

# HBL



# HBLPSL

A reason to believe in

# PAKISTAN

2016 – 2025



Quarterly Report

March 31, **2025**



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# CORPORATE INFORMATION

## Board of Directors

### Mr. Sultan Ali Allana

Chairman

### Mr. Shaffiq Dharamshi

Director

### Mr. Moez Ahamed Jamal

Director

### Mr. Salim Raza

Director

### Dr. Najeeb Samie

Director

### Mr. Khaleel Ahmed

Director

### Ms. Saba Kamal

Director

### Mr. Muhammad Nassir Salim

President & CEO

## Chief Financial Officer

Mr. Rayomond H. Kotwal

## Company Secretary

Mr. Uzman Naveed Chaudhary

## Legal Advisors

Mandviwalla and Zafar

Legal Consultants and Advocates

## Auditors

KPMG Taseer Hadi & Co Chartered Accountants

## Share Registrar

CDC Share Registrar Services Limited

CDC House, 99 – B, Block 'B',

S.M.C.H.S., Main Shahra-e-Faisal

Karachi – 74400, Pakistan

Tel: Customer Support Services

(Toll Free) 0800-CDCPL (23275)

Fax: (92-21) 34326053

Email: [info@cdcsrsl.com](mailto:info@cdcsrsl.com)

Website: [www.cdcsrsl.com](http://www.cdcsrsl.com)

## HBL Corporate Secretariat

Phone: (92-21) 37137543

Fax: (92-21) 35148370

## Principal Office

Habib Bank Limited

HBL Tower, Plot No. G-4,

KDA Scheme 5, Block 7 Clifton,

Karachi, Pakistan

Phone: (92-21) 33116030

## Registered Office

Habib Bank Limited

9th Floor, Habib Bank Tower,

Jinnah Avenue, Blue Area, Islamabad,

Pakistan

Phone: (92-51) 2270856, (92-51) 2821183

Fax: (92-51) 2872205

## Corporate Website

[www.hbl.com](http://www.hbl.com)

## Internet Banking

[www.hbl.com/personal/digital-banking/](http://www.hbl.com/personal/digital-banking/) hbl-internetbanking

## Konnect

[www.hbl.com/konnect](http://www.hbl.com/konnect)

 [hblbank](https://www.facebook.com/hblbank) |  [HBLPak](https://twitter.com/HBLPak)





# 1

## **Condensed Interim Consolidated Financial Statements**





# DIRECTORS' REPORT

On behalf of the Board of Directors, we are pleased to present the Consolidated Financial Statements for the quarter ended March 31, 2025.

## Macroeconomic Review

Pakistan continues to make steady progress in macroeconomic fundamentals – headline inflation is at multi-decade lows, the interest rate environment is more benign after a 1,000 bps reduction and growth prospects have improved. Better output in the agriculture and services sectors led a modest growth of 1.54% in GDP in 1HFY'25 despite the industrial sector contracting 0.4%. The Large-Scale Manufacturing Index declined by 1.9% for 8MFY'25 but leading indicators, including the HBL Manufacturing PMI and SBP business surveys, point to a recovery in this sector. Headline inflation fell to 0.7% in Mar'25, the lowest since 1965. The deceleration was driven by softer food prices, favorable global commodity prices, and a high base effect. Average inflation fell from 27.1% in 9MFY'24 to 5.3% for 9MFY'25, below even the SBP's revised forecast of 5.5% – 7.5% for FY'25. Core inflation though, remains elevated at 9.0%, with limited signs of further moderation.

The trade deficit for 9MFY'25 rose by 15.9% to \$ 18.7 billion as imports outpaced exports. Imports expanded 11.1% to \$ 43.4 billion mainly due to machinery and cotton on the back of a weaker domestic crop. Exports grew, albeit at a slower pace of 7.7%, to \$ 24.7 billion during the same period, driven by a recovery in the textile sector. The remittance momentum accelerated over the Ramzan / Eid period with Mar'25 clocking in a record high of \$ 4.1 billion. Remittances of \$ 28.0 billion for 9MFY'25 were 33.2% higher than for the same period last year. Consequently, the Current Account for 9MFY'25 remained in a surplus of \$ 1.9 billion vs a deficit of \$ 1.7 billion during 9MFY'24, with Mar'25 recording the country's highest ever surplus.

The IMF staff mission concluded its first review of the EFF programme, reaching a Staff Level Agreement and acknowledging the Government's efforts and commitment to the reform agenda. The second tranche of \$ 1.0 billion will be received after IMF Board approval, with an IMF team due in May for discussions on the Federal Budget. An agreement was also reached on a \$ 1.3 billion climate facility to support Pakistan's efforts in building resilience to natural disasters. FX reserves are down \$ 1.4 billion from their recent Nov'24 peak amid substantial debt repayments and as inflows tied to IMF approval are still awaited. Nevertheless, the SBP expects its reserves to exceed \$ 13.0 billion by Jun'25, supported by lower debt repayments and the expected realization of official inflows. Recently, Fitch upgraded Pakistan's rating from CCC+ to B-, with a Stable Outlook, their second in the current fiscal year. The agency cited improved fiscal consolidation, external stabilization and structural reform momentum under the IMF programme as driving factors.

The local bourse gained 2.3% in the first quarter, despite choppy trading in the first 2 months amid a lack of triggers. In Mar'25, the IMF staff level agreement and a potential circular debt resolution, expected to benefit the energy chain, more than counteracted the pause in monetary easing and restored investor confidence. At the start of April, the KSE 100 lost 3.3% in a single day in line with the global rout caused by the US tariffs announcement, but has since recovered to above year-end levels.

After cutting rates in six successive meetings since Jun'24, the State Bank's Monetary Policy Committee adopted a wait-and-see approach, maintaining the policy rate at 12.0%, contrary to consensus expectations of a moderate reduction. The committee acknowledged the significantly positive real interest rate; however, it also highlighted that the stickiness of core inflation, rising pressures on the external account and global volatility amid the imposition of US tariffs warranted a cautious approach. The MPC also noted that the impact of recent rate cuts is already transmitting into the real economy, indicated by improving high-frequency data and strengthened consumer and business confidence. Private sector credit contracted by 10.8% (Rs 1.1 trillion) in Q1'25 as distortions from the ADR tax reversed. Consequently, as of end-Feb'25, advances fell 12.7% and deposits grew by 0.6% over Dec'24. Banking spreads in 2M'25 were 22bps higher than in 2M'24 as the full downward repricing of asset yields lags reduction in deposit cost.

## Financial Performance

HBL has delivered a record consolidated profit before tax of Rs 36.6 billion for Q1'25, an increase of 22% over the same period last year. The strong results have been driven by solid performance across all business lines. With excessive and unfair taxation continuing to burden the banking sector, the Bank's profit after tax of Rs 16.6 billion is 11% higher than in Q1'24. Earnings per share improved from Rs 10.37 in Q1'24 to Rs 11.32 in Q1'25.

The Bank's balance sheet stood at Rs 5.9 trillion with total deposits rising to Rs 4.4 trillion. Domestic deposits increased to Rs 3.7 trillion, primarily led by a Rs 127 billion growth in current accounts, with the mix improving from 37.3% in Dec'24 to 40.0% in Mar'25. In line with the industry, domestic advances came off their year-end peak, with the Bank's total loans closing at Rs 1.9 trillion. Despite the overall drop in lending, HBL's flagship consumer business maintained its growth trajectory, increasing to Rs 148.3 billion.



With monetary easing throughout 2024, the Policy Rate is now 1,000 bps lower than in Q1'24. Domestic net interest income grew by 14%, supported by an increase of Rs 454 billion in the average balance sheet and a reduction of 520 bps in deposit cost; the Bank's total net interest income increased 12% to Rs 68.8 billion. HBL's fee franchise was driven by double-digit growth in branch banking and Bancassurance, along with strong results from the dominant Cards business which continues to drive more than 50% of fees. With timely realization of capital gains, total non-fund income increased to Rs 21.6 billion in Q1'25. HBL's total revenue thus rose to Rs 90.4 billion, a growth of 11% over the same period last year.

A number of cost optimization initiatives have been underway and are coming to fruition with YoY expense growth contained at a subdued 7%. Compared to the prior quarter, expenses were further reduced by 2.5%. As a result, HBL's cost / income ratio for Q1'25 fell to 55.6%, a 200 bps drop from Q1'24. Despite a decrease in the Bank's non-performing loans, the steep decline in advances led to an uptick in the infection ratio to 5.3%, Nevertheless, this remains the lowest in the last 12 months, with the total coverage well above 100%.

## Movement in Reserves

	Rupees in million
Unappropriated profit brought forward	238,813
Impact of change in accounting policy	880
Unappropriated profit brought forward – restated	239,694
Profit attributable to equity holders of the Bank	16,605
Re-measurement gain on defined benefit obligations of associates – net of tax	12
Transferred from surplus on revaluation of assets – net of tax	22
Realised gain on equity investments designated as FVOCI	74
	16,713
Profit available for appropriation	256,407
<b>Appropriations:</b>	
Transferred to statutory reserves	(1,578)
Cash dividend – Final 2024	(6,234)
Total appropriations	(7,812)
<b>Unappropriated profit carried forward</b>	<b>248,595</b>
<b>Earnings per share (Rupees)</b>	<b>11.32</b>

## Capital Ratios

The strong results continued to strengthen internally generated capital, adding 80 bps to the Tier 1 Capital Adequacy Ratio (CAR). Despite the decline in advances, total RWAs increased on a larger Trading Book. HBL's consolidated Tier 1 CAR grew by 24 bps over December 2024 to 14.51% with total CAR rising by 18 bps to 17.88%. Both ratios remain comfortably above regulatory requirements.

## Dividend

The Board of Directors, in its meeting held on April 25, 2025, has declared an interim cash dividend of Rs 4.50 per share (45%) for the quarter ended March 31, 2025.

## Future Outlook

The government has largely achieved its objective of stabilizing the country's economic and financial indicators: these include the receding of inflationary pressures and a 1,000 bps reduction in the Policy Rate over the last year; a slight uptick in GDP growth to 3.0% in FY'25; and a benign current account balance accompanied by a sustained period of Rupee stability. The HBL Manufacturing PMI averaged 54.1 in Q1'25, well above the neutral 50.0 mark, led by new orders and output, pointing to early signs of demand resilience.

The next, more challenging task is to initiate wholesale reform in a wide range of areas to establish a platform for sustained, robust economic growth. The nascent growth outlook needs to be reinforced by an acceleration in structural reforms. Progress on diversifying the tax base has crossed an important hurdle in the passing of a tax on agricultural income; however the harder part will be to actually enforce and collect these taxes. Additionally, the Government must widen the tax base to include traders, real estate and other historically excluded sectors rather than continuing to tax the overtaxed. Privatization has not yielded any results to date and efforts must be intensified to stop the drain of loss-making SOEs on the exchequer.



Historically high real rates and a favorable commodities backdrop may yet support the case for a more accommodative monetary policy stance from the central bank. However, the lagged impact of the prior policy rate reductions needs careful assessment, while core inflation is yet to decline to the same degree. Therefore, any further rate cuts are likely to be gradual at best.

On the international front, Trump's reciprocal tariffs policy and the prospects for escalation following retaliatory tariffs from China and the EU have the potential to upend the global financial and economic architecture and are leading to significant stress in markets. These will have far-reaching consequences across the globe, even for a relatively modest trade based economy such as Pakistan. With the stop-go nature of announcements, businesses are uncertain as to how the chips will fall, and this in itself is affecting growth prospects as investment plans are largely on hold. For Pakistan, the declared 29% tariff may negatively impact exports to the US, but will be partially offset by tailwinds from lower oil prices, with Brent falling below \$70/barrel. This is likely to manifest in a stronger current account and maintain a benign inflation outlook.

HBL has had a good start to 2025, delivering another record quarter. We continue to further our inclusion objective by bringing banking to an ever-widening segment of the population, now serving 40 million customers. Our digital presence increases, with 4.7 million users of Mobile and Internet Banking transacting over Rs 2.6 trillion in the first quarter of 2025 alone; the Konnect trajectory remains intact, with a nearly 20% increase in volumes. We remain steadfast in our support to the critical agriculture sector, both through direct lending where we have nearly one-third of the market as well as through our unique HBL Zarai initiative which is scaling up and transforming farmer incomes and lives. We have embedded Sustainability in all aspects of our business and are making steady progress towards our goal of Net Zero by 2030. HBLPSL 10 is now underway, marking a decade of our commitment to cricket and to Pakistan. HBL has and will keep stepping forward in every sphere, to ensure a brighter future for Pakistan and Pakistanis.

## Appreciation and Acknowledgement

On behalf of the Board and management, we would like to place on record our appreciation for the efforts of our regulators and the Government of Pakistan, in particular the State Bank of Pakistan, the Ministry of Finance and the Securities and Exchange Commission of Pakistan. In these challenging times, they have stepped up with policies and measures that are prudent, proactive and balanced, protecting the economy, customers and people of Pakistan, while also safeguarding the integrity and soundness of the banking and financial services industry.

We are indebted to our customers, many of whom have banked with us for generations, and who continue to entrust us with their business and confidence. Our shareholders have provided steadfast support and to them, and to all our stakeholders, we are deeply grateful. The Board and the management remain committed to maintaining the highest standards of governance and we assure our stakeholders that we will be industry leaders in this area.

Lastly, but certainly not the least, we express our deepest appreciation and gratitude to our employees and their families, especially in customer facing units and branches, who continually go the extra mile, even at personal cost, to ensure that our customers are able to meet their critical needs. They are our heroes and heroines and we salute them for their dedication and tireless efforts.

On behalf of the Board

**Muhammad Nassir Salim**  
**President & Chief Executive Officer**

**Moez Ahamed Jamal**  
**Director**

April 25, 2025



# ڈائریکٹرز رپورٹ

ہمیں بورڈ آف ڈائریکٹرز کی جانب سے 31 مارچ 2025 کو ختم ہونے والی پہلی سہ ماہی کے مختصر عبوری مجموعی مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس ہو رہی ہے۔

## کلیاتی اقتصادیات کا جائزہ

پاکستان کلیاتی اقتصادیات کے بنیادی اصولوں پر مسلسل پیش رفت جاری رکھے ہوئے ہے۔ ہیڈ لائن افراط زر کئی دہائیوں کی کم ترین سطح پر ہے، شرح سود میں 1000 بی پی ایس کی کمی کے بعد شرح سود کی فضا مزید بے ضرر ہوئی ہے اور ترقی کے امکانات میں بہتری آئی ہے۔ مالی سال 25 کی پہلی ششماہی میں زرعی اور سروس سیکٹر میں بہتر پیداوار کی وجہ سے صنعتی شعبے میں 0.4 فیصد سکڑاؤ کے باوجود جی ڈی پی میں 1.54 فیصد معمولی نمو ہوئی۔ مالی سال 25 کے 8 ماہ کے دوران لاریج اسکیل مینو فیکچرنگ انڈیکس میں 1.9 فیصد کمی واقع ہوئی، لیکن ایچی ایل مینو فیکچرنگ پی ایم آئی اور ایس پی پی کے بزنس سروے سمیت اہم اشاریے اس شعبے میں بحالی کی نشاندہی کرتے ہیں۔ مارچ 25 میں ہیڈ لائن افراط زر 0.7 فیصد تک گر گئی، جو 1965 کے بعد سے کم ترین ہے۔ یہ سست روی کھانے پینے کی اشیاء کی قیمت میں نرمی، عالمی اجناس کی موافق قیمت اور ہائی ٹیکس افیکٹ کی وجہ سے ہوئی۔ اوسط افراط زر مالی سال 24 کے 9 ماہ میں 27.1 فیصد سے کم ہو کر مالی سال 25 کے 9 ماہ میں 5.3 فیصد رہ گئی، جو مالی سال 25 کے لیے ایس پی پی کی 7.5-5.5 فیصد کی نظر ثانی شدہ پیش گوئی سے بھی کم ہے۔ تاہم بنیادی افراط زر 9.0 فیصد پر بلند رہی، جس میں مزید اعتدال کے محدود اشارے موجود ہیں۔

مالی سال 25 کے 9 ماہ میں تجارتی خسارہ 15.9 فیصد اضافے سے 18.7 بلین ڈالر تک پہنچ گیا کیونکہ درآمدات برآمدات سے زیادہ تھیں۔ درآمدات 11.1 فیصد اضافے کے ساتھ 43.4 بلین ڈالر تک پہنچ گئیں، جس کی بنیادی وجہ کمزور ملکی فصل کو مشینری اور کپاس کا سہارا ہے۔ ٹیکسٹائل کے شعبے کی بحالی کی وجہ سے اسی عرصے کے دوران برآمدات سست رفتار سے بڑھ کر 7.7 فیصد سے 24.7 بلین ڈالر تک پہنچ گئیں۔ رمضان اور عید کے دوران ترسیلات زر کی رفتار میں تیزی آئی اور مارچ 25 میں یہ 4.1 بلین ڈالر کی ریکارڈ بلند ترین سطح پر پہنچ گئیں۔ مالی سال 25 کے 9 ماہ کے دوران 28.0 بلین ڈالر کی ترسیلات زر گزشتہ سال کے اسی عرصے کے مقابلے میں 33.2 فیصد زیادہ رہیں۔ نتیجتاً مالی سال 25 کے 9 ماہ کے کرنٹ اکاؤنٹ میں 1.9 بلین ڈالر کا سرپلس رہا جبکہ مالی سال 24 کے 9 ماہ کے دوران خسارہ 1.7 بلین ڈالر تھا اور مارچ 25 میں ملک کا سب سے زیادہ سرپلس ریکارڈ کیا گیا۔

اسٹاف لیول ایگریمنٹ کے ساتھ آئی ایم ایف اسٹاف مشن نے ای ایف ایف پروگرام کا پہلا جائزہ مکمل کیا، جو اصلاحاتی ایجنڈے کے لیے حکومت کی کوششوں اور عزم کا اعتراف ہے۔ آئی ایم ایف بورڈ کی منظوری کے بعد 1.0 بلین ڈالر کی دوسری قسط مل جائے گی، آئی ایم ایف کی ٹیم میں وفاقی بجٹ پر تبادلہ خیال کے لیے آئے گی۔ پاکستان کی قدرتی آفات سے نمٹنے کی کوششوں میں مدد کے لیے 1.3 بلین ڈالر کی ماحولیاتی فیسلٹی پر بھی اتفاق کیا گیا۔ غیر ملکی زرمبادلہ کے ذخائر نومبر 24 کی بلند ترین سطح سے 1.4 بلین ڈالر کم ہیں، جس کی وجہ قرضوں کی بھاری ادائیگیاں اور آئی ایم ایف کی منظوری سے منسلک ترسیلات زر کا انتظار بھی ہے۔ تاہم ایس پی پی کو توقع ہے کہ قرضوں کی کم ادائیگیوں اور سرکاری ترسیلات زر کی متوقع وصولی کی وجہ سے جون 25 تک اس کے ذخائر 13.0 بلین ڈالر سے تجاوز کر جائیں گے۔ حال ہی میں نیچے نے مستحکم آؤٹ لک کے ساتھ پاکستان کی ریٹنگ کو CCC+ سے بڑھا کر B- کر دیا ہے جو رواں مالی سال میں ان کا دوسرا ریکارڈ ہے۔ ادارے نے آئی ایم ایف پروگرام کے تحت بہتر مالیاتی استحکام، بیرونی استحکام اور ساختی اصلاحات کی رفتار کو محرک عوامل قرار دیا ہے۔

پہلے 2 ماہ کے دوران محرکات میں کمی سے تجارتی اتار چڑھاؤ کے باوجود، پہلی سہ ماہی کے دوران مقامی اسٹاک ایکسچینج میں 2.3 فیصد اضافہ ہوا۔ مارچ 25 میں، آئی ایم ایف اسٹاف لیول ایگریمنٹ اور ممکنہ گردش قرضوں کے حل، جس سے، مالیاتی نرمی میں تھقل کا مقابلہ کرنے اور سرمایہ کاروں کا اعتماد بحال کرنے سے کہیں زیادہ انرجی چین کو فائدہ پہنچنے کی توقع تھی۔ اپریل کے آغاز میں، امریکی ٹریف کے اعلان کی وجہ سے عالمی بحران کے سبب کے ایس ای 100 ایک ہی دن میں 3.3 فیصد گر گیا، لیکن اس کے بعد سال کے اختتام کی سطح سے اوپر کی سطح پر بحال ہو گیا ہے۔

جون 24 کے بعد سے لگاتار 6 میٹنگز میں شرح سود میں کمی کے بعد اسٹیٹ بینک کی مانیٹری پالیسی کمیٹی نے صورت حال پر نظر رکھنے کی حکمت عملی اپنائی اور پالیسی ریٹ کو 12.0 فیصد پر برقرار رکھا۔ کمیٹی نے نمایاں مثبت حقیقی شرح سود کا اعتراف کیا۔ تاہم، اس نے اس بات پر بھی روشنی ڈالی کہ بنیادی افراط زر کی مضبوطی، ایکسٹرنل اکاؤنٹس پر بڑھتے ہوئے دباؤ اور امریکی ٹریف کے نفاذ کے دوران عالمی اتار چڑھاؤ میں محتاط رہنے کی ضرورت ہے۔ ایم پی سی نے یہ بھی نوٹ کیا کہ شرح سود میں حالیہ کٹوتی کے اثرات پہلے ہی حقیقی معیشت میں منتقل ہو رہے ہیں، جس کا اشارہ ہائی فریکوئنسی ڈیٹا میں بہتری اور کاروباری اعتماد میں اضافے سے ہوتا ہے۔ اے ڈی آر ٹیکس میں تبدیلیوں کی وجہ سے پہلی سہ ماہی میں نجی شعبے کے قرضوں میں 10.8 فیصد (1.1 ٹریلین روپے) کی کمی واقع ہوئی۔ نتیجتاً فروری 25 کے اختتام تک قرضوں میں 12.7 فیصد کمی آئی اور دسمبر 24 کے مقابلے میں ڈپازٹس میں 0.6 فیصد اضافہ ہوا۔ سال 25 کے 2 ماہ میں بینکنگ اسپریڈ سال 24 کے 2 ماہ کے مقابلے میں 22 بی پی ایس زیادہ تھا کیونکہ اثاثوں کی پیداوار کی ری پرائسنگ میں کمی سے ڈپازٹ لاگت میں کمی واقع ہوئی۔

## مالیاتی کارکردگی

ایچی ایل ایل نے سال 25 کی پہلی سہ ماہی میں 36.6 بلین روپے کا قبل از ٹیکس منافع حاصل کیا ہے جو گزشتہ سال کے اسی عرصے کے مقابلے میں 22 فیصد زیادہ ہے۔ تمام کاروباری شعبوں میں ٹھوس کارکردگی کی وجہ سے مضبوط نتائج حاصل ہوئے۔ اضافی اور غیر منصفانہ ٹیکسوں کی وجہ سے بینکنگ سیکٹر پر مسلسل بوجھ بڑھ رہا ہے، بینک کا بعد از ٹیکس منافع 16.6 بلین روپے ہے جو سال 24 کی پہلی سہ ماہی کے مقابلے میں 11 فیصد زیادہ ہے۔ فی حصص آمدنی سال 24 کی پہلی سہ ماہی میں 10.37 روپے سے بڑھ کر سال 25 کی پہلی سہ ماہی میں 11.32 روپے ہو گئی۔

بینک کی بیلنس شیٹ 5.9 ٹریلین روپے رہی جس میں کل ڈپازٹس بڑھ کر 4.4 ٹریلین روپے ہو گئے۔ مقامی ڈپازٹس بڑھ کر 3.7 ٹریلین روپے تک پہنچ گئے، جس کی بنیادی وجہ کرنٹ اکاؤنٹس میں 127 بلین روپے کا اضافہ تھا، جس میں دسمبر 24 میں 37.3 فیصد سے بہتر ہو کر مارچ 25 میں 40.0 فیصد ہو گیا۔ صنعت کے مطابق مقامی قرضے سال کے آخر میں اپنی بلند ترین سطح سے



نیچے آگئے اور مجموعی قرضے 1.9 ٹریلین روپے پر بند ہوئے۔ قرضوں میں مجموعی طور پر کمی کے باوجود ایچ بی ایل کے فلیگ شپ کنزیومرز نے اپنی نمبر قرار رکھتے ہوئے 148.3 بلین روپے بڑھ گیا۔

2024 کے دوران مالیاتی نرمی کے سبب، پالیسی ریٹ اب پہلی سہ ماہی کے مقابلے میں 1000 بی پی ایس کم ہے۔ اوسط بیلنس شیٹ میں 454 بلین روپے کے اضافے اور ڈپازٹ لاگت میں 520 بی پی ایس کی کمی سے ملکی خالص سودی آمدنی میں 14 فیصد اضافہ ہوا۔ بینک کی مجموعی خالص سودی آمدنی 12 فیصد اضافے کے ساتھ 68.8 بلین روپے رہی۔ ایچ بی ایل کی فیس فرنیچر براؤنچ بینکنگ اور بینک اشورنس میں ڈیل ڈیجیٹل گروتھ کی وجہ سے آگے بڑھی، اس کے ساتھ ساتھ لیڈنگ کارڈز بزنس کے مضبوط نتائج بھی سامنے آئے جن سے 50 فیصد سے زائد فیس آتی ہے۔ سرمائے کی منفعت کی بروقت وصولی سے سال 25 کی پہلی سہ ماہی میں مجموعی نان فنڈ آمدنی بڑھ کر 21.6 بلین روپے ہو گئی۔ اس طرح ایچ بی ایل کی مجموعی آمدنی 90.4 بلین روپے تک پہنچ گئی، جو گزشتہ سال کے اسی عرصے کے مقابلے میں 11 فیصد زیادہ ہے۔

لاگت بہتر بنانے کے متعدد اقدامات جاری ہیں اور اخراجات میں 7 فیصد کمی کے ساتھ بار آور ثابت ہو رہے ہیں۔ پچھلی سہ ماہی کے مقابلے میں اخراجات میں مزید 2.5 فیصد کمی آئی۔ نتیجتاً ایچ بی ایل کی سال 25 کی پہلی سہ ماہی میں لاگت اور آمدنی کا تناسب سال 24 کی پہلی سہ ماہی کے مقابلے میں 200 بی پی ایس کم ہو کر 55.6 فیصد رہ گیا۔ بینک کے نان پرفارمنگ قرضوں میں کمی کے باوجود، ایڈوانسز میں تیزی سے کمی کی وجہ سے انفیکشن کی شرح 5.3 فیصد تک بڑھ گئی، تاہم، یہ گزشتہ 12 ماہ میں بدستور سب سے کم ہے، جس کی کل کوریج 100 فیصد سے زیادہ ہے۔

## ذخائر میں اتار چڑھاؤ

بلین روپے
238,813
880
239,694

16,605
12
22
74
16,713
256,407

(1,578)
(6,234)
(7,812)
248,595

11.32
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افتتاحی غیر تخصیص شدہ منافع  
اکاؤنٹنگ پالیسی میں تبدیلی کے اثرات  
افتتاحی غیر تخصیص شدہ منافع کے دوبارہ تخصیص

بینک ایکویٹی کے حامل افراد کے لیے قابل ادائیگی منافع  
ایسوسی ایٹس کے متعین فوائد کی ذمہ داریوں کی دوبارہ پیمائش پر منافع - محصول کا خالص  
اثاثہ جات کی دوبارہ تخصیص پر سرپلس سے منتقل شدہ - محصول کا خالص  
FVOCI کے طور پر ایکویٹی کی سرمایہ کاری پر موصولہ منافع

مناسب کارروائی کے لیے دستیاب منافع

مختلف مدوں میں رکھی گئی رقم:

قانونی ذخائر میں منتقل شدہ

نقد منافع منقسمہ - حتمی 2024

کل تخصیص

اختتامی غیر تخصیص شدہ منافع

فی حصص (شیر) آمدنی (روپے)

سرمائے کا تناسب

مضبوط نتائج نے اندرونی طور پر پیدا ہونے والے سرمائے کو مضبوط بنانا جاری رکھا، جس نے Tier 1 کیپٹل ایڈیکویسی ریشو (CAR) میں 80 بی پی ایس کا اضافہ کیا۔ ایڈوانسز میں کمی کے باوجود، ایک بڑی ٹریڈنگ بک پر کل RWAs میں اضافہ ہوا۔ ایچ بی ایل کی مربوط CAR Tier 1 دسمبر 2024 کے مقابلے میں 24 بی پی ایس سے بڑھ کر 14.51 فیصد ہو گئی جبکہ مجموعی کار 18 بی پی ایس اضافے کے ساتھ 17.88 فیصد ہو گئی۔ دونوں تناسب ریگولیٹری تقاضوں سے اوپر آرام دہ سطح پر ہیں۔

منافع منقسمہ

بورڈ آف ڈائریکٹرز نے 25 اپریل 2025 کو منعقد ہونے والے اجلاس میں 31 مارچ 2025 کو اختتام پذیر ہونے والی سہ ماہی کے لیے 4.50 روپے فی حصص (45%) کے عبوری نقد منافع منقسمہ کا اعلان کیا۔

مستقبل کی صورت حال

حکومت نے ملک کے معاشی اور مالیاتی اشاریوں کے استحکام کا مقصد بڑی حد تک حاصل کر لیا ہے۔ ان میں افراط زر کے دباؤ میں کمی اور گزشتہ سال کے دوران پالیسی ریٹ میں 1000 بی پی ایس کی کمی شامل ہے۔ مالی سال 25 میں جی ڈی پی کی شرح نمو میں معمولی اضافہ 3.0 فیصد تک پہنچ گیا۔ روپے کے استحکام میں پائیداری کے ساتھ ساتھ کرنٹ اکاؤنٹ بیلنس بے ضرر رہا۔ ایچ



بی ایل مینوفیکچرنگ پی ایم آئی نے سال 25 کی پہلی سہ ماہی میں اوسطاً 54.1 کی اوسط حاصل کی، جو نیوٹرل 50.0 مارک سے کہیں زیادہ ہے، جس کی قیادت نئے آرڈر اور آؤٹ پٹ نے کی ہے، جو طلب میں پک کی ابتدا کی نشاندہی کرتی ہے۔

اگلا، زیادہ مشکل کام یہ ہے کہ پائیدار، مضبوط اقتصادی ترقی کے لیے ایک پلیٹ فارم قائم کرنے کی غرض سے وسیع پیمانے پر شعبوں میں ہول سیل اصلاحات کا آغاز کیا جائے۔ نوزائیدہ ترقی کے آؤٹ لک کو ساختی اصلاحات میں تیزی سے تقویت دینے کی ضرورت ہے۔ ٹیکس میں کو متوقع بنانے پر پیش رفت نے زرعی آمدنی پر ٹیکس کی منظوری میں ایک اہم رکاوٹ عبور کی ہے۔ تاہم، سب سے مشکل حصہ ان ٹیکسوں کا نفاذ اور حصول ہو گا۔ مزید، حکومت کو تاجروں، ریل اسٹیٹ اور دیگر تاریخی طور پر خارج شعبوں کو شامل کر کے ٹیکس میں وسیع کرنا چاہیے، بجائے اس کے کہ وہ زیادہ ٹیکس لگانے کا سلسلہ جاری رکھے۔ نجکاری سے آج تک کوئی نتیجہ برآمد نہیں ہوا ہے اور سرکاری خزانے پر خسارے میں چلنے والے ایس او ایز کا ضیاع روکنے کے لیے کوششیں تیز کی جانی چاہئیں۔

تاریخی طور پر اعلیٰ حقیقی شرحیں اور سازگار اجناس اب تک بھی سینٹرل بینک کی طرف سے زیادہ لچکدار مانیٹری پالیسی کے موقف کی حمایت کر سکتی ہیں۔ تاہم، سابقہ پالیسی ریٹ میں کمی کے منفی اثرات کا محتاط جائزہ ضروری ہے، جبکہ بنیادی افراط زر میں ابھی اسی حد تک کمی آئی ہے۔ لہذا شرح سود میں بتدریج مزید کٹوتی کا امکان ہے۔

بین الاقوامی محاذ پر، ٹرمپ کی باہمی ٹیرف پالیسی اور چین اور یورپی یونین کی طرف سے جوابی ٹیرف کے بعد اضافے کے امکانات عالمی مالیاتی اور اقتصادی ڈھانچے کو نقصان پہنچانے کی صلاحیت رکھتے ہیں اور مارکیٹوں میں نمایاں دباؤ کا باعث بن رہے ہیں۔ اس کے دباؤ بھر میں دور رس اثرات مرتب ہوں گے، یہاں تک کہ پاکستان جیسی نسبتاً معمولی تجارت پر مبنی معیشت کے لیے بھی۔ پھیلاؤ اور سکڑاؤ کی نوعیت کے اعلانات کے ساتھ، کاروباری ادارے غیر یقینی صورتحال کا شکار ہیں، اور یہ بذات خود ترقی کے امکانات کو متاثر کر رہے ہیں کیونکہ سرمایہ کاری کے منصوبے بڑی حد تک رکے ہوئے ہیں۔ پاکستان کے لیے اعلان کردہ 29 فیصد ٹیرف سے امریکی برآمدات پر منفی اثرات مرتب ہو سکتے ہیں لیکن تیل کی قیمتوں میں کمی کی وجہ سے اس کی جزوی تلافی کی جائے گی اور بریٹ کی قیمت 70 ڈالر فی بیرل سے بھی نیچے آجائے گی۔ امکان ہے کہ یہ ایک مضبوط کرنٹ اکاؤنٹ کی صورت ظاہر ہو گا اور افراط زر کا ایک بے ضرر آؤٹ لک برقرار رکھے گا۔

ایچ پی ایل نے 2025 میں زبردست آغاز سے ایک اور ریکارڈ سہ ماہی مکمل کی ہے۔ بینک آبادی کے مسلسل بڑھتے ہوئے حصے میں بینکاری لا کر اپنی شمولیت کے کا مقصد آگے بڑھا رہا ہے، جس کے تحت اب 40 ملین کسٹمرز کی خدمت جاری ہے۔ بینک کی ڈیجیٹل موجودگی میں اضافہ ہوا ہے، صرف 2025 کی پہلی سہ ماہی میں موبائل اور انٹرنیٹ بینکنگ کے 4.7 ملین کسٹمرز نے 2.6 ٹریلین روپے سے زیادہ کارٹرانزیکشن کیا ہے۔ حجم میں تقریباً 20 فیصد اضافے کے ساتھ، کنیکٹ کی رفتار برقرار ہے۔ ایچ پی ایل زرعی اعتبار کے اہم شعبے میں براہ راست قرضوں کے ذریعے اپنی معاونت جاری رکھے ہوئے ہے، جہاں اس کے پاس مارکیٹ کا تقریباً ایک تہائی حصہ ہے اور ساتھ ہی ایچ پی ایل زرعی کے ذریعے کسانوں کی آمدنی اور معیار زندگی بلند کرنے کے ساتھ ان میں تبدیلی لارہا ہے۔ بینک کی اپنے کاروبار کے تمام پہلوؤں میں پائیداری کے ساتھ 2030 تک نیٹ زیرو کے ہدف کی طرف مستقل پیش رفت جاری ہے۔ ایچ پی ایل پی ایس ایل 10 چل رہا ہے، جو کرکٹ اور پاکستان کے ساتھ بینک کی وابستگی کی ایک دہائی کا جشن منا رہا ہے۔ ایچ پی ایل پاکستان اور پاکستانیوں کا روشن مستقبل یقینی بنانے کے لیے ہر شعبے میں آگے بڑھ رہا ہے اور بڑھتا رہے گا۔

## اظہارِ تشکر

ہم اپنے ریگولیٹرز اور حکومت پاکستان، بالخصوص اسٹیٹ بینک آف پاکستان، وزارت مالیات اور سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی کاوشوں کا اعتراف کرتے ہیں۔ اس غیر معمولی اور مشکل وقت میں، انھوں نے ایسی پالیسی سازی اور اقدامات کیے جو مصلحت اندیش، اور متوازن ہیں، معیشت، کسٹمرز اور پاکستان کے عوام کی حفاظت کرتے ہیں، اور بینکنگ اور فنانشل سروسز انڈسٹری کی سالمیت اور بہتری کا تحفظ بھی کرتے ہیں۔

ہم اپنے کسٹمرز کے احسان مند ہیں جو نسلوں سے ہمارے ساتھ بینکاری کر رہے ہیں اور اپنے کاروبار اور اعتماد کے حوالے سے ہم پر بھروسہ قائم رکھے ہوئے ہیں۔ ہمارے شیئر ہولڈرز نے ثابت قدمی سے ہمارا ساتھ دیا اور ان کے ساتھ ہم تمام اسٹیک ہولڈرز کے بھی انتہائی شکر گزار ہیں۔ بورڈ اور انتظامیہ گورننس کے اعلیٰ ترین معیارات برقرار رکھنے کے لیے پُر عزم ہے اور ہم اپنے اسٹیک ہولڈرز کو یقین دلاتے ہیں کہ اس خطے میں ہم اپنی کاروباری صنعت میں عروج پر ہوں گے۔

آخر میں، مگر صرف یہی نہیں، ہم اپنے تمام ملازمین اور ان کے اہل خانہ، بالخصوص کسٹمر کا سامنا کرنے والے پونٹس اور برانچوں میں موجود عملے کے شکر گزار ہیں، جو اپنی پرواہ کیے بغیر مسلسل اپنے فرائض سے بڑھ کر کام کرتے ہوئے ہمارے کسٹمرز کی بنیادی ضروریات کی تکمیل یقینی بنا رہے ہیں۔ یہ ہمارے ہیرو اور ہیروئن ہیں اور ہم ان کے عزم اور انتھک محنت کے لیے انھیں خراج تحسین پیش کرتے ہیں۔

منجانب بورڈ

معیر احمد جمال  
ڈائریکٹر

محمد ناصر سلیم  
صدر اور چیف ایگزیکٹو افسر

25 اپریل 2025ء



# CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2025

	Note	(Unaudited) March 31, 2025 ------(Rupees in '000)-----	(Audited) December 31, 2024
<b>ASSETS</b>			
Cash and balances with treasury banks	5	488,527,325	460,194,916
Balances with other banks	6	47,374,491	51,324,612
Lendings to financial institutions	7	110,655,295	84,293,922
Investments	8	2,834,457,213	2,528,200,439
Advances	9	1,948,626,896	2,435,434,872
Property and equipment	10	133,210,492	130,825,175
Right-of-use assets	11	26,843,621	27,408,020
Intangible assets	12	26,773,384	24,848,435
Deferred tax assets	19	-	-
Other assets	13	318,824,106	312,582,486
		<b>5,935,292,823</b>	<b>6,055,112,877</b>
<b>LIABILITIES</b>			
Bills payable	14	56,234,889	96,104,151
Borrowings	15	635,070,652	826,883,400
Deposits and other accounts	16	4,449,631,769	4,370,370,642
Lease liabilities	17	35,192,779	35,869,231
Subordinated debt	18	20,374,000	20,374,000
Deferred tax liabilities	19	7,623,668	7,995,007
Other liabilities	20	308,376,125	286,718,352
		<b>5,512,503,882</b>	<b>5,644,314,783</b>
<b>NET ASSETS</b>		<b>422,788,941</b>	<b>410,798,094</b>
<b>REPRESENTED BY</b>			
<b>Shareholders' equity</b>			
Share capital		14,668,525	14,668,525
Reserves		101,179,284	98,302,935
Surplus on revaluation of assets - net of tax	21	56,687,287	57,370,781
Unappropriated profit		248,594,748	238,813,471
Total equity attributable to the equity holders of the Bank		<b>421,129,844</b>	<b>409,155,712</b>
Non-controlling interest		<b>1,659,097</b>	<b>1,642,382</b>
		<b>422,788,941</b>	<b>410,798,094</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	22		

The annexed notes 1 to 41 form an integral part of these condensed interim consolidated financial statements.

Muhammad Nassir Salim  
President and  
Chief Executive Officer

Rayomond Kotwal  
Chief Financial Officer

Moez Ahamed Jamal  
Director

Dr. Najeeb Samie  
Director

Salim Raza  
Director



# CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

	Note	January 01 to March 31, 2025 ------(Rupees in '000)-----	January 01 to March 31, 2024
Mark-up / return / profit / interest earned	24	156,694,988	198,980,966
Mark-up / return / profit / interest expensed	25	87,944,416	137,777,272
Net mark-up / return / profit / interest income		68,750,572	61,203,694
<b>Non mark-up / interest income</b>			
Fee and commission income	26	11,588,386	11,891,918
Dividend income		1,384,434	1,007,077
Share of profit of associates		1,349,255	896,406
Foreign exchange income		2,175,065	4,087,696
Income from derivatives		780,774	2,417,841
Gain / (loss) on securities - net	27	4,167,710	(283,097)
Other income	28	168,362	148,885
Total non mark-up / interest income		21,613,986	20,166,726
Total income		90,364,558	81,370,420
<b>Non mark-up / interest expenses</b>			
Operating expenses	29	50,272,809	46,861,270
Workers' Welfare Fund		697,415	588,286
Other charges	30	11,291	158,496
Total non mark-up / interest expenses		50,981,515	47,608,052
<b>Profit before credit loss allowance and taxation</b>		39,383,043	33,762,368
Credit loss allowance and write offs - net	31	2,743,194	3,649,085
<b>Profit before taxation</b>		36,639,849	30,113,283
<b>Taxation</b>	32	20,013,088	15,069,700
<b>Profit after taxation</b>		16,626,761	15,043,583
<b>Attributable to:</b>			
Equity holders of the Bank		16,605,085	15,217,216
Non-controlling interest		21,676	(173,633)
		16,626,761	15,043,583
<b>Basic and diluted earnings per share</b>			
	33	11.32	10.37

The annexed notes 1 to 41 form an integral part of these condensed interim consolidated financial statements.

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President and  
Chief Executive Officer

Rayomond Kotwal  
Chief Financial Officer

Moez Ahamed Jamal  
Director

Dr. Najeeb Samie  
Director

Salim Raza  
Director



# CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

January 01 to March 31, 2025  
January 01 to March 31, 2024  
----- (Rupees in '000) -----

## Profit after taxation for the period attributable to:

Equity holders of the Bank

Non-controlling interest

16,605,085	15,217,216
21,676	(173,633)
16,626,761	15,043,583

## Other comprehensive income / (loss)

### Items that may be reclassified to the profit and loss account in subsequent periods:

Effect of translation of net investment in foreign branches, subsidiaries and associates - net of tax

1,180,322 (269,190)

Increase in share of exchange translation reserve of associates - net of tax

118,231 394,092

Movement in surplus / deficit on revaluation of debt investments designated at Fair value through other comprehensive income (FVOCI) - net of tax, attributable to:

Equity holders of the Bank

Non-controlling interest

(5,892,243)	3,210,228
(4,961)	3,326
(5,897,204)	3,213,554

Movement in share of surplus / deficit on revaluation of investments of associates - net of tax

1,236,832 (295,310)

### Items that are not to be reclassified to the profit and loss account in subsequent periods:

Movement in surplus / deficit on revaluation of equity investments designated at FVOCI - net of tax

53,172 66,175

Share of remeasurement gain on defined benefit obligations of associates - net of tax

11,754 5,262

## Total comprehensive income

13,329,868	18,158,166
------------	------------

## Total comprehensive income attributable to:

Equity holders of the Bank

Non-controlling interest

13,313,153	18,328,473
16,715	(170,307)
13,329,868	18,158,166

The annexed notes 1 to 41 form an integral part of these condensed interim consolidated financial statements.

Muhammad Nassir Salim  
President and  
Chief Executive Officer

Rayomond Kotwal  
Chief Financial Officer

Moez Ahamed Jamal  
Director

Dr. Najeeb Samie  
Director

Salim Raza  
Director



# CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

Balance as at December 31, 2023 - as reported

Change in accounting policy as at January 01, 2024

Balance as at January 01, 2024 - as restated

Comprehensive income for the three months ended March 31, 2024

Profit after taxation for the three months ended March 31, 2024

Other comprehensive income / (loss)

Effect of translation of net investment in foreign branches, subsidiaries and associates - net of tax

Increase in share of exchange translation reserve of associates - net of tax

Share of net remeasurement gain on defined benefit obligations of associates - net of tax

Movement in surplus / deficit on revaluation of equity investments - net of tax

Movement in surplus / deficit on revaluation of debt investments - net of tax

Movement in share of surplus / deficit on revaluation of investments of associates - net of tax

Transferred to statutory reserves

Net realised gain on sale of equity investments - net of tax

Transferred from surplus on revaluation of assets - net of tax

Transactions with owners, recorded directly in equity

Final cash dividend - Rs 4.00 per share declared subsequent to the year ended December 31, 2023

Balance as at March 31, 2024

Comprehensive income for the nine months ended December 31, 2024

Profit after taxation for the nine months ended December 31, 2024

Other comprehensive income / (loss)

Effect of translation of net investment in foreign branches, subsidiaries and associates - net of tax

Decrease in share of exchange translation reserve of associates - net of tax

Movement in surplus / deficit on revaluation of equity investments - net of tax

Movement in surplus / deficit on revaluation of debt investments - net of tax

Net remeasurement (loss) / gain on defined benefit obligations - net of tax

Share of net remeasurement loss on defined benefit obligations of associates - net of tax

Increase in deferred tax rate on revaluation surplus of property and equipment

Movement in surplus on revaluation of non-banking assets - net of tax

Movement in share of surplus / deficit on revaluation of assets of associates - net of tax

Transferred to statutory reserves

Net realised gain on sale of equity investments - net of tax

Transferred from surplus on revaluation of assets - net of tax

Exchange gain realised on closure / sale of the Bank's branches - net of tax

Acquisition of additional interest in subsidiary

Transactions with owners, recorded directly in equity

1st interim cash dividend - Rs 4.00 per share

2nd interim cash dividend - Rs 4.00 per share

3rd interim cash dividend - Rs 4.00 per share

Balance as at December 31, 2024 - as reported

Change in accounting policy as at January 01, 2025 - note 3.3

Balance as at January 01, 2025 - as restated

Comprehensive income for the three months ended March 31, 2025

Profit after taxation for the three months ended March 31, 2025

Other comprehensive income / (loss)

Effect of translation of net investment in foreign branches, subsidiaries and associates - net of tax

Increase in share of exchange translation reserve of associates - net of tax

Share of net remeasurement gain on defined benefit obligations of associates - net of tax

Movement in surplus / deficit on revaluation of equity investments - net of tax

Movement in surplus / deficit on revaluation of debt investments - net of tax

Movement in share of surplus / deficit on revaluation of investments of associates - net of tax

Transferred to statutory reserves

Net realised gain on sale of equity investments - net of tax

Transferred from surplus on revaluation of assets - net of tax

Transactions with owners, recorded directly in equity

Final cash dividend - Rs 4.25 per share declared subsequent to the year ended December 31, 2024

Balance as at March 31, 2025

Share capital	Attributable to shareholders of the Bank						Unappropriated profit	Sub Total	Non-controlling interest	Total	
	Statutory		Reserves		Capital	Surplus / (deficit) on revaluation of					
	Subsidiary	Bank	Exchange translation	Non-distributable	On acquisition of common control entity						
						Investments	Property & Equipment / Non Banking Assets				
(Rupees in '000)											
14,668,525	1,293,922	48,815,676	50,305,150	547,115	(156,706)	(17,281,961)	43,139,284	221,883,756	363,214,761	2,805,892	366,020,653
						(954,904)		(13,536,103)	(14,491,007)	(320,317)	(14,811,324)
14,668,525	1,293,922	48,815,676	50,305,150	547,115	(156,706)	(18,236,865)	43,139,284	208,347,653	348,723,754	2,485,575	351,209,329
-	-	-	-	-	-	-	-	15,217,216	15,217,216	(173,633)	15,043,583
-	-	-	(269,190)	-	-	-	-	-	(269,190)	-	(269,190)
-	-	-	394,092	-	-	-	-	-	394,092	-	394,092
-	-	-	-	-	-	-	-	5,262	5,262	-	5,262
-	-	-	-	-	-	66,175	-	-	66,175	-	66,175
-	-	-	-	-	-	3,210,228	-	-	3,210,228	3,326	3,213,554
-	-	-	-	-	-	(295,310)	-	-	(295,310)	-	(295,310)
-	-	-	124,902	-	-	2,981,093	-	15,222,478	18,328,473	(170,307)	18,158,166
-	65,289	1,459,498	-	-	-	-	-	(1,524,787)	-	-	-
-	-	-	-	-	-	(99,174)	-	99,174	-	-	-
-	-	-	-	-	-	-	(26,499)	26,499	-	-	-
-	-	-	-	-	-	-	-	(5,867,410)	(5,867,410)	-	(5,867,410)
14,668,525	1,359,211	50,275,174	50,430,052	547,115	(156,706)	(15,354,946)	43,112,785	216,303,607	361,184,817	2,315,268	363,500,085
-	-	-	-	-	-	-	-	43,240,555	43,240,555	(479,479)	42,761,076
-	-	-	(1,694,483)	-	-	-	-	-	(1,694,483)	-	(1,694,483)
-	-	-	(1,180,586)	-	-	-	-	-	(1,180,586)	-	(1,180,586)
-	-	-	-	-	-	3,212,776	-	-	3,212,776	-	3,212,776
-	-	-	-	-	-	27,528,743	-	-	27,528,743	55,435	27,584,178
-	-	-	-	-	-	-	-	(141,928)	(141,928)	8,226	(133,702)
-	-	-	-	-	-	-	-	(310)	(310)	-	(310)
-	-	-	-	-	-	-	(231,851)	-	(231,851)	-	(231,851)
-	-	-	-	-	-	-	29,730	-	29,730	-	29,730
-	-	-	-	-	-	117,308	(12,155)	-	105,153	-	105,153
-	-	-	(2,875,069)	-	-	30,858,827	(214,276)	43,098,317	70,867,799	(415,818)	70,451,981
-	57,816	4,217,084	-	-	-	-	-	(4,274,900)	-	-	-
-	-	-	-	-	-	(864,448)	-	864,448	-	-	-
-	-	-	-	-	-	-	(196,178)	196,178	-	-	-
-	-	-	(5,551,742)	-	-	-	-	(5,551,742)	-	-	(5,551,742)
-	-	-	-	-	-	(4,749)	33,766	228,051	257,068	(257,068)	-
-	-	-	-	-	-	-	-	(5,867,410)	(5,867,410)	-	(5,867,410)
-	-	-	-	-	-	-	-	(5,867,410)	(5,867,410)	-	(5,867,410)
-	-	-	-	-	-	-	-	(5,867,410)	(5,867,410)	-	(5,867,410)
-	-	-	-	-	-	-	-	(17,602,230)	(17,602,230)	-	(17,602,230)
14,668,525	1,417,027	54,492,258	42,003,241	547,115	(156,706)	14,634,884	42,736,097	238,813,471	409,155,712	1,642,382	410,798,094
						4,014,627		880,475	4,895,102	-	4,895,102
14,668,525	1,417,027	54,492,258	42,003,241	547,115	(156,706)	18,649,311	42,736,097	239,693,946	414,050,814	1,642,382	415,693,196
-	-	-	-	-	-	-	-	16,605,085	16,605,085	21,676	16,626,761
-	-	-	1,180,322	-	-	-	-	-	1,180,322	-	1,180,322
-	-	-	118,231	-	-	-	-	-	118,231	-	118,231
-	-	-	-	-	-	-	-	11,754	11,754	-	11,754
-	-	-	-	-	-	53,172	-	-	53,172	-	53,172
-	-	-	-	-	-	(5,892,243)	-	-	(5,892,243)	(4,961)	(5,897,204)
-	-	-	-	-	-	1,236,832	-	-	1,236,832	-	1,236,832
-	-	-	1,298,553	-	-	(4,602,239)	-	16,616,839	13,313,153	16,715	13,329,868
-	1,577,796	-	-	-	-	-	-	(1,577,796)	-	-	-
-	-	-	-	-	-	(73,799)	-	73,799	-	-	-
-	-	-	-	-	-	-	(22,083)	22,083	-	-	-
-	-	-	-	-	-	-	-	(6,234,123)	(6,234,123)	-	(6,234,123)
14,668,525	2,994,823	54,492,258	43,301,794	547,115	(156,706)	13,973,273	42,714,014	248,594,748	421,129,844	1,659,097	422,788,941

The annexed notes 1 to 41 form an integral part of these condensed interim consolidated financial statements.

Muhammad Nassir Salim  
President and  
Chief Executive Officer

Rayomond Kotwal  
Chief Financial Officer

Moez Ahamed Jamal  
Director

Dr. Najeeb Samie  
Director

Salim Raza  
Director



# CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

	March 31, 2025	March 31, 2024
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	36,639,849	30,113,283
Dividend income	(1,384,434)	(1,007,077)
Share of profit of associates	(1,349,255)	(896,406)
Mark-up / return / profit / interest expensed on subordinated debt	648,248	1,088,714
	(2,085,441)	(814,769)
	34,554,408	29,298,514
<b>Adjustments:</b>		
Depreciation	2,909,957	2,640,650
Amortisation	698,055	680,315
Depreciation on right-of-use assets	1,192,511	1,089,301
Mark-up / return / profit / interest expensed on lease liability against right-of-use assets	1,013,852	956,534
Credit loss allowance against investments	42,595	226,644
Credit loss allowance against loans and advances	5,455,343	3,400,795
Credit loss allowance against cash and cash equivalents	29,463	554
(Reversal) / charge of credit loss allowance against other assets	(100,377)	405
(Reversal) / charge of credit loss allowance against off-balance sheet obligations	(2,493,223)	231,382
Unrealised (gain) / loss on securities designated at fair value through profit and loss (FVTPL)	552,750	126,350
Gain on sale of property and equipment - net	(12,028)	(15,704)
Workers' Welfare Fund	697,415	588,286
	9,986,313	9,925,512
	44,540,721	39,224,026
<b>(Increase) / decrease in operating assets</b>		
Lendings to financial institutions	(26,361,373)	17,029,142
FVTPL securities	6,057,883	(622,504)
Advances	480,995,360	84,056,195
Other assets (excluding advance taxation)	(6,685,301)	(31,244,676)
	454,006,569	69,218,157
<b>Increase / (decrease) in operating liabilities</b>		
Bills payable	(39,869,262)	(6,378,966)
Borrowings from financial institutions	(191,812,748)	(327,607,458)
Deposits and other accounts	79,261,127	233,565,609
Other liabilities	18,437,933	25,428,794
	(133,982,950)	(74,992,021)
	364,564,340	33,450,162
	(21,002,209)	(16,373,300)
	343,562,131	17,076,862
<b>Net cash flows generated from operating activities</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net investment in FVOCI securities	(311,930,536)	(32,250,336)
Net investment in securities carried at Amortised Cost	317,103	(10,353,111)
Net investment in associates	(539,887)	(3,931,734)
Dividend received	1,020,978	690,815
Investments in property and equipment	(4,582,919)	(3,267,514)
Investments in intangible assets	(2,200,949)	(1,112,449)
Proceeds from sale of property and equipment	16,824	32,125
Effect of translation of net investment in foreign branches, subsidiaries and associates - net of tax	1,298,553	124,902
<b>Net cash flows used in investing activities</b>	(316,600,833)	(50,067,302)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of subordinated debt	-	675,000
Payment of mark-up on subordinated debt	(648,628)	(1,087,352)
Payment of lease liability against right-of-use assets	(1,930,382)	(803,962)
Dividend paid	-	(3,721)
<b>Net cash flows used in financing activities</b>	(2,579,010)	(1,220,035)
<b>Increase / (decrease) in cash and cash equivalents during the period</b>	24,382,288	(34,210,475)
Cash and cash equivalents at the beginning of the period	509,055,796	601,189,179
Effect of exchange rate changes on cash and cash equivalents	2,463,732	2,942,950
	511,519,528	604,132,129
<b>Cash and cash equivalents at the end of the period</b>	535,901,816	569,921,654

The annexed notes 1 to 41 form an integral part of these condensed interim consolidated financial statements.

Muhammad Nassir Salim  
President and  
Chief Executive Officer

Rayomond Kotwal  
Chief Financial Officer

Moez Ahamed Jamal  
Director

Dr. Najeeb Samie  
Director

Salim Raza  
Director



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

## FOR THE THREE MONTHS ENDED MARCH 31, 2025

### 1 THE GROUP AND ITS OPERATIONS

The Group consists of:

#### Holding company

- Habib Bank Limited, Pakistan

#### Subsidiaries

- Habib Allied Holding Limited (HAHL) – 100% shareholding
- HBL Bank UK Limited – 100% effective shareholding
- HBL Currency Exchange (Private) Limited – 100% shareholding
- HBL Asset Management Limited – 100% shareholding
- HBL Microfinance Bank Limited – 89.38% shareholding
- Habib Bank Financial Services (Private) Limited – 100% shareholding
- HBL Zarai Services Limited (HZSL) – 100% shareholding

Habib Bank Limited (the Bank) is incorporated in Pakistan and is engaged in commercial banking services in Pakistan and overseas. The Bank's registered office is at Habib Bank Tower, 9th Floor, Jinnah Avenue, Blue Area, Islamabad, Pakistan and its principal office is at HBL Tower, Plot # G-4, KDA Scheme 5, Block 7, Clifton, Karachi, Pakistan. The Bank's shares are listed on the Pakistan Stock Exchange. The Bank operates 1,675 (December 31, 2024: 1,705) branches inside Pakistan including 408 (December 31, 2024: 408) Islamic Banking Branches and 27 (December 31, 2024: 27) branches outside the country including in the Karachi Export Processing Zone (KEPZ). The Aga Khan Fund for Economic Development S.A. (AKFED) is the parent company of the Bank and its registered office is in Geneva, Switzerland.

- 1.1 The Bank had commenced an orderly winding down of its operations in Afghanistan and banking operations were ceased on June 10, 2019. The remaining formalities required for closure are in progress.
- 1.2 The Bank has sold its operations in Mauritius and has transferred the business to its new owners. The deregistration and related exit formalities are underway.
- 1.3 The Bank has commenced an orderly wind-down of its Lebanon operations. Formalities for completion of the wind-down are underway.
- 1.4 After obtaining approval from the National Bank of Belgium for the deregistration of its Belgium operations, the Bank has commenced an orderly and phase wise exit.

### 2 BASIS OF PRESENTATION

#### 2.1 STATEMENT OF COMPLIANCE

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962;
- Provisions of and directives issued under the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP) from time to time.

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

- 2.2 The disclosures made in these condensed interim consolidated financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 2 dated February 09, 2023 and IAS 34. These condensed interim consolidated financial statements do not include all the information and disclosures required for annual consolidated financial statements and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2024.



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

## 2.3 Amendments to existing accounting and reporting standards that have become effective in the current year

As directed by the SBP via BPRD Circular letter no. 7 of 2023, the results of overseas operations where IFRS 9, Financial Instruments is not applicable, are required to be adjusted in accordance with the requirements of IFRS 9 for the purpose of consolidation with effect from January 01, 2025.

As directed by the SBP vide BPRD Circular letter no. 16 of 2024, unlisted equity securities which were carried at the lower of cost or breakup value till December 31, 2024, are required to be carried at fair value with effect from January 01, 2025.

Except for the changes mentioned above, the Bank expects that amendments to existing accounting and reporting standards will not affect its financial statements in the period of initial application.

## 2.4 Amendments to existing accounting and reporting standards that are not yet effective

There are various amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective. These are not likely to have a material effect on the Group's financial statements.

## 2.5 Critical accounting estimates and judgements

The basis for accounting estimates and judgements adopted in the preparation of these condensed interim consolidated financial statements is the same as that applied in the preparation of the consolidated financial statements for the year ended December 31, 2024, except for changes as discussed in note 3.2.

## 3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these condensed interim consolidated financial statements are consistent with those followed in the preparation of the consolidated financial statements for the year ended December 31, 2024. The impact of amendments to existing accounting standards as mentioned in note 2.3 are summarized below:

### 3.1 Transitional Impact

To account for the changes, the Bank has elected to follow the modified retrospective approach for restatement as allowed under IFRS 9. The cumulative impact has been recorded as an adjustment to equity as of January 01, 2025. Accordingly, the information presented as of December 31, 2024 and for the quarter ended March 31, 2024 has not been restated.

The following table reconciles the carrying amounts of financial instruments reported in accordance with the previous financial reporting framework with the carrying amounts reported under the new financial reporting framework.

Financial Assets / Liabilities	Carrying amount as of December 31, 2024	Fair valuation of unlisted securities	ECL	Carrying amount as of January 01, 2025
	(Rupees in '000)			
Cash and balances with treasury banks	460,194,916	-	-	460,194,916
Balances with other banks	51,324,612	-	(18,297)	51,306,315
Lendings to financial institutions	84,293,922	-	-	84,293,922
Investments				
FVTPL	150,501,600	3,289,274	-	153,790,874
FVOCI	1,921,538,852	8,363,806	-	1,929,902,658
Amortised Cost	414,021,189	-	(150,584)	413,870,605
Associates	42,138,798	-	-	42,138,798
Advances	2,435,434,872	-	(357,273)	2,435,077,599
Other assets	277,129,481	-	-	277,129,481
<b>Total Financial Assets</b>	<b>5,836,578,242</b>	<b>11,653,080</b>	<b>(526,154)</b>	<b>5,847,705,168</b>
Bills payable	96,104,151	-	-	96,104,151
Borrowings	826,883,400	-	-	826,883,400
Deposits and other accounts	4,370,370,642	-	-	4,370,370,642
Lease liabilities	35,869,231	-	-	35,869,231
Subordinated debt	20,374,000	-	-	20,374,000
Other liabilities	255,197,609	-	860,271	256,057,880
<b>Total Financial Liabilities</b>	<b>5,604,799,033</b>	<b>-</b>	<b>860,271</b>	<b>5,605,659,304</b>
<b>Net Financial Assets</b>	<b>231,779,209</b>	<b>11,653,080</b>	<b>(1,386,425)</b>	<b>242,045,864</b>
Non Financial Assets	171,023,878	-	-	171,023,878
Deferred tax liabilities	7,995,007	(6,092,494)	720,941	2,623,454
<b>Total Net Assets</b>	<b>410,798,094</b>	<b>5,560,586</b>	<b>(665,484)</b>	<b>415,693,196</b>



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

## 3.2 Fair valuation of unlisted equity securities

The measurement of the fair value of investments in unquoted equity securities involves the use of different methodologies and assumptions. The Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation techniques incorporate various factors that market participants would consider in pricing a transaction.

When observable inputs are not readily available, the fair value is determined using valuation techniques that include the use of mathematical models such as the dividend growth model and discounted cashflow techniques.

## 3.3 Reconciliation of retained earnings and surplus on revaluation of investments

The impact of the transition to IFRS 9 on retained earnings and on the surplus on revaluation of investments as at January 01, 2025 is as follows:

### Retained earnings

Closing balance as at December 31, 2024 - as reported

(Rupees in '000)  
238,813,471

ECL attributable to equity holders of the Bank

(1,386,425)

Increase in the fair valuation of unlisted equity securities carried at FVTPL

3,289,274

1,902,849

Less: related deferred tax

(1,022,374)

Opening balance as at January 01, 2025 - as restated

239,693,946

### Surplus on revaluation of investments

Closing balance as at December 31, 2024 - as reported

14,634,684

Increase in the fair valuation of unlisted equity securities carried at FVOCI

8,363,806

Less: related deferred tax

(4,349,179)

4,014,627

Opening balance as at January 01, 2025 - as restated

18,649,311

## 4 FINANCIAL RISK MANAGEMENT

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



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

	Note	(Unaudited) March 31, 2025 ----- (Rupees in '000) -----	(Audited) December 31, 2024
<b>5 CASH AND BALANCES WITH TREASURY BANKS</b>			
In hand			
Local currency		87,690,319	76,319,391
Foreign currencies		8,075,330	7,463,467
		<u>95,765,649</u>	<u>83,782,858</u>
With State Bank of Pakistan in			
Local currency current accounts		187,097,065	181,601,094
Foreign currency current accounts		11,027,419	12,400,210
Foreign currency deposit accounts		22,623,908	25,348,734
		<u>220,748,392</u>	<u>219,350,038</u>
With other central banks in			
Foreign currency current accounts		65,702,081	63,824,715
Foreign currency deposit accounts		11,836,776	37,044,013
		<u>77,538,857</u>	<u>100,868,728</u>
With National Bank of Pakistan in			
Local currency current accounts		93,577,381	54,649,751
Local currency deposit account		671,863	1,304,514
		<u>94,249,244</u>	<u>55,954,265</u>
National Prize Bonds		229,726	244,123
Less: credit loss allowance	5.1	(4,543)	(5,096)
Cash and balances with Treasury banks - net of credit loss allowance		<u>488,527,325</u>	<u>460,194,916</u>
5.1 Cash and balances with Treasury banks are all classified as Stage 1.			
<b>6 BALANCES WITH OTHER BANKS</b>			
In Pakistan			
In current accounts		1,321,490	485,882
In deposit accounts		750,082	303,310
		<u>2,071,572</u>	<u>789,192</u>
Outside Pakistan			
In current accounts		33,699,864	34,095,774
In deposit accounts		11,656,858	16,442,835
		<u>45,356,722</u>	<u>50,538,609</u>
Less: credit loss allowance	6.1	(53,803)	(3,189)
Balances with other banks - net of credit loss allowance		<u>47,374,491</u>	<u>51,324,612</u>
6.1 Balances with other banks are all classified as Stage 1.			
<b>7 LENDINGS TO FINANCIAL INSTITUTIONS</b>			
Call money lendings		9,600,000	9,500,000
Repurchase agreement lendings (reverse repo)		101,063,089	74,801,635
		<u>110,663,089</u>	<u>84,301,635</u>
Less: credit loss allowance	7.1	(7,794)	(7,713)
Lendings to financial institutions - net of credit loss allowance		<u>110,655,295</u>	<u>84,293,922</u>
7.1 Lendings to financial institutions are all classified as Stage 1.			



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

## 8 INVESTMENTS

Note	March 31, 2025 (Unaudited)				December 31, 2024 (Audited)			
	Cost / amortised cost	Credit loss allowance / provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Credit loss allowance / provision for diminution	Surplus / (deficit)	Carrying value
(Rupees in '000)								

### 8.1 Investments by type

#### Fair value through profit and loss (FVTPL)

##### Federal Government securities

- Market Treasury Bills	67,626,653	-	(68,093)	67,558,560	70,682,260	-	154,602	70,836,862
- Pakistan Investment Bonds	45,785,726	-	80,081	45,865,807	47,441,474	-	156,510	47,597,984
- Ijarah Sukuk	8,799,786	-	40,375	8,840,161	12,810,694	-	104,464	12,915,158
- Other Federal Government securities	1,255,550	-	-	1,255,550	2,580,725	-	-	2,580,725

##### Shares

- Listed companies	1,707,738	-	(15,325)	1,692,413	-	-	-	-
- Unlisted companies	7,788,741	-	-	7,788,741	4,496,354	-	-	4,496,354

##### Non-Government debt securities

- Listed	2,691,019	-	-	2,691,019	2,722,858	-	(31,839)	2,691,019
- Unlisted	801,000	-	-	801,000	801,000	-	-	801,000

##### Foreign securities

- Government debt securities	3,768,532	-	(171,562)	3,596,970	4,576,452	-	(236,941)	4,339,511
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##### Preference shares

- Listed	835,400	-	(20,300)	815,100	877,400	-	(42,000)	835,400
- Unlisted	14,465	-	-	14,465	38,480	-	-	38,480

##### Real Estate Investment Trust units - Listed

	3,369,107	-	(397,926)	2,971,181	2,210,700	-	1,158,407	3,369,107
	144,443,717	-	(552,750)	143,890,967	149,238,397	-	1,263,203	150,501,600

#### Fair value through other comprehensive income (FVOCI)

##### Federal Government securities

- Market Treasury Bills	186,345,879	-	1,437,916	187,783,795	276,434,566	-	7,011,503	283,446,069
- Pakistan Investment Bonds	1,407,089,882	-	4,149,193	1,411,239,075	1,059,485,950	-	7,739,668	1,067,225,618
- Ijarah Sukuk	316,248,447	-	8,154,480	324,402,927	287,654,823	-	12,551,056	300,205,879
- Government of Pakistan US Dollar Bonds	14,621,759	(2,357,504)	1,937,438	14,201,693	12,470,809	(2,287,931)	1,676,199	11,859,077

##### Shares

- Listed companies	18,820,560	-	2,646,233	21,466,793	17,814,570	-	2,703,103	20,517,673
- Unlisted companies	1,018,949	-	8,166,267	9,185,216	1,018,951	-	(137,414)	881,537

##### Non-Government debt securities

- Listed	48,132,560	(1,431,866)	1,152,476	47,853,170	48,349,774	(1,432,238)	633,484	47,551,020
- Unlisted	967,719	(367,719)	1,666	601,666	973,382	(373,382)	4,922	604,922

##### Foreign securities

- Government debt securities	200,586,622	(797,730)	697,938	200,486,830	178,358,276	(800,540)	427,304	177,985,040
- Non-Government debt securities - Listed	12,764,445	(4,784)	159,194	12,918,855	11,011,077	(4,299)	45,646	11,052,424
- Equity securities - Unlisted	6,494	-	60,125	66,619	6,459	-	-	6,459

##### National Investment Unit Trust units

	11,113	-	80,968	92,081	11,113	-	83,271	94,384
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##### Real Estate Investment Trust units - Listed

	55,000	-	69,950	124,950	55,000	-	53,750	108,750
	2,206,669,429	(4,959,603)	28,713,844	2,230,423,670	1,893,644,750	(4,898,390)	32,792,492	1,921,538,852

#### Amortised cost

8.2

##### Federal Government securities

- Market Treasury Bills	96,433,700	-	-	96,433,700	92,317,600	-	-	92,317,600
- Pakistan Investment Bonds	249,384,664	-	-	249,384,664	252,532,318	-	-	252,532,318
- Ijarah Sukuk	28,259,825	-	-	28,259,825	28,274,899	-	-	28,274,899
- Government of Pakistan US Dollar Bonds	1,300,853	(147,594)	-	1,153,259	1,297,113	-	-	1,297,113

##### Non-Government debt securities

- Listed	899,014	(49)	-	898,965	899,130	(49)	-	899,081
- Unlisted	22,888,949	(637,673)	-	22,251,276	23,226,449	(640,324)	-	22,586,125

##### Foreign Securities

- Government debt securities	15,193,422	(15,882)	-	15,177,540	16,130,021	(15,968)	-	16,114,053
	414,360,427	(801,198)	-	413,559,229	414,677,530	(656,341)	-	414,021,189

#### Investments in associates

	46,505,527	(401,084)	478,904	46,583,347	44,616,385	(379,757)	(2,097,830)	42,138,798
	2,811,979,100	(6,161,885)	28,639,998	2,834,457,213	2,502,177,062	(5,934,488)	31,957,865	2,528,200,439

#### Total Investments



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

(Unaudited) (Audited)  
March 31, December 31,  
2025 2024  
----- (Rupees in '000) -----

## 8.1.1 Investments given as collateral

The market value of investments given as collateral against borrowings is as follows:

### Federal Government securities

- Market Treasury Bills
- Pakistan Investment Bonds

21,393,178	39,009,790
294,698,464	432,171,594

### Foreign securities

- Government debt securities

17,026	1,510,115
--------	-----------

316,108,668	472,691,499
-------------	-------------

8.2 The market value of investments classified as amortised cost amounted to Rs 404,679.437 million (December 31, 2024: Rs 412,403.301 million).

(Unaudited) (Audited)  
March 31, December 31,  
2025 2024  
----- (Rupees in '000) -----

## 8.3 Particulars of provision / credit loss allowance against investments

Opening balance - as reported

5,934,488	10,405,710
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Impact of adoption of IFRS 9

150,584	(1,340,461)
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Opening balance - as restated

6,085,072	9,065,249
-----------	-----------

Exchange adjustment

34,218	(84,917)
--------	----------

Charge / (reversal)

Charge for the period / year

57,379	1,081,632
--------	-----------

Reversal for the period / year

(14,784)	(510,699)
----------	-----------

Reversal on disposal during the period / year

-	(2,301,567)
---	-------------

Net charge / (reversal)

42,595	(1,730,634)
--------	-------------

Written off during the year

-	(1,315,210)
---	-------------

Closing balance

6,161,885	5,934,488
-----------	-----------

## 8.4 Particulars of credit loss allowance against debt securities

Category of classification	(Unaudited) March 31, 2025		(Audited) December 31, 2024	
	Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
----- (Rupees in '000) -----				
<b>Domestic</b>				
Performing	2,488,900,005	38,003	2,227,129,901	40,573
Underperforming	1,325,000	9,822	1,662,500	12,324
Non-performing				
Loss	979,719	979,719	985,382	985,382
	2,491,204,724	1,027,544	2,229,777,783	1,038,279
<b>Overseas</b>				
Performing	232,004,981	357,245	207,606,036	112,288
Under performing	26,209,824	4,376,012	23,884,409	4,404,164
Non-performing				
Loss	-	-	-	-
	258,214,805	4,733,257	231,490,445	4,516,452
Total	2,749,419,529	5,760,801	2,461,268,228	5,554,731



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

9	ADVANCES	Note	Performing		Non - performing		Total	
			(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
			March 31,	December 31,	March 31,	December 31,	March 31,	December 31,
			2025	2024	2025	2024	2025	2024
----- (Rupees in '000) -----								
	Loans, cash credits, running finances, etc.		1,537,792,067	2,075,985,698	92,414,521	95,021,698	1,630,206,588	2,171,007,396
	Islamic financing and related assets	38.3	232,223,679	198,557,588	13,025,203	11,098,821	245,248,882	209,656,409
	Bills discounted and purchased		203,980,340	186,810,508	5,590,047	5,446,804	209,570,387	192,257,312
	Advances - gross		1,973,996,086	2,461,353,794	111,029,771	111,567,323	2,085,025,857	2,572,921,117
	Credit loss allowance							
	- Stage 1	9.3	(11,968,321)	(13,304,118)	-	-	(11,968,321)	(13,304,118)
	- Stage 2		(14,131,748)	(13,634,409)	-	-	(14,131,748)	(13,634,409)
	- Stage 3		-	-	(97,911,743)	(94,850,356)	(97,911,743)	(94,850,356)
	Provisions							
	Specific		-	-	-	(4,328,880)	-	(4,328,880)
	General		(12,387,149)	(11,368,482)	-	-	(12,387,149)	(11,368,482)
			(38,487,218)	(38,307,009)	(97,911,743)	(99,179,236)	(136,398,961)	(137,486,245)
	Advances - net of provision / credit loss allowance		1,935,508,868	2,423,046,785	13,118,028	12,388,087	1,948,626,896	2,435,434,872

(Unaudited) (Audited)  
March 31, December 31,  
2025 2024  
-----(Rupees in '000)----

## 9.1 Particulars of advances (gross)

In local currency	1,510,282,898	1,991,667,360
In foreign currencies	574,742,959	581,253,757
	2,085,025,857	2,572,921,117

9.2 Advances include Rs 111,029.771 million (December 31, 2024: Rs 111,567.323 million) which have been placed under non-performing status as detailed below:

Category of classification	(Unaudited) March 31, 2025		(Audited) December 31, 2024	
	Non-performing advances	Credit loss allowance	Non-performing advances	Credit loss allowance / Provision
(Rupees in '000)				
<b>Domestic</b>				
Other assets especially mentioned	998,272	709,758	348,757	223,454
Substandard	18,400,200	12,616,421	17,732,493	11,945,859
Doubtful	12,868,048	9,080,180	10,471,238	7,802,013
Loss	54,054,646	53,236,102	52,689,475	51,341,484
	86,321,166	75,642,461	81,241,963	71,312,810
<b>Overseas</b>				
Substandard	843,104	161,429	846,853	159,318
Doubtful	1,178,083	625,666	1,186,283	621,723
Loss	22,687,418	21,482,187	28,292,224	27,085,385
	24,708,605	22,269,282	30,325,360	27,866,426
	111,029,771	97,911,743	111,567,323	99,179,236



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

## 9.3 Particulars of provisions / credit loss allowance against advances

	(Unaudited) March 31, 2025					
	Stage 1	Stage 2	Stage 3	Specific	General	Total
	(Rupees in '000)					
Opening balance - as reported	13,304,118	13,634,409	94,850,356	4,328,880	11,368,482	137,486,245
Impact of adoption of IFRS 9	604,138	108,564	4,370,824	(4,328,880)	(397,373)	357,273
Opening balance - as restated	13,908,256	13,742,973	99,221,180	-	10,971,109	137,843,518
Transfer to stage 1	122,937	(122,146)	(791)	-	-	-
Transfer to stage 2	(48,837)	70,846	(22,009)	-	-	-
Transfer to stage 3	(156,715)	(260,204)	416,919	-	-	-
Exchange adjustment	(291,333)	10,299	138,737	-	-	(142,297)
Charge for the period	803,307	689,980	6,894,881	-	1,416,040	9,804,208
Reversal for the period	(2,369,294)	-	(1,979,571)	-	-	(4,348,865)
Net (reversal) / charge against advances	(1,565,987)	689,980	4,915,310	-	1,416,040	5,455,343
Charged off during the period -						
agriculture financing	-	-	(417,787)	-	-	(417,787)
Charged off during the period - corporate,						
commercial and SME advances	-	-	-	-	-	-
Written off during the period	-	-	(6,339,816)	-	-	(6,339,816)
Closing balance	11,968,321	14,131,748	97,911,743	-	12,387,149	136,398,961

  

	(Audited) December 31, 2024					
	Stage 1	Stage 2	Stage 3	Specific	General	Total
	(Rupees in '000)					
Opening balance - as reported	-	-	-	84,920,073	18,392,219	103,312,292
Impact of adoption of IFRS 9	13,256,248	17,241,118	86,791,214	(80,578,490)	(10,619,916)	26,090,174
Opening balance - as restated	13,256,248	17,241,118	86,791,214	4,341,583	7,772,303	129,402,466
Transfer to stage 1	461,482	(448,164)	(13,318)	-	-	-
Transfer to stage 2	(1,420,532)	2,009,381	(588,849)	-	-	-
Transfer to stage 3	(554,289)	(3,178,844)	3,733,133	-	-	-
Exchange adjustment	(44,796)	(24,324)	(605,460)	(52,951)	(16,125)	(743,656)
Charge for the year	9,927,206	24,240,602	26,686,494	94,483	3,629,188	64,577,973
Reversal for the year	(8,321,201)	(26,205,360)	(9,412,105)	(54,235)	(16,884)	(44,009,785)
Net (reversal) / charge against advances	1,606,005	(1,964,758)	17,274,389	40,248	3,612,304	20,568,188
Charged off during the year -						
agriculture financing	-	-	(274,326)	-	-	(274,326)
Charged off during the year - corporate,						
commercial and SME advances	-	-	(3,534,146)	-	-	(3,534,146)
Written off during the year	-	-	(7,932,281)	-	-	(7,932,281)
Closing balance	13,304,118	13,634,409	94,850,356	4,328,880	11,368,482	137,486,245

9.4 General provision represents an amount of Rs 12,387.149 million (January 01, 2025: Rs 10,971.109 million) carried as a matter of prudence, on account of borrowers impacted by stressed economic conditions.

## 9.5 Advances - Category of classification

	(Unaudited) March 31, 2025		(Audited) December 31, 2024	
	Outstanding amount	Provision / credit loss allowance	Outstanding amount	Provision / credit loss allowance
	(Rupees in '000)			
<b>Domestic</b>				
Performing	1,182,582,105	19,866,550	1,713,934,048	19,867,565
Underperforming	361,538,492	11,877,225	341,253,286	11,858,329
Non-Performing	86,321,166	75,642,461	81,241,963	71,312,810
Total	1,630,441,762	107,386,236	2,136,429,297	103,038,704
<b>Overseas</b>				
Performing	364,106,487	4,488,920	336,935,895	4,805,035
Underperforming	65,769,003	2,254,523	69,230,565	1,776,080
Non-Performing	24,708,605	22,269,282	30,325,360	27,866,426
Total	454,584,095	29,012,725	436,491,820	34,447,541
	2,085,025,857	136,398,961	2,572,921,117	137,486,245



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

## 10 PROPERTY AND EQUIPMENT

Note (Unaudited) (Audited)  
March 31, December 31,  
2025 2024  
----- (Rupees in '000) -----

Capital work-in-progress	10.1	16,506,400	14,336,662
Property and equipment		116,704,092	116,488,513
		<u>133,210,492</u>	<u>130,825,175</u>

### 10.1 Capital work-in-progress

Civil works	4,551,389	4,039,008
Equipment	2,019,632	1,620,150
Advances to suppliers and contractors	9,935,379	8,677,504
	<u>16,506,400</u>	<u>14,336,662</u>

### 10.2 Additions to property and equipment

(Unaudited)  
For the three months ended  
March 31, March 31,  
2025 2024  
----- (Rupees in '000) -----

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

<b>Capital work-in-progress - net</b>	2,169,738	981,053
<b>Property and equipment</b>		
Building on leasehold land	99,752	99,982
Machinery	11,460	-
Leasehold improvements	207,254	388,226
Furniture and fixtures	270,333	263,341
Electrical, office and computer equipment	1,048,294	1,492,239
Vehicles	776,088	42,673
	<u>2,413,181</u>	<u>2,286,461</u>
	<u>4,582,919</u>	<u>3,267,514</u>

### 10.3 Disposal of property and equipment

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

<b>Property and equipment</b>		
Building on leasehold land	-	13,512
Leasehold improvements	2,005	1,594
Furniture and fixtures	455	572
Electrical, office and computer equipment	2,185	743
Vehicles	151	-
	<u>4,796</u>	<u>16,421</u>

## 11 RIGHT-OF-USE ASSETS

(Unaudited) (Audited)  
March 31, December 31,  
2025 2024  
----- (Rupees in '000) -----

At January 1,		
Cost	44,792,661	41,826,150
Accumulated depreciation	(17,667,828)	(17,171,405)
Net carrying amount at January 1,	<u>27,124,833</u>	<u>24,654,745</u>
Exchange adjustment	48,520	(183,273)
Additions during the period / year	1,421,073	8,261,890
Deletions during the period / year	(558,294)	(800,042)
Depreciation charge for the period / year	(1,192,511)	(4,525,300)
Net carrying amount at the end of the period / year	<u>26,843,621</u>	<u>27,408,020</u>

## 12 INTANGIBLE ASSETS

Capital work-in-progress - computer software	12,518,056	10,452,009
Computer software	7,052,502	7,357,275
Other intangibles	7,202,826	7,039,151
	<u>26,773,384</u>	<u>24,848,435</u>



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

	Note	(Unaudited)	
		For the three months ended	
		March 31, 2025	March 31, 2024
		----- (Rupees in '000) -----	
<b>12.1 Additions to intangible assets</b>			
The following additions have been made to intangible assets during the period:			
Capital work-in-progress - net		2,066,047	963,970
Computer software		134,902	148,479
		<u>2,200,949</u>	<u>1,112,449</u>
		(Unaudited) March 31, 2025	(Audited) December 31, 2024
		----- (Rupees in '000) -----	
<b>13 OTHER ASSETS</b>			
Mark-up / return / profit / interest accrued in local currency - net of provision		116,387,021	101,422,077
Mark-up / return / profit / interest accrued in foreign currency - net of provision		8,747,731	9,923,261
Advances, deposits, advance rent and other prepayments		8,604,221	5,406,434
Advance taxation		29,324,927	29,410,477
Advance against subscription of securities		228,515	231,629
Stationery and stamps on hand		251,732	236,094
Accrued fees and commissions		939,292	945,999
Due from Government of Pakistan / SBP		10,111,607	12,963,514
Mark to market gain on forward foreign exchange contracts		3,167,911	3,780,879
Mark to market gain on derivative instruments		398,478	213,781
Non-banking assets acquired in satisfaction of claims		188,976	188,976
Receivable from defined benefit plan		1,101,998	1,101,998
Acceptances		72,749,130	79,594,883
Clearing and settlement accounts		28,713,125	31,512,297
Dividend receivable		368,411	4,955
Claims receivable against fraud and forgeries		1,149,311	1,236,679
Inventory		387,489	421,303
Deferred fair value loss	13.2	4,526,049	4,526,049
Prepaid deferred expense	13.3	32,902,578	32,075,467
Others		3,150,707	2,064,596
		<u>323,399,209</u>	<u>317,261,348</u>
Provision / credit loss allowance held against other assets		(4,786,127)	(4,889,886)
Other assets - net of provision / credit loss allowance		<u>318,613,082</u>	<u>312,371,462</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		211,024	211,024
Other assets - total		<u>318,824,106</u>	<u>312,582,486</u>
<b>13.1 Provision / credit loss allowance held against other assets</b>			
Claims receivable against fraud and forgeries		1,149,311	1,236,679
Suit filed cases		4,979	4,979
Others		3,631,837	3,648,228
		<u>4,786,127</u>	<u>4,889,886</u>
<b>13.2</b>	This represents the deferred fair value loss arising from the restructuring of the exposure to Pakistan International Airlines Corporation Limited (PIACL). To date, the Bank has amortized 15% of the loss, as allowed by the SBP.		
<b>13.3</b>	This represents the difference between the fair value of subsidised employee loans and the actual amount disbursed, and will be expensed over the tenor of the loans.		



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

	Note	(Unaudited) March 31, 2025	(Audited) December 31, 2024
		----- (Rupees in '000) -----	
<b>13.1.1 Movement in credit loss allowance against other assets</b>			
Opening balance		4,889,886	2,577,641
Impact of adoption of IFRS 9		-	73,381
Exchange adjustment		870	(3,705)
Charge for the period / year		27,671	2,356,900
Reversal for the period / year		(128,048)	(16,372)
Net (reversal) / charge		(100,377)	2,340,528
Written off during the period / year		(2,046)	(109,314)
Other movement		(2,206)	11,355
Closing balance		4,786,127	4,889,886
<b>14 BILLS PAYABLE</b>			
In Pakistan		54,818,261	93,043,428
Outside Pakistan		1,416,628	3,060,723
		56,234,889	96,104,151
<b>15 BORROWINGS</b>			
<b>Secured</b>			
Borrowings from the SBP under			
- Export refinance scheme		45,173,596	48,258,894
- Export refinance scheme for bill discounting		23,002,981	23,155,596
- Long term financing facility		28,939,093	30,589,079
- Financing facility for renewable energy power plants		7,000,128	6,867,520
- Refinance facility for modernization of Small and Medium Enterprises (SMEs)		691,568	732,230
- Refinance and credit guarantee scheme for women entrepreneurs		29,952	10,015
- Financing facility for storage of agricultural produce		408,111	414,105
- Refinance facility for combating COVID-19		752,916	954,836
- Temporary economic refinance facility		20,575,184	21,621,311
- Refinance facility for SME Asaan Finance (SAAF)		7,442,290	9,725,252
- Long term financing facility of subsidiary		6,235,279	5,892,276
		140,251,098	148,221,114
Repurchase agreement borrowings		317,090,177	441,742,329
		457,341,275	589,963,443
<b>Unsecured</b>			
- Call money borrowings		50,974,388	89,049,391
- Overdrawn nostro accounts		1,392,705	3,625,072
- Borrowings of overseas branches and subsidiaries		78,253,021	95,048,371
- Other long-term borrowings	15.1	47,109,263	49,197,123
		177,729,377	236,919,957
		635,070,652	826,883,400



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

15.1 This includes the following:

- 15.1.1 A long-term financing facility from China Development Bank, utilized for on-lending to projects of the Bank's customers. The current amount outstanding is US\$ 158.327 million (December 31, 2024: US\$ 166.288 million). Drawn amounts are payable in semi-annual installments from January 2023 to January 2033. Interest at a fixed spread over LIBOR is payable semi-annually.
- 15.1.2 A mortgage refinancing facility on Musharakah basis from Pakistan Mortgage Refinance Company Limited (PMRC) amounting to Rs 2,000.000 million (December 31, 2024: Rs 2,000.000 million) for on-lending to customers. The principal amount is payable in equal semi-annual installments from April 2025 to October 2026. Profit at a rate of 16.61% per annum (December 31, 2024: 16.61% per annum) is payable semi-annually.
- 15.1.3 Mortgage refinancing facilities from PMRC, amounting to Rs 751.642 million (December 31, 2024: Rs 877.601 million), utilised by HBL Microfinance Bank Limited to extend mortgage finance to low income groups. The principal amount of the facilities is payable in quarterly installments from June 2020 to June 2031. Mark-up on all facilities is payable quarterly at rates ranging from 6.50% to 15.19% per annum (December 31, 2024: 6.50% to 17.94% per annum).

## 16 DEPOSITS AND OTHER ACCOUNTS

	March 31, 2025 (Unaudited)			December 31, 2024 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
(Rupees in '000)						
<b>Customers</b>						
Current deposits	1,385,639,976	279,357,585	1,664,997,561	1,268,164,330	288,526,337	1,556,690,667
Savings deposits	1,794,748,274	132,809,610	1,927,557,884	1,800,076,033	141,224,116	1,941,300,149
Term deposits	366,718,024	419,908,543	786,626,567	382,613,255	413,868,423	796,481,678
	3,547,106,274	832,075,738	4,379,182,012	3,450,853,618	843,618,876	4,294,472,494
<b>Financial institutions</b>						
Current deposits	7,083,720	2,133,523	9,217,243	6,738,205	2,217,589	8,955,794
Savings deposits	35,937,780	905,994	36,843,774	46,162,150	810,461	46,972,611
Term deposits	8,261,000	16,127,740	24,388,740	7,595,584	12,374,159	19,969,743
	51,282,500	19,167,257	70,449,757	60,495,939	15,402,209	75,898,148
	3,598,388,774	851,242,995	4,449,631,769	3,511,349,557	859,021,085	4,370,370,642

	(Unaudited) March 31, 2025	(Audited) December 31, 2024
	----- (Rupees in '000) -----	
<b>17 LEASE LIABILITIES</b>		
Opening balance	35,869,231	30,489,986
Exchange adjustment	46,666	(341,387)
Additions during the period / year	1,361,505	7,928,534
Interest expense	1,013,852	3,551,598
Lease payments including interest	(1,930,382)	(5,087,137)
Deletion during the period	(1,168,093)	(672,363)
Closing balance	35,192,779	35,869,231
<b>17.1 Liabilities outstanding at the end of the period / year</b>		
Not later than one year	2,448,090	2,808,714
Later than one year and up to five years	10,788,349	11,321,306
Over five years	21,956,340	21,739,211
Total	35,192,779	35,869,231



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

	Note	(Unaudited) March 31, 2025 ------(Rupees in '000)-----	(Audited) December 31, 2024
18	<b>SUBORDINATED DEBT</b>		
	Additional Tier I Term Finance Certificates	18.1.1	12,374,000
	Additional Tier I Term Finance Certificates	18.1.2	6,500,000
	Tier II Term Finance Certificates	18.2	1,500,000
		<b>20,374,000</b>	<b>20,374,000</b>

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

The key features of these issues are as follows:

18.1.1	<b>Issue Date</b>	September 26, 2019
	<b>Issue amount</b>	Rs 12.374 billion
	<b>Rating</b>	AA+ (Double A plus) [December 31, 2024: AA+ (Double A plus)]
	<b>Original Tenor</b>	Perpetual
	<b>Security</b>	Unsecured and subordinated to all other indebtedness of the Bank including depositors and general creditors, but will rank pari passu with other Additional Tier I instruments and superior to the claims of ordinary shareholders.
	<b>Mark-up payment frequency</b>	Quarterly in arrears
	<b>Redemption</b>	Perpetual, hence not applicable.
	<b>Mark-up</b>	Floating rate of return at Base Rate + 1.60%. The Base Rate is defined as the average "Ask Side" rate of the three months Karachi Interbank Offered Rate (KIBOR).
	<b>Call option</b>	The Bank may, at its sole discretion, call the TFCs any time after five years from the Issue Date subject to the following:  (a) Prior approval of the SBP having been obtained; and (b) The Bank replacing the TFCs with capital of the same or better quality and the capital position of the Bank being above the minimum capital requirement after the Call Option is exercised.  If the Bank decides to exercise the Call Option, the Bank shall notify the Trustee and the investors not less than 30 calendar days prior to the date of exercise of such Call Option, which notice shall specify the date fixed for the exercise of the Call Option (the "Call Option Exercise Date").
	<b>Lock-in clause</b>	Mark-up will only be paid from the current year's earnings and only if the Bank is in compliance with regulatory capital and liquidity requirements.
	<b>Loss absorbency clause</b>	The TFCs will be subject to a loss absorbency clause as stipulated under the SBP's "Instructions for Basel III Implementation in Pakistan".

18.1.2	<b>Issue Date</b>	December 28, 2022
	<b>Issue amount</b>	Rs 6.500 billion
	<b>Rating</b>	AA+ (Double A plus) [December 31, 2024: AA+ (Double A plus)]
	<b>Original Tenor</b>	Perpetual
	<b>Security</b>	Unsecured and subordinated to all other indebtedness of the Bank including depositors and general creditors, but will rank pari passu with other Additional Tier I instruments and superior to the claims of ordinary shareholders.
	<b>Mark-up payment frequency</b>	Quarterly in arrears
	<b>Redemption</b>	Perpetual, hence not applicable.
	<b>Mark-up</b>	Floating rate of return at Base Rate + 2.00%. The Base Rate is defined as the average "Ask Side" rate of the three months Karachi Interbank Offered Rate (KIBOR).
	<b>Call option</b>	The Bank may, at its sole discretion, call the TFCs any time after five years from the Issue Date subject to the following:  (a) Prior approval of the SBP having been obtained; and (b) The Bank replacing the TFCs with capital of the same or better quality and the capital position of the Bank being above the minimum capital requirement after the Call Option is exercised.  If the Bank decides to exercise the Call Option, the Bank shall notify the Trustee and the investors not less than 30 calendar days prior to the date of exercise of such Call Option, which notice shall specify the date fixed for the exercise of the Call Option (the "Call Option Exercise Date").
	<b>Lock-in clause</b>	Mark-up will only be paid from the current year's earnings and only if the Bank is in compliance with regulatory capital and liquidity requirements.
	<b>Loss absorbency clause</b>	The TFCs will be subject to a loss absorbency clause as stipulated under the SBP's "Instructions for Basel III Implementation in Pakistan".



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

The key features of the issue are as follows:

<b>Issue Date</b>	December 22, 2023
<b>Issue amount</b>	Rs 1.500 billion (including a greenshoe option of Rs 500 million)
<b>Rating</b>	A (December 31, 2024: A)
<b>Original Tenor</b>	10 years from the first disbursement date.
<b>Security</b>	Unsecured and subordinated as to payment of principal and markup to all other indebtedness of HBL MfB, including deposits, but will rank pari passu with other Tier II instruments and superior to the claims of ordinary shareholders.
<b>Profit payment frequency</b>	Semi-annually in arrears on the outstanding Issue Amount. The first such markup payment will fall due six months from the Issue Date and subsequently every six months thereafter.
<b>Redemption</b>	The instrument will not be redeemable before maturity without prior approval of the SBP. Principal: Bullet at Maturity Markup: Semi-annual from the issue date
<b>Mark-up</b>	Floating rate of return at Base Rate + 2.00%. The Base Rate is defined as the average "Ask Side" rate of the six months Karachi Interbank Offered Rate (KIBOR).
<b>Call option</b>	HBL MfB may, at its sole discretion, call the TFCs any time after five years from the Issue Date subject to the following: (a) Prior approval of the SBP having been obtained; and (b) HBL MfB being compliant with the minimum capital requirement (MCR) and Capital Adequacy Ratio (CAR) after the Call Option is exercised. If HBL MfB decides to exercise the Call Option, it shall notify the Trustee and the investors not less than 30 calendar days prior to the date of exercise of such Call Option, which notice shall specify the date fixed for the exercise of the Call Option (the "Call Option Exercise Date").
<b>Lock-in clause</b>	Neither markup nor principal can be paid (even at maturity) in respect of the TFC, if such payment will result in a shortfall in the Bank's MCR or CAR or result in an increase in any existing shortfall in MCR and CAR.
<b>Loss absorbency clause</b>	The TFCs will be subject to a loss absorbency clause as stipulated under the SBP's "Instructions for Basel III Implementation in Pakistan".

19	DEFERRED TAX LIABILITIES	Note	(Unaudited) March 31, 2025	(Audited) December 31, 2024
			----- (Rupees in '000) -----	
	<b>Deductible temporary differences on</b>			
	- Tax losses of subsidiary		(3,799,419)	(4,100,869)
	- Credit loss allowance against investments		(248,070)	(172,454)
	- Credit loss allowance against doubtful debts and off-balance sheet obligations		(27,747,711)	(27,687,017)
	- Liabilities written back under section 34(5) of the Income Tax Ordinance (ITO) 2001		(3,140,913)	(2,893,983)
	- Ijarah financing		(620,750)	(644,964)
	- Others		(728,936)	(606,360)
			(36,285,799)	(36,105,647)
	<b>Taxable temporary differences on</b>			
	- Accelerated tax depreciation		3,471,754	3,697,791
	- Surplus on revaluation of investments	21	14,937,126	17,112,818
	- Surplus / (deficit) on revaluation of investments of associates	21	249,030	(1,090,872)
	- Surplus on revaluation of property and equipment	21	4,043,462	4,068,041
	- Surplus on revaluation of property and equipment of associates	21	210,689	210,689
	- Management rights and goodwill		454,532	447,462
	- Share of profit of associates		11,989,845	11,385,210
	- Exchange translation reserve		8,553,029	8,269,515
			43,909,467	44,100,654
	<b>Net deferred tax assets</b>		<b>7,623,668</b>	<b>7,995,007</b>



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

	Note	(Unaudited) March 31, 2025	(Audited) December 31, 2024
		----- (Rupees in '000) -----	
20 OTHER LIABILITIES			
Mark-up / return / profit / interest payable in local currency		68,086,177	46,746,978
Mark-up / return / profit / interest payable in foreign currency		7,021,469	9,418,289
Security deposits		2,068,390	1,653,881
Accrued expenses		42,351,644	42,351,359
Mark to market loss on forward foreign exchange contracts		1,363,751	4,023,102
Mark to market loss on derivative instruments		6,381,885	6,708,794
Unclaimed dividends		837,362	807,670
Dividends payable		6,472,513	236,597
Provision for post retirement medical benefits		4,486,953	4,765,310
Provision for employees' compensated absences		657,762	683,712
Credit loss allowance against off-balance sheet obligations	20.1	6,552,918	8,149,567
Acceptances		72,749,130	79,594,883
Branch adjustment account		13,259,438	8,455,541
Provision for staff retirement benefits		1,846,012	1,750,893
Payable to defined benefit plans		663,853	692,228
Provision for Workers' Welfare Fund		14,494,806	13,796,858
Unearned income		6,863,045	6,239,889
Qarza-e-Hasna Fund		338,409	338,409
Levies and taxes payable		6,171,357	17,723,885
Insurance payable		651,269	519,460
Provision for rewards program expenses		3,678,819	3,211,001
Clearing and settlement accounts		33,324,936	20,079,238
Payable to HBL Foundation		250,608	867,797
Charity fund		64,632	51,276
Unclaimed deposits		944,657	956,346
Others		6,794,330	6,895,389
		<u>308,376,125</u>	<u>286,718,352</u>
20.1 Credit loss allowance against off-balance sheet obligations		(Unaudited) March 31, 2025	(Audited) December 31, 2024
		----- (Rupees in '000) -----	
Opening balance		8,149,567	1,927,866
Impact of adoption of IFRS 9		860,271	1,691,809
Exchange adjustment		38,999	(29,713)
Charge for the period / year		28,176	5,150,988
Reversal for the period / year		(2,521,399)	(544,682)
Net (reversal) / charge		(2,493,223)	4,606,306
Other movement		(2,696)	(46,701)
Closing balance		<u>6,552,918</u>	<u>8,149,567</u>



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

## 21 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX

	Note	March 31, 2025 (Unaudited)			December 31, 2024 (Audited)		
		Attributable to			Attributable to		
		Equity holders	Non-controlling interest	Total	Equity holders	Non-controlling interest	Total
----- (Rupees in '000) -----							
Surplus / (deficit) arising on revaluation of:							
- Property and equipment		46,333,221	55,662	46,388,883	46,380,170	56,935	46,437,105
- Property and equipment of associates		405,171	-	405,171	405,171	-	405,171
- FVOCI securities - debt		17,635,527	54,774	17,690,301	30,027,434	62,348	30,089,782
- FVOCI securities - equity	8.1	11,023,543	-	11,023,543	2,702,710	-	2,702,710
- FVOCI securities held by associates		478,904	-	478,904	(2,097,830)	-	(2,097,830)
- Non-banking assets acquired in satisfaction of claims	13	211,024	-	211,024	211,024	-	211,024
		76,087,390	110,436	76,197,826	77,628,679	119,283	77,747,962
Deferred tax liability / (asset) on surplus / (deficit) on revaluation of:							
- Property and equipment		4,024,713	18,749	4,043,462	4,049,579	18,462	4,068,041
- Property and equipment of associates		210,689	-	210,689	210,689	-	210,689
- FVOCI securities - debt		9,183,429	21,455	9,204,884	15,683,093	24,316	15,707,409
- FVOCI securities - equity		5,732,242	-	5,732,242	1,405,409	-	1,405,409
- FVOCI securities held by associates		249,030	-	249,030	(1,090,872)	-	(1,090,872)
- Non-banking assets acquired in satisfaction of claims		-	-	-	-	-	-
		19,400,103	40,204	19,440,307	20,257,898	42,778	20,300,676
Surplus on revaluation of assets - net of tax		56,687,287	70,232	56,757,519	57,370,781	76,505	57,447,286

## 22 CONTINGENCIES AND COMMITMENTS

Note	(Unaudited) March 31, 2025	(Audited) December 31, 2024
	(Rupees in '000)	
- Guarantees	376,215,393	353,462,582
- Commitments	1,634,119,064	1,365,722,361
- Other contingent liabilities	18,482,106	18,484,403
	2,028,816,563	1,737,669,346
22.1 Guarantees:		
Financial guarantees	78,666,899	51,682,069
Performance guarantees	286,510,153	291,658,577
Other guarantees	11,038,341	10,121,936
	376,215,393	353,462,582
22.2 Commitments:		
Trade-related contingent liabilities	322,842,665	326,180,644
Commitments in respect of:		
- forward foreign exchange contracts	778,676,571	674,580,247
- forward Government securities transactions	437,960,719	270,514,553
- derivatives	51,103,640	48,832,145
- forward lending	30,920,553	32,974,875
	1,298,661,483	1,026,901,820
Commitments for acquisition of:		
- property and equipment	6,478,163	7,290,133
- intangible assets	6,136,753	5,349,764
	12,614,916	12,639,897
	1,634,119,064	1,365,722,361



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

	(Unaudited) March 31, 2025 ----- (Rupees in '000) -----	(Audited) December 31, 2024
<b>22.2.1 Commitments in respect of forward foreign exchange contracts</b>		
Purchase	429,058,748	384,653,468
Sale	349,617,823	289,926,779
	<u>778,676,571</u>	<u>674,580,247</u>
<b>22.2.2 Commitments in respect of forward Government securities transactions</b>		
Purchase	344,144,294	270,104,759
Sale	93,816,425	409,794
	<u>437,960,719</u>	<u>270,514,553</u>
<b>22.2.3 Commitments in respect of derivatives</b>		
<b>Foreign currency options</b>		
Purchase	6,013,238	3,761,243
Sale	6,013,238	3,761,243
	<u>12,026,476</u>	<u>7,522,486</u>
<b>Cross Currency swaps</b>		
Purchase	15,889,592	16,740,280
Sale	22,862,572	24,244,379
	<u>38,752,164</u>	<u>40,984,659</u>
<b>Interest rate swaps</b>		
Purchase	-	-
Sale	325,000	325,000
	<u>325,000</u>	<u>325,000</u>
<b>22.2.4 Commitments in respect of forward lending</b>		
Undrawn formal standby facilities, credit lines and other commitments to extend credit	<u>30,920,553</u>	<u>32,974,875</u>
These represent commitments that are irrevocable because they can not be withdrawn at the discretion of the Group without the risk of incurring a significant penalty or expense.		

	(Unaudited) March 31, 2025 ----- (Rupees in '000) -----	(Audited) December 31, 2024
<b>22.3 Other contingent liabilities</b>		
<b>22.3.1 Claims against the Group not acknowledged as debts</b>	<u>18,482,106</u>	<u>18,484,403</u>
These mainly represent counter claims by borrowers for damages, claims filed by former employees of the Group and other claims relating to banking transactions. Based on legal advice and / or internal assessments, management is confident that the matters will be decided in the Group's favour and the possibility of any adverse outcome is remote. Accordingly, no provision has been made in these condensed interim consolidated financial statements.		

22.3.2 There were no tax related contingencies as at the period end except for those disclosed in the consolidated financial statements for the year ended December 31, 2024.

## 23 DERIVATIVE INSTRUMENTS

Product Analysis	March 31, 2025 (Unaudited)					
	Foreign currency options		Cross currency swaps		Interest rate Swaps	
	Notional principal	Mark to market loss	Notional principal	Mark to market loss	Notional principal	Mark to market loss
	----- (Rupees in '000) -----					
Hedging	6,013,238	(295,709)	-	-	-	-
Market Making	6,013,238	295,709	38,752,164	(5,979,962)	325,000	(3,445)
	----- (Rupees in '000) -----					
	December 31, 2024 (Audited)					
	Foreign currency options		Cross currency swaps		Interest rate Swaps	
	Notional principal	Mark to market loss	Notional principal	Mark to market loss	Notional principal	Mark to market loss
	----- (Rupees in '000) -----					
Hedging	3,761,243	(73,795)	-	-	-	-
Market Making	3,761,243	73,795	40,984,659	(6,487,980)	325,000	(7,033)



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

		(Unaudited)	
		For the three months ended	
		March 31, 2025	March 31, 2024
		----- (Rupees in '000) -----	
24	<b>MARK-UP / RETURN / PROFIT / INTEREST EARNED</b>	Note	
	On:		
	Loans and advances	66,692,465	79,302,121
	Investments	85,720,406	110,984,083
	Lendings to financial institutions	1,858,333	5,411,780
	Balances with banks	2,423,784	3,282,982
		<u>156,694,988</u>	<u>198,980,966</u>
24.1	<b>INTEREST INCOME RECOGNISED</b>		
	On:		
	Financial assets measured at amortised cost	82,709,071	103,445,732
	Financial assets measured at FVOCI	70,453,934	86,699,280
	Financial assets measured at FVTPL	3,531,983	8,835,954
		<u>156,694,988</u>	<u>198,980,966</u>
25	<b>MARK-UP / RETURN / PROFIT / INTEREST EXPENSED</b>		
	On:		
	Deposits	68,074,580	110,678,374
	Securities sold under repurchase agreement borrowings	9,886,675	14,929,661
	Borrowings	7,682,179	7,686,034
	Subordinated debt	648,248	1,088,714
	Cost of foreign currency swaps against foreign currency deposits / borrowings	638,882	2,437,955
	Lease liability against right-of-use assets	1,013,852	956,534
		<u>87,944,416</u>	<u>137,777,272</u>
26	<b>FEE AND COMMISSION INCOME</b>		
	Branch banking customer fees	1,521,804	1,488,447
	Branchless banking customer fees	11,174	102,656
	Consumer finance related fees	733,711	677,674
	Card related fees (debit and credit cards)	3,828,545	3,586,170
	Credit related fees	707,473	613,260
	Investment banking fees	448,837	181,854
	Commission on trade related products and guarantees	2,198,392	2,406,369
	Commission on cash management	337,234	399,202
	Commission on remittances (including home remittances)	(605,918)	571,963
	Commission on bancassurance	393,943	287,873
	Commission on Government to Person (G2P) payments	(23,355)	396,617
	Management fee	1,315,396	461,923
	Merchant discount and interchange fees	1,967,287	1,908,908
	Wealth management fee	216,324	175,665
	Others	94,499	99,328
		<u>13,145,346</u>	<u>13,357,909</u>
	Less: Sales tax / Federal Excise Duty on fee and commission income	(1,556,960)	(1,465,991)
		<u>11,588,386</u>	<u>11,891,918</u>
27	<b>GAIN / (LOSS) ON SECURITIES - NET</b>		
	Realised	27.1 4,720,460	(156,747)
	Unrealised - measured at FVTPL	8.1 (552,750)	(126,350)
		<u>4,167,710</u>	<u>(283,097)</u>



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

		(Unaudited) For the three months ended	
		March 31, 2025	March 31, 2024
		----- (Rupees in '000) -----	
27.1	<b>Gain / (loss) on securities - realised</b>		
	On:		
	Federal Government securities		
	- Market Treasury Bills	1,535,392	115,828
	- Pakistan Investment Bonds	1,457,721	(409,880)
	- Ijarah Sukuk	1,649,538	23,431
	Shares	75,399	175,843
	Non-Government debt securities	251	(61,969)
	Foreign securities	2,159	-
		<u>4,720,460</u>	<u>(156,747)</u>
27.1.1	Composition of gain / (loss) on securities - realised		
	Net gain / (loss) on securities measured at FVTPL	629,992	(325,057)
	Net gain on debt securities measured at FVOCI	<u>4,090,468</u>	<u>168,310</u>
		<u>4,720,460</u>	<u>(156,747)</u>
28	<b>OTHER INCOME</b>		
	Incidental charges	154,307	128,865
	Gain on sale of property and equipment - net	12,028	15,704
	Rent on properties	<u>2,027</u>	<u>4,316</u>
		<u>168,362</u>	<u>148,885</u>
29	<b>OPERATING EXPENSES</b>		
	<b>Total compensation expense</b>	18,859,002	17,014,437
	<b>Property expense</b>		
	Rent and taxes	254,662	327,319
	Insurance	96,086	81,956
	Utilities cost	1,338,733	1,493,128
	Security (including guards)	921,100	860,546
	Repair and maintenance (including janitorial charges)	1,296,997	1,264,246
	Depreciation on owned property and equipment	1,495,725	1,368,293
	Depreciation on right-of-use assets	1,192,511	1,089,301
		<u>6,595,814</u>	<u>6,484,789</u>
	<b>Information technology expenses</b>		
	Software maintenance	2,894,304	2,915,642
	Hardware maintenance	684,244	730,159
	Depreciation	1,162,257	1,059,673
	Amortisation	698,055	680,315
	Network charges	509,017	548,727
	Consultancy charges	173,738	257,407
		<u>6,121,615</u>	<u>6,191,923</u>
	<b>Other operating expenses</b>		
	Legal and professional charges	2,067,163	1,157,674
	Outsourced services costs	814,378	660,503
	Travelling and conveyance	487,221	632,718
	Insurance	564,874	368,105
	Remittance charges	186,368	190,249
	Cash transportation and sorting charges	731,969	892,379
	Repairs and maintenance	640,883	657,333
	Depreciation	251,975	212,684
	Training and development	83,007	174,293
	Postage and courier charges	244,181	244,254
	Communication	933,014	1,119,429
	Stationery and printing	827,031	927,298
	Marketing, advertisement and publicity	2,984,273	2,308,301
	Donations	250,608	234,261
	Auditors' remuneration	137,112	144,429
	Brokerage and commission	244,348	230,716
	Subscription	187,649	219,127
	Documentation and processing charges	3,441,311	2,935,664
	Entertainment	100,878	225,670
	Consultancy charges	649,678	584,439
	Deposit insurance premium expense	1,046,537	909,381
	Product feature cost	1,372,527	1,586,137
	Others	449,393	555,077
		<u>18,696,378</u>	<u>17,170,121</u>
		<u>50,272,809</u>	<u>46,861,270</u>



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

	Note	(Unaudited) For the three months ended	
		March 31, 2025 ------(Rupees in '000)-----	March 31, 2024
<b>30 OTHER CHARGES</b>			
Penalties imposed by the State Bank of Pakistan		679	145,939
Penalties imposed by other regulatory bodies		10,612	12,557
		<u>11,291</u>	<u>158,496</u>
<b>31 CREDIT LOSS ALLOWANCE / (REVERSALS) AND WRITE OFFS - NET</b>			
Credit loss allowance against investments	8.3	42,595	226,644
Credit loss allowance against loans and advances	9.3	5,455,343	3,400,795
Credit loss allowance against cash and cash equivalents		29,463	554
(Reversal) / charge of credit loss allowance against other assets	13.1.1	(100,377)	405
(Reversal) / charge of credit loss allowance against off-balance sheet obligations	20.1	(2,493,223)	231,382
Recoveries against written off / charged off bad debts		(199,050)	(241,699)
Recoveries against other assets written off		-	(250)
Other write offs		8,443	31,254
		<u>2,743,194</u>	<u>3,649,085</u>
<b>32 TAXATION</b>			
- Current		18,998,064	15,774,906
- Deferred		1,015,024	(705,206)
		<u>20,013,088</u>	<u>15,069,700</u>
<b>33 BASIC AND DILUTED EARNINGS PER SHARE</b>			
Profit for the period attributable to equity holders of the Bank		<u>16,605,085</u>	<u>15,217,216</u>
		(Number)	
Weighted average number of ordinary shares		<u>1,466,852,508</u>	<u>1,466,852,508</u>
		(Rupees)	
Basic and diluted earnings per share		<u>11.32</u>	<u>10.37</u>
<b>33.1 Diluted earnings per share has not been presented separately as the Bank does not have any convertible instruments in issue.</b>			
<b>34 FAIR VALUE OF FINANCIAL INSTRUMENTS</b>			
The fair values of traded investments are based on quoted market prices.			
Unquoted equity securities are carried at fair value. The valuation is carried out using appropriate methodologies.			
The fair value of unquoted debt securities, fixed term advances, fixed term deposits and borrowings, other assets and other liabilities, cannot be calculated with sufficient reliability due to the absence of a current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments and therefore, are not reported as part of this disclosure.			
In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since they are either short-term in nature or, in the case of customer advances, deposits and certain long term borrowings, are frequently repriced.			
All assets and liabilities for which fair value is measured or disclosed in these condensed interim consolidated financial statements are categorised within the following fair value hierarchy based on the lowest level input that is significant to the fair value measurement:			
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 inputs that are not based on observable market data.			



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

## Valuation techniques used in determination of fair values within Level 2 and Level 3

Federal Government securities	The fair values of Federal Government securities are determined on the basis of rates / prices sourced from Reuters.
Non-Government debt securities	Non-Government debt securities denominated in Rupees are valued on the basis of rates announced by the Mutual Funds Association of Pakistan (MUFAP). Non-Government debt securities denominated in other currencies are valued on the basis of rates taken from Bloomberg / Reuters.
Foreign Government debt securities	The fair values of foreign Government debt securities are determined on the basis of rates taken from Bloomberg/ Reuters.
Unquoted equity securities	The fair values of unquoted equity investments are estimated using cashflow projections of the investee company. Where cashflow projections are not available, the estimate is based on comparable market data.  Where both the above valuation techniques cannot be used due to unavailability of data, the Bank uses the adjusted break-up value method as disclosed in note 34.1.1 below.  The valuations may be further discounted for marketability concerns.
Units of mutual funds	The fair values of units of mutual funds are determined based on their net asset values as published at the close of each business day.
Derivatives	The Group enters into derivatives contracts with various counterparties. Derivatives that are valued using valuation techniques based on market observable inputs are mainly interest rate swaps and cross currency swaps. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations.
Forward foreign exchange contracts and Forward Government securities transactions	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
Property and equipment and non-banking assets acquired in satisfaction of claims	Land, buildings and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets.

### 34.1 Level 3 fair valuation of unlisted equity securities

#### 34.1.1 Adjusted breakup value method:

The valuations are based on latest available financial statements of the investee company. These are all adjusted for factors such as lack of control using haircuts ranging from 15% to 25%. A 1% change in the haircut will change the total fair value by Rs. 11.802 million. Any change to the valuation is reflected in other comprehensive income, since all of these investments are classified as FVOCI.

### 34.2 Fair value of financial assets

The following table provides the fair values of those of the Group's financial assets that are recognised or disclosed at fair value in these condensed interim consolidated financial statements:

	As at March 31, 2025 (Unaudited)				
	Carrying value	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----					
<b>On balance sheet financial instruments</b>					
<b>Financial assets - measured at fair value</b>					
Investments					
- Federal Government securities	2,059,892,018	-	2,059,892,018	-	2,059,892,018
- Shares - listed companies	23,159,206	16,328,144	6,831,062	-	23,159,206
- Shares - unlisted companies	16,973,957	-	15,793,710	1,180,247	16,973,957
- Non-Government debt securities - listed	50,544,189	40,760,000	9,784,189	-	50,544,189
- Foreign securities					
Government debt securities	204,083,800	-	204,083,800	-	204,083,800
Non-Government debt securities - listed	12,918,855	-	12,918,855	-	12,918,855
- National Investment Unit Trust units	92,081	-	92,081	-	92,081
- Real Estate Investment Trust units - listed	3,096,131	3,096,131	-	-	3,096,131
- Preference Shares - Listed	815,100	815,100	-	-	815,100
	2,371,575,337	60,999,375	2,309,395,715	1,180,247	2,371,575,337
<b>Financial assets - disclosed but not measured at fair value</b>					
Investments					
- Federal Government securities	375,231,448	-	371,238,187	-	371,238,187
- Non-Government debt securities - listed	898,965	-	873,826	-	873,826
- Foreign securities					
Government debt securities	15,177,540	-	11,662,267	-	11,662,267
	391,307,953	-	383,774,280	-	383,774,280
	2,762,883,290	60,999,375	2,693,169,995	1,180,247	2,755,349,617



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

As at March 31, 2025 (Unaudited)				
Notional value	Level 1	Level 2	Level 3	Total
(Rupees in '000)				

## Off-balance sheet financial instruments - measured at fair value

Commitments					
- Forward foreign exchange contracts	778,676,571	-	1,804,160	-	1,804,160
- Forward Government securities transactions	437,960,719	-	(220,790)	-	(220,790)
- Derivative instruments	51,103,640	-	(5,983,407)	-	(5,983,407)

As at December 31, 2024 (Audited)				
Carrying value	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	1,794,086,647	-	1,794,086,647	-	1,794,086,647
- Shares - listed companies	20,517,673	13,707,545	6,810,128	-	20,517,673
- Non-Government debt securities - Listed	50,242,039	40,400,000	9,842,039	-	50,242,039
- Foreign securities					
Government debt securities	182,324,551	-	182,324,551	-	182,324,551
Non-Government debt securities - Listed	11,052,424	-	11,052,424	-	11,052,424
- National Investment Unit Trust units	94,384		94,384	-	94,384
- Real Estate Investment Trust units - Listed	3,477,857	3,477,857	-	-	3,477,857
- Preference Shares - Listed	835,400	835,400	-	-	835,400
	2,062,630,975	58,420,802	2,004,210,173	-	2,062,630,975

### Financial assets - disclosed but not measured at fair value

Investments					
- Federal Government securities	374,421,930	-	372,640,469	-	372,640,469
- Non-Government debt securities - Listed	899,081	-	873,475	-	873,475
- Foreign securities					
Government debt securities	16,114,053	-	16,303,232	-	16,303,232
	<u>391,435,064</u>	<u>-</u>	<u>389,817,176</u>	<u>-</u>	<u>389,817,176</u>
	2,454,066,039	58,420,802	2,394,027,349	-	2,452,448,151

As at December 31, 2024 (Audited)				
Notional value	Level 1	Level 2	Level 3	Total
(Rupees in '000)				

## Off-balance sheet financial instruments - measured at fair value

Commitments					
- Forward foreign exchange contracts	674,580,247	-	(242,223)	-	(242,223)
- Forward Government securities transactions	270,514,553	-	490,430	-	490,430
- Derivative instruments	48,832,145	-	(6,495,013)	-	(6,495,013)

## 34.3 Fair value of non-financial assets

As at March 31, 2025 (Unaudited)				
Carrying value	Level 1	Level 2	Level 3	Total
(Rupees in '000)				

- Land and building	86,576,452	-	86,576,452	-	86,576,452
- Non-banking assets acquired in satisfaction of claims	400,000	-	400,000	-	400,000
	86,976,452	-	86,976,452	-	86,976,452

As at December 31, 2024 (Audited)				
Carrying value	Level 1	Level 2	Level 3	Total
(Rupees in '000)				

- Land and building	85,936,216	-	85,936,216	-	85,936,216
- Non-banking assets acquired in satisfaction of claims	400,000	-	400,000	-	400,000
	86,336,216	-	86,336,216	-	86,336,216



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

## 35 SEGMENT INFORMATION

### 35.1 Segment details with respect to Business Activities

	For the three months ended March 31, 2025 (Unaudited)										
	Retail Banking	Consumer, SME & Agriculture lending	Corporate, Commercial and Investment Banking	Treasury	Financial Institutions	Branchless banking	International	Asset management	Microfinance	Head office / others	Total
Profit and loss account	(Rupees in million)										
Net mark-up / return / profit / interest income	(49,400)	13,738	23,128	66,025	5,507	(30)	6,468	(22)	4,104	(768)	68,751
Inter segment revenue / (expense) - net	77,529	(8,729)	(11,957)	(55,360)	(6,234)	549	49	-	-	4,152	(0)
Non mark-up / interest income	2,439	4,784	2,211	7,736	241	75	1,037	1,356	512	1,222	21,614
Total income	30,568	9,793	13,383	18,401	(486)	595	7,554	1,334	4,616	4,606	90,364
Segment direct expenses	11,293	6,472	1,283	561	63	511	6,249	719	3,032	20,800	50,982
Inter segment expense allocation	11,993	3,289	3,360	573	196	486	271	-	-	(20,169)	-
Total expenses	23,285	9,761	4,643	1,134	259	997	6,520	719	3,032	631	50,982
Credit loss allowance - (reversal) / charge	(23)	505	829	-	(0)	-	(37)	-	1,323	146	2,743
Profit / (loss) before tax	7,305	(473)	7,910	17,268	(745)	(402)	1,071	616	261	3,829	36,640
	As at March 31, 2025 (Unaudited)										
	Retail Banking	Consumer, SME & Agriculture lending	Corporate, Commercial and Investment Banking	Treasury	Financial Institutions	Branchless banking	International	Asset management	Microfinance	Head office / others	Total
Statement of financial position	(Rupees in million)										
Cash and bank balances	204,005	-	796	188,897	-	-	122,365	9	8,071	11,759	535,902
Lendings to financial institutions	-	-	-	110,655	-	-	-	-	-	-	110,655
Inter segment lending	2,773,779	-	-	-	4,980	12,648	10,338	-	-	174,051	2,975,796
Investments	-	-	71,785	2,375,258	5,687	-	253,488	2,350	64,544	61,345	2,834,457
Advances - performing	-	293,446	987,870	-	145,901	-	419,538	-	83,144	5,610	1,935,509
Advances - non-performing	-	2,153	6,316	-	-	-	2,448	-	2,171	30	13,118
Others	31,159	6,657	77,819	65,815	4,541	2,624	46,655	3,873	17,874	248,635	505,652
Total assets	3,008,943	302,256	1,144,586	2,740,625	161,109	15,272	854,832	6,232	175,804	501,430	8,911,089
Borrowings	-	4,285	128,949	371,224	-	-	90,174	-	40,439	-	635,071
Subordinated debt	-	-	-	(12,374)	-	-	-	-	1,500	31,248	20,374
Deposits and other accounts	2,938,302	2,247	700,297	-	60,745	11,685	634,474	-	107,158	(5,276)	4,449,632
Inter segment borrowing	-	265,549	252,842	2,357,605	99,800	-	-	-	-	-	2,975,796
Others	70,641	30,175	62,498	17,012	564	3,587	49,314	5,797	11,076	156,763	407,427
Total liabilities	3,008,943	302,256	1,144,586	2,733,467	161,109	15,272	773,962	5,797	160,173	182,735	8,488,300
Equity	-	-	-	7,158	-	-	80,870	435	15,631	318,695	422,789
Total equity and liabilities	3,008,943	302,256	1,144,586	2,740,625	161,109	15,272	854,832	6,232	175,804	501,430	8,911,089
Contingencies and commitments	-	3,454	631,677	969,232	27,097	-	366,937	-	-	30,420	2,028,817



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

For the three months ended March 31, 2024 (Unaudited)

	Retail Banking	Consumer, SME & Agriculture lending	Corporate, Commercial and Investment Banking	Treasury	Financial Institutions	Branchless banking	International	Asset management	Microfinance	Head office / others	Total
<b>Profit and loss account</b> (Rupees in million)											
Net mark-up / return / profit / interest income	(80,915)	15,585	29,022	89,485	(696)	(63)	7,477	(15)	2,409	(1,085)	61,204
Inter segment revenue / (expense) - net	121,613	(11,674)	(17,614)	(99,308)	841	2,194	95	-	-	3,853	-
Non mark-up / interest income	1,599	5,039	1,988	4,566	230	646	3,536	513	503	1,547	20,167
Total Income	42,297	8,950	13,396	(5,257)	375	2,777	11,108	498	2,912	4,315	81,371
Segment direct expenses	11,197	6,097	1,127	192	76	1,416	6,473	144	2,436	18,450	47,608
Inter segment expense allocation	10,181	2,970	3,193	511	183	(207)	256	-	-	(17,087)	-
Total expenses	21,378	9,067	4,320	703	259	1,209	6,729	144	2,436	1,363	47,608
Provisions - charge / (reversal)	22	532	1,225	-	(3)	-	(197)	-	1,669	401	3,649
Profit / (loss) before tax	20,897	(649)	7,851	(5,960)	119	1,568	4,576	354	(1,193)	2,551	30,114

As at December 31, 2024 (Audited)

	Retail Banking	Consumer, SME & Agriculture lending	Corporate, Commercial and Investment Banking	Treasury	Financial Institutions	Branchless banking	International	Asset management	Microfinance	Head office / others	Total
<b>Statement of financial position</b> (Rupees in million)											
Cash and bank balances	147,782	-	760	194,143	-	-	153,152	4	14,498	1,181	511,520
Lendings to financial institutions	-	-	-	84,294	-	-	-	-	-	-	84,294
Inter segment lending	2,763,575	-	-	-	-	38,086	1,685	-	-	217,313	3,020,659
Investments	-	-	72,132	2,097,402	5,990	-	226,980	2,070	72,723	50,903	2,528,200
Advances - performing	-	304,944	1,347,623	-	270,903	-	396,073	-	82,046	21,458	2,423,047
Advances - non-performing	-	1,778	5,433	-	-	-	2,459	-	2,486	232	12,388
Others	28,536	11,940	128,427	39,382	4,564	2,209	49,731	4,613	19,577	206,685	495,664
<b>Total assets</b>	2,939,893	318,662	1,554,375	2,415,221	281,457	40,295	830,080	6,687	191,330	497,772	9,075,772
Borrowings	-	4,016	138,192	534,990	-	-	108,915	-	40,770	-	826,883
Subordinated debt	-	-	-	-	-	-	-	-	1,500	18,874	20,374
Deposits and other accounts	2,885,744	1,902	676,750	-	43,673	36,788	607,038	-	122,641	(4,165)	4,370,371
Inter segment borrowing	-	284,309	672,964	1,825,666	237,629	-	91	-	-	-	3,020,659
Others	54,149	28,435	66,469	41,030	155	3,507	37,980	2,119	10,970	181,873	426,687
<b>Total liabilities</b>	2,939,893	318,662	1,554,375	2,401,686	281,457	40,295	754,024	2,119	175,881	196,582	8,664,974
Equity	-	-	-	13,535	-	-	76,056	4,568	15,449	301,190	410,798
<b>Total equity and liabilities</b>	2,939,893	318,662	1,554,375	2,415,221	281,457	40,295	830,080	6,687	191,330	497,772	9,075,772
<b>Contingencies and commitments</b>	-	2,304	616,679	680,203	53,116	-	354,892	-	-	30,475	1,737,669

## 36 RELATED PARTY TRANSACTIONS

The Group has related party relationships with various parties including its Directors, Key Management Personnel, Group entities, associated companies and employee benefit schemes of the Group.

Transactions with related parties, other than those under the terms of employment, are executed on an arm's length basis i.e. do not involve more than normal risk and are substantially on the same terms, including mark-up rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties.

Contributions to and accruals in respect of staff retirement and other benefit schemes are made in accordance with the actuarial valuations / terms of the schemes.



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

Details of transactions and balances with related parties as at the period / year end are as follows:

	As at March 31, 2025 (Unaudited)				
	Directors	Key Management Personnel	Group Entities	Associates	Other related parties
	(Rupees in '000)				
<b>Statement of financial position</b>					
<b>Balances with other banks</b>					
In current accounts	-	-	82,763	-	163
<b>Investments</b>					
Opening balance	-	-	-	42,138,798	13,841,886
Initial impact of the fair valuation of unlisted equity securities	-	-	-	-	8,301,573
Exchange adjustment	-	-	-	230,541	71,852
Investment made during the year	-	-	-	1,200,354	-
Investment redeemed / disposed off during the year	-	-	-	(975,986)	(337,500)
Share of profit - net of tax	-	-	-	1,349,255	-
Share of other comprehensive income - net of tax	-	-	-	270,802	-
Dividend received during the year	-	-	-	(185,825)	-
Revaluation of investments during the year	-	-	-	2,576,734	(50,918)
Reversal of credit loss allowance / (provision) for diminution in the value of investments	-	-	-	(21,327)	2,502
Closing balance	-	-	-	46,583,346	21,829,395
Credit loss allowance / provision for diminution in the value of investments - held	-	-	-	401,084	9,822
<b>Advances</b>					
Opening balance	1,295	537,494	5,093,585	125,000	11,438,546
Exchange adjustment	-	-	24,076	-	-
Addition during the period	5,352	102,921	7,122,610	1,400,823	2,492,729
Repaid during the period	(5,891)	(138,083)	(8,175,761)	-	(2,544,907)
Transfer in	-	41,374	-	-	-
Closing balance	756	543,706	4,064,510	1,525,823	11,386,368
<b>Other assets</b>					
Interest / mark-up accrued	-	344	48,626	12,321	440,155
Receivable from defined benefit plan	-	-	-	-	1,101,998
Prepaid insurance	-	-	-	561,227	-
Other prepayments	-	3,815	24,350	-	106,206
	-	4,159	72,976	573,548	1,648,359
<b>Borrowings</b>					
Opening balance	-	-	-	20,612,700	5,384,552
Exchange adjustment	-	-	-	120,277	18,512
Borrowings during the period	-	-	-	40,508,434	3,911,159
Settled during the period	-	-	-	(40,229,067)	(2,640,277)
Closing balance	-	-	-	21,012,344	6,673,946
<b>Deposits and other accounts</b>					
Opening balance	99,091	515,176	47,049,851	19,014,471	7,100,528
Exchange adjustment	192	2,385	131,513	138	39,656
Received during the period	128,277	1,912,220	146,996,332	350,396,262	50,397,326
Withdrawn during the period	(67,686)	(1,551,740)	(149,023,516)	(349,934,641)	(49,038,248)
Transfer in	-	60	-	-	-
Closing balance	159,874	878,101	45,154,180	19,476,230	8,499,262
<b>Other liabilities</b>					
Interest / mark-up payable	294	6,951	1,722,393	148,745	191,175
Payable to defined benefit plan	-	-	-	-	663,853
Donation payable	-	-	-	-	250,608
Unearned income	-	-	42,771	-	-
Insurance payable	-	-	-	317,332	-
Other payables	-	-	-	-	34,253
	294	6,951	1,765,164	466,077	1,139,889
<b>Contingencies and commitments</b>					
Letters of credit	-	-	672,570	-	251,137
Letters of guarantee	-	-	366,107	-	3,541,727
Forward purchase of Government securities	-	17,934	-	-	9,735
Interest rate swaps	-	-	-	125,000	-
	-	17,934	1,038,677	125,000	3,802,599
<b>Others</b>					
Securities held as custodian	1,250	153,215	19,052,665	275,741,235	36,287,665



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

	For the three months ended March 31, 2025 (Unaudited)				
	Directors	Key Management Personnel	Group Entities	Associates	Other related parties
	(Rupees in '000)				
<b>Profit and loss account</b>					
<b>Income</b>					
Mark-up / return / profit / interest earned	-	3,924	87,242	10,052	435,159
Fee and commission income	225	3,124	104,397	348,001	2,066
Share of profit	-	-	-	1,349,255	-
Dividend income	-	-	-	-	1,081,546
Rent on properties	-	-	-	-	330
Gain on disposal of property and equipment	-	-	-	494	-
Unrealised loss on derivatives	-	-	-	(1,017)	-
<b>Expenses</b>					
Mark-up / return / profit / interest expensed	1,756	7,530	1,190,041	940,225	248,397
Operating expenses					
Total compensation expense	-	1,464,050	-	-	392,339
Non-Executive Directors' fees	19,800	-	-	-	-
Insurance premium expense	-	-	-	1,076,562	-
Product feature cost	-	-	86,069	-	-
Travelling	-	-	3,329	-	-
Software maintenance	-	-	-	-	10,484
Rent and taxes	-	-	13,435	17,166	540
Subscription	-	-	-	-	7,497
Donation	-	-	-	-	250,608
Brokerage and commission	-	-	-	-	95,765
Documentation and processing charges	-	-	-	-	29,217
Other expenses	-	-	455	-	3,718
Provision for diminution / (reversal) of credit loss allowance in the value of investments	-	-	-	21,327	(2,502)
<b>Others</b>					
Purchase of Government securities	-	11,644	70,812,546	26,810,454	1,016,408
Sale of Government securities	1,183	36,946	71,446,803	14,199,361	2,091,625
Purchase of foreign currencies	-	2,988	2,812,579	37,864	12,910
Sale of foreign currencies	1,126	125,898	1,627,431	898,999	351,955
Insurance claims settled	-	-	-	190,621	-

	As at December 31, 2024 (Audited)				
	Directors	Key Management Personnel	Group Entities	Associates	Other related parties
	(Rupees in '000)				
Statement of financial position					
Balances with other banks					
In current accounts	-	-	103,491	-	157
Investments					
Opening balance	-	-	-	36,132,623	17,265,334
Impact of adoption of IFRS 9	-	-	-	-	(222,031)
Exchange adjustment	-	-	-	4,329,085	(408,119)
Investment made during the year	-	-	-	4,224,286	-
Investment redeemed / disposed off during the year	-	-	-	(3,410,115)	(2,837,500)
Share of profit - net of tax	-	-	-	4,763,000	-
Share of other comprehensive income - net of tax	-	-	-	(1,517,132)	-
Dividend received during the year	-	-	-	(1,652,708)	-
Revaluation of investments during the year	-	-	-	(472,428)	(165,505)
Credit loss allowance / provision for diminution in the value of investments	-	-	-	(257,813)	209,707
Closing balance	-	-	-	42,138,798	13,841,886
Credit loss allowance / provision for diminution in the value of investments - held	-	-	-	379,757	12,324
Advances					
Opening balance	1,969	1,293,004	5,352,719	375,000	10,230,405
Exchange adjustment	-	-	(1,169,263)	-	-
Addition during the year	14,004	388,237	34,360,119	-	21,500,993
Repaid during the year	(14,678)	(320,895)	(33,449,990)	(250,000)	(20,239,809)
Transfer out - net	-	(822,852)	-	-	(53,043)
Closing balance	1,295	537,494	5,093,585	125,000	11,438,546



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

## Other assets

Interest / mark-up accrued	-	967	44,109	7,620	325,042
Receivable from defined benefit plan	-	-	-	-	1,101,998
Prepaid insurance	-	-	-	726,744	-
Other prepayments	-	2,887	28,294	-	17,378
	-	3,854	72,403	734,364	1,444,418

## Borrowings

Opening balance	-	-	5,169,268	16,686,344	5,766,780
Exchange adjustment	-	-	-	(1,588,155)	(29,796)
Borrowings during the year	-	-	-	158,918,166	10,026,383
Settled during the year	-	-	(5,169,268)	(153,403,655)	(10,378,815)
Closing balance	-	-	-	20,612,700	5,384,552

## Deposits and other accounts

Opening balance	72,803	624,864	37,860,212	53,583,869	1,440,158
Exchange adjustment	(118)	(5,927)	(278,160)	(4,913)	(24,916)
Received during the year	1,973,990	5,432,243	457,762,803	1,409,332,394	69,869,176
Withdrawn during the year	(1,947,584)	(5,306,114)	(448,295,004)	(1,443,896,879)	(64,198,302)
Transfer (out) / in - net	-	(229,890)	-	-	14,412
Closing balance	99,091	515,176	47,049,851	19,014,471	7,100,528

## Other liabilities

Interest / mark-up payable	160	950	1,161,588	108,350	103,647
Payable to defined benefit plan	-	-	-	-	692,228
Donation payable	-	-	-	-	867,797
Unearned income	-	-	7,781	-	-
Insurance payable	-	-	-	89,458	-
Other payables	-	-	-	-	24,505
	160	950	1,169,369	197,808	1,688,177

## Contingencies and Commitments

Letters of credit	-	-	857,611	-	261,003
Letters of guarantee	-	-	187,974	-	3,541,727
Forward purchase of Government securities	-	-	1,002,095	-	351,855
Interest rate swaps	-	-	-	125,000	-
	-	-	2,047,680	125,000	4,154,585

## Others

Securities held as custodians	-	157,390	19,906,410	306,748,350	36,138,635
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## For the three months ended March 31, 2024 (Unaudited)

## Profit and loss account

### Income

Mark-up / return / profit / interest earned	9	7,622	108,362	20,169	614,036
Fee and commission income	151	3,603	82,632	216,203	1,403
Share of profit	-	-	-	896,405	-
Dividend income	-	-	-	-	703,588
Rent on properties	-	-	-	-	-
Gain on disposal of property and equipment	-	-	-	4,958	-
Unrealised loss on derivatives	-	-	-	(29,928)	-

### Expense

Mark-up / return / profit / interest expensed	2,869	14,747	1,053,468	1,947,859	255,786
Operating expenses	-	1,315,915	-	-	388,431
Total compensation expense	-	-	-	-	-
Non-Executive Directors' fees	30,300	-	-	-	-
Insurance premium expense	-	-	-	767,543	-
Product feature cost	-	-	66,221	-	-
Travelling	-	-	2,426	-	-
Software maintenance	-	-	-	-	8,674
Rent and taxes	-	-	11,887	16,824	-
Subscription	-	-	-	-	1,815
Donation	-	-	-	-	247,663
Brokerage and commission	-	-	-	-	74,079
Documentation and processing charges	-	-	-	-	36,445
Other expenses	-	-	975	-	2,023

## Others

Purchase of Government securities	-	7,116	41,517,777	35,175,450	1,887,503
Sale of Government securities	-	51,817	43,971,984	32,648,017	7,513,322
Purchase of foreign currencies	-	1,372	1,731,577	68,579	-
Sale of foreign currencies	2,643	123,848	1,846,901	-	599,099
Insurance claims settled	-	-	-	130,815	-

36.1 Balances and transactions with group entities include deposits of Rs 0.632 million (December 31, 2024: Rs 0.638 million) from the parent and Rs nil (March 31, 2024: 2 thousand) as mark-up expense thereon.



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

	(Unaudited) March 31, 2025 ------(Rupees in '000)-----	(Audited) December 31, 2024
<b>37 CAPITAL ADEQUACY, LEVERAGE RATIO &amp; LIQUIDITY REQUIREMENTS</b>		
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	14,668,525	14,668,525
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	323,358,255	316,238,451
Eligible Additional Tier 1 (ADT 1) Capital	18,885,010	18,621,353
Total Eligible Tier 1 Capital	342,243,265	334,859,804
Eligible Tier 2 Capital	79,412,791	80,462,444
Total Eligible Capital (Tier 1 + Tier 2)	421,656,056	415,322,248
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	1,694,301,046	1,725,824,589
Market Risk	275,293,275	231,458,425
Operational Risk	388,610,901	388,610,901
Total	2,358,205,222	2,345,893,915
CET 1 CAR	13.71%	13.48%
Tier 1 CAR	14.51%	14.27%
Total CAR	17.88%	17.70%
<b>Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)</b>	8.50%	8.50%
of which: capital conservation buffer requirement	1.50%	1.50%
of which: countercyclical buffer requirement	-	-
of which: D-SIB buffer requirement	1.00%	1.00%
CET1 available to meet buffers (as a percentage of risk weighted assets)	7.71%	7.48%
<b>Other information:</b>		
<b>National minimum capital requirements prescribed by the SBP</b>		
CET1 minimum ratio (%)	8.50%	8.50%
Tier 1 minimum ratio (%)	10.00%	10.00%
Total capital minimum ratio (%)	12.50%	12.50%
	(Unaudited) March 31, 2025 ------(Rupees in '000)-----	(Audited) December 31, 2024
<b>Leverage Ratio (LR)</b>		
Eligible Tier-1 Capital	342,243,265	334,859,804
Total Exposures	7,020,274,343	7,184,144,791
<b>Leverage Ratio (%)</b>	4.88%	4.66%
<b>Minimum Requirement (%)</b>	3.00%	3.00%
<b>Liquidity Coverage Ratio (LCR)</b>		
Average High Quality Liquid Assets	2,214,488,867	2,320,570,154
Average Net Cash Outflow	821,088,337	869,235,371
<b>Liquidity Coverage Ratio (%)</b>	269.70%	266.97%
<b>Minimum Requirement (%)</b>	100.00%	100.00%
<b>Net Stable Funding Ratio (NSFR)</b>		
Available Stable Funding	4,178,043,316	4,156,125,272
Required Stable Funding	2,492,756,204	2,732,852,018
<b>Net Stable Funding Ratio (%)</b>	167.61%	152.08%
<b>Minimum Requirement (%)</b>	100.00%	100.00%

- 37.1 For the purpose of calculating CAR, the SBP has allowed banks to phase in the impact on opening retained earnings of the ECL calculated for financial assets classified as stage 1 and stage 2. The phasing is allowed over a period of five years. Had there been no such relaxation, the Group's total CAR would have been lower by 36 bps and the Leverage Ratio would have been lower by 12 bps.



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

## 38 ISLAMIC BANKING BUSINESS

The Bank operates 408 (December 31, 2024: 408) Islamic Banking branches and 581 (December 31, 2024: 581) Islamic Banking windows.

### STATEMENT OF FINANCIAL POSITION

#### ASSETS

Cash and balances with treasury banks  
Balances with other banks  
Due from financial institutions  
Investments  
Islamic financing and related assets - net  
Property and equipment  
Right-of-use assets  
Intangible assets  
Due from Head Office  
Deferred tax assets  
Other assets

Note	(Unaudited) March 31, 2025 -----(Rupees in '000)----	(Audited) December 31, 2024
	49,018,061	39,849,968
	1,888,175	760,800
38.1	9,500,000	30,000,000
38.2	374,571,507	349,841,214
38.3	230,900,139	193,867,617
	7,205,171	7,307,282
	8,366,545	7,553,230
	39,274	43,133
	-	-
	-	-
	28,138,768	25,835,979
	709,627,640	655,059,223

#### LIABILITIES

Bills payable  
Due to financial institutions  
Deposits and other accounts  
Due to Head Office  
Lease liabilities  
Subordinated debt  
Deferred tax liabilities  
Other liabilities

	32,038	39,072
38.4	65,056,535	45,450,071
38.5	530,720,681	494,894,964
	16,837,405	5,926,658
	11,329,604	10,332,557
	-	-
	3,150,816	1,904,986
	16,247,779	33,565,331
	643,374,858	592,113,639

#### NET ASSETS

66,252,782	62,945,584
------------	------------

#### REPRESENTED BY

Islamic Banking Fund  
Reserves  
Surplus on revaluation of investments - net of tax  
Unappropriated profit

	500,000	500,000
	-	-
	2,909,608	4,361,869
38.6	62,843,174	58,083,715
	66,252,782	62,945,584

#### Contingencies and commitments

38.7	(Unaudited) For the three months ended
------	---

### PROFIT AND LOSS ACCOUNT

Profit / return earned  
Profit / return expensed  
Net profit / return

38.8	20,132,500	21,340,795
38.9	7,853,762	11,253,785
	12,278,738	10,087,010

#### Other income

Fee and commission income  
Dividend income  
Foreign exchange income  
Income from derivatives  
Gain on securities- net  
Others  
Total other income

582,370	520,262
-	-
101,226	182,442
-	-
475,597	16,280
-	-
1,159,193	718,984
13,437,931	10,805,994

#### Total income

#### Other expenses

Operating expenses  
Workers' Welfare Fund  
Other charges  
Total other expenses  
Profit before credit loss allowance  
Credit loss allowance and write offs - net

3,030,767	2,793,724
203,525	152,745
330	125
3,234,622	2,946,594
10,203,309	7,859,400
27,058	222,158

#### Profit before taxation

Taxation

10,176,251	7,637,242
5,393,413	3,742,247
4,782,838	3,894,995

#### Profit after taxation



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

		(Unaudited) March 31, 2025	(Audited) December 31, 2024
		----- (Rupees in '000) -----	
38.1	<b>Due from Financial Institutions</b>		
	Call money lendings	9,500,000	8,000,000
	Secured lendings	-	22,000,000
		<u>9,500,000</u>	<u>30,000,000</u>

38.2	<b>Investments by segments</b>	<b>March 31, 2025 (Unaudited)</b>			
		<b>Cost / amortised cost</b>	<b>Credit loss allowance</b>	<b>Surplus / (deficit)</b>	<b>Carrying value</b>
		----- (Rupees in '000) -----			
	<b>Debt Instruments</b>				
	<b>Fair value through profit and loss (FVTPL)</b>				
	<b>Federal Government securities</b>				
	- Ijarah Sukuk	6,688,790	-	1,482	6,690,272
	- Other Federal Government securities	1,255,550	-	-	1,255,550
	<b>Non-Government debt securities</b>				
	- Listed	191,668	-	6	191,674
	- Unlisted	801,000	-	-	801,000
		8,937,008	-	1,488	8,938,496
	<b>Fair value through other comprehensive income (FVOCI)</b>				
	<b>Federal Government securities</b>				
	- Ijarah Sukuk	275,713,664	-	5,207,994	280,921,658
	<b>Non-Government debt securities</b>				
	- Listed	42,500,000	(15,807)	850,913	43,335,106
	- Unlisted	600,000	(6,295)	1,666	595,371
		318,813,664	(22,102)	6,060,573	324,852,135
	<b>Amortised cost</b>				
	<b>Federal Government securities</b>				
	- Ijarah Sukuk	28,259,825	-	-	28,259,825
	<b>Non-Government debt securities</b>				
	- Unlisted	13,148,915	(627,864)	-	12,521,051
		41,408,740	(627,864)	-	40,780,876
	<b>Total Investments</b>	<u>369,159,412</u>	<u>(649,966)</u>	<u>6,062,061</u>	<u>374,571,507</u>
		<b>December 31, 2024 (Audited)</b>			
		<b>Cost / amortised cost</b>	<b>Credit loss allowance</b>	<b>Surplus / (deficit)</b>	<b>Carrying value</b>
		----- (Rupees in '000) -----			
	<b>Fair value through profit and loss (FVTPL)</b>				
	<b>Federal Government securities</b>				
	- Ijarah Sukuk	10,273,922	-	71,409	10,345,331
	- Other Federal Government securities	2,580,725	-	-	2,580,725
	<b>Non-Government debt securities</b>				
	- Listed	191,668	-	6	191,674
	- Unlisted	801,000	-	-	801,000
		13,847,315	-	71,415	13,918,730
	<b>Fair value through other comprehensive income (FVOCI)</b>				
	<b>Federal Government securities</b>				
	- Ijarah Sukuk	242,713,829	-	8,583,533	251,297,362
	<b>Non-Government debt securities</b>				
	- Listed	42,750,000	(17,539)	498,773	43,231,234
	- Unlisted	600,000	(6,984)	4,922	597,938
		286,063,829	(24,523)	9,087,228	295,126,534
	<b>Amortised cost</b>				
	<b>Federal Government securities</b>				
	- Ijarah Sukuk	28,274,899	-	-	28,274,899
	<b>Non-Government debt securities</b>				
	- Unlisted	13,148,915	(627,864)	-	12,521,051
		41,423,814	(627,864)	-	40,795,950
	<b>Total Investments</b>	<u>341,334,958</u>	<u>(652,387)</u>	<u>9,158,643</u>	<u>349,841,214</u>



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

		March 31, 2025 (Unaudited)			
		Stage 1	Stage 2	Stage 3	Total
		(Rupees in '000)			
38.2.1	Particulars of credit loss allowance				
	Non Government debt securities	37,817	-	612,000	649,817
		December 31, 2024 (Audited)			
		Stage 1	Stage 2	Stage 3	Total
		(Rupees in '000)			
	Particulars of credit loss allowance				
	Non Government debt securities	40,387	-	612,000	652,387
38.3	Islamic financing and related assets - net			(Unaudited) March 31, 2025 -----(Rupees in '000)----	(Audited) December 31, 2024
	Diminishing Musharakah			99,513,637	100,521,115
	Running Musharakah			49,650,923	34,004,211
	Wakalah			15,971,703	16,255,807
	Ijarah			5,068,003	5,462,128
	Murabaha			32,828,037	7,325,575
	Salam			-	72,849
	Tijarah			2,314,165	2,941,173
	Istisna			2,456,188	1,709,722
	Musawamah			846,965	1,241,904
	Advance for Diminishing Musharakah			6,967,218	4,479,502
	Advance for Ijarah			1,186,930	1,902,161
	Advance for Murabaha			1,376,535	4,749,266
	Advance for Salam			2,543,998	1,054,907
	Advance for Istisna			13,430,323	15,624,612
	Advance for Musawamah			1,570,765	458,382
	Inventories against Murabaha			307,269	1,693,949
	Inventories against Tijarah			4,669,971	5,064,547
	Inventories against Istisna			3,496,252	3,627,510
	Inventories against Salam			1,050,000	-
	Islamic financing and related assets - gross			245,248,882	208,189,320
	Credit loss allowance against Islamic financing and related assets				
	- Stage 1			(407,551)	(598,558)
	- Stage 2			(2,032,709)	(2,040,479)
	- Stage 3			(11,908,483)	(11,682,666)
				(14,348,743)	(14,321,703)
	Islamic financing and related assets - net of credit loss allowance			230,900,139	193,867,617
38.4	Due to financial institutions				
	Unsecured acceptances of funds			45,275,000	25,300,000
	Acceptances from the SBP under:				
	- Islamic export refinance scheme			8,472,491	8,125,691
	- Islamic export refinance scheme for bill discounting			1,151,218	1,161,546
	- Islamic long term financing facility			5,334,616	5,560,838
	- Islamic financing facility for renewable energy power plants			593,689	562,579
	- Islamic refinance facility for modernization of Small & Medium Enterprises (SMEs)			199,904	216,725
	- Islamic refinance facility for combating COVID-19			275,255	314,577
	- Islamic temporary economic refinance facility			1,754,362	1,866,240
	Acceptances from Pakistan Mortgage Refinance Company			2,000,000	2,000,000
	Overdrawn nostro accounts			-	341,875
				65,056,535	45,450,071



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

	Note	(Unaudited) March 31, 2025 ----- (Rupees in '000) -----	(Audited) December 31, 2024 ----- (Rupees in '000) -----
38.5	<b>Deposits and other accounts</b>		
	<b>Customers</b>		
	Current deposits	217,607,650	125,193,794
	Savings deposits	284,422,082	345,117,509
	Term deposits	22,844,308	19,019,144
		<b>524,874,040</b>	<b>489,330,447</b>
	<b>Financial Institutions</b>		
	Current deposits	40,976	70,917
	Savings deposits	5,805,665	5,491,954
	Term deposits	-	1,646
		<b>5,846,641</b>	<b>5,564,517</b>
		<b>530,720,681</b>	<b>494,894,964</b>
38.6	<b>Islamic Banking business unappropriated profit</b>		
	Opening Balance	58,083,715	43,688,438
	Impact of adoption of IFRS 9	-	(2,603,420)
	Add: Islamic Banking profit for the period / year	10,176,251	37,011,071
	Less: Taxation	(5,393,413)	(19,985,978)
	Less: Transferred / Remitted to Head Office	(23,379)	(26,396)
	Closing Balance	<b>62,843,174</b>	<b>58,083,715</b>
38.7	<b>Contingencies and commitments</b>		
	- Performance Guarantees	13,103,184	8,005,532
	- Commitments	60,699,938	64,541,386
		<b>73,803,122</b>	<b>72,546,918</b>
38.7.1	<b>Commitments:</b>		
	Trade-related contingent liabilities	29,041,127	42,534,511
	Commitments in respect of forward foreign exchange contracts	31,658,811	22,006,875
		<b>60,699,938</b>	<b>64,541,386</b>
38.7.1.1	<b>Commitments in respect of forward foreign exchange contracts</b>		
	Purchase	18,842,792	11,536,610
	Sale	12,816,018	10,470,265
		<b>31,658,811</b>	<b>22,006,875</b>
38.8	<b>Profit / return earned</b>		
	On:		
	Financing	7,651,626	8,903,091
	Investments	11,996,479	11,763,477
	Amounts due from financial institutions	484,395	674,227
		<b>20,132,500</b>	<b>21,340,795</b>
38.9	<b>Profit / return expensed</b>		
	On:		
	Deposits and other accounts	5,869,334	9,225,033
	Amounts due to financial institutions	1,559,893	1,569,117
	Foreign currency deposits for Wa'ad based transactions	45,409	156,742
	Lease liability against right-of-use assets	379,126	302,893
		<b>7,853,762</b>	<b>11,253,785</b>



# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

## 39 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

- 39.1 The Board of Directors, in its meeting held on April 25, 2025, has declared a cash dividend of Rs 4.50 per share in respect of the quarter ended March 31, 2025 (March 31, 2024: Rs 4.00 per share). These condensed interim consolidated financial statements do not include the effect of this appropriation which will be accounted for subsequent to the period end.

## 40 DATE OF AUTHORISATION FOR ISSUE

These condensed interim consolidated financial statements were authorised for issue in the Board of Directors meeting held on April 25, 2025.

## 41 GENERAL

- 41.1 Comparative figures have been re-arranged and reclassified for comparison purposes.

Muhammad Nassir Salim  
President and  
Chief Executive Officer

Rayomond Kotwal  
Chief Financial Officer

Moez Ahamed Jamal  
Director

Dr. Najeeb Samie  
Director

Salim Raza  
Director





# 2

## **Condensed Interim Unconsolidated Financial Statements**



# DIRECTORS' REPORT 2024

On behalf of the Board of Directors, we are pleased to present the Unconsolidated Financial Statements for the quarter ended March 31, 2025.

## Macroeconomic Review

Pakistan continues to make steady progress in macroeconomic fundamentals – headline inflation is at multi-decade lows, the interest rate environment is more benign after a 1,000 bps reduction and growth prospects have improved. Better output in the agriculture and services sectors led a modest growth of 1.54% in GDP in 1HFY'25 despite the industrial sector contracting 0.4%. The Large-Scale Manufacturing Index declined by 1.9% for 8MFY'25 but leading indicators, including the HBL Manufacturing PMI and SBP business surveys, point to a recovery in this sector. Headline inflation fell to 0.7% in Mar'25, the lowest since 1965. The deceleration was driven by softer food prices, favorable global commodity prices, and a high base effect. Average inflation fell from 27.1% in 9MFY'24 to 5.3% for 9MFY'25, below even the SBP's revised forecast of 5.5% – 7.5% for FY'25. Core inflation though, remains elevated at 9.0%, with limited signs of further moderation.

The trade deficit for 9MFY'25 rose by 15.9% to \$ 18.7 billion as imports outpaced exports. Imports expanded 11.1% to \$ 43.4 billion mainly due to machinery and cotton on the back of a weaker domestic crop. Exports grew, albeit at a slower pace of 7.7%, to \$ 24.7 billion during the same period, driven by a recovery in the textile sector. The remittance momentum accelerated over the Ramzan / Eid period with Mar'25 clocking in a record high of \$ 4.1 billion. Remittances of \$ 28.0 billion for 9MFY'25 were 33.2% higher than for the same period last year. Consequently, the Current Account for 9MFY'25 remained in a surplus of \$ 1.9 billion vs a deficit of \$ 1.7 billion during 9MFY'24, with Mar'25 recording the country's highest ever surplus.

The IMF staff mission concluded its first review of the EFF programme, reaching a Staff Level Agreement and acknowledging the Government's efforts and commitment to the reform agenda. The second tranche of \$ 1.0 billion will be received after IMF Board approval, with an IMF team due in May for discussions on the Federal Budget. An agreement was also reached on a \$ 1.3 billion climate facility to support Pakistan's efforts in building resilience to natural disasters. FX reserves are down \$ 1.4 billion from their recent Nov'24 peak amid substantial debt repayments and as inflows tied to IMF approval are still awaited. Nevertheless, the SBP expects its reserves to exceed \$ 13.0 billion by Jun'25, supported by lower debt repayments and the expected realization of official inflows. Recently, Fitch upgraded Pakistan's rating from CCC+ to B-, with a Stable Outlook, their second in the current fiscal year. The agency cited improved fiscal consolidation, external stabilization and structural reform momentum under the IMF programme as driving factors.

The local bourse gained 2.3% in the first quarter, despite choppy trading in the first 2 months amid a lack of triggers. In Mar'25, the IMF staff level agreement and a potential circular debt resolution, expected to benefit the energy chain, more than counteracted the pause in monetary easing and restored investor confidence. At the start of April, the KSE 100 lost 3.3% in a single day in line with the global rout caused by the US tariffs announcement, but has since recovered to above year-end levels.

After cutting rates in six successive meetings since Jun'24, the State Bank's Monetary Policy Committee adopted a wait-and-see approach, maintaining the policy rate at 12.0%, contrary to consensus expectations of a moderate reduction. The committee acknowledged the significantly positive real interest rate; however, it also highlighted that the stickiness of core inflation, rising pressures on the external account and global volatility amid the imposition of US tariffs warranted a cautious approach. The MPC also noted that the impact of recent rate cuts is already transmitting into the real economy, indicated by improving high-frequency data and strengthened consumer and business confidence. Private sector credit contracted by 10.8% (Rs 1.1 trillion) in Q1'25 as distortions from the ADR tax reversed. Consequently, as of end-Feb'25, advances fell 12.7% and deposits grew by 0.6% over Dec'24. Banking spreads in 2M'25 were 22bps higher than in 2M'24 as the full downward repricing of asset yields lags reduction in deposit cost.

## Financial Performance

HBL has delivered a record unconsolidated profit before tax of Rs 34.2 billion for Q1'25, an increase of 15% over the same period last year. The strong results have been driven by solid performance across all business lines. With excessive and unfair taxation continuing to burden the banking sector, the Bank's profit after tax of Rs 15.1 billion is 4% higher than in Q1'24. Earnings per share improved from Rs 9.95 in Q1'24 to Rs 10.30 in Q1'25.

The Bank's balance sheet stood at Rs 5.6 trillion with total deposits rising to Rs 4.2 trillion. Domestic deposits increased to Rs 3.7 trillion, primarily led by a Rs 127 billion growth in current accounts, with the mix improving from 37.3% in Dec'24 to 40.0% in Mar'25. In line with the industry, domestic advances came off their year-end peak, with the Bank's total loans closing at Rs 1.8 trillion. Despite the overall drop in lending, HBL's flagship consumer business maintained its growth trajectory, increasing to Rs 148.3 billion.

With monetary easing throughout 2024, the Policy Rate is now 1,000 bps lower than in Q1'24. Domestic net interest income grew by 14%, supported by an increase of Rs 454 billion in the average balance sheet and a reduction of 520 bps in deposit cost; the Bank's total net interest income increased 11% to Rs 62.8 billion. HBL's fee franchise was driven by double-digit



growth in branch banking and Bancassurance, along with strong results from the dominant Cards business which continues to drive more than 50% of fees. With timely realization of capital gains, total non-fund income for Q1'25 remained flat at Rs 18.0 billion. HBL's total revenue thus rose to Rs 80.9 billion, a growth of 8% over the same period last year.

A number of cost optimization initiatives have been underway and are coming to fruition with YoY expense growth contained at a subdued 5%. Compared to the prior quarter, expenses were further reduced by 1%. As a result, HBL's cost / income ratio for Q1'25 fell to 55.0%, a 155 bps drop from Q1'24. Despite a decrease in the Bank's non-performing loans, the steep decline in advances led to an uptick in the infection ratio to 5.3%, Nevertheless, this remains the lowest in the last 12 months, with the total coverage well above 100%.

## Movement in Reserves

	Rupees in million
Unappropriated profit brought forward	222,991
Impact of change in accounting policy	1,546
Unappropriated profit brought forward – restated	224,537
Profit after tax	15,115
Transferred from surplus on revaluation of assets – net of tax	20
Realised gain on equity investments designated as FVOCI	74
	15,209
Profit available for appropriation	239,746
<b>Appropriations:</b>	
Transferred to statutory reserves	(1,511)
Cash dividend – Final 2024	(6,234)
Total appropriations	(7,745)
<b>Unappropriated profit carried forward</b>	<b>232,001</b>
<b>Earnings per share (Rupees)</b>	<b>10.30</b>

## Capital Ratios

The strong results continued to strengthen internally generated capital, adding 80 bps to the Tier 1 Capital Adequacy Ratio (CAR). Despite the decline in advances, total RWAs increased on a larger Trading Book. HBL's unconsolidated Tier 1 CAR grew by 40 bps over December 2024 to 15.15% with total CAR rising by 28 bps to 18.52%. Both ratios remain comfortably above regulatory requirements.

## Dividend

The Board of Directors, in its meeting held on April 25, 2025, has declared an interim cash dividend of Rs 4.50 per share (45%) for the quarter ended March 31, 2025.

## Future Outlook

The government has largely achieved its objective of stabilizing the country's economic and financial indicators: these include the receding of inflationary pressures and a 1,000 bps reduction in the Policy Rate over the last year; a slight uptick in GDP growth to 3.0% in FY'25; and a benign current account balance accompanied by a sustained period of Rupee stability. The HBL Manufacturing PMI averaged 54.1 in Q1'25, well above the neutral 50.0 mark, led by new orders and output, pointing to early signs of demand resilience.

The next, more challenging task is to initiate wholesale reform in a wide range of areas to establish a platform for sustained, robust economic growth. The nascent growth outlook needs to be reinforced by an acceleration in structural reforms. Progress on diversifying the tax base has crossed an important hurdle in the passing of a tax on agricultural income; however the harder part will be to actually enforce and collect these taxes. Additionally, the Government must widen the tax base to include traders, real estate and other historically excluded sectors rather than continuing to tax the overtaxed. Privatization has not yielded any results to date and efforts must be intensified to stop the drain of loss-making SOEs on the exchequer.

Historically high real rates and a favorable commodities backdrop may yet support the case for a more accommodative monetary policy stance from the central bank. However, the lagged impact of the prior policy rate reductions needs careful assessment, while core inflation is yet to decline to the same degree. Therefore, any further rate cuts are likely to be gradual at best.



On the international front, Trump's reciprocal tariffs policy and the prospects for escalation following retaliatory tariffs from China and the EU have the potential to upend the global financial and economic architecture and are leading to significant stress in markets. These will have far-reaching consequences across the globe, even for a relatively modest trade based economy such as Pakistan. With the stop-go nature of announcements, businesses are uncertain as to how the chips will fall, and this in itself is affecting growth prospects as investment plans are largely on hold. For Pakistan, the declared 29% tariff may negatively impact exports to the US, but will be partially offset by tailwinds from lower oil prices, with Brent falling below \$70/barrel. This is likely to manifest in a stronger current account and maintain a benign inflation outlook.

HBL has had a good start to 2025, delivering another record quarter. We continue to further our inclusion objective by bringing banking to an ever-widening segment of the population. Our digital presence increases, with 4.7 million users of Mobile and Internet Banking transacting over Rs 2.6 trillion in the first quarter of 2025 alone; the Konnect trajectory remains intact, with a nearly 20% increase in volumes. We remain steadfast in our support to the critical agriculture sector, both through direct lending where we have nearly one-third of the market as well as through our unique HBL Zarai subsidiary which is scaling up and transforming farmer incomes and lives. We have embedded Sustainability in all aspects of our business and are making steady progress towards our goal of Net Zero by 2030. HBLPSL 10 is now underway, marking a decade of our commitment to cricket and to Pakistan. HBL has and will keep stepping forward in every sphere, to ensure a brighter future for Pakistan and Pakistanis.

### **Appreciation and Acknowledgement**

On behalf of the Board and management, we would like to place on record our appreciation for the efforts of our regulators and the Government of Pakistan, in particular the State Bank of Pakistan, the Ministry of Finance and the Securities and Exchange Commission of Pakistan. In these challenging times, they have stepped up with policies and measures that are prudent, proactive and balanced, protecting the economy, customers and people of Pakistan, while also safeguarding the integrity and soundness of the banking and financial services industry.

We are indebted to our customers, many of whom have banked with us for generations, and who continue to entrust us with their business and confidence. Our shareholders have provided steadfast support and to them, and to all our stakeholders, we are deeply grateful. The Board and the management remain committed to maintaining the highest standards of governance and we assure our stakeholders that we will be industry leaders in this area.

Lastly, but certainly not the least, we express our deepest appreciation and gratitude to our employees and their families, especially in customer facing units and branches, who continually go the extra mile, even at personal cost, to ensure that our customers are able to meet their critical needs. They are our heroes and heroines and we salute them for their dedication and tireless efforts.

On behalf of the Board

**Muhammad Nassir Salim**  
**President & Chief Executive Officer**

**Moez Ahamed Jamal**  
**Director**

April 25, 2025



# ڈائریکٹرز رپورٹ 2024ء

ہمیں بورڈ آف ڈائریکٹرز کی جانب سے 31 مارچ 2025 کو ختم ہونے والی پہلی سہ ماہی کے مختصر عبوری غیر مجموعی مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس ہو رہی ہے۔

## کلیاتی اقتصادیات کا جائزہ

پاکستان کلیاتی اقتصادیات کے بنیادی اصولوں پر مسلسل پیش رفت جاری رکھے ہوئے ہے۔ ہیڈلائن افراط زر کی دہائیوں کی کم ترین سطح پر ہے، شرح سود میں 1000 بی پی ایس کی کمی کے بعد شرح سود کی فضا مزید بے ضرر ہوئی ہے اور ترقی کے امکانات میں بہتری آئی ہے۔ مالی سال 25 کی پہلی ششماہی میں زرعی اور سروس سیکٹر میں بہتر پیداوار کی وجہ سے صنعتی شعبے میں 0.4 فیصد سکڑاؤ کے باوجود جی ڈی پی میں 1.54 فیصد معمولی نمو ہوئی۔ مالی سال 25 کے 8 ماہ کے دوران لارج اسکیل مینوفیکچرنگ انڈیکس میں 1.9 فیصد کمی واقع ہوئی، لیکن ایچ ایل مینوفیکچرنگ پی ایم آئی آئی اور ایس بی پی کے بزنس سروے سمیت اہم اشاریے اس شعبے میں بحالی کی نشاندہی کرتے ہیں۔ مارچ 25 میں ہیڈلائن افراط زر 0.7 فیصد تک گر گئی، جو 1965 کے بعد سے کم ترین ہے۔ یہ سست روی کھانے پینے کی اشیاء کی قیمت میں نرمی، عالمی اجناس کی موافق قیمت اور ہائی بیس افیکٹ کی وجہ سے ہوئی۔ اوسط افراط زر مالی سال 24 کے 9 ماہ میں 27.1 فیصد سے کم ہو کر مالی سال 25 کے 9 ماہ میں 5.3 فیصد رہ گئی، جو مالی سال 25 کے لیے ایس بی پی کی 7.5-5.5 فیصد کی نظر ثانی شدہ پیش گوئی سے بھی کم ہے۔ تاہم بنیادی افراط زر 9.0 فیصد پر بلند رہی، جس میں مزید اعتدال کے محدود اشارے موجود ہیں۔

مالی سال 25 کے 9 ماہ میں تجارتی خسارہ 15.9 فیصد اضافے سے 18.7 بلین ڈالر تک پہنچ گیا کیونکہ درآمدات برآمدات سے زیادہ تھیں۔ درآمدات 11.1 فیصد اضافے کے ساتھ 43.4 بلین ڈالر تک پہنچ گئیں، جس کی بنیادی وجہ کمزور ملکی فصل کو مشینری اور کپاس کا سہارا ہے۔ ٹیکسٹائل کے شعبے کی بحالی کی وجہ سے اسی عرصے کے دوران برآمدات سست رفتار سے بڑھ کر 7.7 فیصد سے 24.7 بلین ڈالر تک پہنچ گئیں۔ رمضان اور عید کے دوران ترسیلات زر کی رفتار میں تیزی آئی اور مارچ 25 میں یہ 4.1 بلین ڈالر کی ریکارڈ بلند ترین سطح پر پہنچ گئیں۔ مالی سال 25 کے 9 ماہ کے دوران 28.0 بلین ڈالر کی ترسیلات زر گزشتہ سال کے اسی عرصے کے مقابلے میں 33.2 فیصد زیادہ رہیں۔ نتیجتاً مالی سال 25 کے 9 ماہ کے کرنٹ اکاؤنٹ میں 1.9 بلین ڈالر کا سرپلس رہا جبکہ مالی سال 24 کے 9 ماہ کے دوران خسارہ 1.7 بلین ڈالر تھا اور مارچ 25 میں ملک کا سب سے زیادہ سرپلس ریکارڈ کیا گیا۔

اسٹاف لیول ایگریمنٹ کے ساتھ آئی ایم ایف اسٹاف مشن نے ای ایف ایف پروگرام کا پہلا جائزہ مکمل کیا، جو اصلاحاتی ایجنڈے کے لیے حکومت کی کوششوں اور عزم کا اعتراف ہے۔ آئی ایم ایف بورڈ کی منظوری کے بعد 1.0 بلین ڈالر کی دوسری قسط مل جائے گی، آئی ایم ایف کی ٹیم مئی میں وفاقی بجٹ پر تبادلہ خیال کے لیے آئے گی۔ پاکستان کی قدرتی آفات سے نمٹنے کی کوششوں میں مدد کے لیے 1.3 بلین ڈالر کی ماحولیاتی فیسلٹی پر بھی اتفاق کیا گیا۔ غیر ملکی زرمبادلہ کے ذخائر نومبر 24 کی بلند ترین سطح سے 1.4 بلین ڈالر کم ہیں، جس کی وجہ قرضوں کی بھاری ادائیگیاں اور آئی ایم ایف کی منظوری سے منسلک ترسیلات زر کا انتظار بھی ہے۔ تاہم ایس بی پی کو توقع ہے کہ قرضوں کی کم ادائیگیوں اور سرکاری ترسیلات زر کی متوقع وصولی کی وجہ سے جون 25 تک اس کے ذخائر 13.0 بلین ڈالر سے تجاوز کر جائیں گے۔ حال ہی میں فنانس منسٹر آؤٹ لک کے ساتھ پاکستان کی ریٹنگ کو CCC+ سے بڑھا کر B- کر دیا ہے جو رواں مالی سال میں ان کا دوسرا ریکارڈ ہے۔ ادارے نے آئی ایم ایف پروگرام کے تحت بہتر مالیاتی استحکام، بیرونی استحکام اور ساختی اصلاحات کی رفتار کو محرک عوامل قرار دیا ہے۔

پہلے 2 ماہ کے دوران محرکات میں کمی سے تجارتی اتار چڑھاؤ کے باوجود، پہلی سہ ماہی کے دوران مقامی اسٹاک ایکسچینج میں 2.3 فیصد اضافہ ہوا۔ مارچ 25 میں، آئی ایم ایف اسٹاف لیول ایگریمنٹ اور ممکنہ گردش قرضوں کے حل، جس سے، مالیاتی نرمی میں تعطل کا مقابلہ کرنے اور سرمایہ کاروں کا اعتماد بحال کرنے سے کہیں زیادہ انرجی جین کو فائدہ پہنچنے کی توقع تھی۔ اپریل کے آغاز میں، امریکی ٹریف کے اعلان کی وجہ سے عالمی بحران کے سبب کے ایس ای 100 ایک ہی دن میں 3.3 فیصد گر گیا، لیکن اس کے بعد سال کے اختتام کی سطح سے اوپر کی سطح پر بحال ہو گیا ہے۔

جون 24 کے بعد سے لگاتار 6 مہینوں میں شرح سود میں کمی کے بعد اسٹیٹ بینک کی مانیٹرنگ پالیسی کمیٹی نے صورت حال پر نظر رکھنے کی حکمت عملی اپنائی اور پالیسی ریٹ کو 12.0 فیصد پر برقرار رکھا۔ کمیٹی نے نمایاں مثبت حقیقی شرح سود کا اعتراف کیا۔ تاہم، اس نے اس بات پر بھی روشنی ڈالی کہ بنیادی افراط زر کی مضبوطی، ایکسٹرنل اکاؤنٹس پر بڑھتے ہوئے دباؤ اور امریکی ٹریف کے نفاذ کے دوران عالمی اتار چڑھاؤ میں محتاط رہنے کی ضرورت ہے۔ ایم پی سی نے یہ بھی نوٹ کیا کہ شرح سود میں حالیہ کٹوتی کے اثرات پہلے ہی حقیقی معیشت میں منتقل ہو رہے ہیں، جس کا اشارہ ہائی فریکوئنسی ڈیٹا میں بہتری اور کمزور مہر اور کاروباری اعتماد میں اضافے سے ہوتا ہے۔ اسے ڈی آر ٹیکس میں تبدیلیوں کی وجہ سے پہلی سہ ماہی میں نجی شعبے کے قرضوں میں 10.8 فیصد (1.1 ٹریلین روپے) کی کمی واقع ہوئی۔ نتیجتاً فروری 25 کے اختتام تک قرضوں میں 12.7 فیصد کمی آئی اور دسمبر 24 کے مقابلے میں ڈپازٹس میں 0.6 فیصد اضافہ ہوا۔ سال 25 کے 2 ماہ میں بینکنگ اسپریڈ سال 24 کے 2 ماہ کے مقابلے میں 22 بی پی ایس زیادہ تھا کیونکہ اثاثوں کی پیداوار کی ری پرائسنگ میں کمی سے ڈپازٹ لاگت میں کمی واقع ہوئی۔

## مالیاتی کارکردگی

ایچ بی ایل نے سال 25 کی پہلی سہ ماہی میں 34.2 بلین روپے کا قبل از ٹیکس غیر مجموعی منافع حاصل کیا ہے جو گزشتہ سال کے اسی عرصے کے مقابلے میں 15 فیصد زیادہ ہے۔ تمام کاروباری شعبوں میں ٹھوس کارکردگی کی وجہ سے مضبوط نتائج حاصل ہوئے۔ اضافی اور غیر مصفانہ ٹیکسوں کی وجہ سے بینکنگ سیکٹر پر مسلسل بوجھ بڑھ رہا ہے، بینک کا بعد از ٹیکس منافع 15.1 بلین روپے ہے جو سال 24 کی پہلی سہ ماہی کے مقابلے میں 4 فیصد زیادہ ہے۔ فی حصص آمدنی سال 24 کی پہلی سہ ماہی میں 9.95 روپے سے بڑھ کر سال 25 کی پہلی سہ ماہی میں 10.30 روپے ہو گئی۔

بینک کی بیلنس شیٹ 5.6 ٹریلین روپے رہی جس میں کل ڈپازٹس بڑھ کر 4.2 ٹریلین روپے ہو گئے۔ مقامی ڈپازٹس بڑھ کر 37.3 ٹریلین روپے تک پہنچ گئے، جس کی بنیادی وجہ کرنٹ اکاؤنٹس میں 127 بلین روپے کا اضافہ تھا، جس میں دسمبر 24 میں 37.3 فیصد سے بہتر ہو کر مارچ 25 میں 40.0 فیصد ہو گیا۔ صنعت کے مطابق مقامی قرضے سال کے آخر میں اپنی بلند



ترین سطح سے نیچے آگئے اور بینک کے مجموعی قرضے 1.8 ٹریلین روپے پر بند ہوئے۔ قرضوں میں مجموعی طور پر کمی کے باوجود ایچ بی ایل کے فلیگ شپ کنزیومرز بس نے اپنی نمبر قرار رکھتے ہوئے 148.3 بلین روپے بڑھ گیا۔

2024 کے دوران مالیاتی نرمی کے سبب، پالیسی ریٹ اب پہلی سہ ماہی کے مقابلے میں 1000 بی پی ایس کم ہے۔ اوسط بیلنس شیٹ میں 454 بلین روپے کے اضافے اور ڈپازٹ لاگت میں 520 بی پی ایس کی کمی سے ملکی خالص سودی آمدنی میں 14 فیصد اضافہ ہوا۔ بینک کی مجموعی خالص سودی آمدنی 11 فیصد اضافے کے ساتھ 62.8 بلین روپے رہی۔ ایچ بی ایل کی فیس فرنیچر برانچ بینکنگ اور بینکارشورنس میں ڈبل ڈیجٹل گروتھ کی وجہ سے آگے بڑھی، اس کے ساتھ ساتھ لیڈنگ کارڈز بس کے مضبوط نتائج بھی سامنے آئے جن سے 50 فیصد سے زائد فیس آتی ہے۔ سرمائے کی منفعت کی بروقت وصولی سے سال 25 کی پہلی سہ ماہی میں مجموعی نان فنڈ آمدنی 18.0 بلین روپے یکساں پر برقرار رہی۔ اس طرح ایچ بی ایل کی مجموعی آمدنی 80.9 بلین روپے تک پہنچ گئی، جو گزشتہ سال کے اسی عرصے کے مقابلے میں 8 فیصد زیادہ ہے۔

لاگت بہتر بنانے کے متعدد اقدامات جاری ہیں اور سال بہ سال اخراجات میں 5 فیصد کمی کے ساتھ بار آور ثابت ہو رہے ہیں۔ پچھلی سہ ماہی کے مقابلے میں اخراجات میں مزید 1 فیصد کمی آئی۔ نتیجتاً ایچ بی ایل کی سال 25 کی پہلی سہ ماہی میں لاگت اور آمدنی کا تناسب سال 24 کی پہلی سہ ماہی کے مقابلے میں 155 بی پی ایس کم ہو کر 55.0 فیصد رہ گیا۔ بینک کے نان پرفارمنگ قرضوں میں کمی کے باوجود، ایڈوانسز میں تیزی سے کمی کی وجہ سے انفیکشن کی شرح 5.3 فیصد تک بڑھ گئی، تاہم، یہ گزشتہ 12 ماہ میں بدستور سب سے کم ہے، جس کی کل کوریج 100 فیصد سے زیادہ ہے۔

## ذخائر میں اتار چڑھاؤ

ملین روپے
222,991
1,546
224,537

افتتاحی غیر تخصیص شدہ منافع  
اکاؤنٹنگ پالیسی میں تبدیلی کے اثرات  
افتتاحی غیر تخصیص شدہ منافع کے دوبارہ تخصیص

15,115
20
74
15,209
239,746

بینک ایکویٹی کے حامل افراد کے لیے قابل ادائیگی منافع  
اثاثہ جات کی دوبارہ تخصیص پر سرپلس سے منتقل شدہ۔ محصول کا خالص  
FVOCI کے طور پر ایکویٹی کی سرمایہ کاری پر موصولہ منافع

مناسب کارروائی کے لیے دستیاب منافع

(1,511)
(6,234)
(7,745)
232,001

## مختلف مدوں میں رکھی گئی رقم:

قانونی ذخائر میں منتقل شدہ  
نقد منافع منقسمہ - حتیٰ 2024  
کل تخصیص  
اختتامی غیر تخصیص شدہ منافع

10.30
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## فی حصص (شیر) آمدنی (روپے)

## سرمائے کا تناسب

مضبوط نتائج نے اندرونی طور پر پیدا ہونے والے سرمائے کو مضبوط بنانا جاری رکھا، جس نے Tier 1 کیپٹل ایڈیکویسی ریشو (CAR) میں 80 بی پی ایس کا اضافہ کیا۔ ایڈوانسز میں کمی کے باوجود، ایک بڑی ٹریڈنگ بک پر کل RWAs میں اضافہ ہوا۔ ایچ بی ایل کی مربوط Tier 1 CAR دسمبر 2024 کے مقابلے میں 40 بی پی ایس سے بڑھ کر 15.15 فیصد ہو گئی جبکہ غیر مجموعی Tier 1 CAR 28 بی پی ایس اضافے کے ساتھ 18.52 فیصد ہو گئی۔ دونوں تناسب ریگولیٹری تقاضوں سے اوپر آرام دہ سطح پر ہیں۔

## منافع منقسمہ

بورڈ آف ڈائریکٹرز نے 25 اپریل 2025 کو منعقد ہونے والے اجلاس میں 31 مارچ 2025 کو اختتام پذیر ہونے والی سہ ماہی کے لیے 4.50 روپے فی حصص (45%) کے عبوری نقد منافع منقسمہ کا اعلان کیا۔

## مستقبل کی صورت حال

حکومت نے ملک کے معاشی اور مالیاتی اشاریوں کے استحکام کا مقصد بڑی حد تک حاصل کر لیا ہے۔ ان میں افراط زر کے دباؤ میں کمی اور گزشتہ سال کے دوران پالیسی ریٹ میں 1000 بی پی ایس کی کمی شامل ہے۔ مالی سال 25 میں جی ڈی پی کی شرح نمو میں معمولی اضافہ 3.0 فیصد تک پہنچ گیا۔ روپے کے استحکام میں پائیداری کے ساتھ ساتھ کرنٹ اکاؤنٹ بیلنس بے ضرر رہا۔ ایچ



بی ایل مینوفیکچرنگ پی ایم آئی نے سال 25 کی پہلی سہ ماہی میں اوسطاً 54.1 کی اوسط حاصل کی، جو نیوٹرل 50.0 مارک سے کہیں زیادہ ہے، جس کی قیادت نئے آرڈر ز اور آؤٹ پٹ نے کی ہے، جو طلب میں پیک کی ابتدا کی نشاندہی کرتی ہے۔

اگلا، زیادہ مشکل کام یہ ہے کہ پائیدار، مضبوط اقتصادی ترقی کے لیے ایک پلیٹ فارم قائم کرنے کی غرض سے وسیع پیمانے پر شعبوں میں ہول سیل اصلاحات کا آغاز کیا جائے۔ نوزائیدہ ترقی کے آؤٹ لک کو ساختی اصلاحات میں تیزی سے تقویت دینے کی ضرورت ہے۔ ٹیکس میں کو متنوع بنانے پر پیش رفت نے زرعی آمدنی پر ٹیکس کی منظوری میں ایک اہم رکاوٹ عبور کی ہے۔ تاہم، سب سے مشکل حصہ ان ٹیکسوں کا نفاذ اور حصول ہو گا۔ مزید، حکومت کو تاجروں، ریل اسٹیٹ اور دیگر تاریخی طور پر خارج شعبوں کو شامل کر کے ٹیکس بیس وسیع کرنا چاہیے، بجائے اس کے کہ وہ زیادہ ٹیکس لگانے کا سلسلہ جاری رکھے۔ نجکاری سے آج تک کوئی نتیجہ برآمد نہیں ہوا ہے اور سرکاری خزانے پر خسارے میں چلنے والے ایس او ایز کا ضیاع روکنے کے لیے کوششیں تیز کی جانی چاہئیں۔

تاریخی طور پر اعلیٰ حقیقی شرحیں اور سازگار اجناس اب تک بھی سینٹرل بینک کی طرف سے زیادہ پیکڈ ارمائیٹری پالیسی کے موقف کی حمایت کر سکتی ہیں۔ تاہم، سابقہ پالیسی ریٹ میں کمی کے منفی اثرات کا محتاط جائزہ ضروری ہے، جبکہ بنیادی افراط زر میں ابھی اسی حد تک کمی آئی ہے۔ لہذا شرح سود میں بتدریج مزید کٹوتی کا امکان ہے۔

بین الاقوامی محاذ پر، ٹرمپ کی باہمی ٹیرف پالیسی اور چین اور یورپی یونین کی طرف سے جوابی ٹیرف کے بعد اضافے کے امکانات عالمی مالیاتی اور اقتصادی ڈھانچے کو نقصان پہنچانے کی صلاحیت رکھتے ہیں اور مارکیٹوں میں نمایاں دباؤ کا باعث بن رہے ہیں۔ اس کے دنیا بھر میں دور رس اثرات مرتب ہوں گے، یہاں تک کہ پاکستان جیسی نسبتاً معمولی تجارت پر مبنی معیشت کے لیے بھی۔ پھیلاؤ اور سکڑاؤ کی نوعیت کے اعلانات کے ساتھ، کاروباری ادارے غیر یقینی صورتحال کا شکار ہیں، اور یہ بذات خود ترقی کے امکانات کو متاثر کر رہے ہیں کیونکہ سرمایہ کاری کے منصوبے بڑی حد تک رکے ہوئے ہیں۔ پاکستان کے لیے اعلان کردہ 29 فیصد ٹیرف سے امریکی برآمدات پر منفی اثرات مرتب ہو سکتے ہیں لیکن تیل کی قیمتوں میں کمی کی وجہ سے اس کی جزوی تلافی کی جائے گی اور بریٹ کی قیمت 70 ڈالر فی بیرل سے بھی نیچے آجائے گی۔ امکان ہے کہ یہ ایک مضبوط کرنٹ اکاؤنٹ کی صورت ظاہر ہو گا اور افراط زر کا ایک بے ضرر آؤٹ لک برقرار رکھے گا۔

ایچ بی ایل نے 2025 میں زبردست آغاز سے ایک اور ریکارڈ سہ ماہی مکمل کی ہے۔ بینک آبادی کے مسلسل بڑھتے ہوئے حصے میں بینکاری لا کر اپنی شمولیت کے کا مقصد آگے بڑھا رہا ہے، جس کے تحت اب 40 ملین کسٹمرز کی خدمت جاری ہے۔ بینک کی ڈیجیٹل موجودگی میں اضافہ ہوا ہے، صرف 2025 کی پہلی سہ ماہی میں موبائل اور انٹرنیٹ بینکنگ کے 4.7 ملین کسٹمرز نے 2.6 ٹریلین روپے سے زیادہ کا ٹرانزیکشن کیا ہے۔ حجم میں تقریباً 20 فیصد اضافے کے ساتھ، کنیکٹ کی رفتار برقرار ہے۔ ایچ بی ایل زرعت کے اہم شعبے میں براہ راست قرضوں کے ذریعے اپنی معاونت جاری رکھے ہوئے ہے، جہاں اس کے پاس مارکیٹ کا تقریباً ایک تہائی حصہ ہے اور ساتھ ہی ایچ بی ایل زرعی کے ذریعے کسانوں کی آمدنی اور معیار زندگی بلند کرنے کے ساتھ ان میں تبدیلی لارہا ہے۔ بینک کی اپنے کاروبار کے تمام پہلوؤں میں پائیداری کے ساتھ 2030 تک نیٹ زیرو کے ہدف کی طرف مستقل پیش رفت جاری ہے۔ ایچ بی ایل پی ایس ایل 10 چل رہا ہے، جو کرکٹ اور پاکستان کے ساتھ بینک کی وابستگی کی ایک دہائی کا جشن منا رہا ہے۔ ایچ بی ایل پاکستان اور پاکستانیوں کا روشن مستقبل یقینی بنانے کے لیے ہر شعبے میں آگے بڑھ رہا ہے اور بڑھتا رہے گا۔

## اظہار تشکر

ہم اپنے ریگولیٹرز اور حکومت پاکستان، بالخصوص اسٹیٹ بینک آف پاکستان، وزارت مالیات اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی کاوشوں کا اعتراف کرتے ہیں۔ اس غیر معمولی اور مشکل وقت میں، انھوں نے ایسی پالیسی سازی اور اقدامات کیے جو مصلحت اندیش، اور متوازن ہیں، معیشت، کسٹمرز اور پاکستان کے عوام کی حفاظت کرتے ہیں، اور بینکنگ اور فنانشل سروسز انڈسٹری کی سالمیت اور بہتری کا تحفظ بھی کرتے ہیں۔

ہم اپنے کسٹمرز کے احسان مند ہیں جو نسلوں سے ہمارے ساتھ بینکاری کر رہے ہیں اور اپنے کاروبار اور اعتماد کے حوالے سے ہم پر بھروسہ قائم رکھے ہوئے ہیں۔ ہمارے شیئر ہولڈرز نے ثابت قدمی سے ہمارا ساتھ دیا اور ان کے ساتھ ہم تمام اسٹیک ہولڈرز کے بھی انتہائی شکر گزار ہیں۔ بورڈ اور انتظامیہ گورننس کے اعلیٰ ترین معیارات برقرار رکھنے کے لیے پُر عزم ہے اور ہم اپنے اسٹیک ہولڈرز کو یقین دلاتے ہیں کہ اس خطے میں ہم اپنی کاروباری صنعت میں عروج پر ہوں گے۔

آخر میں، مگر صرف یہی نہیں، ہم اپنے تمام ملازمین اور ان کے اہل خانہ، بالخصوص کسٹمر کا سامنا کرنے والے یونٹس اور برانچوں میں موجود عملے کے شکر گزار ہیں، جو اپنی پرواہ کیے بغیر مسلسل اپنے فرائض سے بڑھ کر کام کرتے ہوئے ہمارے کسٹمرز کی بنیادی ضروریات کی تکمیل یقینی بنا رہے ہیں۔ یہ ہمارے ہیرو اور ہیروئن ہیں اور ہم ان کے عزم اور انتھک محنت کے لیے انھیں خراج تحسین پیش کرتے ہیں۔

منجانب بورڈ

معیز احمد جمال  
ڈائریکٹر

محمد ناصر سلیم  
صدر اور چیف ایگزیکٹو افسر

25 اپریل 2025ء



# CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2025

	Note	(Unaudited) March 31, 2025	(Audited) December 31, 2024
		------(Rupees in '000)-----	
<b>ASSETS</b>			
Cash and balances with treasury banks	5	464,212,706	421,135,641
Balances with other banks	6	35,054,510	42,050,611
Lendings to financial institutions	7	110,655,295	84,293,922
Investments	8	2,714,436,937	2,398,928,165
Advances	9	1,753,867,143	2,254,964,431
Property and equipment	10	128,890,844	126,902,235
Right-of-use assets	11	23,540,487	23,402,937
Intangible assets	12	18,899,252	17,022,673
Deferred tax assets	13	4,906,034	3,213,765
Other assets	14	297,131,449	287,889,450
		5,551,594,657	5,659,803,830
<b>LIABILITIES</b>			
Bills payable	15	55,838,199	94,853,624
Borrowings	16	594,025,299	787,746,499
Deposits and other accounts	17	4,187,822,379	4,091,168,379
Lease liabilities	18	31,350,565	30,788,980
Subordinated debt	19	18,874,000	18,874,000
Deferred tax liabilities		-	-
Other liabilities	20	277,086,852	258,587,052
		5,164,997,294	5,282,018,534
<b>NET ASSETS</b>		386,597,363	377,785,296
<b>REPRESENTED BY</b>			
<b>Shareholders' equity</b>			
Share capital		14,668,525	14,668,525
Reserves		84,328,083	82,636,883
Surplus on revaluation of assets - net of tax	21	55,600,069	57,488,888
Unappropriated profit		232,000,686	222,991,000
		386,597,363	377,785,296
<b>CONTINGENCIES AND COMMITMENTS</b>			
	22		

The annexed notes 1 to 41 form an integral part of these condensed interim unconsolidated financial statements.

Muhammad Nassir Salim  
President and  
Chief Executive Officer

Rayomond Kotwal  
Chief Financial Officer

Moez Ahamed Jamal  
Director

Dr. Najeeb Samie  
Director

Salim Raza  
Director



# CONDENSED INTERIM UNCONSOLIDATED PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

	Note	January 01 to March 31, 2025	January 01 to March 31, 2024
		----- (Rupees in '000) -----	
Mark-up / return / profit / interest earned	24	145,529,572	187,104,017
Mark-up / return / profit / interest expensed	25	82,695,893	130,578,896
Net mark-up / return / profit / interest income		62,833,679	56,525,121
<b>Non mark-up / interest income</b>			
Fee and commission income	26	9,086,140	10,530,818
Dividend income		1,570,260	1,653,891
Foreign exchange income		2,223,389	3,812,945
Income from derivatives		780,774	2,417,841
Gain / (loss) on securities - net	27	4,186,261	(287,107)
Other income	28	182,450	40,112
Total non mark-up / interest income		18,029,274	18,168,500
Total income		80,862,953	74,693,621
<b>Non mark-up / interest expenses</b>			
Operating expenses	29	44,458,480	42,225,607
Workers' Welfare Fund		684,051	579,105
Other charges	30	11,291	158,496
Total non mark-up / interest expenses		45,153,822	42,963,208
<b>Profit before credit loss allowance and taxation</b>		35,709,131	31,730,413
Credit loss allowance and write offs - net	31	1,488,754	2,038,597
<b>Profit before taxation</b>		34,220,377	29,691,816
<b>Taxation</b>	32	19,104,827	15,096,839
<b>Profit after taxation</b>		15,115,550	14,594,977
		----- (Rupees) -----	
<b>Basic and diluted earnings per share</b>	33	10.30	9.95

The annexed notes 1 to 41 form an integral part of these condensed interim unconsolidated financial statements.

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President and  
Chief Executive Officer

Rayomond Kotwal  
Chief Financial Officer

Moez Ahamed Jamal  
Director

Dr. Najeeb Samie  
Director

Salim Raza  
Director



# CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

	January 01 to March 31, 2025 ----- (Rupees in '000) -----	January 01 to March 31, 2024 ----- (Rupees in '000) -----
<b>Profit after taxation for the period</b>	<b>15,115,550</b>	<b>14,594,977</b>
<b>Other comprehensive income / (loss)</b>		
<i>Items that may be reclassified to the profit and loss account in subsequent periods:</i>		
Effect of translation of net investment in foreign branches - net of tax	<b>179,645</b>	(2,240,790)
Movement in surplus / deficit on revaluation of debt investments designated at Fair value through other comprehensive income (FVOCI) - net of tax	<b>(5,862,763)</b>	3,226,834
<i>Items that are not to be reclassified to the profit and loss account in subsequent periods:</i>		
Movement in surplus / deficit on revaluation of equity investments - net of tax	<b>53,172</b>	66,175
<b>Total comprehensive income</b>	<b><u>9,485,604</u></b>	<b><u>15,647,196</u></b>

The annexed notes 1 to 41 form an integral part of these condensed interim unconsolidated financial statements.

Muhammad Nassir Salim  
President and  
Chief Executive Officer

Rayomond Kotwal  
Chief Financial Officer

Moez Ahamed Jamal  
Director

Dr. Najeeb Samie  
Director

Salim Raza  
Director



# CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

## Balance as at December 31, 2023 - as reported

Change in accounting policy as at January 01, 2024

## Balance as at January 01, 2024 - as restated

## Comprehensive income for the three months ended March 31, 2024

Profit after taxation for the three months ended March 31, 2024

## Other comprehensive income / (loss)

Effect of translation of net investment in foreign branches - net of tax

Movement in surplus / deficit on revaluation of investments in equity

instruments - net of tax

Movement in surplus / deficit on revaluation of investments in debt

instruments - net of tax

Transferred to statutory reserve

Net realised gain on sale equity investments - net of tax

Transferred from surplus on revaluation of assets - net of tax

## Transactions with owners, recorded directly in equity

Final cash dividend - Rs 4 per share declared subsequent

to the year ended December 31, 2023

## Balance as at March 31, 2024

## Comprehensive income for the nine months ended December 31, 2024

Profit after taxation for the nine months ended December 31, 2024

## Other comprehensive income / (loss)

Effect of translation of net investment in foreign branches - net of tax

- Movement in surplus / deficit on revaluation of equity investments - net of tax

- Movement in surplus / deficit on revaluation of debt investments - net of tax

- Movement in surplus on revaluation of Property and equipment - net of tax

- Movement in surplus on revaluation of non-banking assets - net of tax

Net remeasurement loss on defined benefit obligations - net of tax

Movement in surplus / deficit on revaluation of assets - net of tax

Transferred to statutory reserve

Net realised gain on sale of equity investments - net of tax

Transferred from surplus on revaluation of assets - net of tax

Exchange gain realised on closure / sale of the Bank's branches - net of tax

## Transactions with owners, recorded directly in equity

1st interim cash dividend - Rs 4.00 per share

2nd interim cash dividend - Rs 4.00 per share

3rd interim cash dividend - Rs 4.00 per share

## Balance as at December 31, 2024 - as reported

Change in accounting policy as at January 01, 2025 - note 3.3

## Balance as at January 01, 2025 - as restated

## Comprehensive income for the three months ended March 31, 2025

Profit after taxation for the three months ended March 31, 2025

## Other comprehensive income / (loss)

Effect of translation of net investment in foreign branches - net of tax

Movement in surplus / deficit on revaluation of equity investments - net of tax

Movement in surplus / deficit on revaluation of debt investments - net of tax

Transferred to statutory reserve

Net realised gain on sale of equity investments - net of tax

Transferred from surplus on revaluation of assets - net of tax

## Transactions with owners, recorded directly in equity

Final cash dividend - Rs 4.25 per share declared subsequent

to the year ended December 31, 2024

## Balance as at March 31, 2025

Share capital	Reserves			Surplus / (deficit) on revaluation of		Unappropriated profit	Total
	Statutory	Capital		Investments	Property & Equipment / Non Banking Assets		
		Exchange Translation	Non - distributable				
(Rupees in '000)							
14,668,525	48,815,676	36,876,909	547,115	(16,152,001)	42,531,539	206,491,645	333,779,408
-	-	-	-	(954,905)	-	(12,152,096)	(13,107,001)
14,668,525	48,815,676	36,876,909	547,115	(17,106,906)	42,531,539	194,339,549	320,672,407
-	-	-	-	-	-	14,594,977	14,594,977
-	-	(2,240,790)	-	-	-	-	(2,240,790)
-	-	-	-	66,175	-	-	66,175
-	-	-	-	3,226,834	-	-	3,226,834
-	-	(2,240,790)	-	3,293,009	-	14,594,977	15,647,196
-	1,459,498	-	-	-	-	(1,459,498)	-
-	-	-	-	(99,174)	-	99,174	-
-	-	-	-	-	(21,487)	21,487	-
-	-	-	-	-	-	(5,867,410)	(5,867,410)
14,668,525	50,275,174	34,636,119	547,115	(13,913,071)	42,510,052	201,728,279	330,452,193
-	-	-	-	-	-	42,170,842	42,170,842
-	-	(1,486,867)	-	-	-	-	(1,486,867)
-	-	-	-	3,212,776	-	-	3,212,776
-	-	-	-	26,927,799	-	-	26,927,799
-	-	-	-	-	(225,276)	-	(225,276)
-	-	-	-	-	29,730	-	29,730
-	-	-	-	-	-	(141,929)	(141,929)
-	-	(1,486,867)	-	30,140,575	(195,546)	42,028,913	70,487,075
-	4,217,084	-	-	-	-	(4,217,084)	-
-	-	-	-	(864,448)	-	864,448	-
-	-	-	-	-	(188,674)	188,674	-
-	-	(5,551,742)	-	-	-	-	(5,551,742)
-	-	-	-	-	-	(5,867,410)	(5,867,410)
-	-	-	-	-	-	(5,867,410)	(5,867,410)
-	-	-	-	-	-	(5,867,410)	(5,867,410)
-	-	-	-	-	-	(17,602,230)	(17,602,230)
14,668,525	54,492,258	27,597,510	547,115	15,363,056	42,125,832	222,991,000	377,785,296
-	-	-	-	4,014,627	-	1,545,959	5,560,586
14,668,525	54,492,258	27,597,510	547,115	19,377,683	42,125,832	224,536,959	383,345,882
-	-	-	-	-	-	15,115,550	15,115,550
-	-	179,645	-	-	-	-	179,645
-	-	-	-	53,172	-	-	53,172
-	-	-	-	(5,862,763)	-	-	(5,862,763)
-	-	179,645	-	(5,809,591)	-	15,115,550	9,485,604
-	1,511,555	-	-	-	-	(1,511,555)	-
-	-	-	-	(73,799)	-	73,799	-
-	-	-	-	-	(20,056)	20,056	-
-	-	-	-	-	-	(6,234,123)	(6,234,123)
14,668,525	56,003,813	27,777,155	547,115	13,494,293	42,105,776	232,000,686	386,597,363

The annexed notes 1 to 41 form an integral part of these condensed interim unconsolidated financial statements.

Muhammad Nassir Salim  
President and  
Chief Executive Officer

Rayomond Kotwal  
Chief Financial Officer

Moez Ahamed Jamal  
Director

Dr. Najeeb Samie  
Director

Salim Raza  
Director



# CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

	January 01 to March 31, 2025	January 01 to March 31, 2024
	------(Rupees in '000)-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	34,220,377	29,691,816
Dividend income	(1,570,260)	(1,653,891)
Mark-up / return / profit / interest expensed on subordinated debt	648,248	1,088,714
	<u>33,298,365</u>	<u>29,126,639</u>
<b>Adjustments:</b>		
Depreciation	2,694,673	2,460,172
Amortisation	647,189	642,821
Depreciation on right-of-use assets	971,577	947,857
Mark-up / return / profit / interest expensed on lease liability against right-of-use assets	900,366	861,673
Credit loss allowance against investments	10,592	285,224
Credit loss allowance against loans and advances	4,252,323	1,731,727
Credit loss allowance against cash and cash equivalents	(472)	-
(Reversal) / charge of credit loss allowance against other assets	(100,377)	405
(Reversal) / charge of credit loss allowance against off-balance sheet obligations	(2,482,705)	231,936
Unrealised loss on fair value through profit and loss (FVTPL) securities	590,843	125,359
Gain on sale of property and equipment - net	(3,788)	(12,723)
Workers' Welfare Fund	684,051	579,105
	<u>8,164,272</u>	<u>7,853,556</u>
	<u>41,462,637</u>	<u>36,980,195</u>
<b>(Increase) / decrease in operating assets</b>		
Lendings to financial institutions	(26,361,373)	17,029,142
FVTPL securities	(16,138,935)	9,420,338
Advances	496,844,965	83,951,214
Other assets (excluding advance taxation)	(9,177,375)	(31,791,837)
	<u>445,167,282</u>	<u>78,608,857</u>
<b>Increase / (decrease) in operating liabilities</b>		
Bills payable	(39,015,425)	(6,325,695)
Borrowings from financial institutions	(193,721,200)	(330,681,404)
Deposits and other accounts	96,654,000	234,456,904
Other liabilities	15,127,330	29,085,159
	<u>(120,955,295)</u>	<u>(73,465,036)</u>
	<u>365,674,624</u>	<u>42,124,016</u>
	<u>(20,199,234)</u>	<u>(16,292,247)</u>
	<u>345,475,390</u>	<u>25,831,769</u>
Income tax paid		
<b>Net cash flows generated from operating activities</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net investment in FVOCI securities	(302,093,952)	(32,808,843)
Net investment in securities carried at Amortised Cost	360,642	(11,730,884)
Net investment in subsidiaries	(48,438)	(2,000,000)
Net investment in associates	15,512	4,880
Dividend received	1,206,804	1,337,629
Investments in property and equipment	(4,501,956)	(2,995,050)
Investments in intangible assets	(2,270,899)	(1,110,315)
Proceeds from sale of property and equipment	6,330	27,130
Effect of translation of net investment in foreign branches - net of tax	179,645	(2,240,790)
<b>Net cash flows used in investing activities</b>	<u>(307,146,312)</u>	<u>(51,516,243)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of mark-up on subordinated debt	(648,628)	(1,518,632)
Payment of lease liability against right-of-use assets	(1,599,486)	(653,020)
Dividend paid	-	(3,721)
<b>Net cash flows used in financing activities</b>	<u>(2,248,114)</u>	<u>(2,175,373)</u>
	<u>36,080,964</u>	<u>(27,859,847)</u>
<b>Increase / (decrease) in cash and cash equivalents during the period</b>		
Cash and cash equivalents at the beginning of the period	445,557,484	550,572,814
Effect of exchange rate changes on cash and cash equivalents	17,628,768	(2,378,731)
	<u>463,186,252</u>	<u>548,194,083</u>
<b>Cash and cash equivalents at the end of the period</b>	<u>499,267,216</u>	<u>520,334,236</u>

The annexed notes 1 to 41 form an integral part of these condensed interim unconsolidated financial statements.

Muhammad Nassir Salim  
President and  
Chief Executive Officer

Rayomond Kotwal  
Chief Financial Officer

Moez Ahamed Jamal  
Director

Dr. Najeeb Samie  
Director

Salim Raza  
Director



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

## 1 STATUS AND NATURE OF BUSINESS

Habib Bank Limited (the Bank) is incorporated in Pakistan and is engaged in commercial banking services in Pakistan and overseas. The Bank's registered office is at Habib Bank Tower, 9th Floor, Jinnah Avenue, Blue Area, Islamabad, Pakistan and its principal office is at HBL Tower, Plot # G-4, KDA Scheme 5, Block 7, Clifton, Karachi, Pakistan. The Bank's shares are listed on the Pakistan Stock Exchange. The Bank operates 1,675 (December 31, 2024: 1,705) branches inside Pakistan including 408 (December 31, 2024: 408) Islamic Banking Branches and 27 (December 31, 2024: 27) branches outside the country including in the Karachi Export Processing Zone (KEPZ). The Aga Khan Fund for Economic Development S.A. (AKFED) is the parent company of the Bank and its registered office is in Geneva, Switzerland.

- 1.1 The Bank had commenced an orderly winding down of its operations in Afghanistan and banking operations were ceased on June 10, 2019. The remaining formalities required for closure are now in progress.
- 1.2 The Bank has sold its operations in Mauritius and has transferred the business to its new owners. The deregistration and related exit formalities are underway.
- 1.3 The Bank has commenced an orderly wind-down of its Lebanon operations. Formalities for completion of the wind-down are underway.
- 1.4 After obtaining approval from the National Bank of Belgium for the deregistration of its Belgium operations, the Bank has commenced an orderly and phase wise exit.

## 2 BASIS OF PRESENTATION

### 2.1 STATEMENT OF COMPLIANCE

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962;
- Provisions of and directives issued under the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP) from time to time.

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

- 2.2 The disclosures made in these condensed interim unconsolidated financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 2 dated February 09, 2023 and IAS 34. These condensed interim unconsolidated financial statements do not include all the information and disclosures required for annual unconsolidated financial statements and should be read in conjunction with the unconsolidated financial statements for the year ended December 31, 2024.

### 2.3 Amendments to existing accounting and reporting standards that have become effective in the current year

As directed by the SBP via BPRD Circular letter no. 7 of 2023, the results of overseas operations where IFRS 9, Financial Instruments is not applicable, are required to be adjusted in accordance with the requirements of IFRS 9 for the purpose of consolidation with effect from January 01, 2025.

As directed by the SBP vide BPRD Circular letter no. 16 of 2024, unlisted equity securities which were carried at the lower of cost or breakup value till December 31, 2024, are required to be carried at fair value with effect from January 01, 2025.

Except for the changes mentioned above, the Bank expects that amendments to existing accounting and reporting standards will not affect its financial statements in the period of initial application.



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

## 2.4 Amendments to existing accounting and reporting standards that are not yet effective

There are various amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective. These are not likely to have a material effect on the Group's financial statements.

## 2.5 Critical accounting estimates and judgements

The basis for accounting estimates and judgements adopted in the preparation of these condensed interim consolidated financial statements is the same as that applied in the preparation of the consolidated financial statements for the year ended December 31, 2024, except for changes as discussed in note 3.2.

## 3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these condensed interim consolidated financial statements are consistent with those followed in the preparation of the consolidated financial statements for the year ended December 31, 2024. The impact of amendments to existing accounting standards as mentioned in note 2.3 are summarized below:

### 3.1 Transitional Impact

To account for the changes, the Bank has elected to follow the modified retrospective approach for restatement as allowed under IFRS 9. The cumulative impact has been recorded as an adjustment to equity as of January 01, 2025. Accordingly, the information presented as of December 31, 2024 and for the quarter ended March 31, 2024 has not been restated.

The following table reconciles the carrying amounts of financial instruments reported in accordance with the previous financial reporting framework with the carrying amounts reported under the new financial reporting framework.

Financial Assets / Liabilities	Carrying amount as of December 31, 2024	Fair valuation of unlisted securities	Carrying amount as of January 01, 2025
	----- (Rupees in '000) -----		
Cash and balances with treasury banks	421,135,641	-	421,135,641
Balances with other banks	42,050,611	-	42,050,611
Lendings to financial institutions	84,293,922	-	84,293,922
Investments			
FVTPL	107,546,049	3,289,274	110,835,323
FVOCI	1,838,087,606	8,363,806	1,846,451,412
Amortised Cost	409,140,806	-	409,140,806
Associates and subsidiaries	44,153,704	-	44,153,704
Advances	2,254,964,431	-	2,254,964,431
Other assets	253,378,795	-	253,378,795
<b>Total Financial Assets</b>	<b>5,454,751,565</b>	<b>11,653,080</b>	<b>5,466,404,645</b>
Bills payable	94,853,624	-	94,853,624
Borrowings	787,746,499	-	787,746,499
Deposits and other accounts	4,091,168,379	-	4,091,168,379
Subordinated debt	18,874,000	-	18,874,000
Lease liabilities	30,788,980	-	30,788,980
Other liabilities	226,188,326	-	226,188,326
<b>Total Financial Liabilities</b>	<b>5,249,619,808</b>	<b>-</b>	<b>5,249,619,808</b>
<b>Net Financial Assets</b>	<b>205,131,757</b>	<b>11,653,080</b>	<b>216,784,837</b>
Net Non Financial Assets	175,867,304	-	175,867,304
Deferred tax liabilities	(3,213,765)	(6,092,494)	(9,306,259)
<b>Total Net Assets</b>	<b>377,785,296</b>	<b>5,560,585</b>	<b>383,345,881</b>

### 3.2 Fair valuation of unlisted equity securities

The measurement of the fair value of investments in unquoted equity securities involves the use of different methodologies and assumptions. The Bank uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation techniques incorporate various factors that market participants would consider in pricing a transaction.

When observable inputs are not readily available, the fair value is determined using valuation techniques that include the use of mathematical models such as the dividend growth model and discounted cashflow techniques.



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

## 3.3 Reconciliation of retained earnings and surplus on revaluation of investments

The impact of the transition to IFRS 9 on retained earnings and on the surplus on revaluation of investments as at January 01, 2025 is as follows:

### Retained earnings

(Rupees in '000)

Closing balance as at December 31, 2024 - as reported	222,991,000
Increase in the fair valuation of unlisted equity securities carried at FVTPL	3,289,274
Less: related deferred tax	(1,743,315)
	1,545,959
Opening balance as at January 01, 2025 - as restated	224,536,959

### Surplus on revaluation of investments

Closing balance as at December 31, 2024 - as reported	15,363,056
Increase in the fair valuation of unlisted equity securities carried at FVOCI	8,363,806
Less: related deferred tax	(4,349,179)
	4,014,627
Opening balance as at January 01, 2025 - as restated	19,377,683

## 4 FINANCIAL RISK MANAGEMENT

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



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

	Note	(Unaudited) March 31, 2025	(Audited) December 31, 2024
----- (Rupees in '000) -----			
<b>5 CASH AND BALANCES WITH TREASURY BANKS</b>			
In hand			
Local currency		84,898,617	72,576,912
Foreign currencies		7,131,825	6,757,289
		<u>92,030,442</u>	<u>79,334,201</u>
With State Bank of Pakistan in			
Local currency current accounts		182,802,178	171,872,856
Foreign currency current accounts		11,027,419	12,400,210
Foreign currency deposit accounts		22,623,908	25,348,734
		<u>216,453,505</u>	<u>209,621,800</u>
With other Central Banks in			
Foreign currency current accounts		50,089,419	40,246,849
Foreign currency deposit accounts		11,836,776	37,044,013
		<u>61,926,195</u>	<u>77,290,862</u>
With National Bank of Pakistan in local currency current accounts		93,577,381	54,649,751
National Prize Bonds		229,726	244,123
Less: credit loss allowance	5.1	(4,543)	(5,096)
Cash and balances with Treasury banks - net of credit loss allowance		<u>464,212,706</u>	<u>421,135,641</u>
5.1 Cash and balances with Treasury banks are all classified as Stage 1.			
<b>6 BALANCES WITH OTHER BANKS</b>			
In Pakistan			
In current accounts		241,539	265,340
Outside Pakistan			
In current accounts		26,889,415	25,793,611
In deposit accounts		7,927,478	15,994,849
		<u>34,816,893</u>	<u>41,788,460</u>
Less: credit loss allowance	6.1	(3,922)	(3,189)
Balances with other banks - net of credit loss allowance		<u>35,054,510</u>	<u>42,050,611</u>
6.1 Balances with other banks are all classified as Stage 1.			
<b>7 LENDINGS TO FINANCIAL INSTITUTIONS</b>			
Call money lendings		9,600,000	9,500,000
Repurchase agreement lendings (reverse repo)		101,063,089	74,801,635
		<u>110,663,089</u>	<u>84,301,635</u>
Less: credit loss allowance	7.1	(7,794)	(7,713)
Lendings to financial institutions - net of credit loss allowance		<u>110,655,295</u>	<u>84,293,922</u>
7.1 Lendings to financial institutions are all classified as Stage 1.			



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

## 8 INVESTMENTS

Note	March 31, 2025 (Unaudited)				December 31, 2024 (Audited)			
	Cost / amortised cost	Credit loss allowance / provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Credit loss allowance / provision for diminution	Surplus / (deficit)	Carrying value

### 8.1 Investments by type

(Rupees in '000)

#### Fair value through profit or loss (FVTPL)

##### Federal Government securities

- Market Treasury Bills	57,309,988	-	(86,306)	57,223,682	37,601,772	-	92,611	37,694,383
- Pakistan Investment Bonds	35,343,658	-	60,201	35,403,859	37,637,284	-	147,628	37,784,912
- Ijarah Sukuk	8,799,786	-	40,375	8,840,161	12,810,694	-	104,464	12,915,158
- Other Federal Government securities	1,255,550	-	-	1,255,550	2,580,725	-	-	2,580,725

##### Shares

- Listed companies	1,707,738	-	(15,325)	1,692,413	-	-	-	-
- Unlisted companies	7,788,741	-	-	7,788,741	4,496,354	-	-	4,496,354

##### Non-Government debt securities

- Listed	2,691,019	-	-	2,691,019	2,722,858	-	(31,839)	2,691,019
- Unlisted	801,000	-	-	801,000	801,000	-	-	801,000

##### Foreign securities

- Government debt securities	3,768,532	-	(171,562)	3,596,970	4,576,452	-	(236,941)	4,339,511
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##### Preference shares

- Listed	835,400	-	(20,300)	815,100	877,400	-	(42,000)	835,400
- Unlisted	14,465	-	-	14,465	38,480	-	-	38,480

##### Real Estate Investment Trust units

- Listed	3,369,107	-	(397,926)	2,971,181	2,210,700	-	1,158,407	3,369,107
	123,684,984	-	(590,843)	123,094,141	106,353,719	-	1,192,330	107,546,049

#### Fair value through other comprehensive income (FVOCI)

##### Federal Government securities

- Market Treasury Bills	180,825,087	-	1,437,850	182,262,937	275,432,878	-	7,004,086	282,436,964
- Pakistan Investment Bonds	1,372,791,239	-	3,633,492	1,376,424,731	1,034,682,135	-	7,160,003	1,041,842,138
- Ijarah Sukuk	316,248,447	-	8,154,480	324,402,927	287,654,823	-	12,551,056	300,205,879
- Government of Pakistan US Dollar Bonds	12,542,702	(2,315,780)	1,904,474	12,131,396	12,470,809	(2,287,931)	1,676,199	11,859,077

##### Shares

- Listed companies	18,820,560	-	2,646,233	21,466,793	17,814,570	-	2,703,103	20,517,673
- Unlisted companies	1,018,684	-	8,166,267	9,184,951	1,018,686	-	(137,414)	881,272

##### Non-Government debt securities

- Listed	48,132,568	(1,431,866)	1,152,476	47,853,178	48,349,774	(1,432,238)	633,484	47,551,020
- Unlisted	967,719	(367,719)	1,666	601,666	973,382	(373,382)	4,922	604,922

##### Foreign securities

- Government debt securities	151,015,202	(797,730)	645,935	150,863,407	121,352,906	(800,540)	374,178	120,926,544
- Non-Government debt securities								
- Listed	12,764,547	(4,784)	159,194	12,918,957	11,011,177	(4,299)	45,646	11,052,524
- Equity securities - Unlisted	6,494	-	60,125	66,619	6,459	-	-	6,459

##### National Investment Unit Trust units

	11,113	-	80,968	92,081	11,113	-	83,271	94,384
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##### Real Estate Investment Trust units

- Listed	55,000	-	69,950	124,950	55,000	-	53,750	108,750
	2,115,199,362	(4,917,879)	28,113,110	2,138,394,593	1,810,833,712	(4,898,390)	32,152,284	1,838,087,606

#### Amortised cost

8.2

##### Federal Government securities

- Market Treasury Bills	96,433,700	-	-	96,433,700	92,317,600	-	-	92,317,600
- Pakistan Investment Bonds	245,761,595	-	-	245,761,595	248,949,048	-	-	248,949,048
- Ijarah Sukuk	28,259,825	-	-	28,259,825	28,274,899	-	-	28,274,899

##### Non-Government debt securities

- Listed	899,014	(49)	-	898,965	899,130	(49)	-	899,081
- Unlisted	22,888,949	(637,673)	-	22,251,276	23,226,449	(640,324)	-	22,586,125

##### Foreign Securities

- Government debt securities	15,193,422	(15,882)	-	15,177,540	16,130,021	(15,968)	-	16,114,053
	409,436,505	(653,604)	-	408,782,901	409,797,147	(656,341)	-	409,140,806

#### Investments in associates

	7,121,677	(78,415)	-	7,043,262	7,137,189	(57,087)	-	7,080,102
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#### Investment in subsidiary companies

	37,122,040	-	-	37,122,040	37,073,602	-	-	37,073,602
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#### Total Investments

	2,692,564,568	(5,649,898)	27,522,267	2,714,436,937	2,371,195,369	(5,611,818)	33,344,614	2,398,928,165
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# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

	(Unaudited) March 31, 2025	(Audited) December 31, 2024
	------(Rupees in '000) -----	
8.1.1 <b>Investments given as collateral</b>		
The market value of investments given as collateral against borrowings is as follows:		
<b>Federal Government securities</b>		
- Market Treasury Bills	21,393,178	33,609,790
- Pakistan Investment Bonds	294,698,464	407,571,594
<b>Foreign securities</b>		
- Government debt securities	17,026	1,510,115
	<u>316,108,668</u>	<u>442,691,499</u>

8.2 The market value of investments classified as amortised cost and investment in listed associates are as follows:

	(Unaudited) March 31, 2025		(Audited) December 31, 2024	
	Book value	Market value	Book value	Market value
	------(Rupees in '000) -----			
- Investments classified as amortised cost	408,780,250	401,041,214	409,140,806	407,435,334
- Investment in listed associates	6,787,031	12,449,702	6,823,871	12,347,748
	<u>415,567,281</u>	<u>413,490,916</u>	<u>415,964,677</u>	<u>419,783,082</u>

	(Unaudited) March 31, 2025	(Audited) December 31, 2024
	------(Rupees in '000) -----	
8.3 <b>Particulars of provision / credit loss allowance against investments</b>		
Opening balance - as reported	5,611,818	8,962,644
Impact of adoption of IFRS 9	-	(1,340,461)
Opening balance - as restated	5,611,818	7,622,183
Exchange adjustment	27,488	(74,792)
Charge / (reversal)		
Charge for the period / year	57,379	853,285
Reversal for the period / year	(46,787)	(437,059)
Reversal on disposal during the period / year	-	(2,351,799)
Net charge / (reversal)	10,592	(1,935,573)
Closing balance	<u>5,649,898</u>	<u>5,611,818</u>

8.4 **Particulars of provision against debt securities**

	(Unaudited) March 31, 2025		(Audited) December 31, 2024	
	Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
	------(Rupees in '000) -----			
<b>Domestic</b>				
Performing	2,424,142,495	38,003	2,154,198,499	40,573
Underperforming	1,325,000	9,822	1,662,500	12,324
Non-performing				
Loss	979,719	979,719	985,382	985,382
	<u>2,426,447,214</u>	<u>1,027,544</u>	<u>2,156,846,381</u>	<u>1,038,279</u>
<b>Overseas</b>				
Performing	178,968,786	167,925	149,250,526	112,288
Underperforming	26,209,824	4,376,014	23,884,409	4,404,164
Non-performing				
Loss	-	-	-	-
	<u>205,178,610</u>	<u>4,543,939</u>	<u>173,134,935</u>	<u>4,516,452</u>
Total	<u>2,631,625,824</u>	<u>5,571,483</u>	<u>2,329,981,316</u>	<u>5,554,731</u>



FOR THE THREE MONTHS ENDED MARCH 31, 2025

	(Unaudited) March 31, 2025	(Audited) December 31, 2024
9.1 Particulars of advances (Gross)		
	----- (Rupees in '000) -----	
In local currency	1,418,794,128	1,901,706,491
In foreign currencies	459,461,196	479,704,965
	<u>1,878,255,324</u>	<u>2,381,411,456</u>

### Category of Classification

## Domestic

## Overseas

Standard	33,724	22,153	38,146	22,209
Doubtful	1,178,083	625,666	1,186,283	621,723
Loss	19,480,607	18,266,682	25,099,264	23,892,424
	20,692,414	18,914,501	26,323,693	24,536,356
	99,356,965	89,076,574	100,317,121	91,086,366



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

## 9.3 Particulars of provisions / credit loss allowance against advances

	(Unaudited) March 31, 2025					
	Stage 1	Stage 2	Stage 3	Specific	General	Total
	----- (Rupees in '000) -----					
Opening balance - as reported	11,345,420	12,926,671	90,087,556	998,810	11,088,568	126,447,025
Impact of adoption of IFRS 9	117,459	-	998,810	(998,810)	(117,459)	-
Opening balance - as restated	11,462,879	12,926,671	91,086,366	-	10,971,109	126,447,025
Transfer to stage 1	33,153	(33,153)	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-
Exchange adjustment	(310,037)	25,893	138,736	-	-	(145,408)
Charge for the period	650,379	358,879	5,547,479	-	1,416,040	7,972,777
Reversal for the period	(2,190,206)	-	(1,530,248)	-	-	(3,720,454)
Net charge / (reversal) against advances	(1,539,827)	358,879	4,017,231	-	1,416,040	4,252,323
Charged off during the period - agriculture financing	-	-	(417,787)	-	-	(417,787)
Written off during the period	-	-	(5,747,972)	-	-	(5,747,972)
Closing balance	9,646,168	13,278,290	89,076,574	-	12,387,149	124,388,181

  

	(Audited) December 31, 2024					
	Stage 1	Stage 2	Stage 3	Specific	General	Total
	----- (Rupees in '000) -----					
Opening balance - as reported	-	-	-	80,251,974	16,032,464	96,284,438
Impact of adoption of IFRS 9	10,614,913	15,222,824	85,326,975	(79,243,853)	(8,546,908)	23,373,951
Opening balance - as restated	10,614,913	15,222,824	85,326,975	1,008,121	7,485,556	119,658,389
Transfer to stage 1	400,012	(400,012)	-	-	-	-
Transfer to stage 2	(1,211,296)	1,783,821	(572,525)	-	-	-
Transfer to stage 3	-	(2,240,018)	2,240,018	-	-	-
Exchange adjustment	(44,797)	(24,323)	(601,959)	(19,685)	(9,013)	(699,777)
Charge for the year	9,032,426	24,055,031	20,350,601	64,609	3,628,909	57,131,576
Reversal for the year	(7,445,838)	(25,470,652)	(9,012,219)	(54,235)	(16,884)	(41,999,828)
Net charge / (reversal) against advances	1,586,588	(1,415,621)	11,338,382	10,374	3,612,025	15,131,748
Charged off during the year - agriculture financing	-	-	(274,326)	-	-	(274,326)
Charged off during the year - Corporate / commercial	-	-	(3,534,146)	-	-	(3,534,146)
Written off during the year	-	-	(3,834,863)	-	-	(3,834,863)
Closing balance	11,345,420	12,926,671	90,087,556	998,810	11,088,568	126,447,025

9.4 General provision represents an amount of Rs 12,387.149 million (January 01, 2025: Rs 10,971.109 million) carried as a matter of prudence, on account of borrowers impacted by stressed economic conditions.

## 9.5 Advances - Category of classification

	(Unaudited) March 31, 2025		(Audited) December 31, 2024	
	Outstanding amount	Credit loss allowance / Provision held	Outstanding amount	Credit loss allowance / Provision held
	----- (Rupees in '000) -----			
<b>Domestic</b>				
Performing	1,101,487,762	17,936,745	1,634,600,723	17,908,590
Underperforming	358,814,365	11,127,427	337,874,277	11,150,592
Non-performing	78,664,551	70,162,073	73,993,428	66,550,010
Total	1,538,966,678	99,226,245	2,046,468,428	95,609,192
<b>Overseas</b>				
Performing	261,725,629	4,096,572	248,177,262	4,525,398
Underperforming	56,870,603	2,150,863	60,442,073	1,776,079
Non-performing	20,692,414	18,914,501	26,323,693	24,536,356
Total	339,288,646	25,161,936	334,943,028	30,837,833
	1,878,255,324	124,388,181	2,381,411,456	126,447,025



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

	Note	(Unaudited) March 31, 2025	(Audited) December 31, 2024
		----- (Rupees in '000) -----	
<b>10 PROPERTY AND EQUIPMENT</b>			
Capital work-in-progress	10.1	16,388,873	14,180,944
Property and equipment		112,501,971	112,721,291
		<u>128,890,844</u>	<u>126,902,235</u>
<b>10.1 Capital work-in-progress</b>			
Civil works		4,519,884	3,949,581
Equipment		2,019,632	1,620,150
Advances to suppliers and contractors		9,849,357	8,611,212
		<u>16,388,873</u>	<u>14,180,943</u>
<b>10.2 Additions to property and equipment</b>			
		(Unaudited) For the three months ended	
		March 31, 2025	March 31, 2024
		----- (Rupees in '000) -----	
The following additions have been made to property and equipment during the period:			
<b>Capital work-in-progress - net</b>		2,207,930	957,134
<b>Property and equipment</b>			
Building on leasehold land		99,752	99,982
Machinery		11,460	-
Leasehold improvements		146,918	336,602
Furniture and fixtures		266,223	253,830
Electrical, office and computer equipment		993,585	1,347,031
Vehicles		776,088	471
		<u>2,294,026</u>	<u>2,037,916</u>
		<u>4,501,956</u>	<u>2,995,050</u>
<b>10.3 Disposal of property and equipment</b>			
The net book value of property and equipment disposed off during the period is as follows:			
<b>Property and equipment</b>			
Building on leasehold land		-	13,512
Leasehold improvements		-	5
Furniture and fixtures		455	552
Electrical, office and computer equipment		2,087	338
		<u>2,542</u>	<u>14,407</u>
<b>11 RIGHT-OF-USE ASSETS</b>			
		(Unaudited) March 31, 2025	(Audited) December 31, 2024
		----- (Rupees in '000) -----	
At January 1,			
Cost		37,033,836	34,140,237
Accumulated Depreciation		(13,630,899)	(12,492,201)
Net Carrying amount at January 1,		<u>23,402,937</u>	<u>21,648,036</u>
Exchange adjustment		18,813	(100,292)
Additions during the period / year		1,307,805	6,508,499
Deletions during the period / year		(217,491)	(837,602)
Depreciation charge for the period / year		(971,577)	(3,815,704)
Net carrying amount at period / year		<u>23,540,487</u>	<u>23,402,937</u>



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

	Note	(Unaudited) March 31, 2025 ------(Rupees in '000)-----	(Audited) December 31, 2024
<b>12 INTANGIBLE ASSETS</b>			
Capital work-in-progress - computer software		12,499,959	10,295,495
Computer software		6,399,293	6,727,178
		<u>18,899,252</u>	<u>17,022,673</u>
		(Unaudited) For the three months ended	
		March 31, 2025	March 31, 2024
		------(Rupees in '000)-----	
<b>12.1 Additions to intangibles assets</b>			
The following additions have been made to intangible assets during the period:			
Capital work-in-progress - net		2,204,464	961,836
Computer software		66,435	148,479
		<u>2,270,899</u>	<u>1,110,315</u>
<b>13 DEFERRED TAX ASSETS</b>			
		(Unaudited) March 31, 2025 ------(Rupees in '000)-----	(Audited) December 31, 2024
<b>Deductible temporary differences on</b>			
- Credit loss allowance against investments		471,713	460,622
- Credit loss allowance against doubtful debts and off-balance sheet obligations		23,867,455	24,769,854
- Deficit on revaluation of investments	21	3,135,118	2,886,167
- Ijarah financing		620,750	644,964
		<u>28,095,036</u>	<u>28,761,607</u>
<b>Taxable temporary differences on</b>			
- Accelerated tax depreciation		(3,462,991)	(3,665,245)
- Surplus on revaluation of investments		(14,618,817)	(16,789,228)
- Surplus on revaluation of property and equipment	21	(3,763,969)	(3,785,695)
- Exchange translation reserve		(1,343,225)	(1,307,674)
		<u>(23,189,002)</u>	<u>(25,547,842)</u>
<b>Net deferred tax assets</b>		<u>4,906,034</u>	<u>3,213,765</u>
<b>14 OTHER ASSETS</b>			
Mark-up / return / profit / interest accrued in local currency - net of provision		109,469,606	94,739,661
Mark-up / return / profit / interest accrued in foreign currency - net of provision		6,973,072	8,473,312
Advances, deposits, advance rent and other prepayments		7,412,842	4,619,092
Advance taxation		28,771,970	29,281,098
Advance against subscription of securities		5,078,515	231,629
Stationery and stamps on hand		210,646	210,465
Accrued fees and commissions		409,199	335,944
Due from Government of Pakistan / SBP		9,462,206	12,256,868
Mark to market gain on forward foreign exchange contracts		2,706,891	3,355,232
Mark to market gain on derivative instruments		398,478	213,781
Non-banking assets acquired in satisfaction of claims		188,976	188,976
Receivable from defined benefit plan		1,101,998	1,101,998
Acceptances		60,286,153	67,792,929
Clearing and settlement accounts		28,713,125	31,512,297
Dividend receivable		368,411	4,955
Claims receivable against fraud and forgeries		1,149,311	1,236,679
Deferred fair value loss	14.2	4,526,049	4,526,049
Prepaid deferred expense	14.3	31,594,146	30,765,582
Others		2,884,958	1,721,765
		<u>301,706,552</u>	<u>292,568,312</u>
Credit loss allowance held against other assets	14.1	(4,786,127)	(4,889,886)
Other assets - net of credit loss allowance		296,920,425	287,678,426
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	21	211,024	211,024
Other assets - total		<u>297,131,449</u>	<u>287,889,450</u>



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

(Unaudited) (Audited)  
March 31, December 31,  
2025 2024  
----- (Rupees in '000) -----

## 14.1 Provision / credit loss allowance held against other assets

Claims receivable against fraud and forgeries	1,149,310	1,236,678
Suit filed cases	4,979	4,979
Others	3,631,838	3,648,229
	<u>4,786,127</u>	<u>4,889,886</u>

14.2 This represents the deferred fair value loss arising from the restructuring of the exposure to Pakistan International Airlines Corporation Limited (PIACL). To date, the Bank has amortized 15% of the loss, as allowed by the SBP.

14.3 This represents the difference between the fair value of subsidised employee loans and the actual amount disbursed, and will be expensed over the tenor of the loans.

Note (Unaudited) (Audited)  
March 31, December 31,  
2025 2024  
----- (Rupees in '000) -----

### 14.1.1 Movement in credit loss allowance against other assets

Opening balance	4,889,886	2,577,641
Impact of adoption of IFRS 9	-	53,536
Exchange adjustment	870	(3,705)
Charge for the period / year	<u>27,671</u>	<u>2,356,900</u>
Reversal for the period / year	<u>(128,048)</u>	<u>(16,372)</u>
Net (reversal) / charge	<u>(100,377)</u>	<u>2,340,528</u>
Written off during the period / year	<u>(2,046)</u>	<u>(109,314)</u>
Other movement	<u>(2,206)</u>	<u>31,200</u>
Closing balance	<u>4,786,127</u>	<u>4,889,886</u>

## 15 BILLS PAYABLE

In Pakistan	54,680,382	92,049,697
Outside Pakistan	1,157,817	2,803,927
	<u>55,838,199</u>	<u>94,853,624</u>

## 16 BORROWINGS

### Secured

Borrowings from the SBP under

- Export refinance scheme
- Export refinance scheme for bill discounting
- Long term financing facility
- Financing facility for renewable energy power plants
- Refinance facility for modernization of Small and Medium Enterprises (SMEs)
- Refinance and credit guarantee scheme for women entrepreneurs
- Financing facility for storage of agricultural produce
- Refinance facility for combating COVID-19
- Temporary economic refinance facility
- Refinance facility for SME Asaan Finance (SAAF)

45,173,596	48,258,894
23,002,981	23,155,596
28,939,093	30,589,079
7,000,128	6,867,520
691,568	732,230
29,952	10,015
408,111	414,105
752,916	954,836
20,575,184	21,621,311
7,442,290	9,725,252
134,015,819	142,328,838
316,138,803	441,742,329
450,154,622	584,071,167

Repurchase agreement borrowings

### Unsecured

- Call money borrowings
- Overdrawn nostro accounts
- Borrowings of overseas branches
- Other long-term borrowings

16.1

50,974,388	89,049,391
1,346,258	3,587,841
45,192,410	62,718,578
46,357,621	48,319,522
143,870,677	203,675,332
594,025,299	787,746,499



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

16.1 This includes the following:

- 16.1.1 A long-term financing facility from China Development Bank, utilized for on-lending to projects of the Bank's customers. The current amount outstanding is US\$ 158.327 million (December 31, 2024: US\$ 166.288 million). Drawn amounts are payable in semi-annual installments from January 2023 to January 2033. Interest at a fixed spread over LIBOR is payable semi-annually.
- 16.1.2 A mortgage refinancing facility on Musharakah basis from Pakistan Mortgage Refinance Company Limited (PMRC) amounting to Rs 2,000.000 million (December 31, 2024: Rs 2,000.000 million) for on-lending to customers. The principal amount is payable in equal semi-annual installments from April 2025 to October 2026. Profit at a rate of 16.61% per annum (December 31, 2024: 16.61% per annum) is payable semi-annually.

## 17 DEPOSITS AND OTHER ACCOUNTS

	March 31, 2025 (Unaudited)			December 31, 2024 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
(Rupees in '000)						
<b>Customers</b>						
Current deposits	1,377,350,986	193,047,531	1,570,398,517	1,251,900,417	205,311,964	1,457,212,381
Savings deposits	1,774,792,541	122,389,337	1,897,181,878	1,777,922,115	130,647,455	1,908,569,570
Term deposits	313,363,018	361,925,781	675,288,799	328,170,145	352,805,210	680,975,355
	3,465,506,545	677,362,649	4,142,869,194	3,357,992,677	688,764,629	4,046,757,306
<b>Financial institutions</b>						
Current deposits	8,569,657	1,857,468	10,427,125	8,848,719	2,182,383	11,031,102
Savings deposits	15,492,326	905,994	16,398,320	17,450,767	810,461	18,261,228
Term deposits	2,000,000	16,127,740	18,127,740	2,744,584	12,374,159	15,118,743
	26,061,983	18,891,202	44,953,185	29,044,070	15,367,003	44,411,073
	3,491,568,528	696,253,851	4,187,822,379	3,387,036,747	704,131,632	4,091,168,379

	Note	(Unaudited) March 31, 2025	(Audited) December 31, 2024
		(Rupees in '000)	
<b>18 LEASE LIABILITIES</b>			
Opening balance		30,788,980	26,864,447
Exchange adjustment		12,571	(159,252)
Additions during the period / year		1,248,134	6,134,742
Interest expense		900,366	3,073,386
Lease payments including interest		(1,599,486)	(5,124,343)
Closing balance		31,350,565	30,788,980
<b>18.1 Liabilities Outstanding</b>			
Not later than one year		1,858,936	1,876,697
Later than one year and upto five years		8,140,109	7,974,093
Over five years		21,351,519	20,938,190
Total		31,350,564	30,788,980

## 19 SUBORDINATED DEBT

Additional Tier I Term Finance Certificates	19.1.1	12,374,000	12,374,000
Additional Tier I Term Finance Certificates	19.1.2	6,500,000	6,500,000
		18,874,000	18,874,000



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

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

The key features of these issue are as follows:

19.1.1	<b>Issue date</b>	September 26, 2019
	<b>Issue amount</b>	Rs 12.374 billion
	<b>Rating</b>	AA+ (Double A plus) [December 31, 2024: AA+ (Double A plus)]
	<b>Original Tenor</b>	Perpetual
	<b>Security</b>	Unsecured and subordinated to all other indebtedness of the Bank including depositors and general creditors, but will rank pari passu with other Additional Tier 1 instruments and superior to the claims of ordinary shareholders.
	<b>Mark-up payment frequency</b>	Quarterly in arrears
	<b>Redemption</b>	Perpetual, hence not applicable.
	<b>Mark-up</b>	Floating rate of return at Base Rate + 1.60%. The Base Rate is defined as the average "Ask Side" rate of the three months Karachi Interbank Offered Rate (KIBOR).
	<b>Call option</b>	The Bank may, at its sole discretion, call the TFCs any time after five years from the Issue Date subject to the following: (a) Prior approval of the SBP having been obtained; and (b) The Bank replacing the TFCs with capital of the same or better quality and the capital position of the Bank being above the minimum capital requirement after the Call Option is exercised.  If the Bank decides to exercise the Call Option, the Bank shall notify the Trustee and the Investors not less than 30 calendar days prior to the date of exercise of such Call Option, which notice shall specify the date fixed for the exercise of the Call Option (the "Call Option Exercise Date").
	<b>Lock-in clause</b>	Mark-up will only be paid from the current year's earnings and only if the Bank is in compliance with regulatory capital and liquidity requirements.
	<b>Loss absorbency clause</b>	The TFCs will be subject to a loss absorbency clause as stipulated under the SBP's "Instructions for Basel III Implementation in Pakistan".

19.1.2	<b>Issue date</b>	December 28, 2022
	<b>Issue amount</b>	Rs 6.500 billion
	<b>Rating</b>	AA+ (Double A plus) [December 31, 2024: AA+ (Double A plus)]
	<b>Original Tenor</b>	Perpetual
	<b>Security</b>	Unsecured and subordinated to all other indebtedness of the Bank including depositors and general creditors, but will rank pari passu with other Additional Tier 1 instruments and superior to the claims of ordinary shareholders.
	<b>Mark-up payment frequency</b>	Quarterly in arrears
	<b>Redemption</b>	Perpetual, hence not applicable.
	<b>Mark-up</b>	Floating rate of return at Base Rate + 2.00%. The Base Rate is defined as the average "Ask Side" rate of the three months Karachi Interbank Offered Rate (KIBOR).
	<b>Call option</b>	The Bank may, at its sole discretion, call the TFCs any time after five years from the Issue Date subject to the following: (a) Prior approval of the SBP having been obtained; and (b) The Bank replacing the TFCs with capital of the same or better quality and the capital position of the Bank being above the minimum capital requirement after the Call Option is exercised.  If the Bank decides to exercise the Call Option, the Bank shall notify the Trustee and the Investors not less than 30 calendar days prior to the date of exercise of such Call Option, which notice shall specify the date fixed for the exercise of the Call Option (the "Call Option Exercise Date").
	<b>Lock-in clause</b>	Mark-up will only be paid from the current year's earnings and only if the Bank is in compliance with regulatory capital and liquidity requirements.
	<b>Loss absorbency clause</b>	The TFCs will be subject to a loss absorbency clause as stipulated under the SBP's "Instructions for Basel III Implementation in Pakistan".



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

20	OTHER LIABILITIES	Note	(Unaudited) March 31, 2025	(Audited) December 31, 2024
----- (Rupees in '000) -----				
	Mark-up / return / profit / interest payable in local currency		62,930,092	42,009,415
	Mark-up / return / profit / interest payable in foreign currency		6,397,010	8,406,158
	Security deposits		2,068,390	1,653,881
	Accrued expenses		39,329,184	38,860,072
	Mark to market loss on forward foreign exchange contracts		1,099,737	3,731,381
	Mark to market loss on derivative instruments		6,381,885	6,708,794
	Unclaimed dividends		837,362	807,670
	Dividends payable		6,472,513	236,597
	Provision for post retirement medical benefits		4,486,953	4,765,310
	Provision for employees' compensated absences		657,762	683,712
	Credit loss allowance against off-balance sheet obligations	20.1	5,670,878	8,149,567
	Acceptances		60,286,153	67,792,929
	Branch adjustment account		7,444,486	3,885,262
	Provision for staff retirement benefits		1,846,012	1,750,893
	Payable to defined benefit plans		663,853	830,028
	Provision for Workers' Welfare Fund		14,229,853	13,545,801
	Unearned income		6,863,045	6,239,889
	Qarz-e-Hasna Fund		338,409	338,409
	Levies and taxes payable		6,249,379	18,482,312
	Insurance payable		605,771	484,246
	Provision for rewards program expenses		3,678,819	3,211,001
	Clearing and settlement accounts		33,324,238	20,079,147
	Payable to HBL Foundation		250,608	867,797
	Charity fund		64,632	51,276
	Unclaimed deposits		944,657	956,346
	Others		3,965,171	4,059,159
			<u>277,086,852</u>	<u>258,587,052</u>
20.1	<b>Credit loss allowance against off-balance sheet obligations</b>			
	Opening balance		8,149,567	1,927,866
	Impact of adoption of IFRS 9		-	1,691,809
	Exchange adjustment		6,711	(29,713)
	Charge for the period / year		27,840	5,150,988
	Reversal for the period / year		(2,510,545)	(544,682)
	Net (reversal) / charge		(2,482,705)	4,606,306
	Other movement		(2,696)	(46,701)
	Closing balance		<u>5,670,877</u>	<u>8,149,567</u>



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

	Note	(Unaudited) March 31, 2025	(Audited) December 31, 2024
----- (Rupees in '000) -----			
<b>21 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX</b>			
Surplus arising on revaluation of:			
- Property and equipment		45,658,720	45,700,503
- FVOCI securities - debt	8.1	17,089,568	29,449,574
- FVOCI securities - equity		11,023,543	2,702,710
- Non-banking assets acquired in satisfaction of claims	14	211,024	211,024
		<b>73,982,855</b>	<b>78,063,811</b>
Deferred tax on surplus on revaluation of:			
- Property and equipment		3,763,969	3,785,695
- FVOCI securities - debt		8,886,575	15,383,819
- FVOCI securities - equity		5,732,242	1,405,409
- Non-banking assets acquired in satisfaction of claims		-	-
		<b>18,382,786</b>	<b>20,574,923</b>
Surplus on revaluation of assets - net of tax		<b>55,600,069</b>	<b>57,488,888</b>
<b>22 CONTINGENCIES AND COMMITMENTS</b>			
- Guarantees	22.1	375,862,663	353,046,396
- Commitments	22.2	1,582,766,832	1,326,805,260
- Other contingent liabilities	22.3	18,337,282	18,344,870
		<b>1,976,966,777</b>	<b>1,698,196,526</b>
<b>22.1 Guarantees:</b>			
Financial guarantees		78,345,975	51,297,531
Performance guarantees		286,478,347	291,626,929
Other guarantees		11,038,341	10,121,936
		<b>375,862,663</b>	<b>353,046,396</b>
<b>22.2 Commitments:</b>			
Trade-related contingent liabilities		320,727,524	323,966,907
Commitments in respect of:			
- forward foreign exchange contracts	22.2.1	734,883,989	643,612,055
- forward Government securities transactions	22.2.2	437,960,719	270,514,553
- derivatives	22.2.3	51,103,640	48,832,145
- forward lending	22.2.4	25,476,044	27,239,703
		<b>1,249,424,392</b>	<b>990,198,456</b>
Commitments for acquisition of:			
- property and equipment		6,478,163	7,290,133
- intangible assets		6,136,753	5,349,764
		<b>12,614,916</b>	<b>12,639,897</b>
		<b>1,582,766,832</b>	<b>1,326,805,260</b>
<b>22.2.1 Commitments in respect of forward foreign exchange contracts</b>			
Purchase		407,113,512	369,141,560
Sale		327,770,477	274,470,495
		<b>734,883,989</b>	<b>643,612,055</b>



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

	(Unaudited) March 31, 2025 ------(Rupees in '000)-----	(Audited) December 31, 2024
<b>22.2.2 Commitments in respect of forward Government securities transactions</b>		
Purchase	344,144,294	270,104,759
Sale	93,816,425	409,794
	<u>437,960,719</u>	<u>270,514,553</u>
<b>22.2.3 Commitments in respect of derivatives</b>		
<b>Foreign currency options</b>		
Purchase	6,013,238	3,761,243
Sale	6,013,238	3,761,243
	<u>12,026,476</u>	<u>7,522,486</u>
<b>Cross currency swaps</b>		
Purchase	15,889,592	16,740,280
Sale	22,862,572	24,244,379
	<u>38,752,164</u>	<u>40,984,659</u>
<b>Interest rate swaps</b>		
Purchase	-	-
Sale	325,000	325,000
	<u>325,000</u>	<u>325,000</u>
<b>22.2.4 Commitments in respect of forward lending</b>		
Undrawn formal standby facilities, credit lines and other commitments to extend credit	<u>25,476,044</u>	<u>27,239,703</u>
These represent commitments that are irrevocable because they can not be withdrawn at the discretion of the Bank without the risk of incurring a significant penalty or expense.		
	(Unaudited) March 31, 2025 ------(Rupees in '000)-----	(Audited) December 31, 2024

## 22.3 Other contingent liabilities

22.3.1 Claims against the Bank not acknowledged as debts	<u>18,337,282</u>	<u>18,344,870</u>
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These mainly represent counter claims by borrowers for damages, claims filed by former employees of the Bank and other claims relating to banking transactions. Based on legal advice and / or internal assessments, management is confident that the matters will be decided in the Bank's favour and the possibility of any adverse outcome is remote. Accordingly, no provision has been made in these condensed interim unconsolidated financial statements.

22.3.2 There were no tax related contingencies as at the period end except for those disclosed in the unconsolidated financial statements for the year ended December 31, 2024.

## 23 DERIVATIVE INSTRUMENTS

### Product Analysis

	March 31, 2025 (Unaudited)					
	Foreign Currency Options		Cross currency swaps		Interest rate swaps	
	Notional principal	Mark to market loss	Notional principal	Mark to market loss	Notional principal	Mark to market loss
	------(Rupees in '000)-----					
Hedging	6,013,238	(295,709)	-	-	-	-
Market Making	<u>6,013,238</u>	<u>295,709</u>	<u>38,752,164</u>	<u>(5,979,962)</u>	<u>325,000</u>	<u>(3,445)</u>
	December 31, 2024 (Audited)					
	Foreign Currency Options		Cross currency swaps		Interest rate swaps	
	Notional principal	Mark to market loss	Notional principal	Mark to market loss	Notional principal	Mark to market loss
	------(Rupees in '000)-----					
Hedging	3,761,243	73,795	-	-	-	-
Market Making	<u>3,761,243</u>	<u>73,795</u>	<u>40,984,659</u>	<u>(6,487,980)</u>	<u>325,000</u>	<u>(7,033)</u>



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

		(Unaudited)	
		For the three months ended	
		March 31, 2025	March 31, 2024
		----- (Rupees in '000) -----	
24	<b>MARK-UP / RETURN / PROFIT / INTEREST EARNED</b>		
	On:		
	Loans and advances	58,320,728	69,949,402
	Investments	83,191,688	109,160,647
	Lendings to financial institutions	1,819,477	5,275,607
	Balances with banks	2,197,679	2,718,361
		<u>145,529,572</u>	<u>187,104,017</u>
24.1	<b>INTEREST INCOME RECOGNISED</b>		
	On:		
	Financial assets measured at amortised cost	73,971,288	93,216,781
	Financial assets measured at FVOCI	68,312,047	85,076,807
	Financial assets measured at FVTPL	3,246,237	8,810,429
		<u>145,529,572</u>	<u>187,104,017</u>
25	<b>MARK-UP / RETURN / PROFIT / INTEREST EXPENSED</b>		
	On:		
	Deposits	63,776,127	103,713,613
	Securities sold under repurchase agreement borrowings	9,886,675	14,929,661
	Borrowings	6,845,595	7,547,280
	Subordinated debt	648,248	1,088,714
	Cost of foreign currency swaps against foreign currency deposits / borrowings	638,882	2,437,955
	Lease liability against right-of-use assets	900,366	861,673
		<u>82,695,893</u>	<u>130,578,896</u>
26	<b>FEE AND COMMISSION INCOME</b>		
	Branch banking customer fees	1,451,955	1,405,136
	Branchless banking customer fees	11,174	102,656
	Consumer finance related fees	733,711	677,674
	Card related fees (debit and credit cards)	3,668,795	3,408,238
	Credit related fees	367,750	302,249
	Investment banking fees	448,837	181,854
	Commission on trade related products and guarantees	1,802,443	2,255,346
	Commission on cash management	337,234	399,202
	Commission on remittances (including home remittances)	(605,918)	571,963
	Commission on bancassurance	393,943	287,873
	Commission on Government to Person (G2P) payments	(31,203)	396,617
	Merchant discount and interchange fees	1,967,287	1,908,908
	Wealth Management Fee	3,112	3,759
	Others	93,980	95,334
		<u>10,643,100</u>	<u>11,996,809</u>
	Less: Sales tax / Federal Excise Duty on fee and commission income	(1,556,960)	(1,465,991)
		<u>9,086,140</u>	<u>10,530,818</u>
27	<b>GAIN / (LOSS) ON SECURITIES - NET</b>		
	Realised	27.1 4,777,104	(161,748)
	Unrealised - measured at FVTPL	8.1 (590,843)	(125,359)
		<u>4,186,261</u>	<u>(287,107)</u>
27.1	<b>Gain / (Loss) on securities - realised</b>		
	On:		
	Federal Government securities		
	- Market Treasury Bills	1,569,295	117,566
	- Pakistan Investment Bonds	1,479,793	(409,880)
	- Ijarah Sukuk	1,649,538	23,431
	Shares	75,399	175,844
	Non-Government debt securities	251	(69,493)
	Foreign securities	(84,922)	17,141
	Associates	87,750	(16,357)
		<u>4,777,104</u>	<u>(161,748)</u>



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

		(Unaudited)	
		For the three months ended	
		March 31, 2025	March 31, 2024
		----- (Rupees in '000) -----	
27.1.1	<b>Composition of gain / (loss) on securities - realised</b>		
	Net gain / (loss) on securities measured at FVTPL	629,992	(325,057)
	Net gain on debt securities measured at FVOCI	4,059,362	179,666
	Net gain / (loss) on sale of Associates	87,750	(16,357)
		<u>4,777,104</u>	<u>(161,748)</u>
28	<b>OTHER INCOME</b>		
	Incidental charges	139,220	-
	Gain on sale of property and equipment - net	3,788	12,723
	Rent on properties	<u>39,442</u>	<u>27,389</u>
		<u>182,450</u>	<u>40,112</u>
29	<b>OPERATING EXPENSES</b>		
	<b>Total compensation expense</b>	15,447,301	14,198,363
	<b>Property expense</b>		
	Rent and taxes	277,563	288,911
	Insurance	68,034	63,031
	Utilities cost	1,235,154	1,390,928
	Security (including guards)	790,583	747,102
	Repair and maintenance (including janitorial charges)	1,241,359	1,207,843
	Depreciation on property and equipment	1,414,564	1,300,309
	Depreciation on right-of-use assets	971,577	947,857
		<u>5,998,834</u>	<u>5,945,981</u>
	<b>Information technology expenses</b>		
	Software maintenance	2,645,459	2,746,968
	Hardware maintenance	672,439	716,366
	Depreciation	1,095,296	1,002,773
	Amortisation	647,189	642,821
	Network charges	411,109	438,753
	Consultancy charges	113,710	241,204
		<u>5,585,202</u>	<u>5,788,885</u>
	<b>Other operating expenses</b>		
	Legal and professional charges	2,027,696	1,115,746
	Outsourced services costs	814,378	660,503
	Travelling and conveyance	343,695	518,332
	Insurance	278,760	209,821
	Remittance charges	118,813	114,679
	Cash transportation and sorting charges	680,426	848,860
	Repairs and maintenance	625,980	641,102
	Depreciation	184,813	157,090
	Training and development	59,525	156,264
	Postage and courier charges	203,069	215,272
	Communication	912,846	1,101,047
	Stationery and printing	735,578	832,184
	Marketing, advertisement and publicity	2,955,161	2,498,436
	Donations	250,608	233,906
	Auditors' remuneration	79,953	98,256
	Brokerage and commission	244,348	230,716
	Subscription	109,202	102,106
	Documentation and processing charges	3,409,115	2,898,510
	Entertainment	62,012	188,351
	Consultancy charges	593,567	513,531
	Deposits insurance premium expense	1,046,537	909,381
	Product feature cost	1,372,527	1,586,137
	Others	318,534	462,148
		<u>17,427,143</u>	<u>16,292,378</u>
		<u>44,458,480</u>	<u>42,225,607</u>



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

		(Unaudited)	
	Note	For the three months ended	
		March 31, 2025	March 31, 2024
		------(Rupees in '000)-----	
30	OTHER CHARGES		
	Penalties imposed by the State Bank of Pakistan	679	145,939
	Penalties imposed by other regulatory bodies	10,612	12,557
		<u>11,291</u>	<u>158,496</u>
31	CREDIT LOSS ALLOWANCE / (REVERSALS) AND WRITE OFFS - NET		
	Credit loss allowance against investments	8.3 10,592	285,224
	Credit loss allowance against loans and advances	9.3 4,252,323	1,731,727
	Reversal of credit loss allowance against cash and cash equivalents	(472)	-
	(Reversal) / credit loss allowance against other assets	14.1.1 (100,377)	405
	(Reversal) / credit loss allowance against off-balance sheet obligations	20.1 (2,482,705)	231,936
	Recoveries against written off / charged off bad debts	(199,050)	(241,699)
	Recoveries against other assets written off	-	(250)
	Other write offs and operational losses	8,443	31,254
		<u>1,488,754</u>	<u>2,038,597</u>
32	TAXATION		
	- Current	18,662,237	15,911,366
	- Deferred	442,590	(814,527)
		<u>19,104,827</u>	<u>15,096,839</u>
33	BASIC AND DILUTED EARNINGS PER SHARE		
	Profit for the period	<u>15,115,550</u>	<u>14,594,977</u>
		(Number)	
	Weighted average number of ordinary shares	<u>1,466,852,508</u>	<u>1,466,852,508</u>
		(Rupees)	
	Basic and diluted earnings per share	<u>10.30</u>	<u>9.95</u>

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

## 34 FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of traded investments are based on quoted market prices.

Unquoted equity securities are carried at fair value. The valuation is carried out using appropriate methodologies.

The fair value of unquoted debt securities, fixed term advances, fixed term deposits and borrowings, other assets and other liabilities, cannot be calculated with sufficient reliability due to the absence of a current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments and therefore, are not reported as part of this disclosure.

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

All assets and liabilities for which fair value is measured or disclosed in these condensed interim unconsolidated financial statements are categorised within the following fair value hierarchy based on the lowest level input that is significant to the fair value measurement.

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 inputs that are not based on observable market data.



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

## Valuation techniques used in determination of fair values within Level 2 and Level 3

Federal Government securities	The fair values of Federal Government securities are determined on the basis of rates / prices sourced from Reuters.
Non-Government debt securities	Non-Government debt securities denominated in Rupees are valued on the basis of rates announced by the Mutual Funds Association of Pakistan (MUFAP). Non-Government debt securities denominated in other currencies are valued on the basis of rates taken from Bloomberg / Reuters.
Foreign Government debt securities	The fair values of Foreign Government debt securities are determined on the basis of rates taken from Bloomberg / Reuters.
Unquoted equity securities	The fair values of unquoted equity investments are estimated using cashflow projections of the investee company. Where cashflow projections are not available, the estimate is based on comparable market data.  Where both the above valuation techniques cannot be used due to unavailability of data, the Bank uses the adjusted break-up value method as disclosed in note 34.1.1 below.  The valuations may be further discounted for marketability concerns.
Units of mutual funds	The fair values of units of mutual funds are determined based on their net asset values as published at the close of each business day.
Derivatives	The Bank enters into derivatives contracts with various counterparties. Derivatives that are valued using valuation techniques based on market observable inputs are mainly interest rate swaps and cross currency swaps. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations.
Forward foreign exchange contracts and Forward Government securities transactions	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
Property and equipment and non-banking assets acquired in satisfaction of claims	Land, buildings and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets.

### 34.1 Level 3 fair valuation of unlisted equity securities

#### 34.1.1 Adjusted breakup value method:

The valuations are based on latest available financial statements of the investee company. These are all adjusted for factors such as lack of control using haircuts ranging from 15% to 25%. A 1% change in the haircut will change the total fair value by Rs. 11.799 million. Any change to the valuation is reflected in other comprehensive income, since all of these investments are classified as FVOCI.

### 34.2 Fair value of financial assets

The following table provides the fair values of those Bank's financial assets that are recognised or disclosed at fair value in these condensed interim unconsolidated financial statements:

As at March 31, 2025 (Unaudited)					
	Carrying value	Level 1	Level 2	Level 3	Total
<hr/>					
On balance sheet financial instruments	<hr/> (Rupees in '000) <hr/>				
Financial assets - measured at fair value					
Investments					
- Federal Government securities	1,996,689,693	-	1,996,689,693	-	1,996,689,693
- Shares					
Listed companies	23,159,206	16,328,144	6,831,062	-	23,159,206
Unlisted companies	16,973,692	-	15,793,710	1,179,982	16,973,692
- Non-Government debt securities - Listed	50,544,197	40,760,000	9,784,197	-	50,544,197
- Foreign securities					
Government debt securities	154,460,377	-	154,460,377	-	154,460,377
Non-Government debt securities - Listed	12,918,957	-	12,918,957	-	12,918,957
- National Investment Unit Trust units	92,081	-	92,081	-	92,081
- Real Estate Investment Trust units - Listed	3,096,131	3,096,131	-	-	3,096,131
- Preference shares - Listed	815,100	815,100	-	-	815,100
	2,258,749,434	60,999,375	2,196,570,077	1,179,982	2,258,749,434
Financial assets - disclosed but not measured at fair value					
Investments					
- Federal Government securities	370,455,120	-	366,256,496	-	366,256,496
- Non-Government debt securities - Listed	898,965	-	873,826	-	873,826
- Foreign securities					
Government debt securities	15,177,540	-	11,662,267	-	11,662,267
- Associates	6,787,031	12,449,702	-	-	12,449,702
	393,318,656	12,449,702	378,792,589	-	391,242,291
	2,652,068,090	73,449,077	2,575,362,666	1,179,982	2,649,991,725



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

## Off-balance sheet financial instruments - measured at fair value

### Commitments

- Forward foreign exchange contracts
- Forward Government securities transactions
- Derivative instruments

## Off- balance sheet financial instruments

### Financial assets - measured at fair value

#### Investments

- Federal Government securities
- Shares - listed companies
- Non-Government debt securities - Listed
- Foreign securities
  - Government debt securities
  - Non-Government debt securities- Listed
- National Investment Unit Trust units
- Real Estate Investment Trust units
- Preference Shares - Listed

### Financial assets - disclosed but not measured at fair value

#### Investments

- Federal Government securities
- Non-Government debt securities - Listed
- Foreign securities
  - Government debt securities
- Associates

## Off-balance sheet financial instruments - measured at fair value

### Commitments

- Forward foreign exchange contracts
- Forward Government securities transactions
- Derivative instruments

## 34.2 Fair value of non-financial assets

### Land and Buildings

Non-banking assets acquired in satisfaction of claims

### Land and Buildings

Non-banking assets acquired in satisfaction of claims

As at March 31, 2025 (Unaudited)				
Notional Value	Level 1	Level 2	Level 3	Total
(Rupees in '000)				
734,883,989	-	(701,259)	-	(701,259)
437,960,719	-	(220,790)	-	(220,790)
39,077,164	-	(6,192,909)	-	(6,192,909)

As at December 31, 2024				
Carrying value	Level 1	Level 2	Level 3	Total
(Rupees in '000)				

1,724,738,511	-	1,724,738,511	-	1,724,738,511
20,517,673	13,707,545	6,810,128	-	20,517,673
50,242,039	40,400,000	9,842,039	-	50,242,039
125,266,055	-	125,266,055	-	125,266,055
11,052,524	-	11,052,524	-	11,052,524
94,384	-	94,384	-	94,384
3,477,857	3,477,857	-	-	3,477,857
835,400	835,400	-	-	835,400
1,936,224,443	58,420,802	1,877,803,641	-	1,936,224,443

369,541,547	-	367,672,502	-	367,672,502
899,081	-	3,390,918	-	3,390,918
16,114,053	-	16,303,232	-	16,303,232
6,823,870	12,347,748	-	-	12,347,748
393,378,551	12,347,748	387,366,652	-	399,714,400
2,329,602,994	70,768,550	2,265,170,293	-	2,335,938,843

As at December 31, 2024				
Notional Value	Level 1	Level 2	Level 3	Total
(Rupees in '000)				
643,612,055	-	(376,149)	-	(376,149)
270,514,553	-	490,430	-	490,430
48,832,145	-	(6,495,013)	-	(6,495,013)

As at March 31, 2025 (Unaudited)				
Carrying value	Level 1	Level 2	Level 3	Total
(Rupees in '000)				
84,851,686	-	84,851,686	-	84,851,686
400,000	-	400,000	-	400,000
85,251,686	-	85,251,686	-	85,251,686

As at December 31, 2024 (Audited)				
Carrying value	Level 1	Level 2	Level 3	Total
(Rupees in '000)				
84,644,775	-	84,644,775	-	84,644,775
400,000	-	400,000	-	400,000
85,044,775	-	85,044,775	-	85,044,775



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

## 35 SEGMENT INFORMATION

### 35.1 Segment Details with respect to Business Activities

For the three months ended March 31, 2025 (Unaudited)								
	Retail Banking	Consumer, SME & Agriculture Lending	Corporate, Commercial and Investment Banking	Treasury	Financial Institutions	Branchless Banking	International	Head Office / Others
(Rupees in million)								
<b>Profit and loss account</b>								
Net mark-up / return / profit / interest income	(49,400)	13,738	23,128	66,025	5,507	(30)	4,694	(828)
Inter segment revenue / (expense) - net	77,529	(8,729)	(11,957)	(55,360)	(6,234)	549	49	4,153
Non mark-up / interest income	2,439	4,784	2,211	7,736	241	75	591	(48)
Total income	30,568	9,793	13,382	18,401	(486)	594	5,334	3,277
Segment direct expenses	11,293	6,472	1,283	561	63	511	4,355	20,616
Inter segment expense allocation	11,993	3,289	3,360	573	196	486	271	(20,168)
Total expenses	23,286	9,761	4,643	1,134	259	997	4,626	448
Credit loss allowance - charge / (reversal)	(23)	505	829	-	-	-	31	146
Profit / (loss) before tax	7,305	(473)	7,910	17,267	(745)	(403)	677	2,683
<b>As at March 31, 2025 (Unaudited)</b>								
	Retail Banking	Consumer, SME & Agriculture Lending	Corporate, Commercial and Investment Banking	Treasury	Financial Institutions	Branchless Banking	International	Head Office / Others
(Rupees in million)								
<b>Statement of financial position</b>								
Cash and bank balances	204,005	-	796	188,897	-	-	95,866	9,703
Lendings to financial institutions	-	-	-	110,655	-	-	-	-
Inter segment lending	2,773,779	-	-	-	4,980	12,648	10,338	197,640
Investments	-	-	71,785	2,375,258	5,687	-	214,549	47,158
Advances - performing	-	293,446	987,870	-	145,901	-	310,421	3,598
Advances - non-performing	-	2,153	6,316	-	-	-	4,129	38
Others	31,159	6,657	77,819	65,815	4,541	2,624	24,504	260,249
<b>Total assets</b>	<b>3,008,943</b>	<b>302,256</b>	<b>1,144,586</b>	<b>2,740,625</b>	<b>161,109</b>	<b>15,272</b>	<b>659,807</b>	<b>518,386</b>
Borrowings	-	4,285	128,949	371,224	-	-	89,567	-
Subordinated debt	-	-	-	(12,374)	-	-	-	31,248
Deposits and other accounts	2,938,302	2,247	700,297	-	60,745	11,685	474,547	-
Inter segment borrowing	-	265,549	252,842	2,357,605	99,800	-	23,589	-
Others	70,641	30,175	62,498	17,012	564	3,587	14,330	165,469
<b>Total liabilities</b>	<b>3,008,943</b>	<b>302,256</b>	<b>1,144,586</b>	<b>2,733,467</b>	<b>161,109</b>	<b>15,272</b>	<b>602,033</b>	<b>196,717</b>
Equity	-	-	-	7,158	-	-	57,773	321,671
<b>Total equity and liabilities</b>	<b>3,008,943</b>	<b>302,256</b>	<b>1,144,586</b>	<b>2,740,625</b>	<b>161,109</b>	<b>15,272</b>	<b>659,806</b>	<b>518,388</b>
<b>Contingencies and commitments</b>	<b>-</b>	<b>3,454</b>	<b>631,677</b>	<b>969,232</b>	<b>27,097</b>	<b>-</b>	<b>315,087</b>	<b>30,419</b>



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

For the three months ended March 31, 2024 (Unaudited)

	Retail Banking	Consumer, SME & Agriculture lending	Corporate, Commercial and Investment Banking	Treasury	Financial Institutions	Branchless banking	International	Head Office / Others	Total
(Rupees in million)									
<b>Profit and loss account</b>									
Net mark-up / return / profit / interest income	(80,915)	15,585	29,022	89,485	(696)	(63)	5,305	(1,198)	56,525
Inter segment revenue / (expense) - net	121,613	(11,674)	(17,614)	(99,308)	841	2,194	95	3,852	(1)
Non mark-up / interest income	1,599	5,039	1,988	4,566	230	646	3,032	1,069	18,169
Total income	42,297	8,950	13,396	(5,257)	375	2,777	8,432	3,723	74,693
Segment direct expenses	11,197	6,097	1,127	192	76	1,416	4,539	18,319	42,963
Inter segment expense allocation	10,181	2,970	3,193	511	183	(207)	256	(17,087)	-
Total expenses	21,378	9,067	4,320	703	259	1,209	4,795	1,232	42,963
Credit loss allowance - charge / (reversal)	22	532	1,225	-	(3)	-	(151)	413	2,038
Profit / (loss) before tax	20,897	(649)	7,851	(5,960)	119	1,568	3,788	2,078	29,692

As at December 31, 2024 (Audited)

	Retail Banking	Consumer, SME & Agriculture lending	Corporate, Commercial and Investment Banking	Treasury	Financial Institutions	Branchless banking	International	Head Office / Others	Total
(Rupees in million)									
<b>Statement of financial position</b>									
Cash and bank balances	147,782	-	760	194,143	-	-	120,501	-	463,186
Landings to financial institutions	-	-	-	84,294	-	-	-	-	84,294
Inter segment lending	2,763,575	-	-	-	-	38,086	1,685	241,961	3,045,307
Investments	-	-	72,132	2,097,402	5,990	-	182,484	40,920	2,398,928
Advances - performing	-	304,945	1,347,623	-	270,903	-	304,105	19,945	2,247,521
Advances - non-performing	-	1,778	5,433	-	-	-	-	232	7,443
Others	28,536	11,940	128,427	39,382	4,564	2,210	32,334	211,039	458,432
<b>Total assets</b>	2,939,893	318,663	1,554,375	2,415,221	281,457	40,296	641,109	514,097	8,705,111
Borrowings	-	4,016	138,192	534,990	-	-	110,548	-	787,746
Subordinated debt	-	-	-	-	-	-	-	18,874	18,874
Deposits and other accounts	2,885,744	1,902	676,751	-	43,673	36,788	446,310	-	4,091,168
Inter segment borrowing	-	284,309	672,964	1,825,666	237,630	-	24,738	-	3,045,307
Others	54,149	28,436	66,468	41,029	154	3,508	4,618	185,868	384,230
<b>Total liabilities</b>	2,939,893	318,663	1,554,375	2,401,685	281,457	40,296	586,214	204,742	8,327,325
Equity	-	-	-	13,536	-	-	54,895	309,355	377,786
<b>Total equity and liabilities</b>	2,939,893	318,663	1,554,375	2,415,221	281,457	40,296	641,109	514,097	8,705,111
<b>Contingencies and commitments</b>	-	2,303	616,679	680,203	53,116	-	315,419	30,474	1,698,194



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

## 36 RELATED PARTY TRANSACTIONS

The Bank has related party relationships with various parties including its Directors, Key Management Personnel, Group entities, subsidiaries, associated companies and employee benefit schemes of the Bank.

Transactions with related parties, other than those under terms of employment, are executed on an arm's length basis i.e. do not involve more than normal risk and are substantially on the same terms, including mark-up rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties.

Contributions to and accruals in respect of staff retirement and other benefit schemes are made in accordance with the actuarial valuations / terms of the schemes.

Details of transactions and balances with related parties as at the period / year end are as follows:

	As at March 31, 2025 (Unaudited)					
	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Other related parties
	(Rupees in '000)					
<b>Statement of financial position</b>						
<b>Balances with other banks</b>						
In current accounts	-	-	82,763	674,123	-	-
<b>Investments</b>						
Opening balance	-	-	-	37,073,602	7,080,101	13,841,886
Initial impact of fair valuation	-	-	-	-	-	8,301,573
Exchange Adjustment	-	-	-	48,438	-	71,852
Investment made during the period	-	-	-	-	-	-
Investment redeemed / disposed off during the period	-	-	-	-	-	(337,500)
Revaluation of investment during the period	-	-	-	-	-	(50,918)
Reversal of credit loss allowance / (provision) for diminution in the value of investments	-	-	-	-	(36,839)	2,502
Closing balance	-	-	-	37,122,040	7,043,262	21,829,395
Credit loss allowance / provision for diminution in the value of investments - held	-	-	-	-	78,415	9,822
<b>Advances</b>						
Opening balance	1,295	505,825	5,093,585	2,026,128	125,000	11,470,215
Exchange adjustment	-	-	24,076	-	-	-
Addition during the period	5,352	99,767	7,122,610	45,803	1,400,823	2,495,883
Repaid during the period	(5,891)	(130,819)	(8,175,761)	(26,128)	-	(2,552,171)
Transfer out - net	-	41,374	-	-	-	-
Closing balance	756	516,147	4,064,510	2,045,803	1,525,823	11,413,927
<b>Other Assets</b>						
Interest / mark-up accrued	-	312	48,626	253,269	12,321	440,187
Receivables from defined benefit plan	-	-	-	-	-	1,101,998
Prepaid insurance	-	-	-	-	435,332	-
Advance subscription of shares	-	-	-	4,850,000	-	-
Other receivables	-	3,815	24,350	190,538	-	28,773
	-	4,127	72,976	5,293,807	447,653	1,570,958
<b>Borrowings</b>						
Opening balance	-	-	-	2,228,400	20,612,700	4,506,950
Exchange adjustment	-	-	-	6,548	120,277	18,512
Borrowings during the period	-	-	-	-	40,508,434	3,911,159
Settled during the period	-	-	-	(2,234,948)	(40,229,067)	(2,514,317)
Closing balance	-	-	-	-	21,012,344	5,922,304
<b>Deposits and other accounts</b>						
Opening balance	56,743	346,426	32,227,130	3,756,121	3,595,859	3,387,662
Exchange adjustment	138	1,576	131,513	-	138	(1,292)
Received during the period	60,078	1,660,095	144,025,959	217,716,692	333,124,182	45,282,782
Withdrawn during the period	(53,840)	(1,332,395)	(145,016,908)	(216,009,486)	(331,213,999)	(43,375,947)
Transfer in	-	60	-	-	-	-
Closing balance	63,119	675,762	31,367,694	5,463,327	5,506,180	5,293,205
<b>Other liabilities</b>						
Interest / mark-up payable	294	3,085	211,535	26,111	148,745	60,268
Payable to defined benefit plan	-	-	-	-	-	663,853
Donation payable	-	-	-	-	-	250,608
Unearned income	-	-	42,771	-	-	-
Insurance payable	-	-	-	-	4,332	-
Other payables	-	-	-	249,502	-	2,248
	294	3,085	254,306	275,613	153,077	976,977



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

	As at March 31, 2025 (Unaudited)					
	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Other related parties
	(Rupees in '000)					
<b>Contingencies and Commitments</b>						
Letter of credit	-	-	672,570	-	-	251,137
Guarantees	-	-	366,107	-	-	3,541,727
Forward purchase of Government securities	-	10,383	-	-	-	17,286
Forward purchase of foreign exchange contracts	-	-	-	140,082	-	-
Interest rate swaps	-	-	-	-	125,000	-
	-	10,383	1,038,677	140,082	125,000	3,810,150
<b>Others</b>						
Securities held as custodian	1,250	139,215	19,052,665	-	275,741,235	36,301,665
	For the three months ended March 31, 2025 (Unaudited)					
	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Other related parties
	(Rupees in '000)					
<b>Profit and loss account</b>						
<b>Income</b>						
Mark-up / return / profit / interest earned	-	3,651	87,242	271,468	9,339	435,432
Fee and commission income	219	2,460	104,397	83,835	348,001	1,512
Dividend income	-	-	-	-	185,825	1,081,546
Unrealised loss on derivatives	-	-	-	-	(1,017)	-
Gain on sale of securities - net	-	-	-	-	669	-
Rent on properties	-	-	-	37,415	-	330
Gain on disposal of property and equipment	-	-	-	-	494	-
Other income	-	-	-	61	-	-
<b>Expense</b>						
Mark-up / return / profit / interest expensed	423	3,612	506,309	60,465	523,637	141,826
Operating expenses						
Total compensation expense	-	1,165,669	-	-	-	299,261
Rent and taxes	-	-	13,435	-	17,166	540
Software maintenance	-	-	-	-	-	5,125
Non-Executive Directors' fees	19,800	-	-	-	-	-
Insurance premium expense	-	-	-	-	738,220	-
Product feature cost	-	-	86,069	-	-	-
Travelling	-	-	988	-	-	-
Subscription	-	-	-	-	-	7,497
Donation	-	-	-	-	-	250,608
Brokerage and commission	-	-	-	-	-	95,765
Documentation and processing charges	-	-	-	-	-	2,495
Marketing, advertisement and publicity	-	-	-	167,000	-	-
Utilities cost	-	-	-	7,894	-	-
Other expenses	-	-	455	437	-	3,212
Provision for diminution / (reversal) of credit loss allowance in the value of investments	-	-	-	-	21,327	(2,502)
<b>Others</b>						
Purchase of Government securities	-	11,644	70,812,546	40,542,978	26,810,454	1,016,408
Sale of Government securities	1,183	27,497	71,446,803	42,483,652	14,199,361	2,101,074
Purchase of foreign currencies	-	-	2,812,579	10,246,566	37,864	12,963
Sale of foreign currencies	-	-	1,627,431	9,248,005	898,999	335,846
Insurance claims settled	-	-	-	-	190,621	-



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

	As at December 31, 2024 (Audited)					
	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Other related parties
(Rupees in '000)						
<b>Statement of financial position</b>						
<b>Balances with other banks</b>						
In current accounts	-	-	103,491	592,339	-	-
<b>Investments</b>						
Opening balance	-	-	-	29,172,923	7,058,755	17,204,695
Impact of adoption of IFRS 9	-	-	-	-	-	60,639
Exchange Adjustment	-	-	-	(99,321)	20,766	(408,119)
Investment made during the year	-	-	-	8,000,000	580	-
Investment redeemed / disposed off during the year	-	-	-	-	-	(2,837,500)
Revaluation of investment during the year	-	-	-	-	-	(165,505)
Credit loss allowance / provision for diminution in the value of investments	-	-	-	-	-	(12,324)
Closing balance	-	-	-	37,073,602	7,080,101	13,841,886
Credit loss allowance / provision for diminution in the value of investments - held	-	-	-	-	57,088	12,324
<b>Advances</b>						
Opening balance	1,969	649,863	5,352,719	2,086,003	375,000	10,200,880
Exchange adjustment	-	-	(1,169,263)	-	-	-
Addition during the year	14,004	339,935	34,360,119	46,492	-	21,552,947
Repaid during the year	(14,678)	(272,714)	(33,449,990)	(106,367)	(250,000)	(20,286,647)
Transfer (out) / in - net	-	(211,259)	-	-	-	3,035
Closing balance	1,295	505,825	5,093,585	2,026,128	125,000	11,470,215
<b>Other Assets</b>						
Interest / mark-up accrued	-	930	44,109	202,604	7,620	325,079
Receivable from defined benefit plan	-	-	-	-	-	1,101,998
Prepaid insurance	-	-	-	-	612,913	-
Other receivables / prepayments	-	2,887	28,294	216,168	-	17,196
	-	3,817	72,403	418,772	620,533	1,444,273
<b>Borrowings</b>						
Opening balance	-	-	5,169,268	1,409,304	16,686,344	4,536,746
Exchange adjustment	-	-	-	(16,436)	(1,588,155)	(29,796)
Borrowings during the year	-	-	-	6,415,957	158,918,166	10,026,383
Settled during the year	-	-	(5,169,268)	(5,580,425)	(153,403,655)	(10,026,383)
Closing balance	-	-	-	2,228,400	20,612,700	4,506,950
<b>Deposits and other accounts</b>						
Opening balance	23,411	572,514	23,823,074	3,698,361	33,215,657	1,363,336
Exchange adjustment	(88)	(5,571)	(336,548)	-	(4,913)	(17,377)
Received during the year	622,797	4,826,380	410,951,033	916,794,508	1,365,475,469	56,443,170
Withdrawn during the year	(589,377)	(4,816,766)	(401,932,162)	(916,853,640)	(1,396,156,439)	(54,732,179)
Transfer out - net	-	(230,131)	-	-	-	3,394
Closing balance	56,743	346,426	32,505,397	3,639,229	2,529,774	3,060,344
<b>Other liabilities</b>						
Interest / mark-up payable	160	948	159,756	10,179	103,264	47,077
Payable to defined benefit plan	-	-	-	-	-	692,228
Donation payable	-	-	-	-	-	867,797
Unearned income	-	-	7,781	-	-	-
Other payables	-	-	-	245,089	4,958	-
	160	948	167,537	255,268	108,222	1,607,102
<b>Contingencies and Commitments</b>						
Letters of credit	-	-	857,611	-	-	261,003
Letters of guarantee	-	-	187,974	500	-	3,541,727
Forward purchase of Government securities	-	-	-	-	-	351,855
Forward purchase of foreign exchange contracts	-	-	1,002,095	139,275	-	6,931,972
Interest rate swaps	-	-	-	-	125,000	-
	-	-	2,047,680	139,775	125,000	11,086,557
<b>Others</b>						
Securities held as custodians	-	143,390	19,906,410	-	306,748,350	36,152,635



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

	For the three months ended March 31, 2024 (Unaudited)					
	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Other related parties
	(Rupees in '000)					
<b>Profit and loss account</b>						
<b>Income</b>						
Mark-up / return / profit / interest earned	9	7,265	108,362	332,388	20,169	614,347
Fee and commission income	132	2,085	82,632	36,396	216,203	1,453
Dividend income	-	-	-	-	646,814	703,588
Unrealised loss on derivatives	-	-	-	-	(29,928)	-
Gain on sale of securities - net	-	-	-	-	784	-
Rent on properties	-	-	-	43,967	-	-
Gain on disposal of property and equipment	-	-	-	-	4,958	-
Other income	-	-	-	35	-	-
<b>Expense</b>						
Mark-up / return / profit / interest expensed	582	12,309	352,865	93,341	765,059	102,741
Operating expenses						
Total compensation expense	-	1,046,414	-	-	-	318,512
Non-Executive Directors' fees	30,300	-	-	-	-	-
Rent and taxes	-	-	11,887	-	16,824	-
Software maintenance	-	-	-	-	-	4,299
Insurance premium expense	-	-	-	-	5,800,995	-
Product Feature Cost	-	-	66,221	-	-	-
Travelling	-	-	1,104	-	-	-
Subscription	-	-	-	-	-	1,815
Donation	-	-	-	-	-	247,663
Brokerage and Commission	-	-	-	-	-	74,079
Documentation and processing charges	-	-	-	-	-	6,325
Utilities cost	-	-	-	19,354	-	-
Other expenses	-	-	705	3,922	-	1,403
Provision for diminution in the value of investments	-	-	-	-	12,628	222,031
<b>Others</b>						
Purchase of Government securities	-	7,116	41,517,777	69,364,535	35,175,450	1,887,503
Sale of Government securities	-	51,817	43,971,984	68,978,084	32,648,017	7,513,322
Purchase of foreign currencies	-	-	1,731,577	9,766,559	68,579	-
Sale of foreign currencies	-	-	1,846,901	7,912,356	130,815	593,801

36.1 Balances and transactions with group entities include deposits of Rs 0.623 million (December 31, 2024: Rs 0.638 million) from the parent and Rs nil thousand (March 31, 2024: 9.00 thousand) as mark-up expense thereon.



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

## 37 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

### Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)

### Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital

Eligible Additional Tier 1 (ADT 1) Capital

Total Eligible Tier 1 Capital

Eligible Tier 2 Capital

Total Eligible Capital (Tier 1 + Tier 2)

### Risk Weighted Assets (RWAs):

Credit Risk

Market Risk

Operational Risk

Total

CET 1 CAR

Tier 1 CAR

Total CAR

### Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)

of which: capital conservation buffer requirement

of which: countercyclical buffer requirement

of which: D-SIB buffer requirement

CET1 available to meet buffers (as a percentage of risk weighted assets)

### Other information:

### Minimum capital requirements prescribed by the SBP

CET1 ratio (%)

Tier 1 ratio (%)

Total capital ratio (%)

### Leverage Ratio (LR)

Eligible Tier-1 Capital

Total Exposure

Leverage Ratio (%)

Minimum Requirement (%)

### Liquidity Coverage Ratio (LCR)

Average High Quality Liquid Assets

Average Net Cash Outflow

Liquidity Coverage Ratio (%)

Minimum Requirement (%)

### Net Stable Funding Ratio (NSFR)

Total Available Stable Funding

Total Required Stable Funding

Net Stable Funding Ratio (%)

Minimum Requirement (%)

(Unaudited) March 31, 2025  
(Audited) December 31, 2024  
----- (Rupees in '000) -----

14,668,525 14,668,525

305,559,253 296,656,489  
13,753,728 13,519,903  
319,312,981 310,176,392  
70,949,390 73,236,490  
390,262,371 383,412,882

1,516,846,089 1,549,436,526  
222,752,400 185,097,775  
367,384,573 367,384,573  
2,106,983,062 2,101,918,874

14.50% 14.11%  
15.15% 14.76%  
18.52% 18.24%

8.50% 8.50%  
1.50% 1.50%  
1.00% 1.00%  
8.50% 8.11%

8.50% 8.50%  
10.00% 10.00%  
12.50% 12.50%

(Unaudited) March 31, 2025  
(Audited) December 31, 2024  
----- (Rupees in '000) -----

319,312,981 310,176,392  
6,644,669,569 6,802,909,769  
4.81% 4.56%  
3.00% 3.00%

2,214,488,867 2,320,570,154  
821,088,337 869,235,371  
269.70% 266.97%  
100.00% 100.00%

4,178,043,316 4,156,125,272  
2,492,756,204 2,732,852,018  
167.61% 152.08%  
100.00% 100.00%

- 37.1 For the purpose of calculating CAR, the SBP has allowed banks to phase in the impact on opening retained earnings of the ECL calculated for financial assets classified as stage 1 and stage 2. The phasing is allowed over a period of five years. Had there been no such relaxation, the Bank's total CAR would have been lower by 42 bps and the Leverage Ratio would have been lower by 11 bps.



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

## 38 ISLAMIC BANKING BUSINESS

The Bank operates 408 (December 31, 2024: 408) Islamic Banking branches and 581 (December 31, 2024: 581) Islamic Banking windows.

### STATEMENT OF FINANCIAL POSITION

#### ASSETS

Cash and balances with treasury banks  
Balances with other banks  
Due from financial institutions  
Investments  
Islamic financing and related assets - net  
Property and equipment  
Right-of-use assets  
Intangible assets  
Due from Head Office  
Deferred tax assets  
Other assets

Note	(Unaudited) March 31, 2025	(Audited) December 31, 2024
	----- (Rupees in '000) -----	
	49,018,061	39,849,968
	1,888,175	760,800
38.1	9,500,000	30,000,000
38.2	374,571,507	349,841,214
38.3	230,900,139	193,867,617
	7,205,171	7,307,282
	8,366,545	7,553,230
	39,274	43,133
	-	-
	-	-
	28,138,768	25,835,979
	709,627,640	655,059,223

#### LIABILITIES

Bills payable  
Due to financial institutions  
Deposits and other accounts  
Due to Head Office  
Lease liabilities  
Subordinated debt  
Deferred tax liabilities  
Other liabilities

	32,038	39,072
38.4	65,056,535	45,450,071
38.5	530,720,681	494,894,964
	16,837,405	5,926,658
	11,329,604	10,332,557
	-	-
	3,150,816	1,904,986
	16,247,779	33,565,331
	643,374,858	592,113,639
	66,252,782	62,945,584

#### NET ASSETS

#### REPRESENTED BY

Islamic Banking Fund  
Reserves  
Surplus on revaluation of investments - net of tax  
Unappropriated profit

	500,000	500,000
	-	-
	2,909,608	4,361,869
38.6	62,843,174	58,083,715
	66,252,782	62,945,584

#### Contingencies and commitments

38.7	(Unaudited) For the three months ended	
	March 31, 2025	March 31, 2024
	----- (Rupees in '000) -----	

### PROFIT AND LOSS ACCOUNT

Profit / return earned  
Profit / return expensed  
Net profit / return

38.8	20,132,500	21,340,795
38.9	7,853,762	11,253,785
	12,278,738	10,087,010

#### Other income

Fee and commission income  
Dividend income  
Foreign exchange income  
Income from derivatives  
Gain on securities- net  
Others

582,370	520,262
-	-
101,226	182,442
-	-
475,597	16,280
-	-
1,159,193	718,984
13,437,931	10,805,994

#### Total income

#### Other expenses

Operating expenses  
Workers' Welfare Fund  
Other charges  
Total other expenses

3,030,767	2,793,724
203,525	152,745
330	125
3,234,622	2,946,594

#### Profit before credit loss allowance

Credit loss allowance and write offs - net

10,203,309	7,859,400
27,058	222,158

#### Profit before taxation

Taxation

10,176,251	7,637,242
5,393,413	3,742,247

#### Profit after taxation

4,782,838	3,894,995
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# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

		(Unaudited) March 31, 2025	(Audited) December 31, 2024		
		----- (Rupees in '000) -----			
38.1	<b>Due from Financial Institutions</b>				
	Call money lendings	9,500,000	8,000,000		
	Secured lendings	-	22,000,000		
		<u>9,500,000</u>	<u>30,000,000</u>		
38.2	<b>Investments by segments</b>	<b>March 31, 2025 (Unaudited)</b>			
		<b>Cost / amortised cost</b>	<b>Credit loss allowance</b>	<b>Surplus / (deficit)</b>	<b>Carrying value</b>
		----- (Rupees in '000) -----			
	<b>Debt Instruments</b>				
	<b>Fair value through profit and loss (FVTPL)</b>				
	<b>Federal Government securities</b>				
	- Ijarah Sukuk	6,688,790	-	1,482	6,690,272
	- Other Federal Government securities	1,255,550	-	-	1,255,550
	<b>Non-Government debt securities</b>				
	- Listed	191,668	-	6	191,674
	- Unlisted	801,000	-	-	801,000
		8,937,008	-	1,488	8,938,496
	<b>Fair value through other comprehensive income (FVOCI)</b>				
	<b>Federal Government securities</b>				
	- Ijarah Sukuk	275,713,664	-	5,207,994	280,921,658
	<b>Non-Government debt securities</b>				
	- Listed	42,500,000	(15,807)	850,913	43,335,106
	- Unlisted	600,000	(6,295)	1,666	595,371
		318,813,664	(22,102)	6,060,573	324,852,135
	<b>Amortised cost</b>				
	<b>Federal Government securities</b>				
	- Ijarah Sukuk	28,259,825	-	-	28,259,825
	<b>Non-Government debt securities</b>				
	- Unlisted	13,148,915	(627,864)	-	12,521,051
		41,408,740	(627,864)	-	40,780,876
	<b>Total Investments</b>	<u>369,159,412</u>	<u>(649,966)</u>	<u>6,062,061</u>	<u>374,571,507</u>
		<b>December 31, 2024 (Audited)</b>			
		<b>Cost / amortised cost</b>	<b>Credit loss allowance</b>	<b>Surplus / (deficit)</b>	<b>Carrying value</b>
		----- (Rupees in '000) -----			
	<b>Fair value through profit and loss (FVTPL)</b>				
	<b>Federal Government securities</b>				
	- Ijarah Sukuk	10,273,922	-	71,409	10,345,331
	- Other Federal Government securities	2,580,725	-	-	2,580,725
	<b>Non-Government debt securities</b>				
	- Listed	191,668	-	6	191,674
	- Unlisted	801,000	-	-	801,000
		13,847,315	-	71,415	13,918,730
	<b>Fair value through other comprehensive income (FVOCI)</b>				
	<b>Federal Government securities</b>				
	- Ijarah Sukuk	242,713,829	-	8,583,533	251,297,362
	<b>Non-Government debt securities</b>				
	- Listed	42,750,000	(17,539)	498,773	43,231,234
	- Unlisted	600,000	(6,984)	4,922	597,938
		286,063,829	(24,523)	9,087,228	295,126,534
	<b>Amortised cost</b>				
	<b>Federal Government securities</b>				
	- Ijarah Sukuk	28,274,899	-	-	28,274,899
	<b>Non-Government debt securities</b>				
	- Unlisted	13,148,915	(627,864)	-	12,521,051
		41,423,814	(627,864)	-	40,795,950
	<b>Total Investments</b>	<u>341,334,958</u>	<u>(652,387)</u>	<u>9,158,643</u>	<u>349,841,214</u>



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

		March 31, 2025 (Unaudited)			
		Stage 1	Stage 2	Stage 3	Total
		(Rupees in '000)			
38.2.1	<b>Particulars of credit loss allowance</b>				
	Non Government debt securities	37,817	-	612,000	649,817
		December 31, 2024 (Audited)			
		Stage 1	Stage 2	Stage 3	Total
		(Rupees in '000)			
	<b>Particulars of credit loss allowance</b>				
	Non Government debt securities	40,387	-	612,000	652,387
38.3	<b>Islamic financing and related assets - net</b>		(Unaudited) March 31, 2025	(Audited) December 31, 2024	
			(Rupees in '000)		
	Diminishing Musharakah		99,513,637	100,521,115	
	Running Musharakah		49,650,923	34,004,211	
	Wakalah		15,971,703	16,255,807	
	Ijarah		5,068,003	5,462,128	
	Murabaha		32,828,037	7,325,575	
	Salam		-	72,849	
	Tijarah		2,314,165	2,941,173	
	Istisna		2,456,188	1,709,722	
	Musawamah		846,965	1,241,904	
	Advance for Diminishing Musharakah		6,967,218	4,479,502	
	Advance for Ijarah		1,186,930	1,902,161	
	Advance for Murabaha		1,376,535	4,749,266	
	Advance for Salam		2,543,998	1,054,907	
	Advance for Istisna		13,430,323	15,624,612	
	Advance for Musawamah		1,570,765	458,382	
	Inventories against Murabaha		307,269	1,693,949	
	Inventories against Tijarah		4,669,971	5,064,547	
	Inventories against Istisna		3,496,252	3,627,510	
	Inventories against Salam		1,050,000	-	
	Islamic financing and related assets - gross		245,248,882	208,189,320	
	Credit loss allowance against Islamic financing and related assets				
	- Stage 1		(407,551)	(598,558)	
	- Stage 2		(2,032,709)	(2,040,479)	
	- Stage 3		(11,908,483)	(11,682,666)	
			(14,348,743)	(14,321,703)	
	Islamic financing and related assets - net of credit loss allowance		230,900,139	193,867,617	
38.4	<b>Due to financial institutions</b>				
	Unsecured acceptances of funds		45,275,000	25,300,000	
	Acceptances from the SBP under:				
	- Islamic export refinance scheme		8,472,491	8,125,691	
	- Islamic export refinance scheme for bill discounting		1,151,218	1,161,546	
	- Islamic long term financing facility		5,334,616	5,560,838	
	- Islamic financing facility for renewable energy power plants		593,689	562,579	
	- Islamic refinance facility for modernization of Small & Medium Enterprises (SMEs)		199,904	216,725	
	- Islamic refinance facility for combating COVID-19		275,255	314,577	
	- Islamic temporary economic refinance facility		1,754,362	1,866,240	
	Acceptances from Pakistan Mortgage Refinance Company		2,000,000	2,000,000	
	Overdrawn nostro accounts		-	341,875	
			65,056,535	45,450,071	



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

	Note	(Unaudited) March 31, 2025 ------(Rupees in '000)-----	(Audited) December 31, 2024
38.5	<b>Deposits and other accounts</b>		
	<b>Customers</b>		
	Current deposits	217,607,650	125,193,794
	Savings deposits	284,422,082	345,117,509
	Term deposits	22,844,308	19,019,144
		<u>524,874,040</u>	<u>489,330,447</u>
	<b>Financial Institutions</b>		
	Current deposits	40,976	70,917
	Savings deposits	5,805,665	5,491,954
	Term deposits	-	1,646
		<u>5,846,641</u>	<u>5,564,517</u>
		<u>530,720,681</u>	<u>494,894,964</u>
38.6	<b>Islamic Banking business unappropriated profit</b>		
	Opening Balance	58,083,715	43,688,438
	Impact of adoption of IFRS 9	-	(2,603,420)
	Add: Islamic Banking profit for the period / year	10,176,251	37,011,071
	Less: Taxation	(5,393,413)	(19,985,978)
	Less: Transferred / Remitted to Head Office	(23,379)	(26,396)
	Closing Balance	<u>62,843,174</u>	<u>58,083,715</u>
		(Unaudited) March 31, 2025	(Audited) December 31, 2024
		------(Rupees in '000)-----	
38.7	<b>Contingencies and commitments</b>		
	- Performance Guarantees	13,103,184	8,005,532
	- Commitments	60,699,938	64,541,386
		<u>73,803,122</u>	<u>72,546,918</u>
38.7.1	<b>Commitments:</b>		
	Trade-related contingent liabilities	29,041,127	42,534,511
	Commitments in respect of forward foreign exchange contracts	31,658,811	22,006,875
		<u>60,699,938</u>	<u>64,541,386</u>
38.7.1.1	<b>Commitments in respect of forward foreign exchange contracts</b>		
	Purchase	18,842,792	11,536,610
	Sale	12,816,018	10,470,265
		<u>31,658,811</u>	<u>22,006,875</u>
38.8	<b>Profit / return earned</b>		
		(Unaudited) For the three months ended	
		March 31, 2025	March 31, 2024
		------(Rupees in '000)-----	
	On:		
	Financing	7,651,626	8,903,091
	Investments	11,996,479	11,763,477
	Amounts due from financial institutions	484,395	674,227
		<u>20,132,500</u>	<u>21,340,795</u>
38.9	<b>Profit / return expensed</b>		
	On:		
	Deposits and other accounts	5,869,334	9,225,033
	Amounts due to financial institutions	1,559,893	1,569,117
	Foreign currency deposits for Wa'ad based transactions	45,409	156,742
	Lease liability against right-of-use assets	379,126	302,893
		<u>7,853,762</u>	<u>11,253,785</u>



# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025

## 39 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

- 39.1 The Board of Directors, in its meeting held on April 25, 2025, has declared a cash dividend of Rs 4.50 per share in respect of the quarter ended March 31, 2025 (March 31, 2024: Rs 4.00 per share). These condensed interim unconsolidated financial statements do not include the effect of this appropriation which will be accounted for subsequent to the period end.

## 40 DATE OF AUTHORISATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorised for issue in the Board of Directors meeting held on April 25, 2025.

## 41 GENERAL

- 41.1 Comparative figures have been re-arranged and reclassified for comparison purposes.

Muhammad Nassir Salim  
President and  
Chief Executive Officer

Rayomond Kotwal  
Chief Financial Officer

Moez Ahamed Jamal  
Director

Dr. Najeeb Samie  
Director

Salim Raza  
Director



