MCB Islamic

# HALF YEARLY
# REPORT
2026

## MCB ISLAMIC BANK LIMITED
### CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
### AS AT JUNE 30, 2026

| | Note | (Unaudited) June 30, 2026 | (Audited) December 31, 2025 |
|---|---|---|---|
| | | Rupees in thousands | |
| **ASSETS** | | | |
| Cash and balances with treasury banks | 7 | **20,514,089** | 21,000,952 |
| Balances with other banks | 8 | **1,350,379** | 2,115,091 |
| Due from financial institutions | 9 | **29,545,961** | 8,741,090 |
| Investments - net | 10 | **185,646,123** | 155,824,222 |
| Islamic financing and related assets - net | 11 | **128,769,079** | 125,389,510 |
| Property and equipment | 12 | **6,452,136** | 6,270,982 |
| Right-of-use assets | 13 | **2,784,794** | 2,791,945 |
| Intangible assets | 14 | **1,687,363** | 1,806,009 |
| Deferred tax assets | 15 | **1,324,899** | 767,724 |
| Other assets | 16 | **17,899,656** | 12,590,493 |
| | | **395,974,479** | 337,298,018 |
| **LIABILITIES** | | | |
| Bills payable | 18 | **3,131,445** | 5,515,318 |
| Due to financial institutions | 19 | **19,377,097** | 22,370,495 |
| Deposits and other accounts | 20 | **332,983,366** | 268,934,274 |
| Lease liabilities | 21 | **3,547,795** | 3,505,778 |
| Subordinated debts | | - | - |
| Deferred tax liabilities | | - | - |
| Other liabilities | 22 | **9,010,252** | 9,204,172 |
| | | **368,049,955** | 309,530,037 |
| **NET ASSETS** | | **27,924,524** | 27,767,981 |
| **REPRESENTED BY** | | | |
| Share capital | 23 | **15,550,000** | 15,550,000 |
| Reserves | 24 | **2,910,822** | 2,732,118 |
| Surplus on revaluation of assets - net of tax | 25 | **320,045** | 1,058,123 |
| Unappropriated profit | | **9,143,657** | 8,427,740 |
| | | **27,924,524** | 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 HALF YEAR ENDED JUNE 30, 2026

| | Note | Quarter Ended | | Half Year Ended | |
|---|---|---|---|---|---|
| | | April 1, 2026 to June 30, 2026 | April 1, 2025 to June 30, 2025 | January 1, 2026 to June 30, 2026 | January 1, 2025 to June 30, 2025 |
| | | Rupees in thousands | | | |
| Profit / return earned | 27 | **8,517,377** | 7,721,085 | **15,944,737** | 15,677,078 |
| Profit / return expensed | 28 | **5,098,761** | 4,208,155 | **9,350,413** | 8,485,419 |
| Net profit / return | | **3,418,616** | 3,512,930 | **6,594,324** | 7,191,659 |
| **OTHER INCOME** | | | | | |
| Fee and commission income | 29 | **365,958** | 311,074 | **715,895** | 584,443 |
| Dividend income | | **717** | 3,731 | **1,554** | 17,510 |
| Foreign exchange income | | **283,802** | 107,966 | **482,198** | 204,836 |
| Gain / (loss) on securities | 30 | **53,328** | (34,887) | **102,474** | 9,125 |
| Net gain / (loss) on derecognition of financial assets measured at amortised cost | | **-** | - | **-** | - |
| Other income | 31 | **84,785** | 43,502 | **144,207** | 86,257 |
| Total other income | | **788,590** | 431,386 | **1,446,328** | 902,171 |
| Total income | | **4,207,206** | 3,944,316 | **8,040,652** | 8,093,830 |
| **OTHER EXPENSES** | | | | | |
| Operating expenses | 32 | **3,311,809** | 2,925,602 | **6,520,734** | 5,575,828 |
| Workers welfare fund | | **23,065** | 22,077 | **37,246** | 52,602 |
| Other charges | 33 | **283** | 688 | **748** | 4,945 |
| Total other expenses | | **3,335,157** | 2,948,367 | **6,558,728** | 5,633,375 |
| Profit before credit loss allowance | | **872,049** | 995,949 | **1,481,924** | 2,460,455 |
| Credit loss allowance and write offs - net | 34 | **(380,397)** | (18,113) | **(380,397)** | 131,870 |
| **PROFIT BEFORE TAXATION** | | **1,252,446** | 1,014,062 | **1,862,321** | 2,328,585 |
| Taxation | 35 | **651,422** | 579,323 | **968,799** | 1,280,342 |
| **PROFIT AFTER TAXATION** | | **601,024** | 434,739 | **893,522** | 1,048,243 |
| | | ----------Rupees---------- | | | |
| **Basic and diluted earnings per share** | 36 | **0.387** | 0.280 | **0.575** | 0.674 |

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 HALF YEAR ENDED JUNE 30, 2026**

| | Quarter Ended | | Half Year Ended | |
|---|---|---|---|---|
| | April 1, 2026 to June 30, 2026 | April 1, 2025 to June 30, 2025 | January 1, 2026 to June 30, 2026 | January 1, 2025 to June 30, 2025 |
| | Rupees in thousands | | | |
| **Profit after taxation for the period** | **601,024** | 434,739 | **893,522** | 1,048,243 |
| **Other comprehensive (loss) / income** | | | | |
| **Items that may be reclassified to profit and loss account in subsequent periods:** | | | | |
| Movement in (deficit) / surplus on revaluation of debt investments through FVOCI- net of tax | **(63,345)** | 317,589 | **(736,979)** | (449,616) |
| **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 | - | 57,813 | - | 57,813 |
| **Total comprehensive income for the period** | **537,679** | 810,141 | **156,543** | 656,440 |

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 HALF YEAR ENDED JUNE 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 half year ended June 30, 2025** | | | | | | |
| Profit after taxation for the half year ended June 30, 2025 | - | - | - | - | 1,048,243 | 1,048,243 |
| Other comprehensive loss - net of tax | - | - | (391,803) | - | - | (391,803) |
| | - | - | (391,803) | - | 1,048,243 | 656,440 |
| Transfer to statutory reserve | - | 209,649 | - | - | (209,649) | - |
| Transfer from surplus on revaluation of property and equipment to unappropriated profit in respect of incremental depreciation - net of tax | - | - | - | (1,045) | 1,045 | - |
| **Balance as at June 30, 2025 (unaudited)** | 15,550,000 | 2,485,869 | 667,325 | 457,556 | 7,441,696 | 26,602,446 |
| **Total comprehensive income for the half year ended December 31, 2025** | | | | | | |
| Profit after taxation for the half year ended December 31, 2025 | - | - | - | - | 1,231,247 | 1,231,247 |
| Other comprehensive (loss) / income - net of tax | - | - | (271,663) | 205,951 | - | (65,712) |
| | - | - | (271,663) | 205,951 | 1,231,247 | 1,165,535 |
| Transfer to statutory reserve | - | 246,249 | - | - | (246,249) | - |
| Transfer from surplus on revaluation of property and equipment to unappropriated profit in respect of incremental depreciation - net of tax | - | - | - | (1,046) | 1,046 | - |
| **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 half year ended June 30, 2026** | | | | | | |
| Profit after taxation for the half year ended June 30, 2026 | - | - | - | - | 893,522 | 893,522 |
| Other comprehensive loss -net of tax | - | - | (736,979) | - | - | (736,979) |
| | - | - | (736,979) | - | 893,522 | 156,543 |
| Transfer to statutory reserve | - | 178,704 | - | - | (178,704) | - |
| Transfer from surplus on revaluation of property and equipment to unappropriated profit in respect of incremental depreciation - net of tax | - | - | - | (1,099) | 1,099 | - |
| **Balance as at June 30, 2026 (unaudited)** | **15,550,000** | **2,910,822** | **(341,317)** | **661,362** | **9,143,657** | **27,924,524** |

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 HALF YEAR ENDED JUNE 30, 2026**

| | Note | June 30, 2026 | June 30, 2025 |
|---|---|---|---|
| | | Rupees in thousands | |
| **CASH FLOW FROM OPERATING ACTIVITIES** | | | |
| Profit before taxation | | **1,862,321** | 2,328,585 |
| Less: Dividend income | | **(1,554)** | (17,510) |
| | | **1,860,767** | 2,311,075 |
| **Adjustments** | | | |
| Net profit / return | | **(6,824,624)** | (7,393,744) |
| Depreciation on property and equipment | 32 | **444,103** | 391,006 |
| Depreciation on right-of-use assets | 32 | **476,188** | 357,965 |
| Depreciation on ijarah assets under IFAS 2 | | **177,104** | 172,785 |
| Amortization | 32 | **89,904** | 52,901 |
| Unwinding of liability against right of use assets | 28 | **230,300** | 202,085 |
| Credit loss allowance and write offs - net | 34 | **(380,397)** | 131,870 |
| Unrealized loss / (gain) on forward foreign exchange contracts - net | | **71,195** | (142,888) |
| Gain on sale of property and equipment | 31 | **(43,614)** | (528) |
| Unrealised loss / (gain) on revaluation of FVTPL securities | 30 | **36,919** | (2,145) |
| | | **(5,722,922)** | (6,230,693) |
| | | **(3,862,155)** | (3,919,618) |
| **(Increase) / decrease in operating assets** | | | |
| Due from financial institutions | | **(20,804,871)** | (1,000,000) |
| Securities classified as FVTPL | | **579,331** | 6,722 |
| Islamic financing and related assets | | **(3,250,121)** | 8,023,744 |
| Other assets (excluding advance taxation) | | **(3,281,283)** | (4,169,580) |
| | | **(26,756,944)** | 2,860,886 |
| **Increase / (decrease) in operating liabilities** | | | |
| Bills payable | | **(2,383,873)** | (8,629,804) |
| Due to financial institutions | | **(2,815,700)** | (30,655,087) |
| Deposits | | **64,049,092** | 46,783,746 |
| Other liabilities (excluding current taxation) | | **26,578** | (64,427) |
| | | **58,876,097** | 7,434,428 |
| | | **28,256,998** | 6,375,696 |
| Profit / return received | | **14,561,682** | 17,213,036 |
| Profit / return paid | | **(9,434,975)** | (8,851,263) |
| Income tax paid | | **(1,277,189)** | (1,651,442) |
| **Net cash generated from operating activities** | | **32,106,516** | 13,086,027 |
| **CASH FLOW FROM INVESTING ACTIVITIES** | | | |
| Net investment in securities classified as FVTOCI and amortised cost | | **(31,973,524)** | (6,524,459) |
| Dividends received | | **1,554** | 17,510 |
| Investment in property and equipment | 12.2 | **(368,327)** | (1,086,982) |
| Proceeds from sale of property and equipment | | **63,774** | 816 |
| Investment in intangible assets | 14.1 | **(248,348)** | (365,395) |
| **Net cash used in investing activities** | | **(32,524,871)** | (7,958,510) |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | | |
| Payment of lease liability against right-of-use asset | 21 | **(657,320)** | (501,407) |
| **Net cash used in financing activities** | | **(657,320)** | (501,407) |
| **(Decrease) / increase in cash and cash equivalents during the period** | | **(1,075,675)** | 4,626,110 |
| 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 | **21,866,416** | 23,702,714 |

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 324 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 226.517 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.

| 7 | CASH AND BALANCES WITH TREASURY BANKS | Note | (Unaudited) June 30, 2026 | (Audited) December 31, 2025 |
|---|---|---|---|---|
| | | | Rupees in thousands | |
| | In hand | | | |
| | - local currency | | 5,284,181 | 4,243,186 |
| | - foreign currencies | | 687,730 | 574,649 |
| | | | 5,971,911 | 4,817,835 |
| | With the State Bank of Pakistan in | | | |
| | - local currency current account | | 12,868,024 | 14,565,898 |
| | - foreign currency current accounts | | | |
| | cash reserve account | | 414,739 | 417,664 |
| | special cash reserve account | | 489,564 | 493,017 |
| | USD clearing account | | 140,654 | 113,429 |
| | | | 1,044,957 | 1,024,110 |
| | With National Bank of Pakistan in | | | |
| | - local currency current account | | 629,232 | 595,751 |
| | | | 20,514,124 | 21,003,594 |
| | Less: Credit loss allowance held against cash and balances with treasury banks | | (35) | (2,642) |
| | Cash and balances with treasury banks - net of credit loss alowance | | 20,514,089 | 21,000,952 |

| 8 | BALANCES WITH OTHER BANKS | | | |
|---|---|---|---|---|
| | In Pakistan | | | |
| | - current accounts | | 70,626 | 28,301 |
| | - deposit accounts | | 5,258 | 11,997 |
| | Outside Pakistan | | | |
| | - current accounts | | 1,276,408 | 2,075,897 |
| | | | 1,352,292 | 2,116,195 |
| | Less: Credit loss allowance held against balances with other banks | | (1,913) | (1,104) |
| | Balances with other banks - net of credit loss alowance | | 1,350,379 | 2,115,091 |

| 9 | DUE FROM FINANCIAL INSTITUTIONS | | | |
|---|---|---|---|---|
| | Musharaka arrangements | | 10,000,000 | 5,500,000 |
| | Wakala placements | | 16,305,558 | - |
| | Bai mu'ajjal | | 3,241,138 | 3,241,138 |
| | Less: Credit loss allowance held against due from financial institution | 9.1 | (735) | (48) |
| | Due from financial institutions - net of credit loss allowance | | 29,545,961 | 8,741,090 |

9.1 **Particulars of credit loss allowance**

| | | (Unaudited) June 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 | 29,546,696 | (735) | 8,741,138 | (48) |
| | | 29,546,696 | (735) | 8,741,138 | (48) |

10 INVESTMENTS

10.1 Investments by type:

| | June 30, 2026 (Unaudited) | | | |
|---|---|---|---|---|
| | Cost / Amortised cost | Credit loss allowance | Surplus / (Deficit) | Carrying Value |
| | Rupees in thousands | | | |
| **FVTPL** | | | | |
| Non Government securities | 1,470,000 | - | (10,008) | 1,459,992 |
| Shares | 281,001 | - | (26,911) | 254,090 |
| | 1,751,001 | - | (36,919) | 1,714,082 |
| **FVOCI** | | | | |
| Federal Government securities | 156,443,978 | - | (711,078) | 155,732,900 |
| | 156,443,978 | - | (711,078) | 155,732,900 |
| **Amortised cost** | | | | |
| Federal Government securities | 28,199,141 | - | - | 28,199,141 |
| | 28,199,141 | - | - | 28,199,141 |
| **Total Investments** | 186,394,120 | - | (747,997) | 185,646,123 |

| | 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) June 30, 2026 | (Audited) December 31, 2025 | (Unaudited) June 30, 2026 | (Audited) December 31, 2025 | (Unaudited) June 30, 2026 | (Audited) December 31, 2025 |
| | | Rupees in thousands | | | | | |
| Murabaha | 11.1 | 31,905,328 | 24,072,546 | 46,456 | 46,456 | 31,951,784 | 24,119,002 |
| Musawamah | 11.2 | 1,669,747 | 1,458,171 | - | - | 1,669,747 | 1,458,171 |
| Istisna | 11.3 | 10,484,469 | 15,469,818 | 414,460 | 414,460 | 10,898,929 | 15,884,278 |
| Salam | | 99,994 | 99,998 | - | - | 99,994 | 99,998 |
| Ijarah | 11.4 | 2,206,238 | 2,136,623 | 1,424 | 1,424 | 2,207,662 | 2,138,047 |
| Running Musharaka | 11.5 | 38,373,592 | 40,075,104 | 353,211 | 353,211 | 38,726,803 | 40,428,315 |
| Diminishing Musharaka | 11.6 | 42,273,267 | 40,820,601 | 1,543,295 | 1,632,934 | 43,816,562 | 42,453,535 |
| Staff finance | 11.7 | 1,941,725 | 1,916,402 | - | - | 1,941,725 | 1,916,402 |
| Wakala finance | | 236,950 | 11,950 | - | - | 236,950 | 11,950 |
| Forced Qard | | - | 27,440 | - | - | - | 27,440 |
| Forced PAD - Inland | | 300,000 | 240,000 | - | - | 300,000 | 240,000 |
| **Islamic financing and related assets - gross** | | 129,491,310 | 126,328,653 | 2,358,846 | 2,448,485 | 131,850,156 | 128,777,138 |
| Less: Credit loss allowance | 11.10 | | | | | | |
| - Stage 1 | | (191,623) | (207,717) | - | - | (191,623) | (207,717) |
| - Stage 2 | | (42,039) | (324,242) | - | - | (42,039) | (324,242) |
| - Stage 3 | | - | - | (2,204,870) | (2,213,124) | (2,204,870) | (2,213,124) |
| - General | | (642,545) | (642,545) | - | - | (642,545) | (642,545) |
| | | (876,207) | (1,174,504) | (2,204,870) | (2,213,124) | (3,081,077) | (3,387,628) |
| **Islamic financing and related assets - net of credit loss allowance** | | 128,615,103 | 125,154,149 | 153,976 | 235,361 | 128,769,079 | 125,389,510 |

| | (Unaudited) June 30, 2026 | (Audited) December 31, 2025 |
|---|---|---|
| | Rupees in thousands | |
| **11.1 Murabaha** | | |
| - Murabaha financing | **10,145,485** | 11,510,042 |
| - Murabaha inventory | **21,564,801** | 12,351,930 |
| - Advances against Murabaha financing | **241,498** | 187,030 |
| - Advances against Murabaha financing - Islamic Export Refinance Scheme (IERS) | **-** | 70,000 |
| | **31,951,784** | 24,119,002 |
| **11.2 Musawamah** | | |
| - Musawamah Financing | **1,689,250** | 1,462,075 |
| - Musawamah financing under IERS | **21,651** | 23,300 |
| - Deferred Musawamah Income | **(41,154)** | (27,204) |
| | **1,669,747** | 1,458,171 |
| **11.3 Istisna** | | |
| - Istisna financing | **5,246,114** | 5,049,377 |
| - Istisna inventory | **1,432,335** | 1,446,949 |
| - Advances against Istisna financing | **3,818,009** | 9,362,952 |
| - Advances against Istisna financing - Islamic Export Refinance Scheme (IERS) | **402,471** | 25,000 |
| | **10,898,929** | 15,884,278 |
| **11.4 Ijarah financing and related assets** | | |
| - Net book value of assets in Ijarah under IFAS 2 | **1,999,126** | 1,511,505 |
| - Advances against Ijarah | **208,536** | 626,542 |
| | **2,207,662** | 2,138,047 |
| **11.5 Running Musharaka** | | |
| - Running Musharaka financing | **37,188,803** | 38,321,315 |
| - Running Musharaka financing - Islamic Export Refinance Scheme (IERS) | **1,538,000** | 2,107,000 |
| | **38,726,803** | 40,428,315 |
| **11.6 Diminishing Musharaka** | | |
| - Diminishing Musharaka financing | **38,232,021** | 35,995,855 |
| - Advances against Diminishing Musharaka financing | **2,205,642** | 2,756,047 |
| - Diminishing Musharaka - Islamic Long Term Financing Facility (ILTFF) | **1,335,937** | 1,459,802 |
| - Diminishing Musharaka under SBP's IFRE | **86,335** | 177,579 |
| - Advance against Diminishing Musharaka under SBP's IFRE | **36,000** | - |
| - Diminishing Musharaka under Islamic Temporary Economic Refinancing Facility (ITERF) for Plant and Machinery | **1,920,627** | 2,064,252 |
| | **43,816,562** | 42,453,535 |
| **11.7 Staff finance** | | |
| - Staff vehicle finance under Diminishing Musharaka | **1,033,794** | 899,046 |
| - Staff Solar Finance | **25,538** | 18,666 |
| - Staff housing finance under Diminishing Musharaka | **2,456,111** | 2,261,158 |
| - Effect of discounting staff subsidized finance | **(1,573,718)** | (1,262,468) |
| | **1,941,725** | 1,916,402 |
| **11.8 Particulars of Islamic financing and related assets - gross** | | |
| In local currency | **131,850,156** | 128,777,138 |
| In foreign currency | **-** | - |
| | **131,850,156** | 128,777,138 |

11.9 Islamic financing and related assets include Rs. 2,358.846 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) June 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 | **11,964** | **6,136** | 185,232 | 175,626 |
| Doubtful | **190,648** | **124,799** | 264,365 | 260,457 |
| Loss | **2,156,234** | **2,073,935** | 1,998,888 | 1,777,041 |
| | **2,358,846** | **2,204,870** | 2,448,485 | 2,213,124 |

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

| | June 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 | **100,713** | **24,328** | **399,888** | **-** | **524,929** | 141,923 | 275,133 | 446,128 | 360,251 | 1,223,435 |
| Reversals for the period / year | **(116,807)** | **(306,531)** | **(408,142)** | **-** | **(831,480)** | (530,132) | (388,452) | (163,783) | - | (1,082,367) |
| | **(16,094)** | **(282,203)** | **(8,254)** | **-** | **(306,551)** | (388,209) | (113,319) | 282,345 | 360,251 | 141,068 |
| Closing balance | **191,623** | **42,039** | **2,204,870** | **642,545** | **3,081,077** | 207,717 | 324,242 | 2,213,124 | 642,545 | 3,387,628 |

### 11.11 Particulars of credit loss allowance

### 11.11.1 Islamic financing and related assets- credit loss allowance

| | June 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 |
| New advances | **66,129** | **5,233** | **23,345** | **-** | **94,707** | 139,886 | 253,177 | 25,872 | - | 418,935 |
| Derognised or repaid | **(67,147)** | **(155,429)** | **(381,368)** | **-** | **(603,944)** | (257,859) | (34,095) | (31,024) | - | (322,978) |
| Transfer to Stage 1 | **7,649** | **(7,649)** | **-** | **-** | **-** | 963 | (963) | - | 360,251 | 360,251 |
| Transfer to Stage 2 | **(3,621)** | **3,621** | **-** | **-** | **-** | (20,596) | 20,673 | (77) | - | - |
| Transfer to Stage 3 | **(3,072)** | **(70,192)** | **73,264** | **-** | **-** | (18,462) | (387,319) | 405,781 | - | - |
| | **(62)** | **(224,416)** | **(284,759)** | **-** | **(509,237)** | (156,068) | (148,527) | 400,552 | 360,251 | 456,208 |
| Changes in risk parameters | **(16,032)** | **(57,787)** | **276,505** | **-** | **202,686** | (232,141) | 35,208 | (118,207) | - | (315,140) |
| Closing balance | **191,623** | **42,039** | **2,204,870** | **642,545** | **3,081,077** | 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) | |
|---|---|---|---|---|---|
| | | June 30, 2026 | | December 31, 2025 | |
| | | Gross amount | Credit loss allowance | Gross amount | Credit loss allowance |
| **Domestic** | | | | | |
| Performing | Stage 1 | **119,289,771** | **191,623** | 105,139,807 | 207,717 |
| Underperforming | Stage 2 | **10,201,539** | **42,039** | 21,188,846 | 324,242 |
| Non-Performing | Stage 3 | | | | |
| Substandard | | **11,964** | **6,136** | 185,232 | 175,626 |
| Doubtful | | **190,648** | **124,799** | 264,365 | 260,457 |
| Loss | | **2,156,234** | **2,073,935** | 1,998,888 | 1,777,041 |
| | | **2,358,846** | **2,204,870** | 2,448,485 | 2,213,124 |
| | | **131,850,156** | **2,438,532** | 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. 104.840 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. 50.33 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) June 30, 2026 | (Audited) December 31, 2025 |
|---|---|---|---|
| | | Rupees in thousands | |
| Capital work-in-progress | 12.1 | 897,126 | 453,960 |
| Property and equipment | | 5,555,010 | 5,817,022 |
| | | 6,452,136 | 6,270,982 |

### 12.1 Capital work-in-progress

| | | |
|---|---|---|
| Civil works | 257,372 | 131,147 |
| Advance to suppliers and contractors | 41,928 | 159,265 |
| Electrical and computer equipment | 597,826 | 163,548 |
| | 897,126 | 453,960 |

### 12.2 Additions to property and equipment

| | (Unaudited) June 30, 2026 | (Unaudited) June 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 | 166,076 | 825,605 |
| **Property and equipment** | | |
| Leasehold improvements | 16,886 | 64,762 |
| Furniture and fixtures | 2,515 | 16,215 |
| Vehicles | 6,906 | |
| Electrical, office and computer equipment | 175,944 | 173,844 |
| | 202,251 | 261,377 |
| | 368,327 | 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 | 16 | 165 |
| Electrical, office and computer equipment | 12,120 | 123 |
| Vehicles | 8,024 | - |
| | 20,160 | 288 |

## 13 RIGHT-OF-USE ASSETS

| | (Unaudited) June 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 | 469,036 | 1,270,864 |
| Depreciation charge for the period / year | (476,187) | (834,737) |
| Net carrying amount at the end of the period / year | 2,784,794 | 2,791,945 |

## 14 INTANGIBLE ASSETS

| | | |
|---|---|---|
| Capital work-in-progress | 826,397 | 915,852 |
| Computer software | 860,966 | 890,157 |
| | 1,687,363 | 1,806,009 |

### 14.1 Additions to intangible assets

| | (Unaudited) June 30, 2026 | (Unaudited) June 30, 2025 |
|---|---|---|
| | Rupees in thousands | |

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

| | | |
|---|---|---|
| Capital work-in-progress | 187,634 | 358,944 |
| Directly purchased | 60,714 | 6,451 |
| | 248,348 | 365,395 |

## 15 DEFERRED TAX ASSETS

| | June 30, 2026 (Unaudited) | | | |
|---|---|---|---|---|
| | At Jan 01, 2025 | Recognised in P&L A/C | Recognised in OCI | At June 30, 2025 |
| | Rupees in thousands | | | |
| **Deductible temporary difference** | | | | |
| Credit loss allowance | 789,298 | (344,588) | - | 444,710 |
| Leases (net) | 469,380 | 12,520 | - | 481,900 |
| Deficit on revaluation of investments | - | - | 369,761 | 369,761 |
| Workers Welfare Fund | 315,720 | 19,367 | - | 335,087 |
| | 1,574,398 | (312,701) | 369,761 | 1,631,458 |
| **Taxable temporary difference** | | | | |
| Surplus on revaluation of property and equipment | (122,946) | 1,189 | - | (121,757) |
| Surplus on revaluation of investments | (428,634) | - | 428,634 | - |
| Accelerated tax depreciation | (255,094) | 70,292 | - | (184,802) |
| | (806,674) | 71,481 | 428,634 | (306,559) |
| | 767,724 | (241,220) | 798,395 | 1,324,899 |

| | 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 |

| 16 | OTHER ASSETS | Note | (Unaudited) June 30, 2026 | (Audited) December 31, 2025 |
|---|---|---|---|---|
| | | | Rupees in thousands | |
| | Profit / return accrued in local currency | | **6,893,375** | 5,510,320 |
| | Advances, deposits, advance rent and other prepayments | | **2,073,841** | 1,652,760 |
| | Advance taxation (payments less provisions) | | **977,916** | 428,306 |
| | Branch adjustment account | | **1,636,309** | - |
| | Clearing and settlement accounts | | **5,175,839** | 4,020,626 |
| | Receivable under home remittances | | **15,949** | 10,759 |
| | Un-realized mark to market gain on forward foreign exchange contracts | | **105,182** | 24,458 |
| | Acceptances | 22 | **835,776** | 753,997 |
| | Others | | **192,891** | 211,180 |
| | | | **17,907,078** | 12,612,406 |
| | Less: Credit loss allowance held against other assets | 16.1 | **(7,422)** | (21,913) |
| | Other assets - net of credit loss allowance | | **17,899,656** | 12,590,493 |
| **16.1** | **Credit loss allowance held against other assets** | | | |
| | Advances, deposits, advance rent and other prepayments | 16.1.1 | **7,422** | 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 | | **(14,491)** | (53,212) |
| | Closing balance | | **7,422** | 21,913 |

17 CONTINGENT ASSETS

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

| 18 | BILLS PAYABLE | | |
|---|---|---|---|
| | In Pakistan | **3,131,445** | 5,515,318 |
| | | **3,131,445** | 5,515,318 |

| 19 | DUE TO FINANCIAL INSTITUTIONS | | |
|---|---|---|---|
| | ***Secured*** | | |
| | Musharaka with the State Bank of Pakistan - Islamic Export Refinance Scheme (IERS) | **1,559,459** | 1,905,153 |
| | Investment under - Islamic Long Term Financing Facility (ILTFF) | **1,335,825** | 1,459,627 |
| | Investment under - Islamic Temporary Economic Refinancing Facility (ITERF) for Plant and Machinery | **2,030,119** | 2,181,118 |
| | Investment under Islamic Refinance Facility for Storage of Agriculture Produce (IFFSAP) | **19,444** | 21,065 |
| | Investment under - Islamic Financing Facility for Renewable Energy (IFRE) | **130,472** | 188,042 |
| | **Total secured** | **5,075,319** | 5,755,005 |
| | ***Unsecured*** | | |
| | Musharaka arrangements with financial institutions | **14,114,416** | 16,247,596 |
| | Musharaka arrangements with other institution | **187,362** | 190,196 |
| | Overdrawn nostro accounts | **-** | 177,698 |
| | **Total unsecured** | **14,301,778** | 16,615,490 |
| | | **19,377,097** | 22,370,495 |

## 20 DEPOSITS AND OTHER ACCOUNTS

| | June 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 | 89,992,407 | 3,667,143 | 93,659,550 | 78,228,783 | 3,558,868 | 81,787,651 |
| Savings deposits | 116,721,352 | 1,414,566 | 118,135,918 | 94,547,723 | 1,107,542 | 95,655,265 |
| Term deposits | 30,158,134 | 2,425,651 | 32,583,785 | 32,722,422 | 2,522,396 | 35,244,818 |
| Others | 38,112,372 | - | 38,112,372 | 11,157,301 | - | 11,157,301 |
| | 274,984,265 | 7,507,360 | 282,491,625 | 216,656,229 | 7,188,806 | 223,845,035 |
| **Financial Institutions** | | | | | | |
| Current deposits - non-remunerative | 149,606 | 1,071 | 150,677 | 291,887 | 375 | 292,262 |
| Savings deposits | 50,161,102 | 4,962 | 50,166,064 | 44,682,977 | - | 44,682,977 |
| Term deposits | 175,000 | - | 175,000 | 114,000 | - | 114,000 |
| | 50,485,708 | 6,033 | 50,491,741 | 45,088,864 | 375 | 45,089,239 |
| | 325,469,973 | 7,513,393 | 332,983,366 | 261,745,093 | 7,189,181 | 268,934,274 |

| | Note | (Unaudited) June 30, 2026 | (Audited) December 31, 2025 |
|---|---|---|---|
| | | Rupees in thousands | |
| **21 LEASE LIABILITIES** | | | |
| Outstanding amount at the start of the period / year | | 3,505,778 | 3,018,262 |
| Addition during the period / year | | 469,036 | 1,270,864 |
| Lease payments | | (657,320) | (1,227,862) |
| Unwinding of lease liability | | 230,300 | 444,514 |
| Outstanding amount at the end of the period / year | | 3,547,795 | 3,505,778 |
| **21.1 Liabilities Outstanding** | | | |
| Not later than one year | | 923,805 | 862,749 |
| Later than one year and upto five years | | 2,116,475 | 2,119,958 |
| Over five years | | 507,515 | 523,071 |
| Total at the year end | | 3,547,795 | 3,505,778 |
| **22 OTHER LIABILITIES** | | | |
| Profit / return payable in local currency | 22.1 | 1,945,765 | 2,263,951 |
| Profit / return payable in foreign currencies | | 23,757 | 20,433 |
| Accrued expenses | | 1,169,544 | 1,444,597 |
| Unearned income | | 76,820 | 104,956 |
| Acceptances | 16 | 835,776 | 753,997 |
| Branch adjustment account | | - | 296,654 |
| Advance receipt against Islamic financing and related assets | | 40,794 | 84,135 |
| Charity fund balance | | 36,485 | 31,844 |
| Security deposits against Ijarah financing | | 955,776 | 908,566 |
| Clearing and settlement accounts | | - | 953,509 |
| Withholding tax, Federal Excise Duty and other payable | | 52,641 | 56,335 |
| Unrealized mark to market loss on forward foreign exchange contracts | | 176,377 | - |
| Workers Welfare Fund | 22.2 | 645,458 | 608,212 |
| Credit loss allowance against off-balance sheet obligations | 22.3 | 85,717 | 143,959 |
| Others | | 2,965,342 | 1,533,024 |
| | | 9,010,252 | 9,204,172 |

22.1 It includes Rs. 34.559 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 44.924 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) June 30, 2026 | (Audited) December 31, 2025 |
|---|---|---|
| | Rupees in thousands | |
| **22.3 Credit loss allowance against off-balance sheet obligations** | | |
| Opening balance | 143,959 | 84,271 |
| (Reversal) / charge for the period / year | (58,242) | 59,688 |
| | (58,242) | 59,688 |
| Closing balance | 85,717 | 143,959 |

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## 23 SHARE CAPITAL

| Authorised capital | (Unaudited) June 30, 2026 | (Audited) December 31, 2025 | (Unaudited) June 30, 2026 | (Audited) December 31, 2025 |
|---|---|---|---|---|
| | Number of shares | | Rupees in thousands | |
| 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.

## 24 RESERVES

| | (Unaudited) June 30, 2026 | (Audited) December 31, 2025 |
|---|---|---|
| | Rupees in thousands | |
| Statutory reserves | **2,910,823** | 2,732,118 |

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

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

| | Note | (Unaudited) June 30, 2026 | (Audited) December 31, 2025 |
|---|---|---|---|
| | | Rupees in thousands | |
| Surplus arising on revaluation of: | | | |
| - Property and equipment | | **783,119** | 785,407 |
| - Securities measured at FVTOCI - Debt Securities | | **(711,078)** | 824,296 |
| | | **72,041** | 1,609,703 |
| Deferred tax on surplus on revaluation of: | | | |
| - Property and equipment | | **(121,757)** | (122,946) |
| - Securities measured at FVTOCI - Debt Securities | | **369,761** | (428,634) |
| | | **248,004** | (551,580) |
| | | **320,045** | 1,058,123 |

## 26 CONTINGENCIES AND COMMITMENTS

| | Note | (Unaudited) June 30, 2026 | (Audited) December 31, 2025 |
|---|---|---|---|
| Guarantees | 26.1 | **46,636,228** | 39,390,813 |
| Commitments | 26.2 | **77,168,745** | 75,307,013 |
| Other contingent liabilities | 26.3 | **134,427** | 159,195 |
| | | **123,939,400** | 114,857,021 |

### 26.1 Guarantees

| | | | |
|---|---|---|---|
| Performance guarantees | | **16,609,810** | 16,137,217 |
| Other guarantees | | **30,026,418** | 23,253,596 |
| | | **46,636,228** | 39,390,813 |

### 26.2 Commitments

| | | | |
|---|---|---|---|
| Documentary credits and short-term trade-related transactions | | | |
| Letters of credit | | **25,963,663** | 22,375,731 |
| Commitments in respect of: | | | |
| Forward foreign exchange contracts | 26.2.1 | **49,959,869** | 50,748,434 |
| Extending credit (irrevocable) | 26.2.2 | **585,789** | 1,825,478 |
| Commitments for acquisition of: | | | |
| Intangible assets | | **524,126** | 251,823 |
| Property and equipment | | **135,298** | 105,547 |
| | | **77,168,745** | 75,307,013 |

| 26.2.1 Commitments in respect of forward foreign exchange contracts | (Unaudited) June 30, 2026 | (Audited) December 31, 2025 |
|---|---|---|
| | Rupees in thousands | |
| Purchase | 17,881,319 | 26,551,486 |
| Sale | 32,078,550 | 24,196,948 |
| | 49,959,869 | 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.

| 26.3 Other contingent liabilities | Note | (Unaudited) June 30, 2026 | (Audited) December 31, 2025 |
|---|---|---|---|
| | | Rupees in thousands | |
| Claims against the Bank not acknowledged as debt | 26.3.1 | 134,427 | 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.

| 27 PROFIT / RETURN EARNED | (Unaudited) June 30, 2026 | (Unaudited) June 30, 2025 |
|---|---|---|
| | Rupees in thousands | |
| Financing | 6,937,925 | 6,329,244 |
| Investments in securities | 8,746,553 | 9,274,857 |
| Musharaka arrangements with financial institutions | 249,854 | 40,961 |
| Deposits with financial institutions | 656 | 1,277 |
| IFRS 9 adjustment for staff loan - notional | 9,749 | 30,739 |
| | 15,944,737 | 15,677,078 |

| 27.1 Profit / return earned recorded on financial assets measured at: | | |
|---|---|---|
| Financial assets measured at amortised cost | 8,748,625 | 8,241,938 |
| Financial assets measured at FVOCI | 7,155,589 | 7,389,935 |
| Financial assets measured at FVTPL | 40,523 | 45,205 |
| | 15,944,737 | 15,677,078 |

| 28 PROFIT / RETURN EXPENSED | | |
|---|---|---|
| Deposits and other accounts | 7,622,386 | 6,233,276 |
| Musharaka and other arrangements with the State Bank of Pakistan | 663,409 | 874,175 |
| Musharaka arrangements with other financial institutions | 824,693 | 1,159,376 |
| Musharaka arrangements with other institutions | 8,916 | 14,900 |
| Unwinding of lease liability against right-of-use assets | 230,300 | 202,085 |
| Deferred bonus | 709 | 1,607 |
| | 9,350,413 | 8,485,419 |

| | | Note | (Unaudited) June 30, 2026 | (Unaudited) June 30, 2025 |
|---|---|---|---|---|
| | | | Rupees in thousands | |
| 29 | **FEE AND COMMISSION INCOME** | | | |
| | Branch banking customer fees | | 11,717 | 10,252 |
| | Consumer finance related fees | | 13,755 | 15,977 |
| | Card related fees (debit and credit cards) | | 330,263 | 212,358 |
| | Credit related fees | | 7,314 | 23,929 |
| | Digital banking fees | | 101,891 | 55,756 |
| | Commission on trade | | 119,317 | 102,792 |
| | Commission on guarantees | | 61,445 | 49,196 |
| | Commission on cash management | | 18,441 | 28,106 |
| | Commission on remittances including home remittances | | 7,829 | 31,470 |
| | Commission on banca takaful | | 24,399 | 38,300 |
| | Locker rent | | 18,341 | 14,927 |
| | Others | | 1,183 | 1,380 |
| | | | 715,895 | 584,443 |
| 30 | **GAIN / (LOSS) ON SECURITIES - NET** | | | |
| | Realised | 30.1 | 139,393 | 6,980 |
| | Unrealised - measured at FVTPL | 10.1 | (36,919) | 2,145 |
| | | | 102,474 | 9,125 |
| 30.1 | Realised gain on: | | | |
| | Federal Government Securities - Sukuk certificates | | 135 | 6,980 |
| | Shares | | 139,258 | - |
| | | | 139,393 | 6,980 |
| 30.2 | Net gain on financial assets measured at FVTPL: | | | |
| | Designated upon initial recognition | | 102,474 | 9,125 |
| | | | 102,474 | 9,125 |
| 31 | **OTHER INCOME** | | | |
| | Gain on sale of property and equipment | | 43,614 | 528 |
| | Fees and charges recovered | | 12,041 | 1,777 |
| | Commission on arrangement with financial institutions | | 86,911 | 79,557 |
| | Gain on conversion of Ijarah agreements | | 1,641 | 4,395 |
| | | | 144,207 | 86,257 |
| 32 | **OPERATING EXPENSES** | | | |
| | **Total compensation expense** | | 3,140,419 | 2,598,741 |
| | **Property expense** | | | |
| | Rent and taxes | | 55,952 | 95,199 |
| | Takaful expenses | | 26,888 | 25,298 |
| | Utilities cost | | 185,429 | 172,188 |
| | Security (including guards) | | 369,028 | 336,379 |
| | Repairs and maintenance (including janitorial charges) | | 142,414 | 149,070 |
| | Depreciation on right-of-use assets | | 476,188 | 357,965 |
| | Depreciation | | 289,532 | 258,028 |
| | | | 1,545,431 | 1,394,127 |
| | **Information technology expenses** | | | |
| | Software maintenance | | 270,419 | 187,644 |
| | Hardware maintenance | | 114,311 | 50,803 |
| | Takaful expenses | | 2,840 | 3,299 |
| | Depreciation | | 142,405 | 121,710 |
| | Amortization | | 89,904 | 52,901 |
| | Network charges | | 119,651 | 103,676 |
| | | | 739,530 | 520,033 |
| | **Other operating expenses** | | | |
| | Directors' fees and allowances | | 5,900 | 4,800 |
| | Fees and allowances to Shari'ah Board | | 10,592 | 9,681 |
| | Legal and professional charges | | 38,462 | 34,642 |
| | Takaful expenses | | 124,528 | 124,364 |
| | Fee and subscription | | 708 | 2,480 |
| | Outsourced services costs | | 139,925 | 130,396 |
| | Travelling and conveyance | | 204,199 | 105,717 |
| | Repairs and maintenance of vehicles | | 2,937 | 5,106 |
| | NIFT clearing charges | | 32,893 | 28,016 |
| | Brokerage, commission and bank charges | | 34,550 | 26,021 |
| | Depreciation | | 12,166 | 11,268 |
| | Training and development | | 9,626 | 13,413 |
| | Postage and courier charges | | 36,097 | 33,997 |
| | Communication | | 106,263 | 114,950 |
| | Stationery and printing | | 84,890 | 95,938 |
| | Marketing, advertisement and publicity | | 92,857 | 134,052 |
| | Auditors' remuneration | | 10,965 | 10,965 |
| | Entertainment | | 43,418 | 50,997 |
| | Others | | 104,378 | 126,124 |
| | | | 1,095,354 | 1,062,927 |
| | | | 6,520,734 | 5,575,828 |

| | Note | (Unaudited) June 30, 2026 | (Unaudited) June 30, 2025 |
|---|---|---|---|
| | | Rupees in thousands | |
| **33 OTHER CHARGES** | | | |
| Penalties imposed by the State Bank of Pakistan | | **748** | 4,945 |
| | | **748** | 4,945 |
| **34 CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET** | | | |
| Credit loss allowance reversal against cash and balances with treasury banks | | **(2,608)** | (1,970) |
| Credit loss allowance against balances with other banks | | **809** | 43,890 |
| Credit loss allowance reversal against off balance sheet obligations | | **(58,242)** | (28,230) |
| Credit loss allowance against due from financial institutions | | **686** | 215 |
| Charge against general provision | | **-** | 151,911 |
| Credit loss allowance reversal against Islamic financing and related assets | 11.10 | **(306,551)** | (59,562) |
| Credit loss allowance (reversal) / charge against other assets | | **(14,491)** | 25,616 |
| | | **(380,397)** | 131,870 |
| **35 TAXATION** | | | |
| Current | | **727,579** | 1,393,957 |
| Prior years | | **-** | 523,766 |
| Deferred | | **241,220** | (637,381) |
| | | **968,799** | 1,280,342 |
| **36 BASIC AND DILUTED EARNINGS PER SHARE** | | | |
| Profit after taxation | | **893,522** | 1,048,243 |
| Weighted average number of ordinary shares | | **1,555,000** | 1,555,000 |
| | | Rupees | |
| Basic and diluted earnings per share | | **0.575** | 0.674 |
| **37 CASH AND CASH EQUIVALENTS** | | | |
| Cash and balances with treasury banks | 7 | **20,514,124** | 20,289,585 |
| Balances with other banks | 8 | **1,352,292** | 3,413,843 |
| Overdrawn nostro accounts | | **-** | (714) |
| | | **21,866,416** | 23,702,714 |

## 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:

| | June 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 | 155,732,900 | 117,443,169 | 38,289,731 | - | 155,732,900 |
| Shares | 254,090 | 254,090 | - | - | 254,090 |
| Non-Government Securities | 1,459,992 | - | 1,459,992 | - | 1,459,992 |
| | 157,446,982 | 117,697,259 | 39,749,723 | - | 157,446,982 |
| **Financial assets - disclosed but not measured at fair value** | | | | | |
| Investments - amortised cost | 28,199,141 | - | 28,199,141 | - | 28,199,141 |
| **Fair value of non-financial assets** | | | | | |
| Property and equipment (land and buildings) | 2,158,520 | - | 2,158,520 | - | 2,158,520 |
| **Off-balance sheet financial instruments** | | | | | |
| Foreign exchange contracts purchase | 17,881,319 | - | 161,088 | - | 161,088 |
| Foreign exchange contracts sale | 32,078,550 | - | 89,893 | - | 89,893 |

| | 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:

| | June 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 | (4,047,310) | 4,153,095 | 636,485 | 9,062 | 5,968,628 | (125,636) | 6,594,324 | - | 6,594,324 |
| Inter segment revenue - net | 9,252,798 | (3,970,374) | (374,664) | (6,450) | (5,197,982) | 296,672 | - | - | - |
| Other income | 573,362 | 166,510 | 15,349 | - | 647,459 | 43,648 | 1,446,328 | - | 1,446,328 |
| Total Income | 5,778,850 | 349,231 | 277,170 | 2,612 | 1,418,105 | 214,684 | 8,040,652 | - | 8,040,652 |
| Segment direct expenses | (3,381,319) | (140,170) | (156,552) | (186) | (41,528) | (2,838,973) | (6,558,728) | - | (6,558,728) |
| Inter segment expense allocation | (1,176,015) | (12,422) | (21,746) | (19) | (2,661) | 1,212,863 | - | - | - |
| Total expenses | (4,557,334) | (152,592) | (178,298) | (205) | (44,189) | (1,626,110) | (6,558,728) | - | (6,558,728) |
| Credit loss allowance / (reversal) | (55) | 367,739 | 6,838 | 2,246 | 1,112 | 2,517 | 380,397 | - | 380,397 |
| Profit / (loss) before tax | 1,221,461 | 564,378 | 105,710 | 4,653 | 1,375,028 | (1,408,909) | 1,862,321 | - | 1,862,321 |
| **Statement of financial position** | | | | | | | | | |
| Cash and bank balances | 6,601,112 | - | - | 30 | 15,192,698 | 70,628 | 21,864,468 | - | 21,864,468 |
| Investments | - | - | - | - | 185,646,123 | - | 185,646,123 | - | 185,646,123 |
| Net inter segment lending | 229,368,954 | - | - | 5,214 | - | 11,760,723 | 241,134,891 | (241,134,891) | - |
| Due from financial institutions | - | - | - | - | 29,545,961 | - | 29,545,961 | - | 29,545,961 |
| Islamic Financing - performing | 28,453,194 | 88,831,962 | 10,134,319 | - | - | 1,195,628 | 128,615,103 | - | 128,615,103 |
| - non-performing | 27,614 | 62,666 | 63,696 | - | - | - | 153,976 | - | 153,976 |
| Others | 4,189,611 | 1,719,627 | 406,250 | 75 | 4,168,030 | 19,665,255 | 30,148,848 | - | 30,148,848 |
| **Total Assets** | 268,640,485 | 90,614,255 | 10,604,265 | 5,319 | 234,552,812 | 32,692,234 | 637,109,370 | (241,134,891) | 395,974,479 |
| Bills payable | 3,131,445 | - | - | - | - | - | 3,131,445 | - | 3,131,445 |
| Due to financial institutions | 187,376 | 5,075,319 | - | - | 14,114,416 | (14) | 19,377,097 | - | 19,377,097 |
| Deposits and other accounts | 260,703,583 | 19,484,403 | 931,467 | - | 51,863,447 | 466 | 332,983,366 | - | 332,983,366 |
| Net inter segment borrowing | - | 64,990,128 | 8,697,821 | - | 167,446,942 | - | 241,134,891 | (241,134,891) | - |
| Others | 3,396,620 | 500,027 | 869,267 | 666 | 162,920 | 7,628,547 | 12,558,047 | - | 12,558,047 |
| **Total Liabilities** | 267,419,024 | 90,049,877 | 10,498,555 | 666 | 233,587,725 | 7,628,999 | 609,184,846 | (241,134,891) | 368,049,955 |
| Equity | 1,221,461 | 564,378 | 105,710 | 4,653 | 965,087 | 25,063,235 | 27,924,524 | - | 27,924,524 |
| **Total Equity and Liabilities** | 268,640,485 | 90,614,255 | 10,604,265 | 5,319 | 234,552,812 | 32,692,234 | 637,109,370 | (241,134,891) | 395,974,479 |
| **Contingencies and Commitments** | 49,561,079 | 23,708,952 | 50,076 | - | 49,959,869 | 659,424 | 123,939,400 | - | 123,939,400 |

| | Retail | Corporate | Consumer | Micro Finance | Treasury | Head Office | Sub-total | Elimination | Total |
|---|---|---|---|---|---|---|---|---|---|
| | June 30, 2025 (Unaudited) | | | | | | | | |
| | Rupees in thousands | | | | | | | | |
| **Statement of Profit and Loss Account** | | | | | | | | | |
| Net profit / return | (4,264,220) | 4,172,743 | 577,409 | 36,036 | 6,310,573 | 359,118 | 7,191,659 | - | 7,191,659 |
| Inter segment revenue - net | 9,271,540 | (4,392,569) | (353,389) | (23,901) | (5,099,247) | 597,566 | - | - | - |
| Other income | 497,501 | 143,948 | 15,670 | 4,730 | 239,009 | 1,313 | 902,171 | - | 902,171 |
| Total Income | 5,504,821 | (75,878) | 239,690 | 16,865 | 1,450,335 | 957,997 | 8,093,830 | - | 8,093,830 |
| Segment direct expenses | (3,093,525) | (125,900) | (134,836) | (2,183) | (34,203) | (2,242,728) | (5,633,375) | - | (5,633,375) |
| Inter segment expense allocation | (970,115) | (8,641) | (17,320) | (157) | (1,302) | 997,535 | - | - | - |
| Total expenses | (4,063,640) | (134,541) | (152,156) | (2,340) | (35,505) | (1,245,193) | (5,633,375) | - | (5,633,375) |
| Credit loss allowance / (reversal) | 13,340 | 24,186 | (22,289) | - | (42,136) | (104,971) | (131,870) | - | (131,870) |
| Profit / (loss) before tax | 1,454,521 | (186,233) | 65,245 | 14,525 | 1,372,694 | (392,167) | 2,328,585 | - | 2,328,585 |
| | 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.

Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these condensed interim financial statements are as follows:

| | June 30, 2026 (Unaudited) | | | | December 31, 2025 (Audited) | | | |
|---|---|---|---|---|---|---|---|---|
| | Parent | Directors | Key management personnel | Other related parties | Parent | Directors | Key management personnel | Other related parties |
| | Rupees in thousands | | | | Rupees in thousands | | | |
| **Balances with other banks** | | | | | | | | |
| In current accounts | 96,660 | - | - | - | 57,476 | - | - | - |
| | 96,660 | - | - | - | 57,476 | - | - | - |
| Credit loss allowance held againt balance with other banks | 479 | - | - | - | 508 | - | - | - |
| **Islamic financing and related assets** | | | | | | | | |
| Opening balance | - | 583 | 110,410 | 2,000,129 | - | 6,982 | 94,610 | 1,590,654 |
| Addition during the period / year | - | 48,159 | 71,767 | 796,044 | - | - | 88,880 | 2,321,910 |
| Repaid during the period / year | - | (583) | (27,233) | (789,055) | - | (6,399) | (73,080) | (1,912,435) |
| Transfer in / (out) - net | - | - | - | - | - | - | - | - |
| Closing balance | - | 48,159 | 154,944 | 2,007,118 | - | 583 | 110,410 | 2,000,129 |
| Credit loss allowance held against Islamic financing | - | 18 | 34 | 3,009 | - | - | 25 | 7,363 |
| **Property and equipment - Capital work in progress** | | | | | | | | |
| Advance paid against purchase of property | 20,000 | - | - | - | 20,000 | - | - | - |
| Right-of-use asset | 154,611 | - | - | - | 203,652 | - | - | - |
| | 174,611 | - | - | - | 223,652 | - | - | - |
| **Other assets** | | | | | | | | |
| Profit / return receivable | - | 144 | 7,793 | 36,555 | - | - | 7,088 | 31,216 |
| Prepaid expenses | - | - | 400 | 63,126 | - | - | 500 | - |
| Receivable under scheme of merger | 11,282 | - | - | - | 11,282 | - | - | - |
| Receivable under home remittance | 15,949 | - | - | - | 10,760 | - | - | - |
| | 27,231 | 144 | 8,193 | 99,681 | 22,042 | - | 7,588 | 31,216 |
| **Due to financial institutions** | | | | | | | | |
| Opening balance | 8,747,596 | - | - | - | - | - | - | - |
| Addition during the period / year | 93,994,416 | - | - | - | 105,742,434 | - | - | - |
| Repaid during the period / year | (101,927,596) | - | - | - | (96,994,838) | - | - | - |
| Closing balance | 814,416 | - | - | - | 8,747,596 | - | - | - |
| **Deposits and other accounts** | | | | | | | | |
| Opening balance | - | 55,703 | 117,530 | 760,267 | - | 52,720 | 107,131 | 3,633,162 |
| Received during the period / year | - | 923,629 | 244,818 | 9,376,979 | - | 4,081,665 | 566,290 | 21,204,844 |
| Withdrawn during the period / year | - | (69,259) | (226,873) | (7,579,957) | - | (4,078,682) | (554,338) | (21,519,350) |
| Transfer in / (out) - net | - | (35,805) | (6,948) | (599) | - | - | (1,553) | (2,558,389) |
| Closing balance | - | 874,268 | 128,527 | 2,556,690 | - | 55,703 | 117,530 | 760,267 |
| **Lease liabilities** | 192,902 | - | - | - | 240,021 | - | - | - |
| **Other liabilities** | | | | | | | | |
| Profit / return payable | 7,719 | 375 | 760 | 3,392 | 80,670 | 311 | 717 | 4,283 |
| Accrued expenses | - | - | - | 52,709 | - | - | - | 53,501 |
| Unearned Income | - | - | - | 3,464 | - | - | - | 2,373 |
| Meeting fee payable | - | 194 | - | - | - | 194 | - | - |
| Other payables | 11,171 | - | - | - | 2,977 | - | - | - |
| | 18,890 | 569 | 760 | 59,565 | 83,647 | 505 | 717 | 60,157 |
| **Contingencies and Commitments** | | | | | | | | |
| Letter of Credit | - | - | - | 713,599 | - | - | - | 651,380 |
| Letter of Guarantee | 137,499 | - | - | 1,824,436 | 137,913 | - | - | 1,825,539 |
| Forward exchange contract | | | | | | | | |
| Purchase | - | - | - | - | 1,120,840 | - | - | - |

| | June 30, 2026 (Unaudited) | | | | June 30, 2025 (Unaudited) | | | |
|---|---|---|---|---|---|---|---|---|
| | Parent | Directors | Key management personnel | Other related parties | Parent | Directors | Key management personnel | Other related parties |
| | Rupees in thousands | | | | Rupees in thousands | | | |
| **Transactions during the period** | | | | | | | | |
| **Income** | | | | | | | | |
| Profit / return earned | - | 834 | 3,792 | 86,823 | - | 140 | 5,296 | 85,753 |
| Commission income | - | - | - | 27,417 | - | - | - | 42,205 |
| Other income | - | 10 | 10 | - | - | 24 | - | - |
| | - | 844 | 3,802 | 114,240 | - | 164 | 5,296 | 127,958 |
| **Expense** | | | | | | | | |
| Profit / return expensed | 244,325 | 3,311 | 4,222 | 15,913 | 191,558 | 4,653 | 4,063 | 25,882 |
| Takaful expense | - | - | - | 143,732 | - | - | - | 238,742 |
| Other expense | 1,419 | - | - | 113 | 1,374 | - | - | 245 |
| | 245,744 | 3,311 | 4,222 | 159,758 | 192,932 | 4,653 | 4,063 | 264,869 |
| **Other transactions during the period** | | | | | | | | |
| Fee paid | - | 5,900 | - | - | - | 4,800 | - | - |
| Managerial remuneration paid | - | 60,203 | 219,551 | - | - | 66,363 | 195,044 | - |
| Contribution paid to provident fund | - | - | - | 155,855 | - | - | - | 128,419 |
| Re-imbursement under home remittance payments | 1,674,574 | - | - | - | 2,798,340 | - | - | - |
| Proceeds from sale of property and equipment | - | 59 | 10 | - | - | 40 | - | - |
| Payment made against expenses (including lease liabilities) | 69,533 | - | - | 212,860 | 73,684 | - | - | 245 |
| Foreign currency purchase | 24,088,918 | - | - | - | 13,972,354 | - | - | - |
| Foreign currency sale | 29,812,390 | - | - | - | 14,670,632 | - | - | - |

## 41 CAPITAL ADEQUACY, LEVERAGE RATIO AND LIQUIDITY REQUIREMENTS

| | (Unaudited) June 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 | **25,917,112** | 24,903,849 |
| Eligible Additional Tier 1 (ADT 1) Capital | **-** | - |
| Total Eligible Tier 1 Capital | **25,917,112** | 24,903,849 |
| Eligible Tier 2 Capital | **1,206,356** | 2,258,334 |
| Total Eligible Capital (Tier 1 + Tier 2) | **27,123,468** | 27,162,183 |
| **Risk Weighted Assets (RWAs):** | | |
| Credit Risk | **124,373,538** | 111,004,758 |
| Market Risk | **17,700,017** | 9,593,524 |
| Operational Risk | **34,615,196** | 34,615,196 |
| Total | **176,688,751** | 155,213,478 |
| **Common Equity Tier 1 Capital Adequacy Ratio** | **14.67%** | 16.04% |
| **Tier 1 Capital Adequacy Ratio** | **14.67%** | 16.04% |
| **Total Capital Adequacy Ratio** | **15.35%** | 17.50% |
| **Leverage Ratio (LR):** | | |
| Eligible Tier-1 Capital | **25,917,112** | 24,903,849 |
| Total Exposures | **441,381,196** | 389,825,057 |
| Leverage Ratio | **5.87%** | 6.39% |
| **Liquidity Coverage Ratio (LCR):** | | |
| Total High Quality Liquid Assets | **150,219,739** | 134,890,843 |
| Total Net Cash Outflow | **101,305,936** | 98,796,998 |
| Liquidity Coverage Ratio | **148.28%** | 136.53% |
| **Net Stable Funding Ratio (NSFR):** | | |
| Total Available Stable Funding | **291,962,955** | 214,965,789 |
| Total Required Stable Funding | **145,091,199** | 147,014,785 |
| Net Stable Funding Ratio | **201.23%** | 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 August 04, 2026 by the Board of Directors of the Bank.

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

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