,813	399,987
	<u>4,489,036</u>	<u>4,709,539</u>
<b>15.2.1 Movement in credit loss allowance / provision held against other assets</b>		
Opening balance	4,709,539	4,619,037
Impact of adoption of IFRS 9	862	370,152
Balance as at January 01 after adopting IFRS 9	<u>4,710,401</u>	<u>4,989,189</u>
Exchange and other adjustments	(4,834)	(2,777)
Charge for the period / year	1,230,083	531,375
Reversals for the period / year	(174,493)	(753,490)
	<u>1,055,590</u>	<u>(222,115)</u>
Amount written off	(33,165)	(54,758)
Reversal on derecognition of subsidiary	(1,238,956)	-
Closing balance	<u>4,489,036</u>	<u>4,709,539</u>

	(Un-audited) September 30, 2025	(Audited) December 31, 2024
	----- (Rupees in '000) -----	
<b>16</b>	<b>BILLS PAYABLE</b>	
In Pakistan	34,729,053	41,462,676
Outside Pakistan	4,730,447	305,650
	<u>39,459,500</u>	<u>41,768,326</u>
<b>17</b>	<b>BORROWINGS</b>	
	<b>Secured</b>	
Borrowings from State Bank of Pakistan under:		
Export Refinance Scheme	21,111,828	26,867,803
Long-Term Finance Facility	16,976,652	20,278,409
Financing Facility for Renewable Energy Projects	12,315,649	13,762,263
Financing Facility for Storage of Agriculture Produce (FFSAP)	717,553	698,919
Temporary Economic Refinance Facility (TERF)	22,979,582	25,697,206
Export Refinance under Bill Discounting	15,300,109	14,253,363
SME Asaan Finance (SAAF)	4,413,756	7,073,103
Refinance Facility for Combating COVID (RFCC)	836,112	932,258
Refinance and Credit Guarantee Scheme for Women Entrepreneurs	531,062	172,604
Modernization of Small and Medium Entities (MSMES)	2,283,641	1,855,749
Other refinance schemes	861	232
Repurchase agreement borrowings	474,336,950	911,260,540
	571,803,755	1,022,852,449
Repurchase agreement borrowings	28,717,588	32,209,792
Bai Muajjal	-	48,654,565
Others	-	314,967
<b>Total secured</b>	<u>600,521,343</u>	<u>1,104,031,773</u>
	<b>Unsecured</b>	
Call borrowings	5,345,143	11,414,695
Overdrawn nostro accounts	3,946,519	15,736,314
Borrowings of overseas branches	106,895	5,750,351
Others		
- Pakistan Mortgage Refinance Company	7,539,292	2,464,030
- Karandaaz Risk Participation	3,092,775	2,803,546
<b>Total unsecured</b>	20,030,624	38,168,936
	<u>620,551,967</u>	<u>1,142,200,709</u>

**18 DEPOSITS AND OTHER ACCOUNTS**

	September 30, 2025 (Un-audited)			December 31, 2024 (Audited)		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	----- (Rupees in '000) -----					
<b>Customers</b>						
- Current deposits	783,705,972	144,545,134	928,251,106	644,305,838	165,613,660	809,919,498
- Savings deposits	488,007,585	33,045,801	521,053,386	607,199,365	34,755,471	641,954,836
- Term deposits	417,158,882	68,693,496	485,852,378	315,007,439	69,798,774	384,806,213
- Others	38,007,085	13,579,475	51,586,560	35,232,274	12,915,513	48,147,787
	1,726,879,524	259,863,906	1,986,743,430	1,601,744,916	283,083,418	1,884,828,334
<b>Financial Institutions</b>						
- Current deposits	5,844,543	6,034,782	11,879,325	4,204,792	2,747,963	6,952,755
- Savings deposits	121,184,564	924,410	122,108,974	185,650,940	2,372,391	188,023,331
- Term deposits	40,462,363	4,976,309	45,438,672	47,797,204	8,366,800	56,164,004
- Others	110,157	4,548	114,705	136,154	120	136,274
	167,601,627	11,940,049	179,541,676	237,789,090	13,487,274	251,276,364
	<u>1,894,481,151</u>	<u>271,803,955</u>	<u>2,166,285,106</u>	<u>1,839,534,006</u>	<u>296,570,692</u>	<u>2,136,104,698</u>

**18.1** Current deposits include remunerative current deposits of Rs. 39,042.040 million (December 31, 2024: Rs. 26,618.402 million).

	Note	(Un-audited) September 30, 2025	(Audited) December 31, 2024
----- (Rupees in '000) -----			
<b>19 LEASE LIABILITIES</b>			
Opening as at January 01		29,555,307	22,899,808
Additions / renewals / amendments / (terminations) - net		4,033,869	9,328,489
Finance charges		3,183,672	3,518,804
Lease payments including interest		(4,971,793)	(6,138,088)
Exchange rate / other adjustment		3,146	(53,706)
Derecognition of subsidiary	37.2	(42,920)	-
Closing net carrying amount		<u>31,761,281</u>	<u>29,555,307</u>
<b>19.1 Liabilities outstanding</b>			
Not later than one year		2,382,973	2,061,668
Later than one year and upto five years		12,717,751	11,067,332
Over five years		16,660,557	16,426,307
Total as at period / year end		<u>31,761,281</u>	<u>29,555,307</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 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 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.

## 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

### 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 on FVPL investments
- Workers' welfare fund
- Pre-commencement expenditures
- Others

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

(2,629,155)	(2,375,374)
(3,184,408)	(4,857,280)
(41,398)	(49,009)
(2,180,451)	(1,536,101)
(17,282,835)	(14,129)
(40,092)	(8,679)
(4,278)	(2,111)
(163)	(311)
(104,813)	-
(3,070,903)	(2,504,065)
(6,023)	(3,697)
-	(45,636)
<b>(28,544,519)</b>	<b>(11,396,392)</b>

### Taxable Temporary Differences on:

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

-	2,087,274
-	111,143
588,298	643,213
13,506,657	12,812
21,771,486	17,238,393
2,442,163	2,386,906
191,299	177,167
3,581,055	2,989,028
4,974,373	5,209,488
<b>47,055,331</b>	<b>30,855,424</b>
<b>18,510,812</b>	<b>19,459,032</b>

22 OTHER LIABILITIES	Note	(Un-audited) September 30, 2025	(Audited) December 31, 2024
		----- (Rupees in '000) -----	
Mark-up / return / interest payable in local currency		19,676,064	35,014,735
Mark-up / return / interest payable in foreign currencies		1,627,331	1,715,640
Unearned fee commission and income on bills discounted and guarantees		4,927,998	4,063,795
Accrued expenses		22,293,453	17,352,068
Current taxation		438,475	-
Acceptances		35,107,176	33,015,615
Dividends payable		340,442	307,709
Mark to market loss on forward foreign exchange contracts		2,121,089	1,090,874
Mark to market loss on derivatives		71,321	69,063
Alternative Delivery Channel (ADC) settlement accounts	22.2	7,005,699	1,719,649
Provision for compensated absences		1,603,476	1,290,476
Payable against redemption of customer loyalty / reward points		1,517,987	1,041,845
Charity payable		194,011	176,604
Credit loss allowance / provision against off-balance sheet obligations	22.1	868,875	780,711
Security deposits against leases, lockers and others		19,158,522	13,058,856
Workers' welfare fund		7,880,790	6,790,718
Payable to vendors and suppliers		886,070	630,070
Margin deposits on derivatives		1,398,459	2,415,337
Payable to merchants (card acquiring)		1,783,998	959,295
Withholding taxes payable		4,365,943	6,467,747
Payable against marketable securities		241,828	881,360
Liability against share based payment		954,506	870,000
Trading liability		-	15,600,626
Others		8,774,139	7,268,135
		<u>143,237,652</u>	<u>152,580,928</u>

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

Opening balance	780,711	78,624
Impact of adoption of IFRS 9	<u>2,714</u>	<u>1,085,673</u>
Balance as at January 01 after adopting IFRS 9	783,425	1,164,297
Exchange and other adjustments	5,420	(4,925)
Charge for the period / year	<u>395,540</u>	<u>472,414</u>
Reversals for the period / year	<u>(315,510)</u>	<u>(851,075)</u>
	<u>80,030</u>	<u>(378,661)</u>
Closing balance	<u>868,875</u>	<u>780,711</u>

**22.2** This represents settlement arising from alternate delivery channel transactions at the cut off date.

23	SURPLUS ON REVALUATION OF ASSETS	Note	(Un-audited) September 30, 2025	(Audited) December 31, 2024
------(Rupees in '000)-----				
	Surplus on revaluation of:			
	- Securities measured at FVOCI - debt	10.1	26,494,445	23,227,089
	- Securities measured at FVOCI - equity	10.1	13,080,644	6,746,862
	- Available for sale securities of associates		45,620	84,963
	- Property and equipment		19,848,295	19,939,951
	- Non-banking assets acquired in satisfaction of claims		478,694	491,882
			<u>59,947,698</u>	<u>50,490,747</u>
	Less: Deferred tax liability on surplus on revaluation of:			
	- Securities measured at FVOCI - debt		(13,776,405)	(12,077,792)
	- Securities measured at FVOCI - equity		(6,801,935)	(3,508,368)
	- Available for sale securities of associates		(23,722)	(44,181)
	- Property and equipment		(2,442,163)	(2,386,906)
	- Non-banking assets acquired in satisfaction of claims		(191,299)	(177,167)
			<u>(23,235,524)</u>	<u>(18,194,414)</u>
	Derivatives deficit		(2,294,512)	(3,175,304)
	Less: Deferred tax asset on derivative		1,193,146	1,651,158
			<u>(1,101,366)</u>	<u>(1,524,146)</u>
			<u>37,813,540</u>	<u>33,820,479</u>
24	CONTINGENCIES AND COMMITMENTS			
	- Guarantees	24.1	204,547,441	181,819,233
	- Commitments	24.2	885,306,986	693,691,150
	- Other contingent liabilities	24.3.1	23,774,654	23,153,037
			<u>1,113,629,081</u>	<u>898,663,420</u>
24.1	Guarantees:			
	Financial guarantees		6,195,216	6,048,920
	Performance guarantees		70,389,133	66,136,458
	Other guarantees		127,963,092	109,633,855
			<u>204,547,441</u>	<u>181,819,233</u>
24.2	Commitments:			
	Documentary credits and short-term trade-related transactions			
	- Letters of credit		257,097,251	220,709,466
	Commitments in respect of:			
	- forward foreign exchange contracts	24.2.1	438,823,454	266,938,066
	- forward government securities transactions	24.2.2	81,358,634	149,529,384
	- derivatives	24.2.3	30,571,408	33,466,502
	- forward lending	24.2.4	71,285,864	16,490,171
	Commitments for acquisition of:			
	- property and equipment		5,640,217	5,479,175
	- intangible assets		249,158	332,386
	Commitments in respect of donations		281,000	296,000
	Other commitments	24.2.5	-	450,000
			<u>885,306,986</u>	<u>693,691,150</u>
24.2.1	Commitments in respect of forward foreign exchange contracts			
	Purchase		238,494,474	144,906,210
	Sale		200,328,980	122,031,856
			<u>438,823,454</u>	<u>266,938,066</u>
24.2.2	Commitments in respect of forward government securities transactions			
	Purchase		12,805,917	55,393,978
	Sale		68,552,717	94,135,406
			<u>81,358,634</u>	<u>149,529,384</u>

	Note	(Un-audited) September 30, 2025	(Audited) December 31, 2024
----- (Rupees in '000) -----			
<b>24.2.3 Commitments in respect of derivatives</b>			
Interest rate swaps			
Purchase	25.1	21,056,290	23,054,358
Sale		-	-
		<u>21,056,290</u>	<u>23,054,358</u>
Cross currency swaps			
Purchase		-	-
Sale	25.1	9,515,118	10,412,144
		<u>9,515,118</u>	<u>10,412,144</u>
<b>Total commitments in respect of derivatives</b>		<u><b>30,571,408</b></u>	<u><b>33,466,502</b></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>71,285,864</u>	<u>16,490,171</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.

**24.2.5 Other Commitments**

A commercial bank on behalf of Alfalah Securities (Private) Limited has given a guarantee of Rs. Nil (December 31, 2024: Rs. 450 million) to National Clearing Company of Pakistan Limited (NCCPL) in respect of margin eligible securities. The guarantee facility is for one year and is secured by 1st Pari Passu charge on current assets of the subsidiary.

	(Un-audited) September 30, 2025	(Audited) December 31, 2024
----- (Rupees in '000) -----		
<b>24.3 Other contingent liabilities</b>		
<b>24.3.1 Claims against the Bank not acknowledged as debts</b>	<u>23,774,654</u>	<u>23,153,037</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), damage to reputation and cases filed by ex-employees of the Holding Company for damages. 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**

	September 30, 2025 (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) -----						
<b>Counterparties</b>						
<b>With Banks for Hedging</b>	22	21,056,290	1,376,265	-	-	-
<b>With other entities</b>						
<b>Market making</b>	-	-	-	6	9,515,118	713,707
	<u>22</u>	<u>21,056,290</u>	<u>1,376,265</u>	<u>6</u>	<u>9,515,118</u>	<u>713,707</u>
December 31, 2024 (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) -----					
<b>Counterparties</b>						
<b>With Banks for Hedging</b>	27	23,054,358	2,172,667	-	-	-
<b>With other entities</b>						
<b>Market making</b>	-	-	-	6	10,412,144	887,052
	<u>27</u>	<u>23,054,358</u>	<u>2,172,667</u>	<u>6</u>	<u>10,412,144</u>	<u>887,052</u>

		(Un-audited)	
		Nine months period ended	
		September 30, 2025	September 30, 2024
		----- (Rupees in '000) -----	
		(Restated)	
<b>26</b>	<b>MARK-UP/RETURN/INTEREST EARNED</b>		
	On:		
	a) Loans and advances	88,963,036	99,354,349
	b) Investments	174,819,191	283,849,364
	c) Lendings to financial institutions	3,189,786	4,415,310
	d) Balances with banks / financial institutions	233,843	389,463
	e) On securities purchased under resale agreements	3,630,875	3,484,258
		<u>270,836,731</u>	<u>391,492,744</u>
<b>27</b>	<b>MARK-UP/RETURN/INTEREST EXPENSED</b>		
	On:		
	a) Deposits	86,680,438	176,729,946
	b) Borrowings	12,707,168	14,686,198
	c) Securities sold under repurchase agreements	62,639,419	91,760,642
	d) Subordinated debt	1,498,157	2,435,916
	e) Cost of foreign currency swaps against foreign currency deposits / borrowings	1,783,056	5,997,990
	f) Leased assets	3,181,148	2,492,016
	g) Reward points / customer loyalty	840,707	298,010
		<u>169,330,093</u>	<u>294,400,718</u>
		Note	(Un-audited)
		Nine months period ended	
		September 30, 2025	September 30, 2024
		----- (Rupees in '000) -----	
<b>28</b>	<b>FEE &amp; COMMISSION INCOME</b>		
	Branch banking customer fees	1,388,837	1,118,108
	Consumer finance related fees	606,427	451,171
	Card related fees (debit and credit cards)	2,599,021	2,696,125
	Credit related fees	469,600	612,589
	Investment banking fees	354,175	68,295
	Commission on trade	2,453,991	2,297,898
	Commission on guarantees	684,471	568,626
	Commission on cash management	54,792	48,653
	Commission on remittances including home remittances	351,248	2,105,570
	Commission on bancassurance	453,626	438,401
	Card acquiring business	704,837	1,210,421
	Wealth management fee	435,383	262,344
	Commission on Benazir Income Support Programme (BISP)	291,924	1,016,264
	Alternative Delivery Channel (ADC) settlement accounts	902,799	708,000
	Brokerage / commission income	-	148,170
	Others	205,790	218,797
		<u>11,956,921</u>	<u>13,969,432</u>
<b>29</b>	<b>FOREIGN EXCHANGE INCOME</b>		
	Foreign exchange income	9,148,914	9,071,286
	Foreign exchange loss related to derivatives	(211,556)	(1,298,565)
		<u>8,937,358</u>	<u>7,772,721</u>
<b>30</b>	<b>GAIN ON SECURITIES</b>		
	Realised gain	30.1 10,262,220	5,608,881
	Unrealised (loss) / gain - measured at FVPL	10.1 (201,564)	3,424,288
	Unrealised loss on trading liabilities - net	-	(434,553)
		<u>30.2 10,060,656</u>	<u>8,598,616</u>

	(Un-audited)	
	Nine months period ended	
	September 30, 2025	September 30, 2024
	------(Rupees in '000)-----	
<b>30.1 Realised gain on:</b>		
Federal government securities	8,787,257	5,205,668
Shares	725,374	104,013
Non government debt securities	99,920	-
Foreign Securities	649,669	299,200
	<u>10,262,220</u>	<u>5,608,881</u>

**30.2 Net gain / (loss) on financial assets / liabilities measured:**

**At FVPL**

Designated upon initial recognition	3,907,149	5,980,271
Mandatorily measured at FVPL	(10,313)	1,437,176
	3,896,836	7,417,447
Net gain on financial assets measured at FVOCI - Debt	6,163,820	1,181,169
	<u>10,060,656</u>	<u>8,598,616</u>

Note	(Un-audited)	
	Nine months period ended	
	September 30, 2025	September 30, 2024
	------(Rupees in '000)-----	
	(Restated)	

**31 OTHER INCOME**

Rent on property	7,298	18,339
Gain on sale of property and equipment - net	43,642	81,136
Gain on sale of non banking assets - net	3,368	27,800
(Loss) / profit on termination of leased contracts (Ijarah)	(37)	7
Gain on termination of leases	72,472	62,345
Gain on advances classified at FVPL	85,693	57,165
Insurance premium of overseas recovered	719,128	-
Others	7,986	1,468
	<u>939,550</u>	<u>248,260</u>

**32 OPERATING EXPENSES**

<b>Total compensation expense</b>	32.1	36,407,375	28,428,699
<b>Property expense</b>			
Rates and taxes		332,659	288,964
Utilities cost		2,703,212	2,791,590
Security (including guards)		1,769,120	1,262,365
Repair and maintenance (including janitorial charges)		1,799,548	1,445,669
Depreciation on right-of-use assets		3,400,876	2,842,869
Depreciation on non-banking assets acquired in satisfaction of claims		53,597	29,942
Depreciation on owned assets		1,004,580	765,691
		<u>11,063,592</u>	<u>9,427,090</u>
<b>Information technology expenses</b>			
Software maintenance		2,656,735	2,427,067
Hardware maintenance		927,919	556,174
Depreciation		1,325,222	1,027,733
Amortisation		301,828	275,217
Network charges		591,484	578,943
Consultancy and support services		69,538	168,819
		<u>5,872,726</u>	<u>5,033,953</u>
Balance carried forward		<u>53,343,693</u>	<u>42,889,742</u>

	(Un-audited)	
	Nine months period ended	
	September 30, 2025	September 30, 2024
	(Rupees in '000)	
		(Restated)
Balance brought forward	53,343,693	42,889,742
<b>Other operating expenses</b>		
Directors' fees and allowances	116,320	102,240
Fees and allowances to Shariah Board	23,029	15,046
Legal and professional charges	784,314	361,130
Outsourced services costs	1,251,935	1,064,779
Travelling and conveyance	1,622,581	1,139,962
Clearing and custodian charges	197,580	146,963
Depreciation	2,101,584	1,584,102
Training and development	257,898	225,466
Postage and courier charges	433,940	364,037
Communication	2,913,122	2,279,011
Stationery and printing	1,646,483	1,281,400
Marketing, advertisement and publicity	13,703,578	3,130,329
Donations	208,498	218,982
Auditors' remuneration	185,163	169,063
Brokerage and commission	1,241,604	775,415
Entertainment	733,294	630,232
Repairs and maintenance	973,239	741,291
Insurance	1,739,718	1,439,364
Cash Handling charges	1,646,525	1,486,098
CNIC verification	549,738	346,862
Others	908,869	669,979
	33,239,012	18,171,751
	<u>86,582,705</u>	<u>61,061,493</u>

### 32.1 Total compensation expense

Managerial Remuneration		
I) Fixed	20,253,003	17,450,633
II) Variable:		
a) Cash bonus / awards etc.	5,449,343	4,365,194
b) Bonus and awards in shares etc.	806,637	455,250
Charge for defined benefit plan	721,426	503,473
Contribution to defined contribution plan	843,903	650,389
Medical	2,127,343	1,585,749
Conveyance	2,451,807	1,060,354
Staff compensated absences	313,000	157,500
Staff life insurance	129,559	108,046
Staff welfare	51,789	53,645
Club subscription	7,485	10,669
Others	-	19,370
<b>Sub-total</b>	33,155,295	26,420,272
Sign-on Bonus	33,817	39,499
Staff loans - notional cost	3,064,364	1,968,928
Severance Allowance	153,899	-
<b>Grand Total</b>	<u>36,407,375</u>	<u>28,428,699</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)	
		Nine months period ended	
		September 30, 2025	September 30, 2024
		------(Rupees in '000)-----	
<b>34 OTHER CHARGES</b>			
Penalties imposed by the State Bank of Pakistan		13,499	218,820
<b>35 CREDIT LOSS ALLOWANCE / PROVISIONS / (REVERSALS) AND WRITE OFFS - NET</b>			
Credit loss allowance / (reversal) against cash with treasury banks		56,633	(37,325)
Credit loss allowance against balance with other banks		3,281	2,073
Reversal of credit loss allowance against lending to financial institutions		(285)	(13,153)
(Reversal of) / credit loss allowance / provision against diminution in value of investments	10.4.1	(159,881)	(271,134)
Credit loss allowance / provision against loans & advances	11.4	1,497,078	1,192,001
Credit loss allowance / (reversal) against other assets		1,060,151	(376,565)
Credit loss allowance / (reversal) against off-balance sheet obligations	22.1	80,030	162,100
Credit loss allowance / (reversal of other credit loss allowance) / write off - net		10,319	(30,556)
Recovery of written off / charged off bad debts		(599,806)	(419,045)
		<u>1,947,520</u>	<u>208,396</u>

		(Un-audited)	
		Nine months period ended	
		September 30, 2025	September 30, 2024
		------(Rupees in '000)-----	
			(Restated)
<b>36 TAXATION</b>			
<b>Charge / (reversal) :</b>			
Current		28,797,910	33,555,679
Prior years		3,167,631	(118,406)
Deferred		(5,497,159)	(188,029)
		<u>26,468,382</u>	<u>33,249,244</u>

**36.1 a)** The income tax assessments of the Holding Company have been finalised upto and including tax year 2024. In respect of tax years 2008, 2014, 2017, 2019 and 2021 to 2024, 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. 1,217.274 million (December 31, 2024: Rs. 1,217.274 million) net of relief provided in appeal. The Holding Company has filed an appeal which is pending before the 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 orders are pending before Commissioner Appeals whereas for periods July 2014 to December 2020, Appellate Tribunal has decided the matters against the Holding Company. The Holding Company has filed appeals against these orders before Sindh High Court after consultation with the tax consultant.

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 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.

### 37 DISCONTINUED OPERATIONS - ALFALAH SECURITIES (PRIVATE) LIMITED

37.1 The shareholders of the Holding Company in annual general meeting held on March 20, 2025 approved to sell entire shareholding in its subsidiary, Alfalah Securities (Private) Limited. The sale transaction was completed during the period in accordance with the applicable legal and regulatory requirements against a consideration of Rs. 396.857 million.

37.2 The assets and liabilities attributable to discontinued operation as at the disposal date is as follows:

	<b>(Un-audited)</b>
	<b>As of</b>
	<b>April 30, 2025</b>
	<b>(Rupees in '000)</b>
<b>ASSETS</b>	
Cash and balances with treasury banks	115
Balances with other banks	1,442,462
Investments	46,299
Advances	135
Property and equipment	49,140
Right-of-use assets	32,469
Intangible assets	9,543
Other assets	368,385
<b>Total assets</b>	<b>1,948,548</b>
<b>LIABILITIES</b>	
Borrowings	300,000
Lease liabilities	42,920
Other liabilities	1,154,563
<b>Total liabilities</b>	<b>1,497,483</b>
<b>NET ASSETS</b>	<b>451,065</b>
<b>Net assets attributable to:</b>	
Equity holders of the Holding Company	431,173
Non-controlling interest	19,892
	<b>451,065</b>
<b>Loss on derecognition of subsidiary attributable to equity holders of the Holding Company</b>	
Net assets derecognised	431,173
Consideration received against derecognition of net assets of subsidiary	396,857
	<b>(34,316)</b>

37.3 Financial performance of the discontinued operation till the date of disposal is as follows:

	(Un-audited) From January 01 to April 30, 2025 (Rupees in '000)
Mark-up / return / interest earned	33,692
Mark-up / return / interest expensed	13,823
Net mark-up / return / interest income	<u>19,869</u>
<b>NON MARK-UP / INTEREST INCOME</b>	
Fee and commission income	145,835
Loss on securities	(6,508)
Other income	2,355
Total non-mark-up / interest income	<u>141,682</u>
Total income	<u>161,551</u>
<b>NON MARK-UP / INTEREST EXPENSES</b>	
Operating expenses	156,626
Other charges	1,690
Total non-mark-up / interest expenses	<u>158,316</u>
Profit before credit loss allowance / provisions	<u>3,235</u>
(Reversal of credit loss allowance) / provisions and write offs - net	(4,561)
<b>PROFIT BEFORE TAXATION</b>	<u>7,796</u>
Taxation	48,872
<b>LOSS AFTER TAXATION</b>	<u>(41,076)</u>
Loss on derecognition of subsidiary	(34,316)
<b>LOSS AFTER TAXATION FROM DISCONTINUED OPERATIONS</b>	<u>(75,392)</u>
<b>Loss attributable to:</b>	
Equity holders of the Holding Company	(73,581)
Non-controlling interest	(1,811)
	<u>(75,392)</u>

		(Un-audited)	
		Nine months period ended	
		September 30, 2025	September 30, 2024
		----- (Rupees in '000) -----	
<b>38</b>	<b>BASIC AND DILUTED EARNINGS PER SHARE</b>		(Restated)
	<b>Attributable to equity holders of the Holding Company</b>		
	Profit for the period from continuing operations	21,472,738	35,200,367
	Loss for the period from discontinued operations	(73,581)	-
	Profit for the period	<u>21,399,157</u>	<u>35,200,367</u>
		----- (Number of shares in '000) -----	
	Weighted average number of ordinary shares	<u>1,577,165</u>	<u>1,577,165</u>
		----- (Rupees) -----	
	Basic and diluted earnings per share from continuing operations	13.61	22.32
	Basic and diluted loss per share from discontinued operations	(0.05)	-
	Basic and diluted earnings per share	<u>13.56</u>	<u>22.32</u>

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

		Note	(Un-audited)	
			Nine months period ended	
			September 30, 2025	September 30, 2024
			----- (Rupees in '000) -----	
<b>39</b>	<b>CASH AND CASH EQUIVALENTS</b>			
	Cash and balances with treasury banks	7	218,993,445	207,151,240
	Balances with other banks	8	10,492,828	14,067,035
	Call / clean money lendings	9	31,160,813	6,488,591
	Overdrawn nostro accounts	17	(3,946,519)	(4,563,565)
	Less: Expected credit loss		(86,794)	(22,490)
			<u>256,613,773</u>	<u>223,120,811</u>

#### **40 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.

##### **40.1 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:

	September 30, 2025 (Un-audited)			
	Level 1	Level 2	Level 3	Total
	------(Rupees in '000)-----			
<b>On balance sheet financial instruments</b>				
<b>Financial assets - measured at fair value</b>				
Investments				
- Federal government securities	60,754,032	1,186,822,368	-	1,247,576,400
- Shares - listed companies	27,553,632	-	-	27,553,632
- Shares - unlisted companies	-	-	3,654,835	3,654,835
- REIT Fund - listed	1,802,620	-	-	1,802,620
- Non-government debt securities	14,762,000	4,140,636	-	18,902,636
- Foreign government securities	-	69,109,485	-	69,109,485
- Foreign equity securities	256,873	-	-	256,873
- Foreign preference shares - unlisted	-	-	562,627	562,627
- Foreign non-government debt securities	-	25,121,855	7,614,455	32,736,310
<b>Financial assets - disclosed but not measured at fair value</b>				
Investments - amortised cost	-	236,662,806	-	236,662,806
<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	-	2,326,967	-	2,326,967
- Forward sale of foreign exchange	-	(2,121,089)	-	(2,121,089)
- Forward purchase of government securities	-	(10,747)	-	(10,747)
- Forward sale of government securities	-	73,263	-	73,263
- Derivatives purchases	-	1,376,265	-	1,376,265
- Derivatives sales	-	713,707	-	713,707
<b>December 31, 2024 (Audited)</b>				
	Level 1	Level 2	Level 3	Total
	------(Rupees in '000)-----			
<b>On balance sheet financial instruments</b>				
<b>Financial assets - measured at fair value</b>				
Investments				
- Federal government securities	67,225,943	1,504,470,243	-	1,571,696,186
- Shares - listed companies	18,556,227	-	-	18,556,227
- Shares - unlisted companies	-	-	2,333,188	2,333,188
- Preference shares - unlisted companies	-	-	500,000	500,000
- REIT Fund - listed	1,514,982	-	-	1,514,982
- Non-government debt securities	14,991,550	4,473,526	-	19,465,076
- Foreign government securities	-	62,233,161	-	62,233,161
- Foreign equity securities	257,181	-	-	257,181
- Foreign non-government debt securities	-	25,193,470	8,315,048	33,508,518
<b>Financial assets - disclosed but not measured at fair value</b>				
Investments - amortised cost	-	279,284,570	-	279,284,570
<b>Financial assets - measured at fair value</b>				
Advances				
- Loans, cash credits, running finances, etc.	-	-	1,413,735	1,413,735
<b>Off-balance sheet financial instruments - measured at fair value</b>				
- Forward purchase of foreign exchange	-	1,288,538	-	1,288,538
- Forward sale of foreign exchange	-	(1,090,874)	-	(1,090,874)
- Forward purchase of government securities	-	(12,708)	-	(12,708)
- Forward sale of government securities	-	(451,343)	-	(451,343)
- Derivatives purchases	-	2,172,667	-	2,172,667
- Derivatives sales	-	887,052	-	887,052

**40.2** 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, occurred. There were no transfers between levels 1 and 2 during the current period.

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

**40.3.1 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.

The fair value of 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.

**40.3.2 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 Group which are also on the panel of the State Bank of Pakistan.

**40.3.3 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 are valued at market approach.
Foreign preference shares - unlisted	The fair value of investment in unlisted preference shares are valued at market approach.
Redeemable participating certificates	The fair value of investment in redeemable participating certificates are valued at net asset value.
Advances	The fair value of advances are valued on the basis of Discounted Cashflow Method (DCF) and transaction price.
Forward foreign exchange contracts	The valuation has been 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 arrive at the fair value of the Group's properties. The market approach used 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 September 30, 2025 (Un-audited)	Fair value as at December 31, 2024 (Audited)	Unobservable inputs*	Discount Rate	Relationship of unobservable inputs to fair value
-------------	--	--	----------------------	---------------	---

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

Ordinary shares - unlisted (income approach)	2,805,531	2,333,188	Discount rate	16.50% - 19.00%	Increase / (decrease) in discount rate by 1% with all other variables held constant, would (decrease) / increase the fair value by Rs. 115.120 million and Rs. 125.336 million (December 31, 2024: Rs. 90.457 million and Rs. 97.873 million) respectively.
Ordinary shares - unlisted (market approach)	849,304	-	Market multiple / transaction price	Not applicable	Not applicable
Foreign preference shares - unlisted (market approach)	562,627	-	Transaction price	Not applicable	Not applicable
Preference shares - unlisted	-	500,000	Transaction price	Not applicable	Not applicable
Redeemable participating certificates	7,614,455	8,315,048	Net asset value	Not applicable	Not applicable
Advances classified at FVPL	-	1,413,735	Discount rate	30.0%	Increase / (decrease) in discount rate by 1% with all other variables held constant, would (decrease) / increase the fair value by Nil (December 31, 2024: Rs. 14.903 million and Rs. 15.134 million) respectively.
Advances classified at FVPL	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 investment and advances level 3 fair value movement:

	September 30, 2025 (Un-audited)		December 31, 2024 (Audited)	
	Investments	Advances	Investments	Advances
	----- (Rupees in '000) -----			
Opening balance	11,148,236	1,413,735	6,283,601	1,200,000
Impact of adoption of IFRS 9	761,681	-	2,271,824	122,135
Balance as at January 01 after adopting IFRS 9	11,909,917	1,413,735	8,555,425	1,322,135
Additions / (disposals) / transfers - net	37,760	386,265	-	-
Remeasurement recognised in OCI or profit and loss / adjustments	(115,760)	-	2,592,811	91,600
Closing balance	11,831,917	1,800,000	11,148,236	1,413,735

**41 SEGMENT INFORMATION**  
**41.1 Segment details with respect to Business Activities**

For the nine months period ended September 30, 2025 (Un-audited)										
	Retail	Corporate	Islamic (Domestic)	Treasury	Digital	Overseas	Subsidiaries	Others**	Elimination	Total
(Rupees in '000)										
<b>Consolidated statement of profit and loss account</b>										
Net mark-up / return/ profit*	30,398,264	23,504,907	22,513,231	80,053,399	(259,349)	6,034,840	30,251	27,623	-	101,506,638
Inter segment revenue - net	84,955,927	(16,675,823)	(1,865,817)	(66,867,791)	6,025,608	(244,317)	-	(919,960)	(4,507,827)	-
Non mark-up / return / interest income*	8,440,582	6,431,340	2,532,104	20,376,572	2,929,365	1,556,790	74,487	1,878,641	(8,151,603)	36,068,278
Total income / (loss)	62,998,245	13,260,424	23,179,518	33,562,180	8,695,624	7,347,313	104,738	1,086,304	(12,659,430)	137,574,916
Segment direct expenses	29,709,149	12,476,531	13,428,872	1,069,501	4,175,961	3,308,174	239,567	23,749,214	(470,693)	87,686,276
Inter segment expense allocation	14,368,993	1,508,142	5,040,457	850,938	1,836,784	549,443	-	(23,749,214)	(405,543)	-
Total expenses	44,078,142	13,984,673	18,469,329	1,920,439	6,012,745	3,857,617	239,567	-	(876,236)	87,686,276
Credit loss allowance / provision / (reversals)	1,857,404	(858,002)	(35,432)	46,764	530,531	477,807	(90)	(91,552)	30	1,947,520
Profit / (loss) before tax - continuing operations	17,062,699	133,753	4,725,621	31,594,977	2,152,348	3,011,889	(134,799)	1,177,856	(11,783,224)	47,941,120

As at September 30, 2025 (Un-audited)										
	Retail	Corporate	Islamic (Domestic)	Treasury	Digital	Overseas	Subsidiaries	Others**	Elimination	Total
(Rupees in '000)										
<b>Consolidated statement of financial position</b>										
Cash and bank balances	108,418,788	15,139,791	55,782,409	-	1,706,510	48,800,220	633,016	-	(1,081,255)	229,399,479
Investments	-	4,381,643	200,776,327	1,291,746,391	-	137,804,276	150,659	9,593,598	-	1,644,452,894
Inter segment lending - net	1,024,527,676	-	-	36,437,727	26,352,253	-	-	120,791,014	(1,171,670,943)	-
Lendings to financial institutions	257,851,611	478,220,774	27,599,658	-	47,855	9,749,679	-	-	(11,534,135)	62,252,929
Advances - performing	1,123,387	473,909	231,253,801	-	897,604	41,897,509	-	17,487,917	-	1,026,759,467
- non-performing	40,330,010	59,379,660	59,646,938	-	(77)	144,771	-	176,240	-	2,815,834
Others	1,432,251,472	557,595,777	575,956,737	21,424,498	1,248,750	5,266,410	274,482	74,256,982	1,588,560	263,416,290
Total assets	2,110,110	56,110,040	33,182,655	1,349,608,616	29,355,291	243,662,865	1,058,157	222,305,751	(1,182,697,773)	3,229,096,893
Borrowings	-	-	-	475,979,565	-	46,228,452	-	-	(12,058,855)	620,551,967
Subordinated debt	-	-	-	6,204	-	144,447,107	-	14,000,000	-	14,000,000
Deposits and other accounts	1,349,286,021	222,099,166	422,501,575	234,494,831	28,441,850	35,901,643	-	164,836	(661,653)	2,166,285,106
Inter segment borrowing - net	-	234,494,831	33,340,096	869,148,823	-	-	-	-	(1,172,885,393)	-
Others	61,855,341	44,891,740	81,700,138	(9,677,082)	913,441	15,115,277	168,803	35,093,459	2,908,128	232,969,245
Total liabilities	1,432,251,472	557,595,777	570,724,464	1,335,457,510	29,355,291	241,692,479	168,803	49,258,295	(1,182,697,773)	3,033,806,318
Net assets	-	-	5,232,273	14,151,106	-	1,970,386	889,354	173,047,456	-	195,290,575
<b>Equity including non-controlling interest</b>										
Contingencies and commitments	152,729,971	235,695,874	176,709,974	492,697,152	2,384	50,940,288	79,572	4,773,866	-	1,113,629,061

The segment 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. 413,219 million and Rs. 428,672 million respectively of investment banking.

\*\* Others include head office related activities.

For the nine months period ended September 30, 2024 (Un-audited) - Restated										
	Retail	Corporate	Islamic (Domestic)	Treasury	Digital	Overseas	Subsidiaries	Others**	Elimination	Total

	(86,188,901)	10,771,521	24,897,904	142,419,276	74,377	6,439,152	6,725	(1,328,028)	-	97,092,026
Net mark-up / return/ profit*	151,399,025	4,688,111	(2,919,204)	(152,411,292)	6,502,384	682,830	-	1,375,825	(9,317,679)	-
Inter segment revenue - net	6,783,962	5,092,613	2,105,635	14,874,377	1,156,818	2,547,497	257,922	1,407,968	(8,936)	34,217,856
Non mark-up / return / interest income*	71,994,086	20,552,245	24,084,335	4,882,361	7,733,579	9,669,479	264,647	1,455,765	(9,326,615)	131,309,882
Total income / (loss)	23,940,743	3,009,053	9,467,887	737,016	2,880,856	2,825,466	564,775	19,230,379	(8,936)	62,647,239
Segment direct expenses	11,872,618	1,352,856	4,031,176	255,692	1,665,122	448,165	-	(18,574,606)	(1,051,023)	-
Inter segment expense allocation	35,813,361	4,361,909	13,499,063	992,708	4,545,978	3,273,631	564,775	655,773	(1,059,959)	62,647,239
Total expenses	208,056	2,807,069	160,220	(15,178)	15,423	(49,543)	(337,543)	(1,380,108)	(1,200,000)	208,396
Credit loss allowance / provision / (reversals)	35,972,669	13,383,267	10,425,052	3,904,831	3,172,178	6,445,391	37,415	2,180,100	(7,066,656)	68,454,247
Profit / (loss) before tax										

As at December 31, 2024 (Audited)										
	Retail	Corporate	Islamic (Domestic)	Treasury	Digital	Overseas	Subsidiaries	Others**	Elimination	Total

	109,749,938	17,976,222	41,944,162	-	775,190	66,937,500	2,071,561	-	8,127,574	247,582,147
Cash and bank balances	-	5,492,251	242,118,099	1,617,562,126	-	123,313,534	201,676	7,494,575	-	1,996,182,261
Investments	988,532,481	-	-	97,393,884	10,562,483	-	-	83,946,238	(1,083,041,202)	-
Inter segment lending - net	242,468,773	634,142,272	43,283,519	-	-	7,103,006	-	-	(46,782,086)	100,998,373
Lendings to financial institutions	1,140,010	1,072,573	165,966,972	-	59,194	56,323,050	389	12,650,639	(5,571,000)	1,106,040,289
Advances - performing	24,516,991	39,838,680	53,364,017	42,082,631	1,966	67,755	-	106,116	29,939	3,336,253
- non-performing	1,366,408,193	698,521,998	547,594,663	1,757,038,641	13,494,455	256,588,106	2,887,104	204,399,542	(1,129,877,005)	3,717,055,697
Total assets	18,008,205	66,732,348	35,770,158	1,037,179,587	-	28,681,197	314,967	-	(44,485,753)	1,142,200,709
Borrowings	-	-	-	-	-	-	-	14,000,000	-	14,000,000
Subordinated debt	1,277,413,227	262,957,681	398,788,680	689,991,745	12,956,578	185,193,870	-	2,800	(1,188,138)	2,136,104,698
Deposits and other accounts	-	330,688,006	30,376,465	-	-	31,961,837	-	-	(1,083,018,053)	-
Inter segment borrowing - net	70,986,761	38,143,963	76,483,156	18,960,678	557,877	9,902,659	1,056,951	28,456,609	(1,185,061)	243,363,593
Others	1,366,408,193	698,521,998	547,418,459	1,746,132,010	13,494,455	255,739,563	1,371,918	42,459,409	(1,129,877,005)	3,535,669,000
Total liabilities	-	-	6,176,204	10,906,631	-	848,543	1,515,186	161,940,133	-	181,386,697
Net assets	137,249,361	230,283,930	79,773,852	391,608,905	718	54,966,306	495,725	4,284,623	-	898,663,420

Equity including non-controlling interest										
	Retail	Corporate	Islamic (Domestic)	Treasury	Digital	Overseas	Subsidiaries	Others**	Elimination	Total

	137,249,361	230,283,930	79,773,852	391,608,905	718	54,966,306	495,725	4,284,623	-	898,663,420
Contingencies and commitments										

The segment 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. 269,508 million and Rs. 145,367 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 September 30, 2025 (Un-audited)			As at December 31, 2024 (Audited)				
	Directors/ CEO	Key management personnel	Associates	Other related parties	Directors/ CEO	Key management personnel	Associates	Other related parties
	(Rupees in '000)			(Rupees in '000)				
<b>Investments</b>								
Opening balance	-	-	6,925,737	2,923,188	-	-	6,052,472	1,602,909
Investment made during the period / year	-	-	-	825,072	-	-	-	511,863
Investment redeemed / disposed off during the period / year	-	-	-	(602,436)	-	-	-	(391,613)
Revaluation of investment during the period / year	-	-	-	828,232	-	-	-	2,190,383
Equity method adjustment	-	-	1,138,513	-	-	-	873,265	-
Transfer in / (out) - net	-	-	-	562,627	-	-	-	(1,250,354)
Closing balance	-	-	8,064,250	4,536,683	-	-	6,925,737	2,923,188
<b>Credit loss allowance / provision for diminution in value of investments</b>								
<b>Advances</b>								
Opening balance	11,225	971,469	-	1,052,432	14,918	935,186	-	1,925,526
Addition during the period / year	630	340,106	-	8,437,337	1,715	232,432	-	43,510,218
Repaid during the period / year	(3,199)	(350,289)	-	(7,632,169)	(5,408)	(194,161)	-	(44,383,312)
Transfer in / (out) - net	-	1,184	-	1,864	-	(1,988)	-	-
Closing balance	8,656	962,470	-	1,859,464	11,225	971,469	-	1,052,432
<b>Credit loss allowance held against advances</b>								
<b>Other Assets</b>								
Interest / mark-up accrued	5,161	81,756	-	47,129	4,593	81,687	-	22,681
Receivable from staff retirement fund	-	-	-	610,565	-	-	-	1,331,990
Prepayment / rent and other receivable	-	-	-	176,009	-	-	9,209	-
Advance against shares	-	-	-	55,343	-	-	-	-
Acceptances	-	-	-	-	-	-	-	17,081
<b>Credit loss allowance against other assets</b>								
<b>Borrowings</b>								
Opening balance	-	-	-	2,464,030	-	-	-	2,605,576
Borrowings during the period / year	-	-	-	6,575,000	-	-	-	1,149,273
Settled during the period / year	-	-	-	(1,499,738)	-	-	-	(1,290,819)
Closing balance	-	-	-	7,539,292	-	-	-	2,464,030
<b>Deposits and other accounts</b>								
Opening balance	185,847	392,643	60,026,664	12,533,349	406,959	340,757	17,153,420	18,550,205
Received during the period / year	2,729,726	4,653,738	1,528,202,653	123,663,067	5,668,276	4,582,080	1,211,982,771	276,598,239
Withdrawn during the period / year	(2,858,164)	(4,385,627)	(1,584,981,759)	(123,352,560)	(5,889,395)	(4,524,294)	(1,169,109,527)	(278,997,497)
Transfer in / (out) - net	-	(13,643)	-	273	7	(5,900)	-	(9,617,598)
Closing balance	57,409	647,111	3,247,558	12,844,129	185,847	392,643	60,026,664	12,533,349

	As at September 30, 2025 (Un-audited)				As at December 31, 2024 (Audited)			
	Directors/ CEO	Key management personnel	Associates	Other related parties	Directors/ CEO	Key management personnel	Associates	Other related parties
Subordinated debt	-	-	-	-	-	-	-	300,000
Opening balance	-	-	-	-	-	-	-	(300,000)
Transfer in / (out) - net	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-
<b>Other Liabilities</b>								
Interest / mark-up payable	65	2,933	-	201,638	226	248	-	126,062
Dividend payable	-	-	325	12	7	-	-	9
Unearned rent	-	-	-	-	-	-	2,532	-
Others	-	-	-	26,431	-	-	-	32,786
<b>Contingencies and commitments</b>	-	-	-	6,796,554	-	-	-	559,419

For the nine months period ended September 30, 2025 (Un-audited) (Rupees in '000)

	For the nine months period ended September 30, 2025 (Un-audited)				For the nine months period ended September 30, 2024 (Un-audited)			
	Directors/ CEO	Key management personnel	Associates	Other related parties	Directors/ CEO	Key management personnel	Associates	Other related parties
<b>Income</b>								
Mark-up / return / interest earned	627	22,832	-	97,890	1,995	23,032	-	232,025
Fee and commission income	215	1,168	445,357	15,690	88	891	247,297	6,827
Dividend income	-	-	44,999	587,597	-	-	254,993	648,370
Gain / (loss) on sale of securities	-	-	-	31,142	-	4	-	(19,901)
Rent on property	-	-	2,925	-	-	-	1,990	-
Gain on sale of property and equipment - net	7,094	132	8,191	-	-	115	6,913	-
<b>Expenses</b>								
Mark-up / return / interest paid	2,511	16,377	469,443	1,260,456	22,970	24,088	569,222	1,863,758
Operating expenses	518,804	1,799,145	-	-	439,887	1,392,490	-	-
Fee and remuneration	-	-	-	-	-	-	-	109,686
Clearing and custodian charges	-	-	-	87,424	-	-	-	82,575
Software maintenance	-	-	-	6,565	-	-	-	-
Stationery and printing	-	-	-	554,372	-	-	-	528,901
Communication cost	-	-	-	1,150	-	-	-	-
Marketing, advertisement and publicity	-	-	-	721,426	-	-	-	503,473
Charge for defined benefit plan	-	-	-	843,903	-	-	-	650,389
Contribution to defined contribution plan	-	-	-	-	-	-	-	694
Training and subscription	-	-	-	-	-	-	-	7,312
(Reversal of) credit loss allowance / credit loss allowance against loans & advances	(29)	(3,398)	-	4,719	-	1,841	-	111
Credit loss allowance against off-balance sheet obligations	-	-	-	821	-	-	-	-
(Reversal of) credit loss allowance against other assets	-	-	-	(14)	-	-	-	-
<b>Other information</b>								
Dividend paid	2,761,050	11,529	20,941	2,794,993	5,313,570	15,921	10,416	5,199,233
Insurance premium paid	-	-	1,706,567	-	-	-	1,384,681	-
Insurance claims settled	-	-	713,576	-	-	-	626,234	-

43 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

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

**Minimum Capital Requirement (MCR):**

Paid-up capital (net of losses)

15,771,651

15,771,651

**Capital Adequacy Ratio (CAR):**

Eligible Common Equity Tier 1 (CET 1) Capital

156,426,706

146,742,124

Eligible Additional Tier 1 (ADT 1) Capital

13,550,000

13,551,002

Total eligible tier 1 capital

169,976,706

160,293,126

Eligible tier 2 capital

42,556,427

44,256,145

Total eligible capital (tier 1 + tier 2)

212,533,133

204,549,271

**Risk weighted assets (RWAs):**

Credit risk

924,873,743

859,896,850

Market risk

36,501,500

47,911,688

Operational risk

243,639,025

243,639,025

Total

1,205,014,268

1,151,447,563

Common equity tier 1 capital adequacy ratio

12.98%

12.74%

Tier 1 capital adequacy ratio

14.11%

13.92%

Total capital adequacy ratio

17.64%

17.76%

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

169,976,706

160,293,126

Total exposures

3,812,029,777

4,077,780,148

Leverage ratio

4.46%

3.93%

**Liquidity Coverage Ratio (LCR):**

Total high quality liquid assets

1,063,581,845

1,197,167,258

Total net cash outflow

566,347,605

626,056,805

Liquidity coverage ratio

188%

191%

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

Total available stable funding

1,803,610,975

1,690,754,449

Total required stable funding

1,282,839,598

1,340,991,900

Net stable funding ratio

141%

126%

43.1 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 17.82% and 4.40% respectively.

#### 44 AFGHANISTAN OPERATIONS

Bank Alfalah 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. The Holding Company has taken impairment against net assets where there is an indication that carrying amount may be higher than its recoverable amount. The Holding Company remains focused on maintaining its control standards i.e. both onshore and through Head Office oversight.

#### 45 BANGLADESH OPERATIONS

During the year 2024, a non-binding indicative offer was received from Bank Asja Limited, Dhaka, Bangladesh ("Bank Asja") to acquire the Holding Company's Bangladesh Operations (assets and liabilities). In this regard, the Holding Company was granted an in-principle approval by the State Bank of Pakistan to facilitate conduct of due diligence exercise by Bank Asja.

Subsequently, during the period ended September 30, 2025, the Board of Directors of Bank Alfalah Limited ("the Holding Company") has accorded its approval to sell the Holding Company's Bangladesh Operations to Bank Asja subject to approval of the State Bank of Pakistan, the Central Bank of Bangladesh, and /or any other regulatory and legal compliance and execution of definitive agreement.

Further, a non-binding offer was also received in year 2024 from Matton National Bank of Sri Lanka ("HNB") to acquire the Holding Company's Bangladesh Operations. However, HNB has decided not to proceed with acquisition.

#### 46 NON-ADJUSTING EVENT

The Board of Directors of the Holding Company in its meeting held on October 22, 2025 has declared an interim cash dividend of 25% i.e. Rs. 2.5 per share for the quarter ended September 30, 2025 (September 30, 2024: Rs. 2.0 per share i.e. 20%). These consolidated condensed interim financial statements do not include the effect of this appropriation which will be accounted for subsequent to the period end. The Board of the Holding Company had earlier declared an interim cash dividend bringing the total cash dividend for the nine months period ended September 30, 2025 to Rs. 7.5 per share (September 30, 2024: Rs. 6.0 per share).

#### 47 DATE OF AUTHORISATION

These consolidated condensed interim financial statements were authorised for issue on October 22, 2025 by the Board of Directors of the Holding Company.

#### 48 GENERAL

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

48.2 The effects of reclassification, rearrangement in the comparative information presented in these consolidated condensed interim financial statements are as follows:

Description of item	Nature	(Rupees in '000)	From	To
Agent commission	Expense	360,605	Commission on Benazir Income Support Programme (BISP)	Brokerage and commission
Verification cost	Expense	92,164	Commission on Benazir Income Support Programme (BISP)	CNIC verification
Optional issuer fee	Income	420,419	Foreign exchange income	Card related fees (debit and credit cards)
Conversion fee	Expense	269,987	Foreign exchange income	Card related fees (debit and credit cards)
Conversion fee	Expense	160,522	Foreign exchange income	Card acquiring business
Reward points	Expense	6,695	Reward points / customer loyalty	Consumer finance related fees
Reward points	Expense	3,005	Reward points / customer loyalty	Card related fees (debit and credit cards)
Reward points	Expense	8,164	Reward points / customer loyalty	Commission on bancassurance
Reward points	Expense	1,814	Reward points / customer loyalty	Wealth management fee
Reward points	Expense	45,371	Reward points / customer loyalty	Alternative Delivery Channel (ADC) settlement accounts

48.3 The effects of restatement due to adoption of IFRS 9 is mentioned in note 4.1.1 of these consolidated condensed interim financial statements.

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director