

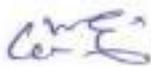
# AL Habib Exchange Company (Private) Limited

## Statement of Financial Position

As at 31 December 2025

	Note	31 December 2025 (Rupees)	31 December 2024 (Rupees)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	4	71,121,549	70,491,642
Right-of-use assets	5	38,062,597	45,510,331
Intangible assets	6	612,750	2,450,100
Long-term investments	7	1,476,519,010	1,479,801,111
<b>Total non-current assets</b>		<b>1,586,315,906</b>	<b>1,598,253,184</b>
<b>CURRENT ASSETS</b>			
Taxation - net	8	10,840,046	7,123,611
Short-term investments	9	309,350,298	659,887,005
Prepayments and others	10	9,434,314	5,982,821
Cash and bank balances	11	1,337,267,071	848,404,253
<b>Total current assets</b>		<b>1,666,891,729</b>	<b>1,521,397,690</b>
<b>TOTAL ASSETS</b>		<b>3,253,207,635</b>	<b>3,119,650,874</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Paid-up capital and unappropriated profit issued, subscribed, and paid-up share capital of Rs. 10/- each	12	3,000,000,000	3,000,000,000
Unappropriated profit		195,482,324	66,190,466
<b>Total shareholders' equity</b>		<b>3,195,482,324</b>	<b>3,066,190,466</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liability against right-of-use assets	13	32,662,769	35,963,501
Deferred tax liability - net	14	1,004,679	2,404,669
<b>Total non-current liabilities</b>		<b>33,667,448</b>	<b>38,368,170</b>
<b>CURRENT LIABILITIES</b>			
Current portion of lease liability against right-of-use assets	13	6,764,524	5,754,880
Taxation - net		-	-
Accrued expenses and other liabilities	15	17,293,339	9,337,136
<b>Total current liabilities</b>		<b>24,057,863</b>	<b>15,092,016</b>
<b>TOTAL LIABILITIES</b>		<b>57,725,311</b>	<b>53,460,406</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,253,207,635</b>	<b>3,119,650,874</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	16		

The annexed notes from 1 to 32 form an integral part of these financial statements.

  
Chief Financial Officer

  
Chief Executive Officer

  
Chairman

# AL Habib Exchange Company (Private) Limited

## Statement of Profit or Loss

For the year ended 31 December 2025

		For the period from 01 January 2025 till 31 December 2025 (Rupees)	For the period from 24 November 2023 till 31 December 2024 (Rupees)
Revenue	Note		
Income from exchange operations (including gain on revaluation - net)	17	224,418,012	56,054,850
Administrative expenses	18	(325,275,378)	(191,925,874)
Operating loss		<u>(100,857,366)</u>	<u>(135,851,014)</u>
Finance cost	19	(9,527,765)	(9,805,002)
Other income - net	20	295,746,582	238,231,098
Profit before income tax and final taxes		<u>185,361,451</u>	<u>92,455,080</u>
Final taxes		(1,115,483)	-
Profit before income tax		<u>184,245,968</u>	<u>92,455,080</u>
Income tax	21	(54,954,112)	(26,274,612)
Profit after income tax		<u>129,291,856</u>	<u>66,180,468</u>
Earnings per share - basic and diluted	22	<u>0.43</u>	<u>0.42</u>

The annexed notes from 1 to 32 form an integral part of these financial statements.

  
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Chief Financial Officer

  
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Chief Executive Officer

  
\_\_\_\_\_  
Chairman

# AL Habib Exchange Company (Private) Limited

## Statement of Comprehensive Income

For the year ended 31 December 2025

	For the period from 01 January 2025 till 31 December 2025 (Rupees)	For the period from 24 November 2023 till 31 December 2024 (Rupees)
Profit after taxation for the Year	129,291,856	66,190,468
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b><u>129,291,856</u></b>	<b><u>66,190,468</u></b>

The annexed notes from 1 to 32 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer

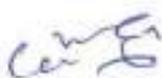


Chairman

AL Habib Exchange Company (Private) Limited  
 Statement of Changes in Equity  
 For the year ended 31 December 2025

	Ordinary share capital	Revenue reserve Unappropriated profit (Rupees)	Total shareholders' equity
Balance as at 01 January 2025	3,000,000,000	66,190,468	3,066,190,468
<i>Transactions with owners</i>			
Issuance of ordinary shares	-	-	-
Total comprehensive income for the period from 01 January 2025 to 31 December 2025	-	129,291,856	129,291,856
<b>Balance as at 31 December 2025</b>	<b><u>3,000,000,000</u></b>	<b><u>195,482,324</u></b>	<b><u>3,195,482,324</u></b>
Balance as at 24 November 2023	-	-	-
<i>Transactions with owners</i>			
Issuance of ordinary shares	1,000,000,000	-	1,000,000,000
Issuance of ordinary shares - (further issue of shares)	2,000,000,000	-	2,000,000,000
Total comprehensive income for the period from 24 November 2023 till 31 December 2024	-	66,190,468	66,190,468
<b>Balance as at 31 December 2024</b>	<b><u>3,000,000,000</u></b>	<b><u>66,190,468</u></b>	<b><u>3,066,190,468</u></b>

The annexed notes from 1 to 32 form an integral part of these financial statements.

  
 Chief Financial Officer

  
 Chief Executive Officer

  
 Chairman

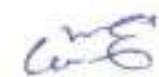
# AL Habib Exchange Company (Private) Limited

## Statement of Cash Flows

For the year ended 31 December 2025

		For the period from 01 January 2025 till 31 December 2025	For the period from 24 November 2023 till 31 December 2024
	Note	(Rupees)	(Rupees)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before income tax		184,245,968	92,465,080
Adjustment for non cash items:			
Depreciation on property and equipment	4.1	15,860,073	8,535,586
Depreciation on right-of-use assets	5.1	10,980,840	11,262,997
Amortization on intangible assets	6.1	1,837,350	1,224,900
Interest income on Pakistan Investment Bonds	20	(192,284,518)	(54,129,136)
Interest income on Market Treasury Bills	20	(59,536,046)	(50,640,237)
Interest income on deposit accounts	20	(41,326,977)	(131,398,759)
Unrealized gain on mutual funds	20	(70)	(1,862,964)
Gain on redemption of mutual funds	20	(2,342,202)	-
Dividend income on mutual funds	20	(256,769)	-
Finance cost on lease liability	19	8,231,126	9,394,454
Unrealized gain on Forward Contracts	10	(2,441,401)	(432,780)
Final taxes		1,115,483	-
		(260,183,111)	(208,245,939)
Operating cash flows before working capital changes		(75,917,143)	(115,780,859)
Working capital changes			
Increase in prepayments and others		(1,010,092)	(5,550,041)
Decrease in accrued expenses and other liabilities		7,956,203	9,337,136
Cash used in operating activities		(68,971,032)	(111,993,764)
Income taxes paid	8	(51,186,240)	(30,993,334)
Net cash used in operating activities		(130,157,272)	(142,987,098)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property and equipment	4.1	(16,486,980)	(79,027,228)
Investment in mutual funds		(23,496)	(200,000,000)
Acquisition of intangible assets	6.1	-	(3,675,000)
Interest income received on deposit accounts		41,326,977	131,398,759
Proceeds from Maturity of Treasury Bills		507,100,000	700,000,000
Investment in Market Treasury Bills		(298,866,645)	(1,107,183,804)
Investment in Pakistan Investment Bonds		-	(1,472,539,675)
Proceeds from Mutual Funds		204,461,935	-
Coupon received for Pakistan Investment Bonds		195,566,620	46,867,700
Net cash from / (used in) investing activities		833,075,410	(1,984,159,248)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment against lease liability	13.1	(14,055,320)	(24,449,401)
Proceeds from issuance of shares		-	3,000,000,000
Net cash generated from financing activities		(14,055,320)	2,975,550,599
Net increase in cash and cash equivalents		488,862,818	848,404,253
Cash and cash equivalents at the beginning of the period		848,404,253	-
Cash and cash equivalents at end of the period		<u>1,337,267,071</u>	<u>848,404,253</u>

The annexed notes from 1 to 32 form an integral part of these financial statements.

  
Chief Financial Officer

  
Chief Executive Officer

  
Chairman

# AL Habib Exchange Company (Private) Limited

## Notes to the Financial Statements

For the year ended 31 December 2025

### 1 LEGAL STATUS AND NATURE OF BUSINESS

AL Habib Exchange Company (Private) Limited (the Company) was incorporated in Pakistan on 24 November 2023 as a private limited company under the Companies Act, 2017. The Company is required to operate in accordance with the rules and regulations laid down by the State Bank of Pakistan (SBP) through F.E Circular No. 9 dated 30 July 2002.

The Company's registered office and principal office are situated at Finlay House, I.I. Chundrigar road, Karachi.

The Company obtained license for commencement of operations from the State Bank of Pakistan (SBP) on 20 March 2024 and started its operations on 26 March 2024. The Company operates as an exchange company and is engaged in the business of dealing in foreign exchange and currency export operations. The Company operates with 6 branches and 44 booths. The addresses of all branches are mentioned in note 28 to these financial statements.

The Company is a subsidiary of Bank AL Habib Limited (the "Holding Bank"), which holds 100% shares (either directly or through its nominees) in the Company.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

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

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of, directives and notifications issued under the Companies Act, 2017.

Where provisions of, directives and notifications issued under the Companies Act, 2017 differ from the IFRS Accounting Standards, the provisions of, directives and notifications issued under the Companies Act, 2017 have been followed.

#### 2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for certain investments and derivatives which are carried at fair value. Lease liability against right-of-use assets are carried at present value of future cashflows.

#### 2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.

#### 2.4 Use of estimates and judgments

The preparation of financial statements, in conformity with the requirements of accounting and reporting standards as applicable in Pakistan, requires management to make judgments, estimates and associated assumptions that affect the application of Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

Critical accounting estimates and areas where judgments were made by the management are as follows:

- i) Property, equipment, and intangible assets (note 3.1, 3.4, 4.1, and 6.2)
- ii) Right-of-use assets and related lease liability (note 3.2, 3.3 and 5)

- iii) Current and deferred taxation (note 3.5)
- iv) Provision and contingencies (note 3.13)
- v) Fair value of forward foreign exchange contracts (note 3.11, 16.2 and 17)
- vi) Valuation of Financial Instrument (note 7.1 and 9.1)

**2.5 Changes in accounting standards, interpretations and amendments to published approved accounting and reporting standards**

- (a) Standards, amendments and interpretations to published approved accounting and reporting standards which are effective for the accounting periods beginning on or after 01 Jan 2025 are as follows:

Below are certain other amendments to existing accounting and reporting standards that have become applicable to the Company for accounting periods beginning on or after 01 Jan 2025.

Definition of Accounting Estimates (Amendments to IAS 8)

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

Lack of Exchangeability (amendments to IAS 21)

International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12)

The above standards, interpretations and amendments to existing accounting and reporting standards are not likely to have a significant impact on the Company's financial statements

- (b) Standards, Interpretations and Amendments to published approved accounting standards not yet effective

The following IFRS as notified under the Act and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 January 2026:

	Effective from accounting period beginning on or after
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Not yet finalized
Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments Disclosures:	
- Financial Assets with ESG-Linked features	
- Recognition / Derecognition requirements of Financial Assets / liabilities by Electronic Payments:	01 January 2026
Amendments clarify the treatment of Credit Linked Instruments (CLIs) and non-recourse features, and require enhanced disclosures for equity investments measured at FVOCI.	01 January 2026
Annual Improvements include amendments to IFRS 1, 7, 9, 10, and IAS 7, with key changes clarifying trade receivable measurement under IFRS 15 vs IFRS 9 and lease liability derecognition by lessees.	01 January 2026

The above standards, interpretations and amendments are not likely to have a significant impact on the Company's financial statements.

**3 MATERIAL ACCOUNTING POLICIES**

The material accounting policies adopted in the preparation of these financial statements are consistent with those followed in the preparation of the financial statements for the period ended 31 December 2024.

**3.1 Property and equipment**

**Initial recognition**

The cost of an item is recognized as an asset if and only if the future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

## Measurement

Property and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses (if any). Further, where applicable, an estimate of recoverable amount of assets is made for possible impairment at each reporting date.

## Subsequent Cost

Subsequent costs are included in the property and equipment's carrying amount or recognized as a separate item of property and equipment, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other expenditures (including normal repairs and maintenance) are recognized in the statement of profit or loss as an expense, when these are incurred.

## Depreciation

The cost of property and equipment are depreciated over their estimated useful lives using straight line method at the rates specified in note 4.1. Depreciation on additions is charged from the day on which the item of property and equipment is available for use and no depreciation is charged on the day of disposal. The Company reviews appropriateness of the method of depreciation and useful lives used in the calculation of depreciation of property and equipment on annual basis.

## Gains and losses on disposal

The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property and equipment, and is recognized in the statement of profit or loss.

## Capital work-in-progress

Capital work-in-progress is stated at cost less impairment loss, if any and consists of expenditures incurred and advances made in the course of their construction and installation. Transfers are made to relevant asset category as and when assets are available for intended use.

### 3.2 Right-of-use assets

Right-of-use assets are initially measured at cost being the present value of lease payments, initial direct costs, any lease payments made at or before the commencement of the lease as reduced by any incentives received. These are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is charged on a straight line basis over the lease term unless the ownership of the asset transfers to the Company at the end of the lease term or the cost of the asset reflects that the Company will exercise the purchase option, in that case depreciation is charged over the useful life of the asset.

### 3.3 Lease Liabilities

Lease liabilities are initially measured at the present value of the lease payments not paid at the time of commencement, discounted using the interest rate implicit in the lease. If the implicit rate cannot be readily determined, the Company's incremental borrowing rate is used. Subsequently, these are increased by interest, reduced by lease payments and remeasured for lease modifications, if any.

The lease term is determined as the non-cancellable period of the lease, together with, periods covered by an option to extend the lease, if it is reasonably certain that the option will be exercised; and periods covered by an option to terminate the lease, if it is reasonably certain that the option will not be exercised.

Liabilities in respect of certain short term and low value leases are not recognized and payments against such leases are recognized as an expense in statement of profit or loss.

### 3.4 Intangible assets

Intangible assets are recognized if, and only if, it is probable that the expected future economic benefits attributable to the asset will flow to the Company; and the cost of the asset can be measured reliably. Intangible assets are initially measured at cost, which includes the purchase price and any directly attributable costs necessary to bring the asset to its intended use. Subsequently, intangible assets are stated at cost less accumulated amortization and if, any impairment losses. Amortization is charged over the estimated useful life of the asset on a systematic basis by applying the straight line method at the rates specified in note 6.2 to these financial statements. The estimate of useful life and amortization method are reviewed at the end of each financial year with the effect of any changes in estimate being accounted for prospectively.

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The amortization is charged from the day on which asset is available for use while no amortization is charged for the day on which that asset is disposed off.

### 3.5 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### 3.5.1 Financial assets

##### 3.5.1.1 Initial recognition and measurement

Financial assets are classified, at initial recognition, at amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at Fair Value Profit and Loss, transaction costs that are directly attributable to its acquisition or issue.

In order for a financial asset to be classified and measured at amortized cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets that do not meet the Solely Payment of Principal and Interest (SPPI) criteria are required to be measured at fair value through profit and loss (FVTPL) regardless of the business model in which they are held.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

##### 3.5.1.2 Subsequent measurement

For the purpose of subsequent measurement, the Company classifies its financial assets into following categories:

- Financial assets at amortized cost (debt instruments);
- Financial assets designated at fair value through other comprehensive income (FVOCI) with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss (FVTPL).

##### Financial assets at amortized cost (debt instruments)

The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment (Expected Credit Loss). Gains and losses are recognized in statement of profit or loss when the asset is derecognized, modified or impaired.

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### Financial assets designated at fair value through profit or loss (FVTPL)

Financial assets at fair value through profit or loss (FVTPL) include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss (FVTPL), or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss (FVTPL) are carried in the statement of financial position at fair value with net changes in fair value recognized in statement of profit or loss.

The Company has designated short term and long term investments either at amortized cost or fair value through profit and loss in these financial statements.

#### 3.5.1.3 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and either:
  - (a) the Company has transferred substantially all the risks and rewards of the asset, or
  - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

#### 3.5.2 Financial liabilities

##### 3.5.2.1 Initial recognition and measurement

Financial liabilities classified at amortized cost are initially recorded at their fair value.

##### 3.5.2.2 Subsequent measurement

###### Financial liabilities at amortized cost

After initial recognition, payables are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in profit or loss upon derecognition of the liabilities and through the amortization process using the EIR.

Amortized cost is determined by taking into account any discount or premium on initial recognition, as well as transaction costs that are an integral part of the EIR. The resulting amortization is recognized as finance costs in the statement of profit or loss.

### 3.5.2.3 Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in statement of profit or loss.

### 3.5.3 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

## 3.6 Taxation

### *Current*

Current Tax comprises of expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

### *Deferred*

Deferred tax is accounted for using balance sheet liability method in respect of all temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the statement of financial position. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences are expected to reverse, based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited to statement of profit or loss except to the extent that it relates to items recognized in statement of comprehensive income.

### *Levies*

In accordance with the Income Tax Ordinance, 2001, computation of final taxes is not based on taxable income. Therefore, as per IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes issued by the ICAP, these fall within the scope of IFRIC 21 / IAS 37 and accordingly have been classified as levy in these financial statements.

## 3.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, balances with banks in current and deposit accounts.

## 3.8 Revenue

### *Income from Sale and Revaluation of foreign currencies*

Income from exchange operations includes the difference between the average cost and selling price of foreign currency, including wire transmission and the revaluation gain resulting from revaluation of foreign exchange position at day end. Income from exchange operations is recognized at the time each transfer occurs on transfer date basis and/or when revaluation of foreign exchange position takes place.

### *Unrealized Income from Forward Foreign Exchange Contracts*

Forward foreign exchange contracts outstanding at the reporting date are measured at fair value based on prevailing exchange rate and the resulting gain or loss is recognized in the statement of profit or loss.

### 3.9 Other Income

#### *Mark-up / interest income*

Mark-up / interest income is accrued, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

#### *Interest income on deposit accounts*

The Company deposits surplus funds in savings accounts maintained with various scheduled banks. Income earned on these deposits, in the form of interest or profit, is recognized on an accrual basis in the period in which it is earned.

#### *Dividend Income*

Dividend income is recognised when the right to receive is established.

### 3.10 Employees' benefits

#### **Defined contribution plan**

The Company operates an approved provident fund scheme for all its regular permanent employees, administered by the Trustees. Equal monthly contributions are made both by the Company and its employees to the fund at the rate of 10% of the basic salary in accordance with the terms of the scheme.

### 3.11 Foreign currency transactions and translation

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the date of transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of transaction. Foreign currency differences are recognized in the statement of profit or loss.

### 3.12 Forward Foreign Exchange Contracts

The Company enters into forward foreign exchange contracts with authorized dealers to sell foreign currencies at future dates in the normal course of business. These contracts are disclosed in the financial statements under contingencies and commitments at their contracted amounts. At each reporting date, outstanding contracts are remeasured to fair value, and unrealized gains or losses are recognized in revenue in the statement of profit or loss. The input and revaluation technique used for valuation of contracts is stated in note 27.1 of the financial statements.

### 3.13 Earnings per Share

The Company presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing profit after tax for the period attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is not calculated separately, as the Company does not have any potential ordinary shares.

### 3.14 Provisions and contingencies

Provisions are recognized when the Company has present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the outflow of resources embodying economic benefits is not probable, a contingent liability is disclosed, unless the possibility of outflow is remote. Provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

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4 PROPERTY AND EQUIPMENT

	31 December 2025 (Rupees)	31 December 2024 (Rupees)
Operating fixed assets	88,137,317	70,491,642
Capital work in-progress	2,984,232	-
	<u>71,121,549</u>	<u>70,491,642</u>

Note

- 4.1
- 4.2

4.1 Operating fixed assets

	31 December 2025					Total
	Leasehold improvements	Electrical, fittings and equipment	Office Equipment	Computers	Furniture and fixtures	
<b>Cost</b>						
Opening balance	33,401,111	25,911,929	1,856,894	9,916,176	7,941,118	79,027,228
Additions	1,856,963	3,395,318	-	1,907,824	6,614,643	13,505,748
Disposals	-	-	-	-	-	-
As at 31 December 2025	34,989,174	29,307,147	1,856,894	11,824,000	14,555,761	92,532,976
<b>Accumulated depreciation</b>						
Opening balance	3,356,931	3,042,918	262,992	1,327,198	545,547	8,535,586
Charge for the year	6,818,965	5,341,356	371,159	2,190,314	1,138,269	15,869,073
Disposals	-	-	-	-	-	-
As at 31 December 2025	10,175,896	8,384,274	634,151	3,517,512	1,683,816	24,395,659
<b>Net book value</b>	<u>24,813,278</u>	<u>20,922,873</u>	<u>1,222,743</u>	<u>8,306,488</u>	<u>12,871,945</u>	<u>68,137,317</u>

Rate of depreciation (%)

	20	20	20	20	10

	31 December 2024					Total
	Leasehold improvements	Electrical, fittings and equipment	Office Equipment	Computers	Furniture and fixtures	
<b>Cost</b>						
Opening balance	33,401,111	25,911,929	1,856,894	9,916,176	7,941,118	79,027,228
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
As at 31 December 2024	33,401,111	25,911,929	1,856,894	9,916,176	7,941,118	79,027,228
<b>Accumulated depreciation</b>						
Opening balance	-	-	-	-	-	-
Charge for the year	3,356,931	3,042,918	262,992	1,327,198	545,547	8,535,586
Disposals	-	-	-	-	-	-
As at 31 December 2024	3,356,931	3,042,918	262,992	1,327,198	545,547	8,535,586
<b>Net book value</b>	<u>30,044,180</u>	<u>22,869,011</u>	<u>1,593,902</u>	<u>8,588,978</u>	<u>7,395,571</u>	<u>70,491,642</u>

Rate of depreciation (%)

	20	20	20	20	10

*MA*

	Note	31 December 2025 (Rupees)	31 December 2024 (Rupees)
4.2 CAPITAL WORK-IN-PROGRESS - AT COST			
Opening balance		-	-
Additions during the year		2,984,232	38,000,907
Transferred during the year		-	(38,000,907)
Closing balance		<u>2,984,232</u>	<u>-</u>

5 RIGHT-OF-USE ASSETS			
Right-of-use assets - at net book value	5.1	<u>38,062,597</u>	<u>45,510,331</u>

5.1 Right-of-use assets - at net book value

	31 December 2025						Net book value as at 31 December 2025
	Cost			Accumulated depreciation			
	As at 31 December 2024	Additions	As at 31 December 2025	As at 31 December 2024	Charge for the period	As at 31 December 2025	
	(Rupees)						
Office building	56,773,326	3,533,106	60,306,434	11,262,997	11,989,840	22,243,037	38,062,597
Total	<u>56,773,326</u>	<u>3,533,106</u>	<u>60,306,434</u>	<u>11,262,997</u>	<u>11,989,840</u>	<u>22,243,037</u>	<u>38,062,597</u>

	31 December 2024						Net book value as at 31 December 2024
	Cost			Accumulated depreciation			
	As at 24 November 2023	Additions	As at 31 December 2024	As at 24 November 2023	Charge for the period	As at 31 December 2024	
	(Rupees)						
Office building	-	56,773,326	56,773,326	-	11,262,997	11,262,997	45,510,331
Total	<u>-</u>	<u>56,773,326</u>	<u>56,773,326</u>	<u>-</u>	<u>11,262,997</u>	<u>11,262,997</u>	<u>45,510,331</u>

5.2 Disclosure relating to right-of-use assets			
Office building		Number of right-of-use assets leased	Range of remaining term
		5	3-4.5 years
			Number of leases with extension option
			5

6 INTANGIBLE ASSETS	Note	31 December 2025 (Rupees)	31 December 2024 (Rupees)
Intangible assets - at net book value	6.1	<u>612,750</u>	<u>2,450,100</u>

6.1 Intangible assets - at net book value

	31 December 2025						Net book value as at 31 December 2025
	Cost			Accumulated amortization			
	As at 31 December 2024	Additions	As at 31 December 2025	As at 31 December 2024	Charge for the period	As at 31 December 2025	
	(Rupees)						
Software	3,675,000	-	3,675,000	1,224,900	1,637,350	3,062,250	612,750
Total	<u>3,675,000</u>	<u>-</u>	<u>3,675,000</u>	<u>1,224,900</u>	<u>1,637,350</u>	<u>3,062,250</u>	<u>612,750</u>

	31 December 2024						Net book value as at 31 December 2024
	Cost			Accumulated amortization			
	As at 24 November 2023	Additions	As at 31 December 2024	As at 24 November 2023	Charge for the period	As at 31 December 2024	
	(Rupees)						
Software	-	3,675,000	3,675,000	-	1,224,900	1,224,900	2,450,100
Total	<u>-</u>	<u>3,675,000</u>	<u>3,675,000</u>	<u>-</u>	<u>1,224,900</u>	<u>1,224,900</u>	<u>2,450,100</u>

6.2 The intangible is being amortized using straight line method over a period of two years.

7 LONG TERM INVESTMENTS	Note	31 December 2025 (Rupees)	31 December 2024 (Rupees)
At amortized cost			
Pakistan Investment Bonds (PIBs)	7.1	<u>1,476,519,010</u>	<u>1,419,601,111</u>

7.1 These represent investment in Pakistan Investment Bonds (PIBs). Four of these are 10-year PIBs, while two are 5-year PIBs. The 10-year PIBs were purchased with a total face value of Rs. 710 million carrying a floating rate. The 5-year PIBs were acquired with a total face value of Rs. 600 million carrying a floating rate. The yield to maturity on all these PIBs ranges between 11.80% - 12.35%. The aggregate market value of all these PIBs is Rs. 1,476 million as at 31 December 2025 (2024: Rs. 1,441 million).

PIBs have been deposited with State Bank of Pakistan to meet the Statutory Liquidity Reserve (SLR) requirement of 15 percent of Paid-up Capital in accordance with the requirement stipulated in EPD Circular Letter No.3 of 2021.

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		31 December 2025	31 December 2024
	Note	(Rupees)	(Rupees)
<b>8</b>	<b>TAXATION - NET</b>		
	(Advance tax refundable - net) / provision for taxation		
	Opening balance	7,123,611	-
	Provision for taxation	(57,469,805)	(23,869,723)
	Tax paid / deducted during the year	61,186,240	30,983,334
	Closing balance	<u>10,840,046</u>	<u>7,123,611</u>

**9 SHORT TERM INVESTMENTS**

	At amortized cost			
	Market Treasury Bills (MTBs)	9.1	309,326,732	458,024,041
	At fair value through profit or loss - mandatory classification			
	Al Habib Govt. Securities Fund		23,566	201,862,964
			<u>309,350,298</u>	<u>659,887,005</u>

9.1 This represents 6 month MTB purchased on 04 September 2025 with a face value of Rs. 315 million (2024: 507.1 million) This will mature on 05 March 2026 having yield to maturity rate 10.80%. The market value of these MTBs as at 31 December 2025 is Rs. 309.251 million (2024: 469.1 million).

		31 December 2025	31 December 2024
		(Rupees)	(Rupees)
<b>10</b>	<b>PREPAYMENTS AND OTHERS</b>		
	Prepaid rent	737,500	2,507,500
	Prepaid insurance	5,001,600	1,891,856
	Prepaid IT expenses	123,416	1,013,458
	Unrealized gain on foreign exchange contracts	2,441,401	432,780
	Others	1,130,397	137,227
		<u>9,434,314</u>	<u>5,982,821</u>

		31 December 2025	31 December 2024	
	Note	(Rupees)	(Rupees)	
<b>11</b>	<b>CASH AND BANK BALANCES</b>			
	Balances with banks			
	Deposit accounts - in local currency	11.1	347,547,566	349,738,232
	Current accounts - in local currency		114,430,221	19,032,187
	Current accounts - in foreign currencies		278,823,083	78,310,800
		11.2	<u>740,800,870</u>	<u>445,081,219</u>
	Cash in hand			
	Local currency		41,434,791	18,249,943
	Foreign currencies		555,031,410	387,073,091
			<u>596,466,201</u>	<u>403,323,034</u>
			<u>1,337,267,071</u>	<u>848,404,253</u>

11.1 This amount is placed with the Holding Bank and carries mark-up / Interest at the rate of 9.25% - 10% (2024: 10% - 20.75%) per annum.

11.2 This amount includes Rs. 503.6 million (2024: 409.5 million) placed with the Bank Al Habib Limited (the "Holding Bank").

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12 SHARE CAPITAL

	31 December 2025 (Number of shares)	31 December 2024 (Number of shares)		31 December 2025 (Rupees)	31 December 2024 (Rupees)
12.1	Authorized share capital				
	<u>300,000,000</u>	<u>300,000,000</u>	Issued, subscribed, and paid-up share capital of Rs. 10/- each	<u>3,000,000,000</u>	<u>3,000,000,000</u>
12.2	Issued, subscribed and paid-up share capital				
	300,000,000	100,000,000	Ordinary shares of Rs. 10 each issued as fully paid in cash	3,000,000,000	1,000,000,000
	-	200,000,000	Ordinary shares (further issue of shares) of Rs. 10 each issued as fully paid in cash	-	2,000,000,000
	<u>300,000,000</u>	<u>300,000,000</u>		<u>3,000,000,000</u>	<u>3,000,000,000</u>
12.3	At 31 December 2025, the Holding Bank held 300,000,000 (2024: 300,000,000) ordinary shares of the Company (either directly or through its nominees) which comprises of 100% of the ordinary share capital (2024: 100%).				

13 LEASE LIABILITY AGAINST RIGHT-OF-USE ASSETS

	Note	31 December 2025 (Rupees)	31 December 2024 (Rupees)
Lease Liability represented by:			
Non-current portion		32,662,769	35,963,501
Current portion		6,764,524	5,754,880
	13.1	<u>39,427,293</u>	<u>41,718,381</u>
13.1	Movement:		
Opening balance		41,718,381	-
Additions during the year		3,533,106	42,809,626
Finance cost during the year		8,231,126	9,394,454
Repayment during the year		(14,055,320)	(10,485,901)
Closing balance		<u>39,427,293</u>	<u>41,718,381</u>

	31 December 2025			
	Minimum lease payments due in			
	Not later than one year	Later than one year but not later than 5 years	Later than five years	Total
	(Rupees)			
Minimum lease payments	13,846,260	41,080,474	-	54,926,734
Less: finance charges	(7,081,736)	(8,417,705)	-	(15,499,441)
Net present value	<u>6,764,524</u>	<u>32,662,769</u>	-	<u>39,427,293</u>
	31 December 2024			
	Minimum lease payments due in			
	Not later than one year	Later than one year but not later than 5 years	Later than five years	Total
	(Rupees)			
Minimum lease payments	13,665,320	49,813,485	-	63,478,805
Less: finance charges	(7,910,440)	(13,849,984)	-	(21,760,424)
Net present value	<u>5,754,880</u>	<u>35,963,501</u>	-	<u>41,718,381</u>

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13.2 Reconciliation of movement of liabilities to cash flows arising from financing activities

	31 December 2025 (Rupees) Lease Liability	31 December 2024 (Rupees) Lease Liability
Opening Balance	41,718,381	-
Changes from financing cash flows		
Payment against lease liability	(14,055,320)	(10,485,901)
	<u>(14,055,320)</u>	<u>(10,485,901)</u>
Other changes		
Addition to Lease Liability against right-of-use assets	3,533,106	42,809,828
Finance charges on lease liability against right-of-use assets	8,231,126	9,394,454
	<u>11,764,232</u>	<u>52,204,282</u>
Closing Balance	<u>39,427,293</u>	<u>41,718,381</u>

The lease liability was initially measured at the present value of remaining lease payments, discounted using the Company's incremental borrowing rates ranging from 12.18% to 23% per annum (2024: 22% to 23%). The lease liabilities are subsequently being measured at amortized cost using the effective interest rate method.

14 DEFERRED TAX LIABILITY - NET

	31 December 2025 (Rupees)	31 December 2024 (Rupees)
Taxable temporary differences arising on:		
Accelerated depreciation and amortization	2,605,646	4,129,729
Right-of-use assets	11,609,092	13,197,996
Unrealized gain on foreign exchange currencies	139,036	
Unrealized gain on foreign exchange contracts	744,627	125,506
	<u>15,098,401</u>	<u>17,453,231</u>
Deductible temporary differences arising on:		
Lease liability	(12,025,323)	(12,098,331)
Pre-commencement expenditure	(2,068,399)	(2,950,011)
	<u>(14,093,722)</u>	<u>(15,048,342)</u>
Deferred tax liability - net	<u>1,004,679</u>	<u>2,404,889</u>

Movement in deferred taxation

	Balance 31 December 2024	Recognized in statement of profit or loss (Rupees)	Balance at 31 December 2025
Taxable temporary differences arising on:			
Accelerated depreciation and amortization	4,129,729	(1,524,083)	2,605,646
Right-of-use assets	13,197,996	(1,588,904)	11,609,092
Unrealized gain on forward exchange currency	-	139,036	139,036
Unrealized gain on forward exchange contracts	125,506	619,121	744,627
	<u>17,453,231</u>	<u>(2,354,830)</u>	<u>15,098,401</u>
Deductible temporary differences arising on:			
Lease liability	(12,098,331)	73,008	(12,025,323)
Pre-commencement expenditures	(2,950,011)	881,612	(2,068,399)
	<u>(15,048,342)</u>	<u>954,620</u>	<u>(14,093,722)</u>
Deferred tax liability - net	<u>2,404,889</u>	<u>(1,400,210)</u>	<u>1,004,679</u>

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	Opening Balance	Recognized in statement of profit or loss	Balance at 31 December 2024
	(Rupees)		
<b>Taxable temporary differences arising on:</b>			
Accelerated depreciation and amortization	-	4,129,729	4,129,729
Right-of-use assets	-	13,197,996	13,197,996
Unrealized gain on forward exchange contracts	-	125,506	125,506
	-	17,453,231	17,453,231
<b>Deductible temporary differences arising on:</b>			
Lease liability	-	(12,098,331)	(12,098,331)
Pre-commencement expenditures	-	(2,950,011)	(2,950,011)
	-	(15,048,342)	(15,048,342)
Deferred tax liability - net	-	2,404,889	2,404,889
		<b>31 December 2025</b>	<b>31 December 2024</b>
		<b>(Rupees)</b>	<b>(Rupees)</b>
<b>15 ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Accrued liabilities		6,032,037	4,621,132
Other payable		11,261,302	4,716,004
		<u>17,293,339</u>	<u>9,337,136</u>
<b>16 CONTINGENCIES AND COMMITMENTS</b>			
<b>16.1 Contingencies</b>			
There are no contingencies as at 31 December 2025 (2024: Nil).			
		<b>31 December 2025</b>	<b>31 December 2024</b>
		<b>(Rupees)</b>	<b>(Rupees)</b>
<b>16.2 Commitments</b>	<i>Note</i>		
Commitments in respect of forward foreign exchange contracts	16.2.1	584,612,738	167,850,000
Commitments in respect of administrative expenses	16.2.2	279,997	-
		<u>584,892,735</u>	<u>167,850,000</u>
16.2.1	These commitments relate to a forward contract with the counter party to sell USD and EUR. The forward foreign exchange contracts are due to mature on 7 January 2026.		
16.2.2	These commitments relate to a administrative expenses against sign board and cash counter logo of Mardan Branch and Gojra Booth.		
<b>17 INCOME FROM EXCHANGE OPERATIONS</b>			
		<b>For the period from 01 January 2025 till 31 December 2025</b>	<b>For the period from 24 November 2023 till 31 December 2024</b>
		<b>(Rupees)</b>	<b>(Rupees)</b>
Exchange income	17.1	221,953,636	55,632,080
Unrealized gain on foreign currency		455,856	-
Unrealized gain on foreign exchange contracts		2,008,621	432,780
		<u>224,418,012</u>	<u>56,064,860</u>

17.1 Income from exchange operations includes income from sale and purchase of foreign currencies and revaluation gain / loss on foreign currencies.

18	ADMINISTRATIVE EXPENSES	Note	For the period	For the period
			from 01 January 2025 till 31 December 2025	from 24 November 2023 till 31 December 2024
			(Rupees)	(Rupees)
	Staff salaries and benefits		166,487,156	71,236,889
	Security charges		45,320,821	10,299,664
	Travelling and conveyance		5,061,362	3,269,260
	Depreciation on right of use asset	5.1	10,980,840	11,262,997
	Rent, rates and taxes		19,259,129	4,460,662
	Insurance		13,941,625	5,609,644
	Utilities		7,070,629	5,829,583
	IT Expenses		19,534,890	14,892,818
	Repairs and maintenance		1,319,591	3,281,416
	Postage and communication		1,650,772	1,006,235
	Depreciation on property and equipment	4.1	15,860,073	8,535,586
	Auditor's remuneration	18.1	3,780,000	2,700,000
	Legal and professional charges		1,684,705	10,347,864
	Subscription		1,585,950	30,934,213
	Printing and stationery		1,999,820	1,422,332
	Entertainment		2,437,104	1,676,061
	Amortization of intangible asset	6.1	1,837,350	1,224,900
	Others		5,563,561	3,955,750
			<u>325,275,378</u>	<u>191,925,874</u>

18.1	Auditor's remuneration	Note	For the period	For the period
			from 01 January 2025 till 31 December 2025	from 24 November 2023 till 31 December 2024
			(Rupees)	(Rupees)
	Audit fee		2,000,000	1,500,000
	Interim and other audit related services		1,436,364	954,545
	Out of pocket expenses		343,636	245,455
			<u>3,780,000</u>	<u>2,700,000</u>

19	FINANCE COST			
	Finance cost on lease liability	19.1	8,231,126	9,394,454
	Bank Charges	19.2	1,296,639	510,548
			<u>9,527,765</u>	<u>9,905,002</u>

19.1 This amount represents finance cost charged on lease liability against right-of-use assets.

19.2 This amount includes bank charges deducted by the Bank AL Habib Limited ("Holding Bank") amounting to Rs. 436,850.



20	OTHER INCOME - NET	Note	For the period	For the period
			from 01 January 2025 till 31 December 2025	from 24 November 2023 till 31 December 2024
			(Rupees)	(Rupees)
	Interest income on deposit accounts	20.1	41,326,977	131,398,759
	Interest income on Pakistan Investment Bonds		192,284,518	54,129,136
	Interest income on Market Treasury Bills		59,536,046	50,840,237
	Unrealized gain on Mutual Funds		70	1,862,964
	Gain on redemption of mutual funds		2,342,202	-
	Dividend income on mutual funds		256,769	-
			<u>295,746,582</u>	<u>238,231,096</u>

20.1 This represents mark-up / interest income on treasury call accounts maintained with the Holding Bank and carries mark-up / interest rate of 9.25% to 10% per annum (2024: 10% - 20.75% per annum).

21	TAXATION	Note	For the period	For the period
			from 01 January 2025 till 31 December 2025	from 24 November 2023 till 31 December 2024
			(Rupees)	(Rupees)
	Income Tax			
	Current tax expense		56,354,322	23,869,723
	Deferred tax (income)/expense		(1,400,210)	2,404,889
		21.2	<u>54,954,112</u>	<u>26,274,612</u>
	Final Tax	21.1	1,115,483	-
			<u>56,069,595</u>	<u>26,274,612</u>

21.1 This represents final taxes paid under section 37A and 150 of Income Tax Ordinance, 2001 (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.

#### 21.2 Relationship between tax expense and accounting profit

Accounting profit before tax	<u>185,361,451</u>	<u>92,465,080</u>
Tax rate %	<u>29%</u>	<u>29%</u>
Tax at applicable rate	53,754,820	26,814,872
Items that are not deductible in determining taxable income	(704,309)	(540,260)
Tax effect of Super Tax u/s 4C	1,903,601	-
Tax charge for the current period	<u>54,954,112</u>	<u>26,274,612</u>

21.3 Reconciliation of current tax charge charged as per tax laws for the year, with current tax recognised in the profit and loss, is as follows:

Current tax liability for the year as per applicable tax laws	57,469,805	23,869,723
Portion of current tax liability as per tax laws, representing income tax under IAS 12	(56,354,322)	(23,869,723)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	(1,115,483)	-
Difference	<u>-</u>	<u>-</u>

#### 22 EARNINGS PER SHARE- BASIC AND DILUTED

Profit after taxation (Rupees)	<u>129,291,855</u>	<u>86,190,458</u>
Weighted average number of ordinary shares	22.1 <u>300,000,000</u>	<u>159,057,072</u>
Earnings per share - basic and diluted (Rupees)	22.2 <u>0.43</u>	<u>0.42</u>

#### 22.1 Weighted Average Number of Shares

Opening	300,000,000	-
Shares issued at Incorporation	-	100,000,000
Impact of shares issued during the period	-	59,057,072
Weighted average number of shares	<u>300,000,000</u>	<u>159,057,072</u>

22.2 The Company does not have any dilutive effect on its earnings per share, as it has no potential ordinary shares.

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23 REMUNERATION TO THE CHIEF EXECUTIVE OFFICER AND EXECUTIVES

The aggregate amounts charged in these financial statements in respect of remuneration, including all benefits, to the executives are as follows:

	For the period from 01 January 2025 till 31 December 2025	
	Chief Executive (Rupees)	Executives (Rupees)
Managerial remuneration	15,975,995	11,937,612
Annual bonus	-	733,238
House allowance	6,390,395	4,677,487
Medical allowance	1,597,608	717,381
Transportation allowance	200,150	23,400
Others	36,000	1,356,528
	<u>24,200,150</u>	<u>19,445,846</u>
Number of persons	<u>1</u>	<u>6</u>

	For the period from 24 November 2023 till 31 December 2024	
	Chief Executive (Rupees)	Executives (Rupees)
Managerial remuneration	8,982,000	6,910,581
House allowance	3,593,000	2,764,230
Medical allowance	898,000	523,558
Transportation allowance	154,000	9,000
Others	27,000	437,382
	<u>13,654,000</u>	<u>10,644,849</u>
Number of persons	<u>1</u>	<u>6</u>

24 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties and associated undertakings comprise of the Holding Bank, its subsidiaries, its associated companies, directors and their related concerns and key management personnel. All transactions involving related parties arising in the normal course of business, are conducted at agreed terms and conditions. Transactions with the key management personnel are made under the terms of employment / entitlements. Details of transactions and balances with related parties during the year, other than those which have been disclosed elsewhere in these financial statements, are as follows:

24.1 Bank AL Habib Limited - the Holding Bank	Note	For the period	For the period
		from 01 January 2025 till 31 December 2025 (Rupees)	from 24 November 2023 till 31 December 2024 (Rupees)
<i>Transactions</i>			
Purchase / Sale of foreign currencies (cross currency)		4,140,124,123	905,423,075
Sale of foreign currencies - net		-	558,414,000
Purchase of investments (Pakistan Investment Bonds)		-	1,472,539,675
Purchase of investments (Market Treasury Bills)		298,866,645	1,107,163,804
Purchase of assets		821,020	
Rent paid		16,765,000	2,800,000
Bank charges		436,850	193,251
Interest income on bank deposits	20.7	41,326,977	131,398,759
Payments for expenses incurred on behalf of the Company and assets purchased		36,482,042	147,506,395
24.2 Chairman, Directors and CEO			
<i>Transactions during the year</i>			
Sale and purchase of foreign currencies		3,963,060	4,662,614
24.3 Key Management other than Chairman, Directors and CEO			
<i>Transactions during the period</i>			
Sale and purchase of foreign currencies		1,054,166	86,288

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## 25 CAPITAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits to other stakeholders and to maintain a strong capital base to support the sustained development of its business and to comply with the regulatory requirements.

The Company manages its capital structure by monitoring return on net assets and assessing its requirement for various transactions to be undertaken. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders or issue new shares.

The Company currently meets the paid up capital requirement of Rs. 1 billion as required by the State Bank of Pakistan communicated vide EPD FE Circular No. 02 of 2024. The current shareholders' equity is Rs. 3 billion which is in excess of the minimum capital requirement by Rs. 2 billion.

The Company monitors capital using a debt-to-equity ratio, which is calculated as net debt divided by the sum of total capital and net debt. As the Company does not have any borrowings, the gearing ratio is zero.

## 26 FINANCIAL RISK MANAGEMENT

The senior management of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework (with the approval from the Board of Directors of the Company). The senior management is also responsible for developing and monitoring the Company's risk management policies (with the approval from Board of Directors of the Company).

The Company is exposed to the following risks in respect of financial instruments:

- Credit risk,
- Liquidity risk, and
- Market risk.

### 26.1 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Company by failing to discharge an obligation. The risk is generally limited to principal amounts and accrued interest thereon, if any. The Company's policy is to enter into financial contracts in accordance with the risk management framework. The carrying amounts of these financial assets including accrued interest represents the maximum credit exposure at the reporting date.

#### Exposure to credit risk

Credit risk of the company arises principally from bank balances, trade debts, deposit, and other receivables. The maximum exposure to credit risk at the reporting date was as follows:

	31 December 2025 (Rupees)	31 December 2024 (Rupees)
Bank balances (Excluding balances with State Bank of Pakistan)	<u>736,466,313</u>	<u>441,880,012</u>

Balances with banks are only held with reputable banks having sound credit ratings. The credit quality of Company's bank balances excluding balances with State Bank of Pakistan can be assessed with reference of external credit ratings as follows:

Name of Bank	Rating Agency	Rating		31 December 2025 (Rupees)	31 December 2024 (Rupees)
		Long term	Short term		
Bank AL Habib Limited	PACRA	AAA	A1+	603,669,791	409,596,354
United Bank Limited	VIS	AAA	A1+	3,394,703	4,266,311
Sonari Bank Limited	PACRA	AA-	A1+	26,651,632	24,883,368
Meezan Bank Limited	VIS	AAA	A1+	695,938	598,670
Faysal Bank Limited	VIS	AA+	A1+	25,346,090	2,735,309
Bank of Punjab	PACRA	AA+	A1+	1,206,416	-
National Bank of Pakistan	PACRA	AAA	A1+	143,775,641	-
MCB Bank Limited	PACRA	AAA	A1+	30,384,745	-
Samba Bank Pakistan	PACRA	AA	A1	1,431,357	-
				<u>736,466,313</u>	<u>441,680,012</u>

## 26.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the contractual maturities of financial liabilities:

		31 December 2025					
		Carrying Amount	Contractual cash flows	Maturity up to one month	Maturity later than one month and not later than one year	Maturity later than one year and not later than five years	Maturity over five years
Note		(Rupees)					
Lease liability	13	39,427,293	54,926,734	-	13,846,260	41,080,474	-
Accrued expenses and other liabilities		17,293,339	17,293,339	17,293,339	-	-	-
		<u>56,720,632</u>	<u>72,220,073</u>	<u>17,293,339</u>	<u>13,846,260</u>	<u>41,080,474</u>	<u>-</u>
		31 December 2024					
		Carrying Amount	Contractual cash flows	Maturity up to one month	Maturity later than one month and not later than one year	Maturity later than one year and not later than five years	Maturity over five years
Note		(Rupees)					
Lease liability	13	41,718,381	63,478,805	-	13,665,320	48,813,485	-
Accrued expenses and other liabilities		9,337,136	9,337,136	9,337,136	-	-	-
		<u>51,055,517</u>	<u>72,815,941</u>	<u>9,337,136</u>	<u>13,665,320</u>	<u>48,813,485</u>	<u>-</u>

## 26.3 Market risk

Market risk means that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, interest rates and equity prices. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk comprises of three types of risk: foreign exchange or currency risk, interest/mark up rate risk and price risk. The market risks associated with the Company's business activities are discussed as under:

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26.3.1 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in the market yield. At the reporting date the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

	Note	31 December 2025					Total
		Interest / mark-up bearing					
		Effective yield / interest rate percent	Up to three months	Between three months to one year	One to five years	Over five years	
(Rupees)							
<b>On Balance Financial Instruments</b>							
<b>Financial Assets</b>							
Long term investments	7	11.08% - 12.36%	-	29,166,630	778,355,600	668,996,560	1,476,519,010
Short term investment	9	10.83%	309,326,732	-	-	-	309,326,732
Cash and bank balances	11	9.25% - 10%	347,547,665	-	-	-	1,337,267,071
			656,874,299	29,166,630	778,355,600	668,996,560	3,123,112,813
<b>Financial Liabilities</b>							
Lease liability	13	12.18%-23.00%	-	6,764,624	32,662,769	-	39,427,393
Accrued expenses and other liabilities	15	-	-	-	-	-	17,293,339
			-	6,764,624	32,662,769	-	56,720,732
<b>On balance sheet</b>			<b>656,874,299</b>	<b>22,402,306</b>	<b>745,692,831</b>	<b>688,996,560</b>	<b>3,066,392,181</b>
(Rupees)							
<b>On Balance Financial Instruments</b>							
<b>Financial Assets</b>							
Long term investments	7	15.20% - 18.54%	-	38,153,071	774,433,400	667,214,640	1,479,801,111
Short term investment	9	16.78% - 20%	-	458,024,041	-	-	458,024,041
Cash and bank balances	11	10% - 20.75%	349,736,232	-	-	-	849,404,263
			349,736,232	496,177,112	774,433,400	667,214,640	2,780,229,405
<b>Financial Liabilities</b>							
Lease liability	13	22.00%-23.00%	-	5,754,880	35,963,501	-	41,718,381
Accrued expenses and other liabilities	15	-	-	-	-	-	9,337,136
			-	5,754,880	35,963,501	-	51,055,517
<b>On balance sheet</b>			<b>349,736,232</b>	<b>490,422,232</b>	<b>738,469,899</b>	<b>667,214,640</b>	<b>2,735,173,088</b>

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### 26.3.2 Currency risk

Currency risk is the risk that the value of the financial instrument will fluctuate due to changes in the foreign exchange rates. In order to avoid losses arising from adverse movements in the rate of exchange the management monitors compliance with all external and internal limits (including currency, dealer and counter party limits), review of foreign exchange exposure and regular revaluation of the entire portfolio.

The Company's exposure to foreign exchange risk is as follows:

Financial Assets	31 December 2025			
	USD	GBP	EUR	Others
	(Equivalent Rupees)			
Foreign currencies - In hand and bank	291,095,250	23,851,144	29,570,624	489,337,465
<b>Net currency exposure</b>	<b>291,095,250</b>	<b>23,851,144</b>	<b>29,570,624</b>	<b>489,337,465</b>
Currency exchange rates	280.77	378.22	329.92	Various

#### Sensitivity analysis

Every 5% increase or decrease in exchange rate, with all other variables held constant, will increase or decrease profit for the period by Rs. 41.898 million.

Financial Assets	31 December 2024			
	USD	GBP	EUR	Others
	(Equivalent Rupees)			
Foreign currencies - In hand and bank	157,053,615	16,742,376	15,537,384	264,050,518
<b>Net currency exposure</b>	<b>157,053,615</b>	<b>16,742,376</b>	<b>15,537,384</b>	<b>264,050,518</b>
Currency exchange rates	278.73	350.25	289.75	Various

#### Sensitivity analysis

Every 5% increase or decrease in exchange rate, with all other variables held constant, will increase or decrease profit for the period by Rs. 23.169 million.

### 26.3.3 Other Price Risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices (other than those arising from interest or currency rate risk) whether those changes are caused by factors specified to the individual financial instrument or its issuer or factors affecting all similar financial instruments traded in the market. There is other price risk of changes in the fair value of investment in mutual funds as a result of changes in the levels of net asset value of units held by the Company. As at 31 December 2024, had there been increase / decrease in net asset value by 1%, with all other variables held constant, the profit before tax for the year and equity would have been higher / lower by Rs 2 million.

## 27 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value is the price that would be received to sell an asset or paid or transfer a liability in an orderly transaction between market participants at measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

The Company measures fair values using the following fair value hierarchy, which 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 asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Valuation techniques include net present value and net assets value. Assumptions and Inputs used include risk-free and benchmark interest rates used in estimating discount rates.

The following table analyses financial assets and liabilities at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorized:

	31 December 2023							
	Carrying Amount			Fair value				
	Fair value through profit and loss	Fair value through other comprehensive income	Amortized cost	Total	Level 1	Level 2	Level 3	Carrying Value
On balance sheet financial instruments								
Financial Assets measured at fair value								
- Mutual Funds	21,565	-	-	21,565	-	21,565	-	21,565
Financial assets disclosed but not measured at fair value								
- Pakistan Investment Bonds	-	-	1,475,519,019	1,475,519,019	-	1,475,519,019	-	1,475,519,019
- Mutual Treasury Bills	-	-	309,326,732	309,326,732	-	309,251,017	-	309,251,017
Off balance sheet financial instruments measured at fair value								
- Forward sale of foreign exchange contracts	584,612,731	-	-	584,612,731	-	584,612,731	-	584,612,731
	584,612,731	-	1,785,845,742	2,370,458,473	-	2,370,458,473	-	2,370,458,473
On balance sheet financial instruments								
Financial Assets measured at fair value								
- Mutual Funds	201,802,964	-	-	201,802,964	-	201,802,964	-	201,802,964
Financial assets disclosed but not measured at fair value								
- Pakistan Investment Bonds	-	-	1,479,001,181	1,479,001,181	-	1,479,002,060	-	1,479,002,060
- Mutual Treasury Bills	-	-	453,024,041	453,024,041	-	453,105,019	-	453,105,019
Off balance sheet financial instruments measured at fair value								
- Forward sale of foreign exchange contracts	167,850,000	-	-	167,850,000	167,850,000	-	-	167,850,000
	369,719,964	-	1,932,825,162	2,302,545,126	167,850,000	2,140,993,783	-	2,317,519,783

27.1 Valuation techniques used in determination of fair values within level 2

Item	Valuation Approach	Input Used
Market Treasury Bills (MTBs) and Pakistan Investment Bonds (PIBs)	Fair values of Pakistan Investment Bonds and Market Treasury Bills are derived using PKFRV and PKRV rates.	- PKFRV Rates - PKRV Rates
Units of Mutual Funds	Fair values of investments in units of mutual funds are determined based on redemption prices disclosed at the Mutual Funds Association of Pakistan (MUFAP) as at the close of the business days.	- Net Assets Value as per MUFAP
Forward Foreign Exchange Contracts	The valuation has been determined by interpreting the foreign exchange (FX) valuation rates announced by the State Bank of Pakistan (SBP).	- FX valuation rates announced by SBP

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**Head Office:**

Head Office: 202-C, 2nd Floor, Finlay House, I.I Chundrigar Road, Karachi.

**Branches:**

- 1 **Main Branch:** Ground Floor, Finlay House, I.I Chundrigar Road, Karachi.
- 2 **Gulberg Branch:** Ground Floor, Tahawar Plaza, Block E1, Main Boulevard, Gulberg 3, Lahore.
- 3 **DHA Y Block Branch:** Office No. 60, IC-Ground Floor, Y-Block Commercial Plaza, DHA Phase 3, Lahore.
- 4 **Springs Store Branch:** Plot No. 19, Lane 13, Khayaban-e-Bukhari, DHA Phase 6, Karachi.
- 5 **Mardan Branch:** F/F, G/F 23/24, Pakistan Plaza, (Sohra Market) Mardan, KPK.
- 6 **Skardu Branch:** Car Parking Area, Skardu International Airport, Skardu.

**Booths :**

- 1 **Gulshan-e-Iqbal Booth:** BAHL Gulshan-e-Iqbal Branch, B-43 block, Al-Ahram Plaza, B-43, Block 13/A University Rd Block 13 A Gulshan-e-Iqbal, Karachi.
- 2 **Zamzama Booth:** BAHL Zamzama Branch, Ground Floor, Plot # 23-E, 2nd Zamzama Commercial Lane (E-Street) Phase V DHA, 16 C, Commercial, Ln. 3, Zamzama Commercial Area Defence V, Karachi.
- 3 **Bahadurabad Booth:** BAHL Bahadurabad Branch, Bhadurshah Zafar Road, BMCHS Sharafabad, Karachi.
- 4 **Mall Road Booth:** BAHL Lahore main Branch, shop-87-Shahrah-e-Quaide-e-Azam, Lahore.
- 5 **PECO Road Booth:** BAHL PECO Road Branch, 894-Moulana Shaukat Ali Road, Block-D, Faisal Town, Lahore.
- 6 **Shadbagh Road Booth:** BAHL Shad Bagh Branch, Taj Pura Rd, Taj Pura Shad Bagh, Lahore.
- 7 **Wapda Town Booth:** BAHL PIA Employee Cooperative Housing Society Branch, 191-F, Mega Plaza, PIA Town, Near Wapda Town Chowk, Lahore.
- 8 **Blue Area Booth:** BAHL Islamabad Main Branch, Plot 90-93 Razia Sharif Plaza, Blue Area, Islamabad.
- 9 **FC Plaza Booth:** BAHL Peshawar Branch, FC Trust Building, Sunehri Masjid Rd, Peshawar Cantonment, Peshawar.
- 10 **Hyderabad Booth:** BAHL Hyderabad Main Branch, Plot No. 94, Survey No. 41, Saddar Bazar, Cantonment Area, Hyderabad.
- 11 **Sharah-e-Faisal Booth:** BAHL Sharah-e-Faisal Branch, Plot No. 19-1-4, Block 6, PECHS, Shahrah-e-Faisal, Karachi.
- 12 **Mohammad Ali Society Booth:** BAHL Mohammad Ali Society Branch, Block No. 7 & 8, Plot No. Z-103-131, Kathiawar Co-Operative H. Society Limited, Adamjee Nagar, Karachi.
- 13 **Clifton Booth:** BAHL Clifton Branch, CTEG Building, Plot No.F-94/1, Block -7, Clifton, Karachi.
- 14 **Barkat-e-Hyderi Booth:** BAHL Barkat-e-Hyderi Branch, D-14 Block-D, North Nazimabad, Karachi.
- 15 **Khayaban-e-Hafiz Booth:** BAHL Khayaban-e-Hafiz Branch, Plot No 23-C, Shahbaz Lane-1 Phase VI, DHA.
- 16 **Hazro Booth:** BAHL Hazro Branch, Circular Road, Hazro, District Attock.
- 17 **Gujrat Booth:** BAHL Gujrat Branch, Near Jamia Masjid Eid Gah, Main GT Road, Gujret.
- 18 **Toba Tek Singh booth:** BAHL Toba Tek Singh Branch, 102 Allama Iqbal Road, Main Bazar, Toba Tek Singh.
- 19 **Pir Mahal Booth:** BAHL Pir Mahal Branch, Khewat No. 347, Khasra No. 290, Main Rajana Road, Pir Mahal.
- 20 **Rawalpindi Cantt Booth:** BAHL Cantt. Branch, 40/3, Jahanzeb Center, Bank Road, Rawalpindi Cantt.
- 21 **Mathani Changan Booth:** BAHL Mathani Changan Branch, Mohallah Miangan, Village Mathani Changan, Tehsil Lahor, District Swabi.
- 22 **Mansehra Booth:** BAHL Mansehra Branch, Khata No. 3243/6383, Khasra No. 6283/3746, Mohalla Channai, Abbotabad Road, Mansehra.
- 23 **I-8 In House Booth:** BAHL I-8 Markaz Branch, Islamabad.
- 24 **Shakargarh Booth:** BAHL Shakargarh Branch, Property Survey No. 44/c, Railway Road, Shakargarh, District Narowal.
- 25 **Multan Booth:** Multan Main Branch, 128-C, Old Bahawalpur Road, Multan.

- 26 Kotli Booth: BAHL Khasra No. 611, Deen Trade Center branch, Shaheed Chowk Kotli Balyah, Tehsil & District Kotli, AJK
- 27 Dargai Booth: BAHL Dargai Bazar branch, Main Malakand Road, Dargai, District Malakand.
- 28 D-Ground (Faisalabad) Booth: BAHL Plot No. B-237, D-Ground, Peoples Colony No. 1, Faisalabad branch.
- 29 Rohilla Wali Booth: Mauza Sandila, Alipur Road, Rohillanwali, Tehsil & District Muzaffargarh BHAL branch.
- 30 Mandi Bahauddin Booth: BHAL Bank Road Branch, Near Ghalla Mandi, Mandi Bahauddin District, Mandi Bahauddin.
- 31 Soldier Bazar Booth: BHAL Plot No. 17/1 Sol-B-2, Ground Floor, Soldier Bazar branch, Karachi.
- 32 Gulshan Chowrangli Booth: BAHL branch, Plot No. FL-3, Block No. 3, KDA Scheme No. 24, Gulshan-e-Iqbal, Karachi.
- 33 Salah Khana Booth: BAHL branch, Village and P.O Salah Khana, Tehsil and District Nowshera.
- 34 Gohadpur Booth: BAHL branch, Airport Road, Gohadpur, Sialkot, Tehsil & District Sialkot.
- 35 Zafarwal Booth: BAHL branch, Plot No. B-1-67, Narowal Road, Zafarwal, District Narowal.
- 36 Bahawalpur Booth: BAHL Main Circular Road branch, Near Chowk Fawara, Bahawalpur.
- 37 Sahiwal Booth: BAHL Sahiwal Main Branch, Plot No. 205/RH B-VII, Liaqat Road, Sahiwal.
- 38 Gojra Booth: BAHL Main Sargodha Road Gojra Adda, Tehsil Malakwal, District Mandi Bahauddin.
- 39 Gujranwala Booth: BAHL Main Branch Gujranwala, Opposite Iqbal High School, G.T Road Gujranwala.
- 40 Mainwali Booth: BAHL Mainwali Branch Property No.F-215, Ballo Khel Road, Mainwali.
- 41 Hasilpur Booth: BAHL branch Balda Road, Outside Grain Market, Hasilpur, Bahawalpur.
- 42 Timergara Booth: BAHL, Timergara Branch, Haji Faqir Plaza, Opposite General Bus Stand, Timergara, District Lower Dir, KPK
- 43 Kumber Booth: BAHL Kumber, Tehsil Lal Qilla District Lower Dir-Pakistan.
- 44 Dadyal Booth: BAHL Dadyal Branch AJK, Nishtar Plaza Village Bhalot, Tehsil Dadyal, District.

29	NUMBER OF EMPLOYEES	31 December 2025	31 December 2024
	Number of employees as at period end	<u>170</u>	<u>130</u>
	Average number of employees during the year	<u>158</u>	<u>85</u>

30 GENERAL

Figures have been rounded off to the nearest Rupee. As the preceding period represents the first period in which the Company became operational, the financial statements for that period were prepared for a duration of thirteen months, from 24 November 2023 to 31 December 2024. Accordingly, the comparative information presented is not fully comparable with the current period figures.

31 SUBSEQUENT EVENTS

There are no subsequent events affecting these financial statements for the year ended 31 December 2025 (2024: Nil).

32 DATE OF AUTHORIZATION

These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on 06-02-2026.

  
Chief Financial Officer

  
Chief Executive Officer

  
Chairman