MCB ISLAMIC BANK LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2026

	Note	(Unaudited) September 30, 2026	(Audited) December 31, 2025
		Rupees in thousands	
ASSETS			
Cash and balances with treasury banks	7	**17,139,727**	21,000,952
Balances with other banks	8	**947,359**	2,115,091
Due from financial institutions	9	**16,740,996**	8,741,090
Investments - net	10	**230,666,480**	155,824,222
Islamic financing and related assets - net	11	**111,149,432**	125,389,510
Property and equipment	12	**6,434,533**	6,270,982
Right-of-use assets	13	**2,895,693**	2,791,945
Intangible assets	14	**1,760,906**	1,806,009
Deferred tax assets	15	**1,719,538**	767,724
Other assets	16	**21,717,726**	12,590,493
		411,172,390	337,298,018
LIABILITIES			
Bills payable	18	**1,962,158**	5,515,318
Due to financial institutions	19	**15,404,308**	22,370,495
Deposits and other accounts	20	**349,851,856**	268,934,274
Lease liabilities	21	**3,651,562**	3,505,778
Subordinated debts		**-**	-
Deferred tax liabilities		**-**	-
Other liabilities	22	**12,074,532**	9,204,172
		382,944,416	309,530,037
NET ASSETS		**28,227,974**	27,767,981
REPRESENTED BY			
Share capital	23	**15,550,000**	15,550,000
Reserves	24	**3,051,239**	2,732,118
(Deficit) surplus on revaluation of assets - net of tax	25	**(79,136)**	1,058,123
Unappropriated profit		**9,705,871**	8,427,740
		28,227,974	27,767,981
CONTINGENCIES AND COMMITMENTS	26		

The annexed notes 1 to 43 form an integral part of these condensed interim financial statements.

Chief Financial Officer | President / Chief Executive | Director | Director | Director

MCB ISLAMIC BANK LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2026

	Note	Quarter Ended		Nine Months Ended	
		July 1, 2026 to September 30, 2026	July 1, 2025 to September 30, 2025	January 1, 2026 to September 30, 2026	January 1, 2025 to September 30, 2025
		Rupees in thousands			
Profit / return earned	27	10,016,778	7,250,761	25,961,515	22,927,839
Profit / return expensed	28	5,869,011	3,716,676	15,219,424	12,202,095
Net profit / return		4,147,767	3,534,085	10,742,091	10,725,744
OTHER INCOME					
Fee and commission income	29	392,009	328,922	1,107,904	913,365
Dividend income		-	(753)	1,554	16,757
Foreign exchange income		250,249	192,550	732,447	397,386
(Loss) / gain on securities	30	(41,709)	303,089	60,765	312,214
Net gain / (loss) on derecognition of financial assets measured at amortised cost		-	-	-	-
Other income	31	88,928	60,382	233,135	146,639
Total other income		689,477	884,190	2,135,805	1,786,361
Total income		4,837,244	4,418,275	12,877,896	12,512,105
OTHER EXPENSES					
Operating expenses	32	3,405,382	3,044,836	9,926,116	8,620,664
Workers welfare fund		29,269	26,370	66,515	78,972
Other charges	33	135	458	883	5,403
Total other expenses		3,434,786	3,071,664	9,993,514	8,705,039
Profit before credit loss allowance		1,402,458	1,346,611	2,884,382	3,807,066
Credit loss allowance and write offs - net	34	(60,685)	-	(441,082)	131,870
PROFIT BEFORE TAXATION		1,463,143	1,346,611	3,325,464	3,675,196
Taxation	35	761,060	692,456	1,729,859	1,972,798
PROFIT AFTER TAXATION		702,083	654,155	1,595,605	1,702,398
		----------Rupees----------			
Basic and diluted earnings per share	36	0.452	0.421	1.026	1.095

The annexed notes 1 to 43 form an integral part of these condensed interim financial statements.

Chief Financial Officer | President / Chief Executive | Director | Director | Director

MCB ISLAMIC BANK LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2026

	Quarter Ended		Nine Months Ended	
	July 1, 2026 to September 30, 2026	July 1, 2025 to September 30, 2025	January 1, 2026 to September 30, 2026	January 1, 2025 to September 30, 2025
	Rupees in thousands			
Profit after taxation for the period	702,083	654,155	1,595,605	1,702,398
Other comprehensive (loss) / income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in deficit on revaluation of debt investments through FVOCI- net of tax	(398,633)	(95,864)	(1,135,612)	(545,480)
Items that will not be reclassified to profit and loss account in subsequent periods:				
Movement in surplus on revaluation of equity investments through FVOCI- net of tax	-	-	-	-
Total comprehensive income for the period	303,450	558,291	459,993	1,156,918

The annexed notes 1 to 43 form an integral part of these condensed interim financial statements.

Chief Financial Officer | President & Chief Executive | Director | Director | Director

MCB ISLAMIC BANK LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2026

	Share Capital	Statutory Reserve	Surplus / (deficit) on revaluation of		Unappropriated profit	Total
			Investments	Property and Equipment		
	Rupees in thousands					
Balance as at December 31, 2024 (audited)	15,550,000	2,276,220	1,059,128	458,601	6,602,057	25,946,006
Total comprehensive income for the nine months period ended September 30, 2025						
Profit after taxation for the nine months period ended September 30, 2025	-	-	-	-	1,702,398	1,702,398
Other comprehensive (loss) / income - net of tax	-	-	(545,480)	-	-	(545,480)
	-	-	(545,480)	-	1,702,398	1,156,918
Transfer to statutory reserve	-	340,480	-	-	(340,480)	-
Transfer from surplus on revaluation of property and equipment to unappropriated profit in respect of incremental depreciation - net of tax	-	-	-	(1,568)	1,568	-
Balance as at September 30, 2025 (unaudited)	15,550,000	2,616,700	513,648	457,033	7,965,543	27,102,924
Total comprehensive income for the three months period ended December 31, 2025						
Profit after taxation for the three months period ended December 31, 2025	-	-	-	-	577,092	577,092
Other comprehensive (loss) / income - net of tax	-	-	(117,986)	205,951	-	87,965
	-	-	(117,986)	205,951	577,092	665,057
Transfer to statutory reserve	-	115,418	-	-	(115,418)	-
Transfer from surplus on revaluation of property and equipment to unappropriated profit in respect of incremental depreciation - net of tax	-	-	-	(523)	523	-
Balance as at December 31, 2025 (audited)	15,550,000	2,732,118	395,662	662,461	8,427,740	27,767,981
Total comprehensive income for the nine months period ended September 30, 2026						
Profit after taxation for the nine months period ended September 30, 2026	-	-	-	-	1,595,605	1,595,605
Other comprehensive loss -net of tax	-	-	(1,135,612)	-	-	(1,135,612)
	-	-	(1,135,612)	-	1,595,605	459,993
Transfer to statutory reserve	-	319,121	-	-	(319,121)	-
Transfer from surplus on revaluation of property and equipment to unappropriated profit in respect of incremental depreciation - net of tax	-	-	-	(1,647)	1,647	-
Balance as at September 30, 2026 (unaudited)	15,550,000	3,051,239	(739,950)	660,814	9,705,871	28,227,974

The annexed notes 1 to 43 form an integral part of these condensed interim financial statements.

Chief Financial Officer | President / Chief Executive | Director | Director | Director

MCB ISLAMIC BANK LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2026

	Note	September 30, 2026	September 30, 2025
		Rupees in thousands	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		3,325,464	3,675,196
Less: Dividend income		(1,554)	(16,757)
		3,323,910	3,658,439
Adjustments			
Net profit / return		(11,087,065)	(11,038,010)
Depreciation on property and equipment	32	663,361	590,604
Depreciation on right-of-use assets	32	720,993	563,481
Depreciation on ijarah assets under IFAS 2		267,989	262,482
Amortization	32	137,456	77,302
Unwinding of liability against right of use assets	28	344,974	312,266
Credit loss allowance and write offs - net	34	(441,082)	131,870
Gain on sale of property and equipment	31	(45,236)	(815)
Gain on termination of lease liability against right-of-use asset		(15,209)	-
Unrealised loss / (gain) on revaluation of FVTPL securities	30	224,444	(19,301)
Realised gain on sale of securities - net	30	(285,209)	(292,913)
		(9,514,584)	(9,413,034)
		(6,190,674)	(5,754,595)
(Increase) / decrease in operating assets			
Due from financial institutions		(8,000,000)	(1,241,137)
Securities classified as FVTPL		435,227	(410,188)
Islamic financing and related assets		14,309,336	6,445,743
Other assets (excluding advance taxation)		(3,619,340)	(593,452)
		3,125,223	4,200,966
Increase / (decrease) in operating liabilities			
Bills payable		(3,553,160)	(9,498,529)
Due to financial institutions		(6,788,489)	(18,955,133)
Deposits		80,917,582	38,245,509
Other liabilities (excluding current taxation)		2,668,448	(1,062,468)
		73,244,381	8,729,379
		70,178,930	7,175,750
Payment against ROU asset		-	-
Profit / return received		20,418,407	22,420,196
Profit / return paid		(14,587,325)	(13,063,161)
Income tax paid		(1,399,436)	(2,070,262)
Net cash generated from operating activities		74,610,576	14,462,523
CASH FLOW FROM INVESTING ACTIVITIES			
Net investment in securities classified as FVTOCI and amortised cost		(77,582,578)	(9,899,443)
Dividends received		1,554	16,757
Investment in property and equipment	12.2	(570,973)	(1,283,218)
Proceeds from sale of property and equipment		66,386	1,555
Investment in intangible assets	14.1	(369,442)	(483,701)
Net cash used in investing activities		(78,455,053)	(11,648,050)
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liability against right-of-use asset	21	(1,008,721)	(772,350)
Net cash used in financing activities		(1,008,721)	(772,350)
(Decrease) / increase in cash and cash equivalents during the period		(4,853,198)	2,042,123
Cash and cash equivalents at beginning of the period		22,942,091	19,076,604
Cash and cash equivalents at end of the period	37	18,088,893	21,118,727

The annexed notes 1 to 43 form an integral part of these condensed interim financial statements.

Chief Financial Officer | President / Chief Executive | Director | Director | Director

1 STATUS AND NATURE OF BUSINESS

1.1 MCB Islamic Bank Limited (the Bank) was incorporated in Pakistan on May 15, 2014 as an unlisted public limited company under the Companies Act, 2017 (previously Companies Ordinance, 1984) to carry out the business of an Islamic Commercial Bank in accordance and in conformity with the principles of Islamic Shari'ah and in accordance with regulations and guidelines of the State Bank of Pakistan. The Securities and Exchange Commission of Pakistan granted "Certificate of Commencement of Business" to the Bank on January 30, 2015. The Bank is a wholly owned subsidiary of MCB Bank Limited (MCB)

1.2 The State Bank of Pakistan (SBP) granted a "Certificate of Commencement of Banking Business" to the Bank on September 14, 2015 under Section 27 of the Banking Companies Ordinance, 1962. The Bank formally commenced operations as a scheduled Islamic Commercial Bank with effect from October 15, 2015 upon receiving notification in this regard from SBP under section 37 of the State Bank of Pakistan Act, 1956. Currently, the Bank is engaged in corporate, commercial, consumer, micro finance, investment and retail banking activities.

1.3 The Bank is operating through 320 branches including 2 sub branches in Pakistan (December 31, 2025: 323 branches including 2 sub branches). The Registered office of the Bank is situated at 59 Block T, Phase II, DHA, Lahore Cantt and Principal Office is situated at 14-A Main Jail Road, Gulberg, Lahore.

1.4 Pakistan Credit Rating Agency (PACRA) has maintained the Bank's medium to long-term rating to "A+" and short-term rating as "A1" with improvement in outlook from "stable" to "positive".

2 BASIS OF PRESENTATION

2.1 The condensed interim financial statements have been prepared in conformity with the format of interim financial statements prescribed by the State Bank of Pakistan (SBP) vide BPRD Circular No. 2 dated February 09, 2023.

2.2 The Bank provides financing through Shari'ah compliant financing products mainly through Murabaha, Istisna, Salam, Ijarah, Diminishing Musharaka and Running Musharaka. The Bank also provides refinance facilities under various refinance schemes of the State Bank of Pakistan including Islamic Export Refinance Scheme.

The purchases and sales arising under these arrangements are not reflected in these condensed interim financial statements as such but are restricted to the amount of facility actually utilised and the appropriate portion of profit thereon. The income on such Islamic financing is recognised in accordance with the principles of Islamic Shari'ah and in accordance with regulations and guidelines of the State Bank of Pakistan. However, income, if any, received which does not comply with the principles of Islamic Shari'ah is recognised as charity payable if so directed by the Shari'ah Board of the Bank.

2.3 The condensed interim financial statements are presented in Pak Rupees, which is the Bank's functional and presentation currency of its primary economic environment.

2.4 The condensed interim financial statements have been prepared under the historical cost convention except that certain classes of property and equipment are stated at revalued amounts, investments classified at fair value through profit and loss and fair value through other comprehensive income and foreign exchange contracts are measured at fair value.

3 STATEMENT OF COMPLIANCE

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

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

3.2 The SBP has deferred the applicability of International Accounting Standards 40. 'Investment Property' for Banking Companies through BSD Circular No. 10 dated August 26, 2002. The SBP through BPRD Circular No. 04 of 2015 dated February 25, 2015 has also deferred the applicability of Islamic Financial Accounting Standard-3 for Profit and Loss Sharing on Deposits (IFAS-3) issued by the Institute of Chartered Accountants of Pakistan (ICAP) and notified by the SECP, vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IIFS). Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim financial statements

3.3 The disclosures made in the condensed interim financial statements have been limited based on a format prescribed by the SBP vide BPRD Circular No. 02 of 2023 dated February 09, 2023 and IAS 34 "Interim Financial Reporting". The condensed interim financial statements do not include all the information and disclosures required in the audited annual financial statements, and should be read in conjunction with the audited annual financial statements for the financial year ended December 31, 2025.

3.4 The SBP has adopted requirements of IFRS 9 along with the application instructions through BPRD Circular No. 07 of 2023, dated April 13, 2023, however through BPRD Circular Letter No. 01 of 2025, dated January 22 of 2025, SBP allowed Islamic banking institutions to follow Islamic Financial Accounting Standards (IFAS) 1 & 2 where applicable and continue existing accounting practices for Revenue Recognition from Islamic products until further instructions. If this relaxation had not been granted by the SBP, the retained earnings at 31 December 2025 would have been lowered by Rs 19.069 million net of tax. The current period's profit after tax would have been higher by Rs 81.837 million excluding any Effective Profit Rate (EIR) impact.

The Bank maintains the general provision, over and above the ECL for Stage 1 and Stage 2 exposures, which is allowed to be maintained by SBP vide BPRD Circular Letter No. 01 dated January 22, 2025 up to December 31, 2026.

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

EIR requirements of IFRS 9 have become applicable from January 01, 2026 pursuant to relaxations earlier provided by the SBP. Accordingly, the Bank has adopted EIR from 1 January 2026. However, the impact of adoption of EIR is not material.

Other than mentioned above, there are certain new and amended standards, issued by IASB, interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2026 but are considered not to be relevant or do not have any material effect on the Bank's operations and therefore are not detailed in these condensed interim financial statements.

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

The following new standard will be effective from the date mentioned below:

	Effective date (annual periods beginning on or after)
- IFRS 18 – Presentation and Disclosure in Financial Statements	January 01, 2027

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of these condensed interim financial statements are the same as that applied in the preparation of the audited annual financial statements for the year ended December 31, 2025.

5 MATERIAL ACCOUNTING POLICIES INFORMATION

The material accounting policies and methods of computation adopted in the preparation of the condensed interim financial statements are consistent with those applied in the preparation of the audited annual financial statements of the Bank for the year ended December 31, 2025 except for changes discussed below:

Calculation of profit /return earned and profit / return expensed

Profit income and expense are recognised in statement of profit and loss account using the effective profit rate. The 'effective profit rate' (EIR) is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability;
- the calculation of the EIR includes transaction costs and fees and points paid or received that are an integral part of the EIR. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

In calculating profit income and expense, the EIR is applied to the gross carrying amount of the asset (when the asset is not credit impaired) or to the amortised cost of the liability. However, for financial assets that have become credit impaired subsequent to initial recognition, profit income is calculated by applying the EIR to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of profit income reverts to the gross basis. For financial assets that were credit-impaired on initial recognition, profit income is calculated by applying the credit adjusted EIR to the amortised cost of the asset. The calculation of profit income does not revert to a gross basis, even if the credit risk of the asset improves.

6 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the financial statements for the year ended December 31, 2025.

		Note	(Unaudited) September 30, 2026	(Audited) December 31, 2025
7	CASH AND BALANCES WITH TREASURY BANKS		Rupees in thousands	
	In hand			
	- local currency		**5,330,555**	4,243,186
	- foreign currencies		**683,965**	574,649
			6,014,520	4,817,835
	With the State Bank of Pakistan in			
	- local currency current account		**9,273,933**	14,565,898
	- foreign currency current accounts			
	cash reserve account		**551,735**	417,664
	special cash reserve account		**653,990**	493,017
	USD clearing account		**68,408**	113,429
			1,274,133	1,024,110
	With National Bank of Pakistan in			
	- local currency current account		**578,083**	595,751
			17,140,669	21,003,594
	Less: Credit loss allowance held against cash and balances with treasury banks		**(942)**	(2,642)
	Cash and balances with treasury banks - net of credit loss alowance		**17,139,727**	21,000,952
8	BALANCES WITH OTHER BANKS			
	In Pakistan			
	- current accounts		**65,660**	28,301
	- deposit accounts		**1,314**	11,997
	Outside Pakistan			
	- current accounts		**881,250**	2,075,897
			948,224	2,116,195
	Less: Credit loss allowance held against balances with other banks		**(865)**	(1,104)
	Balances with other banks - net of credit loss alowance		**947,359**	2,115,091
9	DUE FROM FINANCIAL INSTITUTIONS			
	Musharaka arrangements		**13,500,000**	5,500,000
	Wakala placements		**-**	-
	Bai mu'ajjal		**3,241,138**	3,241,138
	Less: Credit loss allowance held against due from financial institution	9.1	**(142)**	(48)
	Due from financial institutions - net of credit loss allowance		**16,740,996**	8,741,090

9.1 **Particulars of credit loss allowance**

		(Unaudited) September 30, 2026		(Audited) December 31, 2025	
		Due from FIs	Credit loss allowance held	Due from FIs	Credit loss allowance held
		Rupees in thousands			
Domestic					
Performing	Stage 1	**16,741,138**	**(142)**	8,741,138	(48)
		16,741,138	**(142)**	8,741,138	(48)

10 INVESTMENTS

	September 30, 2026 (Unaudited)			
	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value
	Rupees in thousands			
10.1 Investments by type:				
FVTPL				
Non Government securities	1,470,000	-	(7,217)	1,462,783
Shares	281,001	-	(73,122)	207,879
	1,751,001	-	(80,339)	1,670,662
FVOCI				
Federal Government securities	196,883,002	-	(1,541,563)	195,341,439
	196,883,002	-	(1,541,563)	195,341,439
Amortised cost				
Federal Government securities	33,654,379	-	-	33,654,379
	33,654,379	-	-	33,654,379
Total Investments	232,288,382	-	(1,621,902)	230,666,480

	December 31, 2025 (Audited)			
	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value
	Rupees in thousands			
FVTPL				
Non Government securities	670,000	-	(7,009)	662,991
Shares	1,516,228	-	151,113	1,667,341
	2,186,228	-	144,104	2,330,332
FVOCI				
Federal Government securities	124,462,093	-	824,296	125,286,389
	124,462,093	-	824,296	125,286,389
Amortised cost				
Federal Government securities	28,207,501	-	-	28,207,501
	28,207,501	-	-	28,207,501
Total Investments	154,855,822	-	968,400	155,824,222

11 ISLAMIC FINANCING AND RELATED ASSETS - NET

	Note	Performing		Non performing		Total	
		(Unaudited) September 30, 2026	(Audited) December 31, 2025	(Unaudited) September 30, 2026	(Audited) December 31, 2025	(Unaudited) September 30, 2026	(Audited) December 31, 2025
		Rupees in thousands					
Murabaha	11.1	24,309,133	24,072,546	46,456	46,456	24,355,589	24,119,002
Musawamah	11.2	2,204,716	1,458,171	-	-	2,204,716	1,458,171
Istisna	11.3	10,000,483	15,469,818	414,460	414,460	10,414,943	15,884,278
Salam		99,994	99,998	-	-	99,994	99,998
Ijarah	11.4	2,301,775	2,136,623	1,424	1,424	2,303,199	2,138,047
Running Musharaka	11.5	28,144,786	40,075,104	353,211	353,211	28,497,997	40,428,315
Diminishing Musharaka	11.6	42,344,654	40,820,601	1,519,584	1,632,934	43,864,238	42,453,535
Staff finance	11.7	2,152,277	1,916,402	-	-	2,152,277	1,916,402
Wakala finance		300,000	11,950	-	-	300,000	11,950
Forced Qard		6,860	27,440	-	-	6,860	27,440
Forced PAD - Inland		-	240,000	-	-	-	240,000
Islamic financing and related assets - gross		111,864,678	126,328,653	2,335,135	2,448,485	114,199,813	128,777,138
Less: Credit loss allowance	11.10						
- Stage 1		(189,137)	(207,717)	-	-	(189,137)	(207,717)
- Stage 2		(42,112)	(324,242)	-	-	(42,112)	(324,242)
- Stage 3		-	-	(2,176,588)	(2,213,124)	(2,176,588)	(2,213,124)
- General		(642,545)	(642,545)	-	-	(642,545)	(642,545)
		(873,793)	(1,174,504)	(2,176,588)	(2,213,124)	(3,050,381)	(3,387,628)
Islamic financing and related assets - net of credit loss allowance		110,990,885	125,154,149	158,547	235,361	111,149,432	125,389,510

		(Unaudited) September 30, 2026	(Audited) December 31, 2025
		Rupees in thousands	
11.1	**Murabaha**		
	- Murabaha financing	12,332,005	11,510,042
	- Murabaha inventory	11,717,387	12,351,930
	- Advances against Murabaha financing	306,197	187,030
	- Advances against Murabaha financing - Islamic Export Refinance Scheme (IERS)	-	70,000
		24,355,589	24,119,002
11.2	**Musawamah**		
	- Musawamah Financing	1,878,366	1,462,075
	- Musawamah financing under IERS	19,845	23,300
	- Deferred Musawamah Income	(43,496)	(27,204)
	- Musawamah inventory	350,001	-
		2,204,716	1,458,171
11.3	**Istisna**		
	- Istisna financing	1,302,307	5,049,377
	- Istisna inventory	1,705,615	1,446,949
	- Advances against Istisna financing	6,741,209	9,362,952
	- Advances against Istisna financing - Islamic Export Refinance Scheme (IERS)	544,915	25,000
		10,414,943	15,884,278
11.4	**Ijarah financing and related assets**		
	- Net book value of assets in Ijarah under IFAS 2	2,107,448	1,511,505
	- Advances against Ijarah	195,751	626,542
		2,303,199	2,138,047
11.5	**Running Musharaka**		
	- Running Musharaka financing	27,340,997	38,321,315
	- Running Musharaka financing - Islamic Export Refinance Scheme (IERS)	1,157,000	2,107,000
		28,497,997	40,428,315
11.6	**Diminishing Musharaka**		
	- Diminishing Musharaka financing	38,370,128	35,995,855
	- Advances against Diminishing Musharaka financing	2,247,752	2,756,047
	- Diminishing Musharaka - Islamic Long Term Financing Facility (ILTFF)	1,296,642	1,459,802
	- Diminishing Musharaka under SBP's IFRE	110,835	177,579
	- Advance against Diminishing Musharaka under SBP's IFRE	-	-
	- Diminishing Musharaka under Islamic Temporary Economic Refinancing Facility (ITERF) for Plant and Machinery	1,848,881	2,064,252
		43,864,238	42,453,535
11.7	**Staff finance**		
	- Staff vehicle finance under Diminishing Musharaka	1,116,375	899,046
	- Staff Solar Finance	24,249	18,666
	- Staff housing finance under Diminishing Musharaka	2,540,371	2,251,158
	- Effect of discounting staff subsidized finance	(1,528,718)	(1,252,468)
		2,152,277	1,916,402
11.8	**Particulars of Islamic financing and related assets - gross**		
	In local currency	114,199,813	128,777,138
	In foreign currency	-	-
		114,199,813	128,777,138

11.9 Islamic financing and related assets include Rs. 2,335.135 million (December 31, 2025: Rs. 2,448.485 million) which have been placed under non-performing / stage 3 status as detailed below:

Category of classification - Stage 3 under IFRS 9	(Unaudited) September 30, 2026		(Audited) December 31, 2025	
	Non-performing Islamic financing and related assets	Credit loss allowance	Non-performing Islamic financing and related assets	Credit loss allowance
	Rupees in thousands			
Domestic				
Substandard	**88,750**	**31,692**	185,232	175,626
Doubtful	**11,382**	**6,099**	264,365	260,457
Loss	**2,235,003**	**2,138,798**	1,998,888	1,777,041
	2,335,135	**2,176,588**	2,448,485	2,213,124

11.10 **Particulars of credit loss allowance against Islamic financing and related assets**

	September 30, 2026 (Unaudited)					December 31, 2025 (Audited)				
	Stage 1	Stage 2	Stage 3	General	Total	Stage 1	Stage 2	Stage 3	General	Total
	Rupees in thousands									
Opening balance	**207,717**	**324,242**	**2,213,124**	**642,545**	**3,387,628**	595,926	437,561	1,930,779	282,294	3,246,560
Charge for the period / year	**130,416**	**24,494**	**85,338**		**240,248**	141,923	275,133	446,128	360,251	1,223,435
Reversals for the period / year	**(148,997)**	**(306,624)**	**(121,874)**	**-**	**(577,495)**	(530,132)	(388,452)	(163,783)	-	(1,082,367)
	(18,581)	**(282,130)**	**(36,536)**	**-**	**(337,247)**	(388,209)	(113,319)	282,345	360,251	141,068
Closing balance	**189,137**	**42,112**	**2,176,588**	**642,545**	**3,050,381**	207,717	324,242	2,213,124	642,545	3,387,628

	September 30, 2026 (Unaudited)					December 31, 2025 (Audited)				
	Stage 1	Stage 2	Stage 3	General	Total	Stage 1	Stage 2	Stage 3	General	Total
	Rupees in thousands									
11.11 Particulars of credit loss allowance										
11.11.1 Islamic financing and related assets- credit loss allowance										
Opening balance	207,717	324,242	2,213,124	642,545	3,387,628	595,926	437,561	1,930,779	282,294	3,246,560
New advances	124,763	14,802	25,418	-	164,983	139,886	253,177	25,872	-	418,935
Derognised or repaid	(102,484)	(206,779)	(29,979)	-	(339,242)	(257,859)	(34,095)	(31,024)	-	(322,978)
Transfer to Stage 1	36	(36)	-	-	-	963	(963)	-	360,251	360,251
Transfer to Stage 2	(2,165)	2,165	-	-	-	(20,596)	20,673	(77)	-	-
Transfer to Stage 3	(25,004)	(1,129)	26,133	-	-	(18,462)	(387,319)	405,781	-	-
	(4,854)	(190,977)	21,572	-	(174,259)	(156,068)	(148,527)	400,552	360,251	456,208
Changes in risk parameters	(13,727)	(91,153)	(58,108)	-	(162,988)	(232,141)	35,208	(118,207)	-	(315,140)
Closing balance	189,137	42,112	2,176,588	642,545	3,050,381	207,717	324,242	2,213,124	642,545	3,387,628

11.11.2 Islamic Financing and related assets - category of classification

		(Unaudited)		(Audited)	
		September 30, 2026		December 31, 2025	
		Gross amount	Credit loss allowance	Gross amount	Credit loss allowance
Domestic					
Performing	Stage 1	**104,481,901**	**189,137**	105,139,807	207,717
Underperforming	Stage 2	**7,382,777**	**42,112**	21,188,846	324,242
Non-Performing	Stage 3				
Substandard		**88,750**	**31,692**	185,232	175,626
Doubtful		**11,382**	**6,099**	264,365	260,457
Loss		**2,235,003**	**2,138,798**	1,998,888	1,777,041
		2,335,135	**2,176,588**	2,448,485	2,213,124
		114,199,813	**2,407,837**	128,777,138	2,745,083

11.12 State Bank of Pakistan vide BSD Circular No. 02 dated January 27, 2009, BSD Circular No. 10 dated October 20, 2009, BSD Circular No. 02 of 2010 dated June 03, 2010 and BSD Circular No. 01 of 2011 dated October 21, 2011 has allowed benefit of Forced Sale Value (FSV) of Plant & Machinery under charge, pledged stock and mortgaged residential, commercial and industrial properties (land and building only) held as collateral against NPLs for five years from the date of classification. Had the benefit not been taken by the Bank, the specific provision against non-performing Islamic financing and related assets would have been higher by Rs. 24.428 million (December 31, 2025: Rs. 165.977 million). The additional benefit on the Bank's profit and loss account arising from availing the FSV benefit - net of tax amounts to Rs. 11.726 million (December 31, 2025: Rs. 78.01 million). However, the additional impact on profitability arising from availing the benefit of forced sales value is not available for payment of cash or stock dividends to shareholders.

12 PROPERTY AND EQUIPMENT	Note	(Unaudited) September 30, 2026	(Audited) December 31, 2025
		Rupees in thousands	
Capital work-in-progress	12.1	1,045,856	453,960
Property and equipment		5,388,677	5,817,022
		6,434,533	6,270,982

12.1 Capital work-in-progress

Civil works	286,340	131,147
Advance to suppliers and contractors	432,901	159,265
Electrical and computer equipment	326,615	163,548
	1,045,856	453,960

12.2 Additions to property and equipment	(Unaudited) September 30, 2026	(Unaudited) September 30, 2025
	Rupees in thousands	
The following additions have been made to property and equipment during the period:		
Capital work-in-progress - net of transfers to property and equipment	480,296	825,605
Property and equipment		
Building on freehold land	-	6,556
Leasehold improvements	18,476	64,762
Furniture and fixtures	8,196	16,215
Vehicles	6,906	-
Electrical, office and computer equipment	57,099	173,844
	90,677	261,377
	570,973	1,086,982

12.3 Disposal of property and equipment

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

Furniture and fixtures	428	165
Electrical, office and computer equipment	12,698	123
Vehicles	8,024	-
	21,150	288

13 RIGHT-OF-USE ASSETS	(Unaudited) September 30, 2026	(Audited) December 31, 2025
	Rupees in thousands	
Cost at the start of period / year	6,328,641	5,057,777
Accumulated Depreciation	(3,536,696)	(2,701,959)
Net carrying amount at the start of period/ year	2,791,945	2,355,818
Additions during the period / year	824,741	1,270,864
Depreciation charge for the period / year	(720,993)	(834,737)
Net carrying amount at the end of the period / year	2,895,693	2,791,945

14 INTANGIBLE ASSETS		
Capital work-in-progress	899,317	915,852
Computer software	861,089	890,157
	1,760,906	1,806,009

14.1 Additions to intangible assets	(Unaudited) September 30, 2026	(Unaudited) September 30, 2025
	Rupees in thousands	
The following additions have been made to intangible assets during the period:		
Capital work-in-progress	261,053	358,944
Directly purchased	108,389	6,451
	369,442	365,395

15 DEFERRED TAX ASSETS

	September 30, 2026 (Unaudited)			
	At Jan 01, 2026	Recognised in P&L A/C	Recognised in OCI	At Sep 30, 2026
	Rupees in thousands			
Deductible temporary difference				
Credit loss allowance	789,298	(419,345)	-	369,953
Leases (net)	469,380	9,243	-	478,623
Deficit on revaluation of investments	-	-	801,613	801,613
Workers Welfare Fund	315,720	34,587	-	350,307
	1,574,398	(375,515)	801,613	2,000,496
Taxable temporary difference				
Surplus on revaluation of property and equipment	(122,946)	1,784	-	(121,162)
Surplus on revaluation of investments	(428,634)	-	428,634	-
Accelerated tax depreciation	(255,094)	95,298	-	(159,796)
	(806,674)	97,082	428,634	(280,958)
	767,724	(278,433)	1,230,247	1,719,538

	December 31, 2025 (Audited)			
	At Jan 01, 2024	Recognised in P&L A/C	Recognised in OCI	At Dec 31, 2025
	Rupees in thousands			
Deductible temporary difference				
Credit loss allowance	1,229,238	(439,940)	-	789,298
Leases (net)	-	469,380	-	469,380
Workers Welfare Fund	263,420	52,300	-	315,720
	1,492,658	81,740	-	1,574,398
Taxable temporary difference				
Surplus on revaluation of property and equipment	(99,326)	2,265	(25,885)	(122,946)
Surplus on revaluation of investments	(1,147,388)	-	718,754	(428,634)
Accelerated tax depreciation	(215,147)	(39,947)	-	(255,094)
	(1,461,861)	(37,682)	692,869	(806,674)
	30,797	44,058	692,869	767,724

		Note	(Unaudited) September 30, 2026	(Audited) December 31, 2025
16	**OTHER ASSETS**		Rupees in thousands	
	Profit / return accrued in local currency		**11,053,428**	5,510,320
	Advances, deposits, advance rent and other prepayments		**1,959,041**	1,652,760
	Advance taxation (payments less provisions)		**376,316**	428,306
	Branch adjustment account			-
	Clearing and settlement accounts		**6,432,282**	4,020,626
	Receivable under home remittances		**5,005**	10,759
	Un-realized mark to market gain on forward foreign exchange contracts		**-**	24,458
	Acceptances	22	**1,694,347**	753,997
	Others		**202,445**	211,180
			21,722,864	12,612,406
			21,722,864	12,612,406
	Less: Credit loss allowance held against other assets	16.1	**(5,138)**	(21,913)
	Other assets - net of credit loss allowance		**21,717,726**	12,590,493
16.1	**Credit loss allowance held against other assets**			
	Advances, deposits, advance rent and other prepayments	16.1.1	**5,138**	21,913
16.1.1	**Movement in credit loss allowance held against other assets**			
	Opening balance		**21,913**	75,125
	Reversal during the period / year		**(16,775)**	(53,212)
	Closing balance		**5,138**	21,913

17 CONTINGENT ASSETS

There are no contingent assets of the Bank as at September 30, 2026 (December 31, 2025: Nil).

18 BILLS PAYABLE

In Pakistan	**1,962,158**	5,515,318
	1,962,158	5,515,318

19 DUE TO FINANCIAL INSTITUTIONS

Secured		
Musharaka with the State Bank of Pakistan -		
Islamic Export Refinance Scheme (IERS)	**876,698**	1,905,153
Investment under - Islamic Long Term Financing Facility (ILTFF)	**1,286,418**	1,459,627
Investment under - Islamic		
Temporary Economic Refinancing Facility (ITERF) for Plant and Machinery	**1,937,314**	2,181,118
Investment under Islamic Refinance Facility for		
Storage of Agriculture Produce (IFFSAP)	**18,634**	21,065
Investment under - Sharia'h Compliant		
Open Market Operations	**11,003,918**	-
Investment under - Islamic		
Financing Facility for Renewable Energy (IFRE)	**119,424**	188,042
Total secured	**15,242,406**	5,755,005
Unsecured		
Musharaka arrangements with financial institutions	**-**	16,247,596
Musharaka arrangements with other institution	**161,902**	190,196
Overdrawn nostro accounts	**-**	177,698
Total unsecured	**161,902**	16,615,490
	15,404,308	22,370,495

20 DEPOSITS AND OTHER ACCOUNTS

	September 30, 2026 (Unaudited)			December 31, 2025 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in thousands					
Customers						
Current deposits - non-remunerative	93,716,833	5,745,510	99,462,343	78,228,783	3,558,868	81,787,651
Savings deposits	102,800,274	1,291,730	104,092,004	94,547,723	1,107,542	95,655,265
Term deposits	52,521,669	2,563,364	55,085,033	32,722,422	2,522,396	35,244,818
Others	20,287,589	-	20,287,589	11,157,301	-	11,157,301
	269,326,365	9,600,604	278,926,969	216,656,229	7,188,806	223,845,035
Financial Institutions						
Current deposits - non-remunerative	264,231	20	264,251	291,887	375	292,262
Savings deposits	70,503,386	250	70,503,636	44,682,977	-	44,682,977
Term deposits	157,000	-	157,000	114,000	-	114,000
	70,924,617	270	70,924,887	45,088,864	375	45,089,239
	340,250,982	9,600,874	349,851,856	261,745,093	7,189,181	268,934,274

	Note	(Unaudited) September 30, 2026	(Audited) December 31, 2025
21 LEASE LIABILITIES		Rupees in thousands	
Outstanding amount at the start of the period / year		3,505,778	3,018,262
Addition during the period / year		809,531	1,270,864
Lease payments		(1,008,721)	(1,227,862)
Unwinding of lease liability		344,974	444,514
Outstanding amount at the end of the period / year		3,651,562	3,505,778
21.1 Liabilities Outstanding			
Not later than one year		888,513	862,749
Later than one year and upto five years		2,062,328	2,119,958
Over five years		700,721	523,071
Total at the year end		3,651,562	3,505,778
22 OTHER LIABILITIES			
Profit / return payable in local currency	22.1	2,522,162	2,263,951
Profit / return payable in foreign currencies		49,347	20,433
Accrued expenses		1,486,797	1,444,597
Unearned income		95,280	104,956
Acceptances	16	1,694,347	753,997
Branch adjustment account		3,579,839	296,654
Advance receipt against Islamic financing and related assets		44,846	84,135
Charity fund balance		51,376	31,844
Security deposits against Ijarah financing		984,030	908,566
Clearing and settlement accounts		-	953,509
Withholding tax, Federal Excise Duty and other payable		45,420	56,335
Unrealized mark to market loss on forward foreign exchange contracts		69,017	-
Workers Welfare Fund	22.2	674,727	608,212
Credit loss allowance against off-balance sheet obligations	22.3	58,745	143,959
Others		718,599	1,533,024
		12,074,532	9,204,172

22.1 It includes Rs. 36.325 million (December 31, 2025: Rs. 55.783 million) in respect of profit / return accrued on Musharaka with SBP under Islamic Export Refinance Scheme and Rs 66.745 million (December 31, 2025: Rs 59.645 million) in respect of return accrued on acceptances from the SBP under various Islamic Refinance Schemes.

22.2 The Supreme Court of Pakistan, vide its order dated November 10, 2016, held that the amendments introduced by the Federal Government for the levy of Workers Welfare Fund (WWF) were not lawful. The Federal Board of Revenue has filed review petitions against this order, which are currently pending.

In light of these developments and the pending review petitions, the judgment may not currently be treated as conclusive. Accordingly, the Bank has maintained its provision in respect of WWF.

	(Unaudited) September 30, 2026	(Audited) December 31, 2025
22.3 Credit loss allowance against off-balance sheet obligations	Rupees in thousands	
Opening balance	143,959	84,271
(Reversal) / charge for the period / year	(85,214)	59,688
	(85,214)	59,688
Closing balance	58,745	143,959

		(Unaudited) September 30, 2026	(Audited) December 31, 2025	(Unaudited) September 30, 2026	(Audited) December 31, 2025
23	**SHARE CAPITAL**	Number of shares		Rupees in thousands	
	Authorised capital				
	Ordinary shares of Rs. 10/- each	2,000,000,000	2,000,000,000	20,000,000	20,000,000
23.1	**Issued, subscribed and paid up capital**				
	Balance at beginning of the period / year	1,555,000,000	1,555,000,000	15,550,000	15,550,000
	Balance at end of the period / year	1,555,000,000	1,555,000,000	15,550,000	15,550,000

23.2 The Bank's shares are 100% (December 31, 2025: 100%) held by MCB Bank Limited (MCB) - the parent company and its nominee Directors.

		(Unaudited) September 30, 2026	(Audited) December 31, 2025
24	**RESERVES**	Rupees in thousands	
	Statutory reserves	3,051,239	2,732,118

24.1 Statutory reserve represents amount set aside as per the requirements of section 21 of the Banking Companies Ordinance, 1962.

		Note	(Unaudited) September 30, 2026	(Audited) December 31, 2025
25	**SURPLUS ON REVALUATION OF ASSETS - NET OF TAX**		Rupees in thousands	
	Surplus arising on revaluation of:			
	- Property and equipment		781,976	785,407
	- Securities measured at FVTOCI - Debt Securities		(1,541,563)	824,296
	- Securities measured at FVTOCI - Equity securities	10.1	-	-
			(759,587)	1,609,703
	Deferred tax on surplus on revaluation of:			
	- Property and equipment		(121,162)	(122,946)
	- Securities measured at FVTOCI - Debt Securities		801,613	(428,634)
			680,451	(551,580)
			(79,136)	1,058,123
26	**CONTINGENCIES AND COMMITMENTS**			
	Guarantees	26.1	45,666,666	39,390,813
	Commitments	26.2	82,937,772	75,307,013
	Other contingent liabilities	26.3	223,631	159,195
			128,828,069	114,857,021
26.1	**Guarantees**			
	Performance guarantees		16,946,947	16,137,217
	Other guarantees		28,719,719	23,253,596
			45,666,666	39,390,813
26.2	**Commitments**			
	Documentary credits and short-term trade-related transactions			
	Letters of credit		24,550,246	22,375,731
	Commitments in respect of:			
	Forward foreign exchange contracts	26.2.1	57,244,992	50,748,434
	Extending credit (irrevocable)	26.2.2	582,016	1,825,478
	Commitments for acquisition of:			
	Intangible assets		391,903	251,823
	Property and equipment		168,615	105,547
			82,937,772	75,307,013

		(Unaudited) September 30, 2026	(Audited) December 31, 2025
		Rupees in thousands	
26.2.1	**Commitments in respect of forward foreign exchange contracts**		
	Purchase	**30,942,672**	26,551,486
	Sale	**26,302,320**	24,196,948
		57,244,992	50,748,434

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

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

		Note	(Unaudited) September 30, 2026	(Audited) December 31, 2025
			Rupees in thousands	
26.3	**Other contingent liabilities**			
	Claims against the Bank not acknowledged as debt	26.3.1	**223,631**	159,195

26.3.1 These mainly includes claims against the bank are pending before the court. Based on legal advice and / or internal assessments, management is confident that the matters will be decided in the Bank's favour and the possibility of any adverse outcome is remote. Accordingly, no provision has been made in the condensed interim financial statements.

26.3.2 The Income Tax Department has amended the deemed assessment for Tax Year 2019 and Tax Year 2020 and disallowed certain expenses, resulting in a tax impact of Rs. 529.07 million (2025: 425.51 million). The Bank has filed appeals, which are pending at various appellate forums. The management is confident that the disallowance will be reversed by the appellate authorities. Accordingly, no provision has been recognized in the condensed interim financial statements. The Tax Authority has initiated proceedings under Sections 161 and 205 of the Income Tax Ordinance, 2001 for Tax Year 2019 and raised an arbitrary demand of Rs. 16.179 million (2025: Rs. 16.179). The Bank has filed an appeal before the Commissioner Inland Revenue (Appeals) against the said demand. The management believes that the demand is unjustified and expects a favorable outcome. Therefore, no provision has been made in the condensed interim financial statements.

		(Unaudited) September 30, 2026	(Unaudited) September 30, 2025
		Rupees in thousands	
27	**PROFIT / RETURN EARNED**		
	Financing	**11,022,959**	9,323,114
	Investments in securities	**14,484,374**	13,434,287
	Musharaka arrangements with financial institutions	**398,906**	127,923
	Deposits with financial institutions	**527**	2,485
	IFRS 9 adjustment for staff loan - notional	**54,749**	40,030
		25,961,515	22,927,839
27.1	**Profit / return earned recorded on financial assets measured at:**		
	Financial assets measured at amortised cost	**13,814,175**	12,163,388
	Financial assets measured at FVOCI	**12,084,625**	10,764,352
	Financial assets measured at FVTPL	**62,715**	99
		25,961,515	22,927,839
28	**PROFIT / RETURN EXPENSED**		
	Deposits and other accounts	**12,730,219**	9,568,181
	Musharaka and other arrangements with the State Bank of Pakistan	**1,015,102**	750,866
	Musharaka arrangements with other financial institutions	**1,115,521**	1,546,674
	Musharaka arrangements with other institutions	**10,935**	21,743
	Unwinding of lease liability against right-of-use assets	**344,974**	312,266
	Deferred bonus	**2,673**	2,365
		15,219,424	12,202,095

		Note	(Unaudited) September 30, 2026	(Unaudited) September 30, 2025
			Rupees in thousands	
29	FEE AND COMMISSION INCOME			
	Branch banking customer fees		17,110	14,943
	Consumer finance related fees		20,011	22,736
	Card related fees (debit and credit cards)		522,061	339,336
	Credit related fees		11,521	27,384
	Digital banking fees		163,939	101,523
	Commission on trade		169,288	164,094
	Commission on guarantees		90,588	76,052
	Commission on cash management		26,864	39,014
	Commission on remittances including home remittances		14,723	47,710
	Commission on banca takaful		42,222	52,891
	Locker rent		27,667	25,578
	Others		1,910	2,104
			1,107,904	913,365
30	GAIN / (LOSS) ON SECURITIES - NET			
	Realised	30.1	285,209	292,913
	Unrealised - measured at FVTPL	10.1	(224,444)	19,301
			60,765	312,214
30.1	Realised gain on:			
	Federal Government Securities - Sukuk certificates		1,846	5,912
	Shares		283,363	287,001
			285,209	292,913
30.2	Net gain on financial assets measured at FVTPL:			
	Designated upon initial recognition		60,765	312,214
			60,765	312,214
31	OTHER INCOME			
	Gain on sale of property and equipment		45,236	815
	Fees and charges recovered		17,751	6,823
	Commission on arrangement with financial institutions		150,504	134,010
	Gain on termination of lease liability against right of use assets		15,209	-
	Gain on conversion of Ijarah agreements		4,435	4,991
			233,135	146,639
32	OPERATING EXPENSES			
	Total compensation expense		4,687,186	3,932,004
	Property expense			
	Rent and taxes		83,654	132,359
	Takaful expenses		40,808	37,578
	Utilities cost		328,053	314,359
	Security (including guards)		520,076	490,703
	Repairs and maintenance (including janitorial charges)		214,615	236,320
	Depreciation on right-of-use assets		720,993	563,481
	Depreciation		431,361	386,733
			2,339,560	2,161,533
	Information technology expenses			
	Software maintenance		405,254	311,716
	Hardware maintenance		168,686	80,501
	Takaful expenses		4,260	4,948
	Depreciation		213,723	182,613
	Amortization		137,456	77,302
	Network charges		193,363	150,440
			1,122,742	807,520
	Other operating expenses			
	Directors' fees and allowances		8,906	7,800
	Fees and allowances to Shari'ah Board		14,890	13,551
	Legal and professional charges		51,893	52,695
	Takaful expenses		180,578	186,068
	Fee and subscription		1,145	3,112
	Outsourced services costs		212,601	189,219
	Travelling and conveyance		399,879	268,455
	Repairs and maintenance of vehicles		5,877	6,580
	NIFT clearing charges		50,344	42,554
	Brokerage, commission and bank charges		53,067	38,710
	Depreciation		18,277	21,258
	Training and development		15,740	22,678
	Postage and courier charges		51,873	49,809
	Communication		149,240	175,898
	Stationery and printing		124,205	141,406
	Marketing, advertisement and publicity		191,397	209,283
	Auditors' remuneration		16,448	16,636
	Entertainment		68,273	80,914
	Others		161,995	192,981
			1,776,628	1,719,607
			9,926,116	8,620,664

	Note	(Unaudited) September 30, 2026	(Unaudited) September 30, 2025
		Rupees in thousands	
33 OTHER CHARGES			
Penalties imposed by the State Bank of Pakistan		**883**	5,403
		883	5,403
34 CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET			
Credit loss allowance reversal against cash and balances with treasury banks		**(1,700)**	2
Credit loss allowance against balances with other banks		**(239)**	(2,219)
Credit loss allowance reversal against off balance sheet obligations		**(85,214)**	(32,450)
Credit loss allowance against due from financial institutions		**93**	(1)
Charge against general provision		**-**	377,586
Credit loss allowance reversal against Islamic financing and related assets	11.10	**(337,247)**	(168,594)
Credit loss allowance (reversal) / charge against other assets		**(16,775)**	(42,454)
Recovery of write offs / bad debts		**-**	-
		(441,082)	131,870
35 TAXATION			
Current		**1,451,426**	**2,092,750**
Prior years		**-**	523,766
Deferred		**278,433**	(643,718)
		1,729,859	1,972,798
36 BASIC AND DILUTED EARNINGS PER SHARE			
Profit after taxation		**1,595,605**	1,702,398
Weighted average number of ordinary shares		**1,555,000**	1,555,000
		Rupees	
Basic and diluted earnings per share		**1.026**	1.095
37 CASH AND CASH EQUIVALENTS			
Cash and balances with treasury banks	7	**17,140,669**	19,232,046
Balances with other banks	8	**948,224**	2,191,605
Overdrawn nostro accounts		**-**	(304,924)
		18,088,893	21,118,727

38 FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified as held to collect model, is based on quoted market price.

In the opinion of the management, the fair value of the financial assets excluding investment measured at FVTPL and FVOCI and financial liabilities are not significantly different from their carrying values since these assets and liabilities are either short-term in nature or are frequently repriced.

38.1 Fair value of financial / non-financial assets

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

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities. Financial instruments included in Level 1 comprise of investments in listed ordinary shares and sukuks.

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). Financial instruments included in Level 2 comprise of Sukuk Bonds and forward Exchange Contracts and non financial assets comprise of land and buildings.

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs). Currently, no financial instrument is classified in level 3.

38.2 Fair value of non-financial assets

Certain categories of property and equipment (land and buildings) are carried at revalued amounts determined by professional valuers based on their assessment of the market values. The valuations are conducted by the valuation experts appointed by the Bank which are also on the panel of the State Bank of Pakistan.

38.3 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:

	September 30, 2026 (Unaudited)				
	Carrying value	Level 1	Level 2	Level 3	Total
	Rupees in thousands				
On-balance sheet financial instruments					
Financial assets measured at fair value					
Investments					
Federal Government Securities	195,341,439	144,204,138	51,137,301	-	195,341,439
Shares	207,879	207,879	-	-	207,879
Non-Government Securities	1,462,783	-	1,462,783	-	1,462,783
	197,012,101	144,412,017	52,600,084	-	197,012,101
Financial assets - disclosed but not measured at fair value					
Investments - amortised cost	33,654,379	-	33,654,379	-	33,654,379
Fair value of non-financial assets					
Property and equipment (land and buildings)	2,155,135	-	2,155,135	-	2,155,135
Off-balance sheet financial instruments					
Foreign exchange contracts purchase	30,942,672	-	453,126	-	453,126
Foreign exchange contracts sale	26,302,320	-	381,824	-	381,824

	December 31, 2025 (Audited)				
	Carrying value	Level 1	Level 2	Level 3	Total
	Rupees in thousands				
On-balance sheet financial instruments					
Financial assets measured at fair value					
Investments					
Federal Government Securities	125,286,389	86,249,920	39,036,469	-	125,286,389
Shares	1,667,341	1,667,341	-	-	1,667,341
Non-Government Securities	662,991	-	662,991	-	662,991
	127,616,721	87,917,261	39,699,460	-	127,616,721
Financial assets - disclosed but not measured at fair value					
Investments	28,207,501	-	28,207,501	-	28,207,501
Fair value of non-financial assets					
Property and equipment (land and buildings)	2,165,292	-	2,165,292	-	2,165,292
Off-balance sheet financial instruments					
Foreign exchange contracts purchase	26,551,486	-	249,735	-	249,735
Foreign exchange contracts sale	24,196,948	-	274,193	-	274,193

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

38.4 Valuation techniques and inputs used in determination of fair values

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

39 SEGMENT INFORMATION

39.1 Segment details with respect to business activities

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

	September 30, 2026 (Unaudited)								
	Retail	Corporate	Consumer	Micro Finance	Treasury	Head Office	Sub-total	Elimination	Total
	Rupees in thousands								
Statement of Profit and Loss Account									
Net profit / return	(6,920,382)	6,556,471	1,000,395	9,062	10,225,679	(129,134)	10,742,091	-	10,742,091
Inter segment revenue - net	15,173,528	(6,026,520)	(605,333)	(6,375)	(9,555,675)	1,020,374	(0)	-	(0)
Other income	755,256	236,804	23,180	-	947,704	172,861	2,135,805	-	2,135,805
Total Income	9,008,402	766,755	418,242	2,687	1,617,708	1,064,101	12,877,896	-	12,877,896
Segment direct expenses	(8,543,841)	(283,502)	(296,665)	(276)	(83,976)	(782,254)	(9,993,514)	-	(9,993,514)
Inter segment expense allocation	1,693,529	19,918	28,818	29	5,393	(1,747,687)	-	-	-
Total expenses	(6,850,312)	(266,584)	(267,847)	(247)	(78,583)	(2,529,941)	(9,993,514)	-	(9,993,514)
Credit loss allowance / (reversal)	(25,097)	402,964	(3,589)	2,246	1,846	62,712	441,082	-	441,082
Profit / (loss) before tax	2,132,993	903,135	146,806	4,686	1,540,971	(1,403,128)	3,325,464	-	3,325,464
Statement of financial position									
Cash and bank balances	6,592,573	-	-	30	11,428,823	65,660	18,087,086	-	18,087,086
Investments	-	-	-	-	230,666,480	-	230,666,480	-	230,666,480
Net inter segment lending	244,279,780	-	-	5,253	-	14,757,095	259,042,128	(259,042,128)	-
Due from financial institutions	-	-	-	-	16,740,996	-	16,740,996	-	16,740,996
Islamic Financing - performing	22,257,856	76,562,313	10,686,718	-	-	1,433,998	110,990,885	-	110,990,885
- non-performing	64,158	43,215	51,174	-	-	-	158,547	-	158,547
Others	8,834,012	2,192,499	437,354	70	8,063,696	15,000,765	34,528,396	-	34,528,396
Total Assets	282,028,379	78,798,027	11,175,246	5,353	266,899,995	31,307,518	670,214,518	(259,042,128)	411,172,390
Bills payable	1,962,158	-	-	-	-	-	1,962,158	-	1,962,158
Due to financial institutions	199,980	4,169,651	-	-	11,003,918	30,759	15,404,308	-	15,404,308
Deposits and other accounts	269,951,977	16,911,539	445,787	-	62,542,086	467	349,851,856	-	349,851,856
Net inter segment borrowing	-	56,003,539	9,705,336	-	193,333,253	-	259,042,128	(259,042,128)	-
Others	7,781,271	810,163	877,317	667	21,330	6,235,346	15,726,094	-	15,726,094
Total Liabilities	279,895,386	77,894,892	11,028,440	667	266,900,587	6,266,572	641,986,544	(259,042,128)	382,944,416
Equity	2,132,993	903,135	146,806	4,686	(592)	25,040,946	28,227,974	-	28,227,974
Total Equity and Liabilities	282,028,379	78,798,027	11,175,246	5,353	266,899,995	31,307,518	670,214,518	(259,042,128)	411,172,390
Contingencies and Commitments	47,132,509	23,858,275	31,775	-	57,244,992	560,518	128,828,069	-	128,828,069

	September 30, 2025 (Unaudited)								
	Retail	Corporate	Consumer	Micro Finance	Treasury	Head Office	Sub-total	Elimination	Total
	Rupees in thousands								
Statement of Profit and Loss Account									
Net profit / return	(6,713,683)	6,328,682	866,525	55,742	9,670,790	517,688	10,725,744	-	10,725,744
Inter segment revenue - net	13,881,219	(6,323,408)	(510,301)	(49,701)	(7,771,597)	764,788	-	-	-
Other income	777,457	225,924	23,026	4,730	753,627	1,597	1,786,361	-	1,786,361
Total Income	7,944,993	231,198	379,250	19,771	2,652,820	1,284,073	12,512,105	-	12,512,105
Segment direct expenses	(4,764,690)	(190,303)	(206,259)	(2,603)	(48,175)	(3,493,009)	(8,705,039)	-	(8,705,039)
Inter segment expense allocation	(1,460,624)	(13,142)	(26,312)	(243)	(1,927)	1,502,248	-	-	-
Total expenses	(6,225,314)	(203,445)	(232,571)	(2,846)	(50,102)	(1,990,761)	(8,705,039)	-	(8,705,039)
Credit loss allowance / (reversal)	17,915	(301,100)	(16,428)	-	2,217	165,526	(131,870)	-	(131,870)
Profit / (loss) before tax	1,737,594	(273,347)	130,251	16,925	2,604,935	(541,162)	3,675,196	-	3,675,196

	December 31, 2025 (Audited)								
	Rupees in thousands								
Statement of financial position									
Cash and Bank balances	5,413,556	-	-	30	17,674,114	28,343	23,116,043	-	23,116,043
Investments	-	-	-	-	155,824,222	-	155,824,222	-	155,824,222
Net inter segment lending	179,328,117	-	-	-	-	9,694,978	189,023,095	(189,023,095)	-
Due from financial institutions	-	-	-	-	8,741,090	-	8,741,090	-	8,741,090
Islamic Financing - performing	24,045,164	88,319,938	8,814,937	588,646	-	3,385,464	125,154,149	-	125,154,149
- non-performing	27,614	155,023	52,724	-	-	-	235,361	-	235,361
Others	3,836,215	1,251,727	355,234	50,169	3,047,292	15,686,516	24,227,153	-	24,227,153
Total Assets	212,650,666	89,726,688	9,222,895	638,845	185,286,718	28,795,301	526,321,113	(189,023,095)	337,298,018
Bills payable	5,515,318	-	-	-	-	-	5,515,318	-	5,515,318
Due to financial institutions	190,195	5,755,006	-	-	16,425,294	-	22,370,495	-	22,370,495
Deposits and other accounts	202,075,777	21,744,501	908,468	-	44,203,797	1,731	268,934,274	-	268,934,274
Net inter segment borrowing	-	61,397,728	7,246,868	618,682	119,759,817	-	189,023,095	(189,023,095)	-
Others	3,386,945	656,041	867,305	667	77,777	7,721,215	12,709,950	-	12,709,950
Total Liabilities	211,168,235	89,553,276	9,022,641	619,349	180,466,685	7,722,946	498,553,132	(189,023,095)	309,530,037
Equity	1,482,430	173,413	200,255	19,496	4,820,026	21,072,361	27,767,981	-	27,767,981
Total Equity and Liabilities	212,650,665	89,726,689	9,222,896	638,845	185,286,711	28,795,307	526,321,113	(189,023,095)	337,298,018
Contingencies and Commitments	37,067,545	26,660,817	22,855	-	50,748,434	357,370	114,857,021	-	114,857,021

40 RELATED PARTY TRANSACTIONS

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

The Bank enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to staff retirement benefit plan are made in accordance with the terms of the contribution plan. Remuneration to the executives / officers including financing provided to them is determined in accordance with the terms of their appointment. Remuneration to the executives / officers is determined in accordance with the terms of their appointment.

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

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

	Sep 30, 2026				Dec 31 2025			
	Parent	Directors	Key management personnel	Other related parties	Parent	Directors	Key management personnel	Other related parties
	Rs. in thousands				Rs. in thousands			
Balances with other banks								
In current accounts	82,391	-	-	-	57,476	-	-	-
In deposit accounts	-	-	-	-	-	-	-	-
	82,391	-	-	-	57,476	-	-	-
Credit loss allowance held against balance with other banks	112	-	-	-	508	-	-	-
Islamic financing and related assets								
Opening balance	-	583	110,410	2,000,129	-	6,982	94,610	1,590,654
Addition during the year	-	48,159	90,845	850,784	-	-	88,880	2,321,910
Repaid during the year	-	(2,502)	(36,350)	(1,662,410)	-	(6,399)	(73,080)	(1,912,435)
Transfer in / (out) - net	-	-	(2,052)	-	-	-	-	-
Closing balance	-	46,240	162,853	1,188,503	-	583	110,410	2,000,129
Credit loss allowance held against Islamic financing	-	13	40	5,481	-	-	25	7,363
Credit loss allowance held against islamic financing	-	-	-	-	-	-	-	-
Fixed assets - Capital work in progress								
Advance paid against purchase of property	20,000	-	-	-	20,000	-	-	-
Right-of-use asset	130,437	-	-	-	203,652	-	-	-
	150,437	-	-	-	223,652	-	-	-
Other assets								
Profit receivable	-	247	8,618	17,697	-	-	7,088	31,216
Commission receivable	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	400	23,044	-	-	500	-
Receivable under scheme of merger	11,282	-	-	-	11,282	-	-	-
Receivable under home remittance	5,005	-	-	-	10,760	-	-	-
Other receivable	12,013	-	-	-	-	-	-	-
Unrealized mark to market gain on forward exchange contract	-	-	-	-	-	-	-	-
	28,300	247	9,018	40,741	22,042	-	7,588	31,216
Due to financial institutions								
Opening balance	8,747,596	-	-	-	-	-	-	-
Addition during the year	167,844,416	-	-	-	105,742,434	-	-	-
Repaid during the year	(176,592,012)	-	-	-	(96,994,838)	-	-	-
Closing balance	-	-	-	-	8,747,596	-	-	-
Deposits								
Opening balance	-	55,703	117,530	760,267	-	52,720	107,131	3,633,162
Addition during the year	-	2,862,008	326,807	17,455,235	-	4,081,665	566,290	21,204,844
Withdrawn during the year	-	(2,834,470)	(304,588)	(15,233,045)	-	(4,078,682)	(554,338)	(21,519,350)
Transfer in / (out) - net	-	(35,805)	(6,954)	(599)	-	-	(1,553)	(2,558,389)
Closing balance	-	47,436	132,795	2,981,858	-	55,703	117,530	760,267
Other Liabilities								
Profit payable	-	1,193	711	3,489	80,670	311	717	4,283
Accrued expenses	-	-	-	42,922	-	-	-	53,501
Acceptances	-	-	-	-	-	-	-	-
Unearned income	-	-	-	2,652	-	-	-	2,373
Unrealized mark to market loss on forward exchange contract	-	-	-	-	-	-	-	-
Lease liability against right-of-use asset	167,857	-	-	-	240,021	-	-	-
Meeting fee payable to Directors	-	-	-	-	-	194	-	-
Other payable	-	-	-	-	2,977	-	-	-
	167,857	1,193	711	49,063	323,668	505	717	60,157
Contingencies and Commitments								
Letter of Credit	-	-	-	646,029	-	-	-	651,380
Letter of Guarantee	123,629	-	-	2,021,060	137,913	-	-	1,825,539
Forward exchange contract								
Purchase	1,401,350	-	-	-	1,120,840	-	-	-
Sale	1,396,000	-	-	-	-	-	-	-
Unrealized loss on forward exchange contract - net	7,433	-	-	-	-	-	-	-

	Sep 30, 2026				Sep 30, 2025			
	Parent	Directors	Key management personnel	Other related parties	Parent	Directors	Key management personnel	Other related parties
	Rs. in thousands				Rs. in thousands			
Transactions during the year								
Income								
Profit / return earned	-	1,434	5,911	158,407	-	182	7,092	123,517
Commission income	-	-	-	45,292	-	-	-	57,221
Rental income	-	-	-	-	-	-	-	-
Other income	-	10	78	-	-	24	-	-
	-	1,444	5,989	203,699	-	206	7,092	180,738
Expense								
Profit / return expensed	323,858	5,610	6,384	26,458	211,232	5,929	6,037	40,095
Takaful expense	-	-	-	206,077	-	-	-	125,118
Security expense	-	-	-	-	-	-	-	-
Depreciation on right-of-use assets	71,662	-	-	-	74,868	-	-	-
Unwinding of lease liability against right-of-use asset	23,216	-	-	-	31,542	-	-	-
Rent and taxes	-	-	-	-	-	-	-	-
Meeting fee to Directors	-	8,906	-	-	-	7,800	-	-
Utility and other operating expenses of shariah branch	-	-	-	-	-	-	-	-
Other expense	10,336	-	-	983	2,017	-	-	330
	429,072	14,516	6,384	233,518	319,659	13,729	6,037	165,543
Other transactions during the year								
Fee paid	-	9,100	-	-	-	7,800	-	-
Managerial remuneration including bonus paid	-	72,537	286,294	-	-	82,169	259,151	-
Contribution paid to provident fund	-	-	-	234,905	-	-	-	195,410
Re-imbursement under Home remmittance payments	2,312,534	-	-	-	3,985,191	-	-	-
Proceeds under scheme of merger	-	-	-	-	-	-	-	-
Proceeds from sale of fixed assets	-	59	211	-	-	40	-	-
Purchase of fixed assets	-	-	-	-	-	-	-	-
Disbursement made against advance salary	-	-	-	-	-	-	-	-
Repayment made against advance salary	-	-	-	-	-	-	-	-
Payment made against expenses (including lease liability)	120,431	-	-	218,585	106,486	-	-	330
Foreign currency purchase	33,473,587	-	-	-	28,875,035	-	-	-
Foreign currency sale	39,050,372	-	-	-	28,556,191	-	-	-
Letter of Credit issued	-	-	-	3,099,103	-	-	-	555,102
Letter of Guarantee issued	2,552	-	-	324,883	7,451	-	-	196,000

41 CAPITAL ADEQUACY, LEVERAGE RATIO AND LIQUIDITY REQUIREMENTS

	(Unaudited) September 30, 2026	(Audited) December 31, 2025
	Rupees in thousands	
Minimum Capital Requirement (MCR):		
Paid - up capital (net of losses)	15,550,000	15,550,000
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	26,546,204	24,903,849
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	26,546,204	24,903,849
Eligible Tier 2 Capital	801,744	2,258,334
Total Eligible Capital (Tier 1 + Tier 2)	27,347,948	27,162,183
Risk Weighted Assets (RWAs):		
Credit Risk	116,172,766	111,004,758
Market Risk	17,552,229	9,593,524
Operational Risk	34,615,196	34,615,196
Total	168,340,191	155,213,478
Common Equity Tier 1 Capital Adequacy Ratio	15.77%	16.04%
Tier 1 Capital Adequacy Ratio	15.77%	16.04%
Total Capital Adequacy Ratio	16.25%	17.50%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	26,546,204	24,903,849
Total Exposures	459,576,578	389,825,057
Leverage Ratio	5.78%	6.39%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	160,580,374	134,890,843
Total Net Cash Outflow	102,228,613	98,796,998
Liquidity Coverage Ratio	157.08%	136.53%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	294,911,932	214,965,789
Total Required Stable Funding	142,577,564	147,014,785
Net Stable Funding Ratio	206.84%	146.22%

42 GENERAL

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

43 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on October 20, 2026 by the Board of Directors of the Bank.

Chief Financial Officer | President / Chief Executive | Director | Director | Director