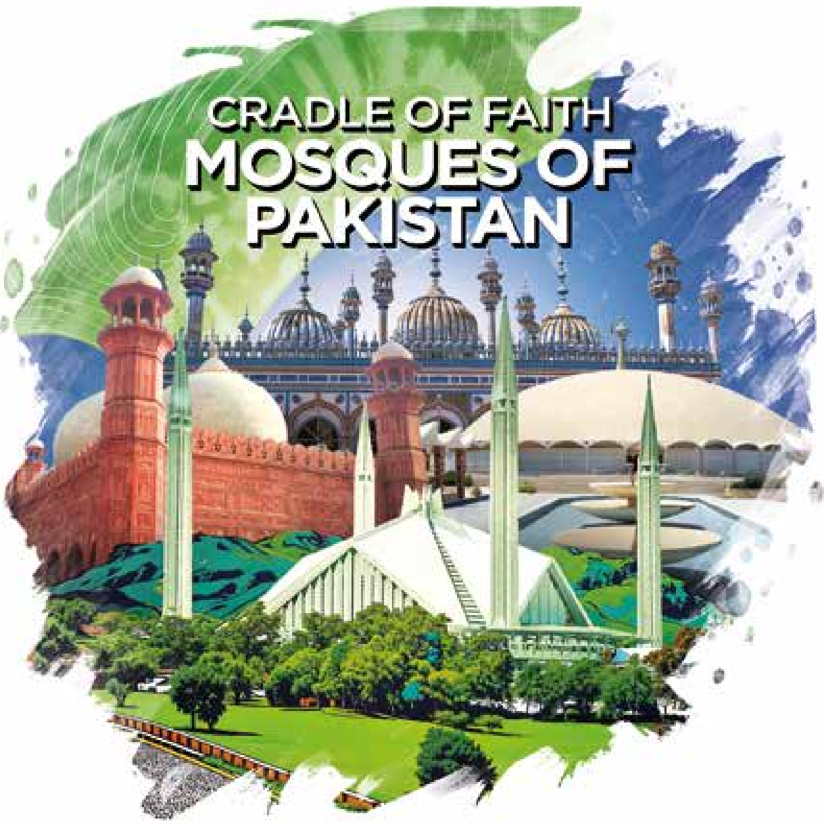
BankIslami

PAKISTAN'S BEST ISLAMIC BANK CERTIFIED BY EUROMONEY



HALF YEARLY REPORT JUNE 2026

SAVING HUMANITY FROM RIBA

آئیں انسانیت کو سود سے بچائیں

PAKISTAN'S BEST ISLAMIC BANK CERTIFIED BY EUROMONEY

Content

BankIslami

Corporate Information

Board of Directors

Mr. Shahid Hussain Jatoi	Chairman (Non-Executive Director)
Mr. Rizwan Ata	President & Chief Executive Officer
Mr. Abdur Rahim	Non-Executive Director
Mr. Khalid Aziz Mirza	Independent Director
Mr. Khalilullah Shaikh	Independent Director
Ms. Kokab Sadiq Qureshi	Non-Executive Director
Mr. Sameer Qureshi	Independent Director
Mr. Sulaiman Sadruddin Mehdi *	Independent Director
Mr. Suleman Lalani	Non-Executive Director

Shariah Board

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

Board Audit Committee

Mr. Khalilullah Shaikh	Chairperson
Mr. Khalid Aziz Mirza	Member
Ms. Kokab Sadiq Qureshi	Member
Mr. Sulaiman Sadruddin Mehdi	Member
Mr. Suleman Lalani	Member

Board Risk Management Committee

Mr. Suleman Lalani	Chairperson
Mr. Abdul Rahim	Member
Mr. Khalid Aziz Mirza	Member
Mr. Sulaiman Sadruddin Mehdi	Member
Mr. Rizwan Ata, President & Chief Executive Officer	Member

Board Human Resource & Remuneration Committee

Mr. Khalid Aziz Mirza	Chairperson
Mr. Khalilullah Shaikh	Member
Mr. Shahid Hussain Jatoi	Member
Mr. Sulaiman Sadruddin Mehdi	Member
Mr. Suleman Lalani	Member

Board Information Technology Committee

Mr. Sameer Qureshi	Chairperson
Mr. Khalilullah Shaikh	Member
Ms. Kokab Sadiq Qureshi	Member
Mr. Suleman Lalani	Member
Mr. Rizwan Ata, President & Chief Executive Officer	Member

Company Secretary

Mr. Hasan Shahid

Chief Financial Officer

Mr. Syed Majid Ali

* FPT clearance as an Independent Director is under consideration by SBP

Auditors

BDO Ebrahim & Co.,

Chartered Accountants

Legal Advisers

Haidermota & Co.
Mohsin Tayebaly & Co.

Management (in alphabetical order)

Rizwan Ata	President & Chief Executive Officer
Imran Haleem Shaikh	Deputy Chief Executive Officer
Sohail Sikandar	Chief Operations Officer
Anjum Amin Siddiqui	Chief Compliance Officer
Ashfaque Ahmed	Chief Officer AIK
Bilal Ali Shah	Head Premises Security & Government Relations
Hasan Saeed Akbar	Head of Digital Products
Hasan Shahid	Company Secretory
Kabir Ahmad Qureshi	Group Head - Distribution & Business Banking
Kashif Iqbal	Head General Services & Procurement
Kazi Shahid Tanvir	Head Strategy
Muhammad Ayub	Head Service Quality & CX
Muhammad Farrukh Aslam Chughtai	Group Head Wholesale Banking
Muhammad Haris Munawar	Head Corporate Banking
Muhammad Irfan Ahmed	Head Shariah Compliance
Muhammad Rizwan Malik	Group Head Treasury & Financial Institutions
Muhammad Uzair Sipra	Head of Legal
Muzammil Aslam	Group Head Operations
Ram Pal Punshi	Principal Credit Advisor
Saira Gul Gabol	Group Head Human Resources
Sajjad Hussain Qureshi	Chief Risk Officer
Syed Ali Hasham	Head Investment Banking
Syed Amir Raza Zaidi	Chief Internal Auditor
Syed Majid Ali	Chief Financial Officer
Syed Mohammad Mujeeb	Chief Information Officer
Waqas Anis	Chief Digital & AI Officer
Zulfiqar Ali Lehri	Group Head Consumer & Channel Sales

Registered Office

11th Floor, Executive Tower, Dolmen City, Marine Drive, Block-4, Clifton, Karachi.

Phone (92-21) 111-247(BIP)-111 Fax: (92-21) 35378373

Email: care@bipl.io

Share Registrar

CDC Share Registrar Services Limited

Head Office: CDC House, 99 – B, Block 'B',

S.M.C.H.S., Main Shahra-e-Faisal Karachi- 74400.

Tel: (92) 0800-23275 Fax: (92-21) 34326053

URL: www.cdcsrsl.com

Email: info@cdcsrsl.com

Website

www.bankislami.com.pk

Directors' Report to the Members

Dear Members,

On behalf of the Board of Directors, we are pleased to present the condensed interim un-audited stand-alone Financial Statements of BankIslami Pakistan Limited ('the Bank' or 'BankIslami') along with the consolidated Financial Statements for the half year ended June 30, 2026.

Economy Snapshot

Pakistan's economy demonstrated progressive stabilization during the initial part of the period under review, consolidating macroeconomic gains achieved during the previous year. However, volatile conditions arising from US-Iran conflict exposed the country to exogenous risks, with high oil prices leading inflation to reach double-digit figures and casting uncertainty over the macroeconomic outlook of the country.

On the economic front, the Real GDP growth of the country stood at 3.7% for FY2026, the highest in past four years, driven by 2.89% growth in agriculture, 3.51% growth in industry, and 4.09% growth in services. The headline inflation averaged 8.9% YoY during the period under review, with inflation reaching double digits in April 2026 for the first time in nearly 2 years. Since then, it has remained in the double digits, primarily due to energy price revisions stemming from middle east conflict. Consequently, the State Bank of Pakistan (SBP) raised its policy rate by 100 bps to 11.5% in April 2026 and later decided to maintain it at that level.

The external sector demonstrated stability as the foreign exchange reserves held by SBP remained healthy throughout the period under review, reaching USD 18,376 million by the end of June 2026, i.e., up by USD 2,323 million from their December 2025 level. This growth was achieved despite the country repaying UAE deposits of USD 3.45 billion in April 2026. The outflow was successfully offset by an additional USD 3 billion in deposits from Saudi Arabia, USD 750 million raised through the issuance of a Eurobond, and a USD 1.32 billion tranche received from the IMF. Meanwhile, the Pakistani Rupee (PKR) strengthened against the US Dollar, closing June 2026 at a PKR/USD exchange rate of 278.16 compared to an exchange rate of 280.12 at the end of December 2025.

Current account balance witnessed a deficit of USD 139 million in FY2026 compared to a surplus of USD 1,838 million in FY2025. The primary reason for the deficit was the widening of the trade deficit in goods and services, by 19.8% to USD 35,514 million, due to elevated oil prices. Although an 8% growth in workers' remittances, which reached USD 41.6 billion in FY2026, cushioned this impact, the current account still recorded a deficit that was nonetheless well within the central bank's target range.

Fiscal consolidation remained firmly on track during FY2026, supported by improved revenue mobilization, higher non-tax receipts, prudent expenditure management, and lower markup payments. During July-March FY2026, the fiscal deficit narrowed significantly to PKR 856.4 billion (0.7% of GDP), compared with PKR 2,970 billion (2.6% of GDP) during the same period last year. The primary surplus increased to PKR 4,091.5 billion (3.2% of GDP), from PKR 3,468.7 billion (3.0% of GDP) in the corresponding period of FY2025.

Looking ahead, while near-term macroeconomic stabilization is firmly in place, persistent risks remain regarding geopolitical instability in the Middle East and resulting energy and commodity price fluctuations. Disciplined implementation of key reforms and policy consistency remain key requirements for economic stability and growth going forward.

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

Significant Achievements

During the period under review, the Bank achieved a significant strategic milestone with receipt of approval from State Bank of Pakistan for the commencement of business of its wholly owned subsidiary, BIPL Exchange Company (Pvt.) Limited. This development marks an important step in expanding the bank's range of Shariah compliant financial services and reinforces its commitment to delivering innovative, customer centric financial solutions while supporting long term sustainable growth.

During the period, the Bank for the consecutive second year has been awarded with the prestigious "Best Islamic Digital Bank in Pakistan" award by Euromoney, reflecting its continued leadership in digital innovation and delivery of world-class Islamic banking services.

Following are the key financial highlights for the half year ended June 30, 2026:

Key Balance Sheet Numbers	June 2026	December 2025	Change from December 2025 %
	----------------------	Rupees in 000	----------------------
Deposits	**700,333,251**	660,183,339	6.08%
Financing & related assets - net	**309,829,034**	291,750,609	6.20%
Investments - net	**305,803,712**	322,887,104	-5.29%
Due to FI	**16,956,509**	14,613,108	16.04%
Due from FI	**54,698,400**	18,999,952	187.89%
Net Assets	**48,449,149**	48,613,908	-0.34%

Key Income and Expense Numbers	June 2026	June 2025	Change %
	----------------------	Rupees in 000	----------------------
Profit / return earned	**34,368,297**	38,897,762	-11.64%
Profit / return expensed	**16,750,054**	20,374,571	-17.79%
Net spread earned	**17,618,243**	18,523,191	-4.89%
Fee, commission and other income	**2,858,903**	4,896,123	-41.61%
Total Income	**20,477,146**	23,419,314	-12.56%
Operating Expenses	**17,095,165**	15,012,616	13.87%
Profit before Taxation	**4,311,095**	8,956,178	-51.86%
Profit after taxation	**2,020,259**	4,409,007	-54.18%
Earnings per share (in rupees)	**1.8222**	3.9767	-54.18%

The Bank maintained a stable financial position during the first half of 2026. The deposit base stood at Rs.700 billion as of June 30, 2026, reflecting significant growth of 11.10% compared to June 30, 2025, and 6.08% from December 31, 2025. CASA deposits remained a key strength, constituting 77.30% of total deposit during the period, supported by improvement in both current and saving deposits compared to June and December 2025. Term deposits declined from Rs.189.87 billion in December 2025 and Rs.184.58 billion in June 2025 to Rs.158.96 billion reflecting bank's strategic focus on expanding its deposits portfolio by growing its low cost deposit base through diverse channels including trade finance, employee banking and cash management.

The Bank's Gross financing portfolio remained resilient, registering a growth of 23.97% and 5.10% compared to June and December 2025 standing at Rs. 338.65 billion as at 30 June, 2026. However, Advance to deposit (ADR) ratio slightly decreased to 48.36% compared to 48.81% as of December 31, 2025 mainly due to healthy growth in deposit base. Non-performing financings also declined compared to both corresponding periods resulting in improved infection ratio, which declined from 8.17% in June 2025 to 5.97%. This reflects Bank's prudent financing approach, disciplined risk management practices and effective recovery measures. Furthermore, the Bank coverage ratio stood at 106% reflecting strong credit risk management and adequate provisioning levels.

During the period ended June 30, 2026, the Bank's investment portfolio decreased by 5.29% from Rs. 322.87 billion as at December 31, 2025 to Rs. 305.80 billion. Consequently, the Investment to Deposit Ratio (IDR) declined to 43.67% from 48.91% as at December 31, 2025, primarily due to the Bank's focus on capitalizing financing opportunities. In the prevailing environment, the Bank is cautiously exploring investment opportunities, focusing on optimizing returns through dividend income, coupon income, and capital gains.

A strong capital base continues to remain fundamental to the Bank's operations, and capital levels have consistently been maintained above applicable regulatory requirements. As of June 30, 2026, the Bank's Capital Adequacy Ratio (CAR) stood at 15.64% compared to 16.55% as at December 2025. The decrease was primarily driven by an increase in credit and market risk-weighted assets, resulting from the expansion of the Bank's financing and equity investment portfolios.

During the period ended June 30, 2026, the Bank's net spread declined year on year to Rs. 17.62 billion representing a decline of 43 bps on YoY basis. This decline is attributable to the reduction in the average KIBOR decreasing from approximately 11.7% in HY 2025 to around 10.8% during the current period. Total income for the period also declined, mainly due to lower capital gains. Further, the rise in operating expenses by 13.87% Year on Year indicating expenditure for enhancement of technology as well as prevailing inflationary pressures. The Bank aims to focus on mobilization of low cost deposits, cost discipline and continuing strategic initiatives to improving long-term profitability.

Group Results

During the half year ended June 30, 2026, the Group's total asset base increased by 5.2% to Rs. 809.8 billion from Rs. 769.6 billion as at December 31, 2025. During the period, the Group generated total income of Rs. 20.5 billion and recorded a profit before tax of Rs. 3.3 billion, reflecting its continued focus on sustainable growth and prudent risk management.

Dividend

The Board of Directors, in their meeting held on August 19, 2026 declared an interim cash dividend of Rs. 1.50 for the half year ended June 30, 2026.

Acknowledgements

The Board extends its sincere appreciation to the outgoing directors for their invaluable guidance, leadership, and dedicated service during their tenure. Their contributions have played a significant role in strengthening the Bank's governance framework and supporting its strategic growth.

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

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

On behalf of the Board,

-sd-	-sd-
Rizwan Ata	**Shahid Hussain Jatoi**
President & Chief Executive Officer	Chairman of the Board of Directors

Karachi: August 19, 2026

گروپ نتائج

30 جون 2026 کو ختم ہونے والی ششماہی کے دوران، گروپ کے کل اثاثے 31 دسمبر 2025 کے 769.6 ارب روپے کے مقابلے میں 5.2 فیصد اضافے کے ساتھ 809.8 ارب روپے ہو گئے۔ اس مدت کے دوران، گروپ نے 20.5 ارب روپے کی کل آمدن حاصل کی اور 3.3 ارب روپے کا قبل از محصول منافع ریکارڈ کیا، جو پائیدار نمو اور محتاط خطرات کی انتظام کاری پر اس کی مسلسل توجہ کی عکاسی کرتا ہے۔

منافعِ منقسمہ

بورڈ آف ڈائریکٹرز نے 19 August 2026 کو منعقدہ اپنے اجلاس میں 30 جون 2026 کو ختم ہونے والی ششماہی کے لیے 1.50 روپے فی حصص عبوری نقد منافعِ منقسمہ دینے کا اعلان کیا ہے۔

اظہارِ تشکر

بورڈ سبکدوش ہونے والے ڈائریکٹرز کی ان کی مدتِ ملازمت کے دوران قیمتی رہنمائی، قیادت اور مخلصانہ خدمات کے لیے ان کا تہہ دل سے ممنون ہے۔ ان کی کاوشوں نے بینک کے گورننس فریم ورک کو مضبوط بنانے اور اس کی حکمتِ عملی کی نمو کو سہارا دینے میں اہم کردار ادا کیا ہے۔

بورڈ اسٹیٹ بینک آف پاکستان کا ان کی قیمتی رہنمائی اور مسلسل معاونت پر بھی دلی تشکر کا اظہار کرتا ہے۔ علاوہ ازیں، ہم سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور دیگر ریگولیٹری اداروں کے بینک کی کاوشوں کے لیے مسلسل تعاون کو قدر کی نگاہ سے دیکھتے ہیں۔ ہم اپنے معزز صارفین، قابلِ قدر تجارتی شراکت داروں اور شیئر ہولڈرز کے مسلسل اعتماد اور وفاداری پر ان کے تہہ دل سے ممنون ہیں۔

مزید برآں، ہم اپنی انتظامی ٹیم اور ملازمین کی غیر معمولی لگن، عزم اور انتھک کاوشوں کو سراہتے ہیں۔ ان کی کاوشوں نے بینک اسلامی کو نہ صرف مجموعی بینکاری کے شعبے بلکہ بالخصوص اسلامی بینکاری کی صنعت میں ایک نمایاں مقام دلانے میں کلیدی کردار ادا کیا ہے۔

منجانب و حسبِ الحکم بورڈ

-sd-	-sd-
رضوان عطاء	**شاہد حسین جتوئی**
صدر و چیف ایگزیکٹو آفیسر	چیئرمین، بورڈ آف ڈائریکٹرز

کراچی: 19 اگست 2026

ڈائریکٹرز کی ممبران کے لیے رپورٹ

ب روپے سے کم ہو کر 158.96 ارب روپے رہ گئے، جو متنوع ذرائع بشمول ٹریڈ فنانس، ایمپلائی بینکاری اور کیش مینجمنٹ کے ذریعے کم لاگت یپازٹ بیس میں اضافہ کر کے اپنے ڈیپازٹس پورٹ فولیو کو وسعت دینے کی بینک کی حکمتِ عملی پر مرکوز توجہ کی عکاسی کرتے ہیں۔

ینک کا مجموعی (Gross) فنانسنگ پورٹ فولیو مستحکم رہا، جس میں جون اور دسمبر 2025 کے مقابلے میں بالترتیب 23.97 فیصد اور 5.10 بصد کا اضافہ دیکھا گیا اور یہ 30 جون 2026 کو 338.65 ارب روپے تک پہنچ گیا۔ تاہم، ایڈوانس ٹو ڈیپازٹ ریشو (ADR) معمولی کمی کے ساتھ 48.36 فیصد رہا جو 31 دسمبر 2025 کو 48.81 فیصد تھا، جس کی بنیادی وجہ ڈیپازٹ بیس میں حاصل ہونے والی مثبت نمو ہے۔ نادہندہ نانسنگ (Non-performing financings) میں بھی گزشتہ دونوں ادوار کے مقابلے میں کمی آئی جس کے نتیجے میں انفیکشن ریشو بں بہتری آئی، جو جون 2025 کے 8.17 فیصد سے کم ہو کر 5.97 فیصد رہ گیا۔ یہ بینک کی محتاط فنانسنگ حکمتِ عملی، باضابطہ خطرات کی انتظام اری اور مؤثر وصولی کے اقدامات کی عکاسی کرتا ہے۔ مزید برآں، بینک کا کوریج ریشو 106 فیصد پر برقرار رہا جو مضبوط قرضہ جاتی خطرات کے انتظامی ھانچے اور مناسب پروویژننگ کی سطح کی نشاندہی کرتا ہے۔

30 جون 2026 کو ختم ہونے والی مدت کے دوران، بینک کے سرمایہ کاری پورٹ فولیو میں 31 دسمبر 2025 کے 322.87 ارب روپے کے قابلے میں 5.29 فیصد کمی واقع ہوئی اور یہ 305.80 ارب روپے رہ گیا۔ نتیجے کے طور پر، انویسٹمنٹ ٹو ڈیپازٹ ریشو (IDR) 31 دسمبر 2025 کے 48.91 فیصد سے کم ہو کر 43.67 فیصد رہ گیا، جس کی بنیادی وجہ فنانسنگ کے مواقع سے فائدہ اٹھانے پر بینک کی توجہ تھی۔ موجودہ حول میں، بینک محتاط انداز میں سرمایہ کاری کے مواقع تلاش کر رہا ہے، جس میں بنیادی توجہ منافع منقسمہ سے آمدن، کوپن آمدن اور اثاثوں کی روخت سے نفع (Capital gains) کے ذریعے منافع کو بہتر بنانے پر ہے۔

ضبوط بنیادی سرمایہ بینک کے نظامِ کار کا اساس ہے، اور کیپیٹل کی سطح مسلسل متعلقہ ریگولیٹری تقاضوں سے بلند رہی۔ 30 جون 2026 کو CAR ریشو 15.64 فیصد رہا جبکہ دسمبر 2025 میں یہ 16.55 فیصد تھا۔ اس کمی کی بنیادی وجہ بینک کے فنانسنگ اور ایکویٹی انویسٹمنٹ ورٹ فولیو میں توسیع کے نتیجے میں کریڈٹ اور مارکیٹ رسک ویٹڈ اثاثوں میں ہونے والا اضافہ ہے۔

30 جون 2026 کو ختم ہونے والی مدت کے دوران، بینک کی صافی آمدن سالانہ بنیادوں پر کم ہو کر 17.62 ارب روپے رہی، جو سال بہ سال 43 بیسس پوائنٹس کی کمی کو ظاہر کرتی ہے۔ یہ کمی اوسط KIBOR میں کمی کے باعث ہوئی، جو ششماہی 2025 کے تقریباً 11.7 فیصد سے کم و کر موجودہ مدت میں تقریباً 10.8 فیصد رہ گیا۔ زیرِ جائزہ مدت کے لیے کل آمدن میں بھی کمی ریکارڈ کی گئی، جس کی بنیادی وجہ اثاثوں کی فروخت سے نفع میں کمی تھی۔ مزید برآں، آپریٹنگ اخراجات میں سال بہ سال 13.87 فیصد اضافہ ہوا، جو ٹیکنالوجی کو بہتر بنانے میں مسلسل سرمایہ کاری اور موجودہ مہنگائی کے دباؤ کا نتیجہ ہے۔ بینک کم لاگت فنڈنگ بیس کو مستحکم بنانے، اخراجات پر قابو برقرار رکھنے، اور طویل مدت کے پائیدار منافع کے صول کے لیے حکمتِ عملی پر مبنی اقدامات پر توجہ مرکوز کیے ہوئے ہے۔

بیلنس شیٹ کے اہم اعداد و شمار	جون 2026	دسمبر 2025	دسمبر 2025 کے مقابلے میں تبدیلی
	(روپے ہزار میں)	(روپے ہزار میں)	%
یپازٹس	700,333,251	660,183,339	6.08%
انسنگ اور متعلقہ اثاثہ جات۔صافی	309,829,034	291,750,609	6.20%
رمایہ کاری۔صافی	305,803,712	322,887,104	-5.29%
یف آئی (FI's) کو واجب الادا	16,956,509	14,613,108	16.04%
یف آئی (FI's) کی طرف واجب الادا	54,698,400	18,999,952	187.89%
مافی اثاثہ جات	48,449,149	48,613,908	-0.34%

منافع اور اخراجات کے اہم اعداد و شمار	جون 2026	جون 2025	تبدیلی
	(روپے ہزار میں)	(روپے ہزار میں)	%
اصل کردہ منافع/آمدن	34,368,297	38,897,762	-11.64%
رچ کردہ منافع/آمدن	16,750,054	20,374,571	-17.79%
اصل کردہ صافی آمدن	17,618,243	18,523,191	-4.89%
بس، کمیشن اور دیگر آمدن	2,858,903	4,896,123	-41.61%
ل آمدن	20,477,146	23,419,314	-12.56%
پریٹنگ اخراجات	17,095,165	15,012,616	13.87%
بل از محصول منافع	4,311,095	8,956,178	-51.86%
عداز محصول منافع	2,020,259	4,409,007	-54.18%
حصص آمدن (روپے میں)	1.8222	3.9767	-54.18%

بینک نے 2026 کی پہلی ششماہی کے دوران اپنی مالی پوزیشن کو مستحکم رکھا۔ 30 جون 2026 کو ڈیپازٹس کا حجم 700 ارب روپے تک پہنچ گیا، جو
جون 2025 کے مقابلے میں 11.10 فیصد اور 31 دسمبر 2025 کے مقابلے میں 6.08 فیصد نمایاں اضافہ کو ظاہر کرتا ہے۔ CASA
پازٹس کا کردار نمایاں رہا، جو اس مدت کے دوران کل ڈیپازٹس کا 77.30 فیصد رہا، جسے جون اور دسمبر 2025 کے مقابلے میں کرنٹ اور
نگ دونوں ڈیپازٹس میں بہتری سے تقویت ملی۔ ٹرم ڈیپازٹس دسمبر 2025 کے 189.87 ارب روپے اور جون 2025 کے 184.58

ڈائریکٹرز کی ممبران کے لیے رپورٹ

کرنٹ کھاتے کے بیلنس میں مالی سال 2026 کے دوران 139 ملین امریکی ڈالر کا خسارہ دیکھا گیا، جبکہ مالی سال 2025 میں 1,838 ملین امریکی ڈالر کا سرپلس ریکارڈ کیا گیا تھا۔ خسارے کی بنیادی وجہ تیل کی بلند قیمتوں کے باعث اشیاء و خدمات کے تجارتی خسارے میں 19.8 فیصد کا اضافہ ہو کر 35,514 ملین امریکی ڈالر تک پہنچنا تھا۔ اگرچہ ترسیلاتِ زر میں 8 فیصد اضافے، جو مالی سال 2026 میں 41.6 ارب ڈالر تک پہنچ گئیں، نے اس اثر کو کچھ حد تک مدد فراہم کی، تاہم کرنٹ کھاتے میں ریکارڈ کیا گیا خسارہ مرکزی بینک کے مقررہ ہدف کی حدود کے اندر رہا۔

مالیاتی محاذ پر مالی سال 2026 کے دوران مالیاتی استحکام کی کوششیں مضبوطی سے جاری رہیں، جس کی بنیادی وجہ آمدن میں بہتری، غیر محصولاتی وصولیوں میں اضافہ، محتاط اخراجات کا انتظام، اور سود کی کم ادائیگیاں تھیں۔ مالی سال 2026 کی جولائی تا مارچ مدت کے دوران مالیاتی خسارہ نمایاں طور پر کم ہو کر 856.4 ارب روپے (جی ڈی پی کا 0.7 فیصد) رہ گیا، جو گزشتہ سال کے اسی عرصے میں 2,970 ارب روپے (جی ڈی پی کا 2.6 فیصد) تھا۔ بنیادی بچت بڑھ کر 4,091.5 ارب روپے (جی ڈی پی کا 3.2 فیصد) ہو گئی جو مالی سال 2025 کے اسی عرصے میں 3,468.7 ارب روپے (جی ڈی پی کا 3.0 فیصد) تھی۔

مستقبل پر نظر ڈالتے ہوئے، اگرچہ قریب المدت معاشیاتی سطح کل کا استحکام مضبوطی سے قائم ہے، تاہم مشرقِ وسطیٰ میں جغرافیائی سیاسی عدم استحکام اور اس کے نتیجے میں توانائی و اشیاء کی قیمتوں میں اتار چڑھاؤ کے مسلسل خطرات موجود ہیں۔ اہم اصلاحات پر نظم و ضبط کے ساتھ عملدرآمد اور پالیسیوں میں تسلسل مستقبل میں معاشی استحکام اور نمو کے لیے نہایت ضروری تقاضے ہیں۔

(ماخذ: اسٹیٹ بینک آف پاکستان، پاکستان بیورو آف اسٹیٹکس، وزارتِ خزانہ، اخباری رپورٹس)

نمایاں کامیابیاں

زیرِ جائزہ مدت کے دوران، بینک نے اپنی مکمل ملکیت میں قائم سبسڈری، BIPL Exchange Company (Pvt.) Limited کے لیے اسٹیٹ بینک آف پاکستان سے کاروباری سرگرمیوں کے آغاز کی منظوری حاصل کر کے ایک اہم حکمتِ عملی کا سنگِ میل حاصل کیا۔ یہ پیش رفت بینک کی شریعہ سے ہم آہنگ مالیاتی خدمات کے دائرہ کار کو وسعت دینے کی سمت ایک اہم قدم ہے اور طویل مدتی پائیدار نمو کو سہارا دیتے ہوئے جدید، صارف دوست مالیاتی حل فراہم کرنے کے اس کے عزم کو مضبوط کرتی ہے۔

اس مدت کے دوران، بینک کو مسلسل دوسرے سال Euromoney کی جانب سے معتبر "پاکستان کا بہترین اسلامی ڈیجیٹل بینک" کے ایوارڈ سے نوازا گیا، جو ڈیجیٹل جدت طرازی اور عالمی معیار کی اسلامی بینکاری خدمات کی فراہمی میں اس کی مسلسل قیادت کی عکاسی کرتا ہے۔

مالیاتی کارکردگی کا جائزہ

30 جون 2026 کو ختم ہونے والی ششماہی کے لیے بینک کی نمایاں مالی جھلکیاں درج ذیل ہیں:

ڈائریکٹرز کی ممبران کے لیے رپورٹ

معززاراکین،

بورڈآف ڈائریکٹرز کی جانب سے، ہم 30 جون 2026 کو مکمل ہونے والی ششماہی کے لیے بینک اسلامی پاکستان لمیٹڈ ('بینک' یا 'بینک اسلامی') کے مختصر عبوری غیر پڑتال شدہ انفرادی مالیاتی گوشواروں کے ہمراہ مربوط مالی گوشواروں کو پیش کرنے میں خوشی محسوس کر رہے ہیں۔

معاشی جائزہ

زیرِ جائزہ مدت کے ابتدائی حصے کے دوران پاکستان کی معیشت نے تدریجی استحکام کا مظاہرہ کیا، جس سے گزشتہ سال کے دوران حاصل ہونے والے معاشیاتی سطحِ کل کے فوائد مزید مستحکم ہوئے۔ تاہم، امریکہ-ایران تنازع کی وجہ سے پیدا ہونے والی غیر مستحکم صورتحال نے ملک کو بیرونی خطرات سے دوچار کیا، جہاں تیل کی بلند قیمتوں کے باعث افراطِ زر دوہندسوں تک پہنچ گیا اور ملک کے مجموعی معاشی منظرنامے پر غیر یقینی کے سائے منڈلانے لگے۔

معاشی محاذ پر، مالی سال 2026 کے لیے ملک کی حقیقی جی ڈی پی (GDP) شرحِ نمو 3.7 فیصد رہی، جو گزشتہ چار سالوں میں سب سے بلند ہے۔ اس نمو میں زراعت کے شعبے کی 2.89 فیصد، صنعت کی 3.51 فیصد، اور خدمات کے شعبے کی 4.09 فیصد ترقی کا اہم کردار رہا۔ زیرِ جائزہ مدت کے دوران سالانہ بنیادوں پر اوسط بنیادی افراطِ زر 8.9 فیصد رہا، جبکہ اپریل 2026 میں تقریباً 2 سال بعد پہلی بار مہنگائی کی شرح دوہندسوں میں داخل ہوئی۔ تب سے یہ بنیادی طور پر مشرقِ وسطیٰ کے تنازع کی وجہ سے توانائی کی قیمتوں میں ہونے والے ردوبدل کے باعث دوہندسوں میں برقرار ہے۔ نتیجے کے طور پر، اسٹیٹ بینک آف پاکستان نے اپریل 2026 میں اپنے پالیسی ریٹ میں 100 بیسس پوائنٹس کا اضافہ کرتے ہوئے اسے 11.5 فیصد کر دیا اور بعدازاں اسے اسی سطح پر برقرار رکھنے کا فیصلہ کیا۔

بیرونی کھاتے کی پوزیشن مستحکم رہی کیونکہ اسٹیٹ بینک آف پاکستان کے پاس موجود زرمبادلہ کے ذخائر زیرِ جائزہ پوری مدت کے دوران مضبوط سطح پر رہے، جو جون 2026 کے اختتام تک 18,376 ملین امریکی ڈالر تک پہنچ گئے، یعنی دسمبر 2025 کے مقابلے میں 2,323 ملین امریکی ڈالر کا اضافہ ہوا۔ یہ نمو اپریل 2026 میں متحدہ عرب امارات کے 3.45 ارب ڈالر کے ڈیپازٹس کی ادائیگی کے باوجود حاصل کی گئی۔ اس آؤٹ فلو کا کامیابی سے توازن سعودی عرب سے مزید 3 ارب ڈالر کے ڈیپازٹس، یوروبانڈ کے اجراء کے ذریعے 750 ملین ڈالر کے حصول، اور آئی ایم ایف سے موصول ہونے والی 1.32 ارب ڈالر کی قسط کے ذریعے برقرار رکھا گیا۔ دریں اثناء، امریکی ڈالر کے مقابلے میں پاکستانی روپیہ مستحکم ہوا، اور جون 2026 کے اختتام پر روپے کی قدر 278.16 فی امریکی ڈالر رہی، جبکہ دسمبر 2025 کے اختتام پر یہ 280.12 تھی۔

Achievements and New Initiatives

During H1 2026, BankIslami continued to strengthen its market leadership, accelerate its digital transformation, and drive Shariah-compliant financial inclusion across Pakistan. Expanding on its recognition as Euromoney's "Best Islamic Bank in Pakistan 2025," the Bank was named "Pakistan's Best Islamic Digital Bank" at the Euromoney Islamic Finance Awards 2026. This period reflected strong operational performance, key product innovations, robust Shariah governance, and a steadfast commitment to its mission of "Saving Humanity from Riba."

The Bank's digital platform, aik, demonstrated remarkable operational momentum in transaction volume and account onboarding while launching key enterprise solutions. Commercially, Consumer Cross-Sell achieved strong disbursement targets led by Auto and Muskun Finance, alongside new offerings in Gold-Based Financing, Islamic Personal Finance, and SME Tameer Finance. Meanwhile, Investment Banking continued its core advisory role for Government of Pakistan Ijarah Sukuk issuances.

Operations and governance remained exceptional, with Customer Experience maintaining high resolution compliance, while the Shariah Compliance Department granted approvals, conducted reviews, and structured sovereign Sukuk frameworks. Additionally, Agriculture Finance expanded green funding, Mashal Women Banking broadened its reach, and the Bank enhanced faith-based solutions through Hajj facilitation and the HumSafar launch.

AIK

During H1 2026, aik demonstrated significant operational momentum, processing over PKR 66 Billion in total throughput across 5 Million transactions. Driven by strong acquisition, aik successfully onboarded 245,000 accounts and processed PKR 9 Billion in P2M QR transaction volume, establishing a solid foundation for continued market expansion.

To support this operational scale and broaden its market reach, aik successfully executed several initiatives across its product and enterprise ecosystem. Key deployments included "aikConnect", an Open Banking solution featuring 25+ Islamic Banking APIs, a full-suite Corporate Portal for automated payroll and vendor payments. "aikPay" Pakistan's first Islamic QR-based payment gateway and "aikTijarat", a dedicated merchant management application. Demonstrating industry excellence, aik was also honored with the PDA Award for Best Shariah-Compliant Digital Financial Solution.

Service Quality and Customer Experience

Building on the structural realignments of 2025, the Bank continued to advance its One Bank, One Experience strategy through the FY 2026, delivering sustainable operational efficiency and robust, customer-centric governance under the oversight of the Board Risk Management Committee. Guided by the State Bank of Pakistan's (SBP) Business Conduct and Fair Treatment of Consumers Regulatory Framework (BC&FRF), issued under BPRD Circular No. 04 of 2025, the Bank strengthened its grievance redressal mechanisms and market conduct controls. During the year, the Bank efficiently processed 40,555 customer complaints with a 99.98% resolution compliance rate within SBP-prescribed timelines, achieving an average turnaround time (TAT) of 3.9 working days.

Through targeted value-creation initiatives across customer touchpoints, staff enablement, and centralized data governance, the Bank optimized cross-functional workflows, consumer data privacy, and digital channel stability. By institutionalizing higher First Contact Resolution (FCR) standards, structured quality evaluations, and proactive regulatory reporting, the Bank mitigated operational risk while reinforcing its commitment to ethical, transparent, and Shariah-compliant Islamic banking for all stakeholders.

Investment Banking

Investment Banking contributed towards the bank's bottom line in the form of net financing income through syndicated financing, project financing, Corporate Sukuk investments and bilateral-structured transactions, which was further augmented through fee income.

During the period, the Bank successfully disbursed a significant volume of new financing and also served as Lead Arranger or Co-Arranger in various landmark transactions. These mandates not only expanded the Bank's asset portfolio but also reinforced its position as a trusted arranger in Pakistan's domestic syndicated financing market. The Bank also acted as Joint Financial Advisor to Government of Pakistan for GoP Ijarah Sukuk issuances, on transactions worth PKR 1.1 Trillion.

Looking ahead, the transaction pipeline remains strong, with a substantial number of deals at various stages of execution. This robust pipeline reflects the department's continued emphasis on business origination and effective transaction execution, supporting the Bank's strategic growth objectives. These achievements highlight the team's expertise in structuring and deploying assets that strengthen the Bank's financial position.

Moving forward, the division is poised to play a transformative role in BankIslami growth trajectory by integrating strategic deal-making with global best practices. This evolution reaffirms our commitment to delivering sophisticated, Shariah-compliant financial solutions that empower our corporate clientele and shape the future of the investment banking landscape.

Consumer and Cross Sales

Consumer Cross-Sell delivered a strong overall performance through July 2026, achieving 106% of the YTD new disbursement target, with total disbursements of PKR 19.2 billion against a target of PKR 18.2 billion. The performance was primarily driven by the continued strong momentum in Auto Finance and Muskun Finance, which exceeded their respective YTD targets by 13% and 11%.

Business Performance

Auto Finance remained the key growth driver, achieving PKR 14.25 billion, representing 113% of the YTD target & exceeding the target by approximately PKR 1.65 billion. The business continues to benefit from strategic partnerships with key auto manufacturers, including KIA, Changan and Nishat Motors. During H2, the focus will remain on expanding these partnerships, strengthening direct sales, & leveraging Employee Banking & the existing customer base to generate incremental business.

Muskun Finance also maintained strong momentum, achieving PKR 4.25 billion 111% of the YTD target, outperforming the target by approximately PKR 419 million.

The relatively newer businesses remain an area of focus. Secured Personal Finance achieved 30% of its YTD target, while Gold Finance, launched in March 2026, achieved 54% with 500+ Million Business, Islamic Personal Finance, launched in June 2026, is at an early stage with 5% achievement against its YTD target. These businesses require quicker sourcing, stronger sales productivity and focused management attention during H2.

Profitability

Consumer Cross-Sell generated PKR 795 million in H1 profit before provisions and indirect cost allocation against a target of PKR 735 million, achieving 108% of the target. Muskun Finance was the strongest contributor, achieving 131% of its H1 profitability target, while Auto Finance remained broadly on target at 99%.

Portfolio Quality

The overall Consumer Cross-Sell portfolio stands at approximately PKR 53.1 billion. Portfolio quality remains under active monitoring, with Auto Finance NPLs at 1.8% and Muskun Finance at 6.7%. Monthly portfolio review sessions are being conducted in coordination with Risk to ensure early identification of emerging risks and proactive portfolio management.

For H2 2026, management's focus will be on sustaining the momentum in Auto Finance and Muskun Finance while accelerating the performance of the newer product segments.

Shariah Compliance

During the period, the Secretariat of the Shariah Board and Shariah Compliance Department (SCD) arranged two Shariah Board meetings to review and approve product and service innovations, modifications, concepts, transactions, and related Shariah considerations, alongside a meeting of the Shariah Board with the Board of Directors of the Bank. Shariah Board members participated in key professional development sessions on topics such as Pakistan Virtual Assets & Regulatory Authority (PVARA) and Google Workspace and Agility in Corporate Rules. SCD reviewed critical documents and cases—including Transaction Fact Sheets (TFS), bank guarantees, legal agreements, marketing materials, restructurings, and settlements—granting more than 2,940 approvals. The team executed 58 physical and online branch reviews alongside 74 virtual and 32 physical client visits to verify underlying business processes and refine TFS. Furthermore, SCD supported the Bank-wide project of reviewing policy, framework, and procedural documents through external consultancy services (PwC), including Deposit Products, Banca Takaful, Charity Fund Policy, Risk Management Policy, and the General Banking Manual. In consultation with the Shariah Board, SCD also reviewed and approved the end-to-end operational governance framework for "BIPL Exchange Company (Pvt) Ltd" encompassing AML/CFT/KYC, Risk Management, Operations, Finance & Treasury, IT Information Security, and HR policies. Additionally, the External Shariah Audit for the year 2025 was successfully concluded with no significant concerns from a Shariah perspective.

SCD supported product innovation and diversification by finalizing Shariah structures, manuals, policies, and procedures for various Digital Takaful Products & Offering, Cost sharing scheme for Electric Bikes & Rickshaw's/Loaders (PAVE), Laptop under PMYB&ALS (Tier-4), Solar Financing facility for Attock Petroleum distributors under SME, Agri Vehicle Finance, Islamic Personal Finance, and Auto Financing Master Agreements to enhance the existing Fleet Finance portfolio. SCD also extended Shariah support to approve Aik Digital related initiatives, including merchant alliances, commission papers for sales force (DFOs), Rewards & Loyalty Product Program, Strategic Partnership with Attock Petroleum, Bachat Committee Product Program, transactional Takaful, and DQRC Product Program. The team supported Islamic syndicate transactions through structuring, review, and approval of notable transactions including Airlink Communication, Select Technologies, Deodar & Engro Connect, Amreli Steel, Elite Estate, and the Shariah Structure of BankIslami Tier-II Ehad Sukuk.

In continuation of BankIslami's vital role as a Joint Financial Advisor (JFA) to the Ministry of Finance (MoF), SCD collaborated with co-JFAs, the MoF, and the State Bank of Pakistan (SBP) to develop innovative Sukuk structures. The team facilitated the MoF in designing and obtaining Shariah Board approval for sovereign initiatives, including Short-Term Shariah Structure (1, 3, and 6-month) with arrangement of redemption, and Long-Term Shariah Structure (1, 3, 5, and 10-year) Hybrid Sukuk (Ijarah and Commodity Murabahah) with non-uniform pricing mechanisms and related agreements.

For Shariah training and development, physical and online training sessions covering Islamic Banking concepts were conducted across multiple cities alongside the digitization of the IBT assessment framework, benefiting more than 745 participants. Four batches of the "Certified Islamic Retail Banker (CIRB) – Intermediate" program and two batches of the "Certified Islamic Corporate Banker (CICB) – Intermediate" program were delivered to nominated staff. SCD also conducted 11 dedicated sessions for Branch Managers to transform them into Islamic Banking Mentors. For public awareness, drives were conducted across regional locations including Chakwal, Talagang, Choa Saidan Shah, Sara-e-Alamgir Branch Potohar, IoBM, Iqra University, and Al Kausar University. The team produced digital educational content, including approx. 12 Amsal-ul-Quran videos, 29 Pegham-e-Quran sessions, 32 Ramzan FAQ videos, Deen Connect webinars, operated a dedicated Ramzan Help Desk, and conducted specialized Gender Sensitization sessions for staff. SCD led joint awareness sessions with SBP under the National Financial Literacy Program (NFLP), conducted sessions for SBP-BSC Islamabad officers, hosted trade seminars for TDAP, and represented BankIslami on PSTD's WIBCON panel.

Agriculture Finance

In H1 2026, BankIslami strengthened its commitment to Pakistan's agricultural sector by expanding Shariah-compliant financing solutions that support sustainable growth. The Bank added over PKR 2.3 billion new business, with a strategic focus on climate-smart agriculture, farm mechanization and livestock financing.

Financial Inclusion: The Bank actively promoted SBP's Markup Subsidy and Risk Sharing Schemes to provide affordable financing to the farming communities. These efforts not only addressed farmers' financing needs but also contributed to broader financial inclusion across the agricultural sector. Aligned with SBP initiatives to impart financial literacy, the Bank conducted 40+ Agricultural Financial Literacy Programme (AFLP) sessions across Pakistan, reaching 800+ farmers, including the successful onboarding of 80 women farmers into formal Shariah-compliant agricultural financing.

Food Security: BankIslami further expanded its Electronic Warehouse Receipt Financing (EWRF) outreach by onboarding 20 new warehouses accredited with Naymat Collateral Management Company Limited (NCMCL), enabling greater access to Shariah-compliant Electronic Warehouse Receipt Financing (EWRF), minimizing post-harvest losses and strengthening food security of the nation.

Mashal Women Banking Empowering Women

BankIslami continued to advance women's financial inclusion and empowerment through Mashal Women Banking, combining women-centric banking, financial literacy, entrepreneurship support, capacity building, and accessible banking services.

- Women-Friendly Banking: 3 All Women-Managed Branches and 436 Women Facilitation Desks are operational nationwide, providing women customers with dedicated support and a more welcoming banking experience.

- Mashal Talks: 4 online financial literacy sessions were conducted, reaching 132 women and covering Zakat calculation, inheritance rights, marriage contract awareness, and freelancing opportunities.

- Women Entrepreneurship: It made its WE Finance Code Commitment to SBP. It also conducted a Women SME Mentorship Session to guide women entrepreneurs on personal branding and access to finance options.

- Women Empowerment: It partnered with Binte Ahan, to offer a 20% debit card discount for bike-riding and self-defense classes to women customers.

- Showcased Gender Diversity: It featured an all-women panel at PSTD's WIBCON 2026, highlighting Women @ BankIslami and the Bank's journey towards greater gender diversity.

- Women Leadership Recognition: The Group Head of HR and Head of Women Financial Services were recognized among 21 Women Leaders in Islamic Finance by the Women Leadership Forum and IBA CEIF.

- Women Financial Inclusion: The number of Mashal Accounts reached 17,300, while as of June 30, 2026, active women accounts stood at 171,861, with a gender diversity ratio of 15.2%.

- Capacity Building: Conducted 11 sessions of "Mastering the Art of Elevating Service for Women Customers," training 191 employees, alongside 4 online Women Champions Training sessions. In collaboration with ADB gWFX consultants, the Bank also developed an e-learning module to strengthen staff capabilities in serving women customers and women-led SMEs (WSMEs).

Humsafar – Hajj & Umrah Facilitation

BankIslami continued to enhance its faith-based customer value proposition by expanding access to Hajj and Umrah through innovative financial solutions and dedicated facilitation services.

During 2026, the Bank successfully facilitated approximately 3,420 applicants under the Government Hajj Scheme, representing continued year-on-year growth in customer outreach. To ensure a seamless customer experience, dedicated Hajj facilitation booths were established across Pakistan, providing end-to-end support throughout the application and processing journey. In recognition of these efforts, the Bank was awarded an Appreciation Certificate by the Directorate of Hajj for excellence in customer service and the efficient management of Hajj facilitation arrangements.

To further support customers in planning for their spiritual journey, BankIslami introduced HumSafar, a dedicated Hajj & Umrah proposition comprising two customer-centric solutions:

- **Pay Now – Travel Now:** Immediate Hajj and Umrah travel arrangements through convenient payment solutions.

- **Save Now – Travel Later:** A structured savings solution enabling customers to financially prepare for their future Hajj or Umrah journey in a disciplined and Shariah-compliant manner.

The launch of HumSafar strengthens BankIslami's commitment to helping customers achieve their religious aspirations through accessible, planned, and Shariah-compliant financial solutions. The Pay Now – Travel Now offering has received an encouraging market response, with the Bank successfully facilitating the sale of multiple Umrah packages during the year. Customer bookings continue to grow, reflecting increasing confidence in the Bank's Hajj and Umrah value proposition and creating opportunities to deepen long-term customer relationships

Gold Based Financing Product

BankIslami has launched its landmark **Gold-Based Financing** facility, marking the Bank's first Shariah-compliant gold-collateralized consumer offering. Operating on a dual Islamic structure of Tawarruq and Musawamah, the product allows salaried individuals, self-employed professionals, business owners, and homemakers to leverage personal gold assets to meet short-to-medium-term liquidity requirements without relying on conventional interest-based loans. Eligible applicants with a minimum income of PKR 50,000 can access financing from PKR 250,000 up to PKR 5.0 million.

To ensure safety and accessibility, financing is capped at a Bank Investment Ratio (BIR) of up to 70% of net gold value as assessed by authorized goldsmiths, with flexible repayment terms spanning 1 to 4 years and pledged assets held in high-security, gold vaults. In strict alignment with SBP guidelines and Shariah governance, the facility is restricted to verified dire needs—such as healthcare, education, marriage, and conventional loan payoffs supported by documentary evidence and binding legal undertakings. Any alternate purpose requires prior case-by-case Shariah Board approval, reinforcing BankIslami's commitment to prudent risk management and ethical banking.

Islamic Personal Finance

BankIslami's **Islamic Personal Finance** product provides individuals with short-term liquidity in a fully Shariah -compliant manner, built upon a robust Tawarruq structure backed by Mutual Fund Units (MFUs). The facility offers flexible repayment tenures from 6 months to 4 years, competitive 1-Year KIBOR-based pricing, and clean financing limits of up to PKR 3.0 million for regular customers and PKR 4.0 million for prime customers. To ensure responsible borrowing, the Bank enforces financial inclusion, special concessions and waiver on processing charge are extended to female and differently-abled applicants.

Targeted at verified salaried professionals, the facility is strictly restricted to approved, ethical personal needs, including medical emergencies, educational fees, marriage costs, and the settlement of conventional Riba-based debt. By offering a transparent, value-driven alternative to conventional debt, BankIslami reinforces its commitment to customer financial wellness and ethical banking.

Marketing

The first six months of 2026 demonstrated what can happen when a clear purpose is carried consistently across every conversation, platform and customer experience. At BankIslami, our mission of Saving Humanity from Riba continued to shape how we engaged customers, employees and the wider financial community, making Riba-free banking more relevant, understandable and accessible in everyday life.

Our progress received both global and national recognition this year. Following our recognition as Pakistan's Best Islamic Bank by Euromoney in 2025, BankIslami was named Pakistan's Best Islamic Digital Bank at the Euromoney Islamic Finance Awards 2026. This was further reinforced when aik – Pakistan's first fully digital Islamic banking platform, was recognized as the

Best Shariah-Compliant Digital Financial Solution at the Pakistan Digital Awards 2026. These recognitions validated the progress of our digital transformation and strengthened BankIslami's position at the intersection of Islamic banking and digital innovation.

Product communication translated our purpose into practical customer solutions. Islamic Personal Finance was positioned as a Shariah-compliant alternative to conventional personal loans, and Islamic Gold-Based Financing introduced a Riba-free way for customers to access liquidity against their gold. These communications went beyond product features to demonstrate how Islamic financing can meet real financial needs without compromising Shariah principles, making Islamic banking easier to understand, easier to access, and more relevant to everyday financial needs.

This consistency was also carried into our physical customer touchpoints. During H1, we strengthened our brand presence across branches and customer touchpoints through standardized branch branding. This created a more consistent and unified BankIslami experience across our network.

Our employer branding activity across LinkedIn and other social platforms placed our people at the heart of the Bank's story. We recognize that our employees are the custodians of Islamic banking in every customer interaction, decision and service experience. Their expertise, leadership and commitment bring our purpose to life and present BankIslami as an institution where professional capability and Islamic values come together. As we move into H2, our focus is to build on this momentum by converting greater awareness, stronger trust and wider visibility into deeper customer adoption of Riba-free banking.

Pakistan Accelerated Vehicle Electrification (PAVE) Scheme

BankIslami proudly partnered with the Government of Pakistan to facilitate the Pakistan Accelerated Vehicle Electrification (PAVE) scheme at end-user profit rate of 0%, drastically lowering the barrier to entry for electric vehicle ownership. This strategic initiative aims to accelerate the nation's transition toward clean, sustainable transportation while mitigating the economic impact of rising fuel costs on individuals and small-to-medium enterprises (SMEs). Our participation in the PAVE scheme underscores BankIslami›s broader commitment to Environmental, Social, and Governance (ESG) principles. By empowering daily commuters and local businesses to adopt cost-effective, zero-emission vehicles, we are simultaneously reducing our customers› operational overhead and driving the country toward a greener economic future. The bank will continue to expand its footprint in sustainable financing throughout the remainder of the fiscal year.

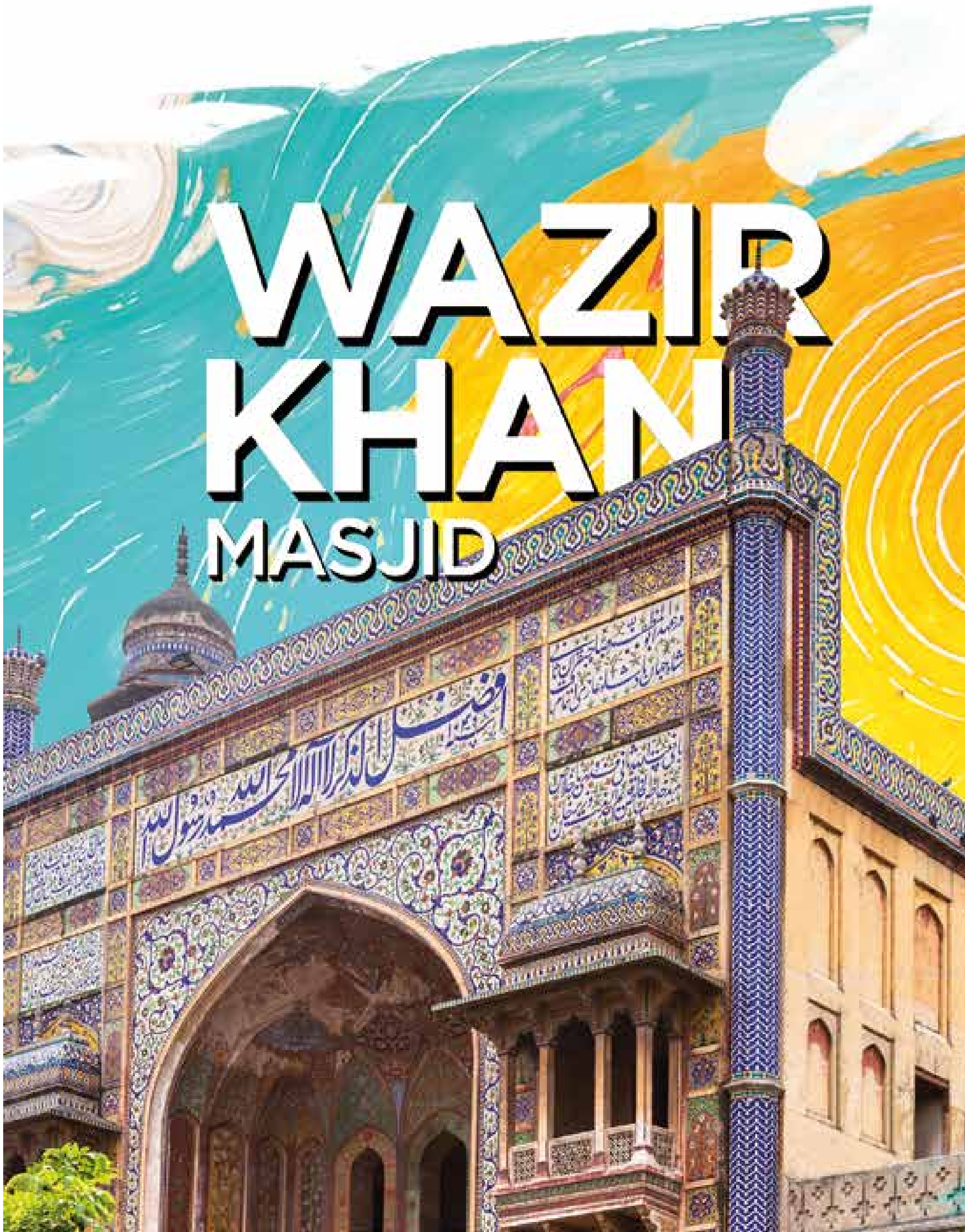
BankIslami Tameer Finance

BankIslami Tameer Finance Facility, a tailored Shariah-compliant financing solution designed to support the development and enhancement of infrastructure for Small and Medium Enterprises (SMEs). The facility caters to the capital expenditure (CAPEX) requirements of SMEs engaged in real estate development, under a structured Shariah-compliant financing framework based on asset-backed and risk-sharing principles. This facility enables businesses to acquire land, construct, renovate, or expand their commercial, industrial, or operational premises. This initiative supports long-term business growth and strengthens asset ownership among SMEs.

Recognizing SMEs as the backbone of our local economy, this product is designed to bridge liquidity gaps and facilitate sustainable business growth. Key features include enhanced limits, flexible payment tenure and optimized collateral requirements.

BankIslami

WAZIR KHAN MASJID



PAKISTAN'S BEST ISLAMIC BANK CERTIFIED BY EUROMONEY

Unconsolidated Financial Statements

Wazir Khan Masjid

The Wazir Khan Masjid in Lahore, is a 17th Century masterpiece of the Mughal artistry. Its walls come alive with colorful frescoes, kashi-kari tile work, floral motifs, and Quranic calligraphy. Every inch of its design reflects intricate craftsmanship, making it one of the most visually captivating Masjids in South Asia.

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF BANKISLAMI PAKISTAN LIMITED

REPORT ON REVIEW OF CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of BankIslami Pakistan 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 cash flow statement 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 is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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 statement of profit and loss account 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: RR2026100671BCPNnyVg

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

BankIslami

Condensed Interim Unconsolidated 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	7	75,642,545	71,821,007
Balances with other banks	8	1,076,753	1,067,562
Due from financial institutions	9	54,698,400	18,999,952
Investments	10	305,803,712	322,887,104
Islamic financing, related assets and advances	11	309,829,034	291,750,609
Property and equipment	12	24,579,799	25,405,457
Right-of-use assets	13	5,412,571	5,655,325
Intangible assets	14	5,049,518	4,694,747
Deferred tax assets	15	4,430,717	4,404,883
Other assets	16	24,343,754	24,656,232
Total Assets		810,866,803	771,342,878
LIABILITIES			
Bills payable	17	7,241,834	9,895,158
Due to financial institutions	18	16,956,509	14,613,108
Deposits and other accounts	19	700,333,251	660,183,339
Lease liabilities	20	6,514,068	6,604,095
Subordinated sukuk	21	3,000,000	3,000,000
Deferred tax liabilities		-	-
Other liabilities	22	28,371,992	28,433,270
Total Liabilities		762,417,654	722,728,970
NET ASSETS		48,449,149	48,613,908
REPRESENTED BY			
Share capital - net	23	11,007,991	11,007,991
Reserves		8,771,427	8,367,375
Surplus on revaluation of assets	24	3,494,031	4,315,560
Unappropriated profit		25,175,700	24,922,982
		48,449,149	48,613,908
CONTINGENCIES AND COMMITMENTS	25		

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

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

PAKISTAN'S BEST ISLAMIC BANK CERTIFIED BY EUROMONEY

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

For the Half Year Ended June 30, 2026

	Note	Quarter Ended June 30, 2026	Quarter Ended June 30, 2025	Half Year Ended June 30, 2026	Half Year Ended June 30, 2025
		Rupees in '000			
Profit / return earned	26	17,688,704	19,131,802	34,368,297	38,897,762
Profit / return expensed	27	8,474,656	9,829,962	16,750,054	20,374,571
Net profit / return		9,214,048	9,301,840	17,618,243	18,523,191
OTHER INCOME					
Fee and commission income	28	857,775	1,047,776	1,704,646	1,782,824
Dividend income		92,365	84,846	133,902	111,152
Foreign exchange income		625,087	113,719	1,076,444	246,609
(Loss) / income from shariah compliant alternative of forward foreign exchange contracts		35,227	181,190	(8,951)	287,595
(Loss) / gain on securities - net	29	(203,871)	280,387	(139,713)	2,388,038
Net gains on derecognition of financial assets measured at amortised cost		-	-	-	-
Other income	30	48,640	39,593	92,575	79,905
Total other income		1,455,223	1,747,511	2,858,903	4,896,123
Total Income		10,669,271	11,049,351	20,477,146	23,419,314
OTHER EXPENSES					
Operating expenses	31	8,623,938	7,959,287	17,095,165	15,012,616
Workers' welfare fund		49,757	70,716	87,982	182,779
Other charges	32	9,764	73,350	14,292	186,786
Total other expenses		8,683,459	8,103,353	17,197,439	15,382,181
Profit before credit loss allowance / provisions		1,985,812	2,945,998	3,279,707	8,037,133
Reversal of provisions / credit loss allowance and write offs - net	33	(452,255)	(519,081)	(1,031,389)	(919,045)
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		2,438,067	3,465,079	4,311,096	8,956,178
Taxation	34	1,317,912	1,669,798	2,290,836	4,547,171
PROFIT AFTER TAXATION		1,120,155	1,795,281	2,020,260	4,409,007
		Rupees			
Basic and diluted earnings per share	35	1.01	1.62	1.82	3.98

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

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

Condensed Interim Unconsolidated 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	**1,120,155**	1,795,281	**2,020,260**	4,409,007
Other comprehensive (loss) / income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in (deficit) / surplus on revaluation of debt investments through FVOCI - net of tax	**6,061**	1,279,573	**(965,173)**	(1,929,442)
Gain / (loss) on sale of debt investments carried at FVOCI reclassified to the statement of profit and loss account - net of tax	**109,763**	(200,655)	**68,731**	(1,124,144)
Items that will not be reclassified to profit and loss account in subsequent periods:				
Movement in surplus on revaluation of equity investments through FVOCI - net of tax	**448,063**	174,289	**97,302**	184,277
Total comprehensive income	**1,684,042**	3,048,488	**1,221,120**	1,539,698

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

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

Condensed Interim Unconsolidated Statement of Changes in Equity

For the Half Year Ended June 30, 2026

	Share capital	Discount on issue of shares	Statutory reserve*	Surplus on revaluation of Investments	Surplus on revaluation of Property & Equipment / Non Banking Assets	Unappropriated profit	Total
	------	------	------	Rupees in '000	------	------	------
Opening Balance as at January 01, 2025	11,087,033	(79,042)	7,166,819	5,848,559	1,547,510	22,738,397	48,309,276
Profit after taxation for the half year ended June 30, 2025	-	-	-	-	-	4,409,007	4,409,007
Other comprehensive income for the half year ended June 30, 2025:							
Movement in surplus on revaluation of investments in debt instruments - net of tax	-	-	-	(1,929,442)	-	-	(1,929,442)
Gain on sale of debt investments carried at FVOCI reclassified to the statement of profit and loss account - net of tax	-	-	-	(1,124,144)	-	-	(1,124,144)
Movement in surplus on revaluation of investments in equity instruments - net of tax	-	-	-	184,277	-	-	184,277
	-	-	-	(2,869,309)	-	-	(2,869,309)
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	(41,497)	41,497	-
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	(98)	98	-
Gain on sale of equity instruments-FVOCI	-	-	-	(3,398)	-	3,398	-
Transfer to statutory reserve	-	-	881,801			(881,801)	-
Transactions with owners, recorded directly in equity							
Final cash dividend to shareholders for the year 2024@ Rs. 1.25 per share	-	-	-	-	-	(1,385,879)	(1,385,879)
Opening Balance as at July 01, 2025	11,087,033	(79,042)	8,048,620	2,975,852	1,505,915	24,924,717	48,463,095
Profit after taxation for the period from July 01, 2025 to December 31, 2025	-	-	-	-	-	1,593,775	1,593,775
Other comprehensive income for the period from July 01, 2025 to December 31, 2025:							
Movement in surplus on revaluation of investments in debt instruments - net of tax	-	-	-	(962,982)	-	-	(962,982)
Gain on sale of debt investments carried at FVOCI reclassified to the statement of profit and loss account - net of tax	-	-	-	(752,033)	-	-	(752,033)
Movement in surplus on revaluation of investments in equity instruments - net of tax	-	-	-	558,212	-	-	558,212
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	(32,064)	(32,064)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	1,410,267	-	1,410,267
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	(1,307)	-	(1,307)
	-	-	-	(1,156,803)	1,408,960	(32,064)	220,093
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	(130,067)	130,067	-
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	90	(90)	-
Transfer from surplus on revaluation of property and equipment on sale to unappropriated profit - net of tax	-	-	-	-	(27,713)	27,713	-
Transfer from surplus on revaluation of non-banking assets on sale to unappropriated profit - net of tax	-	-	-	-	(184,884)	184,884	-
Gain on sale of equity instruments-FVOCI	-	-	-	(75,790)		75,790	-
Transfer to statutory reserve	-	-	318,755	-	-	(318,755)	-
Transactions with owners, recorded directly in equity							
First Interim cash dividend to shareholders for the year 2025 @ Rs. 1.5 per share	-	-	-	-	-	(1,663,055)	(1,663,055)
Closing Balance as at December 31, 2025 (Audited)	11,087,033	(79,042)	8,367,375	1,743,259	2,572,301	24,922,982	48,613,908
Profit after taxation for the half year ended June 30, 2026	-	-	-	-	-	2,020,260	2,020,260
Other comprehensive income for the half year ended June 30, 2026:							
Movement in surplus on revaluation of investments in debt instruments - net of tax	-	-	-	(965,173)	-	-	(965,173)
Loss on sale of debt investments carried at FVOCI reclassified to the statement of profit and loss account - net of tax	-	-	-	68,731	-	-	68,731
Movement in surplus on revaluation of investments in equity instruments - net of tax	-	-	-	97,302	-	-	97,302
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	-
	-	-	-	(799,140)	-	-	(799,140)
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	(19,160)	19,160	-
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	(4)	4	-
Transfer from surplus on revaluation of property and equipment on sale to unappropriated profit - net of tax	-	-	-	-	(400)	400	-
Gain on sale of equity instruments-FVOCI	-	-	-	(2,825)	-	2,825	-
Transfer to statutory reserve	-	-	404,052	-	-	(404,052)	-
Transactions with owners, recorded directly in equity							
Final cash dividend to shareholders for the year 2025 @ Rs. 1.25 per share	-	-	-	-	-	(1,385,879)	(1,385,879)
Closing Balance as at June 30, 2026 (Un-audited)	11,087,033	(79,042)	8,771,427	941,294	2,552,737	25,175,700	48,449,149

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

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

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

BankIslami

Condensed Interim Consolidated Cash Flow Statement (Un-audited)

For the Half Year Ended June 30, 2026

	Note	June 30, 2026	June 30, 2025
		-------- Rupees in '000 --------	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		4,311,096	8,956,178
Less: Dividend income		(133,902)	(111,152)
		4,177,194	8,845,026
Adjustments for non-cash charges and other items:			
Net profit / return		(18,072,868)	(18,991,771)
Depreciation on property and equipment	31	1,313,922	967,976
Depreciation on non-banking assets	31	105	1,173
Depreciation on right-of-use assets	31	965,166	869,921
Amortisation		326,014	161,179
Depreciation on operating Ijarah assets		1,396,216	78,440
Finance charges on leased assets	27	454,625	468,580
Reversal of provisions / credit loss allowance and write offs - net	33	(1,031,389)	(919,045)
Unrealized loss on revaluation of investments classified as FVPL	29	11,545	3,757
Charge for defined benefit plan		97,275	176,958
Gain on sale of property and equipment	30	(23,621)	(21,426)
Gain on termination of lease	30	(5,668)	(8,959)
		(14,568,678)	(17,213,217)
		(10,391,484)	(8,368,191)
(Increase) / decrease in operating assets			
Due from financial institutions		(35,699,748)	(5,291,878)
Securities classified as FVPL		(23,125)	(3,757)
Islamic financing, related assets and advances		(18,245,802)	53,892,747
Other assets (excluding advance taxation)		(2,356,813)	(5,455,618)
		(56,325,488)	43,141,494
(Decrease) / increase in operating liabilities			
Bills payable		(2,653,324)	(7,731,226)
Due to financial institutions		2,343,401	(54,690,143)
Deposits and other accounts		40,149,912	71,159,888
Other liabilities (excluding current taxation)		2,382,050	5,471,513
		42,222,039	14,210,032
		(24,494,933)	48,983,335
Profit / return received		37,042,593	42,863,175
Profit / return paid		(17,386,400)	(22,195,320)
Income tax paid		(2,826,144)	(5,788,572)
Payment to gratuity fund		(100,000)	-
Net cash (used in) / generated from operating activities		(7,764,884)	63,862,618
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in amortized cost securities		(33,771,275)	-
Net Investments in securities classified as FVOCI		49,195,497	(48,394,877)
Dividends received		133,902	111,152
Investments in property and equipment		(693,078)	(8,061,030)
Investments in intangible assets		(681,535)	(99,359)
Proceeds from disposal of property and equipment		93,803	26,693
Net cash generated from / (used in) investing activities		14,277,314	(56,417,421)
CASH FLOW FROM FINANCING ACTIVITIES			
Payments of lease obligations against right-of-use assets		(1,302,007)	(730,453)
Dividend paid		(1,379,694)	(1,379,784)
Net cash used in financing activities		(2,681,701)	(2,110,237)
Increase in cash and cash equivalents		3,830,729	5,334,960
Cash and cash equivalents at the beginning of the period		72,888,569	42,076,616
Cash and cash equivalents at the end of the period		76,719,298	47,411,576

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

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

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

For the Half Year Ended June 30, 2026

1 STATUS AND NATURE OF BUSINESS

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

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

The Bank is operating through 569 branches including 60 sub-branches as at June 30, 2026 (December 31, 2025: 569 branches including 60 sub-branches). The registered office of the Bank is situated at 11th Floor, Executive Tower Dolmen City, Marine Drive, Block-4, Clifton, Karachi. The shares of the Bank are quoted on the Pakistan Stock Exchange Limited.

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

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

1.2 During year 2025, the Bank incorporated BIPL Exchange Company (Private) Limited as a wholly owned subsidiary of the Bank pursuant to receipt of No Objection Certificate from the State Bank of Pakistan. The principal business of the Company is to provide foreign exchange services. The Company obtained exchange company license for commencement of operations from State Bank of Pakistan (SBP) on April 08, 2026 and started its operations on June 16, 2026.

2 BASIS OF PRESENTATION

2.1 The Bank provides financing mainly through Murabaha, Istisna, Diminishing Musharakah, Import Murabaha, Salam, Musawamah, Running Musharaka (Shirkat-ul-Aqd), Ijarah and other Islamic modes.

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

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

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

3 STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act 2017;
- Islamic Financial Accounting Standards (IFAS) issued by Institute of Chartered Accountants of Pakistan, as are notified under the Companies Act, 2017;
- Provisions of, directives and notifications issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

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

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

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

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

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

For the Half Year Ended June 30, 2026

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

4 MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 Standards, amendments and interpretations to approved accounting standards that are effective during the period ended June 30, 2026

State Bank of Pakistan (SBP) adopted requirements of IFRS 9 along with the application instructions through BPRD Circular No. 07 of 2023, dated April 13, 2023, but deferred certain requirements. Islamic banking institutions have been allowed to follow Islamic Financial Accounting Standards (IFAS) 1 & 2 where applicable and continue existing accounting practices for other Islamic products until further instructions. Had IFRS 9 been adopted for revenue recognition related to Islamic financing, related assets and advances, the unappropriated profit of the Bank as at June 30, 2026 would have been higher by Rs. 377 million (net of tax).

SBP had allowed extension for application of EIR up to December 31, 2025. The Bank has calculated EIR impact on its investment portfolio as at June 30, 2026 and assessed that cumulative estimated adjustment, net of tax, arising from the adoption of the EIR method as at January 01, 2026 is not material and accordingly, has not been recognized in these condensed interim unconsolidated financial statements.

There are other certain standards, amendments and interpretations to approved accounting standards are effective for annual accounting periods beginning on January 01, 2026, but are considered not to be relevant or did not have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim unconsolidated financial statements.

4.2 Standards, amendments and interpretations to existing approved accounting standards that are not yet effective and have not been early adopted by the Bank

There are certain new standards, amendments and interpretations to the approved accounting standards that are effective for annual accounting periods beginning on or after January 1, 2027. Except for IFRS 18 Presentation and Disclosure in Financial Statements, these pronouncements are not considered relevant to the Bank or are not expected to have a material impact on the Bank's condensed interim unconsolidated financial statements.

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.

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

For the Half Year Ended June 30, 2026

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

6 FINANCIAL RISK MANAGEMENT

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

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
7 CASH AND BALANCES WITH TREASURY BANKS	-------- Rupees in '000	--------
In hand:		
- Local currency	**16,413,372**	13,328,988
- Foreign currencies	**466,256**	445,309
	16,879,628	13,774,297
With the State Bank of Pakistan in:		
- Local currency current account	**52,314,268**	52,594,906
- Foreign currency deposit accounts:		
- Cash reserve account	**1,448,943**	1,445,155
- Special cash reserve account	**1,727,104**	1,739,284
- US dollar clearing account	**187,521**	207,114
	3,363,568	3,391,553
With National Bank of Pakistan in:		
- Local currency current account	**3,085,088**	2,060,709
Less: Credit loss allowance held against cash and balances with treasury banks	**(7)**	(458)
Cash and balances with treasury banks - net of credit loss allowance	**75,642,545**	71,821,007

8 BALANCES WITH OTHER BANKS		
In Pakistan:		
- In current accounts	**9**	9
- In deposit accounts	**169**	169
	178	178
Outside Pakistan:		
- In current accounts	**370,300**	424,310
- In deposit accounts	**706,317**	643,117
	1,076,617	1,067,427
Less: Credit loss allowance held against balances with other banks	**(42)**	(43)
Balances with other banks - net of credit loss allowance	**1,076,753**	1,067,562

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

For the Half Year Ended June 30, 2026

		Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
9	**DUE FROM FINANCIAL INSTITUTIONS**		-------- Rupees in '000 --------	
	Secured			
	Bai Muajjal Receivable -with Other Financial Institutions	9.1	19,699,748	-
	Unsecured			
	Musharkah Placement	9.2	34,000,000	19,000,000
	Wakalah Placement	9.2	1,000,000	
			54,699,748	19,000,000
	Less: Credit loss allowance held against due from financial institutions	9.3	(1,348)	(48)
	Due from financial institutions - net of credit loss allowance		54,698,400	18,999,952

9.1 The average return on this product is 9.94% (2025: Nil) per annum. The balance has maturity in 195 days (2025: Nil).

9.2 The average return on these products is 11.12% (2025: 10.4%) per annum. The balance has maturity in 8 days (2025: 20 days).

9.3	**Due from financial institutions - Particulars of credit loss allowance**		(Un-audited) June 30, 2026 Due from financial institutions	(Un-audited) June 30, 2026 Credit loss allowance held	(Audited) December 31, 2025 Due from financial institutions	(Audited) December 31, 2025 Credit loss allowance held
			--------------------- Rupees in '000		---------------------	
	Domestic					
	Performing	Stage 1	54,699,748	1,348	19,000,000	48
	Under performing	Stage 2	-	-	-	-
	Non-performing	Stage 3				
	Substandard		-	-	-	-
	Doubtful		-	-	-	-
	Loss		-	-	-	-
			-	-	-	-
	Total		54,699,748	1,348	19,000,000	48

9.3.1 The Bank does not hold overseas classified placements.

		Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
10	**INVESTMENTS**		------- Rupees in '000 -------	
	Investments - Islamic	10.1	305,803,712	322,887,104
	Investments - Conventional (relating to amalgamated entity)	10.2	-	-
			305,803,712	322,887,104

			(Un-audited)				(Audited)			
			June 30, 2026				December 31, 2025			
			Cost / Amortised cost	Credit loss allowance held	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Credit loss allowance held	Surplus / (Deficit)	Carrying Value
10.1	Islamic Investments by type	Note	Rupees in '000							
	Debt instruments									
	Classified / measured at FVOCI									
	Federal Government Shariah Compliant Securities		261,920,889	-	353,571	262,274,460	312,555,038	-	2,181,201	314,736,239
	Non-Government Shariah Compliant Securities		1,722,403	(35,925)	757	1,687,235	2,297,409	(35,934)	40,714	2,302,189
			263,643,292	(35,925)	354,328	263,961,695	314,852,447	(35,934)	2,221,915	317,038,428
	Classified / measured at amortized cost									
	Federal Government Shariah Compliant Securities		33,548,075	-	-	33,548,075	-	-	-	-
	Non-Government Shariah Compliant Securities		223,200	-	-	223,200	-	-	-	-
			33,771,275	-	-	33,771,275	-	-	-	-
	Classified / measured at FVPL									
	Non-Government Shariah Compliant Securities		50,000	-	-	50,000	50,000	-	-	50,000
	Equity instruments									
	Classified / measured at FVPL									
	Shares - listed companies		75,795	-	11,657	87,452	89,824	-	24,159	113,983
	REIT Funds		89,333	-	37,539	126,872	52,179		36,582	88,761
			165,128	-	49,196	214,324	142,003	-	60,741	202,744
	Classified / measured at FVOCI (Non-Reclassifiable)									
	Shares									
	Listed companies		4,992,896	-	1,595,044	6,587,940	2,979,238	-	1,398,217	4,377,455
	Foreign securities		6,820	-	11,658	18,478	6,820	-	11,657	18,477
			4,999,716	-	1,606,702	6,606,418	2,986,058	-	1,409,874	4,395,932
	Associate	10.7	627,942	(627,942)	-	-	627,942	(627,942)	-	-
	Subsidiary	10.6	1,200,000	-	-	1,200,000	1,200,000	-	-	1,200,000
	Total Islamic investments		304,457,353	(663,867)	2,010,226	305,803,712	319,858,450	(663,876)	3,692,530	322,887,104
10.2	Conventional Investments by type									
-	Debt instruments									
	Classified / measured at FVOCI									
	Non-Government Debt Securities		74,607	(74,607)	-	-	74,607	(74,607)	-	-
-	Equity instruments									
	Classified / measured at FVPL									
	Shares - Unlisted companies		591,680	-	(591,680)	-	591,680	-	(591,680)	-
	Associates	10.7	432,302	(432,302)	-	-	432,302	(432,302)	-	-
	Subsidiary	10.6	104,771	(104,771)	-	-	104,771	(104,771)	-	-
	Total conventional investments		1,203,360	(611,680)	(591,680)	-	1,203,360	(611,680)	(591,680)	-

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

For the Half Year Ended June 30, 2026

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
10.3 Investments given as collateral	--------Rupees in '000--------	
Federal Government Securities - GOP Ijarah Sukuk	9,761,800	5,261,800

10.4 Credit loss allowance held against investments

10.4.1 Opening balance	1,275,556	1,317,372
Charge / (reversal)		
Charge for the period / year	-	51
Reversals for the period / year	(9)	-
	(9)	51
Amounts written off	-	(41,867)
Closing Balance	1,275,547	1,275,556

10.5 Particulars of credit loss allowance against debt securities

10.5.1 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	297,152,437	45	314,590,317	54
Underperforming	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		386,737	110,487	386,737	110,487
		386,737	110,487	386,737	110,487
Total		297,539,174	110,532	314,977,054	110,541

10.5.2 The Bank does not hold overseas classified debt securities.

	As at	Holding %	Country of incorporation	Assets	Liabilities	Revenue	Profit / (loss) after taxation	Total comprehensive income / (loss)
				----------	----------	Rupees in '000	----------	----------
10.6 Details of investment in subsidiary								
Unlisted								
Islamic								
BIPL Exchange Company (Private) Limited	June 30, 2026	100.00	Pakistan	1,236,383	25,275	59,005	9,214	9,214
Conventional								
My Solutions Corporation Limited	December 31, 2013	100.00	Pakistan	69,539	10,105	14,580	(1,763)	(1,763)
10.7 Details of investment in associates								
Unlisted								
Islamic								
Shakarganj Food Products Limited	September 30, 2025	36.38	Pakistan	8,983,095	5,409,771	8,482,240	(980,687)	(360,567)
Conventional								
KASB Funds Limited	December 31, 2015	43.89	Pakistan	46,465	32,465	23,640	(66,241)	(65,679)

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

For the Half Year Ended June 30, 2026

		Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
11	**ISLAMIC FINANCING, RELATED ASSETS AND ADVANCES**		--------Rupees in '000--------	
	Islamic financing and related assets - net	11.1	309,768,484	291,692,045
	Advances (relating to amalgamated entity) - net	11.2	60,550	58,564
			309,829,034	291,750,609

11.1 ISLAMIC FINANCING AND RELATED ASSETS

	Note	Performing (Un-audited) June 30, 2026	Performing (Audited) December 31, 2025	Non Performing (Un-audited) June 30, 2026	Non Performing (Audited) December 31, 2025	Total (Un-audited) June 30, 2026	Total (Audited) December 31, 2025
		Rupees in '000					
In Pakistan							
- Running Musharakah		76,581,937	75,864,281	1,324,955	1,444,955	77,906,892	77,309,236
- Diminishing Musharakah financing and related assets - Others	11.3	87,128,094	91,661,399	4,017,510	4,039,670	91,145,604	95,701,069
- Diminishing Musharakah - Housing		24,029,819	21,446,826	1,459,101	1,756,203	25,488,920	23,203,029
- Istisna financing and related assets	11.4	35,532,055	29,391,392	2,977,202	3,533,832	38,509,257	32,925,224
- Diminishing Musharakah financing and related assets - Auto		33,688,372	26,385,709	653,425	678,921	34,341,797	27,064,630
- Murabahah financing and related assets	11.5	27,256,176	27,888,608	992,659	958,175	28,248,835	28,846,783
- Musawamah financing and related assets / Tijarah	11.6	9,152,232	8,611,822	3,806,358	3,905,606	12,958,590	12,517,428
- Investment Agency Wakalah		3,049,006	3,233,383	-	-	3,049,006	3,233,383
- Murabahah against Bills		289,395	1,107,066	171,527	192,048	460,922	1,299,114
- Ijarah financing under IFAS 2 and related assets	11.7	20,051,580	12,145,748	31,656	43,394	20,083,236	12,189,142
- Financing against Bills		1,308,162	2,137,622	-	-	1,308,162	2,137,622
- Qardh-e-Hasana		53,019	49,527	120,423	124,338	173,442	173,865
- Musharakah financing		-	-	-	160,000	-	160,000
- Past Due Acceptance		226,411	212,146	27,127	27,128	253,538	239,274
- Net investment in Ijarah financing in Pakistan		11,756	15,040	34,474	42,425	46,230	57,465
- Housing finance portfolio - others		-	-	6,112	15,825	6,112	15,825
- Salam	11.8	80,002	70,002	-	-	80,002	70,002
Islamic financing and related assets - gross		318,438,016	300,220,571	15,622,529	16,922,520	334,060,545	317,143,091
Credit loss allowance against islamic financing and related assets	11.11						
- Stage 1		(3,038,741)	(3,123,208)	-	-	(3,038,741)	(3,123,208)
- Stage 2		(1,012,593)	(941,448)	-	-	(1,012,593)	(941,448)
- Stage 3		-	-	(14,857,045)	(15,891,111)	(14,857,045)	(15,891,111)
		(4,051,334)	(4,064,656)	(14,857,045)	(15,891,111)	(18,908,379)	(19,955,767)
Modification loss due to IFRS 9	11.1.1	(63,134)	(67,991)	-	-	(63,134)	(67,991)
Fair value adjustment	11.1.2	(5,320,548)	(5,427,288)	-	-	(5,320,548)	(5,427,288)
Islamic financing and related assets - net of credit loss allowance and fair value adjustment		309,003,000	290,660,636	765,484	1,031,409	309,768,484	291,692,045

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

For the Half Year Ended June 30, 2026

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

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

11.1.3 Islamic Financing and related assets include Rs.15,623 million (2025: Rs.16,923 million) which have been placed under non-performing / Stage 3 status as detailed below:

	(Un-audited) June 30, 2026 Outstanding amount	(Un-audited) June 30, 2026 Credit loss allowance held	(Audited) December 31, 2025 Outstanding amount	(Audited) December 31, 2025 Credit loss allowance held
	---------- Rupees in '000 ----------			
Islamic financing and related assets - Category of classification				
Domestic				
Other assets especially mentioned	171,287	52,513	161,609	55,327
Substandard	388,282	182,961	434,709	198,767
Doubtful	422,021	244,872	800,477	470,502
Loss	14,640,939	14,376,699	15,525,725	15,166,515
	15,622,529	14,857,045	16,922,520	15,891,111

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

	Performing (Un-audited) June 30, 2026	Performing (Audited) December 31, 2025	Non Performing (Un-audited) June 30, 2026	Non Performing (Audited) December 31, 2025	Total (Un-audited) June 30, 2026	Total (Audited) December 31, 2025
	---------- Rupees in '000 ----------					
11.2 ADVANCES						
- Loans, cash credits, running finances, etc. - In Pakistan	-	-	3,368,647	3,830,933	3,368,647	3,830,933
- Bills discounted and purchased (excluding treasury bills) - Payable in Pakistan	-	-	681,292	681,292	681,292	681,292
- Net investment in finance lease - In Pakistan	-	-	538,809	549,859	538,809	549,859
Advances - gross	-	-	4,588,748	5,062,084	4,588,748	5,062,084
Credit loss allowance against advances						
- Stage 1	-	-	-	-	-	-
- Stage 2	-	-	-	-	-	-
- Stage 3	-	-	(4,528,198)	(5,003,520)	(4,528,198)	(5,003,520)
	-	-	(4,528,198)	(5,003,520)	(4,528,198)	(5,003,520)
Advances - net of credit loss allowance	-	-	60,550	58,564	60,550	58,564

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

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11.2.1 Advances include Rs. 4,589 million (December 31, 2025 Rs.5,062 million) which have been placed under non-performing / Stage 3 status as detailed below:

	(Un-audited)		(Audited)	
	June 30, 2026		December 31, 2025	
	Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
	Rupees in '000			
Advances - Category of classification				
Domestic				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	4,588,748	4,528,198	5,062,084	5,003,520
	4,588,748	4,528,198	5,062,084	5,003,520

11.2.2 The Bank does not hold overseas advances.

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	--------Rupees in '000--------	
11.3 Diminishing Musharakah financing and related assets - Others		
Diminishing Musharakah financing	89,395,250	91,661,793
Advance against Diminishing Musharakah financing	1,750,354	4,039,276
	91,145,604	95,701,069
11.4 Istisna financing and related assets		
Istisna financing	16,111,464	7,578,333
Advance against Istisna financing	17,105,644	25,346,891
Istisna inventories	5,292,149	-
	38,509,257	32,925,224
11.5 Murabahah financing and related assets		
Murabahah financing	17,608,998	19,681,246
Deferred murabahah income	4,655,445	5,362,855
Advances against Murabaha financing	3,469,883	1,720,783
Murabaha Inventories	2,514,509	2,081,899
	28,248,835	28,846,783
11.6 Musawamah financing and related assets / Tijarah		
Musawamah financing	5,754,158	5,265,349
Advance against Musawamah financing	226,636	187,226
Musawamah inventories	6,977,796	7,064,853
	12,958,590	12,517,428
11.7 Ijarah financing under IFAS 2 and related assets		
Net book value of assets under IFAS 2	19,791,437	12,064,758
Advance against Ijarah financing	291,799	124,384
	20,083,236	12,189,142

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

For the Half Year Ended June 30, 2026

		(Un-audited) June 30, 2026	(Audited) December 31, 2025
11.8	**Salam**	--------Rupees in '000--------	
	Salam financing	**30,001**	-
	Advance against Salam	**50,001**	70,002
	Salam inventories	**-**	-
		80,002	70,002
11.9	**Particulars of Islamic financing, related assets and advances - gross**		
	In local currency	**330,606,834**	309,867,426
	In foreign currency	**8,042,459**	12,337,749
		338,649,293	322,205,175
11.9.1	**Financing to Women, Women-owned and Managed Enterprises**		
	Women	**3,292,687**	3,289,126
	Women Owned and Managed Enterprises	**729,842**	2,308,751
		4,022,529	5,597,877
11.9.2	**Gross financing disbursed to Women, Women-owned and Managed Enterprises**		
	Women	**825,394**	985,682
	Women Owned and Managed Enterprises	**105,441**	3,315,745
		930,835	4,301,427

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

For the Half Year Ended June 30, 2026

11.10 Particulars of credit loss allowance

11.10.1 Islamic financing, related assets and advances - Exposure

	(Un-audited) June 30, 2026 Stage 1	Stage 2	Stage 3	(Audited) December 31, 2025 Stage 1	Stage 2	Stage 3
	Rupees in '000					
Opening balance	294,905,479	5,315,092	21,984,604	293,693,573	9,224,479	24,266,758
New financing	69,830,747	567,048	-	145,523,930	528,693	115,295
Financing derecognised or repaid	(45,006,305)	(7,022,925)	(1,924,447)	(148,237,159)	(1,144,740)	(1,764,806)
Transfer to stage 1	361,448	(268,804)	(92,644)	7,401,228	(7,182,085)	(219,143)
Transfer to stage 2	(11,591,518)	11,774,889	(183,371)	(2,992,508)	4,367,873	(1,376,213)
Transfer to stage 3	(322,820)	(104,315)	427,135	(483,585)	(479,128)	962,713
	13,271,552	4,945,893	(1,773,327)	1,211,906	(3,909,387)	(2,282,154)
Closing balance	308,177,031	10,260,985	20,211,277	294,905,479	5,315,092	21,984,604

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

	(Un-audited) June 30, 2026 Stage 1	Stage 2	Stage 3	(Audited) December 31, 2025 Stage 1	Stage 2	Stage 3
Opening balance	3,123,208	941,448	20,894,631	2,761,225	468,780	22,246,512
Impact of adoption of IFRS 9	-	-	-	-	-	-
New financing	393,191	2,208	-	1,292,693	23,349	9,710
Financing derecognised or repaid	(118,452)	(15,777)	(672,914)	(207,216)	(36,750)	(743,877)
Transfer to stage 1	83,869	(31,948)	(51,921)	295,043	(105,239)	(189,804)
Transfer to stage 2	(126,304)	219,158	(92,854)	(32,415)	781,462	(755,050)
Transfer to stage 3	(8,447)	(12,028)	20,475	(15,478)	(30,428)	51,909
	223,857	161,613	(797,214)	1,332,627	632,394	(1,627,112)
Amounts written off / charged off	-	-	(405,468)	-	-	-
Changes in risk parameters	(308,324)	(90,468)	(306,706)	(970,644)	(159,726)	275,231
Closing balance	3,038,741	1,012,593	19,385,243	3,123,208	941,448	20,894,631

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

		(Un-audited) June 30, 2026 Stage 1	Stage 2	Stage 3	Total	(Audited) December 31, 2025 Stage 1	Stage 2	Stage 3	Total
		Rupees in '000							
11.11.1	Opening balance	3,123,208	941,448	20,894,631	24,959,287	2,761,225	468,780	22,246,512	25,476,517
	Charge for the period / year	1,018,223	668,765	445,752	2,132,740	1,937,955	781,952	996,033	3,715,940
	Reversals for the period / year	(1,102,690)	(597,620)	(1,549,672)	(3,249,982)	(1,575,972)	(309,284)	(2,347,914)	(4,233,170)
		(84,467)	71,145	(1,103,920)	(1,117,242)	361,983	472,668	(1,351,881)	(517,230)
	Amount written off	-	-	(405,468)	(405,468)	-	-	-	-
	Closing balance	3,038,741	1,012,593	19,385,243	23,436,577	3,123,208	941,448	20,894,631	24,959,287
	Islamic	3,038,741	1,012,593	14,857,045	18,908,379	3,123,208	941,448	15,891,111	19,955,767
	Conventional	-	-	4,528,198	4,528,198	-	-	5,003,520	5,003,520
		3,038,741	1,012,593	19,385,243	23,436,577	3,123,208	941,448	20,894,631	24,959,287
11.11.2	Particulars of credit loss allowance against advances								
	In local currency	3,038,741	1,012,593	19,385,243	23,436,577	3,123,208	941,448	20,894,631	24,959,287
	In foreign currencies	-	-	-	-	-	-	-	-
		3,038,741	1,012,593	19,385,243	23,436,577	3,123,208	941,448	20,894,631	24,959,287

11.11.3 In accordance with BSD Circular No. 2 dated January 27, 2009 issued by the SBP, the Bank has availed the benefit of Forced Sale Value (FSV) of collaterals against the non-performing financings. The benefit availed as at June 30, 2026 amounts to Rs. 146.4 million (December 31, 2025 amounts to Rs. 236.2 million). The additional profit arising from availing the FSV benefit - net of tax amounts to Rs. 74.67 million (December 31, 2025: Rs. 111 million). The increase in profit, due to availing of the benefit, is not available for distribution of cash and stock dividend to shareholders.

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

For the Half Year Ended June 30, 2026

11.12 SBP other refinance schemes	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		---------Rupees in '000---------	
Refinance facility for Islamic Temporary Economic Refinance Facility (TERF)		**5,453,623**	6,030,892
Islamic Long-Term Financing Facility		**2,206,284**	1,146,590
Islamic refinance scheme for payment of wages and salaries		**-**	12,000
RM EFS - Rupee Based Discounting (TFA)		**11,448,297**	12,064,463
Islamic refinance scheme for Renewable Energy		**456,324**	518,024
Islamic refinance scheme for combating COVID (IRFCC)		**16,667**	50,000
Islamic refinance facility for Modernization of SMEs		**99,393**	113,591
Refinance for Islamic Financing Facility of Storage of Agricultural Produce (IFFSAP)		**115,385**	137,823
Islamic Credit Guarantee Scheme For Women Entrepreneur		**166,145**	192,984
		19,962,118	20,266,367

12 PROPERTY AND EQUIPMENT

Capital work-in-progress	12.1	**3,585,088**	3,785,489
Property and equipment		**20,994,711**	21,619,968
		24,579,799	25,405,457

12.1 Capital work-in-progress

Advances to suppliers and contractors	**125,249**	412,012
Advance for acquiring properties and office premises	**3,459,839**	3,373,477
	3,585,088	3,785,489

12.2 Additions to property and equipment	(Un-audited) June 30, 2026	(Un-audited) June 30, 2025
	---------Rupees in '000---------	
The following additions have been made to property and equipment during the period:		
Capital work-in-progress	**178,501**	6,010,926
Property and equipment		
Furniture and fixture	**409,468**	538,107
Electrical, office and computer equipment	**341,527**	1,781,418
Vehicles	**7,102**	36,340
	758,097	2,355,865
Total	**936,598**	8,366,791

Notes to and Forming Part of the Condensed Interim Unconsolidated Financial Statements
For the Half Year Ended June 30, 2026

12.3 Disposal of property and equipment

	(Un-audited) 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:		
Leasehold land	60,800	-
Furniture and fixture	6,270	2,635
Electrical, office and computer equipment	2,362	842
Total	69,432	3,477

13 RIGHT-OF-USE ASSETS

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		---------Rupees in '000---------	
At January 1,			
Cost		12,893,135	9,765,458
Accumulated Depreciation		(7,237,810)	(5,450,923)
Net Carrying amount as at January 1,		5,655,325	4,314,535
Additions during the period / year		667,898	2,075,475
Modification Impact		65,349	1,151,946
Deletions during the period / year		(10,835)	(99,744)
Depreciation charge for the period / year	31	(965,166)	(1,786,887)
Net Carrying amount as at		5,412,571	5,655,325

14 INTANGIBLE ASSETS

Computer software	2,066,523	1,704,169
Core deposits	14,975	16,100
Membership and Subscription	23,723	30,181
Goodwill	2,944,297	2,944,297
	5,049,518	4,694,747

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

For the Half Year Ended June 30, 2026

		(Un-audited)	
		June 30, 2026	June 30, 2025
		-------- Rupees in '000 --------	
14.1	**Additions to intangible assets**		
	The following additions have been made to intangible assets during the period:		
	Computer software - directly purchased	681,536	99,359
14.2	**Disposals of intangible assets**		
	The net book value of intangible assets disposed off during the period:		
	Membership & Subscription	750	1,789

		(Un-audited)	(Audited)
		June 30, 2026	December 31, 2025
		-------- Rupees in '000 --------	
15	**DEFERRED TAX ASSETS**		
	Deductible Temporary Differences on:		
	Credit loss allowance against investments	663,284	597,191
	Credit loss allowance against non-performing Islamic financing and related assets and advances	5,772,390	6,388,308
	Modification and fair value adjustments	32,830	35,355
	Other credit loss allowance	178,989	135,403
	Right of use assets and related lease liabilities	554,481	653,749
	Others	1,388,284	1,358,454
		8,590,258	9,168,460
	Taxable Temporary Differences on:		
	Fair value adjustments relating to net assets acquired upon amalgamation	(557,782)	(326,056)
	Ijarah financing and related assets	(229,120)	(127,114)
	Surplus on revaluation of FVOCI Investment	(1,019,736)	(1,888,531)
	Surplus on revaluation of FVTPL Investment	(25,582)	(31,585)
	Surplus on revaluation of property and equipment	(2,102,730)	(2,123,486)
	Surplus on revaluation of non-banking assets	(17,840)	(17,844)
	Accelerated tax depreciation	(206,751)	(248,961)
		(4,159,541)	(4,763,577)
		4,430,717	4,404,883

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

For the Half Year Ended June 30, 2026

			(Un-audited) June 30, 2026	(Audited) December 31, 2025
16	OTHER ASSETS	Note	-------- Rupees in '000 --------	
	Profit / return accrued in local currency		9,509,820	12,175,209
	Profit / return accrued in foreign currency		97,046	105,953
	Advances, deposits, advance rent and other prepayments		2,631,586	2,170,852
	Advance taxation		2,685,608	1,286,582
	Prepaid staff cost		3,387,976	3,291,509
	Non-banking assets acquired in satisfaction of claims		1,348,375	1,348,473
	Takaful claim receivable		16,789	53,951
	Receivable against takaful and registration charges		663,506	729,955
	Receivable against First WAPDA Sukuk		50,000	50,000
	Acceptances		3,729,886	3,411,859
	Others		1,239,031	1,083,832
			25,359,623	25,708,175
	Less: Credit loss allowance held against other assets	16.2	(1,056,783)	(1,092,865)
	Other assets - net of credit loss allowance		24,302,840	24,615,310
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims		40,914	40,922
	Other assets - total		24,343,754	24,656,232
16.1	Market Value of non-banking assets acquired in satisfaction of claims		1,085,378	1,085,484

16.2 Credit loss allowance / provision held against other assets

Advances, deposits, advance rent & other prepayments	26,692	50,842
Non banking assets acquired in satisfaction of claims	303,911	303,911
Profit / return accrued	62,558	78,158
Others	663,622	659,954
	1,056,783	1,092,865

16.3 Movement in credit loss allowance / provision held against other assets

Opening balance	1,092,865	1,116,865
Charge for the period / year	17,380	12,851
Reversals during the period / year	(53,462)	(36,851)
	(36,082)	(24,000)
Amount written off	-	-
Closing balance	1,056,783	1,092,865

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

For the Half Year Ended June 30, 2026

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	-------- Rupees in '000 --------	
17 BILLS PAYABLE		
In Pakistan	7,241,834	9,895,158
Outside Pakistan	-	-
	7,241,834	9,895,158

18 DUE TO FINANCIAL INSTITUTIONS

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
Secured		
Due to State Bank of Pakistan		
Refinance facility for Islamic Temporary Economic Refinance Facility (TERF)	5,134,226	5,713,381
Islamic Export Finance Scheme - Rupee based discounting	4,232,891	3,776,796
Islamic Long-Term Financing Facility	660,934	772,102
Islamic refinance scheme for Renewable Energy	410,126	467,017
Islamic refinance scheme for combating COVID (IRFCC)	16,667	50,000
Islamic Refinance Scheme for Working Capital Financing	-	50,000
Islamic Refinance Scheme for Modernization of SMEs	96,653	75,158
Islamic refinance scheme for Facility of Storage of Agricultural Produce (IFFSAP)	116,634	137,907
Islamic Credit Guarantee Scheme for Women Entrepreneur	157,767	181,658
	10,825,898	11,224,019
Refinance facility for Islamic Mortgage	6,603,121	4,241,983
Total secured	17,429,019	15,466,002
Unsecured		
Overdrawn nostro accounts	678,863	499,301
Total unsecured	678,863	499,301
Fair value adjustment	(1,151,373)	(1,352,195)
	16,956,509	14,613,108

18.1 Particulars of due to financial institutions with respect to currencies

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
In local currency	16,277,646	14,113,807
In foreign currencies	678,863	499,301
	16,956,509	14,613,108

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

For the Half Year Ended June 30, 2026

19 DEPOSITS AND OTHER ACCOUNTS

	(Un-audited) June 30, 2026 In Local Currency	(Un-audited) June 30, 2026 In Foreign Currencies	(Un-audited) June 30, 2026 Total	(Audited) December 31, 2025 In Local Currency	(Audited) December 31, 2025 In Foreign Currencies	(Audited) December 31, 2025 Total
	Rupees in '000					
Customers						
Current deposits	319,601,345	10,034,009	329,635,354	266,256,209	10,825,180	277,081,389
Savings deposits	137,987,239	3,295,026	141,282,265	146,666,403	3,405,475	150,071,878
Term deposits	141,946,459	14,774,066	156,720,525	175,196,427	14,461,464	189,657,891
Margin deposits	18,564,612	80,997	18,645,609	9,417,771	101,507	9,519,278
	618,099,655	28,184,098	646,283,753	597,536,810	28,793,626	626,330,436
Financial Institutions						
Current deposits	1,479,645	57,302	1,536,947	1,245,558	16,985	1,262,543
Savings deposits	50,271,405	-	50,271,405	32,370,214	-	32,370,214
Term deposits	2,241,000	-	2,241,000	220,000	-	220,000
Margin deposits	146	-	146	146	-	146
	53,992,196	57,302	54,049,498	33,835,918	16,985	33,852,903
	672,091,851	28,241,400	700,333,251	631,372,728	28,810,611	660,183,339

20 LEASE LIABILITIES

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		Rupees in '000	
Outstanding amount at the start of the year		6,604,095	4,839,747
Additions during the period / year		667,898	1,892,678
Modification Impact		104,154	1,485,305
Deletions during the period / year		(16,503)	(122,248)
Lease payments including profit		(1,300,201)	(2,384,077)
Finance charges on leased assets		454,625	892,690
Outstanding amount at the end of the period/year	20.1	6,514,068	6,604,095

20.1 Contractual maturity of lease liabilities

Not later than one year	206,876	265,443
Long-term lease liabilities		
- 1 to 5 years	6,307,192	6,338,652
- 5 to 10 years	-	-
- More than 10 years	-	-
	6,307,192	6,338,652
	6,514,068	6,604,095

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

For the Half Year Ended June 30, 2026

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		---------Rupees in '000---------	
21 SUBORDINATED SUKUK			
ADT-1 Sukuk Issue I	21.1.1	**2,000,000**	2,000,000
ADT-1 Sukuk Issue II	21.1.2	**1,000,000**	1,000,000
		3,000,000	3,000,000

21.1 The Bank has issued fully paid up, rated, listed, perpetual, unsecured, subordinated, non-cumulative and contingent convertible debt instruments in the nature of 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.

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

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

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For the Half Year Ended June 30, 2026

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

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

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

For the Half Year Ended June 30, 2026

22 OTHER LIABILITIES

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		---------Rupees in '000---------	
Profit / return payable in local currency		4,779,625	5,884,386
Profit / return payable in foreign currencies		235,124	221,334
Accrued expenses		3,263,942	4,212,943
Deferred Murabahah Income Financing, IERS and Others		4,568,944	5,169,867
Payable to defined benefit plan		4,677	4,677
Payable to defined contribution plan		89,561	2,871
Defined benefit plan liabilities		484,764	487,490
Security deposits against Ijarah		477,610	421,304
Credit loss allowance against off-balance sheet obligations	22.1	344,209	260,389
Acceptances		3,729,886	3,411,859
Withholding taxes payable		693,583	587,605
Unrealized loss on Shariah compliant alternative of forward foreign exchange contracts		55,403	46,453
Sundry creditors		1,607,340	1,179,285
Payable to brokers against purchase of shares - net		-	12,307
Charity payable		232,841	161,109
Retention money payable		80,984	100,581
Workers' welfare fund		1,662,852	1,574,870
Dividend Payable		56,453	50,268
Clearing and settlement accounts		4,771,288	3,076,931
Others		1,232,906	1,566,741
		28,371,992	28,433,270

22.1 Credit loss allowance against off-balance sheet obligations

	Note	June 30, 2026	December 31, 2025
Opening balance		260,389	378,109
Charge for the period / year		87,588	63,198
Reversals for the period / year		(3,768)	(180,918)
	33	83,820	(117,720)
Amount written off		-	-
Closing balance	22.1.1	344,209	260,389

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

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

For the Half Year Ended June 30, 2026

23 SHARE CAPITAL - NET

23.1 Authorized capital

(Un-audited) June 30, 2026	(Audited) December 31, 2025		(Un-audited) June 30, 2026	(Audited) December 31, 2025
------ Number of Shares ------			--------Rupees in '000--------	
2,000,000,000	1,500,000,000	Ordinary shares of Rs.10 each	20,000,000	15,000,000

23.2 During the period, the Bank's authorised capital increased from Rs. 15,000 million (1,500 million ordinary shares of Rs. 10/- each) to Rs, 20,000 million (2,000 million ordinary shares of Rs. 10/- each) pursuant to the shareholders' approval at the 22nd Annual General Meeting held on March 27, 2026 and the subsequent completion of all requisite regulatory formalities.

23.3 Issued, subscribed and paid up capital

(Un-audited) June 30, 2026	(Audited) December 31, 2025		(Un-audited) June 30, 2026	(Audited) December 31, 2025
------- Number of Shares -------			---------Rupees in '000---------	
		Ordinary shares of Rs 10 each		
1,108,703,299	1,108,703,299	Fully paid in cash	11,087,033	11,087,033
-	-	Less: Discount on issue of shares	(79,042)	(79,042)
1,108,703,299	1,108,703,299		11,007,991	11,007,991

23.4 Reserves

Statutory Reserves	8,771,427	8,367,375

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

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

For the Half Year Ended June 30, 2026

		Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
24	**SURPLUS ON REVALUATION OF ASSETS**		---------Rupees in '000---------	
	Surplus on revaluation of:			
	- Securities measured at FVOCI - Debt	10.1	354,328	2,221,915
	- Securities measured at FVOCI - Equity	10.1	1,606,702	1,409,874
	- Property and equipment		4,632,393	4,672,709
	- Non-banking assets acquired in satisfaction of claims	16	40,914	40,922
			6,634,337	8,345,420
	Deferred tax liability on surplus on revaluation of:			
	- Securities measured at FVOCI - Debt	15	(184,251)	(1,155,396)
	- Securities measured at FVOCI - Equity	15	(835,485)	(733,134)
	- Property and equipment	15	(2,102,730)	(2,123,486)
	- Non-banking assets acquired in satisfaction of claims	15	(17,840)	(17,844)
			(3,140,306)	(4,029,860)
			3,494,031	4,315,560

		Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
25	**CONTINGENCIES AND COMMITMENTS**			
	- Guarantees	25.1	44,424,132	33,305,718
	- Commitments	25.2	273,810,197	202,855,430
	- Other contingent liabilities	25.3	3,326,829	1,805,266
			321,561,158	237,966,414
25.1	**Guarantees:**			
	Performance guarantees		24,213,923	18,554,503
	Other guarantees		20,210,209	14,751,215
			44,424,132	33,305,718
25.2	**Commitments:**			
	Documentary credits and short-term trade-related transactions:			
	- letters of credit		32,343,955	34,642,731
	Commitments in respect of:			
	- Shariah compliant alternative of forward foreign exchange contracts	25.2.1	99,118,829	85,352,408
	Commitments for acquisition of:			
	- property and equipment		178,447	132,944
	- intangible assets		2,922,725	2,413,124
	Other commitments			
	- commitments in respect of financing	25.2.2	139,246,241	80,314,223
			273,810,197	202,855,430

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

For the Half Year Ended June 30, 2026

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	---------Rupees in '000---------	
25.2.1 Commitments in respect of Shariah compliant alternative of forward foreign exchange transactions		
Purchase	**59,365,172**	49,789,168
Sale	**39,753,657**	35,563,240
	99,118,829	85,352,408

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

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	---------Rupees in '000---------	
25.3 Other contingent liabilities		
Suit filed for recovery of alleged losses suffered, pending in the High Court, which the Bank has not acknowledged as debt	**26,804**	1,804
Tax Contingencies	**3,300,025**	1,803,462
	3,326,829	1,805,266

	(Un-audited) June 30, 2026	(Un-audited) June 30, 2025
	---------Rupees in '000---------	
26 PROFIT / RETURN EARNED		
Profit earned on:		
Financing	**16,292,236**	16,629,396
Investments	**16,777,843**	21,830,403
Placements	**1,298,218**	437,963
	34,368,297	38,897,762
26.1 Profit income recognised on financial assets measured at:		
Amortised cost	**17,965,100**	17,067,359
Fair value through other comprehensive income	**16,400,120**	21,826,185
	34,365,220	38,893,544
27 PROFIT / RETURN EXPENSED		
Deposits and other accounts	**13,349,431**	15,887,885
Due to financial institutions	**2,467,613**	3,408,794
Subordinated Sukuk	**210,319**	221,380
Cost of foreign currency swaps against foreign currency deposits	**268,066**	387,932
Finance charges on leased assets	**454,625**	468,580
	16,750,054	20,374,571

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

For the Half Year Ended June 30, 2026

		Note	(Un-audited) June 30, 2026	June 30, 2025
			---------Rupees in '000---------	
27.1	Profit expense calculated using effective profit rate method		3,132,557	4,098,754
	Other financial liabilities		13,617,497	16,275,817
			16,750,054	20,374,571
28	**FEE AND COMMISSION INCOME**			
	Card related fees		916,584	962,062
	Commission on trade		296,079	301,315
	Commission on arrangement with financial institutions		95,721	102,067
	Investment banking fees		27,634	115,255
	Commission on bancatakaful		80,141	79,737
	Commission on guarantees		126,437	114,114
	Consumer finance related fees		63,142	7,569
	Branch banking customer fees		56,515	43,455
	Commission on remittances including home remittances		6,387	24,466
	Commission on cash management		18,208	16,662
	Others		17,798	16,122
			1,704,646	1,782,824
29	**(LOSS) / GAIN ON SECURITIES - NET**			
	Realized - net	29.1	(128,168)	2,391,795
	Unrealized - Measured at FVPL		(11,545)	(3,757)
			(139,713)	2,388,038
29.1	**Realized gain / (loss) on:**			
	Shares		15,021	139,575
	Federal Government Shariah Compliant Securities		(143,189)	2,252,220
			(128,168)	2,391,795
29.2	**Net (loss) / gain on financial assets / liabilities**			
	Designated upon initial recognition at FVPL		3,476	(3,757)
	Net (loss) / gain on financial assets measured at FVOCI		(143,189)	2,391,795
			(139,713)	2,388,038
30	**OTHER INCOME**			
	Recoveries against previously expensed items		20,635	11,092
	Gain on termination of financing		39,246	36,653
	Gain on sale of property and equipment		23,621	21,426
	Rent on property		500	-
	Gain on termination of lease		5,668	8,959
	Others		2,905	1,775
			92,575	79,905

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

For the Half Year Ended June 30, 2026

			(Un-audited)	
			June 30, 2026	June 30, 2025
31	**OPERATING EXPENSES**	Note	---------Rupees in '000---------	
	Total compensation expense		7,709,008	6,958,303
	Property expense			
	Rent & taxes		54,086	55,154
	Takaful cost		10,759	6,629
	Utilities cost		622,930	625,506
	Security (including guards)		718,366	570,943
	Repair & maintenance (including janitorial charges)		279,409	287,828
	Depreciation		328,166	302,082
	Depreciation on right-of-use assets	13	965,166	869,921
			2,978,882	2,718,063
	Information technology expenses			
	Software maintenance		1,535,214	1,265,846
	Hardware maintenance		427,790	211,688
	Depreciation		603,891	342,897
	Amortization		319,182	154,054
	Network charges		413,498	293,056
			3,299,575	2,267,541
	Other operating expenses			
	Directors' fees and allowances		9,960	11,760
	Fees and allowances to Shariah Board		20,283	18,840
	Legal & professional charges		213,164	165,950
	Travelling & conveyance		128,599	156,129
	NIFT clearing charges		41,090	40,478
	Depreciation		381,865	322,997
	Depreciation on non-banking assets		105	1,173
	Entertainment expense		84,173	142,433
	Training & development		21,376	48,773
	Postage & courier charges		60,772	57,709
	Communication		239,802	220,386
	Stationery & printing		221,287	281,143
	Marketing, advertisement & publicity		294,559	359,226
	Repairs and maintenance		145,441	184,137
	Takaful / Insurance		443,375	297,039
	Fee and subscription		370,174	360,669
	Vehicle running and maintenance		331,895	318,543
	Donations		-	46,294
	Auditors' remuneration		32,120	23,647
	Amortization		6,832	7,125
	Others		60,828	4,258
			3,107,700	3,068,709
			17,095,165	15,012,616

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

For the Half Year Ended June 30, 2026

			(Un-audited)	
			June 30, 2026	June 30, 2025
32	OTHER CHARGES	Note	---------Rupees in '000---------	
	Penalties imposed by regulatory authorities		14,292	73,372
	Other regulatory charges		-	113,414
			14,292	186,786
33	REVERSAL OF PROVISIONS / CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET			
	Charge / (reversal) of credit loss allowance against due from financial institutions		1,300	(1,585)
	(Reversal) / charge of credit loss allowance against investments	10.4.1	(9)	8
	Reversal of credit loss allowance against Islamic, financing related assets and advances	11.11.1	(1,117,242)	(837,494)
	Fair value loss recognized		-	(21,505)
	Charge / (reversal) of modification loss		6,205	(35,370)
	(Reversal) / charge of credit loss allowance against balance with treasury banks		(451)	254
	credit loss allowance against balances with other banks		(1)	(302)
	Charge / (reversal) of credit loss allowance against off balance sheet items - net	22.1	83,820	(37,866)
	(Reversal) / charge of credit loss allowance / provision against other assets		(36,082)	14,815
	Other credit loss allowance / (reversal) / write offs - net		31,071	-
			(1,031,389)	(919,045)
34	TAXATION			
	Current		1,427,118	4,479,193
	Prior years		-	320,493
	Deferred		863,718	(252,515)
			2,290,836	4,547,171
35	BASIC AND DILUTED EARNINGS PER SHARE			
	Profit after taxation for the period		2,020,260	4,409,007
			------- Number of shares -------	
	Weighted average number of ordinary shares		1,108,703,299	1,108,703,299
			----------- Rupees -----------	
	Basic and diluted earnings per share	35.1	1.82	3.98

35.1 There were no convertible / dilutive potential ordinary shares outstanding as at June 30, 2026 and June 30, 2025, therefore diluted earning per share has not been presented separately.

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

For the Half Year Ended June 30, 2026

36 FAIR VALUE MEASUREMENTS

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

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

36.1 Fair value of financial assets

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

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

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

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

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

	(Un-audited)			
	June 30, 2026			
	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments	----------------------- Rupees in '000	------------------------		
Financial assets - measured at fair value				
Investments				
Shares / REIT funds	6,802,264	18,478	-	6,820,742
GoP Ijara Sukuk	78,462,007	183,812,453	-	262,274,460
Non-Government Shariah compliant securities	-	1,628,882	58,353	1,687,235
Financial assets - disclosed but not measured at fair value				
Investments	32,937,500	-	223,200	33,160,700
Off-balance sheet financial instruments - measured at fair value				
Shariah compliant alternative of forward purchase of foreign exchange	-	59,365,172	-	59,365,172
Shariah compliant alternative of forward sale of foreign exchange	-	39,753,657	-	39,753,657
On balance sheet non-financial assets				
Non-Financial Assets - measured at fair value				
Fixed assets - Land and building	-	11,320,794	-	11,320,794
Non-banking assets acquired in satisfaction of claims	-	1,085,378	-	1,085,378

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

For the Half Year Ended June 30, 2026

	(Audited)			
	December 31, 2025			
	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments	---------- Rupees in '000 ----------			
Financial assets - measured at fair value				
Investments				
Shares / Mutual funds	4,580,199	18,477	-	4,598,676
GOP Ijara Sukuk	78,801,265	235,934,974	-	314,736,239
Non-Government Shariah compliant Securities	-	1,227,194	1,124,995	2,352,189
Off-balance sheet financial instruments - measured at fair value				
Shariah compliant alternative of forward purchase of foreign exchange	-	49,789,168	-	49,789,168
Shariah compliant alternative of forward sale of foreign exchange	-	35,563,240	-	35,563,240
On balance sheet non-financial assets				
Non-Financial Assets - measured at fair value				
Fixed assets - Land and building	-	11,447,552	-	11,447,552
Non-banking assets acquired in satisfaction of claims	-	1,085,484	-	1,085,484

Valuation techniques used in determination of fair values within level 1

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

Valuation techniques used in determination of fair values within level 2

Item	Valuation approach and input used
GOP Sukuks	The fair value of GOP Ijarah Sukuks are revalued using PKISRV rates. The PKISRV rates are announced by FMA (Financial Market Association) through Reuters. The rates announced are simple average of quotes received from 6 different pre-defined / approved dealers / brokers.
Non-Government Shariah compliant Securities	Non-Government Shariah compliant Securities are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.
Ordinary shares - unlisted	SWIFT is valued Using the MARKET approach. Valuation is based on its latest published share price in euros, converted to PKR Using the Exchange rate prevailing on the Valuation date.

Shariah compliant alternative of forward foreign exchange contracts	The valuation has been determined by interpolating the mid rates announced by State Bank of Pakistan.
Fixed assets - Land and building	The valuation experts used a market based approach to arrive at the fair value of the Bank's properties. The market approach used prices and other relevant information generated by market transactions involving identical, comparable or similar properties.
Non-banking assets acquired in satisfaction of claims	

Valuation techniques used in determination of fair values within level 3

Item	Valuation approach and input used
Non-Government Shariah compliant Securities	Non-Government Shariah compliant Securities are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP), if available, in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan, which are then discounted using PKRV rate, adjusted for credit spreads to reflect the risk profile of each instrument,

	(Rupees in '000)
Opening balance	1,124,995
Additions during the period	273,200
Transfer to level 2 during the period	(1,116,642)
Closing balance	**281,553**

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

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

For the Half Year Ended June 30, 2026

37 SEGMENT INFORMATION

Segment Details with respect to Business Activities

	Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
	(Un-audited) June 30, 2026				
	Rupees in '000				
Profit & Loss					
Net profit / return	15,724,746	(10,385,041)	12,540,446	(261,908)	17,618,243
Inter segment revenue - net	(16,858,450)	27,683,632	(11,724,186)	899,004	-
Total other income	1,171,424	1,118,650	515,388	53,441	2,858,903
Total income	37,720	18,417,241	1,331,648	690,537	20,477,146
Segment direct expenses	184,529	10,093,784	601,531	6,317,595	17,197,439
Inter segment expense allocation	475,623	4,231,527	1,713,633	(6,420,783)	-
Total expenses	660,152	14,325,311	2,315,164	(103,188)	17,197,439
Credit loss allowance	839	-	(1,196,268)	164,040	(1,031,389)
Profit / (loss) before tax	(623,271)	4,091,930	212,752	629,685	4,311,096
Balance Sheet					
Assets					
Cash & Bank balances	1,076,751	75,642,547	-	-	76,719,298
Investments	304,168,998	-	1,634,714	-	305,803,712
Net inter segment placements	-	581,149,121	-	20,044,953	601,194,074
Due from financial institutions	54,698,400	-	-	-	54,698,400
Islamic financing and related assets - performing	-	47,731,198	251,691,602	9,580,200	309,003,000
- non-performing - net	-	381,664	308,839	135,531	826,034
Others	-	-	-	63,816,359	63,816,359
Total Assets	359,944,149	704,904,530	253,635,155	93,577,043	1,412,060,877
Liabilities					
Due to financial institutions	830,280	6,603,121	9,523,108	-	16,956,509
Subordinated sukuk	-	-	-	3,000,000	3,000,000
Deposits & other accounts	2,031,842	698,301,409	-	-	700,333,251
Net inter segment acceptances	357,082,027	-	244,112,047	-	601,194,074
Others	-	-	-	42,127,894	42,127,894
Total liabilities	359,944,149	704,904,530	253,635,155	45,127,894	1,363,611,728
Equity	-	-	-	48,449,149	48,449,149
Total Equity & liabilities	359,944,149	704,904,530	253,635,155	93,577,043	1,412,060,877
Contingencies & Commitments	99,118,829	-	76,768,087	145,674,242	321,561,158

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

For the Half Year Ended June 30, 2026

	(Un-audited)				
	June 30, 2025				
	Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
	Rupees in '000				
Profit & Loss					
Net profit / return	19,231,088	(13,305,939)	12,977,928	(379,886)	18,523,191
Inter segment revenue - net	(19,731,928)	30,765,771	(12,865,411)	1,831,568	-
Total other income	3,137,211	1,162,057	543,425	53,430	4,896,123
Total Income	2,636,371	18,621,889	655,942	1,505,112	23,419,314
Segment direct expenses	139,076	8,045,469	463,521	6,734,115	15,382,181
Inter segment expense allocation	94,816	5,314,022	955,713	(6,364,551)	-
Total expenses	233,892	13,359,491	1,419,234	369,564	15,382,181
Credit loss allowance	(1,624)	(214,871)	(660,048)	(42,501)	(919,045)
Profit / (loss) before tax	2,404,103	5,477,269	(103,244)	1,178,049	8,956,178

	(Audited)				
	December 31, 2025				
	Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
	Rupees in '000				
Balance Sheet					
Assets					
Cash & Bank balances	1,067,562	71,821,007	-	-	72,888,569
Investments	321,312,422	-	1,574,682	-	322,887,104
Net inter segment placements	-	544,264,990	-	22,213,146	566,478,136
Due from financial institutions	18,999,952	-	-	-	18,999,952
Islamic financing and related assets - performing	-	38,424,537	242,822,486	9,358,286	290,605,309
- non-performing - net	-	594,924	392,021	158,355	1,145,300
Others	-	-	-	64,816,644	64,816,644
Total Assets	341,379,936	655,105,458	244,789,189	96,546,431	1,337,821,014
Liabilities					
Due to financial institutions	499,301	4,241,983	9,871,824	-	14,613,108
Subordinated sukuk	-	-	-	3,000,000	3,000,000
Deposits & other accounts	9,319,864	650,863,475	-	-	660,183,339
Net inter segment acceptances	331,560,771	-	234,917,365	-	566,478,136
Others	-	-	-	44,932,523	44,932,523
Total liabilities	341,379,936	655,105,458	244,789,189	47,932,523	1,289,207,106
Equity	-	-	-	48,613,908	48,613,908
Total Equity & liabilities	341,379,936	655,105,458	244,789,189	96,546,431	1,337,821,014
Contingencies & Commitments	85,352,408	-	67,948,449	84,665,557	237,966,414

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

For the Half Year Ended June 30, 2026

38 RELATED PARTY TRANSACTIONS

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

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

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

	(Un-audited)						(Audited)					
	June 30, 2026						December 31, 2025					
	Parent	Directors	Key management personnel	Subsidiary	Associates	Other related parties	Parent	Directors	Key management personnel	Subsidiary	Associates	Other related parties
	(Rupees in '000)											
Investments												
Opening balance	-	-	-	1,304,771	1,060,244	-	-	-	-	104,771	1,102,111	-
Investment made during the period / year	-	-	-	-	-	153,411	-	-	-	1,200,000	-	-
Investment written-off during the year	-	-	-	-	-	-	-	-	-	-	(41,867)	-
Closing balance	-	-	-	1,304,771	1,060,244	153,411	-	-	-	1,304,771	1,060,244	-
Credit loss allowance held against investments	-	-	-	(104,771)	(1,060,244)	-	-	-	-	(104,771)	(1,060,244)	-
Islamic financing and related assets												
Opening balance	-	-	579,570	-	480,000	743,717	-	-	467,815	-	480,187	1,608,466
Addition during the year	-	-	298,347	-	-	454,957	-	-	317,706	-	-	1,186,187
Repaid during the year	-	-	(137,560)	-	(480,000)	(561,997)	-	-	(246,291)	-	(187)	(2,338,596)
Transfer in / (out) - net	-	-	16,360	-	-	553,008	-	-	40,340	-	-	287,660
Closing balance	-	-	756,717	-	-	1,189,685	-	-	579,570	-	480,000	743,717
Credit loss allowance held against Islamic financing and related assets	-	-	(273)	-	-	(19,125)	-	-	(230)	-	(480,000)	(3,467)
Other assets												
Profit receivable on financings	-	-	676	-	-	52,177	-	-	483	-	-	37,625
Others	-	-	-	500	-	-	-	-	-	74	-	12,564

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

For the Half Year Ended June 30, 2026

	(Un-audited) June 30, 2026						(Audited) December 31, 2025					
	Parent	Directors	Key management personnel	Subsidiary	Associates	Other related parties	Parent	Directors	Key management personnel	Subsidiary	Associates	Other related parties
	(Rupees in '000)											
Due to financial institutions - net												
Opening balance	-	-	-	-	-	-	2,000,000.00	-	-	-	-	-
Additions during the year	-	-	-	-	-	-	50,000,000	-	-	-	-	500,000
Settled during the year	-	-	-	-	-	-	(52,000,000)	-	-	-	-	(500,000)
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-
Subordinated sukuk												
Opening balance	-	-	35	-	-	143,325	-	-	485	-	-	143,465
Issued / purchased during the year	-	-	-	-	-	3,050	-	-	-	-	-	3,565
Redemption / sold during the year	-	-	-	-	-	(1,000)	-	-	-	-	-	(3,705)
Transfer in / (out)	-	-	(20)	-	-	-	-	-	(450)	-	-	-
Closing balance	-	-	15	-	-	145,375	-	-	35	-	-	143,325
Deposits and other accounts												
Opening balance	-	2,074	56,932	1,193,311	2,110	2,289,358	-	9,305	126,828	4	1,083	1,461,374
Received during the year	-	50,372	870,439	3,490,136	772,373	21,974,679	-	511,609	1,429,392	2,344,407	805,834	125,111,029
Withdrawn during the year	-	(54,700)	(859,927)	(3,686,642)	(774,190)	(22,080,108)	-	(515,634)	(1,400,579)	(1,151,100)	(804,807)	(124,422,723)
Transfer in / (out) - net	-	12,173	(31,841)	-	-	52,342	-	(3,206)	(98,709)	-	-	139,678
Closing balance	-	9,919	35,603	996,805	293	2,236,271	-	2,074	56,932	1,193,311	2,110	2,289,358
Other Liabilities												
Profit / return payable	-	68	1,116	6,096	1	10,514	-	2	2,512	10,195	2	15,598
Dividend Payable	-	1	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	25,713	459,000	-	-	-	-	9,626
Contingencies and Commitments												
Other contingencies	-	-	-	-	-	1,341,772	-	-	-	-	-	900,000

	(Un-audited) June 30, 2026						(Un-audited) June 30, 2025					
	Parent	Directors	Key management personnel	Subsidiary	Associates	Other related parties	Parent	Directors	Key management personnel	Subsidiary	Associates	Other related parties
	(Rupees in '000)											
Income												
Profit / return earned	-	-	19,512	-	-	93,302	-	-	15,687	-	-	80,873
Fee and commission Income	-	-	-	-	-	10,142	-	-	-	-	-	4,000
(Loss) / gain on sale of securities	-	-	-	(1,994)	-	(177)	2,290	-	-	-	-	30,424
Foreign exchange income / (loss)	-	-	-	-	-	-	(3,432)	-	-	-	-	-
Other Income	-	-	-	500	-	-	-	-	-	-	-	-
Expense												
Profit Expensed	-	330	1,404	56,317	504	66,551	23,634	193	2,587	-	92	97,539
Other Administrative Expenses	104	668	39,514	-	-	64,367	425,078	650	26,057	-	-	276,155
Meeting fee / Remuneration	-	9,960	414,687	-	-	-	-	11,760	298,559	-	-	-
Contribution to employees provident fund	-	-	-	-	-	260,744	-	-	-	-	-	199,287
Charge for employees gratuity fund	-	-	-	-	-	97,275	-	-	-	-	-	176,958
Donation Paid	-	-	-	-	-	125,000	-	-	-	-	-	126,440
Dividend Paid	1,041,015	111	1	-	-	177,182	1,041,015	146,717	1	-	-	37,210
Other Transactions	13,417	-	-	189,123	-	31,390	-	-	-	-	-	-

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

For the Half Year Ended June 30, 2026

39 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	------- Rupees in '000 -------	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	11,007,991	11,007,991
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	41,372,397	41,099,514
Eligible Additional Tier 1 (ADT 1) Capital	3,000,000	3,000,000
Total Eligible Tier 1 Capital	44,372,397	44,099,514
Eligible Tier 2 Capital	5,244,610	4,908,758
Total Eligible Capital (Tier 1 + Tier 2)	49,617,007	49,008,272
Risk Weighted Assets (RWAs):		
Credit Risk	214,613,380	198,186,749
Market Risk	18,692,150	14,008,884
Operational Risk	83,922,654	83,922,654
Total	317,228,184	296,118,287
Common Equity Tier 1 Capital Adequacy ratio	13.04%	13.88%
Tier 1 Capital Adequacy Ratio	13.99%	14.89%
Total Capital Adequacy Ratio	15.64%	16.55%
National minimum capital requirements prescribed by SBP		
CET1 minimum ratio	6.00%	6.00%
Tier 1 minimum ratio	7.50%	7.50%
Total capital minimum ratio	10.00%	10.00%
Capital Conservation Buffer (CCB) (Consisting of CET 1 only)	1.50%	1.50%
Total Capital plus CCB	11.50%	11.50%

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

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	------- Rupees in '000 -------	
Leverage Ratio (LR):		
Eligible Tier-1 Capital	44,372,397	44,099,514
Total Exposures	875,195,149	832,246,504
Leverage Ratio	5.07%	5.30%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	309,085,083	366,424,354
Total Net Cash Outflow	126,350,655	113,706,825
Liquidity Coverage Ratio	244.62%	322.25%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	600,160,214	590,214,409
Total Required Stable Funding	335,331,726	261,833,817
Net Stable Funding Ratio	178.98%	225.42%

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

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

For the Half Year Ended June 30, 2026

40 GENERAL

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

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

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

40.4 The Board of Directors in their meeting held on August 19, 2026 has announced an interim cash dividend of Rs. 1.5 per share (15%). These condensed interim unconsolidated financial statements do not include the effect of this appropriation which will be accounted for in the unconsolidated financial statements for the period ended September 30, 2026.

41 DATE OF AUTHORISATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorized for issue on August 19, 2026 by the Board of Directors of the Bank.

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President / Chief Executive Officer	Chief Financial Officer	Chairman	Director	Director

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ABBASI JAMIA SHAHI MASJID

PAKISTAN'S BEST ISLAMIC BANK CERTIFIED BY EUROMONEY

Consolidated Financial Statements

Abbasi Jamia Shahi Masjid

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

Condensed Interim Consolidated Statement of Financial Position

As at June 30, 2026

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		-------- Rupees in '000 --------	
ASSETS			
Cash and balances with treasury banks	7	75,657,596	71,821,007
Balances with other banks	8	1,078,557	1,069,764
Due from financial institutions	9	54,698,400	18,999,952
Investments	10	304,784,342	321,687,104
Islamic financing, related assets and advances	11	309,829,034	291,750,609
Property and equipment	12	24,588,839	25,407,260
Right-of-use assets	13	5,426,854	5,655,325
Intangible assets	14	5,098,290	4,743,612
Deferred tax assets	15	4,311,786	4,286,765
Other assets	16	24,352,035	24,664,577
Total Assets		809,825,733	770,085,975
LIABILITIES			
Bills payable	17	7,241,834	9,895,158
Due to financial institutions	18	16,956,509	14,613,108
Deposits and other accounts	19	699,336,446	658,990,028
Lease liabilities	20	6,527,222	6,604,095
Subordinated sukuks	21	3,000,000	3,000,000
Deferred tax liabilities		-	-
Other liabilities	22	28,397,773	28,462,093
Total Liabilities		761,459,784	721,564,482
NET ASSETS		48,365,949	48,521,493
REPRESENTED BY			
Share capital - net	23	11,007,991	11,007,991
Reserves	23	8,773,250	8,367,355
Surplus on revaluation of assets	24	3,484,966	4,306,495
Unappropriated profit		25,099,742	24,839,652
		48,365,949	48,521,493
CONTINGENCIES AND COMMITMENTS	25		

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

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President / Chief Executive Officer	Chief Financial Officer	Chairman	Director	Director

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

For the Half Year Ended June 30, 2026

	Note	Quarter Ended June 30, 2026	Quarter Ended June 30, 2025	Half Year Ended June 30, 2026	Half Year Ended June 30, 2025
		Rupees in '000			
Profit / return earned	26	17,691,391	19,131,802	34,370,984	38,897,762
Profit / return expensed	27	8,445,522	9,829,962	16,693,737	20,374,571
Net profit / return		9,245,869	9,301,840	17,677,247	18,523,191
OTHER INCOME					
Fee and commission income	28	857,775	1,047,776	1,704,646	1,782,824
Dividend income		92,365	84,846	133,902	111,152
Foreign exchange income		625,185	113,719	1,076,542	246,609
(Loss) / income from shariah compliant alternative of forward foreign exchange contracts		35,227	181,190	(8,951)	287,595
(Loss) / gain on securities - net	29	(203,871)	280,387	(139,713)	2,388,038
Net gains on derecognition of financial assets measured at amortised cost		-	-	-	-
Other income	30	48,340	39,593	92,075	79,905
Total other income		1,455,021	1,747,511	2,858,501	4,896,123
Total Income		10,700,890	11,049,351	20,535,748	23,419,314
OTHER EXPENSES					
Operating expenses	31	8,645,648	7,959,287	17,138,442	15,012,616
Workers' welfare fund		49,757	70,716	87,982	182,779
Other charges	32	9,764	73,350	14,292	186,786
Total other expenses		8,705,169	8,103,353	17,240,716	15,382,181
Share of profit from associates		-	-	-	-
Profit before credit loss allowance		1,995,721	2,945,998	3,295,032	8,037,133
Reversal of provisions / credit loss allowance and write offs - net	33	(452,255)	(519,081)	(1,031,389)	(919,045)
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		2,447,976	3,465,079	4,326,421	8,956,178
Taxation	34	1,322,382	1,669,798	2,296,946	4,547,171
PROFIT AFTER TAXATION		1,125,594	1,795,281	2,029,475	4,409,007
ATTRIBUTABLE TO:					
Equity Shareholders of the Holding Company		1,125,594	1,795,281	2,029,475	4,409,007
Non-controlling interest		-	-	-	-
		1,125,594	1,795,281	2,029,475	4,409,007
		Rupees			
Basic and Diluted earnings per share	35	1.02	1.62	1.83	3.98

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

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President / Chief Executive Officer	Chief Financial Officer	Chairman	Director	Director

Condensed Interim Consolidated 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	1,125,594	1,795,281	2,029,475	4,409,007
Other comprehensive (loss) / income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in surplus on revaluation of debt investments through FVOCI - net of tax	6,061	1,279,573	(965,173)	(1,929,442)
Gain / (loss) on sale of debt investments carried at FVOCI reclassified to the statement of profit and loss account - net of tax	109,763	(200,655)	68,731	(1,124,144)
Items that will not be reclassified to profit and loss account in subsequent periods:				
Movement in surplus on revaluation of equity investments - net of tax	448,063	174,289	97,302	184,277
Total comprehensive income for the period	1,689,481	3,048,488	1,230,335	1,539,698
ATTRIBUTABLE TO:				
Equity Shareholders of the Holding Company	1,689,481	3,048,488	1,230,335	1,539,698
Non-controlling interest	-	-	-	-
	1,689,481	3,048,488	1,230,335	1,539,698

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

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President / Chief Executive Officer	Chief Financial Officer	Chairman	Director	Director

Condensed Interim Consolidated Statement of Changes in Equity

For the Half Year Ended June 30, 2026

	Share capital	Discount on issue of shares	Statutory reserve*	Surplus on revaluation of Investments	Surplus on revaluation of Property & Equipment / Non Banking Assets	Unappropriated profit	Sub total	Non-Controlling interest	Total
	Rupees in '000								
Opening Balance as at January 01, 2025	11,087,033	(79,042)	7,166,799	5,848,559	1,538,445	22,653,174	48,214,968	-	48,214,968
Profit after taxation for the half year ended June 30, 2025	-	-	-	-	-	4,409,007	4,409,007	-	4,409,007
Other comprehensive (loss) / income for the half year ended June 30, 2025 :									
Movement in surplus on revaluation of investments in debt instruments - net of tax	-	-	-	(1,929,442)	-	-	(1,929,442)	-	(1,929,442)
Gain on sale of debt investments carried at FVOCI reclassified to the statement of profit and loss account net of tax	-	-	-	(1,124,144)	-	-	(1,124,144)	-	(1,124,144)
Movement in surplus on revaluation of investments in equity instruments - net of tax	-	-	-	184,277	-	-	184,277	-	184,277
	-	-	-	(2,869,309)	-	-	(2,869,309)	-	(2,869,309)
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	(41,497)	41,497	-	-	-
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	(98)	98	-	-	-
Gain on sale of equity instruments - FVOCI	-	-	-	(3,398)	-	3,398	-	-	-
Transfer to statutory reserve	-	-	881,801			(881,801)	-	-	-
Transactions with owners, recorded directly in equity									
Final cash dividend to shareholders for the year 2024 @ Rs. 1.25 per share	-	-	-	-	-	(1,385,879)	(1,385,879)	-	(1,385,879)
Opening Balance as at July 01, 2025	11,087,033	(79,042)	8,048,600	2,975,852	1,496,850	24,839,494	48,368,787	-	48,368,787
Profit after taxation for the period from July 01, 2025 to December 31, 2025	-	-	-	-	-	1,595,668	1,595,668	-	1,595,668
Other comprehensive (loss) / income for the period from July 01, 2025 to December 31, 2025:									
Movement in surplus on revaluation of investments in debt instruments - net of tax	-	-	-	(962,982)	-	-	(962,982)	-	(962,982)
Gain on sale of debt investments carried at FVOCI reclassified to the statement of profit and loss account - net of tax	-	-	-	(752,033)	-	-	(752,033)	-	(752,033)
Movement in surplus on revaluation of investments in equity instruments - net of tax	-	-	-	558,212	-	-	558,212	-	558,212
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	(32,064)	(32,064)	-	(32,064)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	1,410,267	-	1,410,267	-	1,410,267
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	(1,307)	-	(1,307)	-	(1,307)
	-	-	-	(1,156,803)	1,408,960	(32,064)	220,093	-	220,093
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	(130,067)	130,067	-	-	-
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	90	(90)	-	-	-
Transfer from surplus on revaluation of property and equipment on sale to unappropriated profit - net of tax	-	-	-	-	(27,713)	27,713	-	-	-
Transfer from surplus on revaluation of non-banking assets on sale to unappropriated profit - net of tax	-	-	-	-	(184,884)	184,884	-	-	-
Gain on sale of equity instruments - FVOCI	-	-	-	(75,790)		75,790	-	-	-
Transfer to statutory reserve	-	-	318,755	-	-	(318,755)	-	-	-
Transactions with owners, recorded directly in equity									
First Interim cash dividend to shareholders for the year 2025 @ Rs. 1.5 per share	-	-	-	-	-	(1,663,055)	(1,663,055)	-	(1,663,055)
Closing Balance as at December 31, 2025 (Audited)	11,087,033	(79,042)	8,367,355	1,743,259	2,563,236	24,839,652	48,521,493	-	48,521,493
Profit after taxation for the half year ended June 30, 2026	-	-	-	-	-	2,029,475	2,029,475	-	2,029,475
Other comprehensive (loss) / income for the half year ended June 30, 2026 :									
Movement in surplus on revaluation of investments in debt instruments - net of tax	-	-	-	(965,173)	-	-	(965,173)	-	(965,173)
Loss on sale of debt investments carried at FVOCI reclassified to the statement of profit and loss account - net of tax	-	-	-	68,731	-	-	68,731	-	68,731
Movement in surplus on revaluation of investments in equity instruments - net of tax	-	-	-	97,302	-	-	97,302	-	97,302
	-	-	-	(799,140)	-	-	(799,140)	-	(799,140)
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	(19,160)	19,160	-	-	-
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	(4)	4	-	-	-
Transfer from surplus on revaluation of property and equipment on sale to unappropriated profit - net of tax	-	-	-	-	(400)	400	-	-	-
Gain on sale of equity instruments - FVOCI	-	-	-	(2,825)	-	2,825	-	-	-
Transfer to statutory reserve	-	-	405,895	-	-	(405,895)	-	-	-
Transactions with owners, recorded directly in equity									
Final cash dividend to shareholders for the year 2025 @ Rs. 1.25 per share	-	-	-	-	-	(1,385,879)	(1,385,879)	-	(1,385,879)
Closing Balance as at June 30, 2026 (Un-audited)	11,087,033	(79,042)	8,773,250	941,294	2,543,672	25,099,742	48,365,949	-	48,365,949

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

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

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President / Chief Executive Officer	Chief Financial Officer	Chairman	Director	Director

BankIslami

Condensed Interim Consolidated Cash Flow Statement (Un-audited)

For the Half Year Ended June 30, 2026

	Note	Half Year Ended June 30, 2026	Half Year Ended June 30, 2025
		------- Rupees in '000 -------	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		4,326,421	8,956,178
Less: Dividend income		(133,902)	(111,152)
		4,192,519	8,845,026
Adjustments for non-cash charges and other items:			
Net profit / return		(18,131,872)	(18,991,771)
Depreciation on property and equipment	31	1,316,815	967,976
Depreciation on non-banking assets	31	105	1,173
Depreciation on right-of-use assets	31	965,166	869,921
Amortisation		326,107	161,179
Depreciation on operating Ijarah assets		1,396,216	78,440
Finance charges on leased assets	27	454,625	468,580
Reversal of provisions / credit loss allowance and write offs - net	33	(1,031,389)	(919,045)
Unrealized loss / (gain) on revaluation of investments classified as FVPL	29	11,545	3,757
Charge for defined benefit plan		97,275	176,958
Gain on sale of property and equipment	30	(23,621)	(21,426)
Gain on termination of lease	30	(5,668)	(8,959)
		(14,624,696)	(17,213,217)
		(10,432,177)	(8,368,191)
(Increase) / decrease in operating assets			
Due from financial institutions		(35,699,748)	(5,291,878)
Securities classified as FVPL		(23,125)	(3,757)
Islamic financing, related assets and advances		(18,245,802)	53,892,747
Other assets (excluding advance taxation)		(2,356,673)	(5,455,618)
		(56,325,348)	43,141,494
(Decrease) / increase in operating liabilities			
Bills payable		(2,653,324)	(7,731,226)
Due to financial institutions		2,343,401	(54,690,143)
Deposits and other accounts		40,346,418	71,159,888
Other liabilities (excluding current taxation)		2,358,582	5,471,513
		42,395,077	14,210,032
		(24,362,448)	48,983,335
Profit / return received		37,045,206	42,863,175
Profit / return paid		(17,319,888)	(22,195,320)
Income tax paid		(2,824,147)	(5,788,572)
Payment to gratuity fund		(100,000)	-
Net cash (used in) / generated from operating activities		(7,561,277)	63,862,618
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in amortized cost securities		(33,771,275)	-
Net Investments in securities classified as FVOCI		49,014,867	(48,394,877)
Dividends received		133,902	111,152
Investments in property and equipment		(703,208)	(8,061,030)
Investments in intangible assets		(681,535)	(99,359)
Proceeds from disposal of property and equipment		93,803	26,693
Net cash generated from / (used in) investing activities		14,086,554	(56,417,421)
CASH FLOW FROM FINANCING ACTIVITIES			
Payments of lease obligations against right-of-use assets		(1,300,201)	(730,453)
Dividend paid		(1,379,694)	(1,379,784)
Net cash used in financing activities		(2,679,895)	(2,110,237)
Increase in cash and cash equivalents		3,845,382	5,334,960
Cash and cash equivalents at the beginning of the period		72,890,771	42,076,616
Cash and cash equivalents at the end of the period		76,736,153	47,411,576

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

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President / Chief Executive Officer	Chief Financial Officer	Chairman	Director	Director

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

For the Half Year Ended June 30, 2026

1 STATUS AND NATURE OF BUSINESS

The Group comprises of:

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

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

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

The Holding Company is operating through 569 branches including 60 sub-branches as at June 30, 2026 (December 31, 2025: 569 branches including 60 sub-branches). The registered office of the Holding Company is situated at 11th Floor, Executive Tower Dolmen City, Marine Drive, Block-4, Clifton, Karachi. The shares of the Holding Company are quoted on the Pakistan Stock Exchange Limited.

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

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

1.2 Subsidiary Companies

		Percentage of Holding	
		(Un-audited)	(Audited)
	Note	June 30, 2026	December 31, 2025
		Percentage	
My Solutions Corporations Limited	1.2.1	**100%**	100%
BIPL Exchange Company (Private) Limited	1.2.2	**100%**	100%

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

1.2.2 During year 2025, the Holding Company incorporated BIPL Exchange Company (Private) Limited as a wholly owned subsidiary of the Holding Company pursuant to receipt of No Objection Certificate from the State Bank of Pakistan. The principal business of the Company is to provide foreign exchange services. The Company obtained exchange company license for commencement of operations from State Bank of Pakistan (SBP) on 8 April 2026 and started its operations on 16th June 2026.

2 BASIS OF PRESENTATION

2.1 The Holding Company provides financing mainly through Murabaha, Istisna, Diminishing Musharakah, Import Murabaha, Salam, Musawamah, Running Musharaka (Shirkat-ul-Aqd), Ijarah and other Islamic modes.

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

2.2 Basis of Consolidation

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

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

3 STATEMENT OF COMPLIANCE

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

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

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

For the Half Year Ended June 30, 2026

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

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

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

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

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

4 MATERIAL ACCOUNTING POLICY INFORMATION

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

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

State Bank of Pakistan (SBP) adopted requirements of IFRS 9 along with the application instructions through BPRD Circular No. 07 of 2023, dated April 13, 2023, but deferred certain requirements. Islamic banking institutions have been allowed to follow Islamic Financial Accounting Standards (IFAS) 1 & 2 where applicable and continue existing accounting practices for other Islamic products until further instructions. Had IFRS 9 been adopted for revenue recognition related to Islamic financing, related assets and advances, the unappropriated profit of the Holding Company as at June 30, 2026 would have been higher by Rs. 377 million (net of tax).

SBP had allowed extension for application of EIR up to December 31, 2025. The Holding Company has calculated EIR impact on its investment portfolio as at June 30, 2026 and assessed that cumulative estimated adjustment, net of tax, arising from the adoption of the EIR method as at January 01, 2026 is not material and accordingly, has not been recognized in these condensed interim consolidated financial statements.

There are other certain standards, amendments and interpretations to approved accounting standards are effective for annual accounting periods beginning on January 01, 2026, but are considered not to be relevant or did not have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim unconsolidated financial statements.

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

There are certain new standards, amendments and interpretations to the approved accounting standards that are effective for annual accounting periods beginning on or after January 1, 2027. Except for IFRS 18 Presentation and Disclosure in Financial Statements, these pronouncements are not considered relevant to the Holding Company or are not expected to have a material impact on the Holding Company's condensed interim consolidated financial statements.

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.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

6 FINANCIAL RISK MANAGEMENT

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

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

For the Half Year Ended June 30, 2026

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
7 CASH AND BALANCES WITH TREASURY BANKS	-------- Rupees in '000	--------
In hand:		
- Local currency	**16,417,547**	13,328,988
- Foreign currencies	**469,795**	445,309
	16,887,342	13,774,297
With the State Bank of Pakistan in:		
- Local currency current account	**52,314,268**	52,594,906
- Foreign currency deposit accounts:		
- Cash reserve account	**1,456,280**	1,445,155
- Special cash reserve account	**1,727,104**	1,739,284
- US dollar clearing account	**187,521**	207,114
	3,370,905	3,391,553
With National Bank of Pakistan in:		
- Local currency current account	**3,085,088**	2,060,709
Less: Credit loss allowance held against cash and balances with treasury banks	**(7)**	(458)
Cash and balances with treasury banks - net of credit loss allowance	**75,657,596**	71,821,007
8 BALANCES WITH OTHER BANKS		
In Pakistan:		
- In current accounts	**9**	9
- In deposit accounts	**1,973**	2,371
	1,982	2,380
Outside Pakistan:		
- In current accounts	**370,300**	424,310
- In deposit accounts	**706,317**	643,117
	1,076,617	1,067,427
Less: Credit loss allowance held against balances with other banks	**(42)**	(43)
Balances with other banks - net of credit loss allowance	**1,078,557**	1,069,764

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

For the Half Year Ended June 30, 2026

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		-------- Rupees in '000 --------	
9 DUE FROM FINANCIAL INSTITUTIONS			
Secured			
Bai Muajjal Receivable -with Other Financial Institutions	9.1	19,699,748	-
Unsecured			
Musharkah Placement	9.2	34,000,000	19,000,000
Wakalah Placement	9.2	1,000,000	
		54,699,748	19,000,000
Less: Credit loss allowance held against due from financial institutions	9.3	(1,348)	(48)
Due from financial institutions - net of credit loss allowance		54,698,400	18,999,952

9.1 The average return on this product is 9.94% (2025: Nil) per annum. The balance has maturity in 195 days (2025: Nil).

9.2 The average return on these products is 11.12% (2025: 10.4%) per annum. The balance has maturity in 8 days (2025: 20 days).

9.3 Due from financial institutions - Particulars of credit loss allowance		(Un-audited) June 30, 2026 Due from financial institutions	(Un-audited) June 30, 2026 Credit loss allowance held	(Audited) December 31, 2025 Due from financial institutions	(Audited) December 31, 2025 Credit loss allowance held
		------------------------ Rupees in '000		------------------------	
Domestic					
Performing	Stage 1	54,699,748	1,348	19,000,000	48
Under performing	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
		-	-	-	-
Total		54,699,748	1,348	19,000,000	48

9.3.1 The Holding Company does not hold overseas classified placements.

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
10 INVESTMENTS		-------- Rupees in '000 --------	
Investments - Islamic	10.1	304,784,342	321,687,104
Investments - Conventional (relating to amalgamated entity)	10.2	-	-
		304,784,342	321,687,104

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

For the Half Year Ended June 30, 2026

			(Un-audited) June 30, 2026				(Audited) December 31, 2025			
			Cost / Amortised cost	Credit loss allowance held	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Credit loss allowance held	Surplus / (Deficit)	Carrying Value
10.1	**Islamic Investments by type**	Note	Rupees in '000							
	Debt instruments									
	Classified / measured at FVOCI									
	Federal Government Shariah Compliant Securities		262,101,519	-	353,571	262,455,090	312,555,038	-	2,181,201	314,736,239
	Non-Government Shariah Compliant Securities		1,722,403	(35,925)	757	1,687,235	2,297,409	(35,934)	40,714	2,302,189
			263,823,922	(35,925)	354,328	264,142,325	314,852,447	(35,934)	2,221,915	317,038,428
	Classified / measured at amortized cost									
	Federal Government Shariah Compliant Securities		33,548,075	-	-	33,548,075	-	-	-	-
	Non-Government Shariah Compliant Securities		223,200	-	-	223,200	-	-	-	-
			33,771,275	-	-	33,771,275	-	-	-	-
	Classified / measured at FVPL									
	Non-Government Shariah Compliant Securities		50,000	-	-	50,000	50,000	-	-	50,000
	Equity instruments									
	Classified / measured at FVPL									
	Shares - listed companies		75,795	-	11,657	87,452	89,824	-	24,159	113,983
	REIT Funds		89,333	-	37,539	126,872	52,179		36,582	88,761
			165,128	-	49,196	214,324	142,003	-	60,741	202,744
	Classified / measured at FVOCI (Non-reclassifiable)									
	Shares									
	Listed companies		4,992,896	-	1,595,044	6,587,940	2,979,238	-	1,398,217	4,377,455
	Foreign securities		6,820	-	11,658	18,478	6,820	-	11,657	18,477
			4,999,716	-	1,606,702	6,606,418	2,986,058	-	1,409,874	4,395,932
	Associate	10.6	1,123,432	(1,123,432)	-	-	1,123,432	(1,123,432)	-	-
	Total Islamic investments		303,933,473	(1,159,357)	2,010,226	304,784,342	319,153,940	(1,159,366)	3,692,530	321,687,104
10.2	**Conventional Investments by type**									
-	**Debt instruments**									
	Classified / measured at FVOCI									
	Non-Government Debt Securities		74,607	(74,607)	-	-	74,607	(74,607)	-	-
-	**Equity instruments**									
	Classified / measured at FVPL									
	Shares - Unlisted companies		591,680	-	(591,680)	-	591,680	-	(591,680)	-
	Associate	10.6	432,302	(432,302)	-	-	432,302	(432,302)	-	-
	Total conventional investments		1,098,589	(506,909)	(591,680)	-	1,098,589	(506,909)	(591,680)	-

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

For the Half Year Ended June 30, 2026

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	--------Rupees in '000--------	
10.3 Investments given as collateral		
Federal Government Securities - GOP Ijarah Sukuk	9,761,800	5,261,800
10.4 Credit loss allowance held against investments		
10.4.1 Opening balance	1,666,275	1,708,091
Charge / (reversal)		
Charge for the period / year	-	51
Reversals for the period / year	(9)	-
	(9)	51
Amounts written off	-	(41,867)
Closing Balance	1,666,266	1,666,275

10.5 Particulars of credit loss allowance against debt securities

10.5.1 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	297,333,067	45	314,590,317	54
Underperforming	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		386,737	110,487	386,737	110,487
		386,737	110,487	386,737	110,487
Total		297,719,804	110,532	314,977,054	110,541

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

10.6 Details of investment in associates

	As at	Holding %	Country of incorporation	Assets	Liabilities	Revenue	Profit / (loss) after taxation	Total comprehensive income / (loss)
				-----Rupees in '000-----				
Unlisted								
Islamic								
Shakarganj Food Products Limited	September 30, 2025	36.38	Pakistan	8,983,095	5,409,771	8,482,240	(980,687)	(360,567)
Conventional								
KASB Funds Limited	December 31, 2015	43.89	Pakistan	46,465	32,465	23,640	(66,241)	(65,679)

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

For the Half Year Ended June 30, 2026

		Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
11	**ISLAMIC FINANCING, RELATED ASSETS AND ADVANCES**		--------Rupees in '000--------	
	Islamic financing and related assets - net	11.1	309,768,484	291,692,045
	Advances (relating to amalgamated entity) - net	11.2	60,550	58,564
			309,829,034	291,750,609

11.1 ISLAMIC FINANCING AND RELATED ASSETS

	Note	Performing		Non Performing		Total	
		(Un-audited) June 30, 2026	(Audited) December 31, 2025	(Un-audited) June 30, 2026	(Audited) December 31, 2025	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		Rupees in '000					
In Pakistan							
- Running Musharakah		76,581,937	75,864,281	1,324,955	1,444,955	77,906,892	77,309,236
- Diminishing Musharakah financing and related assets - Others	11.3	87,128,094	91,661,399	4,017,510	4,039,670	91,145,604	95,701,069
- Diminishing Musharakah - Housing		24,029,819	21,446,826	1,459,101	1,756,203	25,488,920	23,203,029
- Istisna financing and related assets	11.4	35,532,055	29,391,392	2,977,202	3,533,832	38,509,257	32,925,224
- Diminishing Musharakah financing and related assets - Auto		33,688,372	26,385,709	653,425	678,921	34,341,797	27,064,630
- Murabahah financing and related assets	11.5	27,256,176	27,888,608	992,659	958,175	28,248,835	28,846,783
- Musawamah financing and related assets / Tijarah	11.6	9,152,232	8,611,822	3,806,358	3,905,606	12,958,590	12,517,428
- Investment Agency Wakalah		3,049,006	3,233,383	-	-	3,049,006	3,233,383
- Murabahah against Bills		289,395	1,107,066	171,527	192,048	460,922	1,299,114
- Ijarah financing under IFAS 2 and related assets	11.7	20,051,580	12,145,748	31,656	43,394	20,083,236	12,189,142
- Financing against Bills		1,308,162	2,137,622	-	-	1,308,162	2,137,622
- Qardh-e-Hasana		53,019	49,527	120,423	124,338	173,442	173,865
- Musharakah financing		-	-	-	160,000	-	160,000
- Past Due Acceptance		226,411	212,146	27,127	27,128	253,538	239,274
- Net investment in Ijarah financing in Pakistan		11,756	15,040	34,474	42,425	46,230	57,465
- Housing finance portfolio - others		-	-	6,112	15,825	6,112	15,825
- Salam	11.8	80,002	70,002	-	-	80,002	70,002
Islamic financing and related assets - gross		318,438,016	300,220,571	15,622,529	16,922,520	334,060,545	317,143,091
Credit loss allowance against islamic financing and related assets	11.11						
- Stage 1		(3,038,741)	(3,123,208)	-	-	(3,038,741)	(3,123,208)
- Stage 2		(1,012,593)	(941,448)	-	-	(1,012,593)	(941,448)
- Stage 3		-	-	(14,857,045)	(15,891,111)	(14,857,045)	(15,891,111)
		(4,051,334)	(4,064,656)	(14,857,045)	(15,891,111)	(18,908,379)	(19,955,767)
Modification loss due to IFRS 9	11.1.1	(63,134)	(67,991)	-	-	(63,134)	(67,991)
Fair value adjustment	11.1.2	(5,320,548)	(5,427,288)	-	-	(5,320,548)	(5,427,288)
Islamic financing and related assets - net of credit loss allowance and fair value adjustment		309,003,000	290,660,636	765,484	1,031,409	309,768,484	291,692,045

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

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

11.1.3 Islamic Financing and related assets include Rs.15,623 million (2025: Rs.16,923 million) which have been placed under non-performing / Stage 3 status as detailed below:

Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements
For the Half Year Ended June 30, 2026

	(Un-audited) June 30, 2026		(Audited) December 31, 2025	
	Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
	Rupees in '000			
Islamic financing and related assets - Category of classification				
Domestic				
Other assets especially mentioned	171,287	52,513	161,609	55,327
Substandard	388,282	182,961	434,709	198,767
Doubtful	422,021	244,872	800,477	470,502
Loss	14,640,939	14,376,699	15,525,725	15,166,515
	15,622,529	14,857,045	16,922,520	15,891,111

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

	Performing		Non Performing		Total	
	(Un-audited) June 30, 2026	(Audited) December 31, 2025	(Un-audited) June 30, 2026	(Audited) December 31, 2025	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	Rupees in '000					
11.2 ADVANCES						
- Loans, cash credits, running finances, etc. - In Pakistan	-	-	3,368,647	3,830,933	3,368,647	3,830,933
- Bills discounted and purchased (excluding treasury bills)						
- Payable in Pakistan	-	-	681,292	681,292	681,292	681,292
- Net investment in finance lease - In Pakistan	-	-	538,809	549,859	538,809	549,859
Advances - gross	-	-	4,588,748	5,062,084	4,588,748	5,062,084
Credit loss allowance against advances						
- Stage 1	-	-	-	-	-	-
- Stage 2	-	-	-	-	-	-
- Stage 3	-	-	(4,528,198)	(5,003,520)	(4,528,198)	(5,003,520)
	-	-	(4,528,198)	(5,003,520)	(4,528,198)	(5,003,520)
Advances - net of credit loss allowance	-	-	60,550	58,564	60,550	58,564

11.2.1 Advances include Rs. 4,589 million (December 31, 2025 Rs.5,062 million) which have been placed under non-performing / Stage 3 status as detailed below:

	(Un-audited) June 30, 2026		(Audited) December 31, 2025	
	Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
	Rupees in '000			
Advances - Category of classification				
Domestic				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	4,588,748	4,528,198	5,062,084	5,003,520
	4,588,748	4,528,198	5,062,084	5,003,520

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

For the Half Year Ended June 30, 2026

11.2.2 The Holding Company does not hold overseas advances.

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
11.3 Diminishing Musharakah financing and related assets - Others	-------Rupees in '000-------	
Diminishing Musharakah financing	89,395,250	91,661,793
Advance against Diminishing Musharakah financing	1,750,354	4,039,276
	91,145,604	95,701,069
11.4 Istisna financing and related assets		
Istisna financing	16,111,464	7,578,333
Advance against Istisna financing	17,105,644	25,346,891
Istisna inventories	5,292,149	-
	38,509,257	32,925,224
11.5 Murabahah financing and related assets		
Murabahah financing	17,608,998	19,681,246
Deferred murabahah income	4,655,445	5,362,855
Advances against Murabaha financing	3,469,883	1,720,783
Murabaha Inventories	2,514,509	2,081,899
	28,248,835	28,846,783
11.6 Musawamah financing and related assets / Tijarah		
Musawamah financing	5,754,158	5,265,349
Advance against Musawamah financing	226,636	187,226
Musawamah inventories	6,977,796	7,064,853
	12,958,590	12,517,428
11.7 Ijarah financing under IFAS 2 and related assets		
Net book value of assets under IFAS 2	19,791,437	12,064,758
Advance against Ijarah financing	291,799	124,384
	20,083,236	12,189,142
11.8 Salam		
Salam financing	30,001	-
Advance against Salam	50,001	70,002
Salam inventories	-	-
	80,002	70,002
11.9 Particulars of Islamic financing, related assets and advances - gross		
In local currency	330,606,834	309,867,426
In foreign currency	8,042,459	12,337,749
	338,649,293	322,205,175

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

11.9.1 Financing to Women, Women-owned and Managed Enterprises

Women	3,292,687	3,289,126
Women Owned and Managed Enterprises	729,842	2,308,751
	4,022,529	5,597,877

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

Women	825,394	985,682
Women Owned and Managed Enterprises	105,441	3,315,745
	930,835	4,301,427

11.10 Particulars of credit loss allowance

11.10.1 Islamic financing, related assets and advances - Exposure

	(Un-audited) June 30, 2026			(Audited) December 31, 2025		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	------------------- Rupees in '000 -------------------					
Opening balance	294,905,479	5,315,092	21,984,604	293,693,573	9,224,479	24,266,758
New financing	69,830,747	567,048	-	145,523,930	528,693	115,295
Financing derecognised or repaid	(45,006,305)	(7,022,925)	(1,924,447)	(148,237,159)	(1,144,740)	(1,764,806)
Transfer to stage 1	361,448	(268,804)	(92,644)	7,401,228	(7,182,085)	(219,143)
Transfer to stage 2	(11,591,518)	11,774,889	(183,371)	(2,992,508)	4,367,873	(1,376,213)
Transfer to stage 3	(322,820)	(104,315)	427,135	(483,585)	(479,128)	962,713
	13,271,552	4,945,893	(1,773,327)	1,211,906	(3,909,387)	(2,282,154)
Closing balance	308,177,031	10,260,985	20,211,277	294,905,479	5,315,092	21,984,604

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

	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Opening balance	3,123,208	941,448	20,894,631	2,761,225	468,780	22,246,512
Impact of adoption of IFRS 9	-	-	-	-	-	-
New financing	393,191	2,208	-	1,292,693	23,349	9,710
Financing derecognised or repaid	(118,452)	(15,777)	(672,914)	(207,216)	(36,750)	(743,877)
Transfer to stage 1	83,869	(31,948)	(51,921)	295,043	(105,239)	(189,804)
Transfer to stage 2	(126,304)	219,158	(92,854)	(32,415)	781,462	(755,050)
Transfer to stage 3	(8,447)	(12,028)	20,475	(15,478)	(30,428)	51,909
	223,857	161,613	(797,214)	1,332,627	632,394	(1,627,112)
Amounts written off / charged off	-	-	(405,468)	-	-	-
Changes in risk parameters	(308,324)	(90,468)	(306,706)	(970,644)	(159,726)	275,231
Closing balance	3,038,741	1,012,593	19,385,243	3,123,208	941,448	20,894,631

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

For the Half Year Ended June 30, 2026

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

		(Un-audited) June 30, 2026				(Audited) December 31, 2025			
		Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
		Rupees in '000							
11.11.1	Opening balance	3,123,208	941,448	20,894,631	24,959,287	2,761,225	468,780	22,246,512	25,476,517
	Charge for the period / year	1,018,223	668,765	445,752	2,132,740	1,937,955	781,952	996,033	3,715,940
	Reversals for the period / year	(1,102,690)	(597,620)	(1,549,672)	(3,249,982)	(1,575,972)	(309,284)	(2,347,914)	(4,233,170)
		(84,467)	71,145	(1,103,920)	(1,117,242)	361,983	472,668	(1,351,881)	(517,230)
	Amount written off	-	-	(405,468)	(405,468)	-	-	-	-
	Closing balance	3,038,741	1,012,593	19,385,243	23,436,577	3,123,208	941,448	20,894,631	24,959,287
	Islamic	3,038,741	1,012,593	14,857,045	18,908,379	3,123,208	941,448	15,891,111	19,955,767
	Conventional	-	-	4,528,198	4,528,198	-	-	5,003,520	5,003,520
		3,038,741	1,012,593	19,385,243	23,436,577	3,123,208	941,448	20,894,631	24,959,287
11.11.2	Particulars of credit loss allowance against advances								
	In local currency	3,038,741	1,012,593	19,385,243	23,436,577	3,123,208	941,448	20,894,631	24,959,287
	In foreign currencies	-	-	-	-	-	-	-	-
		3,038,741	1,012,593	19,385,243	23,436,577	3,123,208	941,448	20,894,631	24,959,287

11.11.3 In accordance with BSD Circular No. 2 dated January 27, 2009 issued by the SBP, the Holding Company has availed the benefit of Forced Sale Value (FSV) of collaterals against the non-performing financings. The benefit availed as at June 30, 2026 amounts to Rs. 146.4 million (December 31, 2025 amounts to Rs. 236.2 million). The additional profit arising from availing the FSV benefit - net of tax amounts to Rs. 74.67 million (December 31, 2025: Rs. 111 million). The increase in profit, due to availing of the benefit, is not available for distribution of cash and stock dividend to shareholders.

		Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
11.12	**SBP other refinance schemes**		--------Rupees in '000--------	
	Refinance facility for Islamic Temporary Economic Refinance Facility (TERF)		5,453,623	6,030,892
	Islamic Long-Term Financing Facility		2,206,284	1,146,590
	Islamic refinance scheme for payment of wages and salaries		-	12,000
	RM EFS - Rupee Based Discounting (TFA)		11,448,297	12,064,463
	Islamic refinance scheme for Renewable Energy		456,324	518,024
	Islamic refinance scheme for combating COVID (IRFCC)		16,667	50,000
	Islamic refinance facility for Modernization of SMEs		99,393	113,591
	Refinance for Islamic Financing Facility of Storage of Agricultural Produce (IFFSAP)		115,385	137,823
	Islamic Credit Guarantee Scheme For Women Entrepreneur		166,145	192,984
			19,962,118	20,266,367
12	**PROPERTY AND EQUIPMENT**			
	Capital work-in-progress	12.1	3,585,088	3,785,489
	Property and equipment		21,003,751	21,621,771
			24,588,839	25,407,260

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

For the Half Year Ended June 30, 2026

		(Un-audited) June 30, 2026	(Audited) December 31, 2025
12.1	Capital work-in-progress	--------Rupees in '000--------	
	Advances to suppliers and contractors	125,249	412,012
	Advance for acquiring properties and office premises	3,459,839	3,373,477
		3,585,088	3,785,489

		(Un-audited) June 30, 2026	(Un-audited) June 30, 2025
12.2	Additions to property and equipment	---------Rupees in '000---------	
	The following additions have been made to property and equipment during the period:		
	Capital work-in-progress	178,501	6,010,926
	Property and equipment		
	Furniture and fixture	409,468	538,107
	Electrical, office and computer equipment	341,527	1,781,418
	Vehicles	7,102	36,340
		758,097	2,355,865
	Total	936,598	8,366,791
12.3	Disposal of property and equipment		
	The net book value of property and equipment disposed off during the period is as follows:		
	Leasehold land	60,800	-
	Furniture and fixture	6,270	2,635
	Electrical, office and computer equipment	2,362	842
	Total	69,432	3,477

			(Un-audited) June 30, 2026			(Audited) December 31, 2025		
			Buildings	Others	Total	Buildings	Others	Total
13	RIGHT-OF-USE ASSETS	Note	-----------------Rupees in '000-----------------					
	At January 1,							
	Cost		12,893,135	-	12,893,135	9,765,458	-	9,765,458
	Accumulated Depreciation		(7,237,810)	-	(7,237,810)	(5,450,923)	-	(5,450,923)
	Net Carrying amount as at January 1,		5,655,325	-	5,655,325	4,314,535	-	4,314,535
	Additions during the period / year		682,181	-	682,181	2,075,475	-	2,075,475
	Modification Impact		65,349	-	65,349	1,151,946	-	1,151,946
	Deletions during the period / year		(10,835)	-	(10,835)	(99,744)	-	(99,744)
	Depreciation charge for the period / year	31	(965,166)	-	(965,166)	(1,786,887)	-	(1,786,887)
	Net Carrying amount as at		5,426,854	-	5,426,854	5,655,325	-	5,655,325

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

For the Half Year Ended June 30, 2026

		(Un-audited) June 30, 2026	(Audited) December 31, 2025
14	**INTANGIBLE ASSETS**	-------- Rupees in '000 --------	
	Computer software	**2,068,284**	1,706,876
	Core deposits	**14,975**	15,247
	Membership and Subscription	**23,723**	30,181
	Goodwill	**2,991,308**	2,991,308
		5,098,290	4,743,612

		(Un-audited) June 30, 2026	(Un-audited) June 30, 2025
14.1	**Additions to intangible assets**	-------- Rupees in '000 --------	
	The following additions have been made to intangible assets during the period:		
	Directly purchased	**681,536**	99,359
14.2	**Disposals of intangible assets**		
	The net book value of intangible assets disposed off during the period:		
	Membership & Subscription	**750**	1,789

		(Un-audited) June 30, 2026	(Audited) December 31, 2025
15	**DEFERRED TAX ASSETS**	-------- Rupees in '000 --------	
	Deductible Temporary Differences on:		
	Credit loss allowance against investments	**538,198**	472,105
	Credit loss allowance against non-performing Islamic financing and related assets and advances	**5,772,390**	6,388,308
	Modification and fair value adjustments	**32,830**	35,355
	Other credit loss allowance	**178,989**	135,403
	Right of Use Assets	**554,675**	653,749
	Others	**1,394,400**	1,365,454
		8,471,482	9,050,374
	Taxable Temporary Differences on:		
	Fair value adjustments relating to net assets acquired upon amalgamation	**(557,782)**	(326,056)
	Ijarah financing and related assets	**(229,120)**	(127,114)
	Surplus on revaluation of FVOCI Investment	**(1,019,736)**	(1,888,531)
	Surplus on revaluation of FVTPL Investment	**(25,582)**	(31,585)
	Surplus on revaluation of property and equipment	**(2,102,730)**	(2,123,486)
	Surplus on revaluation of non-banking assets	**(17,840)**	(17,844)
	Accelerated tax depreciation	**(206,906)**	(248,993)
		(4,159,696)	(4,763,609)
		4,311,786	4,286,765

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

For the Half Year Ended June 30, 2026

		Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
16	**OTHER ASSETS**		-------- Rupees in '000 --------	
	Profit / return accrued in local currency		**9,509,820**	12,175,135
	Profit / return accrued in foreign currency		**97,046**	105,953
	Advances, deposits, advance rent and other prepayments		**2,632,656**	2,171,877
	Advance taxation		**2,685,608**	1,293,878
	Prepaid staff cost		**3,387,976**	3,291,509
	Non-banking assets acquired in satisfaction of claims		**1,348,375**	1,348,473
	Takaful claim receivable		**16,789**	53,951
	Receivable against takaful and registration charges		**663,506**	729,955
	Receivable against First WAPDA Sukuk		**50,000**	50,000
	Trade debts		**532**	532
	Acceptances		**3,729,886**	3,411,859
	Others		**1,245,710**	1,083,398
			25,367,904	25,716,520
	Less: Credit loss allowance held against other assets	16.2	**(1,056,783)**	(1,092,865)
	Other Assets - net of credit loss allowance		**24,311,121**	24,623,655
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims		**40,914**	40,922
	Other assets - total		**24,352,035**	24,664,577
16.1	Market Value of non-banking assets acquired in satisfaction of claims		**1,085,378**	1,085,484

16.2 Credit loss allowance held against other assets

Advances, deposits, advance rent & other prepayments	**26,692**	50,842
Non banking assets acquired in satisfaction of claims	**303,911**	303,911
Profit / return accrued	**62,558**	78,158
Others	**663,622**	659,954
	1,056,783	1,092,865

16.3 Movement in Credit loss allowance held against other assets

Opening balance	**1,092,865**	1,116,865
Charge for the period / year	**17,380**	12,851
Reversals during the period / year	**(53,462)**	(36,851)
	(36,082)	(24,000)
Amount written off	**-**	-
Closing balance	**1,056,783**	1,092,865

17 BILLS PAYABLE

In Pakistan	**7,241,834**	9,895,158
Outside Pakistan	**-**	-
	7,241,834	9,895,158

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

For the Half Year Ended June 30, 2026

18 DUE TO FINANCIAL INSTITUTIONS

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	-------- Rupees in '000 --------	
Secured		
Due to State Bank of Pakistan		
Refinance facility for Islamic Temporary Economic Refinance Facility (TERF)	5,134,226	5,713,381
Islamic Export Finance Scheme - Rupee based discounting	4,232,891	3,776,796
Islamic Long-Term Financing Facility	660,934	772,102
Islamic refinance scheme for Renewable Energy	410,126	467,017
Islamic refinance scheme for combating COVID (IRFCC)	16,667	50,000
Islamic Refinance Scheme for Working Capital Financing	-	50,000
Islamic Refinance Scheme for Modernization of SMEs	96,653	75,158
Islamic refinance scheme for Facility of Storage of Agricultural Produce (IFFSAP)	116,634	137,907
Islamic Credit Guarantee Scheme for Women Entrepreneur	157,767	181,658
	10,825,898	11,224,019
Refinance facility for Islamic Mortgage	6,603,121	4,241,983
Total secured	17,429,019	15,466,002
Unsecured		
Overdrawn nostro accounts	678,863	499,301
Total unsecured	678,863	499,301
Fair value adjustment	(1,151,373)	(1,352,195)
	16,956,509	14,613,108

18.1 Particulars of due to financial institutions with respect to currencies

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
In local currency	16,277,646	14,113,807
In foreign currencies	678,863	499,301
	16,956,509	14,613,108

19 DEPOSITS AND OTHER ACCOUNTS

	(Un-audited) June 30, 2026			(Audited) December 31, 2025		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	Rupees in '000					
Customers						
Current deposits	319,601,345	10,034,009	329,635,354	266,256,209	10,825,180	277,081,389
Savings deposits	138,034,039	3,248,221	141,282,260	146,666,403	3,405,475	150,071,878
Term deposits	142,896,459	13,824,066	156,720,525	175,196,427	14,461,464	189,657,891
Margin deposits	18,564,612	80,997	18,645,609	9,417,771	101,507	9,519,278
	619,096,455	27,187,293	646,283,748	597,536,810	28,793,626	626,330,436
Financial Institutions						
Current deposits	1,479,645	57,302	1,536,947	1,245,558	16,985	1,262,543
Savings deposits	50,224,605	-	50,224,605	31,176,903	-	31,176,903
Term deposits	1,291,000	-	1,291,000	220,000	-	220,000
Margin deposits	146	-	146	146		146
	52,995,396	57,302	53,052,698	32,642,607	16,985	32,659,592
	672,091,851	27,244,595	699,336,446	630,179,417	28,810,611	658,990,028

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

For the Half Year Ended June 30, 2026

20 LEASE LIABILITIES

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		--------Rupees in '000--------	
Outstanding amount at the start of the period / year		**6,604,095**	4,839,747
Additions during the period / year		**682,181**	1,892,678
Modification Impact		**103,025**	1,485,305
Deletions during the period / year		**(16,503)**	(122,248)
Lease payments including profit		**(1,300,201)**	(2,384,077)
Finance charges on leased assets		**454,625**	892,690
Outstanding amount at the end of the period / year	20.1	**6,527,222**	6,604,095

20.1 Contractual maturity of lease liabilities

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
Not later than one year	**206,876**	265,443
Long-term lease liabilities		
- 1 to 5 years	**6,320,346**	6,338,652
- 5 to 10 years	**-**	-
- More than 10 years	**-**	-
	6,320,346	6,338,652
	6,527,222	6,604,095

21 SUBORDINATED SUKUK

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
ADT-1 Sukuk Issue I	21.1.1	**2,000,000**	2,000,000
ADT-1 Sukuk Issue II	21.1.2	**1,000,000**	1,000,000
		3,000,000	3,000,000

21.1 The Holding Company has issued fully paid up, rated, listed, perpetual, unsecured, subordinated, non-cumulative and contingent convertible debt instruments in the nature of 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.

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

Issued Amount	Rs. 2,000 million.
Issue Date	April 21, 2020
Tenor	Perpetual (i.e. no fixed or final redemption date)
Instrument Rating	PACRA has rated this Sukuk at 'A'
Security	Unsecured
Profit payment frequency	Profit shall be payable monthly in arrears, on a non-cumulative basis
Expected Profit Rate	The Sukuk carries a profit at the rate of 3 Months KIBOR + 2.75%. The Mudaraba Profit is computed under General Pool on the basis of profit sharing ratio and monthly weightages announced by the Holding Company inline with SBP's guidelines of pool management.

Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements
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Call option	The Holding Company may, at its sole discretion, call the Sukuks, at any time after five years from the Issue Date subject to the prior approval of the SBP.
Lock-in clause	In the event where payment of profit results in breach of regulatory MCR/CAR requirements or SBP determines a bar on profit distribution, the monthly profit weightage of the Sukuk holders will be reduced to a minimum level e.g. 0.005, till the month in which such condition is withdrawn by SBP.
Loss absorbency clause	The Sukuks shall, at the discretion of the SBP, be permanently converted into ordinary shares pursuant to the loss absorbency clause as stipulated in the “Instructions for Basel-III Implementation in Pakistan” issued vide BPRD Circular No. 6 dated August 15, 2013.

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

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

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

For the Half Year Ended June 30, 2026

22 OTHER LIABILITIES

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		--------Rupees in '000--------	
Profit / return payable in local currency		4,779,625	5,874,191
Profit / return payable in foreign currencies		235,124	221,334
Accrued expenses		3,286,155	4,229,139
Deferred Murabahah Income Financing, IERS and Others		4,568,944	5,169,867
Payable to defined benefit plan		4,677	4,677
Payable to defined contribution plan		89,561	3,619
Defined benefit plan liabilities		484,764	487,490
Security deposits against Ijarah		477,610	421,539
Credit loss allowance against off-balance sheet obligations	22.1	344,209	260,389
Acceptances		3,729,886	3,411,859
Withholding taxes payable		693,583	587,605
Unrealized loss on Shariah compliant alternative of forward foreign exchange contracts		55,403	46,453
Sundry creditors		1,607,340	1,179,285
Payable to brokers against purchase of shares - net		-	12,307
Charity payable		232,841	161,109
Retention money payable		80,984	100,581
Workers' welfare fund		1,662,852	1,574,870
Dividend Payable		56,453	50,268
Clearing and settlement accounts		4,771,288	3,076,931
Others		1,236,474	1,588,580
		28,397,773	28,462,093

22.1 Credit loss allowance against off-balance sheet obligations

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
Opening balance		260,389	378,109
Charge for the period / year		87,588	63,198
Reversals for the period / year		(3,768)	(180,918)
	33	83,820	(117,720)
Amount written off		-	-
Closing balance	22.1.1	344,209	260,389

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

23 SHARE CAPITAL - NET

23.1 Authorized capital

(Un-audited) June 30, 2026	(Audited) December 31, 2025		(Un-audited) June 30, 2026	(Audited) December 31, 2025
------- Number of Shares -------			---------Rupees in '000---------	
2,000,000,000	1,500,000,000	Ordinary shares of Rs.10 each	20,000,000	15,000,000

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

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23.2 During the period, the Holding Company's authorised capital increased from Rs. 15,000 million (1,500 million ordinary shares of Rs. 10/- each) to Rs, 20,000 million (2,000 million ordinary shares of Rs. 10/- each) pursuant to the shareholders' approval at the 22nd Annual General Meeting held on March 27, 2026 and the subsequent completion of all requisite regulatory formalities.

23.3 Issued, subscribed and paid up capital

(Un-audited) June 30, 2026	(Audited) December 31, 2025		(Un-audited) June 30, 2026	(Audited) December 31, 2025
------- Number of Shares -------			---------Rupees in '000---------	
		Ordinary shares of Rs 10 each		
1,108,703,299	1,108,703,299	Fully paid in cash	11,087,033	11,087,033
-	-	Less: Discount on issue of shares	(79,042)	(79,042)
1,108,703,299	1,108,703,299		11,007,991	11,007,991

23.4 Reserves

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
Statutory Reserves	8,773,250	8,367,355

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

24 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	10.1	354,328	2,221,915
- Securities measured at FVOCI - Equity	10.1	1,606,702	1,409,874
- Property and equipment		4,623,328	4,663,644
- Non-banking assets acquired in satisfaction of claims	16	40,914	40,922
		6,625,272	8,336,355
Deferred tax liability on surplus on revaluation of:			
- Securities measured at FVOCI - Debt	15	(184,251)	(1,155,396)
- Securities measured at FVOCI - Equity	15	(835,485)	(733,134)
- Property and equipment	15	(2,102,730)	(2,123,486)
- Non-banking assets acquired in satisfaction of claims	15	(17,840)	(17,844)
		(3,140,306)	(4,029,860)
		3,484,966	4,306,495

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

For the Half Year Ended June 30, 2026

		Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
25	**CONTINGENCIES AND COMMITMENTS**		---------Rupees in '000---------	
	- Guarantees	25.1	44,424,132	33,305,718
	- Commitments	25.2	273,810,197	202,855,430
	- Other contingent liabilities	25.3	3,326,829	1,805,266
			321,561,158	237,966,414
25.1	**Guarantees:**			
	Performance guarantees		24,213,923	18,554,503
	Other guarantees		20,210,209	14,751,215
			44,424,132	33,305,718
25.2	**Commitments:**			
	Documentary credits and short-term trade-related transactions:			
	- letters of credit		32,343,955	34,642,731
	Commitments in respect of:			
	- Shariah compliant alternative of forward foreign exchange contracts	25.2.1	99,118,829	85,352,408
	Commitments for acquisition of:			
	- property and equipment		178,447	132,944
	- intangible assets		2,922,725	2,413,124
	Other commitments			
	- commitments in respect of financing	25.2.2	139,246,241	80,314,223
			273,810,197	202,855,430
25.2.1	**Commitments in respect of Shariah compliant alternative of forward foreign exchange transactions**			
	Purchase		59,365,172	49,789,168
	Sale		39,753,657	35,563,240
			99,118,829	85,352,408

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

		(Un-audited) June 30, 2026	(Audited) December 31, 2025
25.3	**Other contingent liabilities**	---------Rupees in '000---------	
	Suit filed for recovery of alleged losses suffered, pending in the High Court, which the Holding Company has not acknowledged as debt	26,804	1,804
	Tax Contingencies	3,300,025	1,803,462
		3,326,829	1,805,266

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

For the Half Year Ended June 30, 2026

		Note	(Un-audited) June 30, 2026	(Un-audited) June 30, 2025
			---------Rupees in '000---------	
26	**PROFIT / RETURN EARNED**			
	Profit earned on:			
	Financing		**16,292,236**	16,629,396
	Investments		**16,777,843**	21,830,403
	Placements		**1,300,905**	437,963
			34,370,984	38,897,762
26.1	**Profit income (calculated using effective profit rate method) recognised on:**			
	Financial assets measured at amortised cost		**17,967,787**	17,067,359
	Financial assets measured at FVOCI		**16,400,120**	21,826,185
			34,367,907	38,893,544
27	**PROFIT / RETURN EXPENSED**			
	Deposits and other accounts		**13,293,114**	15,887,885
	Due to financial institutions		**2,467,613**	3,408,794
	Subordinated Sukuk		**210,319**	221,380
	Cost of foreign currency swaps against foreign currency deposits		**268,066**	387,932
	Finance charges on leased assets		**454,625**	468,580
			16,693,737	20,374,571
27.1	Profit expense calculated using effective profit rate method		**3,132,557**	4,098,754
	Other financial liabilities		**13,561,180**	16,275,817
			16,693,737	20,374,571
28	**FEE AND COMMISSION INCOME**			
	Card related fees		**916,584**	962,062
	Commission on trade		**296,079**	301,315
	Commission on arrangement with financial institutions		**95,721**	102,067
	Investment banking fees		**27,634**	115,255
	Commission on bancatakaful		**80,141**	79,737
	Commission on guarantees		**126,437**	114,114
	Consumer finance related fees		**63,142**	7,569
	Branch banking customer fees		**56,515**	43,455
	Commission on remittances including home remittances		**6,387**	24,466
	Commission on cash management		**18,208**	16,662
	Others		**17,798**	16,122
			1,704,646	1,782,824
29	**(LOSS) / GAIN ON SECURITIES - NET**			
	Realized - net	29.1	**(128,168)**	2,391,795
	Unrealized - Measured at FVPL		**(11,545)**	(3,757)
			(139,713)	2,388,038

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

For the Half Year Ended June 30, 2026

		Note	(Un-audited) June 30, 2026	June 30, 2025
			---------Rupees in '000---------	
29.1	**Realized gain / (loss) on:**			
	Shares		15,021	139,575
	Federal Government Shariah Compliant Securities		(143,189)	2,252,220
			(128,168)	2,391,795
29.2	**Net gain / (loss) on financial assets / liabilities**			
	Designated upon initial recognition at FVPL		3,476	(3,757)
	Net (loss) /gain on financial assets measured at FVOCI		(143,189)	2,391,795
			(139,713)	2,388,038
30	**OTHER INCOME**			
	Recoveries against previously expensed items		20,635	11,092
	Gain on termination of financing		39,246	36,653
	Gain on sale of property and equipment		23,621	21,426
	Gain on termination of lease		5,668	8,959
	Others		2,905	1,775
			92,075	79,905
31	**OPERATING EXPENSES**			
	Total compensation expense		7,740,875	6,958,303
	Property expense			
	Rent & taxes		54,086	55,154
	Takaful cost		10,759	6,629
	Utilities cost		623,580	625,506
	Security (including guards)		718,366	570,943
	Repair & maintenance (including janitorial charges)		279,409	287,828
	Depreciation		331,059	302,082
	Depreciation on right-of-use assets	13	965,166	869,921
			2,982,425	2,718,063
	Information technology expenses			
	Software maintenance		1,535,214	1,265,846
	Hardware maintenance		429,854	211,688
	Depreciation		603,891	342,897
	Amortization		319,275	154,054
	Network charges		413,498	293,056
			3,301,732	2,267,541

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

For the Half Year Ended June 30, 2026

	Note	(Un-audited) June 30, 2026	June 30, 2025
		---------Rupees in '000---------	
Other operating expenses			
Directors' fees and allowances		**9,960**	11,760
Fees and allowances to Shariah Board		**20,283**	18,840
Legal & professional charges		**214,374**	165,950
Travelling & conveyance		**128,607**	156,129
NIFT clearing charges		**41,090**	40,478
Depreciation		**381,865**	322,997
Depreciation on non-banking assets		**105**	1,173
Entertainment expense		**84,252**	142,433
Training & development		**21,376**	48,773
Postage & courier charges		**60,772**	57,709
Communication		**239,802**	220,386
Stationery & printing		**221,287**	281,143
Marketing, advertisement & publicity		**294,707**	359,226
Repairs and maintenance		**145,501**	184,137
Takaful / Insurance		**444,070**	297,039
Fee and subscription		**370,196**	360,669
Vehicle running and maintenance		**334,100**	318,543
Donations		**-**	46,294
Auditors' remuneration		**33,120**	23,647
Amortization		**6,832**	7,125
Others		**61,111**	4,258
		3,113,410	3,068,709
		17,138,442	15,012,616

32 OTHER CHARGES

Penalties imposed by regulatory authorities	**14,292**	73,372
Other regulatory charges	**-**	113,414
	14,292	186,786

33 REVERSAL OF PROVISIONS / CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET

	Note	June 30, 2026	June 30, 2025
Charge / (reversal) of credit loss allowance against due from financial institutions		**1,300**	(1,585)
(Reversal) / charge of credit loss allowance against investments	10.4.1	**(9)**	8
Reversal of credit loss allowance against Islamic financing, related assets and advances	11.11.1	**(1,117,242)**	(837,494)
Fair value loss recognized		**-**	(21,505)
Charge / (reversal) of modification loss		**6,205**	(35,370)
(Reversal) / charge of credit loss allowance against balance with treasury banks		**(451)**	254
credit loss allowance against balances with other banks		**(1)**	(302)
Charge / (reversal) of credit loss allowance against off balance sheet items - net	22.1	**83,820**	(37,866)
(Reversal) / charge of credit loss allowance / provision against other assets		**(36,082)**	14,815
Other credit loss allowance / (reversal) / write offs - net		**31,071**	-
		(1,031,389)	(919,045)

Notes to and Forming Part of the Condensed Interim Consolidated Financial Statements
For the Half Year Ended June 30, 2026

		Note	(Un-audited) June 30, 2026	June 30, 2025
			---------Rupees in '000---------	
34	**TAXATION**			
	Current		**1,432,417**	4,479,193
	Prior years		**-**	320,493
	Deferred		**864,529**	(252,515)
			2,296,946	4,547,171
35	**BASIC AND DILUTED EARNINGS PER SHARE**			
	Profit after taxation for the period		**2,029,475**	4,409,007
			------- Number of shares -------	
	Weighted average number of ordinary shares		**1,108,703,299**	1,108,703,299
			----------- Rupees -----------	
	Basic and diluted earnings per share	35.1	**1.83**	3.98

35.1 There were no convertible / dilutive potential ordinary shares outstanding as at June 30, 2026 and June 30, 2025, therefore diluted earning per share has not been presented separately.

36 FAIR VALUE MEASUREMENTS

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

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

36.1 Fair value of financial assets

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

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

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

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

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

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

For the Half Year Ended June 30, 2026

	(Un-audited)			
	June 30, 2026			
	Level 1	Level 2	Level 3	Total
	---------------------- Rupees in '000 ----------------------			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Shares / REIT funds	6,802,264	18,478	-	6,820,742
GoP Ijara Sukuk	78,462,007	183,993,083	-	262,455,090
Non-Government Shariah compliant securities	-	1,628,882	58,353	1,687,235
Financial assets - disclosed but not measured at fair value				
Investments	32,937,500	-	223,200	33,160,700
Off-balance sheet financial instruments - measured at fair value				
Shariah compliant alternative of forward purchase of foreign exchange	-	59,365,172	-	59,365,172
Shariah compliant alternative of forward sale of foreign exchange	-	39,753,657	-	39,753,657
On balance sheet non-financial assets				
Non-Financial Assets - measured at fair value				
Fixed assets - Land and building	-	11,320,796	-	11,320,796
Non-banking assets acquired in satisfaction of claims	-	1,085,378	-	1,085,378

	(Audited)			
	December 31,2025			
	Level 1	Level 2	Level 3	Total
	---------------------- Rupees in '000 ----------------------			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Shares / Mutual funds	4,580,199	18,477	-	4,598,676
GOP Ijara Sukuk	78,801,265	235,934,974	-	314,736,239
Non-Government Shariah compliant Securities	-	1,227,194	1,124,995	2,352,189
Off-balance sheet financial instruments - measured at fair value				
Shariah compliant alternative of forward purchase of foreign exchange	-	49,789,168	-	49,789,168
Shariah compliant alternative of forward sale of foreign exchange	-	35,563,240	-	35,563,240
On balance sheet non-financial assets				
Non-Financial Assets - measured at fair value				
Fixed assets - Land and building	-	11,447,552	-	11,447,552
Non-banking assets acquired in satisfaction of claims	-	1,085,484	-	1,085,484

Valuation techniques used in determination of fair values within level 1

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

Valuation techniques used in determination of fair values within level 2

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

Valuation techniques used in determination of fair values within level 3

Item	Valuation approach and input used
Non-Government Shariah compliant Securities	Non-Government Shariah compliant Securities are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP), if available, in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan, which are then discounted using PKRV rate, adjusted for credit spreads to reflect the risk profile of each instrument,

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

For the Half Year Ended June 30, 2026

	(Rupees in '000)
Opening balance	1,124,995
Addition during the period	273,200
Transfer to level 2 during the period	(1,116,642)
Closing balance	**281,553**

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

37 SEGMENT INFORMATION

Segment Details with respect to Business Activities

	(Un-audited)				
	June 30, 2026				
	Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
	Rupees in '000				
Profit & Loss					
Net profit / return	15,724,746	(10,385,041)	12,540,446	(202,904)	17,677,247
Inter segment revenue - net	(16,858,450)	27,683,632	(11,724,186)	899,004	-
Total other income	1,171,424	1,118,650	515,388	53,039	2,858,501
Total income	37,720	18,417,241	1,331,648	749,139	20,535,748
Segment direct expenses	184,529	10,093,784	601,531	6,360,872	17,240,716
Inter segment expense allocation	475,623	4,231,527	1,713,633	(6,420,783)	-
Total expenses	660,152	14,325,311	2,315,164	(59,911)	17,240,716
Credit loss allowance	839	-	(1,196,268)	164,040	(1,031,389)
Profit / (loss) before tax	(623,271)	4,091,930	212,752	645,010	4,326,421
Balance Sheet					
Assets					
Cash & Bank balances	1,093,606	75,642,547	-	-	76,736,153
Investments	303,149,628	-	1,634,714	-	304,784,342
Net inter segment placements	-	581,149,121	-	20,039,243	601,188,364
Due from financial institutions	54,698,400	-	-	-	54,698,400
Islamic financing and related assets - performing	-	47,731,198	251,691,602	9,580,200	309,003,000
- non-performing - net	-	381,664	308,839	135,531	826,034
Others	-	-	-	63,777,804	63,777,804
Total Assets	358,941,634	704,904,530	253,635,155	93,532,778	1,411,014,097

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

For the Half Year Ended June 30, 2026

	(Un-audited) June 30, 2026				
	Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
	Rupees in '000				
Liabilities					
Due to financial institutions	830,280	6,603,121	9,523,108	-	16,956,509
Subordinated sukuk	-	-	-	3,000,000	3,000,000
Deposits & other accounts	1,035,037	698,301,409	-	-	699,336,446
Net inter segment acceptances	357,076,317	-	244,112,047	-	601,188,364
Others	-	-	-	42,166,829	42,166,829
Total liabilities	358,941,634	704,904,530	253,635,155	45,166,829	1,362,648,148
Equity	-	-	-	48,365,949	48,365,949
Total Equity & liabilities	358,941,634	704,904,530	253,635,155	93,532,778	1,411,014,097
Contingencies & Commitments	99,118,829	-	76,768,087	145,674,242	321,561,158

	(Un-audited) June 30, 2025				
	Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
	Rupees in '000				
Profit & Loss					
Net profit / return	19,231,088	(13,305,939)	12,977,928	(379,886)	18,523,191
Inter segment revenue - net	(19,731,928)	30,765,771	(12,865,411)	1,831,568	-
Total other income	3,137,211	1,162,057	543,425	53,430	4,896,123
Total Income	2,636,371	18,621,889	655,942	1,505,112	23,419,314
Segment direct expenses	139,076	8,045,469	463,521	6,734,115	15,382,181
Inter segment expense allocation	94,816	5,314,022	955,713	(6,364,551)	-
Total expenses	233,892	13,359,491	1,419,234	369,564	15,382,181
Credit loss allowance	(1,624)	(214,871)	(660,048)	(42,501)	(919,045)
Profit / (loss) before tax	2,404,103	5,477,269	(103,244)	1,178,049	8,956,178

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

For the Half Year Ended June 30, 2026

	(Audited)				
	December 31, 2025				
	Trading & Sales	Retail Banking	Commercial Banking	Support Centre	Total
	Rupees in '000				
Balance Sheet					
Assets					
Cash & Bank balances	1,069,764	71,821,007	-	-	72,890,771
Investments	320,112,422	-	1,574,682	-	321,687,104
Net inter segment placements	-	544,264,990	-	22,208,659	566,473,649
Due from financial institutions	18,999,952	-	-	-	18,999,952
Islamic financing and related assets - performing	-	38,424,537	242,822,486	9,358,286	290,605,309
- non-performing - net	-	594,924	392,021	158,355	1,145,300
Others	-	-	-	64,757,539	64,757,539
Total Assets	340,182,138	655,105,458	244,789,189	96,482,839	1,336,559,624
Liabilities					
Due to financial institutions	499,301	4,241,983	9,871,824	-	14,613,108
Subordinated sukuk	-	-	-	3,000,000	3,000,000
Deposits & other accounts	8,126,553	650,863,475	-	-	658,990,028
Net inter segment acceptances	331,556,284	-	234,917,365	-	566,473,649
Others	-	-	-	44,961,346	44,961,346
Total liabilities	340,182,138	655,105,458	244,789,189	47,961,346	1,288,038,131
Equity	-	-	-	48,521,493	48,521,493
Total Equity & liabilities	340,182,138	655,105,458	244,789,189	96,482,839	1,336,559,624
Contingencies & Commitments	85,352,408	-	67,948,449	84,665,557	237,966,414

38 RELATED PARTY TRANSACTIONS

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

The Holding Company enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment.

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

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

For the Half Year Ended June 30, 2026

	(Un-audited)					(Audited)				
	June 30, 2026					December 31, 2025				
	Parent	Directors	Key management personnel	Associates	Other related parties	Parent	Directors	Key management personnel	Associates	Other related parties
	(Rupees in '000)									
Investments										
Opening balance	-	-	-	1,060,244	-	-	-	-	1,102,111	-
Investment made during the year	-	-	-	-	-	-	-	-	-	-
Investment written-off during the year	-	-	-	-	-	-	-	-	(41,867)	-
Adjustment	-	-	-	-	153,411	-	-	-	-	-
Closing balance	-	-	-	1,060,244	153,411	-	-	-	1,060,244	-
Credit loss allowance held against investments	-	-	-	(1,060,244)	-	-	-	-	(1,060,244)	-
Islamic financing and related assets										
Opening balance	-	-	579,570	480,000	743,717	-	-	467,815	480,187	1,608,466
Addition during the year	-	-	298,347	-	454,957	-	-	317,706	-	1,186,187
Repaid during the year	-	-	(137,560)	(480,000)	(561,997)	-	-	(246,291)	(187)	(2,338,596)
Transfer in / (out) - net	-	-	16,360	-	553,008	-	-	40,340	-	287,660
Closing balance	-	-	756,717	-	1,189,685	-	-	579,570	480,000	743,717
Credit loss allowance held against Islamic financing and related assets	-	-	(273)	-	(19,125)	-	-	(230)	(480,000)	(3,467)
Other assets										
Profit receivable on financings	-	-	676	-	52,177	-	-	483	-	37,625
Others	-	-	-	-	-	-	-	-	-	12,564
Due to financial institutions - net										
Opening balance	-	-	-	-	-	2,000,000.00	-	-	-	-
Additions during the year	-	-	-	-	-	50,000,000	-	-	-	500,000
Settled during the year	-	-	-	-	-	(52,000,000)	-	-	-	(500,000)
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-
Subordinated sukuk										
Opening balance	-	-	35	-	143,325	-	-	485	-	143,465
Issued / purchased during the year	-	-	-	-	3,050	-	-	-	-	3,565
Redemption / sold during the year	-	-	-	-	(1,000)	-	-	-	-	(3,705)
Transfer in / (out)	-	-	(20)	-	-	-	-	(450)	-	-
Closing balance	-	-	15	-	145,375	-	-	35	-	143,325
Deposits and other accounts										
Opening balance	-	2,074	56,932	2,110	2,289,358	-	9,305	126,828	1,083	1,461,374
Received during the year	-	50,372	870,439	772,373	21,974,679	-	511,609	1,429,392	805,834	125,111,029
Withdrawn during the year	-	(54,700)	(859,927)	(774,190)	(22,080,108)	-	(515,634)	(1,400,579)	(804,807)	(124,422,723)
Transfer in / (out) - net	-	12,173	(31,841)	-	52,342	-	(3,206)	(98,709)	-	139,678
Closing balance	-	9,919	35,603	293	2,236,271	-	2,074	56,932	2,110	2,289,358
Other Liabilities										
Profit / return payable	-	68	1,116	1	10,514	-	2	2,512	2	15,598
Dividend Payable	-	1	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	25,713	459,000	-	-	-	9,626
Contingencies and Commitments										
Other contingencies	-	-	-	-	1,341,772	-	-	-	-	900,000

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

For the Half Year Ended June 30, 2026

	(Un-audited) June 30, 2026					(Un-audited) June 30, 2025				
	Parent	Directors	Key management personnel	Associates	Other related parties	Parent	Directors	Key management personnel	Associates	Other related parties
	(Rupees in '000)									
Income										
Profit / return earned	-	-	19,512	-	93,302	-	-	15,687	-	80,873
Fee and commission Income	-	-	-	-	10,142	-	-	-	-	4,000
(Loss) / gain on sale of securities	-	-	-	-	(177)	2,290	-	-	-	30,424
Foreign exchange income / (loss)	-	-	-	-	-	(3,432)	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-
Expense										
Profit Expensed	-	330	1,404	504	66,551	23,634	193	2,587	92	97,539
Other Administrative Expenses	104	668	39,514	-	64,367	425,078	650	26,057	-	276,155
Meeting fee / Remuneration	-	9,960	414,687	-	-	-	11,760	298,559	-	-
Contribution to employees provident fund	-	-	-	-	260,744	-	-	-	-	199,287
Charge for employees gratuity fund	-	-	-	-	97,275	-	-	-	-	176,958
Donation Paid	-	-	-	-	125,000	-	-	-	-	126,440
Dividend Paid	1,041,015	111	1	-	177,182	1,041,015	146,717	1	-	37,210
Other Transactions	13,417	-	-	-	31,390	-	-	-	-	-

39 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	------- Rupees in '000 -------	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	11,007,991	11,007,991
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	41,249,490	41,099,514
Eligible Additional Tier 1 (ADT 1) Capital	3,000,000	3,000,000
Total Eligible Tier 1 Capital	44,249,490	44,099,514
Eligible Tier 2 Capital	5,194,723	4,908,758
Total Eligible Capital (Tier 1 + Tier 2)	49,444,213	49,008,272
Risk Weighted Assets (RWAs):		
Credit Risk	211,347,657	198,186,749
Market Risk	18,692,150	14,008,884
Operational Risk	83,922,654	83,922,654
Total	313,962,461	296,118,287
Common Equity Tier 1 Capital Adequacy ratio	13.14%	13.88%
Tier 1 Capital Adequacy Ratio	14.09%	14.89%
Total Capital Adequacy Ratio	15.75%	16.55%
National minimum capital requirements prescribed by SBP		
CET1 minimum ratio	6.00%	6.00%
Tier 1 minimum ratio	7.50%	7.50%
Total capital minimum ratio	10.00%	10.00%
Capital Conservation Buffer (CCB) (Consisting of CET 1 only)	1.50%	1.50%
Total Capital plus CCB	11.50%	11.50%

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

For the Half Year Ended June 30, 2026

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

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	------- Rupees in '000 -------	
Leverage Ratio (LR):		
Eligible Tier-1 Capital	**44,249,490**	44,099,514
Total Exposures	**874,848,126**	832,246,504
Leverage Ratio	**5.06%**	5.30%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	**309,117,697**	366,424,354
Total Net Cash Outflow	**126,085,817**	113,706,825
Liquidity Coverage Ratio	**245.16%**	322.25%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	**599,622,524**	590,214,409
Total Required Stable Funding	**334,149,095**	261,833,817
Net Stable Funding Ratio	**179.45%**	225.42%

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

40 GENERAL

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

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

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

For the Half Year Ended June 30, 2026

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

The Board of Directors in their meeting held on August 19, 2026 has announced an interim cash dividend of Rs. 1.5 per share (15%). These condensed interim consolidated financial statements do not include the effect of this appropriation which will be accounted for in the consolidated financial statements for the period ended September 30, 2026.

41.4 The Board of Directors in their meeting held on August 19, 2026 has announced an interim cash dividend of Rs. 1.5 per share (15%). These condensed interim consolidated financial statements do not include the effect of this appropriation which will be accounted for in the consolidated financial statements for the period ended September 30, 2026.

41 DATE OF AUTHORISATION FOR ISSUE

These condensed interim consolidated financial statements were authorized for issue on August 19, 2026 by the Board of Directors of the Holding Company.

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

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