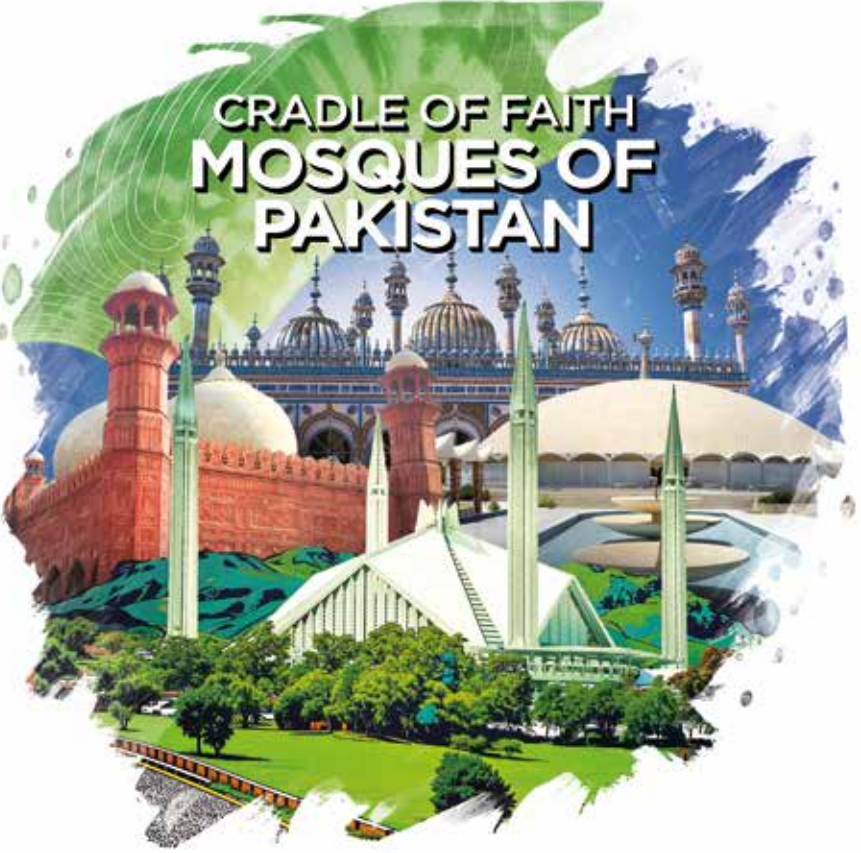


# BankIslami

PAKISTAN'S  
**BEST ISLAMIC**  
BANK  
CERTIFIED BY  
EUROMONEY



## CRADLE OF FAITH MOSQUES OF PAKISTAN



## QUARTERLY REPORT MARCH 2026

SAVING HUMANITY  
FROM **RIBA**

آئیں انسانیت کو  
سود سے بچائیں



# Content

- 02 Corporate Information
- 04 Directors' Report to the Members
- 13 Directors' Report to the Members (Urdu)
- 16 Condensed Interim Unconsolidated Statement of Financial Position
- 17 Condensed Interim Unconsolidated Profit and Loss Account (Un-audited)
- 18 Condensed Interim Unconsolidated Statement of Comprehensive Income (Un-audited)
- 19 Condensed Interim Unconsolidated Statement of Changes in Equity
- 20 Condensed Interim Unconsolidated Cash Flow Statement (Un-audited)
- 21 Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements
- 58 Condensed Interim Consolidated Statement of Financial Position
- 59 Condensed Interim Consolidated Profit and Loss Account (Un-audited)
- 60 Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited)
- 61 Condensed Interim Consolidated Statement of Changes in Equity
- 62 Condensed Interim Consolidated Cash Flow Statement (Un-audited)
- 63 Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

## Corporate Information

### Board of Directors

Mr. Suleman Lalani	Chairman (Non-Executive Director)
Mr. Rizwan Ata	President & Chief Executive Officer
Mr. Akhtar Abbas	Independent Director
Mr. Haider Ali Hilaly	Independent Director
Mr. Kalim Ur Rahman	Non-Executive Director
Ms. Kokab Sadiq Qureshi	Non-Executive Director
Mr. Sulaiman Sadruddin Mehdi	Independent Director
Mr. Syed Ali Hasham	Executive Director

### Shariah Board

Dr. Mufti Irshad Ahmad Aijaz	Chairperson
Mufti Javed Ahmad	Resident Shariah Board Member
Mufti Muhammad Husain Khaleel Khail	Member
Mufti Syed Hussain Ahmed	Member

### Board Audit Committee

Mr. Haider Ali Hilaly	Chairperson
Mr. Kalim Ur Rahman	Member
Mr. Sulaiman Sadruddin Mehdi	Member

### Board Risk Management Committee

Mr. Kalim Ur Rahman	Chairperson
Mr. Sulaiman Sadruddin Mehdi	Member
Mr. Rizwan Ata, President & Chief Executive Officer	Member

### Board Human Resource & Remuneration Committee

Mr. Akhtar Abbas	Chairperson
Mr. Kalim Ur Rahman	Member
Mr. Sulaiman Sadruddin Mehdi	Member
Mr. Suleman Lalani	Member

### Board Information Technology Committee

Mr. Haider Ali Hilaly	Chairperson
Mr. Akhtar Abbas	Member
Mr. Suleman Lalani	Member
Mr. Rizwan Ata, President & Chief Executive Officer	Member

### Company Secretary

Mr. Hasan Shahid

### Chief Financial Officer

Mr. Syed Majid Ali

### Auditors

BDO Ebrahim & Co.,  
Chartered Accountants

### Legal Advisers

Haidermota & Co.  
Mohsin Tayebaly & Co.

### Management (in alphabetical order)

Rizwan Ata	President & Chief Executive Officer
Imran Haleem Shaikh	Deputy Chief Executive Officer
Sohail Sikandar	Chief Operations Officer
Anjum Amin Siddiqui	Chief Compliance Officer
Ashfaque Ahmed	Chief Officer ALK
Faisal Anwar	Group Head Treasury & Financial Institution
Hasan Saeed Akbar	Head - Marketing & Strategy
Hasan Shahid	Company Secretary
Kabir Ahmad Qureshi	Group Head Distribution & Business Banking
Kazi Shahid Tanvir	Head Strategy
Muhammad Ayub	Head Service Quality & CX
Muhammad Haris Munawar	Head wholesale banking
Muhammad Irfan Ahmed	Head Shariah Compliance
Muhammad Uzair Sipra	Head of Legal
Muzammil Aslam	Group Head Operations
Ram Pal Punshi	Principal Credit Advisor
Saira Gabol	Group Head Human Resource
Sajjad Hussain Qureshi	Chief Risk Officer
Syed Ali Hasham	Deputy Head Investment Banking
Syed Amir Raza Zaidi	Chief Internal Auditor
Syed Majid Ali	Chief Financial Officer
Syed Mohammad Mujeeb	Chief Information Officer
Wajid Hussain Junejo	Group Head Administration
Waqas Anis	Chief Digital Officer
Zulfiqar Lehri	Group Head Consumer & Channel Sales

### Registered Office

11th Floor, Executive Tower, Dolmen City, Marine Drive, Block-4, Clifton, Karachi.  
Phone (92-21) 111-247(BIP)-111 Fax: (92-21) 35378373  
Email: info@bankislami.com.pk

### Share Registrar

CDC Share Registrar Services Limited  
Head Office: CDC House, 99 – B, Block 'B',  
S.M.C.H.S., Main Shahra-e-Faisal Karachi- 74400.  
Tel: (92) 0800-23275 Fax: (92-21) 34326053  
URL: www.cdcsrsl.com  
Email: info@cdcsrsl.com

### Website

www.bankislami.com.pk

## Directors' Report to the Members

### Dear Members,

On behalf of the Board of Directors, we are pleased to present the condensed interim un-audited stand-alone Financial Statements of BankIslami Pakistan Limited ('the Bank' or 'BankIslami') along with the consolidated Financial Statements for the first quarter ended March 31, 2026.

### Economy Snapshot

The beginning of CY2026 witnessed Pakistan's economy continuing on its path of stabilization; supported by prudent macroeconomic management and progress under the IMF program. However, US-Israel Iran war in the Middle East has introduced exogenous risks to the largely positive economic outlook. Despite inflation staying within a manageable range and external account position remaining healthy as of April 2026, higher international oil prices and continued closure of the Strait of Hormuz has the potential to considerably raise inflation readings and impact external account position negatively.

The State Bank of Pakistan projects Real GDP growth for FY2025-26 in the range of 3.75% to 4.75% (compared to 3.06% growth in preceding year), backed by modest recovery in economic activity particularly in the industrial and services sectors. This growth target appears realistic and achievable while considering that a provisional growth of 3.76% has already been posted during 1HFY26; primarily attributable to the growth in the industrial sector. However, significant downside risks exist to the growth outlook within the backdrop of the current geopolitical atmosphere.

Inflation exhibited an upward trend during the quarter, explained by the base effect and an increase in energy and transport costs, further reflecting in increased prices of perishable food items. Inflation reading for March 2026 stood at 7.3% compared to 5.61% for December 2025. The Monetary Policy Committee (MPC), in its meetings held on January 26th and March 9th, 2026 maintained a cautious stance in keeping the Policy Rate unchanged at 10.5% to maintain adequate positive real interest rates and restrain inflationary pressures, while simultaneously supporting economic recovery. The recent uptick in secondary market and cut-off yields on Government securities reflect expected risks to future inflation projections, currency parity, and external account vulnerabilities.

On the fiscal side, the government continued its consolidation efforts during 1HFY26, in line with commitments under the IMF program. Tax collection while improving by 9.53% over the previous year, remained short of target by PKR 329 billion i.e. against the 1HFY26 tax collection target of PKR 6,490 billion, actual tax collection stood at PKR 6,161 billion. The share of annual SBP profits and the decline in domestic debt servicing expenses made a significant contribution towards a fiscal surplus of PKR 542 billion representing 0.42% of GDP for 1HFY26. However fiscal management challenges are expected to continue, as a slowdown in economic activity and shift in monetary policy stance is expected to impact the fiscal buffer created during 1HFY26.

External account position remained healthy during the quarter with two consecutive Current Account Surplus recorded during January and February 2026. However, higher import bill due to higher oil prices and weak export performance is likely to widen Current Account Deficit going forward. Remittances that have largely supported the Current Account so far, are also expected to depict some decline due to the current situation in the Middle East.

Similarly, foreign exchange reserves remained stable at around USD 21.8 billion at the end of the quarter, while PKR appreciated against USD by 0.35% during the quarter. However, external debt repayments and expected current account deficits due to higher oil prices may place some strain on both foreign exchange reserves and current account balance. Continued support of multilateral and bilateral partners along with the expected receipt of next tranche of the IMF program, for which Staff Level Agreement (SLA) has already been reached, is expected to provide support to the external account.

While the economy stays resilient and macroeconomic indicators have shown stability thus far, economic recovery remains fragile and now contingent upon quick and long-lasting resolution of the US-Israel Iran war. Similarly, disciplined implementation of reforms, policy consistency, and sustained support from international partners is essential for maintaining economic stability.

(Source: State Bank of Pakistan, Pakistan Bureau of Statistics, Ministry of Finance, News Reports)

## Overview of Financial Performance

Following are the key financial highlights for the quarter ended March 31, 2026:

Key Balance Sheet Numbers	March 2026	March 2025	December 2025	Change from March 2025	Change from December 2025
----- Rupees in 000 -----					
Deposits	<b>645,778,169</b>	576,632,018	660,183,339	11.99%	-2.18%
Financing & related assets - net	<b>293,449,253</b>	283,923,910	291,750,609	3.35%	0.58%
Investments – net	<b>341,852,576</b>	347,258,704	322,887,104	-1.56%	5.87%
Due to FI	<b>33,779,117</b>	86,552,148	14,613,108	-60.97%	131.16%
Due from FI	<b>19,699,229</b>	1,000,000	18,999,952	1869.92%	3.68%
Net Assets	<b>46,571,139</b>	45,414,608	48,613,908	2.55%	-4.20%

Key Income and Expense Numbers	March 2026	March 2025	Change
----- Rupees in 000 -----			
Profit / return earned	<b>16,679,593</b>	19,765,960	-15.61%
Profit / return expensed	<b>8,275,398</b>	10,544,609	-21.52%
Net spread earned	<b>8,404,195</b>	9,221,351	-8.86%
Fee, commission and other income	<b>1,403,680</b>	3,148,612	-55.42%
Total Income	<b>9,807,875</b>	12,369,963	-20.71%
Operating Expenses	<b>8,471,227</b>	7,053,329	20.10%
Profit before Taxation	<b>1,873,029</b>	5,491,099	-65.89%
Profit after taxation	<b>900,105</b>	2,613,726	-65.56%
Earnings per share (in rupees)	<b>0.8119</b>	2.3575	-65.56%

The Bank maintained a stable financial position during the first quarter of 2026. The deposit base stood at Rs. 645.8 billion as at March 31, 2026, representing a significant growth of 12% compared to March 31, 2025, while recording a slight decline of 2.2% from December 31, 2025, primarily due to the reduction in high-cost deposits in line with the Bank's strategy. The CASA portfolio recorded a growth of 2.8% during the quarter, with the CASA ratio improving to 74.9% as at March 31, 2026, compared to 71.2% as at December 31, 2025, and 64.3% as at March 31, 2025. This improvement reflects the Bank's strategic focus on optimizing its deposit mix through diversified channels, including trade finance, employee banking, and cash management, while continuing to prioritize CASA growth.

The Bank's gross financing portfolio remained stable, registering a marginal increase of 0.3% to stand at Rs. 323 billion as at March 31, 2026. The Advance-to-Deposit Ratio (ADR) improved to 50%, compared to 48.8% as at December 31, 2025, primarily due to the reduction in high-cost deposits in line with the Bank's funding strategy. From a risk management perspective, the Bank's delinquent financing ratio improved to 6.6%, compared to 6.8% as at December 31, 2025, and 7.2% as at March 31, 2025. This reflects the Bank's prudent financing approach and disciplined risk management practices. Furthermore, the coverage ratio remained strong at 114%, which indicates adequate provisioning and reinforces the Bank's sound credit risk management framework.

During the quarter ended March 31, 2026, the Bank's investment portfolio increased by 5.9% from December 31, 2025, to Rs. 341.9 billion. The Investment-to-Deposit Ratio (IDR) improved to 52.9%, compared to 48.9% as at December 31, 2025. In the prevailing environment, the Bank is cautiously exploring investment opportunities, with a focus on optimizing returns through dividend income, coupon income, and capital gains.

A strong capital base continues to remain fundamental to the Bank's operations. The Bank has consistently maintained capital levels above the applicable regulatory requirements, thereby sustaining its risk absorption capacity amid evolving market conditions. As of March 31, 2026, the Bank's Capital Adequacy Ratio (CAR) stood at 15.4% compared to 16.5% as at December 2025. The decrease is mainly driven by a reduction in revaluation surplus on investments.

During the quarter ended March 31, 2026, the Bank's net spread declined to Rs. 8.4 billion, representing a decrease of 8.9% compared to the corresponding period last year. This decline was primarily attributable to the reduction in policy rates, with the average KIBOR decreasing from approximately 11.9% in Q1 2025 to around 10.7% during the current period. Total income for the period also declined, mainly due to lower capital gains. Additionally, operating expenses increased by 20.1% year-on-year, reflecting the impact of prevailing inflationary pressures as well as the Bank's continued investments in technology and infrastructure. The Bank remains focused on strengthening its low-cost funding base, maintaining cost discipline, and advancing strategic initiatives to enhance long-term sustainable profitability.

## Group Results

During the quarter ended March 31, 2026, the Group's total asset base stood at Rs. 767.3 billion, reflecting a slight decline of 0.4% compared to December 31, 2025. While earning assets increased during the period. The Group recorded total income of Rs. 9.8 billion and a profit before tax of Rs. 1.9 billion for the quarter.

Subsequent to the reporting period, the State Bank of Pakistan (SBP) granted approval to BIPL Exchange (Private) Limited for commencement of operations. The Group anticipates that this development will support future growth and remains committed to delivering long-term value through Shariah-compliant excellence and proactive balance sheet management.

## Acknowledgements

The Board wishes to express its profound gratitude to the State Bank of Pakistan for their invaluable assistance and guidance. Additionally, we extend our appreciation to the Securities and Exchange Commission of Pakistan and other regulatory bodies for their unwavering support towards the Bank's endeavors. Our sincere gratitude goes out to our esteemed customers, valued business partners, and shareholders for their continuous loyalty and trust.

Furthermore, we would like to recognize the exceptional dedication, commitment, and tireless efforts exhibited by our management team and employees. Their contributions have been instrumental in propelling BankIslami to a prominent position within the broader banking sector and particularly in the Islamic Banking industry.

On behalf of the Board,

### **Rizwan Ata**

President & Chief Executive Officer

Karachi: April 24, 2026

### **Suleman Lalani**

Chairman of the Board of Directors

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## اظہار تشکر

بورڈ اسٹیٹ بینک آف پاکستان کا ان کی قیمتی رہنمائی اور مسلسل معاونت پر تہہ دل سے مشکور ہے۔ علاوہ ازیں، ہم سیکورٹیز اینڈ انویسٹمنٹ کمیشن آف پاکستان اور دیگر ریگولیٹری اداروں کے تعاون کو بھی قدر کی نگاہ سے دیکھتے ہیں۔ ہم اپنے معزز صارفین، کاروباری شراکت داروں اور شیئرز ہولڈرز کے اعتماد اور مسلسل تعاون پر دلی تشکر کا اظہار کرتے ہیں۔

مزید برآں، ہم اپنی انتظامیہ اور ملازمین کی غیر معمولی محنت، عزم اور لگن کو سراہتے ہیں، جن کی کاوشوں نے بینک اسلامی کو نہ صرف بینکاری کے شعبے بلکہ بالخصوص اسلامی بینکاری میں ایک نمایاں مقام دلانے میں اہم کردار ادا کیا ہے۔

منجانب وحسب الحکم بورڈ

سلیمان لالانی

چیئرمین، بورڈ آف ڈائریکٹرز

رضوان عطاء

صدر و چیف ایگزیکٹو آفیسر

کراچی: 24 اپریل 2026

زیر جائزہ سہ ماہی کے دوران بینک کے سرمایہ کاری پورٹ فولیو میں 31 دسمبر 2025 کے مقابلے میں 5.9 فیصد اضافہ ہوا اور یہ 341.9 ارب روپے تک پہنچ گیا۔ انویسٹمنٹ ٹوڈ پلازٹ ریشو (IDR) بہتر ہو کر 52.9 فیصد ہو گیا، جو 31 دسمبر 2025 کو 48.9 فیصد تھا۔ موجودہ معاشی حالات میں بینک محتاط انداز میں سرمایہ کاری کے مواقع تلاش کر رہا ہے، جس میں بنیادی توجہ منافع منقسم سے آمدن، کوپن آمدن اور اثاثوں کی فروخت سے نفع کے ذریعے منافع کو بہتر بنانے پر ہے۔

مضبوط بنیادی سرمایہ بینک کے نظام کار کا اساس رہا ہے۔ بینک مسلسل ریگولیٹری تقاضوں سے بلند کیسٹیل سطح برقرار رکھے ہوئے ہے، جس کے باعث بدلتے ہوئے مارکیٹ حالات میں خطرات کو جذب کرنے کی صلاحیت برقرار ہے۔ 31 مارچ 2026 تک کیسٹیل ایڈیکویسی ریشو (CAR) 15.4 فیصد رہا، جبکہ دسمبر 2025 میں یہ 16.5 فیصد تھا۔ اس کی بنیادی وجہ سرمایہ کاری اثاثوں کی قدر کا زمر نو تعین ہونے پر کمی ہے۔

31 مارچ 2026 کو ختم ہونے والی سہ ماہی کے دوران بینک کی صافی آمدن کم ہو کر 8.4 ارب روپے رہی، جو گزشتہ سال کے اسی عرصے کے مقابلے میں 8.9 فیصد کمی کو ظاہر کرتا ہے۔ یہ کمی بنیادی طور پر پالیسی ریشو میں کمی کے باعث ہوئی، جس کے نتیجے میں اوسط KIBOR تقریباً 11.9 فیصد (Q1 2025) سے کم ہو کر موجودہ مدت میں تقریباً 10.7 فیصد رہ گیا۔ اسی طرح، اثاثوں کی فروخت سے نفع میں کمی کے باعث کل آمدن میں بھی کمی ریکارڈ کی گئی۔ مزید برآں، آپریٹنگ اخراجات میں سال بہ سال 20.1 فیصد اضافہ ہوا، جو مہنگائی کے دباؤ اور ٹیکنالوجی و بنیادی ڈھانچے میں مسلسل سرمایہ کاری کا نتیجہ ہے۔ بینک کم لاگت فنڈنگ نہیں کو مستحکم بنانے، اخراجات پر قابو برقرار رکھنے، اور طویل مدت کے پائیدار منافع کے حصول کے لیے حکمت عملی پر مبنی اقدامات پر توجہ مرکوز کیے ہوئے ہے۔

## گروپ نتائج

31 مارچ 2026 کو ختم ہونے والی سہ ماہی کے دوران گروپ کے کل اثاثے 767.3 ارب روپے رہے، جو 31 دسمبر 2025 کے مقابلے میں 0.4 فیصد معمولی کمی کو ظاہر کرتے ہیں، اگرچہ اس دوران منافع بخش اثاثوں میں اضافہ ہوا۔ گروپ نے اس سہ ماہی میں کل آمدن 9.8 ارب روپے اور قبل از حصول منافع 1.9 ارب روپے ریکارڈ کیا۔

رپورٹنگ مدت کے بعد، اسٹیٹ بینک آف پاکستان نے BIPL Exchange (Private) Limited کو کاروباری سرگرمیوں کے آغاز کی منظوری فراہم کر دی ہے۔ گروپ کو توقع ہے کہ یہ پیش رفت مستقبل میں ترقی کے مواقع فراہم کرے گی، اور وہ شریعہ سے ہم آہنگ بہترین خدمات اور فعال ہیلتھ شیٹ کے انتظام کے ذریعے طویل مدتی قدر کی فراہمی کے لیے پرعزم ہے۔

تبدیلی	مارچ 2025		مارچ 2026		مناخ اور اخراجات کے اہم اعداد و شمار
	روپے ہزار میں	%	روپے ہزار میں	%	
	19,765,960	-15.61%	16,679,593		حاصل کردہ مناخ / آمدن
	10,544,609	-21.52%	8,275,398		خرچ کردہ مناخ / آمدن
	9,221,351	-8.86%	8,404,195		حاصل کردہ صافی آمدن
	3,148,612	-55.42%	1,403,680		فیس، کمیشن اور دیگر آمدن
	12,369,963	-20.71%	9,807,875		کل آمدن
	7,053,329	20.10%	8,471,227		انتظامی اخراجات
	5,491,099	-65.89%	1,873,029		قبل از محصول مناخ
	2,613,726	-65.56%	900,105		بعد از محصول مناخ
	2.3575	-65.56%	0.8119		فی شخص آمدن (روپے میں)

بینک نے سال 2026 کی پہلی سہ ماہی کے دوران اپنی مالی پوزیشن کو مستحکم رکھا۔ 31 مارچ 2026 کو ڈپازٹس کا حجم 645.8 ارب روپے تک پہنچ گیا، جو 31 مارچ 2025 کے مقابلے میں 12 فیصد نمایاں اضافہ ظاہر کرتا ہے، جبکہ 31 دسمبر 2025 کے مقابلے میں 2.2 فیصد معمولی کمی ریکارڈ کی گئی، جس کی بنیادی وجہ بینک کی حکمت عملی کے مطابق ٹینگے ڈپازٹس میں کمی ہے۔

CASA پورٹ فولیو میں رواں سہ ماہی کے دوران 2.8 فیصد اضافہ ہوا، جبکہ CASA تناسب 31 مارچ 2026 تک 74.9 فیصد تک بہتر ہو گیا، جو 31 دسمبر 2025 کو 71.2 فیصد اور 31 مارچ 2025 کو 64.3 فیصد تھا۔ یہ بہتری بینک کی اس حکمت عملی کی عکاسی کرتی ہے جس کے تحت متنوع ذرائع بشمول ٹریڈ فنانس، ایسپلانی بینکنگ اور کمیشن ٹینگے کے ذریعے ڈپازٹ کس کو بہتر بنایا جا رہا ہے، اور ساتھ ہی CASA میں اضافہ کو ترجیح دی جا رہی ہے۔

بینک کا مجموعی فنانسنگ پورٹ فولیو مستحکم رہا اور 0.3 فیصد کے معمولی اضافے کے ساتھ 31 مارچ 2026 کو 323 ارب روپے تک پہنچ گیا۔ ایڈوانس ٹو ڈپازٹ ریٹو (ADR) بہتر ہو کر 50 فیصد ہو گیا، جو 31 دسمبر 2025 کو 48.8 فیصد تھا، جس کی بنیادی وجہ ٹینگے ڈپازٹس میں کمی ہے۔ خطرات کی حکمت عملی کے نقطہ نظر سے، نادہندہ فنانسنگ کا تناسب بہتر ہو کر 6.6 فیصد ہو گیا، جو 31 دسمبر 2025 کو 6.8 فیصد اور 31 مارچ 2025 کو 7.2 فیصد تھا۔ یہ بہتری بینک کی محتاط فنانسنگ اور مؤثر خطرات کی حکمت عملی کی عکاسی کرتا ہے۔ مزید برآں، کوریج ریٹو 114 فیصد کی مضبوط سطح پر برقرار رہا، جو مناسب پروویڈنٹس اور مضبوط قرضہ جاتی خطرات کے انتظامی ڈھانچے کی نشاندہی کرتا ہے۔

میں کمی نے مالی سرپلس میں اہم کردار ادا کیا، جو 542 ارب روپے (جی ڈی پی کا 0.42 فیصد) رہا۔ تاہم، معاشی سرگرمیوں میں سست روی اور مائیکرو پالیسی میں تھمنا تبدیلیاں مستقبل میں مالیاتی استحکام کے لیے خطرات پیدا کر سکتی ہیں۔

بیرونی کھاتے کی پوزیشن رواں سہ ماہی کے دوران مستحکم رہی اور جنوری و فروری 2026 میں مسلسل کرنٹ کھاتے میں سرپلس ریکارڈ کیا گیا۔ تاہم، تیل کی بلند قیمتوں کے باعث درآمدی بل میں اضافہ اور برآمدات کی کمزور کارکردگی مستقبل میں کرنٹ کھاتے کے خسارے کو بڑھا سکتی ہے۔ ترسیلات زر، جو اب تک کرنٹ کھاتے کو سہارا دیتی رہی ہیں، مشرق وسطیٰ کی موجودہ صورتحال کے باعث کچھ کمی کا شکار ہو سکتی ہیں۔

اسی طرح زر مبادلہ کے ذخائر رواں سہ ماہی کے اختتام پر تقریباً 21.8 ارب امریکی ڈالر پر مستحکم رہے، جبکہ اسی مدت کے دوران پاکستانی روپے کی قدر امریکی ڈالر کے مقابلے میں 0.35 فیصد بڑھی۔ تاہم، بیرونی قرضوں کی ادائیگیاں اور تیل کی بڑھتی قیمتوں کے باعث متوقع کرنٹ کھاتے کا خسارہ زر مبادلہ کے ذخائر اور کرنٹ کھاتے کے بیلنس پر کسی حد تک دباؤ ڈال سکتا ہے۔ کثیرالجہتی اور دو طرفہ شراکت داروں کی مسلسل معاونت اور آئی ایم ایف پر وگرام کی اگلی قسط کی متوقع وصولی، جس کیلئے اسٹاف لیول معاہدہ ہو چکا ہے، بیرونی کھاتے کو سہارا فراہم کرنے کیلئے معاون ثابت ہوگی۔

اگرچہ معیشت نے ٹیک کا مظاہرہ کیا ہے اور معاشی اشاروں میں استحکام نظر آ رہا ہے، تاہم معاشی بحالی اب بھی حساس ہے اور بڑی حد تک امریکہ - اسرائیل اور ایران جنگ کے فوری اور پائیدار حل پر منحصر ہے۔ اسی طرح اصلاحات پر مؤثر عملدرآمد، پالیسیوں میں تسلسل، اور بین الاقوامی شراکت داروں کی مسلسل معاونت معاشی استحکام کے لیے نہایت ضروری ہیں۔

(ماخذ: اسٹیٹ بینک آف پاکستان، پاکستان بیورو آف اسٹیٹسٹکس، وزارت خزانہ، اخباری رپورٹس)

## مالیاتی کارکردگی کا جائزہ

31 مارچ 2026 کو ختم ہونے والی سہ ماہی کے لیے بینک کی نمایاں مالی جھلکیاں درج ذیل ہیں:

نیلنس شیٹ کے اہم اعداد و شمار	مارچ 2026	مارچ 2025	دسمبر 2025	مارچ 2025 کے مقابلے میں تبدیلی	دسمبر 2025 کے مقابلے میں تبدیلی
	روپے ہزار میں	روپے ہزار میں	روپے ہزار میں	%	%
ڈیپازٹس	645,778,169	576,632,018	660,183,339	-2.18%	11.99%
فنانسنگ اور متعلقہ اثاثے - صافی	293,449,253	283,923,910	291,750,609	0.58%	3.35%
سرمایہ کاری - صافی	341,852,576	347,258,704	322,887,104	5.87%	-1.56%
ایف آئی (FI's) کو واجب الادا	33,779,117	86,552,148	14,613,108	131.16%	-60.97%
ایف آئی (FI's) کی طرف واجب الادا	19,699,229	1,000,000	18,999,952	3.68%	1,869.92%
صافی اثاثے جات	46,571,139	45,414,608	48,613,908	-4.20%	2.55%

## ڈائریکٹرز کی ممبران کے لیے رپورٹ معزز اراکین،

بورڈ آف ڈائریکٹرز کی جانب سے، ہم 31 مارچ، 2026 کو مکمل ہونے والی پہلی سہ ماہی کے لیے بینک اسلامی پاکستان لمیٹڈ ('بینک' یا 'بینک اسلامی') کے مختصر عبوری غیر پڑتال شدہ انفرادی مالیاتی گوشواروں کے ہمراہ مربوط مالی گوشواروں کو پیش کرنے میں خوشی محسوس کر رہے ہیں۔

### معاشی جائزہ

سال تقویمی 2026 کے آغاز میں پاکستان کی معیشت استحکام کی راہ پر گامزن رہی، جسے محتاط معاشیاتی سطح کل کی انتظام کاری اور آئی ایم ایف پروگرام کے تحت ہونے والی پیش رفت سے تقویت ملی۔ تاہم، مشرق وسطیٰ میں امریکہ-اسرائیل اور ایران جنگ نے مجموعی طور پر مثبت اقتصادی منظر نامے کے لیے بیرونی خطرات پیدا کر دیے ہیں۔ اپریل 2026 تک افراط زر کے قابو میں رہنے اور بیرونی کھاتے کی مستحکم حالت رہنے کے باوجود، بین الاقوامی سطح پر تیل کی بلند قیمتیں اور آبنائے ہر مہرزی مسلسل بندش سے مہنگائی میں اضافے اور بیرونی کھاتے پر منفی اثرات مرتب ہونے کا خدشہ ہے۔

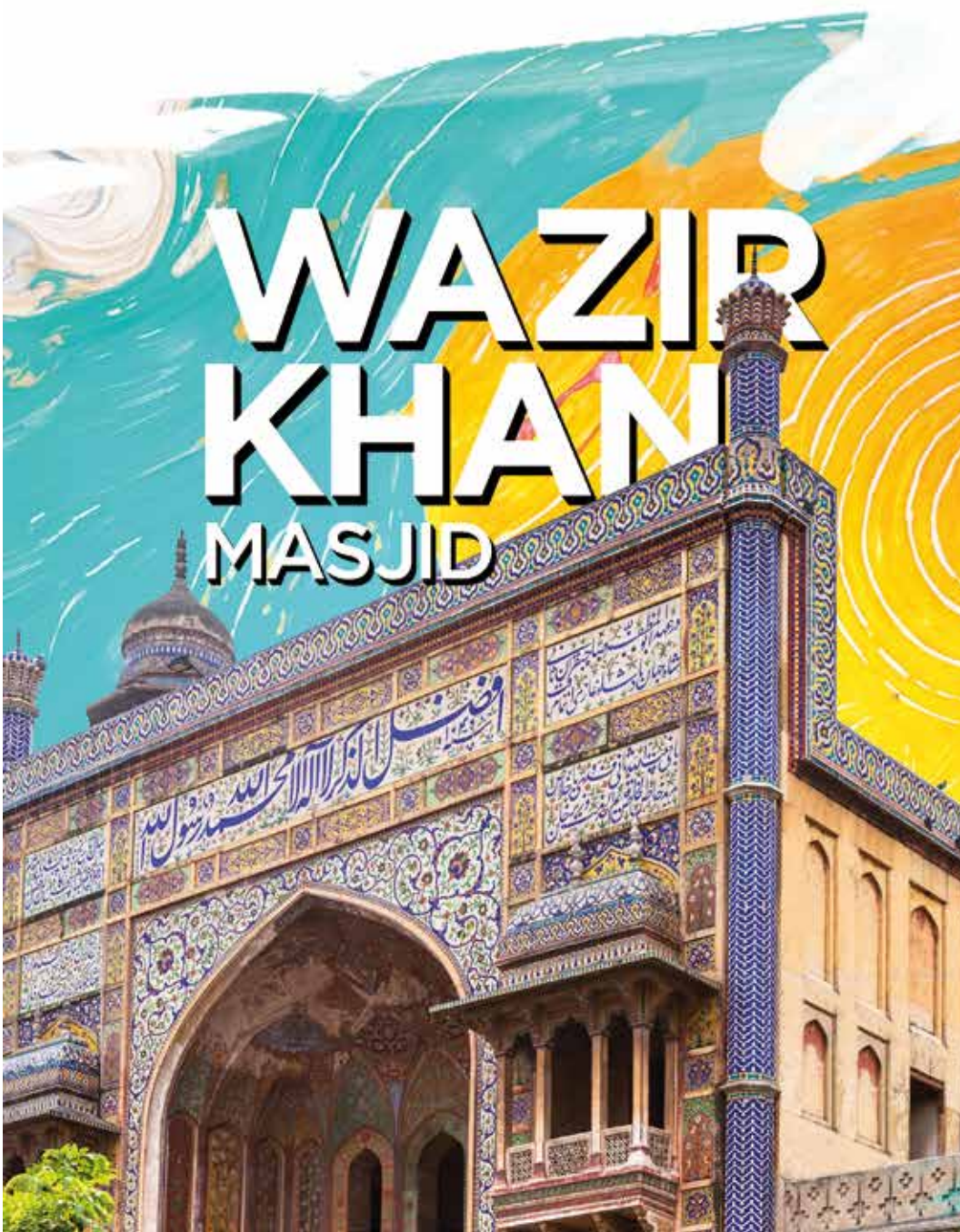
اسٹیٹ بینک آف پاکستان نے مالی سال 2025-26 کے لیے حقیقی جی ڈی پی شرح نمو 3.75 فیصد سے 4.75 فیصد کے درمیان رہنے کی پیش گوئی کی ہے (جو گزشتہ سال 3.06 فیصد تھی) جس کی بنیادی وجہ معاشی سرگرمیوں میں جزوی بحالی، خاص طور پر صنعتی اور خدمات کے شعبوں میں بہتری ہے۔ نمو کا یہ ہدف حقیقت پسندانہ اور قابل حصول معلوم ہوتا ہے کیونکہ مالی سال 2026 کے پہلے نصف میں 3.76 فیصد کی عبوری شرح نمو پہلے ہی حاصل ہو چکی ہے، جس کی بنیادی وجہ صنعتی شعبے میں ہونے والی ترقی ہے۔ تاہم، موجودہ جغرافیائی سیاسی صورتحال کے باعث نمو کے امکانات کو پیچھے کی جانب خطرات لاحق ہیں۔

رواں سہ ماہی کے دوران مہنگائی میں اضافہ دیکھا گیا، جس کی وجہ بنیادی اثر اور توانائی اثر اور نپورٹ کے اخراجات میں اضافہ تھا، جس کے نتیجے میں جلد خراب ہونے والی غذائی اشیاء کی قیمتیں بھی بڑھیں۔ مہنگائی کی شرح 7.3 فیصد رہی جبکہ دسمبر 2025 میں یہ 5.61 فیصد تھی۔ مائیکرو اینڈ ری پالیسی کمیٹی نے 26 جنوری اور 9 مارچ کو ہونے والے اپنے اجلاسوں میں محتاط پالیسی اپناتے ہوئے شرح سود کو 10.5 فیصد پر برقرار رکھا تاکہ مثبت حقیقی شرح سود کو یقینی بنایا جاسکے، مہنگائی کے دباؤ کو قابو میں رکھا جائے اور معاشی بحالی کو سہارا دیا جاسکے۔ بنانوی منڈی اور سرکاری سیکورٹیز کی کم از کم قابل قبول شرح میں حالیہ اضافہ مستقبل میں مہنگائی، شرح تبادلہ اور بیرونی کھاتے سے متعلق خدشات کی عکاسی کرتی ہیں۔

مالیاتی حجاز پر حکومت نے مالی سال کے پہلے نصف میں، آئی ایم ایف پروگرام کے تحت اپنی ذمہ داریوں کے مطابق مالی نظم و ضبط کی کوششیں جاری رکھیں۔ محصولاتی وصولیوں میں گزشتہ سال کے مقابلے میں 9.53 فیصد اضافہ ہوا، تاہم یہ ہدف سے 329 ارب روپے کم رہا یعنی جہاں ہدف 6,490 ارب روپے تھا، وہاں اصل وصولی 1,161 ارب روپے رہی۔ اسٹیٹ بینک آف پاکستان کے سالانہ منافع میں حصے اور مقامی قرضوں کی ادائیگی کے اخراجات

BankIslami

# WAZIR KHAN MASJID



# Unconsolidated Financial Statements

## Wazir Khan Masjid

The Wazir Khan Masjid in Lahore, is a 17th Century masterpiece of the Mughal artistry. Its walls come alive with colorful frescoes, kashi-kari tile work, floral motifs, and Quranic calligraphy.

Every inch of its design reflects intricate craftsmanship, making it one of the most visually captivating Masjids in South Asia.

## Condensed Interim Unconsolidated Statement of Financial Position

As at March 31, 2026

	(Un-audited) March 31, 2026	(Audited) December 31, 2025
Note ----- Rupees in '000 -----		
<b>ASSETS</b>		
Cash and balances with treasury banks	7 41,913,364	71,821,007
Balances with other banks	8 427,923	1,067,562
Due from financial institutions	9 19,699,229	18,999,952
Investments	10 341,852,576	322,887,104
Islamic financing, related assets and advances	11 293,449,253	291,750,609
Property and equipment	12 24,701,351	25,405,457
Right-of-use assets	13 5,309,037	5,655,325
Intangible assets	14 5,119,379	4,694,747
Deferred tax assets	15 5,773,696	4,404,883
Other assets	16 30,303,576	24,656,232
<b>Total Assets</b>	<b>768,549,384</b>	<b>771,342,878</b>
<b>LIABILITIES</b>		
Bills payable	17 6,168,224	9,895,158
Due to financial institutions	18 33,779,117	14,613,108
Deposits and other accounts	19 645,778,169	660,183,339
Lease liabilities	20 6,334,315	6,604,095
Subordinated sukuk	21 3,000,000	3,000,000
Deferred tax liabilities	- -	-
Other liabilities	22 26,918,420	28,433,270
<b>Total Liabilities</b>	<b>721,978,245</b>	<b>722,728,970</b>
<b>NET ASSETS</b>	<b>46,571,139</b>	<b>48,613,908</b>
<b>REPRESENTED BY</b>		
Share capital - net	23 11,007,991	11,007,991
Reserves	23 8,547,396	8,367,375
Surplus on revaluation of assets	24 2,745,814	4,315,560
Unappropriated profit	24 24,269,938	24,922,982
	<b>46,571,139</b>	<b>48,613,908</b>
<b>CONTINGENCIES AND COMMITMENTS</b>		
	25	

The annexed notes 1 to 41 form an integral part of these condensed interim unconsolidated financial statements.

----- -sd- -----	----- -sd- -----	----- -sd- -----	----- -sd- -----	----- -sd- -----
President / Chief Executive Officer	Chief Financial Officer	Chairman	Director	Director

# Condensed Interim Unconsolidated Profit and Loss Account (Un-audited)

For The Quarter Ended March 31, 2026

		March 31, 2026	March 31, 2025	
Note		----- Rupees in '000 -----		
	Profit / return earned	26	16,679,593	19,765,960
	Profit / return expensed	27	8,275,398	10,544,609
	Net profit / return		<u>8,404,195</u>	<u>9,221,351</u>
<b>OTHER INCOME</b>				
	Fee and commission income	28	846,871	735,048
	Dividend income		41,537	26,306
	Foreign exchange income		451,357	132,890
	(Loss) / income from shariah compliant alternative of forward foreign exchange contracts		(44,178)	106,405
	Gain on securities - net	29	64,158	2,107,651
	Net gains on derecognition of financial assets measured at amortised cost		-	-
	Other income	30	43,935	40,312
	Total other income		<u>1,403,680</u>	<u>3,148,612</u>
	<b>Total Income</b>		<u>9,807,875</u>	<u>12,369,963</u>
<b>OTHER EXPENSES</b>				
	Operating expenses	31	8,471,227	7,053,329
	Workers' welfare fund		38,225	112,063
	Other charges	32	4,528	113,436
	Total other expenses		<u>8,513,980</u>	<u>7,278,828</u>
	<b>Profit before credit loss allowance</b>		<u>1,293,895</u>	<u>5,091,135</u>
	Credit loss allowance, (reversal) and write offs - net	33	(579,134)	(399,964)
	Extra ordinary / unusual items		-	-
	<b>PROFIT BEFORE TAXATION</b>		<u>1,873,029</u>	<u>5,491,099</u>
	Taxation	34	972,924	2,877,373
	<b>PROFIT AFTER TAXATION</b>		<u>900,105</u>	<u>2,613,726</u>
----- Rupees -----				
	<b>Basic and Diluted earnings per share</b>	35	<u>0.81</u>	<u>2.36</u>

The annexed notes 1 to 41 form an integral part of these condensed interim unconsolidated financial statements.

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President / Chief Executive Officer	Chief Financial Officer	Chairman	Director	Director

## Condensed Interim Unconsolidated Statement of Comprehensive Income (Un-audited)

For The Quarter Ended March 31, 2026

	March 31, 2026	March 31, 2025
	----- Rupees in '000 -----	
<b>Profit after taxation for the period</b>	<b>900,105</b>	2,613,726
<b>Other comprehensive (loss) / income</b>		
<b>Items that may be reclassified to profit and loss account in subsequent periods:</b>		
Movement in surplus on revaluation of debt investments through FVOCI - net of tax	<b>(1,012,266)</b>	(4,132,504)
<b>Items that will not be reclassified to profit and loss account in subsequent periods:</b>		
Movement in surplus on revaluation of equity investments - net of tax	<b>(448,063)</b>	9,988
Movement in surplus on revaluation of property and equipment - net of tax	<b>(96,666)</b>	-
	<b>(544,729)</b>	9,988
<b>Total comprehensive loss</b>	<b><u>(656,890)</u></b>	<b><u>(1,508,790)</u></b>

The annexed notes 1 to 41 form an integral part of these condensed interim unconsolidated financial statements.

-sd-  
\_\_\_\_\_  
President /  
Chief Executive Officer

-sd-  
\_\_\_\_\_  
Chief Financial Officer

-sd-  
\_\_\_\_\_  
Chairman

-sd-  
\_\_\_\_\_  
Director

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\_\_\_\_\_  
Director

# Condensed Interim Unconsolidated Statement of Changes in Equity

For The Quarter Ended March 31, 2026

	Share capital	Discount on issue of shares	Statutory reserve*	Surplus on revaluation of		Unappropriated profit	Total
				Investments	Property & Equipment / Non Banking Assets		
Rupees in '000							
<b>Opening Balance as at January 01, 2025</b>	11,087,033	(79,042)	7,166,819	5,848,559	1,547,510	22,738,397	48,309,276
Profit after taxation for the quarter ended March 31, 2025	-	-	-	-	-	2,613,726	2,613,726
<b>Other comprehensive income for the quarter ended March 31, 2025 :</b>							
Movement in surplus on revaluation of investments in debt instruments - net of tax	-	-	-	(4,132,504)	-	-	(4,132,504)
Movement in surplus on revaluation of investments in equity instruments - net of tax	-	-	-	9,988	-	-	9,988
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	(4,122,516)	-	-	(4,122,516)
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	(20,539)	20,539	-
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	(66)	66	-
Transfer to statutory reserve	-	-	522,745	-	-	(522,745)	-
<b>Transactions with owners, recorded directly in equity</b>							
Final cash dividend to shareholders for the year 2024 @ Rs. 1.25 per share	-	-	-	-	-	(1,385,879)	(1,385,879)
<b>Opening Balance as at April 01, 2025 (Un-audited)</b>	<u>11,087,033</u>	<u>(79,042)</u>	<u>7,689,564</u>	<u>1,726,043</u>	<u>1,526,905</u>	<u>23,464,104</u>	<u>45,414,607</u>
Profit after taxation for the period from April 01, 2025 to December 31, 2025	-	-	-	-	-	3,389,056	3,389,056
<b>Other comprehensive income for the period from April 01, 2025 to December 31, 2025:</b>							
Movement in surplus on revaluation of investments in debt instruments - net of tax	-	-	-	(636,097)	-	-	(636,097)
Movement in surplus on revaluation of investments in equity instruments - net of tax	-	-	-	732,501	-	-	732,501
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	(32,064)	(32,064)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	1,410,267	-	1,410,267
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	(1,307)	-	(1,307)
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	96,404	1,408,960	(32,064)	1,473,300
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	(151,025)	151,025	-
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	58	(58)	-
Transfer from surplus on revaluation of property and equipment on sale to unappropriated profit - net of tax	-	-	-	-	(27,713)	27,713	-
Transfer from surplus on revaluation of non-banking assets on sale to unappropriated profit - net of tax	-	-	-	-	(184,884)	184,884	-
Gain on sale of equity instruments-FVOCI	-	-	-	(79,188)	-	79,188	-
Transfer to statutory reserve	-	-	677,811	-	-	(677,811)	-
<b>Transactions with owners, recorded directly in equity</b>							
First Interim cash dividend to shareholders for the year 2025 @ Rs. 1.5 per share	-	-	-	-	-	(1,663,055)	(1,663,055)
<b>Closing Balance as at December 31, 2025 (Audited)</b>	<u>11,087,033</u>	<u>(79,042)</u>	<u>8,367,375</u>	<u>1,743,259</u>	<u>2,572,301</u>	<u>24,922,982</u>	<u>48,613,908</u>
Profit after taxation for the quarter ended March 31, 2026	-	-	-	-	-	900,105	900,105
<b>Other comprehensive income for the quarter ended March 31, 2026 :</b>							
Movement in surplus on revaluation of investments in debt instruments - net of tax	-	-	-	(1,012,266)	-	-	(1,012,266)
Movement in surplus on revaluation of investments in equity instruments - net of tax	-	-	-	(448,063)	-	-	(448,063)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	(96,666)	-	(96,666)
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	(1,480,329)	(96,666)	-	(1,576,995)
Transfer from surplus on revaluation of property and equipment on sale to unappropriated profit - net of tax	-	-	-	-	(9,526)	9,526	-
Transfer from surplus on revaluation of property and equipment on sale to unappropriated profit - net of tax	-	-	-	-	(400)	400	-
Gain on sale of equity instruments-FVOCI	-	-	-	(2,825)	-	2,825	-
Transfer to statutory reserve	-	-	180,021	-	-	(180,021)	-
<b>Transactions with owners, recorded directly in equity</b>							
Final cash dividend to shareholders for the year 2025 @ Rs. 1.25 per share	-	-	-	-	-	(1,385,879)	(1,385,879)
<b>Closing Balance as at March 31, 2026 (Un-audited)</b>	<u>11,087,033</u>	<u>(79,042)</u>	<u>8,547,396</u>	<u>280,105</u>	<u>2,465,709</u>	<u>24,269,938</u>	<u>46,571,139</u>

\*This represents reserve created under section 21(1) of the Banking Companies Ordinance, 1962.

The annexed notes 1 to 41 form an integral part of these condensed interim unconsolidated financial statements.

-sd-	-sd-	-sd-	-sd-	-sd-
President / Chief Executive Officer	Chief Financial Officer	Chairman	Director	Director

## Condensed Interim Unconsolidated Cash Flow Statement (Un-audited)

For The Quarter Ended March 31, 2026

	March 31, 2026	March 31, 2025
Note	----- Rupees in '000 -----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,873,029	5,491,099
Less: Dividend income	(41,537)	(26,306)
	<u>1,831,492</u>	<u>5,464,793</u>
<b>Adjustments for non-cash charges and other items:</b>		
Net profit / return	(8,404,195)	(9,221,351)
Depreciation on property and equipment	31 653,653	464,922
Depreciation on non-banking assets	31 54	583
Depreciation on right-of-use assets	31 466,878	394,338
Amortisation	162,220	78,707
Depreciation on operating ijarah assets	553,066	32,705
Finance charges on leased assets	27 217,610	303,861
Credit loss allowance, (reversal) and write offs - net	33 (579,134)	(399,964)
Unrealized loss / (gain) on revaluation of investments classified as FVPL	29 36,347	(1,735)
Charge for defined benefit plan	48,637	88,479
Gain on sale of property and equipment	30 (19,850)	(11,863)
	<u>(6,864,714)</u>	<u>(8,271,318)</u>
	(5,033,222)	(2,806,525)
<b>(Increase) / decrease in operating assets</b>		
Due from financial institutions	(699,748)	3,258,738
Securities classified as FVPL	(36,347)	1,735
Islamic financing, related assets and advances	(1,447,806)	12,452,266
Other assets (excluding advance taxation)	(2,436,793)	(1,027,832)
	<u>(4,620,694)</u>	<u>14,684,907</u>
<b>(Decrease) / increase in operating liabilities</b>		
Bills payable	(3,726,934)	(9,439,785)
Due to financial institutions	19,166,009	(1,110,013)
Deposits and other accounts	(14,405,170)	17,454,086
Other liabilities (excluding current taxation)	(421,721)	1,546,622
	<u>612,184</u>	<u>8,450,910</u>
	(9,041,732)	20,329,292
Profit / return received	12,099,245	17,707,526
Profit / return paid	(9,647,966)	(12,028,084)
Income tax paid	(1,826,214)	(3,207,986)
Payment to gratuity fund	(200,000)	-
<b>Net cash (used in) / generated from operating activities</b>	<u>(8,616,667)</u>	<u>22,800,748</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net Investments in securities classified as FVOCI	(20,460,433)	(6,396,158)
Dividends received	41,537	26,306
Investments in property and equipment	(338,390)	(801,350)
Investments in intangible assets	(586,852)	(33,994)
Proceeds from sale of non-banking assets	-	14,338
Proceeds from disposal of property and equipment	21,743	-
<b>Net cash used in investing activities</b>	<u>(21,322,395)</u>	<u>(7,190,858)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payments of lease obligations against right-of-use assets	(607,980)	(427,190)
Dividend paid	(240)	(405)
<b>Net cash used in financing activities</b>	<u>(608,220)</u>	<u>(427,595)</u>
<b>(Decrease) / Increase in cash and cash equivalents</b>	<u>(30,547,282)</u>	<u>15,182,295</u>
Cash and cash equivalents at the beginning of the period	72,888,569	36,157,030
<b>Cash and cash equivalents at the end of the period</b>	<u>37 42,341,287</u>	<u>51,339,325</u>

The annexed notes 1 to 41 form an integral part of these condensed interim unconsolidated financial statements.

-sd-	-sd-	-sd-	-sd-	-sd-
President / Chief Executive Officer	Chief Financial Officer	Chairman	Director	Director

# Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For The Quarter Ended March 31, 2026

## 1 STATUS AND NATURE OF BUSINESS

- 1.1** BankIslami Pakistan Limited (the Bank) was incorporated in Pakistan on October 18, 2004 as a public limited company to carry out the business of an Islamic Commercial Bank in accordance with the principles of Islamic Shariah.

The State Bank of Pakistan (SBP) granted a 'Scheduled Islamic Commercial Bank' license to the Bank on March 18, 2005. The Bank commenced its operations as a Scheduled Islamic Commercial Bank with effect from April 07, 2006 on receiving Certificate of Commencement of Business from the State Bank of Pakistan (SBP) under section 37 of the State Bank of Pakistan Act, 1956. The Bank is principally engaged in corporate, commercial, consumer, retail banking and investment activities.

The Bank is operating through 569 branches including 60 sub-branches as at March 31, 2026 (December 31, 2025: 569 branches including 60 sub-branches). The registered office of the Bank is situated at 11th Floor, Executive Tower Dolmen City, Marine Drive, Block-4, Clifton, Karachi. The shares of the Bank are quoted on the Pakistan Stock Exchange Limited.

The Pakistan Credit Rating Agency (Private) Limited (PACRA) has maintained the Bank's long-term rating to 'AA-' and short-term rating at 'A1' with stable outlook.

The Bank is a subsidiary of JS Bank Limited (JSBL), which holds 75.12% shareholding in the Bank. Further JSBL is a subsidiary of Jahangir Siddiqui & Co. Ltd. (JSCL), making JSCL the ultimate parent of the Bank.

- 1.2** During year 2025, the Bank incorporated BIPL Exchange Company (Private) Limited as a wholly owned subsidiary of the Bank pursuant to receipt of No Objection Certificate from the State Bank of Pakistan. The principal business of the Company, upon commencement of operations, will be to provide foreign exchange services. The Company obtained exchange company license for commencement of operations from State Bank of Pakistan (SBP) on 8 April 2026. The management is currently in the process of completing the necessary formalities to initiate business operations.

## 2 BASIS OF PRESENTATION

- 2.1** The Bank provides financing mainly through Murabaha, Istisna, Diminishing Musharakah, Import Murabaha, Salam, Musawamah, Running Musharaka (Shirkat-ul-Aqd), Ijarah and other Islamic modes as briefly explained in note no. 7.5 of unconsolidated financial statements for the year ended December 31, 2025.

The purchases and sales arising under these arrangements are not reflected in these condensed interim unconsolidated financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of profit thereon. The income on such financing is recognized in accordance with the principles of Islamic Shariah. However, income, if any, received which does not comply with the principles of Islamic Shariah is recognized as charity payable as directed by the Shariah Board of the Bank.

- 2.2** These condensed interim unconsolidated financial statements are the separate financial statements of the Bank in which investments in subsidiary and associates are carried at cost less accumulated impairment losses, if any, and are not consolidated. The consolidated financial statements of the Bank are being issued separately.

## Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For The Quarter Ended March 31, 2026

- 2.3** Effective May 07, 2015, the defunct KASB Bank Limited (amalgamated entity) was amalgamated within and into the Bank. As the amalgamated entity operated as a conventional bank, any assets or liabilities which are not Shariah compliant are shown separately within the condensed interim unconsolidated financial statement line items.
- 2.4** The Bank believes that there is no significant doubt on the Bank's ability to continue as a going concern. Therefore, these condensed interim unconsolidated financial statements continue to be prepared on the going concern basis.

### 3 STATEMENT OF COMPLIANCE

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

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by Institute of Chartered Accountants of Pakistan, as are notified under the Companies Act, 2017;
- Provisions of, directives and notifications issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

- 3.1** Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives and notifications issued by SBP and SECP differ with the requirements of the IFRS Accounting Standards or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives and notifications, shall prevail.
- 3.2** The disclosures made in these condensed interim unconsolidated financial statements have been based on a format prescribed by SBP vide BPRD Circular No. 02 dated 09 February 2023 with further addition made vide BPRD Circular Letter No. 13 of 2024, dated 01 July 2024 and accounting and financial reporting standards as applicable in Pakistan.
- 3.3** The SBP, through its BSD Circular Letter No. 10 dated August 26, 2002, has deferred the implementation of IAS 40 - "Investment Property" for Banking Companies in Pakistan, till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7 "Financial Instruments: Disclosures" through its S.R.O. 411(I)/2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim unconsolidated financial statements. However non-banking assets have been classified and valued in accordance with the requirements prescribed by the SBP.
- 3.4** The SBP vide its BPRD Circular No. 04 dated February 25, 2015 has clarified that the reporting requirements of IFAS-3 for Islamic Banking Institutions (IBIs) relating to annual, half yearly and quarterly condensed interim unconsolidated financial statements would be notified by the SBP through issuance of specific instructions and uniform disclosure formats in consultation with IBIs. These reporting requirements have not been ratified to date. Accordingly, the disclosure requirements under IFAS 3 have not been considered in these condensed interim unconsolidated financial statements.

# Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For The Quarter Ended March 31, 2026

- 3.5** The treatment of charity should be in line with the existing practices as defined in SBP instructions issued via IBD Circular No. 02 of 2008 and should not be recognized as income.
- 3.6** The State Bank of Pakistan (SBP) has adopted requirements of IFRS 9 along with the application instructions through BPRD Circular No. 07 of 2023, dated April 13, 2023, but deferred certain requirements. Islamic banking institutions have been allowed to follow Islamic Financial Accounting Standards (IFAS) 1 & 2 where applicable and continue existing accounting practices for other Islamic products until further instructions. The impact of profit of financing in advance stage is Rs. 336.64 million (net of tax) excluding any Effective yield rate (EIR) effect.

The Bank has received deferment of recording income and expense at EIR via letter from SBP till December 31, 2025. The Bank has performed a preliminary assessment of the potential impact of adoption of these deferred requirement based on its unconsolidated statement of financial position as at December 31, 2025 and assessed that cumulative estimated adjustment, net of tax, arising from the adoption of the EIR method as at January 01, 2026 is not material and accordingly, has not been disclosed in these condensed interim unconsolidated financial statements.

## 4 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies and methods of computation adopted in the preparation of these condensed interim unconsolidated 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.

### 4.1 Standards, interpretations of and amendments to published approved accounting standards that are effective in the current period

There are certain interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2026 but are considered not to be relevant or do not have any significant effect on the Bank's operations and therefore not detailed in these condensed interim unconsolidated financial statements.

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

Following standards, amendments and interpretations with respect to accounting and reporting standards would be effective from the dates mentioned below against the respective standards, amendments or interpretations:

#### Standard, Interpretation or Amendment

Standard, Interpretation or Amendment	Effective date (annual periods beginning on or after)
Amendments to Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	01 January 2026
Annual improvement to IFRS Accounting Standards - Volume 11	01 January 2026
IFRS S1 - General Requirements for Disclosure of Sustainability - related Financial Information	01 January 2026
IFRS S2 - Climate - related disclosure	01 January 2026
IFRS 1 - First-time Adoption of International Financial	01 January 2004
IFRS 18 - Presentation and Disclosure in Financial Statements	01 January 2027

## Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For The Quarter Ended March 31, 2026

The above standards are either not applicable to the Bank or are not expected to have any material impact on the Bank's financial statements. However, SECP vide S.R.O 742 (I)/2025 (dated 16 April 2025) notified that International Financial Reporting Standard (IFRS 7 - 'Financial Instruments: Disclosures' shall be followed by Banks, for the purpose of financial statements, from the annual reporting periods beginning on or after 01 January 2026 (earlier application is permitted).

### 5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

### 6 FINANCIAL RISK MANAGEMENT

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

### 7 CASH AND BALANCES WITH TREASURY BANKS

#### In hand:

	<b>(Un-audited)</b> <b>March 31,</b> <b>2026</b>	<b>(Audited)</b> <b>December 31,</b> <b>2025</b>
- Local currency	<b>18,441,210</b>	13,328,988
- Foreign currencies	<b>364,332</b>	445,309
	<b>18,805,542</b>	13,774,297

#### With the State Bank of Pakistan in:

- Local currency current account	<b>17,731,927</b>	52,594,906
- Foreign currency deposit accounts:		
- Cash reserve account	<b>1,440,152</b>	1,445,155
- Special cash reserve account	<b>1,733,263</b>	1,739,284
- US dollar clearing account	<b>150,432</b>	207,114
	<b>3,323,847</b>	3,391,553

#### With National Bank of Pakistan in:

- Local currency current account	<b>2,052,055</b>	2,060,709
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Less: Credit loss allowance held against cash and balances with treasury banks	<b>(7)</b>	(458)
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Cash and balances with treasury banks	<b>41,913,364</b>	71,821,007
- net of credit loss allowance	<b>41,913,364</b>	71,821,007

# Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For The Quarter Ended March 31, 2026

	<u>(Un-audited)</u> March 31, 2026	<u>(Audited)</u> December 31, 2025
8	Note ----- Rupees in '000 -----	
	<b>BALANCES WITH OTHER BANKS</b>	
	<b>In Pakistan:</b>	
- In current accounts	9	9
- In deposit accounts	<u>169</u>	<u>169</u>
	<b>178</b>	<b>178</b>
	<b>Outside Pakistan:</b>	
- In current accounts	<u>270,611</u>	424,310
- In deposit accounts	<u>157,172</u>	<u>643,117</u>
	<b>427,783</b>	<b>1,067,427</b>
Less: Credit loss allowance held against balances with other banks	<b>(38)</b>	<b>(43)</b>
Balances with other banks - net of credit loss allowance	<u><u>427,923</u></u>	<u><u>1,067,562</u></u>

## 9 DUE FROM FINANCIAL INSTITUTIONS

### Unsecured

Musharkah Placement	9.1	-	19,000,000
Bai Muajjal Receivable			
-from other financial institutions	9.1	<u>19,699,748</u>	<u>-</u>
		<b>19,699,748</b>	<b>19,000,000</b>
Less: Credit loss allowance held against due from financial institutions	9.2	<b>(519)</b>	<b>(48)</b>
Due from financial institutions - net of credit loss allowance		<u><u>19,699,229</u></u>	<u><u>18,999,952</u></u>

9.1 The average return on this product is 9.90% (2025: 10.4%) per annum. The balance has maturity in 365 days (2025: 20 days).

	<u>(Un-audited)</u> March 31, 2026		<u>(Audited)</u> December 31, 2025	
	Due from financial institutions	Credit loss allowance held	Due from financial institutions	Credit loss allowance held
----- Rupees in '000 -----				
9.2 Due from financial institutions - Particulars of credit loss allowance				
<b>Domestic</b>				
Performing Stage 1	19,699,748	519	19,000,000	48
Under performing Stage 2	-	-	-	-
Non-performing Stage 3				
Substandard	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Doubtful	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<u><u>19,699,748</u></u>	<u><u>519</u></u>	<u><u>19,000,000</u></u>	<u><u>48</u></u>

9.2.1 The Bank does not hold overseas classified placements.

## Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For The Quarter Ended March 31, 2026

		(Un-audited) March 31, 2026	(Audited) December 31, 2025
<b>10 INVESTMENTS</b>	Note		
Investments - Islamic	10.1	<b>341,852,576</b>	322,887,104
Investments - Conventional (relating to amalgamated entity)	10.2	-	-
		<b><u>341,852,576</u></b>	<b><u>322,887,104</u></b>

		(Un-audited) March 31, 2026				(Audited) December 31, 2025			
		Cost / Amortised cost	Credit loss allowance held	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Credit loss allowance held	Surplus / (Deficit)	Carrying Value
10.1	Islamic Investments by type	Rupees in '000							
	Debt Instruments								
	Classified / Measured at FVOCI								
	Federal Government	300,217,579	-	71,975	300,289,554	312,555,038	-	2,181,201	314,736,239
	Shariah Compliant Securities								
	Non-Government	2,243,960	(35,934)	41,052	2,249,098	2,297,409	(35,934)	40,714	2,302,189
	Shariah Compliant Securities								
		<u>302,461,539</u>	<u>(35,934)</u>	<u>113,027</u>	<u>302,538,652</u>	<u>314,852,447</u>	<u>(35,934)</u>	<u>2,221,915</u>	<u>317,038,428</u>
	Classified / Measured at amortized cost								
	Federal Government								
	Shariah Compliant Securities	33,009,310	-	-	33,009,310	-	-	-	-
	Classified / Measured at FVPL								
	Non-Government								
	Shariah Compliant Securities	50,000	-	-	50,000	50,000	-	-	50,000
	Equity instruments								
	Classified / Measured at FVPL								
	Shares - listed companies	94,363	-	(6,968)	87,395	89,824	-	24,159	113,983
	Mutual Funds	52,179	-	31,363	83,542	52,179	-	36,582	88,761
		<u>146,542</u>	<u>-</u>	<u>24,395</u>	<u>170,937</u>	<u>142,003</u>	<u>-</u>	<u>60,741</u>	<u>202,744</u>
	Classified / Measured at FVOCI (Non-Reclassifiable)								
	Shares								
	Listed companies	4,406,332	-	458,868	4,865,200	2,979,238	-	1,398,217	4,377,455
	Foreign securities	6,820	-	11,657	18,477	6,820	-	11,657	18,477
		<u>4,413,152</u>	<u>-</u>	<u>470,525</u>	<u>4,883,677</u>	<u>2,986,058</u>	<u>-</u>	<u>1,409,874</u>	<u>4,395,932</u>
	Associate	627,942	(627,942)	-	-	627,942	(627,942)	-	-
	Subsidiary	1,200,000	-	-	1,200,000	1,200,000	-	-	1,200,000
	<b>Total Islamic investments</b>	<b><u>341,908,505</u></b>	<b><u>(663,876)</u></b>	<b><u>607,947</u></b>	<b><u>341,852,576</u></b>	<b><u>319,858,450</u></b>	<b><u>(663,876)</u></b>	<b><u>3,692,530</u></b>	<b><u>322,887,104</u></b>
10.2	Conventional Investments by type								
	Debt Instruments								
	Classified / Measured at FVOCI								
	Non-Government Debt Securities	74,607	(74,607)	-	-	74,607	(74,607)	-	-
	Equity instruments								
	Classified / Measured at FVPL								
	Shares - Unlisted companies	591,680	(591,680)	-	-	591,680	(591,680)	-	-
	Associates	432,302	(432,302)	-	-	432,302	(432,302)	-	-
	Subsidiary	104,771	(104,771)	-	-	104,771	(104,771)	-	-
	<b>Total conventional investments</b>	<b><u>1,203,360</u></b>	<b><u>(1,203,360)</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>1,203,360</u></b>	<b><u>(1,203,360)</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

# Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For The Quarter Ended March 31, 2026

	(Un-audited) March 31, 2026	(Audited) December 31, 2025
-----Rupees in '000-----		
<b>10.3 Investments given as collateral</b>		
Federal Government Securities - GOP Ijarah Sukuk	<u>25,161,800</u>	<u>5,261,800</u>
<b>10.4 Credit loss allowance held against investments</b>		
<b>10.4.1 Opening balance</b>	<b>1,867,236</b>	1,909,052
Charge / (reversal)		
Charge for the period / year	-	51
Reversals for the period / year	-	-
	-	51
Amounts written off	-	(41,867)
<b>Closing Balance</b>	<u><b>1,867,236</b></u>	<u>1,867,236</u>

	(Un-audited)		(Audited)	
	March 31, 2026		December 31, 2025	
<b>10.5 Particulars of credit loss allowance against debt securities</b>	Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
<b>10.5.1 Category of classification</b>	----- Rupees in '000 -----			
<b>Domestic</b>				
Performing Stage 1	335,208,739	54	314,590,317	54
Underperforming Stage 2	-	-	-	-
Non-performing Stage 3				
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	386,737	110,487	386,737	110,487
	<u>386,737</u>	<u>110,487</u>	<u>386,737</u>	<u>110,487</u>
<b>Total</b>	<u><b>335,595,476</b></u>	<u><b>110,541</b></u>	<u>314,977,054</u>	<u>110,541</u>

10.5.2 The Bank does not hold overseas classified debt securities.

As at	Holding %	Country of incorporation	Assets	Liabilities	Revenue	Profit / (loss) after taxation	Total comprehensive income / (loss)
-----Rupees in '000-----							

10.6 Details of investment in subsidiary

Unlisted

My Solutions Corporation Limited	December 31, 2013	100.00	Pakistan	69,539	10,105	14,580	(1,763)	(1,763)
BIPL Exchange Company (Private) Limited	March 31, 2026	100.00	Pakistan	1,233,429	27,756	27,620	3,779	3,779

10.7 Details of investment in associates

Unlisted

<b>Islamic</b>								
Shakarganj Food Products Limited	September 30, 2025	36.38	Pakistan	8,983,095	5,409,771	8,482,240	(980,687)	(360,567)
<b>Conventional</b>								
KASB Funds Limited	December 31, 2015	43.89	Pakistan	46,465	32,465	23,640	(66,241)	(65,679)



# Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For The Quarter Ended March 31, 2026

11.1.1 This represents modification loss arising from restructuring or rescheduling of financings.

11.1.2 This represents deferred fair value loss arising due to difference between the market value and the book amount of financings.

11.1.3 Islamic Financing and related assets include Rs.16,360.252 million (2025: Rs.16,922.520 million) which have been placed under non-performing / Stage 3 status as detailed below:

(Un-audited)		(Audited)	
March 31, 2026		December 31, 2025	
Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held

----- Rupees in '000 -----

## Islamic financing and related assets - Category of classification

### Domestic

Other assets especially mentioned	172,322	47,303	161,609	55,327
Substandard	393,488	169,806	434,709	198,767
Doubtful	524,244	293,496	800,477	470,502
Loss	15,270,198	14,988,034	15,525,725	15,166,515
	<u>16,360,252</u>	<u>15,498,639</u>	<u>16,922,520</u>	<u>15,891,111</u>

11.1.4 The Bank does not hold overseas Islamic financing and related assets.

Performing		Non Performing		Total	
(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
March 31, 2026	December 31, 2025	March 31, 2026	December 31, 2025	March 31, 2026	December 31, 2025

----- Rupees in '000 -----

## 11.2 ADVANCES

Loans, cash credits, running finances, etc.					
- In Pakistan	-	-	3,793,451	3,830,933	3,793,451
Bills discounted and purchased (excluding treasury bills) - Payable in Pakistan	-	-	681,292	681,292	681,292
Net investment in finance lease - In Pakistan	-	-	545,317	549,859	545,317
<b>Advances - gross</b>	-	-	<u>5,020,060</u>	<u>5,062,084</u>	<u>5,020,060</u>

### Credit loss allowance against advances

Stage 1	-	-	-	-	-
Stage 2	-	-	-	-	-
Stage 3	-	-	(4,963,296)	(5,003,520)	(4,963,296)
	-	-	<u>(4,963,296)</u>	<u>(5,003,520)</u>	<u>(4,963,296)</u>
<b>Advances - net of credit loss allowance</b>	-	-	<u>56,764</u>	<u>58,564</u>	<u>56,764</u>

## Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For The Quarter Ended March 31, 2026

- 11.2.1 Advances include Rs. 5,020.06 million (December 31, 2025 Rs.5,062.084 million) which have been placed under non-performing / Stage 3 status as detailed below:

	(Un-audited)		(Audited)	
	March 31, 2026	Credit loss allowance held	December 31, 2025	Credit loss allowance held
	Outstanding amount		Outstanding amount	
-----Rupees in '000-----				
Advances - Category of classification				
<b>Domestic</b>				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	5,020,060	4,963,296	5,062,084	5,003,520
	<u>5,020,060</u>	<u>4,963,296</u>	<u>5,062,084</u>	<u>5,003,520</u>

- 11.2.2 The Bank does not hold overseas advances.

	(Un-audited)	(Audited)
	March 31, 2026	December 31, 2025
-----Rupees in '000-----		
<b>11.3 Diminishing Musharakah financing and related assets - Others</b>		
Diminishing Musharakah financing	85,492,218	91,661,793
Advance against Diminishing Musharakah financing	1,986,776	4,039,276
	<u>87,478,994</u>	<u>95,701,069</u>
<b>11.4 Istisna financing and related assets</b>		
Istisna financing	13,723,855	7,578,333
Advance against Istisna financing	26,659,561	25,346,891
Istisna inventories	3,063,538	-
	<u>43,446,954</u>	<u>32,925,224</u>
<b>11.5 Murabahah financing and related assets</b>		
Murabahah financing	18,397,846	19,681,246
Deferred murabahah income	4,980,093	5,362,855
Advances against Murabaha financing	1,679,823	1,720,783
Murabaha Inventories	1,649,561	2,081,899
	<u>26,707,323</u>	<u>28,846,783</u>
<b>11.6 Musawamah financing and related assets / Tijarah</b>		
Musawamah financing	5,972,274	5,265,349
Advance against Musawamah financing	388,250	187,226
Musawamah inventories	6,192,249	7,064,853
	<u>12,552,773</u>	<u>12,517,428</u>
<b>11.7 Ijarah financing under IFAS 2 and related assets</b>		
Net book value of assets under IFAS 2	11,676,833	12,064,758
Advance against Ijarah financing	219,119	124,384
	<u>11,895,952</u>	<u>12,189,142</u>
<b>11.8 Salam</b>		
Salam financing	18,691	-
Advance against Salam	79,001	70,002
Salam inventories	21,001	-
	<u>118,693</u>	<u>70,002</u>



# Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For The Quarter Ended March 31, 2026

	(Un-audited) March 31, 2026	(Audited) December 31, 2025				
	----- Rupees in '000 -----					
<b>11.9 Particulars of Islamic financing, related assets and advances - gross</b>						
In local currency	311,845,936	309,867,426				
In foreign currency	11,247,774	12,337,749				
	<u>323,093,710</u>	<u>322,205,175</u>				
<b>11.9.1 Financing to Women, Women-owned and Managed Enterprises</b>						
Women	2,993,534	3,289,126				
Women Owned and Managed Enterprises	2,837,666	2,308,751				
	<u>5,831,200</u>	<u>5,597,877</u>				
<b>11.9.2 Gross financing disbursed to Women, Women-owned and Managed Enterprises</b>						
Women	271,196	985,682				
Women Owned and Managed Enterprises	-	3,315,745				
	<u>271,196</u>	<u>4,301,427</u>				
<b>11.10 Particulars of credit loss allowance</b>						
<b>11.10.1 Islamic financing, related assets and advances - Exposure</b>	(Un-audited) March 31, 2026	(Audited) December 31, 2025				
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	----- Rupees in '000 -----					
Opening balance	294,905,479	5,315,092	21,984,604	293,693,573	9,224,479	24,266,758
New financing	40,533,685	87,032	-	145,523,930	528,693	115,295
Financing derecognised or repaid	(29,388,797)	(9,584,272)	(759,113)	(148,237,159)	(1,144,740)	(1,764,806)
Transfer to stage 1	621,383	(515,152)	(106,231)	7,401,228	(7,182,085)	(219,143)
Transfer to stage 2	(16,921,610)	16,923,391	(1,781)	(2,992,508)	4,367,873	(1,376,213)
Transfer to stage 3	(181,731)	(81,102)	262,833	(483,585)	(479,128)	962,713
	(5,337,070)	6,829,897	(604,292)	1,211,906	(3,909,387)	(2,282,154)
Closing balance	<u>289,568,409</u>	<u>12,144,989</u>	<u>21,380,312</u>	<u>294,905,479</u>	<u>5,315,092</u>	<u>21,984,604</u>
<b>11.10.2 Islamic financing, related assets and advances - Credit loss allowance</b>						
Opening balance	3,123,208	941,448	20,894,631	2,761,225	468,780	22,246,512
Impact of adoption of IFRS 9	-	-	-	-	-	-
New financing	182,287	-	-	1,292,693	23,349	9,710
Financing derecognised or repaid	(60,500)	(2,454)	(132,666)	(207,216)	(36,750)	(743,877)
Transfer to stage 1	144,577	(90,279)	(54,298)	295,043	(105,239)	(189,804)
Transfer to stage 2	(85,784)	86,237	(453)	(32,415)	781,462	(755,050)
Transfer to stage 3	(5,743)	(12,767)	18,510	(15,478)	(30,428)	51,909
	174,837	(19,263)	(168,907)	1,332,627	632,394	(1,627,112)
Amounts written off / charged off	-	-	-	-	-	-
Changes in risk parameters	(116,285)	(214,824)	(263,789)	(970,644)	(159,726)	275,231
Closing balance	<u>3,181,760</u>	<u>707,361</u>	<u>20,461,935</u>	<u>3,123,208</u>	<u>941,448</u>	<u>20,894,631</u>

## Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For The Quarter Ended March 31, 2026

11.11 Particulars of credit loss allowances held against Islamic financing, related assets and advances

	(Un-audited)				(Audited)				
	March 31, 2026				December 31, 2025				
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	
	-----Rupees in '000-----								
11.11.1	Opening balance	3,123,208	941,448	20,894,631	24,959,287	2,761,225	468,780	22,246,512	25,476,517
	Charge for the period / year	947,828	223,548	299,800	1,471,176	1,937,955	781,952	996,033	3,715,940
	Reversals for the period / year	(889,276)	(457,635)	(732,496)	(2,079,407)	(1,575,972)	(309,284)	(2,347,914)	(4,233,170)
	Amount written off	58,552	(234,087)	(432,696)	(608,231)	361,983	472,668	(1,351,881)	(517,230)
	Closing balance	<u>3,181,760</u>	<u>707,361</u>	<u>20,461,935</u>	<u>24,351,056</u>	<u>3,123,208</u>	<u>941,448</u>	<u>20,894,631</u>	<u>24,959,287</u>
	Islamic	3,181,760	707,361	15,498,639	19,387,760	3,123,208	941,448	15,891,111	19,955,767
	Conventional	-	-	4,963,296	4,963,296	-	-	5,003,520	5,003,520
		<u>3,181,760</u>	<u>707,361</u>	<u>20,461,935</u>	<u>24,351,056</u>	<u>3,123,208</u>	<u>941,448</u>	<u>20,894,631</u>	<u>24,959,287</u>
11.11.2	Particulars of credit loss allowance against advances								
	In local currency	3,181,760	707,361	20,461,935	24,351,056	3,123,208	941,448	20,894,631	24,959,287
	In foreign currencies	-	-	-	-	-	-	-	-
		<u>3,181,760</u>	<u>707,361</u>	<u>20,461,935</u>	<u>24,351,056</u>	<u>3,123,208</u>	<u>941,448</u>	<u>20,894,631</u>	<u>24,959,287</u>

11.11.3 In accordance with BSD Circular No. 2 dated January 27, 2009 issued by the SBP, the Bank has availed the benefit of Forced Sale Value (FSV) of collaterals against the non-performing financings. The benefit availed as at March 31, 2026 amounts to Rs. 172.7 million (December 31, 2025 amounts to Rs. 236.2 million). The additional profit arising from availing the FSV benefit - net of tax amounts to Rs. 829 million (December 31, 2025: Rs. 111 million). The increase in profit, due to availing of the benefit, is not available for distribution of cash and stock dividend to shareholders.

	(Un-audited)	(Audited)	
	March 31, 2026	December 31, 2025	
	-----Rupees in '000-----		
11.12	SBP other refinance schemes		
	Refinance facility for Islamic Temporary Economic Refinance Facility (TERF)	5,716,475	6,030,892
	Islamic Long-Term Financing Facility	2,091,410	1,146,590
	Islamic refinance scheme for payment of wages and salaries	12,000	12,000
	RM EFS - Rupee Based Discounting (TFA)	11,303,212	12,064,463
	Islamic refinance scheme for Renewable Energy	487,881	518,024
	Islamic refinance scheme for combating COVID (IRFCC)	33,333	50,000
	Islamic refinance facility for Modernization of SMEs	107,811	113,591
	Refinance for Islamic Financing Facility of Storage of Agricultural Produce (IFFSAP)	126,604	137,823
	Islamic Credit Guarantee Scheme For Women Entrepreneur	181,848	192,984
		<u>20,060,574</u>	<u>20,266,367</u>



# Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For The Quarter Ended March 31, 2026

			(Un-audited) March 31, 2026	(Audited) December 31, 2025
<b>12</b>	<b>PROPERTY AND EQUIPMENT</b>	Note	-----Rupees in '000-----	
	Capital work-in-progress	12.1	3,558,367	3,785,489
	Property and equipment	12.2	<u>21,142,984</u>	<u>21,619,968</u>
			<u><b>24,701,351</b></u>	<u>25,405,457</u>
<b>12.1</b>	<b>Capital work-in-progress</b>			
	Advances to suppliers and contractors		141,650	412,012
	Advance for acquiring properties and office premises		<u>3,416,717</u>	<u>3,373,477</u>
			<u><b>3,558,367</b></u>	<u>3,785,489</u>
			(Un-audited)	
			March 31, 2026	March 31, 2025
<b>12.2</b>	<b>Additions to property and equipment</b>		-----Rupees in '000-----	
	<b>The following additions have been made to property and equipment during the period:</b>			
	Capital work-in-progress		126,538	239,126
	<b>Property and equipment</b>			
	Furniture and fixture		<u>118,032</u>	192,895
	Electrical, office and computer equipment		<u>121,331</u>	374,494
	Vehicles		<u>-</u>	36,340
			<u>239,363</u>	603,729
	<b>Total</b>		<u><b>365,901</b></u>	<u>842,855</u>
<b>12.3</b>	<b>Disposal of property and equipment</b>			
	<b>The net book value of property and equipment disposed off during the period is as follows:</b>			
	Furniture and fixture		1,198	525
	Electrical, office and computer equipment		<u>695</u>	160
	<b>Total</b>		<u><b>1,893</b></u>	<u>685</u>

			(Un-audited) March 31, 2026			(Audited) December 31, 2025		
			Buildings	Others	Total	Buildings	Others	Total
<b>13</b>	<b>RIGHT-OF-USE ASSETS</b>	Note	-----Rupees in '000-----					
	<b>At January 1,</b>							
	Cost		12,893,135	-	12,893,135	9,765,458	-	9,765,458
	Accumulated Depreciation		<u>(7,237,810)</u>	-	<u>(7,237,810)</u>	<u>(5,450,923)</u>	-	<u>(5,450,923)</u>
	<b>Net Carrying amount as at January 1,</b>		5,655,325	-	5,655,325	4,314,535	-	4,314,535
	Additions during the period / year		120,590	-	120,590	2,075,475	-	2,075,475
	Modification Impact		-	-	-	1,151,946	-	1,151,946
	Deletions during the period / year		-	-	-	(99,744)	-	(99,744)
	Depreciation charge for the period / year	31	<u>(466,878)</u>	-	<u>(466,878)</u>	<u>(1,786,887)</u>	-	<u>(1,786,887)</u>
	<b>Net Carrying amount as at</b>		<u><b>5,309,037</b></u>	-	<u><b>5,309,037</b></u>	5,655,325	-	5,655,325

## Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For The Quarter Ended March 31, 2026

	<u>(Un-audited)</u> March 31, 2026	<u>(Audited)</u> December 31, 2025
	----- Rupees in '000 -----	
<b>14 INTANGIBLE ASSETS</b>		
Computer software	2,132,304	1,704,169
Core deposits	15,537	16,100
Membership and Subscription	27,241	30,181
Goodwill	<u>2,944,297</u>	<u>2,944,297</u>
	<u>5,119,379</u>	<u>4,694,747</u>
	<u>(Un-audited)</u>	
	<u>March 31,</u> <u>2026</u>	<u>December 31,</u> <u>2025</u>
	----- Rupees in '000 -----	
<b>14.1 Additions to intangible assets</b>		
<b>The following additions have been made to intangible assets during the period:</b>		
Directly purchased	<u>586,853</u>	<u>33,994</u>
<b>14.2 Disposals of intangible assets</b>		
<b>The net book value of intangible assets disposed off during the period:</b>		
Membership & Subscription	<u>-</u>	<u>1,789</u>
	<u>(Un-audited)</u>	
	<u>March 31,</u> <u>2026</u>	<u>December 31,</u> <u>2025</u>
	----- Rupees in '000 -----	
<b>15 DEFERRED TAX ASSETS</b>		
<b>Deductible Temporary Differences on:</b>		
Credit loss allowance against investments	597,191	597,191
Credit loss allowance against non-performing Islamic financing and related assets and advances	6,356,589	6,388,308
Modification and fair value adjustments	34,607	35,355
Other credit loss allowance	150,159	135,403
Right of Use Assets	604,420	653,749
Others	<u>1,378,331</u>	<u>1,358,454</u>
	<u>9,121,297</u>	<u>9,168,460</u>
<b>Taxable Temporary Differences on:</b>		
Fair value adjustments relating to net assets acquired upon amalgamation	(395,574)	(326,056)
Ijjarah financing and related assets	(136,623)	(127,114)
Surplus on revaluation of FVOCI Investment	(303,447)	(1,888,531)
Surplus on revaluation of FVTPL Investment	(12,685)	(31,585)
Surplus on revaluation of property and equipment	(2,209,831)	(2,123,486)
Surplus on revaluation of non-banking assets	(17,844)	(17,844)
Accelerated tax depreciation	<u>(271,597)</u>	<u>(248,961)</u>
	<u>(3,347,601)</u>	<u>(4,763,577)</u>
	<u>5,773,696</u>	<u>4,404,883</u>

# Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For The Quarter Ended March 31, 2026

	<u>(Un-audited)</u> March 31, 2026	<u>(Audited)</u> December 31, 2025
	----- Rupees in '000 -----	
<b>16 OTHER ASSETS</b>		
Profit / return accrued in local currency	16,723,806	12,175,209
Profit / return accrued in foreign currency	137,704	105,953
Advances, deposits, advance rent and other prepayments	2,557,041	2,170,852
Advance taxation	2,269,798	1,286,582
Prepaid staff cost	3,204,414	3,291,509
Non-banking assets acquired in satisfaction of claims	1,348,418	1,348,473
Takaful claim receivable	17,598	53,951
Receivable against takaful and registration charges	642,453	729,955
Receivable against First WAPDA Sukuk	50,000	50,000
Acceptances	3,238,361	3,411,859
Others	1,143,284	1,083,832
	<u>31,332,877</u>	<u>25,708,175</u>
Less: Credit loss allowance held against other assets	<u>(1,070,223)</u>	<u>(1,092,865)</u>
Other Assets - net of credit loss allowance	<u>30,262,654</u>	<u>24,615,310</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	<u>40,922</u>	<u>40,922</u>
Other assets - total	<u>30,303,576</u>	<u>24,656,232</u>
<b>16.1</b> Market Value of non-banking assets acquired in satisfaction of claims	<u>1,085,429</u>	<u>1,085,484</u>
<b>16.2 Credit loss allowance held against other assets</b>		
Advances, deposits, advance rent & other prepayments	26,692	50,842
Non banking assets acquired in satisfaction of claims	303,911	303,911
Profit / return accrued	73,290	78,158
Others	666,330	659,954
	<u>1,070,223</u>	<u>1,092,865</u>
<b>16.3 Movement in Credit loss allowance held against other assets</b>		
Opening balance	1,092,865	1,116,865
Charge for the period / year	-	12,851
Reversals during the period / year	(22,642)	(36,851)
	(22,642)	(24,000)
Amount written off	-	-
Closing balance	<u>1,070,223</u>	<u>1,092,865</u>
<b>17 BILLS PAYABLE</b>		
In Pakistan	6,168,224	9,895,158
Outside Pakistan	-	-
	<u>6,168,224</u>	<u>9,895,158</u>

## Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For The Quarter Ended March 31, 2026

	(Un-audited) March 31, 2026	(Audited) December 31, 2025
----- Rupees in '000 -----		
<b>18 DUE TO FINANCIAL INSTITUTIONS</b>		
<b>Secured</b>		
<b>Due to State Bank of Pakistan</b>		
Acceptances from SBP under Mudaraba	20,189,721	-
Refinance facility for Islamic Temporary Economic Refinance Facility (TERF)	5,405,511	5,713,381
Islamic Export Finance Scheme - Rupee based discounting	4,470,745	3,776,796
Islamic Long-Term Financing Facility	689,593	772,102
Islamic refinance scheme for Renewable Energy	439,261	467,017
Islamic refinance scheme for combating COVID (IRFCC)	33,333	50,000
Islamic Refinance Scheme for Working Capital Financing	-	50,000
Islamic Refinance Scheme for Modernization of SMEs	69,620	75,158
Islamic refinance scheme for Facility of Storage of Agricultural Produce (IFFSAP)	134,215	137,907
Islamic Credit Guarantee Scheme for Women Entrepreneur	169,662	181,658
	<b>31,601,661</b>	11,224,019
Refinance facility for Islamic Mortgage	2,657,124	4,241,983
<b>Total secured</b>	<b>34,258,785</b>	15,466,002
<b>Unsecured</b>		
Overdrawn nostro accounts	770,304	499,301
Others	-	-
<b>Total unsecured</b>	<b>770,304</b>	499,301
Fair value adjustment	(1,249,972)	(1,352,195)
	<b>33,779,117</b>	14,613,108
<b>18.1 Particulars of due to financial institutions with respect to currencies</b>		
In local currency	33,008,813	14,113,807
In foreign currencies	770,304	499,301
	<b>33,779,117</b>	14,613,108

### 19 DEPOSITS AND OTHER ACCOUNTS

	(Un-audited)			(Audited)		
	March 31, 2026			December 31, 2025		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
----- Rupees in '000 -----						
<b>Customers</b>						
Current deposits	266,902,123	10,138,681	277,040,804	266,256,209	10,825,180	277,081,389
Savings deposits	144,434,780	6,435,425	150,870,205	146,666,403	3,405,475	150,071,878
Term deposits	149,826,558	11,671,636	161,498,194	175,196,427	14,461,464	189,657,891
Margin deposits	11,870,232	81,575	11,951,807	9,417,771	101,507	9,519,278
	573,033,693	28,327,317	601,361,010	597,536,810	28,793,626	626,330,436
<b>Financial Institutions</b>						
Current deposits	918,465	491,613	1,410,078	1,245,558	16,985	1,262,543
Savings deposits	42,486,935	-	42,486,935	32,370,214	-	32,370,214
Term deposits	520,000	-	520,000	220,000	-	220,000
Margin deposits	146	-	146	146	-	146
	43,925,546	491,613	44,417,159	33,835,918	16,985	33,852,903
	<b>616,959,239</b>	<b>28,818,930</b>	<b>645,778,169</b>	<b>631,372,728</b>	<b>28,810,611</b>	<b>660,183,339</b>

# Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For The Quarter Ended March 31, 2026

		(Un-audited) March 31, 2026	(Audited) December 31, 2025
	Note	-----Rupees in '000-----	
<b>20</b>	<b>LEASE LIABILITIES</b>		
	Outstanding amount at the start of the year	6,604,095	4,839,747
	Additions during the period / year	120,590	1,892,678
	Modification Impact	-	1,485,305
	Deletions during the period / year	-	(122,248)
	Lease payments including profit	(607,980)	(2,384,077)
	Finance charges on leased assets	217,610	892,690
	Outstanding amount at the end of the period / year	<u>6,334,315</u>	<u>6,604,095</u>
	20.1		
<b>20.1</b>	<b>Contractual maturity of lease liabilities</b>		
	Not later than one year	174,097	265,443
	Long-term lease liabilities		
	- 1 to 5 years	6,160,218	6,338,652
	- 5 to 10 years	-	-
	- More than 10 years	-	-
		<u>6,160,218</u>	<u>6,338,652</u>
		<u>6,334,315</u>	<u>6,604,095</u>
<b>21</b>	<b>SUBORDINATED SUKUK</b>		
	ADT-1 Sukuk Issue I	21.1.1 2,000,000	2,000,000
	ADT-1 Sukuk Issue II	21.1.2 1,000,000	1,000,000
		<u>3,000,000</u>	<u>3,000,000</u>

**21.1** The Bank has issued fully paid up, rated, listed, perpetual, unsecured, subordinated, non-cumulative and contingent convertible debt instruments in the nature of sukuk under Section 66 of the Companies Act, 2017 which qualify as Additional Tier I (ADT-1) Capital as outlined by State Bank of Pakistan (SBP) under BPRD Circular No. 6 dated August 15, 2013.

## Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For The Quarter Ended March 31, 2026

### 21.1.1 Salient features of the ADT-1 sukuk issue I are as follows:

Issued Amount	Rs. 2,000 million.
Issue Date	April 21, 2020
Tenor	Perpetual (i.e. no fixed or final redemption date)
Instrument Rating	PACRA has rated this Sukuk at 'A'
Security	Unsecured
Profit payment frequency	Profit shall be payable monthly in arrears, on a non-cumulative basis
Expected Profit Rate	The Sukuk carries a profit at the rate of 3 Months KIBOR + 2.75%. The Mudaraba Profit is computed under General Pool on the basis of profit sharing ratio and monthly weightages announced by the Bank inline with SBP's guidelines of pool management.
Call option	The Bank may, at its sole discretion, call the Sukuks, at any time after five years from the Issue Date subject to the prior approval of the SBP.
Lock-in clause	In the event where payment of profit results in breach of regulatory MCR/CAR requirements or SBP determines a bar on profit distribution, the monthly profit weightage of the Sukuk holders will be reduced to a minimum level e.g. 0.005, till the month in which such condition is withdrawn by SBP.
Loss absorbency clause	The Sukuks shall, at the discretion of the SBP, be permanently converted into ordinary shares pursuant to the loss absorbency clause as stipulated in the "Instructions for Basel-III Implementation in Pakistan" issued vide BPRD Circular No. 6 dated August 15, 2013.

# Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For The Quarter Ended March 31, 2026

## 21.1.2 Salient features of the ADT-1 sukuk issue II are as follows:

Issued Amount	Rs. 1,000 million.
Issue Date	February 21, 2024
Tenor	Perpetual (i.e. no fixed or final redemption date)
Instrument Rating	PACRA has rated this Sukuk at 'A'
Security	Unsecured
Profit payment frequency	Profit shall be payable monthly in arrears, on a non-cumulative basis
Expected Profit Rate	The Sukuk carries a profit at the rate of 1 Month KIBOR + 2.5%. The Mudaraba Profit is computed under General Pool on the basis of profit sharing ratio and monthly weightages announced by the Bank inline with SBP's guidelines of pool management.
Call option	The Bank may, at its sole discretion, call the Sukuks, at any time after five years from the Issue Date subject to the prior approval of the SBP.
Lock-in clause	In the event where payment of profit results in breach of regulatory MCR/CAR requirements or SBP determines a bar on profit distribution, the monthly profit weightage of the Sukuk holders will be reduced to a minimum level e.g. 0.005, till the month in which such condition is withdrawn by SBP.
Loss absorbency clause	The Sukuks shall, at the discretion of the SBP, be permanently converted into ordinary shares pursuant to the loss absorbency clause as stipulated in the "Instructions for Basel-III Implementation in Pakistan" issued vide BPRD Circular No. 6 dated August 15, 2013.

## Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For The Quarter Ended March 31, 2026

	<u>(Un-audited)</u> March 31, 2026	<u>(Audited)</u> December 31, 2025
<b>22 OTHER LIABILITIES</b>		
	Note -----Rupees in '000-----	
Profit / return payable in local currency	4,603,318	5,884,386
Profit / return payable in foreign currencies	129,834	221,334
Accrued expenses	3,495,300	4,212,943
Deferred Murabahah Income Financing, IERS and Others	4,802,690	5,169,867
Payable to defined benefit plan	4,677	4,677
Payable to defined contribution plan	104,515	2,871
Defined benefit plan liabilities	436,127	487,490
Security deposits against Ijarah	441,447	421,304
Credit loss allowance against off-balance sheet obligations	22.1 288,768	260,389
Acceptances	3,238,361	3,411,859
Withholding taxes payable	622,570	587,605
Unrealized loss on Shariah compliant alternative of forward foreign exchange contracts	90,631	46,453
Sundry creditors	1,004,280	1,179,285
Payable to brokers against purchase of shares - net	333,224	12,307
Charity payable	183,133	161,109
Retention money payable	89,006	100,581
Workers' welfare fund	1,613,095	1,574,870
Dividend Payable	1,435,907	50,268
Clearing and settlement accounts	2,386,375	3,076,931
Others	1,615,162	1,566,741
	<u>26,918,420</u>	<u>28,433,270</u>

### 22.1 Credit loss allowance against off-balance sheet obligations

Opening balance	260,389	378,109
Charge for the period / year	29,731	63,198
Reversals for the period / year	(1,352)	(180,918)
	33 28,379	(117,720)
Amount written off	-	-
Closing balance	22.1.1 <u>288,768</u>	<u>260,389</u>

22.1.1 This includes overdue non-funded facilities that could not be transferred to funded facilities due to litigation.

## 23 SHARE CAPITAL - NET

### 23.1 Authorized capital

<u>(Un-audited)</u> March 31, 2026	<u>(Audited)</u> December 31, 2025		<u>(Un-audited)</u> March 31, 2026	<u>(Audited)</u> December 31, 2025
----- Number of Shares -----			-----Rupees in '000-----	
<u>1,500,000,000</u>	<u>1,500,000,000</u>	Ordinary shares of Rs.10 each	<u>15,000,000</u>	<u>15,000,000</u>

# Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For The Quarter Ended March 31, 2026

**23.2** The shareholders of the Bank in their 22nd Annual General Meeting held on March 27, 2026 approved an increase in the authorized share capital of the Bank from Rs. 15,000 million to Rs. 20,000 million subject to regulatory approvals from the State Bank of Pakistan and Securities and Exchange Commission of Pakistan, wherever applicable. The Bank is in the process of complying with these regulatory requirements.

## 23.3 Issued, subscribed and paid up capital

<u>(Un-audited)</u>	<u>(Audited)</u>	<u>(Un-audited)</u>	<u>(Audited)</u>
March 31, 2026	December 31, 2025	March 31, 2026	December 31, 2025
----- Number of Shares -----		-----Rupees in '000-----	
<b>1,108,703,299</b>	1,108,703,299	<b>11,087,033</b>	11,087,033
-	-	-	-
-	-	<b>(79,042)</b>	(79,042)
<b><u>1,108,703,299</u></b>	<b><u>1,108,703,299</u></b>	<b><u>11,007,991</u></b>	<b><u>11,007,991</u></b>

## 23.4 Reserves

### Statutory Reserves

**8,547,396**    **8,367,375**

Under section 21 of the Banking Companies Ordinance, 1962 an amount of not less than 20% of the profit is to be transferred to create a reserve fund till such time the reserve fund and the share premium account equals the amount of the paid up capital. Thereafter, an amount of not less than 10% of the profit is required to be transferred to such reserve fund.

	<u>(Un-audited)</u>	<u>(Audited)</u>
	March 31, 2026	December 31, 2025
	-----Rupees in '000-----	
<b>24 SURPLUS ON REVALUATION OF ASSETS</b> Note		

### Surplus on revaluation of:

- Securities measured at FVOCI - Debt	10.1	<b>113,027</b>	2,221,915
- Securities measured at FVOCI - Equity	10.1	<b>470,525</b>	1,409,874
- Property and equipment		<b>4,652,462</b>	4,672,709
- Non-banking assets acquired in satisfaction of claims	16	<b>40,922</b>	40,922
		<b>5,276,936</b>	8,345,420

### Deferred tax liability on surplus on revaluation of:

- Securities measured at FVOCI - Debt	15	<b>(58,774)</b>	(1,155,396)
- Securities measured at FVOCI - Equity	15	<b>(244,673)</b>	(733,134)
- Property and equipment	15	<b>(2,209,831)</b>	(2,123,486)
- Non-banking assets acquired in satisfaction of claims	15	<b>(17,844)</b>	(17,844)
		<b>(2,531,122)</b>	(4,029,860)
		<b><u>2,745,814</u></b>	<b><u>4,315,560</u></b>

## Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For The Quarter Ended March 31, 2026

		(Un-audited) March 31, 2026	(Audited) December 31, 2025
<b>25</b>	<b>CONTINGENCIES AND COMMITMENTS</b>	-----Rupees in '000-----	
	- Guarantees	34,841,782	33,305,718
	- Commitments	264,507,188	202,855,430
	- Other contingent liabilities	3,326,829	1,805,266
		<u>302,675,799</u>	<u>237,966,414</u>
<b>25.1</b>	<b>Guarantees:</b>		
	Performance guarantees	18,666,712	18,554,503
	Other guarantees	16,175,070	14,751,215
		<u>34,841,782</u>	<u>33,305,718</u>
<b>25.2</b>	<b>Commitments:</b>		
	Documentary credits and short-term trade-related transactions:		
	- letters of credit	32,673,892	34,642,731
	<b>Commitments in respect of:</b>		
	- Shariah compliant alternative of forward foreign exchange contracts	99,260,659	85,352,408
	<b>Commitments for acquisition of:</b>		
	- property and equipment	169,198	132,944
	- intangible assets	3,816,352	2,413,124
	<b>Other commitments</b>		
	- commitments in respect of financing	128,587,087	80,314,223
		<u>264,507,188</u>	<u>202,855,430</u>
<b>25.2.1</b>	<b>Commitments in respect of Shariah compliant alternative of forward foreign exchange transactions</b>		
	Purchase	57,346,994	49,789,168
	Sale	41,913,665	35,563,240
		<u>99,260,659</u>	<u>85,352,408</u>
<b>25.2.2</b>	The Bank makes commitments to extend shariah compliant Islamic financing (including to related parties) in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.		
		(Un-audited) March 31, 2026	(Audited) December 31, 2025
<b>25.3</b>	<b>Other contingent liabilities</b>	-----Rupees in '000-----	
	Suit filed for recovery of alleged losses suffered, pending in the High Court, which the Bank has not acknowledged as debt	26,804	1,804
	Tax Contingencies	3,300,025	1,803,462
		<u>3,326,829</u>	<u>1,805,266</u>

# Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For The Quarter Ended March 31, 2026

		(Un-audited)	
		March 31, 2026	March 31, 2025
-----Rupees in '000-----			
<b>26</b>	<b>PROFIT / RETURN EARNED</b>		
	Profit earned on:		
	Financing	7,412,044	8,519,074
	Investments	8,516,998	10,977,996
	Placements	549,965	112,396
	Others	200,586	156,494
		<u>16,679,593</u>	<u>19,765,960</u>
<b>26.1</b>	<b>Profit income (calculated using effective profit rate method) recognised on:</b>		
	Financial assets measured at amortised cost	843,299	454,757
	Financial assets measured at FVOCI	8,510,008	10,976,253
		<u>9,353,307</u>	<u>11,431,010</u>
	Financial assets measured at FVPL	6,990	1,743
	Financial assets measured at cost	7,319,296	8,333,207
		<u>7,326,286</u>	<u>8,334,950</u>
<b>27</b>	<b>PROFIT / RETURN EXPENSED</b>		
	Deposits and other accounts	6,326,545	7,909,571
	Due to financial institutions	1,511,632	2,051,405
	Subordinated Sukuk	98,785	111,241
	Cost of foreign currency swaps against foreign currency deposits	120,826	168,531
	Finance charges on leased assets	217,610	303,861
		<u>8,275,398</u>	<u>10,544,609</u>
<b>27.1</b>	<b>Profit expense calculated using effective profit rate method</b>	1,828,027	2,331,177
	Other financial liabilities	6,447,371	8,213,432
		<u>8,275,398</u>	<u>10,544,609</u>

## Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For The Quarter Ended March 31, 2026

		(Un-audited)	
		March 31, 2026	March 31, 2025
Note		-----Rupees in '000-----	
<b>28</b>	<b>FEE AND COMMISSION INCOME</b>		
	Card related fees	480,727	372,119
	Commission on trade	157,437	152,692
	Commission on arrangement with financial institutions	57,309	47,866
	Investment banking fees	22,484	37,676
	Commission on bancatakaful	35,828	39,903
	Commission on guarantees	43,435	40,319
	Consumer finance related fees	11,930	2,712
	Branch banking customer fees	24,721	21,001
	Commission on remittances including home remittances	3,340	13,146
	Commission on cash management	8,704	5,931
	Others	956	1,683
		<b>846,871</b>	<b>735,048</b>
<b>29</b>	<b>GAIN ON SECURITIES - NET</b>		
	Realized	100,505	2,105,916
	Unrealized - Measured at FVPL	(36,347)	1,735
		<b>64,158</b>	<b>2,107,651</b>
<b>29.1</b>	<b>Realized gain / (loss) on:</b>		
	Shares	15,021	141,046
	Federal Government Shariah Compliant Securities	85,484	1,964,870
		<b>100,505</b>	<b>2,105,916</b>
<b>29.2</b>	<b>Net gain on financial assets / liabilities measured at FVPL:</b>		
	Designated upon initial recognition	(36,347)	1,735
<b>30</b>	<b>OTHER INCOME</b>		
	Recoveries against previously expensed items	7,564	5,636
	Gain on termination of financing	15,201	22,194
	Gain on sale of property and equipment	19,850	11,863
	Rent on property	200	-
	Others	1,120	619
		<b>43,935</b>	<b>40,312</b>

# Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For The Quarter Ended March 31, 2026

		(Un-audited)	
		March 31, 2026	March 31, 2025
		Note -----Rupees in '000-----	
<b>31</b>	<b>OPERATING EXPENSES</b>		
	<b>Total compensation expense</b>	<b>3,970,468</b>	3,364,542
	<b>Property expense</b>		
	Rent & taxes	25,101	23,621
	Takaful cost	5,379	-
	Utilities cost	279,887	263,753
	Security (including guards)	339,896	263,776
	Repair & maintenance (including janitorial charges)	145,777	142,625
	Depreciation	163,138	165,402
	Depreciation on right-of-use assets	466,878	394,338
	Others	-	321
		<b>1,426,056</b>	1,253,836
	<b>Information technology expenses</b>		
	Software maintenance	689,948	402,145
	Hardware maintenance	138,710	75,035
	Depreciation	301,364	142,604
	Amortization	158,718	75,082
	Network charges	189,890	132,430
		<b>1,478,630</b>	827,296
	<b>Other operating expenses</b>		
	Directors' fees and allowances	5,080	5,680
	Fees and allowances to Shariah Board	9,777	9,405
	Legal & professional charges	125,274	99,543
	Travelling & conveyance	63,527	70,839
	NIFT clearing charges	19,460	17,908
	Depreciation	189,151	156,916
	Depreciation on non-banking assets	54	583
	Training & development	13,752	20,169
	Postage & courier charges	34,832	30,160
	Communication	159,054	103,723
	Stationery & printing	127,109	167,022
	Marketing, advertisement & publicity	166,096	268,544
	Repairs and maintenance	68,860	81,444
	Takaful, tracker and other charges on car Ijarah		
	- net of income	-	13,075
	Takaful / Insurance	174,904	50,557
	Fee and subscription	196,388	172,242
	Vehicle running and maintenance	151,177	162,380
	Donations	-	35,358
	Auditors' remuneration	14,823	8,884
	Amortization	3,502	3,625
	Others	73,253	129,598
		<b>1,596,073</b>	1,607,655
		<b>8,471,227</b>	<b>7,053,329</b>

## Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For The Quarter Ended March 31, 2026

		(Un-audited)	
		March 31, 2026	March 31, 2025
		-----Rupees in '000-----	
<b>32</b>	<b>OTHER CHARGES</b>		
	Penalties imposed by regulatory authorities	<u>4,528</u>	113,436
		<u>4,528</u>	<u>113,436</u>
<b>33</b>	<b>CREDIT LOSS ALLOWANCE, (REVERSAL) AND WRITE OFFS - NET</b>		
	Charge / (reversal) of credit loss allowance against due from financial institutions	471	(810)
	Reversal of credit loss allowance against Islamic financing, related assets and advances - net 11.11.1	(608,231)	(604,522)
	Charge / (reversal) of modification loss	6,205	(33,673)
	Reversal of credit loss allowance against balance with treasury and other banks	(456)	-
	Credit loss allowance against off balance sheet items - net 22.1	28,379	239,041
	Other credit loss allowance / (reversal) / write offs - net	(5,502)	-
		<u>(579,134)</u>	<u>(399,964)</u>
<b>34</b>	<b>TAXATION</b>		
	Current	842,998	2,943,385
	Prior years	-	-
	Deferred	129,926	(66,012)
		<u>972,924</u>	<u>2,877,373</u>
<b>35</b>	<b>BASIC AND DILUTED EARNINGS PER SHARE</b>		
	Profit after taxation for the period	<u>900,105</u>	<u>2,613,726</u>
		----- Number of shares -----	
	Weighted average number of ordinary shares	<u>1,108,703,299</u>	<u>1,108,703,299</u>
		----- Rupees -----	
	Basic and diluted earnings per share 35.1	<u>0.81</u>	<u>2.36</u>
<b>35.1</b>	There were no convertible / dilutive potential ordinary shares outstanding as at March 31, 2026 and March 31, 2025, therefore diluted earning per share has not been presented separately.		

# Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For The Quarter Ended March 31, 2026

## 36 FAIR VALUE MEASUREMENTS

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

The fair value of unquoted Shariah compliant securities, fixed term financing, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

### 36.1 Fair value of financial assets

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

- Level 1:** Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2:** Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3:** Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyses financial assets measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized:

## Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For The Quarter Ended March 31, 2026

(Un-audited)			
March 31, 2026			
Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----			

### On balance sheet financial instruments

#### Financial assets - measured at fair value

##### Investments

Shares / Mutual funds	5,036,137	18,477	-	5,054,614
GoP Ijara Sukuk	101,533,519	198,756,035	-	300,289,554
Non-Government Shariah compliant securities	-	1,174,103	1,124,995	2,299,098

#### Off-balance sheet financial instruments

##### - measured at fair value

Shariah compliant alternative of forward purchase of foreign exchange

- 57,346,994 - 57,346,994

Shariah compliant alternative of forward sale of foreign exchange

- 41,913,665 - 41,913,665

### On balance sheet non-financial assets

#### Non-Financial Assets - measured at fair value

Fixed assets - Land and building

- 11,447,542 - 11,447,542

Non-banking assets acquired in satisfaction of claims

- 1,085,429 - 1,085,429

(Audited)			
December 31, 2025			
Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----			

### On balance sheet financial instruments

#### Financial assets - measured at fair value

##### Investments

Shares / Mutual funds	4,580,199	18,477	-	4,598,676
GOP Ijara Sukuk	78,801,265	235,934,974	-	314,736,239
Non-Government Shariah compliant Securities	-	1,227,194	1,124,995	2,352,189

#### Off-balance sheet financial instruments

##### - measured at fair value

Shariah compliant alternative of forward purchase of foreign exchange

- 49,789,168 - 49,789,168

Shariah compliant alternative of forward sale of foreign exchange

- 35,563,240 - 35,563,240

### On balance sheet non-financial assets

#### Non-Financial Assets - measured at fair value

Fixed assets - Land and building

- 11,447,552 - 11,447,552

Non-banking assets acquired in satisfaction of claims

- 1,085,484 - 1,085,484

# Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For The Quarter Ended March 31, 2026

## Valuation techniques used in determination of fair values within level 1

Item	Valuation approach and input used
GOP Sukuks	The valuation has been determined through closing rates on Pakistan Stock Exchange.
Listed securities (Shares, Modaraba and Sukuks)	The valuation has been determined through closing rates on Pakistan Stock Exchange.

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

Item	Valuation approach and input used
GOP Sukuks	The fair value of GOP Ijarah Sukuks are revalued using PKISRV rates. The PKISRV rates are announced by FMA (Financial Market Association) through Reuters. The rates announced are simple average of quotes received from 6 different pre-defined / approved dealers / brokers.
Non-Government Shariah compliant Securities	Non-Government Shariah compliant Securities are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.
Ordinary shares - unlisted	SWIFT is valued Using the MARKET approach. Valuation is based on its latest published share price in euros, converted to PKR Using the Exchange rate prevailing on the Valuation date.
Shariah compliant alternative of forward foreign exchange contracts	The valuation has been determined by interpolating the mid rates announced by State Bank of Pakistan.
Fixed assets - Land and building	The valuation experts used a market based approach to arrive at the fair value of the Bank's properties. The market approach used prices and other relevant information generated by market transactions involving identical, comparable or similar properties.
Non-banking assets acquired in satisfaction of claims	

**36.2** The Bank's policy is to recognize transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred.

## Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For The Quarter Ended March 31, 2026

### 37 SEGMENT INFORMATION

Segment Details with respect to Business Activities

(Un-audited)				
March 31, 2026				
Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total

----- Rupees in '000 -----

#### Profit & Loss

Net profit / return	7,604,215	(4,832,771)	5,750,380	(117,629)	8,404,195
Inter segment revenue - net	(7,751,543)	13,207,746	(5,777,883)	321,680	-
Total other income	570,183	567,119	237,643	28,735	1,403,680
Total income	422,855	8,942,094	210,140	232,786	9,807,875

Segment direct expenses	68,629	4,715,776	270,907	3,458,668	8,513,980
Inter segment expense allocation	34,095	3,011,211	370,610	(3,415,916)	-
Total expenses	102,724	7,726,987	641,517	42,752	8,513,980
Credit loss allowance	15	-	(522,487)	(56,662)	(579,134)
Profit / (loss) before tax	320,116	1,215,107	91,110	246,696	1,873,029

#### Balance Sheet

##### Assets

Cash & Bank balances	427,922	41,913,365	-	-	42,341,287
Investments	340,316,895	-	1,535,681	-	341,852,576
Net inter segment placements	-	553,888,327	-	7,926,562	561,814,889
Due from financial institutions	19,699,229	-	-	-	19,699,229
Islamic financing and related assets - performing	-	42,821,838	240,009,003	9,700,036	292,530,877
- non-performing - net	-	468,779	291,136	158,461	918,376
Others	-	-	-	71,207,039	71,207,039
<b>Total Assets</b>	<b>360,444,046</b>	<b>639,092,309</b>	<b>241,835,820</b>	<b>88,992,098</b>	<b>1,330,364,273</b>

##### Liabilities

Due to financial institutions	20,960,025	2,657,125	10,161,967	-	33,779,117
Subordinated sukuk	-	-	-	3,000,000	3,000,000
Deposits & other accounts	9,342,985	636,435,184	-	-	645,778,169
Net inter segment acceptances	330,141,036	-	231,673,853	-	561,814,889
Others	-	-	-	39,420,959	39,420,959
<b>Total liabilities</b>	<b>360,444,046</b>	<b>639,092,309</b>	<b>241,835,820</b>	<b>42,420,959</b>	<b>1,283,793,134</b>
Equity	-	-	-	46,571,139	46,571,139
<b>Total Equity &amp; liabilities</b>	<b>360,444,046</b>	<b>639,092,309</b>	<b>241,835,820</b>	<b>88,992,098</b>	<b>1,330,364,273</b>

##### Contingencies & Commitments

	99,260,659	-	67,515,674	135,899,466	302,675,799
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# Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For The Quarter Ended March 31, 2026

(Un-audited)					
March 31, 2025					
	Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
----- Rupees in '000 -----					
Profit & Loss					
Net profit / return	9,124,009	(6,523,814)	6,891,132	(269,976)	9,221,351
Inter segment revenue - net	(9,527,082)	16,050,064	(7,717,515)	1,194,533	-
Total other income	2,421,118	473,415	235,963	18,116	3,148,612
Total Income	2,018,045	9,999,665	(590,420)	942,673	12,369,963
Segment direct expenses	31,071	4,260,772	105,187	2,881,798	7,278,828
Inter segment expense allocation	44,101	1,992,600	417,527	(2,454,228)	-
Total expenses	75,172	6,253,372	522,714	427,570	7,278,828
Credit loss allowance	(810)	(161,847)	(436,556)	199,249	(399,964)
Profit / (loss) before tax	1,943,683	3,908,140	(676,578)	315,854	5,491,099
----- Rupees in '000 -----					
(Un-audited)					
December 31, 2025					
	Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
----- Rupees in '000 -----					
Balance Sheet					
Assets					
Cash & Bank balances	1,067,562	71,821,007	-	-	72,888,569
Investments	321,312,422	-	1,574,682	-	322,887,104
Net inter segment placements	-	544,264,990	-	22,213,146	566,478,136
Due from financial institutions	18,999,952	-	-	-	18,999,952
Islamic financing and related assets - performing	-	38,424,537	242,822,486	9,358,286	290,605,309
- non-performing - net	-	594,924	392,021	158,355	1,145,300
Others	-	-	-	64,816,644	64,816,644
Total Assets	341,379,936	655,105,458	244,789,189	96,546,431	1,337,821,014
Liabilities					
Due to financial institutions	499,301	4,241,983	9,871,824	-	14,613,108
Subordinated sukuk	-	-	-	3,000,000	3,000,000
Deposits & other accounts	9,319,864	650,863,475	-	-	660,183,339
Net inter segment acceptances	331,560,771	-	234,917,365	-	566,478,136
Others	-	-	-	44,932,523	44,932,523
Total liabilities	341,379,936	655,105,458	244,789,189	47,932,523	1,289,207,106
Equity	-	-	-	48,613,908	48,613,908
Total Equity & liabilities	341,379,936	655,105,458	244,789,189	96,546,431	1,337,821,014
Contingencies & Commitments	85,352,408	-	67,948,449	84,665,557	237,966,414

## 38 RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its parent, subsidiary, associates, employee benefit plans, its directors and key management personnel.

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 and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment.

## Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For The Quarter Ended March 31, 2026

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

	(Un-audited) March 31, 2026						(Audited) December 31, 2025					
	Parent	Directors	Key management personnel	Subsidiary	Associates	Other related parties	Parent	Directors	Key management personnel	Subsidiary	Associates	Other related parties
(Rupees in '000)												
<b>Investments</b>												
Opening balance	-	-	-	1,304,771	1,060,244	-	-	-	-	104,771	1,102,111	-
Investment made during the year	-	-	-	-	-	-	-	-	-	1,200,000	-	-
Investment written-off during the year	-	-	-	-	-	-	-	-	-	-	(41,867)	-
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	1,304,771	1,060,244	-	-	-	-	1,304,771	1,060,244	-
Credit loss allowance held against investments	-	-	-	(104,771)	(1,060,244)	-	-	-	-	(104,771)	(1,060,244)	-
<b>Islamic financing and related assets</b>												
Opening balance	-	-	579,570	-	480,000	743,717	-	-	467,815	-	480,187	1,608,466
Addition during the year	-	-	195,182	-	-	-	-	-	317,706	-	-	1,186,187
Repaid during the year	-	-	(57,138)	-	-	(42,889)	-	-	(246,291)	-	(187)	(2,338,596)
Transfer in / (out) - net	-	-	93,598	-	-	(21,803)	-	-	40,340	-	-	287,660
Closing balance	-	-	811,212	-	480,000	679,025	-	-	579,570	-	480,000	743,717
Credit loss allowance held against Islamic financing and related assets	-	-	(515)	-	(480,000)	(2,390)	-	-	(230)	-	(480,000)	(3,467)
<b>Other assets</b>												
Profit receivable on financings	-	-	739	-	-	4,979	-	-	483	-	-	37,625
Others	-	-	-	200	-	-	-	-	-	74	-	12,564
<b>Due to financial institutions - net</b>												
Opening balance	-	-	-	-	-	-	2,000,000.00	-	-	-	-	-
Additions during the year	-	-	-	-	-	-	-	-	50,000.00	-	-	500,000
Settled during the year	-	-	-	-	-	-	(52,000.00)	-	-	-	-	(500,000)
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-
<b>Subordinated sukuk</b>												
Opening balance	-	-	35	-	-	143,325	-	-	485	-	-	143,465
Issued / purchased during the year	-	-	-	-	-	2,940	-	-	-	-	-	3,565
Redemption / sold during the year	-	-	-	-	-	(110)	-	-	-	-	-	(3,705)
Transfer in / (out)	-	-	-	-	-	-	-	-	(450)	-	-	-
Closing balance	-	-	35	-	-	146,155	-	-	35	-	-	143,325
<b>Deposits and other accounts</b>												
Opening balance	-	2,074	56,932	1,193,311	2,110	2,289,358	-	9,305	126,828	4	1,083	1,461,374
Received during the year	-	15,600	474,340	2,445,213	118,216	9,160,239	-	511,609	1,429,392	2,344,407	805,634	125,111,029
Withdrawn during the year	-	(16,994)	(468,964)	(2,448,218)	(109,025)	(9,359,269)	-	(515,034)	(1,400,579)	(1,151,100)	(804,807)	(124,422,723)
Transfer in / (out) - net	-	1,342	(27,472)	-	-	2,538	-	(3,206)	(80,703)	-	-	139,676
Closing balance	-	2,082	56,836	1,190,306	11,301	2,092,836	-	2,074	56,932	1,193,311	2,110	2,289,358
<b>Other Liabilities</b>												
Profit / return payable	-	5	1,100	10,428	56	10,153	-	2	2,512	10,195	2	15,598
Dividend Payable	1,041,015	112	1	-	-	177,182	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	719	459,000	-	-	-	-	9,626
Unrealized loss on Shariah compliant alternative of forward foreign exchange contracts	-	-	-	-	-	-	-	-	-	-	-	-
Meeting fee / remuneration payable	-	-	-	-	-	-	-	-	-	-	-	-
<b>Contingencies and Commitments</b>												
Other contingencies	-	-	-	-	-	900,000	-	-	-	-	-	900,000

	(Un-audited) March 31, 2026						(Un-audited) March 31, 2025					
	Parent	Directors	Key management personnel	Subsidiary	Associates	Other related parties	Parent	Directors	Key management personnel	Subsidiary	Associates	Other related parties
<b>Income</b>												
Profit / return earned	-	-	8,981	-	-	7,698	8,264	-	6,746	-	-	55,117
Other income	-	-	-	200	-	4,602	-	-	-	-	-	33,509
Foreign exchange income	-	-	-	-	-	-	3,468	-	-	-	-	-
<b>Expense</b>												
Profit / return expensed	-	18	924	27,625	69	34,469	762	36	737	-	70	37,041
Other administrative expenses	104	439	25,883	-	-	9,638	73	360	7,219	-	-	9,596
Meeting fee / remuneration	-	5,080	243,757	-	-	-	-	5,680	177,307	-	-	-
Contribution to employees provident fund	-	-	-	-	-	128,136	-	-	-	-	-	96,193
Charge for employees gratuity fund	-	-	-	-	-	48,637	-	-	-	-	-	88,479

# Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For The Quarter Ended March 31, 2026

## 39 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Un-audited) March 31, 2026	(Audited) December 31, 2025
	----- Rupees in '000 -----	
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	<b>11,007,991</b>	11,007,991
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	<b>39,199,406</b>	41,099,514
Eligible Additional Tier 1 (ADT 1) Capital	<b>3,000,000</b>	3,000,000
Total Eligible Tier 1 Capital	<b>42,199,406</b>	44,099,514
Eligible Tier 2 Capital	<b>3,656,125</b>	4,908,758
Total Eligible Capital (Tier 1 + Tier 2)	<b>45,855,531</b>	49,008,272
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	<b>199,425,934</b>	198,186,749
Market Risk	<b>12,948,030</b>	14,008,884
Operational Risk	<b>83,922,654</b>	83,922,654
Total	<b>296,296,618</b>	296,118,287
Common Equity Tier 1 Capital Adequacy ratio	<b>13.23%</b>	13.88%
Tier 1 Capital Adequacy Ratio	<b>14.24%</b>	14.89%
Total Capital Adequacy Ratio	<b>15.48%</b>	16.55%
<b>National minimum capital requirements prescribed by SBP</b>		
CET1 minimum ratio	<b>6.00%</b>	6.00%
Tier 1 minimum ratio	<b>7.50%</b>	7.50%
Total capital minimum ratio	<b>10.00%</b>	10.00%
Capital Conservation Buffer (CCB) (Consisting of CET 1 only)	<b>1.50%</b>	1.50%
Total Capital plus CCB	<b>11.50%</b>	11.50%

39.1 The capital to risk weighted assets ratio is calculated in accordance with the SBP guidelines on capital adequacy, under Basel III and Pre-Basel III treatment using Standardized Approach for credit and market risk and Basic Indicator Approach for operational Risk.

	(Un-audited) March 31, 2026	(Audited) December 31, 2025
	----- Rupees in '000 -----	
<b>Leverage Ratio (LR):</b>		
Eligible Tier-1 Capital	<b>42,199,406</b>	44,099,514
Total Exposures	<b>834,479,856</b>	832,246,504
Leverage Ratio	<b>5.06%</b>	5.30%
<b>Liquidity Coverage Ratio (LCR):</b>		
Total High Quality Liquid Assets	<b>323,298,836</b>	366,424,354
Total Net Cash Outflow	<b>130,213,895</b>	113,706,825
Liquidity Coverage Ratio	<b>248.28%</b>	322.25%
<b>Net Stable Funding Ratio (NSFR):</b>		
Total Available Stable Funding	<b>566,407,468</b>	590,214,409
Total Required Stable Funding	<b>299,964,235</b>	261,833,817
Net Stable Funding Ratio	<b>188.83%</b>	225.42%

39.2 The full disclosures on the capital adequacy, leverage ratio & liquidity requirements as per SBP instructions issued from time to time has been placed on the Bank's website. The link to the full disclosures is available at [www.bankislami.com.pk/investor-relations](http://www.bankislami.com.pk/investor-relations).

## Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements

For The Quarter Ended March 31, 2026

### 40 GENERAL

40.1 Captions, as prescribed by BPRD Circular No. 02, dated: January 25, 2018 issued by the SBP, in respect of which there are no amounts, have not been reproduced in these condensed interim unconsolidated financial statements, except for captions of the unconsolidated Statement of Financial Position and unconsolidated Profit and Loss Account.

40.2 These condensed interim unconsolidated financial statements are presented in Pakistani Rupees, which is the Bank's functional and presentation currency.

40.3 The figures in these condensed interim unconsolidated financial statements have been rounded off to the nearest thousand rupee.

### 41 DATE OF AUTHORISATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorized for issue on April 24, 2026 by the Board of Directors of the Bank.

-sd-

\_\_\_\_\_  
President /  
Chief Executive Officer

-sd-

\_\_\_\_\_  
Chief Financial Officer

-sd-

\_\_\_\_\_  
Chairman

-sd-

\_\_\_\_\_  
Director

-sd-

\_\_\_\_\_  
Director

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# ABBASI JAMIA SHAHI MASJID



# Consolidated Financial Statements

## **Abbasi Jamia Shahi Masjid**

The Abbasi Jamia Shahi Masjid in Qila Derawar, close to the mighty Derawar Fort in the Cholistan Desert, is a radiant structure of pure white marble. Inspired by Delhi's Moti Masjid, it features a 128-foot prayer hall, a finely carved marble jharoka, and three glistening domes. The Masjid stands as a graceful reminder of Bahawalpur's rich cultural and spiritual legacy.

## Condensed Interim Consolidated Statement of Financial Position

As at March 31, 2026

	<u>(Un-audited)</u> March 31, 2026	<u>(Audited)</u> December 31, 2025
Note ----- Rupees in '000 -----		
<b>ASSETS</b>		
Cash and balances with treasury banks	7 41,913,365	71,821,007
Balances with other banks	8 430,125	1,069,764
Due from financial institutions	9 19,699,229	18,999,952
Investments	10 340,652,576	321,687,104
Islamic financing, related assets and advances	11 293,449,253	291,750,609
Property and equipment	12 24,710,347	25,407,260
Right-of-use assets	13 5,324,114	5,655,325
Intangible assets	14 5,168,244	4,743,612
Deferred tax assets	15 5,655,178	4,286,765
Other assets	16 30,315,379	24,664,577
<b>Total Assets</b>	<b>767,317,810</b>	<b>770,085,975</b>
<b>LIABILITIES</b>		
Bills payable	17 6,168,224	9,895,158
Due to financial institutions	18 33,779,117	14,613,108
Deposits and other accounts	19 644,587,863	658,990,028
Lease liabilities	20 6,348,827	6,604,095
Subordinated sukuk	21 3,000,000	3,000,000
Deferred tax liabilities	- -	-
Other liabilities	22 26,951,279	28,462,093
<b>Total Liabilities</b>	<b>720,835,310</b>	<b>721,564,482</b>
<b>NET ASSETS</b>	<b>46,482,500</b>	<b>48,521,493</b>
<b>REPRESENTED BY</b>		
Share capital - net	23 11,007,991	11,007,991
Reserves	23 8,547,376	8,367,355
Surplus on revaluation of assets	24 2,736,749	4,306,495
Unappropriated profit	24 24,190,384	24,839,652
	<b>46,482,500</b>	<b>48,521,493</b>
<b>CONTINGENCIES AND COMMITMENTS</b>		
	25	

The annexed notes 1 to 41 form an integral part of these condensed interim consolidated financial statements.

-sd-	-sd-	-sd-	-sd-	-sd-
_____ President / Chief Executive Officer	_____ Chief Financial Officer	_____ Chairman	_____ Director	_____ Director

# Condensed Interim Consolidated Profit and Loss Account (Un-audited)

For The Quarter Ended March 31, 2026

		March 31, 2026	March 31, 2025
	Note	----- Rupees in '000 -----	
Profit / return earned	26	16,679,593	19,765,960
Profit / return expended	27	8,248,215	10,544,609
Net profit / return		<u>8,431,378</u>	<u>9,221,351</u>
<b>OTHER INCOME</b>			
Fee and commission income	28	846,871	735,048
Dividend income		41,537	26,306
Foreign exchange income		451,357	132,890
(Loss) / income from shariah compliant alternative of forward foreign exchange contracts		(44,178)	106,405
Gain on securities - net	29	64,158	2,107,651
Net gains on derecognition of financial assets measured at amortised cost		-	-
Other income	30	43,735	40,312
Total other income		<u>1,403,480</u>	<u>3,148,612</u>
<b>Total Income</b>		<u>9,834,858</u>	<u>12,369,963</u>
<b>OTHER EXPENSES</b>			
Operating expenses	31	8,492,794	7,053,329
Workers' welfare fund		38,225	112,063
Other charges	32	4,528	113,436
Total other expenses		<u>8,535,547</u>	<u>7,278,828</u>
<b>Profit before credit loss allowance</b>		<u>1,299,311</u>	<u>5,091,135</u>
Credit loss allowance, (reversal) and write offs - net	33	(579,134)	(399,964)
Extra ordinary / unusual items		-	-
<b>PROFIT BEFORE TAXATION</b>		<u>1,878,445</u>	<u>5,491,099</u>
Taxation	34	974,564	2,877,373
<b>PROFIT AFTER TAXATION</b>		<u>903,881</u>	<u>2,613,726</u>
<b>ATTRIBUTABLE TO:</b>			
Equity Shareholders of the Holding Company		903,881	2,613,726
Non-controlling interest		-	-
		<u>903,881</u>	<u>2,613,726</u>
		----- Rupees -----	
<b>Basic and Diluted earnings per share</b>	35	<u>0.82</u>	<u>2.36</u>

The annexed notes 1 to 41 form an integral part of these condensed interim consolidated financial statements.

-sd-	-sd-	-sd-	-sd-	-sd-
_____ President / Chief Executive Officer	_____ Chief Financial Officer	_____ Chairman	_____ Director	_____ Director

## Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited)

For The Quarter Ended March 31, 2026

	March 31, 2026	March 31, 2025
	----- Rupees in '000 -----	
<b>Profit after taxation for the period</b>	<b>903,881</b>	2,613,726
<b>Other comprehensive (loss) / income</b>		
<b>Items that may be reclassified to profit and loss account in subsequent periods:</b>		
Movement in surplus on revaluation of debt investments through FVOCI - net of tax	<b>(1,012,266)</b>	(4,132,504)
<b>Items that will not be reclassified to profit and loss account in subsequent periods:</b>		
Movement in surplus on revaluation of equity investments - net of tax	<b>(448,063)</b>	9,988
Movement in surplus on revaluation of property and equipment - net of tax	<b>(96,666)</b>	-
	<b>(544,729)</b>	9,988
<b>Total comprehensive loss</b>	<b>(653,114)</b>	<b>(1,508,790)</b>
<b>Total comprehensive income attributable to:</b>		
Equity Shareholders of the Holding Company	<b>(653,114)</b>	(1,508,790)
Non-controlling interest	-	-
	<b>(653,114)</b>	<b>(1,508,790)</b>

The annexed notes 1 to 41 form an integral part of these condensed interim consolidated financial statements.

-sd-	-sd-	-sd-	-sd-	-sd-
President / Chief Executive Officer	Chief Financial Officer	Chairman	Director	Director

# Condensed Interim Consolidated Statement of Changes in Equity

For The Quarter Ended March 31, 2026

	Share capital	Discount on issue of shares	Statutory reserve*	Surplus on revaluation of		Unap-propriated profit	Sub total	Non-Controlling interest	Total
				Investments	Property & Equipment / Non Banking Assets				
Rupees in '000									
<b>Opening Balance as at January 01, 2025</b>	11,087,033	(79,042)	7,166,799	5,848,559	1,538,445	22,653,174	48,214,968	-	48,214,968
Profit after taxation for the quarter ended March 31, 2025	-	-	-	-	-	2,613,726	2,613,726	-	2,613,726
<b>Other comprehensive income for the quarter ended March 31, 2025 :</b>									
Movement in surplus on revaluation of investments in debt instruments - net of tax	-	-	-	(4,132,504)	-	-	(4,132,504)	-	(4,132,504)
Movement in surplus on revaluation of investments in equity instruments - net of tax*	-	-	-	9,988	-	-	9,988	-	9,988
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	(4,122,516)	-	-	(4,122,516)	-	(4,122,516)
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	(66)	66	-	-	-
Transfer to statutory reserve	-	-	522,745	-	-	(522,745)	-	-	-
<b>Transactions with owners, recorded directly in equity</b>									
Final cash dividend to shareholders for the year 2024 @ Rs. 1.25 per share	-	-	-	-	-	(1,385,879)	(1,385,879)	-	(1,385,879)
<b>Opening Balance as at April 01, 2025 (Un-audited)</b>	11,087,033	(79,042)	7,689,544	1,726,043	1,517,840	23,378,881	45,320,299	-	45,320,299
Profit after taxation for the period from April 01, 2025 to December 31, 2025	-	-	-	-	-	3,390,949	3,390,949	-	3,390,949
<b>Other comprehensive income for the period from April 01, 2025 to December 31, 2025:</b>									
Movement in surplus on revaluation of investments in debt instruments - net of tax	-	-	-	(636,097)	-	-	(636,097)	-	(636,097)
Movement in surplus on revaluation of investments in equity instruments - net of tax*	-	-	-	732,501	-	-	732,501	-	732,501
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	(32,064)	(32,064)	-	(32,064)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	1,410,267	-	1,410,267	-	1,410,267
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	(1,307)	-	(1,307)	-	(1,307)
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	96,404	1,408,960	(32,064)	1,473,300	-	1,473,300
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	(151,025)	151,025	-	-	-
Transfer from surplus on revaluation of property and equipment on sale to unappropriated profit - net of tax	-	-	-	-	58	(58)	-	-	-
Transfer from surplus on revaluation of non-banking assets on sale to unappropriated profit - net of tax	-	-	-	-	(184,884)	184,884	-	-	-
Gain on sale of equity instruments-FVOCI	-	-	-	(79,188)	-	79,188	-	-	-
Transfer to statutory reserve	-	-	677,811	-	-	(677,811)	-	-	-
<b>Transactions with owners, recorded directly in equity</b>									
First Interim cash dividend to shareholders for the year 2025 @ Rs. 1.5 per share	-	-	-	-	-	(1,663,055)	(1,663,055)	-	(1,663,055)
<b>Closing Balance as at December 31, 2025 (Audited)</b>	11,087,033	(79,042)	8,367,355	1,743,259	2,563,236	24,839,652	48,521,493	-	48,521,493
Profit after taxation for the quarter ended March 31, 2026	-	-	-	-	-	903,881	903,881	-	903,881
<b>Other comprehensive income for the quarter ended March 31, 2026 :</b>									
Movement in surplus on revaluation of investments in debt instruments - net of tax	-	-	-	(1,012,266)	-	-	(1,012,266)	-	(1,012,266)
Movement in surplus on revaluation of investments in equity instruments - net of tax	-	-	-	(448,063)	-	-	(448,063)	-	(448,063)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	(96,666)	-	(96,666)	-	(96,666)
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	(1,460,329)	(96,666)	-	(1,556,995)	-	(1,556,995)
Transfer from surplus on revaluation of property and equipment on sale to unappropriated profit - net of tax	-	-	-	-	(9,526)	9,526	-	-	-
Transfer from surplus on revaluation of property and equipment on sale to unappropriated profit - net of tax	-	-	-	-	(400)	400	-	-	-
Gain on sale of equity instruments-FVOCI	-	-	-	(2,825)	-	2,825	-	-	-
Transfer to statutory reserve	-	-	180,021	-	-	(180,021)	-	-	-
<b>Transactions with owners, recorded directly in equity</b>									
Final cash dividend to shareholders for the year 2025 @ Rs. 1.25 per share	-	-	-	-	-	(1,385,879)	(1,385,879)	-	(1,385,879)
<b>Closing Balance as at March 31, 2026 (Un-audited)</b>	<u>11,087,033</u>	<u>(79,042)</u>	<u>8,547,376</u>	<u>280,105</u>	<u>2,456,644</u>	<u>24,190,384</u>	<u>46,482,500</u>	<u>-</u>	<u>46,482,500</u>

\*This represents reserve created under section 21(1) of the Banking Companies Ordinance, 1962.

The annexed notes 1 to 41 form an integral part of these condensed interim consolidated financial statements.

-sd-	-sd-	-sd-	-sd-	-sd-
President / Chief Executive Officer	Chief Financial Officer	Chairman	Director	Director

## Condensed Interim Consolidated Cash Flow Statement (Un-audited)

For The Quarter Ended March 31, 2026

	March 31, 2026	March 31, 2025
	----- Rupees in '000 -----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,878,445	5,491,099
Less: Dividend income	(41,537)	(26,306)
	<u>1,836,908</u>	<u>5,464,793</u>
<b>Adjustments for non-cash charges and other items:</b>		
Net profit / return	(8,431,378)	(9,221,351)
Depreciation on property and equipment	31 653,841	464,922
Depreciation on non-banking assets	31 54	583
Depreciation on right-of-use assets	31 467,671	394,338
Amortisation	162,220	78,707
Depreciation on operating Ijarah assets	553,066	32,705
Finance charges on leased assets	27 218,052	303,861
Credit loss allowance, (reversal) and write offs - net	33 (579,134)	(399,964)
Unrealized loss / (gain) on revaluation of investments classified as FVPL	29 36,347	(1,735)
Charge for defined benefit plan	48,637	88,479
Gain on sale of property and equipment	30 (19,850)	(11,863)
	<u>(6,890,474)</u>	<u>(8,271,318)</u>
	<u>(5,053,566)</u>	<u>(2,806,525)</u>
<b>(Increase) / decrease in operating assets</b>		
Due from financial institutions	(699,748)	3,258,738
Securities classified as FVPL	(36,347)	1,735
Islamic financing, related assets and advances	(1,447,806)	12,452,266
Other assets (excluding advance taxation)	(2,440,176)	(1,027,828)
	<u>(4,624,077)</u>	<u>14,684,911</u>
<b>(Decrease) / increase in operating liabilities</b>		
Bills payable	(3,726,934)	(9,439,785)
Due to financial institutions	19,166,009	(1,110,013)
Deposits and other accounts	(14,402,165)	17,454,086
Other liabilities (excluding current taxation)	(413,215)	1,546,623
	<u>623,695</u>	<u>8,450,911</u>
	<u>(9,053,948)</u>	<u>20,329,297</u>
Profit / return received	12,099,171	17,707,526
Profit / return paid	(9,621,016)	(12,028,084)
Income tax paid	(1,831,692)	(3,207,986)
Payment to gratuity fund	(200,000)	-
<b>Net cash (used in) / generated from operating activities</b>	<u>(8,607,485)</u>	<u>22,800,753</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net Investments in securities classified as FVOCI	(20,460,433)	(6,396,158)
Dividends received	41,537	26,306
Investments in property and equipment	(345,771)	(801,350)
Investments in intangible assets	(586,852)	(33,994)
Proceeds from sale of non-banking assets	-	14,338
Proceeds from disposal of property and equipment	21,743	-
<b>Net cash used in investing activities</b>	<u>(21,329,776)</u>	<u>(7,190,858)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payments of lease obligations against right-of-use assets	(609,780)	(427,190)
Dividend paid	(240)	(405)
<b>Net cash used in financing activities</b>	<u>(610,020)</u>	<u>(427,595)</u>
<b>(Decrease) / increase in cash and cash equivalents</b>	<u>(30,547,281)</u>	<u>15,182,300</u>
Cash and cash equivalents at the beginning of the period	72,890,771	36,159,232
<b>Cash and cash equivalents at the end of the period</b>	<u>42,343,490</u>	<u>51,341,532</u>

The annexed notes 1 to 41 form an integral part of these condensed interim consolidated financial statements.

-sd-	-sd-	-sd-	-sd-	-sd-
President / Chief Executive Officer	Chief Financial Officer	Chairman	Director	Director

# Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For The Quarter Ended March 31, 2026

## 1 STATUS AND NATURE OF BUSINESS

The Group comprises of:

### 1.1 BankIslami Pakistan Limited (Holding Company or the Holding Company)

BankIslami Pakistan Limited (the Holding Company) was incorporated in Pakistan on October 18, 2004 as a public limited company to carry out the business of an Islamic Commercial Bank in accordance with the principles of Islamic Shariah.

The State Bank of Pakistan (SBP) granted a 'Scheduled Islamic Commercial Bank' license to the Holding Company on March 18, 2005. The Holding Company commenced its operations as a Scheduled Islamic Commercial Bank with effect from April 07, 2006 on receiving Certificate of Commencement of Business from the State Bank of Pakistan (SBP) under section 37 of the State Bank of Pakistan Act, 1956. The Holding Company is principally engaged in corporate, commercial, consumer, retail banking and investment activities.

The Holding Company is operating through 569 branches including 60 sub-branches as at March 31, 2026 (December 31, 2025: 569 branches including 60 sub-branches). The registered office of the Holding Company is situated at 11th Floor, Executive Tower Dolmen City, Marine Drive, Block-4, Clifton, Karachi. The shares of the Holding Company are quoted on the Pakistan Stock Exchange Limited.

The Pakistan Credit Rating Agency (Private) Limited (PACRA) has maintained the Holding Company's long-term rating to 'AA-' and short-term rating at 'A1' with stable outlook.

The Holding Company is a subsidiary of JS Bank Limited (JSBL), which holds 75.12% shareholding in the Holding Company. Further JSBL is a subsidiary of Jahangir Siddiqui & Co. Ltd. (JSCL), making JSCL the ultimate parent of the Holding Company.

### 1.2 Subsidiary Companies

	Note	Percentage of Holding	
		(Un-audited)	(Audited)
		March 31, 2026	December 31, 2025
		Percentage	
My Solutions Corporations Limited	1.2.1	100%	100%
BIPL Exchange Company (Private) Limited	1.2.2	100%	100%

**1.2.1** My Solutions Corporation Limited (the Company) was incorporated as a private limited company on November 05, 1995 and was converted into a public limited company on March 24, 2003. The Company is currently dormant. Its registered office is situated at the 9th floor, Trade Centre, I.I Chundrigar Road, Karachi.

## Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For The Quarter Ended March 31, 2026

**1.2.2** During year 2025, the Holding Company incorporated BIPL Exchange Company (Private) Limited as a wholly owned subsidiary of the Holding Company pursuant to receipt of No Objection Certificate from the State Bank of Pakistan. The principal business of the Company, upon commencement of operations, will be to provide foreign exchange services. The Company obtained exchange company license for commencement of operations from State Bank of Pakistan (SBP) on 8 April 2026. The management is currently in the process of completing the necessary formalities to initiate business operations.

### **2 BASIS OF PRESENTATION**

**2.1** The Holding Company provides financing mainly through Murabaha, Istisna, Diminishing Musharakah, Import Murabaha, Salam, Musawamah, Running Musharaka (Shirkat-ul-Aqd), Ijarah and other Islamic modes as briefly explained in note no. 7.5 of consolidated financial statements for the year ended December 31, 2025.

The purchases and sales arising under these arrangements are not reflected in these condensed interim consolidated financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of profit thereon. The income on such financing is recognized in accordance with the principles of Islamic Shariah. However, income, if any, received which does not comply with the principles of Islamic Shariah is recognized as charity payable as directed by the Shariah Board of the Holding Company.

### **2.2 Basis of Consolidation**

These condensed interim consolidated financial statements incorporate the financial statements of the Holding Company and the subsidiary companies from the date that control of the subsidiaries by the Holding Company commences until the date that control ceases. The financial statements of the subsidiary companies are incorporated on a line-by-line basis and the investment held by the Holding Company is eliminated against the corresponding share capital of subsidiaries in these condensed interim consolidated financial statements. Material intra-group balances and transactions are eliminated.

**2.3** Effective May 07, 2015, the defunct KASB Bank Limited (amalgamated entity) was amalgamated within and into the Holding Company. As the amalgamated entity operated as a conventional bank, any assets or liabilities which are not Shariah compliant are shown separately within the condensed interim consolidated interim consolidated financial statement line items.

**2.4** The Holding Company believes that there is no significant doubt on the Holding Company's ability to continue as a going concern. Therefore, these condensed interim consolidated financial statements continue to be prepared on the going concern basis.

### **3 STATEMENT OF COMPLIANCE**

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

# Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For The Quarter Ended March 31, 2026

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by Institute of Chartered Accountants of Pakistan, as are notified under the Companies Act, 2017;
- Provisions of, directives and notifications issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

**3.1** Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives and notifications issued by SBP and SECP differ with the requirements of the IFRS Accounting Standards or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives and notifications, shall prevail.

**3.2** The disclosures made in these condensed interim consolidated financial statements have been based on a format prescribed by SBP vide BPRD Circular No. 02 dated 09 February 2023 with further addition made vide BPRD Circular Letter No. 13 of 2024, dated 01 July 2024 and accounting and financial reporting standards as applicable in Pakistan.

**3.3** The SBP, through its BSD Circular Letter No. 10 dated August 26, 2002, has deferred the implementation of IAS 40 - "Investment Property" for Banking Companies in Pakistan, till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7 "Financial Instruments: Disclosures" through its S.R.O. 411(I)/2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim consolidated financial statements. However non-banking assets have been classified and valued in accordance with the requirements prescribed by the SBP.

**3.4** The SBP vide its BPRD Circular No. 04 dated February 25, 2015 has clarified that the reporting requirements of IFAS-3 for Islamic Banking Institutions (IBIs) relating to annual, half yearly and quarterly condensed interim consolidated financial statements would be notified by the SBP through issuance of specific instructions and uniform disclosure formats in consultation with IBIs. These reporting requirements have not been ratified to date. Accordingly, the disclosure requirements under IFAS 3 have not been considered in these condensed interim consolidated financial statements.

**3.5** The treatment of charity should be in line with the existing practices as defined in SBP instructions issued via IBD Circular No. 02 of 2008 and should not be recognized as income.

**3.6** The State Bank of Pakistan (SBP) has adopted requirements of IFRS 9 along with the application instructions through BPRD Circular No. 07 of 2023, dated April 13, 2023, but deferred certain requirements. Islamic banking institutions have been allowed to follow Islamic Financial Accounting Standards (IFAS) 1 & 2 where applicable and continue existing accounting practices for other Islamic products until further instructions. The impact of profit of financing in advance stage is Rs. 336.64 million (net of tax) excluding any Effective yield rate (EIR) effect.

## Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For The Quarter Ended March 31, 2026

The Holding Company has received deferment of recording income and expense at EIR via letter from SBP till December 31, 2025. The Holding Company has performed a preliminary assessment of the potential impact of adoption of these deferred requirement based on its consolidated statement of financial position as at December 31, 2025 and assessed that cumulative estimated adjustment, net of tax, arising from the adoption of the EIR method as at January 01, 2026 is not material and accordingly, has not been disclosed in these condensed interim consolidated financial statements.

### 4 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies and methods of computation adopted in the preparation of these condensed interim consolidated financial statements are consistent with those applied in the preparation of the audited annual financial statements of the Holding Company for the year ended December 31, 2025.

#### 4.1 Standards, interpretations of and amendments to published approved accounting standards that are effective in the current period

There are certain interpretations and amendments that are mandatory for the Holding Company's accounting periods beginning on or after January 01, 2026 but are considered not to be relevant or do not have any significant effect on the Holding Company's operations and therefore not detailed in these condensed interim consolidated financial statements.

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

Following standards, amendments and interpretations with respect to accounting and reporting standards would be effective from the dates mentioned below against the respective standards, amendments or interpretations:

Standard, Interpretation or Amendment	Effective date (annual periods beginning on or after)
Amendments to Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	01 January 2026
Annual improvement to IFRS Accounting Standards - Volume 11	01 January 2026
IFRS S1 - General Requirements for Disclosure of Sustainability - related Financial Information	01 January 2026
IFRS S2 - Climate - related disclosure	01 January 2026
IFRS 1 – First-time Adoption of International Financial	01 January 2004
IFRS 18 - Presentation and Disclosure in Financial Statements	01 January 2027

The above standards are either not applicable to the Holding Company or are not expected to have any material impact on the Holding Company's financial statements. However, SECP vide S.R.O 742 (I)/2025 (dated 16 April 2025) notified that International Financial Reporting Standard (IFRS 7 - 'Financial Instruments: Disclosures' shall be followed by Banks, for the purpose of financial statements, from the annual reporting periods beginning on or after 01 January 2026 (earlier application is permitted).

# Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For The Quarter Ended March 31, 2026

## 5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

## 6 FINANCIAL RISK MANAGEMENT

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

## 7 CASH AND BALANCES WITH TREASURY BANKS

In hand:

	(Un-audited) March 31, 2026	(Audited) December 31, 2025
- Local currency	18,441,211	13,328,988
- Foreign currencies	364,332	445,309
	<u>18,805,543</u>	<u>13,774,297</u>

With the State Bank of Pakistan in:

- Local currency current account	17,731,927	52,594,906
- Foreign currency deposit accounts:		
- Cash reserve account	1,440,152	1,445,155
- Special cash reserve account	1,733,263	1,739,284
- US dollar clearing account	150,432	207,114
	<u>3,323,847</u>	<u>3,391,553</u>

With National Bank of Pakistan in:

- Local currency current account	2,052,055	2,060,709
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Less: Credit loss allowance held against cash and balances with treasury banks

(7) (458)

Cash and balances with treasury banks  
- net of credit loss allowance

41,913,365 71,821,007

## 8 BALANCES WITH OTHER BANKS

In Pakistan:

- In current accounts	9	9
- In deposit accounts	2,371	2,371
	<u>2,380</u>	<u>2,380</u>

Outside Pakistan:

- In current accounts	270,611	424,310
- In deposit accounts	157,172	643,117
	<u>427,783</u>	<u>1,067,427</u>

Less: Credit loss allowance held against balances with other banks

(38) (43)

Balances with other banks - net of credit loss allowance

430,125 1,069,764

## Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For The Quarter Ended March 31, 2026

		<u>(Un-audited)</u> <b>March 31, 2026</b>	<u>(Audited)</u> December 31, 2025
<b>9</b>	<b>DUE FROM FINANCIAL INSTITUTIONS</b>		
		----- Rupees in '000 -----	
	Unsecured		
	Musharkah Placement	9.1	- 19,000,000
	Bai Muajjal Receivable		
	-from other financial institutions	9.1	<u>19,699,748</u> -
			<u>19,699,748</u> 19,000,000
	Less: Credit loss allowance held against due from financial institutions	9.2	(519) (48)
	Due from financial institutions - net of credit loss allowance		<u><u>19,699,229</u></u> <u><u>18,999,952</u></u>

**9.1** The average return on this product is 9.90% (2025: 10.4%) per annum. The balance has maturity in 365 days (2025: 20 days).

		<u>(Un-audited)</u> <b>March 31, 2026</b>		<u>(Audited)</u> December 31, 2025	
		Due from financial institutions	Credit loss allowance held	Due from financial institutions	Credit loss allowance held
<b>9.2</b>	<b>Due from financial institutions - Particulars of credit loss allowance</b>				
		----- Rupees in '000 -----			
	<b>Domestic</b>				
	Performing	Stage 1	19,699,748	519	19,000,000 48
	Under performing	Stage 2	-	-	- -
	Non-performing	Stage 3			
	Substandard		-	-	- -
	Doubtful		-	-	- -
	Loss		-	-	- -
			-	-	- -
	<b>Total</b>		<u><u>19,699,748</u></u>	<u><u>519</u></u>	<u><u>19,000,000</u></u> <u><u>48</u></u>

**9.2.1** The Holding Company does not hold overseas classified placements.

		<u>(Un-audited)</u> <b>March 31, 2026</b>	<u>(Audited)</u> December 31, 2025
<b>10</b>	<b>INVESTMENTS</b>		
		----- Rupees in '000 -----	
	Investments - Islamic	10.1	340,652,576 321,687,104
	Investments - Conventional (relating to amalgamated entity)	10.2	<u>340,652,576</u> -
			<u><u>340,652,576</u></u> <u><u>321,687,104</u></u>

# Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For The Quarter Ended March 31, 2026

		(Un-audited)				(Audited)			
		March 31, 2026				December 31, 2025			
		Cost / Amortised cost	Credit loss allowance held	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Credit loss allowance held	Surplus / (Deficit)	Carrying Value
10.1	Islamic Investments by type	Note ..... Rupees in '000 .....							
	<b>Debt Instruments</b>								
	<b>Classified / Measured at FVOCI</b>								
	Federal Government Shariah Compliant Securities	300,217,579	-	71,975	300,289,554	312,555,038	-	2,181,201	314,736,239
	Non-Government Shariah Compliant Securities	2,243,980	(35,934)	41,052	2,249,098	2,297,409	(35,934)	40,714	2,302,189
		<u>302,461,559</u>	<u>(35,934)</u>	<u>113,027</u>	<u>302,538,652</u>	<u>314,852,447</u>	<u>(35,934)</u>	<u>2,221,915</u>	<u>317,038,428</u>
	<b>Classified / Measured at amortized cost</b>								
	Federal Government Shariah Compliant Securities	33,009,310	-	-	33,009,310	-	-	-	-
	<b>Classified / Measured at FVPL</b>								
	Non-Government Shariah Compliant Securities	50,000	-	-	50,000	50,000	-	-	50,000
	<b>Equity instruments</b>								
	<b>Classified / Measured at FVPL</b>								
	Shares - listed companies	94,363	-	(6,968)	87,395	89,824	-	24,159	113,983
	Mutual Funds	52,179	-	31,363	83,542	52,179	-	36,582	88,761
		<u>146,542</u>	<u>-</u>	<u>24,395</u>	<u>170,937</u>	<u>142,003</u>	<u>-</u>	<u>60,741</u>	<u>202,744</u>
	<b>Classified / Measured at FVOCI (Non-Reclassifiable)</b>								
	Shares								
	Listed companies	4,406,332	-	458,868	4,865,200	2,979,238	-	1,398,217	4,377,455
	Foreign securities	6,820	-	11,657	18,477	6,820	-	11,657	18,477
		<u>4,413,152</u>	<u>-</u>	<u>470,525</u>	<u>4,883,677</u>	<u>2,986,058</u>	<u>-</u>	<u>1,409,874</u>	<u>4,395,932</u>
	Associate	10.6	1,123,432	(1,123,432)	-	-	1,123,432	(1,123,432)	-
	<b>Total Islamic investments</b>	<u>341,203,995</u>	<u>(1,159,366)</u>	<u>607,947</u>	<u>340,652,576</u>	<u>319,153,940</u>	<u>(1,159,366)</u>	<u>3,692,530</u>	<u>321,687,104</u>
10.2	Conventional Investments by type								
	<b>Debt Instruments</b>								
	<b>Classified / Measured at FVOCI</b>								
	Non-Government Debt Securities	74,607	(74,607)	-	-	74,607	(74,607)	-	-
	<b>Equity instruments</b>								
	<b>Classified / Measured at FVPL</b>								
	Shares - Unlisted companies	591,680	(591,680)	-	-	591,680	(591,680)	-	-
	Associates	10.6	432,302	(432,302)	-	-	432,302	(432,302)	-
	<b>Total conventional investments</b>	<u>1,098,589</u>	<u>(1,098,589)</u>	<u>-</u>	<u>-</u>	<u>1,098,589</u>	<u>(1,098,589)</u>	<u>-</u>	<u>-</u>

## Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For The Quarter Ended March 31, 2026

	(Un-audited) March 31, 2026	(Audited) December 31, 2025
-----Rupees in '000-----		
<b>10.3 Investments given as collateral</b>		
Federal Government Securities - GOP Ijarah Sukuk	<u>25,161,800</u>	<u>5,261,800</u>
<b>10.4 Credit loss allowance held against investments</b>		
<b>10.4.1 Opening balance</b>	<b>2,257,955</b>	2,299,771
Charge / (reversal)		
Charge for the period / year	-	51
Reversals for the period / year	-	-
	-	51
Amounts written off		(41,867)
<b>Closing Balance</b>	<u><b>2,257,955</b></u>	<u>2,257,955</u>

10.5 Particulars of credit loss allowance against debt securities	(Un-audited)		(Audited)	
	March 31, 2026		December 31, 2025	
10.5.1 Category of classification	Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
----- Rupees in '000 -----				
<b>Domestic</b>				
Performing	335,208,739	54	314,590,317	54
Underperforming	-	-	-	-
Non-performing				
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	<u>386,737</u>	<u>110,487</u>	<u>386,737</u>	<u>110,487</u>
	<u>386,737</u>	<u>110,487</u>	<u>386,737</u>	<u>110,487</u>
<b>Total</b>	<u><b>335,595,476</b></u>	<u><b>110,541</b></u>	<u>314,977,054</u>	<u>110,541</u>

**10.5.2** The Holding Company does not hold overseas classified debt securities.

As at	Holding %	Country of incorporation	Assets	Liabilities	Revenue	Profit / (loss) after taxation	Total comprehensive income / (loss)
----- Rupees in '000 -----							

**10.6** Details of investment in associates

**Unlisted**

**Islamic**

Shakarganj Food Products Limited September 30, 2025 36.38 Pakistan 8,983,095 5,409,771 8,482,240 (980,687) (360,567)

**Conventional**

KASB Funds Limited December 31, 2015 43.89 Pakistan 46,465 32,465 23,640 (66,241) (65,679)

# Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For The Quarter Ended March 31, 2026

		(Un-audited) March 31, 2026	(Audited) December 31, 2025
<b>11 ISLAMIC FINANCING, RELATED ASSETS AND ADVANCES</b>			
	Note	-----Rupees in '000-----	
Islamic financing and related assets - net	11.1	<b>293,392,489</b>	291,692,045
Advances (relating to amalgamated entity) - net	11.2	<b>56,764</b>	58,564
		<b><u>293,449,253</u></b>	<u>291,750,609</u>

## 11.1 ISLAMIC FINANCING AND RELATED ASSETS

		Performing		Non Performing		Total	
		(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
		March 31, 2026	December 31, 2025	March 31, 2026	December 31, 2025	March 31, 2026	December 31, 2025
	Note	-----Rupees in '000-----					
<b>In Pakistan</b>							
- Running Musharakah	11.9	73,439,210	75,864,281	1,444,955	1,444,955	74,884,165	77,309,236
- Diminishing Musharakah financing and related assets - Others	11.3	83,407,828	91,661,399	4,071,166	4,039,670	87,478,994	95,701,069
- Diminishing Musharakah - Housing		22,592,187	21,446,826	1,583,447	1,756,1203	24,175,634	23,203,029
- Istisna financing and related assets	11.4	40,313,937	29,391,392	3,133,017	3,533,832	43,446,954	32,925,224
- Diminishing Musharakah financing and related assets - Auto		29,483,121	26,385,709	728,379	678,921	30,211,500	27,064,630
- Murabahah financing and related assets	11.5	25,754,867	27,888,608	952,456	958,175	26,707,323	28,846,783
- Musawahah financing and related assets / Tjjarah	11.6	8,685,726	8,611,822	3,867,047	3,905,606	12,552,773	12,517,428
- Investment Agency Wakalah		3,490,976	3,233,383	-	-	3,490,976	3,233,383
- Murabahah against Bills		299,345	1,107,066	190,337	192,048	489,682	1,299,114
- Ijarah financing under IFAS 2 and related assets	11.7	11,863,986	12,145,748	31,966	43,394	11,895,952	12,189,142
- Financing against Bills		1,977,836	2,137,622	-	-	1,977,836	2,137,622
- Qardh-e-Hasana		45,636	49,527	123,730	124,338	169,366	173,865
- Musharakah financing		-	-	160,000	160,000	160,000	160,000
- Past Due Acceptance		227,223	212,146	27,128	27,128	254,351	239,274
- Net investment in Ijarah financing in Pakistan		12,827	15,040	36,192	42,425	49,019	57,465
- Housing finance portfolio - others		-	-	10,432	15,825	10,432	15,825
- Salam	11.8	118,693	70,002	-	-	118,693	70,002
<b>Islamic financing and related assets - gross</b>		<b>301,713,398</b>	<b>300,220,571</b>	<b>16,360,252</b>	<b>16,922,520</b>	<b>318,073,650</b>	<b>317,143,091</b>
Credit loss allowance against Islamic financing and related assets	11.11						
- Stage 1		(3,181,760)	(3,123,208)	-	-	(3,181,760)	(3,123,208)
- Stage 2		(707,361)	(941,448)	-	-	(707,361)	(941,448)
- Stage 3		-	-	(15,498,639)	(15,891,111)	(15,498,639)	(15,891,111)
		<b>(3,889,121)</b>	<b>(4,064,656)</b>	<b>(15,498,639)</b>	<b>(15,891,111)</b>	<b>(19,387,760)</b>	<b>(19,955,767)</b>
Modification loss due to IFRS 9	11.1.1	(66,552)	(67,991)	-	-	(66,552)	(67,991)
Fair value adjustment	11.1.2	(5,226,849)	(5,427,288)	-	-	(5,226,849)	(5,427,288)
<b>Islamic financing and related assets - net of credit loss allowance and fair value adjustment</b>		<b><u>292,530,876</u></b>	<b><u>290,660,636</u></b>	<b><u>861,613</u></b>	<b><u>1,031,409</u></b>	<b><u>293,392,489</u></b>	<b><u>291,692,045</u></b>

## Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For The Quarter Ended March 31, 2026

11.1.1 This represents modification loss arising from restructuring or rescheduling of financings.

11.1.2 This represents deferred fair value loss arising due to difference between the market value and the book amount of financings.

11.1.3 Islamic Financing and related assets include Rs.16,360.252 million (2025: Rs.16,922.520 million) which have been placed under non-performing / Stage 3 status as detailed below:

(Un-audited) March 31, 2026		(Audited) December 31, 2025	
Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held

----- Rupees in '000 -----

### Islamic financing and related assets - Category of classification

#### Domestic

Other assets especially mentioned	172,322	47,303	161,609	55,327
Substandard	393,488	169,806	434,709	198,767
Doubtful	524,244	293,496	800,477	470,502
Loss	15,270,198	14,988,034	15,525,725	15,166,515
	<u>16,360,252</u>	<u>15,498,639</u>	<u>16,922,520</u>	<u>15,891,111</u>

11.1.4 The Holding Company does not hold overseas Islamic financing and related assets.

Performing		Non Performing		Total	
(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
March 31, 2026	December 31, 2025	March 31, 2026	December 31, 2025	March 31, 2026	December 31, 2025

----- Rupees in '000 -----

#### 11.2 ADVANCES

- Loans, cash credits, running finances, etc.						
- In Pakistan	-	-	3,793,451	3,830,933	3,793,451	3,830,933
- Bills discounted and purchased (excluding treasury bills) - Payable in Pakistan	-	-	681,292	681,292	681,292	681,292
- Net investment in finance lease - In Pakistan	-	-	545,317	549,859	545,317	549,859
<b>Advances - gross</b>	-	-	<b>5,020,060</b>	<b>5,062,084</b>	<b>5,020,060</b>	<b>5,062,084</b>

Credit loss allowance against advances

- Stage 1	-	-	-	-	-	-
- Stage 2	-	-	-	-	-	-
- Stage 3	-	-	(4,963,296)	(5,003,520)	(4,963,296)	(5,003,520)
	-	-	<u>(4,963,296)</u>	<u>(5,003,520)</u>	<u>(4,963,296)</u>	<u>(5,003,520)</u>
<b>Advances - net of credit loss allowance</b>	-	-	<b>56,764</b>	<b>58,564</b>	<b>56,764</b>	<b>58,564</b>

# Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For The Quarter Ended March 31, 2026

**11.2.1** Advances include Rs. 5,020.06 million (December 31, 2025 Rs.5,062.084 million) which have been placed under non-performing / Stage 3 status as detailed below:

	(Un-audited)		(Audited)	
	March 31, 2026		December 31, 2025	
	Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
----- Rupees in '000 -----				
Advances - Category of classification				
<b>Domestic</b>				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-
	<u>5,020,060</u>	<u>4,963,296</u>	5,062,084	5,003,520
	<u>5,020,060</u>	<u>4,963,296</u>	5,062,084	5,003,520

**11.2.2** The Holding Company does not hold overseas advances.

	(Un-audited)	(Audited)
	March 31, 2026	December 31, 2025
----- Rupees in '000 -----		
<b>11.3 Diminishing Musharakah financing and related assets - Others</b>		
Diminishing Musharakah financing	<b>85,492,218</b>	91,661,793
Advance against Diminishing Musharakah financing	<b>1,986,776</b>	4,039,276
	<u><b>87,478,994</b></u>	<u>95,701,069</u>
<b>11.4 Istisna financing and related assets</b>		
Istisna financing	<b>13,723,855</b>	7,578,333
Advance against Istisna financing	<b>26,659,561</b>	25,346,891
Istisna inventories	<b>3,063,538</b>	-
	<u><b>43,446,954</b></u>	<u>32,925,224</u>
<b>11.5 Murabahah financing and related assets</b>		
Murabahah financing	<b>18,397,846</b>	19,681,246
Deferred murabahah income	<b>4,980,093</b>	5,362,855
Advances against Murabaha financing	<b>1,679,823</b>	1,720,783
Murabaha Inventories	<b>1,649,561</b>	2,081,899
	<u><b>26,707,323</b></u>	<u>28,846,783</u>
<b>11.6 Musawamah financing and related assets / Tijarah</b>		
Musawamah financing	<b>5,972,274</b>	5,265,349
Advance against Musawamah financing	<b>388,250</b>	187,226
Musawamah inventories	<b>6,192,249</b>	7,064,853
	<u><b>12,552,773</b></u>	<u>12,517,428</u>
<b>11.7 Ijarah financing under IFAS 2 and related assets</b>		
Net book value of assets under IFAS 2	<b>11,676,833</b>	12,064,758
Advance against Ijarah financing	<b>219,119</b>	124,384
	<u><b>11,895,952</b></u>	<u>12,189,142</u>
<b>11.8 Salam</b>		
Salam financing	<b>18,691</b>	-
Advance against Salam	<b>79,001</b>	70,002
Salam inventories	<b>21,001</b>	-
	<u><b>118,693</b></u>	<u>70,002</u>

## Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For The Quarter Ended March 31, 2026

	(Un-audited) March 31, 2026	(Audited) December 31, 2025
<b>11.9 Particulars of Islamic financing, related assets and advances - gross</b>		
	----- Rupees in '000 -----	
In local currency	<b>311,845,936</b>	309,867,426
In foreign currency	<b>11,247,774</b>	12,337,749
	<b><u>323,093,710</u></b>	<u>322,205,175</u>

### 11.9.1 Financing to Women, Women-owned and Managed Enterprises

Women	<b>2,993,534</b>	3,289,126
Women Owned and Managed Enterprises	<b>2,837,666</b>	2,308,751
	<b><u>5,831,200</u></b>	<u>5,597,877</u>

### 11.9.2 Gross financing disbursed to Women, Women-owned and Managed Enterprises

Women	<b>271,196</b>	985,682
Women Owned and Managed Enterprises	<b>-</b>	3,315,745
	<b><u>271,196</u></b>	<u>4,301,427</u>

### 11.10 Particulars of credit loss allowance

#### 11.10.1 Islamic financing, related assets and advances - Exposure

	(Un-audited)			(Audited)		
	March 31, 2026			December 31, 2025		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	----- Rupees in '000 -----					
<b>Opening balance</b>	<b>294,905,479</b>	<b>5,315,092</b>	<b>21,984,604</b>	293,693,573	9,224,479	24,266,758
New financing	40,533,685	87,032	-	145,523,930	528,693	115,295
Financing derecognised or repaid	(29,388,797)	(9,584,272)	(759,113)	(148,237,159)	(1,144,740)	(1,764,806)
Transfer to stage 1	621,383	(515,152)	(106,231)	7,401,228	(7,182,085)	(219,143)
Transfer to stage 2	(16,921,610)	16,923,391	(1,781)	(2,992,508)	4,367,873	(1,376,213)
Transfer to stage 3	(181,731)	(81,102)	262,833	(483,585)	(479,128)	962,713
	(5,337,070)	6,829,897	(604,292)	1,211,906	(3,909,387)	(2,282,154)
<b>Closing balance</b>	<b><u>289,568,409</u></b>	<b><u>12,144,989</u></b>	<b><u>21,380,312</u></b>	<u>294,905,479</u>	<u>5,315,092</u>	<u>21,984,604</u>

#### 11.10.2 Islamic financing, related assets and advances - Credit loss allowance

<b>Opening balance</b>	<b>3,123,208</b>	<b>941,448</b>	<b>20,894,631</b>	2,761,225	468,780	22,246,512
Impact of adoption of IFRS 9	-	-	-	-	-	-
New financing	182,287	-	-	1,292,693	23,349	9,710
Financing derecognised or repaid	(60,500)	(2,454)	(132,666)	(207,216)	(36,750)	(743,877)
Transfer to stage 1	144,577	(90,279)	(54,298)	295,043	(105,239)	(189,804)
Transfer to stage 2	(85,784)	86,237	(453)	(32,415)	781,462	(755,050)
Transfer to stage 3	(5,743)	(12,787)	18,510	(15,478)	(30,428)	51,909
	174,837	(19,263)	(168,907)	1,332,627	632,394	(1,627,112)
Amounts written off / charged off	-	-	-	-	-	-
Changes in risk parameters	(116,285)	(214,824)	(263,789)	(970,644)	(159,726)	275,231
<b>Closing balance</b>	<b><u>3,181,760</u></b>	<b><u>707,361</u></b>	<b><u>20,461,935</u></b>	<u>3,123,208</u>	<u>941,448</u>	<u>20,894,631</u>

# Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For The Quarter Ended March 31, 2026

11.11 Particulars of credit loss allowances held against Islamic financing, related assets and advances

	(Un-audited)				(Audited)				
	March 31, 2026				December 31, 2025				
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	
	-----Rupees in '000-----								
11.11.1	Opening balance	3,123,208	941,448	20,894,631	24,959,287	2,761,225	468,780	22,246,512	25,476,517
	Charge for the period / year	947,828	223,548	299,800	1,471,176	1,937,955	781,952	996,033	3,715,940
	Reversals for the period / year	(889,276)	(457,635)	(732,496)	(2,079,407)	(1,575,972)	(309,284)	(2,347,914)	(4,233,170)
		58,552	(234,087)	(432,696)	(608,231)	361,983	472,668	(1,351,881)	(517,230)
	Amount written off	-	-	-	-	-	-	-	-
	<b>Closing balance</b>	<b>3,181,760</b>	<b>707,361</b>	<b>20,461,935</b>	<b>24,351,056</b>	<b>3,123,208</b>	<b>941,448</b>	<b>20,894,631</b>	<b>24,959,287</b>
	Islamic	3,181,760	707,361	15,498,639	19,387,760	3,123,208	941,448	15,891,111	19,955,767
	Conventional	-	-	4,963,296	4,963,296	-	-	5,003,520	5,003,520
		<b>3,181,760</b>	<b>707,361</b>	<b>20,461,935</b>	<b>24,351,056</b>	<b>3,123,208</b>	<b>941,448</b>	<b>20,894,631</b>	<b>24,959,287</b>
11.11.2	Particulars of credit loss allowance against advances								
	In local currency	3,181,760	707,361	20,461,935	24,351,056	3,123,208	941,448	20,894,631	24,959,287
	In foreign currencies	-	-	-	-	-	-	-	-
		<b>3,181,760</b>	<b>707,361</b>	<b>20,461,935</b>	<b>24,351,056</b>	<b>3,123,208</b>	<b>941,448</b>	<b>20,894,631</b>	<b>24,959,287</b>

11.11.3 In accordance with BSD Circular No. 2 dated January 27, 2009 issued by the SBP, the Holding Company has availed the benefit of Forced Sale Value (FSV) of collaterals against the non-performing financings. The benefit availed as at March 31, 2026 amounts to Rs. 172.7 million (December 31, 2025 amounts to Rs. 236.2 million). The additional profit arising from availing the FSV benefit - net of tax amounts to Rs. 829 million (December 31, 2025: Rs. 111 million). The increase in profit, due to availing of the benefit, is not available for distribution of cash and stock dividend to shareholders.

	(Un-audited)	(Audited)	
	March 31, 2026	December 31, 2025	
	-----Rupees in '000-----		
11.12	<b>SBP other refinance schemes</b>		
	Refinance facility for Islamic Temporary Economic Refinance Facility (TERF)	5,716,475	6,030,892
	Islamic Long-Term Financing Facility	2,091,410	1,146,590
	Islamic refinance scheme for payment of wages and salaries	12,000	12,000
	RM EFS - Rupee Based Discounting (TFA)	11,303,212	12,064,463
	Islamic refinance scheme for Renewable Energy	487,881	518,024
	Islamic refinance scheme for combating COVID (IRFCC)	33,333	50,000
	Islamic refinance facility for Modernization of SMEs	107,811	113,591
	Refinance for Islamic Financing Facility of Storage of Agricultural Produce (IFFSAP)	126,604	137,823
	Islamic Credit Guarantee Scheme For Women Entrepreneur	181,848	192,984
		<b>20,060,574</b>	<b>20,266,367</b>

## Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For The Quarter Ended March 31, 2026

		<u>(Un-audited)</u> March 31, 2026	<u>(Audited)</u> December 31, 2025
<b>12</b>	<b>PROPERTY AND EQUIPMENT</b>		
		-----Rupees in '000-----	
	Capital work-in-progress	12.1 <b>3,558,367</b>	3,785,489
	Property and equipment	12.2 <b>21,151,980</b>	21,621,771
		<b>24,710,347</b>	25,407,260
<b>12.1</b>	<b>Capital work-in-progress</b>		
	Advances to suppliers and contractors	<b>141,650</b>	412,012
	Advance for acquiring properties and office premises	<b>3,416,717</b>	3,373,477
		<b>3,558,367</b>	3,785,489
		<u>(Un-audited)</u>	
		<u>March 31,</u> <u>2026</u>	<u>March 31,</u> <u>2025</u>
<b>12.2</b>	<b>Additions to property and equipment</b>	-----Rupees in '000-----	
	<b>The following additions have been made to property and equipment during the period:</b>		
	Capital work-in-progress	<b>126,538</b>	239,126
	<b>Property and equipment</b>		
	Furniture and fixture	<b>118,032</b>	192,895
	Electrical, office and computer equipment	<b>121,331</b>	374,494
	Vehicles	<b>-</b>	36,340
		<b>239,363</b>	603,729
	<b>Total</b>	<b>365,901</b>	842,855
<b>12.3</b>	<b>Disposal of property and equipment</b>		
	<b>The net book value of property and equipment disposed off during the period is as follows:</b>		
	Furniture and fixture	<b>1,198</b>	525
	Electrical, office and computer equipment	<b>695</b>	160
	<b>Total</b>	<b>1,893</b>	685

# Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For The Quarter Ended March 31, 2026

13	RIGHT-OF-USE ASSETS	Note	(Un-audited)			(Audited)		
			March 31, 2026			December 31, 2025		
			Buildings	Others	Total	Buildings	Others	Total
-----Rupees in '000-----								
At January 1,								
	Cost		12,893,135	-	12,893,135	9,765,458	-	9,765,458
	Accumulated Depreciation		(7,237,810)	-	(7,237,810)	(5,450,923)	-	(5,450,923)
	<b>Net Carrying amount as at January 1,</b>		<b>5,655,325</b>	<b>-</b>	<b>5,655,325</b>	<b>4,314,535</b>	<b>-</b>	<b>4,314,535</b>
	Additions during the period / year		120,590	15,871	136,461	2,075,475	-	2,075,475
	Modification Impact		-	-	-	1,151,946	-	1,151,946
	Deletions during the period / year		-	-	-	(99,744)	-	(99,744)
	Depreciation charge for the period / year	31	(466,878)	(794)	(467,672)	(1,786,887)	-	(1,786,887)
	<b>Net Carrying amount as at</b>		<b>5,309,037</b>	<b>15,077</b>	<b>5,324,114</b>	<b>5,655,325</b>	<b>-</b>	<b>5,655,325</b>

14	INTANGIBLE ASSETS	(Un-audited)		(Audited)	
		March 31, 2026	December 31, 2025	March 31, 2025	December 31, 2025
----- Rupees in '000 -----					
	Computer software	2,135,011	1,706,876		
	Core deposits	14,684	15,247		
	Membership and Subscription	27,241	30,181		
	Goodwill	2,991,308	2,991,308		
		<b>5,168,244</b>	<b>4,743,612</b>		

14.1	Additions to intangible assets	(Un-audited)	
		March 31, 2026	March 31, 2025
----- Rupees in '000 -----			

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

Directly purchased	586,853	33,994
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14.2	Disposals of intangible assets	(Un-audited)	
		March 31, 2026	March 31, 2025
----- Rupees in '000 -----			
The net book value of intangible assets disposed off during the period:			
	Membership & Subscription	-	1,789

## Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For The Quarter Ended March 31, 2026

	<u>(Un-audited)</u> March 31, 2026	<u>(Audited)</u> December 31, 2025
	----- Rupees in '000 -----	
<b>15 DEFERRED TAX ASSETS</b>		
<b>Deductible Temporary Differences on:</b>		
Credit loss allowance against investments	472,115	472,105
Credit loss allowance against non-performing Islamic financing and related assets and advances	6,356,589	6,388,308
Modification and fair value adjustments	34,607	35,355
Other credit loss allowance	150,159	135,403
Right of Use Assets	600,048	653,749
Others	1,389,353	1,365,454
	<b>9,002,871</b>	<b>9,050,374</b>
<b>Taxable Temporary Differences on:</b>		
Fair value adjustments relating to net assets acquired upon amalgamation	(395,574)	(326,056)
Ijarrah financing and related assets	(136,623)	(127,114)
Surplus on revaluation of FVOCI Investment	(303,447)	(1,888,531)
Surplus on revaluation of FVTPL Investment	(12,685)	(31,585)
Surplus on revaluation of property and equipment	(2,209,831)	(2,123,486)
Surplus on revaluation of non-banking assets	(17,844)	(17,844)
Accelerated tax depreciation	(271,689)	(248,993)
	<b>(3,347,693)</b>	<b>(4,763,609)</b>
	<b>5,655,178</b>	<b>4,286,765</b>
<b>16 OTHER ASSETS</b>		
Profit / return accrued in local currency	16,723,806	12,175,135
Profit / return accrued in foreign currency	137,704	105,953
Advances, deposits, advance rent and other prepayments	2,557,413	2,171,877
Advance taxation	2,281,331	1,293,878
Prepaid staff cost	3,204,414	3,291,509
Non-banking assets acquired in satisfaction of claims	1,348,418	1,348,473
Takaful claim receivable	17,598	53,951
Receivable against takaful and registration charges	642,453	729,955
Receivable against First WAPDA Sukuk	50,000	50,000
Trade debts	532	532
Acceptances	3,238,361	3,411,859
Others	1,142,650	1,083,398
	<b>31,344,680</b>	<b>25,716,520</b>
Less: Credit loss allowance held against other assets	<b>(1,070,223)</b>	<b>(1,092,865)</b>
Other Assets - net of credit loss allowance	<b>30,274,457</b>	<b>24,623,655</b>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	40,922	40,922
Other assets - total	<b>30,315,379</b>	<b>24,664,577</b>
<b>16.1 Market Value of non-banking assets acquired in satisfaction of claims</b>	<b>1,085,429</b>	<b>1,085,484</b>

# Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For The Quarter Ended March 31, 2026

	(Un-audited) March 31, 2026	(Audited) December 31, 2025
	----- Rupees in '000 -----	
<b>16.2 Credit loss allowance held against other assets</b>		
Advances, deposits, advance rent & other prepayments	26,692	50,842
Non banking assets acquired in satisfaction of claims	303,911	303,911
Profit / return accrued	73,290	78,158
Others	666,330	659,954
	<u>1,070,223</u>	<u>1,092,865</u>
<b>16.3 Movement in Credit loss allowance held against other assets</b>		
Opening balance	1,092,865	1,116,865
Charge for the year	-	12,851
Reversals during the year	(22,642)	(36,851)
	(22,642)	(24,000)
Amount written off	-	-
Closing balance	<u>1,070,223</u>	<u>1,092,865</u>
<b>17 BILLS PAYABLE</b>		
In Pakistan	6,168,224	9,895,158
Outside Pakistan	-	-
	<u>6,168,224</u>	<u>9,895,158</u>
<b>18 DUE TO FINANCIAL INSTITUTIONS</b>		
<b>Secured</b>		
<b>Due to State Bank of Pakistan</b>		
Acceptances from SBP under Mudaraba	20,189,721	-
Refinance facility for Islamic Temporary Economic Refinance Facility (TERF)	5,405,511	5,713,381
Islamic Export Finance Scheme		
- Rupee based discounting	4,470,745	3,776,796
Islamic Long-Term Financing Facility	689,593	772,102
Islamic refinance scheme for Renewable Energy	439,261	467,017
Islamic refinance scheme for combating COVID (IRFCC)	33,333	50,000
Islamic Refinance Scheme for Working Capital Financing	-	50,000
Islamic Refinance Scheme for Modernization of SMEs	69,620	75,158
Islamic refinance scheme for Facility of Storage of Agricultural Produce (IFFSAP)	134,215	137,907
Islamic Credit Guarantee Scheme for Women Entrepreneur	169,662	181,658
	<u>31,601,661</u>	11,224,019
Refinance facility for Islamic Mortgage	2,657,124	4,241,983
<b>Total secured</b>	<u>34,258,785</u>	15,466,002
<b>Unsecured</b>		
Overdrawn nostro accounts	770,304	499,301
Others	-	-
<b>Total unsecured</b>	<u>770,304</u>	499,301
Fair value adjustment	(1,249,972)	(1,352,195)
	<u>33,779,117</u>	<u>14,613,108</u>

## Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For The Quarter Ended March 31, 2026

18.1 Particulars of due to financial institutions with respect to currencies	(Un-audited)	(Audited)
	March 31, 2026	December 31, 2025
	----- Rupees in '000 -----	
In local currency	33,008,813	14,113,807
In foreign currencies	770,304	499,301
	<b>33,779,117</b>	<b>14,613,108</b>

### 19 DEPOSITS AND OTHER ACCOUNTS

	(Un-audited)			(Audited)		
	March 31, 2026			December 31, 2025		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	----- Rupees in '000 -----					
<b>Customers</b>						
Current deposits	266,902,123	10,138,681	277,040,804	266,256,209	10,825,180	277,081,389
Savings deposits	144,434,780	6,435,425	150,870,205	146,666,403	3,405,475	150,071,878
Term deposits	149,826,558	11,671,636	161,498,194	175,196,427	14,461,464	189,657,891
Margin deposits	11,870,232	81,575	11,951,807	9,417,771	101,507	9,519,278
	573,033,693	28,327,317	601,361,010	597,536,810	28,793,626	626,330,436
<b>Financial Institutions</b>						
Current deposits	918,465	491,613	1,410,078	1,245,558	16,985	1,262,543
Savings deposits	41,296,629	-	41,296,629	31,176,903	-	31,176,903
Term deposits	520,000	-	520,000	220,000	-	220,000
Margin deposits	146	-	146	146	-	146
	42,735,240	491,613	43,226,853	32,642,607	16,985	32,659,592
	<b>615,768,933</b>	<b>28,818,930</b>	<b>644,587,863</b>	<b>630,179,417</b>	<b>28,810,611</b>	<b>658,990,028</b>

20 LEASE LIABILITIES	(Un-audited)	(Audited)
	March 31, 2026	December 31, 2025
	----- Rupees in '000 -----	
Outstanding amount at the start of the year	6,604,095	4,839,747
Additions during the period / year	136,460	1,892,678
Modification Impact	-	1,485,305
Deletions during the period / year	-	(122,248)
Lease payments including profit	(609,780)	(2,384,077)
Finance charges on leased assets	218,052	892,690
Outstanding amount at the end of the period / year	<b>6,348,827</b>	<b>6,604,095</b>

### 20.1 Contractual maturity of lease liabilities

Not later than one year	174,097	265,443
Long-term lease liabilities		
- 1 to 5 years	6,174,730	6,338,652
- 5 to 10 years	-	-
- More than 10 years	-	-
	<b>6,174,730</b>	<b>6,338,652</b>
	<b>6,348,827</b>	<b>6,604,095</b>

# Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For The Quarter Ended March 31, 2026

21	SUBORDINATED SUKUK	Note	(Un-audited)	(Audited)
			March 31, 2026	December 31, 2025
			-----Rupees in '000-----	
	ADT-1 Sukuk Issue I	21.1.1	2,000,000	2,000,000
	ADT-1 Sukuk Issue II	21.1.2	1,000,000	1,000,000
			<u>3,000,000</u>	<u>3,000,000</u>

**21.1** The Holding Company has issued fully paid up, rated, listed, perpetual, unsecured, subordinated, non-cumulative and contingent convertible debt instruments in the nature of sukuk under Section 66 of the Companies Act, 2017 which qualify as Additional Tier I (ADT-1) Capital as outlined by State Bank of Pakistan (SBP) under BPRD Circular No. 6 dated August 15, 2013.

**21.1.1** Salient features of the ADT-1 sukuk issue I are as follows:

Issued Amount	Rs. 2,000 million.
Issue Date	April 21, 2020
Tenor	Perpetual (i.e. no fixed or final redemption date)
Instrument Rating	PACRA has rated this Sukuk at 'A'
Security	Unsecured
Profit payment frequency	Profit shall be payable monthly in arrears, on a non-cumulative basis
Expected Profit Rate	The Sukuk carries a profit at the rate of 3 Months KIBOR + 2.75%. The Mudaraba Profit is computed under General Pool on the basis of profit sharing ratio and monthly weightages announced by the Holding Company inline with SBP's guidelines of pool management.
Call option	The Holding Company may, at its sole discretion, call the Sukuks, at any time after five years from the Issue Date subject to the prior approval of the SBP.
Lock-in clause	In the event where payment of profit results in breach of regulatory MCR/CAR requirements or SBP determines a bar on profit distribution, the monthly profit weightage of the Sukuk holders will be reduced to a minimum level e.g. 0.005, till the month in which such condition is withdrawn by SBP.
Loss absorbency clause	The Sukuks shall, at the discretion of the SBP, be permanently converted into ordinary shares pursuant to the loss absorbency clause as stipulated in the "Instructions for Basel-III Implementation in Pakistan" issued vide BPRD Circular No. 6 dated August 15, 2013.

## Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For The Quarter Ended March 31, 2026

**21.1.2** Salient features of the ADT-1 sukuk issue II are as follows:

Issued Amount	Rs. 1,000 million.
Issue Date	February 21, 2024
Tenor	Perpetual (i.e. no fixed or final redemption date)
Instrument Rating	PACRA has rated this Sukuk at 'A'
Security	Unsecured
Profit payment frequency	Profit shall be payable monthly in arrears, on a non-cumulative basis
Expected Profit Rate	The Sukuk carries a profit at the rate of 1 Month KIBOR + 2.5%. The Mudaraba Profit is computed under General Pool on the basis of profit sharing ratio and monthly weightages announced by the Holding Company inline with SBP's guidelines of pool management.
Call option	The Holding Company may, at its sole discretion, call the Sukuks, at any time after five years from the Issue Date subject to the prior approval of the SBP.
Lock-in clause	In the event where payment of profit results in breach of regulatory MCR/CAR requirements or SBP determines a bar on profit distribution, the monthly profit weightage of the Sukuk holders will be reduced to a minimum level e.g. 0.005, till the month in which such condition is withdrawn by SBP.
Loss absorbency clause	The Sukuks shall, at the discretion of the SBP, be permanently converted into ordinary shares pursuant to the loss absorbency clause as stipulated in the "Instructions for Basel-III Implementation in Pakistan" issued vide BPRD Circular No. 6 dated August 15, 2013.

# Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For The Quarter Ended March 31, 2026

22 OTHER LIABILITIES	(Un-audited)	(Audited)
	March 31, 2026	December 31, 2025
	Note -----Rupees in '000-----	
Profit / return payable in local currency	4,592,890	5,874,191
Profit / return payable in foreign currencies	129,834	221,334
Accrued expenses	3,517,360	4,229,139
Deferred Murabahah Income Financing, IERS and Others	4,802,690	5,169,867
Payable to defined benefit plan	4,677	4,677
Payable to defined contribution plan	106,164	3,619
Defined benefit plan liabilities	436,127	487,490
Security deposits against Ijarah	441,682	421,539
Credit loss allowance against off-balance sheet obligations	22.1 288,768	260,389
Acceptances	3,238,361	3,411,859
Withholding taxes payable	622,814	587,605
Unrealized loss on Shariah compliant alternative of forward foreign exchange contracts	90,631	46,453
Sundry creditors	1,004,280	1,179,285
Payable to brokers against purchase of shares - net	333,224	12,307
Charity payable	183,133	161,109
Retention money payable	89,006	100,581
Workers' welfare fund	1,613,095	1,574,870
Dividend Payable	1,435,907	50,268
Clearing and settlement accounts	2,386,375	3,076,931
Others	1,634,261	1,588,580
	<u>26,951,279</u>	<u>28,462,093</u>

## 22.1 Credit loss allowance against off-balance sheet obligations

Opening balance	260,389	378,109
Charge for the period / year	29,731	63,198
Reversals for the period / year	(1,352)	(180,918)
	33 28,379	(117,720)
Amount written off	-	-
Closing balance	22.1.1 <u>288,768</u>	<u>260,389</u>

22.1.1 This includes overdue non-funded facilities that could not be transferred to funded facilities due to litigation.

## Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For The Quarter Ended March 31, 2026

### 23 SHARE CAPITAL - NET

#### 23.1 Authorized capital

<u>(Un-audited)</u>	<u>(Audited)</u>		<u>(Un-audited)</u>	<u>(Audited)</u>
March 31, 2026	December 31, 2025		March 31, 2026	December 31, 2025
----- Number of Shares -----			-----Rupees in '000-----	
<u>1,500,000,000</u>	1,500,000,000	Ordinary shares of Rs.10 each	<u>15,000,000</u>	15,000,000

23.2 The shareholders of the Holding Company in their 22nd Annual General Meeting held on March 27, 2026 approved an increase in the authorized share capital of the Bank from Rs. 15,000 million to Rs. 20,000 million subject to regulatory approvals from the State Bank of Pakistan and Securities and Exchange Commission of Pakistan, wherever applicable. The Holding Company is in the process of complying with these regulatory requirements.

#### 23.3 Issued, subscribed and paid up capital

<u>(Un-audited)</u>	<u>(Audited)</u>		<u>(Un-audited)</u>	<u>(Audited)</u>
March 31, 2026	December 31, 2025		March 31, 2026	December 31, 2025
----- Number of Shares -----			-----Rupees in '000-----	
		<b>Ordinary shares of Rs 10 each</b>		
<u>1,108,703,299</u>	1,108,703,299	Fully paid in cash	<u>11,087,033</u>	11,087,033
-	-	- Issued during the year right issue	-	-
-	-	- Less: Discount on issue of shares	<u>(79,042)</u>	(79,042)
<u>1,108,703,299</u>	1,108,703,299		<u>11,007,991</u>	11,007,991

#### 23.4 Reserves

Statutory Reserves	<u>8,547,376</u>	<u>8,367,355</u>
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Under section 21 of the Banking Companies Ordinance, 1962 an amount of not less than 20% of the profit is to be transferred to create a reserve fund till such time the reserve fund and the share premium account equals the amount of the paid up capital. Thereafter, an amount of not less than 10% of the profit is required to be transferred to such reserve fund.

# Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For The Quarter Ended March 31, 2026

		<u>(Un-audited)</u> March 31, 2026	<u>(Audited)</u> December 31, 2025
<b>24</b>	<b>SURPLUS ON REVALUATION OF ASSETS</b>		
	Note	-----Rupees in '000-----	
	<b>Surplus on revaluation of:</b>		
	- Securities measured at FVOCI - Debt	10.1 <b>113,027</b>	2,221,915
	- Securities measured at FVOCI - Equity	10.1 <b>470,525</b>	1,409,874
	- Property and equipment	<b>4,643,397</b>	4,663,644
	- Non-banking assets acquired in satisfaction of claims	16 <b>40,922</b>	40,922
		<b>5,267,871</b>	8,336,355
	<b>Deferred tax liability on surplus on revaluation of:</b>		
	- Securities measured at FVOCI - Debt	15 <b>(58,774)</b>	(1,155,396)
	- Securities measured at FVOCI - Equity	15 <b>(244,673)</b>	(733,134)
	- Property and equipment	15 <b>(2,209,831)</b>	(2,123,486)
	- Non-banking assets acquired in satisfaction of claims	15 <b>(17,844)</b>	(17,844)
		<b>(2,531,122)</b>	(4,029,860)
		<b>2,736,749</b>	4,306,495
<b>25</b>	<b>CONTINGENCIES AND COMMITMENTS</b>		
	- Guarantees	25.1 <b>34,841,782</b>	33,305,718
	- Commitments	25.2 <b>264,507,188</b>	202,855,430
	- Other contingent liabilities	25.3 <b>3,326,829</b>	1,805,266
		<b>302,675,799</b>	237,966,414
<b>25.1</b>	<b>Guarantees:</b>		
	Performance guarantees	<b>18,666,712</b>	18,554,503
	Other guarantees	<b>16,175,070</b>	14,751,215
		<b>34,841,782</b>	33,305,718
<b>25.2</b>	<b>Commitments:</b>		
	<b>Documentary credits and short-term trade-related transactions:</b>		
	- letters of credit	<b>32,673,892</b>	34,642,731
	<b>Commitments in respect of:</b>		
	- Shariah compliant alternative of forward foreign exchange contracts	25.2.1 <b>99,260,659</b>	85,352,408
	<b>Commitments for acquisition of:</b>		
	- property and equipment	<b>169,198</b>	132,944
	- intangible assets	<b>3,816,352</b>	2,413,124
	<b>Other commitments</b>		
	- commitments in respect of financing	25.2.2 <b>128,587,087</b>	80,314,223
		<b>264,507,188</b>	202,855,430

## Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For The Quarter Ended March 31, 2026

	<u>(Un-audited)</u> March 31, 2026	<u>(Audited)</u> December 31, 2025
<b>25.2.1 Commitments in respect of Shariah compliant alternative of forward foreign exchange transactions</b>	-----Rupees in '000-----	
Purchase	<u>57,346,994</u>	49,789,168
Sale	<u>41,913,665</u>	35,563,240
	<u>99,260,659</u>	85,352,408

**25.2.2** The Holding Company makes commitments to extend shariah compliant Islamic financing (including to related parties) in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

	<u>(Un-audited)</u> March 31, 2026	<u>(Audited)</u> December 31, 2025
<b>25.3 Other contingent liabilities</b>	-----Rupees in '000-----	
Suit filed for recovery of alleged losses suffered, pending in the High Court, which the Holding Company has not acknowledged as debt	<u>26,804</u>	1,804
Tax Contingencies	<u>3,300,025</u>	1,803,462
	<u>3,326,829</u>	1,805,266

	<u>(Un-audited)</u>	
	March 31, 2026	March 31, 2025
<b>26 PROFIT / RETURN EARNED</b>	-----Rupees in '000-----	

Profit earned on:

Financing	7,412,044	8,519,074
Investments	8,516,998	10,977,996
Placements	549,965	112,396
Others	200,586	156,494
	<u>16,679,593</u>	<u>19,765,960</u>

**26.1 Profit income (calculated using effective profit rate method) recognised on:**

Financial assets measured at amortised cost	843,299	454,757
Financial assets measured at FVOCI	<u>8,510,008</u>	10,976,253
	<u>9,353,307</u>	<u>11,431,010</u>
Financial assets measured at FVPL	6,990	1,743
Financial assets measured at cost	<u>7,319,296</u>	8,333,207
	<u>7,326,286</u>	<u>8,334,950</u>

# Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For The Quarter Ended March 31, 2026

		(Un-audited)	
		March 31, 2026	March 31, 2025
		-----Rupees in '000-----	
<b>27</b>	<b>PROFIT / RETURN EXPENSED</b>		
	Deposits and other accounts	6,298,920	7,909,571
	Due to financial institutions	1,511,632	2,051,405
	Subordinated Sukuk	98,785	111,241
	Cost of foreign currency swaps against foreign currency deposits	120,826	168,531
	Finance charges on leased assets	218,052	303,861
		<u>8,248,215</u>	<u>10,544,609</u>
<b>27.1</b>	Profit expense calculated using effective profit rate method	1,828,469	2,331,177
	Other financial liabilities	6,419,746	8,213,432
		<u>8,248,215</u>	<u>10,544,609</u>
<b>28</b>	<b>FEE AND COMMISSION INCOME</b>		
	Card related fees	480,727	372,119
	Commission on trade	157,437	152,692
	Commission on arrangement with financial institutions	57,309	47,866
	Investment banking fees	22,484	37,676
	Commission on bancatakaful	35,828	39,903
	Commission on guarantees	43,435	40,319
	Consumer finance related fees	11,930	2,712
	Branch banking customer fees	24,721	21,001
	Commission on remittances including home remittances	3,340	13,146
	Commission on cash management	8,704	5,931
	Others	956	1,683
		<u>846,871</u>	<u>735,048</u>
<b>29</b>	<b>GAIN ON SECURITIES - NET</b>		
	Realized	100,505	2,105,916
	Unrealized - Measured at FVPL	(36,347)	1,735
		<u>64,158</u>	<u>2,107,651</u>
<b>29.1</b>	<b>Realized gain / (loss) on:</b>		
	Shares	15,021	141,046
	Federal Government Shariah Compliant Securities	85,484	1,964,870
		<u>100,505</u>	<u>2,105,916</u>
<b>29.2</b>	<b>Net gain on financial assets / liabilities measured at FVPL:</b>		
	Designated upon initial recognition	(36,347)	1,735

## Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For The Quarter Ended March 31, 2026

		(Un-audited)	
		March 31, 2026	March 31, 2025
		Note -----Rupees in '000-----	
<b>30</b>	<b>OTHER INCOME</b>		
	Recoveries against previously expensed items	7,564	5,636
	Gain on termination of financing	15,201	22,194
	Gain on sale of property and equipment	19,850	11,863
	Others	1,120	619
		<u>43,735</u>	<u>40,312</u>
<b>31</b>	<b>OPERATING EXPENSES</b>		
	<b>Total compensation expense</b>	<b>3,985,629</b>	3,364,542
	<b>Property expense</b>		
	Rent & taxes	25,101	23,621
	Takaful cost	5,643	-
	Utilities cost	280,337	263,753
	Security (including guards)	339,896	263,776
	Repair & maintenance (including janitorial charges)	145,777	142,625
	Depreciation	163,138	165,402
	Depreciation on right-of-use assets	467,672	394,338
	Others	-	321
		<u>1,427,564</u>	1,253,836
	<b>Information technology expenses</b>		
	Software maintenance	692,314	402,145
	Hardware maintenance	138,710	75,035
	Depreciation	301,364	142,604
	Amortization	158,718	75,082
	Network charges	189,890	132,430
		<u>1,480,996</u>	827,296
	<b>Other operating expenses</b>		
	Directors' fees and allowances	5,080	5,680
	Fees and allowances to Shariah Board	9,777	9,405
	Legal & professional charges	125,850	99,543
	Travelling & conveyance	63,527	70,839
	NIFT clearing charges	19,460	17,908
	Depreciation	189,339	156,916
	Depreciation on non-banking assets	54	583
	Training & development	13,752	20,169
	Postage & courier charges	34,832	30,160
	Communication	159,054	103,723
	Stationery & printing	127,184	167,022
	Marketing, advertisement & publicity	166,096	268,544
	Repairs and maintenance	68,860	81,444
	Takaful, tracker and other charges on car		
	Ijarah - net of income	-	13,075
	Takaful / Insurance	174,904	50,557
	Fee and subscription	196,388	172,242
	Vehicle running and maintenance	152,128	162,380
	Donations	-	35,358
	Auditors' remuneration	15,323	8,884
	Amortization	3,502	3,625
	Others	73,495	129,598
		<u>1,598,605</u>	1,607,655
		<u>8,492,794</u>	<u>7,053,329</u>

# Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For The Quarter Ended March 31, 2026

		(Un-audited)	
		March 31, 2026	March 31, 2025
		-----Rupees in '000-----	
<b>32</b>	<b>OTHER CHARGES</b>		
	Penalties imposed by regulatory authorities	<u>4,528</u>	113,436
		<u>4,528</u>	<u>113,436</u>
<b>33</b>	<b>CREDIT LOSS ALLOWANCE, (REVERSAL) AND WRITE OFFS - NET</b>		
	Charge / (reversal) of credit loss allowance against due from financial institutions	471	(810)
	Reversal of credit loss allowance against Islamic financing, related assets and advances - net	(608,231)	(604,522)
11.11.1	Charge / (reversal) of modification loss	6,205	(33,673)
	Reversal of credit loss allowance against balance with treasury and other banks	(456)	-
	Credit loss allowance / (reversal) against off balance sheet items - net	28,379	239,041
22.1	Other credit loss allowance / (reversal) / write offs - net	(5,502)	-
		<u>(579,134)</u>	<u>(399,964)</u>
<b>34</b>	<b>TAXATION</b>		
	Current	844,239	2,943,385
	Prior years	-	-
	Deferred	130,325	(66,012)
		<u>974,564</u>	<u>2,877,373</u>
<b>35</b>	<b>EARNINGS PER SHARE</b>		
	Profit after taxation for the period	<u>903,881</u>	<u>2,613,726</u>
		----- Number of shares -----	
	Weighted average number of ordinary shares	<u>1,108,703,299</u>	<u>1,108,703,299</u>
		----- Rupees -----	
	Basic and diluted earnings per share	<u>0.82</u>	<u>2.36</u>
<b>35.1</b>	There were no convertible / dilutive potential ordinary shares outstanding as at March 31, 2026 and March 31, 2025, therefore diluted earning per share has not been presented separately.		

## Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For The Quarter Ended March 31, 2026

### 36 FAIR VALUE MEASUREMENTS

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

The fair value of unquoted Shariah compliant securities, fixed term financing, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

#### 36.1 Fair value of financial assets

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

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

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

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

The table below analyses financial assets measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized:

(Un-audited)			
March 31, 2026			
Level 1	Level 2	Level 3	Total

----- Rupees in '000 -----

#### On balance sheet financial instruments

##### Financial assets - measured at fair value

Investments				
Shares / Mutual funds	5,036,137	18,477	-	5,054,614
GoP Ijara Sukuk	101,533,519	198,756,035	-	300,289,554
Non-Government Shariah compliant securities	-	1,174,103	1,124,995	2,299,098

#### Off-balance sheet financial instruments - measured at fair value

Shariah compliant alternative of forward purchase of foreign exchange	-	57,346,994	-	57,346,994
Shariah compliant alternative of forward sale of foreign exchange	-	41,913,665	-	41,913,665

#### On balance sheet non-financial assets

##### Non-Financial Assets - measured at fair value

Fixed assets - Land and building	-	11,447,542	-	11,447,542
Non-banking assets acquired in satisfaction of claims	-	1,085,429	-	1,085,429

# Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For The Quarter Ended March 31, 2026

(Audited)

December 31, 2025			
Level 1	Level 2	Level 3	Total

----- Rupees in '000 -----

## On balance sheet financial instruments

### Financial assets - measured at fair value

#### Investments

Shares / Mutual funds	4,580,199	18,477	-	4,598,676
GOP Ijara Sukuk	78,801,265	235,934,974	-	314,736,239
Non-Government Shariah compliant Securities	-	1,227,194	1,124,995	2,352,189

### Off-balance sheet financial instruments

#### - measured at fair value

Shariah compliant alternative of forward purchase of foreign exchange	-	49,789,168	-	49,789,168
Shariah compliant alternative of forward sale of foreign exchange	-	35,563,240	-	35,563,240

## On balance sheet non-financial assets

### Non-Financial Assets - measured at fair value

Fixed assets - Land and building	-	11,447,552	-	11,447,552
Non-banking assets acquired in satisfaction of claims	-	1,085,484	-	1,085,484

## Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For The Quarter Ended March 31, 2026

### Valuation techniques used in determination of fair values within level 1

Item	Valuation approach and input used
GOP Sukuks	The valuation has been determined through closing rates on Pakistan Stock Exchange.
Listed securities (Shares, Modaraba and Sukuks)	The valuation has been determined through closing rates on Pakistan Stock Exchange.

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

Item	Valuation approach and input used
GOP Sukuks	The fair value of GOP Ijarah Sukuks are revalued using PKISRV rates. The PKISRV rates are announced by FMA (Financial Market Association) through Reuters. The rates announced are simple average of quotes received from 6 different pre-defined / approved dealers / brokers.
Non-Government Shariah compliant Securities	Non-Government Shariah compliant Securities are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.
Ordinary shares - unlisted	SWIFT is valued Using the MARKET approach. Valuation is based on its latest published share price in euros, converted to PKR Using the Exchange rate prevailing on the Valuation date.
Shariah compliant alternative of forward foreign exchange contracts	The valuation has been determined by interpolating the mid rates announced by State Bank of Pakistan.
Fixed assets - Land and building	The valuation experts used a market based approach to arrive at the fair value of the Holding Company's properties. The market approach used prices and other relevant information generated by market transactions involving identical, comparable or similar properties.
Non-banking assets acquired in satisfaction of claims	

- 36.2** The Holding Company's policy is to recognize transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred.

# Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For The Quarter Ended March 31, 2026

37

## SEGMENT INFORMATION

Segment Details with respect to Business Activities

(Un-audited)				
March 31, 2026				
Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total

Rupees in '000

### Profit & Loss

Net profit / return	7,604,215	(4,832,771)	5,750,380	(90,446)	8,431,378
Inter segment revenue - net	(7,751,543)	13,207,746	(5,777,883)	321,680	-
Total other income	570,183	567,119	237,643	28,535	1,403,480
Total income	422,855	8,942,094	210,140	259,769	9,834,858

### Segment direct expenses

Segment direct expenses	68,629	4,715,776	270,907	3,480,235	8,535,547
Inter segment expense allocation	34,095	3,011,211	370,610	(3,415,916)	-
Total expenses	102,724	7,726,987	641,517	64,319	8,535,547
Credit loss allowance	15	-	(522,487)	(56,662)	(579,134)
Profit / (loss) before tax	320,116	1,215,107	91,110	252,112	1,878,445

### Balance Sheet

#### Assets

Cash & Bank balances	430,125	41,913,365	-	-	42,343,490
Investments	338,621,405	-	2,031,171	-	340,652,576
Net inter segment placements	-	553,888,327	-	7,919,071	561,807,398
Due from financial institutions	19,699,229	-	-	-	19,699,229
Islamic financing and related assets - performing	-	42,821,838	240,009,003	9,700,036	292,530,877
- non-performing - net	-	468,779	291,136	158,461	918,376
Others	-	-	-	71,173,262	71,173,262
<b>Total Assets</b>	<b>358,750,759</b>	<b>639,092,309</b>	<b>242,331,310</b>	<b>88,950,830</b>	<b>1,329,125,208</b>

#### Liabilities

Due to financial institutions	20,960,025	2,657,125	10,161,967	-	33,779,117
Subordinated sukuk	-	-	-	3,000,000	3,000,000
Deposits & other accounts	8,152,679	636,435,184	-	-	644,587,863
Net inter segment acceptances	329,638,055	-	232,169,343	-	561,807,398
Others	-	-	-	39,468,330	39,468,330
<b>Total liabilities</b>	<b>358,750,759</b>	<b>639,092,309</b>	<b>242,331,310</b>	<b>42,468,330</b>	<b>1,282,642,708</b>
Equity	-	-	-	46,482,500	46,482,500
<b>Total Equity &amp; liabilities</b>	<b>358,750,759</b>	<b>639,092,309</b>	<b>242,331,310</b>	<b>88,950,830</b>	<b>1,329,125,208</b>

#### Contingencies & Commitments

Contingencies & Commitments	99,260,659	-	67,515,674	135,899,466	302,675,799
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## Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For The Quarter Ended March 31, 2026

(Un-audited)					
March 31, 2025					
Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total	
----- Rupees in '000 -----					
<b>Profit &amp; Loss</b>					
Net profit / return	9,124,009	(6,523,814)	6,891,132	(269,976)	9,221,351
Inter segment revenue - net	(9,527,082)	16,050,064	(7,717,515)	1,194,533	-
Total other income	2,421,118	473,415	235,963	18,116	3,148,612
<b>Total Income</b>	<b>2,018,045</b>	<b>9,999,665</b>	<b>(590,420)</b>	<b>942,673</b>	<b>12,369,963</b>
Segment direct expenses	31,071	4,260,772	105,187	2,881,798	7,278,828
Inter segment expense allocation	44,101	1,992,600	417,527	(2,454,228)	-
<b>Total expenses</b>	<b>75,172</b>	<b>6,253,372</b>	<b>522,714</b>	<b>427,570</b>	<b>7,278,828</b>
Credit loss allowance	(810)	(161,847)	(436,556)	199,249	(399,964)
<b>Profit / (loss) before tax</b>	<b>1,943,683</b>	<b>3,908,140</b>	<b>(676,578)</b>	<b>315,854</b>	<b>5,491,099</b>

(Audited)					
December 31, 2025					
Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total	
----- Rupees in '000 -----					
<b>Balance Sheet</b>					
<b>Assets</b>					
Cash & Bank balances	1,069,764	71,821,007	-	-	72,890,771
Investments	320,112,422	-	1,574,682	-	321,687,104
Net inter segment placements	-	544,264,990	-	22,208,659	566,473,649
Due from financial institutions	18,999,952	-	-	-	18,999,952
Islamic financing and related assets - performing	-	38,424,537	242,822,486	9,358,286	290,605,309
Others	-	594,924	392,021	158,355	1,145,300
<b>Total Assets</b>	<b>340,182,138</b>	<b>655,105,458</b>	<b>244,789,189</b>	<b>96,482,839</b>	<b>1,336,559,624</b>
<b>Liabilities</b>					
Due to financial institutions	499,301	4,241,983	9,871,824	-	14,613,108
Subordinated sukuk	-	-	-	3,000,000	3,000,000
Deposits & other accounts	8,126,553	650,863,475	-	-	658,990,028
Net inter segment acceptances	331,556,284	-	234,917,365	-	566,473,649
Others	-	-	-	44,961,346	44,961,346
<b>Total liabilities</b>	<b>340,182,138</b>	<b>655,105,458</b>	<b>244,789,189</b>	<b>47,961,346</b>	<b>1,288,038,131</b>
Equity	-	-	-	48,521,493	48,521,493
<b>Total Equity &amp; liabilities</b>	<b>340,182,138</b>	<b>655,105,458</b>	<b>244,789,189</b>	<b>96,482,839</b>	<b>1,336,559,624</b>
<b>Contingencies &amp; Commitments</b>	<b>85,352,408</b>	<b>-</b>	<b>67,948,449</b>	<b>84,665,557</b>	<b>237,966,414</b>

### 38 RELATED PARTY TRANSACTIONS

The Holding Company has related party transactions with its parent, associates, employee benefit plans, its directors and key management personnel.

The Holding Company 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 and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment.

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

# Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For The Quarter Ended March 31, 2026

	(Un-audited) March 31, 2026					(Audited) December 31, 2025				
	Parent	Directors	Key management personnel	Associates	Other related parties	Parent	Directors	Key management personnel	Associates	Other related parties
(Rupees in '000)										
<b>Investments</b>										
Opening balance	-	-	-	1,060,244	-	-	-	-	1,102,111	-
Investment made during the year	-	-	-	-	-	-	-	-	-	-
Investment written-off during the year	-	-	-	-	-	-	-	-	(41,867)	-
Adjustment	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	1,060,244	-	-	-	-	1,060,244	-
Credit loss allowance held against investments	-	-	-	(1,060,244)	-	-	-	-	(1,060,244)	-
<b>Islamic financing and related assets</b>										
Opening balance	-	-	579,570	480,000	743,717	-	-	467,815	480,187	1,608,466
Addition during the year	-	-	195,182	-	-	-	-	317,706	-	1,186,187
Repaid during the year	-	-	(67,138)	-	(42,889)	-	-	(246,291)	(187)	(2,338,596)
Transfer in / (out) - net	-	-	83,598	-	(21,803)	-	-	40,340	-	287,660
Closing balance	-	-	811,212	480,000	679,025	-	-	579,570	480,000	743,717
Credit loss allowance held against Islamic financing and related assets	-	-	(515)	(480,000)	(2,390)	-	-	(230)	(480,000)	(3,467)
<b>Other assets</b>										
Profit receivable on financings	-	-	739	-	4,979	-	-	483	-	37,625
Others	-	-	-	-	-	-	-	-	-	12,564
<b>Due to financial institutions - net</b>										
Opening balance	-	-	-	-	-	2,000,000.00	-	-	-	-
Additions during the year	-	-	-	-	-	50,000,000	-	-	-	500,000
Settled during the year	-	-	-	-	-	(52,000,000)	-	-	-	(500,000)
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-
<b>Subordinated sukuk</b>										
Opening balance	-	-	35	-	143,325	-	-	485	-	143,465
Issued / purchased during the year	-	-	-	-	2,940	-	-	-	-	3,565
Redemption / sold during the year	-	-	-	-	(110)	-	-	-	-	(3,705)
Transfer in / (out)	-	-	-	-	-	-	-	(450)	-	-
Closing balance	-	-	35	-	146,155	-	-	35	-	143,325
<b>Deposits and other accounts</b>										
Opening balance	-	2,074	56,932	2,110	2,289,358	-	9,305	126,828	1,083	1,461,374
Received during the year	-	15,660	474,340	118,216	9,160,239	-	511,609	1,429,392	805,834	125,111,029
Withdrawn during the year	-	(16,994)	(466,964)	(109,025)	(9,359,269)	-	(515,634)	(1,400,579)	(804,807)	(124,422,723)
Transfer in / (out) - net	-	1,342	(27,472)	-	2,508	-	(3,208)	(88,709)	-	139,678
Closing balance	-	2,082	36,836	11,301	2,092,836	-	2,074	56,932	2,110	2,289,358
<b>Other Liabilities</b>										
Profit / return payable	-	5	1,100	56	10,153	-	2	2,512	2	15,598
Dividend Payable	1,041,015	112	1	-	177,182	-	-	-	-	-
Other liabilities	-	-	-	-	719	459,000	-	-	-	9,626
Unrealized loss on Shariah compliant alternative of forward foreign exchange contracts	-	-	-	-	-	-	-	-	-	-
Meeting fee / remuneration payable	-	-	-	-	-	-	-	-	-	-
<b>Contingencies and Commitments</b>										
Other contingencies	-	-	-	-	900,000	-	-	-	-	900,000

	(Un-audited) March 31, 2026					(Un-audited) March 31, 2025				
	Parent	Directors	Key management personnel	Associates	Other related parties	Parent	Directors	Key management personnel	Associates	Other related parties
(Rupees in '000)										
<b>Income</b>										
Profit / return earned	-	-	8,981	-	7,698	8,264	-	6,746	-	55,117
Other income	-	-	-	-	4,602	-	-	-	-	33,509
Foreign exchange income	-	-	-	-	-	3,468	-	-	-	-
<b>Expense</b>										
Profit / return expensed	-	18	924	69	34,469	762	36	737	70	37,041
Other administrative expenses	104	439	25,883	-	9,638	73	360	7,219	-	9,596
Meeting fee / remuneration	-	5,080	243,757	-	-	-	5,680	177,307	-	-
Contribution to employees provident fund	-	-	-	-	128,136	-	-	-	-	96,193
Charge for employees gratuity fund	-	-	-	-	48,637	-	-	-	-	88,479

## Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For The Quarter Ended March 31, 2026

### 39 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Un-audited) March 31, 2026	(Audited) December 31, 2025
	----- Rupees in '000 -----	
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	<b>11,007,991</b>	11,007,991
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	<b>39,176,663</b>	41,099,514
Eligible Additional Tier 1 (ADT 1) Capital	<b>3,000,000</b>	3,000,000
Total Eligible Tier 1 Capital	<b>42,176,663</b>	44,099,514
Eligible Tier 2 Capital	<b>3,647,060</b>	4,908,758
Total Eligible Capital (Tier 1 + Tier 2)	<b>45,823,723</b>	49,008,272
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	<b>195,230,899</b>	198,186,749
Market Risk	<b>12,948,030</b>	14,008,884
Operational Risk	<b>83,922,654</b>	83,922,654
Total	<b>292,101,583</b>	296,118,287
Common Equity Tier 1 Capital Adequacy ratio	<b>13.41%</b>	13.88%
Tier 1 Capital Adequacy Ratio	<b>14.44%</b>	14.89%
Total Capital Adequacy Ratio	<b>15.69%</b>	16.55%
<b>National minimum capital requirements prescribed by SBP</b>		
CET1 minimum ratio	<b>6.00%</b>	6.00%
Tier 1 minimum ratio	<b>7.50%</b>	7.50%
Total capital minimum ratio	<b>10.00%</b>	10.00%
Capital Conservation Buffer (CCB) (Consisting of CET 1 only)	<b>1.50%</b>	1.50%
Total Capital plus CCB	<b>11.50%</b>	11.50%

**39.1** The capital to risk weighted assets ratio is calculated in accordance with the SBP guidelines on capital adequacy, under Basel III and Pre-Basel III treatment using Standardized Approach for credit and market risk and Basic Indicator Approach for operational Risk.

	(Un-audited) March 31, 2026	(Audited) December 31, 2025
	----- Rupees in '000 -----	
<b>Leverage Ratio (LR):</b>		
Eligible Tier-1 Capital	<b>42,176,663</b>	44,099,514
Total Exposures	<b>834,479,856</b>	832,246,504
Leverage Ratio	<b>5.05%</b>	5.30%
<b>Liquidity Coverage Ratio (LCR):</b>		
Total High Quality Liquid Assets	<b>323,298,836</b>	366,424,354
Total Net Cash Outflow	<b>129,817,126</b>	113,706,825
Liquidity Coverage Ratio	<b>249.04%</b>	322.25%
<b>Net Stable Funding Ratio (NSFR):</b>		
Total Available Stable Funding	<b>566,370,065</b>	590,214,409
Total Required Stable Funding	<b>298,785,963</b>	261,833,817
Net Stable Funding Ratio	<b>189.56%</b>	225.42%

**39.2** The full disclosures on the capital adequacy, leverage ratio & liquidity requirements as per SBP instructions issued from time to time has been placed on the Holding Company's website. The link to the full disclosures is available at [www.bankislami.com.pk/investor-relations](http://www.bankislami.com.pk/investor-relations)

# Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements

For The Quarter Ended March 31, 2026

## 40 GENERAL

**40.1** Captions, as prescribed by BPRD Circular No. 02, dated: January 25, 2018 issued by the SBP, in respect of which there are no amounts, have not been reproduced in these condensed interim consolidated financial statements, except for captions of the consolidated Statement of Financial Position and consolidated Profit and Loss Account.

**40.2** These condensed interim consolidated financial statements are presented in Pakistani Rupees, which is the Holding Company's functional and presentation currency.

**40.3** The figures in these condensed interim consolidated financial statements have been rounded off to the nearest thousand rupee.

## 41 DATE OF AUTHORISATION FOR ISSUE

These condensed interim consolidated financial statements were authorized for issue on April 24, 2026 by the Board of Directors of the Holding Company.

-sd-  
 \_\_\_\_\_  
 President /  
 Chief Executive Officer

-sd-  
 \_\_\_\_\_  
 Chief Financial Officer

-sd-  
 \_\_\_\_\_  
 Chairman

-sd-  
 \_\_\_\_\_  
 Director

-sd-  
 \_\_\_\_\_  
 Director

# BankIslami

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