JS BANK

JS Bank Limited

Shaheen Commercial Complex,
Dr. Ziauddin Ahmed Road,
P.O. Box 4847,
Karachi-74200, Pakistan

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Ref: JSBL/CSD/ 2026/08-06
Dated: August 28, 2026

Form-8

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi.

Subject: Transmission of Quarterly Report For the Half-Year Ended June 30, 2026

Dear Sir,

We have to inform you that the Quarterly Report of the JS Bank Limited (the 'Bank') for the period ended June 30, 2026 has been transmitted through PUCAR and is also available on the Bank's website.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Thanking you,

Very truly yours,

For and on behalf of
JS Bank Limited

Syed Muhammad Talib Raza
Company Secretary and Head of Legal

JS BANK

Half Yearly Report
June 30, 2026
(Un-audited)

Table of Contents

COMPANY INFORMATION

Board of Directors

Mr. Adil Matcheswala	Chairman
Mr. Khalid Rahman	Independent Director
Ms. Nargis Ali Akber Ghaloo	Non-Executive Director
Mr. Qaiser Noor	Independent Director
Lt. Gen. (Retd). Sadiq Ali	Independent Director
Mr. Saad Ali Bhimjee	Non-Executive Director
Mr. Usman Yousaf Mobin	Independent Director
Mr. Basir Shamsie	President and CEO

Board Audit Committee

Mr. Khalid Rahman	Chairman
Ms. Nargis Ali Akber Ghaloo	Member
Lt. Gen. (Retd). Sadiq Ali	Member

Board Human Resource, Remuneration and Nomination Committee

Mr. Usman Yousaf Mobin	Chairman
Mr. Adil Matcheswala	Member
Ms. Nargis Ali Akber Ghaloo	Member
Mr. Qaiser Noor	Member

Board Risk Management Committee

Mr. Saad Ali Bhimjee	Chairman
Mr. Khalid Rahman	Member
Lt. Gen. (Retd). Sadiq Ali	Member
Mr. Basir Shamsie	Member

Board IT Committee

Mr. Usman Yousaf Mobin	Chairman
Mr. Qaiser Noor	Member
Mr. Saad Ali Bhimjee	Member
Mr. Basir Shamsie	Member

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Chief Financial Officer

Syed Adeel Ehtesham

Company Secretary and Head of Legal

Syed Muhammad Talib Raza

Auditors

BDO Ebrahim & Co.
Chartered Accountants
Lakson Square Building No. 1
Sarwar Shaheed Road
Karachi.

Legal Advisors

Bawaney & Partners
Haidermota & Co.
Liaquat Merchant Associates

Share Registrar

CDC Share Registrar Services
Limited CDC House, 99 - B, Block 'B',
S.M.C.H.S., Main Shahrah-e--Faisal,
Karachi

Registered Office

JS Bank Limited,
Shaheen Commercial Complex
Dr. Ziauddin Ahmed Road
P.O. Box 4847, Karachi-74200,
UAN: +92 21 111 JS Bank (572 265)
111-654-321

www.jsbl.com

DIRECTORS' REVIEW

On behalf of the Board of Directors, we are pleased to present the unconsolidated condensed interim financial statements, together with the Auditors' Review Report thereon, and the consolidated condensed interim financial statements of JS Bank Limited for the half-year ended June 30, 2026.

Economic Review

Pakistan's macroeconomic environment during 2QCY26 was influenced by the economic fallout from the Middle East conflict, which drove global oil prices higher and impacted multiple macro indicators. Headline inflation rose from 7.3% in March 2026 to 11.1% in June 2026, fueled by higher energy and transport costs, increasing wheat prices, and unfavorable base effects, while core inflation also inched upward. In response to mounting inflationary pressures, the State Bank of Pakistan (SBP) increased the policy rate by 100 bps to 11.50% in April 2026 which has remained unchanged till date, in anticipation of gradual moderation in inflation over the coming months.

Despite the inflationary headwinds, Pakistan's external position continued to strengthen during FY26. The current account remained contained, recording a deficit of US$ 135 million, supported by workers' remittances of US$ 41.6 billion, with Saudi Arabia and the UAE remaining key sources. However, the trade deficit widened to US$ 33.6 billion due to stronger imports and weaker exports.

The IMF also maintained confidence in Pakistan's reform program by completing the third review of the Extended Fund Facility, releasing US$ 1.1 billion under the EFF and an additional US$ 220 million through the Resilience and Sustainability Facility.

On the fiscal front, the FY27 Federal Budget appeared to be more balanced than those for the preceding years. The recent budget targets revenue of PKR 20.6 trillion against expenditure of PKR 18.8 trillion, while aiming for a fiscal deficit of 3.6% of GDP and a primary surplus of 2.0%. The tax relief measures for salaried individuals and reductions in corporate super tax rates are aimed towards supporting household incomes, corporate profitability, and overall investor sentiment.

With expectations of lower interest rates going forward, the overall macroeconomic outlook appears increasingly constructive, supported by stronger external buffers, continued fiscal discipline, and a gradual recovery in economic activity.

Banking Sector Review

The banking industry navigated an increasingly complex landscape during the June quarter, as continued upward pressure on the yield curve weighed on balance sheet valuations and capital adequacy buffers. The key development was a further tightening move by the SBP, raising the policy rate by 100 bps in April 2026, driving PIB yields higher through the quarter.

Private sector credit continued to expand during FY26, supported by higher business and consumer lending as economic activity gradually recovered, while banks maintained ample liquidity despite elevated holdings of government securities.

The sector continued its structural transition toward Islamic banking, with the share of Shariah-compliant Sukuk in government debt increasing further. Meanwhile, rapid adoption of digital payments, led by RAAST, continued to strengthen financial inclusion and transaction efficiency.

Overall, the banking sector remains fundamentally sound, supported by healthy capitalization and improving macroeconomic fundamentals. However, elevated bond yield volatility and capital management are expected to remain key areas of focus in the near term.

Review of the Bank's Performance

Key highlights of the Bank's financial results for the half year ended June 30, 2026, are presented below:

Financial Position	**PKR Million**	
	June 30, 2026	**December 31, 2025**
Shareholders' Equity	49,110	46,661
Total Deposits	637,622	543,502
Total Assets	759,278	655,636
Advances	221,933	249,776
Investments	419,785	278,028
Financial Performance		
	June 30, 2026	**June 30, 2025**
Mark-up/Interest Income – Net	14,627	13,957
Non-Markup/Interest Income	4,966	7,409
Non-Markup Expenses	14,678	14,609
Credit loss allowance and write offs - net	(1,725)	3,269
Profit Before Tax	6,640	3,488
Profit After Tax	3,199	1,557
Basic/Diluted Earnings Per Share – Rupees	1.56	0.76

For the half-year ended June 30, 2026, the Bank reported a Profit Before Tax (PBT) of PKR 6,640 million, and a Profit After Tax (PAT) of PKR 3,199 million. This compares to a PBT of PKR 3,488 million, and a PAT of PKR 1,557 million during the same period last year, indicating a significant improvement of 90.34% and 105.49% respectively.

The Bank's Net Interest Income increased by 4.8% year-over-year, primarily as a result of mix improvement, as interest rates remained lower as against the prior period. Non-Remunerative Deposits rose by an impressive PKR 37 billion, or 16%, compared to June 2025, resulting in the share of Non-Remunerative Deposits in Total Deposits increasing to 43%. More importantly, the Bank's average non-remunerative deposits rose from PKR 177.762 billion in HY 2025 to PKR 200.057 billion in HY 2026, indicating a year-on-year growth of 13%.

The Bank reported a historic high number for period end non-remunerative deposits, which closed at PKR 271.560 billion as against PKR 222.121 billion reported at December 31, 2025.

The Bank's Non-Markup Income ended lower by 32.98% year-on-year, ending at PKR 4,966 million, primarily due to normalized realized capital gains in the current period against the outsized capital gains recorded in the prior period. Core fee income and dividend income remained flat, while foreign exchange income declined moderately as against the level achieved in the prior comparative period.

With stricter cost discipline and controlled spending, the Bank's Non-Markup expenses remained relatively flat at PKR 14,678 million. The expenses for the comparative prior period included an uptick resulting from one off technology-related costs and increase in certain operating expenditures, which were rationalized in the current period. While costs remained controlled, the Bank's cost-to-income ratio stood at 74.23%, as against 67.55% for the same period last year, primarily due to the outsized capital gains recorded in the prior period. However, Net Interest Income to Operating Cost ratio improved to 101% for the period under review as against a level of 97% in the comparative prior period.

A significant development during the current period was the settlement of a large overdue exposure, which resulted in the Bank acquiring additional listed equity shares of TRG Pakistan Limited, effectively increasing the Bank's overall share to above 10% in the said entity, as a result of a pledge call. While this additional holding has attracted a higher than desired capital charge for capital adequacy purposes, the 100% credit loss allowance held against the same has been reversed in the books. Consequently, the Bank has reported a net reversal in credit loss allowances of PKR 1,725 million in the current period, as against a net charge of PKR 3,269 million recognized in the prior period.

There are certain legal impediments due to ongoing litigations which currently restrict the Bank to affect onward transfer of the shares so acquired, which is temporarily resulting in a higher capital charge on the overall shares held by the Bank in the said entity. The Bank is actively pursuing the matter through its legal counsel, for removal of these impediments.

Another significant milestone towards the end of the current reporting period was the successful closure of the Bank's sixth Term Finance Certificate Issue, having an total issue size of PKR 4 billion. As at June 30, 2026, a subscription amount of PKR 3.5 billion was received from investors, while the issue was fully subscribed (including the green shoe option of PKR 1.0 billion) in the first week of July 2026. The TFCs are rated, unsecured, privately placed, subordinated and subsequently listed instruments, having a value of Rs. 4 billion and will form part of the Bank's Tier 2 Capital.

With an improved non-remunerative mix, overall deposits were reported at PKR 637.622 billion, reflecting a growth of PKR 94.120 billion or 17.32% against the year end December 2025 position. This achievement demonstrates the trust and confidence our valued customers place in our institution, as well as the dedicated efforts of our Bank's teams.

As of June 30, 2026, Gross Advances stood at PKR 244.387 billion, down from PKR 274.547 billion in December 2025. Despite the reduction in gross advances, the infection ratio has improved to 8.11% in June 2026, as against 8.46% in December 2025. The Bank's collateral coverage remains strong, and the specific coverage has improved to 77.8%, compared to 77.3% in December 2025 in terms of overall provisioning against classified exposures.

The Bank remains active in extending loans towards the SME and private sector and targets efforts to empower the small and medium enterprises (SMEs) and individual consumers by offering tailored financing solutions and advisory support to facilitate diverse segments of the economy, without compromising on credit quality.

As at June 30, 2026, the Bank's Capital Adequacy Ratio stands at 12.04% (December 31, 2025: 13.12%). As mentioned above, the Bank's CAR at the current reporting cut-off has been impacted by application of a significantly higher risk weight on shares acquired as a result of a pledge call exercise against an overdue exposure, and the Bank expects that this impact would gradually normalize in the upcoming quarterly reporting cycles.

Consolidated Financial Statements

Key highlights of the Bank's consolidated financial results for the half year ended June 30, 2026, are presented below:

Consolidated Financial Position	**PKR Million**	
	June 30, 2026	**December 31, 2025**
Shareholders' Equity	83,765	81,124
Total Deposits	1,334,267	1,199,432
Total Assets	1,562,838	1,415,624
Advances - Net	532,377	542,342
Investments - Net	707,832	581,459
Consolidated Financial Performance		
	June 30, 2026	**June 30, 2025**
Mark-up/Interest Income – Net	32,492	32,577
Non-Markup/Interest Income	8,857	12,375
Non-Markup/Interest Expenses	33,504	30,742
Credit loss allowance and write-offs - net	(2,742)	2,276
Profit Before Tax	10,587	11,934
Profit After Tax	4,723	5,324
Profit After Tax – attributable to Equity Holders	4,157	4,073
Basic/Diluted Earnings Per Share – PKR	2.03	1.99

On a consolidated basis, JS Bank, along with its subsidiaries—BankIslami Pakistan Limited, JS Global Capital Limited, and JS Investments Limited—reported a profit before tax of PKR 10,587 million (and a profit after tax of PKR 4,723 million) for the half-year ended June 30, 2026. This compares to a profit before tax of PKR 11,934 million (and a profit after tax of PKR 5,324 million) for the same period last year. The consolidated earnings per share for the half-year ended June 30, 2026, amounted to PKR 2.03 per share. Additionally, the consolidated Capital Adequacy Ratio as of June 30, 2026, stood at 13.68% (compared to 14.63% on December 31, 2025).

Credit Rating

The Pakistan Credit Rating Agency Limited (PACRA) has assigned a long-term entity rating of JS Bank Limited at “AA” (Double A). The Bank’s short-term rating is “A1+” (A-One Plus), which is the highest possible rating in this category.

The ratings denote high credit quality. and low expectation of credit risk. The ratings also indicate a strong capacity for timely payment of financial commitments.

Acknowledgments

On behalf of the Board of Directors, we express our sincere gratitude to our valued customers and stakeholders for their continued trust and support. We also extend our thanks to the Ministry of Finance, the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan, Pakistan Stock Exchange, and other regulatory bodies for their unwavering support of our Bank.

We would also like to recognize the efforts of the Bank’s management and staff. Their dedication and pursuit of excellence remain crucial to the Bank's success.

We firmly believe that our ongoing focus on value addition, service quality, and ease of banking will continue to strengthen the trust of our existing customers and attract new ones. We remain committed to supporting Pakistan's economic recovery, with a steadfast focus on resilience, innovation, and sustainable growth for the benefit of all our stakeholders.

On behalf of the Board,

Basir Shamsie
President and CEO

Adil Matcheswala
Chairman

Karachi: August 25, 2026

جبکہ گزشتہ سال اسی مدت میں قبل از ٹیکس منافع 11,934 ملین روپے اور بعد از ٹیکس منافع 5,324 ملین روپے ریکارڈ کیا گیا تھا۔ 30 جون 2026 کو اختتام پذیر ہونے والی ششماہی کے لیے فی حصص آمدنی 2.03 روپے رہی۔ مزید یہ کہ 30 جون 2026 تک مجموعی کیپٹل ایڈیکویسی ریشو 13.68 فیصد رہا جو 31 دسمبر 2025 کو 14.63 فیصد تھا۔

کریڈٹ ریٹنگ:

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (پاکرا) نے جے ایس بینک لمیٹڈ کی طویل مدتی اینٹیٹی ریٹنگ کو AA (ڈبل اے) برقرار رکھی، جبکہ مختصر مدتی کریڈٹ ریٹنگ کو A1+ (اے ون پلس) پر برقرار ہے، جو اس کیٹگری میں سب سے ممکنہ درجہ بندی ہے۔

یہ ریٹنگز اعلیٰ کریڈٹ معیار اور کریڈٹ رسک کی کم توقع کو ظاہر کرتی ہیں، اور مالیاتی ذمہ داریوں کی بروقت ادائیگی کے لیے مضبوط صلاحیت کی نشاندہی کرتی ہیں۔

اظہار تشکر:

بورڈ آف ڈائریکٹرز کی جانب سے، ہم اپنے کسٹمرز اور قابل قدر اسٹیک ہولڈرز کی مسلسل سرپرستی اور حمایت کے لیے ان کا شکریہ ادا کرنا چاہتے ہیں۔ ہم وزارت خزانہ، اسٹیٹ بینک آف پاکستان، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اور دیگر ریگولیٹری اداروں کا بھی شکریہ ادا کرنا چاہیں گے جنہوں نے ہمارے بینک کی رہنمائی اور مدد کی۔

ہم بینک کی انتظامیہ اور عملے کی کوششوں کو بھی سراہنا چاہتے ہیں۔ ان کی لگن اور عمدگی کی تلاش بینک کی کامیابی کے لیے انتہائی اہم ترین عوامل میں شامل ہیں۔

ہم پرعزم ہیں کہ ویلیو ایڈیشن، معیاری خدمات اور سہولتِ بینکاری پر اپنی توجہ برقرار رکھتے ہوئے ہم نہ صرف موجودہ کسٹمرز کے اعتماد کو مزید مستحکم کریں گے بلکہ نئے کسٹمرز کو بھی اپنی جانب راغب کریں گے۔ ہم تمام اسٹیک ہولڈرز کے فائدے کے لئے مضبوطی، جدت اور پائیدار ترقی پر مستقل توجہ کے ساتھ پاکستان کی معاشی بحالی میں اپنا تعاون پیش کرنے کے لئے مکمل طور پر پرعزم ہیں۔

منجانب بورڈ

باصر شمسی
صدر اینڈ سی ای او

عادل ماچس والا
چیئرمین

کراچی، 25 اگست 2026ء

30 جون 2026 تک، بینک کا کیپٹل ایڈیکویسی ریشو 12.04 فیصد ہے (31 دسمبر 2025: 13.12 فیصد)۔ جیسا کہ اوپر ذکر کیا گیا ہے، موجودہ رپورٹنگ کٹ آف پر بینک کا سی اے آر (CAR) ایک واجب الادا ایکسپوژر کے خلاف چیلنج کال کی مشق کے نتیجے میں حاصل کردہ شیئرز پر نمایاں طور پر زیادہ رسک ویٹ لاگو ہونے سے متاثر ہوا ہے، اور بینک کو توقع ہے کہ آنے والے سہ ماہی رپورٹنگ سائیکلز میں یہ اثر بتدریج طور پر معمول پر آ جائے گا۔

مجموعی مالیاتی گوشوارے:

30 جون 2026 کو اختتام پذیر ہونے والی ششماہی کے لیے بینک کے مجموعی مالیاتی نتائج کے اہم نکات ذیل میں پیش کیے جا رہے ہیں:

مجموعی مالی پوزیشن	ملین پاکستانی روپے	
	30 جون 2026	31 دسمبر 2025
شیئر ہولڈرز ایکیوٹی	83,765	81,124
مجموعی ڈپازٹس	1,334,267	1,199,432
مجموعی اثاثہ جات	1,562,838	1,415,624
خالص ایڈوانسز	532,377	542,342
خالص سرمایہ کاریاں	707,832	581,459

مجموعی مالیاتی کارکردگی	**ملین پاکستانی روپے**	
	30 جون 2026	30 جون 2025
مارک اپ/ انٹریسٹ آمدنی۔ خالص	32,492	32,577
غیر مارک اپ/ انٹریسٹ آمدنی	8,857	12,375
غیر مارک اپ/ انٹریسٹ اخراجات	33,504	30,742
کریڈٹ خسارہ الاؤنس اور رائٹ آف۔ خالص	(2,742)	2,276
قبل از ٹیکس منافع	10,587	11,934
بعد از ٹیکس منافع	4,723	5,324
بعد از ٹیکس منافع۔ ایکویٹی ہولڈرز سے منسوب	4,157	4,073
بنیادی/ ڈیلوئیٹڈ آمدنی فی حصص۔ روپے میں	2.03	1.99

مجموعی بنیاد پر، جے ایس بینک اور اس کی ذیلی کمپنیاں، بینک اسلامی پاکستان لمیٹڈ، جے ایس گلوبل کیپٹل لمیٹڈ، اور جے ایس انویسٹمنٹس لمیٹڈ نے 30 جون 2026 کو اختتام پذیر ہونے والی ششماہی کے لیے قبل از ٹیکس منافع 10,587 ملین روپے اور بعد از ٹیکس منافع 4,723 ملین روپے رپورٹ کیا

گیا۔ اگرچہ اخراجات کنٹرول میں رہے، لیکن بینک کا کاسٹ ٹو انکم ریشو 74.23 فیصد رہا، جو گزشتہ سال اسی مدت کے 67.55 فیصد کے مقابلے میں ہے، جس کی بنیادی وجہ گزشتہ مدت میں ریکارڈ کیے گئے غیر معمولی کیپیٹل گینز تھے۔ تاہم، زیرِ جائزہ مدت کے دوران نیٹ انٹرسٹ انکم ٹو آپریٹنگ کاسٹ ریشو بہتر ہو کر 101 فیصد ہو گیا، جو گزشتہ سال اسی مدت میں 97 فیصد کی سطح پر تھا۔

موجودہ مدت کے دوران ایک اہم پیش رفت ایک بڑے واجب الادا ایکسپوژر کا تصفیہ تھی، جس کے نتیجے میں پلیج کال کے باعث بینک نے ٹی آر جی پاکستان لمیٹڈ کے مزید لسٹڈ ایکویٹی حصص حاصل کیے، جس سے مذکورہ ادارے میں بینک کا مجموعی حصہ 10 فیصد سے تجاوز کر گیا۔ اگرچہ اس اضافی ہولڈنگ کی وجہ سے کیپیٹل ایڈیکویسی کی مقاصد کے لیے مطلوبہ سطح سے زیادہ کیپیٹل چارج عائد ہوا ہے، لیکن اس کے بالمقابل رکھا گیا 100 فیصد کریڈٹ خسارہ الاؤنس بکس میں ریورس کر دیا گیا ہے۔ نتیجے کے طور پر، بینک نے موجودہ مدت میں 1,725 ملین روپے کی کریڈٹ خسارہ الاؤنس کی خالص ریورسل رپورٹ کیا ہے، جبکہ گزشتہ مدت میں 3,269 ملین روپے کا خالص چارج تسلیم کیا گیا تھا۔

جاری مقدمات کی وجہ سے کچھ قانونی رکاوٹیں حائل ہیں جو اس وقت بینک کو اس طرح حاصل کردہ شیئرز کی آگے منتقلی سے روکتی ہیں، جس کے نتیجے میں عارضی طور پر مذکورہ ادارے میں بینک کے ہولڈ کیے گئے مجموعی حصص پر زیادہ کیپیٹل چارج لاگو ہو رہا ہے۔ بینک ان رکاوٹوں کو دور کرنے کے لیے اپنے قانونی مشیر کے ذریعے معاملے کی فعال طور پر پیروکاری کر رہا ہے۔

موجودہ رپورٹنگ کی مدت کے اختتام کی طرف ایک اور اہم سنگِ میل بینک کے چھٹے ٹرم فنانس سرٹیفکیٹ (TFC) کا کامیابی سے جاری ہونا تھا، جس کا کل حجم 4 بلین روپے تھا۔ 30 جون 2026 تک، سرمایہ کاروں سے 3.5 بلین روپے کی سبسکرپشن کی رقم موصول ہوئی، جبکہ یہ ایشو جولائی 2026 کے پہلے ہفتے میں مکمل طور پر سبسکرائب ہو گیا (بشمول 1.0 بلین روپے کا گرین شو آپشن)۔ ٹی ایف سیز (TFCs) ریٹیڈ، غیر محفوظ، پرائیویٹ طور پر رکھے گئے، ماتحت اور بعد میں لسٹڈ ہونے والے انسٹرومینٹس ہیں، جن کی مالیت 4 بلین روپے ہے اور یہ بینک کے ٹائر 2 کیپیٹل کا حصہ بنیں گے۔

غیر منافع بخش مکس میں بہتری کے ساتھ، مجموعی ڈپازٹس 637.622 بلین روپے رپورٹ کیے گئے، جو دسمبر 2025 کے سال کے اختتام کی پوزیشن کے مقابلے میں 94.120 بلین روپے یا 17.32 فیصد کی نمو کو ظاہر کرتے ہیں۔ یہ کامیابی اس اعتماد اور بھروسے کو ظاہر کرتی ہے جو ہمارے معزز صارفین ہمارے ادارے پر یقین رکھتے ہیں، نیز ہمارے بینک کی ٹیموں کی ان تھک کوششوں کی عکاسی کرتی ہے۔

30 جون 2026 تک، مجموعی ایڈوانسز 244.387 بلین روپے رہے، جو دسمبر 2025 میں 274.547 بلین روپے تھے۔ مجموعی ایڈوانسز میں کمی کے باوجود، انفیکشن ریشو بہتر ہو کر جون 2026 میں 8.11 فیصد ہو گیا، جو دسمبر 2025 میں 8.46 فیصد تھا۔ بینک کی ضمانتی کوریج مضبوط ہے، اور کلاسیفائیڈ ایکسپوژرز کے خلاف مجموعی پروویژننگ کے لحاظ سے سپیسیفک کوریج بہتر ہو کر 77.8 فیصد ہو گئی ہے، جو دسمبر 2025 میں 77.3 فیصد تھی۔

بینک ایس ایم ای (SME) اور پرائیویٹ سیکٹر کو قرضوں کی فراہمی میں متحرک ہے اور کریڈٹ معیار پر سمجھوتہ کیے بغیر، معیشت کے مختلف شعبوں کی سہولت کے لیے مختص کردہ مالیاتی حل اور مشاورت فراہم کر کے چھوٹے اور درمیانے درجے کے کاروباری اداروں (SMEs) اور انفرادی صارفین کو بااختیار بنانے کی کوششوں کو ہدف بناتا ہے۔

مالیاتی کارکردگی	ملین پاکستانی روپے	
	30جون2026	30جون2025
مارک اپ/انٹریسٹ آمدنی۔خالص	14,627	13,957
غیر مارک اپ/انٹریسٹ آمدنی	4,966	7,409
غیر مارک اپ اخراجات	14,678	14,609
کریڈٹ خسارہ الاؤنس اور رائٹ آف۔خالص	(1,725)	3,269
قبل از ٹیکس منافع	6,640	3,488
بعد از ٹیکس منافع	3,199	1,557
بنیادی/ڈیلو یٹڈ آمدنی فی حصص۔روپے میں	1.56	0.76

30 جون 2026 کو اختتام پذیر ہونے والی ششماہی کے لیے بینک کا قبل از ٹیکس منافع 6,640 ملین روپے اور بعد از ٹیکس منافع 3,199 ملین روپے رہا جبکہ گزشتہ سال اسی مدت کے دوران قبل از ٹیکس منافع 3,488 ملین روپے اور بعد از ٹیکس منافع 1,557 ملین روپے ریکارڈ کیا گیا تھا جو 90.34 فیصد اور 105.49 فیصد بالترتیب نمایاں بہتری کو ظاہر کرتا ہے۔

بینک کی خالص انٹریسٹ آمدنی میں سال بہ سال 4.8 فیصد کا اضافہ ہوا، جس کی بنیادی وجہ پورٹ فولیو مکس میں بہتری تھی، کیونکہ شرح سود گزشتہ مدت کے مقابلے میں کم رہی۔ غیر منافع بخش ڈپازٹس جون 2025 کے مقابلے میں 37 بلین روپے یعنی 16 فیصد کا نمایاں اضافہ ہوا، جس کے نتیجے میں کل ڈپازٹس میں غیر منافع بخش ڈپازٹس کا تناسب بڑھ کر 43 فیصد ہو گیا۔ اس سے بھی اہم بات یہ ہے کہ بینک کے اوسط غیر منافع بخش ڈپازٹس ششماہی مالی سال 2025 کی ششماہی کے 177.762 بلین روپے سے بڑھ کر ششماہی 2026 میں 200.057 بلین روپے ہو گئے، جو سال بہ سال 13 فیصد کی شرح نمو کو ظاہر کرتے ہیں۔

بینک نے غیر منافع بخشئد پازٹس کی مد میں تاریخ کی بلند ترین سطح حاصل کی، جو اس مدت کے اختتام پر 271.560 بلین روپے رہی، جبکہ 31 دسمبر 2025 کو یہ 222.121 بلین روپے تھی۔

بینک کی غیر مارک اپ آمدنی میں سال بہ سال 32.98 فیصد کی کمی ہوئی اور یہ 4,966 ملین روپے رہی، جس کی بنیادی وجہ گزشتہ مدت میں ریکارڈ کیے گئے غیر معمولی کیپٹل گینز کے مقابلے میں موجودہ مدت میں معمول کا کیپٹل گین حاصل ہونا ہے۔ فیس آمدنی اور ڈیویڈنڈ آمدنی مستحکم رہیں، جبکہ فارن ایکسچینج آمدنی میں گزشتہ موازنہ کی مدت کے مقابلے میں معمولی کمی واقع ہوئی۔

اخراجات پر ضبط اور کنٹرول شدہ اخراجات کی بدولت، بینک کے غیر مارک اپ اخراجات 14,678 ملین روپے پر نسبتاً مستحکم رہے۔ گزشتہ مدت کے اخراجات میں ٹیکنالوجی سے متعلق یکمشت لاگت اور بعض آپریٹنگ اخراجات میں اضافے کے باعث اضافہ ہوا تھا، جنہیں موجودہ مدت میں معقول بنایا

سخت پالیسی کا تسلسل تھا، جس کے تحت اپریل 2026 میں پالیسی ریٹ میں 100 بی پی ایس کا اضافہ کیا گیا، جس سے سہ ماہی کے دوران پی آئی بی کی ییلڈز میں اضافہ ہوا۔

مالی سال 2026ء کے دوران نجی شعبے کے قرضہ جات میں توسیع جاری رہی، جسے معاشی سرگرمیوں کی بتدریج بحالی کے ساتھ ساتھ کاروباری اور صارفین کے قرضوں میں اضافے کا سہارا ملا، جبکہ حکومتی سیکیورٹیز کے زیادہ حجم کے باوجود بینکوں نے وافر لیکویڈیٹی کو برقرار رکھا۔

اس شعبے نے اسلامی بینکنگ کی طرف ساختیاتی تبدیلی جاری رہی، اور سرکاری قرضوں میں شریعت کے مطابق صکوک کا حصہ مزید بڑھ گیا۔ دریں اثنا، راست (RAAST) کی قیادت میں ڈیجیٹل ادائیگیاں تیزی سے اپنانے کے عمل نے مالیاتی شمولیت اور لین دین کی کارکردگی کو مستحکم کرنا جاری رکھا۔

مجموعی طور پر، بینکنگ سیکٹر مضبوط کیپٹلائزیشن اور بہتری کی طرف گامزن میکرواقتصادی بنیادوں کی بدولت بنیادی طور پر مستحکم ہے۔ تاہم، بانڈ ییلڈ کی شدید اور غیر مستحکم تبدیلیوں اور کیپٹل مینجمنٹ کے انڈسٹری کی توجہ کے بنیادی مراکز برقرار رہنے کی توقع ہے۔

کارکردگی کا جائزہ:

30 جون 2026 کو ختم ہونے والی ششماہی کیلئے بینک کے مالی نتائج کا خلاصہ درج ذیل ہے:

31 دسمبر 2025	30 جون 2026	**مالی پوزیشن**
	ملین پاکستانی روپے	
46,661	49,110	شیئر ہولڈرز ایکیوٹی
543,502	637,622	مجموعی ڈپازٹس
655,636	759,278	مجموعی اثاثہ جات
249,776	221,933	خالص ایڈوانسز
278,028	419,785	خالص سرمایہ کاریاں

ڈائریکٹرز کا جائزہ:

بورڈ آف ڈائریکٹرز کی جانب سے ہمیں یہ اعزاز حاصل ہے کہ ہم جے ایس بینک لمیٹڈ کے 30 جون 2026 کو اختتام پذیر ہونے والی ششماہی کے غیر آڈٹ شدہ مختصر عبوری مالیاتی گوشوارے بمعہ آڈیٹرز کی جائزہ رپورٹ اور مربوط غیر آڈٹ شدہ مختصر عبوری مالیاتی گوشوارے پیش کر رہے ہیں۔

اقتصادی جائزہ:

مالی سال 2026 کی دوسری سہ ماہی کے دوران پاکستان کے معاشی ماحول پر مشرق وسطیٰ کے تنازع کے معاشی اثرات غالب رہے، جس کے باعث عالمی سطح پر تیل کی قیمتوں میں اضافہ ہوا اور متعدد معاشی اشارے متاثر ہوئے۔ توانائی اور ٹرانسپورٹ کی بلند لاگت، گندم کی بڑھتی ہوئی قیمتوں اور غیر موافق بنیادی اثرات کے باعث ہیڈ لائن افراط زر مارچ 2026 میں 7.3 فیصد سے بڑھ کر جون 2026 میں 11.1 فیصد ہو گیا، جبکہ بنیادی افراط زر میں بھی معمولی اضافہ ہوا۔ افراط زر کے بڑھتے ہوئے دباؤ کے جواب میں، اسٹیٹ بینک آف پاکستان نے اپریل 2026 میں پالیسی ریٹ کو 100 بی پی ایس بڑھا کر 11.50 فیصد کر دیا، جو آنے والے مہینوں میں افراط زر میں بتدریج کمی کی توقع کے پیش نظر اس وقت تک تبدیل نہیں ہوا ہے۔

افراط زر کے اثرات کے باوجود، مالی سال 2026ء کے دوران پاکستان کی بیرونی مالیاتی صورتحال مستحکم ہوتی رہی۔ جاری کھاتے کا خسارہ محدود رہا اور 135 ملین امریکی ڈالر ریکارڈ کیا گیا، جسے 41.6 بلین امریکی ڈالر کی ترسیلات زر کا سہارا حاصل رہا، جن میں سعودی عرب اور متحدہ عرب امارات اہم ذرائع رہے۔ تاہم، زیادہ درآمدات اور کم برآمدات کے باعث تجارتی خسارہ بڑھ کر 33.6 بلین امریکی ڈالر ہو گیا۔

انٹرنیشنل مانیٹری فنڈ (آئی ایم ایف) نے بھی ایکسٹینڈڈ فنڈ فسیلٹی (ای ایف ایف) کا تیسرا جائزہ مکمل کرتے ہوئے پاکستان کے اصلاحاتی پروگرام پر اپنے اعتماد کو برقرار رکھا، جس کے تحت ای ایف ایف کی مد میں 1.1 بلین امریکی ڈالر اور ریسیلینس اینڈ سسٹینیبلٹی فسیلٹی کے ذریعے مزید 220 ملین امریکی ڈالر جاری کیے گئے۔

مالیاتی محاذ پر، مالی سال 2027ء کا وفاقی بجٹ گزشتہ سالوں کے مقابلے میں زیادہ متوازن نظر آیا۔ حالیہ بجٹ میں 18.8 ٹریلین روپے کے اخراجات کے مقابلے میں 20.6 ٹریلین روپے کی آمدن کا ہدف مقرر کیا گیا ہے، جبکہ مالیاتی خسارہ مجموعی قومی پیداوار (جی ڈی پی) کا 3.6 فیصد اور بنیادی سرپلس 2.0 فیصد رکھنے کا ہدف ہے۔ تنخواہ دار طبقے کے لیے ٹیکس میں ریلیف کے اقدامات اور کارپوریٹ سپر ٹیکس کی شرح میں کمی کا مقصد گھریلو آمدنی، کارپوریٹ منافع بخش صلاحیت اور مجموعی طور پر سرمایہ کاروں کے اعتماد کو فروغ دینا ہے۔

مستقبل میں شرح سود میں کمی کی توقعات کے ساتھ، مجموعی معاشی اقتصادی منظر نامہ بیرونی ذخائر کے استحکام، مسلسل مالیاتی نظم وضبط اور معاشی سرگرمیوں میں بتدریج بحالی کے باعث مزید مثبت اور امید افزا نظر آتا ہے۔

بینکنگ سیکٹر کا جائزہ:

جون کی سہ ماہی کے دوران بینکنگ انڈسٹری کو پیچیدہ صورتحال کا سامنا رہا، کیونکہ ییلڈ کرو (yield curve) پر مسلسل اوپر کی طرف دباؤ نے بیلنس شیٹ کی مالیت اور کیپیٹل ایڈیکویسی بفرز (سرمائے کے مناسب تناسب) کو متاثر کیا۔ اس عرصے کی اہم پیش رفت اسٹیٹ بینک آف پاکستان کی جانب سے

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF JS BANK LIMITEDON REVIEW OF CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of JS Bank Limited ("the Bank") as at June 30, 2026 and the related condensed interim unconsolidated statement of profit and loss account, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity, condensed interim unconsolidated statement of cash flows and notes to the condensed interim unconsolidated financial statements for the half year then ended (here-in-after referred as the "condensed interim unconsolidated financial statements"). Management is responsible for the preparation and presentation of these condensed interim unconsolidated financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim unconsolidated financial statements based on our review.

Scope of review

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

Conclusion

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

Emphasis of Matter

We draw attention to Note 9.6 to the condensed interim unconsolidated financial statements, which describes the Bank's enforcement of its lien over shares pledged as security following the borrower's default, including shares held in a custodial capacity on behalf of the Bank's subsidiary pursuant to cross-default and general lien provisions under the underlying credit documentation. The note also provides details regarding restrictions on sale/transfer of the acquired securities owing to pending litigation.

Our conclusion is not modified in respect of this matter.

Other Matters

Pursuant to the requirement of Section 237 (1) (b) of the Companies Act, 2017, only cumulative figures for the half year, presented in the second quarter accounts are subject to a limited scope review by the statutory auditors of the Bank. Accordingly, the figures of the condensed interim unconsolidated profit and loss and condensed interim unconsolidated statement of comprehensive income for the three months period ended June 30, 2026 have not been reviewed by us.

The condensed interim unconsolidated financial Statements for the half year ended June 30, 2025 and annual unconsolidated financial statement of the Bank for year ended December 31, 2025 were reviewed and audited by another firm of Chartered Accountants who had expressed an unmodified conclusion and unmodified opinion thereon, vide their reports dated August 26, 2025 and March 04, 2026, respectively.

The engagement partner on the review resulting in this independent auditor's report is Zulfikar Ali Causer.

KARACHI

DATED: 27 AUG 2026

UDIN: RR202510067wYt9MgXA8

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

UNCONSOLIDATED FINANCIAL STATEMENTS

FINANCIAL CORE **TRAINING**

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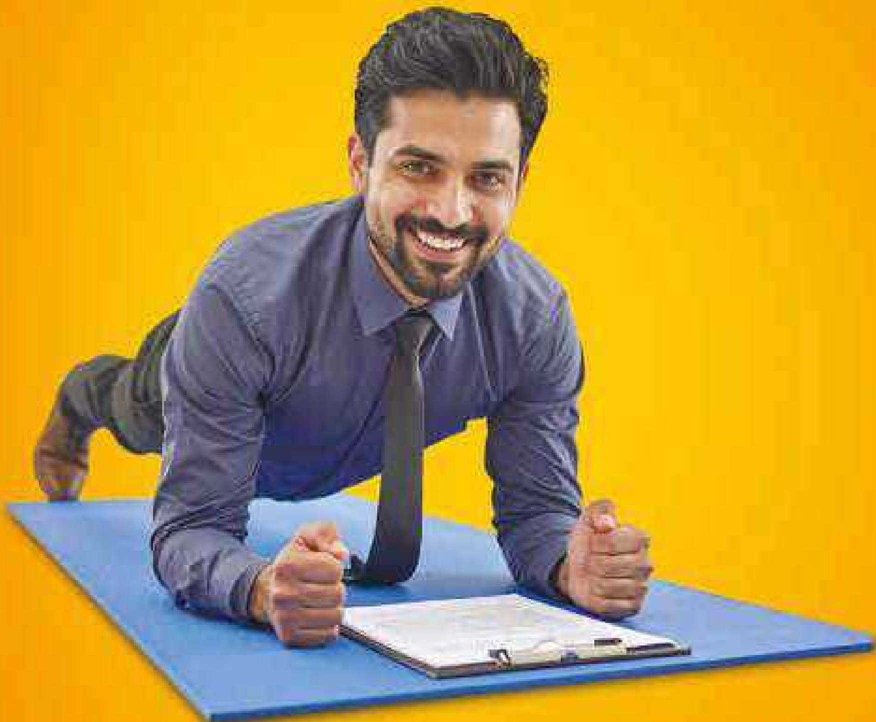
Half Year Ended June 30, 2026



JS BANK LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		---------- Rupees in '000 ----------	
ASSETS			
Cash and balances with treasury banks	6	**39,084,283**	40,697,301
Balances with other banks	7	**3,056,835**	5,197,190
Lendings to financial institutions	8	**9,114,160**	19,838,794
Investments	9	**419,784,801**	278,028,312
Advances	10	**221,933,044**	249,776,370
Property and equipment	11	**12,826,810**	12,793,947
Right-of-use assets	12	**3,050,992**	3,073,822
Intangible assets	13	**6,356,917**	6,529,662
Deferred tax assets	14	**322,758**	-
Other assets	15	**43,747,722**	39,700,933
Total Assets		**759,278,322**	655,636,331
LIABILITIES			
Bills payable	16	**7,269,696**	7,839,367
Borrowings	17	**27,227,079**	26,128,080
Deposits and other accounts	18	**637,622,293**	543,502,051
Lease liabilities	19	**3,241,602**	3,193,531
Subordinated debt	20	**8,441,877**	8,493,900
Deferred tax liabilities	14	**-**	694,409
Other liabilities	21	**26,366,252**	19,124,285
Total Liabilities		**710,168,799**	608,975,623
NET ASSETS		**49,109,523**	46,660,708
REPRESENTED BY			
Share capital		**20,506,625**	20,506,625
Reserves		**8,302,331**	7,680,779
Surplus on revaluation of assets	22	**2,240,588**	3,076,042
Unappropriated profit		**18,059,979**	15,397,262
		49,109,523	46,660,708
CONTINGENCIES AND COMMITMENTS	23		

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

President and Chief Executive Officer	**Chief Financial Officer**	**Director**	**Director**	**Director**

JS BANK LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2026

	Note	Quarter Ended		Half Year Ended	
		June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
		---------- Rupees in '000 ----------			
Mark-up / return / interest earned	25	**17,922,103**	18,070,430	**33,848,062**	39,429,784
Mark-up / return / interest expensed	26	**9,979,422**	11,597,047	**19,220,851**	25,472,465
Net mark-up / interest income		**7,942,681**	6,473,383	**14,627,211**	13,957,319
NON MARK-UP / INTEREST INCOME					
Fee and commission income	27	**1,195,398**	1,207,867	**2,434,681**	2,465,801
Dividend income		**9,968**	22,923	**1,095,604**	1,168,359
Foreign exchange income		**617,288**	484,043	**978,992**	1,144,065
Income from derivatives		**289**	39	**-**	-
Gain on securities - net	28	**206,567**	2,141,555	**343,497**	2,165,443
Net gains / (loss) on derecognition of financial assets measured at amortised cost		**-**	-	**-**	-
Other income	29	**106,817**	427,856	**113,308**	465,643
Total non mark-up / interest income		**2,136,327**	4,284,283	**4,966,082**	7,409,311
Total Income		**10,079,008**	10,757,666	**19,593,293**	21,366,630
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	30	**7,171,247**	7,358,171	**14,544,403**	14,432,268
Workers' welfare fund	31	**89,292**	15,018	**132,799**	69,768
Other charges	32	**-**	107,091	**707**	107,356
Total non-mark-up / interest expenses		**7,260,539**	7,480,280	**14,677,909**	14,609,392
Profit before credit loss allowance		**2,818,469**	3,277,386	**4,915,384**	6,757,238
(Reversal of) / credit loss allowance and write offs - net	33	**(1,646,145)**	2,526,512	**(1,724,573)**	3,268,848
Extra ordinary / unusual items		**-**	-	**-**	-
PROFIT BEFORE TAXATION		**4,464,614**	750,874	**6,639,957**	3,488,390
Taxation	34	**2,310,627**	482,824	**3,441,326**	1,931,773
PROFIT AFTER TAXATION		**2,153,987**	268,050	**3,198,631**	1,556,617
		---------- Rupees ----------			
Earnings per share - basic and diluted	35	**1.05**	0.13	**1.56**	0.76

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

President and Chief Executive Officer	Chief Financial Officer	Director	Director	Director

JS BANK LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2026

	Quarter Ended		Half Year Ended	
	June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
	---------- Rupees in '000 ----------			
Profit after taxation for the period	**2,153,987**	268,050	**3,198,631**	1,556,617
Other comprehensive (loss) / income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Effect of translation of net investment in foreign branch	**(9,595)**	26,240	**(18,174)**	38,130
Movement in (deficit) / surplus on revaluation of debt investments through FVOCI - net of tax	**588,971**	1,446,769	**(565,748)**	1,030,368
Debt investments at FVOCI – reclassified to profit or loss	**(71,847)**	(605,408)	**(169,943)**	(642,164)
	507,529	867,601	**(753,865)**	426,334
Items that will not be reclassified to profit and loss account in subsequent periods:				
Movement in surplus / (deficit) on revaluation of equity investments - net of tax	**276,295**	(127,355)	**22,651**	(190,541)
Total comprehensive income	**2,937,811**	1,008,296	**2,467,417**	1,792,410

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

President and Chief Executive Officer	**Chief Financial Officer**	**Director**	**Director**	**Director**

JS BANK LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED JUNE 30, 2026

	Share capital	Capital Reserves		Statutory reserve	Surplus / (deficit) on revaluation of			Unappro-priated profit	Total
		Share premium	Exchange translation reserve		Investments	Property and equipment	Non-banking assets		
	Rupees in '000								
Balance as at December 31, 2024 (Audited)	20,506,625	2,689,217	657,775	3,766,691	1,413,539	1,453,706	510,615	12,708,466	43,706,634
Impact of adoption of IFRS 9 - net of tax	-	-	-	-	13,116	-	-	-	13,116
Balance as at January 01, 2025 after adoption of IFRS 9	20,506,625	2,689,217	657,775	3,766,691	1,426,655	1,453,706	510,615	12,708,466	43,719,750
Profit after taxation (June 30, 2025)	-	-	-	-	-	-	-	1,556,617	1,556,617
Other comprehensive income - net of tax									
Effect of translation of net investment in foreign branch	-	-	38,130	-	-	-	-	-	38,130
Movement in surplus on revaluation of investments in debt instruments - net of tax	-	-	-	-	1,030,368	-	-	-	1,030,368
Debt investments at FVOCI – reclassified to profit or loss	-	-	-	-	(642,164)	-	-	-	(642,164)
Movement in deficit on revaluation of investments in equity instruments - net of tax	-	-	-	-	(190,541)	-	-	-	(190,541)
	-	-	38,130	-	197,663	-	-	-	235,793
Transfer to statutory reserve	-	-	-	311,323	-	-	-	(311,323)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(10,022)	(15,174)	25,196	-
Gain on disposal of equity investments at FVOCI transfered to unappropriated profit	-	-	-	-	(360,660)	-	-	360,660	-
Opening Balance as at July 01, 2025 (Un-audited) - Restated	20,506,625	2,689,217	695,905	4,078,014	1,263,658	1,443,684	495,441	14,339,616	45,512,160
Profit after taxation	-	-	-	-	-	-	-	1,238,953	1,238,953
Other comprehensive income - net of tax									
Effect of translation of net investment in foreign branch	-	-	(30,148)	-	-	-	-	-	(30,148)
Movement in surplus on revaluation of investments in debt instruments - net of tax	-	-	-	-	451,647	-	-	-	451,647
Debt investments at FVOCI – reclassified to profit or loss	-	-	-	-	(583,725)	-	-	-	(583,725)
Movement in surplus on revaluation of investments in equity instruments- net of tax	-	-	-	-	192,154	-	-	-	192,154
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-	29,671	29,671
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	(150,004)	-	(150,004)
	-	-	(30,148)	-	60,076	-	(150,004)	29,671	(90,405)
Transfer to statutory reserve	-	-	-	247,791	-	-	-	(247,791)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(26,566)	(836)	27,402	-
Gain on disposal of equity investments at FVOCI transferred to unappropriated profit	-	-	-	-	(9,411)	-	-	9,411	-
Opening Balance as at January 01, 2026	**20,506,625**	**2,689,217**	**665,757**	**4,325,806**	**1,314,323**	**1,417,118**	**344,601**	**15,397,262**	**46,860,708**
Impact of adoption of IFRS 9 - net of tax (note 3.1.1)	-	-	-	-	**(2,680)**	-	-	**(15,922)**	**(18,602)**
Balance as at January 01, 2026 after adoption of IFRS 9	**20,506,625**	**2,689,217**	**665,757**	**4,325,806**	**1,311,643**	**1,417,118**	**344,601**	**15,381,340**	**46,642,106**
Profit after taxation for the current period	-	-	-	-	-	-	-	**3,198,631**	**3,198,631**
Other comprehensive income - net of tax									
Effect of translation of net investment in foreign branch	-	-	**(18,174)**	-	-	-	-	-	**(18,174)**
Movement in deficit on revaluation of investments in debt instruments - net of tax	-	-	-	-	**(565,748)**	-	-	-	**(565,748)**
Debt investments at FVOCI – reclassified to profit or loss	-	-	-	-	**(169,943)**	-	-	-	**(169,943)**
Movement in surplus on revaluation of investments in equity instruments- net of tax	-	-	-	-	**22,651**	-	-	-	**22,651**
	-	-	**(18,174)**	-	**(713,040)**	-	-	-	**(731,214)**
Transfer to statutory reserve	-	-	-	**639,726**	-	-	-	**(639,726)**	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	**(18,293)**	**(1,215)**	**19,508**	-
Gain on disposal of equity investments at FVOCI transferred to unappropriated profit	-	-	-	-	**(100,226)**	-	-	**100,226**	-
Balance as at June 30, 2026 (Un-audited)	**20,506,625**	**2,689,217**	**647,583**	**4,965,531**	**498,377**	**1,398,825**	**343,386**	**18,059,979**	**49,109,523**

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

President and Chief Executive Officer	Chief Financial Officer	Director	Director	Director

JS BANK LIMITED
UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2026

	Note	June 30, 2026	June 30, 2025
		---------- Rupees in '000 ----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		6,639,957	3,488,390
Less: Dividend income		(1,095,604)	(1,168,359)
		5,544,353	2,320,031
Adjustments:			
Net mark-up / interest income		(14,828,670)	(14,152,605)
Depreciation on property and equipment	30	772,926	736,288
Depreciation on non-banking assets	30	20,348	20,158
Depreciation on right-of-use assets	30	835,813	755,077
Amortisation	30	290,101	226,589
(Reversal of) / credit loss allowance and write offs - net		(1,568,069)	3,281,011
Gain on sale of property and equipment - net	29	(14,100)	(4,287)
Gain on sale of non-banking asset - net	29	-	(20,896)
Gain on termination of leases - net	29	(19,223)	(6,386)
Finance charges on leased assets	26	201,459	195,286
Charge for defined benefit plan		98,983	88,101
Unrealised loss / (gain) on revaluation of investments measured at FVPL - net	28	11,431	(604,578)
Provision for workers' welfare fund		132,799	69,768
		(14,066,202)	(9,416,474)
		(8,521,849)	(7,096,443)
Decrease / (increase) in operating assets			
Lendings to financial institutions		10,726,559	1,720,000
Securities measured at FVPL		27,071	3,570,209
Advances		27,176,288	23,233,718
Others assets (excluding advance taxation and mark-up receivable)		(2,526,882)	(6,646,633)
		35,403,036	21,877,294
Increase / (decrease) in operating liabilities			
Bills payable		(569,671)	52,112
Borrowings		713,778	(9,745)
Deposits and other accounts		94,120,242	40,603,016
Other liabilities (excluding current taxation and mark-up payable)		2,849,582	2,893,239
		97,113,931	43,538,622
		123,995,118	58,319,473
Mark-up / return / interest received		30,218,448	41,541,324
Mark-up / return / interest paid		(18,715,698)	(27,760,003)
Income tax paid		(2,741,775)	(3,008,524)
Net cash flows generated from operating activities		132,756,093	69,092,270
CASH FLOWS FROM INVESTING ACTIVITIES			
Net investments in securities measured at amortised cost		(42,050,721)	77,058,331
Net investments in securities classified at FVOCI		(97,687,729)	(145,336,253)
Dividend received		1,095,604	1,168,359
Acquisition of property and equipment		(867,504)	(1,074,499)
Acquisition of intangible assets		(118,049)	(613,960)
Proceeds from sale of property and equipment		32,283	18,070
Proceeds from sale of non-banking assets		-	109,500
Effect of translation of net investment in foreign branch		(18,174)	38,130
Net cash flows used in investing activities		(139,614,290)	(68,632,322)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of subordinated debt		(967)	(966)
Receipt from advance against subordinated debt		3,500,000	-
Payments of lease obligations against right-of-use assets		(728,102)	(959,402)
Net cash flows generated / (used in) from financing activities		2,770,931	(960,368)
Decrease in cash and cash equivalents		(4,087,266)	(500,420)
Cash and cash equivalents at beginning of the period		45,566,657	46,043,864
Effect of exchange rate changes on cash and cash equivalents		(108,526)	257,417
		45,458,131	46,301,281
Cash and cash equivalents at end of the period	36	41,370,865	45,800,861

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

President and Chief Executive Officer	Chief Financial Officer	Director	Director	Director

1. STATUS AND NATURE OF BUSINESS

1.1 JS Bank Limited (the Bank / JSBL) is a banking company incorporated in Pakistan as a public limited company on March 15, 2006. The Bank is a subsidiary company of Jahangir Siddiqui and Co. Ltd. (JSCL) and its shares are listed on Pakistan Stock Exchange Limited (PSX). The Bank commenced its banking operations on December 30, 2006 and its registered office is situated at Shaheen Commercial Complex, Dr. Ziauddin Ahmed Road, Karachi.

The Bank is a scheduled bank, engaged in commercial banking and related services as described in the Banking Companies Ordinance, 1962 and is operating through 317 (December 31, 2025: 317) branches / sub-branches in Pakistan and one wholesale banking branch in Bahrain (December 31, 2025: 1). The Pakistan Credit Rating Agency Limited (PACRA) has maintained its long-term entity rating of the Bank to AA (Double A) and short-term rating at A1+ (A One Plus), which is the highest possible short-term rating. The ratings denote a very low expectation of credit risk and indicate very strong capacity for timely repayment of financial commitments.

1.2 Jahangir Siddiqui Investment Bank Limited, JSIBL, (formerly Citicorp Investment Bank Limited which was acquired by JSCL on February 01,1999), and its holding company, JSCL, entered into a Framework Agreement with American Express Bank Limited, New York (AMEX) on November 10, 2005 for acquisition of its American Express Bank Limited - Pakistan Branches, (AEBL). Consequently, a new banking company, JSBL was incorporated on March 15, 2006 and a Banking License was issued by the State Bank of Pakistan (SBP) on May 23, 2006.

A Transfer Agreement was executed on June 24, 2006 between JSIBL and JSBL for the transfer of entire business and undertaking of JSIBL to JSBL and a separate Transfer Agreement was also executed on June 24, 2006, between AMEX and JSBL for the transfer of AEBL's commercial banking business in Pakistan with all assets and liabilities (other than certain excluded assets and liabilities) (AEBL business). The shareholders of JSIBL and JSBL, in their respective extra-ordinary general meetings held on July 31, 2006, approved a Scheme of Amalgamation (the Scheme) under Section 48 of the Banking Companies Ordinance, 1962. The Scheme was initially approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter No. SC/NBFC(J)-R/JSIBL/2006/517 dated September 28, 2006. Subsequently, the Scheme was sanctioned by the SBP vide its order dated December 02, 2006 and, in accordance therewith, the effective date of amalgamation was fixed at December 30, 2006.

1.3 The Bank is the holding company of BankIslami Pakistan Limited (BIPL), JS Global Capital Limited (JSGCL) and JS Investments Limited (JSIL).

2. BASIS OF PRESENTATION

The disclosures made in these unconsolidated condensed interim financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 02 dated February 09, 2023 and International Accounting Standard (IAS) 34, 'Interim Financial Reporting'.

These unconsolidated condensed interim financial statements do not include all the information and disclosures required for annual unconsolidated financial statements and should be read in conjunction with the unconsolidated financial statements for the year ended December 31, 2025. The basis of segmentation used in these unconsolidated condensed interim financial statements differs from that presented in the annual unconsolidated financial statements for the year ended December 31, 2025, as disclosed in note 38.1.

These unconsolidated condensed interim financial statements are separate financial statements of the Bank in which the investments in subsidiaries and associates are stated at cost and are accounted for on the basis of cost less accumulated impairment losses rather than on the basis of reported results. The consolidated condensed interim financial statements of the Bank are issued separately.

These unconsolidated condensed interim financial statements have been presented in Pakistani Rupees (PKR), which is the currency of the primary economic environment in which the Bank operates and functional currency of the Bank. The amounts are rounded to nearest thousand except as stated otherwise.

The Bank believes that there is no significant doubt on the Bank's ability to continue as a going concern. Therefore, the unconsolidated financial statements continue to be prepared on the going concern basis.

2.1 Statement of Compliance

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting' and IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) 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 the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

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

The SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for banking companies vide BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' on banks vide its notification 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 unconsolidated condensed interim financial statements.

International Financial Reporting Standard (IFRS) 10, 'Consolidated Financial Statements' was made applicable from the period beginning on or after January 01, 2015 vide S.R.O. 633(I)/2014 dated July 10, 2014 by SECP. However, SECP has directed through S.R.O. 56(I)/2016 dated January 28, 2016, that the requirement of consolidation under section 228 of the Companies Act, 2017 and IFRS 10 is not applicable in case of investment by companies in mutual funds established under trust structure.

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

There are certain new and amended standards, interpretations and amendments that are mandatory for the Bank's accounting periods beginning on 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 unconsolidated condensed interim financial statements.

Certain amendments to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments' have become applicable to the Bank, which clarify the timing of recognition and derecognition of a financial asset or financial liability. These amendments do not have any significant impact and, accordingly, have not been separately disclosed in these unconsolidated condensed interim financial statements. The Bank will assess and incorporate the application and impact of these amendments in its financial statements for the year ending December 31, 2026.

2.3 Standards, interpretations of and amendments to published accounting and reporting 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:

Standards and Amendments	**Effective date (annual periods beginning on or after)**
IFRS 18 - Presentation and disclosure in financial statements	January 01, 2027
Amendments to IAS 28 'Investments in Associates' - Amendments to the Fair Value Option for Investments in Associates and Joint Ventures	January 01, 2027
Standard	**IASB effective date (accounting periods beginning on or after)**
IFRS 1 – First-time Adoption of International Financial Reporting Standards	January 01, 2024
IFRS 17 Insurance Contracts	January 01, 2027

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

IFRS 20 'Regulatory Assets and Regulatory Liabilities' has been issued by IASB effective from January 01, 2029. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the unconsolidated financial statements of the Bank for the year ended December 31, 2025 except for changes disclosed in note 3.1 to these unconsolidated condensed interim financial statements.

3.1. Changes in Accounting Policies

3.1.1 Impact of IFRS 9 - Financial Instruments

The Bank adopted IFRS 9 Financial Instruments with effect from January 1, 2024, using the modified retrospective approach, as permitted under the accounting and reporting standards as applicable in Pakistan. The SBP had granted certain relaxations and extensions from time to time, and the impacts of these relaxations and extensions was incorporated in the Bank's unconsolidated financial statements for the years ended December 31, 2024 and December 31, 2025, respectively.

In addition, through its letter SBPHOK-BPRD-RPD-JSB-827402 dated January 22, 2025, the SBP granted the Bank an extension for the application of Effective Interest Rate (EIR) methodology up to December 31, 2025. Accordingly, during the current period, the Bank has applied EIR with effect from January 01, 2026 and the cumulative impact of EIR adoption amounting to Rs. 18,602 million, net of tax, has been recorded as an adjustment to equity at the beginning of the current period.

To account for the changes, the Bank has elected to follow the modified retrospective approach for restatement as allowed under IFRS 9. The cumulative impact has been recorded as an adjustment to equity as of January 01, 2026. Accordingly, the information presented as of December 31, 2025 and for the six months and three months ended June 30, 2025 and March 31, 2025 respectively has not been restated.

The following table reconciles the carrying amounts of financial instruments reported in accordance with the previous financial reporting framework with the carrying amounts reported under the new financial reporting framework.

Financial Assets / Liabilities	Carrying amount as of December 31, 2025	EIR impact	Carrying amount as of January 01, 2026
	----------	Rupees in '000	----------
Cash and balances with treasury banks	40,697,301	-	40,697,301
Balances with other banks	5,197,190	-	5,197,190
Lending to financial institutions	19,838,794	-	19,838,794
Investments	278,028,312	(14,435)	278,013,877
Advances	249,776,370	(51,278)	249,725,092
Other assets	29,889,368	(28,339)	29,861,029
Total financial assets	623,427,335	(94,052)	623,333,283
Bills payable	7,839,367	-	7,839,367
Borrowings	26,128,080	(488)	26,127,592
Deposits and other accounts	543,502,051	-	543,502,051
Lease liabilities	3,193,531	-	3,193,531
Subordinated debt	8,493,900	(54,810)	8,439,090
Other liabilities	15,809,888	-	15,809,888
Total financial liabilities	604,966,817	(55,298)	604,911,519
Net financial assets	**18,460,518**	**(38,754)**	**18,421,764**
Net non financial assets	28,894,599	-	28,894,599
Deferred tax liabilities	694,409	(20,152)	674,257
Total net assets	**46,660,708**	**(18,602)**	**46,642,106**

3.1.2 Reconciliation of retained earnings

The impact of EIR on retained earnings as at January 01, 2026 is as follows:

	--Rupees in '000--
Retained earnings	
Closing balance as at December 31, 2025 - as reported	15,397,262
Impact of EIR	(33,170)
Less: related tax	17,248
Opening balance as at January 01, 2026 - as restated	15,381,340
Surplus on revaluation of investments	
Closing balance as at December 31, 2025 - as reported	1,314,323
Impact of EIR	(5,584)
Less: related tax	2,904
Opening balance as at January 01, 2026 - as restated	1,311,643

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

5. FINANCIAL RISK MANAGEMENT

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

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
6. CASH AND BALANCES WITH TREASURY BANKS	--------- Rupees in '000 ---------	
In hand		
Local currency	**10,067,889**	10,038,043
Foreign currencies	**1,367,935**	1,350,949
	11,435,824	11,388,992
With State Bank of Pakistan in		
Local currency current account	**19,948,401**	21,864,209
Foreign currency current accounts	**1,251,726**	1,274,560
Foreign currency deposit accounts	**3,342,948**	3,257,492
	24,543,075	26,396,261
With National Bank of Pakistan in local currency current accounts	**3,151,165**	2,906,667
Prize Bonds	**5,714**	6,385
	39,135,778	40,698,305
Less: Credit loss allowance held against cash and balances with treasury banks (stage 1)	**(51,495)**	(1,004)
Cash and balances with treasury banks - net of credit loss allowance	**39,084,283**	40,697,301
7. BALANCES WITH OTHER BANKS		
In Pakistan		
In current accounts	**5,185**	5,188
	5,185	5,188
Outside Pakistan		
In current accounts	**3,055,203**	5,194,224
	3,060,388	5,199,412
Less: Credit loss allowance held against balances with other banks (stage 1)	**(3,553)**	(2,222)
Balances with other banks - net of credit loss allowance	**3,056,835**	5,197,190
8. LENDINGS TO FINANCIAL INSTITUTIONS		
Reverse repo agreements	**6,000,000**	15,944,886
Lending under margin trading system	**3,116,623**	3,898,296
	9,116,623	19,843,182
Less: Credit loss allowance held against lendings to financial institutions (stage 1)	**(2,463)**	(4,388)
Lending to financial institutions - net of credit loss allowance	**9,114,160**	19,838,794

8.1 Lending to Financial Institutions - Particulars of credit loss allowance

Category of classification		(Un-audited) June 30, 2026		(Audited) December 31, 2025	
		Lending	**Credit loss allowance held**	Lending	Credit loss allowance held
		---------- Rupees in '000 ----------			
Domestic					
Performing	Stage 1	**9,116,623**	**2,463**	19,843,182	4,388
Total		**9,116,623**	**2,463**	19,843,182	4,388

9. INVESTMENTS

9.1 Investments by type	Note	June 30, 2026 (un-audited) Cost / Amortised cost	Credit loss allowance / Provision for diminution	Surplus / (deficit)	Carrying value	December 31, 2025 (Audited) Cost / Amortised cost	Credit loss allowance / Provision for diminution	Surplus / (deficit)	Carrying value
		Rupees in '000							
Debt instruments									
Classified / Measured at amortised cost									
Federal Government Securities	9.1.1	75,815,898	-	-	75,815,898	33,636,907	-	-	33,636,907
Classified / Measured at FVOCI									
Federal Government Securities		289,623,910	-	426,379	290,050,289	193,490,337	-	1,903,003	195,393,340
Non Government Debt Securities		1,308,838	(690,061)	(12,721)	606,056	1,533,877	(559,486)	(23,659)	950,732
Foreign Securities		25,458,675	(143)	1,271	25,459,803	22,609,049	(197)	73,859	22,682,711
		316,391,423	(690,204)	414,929	316,116,148	217,633,263	(559,683)	1,953,203	219,026,783
Classified / Measured at FVPL									
Federal Government Securities		1,113,508	-	129	1,113,637	1,236,244	-	1,654	1,237,898
Foreign securities		359,031	-	(7,280)	351,751	363,201	-	(1,489)	361,712
		1,472,539	-	(7,151)	1,465,388	1,599,445	-	165	1,599,610
Instruments mandatorily classified / measured at FVPL									
Non Government Debt Securities		100,000	-	(4,280)	95,720	-	-	-	-
Equity instruments									
Classified / Measured at FVOCI (Non-reclassifiable)						-			
Shares - Listed		4,376,782	-	768,876	5,145,658	1,553,092	-	1,133,259	2,686,351
Shares - Unlisted		404,233	-	(145,519)	258,714	404,074	-	(348,288)	55,786
		4,781,015	-	623,357	5,404,372	1,957,166	-	784,971	2,742,137
Subsidiaries		20,887,275	-	-	20,887,275	20,887,275	-	-	20,887,275
Associates		62,067	(62,067)	-	-	242,067	(106,467)	-	135,600
Total Investments		419,510,217	(752,271)	1,026,855	419,784,801	275,958,123	(666,150)	2,738,339	278,028,312

9.1.1 The market value of securities measured at amortised cost as at June 30, 2026 amounted to Rs. 74,872.560 million (December 31, 2025: Rs. 33,709.882 million).

9.2 Investments given as collateral	(Un-audited) June 30, 2026 Cost	Market value	(Audited) December 31, 2025 Cost	Market value
	Rupees in '000			
Federal Government Securities				
Market Treasury Bills	-	-	484,782	485,489
Pakistan Investment Bonds	488,439	487,306	3,452,225	3,484,055
	488,439	487,306	3,937,007	3,969,544

9.3 Credit loss allowance / provision for diminution in value of investments	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	Rupees in '000	
Opening balance - provision for diminution other than associates	559,683	763,048
Opening balance - provision for diminution on associates	106,467	62,067
	666,150	825,115
Exchange rate adjustments	(1)	1,889
Charge for the period / year other than associates	130,756	58
Provision for diminution on associates for the period / year	-	44,400
Reversals for the period / year	(212)	(205,312)
Reversal on disposals	(44,422)	-
	86,122	(160,854)
Closing balance	752,271	666,150

9.3.1 Particulars of credit loss allowance against debt securities

Category of classification		(Un-audited) June 30, 2026 Outstanding amount	Credit loss allowance held	(Audited) December 31, 2025 Outstanding amount	Credit loss allowance held
		Rupees in '000			
Domestic					
Performing	Stage 1	49,999	-	500,023	103
Under-performing	Stage 2	224,985	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		1,033,854	690,061	1,033,854	559,383
		1,033,854	690,061	1,033,854	559,383
		1,308,838	690,061	1,533,877	559,486
Overseas					
Performing	Stage 1	25,458,675	143	22,609,049	197
Under-performing	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
		-	-	-	-
		25,458,675	143	22,609,049	197
Total		26,767,513	690,204	24,142,926	559,683

9.3.2 Debt securities amounting to Rs. 365,439.808 million (December 31, 2025: Rs. 227,127.244 million) relate to government securities that are exempt from the calculation of ECL by the SBP.

9.4 **Summary of financial position and performance of subsidiaries**

	June 30, 2026 (Un-audited)						
	Holding (%)	Country of incorporation	Assets	Liabilities	Revenue	Profit for the period	Total comprehensive income
			---------- Rupees in '000 ----------				
Subsidiaries							
JS Global Capital Limited	**92.90%**	**Pakistan**	**14,788,438**	**10,791,775**	**1,175,097**	**378,543**	**405,584**
JS Investments Limited	**84.73%**	**Pakistan**	**3,502,242**	**727,845**	**647,145**	**179,528**	**179,528**
BankIslami Pakistan Limited	**75.12%**	**Pakistan**	**810,866,803**	**762,417,654**	**17,618,243**	**2,020,260**	**1,221,120**

			December 31, 2025 (Audited)		June 30, 2025 (Un-audited)		
	Holding (%)	Country of incorporation	Assets	Liabilities	Revenue	Profit for the period	Total comprehensive income
			---------- Rupees in '000 ----------				
Subsidiaries							
JS Global Capital Limited	92.90%	Pakistan	12,005,571	8,414,493	749,961	253,011	253,471
JS Investments Limited	84.73%	Pakistan	3,360,892	766,022	530,816	183,604	183,604
BankIslami Pakistan Limited	75.12%	Pakistan	771,342,878	722,728,970	18,523,191	4,409,007	1,539,698

9.5 **Summary of financial position and performance of associates as per latest available financial statements is as follows:**

	June 30, 2025 (Audited)						
	Holding (%)	Country of incorporation	Assets	Liabilities	Revenue	Loss for the period	Total comprehensive loss
			---------- Rupees in '000 ----------				
Associates							
Veda Transit Solutions Private Limited	**3.92%**	**Pakistan**	**3,046,698**	**4,566,504**	**3,285,870**	**(893,370)**	**(919,348)**

9.5.1 The Bank has classified this investment as an associate, as it exercises significant influences over the investee company.

9.6 As previously disclosed as part of the Bank's unconsolidated condensed interim financial statements for the half year ended June 30, 2025, the Bank held an overdue principal exposure amounting to Rs. 2,590.565 million extended to a borrower, alongside accrued mark-up receivable and other recoverable amounts, which was fully collateralized through liquid equity shares. Post default, resulting from non-payments, the Bank had exercised its due right and enforced the pledge call. However, transfer of ownership of the pledged shares in the Bank's name remained pending due to certain legal constraints and ongoing litigations at the time. Accordingly, the exposure was classified as loss, and the Bank recognised a 100% credit loss allowance against the same.

During the current period, legal constraints restricting transfer in the Bank's name were successfully resolved pursuant to a favourable order passed by the relevant Court, enabling the Bank to affect the transfer of the said shares on May 21, 2026. Accordingly, the beneficial ownership of 81,358,289 shares was duly transferred to the Bank towards the recovery of the outstanding liabilities.

Following the transfer, the Bank allocated the recovered collateral against the defaulted sums owed by the borrower and his affiliates to both the Bank and its Subsidiary, i.e. JS Global Capital Limited (JSGCL). The shares have been accounted for as follows:

Equity Investment recognised by the Bank:

A total of 57,956,681 shares were recorded on the condensed interim unconsolidated statement of financial position as part of investment in listed equity shares. This allocation represents the realization of collateral against the borrower's direct obligations to the Bank, which encompasses the defaulted principal, along with associated mark-up receivable and legal costs. Consequently, the corresponding borrower exposure stands fully settled in the Bank's books, and the related credit loss allowance held against the same has been reversed. These shares, being listed equity securities, continue to be measured at fair value in accordance with applicable financial reporting standards.

Shares held in custody for subsidiary:

A total of 23,401,608 shares were acquired to settle the outstanding exposures owed by the Borrower's affiliates to JSGCL, pursuant to cross-default and general lien provisions contained in the underlying credit documentation. These shares are held by the Bank in custody, on behalf of its subsidiary, i.e. JSGCL, and a share custody agreement has been executed between the Bank and JSGCL on July 27, 2026. Since the Bank holds these shares strictly under a custodial capacity and in trust for JSGCL, these shares have not been recognized as an investment as part of the Bank's statement of financial position.

At present, due to certain ongoing litigations, the Bank is restricted to affect sale of the said shares. While these administrative stays restrict liquidation or disposal temporarily, as per legal advice, this does not affect or impair the Bank's perfected title and beneficial ownership. The Management is actively pursuing legal recourse and remains confident that the disposal restrictions will be set aside in due course.

10. ADVANCES

	Note	Performing		Non-Performing		Total	
		June 30, 2026 (Un-audited)	December 31, 2025 (Audited)	**June 30, 2026 (Un-audited)**	December 31, 2025 (Audited)	**June 30, 2026 (Un-audited)**	December 31, 2025 (Audited)
		Rupees in '000					
Loans, cash credits, running finances, etc.		**217,937,758**	233,345,653	**19,530,391**	22,850,299	**237,468,149**	256,195,952
Bills discounted and purchased		**6,630,604**	17,979,708	**288,635**	371,067	**6,919,239**	18,350,775
Advances - gross		**224,568,362**	251,325,361	**19,819,026**	23,221,366	**244,387,388**	274,546,727
Credit loss allowance against advances							
- Stage 1		**(710,895)**	(579,313)	**-**	-	**(710,895)**	(579,313)
- Stage 2		**(616,305)**	(361,027)	**-**	-	**(616,305)**	(361,027)
- Stage 3		**-**	-	**(15,426,658)**	(17,948,051)	**(15,426,658)**	(17,948,051)
	10.5	**(1,327,200)**	(940,340)	**(15,426,658)**	(17,948,051)	**(16,753,858)**	(18,888,391)
Fair value adjustment	10.2 and 10.3	**(5,700,486)**	(5,881,966)	**-**	-	**(5,700,486)**	(5,881,966)
Advances - net of credit loss allowance		**217,540,676**	244,503,055	**4,392,368**	5,273,315	**221,933,044**	249,776,370

10.1 Particulars of advances (gross)

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	Rupees in '000	
In local currency	**233,114,841**	265,866,682
In foreign currencies	**11,272,547**	8,680,045
	244,387,388	274,546,727

10.2 This includes deferred fair value loss arising from the restructuring of Pakistan International Airlines Corporation Limited (PIACL). SBP through its letter dated August 01, 2024 has allowed staggering of such fair value impact over the period of 6 years at rates of 5%, 10%, 15%, 20%, 25%, and 25% from year 1 to year 6. Further, SBP vide BPRD Circular Letter No.16 of 2024 dated July 29, 2024 has allowed to take such fair value adjustment with effect from October 01, 2024.

10.3 This also includes fair valuation adjustment on modified loans and concessional rate loans (staff loans and TERF loans) considered in accordance with the requirements of IFRS 9.

10.4 Advances include Rs. 19,819.026 million (December 31, 2025: Rs. 23,221.366 million) which have been placed under Stage 3 / Non-performing status as detailed below:

	(Un-audited) June 30, 2026		(Audited) December 31, 2025	
Category of classification in stage 3	**Non-Performing Loans**	**Credit loss allowance**	Non-Performing Loans	Credit loss allowance
	Rupees in '000			
Domestic				
Other Assets Especially Mentioned (OAEM) *	**71,589**	**-**	317,035	29,459
Substandard	**638,755**	**146,381**	887,288	177,256
Doubtful	**831,183**	**232,148**	730,318	249,121
Loss	**18,277,499**	**15,048,129**	21,286,725	17,492,215
Total	**19,819,026**	**15,426,658**	23,221,366	17,948,051
Overseas	**-**	**-**	-	-

* The Other Assets Especially Mentioned category pertains to agriculture, housing and small enterprises financing.

10.5 Particulars of credit loss allowance against advances

	Note	June 30, 2026 (un-audited)				December 31, 2025 (Audited)			
		Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
		Rupees in '000				Rupees in '000			
Opening balance		579,313	361,027	17,948,051	18,888,391	245,926	436,156	15,083,720	15,765,802
Exchange rate adjustments		(118)	-	-	(118)	21	1,741	-	1,762
Charge for the period / year		397,006	468,134	1,232,644	2,097,784	470,054	1,312,453	5,610,219	7,392,726
Reversals for the period / year		(265,306)	(212,856)	(3,581,419)	(4,059,581)	(136,688)	(1,389,323)	(2,292,762)	(3,818,773)
		131,700	255,278	(2,348,775)	(1,961,797)	333,366	(76,870)	3,317,457	3,573,953
Amounts written off		-	-	-	-	-	-	(171,009)	(171,009)
Amounts charged off		-	-	(101,326)	(101,326)	-	-	(125,855)	(125,855)
Amounts charged off - agricultural financing		-	-	(71,292)	(71,292)	-	-	(156,262)	(156,262)
Closing balance	10.6	710,895	616,305	15,426,658	16,753,858	579,313	361,027	17,948,051	18,888,391

10.5.1 The State Bank of Pakistan through various circulars has allowed benefit of the forced sale value (FSV) of Plant and Machinery under charge, pledged stock and mortgaged residential, commercial and industrial properties (land and building only) held as collateral against non-performing loans (NPLs) for a maximum of five years from the date of classification. As at June 30, 2026, the Bank has availed cumulative FSV benefit under the directives of the SBP of Rs.3,459.391 million (December 31, 2025: Rs. 4,098.908 million).

The additional profit arising from availing the FSV benefit - net of tax amounts to Rs. 1,660.508 million (December 31, 2025: Rs. 1,967.476 million). The additional impact on profitability arising from availing the benefit of FSV shall not be available for payment of cash or stock dividend to shareholders or bonus to employees under the requirements of Prudential Regulations of Corporate / Commercial Banking of SBP.

10.6 Advances - Particulars of credit loss allowance

	(Un-audited) June 30, 2026			(Audited) December 31, 2025		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	Rupees in '000			Rupees in '000		
Opening balance	579,313	361,027	17,948,051	245,926	436,156	15,083,720
New Advances	207,529	82,247	3,894	247,634	75,235	247,799
Advances derecognised or repaid	(66,359)	(35,593)	(3,022,236)	(51,839)	(252,165)	(942,999)
Transfer to stage 1	7,411	(7,411)	-	39,182	(39,182)	-
Transfer to stage 2	(22,763)	106,487	(83,724)	(14,988)	1,044,990	(1,030,002)
Transfer to stage 3	(2,580)	(14,128)	16,708	(2,536)	(40,410)	42,946
	123,238	131,602	(3,085,358)	217,453	788,468	(1,682,256)
Amounts written off / charged off	-	-	(172,618)	-	-	(453,126)
Changes in risk parameters (PDs/LGDs/EADs)	8,462	123,676	736,583	115,913	(865,338)	4,999,713
Exchange adjustments	(118)	-	-	21	1,741	-
Closing balance	710,895	616,305	15,426,658	579,313	361,027	17,948,051

10.7 Advances - Category of classification

	(Un-audited) June 30, 2026		(Audited) December 31, 2025	
	Outstanding amount	Credit loss allowance	Outstanding amount	Credit loss allowance
	Rupees in '000			
Domestic				
Performing	179,723,913	682,679	217,997,909	573,325
Under-performing	38,046,043	616,305	29,738,689	361,027
Non-performing				
OAEM	71,589	-	317,035	29,459
Substandard	638,755	146,381	887,288	177,256
Doubtful	831,183	232,148	730,318	249,121
Loss	18,277,499	15,048,129	21,286,725	17,492,215
	237,588,982	16,725,642	270,957,964	18,882,403
Overseas				
Performing	6,798,406	28,216	3,588,763	5,988
Under-performing	-	-	-	-
Non-performing				
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-
	6,798,406	28,216	3,588,763	5,988
Total	244,387,388	16,753,858	274,546,727	18,888,391

11. PROPERTY AND EQUIPMENT

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		--------- Rupees in '000 ---------	
Capital work-in-progress	11.1	**342,304**	882,594
Property and equipment		**12,484,506**	11,911,353
		12,826,810	12,793,947

11.1 Capital work-in-progress

Civil works	**100,136**	401,591
Equipment	**227,361**	376,126
Advance to suppliers	**14,807**	104,877
	342,304	882,594

11.2 Additions to property and equipment

The following additions have been made to property and equipment during the period:

	Note	(Un-audited) Half Year ended June 30, 2026	June 30, 2025
		--------- Rupees in '000 ---------	
Capital work-in-progress		**343,736**	607,334
Property and equipment			
Leasehold improvements		**581,929**	535,898
Furniture and fixture		**42,946**	66,329
Electrical, office and computer equipment		**651,443**	555,062
Vehicles		**87,987**	1,024
	11.2.1	**1,364,305**	1,158,313

11.2.1 This includes transfer from capital work in progress during the period amounting to Rs. 840.537 million (June 30, 2025: Rs. 691.148 million).

11.3 Disposal of property and equipment

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

	(Un-audited) Half Year ended June 30, 2026	June 30, 2025
	--------- Rupees in '000 ---------	
Property and equipment		
Leasehold improvements	**1,728**	2,681
Furniture and fixture	**1,408**	1,038
Electrical, office and computer equipment	**12,118**	9,254
Vehicles	**2,929**	810
Total	**18,183**	13,783

		(Un-audited) June 30, 2026	(Audited) December 31, 2025
12.	**RIGHT-OF-USE ASSETS**	--------- Rupees in '000 ---------	
		Buildings	Buildings
	At January 1		
	Cost	**8,000,733**	5,946,075
	Accumulated Depreciation	**(4,926,911)**	(3,335,982)
	Net Carrying amount at January 1	**3,073,822**	2,610,093
	Additions during the period / year	**818,427**	2,122,775
	Deletions during the period / year	**(5,117)**	(68,005)
	Depreciation charge for the period / year	**(835,813)**	(1,590,929)
	Exchange rate adjustments	**(327)**	(112)
	Closing net carrying amount	**3,050,992**	3,073,822
13.	**INTANGIBLE ASSETS**		
	Capital work-in-progress - computer software	**880,282**	816,532
	Computer software	**4,013,011**	4,249,506
	Goodwill	**1,463,624**	1,463,624
		6,356,917	6,529,662

13.1 Additions to intangible assets

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

	Note	(Un-audited) Half Year ended June 30, 2026	June 30, 2025
		--------- Rupees in '000 ---------	
Directly purchased			
Capital work-in-progress - net		**63,750**	1,137,101
Developed internally			
Computer software		**54,299**	1,256,112
	13.2.1	**118,049**	2,393,213

13.2 There were no disposals of intangible assets during the periods ended June 30, 2026 and June 30, 2025.

13.2.1 This includes transfer from capital work in progress during the period of Rs. 54.299 million (June 30, 2025: Rs. 1,256.112 million).

		Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
14.	**DEFERRED TAX ASSETS / (LIABILITIES)**		---------- Rupees in '000 ----------	
	Deductible Temporary Differences on:			
	Unrealized loss / (gain) on FVPL investments		**5,858**	(87)
	Credit loss allowance against advances		**2,978,285**	3,205,886
	Credit loss allowance - others		**318,759**	162,405
	Impact of Effective Interest Rate adoption		**14,380**	-
	Right-of-use assets and related lease liabilities		**128,996**	112,305
			3,446,278	3,480,509
	Taxable Temporary Differences on:			
	Surplus on revaluation of investments	22	**(539,909)**	(1,423,851)
	Surplus on revaluation of property and equipment	22	**(689,169)**	(708,988)
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	22	**(256,415)**	(257,733)
	Accelerated tax depreciation		**(826,491)**	(913,597)
	Credit loss allowance against investments		**(8,249)**	(53,032)
	Fair value adjustment		**(42,203)**	(56,633)
	Goodwill		**(761,084)**	(761,084)
			(3,123,520)	(4,174,918)
			322,758	(694,409)

15. OTHER ASSETS

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		---------- Rupees in '000 ----------	
Mark-up / return / interest accrued in local currency		**13,983,507**	11,382,384
Mark-up / return / interest accrued in foreign currencies		**130,746**	88,324
Advances, deposits, advance rent and other prepayments		**1,723,334**	1,534,999
Acceptances		**4,029,170**	4,881,615
Advance taxation (payments less provision)		**3,059,050**	3,874,577
Stationery and stamps in hand		**21,199**	12,186
Receivable from defined benefit plan		**126,017**	-
Receivable in respect of home remittance		**9,929**	11,376
Receivable against bancassurance / bancatakaful		**5,424**	13,208
Due from State Bank of Pakistan		**2,473,021**	2,179,874
Fair value adjustment on advances	10.2	**2,489,974**	2,728,769
Deferred cost on staff loans		**2,871,274**	2,763,505
Non-banking assets acquired in satisfaction of claims		**4,865,146**	4,882,960
Mark to market gain on forward foreign exchange contracts		**314,998**	156,440
Advance against investments in securities		**792,000**	792,000
Inter bank fund transfer settlement		**6,111,465**	2,131,870
Credit card settlement		**-**	77,438
Clearing and settlement accounts		**-**	1,038,710
Insurance claims receivable		**76,268**	61,597
Receivable from subsidiary		**-**	459,000
Others		**247,544**	181,724
		43,330,066	39,252,556
Less: Credit loss allowance held against other assets	15.1	**(182,145)**	(153,957)
Other assets (net of credit loss allowance)		**43,147,921**	39,098,599
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	22	**599,801**	602,334
Other assets - total		**43,747,722**	39,700,933

15.1 Credit loss allowance held against other assets

Mark-up / return / interest accrued	**26,698**	15,360
Advances, deposits, advance rent and other prepayments	**134,176**	126,371
Receivable against bancassurance / bancatakaful	**8**	2
Advance against investments in securities	**8,803**	8,803
Insurance claim receivable	**112**	8
Others	**12,348**	3,413
	182,145	153,957

15.1.1 Movement in credit loss allowance held against other assets

Opening balance	**153,957**	23,914
Exchange rate adjustments	**(2)**	1
Charge for the period / year	**32,923**	140,541
Reversals for the period / year	**(4,733)**	(10,499)
	28,190	130,042
Closing balance	**182,145**	153,957

		(Un-audited) June 30, 2026	(Audited) December 31, 2025
16.	**BILLS PAYABLE**	--------- Rupees in '000 ---------	
	In Pakistan	**6,949,204**	7,516,630
	Outside Pakistan	**320,492**	322,737
		7,269,696	7,839,367
17.	**BORROWINGS**		
	Secured		
	Borrowings from State Bank of Pakistan under:		
	Export refinancing scheme	**6,050,477**	5,762,946
	Long-term finance facility	**739,128**	1,018,633
	Financing facility for storage of agricultural produce	**244,572**	275,929
	Financing facility for renewable energy projects	**499,412**	707,729
	Refinance for women entrepreneurs	**87,654**	125,052
	Refinance facility for modernization of Small and Medium Enterprises (SMEs)	**233,266**	223,147
	Refinance facility for combating COVID-19	**-**	15,521
	Temporary economic refinance facility (TERF)	**2,644,878**	3,037,394
	Small enterprise financing and credit guarantee scheme for special persons	**-**	67
	Refinance facility for working capital of SMEs	**5,029,520**	5,383,440
	Refinance facility for SME Asaan Finance (SAAF) scheme	**3,625,027**	4,540,447
	Repurchase agreement borrowings	**-**	2,962,005
		19,153,934	24,052,310
	Fair value adjustment on TERF borrowings	**(596,638)**	(705,181)
	Borrowing from financial institutions:		
	Refinancing facility for mortgage loans	**2,281,254**	2,341,365
	Total secured	**20,838,550**	25,688,494
	Unsecured		
	Call borrowings	**5,563,228**	-
	Overdrawn nostro accounts	**825,301**	439,586
	Total unsecured	**6,388,529**	439,586
		27,227,079	26,128,080
17.1	**Particulars of borrowings**		
	In local currency	**20,838,550**	25,688,494
	In foreign currencies	**6,388,529**	439,586
		27,227,079	26,128,080

18. DEPOSITS AND OTHER ACCOUNTS

	June 30, 2026 (un-audited)			December 31, 2025 (Audited)		
	In Local Currency	**In Foreign Currencies**	**Total**	In Local Currency	In Foreign Currencies	Total
	Rupees in '000					
Customers						
Current deposits	**226,757,022**	**11,664,001**	**238,421,023**	183,720,414	11,289,374	195,009,788
Savings deposits	**155,477,875**	**8,778,457**	**164,256,332**	182,050,071	8,165,386	190,215,457
Term deposits	**110,554,785**	**71,072,626**	**181,627,411**	81,905,046	33,122,492	115,027,538
Margin deposits	**27,477,093**	**2,113**	**27,479,206**	21,565,499	17,288	21,582,787
	520,266,775	**91,517,197**	**611,783,972**	469,241,030	52,594,540	521,835,570
Financial Institutions						
Current deposits	**5,636,120**	**23,524**	**5,659,644**	5,513,362	15,338	5,528,700
Savings deposits	**18,240,780**	**632**	**18,241,412**	14,048,557	7,245	14,055,802
Term deposits	**1,937,265**	**-**	**1,937,265**	2,081,979	-	2,081,979
	25,814,165	**24,156**	**25,838,321**	21,643,898	22,583	21,666,481
	546,080,940	**91,541,353**	**637,622,293**	490,884,928	52,617,123	543,502,051

19. LEASE LIABILITIES

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		Rupees in '000	
Outstanding amount at the start of the period / year		**3,193,531**	2,788,429
Additions during the period / year		**596,506**	1,442,945
Lease payments including interest		**(728,102)**	(1,366,323)
Interest expense	19.2	**201,459**	435,839
Terminations		**(24,340)**	(92,719)
Exchange rate adjustments		**(317)**	(118)
Other adjustments		**2,865**	(14,522)
Outstanding amount at the end of the period / year		**3,241,602**	3,193,531

19.1 Outstanding liabilities

Not later than one year	**1,223,967**	1,182,268
Later than one year and upto five years	**1,915,187**	1,920,330
Over five years	**102,448**	90,933
Total at the period / year end	**3,241,602**	3,193,531

19.2 This carries average effective rate of 13.04% per annum (December 31, 2025: 15.26%)

20. SUBORDINATED DEBT

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		Rupees in '000	
Term Finance Certificates - Fifth Issue	20.1	**3,460,078**	3,497,900
Term Finance Certificates - Fourth Issue	20.2	**2,481,799**	2,496,000
Term Finance Certificates - Third Issue	20.3	**2,500,000**	2,500,000
		8,441,877	8,493,900

20.1 In 2023, the Bank issued Rs. 3.5 billion of rated, privately placed and listed, unsecured and subordinated term finance certificates (TFCs or the Issue) as an instrument of redeemable capital under Section 66 of the Companies Act, 2017 and as outlined by State Bank of Pakistan, SBP, under the BPRD Circular No. 06 dated August 15, 2013 and Basel III guidelines. Summary of terms and conditions of the Issue are:

Purpose	To contribute towards the Bank's Tier II Capital for complying with the capital adequacy requirement and to utilize the funds in the Bank's business operations as permitted by its Memorandum & Articles of Association.
Issue date	August 30, 2023.
Tenure	Up to ten years from the issue date.
Maturity date	August 30, 2033.
Rating	AA - (Double A Minus).
Security	The issue is unsecured.
Mark-up rate	Floating rate of return at Base Rate + 2 percent per annum. Base Rate is defined as the average three months KIBOR prevailing on the Base Rate setting date. The Base Rate will be set for the first time on the last working day prior to the issue date and subsequently on the immediately preceding business day before the start of each three monthly period.
Mark-up payment frequency	Quarterly.
Redemption	The instrument is structured to redeem 0.24% of the issue amount during the first nine years after the issue date and the remaining issue amount of 99.76% in four equal quarterly instalments of 24.94% each in the last year.
Subordination	The issue is subordinated all other indebtedness of the Bank including depositors, however, senior to the claims of investors in instruments eligible for inclusion in Tier I Capital.
Call option	Exercisable in part or in full on or after five years from the issue date, subject to SBP's approval.
Lock-in-clause	Principal and mark-up will be payable subject to compliance with MCR or CAR or Leverage Ratio set by
Loss absorbency clause	Upon the occurrence of a Point of Non-Viability (PONV) event as defined under SBP BPRD Circular No. 06 dated August 15, 2013, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank and / or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFCs' divided by market value per share of the Bank's common share on the date of trigger of PONV as declared by SBP, subject to a cap of 924,772,179 shares.

20.2 In 2021, the Bank issued Rs. 2.5 billion of rated, privately placed and listed, unsecured and subordinated term finance certificates (TFCs or the Issue) as an instrument of redeemable capital under Section 66 of the Companies Act, 2017 and as outlined by State Bank of Pakistan (SBP) under the BPRD Circular No. 06 dated August 15, 2013 and Basel III guidelines. Summary of terms and conditions of the Issue are:

Purpose	To contribute towards the Bank's Tier II Capital for complying with the capital adequacy requirement and to utilize the funds in the Bank's business operations as permitted by its Memorandum & Articles of Association.
Issue date	December 28, 2021.
Tenure	Up to Seven years from the issue date.
Maturity date	December 28, 2028.
Rating	AA - (Double A Minus).
Mark-up rate	Floating rate of return at Base Rate + 2 percent per annum. Base Rate is defined as the average six months KIBOR prevailing on the Base Rate setting date. The Base Rate will be set for the first time on the last working day prior to the issue date and subsequently on the immediately preceding business day before the start of each six monthly period.
Mark-up payment frequency	Semi-annually.
Redemption	The instrument is structured to redeem 0.24% of the Issue amount during the first six years after the issue date and the remaining Issue amount of 99.76% in two equal semi-annual instalments of 49.88% each in the last year.
Security	The issue is unsecured.
Subordination	The Issue is subordinated all other indebtedness of the Bank including depositors, however, senior to the claims of investors in instruments eligible for inclusion in Tier I Capital
Call option	Exercisable in part or in full on or after the 10th redemption, subject to SBP's approval.
Lock-in-clause	Payment of mark-up will be made from current year's earning and subject to compliance with MCR and / or CAR or LR set by SBP.
Loss absorbency clause	Upon the occurrence of a Point of Non-Viability (PONV) event as defined under SBP BPRD Circular No. 06 dated August 15, 2013, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank and / or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFCs' divided by market value per share of the Bank's common share on the date of trigger of PONV as declared by SBP, subject to a cap of 400,647,739 shares.

20.3 In 2018, the Bank issued Rs. 2.5 billion of rated, privately placed, unsecured, subordinated, perpetual and non-cumulative term finance certificates (TFCs or the Issue) as an instrument of redeemable capital under Section 66(1) of the Companies Act, 2017 and as outlined by the State Bank of Pakistan (SBP) under the BPRD Circular No. 06 dated August 15, 2013 and Basel III guidelines. Summary of terms and conditions of the Issue are:

Purpose	To contribute towards the Bank's Tier I Capital for complying with the capital adequacy requirement and to utilize the funds in the Bank's business operations as permitted by its Memorandum & Articles of Association.
Issue date	December 31, 2018.
Maturity date	Perpetual.
Rating	A+ (Single A plus).
Mark-up rate	Floating rate of return at Base Rate + 2.25 percent per annum. Base Rate is defined as the average six months KIBOR prevailing on the Base Rate setting date. The Base Rate will be set for the first time on the last working day prior to the issue date and subsequently on the immediately preceding business day before the start of each six monthly period.
Mark-up payment frequency	Semi-annually on a non-cumulative basis.
Redemption	Not applicable.
Security	The Issue is unsecured
Subordination	The Issue is subordinated as to payment of Principal and profit to all other claims except common shares.
Call option	Exercisable in part or in full at a par value on or after five years from the issue date, with prior approval of SBP. The Bank shall not exercise the call option unless the called instrument is replaced with capital of same or better quality.
Lock-in-clause	Payment of profit will be made from current year's earning and subject to compliance with MCR and / or CAR or LR set by SBP.
Loss absorbency clause - Pre-Specified Trigger (PST)	Upon the occurrence of a PST as defined under SBP BPRD Circular No. 06 dated August 15, 2013 which stipulates that if an Issuer's Common Equity Tier 1 (CET 1) ratio falls to or below 6.625% of Risk Weighted Assets (RWAs), the Issuer will have full discretion to determine the amount of TFCs to be permanently converted into common shares or written off, subject to SBP regulations / instructions, and the cap specified below. The Bank will be able to exercise this discretion subject to: - If and when Bank's CET 1 reaches the loss absorption trigger point, the aggregate amount of Additional Tier-1 capital to be converted must at least be the amount sufficient to immediately return the CET 1 ratio to above 6.625% of total RWAs (if possible); - The converted amount should not exceed the amount needed to bring the CET 1 ratio to 8.5% of RWAs (i.e. minimum CET 1 of 6.0% plus capital conservation buffer of 2.5%); and - In case, conversion of Additional Tier-1 capital Instrument is not possible following the trigger event, the amount of the Instrument must be written off in the accounts resulting in increase in CET 1 of the Issuer.
Loss absorbency clause - Point of Non-Viability (PONV)	Upon the occurrence of a PONV event as defined under SBP BPRD Circular No. 06 dated August 15, 2013, which stipulates that SBP may, at its option, fully and permanently convert the TFCs into common shares of the Bank and / or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Value of the TFCs' divided by market value per share of the Bank's common / ordinary share on the date of the PONV trigger event as declared by SBP, subject to the cap specified below: The PONV trigger event is the earlier of: - A decision made by SBP that a conversion or temporary / permanent write-off is necessary without which the Issuer would become non-viable; - The decision to make a public sector injection of capital, or equivalent support, without which the Issuer would have become non-viable, as determined by SBP; - The maximum number of shares to be issued to TFC holders at the PST and / or PONV (or otherwise as directed by SBP) will be subject to a specified cap of 329,595,476 ordinary shares, or such other number as may be agreed to in consultation with SBP.

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		---------- Rupees in '000 ----------	

21. OTHER LIABILITIES

	Note	June 30, 2026	December 31, 2025
Mark-up / return / interest payable in local currency		**1,289,845**	1,313,491
Mark-up / return / interest payable in foreign currencies		**598,546**	162,628
Unearned income on guarantees		**595,999**	526,400
Accrued expenses		**952,087**	1,973,583
Acceptances		**4,029,170**	4,881,615
Unclaimed dividends		**4,214**	4,214
Mark to market loss on forward foreign exchange contracts		**597,120**	441,137
Payable to defined benefit plan		**-**	124,732
Withholding taxes payable		**1,954,014**	2,218,038
Donation payable		**110,578**	123,812
Security deposits against leases, lockers and others		**5,878,321**	4,883,358
Workers' welfare fund		**755,284**	622,485
Payable in respect of home remittance		**46,485**	1,185
Retention money payable		**77,511**	86,852
Insurance payable		**582,550**	476,937
Payable to vendors against SBS goods		**891,396**	-
Branchless banking fund settlement		**1,934,516**	106,276
Debit card settlement		**434,902**	363,128
Credit card settlement		**10,930**	-
Clearing and settlement accounts		**1,047,467**	-
Credit loss allowance against off-balance sheet obligations	21.1	**496,109**	270,587
Advance against subordinated debt	21.2	**3,500,000**	-
Others		**579,208**	543,827
		26,366,252	19,124,285

21.1 Credit loss allowance against off-balance sheet obligations

	June 30, 2026	December 31, 2025
Opening balance	**270,587**	190,889
Exchange rate adjustments	**(46)**	25
Charge for the period / year	**310,132**	128,680
Reversals for the period / year	**(84,564)**	(49,007)
	225,568	79,673
Closing balance	**496,109**	270,587

21.2 This represents a portion of the subscription amount received from investors of the Bank's rated, unsecured, privately placed, subordinated and subsequently listed, Term Finance Certificates of up to Rs. 4 billion (inclusive of a Green Shoe option of Rs.1 billion) as Tier 2 Capital issue. This issuance has been approved by the State Bank of Pakistan vide their letter no. SBPHOK-BPRD-BACPD-JSB-1168195 dated June 24, 2026.

22. SURPLUS ON REVALUATION OF ASSETS	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		---------- Rupees in '000 ----------	
Surplus on revaluation of:			
- Securities measured at FVOCI - debt	9.1	**414,929**	1,953,203
- Securities measured at FVOCI - equity	9.1	**623,357**	784,971
- Property and equipment		**2,087,994**	2,126,106
- Non-banking assets acquired in satisfaction of claims	15	**599,801**	602,334
		3,726,081	5,466,614
Deferred tax on surplus on revaluation of:			
- Securities measured at FVOCI - debt		**(215,763)**	(1,015,666)
- Securities measured at FVOCI - equity		**(324,146)**	(408,185)
- Property and equipment		**(689,169)**	(708,988)
- Non-banking assets acquired in satisfaction of claims		**(256,415)**	(257,733)
		(1,485,493)	(2,390,572)
		2,240,588	3,076,042

23. CONTINGENCIES AND COMMITMENTS

	Note		
Guarantees	23.1	**133,357,570**	114,322,261
Commitments	23.2	**175,642,087**	108,452,698
Other contingencies	23.3	**1,202,435**	1,204,016
		310,202,092	223,978,975

23.1 Guarantees

Financial guarantees	**23,722,561**	22,275,534
Performance guarantees	**59,886,041**	51,690,524
Other guarantees	**49,748,968**	40,356,203
	133,357,570	114,322,261

23.2 Commitments

Documentary credits and short-term trade-related transactions			
- Letters of credit		**59,746,623**	40,537,796
Commitments in respect of:			
- Forward foreign exchange contracts	23.2.1	**115,529,720**	67,437,910
- Forward lending	23.2.2	**92,000**	52,000
Commitments for acquisition of:			
- Property and equipment	23.2.3	**74,284**	337,483
- Intangible assets	23.2.3	**199,460**	87,509
		175,642,087	108,452,698

23.2.1 Commitments in respect of forward foreign exchange contracts

Purchase	**84,895,945**	40,462,368
Sale	**30,633,775**	26,975,542
	115,529,720	67,437,910

23.2.2 Commitments in respect of forward lending

Undrawn formal standby facilities, credit lines and other commitments to lend	23.2.2.1	**92,000**	52,000

23.2.2.1 These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense. Further, the Bank makes commitments to extend credit in the normal course of business but these being revocable commitments do not attract any significant penalty or expense if the facilities are unilaterally withdrawn.

23.2.3 These represent commitments related to purchase of leasehold improvements, furniture and fixtures, hardware and network equipment, electrical equipment and computer software.

			(Un-audited) June 30, 2026	(Audited) December 31, 2025
23.3	**Other contingent liabilities**	Note	---------- Rupees in '000 ----------	
	Claims against the Bank not acknowledged as debts	23.3.1	1,202,435	1,204,016

23.3.1 These mainly represent counter claims filed by borrowers for damages, claims by former employees of the Bank and other claims relating to banking transactions.

Based on legal advice and / or internal assessments, management is confident that the matters will be decided in the Bank's favour.

23.3.2 Tax related contingencies are disclosed in note 34.1.

24. DERIVATIVE INSTRUMENTS

Derivative instruments, such as Futures, Cross Currency Swaps and Options, are forward transactions that provide market making opportunities / hedge against the adverse movement of interest and exchange rates. Derivatives business also provides risk solutions for the existing and potential customers of the Bank.

The Bank also enters into Foreign Currency and Commodity Options from its Wholesale Banking Branch Bahrain for market making activities.

			(Un-audited) Half Year ended June 30, 2026	June 30, 2025
25.	**MARK-UP / RETURN / INTEREST EARNED**	Note	---------- Rupees in '000 ----------	
	Loans and advances		**14,169,726**	12,648,582
	Investments		**19,142,254**	26,142,575
	Lendings to financial institutions		**197,497**	103,074
	Balances with other banks		**99,703**	149,221
	Securities purchased under repurchase agreements		**238,882**	386,332
			33,848,062	39,429,784
25.1	**Interest income (calculated using effective interest rate method) recognised on:**			
	Financial assets measured at amortised cost		**17,797,156**	-
	Financial assets measured at FVOCI		**14,727,684**	-
		26.1.1	**32,524,840**	-
26.	**MARK-UP / RETURN / INTEREST EXPENSED**			
	Deposits		**14,456,515**	18,003,450
	Borrowings		**3,117,691**	5,785,818
	Subordinated debt		**548,028**	597,935
	Cost of foreign currency swaps against foreign currency deposits / borrowings		**897,158**	889,976
	Finance charges on leased assets		**201,459**	195,286
			19,220,851	25,472,465
26.1	**Interest expense calculated using effective interest rate method:**			
	Financial liabilities	26.1.1	**18,323,693**	-

26.1.1 As disclosed in note 3.1.1, the Bank has applied the effective interest rate method during the current period under the modified retrospective approach. The impact has been recognised in opening equity, and accordingly, prior information has not been presented.

			(Un-audited) Half Year ended	
			June 30, 2026	June 30, 2025
27.	**FEE AND COMMISSION INCOME**	Note	---------- Rupees in '000 ----------	
	Branch banking customer fees		**54,422**	78,449
	Finance related fees		**265,001**	330,255
	Card related fees (debit and credit cards)		**660,166**	683,722
	Investment banking fees		**11,329**	34,458
	Commission on trade		**513,883**	512,204
	Commission on guarantees		**422,214**	396,414
	Commission on cash management		**30,994**	21,334
	Commission on remittances including home remittances		**23,414**	70,306
	Commission on bancassurance		**25,246**	47,579
	Commission on distribution of mutual funds		**837**	5,795
	Commission on online services		**257,225**	71,189
	Rebate income		**169,950**	214,096
			2,434,681	2,465,801
28.	**GAIN ON SECURITIES - NET**			
	Realised	28.1	**354,928**	1,560,865
	Unrealised - measured at FVPL		**(11,431)**	604,578
		28.2	**343,497**	2,165,443
28.1	**Realised gain / (loss) on:**			
	Federal government securities		**393,721**	1,646,715
	Mutual fund units		**-**	1,501
	Associate		**(44,400)**	-
	Foreign securities		**5,607**	(87,351)
			354,928	1,560,865
28.2	**Net gain / (loss) on financial assets**			
	Measured at FVPL:			
	Designated upon initial recognition		**38,129**	408,707
	Mandatorily measured at FVPL		**(4,280)**	418,894
			33,849	827,601
	Measured at FVOCI		**354,048**	1,337,842
	Associate		**(44,400)**	-
			343,497	2,165,443
29.	**OTHER INCOME**			
	Rent income		**8,203**	7,035
	Gain on sale of property and equipment - net		**14,100**	4,287
	Gain on sale of non banking assets - net		**-**	20,896
	Gain on termination of leases - net		**19,223**	6,386
	Scrap sales		**249**	153
	Auction charges recovered		**1,000**	998
	Beach hut charges recovered		**343**	40
	Legal charges recovered		**70,000**	-
	Charges recovered on account of consultancy services to subsidiary		**-**	425,000
	Others		**190**	848
			113,308	465,643

30. OPERATING EXPENSES	Note	(Un-audited) Half Year ended June 30, 2026	June 30, 2025
		------------- Rupees in '000 -------------	
Total compensation expense	30.1	**5,731,597**	5,177,269
Property expense			
Rent and taxes		**116,751**	29,151
Insurance		**4,222**	3,595
Utilities cost		**412,048**	410,035
Security (including guards)		**255,868**	249,003
Repair and maintenance (including janitorial charges)		**198,664**	210,274
Depreciation		**275,959**	253,546
Depreciation on right-of-use assets		**835,813**	755,077
Depreciation on non-banking assets		**20,348**	20,158
		2,119,673	1,930,839
Information technology expenses			
Software maintenance		**1,059,995**	1,219,588
Hardware maintenance		**195,681**	231,625
Depreciation		**252,805**	261,608
Amortisation		**290,101**	226,589
Network charges		**153,143**	149,292
		1,951,725	2,088,702
Other operating expenses			
Directors' fees and allowances		**9,300**	8,100
Legal and professional charges		**122,064**	243,756
Insurance		**147,339**	141,481
Outsourced services costs		**579,693**	563,414
Travelling and conveyance		**144,898**	188,526
NIFT clearing charges		**48,369**	42,399
Depreciation		**244,162**	221,134
Training and development		**22,425**	34,829
Postage and courier charges		**37,708**	52,221
Communication		**139,060**	317,116
Stationery and printing		**196,466**	208,697
Marketing, advertisement and publicity		**592,261**	976,947
Donations		**132,799**	69,768
Auditors' remuneration		**13,041**	11,468
Staff auto fuel and maintenance		**337,695**	296,910
Bank charges		**56,720**	40,653
Stamp duty		**15,290**	14,110
Online verification charges		**57,358**	48,035
Brokerage, fee and commission		**40,803**	38,560
Card related fees (debit and credit cards)		**1,063,412**	992,729
CDC and other charges		**15,121**	4,860
Consultancy fee		**50,369**	32,975
Deposit protection premium		**145,480**	127,637
Entertainment expenses		**104,430**	108,709
Repair and maintenance		**39,916**	39,837
Cash handling charges		**179,658**	197,883
Fee and subscription		**87,498**	100,398
Employees social security		**3,752**	4,918
Generator fuel and maintenance		**104,738**	92,545
Others		**9,583**	14,843
		4,741,408	5,235,458
		14,544,403	14,432,268

30.1 This includes impact of fair value adjustment on concessional rate staff loans amounting to Rs. 197.739 million (June 30, 2025: Rs. 193.559 million).

31. WORKERS' WELFARE FUND

The Bank has made provision for Workers' Welfare Fund (WWF) based on profit for the respective periods.

	(Un-audited) Half Year ended	
	June 30, 2026	June 30, 2025
32. OTHER CHARGES	Rupees in '000	
Penalties imposed by State Bank of Pakistan	**707**	107,356

33. (REVERSAL OF) / CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET

Credit loss allowance against cash and balances with treasury banks	**50,491**	736
Credit loss allowance / (reversal) against balance with other banks	**1,333**	(2,043)
Credit loss allowance / (reversal) against lending to financial institutions	**(1,925)**	(232)
Credit loss allowance / (reversal) for diminution in value of investments	**86,122**	(177,997)
(Reversal of) / credit loss allowance against loans and advances	**(1,961,797)**	3,322,737
Credit loss allowance against other assets	**28,190**	125,096
Credit loss allowance against off balance sheet obligations	**225,568**	9,268
Bad debts written off directly	**293**	-
Recovery of written off / charged off bad debts	**(156,504)**	(12,163)
Modification loss - net	**-**	(2,391)
Operational loss	**3,656**	5,837
	(1,724,573)	3,268,848

34. TAXATION

Current	**3,557,302**	1,237,646
Prior years	**-**	980,310
Deferred	**(115,976)**	(286,183)
	3,441,326	1,931,773

34.1 There are no material changes in tax contingencies as disclosed in annual unconsolidated financial statements for the year ended December 31, 2025.

35. EARNINGS PER SHARE - BASIC AND DILUTED

	(Un-audited) Quarter Ended		Half Year ended	
	June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
	Rupees in '000			
Profit after taxation for the period	**2,153,987**	268,050	**3,198,631**	1,556,617
	Number of shares			
Weighted average number of ordinary shares	**2,050,662,536**	2,050,662,536	**2,050,662,536**	2,050,662,536

	(Un-audited) Quarter Ended		Half Year ended	
	June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
	Rupees			
Earnings per share - basic and diluted	**1.05**	0.13	**1.56**	0.76

		(Un-audited) June 30, 2026	(Audited) December 31, 2025	(Un-audited) June 30, 2025
36. CASH AND CASH EQUIVALENTS	Note	Rupees in '000		
Cash and balances with treasury banks - gross	6	**39,135,778**	40,698,305	43,757,076
Balances with other banks - gross	7	**3,060,388**	5,199,412	2,214,420
Overdrawn nostro accounts	17	**(825,301)**	(439,586)	(170,635)
		41,370,865	45,458,131	45,800,861

37 FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified as amortised cost, is based on quoted market price. Quoted securities classified as amortised cost are carried at cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of valuation methodologies. Fair value of unquoted debt securities, fixed term loans, other assets, other liabilities and fixed term deposits cannot be calculated with sufficient reliability due to absence of current and active market for assets and liabilities and reliable data regarding market rates for similar instruments.

37.1 Fair value of financial instruments

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 asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

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

	June 30, 2026 (Un-audited)			
	Level 1	**Level 2**	**Level 3**	**Total**
On balance sheet financial instruments	Rupees in '000			
Financial assets - measured at fair value				
Investments				
Federal Government Securities	**-**	**291,163,926**	**-**	**291,163,926**
Shares - listed companies	**5,145,658**	**-**	**-**	**5,145,658**
Shares - unlisted companies	**-**	**20,295**	**238,419**	**258,714**
Non Government Debt Securities	**-**	**357,984**	**-**	**357,984**
Foreign Securities	**-**	**25,811,554**	**-**	**25,811,554**
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	**-**	**74,872,560**	**-**	**74,872,560**
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	**-**	**84,346,688**	**-**	**84,346,688**
Forward sale of foreign exchange	**-**	**30,366,640**	**-**	**30,366,640**

	December 31, 2025 (Audited)			
	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments	Rupees in '000			
Financial assets - measured at fair value				
Investments				
Federal Government Securities	-	196,631,238	-	196,631,238
Shares - listed companies	2,686,351	-	-	2,686,351
Shares - unlisted companies	-	18,478	37,308	55,786
Non Government Debt Securities	-	476,261	-	476,261
Foreign Securities	-	23,044,423	-	23,044,423
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	-	33,709,882	-	33,709,882
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	40,052,102	-	40,052,102
Forward sale of foreign exchange	-	26,850,111	-	26,850,111

37.2 Valuation techniques

Item	Valuation approach and input used
Units of mutual funds	Fair values of investments in units of mutual funds are determined based on redemption prices disclosed at the Mutual Funds Association of Pakistan (MUFAP) as at the close of the business days.
Market Treasury Bills (MTB), Pakistan Investment Bonds (PIB) and GoP Sukuks	Fair values of Pakistan Investment Bonds and Market Treasury Bills are derived using PKRV, PKFRV and PKISRV rates.
Debt Securities (TFCs) and Sukuk other than Government	Investments in debt securities (comprising of Term Finance Certificates, Bonds and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) 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 SECP.
Overseas Government Sukuks, Overseas and Euro Bonds	The fair value of Overseas Government Sukuks, and Overseas Bonds are valued on the basis of price available on Bloomberg.
Ordinary shares - listed	The fair value of investments in listed equity securities are valued on the basis of closing quoted market price available at the Pakistan Stock Exchange.
Ordinary shares - unlisted	The fair value of the investment in SWIFT shares has been determined using a market based approach, based on the share value annually calculated and published by SWIFT for all shareholders. The fair value of ISE REIT shares has been determined using a market based approach, applying price to book multiples of comparable listed REITs to the net asset value, adjusted for discounts for lack of control and lack of marketability.
Preference shares - unlisted	The fair value of Apothecare and Augmentcare shares has been determined using an income-based approach, applying the Free Cash Flow to Firm (FCFF) method, whereby projected cash flows are discounted using the Weighted Average Cost of Capital (WACC).
Forward foreign exchange contracts	The valuation has been determined by interpolating the foreign exchange revaluation rates announced by the State Bank of Pakistan.
Derivatives	The fair values of derivatives which are not quoted in active markets are determined by using valuation techniques. The valuation techniques take into account the relevant underlying parameters including foreign currencies involved, interest rates, yield curves, volatilities, contracts duration, etc.
Property and Equipment - Land and buildings	Land and buildings and Non-banking assets under satisfaction of claims are carried at revalued amounts determined by professional valuers based on their assessment of the market values as disclosed in note 10 and 13 of unconsolidated financial statements for the year ended December 31,2025. The valuations are conducted by the valuation experts appointed by the Bank which are also on the panel of State Bank of Pakistan. 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 or comparable or similar properties. These values are adjusted to reflect the current condition of the properties.
Non-banking assets acquired in satisfaction of claims	

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements of investments:

Description	Fair value as at June 30, 2026	Fair value as at December 31, 2025	Unobservable inputs	Sensitivity of inputs
	----------Rupees in '000----------			
Ordinary shares - unlisted (ISE REIT)	32,707	37,308	- Price to book (P/B) multiple - Discount for lack of control - Discount for lack of marketability	a 10% increase / decrease in the P/B multiple would result in an increase / decrease of Rs. 3.271 million in the fair value. A 5.0 percentage point change in either the discount for lack of control or the discount for the lack of marketability would result in a change of Rs. 2.726 million in the fair value.
Preference shares - unlisted (Apothecare)	127,394	-	WACC Terminal growth rate - FCFF	A 1.0 percentage point increase / decrease in the WACC would result in a decrease / increase in the fair value of Rs. 7.136 million. A 1.0 percentage point increase / decrease in the terminal growth rate would result in an increase / decrease in the fair value of Rs. 2.630 million.
Preference shares - unlisted (Augmentcare)	78,318	-	WACC Terminal growth rate - FCFF	A 1.0 percentage point increase / decrease in the WACC would result in a decrease / increase in the fair value of Rs. 6.045 million. A 1.0 percentage point increase / decrease in the terminal growth rate would result in an increase / decrease in the fair value of Rs. 4.755 million.

The following table shows reconciliation of investment fair value movement

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	---------- Rupees in' 000 ----------	
Opening balance	37,308	289,259
Impact of adoption of IFRS 9	-	18,634
Remeasurement recognised in Profit and Loss	-	(278,259)
Remeasurement recognised in OCI	201,111	7,674
Closing balance	238,419	37,308

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

38. SEGMENT INFORMATION

38.1 Change in reportable segments

During the current period, the Bank revised its internal management reporting structure used by the President / Chief Executive Officer to assess performance and allocate resources. As a result, the Bank has revised its reportable segments in accordance with IFRS 8 Operating Segments.

In the unconsolidated financial statements for the year ended December 31, 2025, the Bank's reportable segments were presented as:

- Retail Banking;
- Corporate / Commercial Banking;
- Treasury;
- Investment, International and Institutional Banking;
- Zindigi; and
- Others

Following the revision in internal reporting, the Bank's reportable segments for the period ended June 30, 2026 are presented as:

- Retail Banking;
- Corporate / Commercial Banking;
- Treasury, FI and Home Remittance;
- International Banking;
- Investment Banking;
- Zindigi; and
- Others

Accordingly, comparative segment information presented for the corresponding prior period has been restated to conform to the current period presentation. The basis of segmentation used in these condensed interim unconsolidated financial statements therefore differs from that presented in the unconsolidated financial statements for the year ended December 31, 2025.

38.2 Segment Details with respect to Business Activities

For the half year ended June 30, 2026 (Un-audited)

	Retail Banking	Corporate / Commercial Banking	Treasury, FI and Home Remittance	International Banking	Investment Banking	Zindigi	Others	Total
	Rupees in '000							
Profit and loss								
Net mark-up / return / profit	(4,160,794)	1,906,171	15,887,620	(126,023)	81,154	(105,496)	1,144,579	14,627,211
Inter segment revenue - net	13,911,055	591,161	(13,429,212)	662,128	(87,788)	418,361	(2,065,705)	-
Non mark-up / return / interest income	1,091,598	868,571	1,298,031	211,473	(37,920)	338,293	1,196,036	4,966,082
Total Income / (loss)	10,841,859	3,365,903	3,756,439	747,578	(44,554)	651,158	274,910	19,593,293
Segment direct expenses	7,715,770	342,486	304,266	194,866	37,312	2,035,191	4,048,018	14,677,909
Inter segment expense allocation	2,031,980	668,425	188,447	44,272	17,319	384,834	(3,335,277)	-
Total expenses	9,747,750	1,010,911	492,713	239,138	54,631	2,420,025	712,741	14,677,909
(Reversal of) / credit loss allowance and write offs - net	143,519	297,475	53,795	149,957	86,278	3,424	(2,459,021)	(1,724,573)
Profit / (loss) before tax	950,590	2,057,517	3,209,931	358,483	(185,463)	(1,772,291)	2,021,190	6,639,957

As at June 30, 2026 (Un-audited)

	Retail Banking	Corporate / Commercial Banking	Treasury, FI and Home Remittance	International Banking	Investment Banking	Zindigi	Others	Total
	Rupees in '000							
Balance sheet								
Cash and bank balances	12,752,173	337,622	25,491,143	2,127,053	-	1,433,127	-	42,141,118
Investments	4,667,365	-	365,813,612	25,811,561	722,121	-	22,770,142	419,784,801
Net inter segment lending	324,209,394	36,907,269	-	36,031,725	-	11,809,266	-	408,957,654
Lendings to financial institutions	-	-	8,983,220	-	-	-	130,940	9,114,160
Advances - performing	100,473,260	101,470,754	3,644,931	6,770,189	-	105,349	5,076,193	217,540,676
Advances - non-performing	2,865,265	1,459,771	-	-	-	3,308	64,024	4,392,368
Others	-	-	-	-	792,000	-	65,513,199	66,305,199
Total Assets	444,967,457	140,175,416	403,932,906	70,740,528	1,514,121	13,351,050	93,554,498	1,168,235,976
Borrowings	12,413,244	8,425,304	6,388,531	-	-	-	-	27,227,079
Subordinated debt	-	-	-	-	-	-	8,441,877	8,441,877
Deposits and other accounts	419,195,614	131,339,373	6,390,249	67,333,096	12,911	13,351,050	-	637,622,293
Net inter segment borrowing	-	-	391,145,277	-	1,452,420	-	16,359,957	408,957,654
Others	13,358,599	410,739	8,849	3,407,432	48,790	-	19,643,141	36,877,550
Total Liabilities	444,967,457	140,175,416	403,932,906	70,740,528	1,514,121	13,351,050	44,444,975	1,119,126,453
Equity	-	-	-	-	-	-	49,109,523	49,109,523
Total Equity and Liabilities	444,967,457	140,175,416	403,932,906	70,740,528	1,514,121	13,351,050	93,554,498	1,168,235,976
Contingencies and Commitments	36,154,724	122,565,643	115,529,720	34,475,826	-	-	1,476,179	310,202,092

	For the half year ended June 30, 2025 (Un-audited) - Restated							
	Retail Banking	Corporate / Commercial Banking	Treasury, FI and Home Remittance	International Banking	Investment Banking	Zindigi	Others	Total
	Rupees in '000							
Profit and loss								
Net mark-up / return / profit	(7,206,341)	588,494	21,115,872	69,606	58,843	(82,461)	(584,694)	13,957,319
Inter segment revenue - net	16,112,084	2,579,096	(17,381,761)	214,380	-	284,981	(1,808,780)	-
Non mark-up / return / income	1,214,652	956,346	2,810,924	60,128	36,997	533,233	1,797,031	7,409,311
Total income / (loss)	10,118,395	4,123,936	6,545,035	344,114	95,840	735,753	(596,443)	21,366,630
Segment direct expenses	7,324,013	416,965	307,401	211,231	45,186	2,334,582	3,970,014	14,609,392
Inter segment expense allocation	1,903,986	574,707	179,445	41,124	15,856	368,236	(3,083,354)	-
Total expenses	9,227,999	991,672	486,846	252,355	61,042	2,702,818	886,660	14,609,392
Credit loss allowance / (reversal) and write offs - net	263,385	1,031,127	(8,615)	(129,402)	-	24,759	2,087,594	3,268,848
Profit / (loss) before tax	627,011	2,101,137	6,066,804	221,161	34,798	(1,991,824)	(3,570,697)	3,488,390

	As at December 31, 2025 (Audited) - Restated							
	Retail Banking	Corporate / Commercial Banking	Treasury, FI and Home Remittance	International Banking	Investment Banking	Zindigi	Others	Total
	Rupees in '000							
Balance sheet								
Cash and bank balances	12,805,370	322,712	28,334,538	3,360,120	-	1,071,751	-	45,894,491
Investments	620,383	-	229,440,753	23,044,422	1,154,495	-	23,768,259	278,028,312
Net inter segment lending	313,115,000	14,631,581	-	-	-	6,777,709	-	334,524,290
Lendings to financial institutions	-	-	19,838,794	-	-	-	-	19,838,794
Advances - performing	88,593,670	102,967,350	44,624,017	3,582,775	-	40,830	4,694,413	244,503,055
Advances - non-performing	3,229,830	1,952,665	-	-	-	2,446	88,374	5,273,315
Others	-	-	-	-	792,000	-	61,306,364	62,098,364
Total Assets	418,364,253	119,874,308	322,238,102	29,987,317	1,946,495	7,892,736	89,857,410	990,160,621
Borrowings	14,280,581	8,445,908	3,401,591	-	-	-	-	26,128,080
Subordinated debt	-	-	-	-	-	-	8,493,900	8,493,900
Deposits and other accounts	391,760,535	111,110,987	5,711,461	27,010,721	15,611	7,892,736	-	543,502,051
Net inter segment borrowing	-	-	313,116,201	-	1,930,884	-	19,477,205	334,524,290
Others	12,323,137	317,413	8,849	2,976,596	-	-	15,225,597	30,851,592
Total Liabilities	418,364,253	119,874,308	322,238,102	29,987,317	1,946,495	7,892,736	43,196,702	943,499,913
Equity	-	-	-	-	-	-	46,660,708	46,660,708
Total Equity and Liabilities	418,364,253	119,874,308	322,238,102	29,987,317	1,946,495	7,892,736	89,857,410	990,160,621
Contingencies and Commitments	25,732,975	111,535,314	67,437,910	17,643,768	-	-	1,629,008	223,978,975

39. RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its parent, directors, key management personnel, subsidiaries, associates and other related parties.

The Bank enters into transactions with related parties in the ordinary course of business and 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 balances and transactions with related parties are as follows:

	As at June 30, 2026 (Un-audited)					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	Rupees in '000					
Lendings to financial institutions						
Opening balance	-	-	-	-	-	-
Addition during the period	-	-	-	-	-	-
Repaid during the period	-	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-
Investments						
Opening balance	-	-	-	20,887,275	269,800	2,641,001
Investments made during the period	-	-	-	-	-	3,646,634
Investment redeemed / disposed off during the period	-	-	-	-	(180,000)	(822,943)
Deficit during the period - net	-	-	-	-	-	(164,974)
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	20,887,275	89,800	5,299,718
Credit loss allowance / provision for diminution in value of investments	-	-	-	-	89,800	-
Advances						
Opening balance	-	125	690,139	798,215	163,548	3,039,683
Addition during the period	-	1,166	145,663	-	-	6,186,547
Repaid during the period	-	(963)	(149,253)	(203,811)	(11,507)	(4,008,666)
Transfer in / (out) - net	-	-	(1,262)	-	-	(171,087)
Closing balance	-	328	685,287	594,404	152,041	5,046,477
Credit loss allowance held against advances	-	11	2,222	-	152,041	27,383
Other assets						
Interest mark-up accrued	-	-	1,134	20,053	-	58,136
Receivable against bancassurance	-	-	-	-	-	8,097
Prepaid insurance	-	-	-	-	-	163,166
Advance against investment in securities	-	-	-	-	-	792,000
Receivable from subsidiaries	-	-	-	-	-	-
Receivable from defined benefit plan	-	-	-	-	-	126,017
Prepaid Rent	-	-	-	957	-	-
Mark to market gain on forward foreign exchange contracts	-	-	-	-	-	336
Credit loss allowance against other assets	-	-	2	-	-	9,340
Deposits and other accounts						
Opening balance	58,666	27,056	121,035	3,040,658	16,957	7,562,780
Received during the period	2,586,586	45,721	726,460	262,034,939	159,959	491,058,371
Withdrawn during the period	(2,630,199)	(37,502)	(695,543)	(262,385,981)	(159,923)	(489,450,866)
Transfer in / (out) - net	-	-	(460)	-	(109)	(1,246,127)
Closing balance	15,053	35,275	151,492	2,689,616	16,884	7,924,158
Subordinated debt						
Opening balance	-	-	-	-	-	109,946
Issued / purchase during the period	-	-	-	-	-	-
Redeemed / sold during the period	-	-	-	-	-	(12)
Transfer in / (out) - net	-	-	-	-	-	(20,000)
Closing balance	-	-	-	-	-	89,934
Other liabilities						
Interest / return / mark-up payable on deposits	-	-	570	-	-	1,799
Interest / return / mark-up payable on subordinated debt	-	-	-	-	-	1,322
Payable to defined benefit plan	-	-	-	-	-	-
Mark to market loss on forward foreign exchange contracts	-	-	-	-	-	-
Advance against subordinated debt	-	-	-	-	-	206,000
Advance against disposal of property and equipment	-	-	-	8,034	-	-
Others Liabilities	-	-	-	2,823	-	-
Contingencies and commitments						
Letter of Guarantee	-	-	-	-	-	249,317
Letter of Credit	-	-	-	-	-	-
Commitment in respect of forward foreign exchange contracts	-	-	-	-	-	196,000

	As at December 31, 2025 (Audited)					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	Rupees in '000					
Lendings to financial institutions						
Opening balance	-	-	-	2,000,000	-	-
Addition during the year	-	-	-	50,000,000	-	-
Repaid during the year	-	-	-	(52,000,000)	-	-
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-
Investments						
Opening balance	-	-	-	20,887,275	269,800	2,573,385
Investments made during the year	-	-	-	-	-	1,350,000
Investment redeemed / disposed off during the year	-	-	-	-	-	(1,350,000)
Surplus during the period - net	-	-	-	-	-	67,616
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	20,887,275	269,800	2,641,001
Credit loss allowance / provision for diminution in value of investments	-	-	-	-	134,200	-
Advances						
Opening balance	-	-	635,459	664,841	185,733	2,557,962
Addition during the year	-	520	418,151	815,475	-	10,097,574
Repaid during the year	-	(395)	(418,131)	(682,101)	(22,185)	(9,616,003)
Transfer in / (out) - net	-	-	54,660	-	-	150
Closing balance	-	125	690,139	798,215	163,548	3,039,683
Credit Loss Allowance held against advances	-	10	3,621	-	163,548	1,964
Other assets						
Interest mark-up accrued	-	-	902	26,798	-	37,028
Receivable against bancassurance	-	-	-	-	-	2,069
Prepaid insurance	-	-	-	-	-	187,786
Receivable from subsidiaries	-	-	-	459,000	-	-
Advance against investment in securities	-	-	-	-	-	792,000
Mark to market gain on forward foreign exchange contracts	-	-	-	-	-	-
Credit loss allowance against other assets	-	-	6	62	-	8,830
Deposits and other accounts						
Opening balance	112,836	9,446	56,248	2,482,318	20,592	5,268,164
Received during the year	8,332,480	43,869	1,357,201	305,606,943	325,648	325,465,583
Withdrawn during the year	(8,386,650)	(26,259)	(1,264,754)	(305,048,603)	(329,283)	(323,221,466)
Transfer in / (out) - net	-	-	(27,660)	-	-	50,499
Closing balance	58,666	27,056	121,035	3,040,658	16,957	7,562,780
Subordinated debts						
Opening balance	-	-	-	-	-	109,976
Issued / purchase during the year	-	-	-	-	-	-
Redeemed / sold during the year	-	-	-	-	-	(30)
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	-	-	109,946
Other liabilities						
Interest / return / mark-up payable on deposits	-	-	579	-	-	1,025
Interest / return / mark-up payable on subordinated debt	-	-	-	-	-	1,074
Payable to defined benefit plan	-	-	-	-	-	124,732
Mark to market loss on forward foreign exchange contracts	-	-	-	-	-	470
Others Payable	-	-	-	1,050	-	-
Contingencies and commitments						
Letter of Guarantee	-	-	-	-	-	342,950
Letter of Credit	-	-	-	-	-	186,580
Commitment in respect of forward foreign exchange contracts	-	-	-	-	-	160,911

	For the half year ended June 30, 2026 (Un-audited)					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	Rupees in '000					
Income						
Mark-up / return / interest earned	-	16	1,954	40,873	-	194,178
Fee and commission income	-	56	909	837	-	21,092
Dividend income	-	-	-	1,041,015	-	52,465
Gain / (loss) on sale of securities - net	-	-	12	1	(44,400)	(13,589)
Gain on sale of property and equipments - net						
Services rendered to subsidiaries						
Rent Income	-	-	-	2,209	-	-
Other Income	-	20	90	224	-	-
Expense						
Mark-up / return / interest expensed	1,459	861	2,420	107,941	818	385,651
Operating expenses						
Compensation	-	-	541,280	-	-	-
Charge for defined contribution plans	-	-	-	-	-	245,656
Charge for defined benefit plans	-	-	-	-	-	98,983
Rent	-	-	-	3,603	-	10,512
Software Maintenance	-	-	-	-	-	11,338
Directors' fee and allowances	-	9,300	-	-	-	-
Insurance	-	-	-	-	-	177,705
Training and development	-	-	-	-	-	-
Marketing, advertisement and publicity	-	-	-	-	-	-
Consultancy fee	-	-	-	-	-	30,623
Other expenses	1,335	-	-	2,904	-	1,921
Credit loss allowance on:						
Advances	-	1	(1,399)	-	(11,507)	25,419
Investment	-	-	-	-	(44,400)	-
Other asset	-	-	(4)	(62)	-	510
Payments made during the period						
Insurance premium paid	-	-	-	-	-	305,180
Insurance claims settled	-	-	-	-	-	81,204
Donation	-	-	-	-	-	123,811
Other Transactions						
Gain on sale of FVOCI securities	-	-	-	-	-	208,803
Sale of Government Securities	-	-	13,964	822	-	159,619,399
Purchase of Government Securities	-	-	-	-	-	95,552,495

	For the half year ended June 30, 2025 (Un-audited)					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	Rupees in '000					
Income						
Mark-up / return / interest earned	-	-	18,772	52,043	-	136,077
Fee and commission income	-	57	1,054	5,805	-	50,086
Dividend income	-	-	-	1,041,015	-	52,465
Gain on sale of securities - net	-	-	-	1,830	-	19,038
Gain on sale of property and equipments - net	-	-	7	-	-	-
Services rendered to subsidiaries	-	-	-	425,000	-	-
Rent Income	-	-	-	-	-	-
Other Income	40	-	-	73	-	-
Expense						
Mark-up / return / interest expensed	3,077	271	2,412	82,923	995	221,049
Operating expenses						
Compensation	-	-	534,958	-	-	-
Charge for defined contribution plans	-	-	-	-	-	219,578
Charge for defined benefit plans	-	-	-	-	-	88,101
Rent	-	-	-	-	-	5,743
Software Maintenance	-	-	-	-	-	4,265
Directors' fee and allowances	-	8,100	-	-	-	-
Insurance	-	-	-	-	-	111,777
Training and development	-	-	12,709	-	-	-
Marketing, advertisement and publicity	-	-	-	-	-	2,228
Consultancy fee	-	-	-	-	-	23,739
Other expenses	1,180	827	-	1,629	-	810
Credit loss allowance on:						
Advances	-	(1)	(22)	56	(6,159)	836
Investment	-	-	-	-	-	-
Other assets	-	-	-	9	-	8,832
Payments made during the period						
Insurance premium paid	-	-	-	-	-	290,728
Insurance claims settled	-	-	-	-	-	62,253
Donation Paid	-	-	-	-	-	120,291
Other transactions						
Gain on sale of FVOCI securities	-	-	-	-	-	-
Sale of Government Securities	-	-	-	1,158,928	-	81,508,669
Purchase of Government Securities	-	-	-	453,505	-	5,927,038

40. CAPITAL ADEQUACY, LEVERAGE RATIO AND LIQUIDITY REQUIREMENTS

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	---------- Rupees in '000 ----------	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	**20,506,625**	20,506,625
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	**24,016,330**	20,978,779
Eligible Additional Tier 1 (ADT 1) Capital	**2,500,000**	2,500,000
Total Eligible Tier 1 Capital	**26,516,330**	23,478,779
Eligible Tier 2 Capital	**8,204,961**	7,275,853
Total Eligible Capital (Tier 1 + Tier 2)	**34,721,291**	30,754,632
Risk Weighted Assets (RWAs):		
Credit Risk	**215,600,067**	161,741,570
Market Risk	**5,243,205**	5,255,606
Operational Risk	**67,451,656**	67,451,656
Total	**288,294,928**	234,448,832
Common Equity Tier 1 Capital Adequacy ratio	**8.33%**	8.95%
Tier 1 Capital Adequacy Ratio	**9.20%**	10.01%
Total Capital Adequacy Ratio	**12.04%**	13.12%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	**26,516,330**	23,478,779
Total Exposures	**804,988,541**	720,521,074
Leverage Ratio	**3.29%**	3.26%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	**301,075,205**	303,483,999
Total Net Cash Outflow	**127,317,516**	107,163,784
Liquidity Coverage Ratio	**236.48%**	283.20%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	**546,523,760**	484,703,363
Total Required Stable Funding	**328,782,296**	288,156,867
Net Stable Funding Ratio	**166.23%**	168.21%

40.1 In order to mitigate the impact of expected credit loss (ECL) provisioning on capital, SBP has allowed transitional arrangement to absorb the impact on regulatory capital. Accordingly, transitional arrangement is applied. If Transition wasn't applied Capital Position would have been as below:

	Transition Arrangement	Full ECL Impact
CET1 to TRWAs	**8.33%**	**8.15%**
T1 Capital to TRWAs	**9.20%**	**9.02%**
Total eligible capital to TRWAs	**12.04%**	**11.79%**
Leverage	**3.29%**	**3.23%**

41. GENERAL

41.1 Corresponding figures have been re-arranged / re-classified, wherever necessary, to facilitate comparison in the presentation in the current year. However, there are no material re-arrangements / re-classifications to report.

41.2 The figures in these unconsolidated financial statements have been rounded off to the nearest thousand.

42. SUBSEQUENT EVENT

No events were identified other than those disclosed in the respective notes to these unconsolidated condensed interim financial statements.

43. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue by the Board of Directors of the Bank in their meeting held on August 25, 2026.

President and Chief Executive Officer	Chief Financial Officer	Director	Director	Director

CONSOLIDATED FINANCIAL STATEMENTS

THE FINANCIAL **WEIGH-IN**

Step on the money scale: track income, expenses, savings, and debt to reveal your baseline.

Fitness Challenge: Weigh yourself, and start walking every day.


Half Year Ended June 30, 2026
VISA
GOLD

JS BANK LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		------------ Rupees in '000 ------------	
ASSETS			
Cash and balances with treasury banks	6	**114,742,434**	112,518,691
Balances with other banks	7	**4,915,018**	6,849,702
Lendings to financial institutions	8	**63,812,560**	38,838,746
Investments	9	**707,832,328**	581,458,618
Advances	10	**532,376,753**	542,341,772
Property and equipment	11	**38,441,533**	39,242,673
Right-of-use assets	12	**8,705,830**	8,968,662
Intangible assets	13	**12,566,725**	12,465,883
Deferred tax assets	14	**4,232,309**	3,356,645
Other assets	15	**75,212,498**	69,582,312
Total Assets		**1,562,837,988**	1,415,623,704
LIABILITIES			
Bills payable	16	**14,506,970**	17,734,525
Borrowings	17	**44,807,381**	40,741,188
Deposits and other accounts	18	**1,334,267,104**	1,199,431,741
Lease liabilities	19	**9,988,249**	10,055,035
Subordinated debt	20	**11,436,817**	11,490,890
Deferred tax liabilities		**-**	-
Other liabilities	21	**64,066,308**	55,046,690
Total Liabilities		**1,479,072,829**	1,334,500,069
NET ASSETS		**83,765,159**	81,123,635
REPRESENTED BY			
Share capital		**20,506,625**	20,506,625
Reserves		**12,012,213**	11,087,154
Surplus on revaluation of assets	22	**3,848,332**	5,529,752
Unappropriated profit		**34,659,940**	31,287,298
		71,027,110	68,410,829
Non-controlling interest		**12,738,049**	12,712,806
		83,765,159	81,123,635
CONTINGENCIES AND COMMITMENTS	23		

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

President and Chief Executive Officer	Chief Financial Officer	Director	Director	Director

JS BANK LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2026

		Quarter ended		Half Year Ended	
		June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
	Note	Rupees in '000			
Mark-up / return / interest / profit earned	25	**35,672,056**	37,289,545	**68,373,611**	78,400,046
Mark-up / return / interest / profit expensed	26	**18,393,538**	21,482,380	**35,881,707**	45,822,364
Net mark-up / interest income		**17,278,518**	15,807,165	**32,491,904**	32,577,682
NON MARK-UP / INTEREST INCOME					
Fee and commission income	27	**2,906,001**	2,980,663	**6,068,786**	5,533,773
Dividend income		**118,499**	142,266	**258,698**	339,963
Foreign exchange income		**1,242,473**	491,357	**2,055,534**	1,390,674
Income / (loss) from derivatives		**11,702**	257,915	**(7,223)**	256,893
Gain on securities - net	28	**106,676**	2,480,467	**303,008**	4,629,549
Net gains / (loss) on derecognition of financial assets measured at amortised cost		**-**	-	**-**	-
Share of profit / (loss) from associates		**83,251**	21,465	**(41,518)**	111,995
Other income	29	**154,289**	27,341	**219,547**	111,974
Total non mark-up / interest income		**4,622,891**	6,401,474	**8,856,832**	12,374,821
Total Income		**21,901,409**	22,208,639	**41,348,736**	44,952,503
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	30	**16,663,576**	15,516,854	**33,253,466**	30,183,072
Workers' welfare fund	31	**147,361**	91,150	**235,561**	264,892
Other charges	32	**9,764**	180,441	**14,999**	294,142
Total non-mark-up / interest expenses		**16,820,701**	15,788,445	**33,504,026**	30,742,106
Profit before credit loss allowance		**5,080,708**	6,420,194	**7,844,710**	14,210,397
(Reversal of) / credit loss allowance and write offs - net	33	**(2,127,530)**	1,974,975	**(2,742,660)**	2,276,469
Extra ordinary / unusual items		**-**	-	**-**	-
PROFIT BEFORE TAXATION		**7,208,238**	4,445,219	**10,587,370**	11,933,928
Taxation	34	**3,642,159**	2,222,656	**5,864,021**	6,610,420
PROFIT AFTER TAXATION		**3,566,079**	2,222,563	**4,723,349**	5,323,508
Attributable to:					
Equity holders of the Holding Company		**3,247,307**	1,649,570	**4,156,646**	4,073,466
Non-controlling interest		**318,772**	572,993	**566,703**	1,250,042
		3,566,079	2,222,563	**4,723,349**	5,323,508
		Rupees			
Earnings per share - basic and diluted	35	**1.58**	0.81	**2.03**	1.99

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

President and Chief Executive Officer	Chief Financial Officer	Director	Director	Director

JS BANK LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2026

	Quarter ended		Half Year Ended	
	June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
	------- Rupees in '000 -------			
Profit after taxation for the period	**3,566,079**	2,222,563	**4,723,349**	5,323,508
Other comprehensive (loss) / income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Effect of translation of net investment in foreign branch	**(9,595)**	26,242	**(18,174)**	38,130
Movement in (deficit) / surplus on revaluation of debt investments through FVOCI - net of tax	**595,031**	2,726,370	**(1,530,922)**	(899,047)
Debt investments at FVOCI – reclassified to profit or loss	**37,916**	(806,063)	**(101,212)**	(1,766,308)
	623,352	1,946,549	**(1,650,308)**	(2,627,225)
Items that will not be reclassified to profit and loss account in subsequent periods:				
Movement in surplus / (deficit) on revaluation of equity investments - net of tax	**724,773**	52,478	**151,876**	(953)
Movement in surplus on revaluation of property and equipment - net of tax	**(123,261)**	-	**(219,927)**	-
Total comprehensive income	**4,790,943**	4,221,590	**3,004,990**	2,695,330
Attributable to:				
Equity holders of the Holding Company	**4,340,060**	3,336,353	**2,648,385**	2,158,913
Non-controlling interest	**450,883**	885,237	**356,605**	536,417
	4,790,943	4,221,590	**3,004,990**	2,695,330

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

President and Chief Executive Officer	**Chief Financial Officer**	**Director**	**Director**	**Director**

JS BANK LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2026

	Attributable to equity holders of the Holding Company									Non-controlling interest	Total
	Share capital	Capital Reserves		Statutory reserve	Surplus / (deficit) on revaluation of			Unappropriated profit	Sub-total		
		Share premium	Exchange translation reserve		Investments	Property and equipment	Non-banking assets				
	Rupees in '000										
Balance as at December 31, 2024 (Audited)	20,506,625	2,688,217	657,775	6,271,259	5,698,629	1,911,983	523,884	26,121,333	64,380,704	12,415,850	76,796,554
Impact of adoption of IFRS 9 - net of tax	-	-	-	-	13,116	-	-	-	13,116	-	13,116
Balance as at January 01, 2025 after adoption of IFRS 9	20,506,625	2,688,217	657,775	6,271,258	5,711,745	1,911,983	523,884	26,121,333	64,393,820	12,415,850	76,809,670
Profit after taxation (June 30, 2025)	-	-	-	-	-	-	-	4,073,466	4,073,466	1,250,042	5,323,508
Other comprehensive income / (loss) - net of tax											
Effect of translation of net investment in foreign branch	-	-	38,130	-	-	-	-	-	38,130	-	38,130
Movement in deficit on revaluation of investments in debt instruments - net of tax	-	-	-	-	(418,924)	-	-	-	(418,924)	(480,123)	(899,047)
Debt investments at FVOCI - reclassified to profit or loss	-	-	-	-	(1,486,574)	-	-	-	(1,486,574)	(279,734)	(1,766,308)
Movement in deficit on revaluation of investments in equity instruments - net of tax	-	-	-	-	(47,187)	-	-	-	(47,187)	46,234	(953)
	-	-	38,130	-	(1,952,685)	-	-	-	(1,914,555)	(714,623)	(2,629,178)
Transfer to statutory reserve	-	-	-	973,695	-	-	-	(973,695)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(52,990)	(15,247)	68,237	-	-	-
Gain on disposal of equity investments at FVOCI transferred to unappropriated profit	-	-	-	-	(363,212)	-	-	363,212	-	-	-
Transactions with owners recorded directly in equity											
Interim cash dividend to non-controlling interest by subsidiary company at Rs. 1.25 per share	-	-	-	-	-	-	-	-	-	(344,864)	(344,864)
Opening Balance as at July 01, 2025 (Un-audited) - Restated	20,506,625	2,688,217	695,905	7,244,953	3,395,848	1,858,993	508,637	29,652,553	66,552,731	12,607,405	79,160,136
Profit after taxation	-	-	-	-	-	-	-	1,753,514	1,753,514	462,206	2,215,720
Other comprehensive income / (loss) - net of tax											
Effect of translation of net investment in foreign branch	-	-	(30,147)	-	-	-	-	-	(30,147)	-	(30,147)
Movement in deficit on revaluation of investments in debt instruments - net of tax	-	-	-	-	(271,731)	-	-	-	(271,731)	(239,632)	(511,363)
Debt investments at FVOCI - reclassified to profit or loss	-	-	-	-	(1,148,621)	-	-	-	(1,148,621)	(187,137)	(1,335,758)
Movement in surplus on revaluation of investments in equity instruments- net of tax	-	-	-	-	641,147	-	-	-	641,147	141,175	782,322
Remeasurement gain / (loss) on defined benefit obligations - net of tax	-	-	-	-	-	-	-	5,587	5,587	(7,982)	(2,395)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	1,059,335	-	-	1,059,335	350,933	1,410,268
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	(150,986)	-	(150,986)	(325)	(151,311)
	-	-	(30,147)	-	(779,205)	1,059,335	(150,986)	5,587	104,584	57,032	161,616
Transfer to statutory reserve	-	-	-	487,226	-	-	-	(487,226)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profits - net of tax	-	-	-	-	-	(274,940)	(21,586)	296,526	-	-	-
Gain on disposal of equity investments at FVOCI transferred to unappropriated profit	-	-	-	-	(66,344)	-	-	66,344	-	-	-
Transactions with owners, recorded directly in equity											
Interim cash dividend to non-controlling interest by subsidiary at Rs. 1.5 per share	-	-	-	-	-	-	-	-	-	(413,837)	(413,837)
Opening Balance as at January 01, 2026	20,506,625	2,688,217	665,758	7,732,179	2,550,299	2,643,388	336,065	31,287,298	68,410,829	12,712,806	81,123,635
Impact of adoption of IFRS 9 - net of tax (note 3.1.1)	-	-	-	-	(2,880)	-	-	(15,922)	(18,802)	-	(18,802)
Balance as at January 01, 2026 after adoption of IFRS 9	20,506,625	2,688,217	665,758	7,732,179	2,547,419	2,643,388	336,065	31,271,376	68,392,227	12,712,806	81,105,033
Profit after taxation for the current period	-	-	-	-	-	-	-	4,156,646	4,156,646	566,703	4,723,349
Other comprehensive (loss) / income - net of tax											
Effect of translation of net investment in foreign branch	-	-	(18,174)	-	-	-	-	-	(18,174)	-	(18,174)
Movement in deficit on revaluation of investments in debt instruments - net of tax	-	-	-	-	(1,290,747)	-	-	-	(1,290,747)	(240,175)	(1,530,922)
Debt investments at FVOCI – reclassified to profit or loss					(118,315)				(118,315)	17,103	(101,212)
Movement in surplus on revaluation of investments in equity instruments- net of tax	-	-	-	-	125,400	-	-	-	125,400	26,476	151,876
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	(219,927)	-	-	(219,927)	-	(219,927)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	-	-	-	-
	-	-	(18,174)	-	(1,283,662)	(219,927)	-	-	(1,521,763)	(196,596)	(1,718,359)
Transfer to statutory reserve	-	-	-	943,233	-	-	-	(943,233)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(71,595)	(1,218)	72,803	-	-	-
Gain on disposal of equity investments at FVOCI transferred to unappropriated profit	-	-	-	-	(102,348)	-	-	102,348	-	-	-
Transactions with owners recorded directly in equity											
Interim cash dividend to non-controlling interest by subsidiary at Rs. 1.25 per share	-	-	-	-	-	-	-	-	-	(344,864)	(344,864)
Balance as at June 30, 2026 (Un-audited)	20,506,625	2,688,217	647,584	8,675,412	1,161,809	2,351,879	334,847	34,659,940	71,027,110	12,738,048	83,765,158

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

President and Chief Executive Officer	Chief Financial Officer	Director	Director	Director

JS BANK LIMITED
CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2026

	Note	June 30, 2026	June 30, 2025
		Rupees in '000	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		10,587,370	11,933,928
Less: Dividend income		(258,698)	(339,963)
Share of (profit) / loss from associates		41,518	(111,995)
		10,370,190	11,481,970
Adjustments:			
Net mark-up / interest income		(33,165,520)	(33,128,262)
Depreciation on property and equipment	30	2,148,571	1,759,022
Depreciation on non-banking assets	30	20,453	21,331
Depreciation on right-of-use assets	30	1,843,222	1,652,664
Amortisation	30	697,297	469,106
(Reversal of) / credit loss allowance and write offs - net		(2,583,187)	2,276,469
Gain on sale of property and equipment - net	29	(37,721)	(25,713)
Gain on sale of non-banking asset - net	29	-	(20,896)
Gain on termination of leases - net	29	(25,602)	(15,345)
Gain on termination of Islamic financing	29	(39,246)	(36,653)
Finance charges on leased assets	26	673,616	681,222
Charge for defined benefit plan		196,258	795,210
Unrealised loss / (gain) on revaluation of investments measured at FVPL - net	28	23,536	(628,097)
Provision for workers' welfare fund		235,561	264,892
		(30,012,762)	(25,935,050)
		(19,642,572)	(14,453,080)
(Increase) / decrease in operating assets			
Lendings to financial institutions		(24,973,189)	(5,571,606)
Securities measured at FVPL		(832,530)	2,657,523
Advances		10,420,910	82,446,061
Other assets (excluding current taxation and mark-up receivable)		(5,248,516)	(16,152,608)
		(20,633,325)	63,379,368
Increase / (decrease) in operating liabilities			
Bills payable		(3,227,061)	(7,679,114)
Borrowings		3,377,113	(52,237,144)
Deposits and other accounts		134,835,363	113,214,277
Other liabilities (excluding current taxation and mark-up payable)		5,214,123	7,335,983
		140,199,538	60,634,002
		99,923,641	109,560,290
Mark-up / return / interest received		67,402,236	84,345,580
Mark-up / return / interest paid		(35,837,334)	(49,887,143)
Income tax paid		(5,747,425)	(9,405,074)
Net cash flows generated from operating activities		125,741,118	134,613,653
CASH FLOWS FROM INVESTING ACTIVITIES			
Net investments in securities measured at amortised cost		(76,357,262)	77,058,331
Net investments in securities measured at FVOCI		(49,561,591)	(195,961,490)
Net investments in associates		602,984	670,021
Dividend received		258,698	339,963
Acquisition of property and equipment		(1,435,091)	(9,308,027)
Acquisition of intangible assets		(798,835)	(713,317)
Proceeds from sale of property and equipment		125,336	44,762
Proceeds from sale of non-banking assets		-	109,500
Proceeds from termination of Islamic financing		39,246	36,653
Effect of translation of net investment in foreign branch		(18,174)	38,130
Net cash flows used in investing activities		(127,144,689)	(127,685,474)
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of subordinated debt		(3,017)	(1,081)
Receipt from advance against subordinated debt		3,500,000	-
Payments of lease obligations against right-of-use assets		(2,103,384)	(967,263)
Dividend paid to non-controlling interest		(338,679)	(344,864)
Net cash flows generated / (used in) from financing activities		1,054,920	(1,313,208)
(Decrease) / Increase in cash and cash equivalents		(348,651)	5,614,971
Cash and cash equivalents at beginning of the period		118,947,317	87,881,836
Effect of exchange rate changes on cash and cash equivalents		(514,084)	387,861
		118,433,233	88,269,697
Cash and cash equivalents at end of the period	36	118,084,582	93,884,668

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

President and Chief Executive Officer	Chief Financial Officer	Director	Director	Director

1. STATUS AND NATURE OF BUSINESS

1.1 The Group consists of:

Holding Company: JS Bank Limited

JS Bank Limited (the Holding Company / JSBL) is a banking company incorporated in Pakistan as a public limited company on March 15, 2006. The Holding Company is a subsidiary company of Jahangir Siddiqui and Co. Ltd. (JSCL) and its shares are listed on Pakistan Stock Exchange Limited (PSX). The Holding Company commenced its banking operations on December 30, 2006 and its registered office is situated at Shaheen Commercial Complex, Dr. Ziauddin Ahmed Road, Karachi.

The Holding Company is a scheduled bank, engaged in commercial banking and related services as described in the Banking Companies Ordinance, 1962 and is operating through 317 (December 31, 2025: 317) branches / sub-branches in Pakistan and one wholesale banking branch in Bahrain (December 31, 2025: 1). The Pakistan Credit Rating Agency Limited (PACRA) has maintained its long-term entity rating of the Holding Company to AA (Double A) and short-term rating at A1+ (A One Plus), which is the highest possible short-term rating. The ratings denote a very low expectation of credit risk and indicate very strong capacity for timely repayment of financial commitments.

1.2 Jahangir Siddiqui Investment Bank Limited, JSIBL, (formerly Citicorp Investment Bank Limited which was acquired by JSCL on February 01,1999), and its holding company, JSCL, entered into a Framework Agreement with American Express Bank Limited, New York (AMEX) on November 10, 2005 for acquisition of its American Express Bank Limited - Pakistan Branches, (AEBL). Consequently, a new banking company, JSBL was incorporated on March 15, 2006 and a Banking License was issued by the State Bank of Pakistan (SBP) on May 23, 2006.

A Transfer Agreement was executed on June 24, 2006 between JSIBL and JSBL for the transfer of entire business and undertaking of JSIBL to JSBL and a separate Transfer Agreement was also executed on June 24, 2006, between AMEX and JSBL for the transfer of AEBL's commercial banking business in Pakistan with all assets and liabilities (other than certain excluded assets and liabilities) (AEBL business). The shareholders of JSIBL and JSBL, in their respective extra-ordinary general meetings held on July 31, 2006, approved a Scheme of Amalgamation (the Scheme) under Section 48 of the Banking Companies Ordinance, 1962. The Scheme was initially approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter No. SC/NBFC(J)-R/JSIBL/2006/517 dated September 28, 2006. Subsequently, the Scheme was sanctioned by the SBP vide its order dated December 02, 2006 and, in accordance therewith, the effective date of amalgamation was fixed at December 30, 2006.

The ultimate parent of the Group is Jahangir Siddiqui & Co. Ltd. which holds 71.21% (December 31, 2025: 71.21%) shares of the Holding Company.

1.3 Composition of the Group

	Effective Holding	
	June 30, 2026	December 31, 2025
Subsidiaries		
JS Global Capital Limited (JSGCL)	**92.90%**	92.90%
JS Investments Limited (JSIL)	**84.73%**	84.73%
BankIslami Pakistan Limited (BIPL)	**75.12%**	75.12%
My Solutions Corporation Limited (Sub-subsidiary)	**75.12%**	75.12%
BIPL Exchange Company Private Limited (Sub-subsidiary)	**75.12%**	75.12%

1.4 Composition of the associated companies

Associates of the Group		
Omar Jibran Engineering Industries Limited	**-**	9.60%
Veda Transit Solutions (Private) Limited	**3.92%**	3.92%
Intercity Touring Company (Private) Limited	**9.12%**	9.12%

1.4.1 In addition to the above, funds managed by JS Investments Limited (JSIL) are also treated as associates of the group by virtue of the controlling interest of the Holding Company in JSIL. The names and holding percentages are disclosed in note 9.4.1 respectively of these consolidated condensed interim financial statements.

1.4.2 At the time of the acquisition, there were investments in associates recorded in BIPL's books. However, since these investments were fully provided for as of the acquisition date, they are not included in this note.

2. BASIS OF PRESENTATION

The disclosures made in these consolidated condensed interim financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 02 dated February 09, 2023 and International Accounting Standard (IAS) 34, 'Interim Financial Reporting'.

These consolidated condensed interim financial statements do not include all the information and disclosures required for annual consolidated financial statements and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2025. The basis of segmentation used in these consolidated condensed interim financial statements differs from that presented in the annual consolidated financial statements for the year ended December 31, 2025, as disclosed in note 38.1.

These consolidated condensed interim financial statements include financial statements of JS Bank Limited and its subsidiary companies, and share of the profit / reserves of associates.

These consolidated condensed interim financial statements have been presented in Pakistani Rupees (PKR), which is the currency of the primary economic environment in which the Group operates and functional currency of the Group. The amounts are rounded to nearest thousand except as stated otherwise.

The Group believes that there is no significant doubt on the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on the going concern basis.

2.1 Statement of Compliance

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting' and 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 the Institute of Chartered Accountants of Pakistan (ICAP) 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 the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

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

The SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for banking companies vide BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' on banks vide its notification 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 consolidated condensed interim financial statements.

International Financial Reporting Standard (IFRS) 10, 'Consolidated Financial Statements', was made applicable from period beginning on or after January 01, 2015 vide S.R.O 633(I)/2014 dated July 10, 2014 by SECP. However, SECP has directed through S.R.O 56(I)/2016 dated January 28, 2016, that the requirement of consolidation under section 228 of the Companies Act, 2017 and IFRS 10, 'Consolidated Financial Statements' is not applicable in case of investment by companies in mutual funds established under trust structure. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements.

2.2 Basis of Consolidation

- The consolidated condensed interim financial statements include the financial statements of the Holding Company and its subsidiary companies together - the Group.
- Subsidiaries are entities controlled by the Group. Control exists when the Group is exposed, or has rights, to variable returns from its investment with investee and has the ability to effect those return through its power over the investee except investment in mutual funds established under trust structure where IFRS 10 is not applicable in case of investment by companies in mutual funds established under Trust structure.
- These consolidated condensed interim financial statements incorporate the financial statements of subsidiaries from the date that control commences until the date that control ceases.
- The unconsolidated condensed interim financial statements of the subsidiary companies are prepared for the same reporting year as the Group for the purpose of consolidation, using consistent accounting policies.
- The assets, liabilities, income and expenses of subsidiary companies have been consolidated on a line by line basis.
- Non-controlling interests are that part of the net results of operations and of net assets of subsidiaries attributable to interest which are not owned by the Holding Company.
- Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Associates are accounted for using the equity method as disclosed in note 4.5 of the annual consolidated financial statements for the year ended December 31, 2025.
- Material intra-group balances and transactions are eliminated.

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

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

Certain amendments to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments' have become applicable to the Bank, which clarify the timing of recognition and derecognition of a financial asset or financial liability. These amendments do not have any significant impact and, accordingly, have not been separately disclosed in these unconsolidated condensed interim financial statements. The Bank will assess and incorporate the application and impact of these amendments in its financial statements for the year ending December 31, 2026.

2.4 Standards, interpretations of and amendments to published accounting and reporting 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:

Standards and Amendments	Effective date (annual periods beginning on or after)
IFRS 18 - Presentation and disclosure in financial statements	January 01, 2027
Amendments to IAS 28 'Investments in Associates' - Amendments to the Fair Value Option for Investments in Associates and Joint Ventures	January 01, 2027

Standard	IASB effective date (accounting periods beginning on or after)
IFRS 1 – First-time Adoption of International Financial Reporting Standards	January 01, 2024
IFRS 17 Insurance Contracts	January 01, 2027

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

IFRS 20 'Regulatory Assets and Regulatory Liabilities' has been issued by IASB effective from January 01, 2029. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the consolidated financial statements of the Group for the year ended December 31, 2025 except for changes disclosed in note 3.1 to these consolidated condensed interim financial statements.

3.1 Changes in Accounting Policies

3.1.1 Impact of IFRS 9 - Financial Instruments

The Group adopted IFRS 9 Financial Instruments with effect from January 1, 2024, using the modified retrospective approach, as permitted under the accounting and reporting standards as applicable in Pakistan. The SBP had granted certain relaxations and extensions from time to time, and the impacts of these relaxations and extensions was incorporated in the Group's consolidated financial statements for the years ended December 31, 2024 and December 31, 2025, respectively.

In addition, through its letter SBPHOK-BPRD-RPD-JSB-827402 dated January 22, 2025, the SBP granted the Holding Company an extension for the application of Effective Interest Rate (EIR) methodology up to December 31, 2025. Accordingly, during the current period, the Holding Company has applied EIR with effect from January 01, 2026 and the cumulative impact of EIR adoption amounting to Rs. 18.602 million, net of tax, has been recorded as an adjustment to equity at the beginning of the current period.

To account for the changes, the Holding Company has elected to follow the modified retrospective approach for restatement as allowed under IFRS 9. The cumulative impact has been recorded as an adjustment to equity as of January 01, 2026. Accordingly, the information presented as of December 31, 2025 and for the six months and three months ended June 30, 2025 and March 31, 2025 respectively has not been restated.

The following table reconciles the carrying amounts of financial instruments reported in accordance with the previous financial reporting framework with the carrying amounts reported under the new financial reporting framework.

Financial Assets / Liabilities	Carrying amount as of December 31, 2025	EIR impact	Carrying amount as of January 01, 2026
	---------------------- Rupees in '000 ----------------------		
Cash and balances with treasury banks	112,518,691	-	112,518,691
Balances with other banks	6,849,702	-	6,849,702
Lending to financial institutions	38,838,746	-	38,838,746
Investments	581,458,618	(14,435)	581,444,183
Advances	542,341,772	(51,278)	542,290,494
Other assets	18,735,236	(28,339)	18,706,897
Total financial assets	1,300,742,765	(94,052)	1,300,648,713
Bills payable	17,734,525	-	17,734,525
Borrowings	40,741,188	(488)	40,740,700
Deposits and other accounts	1,199,431,741	-	1,199,431,741
Lease liabilities	10,055,035	-	10,055,035
Subordinated debt	11,490,890	(54,810)	11,436,080
Other liabilities	10,839,557	-	10,839,557
Total financial liabilities	1,290,292,936	(55,298)	1,290,237,638
Net financial assets	**10,449,829**	**(38,754)**	**10,411,075**
Non financial assets	67,317,161	-	67,317,161
Deferred tax assets	3,356,645	20,152	3,376,797
Total net assets	**81,123,635**	**(18,602)**	**81,105,033**

3.1.2 Reconciliation of retained earnings

The impact of EIR on retained earnings as at January 01, 2026 is as follows:	-- Rupees in '000 --
Retained earnings	
Closing balance as at December 31, 2025 - as reported	31,287,298
Impact of EIR	(33,170)
Less: related tax	17,248
Opening balance as at January 01, 2026 - as restated	31,271,376
Surplus on revaluation of investments	
Closing balance as at December 31, 2025 - as reported	2,550,299
Impact of EIR	(5,584)
Less: related tax	2,904
Opening balance as at January 01, 2026 - as restated	2,547,619

The SBP vide its BPRD Circular Letter No. 1 of 2025 dated January 22, 2025, directed the Islamic Banking Institutions (IBIs) to continue applying the existing revenue recognition methodology, including the requirements of IFAS 1 and IFAS 2, until further instructions. Based on its unconsolidated statement of financial position as at December 31, 2025, the Holding Company's banking subsidiary, BankIslami Pakistan Limited (BIPL), carried out a preliminary assessment of the impact of adopting the EIR methodology and concluded that the cumulative estimated adjustment, net of tax, arising on adoption as at January 1, 2026 is not material. Accordingly, no such impact has been disclosed in these condensed interim consolidated financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

5. FINANCIAL RISK MANAGEMENT

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

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
6. CASH AND BALANCES WITH TREASURY BANKS	Rupees in '000	
In hand		
Local currency	**26,485,991**	23,367,414
Foreign currencies	**1,837,730**	1,796,258
	28,323,721	25,163,672
With State Bank of Pakistan in		
Local currency current accounts	**72,262,669**	74,459,115
Foreign currency current accounts	**1,251,726**	1,274,560
Foreign currency deposit accounts	**6,713,853**	6,649,045
	80,228,248	82,382,720
With National Bank of Pakistan in local currency current accounts	**6,236,253**	4,967,376
Prize Bonds	**5,714**	6,385
	114,793,936	112,520,153
Less: Credit loss allowance held against cash and balances with treasury banks (stage 1)	**(51,502)**	(1,462)
Cash and balances with treasury banks - net of credit loss allowance	**114,742,434**	112,518,691
7. BALANCES WITH OTHER BANKS		
In Pakistan		
In current accounts	**429,757**	98,998
In deposit accounts	**357,036**	491,318
	786,793	590,316
Outside Pakistan		
In current accounts	**3,425,503**	5,618,534
In deposit accounts	**706,317**	643,117
	4,131,820	6,261,651
Less: Credit loss allowance held against balances with other banks (stage 1)	**(3,595)**	(2,265)
Balances with other banks - net of credit loss allowance	**4,915,018**	6,849,702
8. LENDINGS TO FINANCIAL INSTITUTIONS		
Reverse repo agreements	**6,000,000**	15,944,886
Lending under margin trading system	**3,116,623**	3,898,296
Bai Muajjal receivable	**19,699,748**	-
	28,816,371	19,843,182
Unsecured		
Bai Muajjal receivable	**34,000,000**	19,000,000
Other placements	**1,000,000**	-
	63,816,371	38,843,182
Less: Credit loss allowance held against lending to financial institutions (stage 1)	**(3,811)**	(4,436)
Lendings to financial institutions - net of credit loss allowance	**63,812,560**	38,838,746

8.1 Lending to Financial Institutions - Particulars of credit loss allowance

		(Un-audited) June 30, 2026		(Audited) December 31, 2025	
Category of classification		**Lending**	**Credit loss allowance held**	Lending	Credit loss allowance held
		Rupees in '000			
Domestic					
Performing	Stage 1	**63,816,371**	**3,811**	38,843,182	4,436
Total		**63,816,371**	**3,811**	38,843,182	4,436

9. INVESTMENTS

9.1 Investments by type

	Note	June 30, 2026 (Un-audited)				December 31, 2025 (Audited)			
		Cost / Amortised cost	Credit loss allowance / provision for diminution	Surplus / (deficit)	Carrying value	Cost / Amortised cost	Credit loss allowance / provision for diminution	Surplus / (deficit)	Carrying value
		Rupees in '000							
Debt Instruments									
Classified / Measured at amortised cost									
Federal Government Securities	9.1.1	109,763,639	-	-	109,763,639	33,636,907	-	-	33,636,907
Non Government Debt securities		223,200	-	-	223,200	-	-	-	-
		109,986,839	-	-	109,986,839	33,636,907	-	-	33,636,907
Classified / Measured at FVOCI									
Federal Government securities		551,544,799	-	779,950	552,324,749	506,045,375	-	4,084,204	510,129,579
Non Government Debt securities		3,235,188	(929,933)	(11,964)	2,293,291	4,060,293	(824,427)	17,055	3,252,921
Foreign securities		25,458,675	(143)	1,271	25,459,803	22,609,049	(197)	73,859	22,682,711
		580,238,662	(930,076)	769,257	580,077,843	532,714,717	(824,624)	4,175,118	536,065,211
Classified / Measured at FVPL									
Federal Government securities		1,113,508	-	129	1,113,637	1,444,974	-	12,588	1,457,562
Non Government Debt securities		125,000	-	-	125,000	126,688	-	(1,688)	125,000
Foreign securities		359,031	-	(7,280)	351,751	363,201	-	(1,489)	361,712
		1,597,539	-	(7,151)	1,590,388	1,934,863	-	9,411	1,944,274
Instruments mandatorily classified / measured at FVPL									
Non Government Debt Securities		150,000	-	(4,280)	145,720	50,000	-	-	50,000
Equity Instruments									
Classified / Measured at FVOCI (Non-Reclassifiable)									
Shares - Listed		10,865,168	-	2,476,796	13,341,964	4,555,391	-	2,611,909	7,167,300
Shares - Unlisted		411,053	-	(133,861)	277,192	410,894	-	(336,631)	74,263
		11,276,221	-	2,342,935	13,619,156	4,966,285	-	2,275,278	7,241,563
Classified / Measured at FVPL									
Shares - Listed		814,314	-	12,656	826,970	344,227	-	29,565	373,792
Shares - Unlisted		591,945	-	(591,680)	265	265	-	-	265
Mutual Funds		90,212	-	(1,559)	88,653	38,755	-	4,966	43,721
REIT Funds		89,333	-	37,539	126,872	52,179	-	36,582	88,761
		1,585,804	-	(543,044)	1,042,760	435,426	-	71,113	506,539
Associates		2,429,866	(1,060,244)	-	1,369,622	3,074,368	(1,060,244)	-	2,014,124
Total Investments		707,264,931	(1,990,320)	2,557,717	707,832,328	576,812,566	(1,884,868)	6,530,920	581,458,618

9.1.1 The market value of securities classified as measured at amortised cost as at June 30, 2026 amounted to Rs. 108,245.170 million (December 31, 2025: Rs. 33,739.882 million).

9.2 Investments given as collateral

	(Un-audited) June 30, 2026		(Audited) December 31, 2025	
	Cost	Market value	Cost	Market value
	Rupees in '000			
Federal Government Securities				
Market Treasury Bills	-	-	484,782	485,489
Pakistan Investment Bonds	488,439	487,306	3,452,225	3,484,055
Government of Pakistan Ijarah Sukuks	9,761,800	9,761,800	5,261,800	5,261,800
	10,250,239	10,249,106	9,198,807	9,231,344

9.3 Credit loss allowance / provision for diminution in value of investments

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	Rupees in '000	
Opening balance - provision for diminution other than associates	824,624	1,162,369
Opening balance - provision for diminution on associates	1,060,244	1,102,111
	1,884,868	2,264,480
Exchange rate adjustments	(1)	1,889
Charge for the period / year other than associates	130,756	109
Provision for diminution on associate for the period / year	-	127,656
Reversals for the period / year	(25,281)	-
Reversal on disposals	(22)	(339,743)
	105,453	(211,978)
Amounts written off	-	(169,523)
Closing balance	1,990,320	1,884,868

9.3.1 Particulars of credit loss allowance against debt securities

Category of classification		(Un-audited) June 30, 2026		(Audited) December 31, 2025	
		Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
		Rupees in '000			
Domestic					
Performing	Stage 1	1,683,472	45	2,485,301	157
Under-performing	Stage 2	224,985	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		1,549,931	929,888	1,574,992	824,270
		1,549,931	929,888	1,574,992	824,270
		3,458,388	929,933	4,060,293	824,427
Overseas					
Performing	Stage 1	25,458,675	143	22,609,049	197
Under-performing	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
		-	-	-	-
		25,458,675	143	22,609,049	197
Total		28,917,063	930,076	26,669,342	824,624

9.3.2 Debt securities amounting to Rs. 661,308.438 million (December 31, 2025: Rs. 539,683.282 million) relate to government securities that are exempt from the calculation of ECL by the SBP.

9.4 Investment in associates

9.4.1 Movement of investment in associates

	Country of incorporation	Holding (%)	Investment at the beginning of the period	Reclassified during the year	Investment / (redemption) during the period	Share of Profit / (loss)	Dividend received	Share of other comprehensive income	Investment as at June 30, 2026
	June 30, 2026 (Un-audited)								
			Rupees in '000						
Omar Jibran Engineering Industries Limited	Pakistan	9.60%	135,600	-	(135,600)	-	-	-	-
JS Cash Fund	Pakistan	0.17%	4,356	-	1,032	2,085	(2)	-	7,471
JS Government Securities Fund	Pakistan	0.00%	37,723		(38,622)	899	-	-	-
JS Growth Fund	Pakistan	5.54%	-	-	215,910	26,617	-	-	242,527
JS Income Fund	Pakistan	0.00%	580,309		(589,423)	9,114	-	-	-
JS Islamic Fund	Pakistan	0.00%	48,969		(41,198)	(7,771)	-	-	-
JS Islamic Income Fund	Pakistan	12.50%	-	-	122,892	4,385	(847)	-	126,430
JS KPK Islamic Pension Fund - Debt Sub Fund	Pakistan	100.00%	500	-	-	-	-	-	500
JS KPK Islamic Pension Fund - Equity Sub Fund	Pakistan	100.00%	500	-	-	-	-	-	500
JS KPK Islamic Pension Fund - MM Sub Fund	Pakistan	5.25%	40,850	-	-	1,977	-	-	42,827
JS KPK Islamic Pension Fund -Equity Index Sub Fund	Pakistan	100.00%	500	-	-	-	-	-	500
JS KPK Pension Fund - Debt Sub Fund	Pakistan	100.00%	500	-	-	-	-	-	500
JS KPK Pension Fund - Equity Sub Fund	Pakistan	100.00%	500	-	-	-	-	-	500
JS KPK Pension Fund - MM Sub Fund	Pakistan	41.80%	41,562	-	-	1,953	-	-	43,515
JS KPK Pension Fund -Equity Index Sub Fund	Pakistan	100.00%	500	-	-	-	-	-	500
JS Large Cap Fund	Pakistan	0.00%	259,340		(206,319)	(53,021)	-	-	-
JS Microfinance Sector Fund	Pakistan	0.54%	233,117	-	(58,434)	15,383	-	-	190,066
JS Momentum Factor Exchange Traded Fund	Pakistan	22.88%	257,498	-	126,679	(35,928)	(21,512)	-	326,737
JS Money Market Fund	Pakistan	2.94%	118,970	-	46,744	5,283	(65)	-	170,932
JS Motion Picture Fund	Pakistan	100.00%	82,060	-	-	3,760	-	-	85,820
JS Punjab Islamic Pension Fund - MM Sub Fund	Pakistan	100.00%	500	-	-	5	-	-	505
JS Punjab Pension Fund - MM Sub Fund	Pakistan	100.00%	500	-	-	16	-	-	516
JS Rental REIT Fund	Pakistan	5.66%	129,638	-	(13)	(349)	-	-	129,276
Unit Trust of Pakistan	Pakistan	0.00%	40,132		(24,206)	(15,926)	-	-	-
			2,014,124	-	(580,558)	(41,518)	(22,426)	-	1,369,622

	Country of incorporation	Holding (%)	Investment at the beginning of the year	Reclassified during the year	Investment / (redemption) during the year	Share of Profit / (loss)	Dividend received	Share of other comprehensive income	Investment at the end of the year
	December 31, 2025 (Audited)								
			Rupees in '000						
Omar Jibran Engineering Industries Limited	Pakistan	9.60%	184,354	-	-	(48,754)	-	-	135,600
JS Cash Fund	Pakistan	0.03%	1,550,843	-	(1,580,786)	34,320	(121)	-	4,356
JS Fixed Term Munafa Plan-10	Pakistan	0.00%	301,890	-	(322,230)	20,340	-	-	-
JS Fund of Funds	Pakistan	0.00%	423,005	-	(418,358)	(4,647)	-	-	-
JS Government Securities Fund	Pakistan	0.40%	-	-	(8,007)	46,764	(1,034)	-	37,723
JS Growth Fund	Pakistan	0.00%	127,316	-	(192,957)	65,953	(312)	-	-
JS Income Fund	Pakistan	12.79%	-	-	547,329	34,636	(1,656)	-	580,309
JS Islamic Fund	Pakistan	8.48%	-	-	43,066	5,980	(77)	-	48,969
JS Islamic Income Fund	Pakistan	0.00%	-	-	(1,704)	1,704	-	-	-
JS Islamic Money Market Fund (Formerly: JS Islamic Daily Dividend Fund)	Pakistan	0.00%	-	-	(1,090)	1,090	-	-	-
JS KPK Islamic Pension Fund - Debt Sub Fund	Pakistan	100.00%	500	-	-	-	-	-	500
JS KPK Islamic Pension Fund - Equity Sub Fund	Pakistan	100.00%	500	-	-	-	-	-	500
JS KPK Islamic Pension Fund - MM Sub Fund	Pakistan	15.51%	37,124	-	-	3,726	-	-	40,850
JS KPK Islamic Pension Fund -Equity Index Sub Fund	Pakistan	100.00%	500	-	-	-	-	-	500
JS KPK Pension Fund - Debt Sub Fund	Pakistan	100.00%	500	-	-	-	-	-	500
JS KPK Pension Fund - Equity Sub Fund	Pakistan	100.00%	500	-	-	-	-	-	500
JS KPK Pension Fund - MM Sub Fund	Pakistan	58.53%	37,274	-	-	4,288	-	-	41,562
JS KPK Pension Fund -Equity Index Sub Fund	Pakistan	100.00%	500	-	-	-	-	-	500
JS Large Cap Fund	Pakistan	7.36%	-	-	168,855	90,485	-	-	259,340
JS Microfinance Sector Fund	Pakistan	0.69%	-	-	219,797	13,339	(19)	-	233,117
JS Momentum Factor Exchange Traded Fund	Pakistan	23.55%	-	-	225,641	61,935	(30,078)	-	257,498
JS Money Market Fund	Pakistan	3.94%	-	-	115,000	3,970	-	-	118,970
JS Motion Picture Fund	Pakistan	100.00%	81,920	-	-	7,692	(7,552)	-	82,060
JS Punjab Islamic Pension Fund - MM Sub Fund	Pakistan	100.00%	-	-	500	-	-	-	500
JS Punjab Pension Fund - MM Sub Fund	Pakistan	100.00%	-	-	500	-	-	-	500
JS Rental REIT Fund	Pakistan	5.62%	-	-	130,000	(362)	-	-	129,638
Unit Trust of Pakistan	Pakistan	1.41%	-	-	(36,311)	76,443	-	-	40,132
			2,746,826	-	(1,110,755)	418,902	(40,849)	-	2,014,124

9.4.2 Summary of financial position and performance of associates as per latest available financial statements is as follows:

	As at	June 30, 2026 (Un-audited) Assets	Liabilities	Revenue	Profit / (loss)	December 31, 2025 (Audited) Assets	Liabilities	Revenue	Profit / (loss)
		Rupees in '000				Rupees in '000			
Omar Jibran Engineering Industries Limited	Jun 30, 2023	-	-	-	-	5,372,772	2,430,640	2,345,882	(145,624)
Veda Transit Solutions (Private) Limited	Jun 30, 2025	3,846,698	4,568,504	3,285,870	(893,370)	4,242,630	3,236,774	2,468,979	(80,262)
Shakarganj Food Products Limited	Sep 30, 2025	8,983,095	5,409,771	8,482,240	(380,687)	10,335,484	6,782,558	15,068,704	196,882
KASB Funds Limited	Dec 31, 2015	46,465	32,465	23,640	(66,241)	46,465	32,465	23,640	(66,241)
JS Cash Fund	Jun 30, 2026	4,385,638	38,320	714,068	655,007	13,118,970	43,465	402,447	364,891
JS Government Securities Fund	Dec 31, 2025	-	-	-	-	8,596,218	65,827	594,426	507,647
JS Growth Fund	Jun 30, 2026	4,605,496	225,643	1,429,539	1,253,733	-	-	-	-
JS Income Fund	Dec 31, 2025	-	-	-	-	4,615,120	78,148	424,222	352,337
JS Islamic Income Fund	Jun 30, 2026	1,025,705	14,560	122,836	94,604	-	-	-	-
JS Islamic Fund	Dec 31, 2025	-	-	-	-	588,971	12,794	157,928	143,804
JS KPK Islamic Pension Fund - Debt Sub Fund	Jun 30, 2026	635	135	-	-	635	135	-	-
JS KPK Islamic Pension Fund - Equity Sub Fund	Jun 30, 2026	635	135	-	-	635	135	-	-
JS KPK Islamic Pension Fund - MM Sub Fund	Jun 30, 2026	816,981	759	41,216	38,812	264,066	622	10,963	9,997
JS KPK Islamic Pension Fund -Equity Index Sub Fund	Jun 30, 2026	635	135	-	-	635	135	-	-
JS KPK Pension Fund - Debt Sub Fund	Jun 30, 2026	635	135	-	-	635	135	-	-
JS KPK Pension Fund - Equity Sub Fund	Jun 30, 2026	635	135	-	-	635	135	-	-
JS KPK Pension Fund - MM Sub Fund	Jun 30, 2026	104,650	538	8,628	7,859	71,581	568	4,223	3,618
JS KPK Pension Fund -Equity Index Sub Fund	Jun 30, 2026	635	135	-	-	635	135	-	-
JS Large Cap Fund	Jun 30, 2026	3,370,069	37,916	883,164	748,435	3,560,402	37,515	1,089,715	1,022,623
JS Microfinance Sector Fund	Jun 30, 2026	35,948,737	551,633	3,997,180	3,501,832	33,858,882	145,335	1,290,845	151,252
JS Momentum Factor Exchange Traded Fund	Jun 30, 2026	1,434,933	6,794	194,932	189,270	1,098,928	3,653	288,127	289,193
JS Money Market Fund	Jun 30, 2026	5,874,265	65,733	360,655	350,144	3,022,956	6,146	114,854	108,986
JS Motion Picture Fund	Jun 30, 2026	86,480	657	8,719	7,699	83,247	183	4,284	3,939
JS Punjab Islamic Pension Fund - MM Sub Fund	Jun 30, 2026	1,742	1,238	13	5	-	-	-	-
JS Punjab Pension Fund - MM Sub Fund	Jun 30, 2026	1,703	1,188	19	16	-	-	-	-
JS Rental REIT Fund	Jun 30, 2026	2,533,092	250,434	67,985	(80,088)	2,468,744	162,579	33,432	(56,580)
Unit Trust of Pakistan	Dec 31, 2025	-	-	-	-	2,883,596	26,316	856,717	807,762

9.5 As previously disclosed as part of the Group's consolidated condensed interim financial statements for the half year ended June 30, 2025, the Holding Company held an overdue principal exposure amounting to Rs. 2,590.565 million extended to a borrower, alongside accrued Mark-up receivable and other recoverable amounts, which was fully collateralized through liquid equity shares. Post default, resulting from non-payments, the Bank had exercised its due right and enforced the pledge call. However, transfer of ownership of the pledged shares in the Holding Company's name remained pending due to certain legal constraints and ongoing litigations at the time. Accordingly, the exposure was classified as loss, and the Holding Company recognised a 100% credit loss allowance against the same.

During the current period, legal constraints restricting transfer in the Holding Company's name were successfully resolved pursuant to a favourable order passed by the relevant Court, enabling the Holding Company to affect the transfer of the said shares on May 21, 2026. Accordingly, the beneficial ownership of 81,358,289 shares was duly transferred to the Holding Company towards the recovery of the outstanding liabilities.

Following the transfer, the Holding Company allocated the recovered collateral against the defaulted sums owed by the borrower and his affiliates to both the Holding Company and its Subsidiary, i.e. JS Global Capital Limited (JSGCL). The shares have been accounted for as follows:

Equity Investment recognised by the Group:

A total of 57,956,681 shares were recorded on the Group's condensed interim consolidated statement of financial position as part of investment in listed equity shares. This allocation represents the realization of collateral against the borrower's direct obligations to the Holding Company, which encompasses the defaulted principal, along with associated mark-up receivable and legal costs. Consequently, the corresponding borrower exposure stands fully settled in the Holding Company's books, and the related credit loss allowance held against the same has been reversed. These shares, being listed equity securities, continue to be measured at fair value in accordance with applicable financial reporting standards.

A total of 23,401,608 shares were acquired to settle the outstanding exposures owed by the Borrower's affiliates to JSGCL, pursuant to cross-default and general lien provisions contained in the underlying credit documentation. These shares are held by the Holding Company in custody, on behalf of its subsidiary, i.e. JSGCL, and a share custody agreement has been executed between the Holding Company and JSGCL on July 27, 2026. Since the Bank holds these shares strictly under a custodial capacity and in trust for JSGCL, these shares have not been recognized as an investment as part of the Group's condensed interim consolidated statement of financial position.

At present, due to certain ongoing litigations, the Holding Company is restricted to affect sale of the said shares. While these administrative stays restrict liquidation or disposal temporarily, as per legal advice, this does not affect or impair the Holding Company's perfected title and beneficial ownership. The Management is actively pursuing legal recourse and remains confident that the disposal restrictions will be set aside in due course.

		Performing		Non-Performing		Total	
		June 30, 2026 (Un-audited)	December 31, 2025 (Audited)	**June 30, 2026 (Un-audited)**	December 31, 2025 (Audited)	**June 30, 2026 (Un-audited)**	December 31, 2025 (Audited)
10. ADVANCES	Note	Rupees in '000					
Loans, cash credits, running finances, etc.		**219,169,004**	234,958,013	**23,437,847**	27,231,091	**242,606,851**	262,189,104
Bills discounted and purchased		**6,630,604**	17,979,708	**969,927**	1,052,359	**7,600,531**	19,032,067
Islamic financing and related assets	10.4	**317,815,616**	299,514,421	**15,622,529**	16,922,520	**333,438,145**	316,436,941
Advances - gross		**543,615,224**	552,452,142	**40,030,303**	45,205,970	**583,645,527**	597,658,112
Credit loss allowance against advances							
- Stage 1		**(3,743,807)**	(3,793,938)	**-**	-	**(3,743,807)**	(3,793,938)
- Stage 2		**(1,628,898)**	(1,302,475)	**-**	-	**(1,628,898)**	(1,302,475)
- Stage 3		**-**	-	**(34,811,901)**	(38,842,682)	**(34,811,901)**	(38,842,682)
	10.6	**(5,372,705)**	(5,096,413)	**(34,811,901)**	(38,842,682)	**(40,184,606)**	(43,939,095)
Modification loss due to IFRS 9		**(63,134)**	(67,991)	**-**	-	**(63,134)**	(67,991)
Fair value adjustment	10.2 and 10.3	**(11,021,034)**	(11,309,254)	**-**	-	**(11,021,034)**	(11,309,254)
Advances - net of credit loss allowance		**527,158,351**	535,978,484	**5,218,402**	6,363,288	**532,376,753**	542,341,772

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	Rupees in '000	
10.1 Particulars of advances (gross)		
In local currency	**564,330,521**	576,640,318
In foreign currencies	**19,315,006**	21,017,794
	583,645,527	597,658,112

10.2 This includes deferred fair value loss arising from the restructuring of Pakistan International Airlines Corporation Limited (PIACL). SBP through its letter dated August 01, 2024 has allowed staggering of such fair value impact over the period of 6 years at rates of 5%, 10%, 15%, 20%, 25%, and 25% from year 1 to year 6. Further, SBP vide BPRD Circular Letter No.16 of 2024 dated July 29, 2024 has allowed to take such fair value adjustment with effect from October 01, 2024.

10.3 This also includes fair valuation adjustment on modified loans and concessional rate loans (staff loans and TERF loans) considered in accordance with the requirements of IFRS 9.

	June 30, 2026 (Un-audited)			December 31, 2025 (Audited)		
	Performing	**Non-Performing**	**Total**	Performing	Non-Performing	Total
10.4 Islamic financing and related assets	Rupees in '000					
Running Musharakah	**76,581,937**	**1,324,955**	**77,906,892**	75,864,281	1,444,955	77,309,236
Diminishing Musharakah financing and related assets - others	**86,505,694**	**4,017,510**	**90,523,204**	90,955,249	4,039,670	94,994,919
Diminishing Musharakah - Housing	**24,029,819**	**1,459,101**	**25,488,920**	21,446,826	1,756,203	23,203,029
Istisna financing and related assets	**35,532,055**	**2,977,202**	**38,509,257**	29,391,392	3,533,832	32,925,224
Diminishing Musharakah financing and related assets - Auto	**33,688,372**	**653,425**	**34,341,797**	26,385,709	678,921	27,064,630
Murabahah financing and related assets	**27,256,176**	**992,659**	**28,248,835**	27,888,608	958,175	28,846,783
Musawamah financing and related assets / Tijarah	**9,152,232**	**3,806,358**	**12,958,590**	8,611,822	3,905,606	12,517,428
Investment Agency Wakalah	**3,049,006**	**-**	**3,049,006**	3,233,383	-	3,233,383
Murabahah against Bills	**289,395**	**171,527**	**460,922**	1,107,066	192,048	1,299,114
Ijarah financing under IFAS 2 and related assets	**20,051,580**	**31,656**	**20,083,236**	12,145,748	43,394	12,189,142
Financing against Bills	**1,308,162**	**-**	**1,308,162**	2,137,622	-	2,137,622
Qardh-e-Hasana	**53,019**	**120,423**	**173,442**	49,527	124,338	173,865
Musharakah financing	**-**	**-**	**-**	-	160,000	160,000
Past Due Acceptance	**226,411**	**27,127**	**253,538**	212,146	27,128	239,274
Net investment in Ijarah financing in Pakistan	**11,756**	**34,474**	**46,230**	15,040	42,425	57,465
Housing finance portfolio - others	**-**	**6,112**	**6,112**	-	15,825	15,825
Salam	**80,002**	**-**	**80,002**	70,002	-	70,002
Islamic financing and related assets - gross	**317,815,616**	**15,622,529**	**333,438,145**	299,514,421	16,922,520	316,436,941
Credit loss allowance against Islamic financing and related assets						
- Stage 1	**(3,032,912)**	**-**	**(3,032,912)**	(3,123,208)	-	(3,123,208)
- Stage 2	**(1,012,593)**	**-**	**(1,012,593)**	(941,448)	-	(941,448)
- Stage 3	**-**	**(14,857,045)**	**(14,857,045)**	-	(15,891,111)	(15,891,111)
	(4,045,505)	**(14,857,045)**	**(18,902,550)**	(4,064,656)	(15,891,111)	(19,955,767)
Modification loss due to IFRS 9	**(63,134)**	**-**	**(63,134)**	(67,991)	-	(67,991)
Fair value adjustment	**(5,320,548)**	**-**	**(5,320,548)**	(5,427,288)	-	(5,427,288)
Islamic financing and related assets - net of credit loss allowance	**308,386,429**	**765,484**	**309,151,913**	289,954,486	1,031,409	290,985,895

10.5 Advances include Rs. 40,030,303 million (December 31, 2025: Rs. 45,205,970 million) which have been placed under non-performing / Stage 3 status as detailed below:

	(Un-audited) June 30, 2026		(Audited) December 31, 2025	
Category of classification in stage 3	**Non-Performing Loans**	**Credit loss allowance**	Non-Performing Loans	Credit loss allowance
	Rupees in '000			
Domestic				
Other Assets Especially Mentioned*	**242,876**	**52,513**	478,644	84,786
Substandard	**1,027,037**	**329,342**	1,321,997	376,023
Doubtful	**1,253,204**	**477,020**	1,530,795	719,623
Loss	**37,507,186**	**33,953,026**	41,874,534	37,662,250
Total	**40,030,303**	**34,811,901**	45,205,970	38,842,682
Overseas	-	-	-	-

* The Other Assets Especially Mentioned category pertains to agriculture, housing and small enterprises financing.

10.6 Particulars of credit loss allowance against advances

	Note	June 30, 2026 (Un-audited) Stage 1	Stage 2	Stage 3	Total	December 31, 2025 (Audited) Stage 1	Stage 2	Stage 3	Total
		Rupees in '000				Rupees in '000			
Opening balance		3,793,938	1,302,475	38,842,682	43,939,095	3,003,698	895,572	37,330,232	41,229,502
Exchange rate adjustments		(118)	-	-	(118)	21	1,741	-	1,762
Charge for the period / year		1,409,543	1,136,899	1,678,396	4,224,838	2,408,009	2,094,405	6,606,252	11,108,666
Reversals for the period / year		(1,367,996)	(810,476)	(5,131,092)	(7,309,564)	(1,712,660)	(1,698,607)	(4,640,676)	(8,051,943)
		41,547	326,423	(3,452,696)	(3,084,726)	695,349	395,798	1,965,576	3,056,723
Transfer in / (out)		(91,560)	-	-	(91,560)	94,870	9,364	-	104,234
Amount written off		-	-	(506,793)	(506,793)	-	-	(171,009)	(171,009)
Amounts charged off		-	-	-	-	-	-	(125,855)	(125,855)
Amounts charged off - agricultural financing		-	-	(71,292)	(71,292)	-	-	(156,262)	(156,262)
Closing balance	10.7	3,743,807	1,628,898	34,811,901	40,184,606	3,793,938	1,302,475	38,842,682	43,939,095

10.6.1 The State Bank of Pakistan through various circulars has allowed benefit of the forced sale value (FSV) of Plant and Machinery under charge, pledged stock and mortgaged residential, commercial and industrial properties (land and building only) held as collateral against non-performing loans (NPLs) for a maximum of five years from the date of classification. As at June 30, 2026, the Group has availed cumulative FSV benefit under the directives of the SBP of Rs. 3,459.537 million (December 31, 2025: Rs. 4,335.108 million).

The additional profit arising from availing the FSV benefit - net of tax amounts to Rs. 1,660.583 million (December 31, 2025: Rs. 2,076.128 million). The additional impact on profitability arising from availing the benefit of FSV shall not be available for payment of cash or stock dividend to shareholders or bonus to employees under the requirements of Prudential Regulations of Corporate / Commercial Banking of the SBP.

10.7 Advances - Particulars of credit loss allowance

	(Un-audited) June 30, 2026 Stage 1	Stage 2	Stage 3	(Audited) December 31, 2025 Stage 1	Stage 2	Stage 3
	Rupees in '000			Rupees in '000		
Opening balance	3,793,938	1,302,475	38,842,682	3,003,698	895,572	37,330,232
New Advances	600,720	84,455	3,894	1,540,327	98,584	257,509
Advances derecognised / repaid	(190,497)	(61,370)	(3,695,160)	(259,055)	(288,915)	(1,686,876)
Transfer to stage 1	91,280	(39,359)	(51,921)	334,225	(144,421)	(189,804)
Transfer to stage 2	(149,067)	326,645	(176,578)	(41,400)	1,826,452	(1,785,052)
Transfer to stage 3	(11,027)	(26,156)	37,183	(24,017)	(70,838)	94,855
	341,409	293,215	(3,882,572)	1,550,080	1,420,862	(3,309,368)
Amounts written off / charged off	-	-	(578,086)	-	-	(453,126)
Transfer in / (out)	(91,560)	-	-	94,870	9,364	-
Changes in risk parameters (PDs/LGDs/EADs)	(299,862)	33,208	429,877	(854,731)	(1,025,064)	5,274,944
Exchange adjustments	(118)	-	-	21	1,741	-
Closing balance	3,743,807	1,628,898	34,811,901	3,793,938	1,302,475	38,842,682

10.8 Advances - Category of classification

	(Un-audited) June 30, 2026 Outstanding amount	Credit loss allowance held	(Audited) December 31, 2025 Outstanding amount	Credit loss allowance held
	Rupees in '000			
Domestic				
Performing	488,509,790	3,715,591	513,835,672	3,787,950
Under-performing	48,307,028	1,628,898	35,027,707	1,302,475
Non-performing				
OAEM	242,876	52,513	478,644	84,786
Substandard	1,027,037	329,342	1,321,997	376,023
Doubtful	1,263,204	477,020	1,530,795	719,623
Loss	37,507,186	33,953,026	41,874,534	37,662,250
	576,847,121	40,156,390	594,069,349	43,933,107
Overseas				
Performing	6,798,406	28,216	3,588,763	5,988
Under-performing	-	-	-	-
Non-performing				
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-
	6,798,406	28,216	3,588,763	5,988
Total	583,645,527	40,184,606	597,658,112	43,939,095

11. PROPERTY AND EQUIPMENT

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		---------- Rupees in '000 ----------	
Capital work-in-progress	11.1	**3,929,192**	4,668,083
Property and equipment		**34,512,341**	34,574,590
		38,441,533	39,242,673

11.1 Capital work-in-progress

Civil works	**100,136**	401,591
Equipment	**227,361**	376,126
Advance to supplier	**141,856**	516,889
Advance for acquiring properties and office premises	**3,459,839**	3,373,477
	3,929,192	4,668,083

11.2 Additions to property and equipment

	(Un-audited) Half Year ended June 30, 2026	June 30, 2025
	---------- Rupees in '000 ----------	
The following additions have been made to property and equipment during the period:		
Capital work-in-progress	**524,037**	6,618,260
Property and equipment		
Leasehold improvements	**585,995**	535,898
Furniture and fixture	**465,468**	610,185
Electrical, office and computer equipments	**1,027,430**	2,352,561
Vehicles	**95,089**	150,807
	2,173,982	3,649,451

11.2.1 This includes transfer from capital work in progress during the period of Rs. 1,219.439 million (June 30, 2025: Rs. 923.152 million).

11.3 Disposal of property and equipment

	(Un-audited) Half Year ended June 30, 2026	June 30, 2025
	---------- Rupees in '000 ----------	
The net book value of property and equipment disposed off during the period is as follows:		
Property and equipment		
Leasehold improvements	**62,528**	2,681
Furniture and fixture	**7,678**	3,673
Electrical, office and computer equipments	**14,480**	10,096
Vehicles	**2,929**	810
Total	**87,615**	17,260

12. RIGHT-OF-USE ASSETS	(Un-audited) June 30, 2026 Buildings	Vehicles	Total	(Audited) December 31, 2025 Buildings	Vehicles	Total
	Rupees in '000					
At January 1,						
Cost	**21,218,267**	**149,208**	**21,367,475**	16,045,257	-	16,045,257
Accumulated Depreciation	**(12,383,162)**	**(15,651)**	**(12,398,813)**	(8,966,680)	-	(8,966,680)
Net Carrying amount at January 1	**8,835,105**	**133,557**	**8,968,662**	7,078,577	-	7,078,577
Modification impact during the period / year	**65,349**	**-**	**65,349**	1,151,946	-	1,151,946
Additions during the period / year	**1,508,558**	**23,534**	**1,532,092**	4,204,656	149,208	4,353,864
Deletions during the period / year	**(17,640)**	**-**	**(17,640)**	(174,753)	-	(174,753)
Depreciation charge for the period / year	**(1,825,670)**	**(17,552)**	**(1,843,222)**	(3,425,207)	(15,651)	(3,440,858)
Exchange rate adjustments	**(327)**	**-**	**(327)**	(112)	-	(112)
Other adjustments	**916**	**-**	**916**	(2)	-	(2)
Closing net carrying amount	**8,566,291**	**139,539**	**8,705,830**	8,835,105	133,557	8,968,662

	Note	(Un-audited) June 30 2026	(Audited) December 31 2025
		Rupees in '000	
13. INTANGIBLE ASSETS			
Capital work-in-progress - Computer software		**880,282**	818,386
Computer software		**6,081,584**	5,954,365
Goodwill		**4,407,921**	4,407,921
Core Deposits Intangible on Acquisition		**1,168,215**	1,250,030
Others		**28,723**	35,181
		12,566,725	12,465,883

13.1 Additions to intangible assets

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

	Note	(Un-audited) Half Year ended June 30, 2026	June 30, 2025
		Rupees in '000	
Directly purchased			
Capital work-in-progress - net		**63,750**	1,137,101
Developed internally			
Computer software		**54,299**	1,256,112
Directly purchased			
Computer software		**683,390**	99,359
	13.1.1	**801,439**	2,492,572

13.1.1 This includes transfer from capital work in progress during the period of Rs. 56.153 million (June 30, 2025: Rs. 1,779.453 million).

13.2 Disposal of intangible assets

	(Un-audited) Half Year ended June 30, 2026	June 30, 2025
	Rupees in '000	
The net book value of intangible assets disposed off during the period is as follows:		
Membership and Subscription	**750**	1,789

		Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
14.	**DEFERRED TAX ASSETS**		Rupees in '000	
	Deductible Temporary Differences on:			
	Accumulated tax losses		30,665	35,578
	Credit loss allowance against investments		655,035	544,159
	Credit loss allowance against advances		8,924,968	9,767,466
	Credit loss allowance - others		1,063,929	863,256
	Impact of Effective Interest Rate adoption		14,380	-
	Right-of-use assets and related lease liabilities		768,938	820,285
	Workers' Welfare Fund		883,054	834,728
	Pre-commencement expenditure		6,116	6,990
			12,347,085	12,872,462
	Taxable Temporary Differences on:			
	Unrealized gain on FVPL investments		(19,658)	(34,428)
	Surplus on revaluation of investments		(1,567,856)	(3,315,190)
	Surplus on revaluation of property and equipment		(3,005,692)	(2,832,474)
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims		(274,255)	(275,577)
	Accelerated tax depreciation		(1,019,278)	(1,120,962)
	Remeasurement of defined benefit obligation		(34,736)	(34,736)
	Ijarah financing and related assets		(229,120)	(127,114)
	Modification and fair value adjustment		32,830	(21,278)
	Fair value adjustment on acquisition		(1,199,670)	(959,822)
	Associates		(36,257)	(33,152)
	Goodwill		(761,084)	(761,084)
			(8,114,776)	(9,515,817)
			4,232,309	3,356,645

		Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
15.	**OTHER ASSETS**			
	Mark-up / return / interest / profit accrued in local currency		23,433,642	23,481,851
	Mark-up / return / interest / profit accrued in foreign currencies		227,792	194,277
	Advances, deposits, advance rent and other prepayments		6,653,851	6,172,154
	Acceptances		7,759,056	8,293,474
	Advance taxation (payments less provision)		5,595,587	5,161,159
	Stationery and stamps in hand		21,199	12,186
	Receivable against First WAPDA Sukuk		50,000	50,000
	Receivable in respect of home remittance		9,929	11,376
	Due from State Bank of Pakistan		2,473,021	2,179,874
	Fair value adjustment on advances	10.2	2,489,974	2,728,769
	Deferred cost on staff loans		6,259,250	6,055,014
	Non-banking assets acquired in satisfaction of claims		6,213,521	6,231,433
	Mark to market gain on forward foreign exchange contracts		314,998	156,440
	Advance against investments in securities		792,000	792,000
	Inter bank fund transfer settlement		6,111,465	2,131,870
	Credit card settlement		-	77,438
	Clearing and settlement accounts		-	1,038,710
	Insurance claims receivable		761,987	858,711
	Trade receivable from brokerage and advisory business - net		5,108,562	3,386,233
	Balances due from funds under management		483,011	292,708
	Others		1,498,711	1,324,432
			76,257,556	70,630,109
	Less: Credit loss allowance held against other assets	15.1	(1,685,772)	(1,691,048)
	Other assets (net of credit loss allowance)		74,571,784	68,939,061
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims		640,714	643,251
	Other assets - total		75,212,498	69,582,312

15.1	**Credit loss allowance held against other assets**			
	Mark-up / return / interest / profit accrued		89,256	93,518
	Advances, deposits, advance rent and other prepayments		160,868	177,213
	Receivable against bancassurance / bancatakaful		8	2
	Trade receivable from brokerage and advisory business - net		446,844	420,587
	Advance against investments in securities		8,803	8,803
	Insurance claim receivable		112	8
	Non-banking assets acquired in satisfaction of claims		303,911	303,911
	Others		675,970	687,006
			1,685,772	1,691,048

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	------------- Rupees in '000 -------------	

15.1.1 Movement in credit loss allowance held against other assets

Opening balance	**1,691,048**	1,585,067
Exchange rate adjustments	**(2)**	1
Charge during the period / year	**52,921**	153,392
Reversals during the period / year	**(58,195)**	(47,412)
	(5,274)	105,980
Closing balance	**1,685,772**	1,691,048

16. BILLS PAYABLE

In Pakistan	**14,186,478**	17,411,788
Outside Pakistan	**320,492**	322,737
	14,506,970	17,734,525

17. BORROWINGS

Secured		
Borrowings from State Bank of Pakistan under:		
Export refinancing scheme	**10,283,368**	9,539,742
Long-term finance facility	**1,400,062**	1,790,735
Financing facility for storage of agricultural produce	**361,206**	413,836
Financing facility for renewable energy projects	**909,538**	1,174,746
Refinance for women entrepreneurs	**245,421**	306,710
Refinance facility for modernization of Small and Medium Enterprises (SMEs)	**329,919**	298,305
Refinance facility for combating COVID-19	**16,667**	65,521
Temporary Economic Refinance Facility (TERF)	**7,779,104**	8,750,775
Small enterprise financing and credit guarantee scheme for special persons	**-**	67
Refinance facility for working capital of SMEs	**5,029,520**	5,433,440
Refinance facility for SME Asaan Finance (SAAF) scheme	**3,625,027**	4,540,447
Repurchase agreement borrowings	**-**	2,962,005
	29,979,832	35,276,329
Fair value adjustment on TERF borrowings	**(1,748,011)**	(2,057,376)
Borrowing from financial institutions:		
Refinancing facility for mortgage loans	**8,884,375**	6,583,348
Running finance facility	**499,990**	-
Total secured	**37,616,186**	39,802,301
Unsecured		
Call borrowings	**5,563,228**	-
Overdrawn nostro accounts	**1,627,967**	938,887
Others	**-**	-
Musharakah Acceptance	**-**	-
Total unsecured	**7,191,195**	938,887
	44,807,381	40,741,188

17.1 Particulars of borrowings

In local currency	**37,739,989**	39,802,301
In foreign currencies	**7,067,392**	938,887
	44,807,381	40,741,188

18. DEPOSITS AND OTHER ACCOUNTS

	June 30, 2026 (Un-audited)			December 31, 2025 (Audited)		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	Rupees in '000					
Customers						
Current deposits	546,358,367	21,698,010	568,056,377	449,976,623	22,114,554	472,091,177
Savings deposits	293,465,114	12,073,483	305,538,597	328,716,474	11,570,861	340,287,335
Term deposits	252,501,244	85,846,692	338,347,936	257,101,473	47,583,956	304,685,429
Margin deposits	46,041,705	83,110	46,124,815	30,983,270	118,795	31,102,065
	1,138,366,430	119,701,295	1,258,067,725	1,066,777,840	81,388,166	1,148,166,006
Financial Institutions						
Current deposits	5,363,184	80,826	5,444,010	4,482,579	32,323	4,514,902
Savings deposits	67,526,326	632	67,526,958	44,441,463	7,245	44,448,708
Term deposits	3,228,265	-	3,228,265	2,301,979	-	2,301,979
Margin deposits	146	-	146	146	-	146
	76,117,921	81,458	76,199,379	51,226,167	39,568	51,265,735
	1,214,484,351	119,782,753	1,334,267,104	1,118,004,007	81,427,734	1,199,431,741

19. LEASE LIABILITIES

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		Rupees in '000	
Outstanding amount at the start of the period / year		10,055,035	7,845,190
Additions during the period / year		1,299,521	3,480,206
Modification impact during the period / year		104,154	1,485,305
Lease payments including interest		(2,103,384)	(3,947,363)
Interest expense	19.2	673,616	1,429,761
Terminations		(43,242)	(223,422)
Exchange rate adjustments		(317)	(118)
Other adjustments		2,866	(14,524)
Outstanding amount at the end of the period / year		9,988,249	10,055,035

19.1 Outstanding liabilities

Not later than one year	1,524,114	1,526,793
Later than one year and upto five years	8,361,687	8,437,309
Over five years	102,448	90,933
Total at the period / year end	9,988,249	10,055,035

19.2 This carries effective rates ranging from 7.00% to 17.25% per annum (December 31, 2025: 8.99% to 17.5%)

20. SUBORDINATED DEBT

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		Rupees in '000	
Term Finance Certificates - Fifth Issue	20.1	3,460,078	3,497,900
Term Finance Certificates - Fourth Issue	20.2	2,481,799	2,496,000
Term Finance Certificates - Third Issue	20.3	2,500,000	2,500,000
Modaraba Sukuk Issue II	20.4.1	997,990	997,990
Modaraba Sukuk Issue I	20.4.2	1,996,950	1,999,000
		11,436,817	11,490,890

20.1 In 2023, the Holding Company issued Rs. 3.5 billion of rated, privately placed and listed, unsecured and subordinated term finance certificates (TFCs or the Issue) as an instrument of redeemable capital under Section 66 of the Companies Act, 2017 and as outlined by State Bank of Pakistan, SBP, under the BPRD Circular No. 06 dated August 15, 2013 and Basel III guidelines. Summary of terms and conditions of the issue are:

Purpose	To contribute towards the Holding Company's Tier II Capital for complying with the capital adequacy requirement and to utilize the funds in the Holding Company's business operations as permitted by its Memorandum and Articles of Association.
Issue date	August 30, 2023
Tenure	Up to ten years from the issue date.
Maturity date	August 30, 2033
Rating	AA - (Double A Minus).
Security	The Issue is unsecured.
Mark-up rate	Floating rate of return at Base Rate + 2 percent per annum. Base Rate is defined as the average three months KIBOR prevailing on the Base Rate setting date. The Base Rate will be set for the first time on the last working day prior to the issue date and subsequently on the immediately preceding business day before the start of each three monthly period.
Mark-up payment frequency	Quarterly
Redemption	The instrument is structured to redeem 0.24% of the Issue amount during the first nine years after the issue date and the remaining Issue amount of 99.76% in four equal quarterly instalments of 24.94% each in the last year.
Subordination	The Issue is subordinated all other indebtedness of the Holding Company including depositors, however, senior to the claims of investors in instruments eligible for inclusion in Tier I Capital
Call option	Exercisable in part or in full on or after five years from the issue date, subject to SBP's approval.
Lock-in-clause	Principal and mark-up will be payable subject to compliance with MCR or CAR or Leverage Ratio set by SBP.
Loss absorbency clause	Upon the occurrence of a Point of Non-Viability (PONV) event as defined under SBP BPRD Circular No. 06 dated August 15, 2013, SBP may at its option, fully and permanently convert the TFCs into common shares of the Holding Company and / or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFCs' divided by market value per share of the Holding Company's common share on the date of trigger of PONV as declared by SBP, subject to a cap of 924,772,179 shares.

20.2 In 2021, the Holding Company issued Rs. 2.5 billion of rated, privately placed and listed, unsecured and subordinated term finance certificates (TFCs or the Issue) as an instrument of redeemable capital under Section 66 of the Companies Act, 2017 and as outlined by State Bank of Pakistan (SBP) under the BPRD Circular No. 06 dated August 15, 2013 and Basel III guidelines. Summary of terms and conditions of the issue are:

Purpose	To contribute towards the Holding Company's Tier II Capital for complying with the capital adequacy requirement and to utilize the funds in the Holding Company's business operations as permitted by its Memorandum and Articles of Association.
Issue date	December 28, 2021
Tenure	Up to Seven years from the issue date.
Maturity date	December 28, 2028
Rating	AA - (Double A Minus)
Mark-up rate	Floating rate of return at Base Rate + 2 percent per annum; Base rate is defined as the average six months KIBOR prevailing on the Base Rate setting date. The Base Rate will be set for the first time on the last working day prior to the issue date and subsequently on the immediately preceding business day before the start of each six monthly period.
Mark-up payment frequency	Semi-annual
Redemption	The instrument is structured to redeem 0.24% of the Issue amount during the first six years after the issue date and the remaining Issue amount of 99.76% in two equal semi-annual installments of 49.88% each in the last year.
Security	The Issue is unsecured
Subordination	The Issue is subordinated all other indebtedness of the Holding Company including depositors, however, senior to the claims of investors in instruments eligible for inclusion in Tier I Capital.
Call option	Exercisable in part or in full on or after the 10th redemption, subject to SBP's approval.
Lock-in-clause	Payment of Mark-up will be made from current year's earning and subject to compliance with MCR and / or CAR or LR set by SBP.
Loss absorbency clause	Upon the occurrence of a Point of Non-Viability event as defined under SBP BPRD Circular No. 06 of 2013 dated August 15, 2013, SBP may at its option, fully and permanently convert the TFCs into common shares of the Holding Company and/or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFCs' divided by market value per share of the Holding Company's common share on the date of trigger of Point of Non-Viability (PONV) as declared by SBP, subject to a cap of 400,647,739 shares.

20.3 In 2018, the Holding Company issued Rs. 2.5 billion of rated, privately placed, unsecured, subordinated, perpetual and non-cumulative term finance certificates (TFCs or the Issue) as an instrument of redeemable capital under Section 66(1) of the Companies Act, 2017 and as outlined by the State Bank of Pakistan (SBP) under the BPRD Circular No. 06 dated August 15, 2013 and Basel III guidelines. Summary of terms and conditions of the Issue are:

Purpose	To contribute towards the Holding Company's Tier I Capital for complying with the capital adequacy requirement and to utilize the funds in the holding company's business operations as permitted by its Memorandum and Articles of Association.
Issue date	December 31, 2018
Maturity date	Perpetual
Rating	A + (Single A Plus)
Mark-up rate	Floating rate of return at Base Rate + 2.25 percent per annum; Base rate is defined as the average six months KIBOR prevailing on the Base Rate setting date. The Base Rate will be set for the first time on the last working day prior to the issue date and subsequently on the immediately preceding business day before the start of each six monthly period.
Mark-up payment frequency	Semi-annually on a non-cumulative basis
Redemption	Not applicable
Security	The Issue is unsecured
Subordination	The Issue is subordinated as to payment of Principal and profit to all other claims except common shares.
Call option	Exercisable in part or in full at a par value on or after five years from the issue date, with prior approval of SBP. The Holding Company shall not exercise the call option unless the called instrument is replaced with capital of same or better quality.
Lock-in-clause	Payment of profit will be made from current year's earning and subject to compliance with MCR and / or CAR or LR set by SBP.
Loss absorbency clause - Pre-Specified Trigger (PST)	Upon the occurrence of a Pre-Specified Trigger as defined under SBP BPRD Circular No. 06 of 2013 dated August 15, 2013 which stipulates that if an issuer's Common Equity Tier 1 (CET 1) ratio falls to or below 6.625% of Risk Weighted Assets (RWA), the Issuer will have full discretion to determine the amount of TFCs to be permanently converted into common shares or written off, subject to SBP regulations / instructions, and the cap specified below. The Holding company will be able to exercise this discretion subject to: - If and when Holding company's CET 1 reaches the loss absorption trigger point, the aggregate amount of Additional Tier-1 capital to be converted must at least be the amount sufficient to immediately return the CET 1 ratio to above 6.625% of total RWA (if possible); - The converted amount should not exceed the amount needed to bring the CET 1 ratio to 8.5% of RWA (i.e. minimum CET 1 of 6.0% plus capital conservation buffer of 2.5%); and - In case, conversion of Additional Tier-1 capital Instrument is not possible following the trigger event, the amount of the Instrument must be written off in the accounts resulting in increase in CET 1 of the
Loss absorbency clause - Point of Non-Viability (PONV)	Upon the occurrence of a Point of Non-Viability event as defined under SBP BPRD Circular No. 06 of 2013 dated August 15, 2013, which stipulates that SBP may, at its option, fully and permanently convert the TFCs into common shares of the Holding Company and / or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Value of the TFCs' divided by market value per share of the Holding Company's common / ordinary share on the date of the PONV trigger event as declared by SBP, subject to the cap specified The PONV trigger event is the earlier of: - A decision made by SBP that a conversion or temporary / permanent write-off is necessary without which the Issuer would become non-viable; - The decision to make a public sector injection of capital, or equivalent support, without which the Issuer would have become non-viable, as determined by SBP. - The maximum number of shares to be issued to TFC holders at the Pre-Specified Trigger and / or PONV (or otherwise as directed by SBP) will be subject to a specified cap of 329,595,476 ordinary shares, or such other number as may be agreed to in consultation with SBP.

20.4 BankIslami Pakistan Limited (BIPL) has issued fully paid up, rated, listed, perpetual, unsecured, subordinated, non-cumulative and contingent convertible debt instruments in the nature of sukuks 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.

20.4.1 Salient features of the Mordarba Sukuk issue II are as follows:

Issue 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 BIPL inline with SBP's guidelines of pool management.
Call option	BIPL 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.

20.4.2 Salient features of the Mordarba Sukuk issue I are as follows:

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 the BIPL inline with SBP's guidelines of pool management.
Call option	The BIPL 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.

21. OTHER LIABILITIES	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		-------- Rupees in '000 --------	
Mark-up / return / interest / profit payable in local currency		**6,108,561**	7,187,512
Mark-up / return / interest / profit payable in foreign currencies		**833,670**	383,962
Unearned income on guarantees		**595,999**	526,400
Accrued expenses		**4,927,268**	6,750,474
Acceptances		**7,759,056**	8,293,474
Unclaimed dividends		**12,444**	12,444
Dividend payable		**56,453**	50,268
Mark to market loss on forward foreign exchange contracts		**652,523**	487,590
Payable to defined benefit plan		**363,424**	616,899
Payable to defined contribution plan		**97,773**	8,024
Withholding taxes payable		**2,647,597**	2,974,127
Donation payable		**110,578**	135,792
Security deposits against leases, lockers and others		**6,355,931**	5,305,595
Workers' Welfare Fund		**2,512,324**	2,320,750
Payable in respect of home remittance		**46,485**	1,185
Retention money payable		**158,495**	187,433
Insurance payable		**582,550**	476,937
Payable to vendors against SBS goods		**891,396**	-
Trade creditors		**7,387,649**	5,708,545
Liability against disputed settlement		**399,058**	-
Branchless banking fund settlement		**1,934,516**	106,276
Debit card settlement		**434,902**	363,128
Credit card settlement		**10,930**	-
Clearing and settlement accounts		**5,818,755**	3,076,931
Deferred Murabahah income financing and IERS		**4,568,944**	5,169,867
Sundry creditors		**1,607,340**	1,179,285
Credit loss allowance against off-balance sheet obligations	21.1	**840,318**	530,976
Charity payable		**232,841**	161,109
Advance against subordinated debt	21.2	**3,500,000**	-
Others		**2,618,528**	3,031,707
		64,066,308	55,046,690

21.1 Credit loss allowance against off-balance sheet obligations

Opening balance	**530,976**	571,959
Transfer in	**-**	(2,961)
Exchange rate adjustments	**(46)**	25
Charge for the period / year	**397,720**	191,878
Reversals for the period / year	**(88,332)**	(229,925)
	309,388	(38,047)
Closing balance	**840,318**	530,976

21.2 This represents a portion of the subscription amount received from investors of the Holding Company's rated, unsecured, privately placed, subordinated and subsequently listed, Term Finance Certificates of up to Rs. 4 billion (inclusive of a Green Shoe option of Rs.1 billion) as Tier 2 Capital issue. This issuance has been approved by the State Bank of Pakistan vide their letter no. SBPHOK-BPRD-BACPD-JSB-1168195 dated June 24, 2026.

22. SURPLUS ON REVALUATION OF ASSETS

	June 30, 2026 (Un-audited)			December 31, 2025 (Audited)		
	Attributable to			Attributable to		
	Equity Holders	Non - Controlling Interest	Total	Equity Holders	Non - Controlling Interest	Total
	Rupees in '000					
Surplus / (deficit) on revaluation of:						
- Securities measured at FVOCI - debt	561,587	48,584	610,171	3,502,715	513,317	4,016,032
- Securities measured at FVOCI - equity	1,778,142	355,823	2,133,965	1,757,229	304,198	2,061,427
- Property and equipment	3,734,731	409,326	4,144,057	3,847,858	419,358	4,267,216
- Non-banking assets acquired in satisfaction of claims	579,806	(6,627)	573,179	582,345	(6,629)	575,716
	6,654,266	807,106	7,461,372	9,690,147	1,230,244	10,920,391
Deferred tax on surplus / (deficit) on revaluation of:						
- Securities measured at FVOCI - debt	(295,611)	(26,451)	(322,062)	(1,824,997)	(268,112)	(2,093,109)
- Securities measured at FVOCI - equity	(882,509)	(183,011)	(1,065,520)	(884,648)	(157,159)	(1,041,807)
- Property and equipment	(1,382,855)	(158,977)	(1,541,832)	(1,204,470)	(164,144)	(1,368,614)
- Non-banking assets acquired in satisfaction of claims	(244,959)	3,796	(241,163)	(246,280)	3,795	(242,485)
	(2,805,934)	(364,643)	(3,170,577)	(4,160,395)	(585,620)	(4,746,015)
	3,848,332	442,463	4,290,795	5,529,752	644,624	6,174,376

23. CONTINGENCIES AND COMMITMENTS

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		Rupees in '000	
Guarantees	23.1	177,781,702	147,627,979
Commitments	23.2	449,727,029	311,548,829
Other contingent liabilities	23.3	1,229,239	1,205,820
		628,737,970	460,382,628

23.1 Guarantees

Financial guarantees	23,722,561	22,275,534
Performance guarantees	84,099,964	70,245,027
Other guarantees	69,959,177	55,107,418
	177,781,702	147,627,979

23.2 Commitments

Documentary credits and short-term trade-related transactions			
- Letters of credit		92,090,578	75,180,527
Commitments in respect of:			
- Forward foreign exchange contracts	23.2.1	214,648,549	152,790,318
- Derivative instruments	23.2.2	274,745	240,701
- Forward lending	23.2.3	139,338,241	80,366,223
Commitments for acquisition of:			
- Property and equipment	23.2.4	252,731	470,427
- Intangible assets	23.2.4	3,122,185	2,500,633
		449,727,029	311,548,829

23.2.1 Commitments in respect of forward foreign exchange contracts

Purchase	144,261,117	90,251,536
Sale	70,387,432	62,538,782
	214,648,549	152,790,318

23.2.2 Commitments in respect of derivative instruments

Forward securities contract		
Sale	274,745	240,701

23.2.3 Commitments in respect of forward lending

Undrawn formal standby facilities, credit lines and other commitments to lend	23.2.3.1	139,338,241	80,366,223

23.2.3.1 These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Group without the risk of incurring significant penalty or expense. Further, the Group makes commitments to extend credit in the normal course of business but these being revocable commitments do not attract any significant penalty or expense if the facilities are unilaterally withdrawn.

23.2.4 These represent commitments related to purchase of leasehold improvements, furniture and fixtures, hardware and network equipment, electrical equipment and computer software.

		Note	**(Un-audited) June 30, 2026**	(Audited) December 31, 2025
			--------- Rupees in '000 ---------	
23.3	**Other contingent liabilities**			
	Claims against the Group not acknowledged as debts	23.3.1	**1,229,239**	1,205,820

23.3.1 These mainly represent counter claims filed by borrowers for damages, claims by former employees of the Group and other claims relating to banking transactions.

Based on legal advice and / or internal assessments, management is confident that the matters will be decided in the Group favour and the possibility of any outcome against the Group is remote and accordingly no provision has been made in these consolidated financial statements.

23.3.2 Tax related contingencies are disclosed in note 34.1.

24. DERIVATIVE INSTRUMENTS

Derivative instruments, such as Forward Exchange Contracts, Cross Currency Swaps and Options, are forward transactions that provide market making opportunities / hedge against the adverse movement of interest and exchange rates. Derivatives business also provides risk solutions for the existing and potential customers of the Group.

The Group has also entered into Foreign Currency and Commodity Options from its Wholesale Banking Branch Bahrain for market making activities.

The Group held no derivative instruments as at June 30, 2026 (December 31, 2025: Nil).

		Note	**(Un-audited) Half Year ended June 30, 2026**	June 30, 2025
			--------- Rupees in '000 ---------	
25.	**MARK-UP / RETURN / INTEREST / PROFIT EARNED**			
	Loans and advances		**30,585,347**	29,049,268
	Investments		**35,944,491**	47,981,273
	Lendings to financial institutions		**197,497**	517,402
	Balances with other banks		**1,407,394**	465,771
	Securities purchased under repurchase agreements		**238,882**	386,332
			68,373,611	78,400,046
25.1	**Interest / profit income (calculated using effective interest rate method) recognised on:**			
	Financial assets measured at amortised cost		**35,909,252**	-
	Financial assets measured at FVOCI		**31,127,804**	-
		26.1.1	**67,037,056**	-
26.	**MARK-UP / RETURN / INTEREST / PROFIT / EXPENSED**			
	Deposits		**27,704,654**	33,849,257
	Borrowings		**5,580,240**	9,194,950
	Subordinated debt		**757,973**	819,027
	Cost of foreign currency swaps against foreign currency deposits / borrowings		**1,165,224**	1,277,908
	Finance charges on leased assets		**673,616**	681,222
			35,881,707	45,822,364
26.1.	**Interest expense calculated using effective interest rate method:**			
	Financial liabilties	26.1.1	**34,716,483**	-

26.1.1 As disclosed in note 3.1.1, the Holding Company has applied the effective interest rate method during the current period under the modified retrospective approach. The impact has been recognised in opening equity, and accordingly, prior information has not been presented.

		(Un-audited) Half Year ended	
		June 30, 2026	June 30, 2025
27. FEE AND COMMISSION INCOME	Note	--------- Rupees in '000 ---------	
Branch banking customer fees		**110,937**	121,904
Finance related fees		**328,143**	337,051
Card related fees (debit and credit cards)		**1,576,105**	1,645,784
Investment banking fees		**134,684**	264,739
Commission on trade		**805,089**	813,519
Commission on guarantees		**548,651**	510,528
Commission on cash management		**49,202**	37,996
Commission on remittances including home remittances		**29,801**	94,772
Commission on bancassurance / bancatakaful		**105,387**	127,316
Commission on distribution of mutual funds		**-**	5,795
Commission on online services		**256,438**	71,189
Rebate income		**169,950**	214,096
Brokerage income		**1,166,259**	734,611
Income from funds under management		**770,342**	538,351
Others		**17,798**	16,122
		6,068,786	5,533,773

28. GAIN / (LOSS) ON SECURITIES - NET			
Realised	28.1	**326,544**	4,001,452
Unrealised - measured at FVPL		**(23,536)**	628,097
	28.2	**303,008**	4,629,549
28.1 Realised gain / (loss) on:			
Federal government securities		**251,891**	3,899,201
Shares - Listed companies		**25,058**	145,896
Non Government Debt Securities		**15,751**	19,429
Mutual fund units		**28,237**	24,277
Foreign securities		**5,607**	(87,351)
		326,544	4,001,452
28.2 Net gain / (loss) on financial assets			
Measured at FVPL:			
Designated upon initial recognition		**96,429**	481,018
Mandatorily measured at FVPL		**(4,280)**	418,894
		92,149	899,912
measured at FVOCI		**210,859**	3,729,637
		303,008	4,629,549

29. OTHER INCOME			
Rent Income		**20,158**	11,468
Gain on sale of property and equipment - net		**37,721**	25,713
Gain on sale of non banking assets - net		**-**	20,896
Gain on termination of leases - net		**25,602**	15,345
Gain on termination of Islamic financing		**39,246**	36,653
Scrap sales		**249**	153
Auction charges recovered		**1,000**	998
Beach hut charges recovered		**343**	40
Insurance claim recovered		**2,905**	-
Legal charges recovered		**70,000**	-
Notice period recovered		**20,635**	-
Others		**1,688**	708
		219,547	111,974

		Note	(Un-audited) Half Year ended June 30, 2026	June 30, 2025
			---------- Rupees in '000 ----------	
30.	**OPERATING EXPENSES**			
	Total compensation expense	30.1	**14,278,947**	12,716,700
	Property expense			
	Rent and taxes		**170,542**	87,382
	Insurance / Takaful		**14,981**	10,224
	Utilities cost		**1,096,991**	1,068,339
	Security (including guards)		**976,882**	821,665
	Repair and maintenance (including janitorial charges)		**481,816**	524,864
	Depreciation		**660,072**	595,790
	Depreciation on right-of-use assets		**1,825,670**	1,652,664
	Depreciation on non-banking assets		**20,453**	21,331
			5,247,407	4,782,259
	Information technology expenses			
	Software maintenance		**2,614,436**	2,069,425
	Hardware maintenance		**654,566**	464,677
	Depreciation		**859,759**	606,532
	Amortisation		**609,776**	381,292
	Network charges		**578,677**	455,280
			5,317,214	3,977,206
	Other operating expenses			
	Directors' fees and allowances		**23,900**	23,225
	Fee and allowances to Shariah Board		**20,592**	18,918
	Legal and professional charges		**350,141**	423,551
	Insurance / Takaful, tracker and other charges on car Ijarah - net of income		**614,845**	445,631
	Outsourced services costs		**579,693**	575,905
	Travelling and conveyance		**314,709**	405,917
	NIFT clearing charges		**89,459**	82,877
	Depreciation		**628,740**	556,700
	Depreciation on right-of-use assets		**17,552**	-
	Amortisation		**87,521**	87,814
	Training and development		**43,801**	85,429
	Postage and courier charges		**98,480**	110,512
	Communication		**378,862**	551,351
	Stationery and printing		**482,243**	494,447
	Marketing, advertisement and publicity		**909,795**	1,398,293
	Donations		**144,066**	119,734
	Auditors' remuneration		**49,070**	38,953
	Staff auto fuel and maintenance		**707,375**	615,796
	Bank charges		**57,168**	40,851
	Stamp duty		**15,290**	14,112
	Online verification charges		**57,358**	48,035
	Brokerage, fee and commission		**34,515**	40,172
	Card related fees (debit and credit cards)		**1,063,412**	992,729
	CDC and other charges		**62,027**	53,042
	Consultancy fee		**144,044**	35,825
	Deposit protection premium		**145,480**	127,637
	Entertainment expenses		**197,105**	255,218
	Repair and maintenance		**222,566**	223,974
	Cash handling charges		**179,658**	197,883
	Fee and subscription		**496,551**	569,743
	Employees social security		**3,752**	6,171
	Generator fuel and maintenance		**104,738**	92,569
	Royalty		**22,500**	25,500
	Others		**62,890**	52,109
			8,409,898	8,810,623
			33,253,466	30,286,788
	Less: Reimbursement of selling and distribution expenses		**-**	(103,716)
			33,253,466	30,183,072

30.1. This includes impact of fair value adjustment on concessional rate staff loans amounting to Rs. 393.181 million (June 30, 2025: Rs. 359.888 million).

31. WORKERS' WELFARE FUND

The Group has made provision for Workers' Welfare Fund (WWF) based on profit for the respective periods.

	(Un-audited) Half Year ended	
	June 30, 2026	June 30, 2025
32. OTHER CHARGES	Rupees in '000	
Penalties imposed by State Bank of Pakistan	**14,999**	180,728
Penalties imposed by Federal Board of Revenue	**-**	113,414
	14,999	294,142

33. (REVERSAL OF) / CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET

Credit loss allowance against cash and balances with treasury banks	**50,040**	688
Credit loss allowance / (reversal) against balance with other banks	**1,332**	(2,043)
Reversal of credit loss allowance against lending to financial institutions	**(625)**	(1,817)
Credit loss allowance / (reversal) for diminution in value of investments	**105,453**	(246,820)
(Reversal of) / credit loss allowance against loans and advances	**(3,084,726)**	2,485,057
(Reversal of) / credit loss allowance against other assets	**(5,274)**	146,686
Credit loss allowance / (reversal) against off balance sheet obligations	**309,388**	(28,598)
Fair value loss recognized	**-**	(21,505)
Bad debts written off directly	**293**	-
Recovery of written off / charged off bad debts	**(159,473)**	(23,255)
Modification gain / (loss) - net	**6,205**	(37,761)
Operational loss	**3,656**	5,837
Other assets written off	**31,071**	-
	(2,742,660)	2,276,469

34. TAXATION

Current	**5,202,120**	5,876,355
Prior years	**(27,847)**	1,300,803
Deferred	**689,748**	(566,738)
	5,864,021	6,610,420

34.1 There are no material changes in tax contingencies as disclosed in annual consolidated financial statements for the year ended December 31, 2025.

35. EARNINGS PER SHARE - BASIC AND DILUTED

	(Un-audited)			
	Quarter Ended		Half Year Ended	
	June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
	Rupees in '000			
Profit after taxation for the period attributable to ordinary equity holders of the Holding Company	**3,247,307**	1,649,570	**4,156,646**	4,073,466
	Number of shares			
Weighted average number of ordinary shares	**2,050,662,536**	2,050,662,536	**2,050,662,536**	2,050,662,536

	(Un-audited)			
	Quarter Ended		Half Year Ended	
	June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
	Rupees			
Earnings per share - basic and diluted	**1.58**	0.81	**2.03**	1.99

		(Un-audited) June 30, 2026	(Audited) December 31, 2025	(Un-audited) June 30, 2025
36. CASH AND CASH EQUIVALENTS	Note	Rupees in '000		
Cash and balances with treasury banks - gross	6	**114,793,936**	112,520,153	89,983,702
Balances with other banks - gross	7	**4,918,613**	6,851,967	4,193,711
Overdrawn nostro accounts	17	**(1,627,967)**	(938,887)	(292,745)
		118,084,582	118,433,233	93,884,668

37. FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified as amortised cost, is based on quoted market price. Quoted securities classified as amortised cost are carried at cost. The fair value of unquoted equity securities, other than investments in associates, is determined on the basis of valuation methodologies. The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities and fixed term deposits cannot be calculated with sufficient reliability due to absence of current and active market for assets and liabilities and reliable data regarding market rates for similar instruments.

37.1 Fair value of financial instruments

The Group 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 asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

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

	June 30, 2026 (Un-audited)			
	Level 1	**Level 2**	**Level 3**	**Total**
On balance sheet financial instruments	Rupees in '000			
Financial assets - measured at fair value				
Investments				
Federal Government Securities	**78,462,007**	**474,976,379**	-	**553,438,386**
Shares - listed companies	**14,168,934**	-	-	**14,168,934**
Shares - unlisted companies	-	**38,773**	**238,419**	**277,192**
Mutual Funds	**88,653**			**88,653**
REIT Funds	**126,872**			**126,872**
Non Government Debt Securities	-	**2,564,011**	-	**2,564,011**
Foreign Securities	-	**25,811,554**	-	**25,811,554**
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	-	**108,021,970**	-	**108,021,970**
Non Government Debt Securities	-	**223,200**	-	**223,200**
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	**143,711,860**	-	**143,711,860**
Forward sale of foreign exchange	-	**70,120,297**	-	**70,120,297**
Forward sale of securities contract	-	**274,745**	-	**274,745**

	December 31, 2025 (Audited)			
	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments	Rupees in '000			
Financial assets - measured at fair value				
Investments				
Federal Government Securities	78,801,265	432,785,876	-	511,587,141
Shares - listed companies	7,541,092	-	-	7,541,092
Shares - unlisted companies	-	36,955	37,308	74,263
Mutual Funds	43,721	-	-	43,721
REIT Funds	88,761	-	-	88,761
Non Government Debt Securities	-	3,427,921	-	3,427,921
Foreign Securities	-	23,044,423	-	23,044,423
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	-	33,709,882	-	33,709,882
Non Government Debt Securities	-	-	-	-
Off-balance sheet financial instruments				
Forward purchase of foreign exchange	-	89,841,270	-	89,841,270
Forward sale of foreign exchange	-	62,413,351	-	62,413,351
Forward sale of securities contract	-	240,445	-	240,445

37.2 Valuation techniques

Item	Valuation approach and input used
Units of mutual funds	Fair values of investments in units of mutual funds are determined based on redemption prices disclosed at the Mutual Funds Association of Pakistan (MUFAP) as at the close of the business days.
Market Treasury Bills (MTB), Pakistan Investment Bonds (PIB) and GoP Sukuks	Fair values of Pakistan Investment Bonds and Market Treasury Bills are derived using PKRV, PKFRV and PKISRV rates.
Debt Securities (TFCs) and Sukuk other than Government	Investments in debt securities (comprising of Term Finance Certificates, Bonds and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) 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 SECP.
Overseas Government Sukuks, Overseas and Euro Bonds	The fair value of Overseas Government Sukuks, and Overseas Bonds are valued on the basis of price available on Bloomberg.
Ordinary shares - listed	The fair value of investments in listed equity securities are valued on the basis of closing quoted market price available at the Pakistan Stock Exchange.
Ordinary shares - unlisted	The fair value of the investment in SWIFT shares has been determined using a market based approach, based on the share value annually calculated and published by SWIFT for all shareholders. The fair value of ISE REIT shares has been determined using a market based approach, applying price to book multiples of comparable listed REITs to the net asset value, adjusted for discounts for lack of control and lack of marketability.
Preference shares - unlisted	The fair value of Apothecare and Augmentcare shares has been determined using an income-based approach, applying the Free Cash Flow to Firm (FCFF) method, whereby projected cash flows are discounted using the Weighted Average Cost of Capital (WACC).
Forward foreign exchange contracts	The valuation has been determined by interpolating the foreign exchange revaluation rates announced by the State Bank of Pakistan.
Derivatives	The fair values of derivatives which are not quoted in active markets are determined by using valuation techniques. The valuation techniques take into account the relevant underlying parameters including foreign currencies involved, interest rates, yield curves, volatilities, contracts duration, etc.
Property and Equipment - Land and buildings Non-banking assets acquired in satisfaction of claims	Land and buildings and Non-banking assets under satisfaction of claims are carried at revalued amounts determined by professional valuers based on their assessment of the market values as disclosed in note 10 and 13 of these consolidated financial statements for the year ended December 31, 2025. The valuations are conducted by the valuation experts appointed by the Group which are also on the panel of State Bank of Pakistan. The valuation experts used a market based approach to arrive at the fair value of the Group's properties. The market approach used prices and other relevant information generated by market transactions involving identical or comparable or similar properties. These values are adjusted to reflect the current condition of the properties.

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements of investments:

Description	Fair value as at June 30, 2026	Fair value as at December 31, 2025	Unobservable inputs	Sensitivity of inputs
	----------Rupees in '000----------			
Ordinary shares - unlisted (ISE REIT)	32,707	37,308	- Price to book (P/B) multiple - Discount for lack of control - Discount for lack of marketability	a 10% increase / decrease in the P/B multiple would result in an increase / decrease of Rs. 3.271 million in the fair value. A 5.0 percentage point change in either the discount for lack of control or the discount for the lack of marketability would result in a change of Rs. 2.726 million in the fair value
Preference shares - unlisted (Apothecare)	127,394	-	WACC Terminal growth rate - FCFF	A 1.0 percentage point increase / decrease in the WACC would result in a decrease / increase in the fair value of Rs. 7.136 million. A 1.0 percentage point increase / decrease in the terminal growth rate would result in an increase / decrease in the fair value of Rs. 2.630 million.
Preference shares - unlisted (Augmentcare)	78,318	-	WACC Terminal growth rate - FCFF	A 1.0 percentage point increase / decrease in the WACC would result in a decrease / increase in the fair value of Rs. 8.045 million. A 1.0 percentage point increase / decrease in the terminal growth rate would result in an increase / decrease in the fair value of Rs. 4.755 million.

The following table shows reconciliation of investment fair value movement:

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	------ Rupees in' 000 ------	
Opening balance	**37,308**	289,259
Impact of adoption of IFRS 9	**-**	18,634
Remeasurement recognised in Profit and Loss	**-**	(278,259)
Remeasurement recognised in OCI	**201,111**	7,674
Closing balance	**238,419**	37,308

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

38. SEGMENT INFORMATION

38.1 Change in reportable segments

During the current period, the Holding Company revised its internal management reporting structure used by the President / Chief Executive Officer to assess performance and allocate resources. As a result, the Holding Company has revised its reportable segments in accordance with IFRS 8 Operating Segments.

In the consolidated financial statements for the year ended December 31, 2025, the Group's reportable segments were presented as:

- Retail Banking;
- Corporate / Commercial Banking;
- Treasury;
- Investment, International and Institutional Banking;
- Zindigi; and
- Others

Following the revision in internal reporting, the Group's reportable segments for the period ended June 30, 2026 are presented as:

- Retail Banking;
- Corporate / Commercial Banking;
- Treasury, FI and Home Remittance;
- International Banking;
- Investment Banking;
- Zindigi; and
- Others

Accordingly, comparative segment information presented for the corresponding prior period has been restated to conform to the current period presentation. The basis of segmentation used in these condensed interim consolidated financial statements therefore differs from that presented in the consolidated financial statements for the year ended December 31, 2025.

38.2 Segment Details with respect to Business Activities

	For the half year ended June 30, 2026 (Un-audited)										
	Retail Banking	Corporate / Commercial Banking	Treasury, FI and Home Remittance	International Banking	Investment Banking	Zindigi	Islamic Banking	Brokerage	Asset Management	Others	Total
Profit and loss account	Rupees in '000										
Net mark-up / return / interest / profit / (expense)	(4,160,794)	1,906,171	15,887,920	(126,023)	91,154	(105,496)	17,629,543	221,864	7,380	1,150,485	32,491,904
Inter segment revenue - net	13,911,055	591,161	(13,429,212)	662,128	(87,788)	418,361	-	-	-	(2,065,706)	-
Non mark-up / return / income	1,091,550	868,571	1,298,031	211,473	(37,920)	338,393	2,848,335	1,302,967	740,716	194,768	8,856,832
Total income / (loss)	10,841,859	3,365,903	3,756,439	747,578	(44,554)	651,158	20,477,878	1,524,831	748,096	(720,453)	41,348,736
Segment direct expenses	7,716,770	342,486	304,266	194,866	37,312	2,036,191	17,273,729	958,884	561,803	4,079,719	33,504,026
Inter segment expense allocation	2,031,980	668,425	188,447	44,272	17,319	384,834	-	-	-	(3,335,277)	-
Total expenses	9,747,750	1,010,911	492,713	239,138	54,631	2,420,025	17,273,729	958,884	561,803	744,442	33,504,026
Credit loss allowance / (reversal) and write offs - net	143,519	297,475	93,795	149,957	86,278	3,424	(1,037,219)	(25,268)	-	(2,414,621)	(2,742,660)
Profit / (loss) before tax	950,590	2,057,517	3,209,931	358,483	(185,463)	(1,772,291)	4,241,368	591,215	186,293	949,727	10,587,370

	As at June 30, 2026 (Un-audited)										
	Retail Banking	Corporate / Commercial Banking	Treasury, FI and Home Remittance	International Banking	Investment Banking	Zindigi	Islamic Banking	Brokerage	Asset Management	Others	Total
Statement of financial position	Rupees in '000										
Cash and bank balances	12,752,173	337,622	25,491,143	2,127,053	-	1,433,127	76,719,288	783,190	4,399	9,447	119,657,452
Investments	4,667,365	-	365,813,612	25,811,661	722,121	-	304,803,712	2,430,553	1,718,509	2,064,895	707,832,328
Net inter segment lending	324,209,394	34,217,821	-	36,031,725	-	11,809,288	-	-	-	56,336,631	462,604,637
Lendings to financial institutions	-	-	8,983,220	-	-	-	54,698,400	-	-	130,940	63,812,560
Advances - performing	100,473,260	101,470,754	3,644,931	6,770,189	-	105,349	308,386,429	1,797,657	27,993	4,481,769	527,158,351
Advances - non-performing	2,865,265	1,459,771	-	-	-	3,308	826,034	-	-	64,024	5,218,402
Others	-	-	-	-	792,000	-	64,299,829	7,044,222	1,470,577	65,552,297	139,158,895
Total Assets	444,967,457	137,485,768	403,932,906	70,740,528	1,514,121	13,351,050	809,533,702	12,055,622	3,221,478	128,639,993	2,025,442,625
Borrowings	12,413,344	8,425,304	6,388,531	-	-	-	16,656,509	623,793	-	-	44,807,381
Subordinated debt	-	-	-	-	-	-	2,994,940	-	-	8,441,877	11,436,817
Deposits and other accounts	419,195,614	128,649,725	6,390,249	67,333,096	12,911	13,351,050	699,334,459	-	-	-	1,334,267,104
Net inter segment borrowing	-	-	391,145,277	-	1,452,420	-	48,125,616	2,619,448	2,492,317	16,569,559	462,604,637
Others	13,358,500	410,735	8,849	3,407,432	48,790	-	42,122,178	8,812,381	729,161	19,863,398	88,561,527
Total Liabilities	444,967,457	137,485,768	403,932,906	70,740,528	1,514,121	13,351,050	809,533,702	12,055,622	3,221,478	44,874,834	1,941,677,466
Equity	-	-	-	-	-	-	-	-	-	71,027,110	71,027,110
Non-controlling interest	-	-	-	-	-	-	-	-	-	12,738,049	12,738,049
Total Equity and Liabilities	444,967,457	137,485,768	403,932,906	70,740,528	1,514,121	13,351,050	809,533,702	12,055,622	3,221,478	128,639,993	2,025,442,625
Contingencies and Commitments	36,154,726	132,565,643	115,529,720	34,475,926	-	-	318,261,133	274,745	-	1,476,179	638,737,970

For the half year ended June 30, 2025 (Un-audited) – Restated

Profit and loss account	Retail Banking	Corporate / Commercial Banking	Treasury, FI and Home Remittance	International Banking	Investment Banking	Zindigi	Islamic Banking	Brokerage	Asset Management	Others	Total
	Rupees in '000										
Net mark-up / return / interest / profit / (expense)	(7,208,341)	588,494	21,115,872	69,608	56,843	(82,461)	18,503,311	134,157	(6,970)	(394,829)	32,577,662
Inter segment revenue - net	16,112,084	2,579,096	(17,381,761)	214,380	-	284,981	-	-	-	(1,808,780)	-
Non mark-up / return / income	1,214,652	956,346	2,810,924	60,126	38,997	533,233	4,882,741	892,445	653,993	333,362	12,374,821
Total income / (loss)	10,118,395	4,123,936	6,545,035	344,114	95,840	735,753	23,386,052	1,026,602	647,023	(2,070,247)	44,952,503
Segment direct expenses	7,324,013	416,965	307,401	211,231	45,186	2,334,582	15,036,105	759,469	337,514	3,969,641	30,742,106
Inter segment expense allocation	1,903,986	574,707	179,445	41,124	15,856	368,236	-	-	-	(3,083,354)	-
Total expenses	9,227,999	991,672	486,846	252,355	61,042	2,702,818	15,036,105	759,469	337,514	886,287	30,742,106
Credit loss allowance / (reversal) and write offs - net	263,385	1,031,127	(8,615)	(129,402)	-	24,759	(930,137)	(62,058)	-	2,087,406	2,276,469
Profit / (loss) before tax	627,011	2,101,137	6,066,804	221,161	34,798	(1,991,824)	9,280,084	329,190	309,509	(5,043,942)	11,933,928

As at December 31, 2025 (Audited) - Restated

Statement of financial position	Retail Banking	Corporate / Commercial Banking	Treasury, FI and Home Remittance	International Banking	Investment Banking	Zindigi	Islamic Banking	Brokerage	Asset Management	Others	Total
	Rupees in '000										
Cash and bank balances	12,806,370	322,712	28,334,535	3,380,120	-	1,071,751	72,888,569	581,955	3,378	-	119,388,393
Lendings to financial institutions	-	-	19,838,794	-	-	-	18,999,952	-	-	-	38,838,746
Investments	620,365	-	229,440,753	23,044,422	1,154,495	-	321,687,104	400,332	2,230,145	2,880,984	581,458,619
Net inter segment lending	313,115,000	14,631,581	-	-	-	6,777,709	-	-	-	56,439,271	390,963,561
Advances - performing	88,593,670	102,967,350	44,624,017	3,582,775	-	40,830	289,954,486	2,119,930	20,891	4,074,535	535,978,484
Advances - non-performing - net	3,229,830	1,952,665	-	-	-	2,446	1,089,973	-	-	88,374	6,363,288
Others	-	-	-	-	792,000	-	65,344,223	6,256,178	1,071,634	60,152,140	133,616,175
Total Assets	418,364,253	119,874,308	322,238,102	29,987,317	1,946,495	7,892,736	769,964,307	9,358,395	3,326,048	123,635,304	1,806,587,265
Borrowings	14,280,581	8,445,908	3,401,591	-	-	-	14,613,108	-	-	-	40,741,188
Subordinated debt	391,760,535	111,110,987	8,711,461	27,010,721	15,611	7,892,736	655,829,690	-	-	-	1,199,431,741
Deposits and other accounts	-	-	-	-	-	-	2,996,990	-	-	8,493,900	11,490,890
Net inter segment borrowing	-	-	313,116,201	-	1,930,884	-	51,961,362	1,909,099	2,570,343	19,475,672	390,963,561
Others	12,323,137	317,413	8,849	2,976,596	-	-	44,463,157	7,449,296	755,705	14,542,097	82,836,250
Total Liabilities	418,364,253	119,874,308	322,238,102	29,987,317	1,946,495	7,892,736	769,964,307	9,358,395	3,326,048	42,511,669	1,725,463,630
Equity	-	-	-	-	-	-	-	-	-	68,410,829	68,410,829
Non-controlling interest	-	-	-	-	-	-	-	-	-	12,712,806	12,712,806
Total Equity and Liabilities	418,364,253	119,874,308	322,238,102	29,987,317	1,946,495	7,892,736	769,964,307	9,358,395	3,326,048	123,635,304	1,806,587,265
Contingencies and Commitments	25,732,975	111,535,314	67,437,910	17,643,768	-	-	236,182,952	240,701	-	1,629,006	460,382,628

39. RELATED PARTY TRANSACTIONS

The Group has related party transactions with its parent, directors, key management personnel, associates and other related parties.

The Group enters into transactions with related parties in the ordinary course of business and 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, other than those which have been specifically disclosed elsewhere in these consolidated financial statements are as follows:

	As at June 30, 2026 (Un-audited)				
	Parent	Directors	Key management personnel	Associates	Other related parties
Statement of financial position	Rupees in '000				
Investments					
Opening balance	-	-	-	3,102,101	2,641,001
Investment made during the period	-	-	-	6,086,526	5,119,063
Investment redeemed / disposed off during the period	-	-	-	(6,667,084)	(822,943)
Deficit during the period - net	-	-	-	-	(147,423)
Equity method adjustment during the period	-	-	-	(63,944)	-
Write off during the period	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	153,411
Closing balance	-	-	-	2,457,599	6,943,109
Credit loss allowance / provision for diminution in value of investments	-	-	-	1,087,977	-
Advances					
Opening balance	-	125	690,139	643,548	3,676,112
Addition during the period	-	1,166	145,663	-	6,493,779
Repaid during the period	-	(963)	(149,253)	(491,507)	(4,174,791)
Transfer in / (out) - net	-	-	(1,262)	-	398,281
Closing balance	-	328	685,287	152,041	6,393,381
Credit loss allowance held against advances	-	11	2,222	152,041	40,951
Other assets					
Mark-up / return / interest / profit accrued	-	-	1,134	-	65,172
Receivable from funds under management	-	-	-	632,450	-
Receivable against bancassurance / bancatakaful	-	-	-	-	8,097
Prepaid insurance	-	-	-	-	163,156
Mark to market gain on forward foreign exchange contracts	-	-	-	-	336
Advance against investment in securities	-	-	-	-	792,000
Trade Receivable from brokerage and advisory business	-	-	-	-	153,078
Rent receivable	-	-	-	-	2,961
Other receivable	-	-	-	-	-
Credit loss allowance against other assets	-	-	2	-	9,340
Deposits and other accounts					
Opening balance	58,666	27,056	121,035	19,067	9,891,460
Received during the period	2,586,586	45,721	726,460	932,332	510,554,337
Withdrawn during the period	(2,630,199)	(37,502)	(695,543)	(934,113)	(509,028,417)
Transfer in / (out) - net	-	-	(460)	(109)	(1,213,453)
Closing balance	15,053	35,275	151,492	17,177	10,203,927
Subordinated debt					
Opening balance	-	-	-	-	250,296
Issued / purchased during the period	-	-	-	-	-
Redeemed / sold during the period	-	-	-	-	(12)
Transfer in / (out) - net	-	-	-	-	(20,020)
Closing balance	-	-	-	-	230,264
Other liabilities					
Mark-up / return / interest / profit payable on deposits	-	-	570	1	11,623
Mark-up / return / interest / profit payable on subordinated debt	-	-	-	-	3,100
Payable to defined benefit plan	-	-	-	-	363,424
Payable to defined contribution plan	-	-	-	-	97,773
Mark to market loss on forward foreign exchange contracts	-	-	-	-	-
Insurance payable	-	-	-	-	25,623
Advance against subordinated debt	-	-	-	-	206,000
Payable to funds under management	-	-	-	56,864	-
Dividend Payable	-	-	-	-	1
Trade creditors	60	-	-	-	23,330
Rent payable	-	-	-	-	36
Others payable	250	-	-	-	3,300
Contingencies and commitments					
Letters of guarantee	-	-	-	-	249,317
Letters of credit	-	-	-	-	1,341,772
Commitment in respect of forward foreign exchange contracts	-	-	-	-	196,000

	As at December 31, 2025 (Audited)				
	Parent	Directors	Key management personnel	Associates	Other related parties
Statement of financial position	Rupees in '000				
Investments					
Opening balance	-	-	-	3,876,670	2,573,385
Investment made during the year	-	-	-	12,219,949	1,350,000
Investment redeemed / disposed off during the year	-	-	-	(13,330,704)	(1,350,000)
Surplus during the year - net	-	-	-	-	67,616
Equity method adjustment during the year	-	-	-	378,053	-
Write off during the year	-	-	-	(41,867)	-
Transfer in / (out) - net	-	-	-	-	-
Closing balance	-	-	-	3,102,101	2,641,001
Credit loss allowance / provision for diminution in value of investments	-	-	-	1,087,977	-
Advances					
Opening balance	-	-	635,459	665,920	4,318,253
Addition during the year	-	520	418,151	-	11,154,042
Repaid during the year	-	(395)	(418,131)	(22,372)	(12,124,333)
Transfer in / (out) - net	-	-	54,660	-	328,150
Closing balance	-	125	690,139	643,548	3,676,112
Credit loss allowance held against advances	-	10	3,621	643,548	5,661
Other assets					
Mark-up / return / interest / profit accrued	-	-	902	-	37,724
Receivable from funds under management	-	-	-	483,920	-
Receivable against bancassurance / bancatakaful	-	-	-	-	2,069
Prepaid insurance	-	-	-	-	187,786
Mark to market gain on forward foreign exchange contracts	-	-	-	-	-
Advance against investment in securities	-	-	-	-	792,000
Trade receivable from brokerage and advisory business	-	-	-	-	6,162
Rent receivable	-	-	-	-	2,961
Other receivable	12,564	-	-	-	-
Credit loss allowance against other assets	-	-	6	-	8,830
Deposits and other accounts					
Opening balance	112,836	9,446	56,248	21,675	6,861,946
Received during the year	8,332,480	43,869	1,357,201	1,131,482	438,441,096
Withdrawn during the year	(8,386,650)	(26,259)	(1,264,754)	(1,134,090)	(435,499,844)
Transfer in / (out) - net	-	-	(27,660)	-	88,262
Closing balance	58,666	27,056	121,035	19,067	9,891,460
Subordinated debts					
Opening balance	-	-	-	-	250,776
Issued / purchased during the year	-	-	-	-	-
Redeemed / sold during the year	-	-	-	-	(30)
Transfer in / (out) - net	-	-	-	-	(450)
Closing balance	-	-	-	-	250,296
Other liabilities					
Mark-up / return / interest / profit payable on deposits	-	-	579	2	17,316
Mark-up / return / interest / profit payable on subordinated debt	-	-	-	-	2,725
Payable to defined benefit plan	-	-	-	-	616,899
Payable to defined contribution plan	-	-	-	-	8,024
Mark to market loss on forward foreign exchange contracts	-	-	-	-	470
Insurance payable	-	-	-	-	8,783
Advance against subordinated debt	-	-	-	-	-
Payable to funds under management	-	-	-	39,896	-
Dividend payable	-	-	-	-	-
Trade creditors	60	-	-	-	22,259
Rent payable	-	-	-	-	36
Others payable	314	-	-	-	3,555
Contingencies and commitments					
Letters of guarantee	-	-	-	-	842,950
Letters of credit	-	-	-	-	186,580
Commitment in respect of forward foreign exchange contracts	-	-	-	-	160,911

	For the half year ended June 30, 2026 (Un-audited)				
	Parent	Directors	Key management personnel	Associates	Other related parties
Profit and loss account	Rupees in '000				
Income					
Mark-up / return / interest / profit earned	-	16	1,954	-	253,656
Fee and commission income	5	56	909	-	29,314
Dividend income	-	-	-	-	52,465
Gain / (loss) on sale of securities - net	-	-	12	-	(3,101)
Gain on sale of property and equipment - net	-	-	-	-	-
Rent income	-	-	-	-	7,841
Other income	-	20	90	-	-
Expense					
Mark-up / return / interest / profit paid	1,459	861	2,420	1,322	453,330
Operating expenses					
Compensation	-	-	641,280	-	863,604
Charge for defined contribution plans	-	-	-	-	533,232
Charge for defined benefit plans	-	-	-	-	196,258
Rent	2,198	-	-	-	10,730
Utilities cost	-	-	-	-	18,296
Software Maintenance	-	-	-	-	11,338
Directors' fee and allowances	-	9,300	-	-	13,325
Insurance	-	-	-	-	245,277
Training and Development	-	-	-	-	-
Marketing, advertisement and publicity	-	-	-	-	-
Consultancy fee	-	-	-	-	30,623
Advisory fee	-	-	-	-	13,000
Royalty	-	-	-	-	12,500
Other expenses	1,335	-	-	-	3,071
Credit loss allowance on:					
Advances	-	1	(1,399)	(491,507)	35,290
Other Assets	-	-	(4)	-	510
Payments made during the period					
Insurance premium paid	-	-	-	-	314,862
Insurance claims settled	-	-	-	-	81,204
Donation paid	-	-	-	-	266,401
Dividend paid	-	-	-	-	177,294
Other Transactions					
Gain on sale of FVOCI securities	-	-	-	-	208,803
Sale of Government Securities	-	-	13,964	-	161,782,864
Purchase of Government Securities	-	-	-	-	95,552,495

	For the half year ended June 30, 2025 (Un-audited)				
	Parent	Directors	Key management personnel	Associates	Other related parties
Profit and loss account	Rupees in '000				
Income					
Mark-up / return / interest / profit earned	-	-	18,772	-	232,848
Fee and commission income	3,384	57	1,054	-	78,440
Dividend income	-	-	-	-	77,377
Gain on sale of securities - net	-	-	-	-	23,146
Gain on sale of property and equipment - net	-	-	7	-	-
Rent income	-	-	-	-	7,468
Other income	40	-	-	-	29,509
Expense					
Mark-up / return / interest / profit paid	3,077	271	2,412	1,087	316,423
Operating expenses					
Compensation	-	-	534,958	-	1,173,689
Charge for defined contribution plans	-	-	-	-	439,284
Charge for defined benefit plans	-	-	-	-	265,059
Rent	2,591	-	-	-	5,961
Utilities cost	-	-	-	-	16,396
Software Maintenance	-	-	-	-	11,165
Directors' fee and allowances	-	8,100	-	-	15,125
Insurance	-	-	-	-	360,016
Training and Development	-	-	12,709	-	-
Marketing, advertisement and publicity	-	-	-	-	2,228
Consultancy fee	-	-	-	-	24,257
Advisory fee	-	-	-	-	13,000
Royalty	-	-	-	-	12,500
Other expenses	1,180	827	-	-	810
Credit loss allowance on:					
Advances	-	(1)	(22)	(6,159)	649
Other Assets	-	-	-	-	8,832
Payments made during the period					
Insurance premium paid	-	-	-	-	300,171
Insurance claims settled	-	-	-	-	62,253
Donation paid	-	-	-	-	265,822
Dividend paid	-	-	-	-	183,928
Other transactions					
Gain on sale of FVOCI securities	-	-	-	-	-
Sale of Government Securities	-	-	-	-	82,602,795
Purchase of Government Securities	-	-	-	-	5,927,038

40. CAPITAL ADEQUACY, LEVERAGE RATIO and LIQUIDITY REQUIREMENTS

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	---------- Rupees in '000 ----------	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	**20,506,625**	20,506,625
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	**64,995,666**	59,347,711
Eligible Additional Tier 1 (ADT 1) Capital	**6,687,845**	6,620,002
Total Eligible Tier 1 Capital	**71,683,511**	65,967,713
Eligible Tier 2 Capital	**14,510,886**	12,059,482
Total Eligible Capital (Tier 1 + Tier 2)	**86,194,397**	78,027,195
Risk Weighted Assets (RWAs):		
Credit Risk	**445,841,816**	357,014,442
Market Risk	**29,861,422**	22,186,950
Operational Risk	**154,166,864**	154,166,864
Total	**629,870,102**	533,368,256
Common Equity Tier 1 Capital Adequacy ratio	**10.32%**	11.13%
Tier 1 Capital Adequacy Ratio	**11.38%**	12.37%
Total Capital Adequacy Ratio	**13.68%**	14.63%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	**71,683,511**	65,967,713
Total Exposures	**1,791,286,230**	1,591,413,044
Leverage Ratio	**4.00%**	4.15%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	**642,723,145**	683,125,801
Total Net Cash Outflow	**274,065,870**	235,790,416
Liquidity Coverage Ratio	**234.51%**	289.72%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	**1,117,686,481**	1,043,783,306
Total Required Stable Funding	**656,267,370**	539,039,271
Net Stable Funding Ratio	**170.31%**	193.64%

40.1 In order to mitigate the impact of expected credit loss (ECL) provisioning on capital, SBP has allowed transitional arrangement to absorb the impact on regulatory capital. Accordingly, transitional arrangement is applied. If Transition wasn't applied Capital Position would have been as below:

	Transition Arrangement	Full ECL Impact
CET1 to TRWAs	**10.32%**	**10.10%**
T1 Capital to TRWAs	**11.38%**	**11.16%**
Total eligible capital to TRWAs	**13.68%**	**13.68%**
Leverage	**4.00%**	**3.93%**

41. GENERAL

41.1 Corresponding figures have been re-arranged / re-classified, wherever necessary, to facilitate comparison in the presentation in the current period. However, there are no material re-arrangements / re-classifications to report.

41.2 The figures in these consolidated condensed Interim financial statements have been rounded off to the nearest thousand.

42. SUBSEQUENT EVENT

No events were identified other than those disclosed in the respective notes to these consolidated condensed interim financial statements.

43. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue by the Board of Directors of the Holding Company in their meeting held on August 25, 2026.

President and Chief Executive Officer	Chief Financial Officer	Director	Director	Director

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