

**MCB ISLAMIC BANK LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2025**

		(Unaudited) June 30, 2025	(Audited) December 31, 2024
	Note	Rupees in thousands	
<b>ASSETS</b>			
Cash and balances with treasury banks	8	20,289,585	18,114,511
Balances with other banks	9	3,413,843	962,093
Due from financial institutions	10	2,999,785	2,000,000
Investments - net	11	152,269,351	146,596,201
Islamic financing and related assets - net	12	111,064,265	119,353,143
Property and equipment	13	5,886,805	5,191,117
Right-of-use assets	14	2,186,090	2,355,818
Intangible assets	15	1,356,582	1,044,088
Deferred tax assets	16	1,136,809	30,797
Other assets	17	14,258,360	11,695,860
		314,861,475	307,343,628
<b>LIABILITIES</b>			
Bills payable	19	2,964,689	11,594,493
Due to financial institutions	20	17,767,920	48,422,293
Deposits and other accounts	21	255,892,327	209,108,581
Lease liabilities	22	2,907,177	3,018,262
Subordinated debts		-	-
Deferred tax liabilities	16	-	-
Other liabilities	23	8,726,916	9,253,993
		288,259,029	281,397,622
<b>NET ASSETS</b>		<u>26,602,446</u>	<u>25,946,006</u>
<b>REPRESENTED BY</b>			
Share capital	24	15,550,000	15,550,000
Reserves	25	2,485,869	2,276,220
Surplus on revaluation of assets - net of tax	26	1,084,101	1,517,729
Unappropriated profit		7,482,476	6,602,057
		<u>26,602,446</u>	<u>25,946,006</u>
<b>CONTINGENCIES AND COMMITMENTS</b>		27	

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

  
**Chief Financial Officer**

  
**President / Chief Executive**

  
**Director**

  
**Director**

  
**Director**

**MCB ISLAMIC BANK LIMITED**

CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UNAUDITED)  
FOR THE HALF YEAR ENDED JUNE 30, 2025

		Quarter Ended		Half Year Ended	
	Note	April 1, 2025 to June 30, 2025	April 1, 2024 to June 30, 2024 (Restated)	January 1, 2025 to June 30, 2025	January 1, 2024 to June 30, 2024 (Restated)
		Rupees in thousands			
Profit / return earned	28	7,721,085	12,211,354	15,677,078	23,927,377
Profit / return expensed	29	4,208,155	7,973,666	8,485,419	15,494,627
Net profit / return		3,512,930	4,237,688	7,191,659	8,432,750
OTHER INCOME					
Fee and commission income	30	311,074	235,955	584,443	462,013
Dividend income		3,731	-	17,510	-
Foreign exchange income		107,966	64,183	204,836	56,165
Gain / (loss) on securities	31	(34,887)	(3,184)	9,125	(5,484)
Other income	32	43,502	49,734	86,257	102,995
Total other income		431,386	346,688	902,171	615,689
Total income		3,944,316	4,584,376	8,093,830	9,048,439
OTHER EXPENSES					
Operating expenses	33	2,925,602	2,563,418	5,575,828	4,662,732
Workers welfare fund		22,077	40,934	52,602	89,498
Other charges	34	688	5	4,945	222
Total other expenses		2,948,367	2,604,357	5,633,375	4,752,452
Profit before credit loss allowance		995,949	1,980,019	2,460,455	4,295,987
Credit loss allowance and write offs - net	35	(18,113)	(3,305)	131,870	45,695
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		1,014,062	1,983,324	2,328,585	4,250,292
Taxation	36	579,323	971,290	1,280,342	2,082,211
PROFIT AFTER TAXATION		434,739	1,012,034	1,048,243	2,168,081
-----Rupees-----					
Basic and diluted earnings per share	37	0.280	0.651	0.674	1.394

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**MCB ISLAMIC BANK LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE HALF YEAR ENDED JUNE 30, 2025**

	Quarter Ended		Half Year Ended	
	April 1, 2025 to June 30, 2025	April 1, 2024 to June 30, 2024 (Restated)	January 1, 2025 to June 30, 2025	January 1, 2024 to June 30, 2024 (Restated)
	Rupees in thousands			
Profit after taxation for the period	434,739	1,012,034	1,048,243	2,168,081
Other comprehensive (loss) / income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in deficit on revaluation of debt investments through FVTOCI- net of tax	317,589	(55,778)	(449,616)	(231,372)
Items that will not be reclassified to profit and loss account in subsequent periods:				
Movement in surplus on revaluation of equity investments through FVTOCI- net of tax	57,813	-	57,813	-
<b>Total comprehensive income for the period</b>	<b>810,141</b>	<b>956,256</b>	<b>656,440</b>	<b>1,936,709</b>

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

41

  
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**MCB ISLAMIC BANK LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE HALF YEAR ENDED JUNE 30, 2025**

	Share Capital	Statutory Reserve	Surplus / (deficit) on revaluation of		Unappropriated profit	Total
			Investments	Property & Equipment		
	Rupees in thousands					
Balance as at December 31, 2023 (Audited)	15,550,000	1,428,486	468,091	466,553	4,123,122	22,036,252
Impact of adoption of IFRS 9						
Expected Credit Loss (ECL) - net of tax	-	-	3,371	-	(914,094)	(910,723)
Restated Balance under IFRS 9 as at December 31, 2023	15,550,000	1,428,486	471,462	466,553	3,209,028	21,125,529

**Total comprehensive income / (loss) for the half year ended June 30, 2024 - net of tax**

Profit for the half year ended June 30, 2024 - Restated	-	-	-	-	2,168,081	2,168,081
Other comprehensive loss	-	-	(231,372)	-	-	(231,372)
	-	-	(231,372)	-	2,168,081	1,936,709
Transfer to statutory reserve - Restated	-	433,616	-	-	(433,616)	-
Transfer from surplus on revaluation of property and equipment to unappropriated profit in respect of incremental depreciation - net of tax	-	-	-	(1,111)	1,111	-
Balance as at June 30, 2024 (Unaudited)	15,550,000	1,862,102	240,090	465,442	4,944,604	23,062,238

**Total comprehensive income / (loss) for the six months period ended December 31, 2024 - net of tax**

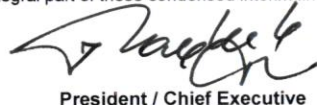
Profit after taxation for the six months period ended December 31, 2024	-	-	-	-	2,070,035	2,070,035
Other comprehensive income / (loss)	-	-	819,038	(5,305)	-	813,733
	-	-	819,038	(5,305)	2,070,035	2,883,768
Transfer to statutory reserve	-	414,118	-	-	(414,118)	-
Transfer from surplus on revaluation of property and equipment to unappropriated profit in respect of incremental depreciation - net of tax	-	-	-	(1,536)	1,536	-
Balance as at December 31, 2024 (Audited)	15,550,000	2,276,220	1,059,128	458,601	6,602,057	25,946,006

**Total comprehensive income / (loss) for the half year ended June 30, 2025 - net of tax**

Profit after taxation for the half year ended June 30, 2025	-	-	-	-	1,048,243	1,048,243
Movement in surplus on revaluation of equity investments through FVTOCI- net of tax	-	-	57,813	-	-	57,813
Movement in surplus on revaluation of debt instruments through FVTOCI- net of tax	-	-	(449,616)	-	-	(449,616)
	-	-	(391,803)	-	1,048,243	656,440
Transfer to statutory reserve	-	209,649	-	-	(209,649)	-
Surplus realised on disposal of investments in equity investments through FVTOCI - net of tax	-	-	(40,780)	-	40,780	-
Transfer from surplus on revaluation of property and equipment to unappropriated profit in respect of incremental depreciation - net of tax	-	-	-	(1,045)	1,045	-
Balance as at June 30, 2025 (Unaudited)	15,550,000	2,485,869	626,545	457,556	7,482,476	26,602,446

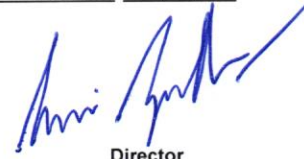
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President / Chief Executive

  
Director

  
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**MCB ISLAMIC BANK LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)**  
**FOR THE HALF YEAR ENDED JUNE 30, 2025**

	Note	June 30, 2025	June 30, 2024 (Restated)
<b>Rupees in thousands</b>			
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before taxation		2,328,585	4,250,292
Less: Dividend income		(17,510)	-
		<u>2,311,075</u>	<u>4,250,292</u>
<b>Adjustments</b>			
Net Profit / return		(7,393,744)	(8,605,162)
Depreciation on property & equipment	33	391,006	277,633
Depreciation on right-of-use assets	33	357,965	289,711
Depreciation on ijarah assets under IFAS 2		172,785	192,937
Amortization	33	52,901	100,550
Unwinding of liability against right of use assets	29	202,085	172,412
Credit loss allowance and write offs - net	35	131,870	45,695
Unrealized (gain) / loss on forward foreign exchange contracts - net		(142,888)	38,677
Gain on sale of fixed assets - net	32	(528)	(1,308)
Unrealised (gain) / loss on revaluation of FVTPL securities	31	(2,145)	4,181
Unrealised loss on revaluation of FVTPL securities		-	3,184
Gain on sale of securities - net	31	(6,980)	(1,881)
		<u>(6,237,673)</u>	<u>(7,483,371)</u>
		<u>(3,926,598)</u>	<u>(3,233,079)</u>
<b>(Increase) / decrease in operating assets</b>			
Due from financial institutions		(1,000,000)	(5,999,883)
Securities classified as FVTPL		6,722	1,996,619
Islamic financing and related assets		8,023,744	(13,651,822)
Other assets (excluding advance taxation)		(4,162,600)	(263,891)
		<u>2,867,866</u>	<u>(17,918,977)</u>
<b>Increase / (decrease) in operating liabilities</b>			
Bills payable		(8,629,804)	(383,685)
Due to financial institutions		(30,655,087)	(13,983,438)
Deposits		46,783,746	47,565,486
Other liabilities (excluding current taxation)		(64,427)	(852,219)
		<u>7,434,428</u>	<u>32,346,144</u>
		<u>6,375,696</u>	<u>11,194,088</u>
Profit / return received		17,213,036	22,347,244
Profit / return paid		(8,851,263)	(13,479,478)
Income tax paid		(1,651,442)	(3,683,680)
<b>Net cash flow generated from operating activities</b>		<u>13,086,027</u>	<u>16,378,174</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Net investments in securities classified as FVTOCI		(6,526,693)	(6,229,244)
Net divestments in amortised cost securities		2,234	8,001,755
Dividends received		17,510	-
Investments in property and equipment	13.2	(1,086,982)	(1,003,485)
Disposal of property and equipment		816	1,521
Investments in intangible assets	15.1	(365,395)	(643,264)
<b>Net cash flow (used in) / generated from investing activities</b>		<u>(7,958,510)</u>	<u>127,283</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Payment of lease liability against right-of-use asset		(501,407)	(439,274)
<b>Net cash flow used in financing activities</b>		<u>(501,407)</u>	<u>(439,274)</u>
<b>Increase in cash and cash equivalents during the period</b>		<u>4,626,110</u>	<u>16,066,183</u>
Cash and cash equivalents at the beginning of the period		19,076,604	22,332,480
<b>Cash and cash equivalents at the end of the period</b>	38	<u>23,702,714</u>	<u>38,398,663</u>

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Chief Financial Officer

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# MCB ISLAMIC BANK LIMITED

## NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2025

### 1 STATUS AND NATURE OF BUSINESS

- 1.1 MCB Islamic Bank Limited (the Bank) was incorporated in Pakistan on May 15, 2014 as an unlisted public limited company under the Companies Act, 2017 (previously Companies Ordinance, 1984) to carry out the business of an Islamic Commercial Bank in accordance and in conformity with the principles of Islamic Shari'ah and in accordance with regulations and guidelines of the State Bank of Pakistan. The Securities and Exchange Commission of Pakistan granted "Certificate of Commencement of Business" to the Bank on January 30, 2015. The Bank is a wholly owned subsidiary of MCB Bank Limited (MCB).
- 1.2 The State Bank of Pakistan (SBP) granted a "Certificate of Commencement of Banking Business" to the Bank on September 14, 2015 under Section 27 of the Banking Companies Ordinance, 1962. The Bank formally commenced operations as a scheduled Islamic Commercial Bank with effect from October 15, 2015 upon receiving notification in this regard from SBP under section 37 of the State Bank of Pakistan Act, 1956. Currently, the Bank is engaged in corporate, commercial, consumer, micro finance, investment and retail banking activities.
- 1.3 The Bank is operating through 306 branches including 2 sub branches in Pakistan (December 31, 2024: 303 branches including 2 sub branches). The Registered office of the Bank is situated at 59 Block T, Phase II, DHA, Lahore Cantt and Principal Office is situated at 14-A Main Jail Road, Gulberg, Lahore.
- 1.4 Pakistan Credit Rating Agency (PACRA) has maintained our the Bank's medium to long-term rating to "A+" and short-term rating as "A-1" with stable outlook.

### 2 BASIS OF PRESENTATION

- 2.1 These condensed interim financial statements have been prepared in conformity with the format of interim financial statements prescribed by the State Bank of Pakistan (SBP) vide BPRD Circular No. 2 dated February 09, 2023.
- 2.2 The Bank provides financing through Shari'ah compliant financing products mainly through Murabaha, Istisna, Salam, Ijarah, Diminishing Musharaka and Running Musharaka. The Bank also provides refinance facilities under various refinance schemes of the State Bank of Pakistan including Islamic Export Refinance Scheme.
- 2.3 The purchases and sales arising under these arrangements are not reflected in these condensed interim financial statements as such but are restricted to the amount of facility actually utilised and the appropriate portion of profit thereon. The income on such Islamic financing is recognised in accordance with the principles of Islamic Shari'ah and in accordance with regulations and guidelines of the State Bank of Pakistan. However, income, if any, received which does not comply with the principles of Islamic Shari'ah is recognised as charity payable if so directed by the Shari'ah Board of the Bank.

### 3 STATEMENT OF COMPLIANCE

- 3.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:
- International Accounting Standard (IAS) 34 "Interim Financial Reporting" and 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 as are notified under the Companies Act, 2017;
  - Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
  - Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

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 IAS 34, IFRS or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.



The SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for banking companies through BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' on banks through its notification S.R.O 411(I)/2008 dated April 28, 2008. The State Bank of Pakistan through BPRD Circular No. 04 of 2015 dated February 25, 2015 has deferred the applicability of Islamic Financial Accounting Standard-3 for Profit and Loss Sharing on Deposits (IFAS-3) issued by the Institute of Chartered Accountants of Pakistan (ICAP) and notified by the SECP, vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IIFS). Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim financial statements.

The disclosures made in these condensed interim financial statements have been limited based on a format prescribed by the SBP vide BPRD Circular Letter No. 2 dated February 09, 2023 and the requirements of IAS 34 "Interim Financial Reporting". They do not include all the information and disclosures required in preparation of annual financial statements, and should be read in conjunction with the annual audited financial statements for the year ended December 31, 2024.

The Bank believes that there is no significant doubt on the Bank's ability to continue as a going concern. Therefore, the condensed interim financial statements have been prepared on a going concern basis.

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

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2025 but are considered not to be relevant or do not have any material effect on the Bank's operations and therefore are not detailed in these financial statements

### **3.3 Standards, interpretations of and amendments to approved accounting standards that are not yet effective**

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2025 but are considered not to be relevant or will not have any material effect on the Bank's financial statements except for:

- the new standard - IFRS 18 'Presentation and Disclosure in Financial Statements' (IFRS 18) (published in April 2024) with applicability date of January 1, 2027 by IASB. IFRS 18 is yet to be adopted in Pakistan. IFRS 18 when adopted and applicable shall impact the presentation of 'Statement of Profit and Loss Account' with certain additional disclosures in the financial statements.

## **4 BASIS OF MEASUREMENT**

### **4.1 Accounting convention**

These condensed interim financial statements have been prepared under the historical cost convention, except that certain classes of fixed assets are stated at revalued amounts and certain investments, foreign currency balances and commitments in respect of certain foreign exchange contracts have been marked to market and carried at fair value in accordance with the requirements of the SBP. In addition, obligations in respect of lease liabilities are carried at present value and right-of-use assets which are initially measured at an amount equal to the corresponding lease liability and depreciated over the respective lease terms.

### **4.2 Functional and presentation currency**

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

### **4.3 Measurement of fair values**

The Bank has an established control framework with respect to the measurement of fair values. The management regularly reviews significant observable and unobservable inputs and valuation adjustments. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques. The valuation of financial assets and financial liabilities are categorized and disclosed in note 39.

71

## 5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The significant judgments made by management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements of the Bank for the year ended December 31, 2024.

## 6 MATERIAL ACCOUNTING POLICIES INFORMATION

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the financial statements of the Bank for the year ended December 31, 2024 except for change mentioned below.

- 6.1 The Bank had adopted IFRS 9 effective from January 01, 2024 with modified retrospective approach for restatement permitted under IFRS 9. The cumulative impact of initial application amounting to Rs. 8.640 million was recorded as an adjustment to equity at the beginning of the previous accounting period.

The Bank, in compliance with extended timelines prescribed in SBP's BPRD Circular Letter No. 16 dated July 29, 2024, and BPRD Circular Letter No. 01 dated January 22, 2025, had incorporated certain IFRS 9 related impacts in the last quarter of 2024. Therefore the condensed interim statement of profit and loss account (un-audited) for the half year ended June 30, 2024 has been restated to incorporate these impacts. The details are tabulated below:

Head	Impact	Rupees in '000	Description
Mark-up / return / interest earned	Increase	189,641	Fair value impact of subsidised Islamic Financing
Mark-up / return / interest earned	Increase	106,737	Fair value impact of staff loans
		296,378	
Mark-up / return / interest expensed	Increase	200,470	Fair value impact of subsidised borrowings
Operating expenses	Increase	106,737	Fair value impact of staff loans
		307,207	
Net Impact		<u>(10,829)</u>	

- 6.2 The State Bank of Pakistan (SBP), through BPRD Circular Letter No. 16 dated July 19, 2024 and BPRD Circular Letter No. 01 dated January 22, 2025, has introduced amendments and provided clarifications on the implementation timelines of IFRS 9 to address industry concerns and ensure compliance. These circulars offer guidance on the measurement of unquoted equity securities, modification accounting and the maintenance of general provisions beyond Expected Credit Losses (ECL).

In accordance with the directives outlined in the aforementioned circulars, the Bank has incorporated the prescribed treatment in these financial statements. Furthermore, SBP has permitted Islamic Banking Institutions (IBIs) to continue applying Islamic Financial Accounting Standards (IFAS) 1 and 2 for revenue recognition where applicable, while maintaining the existing accounting methodology for other Islamic products until further instructions are issued. Had IFRS 9 been fully adopted, the financial impact on the Bank would have amounted to Rs. 1.029 million.

Income on performing loans and debt securities is recognized on a time proportion basis or using the effective interest rate (EIR) method, in accordance with contractual terms and as permitted by SBP. However, through letter No. BPRD/RPD/822456/25 dated January 22, 2025, SBP has granted specific approval to the Bank for a deferred implementation of the EIR methodology.

## 7 FINANCIAL RISK MANAGEMENT

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



8	CASH AND BALANCES WITH TREASURY BANKS	Note	(Unaudited)	(Audited)
			June 30, 2025	December 31, 2024
			Rupees in thousands	
	In hand			
	- local currency		4,901,143	4,136,600
	- foreign currencies		450,233	711,238
			5,351,376	4,847,838
	With the State Bank of Pakistan in			
	- local currency current account		11,759,394	12,029,270
	- foreign currency current accounts			
	cash reserve account	8.2	366,340	359,608
	special cash reserve account	8.3	422,809	428,967
	USD clearing account		815,720	63,223
			1,604,869	851,798
	With National Bank of Pakistan in			
	- local currency current account		1,588,297	401,311
	Prize bonds	8.4	-	615
	Less: Credit loss allowance held against cash and balances with treasury banks		(14,351)	(16,321)
	Cash and balances with treasury banks - net of credit loss allowance		20,289,585	18,114,511

**8.1 CASH AND BALANCES WITH TREASURY BANKS- Particulars of credit loss allowance**

(Unaudited)		(Audited)	
June 30, 2025		December 31, 2024	
Cash and Balance with Treasury Banks	Credit loss allowance held	Cash and Balance with Treasury Banks	Credit loss allowance held

Rupees in thousands

**Domestic**

Impact of adoption of IFRS 9		-	-	-	(17,928)
Performing	Stage 1	1,604,869	(14,351)	851,798	1,607
Under performing	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
		1,604,869	(14,351)	851,798	(16,321)

**8.2** As per BSD Circular No. 15 dated June 21, 2008, cash reserve of 5% is required to be maintained with the SBP on deposits held under the New Foreign Currency Accounts Scheme (FE-25 deposits). This account is non-remunerative in nature.

**8.3** Special Cash Reserve of 6% is required to be maintained with the SBP on FE-25 deposits as specified in BSD Circular No. 15 dated June 21, 2008. This account is non-remunerative in nature.

- 8.4 These represent the national prize bonds received from customers for onward surrendering to SBP. The Bank, as a matter of Shari'ah principle, does not deal in prize bonds.

			(Unaudited) June 30, 2025	(Audited) December 31, 2024
9	BALANCES WITH OTHER BANKS	Note	Rupees in thousands	
	In Pakistan			
	- current account		78,680	26,007
	- deposit account		128,902	1,629
	Outside Pakistan			
	- current account		3,253,387	937,692
	Less: Credit loss allowance held against balances with other banks	9.1	(47,126)	(3,235)
	Balances with other banks - net of credit loss allowance		<u>3,413,843</u>	<u>962,093</u>

9.1 Balances with other banks- Particulars of credit loss allowance

		(Unaudited) June 30, 2025		(Audited) December 31, 2024	
		Balances with other banks	Credit loss allowance held	Balances with other banks	Credit loss allowance held
Rupees in thousands					
<b>Domestic</b>					
Impact of adoption of IFRS 9		-	-	-	(4,025)
Performing	Stage 1	3,460,969	(47,126)	965,328	790
Under performing	Stage 2	-	-	-	-
Non-performing	Stage 3	-	-	-	-
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
		<u>3,460,969</u>	<u>(47,126)</u>	<u>965,328</u>	<u>(3,235)</u>

			(Unaudited) June 30, 2025	(Audited) December 31, 2024
10	DUE FROM FINANCIAL INSTITUTIONS	Note	Rupees in thousands	
	Musharaka arrangements		3,000,000	2,000,000
	Less: Credit loss allowance held against due from financial institution	10.1	(215)	-
			<u>2,999,785</u>	<u>2,000,000</u>

10.1 Due from FIs- Particulars of credit loss allowance

		(Unaudited) June 30, 2025		(Audited) December 31, 2024	
		Due from FIs	Credit loss allowance held	Due from FIs	Credit loss allowance held
Rupees in thousands					
<b>Domestic</b>					
Impact of adoption of IFRS 9		-	-	-	(1)
Reversal of expected credit loss		-	-	-	1
Performing	Stage 1	3,000,000	(215)	2,000,000	-
Under performing	Stage 2	-	-	-	-
Non-performing	Stage 3	-	-	-	-
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
		<u>3,000,000</u>	<u>(215)</u>	<u>2,000,000</u>	<u>-</u>

71

# 11 INVESTMENTS

## 11.1 Investments by type:

June 30, 2025 (Unaudited)

	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value
Rupees in thousands				
<b>FVTPL</b>				
Federal Government securities	-	-	-	-
Non Government securities	670,000	-	(6,722)	663,278
Shares	-	-	-	-
	670,000	-	(6,722)	663,278
<b>FVTOCI</b>				
Federal Government securities	120,421,202	-	1,269,816	121,691,018
Shares	1,169,076	-	35,486	1,204,562
Non Government securities	500,000	-	-	500,000
	122,090,278	-	1,305,302	123,395,580
<b>Amortised cost</b>				
Federal Government securities	28,210,493	-	-	28,210,493
	28,210,493	-	-	28,210,493
<b>Total Investments</b>	150,970,771	-	1,298,580	152,269,351

December 31, 2024 (Audited)

	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value
Rupees in thousands				
<b>FVTPL</b>				
Federal Government securities	-	-	-	-
Non Government securities	670,000	-	(8,867)	661,133
	670,000	-	(8,867)	661,133
<b>FVTOCI</b>				
Federal Government securities	115,515,825	-	2,206,516	117,722,341
Non Government securities	-	-	-	-
	115,515,825	-	2,206,516	117,722,341
<b>Amortised cost</b>				
Federal Government securities	28,212,727	-	-	28,212,727
	28,212,727	-	-	28,212,727
<b>Total Investments</b>	144,398,552	-	2,197,649	146,596,201

11.1.1 The market value of investments given as collateral as at June 30, 2025 is Nil (December 31, 2024: Rs. 6,134.85 million).

11.1.2 The market value of securities measured at amortized cost as at June 30, 2025 amounted to Rs. 28,733 million (December 31, 2024: Rs. 29,165 million).

41

		Performing		Non performing		Total	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
		June 30,	December 31,	June 30,	December 31,	June 30,	December 31,
	Note	2025	2024	2025	2024	2025	2024
		Rupees in thousands					
Murabaha	12.1	27,790,179	17,966,225	46,456	46,456	27,836,635	18,012,681
Musawamah	12.2	1,115,924	531,196	-	-	1,115,924	531,196
Istisna	12.3	12,001,198	8,928,030	484,196	510,679	12,485,394	9,438,709
Salam		99,998	-	-	-	99,998	-
Ijarah	12.4	1,630,632	1,514,883	1,848	2,388	1,632,480	1,517,271
Running Musharaka	12.5	35,137,272	44,233,477	200,000	200,000	35,337,272	44,433,477
Diminishing Musharaka	12.6	32,487,160	30,956,613	1,779,247	1,829,033	34,266,407	32,785,646
Staff finance	12.7	1,629,064	1,529,774	-	-	1,629,064	1,529,774
Bai Mu'ajjal		-	14,350,949	-	-	-	14,350,949
Forced Qard		-	-	-	-	-	-
Islamic financing and related assets - gross		111,891,427	120,011,147	2,511,747	2,588,556	114,403,174	122,599,703
Less: Credit loss allowance / provision against islamic financing and related assets							
- Stage 1		(199,727)	(595,926)	-	-	(199,727)	(595,926)
- Stage 2		(770,582)	(437,561)	-	-	(770,582)	(437,561)
- Stage 3		-	-	(1,934,395)	(1,930,779)	(1,934,395)	(1,930,779)
- General		(434,205)	(282,294)	-	-	(434,205)	(282,294)
- Specific		-	-	-	-	-	-
	12.10	(1,404,514)	(1,315,781)	(1,934,395)	(1,930,779)	(3,338,909)	(3,246,560)
Islamic financing and related assets - net of credit loss allowance / provisions		110,486,913	118,695,366	577,352	657,777	111,064,265	119,353,143

		(Unaudited)	(Audited)
		June 30,	December 31,
		2025	2024
		Rupees in thousands	
<b>12.1 Murabaha</b>			
- Murabaha financing		9,762,838	8,359,749
- Murabaha inventory		17,478,522	9,372,948
- Advances against Murabaha financing		525,275	209,984
- Advances against Murabaha financing - Islamic Export Refinance Scheme (IERS)		70,000	70,000
- Murabaha financing - Islamic Export Refinance Scheme (IERS)		-	-
- Murabaha inventory - Islamic Refinancing Scheme for Payment of Wages and Salaries (IRSPWS)		-	-
		<b>27,836,635</b>	<b>18,012,681</b>
<b>12.2 Musawamah</b>			
- Musawamah Financing		1,151,798	547,951
- Deferred Musawamah Income		(35,874)	(16,755)
- Musawamah inventory		-	-
		<b>1,115,924</b>	<b>531,196</b>
<b>12.3 Istisna</b>			
- Istisna financing		2,597,012	1,973,927
- Istisna inventory		3,273,747	622,541
- Advances against Istisna financing		6,314,635	6,800,241
- Istisna financing - Islamic Export Refinance Scheme (IERS)		100,000	26,370
- Advances against Istisna financing - Islamic Export Refinance Scheme (IERS)		200,000	15,630
		<b>12,485,394</b>	<b>9,438,709</b>



	(Unaudited)	(Audited)
	June 30,	December 31,
	2025	2024
	Rupees in thousands	
<b>12.4 Ijarah financing and related assets</b>		
- Net book value of assets in Ijarah under IFAS 2	1,431,810	1,459,709
- Advances against Ijarah	200,670	57,562
	<u>1,632,480</u>	<u>1,517,271</u>
<b>12.5 Running Musharaka</b>		
- Running Musharaka financing	33,059,272	41,463,477
- Running Musharaka financing - Islamic Export Refinance Scheme (IERS)	2,278,000	2,970,000
	<u>35,337,272</u>	<u>44,433,477</u>
<b>12.6 Diminishing Musharaka</b>		
- Diminishing Musharaka financing	31,706,093	26,113,514
- Diminishing Musharaka financing - Islamic Refinancing Scheme for Payment of Wages and Salaries (IRSPWS)	-	-
- Advances against Diminishing Musharaka financing	2,560,314	6,596,859
- Advances against Diminishing Musharaka - Islamic Long Term Financing Facility (ILTFF)	-	-
- Advances against Diminishing Musharaka under Islamic Temporary Economic Refinancing Facility (ITERF) for Plant and Machinery	-	75,273
	<u>34,266,407</u>	<u>32,785,646</u>
<b>12.7 Staff finance</b>		
- Staff vehicle finance under Diminishing Musharaka	737,261	631,855
- Staff Solar Finance	21,409	18,847
- Staff housing finance under Diminishing Musharaka	870,394	879,072
	<u>1,629,064</u>	<u>1,529,774</u>
<b>12.8 Particulars of Islamic financing and related assets - gross</b>		
In local currency	114,403,174	122,599,703
In foreign currency	-	-
	<u>114,403,174</u>	<u>122,599,703</u>
<b>12.8.1 Advances to Women, Women-owned and Managed Enterprises</b>		
Women	818,569	858,602
Women Owned and Managed Enterprises	1,199,884	415,839
	<u>2,018,453</u>	<u>1,274,441</u>

**12.8.2** Gross loans disbursed to women Rs. 795.851 million (December 31, 2024: Rs. 1,817.753 million), women-owned and managed enterprises Rs. 1,695.781 million (December 31, 2024: Rs. 4,370.195 million).

*Handwritten signature*

12.9 Islamic financing and related assets include Rs. 2,511.747 million (December 31, 2024: Rs. 2,588.556 million) which have been placed under non-performing / stage 3 status as detailed below:

Category of Classification - Stage 3 under IFRS 9

Domestic

Other Assets Especially Mentioned (OAEM)

Substandard

Doubtful

Loss

(Unaudited)		(Audited)	
June 30, 2025		December 31, 2024	
Non-performing Islamic financing and related assets	Credit loss allowance	Non-performing Islamic financing and related assets	Credit loss allowance
Rupees in thousands			
	3,207	2,639	14,366
	41,521	33,308	36,410
	18,837	10,484	479,181
	2,448,182	1,887,964	2,058,599
	2,511,747	1,934,395	2,588,556
			1,930,779

12.10 Particulars of credit loss allowance against Islamic financing and related assets

	June 30, 2025 (Unaudited)					December 31, 2024 (Audited)				
	Stage 1	Stage 2	Stage 3	General	Total	Stage 1	Stage 2	Stage 3	General	Total
Rupees in thousands										
Opening balance	595,926	437,561	1,930,779	282,294	3,246,560	-	-	745,250	542,951	1,288,201
Impact of adoption of IFRS-9	-	-	-	-	-	296,995	593,954	1,059,178	(542,951)	1,407,176
Charge for the period / year	115,216	638,136	55,896	151,911	961,159	494,743	99,242	709,934	282,294	1,586,213
Reversals	(511,415)	(305,115)	(52,280)	-	(868,810)	(195,812)	(255,635)	(583,583)	-	(1,035,030)
	(396,199)	333,021	3,616	151,911	92,349	298,931	(156,393)	126,351	282,294	551,183
Amounts written off	-	-	-	-	-	-	-	-	-	-
Closing balance	199,727	770,582	1,934,395	434,205	3,338,909	595,926	437,561	1,930,779	282,294	3,246,560

12.11 Particulars of credit loss allowance

12.11.1 Islamic financing and related assets- Credit loss allowance

	June 30, 2025 (Unaudited)					December 31, 2024 (Audited)				
	Stage 1	Stage 2	Stage 3	General	Total	Stage 1	Stage 2	Stage 3	General	Total
Opening balance	595,926	437,561	1,930,779	282,294	3,246,560	-	-	745,250	542,951	1,288,201
Impact of adoption of IFRS-9	-	-	-	-	-	296,995	593,954	1,059,178	(542,951)	1,407,176
New advances	88,694	28,499	8,458	-	125,651	453,544	30,385	481,151	-	965,080
Derognised or repaid / reversal of provision	(186,869)	(18,197)	(20,215)	-	(225,281)	(137,673)	(46,759)	(577,597)	-	(762,029)
Transfer to Stage 1 / charge for the year	1,470	(1,469)	(1)	151,911	151,911	8,627	(8,567)	(60)	282,294	282,294
Transfer to Stage 2	(31,509)	31,511	(2)	-	-	(57,713)	58,043	(330)	-	-
Transfer to Stage 3	(22,303)	(5,593)	27,896	-	-	(26,186)	(202,596)	228,782	-	-
	(150,517)	34,751	16,136	151,911	52,281	240,599	(169,494)	131,946	282,294	485,345
Amounts written off	-	-	-	-	-	-	-	-	-	-
Changes in risk parameters	(245,682)	298,270	(12,520)	-	40,068	58,332	13,101	(5,595)	-	65,838
Closing balance	199,727	770,582	1,934,395	434,205	3,338,909	595,926	437,561	1,930,779	282,294	3,246,560

12.11.2 Islamic Financing and related assets - Category of Classification

Domestic

Performing Stage 1

Underperforming Stage 2

Non-Performing Stage 3

OAEM

Substandard

Doubtful

Loss

(Unaudited)		(Audited)	
June 30, 2025		December 31, 2024	
Gross amount	Credit loss allowance / General Provision held	Gross amount	Credit loss allowance / General Provision held
99,452,037	199,727	113,970,982	595,926
12,439,390	770,582	6,040,164	437,561
3,207	2,639	14,366	9,568
41,521	33,308	36,410	21,516
18,837	10,484	479,181	387,593
2,448,182	1,887,964	2,058,599	1,512,102
2,511,747	1,934,395	2,588,556	1,930,779
114,403,174	2,904,704	122,599,702	2,964,266

12.12 State Bank of Pakistan vide BSD Circular No. 02 dated January 27, 2009, BSD Circular No. 10 dated October 20, 2009, BSD Circular No. 02 of 2010 dated June 03, 2010 and BSD Circular No. 01 of 2011 dated October 21, 2011 has allowed benefit of Forced Sale Value (FSV) of Plant & Machinery under charge, pledged stock and mortgaged residential, commercial & industrial properties (land and building only) held as collateral against NPLs for five years from the date of classification. Had the benefit not been taken by the Bank, the specific provision against non-performing Islamic financing and related assets would have been higher by Rs. 575.125 million (December 31, 2024: Rs. 531.299 million). The additional benefit on the Bank's profit and loss account arising from availing the FSV benefit - net of tax amounts to Rs. 270.309 million (December 31, 2024: Rs. 255.02 million). However, the additional impact on profitability arising from availing the benefit of forced sales value is not available for payment of cash or stock dividends to shareholders.

12.13 In addition, the Bank has also maintained an unencumbered general provision of Rs. 434.21 million (December 31, 2024: Rs. 282.29 million) against financing made in accordance with the prevailing circumstances. This general provision is in addition to the requirements of Prudential Regulations.

71

			(Unaudited) June 30, 2025	(Audited) December 31, 2024
			Rupees in thousands	
13	PROPERTY AND EQUIPMENT	Note		
	Capital work-in-progress	13.1	805,303	483,905
	Property and equipment		5,081,502	4,707,212
			<u>5,886,805</u>	<u>5,191,117</u>
13.1	Capital work-in-progress			
	Civil works		215,176	101,555
	Advance to suppliers and contractors		324,943	156,019
	Electrical and computer equipment		265,184	226,331
			<u>805,303</u>	<u>483,905</u>
			(Unaudited) June 30, 2025	(Unaudited) June 30, 2024
			Rupees in thousands	
13.2	Additions to property and equipment			
	The following additions have been made to property & equipments during the period:			
	Capital work-in-progress		825,605	554,036
	Property and equipment			
	Freehold land		-	125
	Building on freehold land		6,556	9,451
	Leasehold improvements		64,762	67,989
	Furniture and fixtures		16,215	51,920
	Electrical, office and computer equipment		173,844	312,000
	Vehicles		-	9,746
			<u>261,377</u>	<u>451,231</u>
			<u>1,086,982</u>	<u>1,005,267</u>
13.3	Disposal of property and equipment			
	The net book value of property & equipments disposed off during the period is as follows:			
	Furniture and fixtures		165	6
	Electrical, office and computer equipment		123	207
	Vehicles		-	-
			<u>288</u>	<u>213</u>
			(Unaudited) June 30, 2025	(Audited) December 31, 2024
			Rupees in thousands	
14	RIGHT-OF-USE ASSETS			
	Cost at the start of period / year		5,057,777	4,129,982
	Accumulated Depreciation		(2,701,959)	(2,102,191)
	Net carrying amount at the start of period/ year		<u>2,355,818</u>	<u>2,027,791</u>
	Addition during the period / year		188,236	971,449
	Deletion during the period / year		-	(11,943)
	Depreciation charge for the period / year		(357,964)	(631,479)
	Net carrying amount at the end of the period / year		<u>2,186,090</u>	<u>2,355,818</u>
	Useful life		<u>5- 10 years</u>	<u>5- 10 years</u>
15	INTANGIBLE ASSETS			
	Advance against purchase of software		1,051,927	692,983
	Computer software		304,655	351,105
			<u>1,356,582</u>	<u>1,044,088</u>



(Unaudited) (Unaudited)  
June 30, June 30,  
2025 2024

Rupees in thousands

## 15.1 Additions to intangible assets

The following additions have been made to intangible assets during the period:

Capital work-in-progress	358,944	580,562
Directly purchased	6,451	62,703
	<u>365,395</u>	<u>643,265</u>

## 16 DEFERRED TAX ASSETS / (LIABILITY) - NET

June 30, 2025 (Unaudited)

	At Jan 01, 2025	Recognised in P&L A/C	Recognised in OCI	At June 30, 2025
	Rupees in thousands			
<b>Deductible temporary difference</b>				
Credit loss allowance against Islamic financing and related assets, balances with other banks, due from financial institutions and off balance sheet obligations	1,229,238	42,387	-	1,271,625
Deferred Tax on IFRS-16	-	518,049	-	518,049
Workers Welfare Fund	263,420	27,353	-	290,773
	<u>1,492,658</u>	<u>587,789</u>	<u>-</u>	<u>2,080,447</u>

### Taxable temporary difference

Surplus on revaluation of property & equipments	(99,326)	1,132	-	(98,194)
Surplus on revaluation of investments	(1,147,388)	-	468,631	(678,757)
Accelerated tax depreciation	(215,147)	48,460	-	(166,687)
	<u>(1,461,861)</u>	<u>49,592</u>	<u>468,631</u>	<u>(943,638)</u>
	<u>30,797</u>	<u>637,381</u>	<u>468,631</u>	<u>1,136,809</u>

December 31, 2024 (Audited)

	At Jan 01, 2024	Recognised in P&L A/C	Recognised in OCI	At Dec 31, 2024
	Rupees in thousands			
<b>Deductible temporary difference</b>				
Credit loss allowance against Islamic financing and related assets, balances with other banks and off balance sheet	2,686	348,304	878,248	1,229,238
Workers Welfare Fund	154,378	109,042	-	263,420
	<u>157,064</u>	<u>457,346</u>	<u>878,248</u>	<u>1,492,658</u>
<b>Taxable temporary difference</b>				
Surplus on revaluation of property and equipment	(95,730)	2,265	(5,861)	(99,326)
Surplus on revaluation of investments	(449,734)	-	(697,654)	(1,147,388)
Accelerated tax depreciation	(56,891)	(158,256)	-	(215,147)
	<u>(602,355)</u>	<u>(155,991)</u>	<u>(703,515)</u>	<u>(1,461,861)</u>
	<u>(445,291)</u>	<u>301,355</u>	<u>174,733</u>	<u>30,797</u>

471



			(Unaudited) June 30, 2025	(Audited) December 31, 2024
			Rupees in thousands	
<b>17</b>	<b>OTHER ASSETS</b>	<b>Note</b>		
	Profit / return accrued in local currency		5,713,797	7,249,755
	Advances, deposits, advance rent and other prepayments		1,563,080	1,233,908
	Advance taxation (payments less provisions)		-	25,135
	Branch adjustment account		40,251	370,000
	Clearing and settlement accounts		3,917,498	603,064
	Receivable under home remittances		24,037	19,762
	Un-realized mark to market gain on forward foreign exchange contracts		28,529	-
	Acceptances	23	1,241,464	1,612,699
	Others		1,830,445	656,662
			<u>14,359,101</u>	<u>11,770,985</u>
	Less: Credit loss allowance held against other assets	17.1	<u>(100,741)</u>	<u>(75,125)</u>
			<u>14,258,360</u>	<u>11,695,860</u>
<b>17.1</b>	<b>Credit loss allowance held against other assets</b>			
	Advances, deposits, advance rent & other prepayments	17.1.1	<u>100,741</u>	<u>75,125</u>
<b>17.1.1</b>	<b>Movement in credit loss allowance held against other assets</b>			
	Opening balance		75,125	-
	Impact of adopting IFRS 9		-	87,483
	Charge / (reversals) during the period / year		25,616	(12,358)
	Amount written off		-	-
	Closing balance		<u>100,741</u>	<u>75,125</u>
<b>18</b>	<b>CONTINGENT ASSETS</b>			
	There were no contingent assets of the Bank as at June 30, 2025 (December 31, 2024: Nil).			
<b>19</b>	<b>BILLS PAYABLE</b>			
	In Pakistan		2,964,689	11,594,493
	Outside Pakistan		-	-
			<u>2,964,689</u>	<u>11,594,493</u>
<b>20</b>	<b>DUE TO FINANCIAL INSTITUTIONS</b>			
	<b>Details of due to financial institutions - Secured / Unsecured</b>			
	<b>Secured</b>			
	Musharaka with the State Bank of Pakistan -			
	Islamic Export Refinance Scheme (IERS)		2,648,000	3,005,721
	Investment under - Islamic Long Term Financing Facility (ILTFF)		1,587,750	1,712,675
	Investment under - Islamic			
	Temporary Economic Refinancing Facility (ITERF) for Plant and Machinery		1,400,996	1,855,531
	Investment under - Islamic			
	Financing Facility for Renewable Energy (IFRE)		272,441	337,356
	Investment under Shariah Compliant Open Market Operation		-	6,072,476
	<b>Unsecured</b>			
	Musharaka arrangements with financial institutions		11,676,749	35,237,500
	Musharaka arrangements with other institution		181,270	201,034
	Overdrawn nostro accounts		714	-
			<u>17,767,920</u>	<u>48,422,293</u>

## 21 DEPOSITS AND OTHER ACCOUNTS

	June 30, 2025 (Unaudited)			December 31, 2024 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
Rupees in thousands						
<b>Customers</b>						
Current deposits - non-remunerative	75,494,218	3,124,448	78,618,666	56,768,093	2,896,728	59,664,821
Savings deposits	91,300,161	1,477,635	92,777,796	79,933,904	1,723,078	81,656,982
Term deposits	36,999,908	1,818,079	38,817,987	42,577,032	1,040,741	43,617,773
Others	15,366,162	-	15,366,162	5,062,483	-	5,062,483
	219,160,449	6,420,162	225,580,611	184,341,512	5,660,547	190,002,059
<b>Financial Institutions</b>						
Current deposits - non-remunerative	647,525	-	647,525	383,026	-	383,026
Savings deposits	29,654,191	-	29,654,191	18,718,496	-	18,718,496
Term deposits	10,000	-	10,000	5,000	-	5,000
	30,311,716	-	30,311,716	19,106,522	-	19,106,522
	<u>249,472,165</u>	<u>6,420,162</u>	<u>255,892,327</u>	<u>203,448,034</u>	<u>5,660,547</u>	<u>209,108,581</u>

## 22 LEASE LIABILITIES

	(Unaudited) June 30, 2025	(Audited) December 31, 2024
Rupees in thousands		
Outstanding amount at the start of the period / year	3,018,262	2,636,096
Addition during the period / year	188,236	971,449
Disposed off during the period / year	-	(19,747)
Payment of lease liability against right of use asset	(501,407)	(942,581)
Unwinding of lease liability against right of use asset	202,086	373,045
Outstanding amount at the end of the period / year	<u>2,907,177</u>	<u>3,018,262</u>

### 22.1 Liabilities Outstanding

Not later than one year	659,033	618,661
Later than one year and upto five years	1,764,162	1,935,201
Over five years	<u>483,982</u>	<u>464,400</u>
Total at the year end	<u>2,907,177</u>	<u>3,018,262</u>

41-

		(Unaudited) June 30, 2025	(Audited) December 31, 2024
		Rupees in thousands	
<b>23 OTHER LIABILITIES</b>	<b>Note</b>		
Profit / return payable in local currency	23.1	2,798,654	3,361,903
Profit / return payable in foreign currencies		8,268	12,948
Accrued expenses		750,663	1,283,573
Current taxation (provision less payments)		241,146	-
Unearned income		85,958	170,974
Acceptances	17	1,241,464	1,612,699
Advance receipt against Islamic financing and related assets		74,548	56,669
Charity fund balance		12,936	26,310
Security deposits against Ijarah financing		842,965	809,538
Withholding tax, Federal Excise Duty and other payable		80,358	45,334
Unrealized mark to market loss on forward foreign exchange contracts		-	114,359
Credit loss allowance against off-balance sheet obligations	23.2	56,041	84,271
Workers Welfare Fund		560,237	507,635
Others		1,973,678	1,167,780
		<u>8,726,916</u>	<u>9,253,993</u>

**23.1** It includes Rs. 75.487 million (December 31, 2024: Rs. 128.049 million) in respect of profit / return accrued on Musharaka with SBP under Islamic Export Refinance Scheme and Rs 76.904 million (December 31, 2024: Rs 98.110 million) in respect of return accrued on acceptances from the SBP under various Islamic Refinance Schemes.

	(Unaudited) June 30, 2025	(Audited) December 31, 2024
	Rupees in thousands	
<b>23.2 Credit loss allowance against off-balance sheet obligations</b>		
Opening balance	84,271	-
Impact of adoption of IFRS 9	-	77,675
Charge for the period / year	(28,230)	6,596
Reversals	-	-
	(28,230)	6,596
Amount written off	-	-
Closing balance	<u>56,041</u>	<u>84,271</u>

## 24 SHARE CAPITAL

### Authorised capital

(Unaudited) June 30, 2025	(Audited) December 31, 2024		(Unaudited) June 30, 2025	(Audited) December 31, 2024
Number of shares				
<u>2,000,000,000</u>	<u>2,000,000,000</u>	Ordinary shares of Rs. 10/- each	<u>20,000,000</u>	<u>20,000,000</u>

### 24.1 Issued, subscribed and paid up capital

Number of shares				
		Fully paid in cash		-
1,555,000,000	1,555,000,000	Balance at beginning of the period / year	15,550,000	15,550,000
-	-	Issued during the period / year	-	-
<u>1,555,000,000</u>	<u>1,555,000,000</u>	Balance at end of the period / year	<u>15,550,000</u>	<u>15,550,000</u>

**24.2** The Bank's shares are 100 % ( December 31, 2024: 100%) held by MCB Bank Limited (MCB) - the parent company and its nominee Directors.



			(Unaudited) June 30, 2025	(Audited) December 31, 2024
			Rupees in thousands	
25	<b>RESERVES</b>			
	Statutory reserves		2,485,869	2,276,220
25.1	Statutory reserve represents amount set aside as per the requirements of section 21 of the Banking Companies Ordinance, 1962.			
		Note	(Unaudited) June 30, 2025	(Audited) December 31, 2024
			Rupees in thousands	
26	<b>SURPLUS ON REVALUATION OF ASSETS</b>			
	<b>- NET OF TAX</b>			
	Surplus arising on revaluation of:			
	- Property and equipment		555,750	557,927
	- Securities measured at FVTOCI - Debt Securities		1,269,816	2,206,516
	- Securities measured at FVTOCI - Equity securities	11.1	35,486	-
			1,861,052	2,764,443
	Deferred tax on surplus on revaluation of:			
	- Property and equipment		(98,194)	(99,326)
	- Securities measured at FVTOCI - Debt Securities		(660,304)	(1,147,388)
	- Securities measured at FVTOCI - Equity securities		(18,453)	-
			(776,951)	(1,246,714)
			1,084,101	1,517,729
27	<b>CONTINGENCIES AND COMMITMENTS</b>			
	Guarantees	27.1	36,588,122	26,352,135
	Commitments	27.2	44,312,198	32,704,291
	Other contingent liabilities	27.3	111,000	1,114,251
			81,011,320	60,170,677
27.1	<b>Guarantees</b>			
	Performance guarantees		12,898,080	11,647,516
	Other guarantees		23,690,042	14,704,619
			36,588,122	26,352,135
27.2	<b>Commitments</b>			
	Documentary credits and short-term trade-related transactions			
	Letters of credit		17,665,094	14,443,462
	Commitments in respect of:			
	Forward foreign exchange contracts	27.2.1	24,882,570	14,993,231
	Commitments for acquisition of:			
	Intangible assets		472,409	312,828
	Property & equipments		205,798	155,336
	Other commitments	27.2.2	1,086,327	2,799,434
			44,312,198	32,704,291
27.2.1	<b>Commitments in respect of forward foreign exchange contracts</b>			
	Purchase		12,974,647	9,344,175
	Sale		11,907,923	5,649,056
			24,882,570	14,993,231

21



		(Unaudited) June 30, 2025	(Audited) December 31, 2024
	Note	Rupees in thousands	
<b>27.2.2 Other commitments</b>			
Commitments to extend financing	27.2.2.1	1,086,327	2,799,434

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

**27.2.2.2** Other than those stated above, the Bank makes commitment(s) to extend credit in the normal course of business including related parties but these being revocable commitments do not attract any penalty or expense if the facility is unilaterally withdrawn.

		(Unaudited) June 30, 2025	(Audited) December 31, 2024
		Rupees in thousands	
<b>27.3 Other contingent liabilities</b>			
Claims against the Bank not acknowledged as debt		111,000	1,114,251

This includes claim by different parties against the bank amounting to Rs. 111.0 million (December 31, 2024: Rs. 688.431 million) which is pending before the court. 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 financial statements.

**27.3.1** The Income Tax Department has amended the deemed assessment for Tax Year 2019 and disallowed certain expenses, resulting in a tax impact of Rs. 425.51 million (2024: Nil). The Bank has filed an appeal before the Commissioner Inland Revenue (Appeals) against the said order. The management is confident that the disallowance will be reversed by the appellate authorities. Accordingly, no provision has been recognized in the financial statements in this regard.

The Tax Authority has initiated proceedings under Sections 161 and 205 of the Income Tax Ordinance, 2001 for Tax Year 2019 and raised an arbitrary demand of Rs. 16.179 million (2024: Rs. Nil). The Bank has filed an appeal before the Commissioner Inland Revenue (Appeals) against the said demand. The management believes that the demand is unjustified and expects a favorable outcome. Therefore, no provision has been made in the financial statements.

The Punjab Revenue Authority has issued an order under the Punjab Sales Tax on Services Act, 2012, raising an aggregate demand of Rs. 177.57 million (2024: Rs. 177.57 million). The Bank has filed appeals before the relevant appellate authorities, which are currently pending adjudication. The management is confident of a favorable outcome. Consequently, no provision has been recognized against this demand.

		(Unaudited) June 30, 2025	(Unaudited) June 30, 2024 (Restated)
		Rupees in thousands	
<b>28 PROFIT / RETURN EARNED</b>			
Financing		6,329,244	10,102,691
Investments in securities		9,274,857	13,669,668
Musharaka arrangements with financial institutions		40,961	47,869
Deposits with financial institutions		1,277	412
IFRS 9 adjustment for staff loan-notional		30,739	106,737
		15,677,078	23,927,377

**28.1 Profit / return earned recorded on financial assets measured at:**

Financial assets measured at amortised cost	8,241,938	14,144,399
Financial assets measured at Fair Value Through OCI	7,389,935	9,781,818
Financial assets measured at Fair Value Through P&L	45,205	1,160
	15,677,078	23,927,377

215

			(Unaudited) June 30, 2025	(Unaudited) June 30, 2024 (Restated)
	Note		Rupees in thousands	
<b>29</b>	<b>PROFIT / RETURN EXPENSED</b>			
		Deposits and other accounts	6,233,276	12,273,235
		Musharaka and other arrangements with the State Bank of Pakistan	874,175	1,492,085
		Musharaka arrangements with other financial institutions	1,159,376	1,533,035
		Musharaka arrangements with other institutions	14,900	22,103
		Unwinding of lease liability against right-of-use asset	202,085	172,412
		Deferred bonus	1,607	1,757
			<u>8,485,419</u>	<u>15,494,627</u>
<b>30</b>	<b>FEE AND COMMISSION INCOME</b>			
		Branch banking customer fees	10,252	12,217
		Consumer finance related fees	15,977	9,895
		Card related fees	212,358	176,269
		Credit related fees	23,929	21,996
		Digital banking fees	55,756	42,672
		Commission on trade	102,792	97,070
		Commission on guarantees	49,196	36,732
		Commission on cash management	28,106	11,947
		Commission on remittances including home remittances	31,470	20,124
		Commission on banca takaful	38,300	21,549
		Locker rent	14,927	11,041
		Others	1,380	501
			<u>584,443</u>	<u>462,013</u>
<b>31</b>	<b>GAIN / (LOSS) ON SECURITIES</b>			
		Realised	31.1 6,980	1,881
		Unrealised - Reclassification due to business model and SPPI assessment	-	(3,184)
		Unrealised - Measured at FVTPL	2,145	(4,181)
			<u>9,125</u>	<u>(5,484)</u>
<b>31.1</b>	<b>Realised Gains - net on:</b>			
		Federal Government Securities - Sukuk certificates	6,980	1,881
		Shares	-	-
			<u>6,980</u>	<u>1,881</u>
<b>32</b>	<b>OTHER INCOME</b>			
		Rental income	-	-
		Gain on sale of property & equipments	528	1,308
		Fees and charges recovered	1,777	9,407
		Commission on arrangement with financial institutions	79,557	86,439
		Gain on termination of lease liability against right of use assets	-	-
		Gain on conversion of Ijarah agreements	4,395	5,841
			<u>86,257</u>	<u>102,995</u>

415

(Unaudited)      (Unaudited)  
June 30, 2025      June 30, 2024  
                                 (Restated)

Rupees in thousands

33

**OPERATING EXPENSES**

<b>Total compensation expense</b>	2,598,741	2,322,632
<b>Property expense</b>		
Rent and taxes	95,199	39,093
Takaful expenses	25,298	22,415
Utilities cost	172,188	161,465
Security (including guards)	336,379	236,646
Repairs and maintenance (including janitorial charges)	149,070	113,048
Depreciation on right-of-use assets	357,965	289,711
Depreciation	258,028	194,779
	1,394,127	1,057,157
<b>Information technology expenses</b>		
Software maintenance	187,644	208,899
Hardware maintenance	50,803	22,779
Takaful expenses	3,299	1,343
Depreciation	121,710	70,136
Amortization	52,901	100,550
Network charges	103,676	100,704
	520,033	504,411
<b>Other operating expenses</b>		
Directors' fees and allowances	4,800	9,700
Fees and allowances to Shari'ah Board	9,681	8,696
Legal and professional charges	34,642	40,357
Takaful expenses	124,364	98,818
Fee and subscription	2,480	1,939
Outsourced services costs	130,396	94,191
Travelling and conveyance	105,717	99,291
Repairs and maintenance of vehicles	5,106	3,023
NIFT clearing charges	28,016	17,688
Brokerage, commission and bank charges	26,021	22,741
Depreciation	11,268	12,718
Training and development	13,413	8,031
Postage and courier charges	33,997	26,289
Communication	114,950	70,854
Stationery and printing	95,938	83,511
Marketing, advertisement and publicity	134,052	48,588
Auditors' remuneration	10,965	10,965
Entertainment	50,997	44,843
Others	126,124	76,289
	1,062,927	778,532
	<u>5,575,828</u>	<u>4,662,732</u>

31



			(Unaudited) June 30, 2025	(Unaudited) June 30, 2024 (Restated)
	Note		Rupees in thousands	
<b>34</b>	<b>OTHER CHARGES</b>			
		Penalties imposed by the State Bank of Pakistan	4,945	222
			<u>4,945</u>	<u>222</u>
<b>35</b>	<b>CREDIT LOSS ALLOWANCE &amp; WRITE OFFS - NET</b>			
		Credit loss allowance (reversal) / charge against cash and balances with treasury banks	(1,970)	1,623
		Credit loss allowance charge / (reversal) against balances with other banks	43,890	(3,629)
		Credit loss allowance reversal against off balance sheet obligations	(28,230)	-
		Credit loss allowance charge / (reversal) against due from financial institutions	10.1 215	(31)
		Charge against general provision	151,911	-
		Credit loss allowance (reversal) / charge against Islamic financing and related assets	12.10 (59,562)	3,667
		Credit loss allowance against other assets	25,616	44,065
		Bad debts written off directly	-	-
		Recovery of write offs / bad debts	-	-
			<u>131,870</u>	<u>45,695</u>
<b>36</b>	<b>TAXATION</b>			
		Current	1,393,957	2,186,847
		Prior years	523,766	-
		Deferred	(637,381)	(104,636)
			<u>1,280,342</u>	<u>2,082,211</u>
<b>37</b>	<b>BASIC AND DILUTED EARNINGS PER SHARE</b>			
		Profit after taxation	<u>1,048,243</u>	<u>2,168,081</u>
		Weighted average number of ordinary shares	<u>1,555,000</u>	<u>1,555,000</u>
			Rupees	
		Basic and diluted earnings per share	<u>0.674</u>	<u>1.394</u>
			(Unaudited) June 30, 2025	(Unaudited) June 30, 2024
			Rupees in thousands	
<b>38</b>	<b>CASH AND CASH EQUIVALENTS</b>			
		Cash and balances with treasury banks	8 20,289,585	25,305,524
		Balances with other banks	9 3,413,843	13,093,139
		Overdrawn nostro accounts	(714)	-
			<u>23,702,714</u>	<u>38,398,663</u>



### 39 FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified as held to collect model, is based on quoted market price. Quoted securities classified under held to collect model are carried at amortised cost.

In the opinion of the management, the fair value of the remaining financial assets and financial liabilities are not significantly different from their carrying values since these assets and liabilities are either short-term in nature or re-priced over short term.

#### 39.1 Fair value of financial / non-financial assets

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

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

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

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

The table below analyses the financial and non-financial assets carried at fair values, by valuation methods. For financial assets, the Bank essentially carries its investments in Sukuk and equity securities at fair values. Valuation of investments is carried out as per guidelines specified by the SBP. In case of non-financial assets, the Bank has adopted revaluation model (as per IAS 16) in respect of land and building.

June 30, 2025 (Unaudited)					
	Carrying value	Level 1	Level 2	Level 3	Total
	Rupees in thousands				
On-balance sheet financial instruments					
Financial assets measured at fair value					
Investments					
Federal Government Securities	121,691,018	-	121,691,018		121,691,018
Shares	1,204,562	-	1,204,562	-	1,204,562
Non-Government Securities	663,278	-	663,278	-	663,278
	123,558,858	-	123,558,858	-	123,558,858
Financial assets - disclosed but not measured at fair value					
Investments	28,210,493		28,210,493		28,210,493
Fair value of non-financial assets					
Operating property & equipment (land and building)	1,384,414	-	1,384,414	-	1,384,414
Off-balance sheet financial instruments					
Foreign exchange contracts purchase	12,974,647	-	13,015,042	-	13,015,042
Foreign exchange contracts sale	11,907,923	-	11,919,789	-	11,919,789
December 31, 2024 (Audited)					
	Carrying value	Level 1	Level 2	Level 3	Total
	Rupees in thousands				
On-balance sheet financial instruments					
Financial assets measured at fair value					
Investments					
Federal Government Securities	117,722,341	-	117,722,341		117,722,341
Shares	-	-	-	-	-
Non-Government Securities	661,133	-	661,133	-	661,133
	118,383,474	-	118,383,474	-	118,383,474
Financial assets - disclosed but not measured at fair value					
Investments	28,212,727	-	28,212,727		28,212,727
Fair value of non-financial assets					
Operating property & equipment (land and building)	1,384,447	-	1,384,447	-	1,384,447
Off-balance sheet financial instruments					
Foreign exchange contracts purchase	8,787,315	-	8,686,214	-	8,686,214
Foreign exchange contracts sale	5,509,671	-	5,522,929	-	5,522,929

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

91

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

Financial instruments included in level 1 comprise of investments in listed ordinary shares.

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

Financial instruments included in level 2 comprise of Sukuks and Forward Exchange Contracts.

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

Currently, no financial instrument is classified in level 3.

**Valuation techniques and inputs used in determination of fair values**

Item	Valuation techniques and input used
Fully paid-up ordinary shares	Fair values of investments in listed equity securities are valued on the basis of closing quoted market prices available at the Pakistan Stock Exchange.
Ijarah Sukuks (GOP Ijarah Sukuks and other Ijarah Sukuks)	Fair values of GoP Ijarah Sukuks and other Ijarah Sukuks are derived using the PKISRV rates announced by the Financial Market Association (FMA) through Reuters. These rates denote an average of quotes received from eight different pre-defined / approved dealers / brokers.
Foreign exchange contracts	The valuation has been determined by interpolating the mid rates announced by the State Bank of Pakistan.
Operating property & equipments (land and building)	Land and buildings are revalued every three years using professional valuers on the panel of Pakistan Banker's Association. The valuation is based on their assessment of market value of the properties.

**40 SEGMENT INFORMATION**

**40.1 Segment details with respect to business activities**

June 30, 2025 (Unaudited)

	Retail	Corporate	Consumer	Micro Finance	Treasury	Head Office	Sub-total	Elimination	Total
Rupees in thousands									
<b>Profit and Loss</b>									
Net Profit / return	(4,264,220)	4,172,743	577,409	36,036	6,310,573	359,118	7,191,659	-	7,191,659
Inter segment revenue - net	9,271,540	(4,392,569)	(353,389)	(23,901)	(5,099,247)	597,566	-	-	-
Other income	497,501	143,948	15,670	4,730	239,009	1,313	902,171	-	902,171
Total Income	5,504,821	(75,878)	239,690	16,865	1,450,335	957,997	8,093,830	-	8,093,830
Segment direct expenses	(3,093,525)	(125,900)	(134,836)	(2,183)	(34,203)	(2,242,729)	(5,633,376)	-	(5,633,376)
Inter segment expense allocation	(970,115)	(8,641)	(17,320)	(157)	(1,302)	997,535	-	-	-
Total expenses	(4,063,640)	(134,541)	(152,156)	(2,340)	(35,505)	(1,245,194)	(5,633,376)	-	(5,633,376)
Credit loss allowance / reversals	13,340	24,186	(22,289)	-	(42,136)	(104,971)	(131,870)	-	(131,870)
Profit / (loss) before tax	1,454,521	(186,233)	65,245	14,525	1,372,694	(392,168)	2,328,584	-	2,328,584
<b>Balance Sheet</b>									
Cash and bank balances	6,300,951	-	-	30	16,701,501	700,946	23,703,428	-	23,703,428
Investments	-	-	-	-	152,269,351	-	152,269,351	-	152,269,351
Net inter segment lending	193,934,481	-	-	-	-	10,629,009	204,563,490	(204,563,490)	-
Due from financial institutions	-	-	-	-	2,999,784	-	2,999,784	-	2,999,784
Islamic Financing - performing	21,102,029	79,510,718	7,707,627	578,036	-	1,588,503	110,486,913	-	110,486,913
- non-performing	27,614	504,694	36,829	-	-	8,215	577,352	-	577,352
Others	3,175,749	2,968,831	457,549	10,756	3,160,364	15,051,397	24,824,646	-	24,824,646
<b>Total Assets</b>	224,540,824	82,984,243	8,202,005	588,822	175,131,000	27,978,070	519,424,964	(204,563,490)	314,861,474
Bills payable	2,964,689	-	-	-	-	-	2,964,689	-	2,964,689
Due to financial institutions	181,270	5,909,188	-	-	11,677,462	-	17,767,920	-	17,767,920
Deposits & other accounts	215,406,180	10,758,965	515,795	-	29,209,527	1,860	255,892,327	-	255,892,327
Net inter segment borrowing	-	65,637,834	6,779,289	573,631	131,572,736	-	204,563,490	(204,563,490)	-
Others	4,534,164	864,489	841,676	666	-	5,393,098	11,634,093	-	11,634,093
<b>Total liabilities</b>	223,086,303	83,170,476	8,136,760	574,297	172,459,725	5,394,958	492,822,519	(204,563,490)	288,259,029
Equity	1,454,521	(186,233)	65,245	14,525	2,671,275	22,583,112	26,602,445	-	26,602,445
<b>Total Equity &amp; liabilities</b>	224,540,824	82,984,243	8,202,005	588,822	175,131,000	27,978,070	519,424,964	(204,563,490)	314,861,474
Contingencies & Commitments	13,146,409	42,288,526	15,609	-	24,882,570	678,206	81,011,320	-	81,011,320



**June 30, 2024 (Unaudited and Restated)**

	Retail	Corporate	Consumer	Micro Finance	Treasury	Head Office	Sub-total	Elimination	Total
<b>Rupees in thousands</b>									
<b>Profit &amp; Loss</b>									
Net Profit / return	(9,144,526)	6,817,978	815,255	36,207	10,029,618	(121,782)	8,432,750	-	8,432,750
Inter segment revenue - net	14,799,648	(6,737,222)	(707,014)	(33,752)	(8,168,234)	846,574	-	-	-
Other income	385,505	146,752	8,827	5,927	67,454	1,224	615,689	-	615,689
Total Income	6,040,627	227,508	117,068	8,382	1,928,838	726,016	9,048,439	-	9,048,439
Segment direct expenses	(2,542,217)	(204,741)	(130,970)	(1,040)	(19,396)	(1,854,088)	(4,752,452)	-	(4,752,452)
Inter segment expense allocation	(545,515)	(5,937)	(11,965)	(325)	(874)	564,616	-	-	-
Total expenses	(3,087,732)	(210,678)	(142,935)	(1,365)	(20,270)	(1,289,472)	(4,752,452)	-	(4,752,452)
Provisions / (reversal) write off	(28,394)	21,313	(19,163)	(19,805)	2,037	(1,683)	(45,695)	-	(45,695)
Profit / (loss) before tax	2,924,501	38,143	(45,030)	(12,788)	1,910,605	(565,139)	4,250,292	-	4,250,292

**December 31, 2024 (Audited)**

**Rupees in thousands**

**Balance Sheet**

Cash & Bank balances	4,786,240	-	-	30	13,832,512	457,822	19,076,604	-	19,076,604
Investments	-	-	-	-	146,596,201	-	146,596,201	-	146,596,201
Net inter segment lending	161,775,482	-	-	-	-	6,238,905	168,014,387	(168,014,387)	-
Due from financial institutions	-	-	-	-	2,000,000	-	2,000,000	-	2,000,000
Islamic Financing - performing	32,933,675	74,153,189	7,213,715	717,520	-	1,088,484	116,106,583	-	116,106,583
- non-performing	35,016	2,910,625	51,406	10,728	-	238,785	3,246,560	-	3,246,560
Others	1,882,886	2,545,885	487,760	101,441	4,704,477	10,595,231	20,317,680	-	20,317,680
<b>Total Assets</b>	201,413,299	79,609,699	7,752,881	829,719	167,133,190	18,619,227	475,358,015	(168,014,387)	307,343,628
Bills payable	11,594,493	-	-	-	-	-	11,594,493	-	11,594,493
Due to financial institutions	201,034	6,911,283	437,500	-	40,872,476	-	48,422,293	-	48,422,293
Deposits & other accounts	177,935,326	11,897,859	512,744	-	18,761,139	1,513	209,108,581	-	209,108,581
Net inter segment borrowing	-	59,175,825	5,959,420	813,139	102,066,003	-	168,014,387	(168,014,387)	-
Others	3,981,054	1,381,962	813,703	667	82,533	6,012,336	12,272,255	-	12,272,255
<b>Total liabilities</b>	193,711,907	79,366,929	7,723,367	813,806	161,782,151	6,013,849	449,412,009	(168,014,387)	281,397,622
Equity	7,701,392	242,770	29,514	15,913	5,351,039	12,605,378	25,946,006	-	25,946,006
<b>Total Equity &amp; liabilities</b>	201,413,299	79,609,699	7,752,881	829,719	167,133,190	18,619,227	475,358,015	(168,014,387)	307,343,628
Contingencies & Commitments	21,935,876	22,763,788	9,619	-	14,993,231	468,163	60,170,677	-	60,170,677

**40.2 Segment details with respect to geographical locations**

The Bank operates in Pakistan only.

**41 RELATED PARTY TRANSACTIONS**

The Bank has related party relationship with its parent company, associates, employee benefit plans and its directors and key management personnel and their close family members.

The Bank enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing.

Contributions to staff retirement benefit plan are made in accordance with the terms of the contribution plan. Remuneration to the executives / officers including financing provided to them is determined in accordance with the terms of their appointment.

The Chief Executive and three key management personnel have been provided with Bank's maintained cars.

41



41.1 The details of transactions with related parties and balances with them are given below:

	June 30, 2025 (Unaudited)				December 31, 2024 (Audited)			
	Parent	Directors	Key management personnel	Other related parties	Parent	Directors	Key management personnel	Other related parties
	Rupees in thousands				Rupees in thousands			
<b>Balances with other banks</b>								
In current accounts	83,358	-	-	-	56,477	-	-	-
	83,358	-	-	-	56,477	-	-	-
Credit loss allowance held against balance with other banks	2,426	-	-	-	547	-	-	-
<b>Islamic financing and related assets</b>								
Opening balance	-	6,982	94,610	1,590,654	-	15,000	102,049	1,877,558
Addition during the period / year	-	-	64,138	933,137	-	-	36,449	2,404,125
Repaid during the period / year	-	(3,161)	(17,409)	(940,799)	-	(8,018)	(43,888)	(2,691,029)
Transfer in / (out) - net	-	-	-	-	-	-	-	-
Closing balance	-	3,821	141,339	1,582,992	-	6,982	94,610	1,590,654
Credit loss allowance held against Islamic financing	-	-	1,891	1,763	-	-	168	7,943
<b>Property &amp; equipments - Capital work in progress</b>								
Advance paid against purchase of property	20,000	-	-	-	20,000	-	-	-
Right-of-use asset	239,951	-	-	-	290,764	-	-	-
	259,951	-	-	-	310,764	-	-	-
<b>Other assets</b>								
Profit receivable	-	-	7,199	28,381	-	-	6,603	22,619
Prepaid expenses	-	-	-	42,342	-	-	1,020	-
Receivable under scheme of merger	11,282	-	-	-	11,282	-	-	-
Receivable under home remittance	24,319	-	-	-	19,818	-	-	-
Other Receivable	-	-	-	-	7,352	-	-	-
	35,601	-	7,199	70,723	38,452	-	7,623	22,619
<b>Due to financial institutions</b>								
Opening balance	-	-	-	-	9,000,000	-	-	-
Addition during the period / year	86,094,838	-	-	-	76,600,000	-	-	-
Repaid during the period / year	(84,793,089)	-	-	-	(85,600,000)	-	-	-
Closing balance	1,301,749	-	-	-	-	-	-	-
<b>Deposits and other accounts</b>								
Opening balance	-	52,720	107,131	3,633,162	-	120,633	76,726	4,504,246
Received during the period / year	-	1,987,218	198,785	10,878,033	-	5,974,650	543,306	48,108,319
Withdrawn during the period / year	-	(1,976,757)	(192,187)	(10,609,222)	-	(6,042,563)	(513,704)	(48,979,403)
Transfer in / (out) - net	-	-	-	(2,558,389)	-	-	803	-
Closing balance	-	63,181	113,729	1,343,584	-	52,720	107,131	3,633,162
<b>Other liabilities</b>								
Profit payable	40,122	309	694	3,464	-	708	815	16,060
Accrued expenses	-	-	-	13,414	-	-	-	47,978
Acceptances	-	-	-	-	-	-	-	-
Unearned Income	-	-	-	2,513	-	-	-	2,107
Unrealized mark to market loss on forward foreign exchange contracts	-	-	-	-	-	-	-	-
Lease liability against right-of-use asset	271,306	-	-	-	313,048	-	-	-
Meeting fee payable	-	194	-	-	-	194	-	-
Other payables	1,116	-	-	-	-	-	-	-
	312,544	503	694	19,391	313,048	902	815	66,145
<b>Contingencies and Commitments</b>								
Letter of Credit	-	-	-	761,679	56,178	-	-	464,120
Letter of Guarantee	136,109	-	-	1,955,885	178,575	-	-	1,759,995
Forward exchange contract	-	-	-	-	-	-	-	-
Purchase	-	-	-	-	-	-	-	-
Sale	1,419,213	-	-	-	-	-	-	-
	June 30, 2025 (Unaudited)				June 30, 2024 (Unaudited)			
	Parent	Directors	Key management personnel	Other related parties	Parent	Directors	Key management personnel	Other related parties
	Rupees in thousands				Rupees in thousands			
<b>Transactions during the period</b>								
<b>Income</b>								
Profit / return earned	-	140	5,296	85,753	-	313	2,636	163,313
Commission income	-	-	-	42,205	-	-	-	26,319
Rental income	-	-	-	-	-	-	-	-
Other income	-	24	-	-	-	-	-	-
	-	164	5,296	127,958	-	313	2,636	189,632
<b>Expense</b>								
Profit / return expensed	191,558	4,653	4,063	25,882	375,239	22,404	316	178,011
Depreciation on right-of-use assets	50,812	-	-	-	28,847	-	-	-
Takaful expense	-	-	-	238,742	-	-	-	178,182
Security expense	-	-	-	-	-	-	-	-
Meeting fee to Directors	-	4,800	-	-	-	9,700	-	-
Unwinding of lease liability against right-of-use asset	21,762	-	-	-	13,373	-	-	-
Other expense	1,374	-	-	245	1,212	-	-	2,191
	265,506	9,453	4,063	264,869	418,671	32,104	316	358,384
<b>Other transactions during the period</b>								
Fee paid	-	4,800	-	-	-	9,700	-	-
Managerial remuneration paid	-	66,363	195,044	-	-	55,452	148,310	-
Contribution paid to provident fund	-	-	-	128,419	-	-	-	97,718
Re-imbursement under home remittance payments	2,798,340	-	-	-	2,205,160	-	-	-
Proceeds from issue of share capital	-	-	-	-	-	-	-	-
Proceeds from sale of property & equipments	-	40	-	-	-	-	-	-
Purchase of property & equipments	-	-	-	-	-	-	-	-
Disbursement made against advance salary	-	-	-	-	-	-	-	-
Repayment made against advance salary	-	-	-	-	-	-	-	-
Payment made against expenses (including lease liabilities)	73,684	-	-	245	43,178	-	-	95,092
Foreign currency purchase	13,972,354	-	-	-	824,596	-	-	-
Foreign currency sale	14,670,632	-	-	-	1,519,596	-	-	-
Letter of Credit issued	-	-	-	555,102	-	-	-	304,290
Letter of Guarantee issued	2,582	-	-	196,000	1,639	-	-	708,239

411

## 42 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

(Unaudited) (Audited)  
June 30, December 31,  
2025 2024  
Rupees in thousands

### Minimum Capital Requirement (MCR):

Paid - up capital (net of losses)

23,032,476 22,152,057

### Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital

24,161,763 23,384,189

Eligible Additional Tier 1 (ADT 1) Capital

- -

Total Eligible Tier 1 Capital

24,161,763 23,384,189

Eligible Tier 2 Capital

2,367,887 2,665,336

Total Eligible Capital (Tier 1 + Tier 2)

26,529,650 26,049,525

### Risk Weighted Assets (RWAs):

Credit Risk

102,702,878 91,808,522

Market Risk

8,324,125 5,243,153

Operational Risk

30,094,034 30,094,034

Total

141,121,037 127,145,709

Common Equity Tier 1 Capital Adequacy Ratio

17.12% 18.39%

Tier 1 Capital Adequacy Ratio

17.12% 18.39%

Total Capital Adequacy Ratio

18.80% 20.49%

### Leverage Ratio (LR):

Eligible Tier-1 Capital

24,161,763 23,384,189

Total Exposures

359,782,514 340,543,011

Leverage Ratio

6.72% 6.87%

### Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets

125,813,232 115,376,414

Total Net Cash Outflow

93,924,510 84,363,737

Liquidity Coverage Ratio

133.95% 136.76%

### Net Stable Funding Ratio (NSFR):

Total Available Stable Funding

213,156,677 196,834,500

Total Required Stable Funding

138,830,482 138,624,310

Net Stable Funding Ratio

153.54% 141.99%

## 43 GENERAL

43.1 Comparative information has been reclassified, rearranged or additionally incorporated in these condensed interim financial statements for the purposes of better presentation.

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

## 44 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on August 04, 2025 by the Board of Directors of the Bank.

47

  
Chief Financial Officer

  
President / Chief Executive

  
Director

  
Director

  
Director