



Tel: +92 21 3568 3030
Fax: +92 21 3568 4239
www.bdo.com.pk

2nd Floor, Block-C
Lakson Square, Building No.1
Sarwar Shaheed Road
Karachi-74200
Pakistan

INDEPENDENT AUDITOR'S REVIEW REPORT ON CONDENSED INTERIM FINANCIAL STATEMENTS TO THE MEMBERS OF HOUSE BUILDING FINANCE COMPANY LIMITED

Introduction

We have reviewed the accompanying condensed interim statement of financial position of HOUSE BUILDING FINANCE COMPANY LIMITED ("the Company") as at June 30, 2025 and the related condensed interim statement of profit and loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the half year period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of this condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

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

Conclusion

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

Other Matter

Pursuant to the requirement of Section 237 (1) (b) of the Companies Act, 2017, only cumulative figures for the half year, presented in the second quarter accounts are subject to a limited scope review by the statutory auditors of the company. Accordingly, the figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the three months period ended June 30, 2025 have not been reviewed by us.

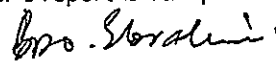
The financial statements of the Company for the year ended December 31, 2024 and half year ended June 30, 2024 were audited and reviewed by another firm of Chartered Accountants who had expressed an unmodified opinion / conclusion on those statements vide their reports dated March 04, 2025 and August 19, 2024, respectively.

The engagement partner on the review resulting in this independent auditor's report is Tariq Feroz Khan.

KARACHI

DATED: 27 AUG 2025

UDIN: RR202510166A5OVfPWct


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS


HOUSE BUILDING FINANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

		(Un-audited) June 30, 2025	(Audited) December 31, 2024
	Note	----- (Rupees in '000) -----	
ASSETS			
Cash and balances with treasury banks	6	34,070	28,596
Balances with other banks	7	199,482	95,527
Lendings to financial institutions	8	23,040	-
Investments	9	48,872,235	53,389,545
Advances	10	12,290,086	12,650,944
Property and equipment		254,431	279,415
Right-of-use assets	11	447,458	486,093
Intangible assets	12	44,606	50,247
Other assets	13	6,606,148	6,639,554
		68,771,556	73,619,921
LIABILITIES			
Bills payable		-	-
Borrowings	14	34,779,553	40,853,667
Deposits and other accounts		-	-
Lease liabilities	15	535,228	553,661
Subordinated debt		-	-
Deferred tax- net		428,739	209,711
Other liabilities	16	1,755,552	1,821,838
		37,499,072	43,438,877
NET ASSETS		31,272,484	30,181,044
REPRESENTED BY			
Share capital		19,365,000	19,365,000
Statutory reserve		3,440,028	3,268,420
Surplus on revaluation of investments		271,437	38,035
Unappropriated profit		8,196,019	7,509,589
		31,272,484	30,181,044

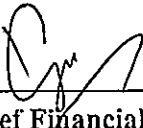
CONTINGENCIES AND COMMITMENTS

17

The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.



President / Chief Executive




Chief Financial Officer



Director



Director




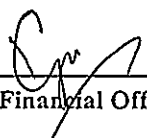
Director

HOUSE BUILDING FINANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2025

		Quarter Ended		Half-year Ended		
		June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	
Note		(Rupees in '000)				
	Mark-up / return / interest earned	18	1,982,590	2,547,621	4,304,727	4,995,711
	Mark-up / return / interest expensed	19	(907,495)	(1,159,290)	(2,039,795)	(2,300,033)
	Net mark-up / interest income		1,075,095	1,388,331	2,264,932	2,695,678
NON MARK-UP / INTEREST INCOME						
	Fee and commission income		-	-	-	-
	Dividend income		-	2,032	1,502	2,032
	Foreign exchange income		-	-	-	-
	Income from derivatives		-	-	-	-
	Gain on sale of securities		29	-	3,152	-
	Other income		28,064	24,601	55,160	51,674
	Total non-markup / interest income		28,093	26,633	59,814	53,706
	Total income		1,103,188	1,414,964	2,324,746	2,749,384
NON MARK-UP / INTEREST EXPENSES						
	Operating expenses	20	(402,850)	(359,378)	(776,754)	(707,946)
	Sindh Workers Welfare Fund		(13,680)	(21,253)	(32,659)	(44,159)
	Other charges		-	-	-	-
	Total non-markup / interest expenses		(416,530)	(380,631)	(809,413)	(752,105)
PROFIT BEFORE CREDIT LOSS ALLOWANCE						
			686,658	1,034,333	1,515,333	1,997,279
	Credit loss allowance / reversal and write offs against loans and advances		(15,862)	(242,167)	83,847	(89,662)
	Relief package and reprocessing charges		(499)	1,956	1,120	8,885
PROFIT BEFORE TAXATION						
			670,297	794,122	1,600,300	1,916,502
Taxation		21	(348,817)	(320,823)	(742,262)	(809,250)
PROFIT AFTER TAXATION						
			321,480	473,299	858,038	1,107,252
----- (Rupees) -----						
Earnings per share - basic and diluted		22	0.17	0.24	0.44	0.57


The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.


President / Chief Executive


Chief Financial Officer


Director



Director


Director

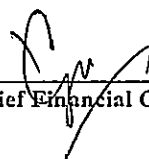
HOUSE BUILDING FINANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2025

	Quarter ended		Half-year ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
	(Rupees in '000)			
Profit after taxation	321,480	473,299	858,038	1,107,252
Other comprehensive income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Surplus on revaluation of debt investments through FVOCI - net of tax	239,709	15,057	198,207	6,908
Items that will not be reclassified to profit and loss account in subsequent periods:				
Surplus on revaluation of equity investments through FVOCI - net of tax	35,195	997	35,195	2,285
	274,904	16,054	233,402	9,193
Total comprehensive income	596,384	489,353	1,091,440	1,116,445

The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.



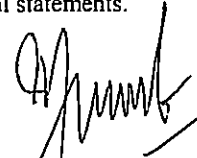
President / Chief Executive



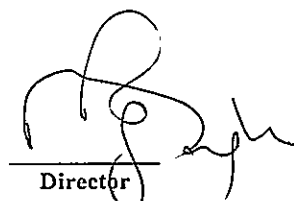
Chief Financial Officer



Director



Director



Director

HOUSE BUILDING FINANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED JUNE 30, 2025

	Share capital	Statutory reserve	Surplus / (deficit) on revaluation of investments	Unappropriated profit	Total
(Rupees in '000)					
Balance as at December 31, 2023 (Audited)	₹ 19,365,000	2,817,774	(116,546)	4,573,655	26,639,883
Effect of adoption of IFRS 9	-	-	-	(8,976)	(8,976)
Profit after taxation	-	-	-	1,107,252	1,107,252
Other comprehensive loss - net of tax	-	-	9,193	-	9,193
Transfer to statutory reserve	-	221,450	-	(221,450)	-
Balance as at June 30, 2024 (Un-audited)	19,365,000	3,039,224	(107,353)	5,450,481	27,747,352
Profit after taxation	-	-	-	1,145,981	1,145,981
Other comprehensive income - net of tax	-	-	145,388	1,142,323	1,287,711
Transfer to statutory reserve	-	229,196	-	(229,196)	-
Balance as at December 31, 2024 (Audited)	19,365,000	3,268,420	38,035	7,509,589	30,181,044
Profit after taxation	-	-	-	858,038	858,038
Other comprehensive income - net of tax	-	-	233,402	-	233,402
Transfer to statutory reserve	-	171,608	-	(171,608)	-
Balance as at June 30, 2025 (Un-audited)	19,365,000	3,440,028	271,437	8,196,019	31,272,484

Statutory reserve represents reserve created under BPD circular No. 15 of 2004 which requires the Company to credit to its reserve an amount not less than 20% of its after tax profit till such time the reserve equals the amount of paid-up capital. Thereafter, a sum not less than 5% of its after tax profit shall be credited to the said reserve.

The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.

President / Chief Executive

Chief Financial Officer

Director


Director

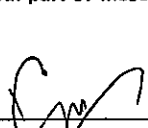
Director

HOUSE BUILDING FINANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2025

	June 30, 2025	June 30, 2024
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	1,600,300	1,916,502
Less: Dividend income	(1,502)	(2,032)
	1,598,798	1,914,470
Adjustments for non-cash items:		
Net mark-up/ interest income	(2,264,932)	(2,695,678)
Depreciation	24,782	27,125
Depreciation on right-of-use assets	38,635	27,781
Amortization	5,641	6,811
Credit loss allowance and write offs - net	(83,847)	89,662
Gain on disposal of property and equipment	(451)	(168)
Relief package and reprocessing charges	(1,120)	(8,885)
Finance charges on leased assets	31,579	21,768
Provision for Sindh Workers Welfare Fund	32,659	44,159
	(2,217,054)	(2,487,425)
	(618,256)	(572,955)
(Increase) / decrease in operating assets		
Lendings to financial institutions	(23,040)	(849,989)
Advances	445,827	903,156
Others assets (excluding advance taxation)	(43,491)	536,373
	379,296	589,540
(Decrease) / increase in operating liabilities		
Borrowings from financial institutions	(6,074,114)	3,955,508
Other liabilities	61,567	(57,261)
	(6,012,547)	3,898,247
Mark-up / interest received	4,507,083	4,051,978
Mark-up / interest paid	(2,167,648)	(1,356,300)
Income tax paid	(541,670)	(527,509)
Net cash flows (used in) / generated from operating activities	(4,453,742)	6,083,001
CASH FLOW FROM INVESTING ACTIVITIES		
Net Investments in securities classified as FVOCI	4,611,028	(5,931,203)
Investments in property and equipment	(2,500)	(9,623)
Dividends received	1,502	2,032
Disposal of property and equipment	3,153	168
Net cash flows generated from / (used in) investing activities	4,613,183	(5,938,626)
CASH FLOW FROM FINANCING ACTIVITIES		
Payments of lease obligations	(50,012)	(69,024)
Increase in cash and cash equivalents	109,429	75,351
Cash and cash equivalents at beginning of the period	124,123	102,767
Cash and cash equivalents at end of the period	233,552	178,118


The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.


President / Chief Executive


Chief Financial Officer


Director


Director


Director

HOUSE BUILDING FINANCE COMPANY LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL
STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2025

1 STATUS AND NATURE OF BUSINESS

House Building Finance Company Limited (the Company) is an unlisted public limited company incorporated in Pakistan on June 13, 2006 under the Companies Ordinance, 1984 (now the Companies Act 2017). The registered office of the Company is situated at Finance and Trade Centre Building, Sharah-e-Faisal, Karachi, in the province of Sindh. Pursuant to SRO.I/2007 dated July 25, 2007 issued by Finance Division - Government of Pakistan (GoP) effective from January 01, 2007, the Company took over all assets, running business, contracts, liabilities and proceedings of the House Building Finance Corporation established in 1952 under the House Building Finance Corporation Act, 1952 (XVIII of 1952) by the GoP from closing of the business on December 31, 2006. As a result in 2010, the name was also changed from House Building Finance Corporation Limited to House Building Finance Company Limited.

The Company is designated as a development financial institution by the Federal Government and is providing financing facilities for the purchase & construction of houses / apartments including balance transfer facility (BTF) through a network of 51 branches and 3 regional offices throughout Pakistan including Azad Jammu & Kashmir and Gilgit Baltistan. According to credit rating report dated June 27, 2025 of VIS Credit Rating Company Limited, the long term and short term ratings of the Company are "AAA" and "A-1+" respectively.

Presently, the Company is on active privatisation list in the current privatisation program of the GoP. Invitation for expression of interest was published by the Privatisation Commission, Ministry of Privatisation on December 26, 2021. It is expected that transaction will be concluded by December 2025.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting' 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 the IFRS or IFAS, requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

2.2 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 Letter No. 2 dated February 09, 2023.

2.3 These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the audited annual financial statements for the year ended December 31, 2024. .

3 MATERIAL ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual financial statements of the Company for the year ended December 31, 2024.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of this condensed interim financial information is the same as that applied in the preparation of the financial statements for the year ended December 31, 2024.

5 FINANCIAL RISK MANAGEMENT

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

		(Un-audited) June 30, 2025	(Audited) December 31, 2024
		----- (Rupees in '000) -----	
6	CASH AND BALANCES WITH TREASURY BANKS		
	With State Bank of Pakistan in Local currency current account	34,049	28,565
	With National Bank of Pakistan in Local currency current accounts	21	31
		<u>34,070</u>	<u>28,596</u>
7	BALANCES WITH OTHER BANKS		
	In Pakistan		
	In deposit accounts	200,004	96,049
	Less: Credit loss allowance	(522)	(522)
		<u>199,482</u>	<u>95,527</u>
8	LENDINGS TO FINANCIAL INSTITUTIONS		
	Letters of placement		
	Trust Investment Bank Limited	5,909	5,909
	First Dawood Investment Bank Limited	49,774	49,774
		55,683	55,683
	Repurchase agreement lendings (Reverse Repo)	23,040	-
		<u>78,723</u>	<u>55,683</u>
	Less: Credit loss allowance	(55,683)	(55,683)
		<u>23,040</u>	<u>-</u>
		(Un-audited) June 30, 2025	
		Lending	Credit loss allowance held
		----- (Rupees in '000) -----	
8.1	Lending to FI's- Particulars of credit loss allowance		
	Domestic		
	Non-performing		
	Loss	55,683	55,683
	Total	<u>55,683</u>	<u>55,683</u>

		(Audited)	
		December 31, 2024	
		Lending	Credit loss allowance held
		----- (Rupees in '000) -----	
Domestic			
Non-performing	Stage 3		
Loss		55,683	55,683
Total		55,683	55,683

9 INVESTMENTS

9.1 Investments by type:

		(Un-audited)			
		June 30, 2025			
		Cost / Amortised cost	Credit loss allowance	Surplus	Carrying Value
		----- (Rupees in '000) -----			
Fair Value Through Other Comprehensive Income (FVOCI)					
Federal Government securities		48,418,290	-	341,089	48,759,379
Unlisted Shares		63,785	(500)	49,571	112,856
		48,482,075	(500)	390,660	48,872,235
Amortised Cost					
Non Government debt securities		26,240	(26,240)	-	-
Total Investments		48,508,315	(26,740)	390,660	48,872,235

		(Audited)			
		December 31, 2024			
		Cost / Amortised cost	Credit loss allowance	Surplus	Carrying Value
		----- (Rupees in '000) -----			
Fair Value Through Other Comprehensive Income (FVOCI)					
Federal Government securities		53,264,335	-	61,925	53,326,260
Unlisted Shares		63,785	(500)	-	63,285
		53,328,120	(500)	61,925	53,389,545
Amortised Cost					
Non Government debt securities		26,240	(26,240)	-	-
Total Investments		53,354,360	(26,740)	61,925	53,389,545

	(Un-audited) June 30, 2025	(Audited) December 31, 2024
	------(Rupees in '000) -----	
9.1.1 Investments given as collateral		
Federal Government securities	33,600,000	40,382,000

9.2 Credit loss allowance for diminution in value of investments

9.2.1 Opening balance	26,740	49,240
Charge / reversals		
Charge for the period / year	-	-
Reversals for the period / year	-	-
Reversal on disposals	-	(22,500)
	-	(22,500)
Transfers - net	-	-
Amounts written off	-	-
Closing Balance	26,740	26,740

	(Un-audited) June 30, 2025	
	Outstanding amount	Credit loss allowance held
	------(Rupees in '000) -----	
9.3 Particulars of credit loss allowance against debt securities		

Domestic		
Non-performing	Stage 3	
- Loss		
	26,240	26,240

	(Audited) December 31, 2024	
	Outstanding amount	Credit loss allowance held
	------(Rupees in '000) -----	
Domestic		
Non-performing	Stage 3	
- Loss		
	26,240	26,240

10 ADVANCES

June 30, 2025 (Un-audited)			
	Performing	Non Performing	Total
	(Rupees in '000)		
Customer advances	11,561,277	2,634,330	14,195,607
Employee advances	822,697	5,569	828,266
Partners' death claims	3,817	-	3,817
Advances - gross	12,387,791	2,639,899	15,027,690
Credit loss allowance against advances:			
- Stage 1	39,836	-	39,836
- Stage 2	169,018	-	169,018
- Stage 3	-	2,528,750	2,528,750
	208,854	2,528,750	2,737,604
Advances - net of credit loss allowance	12,178,937	111,149	12,290,086

December 31, 2024 (Audited)			
	Performing	Non Performing	Total
	(Rupees in '000)		
Customer advances	12,014,000	2,621,234	14,635,234
Employee advances	832,108	5,569	837,677
Partners' death claims	(514)	-	(514)
Advances - gross	12,845,594	2,626,803	15,472,397
Credit loss allowance against advances:			
- Stage 1	35,416	-	35,416
- Stage 2	181,127	-	181,127
- Stage 3	-	2,604,910	2,604,910
	216,543	2,604,910	2,821,453
Advances - net of credit loss allowance	12,629,051	21,893	12,650,944

	(Un-audited)	(Audited)
	June 30,	December 31,
	2025	2024
	(Rupees in '000)	
10.1 Particulars of advances (gross)		
In local currency	15,027,690	15,472,397

- 10.2 Advances include Rs. 2,640 million (31 December 2024: Rs. 2,627 million) which have been placed under non-performing / Stage 3 status as detailed below:-

Category of Classification (Stage 3) Domestic	June 30, 2025 (Un-audited)	
	Non performing loans	Credit loss allowance
	(Rupees in '000)	
Other Assets Especially Mentioned (OAEM)	123,863	12,714
Substandard	85,926	85,926
Doubtful	155,094	155,094
Loss	2,275,016	2,275,016
Total	2,639,899	2,528,750

Category of Classification (Stage 3) Domestic	December 31, 2024 (Audited)	
	Non performing loans	Credit loss allowance
	(Rupees in '000)	
Other Assets Especially Mentioned (OAEM)	65,729	43,836
Substandard	76,353	76,353
Doubtful	142,657	142,657
Loss	2,342,064	2,342,064
Total	2,626,803	2,604,910

10.3 Particulars of credit loss allowance against advances

	June 30, 2025 (Un-audited)				December 31, 2024 (Audited)			
	Stage 3	Stage 2	Stage 1	Total	Stage 3	Stage 2	Stage 1	Total
	(Rupees in '000)							
Opening balance	2,604,910	181,127	35,416	2,821,453	2,678,399	123,692	30,748	2,832,839
Charge / (reversals)								
Charge for the period / year	71,978	103,726	105,645	281,349	43,965	143,085	57,123	244,173
Reversals	(148,138)	(115,835)	(101,225)	(365,198)	(117,454)	(85,650)	(52,455)	(255,559)
	(76,160)	(12,109)	4,420	(83,849)	(73,489)	57,435	4,668	(11,386)
Amount written off	-	-	-	-	-	-	-	-
Closing balance	2,528,750	169,018	39,836	2,737,604	2,604,910	181,127	35,416	2,821,453

10.3.1 Details of credit loss allowance of stage 1 and 2 are as follows:

	June 30, 2025 (Un-audited)	
	(Rupees in '000)	
	Stage 1	Stage 2
Customer advances	39,836	169,018
	<u>39,836</u>	<u>169,018</u>

10.3.2 The SBP vide BSD Circular No. 10 of 2009 dated October 20, 2009 had allowed banks / DFI's to avail benefit of Forced Sales Value (FSV) of collaterals mortgaged with them while determining provisioning requirement against non-performing financing. Further, SBP vide BSD Circular No.1 of 2011 dated October 21, 2011 made certain amendments in the Prudential Regulations for Consumer Financing with respect to allowing additional benefit of FSV of mortgage properties held as collateral against housing finances. According to the said circular, the impact on profitability due to availing FSV benefit shall not be available for payment of cash dividend or stock dividend. As at June 30, 2025, the Company has not taken FSV benefit as allowed under IH & SMEFD Circular No. 03 of 2017.

10.4 Particulars of credit loss allowance- local currency

10.4.1 Advances - Exposure

	June 30, 2025 (Un-audited)			December 31, 2024 (Audited)		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	(Rupees in '000)					
Opening balance	12,246,000	599,594	2,626,803	14,007,585	411,413	2,678,257
New advances	637,792	-	-	726,488	-	-
Advances repaid / derecognized	(321,380)	(71,625)	(689,491)	(2,114,419)	(81,228)	(155,699)
Transfer to stage 1	270,910	(221,892)	(49,019)	117,977	(104,726)	(13,251)
Transfer to stage 2	(151,747)	187,380	(35,633)	(440,572)	475,111	(34,539)
Transfer to stage 3	(723,447)	(63,794)	787,239	(51,059)	(100,976)	152,035
	(287,872)	(169,931)	13,096	(1,761,585)	188,181	(51,454)
Closing balance	<u>11,958,128</u>	<u>429,663</u>	<u>2,639,899</u>	<u>12,246,000</u>	<u>599,594</u>	<u>2,626,803</u>

10.4.2 Advances - Particlurs of credit loss allowance

	June 30, 2025 (Un-audited)			December 31, 2024 (Audited)		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	(Rupees in '000)					
Opening balance	35,416	181,127	2,604,910	30,748	123,692	2,678,399
Additional Charge	10,857	69,411	31,671	9,777	101,033	-
Reversal	(88,560)	(21,847)	(85,380)	(43,174)	(9,359)	(69,663)
Transfer to stage 1	94,788	(59,679)	(35,109)	47,346	(34,095)	(13,251)
Transfer to stage 2	(6,665)	34,314	(27,650)	(7,512)	42,052	(34,540)
Transfer to stage 3	(6,000)	(34,308)	40,308	(1,769)	(42,196)	43,965
	4,420	(12,109)	(76,160)	4,668	57,435	(73,489)
Closing balance	<u>39,836</u>	<u>169,018</u>	<u>2,528,750</u>	<u>35,416</u>	<u>181,127</u>	<u>2,604,910</u>

10.4.3 Advances - Category of classification

		June 30, 2025 (Un-audited)	
		Outstanding amount	Credit loss allowance held
		------(Rupees in '000)-----	
Domestic			
Performing	Stage 1	11,958,128	39,836
Under performing	Stage 2	429,663	169,018
Non-performing	Stage 3		
OAEM		123,863	12,714
Substandard		85,926	85,926
Doubtful		155,094	155,094
Loss		2,275,016	2,275,016
		2,639,899	2,528,750
		15,027,690	2,737,604
		December 31, 2024 (Audited)	
		Outstanding amount	Credit loss allowance held
		------(Rupees in '000)-----	
Domestic			
Performing	Stage 1	12,245,999	35,416
Under performing	Stage 2	599,595	181,127
Non-performing	Stage 3		
OAEM		65,729	43,836
Substandard		76,353	76,353
Doubtful		142,659	142,659
Loss		2,342,063	2,342,064
		2,626,804	2,604,912
		15,472,398	2,821,455
		(Un-audited)	(Audited)
		June 30, 2025	December 31, 2024
		------(Rupees in '000)-----	

11 RIGHT-OF-USE ASSETS

At January 01,			
Cost		704,423	437,984
Accumulated Depreciation		(218,330)	(152,604)
Net Carrying amount at January 01,		486,093	285,380

	(Un-audited) June 30, 2025	(Audited) December 31, 2024
	------(Rupees in '000)-----	
Additions during the period	-	266,439
Depreciation charge for the period	(38,635)	(65,726)
Net Carrying amount	<u>447,458</u>	<u>486,093</u>
12 INTANGIBLE ASSETS		
Computer Software	<u>44,606</u>	<u>50,247</u>
	<u>44,606</u>	<u>50,247</u>
13 OTHER ASSETS		
Income / Mark-up accrued in local currency		
- Advances	441,046	564,339
- Investments	1,038,757	1,117,828
- Lending to financial institutions	8	-
	<u>1,479,811</u>	<u>1,682,167</u>
Receivable from Pension Fund	4,790,184	4,555,796
Advances, deposits, advance rent and other prepayments	110,048	98,589
Advance taxation	226,105	303,002
Advance for purchase of land - housing projects	<u>53,815</u>	<u>53,815</u>
	<u>6,659,963</u>	<u>6,693,369</u>
Less: Credit loss allowance	<u>(53,815)</u>	<u>(53,815)</u>
	<u>6,606,148</u>	<u>6,639,554</u>
13.1 Credit loss allowance held against other assets		
Advance for purchase of land - housing projects	<u>53,815</u>	<u>53,815</u>
	<u>53,815</u>	<u>53,815</u>
14 BORROWINGS		
Secured		
Borrowings from State Bank of Pakistan		
- Under refinance scheme	78,671	84,590
Repurchase agreement borrowings	33,128,598	39,137,442
Borrowings from Pakistan Mortgage Refinance Company Limited	1,572,284	1,631,635
	<u>34,779,553</u>	<u>40,853,667</u>

	(Un-audited) June 30, 2025	(Audited) December 31, 2024
	----- (Rupees in '000) -----	
15 LEASE LIABILITY		
Opening balance	553,661	320,422
Remeasurement	-	266,439
Lease payments including interest	(50,012)	(100,297)
Interest expense	31,579	67,097
Closing balance	<u>535,228</u>	<u>553,661</u>

16 OTHER LIABILITIES

Mark-up/ Return/ Interest payable in local currency	12,646	140,499
Accrued expenses	193,673	192,598
Advance payments from customers	178,917	202,464
Retirement and other service benefits	1,042,956	1,025,478
Insurance premium payable	77,136	75,154
Advance rent received	43,418	10,342
Workers' Welfare Fund	181,711	149,052
Others	25,095	26,251
	<u>1,755,552</u>	<u>1,821,838</u>

17 CONTINGENCIES AND COMMITMENTS

- 17.1 As at June 30, 2025, there has been no significant change in contingencies and commitments from those disclosed in the annual audited financial statements as at and for the year ended December 31, 2024, except for the following:

	(Un-audited) June 30, 2025	(Audited) December 31, 2024
	----- (Rupees in '000) -----	
17.2 Commitments:		
Loans sanctioned but not disbursed	<u>113,801</u>	<u>96,756</u>

		(Un-audited) June 30, 2025	(Un-Audited) June 30, 2024
	Note	----- (Rupees in '000) -----	
18	MARK-UP / RETURN / INTEREST EARNED		
Loans and advances		1,231,475	1,647,064
Investments		3,015,617	3,323,179
Lending to financial institutions		55,161	18,298
Balances with banks		2,474	7,170
		<u>4,304,727</u>	<u>4,995,711</u>
19	MARK-UP / RETURN / INTEREST EXPENSED		
Borrowings		2,008,216	2,278,265
Lease liabilities		31,579	21,768
		<u>2,039,795</u>	<u>2,300,033</u>
20	OPERATING EXPENSES		
Total compensation expense	20.1	472,160	461,912
Property expense			
Rent & taxes		1,267	966
Insurance		738	936
Utilities cost		15,519	15,904
Security (including guards)		5,696	5,484
Repair & maintenance (including janitorial charges)		71,358	34,292
Depreciation		7,567	7,646
Depreciation on right-of-use assets		38,635	27,781
		140,780	93,009
Information technology expenses			
Hardware maintenance		21,330	12,610
Depreciation		5,696	6,908
Amortization		5,641	6,811
Network charges		4,000	4,417
		36,667	30,746

	(Un-audited) June 30, 2025	(Un-Audited) June 30, 2024
	----- (Rupees in '000) -----	
Other operating expenses		
Directors' fees and allowances	5,548	5,950
Legal & professional charges	2,897	9,150
Consultancy charges	14,651	7,242
Outsourced services costs	39,965	32,403
Travelling & conveyance	8,622	6,014
Depreciation	11,519	12,571
Training & development	1,515	383
Postage & courier charges	2,001	2,807
Communication	2,833	2,889
Stationery & printing	2,580	2,973
Marketing, advertisement & publicity	4,331	7,672
Commission against recovery	-	1,209
Auditors remuneration	2,800	1,470
Banking service charges	3,336	4,910
Entertainment	1,344	1,618
Vehicle expense	14,095	14,441
Subscription	2,084	2,062
Others	7,026	6,515
	127,147	122,279
	776,754	707,946

20.1 This amount includes remuneration, performance award, bonuses, other allowances paid to employees and charge for defined benefit plan.

	(Un-audited) June 30, 2025	(Un-Audited) June 30, 2024
	----- (Rupees in '000) -----	
21 TAXATION		
Current	618,567	777,922
Deferred	123,695	31,328
	742,262	809,250
22 BASIC AND DILUTED EARNINGS PER SHARE		
Profit for the period	858,038	1,107,252
	----- (Number) -----	
Weighted average number of ordinary shares	1,936,500,000	1,936,500,000
	----- (Rupees) -----	
Basic and diluted earnings per share	0.44	0.57

23 FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified under held to collect model, is based on quoted market price. Quoted securities classified under held to collect model are carried at amortized cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

23.1 Fair value of financial assets

The Company 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 financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	June 30, 2025 (Un-audited)			
	Level 1	Level 2	Level 3	Total
	Rupees in '000			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Federal Government Securities	-	48,759,379	-	48,759,379
Investment in unlisted shares	-	-	112,856	112,856
	December 31, 2024 (Audited)			
	Level 1	Level 2	Level 3	Total
	Rupees in '000			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Federal Government securities	-	53,326,260	-	53,326,260
Investment in unlisted shares	-	-	63,285	63,285

24 RELATED PARTY TRANSACTIONS

Related parties comprise of associates, directors, key management personnel and employee retirement benefit plan of the Company. There were no transactions with the key management personnel other than those under the terms of their employment. Key management personnel includes Chief Executive Officer, Group Head Internal Auditor, Group Head Treasury, Chief Financial Officer, Company Secretary, Group Head Compliance, Group Head Risk Management, Group Head Human Resource, Group Head Recovery and Chief Information Officer. Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these financial statements are as follows:

	June 30, 2025 (Un-audited)			December 31, 2024 (Audited)		
	Directors	Key management personnel	Other related parties	Directors	Key management personnel	Other related parties
	(Rupees in '000)					
A - BALANCES						
Lendings to financial institutions						
Opening balance	-	-	-	-	-	-
Addition during the period / year	-	-	229,036	-	-	11,890,746
Repaid during the period / year	-	-	(205,996)	-	-	(11,890,746)
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	23,040	-	-	-
Investments						
Opening balance	-	-	1,208,898	-	-	1,208,898
Investment made during the period	-	-	33,132	-	-	481,083
Investment redeemed / disposed off during the period / year	-	-	(1,208,898)	-	-	(481,083)
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	33,132	-	-	1,208,898
Advances						
Opening balance	-	42,468	-	-	54,406	-
Addition during the period / year	-	658	-	-	4,517	-
Repaid during the period / year	-	(18,439)	-	-	(17,738)	-
Transfer in / (out) - net	-	-	-	-	1,283	-
Closing balance	-	24,687	-	-	1,283	-
Other Assets						
Interest / mark-up accrued	-	-	8	-	-	-
Receivable from Staff retirement benefit	-	-	4,790,184	-	-	4,555,796
Borrowings						
Opening balance	-	-	-	-	-	-
Borrowings during the period / year	-	-	15,819,277	-	-	115,114,725
Settled during the period / year	-	-	(15,819,277)	-	-	(115,114,725)
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-
Other Liabilities						
Retirement Benefit Payable	-	-	1,042,956	-	-	1,025,478
Others						
Securities held as custodian	-	-	14,489,200	-	-	14,980,000

B - TRANSACTIONS

	June 30, 2025 (Un-audited)			June 30, 2024 (Un-audited)		
	Directors	Key management personnel	Other related parties	Directors	Key management personnel	Other related parties
	(Rupees in '000)					
Income						
Mark-up / return / interest earned	-	658	2,670	-	1,548	25,427
Expense						
Mark-up / return / interest paid	-	-	7513	-	-	291,113
Compensation Expenses	-	62,023	-	-	66,288	-
Directors' fees and allowances	5,548	-	-	5950	-	-

25 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Un-audited) June 30, 2025	(Audited) December 31, 2024
	----- Rupees in '000 -----	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	<u>19,365,000</u>	<u>19,365,000</u>
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	28,295,909	27,586,236
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	28,295,909	27,586,236
Eligible Tier 2 Capital	254,071	138,780
Total Eligible Capital (Tier 1 + Tier 2)	<u>28,549,980</u>	<u>27,725,016</u>
Risk Weighted Assets (RWAs):		
Credit risk	7,079,552	7,390,858
Market risk	1,815,931	1,519,074
Operational risk	15,306,953	15,306,953
Total	<u>24,202,436</u>	<u>24,216,885</u>
Common Equity Tier 1 Capital Adequacy Ratio	<u>116.91%</u>	<u>113.91%</u>
Tier 1 Capital Adequacy Ratio	<u>116.91%</u>	<u>113.91%</u>
Total Capital Adequacy Ratio	<u>117.96%</u>	<u>114.49%</u>

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

Leverage Ratio (LR):

Eligible Tier-1 Capital	28,295,909	27,586,236
Total Exposure	64,429,163	74,083,048
Leverage Ratio	43.92%	37.24%

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets	15,664,851	14,217,000
Total Net Cash Outflow	1,424	1,252
Liquidity Coverage Ratio	1100060%	1135543%

Net Stable Funding Ratio (NSFR):

Total available stable funding	48,278,000	50,032,000
Total required stable funding	16,185,000	16,574,000
Net Stable Funding Ratio	298%	302%

26 DATE OF AUTHORISATION FOR ISSUE

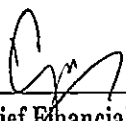
These financial statements were approved and authorized for issue on August 27, 2025 by the Board of Directors of the Company. 27 AUG 2025

27 GENERAL

Figures have been rounded-off to the nearest thousand rupees except stated otherwise.



President / Chief Executive



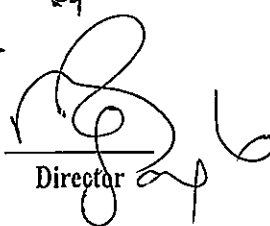
Chief Financial Officer



Director



Director



Director