هٰذَا مِنْ فَضْلِ رَبِّيْ

Bank AL Habib

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CORPORATE INFORMATION

Board of Directors	Abbas D. Habib	*Chairman*
	Aamir Amin*	
	Anwar Haji Karim	
	Farhana Mowjee Khan	
	Humayun Bashir	
	Mohammad Rafiquddin Mehkari	
	Qasim Habib	
	Qumail R. Habib	*Executive Director*
	Shoaib Javed Hussain	
	Syed Mohammed Hussain	
	Mansoor Ali Khan	*Chief Executive*
Audit Committee	Mohammad Rafiquddin Mehkari	*Chairman*
	Anwar Haji Karim	Member
	Farhana Mowjee Khan	Member
	Syed Mohammed Hussain	Member
Human Resource & Remuneration Committee	Humayun Bashir	*Chairman*
	Abbas D. Habib	Member
	Farhana Mowjee Khan	Member
	Shoaib Javed Hussain	Member
	Syed Mohammed Hussain	Member
Credit Risk Management Committee	Farhana Mowjee Khan	*Chairperson*
	Mohammad Rafiquddin Mehkari	Member
	Qasim Habib	Member
	Qumail R. Habib	Member
Risk Management Committee	Mohammad Rafiquddin Mehkari	*Chairman*
	Anwar Haji Karim	Member
	Qasim Habib	Member
	Qumail R. Habib	Member
	Shoaib Javed Hussain	Member
IT & Digital Committee	Abbas D. Habib	*Chairman*
	Humayun Bashir	Member
	Qasim Habib	Member
	Qumail R. Habib	Member
	Syed Mohammed Hussain	Member
	Mansoor Ali Khan	Member
Islamic Banking Conversion Committee	Mohammad Rafiquddin Mehkari	*Chairman*
	Farhana Mowjee Khan	Member
	Humayun Bashir	Member
	Shoaib Javed Hussain	Member
Company Secretary	Mohammad Taqi Lakhani	

* Subject to fit and proper test clearance, which is awaited from the State Bank of Pakistan.

Chief Financial Officer	Ashar Husain
Statutory Auditors	KPMG Taseer Hadi & Co. Chartered Accountants
Legal Advisor	Liaquat Merchant Associates Barristers, Advocates & Corporate Legal Consultants
Registered Office	126-C, Old Bahawalpur Road, Multan
Principal Office	2nd Floor, Mackinnons Building, I.I. Chundrigar Road, Karachi
Share Registrar	CDC Share Registrar Services Limited CDC House 99-B, Block-B, S.M.C.H.S. Main Shahrah-e-Faisal, Karachi-74400.
Website	www.bankalhabib.com

DIRECTORS' REVIEW

It is our pleasure to present the un-audited financial statements of Bank AL Habib Limited along with the un-audited consolidated financial statements of Bank AL Habib Limited and the Bank's Subsidiaries AL Habib Capital Markets (Private) Limited, AL Habib Asset Management Limited, and AL Habib Exchange Company (Private) Limited for the quarter ended March 31, 2026.

Alhamdolillah, during the period under review, the performance of the Bank continued to be satisfactory. The deposits increased to Rs. 2.80 trillion as compared to Rs. 2.60 trillion on December 31, 2025. In the same period, advances increased to Rs. 824.2 billion from Rs. 792.1 billion, while investments increased to Rs. 2.24 trillion from Rs. 2.03 trillion. The pre-tax profit of the Bank for the quarter ended March 31, 2026, was Rs. 15.02 billion as compared to Rs. 20.60 billion during the corresponding period last year. The profit after tax for the quarter ended March 31, 2026, was Rs. 7.09 billion compared with Rs. 10.21 billion during 2025.

The Board of Directors, in its meeting held on April 23, 2026, has declared 1st interim cash dividend of Rs. 3.50 per share i.e. 35% for the quarter ended March 31, 2026.

By the Grace of Allah, the Bank now has a network of 1,332 offices, comprising 1,329 branches, and 3 Representative Offices. Our branch network includes 398 Islamic Banking Branches and 2 Overseas Branches. Continuing with our branch expansion policy, the Bank intends to open more branches during the year 2026.

Alhamdolillah, Pakistan Credit Rating Agency Limited (PACRA) has maintained the Bank's long term entity and short term entity ratings at **AAA** (Triple A) and **A1+** (A One plus), respectively. This long term credit rating **AAA** (Triple A) denotes the highest credit quality with the lowest expectation of credit risk and indicates exceptionally strong capacity for timely payment of financial commitments.

The ratings of our unsecured, subordinated Term Finance Certificates (TFCs) are **AAA** (Triple A) for TFC-2021 and TFC-2022, and **AA+** (Double A plus) for TFC-2017 (perpetual) and TFC-2022 (perpetual). These ratings denote a very low expectation of credit risk emanating from a very strong capacity for timely payment of financial commitments. Further, the TFC-2022 & the TFC-2022 (perpetual) issued in 2022, were listed on Pakistan Stock Exchange (PSX) pursuant to Chapter 5C of PSX Rule Book.

We wish to thank our customers, for their continued trust and support, local & foreign correspondents for their confidence and cooperation, and the State Bank of Pakistan for their guidance. We also thank all our staff members for their sincerity, dedication, and hard work.

Mansoor Ali Khan
Chief Executive

Abbas D. Habib
Chairman
Board of Directors

Karachi: April 23, 2026

ڈائریکٹرز کا جائزہ

ہمارے لئے یہ باعثِ مسرت ہے کہ ہم 31 مارچ 2026 کو ختم ہونے والی سہ ماہی کے لئے بینک الحبیب لمیٹڈ کے غیر آڈٹ شدہ مالی حسابات مع بینک الحبیب لمیٹڈ کے غیر آڈٹ شدہ مجموعی مالیاتی حسابات بشمول بینک کی ذیلی کمپنیز الحبیب کیپیٹل مارکیٹس (پرائیویٹ) لمیٹڈ، الحبیب ایسٹ مینجمنٹ لمیٹڈ، اور الحبیب ایکسچینج کمپنی (پرائیویٹ) لمیٹڈ پیش کریں۔

الحمدللہ، زیر جائزہ مدت میں بینک کی کارکردگی اطمینان بخش رہی۔ 31 مارچ 2026 کو ختم ہونے والی سہ ماہی میں ڈپازٹس بڑھ کر 2.80 ٹریلین روپے ہوگئے، جو کہ 31 دسمبر 2025 کو 2.60 ٹریلین روپے تھے۔ اسی مدت کے دوران ایڈوانسز 792.1 بلین روپے سے بڑھ کر 824.2 بلین روپے ہوگئے اور سرمایہ کاری 2.03 ٹریلین روپے سے بڑھ کر 2.24 ٹریلین روپے ہوگئی۔ 31 مارچ 2026 کو ختم ہونے والی سہ ماہی کے لئے آپ کے بینک کا قبل از ٹیکس منافع 15.02 بلین روپے رہا، جبکہ گزشتہ سال اس مدت میں یہ 20.60 بلین روپے تھا۔ بینک کا بعد از ٹیکس منافع 31 مارچ 2026 کو ختم ہونے والی مدت کے لئے 7.09 بلین روپے رہا جبکہ گزشتہ سال یہ 10.21 بلین روپے تھا۔

بورڈ آف ڈائریکٹرز نے 23 اپریل 2026ء کو منعقد ہونے والے اجلاس میں 31 مارچ 2026ء کو ختم ہونے والی سہ ماہی کیلئے پہلا عبوری 35% نقد منافع منقسمہ یعنی 3.50 روپے فی شیئر کا اعلان کیا ہے۔

اللہ تعالیٰ کے فضل و کرم سے بینک کا نیٹ ورک اب 1,332 دفاتر پر مشتمل ہے، جس میں 1,329 برانچز، اور 3 نمائندہ دفاتر شامل ہیں۔ ہمارے برانچ نیٹ ورک میں اب 398 اسلامی بینکاری برانچز اور 2 بیرونِ ملک برانچز شامل ہیں۔ برانچز میں اضافہ کی اپنی پالیسی پر کاربند رہتے ہوئے ہم سال 2026 میں بھی مزید برانچز کھولنے کا ارادہ رکھتے ہیں۔

الحمدللہ، پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے طویل مدت کے لئے بینک کی ریٹنگز **AAA** (ٹرپل اے) اور مختصر مدت کے لئے **A1+** (اے ون پلس) برقرار رکھی ہیں۔ یہ طویل مدتی کریڈٹ ریٹنگ **AAA** (ٹرپل اے) بینک کے بہترین کریڈٹ کے معیار، کم ترین کریڈٹ رسک کی توقع اور بروقت مالی ذمہ داریوں سے عہدہ براء ہونے کی غیر معمولی صلاحیت کو ظاہر کرتی ہے۔

ہمارے اُنسیکیورڈ، سبارڈینیٹڈ رم فنانس سرٹیفکیٹس کی ریٹنگز **AAA** (ٹرپل اے) برائے TFC-2021 اور TFC-2022 اور **+AA** (ڈبل اے پلس) برائے TFC-2017 (پرنسپل) اور TFC-2022 (پرنسپل) ہیں۔ یہ ریٹنگز کریڈٹ رسک کی بہت کم توقع ظاہر کرتی ہیں، جس کی وجہ مالی ذمہ داریوں سے عہدہ براء ہونے کی بہت مضبوط صلاحیت ہے۔ مزید براں TFC-2022 اور TFC-2022 (پرنسپل) جو کہ 2022 میں ایشو ہوئے پی ایس ایکس رول بک کے باب 5C کے مطابق پاکستان اسٹاک ایکسچینج لمیٹڈ پر لسٹڈ کئے گئے۔

ہم اپنے کسٹمرز کے مسلسل اعتماد اور تائید، مقامی و غیر ملکی مالیاتی اداروں کے بھروسے اور تعاون، اور اسٹیٹ بینک آف پاکستان کے اُن کی رہنمائی پر، بے حد مشکور ہیں۔ ہم اپنے تمام اسٹاف ممبران کا بھی ان کے خلوص، لگن اور انتھک محنت پر ان کا شکریہ ادا کرتے ہیں۔

منصور علی خان
چیف ایگزیکٹو

عباس ڈی۔ حبیب
چیئرمین
بورڈ آف ڈائریکٹرز

کراچی: ۲۳ اپریل ۲۰۲۶ء

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2026

	Note	(Un-audited) 31 March 2026	(Audited) 31 December 2025
		(Rupees in '000)	
ASSETS			
Cash and balances with treasury banks	6	**194,938,264**	189,466,913
Balances with other banks	7	**9,256,215**	7,196,550
Lendings to financial institutions	8	**60,885,532**	24,453,908
Investments	9	**2,236,069,281**	2,028,480,131
Advances	10	**824,207,159**	792,050,395
Property and equipment	11	**83,022,199**	82,542,745
Right-of-use assets	12	**18,553,603**	16,828,865
Intangible assets	13	**29,732**	63,301
Deferred tax assets	14	**17,357,973**	–
Other assets	15	**187,134,096**	162,681,089
Total Assets		**3,631,454,054**	3,303,763,897
LIABILITIES			
Bills payable	17	**44,559,951**	59,749,478
Borrowings	18	**457,405,802**	290,260,824
Deposits and other accounts	19	**2,796,442,715**	2,599,087,013
Lease liabilities	20	**22,641,502**	20,845,724
Subordinated debt	21	**25,958,018**	25,983,600
Deferred tax liabilities	14	**–**	1,479,140
Other liabilities	22	**128,179,156**	135,089,767
Total Liabilities		**3,475,187,144**	3,132,495,546
NET ASSETS		**156,266,910**	171,268,351
REPRESENTED BY			
Share capital		**11,114,254**	11,114,254
Reserves		**35,947,843**	35,220,243
Surplus on revaluation of assets	23	**12,385,532**	29,514,238
Unappropriated profit		**96,819,281**	95,419,616
		156,266,910	171,268,351
CONTINGENCIES AND COMMITMENTS	24		

The annexed notes 1 to 43 form an integral part of these unconsolidated condensed interim financial statements.

MANSOOR ALI KHAN
Chief Executive

ASHAR HUSAIN
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI
Director

SYED MOHAMMED HUSSAIN
Director

ABBAS D. HABIB
Chairman

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026

	Note	Three months period ended	
		31 March 2026	31 March 2025
		(Rupees in '000)	
Mark-up / return / interest earned	26	**82,528,369**	92,887,069
Mark-up / return / interest expensed	27	**(49,958,437)**	(59,330,859)
Net mark-up / interest income		**32,569,932**	33,556,210
NON MARK-UP / INTEREST INCOME			
Fee and commission income	28	**5,042,358**	5,458,635
Dividend income		**67,742**	68,913
Foreign exchange income		**2,267,336**	2,108,149
Income / (loss) from derivatives		**–**	–
Loss on securities - net	29	**(169,245)**	(244,455)
Net gain / (loss) on derecognition of financial assets measured at amortised cost		**–**	–
Other income	30	**232,459**	346,286
Total non mark-up / interest income		**7,440,650**	7,737,528
Total income		**40,010,582**	41,293,738
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	31	**(23,676,565)**	(21,426,618)
Workers' welfare fund		**(323,440)**	(420,341)
Other charges	32	**(3,267)**	(6,941)
Total non mark-up / interest expenses		**(24,003,272)**	(21,853,900)
Profit before credit loss allowance		**16,007,310**	19,439,838
Credit loss allowance and write-offs - net	33	**(982,388)**	1,156,860
Extra ordinary / unusual items		**–**	–
PROFIT BEFORE TAXATION		**15,024,922**	20,596,698
Taxation	34	**(7,936,728)**	(10,383,425)
PROFIT AFTER TAXATION		**7,088,194**	10,213,273
		(Rupees)	
Basic and diluted earnings per share	35	**6.38**	9.19

The annexed notes 1 to 43 form an integral part of these unconsolidated condensed interim financial statements.

MANSOOR ALI KHAN
Chief Executive

ASHAR HUSAIN
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI
Director

SYED MOHAMMED HUSSAIN
Director

ABBAS D. HABIB
Chairman

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026

	Three months period ended	
	31 March 2026	31 March 2025
	(Rupees in '000)	
Profit after taxation for the period	**7,088,194**	10,213,273
Other comprehensive income		
Items that may be reclassified to the statement of profit and loss account in subsequent periods:		
Effect of translation of net investment in foreign branches	**18,781**	122,557
Movement in deficit on revaluation of investment in debt instruments classified as FVOCI - net of tax	**(16,803,268)**	(2,080,614)
	(16,784,487)	(1,958,057)
Items that will not be reclassified to the statement of profit and loss account in subsequent periods:		
Movement in deficit on revaluation of investment in equity instruments classified as FVOCI - net of tax	**(272,669)**	(40,627)
Movement in surplus on revaluation of property and equipment - net of tax	**–**	124,117
Movement in surplus on revaluation of non-banking assets - net of tax	**–**	741
	(272,669)	84,231
Total comprehensive income for the period	**(9,968,962)**	8,339,447

The annexed notes 1 to 43 form an integral part of these unconsolidated condensed interim financial statements.

MANSOOR ALI KHAN
Chief Executive

ASHAR HUSAIN
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI
Director

SYED MOHAMMED HUSSAIN
Director

ABBAS D. HABIB
Chairman

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026

	Share Capital	Statutory Reserve	Foreign Currency Translation Reserve	Revenue Reserves: Special Reserve	Revenue Reserves: General Reserve	Surplus / (deficit) on revaluation of: Investments	Surplus / (deficit) on revaluation of: Property and Equipment	Surplus / (deficit) on revaluation of: Non Banking Assets	Unappropriated Profit	Total
	(Rupees in '000)									
Balance as at 01 January 2025 - restated	**11,114,254**	**26,686,231**	**4,697,625**	**126,500**	**540,000**	**7,570,243**	**15,568,934**	**166,063**	**87,246,120**	**153,715,970**
Profit after taxation for the three months period ended 31 March 2025	–	–	–	–	–	–	–	–	10,213,273	10,213,273
Other comprehensive income for the three months period ended 31 March 2025 - net of tax										
Effect of translation of net investment in foreign branches	–	–	122,557	–	–	–	–	–	–	122,557
Movement in deficit on revaluation of investment in debt instruments - net of tax	–	–	–	–	–	(2,080,614)	–	–	–	(2,080,614)
Movement in deficit on revaluation of investment in equity instruments - net of tax	–	–	–	–	–	(40,627)	–	–	–	(40,627)
Movement in surplus on revaluation of property and equipment - net of tax	–	–	–	–	–	–	124,117	–	–	124,117
Movement in surplus on revaluation of non-banking assets - net of tax	–	–	–	–	–	–	–	741	–	741
Total other comprehensive income - net of tax	–	–	122,557	–	–	(2,121,241)	124,117	741	–	(1,873,826)
Transfer to statutory reserve	–	1,021,327	–	–	–	–	–	–	(1,021,327)	–
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	–	–	–	–	–	–	(52,737)	(32)	52,769	–
Transaction with owners, recorded directly in equity										
Final cash dividend (Rs. 6.5 per share) - December 2024	–	–	–	–	–	–	–	–	(7,224,265)	(7,224,265)
Balance as at 31 March 2025 - unaudited	**11,114,254**	**27,707,558**	**4,820,182**	**126,500**	**540,000**	**5,449,002**	**15,640,314**	**166,772**	**89,266,570**	**154,831,152**
Profit after taxation for the nine months period ended 31 December 2025	–	–	–	–	–	–	–	–	20,424,135	20,424,135
Other comprehensive income for the nine months period ended 31 December 2025 - net of tax										
Effect of translation of net investment in foreign branches	–	–	(16,411)	–	–	–	–	–	–	(16,411)
Movement in surplus on revaluation of investment in debt instruments - net of tax	–	–	–	–	–	7,990,483	–	–	–	7,990,483
Movement in surplus on revaluation of investment in equity instruments - net of tax	–	–	–	–	–	359,347	–	–	–	359,347
Remeasurement loss on defined benefit obligations - net of tax	–	–	–	–	–	–	–	–	(705,627)	(705,627)
Movement in deficit on revaluation of property and equipment - net of tax	–	–	–	–	–	–	(105)	–	–	(105)
Movement in surplus on revaluation of non-banking assets - net of tax	–	–	–	–	–	–	–	55,344	–	55,344
Total other comprehensive income - net of tax	–	–	(16,411)	–	–	8,349,830	(105)	55,344	(705,627)	7,683,031

	Share Capital	Statutory Reserve	Foreign Currency Translation Reserve	Revenue Reserves		Surplus / (deficit) on revaluation of			Unappropriated Profit	Total
				Special Reserve	General Reserve	Investments	Property and Equipment	Non Banking Assets		
	(Rupees in '000)									
Transfer to statutory reserve	–	2,042,414	–	–	–	–	–	–	(2,042,414)	–
Loss on sale of equity instruments - FVOCI	–	–	–	–	–	11,390	–	–	(11,390)	–
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	–	–	–	–	–	–	(158,211)	(98)	158,309	–
Transactions with owners, recorded directly in equity										
Interim cash dividend (Rs. 3.5 per share) - March 2025	–	–	–	–	–	–	–	–	(3,889,989)	(3,889,989)
Interim cash dividend (Rs. 3.5 per share) - June 2025	–	–	–	–	–	–	–	–	(3,889,989)	(3,889,989)
Interim cash dividend (Rs. 3.5 per share) - September 2025	–	–	–	–	–	–	–	–	(3,889,989)	(3,889,989)
	–	–	–	–	–	–	–	–	(11,669,967)	(11,669,967)
Balance as at 31 December 2025 - audited	**11,114,254**	**29,749,972**	**4,803,771**	**126,500**	**540,000**	**13,810,222**	**15,481,998**	**222,018**	**95,419,616**	**171,268,351**
Impact of change in accounting policy - note 4.1	–	–	–	–	–	–	–	–	(31,065)	(31,065)
Profit after taxation for the three months period ended 31 March 2026	–	–	–	–	–	–	–	–	7,088,194	7,088,194
Other comprehensive income for the three months period ended 31 March 2026 - net of tax										
Effect of translation of net investment in foreign branches	–	–	18,781	–	–	–	–	–	–	18,781
Movement in deficit on revaluation of investment in debt instruments - net of tax	–	–	–	–	–	(16,803,268)	–	–	–	(16,803,268)
Movement in deficit on revaluation of investment in equity instruments - net of tax	–	–	–	–	–	(272,669)	–	–	–	(272,669)
Movement in surplus on revaluation of property and equipment - net of tax	–	–	–	–	–	–	–	–	–	–
Movement in surplus on revaluation of non-banking assets - net of tax	–	–	–	–	–	–	–	–	–	–
Total other comprehensive income - net of tax	–	–	18,781	–	–	(17,075,937)	–	–	–	(17,057,156)
Transfer to statutory reserve	–	708,819	–	–	–	–	–	–	(708,819)	–
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	–	–	–	–	–	–	(52,737)	(32)	52,769	–
Transaction with owners, recorded directly in equity										
Final cash dividend (Rs. 4.5 per share) - December 2025	–	–	–	–	–	–	–	–	(5,001,414)	(5,001,414)
Balance as at 31 March 2026 - unaudited	**11,114,254**	**30,458,791**	**4,822,552**	**126,500**	**540,000**	**(3,265,715)**	**15,429,261**	**221,986**	**96,819,281**	**156,266,910**

The annexed notes 1 to 43 form an integral part of these unconsolidated condensed interim financial statements.

MANSOOR ALI KHAN
Chief Executive

ASHAR HUSAIN
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI
Director

SYED MOHAMMED HUSSAIN
Director

ABBAS D. HABIB
Chairman

UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026

	31 March 2026	31 March 2025
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	**15,024,922**	20,596,698
Less: dividend income	**(67,742)**	(68,913)
	14,957,180	20,527,785
Adjustments:		
Net mark-up / interest income	**(32,569,932)**	(33,556,210)
Depreciation	**2,156,927**	1,804,230
Depreciation on non-banking assets acquired in satisfaction of claims	**152**	152
Depreciation on right-of-use assets	**817,553**	670,405
Amortisation	**33,569**	23,559
Workers' welfare fund	**323,440**	420,341
Credit loss allowance and write-offs - net	**982,388**	(1,156,860)
Gain on sale of property and equipment - net	**(215,781)**	(309,537)
Gain on termination of leases - net	**(6,725)**	(28,801)
Unrealised loss on revaluation of securities classified as FVPL	**839,255**	266,775
Charge for defined benefit plan	**438,000**	315,000
Charge for compensated absences	**168,864**	85,000
	(27,032,290)	(31,465,946)
	(12,075,110)	(10,938,161)
(Increase) / decrease in operating assets		
Lendings to financial institutions	**(36,436,543)**	18,027,630
Securities classified as FVPL	**3,278,807**	1,340,655
Advances	**(33,585,579)**	(36,078,188)
Other assets (excluding advance taxation and mark-up receivable)	**5,440,730**	(8,073,436)
	(61,302,585)	(24,783,339)
Increase / (decrease) in operating liabilities		
Bills payable	**(15,189,527)**	(19,297,562)
Borrowings	**167,981,890**	34,186,993
Deposits and other accounts	**197,355,702**	101,465,396
Other liabilities (excluding mark-up payable)	**(10,392,154)**	(19,481,379)
	339,755,911	96,873,448
	266,378,216	61,151,948
Interest received	**53,802,451**	60,053,747
Interest paid	**(46,893,900)**	(54,863,663)
Income tax paid	**(9,371,398)**	(18,551,062)
Net cash flow generated from operating activities	**263,915,369**	47,790,970
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in amortised cost securities	**(38,041,768)**	(1,243,308)
Net investments in securities classified as FVOCI	**(214,835,717)**	(52,142,986)
Net investments in associates	**6,000,000**	–
Dividends received	**56,492**	57,663
Investments in property and equipment	**(2,642,241)**	(5,159,109)
Proceeds from sale of property and equipment	**221,641**	317,775
Effect of translation of net investment in foreign branches	**18,781**	122,557
Net cash flow used in investing activities	**(249,222,812)**	(58,047,408)
CASH FLOW FROM FINANCING ACTIVITIES		
Payments of subordinated debt	**(1,000)**	(1,000)
Dividend paid	**(4,895,288)**	(7,134,257)
Payments of lease obligations against right-of-use assets	**(1,485,209)**	(1,220,356)
Net cash flow used in financing activities	**(6,381,497)**	(8,355,613)
Increase / (decrease) in cash and cash equivalents	**8,311,060**	(18,612,051)
Cash and cash equivalents at beginning of the period	**194,948,585**	205,187,585
Cash and cash equivalents at end of the period	**203,259,645**	186,575,534

The annexed notes 1 to 43 form an integral part of these unconsolidated condensed interim financial statements.

MANSOOR ALI KHAN
Chief Executive

ASHAR HUSAIN
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI
Director

SYED MOHAMMED HUSSAIN
Director

ABBAS D. HABIB
Chairman

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026

1. STATUS AND NATURE OF BUSINESS

Bank AL Habib Limited (the Bank) is a banking company incorporated in Pakistan on 15 October 1991 as a public limited company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) having its registered office at 126-C, Old Bahawalpur Road, Multan with principal place of business at 2nd Floor, Mackinnons Building, I.I. Chundrigar Road, Karachi. Its shares are listed on Pakistan Stock Exchange Limited. It is a scheduled bank principally engaged in the business of commercial banking with a network of 1,329 branches (31 December 2025: 1,323 branches), 03 representative offices (31 December 2025: 03 representative offices) and 12 booths (31 December 2025: 12 booths). The branch network of the Bank includes 02 overseas branches (31 December 2025: 02 overseas branches) and 398 Islamic Banking branches (31 December 2025: 392 Islamic Banking branches).

2. BASIS OF PREPARATION

2.1 In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan (SBP) has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by banks from customers and immediate resale to them at an appropriate mark-up in price on deferred payment basis. The purchases and resales arising under these arrangements are not reflected in these unconsolidated condensed interim financial statements as such, but are restricted to the amount of facility actually utilised and the appropriate portion of mark-up thereon. However, the Islamic Banking branches of the Bank have complied with the requirements set out under the Islamic Financial Accounting Standards (IFAS), issued by the Institute of Chartered Accountants of Pakistan (ICAP), as are notified under the provisions of the Companies Act, 2017.

2.2 Key financial information of the Islamic Banking branches is disclosed in note 40 to these unconsolidated condensed interim financial statements.

2.3 These unconsolidated condensed interim financial statements are presented in Pak Rupees which is the Bank's functional and presentation currency, and represent separate financial statements of the Bank in which investments in subsidiaries and associates are stated at cost less provision for impairment, if any, and are not consolidated or accounted for by using equity method of accounting.

2.4 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 continue to be prepared on the going concern basis.

2.5 Statement of Compliance

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

- 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 Institute of Chartered Accountants of Pakistan, as are notified under the Companies Act, 2017;
- Provisions of, directives and notifications issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

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

2.5.2 The disclosures made in these unconsolidated condensed interim financial statements have been limited based on the format prescribed by SBP vide BPRD Circular No. 02, dated 09 February 2023 and International Accounting Standard (IAS) 34, 'Interim Financial Reporting'. They do not include all the information required in the annual financial statements, and these unconsolidated condensed interim financial statements should be read in conjunction with the annual financial statements of the Bank for the year ended 31 December 2025.

2.5.3 SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for Banking Companies in Pakistan through BSD Circular Letter No. 10 dated 26 August 2002 till further instructions. Also, SECP has deferred the applicability of IFRS 7, 'Financial Instruments: Disclosures' through its notification S.R.O 411 (I) / 2008 dated 28 April 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements.

2.5.4 SBP has deferred the applicability of IFAS 3 'Profit and Loss Sharing on Deposits' for Islamic Banking Institutions (IBIs) through BPRD Circular No. 4 of 2015 dated 25 February 2015 till further instructions. The disclosures requirements relating to annual and interim financial statements have been based on a format prescribed by SBP vide BPRD Circular No. 02 dated 09 February 2023.

2.5.5 IFRS 10, 'Consolidated Financial Statements' was made applicable from period beginning on or after 01 January 2015 vide S.R.O 633 (I) / 2014 dated 10 July 2014 by SECP. However, SECP has directed through S.R.O 56 (I) / 2016 dated 28 January 2016 that the requirement of consolidation under section 228 of the Companies Act, 2017 and IFRS 10, 'Consolidated Financial Statements' is not applicable in case of investment by companies in mutual funds established under trust structure.

2.5.6 SBP through BPRD Circular Letter No. 01 of 2025 dated 22 January 2025 has clarified the followings:

- Islamic Banking Institutions (IBIs) are allowed to follow IFAS 1 & 2 where applicable and continue the existing accounting methodology on other Islamic products until issuance of further instructions in this regard.
- The treatment of charity should be in line with the existing practices as defined in SBP's instructions issued via IBD Circular No. 02 of 2008 and should not be recognised as income.

Revenue from Islamic products would have increased by Rs. 447.970 million, if IFRS 9 had been adopted in its entirety.

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

There are certain new standards, interpretations and amendments that became effective during the period. However, these are considered either not to be relevant or not have any significant impact on the Bank's unconsolidated condensed interim financial statements except for requirements of IFRS 9 - 'Financial instruments' relating to implementation of Effective Interest Rate (EIR) as explained in note 4.1.

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

There are certain new standards and interpretations of and amendments to existing accounting and reporting standards that are not effective in the current period. These are considered not to have any significant impact on these unconsolidated condensed interim financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The basis for accounting estimates adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the annual financial statements of the Bank for the year ended 31 December 2025.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information related to preparation of these unconsolidated condensed interim financial statements is consistent with that applied in the preparation of the annual financial statements of the Bank for the year ended 31 December 2025, except as disclosed in note 4.1 below.

4.1 IFRS 9 - 'Financial Instruments' - Effective Interest Rate (EIR)

SBP instructed the banks to record income and expenses at Effective Interest Rate (EIR) with effect from 01 January 2026. During the period, the Bank has implemented EIR for recognition of profit / return earned and profit / return expensed in unconsolidated condensed statement of profit and loss account. The Bank has taken the impact of EIR to equity at the beginning of the current accounting period as allowed under modified retrospective approach for restatement permitted under IFRS 9. The impact of application as at 01 January 2026 amounting to Rs. 31.065 million, has been recorded as an adjustment to the opening equity.

5. FINANCIAL RISK MANAGEMENT

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

	Note	(Un-audited) 31 March 2026	(Audited) 31 December 2025
		(Rupees in '000)	
6. CASH AND BALANCES WITH TREASURY BANKS			
In hand:			
Local currency		**78,183,459**	46,877,386
Foreign currencies		**5,905,184**	3,569,481
		84,088,643	50,446,867
With State Bank of Pakistan in:			
Local currency current accounts		**68,521,583**	95,535,579
Local currency current accounts - Islamic Banking		**12,114,273**	16,529,627
Foreign currency deposit accounts			
Cash reserve account		**5,736,600**	5,854,573
Cash reserve / special cash reserve account - Islamic Banking		**1,298,901**	1,303,412
Special cash reserve account		**11,473,201**	11,709,146
Local collection account		**382,316**	430,332
		99,526,874	131,362,669
With National Bank of Pakistan in:			
Local currency current accounts		**11,253,786**	7,567,621
Prize bonds		**68,961**	89,756
Cash and balances with treasury banks		**194,938,264**	189,466,913
7. BALANCES WITH OTHER BANKS			
In Pakistan:			
In current accounts		**354,391**	71,897
In deposit accounts		**9,630**	9,481
		364,021	81,378
Outside Pakistan:			
In current accounts		**8,954,089**	7,171,133
In deposit accounts		**13,216**	76,018
		8,967,305	7,247,151
		9,331,326	7,328,529
Less: credit loss allowance against balances with other banks	7.1	**(75,111)**	(131,979)
Balances with other banks - net of credit loss allowance		**9,256,215**	7,196,550

	Note	(Un-audited) 31 March 2026	(Audited) 31 December 2025
		(Rupees in '000)	
7.1 Credit loss allowance			
Opening balance		**131,979**	947
Charge / (reversal):			
Charge for the period / year		**5,199**	131,473
Reversal for the period / year		**(62,066)**	(443)
		(56,867)	131,030
Foreign exchange adjustments		**(1)**	2
Closing balance		**75,111**	131,979

8. LENDINGS TO FINANCIAL INSTITUTIONS

	Note		
In local currency:			
Musharaka placements		**–**	18,000,000
Repurchase agreement lendings (reverse repo)		**60,893,753**	6,457,210
		60,893,753	24,457,210
Less: credit loss allowance against lendings to financial institutions	8.1	**(8,221)**	(3,302)
Lendings to financial institutions - net of credit loss allowance		**60,885,532**	24,453,908

8.1 Lendings to Financial Institutions - Particulars of credit loss allowance

Credit loss allowance - Stage 1

Opening balance	**3,302**	5,258
New financial assets originated or purchased	**8,221**	1,952
Financial assets that have been derecognised	**(3,302)**	(3,908)
	4,919	(1,956)
Closing balance	**8,221**	3,302

9. INVESTMENTS

	31 March 2026 (Un-audited)				31 December 2025 (Audited)			
	Cost / amortised cost	**Credit loss allowance**	**Surplus / (deficit)**	**Carrying value**	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
				(Rupees in '000)				
9.1 Investments by type:								
Debt instruments								
Amortised Cost								
Federal Government Securities	**482,174,049**	**(14,768)**	**–**	**482,159,281**	444,132,281	(14,547)	–	444,117,734
FVOCI								
Federal Government Securities	**1,736,411,168**	**(988,532)**	**(12,166,540)**	**1,723,256,096**	1,520,897,635	(1,380,069)	22,682,991	1,542,200,557
Non Government Debt Securities	**6,783,690**	**(782,600)**	**(14,478)**	**5,986,612**	7,456,941	(783,075)	(33,959)	6,639,907
Foreign Securities	**7,145,107**	**(1,972,614)**	**1,147,137**	**6,319,630**	7,165,210	(2,000,953)	1,323,895	6,488,152
	1,750,339,965	**(3,743,746)**	**(11,033,881)**	**1,735,562,338**	1,535,519,786	(4,164,097)	23,972,927	1,555,328,616
FVPL								
Federal Government Securities	**1,312,109**	**–**	**–**	**1,312,109**	886,072	–	–	886,072
Equity instruments								
FVOCI - Non-reclassifiable								
Shares								
- Listed Company	**182,690**	**–**	**440,039**	**622,729**	182,690	–	664,594	847,284
- Unlisted Companies	**154,236**	**–**	**3,790,270**	**3,944,506**	154,236	–	4,133,774	4,288,010
	336,926	**–**	**4,230,309**	**4,567,235**	336,926	–	4,798,368	5,135,294
Investments mandatorily classified / measured at FVPL								
Units of Mutual Funds	**4,922,672**	**–**	**(839,255)**	**4,083,417**	8,910,944	–	(283,430)	8,627,514
Associates	**4,501,651**	**–**	**–**	**4,501,651**	10,501,651	–	–	10,501,651
Subsidiaries	**3,883,250**	**–**	**–**	**3,883,250**	3,883,250	–	–	3,883,250
Total Investments	**2,247,470,622**	**(3,758,514)**	**(7,642,827)**	**2,236,069,281**	2,004,170,910	(4,178,644)	28,487,865	2,028,480,131

		(Un-audited) 31 March 2026	(Audited) 31 December 2025
		(Rupees in '000)	
9.1.1	**Investments given as collateral**		
	Pakistan Investment Bonds	**342,667,700**	163,763,100
9.2	**Credit loss allowance**		
	Opening balance	**4,178,644**	7,493,416
	Charge / (reversal):		
	Charge for the period / year	**10,362**	298,099
	Reversal for the period / year	**(418,735)**	(3,663,063)
		(408,373)	(3,364,964)
	Foreign exchange adjustments	**(11,757)**	50,192
	Closing balance	**3,758,514**	4,178,644

9.3 Particulars of credit loss allowance against debt securities

		31 March 2026 (Un-audited)		31 December 2025 (Audited)	
		Outstanding amount	Credit loss allowance	Outstanding amount	Credit loss allowance
		(Rupees in '000)			
Domestic					
Performing	Stage 1	**4,137,775**	**976**	4,280,895	1,127
Under-performing	Stage 2	**1,865,915**	**1,624**	2,396,046	1,948
Non-performing - loss	Stage 3	**780,000**	**780,000**	780,000	780,000
		6,783,690	**782,600**	7,456,941	783,075
Overseas					
Performing	Stage 1	**5,613,697**	**29,675**	5,630,003	30,305
Under-performing	Stage 2	**17,920,625**	**2,946,239**	17,993,474	3,365,264
		23,534,322	**2,975,914**	23,623,477	3,395,569
Total		**30,318,012**	**3,758,514**	31,080,418	4,178,644

9.4 Under the IFRS 9 Application instructions, the Bank is not required to compute ECL on Government Securities and on Government guaranteed credit exposures in local currency.

9.5 The market value of securities classified as amortised cost at 31 March 2026 amounted to Rs. 484,325 million (31 December 2025: Rs. 454,685 million).



9.6 Summary of financial information of subsidiaries and associates

	Percentage of holding	31 March 2026 (Un-audited) Assets	Liabilities	Revenue	Profit after taxation	Total comprehensive (loss) / income
		(Rupees in '000)				
Subsidiaries						
AL Habib Capital Markets (Private) Limited	66.67%	1,279,135	711,727	105,167	22,423	(11,928)
AL Habib Asset Management Limited	100%	5,122,378	311,083	569,256	305,860	305,860
AL Habib Exchange Company (Private) Limited	100%	3,273,490	58,121	127,706	19,886	19,886
Associates						
AL Habib Money Market Fund	0.81%	80,686,081	414,675	1,982,578	1,835,588	1,835,588
AL Habib Islamic Cash Fund	0.34%	31,890,825	194,124	708,944	688,856	688,856
AL Habib Islamic Savings Fund	0.55%	19,613,112	237,578	415,540	372,723	372,723
AL Habib Income Fund	2.19%	19,421,256	95,747	613,725	577,402	577,402
AL Habib Cash Fund	4.15%	87,994,181	198,208	1,954,874	1,801,581	1,801,581
AL Habib Islamic Income Fund	0.15%	18,203,365	272,067	303,351	270,743	270,743

9.6.1 Subsidiaries and associate funds are incorporated in Pakistan. All associate funds are managed by AL Habib Asset Management Limited (the subsidiary company).

9.6.2 The above information is based on financial statements as on 31 March 2026.

10. ADVANCES

	Performing		Non-Performing		Total	
	(Un-audited) 31 March 2026	(Audited) 31 December 2025	**(Un-audited) 31 March 2026**	(Audited) 31 December 2025	**(Un-audited) 31 March 2026**	(Audited) 31 December 2025
			(Rupees in '000)			
Loans, cash credits, running finances, etc.	**610,828,474**	591,104,648	**34,103,430**	34,009,817	**644,931,904**	625,114,465
Islamic financing and related assets	**166,991,816**	153,585,947	**1,640,613**	1,385,692	**168,632,429**	154,971,639
Bills discounted and purchased	**59,000,451**	58,984,097	**388,007**	389,355	**59,388,458**	59,373,452
Advances - gross	**836,820,741**	803,674,692	**36,132,050**	35,784,864	**872,952,791**	839,459,556
Less: credit loss allowance						
- Stage 1	**7,827,490**	7,415,134	**–**	–	**7,827,490**	7,415,134
- Stage 2	**7,123,105**	6,947,822	**–**	–	**7,123,105**	6,947,822
- Stage 3	**–**	–	**33,795,037**	33,046,205	**33,795,037**	33,046,205
	14,950,595	14,362,956	**33,795,037**	33,046,205	**48,745,632**	47,409,161
Advances - net of credit loss allowance	**821,870,146**	789,311,736	**2,337,013**	2,738,659	**824,207,159**	792,050,395

		(Un-audited) 31 March 2026	(Audited) 31 December 2025
		(Rupees in '000)	
10.1	**Particulars of advances (Gross)**		
	In local currency	**751,433,262**	719,742,681
	In foreign currencies	**121,519,529**	119,716,875
		872,952,791	839,459,556

10.2 Advances include Rs. 36,132.050 million (31 December 2025: Rs. 35,784.864 million) which have been placed under non-performing status as detailed below:

Category of classification - Stage 3	31 March 2026 (Un-audited)		31 December 2025 (Audited)	
	Non performing loans	Credit loss allowance	Non performing loans	Credit loss allowance
	(Rupees in '000)			
Domestic				
Other assets especially mentioned (OAEM)	**440,291**	**281,804**	259,898	177,151
Substandard	**1,988,344**	**1,499,702**	2,932,248	2,204,657
Doubtful	**2,560,306**	**1,930,822**	3,361,018	2,488,492
Loss	**25,795,998**	**24,735,598**	23,866,013	22,810,218
	30,784,939	**28,447,926**	30,419,177	27,680,518
Overseas				
Loss	**5,347,111**	**5,347,111**	5,365,687	5,365,687
Total	**36,132,050**	**33,795,037**	35,784,864	33,046,205

10.3 Particulars of credit loss allowance against advances

	31 March 2026 (Un-audited)				31 December 2025 (Audited)			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)							
Opening balance	**7,415,134**	**6,947,822**	**33,046,205**	**47,409,161**	7,170,325	8,468,402	32,823,742	48,462,469
Charge / (reversal):								
Charge for the period / year	**4,619,696**	**3,907,846**	**1,272,244**	**9,799,786**	6,413,787	5,531,471	5,653,822	17,599,080
Reversal for the period / year	**(4,206,902)**	**(3,732,563)**	**(503,421)**	**(8,442,886)**	(6,176,683)	(7,055,854)	(3,278,707)	(16,511,244)
	412,794	**175,283**	**768,823**	**1,356,900**	237,104	(1,524,383)	2,375,115	1,087,836
Amounts written off	**–**	**–**	**–**	**–**	–	–	(64,492)	(64,492)
Amounts charged off	**–**	**–**	**–**	**–**	–	–	(2,136,310)	(2,136,310)
Foreign exchange adjustments	**(438)**	**–**	**(19,991)**	**(20,429)**	7,705	3,803	48,150	59,658
Closing balance	**7,827,490**	**7,123,105**	**33,795,037**	**48,745,632**	7,415,134	6,947,822	33,046,205	47,409,161

10.4 Advances - credit loss allowance

	31 March 2026 (Un-audited)				31 December 2025 (Audited)			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)							
Opening balance	**7,415,134**	**6,947,822**	**33,046,205**	**47,409,161**	7,170,325	8,468,402	32,823,742	48,462,469
New advances / additional charge	**3,515,564**	**2,669,851**	**347,840**	**6,533,255**	4,530,994	3,896,177	2,004,692	10,431,863
Advances derecognised / repaid / reversal	**(2,755,540)**	**(2,090,693)**	**(307,220)**	**(5,153,453)**	(3,545,305)	(4,231,967)	(2,148,965)	(9,926,237)
Transfer to Stage 1	**440,846**	**(440,846)**	**–**	**–**	1,275,754	(1,246,047)	(29,707)	–
Transfer to Stage 2	**(136,917)**	**167,188**	**(30,271)**	**–**	(266,995)	388,062	(121,067)	–
Transfer to Stage 3	**(1,217)**	**(42,204)**	**43,421**	**–**	(40,387)	(378,872)	419,259	–
	1,062,736	**263,296**	**53,770**	**1,379,802**	1,954,061	(1,572,647)	124,212	505,626
Amounts written off	**–**	**–**	**–**	**–**	–	–	(64,492)	(64,492)
Amounts charged off	**–**	**–**	**–**	**–**	–	–	(2,136,310)	(2,136,310)
Changes in risk parameters	**(649,942)**	**(88,013)**	**715,053**	**(22,902)**	(1,716,957)	48,264	2,250,903	582,210
Foreign exchange adjustments	**(438)**	**–**	**(19,991)**	**(20,429)**	7,705	3,803	48,150	59,658
Closing balance	**7,827,490**	**7,123,105**	**33,795,037**	**48,745,632**	7,415,134	6,947,822	33,046,205	47,409,161

		31 March 2026 (Un-audited)		31 December 2025 (Audited)	
		Outstanding amount	**Credit loss allowance**	Outstanding amount	Credit loss allowance
		(Rupees in '000)			
10.5 Advances - category of classification					
Domestic					
Performing	Stage 1	**701,356,891**	**7,719,201**	667,330,924	7,298,564
Under-performing	Stage 2	**101,287,475**	**7,123,105**	104,829,666	6,937,251
Non-performing					
Other assets especially mentioned (OAEM)	Stage 3	**440,291**	**281,804**	259,898	177,151
Substandard	Stage 3	**1,988,344**	**1,499,702**	2,932,248	2,204,657
Doubtful	Stage 3	**2,560,306**	**1,930,822**	3,361,018	2,488,492
Loss	Stage 3	**25,795,998**	**24,735,598**	23,866,013	22,810,218
		833,429,305	**43,290,232**	802,579,767	41,916,333
Overseas					
Performing	Stage 1	**34,176,375**	**108,289**	30,856,427	116,570
Under-performing	Stage 2	**-**	**-**	657,675	10,571
Non-performing - loss	Stage 3	**5,347,111**	**5,347,111**	5,365,687	5,365,687
		39,523,486	**5,455,400**	36,879,789	5,492,828
Total		**872,952,791**	**48,745,632**	839,459,556	47,409,161

10.6 Charged-off non performing loans

In compliance with SBP's BPRD Circular No. 02 of 2024 dated 22 July 2024, the Bank has charged-off certain fully provisioned non-performing loans. Such charged-off do not constitute any financial relief to the borrowers, and the Bank's rights to recover the outstanding amounts remain fully intact. The details of these charged-off loans are presented below:

	Note	**(Un-audited) 31 March 2026**	(Audited) 31 December 2025
		(Rupees in '000)	
Opening balance of charge-offs		**2,136,310**	–
Charged-off during the period / year		**–**	2,153,321
Recoveries made during the period / year		**–**	(20,162)
Foreign exchange adjustments		**(6,627)**	3,151
Closing balance of charge-offs		**2,129,683**	2,136,310
Number of borrowers		**3**	3

11. PROPERTY AND EQUIPMENT

Capital work-in-progress	11.1	**6,041,616**	5,750,298
Property and equipment		**76,980,583**	76,792,447
		83,022,199	82,542,745

		(Un-audited) 31 March 2026	(Audited) 31 December 2025
		(Rupees in '000)	
11.1	**Capital work-in-progress**		
	Civil works	**2,967,510**	2,817,161
	Advance payment for purchase of equipments	**511,545**	406,091
	Advance payment towards suppliers, contractors and property	**2,506,095**	2,471,547
	Consultants' fee and other charges	**56,466**	55,499
		6,041,616	5,750,298

		(Un-audited) Three months period ended	
		31 March 2026	31 March 2025
		(Rupees in '000)	
11.2	**Additions to property and equipment**		
	The following additions have been made to property and equipment during the period:		
	Capital work-in-progress	**2,271,791**	2,687,631
	Property and equipment		
	Leasehold land	**47,858**	9,550
	Buildings on leasehold land	**242,964**	69,820
	Furniture and fixture	**140,334**	235,414
	Electrical, office and computer equipment	**967,070**	2,992,862
	Vehicles	**485,940**	516,792
	Improvements to leasehold buildings	**466,757**	269,919
		2,350,923	4,094,357
	Total	**4,622,714**	6,781,988
11.3	**Disposal of property and equipment**		
	The net book value of property and equipment disposed off during the period is as follows:		
	Furniture and fixture	**1,634**	979
	Electrical, office and computer equipment	**548**	1,028
	Vehicles	**3,678**	2,874
	Improvements to leasehold buildings	**–**	3,357
	Total	**5,860**	8,238

		(Un-audited) 31 March 2026	(Audited) 31 December 2025
		(Rupees in '000)	
12.	**RIGHT-OF-USE ASSETS**		
	Buildings		
	At 01 January,		
	Cost	**26,221,809**	21,501,002
	Accumulated depreciation	**(9,392,944)**	(7,821,804)
	Net carrying amount	**16,828,865**	13,679,198
	Additions during the period / year	**2,560,159**	6,309,716
	Deletions during the period / year	**(24,398)**	(277,059)
	Depreciation charge for the period / year	**(817,553)**	(2,912,165)
	Foreign exchange adjustments	**(180)**	167
	Other adjustments / transfers	**6,710**	29,008
	Net carrying amount at end of the period / year	**18,553,603**	16,828,865
13.	**INTANGIBLE ASSETS**		
	Computer software	**29,732**	63,301
14.	**DEFERRED TAX ASSETS / (LIABILITIES)**		
	Deductible temporary differences on		
	Credit loss allowance against diminution in the value of investments	**1,954,427**	2,172,895
	Credit loss allowance against loans and advances, off-balance sheet, etc.	**12,476,633**	12,772,856
	Deficit on revaluation of FVOCI investments	**3,537,857**	–
	Unrealised net loss on fair value of refinancing	**393,150**	559,790
	Deficit on revaluation of securities classified as FVPL	**436,413**	147,384
	Right-of-use assets	**8,085,013**	7,659,886
	Workers' welfare fund	**4,563,800**	4,395,611
	Others	**33,653**	–
		31,480,946	27,708,422
	Taxable temporary differences on		
	Accelerated tax depreciation	**(2,981,743)**	(3,291,342)
	Surplus on revaluation of FVOCI investments	**–**	(14,961,073)
	Surplus on revaluation of property and equipment	**(6,100,117)**	(6,157,249)
	Surplus on revaluation of non-banking assets	**(98,300)**	(98,335)
	Lease liabilities	**(4,942,813)**	(4,679,563)
		(14,122,973)	(29,187,562)
		17,357,973	(1,479,140)

		Note	(Un-audited) 31 March 2026	(Audited) 31 December 2025
			(Rupees in '000)	
15.	**OTHER ASSETS**			
	Income / mark-up accrued in local currency - net		**85,627,799**	57,169,039
	Income / mark-up accrued in foreign currencies - net		**1,139,061**	895,470
	Advances, deposits, advance rent and other prepayments		**16,435,566**	15,915,979
	Advance taxation		**23,813,472**	22,683,333
	Non-banking assets acquired in satisfaction of claims		**3,847,529**	3,847,614
	Mark to market gain on forward foreign exchange contracts		**573,898**	902,892
	Acceptances		**40,120,341**	41,733,362
	Stationery and stamps on hand		**1,549,201**	1,647,545
	Receivable against home remittance		**11,216,581**	10,701,413
	Branch adjustment account		**1,339,361**	6,221,325
	Others		**1,406,340**	962,683
			187,069,149	162,680,655
	Less: credit loss allowance / provision against other assets	15.1	**(255,339)**	(319,919)
	Other Assets - (net of credit loss allowance / provision)		**186,813,810**	162,360,736
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims		**320,286**	320,353
	Other Assets - total		**187,134,096**	162,681,089
15.1	**Credit loss allowance / provision against other assets**			
	Mark-up accrued		**245,912**	296,098
	Modification		**–**	14,431
	Others - receivable against consumer loans		**9,427**	9,390
		15.1.1	**255,339**	319,919
15.1.1	**Movement in credit loss allowance / provision against other assets**			
	Opening balance		**319,919**	580,371
	Foreign exchange adjustments		**2**	37
	Charge / (reversal):			
	ECL charge for the period / year		**131,500**	236,575
	ECL reversal for the period / year		**(181,688)**	(506,516)
	Modification charge		**–**	14,431
	Charge for the period / year		**504**	3,468
	Reversal for the period / year		**(467)**	(2,003)
			(50,151)	(254,045)
	Modification reversal		**(14,431)**	(6,444)
	Closing balance		**255,339**	319,919

16. CONTINGENT ASSETS

There were no contingent assets of the Bank as at 31 March 2026 (31 December 2025: Nil).

	(Un-audited) 31 March 2026	(Audited) 31 December 2025
	(Rupees in '000)	
17. BILLS PAYABLE		
In Pakistan	**44,559,951**	59,749,478
18. BORROWINGS		
Secured		
Borrowings from the State Bank of Pakistan under:		
Export refinance scheme	**43,805,065**	52,594,474
Renewable energy	**14,444,847**	15,086,050
Long term financing for imported and locally manufactured plant and machinery	**18,661,634**	19,931,484
Modernisation of small and medium enterprises	**1,050,679**	1,143,308
Women entrepreneurship	**104,371**	127,457
Financing facility for storage of agricultural produce	**816,591**	578,558
Temporary economic refinance facility	**20,539,622**	21,779,323
Refinance facility for combating COVID-19	**42,467**	55,558
Repurchase agreement borrowings	**342,275,033**	120,111,600
	441,740,309	231,407,812
Repurchase agreement borrowings	**–**	43,000,000
Borrowings from financial institutions	**14,655,548**	14,006,155
Total secured	**456,395,857**	288,413,967
Unsecured		
Overdrawn nostro accounts	**1,009,945**	1,846,857
	457,405,802	290,260,824

19. DEPOSITS AND OTHER ACCOUNTS

	31 March 2026 (Un-audited)			31 December 2025 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	(Rupees in '000)					
Customers						
Current deposits	**939,527,216**	**58,592,242**	**998,119,458**	826,582,359	58,898,969	885,481,328
Savings deposits	**1,041,102,441**	**50,831,315**	**1,091,933,756**	963,196,380	51,000,729	1,014,197,109
Term deposits	**214,132,676**	**68,957,108**	**283,089,784**	192,437,159	69,023,162	261,460,321
Current deposits - remunerative	**334,816,835**	**6,911,795**	**341,728,630**	301,441,838	6,035,937	307,477,775
Others	**18,493,063**	**14,811,140**	**33,304,203**	20,448,737	14,894,784	35,343,521
	2,548,072,231	**200,103,600**	**2,748,175,831**	2,304,106,473	199,853,581	2,503,960,054
Financial institutions						
Current deposits	**8,935,608**	**601,614**	**9,537,222**	12,977,278	974,028	13,951,306
Savings deposits	**2,712,500**	**–**	**2,712,500**	11,477,009	–	11,477,009
Term deposits	**1,364,502**	**531,787**	**1,896,289**	1,340,000	540,638	1,880,638
Current deposits - remunerative	**32,524,557**	**1,547,996**	**34,072,553**	66,547,783	1,221,903	67,769,686
Others	**48,320**	**–**	**48,320**	48,320	–	48,320
	45,585,487	**2,681,397**	**48,266,884**	92,390,390	2,736,569	95,126,959
	2,593,657,718	**202,784,997**	**2,796,442,715**	2,396,496,863	202,590,150	2,599,087,013

	(Un-audited) 31 March 2026	(Audited) 31 December 2025
	(Rupees in '000)	
20. LEASE LIABILITIES		
Opening balance	**20,845,724**	16,848,698
Additions during the period / year	**2,560,159**	6,309,716
Lease payments including interest	**(1,485,209)**	(4,588,344)
Finance charges on lease liabilities	**745,421**	2,641,430
Deletions during the period / year	**(31,122)**	(394,963)
Foreign exchange adjustments	**(181)**	179
Other adjustment	**6,710**	29,008
Closing balance	**22,641,502**	20,845,724
20.1 Contractual maturity of lease liabilities		
Short-term lease liabilities - within one year	**1,568,310**	1,534,555
Long-term lease liabilities		
- 1 to 5 years	**8,217,981**	7,867,564
- 5 to 10 years	**9,606,676**	8,781,919
- More than 10 years	**3,248,535**	2,661,686
	21,073,192	19,311,169
Total	**22,641,502**	20,845,724

20.2 This carries average effective rate upto 13.67% (31 December 2025: 13.70%) per annum.

	Note	(Un-audited) 31 March 2026	(Audited) 31 December 2025
		(Rupees in '000)	
21. SUBORDINATED DEBT - Unsecured			
Term Finance Certificates (TFCs) - VI	21.1	**6,983,229**	7,000,000
Term Finance Certificates (TFCs) - VIII	21.2	**4,983,189**	4,992,000
Term Finance Certificates (TFCs) - IX	21.3	**7,000,000**	7,000,000
Term Finance Certificates (TFCs) - X	21.4	**6,991,600**	6,991,600
		25,958,018	25,983,600

21.1 Term Finance Certificates - VI

Issue amount	Rupees 7,000 million
Issue date	December 2017
Maturity date	Perpetual
Rating	**AA+**
Profit payment frequency	semi-annually
Redemption	No fixed or final redemption date.
Mark-up	Payable six monthly at six months KIBOR (ask side) plus 1.50% without any floor or cap. The issuer will have full discretion over the amount and timing of profit distribution and waiver of any profit distribution or other payment will not constitute an event of default.
Call option	On or after five years with prior SBP approval. As per SBP's requirement, the Bank shall not exercise call option unless the called instrument is replaced with capital of same or better quality.
Lock-in-clause	No profit may be paid if such payment will result in shortfall (or increase the shortfall) in the Bank's Minimum Capital Requirement ("MCR"), Leverage Ratio ("LR") or Capital Adequacy Ratio ("CAR").
Loss absorbency clause	The instrument will be subject to loss absorption and / or any other requirements under SBP's Basel III Capital Rules. Upon the occurrence of a point of non-viability event as defined by SBP's Basel III Capital Rules, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank (subject to a cap) at a price equivalent to the market value of shares of the Bank on the date of trigger, and / or have them immediately written off (either partially or in full).

21.2 Term Finance Certificates - VIII

Issue amount	Rupees 5,000 million
Issue date	September 2021
Maturity date	September 2031
Rating	**AAA**
Profit payment frequency	semi-annually
Redemption	6th - 108th month: 0.02% per each semi-annual period; 114th and 120th month: 49.82% each.
Mark-up	6 - Months KIBOR (ask side) + 0.75% per annum.
Call option	On or after five years with prior SBP approval.
Lock-in-clause	Neither profit nor principal may be paid if such payments will result in shortfall (or increase the shortfall) in the Bank's Minimum Capital Requirement ("MCR"), Leverage Ratio ("LR") or Capital Adequacy Ratio ("CAR").
Loss absorbency clause	The instrument will be subject to loss absorption and / or any other requirements under SBP's Basel III Capital Rules. Upon the occurrence of a point of non-viability event as defined by SBP's Basel III Capital Rules, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank (subject to a cap) at a price equivalent to the market value of shares of the Bank on the date of trigger, and / or have them immediately written off (either partially or in full).

21.3 Term Finance Certificates - IX

Issue amount	Rupees 7,000 million
Issue date	April 2022
Maturity date	Perpetual
Rating	**AA+**
Profit payment frequency	semi-annually
Redemption	No fixed or final redemption date.
Mark-up	Payable six monthly at six months KIBOR (ask side) plus 1.65% without any floor or cap. The issuer will have full discretion over the amount and timing of profit distribution and waiver of any profit distribution or other payment will not constitute an event of default.
Call option	On or after five years with prior SBP approval. As per SBP's requirement, the Bank shall not exercise call option unless the called instrument is replaced with capital of same or better quality.
Lock-in-clause	No profit may be paid if such payment will result in shortfall (or increase the shortfall) in the Bank's Minimum Capital Requirement ("MCR"), Leverage Ratio ("LR") or Capital Adequacy Ratio ("CAR").
Loss absorbency clause	The instrument will be subject to loss absorption and / or any other requirements under SBP's Basel III Capital Rules. Upon the occurrence of a point of non-viability event as defined by SBP's Basel III Capital Rules, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank (subject to a cap) at a price equivalent to the market value of shares of the Bank on the date of trigger, and / or have them immediately written off (either partially or in full).

21.4 Term Finance Certificates - X

Issue amount	Rupees 7,000 million
Issue date	December 2022
Maturity date	December 2032
Rating	**AAA**
Profit payment frequency	semi-annually
Redemption	6th - 108th month: 0.02% per each semi-annual period; 114th and 120th month: 49.82% each.
Mark-up	6 - Months KIBOR (ask side) + 1.35% per annum.
Call option	On or after five years with prior SBP approval.
Lock-in-clause	Neither profit nor principal may be paid if such payments will result in shortfall (or increase the shortfall) in the Bank's Minimum Capital Requirement ("MCR"), Leverage Ratio ("LR") or Capital Adequacy Ratio ("CAR").
Loss absorbency clause	The instrument will be subject to loss absorption and / or any other requirements under SBP's Basel III Capital Rules. Upon the occurrence of a point of non-viability event as defined by SBP's Basel III Capital Rules, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank (subject to a cap) at a price equivalent to the market value of shares of the Bank on the date of trigger, and / or have them immediately written off (either partially or in full).

	Note	(Un-audited) 31 March 2026	(Audited) 31 December 2025
		(Rupees in '000)	
22. OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		**7,898,269**	5,563,150
Mark-up / return / interest payable in foreign currencies		**913,101**	939,066
Unearned commission income		**3,932,254**	3,801,833
Accrued expenses		**4,087,168**	4,560,875
Acceptances		**40,120,341**	41,733,362
Unclaimed / dividend payable		**1,477,191**	1,371,065
Mark to market loss on forward foreign exchange contracts		**1,364,381**	1,294,874
Payable to defined benefit plan		**4,005,047**	3,567,048
Charity payable		**109,979**	112,228
Credit loss allowance against off-balance sheet obligations	22.1	**4,893,071**	4,756,981
Security deposits against leases / ijarah		**20,508,905**	18,543,826
Provision for compensated absences		**2,807,145**	2,638,376
Other security deposits		**1,086,142**	1,062,926
Workers' welfare fund		**8,776,539**	8,453,099
Payable to SBP / NBP		**7,282,478**	3,396,051
Insurance payable		**756,221**	651,987
ATM switch, clearing and settlement account		**14,837,334**	28,831,290
Others		**3,323,590**	3,811,730
		128,179,156	135,089,767

22.1 Credit loss allowance against off-balance sheet obligations

Opening balance	**4,756,981**	4,742,981
Charge / (reversal):		
Charge for the period / year	**1,882,270**	2,697,591
Reversal for the period / year	**(1,746,310)**	(2,684,972)
	135,960	12,619
Foreign exchange adjustments	**130**	1,381
Closing balance	**4,893,071**	4,756,981

	Note	(Un-audited) 31 March 2026	(Audited) 31 December 2025
		(Rupees in '000)	
23. SURPLUS ON REVALUATION OF ASSETS			
Surplus / (deficit) on revaluation of:			
- Securities measured at FVOCI - debt	9.1	**(11,033,881)**	23,972,927
- Securities measured at FVOCI - equity	9.1	**4,230,309**	4,798,368
- Property and equipment		**21,599,755**	21,709,624
- Non-banking assets acquired in satisfaction of claims		**320,286**	320,353
		15,116,469	50,801,272
Deferred tax on surplus / (deficit) on revaluation of:			
- Securities measured at FVOCI - debt		**(5,737,618)**	12,465,922
- Securities measured at FVOCI - equity		**2,199,761**	2,495,151
- Property and equipment		**6,170,494**	6,227,626
- Non-banking assets acquired in satisfaction of claims		**98,300**	98,335
		2,730,937	21,287,034
		12,385,532	29,514,238
24. CONTINGENCIES AND COMMITMENTS			
Guarantees	24.1	**294,590,546**	276,837,359
Commitments	24.2	**598,650,551**	568,315,824
Other contingent liabilities	24.3.1	**4,234,187**	4,396,720
		897,475,284	849,549,903
24.1 Guarantees:			
Financial guarantees		**41,190,152**	38,127,822
Performance guarantees		**253,400,394**	238,709,537
		294,590,546	276,837,359
24.2 Commitments:			
Documentary credits and short-term trade-related transactions:			
- letters of credit		**338,181,613**	320,900,787
Commitments in respect of:			
- forward foreign exchange contracts	24.2.1	**229,470,684**	217,916,938
- forward lending	24.2.2	**27,703,299**	26,364,468
Commitments for acquisition of:			
- operating property and equipment		**3,294,955**	3,133,631
		598,650,551	568,315,824

	(Un-audited) 31 March 2026	(Audited) 31 December 2025
	(Rupees in '000)	
24.2.1 Commitments in respect of forward foreign exchange contracts		
Purchase	**146,280,269**	147,981,083
Sale	**83,190,415**	69,935,855
	229,470,684	217,916,938

The maturities of above contracts are spread over the periods upto one year.

24.2.2 Commitments in respect of forward lending	**27,703,299**	26,364,468

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) 31 March 2026	(Audited) 31 December 2025
	(Rupees in '000)	
24.3 Other contingent liabilities		
24.3.1 Claims against the Bank not acknowledged as debts	**4,234,187**	4,396,720

24.3.2 Tax related contingent liabilities

There is no material change in Bank's tax contingencies as disclosed in note 24.3.2 to the annual financial statements for the year ended 31 December 2025, except for following:

- For Tax Years 2020 (Accounting Year 2019), Appellate Tribunal Inland Revenue (ATIR) has finalised the order in favour of the Bank.

- For Tax Year 2025 (Accounting Year 2024), Additional Commissioner Inland Revenue (ACIR) has finalised the order by disallowing certain expenses resulting in an impact of Rs. 2,314.231 million. The Bank has filed an appeal before Appellate Tribunal Inland Revenue against the above mentioned order.

The management, based on the opinion of its tax advisor, is confident about the favourable outcome of the above matters.

25. DERIVATIVE INSTRUMENTS

25.1 Product analysis

Counter parties	31 March 2026 (Un-audited)					
	Contracts		Swap		Total	
	Notional principal	Mark to market gain / (loss)	Notional principal	Mark to market gain / (loss)	Notional principal	Mark to market gain / (loss)
	(Rupees in '000)					
Banks						
Hedging	**12,462,581**	**35,174**	**99,834,305**	**82,806**	**112,296,886**	**117,980**
Other Entities						
Hedging	**117,173,798**	**(908,463)**	**–**	**–**	**117,173,798**	**(908,463)**
Total						
Hedging	**129,636,379**	**(873,289)**	**99,834,305**	**82,806**	**229,470,684**	**(790,483)**

Counter parties	31 December 2025 (Audited)					
	Contracts		Swap		Total	
	Notional principal	Mark to market gain / (loss)	Notional principal	Mark to market gain / (loss)	Notional principal	Mark to market gain / (loss)
	(Rupees in '000)					
Banks						
Hedging	12,249,199	34,031	80,066,226	541,920	92,315,425	575,951
Other Entities						
Hedging	125,601,513	(967,933)	–	–	125,601,513	(967,933)
Total						
Hedging	137,850,712	(933,902)	80,066,226	541,920	217,916,938	(391,982)

25.2 Maturity analysis

	31 March 2026 (Un-audited)				
	Number of contracts	Notional principal	Mark to market		
			Negative	Positive	Net
			(Rupees in '000)		
Upto 1 month	**355**	**93,705,483**	**(373,433)**	**280,008**	**(93,425)**
1 to 3 months	**734**	**65,484,748**	**(647,615)**	**149,371**	**(498,244)**
3 to 6 months	**770**	**58,350,341**	**(327,128)**	**88,329**	**(238,799)**
Over 6 months to 1 year	**103**	**11,930,112**	**(16,205)**	**56,190**	**39,985**
	1,962	**229,470,684**	**(1,364,381)**	**573,898**	**(790,483)**

	31 December 2025 (Audited)				
	Number of contracts	Notional principal	Mark to market		
			Negative	Positive	Net
			(Rupees in '000)		
Upto 1 month	395	66,673,893	(324,252)	221,183	(103,069)
1 to 3 months	766	77,853,398	(660,555)	434,490	(226,065)
3 to 6 months	829	58,737,510	(296,826)	142,319	(154,507)
Over 6 months to 1 year	104	14,652,137	(13,241)	104,900	91,659
	2,094	217,916,938	(1,294,874)	902,892	(391,982)

	(Un-audited) Three months period ended	
	31 March 2026	31 March 2025
	(Rupees in '000)	
26. MARK-UP / RETURN / INTEREST EARNED		
Loans and advances	**19,689,698**	25,812,328
Investments	**62,372,062**	66,765,684
Lendings to financial institutions	**183,941**	112,669
Deposits with financial institutions	**139,075**	128,066
Securities purchased under resale agreements	**143,593**	68,322
	82,528,369	92,887,069
26.1 Interest income recognised on:		
Financial assets measured at:		
- Amortised Cost	**16,151,815**	15,717,752
- FVOCI	**48,076,711**	52,909,453
- FVPL	**15,866**	40,635
- Cost	**18,283,977**	24,219,229
	82,528,369	92,887,069

	Note	(Un-audited) Three months period ended	
		31 March 2026	31 March 2025
		(Rupees in '000)	
27. MARK-UP / RETURN / INTEREST EXPENSED			
Deposits		**36,069,926**	38,556,705
Borrowings		**922,671**	1,913,098
Subordinated debt		**786,440**	931,003
Cost of foreign currency swaps against deposits / borrowings		**1,502,894**	986,811
Repurchase agreement borrowings		**9,931,085**	16,330,105
Finance charges on lease liabilities		**745,421**	613,137
		49,958,437	59,330,859
28. FEE AND COMMISSION INCOME			
Branch banking customer fees		**786,199**	699,551
Investment banking fees		**43,435**	16,678
Consumer finance related fees		**21,320**	16,049
Card related fees (debit and credit cards)		**1,893,581**	1,527,642
Credit related fees		**92,499**	76,887
Commission on trade		**1,770,995**	1,825,160
Commission on guarantees		**336,353**	280,656
Commission on cash management		**59,034**	66,049
Commission on home remittances		**9,104**	939,476
Others		**29,838**	10,487
		5,042,358	5,458,635
29. LOSS ON SECURITIES - NET			
Realised gain	29.1	**670,010**	22,320
Unrealised loss - measured at FVPL	9.1	**(839,255)**	(266,775)
		(169,245)	(244,455)
29.1 Realised gain / (loss) on:			
Federal Government Securities		**1,140**	22,320
Units of Mutual Funds		**(85,277)**	–
Associates - Mutual Funds		**754,147**	–
		670,010	22,320
29.2 Net (loss) / gain on financial assets measured:			
Net loss on investments in securities mandatorily measured at FVPL		**(924,532)**	(266,775)
Net gain on financial assets measured at FVOCI		**1,140**	22,320
Gain on investments in associates		**754,147**	–
		(169,245)	(244,455)
30. OTHER INCOME			
Rent on property		**9,953**	7,948
Gain on sale of property and equipment - net		**215,781**	309,537
Gain on termination of leases - net		**6,725**	28,801
		232,459	346,286



		(Un-audited) Three months period ended	
		31 March 2026	31 March 2025
		(Rupees in '000)	
31.	**OPERATING EXPENSES**		
	Total compensation expenses	**11,155,505**	10,315,246
	Property expenses		
	Rent and taxes	**85,882**	54,151
	Insurance	**5,406**	669
	Utilities cost	**817,571**	618,520
	Security (including guards)	**787,620**	669,207
	Repair and maintenance (including janitorial charges)	**251,060**	222,680
	Depreciation	**513,685**	462,924
	Depreciation on non-banking assets acquired in satisfaction of claims	**152**	152
	Depreciation on right-of-use assets	**817,553**	670,405
		3,278,929	2,698,708
	Information technology expenses		
	Software maintenance	**1,464,697**	804,324
	Hardware maintenance	**257,195**	218,236
	Depreciation	**557,895**	441,324
	Amortisation	**33,569**	23,559
	Network charges	**101,418**	147,063
		2,414,774	1,634,506
	Other operating expenses		
	Directors' fees and allowances	**17,980**	12,130
	Fees and allowances to shariah board	**12,676**	10,756
	Insurance	**230,398**	228,988
	Legal and professional charges	**163,825**	108,966
	Outsourced services costs	**994,918**	938,402
	Travelling and conveyance	**224,794**	176,789
	NIFT and other clearing charges	**98,604**	78,510
	Depreciation	**1,085,347**	899,982
	Repair and maintenance	**714,507**	766,249
	Training and development	**33,331**	44,536
	Postage and courier charges	**129,632**	109,768
	Communication	**735,310**	785,796
	Stationery and printing	**387,176**	605,977
	Marketing, advertisement and publicity	**313,275**	477,878
	Donations	**147,400**	87,400
	Auditors' remuneration	**4,289**	5,036
	Commission and brokerage	**496,888**	541,962
	Entertainment and staff refreshment	**207,738**	202,942
	Vehicle running expenses	**54,271**	44,760
	Subscriptions and publications	**89,167**	82,194
	CNIC verification charges	**96,350**	115,108
	Security charges	**270,570**	258,732
	Others	**318,911**	195,297
		6,827,357	6,778,158
		23,676,565	21,426,618

		Note	(Un-audited) Three months period ended 31 March 2026	31 March 2025
			(Rupees in '000)	
32.	**OTHER CHARGES**			
	Penalties imposed by the State Bank of Pakistan		**3,267**	6,941
33.	**CREDIT LOSS ALLOWANCE AND WRITE-OFFS - NET**			
	(Reversal) / charge against balances with other banks	7.1	**(56,867)**	4,629
	Charge / (reversal) against lendings to financial institutions	8.1	**4,919**	(2,434)
	Reversal against investments	9.2	**(408,373)**	(947,633)
	Charge / (reversal) against loans and advances - net	10.3	**1,356,900**	(252,300)
	Reversal against other assets - net	15.1.1	**(50,151)**	(91,601)
	Charge against off-balance sheet items - net	22.1	**135,960**	132,479
			982,388	(1,156,860)
34.	**TAXATION**			
	Current		**8,241,259**	10,734,021
	Deferred		**(304,531)**	(350,596)
			7,936,728	10,383,425
35.	**BASIC AND DILUTED EARNINGS PER SHARE**			
	Profit for the period		**7,088,194**	10,213,273
			(Number)	
	Weighted average number of ordinary shares		**1,111,425,416**	1,111,425,416
			(Rupees)	
	Basic and diluted earnings per share		**6.38**	9.19

36. FAIR VALUE MEASUREMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

36.1 Fair value of financial assets

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

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

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or 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).

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

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:

	31 March 2026 (Un-audited)			
	Level 1	**Level 2**	**Level 3**	**Total**
		(Rupees in '000)		
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government Securities	**–**	**1,724,568,205**	**–**	**1,724,568,205**
Shares	**622,729**	**155,898**	**3,788,608**	**4,567,235**
Non Government Debt Securities	**–**	**5,986,612**	**–**	**5,986,612**
Foreign Securities	**–**	**6,319,630**	**–**	**6,319,630**
Units of Mutual Funds	**–**	**4,083,417**	**–**	**4,083,417**
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	**–**	**484,325,015**	**–**	**484,325,015**
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange contracts	**–**	**145,030,320**	**–**	**145,030,320**
Forward sale of foreign exchange contracts	**–**	**83,649,881**	**–**	**83,649,881**

	31 December 2025 (Audited)			
	Level 1	Level 2	Level 3	Total
		(Rupees in '000)		
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government Securities	–	1,543,086,629	–	1,543,086,629
Shares	847,284	160,110	4,127,900	5,135,294
Non Government Debt Securities	–	6,639,907	–	6,639,907
Foreign Securities	–	6,488,152	–	6,488,152
Units of Mutual Funds	–	8,627,514	–	8,627,514
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	–	454,684,915	–	454,684,915
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange contracts	–	147,047,803	–	147,047,803
Forward sale of foreign exchange contracts	–	70,477,153	–	70,477,153

36.2 Valuation techniques used in determination of fair values

Item	Valuation Approach	Input Used
Federal Government Securities	Federal Government Securities includes Pakistan Investments Bonds (PIBs), Market Treasury Bills (MTBs) and Government Ijarah Sukuks (GISs) at fixed rate and floating rate. The fair value of fixed rates PIBs and MTBs are derived from PKRV and PKFRV rates. The fair value of GISs are revalued using PKISRV rates. Where PKISRV rates are not available for specific sukuks GISs, the average of available PKISRV rates for similar GISs are applied.	- PKRV rates - PKFRV rates - PKISRV rates
Term Finance Certificates (TFCs)	These are valued using the Mutual Funds Association of Pakistan (MUFAP) rate, if available, or the income approach. Future cash flows are estimated based on prevailing KIBOR rates as of the valuation date. These cash flows are then discounted using PKRV rate, adjusted for an instrument-specific credit spread to reflect the individual credit risk associated with each TFC.	- KIBOR - PKRV rates - Term sheets - MUFAP rates
Sukuks	Corporate Sukuks are valued using MUFAP rate, if available, or the income approach. Expected cash flows are projected based on the current KIBOR rate. These cash flows are then discounted using the PKISRV rate, adjusted for credit spreads to reflect the risk profile of each instrument.	- KIBOR - PKISRV rates - Term sheets - MUFAP rates
Foreign Securities	Fair values of investments in foreign securities are valued on the basis of closing quoted market prices available at the Mashreq Bank PSC and Reuters.	- Market price as per Mashreq Bank PSC - Reuters
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 (PSX).	- Fair value as per PSX
Units of Mutual Funds	Fair values of investments in units of mutual funds are determined based on redemption prices disclosed at MUFAP as at the close of the business days.	- Net Assets Value as per MUFAP
Ordinary shares - unlisted	The valuation of unlisted companies varies for each company, as explained below; - Society for Worldwide Interbank Financial Telecommunications (SWIFT) is valued using the market approach. Valuation is based on its latest published share price in euros, converted to PKR using the exchange rate prevailing on the valuation date. - Pakistan Mortgage Refinance Company Limited (PMRC) has been valued based on price-to-book ratio of comparable market data. - 1LINK (Private) Limited have been valued based on discounted cash flows. Future cash flows were projected based on reasonable assumptions aligned with the company's historical performance. The discount rate was derived using the Capital Asset Pricing Model (CAPM), given that the company is currently unlevered. The CAPM inputs included the equity risk premium (ERP), PKRV rates, and the ungeared beta of comparable companies, adjusted for Pakistan's country risk premium (CRP).	- Euro / Pak exchange rate - PKRV rates - Comparable company information - Historical PSX returns - Financials of the investee company

Item	Valuation Approach	Input Used
Forward Foreign Exchange Contracts	The valuation has been determined by interpolating the foreign exchange revaluation rates announced by SBP.	- Foreign exchange revaluation rates announced by SBP.
Property and Equipment - Land and Building	The valuation experts used a market based approach to arrive at the fair value of the Bank's properties. The market approach used prices and other relevant information generated by market transactions involving identical, comparable or similar properties.	- Prices and other relevant information generated by market transactions involving identical, comparable or similar properties.
Non - Banking Assets acquired in Satisfaction of Claims		

36.3 The following table shows reconciliation of investments held at Level 3 fair value movement:

	(Un-audited) 31 March 2026	(Audited) 31 December 2025
	(Rupees in '000)	
Opening balance	**4,127,900**	3,596,078
(Deficit) / surplus recognised in OCI	**(339,292)**	531,822
Closing balance	**3,788,608**	4,127,900

Ordinary shares in unlisted companies	Unobservable Input	Fair Value (Rupees in '000)	Input	Relationship of unobservable inputs to fair value
Pakistan Mortgage Refinance Company Limited	Discounts for lack of marketability (DLOM)	71,337	20%	Increase / (decrease) in DLOM by 1% by all other variables held constant would (decrease) / increase the fair value by Rs. 0.9 m.
1 LINK (Private) Limited	Discounts for lack of marketability (DLOM)	3,717,271	28%	Increase / (decrease) in DLOM by 1% by all other variables held constant would (decrease) / increase the fair value by Rs. 51.6 m.

37. SEGMENT INFORMATION

The segment analysis with respect to business activity is as follows:

	Three months period ended 31 March 2026 (Un-audited)					
	Corporate	Treasury	Retail	Islamic	Overseas	Total
	(Rupees in '000)					
Statement of profit and loss account						
Mark-up / return / profit	11,739,575	52,908,947	3,843,544	13,239,639	796,664	82,528,369
Inter segment revenue - net	6,567,797	257,403	32,807,972	–	396,033	40,029,205
Non mark-up / return / interest income	928,939	2,267,088	3,590,571	525,706	128,346	7,440,650
Total income	19,236,311	55,433,438	40,242,087	13,765,345	1,321,043	129,998,224
Segment direct expenses	(17,386,070)	(11,349,111)	(35,616,520)	(8,919,960)	(690,048)	(73,961,709)
Inter segment expense allocation	–	(39,771,802)	–	–	(257,403)	(40,029,205)
Total expenses	(17,386,070)	(51,120,913)	(35,616,520)	(8,919,960)	(947,451)	(113,990,914)
Credit loss allowance and write-offs - net	(961,962)	338	5,099	(455,705)	429,842	(982,388)
Profit before tax	888,279	4,312,863	4,630,666	4,389,680	803,434	15,024,922

	As at 31 March 2026 (Un-audited)					
	Corporate	Treasury	Retail	Islamic	Overseas	Total
	(Rupees in '000)					
Statement of financial position						
Cash and bank balances	65,909,765	88,833,710	19,826,425	29,384,431	240,148	204,194,479
Investments	–	1,847,944,782	–	365,884,967	22,239,532	2,236,069,281
Net inter segment lending	282,826,884	–	1,412,798,868	–	32,186,375	1,727,812,127
Lendings to financial institutions	–	60,885,532	–	–	–	60,885,532
Advances - performing	551,927,762	–	70,964,380	164,909,918	34,068,086	821,870,146
- non-performing net of credit loss allowance	2,240,776	–	38,169	58,068	–	2,337,013
Others	109,868,833	129,388,011	29,895,044	32,883,623	4,062,092	306,097,603
Total assets	1,012,774,020	2,127,052,035	1,533,522,886	593,121,007	92,796,233	5,359,266,181
Borrowings	82,533,841	355,386,273	–	18,787,805	697,883	457,405,802
Subordinated debt	–	25,958,018	–	–	–	25,958,018
Deposits and other accounts	865,969,074	–	1,464,720,004	417,516,491	48,237,146	2,796,442,715
Net inter segment borrowing	–	1,701,753,166	–	–	26,058,961	1,727,812,127
Others	38,510,649	11,857,694	65,583,539	75,789,209	3,639,518	195,380,609
Total liabilities	987,013,564	2,094,955,151	1,530,303,543	512,093,505	78,633,508	5,202,999,271
Equity	25,760,456	32,096,884	3,219,343	81,027,502	14,162,725	156,266,910
Total equity and liabilities	1,012,774,020	2,127,052,035	1,533,522,886	593,121,007	92,796,233	5,359,266,181
Contingencies and commitments	562,396,903	231,063,959	4,408,333	86,608,274	12,997,815	897,475,284

	Three months period ended 31 March 2025 (Un-audited)					
	Corporate	Treasury	Retail	Islamic	Overseas	Total
	(Rupees in '000)					
Statement of profit and loss account						
Mark-up / return / profit	15,735,140	56,654,230	6,922,859	12,547,613	1,027,227	92,887,069
Inter segment revenue - net	–	334,540	22,059,010	–	436,825	22,830,375
Non mark-up / return / interest income	1,004,625	10,726	6,054,252	565,448	102,477	7,737,528
Total income	16,739,765	56,999,496	35,036,121	13,113,061	1,566,529	123,454,972
Segment direct expenses	(14,033,923)	(33,997,071)	(23,798,472)	(8,590,696)	(764,597)	(81,184,759)
Inter segment expense allocation	(2,110,552)	(20,385,283)	–	–	(334,540)	(22,830,375)
Total expenses	(16,144,475)	(54,382,354)	(23,798,472)	(8,590,696)	(1,099,137)	(104,015,134)
Credit loss allowance and write-offs - net	48,468	(888)	104	(425,481)	1,534,657	1,156,860
Profit before tax	643,758	2,616,254	11,237,753	4,096,884	2,002,049	20,596,698

	As at 31 December 2025 (Audited)					
	Corporate	Treasury	Retail	Islamic	Overseas	Total
	(Rupees in '000)					
Statement of financial position						
Cash and bank balances	67,163,101	85,757,257	16,112,946	27,409,913	220,246	196,663,463
Investments	–	1,676,129,646	–	329,585,390	22,765,095	2,028,480,131
Net inter segment lending	198,193,364	–	1,416,629,585	–	25,477,196	1,640,300,145
Lendings to financial institutions	–	6,456,338	–	17,997,570	–	24,453,908
Advances - performing	545,341,116	–	60,926,055	151,657,603	31,386,962	789,311,736
- non-performing net of credit loss allowance	2,683,652	–	37,725	17,282	–	2,738,659
Others	88,919,404	114,419,961	22,190,049	29,027,376	7,559,210	262,116,000
Total assets	902,300,637	1,882,763,202	1,515,896,360	555,695,134	87,408,709	4,944,064,042
Borrowings	87,136,060	178,964,612	–	24,160,152	–	290,260,824
Subordinated debt	–	25,983,600	–	–	–	25,983,600
Deposits and other accounts	733,776,142	–	1,404,805,036	413,425,416	47,080,419	2,599,087,013
Net inter segment borrowing	1,261,933	1,620,269,964	–	–	18,768,248	1,640,300,145
Others	48,635,953	17,891,975	107,332,234	35,999,763	7,304,184	217,164,109
Total liabilities	870,810,088	1,843,110,151	1,512,137,270	473,585,331	73,152,851	4,772,795,691
Equity	31,490,549	39,653,051	3,759,090	82,109,803	14,255,858	171,268,351
Total equity and liabilities	902,300,637	1,882,763,202	1,515,896,360	555,695,134	87,408,709	4,944,064,042
Contingencies and commitments	549,252,453	219,429,568	687,622	68,114,936	12,065,324	849,549,903

38. RELATED PARTY TRANSACTIONS

Related parties of the Bank comprise subsidiaries, associates, directors, key management personnel and other related parties.

Transactions with related parties of the Bank are carried out on substantially the same terms as for comparable transactions with others. The transactions with employees of the Bank are carried out in accordance with the terms of their employment.

Transactions for the period and balances outstanding as at the period / year end with related parties are summarised as follows:

	31 March 2026 (Un-audited)					31 December 2025 (Audited)				
	Directors	Key management personnel	Subsidiaries	Associates	Other related parties	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	(Rupees in '000)									
Investments										
Opening balance	–	–	3,883,250	10,501,651	4,097,713	–	–	3,883,250	4,614,653	811,604
Investment made during the period / year	–	–	–	2,000,000	–	–	–	–	7,500,000	–
Investment adjusted / redeemed / disposed off during the period / year	–	–	–	(8,000,000)	–	–	–	–	(1,613,002)	(182,690)
(Deficit) / surplus on revaluation	–	–	–	–	(380,443)	–	–	–	–	3,438,799
Credit loss allowance	–	–	–	–	–	–	–	–	–	30,000
Closing balance	–	–	3,883,250	4,501,651	3,717,270	–	–	3,883,250	10,501,651	4,097,713
Advances										
Opening balance	7,223	453,102	544,242	–	1,076,951	1,674	391,567	550,336	–	1,109,581
Addition during the period / year	8,400	80,431	18,140,948	–	10,767,394	130,940	605,791	67,548,169	–	42,247,630
Repaid during the period / year	(12,458)	(198,327)	(18,618,936)	–	(10,295,248)	(125,348)	(544,278)	(67,561,040)	–	(42,330,680)
Credit loss allowance	6	(51)	1,773	–	(28,809)	(43)	22	6,777	–	50,420
Closing balance	3,171	335,155	68,027	–	1,520,288	7,223	453,102	544,242	–	1,076,951
Right-of-use assets	–	–	–	–	10,630	–	–	–	–	11,959
Other assets										
Interest / mark-up accrued	–	628	11,143	–	14,613	–	517	22,012	–	46,017
Credit loss allowance on accrued mark-up	–	1	243	–	413	–	1	143	–	721
Subordinated debt	–	–	–	–	244,000	–	–	–	–	244,000
Deposits and other accounts										
Opening balance	473,249	834,169	1,210,721	38,763,597	2,979,643	1,106,745	854,460	1,020,652	11,795,080	15,445,734
Received during the period / year	1,393,411	1,006,836	61,960,401	309,617,923	16,819,131	10,183,847	6,909,437	514,833,412	1,208,186,155	398,533,940
Withdrawn during the period / year	(1,296,835)	(931,152)	(62,386,018)	(340,673,354)	(15,829,220)	(10,817,343)	(6,929,728)	(514,643,343)	(1,181,217,638)	(411,000,031)
Closing balance	569,825	909,853	785,104	7,708,166	3,969,554	473,249	834,169	1,210,721	38,763,597	2,979,643
Other liabilities										
Interest / mark-up payable	228	5,514	12	6,394	15,019	10	2,361	27	71,146	6,377
Credit loss allowance on off-balance sheet	–	–	–	–	16,804	–	–	–	–	16,910
Payable to staff gratuity fund	–	–	–	–	4,005,047	–	–	–	–	3,567,048
Other liabilities	–	10	1,423	–	–	–	33	1,782	–	–
Contingencies and commitments	–	–	–	–	1,195,406	–	–	–	–	1,195,406
Other transactions - Investor Portfolio Securities										
Opening balance	–	80,000	45,000	–	30,407,700	–	–	45,000	–	24,182,000
Increased during the period / year	–	–	–	–	1,383,000	–	80,000	–	–	12,475,800
Decreased during the period / year	–	–	–	–	(1,513,700)	–	–	–	–	(6,250,100)
Closing balance	–	80,000	45,000	–	30,277,000	–	80,000	45,000	–	30,407,700

38.1 Related Party Transactions

	31 March 2026 (Un-audited)					31 March 2025 (Un-audited)				
	Directors	Key management personnel	Subsidiaries	Associates	Other related parties	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	(Rupees in '000)									
Income										
Mark-up / return / interest earned	**21**	**6,854**	**11,143**	**–**	**16,974**	–	5,723	13,327	–	23,937
Fee and commission income	**527**	**231**	**138**	**79**	**16,323**	13	219	111	27	3,150
Net gain on sale / redemption of securities / mutual fund	**–**	**–**	**–**	**754,147**	**–**	–	–	–	–	–
Rental income	**–**	**–**	**9,953**	**–**	**–**	–	–	7,948	–	–
Other income	**–**	**8**	**191**	**–**	**93**	–	–	191	–	30
Expense										
Mark-up / return / interest expensed	**5,829**	**14,928**	**20,226**	**324,694**	**83,161**	11,945	19,421	19,473	85,917	89,621
Operating expenses	**–**	**–**	**–**	**–**	**407,570**	–	–	–	–	347,498
Brokerage and commission	**–**	**–**	**6,403**	**–**	**–**	–	–	5,042	–	–
Salaries and allowances	**–**	**394,069**	**–**	**–**	**–**	–	351,293	–	–	–
Bonus	**–**	**86,671**	**–**	**–**	**–**	–	71,106	–	–	–
Contribution to defined contribution plan	**–**	**14,192**	**–**	**–**	**–**	–	10,548	–	–	–
Contribution to defined benefit plan	**–**	**9,357**	**–**	**–**	**–**	–	7,142	–	–	–
Staff provident fund	**–**	**–**	**–**	**–**	**358,231**	–	–	–	–	306,436
Staff gratuity fund	**–**	**–**	**–**	**–**	**438,000**	–	–	–	–	315,000
Directors' fees	**17,180**	**–**	**–**	**–**	**–**	11,630	–	–	–	–
Donation	**–**	**–**	**–**	**–**	**15,000**	–	–	–	–	–
Insurance premium paid	**–**	**–**	**–**	**–**	**133,746**	–	–	–	–	9,552
Insurance claims settled	**–**	**–**	**–**	**–**	**32,965**	–	–	–	–	36,484
Other										
Sale of government securities	**–**	**–**	**–**	**–**	**1,383,000**	–	–	–	–	2,722,000
Purchase / sale of foreign currencies (cross currency)	**–**	**–**	**1,796,027**	**–**	**–**	–	–	1,280,222	–	–

39. CAPITAL ADEQUACY, LEVERAGE RATIO AND LIQUIDITY REQUIREMENTS

	(Un-audited) 31 March 2026	(Audited) 31 December 2025
	(Rupees in '000)	
Minimum Capital Requirement (MCR):		
Paid-up capital	**11,114,254**	11,114,254
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	**148,299,144**	147,597,060
Eligible Additional Tier 1 (ADT 1) Capital	**13,094,383**	13,026,476
Total Eligible Tier 1 Capital	**161,393,527**	160,623,536
Eligible Tier 2 Capital	**35,211,710**	52,182,666
Total Eligible Capital (Tier 1 + Tier 2)	**196,605,237**	212,806,202
Risk Weighted Assets (RWAs):		
Credit Risk	**926,244,638**	873,780,066
Market Risk	**53,659,497**	69,227,982
Operational Risk	**305,193,173**	305,193,173
Total	**1,285,097,308**	1,248,201,221

	(Un-audited) 31 March 2026	(Audited) 31 December 2025
	(Percentage)	
Common Equity Tier 1 Capital Adequacy Ratio	**11.54%**	11.82%
Tier 1 Capital Adequacy Ratio	**12.56%**	12.87%
Total Capital Adequacy Ratio	**15.30%**	17.05%

	(Un-audited) 31 March 2026	(Audited) 31 December 2025
	(Rupees in '000)	
Leverage Ratio (LR):		
Eligible Tier-1 Capital	**161,393,527**	160,623,536
Total Exposures	**4,289,061,377**	3,829,478,348
Leverage Ratio	**3.76%**	4.19%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	**1,588,190,226**	1,365,295,341
Total Net Cash Outflow	**562,232,018**	480,920,313
Liquidity Coverage Ratio	**282.48%**	283.89%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	**2,807,452,458**	2,631,738,714
Total Required Stable Funding	**1,463,354,576**	1,366,097,618
Net Stable Funding Ratio	**191.85%**	192.65%

The Bank has applied transitional approach under IFRS 9 as prescribed in SBP Circular. CAR and LR would be 14.66% & 3.59% respectively, if full impact of IFRS 9 is applied.

40. ISLAMIC BANKING BUSINESS

The Bank is operating with 398 (31 December 2025: 392) Islamic Banking branches and 08 (31 December 2025: 08) Islamic Banking windows at the end of the period / year.

STATEMENT OF FINANCIAL POSITION	Note	(Un-audited) 31 March 2026	(Audited) 31 December 2025
		(Rupees in '000)	
ASSETS			
Cash and balances with treasury banks		**29,374,802**	27,400,433
Balances with other banks		**9,629**	9,480
Due from financial institutions		**–**	17,997,570
Investments	40.1	**365,884,967**	329,585,390
Islamic financing and related assets - net	40.2	**164,967,986**	151,674,885
Property and equipment		**4,096,960**	3,976,043
Right-of-use assets		**6,929,056**	6,521,920
Intangible assets		**–**	–
Due from Head Office		**–**	–
Other assets		**21,857,607**	18,529,413
Total Assets		**593,121,007**	555,695,134
LIABILITIES			
Bills payable		**1,067,164**	1,249,578
Due to financial institutions		**18,787,805**	24,160,152
Deposits and other accounts	40.3	**417,516,491**	413,425,416
Due to Head Office		**8,991,825**	8,509,501
Lease liabilities		**8,435,148**	7,886,845
Subordinated debt		**–**	–
Other liabilities		**57,295,072**	18,353,839
Total Liabilities		**512,093,505**	473,585,331
NET ASSETS		**81,027,502**	82,109,803
REPRESENTED BY			
Islamic Banking Fund		**7,600,000**	7,600,000
Reserves		**–**	–
(Deficit) / surplus on revaluation of assets		**(2,405,907)**	3,033,370
Unappropriated profit	40.4	**75,833,409**	71,476,433
		81,027,502	82,109,803
CONTINGENCIES AND COMMITMENTS	40.5		

STATEMENT OF PROFIT AND LOSS ACCOUNT

	Note	(Un-audited) Three months period ended 31 March 2026	31 March 2025
		(Rupees in '000)	
Profit / return earned	40.6	**13,239,639**	12,547,613
Profit / return expensed	40.7	**(5,505,445)**	(5,983,769)
Net Profit / return		**7,734,194**	6,563,844
Other income			
Fee and commission income		**640,639**	508,991
Dividend income		**–**	–
Foreign exchange income		**62,124**	49,207
(Loss) / gain on securities - net		**(177,057)**	7,250
Other income		**–**	–
Total other income		**525,706**	565,448
Total income		**8,259,900**	7,129,292
Other expenses			
Operating expenses		**(3,414,400)**	(2,606,528)
Other charges		**(115)**	(399)
Total other expenses		**(3,414,515)**	(2,606,927)
Profit before credit loss allowance		**4,845,385**	4,522,365
Credit loss allowance and write offs - net		**(455,705)**	(425,481)
Profit for the period		**4,389,680**	4,096,884

40.1 Investments

	31 March 2026 (Un-audited)				31 December 2025 (Audited)			
	Cost / amortised cost	**Credit loss allowance**	**Surplus / (deficit)**	**Carrying value**	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
				(Rupees in '000)				
Investments by segments:								
Debt instruments								
Amortised Cost								
Federal Government Securities								
-Bai Muajjal	**25,115,142**	**-**	**-**	**25,115,142**	24,383,389	-	-	24,383,389
FVPL								
Federal Government Securities								
- Naya Pakistan Certificates	**1,312,109**	**-**	**-**	**1,312,109**	886,072	-	-	886,072
FVOCI								
Federal Government Securities								
- Ijarah Sukuks	**337,564,681**	**-**	**(2,419,541)**	**335,145,140**	297,726,212	-	3,037,050	300,763,262
- Neelum Jhelum Hydropower Co. Ltd. Sukuk	**288,672**	**-**	**9,309**	**297,981**	288,750	-	17,293	306,043
Non Government Debt Securities								
- Listed	**1,121,142**	**(680,347)**	**3,256**	**444,051**	1,122,000	(680,424)	2,855	444,431
- Unlisted	**2,280,950**	**(573)**	**1,069**	**2,281,446**	2,360,500	(634)	(23,828)	2,336,038
	341,255,445	**(680,920)**	**(2,405,907)**	**338,168,618**	301,497,462	(681,058)	3,033,370	303,849,774
Investments mandatorily classified / measured at FVPL								
Units of Mutual Funds	**1,266,155**	**-**	**(177,057)**	**1,089,098**	273,129	-	(6,974)	266,155
Associates								
- AL Habib Islamic Cash Fund	**100,000**	**-**	**-**	**100,000**	100,000	-	-	100,000
- AL Habib Islamic Savings Fund	**100,000**	**-**	**-**	**100,000**	100,000	-	-	100,000
	200,000	**-**	**-**	**200,000**	200,000	-	-	200,000
Total Investments	**369,148,851**	**(680,920)**	**(2,582,964)**	**365,884,967**	327,240,052	(681,058)	3,026,396	329,585,390

40.1.1 Particulars of credit loss allowance

	31 March 2026 (Un-audited)			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
		(Rupees in '000)		
Non Government Debt Securities	**513**	**407**	**680,000**	**680,920**

	31 December 2025 (Audited)			
	Stage 1	Stage 2	Stage 3	Total
		(Rupees in '000)		
Non Government Debt Securities	614	444	680,000	681,058

		(Un-audited) 31 March 2026	(Audited) 31 December 2025
		(Rupees in '000)	
40.2	**Islamic financing and related assets**		
	Ijarah	**4,237,874**	3,960,126
	Murabaha	**17,711,745**	12,896,466
	Diminishing Musharaka	**31,595,248**	32,362,289
	Istisna	**4,905,463**	6,870,106
	Islamic Long Term Financing Facility (ILTFF)	**4,919,511**	4,301,121
	Islamic Refinance for Renewable Energy (IFRE)	**2,802,302**	2,916,460
	Islamic Refinance for Temporary Economic Refinance Facility (ITERF)	**1,236,225**	2,028,789
	Islamic Refinance Facility for Modernisation of SMEs (IRFSME)	**123,656**	133,037
	Islamic Financing Facility for Storage of Agricultural Produce (IFFSAP)	**92,538**	99,457
	Islamic Export Refinance (IERF) - Istisna	**174,975**	399,500
	Musawamah	**7,266,956**	4,775,840
	Running Musharaka	**2,146,460**	1,844,473
	Islamic Export Refinance - Running Musharaka	**14,143,641**	13,963,641
	Financing against Bills - Musawamah	**13,896,780**	6,919,778
	Export Finance Scheme (EFS) - Discounting	**8,465,839**	8,405,335
	Staff Financing	**7,261,604**	5,933,903
	Musawamah Inventory	**4,128,219**	4,430,963
	Advance against Istisna	**12,257,929**	11,524,724
	Advance against Istisna - IERF	**4,609,011**	3,807,743
	Advance against Ijarah	**406,349**	589,164
	Advance against Diminishing Musharaka	**4,999,098**	4,706,521
	Advance against Bai Muajjal	**21,186,809**	22,038,007
	Advance against IRFSME	**64,197**	64,196
	Gross Islamic financing and related assets	**168,632,429**	154,971,639
	Less: credit loss allowance against Islamic financings		
	- Stage 1	**(1,342,835)**	(1,088,425)
	- Stage 2	**(739,063)**	(839,919)
	- Stage 3	**(1,582,545)**	(1,368,410)
		(3,664,443)	(3,296,754)
	Islamic financing and related assets - net of credit loss allowance	**164,967,986**	151,674,885

		(Un-audited) 31 March 2026	(Audited) 31 December 2025
		(Rupees in '000)	
40.3	**Deposits and other accounts**		
	Customers		
	Current deposits	**179,042,313**	157,729,626
	Savings deposits	**214,395,254**	223,816,961
	Term deposits	**21,557,016**	20,546,384
		414,994,583	402,092,971
	Financial institutions		
	Current deposits	**97,691**	65,431
	Savings deposits	**2,424,217**	11,267,014
		2,521,908	11,332,445
		417,516,491	413,425,416
40.4	**Islamic Banking Business Unappropriated Profit**		
	Opening balance	**71,476,433**	54,066,152
	Impact of change in accounting policy	**(32,704)**	–
	Add: Islamic Banking profit for the period / year	**4,389,680**	17,410,281
	Closing balance	**75,833,409**	71,476,433
40.5	**Contingencies and Commitments**		
	Guarantees	**31,408,368**	27,884,693
	Commitments	**55,199,906**	40,230,243
		86,608,274	68,114,936

		(Un-audited) Three months period ended	
		31 March 2026	31 March 2025
		(Rupees in '000)	
40.6	**Profit / Return Earned on Financings, Investments and Placements**		
	Profit earned on:		
	Financings	**3,731,792**	2,752,892
	Investments	**9,323,826**	9,681,962
	Placements	**184,021**	112,759
		13,239,639	12,547,613
40.7	**Profit on Deposits and Other Dues Expensed**		
	Deposits and other accounts	**4,655,338**	5,072,546
	Due to financial institutions	**254,704**	657,373
	Due to Head Office	**317,283**	45,064
	Finance charges on lease liabilities	**278,120**	208,786
		5,505,445	5,983,769

40.8 Profit and Loss Distribution and Pool Management

40.8.1 The number and nature of pools maintained by the Islamic Banking Branches along with their key features and risk and reward characteristics

General Pool PKR (Mudaraba)

Deposits which assume minimal risk of loss due to diversified assets being tagged thereto are parked in the general pool. In case of loss in general pool, the loss will be borne by the general pool members.

Special Pool(s) PKR (Mudaraba)

Special pool(s) are created where the customers desire to invest in high yield assets. In case of loss in a special pool the loss will be borne by the special pool members.

General Pool FCY (Mudaraba)

In FCY general pool, all FCY deposits and investments are parked to share the return among the FCY deposit holders. In case of loss in a FCY general pool, the loss will be borne by the FCY general pool members.

Special Pool(s) FCY (Mudaraba)

Special pool(s) are created where the customers desire to invest in high yield assets. In case of loss in a FCY special pool the loss will be borne by the special pool members.

Islamic Export Refinance Scheme (IERS) Pool PKR (Musharaka)

Islamic Export Refinance Scheme (IERS) pool is required by SBP to facilitate the exporters under IERS.

Equity Pool

Investments with relatively higher risks such as investment in shares and mutual funds are tagged to the equity pool to safeguard the interest of depositors. Furthermore, operating fixed assets as well as subsidised financing facilities to employees are also financed from equity as per SBP guidelines.

Special Mudaraba Financing Facility (SMFF) Pool - Open Market Operations (OMO) Injections

Special Mudaraba Financing Facility (SMFF) Pool for Open Market Operations (OMO) Injection is created to invest the funds exclusively raised from SBP through Islamic OMO in High Quality Assets including securities that are eligible as approved securities for maintaining Statutory Liquidity Requirement.

Parameters associated with risk and rewards:

Following are the key considerations attached with risk and reward of the pool:

- Period, return, safety, security and liquidity of investment.
- Maturities of funds obtained from Principal Office, Islamic Banking Institutions and Shariah compliant organisations as regulated in Pakistan.
- Element of risk attached to various types of investments.
- SBP rules and Shariah clearance.

40.8.2 Avenues / sectors of economy / business where Mudaraba based deposits have been deployed

The Mudaraba based funds have been deployed in the following avenues / sectors / businesses:

- Chemical and pharmaceuticals
- Agribusiness
- Textile
- Sugar
- Shoes and leather garments
- Investment in sukuks, bai muajjal and shariah compliant mutual funds
- Production and transmission of energy
- Food and allied except sugar
- Cement
- Financial institutions
- Wheat
- Individuals
- Others (domestic whole sale, engineering goods, plastic product, etc.)

40.8.3 Parameters used for allocation of profit, charging expenses and provisions etc. along with a brief description of their major components

The Bank's Islamic Banking Division (IBD) is accepting Term Deposits and Savings Deposits under Mudaraba arrangements, wherein the Bank is Mudarib, and depositors are Rab-ul-Maal. The Bank with the prior approval of Depositors also commingles its funds with those of depositors.

The funds so generated are invested by the Bank in Shariah compliant modes of financing and investments such as Murabaha, Ijarah, Istisna, Diminishing Musharaka, Running Musharaka, Musawama, Shares, Mutual Funds, Sukuks and Bai Muajjal etc.

The Bank calculates the profit of the pool every month. Profit is distributed at the net income level. Net income is calculated after deducting direct costs such as cost of Murabaha, cost of Takaful, Depreciation on Ijarah Assets, and amortisation of premium on sukuks and loss of investments directly incurred in deriving that income. The provisions created against non-performing assets as per relevant SBP regulations, write-offs and loss on sale of investments may be charged to the respective pool along with other direct expenses. In case of any reversal of the provision expense / value in investment, the benefit shall be allocated to the same pool.

The net income / loss is being allocated between the Bank's equity and the depositors' fund in proportion to their respective share in pool.

The Bank's profit sharing ratio during the period was 50% (31 March 2025: 50%) of net income and the depositors' profit sharing ratio was 50% (31 March 2025: 50%) of net income.

After the allocation of Income between mudarib (the Bank) and depositors (Rab-ul-Maal) the profit is distributed among the depositors on the basis of predetermined weightages, announced by the Bank at least three working days before the beginning of the month based on their respective category/tiers. In case of loss, Rab-ul-Maal has to bear the loss in the ratio of its investment.

The credit loss allowance under IFRS 9 and diminution in the value of investments as under Prudential Regulations and other SBP directives shall be borne by the IBIs as Mudarib.

40.8.4 Mudarib share and HIBA distributed to depositor's pool and specific pool

	31 March 2026 (Un-audited)				
	Distributable Income	**Mudarib Share**	**Mudarib Share**	**HIBA Amount**	**HIBA**
	(Rupees in '000)		**(Percentage)**	**(Rupees in '000)**	**(Percentage)**
LCY Pool	**6,843,961**	**2,982,273**	**43.58%**	**1,006,206**	**33.74%**
FCY Pool	**114,427**	**88,820**	**77.62%**	**13,591**	**15.30%**
	31 March 2025 (Un-audited)				
LCY Pool	7,097,662	3,357,082	47.30%	1,589,882	47.36%
FCY Pool	94,680	73,095	77.20%	13,442	18.39%

40.8.5 Profit rate earned vs. profit rate distributed to the depositors during the period

	(Un-audited) Three months period ended	
	31 March 2026	31 March 2025
	(Percentage)	
Profit rate earned	**9.86%**	12.47%
Profit rate distributed	**4.79%**	6.50%

41. GENERAL

41.1 Caption's in respect of which there are no amounts, have not been reproduced in these unconsolidated condensed interim financial statements, except for captions of the statement of financial position and statement of profit and loss account.

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

41.3 Comparative information has been re-classified, re-arranged or additionally incorporated in these unconsolidated condensed interim financial statements wherever necessary to facilitate comparison and better presentation.

42. NON-ADJUSTING EVENT AFTER THE REPORTING DATE

The Board of Directors, in its meeting held on 23 April 2026, has announced an interim cash dividend of Rs. 3.50 per share (31 March 2025: Rs. 3.50 per share). These unconsolidated condensed interim financial statements do not include the effect of this appropriation, which will be accounted for subsequent to the period end.

43. DATE OF AUTHORISATION

These unconsolidated condensed interim financial statements were authorised for issue in the Board of Directors' meeting held on 23 April 2026.

MANSOOR ALI KHAN
Chief Executive

ASHAR HUSAIN
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI
Director

SYED MOHAMMED HUSSAIN
Director

ABBAS D. HABIB
Chairman

Consolidated Financial Statements

Bank AL Habib Limited

and

Subsidiary Companies

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2026

	Note	(Un-audited) 31 March 2026	(Audited) 31 December 2025
		(Rupees in '000)	
ASSETS			
Cash and balances with treasury banks	6	**195,944,362**	190,063,529
Balances with other banks	7	**9,672,119**	7,552,576
Lendings to financial institutions	8	**60,885,532**	24,453,908
Investments	9	**2,238,770,494**	2,031,294,437
Advances	10	**824,120,126**	791,490,864
Property and equipment	11	**83,188,654**	82,711,235
Right-of-use assets	12	**18,591,049**	16,869,099
Intangible assets	13	**129,775**	166,943
Deferred tax assets	14	**17,390,196**	–
Other assets	15	**188,118,679**	164,906,911
Total Assets		**3,636,810,986**	3,309,509,502
LIABILITIES			
Bills payable	17	**44,559,951**	59,749,478
Borrowings	18	**457,405,802**	290,299,002
Deposits and other accounts	19	**2,795,716,661**	2,597,997,148
Lease liabilities	20	**22,683,562**	20,889,071
Subordinated debt	21	**25,958,018**	25,983,600
Deferred tax liabilities	14	**–**	1,514,392
Other liabilities	22	**128,984,234**	136,724,806
Total Liabilities		**3,475,308,228**	3,133,157,497
NET ASSETS		**161,502,758**	176,352,005
REPRESENTED BY			
Share capital		**11,114,254**	11,114,254
Reserves		**35,947,843**	35,220,243
Surplus on revaluation of assets	23	**12,408,672**	29,560,277
Unappropriated profit		**101,842,847**	100,264,082
Equity attributable to the shareholders of the Holding Company		**161,313,616**	176,158,856
Non-controlling interest	24	**189,142**	193,149
		161,502,758	176,352,005
CONTINGENCIES AND COMMITMENTS	25		

The annexed notes 1 to 44 form an integral part of these consolidated condensed interim financial statements.

MANSOOR ALI KHAN
Chief Executive

ASHAR HUSAIN
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI
Director

SYED MOHAMMED HUSSAIN
Director

ABBAS D. HABIB
Chairman

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026

	Note	Three months period ended	
		31 March 2026	31 March 2025
		(Rupees in '000)	
Mark-up / return / interest earned	27	**82,581,835**	92,970,508
Mark-up / return / interest expensed	28	**(49,944,902)**	(59,325,588)
Net mark-up / interest income		**32,636,933**	33,644,920
NON MARK-UP / INTEREST INCOME			
Fee and commission income	29	**5,725,793**	6,059,886
Dividend income		**67,742**	68,913
Foreign exchange income		**2,266,633**	2,168,689
Income / (loss) from derivatives		**–**	–
Loss on securities - net	30	**(922,343)**	(244,455)
Net gain / (loss) on derecognition of financial assets measured at amortised cost		**–**	–
Share of profit from associates		**629,395**	212,182
Other income	31	**222,506**	338,365
Total non mark-up / interest income		**7,989,726**	8,603,580
Total income		**40,626,659**	42,248,500
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	32	**(23,993,986)**	(21,631,268)
Workers' welfare fund		**(332,035)**	(431,459)
Other charges	33	**(3,267)**	(6,941)
Total non mark-up / interest expenses		**(24,329,288)**	(22,069,668)
Profit before credit loss allowance		**16,297,371**	20,178,832
Credit loss allowance and write-offs - net	34	**(982,388)**	1,156,860
Extra ordinary / unusual items		**–**	–
PROFIT BEFORE TAXATION		**15,314,983**	21,335,692
Taxation	35	**(8,040,244)**	(10,611,725)
PROFIT AFTER TAXATION		**7,274,739**	10,723,967
Attributable to:			
Shareholders of the Holding Company		**7,267,294**	10,720,557
Non-controlling interest		**7,445**	3,410
		7,274,739	10,723,967
		(Rupees)	
Basic and diluted earnings per share attributable to shareholders of the Holding Company	36	**6.54**	9.65

The annexed notes 1 to 44 form an integral part of these consolidated condensed interim financial statements.

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Chief Executive

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Chief Financial Officer

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Director

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Director

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Chairman

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026

	Three months period ended	
	31 March 2026	31 March 2025
	(Rupees in '000)	
Profit after taxation for the period	**7,274,739**	10,723,967
Other comprehensive income		
Items that may be reclassified to the statement of profit and loss account in subsequent periods:		
Effect of translation of net investment in foreign branches	**18,781**	122,557
Movement in deficit on revaluation of investment in debt instruments classified as FVOCI - net of tax	**(16,805,155)**	(2,070,507)
	(16,786,374)	(1,947,950)
Items that will not be reclassified to the statement of profit and loss account in subsequent periods:		
Movement in deficit on revaluation of investment in equity instruments classified as FVOCI - net of tax	**(305,133)**	(54,820)
Movement in surplus on revaluation of property and equipment - net of tax	**–**	124,117
Movement in surplus on revaluation of non-banking assets - net of tax	**–**	741
	(305,133)	70,038
Total comprehensive income for the period	**(9,816,768)**	8,846,055
Attributable to:		
Shareholders of the Holding Company	**(9,812,761)**	8,844,008
Non-controlling interest	**(4,007)**	2,047
	(9,816,768)	8,846,055

The annexed notes 1 to 44 form an integral part of these consolidated condensed interim financial statements.

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Director

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Director

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Chairman

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026

	Attributable to shareholders of the Holding Company											
				Revenue Reserves		Surplus / (deficit) on revaluation of						
	Share Capital	Statutory Reserve	Foreign Currency Translation Reserve	Special Reserve	General Reserve	Investments	Property and Equipment	Non Banking Assets	Unappropriated Profit	Sub Total	Non-controlling interest	Total
	(Rupees in '000)											
Balance as at 01 January 2025 - restated	**11,114,254**	**26,686,231**	**4,697,625**	**126,500**	**540,000**	**7,590,380**	**15,568,934**	**166,063**	**90,285,442**	**156,775,429**	**155,523**	**156,930,952**
Profit after taxation for the three months period ended 31 March 2025	–	–	–	–	–	–	–	–	10,720,557	10,720,557	3,410	10,723,967
Other comprehensive income for the three months period ended 31 March 2025 - net of tax												
Effect of translation of net investment in foreign branches	–	–	122,557	–	–	–	–	–	–	122,557	–	122,557
Movement in deficit on revaluation of investment in debt instruments - net of tax	–	–	–	–	–	(2,073,874)	–	–	–	(2,073,874)	3,367	(2,070,507)
Movement in deficit on revaluation of investment in equity instruments - net of tax	–	–	–	–	–	4,730	–	–	–	4,730	(4,730)	–
Movement in surplus on revaluation of property and equipment - net of tax	–	–	–	–	–	–	124,117	–	–	124,117	–	124,117
Movement in surplus on revaluation of non-banking assets - net of tax	–	–	–	–	–	–	–	741	–	741	–	741
Total other comprehensive income - net of tax	–	–	122,557	–	–	(2,069,144)	124,117	741	–	(1,821,729)	(1,363)	(1,823,092)
Transfer to statutory reserve	–	1,021,327	–	–	–	–	–	–	(1,021,327)	–	–	–
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	–	–	–	–	–	–	(52,737)	(32)	52,769	–	–	–
Transaction with owners, recorded directly in equity												
Final cash dividend (Rs. 6.5 per share) - December 2024	–	–	–	–	–	–	–	–	(7,224,265)	(7,224,265)	–	(7,224,265)
Balance as at 31 March 2025 - unaudited	**11,114,254**	**27,707,558**	**4,820,182**	**126,500**	**540,000**	**5,521,236**	**15,640,314**	**166,772**	**92,813,176**	**158,449,992**	**157,570**	**158,607,562**
Profit after taxation for the nine months period ended 31 December 2025	–	–	–	–	–	–	–	–	21,721,995	21,721,995	21,262	21,743,257
Other comprehensive income for the nine months period ended 31 December 2025 - net of tax												
Effect of translation of net investment in foreign branches	–	–	(16,411)	–	–	–	–	–	–	(16,411)	–	(16,411)
Movement in surplus on revaluation of investment in debt instruments - net of tax	–	–	–	–	–	7,991,482	–	–	–	7,991,482	498	7,991,980
Movement in surplus on revaluation of investment in equity instruments - net of tax	–	–	–	–	–	332,153	–	–	–	332,153	13,819	345,972
Remeasurement loss on defined benefit obligations - net of tax	–	–	–	–	–	–	–	–	(705,627)	(705,627)	–	(705,627)
Movement in deficit on revaluation of property and equipment - net of tax	–	–	–	–	–	–	(105)	–	–	(105)	–	(105)
Movement in surplus on revaluation of non-banking assets - net of tax	–	–	–	–	–	–	–	55,344	–	55,344	–	55,344
Total other comprehensive income - net of tax	–	–	(16,411)	–	–	8,323,635	(105)	55,344	(705,627)	7,656,836	14,317	7,671,153

	Attributable to the shareholders of the Holding Company											
				Revenue Reserves		Surplus / (deficit) on revaluation of						
	Share Capital	Statutory Reserve	Foreign Currency Translation Reserve	Special Reserve	General Reserve	Investments	Property and Equipment	Non Banking Assets	Unappropriated Profit	Sub Total	Non-controlling interest	Total
	(Rupees in '000)											
Transfer to statutory reserve	–	2,042,414	–	–	–	–	–	–	(2,042,414)	–	–	–
Loss on sale of equity instruments - FVOCI	–	–	–	–	–	11,390	–	–	(11,390)	–	–	–
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	–	–	–	–	–	–	(158,211)	(98)	158,309	–	–	–
Transactions with owners, recorded directly in equity												
Interim cash dividend (Rs. 3.5 per share) - March 2025	–	–	–	–	–	–	–	–	(3,889,989)	(3,889,989)	–	(3,889,989)
Interim cash dividend (Rs. 3.5 per share) - June 2025	–	–	–	–	–	–	–	–	(3,889,989)	(3,889,989)	–	(3,889,989)
Interim cash dividend (Rs. 3.5 per share) - September 2025	–	–	–	–	–	–	–	–	(3,889,989)	(3,889,989)	–	(3,889,989)
	–	–	–	–	–	–	–	–	(11,669,967)	(11,669,967)	–	(11,669,967)
Balance as at 31 December 2025 - audited	**11,114,254**	**29,749,972**	**4,803,771**	**126,500**	**540,000**	**13,856,261**	**15,481,998**	**222,018**	**100,264,082**	**176,158,856**	**193,149**	**176,352,005**
Impact of change in accounting policy - note 4.1	–	–	–	–	–	–	–	–	(31,065)	(31,065)	–	(31,065)
Profit after taxation for the three months period ended 31 March 2026	–	–	–	–	–	–	–	–	7,267,294	7,267,294	7,445	7,274,739
Other comprehensive income for the three months period ended 31 March 2026 - net of tax												
Effect of translation of net investment in foreign branches	–	–	18,781	–	–	–	–	–	–	18,781	–	18,781
Movement in deficit on revaluation of investment in debt instruments - net of tax	–	–	–	–	–	(16,804,526)	–	–	–	(16,804,526)	(629)	(16,805,155)
Movement in deficit on revaluation of investment in equity instruments - net of tax	–	–	–	–	–	(294,310)	–	–	–	(294,310)	(10,823)	(305,133)
Movement in surplus on revaluation of property and equipment - net of tax	–	–	–	–	–	–	–	–	–	–	–	–
Movement in surplus on revaluation of non-banking assets - net of tax	–	–	–	–	–	–	–	–	–	–	–	–
Total other comprehensive income - net of tax	–	–	18,781	–	–	(17,098,836)	–	–	–	(17,080,055)	(11,452)	(17,091,507)
Transfer to statutory reserve	–	708,819	–	–	–	–	–	–	(708,819)	–	–	–
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	–	–	–	–	–	–	(52,737)	(32)	52,769	–	–	–
Transaction with owners, recorded directly in equity												
Final cash dividend (Rs. 4.5 per share) - December 2025	–	–	–	–	–	–	–	–	(5,001,414)	(5,001,414)	–	(5,001,414)
Balance as at 31 March 2026 - unaudited	**11,114,254**	**30,458,791**	**4,822,552**	**126,500**	**540,000**	**(3,242,575)**	**15,429,261**	**221,986**	**101,842,847**	**161,313,616**	**189,142**	**161,502,758**

The annexed notes 1 to 44 form an integral part of these consolidated condensed interim financial statements.

MANSOOR ALI KHAN
Chief Executive

ASHAR HUSAIN
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI
Director

SYED MOHAMMED HUSSAIN
Director

ABBAS D. HABIB
Chairman

CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026

	31 March 2026	31 March 2025
CASH FLOW FROM OPERATING ACTIVITIES	(Rupees in '000)	
Profit before taxation	**15,314,983**	21,335,692
Less: dividend income	**(67,742)**	(68,913)
	15,247,241	21,266,779
Adjustments:		
Net mark-up / interest income	**(32,636,933)**	(33,644,920)
Depreciation	**2,169,107**	1,812,042
Depreciation on non-banking assets acquired in satisfaction of claims	**152**	152
Depreciation on right-of-use assets	**821,555**	674,135
Amortisation	**37,166**	26,864
Workers' welfare fund	**332,035**	431,459
Credit loss allowance and write-offs - net	**982,388**	(1,156,860)
Gain on sale of property and equipment - net	**(215,781)**	(309,564)
Gain on termination of leases - net	**(6,725)**	(28,801)
Unrealised loss on revaluation of securities classified as FVPL	**839,255**	266,775
Charge for defined benefit plan	**443,552**	315,000
Charge for compensated absences	**168,864**	85,000
Share of profit from associates	**(629,395)**	(212,182)
	(27,694,760)	(31,740,900)
	(12,447,519)	(10,474,121)
(Increase) / decrease in operating assets		
Lendings to financial institutions	**(36,436,543)**	18,027,630
Securities classified as FVPL	**3,278,807**	1,340,655
Advances	**(34,058,076)**	(36,197,846)
Other assets (excluding advance taxation and mark-up receivable)	**6,758,745**	(7,974,654)
	(60,457,067)	(24,804,215)
Increase / (decrease) in operating liabilities		
Bills payable	**(15,189,527)**	(19,297,562)
Borrowings	**167,943,712**	34,186,993
Deposits and other accounts	**197,719,513**	101,787,067
Other liabilities (excluding mark-up payable)	**(11,236,068)**	(19,488,697)
	339,237,630	97,187,801
	266,333,044	61,909,465
Interest received	**53,813,183**	60,078,839
Interest paid	**(46,878,544)**	(54,854,576)
Income tax paid	**(9,576,433)**	(18,791,422)
Net cash flow generated from operating activities	**263,691,250**	48,342,306
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in amortised cost securities	**(37,734,372)**	(1,263,046)
Net investments in securities classified as FVOCI	**(214,836,707)**	(52,143,979)
Net investments in associates	**6,401,732**	(185,505)
Dividends received	**56,492**	57,663
Investments in property and equipment	**(2,652,385)**	(5,155,801)
Proceeds from sale of property and equipment	**221,641**	317,838
Effect of translation of net investment in foreign branches	**18,781**	122,557
Net cash flow used in investing activities	**(248,524,818)**	(58,250,273)
CASH FLOW FROM FINANCING ACTIVITIES		
Payments of subordinated debt	**(1,000)**	(1,000)
Dividend paid	**(4,895,288)**	(7,134,257)
Payments of lease obligations against right-of-use assets	**(1,489,724)**	(1,224,373)
Net cash flow used in financing activities	**(6,386,012)**	(8,359,630)
Increase / (decrease) in cash and cash equivalents	**8,780,420**	(18,267,597)
Cash and cash equivalents at beginning of the period	**195,901,227**	205,641,643
Cash and cash equivalents at end of the period	**204,681,647**	187,374,046

The annexed notes 1 to 44 form an integral part of these consolidated condensed interim financial statements.

MANSOOR ALI KHAN
Chief Executive

ASHAR HUSAIN
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI
Director

SYED MOHAMMED HUSSAIN
Director

ABBAS D. HABIB
Chairman

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026

1. STATUS AND NATURE OF BUSINESS

1.1 The Group comprises of:

Holding Company
- Bank AL Habib Limited

Subsidiaries
- AL Habib Capital Markets (Private) Limited
- AL Habib Asset Management Limited
- AL Habib Exchange Company (Private) Limited

1.2 Bank AL Habib Limited (the Bank) is a banking company incorporated in Pakistan on 15 October 1991 as a public limited company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) having its registered office at 126-C, Old Bahawalpur Road, Multan with principal place of business at 2nd Floor, Mackinnons Building, I.I. Chundrigar Road, Karachi. Its shares are listed on Pakistan Stock Exchange Limited. It is a scheduled bank principally engaged in the business of commercial banking with a network of 1,329 branches (31 December 2025: 1,323 branches), 03 representative offices (31 December 2025: 03 representative offices) and 12 booths (31 December 2025: 12 booths). The branch network of the Bank includes 02 overseas branches (31 December 2025: 02 overseas branches) and 398 Islamic Banking branches (31 December 2025: 392 Islamic Banking branches).

1.3 The Bank has invested in 66.67% shares of AL Habib Capital Markets (Private) Limited. The Company was incorporated in Pakistan on 23 August 2005 as a private limited company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Company is a corporate member of the Pakistan Stock Exchange Limited and is engaged in equity, money market and foreign exchange brokerage services, equity research, corporate financial advisory and consultancy services.

1.4 The Bank has invested in 100% shares of AL Habib Asset Management Limited. The Company was incorporated in Pakistan on 30 September 2005 as an unquoted public limited company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Company has been issued a license by the Securities and Exchange Commission of Pakistan (SECP) to undertake asset management services as a Non-Banking Finance Company. The principal business of the Company is to provide Investment Advisory Services and Asset Management Services.

1.4.1 The Company is managing following mutual funds:

Conventional Funds
- AL Habib Cash Fund
- AL Habib Fixed Return Fund
- AL Habib GOKP Pension Fund - Money Market Sub Fund
- AL Habib Income Fund
- AL Habib Money Market Fund
- AL Habib Pension Fund
- AL Habib Sovereign Income Fund

Islamic Funds

- AL Habib Islamic Cash Fund
- AL Habib GOKP Islamic Pension Fund - Money Market Sub Fund
- AL Habib Islamic Income Fund
- AL Habib Islamic Money Market Fund
- AL Habib Islamic Pension Fund
- AL Habib Islamic Savings Fund

1.5 The Bank has invested in 100% shares of AL Habib Exchange Company (Private) Limited. The Company was incorporated in Pakistan on 24 November 2023 as a private limited company under the Companies Act, 2017. The Company has been issued a license by the State Bank of Pakistan (SBP) to undertake currency exchange services. The principal business of the Company is to provide foreign exchange services.

2. BASIS OF PREPARATION

2.1 In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, SBP has issued various circulars from time to time. Permissible forms of trade-related modes of financing includes purchase of goods by banks from customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchases and resales arising under these arrangements are not reflected in these consolidated condensed interim financial statements as such, but are restricted to the amount of facility actually utilised and the appropriate portion of mark-up thereon. However, the Islamic Banking branches of the Bank have complied with the requirements set out under the Islamic Financial Accounting Standards (IFAS), issued by the Institute of Chartered Accountants of Pakistan (ICAP), as are notified under the provisions of the Companies Act, 2017.

2.2 Key financial information of the Islamic Banking branches is disclosed in note 41 to these consolidated condensed interim financial statements.

2.3 These consolidated condensed interim financial statements are presented in Pak Rupees, which is the Group's functional and presentation currency.

2.4 The Group 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 continue to be prepared on the going concern basis.

2.5 Statement of Compliance

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

The accounting and reporting standards comprise of:

- 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 Institute of Chartered Accountants of Pakistan, as are notified under the Companies Act, 2017;
- Provisions of, directives and notifications issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

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

2.5.2 The disclosures made in these consolidated condensed interim financial statements have been limited based on the format prescribed by SBP vide BPRD Circular No. 02, dated 09 February 2023 and International Accounting Standard (IAS) 34, 'Interim Financial Reporting'. They do not include all the information required in the annual financial statements, and these consolidated condensed interim financial statements should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2025.

2.5.3 SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for Banking Companies in Pakistan through BSD Circular Letter No. 10 dated 26 August 2002 till further instructions. Also, SECP has deferred the applicability of IFRS 7, 'Financial Instruments: Disclosures' through its notification S.R.O 411 (I) / 2008 dated 28 April 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements.

2.5.4 SBP has deferred the applicability of IFAS 3 'Profit and Loss Sharing on Deposits' for Islamic Banking Institutions (IBIs) through BPRD Circular No. 4 of 2015 dated 25 February 2015 till further instructions. The disclosures requirements relating to annual and interim financial statements have been based on a format prescribed by SBP vide BPRD Circular No. 02 dated 09 February 2023.

2.5.5 IFRS 10, 'Consolidated Financial Statements' was made applicable from period beginning on or after 01 January 2015 vide S.R.O 633 (I) / 2014 dated 10 July 2014 by SECP. However, SECP has directed through S.R.O 56 (I) / 2016 dated 28 January 2016 that the requirement of consolidation under section 228 of the Companies Act, 2017 and IFRS 10, 'Consolidated Financial Statements' is not applicable in case of investment by companies in mutual funds established under trust structure.

2.5.6 SBP through BPRD Circular Letter No. 01 of 2025 dated 22 January 2025 has clarified the followings:

- Islamic Banking Institutions (IBIs) are allowed to follow IFAS 1 & 2 where applicable and continue the existing accounting methodology on other Islamic products until issuance of further instructions in this regard.

- The treatment of charity should be in line with the existing practices as defined in SBP's instructions issued via IBD Circular No. 02 of 2008 and should not be recognised as income.

Revenue from Islamic products would have increased by Rs. 447.970 million, if IFRS 9 had been adopted in its entirety.

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

There are certain new standards, interpretations and amendments that became effective during the period. However, these are considered either not to be relevant or not have any significant impact on the Group's consolidated condensed interim financial statements except for requirements of IFRS 9 - 'Financial instruments' relating to implementation of Effective Interest Rate (EIR) as explained in note 4.1.

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

There are certain new standards and interpretations of and amendments to existing accounting and reporting standards that are not effective in the current period. These are considered not to have any significant impact on these consolidated condensed interim financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The basis for accounting estimates adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the annual financial statements of the Group for the year ended 31 December 2025.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information related to preparation of these consolidated condensed interim financial statements is consistent with that applied in the preparation of the annual financial statements of the Group for the year ended 31 December 2025, except as disclosed in note 4.1.

4.1 IFRS 9 - 'Financial Instruments' - Effective Interest Rate (EIR)

SBP instructed the banks to record income and expenses at Effective Interest Rate (EIR) with effect from 01 January 2026. During the period, the Bank has implemented EIR for recognition of profit / return earned and profit / return expensed in consolidated condensed statement of profit and loss account. The Bank has taken the impact of EIR to equity at the beginning of the current accounting period as allowed under modified retrospective approach for restatement permitted under IFRS 9. The impact of application as at 01 January 2026 amounting to Rs. 31.065 million, has been recorded as an adjustment to the opening equity.

5. FINANCIAL RISK MANAGEMENT

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

	(Un-audited) 31 March 2026	(Audited) 31 December 2025
	(Rupees in '000)	
6. CASH AND BALANCES WITH TREASURY BANKS		
In hand:		
Local currency	**78,874,951**	46,918,971
Foreign currencies	**6,219,790**	4,124,512
	85,094,741	51,043,483
With State Bank of Pakistan in:		
Local currency current accounts	**68,521,583**	95,535,579
Local currency current accounts - Islamic Banking	**12,114,273**	16,529,627
Foreign currency deposit accounts		
Cash reserve account	**5,736,600**	5,854,573
Cash reserve / special cash reserve account - Islamic Banking	**1,298,901**	1,303,412
Special cash reserve account	**11,473,201**	11,709,146
Local collection account	**382,316**	430,332
	99,526,874	131,362,669
With National Bank of Pakistan in:		
Local currency current accounts	**11,253,786**	7,567,621
Prize bonds	**68,961**	89,756
Cash and balances with treasury banks	**195,944,362**	190,063,529

	Note	(Un-audited) 31 March 2026	(Audited) 31 December 2025
		(Rupees in '000)	
7. BALANCES WITH OTHER BANKS			
In Pakistan:			
In current accounts		**638,496**	316,580
In deposit accounts		**141,429**	120,824
		779,925	437,404
Outside Pakistan:			
In current accounts		**8,954,089**	7,171,133
In deposit accounts		**13,216**	76,018
		8,967,305	7,247,151
		9,747,230	7,684,555
Less: credit loss allowance against balances with other banks	7.1	**(75,111)**	(131,979)
Balances with other banks - net of credit loss allowance		**9,672,119**	7,552,576
7.1 Credit loss allowance			
Opening balance		**131,979**	947
Charge / (reversal):			
Charge for the period / year		**5,199**	131,473
Reversal for the period / year		**(62,066)**	(443)
		(56,867)	131,030
Foreign exchange adjustments		**(1)**	2
Closing balance		**75,111**	131,979
8. LENDINGS TO FINANCIAL INSTITUTIONS			
In local currency:			
Musharaka placements		**–**	18,000,000
Repurchase agreement lendings (reverse repo)		**60,893,753**	6,457,210
		60,893,753	24,457,210
Less: credit loss allowance against lendings to financial institutions	8.1	**(8,221)**	(3,302)
Lendings to financial institutions - net of credit loss allowance		**60,885,532**	24,453,908
8.1 Lendings to Financial Institutions - Particulars of credit loss allowance			
Credit loss allowance - Stage 1			
Opening balance		**3,302**	5,258
New financial assets originated or purchased		**8,221**	1,952
Financial assets that have been derecognised		**(3,302)**	(3,908)
		4,919	(1,956)
Closing balance		**8,221**	3,302

9. INVESTMENTS

	31 March 2026 (Un-audited)				31 December 2025 (Audited)			
	Cost / amortised cost	**Credit loss allowance**	**Surplus / (deficit)**	**Carrying value**	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
				(Rupees in '000)				
9.1 Investments by type:								
Debt instruments								
Amortised Cost								
Federal Government Securities	**483,623,332**	**(14,768)**	**–**	**483,608,564**	445,888,960	(14,547)	–	445,874,413
FVOCI								
Federal Government Securities	**1,736,511,842**	**(988,532)**	**(12,166,825)**	**1,723,356,485**	1,520,997,318	(1,380,069)	22,684,593	1,542,301,842
Non Government Debt Securities	**6,783,690**	**(782,600)**	**(14,478)**	**5,986,612**	7,456,941	(783,075)	(33,959)	6,639,907
Foreign Securities	**7,145,107**	**(1,972,614)**	**1,147,137**	**6,319,630**	7,165,210	(2,000,953)	1,323,895	6,488,152
	1,750,440,639	**(3,743,746)**	**(11,034,166)**	**1,735,662,727**	1,535,619,469	(4,164,097)	23,974,529	1,555,429,901
FVPL								
Federal Government Securities	**1,312,109**	**–**	**–**	**1,312,109**	886,072	–	–	886,072
Equity instruments								
FVOCI - Non-reclassifiable								
Shares								
- Listed Companies	**196,403**	**–**	**475,040**	**671,443**	196,403	–	732,059	928,462
- Unlisted Companies	**154,501**	**–**	**3,790,270**	**3,944,771**	154,501	–	4,133,774	4,288,275
	350,904	**–**	**4,265,310**	**4,616,214**	350,904	–	4,865,833	5,216,737
Investments mandatorily classified / measured at FVPL								
Units of Mutual Funds	**4,922,672**	**–**	**(839,255)**	**4,083,417**	8,910,944	–	(283,430)	8,627,514
Associates	**9,487,463**	**–**	**–**	**9,487,463**	15,259,800	–	–	15,259,800
Total Investments	**2,250,137,119**	**(3,758,514)**	**(7,608,111)**	**2,238,770,494**	2,006,916,149	(4,178,644)	28,556,932	2,031,294,437

		(Un-audited) 31 March 2026	(Audited) 31 December 2025
		(Rupees in '000)	
9.1.1	**Investments given as collateral**		
	Pakistan Investment Bonds	**342,667,700**	163,763,100
9.2	**Credit loss allowance**		
	Opening balance	**4,178,644**	7,493,416
	Charge / (reversal):		
	Charge for the period / year	**10,362**	298,099
	Reversal for the period / year	**(418,735)**	(3,663,063)
		(408,373)	(3,364,964)
	Foreign exchange adjustments	**(11,757)**	50,192
	Closing balance	**3,758,514**	4,178,644

9.3 Particulars of credit loss allowance against debt securities

		31 March 2026 (Un-audited)		31 December 2025 (Audited)	
		Outstanding amount	Credit loss allowance	Outstanding amount	Credit loss allowance
		(Rupees in '000)			
Domestic					
Performing	Stage 1	**4,137,775**	**976**	4,280,895	1,127
Under-performing	Stage 2	**1,865,915**	**1,624**	2,396,046	1,948
Non-performing - loss	Stage 3	**780,000**	**780,000**	780,000	780,000
		6,783,690	**782,600**	7,456,941	783,075
Overseas					
Performing	Stage 1	**5,613,697**	**29,675**	5,630,003	30,305
Under-performing	Stage 2	**17,920,625**	**2,946,239**	17,993,474	3,365,264
		23,534,322	**2,975,914**	23,623,477	3,395,569
Total		**30,318,012**	**3,758,514**	31,080,418	4,178,644

9.4 Under the IFRS 9 Application instructions, the Group is not required to compute ECL on Government Securities and on Government guaranteed credit exposures in local currency.

9.5 The market value of securities classified as amortised cost at 31 March 2026 amounted to Rs. 485,772 million (31 December 2025: Rs. 456,472 million).

9.6 Summary of financial information of associates

	Percentage of holding	31 March 2026 (Un-audited) Assets	Liabilities	Revenue	Profit / (loss) after taxation	Total comprehensive income / (loss)
				(Rupees in '000)		
AL Habib Money Market Fund	0.92%	80,686,081	414,675	1,982,578	1,835,588	1,835,588
AL Habib Islamic Money Market Fund	42.72%	1,220,884	74	4,272	4,212	4,212
AL Habib Islamic Cash Fund	0.34%	31,890,825	194,124	708,944	688,856	688,856
AL Habib Islamic Savings Fund	4.64%	19,613,112	237,578	415,540	372,723	372,723
AL Habib Income Fund	2.19%	19,421,256	95,747	613,725	577,402	577,402
AL Habib Cash Fund	4.15%	87,994,181	198,208	1,954,874	1,801,581	1,801,581
AL Habib Islamic Income Fund	14.42%	18,203,365	272,067	303,351	270,743	270,743
AL Habib Pension Fund - Debt Sub Fund	14.17%	386,008	632	7,274	6,584	6,584
AL Habib Islamic Pension Fund - Debt Sub Fund	16.85%	296,111	820	3,060	2,222	2,222
AL Habib Pension Fund - Money Market Sub Fund	10.89%	490,895	871	11,045	10,215	10,215
AL Habib Islamic Pension Fund - Money Market Sub Fund	12.36%	398,610	873	4,734	3,881	3,881
AL Habib Fixed Return Fund Plan 19	6.40%	86,398	212	2,303	(170)	(170)
AL Habib Fixed Return Fund Plan 22	0.24%	2,289,199	2,775	54,303	52,995	52,995
AL Habib Fixed Return Fund Plan 23	2.39%	3,351,019	2,232	66,866	64,526	64,526
AL Habib Fixed Return Fund Plan 24	0.04%	2,738,226	4,188	62,351	60,437	60,437
AL Habib Fixed Return Fund Plan 28	0.41%	1,218,780	255	3,781	3,526	3,526

	Percentage of holding	31 March 2026 (Un-audited) Assets	Liabilities	Revenue	Profit after taxation	Total comprehensive income
				(Rupees in '000)		
AL Habib Fixed Return Fund Plan 29	0.07%	7,308,318	1,928	57,115	55,187	55,187
AL Habib GOKP Islamic Pension Fund - Money Market Sub Fund	50.27%	79,316	331	1,137	919	919
AL Habib GOKP Pension Fund - Money Market Sub Fund	41.27%	99,359	130	1,892	1,662	1,662
AL Habib Sovereign Income Fund Plan 2	3.03%	2,497,955	15,055	56,764	55,875	55,875
AL Habib Sovereign Income Fund Plan 3	91.23%	119,020	199	2,883	2,841	2,841

9.6.1 All of the above associate funds are incorporated in Pakistan and are managed by AL Habib Asset Management Limited (the subsidiary company).

9.6.2 The above information is based on financial statements as on 31 March 2026.

10. ADVANCES

	Performing		Non-Performing		Total	
	(Un-audited) 31 March 2026	(Audited) 31 December 2025	(Un-audited) 31 March 2026	(Audited) 31 December 2025	(Un-audited) 31 March 2026	(Audited) 31 December 2025
			(Rupees in '000)			
Loans, cash credits, running finances, etc.	**610,741,441**	590,545,117	**34,103,430**	34,009,817	**644,844,871**	624,554,934
Islamic financing and related assets	**166,991,816**	153,585,947	**1,640,613**	1,385,692	**168,632,429**	154,971,639
Bills discounted and purchased	**59,000,451**	58,984,097	**388,007**	389,355	**59,388,458**	59,373,452
Advances - gross	**836,733,708**	803,115,161	**36,132,050**	35,784,864	**872,865,758**	838,900,025
Less: credit loss allowance						
- Stage 1	**7,827,490**	7,415,134	**–**	–	**7,827,490**	7,415,134
- Stage 2	**7,123,105**	6,947,822	**–**	–	**7,123,105**	6,947,822
- Stage 3	**–**	–	**33,795,037**	33,046,205	**33,795,037**	33,046,205
	14,950,595	14,362,956	**33,795,037**	33,046,205	**48,745,632**	47,409,161
Advances - net of credit loss allowance	**821,783,113**	788,752,205	**2,337,013**	2,738,659	**824,120,126**	791,490,864

		(Un-audited) 31 March 2026	(Audited) 31 December 2025
		(Rupees in '000)	
10.1	**Particulars of advances (Gross)**		
	In local currency	**751,346,229**	719,183,150
	In foreign currencies	**121,519,529**	119,716,875
		872,865,758	838,900,025

10.2 Advances include Rs. 36,132.050 million (31 December 2025: Rs. 35,784.864 million) which have been placed under non-performing status as detailed below:

Category of classification - Stage 3	31 March 2026 (Un-audited)		31 December 2025 (Audited)	
	Non performing loans	Credit loss allowance	Non performing loans	Credit loss allowance
	(Rupees in '000)			
Domestic				
Other assets especially mentioned (OAEM)	**440,291**	**281,804**	259,898	177,151
Substandard	**1,988,344**	**1,499,702**	2,932,248	2,204,657
Doubtful	**2,560,306**	**1,930,822**	3,361,018	2,488,492
Loss	**25,795,998**	**24,735,598**	23,866,013	22,810,218
	30,784,939	**28,447,926**	30,419,177	27,680,518
Overseas				
Loss	**5,347,111**	**5,347,111**	5,365,687	5,365,687
Total	**36,132,050**	**33,795,037**	35,784,864	33,046,205

10.3 Particulars of credit loss allowance against advances

	31 March 2026 (Un-audited)				31 December 2025 (Audited)			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)							
Opening balance	**7,415,134**	**6,947,822**	**33,046,205**	**47,409,161**	7,170,325	8,468,402	32,823,742	48,462,469
Charge / (reversal):								
Charge for the period / year	**4,619,696**	**3,907,846**	**1,272,244**	**9,799,786**	6,413,787	5,531,471	5,653,822	17,599,080
Reversal for the period / year	**(4,206,902)**	**(3,732,563)**	**(503,421)**	**(8,442,886)**	(6,176,683)	(7,055,854)	(3,278,707)	(16,511,244)
	412,794	**175,283**	**768,823**	**1,356,900**	237,104	(1,524,383)	2,375,115	1,087,836
Amounts written off	**–**	**–**	**–**	**–**	–	–	(64,492)	(64,492)
Amounts charged off	**–**	**–**	**–**	**–**	–	–	(2,136,310)	(2,136,310)
Foreign exchange adjustments	**(438)**	**–**	**(19,991)**	**(20,429)**	7,705	3,803	48,150	59,658
Closing balance	**7,827,490**	**7,123,105**	**33,795,037**	**48,745,632**	7,415,134	6,947,822	33,046,205	47,409,161

10.4 Advances - credit loss allowance

	31 March 2026 (Un-audited)				31 December 2025 (Audited)			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)							
Opening balance	**7,415,134**	**6,947,822**	**33,046,205**	**47,409,161**	7,170,325	8,468,402	32,823,742	48,462,469
New advances / additional charge	**3,515,564**	**2,669,851**	**347,840**	**6,533,255**	4,530,994	3,896,177	2,004,692	10,431,863
Advances derecognised / repaid / reversal	**(2,755,540)**	**(2,090,693)**	**(307,220)**	**(5,153,453)**	(3,545,305)	(4,231,967)	(2,148,965)	(9,926,237)
Transfer to Stage 1	**440,846**	**(440,846)**	**–**	**–**	1,275,754	(1,246,047)	(29,707)	–
Transfer to Stage 2	**(136,917)**	**167,188**	**(30,271)**	**–**	(266,995)	388,062	(121,067)	–
Transfer to Stage 3	**(1,217)**	**(42,204)**	**43,421**	**–**	(40,387)	(378,872)	419,259	–
	1,062,736	**263,296**	**53,770**	**1,379,802**	1,954,061	(1,572,647)	124,212	505,626
Amounts written off	**–**	**–**	**–**	**–**	–	–	(64,492)	(64,492)
Amounts charged off	**–**	**–**	**–**	**–**	–	–	(2,136,310)	(2,136,310)
Changes in risk parameters	**(649,942)**	**(88,013)**	**715,053**	**(22,902)**	(1,716,957)	48,264	2,250,903	582,210
Foreign exchange adjustments	**(438)**	**–**	**(19,991)**	**(20,429)**	7,705	3,803	48,150	59,658
Closing balance	**7,827,490**	**7,123,105**	**33,795,037**	**48,745,632**	7,415,134	6,947,822	33,046,205	47,409,161

			31 March 2026 (Un-audited)		31 December 2025 (Audited)	
			Outstanding amount	**Credit loss allowance**	Outstanding amount	Credit loss allowance
			(Rupees in '000)			
10.5	**Advances - category of classification**					
	Domestic					
	Performing	Stage 1	**701,269,858**	**7,719,201**	666,771,393	7,298,564
	Under-performing	Stage 2	**101,287,475**	**7,123,105**	104,829,666	6,937,251
	Non-performing					
	Other assets especially mentioned (OAEM)	Stage 3	**440,291**	**281,804**	259,898	177,151
	Substandard	Stage 3	**1,988,344**	**1,499,702**	2,932,248	2,204,657
	Doubtful	Stage 3	**2,560,306**	**1,930,822**	3,361,018	2,488,492
	Loss	Stage 3	**25,795,998**	**24,735,598**	23,866,013	22,810,218
			833,342,272	**43,290,232**	802,020,236	41,916,333
	Overseas					
	Performing	Stage 1	**34,176,375**	**108,289**	30,856,427	116,570
	Under-performing	Stage 2	**–**	**–**	657,675	10,571
	Non-performing - loss	Stage 3	**5,347,111**	**5,347,111**	5,365,687	5,365,687
			39,523,486	**5,455,400**	36,879,789	5,492,828
	Total		**872,865,758**	**48,745,632**	838,900,025	47,409,161

10.6 Charged-off non performing loans

In compliance with SBP's BPRD Circular No. 02 of 2024 dated 22 July 2024, the Bank has charged off certain fully provisioned non-performing loans. Such charged-offs do not constitute any financial relief to the borrowers, and the Bank's rights to recover the outstanding amounts remain fully intact. The details of these charged-off loans are presented below:

	Note	**(Un-audited) 31 March 2026**	(Audited) 31 December 2025
		(Rupees in '000)	
Opening balance of charge-offs		**2,136,310**	–
Charged-off during the period / year		**–**	2,153,321
Recoveries made during the period / year		**–**	(20,162)
Foreign exchange adjustments		**(6,627)**	3,151
Closing balance of charge-offs		**2,129,683**	2,136,310
Number of borrowers		**3**	3

11. PROPERTY AND EQUIPMENT

Capital work-in-progress	11.1	**6,045,252**	5,753,282
Property and equipment		**77,143,402**	76,957,953
		83,188,654	82,711,235

		(Un-audited) 31 March 2026	(Audited) 31 December 2025
		(Rupees in '000)	
11.1	**Capital work-in-progress**		
	Civil works	**2,967,510**	2,817,161
	Advance payment for purchase of equipments	**511,545**	406,091
	Advance payment towards suppliers, contractors and property	**2,509,731**	2,474,531
	Consultants' fee and other charges	**56,466**	55,499
		6,045,252	5,753,282

		(Un-audited) Three months period ended	
		31 March 2026	31 March 2025
		(Rupees in '000)	
11.2	**Additions to property and equipment**		
	The following additions have been made to property and equipment during the period:		
	Capital work-in-progress	**2,272,443**	2,687,631
	Property and equipment		
	Leasehold land	**47,858**	9,550
	Buildings on leasehold land	**242,964**	69,820
	Furniture and fixture	**140,953**	239,557
	Electrical, office and computer equipment	**975,586**	2,994,048
	Vehicles	**486,107**	517,081
	Improvements to leasehold buildings	**466,947**	270,338
		2,360,415	4,100,394
	Total	**4,632,858**	6,788,025
11.3	**Disposal of property and equipment**		
	The net book value of property and equipment disposed off during the period is as follows:		
	Furniture and fixture	**1,634**	979
	Electrical, office and computer equipment	**548**	1,028
	Vehicles	**3,678**	2,910
	Improvements to leasehold buildings	**–**	3,357
	Total	**5,860**	8,274

		Note	(Un-audited) 31 March 2026	(Audited) 31 December 2025
			(Rupees in '000)	
12.	**RIGHT-OF-USE ASSETS**			
	Buildings	12.1	**18,589,964**	16,866,928
	Vehicles	12.2	**1,085**	2,171
			18,591,049	16,869,099
12.1	**Buildings**			
	At 01 January,			
	Cost		**26,282,115**	21,557,775
	Accumulated depreciation		**(9,415,187)**	(7,833,066)
	Net carrying amount		**16,866,928**	13,724,709
	Additions during the period / year		**2,561,374**	6,313,249
	Deletions during the period / year		**(24,399)**	(277,059)
	Depreciation charge for the period / year		**(820,469**)	(2,923,146)
	Foreign exchange adjustments		**(180)**	167
	Other adjustments / transfers		**6,710**	29,008
	Net carrying amount at end of the period / year		**18,589,964**	16,866,928
12.2	**Vehicles**			
	At 01 January,			
	Cost		**21,710**	21,710
	Accumulated depreciation		**(19,539)**	(15,197)
	Net carrying amount		**2,171**	6,513
	Depreciation charge for the period / year		**(1,086**)	(4,342)
	Net carrying amount at end of the period / year		**1,085**	2,171
13.	**INTANGIBLE ASSETS**			
	Computer software		**46,605**	83,773
	TRE certificates		**2,500**	2,500
	Management rights		**80,670**	80,670
			129,775	166,943

		(Un-audited) Three months period ended	
		31 March 2026	31 March 2025
		(Rupees in '000)	
13.1	**Additions to intangible assets**		
	Computer software - directly purchased	**–**	360

	Note	(Un-audited) 31 March 2026	(Audited) 31 December 2025
		(Rupees in '000)	
14. DEFERRED TAX ASSETS / (LIABILITIES)			
Deductible temporary differences on			
Credit loss allowance against diminution in the value of investments		**1,954,427**	2,172,895
Credit loss allowance against loans and advances, off-balance sheet, etc.		**12,476,633**	12,772,856
Deficit on revaluation of FVOCI investments		**3,537,857**	–
Unrealised net loss on fair value of refinancing		**393,150**	559,790
Deficit on revaluation of securities classified as FVPL		**436,413**	164,780
Right-of-use assets		**8,055,875**	7,674,868
Workers' welfare fund		**4,584,817**	4,413,405
Others		**50,535**	–
		31,489,707	27,758,594
Taxable temporary differences on			
Accelerated tax depreciation		**(2,990,452)**	(3,313,287)
Surplus on revaluation of FVOCI investments		**–**	(14,961,073)
Surplus on revaluation of property and equipment		**(6,100,117)**	(6,157,249)
Surplus on revaluation of non-banking assets		**(98,300)**	(98,335)
Lease liabilities		**(4,910,642)**	(4,676,646)
Others		**–**	(66,396)
		(14,099,511)	(29,272,986)
		17,390,196	(1,514,392)
15. OTHER ASSETS			
Income / mark-up accrued in local currency - net		**85,690,082**	57,188,588
Income / mark-up accrued in foreign currencies - net		**1,139,061**	895,470
Advances, deposits, advance rent and other prepayments		**16,467,274**	15,941,362
Advance taxation		**23,777,385**	22,613,202
Non-banking assets acquired in satisfaction of claims		**3,847,529**	3,847,614
Mark to market gain on forward foreign exchange contracts		**573,898**	905,333
Acceptances		**40,120,341**	41,733,362
Stationery and stamps on hand		**1,549,201**	1,647,545
Receivable against home remittance		**11,216,581**	10,701,413
Branch adjustment account		**1,339,361**	6,221,325
Others		**2,333,019**	3,211,263
		188,053,732	164,906,477
Less: credit loss allowance / provision against other assets	15.1	**(255,339)**	(319,919)
Other Assets - (net of credit loss allowance / provision)		**187,798,393**	164,586,558
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		**320,286**	320,353
Other Assets - total		**188,118,679**	164,906,911

		Note	(Un-audited) 31 March 2026	(Audited) 31 December 2025
			(Rupees in '000)	
15.1	**Credit loss allowance / provision against other assets**			
	Mark-up accrued		**245,912**	296,098
	Modification		**–**	14,431
	Others - receivable against consumer loans		**9,427**	9,390
		15.1.1	**255,339**	319,919
15.1.1	**Movement in credit loss allowance / provision against other assets**			
	Opening balance		**319,919**	580,371
	Foreign exchange adjustments		**2**	37
	Charge / (reversal):			
	ECL charge for the period / year		**131,500**	236,575
	ECL reversal for the period / year		**(181,688)**	(506,516)
	Modification charge		**–**	14,431
	Charge for the period / year		**504**	3,468
	Reversal for the period / year		**(467)**	(2,003)
			(50,151)	(254,045)
	Modification reversal		**(14,431)**	(6,444)
	Closing balance		**255,339**	319,919

16. CONTINGENT ASSETS

There were no contingent assets of the Group as at 31 March 2026 (31 December 2025: Nil).

		(Un-audited) 31 March 2026	(Audited) 31 December 2025
		(Rupees in '000)	
17.	**BILLS PAYABLE**		
	In Pakistan	**44,559,951**	59,749,478

	(Un-audited) 31 March 2026	(Audited) 31 December 2025
	(Rupees in '000)	
18. BORROWINGS		
Secured		
Borrowings from the State Bank of Pakistan under:		
Export refinance scheme	**43,805,065**	52,594,474
Renewable energy	**14,444,847**	15,086,050
Long term financing for imported and locally manufactured plant and machinery	**18,661,634**	19,931,484
Modernisation of small and medium enterprises	**1,050,679**	1,143,308
Women entrepreneurship	**104,371**	127,457
Financing facility for storage of agricultural produce	**816,591**	578,558
Temporary economic refinance facility	**20,539,622**	21,779,323
Refinance facility for combating COVID-19	**42,467**	55,558
Repurchase agreement borrowings	**342,275,033**	120,111,600
	441,740,309	231,407,812
Repurchase agreement borrowings	–	43,000,000
Borrowings from financial institutions	**14,655,548**	14,044,333
Total secured	**456,395,857**	288,452,145
Unsecured		
Overdrawn nostro accounts	**1,009,945**	1,846,857
	457,405,802	290,299,002

19. DEPOSITS AND OTHER ACCOUNTS

	31 March 2026 (Un-audited)			31 December 2025 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	(Rupees in '000)					
Customers						
Current deposits	**939,527,216**	**58,592,242**	**998,119,458**	826,582,359	58,898,969	885,481,328
Savings deposits	**1,041,102,441**	**50,831,315**	**1,091,933,756**	963,196,380	51,000,729	1,014,197,109
Term deposits	**214,132,676**	**68,957,108**	**283,089,784**	192,437,159	69,023,162	261,460,321
Current deposits - remunerative	**334,816,835**	**6,911,795**	**341,728,630**	301,441,838	6,035,937	307,477,775
Others	**18,493,063**	**14,811,140**	**33,304,203**	20,448,737	14,894,784	35,343,521
	2,548,072,231	**200,103,600**	**2,748,175,831**	2,304,106,473	199,853,581	2,503,960,054
Financial institutions						
Current deposits	**8,914,933**	**487,165**	**9,402,098**	12,953,168	842,116	13,795,284
Savings deposits	**2,158,865**	**–**	**2,158,865**	10,545,918	–	10,545,918
Term deposits	**1,364,502**	**531,787**	**1,896,289**	1,340,000	540,638	1,880,638
Current deposits - remunerative	**32,487,262**	**1,547,996**	**34,035,258**	66,545,031	1,221,903	67,766,934
Others	**48,320**	**–**	**48,320**	48,320	–	48,320
	44,973,882	**2,566,948**	**47,540,830**	91,432,437	2,604,657	94,037,094
	2,593,046,113	**202,670,548**	**2,795,716,661**	2,395,538,910	202,458,238	2,597,997,148

	(Un-audited) 31 March 2026	(Audited) 31 December 2025
	(Rupees in '000)	
20. LEASE LIABILITIES		
Opening balance	**20,889,071**	16,897,021
Additions during the period / year	**2,561,375**	6,313,249
Lease payments including interest	**(1,489,724)**	(4,605,832)
Finance charges on lease liabilities	**747,433**	2,650,409
Deletions during the period / year	**(31,122)**	(394,963)
Foreign exchange adjustments	**(181)**	179
Other adjustment	**6,710**	29,008
Closing balance	**22,683,562**	20,889,071
20.1 Contractual maturity of lease liabilities		
Short-term lease liabilities - within one year	**1,579,371**	1,545,238
Long-term lease liabilities		
- 1 to 5 years	**8,248,980**	7,900,228
- 5 to 10 years	**9,606,676**	8,781,919
- More than 10 years	**3,248,535**	2,661,686
	21,104,191	19,343,833
Total	**22,683,562**	20,889,071

20.2 This carries average effective rate upto 13.67% (31 December 2025: 13.70%) per annum.

	Note	(Un-audited) 31 March 2026	(Audited) 31 December 2025
		(Rupees in '000)	
21. SUBORDINATED DEBT - Unsecured			
Term Finance Certificates (TFCs) - VI	21.1	**6,983,229**	7,000,000
Term Finance Certificates (TFCs) - VIII	21.2	**4,983,189**	4,992,000
Term Finance Certificates (TFCs) - IX	21.3	**7,000,000**	7,000,000
Term Finance Certificates (TFCs) - X	21.4	**6,991,600**	6,991,600
		25,958,018	25,983,600

21.1 Term Finance Certificates - VI

Issue amount	Rupees 7,000 million
Issue date	December 2017
Maturity date	Perpetual
Rating	**AA+**
Profit payment frequency	semi-annually
Redemption	No fixed or final redemption date.
Mark-up	Payable six monthly at six months KIBOR (ask side) plus 1.50% without any floor or cap. The issuer will have full discretion over the amount and timing of profit distribution and waiver of any profit distribution or other payment will not constitute an event of default.
Call option	On or after five years with prior SBP approval. As per SBP's requirement, the Bank shall not exercise call option unless the called instrument is replaced with capital of same or better quality.
Lock-in-clause	No profit may be paid if such payment will result in shortfall (or increase the shortfall) in the Bank's Minimum Capital Requirement ("MCR"), Leverage Ratio ("LR") or Capital Adequacy Ratio ("CAR").
Loss absorbency clause	The instrument will be subject to loss absorption and / or any other requirements under SBP's Basel III Capital Rules. Upon the occurrence of a point of non-viability event as defined by SBP's Basel III Capital Rules, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank (subject to a cap) at a price equivalent to the market value of shares of the Bank on the date of trigger, and / or have them immediately written off (either partially or in full).

21.2 Term Finance Certificates - VIII

Issue amount	Rupees 5,000 million
Issue date	September 2021
Maturity date	September 2031
Rating	**AAA**
Profit payment frequency	semi-annually
Redemption	6th - 108th month: 0.02% per each semi-annual period; 114th and 120th month: 49.82% each.
Mark-up	6 - Months KIBOR (ask side) + 0.75% per annum.
Call option	On or after five years with prior SBP approval.
Lock-in-clause	Neither profit nor principal may be paid if such payments will result in shortfall (or increase the shortfall) in the Bank's Minimum Capital Requirement ("MCR"), Leverage Ratio ("LR") or Capital Adequacy Ratio ("CAR").
Loss absorbency clause	The instrument will be subject to loss absorption and / or any other requirements under SBP's Basel III Capital Rules. Upon the occurrence of a point of non-viability event as defined by SBP's Basel III Capital Rules, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank (subject to a cap) at a price equivalent to the market value of shares of the Bank on the date of trigger, and / or have them immediately written off (either partially or in full).

21.3 Term Finance Certificates - IX

Issue amount	Rupees 7,000 million
Issue date	April 2022
Maturity date	Perpetual
Rating	**AA+**
Profit payment frequency	semi-annually
Redemption	No fixed or final redemption date.
Mark-up	Payable six monthly at six months KIBOR (ask side) plus 1.65% without any floor or cap. The issuer will have full discretion over the amount and timing of profit distribution and waiver of any profit distribution or other payment will not constitute an event of default.
Call option	On or after five years with prior SBP approval. As per SBP's requirement, the Bank shall not exercise call option unless the called instrument is replaced with capital of same or better quality.
Lock-in-clause	No profit may be paid if such payment will result in shortfall (or increase the shortfall) in the Bank's Minimum Capital Requirement ("MCR"), Leverage Ratio ("LR") or Capital Adequacy Ratio ("CAR").
Loss absorbency clause	The instrument will be subject to loss absorption and / or any other requirements under SBP's Basel III Capital Rules. Upon the occurrence of a point of non-viability event as defined by SBP's Basel III Capital Rules, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank (subject to a cap) at a price equivalent to the market value of shares of the Bank on the date of trigger, and / or have them immediately written off (either partially or in full).

21.4 Term Finance Certificates - X

Issue amount	Rupees 7,000 million
Issue date	December 2022
Maturity date	December 2032
Rating	**AAA**
Profit payment frequency	semi-annually
Redemption	6th - 108th month: 0.02% per each semi-annual period; 114th and 120th month: 49.82% each.
Mark-up	6 - Months KIBOR (ask side) + 1.35% per annum.
Call option	On or after five years with prior SBP approval.
Lock-in-clause	Neither profit nor principal may be paid if such payments will result in shortfall (or increase the shortfall) in the Bank's Minimum Capital Requirement ("MCR"), Leverage Ratio ("LR") or Capital Adequacy Ratio ("CAR").
Loss absorbency clause	The instrument will be subject to loss absorption and / or any other requirements under SBP's Basel III Capital Rules. Upon the occurrence of a point of non-viability event as defined by SBP's Basel III Capital Rules, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank (subject to a cap) at a price equivalent to the market value of shares of the Bank on the date of trigger, and / or have them immediately written off (either partially or in full).

	Note	(Un-audited) 31 March 2026	(Audited) 31 December 2025
		(Rupees in '000)	
22. OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		**7,898,990**	5,564,062
Mark-up / return / interest payable in foreign currencies		**913,101**	939,066
Unearned commission income		**3,932,254**	3,801,833
Accrued expenses		**4,179,661**	4,690,295
Acceptances		**40,120,341**	41,733,362
Unclaimed / dividend payable		**1,477,191**	1,371,065
Mark to market loss on forward foreign exchange contracts		**1,364,381**	1,294,874
Payable to defined benefit plan		**4,074,729**	3,631,177
Charity payable		**109,979**	112,228
Credit loss allowance against off-balance sheet obligations	22.1	**4,893,071**	4,756,981
Security deposits against leases / ijarah		**20,508,905**	18,543,826
Provision for compensated absences		**2,807,145**	2,638,376
Other security deposits		**1,086,142**	1,062,926
Workers' welfare fund		**8,837,115**	8,505,080
Payable to SBP / NBP		**7,282,478**	3,403,149
Insurance payable		**756,221**	651,987
Payable against purchase of marketable securities on behalf of customers		**469,324**	1,377,675
ATM switch, clearing and settlement account		**14,837,334**	28,831,290
Others		**3,435,872**	3,815,554
		128,984,234	136,724,806
22.1 Credit loss allowance against off-balance sheet obligations			
Opening balance		**4,756,981**	4,742,981
Charge / (reversal):			
Charge for the period / year		**1,882,270**	2,697,591
Reversal for the period / year		**(1,746,310)**	(2,684,972)
		135,960	12,619
Foreign exchange adjustments		**130**	1,381
Closing balance		**4,893,071**	4,756,981
23. SURPLUS ON REVALUATION OF ASSETS			
Surplus / (deficit) on revaluation of:			
- Securities measured at FVOCI - debt	23.1.1	**(11,034,071)**	23,973,995
- Securities measured at FVOCI - equity	23.1.2	**4,253,639**	4,843,339
- Property and equipment		**21,599,755**	21,709,624
- Non-banking assets acquired in satisfaction of claims		**320,286**	320,353
		15,139,609	50,847,311
Deferred tax on surplus / (deficit) on revaluation of:			
- Securities measured at FVOCI - debt	23.1.1	**(5,737,618)**	12,465,922
- Securities measured at FVOCI - equity	23.1.2	**2,199,761**	2,495,151
- Property and equipment		**6,170,494**	6,227,626
- Non-banking assets acquired in satisfaction of claims		**98,300**	98,335
		2,730,937	21,287,034
		12,408,672	29,560,277

	Note	(Un-audited) 31 March 2026	(Audited) 31 December 2025
		(Rupees in '000)	
23.1 Investments			
23.1.1 Securities measured at FVOCI - debt		**(11,034,166)**	23,974,529
Non-controlling interest - loss / (gain)		**95**	(534)
		(11,034,071)	23,973,995
Less: related deferred tax		**(5,737,618)**	12,465,922
		(5,296,453)	11,508,073
23.1.2 Securities measured at FVOCI - equity		**4,265,310**	4,865,833
Non-controlling interest - gain		**(11,671)**	(22,494)
		4,253,639	4,843,339
Less: related deferred tax		**2,199,761**	2,495,151
		2,053,878	2,348,188
24. NON-CONTROLLING INTEREST			
Opening balance		**193,149**	155,523
Profit attributable to non-controlling interest		**7,445**	24,672
(Loss) / profit on equity attributable to non-controlling interest - debt		**(629)**	3,865
(Loss) / profit on equity attributable to non-controlling interest - equity		**(10,823)**	9,089
Closing balance		**189,142**	193,149
25. CONTINGENCIES AND COMMITMENTS			
Guarantees	25.1	**294,590,546**	276,837,359
Commitments	25.2	**598,650,551**	568,900,717
Other contingent liabilities	25.3.1	**4,234,187**	4,396,720
		897,475,284	850,134,796
25.1 Guarantees:			
Financial guarantees		**41,190,152**	38,127,822
Performance guarantees		**253,400,394**	238,709,537
		294,590,546	276,837,359
25.2 Commitments:			
Documentary credits and short-term trade-related transactions: - letters of credit		**338,181,613**	320,900,787
Commitments in respect of:			
- forward foreign exchange contracts	25.2.1	**229,470,684**	218,501,551
- forward lending	25.2.2	**27,703,299**	26,364,468
Commitments for acquisition of:			
- operating property and equipment		**3,294,955**	3,133,911
		598,650,551	568,900,717

	(Un-audited) 31 March 2026	(Audited) 31 December 2025
	(Rupees in '000)	
25.2.1 Commitments in respect of forward foreign exchange contracts		
Purchase	**146,280,269**	147,981,083
Sale	**83,190,415**	70,520,468
	229,470,684	218,501,551

The maturities of above contracts are spread over the periods upto one year.

25.2.2 Commitments in respect of forward lending	**27,703,299**	26,364,468

These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Group without the risk of incurring significant penalty or expense.

	(Un-audited) 31 March 2026	(Audited) 31 December 2025
	(Rupees in '000)	
25.3 Other contingent liabilities		
25.3.1 Claims against the Bank not acknowledged as debts	**4,234,187**	4,396,720

25.3.2 Tax related contingent liabilities

There is no material change in Bank's tax contingencies as disclosed in note 25.3.2 to the annual financial statements for the year ended 31 December 2025, except for following:

- For Tax Years 2020 (Accounting Year 2019), Appellate Tribunal Inland Revenue (ATIR) has finalised the order in favour of the Bank.

- For Tax Year 2025 (Accounting Year 2024), Additional Commissioner Inland Revenue (ACIR) has finalised the order by disallowing certain expenses resulting in an impact of Rs. 2,314.231 million. The Bank has filed an appeal before Appellate Tribunal Inland Revenue against the above mentioned order.

The management, based on the opinion of its tax advisor, is confident about the favourable outcome of the above matters.

26. DERIVATIVE INSTRUMENTS

26.1 Product analysis

Counter parties	31 March 2026 (Un-audited)					
	Contracts		Swap		Total	
	Notional principal	Mark to market gain / (loss)	Notional principal	Mark to market gain / (loss)	Notional principal	Mark to market gain / (loss)
	(Rupees in '000)					
Banks						
Hedging	**12,462,581**	**35,174**	**99,834,305**	**82,806**	**112,296,886**	**117,980**
Other Entities						
Hedging	**117,173,798**	**(908,463)**	**–**	**–**	**117,173,798**	**(908,463)**
Total						
Hedging	**129,636,379**	**(873,289)**	**99,834,305**	**82,806**	**229,470,684**	**(790,483)**

Counter parties	31 December 2025 (Audited)					
	Contracts		Swap		Total	
	Notional principal	Mark to market gain / (loss)	Notional principal	Mark to market gain / (loss)	Notional principal	Mark to market gain / (loss)
	(Rupees in '000)					
Banks						
Hedging	12,833,812	36,472	80,066,226	541,920	92,900,038	578,392
Other Entities						
Hedging	125,601,513	(967,933)	–	–	125,601,513	(967,933)
Total						
Hedging	138,435,325	(931,461)	80,066,226	541,920	218,501,551	(389,541)

26.2 Maturity analysis

	31 March 2026 (Un-audited)				
	Number of contracts	**Notional principal**	**Mark to market**		
			Negative	**Positive**	**Net**
			(Rupees in '000)		
Upto 1 month	**355**	**93,705,483**	**(373,433)**	**280,008**	**(93,425)**
1 to 3 months	**734**	**65,484,748**	**(647,615)**	**149,371**	**(498,244)**
3 to 6 months	**770**	**58,350,341**	**(327,128)**	**88,329**	**(238,799)**
Over 6 months to 1 year	**103**	**11,930,112**	**(16,205)**	**56,190**	**39,985**
	1,962	**229,470,684**	**(1,364,381)**	**573,898**	**(790,483)**

	31 December 2025 (Audited)				
	Number of contracts	Notional principal	Mark to market		
			Negative	Positive	Net
			(Rupees in '000)		
Upto 1 month	401	67,258,506	(324,252)	223,624	(100,628)
1 to 3 months	766	77,853,398	(660,555)	434,490	(226,065)
3 to 6 months	829	58,737,510	(296,826)	142,319	(154,507)
Over 6 months to 1 year	104	14,652,137	(13,241)	104,900	91,659
	2,100	218,501,551	(1,294,874)	905,333	(389,541)

	(Un-audited)	
	Three months period ended	
	31 March 2026	31 March 2025
	(Rupees in '000)	

27. MARK-UP / RETURN / INTEREST EARNED

Loans and advances	**19,689,404**	25,818,335
Investments	**62,423,528**	66,840,786
Lendings to financial institutions	**183,941**	112,669
Deposits with financial institutions	**141,368**	130,396
Securities purchased under resale agreements	**143,594**	68,322
	82,581,835	92,970,508

27.1 Interest income recognised on:

Financial assets measured at:		
- Amortised Cost	**16,200,348**	15,789,921
- FVOCI	**48,079,644**	52,912,386
- FVPL	**15,866**	40,635
- Cost	**18,285,977**	24,227,566
	82,581,835	92,970,508

	Note	(Un-audited) Three months period ended 31 March 2026	31 March 2025
		(Rupees in '000)	
28. MARK-UP / RETURN / INTEREST EXPENSED			
Deposits		**36,054,379**	38,547,618
Borrowings		**922,671**	1,914,598
Subordinated debt		**786,440**	931,003
Cost of foreign currency swaps against deposits / borrowings		**1,502,894**	986,811
Repurchase agreement borrowings		**9,931,085**	16,330,105
Finance charges on lease liabilities		**747,433**	615,453
		49,944,902	59,325,588
29. FEE AND COMMISSION INCOME			
Branch banking customer fees		**786,199**	699,468
Investment banking fees		**43,435**	16,678
Consumer finance related fees		**21,320**	16,049
Card related fees (debit and credit cards)		**1,893,581**	1,527,642
Credit related fees		**92,499**	76,887
Commission on trade		**1,770,995**	1,825,160
Commission on guarantees		**336,353**	280,656
Commission on cash management		**59,034**	66,049
Commission on home remittances		**9,104**	939,476
Management fee		**529,524**	550,660
Others		**183,749**	61,161
		5,725,793	6,059,886
30. LOSS ON SECURITIES - NET			
Realised (loss) / gain	30.1	**(83,088)**	22,320
Unrealised loss - measured at FVPL	9.1	**(839,255)**	(266,775)
		(922,343)	(244,455)
30.1 Realised (loss) / gain on:			
Federal Government Securities		**1,140**	22,320
Units of Mutual Funds		**(85,277)**	–
Shares		**1,049**	–
		(83,088)	22,320
30.2 Net (loss) / gain on financial assets measured:			
Net loss on investments in securities mandatorily measured at FVPL		**(923,483)**	(266,775)
Net gain on financial assets measured at FVOCI		**1,140**	22,320
		(922,343)	(244,455)
31. OTHER INCOME			
Gain on sale of property and equipment - net		**215,781**	309,564
Gain on termination of leases - net		**6,725**	28,801
		222,506	338,365

		(Un-audited) Three months period ended	
		31 March 2026	31 March 2025
		(Rupees in '000)	
32.	**OPERATING EXPENSES**		
	Total compensation expenses	**11,365,139**	10,469,187
	Property expenses		
	Rent and taxes	**88,061**	55,535
	Insurance	**5,410**	672
	Utilities cost	**820,293**	620,376
	Security (including guards)	**790,419**	671,029
	Repair and maintenance (including janitorial charges)	**251,802**	222,875
	Depreciation	**515,453**	464,781
	Depreciation on non-banking assets acquired in satisfaction of claims	**152**	152
	Depreciation on right-of-use assets	**821,555**	674,135
		3,293,145	2,709,555
	Information technology expenses		
	Software maintenance	**1,470,214**	804,324
	Hardware maintenance	**258,427**	218,953
	Depreciation	**562,045**	443,638
	Amortisation	**37,166**	26,864
	Network charges	**104,478**	147,063
		2,432,330	1,640,842
	Other operating expenses		
	Directors' fees and allowances	**19,580**	12,305
	Fees and allowances to shariah board	**13,426**	10,756
	Insurance	**236,498**	232,576
	Legal and professional charges	**166,242**	111,886
	Outsourced services costs	**994,918**	938,402
	Travelling and conveyance	**226,139**	178,011
	NIFT and other clearing charges	**108,921**	83,458
	Depreciation	**1,091,609**	903,623
	Repair and maintenance	**717,515**	768,970
	Training and development	**33,331**	44,536
	Postage and courier charges	**129,777**	109,768
	Communication	**736,637**	794,472
	Stationery and printing	**388,444**	607,251
	Marketing, advertisement and publicity	**316,499**	480,527
	Donations	**147,600**	87,400
	Auditors' remuneration	**6,632**	6,314
	Commission and brokerage	**499,711**	543,650
	Entertainment and staff refreshment	**208,676**	204,119
	Vehicle running expenses	**66,895**	54,877
	Subscriptions and publications	**96,265**	85,046
	CNIC verification charges	**96,350**	115,108
	Security charges	**279,952**	268,978
	Others	**321,755**	169,651
		6,903,372	6,811,684
		23,993,986	21,631,268

		Note	(Un-audited) Three months period ended 31 March 2026	31 March 2025
			(Rupees in '000)	
33.	**OTHER CHARGES**			
	Penalties imposed by the State Bank of Pakistan		**3,267**	6,941
34.	**CREDIT LOSS ALLOWANCE AND WRITE-OFFS - NET**			
	(Reversal) / charge against balances with other banks	7.1	**(56,867)**	4,629
	Charge / (reversal) against lendings to financial institutions	8.1	**4,919**	(2,434)
	Reversal against investments	9.2	**(408,373)**	(947,633)
	Charge / (reversal) against loans and advances - net	10.3	**1,356,900**	(252,300)
	Reversal against other assets - net	15.1.1	**(50,151)**	(91,601)
	Charge against off-balance sheet items - net	22.1	**135,960**	132,479
			982,388	(1,156,860)
35.	**TAXATION**			
	Current		**8,412,250**	10,965,802
	Deferred		**(372,006)**	(354,077)
			8,040,244	10,611,725
36.	**BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE HOLDING COMPANY**			
	Profit for the period attributable to shareholders of the Holding Company		**7,267,294**	10,720,557
			(Number)	
	Weighted average number of ordinary shares		**1,111,425,416**	1,111,425,416
			(Rupees)	
	Basic and diluted earnings per share		**6.54**	9.65

37. FAIR VALUE MEASUREMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

37.1 Fair value of financial assets

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).

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

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:

	31 March 2026 (Un-audited)			
	Level 1	**Level 2**	**Level 3**	**Total**
		(Rupees in '000)		
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government Securities	**–**	**1,724,668,594**	**–**	**1,724,668,594**
Shares	**671,443**	**156,163**	**3,788,608**	**4,616,214**
Non Government Debt Securities	**–**	**5,986,612**	**–**	**5,986,612**
Foreign Securities	**–**	**6,319,630**	**–**	**6,319,630**
Units of Mutual Funds	**–**	**4,083,417**	**–**	**4,083,417**
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	**–**	**485,772,014**	**–**	**485,772,014**
Off-balance sheet financial instruments measured at fair value				
Forward purchase of foreign exchange contracts	**–**	**145,030,320**	**–**	**145,030,320**
Forward sale of foreign exchange contracts	**–**	**83,649,881**	**–**	**83,649,881**

	31 December 2025 (Audited)			
	Level 1	Level 2	Level 3	Total
		(Rupees in '000)		
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government Securities	–	1,543,187,914	–	1,543,187,914
Shares	928,462	160,375	4,127,900	5,216,737
Non Government Debt Securities	–	6,639,907	–	6,639,907
Foreign Securities	–	6,488,152	–	6,488,152
Units of Mutual Funds	–	8,627,514	–	8,627,514
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	–	456,472,166	–	456,472,166
Off-balance sheet financial instruments measured at fair value				
Forward purchase of foreign exchange contracts	–	147,047,803	–	147,047,803
Forward sale of foreign exchange contracts	–	71,064,207	–	71,064,207

37.2 Valuation techniques used in determination of fair values

Item	Valuation Approach	Input Used
Federal Government Securities	Federal Government Securities includes Pakistan Investments Bonds (PIBs), Market Treasury Bills (MTBs) and Government Ijarah Sukuks (GISs) at fixed rate and floating rate. The fair value of fixed rates PIBs and MTBs are derived from PKRV and PKFRV rates. The fair value of GISs are revalued using PKISRV rates. Where PKISRV rates are not available for specific sukuks GISs, the average of available PKISRV rates for similar GISs are applied.	- PKRV rates - PKFRV rates - PKISRV rates
Term Finance Certificates (TFCs)	These are valued using the Mutual Funds Association of Pakistan (MUFAP) rate, if available, or the income approach. Future cash flows are estimated based on prevailing KIBOR rates as of the valuation date. These cash flows are then discounted using PKRV rate, adjusted for an instrument-specific credit spread to reflect the individual credit risk associated with each TFC.	- KIBOR - PKRV rates - Term sheets - MUFAP rates
Sukuks	Corporate Sukuks are valued using MUFAP rate, if available, or the income approach. Expected cash flows are projected based on the current KIBOR rate. These cash flows are then discounted using the PKISRV rate, adjusted for credit spreads to reflect the risk profile of each instrument.	- KIBOR - PKISRV rates - Term sheets - MUFAP rates
Foreign Securities	Fair values of investments in foreign securities are valued on the basis of closing quoted market prices available at the Mashreq Bank PSC and Reuters.	- Market price as per Mashreq Bank PSC - Reuters
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 (PSX).	- Fair value as per PSX
Units of Mutual Funds	Fair values of investments in units of mutual funds are determined based on redemption prices disclosed at MUFAP as at the close of the business days.	- Net Assets Value as per MUFAP
Ordinary shares - unlisted	The valuation of unlisted companies varies for each company, as explained below; - Society for Worldwide Interbank Financial Telecommunications (SWIFT) is valued using the market approach. Valuation is based on its latest published share price in euros, converted to PKR using the exchange rate prevailing on the valuation date. - Pakistan Mortgage Refinance Company Limited (PMRC) has been valued based on price-to-book ratio of comparable market data. - 1LINK (Private) Limited have been valued based on discounted cash flows. Future cash flows were projected based on reasonable assumptions aligned with the company's historical performance. The discount rate was derived using the Capital Asset Pricing Model (CAPM), given that the company is currently unlevered. The CAPM inputs included the equity risk premium (ERP), PKRV rates, and the ungeared beta of comparable companies, adjusted for Pakistan's country risk premium (CRP).	- Euro / Pak exchange rate - PKRV rates - Comparable company information - Historical PSX returns - Financials of the investee company

Item	Valuation Approach	Input Used
Forward Foreign Exchange Contracts	The valuation has been determined by interpolating the foreign exchange revaluation rates announced by SBP.	- Foreign exchange revaluation rates announced by SBP.
Property and Equipment - Land and Building	The valuation experts used a market based approach to arrive at the fair value of the Bank's properties. The market approach used prices and other relevant information generated by market transactions involving identical, comparable or similar properties.	- Prices and other relevant information generated by market transactions involving identical, comparable or similar properties.
Non - Banking Assets acquired in Satisfaction of Claims		

37.3 The following table shows reconciliation of investments held at Level 3 fair value movement:

	(Un-audited) 31 March 2026	(Audited) 31 December 2025
	(Rupees in '000)	
Opening balance	**4,127,900**	3,596,078
(Deficit) / surplus recognised in OCI	**(339,292)**	531,822
Closing balance	**3,788,608**	4,127,900

Ordinary shares in unlisted companies	Unobservable Input	Fair Value (Rupees in '000)	Input	Relationship of unobservable inputs to fair value
Pakistan Mortgage Refinance Company Limited	Discounts for lack of marketability (DLOM)	71,337	20%	Increase / (decrease) in DLOM by 1% by all other variables held constant would (decrease) / increase the fair value by Rs. 0.9 m.
1 LINK (Private) Limited	Discounts for lack of marketability (DLOM)	3,717,271	28%	Increase / (decrease) in DLOM by 1% by all other variables held constant would (decrease) / increase the fair value by Rs. 51.6 m.

38. SEGMENT INFORMATION

The segment analysis with respect to business activity is as follows:

	Three months period ended 31 March 2026 (Un-audited)								
	Corporate	Treasury	Retail	Islamic	Overseas	Retail brokerage	Asset management	Currency exchange	Total
	(Rupees in '000)								
Statement of profit and loss account									
Mark-up / return / profit	11,712,165	52,908,947	3,843,544	13,239,639	796,664	21,694	1,636	57,546	82,581,835
Inter segment revenue - net	6,554,392	346,743	32,807,972	–	396,033	–	–	–	40,105,140
Non mark-up / return / interest income	756,762	2,267,088	3,590,571	525,706	128,346	83,472	567,622	70,159	7,989,726
Total income	19,023,319	55,522,778	40,242,087	13,765,345	1,321,043	105,166	569,258	127,705	130,676,701
Segment direct expenses	(17,348,021)	(11,349,111)	(35,616,520)	(8,919,960)	(690,048)	(72,605)	(179,997)	(97,928)	(74,274,190)
Inter segment expense allocation	–	(39,758,397)	–	–	(257,403)	(2,565)	(17,355)	(69,420)	(40,105,140)
Total expenses	(17,348,021)	(51,107,508)	(35,616,520)	(8,919,960)	(947,451)	(75,170)	(197,352)	(167,348)	(114,379,330)
Credit loss allowance and write-offs - net	(961,962)	338	5,099	(455,705)	429,842	–	–	–	(982,388)
Profit / (loss) before tax	713,336	4,415,608	4,630,666	4,389,680	803,434	29,996	371,906	(39,643)	15,314,983

	As at 31 March 2026 (Un-audited)								
	Corporate	Treasury	Retail	Islamic	Overseas	Retail brokerage	Asset management	Currency exchange	Total
	(Rupees in '000)								
Statement of financial position									
Cash and bank balances	65,183,711	88,833,710	19,826,425	29,384,431	240,148	479,806	37,413	1,630,837	205,616,481
Investments	–	1,844,505,890	–	365,884,967	22,239,532	157,326	4,533,496	1,449,283	2,238,770,494
Net inter segment lending	283,248,851	–	1,412,798,868	–	32,186,375	–	–	–	1,728,234,094
Lendings to financial institutions	–	60,885,532	–	–	–	–	–	–	60,885,532
Advances - performing	551,840,729	–	70,964,380	164,909,918	34,068,086	–	–	–	821,783,113
- non-performing - net of credit loss allowance	2,240,776	–	38,169	58,068	–	–	–	–	2,337,013
Others	109,885,523	129,388,011	29,895,044	32,883,623	4,062,092	642,003	469,945	192,112	307,418,353
Total assets	1,012,399,590	2,123,613,143	1,533,522,886	593,121,007	92,796,233	1,279,135	5,040,854	3,272,232	5,365,045,080
Borrowings	82,446,808	355,386,273	–	18,787,805	697,883	87,033	–	–	457,405,802
Subordinated debt	–	25,958,018	–	–	–	–	–	–	25,958,018
Deposits and other accounts	865,243,020	–	1,464,720,004	417,516,491	48,237,146	–	–	–	2,795,716,661
Net inter segment borrowing	–	1,698,314,274	–	–	26,058,961	110,859	750,000	3,000,000	1,728,234,094
Others	38,446,671	11,857,694	65,583,539	75,789,209	3,639,518	624,693	229,559	56,864	196,227,747
Total liabilities	986,136,499	2,091,516,259	1,530,303,543	512,093,505	78,633,508	822,585	979,559	3,056,864	5,203,542,322
Equity	26,263,091	32,096,884	3,219,343	81,027,502	14,162,725	456,550	4,061,295	215,368	161,502,758
Total equity and liabilities	1,012,399,590	2,123,613,143	1,533,522,886	593,121,007	92,796,233	1,279,135	5,040,854	3,272,232	5,365,045,080
Contingencies and commitments	562,396,903	231,063,959	4,408,333	86,608,274	12,997,815	–	–	–	897,475,284

	Three months period ended 31 March 2025 (Un-audited)								
	Corporate	Treasury	Retail	Islamic	Overseas	Retail brokerage	Asset management	Currency exchange	Total
	(Rupees in '000)								
Statement of profit and loss account									
Mark-up / return / profit	15,712,727	56,654,230	6,922,859	12,547,613	1,027,227	28,299	1,128	76,425	92,970,508
Inter segment revenue - net	–	397,891	22,059,010	–	436,825	–	–	–	22,893,726
Non mark-up / return / interest income	1,126,705	10,726	6,054,252	565,448	102,477	50,705	630,333	62,934	8,603,580
Total income	16,839,432	57,062,847	35,036,121	13,113,061	1,566,529	79,004	631,461	139,359	124,467,814
Segment direct expenses	(14,002,739)	(33,997,071)	(23,798,472)	(8,590,696)	(764,597)	(61,956)	(103,871)	(75,854)	(81,395,256)
Inter segment expense allocation	(2,047,201)	(20,448,634)	–	–	(334,540)	(2,318)	(12,207)	(48,826)	(22,893,726)
Total expenses	(16,049,940)	(54,445,705)	(23,798,472)	(8,590,696)	(1,099,137)	(64,274)	(116,078)	(124,680)	(104,288,982)
Credit loss allowance and write-offs - net	48,468	(888)	104	(425,481)	1,534,657	–	–	–	1,156,860
Profit before tax	837,960	2,616,254	11,237,753	4,096,884	2,002,049	14,730	515,383	14,679	21,335,692

	As at 31 December 2025 (Audited)								
	Corporate	Treasury	Retail	Islamic	Overseas	Retail brokerage	Asset management	Currency exchange	Total
	(Rupees in '000)								
Statement of financial position									
Cash and bank balances	66,073,234	85,757,257	16,112,946	27,409,913	220,246	702,412	2,830	1,337,267	197,616,105
Investments	–	1,672,852,295	–	329,585,390	22,765,095	190,685	4,144,270	1,756,702	2,031,294,437
Net inter segment lending	197,510,930	–	1,416,629,585	–	25,477,196	–	–	–	1,639,617,711
Lendings to financial institutions	–	6,456,338	–	17,997,570	–	–	–	–	24,453,908
Advances - performing	544,781,585	–	60,926,055	151,657,603	31,386,962	–	–	–	788,752,205
- non-performing - net of credit loss allowance	2,683,652	–	37,725	17,282	–	–	–	–	2,738,659
Others	88,932,963	114,419,961	22,190,049	29,027,376	7,559,210	1,735,529	629,862	159,238	264,654,188
Total assets	899,982,364	1,879,485,851	1,515,896,360	555,695,134	87,408,709	2,628,626	4,776,962	3,253,207	4,949,127,213
Borrowings	86,576,529	178,964,612	–	24,160,152	–	597,709	–	–	290,299,002
Subordinated debt	–	25,983,600	–	–	–	–	–	–	25,983,600
Deposits and other accounts	732,686,277	–	1,404,805,036	413,425,416	47,080,419	–	–	–	2,597,997,148
Net inter segment borrowing	–	1,616,992,612	–	–	18,768,248	106,851	750,000	3,000,000	1,639,617,711
Others	48,568,845	17,891,976	107,332,234	35,999,763	7,304,184	1,451,494	271,526	57,725	218,877,747
Total liabilities	867,831,651	1,839,832,800	1,512,137,270	473,585,331	73,152,851	2,156,054	1,021,526	3,057,725	4,772,775,208
Equity	32,150,713	39,653,051	3,759,090	82,109,803	14,255,858	472,572	3,755,436	195,482	176,352,005
Total equity and liabilities	899,982,364	1,879,485,851	1,515,896,360	555,695,134	87,408,709	2,628,626	4,776,962	3,253,207	4,949,127,213
Contingencies and commitments	549,252,453	219,429,568	687,622	68,114,936	12,065,324	–	–	584,893	850,134,796

39. RELATED PARTY TRANSACTIONS

Related parties of the Group comprise associates, directors, key management personnel and other related parties.

Transactions with related parties of the Group are carried out on substantially the same terms as for comparable transactions with others. The transactions with employees of the Group are carried out in accordance with the terms of their employment.

Transactions for the period and balances outstanding as at the period / year end with related parties are summarised as follows:

	31 March 2026 (Un-audited)				31 December 2025 (Audited)			
	Directors	Key management personnel	Associates	Other related parties	Directors	Key management personnel	Associates	Other related parties
				(Rupees in '000)				
Investments								
Opening balance	–	–	15,259,800	4,097,713	–	–	7,834,536	811,604
Investment made during the period / year	–	–	9,480,933	–	–	–	23,199,239	–
Investment adjusted / redeemed / disposed off during the period / year	–	–	(15,253,270)	–	–	–	(15,773,975)	(182,690)
(Deficit) / surplus on revaluation	–	–	–	(380,443)	–	–	–	3,438,799
Credit loss allowance	–	–	–	–	–	–	–	30,000
Closing balance	–	–	9,487,463	3,717,270	–	–	15,259,800	4,097,713
Advances								
Opening balance	7,223	453,102	–	1,076,951	1,674	391,567	–	1,109,581
Addition during the period / year	8,400	80,431	–	10,767,394	130,940	605,791	–	42,247,630
Repaid during the period / year	(12,458)	(198,327)	–	(10,295,248)	(125,348)	(544,278)	–	(42,330,680)
Credit loss allowance	6	(51)	–	(28,809)	(43)	22	–	50,420
Closing balance	3,171	335,155	–	1,520,288	7,223	453,102	–	1,076,951
Right-of-use assets	–	–	–	10,630	–	–	–	11,959
Other assets								
Interest / mark-up accrued	–	628	–	14,613	–	517	–	46,017
Credit loss allowance on accrued mark-up	–	1	–	413	–	1	–	721
Remuneration receivable from funds	–	–	359,038	–	–	–	538,814	–
Other receivable	–	–	–	11,436	–	–	–	5,266
Subordinated debt	–	–	–	244,000	–	–	–	244,000
Deposits and other accounts								
Opening balance	473,249	834,169	38,763,597	2,979,643	1,106,745	854,460	11,795,080	15,445,734
Received during the period / year	1,393,411	1,006,836	309,617,923	16,819,131	10,183,847	6,909,437	1,208,186,155	398,533,940
Withdrawn during the period / year	(1,296,835)	(931,152)	(340,673,354)	(15,829,220)	(10,817,343)	(6,929,728)	(1,181,217,638)	(411,000,031)
Closing balance	569,825	909,853	7,708,166	3,969,554	473,249	834,169	38,763,597	2,979,643
Other liabilities								
Interest / mark-up payable	228	5,514	6,394	15,019	10	2,361	71,146	6,377
Credit loss allowance on off-balance sheet	–	–	–	16,804	–	–	–	16,910
Payable to staff gratuity fund	–	–	–	4,074,729	–	–	–	3,631,177
Other liabilities	–	10	–	2	–	33	–	2
Contingencies and commitments	–	–	–	1,195,406	–	–	–	1,195,406
Other transactions - Investor Portfolio Securities								
Opening balance	–	80,000	–	30,407,700	–	–	–	24,182,000
Increased during the period / year	–	–	–	1,383,000	–	80,000	–	12,475,800
Decreased during the period / year	–	–	–	(1,513,700)	–	–	–	(6,250,100)
Closing balance	–	80,000	–	30,277,000	–	80,000	–	30,407,700

39.1 Related Party Transactions

	31 March 2026 (Un-audited)				31 March 2025 (Un-audited)			
	Directors	Key management personnel	Associates	Other related parties	Directors	Key management personnel	Associates	Other related parties
	(Rupees in '000)							
Income								
Mark-up / return / interest earned	**21**	**6,854**	**–**	**16,974**	–	5,723	–	23,937
Fee and commission income	**527**	**272**	**521,342**	**16,323**	13	286	526,394	3,150
Share of profit from associates	**–**	**–**	**629,395**	**–**	–	–	212,182	–
Net gain on sale / redemption of securities / mutual fund	**–**	**–**	**754,147**	**–**	–	–	–	–
Other income	**–**	**8**	**–**	**93**	–	–	–	30
Expense								
Mark-up / return / interest expensed	**5,829**	**14,928**	**324,694**	**83,161**	11,945	19,421	85,917	89,621
Operating expenses	**–**	**–**	**–**	**407,570**	–	–	–	347,498
Salaries and allowances	**–**	**419,414**	**–**	**–**	–	370,695	–	–
Bonus	**–**	**89,138**	**–**	**–**	–	72,906	–	–
Contribution to defined contribution plan	**–**	**15,418**	**–**	**–**	–	11,488	–	–
Contribution to defined benefit plan	**–**	**9,357**	**–**	**–**	–	7,142	–	–
Staff provident fund	**–**	**–**	**–**	**366,300**	–	–	–	310,396
Staff gratuity fund	**–**	**–**	**–**	**443,553**	–	–	–	315,000
Directors' fees	**18,780**	**–**	**–**	**–**	11,805	–	–	–
Donation	**–**	**–**	**–**	**15,000**	–	–	–	–
Insurance premium paid	**–**	**–**	**–**	**134,300**	–	–	–	10,027
Insurance claims settled	**–**	**–**	**–**	**32,965**	–	–	–	36,548
Other								
Sale of government securities	**–**	**–**	**–**	**1,383,000**	–	–	–	11,605,921
Purchase / sale of foreign currencies (cross currency)	**–**	**–**	**1,115**	**–**	–	–	337	–

40. CAPITAL ADEQUACY, LEVERAGE RATIO AND LIQUIDITY REQUIREMENTS

	(Un-audited) 31 March 2026	(Audited) 31 December 2025
	(Rupees in '000)	
Minimum Capital Requirement (MCR):		
Paid-up capital	**11,114,254**	11,114,254
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	**153,222,674**	152,337,889
Eligible Additional Tier 1 (ADT 1) Capital	**13,135,382**	13,105,645
Total Eligible Tier 1 Capital	**166,358,056**	165,443,534
Eligible Tier 2 Capital	**35,141,003**	52,152,954
Total Eligible Capital (Tier 1 + Tier 2)	**201,499,059**	217,596,488
Risk Weighted Assets (RWAs):		
Credit Risk	**917,916,914**	866,136,477
Market Risk	**54,932,258**	71,794,356
Operational Risk	**310,545,399**	310,545,399
Total	**1,283,394,571**	1,248,476,232

	(Un-audited) 31 March 2026	(Audited) 31 December 2025
	(Percentage)	
Common Equity Tier 1 Capital Adequacy Ratio	**11.94%**	12.20%
Tier1 Capital Adequacy Ratio	**12.96%**	13.25%
Total Capital Adequacy Ratio	**15.70%**	17.43%

	(Un-audited) 31 March 2026	(Audited) 31 December 2025
	(Rupees in '000)	
Leverage Ratio (LR):		
Eligible Tier - 1 Capital	**166,358,056**	165,443,534
Total Exposures	**4,294,419,333**	3,834,120,758
Leverage Ratio	**3.87%**	4.32%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	**1,589,133,234**	1,365,811,533
Total Net Cash Outflow	**561,446,021**	479,919,850
Liquidity Coverage Ratio	**283.04%**	284.59%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	**2,811,790,977**	2,635,572,489
Total Required Stable Funding	**1,464,923,191**	1,368,672,616
Net Stable Funding Ratio	**191.94%**	192.56%

The Group has applied transitional approach under IFRS 9 as prescribed in SBP Circular. CAR and LR would be 15.01% & 3.71% respectively, if full impact of IFRS 9 is applied.

41. ISLAMIC BANKING BUSINESS

The Bank is operating with 398 (31 December 2025: 392) Islamic Banking branches and 08 (31 December 2025: 08) Islamic Banking windows at the end of the period / year.

STATEMENT OF FINANCIAL POSITION	Note	(Un-audited) 31 March 2026	(Audited) 31 December 2025
		(Rupees in '000)	
ASSETS			
Cash and balances with treasury banks		**29,374,802**	27,400,433
Balances with other banks		**9,629**	9,480
Due from financial institutions		**–**	17,997,570
Investments	41.1	**365,884,967**	329,585,390
Islamic financing and related assets - net	41.2	**164,967,986**	151,674,885
Property and equipment		**4,096,960**	3,976,043
Right-of-use assets		**6,929,056**	6,521,920
Intangible assets		**–**	–
Due from Head Office		**–**	–
Other assets		**21,857,607**	18,529,413
Total Assets		**593,121,007**	555,695,134
LIABILITIES			
Bills payable		**1,067,164**	1,249,578
Due to financial institutions		**18,787,805**	24,160,152
Deposits and other accounts	41.3	**417,516,491**	413,425,416
Due to Head Office		**8,991,825**	8,509,501
Lease liabilities		**8,435,148**	7,886,845
Subordinated debt		**–**	–
Other liabilities		**57,295,072**	18,353,839
Total Liabilities		**512,093,505**	473,585,331
NET ASSETS		**81,027,502**	82,109,803
REPRESENTED BY			
Islamic Banking Fund		**7,600,000**	7,600,000
Reserves		**–**	–
(Deficit) / surplus on revaluation of assets		**(2,405,907)**	3,033,370
Unappropriated profit	41.4	**75,833,409**	71,476,433
		81,027,502	82,109,803
CONTINGENCIES AND COMMITMENTS	41.5		

STATEMENT OF PROFIT AND LOSS ACCOUNT

	Note	(Un-audited) Three months period ended 31 March 2026	31 March 2025
		(Rupees in '000)	
Profit / return earned	41.6	**13,239,639**	12,547,613
Profit / return expensed	41.7	**(5,505,445)**	(5,983,769)
Net Profit / return		**7,734,194**	6,563,844
Other income			
Fee and commission income		**640,639**	508,991
Dividend income		**–**	–
Foreign exchange income		**62,124**	49,207
(Loss) / gain on securities - net		**(177,057)**	7,250
Other income		**–**	–
Total other income		**525,706**	565,448
Total income		**8,259,900**	7,129,292
Other expenses			
Operating expenses		**(3,414,400)**	(2,606,528)
Other charges		**(115)**	(399)
Total other expenses		**(3,414,515)**	(2,606,927)
Profit before credit loss allowance		**4,845,385**	4,522,365
Credit loss allowance and write offs - net		**(455,705)**	(425,481)
Profit for the period		**4,389,680**	4,096,884

41.1 Investments

	31 March 2026 (Un-audited)				31 December 2025 (Audited)			
	Cost / amortised cost	**Credit loss allowance**	**Surplus / (deficit)**	**Carrying value**	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
	(Rupees in '000)							
Investments by segments:								
Debt instruments								
Amortised Cost								
Federal Government Securities								
-Bai Muajjal	**25,115,142**	**-**	**-**	**25,115,142**	24,383,389	-	-	24,383,389
FVPL								
Federal Government Securities								
- Naya Pakistan Certificates	**1,312,109**	**-**	**-**	**1,312,109**	886,072	-	-	886,072
FVOCI								
Federal Government Securities								
- Ijarah Sukuks	**337,564,681**	**-**	**(2,419,541)**	**335,145,140**	297,726,212	-	3,037,050	300,763,262
- Neelum Jhelum Hydropower Co. Ltd. Sukuk	**288,672**	**-**	**9,309**	**297,981**	288,750	-	17,293	306,043
Non Government Debt Securities								
- Listed	**1,121,142**	**(680,347)**	**3,256**	**444,051**	1,122,000	(680,424)	2,855	444,431
- Unlisted	**2,280,950**	**(573)**	**1,069**	**2,281,446**	2,360,500	(634)	(23,828)	2,336,038
	341,255,445	**(680,920)**	**(2,405,907)**	**338,168,618**	301,497,462	(681,058)	3,033,370	303,849,774
Investments mandatorily classified / measured at FVPL								
Units of Mutual Funds	**1,266,155**	**-**	**(177,057)**	**1,089,098**	273,129	-	(6,974)	266,155
Associates								
- AL Habib Islamic Cash Fund	**100,000**	**-**	**-**	**100,000**	100,000	-	-	100,000
- AL Habib Islamic Savings Fund	**100,000**	**-**	**-**	**100,000**	100,000	-	-	100,000
	200,000	**-**	**-**	**200,000**	200,000	-	-	200,000
Total Investments	**369,148,851**	**(680,920)**	**(2,582,964)**	**365,884,967**	327,240,052	(681,058)	3,026,396	329,585,390

41.1.1 Particulars of credit loss allowance

	31 March 2026 (Un-audited)			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	(Rupees in '000)			
Non Government Debt Securities	**513**	**407**	**680,000**	**680,920**

	31 December 2025 (Audited)			
	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)			
Non Government Debt Securities	614	444	680,000	681,058

		(Un-audited) 31 March 2026	(Audited) 31 December 2025
		(Rupees in '000)	
41.2	**Islamic financing and related assets**		
	Ijarah	**4,237,874**	3,960,126
	Murabaha	**17,711,745**	12,896,466
	Diminishing Musharaka	**31,595,248**	32,362,289
	Istisna	**4,905,463**	6,870,106
	Islamic Long Term Financing Facility (ILTFF)	**4,919,511**	4,301,121
	Islamic Refinance for Renewable Energy (IFRE)	**2,802,302**	2,916,460
	Islamic Refinance for Temporary Economic Refinance Facility (ITERF)	**1,236,225**	2,028,789
	Islamic Refinance Facility for Modernisation of SMEs (IRFSME)	**123,656**	133,037
	Islamic Financing Facility for Storage of Agricultural Produce (IFFSAP)	**92,538**	99,457
	Islamic Export Refinance (IERF) - Istisna	**174,975**	399,500
	Musawamah	**7,266,956**	4,775,840
	Running Musharaka	**2,146,460**	1,844,473
	Islamic Export Refinance - Running Musharaka	**14,143,641**	13,963,641
	Financing against Bills - Musawamah	**13,896,780**	6,919,778
	Export Finance Scheme (EFS) - Discounting	**8,465,839**	8,405,335
	Staff Financing	**7,261,604**	5,933,903
	Musawamah Inventory	**4,128,219**	4,430,963
	Advance against Istisna	**12,257,929**	11,524,724
	Advance against Istisna - IERF	**4,609,011**	3,807,743
	Advance against Ijarah	**406,349**	589,164
	Advance against Diminishing Musharaka	**4,999,098**	4,706,521
	Advance against Bai Muajjal	**21,186,809**	22,038,007
	Advance against IRFSME	**64,197**	64,196
	Gross Islamic financing and related assets	**168,632,429**	154,971,639
	Less: credit loss allowance against Islamic financings		
	- Stage 1	**(1,342,835)**	(1,088,425)
	- Stage 2	**(739,063)**	(839,919)
	- Stage 3	**(1,582,545)**	(1,368,410)
		(3,664,443)	(3,296,754)
	Islamic financing and related assets - net of credit loss allowance	**164,967,986**	151,674,885

		(Un-audited) 31 March 2026	(Audited) 31 December 2025
		(Rupees in '000)	
41.3	**Deposits and other accounts**		
	Customers		
	Current deposits	**179,042,313**	157,729,626
	Savings deposits	**214,395,254**	223,816,961
	Term deposits	**21,557,016**	20,546,384
		414,994,583	402,092,971
	Financial institutions		
	Current deposits	**97,691**	65,431
	Savings deposits	**2,424,217**	11,267,014
		2,521,908	11,332,445
		417,516,491	413,425,416
41.4	**Islamic Banking Business Unappropriated Profit**		
	Opening balance	**71,476,433**	54,066,152
	Impact of change in accounting policy	**(32,704)**	–
	Add: Islamic Banking profit for the period / year	**4,389,680**	17,410,281
	Closing balance	**75,833,409**	71,476,433
41.5	**Contingencies and Commitments**		
	Guarantees	**31,408,368**	27,884,693
	Commitments	**55,199,906**	40,230,243
		86,608,274	68,114,936

		(Un-audited) Three months period ended	
		31 March 2026	31 March 2025
		(Rupees in '000)	
41.6	**Profit / Return Earned on Financings, Investments and Placements**		
	Profit earned on:		
	Financings	**3,731,792**	2,752,892
	Investments	**9,323,826**	9,681,962
	Placements	**184,021**	112,759
		13,239,639	12,547,613
41.7	**Profit on Deposits and Other Dues Expensed**		
	Deposits and other accounts	**4,655,338**	5,072,546
	Due to financial institutions	**254,704**	657,373
	Due to Head Office	**317,283**	45,064
	Finance charges on lease liabilities	**278,120**	208,786
		5,505,445	5,983,769

41.8 Profit and Loss Distribution and Pool Management

41.8.1 The number and nature of pools maintained by the Islamic Banking Branches along with their key features and risk and reward characteristics

General Pool PKR (Mudaraba)

Deposits which assume minimal risk of loss due to diversified assets being tagged thereto are parked in the general pool. In case of loss in general pool, the loss will be borne by the general pool members.

Special Pool(s) PKR (Mudaraba)

Special pool(s) are created where the customers desire to invest in high yield assets. In case of loss in a special pool the loss will be borne by the special pool members.

General Pool FCY (Mudaraba)

In FCY general pool, all FCY deposits and investments are parked to share the return among the FCY deposit holders. In case of loss in a FCY general pool, the loss will be borne by the FCY general pool members.

Special Pool(s) FCY (Mudaraba)

Special pool(s) are created where the customers desire to invest in high yield assets. In case of loss in a FCY special pool the loss will be borne by the special pool members.

Islamic Export Refinance Scheme (IERS) Pool PKR (Musharaka)

Islamic Export Refinance Scheme (IERS) pool is required by SBP to facilitate the exporters under IERS.

Equity Pool

Investments with relatively higher risks such as investment in shares and mutual funds are tagged to the equity pool to safeguard the interest of depositors. Furthermore, operating fixed assets as well as subsidised financing facilities to employees are also financed from equity as per SBP guidelines.

Special Mudaraba Financing Facility (SMFF) Pool - Open Market Operations (OMO) Injections

Special Mudaraba Financing Facility (SMFF) Pool for Open Market Operations (OMO) Injection is created to invest the funds exclusively raised from SBP through Islamic OMO in High Quality Assets including securities that are eligible as approved securities for maintaining Statutory Liquidity Requirement.

Parameters associated with risk and rewards:

Following are the key considerations attached with risk and reward of the pool:

- Period, return, safety, security and liquidity of investment.
- Maturities of funds obtained from Principal Office, Islamic Banking Institutions and Shariah compliant organisations as regulated in Pakistan.
- Element of risk attached to various types of investments.
- SBP rules and Shariah clearance.

41.8.2 Avenues / sectors of economy / business where Mudaraba based deposits have been deployed

The Mudaraba based funds have been deployed in the following avenues / sectors / businesses:

- Chemical and pharmaceuticals
- Agribusiness
- Textile
- Sugar
- Shoes and leather garments
- Investment in sukuks, bai muajjal and shariah compliant mutual funds
- Production and transmission of energy
- Food and allied except sugar
- Cement
- Financial institutions
- Wheat
- Individuals
- Others (domestic whole sale, engineering goods, plastic product, etc.)

41.8.3 Parameters used for allocation of profit, charging expenses and provisions etc. along with a brief description of their major components

The Bank's Islamic Banking Division (IBD) is accepting Term Deposits and Saving Deposits under Mudaraba arrangements, wherein the Bank is Mudarib, and depositors are Rab-ul-Maal. The Bank with the prior approval of Depositors also commingles its funds with those of depositors.

The funds so generated are invested by the Bank in Shariah compliant modes of financing and investments such as Murabaha, Ijarah, Istisna, Diminishing Musharaka, Running Musharaka, Musawama, Shares, Mutual Funds, Sukuks and Bai Muajjal etc.

The Bank calculates the profit of the pool every month. Profit is distributed at the net income level. Net income is calculated after deducting direct costs such as cost of Murabaha, cost of Takaful, Depreciation on Ijarah Assets, and amortisation of premium on sukuks and loss of investments directly incurred in deriving that income. The provisions created against non-performing assets as per relevant SBP regulations, write-offs and loss on sale of investments may be charged to the respective pool along with other direct expenses. In case of any reversal of the provision expense / value in investment, the benefit shall be allocated to the same pool.

The net income / loss is being allocated between the Bank's equity and the depositors' fund in proportion to their respective share in pool.

The Bank's profit sharing ratio during the period was 50% (31 March 2025: 50%) of net income and the depositors' profit sharing ratio was 50% (31 March 2025: 50%) of net income.

After the allocation of Income between mudarib (the Bank) and depositors (Rab-ul-Maal) the profit is distributed among the depositors on the basis of predetermined weightages, announced by the Bank at least three working days before the beginning of the month based on their respective category/tiers. In case of loss, Rab-ul-Maal has to bear the loss in the ratio of its investment.

The credit loss allowance under IFRS 9 and diminution in the value of investments as under Prudential Regulations and other SBP directives shall be borne by the IBIs as Mudarib.

41.8.4 Mudarib share and HIBA distributed to depositor's pool and specific pool

	31 March 2026 (Un-audited)				
	Distributable Income	**Mudarib Share**	**Mudarib Share**	**HIBA Amount**	**HIBA**
	(Rupees in '000)		**(Percentage)**	**(Rupees in '000)**	**(Percentage)**
LCY Pool	**6,843,961**	**2,982,273**	**43.58%**	**1,006,206**	**33.74%**
FCY Pool	**114,427**	**88,820**	**77.62%**	**13,591**	**15.30%**
	31 March 2025 (Un-audited)				
LCY Pool	7,097,662	3,357,082	47.30%	1,589,882	47.36%
FCY Pool	94,680	73,095	77.20%	13,442	18.39%

41.8.5 Profit rate earned vs. profit rate distributed to the depositors during the period

	(Un-audited) Three months period ended	
	31 March 2026	31 March 2025
	(Percentage)	
Profit rate earned	**9.86%**	12.47%
Profit rate distributed	**4.79%**	6.50%

42. GENERAL

42.1 Caption's in respect of which there are no amounts, have not been reproduced in these consolidated condensed interim financial statements, except for captions of the statement of financial position and statement of profit and loss account.

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

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

43. NON-ADJUSTING EVENT AFTER THE REPORTING DATE

The Board of Directors, in its meeting held on 23 April 2026, has announced an interim cash dividend of Rs. 3.50 per share (31 March 2025: Rs. 3.50 per share). These consolidated condensed interim financial statements do not include the effect of this appropriation, which will be accounted for subsequent to the period end.

44. DATE OF AUTHORISATION

These consolidated condensed interim financial statements were authorised for issue in the Board of Directors' meeting held on 23 April 2026.

MANSOOR ALI KHAN
Chief Executive

ASHAR HUSAIN
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI
Director

SYED MOHAMMED HUSSAIN
Director

ABBAS D. HABIB
Chairman