هٰذَا مِن فَضْلِ رَبِّي

Bank AL Habib

CONTENTS

CORPORATE INFORMATION

Board of Directors	Abbas D. Habib	*Chairman*
	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	

Mr. Aamir Amin, Director, resigned in August 2026.

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 half year ended June 30, 2026.

Alhamdolillah, during the period under review, the performance of the Bank continued to be satisfactory. The deposits increased to Rs. 2.88 trillion as compared to Rs. 2.60 trillion on December 31, 2025. In the same period, advances increased to Rs. 862.96 billion from Rs. 792.05 billion, while investments increased to Rs. 2.27 trillion from Rs. 2.03 trillion. The pre-tax profit of the Bank for the half year ended June 30, 2026, was Rs. 31.43 billion as compared to Rs. 39.08 billion during the corresponding period last year. The profit after tax for the half year ended June 30, 2026, was Rs. 15.09 billion compared with Rs. 19.32 billion during 2025.

The Board of Directors, in its meeting held on August 20, 2026, has declared 2nd interim cash dividend of Rs. 3.50 per share i.e. 35%, in addition to 35% already paid, bringing the total cash dividend to 70% for the half year ended June 30, 2026.

By the Grace of Allah, the Bank now has a network of 1,353 offices, comprising 1,350 branches, and 3 Representative Offices. Our branch network includes 419 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	Abbas D. Habib
Chief Executive	***Chairman***
	Board of Directors

Karachi: August 20, 2026

ڈائریکٹرز کا جائزہ

ہمارے لئے یہ باعثِ مسرت ہے کہ ہم 30 جون 2026 کو ختم ہونے والی ششماہی 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، زیرِ جائزہ مدت میں بینک کی کارکردگی اطمینان بخش رہی۔ 30 جون 2026 کو ختم ہونے والی ششماہی میں ڈپازٹس بڑھ کر 2.88 ٹریلین روپے ہوگئے، جو کہ 31 دسمبر 2025 کو 2.60 ٹریلین روپے تھے۔ اسی مدت کے دوران ایڈوانسز 792.05 بلین روپے سے بڑھ کر 862.96 بلین روپے ہوگئے اور سرمایہ کاری 2.03 ٹریلین روپے سے بڑھ کر 2.27 ٹریلین روپے ہوگئی۔ 30 جون 2026 کو ختم ہونے والی ششماہی کے لئے آپ کے بینک کا قبل از ٹیکس منافع 31.43 بلین روپے رہا، جبکہ گزشتہ سال اس مدت میں یہ 39.08 بلین روپے تھا۔ بینک کا بعد از ٹیکس منافع 30 جون 2026 کو ختم ہونے والی مدت کے لئے 15.09 بلین روپے رہا، جبکہ گزشتہ سال یہ 19.32 بلین روپے تھا۔

بورڈ آف ڈائریکٹرز نے 20 اگست 2026 کو منعقد ہونے والے اجلاس میں دوسرا عبوری %35 نقد منافع منقسمہ یعنی 3.50 روپے فی شیئر کا اعلان کیا ہے، جو کہ پہلے سے اداشدہ %35 کے علاوہ ہے۔ جس کے بعد 30 جون 2026 کو ختم ہونے والی ششماہی تک کیلئے کل نقد منافع منقسمہ کی شرح %70 پر پہنچ گئی ہے۔

اللہ تعالیٰ کے فضل و کرم سے بینک کا نیٹ ورک اب 1,353 دفاتر پر مشتمل ہے، جس میں 1,350 برانچز اور 3 نمائندہ دفاتر شامل ہیں۔ ہمارے برانچ نیٹ ورک میں اب 419 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 اَنسیکیورڈ، سبارڈینیٹڈ ٹرم فنانس سرٹیفکیٹس کی ریٹنگز **AAA** (ٹرپل اے) برائے TFC-2021 اور TFC-2022 اور **AA+** (ڈبل اے پلس) برائے TFC-2017 (پرپیچول) اور TFC-2022 (پرپیچول) 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 برآں TFC-2022 اور TFC-2022 (پرپیچول) 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: 20 اگست ۲۰۲۶ء

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Bank AL Habib Limited

Report on Review of Unconsolidated Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Bank AL Habib Limited (the Bank) as at 30 June 2026 and the related unconsolidated condensed interim statement of profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim cash flow statement and notes to the unconsolidated condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of this unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of unconsolidated condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial statements is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matters

Pursuant to the requirement of Section 237(1)(b) of the Companies Act, 2017, only cumulative figures for the half year, presented in the second quarter accounts are subject to a limited scope review by the statutory auditors of the Bank. Accordingly, the figures of the unconsolidated condensed interim statement of profit and loss account and unconsolidated condensed interim statement of comprehensive income for the three months period ended 30 June 2026 have not been reviewed by us.

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

Date: 27 August 2026

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants

UDIN: RR202610106gJh6Tp70a

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2026

	Note	(Un-audited) 30 June 2026	(Audited) 31 December 2025
		(Rupees in '000)	
ASSETS			
Cash and balances with treasury banks	6	**228,430,577**	189,466,913
Balances with other banks	7	**5,781,631**	7,196,550
Lendings to financial institutions	8	**4,999,325**	24,453,908
Investments	9	**2,269,377,443**	2,028,480,131
Advances	10	**862,956,662**	792,050,395
Property and equipment	11	**105,786,648**	82,542,745
Right-of-use assets	12	**19,351,181**	16,828,865
Intangible assets	13	**13,121**	63,301
Deferred tax assets	14	**1,370,023**	–
Other assets	15	**182,685,672**	162,681,089
Total Assets		**3,680,752,283**	3,303,763,897
LIABILITIES			
Bills payable	17	**87,028,572**	59,749,478
Borrowings	18	**330,236,508**	290,260,824
Deposits and other accounts	19	**2,880,666,503**	2,599,087,013
Lease liabilities	20	**23,895,228**	20,845,724
Subordinated debt	21	**25,942,306**	25,983,600
Deferred tax liabilities	14	**–**	1,479,140
Other liabilities	22	**152,539,111**	135,089,767
Total Liabilities		**3,500,308,228**	3,132,495,546
NET ASSETS		**180,444,055**	171,268,351
REPRESENTED BY			
Share capital		**11,114,254**	11,114,254
Reserves		**36,640,130**	35,220,243
Surplus on revaluation of assets	23	**32,489,806**	29,514,238
Unappropriated profit		**100,199,865**	95,419,616
		180,444,055	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

FARHANA MOWJEE KHAN
Director

ABBAS D. HABIB
Chairman

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE HALF YEAR ENDED 30 JUNE 2026

	Note	Half year ended		Three months period ended	
		30 June 2026	30 June 2025	**30 June 2026**	30 June 2025
		(Rupees in '000)			
Mark-up / return / interest earned	26	**167,460,508**	177,976,326	**84,932,139**	85,089,257
Mark-up / return / interest expensed	27	**(102,497,761)**	(111,641,632)	**(52,539,324)**	(52,310,773)
Net mark-up / interest income		**64,962,747**	66,334,694	**32,392,815**	32,778,484
NON MARK-UP / INTEREST INCOME					
Fee and commission income	28	**10,374,031**	10,668,020	**5,331,673**	5,209,385
Dividend income		**826,985**	961,577	**759,243**	892,664
Foreign exchange income		**6,393,413**	3,546,299	**4,126,077**	1,438,150
Income / (loss) from derivatives		**–**	–	**–**	–
Gain / (loss) on securities - net	29	**433,956**	(433,896)	**603,201**	(189,441)
Net gain / (loss) on derecognition of financial assets measured at amortised cost		**–**	–	**–**	–
Other income	30	**648,684**	599,627	**416,225**	253,341
Total non mark-up / interest income		**18,677,069**	15,341,627	**11,236,419**	7,604,099
Total income		**83,639,816**	81,676,321	**43,629,234**	40,382,583
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	31	**(51,511,040)**	(44,413,052)	**(27,834,475)**	(22,986,434)
Workers' welfare fund		**(672,473)**	(797,628)	**(349,033)**	(377,287)
Other charges	32	**(6,769)**	(30,595)	**(3,502)**	(23,654)
Total non mark-up / interest expenses		**(52,190,282)**	(45,241,275)	**(28,187,010)**	(23,387,375)
Profit before credit loss allowance		**31,449,534**	36,435,046	**15,442,224**	16,995,208
Credit loss allowance and write-offs - net	33	**(18,825)**	2,648,755	**963,563**	1,491,895
Extra ordinary / unusual items		**–**	–	**–**	–
PROFIT BEFORE TAXATION		**31,430,709**	39,083,801	**16,405,787**	18,487,103
Taxation	34	**(16,340,261)**	(19,759,465)	**(8,403,533)**	(9,376,040)
PROFIT AFTER TAXATION		**15,090,448**	19,324,336	**8,002,254**	9,111,063
		(Rupees)			
Basic and diluted earnings per share	35	**13.58**	17.39	**7.20**	8.20

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

FARHANA MOWJEE KHAN
Director

ABBAS D. HABIB
Chairman

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED 30 JUNE 2026

	Half year ended		Three months period ended	
	30 June 2026	30 June 2025	**30 June 2026**	30 June 2025
	(Rupees in '000)			
Profit after taxation for the period	**15,090,448**	19,324,336	**8,002,254**	9,111,063
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	**(89,158)**	152,590	**(107,939)**	30,033
Movement in (deficit) / surplus on revaluation of investment in debt instruments classified as FVOCI - net of tax	**(10,724,639)**	2,006,737	**6,078,629**	4,087,351
	(10,813,797)	2,159,327	**5,970,690**	4,117,384
Items that will not be reclassified to the statement of profit and loss account in subsequent periods:				
Movement in (deficit) / surplus on revaluation of investment in equity instruments classified as FVOCI - net of tax	**(4,699)**	122,401	**267,970**	163,028
Movement in surplus on revaluation of property and equipment - net of tax	**13,826,558**	125,643	**13,826,558**	1,526
Movement in surplus on revaluation of non-banking assets - net of tax	**–**	741	**–**	–
	13,821,859	248,785	**14,094,528**	164,554
Total comprehensive income for the period	**18,098,510**	21,732,448	**28,067,472**	13,393,001

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

FARHANA MOWJEE KHAN
Director

ABBAS D. HABIB
Chairman

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 30 JUNE 2026

	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)									
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 half year ended 30 June 2025	–	–	–	–	–	–	–	–	19,324,336	19,324,336
Other comprehensive income for the half year ended 30 June 2025 - net of tax										
Effect of translation of net investment in foreign branches	–	–	152,590	–	–	–	–	–	–	152,590
Movement in surplus on revaluation of investment in debt instruments - net of tax	–	–	–	–	–	2,006,737	–	–	–	2,006,737
Movement in surplus on revaluation of investment in equity instruments - net of tax	–	–	–	–	–	122,401	–	–	–	122,401
Movement in surplus on revaluation of property and equipment - net of tax	–	–	–	–	–	–	125,643	–	–	125,643
Movement in surplus on revaluation of non-banking assets - net of tax	–	–	–	–	–	–	–	741	–	741
Total other comprehensive income - net of tax	–	–	152,590	–	–	2,129,138	125,643	741	–	2,408,112
Transfer to statutory reserve	–	1,932,434	–	–	–	–	–	–	(1,932,434)	–
Loss on sale of equity instruments - FVOCI	–	–	–	–	–	11,390	–	–	(11,390)	–
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	–	–	–	–	–	–	(105,473)	(64)	105,537	–
Transactions with owners, recorded directly in equity										
Final cash dividend (Rs. 6.5 per share) - December 2024	–	–	–	–	–	–	–	–	(7,224,265)	(7,224,265)
Interim cash dividend (Rs. 3.5 per share) - March 2025	–	–	–	–	–	–	–	–	(3,889,989)	(3,889,989)
	–	–	–	–	–	–	–	–	(11,114,254)	(11,114,254)
Balance as at 30 June 2025 - unaudited	**11,114,254**	**28,618,665**	**4,850,215**	**126,500**	**540,000**	**9,710,771**	**15,589,104**	**166,740**	**93,617,915**	**164,334,164**
Profit after taxation for the half year ended 31 December 2025	–	–	–	–	–	–	–	–	11,313,072	11,313,072
Other comprehensive income for the half year ended 31 December 2025 - net of tax										
Effect of translation of net investment in foreign branches	–	–	(46,444)	–	–	–	–	–	–	(46,444)
Movement in surplus on revaluation of investment in debt instruments - net of tax	–	–	–	–	–	3,903,132	–	–	–	3,903,132
Movement in surplus on revaluation of investment in equity instruments - net of tax	–	–	–	–	–	196,319	–	–	–	196,319
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	–	–	–	–	–	–	(1,631)	–	–	(1,631)
Movement in surplus on revaluation of non-banking assets - net of tax	–	–	–	–	–	–	–	55,344	–	55,344
Total other comprehensive income - net of tax	–	–	(46,444)	–	–	4,099,451	(1,631)	55,344	(705,627)	3,401,093

	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	–	1,131,307	–	–	–	–	–	–	(1,131,307)	–
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	–	–	–	–	–	–	(105,475)	(66)	105,541	–
Transactions with owners, recorded directly in equity										
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)
	–	–	–	–	–	–	–	–	(7,779,978)	(7,779,978)
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	–	–	–	–	–	–	–	–	(31,403)	(31,403)
Profit after taxation for the half year ended 30 June 2026	–	–	–	–	–	–	–	–	15,090,448	15,090,448
Other comprehensive income for the half year ended 30 June 2026 - net of tax										
Effect of translation of net investment in foreign branches	–	–	(89,158)	–	–	–	–	–	–	(89,158)
Movement in deficit on revaluation of investment in debt instruments - net of tax	–	–	–	–	–	(10,724,639)	–	–	–	(10,724,639)
Movement in deficit on revaluation of investment in equity instruments - net of tax	–	–	–	–	–	(4,699)	–	–	–	(4,699)
Movement in surplus on revaluation of property and equipment - net of tax	–	–	–	–	–	–	13,826,558	–	–	13,826,558
Movement in surplus on revaluation of non-banking assets - net of tax	–	–	–	–	–	–	–	–	–	–
Total other comprehensive income - net of tax	–	–	(89,158)	–	–	(10,729,338)	13,826,558	–	–	3,008,062
Transfer to statutory reserve	–	1,509,045	–	–	–	–	–	–	(1,509,045)	–
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	–	–	–	–	–	–	(121,588)	(64)	121,652	–
Transactions with owners, recorded directly in equity										
Final cash dividend (Rs. 4.5 per share) - December 2025	–	–	–	–	–	–	–	–	(5,001,414)	(5,001,414)
Interim cash dividend (Rs. 3.5 per share) - March 2026	–	–	–	–	–	–	–	–	(3,889,989)	(3,889,989)
	–	–	–	–	–	–	–	–	(8,891,403)	(8,891,403)
Balance as at 30 June 2026 - unaudited	**11,114,254**	**31,259,017**	**4,714,613**	**126,500**	**540,000**	**3,080,884**	**29,186,968**	**221,954**	**100,199,865**	**180,444,055**

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

FARHANA MOWJEE KHAN
Director

ABBAS D. HABIB
Chairman

UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2026

	30 June 2026	30 June 2025
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	**31,430,709**	39,083,801
Less: dividend income	**(826,985)**	(961,577)
	30,603,724	38,122,224
Adjustments:		
Net mark-up / interest income	**(64,962,747)**	(66,334,694)
Depreciation	**4,422,818**	3,682,447
Depreciation on non-banking assets acquired in satisfaction of claims	**304**	304
Depreciation on right-of-use assets	**1,655,559**	1,355,777
Amortisation	**57,227**	98,858
Workers' welfare fund	**672,473**	797,628
Credit loss allowance and write-offs - net	**18,825**	(2,648,755)
Gain on sale of property and equipment - net	**(621,660)**	(498,210)
Gain on termination of leases - net	**(7,895)**	(85,578)
Unrealised loss on revaluation of securities classified as FVPL	**214,435**	314,331
Charge for defined benefit plan	**876,000**	630,000
Charge for compensated absences	**337,213**	161,708
	(57,337,448)	(62,526,184)
	(26,733,724)	(24,403,960)
(Increase) / decrease in operating assets		
Lendings to financial institutions	**19,457,210**	19,251,900
Securities classified as FVPL	**3,401,241**	1,494,669
Advances	**(72,907,324)**	7,997,973
Other assets (excluding advance taxation and mark-up receivable)	**(1,887,597)**	(8,968,500)
	(51,936,470)	19,776,042
Increase / (decrease) in operating liabilities		
Bills payable	**27,279,094**	21,434,949
Borrowings	**37,020,138**	(227,124,187)
Deposits and other accounts	**281,579,490**	197,950,786
Other liabilities (excluding mark-up payable)	**15,255,662**	(29,489,267)
	361,134,384	(37,227,719)
	282,464,190	(41,855,637)
Interest received	**157,013,941**	191,287,147
Interest paid	**(100,993,695)**	(112,032,982)
Income tax paid	**(23,071,923)**	(36,001,895)
Net cash flow generated from operating activities	**315,412,513**	1,396,633
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in amortised cost securities	**(123,675,845)**	(5,449,829)
Net investments in securities classified as FVOCI	**(144,700,524)**	(993,731)
Net investments in associates	**3,000,000**	–
Dividends received	**801,929**	837,878
Investments in property and equipment	**(5,518,615)**	(9,030,992)
Proceeds from sale of property and equipment	**630,195**	512,618
Effect of translation of net investment in foreign branches	**(89,158)**	152,590
Net cash flow used in investing activities	**(269,552,018)**	(13,971,466)
CASH FLOW FROM FINANCING ACTIVITIES		
Payments of subordinated debt	**(2,400)**	(2,400)
Dividend paid	**(8,735,771)**	(10,985,247)
Payments of lease obligations against right-of-use assets	**(2,660,364)**	(2,198,107)
Net cash flow used in financing activities	**(11,398,535)**	(13,185,754)
Increase / (decrease) in cash and cash equivalents	**34,461,960**	(25,760,587)
Cash and cash equivalents at beginning of the period	**194,948,585**	205,187,585
Cash and cash equivalents at end of the period	**229,410,545**	179,426,998

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

FARHANA MOWJEE KHAN
Director

ABBAS D. HABIB
Chairman

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 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 1,350 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 419 Islamic Banking branches (31 December 2025: 392 Islamic Banking branches).

2. BASIS OF PREPARATION

2.1 Statement of Compliance

2.1.1 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.

2.1.2 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.

2.1.3 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. Accordingly, the requirements of this standard have not been considered in the preparation of these unconsolidated condensed interim financial statements.

2.1.4 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.

2.1.5 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.

2.1.6 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 and 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. 474.20 million, if IFRS 9 had been adopted in its entirety.

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 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.

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

There are certain new standards, 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 other than those mentioned below.

Standards and amendments	Effective date (annual periods beginning on or after)
- IFRS 18 Presentation and Disclosure in Financial Statements	01 January 2027
- IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 - Climate-related Disclosures	31 December 2026

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 policies applied in preparation of these unconsolidated condensed interim financial statements are the same as applied in the preparation of annual unconsolidated financial statements of the Bank for the year ended 31 December 2025 except for the following:

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

The Bank had received deferment of recording income and expense at Effective Interest Rate (EIR) via letter from SBP till 31 December 2025. Therefore, the Bank has adopted EIR from 01 January 2026 and has taken the impact on adoption of EIR to equity at the beginning of the current accounting period with modified retrospective approach for restatement permitted under IFRS 9. The changes to material accounting policy is as follows:

Mark-up / return / interest earned and Mark-up / return / interest expensed

Mark-up / return / interest earned and Mark-up / return / interest expensed are recognised in unconsolidated statement of profit and loss account under the EIR. The ‘effective interest rate’ is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or

- the amortised cost of the financial liability.

The calculation of the EIR includes transaction costs and fees and points paid or received that are an integral part of the EIR. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

In calculating mark-up / return / interest income and expense, the EIR is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, profit income is calculated by applying the EIR to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of profit income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, mark-up / return / interest income is calculated by applying the credit-adjusted EIR to the amortised cost of the asset. The calculation of mark-up / return / interest income does not revert to a gross basis, even if the credit risk of the asset improves.

The impact of application as at 01 January 2026 is as follows:

	Carrying amount as on 31 December 2025	EIR impact under IFRS 9 - Gross	Tax impact	Net impact	Carrying amount as on 01 January 2026
		(Rupees in '000)			
Investments	2,028,480,131	(7,421)	3,859	(3,562)	2,028,476,569
Advances	792,050,395	(98,691)	51,319	(47,372)	792,003,023
Subordinated debt	25,983,600	(40,689)	21,158	(19,531)	25,964,069
Unappropriated profit	95,419,616	(65,423)	34,020	(31,403)	95,388,213

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) 30 June 2026	(Audited) 31 December 2025
		(Rupees in '000)	
6. CASH AND BALANCES WITH TREASURY BANKS			
In hand:			
Local currency		**59,939,548**	46,877,386
Foreign currencies		**3,065,170**	3,569,481
		63,004,718	50,446,867
With State Bank of Pakistan in:			
Local currency current accounts		**120,582,643**	95,535,579
Local currency current accounts - Islamic Banking		**13,139,244**	16,529,627
Foreign currency deposit accounts			
Cash reserve account		**6,008,286**	5,854,573
Cash reserve / special cash reserve account - Islamic Banking		**1,355,481**	1,303,412
Special cash reserve account		**12,016,572**	11,709,146
Local collection account		**242,594**	430,332
		153,344,820	131,362,669
With National Bank of Pakistan in:			
Local currency current accounts		**12,016,046**	7,567,621
Prize bonds		**64,993**	89,756
Cash and balances with treasury banks		**228,430,577**	189,466,913
7. BALANCES WITH OTHER BANKS			
In Pakistan:			
In current accounts		**293,988**	71,897
In deposit accounts		**9,630**	9,481
		303,618	81,378
Outside Pakistan:			
In current accounts		**5,371,072**	7,171,133
In deposit accounts		**107,681**	76,018
		5,478,753	7,247,151
		5,782,371	7,328,529
Less: credit loss allowance against balances with other banks	7.1	**(740)**	(131,979)
Balances with other banks - net of credit loss allowance		**5,781,631**	7,196,550

	Note	(Un-audited) 30 June 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		**119,585**	131,473
Reversal for the period / year		**(250,823)**	(443)
		(131,238)	131,030
Foreign exchange adjustments		**(1)**	2
Closing balance		**740**	131,979

8. LENDINGS TO FINANCIAL INSTITUTIONS

	Note		
In local currency:			
Musharaka placements		**–**	18,000,000
Repurchase agreement lendings (reverse repo)		**5,000,000**	6,457,210
		5,000,000	24,457,210
Less: credit loss allowance against lendings to financial institutions	8.1	**(675)**	(3,302)
Lendings to financial institutions - net of credit loss allowance		**4,999,325**	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		**675**	1,952
Financial assets that have been derecognised		**(3,302)**	(3,908)
		(2,627)	(1,956)
Closing balance		**675**	3,302

9. INVESTMENTS

	30 June 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	567,808,126	(14,557)	–	567,793,569	444,132,281	(14,547)	–	444,117,734
FVOCI								
Federal Government Securities	1,669,654,083	(935,617)	893,511	1,669,611,977	1,520,897,635	(1,380,069)	22,682,991	1,542,200,557
Non Government Debt Securities	7,651,762	(782,811)	52,655	6,921,606	7,456,941	(783,075)	(33,959)	6,639,907
Foreign Securities	2,842,731	(930,273)	683,764	2,596,222	7,165,210	(2,000,953)	1,323,895	6,488,152
	1,680,148,576	(2,648,701)	1,629,930	1,679,129,805	1,535,519,786	(4,164,097)	23,972,927	1,555,328,616
FVPL								
Federal Government Securities	1,189,673	–	–	1,189,673	886,072	–	–	886,072
Equity instruments								
FVOCI - Non-reclassifiable								
Shares								
- Listed Companies	228,442	–	556,908	785,350	182,690	–	664,594	847,284
- Unlisted Companies	154,236	–	4,231,672	4,385,908	154,236	–	4,133,774	4,288,010
	382,678	–	4,788,580	5,171,258	336,926	–	4,798,368	5,135,294
Investments mandatorily classified / measured at FVPL								
Units of Mutual Funds	4,922,672	–	(214,435)	4,708,237	8,910,944	–	(283,430)	8,627,514
Associates	7,501,651	–	–	7,501,651	10,501,651	–	–	10,501,651
Subsidiaries	3,883,250	–	–	3,883,250	3,883,250	–	–	3,883,250
Total Investments	2,265,836,626	(2,663,258)	6,204,075	2,269,377,443	2,004,170,910	(4,178,644)	28,487,865	2,028,480,131

	(Un-audited) 30 June 2026	(Audited) 31 December 2025
	(Rupees in '000)	
9.1.1 Investments given as collateral		
Pakistan Investment Bonds	**196,867,500**	163,763,100
9.2 Credit loss allowance		
Opening balance	**4,178,644**	7,493,416
Charge / (reversal):		
Charge for the period / year	**314,464**	298,099
Reversal for the period / year	**(1,807,156)**	(3,663,063)
	(1,492,692)	(3,364,964)
Foreign exchange adjustments	**(22,694)**	50,192
Closing balance	**2,663,258**	4,178,644

9.3 Particulars of credit loss allowance against debt securities

		30 June 2026 (Un-audited)		31 December 2025 (Audited)	
		Outstanding amount	**Credit loss allowance**	Outstanding amount	Credit loss allowance
		(Rupees in '000)			
Domestic					
Performing	Stage 1	**5,347,972**	**1,498**	4,280,895	1,127
Under-performing	Stage 2	**1,523,790**	**1,313**	2,396,046	1,948
Non-performing - loss	Stage 3	**780,000**	**780,000**	780,000	780,000
		7,651,762	**782,811**	7,456,941	783,075
Overseas					
Performing	Stage 1	**4,202,636**	**29,094**	5,630,003	30,305
Under-performing	Stage 2	**9,402,969**	**1,851,353**	17,993,474	3,365,264
		13,605,605	**1,880,447**	23,623,477	3,395,569
Total		**21,257,367**	**2,663,258**	31,080,418	4,178,644

9.4 Under the IFRS 9 application instructions, the Bank is not required to compute Expected Credit Loss (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 30 June 2026 amounted to Rs. 577,688 million (31 December 2025: Rs. 454,685 million).

9.6 Summary of financial information of subsidiaries and associates

	30 June 2026 (Un-audited)					
	Percentage of holding	Assets	Liabilities	Revenue	Profit after taxation	Total comprehensive income
				(Rupees in '000)		
Subsidiaries						
AL Habib Capital Markets (Private) Limited	66.67%	2,049,610	1,417,579	198,672	41,472	52,695
AL Habib Asset Management Limited	100%	5,637,120	447,981	1,420,161	683,703	683,703
AL Habib Exchange Company (Private) Limited	100%	3,308,943	49,540	295,357	63,921	63,921
Associates						
AL Habib Money Market Fund	0.85%	72,861,987	1,203,740	4,103,948	3,757,812	3,757,812
AL Habib Islamic Cash Fund	0.29%	35,375,376	524,272	1,602,975	1,497,417	1,497,417
AL Habib Islamic Savings Fund	0.52%	19,838,707	484,394	851,148	774,870	774,870
AL Habib Income Fund	1.74%	23,246,069	389,149	1,188,932	1,088,953	1,088,953
AL Habib Islamic Stock Fund	10.57%	10,074,620	537,614	313,863	132,088	132,088
AL Habib Cash Fund	4.32%	80,991,331	2,356,937	4,484,135	4,084,437	4,084,437
AL Habib Stock Fund	10.96%	19,410,244	1,053,698	931,630	582,747	582,747
AL Habib Islamic Income Fund	0.36%	7,316,782	268,808	678,126	616,542	616,542

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 30 June 2026.

10. ADVANCES

	Performing		Non-Performing		Total	
	(Un-audited) 30 June 2026	(Audited) 31 December 2025	**(Un-audited) 30 June 2026**	(Audited) 31 December 2025	**(Un-audited) 30 June 2026**	(Audited) 31 December 2025
			(Rupees in '000)			
Loans, cash credits, running finances, etc.	**639,908,222**	591,104,648	**33,614,297**	34,009,817	**673,522,519**	625,114,465
Islamic financing and related assets	**187,730,076**	153,585,947	**1,685,653**	1,385,692	**189,415,729**	154,971,639
Bills discounted and purchased	**48,911,730**	58,984,097	**386,629**	389,355	**49,298,359**	59,373,452
Advances - gross	**876,550,028**	803,674,692	**35,686,579**	35,784,864	**912,236,607**	839,459,556
Less: credit loss allowance						
- Stage 1	**8,581,344**	7,415,134	**–**	–	**8,581,344**	7,415,134
- Stage 2	**7,255,401**	6,947,822	**–**	–	**7,255,401**	6,947,822
- Stage 3	**–**	–	**33,443,200**	33,046,205	**33,443,200**	33,046,205
	15,836,745	14,362,956	**33,443,200**	33,046,205	**49,279,945**	47,409,161
Advances - net of credit loss allowance	**860,713,283**	789,311,736	**2,243,379**	2,738,659	**862,956,662**	792,050,395

	(Un-audited) 30 June 2026	(Audited) 31 December 2025
	(Rupees in '000)	
10.1 Particulars of advances (Gross)		
In local currency	**799,107,124**	719,742,681
In foreign currencies	**113,129,483**	119,716,875
	912,236,607	839,459,556

10.2 Advances include Rs. 35,686.579 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	30 June 2026 (Un-audited) Non performing loans	30 June 2026 (Un-audited) Credit loss allowance	31 December 2025 (Audited) Non performing loans	31 December 2025 (Audited) Credit loss allowance
	(Rupees in '000)			
Domestic				
Other assets especially mentioned (OAEM)	**284,013**	**183,269**	259,898	177,151
Substandard	**488,004**	**326,543**	2,932,248	2,204,657
Doubtful	**3,025,358**	**2,266,687**	3,361,018	2,488,492
Loss	**26,561,093**	**25,338,590**	23,866,013	22,810,218
	30,358,468	**28,115,089**	30,419,177	27,680,518
Overseas				
Loss	**5,328,111**	**5,328,111**	5,365,687	5,365,687
Total	**35,686,579**	**33,443,200**	35,784,864	33,046,205

10.3 Particulars of credit loss allowance against advances

	30 June 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	6,260,640	5,099,830	1,704,264	13,064,734	6,413,787	5,531,471	5,653,822	17,599,080
Reversal for the period / year	(5,093,306)	(4,791,964)	(1,266,854)	(11,152,124)	(6,176,683)	(7,055,854)	(3,278,707)	(16,511,244)
	1,167,334	307,866	437,410	1,912,610	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	(1,124)	(287)	(40,415)	(41,826)	7,705	3,803	48,150	59,658
Closing balance	8,581,344	7,255,401	33,443,200	49,279,945	7,415,134	6,947,822	33,046,205	47,409,161

10.4 Advances - credit loss allowance

	30 June 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	5,072,204	3,537,797	382,717	8,992,718	4,530,994	3,896,177	2,004,692	10,431,863
Advances derecognised / repaid / reversal	(3,641,998)	(3,105,814)	(458,239)	(7,206,051)	(3,545,305)	(4,231,967)	(2,148,965)	(9,926,237)
Transfer to Stage 1	460,509	(445,083)	(15,426)	–	1,275,754	(1,246,047)	(29,707)	–
Transfer to Stage 2	(225,877)	319,205	(93,328)	–	(266,995)	388,062	(121,067)	–
Transfer to Stage 3	(2,801)	(55,718)	58,519	–	(40,387)	(378,872)	419,259	–
	1,662,037	250,387	(125,757)	1,786,667	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	(494,703)	57,479	563,167	125,943	(1,716,957)	48,264	2,250,903	582,210
Foreign exchange adjustments	(1,124)	(287)	(40,415)	(41,826)	7,705	3,803	48,150	59,658
Closing balance	8,581,344	7,255,401	33,443,200	49,279,945	7,415,134	6,947,822	33,046,205	47,409,161

		30 June 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	**724,998,044**	**8,413,224**	667,330,924	7,298,564
Under-performing	Stage 2	**123,699,174**	**7,255,401**	104,829,666	6,937,251
Non-performing					
Other assets especially mentioned (OAEM)	Stage 3	**284,013**	**183,269**	259,898	177,151
Substandard	Stage 3	**488,004**	**326,543**	2,932,248	2,204,657
Doubtful	Stage 3	**3,025,358**	**2,266,687**	3,361,018	2,488,492
Loss	Stage 3	**26,561,093**	**25,338,590**	23,866,013	22,810,218
		879,055,686	**43,783,714**	802,579,767	41,916,333
Overseas					
Performing	Stage 1	**27,852,810**	**168,120**	30,856,427	116,570
Under-performing	Stage 2	**–**	**–**	657,675	10,571
Non-performing - loss	Stage 3	**5,328,111**	**5,328,111**	5,365,687	5,365,687
		33,180,921	**5,496,231**	36,879,789	5,492,828
Total		**912,236,607**	**49,279,945**	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-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) 30 June 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		**(13,404)**	3,151
Closing balance of charge-offs		**2,122,906**	2,136,310
Number of borrowers		**3**	3

11. PROPERTY AND EQUIPMENT

	Note	30 June 2026	31 December 2025
Capital work-in-progress	11.1	**6,766,452**	5,750,298
Property and equipment		**99,020,196**	76,792,447
		105,786,648	82,542,745

11.1 Capital work-in-progress

	(Un-audited) 30 June 2026	(Audited) 31 December 2025
	(Rupees in '000)	
Civil works	**3,103,252**	2,817,161
Advance payment for purchase of equipments	**489,551**	406,091
Advance payment towards suppliers, contractors and property	**3,116,881**	2,471,547
Consultants' fee and other charges	**56,768**	55,499
	6,766,452	5,750,298

11.2 Additions to property and equipment

The following additions have been made to property and equipment during the period:

	(Un-audited) Half year ended 30 June 2026	30 June 2025
	(Rupees in '000)	
Capital work-in-progress	**3,422,790**	5,005,726
Property and equipment		
Leasehold land	**47,858**	26,783
Buildings on leasehold land	**527,680**	125,034
Furniture and fixture	**336,830**	357,884
Electrical, office and computer equipment	**2,165,735**	3,730,053
Vehicles	**700,770**	1,265,130
Improvements to leasehold buildings	**716,541**	538,281
	4,495,414	6,043,165
Total	**7,918,204**	11,048,891

11.3 Disposal of property and equipment

The net book value of property and equipment disposed off during the period is as follows:

Furniture and fixture	**2,106**	1,371
Electrical, office and computer equipment	**2,479**	3,182
Vehicles	**3,950**	5,226
Improvements to leasehold buildings	**–**	4,629
Total	**8,535**	14,408

11.4 In accordance with the Bank's accounting policy, the Bank's leasehold land and buildings on leasehold land were revalued at 01 June 2026. The revaluation was carried out by an independent valuer, M/s. MYK Associates (Private) Limited on the basis of professional assessment of the present market value. The revaluation resulted in an increase amounting to Rs. 21,737.908 million in the surplus as at 30 June 2026. The total surplus arising against revaluation of leasehold land and buildings on leasehold land as at 30 June 2026 amounts to Rs 43,194.222 million. The carrying value of revalued leasehold land and buildings on leasehold land was Rs. 74,373.563 million as at 30 June 2026. Had the leasehold land and buildings on leasehold land not been revalued, the total carrying amounts of revalued properties as at 30 June 2026 would have been as follows:

	(Un-audited) 30 June 2026	(Audited) 31 December 2025
	(Rupees in '000)	
Leasehold land	**14,455,345**	14,345,487
Buildings on leasehold land	**16,858,896**	16,625,608

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	**4,201,393**	6,309,716
Deletions during the period / year	**(25,406)**	(277,059)
Depreciation charge for the period / year	**(1,655,559)**	(2,912,165)
Foreign exchange adjustments	**(289)**	167
Other adjustments / transfers	**2,177**	29,008
Net carrying amount at end of the period / year	**19,351,181**	16,828,865

13. INTANGIBLE ASSETS

Computer software	**13,121**	63,301

	(Un-audited) Half year ended	
	30 June 2026	30 June 2025
	(Rupees in '000)	
13.1 Additions to intangible assets		
Computer software - directly purchased	**7,047**	97,030

	Note	(Un-audited) 30 June 2026	(Audited) 31 December 2025
		(Rupees in '000)	

14. DEFERRED TAX ASSETS / (LIABILITIES)

	Note	30 June 2026	31 December 2025
Deductible temporary differences on			
Credit loss allowance against investments		**1,384,894**	2,172,895
Credit loss allowance against advances and off-balance sheet, etc.		**12,476,670**	12,772,856
Unrealised net loss on fair value of refinancing		**178,236**	559,790
Deficit on revaluation of securities classified as FVPL		**111,506**	147,384
Right-of-use assets and related lease liabilities		**2,644,028**	2,980,323
Workers' welfare fund		**4,745,297**	4,395,611
Others		**27,477**	–
		21,568,108	23,028,859
Taxable temporary differences on			
Accelerated tax depreciation		**(2,825,316)**	(3,291,342)
Surplus on revaluation of FVOCI investments		**(3,337,626)**	(14,961,073)
Surplus on revaluation of property and equipment		**(13,936,878)**	(6,157,249)
Surplus on revaluation of non-banking assets		**(98,265)**	(98,335)
		(20,198,085)	(24,507,999)
		1,370,023	(1,479,140)

15. OTHER ASSETS

	Note	30 June 2026	31 December 2025
Income / mark-up accrued in local currency - net		**67,736,740**	57,169,039
Income / mark-up accrued in foreign currencies - net		**759,959**	895,470
Advances, deposits, advance rent and other prepayments		**19,748,272**	15,915,979
Advance taxation		**30,311,951**	22,683,333
Non-banking assets acquired in satisfaction of claims		**3,847,444**	3,847,614
Mark to market gain on forward foreign exchange contracts		**1,123,137**	902,892
Acceptances		**40,717,608**	41,733,362
Stationery and stamps on hand		**1,701,261**	1,647,545
Receivable against home remittance		**11,884,180**	10,701,413
Branch adjustment account		**2,373,097**	6,221,325
Others		**2,435,853**	962,683
		182,639,502	162,680,655
Less: credit loss allowance / provision against other assets	15.1	**(274,049)**	(319,919)
Other Assets - (net of credit loss allowance / provision)		**182,365,453**	162,360,736
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		**320,219**	320,353
Other Assets - total		**182,685,672**	162,681,089

	Note	(Un-audited) 30 June 2026	(Audited) 31 December 2025
		(Rupees in '000)	

15.1 Credit loss allowance / provision against other assets

	Note		
Mark-up accrued		**263,880**	296,098
Modification		**–**	14,431
Others - receivable against consumer loans		**9,618**	9,390
Advance against subscription		**551**	–
	15.1.1	**274,049**	319,919

15.1.1 Movement in credit loss allowance / provision against other assets

Opening balance	**319,919**	580,371
Foreign exchange adjustments	**–**	37
Charge / (reversal):		
ECL charge for the period / year	**166,066**	236,575
ECL reversal for the period / year	**(197,733)**	(506,516)
Modification charge	**–**	14,431
Charge for the period / year	**1,160**	3,468
Reversal for the period / year	**(932)**	(2,003)
	(31,439)	(254,045)
Modification reversal	**(14,431)**	(6,444)
Closing balance	**274,049**	319,919

16. CONTINGENT ASSETS

There were no contingent assets of the Bank as at 30 June 2026 (31 December 2025: Nil).

	(Un-audited) 30 June 2026	(Audited) 31 December 2025
	(Rupees in '000)	

17. BILLS PAYABLE

In Pakistan	**87,028,572**	59,749,478

18. BORROWINGS

	(Un-audited) 30 June 2026	(Audited) 31 December 2025
	(Rupees in '000)	
Secured		
Borrowings from the State Bank of Pakistan under:		
Export refinance scheme	**41,934,580**	52,594,474
Renewable energy	**13,584,776**	15,086,050
Long term financing for imported and locally manufactured plant and machinery	**17,226,736**	19,931,484
Modernisation of small and medium enterprises	**936,515**	1,143,308
Women entrepreneurship	**107,394**	127,457
Financing facility for storage of agricultural produce	**929,131**	578,558
Temporary economic refinance facility	**19,191,318**	21,779,323
Refinance facility for combating COVID-19	**33,336**	55,558
Repurchase agreement borrowings	**195,955,835**	120,111,600
	289,899,621	231,407,812
Repurchase agreement borrowings	**–**	43,000,000
Total secured	**289,899,621**	274,407,812
Unsecured		
Musharaka acceptances	**34,700,000**	–
Borrowings from financial institutions	**834,484**	14,006,155
Overdrawn nostro accounts	**4,802,403**	1,846,857
	40,336,887	15,853,012
	330,236,508	290,260,824

19. DEPOSITS AND OTHER ACCOUNTS

	30 June 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	**976,200,401**	**58,981,794**	**1,035,182,195**	826,582,359	58,898,969	885,481,328
Savings deposits	**1,033,371,911**	**48,668,714**	**1,082,040,625**	963,196,380	51,000,729	1,014,197,109
Term deposits	**235,093,912**	**67,050,830**	**302,144,742**	192,437,159	69,023,162	261,460,321
Current deposits - remunerative	**345,145,000**	**8,505,488**	**353,650,488**	301,441,838	6,035,937	307,477,775
Others	**19,547,461**	**13,633,438**	**33,180,899**	20,448,737	14,894,784	35,343,521
	2,609,358,685	**196,840,264**	**2,806,198,949**	2,304,106,473	199,853,581	2,503,960,054
Financial institutions						
Current deposits	**12,583,654**	**1,195,232**	**13,778,886**	12,977,278	974,028	13,951,306
Savings deposits	**16,757,190**	**-**	**16,757,190**	11,477,009	–	11,477,009
Term deposits	**1,364,502**	**529,897**	**1,894,399**	1,340,000	540,638	1,880,638
Current deposits - remunerative	**40,448,789**	**1,539,430**	**41,988,219**	66,547,783	1,221,903	67,769,686
Others	**48,860**	**-**	**48,860**	48,320	–	48,320
	71,202,995	**3,264,559**	**74,467,554**	92,390,390	2,736,569	95,126,959
	2,680,561,680	**200,104,823**	**2,880,666,503**	2,396,496,863	202,590,150	2,599,087,013

	(Un-audited) 30 June 2026	(Audited) 31 December 2025
	(Rupees in '000)	
20. LEASE LIABILITIES		
Opening balance	**20,845,724**	16,848,698
Additions during the period / year	**4,201,393**	6,309,716
Lease payments including interest	**(2,660,364)**	(4,588,344)
Finance charges on lease liabilities	**1,539,900**	2,641,430
Deletions during the period / year	**(33,301)**	(394,963)
Foreign exchange adjustments	**(301)**	179
Other adjustment	**2,177**	29,008
Closing balance	**23,895,228**	20,845,724

20.1 Contractual maturity of lease liabilities

	(Un-audited) 30 June 2026	(Audited) 31 December 2025
Short-term lease liabilities - within one year	**1,624,127**	1,534,555
Long-term lease liabilities		
- 1 to 5 years	**8,451,957**	7,867,564
- 5 to 10 years	**10,334,950**	8,781,919
- More than 10 years	**3,484,194**	2,661,686
	22,271,101	19,311,169
Total	**23,895,228**	20,845,724

20.2 This carries average effective rate of 13.68% (31 December 2025: 13.70%) per annum.

	Note	(Un-audited) 30 June 2026	(Audited) 31 December 2025
		(Rupees in '000)	
21. SUBORDINATED DEBT - Unsecured			
Term Finance Certificates (TFCs) - VI	21.1	**7,000,000**	7,000,000
Term Finance Certificates (TFCs) - VIII	21.2	**4,974,630**	4,992,000
Term Finance Certificates (TFCs) - IX	21.3	**7,000,000**	7,000,000
Term Finance Certificates (TFCs) - X	21.4	**6,967,676**	6,991,600
		25,942,306	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).

22. OTHER LIABILITIES

	Note	(Un-audited) 30 June 2026	(Audited) 31 December 2025
		(Rupees in '000)	
Mark-up / return / interest payable in local currency		**5,666,233**	5,563,150
Mark-up / return / interest payable in foreign currencies		**798,355**	939,066
Unearned commission income		**3,702,658**	3,801,833
Accrued expenses		**3,428,984**	4,560,875
Acceptances		**40,717,608**	41,733,362
Unclaimed / dividend payable		**1,526,697**	1,371,065
Mark to market loss on forward foreign exchange contracts		**1,192,687**	1,294,874
Payable to defined benefit plan		**4,443,048**	3,567,048
Charity payable		**120,079**	112,228
Credit loss allowance against off-balance sheet obligations	22.1	**4,946,945**	4,756,981
Security deposits against leases / ijarah		**23,057,834**	18,543,826
Provision for compensated absences		**2,975,393**	2,638,376
Other security deposits		**1,110,076**	1,062,926
Workers' welfare fund		**9,125,572**	8,453,099
Payable to SBP / NBP		**3,731,882**	3,396,051
Insurance payable		**790,463**	651,987
ATM switch, clearing and settlement account		**43,177,469**	28,831,290
Others		**2,027,128**	3,811,730
		152,539,111	135,089,767

22.1 Credit loss allowance against off-balance sheet obligations

	(Un-audited) 30 June 2026	(Audited) 31 December 2025
Opening balance	**4,756,981**	4,742,981
Charge / (reversal):		
Charge for the period / year	**2,703,885**	2,697,591
Reversal for the period / year	**(2,513,893)**	(2,684,972)
	189,992	12,619
Foreign exchange adjustments	**(28)**	1,381
Closing balance	**4,946,945**	4,756,981

	Note	(Un-audited) 30 June 2026	(Audited) 31 December 2025
		(Rupees in '000)	

23. SURPLUS ON REVALUATION OF ASSETS

	Note	30 June 2026	31 December 2025
Surplus on revaluation of:			
- Securities measured at FVOCI - debt	9.1	**1,629,930**	23,972,927
- Securities measured at FVOCI - equity	9.1	**4,788,580**	4,798,368
- Property and equipment		**43,194,222**	21,709,624
- Non-banking assets acquired in satisfaction of claims		**320,219**	320,353
		49,932,951	50,801,272
Deferred tax on surplus on revaluation of:			
- Securities measured at FVOCI - debt		**847,564**	12,465,922
- Securities measured at FVOCI - equity		**2,490,062**	2,495,151
- Property and equipment		**14,007,254**	6,227,626
- Non-banking assets acquired in satisfaction of claims		**98,265**	98,335
		17,443,145	21,287,034
		32,489,806	29,514,238

24. CONTINGENCIES AND COMMITMENTS

	Note	30 June 2026	31 December 2025
Guarantees	24.1	**256,344,247**	276,837,359
Commitments	24.2	**591,390,652**	568,315,824
Other contingent liabilities	24.3.1	**3,766,244**	4,396,720
		851,501,143	849,549,903

24.1 Guarantees:

	Note	30 June 2026	31 December 2025
Financial guarantees		**43,244,974**	38,127,822
Performance guarantees		**213,099,273**	238,709,537
		256,344,247	276,837,359

24.2 Commitments:

	Note	30 June 2026	31 December 2025
Documentary credits and short-term trade-related transactions:			
- letters of credit		**291,131,590**	320,900,787
Commitments in respect of:			
- forward foreign exchange contracts	24.2.1	**283,176,506**	217,916,938
- forward lendings	24.2.2	**13,828,746**	26,364,468
Commitments for acquisition of:			
- operating property and equipment		**3,253,810**	3,133,631
		591,390,652	568,315,824

	(Un-audited) 30 June 2026	(Audited) 31 December 2025
	(Rupees in '000)	
24.2.1 Commitments in respect of forward foreign exchange contracts		
Purchase	**178,840,820**	147,981,083
Sale	**104,335,686**	69,935,855
	283,176,506	217,916,938

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

24.2.2 Commitments in respect of forward lendings	**13,828,746**	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) 30 June 2026	(Audited) 31 December 2025
	(Rupees in '000)	
24.3 Other contingent liabilities		
24.3.1 Claims against the Bank not acknowledged as debts	**3,766,244**	4,396,720

24.3.2 Tax related contingent liabilities

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

- For Tax Years 2015, 2016, 2017, 2019, 2020, 2021 and 2022, the Appellate Tribunal Inland Revenue (ATIR) has finalised the respective orders in favour of the Bank, and refund orders amounting to Rs. 3,376.115 million have been received by the Bank during the period.

- For Tax Year 2025 (Accounting Year 2024), Additional Commissioner Inland Revenue (ACIR) has finalised the order by disallowing certain expenses resulting in a tax impact of Rs. 2,314.231 million. The Bank has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the said 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	30 June 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	**54,756,201**	**369,274**	**75,707,380**	**367**	**130,463,581**	**369,641**
Other Entities						
Hedging	**152,712,925**	**(439,191)**	**–**	**–**	**152,712,925**	**(439,191)**
Total						
Hedging	**207,469,126**	**(69,917)**	**75,707,380**	**367**	**283,176,506**	**(69,550)**

	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

	30 June 2026 (Un-audited)				
	Number of contracts	Notional principal	Mark to market		
			Negative	Positive	Net
			(Rupees in '000)		
Upto 1 month	**359**	**74,870,354**	**(303,547)**	**261,996**	**(41,551)**
1 to 3 months	**699**	**87,910,242**	**(544,285)**	**263,045**	**(281,240)**
3 to 6 months	**839**	**101,052,208**	**(326,052)**	**436,223**	**110,171**
Over 6 months to 1 year	**179**	**19,343,702**	**(18,803)**	**161,873**	**143,070**
	2,076	**283,176,506**	**(1,192,687)**	**1,123,137**	**(69,550)**

	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) Half year ended	
	30 June 2026	30 June 2025
	(Rupees in '000)	
26. MARK-UP / RETURN / INTEREST EARNED		
Loans and advances	**40,392,220**	51,243,761
Investments	**126,211,588**	126,014,436
Lendings to financial institutions	**236,260**	122,536
Deposits with financial institutions	**280,464**	339,059
Securities purchased under resale agreements	**339,976**	256,534
	167,460,508	177,976,326

26.1 Interest income recognised on:

Financial assets measured at:	
- Amortised cost	**71,010,691**
- FVOCI	**96,419,237**
- FVPL	**30,580**
	167,460,508

	Note	(Un-audited) Half year ended 30 June 2026	30 June 2025
		(Rupees in '000)	
27. MARK-UP / RETURN / INTEREST EXPENSED			
Deposits		**78,855,006**	75,558,628
Borrowings		**1,790,822**	3,595,668
Subordinated debt		**1,594,132**	1,810,002
Cost of foreign currency swaps against deposits / borrowings		**3,404,025**	2,151,010
Repurchase agreement borrowings		**15,313,876**	27,270,803
Finance charges on lease liabilities		**1,539,900**	1,255,521
		102,497,761	111,641,632
28. FEE AND COMMISSION INCOME			
Branch banking customer fees		**1,651,413**	1,419,223
Investment banking fees		**63,218**	39,148
Consumer finance related fees		**44,442**	31,715
Card related fees (debit and credit cards)		**3,866,494**	3,157,697
Credit related fees		**203,833**	144,284
Commission on trade		**3,456,992**	3,558,010
Commission on guarantees		**778,431**	578,474
Commission on cash management		**126,122**	123,064
Commission on home remittances		**134,875**	1,589,054
Others		**48,211**	27,351
		10,374,031	10,668,020
29. GAIN / (LOSS) ON SECURITIES - NET			
Realised gain / (loss)	29.1	**648,391**	(119,565)
Unrealised loss - measured at FVPL	9.1	**(214,435)**	(314,331)
		433,956	(433,896)
29.1 Realised gain / (loss) on:			
Federal Government Securities		**(1,838)**	(119,565)
Units of Mutual Funds		**(85,277)**	–
Associates - Mutual Funds		**754,147**	–
Foreign Currency Bonds		**(18,641)**	–
		648,391	(119,565)
29.2 Net gain / (loss) on financial assets:			
Net loss on investments in securities mandatorily measured at FVPL		**(299,712)**	(314,331)
Net loss on financial assets measured at FVOCI		**(20,479)**	(119,565)
Gain on investments in associates		**754,147**	–
		433,956	(433,896)
30. OTHER INCOME			
Rent on property		**19,129**	15,839
Gain on sale of property and equipment - net		**621,660**	498,210
Gain on termination of leases - net		**7,895**	85,578
		648,684	599,627

		(Un-audited) Half year ended	
		30 June 2026	30 June 2025
		(Rupees in '000)	
31.	**OPERATING EXPENSES**		
	Total compensation expenses	**24,350,189**	21,753,302
	Property expenses		
	Rent and taxes	**198,736**	118,971
	Insurance	**24,100**	16,848
	Utilities cost	**1,962,797**	1,577,330
	Security (including guards)	**1,437,055**	1,366,424
	Repair and maintenance (including janitorial charges)	**522,585**	513,728
	Depreciation	**1,069,884**	935,616
	Depreciation on non-banking assets acquired in satisfaction of claims	**304**	304
	Depreciation on right-of-use assets	**1,655,559**	1,355,777
		6,871,020	5,884,998
	Information technology expenses		
	Software maintenance	**2,718,598**	1,429,395
	Hardware maintenance	**687,665**	754,826
	Depreciation	**1,133,655**	881,987
	Amortisation	**57,227**	98,858
	Network charges	**299,741**	304,393
		4,896,886	3,469,459
	Other operating expenses		
	Directors' fees and allowances	**39,460**	43,930
	Fees and allowances to shariah board	**25,427**	21,811
	Insurance	**652,824**	618,260
	Legal and professional charges	**332,525**	252,768
	Outsourced services costs	**2,219,912**	1,892,043
	Travelling and conveyance	**425,143**	370,501
	NIFT and other clearing charges	**189,646**	163,325
	Depreciation	**2,219,279**	1,864,844
	Repair and maintenance	**1,590,452**	1,314,018
	Training and development	**56,645**	105,554
	Postage and courier charges	**257,170**	197,121
	Communication	**1,642,218**	1,538,016
	Stationery and printing	**812,983**	999,901
	Marketing, advertisement and publicity	**1,167,416**	786,282
	Donations	**308,200**	271,800
	Auditors' remuneration	**16,860**	14,684
	Commission and brokerage	**1,307,067**	900,471
	Entertainment and staff refreshment	**432,268**	407,124
	Vehicle running expenses	**123,355**	99,304
	Subscriptions and publications	**215,324**	167,256
	CNIC verification charges	**200,382**	223,022
	Security charges	**611,983**	534,366
	Others	**546,406**	518,892
		15,392,945	13,305,293
		51,511,040	44,413,052

	Note	(Un-audited) Half year ended 30 June 2026	30 June 2025
		(Rupees in '000)	

32. OTHER CHARGES

	Note	30 June 2026	30 June 2025
Penalties imposed by the State Bank of Pakistan		**6,769**	30,595

33. CREDIT LOSS ALLOWANCE AND WRITE-OFFS - NET

	Note	30 June 2026	30 June 2025
(Reversal) / charge against balances with other banks	7.1	**(131,238)**	73,110
Reversal against lendings to financial institutions	8.1	**(2,627)**	(2,599)
Reversal against investments	9.2	**(1,492,692)**	(1,546,212)
Charge / (reversal) against loans and advances	10.3	**1,912,610**	(607,887)
Reversal against other assets	15.1.1	**(31,439)**	(150,946)
Charge / (reversal) against off-balance sheet items	22.1	**189,992**	(414,221)
Reversal of deficit on revaluation of property and equipment		**(425,781)**	–
		18,825	(2,648,755)

34. TAXATION

	Note	30 June 2026	30 June 2025
Charge / (reversal):			
Current		**17,134,619**	20,479,798
Prior years		**(1,691,314)**	2,354,668
Deferred		**896,956**	(3,075,001)
		16,340,261	19,759,465

35. BASIC AND DILUTED EARNINGS PER SHARE

	Note	30 June 2026	30 June 2025
Profit for the period		**15,090,448**	19,324,336
		(Number)	
Weighted average number of ordinary shares		**1,111,425,416**	1,111,425,416
		(Rupees)	
Basic and diluted earnings per share		**13.58**	17.39

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:

	30 June 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	**–**	**1,670,801,650**	**–**	**1,670,801,650**
Shares	**785,350**	**172,381**	**4,213,527**	**5,171,258**
Non Government Debt Securities	**–**	**6,921,606**	**–**	**6,921,606**
Foreign Securities	**–**	**2,596,222**	**–**	**2,596,222**
Units of Mutual Funds	**4,708,237**	**–**	**–**	**4,708,237**
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	**–**	**577,688,489**	**–**	**577,688,489**
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange contracts	**–**	**178,088,663**	**–**	**178,088,663**
Forward sale of foreign exchange contracts	**–**	**105,018,293**	**–**	**105,018,293**

	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 include 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) Sukuks	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 instrument.	- KIBOR - PKRV 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 Telecommunication (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 has 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 Buildings	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) 30 June 2026	(Audited) 31 December 2025
	(Rupees in '000)	
Opening balance	**4,127,900**	3,596,078
Surplus recognised in OCI	**85,627**	531,822
Closing balance	**4,213,527**	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)	127,672	20%	Increase / (decrease) in DLOM by 1% by all other variables held constant would (decrease) / increase the fair value by Rs. 1.6 m.
1LINK (Private) Limited	Discounts for lack of marketability (DLOM)	4,085,855	28%	Increase / (decrease) in DLOM by 1% by all other variables held constant would (decrease) / increase the fair value by Rs. 56.7 m.

37. SEGMENT INFORMATION

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

	Half year ended 30 June 2026 (Un-audited)					
	Corporate	Treasury	Retail	Islamic	Overseas	Total
			(Rupees in '000)			
Statement of profit and loss account						
Mark-up / return / profit	24,844,223	106,792,759	6,869,481	27,386,867	1,567,178	167,460,508
Inter segment revenue - net	15,321,221	514,811	73,570,877	–	865,373	90,272,282
Non mark-up / return / interest income	1,927,043	7,644,985	7,353,014	1,451,570	300,457	18,677,069
Total income	42,092,487	114,952,555	87,793,372	28,838,437	2,733,008	276,409,859
Segment direct expenses	(39,248,004)	(15,521,252)	(79,293,220)	(19,321,132)	(1,304,435)	(154,688,043)
Inter segment expense allocation	–	(89,757,471)	–	–	(514,811)	(90,272,282)
Total expenses	(39,248,004)	(105,278,723)	(79,293,220)	(19,321,132)	(1,819,246)	(244,960,325)
Credit loss allowance and write-offs - net	(601,674)	218,467	67,925	(1,139,709)	1,436,166	(18,825)
Profit before tax	2,242,809	9,892,299	8,568,077	8,377,596	2,349,928	31,430,709

	As at 30 June 2026 (Un-audited)					
	Corporate	Treasury	Retail	Islamic	Overseas	Total
			(Rupees in '000)			
Statement of financial position						
Cash and bank balances	79,542,814	105,517,556	21,099,471	27,671,629	380,738	234,212,208
Investments	–	1,883,897,394	–	372,135,794	13,344,255	2,269,377,443
Net inter segment lending	313,440,814	–	1,505,109,515	–	36,939,834	1,855,490,163
Lendings to financial institutions	–	4,999,325	–	–	–	4,999,325
Advances - performing	581,467,553	–	66,505,593	185,055,446	27,684,691	860,713,283
- non-performing net of credit loss allowance	2,117,706	–	31,289	94,384	–	2,243,379
Others	105,713,434	138,392,980	28,041,471	34,356,844	2,701,916	309,206,645
Total assets	1,082,282,321	2,132,807,255	1,620,787,339	619,314,097	81,051,434	5,536,242,446
Borrowings	73,740,447	200,758,238	–	54,903,339	834,484	330,236,508
Subordinated debt	–	25,942,306	–	–	–	25,942,306
Deposits and other accounts	918,631,611	–	1,490,242,748	424,688,823	47,103,321	2,880,666,503
Net inter segment borrowing	–	1,838,744,847	–	–	16,745,316	1,855,490,163
Others	66,125,559	11,705,590	126,260,954	56,933,612	2,437,196	263,462,911
Total liabilities	1,058,497,617	2,077,150,981	1,616,503,702	536,525,774	67,120,317	5,355,798,391
Equity	23,784,704	55,656,274	4,283,637	82,788,323	13,931,117	180,444,055
Total equity and liabilities	1,082,282,321	2,132,807,255	1,620,787,339	619,314,097	81,051,434	5,536,242,446
Contingencies and commitments	481,782,798	284,815,807	593,204	75,951,735	8,357,599	851,501,143

	Half year ended 30 June 2025 (Un-audited)					
	Corporate	Treasury	Retail	Islamic	Overseas	Total
	(Rupees in '000)					
Statement of profit and loss account						
Mark-up / return / profit	28,027,363	106,195,720	16,903,231	24,977,116	1,872,896	177,976,326
Inter segment revenue - net	348,153	551,390	26,744,650	–	856,950	28,501,143
Non mark-up / return / interest income	1,538,649	855,456	11,533,512	1,186,413	227,597	15,341,627
Total income	29,914,165	107,602,566	55,181,393	26,163,529	2,957,443	221,819,096
Segment direct expenses	(27,022,644)	(65,331,458)	(45,486,291)	(17,460,410)	(1,582,104)	(156,882,907)
Inter segment expense allocation	–	(27,949,753)	–	–	(551,390)	(28,501,143)
Total expenses	(27,022,644)	(93,281,211)	(45,486,291)	(17,460,410)	(2,133,494)	(185,384,050)
Credit loss allowance and write-offs - net	1,123,641	54,053	13,093	(431,335)	1,889,303	2,648,755
Profit before tax	4,015,162	14,375,408	9,708,195	8,271,784	2,713,252	39,083,801

	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	549,253,643	219,429,568	687,622	68,114,936	12,064,134	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:

	30 June 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	**–**	**–**	**–**	**5,000,000**	**–**	–	–	–	7,500,000	–
Investment adjusted / redeemed / disposed off during the period / year	**–**	**–**	**–**	**(8,000,000)**	**–**	–	–	–	(1,613,002)	(182,690)
(Deficit) / surplus on revaluation	**–**	**–**	**–**	**–**	**(11,859)**	–	–	–	–	3,438,799
Credit loss allowance	**–**	**–**	**–**	**–**	**–**	–	–	–	–	30,000
Closing balance	**–**	**–**	**3,883,250**	**7,501,651**	**4,085,854**	–	–	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	**9,510**	**254,290**	**53,703,315**	**–**	**18,140,509**	130,940	605,791	67,548,169	–	42,247,630
Repaid during the period / year	**(16,762)**	**(195,492)**	**(53,658,669)**	**–**	**(18,087,584)**	(125,348)	(544,278)	(67,561,040)	–	(42,330,680)
Credit loss allowance	**59**	**(12)**	**274**	**–**	**1**	(43)	22	6,777	–	50,420
Closing balance	**30**	**511,888**	**589,162**	**–**	**1,129,877**	7,223	453,102	544,242	–	1,076,951
Right-of-use assets	**–**	**–**	**–**	**–**	**9,301**	–	–	–	–	11,959
Other assets										
Interest / mark-up accrued	**–**	**561**	**4,225**	**–**	**15,182**	–	517	22,012	–	46,017
Credit loss allowance on accrued mark-up	**–**	**–**	**77**	**–**	**405**	–	1	143	–	721
Subordinated debt										
Opening balance	**–**	**–**	**–**	**–**	**244,000**	–	–	–	–	244,000
Issued / purchased during the period / year	**–**	**–**	**–**	**–**	**904,538**	–	–	–	–	–
Redeemed / sold during the period / year	**–**	**–**	**–**	**–**	**(10,077)**	–	–	–	–	–
Closing balance	**–**	**–**	**–**	**–**	**1,138,461**	–	–	–	–	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	**4,224,547**	**2,673,376**	**150,390,610**	**763,720,921**	**46,502,755**	10,183,847	6,909,437	514,833,412	1,208,186,155	398,533,940
Withdrawn during the period / year	**(4,228,981)**	**(2,464,558)**	**(150,051,059)**	**(774,607,373)**	**(44,896,627)**	(10,817,343)	(6,929,728)	(514,643,343)	(1,181,217,638)	(411,000,031)
Closing balance	**468,815**	**1,042,987**	**1,550,272**	**27,877,145**	**4,585,771**	473,249	834,169	1,210,721	38,763,597	2,979,643
Other liabilities										
Interest / mark-up payable	**9**	**1,923**	**1**	**27,531**	**14,498**	10	2,361	27	71,146	6,377
Credit loss allowance on off-balance sheet	**–**	**–**	**–**	**–**	**17,057**	–	–	–	–	16,910
Payable to staff gratuity fund	**–**	**–**	**–**	**–**	**4,443,048**	–	–	–	–	3,567,048
Other liabilities	**–**	**13**	**1,473**	**–**	**–**	–	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	**–**	**–**	**–**	**–**	**5,121,200**	–	80,000	–	–	12,475,800
Decreased during the period / year	**–**	**–**	**–**	**–**	**(4,306,200)**	–	–	–	–	(6,250,100)
Closing balance	**–**	**80,000**	**45,000**	**–**	**31,222,700**	–	80,000	45,000	–	30,407,700

38.1 Related Party Transactions

	30 June 2026 (Un-audited)					30 June 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	14,417	11,143	–	32,289	2,464	14,647	24,662	–	54,119
Fee and commission income	711	965	282	142	16,654	206	686	217	173	6,145
Dividend income	–	–	–	454,745	158,803	–	–	–	608,385	140,847
Net gain on sale / redemption of securities / mutual funds	–	–	–	754,147	–	–	–	–	–	4
Rental income	–	–	19,129	–	–	–	–	15,839	–	–
Other income	–	14	382	–	209	–	6	382	–	207
Expense										
Mark-up / return / interest expensed	16,526	34,157	46,555	567,285	257,301	33,631	53,973	37,552	235,090	287,989
Foreign exchange expenses	–	–	17,570	–	–	–	–	–	–	–
Operating expenses	–	–	–	–	758,523	–	–	–	–	702,700
Brokerage and commission	–	–	11,823	–	–	–	–	11,351	–	–
Salaries and allowances	–	802,164	–	–	–	–	812,422	–	–	–
Bonus	–	190,579	–	–	–	–	168,749	–	–	–
Contribution to defined contribution plan	–	36,350	–	–	–	–	28,962	–	–	–
Contribution to defined benefit plan	–	169,823	–	–	–	–	211,281	–	–	–
Staff provident fund	–	–	–	–	816,945	–	–	–	–	706,940
Staff gratuity fund	–	–	–	–	876,000	–	–	–	–	630,000
Directors' fees	36,360	–	–	–	–	36,230	–	–	–	–
Donation	–	–	–	–	21,000	–	–	–	–	84,000
Insurance premium paid	–	–	–	–	256,377	–	–	–	–	179,462
Insurance claims settled	–	–	–	–	61,589	–	–	–	–	107,642
Other										
Sale of government securities	–	–	–	–	4,933,052	–	–	–	–	5,814,700
Purchase / sale of foreign currencies (cross currency)	–	–	12,491,181	–	–	–	–	2,218,467	–	–

39. CAPITAL ADEQUACY, LEVERAGE RATIO AND LIQUIDITY REQUIREMENTS

	(Un-audited) 30 June 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	**152,595,269**	147,597,060
Eligible Additional Tier 1 (ADT 1) Capital	**13,046,595**	13,026,476
Total Eligible Tier 1 Capital	**165,641,864**	160,623,536
Eligible Tier 2 Capital	**55,214,272**	52,182,666
Total Eligible Capital (Tier 1 + Tier 2)	**220,856,136**	212,806,202
Risk Weighted Assets (RWAs):		
Credit Risk	**935,289,023**	873,780,066
Market Risk	**73,607,954**	69,227,982
Operational Risk	**305,193,173**	305,193,173
Total	**1,314,090,150**	1,248,201,221

	(Un-audited) 30 June 2026	(Audited) 31 December 2025
	(Percentage)	
Common Equity Tier 1 Capital Adequacy Ratio	**11.61%**	11.82%
Tier 1 Capital Adequacy Ratio	**12.61%**	12.87%
Total Capital Adequacy Ratio	**16.81%**	17.05%

	(Un-audited) 30 June 2026	(Audited) 31 December 2025
	(Rupees in '000)	
Leverage Ratio (LR):		
Eligible Tier-1 Capital	**165,641,865**	160,623,536
Total Exposures	**4,257,854,471**	3,829,478,348
Leverage Ratio	**3.89%**	4.19%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	**1,707,834,490**	1,365,295,341
Total Net Cash Outflow	**637,361,278**	480,920,313
Liquidity Coverage Ratio	**267.95%**	283.89%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	**2,893,133,643**	2,631,738,714
Total Required Stable Funding	**1,542,826,964**	1,366,097,618
Net Stable Funding Ratio	**187.52%**	192.65%

The Bank has applied transitional approach under IFRS 9 as prescribed in SBP Circular. CAR and LR would be 16.26% and 3.77% respectively, if full impact of IFRS 9 is applied.

40. ISLAMIC BANKING BUSINESS

The Bank is operating with 419 (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) 30 June 2026**	(Audited) 31 December 2025
		(Rupees in '000)	
ASSETS			
Cash and balances with treasury banks		**27,662,000**	27,400,433
Balances with other banks		**9,629**	9,480
Due from financial institutions		**–**	17,997,570
Investments	40.1	**372,135,794**	329,585,390
Islamic financing and related assets - net	40.2	**185,149,830**	151,674,885
Property and equipment		**4,267,793**	3,976,043
Right-of-use assets		**7,009,964**	6,521,920
Intangible assets		**–**	–
Due from Head Office		**–**	–
Other assets		**23,079,087**	18,529,413
Total Assets		**619,314,097**	555,695,134
LIABILITIES			
Bills payable		**1,327,863**	1,249,578
Due to financial institutions		**54,903,339**	24,160,152
Deposits and other accounts	40.3	**424,688,823**	413,425,416
Due to Head Office		**9,023,275**	8,509,501
Lease liabilities		**8,667,966**	7,886,845
Subordinated debt		**–**	–
Other liabilities		**37,914,508**	18,353,839
Total Liabilities		**536,525,774**	473,585,331
NET ASSETS		**82,788,323**	82,109,803
REPRESENTED BY			
Islamic Banking Fund		**7,600,000**	7,600,000
Reserves		**–**	–
(Deficit) / surplus on revaluation of assets		**(4,639,075)**	3,033,370
Unappropriated profit	40.4	**79,827,398**	71,476,433
		82,788,323	82,109,803
CONTINGENCIES AND COMMITMENTS	40.5		

(Un-audited)
Half year ended

STATEMENT OF PROFIT AND LOSS ACCOUNT	Note	**30 June 2026**	30 June 2025
		(Rupees in '000)	
Profit / return earned	40.6	**27,386,867**	24,977,116
Profit / return expensed	40.7	**(12,002,634)**	(11,763,111)
Net profit / return		**15,384,233**	13,214,005
Other income			
Fee and commission income		**1,352,533**	1,044,023
Dividend income		**43,123**	27,242
Foreign exchange income		**87,251**	134,873
Loss on securities - net		**(31,337)**	(19,725)
Other income		**–**	–
Total other income		**1,451,570**	1,186,413
Total income		**16,835,803**	14,400,418
Other expenses			
Operating expenses		**(7,317,423)**	(5,696,658)
Other charges		**(1,075)**	(641)
Total other expenses		**(7,318,498)**	(5,697,299)
Profit before credit loss allowance		**9,517,305**	8,703,119
Credit loss allowance and write-offs - net		**(1,139,709)**	(431,335)
Profit for the period		**8,377,596**	8,271,784

40.1 Investments

	30 June 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	22,836,094	-	-	22,836,094	24,383,389	-	-	24,383,389
FVPL								
Federal Government Securities								
- Naya Pakistan Certificates	1,189,673	-	-	1,189,673	886,072	-	-	886,072
FVOCI								
Federal Government Securities								
- Ijarah Sukuks	347,620,838	-	(4,699,458)	342,921,380	297,726,212	-	3,037,050	300,763,262
- Neelum Jhelum Hydropower Co. Ltd. Sukuk	-	-	-	-	288,750	-	17,293	306,043
Non Government Debt Securities								
- Listed	2,170,713	(680,684)	95,282	1,585,311	1,122,000	(680,424)	2,855	444,431
- Unlisted	2,204,065	(648)	(34,899)	2,168,518	2,360,500	(634)	(23,828)	2,336,038
	351,995,616	(681,332)	(4,639,075)	346,675,209	301,497,462	(681,058)	3,033,370	303,849,774
Investments mandatorily classified / measured at FVPL								
Units of Mutual Funds	1,266,155	-	(31,337)	1,234,818	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	377,487,538	(681,332)	(4,670,412)	372,135,794	327,240,052	(681,058)	3,026,396	329,585,390

40.1.1 Particulars of credit loss allowance

	30 June 2026 (Un-audited)			
	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)			
Non Government Debt Securities	909	423	680,000	681,332

	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) 30 June 2026	(Audited) 31 December 2025
	(Rupees in '000)	
40.2 Islamic financing and related assets		
Ijarah	**4,312,242**	3,960,126
Murabaha	**14,939,086**	12,896,466
Diminishing Musharaka	**49,773,595**	32,362,289
Istisna	**5,279,814**	6,870,106
Islamic Long Term Financing Facility (ILTFF)	**7,143,088**	4,301,121
Islamic Refinance for Renewable Energy (IFRE)	**2,692,438**	2,916,460
Islamic Refinance for Temporary Economic Refinance Facility (ITERF)	**534,674**	2,028,789
Islamic Refinance Facility for Modernisation of SMEs (IRFSME)	**178,931**	133,037
Islamic Financing Facility for Storage of Agricultural Produce (IFFSAP)	**85,620**	99,457
Islamic Export Refinance (IERF) - Istisna	**5,100**	399,500
Musawamah	**3,775,858**	4,775,840
Running Musharaka	**848,986**	1,844,473
Islamic Export Refinance - Running Musharaka	**14,643,641**	13,963,641
Financing against Bills - Musawamah	**13,627,085**	6,919,778
Export Finance Scheme (EFS) - Discounting	**8,469,838**	8,405,335
Staff Financing	**8,551,146**	5,933,903
Musawamah Inventory	**5,376,915**	4,430,963
Advance against Istisna	**13,572,184**	11,524,724
Advance against Istisna - IERF	**4,533,468**	3,807,743
Advance against Ijarah	**562,355**	589,164
Advance against Diminishing Musharaka	**9,707,440**	4,706,521
Advance against Bai Muajjal	**20,306,286**	22,038,007
Advance against IRFSME	**–**	64,196
Advance against Murabaha	**495,939**	–
Gross Islamic financing and related assets	**189,415,729**	154,971,639
Less: credit loss allowance against Islamic financings		
- Stage 1	**(1,610,449)**	(1,088,425)
- Stage 2	**(1,064,151)**	(839,919)
- Stage 3	**(1,591,299)**	(1,368,410)
	(4,265,899)	(3,296,754)
Islamic financing and related assets - net of credit loss allowance	**185,149,830**	151,674,885

		(Un-audited) 30 June 2026	(Audited) 31 December 2025
		(Rupees in '000)	
40.3	**Deposits and other accounts**		
	Customers		
	Current deposits	**196,352,562**	165,099,275
	Savings deposits	**192,591,788**	216,447,312
	Term deposits	**19,120,279**	20,546,384
		408,064,629	402,092,971
	Financial institutions		
	Current deposits	**205,371**	95,431
	Savings deposits	**16,418,823**	11,237,014
		16,624,194	11,332,445
		424,688,823	413,425,416
40.4	**Islamic Banking Business Unappropriated Profit**		
	Opening balance	**71,476,433**	54,066,152
	Impact of change in accounting policy	**(26,631)**	–
	Add: Islamic Banking profit for the period / year	**8,377,596**	17,410,281
	Closing balance	**79,827,398**	71,476,433
40.5	**Contingencies and Commitments**		
	Guarantees	**26,562,804**	27,884,693
	Commitments	**49,388,931**	40,230,243
		75,951,735	68,114,936

		(Un-audited) Half year ended	
		30 June 2026	30 June 2025
		(Rupees in '000)	
40.6	**Profit / Return Earned on Financings, Investments and Placements**		
	Profit earned on:		
	Financings	**7,856,518**	5,730,868
	Investments	**19,293,873**	19,123,500
	Placements	**236,476**	122,748
		27,386,867	24,977,116
40.7	**Profit on Deposits and Other Dues Expensed**		
	Deposits and other accounts	**9,675,297**	9,888,422
	Due to financial institutions	**687,459**	1,121,912
	Due to Head Office	**1,074,922**	313,484
	Finance charges on lease liabilities	**564,956**	439,293
		12,002,634	11,763,111

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 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% (30 June 2025: 50%) of net income and the depositors' profit sharing ratio was 50% (30 June 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

	30 June 2026 (Un-audited)				
	Distributable Income	Mudarib Share	Mudarib Share	HIBA Amount	HIBA
	(Rupees in '000)		(Percentage)	(Rupees in '000)	(Percentage)
LCY Pool	**14,315,398**	**6,075,490**	**42.44%**	**2,343,575**	**38.57%**
FCY Pool	**231,945**	**178,999**	**77.17%**	**27,385**	**15.30%**
	30 June 2025 (Un-audited)				
LCY Pool	14,038,653	6,568,359	46.79%	2,838,457	43.21%
FCY Pool	210,623	170,661	81.03%	25,716	15.07%

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

	(Un-audited) Half year ended	
	30 June 2026	30 June 2025
	(Percentage)	
Profit rate earned	**10.00%**	12.05%
Profit rate distributed	**4.72%**	6.09%

41. GENERAL

41.1 Captions 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 20 August 2026, has announced an interim cash dividend of Rs. 3.50 per share (30 June 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 20 August 2026.

MANSOOR ALI KHAN
Chief Executive

ASHAR HUSAIN
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI
Director

FARHANA MOWJEE KHAN
Director

ABBAS D. HABIB
Chairman

Consolidated Financial Statements

Bank AL Habib Limited

and

Subsidiary Companies

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2026

	Note	(Un-audited) 30 June 2026	(Audited) 31 December 2025
		(Rupees in '000)	
ASSETS			
Cash and balances with treasury banks	6	**229,119,287**	190,063,529
Balances with other banks	7	**5,983,253**	7,552,576
Lendings to financial institutions	8	**4,999,325**	24,453,908
Investments	9	**2,272,185,603**	2,031,294,437
Advances	10	**862,351,820**	791,490,864
Property and equipment	11	**105,965,565**	82,711,235
Right-of-use assets	12	**19,384,625**	16,869,099
Intangible assets	13	**113,747**	166,943
Deferred tax assets	14	**1,331,514**	–
Other assets	15	**184,251,417**	164,906,911
Total Assets		**3,685,686,156**	3,309,509,502
LIABILITIES			
Bills payable	17	**87,028,572**	59,749,478
Borrowings	18	**330,236,508**	290,299,002
Deposits and other accounts	19	**2,879,111,114**	2,597,997,148
Lease liabilities	20	**23,932,897**	20,889,071
Subordinated debt	21	**25,942,306**	25,983,600
Deferred tax liabilities	14	**–**	1,514,392
Other liabilities	22	**153,576,492**	136,724,806
Total Liabilities		**3,499,827,889**	3,133,157,497
NET ASSETS		**185,858,267**	176,352,005
REPRESENTED BY			
Share capital		**11,114,254**	11,114,254
Reserves		**36,640,130**	35,220,243
Surplus on revaluation of assets	23	**32,543,327**	29,560,277
Unappropriated profit		**105,349,871**	100,264,082
Equity attributable to the shareholders of the Holding company		**185,647,582**	176,158,856
Non-controlling interest	24	**210,685**	193,149
		185,858,267	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

FARHANA MOWJEE KHAN
Director

ABBAS D. HABIB
Chairman

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2026

	Note	Half year ended		Three months period ended	
		30 June 2026	30 June 2025	**30 June 2026**	30 June 2025
		(Rupees in '000)			
Mark-up / return / interest earned	27	**167,563,090**	178,130,720	**84,981,255**	85,160,212
Mark-up / return / interest expensed	28	**(102,466,795)**	(111,623,007)	**(52,521,893)**	(52,297,419)
Net mark-up / interest income		**65,096,295**	66,507,713	**32,459,362**	32,862,793
NON MARK-UP / INTEREST INCOME					
Fee and commission income	29	**11,966,380**	12,114,137	**6,240,587**	6,054,251
Dividend income		**372,240**	353,192	**304,498**	284,279
Foreign exchange income		**6,395,094**	3,553,548	**4,128,461**	1,384,859
Income / (loss) from derivatives		**–**	–	**–**	–
(Loss) / gain on securities - net	30	**(319,142)**	(433,646)	**603,201**	(189,191)
Net gain / (loss) on derecognition of financial assets measured at amortised cost		**–**	–	**–**	–
Share of profit from associates		**902,927**	437,257	**273,532**	225,075
Other income	31	**629,546**	583,815	**407,040**	245,450
Total non mark-up / interest income		**19,947,045**	16,608,303	**11,957,319**	8,004,723
Total income		**85,043,340**	83,116,016	**44,416,681**	40,867,516
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	32	**(52,179,833)**	(44,929,922)	**(28,185,847)**	(23,298,654)
Workers' welfare fund		**(694,741)**	(820,040)	**(362,706)**	(388,581)
Other charges	33	**(6,769)**	(30,595)	**(3,502)**	(23,654)
Total non mark-up / interest expenses		**(52,881,343)**	(45,780,557)	**(28,552,055)**	(23,710,889)
Profit before credit loss allowance		**32,161,997**	37,335,459	**15,864,626**	17,156,627
Credit loss allowance and write-offs - net	34	**(18,825)**	2,648,755	**963,563**	1,491,895
Extra ordinary / unusual items		**–**	–	**–**	–
PROFIT BEFORE TAXATION		**32,143,172**	39,984,214	**16,828,189**	18,648,522
Taxation	35	**(16,733,389)**	(20,194,025)	**(8,693,145)**	(9,582,300)
PROFIT AFTER TAXATION		**15,409,783**	19,790,189	**8,135,044**	9,066,222
Attributable to:					
Shareholders of the Holding Company		**15,395,988**	19,781,509	**8,128,694**	9,060,952
Non-controlling interest		**13,795**	8,680	**6,350**	5,270
		15,409,783	19,790,189	**8,135,044**	9,066,222
		(Rupees)			
Basic and diluted earnings per share attributable to the shareholders of the Holding Company	36	**13.85**	17.80	**7.31**	8.15

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

FARHANA MOWJEE KHAN
Director

ABBAS D. HABIB
Chairman

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED 30 JUNE 2026

	Half year ended		Three months period ended	
	30 June 2026	30 June 2025	**30 June 2026**	30 June 2025
	(Rupees in '000)			
Profit after taxation for the period	**15,409,783**	19,790,189	**8,135,044**	9,066,222
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	**(89,158)**	152,590	**(107,939)**	30,033
Movement in (deficit) / surplus on revaluation of investment in debt instruments classified as FVOCI - net of tax	**(10,726,280)**	2,018,142	**6,078,875**	4,088,649
	(10,815,438)	2,170,732	**5,970,936**	4,118,682
Items that will not be reclassified to the statement of profit and loss account in subsequent periods:				
Movement in surplus on revaluation of investment in equity instruments classified as FVOCI - net of tax	**8,165**	113,479	**313,298**	168,299
Movement in surplus on revaluation of property and equipment - net of tax	**13,826,558**	125,643	**13,826,558**	1,526
Movement in surplus on revaluation of non-banking assets - net of tax	**–**	741	**–**	–
	13,834,723	239,863	**14,139,856**	169,825
Total comprehensive income for the period	**18,429,068**	22,200,784	**28,245,836**	13,354,729
Attributable to:				
Shareholders of the Holding Company	**18,411,532**	22,191,277	**28,224,293**	13,347,269
Non-controlling interest	**17,536**	9,507	**21,543**	7,460
	18,429,068	22,200,784	**28,245,836**	13,354,729

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

MANSOOR ALI KHAN
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ASHAR HUSAIN
Chief Financial Officer

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Director

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Director

ABBAS D. HABIB
Chairman

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 30 JUNE 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 half year ended 30 June 2025	–	–	–	–	–	–	–	–	19,781,509	19,781,509	8,680	19,790,189
Other comprehensive income for the half year ended 30 June 2025 - net of tax												
Effect of translation of net investment in foreign branches	–	–	152,590	–	–	–	–	–	–	152,590	–	152,590
Movement in surplus on revaluation of investment in debt instruments - net of tax	–	–	–	–	–	2,014,342	–	–	–	2,014,342	3,800	2,018,142
Movement in surplus on revaluation of investment in equity instruments - net of tax	–	–	–	–	–	116,452	–	–	–	116,452	(2,973)	113,479
Movement in surplus on revaluation of property and equipment - net of tax	–	–	–	–	–	–	125,643	–	–	125,643	–	125,643
Movement in surplus on revaluation of non - banking assets - net of tax	–	–	–	–	–	–	–	741	–	741	–	741
Total other comprehensive income - net of tax	–	–	152,590	–	–	2,130,794	125,643	741	–	2,409,768	827	2,410,595
Transfer to statutory reserve	–	1,932,434	–	–	–	–	–	–	(1,932,434)	–	–	–
Loss on sale of equity instruments - FVOCI	–	–	–	–	–	11,390	–	–	(11,390)	–	–	–
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	–	–	–	–	–	–	(105,473)	(64)	105,537	–	–	–
Transactions 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)
Interim cash dividend (Rs. 3.5 per share) - March 2025	–	–	–	–	–	–	–	–	(3,889,989)	(3,889,989)	–	(3,889,989)
	–	–	–	–	–	–	–	–	(11,114,254)	(11,114,254)	–	(11,114,254)
Balance as at 30 June 2025 - unaudited	**11,114,254**	**28,618,665**	**4,850,215**	**126,500**	**540,000**	**9,732,564**	**15,589,104**	**166,740**	**97,114,410**	**167,852,452**	**165,030**	**168,017,482**
Profit after taxation for the half year ended 31 December 2025	–	–	–	–	–	–	–	–	12,661,043	12,661,043	15,992	12,677,035
Other comprehensive income for the half year ended 31 December 2025 - net of tax												
Effect of translation of net investment in foreign branches	–	–	(46,444)	–	–	–	–	–	–	(46,444)	–	(46,444)
Movement in surplus on revaluation of investment in debt instruments - net of tax	–	–	–	–	–	3,903,266	–	–	–	3,903,266	65	3,903,331
Movement in surplus on revaluation of investment in equity instruments - net of tax	–	–	–	–	–	220,431	–	–	–	220,431	12,062	232,493
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	–	–	–	–	–	–	(1,631)	–	–	(1,631)	–	(1,631)
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	–	–	(46,444)	–	–	4,123,697	(1,631)	55,344	(705,627)	3,425,339	12,127	3,437,466

	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)						
Transfer to statutory reserve	-	1,131,307	-	-	-	-	-	-	(1,131,307)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	(105,475)	(66)	105,541	-	-	-
Transactions with owners, recorded directly in equity												
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)
	-	-	-	-	-	-	-	-	(7,779,978)	(7,779,978)	-	(7,779,978)
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	-	-	-	-	-	-	-	-	(31,403)	(31,403)	-	(31,403)
Profit after taxation for the half year ended 30 June 2026	-	-	-	-	-	-	-	-	15,395,988	15,395,988	13,795	15,409,783
Other comprehensive income for the half year ended 30 June 2026 - net of tax												
Effect of translation of net investment in foreign branches	-	-	(89,158)	-	-	-	-	-	-	(89,158)	-	(89,158)
Movement in deficit on revaluation of investment in debt instruments - net of tax	-	-	-	-	-	(10,725,733)	-	-	-	(10,725,733)	(547)	(10,726,280)
Movement in surplus on revaluation of investment in equity instruments - net of tax	-	-	-	-	-	3,877	-	-	-	3,877	4,288	8,165
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	13,826,558	-	-	13,826,558	-	13,826,558
Movement in surplus on revaluation of non - banking assets - net of tax	-	-	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income - net of tax	-	-	(89,158)	-	-	(10,721,856)	13,826,558	-	-	3,015,544	3,741	3,019,285
Transfer to statutory reserve	-	1,509,045	-	-	-	-	-	-	(1,509,045)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	(121,588)	(64)	121,652	-	-	-
Transactions 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)
Interim cash dividend (Rs. 3.5 per share) - March 2026	-	-	-	-	-	-	-	-	(3,889,989)	(3,889,989)	-	(3,889,989)
	-	-	-	-	-	-	-	-	(8,891,403)	(8,891,403)	-	(8,891,403)
Balance as at 30 June 2026 - unaudited	**11,114,254**	**31,259,017**	**4,714,613**	**126,500**	**540,000**	**3,134,405**	**29,186,968**	**221,954**	**105,349,871**	**185,647,582**	**210,685**	**185,858,267**

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

FARHANA MOWJEE KHAN
Director

ABBAS D. HABIB
Chairman

CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2026

	30 June 2026	30 June 2025
CASH FLOW FROM OPERATING ACTIVITIES	(Rupees in '000)	
Profit before taxation	32,143,172	39,984,214
Less: dividend income	(372,240)	(353,192)
	31,770,932	39,631,022
Adjustments:		
Net mark-up / interest income	(65,096,295)	(66,507,713)
Depreciation	4,447,918	3,701,908
Depreciation on non-banking assets acquired in satisfaction of claims	304	304
Depreciation on right-of-use assets	1,663,564	1,361,094
Amortisation	64,109	104,848
Workers' welfare fund	694,741	820,040
Credit loss allowance and write-offs - net	18,825	(2,648,755)
Gain on sale of property and equipment - net	(621,651)	(498,237)
Gain on termination of leases - net	(7,895)	(85,578)
Unrealised loss on revaluation of securities classified as FVPL	214,435	314,331
Charge for defined benefit plan	887,106	630,000
Charge for compensated absences	337,202	161,708
Share of profit from associates	(902,927)	(437,257)
	(58,300,564)	(63,083,307)
	(26,529,632)	(23,452,285)
(Increase) / decrease in operating assets		
Lendings to financial institutions	19,457,210	19,251,900
Securities classified as FVPL	3,401,241	1,494,669
Advances	(72,862,013)	8,051,465
Other assets (excluding advance taxation and mark-up receivable)	(1,247,599)	(9,485,719)
	(51,251,161)	19,312,315
Increase / (decrease) in operating liabilities		
Bills payable	27,279,094	21,434,949
Borrowings	36,981,960	(227,124,187)
Deposits and other accounts	281,113,966	198,223,390
Other liabilities (excluding mark-up payable)	14,625,554	(29,596,990)
	360,000,574	(37,062,838)
	282,219,781	(41,202,808)
Interest received	157,108,804	191,442,252
Interest paid	(100,959,743)	(111,800,024)
Income tax paid	(23,433,995)	(36,418,177)
Net cash flow generated from operating activities	314,934,847	2,021,243
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in amortised cost securities	(123,369,691)	(5,481,576)
Net investments in securities classified as FVOCI	(144,702,518)	(993,671)
Net investments in associates	3,616,136	164,513
Dividends received	347,184	229,493
Investments in property and equipment	(5,558,038)	(9,084,367)
Proceeds from sale of property and equipment	630,214	512,681
Effect of translation of net investment in foreign branches	(89,158)	152,590
Net cash flow used in investing activities	(269,125,871)	(14,500,337)
CASH FLOW FROM FINANCING ACTIVITIES		
Payments of subordinated debt	(2,400)	(2,400)
Dividend paid	(8,735,771)	(10,985,247)
Payments of lease obligations against right-of-use assets	(2,671,155)	(2,206,121)
Net cash flow used in financing activities	(11,409,326)	(13,193,768)
Increase / (decrease) in cash and cash equivalents	34,399,650	(25,672,862)
Cash and cash equivalents at beginning of the period	195,901,227	205,641,643
Cash and cash equivalents at end of the period	230,300,877	179,968,781

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

FARHANA MOWJEE KHAN
Director

ABBAS D. HABIB
Chairman

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 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 1,350 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 419 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 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 Money Market Fund
- AL Habib Income Fund
- AL Habib Cash Fund
- AL Habib Stock Fund
- AL Habib Fixed Return Fund
- AL Habib Government Securities Fund
- AL Habib Asset Allocation Fund
- AL Habib GOKP Pension Fund
- AL Habib Pension Fund
- AL Habib Sovereign Income Fund

Islamic Funds

- AL Habib Islamic Money Market Fund
- AL Habib Islamic Income Fund
- AL Habib Islamic Cash Fund
- AL Habib Islamic Stock Fund
- AL Habib GOKP Islamic Pension Fund
- AL Habib Islamic Pension Fund
- AL Habib Islamic Savings Fund
- AL Habib Islamic Munafa 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 Statement of Compliance

2.1.1 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.

2.1.2 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.

2.1.3 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. Accordingly, the requirements of this standard have not been considered in the preparation of these consolidated condensed interim financial statements.

2.1.4 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.

2.1.5 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.

2.1.6 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 and 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. 474.20 million, if IFRS 9 had been adopted in its entirety.

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 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.

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

There are certain new standards, 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 other than those mentioned below.

Standards and amendments	**Effective date (annual periods beginning on or after)**
- IFRS 18 Presentation and Disclosure in Financial Statements	01 January 2027
- IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 - Climate-related Disclosures	31 December 2026

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 policies applied in preparation of these consolidated condensed interim financial statements are the same as applied in the preparation of annual consolidated financial statements of the Group for the year ended 31 December 2025 except for the following:

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

The Bank had received deferment of recording income and expense at Effective Interest Rate (EIR) via letter from SBP till 31 December 2025. Therefore, the Bank has adopted EIR from 01 January 2026 and has taken the impact on adoption of EIR to equity at the beginning of the current accounting period with modified retrospective approach for restatement permitted under IFRS 9. The changes to material accounting policy is as follows:

Mark-up / return / interest earned and Mark-up / return / interest expensed

Mark-up / return / interest earned and Mark-up / return / interest expensed are recognised in consolidated statement of profit and loss account under the EIR. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

The calculation of the EIR includes transaction costs and fees and points paid or received that are an integral part of the EIR. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

In calculating mark-up / return / interest income and expense, the EIR is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, profit income is calculated by applying the EIR to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of profit income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, mark-up / return / interest income is calculated by applying the credit-adjusted EIR to the amortised cost of the asset. The calculation of mark-up / return / interest income does not revert to a gross basis, even if the credit risk of the asset improves.

The impact of application as at 01 January 2026 is as follows:

	Carrying amount as on 31 December 2025	EIR impact under IFRS 9 - Gross	Tax impact	Net impact	Carrying amount as on 01 January 2026
			(Rupees in '000)		
Investments	2,031,294,437	(7,421)	3,859	(3,562)	2,031,290,895
Advances	791,490,864	(98,691)	51,319	(47,372)	791,443,492
Subordinated debt	25,983,600	(40,689)	21,158	(19,531)	25,964,069
Unappropriated profit	100,264,082	(65,423)	34,020	(31,403)	100,232,679

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) 30 June 2026	(Audited) 31 December 2025
	(Rupees in '000)	
6. CASH AND BALANCES WITH TREASURY BANKS		
In hand:		
Local currency	**59,983,011**	46,918,971
Foreign currencies	**3,710,417**	4,124,512
	63,693,428	51,043,483
With State Bank of Pakistan in:		
Local currency current accounts	**120,582,643**	95,535,579
Local currency current accounts - Islamic Banking	**13,139,244**	16,529,627
Foreign currency deposit accounts		
Cash reserve account	**6,008,286**	5,854,573
Cash reserve / special cash reserve account - Islamic Banking	**1,355,481**	1,303,412
Special cash reserve account	**12,016,572**	11,709,146
Local collection account	**242,594**	430,332
	153,344,820	131,362,669
With National Bank of Pakistan in:		
Local currency current accounts	**12,016,046**	7,567,621
Prize bonds	**64,993**	89,756
Cash and balances with treasury banks	**229,119,287**	190,063,529

	Note	(Un-audited) 30 June 2026	(Audited) 31 December 2025
		(Rupees in '000)	
7. BALANCES WITH OTHER BANKS			
In Pakistan:			
In current accounts		**363,533**	316,580
In deposit accounts		**141,707**	120,824
		505,240	437,404
Outside Pakistan:			
In current accounts		**5,371,072**	7,171,133
In deposit accounts		**107,681**	76,018
		5,478,753	7,247,151
		5,983,993	7,684,555
Less: credit loss allowance against balances with other banks	7.1	**(740)**	(131,979)
Balances with other banks - net of credit loss allowance		**5,983,253**	7,552,576

7.1 Credit loss allowance			
Opening balance		**131,979**	947
Charge / (reversal):			
Charge for the period / year		**119,585**	131,473
Reversal for the period / year		**(250,823)**	(443)
		(131,238)	131,030
Foreign exchange adjustments		**(1)**	2
Closing balance		**740**	131,979

8. LENDINGS TO FINANCIAL INSTITUTIONS			
In local currency:			
Musharaka placements		**–**	18,000,000
Repurchase agreement lendings (reverse repo)		**5,000,000**	6,457,210
		5,000,000	24,457,210
Less: credit loss allowance against lendings to financial institutions	8.1	**(675)**	(3,302)
Lendings to financial institutions - net of credit loss allowance		**4,999,325**	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		**675**	1,952
Financial assets that have been derecognised		**(3,302)**	(3,908)
		(2,627)	(1,956)
Closing balance		**675**	3,302

9. INVESTMENTS

	30 June 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	**569,258,651**	**(14,557)**	**–**	**569,244,094**	445,888,960	(14,547)	–	445,874,413
FVOCI								
Federal Government Securities	**1,669,755,760**	**(935,617)**	**893,472**	**1,669,713,615**	1,520,997,318	(1,380,069)	22,684,593	1,542,301,842
Non Government Debt Securities	**7,651,762**	**(782,811)**	**52,655**	**6,921,606**	7,456,941	(783,075)	(33,959)	6,639,907
Foreign Securities	**2,842,731**	**(930,273)**	**683,764**	**2,596,222**	7,165,210	(2,000,953)	1,323,895	6,488,152
	1,680,250,253	**(2,648,701)**	**1,629,891**	**1,679,231,443**	1,535,619,469	(4,164,097)	23,974,529	1,555,429,901
FVPL								
Federal Government Securities	**1,189,673**	**–**	**–**	**1,189,673**	886,072	–	–	886,072
Equity instruments								
FVOCI - Non-reclassifiable								
Shares								
- Listed Companies	**242,155**	**–**	**637,237**	**879,392**	196,403	–	732,059	928,462
- Unlisted Companies	**154,501**	**–**	**4,231,672**	**4,386,173**	154,501	–	4,133,774	4,288,275
	396,656	**–**	**4,868,909**	**5,265,565**	350,904	–	4,865,833	5,216,737
Investments mandatorily classified / measured at FVPL								
Units of Mutual Funds	**4,922,672**	**–**	**(214,435)**	**4,708,237**	8,910,944	–	(283,430)	8,627,514
Associates	**12,546,591**	**–**	**–**	**12,546,591**	15,259,800	–	–	15,259,800
Total Investments	**2,268,564,496**	**(2,663,258)**	**6,284,365**	**2,272,185,603**	2,006,916,149	(4,178,644)	28,556,932	2,031,294,437

	(Un-audited) 30 June 2026	(Audited) 31 December 2025
	(Rupees in '000)	
9.1.1 Investments given as collateral		
Pakistan Investment Bonds	**196,867,500**	163,763,100

9.2 Credit loss allowance		
Opening balance	**4,178,644**	7,493,416
Charge / (reversal):		
Charge for the period / year	**314,464**	298,099
Reversal for the period / year	**(1,807,156)**	(3,663,063)
	(1,492,692)	(3,364,964)
Foreign exchange adjustments	**(22,694)**	50,192
Closing balance	**2,663,258**	4,178,644

9.3 Particulars of credit loss allowance against debt securities

		30 June 2026 (Un-audited)		31 December 2025 (Audited)	
		Outstanding amount	Credit loss allowance	Outstanding amount	Credit loss allowance
		(Rupees in '000)			
Domestic					
Performing	Stage 1	**5,347,972**	**1,498**	4,280,895	1,127
Under-performing	Stage 2	**1,523,790**	**1,313**	2,396,046	1,948
Non-performing - loss	Stage 3	**780,000**	**780,000**	780,000	780,000
		7,651,762	**782,811**	7,456,941	783,075
Overseas					
Performing	Stage 1	**4,202,636**	**29,094**	5,630,003	30,305
Under-performing	Stage 2	**9,402,969**	**1,851,353**	17,993,474	3,365,264
		13,605,605	**1,880,447**	23,623,477	3,395,569
Total		**21,257,367**	**2,663,258**	31,080,418	4,178,644

9.4 Under the IFRS 9 Application instructions, the Bank is not required to compute Expected Credit Loss (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 30 June 2026 amounted to Rs. 579,167 million (31 December 2025: Rs. 456,472 million).

9.6 Summary of financial information of associates

	30 June 2026 (Un-audited)					
	Percentage of holding	Assets	Liabilities	Revenue	Profit after taxation	Total comprehensive income
				(Rupees in '000)		
AL Habib Money Market Fund	0.85%	72,861,987	1,203,740	4,103,948	3,757,812	3,757,812
AL Habib Islamic Money Market Fund	0.06%	1,681,268	166,034	58,432	52,450	52,450
AL Habib Islamic Savings Fund	1.56%	19,838,707	484,394	851,148	774,870	774,870
AL Habib Income Fund	1.74%	23,246,069	389,149	1,188,932	1,088,953	1,088,953
AL Habib Islamic Income Fund	0.36%	7,316,782	268,808	678,126	616,542	616,542
AL Habib Cash Fund	5.02%	80,991,331	2,356,937	4,484,135	4,084,437	4,084,437
AL Habib Islamic Cash Fund	1.20%	35,375,376	524,272	1,602,975	1,497,417	1,497,417
AL Habib Stock Fund	12.05%	19,410,244	1,053,698	931,630	582,747	582,747
AL Habib Islamic Stock Fund	12.68%	10,074,620	537,614	313,863	132,088	132,088
AL Habib Asset Allocation Fund	0.01%	1,314,108	16,237	62,148	41,441	41,441
AL Habib Government Securities Fund	8.85%	14,545,151	3,234,668	821,449	755,116	755,116
AL Habib Pension Fund - Debt Sub Fund	13.98%	402,036	690	19,106	17,123	17,123
AL Habib Islamic Pension Fund - Debt Sub Fund	16.97%	298,612	634	9,100	6,878	6,878
AL Habib Pension Fund - Money Market Sub Fund	9.32%	591,599	4,031	27,033	24,392	24,392
AL Habib Islamic Pension Fund - Money Market Sub Fund	11.91%	422,123	1,195	15,508	12,501	12,501
AL Habib Fixed Return Fund Plan 19	7.31%	78,251	2,215	2,935	2,525	2,525
AL Habib Fixed Return Fund Plan 23	2.34%	3,444,317	8,569	161,600	153,269	153,269
AL Habib Fixed Return Fund Plan 28	0.41%	1,252,505	10,904	37,801	37,122	37,122
AL Habib Fixed Return Fund Plan 31	0.33%	1,510,263	1,729	5,727	5,632	5,632
AL Habib Fixed Return Fund Plan 32	2.58%	198,954	4,809	16,876	15,963	15,963
AL Habib GOKP Pension Fund - Money Market Sub Fund	37.76%	111,595	297	4,796	4,325	4,325

	30 June 2026 (Un-audited)					
	Percentage of holding	Assets	Liabilities	Revenue	Profit after taxation	Total comprehensive income
	(Rupees in '000)					
AL Habib GOKP Islamic Pension Fund - Money Market Sub Fund	45.62%	89,036	112	3,235	2,679	2,679
AL Habib Islamic Munafa Fund Plan 8	0.64%	785,209	192	493	414	414
AL Habib Sovereign Income Fund Plan 1	69.34%	2,217,921	22,038	100,053	93,748	93,748
AL Habib Sovereign Income Fund Plan 2	25.83%	1,537,384	18,652	111,346	105,214	105,214
AL Habib Sovereign Income Fund Plan 3	31.77%	344,353	3,622	7,695	7,485	7,485

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 30 June 2026.

10. ADVANCES

	Performing		Non-Performing		Total	
	(Un-audited) 30 June 2026	(Audited) 31 December 2025	(Un-audited) 30 June 2026	(Audited) 31 December 2025	(Un-audited) 30 June 2026	(Audited) 31 December 2025
	(Rupees in '000)					
Loans, cash credits, running finances, etc.	639,303,380	590,545,117	33,614,297	34,009,817	672,917,677	624,554,934
Islamic financing and related assets	187,730,076	153,585,947	1,685,653	1,385,692	189,415,729	154,971,639
Bills discounted and purchased	48,911,730	58,984,097	386,629	389,355	49,298,359	59,373,452
Advances - gross	875,945,186	803,115,161	35,686,579	35,784,864	911,631,765	838,900,025
Less: credit loss allowance						
- Stage 1	8,581,344	7,415,134	–	–	8,581,344	7,415,134
- Stage 2	7,255,401	6,947,822	–	–	7,255,401	6,947,822
- Stage 3	–	–	33,443,200	33,046,205	33,443,200	33,046,205
	15,836,745	14,362,956	33,443,200	33,046,205	49,279,945	47,409,161
Advances - net of credit loss allowance	860,108,441	788,752,205	2,243,379	2,738,659	862,351,820	791,490,864

	(Un-audited) 30 June 2026	(Audited) 31 December 2025
	(Rupees in '000)	
10.1 Particulars of advances (Gross)		
In local currency	**798,502,282**	719,183,150
In foreign currencies	**113,129,483**	119,716,875
	911,631,765	838,900,025

10.2 Advances include Rs. 35,686.579 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	30 June 2026 (Un-audited) Non performing loans	Credit loss allowance	31 December 2025 (Audited) Non performing loans	Credit loss allowance
	(Rupees in '000)			
Domestic				
Other assets especially mentioned (OAEM)	**284,013**	**183,269**	259,898	177,151
Substandard	**488,004**	**326,543**	2,932,248	2,204,657
Doubtful	**3,025,358**	**2,266,687**	3,361,018	2,488,492
Loss	**26,561,093**	**25,338,590**	23,866,013	22,810,218
	30,358,468	**28,115,089**	30,419,177	27,680,518
Overseas				
Loss	**5,328,111**	**5,328,111**	5,365,687	5,365,687
Total	**35,686,579**	**33,443,200**	35,784,864	33,046,205

10.3 Particulars of credit loss allowance against advances

	30 June 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	6,260,640	5,099,830	1,704,264	13,064,734	6,413,787	5,531,471	5,653,822	17,599,080
Reversal for the period / year	(5,093,306)	(4,791,964)	(1,266,854)	(11,152,124)	(6,176,683)	(7,055,854)	(3,278,707)	(16,511,244)
	1,167,334	307,866	437,410	1,912,610	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	(1,124)	(287)	(40,415)	(41,826)	7,705	3,803	48,150	59,658
Closing balance	8,581,344	7,255,401	33,443,200	49,279,945	7,415,134	6,947,822	33,046,205	47,409,161

10.4 Advances - credit loss allowance

	30 June 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	5,072,204	3,537,797	382,717	8,992,718	4,530,994	3,896,177	2,004,692	10,431,863
Advances derecognised / repaid / reversal	(3,641,998)	(3,105,814)	(458,239)	(7,206,051)	(3,545,305)	(4,231,967)	(2,148,965)	(9,926,237)
Transfer to Stage 1	460,509	(445,083)	(15,426)	–	1,275,754	(1,246,047)	(29,707)	–
Transfer to Stage 2	(225,877)	319,205	(93,328)	–	(266,995)	388,062	(121,067)	–
Transfer to Stage 3	(2,801)	(55,718)	58,519	–	(40,387)	(378,872)	419,259	–
	1,662,037	250,387	(125,757)	1,786,667	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	(494,703)	57,479	563,167	125,943	(1,716,957)	48,264	2,250,903	582,210
Foreign exchange adjustments	(1,124)	(287)	(40,415)	(41,826)	7,705	3,803	48,150	59,658
Closing balance	8,581,344	7,255,401	33,443,200	49,279,945	7,415,134	6,947,822	33,046,205	47,409,161

		30 June 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	**724,393,202**	**8,413,224**	666,771,393	7,298,564
Under-performing	Stage 2	**123,699,174**	**7,255,401**	104,829,666	6,937,251
Non-performing					
Other assets especially mentioned (OAEM)	Stage 3	**284,013**	**183,269**	259,898	177,151
Substandard	Stage 3	**488,004**	**326,543**	2,932,248	2,204,657
Doubtful	Stage 3	**3,025,358**	**2,266,687**	3,361,018	2,488,492
Loss	Stage 3	**26,561,093**	**25,338,590**	23,866,013	22,810,218
		878,450,844	**43,783,714**	802,020,236	41,916,333
Overseas					
Performing	Stage 1	**27,852,810**	**168,120**	30,856,427	116,570
Under-performing	Stage 2	**–**	**–**	657,675	10,571
Non-performing - loss	Stage 3	**5,328,111**	**5,328,111**	5,365,687	5,365,687
		33,180,921	**5,496,231**	36,879,789	5,492,828
Total		**911,631,765**	**49,279,945**	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) 30 June 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		**(13,404)**	3,151
Closing balance of charge-offs		**2,122,906**	2,136,310
Number of borrowers		**3**	3

11. PROPERTY AND EQUIPMENT

	Note		
Capital work-in-progress	11.1	**6,772,824**	5,753,282
Property and equipment		**99,192,741**	76,957,953
		105,965,565	82,711,235

		(Un-audited) 30 June 2026	(Audited) 31 December 2025
		(Rupees in '000)	
11.1	**Capital work-in-progress**		
	Civil works	**3,103,252**	2,817,161
	Advance payment for purchase of equipments	**489,551**	406,091
	Advance payment towards suppliers, contractors and property	**3,123,253**	2,474,531
	Consultants' fee and other charges	**56,768**	55,499
		6,772,824	5,753,282

		(Un-audited) Half year ended 30 June 2026	(Un-audited) Half year ended 30 June 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	**3,426,178**	5,005,726
	Property and equipment		
	Leasehold land	**47,858**	26,783
	Buildings on leasehold land	**527,680**	125,034
	Furniture and fixture	**337,670**	362,323
	Electrical, office and computer equipment	**2,183,120**	3,734,681
	Vehicles	**714,092**	1,308,660
	Improvements to leasehold buildings	**717,161**	538,700
		4,527,581	6,096,181
	Total	**7,953,759**	11,101,907
11.3	**Disposal of property and equipment**		
	The net book value of property and equipment disposed off during the period is as follows:		
	Furniture and fixture	**2,106**	1,371
	Electrical, office and computer equipment	**2,507**	3,182
	Vehicles	**3,950**	5,262
	Improvements to leasehold buildings	**–**	4,629
	Total	**8,563**	14,444

11.4 In accordance with the Bank's accounting policy, the Bank's leasehold land and buildings on leasehold land were revalued at 01 June 2026. The revaluation was carried out by an independent valuer, M/s. MYK Associates (Private) Limited on the basis of professional assessment of the present market value. The revaluation resulted in an increase amounting to Rs. 21,737.908 million in the surplus as at 30 June 2026. The total surplus arising against revaluation of leasehold land and buildings on leasehold land as at 30 June 2026 amounts to Rs 43,194.222 million. The carrying value of revalued leasehold land and buildings on leasehold land was Rs. 74,373.563 million as at 30 June 2026. Had the leasehold land and buildings on leasehold land not been revalued, the total carrying amounts of revalued properties as at 30 June 2026 would have been as follows:

		Note	**(Un-audited) 30 June 2026**	(Audited) 31 December 2025
			(Rupees in '000)	
	Leasehold land		**14,455,345**	14,345,487
	Buildings on leasehold land		**16,858,896**	16,625,608
12.	**RIGHT-OF-USE ASSETS**			
	Buildings	12.1	**19,384,625**	16,866,928
	Vehicles	12.2	**–**	2,171
			19,384,625	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		**4,202,608**	6,313,249
	Deletions during the period / year		**(25,406)**	(277,059)
	Depreciation charge for the period / year		**(1,661,393)**	(2,923,146)
	Foreign exchange adjustments		**(289)**	167
	Other adjustments / transfers		**2,177**	29,008
	Net carrying amount at end of the period / year		**19,384,625**	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		**(2,171)**	(4,342)
	Net carrying amount at end of the period / year		**–**	2,171
13.	**INTANGIBLE ASSETS**			
	Capital work-in-progress - Computer software		**3,868**	–
	Intangible assets	13.1	**109,879**	166,943
			113,747	166,943
13.1	**Intangible assets**			
	Computer software		**26,709**	83,773
	TRE certificates		**2,500**	2,500
	Management rights		**80,670**	80,670
			109,879	166,943

		(Un-audited) Half year ended	
		30 June 2026	30 June 2025
		(Rupees in '000)	
13.2	**Additions to intangible assets**		
	Capital work-in-progress - Advance to supplier	**3,868**	–
	Computer software - directly purchased	**7,047**	97,391
		10,915	97,391

		Note	**(Un-audited) 30 June 2026**	(Audited) 31 December 2025
			(Rupees in '000)	
14.	**DEFERRED TAX ASSETS / (LIABILITIES)**			
	Deductible temporary differences on			
	Credit loss allowance against investments		**1,384,894**	2,172,895
	Credit loss allowance against advances and off-balance sheet, etc.		**12,476,670**	12,772,856
	Unrealised net loss on fair value of refinancing		**178,236**	559,790
	Deficit on revaluation of securities classified as FVPL		**111,506**	164,780
	Right-of-use assets and related lease liabilities		**2,646,893**	2,998,222
	Workers' welfare fund		**4,769,954**	4,413,405
	Others		**58,126**	–
			21,626,279	23,081,948
	Taxable temporary differences on			
	Accelerated tax depreciation		**(2,831,159)**	(3,313,287)
	Surplus on revaluation of FVOCI investments		**(3,337,626)**	(14,961,073)
	Surplus on revaluation of property and equipment		**(13,936,878)**	(6,157,249)
	Surplus on revaluation of non-banking assets		**(98,265)**	(98,335)
	Others		**(90,837)**	(66,396)
			(20,294,765)	(24,596,340)
			1,331,514	(1,514,392)
15.	**OTHER ASSETS**			
	Income / mark-up accrued in local currency - net		**67,764,008**	57,188,588
	Income / mark-up accrued in foreign currencies - net		**759,959**	895,470
	Advances, deposits, advance rent and other prepayments		**19,780,915**	15,941,362
	Advance taxation		**30,214,022**	22,613,202
	Non-banking assets acquired in satisfaction of claims		**3,847,444**	3,847,614
	Mark to market gain on forward foreign exchange contracts		**1,125,657**	905,333
	Acceptances		**40,717,608**	41,733,362
	Stationery and stamps on hand		**1,701,261**	1,647,545
	Receivable against home remittance		**11,884,180**	10,701,413
	Branch adjustment account		**2,373,097**	6,221,325
	Others		**4,037,096**	3,211,263
			184,205,247	164,906,477
	Less: credit loss allowance / provision against other assets	15.1	**(274,049)**	(319,919)
	Other Assets - (net of credit loss allowance / provision)		**183,931,198**	164,586,558
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims		**320,219**	320,353
	Other Assets - total		**184,251,417**	164,906,911

	Note	(Un-audited) 30 June 2026	(Audited) 31 December 2025
		(Rupees in '000)	
15.1 Credit loss allowance / provision against other assets			
Mark-up accrued		**263,880**	296,098
Modification		**–**	14,431
Others - receivable against consumer loans		**9,618**	9,390
Advance against subscription		**551**	–
	15.1.1	**274,049**	319,919

	(Un-audited) 30 June 2026	(Audited) 31 December 2025
15.1.1 Movement in credit loss allowance / provision against other assets		
Opening balance	**319,919**	580,371
Foreign exchange adjustments	**–**	37
Charge / (reversal):		
ECL charge for the period / year	**166,066**	236,575
ECL reversal for the period / year	**(197,733)**	(506,516)
Modification charge	**–**	14,431
Charge for the period / year	**1,160**	3,468
Reversal for the period / year	**(932)**	(2,003)
	(31,439)	(254,045)
Modification reversal	**(14,431)**	(6,444)
Closing balance	**274,049**	319,919

16. CONTINGENT ASSETS

There were no contingent assets of the Group as at 30 June 2026 (31 December 2025: Nil).

	(Un-audited) 30 June 2026	(Audited) 31 December 2025
	(Rupees in '000)	
17. BILLS PAYABLE		
In Pakistan	**87,028,572**	59,749,478

	(Un-audited) 30 June 2026	(Audited) 31 December 2025
	(Rupees in '000)	
18. BORROWINGS		
Secured		
Borrowings from the State Bank of Pakistan under:		
Export refinance scheme	**41,934,580**	52,594,474
Renewable energy	**13,584,776**	15,086,050
Long term financing for imported and locally manufactured plant and machinery	**17,226,736**	19,931,484
Modernisation of small and medium enterprises	**936,515**	1,143,308
Women entrepreneurship	**107,394**	127,457
Financing facility for storage of agricultural produce	**929,131**	578,558
Temporary economic refinance facility	**19,191,318**	21,779,323
Refinance facility for combating COVID-19	**33,336**	55,558
Repurchase agreement borrowings	**195,955,835**	120,111,600
	289,899,621	231,407,812
Repurchase agreement borrowings	**–**	43,000,000
Total secured	**289,899,621**	274,407,812
Unsecured		
Musharaka acceptances	**34,700,000**	–
Borrowings from financial institutions	**834,484**	14,044,333
Overdrawn nostro accounts	**4,802,403**	1,846,857
	40,336,887	15,891,190
	330,236,508	290,299,002

19. DEPOSITS AND OTHER ACCOUNTS

	30 June 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	**976,200,401**	**58,981,794**	**1,035,182,195**	826,582,359	58,898,969	885,481,328
Savings deposits	**1,033,371,911**	**48,668,714**	**1,082,040,625**	963,196,380	51,000,729	1,014,197,109
Term deposits	**235,093,912**	**67,050,830**	**302,144,742**	192,437,159	69,023,162	261,460,321
Current deposits - remunerative	**345,145,000**	**8,505,488**	**353,650,488**	301,441,838	6,035,937	307,477,775
Others	**19,547,461**	**13,633,438**	**33,180,899**	20,448,737	14,894,784	35,343,521
	2,609,358,685	**196,840,264**	**2,806,198,949**	2,304,106,473	199,853,581	2,503,960,054
Financial institutions						
Current deposits	**12,556,421**	**1,058,936**	**13,615,357**	12,953,168	842,116	13,795,284
Savings deposits	**15,399,488**	**–**	**15,399,488**	10,545,918	–	10,545,918
Term deposits	**1,364,502**	**529,897**	**1,894,399**	1,340,000	540,638	1,880,638
Current deposits - remunerative	**40,414,631**	**1,539,430**	**41,954,061**	66,545,031	1,221,903	67,766,934
Others	**48,860**	**–**	**48,860**	48,320	–	48,320
	69,783,902	**3,128,263**	**72,912,165**	91,432,437	2,604,657	94,037,094
	2,679,142,587	**199,968,527**	**2,879,111,114**	2,395,538,910	202,458,238	2,597,997,148

	(Un-audited) 30 June 2026	(Audited) 31 December 2025
	(Rupees in '000)	

20. LEASE LIABILITIES

Opening balance	**20,889,071**	16,897,021
Additions during the period / year	**4,202,608**	6,313,249
Lease payments including interest	**(2,671,155)**	(4,605,832)
Finance charges on lease liabilities	**1,543,798**	2,650,409
Deletions during the period / year	**(33,301)**	(394,963)
Foreign exchange adjustments	**(301)**	179
Other adjustment	**2,177**	29,008
Closing balance	**23,932,897**	20,889,071

20.1 Contractual maturity of lease liabilities

Short-term lease liabilities - within one year	**1,632,855**	1,545,238
Long-term lease liabilities		
- 1 to 5 years	**8,480,898**	7,900,228
- 5 to 10 years	**10,334,950**	8,781,919
- More than 10 years	**3,484,194**	2,661,686
	22,300,042	19,343,833
Total	**23,932,897**	20,889,071

20.2 This carries average effective rate upto 13.68% (31 December 2025: 13.70%) per annum.

	Note	(Un-audited) 30 June 2026	(Audited) 31 December 2025
		(Rupees in '000)	

21. SUBORDINATED DEBT - Unsecured

Term Finance Certificates (TFCs) - VI	21.1	**7,000,000**	7,000,000
Term Finance Certificates (TFCs) - VIII	21.2	**4,974,630**	4,992,000
Term Finance Certificates (TFCs) - IX	21.3	**7,000,000**	7,000,000
Term Finance Certificates (TFCs) - X	21.4	**6,967,676**	6,991,600
		25,942,306	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) 30 June 2026	(Audited) 31 December 2025
		(Rupees in '000)	

22. OTHER LIABILITIES

	Note	30 June 2026	31 December 2025
Mark-up / return / interest payable in local currency		**5,666,233**	5,564,062
Mark-up / return / interest payable in foreign currencies		**798,355**	939,066
Unearned commission income		**3,702,658**	3,801,833
Accrued expenses		**3,552,640**	4,693,913
Acceptances		**40,717,608**	41,733,362
Unclaimed / dividend payable		**1,526,697**	1,371,065
Mark to market loss on forward foreign exchange contracts		**1,192,687**	1,294,874
Payable to defined benefit plan		**4,518,283**	3,631,177
Charity payable		**120,079**	112,228
Credit loss allowance against off-balance sheet obligations	22.1	**4,946,945**	4,756,981
Security deposits against leases / ijarah		**23,057,834**	18,543,826
Provision for compensated absences		**2,978,862**	2,641,856
Other security deposits		**1,110,076**	1,062,926
Workers' welfare fund		**9,199,821**	8,505,080
Payable to SBP / NBP		**3,731,882**	3,396,051
Insurance payable		**790,463**	651,987
Payable against purchase of marketable securities on behalf of customers		**748,692**	1,377,675
ATM switch, clearing and settlement account		**43,177,469**	28,831,290
Others		**2,039,208**	3,815,554
		153,576,492	136,724,806

22.1 Credit loss allowance against off-balance sheet obligations

	30 June 2026	31 December 2025
Opening balance	**4,756,981**	4,742,981
Charge / (reversal):		
Charge for the period / year	**2,703,885**	2,697,591
Reversal for the period / year	**(2,513,893)**	(2,684,972)
	189,992	12,619
Foreign exchange adjustments	**(28)**	1,381
Closing balance	**4,946,945**	4,756,981

23. SURPLUS ON REVALUATION OF ASSETS

	Note	30 June 2026	31 December 2025
Surplus on revaluation of:			
- Securities measured at FVOCI - debt	23.1.1	**1,629,904**	23,973,995
- Securities measured at FVOCI - equity	23.1.2	**4,842,127**	4,843,339
- Property and equipment		**43,194,222**	21,709,624
- Non-banking assets acquired in satisfaction of claims		**320,219**	320,353
		49,986,472	50,847,311
Deferred tax on surplus on revaluation of:			
- Securities measured at FVOCI - debt	23.1.1	**847,564**	12,465,922
- Securities measured at FVOCI - equity	23.1.2	**2,490,062**	2,495,151
- Property and equipment		**14,007,254**	6,227,626
- Non-banking assets acquired in satisfaction of claims		**98,265**	98,335
		17,443,145	21,287,034
		32,543,327	29,560,277

	Note	(Un-audited) 30 June 2026	(Audited) 31 December 2025
		(Rupees in '000)	

23.1 Investments

23.1.1 Securities measured at FVOCI - debt		**1,629,891**	23,974,529
Non-controlling interest - loss / (gain)		**13**	(534)
		1,629,904	23,973,995
Less: related deferred tax		**847,564**	12,465,922
		782,340	11,508,073
23.1.2 Securities measured at FVOCI - equity		**4,868,909**	4,865,833
Non-controlling interest - gain		**(26,782)**	(22,494)
		4,842,127	4,843,339
Less: related deferred tax		**2,490,062**	2,495,151
		2,352,065	2,348,188

24. NON-CONTROLLING INTEREST

Opening balance		**193,149**	155,523
Profit attributable to non-controlling interest		**13,795**	24,672
(Loss) / profit on equity attributable to non-controlling interest - debt		**(547)**	3,865
Profit on equity attributable to non-controlling interest - equity		**4,288**	9,089
Closing balance		**210,685**	193,149

25. CONTINGENCIES AND COMMITMENTS

Guarantees	25.1	**256,344,247**	276,837,359
Commitments	25.2	**591,866,737**	568,900,717
Other contingent liabilities	25.3.1	**3,766,244**	4,396,720
		851,977,228	850,134,796

25.1 Guarantees:

Financial guarantees		**43,244,974**	38,127,822
Performance guarantees		**213,099,273**	238,709,537
		256,344,247	276,837,359

25.2 Commitments:

Documentary credits and short-term trade-related transactions:			
- letters of credit		**291,131,590**	320,900,787
Commitments in respect of:			
- forward foreign exchange contracts	25.2.1	**283,652,591**	218,501,551
- forward lendings	25.2.2	**13,828,746**	26,364,468
Commitments for acquisition of:			
- operating property and equipment		**3,253,810**	3,133,911
		591,866,737	568,900,717

	(Un-audited) 30 June 2026	(Audited) 31 December 2025
	(Rupees in '000)	

25.2.1 **Commitments in respect of forward foreign exchange contracts**

Purchase	**178,840,820**	147,981,083
Sale	**104,811,771**	70,520,468
	283,652,591	218,501,551

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

25.2.2 **Commitments in respect of forward lendings**	**13,828,746**	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) 30 June 2026	(Audited) 31 December 2025
	(Rupees in '000)	
25.3 Other contingent liabilities		
25.3.1 Claims against the Bank not acknowledged as debts	**3,766,244**	4,396,720

25.3.2 **Tax related contingent liabilities**

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

- For Tax Years 2015, 2016, 2017, 2019, 2020, 2021 and 2022, the Appellate Tribunal Inland Revenue (ATIR) has finalised the respective orders in favour of the Bank, and refund orders amounting to Rs. 3,376.115 million have been received by the Bank during the period.

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

30 June 2026 (Un-audited)

Counter parties	Contracts: Notional principal	Contracts: Mark to market gain / (loss)	Swap: Notional principal	Swap: Mark to market gain / (loss)	Total: Notional principal	Total: Mark to market gain / (loss)
	(Rupees in '000)					
Banks						
Hedging	**55,232,286**	**371,794**	**75,707,380**	**367**	**130,939,666**	**372,161**
Other Entities						
Hedging	**152,712,925**	**(439,191)**	**–**	**–**	**152,712,925**	**(439,191)**
Total						
Hedging	**207,945,211**	**(67,397)**	**75,707,380**	**367**	**283,652,591**	**(67,030)**

31 December 2025 (Audited)

Counter parties	Contracts: Notional principal	Contracts: Mark to market gain / (loss)	Swap: Notional principal	Swap: Mark to market gain / (loss)	Total: Notional principal	Total: 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

	30 June 2026 (Un-audited)				
	Number of contracts	Notional principal	Mark to market		
			Negative	Positive	Net
			(Rupees in '000)		
Upto 1 month	**361**	**75,346,439**	**(303,547)**	**264,516**	**(39,031)**
1 to 3 months	**699**	**87,910,242**	**(544,285)**	**263,045**	**(281,240)**
3 to 6 months	**839**	**101,052,208**	**(326,052)**	**436,223**	**110,171**
Over 6 months to 1 year	**179**	**19,343,702**	**(18,803)**	**161,873**	**143,070**
	2,078	**283,652,591**	**(1,192,687)**	**1,125,657**	**(67,030)**

	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) Half year ended	
	30 June 2026	30 June 2025
	(Rupees in '000)	
27. MARK-UP / RETURN / INTEREST EARNED		
Loans and advances	**40,392,066**	51,250,351
Investments	**126,309,849**	126,157,348
Lendings to financial institutions	**236,260**	122,536
Deposits with financial institutions	**284,939**	343,951
Securities purchased under resale agreements	**339,976**	256,534
	167,563,090	178,130,720

27.1 Interest income recognised on:

Financial assets measured at:	
- Amortised cost	**71,107,374**
- FVOCI	**96,425,136**
- FVPL	**30,580**
	167,563,090

	Note	(Un-audited) Half year ended 30 June 2026	30 June 2025
		(Rupees in '000)	
28. MARK-UP / RETURN / INTEREST EXPENSED			
Deposits		**78,819,422**	75,535,433
Borrowings		**1,791,542**	3,595,668
Subordinated debt		**1,594,132**	1,810,002
Cost of foreign currency swaps against deposits / borrowings		**3,404,025**	2,151,010
Repurchase agreement borrowings		**15,313,876**	27,270,803
Finance charges on lease liabilities		**1,543,798**	1,260,091
		102,466,795	111,623,007
29. FEE AND COMMISSION INCOME			
Branch banking customer fees		**1,651,413**	1,419,223
Investment banking fees		**63,218**	39,148
Consumer finance related fees		**44,442**	31,715
Card related fees (debit and credit cards)		**3,866,494**	3,157,697
Credit related fees		**203,833**	144,284
Commission on trade		**3,456,992**	3,558,010
Commission on guarantees		**778,431**	578,474
Commission on cash management		**126,122**	123,064
Commission on home remittances		**134,875**	1,589,054
Management fee		**1,246,175**	1,209,488
Others		**394,385**	263,980
		11,966,380	12,114,137
30. LOSS ON SECURITIES - NET			
Realised loss	30.1	**(104,707)**	(119,315)
Unrealised loss - measured at FVPL	9.1	**(214,435)**	(314,331)
		(319,142)	(433,646)
30.1 Realised (loss) / gain on:			
Federal Government Securities		**(1,838)**	(119,565)
Units of Mutual Funds		**(85,277)**	–
Shares		**1,049**	250
Foreign Currency Bonds		**(18,641)**	–
		(104,707)	(119,315)
30.2 Net loss on financial assets:			
Net loss on investments in securities mandatorily measured at FVPL		**(298,663)**	(314,081)
Net loss on financial assets measured at FVOCI		**(20,479)**	(119,565)
		(319,142)	(433,646)
31. OTHER INCOME			
Gain on sale of property and equipment - net		**621,651**	498,237
Gain on termination of leases - net		**7,895**	85,578
		629,546	583,815

	(Un-audited) Half year ended	
	30 June 2026	30 June 2025
	(Rupees in '000)	

32. OPERATING EXPENSES

Total compensation expenses	**24,786,561**	22,107,091
Property expenses		
Rent and taxes	**201,362**	121,971
Insurance	**24,166**	16,904
Utilities cost	**1,969,155**	1,581,756
Security (including guards)	**1,442,443**	1,370,091
Repair and maintenance (including janitorial charges)	**525,039**	514,220
Depreciation	**1,073,442**	939,340
Depreciation on non-banking assets acquired in satisfaction of claims	**304**	304
Depreciation on right-of-use assets	**1,663,564**	1,361,094
	6,899,475	5,905,680
Information technology expenses		
Software maintenance	**2,729,422**	1,429,426
Hardware maintenance	**689,955**	756,079
Depreciation	**1,142,328**	886,725
Amortisation	**64,109**	104,848
Network charges	**306,372**	309,192
	4,932,186	3,486,270
Other operating expenses		
Directors' fees and allowances	**43,260**	45,905
Fees and allowances to shariah board	**25,427**	21,811
Insurance	**664,728**	626,583
Legal and professional charges	**338,242**	257,664
Outsourced services costs	**2,219,912**	1,892,043
Travelling and conveyance	**427,962**	372,796
NIFT and other clearing charges	**205,809**	174,085
Depreciation	**2,232,148**	1,875,843
Repair and maintenance	**1,595,873**	1,318,502
Training and development	**56,681**	108,179
Postage and courier charges	**257,582**	197,440
Communication	**1,645,562**	1,541,194
Stationery and printing	**815,046**	1,001,922
Marketing, advertisement and publicity	**1,177,523**	796,029
Donations	**308,850**	272,400
Auditors' remuneration	**22,236**	18,175
Commission and brokerage	**1,311,845**	904,720
Entertainment and staff refreshment	**434,210**	409,038
Vehicle running expenses	**153,877**	120,582
Subscriptions and publications	**227,743**	173,093
CNIC verification charges	**200,382**	223,022
Security charges	**641,864**	556,815
Others	**554,849**	523,040
	15,561,611	13,430,881
	52,179,833	44,929,922

	Note	(Un-audited) Half year ended 30 June 2026	30 June 2025
		(Rupees in '000)	
33. OTHER CHARGES			
Penalties imposed by the State Bank of Pakistan		**6,769**	30,595
34. CREDIT LOSS ALLOWANCE AND WRITE-OFFS - NET			
(Reversal) / charge against balances with other banks	7.1	**(131,238)**	73,110
Reversal against lendings to financial institutions	8.1	**(2,627)**	(2,599)
Reversal against investments	9.2	**(1,492,692)**	(1,546,212)
Charge / (reversal) against loans and advances	10.3	**1,912,610**	(607,887)
Reversal against other assets	15.1.1	**(31,439)**	(150,946)
Charge / (reversal) against off-balance sheet items	22.1	**189,992**	(414,221)
Reversal of deficit on revaluation of property and equipment		**(425,781)**	–
		18,825	(2,648,755)
35. TAXATION			
Charge / (reversal):			
Current		**17,524,489**	20,934,305
Prior years		**(1,691,314)**	2,354,668
Deferred		**900,214**	(3,094,948)
		16,733,389	20,194,025
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		**15,395,988**	19,781,509
		(Number)	
Weighted average number of ordinary shares		**1,111,425,416**	1,111,425,416
		(Rupees)	
Basic and diluted earnings per share		**13.85**	17.80

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:

	30 June 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	**–**	**1,670,903,288**	**–**	**1,670,903,288**
Shares	**879,392**	**172,646**	**4,213,527**	**5,265,565**
Non Government Debt Securities	**–**	**6,921,606**	**–**	**6,921,606**
Foreign Securities	**–**	**2,596,222**	**–**	**2,596,222**
Units of Mutual Funds	**4,708,237**	**–**	**–**	**4,708,237**
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	**–**	**579,167,412**	**–**	**579,167,412**
Off-balance sheet financial instruments measured at fair value				
Forward purchase of foreign exchange contracts	**–**	**178,088,663**	**–**	**178,088,663**
Forward sale of foreign exchange contracts	**–**	**105,496,898**	**–**	**105,496,898**

	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 include 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) Sukuks	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 instrument.	- KIBOR - PKRV 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 Telecommunication (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 has 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 Buildings	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) 30 June 2026	(Audited) 31 December 2025
	(Rupees in '000)	
Opening balance	**4,127,900**	3,596,078
Surplus recognised in OCI	**85,627**	531,822
Closing balance	**4,213,527**	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)	127,672	20%	Increase / (decrease) in DLOM by 1% by all other variables held constant would (decrease) / increase the fair value by Rs. 1.6 m.
1LINK (Private) Limited	Discounts for lack of marketability (DLOM)	4,085,855	28%	Increase / (decrease) in DLOM by 1% by all other variables held constant would (decrease) / increase the fair value by Rs. 56.7 m.

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38. SEGMENT INFORMATION

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

	Half year ended 30 June 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	24,793,270	106,792,759	6,869,481	27,386,867	1,567,178	37,074	3,270	113,191	167,563,090
Inter segment revenue - net	15,351,925	702,800	73,570,877	–	865,373	–	–	–	90,490,975
Non mark-up / return / interest income	1,436,375	7,644,985	7,353,014	1,451,570	300,457	161,587	1,416,891	182,166	19,947,045
Total income	41,581,570	115,140,544	87,793,372	28,838,437	2,733,008	198,661	1,420,161	295,357	278,001,110
Segment direct expenses	(39,176,056)	(15,521,252)	(79,293,220)	(19,321,132)	(1,304,435)	(135,934)	(390,486)	(205,623)	(155,348,138)
Inter segment expense allocation	–	(89,788,175)	–	–	(514,811)	(4,373)	(36,723)	(146,893)	(90,490,975)
Total expenses	(39,176,056)	(105,309,427)	(79,293,220)	(19,321,132)	(1,819,246)	(140,307)	(427,209)	(352,516)	(245,839,113)
Credit loss allowance and write-offs - net	(601,674)	218,467	67,925	(1,139,709)	1,436,166	–	–	–	(18,825)
Profit / (loss) before tax	1,803,840	10,049,584	8,568,077	8,377,596	2,349,928	58,354	992,952	(57,159)	32,143,172

	As at 30 June 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	77,987,424	105,517,556	21,099,471	27,671,629	380,738	709,316	34,277	1,702,129	235,102,540
Investments	–	1,880,150,366	–	372,135,794	13,344,255	203,903	4,900,760	1,450,525	2,272,185,603
Net inter segment lending	313,533,101	–	1,505,109,515	–	36,939,834	–	–	–	1,855,582,450
Lendings to financial institutions	–	4,999,325	–	–	–	–	–	–	4,999,325
Advances - performing	580,862,711	–	66,505,593	185,055,446	27,684,691	–	–	–	860,108,441
- non-performing - net of credit loss allowance	2,117,706	–	31,289	94,384	–	–	–	–	2,243,379
Others	105,743,288	138,392,980	28,041,471	34,356,844	2,701,916	1,136,391	517,689	156,289	311,046,868
Total assets	1,080,244,230	2,129,060,227	1,620,787,339	619,314,097	81,051,434	2,049,610	5,452,726	3,308,943	5,541,268,606
Borrowings	73,135,605	200,758,238	–	54,903,339	834,484	604,842	–	–	330,236,508
Subordinated debt	–	25,942,306	–	–	–	–	–	–	25,942,306
Deposits and other accounts	917,076,222	–	1,490,242,748	424,688,823	47,103,321	–	–	–	2,879,111,114
Net inter segment borrowing	–	1,834,997,819	–	–	16,745,316	89,315	750,000	3,000,000	1,855,582,450
Others	66,074,747	11,705,590	126,260,954	56,933,612	2,437,196	812,737	263,585	49,540	264,537,961
Total liabilities	1,056,286,574	2,073,403,953	1,616,503,702	536,525,774	67,120,317	1,506,894	1,013,585	3,049,540	5,355,410,339
Equity	23,957,656	55,656,274	4,283,637	82,788,323	13,931,117	542,716	4,439,141	259,403	185,858,267
Total equity and liabilities	1,080,244,230	2,129,060,227	1,620,787,339	619,314,097	81,051,434	2,049,610	5,452,726	3,308,943	5,541,268,606
Contingencies and commitments	481,782,798	284,815,807	593,204	75,951,735	8,357,599	–	–	476,085	851,977,228

	Half year ended 30 June 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	27,979,507	106,195,720	16,903,231	24,977,116	1,872,896	51,318	1,813	149,119	178,130,720
Inter segment revenue - net	422,338	551,390	26,744,650	–	856,950	–	–	–	28,575,328
Non mark-up / return / interest income	1,182,165	855,456	11,533,512	1,186,413	227,597	107,016	1,375,788	140,356	16,608,303
Total income	29,584,010	107,602,566	55,181,393	26,163,529	2,957,443	158,334	1,377,601	289,475	223,314,351
Segment direct expenses	(26,955,396)	(65,331,458)	(45,486,291)	(17,460,410)	(1,582,104)	(118,744)	(318,722)	(150,439)	(157,403,564)
Inter segment expense allocation	–	(27,949,753)	–	–	(551,390)	(2,577)	(14,322)	(57,286)	(28,575,328)
Total expenses	(26,955,396)	(93,281,211)	(45,486,291)	(17,460,410)	(2,133,494)	(121,321)	(333,044)	(207,725)	(185,978,892)
Credit loss allowance and write-offs - net	1,123,641	54,053	13,093	(431,335)	1,889,303	–	–	–	2,648,755
Profit before tax	3,752,255	14,375,408	9,708,195	8,271,784	2,713,252	37,013	1,044,557	81,750	39,984,214

	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	197,510,931	–	1,416,629,585	–	25,477,196	–	–	–	1,639,617,712
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	899,982,365	1,879,485,851	1,515,896,360	555,695,134	87,408,709	2,628,626	4,776,962	3,253,207	4,949,127,214
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	–	1,616,992,613	–	–	18,768,248	106,851	750,000	3,000,000	1,639,617,712
Others	48,568,846	17,891,975	107,332,234	35,999,763	7,304,184	1,451,494	271,526	57,725	218,877,747
Total liabilities	867,831,652	1,839,832,800	1,512,137,270	473,585,331	73,152,851	2,156,054	1,021,526	3,057,725	4,772,775,209
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	899,982,365	1,879,485,851	1,515,896,360	555,695,134	87,408,709	2,628,626	4,776,962	3,253,207	4,949,127,214
Contingencies and commitments	549,253,643	219,429,568	687,622	68,114,936	12,064,134	–	–	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:

	30 June 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	–	–	31,771,782	–	–	–	23,199,239	–
Investment adjusted / redeemed / disposed off during the period / year	–	–	(34,484,991)	–	–	–	(15,773,975)	(182,690)
(Deficit) / surplus on revaluation	–	–	–	(11,859)	–	–	–	3,438,799
Credit loss allowance	–	–	–	–	–	–	–	30,000
Closing balance	–	–	12,546,591	4,085,854	–	–	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	9,510	254,290	–	18,140,509	130,940	605,791	–	42,247,630
Repaid during the period / year	(16,762)	(195,492)	–	(18,087,584)	(125,348)	(544,278)	–	(42,330,680)
Credit loss allowance	59	(12)	–	1	(43)	22	–	50,420
Closing balance	30	511,888	–	1,129,877	7,223	453,102	–	1,076,951
Right-of-use assets	–	–	–	9,301	–	–	–	11,959
Other assets								
Interest / mark-up accrued	–	561	–	15,182	–	517	–	46,017
Credit loss allowance on accrued mark-up	–	–	–	405	–	1	–	721
Remuneration receivable from funds	–	–	537,103	–	–	–	538,814	–
Other receivable	–	–	–	10,082	–	–	–	5,266
Subordinated debt								
Opening balance	–	–	–	244,000	–	–	–	244,000
Issued / purchased during the period / year	–	–	–	904,538	–	–	–	–
Redeemed / sold during the period / year	–	–	–	(10,077)	–	–	–	–
Closing balance	–	–	–	1,138,461	–	–	–	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	4,224,547	2,673,376	763,720,921	46,502,755	10,183,847	6,909,437	1,208,186,155	398,533,940
Withdrawn during the period / year	(4,228,981)	(2,464,558)	(774,607,373)	(44,896,627)	(10,817,343)	(6,929,728)	(1,181,217,638)	(411,000,031)
Closing balance	468,815	1,042,987	27,877,145	4,585,771	473,249	834,169	38,763,597	2,979,643
Other liabilities								
Interest / mark-up payable	9	1,923	27,531	14,498	10	2,361	71,146	6,377
Credit loss allowance on off-balance sheet	–	–	–	17,057	–	–	–	16,910
Payable to staff gratuity fund	–	–	–	4,518,283	–	–	–	3,631,177
Other liabilities	–	13	–	–	–	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	–	–	–	5,121,200	–	80,000	–	12,475,800
Decreased during the period / year	–	–	–	(4,306,200)	–	–	–	(6,250,100)
Closing balance	–	80,000	–	31,222,700	–	80,000	–	30,407,700

39.1 Related Party Transactions

	30 June 2026 (Un-audited)				30 June 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**	**14,417**	**–**	**32,289**	2,464	14,647	–	54,119
Fee and commission income	**711**	**1,019**	**1,272,962**	**16,654**	206	801	1,176,355	6,145
Share of profit from associates	**–**	**–**	**902,927**	**–**	–	–	437,257	–
Dividend income	**–**	**–**	**–**	**158,803**	–	–	–	140,847
Net gain on sale / redemption of securities / mutual funds	**–**	**–**	**–**	**–**	–	–	–	4
Other income	**–**	**14**	**–**	**209**	–	6	–	207
Expense								
Mark-up / return / interest expensed	**16,526**	**34,157**	**567,285**	**257,301**	33,631	53,973	235,090	287,989
Operating expenses	**–**	**–**	**–**	**758,523**	–	–	–	702,700
Salaries and allowances	**–**	**916,740**	**–**	**–**	–	894,808	–	–
Bonus	**–**	**203,670**	**–**	**–**	–	178,459	–	–
Contribution to defined contribution plan	**–**	**37,502**	**–**	**–**	–	29,922	–	–
Contribution to defined benefit plan	**–**	**169,823**	**–**	**–**	–	211,281	–	–
Staff provident fund	**–**	**–**	**–**	**833,671**	–	–	–	717,937
Staff gratuity fund	**–**	**–**	**–**	**887,106**	–	–	–	630,000
Directors' fees	**38,760**	**1,400**	**–**	**–**	37,330	875	–	–
Donation	**–**	**–**	**–**	**21,000**	–	–	–	84,000
Insurance premium paid	**–**	**–**	**–**	**256,931**	–	–	–	179,969
Insurance claims settled	**–**	**–**	**–**	**61,589**	–	–	–	107,706
Other								
Sale of government securities	**–**	**–**	**–**	**4,933,052**	–	–	–	5,814,700
Purchase / sale of foreign currencies (cross currency)	**–**	**1,324**	**–**	**–**	–	142	–	–

40. CAPITAL ADEQUACY, LEVERAGE RATIO AND LIQUIDITY REQUIREMENTS

	(Un-audited) 30 June 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	**157,644,659**	152,337,889
Eligible Additional Tier 1 (ADT 1) Capital	**13,104,212**	13,105,645
Total Eligible Tier 1 Capital	**170,748,871**	165,443,534
Eligible Tier 2 Capital	**55,164,241**	52,152,954
Total Eligible Capital (Tier 1 + Tier 2)	**225,913,112**	217,596,488
Risk Weighted Assets (RWAs):		
Credit Risk	**927,004,649**	866,136,477
Market Risk	**75,413,605**	71,794,356
Operational Risk	**310,545,399**	310,545,399
Total	**1,312,963,653**	1,248,476,232

	(Un-audited) 30 June 2026	(Audited) 31 December 2025
	(Percentage)	
Common Equity Tier 1 Capital Adequacy Ratio	**12.01%**	12.20%
Tier1 Capital Adequacy Ratio	**13.00%**	13.25%
Total Capital Adequacy Ratio	**17.21%**	17.43%

	(Un-audited) 30 June 2026	(Audited) 31 December 2025
	(Rupees in '000)	
Leverage Ratio (LR):		
Eligible Tier - 1 Capital	**170,748,871**	165,443,534
Total Exposures	**4,263,322,102**	3,834,120,758
Leverage Ratio	**4.01%**	4.32%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	**1,708,979,532**	1,365,811,533
Total Net Cash Outflow	**636,356,466**	479,919,850
Liquidity Coverage Ratio	**268.56%**	284.59%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	**2,896,768,598**	2,635,572,489
Total Required Stable Funding	**1,544,602,478**	1,368,672,616
Net Stable Funding Ratio	**187.54%**	192.56%

The Group has applied transitional approach under IFRS 9 as prescribed in SBP Circular. CAR and LR would be 16.81% and 3.88% respectively, if full impact of IFRS 9 is applied.

41. ISLAMIC BANKING BUSINESS

The Bank is operating with 419 (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) 30 June 2026**	(Audited) 31 December 2025
		(Rupees in '000)	
ASSETS			
Cash and balances with treasury banks		**27,662,000**	27,400,433
Balances with other banks		**9,629**	9,480
Due from financial institutions		**–**	17,997,570
Investments	41.1	**372,135,794**	329,585,390
Islamic financing and related assets - net	41.2	**185,149,830**	151,674,885
Property and equipment		**4,267,793**	3,976,043
Right-of-use assets		**7,009,964**	6,521,920
Intangible assets		**–**	–
Due from Head Office		**–**	–
Other assets		**23,079,087**	18,529,413
Total Assets		**619,314,097**	555,695,134
LIABILITIES			
Bills payable		**1,327,863**	1,249,578
Due to financial institutions		**54,903,339**	24,160,152
Deposits and other accounts	41.3	**424,688,823**	413,425,416
Due to Head Office		**9,023,275**	8,509,501
Lease liabilities		**8,667,966**	7,886,845
Subordinated debt		**–**	–
Other liabilities		**37,914,508**	18,353,839
Total Liabilities		**536,525,774**	473,585,331
NET ASSETS		**82,788,323**	82,109,803
REPRESENTED BY			
Islamic Banking Fund		**7,600,000**	7,600,000
Reserves		**–**	–
(Deficit) / surplus on revaluation of assets		**(4,639,075)**	3,033,370
Unappropriated profit	41.4	**79,827,398**	71,476,433
		82,788,323	82,109,803
CONTINGENCIES AND COMMITMENTS	41.5		

STATEMENT OF PROFIT AND LOSS ACCOUNT	Note	(Un-audited) Half year ended 30 June 2026	30 June 2025
		(Rupees in '000)	
Profit / return earned	41.6	**27,386,867**	24,977,116
Profit / return expensed	41.7	**(12,002,634)**	(11,763,111)
Net profit / return		**15,384,233**	13,214,005
Other income			
Fee and commission income		**1,352,533**	1,044,023
Dividend income		**43,123**	27,242
Foreign exchange income		**87,251**	134,873
Loss on securities - net		**(31,337)**	(19,725)
Other income		**–**	–
Total other income		**1,451,570**	1,186,413
Total income		**16,835,803**	14,400,418
Other expenses			
Operating expenses		**(7,317,423)**	(5,696,658)
Other charges		**(1,075)**	(641)
Total other expenses		**(7,318,498)**	(5,697,299)
Profit before credit loss allowance		**9,517,305**	8,703,119
Credit loss allowance and write-offs - net		**(1,139,709)**	(431,335)
Profit for the period		**8,377,596**	8,271,784

41.1 Investments

	30 June 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	**22,836,094**	**-**	**-**	**22,836,094**	24,383,389	-	-	24,383,389
FVPL								
Federal Government Securities								
- Naya Pakistan Certificates	**1,189,673**	**-**	**-**	**1,189,673**	886,072	-	-	886,072
FVOCI								
Federal Government Securities								
- Ijarah Sukuks	**347,620,838**	**-**	**(4,699,458)**	**342,921,380**	297,726,212	-	3,037,050	300,763,262
- Neelum Jhelum Hydropower Co. Ltd. Sukuk	**-**	**-**	**-**	**-**	288,750	-	17,293	306,043
Non Government Debt Securities								
- Listed	**2,170,713**	**(680,684)**	**95,282**	**1,585,311**	1,122,000	(680,424)	2,855	444,431
- Unlisted	**2,204,065**	**(648)**	**(34,899)**	**2,168,518**	2,360,500	(634)	(23,828)	2,336,038
	351,995,616	**(681,332)**	**(4,639,075)**	**346,675,209**	301,497,462	(681,058)	3,033,370	303,849,774
Investments mandatorily classified / measured at FVPL								
Units of Mutual Funds	**1,266,155**	**-**	**(31,337)**	**1,234,818**	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	**377,487,538**	**(681,332)**	**(4,670,412)**	**372,135,794**	327,240,052	(681,058)	3,026,396	329,585,390

41.1.1 Particulars of credit loss allowance

	30 June 2026 (Un-audited)			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
		(Rupees in '000)		
Non Government Debt Securities	**909**	**423**	**680,000**	**681,332**

	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) 30 June 2026	(Audited) 31 December 2025
		(Rupees in '000)	
41.2	**Islamic financing and related assets**		
	Ijarah	**4,312,242**	3,960,126
	Murabaha	**14,939,086**	12,896,466
	Diminishing Musharaka	**49,773,595**	32,362,289
	Istisna	**5,279,814**	6,870,106
	Islamic Long Term Financing Facility (ILTFF)	**7,143,088**	4,301,121
	Islamic Refinance for Renewable Energy (IFRE)	**2,692,438**	2,916,460
	Islamic Refinance for Temporary Economic Refinance Facility (ITERF)	**534,674**	2,028,789
	Islamic Refinance Facility for Modernisation of SMEs (IRFSME)	**178,931**	133,037
	Islamic Financing Facility for Storage of Agricultural Produce (IFFSAP)	**85,620**	99,457
	Islamic Export Refinance (IERF) - Istisna	**5,100**	399,500
	Musawamah	**3,775,858**	4,775,840
	Running Musharaka	**848,986**	1,844,473
	Islamic Export Refinance - Running Musharaka	**14,643,641**	13,963,641
	Financing against Bills - Musawamah	**13,627,085**	6,919,778
	Export Finance Scheme (EFS) - Discounting	**8,469,838**	8,405,335
	Staff Financing	**8,551,146**	5,933,903
	Musawamah Inventory	**5,376,915**	4,430,963
	Advance against Istisna	**13,572,184**	11,524,724
	Advance against Istisna - IERF	**4,533,468**	3,807,743
	Advance against Ijarah	**562,355**	589,164
	Advance against Diminishing Musharaka	**9,707,440**	4,706,521
	Advance against Bai Muajjal	**20,306,286**	22,038,007
	Advance against IRFSME	**–**	64,196
	Advance against Murabaha	**495,939**	–
	Gross Islamic financing and related assets	**189,415,729**	154,971,639
	Less: credit loss allowance against Islamic financings		
	- Stage 1	**(1,610,449)**	(1,088,425)
	- Stage 2	**(1,064,151)**	(839,919)
	- Stage 3	**(1,591,299)**	(1,368,410)
		(4,265,899)	(3,296,754)
	Islamic financing and related assets - net of credit loss allowance	**185,149,830**	151,674,885

		(Un-audited) 30 June 2026	(Audited) 31 December 2025
		(Rupees in '000)	
41.3	**Deposits and other accounts**		
	Customers		
	Current deposits	**196,352,562**	165,099,275
	Savings deposits	**192,591,788**	216,447,312
	Term deposits	**19,120,279**	20,546,384
		408,064,629	402,092,971
	Financial institutions		
	Current deposits	**205,371**	95,431
	Savings deposits	**16,418,823**	11,237,014
		16,624,194	11,332,445
		424,688,823	413,425,416
41.4	**Islamic Banking Business Unappropriated Profit**		
	Opening balance	**71,476,433**	54,066,152
	Impact of change in accounting policy	**(26,631)**	–
	Add: Islamic Banking profit for the period / year	**8,377,596**	17,410,281
	Closing balance	**79,827,398**	71,476,433
41.5	**Contingencies and Commitments**		
	Guarantees	**26,562,804**	27,884,693
	Commitments	**49,388,931**	40,230,243
		75,951,735	68,114,936

		(Un-audited) Half year ended	
		30 June 2026	30 June 2025
		(Rupees in '000)	
41.6	**Profit / Return Earned on Financings, Investments and Placements**		
	Profit earned on:		
	Financings	**7,856,518**	5,730,868
	Investments	**19,293,873**	19,123,500
	Placements	**236,476**	122,748
		27,386,867	24,977,116
41.7	**Profit on Deposits and Other Dues Expensed**		
	Deposits and other accounts	**9,675,297**	9,888,422
	Due to financial institutions	**687,459**	1,121,912
	Due to Head Office	**1,074,922**	313,484
	Finance charges on lease liabilities	**564,956**	439,293
		12,002,634	11,763,111

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 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 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% (30 June 2025: 50%) of net income and the depositors' profit sharing ratio was 50% (30 June 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

	30 June 2026 (Un-audited)				
	Distributable Income	**Mudarib Share**	**Mudarib Share**	**HIBA Amount**	**HIBA**
	(Rupees in '000)		(Percentage)	(Rupees in '000)	(Percentage)
LCY Pool	**14,315,398**	**6,075,490**	**42.44%**	**2,343,575**	**38.57%**
FCY Pool	**231,945**	**178,999**	**77.17%**	**27,385**	**15.30%**
	30 June 2025 (Un-audited)				
LCY Pool	14,038,653	6,568,359	46.79%	2,838,457	43.21%
FCY Pool	210,623	170,661	81.03%	25,716	15.07%

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

	(Un-audited) Half year ended	
	30 June 2026	30 June 2025
	(Percentage)	
Profit rate earned	**10.00%**	12.05%
Profit rate distributed	**4.72%**	6.09%

42. GENERAL

42.1 Captions 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 20 August 2026, has announced an interim cash dividend of Rs. 3.50 per share (30 June 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 20 August 2026.

MANSOOR ALI KHAN
Chief Executive

ASHAR HUSAIN
Chief Financial Officer

MOHAMMAD RAFIQUDDIN MEHKARI
Director

FARHANA MOWJEE KHAN
Director

ABBAS D. HABIB
Chairman