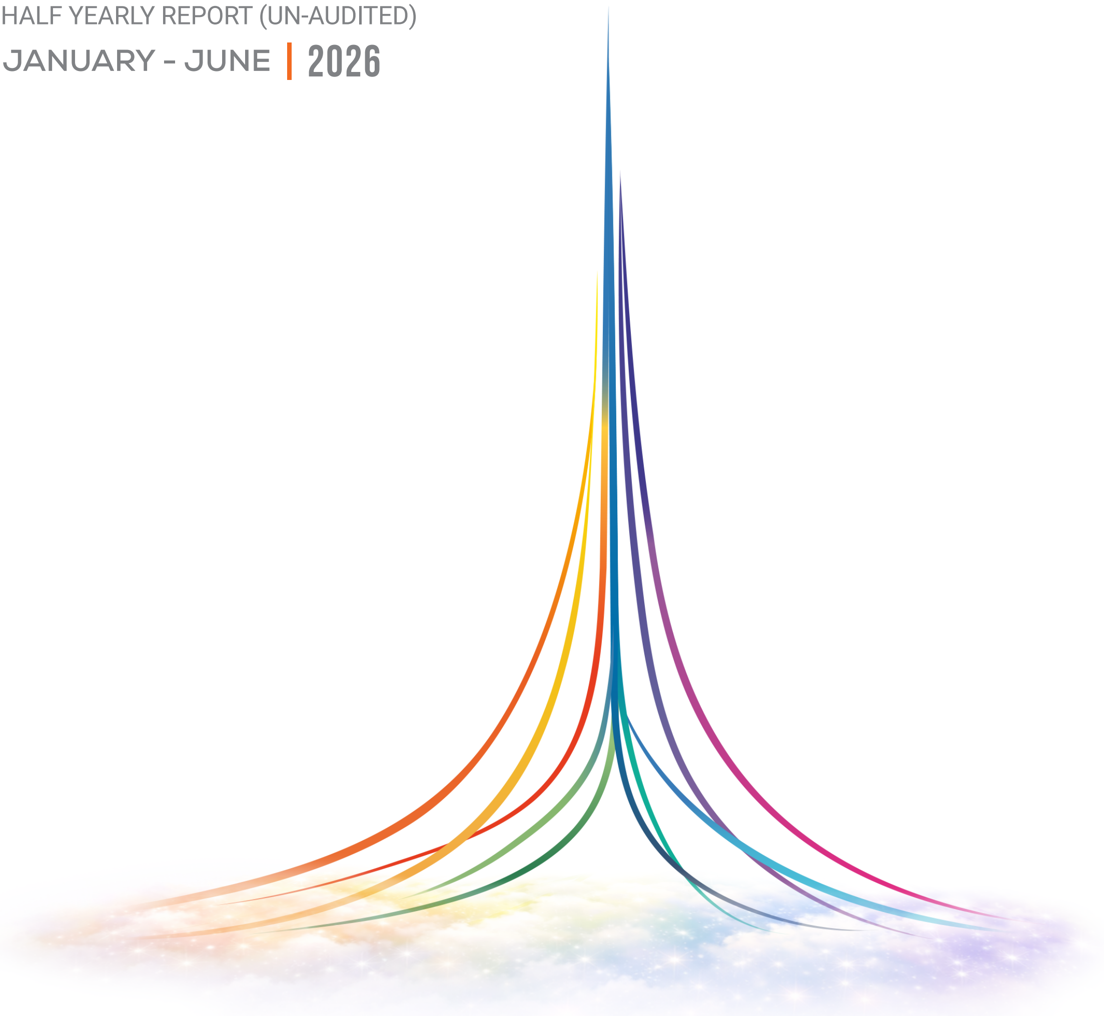
THE BANK OF PUNJAB

ALIGNED FOR IMPACT

HALF YEARLY REPORT (UN-AUDITED)

JANUARY - JUNE | 2026



CORPORATE INFORMATION

BOARD OF DIRECTORS

Syed Ghazanfar Abbas Jilani	Director
Dr. Muhammad Amjad Saqib	Director
Mr. Mujahid Sherdil	Director
Mr. Ali Farhan	Director
Mr. Mohammad Mudassir Amray	Director
Mr. Asif Reza Sana	Director
Mr. Muhammad Naeem Khan	Director
Mr. Zafar Masud	President & CEO
Mr. Kamran Hafeez	Secretary to the Board

BOARD AUDIT COMMITTEE

Mr. Mohammad Mudassir Amray	Chairman
Syed Ghazanfar Abbas Jilani	Member
Mr. Muhammad Naeem Khan	Member
Mr. Mujahid Sherdil	Member

RISK MANAGEMENT, COMPLIANCE AND NPL REVIEW COMMITTEE (RMC&NRC)

Syed Ghazanfar Abbas Jilani	Chairman
Mr. Mohammad Mudassir Amray	Member
Dr. Muhammad Amjad Saqib	Member
Mr. Muhammad Naeem Khan	Member

HUMAN RESOURCE, COMPENSATION, PERFORMANCE EVALUATION AND NOMINATION COMMITTEE (HRCPE&NC)

Mr. Asif Reza Sana	Chairman
Dr. Muhammad Amjad Saqib	Member
Syed Ghazanfar Abbas Jilani	Member
Mr. Mujahid Sherdil	Member

STRATEGY, ISLAMIC AND PRIORITY SECTOR FINANCING COMMITTEE (SI&PSFC)

Dr. Muhammad Amjad Saqib	Chairman
Mr. Asif Reza Sana	Member
Mr. Mujahid Sherdil	Member
Mr. Ali Farhan	Member

INFORMATION TECHNOLOGY AND COMMUNICATIONS COMMITTEE (IT&CC)

Mr. Ali Farhan	Chairman
Mr. Mohammad Mudassir Amray	Member
Mr. Asif Reza Sana	Member
Syed Ghazanfar Abbas Jilani	Member

ENVIRONMENT, SOCIAL & GOVERNANCE COMMITTEE (ES&GC)

Mr. Muhammad Naeem Khan	Chairman
Mr. Mohammad Mudassir Amray	Member
Dr. Muhammad Amjad Saqib	Member
Mr. Ali Farhan	Member

AUDITORS

A.F. Ferguson & Co. Chartered Accountants

REGISTERED OFFICE

BOP Tower, 10-B, Block-E-II,
Main Boulevard, Gulberg-III, Lahore.
Telephones: +92 42 35783700-10
Fax No. +92 42 35783975 UAN: 111 200 100

WEBSITE

www.bop.com.pk

REGISTRAR

M/s. Corplink (Pvt) Limited, Wings Arcade,
1-K, Commercial, Model Town, Lahore.
Telephones: +92 42 35916714, 35916719, 35839182
Fax No. +92 42 35869037

The Bank of Punjab
Directors' Report
Half Yearly Financial Statements – June 30, 2026

On behalf of the Board of Directors, I am pleased to present the un-audited condensed interim financial statements of The Bank of Punjab for the six months period ended June 30, 2026.

The first half of 2026 unfolded against a backdrop of heightened global uncertainty, as the conflict in the Middle East during the second quarter disrupted global energy markets and renewed inflationary pressures worldwide. Amidst this challenging external environment, Pakistan's macroeconomic position demonstrated notable resilience. Sustained fiscal consolidation and prudent expenditure management continued to yield results, supporting GDP growth of 3.7% in FY2026, an improvement over the preceding year, alongside a third consecutive primary surplus. Average inflation for FY2026 stood at around 7%, up from 4.5% in FY2025, largely reflecting elevated global oil prices. With headline inflation edging above the medium-term target range of 5–7% in March 2026, the State Bank of Pakistan pre-emptively raised the policy rate by 100 basis points in April 2026 to anchor inflation expectations, a timely and credible demonstration of its commitment to price stability.

The external account remained broadly balanced, with the current account recording a marginal deficit of US$ 139 million (well below 0.1% of GDP), underpinned by record workers' remittances of US$ 41.6 billion in FY2026, up 9% year-on-year. The Gulf region remained the largest contributor of inflows, growing 8% to US$ 22.5 billion. In a landmark development, Pakistan returned to the international capital markets after a four-year hiatus, raising US$ 750 million through a Eurobond issuance in April 2026, followed by US$ 250 million through its first-ever Panda Bond in May 2026. These inflows, along with interbank FX purchases, enabled the State Bank of Pakistan to comfortably service external debt obligations while building its FX reserves to US$ 18.4 billion at end-June 2026. Pakistan's sovereign credit ratings also improved during the year, a recognition of strengthened external buffers and sustained policy discipline. The KSE-100 index gained approximately 54,700 points (a 44% year-on-year increase) during FY2026, closing at a record 180,302, reflecting renewed investor confidence in macroeconomic stability and the reform trajectory. The banking sector mirrored this resilience, with steady deposit mobilization, improved asset quality and adequate capitalization translating into improved profitability.

Looking ahead into FY2027, the outlook remains cautiously optimistic, with the government targeting GDP growth of 4% and projecting average inflation of 8.2%. Price pressures are expected to persist in food, housing and services, primarily on account of elevated global oil prices. Monetary policy is accordingly expected to remain prudently calibrated, with room for easing as inflation converges towards the medium-term target range. Against this backdrop, the banking sector is well positioned to benefit from strong deposit growth and stable yields, while credit expansion will be supported by improving private sector confidence.

The Board of Directors has noted with pleasure that the results for the first half of 2026 reflect sustained business momentum, disciplined operational execution, and healthy core earnings growth, further strengthening the Bank's position in Pakistan's financial sector. In recognition of the Bank's strong financial performance and continued commitment to delivering value to shareholders, the Board of Directors has also declared the highest-ever interim cash dividend of 16%. The enhanced dividend reflects continued confidence in the Bank's earnings trajectory, while reinforcing its commitment to creating sustainable value for shareholders.

Financial Highlights:

	Rs. in Million
Profit before taxation	20,445.127
Taxation – net	10,915.732
Profit after taxation	**9,529.395**
Earnings per share (Rupees)	**2.91**

The Bank delivered a robust performance for the first half of 2026, underscored by 67% year-on-year growth in Operating Profit (before provisions and gains), which reached Rs. 22.5 billion. Net Interest Income improved to Rs. 46.1 billion, registering 29% year-on-year growth, while Non-Markup Income (excluding gains) grew by an impressive 61% to Rs. 11.9 billion. This trajectory was driven by proactive asset-liability management, accelerated fee-based income generation, and the successful diversification of revenue streams.

Through vigilant and disciplined cost management, coupled with enhanced operational efficiencies, the Bank achieved 35% year-on-year growth in Profit Before Tax, reaching

Rs. 20.5 billion, while Profit After Tax rose to Rs. 9.5 billion, reflecting 40% year-on-year growth. Sustained expense discipline and resource optimization further strengthened cost efficiency, with the Bank's Cost-to-Income Ratio continuing its declining trend and improving by 2.40 percentage points over the first half of 2025.

During the first half of 2026, the Bank maintained a sound and well-balanced financial position, with total assets of Rs. 2,504 billion. The funding profile strengthened as total deposits increased to Rs. 2,154 billion, driven by 20% year-on-year growth in current deposits, while average current deposits recorded an impressive 26% year-on-year increase. The Bank continued to support economic activity through disciplined lending, with gross advances rising by 28% to Rs. 996 billion, including financing for priority sectors of the economy.

The Bank maintained a strong capital position, with a Capital Adequacy Ratio (CAR) of 13.69% and a leverage ratio of 3.65%, both comfortably above the regulatory requirements prescribed by the State Bank of Pakistan. The Bank also remained fully compliant with provisioning requirements under IFRS 9, reinforcing the strength, resilience and soundness of its balance sheet.

In a major institutional milestone, the Pakistan Credit Rating Agency (PACRA) upgraded the Bank's long-term entity rating to the highest possible tier of AAA, with a Stable Outlook, alongside a short-term rating of A1+. This upgrade is a testament to BOP's strengthened financial profile, elevated market standing, and unwavering commitment to rigorous risk management and governance frameworks.

Advancing its international footprint, BOP received in-principle approval from the State Bank of Pakistan to establish an Overseas Wholesale Banking Unit in the Kingdom of Bahrain. This strategic expansion will enable the Bank to capture attractive cross-border banking opportunities, enhance regional connectivity, and cultivate vital institutional relationships across the Middle East.

Highlighting strong sponsor support, the Board of Directors has proposed the issuance of ordinary shares to the Government of the Punjab for up to PKR 30 billion. Subject to requisite shareholder and regulatory approvals, this substantial capital injection will be executed in two tranches i.e. up to PKR 20 billion by December 31, 2026, and the remaining balance by June 30, 2027. This pivotal initiative will significantly augment the Bank's capacity for accelerated balance sheet expansion and strategic flexibility.

At the Pakistan Banking Awards 2026, BOP won three awards: Best Bank for Agriculture Inclusion, Best SME Bank, and Best Bank for Women's Inclusion. The Agriculture and

Women's Inclusion awards mark a three-year hat-trick, while the SME award is BOP's fourth in the last five years. BOP is the only bank to win three awards for two consecutive years, and the only bank ever to achieve this unique vertical and horizontal hat-trick, reaffirming its sustained leadership in Pakistan's priority sectors.

The Bank further strengthened its footprint in digital lending and inclusive finance. Under the Kissan Card, Livestock Card and Karobar Card schemes, the Bank has disbursed over Rs. 400 billion to more than 1 million borrowers, most of whom are first-time borrowers. This reflects the Bank's continued focus on digital transformation, financial inclusion and convenient access to credit for a broad customer base.

Under Asaan Karobar Finance, the Bank has disbursed Rs. 82 billion, providing strong support to the SME and agriculture sectors and contributing to entrepreneurship development and rural economic growth. In support of low-cost housing, the Bank has disbursed Rs. 24 billion to around 32,000 borrowers under a program with a total size of 40,000 housing units remarkably, achieved in just six months during the first half of 2026. The Bank has also disbursed Rs. 3.2 billion under the Government's E-Taxi Program, providing electric taxis to promote employment generation and green banking.

In addition, under its branchless banking initiatives, the Bank maintains a portfolio of over 16 million wallets, through which financial assistance is disbursed under various government initiatives, including BISP, PSPA and others. During the first half of 2026, the Bank disbursed Rs. 30 billion to over 3 million individuals under the Nigehban Ramzan Program of the Government of the Punjab. Under the CM Fuel Subsidy Program, disbursements were made to around 200,000 beneficiaries, while under the CM Imam Masjid Program, honorarium payments amounting to Rs. 9 billion were disbursed.

These initiatives reflect the Bank's steadfast commitment to driving inclusive and sustainable growth through technology-enabled financial services, targeted support for key economic sectors, and meaningful participation in government-led welfare programs. The Bank also remains actively engaged in CSR initiatives aimed at uplifting underserved communities and supporting broader social well-being.

With a nationwide network of 903 branches, including 212 Taqwa Islamic Banking branches and 16 sub-branches, alongside 964 ATMs, the Bank remains well positioned to expand access and improve customer service. Its broad range of offerings including Mobile and Internet Banking, Credit Cards, Cash Management, and Branchless Banking continues to meet the evolving needs of a diverse customer base.

On behalf of the Board, we extend our sincere appreciation to our valued customers and shareholders for their continued trust and confidence in the Bank. We also acknowledge, with gratitude, the support and guidance extended by the Government of the Punjab and the State Bank of Pakistan. In addition, we commend the management team and all employees for their dedication, professionalism and committed efforts, which remain central to the Bank's continued progress and success.

For and on behalf of the Board

President/CEO	**Chairman**

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of The Bank of Punjab

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of The Bank of Punjab ("the Bank") as at June 30, 2026 and the related unconsolidated condensed interim statement of profit and loss account, the unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim cash flow statement, and notes to the unconsolidated condensed interim financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim 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 interim 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 interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

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 unconsolidated condensed interim statement of profit and loss account and unconsolidated condensed interim statement of comprehensive income for the quarters ended June 30, 2026 and June 30, 2025 have not been reviewed by us.

The engagement partner on the audit resulting in this independent auditor's report is **Hammad Ali Ahmad**.

A. F. Ferguson & Co.,
Chartered Accountants
Place: Lahore
Date: August 28, 2026
UDIN: RR202610092CoK27LBeD

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network, 308-Upper Mall, Shahrah-e-Quaid-e-Azam, P.O. Box 39, Lahore-54000, Pakistan
Tel: +92 (42) 35199343-50/Fax: +92 (42) 35199351

THE BANK OF PUNJAB

Passion Reborn

UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2026

THE BANK OF PUNJAB
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		Rupees in '000'	
ASSETS			
Cash and balances with treasury banks	5	**107,219,463**	111,746,522
Balances with other banks	6	**11,840,290**	5,442,677
Lendings to financial institutions	7	**26,119,493**	223,417,798
Investments	8	**1,198,716,645**	1,549,511,408
Advances	9	**951,478,039**	881,423,846
Property and equipment	10	**30,524,693**	29,761,745
Right-of-use assets	11	**12,604,930**	13,146,170
Intangible assets	12	**3,105,438**	2,702,385
Deferred tax assets - net	13	**14,919,133**	7,607,184
Other assets	14	**147,684,919**	126,924,032
Total assets		**2,504,213,043**	2,951,683,767
LIABILITIES			
Bills payable	16	**11,717,895**	9,139,194
Borrowings	17	**60,357,607**	624,807,992
Deposits and other accounts	18	**2,154,105,423**	2,051,536,304
Lease liabilities	19	**18,189,262**	18,267,085
Subordinated debts	20	**30,808,784**	30,812,558
Deferred tax liabilities		**-**	-
Other liabilities	21	**123,999,251**	112,981,210
Total liabilities		**2,399,178,222**	2,847,544,343
NET ASSETS		**105,034,821**	104,139,424
REPRESENTED BY			
Share capital - net	22	**32,452,535**	32,452,535
Reserves		**22,720,206**	20,814,327
Surplus on revaluation of assets - net of tax	23	**5,525,842**	10,692,754
Unappropriated profit		**44,336,238**	40,179,808
		105,034,821	104,139,424

CONTINGENCIES AND COMMITMENTS 24

The annexed notes 1 to 44 form an integral part of these unconsolidated condensed interim financial statements.

Chief Financial Officer | **President** | **Chairman** | **Director** | **Director**

THE BANK OF PUNJAB

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE PERIOD ENDED JUNE 30, 2026

	Note	Quarter Ended June 30, 2026	Quarter Ended June 30, 2025	Period Ended June 30, 2026	Period Ended June 30, 2025
		Rupees in '000'			
Mark-up / return / interest earned	25	63,536,133	66,122,264	130,400,823	135,086,438
Mark-up / return / interest expensed	26	39,575,278	45,354,092	84,355,133	99,274,564
Net mark-up / interest income		23,960,855	20,768,172	46,045,690	35,811,874
NON MARK-UP / INTEREST INCOME					
Fee and commission income	27	4,467,501	3,078,827	9,498,024	6,313,893
Dividend income		21,759	62,797	137,958	169,343
Foreign exchange income		1,177,055	146,197	1,905,591	723,253
Income / (loss) from derivatives		-	-	-	-
(Loss) / gain on securities - net	28	(1,029,221)	1,897,885	(1,138,602)	2,668,600
Net loss on derecognition of financial assets measured at amortised cost	29	(479,241)	(292,312)	(782,172)	(569,049)
Other income	30	93,188	100,204	321,034	172,129
Total non-markup / interest income		4,251,041	4,993,598	9,941,833	9,478,169
Total income		28,211,896	25,761,770	55,987,523	45,290,043
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	31	17,527,722	14,925,507	35,008,096	29,236,931
Workers' Welfare Fund		234,957	408,183	454,354	533,348
Other charges	32	151	3,330	1,112	3,986
Total non-markup / interest expenses		17,762,830	15,337,020	35,463,562	29,774,265
Profit before credit loss allowance		10,449,066	10,424,750	20,523,961	15,515,778
Charge / (reversal) of credit loss allowance and write offs - net	33	243,915	(725,327)	78,834	357,859
PROFIT BEFORE TAXATION		10,205,151	11,150,077	20,445,127	15,157,919
Taxation - net	34	5,449,605	6,143,102	10,915,732	8,353,090
PROFIT AFTER TAXATION		4,755,546	5,006,975	9,529,395	6,804,829
Basic earnings per share - Rupees	35	1.45	1.53	2.91	2.08
Diluted earnings per share - Rupees	36	1.45	1.53	2.91	2.08

The annexed notes 1 to 44 form an integral part of these unconsolidated condensed interim financial statements.

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Chief Financial Officer	President	Chairman	Director	Director

THE BANK OF PUNJAB
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED JUNE 30, 2026

	Quarter Ended		Period Ended	
	June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
	Rupees in '000'			
Profit after taxation for the period	**4,755,546**	5,006,975	**9,529,395**	6,804,829
Other comprehensive income / (loss):				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in surplus / (deficit) on revaluation of debt investments classified as FVOCI - net of tax	**2,769,983**	3,435,860	**(4,585,565)**	2,551,767
Items that will not be reclassified to profit and loss account in subsequent periods:				
Movement in surplus on revaluation of equity investments classified as FVOCI - net of tax	**217,535**	92,174	**(24,279)**	(133,211)
Total comprehensive income for the period	**7,743,064**	8,535,009	**4,919,551**	9,223,385

The annexed notes 1 to 44 form an integral part of these unconsolidated condensed interim financial statements.

Chief Financial Officer **President** **Chairman** **Director** **Director**

THE BANK OF PUNJAB
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED JUNE 30, 2026

	Share capital - net		Capital reserves		Surplus / (deficit) - net of tax on revaluation of		Unappropriated profit	Total
	Share capital	Discount on issue of shares	Share premium	Statutory reserve	Investments	Property & equipment / NBAs		
	Rupees in '000'							
Balance as on December 31, 2024 - audited	32,715,693	(263,158)	2,215,040	15,411,761	1,013,947	6,940,423	34,497,439	92,531,145
Effect of remeasurement on adoption of IFRS-9 - net of tax	-	-	-	-	29,198	-	-	29,198
Balance as on January 01, 2025 - as restated	32,715,693	(263,158)	2,215,040	15,411,761	1,043,145	6,940,423	34,497,439	92,560,343
Profit after taxation for the period ended June 30, 2025	-	-	-	-	-	-	6,804,829	6,804,829
Other comprehensive income / (loss):								
Movement in surplus on revaluation of investments in debt instruments classified as FVOCI - net of tax	-	-	-	-	2,551,767	-	-	2,551,767
Movement in surplus on revaluation of equity investments classified as FVOCI - net of tax	-	-	-	-	(133,211)	-	-	(133,211)
Total other comprehensive income - net of tax for the period ended June 30, 2025	-	-	-	-	2,418,556	-	-	2,418,556
Transfer to statutory reserve during the period	-	-	-	1,360,966	-	-	(1,360,966)	-
Transfer from surplus on revaluation of equity investments classified as FVOCI to unappropriated profit on disposal	-	-	-	-	(287,147)	-	598,223	311,076
Transfer from surplus on revaluation of fixed assets to unappropriated profit net of tax	-	-	-	-	-	(75,509)	75,509	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	(533)	533	-
Transactions with owners recorded directly in equity:								
Final cash dividend - December 31, 2024 declared subsequent to year end at 18% per share	-	-	-	-	-	-	(5,888,825)	(5,888,825)
	-	-	-	-	-	-	(5,888,825)	(5,888,825)
Balance as on June 30, 2025 - un-audited	32,715,693	(263,158)	2,215,040	16,772,727	3,174,554	6,864,381	34,726,742	96,205,979
Profit after taxation for the period ended December 31, 2025	-	-	-	-	-	-	9,132,801	9,132,801
Other comprehensive income / (loss):								
Remeasurement gain on defined benefit obligation	-	-	-	-	-	-	(146,737)	(146,737)
Movement in surplus on revaluation of investments in debt instruments classified as FVOCI - net of tax	-	-	-	-	489,855	-	-	489,855
Movement in surplus on revaluation of equity investments classified as FVOCI - net of tax	-	-	-	-	1,108,591	-	-	1,108,591
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	1,811	-	1,811
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	9,532	-	9,532
Total other comprehensive income - net of tax for the period ended December 31, 2025	-	-	-	-	1,598,446	11,343	(146,737)	1,463,052
Transfer to statutory reserve during the period	-	-	-	1,826,560	-	-	(1,826,560)	-
Transfer from surplus on revaluation of equity investments classified as FVOCI to unappropriated profit on disposal	-	-	-	-	(562,303)	-	1,171,464	609,161
Transfer from surplus on revaluation of fixed assets to unappropriated profit net of tax	-	-	-	-	-	(75,535)	75,535	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	(507)	507	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal	-	-	-	-	-	(317,625)	317,625	-
Transactions with owners recognized directly in equity:								
Interim cash dividend declared at 10% per share - June 30, 2025	-	-	-	-	-	-	(3,271,569)	(3,271,569)
	-	-	-	-	-	-	(3,271,569)	(3,271,569)
Balance as on December 31, 2025 - audited	32,715,693	(263,158)	2,215,040	18,599,287	4,210,697	6,482,057	40,179,808	104,139,424
Impact of adoption of IFRS 09 - net of tax (note 4.1.1)	-	-	-	-	**(111,292)**	-	**590,212**	**478,920**
Opening balance as at January 01, 2026 - as restated	**32,715,693**	**(263,158)**	**2,215,040**	**18,599,287**	**4,099,405**	**6,482,057**	**40,770,020**	**104,618,344**
Profit after taxation for the period ended June 30, 2026	-	-	-	-	-	-	**9,529,395**	**9,529,395**
Other comprehensive income / (loss):								
Movement in surplus / (deficit) on revaluation of investments in debt instruments classified as FVOCI - net of tax	-	-	-	-	**(4,585,565)**	-	-	**(4,585,565)**
Movement in surplus on revaluation of investments in equity instruments classified as FVOCI - net of tax	-	-	-	-	**(24,279)**	-	-	**(24,279)**
Total other comprehensive loss - net of tax for the period ended June 30, 2026	-	-	-	-	**(4,609,844)**	-	-	**(4,609,844)**
Transfer to statutory reserve during the period	-	-	-	**1,905,879**	-	-	**(1,905,879)**	-
Transfer of surplus on revaluation of equity investments classified as FVOCI to unappropriated profit on disposal	-	-	-	-	**(373,182)**	-	**777,462**	**404,280**
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	-	**(71,778)**	**71,778**	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	**(816)**	**816**	-
Transactions with owners recorded directly in equity:								
Final cash dividend - December 31, 2025 declared subsequent to year end at 15% per share	-	-	-	-	-	-	**(4,907,354)**	**(4,907,354)**
	-	-	-	-	-	-	**(4,907,354)**	**(4,907,354)**
Balance as on June 30, 2026 - un-audited	**32,715,693**	**(263,158)**	**2,215,040**	**20,505,166**	**(883,621)**	**6,409,463**	**44,336,238**	**105,034,821**

The annexed notes 1 to 44 form an integral part of these unconsolidated condensed interim financial statements.

Chief Financial Officer	**President**	**Chairman**	**Director**	**Director**

THE BANK OF PUNJAB
UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED JUNE 30, 2026

	Note	June 30, 2026	June 30, 2025
		Period Ended	
		Rupees in '000'	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		20,445,127	15,157,919
Less: Dividend income		(137,958)	(169,343)
		20,307,169	14,988,576
Adjustments:			
Net mark-up / interest income excluding mark-up on lease liability against right of use assets & IFRS-09 adjustments - notional		(46,398,849)	(35,754,994)
Depreciation on property and equipment	31	1,879,199	1,600,553
Depreciation on non banking assets acquired in satisfaction of claims	31	16,979	16,331
Depreciation on ijarah assets under IFAS - 2	31	896,882	265,944
Depreciation on right-of-use assets	31	1,248,806	1,038,428
Amortization on intangible assets	31	252,075	218,259
Amortization of discount on debt securities - net		(12,610,532)	(7,035,833)
Mark-up on lease liability against right of use assets	26	1,211,286	1,151,290
Unrealized loss / (gain) on revaluation of investments classified as FVTPL	28	32,495	(136,914)
Reversal of credit loss allowance against lending to financial institutions	33	(16,756)	(33,738)
(Reversal) / charge of credit loss allowance on investments	33	(289)	589,755
Credit loss allowance on advances	33	725,114	944,586
(Reversal) / charge of credit loss allowance against other assets	33	(337,244)	159,035
Reversal of credit loss allowance against off balance sheet obligations	33	(191,945)	(1,017,731)
Reversal of credit loss allowance against balance with other banks	33	(2,390)	(3,799)
Reversal of credit loss allowance against balances with treasury banks	33	(90,017)	(280,249)
IFRS-09 adjustment on advances - notional		(1,388,457)	(1,637,980)
IFRS-09 adjustment on borrowings - notional		530,330	429,810
IFRS-09 adjustment on compensation expense - notional	31.1	597,699	971,649
Workers' Welfare Fund		454,354	533,348
Gain on termination of lease liability against right of use assets	30	(237,122)	(17,180)
Gain on sale of property and equipment - net	30	(34,716)	(111,681)
Realized loss / (gain) on sale of securities - net	28.1	1,106,107	(2,531,686)
Net loss on derecognition of financial assets measured at amortised cost	29	782,172	569,049
Provision for employees compensated absences		26,472	15,539
Provision for gratuity		346,048	263,797
		(51,202,299)	(39,794,412)
		(30,895,130)	(24,805,836)
(Increase) / decrease in operating assets:			
Lendings to financial institutions		197,415,061	5,010,000
Net investments in securities classified as FVTPL		103,568	64,073,293
Advances		(71,980,640)	46,847,871
Others assets (excluding non-banking assets and markup receivable)		(19,716,976)	(5,851,651)
		105,821,013	110,079,513
Increase / (decrease) in operating liabilities:			
Bills payable		2,578,701	3,346,046
Borrowings		(561,520,534)	(171,576,956)
Deposits and other accounts		102,569,119	236,266,248
Other liabilities (excluding provision for taxation - net, markup payable and payable to gratuity fund)		29,835,245	10,922,126
		(426,537,469)	78,957,464

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THE BANK OF PUNJAB

UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) (Continued...)

FOR THE PERIOD ENDED JUNE 30, 2026

	Note	Period Ended June 30, 2026	Period Ended June 30, 2025
		Rupees in '000'	
Payment made to gratuity fund		(704,791)	(421,347)
Mark-up / return / interest received		128,524,540	140,191,106
Mark-up / return / interest paid		(100,176,860)	(120,683,544)
Income tax paid		(15,422,668)	(7,568,365)
		12,220,221	11,517,850
Net cash (used in) / flow from operating activities		(339,391,365)	175,748,991
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in securities classified as FVOCI		405,012,175	(154,739,948)
Net investments in amortized cost securities		(49,987,210)	290,456
Dividends received		137,958	169,343
Investments in property and equipment		(2,663,593)	(2,032,436)
Investments in intangible assets		(655,128)	(225,023)
Proceeds from sale of property and equipment		56,161	116,826
Investment in subsidiary		(500,000)	-
Net cash flow from / (used in) investing activities		351,400,363	(156,420,782)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of subordinated debts		(3,774)	(3,774)
Payment of cash dividend		(4,907,343)	(5,888,825)
Payment of lease liability against right of use assets		(1,759,553)	(1,540,808)
Net cash used in financing activities		(6,670,670)	(7,433,407)
Increase in cash and cash equivalents		5,338,328	11,894,802
Effect of credit loss allowance changes on cash and cash equivalents		92,407	284,048
Cash and cash equivalents at beginning of the period		108,817,042	103,413,315
Cash and cash equivalents at end of the period		114,247,777	115,592,165
Cash and cash equivalents:			
Cash and balances with treasury banks	5	107,219,463	112,348,166
Balances with other banks	6	11,840,290	6,078,304
Call money lendings	7	100,000	-
Call borrowing	17	(100,000)	-
Overdrawn nostro accounts	17	(4,811,976)	(2,834,305)
		114,247,777	115,592,165

The annexed notes 1 to 44 form an integral part of these unconsolidated condensed interim financial statements.

Chief Financial Officer | President | Chairman | Director | Director

1 STATUS AND NATURE OF BUSINESS

The Bank of Punjab (the Bank) was constituted in Pakistan pursuant to The Bank of Punjab Act, 1989. It was given the status of a scheduled bank by the State Bank of Pakistan (SBP) on September 19, 1994. It is principally engaged in commercial banking and related services with its registered office at BOP Tower, 10-B, Block E-II, Main Boulevard, Gulberg III, Lahore. The Bank has 903 branches including 16 sub branches and 212 Islamic banking branches (December 31, 2025: 901 branches including 17 sub branches and 210 Islamic banking branches) in Pakistan and Azad Jammu and Kashmir (AJK) at the period end. The Bank also has 674 Islamic banking windows (December 31, 2025: 534). The Bank's ordinary shares are listed on Pakistan Stock Exchange. The majority shares of the Bank are held by Government of the Punjab (GoPb). The Pakistan Credit Rating Agency (PACRA) assigned long term rating of AAA and short term rating of A1+ to the Bank with stable outlook.

2 BASIS OF PREPARATION

In accordance with the directives of the Government of Pakistan regarding the conversion of the Banking system to Islamic modes, the SBP has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by the banks from their customers and immediate resale to them at appropriate price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these unconsolidated condensed interim financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of profit thereon.

These unconsolidated condensed interim financial statements are separate financial statements of the Bank in which the investment in subsidiaries and associate are stated at cost less impairment losses (if any) and has not been accounted for on the basis of reported results and net assets of the investee. Consolidated condensed interim financial statements of the Group are being issued separately.

The financial results of Islamic Banking business have been consolidated in these unconsolidated condensed interim financial statements for reporting purposes, after eliminating inter-branch transactions / balances. Key financial figures of the Islamic Banking business are disclosed in note 41 of these unconsolidated condensed interim financial statements.

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting' and IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;
- Directives issued by the SBP and the Securities and Exchange Commission of Pakistan (SECP);
- Requirements of The Bank of Punjab Act, 1989; and
- Provisions of, directives and notifications issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017.

Wherever the requirements of the directives and notifications issued by the SBP and SECP, the Bank of Punjab Act, 1989, the Banking Companies Ordinance, 1962 and the Companies Act, 2017 differ with the requirements of these IFRS Accounting Standards or IFAS, the requirements of the said directives and notifications, The Bank of Punjab Act, 1989, the Banking Companies Ordinance, 1962 and the Companies Act, 2017 take precedence.

2.1.2 SBP has deferred the applicability of International Accounting Standards 40, 'Investment Property' for Banking Companies through BSD Circular letter No. 10 dated August 26, 2002. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements.

2.1.3 The SBP through BPRD Circular No. 04 of 2015 dated February 25, 2015 has deferred applicability of 'Islamic Financial Accounting Standard - 3' for Profit & Loss Sharing on Deposits (IFAS 3) issued by the Institute of Chartered Accountants of Pakistan and notified by the SECP, vide its SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IIFS). Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements.

2.1.4 The SECP vide its notification SRO 633 (I)/2014 dated July 10, 2014, adopted IFRS 10 'Consolidated Financial Statements' effective from the periods starting from September 30, 2014. However, vide its notification SRO 56 (I)/2016 dated January 28, 2016, it has been notified that the requirements of IFRS 10 and section 228 of the Companies Act, 2017 will not be applicable with respect to the investment in mutual funds established under trust structure.

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

2.1.6 Amendments and interpretations of accounting standards that are effective in the current period:

There are certain standards and amendments to existing accounting and reporting standards that have become applicable to the Bank for accounting periods beginning on or after January 1, 2026. These are considered either to not be relevant or to not have any material impact on these condensed interim unconsolidated financial statements, except for the following:

- IFRS 7, 'Financial Instruments: Disclosures'; the SECP through S.R.O. 742(1)/2025 dated April 16, 2025 has required disclosures regarding the significance of financial instruments to the Bank's financial position and performance, as well as the nature, extent, and management of risks arising from such instruments. Accordingly, the Bank will adopt IFRS 7 in preparing its annual financial statements for the year ending December 31, 2026.

- Effective Interest Rate (EIR) requirements of IFRS 9 have become applicable from January 01, 2026 pursuant to relaxations earlier provided by the SBP. The impact of EIR is summarized in note 4.1.1 below.

- Certain amendments to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments' have become applicable on the Bank which clarify the date of recognition and derecognition of a financial asset or financial liability. These amendments do not have any material impact and therefore, have not been detailed in these unconsolidated condensed interim financial statements.

2.1.7 New accounting standards and IFRS interpretations that are not yet effective:

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2026 but are considered not to be relevant or do not have any material effect on the Bank's operations except for:

- IFRS 18 'Presentation and Disclosure in Financial Statements' will become applicable from January 01, 2027. The application of IFRS 18 will impact the presentation of the 'Statement of Profit and Loss Account' with certain additional disclosures as and when instructed by the SBP.

- General provision, over and above the ECL for Stage 1 and Stage 2 exposures may be maintained up to December 31, 2026 as per the relaxations earlier provided by the SBP in respect of the implementation of IFRS 9.

- IFRS 19 'Subsidiaries without Public Accountability Disclosures' will become applicable from January 01, 2027.

3 BASIS OF MEASUREMENT

3.1 These unconsolidated condensed interim financial statements have been prepared under the historical cost convention except for revaluation of freehold land and buildings on freehold land, revaluation of non banking assets acquired in satisfaction of claims, valuation of certain investments and commitments in respect of forward exchange contracts at fair value, unlisted equity securities, right-of-use assets, lease liabilities and certain staff retirement benefits at present value and staff & subsidized loans disbursed under Temporary Economic Refinance Facility (TERF) are at fair value on initial recognition.

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

4 MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 IFRS 09 - Financial Instruments

4.1.1 Transition to Effective Interest Rate (EIR) methodology

The Bank adopted IFRS 9 effective from January 01, 2024, except for certain relaxations and extensions issued by the SBP from time to time. The impacts of these relaxations and extensions were incorporated in the annual financial statements of the Bank for the respective years ended December 31, 2024 and 2025, with the modified retrospective approach for restatement permitted under IFRS 9.

In addition, the SBP, in a separate instruction, through BPRD Circular Letter No. 1 dated January 22, 2025, allowed an extension for application of the Effective Interest Rate (EIR) up to December 31, 2025. During the current period, in accordance with the aforementioned instruction, the Bank has applied EIR on the financial instruments appearing as at January 01, 2026, and the cumulative impact of application of EIR amounting to Rs. 590,212 thousand, net of tax, has been recorded as an adjustment to unappropriated profit and Rs. 111,292 thousand net of tax has been recorded as adjustment to surplus on investment at the beginning of the current period under modified retrospective approach.

4.1.2 The SBP has directed the Banks through its BPRD Circular Letter No. 01 dated January 22, 2025 to continue the existing revenue recognition methodology for Islamic Operations, including the requirements of IFAS 1 and IFAS 2 until further instructions. Had IFRS-09 been adopted in its entirety for revenue recognition from Islamic operations, the profit before tax of the Bank would have been higher by Rs. 505,265 thousand (June 30, 2025: Rs. 430,250 thousand).

4.2 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

4.3 FINANCIAL RISK MANAGEMENT

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

		(Un-audited) June 30, 2026	(Audited) December 31, 2025
		Rupees in '000'	
5	**CASH AND BALANCES WITH TREASURY BANKS**		
	In hand:		
	Local currency	**27,247,599**	29,661,102
	Foreign currencies	**2,289,679**	3,202,466
		29,537,278	32,863,568
	With SBP in:		
	Local currency current account	**62,365,844**	64,097,151
	Foreign currency current accounts	**2,225,291**	2,205,969
	Foreign currency deposit accounts	**4,648,719**	4,388,833
		69,239,854	70,691,953
	With National Bank of Pakistan in:		
	Local currency current accounts	**8,327,379**	8,098,988
	Prize bonds	**209,232**	276,310
	Less: Credit loss allowance held against cash and balances with treasury banks	**(94,280)**	(184,297)
	Cash and balances with treasury banks - net of credit loss allowance	**107,219,463**	111,746,522
6	**BALANCES WITH OTHER BANKS**		
	In Pakistan:		
	Current accounts	**24,164**	9,983
	Deposit accounts	**-**	-
		24,164	9,983
	Outside Pakistan:		
	Current accounts	**9,962,757**	5,442,714
	Deposit accounts	**1,860,999**	-
		11,823,756	5,442,714
		11,847,920	5,452,697
	Less: Credit loss allowance held against balances with other banks	**(7,630)**	(10,020)
	Balances with other banks - net of credit loss allowance	**11,840,290**	5,442,677
7	**LENDINGS TO FINANCIAL INSTITUTIONS**		
	Call money lendings	**100,000**	-
	Repurchase agreement lendings (Reverse Repo)	**18,523,389**	156,438,450
	Placements	**7,500,000**	67,000,000
		26,123,389	223,438,450
	Less: Credit loss allowance held against lendings to financial institutions	**(3,896)**	(20,652)
	Lendings to financial institutions - net of credit loss allowance	**26,119,493**	223,417,798

7.1 Lendings to financial institutions - particulars of credit loss allowance

		June 30, 2026 (Un-audited)		December 31, 2025 (Audited)	
		Lendings	Credit loss allowance held	Lendings	Credit loss allowance held
		Rupees in '000'			
Performing	Stage 1	7,600,000	3,896	67,000,000	20,652
Under performing	Stage 2	-	-	-	-
Non-performing:					
Substandard	Stage 3	-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
		-	-	-	-
		7,600,000	3,896	67,000,000	20,652

8 INVESTMENTS

8.1 Investments by type:

	Note	June 30, 2026 (Un-audited)				December 31, 2025 (Audited)			
		Cost / Amortized cost	Credit loss allowance	Surplus / (Deficit)	Carrying value	Cost / Amortized cost	Credit loss allowance	Surplus / (Deficit)	Carrying value
		Rupees in '000'							
FVTPL									
Federal government securities		1,123,432	-	-	1,123,432	1,514,950	-	(19,392)	1,495,558
Shares		324,004	-	5,130	329,134	305,100	-	18,900	324,000
Non government debt securities		1,102,146	(122,454)	(37,625)	942,067	752,199	(122,454)	-	629,745
		2,549,582	(122,454)	(32,495)	2,394,633	2,572,249	(122,454)	(492)	2,449,303
FVOCI									
Federal government securities	8.2	1,013,899,424	-	(811,478)	1,013,087,946	1,404,750,100	-	8,890,227	1,413,640,327
Shares		5,531,571	-	55,539	5,587,110	8,394,992	-	882,131	9,277,123
Mutual fund & investment trust units		3,173,426	-	(1,098,665)	2,074,761	3,173,426	-	(1,010,953)	2,162,473
Non government debt securities		298,123	(190,623)	(12,900)	94,600	333,956	(190,623)	(17,200)	126,133
Foreign securities		11,957	-	26,627	38,584	11,957	-	28,079	40,036
		1,022,914,501	(190,623)	(1,840,877)	1,020,883,001	1,416,664,431	(190,623)	8,772,284	1,425,246,092
Amortised cost									
Federal government securities		172,300,723	-	-	172,300,723	118,887,560	-	-	118,887,560
Non government debt securities		1,250,704	(607,903)	-	642,801	1,541,158	(608,192)	-	932,966
WAPDA bonds		400	(400)	-	-	400	(400)	-	-
		173,551,827	(608,303)	-	172,943,524	120,429,118	(608,592)	-	119,820,526
Subsidiaries	8.1.1	2,375,432	(164,945)	-	2,210,487	1,875,432	(164,945)	-	1,710,487
Associate	8.1.1	285,000	-	-	285,000	285,000	-	-	285,000
Total investments		1,201,676,342	(1,086,325)	(1,873,372)	1,198,716,645	1,541,826,230	(1,086,614)	8,771,792	1,549,511,408

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8.1.1 The Bank has four subsidiary companies i.e. Punjab Modaraba Services (Private) Limited (PMSL), First Punjab Modaraba (FPM), BOP Capital Securities (Private) Limited (BOP CS) and BOP Exchange (Private) Limited (BOP Exchange). During the period, the Bank injected further capital of Rs. 500,000 thousand in BOP exchange. PMSL, the wholly owned subsidiary company of the Bank, exercises control over First Punjab Modaraba (FPM), as its management company and also has a direct economic interest in it. Further, the Bank also holds an investment in an associated company i.e. Punjab Life Insurance Company Limited (PLIC) (9.5% holding). The country of incorporation of all subsidiaries and associated company is Pakistan. Key financial results of all subsidiaries & associated company are as follows:

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	Rupees in '000'	
Investment in subsidiaries & associate		
Punjab Modaraba Services (Private) Limited - subsidiary	**164,945**	164,945
BOP Capital Securities (Private) Limited - subsidiary	**210,487**	210,487
BOP Exchange (Private) Limited - subsidiary	**2,000,000**	1,500,000
Punjab Life Insurance Company Limited - associate	**285,000**	285,000
	2,660,432	2,160,432
Less : Credit loss allowance held against Punjab Modaraba Services (Private) Limited	**(164,945)**	(164,945)
Closing balance	**2,495,487**	1,995,487

	PLIC		**BOP Exchange**		**PMSL**		**FPM**		**BOP CS**	
	June 30, 2026	December 31, 2025	**June 30, 2026**	December 31, 2025	**June 30, 2026**	December 31, 2025	**June 30, 2026**	December 31, 2025	**June 30, 2026**	December 31, 2025
	Un-audited	Audited	**Un-audited**	Audited	**Un-audited**	Audited	**Un-audited**	Audited	**Un-audited**	Audited
	Rupees in '000'									
Total assets	**3,139,557**	3,006,953	**1,666,160**	1,307,409	**129,030**	134,134	**1,715,947**	1,739,892	**438,052**	444,020
Total liabilities	**139,782**	4,588	**145,599**	138,013	**110,956**	106,644	**2,195,760**	2,204,495	**153,275**	179,935
Percentage of holding	**9.50%**	9.50%	**100%**	100%	**100%**	100%	**39.16%**	39.16%	**100%**	100%

	PLIC		**BOP Exchange**		**PMSL**		**FPM**		**BOP CS**	
	June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025	**June 30, 2026**	June 30, 2025	**June 30, 2026**	June 30, 2025	**June 30, 2026**	June 30, 2025
	Un-audited	Un-audited	**Un-audited**	Un-audited	**Un-audited**	Un-audited	**Un-audited**	Un-audited	**Un-audited**	Un-audited
	Rupees in '000'									
Revenue	**92,859**	-	**49,232**	29,654	**-**	-	**96,686**	118,370	**54,470**	31,224
Profit / (loss) after tax	**(6,812)**	-	**(148,835)**	(91,050)	**4,704**	(1,195)	**(15,210)**	(103,977)	**11,620**	9,069
Total comprehensive income / (loss)	**(2,082)**	-	**(148,835)**	(91,050)	**(9,416)**	18,253	**(15,210)**	(103,977)	**20,692**	10,508

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	Rupees in '000'	
8.2 Investments given as collateral		
Market treasury bills	**-**	250,420,755
Pakistan investment bonds	**2,469,726**	311,423,718
	2,469,726	561,844,473

8.3 Credit loss allowance for diminution in value of investments

8.3.1 Movement in credit loss allowance for diminution in value of investments

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	Rupees in '000'	
Opening balance	**1,086,614**	403,445
Charge / (reversals):		
Charge for the period / year	**-**	714,182
Reversals for the period / year	**(289)**	(31,013)
	(289)	683,169
Closing balance	**1,086,325**	1,086,614

8.3.2 Particulars of credit loss allowance against debt securities

Category of classification		(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'			
Performing	Stage 1	**1,730,829**	**836**	1,707,169	1,125
Under performing	Stage 2	**-**	**-**	-	-
Non-performing:					
Substandard	Stage 3	**-**	**-**	-	-
Doubtful	Stage 3	**-**	**-**	-	-
Loss	Stage 3	**920,544**	**920,544**	920,544	920,544
		920,544	**920,544**	920,544	920,544
		2,651,373	**921,380**	2,627,713	921,669

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9 ADVANCES

	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'					
Loans, cash credits, running finances, etc.	**763,118,704**	726,966,842	**45,365,165**	41,912,306	**808,483,869**	768,879,148
Islamic financing and related assets	**161,558,410**	132,168,449	**2,283,796**	2,247,218	**163,842,206**	134,415,667
Bills discounted and purchased	**23,576,609**	22,547,524	**157,229**	167,222	**23,733,838**	22,714,746
Advances - gross	**948,253,723**	881,682,815	**47,806,190**	44,326,746	**996,059,913**	926,009,561
Credit loss allowance against advances:						
-Stage 1	**(6,224,783)**	(4,918,727)	-	-	**(6,224,783)**	(4,918,727)
-Stage 2	**(1,133,745)**	(1,271,007)	**(122,267)**	(65,865)	**(1,256,012)**	(1,336,872)
-Stage 3	**(971,941)**	(972,324)	**(33,867,298)**	(35,095,952)	**(34,839,239)**	(36,068,276)
-General Provision	**(2,261,840)**	(2,261,840)	-	-	**(2,261,840)**	(2,261,840)
	(10,592,309)	(9,423,898)	**(33,989,565)**	(35,161,817)	**(44,581,874)**	(44,585,715)
Advances - net of credit loss allowance	**937,661,414**	872,258,917	**13,816,625**	9,164,929	**951,478,039**	881,423,846

9.1 Particulars of advances (gross)

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	Rupees in '000'	
In local currency	**978,463,273**	907,440,125
In foreign currencies	**17,596,640**	18,569,436
	996,059,913	926,009,561

9.2 Advances include Rs. 47,806,190 thousand (December 31, 2025: Rs. 44,326,746 thousand) which have been placed under non-performing / stage 2 and 3 status as detailed below:

Category of classification		Note	(Un-audited) June 30, 2026 Non performing loans	(Un-audited) June 30, 2026 Credit loss allowance	(Audited) December 31, 2025 Non performing loans	(Audited) December 31, 2025 Credit loss allowance
			Rupees in '000'			
Other assets especially mentioned	Stage-2	9.2.1	**1,185,218**	**122,267**	129,318	65,865
Other assets especially mentioned	Stage-3		**320,423**	**113,521**	2,335,969	523,012
Substandard	Stage-3		**6,838,883**	**1,774,732**	1,001,064	413,294
Doubtful	Stage-3		**5,656,911**	**2,017,026**	5,474,823	2,683,844
Loss	Stage-3		**33,804,755**	**29,962,019**	35,385,572	31,475,802
Grand total			**47,806,190**	**33,989,565**	44,326,746	35,161,817

9.2.1 This includes non-performing portfolio of agricultural, small enterprise and infrastructure project financing classified as "Other Assets Especially Mentioned" as per the requirements of respective Prudential Regulations issued by the State Bank of Pakistan.

9.3 **Particulars of credit loss allowance against advances**

	June 30, 2026 (Un-audited)					December 31, 2025 (Audited)				
	Stage 3	Stage 2	Stage 1	General Provision	Total	Stage 3	Stage 2	Stage 1	General Provision	Total
					Rupees in '000'					
Opening balance	36,068,276	1,336,872	4,918,727	2,261,840	44,585,715	44,616,459	1,871,302	3,557,873	-	50,045,634
Charge for the period / year	4,179,426	642,692	2,934,209	-	7,756,327	5,957,488	850,017	3,685,438	2,261,840	12,754,783
Reversals for the period / year	(4,679,508)	(723,552)	(1,628,153)	-	(7,031,213)	(4,792,119)	(1,384,447)	(2,324,584)	-	(8,501,150)
	(500,082)	(80,860)	1,306,056	-	725,114	1,165,369	(534,430)	1,360,854	2,261,840	4,253,633
Amounts written off	-	-	-	-	-	(220)	-	-	-	(220)
Amounts charged off during the period / year	(728,955)	-	-	-	(728,955)	(9,713,332)	-	-	-	(9,713,332)
Closing balance	34,839,239	1,256,012	6,224,783	2,261,840	44,581,874	36,068,276	1,336,872	4,918,727	2,261,840	44,585,715

9.3.1 The Bank has availed the benefit of Forced Sale Value (FSV) of collateral against non-performing advances as allowed vide BSD Circular No.1 dated October 21, 2011. This has resulted in decrease in credit loss allowance against non-performing advances by Rs. 451,055 thousand (December 31, 2025: Rs. 559,227 thousand). The FSV benefit availed is not available for cash or stock dividend. Further, the Bank has availed benefit of eligible collaterals for the calculation of ECL amounting to Rs. 3,013,430 thousand (December 31, 2025: Rs. 2,813,713 thousand).

9.4 **Advances - particulars of credit loss allowance**

		June 30, 2026 (Un-audited)				December 31, 2025 (Audited)			
		Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
					Rupees in '000'				
Opening balance	Note	7,180,567	1,336,872	36,068,276	44,585,715	3,557,873	1,871,302	44,616,459	50,045,634
New advances		2,168,685	109,683	1,523,016	3,801,384	2,210,627	297,506	2,044,303	4,552,436
Advances derecognized or repaid		(372,246)	(109,996)	(1,229,026)	(1,711,268)	(492,432)	(392,872)	(1,764,744)	(2,650,048)
Transfer to stage 1		232,313	(231,455)	(858)	-	445,856	(350,861)	(94,995)	-
Transfer to stage 2		(250,969)	2,288,886	(2,037,917)	-	(76,895)	624,132	(547,237)	-
Transfer to stage 3		(27,387)	(254,942)	282,329	-	(23,799)	(202,859)	226,658	-
		1,750,396	1,802,176	(1,462,456)	2,090,116	2,063,357	(24,954)	(136,015)	1,902,388
General provision	9.4.2	-	-	-	-	2,261,840	-	-	2,261,840
Amounts written off		-	-	-	-	-	-	(220)	(220)
Amounts charged off		-	-	(728,955)	(728,955)	-	-	(9,713,332)	(9,713,332)
Changes in risk parameters		(444,340)	(1,883,036)	962,374	(1,365,002)	(702,503)	(509,476)	1,301,384	89,405
Closing balance	9.4.1	8,486,623	1,256,012	34,839,239	44,581,874	7,180,567	1,336,872	36,068,276	44,585,715

9.4.1 This includes provision amounting to Rs. 402,012 thousand (December 31, 2025: Rs. 664,883 thousand) against Excess Over Limit exposure under digital lending portfolio on account of a system glitch, in an application managed by a vendor of the Bank.

9.4.2 This represents general provision maintained against advances extended under Public Sector initiatives for the Agriculture and SME sectors on prudence basis. The performance of these advances is assessed on quarterly basis to determine adequacy of the general provision maintained.

9.5 **Advances - category of classification**

		June 30, 2026 (Un-audited)		December 31, 2025 (Audited)	
		Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
			Rupees in '000'		
Performing	Stage 1	909,107,432	8,486,623	842,128,468	7,180,567
Underperforming	Stage 2	37,895,595	1,133,745	38,237,355	1,271,007
		947,003,027	9,620,368	880,365,823	8,451,574
Non-Performing:					
Other assets especially mentioned	Stage 2	1,185,218	122,267	129,319	65,865
Other assets especially mentioned	Stage 3	320,423	113,521	2,335,969	523,012
Substandard	Stage 3	6,838,883	1,774,732	1,001,064	413,294
Doubtful	Stage 3	5,656,911	2,017,026	5,474,823	2,683,844
Loss	Stage 3	33,804,755	29,962,019	35,385,572	31,475,802
		46,620,972	33,867,298	44,197,428	35,095,952
Underperforming	Stage 3	1,250,696	971,941	1,316,991	972,324
Total		996,059,913	44,581,874	926,009,561	44,585,715

		Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
10	**PROPERTY AND EQUIPMENT**		Rupees in '000'	
	Capital work-in-progress	10.1	**651,226**	843,391
	Property and equipment	10.2 & 10.4	**29,873,467**	28,918,354
			30,524,693	29,761,745
10.1	**Capital work-in-progress**			
	Civil works		**650,069**	579,324
	Advances to suppliers		**1,157**	264,067
			651,226	843,391

		(Un-audited) June 30, 2026	(Un-audited) June 30, 2025
10.2	**Additions to property and equipment**	Rupees in '000'	
	The following additions / transfers have been made to property and equipment during the period:		
	Capital work-in-progress - net	**(192,165)**	(243,008)
	Property and equipment:		
	Building on freehold land	**40,605**	-
	Furniture and fixtures	**113,375**	90,715
	Electrical and office equipments	**1,455,612**	461,205
	Computer equipments	**855,654**	723,251
	Lease hold improvements	**374,564**	665,017
	Vehicles	**15,948**	335,256
		2,855,758	2,275,444
		2,663,593	2,032,436

		Note		
10.3	**Disposal of property and equipment:**			
	The net book value of property and equipment disposed off during the period is as follows:			
	Furniture and fixtures		**6,173**	2,020
	Electrical and office equipments		**5,581**	2,717
	Computer equipments		-	165
	Lease hold improvements		**9,691**	243
	Vehicles	10.3.1	-	-
			21,445	5,145

10.3.1 Gross carrying amount / cost of vehicles disposed off during the period was Rs. 25,193 thousand (June 30, 2025: Rs. 81,141 thousand).

10.4 This includes a commercial property with a carrying value of Rs. 2,788,494 thousand, under a sub-lease arrangement after completion of due legal process. Following cancellation of the Master Lease Deed and dismissal of related petitions by the Honorable Islamabad High Court, the management, based on legal counsel's opinion and assessment of the merits of the case, believes that the Bank continues to retain its proprietary and possessory rights and has reasonable legal remedies available to protect its interests. Accordingly, the management has concluded after due assessment that there is no requirement of recognition of impairment loss against the carrying amount of the property. The matter remains subject to the outcome of the legal proceedings, and management will continue to pursue the matter to safeguard the Bank's interests.

		(Un-audited) June 30, 2026	(Audited) December 31, 2025
11	**RIGHT-OF-USE ASSETS**	Rupees in '000'	
	As at January 01,		
	Cost	**22,394,457**	19,966,779
	Accumulated depreciation	**(9,248,287)**	(7,101,015)
	Net carrying amount as at January 01,	**13,146,170**	12,865,764
	Additions / modifications during the period / year	**927,255**	2,726,457
	Terminations - at cost during the period / year	**(328,143)**	(298,779)
	Depreciation on terminations during the period / year	**108,454**	126,944
	Terminations - at book value	**(219,689)**	(171,835)
	Depreciation charge for the period / year	**(1,248,806)**	(2,274,216)
	Net carrying amount	**12,604,930**	13,146,170

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		(Un-audited) June 30, 2026	(Audited) December 31, 2025
12	**INTANGIBLE ASSETS**	Rupees in '000'	
	Intangible in progress	**437,905**	333,273
	Software and long term licenses	**2,667,533**	2,369,112
		3,105,438	2,702,385

		(Un-audited) June 30, 2026	(Un-audited) June 30, 2025
12.1	**Additions to intangible assets**	Rupees in '000'	
	The following additions / transfers have been made to intangible assets during the period:		
	Intangible in progress - net	**104,632**	(76,243)
	Intangible assets purchased	**550,496**	301,266
		655,128	225,023

		(Un-audited) June 30, 2026	(Audited) December 31, 2025
13	**DEFERRED TAX ASSETS - NET**	Rupees in '000'	
	Deductible temporary differences on:		
	Right of use assets net of lease liabilities	**2,903,852**	2,662,876
	Workers' Welfare Fund	**1,674,217**	1,437,953
	Deficit on revaluation of investments classified as FVOCI	**957,256**	-
	Credit loss allowance against off balance sheet obligations	**261,583**	361,394
	Credit loss allowance against lendings to financial institutions	**2,026**	10,739
	Credit loss allowance against balance with other banks	**3,968**	5,212
	Credit loss allowance against balance with treasury banks	**49,026**	95,834
	Credit loss allowance against investments	**365,342**	365,492
	Credit loss allowance against other assets	**739,027**	914,394
	Credit loss allowance against advances	**13,172,370**	10,865,712
		20,128,667	16,719,606
	Taxable temporary differences on:		
	Surplus on revaluation of property and equipment	**(3,032,618)**	(3,110,378)
	Surplus on revaluation of investments classified as FVOCI	**-**	(4,561,588)
	Transition to EIR methodology under IFRS-09	**(703,252)**	-
	Accelerated tax depreciation	**(1,439,196)**	(1,405,102)
	Surplus on revaluation of non banking assets acquired in satisfaction of claims	**(34,468)**	(35,354)
		(5,209,534)	(9,112,422)
		14,919,133	7,607,184

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			(Un-audited)	(Audited)
			June 30,	December 31,
			2026	2025
14	**OTHER ASSETS**	Note	Rupees in '000'	
	Income / mark-up accrued in local currency		**65,731,666**	65,259,453
	Income / mark-up accrued in foreign currency		**259,002**	243,389
	Advances, deposits, advance rent and other prepayments		**6,818,437**	2,818,480
	Non-banking assets acquired in satisfaction of claims		**3,751,395**	3,674,098
	Acceptances	21	**24,378,101**	18,550,252
	Deferred fair value loss on remeasurement of staff loans - notional		**17,436,741**	16,573,483
	Deferred fair value loss on derecognition of financial asset measured at amortised cost		**6,642,247**	7,285,045
	Branch adjustment account		**334,427**	249,582
	Stock of stationery and cards		**492,531**	457,899
	Suspense account		**40,409**	13,632
	Mark to market gain on forward foreign exchange contracts - net	21	-	216,221
	Zakat recoverable from National Investment Trust Limited (NITL)		**36,790**	36,790
	Receivable against fraud and forgeries		**657,535**	653,626
	Auto Teller Machine and Point of Sale receivable - net		**154,525**	48,098
	Inter bank fund transfer and RAAST receivable - net		**14,335,573**	5,693,033
	Receivable against settlement arrangements		**219,175**	219,175
	Receivable against litigation expenses		**334,690**	334,690
	Receivable against sale of shares - net		-	3,863
	Receivable against Pakistan Remittance Initiative (PRI) rebate		**2,863,512**	2,094,444
	Receivable on account of GoPb schemes		**1,929,584**	1,768,753
	Others		**2,980,833**	2,784,452
			149,397,173	128,978,458
	Less: Credit loss allowance held against other assets	14.1	**(2,354,029)**	(2,697,901)
	Other assets (net of credit loss allowance)		**147,043,144**	126,280,557
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	23	**641,775**	643,475
	Other assets - total		**147,684,919**	126,924,032

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		Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
			Rupees in '000'	
14.1	**Credit loss allowance held against other assets**			
	Advances, deposits, advance rent & other prepayments		**222,330**	222,330
	Acceptances		**50,358**	85,180
	Income / mark-up accrued		**518,624**	449,215
	Non banking assets acquired in satisfaction of claims		**30,876**	30,876
	Zakat recoverable from NITL		**36,790**	36,790
	Fraud and forgeries	14.1.2	**499,713**	496,889
	Receivable against settlement arrangements		**219,175**	219,175
	Receivable against litigation expenses		**334,690**	334,690
	Others	14.1.3	**441,473**	822,756
		14.1.1	**2,354,029**	2,697,901
14.1.1	Movement in credit loss allowance held against other assets			
	Opening balance		**2,697,901**	1,332,437
	Charge for the period / year		**243,528**	1,610,372
	Reversals during the period / year		**(580,772)**	(244,820)
			(337,244)	1,365,552
	Amount written off		**(6,628)**	(88)
	Closing balance		**2,354,029**	2,697,901

14.1.2 This includes provision amounted to Rs. 4,548 thousand (December 31, 2025: Rs. 3,006 thousand) maintained against certain closed cases as per approval of the management.

14.1.3 This includes amount recoverable from a service provider under settlement against certain disputed transaction. The Bank's claim is under consideration at service provider end, however, provision has been created on prudence basis and without prejudice to the Bank's claim against service provider.

		Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
			Rupees in '000'	
15	**CONTINGENT ASSETS**			
	Contingent assets		**Nil**	Nil
16	**BILLS PAYABLE**			
	In Pakistan		**11,717,895**	9,139,194
	Outside Pakistan		-	-
			11,717,895	9,139,194
17	**BORROWINGS**			
	Secured			
	Borrowings from SBP under:			
	Export Refinance Scheme (ERF)		**12,823,166**	17,633,451
	Long Term Financing Facility (LTFF)		**5,250,854**	6,545,639
	Financing Facility for Storage of Agriculture Produce (FFSAP)		**367,240**	400,112
	Finance facility for Special Persons		**18,375**	-
	Financing Scheme for Renewable Energy Performance Platform (REPP)		**4,540,364**	4,983,962
	Refinancing facility for combating COVID-19		**95,746**	200,869
	Temporary Economic Refinance Scheme (TERF)		**9,026,257**	9,765,661
	Refinance and Credit Guarantee Scheme for Women Entrepreneurs		**27,033**	35,783
	Finance facility for SAAF Rozgar Reimbursement Credit		**11,778,684**	11,654,968
	Finance facility for Shamsi Tawanai Consumer		**32,710**	38,905
	Islamic Temporary Economic Refinance Facility (ITERF)		**730,634**	789,014
	Refinancing facility for Modernization of SMEs		**108,282**	132,875
	Refinance facility for Working Capital of SMEs		**30,000**	30,000
			44,829,345	52,211,239
	Repurchase agreement borrowings		**2,176,240**	558,128,341
	Borrowing from Pakistan Mortgage Refinance Company Limited (PMRC)	17.1	**2,413,123**	2,454,656
	Total secured		**49,418,708**	612,794,236
	Unsecured			
	Call borrowings		**100,000**	5,200,000
	Overdrawn nostro accounts		**4,811,976**	3,172,157
	Borrowing from Agence Francaise De Development (AFD)		**6,026,923**	3,641,599
	Total unsecured		**10,938,899**	12,013,756
			60,357,607	624,807,992

17.1 These borrowings are secured against Pakistan Investment Bonds with carrying value of Rs. 504,113 thousand (December 31, 2025: Rs. 2,632,095 thousand).

18 DEPOSITS AND OTHER ACCOUNTS

	June 30, 2026 (Un-audited)			December 31, 2025 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000'					
Customers:						
Current deposits	536,044,370	13,268,926	549,313,296	457,167,831	12,864,423	470,032,254
Savings deposits	873,082,936	6,518,002	879,600,938	707,245,769	4,948,228	712,193,997
Term deposits	632,844,042	20,430,329	653,274,371	780,906,332	22,400,840	803,307,172
Margin deposits	21,170,025	-	21,170,025	10,858,217	-	10,858,217
	2,063,141,373	40,217,257	2,103,358,630	1,956,178,149	40,213,491	1,996,391,640
Financial institutions:						
Current deposits	2,650,765	395,853	3,046,618	3,474,761	2,254,680	5,729,441
Savings deposits	46,718,514	2,769	46,721,283	21,579,125	2,838	21,581,963
Term deposits	973,000	-	973,000	27,822,366	-	27,822,366
Margin deposits	5,892	-	5,892	10,894	-	10,894
	50,348,171	398,622	50,746,793	52,887,146	2,257,518	55,144,664
	2,113,489,544	40,615,879	2,154,105,423	2,009,065,295	42,471,009	2,051,536,304

18.1 Current deposits include call deposits amounting to Rs. 71,267,134 thousand (December 31, 2025: Rs. 47,794,091 thousand).

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
19 LEASE LIABILITIES	Rupees in '000'	
Outstanding at the start of the period / year	18,267,085	17,101,125
Additions during the period / year	927,255	2,726,457
Mark-up accrued during the period / year	1,211,286	2,398,792
Terminations during the period / year	(456,811)	(411,022)
Payment of lease liabilities against right of use assets during the period / year	(1,759,553)	(3,548,267)
Outstanding at the end of the period / year	18,189,262	18,267,085
19.1 Liabilities outstanding		
Not later than one year	67,274	106,595
Later than one year and up to five years	3,255,835	2,361,932
Over five years	14,866,153	15,798,558
Total at the end of the period / year	18,189,262	18,267,085

19.1.1 For the purpose of discounting PKRV rates are being used.

20 SUBORDINATED DEBTS

Subordinated perpetual term finance certificates - ADT I	8,017,500	8,017,500
Subordinated perpetual term finance certificates - ADT I 2nd issue	3,950,000	3,950,000
Privately placed term finance certificates - II	4,286,240	4,287,100
Privately placed term finance certificates - III	6,991,600	6,993,000
Privately placed term finance certificates - IV	7,563,444	7,564,958
	30,808,784	30,812,558

20.1. Major terms and conditions of subordinated debts are as follows:

Description	ADT - I	ADT - I 2nd issue	TFCs - II	TFCs - III	TFCs - IV
Face value	100,000 PKR	100,000 PKR	100,000 PKR	100,000 PKR	100,000 PKR
Listed/unlisted	Listed	Un-listed	Un-listed	Un-listed	Un-listed
Feature	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
Issue amount Rs. in '000'	8,017,500	3,950,000	4,300,000	7,000,000	7,569,500
Issue date	June 20, 2022	February 29, 2024	April 23, 2018	April 17, 2023	June 27, 2024
Maturity date	Perpetual	Perpetual	April 23, 2028	April 17, 2033	June 27, 2034
Rating	AA- (by PACRA)	AA- (by PACRA)	AA (by PACRA)	AA (by PACRA)	AA (by PACRA)
Tenor	Perpetual	Perpetual	10 Years.	10 Years.	10 Years.
Security	Unsecured and subordinated to all other indebtedness of the Bank including deposits except common shares.	Unsecured and subordinated to all other indebtedness of the Bank including deposits except common shares.	Unsecured and subordinated to all other indebtedness of the Bank including deposits.	Unsecured and subordinated to all other indebtedness of the Bank including deposits.	Unsecured and subordinated to all other indebtedness of the Bank including deposits.
Profit payment & frequency	Profit payable on half yearly basis in arrears on the outstanding principal amount, on a non-cumulative basis.	Profit payable on half yearly basis in arrears on the outstanding principal amount, on a non-cumulative basis.	Profit payable on half yearly basis in arrears on the outstanding principal amount.	Profit payable on half yearly basis in arrears on the outstanding principal amount.	Profit payable on half yearly basis in arrears on the outstanding principal amount.
Profit rate	Floating rate of return at base rate plus 200 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).	Floating rate of return at base rate plus 200 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).	Floating rate of return at base rate plus 125 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).	Floating rate of return at base rate plus 125 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).	Floating rate of return at base rate plus 125 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).
Repayment	Not applicable.	Not applicable.	The TFC has been structured to redeem 0.02% of the issue amount semi-annually in the first 09 years after the issue and the remaining issue amount in two equal semi-annual installments of 49.82% each, in the 10th year.	The TFC has been structured to redeem 0.02% of the issue amount semi-annually in the first 09 years after the issue and the remaining issue amount in two equal semi-annual installments of 49.82% each, in the 10th year.	The TFC has been structured to redeem 0.02% of the issue amount semi-annually in the first 09 years after the issue and the remaining issue amount in two equal semi-annual installments of 49.82% each, in the 10th year.
Call / Put option	Callable after a period of 05 years. However no put option is available to the investors.				
Lock in clause	Neither profit nor principal may be paid (even at maturity) if such payments would result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or increase any existing shortfall in MCR or CAR.				
Loss absorbency clause:	May be converted into ordinary shares or written off immediately (either partially or in full) at the discretion of the SBP, upon the occurrence of a point of non-viability ("PONV") event as defined in the Basel III guidelines, at the market value of the shares on the date of trigger of PONV on sole discretion of the SBP.				

21 OTHER LIABILITIES	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		Rupees in '000'	
Mark-up / return / interest payable in local currency		**23,496,869**	41,078,180
Mark-up / return / interest payable in foreign currencies		**494,497**	468,035
Mark-up payable on subordinated debts		**496,721**	505,215
Provision for taxation - net		**1,333,922**	3,408,359
Sundry creditors and accrued expenses		**4,073,587**	2,757,035
Lease key money		**39,837,821**	31,204,602
Acceptances	14	**24,378,101**	18,550,252
Payable to gratuity fund		**346,048**	704,791
Gratuity payable to key management personnel		**44,318**	44,318
Provision for employees compensated absences		**227,696**	207,343
Mark to market loss on forward foreign exchange contracts - net	14	**123,077**	-
Unrealized loss on revaluation of foreign bills and trade loans		**110,862**	119,909
Credit loss allowance against off-balance sheet obligations	21.2	**547,026**	738,971
Levies and taxes payable		**1,885,239**	1,244,917
Dividend payable		**25**	14
Unclaimed dividends		**2,586**	2,586
Payable to charity fund		**85**	4,166
Charges payable against financing of consumer assets		**2,664,255**	1,802,648
Payable against purchase of shares		**594,815**	-
Workers' Welfare Fund	21.1	**3,504,604**	3,050,250
Deferred and unearned income		**3,334,829**	2,095,729
Clearing and settlement accounts		**7,624,082**	500,972
Credit loss guarantee received against advances		**3,646,453**	1,890,761
Payable on account of GoPb schemes		**2,798,700**	352,013
Others		**2,433,033**	2,250,144
		123,999,251	112,981,210

21.1 Supreme Court of Pakistan vide its order dated November 10, 2016 has held that the amendments made in the law introduced by the Federal Government for the levy of Workers Welfare Fund (WWF) were not lawful. The Federal Board of Revenue has filed review petitions against this order which are currently pending. Legal advice obtained on the matter indicates that consequent to filing of these review petitions the judgment may not currently be treated as conclusive. Accordingly, the Bank maintained provision in respect of WWF.

21.2 Credit loss allowance against off-balance sheet obligations	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		Rupees in '000'	
Opening balance		**738,971**	1,805,577
Charge for the period / year		**159,593**	394,861
Reversals during the period / year		**(351,538)**	(1,461,467)
	33	**(191,945)**	(1,066,606)
Closing balance		**547,026**	738,971

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22 SHARE CAPITAL - NET

22.1 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'	
5,000,000,000	5,000,000,000	Ordinary / Preference shares of Rs. 10 each	**50,000,000**	50,000,000

The authorized capital of the Bank is fifty thousand million rupees divided into five thousand million ordinary or preference shares of ten rupees each. The Board of Directors approved increase in authorized share capital of the Bank to 10,000,000 thousand shares amounting to Rs. 100,000,000 thousand. The Bank has initiated the process for necessary amendments in The Bank of Punjab Act, 1989 through the Provincial Assembly of Punjab.

22.2 Issued, subscribed and paid up capital

(Un-audited) June 30, 2026	(Audited) December 31, 2025		Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
Number of shares			Note	Rupees in '000'	
1,607,912,555	1,607,912,555	Ordinary shares of Rs. 10 each paid in cash		**16,079,125**	16,079,125
526,315,789	526,315,789	Ordinary shares of Rs. 10 each issued at discount		**5,263,158**	5,263,158
1,137,340,975	1,137,340,975	Issued as bonus shares		**11,373,410**	11,373,410
3,271,569,319	3,271,569,319			**32,715,693**	32,715,693
-	-	Less: Discount on issue of shares		**(263,158)**	(263,158)
3,271,569,319	3,271,569,319			**32,452,535**	32,452,535

GoPb held 57.47% shares in the Bank as at June 30, 2026 (December 31, 2025: 57.47%).

23 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX

	Note	June 30, 2026	December 31, 2025
Surplus / (deficit) on revaluation of:			
Securities measured at FVOCI - debt instruments	8.1	**(1,923,043)**	7,862,074
Securities measured at FVOCI - equity investments	8.1	**82,166**	910,210
Property and equipment		**8,834,774**	8,984,314
Non-banking assets acquired in satisfaction of claims	14	**641,775**	643,475
		7,635,672	18,400,073
Deferred tax on surplus / (deficit) on revaluation of:			
Securities measured at FVOCI - debt instruments		**999,982**	(4,088,278)
Securities measured at FVOCI - equity investments		**(42,726)**	(473,309)
Property and equipment		**(3,032,618)**	(3,110,378)
Non-banking assets acquired in satisfaction of claims		**(34,468)**	(35,354)
		(2,109,830)	(7,707,319)
		5,525,842	10,692,754

24 CONTINGENCIES AND COMMITMENTS

	Note	June 30, 2026	December 31, 2025
Guarantees	24.1	**184,738,118**	159,015,216
Commitments	24.2	**537,001,415**	629,902,611
Other contingent liabilities	24.3	**291,951**	291,951
		722,031,484	789,209,778

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		Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
			Rupees in '000'	
24.1	**Guarantees:**			
	Financial guarantees		**45,900,816**	48,606,898
	Performance guarantees		**43,128,446**	34,815,732
	Other guarantees:			
	Back to back guarantees		**52,545,841**	47,766,322
	Mobilization and bid bond guarantees		**16,973,023**	15,732,308
	Other guarantees		**26,189,992**	12,093,956
			95,708,856	75,592,586
			184,738,118	159,015,216
24.2	**Commitments:**			
	Documentary credits and short-term trade-related transactions			
	- letters of credit		**181,913,683**	166,340,789
	Commitments in respect of:			
	- forward foreign exchange contracts	24.2.1	**290,960,601**	265,923,625
	- forward Government securities transactions	24.2.2	**7,500,000**	146,400,000
	- forward lending	24.2.3	**56,425,869**	50,851,386
	Commitments for acquisition of:			
	- property and equipment		**16,290**	310,087
	- intangible assets		**184,972**	76,724
			537,001,415	629,902,611
24.2.1	Commitments in respect of forward foreign exchange contracts			
	Purchase		**149,249,394**	138,875,962
	Sale		**141,711,207**	127,047,663
			290,960,601	265,923,625
24.2.2	Commitments in respect of forward Government securities transactions			
	Purchase		**7,500,000**	79,800,000
	Sale		**-**	66,600,000
			7,500,000	146,400,000
24.2.3	Commitments in respect of forward lending			
	Undrawn formal standby facilities, credit lines and other commitments to lend	24.2.3.1	**56,425,869**	50,851,386

24.2.3.1 These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense. In addition, the Bank makes revocable commitments that do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

		Note		
24.3	**Other contingent liabilities**	24.3.1	**291,951**	291,951

24.3.1 For tax years 2014 - 2025, the tax department disputed Bank's treatment on certain issues, where the Bank's appeals are pending at various appellate forums. Such issues inter alia principally include disallowance of expenses for initial depreciation allowances, non deduction of withholding tax on profit, non availability of underlying records and provision for non performing loans.

The Bank has filed appeals which are pending at various appellate forums. In addition, certain decisions made in favour of the Bank are being contested by the department at higher forums. No provision has been made in these unconsolidated condensed interim financial statements regarding the aforesaid additional tax demand and already issued favourable decisions where the tax department is in appeal, as the management is of the view that the issues will be decided in the Bank's favour as and when these are taken up by the Appellate authorities.

24.4 Claims against the Bank not acknowledged as debts

An amount of Rs. 51,236,919 thousand (December 31, 2025: Rs. 55,348,429 thousand) involved in the claims filed against the Bank are yet to be adjudicated by the concerned Courts as the same have been filed as outburst to Bank's recovery suits. Up till now, in no case, any claim has been adjudicated, determined or decreed by the Courts against the Bank. Moreover, there is no likelihood of decreeing the suits against the Bank because, the claims are frivolous.

		Note	(Un-audited) June 30, 2026	(Un-audited) June 30, 2025
			Rupees in '000'	
25	**MARK-UP / RETURN / INTEREST EARNED**			
	Loans and advances		**52,317,297**	47,978,469
	Investments		**75,860,759**	84,155,581
	Lendings to financial institutions		**710,541**	1,153,491
	Balances with banks		**123,769**	160,917
	IFRS-09 adjustments - notional:			
	Staff loans		**597,699**	971,649
	Other loans		**790,758**	666,331
			130,400,823	135,086,438
25.1	Interest income recognised on:			
	Financial assets measured at amortised cost		**62,413,868**	58,972,135
	Financial assets measured at FVOCI		**66,638,903**	71,155,391
	Financial assets measured at FVTPL		**1,348,052**	4,958,912
			130,400,823	135,086,438
26	**MARK-UP / RETURN / INTEREST EXPENSED**			
	Deposits and other accounts		**63,577,527**	72,531,088
	Borrowings		**17,129,713**	22,955,370
	Subordinated debts		**1,906,277**	2,207,006
	Mark-up on lease liability against right of use assets		**1,211,286**	1,151,290
	IFRS-09 adjustment on borrowings - notional		**530,330**	429,810
			84,355,133	99,274,564
27	**FEE AND COMMISSION INCOME**			
	Branch banking customer fees		**225,317**	229,542
	Consumer finance related fees		**379,191**	285,742
	Card related fees		**3,855,861**	1,917,455
	Credit related fees		**885,966**	553,318
	Investment banking fees		**474,006**	333,223
	Branchless banking fees		**910,553**	427,157
	Commission on trade		**717,262**	1,138,123
	Commission on guarantees		**674,576**	259,114
	Commission on cash management		**668,364**	110,384
	Commission on remittances including home remittances		**(426,738)**	188,301
	Commission on bancassurance		**225,479**	169,479
	SMS banking income		**908,187**	702,055
			9,498,024	6,313,893
28	**(LOSS) / GAIN ON SECURITIES - NET**			
	Realized (loss) / gain on sale of securities - net	28.1	**(1,106,107)**	2,531,686
	Unrealized (loss) / gain - measured at FVTPL	8.1	**(32,495)**	136,914
			(1,138,602)	2,668,600
28.1	**Realized (loss) / gain on sale of securities - net:**			
	Federal government securities		**(1,139,600)**	2,567,998
	Non government debt securities		**17,951**	17,952
	Shares		**15,542**	(54,264)
			(1,106,107)	2,531,686
28.2	**Realized (loss) / gain on sale of securities - net:**			
	Net (loss) / gain on financial assets measured at FVTPL:			
	- Designated upon initial recognition		**(4,426)**	50,819
	- Mandatorily measured at FVTPL		**17,951**	17,952
	Net (loss) / gain on financial assets measured at FVOCI		**(1,119,632)**	2,462,915
			(1,106,107)	2,531,686
29	**NET LOSS ON DERECOGNITION OF FINANCIAL ASSETS MEASURED AT AMORTISED COST**			
	Loss on derecognition on financial assets measured at amortised cost	29.1	**(782,172)**	(569,049)

29.1 This includes amortization of deferred loss / modification impact(s) on PIA Corporation Limited and other parties.

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		Note	(Un-audited) June 30, 2026	(Un-audited) June 30, 2025
			Rupees in '000'	
30	**OTHER INCOME**			
	Rent on property		**7,944**	6,367
	Gain on sale of property and equipment - net		**34,716**	111,681
	Gain on termination of lease liability against right of use assets		**237,122**	17,180
	Notice pay on resignations		**41,252**	36,901
			321,034	172,129
31	**OPERATING EXPENSES**			
	Total compensation expense	31.1	**17,891,663**	15,108,507
	Property expense:			
	Rent and taxes		**7,666**	23,379
	Insurance		**6,372**	10,127
	Utilities cost		**864,868**	845,871
	Security		**2,564**	1,145
	Repair and maintenance including janitorial charges		**120,289**	115,182
	Depreciation		**664,286**	571,990
	Depreciation on right of use assets		**1,248,806**	1,038,428
			2,914,851	2,606,122
	Information technology expenses:			
	Software maintenance		**1,305,941**	1,005,831
	Hardware maintenance		**44,273**	42,296
	Depreciation on computer equipment		**623,074**	555,126
	Amortization on intangible assets		**252,075**	218,259
	Network charges		**361,235**	263,783
			2,586,598	2,085,295
	Other operating expenses:			
	Directors' fees and allowances		**30,754**	29,648
	Fees and allowances to shariah board		**7,490**	7,049
	Legal and professional charges		**579,841**	366,118
	Subscription charges		**55,959**	59,496
	Outsourced staff services costs		**899,382**	641,966
	Travelling and conveyance		**170,312**	238,703
	NIFT clearing charges		**63,982**	81,724
	Depreciation		**591,839**	473,437
	Depreciation on non banking assets acquired in satisfaction of claims		**16,979**	16,331
	Depreciation on ijarah assets under IFAS - 2		**896,882**	265,944
	Training and development		**49,030**	46,651
	Postage and courier charges		**198,890**	206,364
	Stationery and printing		**360,706**	431,211
	Marketing, advertisement and publicity		**420,367**	360,128
	Auditors remuneration		**7,248**	11,713
	Insurance		**79,062**	183,092
	Deposit protection fee		**541,184**	464,590
	Repair and maintenance		**444,667**	558,814
	Entertainment expenses		**167,888**	159,291
	Vehicle running expenses		**66,958**	54,963
	Fuel for generator		**228,516**	159,653
	Commission and brokerage		**491,603**	969,424
	SMS banking charges		**355,862**	420,919
	Bank charges		**57,676**	57,829
	Card related expenses		**3,162,711**	2,009,508
	Cash remittance charges		**503,816**	523,339
	Branch license fee		**25,035**	23,185
	CNIC verification / ECIB charges		**829,009**	275,076
	Organizational development		**22,867**	59,553
	Promotional expenses for public sector programs		**145,099**	98,334
	Miscellaneous expenses		**143,370**	182,954
			11,614,984	9,437,007
			35,008,096	29,236,931

31.1 This includes IFRS-09 adjustment on staff loans - notional amounting to Rs. 597,699 thousand (June 30, 2025: Rs. 971,649 thousand).

		(Un-audited) June 30, 2026	(Un-audited) June 30, 2025
		Rupees in '000'	
32	**OTHER CHARGES**		
	Penalties imposed by SBP	-	1,186
	Operational loss	**1,112**	2,800
		1,112	3,986

			(Un-audited) June 30, 2026	(Un-audited) June 30, 2025
33	**CHARGE / (REVERSAL) OF CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET**	**Note**	**Rupees in '000'**	
	Reversal of credit loss allowance against lending to financial institutions	7	**(16,756)**	(33,738)
	(Reversal) / charge of credit loss allowance against investments	8.3.1	**(289)**	589,755
	Credit loss allowance against loans & advances	9.3	**725,114**	944,586
	Reversal of credit loss allowance against balances with treasury banks	5	**(90,017)**	(280,249)
	(Reversal) / charge of credit loss allowance against other assets	14.1.1	**(337,244)**	159,035
	Reversal of credit loss allowance against off balance sheet obligations	21.2	**(191,945)**	(1,017,731)
	Reversal of credit loss allowance against balance with other banks	6	**(2,390)**	(3,799)
	Recovery of charged off bad debts		**(7,639)**	-
			78,834	357,859
34	**TAXATION - NET**			
	Current	34.1	**12,049,462**	9,454,564
	Prior years		**1,298,769**	-
	Deferred		**(2,432,499)**	(1,101,474)
			10,915,732	8,353,090

34.1 This includes provision for super tax in accordance with Income Tax Ordinance, 2001.

35	**BASIC EARNINGS PER SHARE**		
	Profit after taxation for the period (Rs in '000')	**9,529,395**	6,804,829
	Weighted average number of ordinary shares (No.).	**3,271,569,319**	3,271,569,319
	Basic earnings per share - Rs.	**2.91**	2.08

36 DILUTED EARNINGS PER SHARE

There were no convertible dilutive potential ordinary shares outstanding as at reporting dates.

37 FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities, other than investments in subsidiaries, is determined on the basis of valuation methodologies.

The fair value of unquoted debt securities, fixed term loans, 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.

In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since these are either short-term in nature or, in the case of customer loans and deposits, are frequently reprised.

37.1 The Bank measures fair vale 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 measurement using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly. (i.e. derived from prices).

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

37.1.1 Valuation techniques used in determination of fair values within level 2 and level 3

Item	Valuation approach and input used
Federal Government securities	The fair value of Federal Government securities is determined using the prices / rates available on Mutual Funds Association of Pakistan (MUFAP).
Non-Government debt securities	The fair value of non-government debt securities is determined using the prices / rates available on MUFAP
Mutual Fund units	The fair values of investments in mutual fund units are determined based on their net asset values as published at the close of reporting date.
Forward foreign exchange contracts	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
Unlisted shares	The fair value of unquoted equity investments is determined using the Discounted Cash Flow (DCF) method / market multiple approach, based on the investee company's projected cash flows / available financial information. In cases where such projections are not available, the Bank estimates fair value as the lower of the investment's cost or its break-up value.
Fixed assets and non-banking assets acquired in satisfaction of claims	Land, buildings on freehold land and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets.

37.2 Fair value of financial assets

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

	June 30, 2026 (Un-audited)				
	Carrying value / Notional value	**Level 1**	**Level 2**	**Level 3**	**Total**
On balance sheet financial instruments			**Rupees in '000'**		
Financial assets measured at fair value:					
Federal government securities	**1,014,211,378**	-	**1,014,211,378**	-	**1,014,211,378**
Shares	**5,916,244**	**5,817,806**	**98,438**	-	**5,916,244**
Non-Government debt securities	**1,036,667**	-	**1,036,667**	-	**1,036,667**
Mutual fund & investment trust units	**2,074,761**	**1,951,315**	**123,446**	-	**2,074,761**
Foreign securities	**38,584**	-	-	**38,584**	**38,584**
Subsidiary companies	**2,210,487**	-	-	**2,210,487**	**2,210,487**
Associated company	**285,000**	-	-	**285,000**	**285,000**
Financial assets disclosed but not measured at fair value:					
Federal government securities	**172,300,723**	-	**170,728,478**	-	**170,728,478**
Non-Government debt securities	**642,801**	-	**642,801**	-	**642,801**
Off balance sheet financial instruments measured at fair value:					
Forward purchase of foreign exchange contracts	**148,226,220**	-	**148,226,220**	-	**148,226,220**
Forward sale of foreign exchange contracts	**140,811,110**	-	**140,811,110**	-	**140,811,110**
Forward purchase of Government Securities transaction	**7,500,000**		**7,500,000**		**7,500,000**

	December 31, 2025 (Audited)				
	Carrying value / Notional value	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments			Rupees in '000'		
Financial assets measured at fair value:					
Federal government securities	1,415,135,885	-	1,415,135,885	-	1,415,135,885
Shares	9,601,123	9,515,608	85,515	-	9,601,123
Non-Government debt securities	755,878	-	755,878	-	755,878
Mutual funds & investment trust units	2,162,473	2,045,638	116,835	-	2,162,473
Foreign securities	40,036	-	-	40,036	40,036
Subsidiary companies	1,710,487	-	-	1,710,487	1,710,487
Associated company	285,000	-	-	285,000	285,000
Financial assets disclosed but not measured at fair value:					
Federal government securities	118,887,560	-	122,858,845	-	122,858,845
Non-Government debt securities	932,966	-	932,966	-	932,966

	December 31, 2025 (Audited)				
	Carrying value / Notional value	Level 1	Level 2	Level 3	Total
	Rupees in '000'				
Off balance sheet financial instruments measured at fair value:					
Forward purchase of foreign exchange contracts	137,714,546	-	137,714,546	-	137,714,546
Forward sale of foreign exchange contracts	125,670,026	-	125,670,026	-	125,670,026
Forward purchase of Government Securities transaction	79,800,000	-	79,800,000	-	79,800,000
Forward sale of Government Securities transaction	66,600,000	-	66,600,000	-	66,600,000

37.3 Fair value of non financial assets

	June 30, 2026 (Un-audited)				
	Carrying value / Notional value	**Level 1**	**Level 2**	**Level 3**	**Total**
	Rupees in '000'				
Non financial assets measured at fair value:					
Property and equipment (land & building)	**16,503,316**	**-**	**16,503,316**	**-**	**16,503,316**
Non banking assets acquired in satisfaction of claims	**4,362,294**	**-**	**4,362,294**	**-**	**4,362,294**

	December 31, 2025 (Audited)				
	Carrying value / Notional value	Level 1	Level 2	Level 3	Total
	Rupees in '000'				
Non financial assets measured at fair value:					
Property and equipment (land & building)	16,722,737	-	16,722,737	-	16,722,737
Non banking assets acquired in satisfaction of claims	4,286,697	-	4,286,697	-	4,286,697

37.4 The following table summarises the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements of investment in unquoted equity securities.

Description	**Valuation technique**	**Unobservable input**	**Discount rate**	**Relationship of unobservable inputs to fair value**
Unquoted equity investments	DCF method	Discount rate	16.55%	Increase / decrease discount rate by 1% with all other variables held constant, would decrease / increase the fair value by Rs. 1.018 million and Rs 1.050 million respectively.

The following table shows reconciliation of investments Level 3 fair value movement:

	(Un-audited)	(Audited)
	June 30, 2026	December 31, 2025
	Rupees in '000'	
Opening balance	**125,551**	97,786
Remeasurement recognised in OCI	**11,472**	27,765
Closing balance	**137,023**	125,551

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38 SEGMENT INFORMATION

38.1 Segment details with respect to business activities

(Un-audited)

June 30, 2026

	Corporate and investment banking	Cards and public sector deposits	Consumer banking group	Treasury	Islamic	Others including Head Office	Total
				Rupees in '000'			
Unconsolidated statement of profit & loss account							
Mark-up / return / profit	20,061,474	7,463,898	16,812,027	70,336,344	14,518,516	1,208,564	130,400,823
Inter segment (cost) / revenue - net	(8,703,978)	41,397,411	19,939,812	(52,524,269)	(59,666)	(49,310)	-
Non mark-up / return / interest income	2,035,892	6,000,793	1,236,026	428,673	702,417	(461,967)	9,941,834
Total income	13,393,388	54,862,102	37,987,865	18,240,748	15,161,267	697,287	140,342,657
Segment total expenses	11,345,895	38,523,787	27,158,879	15,256,740	11,589,402	15,943,993	119,818,696
Profit before credit loss allowance and tax	2,047,493	16,338,315	10,828,986	2,984,008	3,571,865	(15,246,706)	20,523,961
(Reversal) / charge of credit loss allowance	(2,445,689)	(518,871)	2,420,671	(467,427)	1,082,905	7,245	78,834
Profit / (loss) before tax	4,493,182	16,857,186	8,408,315	3,451,435	2,488,960	(15,253,951)	20,445,127
Unconsolidated statement of financial position							
Cash and bank balances	-	212,370	43,314,157	57,197,776	18,335,450	-	119,059,753
Investments - net	1,204,176	-	-	1,093,166,806	104,345,663	-	1,198,716,645
Net inter segment lending	-	855,021,494	435,499,934	-	-	31,886,495	1,322,407,923
Lendings to financial institutions	-	-	-	18,623,365	7,496,128	-	26,119,493
Advances - performing	356,536,915	105,874,302	302,412,902	-	159,955,913	12,881,381	937,661,413
- non-performing - net	4,712,617	5,341,235	2,982,302	-	763,039	17,433	13,816,626
Others	38,889,904	9,374,184	26,165,242	19,362,765	22,723,129	92,323,889	208,839,113
Total assets	401,343,612	975,823,585	810,374,537	1,188,350,712	313,619,322	137,109,198	3,826,620,966
Borrowings	31,026,698	-	16,998,434	9,501,339	1,636,030	-	59,162,501
Subordinated debts	-	-	-	-	-	30,808,784	30,808,784
Deposits and other accounts	214,945,359	960,902,599	713,382,456	-	264,875,009	-	2,154,105,423
Net inter segment borrowing	132,670,579	-	-	1,179,781,159	9,956,185	-	1,322,407,923
Others	22,700,976	14,920,986	79,993,647	(931,786)	10,810,050	27,607,641	155,101,514
Total liabilities	401,343,612	975,823,585	810,374,537	1,188,350,712	287,277,274	58,416,425	3,721,586,145
Equity							105,034,821
Total equity and liabilities							3,826,620,966
Contingencies and commitments	333,876,485	-	32,730,629	292,146,269	62,797,224	480,877	722,031,484

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	(Un-audited) June 30, 2025						
	Corporate and investment banking	Cards and public sector deposits	Consumer banking group	Treasury	Islamic	Others including Head Office	Total
				Rupees in '000'			
Unconsolidated statement of profit & loss account							
Mark-up / return / profit	27,149,141	2,574,860	13,325,975	81,188,949	9,326,939	1,520,574	135,086,438
Inter segment revenue - net	(11,818,829)	48,732,002	21,787,149	(58,876,710)	(685)	177,073	-
Non mark-up / return / interest income	1,861,323	3,065,744	994,377	3,712,092	276,053	(431,420)	9,478,169
Total income	17,191,635	54,372,606	36,107,501	26,024,331	9,602,307	1,266,227	144,564,607
Segment total expenses	13,009,088	41,668,261	27,586,138	21,902,342	8,089,338	16,793,662	129,048,829
Profit before credit loss allowance and tax	4,182,547	12,704,345	8,521,363	4,121,989	1,512,969	(15,527,435)	15,515,778
(Reversal) / charge of credit loss allowance	(1,371,275)	975,605	609,561	(120,179)	336,782	(72,635)	357,859
Profit / (loss) before tax	5,553,822	11,728,740	7,911,802	4,242,168	1,176,187	(15,454,800)	15,157,919
				(Audited) December 31, 2025			
Unconsolidated statement of financial position							
Cash and bank balances	-	190,118	34,687,859	61,760,512	20,550,710	-	117,189,199
Investments - net	903,661	-	-	1,431,923,987	116,683,760	-	1,549,511,408
Net inter segment lending	-	753,710,611	556,523,199	-	3,030,374	33,564,829	1,346,829,013
Lendings to financial institutions	-	-	-	221,420,747	1,997,051	-	223,417,798
Advances - performing	422,531,230	106,517,334	197,515,122	-	130,680,448	15,014,783	872,258,917
- non-performing	2,798,404	1,629,792	2,952,000	-	1,777,315	7,418	9,164,929
Others	35,491,690	6,587,853	21,839,615	23,737,472	18,822,850	73,662,036	180,141,516
Total assets	461,724,985	868,635,708	813,517,795	1,738,842,718	293,542,508	122,249,066	4,298,512,780
Borrowings	48,872,487	-	2,626,436	566,500,498	6,808,571	-	624,807,992
Subordinated debts	-	-	-	-	-	30,812,558	30,812,558
Deposits and other accounts	218,020,501	855,075,604	727,292,451	-	251,147,748	-	2,051,536,304
Net inter segment borrowing	177,270,371	-	-	1,169,558,642	-	-	1,346,829,013
Others	17,561,626	13,560,104	83,598,908	2,783,578	11,156,976	11,726,297	140,387,489
Total liabilities	461,724,985	868,635,708	813,517,795	1,738,842,718	269,113,295	42,538,855	4,194,373,356
Equity							104,139,424
Total equity and liabilities							4,298,512,780
Contingencies and commitments	305,984,951	-	27,885,919	417,169,343	46,912,843	364,256	798,317,312

Due to change in reportable sub-business segments, the figures of comparative period are realigned for the purpose of comparison.

39 RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its subsidiaries, associate, employee benefit plans, directors and Key Management Personnel. The Banks 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.

	(Un-audited) June 30, 2026						(Audited) December 31, 2025					
	Directors	**Key management personnel**	**Subsidiary companies and managed modaraba**	**Associate**	**Employee funds**	**Other related parties**	Directors	Key management personnel	Subsidiary companies and managed modaraba	Associate	Employee funds	Other related parties
						Rupees in '000'						
Lendings to financial institutions:												
Opening balance	-	-	2,000,000	-	-	-	-	-	1,985,000	-	-	-
Addition during the period / year	-	-	2,000,000	-	-	-	-	-	4,000,000	-	-	-
Repaid during the period / year	-	-	2,000,000	-	-	-	-	-	3,985,000	-	-	-
Closing balance	-	-	2,000,000	-	-	-	-	-	2,000,000	-	-	-
Credit loss allowance against lendings to financial institutions	-	-	2,599	-	-	-	-	-	2,949	-	-	-
Investments (gross):												
Opening balance	-	-	1,875,432	285,000	-	-	-	-	1,375,432	-	-	-
Addition during the period / year	-	-	500,000	-	-	-	-	-	500,000	285,000	-	-
Repaid during the period / year	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	2,375,432	285,000	-	-	-	-	1,875,432	285,000	-	-
Credit loss allowance for diminution in value of investments	-	-	164,945	-	-	-	-	-	164,945	-	-	-
Advances (gross):												
Opening balance	-	543,321	-	-	-	27,684	-	527,614	-	-	-	-
Addition during the period / year	-	46,700	-	84,545	-	-	-	198,393	-	-	-	30,000
Repaid during the period / year	-	129,019	-	-	-	2,840	-	182,686	-	-	-	2,316
Closing balance	-	461,002	-	84,545	-	24,844	-	543,321	-	-	-	27,684
Credit loss allowance held against advances	-	5,574	-	500	-	72	-	7,694	-	-	-	89
Fair value loss held against advances	-	203,158	-	-	-	-	-	208,103	-	-	-	-
Other assets - advance deposits and prepayments	-	-	100,000	-	-	-	-	-	100,000	-	-	-
Other assets - markup receivable	-	100,434	28,674	228	-	61	-	25,187	55,614	-	-	71
Credit loss allowance against other assets	-	2,420	37	1	-	5	-	623	38	-	-	5
Right of use assets	-	-	-	-	-	76,682	-	-	-	-	-	79,974
Lease liability against right of use assets	-	-	-	-	-	5,405	-	-	-	-	-	5,057
Deposits and other accounts:												
Opening balance	16,544	63,004	588,491	2,684,614	1,399,082	1,990,851	22,222	116,930	723,563	-	2,587,664	874,152
Received during the period / year	22,419	625,285	40,668,184	9,816,151	8,005,799	1,124,447	29,745	2,030,987	31,561,051	122,250,831	6,542,556	3,612,472
Withdrawn during the period / year	15,923	577,246	40,334,597	11,629,181	8,251,909	2,193,436	35,423	2,084,913	31,696,123	119,566,217	7,731,138	2,495,773
Closing balance	23,040	111,043	922,078	871,584	1,152,972	921,862	16,544	63,004	588,491	2,684,614	1,399,082	1,990,851
Markup & commission payable	-	167	-	834	-	-	62	289	3,219	11,820	-	615
Contingencies (non funded exposure)	-	-	27,995	100,000	-	55,939	-	-	-	-	-	56,300

	June 30, 2026 (Un-audited)						June 30, 2025 (Un-audited)					
	Directors	Key management personnel	Subsidiary companies and managed modaraba	Associate	Employee Funds	Other related parties	Directors	Key management personnel	Subsidiary companies and managed modaraba	Associate	Employee Funds	Other related parties
						Rupees in '000'						
Income:												
Mark-up / return / interest earned	-	24,738	111,196	228	-	1,686	-	22,159	264,360	-	-	-
Fee and commission income	10	786	13	-	-	122	36	516	52	-	-	1,061
Other income (rental)	-	-	7,944	-	-	-	-	-	7,739	-	-	-
Expense:												
Mark-up expensed on deposits	889	1,832	19,334	50,204	58,218	65,332	1,034	3,613	8,986	-	92,915	38,940
Depreciation on right of use assets	-	-	-	-	-	3,292	-	-	-	-	-	2,213
Mark-up on lease liability against right of use assets	-	-	-	-	-	347	-	-	-	-	-	1,194
Compensation expense	-	685,214	-	-	-	-	-	596,430	-	-	-	-
Commission expense	-	-	10,386	-	-	-	-	-	7,212	-	-	-
Training and development	-	-	-	-	-	2,794	-	-	-	-	-	7,613
Outsourced staff services cost	-	-	260,512	-	-	-	-	-	-	-	-	-
Directors fee and allowances	30,754	-	-	-	-	-	29,648	-	-	-	-	-

39.1 Balances pertaining to parties that were related at the beginning of the year but ceased to be so related during any part of the current period are not reflected as part of the closing balance. The same are accounted for through movement presented above

39.2 The GoPb holds controlling interest (57.47% shareholding) in the Bank and therefore entities which are owned and / or controlled by the GoPb, or where the GoPb may exercise significant influence, are related parties of the Bank. The Bank in the ordinary course of business enters into transaction with Government- related entities. Such transactions include lending to, deposits from and provision of other banking services to Government-related entities. The detail of transactions are as follows:

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	Rupees in '000'	
Advances	6,098,583	6,832,672
Credit loss allowance held against advances	3,769	5,148
Deposits and other accounts	1,002,984,932	929,677,436
Bills payable	166,334	435,155
Subordinated debts	13,121,295	13,122,981
Acceptances	71,929	71,929
Contingencies and commitments	43,020,724	31,106,542
Credit loss allowance against off balance sheet obligations	284	107
Mark-up receivable	12,218,888	7,398,490
Credit loss allowance against other assets	3	3
Mark-up payable on subordinated debts	198,708	206,698
Mark-up payable on deposits and other accounts	15,483,958	34,402,345

	(Un-audited) June 30, 2026	(Un-audited) June 30, 2025
	Rupees in '000'	
Mark-up earned	518,803	707,586
Mark-up expensed	30,422,314	9,661,807
Income on contingencies and commitments	140,416	164,779
Mark-up expense on subordinated debts	799,773	992,159

39.3 The Bank made contribution of Rs. 412,676 thousand and Rs. 704,791 thousand (June 30, 2025: Rs. 348,222 thousand and Rs. 421,347 thousand) to employees provident fund and gratuity fund during the period respectively.

39.4 The Bank has allocated 3rd floor, National Tower, 28-Egerton road, Lahore to PMSL for its utilization and grants PMSL the authority to assign, sub-let or otherwise transfer possession of the premises or any portion thereof, on an arm's length basis, to its associated entities for business and commercial purposes, under its regulatory framework.

39.5 Advances to employees as at June 30, 2026, other than key management personnel, net of deferred fair value adjustments amounted to Rs. 15,223,735 thousand (December 31, 2025: Rs. 15,059,423 thousand) with markup receivable of Rs. 4,429,654 thousand (December 31, 2025: Rs. 3,934,785 thousand) and markup income of Rs. 1,387,421 thousand (June 30, 2025: Rs. 739,793 thousand) and fee & commission income of Rs. 22,861 thousand (June 30, 2025: Rs. 24,801 thousand). The ECL on said advances including markup and unutilized limits amounted to Rs. 475,338 thousand (December 31, 2025: Rs. 471,990 thousand). Compensation expense includes deferred cash bonus for President / CEO, key management personnel and other material risk takers / controllers. Deferred cash bonus as on June 30, 2026 stood at Rs. 162,836 thousand (December 31, 2025: Rs. 128,175 thousand).

39.6 In terms of service agreement of President / CEO, certain benefits including provision of Bank maintained cars, medical insurance cover etc. are also available to him. Further, certain executives are also entitled for Bank maintained car along with driver, corporate club membership and mobile phone as per Bank's policy.

39.7 The Bank held government securities in fiduciary capacity for its employee fund, GOPb & other related parties in IPS account amounting to Rs. 12,124,100 thousand (December 31, 2025: Rs. 9,021,700 thousand).

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	Rupees in '000'	
40 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement (MCR):		
Paid-up capital including share premium (net of losses)	**34,667,575**	34,667,575
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	**95,346,411**	92,594,272
Eligible Additional Tier 1 (ADT 1) Capital	**11,967,500**	11,967,500
Total Eligible Tier 1 Capital	**107,313,911**	104,561,772
Eligible Tier 2 Capital	**23,920,016**	29,249,551
Total Eligible Capital (Tier 1 + Tier 2)	**131,233,927**	133,811,323
Risk Weighted Assets (RWAs):		
Credit risk	**751,051,273**	676,450,427
Market risk	**76,428,715**	133,202,612
Operational risk	**131,320,931**	131,320,931
Total	**958,800,919**	940,973,970
Common equity tier I capital adequacy ratio	**9.94%**	9.84%
Tier 1 Capital Adequacy Ratio	**11.19%**	11.11%
Total Capital Adequacy Ratio	**13.69%**	14.22%
40.1 Leverage Ratio (LR):		
Eligible Tier-I Capital	**107,313,911**	104,561,772
Total exposures	**2,939,256,198**	3,363,545,140
Leverage Ratio	**3.65%**	3.11%
40.2 Liquidity Coverage Ratio (LCR):		
Total high quality liquid assets	**1,067,816,691**	1,044,794,202
Total net cash outflow	**560,486,474**	517,654,929
Liquidity Coverage Ratio	**190.52%**	201.83%
40.3 Net Stable Funding Ratio (NSFR):		
Total available stable funding	**1,591,451,381**	1,501,658,047
Total required stable funding	**973,684,498**	883,472,667
Net Stable Funding Ratio	**163.45%**	169.97%

40.4 The Bank availed the benefit of stage I and II staggering as allowed by SBP vide IFRS-09 application instructions. Had this relaxation not availed, the CAR, LR and NSFR would have been 13.67%, 3.50% and 163.23% respectively.

41 ISLAMIC BANKING BUSINESS

The Bank has started Islamic banking operations in the year 2013. As at close of the June 30, 2026, the Bank is operating 212 Islamic banking branches (December 31, 2025: 210 Islamic banking branches) and 674 Islamic banking windows (December 31, 2025: 534).

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		**12,411,772**	17,123,462
Balances with other banks		**5,889,873**	3,427,248
Due from financial institutions	41.1	**7,496,128**	1,997,051
Investments	41.2	**104,379,467**	116,683,760
Islamic financing and related assets	41.3	**160,718,952**	132,457,763
Property and equipment		**2,289,554**	2,347,799
Right of use assets		**3,185,597**	3,301,907
Intangible assets		**10,653**	11,708
Due from head office		**-**	3,030,374
Other assets		**17,237,325**	13,161,436
Total assets		**313,619,321**	293,542,508
LIABILITIES			
Bills payable		**1,144,908**	1,185,243
Due to financial institutions		**1,636,030**	6,808,571
Deposits and other accounts	41.4	**264,875,009**	251,147,748
Lease liabilities		**4,415,822**	4,390,951
Due to head office		**9,956,185**	-
Other liabilities		**5,249,320**	5,580,782
		287,277,274	269,113,295
NET ASSETS		**26,342,047**	24,429,213
REPRESENTED BY			
Islamic banking fund		**2,000,000**	2,000,000
Reserves		**422**	14,001
(Deficit) / surplus on revaluation of assets		**(250,099)**	312,447
Unappropriated profit	41.5	**24,591,724**	22,102,765
		26,342,047	24,429,213

CONTINGENCIES AND COMMITMENTS 41.6

ISLAMIC BANKING BUSINESS
STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE PERIOD ENDED JUNE 30, 2026

	Note	Quarter Ended		Period Ended	
		June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
		Rupees in '000'		**Rupees in '000'**	
Profit / return earned	41.7	**8,166,917**	4,500,400	**14,518,516**	9,326,939
Profit / return expensed	41.8	**4,285,553**	2,597,921	**7,160,877**	4,761,948
Net profit / return		**3,881,364**	1,902,479	**7,357,639**	4,564,991
Fee and commission income		**356,154**	189,899	**668,928**	371,414
Dividend income		**-**	-	**-**	-
Foreign exchange gain / (loss) - net		**20,146**	(74,643)	**(11,026)**	(124,832)
Gain on securities - net		**-**	411	**-**	518
Other income		**17,473**	15,281	**44,515**	28,953
		393,773	130,948	**702,417**	276,053
Total income		**4,275,137**	2,033,427	**8,060,056**	4,841,044
Operating expenses		**2,394,339**	1,692,272	**4,488,187**	3,327,895
Workers' Welfare Fund		**-**	-	**-**	-
Other charges		**5**	80	**5**	180
		2,394,344	1,692,352	**4,488,192**	3,328,075
Profit before credit loss allowance		**1,880,793**	341,075	**3,571,864**	1,512,969
Credit loss allowance and write offs - net		**1,079,452**	(155,165)	**1,082,905**	336,782
Profit before taxation		**801,341**	496,240	**2,488,959**	1,176,187
Taxation	41.9	**-**	-	**-**	-
Profit after taxation		**801,341**	496,240	**2,488,959**	1,176,187

		June 30, 2026 (Un-audited)			December 31, 2025 (Audited)		
		In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
41.1 DUE FROM FINANCIAL INSTITUTIONS		Rupees in '000'					
Placements		**7,500,000**	-	**7,500,000**	2,000,000	-	2,000,000
Less: Credit loss allowance	Stage 1	**(3,872)**	-	**(3,872)**	(2,949)	-	(2,949)
		7,496,128	-	**7,496,128**	1,997,051	-	1,997,051

41.1.1 Profit rate on these placements ranging from 10.50% to 12.17% per anum (December 31, 2025: 10.91% per anum). These placements are unsecured (December 31, 2025: Unsecured).

41.2 INVESTMENTS	June 30, 2026 (Un-audited)				December 31, 2025 (Audited)			
	Cost/ Amortized cost	Credit loss allowance	Surplus / (Deficit)	Carrying value	Cost / Amortized cost	Credit loss allowance	Surplus / (Deficit)	Carrying value
Investments by segment:	Rupees in '000'							
Debt instruments								
Classified / measured at FVTPL								
Federal government securities								
- Islamic Naya Pakistan Certificate	**121,315**	-	-	**121,315**	322,201	-	-	322,201
	121,315	-	-	**121,315**	322,201	-	-	322,201
Classified / measured at FVOCI								
Federal government securities								
- Ijara Sukuk	**91,322,150**	-	**(389,694)**	**90,932,456**	102,565,732	-	172,852	102,738,584
	91,322,150	-	**(389,694)**	**90,932,456**	102,565,732	-	172,852	102,738,584
Classified / measured at amortised cost								
Federal Government securities								
- Ijara Sukuk	**9,522,682**	-	-	**9,522,682**	9,529,795	-	-	9,529,795
- Bai Muajjal	**3,160,214**	-	-	**3,160,214**	3,160,214	-	-	3,160,214
Non government debt securities	**1,250,704**	**(607,904)**	-	**642,800**	1,541,158	(608,192)	-	932,966
	13,933,600	**(607,904)**	-	**13,325,696**	14,231,167	(608,192)	-	13,622,975
Total investments	**105,377,065**	**(607,904)**	**(389,694)**	**104,379,467**	117,119,100	(608,192)	172,852	116,683,760

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	Rupees in '000'	
41.2.1 Particulars of credit loss allowance - non government debt securities		
Stage 1	**836**	1,124
Stage 2	-	-
Stage 3	**607,068**	607,068
	607,904	608,192
41.3 ISLAMIC FINANCING AND RELATED ASSETS		
Ijarah	**11,930,892**	8,515,516
Murabaha	**275,724**	261,848
Musharaka	**18,059,393**	20,428,804
Diminishing musharaka	**102,152,738**	75,135,626
Payment against documents	**55,302**	55,304
Waqala	**4,289,805**	4,107,244
Istisna	**16,259,783**	15,786,835
Musawamah financing	**10,183,594**	8,732,339
Tijarah financing	**634,975**	1,392,151
Gross islamic financing and related assets	**163,842,206**	134,415,667
Less: credit loss allowance against Islamic financings		
-Stage 1	**1,398,901**	469,962
-Stage 2	**239,916**	218,987
-Stage 3	**1,484,437**	1,268,955
	3,123,254	1,957,904
Islamic financing and related assets - net	**160,718,952**	132,457,763

41.4 DEPOSITS AND OTHER ACCOUNTS	June 30, 2026 (Un-audited)			December 31, 2025 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000'					
Customers:						
Current deposits	**101,814,987**	**2,810,071**	**104,625,058**	83,549,224	2,152,123	85,701,347
Savings deposits	**119,375,793**	**519,356**	**119,895,149**	125,553,606	485,182	126,038,788
Term deposits	**32,217,326**	**6,578,878**	**38,796,204**	31,464,235	6,432,976	37,897,211
Margin deposits	**259,806**	-	**259,806**	41,434	-	41,434
	253,667,912	**9,908,305**	**263,576,217**	240,608,499	9,070,281	249,678,780
Financial institutions:						
Current deposits	**238,912**	**54,221**	**293,133**	48,653	69,567	118,220
Savings deposits	**1,005,128**	**14**	**1,005,142**	1,350,573	-	1,350,573
Term deposits	-	-	-	-	-	-
Margin deposits	**517**	-	**517**	175	-	175
	1,244,557	**54,235**	**1,298,792**	1,399,401	69,567	1,468,968
	254,912,469	**9,962,540**	**264,875,009**	242,007,900	9,139,848	251,147,748

41.4.1 Current deposits include call deposits amounting to Rs. 13,443,640 thousand (December 31, 2025: Rs. 6,266,180 thousand).

		(Un-audited) June 30, 2026	(Audited) December 31, 2025
		Rupees in '000'	
41.5	**UNAPPROPRIATED PROFIT - ISLAMIC BANKING BUSINESS**		
	Opening balance	**22,102,765**	17,713,483
	Islamic banking profit for the period / year	**2,488,959**	4,389,282
	Closing balance	**24,591,724**	22,102,765
41.6	**CONTINGENCIES AND COMMITMENTS**		
	Guarantees:		
	Financial guarantees	**18,200**	18,200
	Performance guarantees	**3,126,929**	2,488,032
	Other guarantees	**12,816,912**	3,745,185
		15,962,041	6,251,417
	Commitments:		
	Documentary credits and short-term trade-related transactions - letters of credit	**17,758,229**	14,627,627
	Commitments in respect of forward lending	**22,750,285**	21,457,478
	Commitments in respect of purchase forward foreign exchange contracts	**6,314,332**	4,553,767
	Commitments for acquisition of:		
	- fixed assets	**3,980**	1,513
	- intangible assets	**8,357**	21,041
		46,835,183	40,661,426
		62,797,224	46,912,843

		(Un-audited) June 30, 2026	(Un-audited) June 30, 2025
		Rupees in '000'	
41.7	**PROFIT / RETURN EARNED OF FINANCING, INVESTMENTS AND PLACEMENT**		
	Profit earned on:		
	Financing	**8,084,619**	4,987,995
	Investments	**6,224,862**	3,632,305
	Placements	**121,230**	628,134
	IFRS-09 adjustments - notional:		
	Staff loans	**60,601**	76,590
	Other loans	**27,204**	1,915
		14,518,516	9,326,939
41.8	**PROFIT ON DEPOSITS AND OTHER DUES EXPENSED**		
	Deposits and other accounts	**5,439,401**	4,393,987
	Markup on lease liability against right of use assets	**298,916**	265,110
	Markup on call borrowings	**1,229,607**	9,519
	Markup on borrowings from SBP	**90,227**	69,204
	Profit on deposits from conventional head office	**59,666**	685
	IFRS-09 adjustment on borrowings - notional	**43,060**	23,443
		7,160,877	4,761,948

41.9 The Bank calculates and files a single corporate tax return as per the requirements of Income Tax Ordinance, 2001. Segmental calculation is not required for filing. However, considering the format requirement of the financial statements to disclose Islamic Banking segment's tax charge separately, a notional net tax charge for Islamic Banking is expected to be Rs. 1,294,259 thousand (June 30, 2025: Rs. 623,379 thousand).

41.10 During the period, following pools have been created:
- Taqwa Foreign Currency AED Pool (AED POOL)
- Taqwa Foreign Currency SAR Pool (SAR POOL)

The main characteristics of the pools are as under:

i) Profit sharing ratio between Mudarib and Rab-ul-mal is 50:50.
ii) Profit equalization reserve up to 2% of net income will be created, if needed.
iii) Investment risk reserve up to 1% of distributable profit of depositors will be created, if needed.

42 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

42.1 The Board of Directors of the Bank in its meeting held on August 28, 2026 has proposed an interim Cash Dividend of 16 percent (December 2025: cash dividend @ 25%). These unconsolidated financial statements for the six month ended June 30, 2026 do not include the effect of these appropriations which will be accounted for subsequent to the period.

42.2 The Board of Directors, in their 334th, meeting held on August 07, 2026, have proposed, subject to obtaining all applicable regulatory and corporate approvals, the issuance of ordinary shares, otherwise than by way of right issue, to the Government of Punjab, against proposed equity subscription of up to Rs. 30,000,000 thousand to be undertaken in two tranches: up to Rs. 20,000,000 thousand by December 31, 2026, and the balance by June 30, 2027.

The issue price for the proposed issuance shall be Rs. 38.20 per ordinary share; provided that, where the prevailing market price of Bank's ordinary shares at the time of issuance exceeds Rs. 38.20 per share, the applicable issue price for such issuance shall be the prevailing market price plus a premium of five percent (5%).

42.3 The Bank has obtained in-principle approval from SBP dated August 05, 2026 for establishment of an overseas wholesale banking unit in the Kingdom of Bahrain.

43 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on August 28, 2026 by the Board of Directors of the Bank.

44 GENERAL

44.1 Figures have been rounded off to the nearest thousand rupees, unless otherwise specified.

44.2 Corresponding figures have been re-arranged or re-classified wherever necessary, for better and fair presentation. However, no significant reclassification or re-arrangement has been made during the period except for following:

- In 'Other assets', Rs. 105,752 thousand previously included in 'Income / mark-up accrued in local currency' has now been presented in 'Others' for better presentation and comparability.

- In 'Other liabilities', Rs. 169,127 thousand and Rs. 231,787 thousand previously included in 'Others' has now been presented in 'Sundry creditors and accrued expenses' and 'Payable on account of GoPb schemes' respectively, for better presentation and comparability.

- 'In 'Operating expenses' Rs. 98,334 thousand related to 'Promotional expenses for public sector programs', previously included in 'Marketing, advertisement and publicity' has now been presented separately for better presentation and comparability.

Chief Financial Officer	President	Chairman	Director	Director

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2026

THE BANK OF PUNJAB AND ITS SUBSIDIARIES
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		Rupees in '000'	
ASSETS			
Cash and balances with treasury banks	5	**107,397,410**	111,971,791
Balances with other banks	6	**12,244,451**	5,626,479
Lendings to financial institutions	7	**24,123,493**	221,421,798
Investments	8	**1,196,860,528**	1,548,043,219
Advances	9	**952,903,488**	882,763,832
Property and equipment	10	**30,732,985**	29,987,166
Right-of-use assets	11	**12,677,962**	13,229,973
Intangible assets	12	**3,126,986**	2,727,709
Deferred tax assets - net	13	**15,028,853**	7,724,369
Other assets	14	**147,973,302**	127,243,450
Total assets		**2,503,069,458**	2,950,739,786
LIABILITIES			
Bills payable	16	**11,717,895**	9,139,194
Borrowings	17	**60,357,607**	624,807,992
Deposits and other accounts	18	**2,153,479,127**	2,050,947,814
Lease liabilities	19	**18,278,933**	18,367,358
Subordinated debts	20	**30,808,784**	30,812,558
Deferred tax liabilities		**-**	-
Other liabilities	21	**124,365,719**	113,343,838
Total liabilities		**2,399,008,065**	2,847,418,754
NET ASSETS		**104,061,393**	103,321,032
REPRESENTED BY			
Share capital - net	22	**32,452,535**	32,452,535
Reserves		**22,803,612**	20,897,733
Surplus on revaluation of assets - net of tax	23	**5,532,554**	10,695,407
Non controlling interest		**1,087,850**	1,090,389
Unappropriated profit		**42,184,842**	38,184,968
		104,061,393	103,321,032
CONTINGENCIES AND COMMITMENTS	24		

The annexed notes 1 to 44 form an integral part of these consolidated condensed interim financial statements.

Chief Financial Officer	**President**	**Chairman**	**Director**	**Director**

THE BANK OF PUNJAB AND ITS SUBSIDIARIES

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE PERIOD ENDED JUNE 30, 2026

	Note	Quarter Ended		Period Ended	
		June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
		Rupees in '000'			
Mark-up / return / interest earned	25	**63,642,443**	66,039,207	**130,568,491**	135,014,658
Mark-up / return / interest expensed	26	**39,635,416**	45,273,556	**84,450,295**	99,196,416
Net mark-up / interest income		**24,007,027**	20,765,651	**46,118,196**	35,818,242
NON MARK-UP / INTEREST INCOME					
Fee and commission income	27	**4,488,995**	3,116,699	**9,551,117**	6,373,940
Dividend income		**22,879**	62,797	**140,178**	169,343
Foreign exchange income		**1,213,406**	146,197	**1,954,823**	723,253
Income / (loss) from derivatives		**-**	-	**-**	-
(Loss) / gain on securities - net	28	**(1,057,413)**	1,892,834	**(1,162,510)**	2,663,147
Net loss on derecognition of financial assets measured at amortised cost	29	**(479,241)**	(292,312)	**(782,172)**	(569,049)
Other income	30	**89,187**	98,640	**313,090**	172,772
Total non-markup / interest income		**4,277,813**	5,024,855	**10,014,526**	9,533,406
Total income		**28,284,840**	25,790,506	**56,132,722**	45,351,648
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	31	**17,687,542**	15,049,462	**35,335,054**	29,462,942
Workers' Welfare Fund		**234,957**	408,183	**454,354**	533,348
Other charges	32	**151**	3,330	**1,112**	3,986
Total non-markup / interest expenses		**17,922,650**	15,460,975	**35,790,520**	30,000,276
Profit before credit loss allowance		**10,362,190**	10,329,531	**20,342,202**	15,351,372
Charge / (reversal) of credit loss allowance and write offs - net	33	**213,989**	(533,147)	**48,908**	464,751
Share of loss from associate		**(1,304)**	-	**(198)**	-
PROFIT BEFORE TAXATION		**10,146,897**	10,862,678	**20,293,096**	14,886,621
Taxation - net	34	**5,451,521**	6,137,866	**10,922,796**	8,367,497
PROFIT AFTER TAXATION		**4,695,376**	4,724,812	**9,370,300**	6,519,124
PROFIT ATTRIBUTEABLE TO:					
Equity holders of the parent		**4,704,456**	4,751,211	**9,372,839**	6,480,523
Non-controlling interest		**(9,080)**	(26,399)	**(2,539)**	38,601
		4,695,376	4,724,812	**9,370,300**	6,519,124
Basic earnings per share - Rupees	35	**1.43**	1.45	**2.86**	1.98
Diluted earnings per share - Rupees	36	**1.43**	1.45	**2.86**	1.98

The annexed notes 1 to 44 form an integral part of these consolidated condensed interim financial statements.

Chief Financial Officer **President** **Chairman** **Director** **Director**

THE BANK OF PUNJAB AND ITS SUBSIDIARIES

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE PERIOD ENDED JUNE 30, 2026

	Quarter Ended		Period Ended	
	June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
	Rupees in '000'			
Profit after taxation for the period	**4,695,376**	4,724,812	**9,370,300**	6,519,124
Other comprehensive income / (loss):				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in surplus / (deficit) on revaluation of debt investments classified as FVOCI - net of tax	**2,773,474**	3,435,860	**(4,582,074)**	2,554,071
Items that will not be reclassified to profit and loss account in subsequent periods:				
Movement in surplus on revaluation of equity investments classified as FVOCI - net of tax	**217,874**	93,341	**(23,711)**	(134,076)
Total comprehensive income for the period	**7,686,724**	8,254,013	**4,764,515**	8,939,119
PROFIT ATTRIBUTEABLE TO:				
Equity holders of the parent	**7,695,804**	8,280,412	**4,767,054**	8,900,518
Non-controlling interest	**(9,080)**	(26,399)	**(2,539)**	38,601
	7,686,724	8,254,013	**4,764,515**	8,939,119

The annexed notes 1 to 44 form an integral part of these consolidated condensed interim financial statements.

Chief Financial Officer	**President**	**Chairman**	**Director**	**Director**

THE BANK OF PUNJAB AND ITS SUBSIDIARIES
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED JUNE 30, 2026

	Share capital - net		Capital reserves		Surplus / (deficit) - net of tax on revaluation of				
	Share capital	Discount on issue of shares	Share premium	Statutory reserve	Investments	Property & equipment / NBAs	Non controlling interest	Unappropriated profit	Total
	Rupees in '000'								
Balance as on December 31, 2024 - audited	32,715,693	(263,158)	2,215,040	15,495,167	1,011,643	6,940,423	954,312	33,046,272	92,115,392
Effect of remeasurement on adoption of IFRS-9 - net of tax	-	-	-	-	29,198	-	-	-	29,198
Balance as on January 01, 2025 - as restated	32,715,693	(263,158)	2,215,040	15,495,167	1,040,841	6,940,423	954,312	33,046,272	92,144,590
Profit after taxation for the period ended June 30, 2025	-	-	-	-	-	-	38,601	6,480,523	6,519,124
Other comprehensive income / (loss):									
Movement in surplus on revaluation of investments in debt instruments classified as FVOCI - net of tax	-	-	-	-	2,554,071	-	-	-	2,554,071
Movement in surplus on revaluation of equity investments classified as FVOCI - net of tax	-	-	-	-	(134,076)	-	-	-	(134,076)
Total other comprehensive income - net of tax for the period ended June 30, 2025	-	-	-	-	2,419,995	-	-	-	2,419,995
Transfer to statutory reserve during the period	-	-	-	1,360,966	-	-	-	(1,360,966)	-
Transfer from surplus on revaluation of equity investments classified as FVOCI to unappropriated profit on disposal	-	-	-	-	(287,147)	-	-	598,223	311,076
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	(75,509)	-	75,509	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	(533)	-	533	-
Transactions with owners recorded directly in equity:									
Final cash dividend - December 31, 2024 declared subsequent to year end at 18% per share	-	-	-	-	-	-	-	(5,888,825)	(5,888,825)
	-	-	-	-	-	-	-	(5,888,825)	(5,888,825)
Balance as on June 30, 2025 - un-audited	32,715,693	(263,158)	2,215,040	16,856,133	3,173,689	6,864,381	992,913	32,951,269	95,505,960
Profit after taxation for the period ended December 31, 2025	-	-	-	-	-	-	97,476	8,913,434	9,010,910
Other comprehensive income / (loss):									
Remeasurement gain on defined benefit obligation	-	-	-	-	-	-	-	(146,737)	(146,737)
Movement in surplus on revaluation of investments in debt instruments classified as FVOCI - net of tax	-	-	-	-	489,855	-	-	-	489,855
Movement in surplus on revaluation of equity investments classified as FVOCI - net of tax	-	-	-	-	1,112,109	-	-	-	1,112,109
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	1,811	-	-	1,811
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	9,532	-	-	9,532
Total other comprehensive income - net of tax for the period ended December 31, 2025	-	-	-	-	1,601,964	11,343	-	(146,737)	1,466,570
Transfer to statutory reserve during the period	-	-	-	1,826,560	-	-		(1,826,560)	-
Transfer from surplus on revaluation of equity investments classified as FVOCI to unappropriated profit on disposal	-	-	-	-	(562,303)	-	-	1,171,464	609,161
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	(75,535)	-	75,535	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	-	-	-	-	-	(507)	-	507	-
Transfer from surplus on revaluation of non banking assets to unappropriated profit on disposal	-	-	-	-	-	(317,625)	-	317,625	-
Transactions with owners recognized directly in equity:									
Interim cash dividend declared at 10% per share - June 30, 2025	-	-	-	-	-	-	-	(3,271,569)	(3,271,569)
	-	-	-	-	-	-	-	(3,271,569)	(3,271,569)
Balance as on December 31, 2025 - audited	32,715,693	(263,158)	2,215,040	18,682,693	4,213,350	6,482,057	1,090,389	38,184,968	103,321,032
Impact of adoption of IFRS 09 - net of tax (note 4.1.1)	**-**	**-**	**-**	**-**	**(111,292)**	**-**	**-**	**590,212**	**478,920**
Opening balance as at January 01, 2026 - as restated	**32,715,693**	**(263,158)**	**2,215,040**	**18,682,693**	**4,102,058**	**6,482,057**	**1,090,389**	**38,775,180**	**103,799,952**
Profit after taxation for the period ended June 30, 2026	**-**	**-**	**-**	**-**	**-**	**-**	**(2,539)**	**9,372,839**	**9,370,300**
Other comprehensive income / (loss):									
Movement in surplus / (deficit) on revaluation of investments in debt instruments classified as FVOCI - net of tax	**-**	**-**	**-**	**-**	**(4,582,074)**	**-**	**-**	**-**	**(4,582,074)**
Movement in surplus on revaluation of investments in equity instruments classified as FVOCI - net of tax	**-**	**-**	**-**	**-**	**(23,711)**	**-**	**-**	**-**	**(23,711)**
Total other comprehensive loss - net of tax for the period ended June 30, 2026	**-**	**-**	**-**	**-**	**(4,605,785)**	**-**	**-**	**-**	**(4,605,785)**
Transfer to statutory reserve during the period	**-**	**-**	**-**	**1,905,879**	**-**	**-**	**-**	**(1,905,879)**	**-**
Transfer of surplus on revaluation of equity investments classified as FVOCI to unappropriated profit on disposal	**-**	**-**	**-**	**-**	**(373,182)**	**-**	**-**	**777,462**	**404,280**
Transfer from surplus on revaluation of property and equipment to unappropriated profit - net of tax	**-**	**-**	**-**	**-**	**-**	**(71,778)**	**-**	**71,778**	**-**
Transfer from surplus on revaluation of non banking assets to unappropriated profit - net of tax	**-**	**-**	**-**	**-**	**-**	**(816)**	**-**	**816**	**-**
Transactions with owners recorded directly in equity:									
Final cash dividend - December 31, 2025 declared subsequent to year end at 15% per share	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(4,907,354)**	**(4,907,354)**
	-	**-**	**-**	**-**	**-**	**-**	**-**	**(4,907,354)**	**(4,907,354)**
Balance as on June 30, 2026 - un-audited	**32,715,693**	**(263,158)**	**2,215,040**	**20,588,572**	**(876,909)**	**6,409,463**	**1,087,850**	**42,184,842**	**104,061,393**

The annexed notes 1 to 44 form an integral part of these consolidated condensed interim financial statements.

Chief Financial Officer	President	Chairman	Director	Director

THE BANK OF PUNJAB AND ITS SUBSIDIARIES
CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED JUNE 30, 2026

	Note	Period Ended June 30, 2026	June 30, 2025
		Rupees in '000'	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		**20,293,096**	14,886,621
Less: Dividend income		**(140,178)**	(169,343)
		20,152,918	14,717,278
Adjustments:			
Net mark-up / interest income excluding mark-up on lease liability against right of use assets & IFRS-09 adjustments - notional		**(46,477,274)**	(35,766,792)
Depreciation on property and equipment	31	**1,901,843**	1,607,758
Depreciation on non banking assets acquired in satisfaction of claims	31	**16,979**	16,331
Depreciation on ijarah assets under IFAS - 2	31	**922,915**	291,093
Depreciation on right-of-use assets	31	**1,258,779**	1,045,569
Amortization on intangible assets	31	**253,041**	219,594
Amortization of discount on debt securities - net		**(12,638,125)**	(7,035,833)
Mark-up on lease liability against right of use assets	26	**1,217,205**	1,156,720
Unrealized loss / (gain) on revaluation of investments classified as FVTPL	28	**34,717**	(131,461)
Reversal of credit loss allowance against lending to financial institutions	33	**(16,756)**	(33,738)
(Reversal) / charge of credit loss allowance on investments	33	**(289)**	589,755
Credit loss allowance on advances	33	**711,991**	1,052,370
(Reversal) / charge of credit loss allowance against other assets	33	**(354,047)**	164,000
Reversal of credit loss allowance against off balance sheet obligations	33	**(191,945)**	(1,017,731)
Reversal of credit loss allowance against balance with other banks	33	**(2,390)**	(9,656)
Reversal of credit loss allowance against balances with treasury banks	33	**(90,017)**	(280,249)
IFRS-09 adjustment on advances - notional		**(1,388,457)**	(1,637,980)
IFRS-09 adjustment on borrowings - notional		**530,330**	429,810
IFRS-09 adjustment on compensation expense - notional	31.1	**597,699**	971,649
Workers' Welfare Fund		**454,354**	533,348
Gain on termination of lease liability against right of use assets	30	**(237,122)**	(17,180)
Gain on sale of property and equipment - net	30	**(34,716)**	(112,324)
Realized loss / (gain) on sale of securities - net	28.1	**1,127,793**	(2,531,686)
Net loss on derecognition of financial assets measured at amortised cost	29	**782,172**	569,049
Provision for employees compensated absences		**26,472**	15,539
Provision for gratuity		**346,048**	263,797
		(51,248,800)	(39,648,248)
		(31,095,882)	(24,930,970)
(Increase) / decrease in operating assets:			
Lendings to financial institutions		**197,415,061**	5,622,190
Net investments in securities classified as FVTPL		**13,398**	63,746,884
Advances		**(72,079,013)**	47,182,533
Others assets (excluding non-banking assets and markup receivable)		**(19,768,325)**	(4,342,645)
		105,581,121	112,208,962
Increase / (decrease) in operating liabilities:			
Bills payable		**2,578,701**	3,346,046
Borrowings		**(561,520,534)**	(171,576,956)
Deposits and other accounts		**102,531,313**	236,416,956
Other liabilities (excluding provision for taxation - net, markup payable and payable to gratuity fund)		**29,837,849**	9,274,669
		(426,572,671)	77,460,715

THE BANK OF PUNJAB AND ITS SUBSIDIARIES

CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) (Continued…)

FOR THE PERIOD ENDED JUNE 30, 2026

		Period Ended	
		June 30, 2026	June 30, 2025
		Rupees in '000'	
Payment made to gratuity fund		**(704,791)**	(421,347)
Mark-up / return / interest received		**128,797,960**	140,119,326
Mark-up / return / interest paid		**(100,263,212)**	(120,701,235)
Income tax paid		**(15,429,505)**	(7,564,786)
		12,400,452	11,431,958
Net cash (used in) / flow from operating activities		**(339,686,980)**	176,170,665
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in securities classified as FVOCI		**404,997,819**	(154,739,948)
Net investments in amortized cost securities		**(49,987,210)**	290,456
Dividends received		**140,178**	169,343
Investments in property and equipment		**(2,669,108)**	(2,136,179)
Investments in intangible assets		**(652,318)**	(224,849)
Proceeds from sale of property and equipment		**56,161**	117,469
Net cash flow from / (used in) investing activities		**351,885,522**	(156,523,708)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of subordinated debts		**(3,774)**	(3,774)
Payment of cash dividend		**(4,907,329)**	(5,888,825)
Payment of lease liability against right of use assets		**(1,776,074)**	(1,548,585)
Net cash used in financing activities		**(6,687,177)**	(7,441,184)
Increase in cash and cash equivalents		**5,511,365**	12,205,773
Effect of credit loss allowance changes on cash and cash equivalents		**92,407**	289,905
Cash and cash equivalents at beginning of the period		**109,226,113**	103,413,315
Cash and cash equivalents at end of the period		**114,829,885**	115,908,993
Cash and cash equivalents:			
Cash and balances with treasury banks	5	**107,397,410**	112,474,865
Balances with other banks	6	**12,244,451**	6,268,433
Call money lendings	7	**100,000**	-
Call borrowing	17	**(100,000)**	-
Overdrawn nostro accounts	17	**(4,811,976)**	(2,834,305)
		114,829,885	115,908,993

The annexed notes 1 to 44 form an integral part of these consolidated condensed interim financial statements.

Chief Financial Officer **President** **Chairman** **Director** **Director**

1 STATUS AND NATURE OF BUSINESS

The Bank of Punjab Group (the Group) comprises of The Bank of Punjab (the Bank) / (the Parent), Punjab Modaraba Services (Private) Limited (the Management Company), First Punjab Modaraba (the Modaraba), BOP Exchange (Private) Limited and BOP Capital Securities (Private) Limited formerly, Punjab Capital Securities (Private) Limited. Further, during the year, the Bank also made an investment in an associated company i.e. Punjab Life Insurance Company Limited (9.5% holding). For the purpose of these consolidated financial statements, The Bank of Punjab and consolidated subsidiaries are referred to as the Group.

The Group consists of :

Parent

The Bank of Punjab

	% age of holding 2026	% age of holding 2025
Subsidiaries		
Punjab Modaraba Services (Private) Limited	100.00%	100.00%
First Punjab Modaraba	39.16%	39.16%
BOP Capital Securities (Private) Limited	100.00%	100.00%
BOP Exchange (Private) Limited	100.00%	100.00%
Associate		
Punjab Life Insurance Company Limited	9.50%	9.50%

The subsidiary company of the Group, Punjab Modaraba Services (Private) Limited exercises control over First Punjab Modaraba, as its management company and also has a direct economic interest in it. The Group is principally engaged in commercial banking, modaraba management, leasing, brokerage, currency exchange etc. Brief profile of the Bank and subsidiaries is as follows :

The Bank of Punjab (the Bank) was constituted in Pakistan pursuant to The Bank of Punjab Act, 1989. It was given the status of a scheduled bank by the State Bank of Pakistan (SBP) on September 19, 1994. It is principally engaged in commercial banking and related services with its registered office at BOP Tower, 10-B, Block E-II, Main Boulevard, Gulberg III, Lahore. The Bank has 903 branches including 16 sub branches and 212 Islamic banking branches (December 31, 2025: 901 branches including 17 sub branches and 210 Islamic banking branches) in Pakistan and Azad Jammu and Kashmir (AJK) at the period end. The Bank also has 674 Islamic banking windows (December 31, 2025: 534). The Bank's ordinary shares are listed on Pakistan Stock Exchange. The majority shares of the Bank are held by Government of the Punjab (GoPb). The Pakistan Credit Rating Agency (PACRA) assigned long term rating of AAA and short term rating of A1+ to the Bank with stable outlook.

Punjab Modaraba Services (Private) Limited

Punjab Modaraba Services (Private) Limited (PMSL) was incorporated in Pakistan on October 19, 1991 under the Companies Ordinance, 1984 as a private limited company. It is wholly owned by the Bank and is primarily engaged in the business of floating and managing Modarabas.

PMSL has accumulated losses as at December 31, 2025. Further, the Company's current liabilities exceeded its current assets. These losses are mainly due to drying up of revenue streams. The management fee and dividend from First Punjab Modaraba (the Managed Modaraba) are the main sources of revenue of the Company. The financial statements of PMSL, however, have been prepared under the going concern assumption due to the reason that with continued support of the Bank, the Modaraba management company is expected to show better performance going forward yielding returns for the Bank.

First Punjab Modaraba

First Punjab Modaraba (FPM) / (the Modaraba), was formed under the Modaraba Companies and Modaraba (Flotation and Control) Ordinance, 1980 and rules framed there under and is managed by PMSL (wholly owned subsidiary of the Bank). The registered office of the Modaraba is situated at Office No. 100, 3rd floor, National Tower 28-Edgerton Road, Lahore. The Modaraba commenced its operations on December 23, 1992. The Modaraba is listed on the Pakistan Stock Exchange.

During the period ended June 30, 2026, the Modaraba has incurred operating loss which has contributed to the continued erosion of equity reserves of the Modaraba. The accumulated losses - net of capital reserves, as at December 31, 2025 exceeds fifty percent of the total amount subscribed by the holders of the Modaraba Certificates, which is a non-compliance of Section 23 of Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (the Modaraba Ordinance).

In order to address going concern issue in terms of section 23 of the Modaraba Ordinance, the Bank being the parent company of the Modaraba management company is providing enduring support and shall continue to provide financial support to the Modaraba in order to mitigate liquidity risks. In assessing the status of the Modaraba, management has carefully assessed a number of factors covering the performance of the business, future business prospects and appetite of majority shareholder to continue financial support.

BOP Capital Securities (Private) Limited

BOP Capital Securities (Private) Limited ("BOP CSL") is registered under the Companies Ordinance, 1984 as company limited by shares from November 29, 2016. PCSL is mainly engaged in business of brokerage services, portfolio management and consultancy services. The registered office of the company is situated at Room No. 319, 3rd Floor, LSE Building, Lahore. The Company is wholly-owned subsidiary of the Bank.

BOP Exchange (Private) Limited

BOP Exchange (Private) Limited was incorporated in Pakistan on April 18, 2024 under the Companies Act, 2017 as a private limited company. It is wholly owned by the Bank and is primarily engaged in the business of currency exchange. BOP Exchange (Private) Limited has obtained licence from SBP dated September 18, 2024.

Subsidiaries are all entities over which the Bank has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Parent controls another entity. The Bank also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of the Bank’s voting rights relative to the size and dispersion of holdings of other shareholders give the Bank the power to govern the financial and operating policies etc.

The Group financial statements include the financial statements of the Bank and its subsidiaries, and share of profit of associate.

Subsidiaries are fully consolidated from the date on which control is transferred to the Bank. They are deconsolidated from the date that control ceases to exist. The financial statements of subsidiaries have been consolidated on line by line basis. All significant inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognized in assets are also eliminated.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree on an acquisition by acquisition basis, at the non-controlling interest’s proportionate share of the recognized amounts of acquiree’s identifiable net assets. The financial statements of the Bank and its subsidiaries are prepared upto the same reporting date using consistent accounting policies.

Acquisition-related costs are expensed as incurred. If the business combination is achieved in stages, the acquisition date fair value of the acquirer’s previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through consolidated statement of profit and loss account.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized either in consolidated statement of profit and loss account or as a change to consolidated statement of comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill, if any, is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in consolidated statement of profit and loss account. After initial recognition, is measured at carrying value i.e. cost at the date of acquisition less any accumulated impairment.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in consolidated statement of profit and loss account. The fair value is the initial carrying amount, for the purposes of subsequent accounting treatment in relation to retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in consolidated statement of comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in consolidated statement of comprehensive income are reclassified to consolidated statement of profit and loss account.

2 BASIS OF PREPARATION

In accordance with the directives of the Government of Pakistan regarding the conversion of the Banking system to Islamic modes, the SBP has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by the banks from their customers and immediate resale to them at appropriate price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these consolidated condensed interim financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of profit thereon.

These consolidated condensed interim financial statements are separate financial statements of the Bank in which the investment in subsidiaries and associate are stated at cost less impairment losses (if any) and has not been accounted for on the basis of reported results and net assets of the investee. Consolidated condensed interim financial statements of the Group are being issued separately.

The financial results of Islamic Banking business have been consolidated in these consolidated condensed interim financial statements for reporting purposes, after eliminating inter-branch transactions / balances. Key financial figures of the Islamic Banking business are disclosed in note 41 of these consolidated condensed interim financial statements.

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting' and IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;
- Directives issued by the SBP and the Securities and Exchange Commission of Pakistan (SECP);
- Requirements of The Bank of Punjab Act, 1989; and
- Provisions of, directives and notifications issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017.

Wherever the requirements of the directives and notifications issued by the SBP and SECP, the Bank of Punjab Act, 1989, the Banking Companies Ordinance, 1962 and the Companies Act, 2017 differ with the requirements of these IFRS Accounting Standards or IFAS, the requirements of the said directives and notifications, The Bank of Punjab Act, 1989, the Banking Companies Ordinance, 1962 and the Companies Act, 2017 take precedence.

2.1.2 SBP has deferred the applicability of International Accounting Standards 40, 'Investment Property' for Banking Companies through BSD Circular letter No. 10 dated August 26, 2002. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements.

2.1.3 The SBP through BPRD Circular No. 04 of 2015 dated February 25, 2015 has deferred applicability of 'Islamic Financial Accounting Standard - 3' for Profit & Loss Sharing on Deposits (IFAS 3) issued by the Institute of Chartered Accountants of Pakistan and notified by the SECP, vide its SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IIFS). Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements.

2.1.4 The SECP vide its notification SRO 633 (I)/2014 dated July 10, 2014, adopted IFRS 10 'Consolidated Financial Statements' effective from the periods starting from September 30, 2014. However, vide its notification SRO 56 (I)/2016 dated January 28, 2016, it has been notified that the requirements of IFRS 10 and section 228 of the Companies Act, 2017 will not be applicable with respect to the investment in mutual funds established under trust structure.

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

2.1.6 Amendments and interpretations of accounting standards that are effective in the current period:

There are certain standards and amendments to existing accounting and reporting standards that have become applicable to the Bank for accounting periods beginning on or after January 1, 2026. These are considered either to not be relevant or to not have any material impact on these condensed interim consolidated financial statements, except for the following:

- IFRS 7, 'Financial Instruments: Disclosures'; the SECP through S.R.O. 742(1)/2025 dated April 16, 2025 has required disclosures regarding the significance of financial instruments to the Bank's financial position and performance, as well as the nature, extent, and management of risks arising from such instruments. Accordingly, the Bank will adopt IFRS 7 in preparing its annual financial statements for the year ending December 31, 2026.

- Effective Interest Rate (EIR) requirements of IFRS 9 have become applicable from January 01, 2026 pursuant to relaxations earlier provided by the SBP. The impact of EIR is summarized in note 4.1.1 below.

- Certain amendments to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments' have become applicable on the Bank which clarify the date of recognition and derecognition of a financial asset or financial liability. These amendments do not have any material impact and therefore, have not been detailed in these consolidated condensed interim financial statements.

2.1.7 New accounting standards and IFRS interpretations that are not yet effective:

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2026 but are considered not to be relevant or do not have any material effect on the Bank's operations except for:

- IFRS 18 'Presentation and Disclosure in Financial Statements' will become applicable from January 01, 2027. The application of IFRS 18 will impact the presentation of the 'Statement of Profit and Loss Account' with certain additional disclosures as and when instructed by the SBP.

- General provision, over and above the ECL for Stage 1 and Stage 2 exposures may be maintained up to December 31, 2026 as per the relaxations earlier provided by the SBP in respect of the implementation of IFRS 9.

- IFRS 19 'Subsidiaries without Public Accountability Disclosures' will become applicable from January 01, 2027.

3 BASIS OF MEASUREMENT

3.1 These consolidated condensed interim financial statements have been prepared under the historical cost convention except for revaluation of freehold land and buildings on freehold land, revaluation of non banking assets acquired in satisfaction of claims, valuation of certain investments and commitments in respect of forward exchange contracts at fair value, unlisted equity securities, right-of-use assets, lease liabilities and certain staff retirement benefits at present value and staff & subsidized loans disbursed under Temporary Economic Refinance Facility (TERF) are at fair value on initial recognition.

3.2 These consolidated condensed interim financial statements are presented in Pak Rupees, which is the Bank's functional and presentation currency.

4 SIGNIFICANT ACCOUNTING POLICY

The material accounting policies adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of annual audited consolidated financial statements of the Bank for the year ended December 31, 2025 except for the changes mentioned below.

4.1 IFRS 09 - Financial Instruments

4.1.1 Transition to Effective Interest Rate (EIR) methodology

The Bank adopted IFRS 9 effective from January 01, 2024, except for certain relaxations and extensions issued by the SBP from time to time. The impacts of these relaxations and extensions were incorporated in the annual financial statements of the Bank for the respective years ended December 31, 2024 and 2025, with the modified retrospective approach for restatement permitted under IFRS 9.

In addition, the SBP, in a separate instruction, through BPRD Circular Letter No. 1 dated January 22, 2025, allowed an extension for application of the Effective Interest Rate (EIR) up to December 31, 2025. During the current period, in accordance with the aforementioned instruction, the Bank has applied EIR on the financial instruments appearing as at January 01, 2026, and the cumulative impact of application of EIR amounting to Rs. 590,212 thousand, net of tax, has been recorded as an adjustment to unappropriated profit and Rs. 111,292 thousand net of tax has been recorded as adjustment to surplus on investment at the beginning of the current period under modified retrospective approach.

4.1.2 The SBP has directed the Banks through its BPRD Circular Letter No. 01 dated January 22, 2025 to continue the existing revenue recognition methodology for Islamic Operations, including the requirements of IFAS 1 and IFAS 2 until further instructions. Had IFRS-09 been adopted in its entirety for revenue recognition from Islamic operations, the profit before tax of the Bank would have been higher by Rs. 505,265 thousand (June 30, 2025: Rs. 430,250 thousand).

4.2 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

4.3 FINANCIAL RISK MANAGEMENT

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

		(Un-audited) June 30, 2026	(Audited) December 31, 2025
		Rupees in '000'	
5	**CASH AND BALANCES WITH TREASURY BANKS**		
	In hand:		
	Local currency	**27,258,935**	29,677,504
	Foreign currencies	**2,456,290**	3,411,216
		29,715,225	33,088,720
	With SBP in:		
	Local currency current account	**62,365,844**	64,097,268
	Foreign currency current accounts	**2,225,291**	2,205,969
	Foreign currency deposit accounts	**4,648,719**	4,388,833
		69,239,854	70,692,070
	With National Bank of Pakistan in:		
	Local currency current accounts	**8,327,379**	8,098,988
	Prize bonds	**209,232**	276,310
	Less: Credit loss allowance held against cash and balances with treasury banks	**(94,280)**	(184,297)
	Cash and balances with treasury banks - net of credit loss allowance	**107,397,410**	111,971,791
6	**BALANCES WITH OTHER BANKS**		
	In Pakistan:		
	Current accounts	**346,492**	193,785
	Deposit accounts	**81,833**	-
		428,325	193,785
	Outside Pakistan:		
	Current accounts	**9,962,757**	5,442,714
	Deposit accounts	**1,860,999**	-
		11,823,756	5,442,714
		12,252,081	5,636,499
	Less: Credit loss allowance held against balances with other banks	**(7,630)**	(10,020)
	Balances with other banks - net of credit loss allowance	**12,244,451**	5,626,479
7	**LENDINGS TO FINANCIAL INSTITUTIONS**		
	Call money lendings	**100,000**	-
	Repurchase agreement lendings (Reverse Repo)	**18,523,389**	156,438,450
	Placements	**5,504,000**	65,004,000
		24,127,389	221,442,450
	Less: Credit loss allowance held against lendings to financial institutions	**(3,896)**	(20,652)
	Lendings to financial institutions - net of credit loss allowance	**24,123,493**	221,421,798

7.1 Lendings to financial institutions - particulars of credit loss allowance

		June 30, 2026 (Un-audited)		December 31, 2025 (Audited)	
		Lendings	**Credit loss allowance held**	Lendings	Credit loss allowance held
		Rupees in '000'			
Performing	Stage 1	**5,604,000**	**3,896**	65,004,000	20,652
Under performing	Stage 2	**-**	**-**	-	-
Non-performing:					
Substandard	Stage 3	**-**	**-**	-	-
Doubtful	Stage 3	**-**	**-**	-	-
Loss	Stage 3	**-**	**-**	-	-
		-	**-**	-	-
		5,604,000	**3,896**	65,004,000	20,652

8 INVESTMENTS

8.1 Investments by type:

	Note	June 30, 2026 (Un-audited)				December 31, 2025 (Audited)			
		Cost / Amortized cost	**Credit loss allowance**	**Surplus / (Deficit)**	**Carrying value**	Cost / Amortized cost	Credit loss allowance	Surplus / (Deficit)	Carrying value
		Rupees in '000'							
FVTPL									
Federal government securities		**1,466,615**	**-**	**(2,222)**	**1,464,393**	1,740,376	-	(19,398)	1,720,978
Shares		**324,004**	**-**	**5,130**	**329,134**	305,100	-	18,900	324,000
Non government debt securities		**1,102,146**	**(122,454)**	**(37,625)**	**942,067**	752,199	(122,454)	-	629,745
		2,892,765	**(122,454)**	**(34,717)**	**2,735,594**	2,797,675	(122,454)	(498)	2,674,723
FVOCI									
Federal government securities	8.2	**1,013,899,424**	**-**	**(811,478)**	**1,013,087,946**	1,404,750,100	-	8,890,227	1,413,640,327
Shares		**5,538,241**	**-**	**62,251**	**5,600,492**	8,408,992	-	884,784	9,293,776
Mutual fund & investment trust units		**3,173,426**	**-**	**(1,098,665)**	**2,074,761**	3,173,426	-	(1,010,953)	2,162,473
Non government debt securities		**298,123**	**(190,623)**	**(12,900)**	**94,600**	333,956	(190,623)	(17,200)	126,133
Foreign securities		**11,957**	**-**	**26,627**	**38,584**	11,957	-	28,079	40,036
		1,022,921,171	**(190,623)**	**(1,834,165)**	**1,020,896,383**	1,416,678,431	(190,623)	8,774,937	1,425,262,745
Amortised cost									
Federal government securities		**172,300,723**	**-**	**-**	**172,300,723**	118,887,560	-	-	118,887,560
Non government debt securities		**1,250,704**	**(607,903)**	**-**	**642,801**	1,541,158	(608,192)	-	932,966
WAPDA bonds		**400**	**(400)**	**-**	**-**	400	(400)	-	-
		173,551,827	**(608,303)**	**-**	**172,943,524**	120,429,118	(608,592)	-	119,820,526
Associate	8.1.1	**285,027**	**-**	**-**	**285,027**	285,225	-	-	285,225
Total investments		**1,199,650,790**	**(921,380)**	**(1,868,882)**	**1,196,860,528**	1,540,190,449	(921,669)	8,774,439	1,548,043,219

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
8.2 Investments given as collateral	Rupees in '000'	
Market treasury bills	-	250,420,755
Pakistan investment bonds	**2,469,726**	311,423,718
	2,469,726	561,844,473

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	Rupees in '000'	
8.3 Credit loss allowance for diminution in value of investments		
8.3.1 Movement in credit loss allowance for diminution in value of investments		
Opening balance	**921,669**	238,500
Charge / (reversals):		
Charge for the period / year	-	714,182
Reversals for the period / year	**(289)**	(31,013)
	(289)	683,169
Closing balance	**921,380**	921,669

		(Un-audited) June 30, 2026		(Audited) December 31, 2025	
		Outstanding amount	**Credit loss allowance held**	Outstanding amount	Credit loss allowance held
		Rupees in '000'			
8.3.2 Particulars of credit loss allowance against debt securities					
Category of classification					
Performing	Stage 1	**2,534,511**	**904,518**	1,542,224	1,125
Under performing	Stage 2	-	-	-	-
Non-performing:					
Substandard	Stage 3	-	-	-	-
Doubtful		-	-	-	-
Loss		**116,862**	**16,862**	1,085,489	920,544
		116,862	**16,862**	1,085,489	920,544
		2,651,373	**921,380**	2,627,713	921,669

	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
9 ADVANCES	Rupees in '000'					
Loans, cash credits, running finances, etc.	**764,544,153**	728,640,239	**45,644,316**	41,912,306	**810,188,469**	770,552,545
Islamic financing and related assets	**161,558,410**	132,168,449	**2,283,796**	2,247,218	**163,842,206**	134,415,667
Bills discounted and purchased	**23,576,609**	22,547,524	**157,229**	167,222	**23,733,838**	22,714,746
Advances - gross	**949,679,172**	883,356,212	**48,085,341**	44,326,746	**997,764,513**	927,682,958
Credit loss allowance against advances:						
-Stage 1	**(6,224,783)**	(5,252,138)	**-**	-	**(6,224,783)**	(5,252,138)
-Stage 2	**(1,133,745)**	(1,271,007)	**(122,267)**	(65,865)	**(1,256,012)**	(1,336,872)
-Stage 3	**(971,941)**	(972,324)	**(34,146,449)**	(35,095,952)	**(35,118,390)**	(36,068,276)
-General Provision	**(2,261,840)**	(2,261,840)	**-**	-	**(2,261,840)**	(2,261,840)
	(10,592,309)	(9,757,309)	**(34,268,716)**	(35,161,817)	**(44,861,025)**	(44,919,126)
Advances - net of credit loss allowance	**939,086,863**	873,598,903	**13,816,625**	9,164,929	**952,903,488**	882,763,832

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
9.1 Particulars of advances (gross)	Rupees in '000'	
In local currency	**980,167,873**	909,113,522
In foreign currencies	**17,596,640**	18,569,436
	997,764,513	927,682,958

9.2 Advances include Rs. 48,085,341 thousand (December 31, 2025: Rs. 44,326,746 thousand) which have been placed under non-performing / stage 2 and 3 status as detailed below:

			(Un-audited) June 30, 2026		(Audited) December 31, 2025	
Category of classification		Note	**Non performing loans**	**Credit loss allowance**	Non performing loans	Credit loss allowance
			Rupees in '000'			
Other assets especially mentioned	Stage-2	9.2.1	**1,185,218**	**122,267**	129,318	65,865
Other assets especially mentioned	Stage-3		**320,423**	**113,521**	2,335,969	523,012
Substandard	Stage-3		**6,838,883**	**1,774,732**	1,001,064	413,294
Doubtful	Stage-3		**5,656,911**	**2,017,026**	5,474,823	2,683,844
Loss	Stage-3		**34,083,906**	**30,241,170**	35,385,572	31,475,802
Grand total			**48,085,341**	**34,268,716**	44,326,746	35,161,817

9.2.1 This includes non-performing portfolio of agricultural, small enterprise and infrastructure project financing classified as "Other Assets Especially Mentioned" as per the requirements of respective Prudential Regulations issued by the State Bank of Pakistan.

9.3 Particulars of credit loss allowance against advances

	June 30, 2026 (Un-audited)					December 31, 2025 (Audited)				
	Stage 3	**Stage 2**	**Stage 1**	**General Provision**	**Total**	Stage 3	Stage 2	Stage 1	General Provision	Total
					Rupees in '000'					
Opening balance	**36,068,276**	**1,336,872**	**5,252,138**	**2,261,840**	**44,919,126**	45,078,764	1,871,299	3,608,050	-	50,558,113
Charge for the period / year	**4,179,426**	**642,692**	**2,934,209**	**-**	**7,756,327**	5,957,488	850,020	3,719,963	2,261,840	12,789,311
Reversals for the period / year	**(4,692,631)**	**(723,552)**	**(1,628,153)**	**-**	**(7,044,336)**	(4,792,119)	(1,384,447)	(2,324,584)	-	(8,501,150)
	(513,205)	**(80,860)**	**1,306,056**	**-**	**711,991**	1,165,369	(534,427)	1,395,379	2,261,840	4,288,161
Amounts written off	**-**	**-**	**-**	**-**	**-**	(220)	-	-	-	(220)
Amounts charged off during the period / year	**(728,955)**	**-**	**-**	**-**	**(728,955)**	(9,713,332)	-	-	-	(9,713,332)
Others	**292,274**	**-**	**(333,411)**	**-**	**(41,137)**	(462,305)	-	248,709	-	(213,596)
Closing balance	**35,118,390**	**1,256,012**	**6,224,783**	**2,261,840**	**44,861,025**	36,068,276	1,336,872	5,252,138	2,261,840	44,919,126

9.3.1 The Bank has availed the benefit of Forced Sale Value (FSV) of collateral against non-performing advances as allowed vide BSD Circular No.1 dated October 21, 2011. This has resulted in decrease in credit loss allowance against non-performing advances by Rs. 451,055 thousand (December 31, 2025: Rs. 559,227 thousand). The FSV benefit availed is not available for cash or stock dividend. Further, the Bank has availed benefit of eligible collaterals for the calculation of ECL amounting to Rs. 3,013,430 thousand (December 31, 2025: Rs. 2,813,713 thousand).

9.4 Advances - particulars of credit loss allowance

		June 30, 2026 (Un-audited)				December 31, 2025 (Audited)			
		Stage 1	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
					Rupees in '000'				
Opening balance	**Note**	**7,513,978**	**1,336,872**	**36,068,276**	**44,919,126**	3,583,850	1,895,499	45,078,764	50,558,113
New advances		**2,168,685**	**109,683**	**1,523,016**	**3,801,384**	2,544,038	297,506	2,044,303	4,885,847
Advances derecognized or repaid		**(372,246)**	**(109,996)**	**(1,229,026)**	**(1,711,268)**	(518,409)	(417,069)	(2,227,049)	(3,162,527)
Transfer to stage 1		**232,313**	**(231,455)**	**(858)**	**-**	445,856	(350,861)	(94,995)	-
Transfer to stage 2		**(250,969)**	**2,288,886**	**(2,037,917)**	**-**	(76,895)	624,132	(547,237)	-
Transfer to stage 3		**(27,387)**	**(254,942)**	**282,329**	**-**	(23,799)	(202,859)	226,658	-
		1,750,396	**1,802,176**	**(1,462,456)**	**2,090,116**	2,370,791	(49,151)	(598,320)	1,723,320
General provision	9.4.2	**-**	**-**	**-**	**-**	2,261,840	-	-	2,261,840
Amounts written off		**-**	**-**	**-**	**-**	-	-	(220)	(220)
Amounts charged off		**-**	**-**	**(728,955)**	**(728,955)**	-	-	(9,713,332)	(9,713,332)
Changes in risk parameters		**(777,751)**	**(1,883,036)**	**1,241,525**	**(1,419,262)**	(702,503)	(509,476)	1,301,384	89,405
Closing balance	9.4.1	**8,486,623**	**1,256,012**	**35,118,390**	**44,861,025**	7,513,978	1,336,872	36,068,276	44,919,126

9.4.1 This includes provision amounting to Rs. 402,012 thousand (December 31, 2025: Rs. 664,883 thousand) against Excess Over Limit exposure under digital lending portfolio on account of a system glitch, in an application managed by a vendor of the Bank.

9.4.2 This represents general provision maintained against advances extended under Public Sector initiatives for the Agriculture and SME sectors on prudence basis. The performance of these advances is assessed on quarterly basis to determine adequacy of the general provision maintained.

9.5 Advances - category of classification

		June 30, 2026 (Un-audited)		December 31, 2025 (Audited)	
		Outstanding amount	**Credit loss allowance held**	Outstanding amount	Credit loss allowance held
			Rupees in '000'		
Performing	Stage 1	**910,532,881**	**8,486,623**	843,813,912	7,513,978
Underperforming	Stage 2	**37,895,595**	**1,133,745**	38,225,962	1,271,007
		948,428,476	**9,620,368**	882,039,874	8,784,985
Non-Performing:					
Other assets especially mentioned	Stage 2	**1,185,218**	**122,267**	126,571	65,865
Other assets especially mentioned	Stage 3	**320,423**	**113,521**	2,334,889	523,012
Substandard	Stage 3	**6,838,883**	**1,774,732**	1,001,064	413,294
Doubtful	Stage 3	**5,656,911**	**2,017,026**	5,474,823	2,683,844
Loss	Stage 3	**34,083,906**	**30,241,170**	35,389,399	31,475,802
		46,900,123	**34,146,449**	44,200,175	35,095,952
Underperforming	Stage 3	**1,250,696**	**971,941**	1,316,338	972,324
Total		**997,764,513**	**44,861,025**	927,682,958	44,919,126

			(Un-audited) June 30, 2026	(Audited) December 31, 2025
10	**PROPERTY AND EQUIPMENT**	**Note**	**Rupees in '000'**	
	Capital work-in-progress	10.1	**651,226**	843,391
	Property and equipment	10.2 & 10.4	**30,081,759**	29,143,775
			30,732,985	29,987,166
10.1	**Capital work-in-progress**			
	Civil works		**650,069**	579,324
	Advances to suppliers		**1,157**	264,067
			651,226	843,391

		(Un-audited) June 30, 2026	(Un-audited) June 30, 2025
10.2	**Additions to property and equipment**	**Rupees in '000'**	
	The following additions / transfers have been made to property and equipment during the period:		
	Capital work-in-progress - net	**(192,165)**	(243,008)
	Property and equipment:		
	Building on freehold land	**40,605**	-
	Furniture and fixtures	**113,375**	105,454
	Electrical and office equipments	**1,455,612**	486,826
	Computer equipments	**855,654**	745,021
	Lease hold improvements	**380,079**	706,477
	Vehicles	**15,948**	335,409
		2,861,273	2,379,187
		2,669,108	2,136,179
10.3	**Disposal of property and equipment:**		
	The net book value of property and equipment disposed off during the period is as follows:		
	Furniture and fixtures	**6,173**	2,020
	Electrical and office equipments	**5,581**	2,717
	Computer equipments	-	165
	Lease hold improvements	**9,691**	243
	Vehicles (Note 10.3.1)	-	-
		21,445	5,145

10.3.1 Gross carrying amount / cost of vehicles disposed off during the period was Rs. 25,193 thousand (June 30, 2025: Rs. 81,141 thousand).

10.4 This includes a commercial property with a carrying value of Rs. 2,788,494 thousand, under a sub-lease arrangement after completion of due legal process. Following cancellation of the Master Lease Deed and dismissal of related petitions by the Honorable Islamabad High Court, the management, based on legal counsel's opinion and assessment of the merits of the case, believes that the Bank continues to retain its proprietary and possessory rights and has reasonable legal remedies available to protect its interests. Accordingly, the management has concluded after due assessment that there is no requirement of recognition of impairment loss against the carrying amount of the property. The matter remains subject to the outcome of the legal proceedings, and management will continue to pursue the matter to safeguard the Bank's interests.

		(Un-audited) June 30, 2026	(Audited) December 31, 2025
11	**RIGHT-OF-USE ASSETS**	**Rupees in '000'**	
	As at January 01,		
	Cost	**22,495,409**	19,966,779
	Accumulated depreciation	**(9,265,436)**	(7,101,015)
	Net carrying amount as at January 01,	**13,229,973**	12,865,764
	Additions / modifications during the period / year	**927,255**	2,827,409
	Terminations - at cost during the period / year	**(328,143)**	(298,779)
	Depreciation on terminations during the period / year	**108,454**	126,944
	Terminations - at book value	**(219,689)**	(171,835)
	Depreciation charge for the period / year	**(1,259,577)**	(2,291,365)
	Net carrying amount	**12,677,962**	13,229,973

		(Un-audited) June 30, 2026	(Audited) December 31, 2025
12	**INTANGIBLE ASSETS**	**Rupees in '000'**	
	Intangible in progress	**437,905**	333,273
	Software and long term licenses	**2,689,081**	2,394,436
		3,126,986	2,727,709

		(Un-audited) June 30, 2026	(Un-audited) June 30, 2025
12.1	**Additions to intangible assets**	**Rupees in '000'**	
	The following additions / transfers have been made to intangible assets during the period:		
	Intangible in progress - net	**104,632**	(76,243)
	Intangible assets purchased	**547,686**	301,092
		652,318	224,849

		(Un-audited) June 30, 2026	(Audited) December 31, 2025
13	**DEFERRED TAX ASSETS - NET**	**Rupees in '000'**	
	Deductible temporary differences on:		
	Right of use assets net of lease liabilities	**2,903,852**	2,662,876
	Workers' Welfare Fund	**1,674,217**	1,437,953
	Deficit on revaluation of investments classified as FVOCI	**957,256**	-
	Credit loss allowance against off balance sheet obligations	**261,583**	361,394
	Credit loss allowance against lendings to financial institutions	**2,026**	10,739
	Credit loss allowance against balance with other banks	**3,968**	5,212
	Credit loss allowance against balance with treasury banks	**49,026**	95,834
	Credit loss allowance against investments	**365,342**	365,492
	Credit loss allowance against other assets	**739,027**	914,394
	Credit loss allowance against advances	**13,172,370**	10,904,032
	Business losses in subsudiary	**109,720**	59,234
		20,238,387	16,817,160
	Taxable temporary differences on:		
	Surplus on revaluation of property and equipment	**(3,032,618)**	(3,110,378)
	Surplus on revaluation of investments classified as FVOCI	**-**	(4,561,588)
	Transition to EIR methodology under IFRS-09	**(703,252)**	-
	Accelerated tax depreciation	**(1,439,196)**	(1,385,471)
	Surplus on revaluation of non banking assets acquired in satisfaction of claims	**(34,468)**	(35,354)
		(5,209,534)	(9,092,791)
		15,028,853	7,724,369

			(Un-audited)	(Audited)
			June 30,	December 31,
			2026	2025
14	**OTHER ASSETS**	**Note**	**Rupees in '000'**	
	Income / mark-up accrued in local currency		**65,731,666**	65,365,205
	Income / mark-up accrued in foreign currency		**259,002**	243,389
	Advances, deposits, advance rent and other prepayments		**7,031,244**	3,157,426
	Non-banking assets acquired in satisfaction of claims		**3,751,395**	3,674,098
	Acceptances	21	**24,378,101**	18,550,252
	Deferred fair value loss on remeasurement of staff loans - notional		**17,436,741**	16,573,483
	Deferred fair value loss on derecognition of financial asset measured at amortised cost		**6,642,247**	7,285,045
	Branch adjustment account		**334,427**	249,582
	Stock of stationery and cards		**492,531**	457,899
	Suspense account		**40,409**	13,632
	Mark to market gain on forward foreign exchange contracts - net	21	**-**	216,221
	Zakat recoverable from National Investment Trust Limited (NITL)		**36,790**	36,790
	Receivable against fraud and forgeries		**657,535**	653,626
	Auto Teller Machine and Point of Sale receivable - net		**154,525**	48,098
	Inter bank fund transfer and RAAST receivable - net		**14,335,573**	5,693,033
	Receivable against settlement arrangements		**219,175**	219,175
	Receivable against litigation expenses		**334,690**	334,690
	Receivable against sale of shares - net		**-**	3,863
	Receivable against Pakistan Remittance Initiative (PRI) rebate		**2,863,512**	2,094,444
	Receivable on account of GoPb schemes		**1,929,584**	1,768,753
	Others		**3,095,894**	2,828,752
			149,725,041	129,467,456
	Less: Credit loss allowance held against other assets	14.1	**(2,393,514)**	(2,867,481)
	Other assets (net of credit loss allowance)		**147,331,527**	126,599,975
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	23	**641,775**	643,475
	Other assets - total		**147,973,302**	127,243,450

		Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
			Rupees in '000'	
14.1	**Credit loss allowance held against other assets**			
	Advances, deposits, advance rent & other prepayments		**222,330**	311,833
	Acceptances		**50,358**	85,180
	Income / mark-up accrued		**518,624**	449,215
	Non banking assets acquired in satisfaction of claims		**30,876**	30,876
	Zakat recoverable from NITL		**36,790**	36,790
	Fraud and forgeries	14.1.2	**499,713**	496,889
	Receivable against settlement arrangements		**219,175**	219,175
	Receivable against litigation expenses		**334,690**	334,690
	Others	14.1.3	**480,958**	902,833
		14.1.1	**2,393,514**	2,867,481
14.1.1	Movement in credit loss allowance held against other assets			
	Opening balance		**2,867,481**	1,392,319
	Charge for the period / year		**243,528**	1,610,372
	Reversals during the period / year		**(597,575)**	(244,914)
			(354,047)	1,365,458
	Amount written off		**(6,628)**	(88)
	Others		**(113,292)**	109,792
	Closing balance		**2,393,514**	2,867,481

14.1.2 This includes provision amounted to Rs. 4,548 thousand (December 31, 2025: Rs. 3,006 thousand) maintained against certain closed cases as per approval of the management.

14.1.3 This includes amount recoverable from a service provider under settlement against certain disputed transaction. The Bank's claim is under consideration at service provider end, however, provision has been created on prudence basis and without prejudice to the Bank's claim against service provider.

		Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
			Rupees in '000'	
15	**CONTINGENT ASSETS**			
	Contingent assets		**Nil**	Nil
16	**BILLS PAYABLE**			
	In Pakistan		**11,717,895**	9,139,194
	Outside Pakistan		**-**	-
			11,717,895	9,139,194
17	**BORROWINGS**			
	Secured			
	Borrowings from SBP under:			
	Export Refinance Scheme (ERF)		**12,823,166**	17,633,451
	Long Term Financing Facility (LTFF)		**5,250,854**	6,545,639
	Financing Facility for Storage of Agriculture Produce (FFSAP)		**367,240**	400,112
	Finance facility for Special Persons		**18,375**	-
	Financing Scheme for Renewable Energy Performance Platform (REPP)		**4,540,364**	4,983,962
	Refinancing facility for combating COVID-19		**95,746**	200,869
	Temporary Economic Refinance Scheme (TERF)		**9,026,257**	9,765,661
	Refinance and Credit Guarantee Scheme for Women Entrepreneurs		**27,033**	35,783
	Finance facility for SAAF Rozgar Reimbursement Credit		**11,778,684**	11,654,968
	Finance facility for Shamsi Tawanai Consumer		**32,710**	38,905
	Islamic Temporary Economic Refinance Facility (ITERF)		**730,634**	789,014
	Refinancing facility for Modernization of SMEs		**108,282**	132,875
	Refinance facility for Working Capital of SMEs		**30,000**	30,000
			44,829,345	52,211,239
	Repurchase agreement borrowings		**2,176,240**	558,128,341
	Borrowing from Pakistan Mortgage Refinance Company Limited (PMRC)	17.1	**2,413,123**	2,454,656
	Total secured		**49,418,708**	612,794,236
	Unsecured			
	Call borrowings		**100,000**	5,200,000
	Overdrawn nostro accounts		**4,811,976**	3,172,157
	Borrowing from Agence Francaise De Development (AFD)		**6,026,923**	3,641,599
	Total unsecured		**10,938,899**	12,013,756
			60,357,607	624,807,992

17.1 These borrowings are secured against Pakistan Investment Bonds with carrying value of Rs. 504,113 thousand (December 31, 2025: Rs. 2,632,095 thousand).

18 DEPOSITS AND OTHER ACCOUNTS

	June 30, 2026 (Un-audited)			December 31, 2025 (Audited)		
	In local currency	**In foreign currencies**	**Total**	In local currency	In foreign currencies	Total
			Rupees in '000'			
Customers:						
Current deposits	**536,044,370**	**13,268,926**	**549,313,296**	457,167,831	12,864,423	470,032,254
Savings deposits	**873,082,936**	**6,518,002**	**879,600,938**	707,245,769	4,948,228	712,193,997
Term deposits	**632,844,042**	**20,430,329**	**653,274,371**	780,906,332	22,400,840	803,307,172
Margin deposits	**21,170,025**	**-**	**21,170,025**	10,858,217	-	10,858,217
	2,063,141,373	**40,217,257**	**2,103,358,630**	1,956,178,149	40,213,491	1,996,391,640
Financial institutions:						
Current deposits	**2,054,190**	**395,853**	**2,450,043**	2,966,774	2,254,680	5,221,454
Savings deposits	**46,688,793**	**2,769**	**46,691,562**	21,498,622	2,838	21,501,460
Term deposits	**973,000**	**-**	**973,000**	27,822,366	-	27,822,366
Margin deposits	**5,892**	**-**	**5,892**	10,894	-	10,894
	49,721,875	**398,622**	**50,120,497**	52,298,656	2,257,518	54,556,174
	2,112,863,248	**40,615,879**	**2,153,479,127**	2,008,476,805	42,471,009	2,050,947,814

18.1 Current deposits include call deposits amounting to Rs. 71,267,134 thousand (December 31, 2025: Rs. 47,794,091 thousand).

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
19 LEASE LIABILITIES	**Rupees in '000'**	
Outstanding at the start of the period / year	**18,367,358**	17,101,125
Additions during the period / year	**927,255**	2,830,502
Mark-up accrued during the period / year	**1,217,205**	2,410,483
Terminations during the period / year	**(456,811)**	(411,022)
Payment of lease liabilities against right of use assets during the period / year	**(1,776,074)**	(3,563,730)
Outstanding at the end of the period / year	**18,278,933**	18,367,358
19.1 Liabilities outstanding		
Not later than one year	**82,693**	106,595
Later than one year and up to five years	**3,324,857**	2,361,932
Over five years	**14,871,383**	15,898,831
Total at the end of the period / year	**18,278,933**	18,367,358

19.1.1 For the purpose of discounting PKRV rates are being used.

20 SUBORDINATED DEBTS

Subordinated perpetual term finance certificates - ADT I	**8,017,500**	8,017,500
Subordinated perpetual term finance certificates - ADT I 2nd issue	**3,950,000**	3,950,000
Privately placed term finance certificates - II	**4,286,240**	4,287,100
Privately placed term finance certificates - III	**6,991,600**	6,993,000
Privately placed term finance certificates - IV	**7,563,444**	7,564,958
	30,808,784	30,812,558

20.1. Major terms and conditions of subordinated debts are as follows:

Description	ADT - I	ADT - I 2nd issue	TFCs - II	TFCs - III	TFCs - IV
Face value	100,000 PKR	100,000 PKR	100,000 PKR	100,000 PKR	100,000 PKR
Listed/unlisted	Listed	Un-listed	Un-listed	Un-listed	Un-listed
Feature	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
Issue amount Rs. in '000'	8,017,500	3,950,000	4,300,000	7,000,000	7,569,500
Issue date	June 20, 2022	February 29, 2024	April 23, 2018	April 17, 2023	June 27, 2024
Maturity date	Perpetual	Perpetual	April 23, 2028	April 17, 2033	June 27, 2034
Rating	AA- (by PACRA)	AA- (by PACRA)	AA (by PACRA)	AA (by PACRA)	AA (by PACRA)
Tenor	Perpetual	Perpetual	10 Years.	10 Years.	10 Years.
Security	Unsecured and subordinated to all other indebtedness of the Bank including deposits except common shares.	Unsecured and subordinated to all other indebtedness of the Bank including deposits except common shares.	Unsecured and subordinated to all other indebtedness of the Bank including deposits.	Unsecured and subordinated to all other indebtedness of the Bank including deposits.	Unsecured and subordinated to all other indebtedness of the Bank including deposits.
Profit payment & frequency	Profit payable on half yearly basis in arrears on the outstanding principal amount, on a non-cumulative basis.	Profit payable on half yearly basis in arrears on the outstanding principal amount, on a non-cumulative basis.	Profit payable on half yearly basis in arrears on the outstanding principal amount.	Profit payable on half yearly basis in arrears on the outstanding principal amount.	Profit payable on half yearly basis in arrears on the outstanding principal amount.
Profit rate	Floating rate of return at base rate plus 200 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).	Floating rate of return at base rate plus 200 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).	Floating rate of return at base rate plus 125 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).	Floating rate of return at base rate plus 125 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).	Floating rate of return at base rate plus 125 bps p.a. (Base rate will be the average rate 'Ask side of the six month Karachi Inter Bank Offered Rate set at 1 (one business) day prior to the redemption date for the redemption amount payable on the immediately following redemption date).
Repayment	Not applicable.	Not applicable.	The TFC has been structured to redeem 0.02% of the issue amount semi-annually in the first 09 years after the issue and the remaining issue amount in two equal semi-annual installments of 49.82% each, in the 10th year.	The TFC has been structured to redeem 0.02% of the issue amount semi-annually in the first 09 years after the issue and the remaining issue amount in two equal semi-annual installments of 49.82% each, in the 10th year.	The TFC has been structured to redeem 0.02% of the issue amount semi-annually in the first 09 years after the issue and the remaining issue amount in two equal semi-annual installments of 49.82% each, in the 10th year.
Call / Put option	Callable after a period of 05 years. However no put option is available to the investors.				
Lock in clause	Neither profit nor principal may be paid (even at maturity) if such payments would result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or increase any existing shortfall in MCR or CAR.				
Loss absorbency clause:	May be converted into ordinary shares or written off immediately (either partially or in full) at the discretion of the SBP, upon the occurrence of a point of non-viability ("PONV") event as defined in the Basel III guidelines, at the market value of the shares on the date of trigger of PONV on sole discretion of the SBP.				

			(Un-audited)	(Audited)
			June 30,	December 31,
21	**OTHER LIABILITIES**	Note	2026	2025
			Rupees in '000'	
	Mark-up / return / interest payable in local currency		**23,541,990**	41,120,410
	Mark-up / return / interest payable in foreign currencies		**494,497**	468,035
	Mark-up payable on subordinated debts		**496,721**	505,215
	Provision for taxation - net		**1,356,502**	3,432,608
	Sundry creditors and accrued expenses		**4,368,390**	2,882,729
	Lease key money		**39,837,821**	31,204,602
	Acceptances	14	**24,378,101**	18,550,252
	Payable to gratuity fund		**346,048**	704,791
	Gratuity payable to key management personnel		**44,318**	44,318
	Provision for employees compensated absences		**227,696**	207,343
	Mark to market loss on forward foreign exchange contracts - net	14	**123,077**	-
	Unrealized loss on revaluation of foreign bills and trade loans		**110,862**	119,909
	Credit loss allowance against off-balance sheet obligations	21.2	**547,026**	738,971
	Levies and taxes payable		**1,885,239**	1,244,917
	Dividend payable		**25**	-
	Unclaimed dividends		**2,586**	2,586
	Payable to charity fund		**85**	4,166
	Charges payable against financing of consumer assets		**2,664,255**	1,802,648
	Payable against purchase of shares		**594,815**	-
	Workers' Welfare Fund	21.1	**3,504,604**	3,050,250
	Deferred and unearned income		**3,334,829**	2,095,729
	Clearing and settlement accounts		**7,624,082**	500,972
	Credit loss guarantee received against advances		**3,646,453**	1,879,765
	Payable on account of GoPb schemes		**2,798,700**	120,226
	Others		**2,436,997**	2,663,396
			124,365,719	113,343,838

21.1 Supreme Court of Pakistan vide its order dated November 10, 2016 has held that the amendments made in the law introduced by the Federal Government for the levy of Workers Welfare Fund (WWF) were not lawful. The Federal Board of Revenue has filed review petitions against this order which are currently pending. Legal advice obtained on the matter indicates that consequent to filing of these review petitions the judgment may not currently be treated as conclusive. Accordingly, the Bank maintained provision in respect of WWF.

			(Un-audited)	(Audited)
			June 30,	December 31,
		Note	2026	2025
21.2	**Credit loss allowance against off-balance sheet obligations**		Rupees in '000'	
	Opening balance		**738,971**	1,805,577
	Charge for the period / year		**159,593**	394,861
	Reversals during the period / year		**(351,538)**	(1,461,467)
		33	**(191,945)**	(1,066,606)
	Closing balance		**547,026**	738,971

22 SHARE CAPITAL - NET

22.1 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'	
5,000,000,000	5,000,000,000	Ordinary / Preference shares of Rs. 10 each	**50,000,000**	50,000,000

The authorized capital of the Bank is fifty thousand million rupees divided into five thousand million ordinary or preference shares of ten rupees each. The Board of Directors approved increase in authorized share capital of the Bank to 10,000,000 thousand shares amounting to Rs. 100,000,000 thousand. The Bank has initiated the process for necessary amendments in The Bank of Punjab Act, 1989 through the Provincial Assembly of Punjab.

22.2 Issued, subscribed and paid up capital

(Un-audited) June 30, 2026	(Audited) December 31, 2025		Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
Number of shares			Note	Rupees in '000'	
1,607,912,555	1,607,912,555	Ordinary shares of Rs. 10 each paid in cash		**16,079,125**	16,079,125
526,315,789	526,315,789	Ordinary shares of Rs. 10 each issued at discount		**5,263,158**	5,263,158
1,137,340,975	1,137,340,975	Issued as bonus shares		**11,373,410**	11,373,410
3,271,569,319	3,271,569,319			**32,715,693**	32,715,693
-	-	Less: Discount on issue of shares		**(263,158)**	(263,158)
3,271,569,319	3,271,569,319			**32,452,535**	32,452,535

GoPb held 57.47% shares in the Bank as at June 30, 2026 (December 31, 2025: 57.47%).

23 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX

	Note	June 30, 2026	December 31, 2025
Surplus / (deficit) on revaluation of:			
Securities measured at FVOCI - debt instruments	8.1	**(1,923,043)**	7,862,074
Securities measured at FVOCI - equity investments	8.1	**88,878**	912,863
Property and equipment		**8,834,774**	8,984,314
Non-banking assets acquired in satisfaction of claims	14	**641,775**	643,475
		7,642,384	18,402,726
Deferred tax on surplus / (deficit) on revaluation of:			
Securities measured at FVOCI - debt instruments		**1,003,473**	(4,088,278)
Securities measured at FVOCI - equity investments		**(46,217)**	(473,309)
Property and equipment		**(3,032,618)**	(3,110,378)
Non-banking assets acquired in satisfaction of claims		**(34,468)**	(35,354)
		(2,109,830)	(7,707,319)
		5,532,554	10,695,407

24 CONTINGENCIES AND COMMITMENTS

	Note	June 30, 2026	December 31, 2025
Guarantees	24.1	**184,738,118**	159,015,216
Commitments	24.2	**537,001,415**	629,902,611
Other contingent liabilities	24.3	**291,951**	291,951
		722,031,484	789,209,778

		Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
			Rupees in '000'	
24.1	**Guarantees:**			
	Financial guarantees		**45,900,816**	48,606,898
	Performance guarantees		**43,128,446**	34,815,732
	Other guarantees:			
	Back to back guarantees		**52,545,841**	47,766,322
	Mobilization and bid bond guarantees		**16,973,023**	15,732,308
	Other guarantees		**26,189,992**	12,093,956
			95,708,856	75,592,586
			184,738,118	159,015,216
24.2	**Commitments:**			
	Documentary credits and short-term trade-related transactions			
	- letters of credit		**181,913,683**	166,340,789
	Commitments in respect of:			
	- forward foreign exchange contracts	24.2.1	**290,960,601**	265,923,625
	- forward Government securities transactions	24.2.2	**7,500,000**	146,400,000
	- forward lending	24.2.3	**56,425,869**	50,851,386
	Commitments for acquisition of:			
	- property and equipment		**16,290**	310,087
	- intangible assets		**184,972**	76,724
			537,001,415	629,902,611
24.2.1	Commitments in respect of forward foreign exchange contracts			
	Purchase		**149,249,394**	138,875,962
	Sale		**141,711,207**	127,047,663
			290,960,601	265,923,625
24.2.2	Commitments in respect of forward Government securities transactions			
	Purchase		**7,500,000**	79,800,000
	Sale		**-**	66,600,000
			7,500,000	146,400,000
24.2.3	Commitments in respect of forward lending			
	Undrawn formal standby facilities, credit lines and other commitments to lend	24.2.3.1	**56,425,869**	50,851,386

24.2.3.1 These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense. In addition, the Bank makes revocable commitments that do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

		Note		
24.3	**Other contingent liabilities**	24.3.1	**291,951**	291,951

24.3.1 For tax years 2014 - 2025, the tax department disputed Bank's treatment on certain issues, where the Bank's appeals are pending at various appellate forums. Such issues inter alia principally include disallowance of expenses for initial depreciation allowances, non deduction of withholding tax on profit, non availability of underlying records and provision for non performing loans.

The Bank has filed appeals which are pending at various appellate forums. In addition, certain decisions made in favour of the Bank are being contested by the department at higher forums. No provision has been made in these consolidated condensed interim financial statements regarding the aforesaid additional tax demand and already issued favourable decisions where the tax department is in appeal, as the management is of the view that the issues will be decided in the Bank's favour as and when these are taken up by the Appellate authorities.

24.4 Claims against the Bank not acknowledged as debts

An amount of Rs. 51,236,919 thousand (December 31, 2025: Rs. 55,348,429 thousand) involved in the claims filed against the Bank are yet to be adjudicated by the concerned Courts as the same have been filed as outburst to Bank's recovery suits. Up till now, in no case, any claim has been adjudicated, determined or decreed by the Courts against the Bank. Moreover, there is no likelihood of decreeing the suits against the Bank because, the claims are frivolous.

		Note	(Un-audited) June 30, 2026	(Un-audited) June 30, 2025
			Rupees in '000'	
25	**MARK-UP / RETURN / INTEREST EARNED**			
	Loans and advances		**52,440,592**	48,132,442
	Investments		**75,903,169**	84,155,581
	Lendings to financial institutions		**710,487**	889,131
	Balances with banks		**125,786**	199,524
	IFRS-09 adjustments - notional:			
	Staff loans		**597,699**	971,649
	Other loans		**790,758**	666,331
			130,568,491	135,014,658
25.1	Interest income recognised on:			
	Financial assets measured at amortised cost		**62,553,942**	58,900,355
	Financial assets measured at FVOCI		**66,638,903**	71,155,391
	Financial assets measured at FVTPL		**1,375,646**	4,958,912
			130,568,491	135,014,658
26	**MARK-UP / RETURN / INTEREST EXPENSED**			
	Deposits and other accounts		**63,555,571**	72,523,254
	Borrowings		**17,240,912**	22,879,626
	Subordinated debts		**1,906,277**	2,207,006
	Mark-up on lease liability against right of use assets		**1,217,205**	1,156,720
	IFRS-09 adjustment on borrowings - notional		**530,330**	429,810
			84,450,295	99,196,416
27	**FEE AND COMMISSION INCOME**			
	Branch banking customer fees		**225,317**	259,204
	Consumer finance related fees		**377,814**	282,323
	Card related fees		**3,855,861**	1,919,998
	Credit related fees		**885,966**	553,318
	Investment banking fees		**474,006**	333,223
	Branchless banking fees		**910,553**	427,157
	Commission on trade		**771,732**	1,169,384
	Commission on guarantees		**674,576**	259,114
	Commission on cash management		**668,364**	110,384
	Commission on remittances including home remittances		**(426,738)**	188,301
	Commission on bancassurance		**225,479**	169,479
	SMS banking income		**908,187**	702,055
			9,551,117	6,373,940
28	**(LOSS) / GAIN ON SECURITIES - NET**			
	Realized (loss) / gain on sale of securities - net	28.1	**(1,127,793)**	2,531,686
	Unrealized (loss) / gain - measured at FVTPL	8.1	**(34,717)**	131,461
			(1,162,510)	2,663,147
28.1	**Realized (loss) / gain on sale of securities - net:**			
	Federal government securities		**(1,161,286)**	2,567,998
	Non government debt securities		**17,951**	17,952
	Shares		**15,542**	(54,264)
			(1,127,793)	2,531,686
28.2	**Realized (loss) / gain on sale of securities - net:**			
	Net (loss) / gain on financial assets measured at FVTPL:			
	- Designated upon initial recognition		**(4,426)**	50,819
	- Mandatorily measured at FVTPL		**17,951**	17,952
	Net (loss) / gain on financial assets measured at FVOCI		**(1,141,318)**	2,462,915
			(1,127,793)	2,531,686
29	**NET LOSS ON DERECOGNITION OF FINANCIAL ASSETS MEASURED AT AMORTISED COST**			
	Loss on derecognition on financial assets measured at amortised cost	29.1	**(782,172)**	(569,049)

29.1 This includes amortization of deferred loss / modification impact(s) on PIA Corporation Limited and other parties.

		Note	(Un-audited) June 30, 2026	(Un-audited) June 30, 2025
			Rupees in '000'	
30	**OTHER INCOME**			
	Rent on property		**-**	6,367
	Gain on sale of property and equipment - net		**34,716**	112,324
	Gain on termination of lease liability against right of use assets		**237,122**	17,180
	Notice pay on resignations		**41,252**	36,901
			313,090	172,772
31	**OPERATING EXPENSES**			
	Total compensation expense	31.1	**18,075,920**	15,249,182
	Property expense:			
	Rent and taxes		**8,981**	29,151
	Insurance		**7,931**	10,127
	Utilities cost		**876,893**	852,379
	Security		**4,079**	2,583
	Repair and maintenance including janitorial charges		**129,076**	117,778
	Depreciation		**664,286**	571,990
	Depreciation on right of use assets		**1,258,779**	1,045,569
			2,950,025	2,629,577
	Information technology expenses:			
	Software maintenance		**1,305,941**	1,005,831
	Hardware maintenance		**44,273**	42,296
	Depreciation on computer equipment		**623,074**	555,126
	Amortization on intangible assets		**253,041**	219,594
	Network charges		**361,235**	263,783
			2,587,564	2,086,630
	Other operating expenses:			
	Directors' fees and allowances		**30,754**	29,648
	Fees and allowances to shariah board		**7,490**	7,049
	Legal and professional charges		**583,233**	370,413
	Subscription charges		**61,279**	63,434
	Outsourced staff services costs		**899,382**	641,966
	Travelling and conveyance		**173,636**	240,974
	NIFT clearing charges		**63,982**	81,724
	Depreciation		**614,483**	480,642
	Depreciation on non banking assets acquired in satisfaction of claims		**16,979**	16,331
	Depreciation on ijarah assets under IFAS - 2		**922,915**	291,093
	Training and development		**49,030**	46,651
	Postage and courier charges		**206,751**	210,414
	Stationery and printing		**362,153**	432,783
	Marketing, advertisement and publicity		**431,844**	469,858
	Auditors remuneration		**8,123**	12,787
	Insurance		**82,473**	184,985
	Deposit protection fee		**541,184**	464,590
	Repair and maintenance		**444,667**	561,246
	Entertainment expenses		**170,385**	161,799
	Vehicle running expenses		**67,313**	55,218
	Fuel for generator		**228,516**	159,653
	Commission and brokerage		**491,603**	969,424
	SMS banking charges		**355,862**	420,919
	Bank charges		**57,676**	57,829
	Card related expenses		**3,162,711**	2,009,508
	Cash remittance charges		**503,816**	523,339
	Branch license fee		**25,035**	23,185
	CNIC verification / ECIB charges		**829,009**	275,076
	Organizational development		**22,867**	59,553
	Promotional expenses for public sector programs		**145,099**	-
	Miscellaneous expenses		**161,295**	175,462
			11,721,545	9,497,553
			35,335,054	29,462,942

31.1 This includes IFRS-09 adjustment on staff loans - notional amounting to Rs. 597,699 thousand (June 30, 2025: Rs. 971,649 thousand).

		(Un-audited) June 30, 2026	(Un-audited) June 30, 2025
		Rupees in '000'	
32	**OTHER CHARGES**		
	Penalties imposed by SBP	**-**	1,186
	Operational loss	**1,112**	2,800
		1,112	3,986

		Note	(Un-audited) June 30, 2026	(Un-audited) June 30, 2025
			Rupees in '000'	
33	**CHARGE / (REVERSAL) OF CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET**			
	Reversal of credit loss allowance against lending to financial institutions	7	**(16,756)**	(33,738)
	(Reversal) / charge of credit loss allowance against investments	8.3.1	**(289)**	589,755
	Credit loss allowance against loans & advances	9.3	**711,991**	1,052,370
	Reversal of credit loss allowance against balances with treasury banks	5	**(90,017)**	(280,249)
	(Reversal) / charge of credit loss allowance against other assets	14.1.1	**(354,047)**	164,000
	Reversal of credit loss allowance against off balance sheet obligations	21.2	**(191,945)**	(1,017,731)
	Reversal of credit loss allowance against balance with other banks	6	**(2,390)**	(9,656)
	Recovery of charged off loans		**(7,639)**	-
			48,908	464,751
34	**TAXATION - NET**			
	Current	34.1	**12,054,630**	9,458,610
	Prior years		**1,298,769**	-
	Deferred		**(2,430,603)**	(1,091,113)
			10,922,796	8,367,497

34.1 This includes provision for super tax in accordance with Income Tax Ordinance, 2001.

35	**BASIC EARNINGS PER SHARE**			
	Profit after taxation for the period (Rs in '000')		**9,372,839**	6,480,523
	Weighted average number of ordinary shares (No.).		**3,271,569,319**	3,271,569,319
	Basic earnings per share - Rs.		**2.86**	1.98

36 DILUTED EARNINGS PER SHARE

There were no convertible dilutive potential ordinary shares outstanding as at reporting dates.

37 FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities, other than investments in subsidiaries, is determined on the basis of valuation methodologies.

The fair value of unquoted debt securities, fixed term loans, 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.

In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since these are either short-term in nature or, in the case of customer loans and deposits, are frequently reprised.

37.1 The Bank measures fair vale 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 measurement using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly. (i.e. derived from prices).

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

37.1.1 Valuation techniques used in determination of fair values within level 2 and level 3

Item	**Valuation approach and input used**
Federal Government securities	The fair value of Federal Government securities is determined using the prices / rates available on Mutual Funds Association of Pakistan (MUFAP).
Non-Government debt securities	The fair value of non-government debt securities is determined using the prices / rates available on MUFAP
Mutual Fund units	The fair values of investments in mutual fund units are determined based on their net asset values as published at the close of reporting date.
Forward foreign exchange contracts	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
Unlisted shares	The fair value of unquoted equity investments is determined using the Discounted Cash Flow (DCF) method / market multiple approach, based on the investee company’s projected cash flows / available financial information. In cases where such projections are not available, the Bank estimates fair value as the lower of the investment’s cost or its break-up value.
Fixed assets and non-banking assets acquired in satisfaction of claims	Land, buildings on freehold land and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets.

37.2 Fair value of financial assets

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

	June 30, 2026 (Un-audited)				
	Carrying value / Notional value	**Level 1**	**Level 2**	**Level 3**	**Total**
On balance sheet financial instruments	Rupees in '000'				
Financial assets measured at fair value:					
Federal government securities	**1,014,552,339**	**-**	**1,014,552,339**	**-**	**1,014,552,339**
Shares	**5,929,626**	**5,831,188**	**98,438**	**-**	**5,929,626**
Non-Government debt securities	**1,036,667**	**-**	**1,036,667**	**-**	**1,036,667**
Mutual fund & investment trust units	**2,074,761**	**1,951,315**	**123,446**	**-**	**2,074,761**
Foreign securities	**38,584**	**-**	**-**	**38,584**	**38,584**
Subsidiary companies	**-**	**-**	**-**	**-**	**-**
Associated company	**285,027**	**-**	**-**	**285,027**	**285,027**
Financial assets disclosed but not measured at fair value:					
Federal government securities	**172,300,723**	**-**	**170,728,478**	**-**	**170,728,478**
Non-Government debt securities	**642,801**	**-**	**642,801**	**-**	**642,801**
Off balance sheet financial instruments measured at fair value:					
Forward purchase of foreign exchange contracts	**148,226,220**	**-**	**148,226,220**	**-**	**148,226,220**
Forward sale of foreign exchange contracts	**140,811,110**	**-**	**140,811,110**	**-**	**140,811,110**
Forward purchase of Government Securities transaction	**7,500,000**		**7,500,000**		**7,500,000**

	December 31, 2025 (Audited)				
	Carrying value / Notional value	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments	Rupees in '000'				
Financial assets measured at fair value:					
Federal government securities	1,415,361,305	-	1,415,361,305	-	1,415,361,305
Shares	9,617,776	9,532,261	85,515	-	9,617,776
Non-Government debt securities	755,878	-	755,878	-	755,878
Mutual funds & investment trust units	2,162,473	2,045,638	116,835	-	2,162,473
Foreign securities	40,036	-	-	40,036	40,036
Associated company	285,225	-	-	285,225	285,225
Financial assets disclosed but not measured at fair value:					
Federal government securities	118,887,560	-	122,858,845	-	122,858,845
Non-Government debt securities	932,966	-	932,966	-	932,966

	December 31, 2025 (Audited)				
	Carrying value / Notional value	Level 1	Level 2	Level 3	Total
	Rupees in '000'				
Off balance sheet financial instruments measured at fair value:					
Forward purchase of foreign exchange contracts	137,714,546	-	137,714,546	-	137,714,546
Forward sale of foreign exchange contracts	125,670,026	-	125,670,026	-	125,670,026
Forward purchase of Government Securities transaction	79,800,000	-	79,800,000	-	79,800,000
Forward sale of Government Securities transaction	66,600,000	-	66,600,000	-	66,600,000

37.3 Fair value of non financial assets

	June 30, 2026 (Un-audited)				
	Carrying value / Notional value	**Level 1**	**Level 2**	**Level 3**	**Total**
	Rupees in '000'				
Non financial assets measured at fair value:					
Property and equipment (land & building)	**16,503,316**	**-**	**16,503,316**	**-**	**16,503,316**
Non banking assets acquired in satisfaction of claims	**4,362,294**	**-**	**4,362,294**	**-**	**4,362,294**

	December 31, 2025 (Audited)				
	Carrying value / Notional value	Level 1	Level 2	Level 3	Total
	Rupees in '000'				
Non financial assets measured at fair value:					
Property and equipment (land & building)	16,722,737	-	16,722,737	-	16,722,737
Non banking assets acquired in satisfaction of claims	4,286,697	-	4,286,697	-	4,286,697

37.4 The following table summarises the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements of investment in unquoted equity securities.

Description	**Valuation technique**	**Unobservable input**	**Discount rate**	**Relationship of unobservable inputs to fair value**
Unquoted equity investments	DCF method	Discount rate	16.55%	Increase / decrease discount rate by 1% with all other variables held constant, would decrease / increase the fair value by Rs. 1.018 million and Rs 1.050 million respectively.

The following table shows reconciliation of investments Level 3 fair value movement:

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	Rupees in '000'	
Opening balance	**125,551**	97,786
Remeasurement recognised in OCI	**11,472**	27,765
Closing balance	**137,023**	125,551

38 SEGMENT INFORMATION

38.1 Segment details with respect to business activities

	(Un-audited) June 30, 2026						
	Corporate and investment banking	Cards and public sector deposits	Consumer banking group	Treasury	Islamic	Others including Head Office	Total
	Rupees in '000'						
Consolidated statement of profit & loss account							
Mark-up / return / profit	20,061,474	7,463,898	16,979,695	70,336,344	14,518,516	1,208,564	130,568,491
Inter segment (cost) / revenue - net	(8,703,978)	41,397,411	19,939,812	(52,524,269)	(59,666)	(49,310)	-
Non mark-up / return / interest income	2,035,892	6,000,793	1,308,718	428,673	702,417	(461,967)	10,014,526
Total income	13,393,388	54,862,102	38,228,225	18,240,748	15,161,267	697,287	140,583,017
Segment total expenses	11,345,895	38,523,787	27,580,998	15,256,740	11,589,403	15,943,992	120,240,815
Profit before credit loss allowance and tax	2,047,493	16,338,315	10,647,227	2,984,008	3,571,864	(15,246,705)	20,342,202
(Reversal) / charge of credit loss allowance	(2,445,689)	(518,871)	2,390,745	(467,427)	1,082,905	7,245	48,908
Profit / (loss) before tax	4,493,182	16,857,186	8,256,482	3,451,435	2,488,959	(15,253,950)	20,293,294
Consolidated statement of financial position							
Cash and bank balances	-	212,370	43,930,070	57,197,776	18,301,645	-	119,641,861
Investments - net	1,204,176	-	-	1,091,276,885	104,379,467	-	1,196,860,528
Net inter segment lending	-	855,021,494	432,587,440	-	-	29,717,962	1,317,326,896
Lendings to financial institutions	-	-	-	16,627,365	7,496,128	-	24,123,493
Advances - performing	356,536,915	105,874,303	303,838,351	-	159,955,913	12,881,381	939,086,863
- non-performing - net	4,712,617	5,341,234	2,982,302	-	763,039	17,433	13,816,625
Others	38,889,904	9,374,184	26,866,217	19,362,765	22,723,129	92,323,889	209,540,088
Total assets	401,343,612	975,823,585	810,204,380	1,184,464,791	313,619,321	134,940,665	3,820,396,354
Borrowings	37,033,780	-	16,998,434	4,689,363	1,636,030	-	60,357,607
Subordinated debts	-	-	-	-	-	30,808,784	30,808,784
Deposits and other accounts	214,945,359	960,902,599	712,756,160	-	264,875,009	-	2,153,479,127
Net inter segment borrowing	126,663,497	-	-	1,180,707,214	9,956,185	-	1,317,326,896
Others	22,700,976	14,920,986	80,449,786	(931,786)	10,810,050	26,412,535	154,362,547
Total liabilities	401,343,612	975,823,585	810,204,380	1,184,464,791	287,277,274	57,221,319	3,716,334,961
Equity							104,061,393
Total equity and liabilities							3,820,396,354
Contingencies and commitments	333,876,485	-	32,730,629	292,146,269	62,797,224	480,877	722,031,484

	(Un-audited) June 30, 2025						
	Corporate and investment banking	Cards and public sector deposits	Consumer banking group	Treasury	Islamic	Others including Head Office	Total
				Rupees in '000'			
Consolidated statement of profit & loss account							
Mark-up / return / profit	29,868,765	2,574,860	10,534,571	81,188,949	9,326,939	1,520,574	135,014,658
Inter segment revenue - net	(12,933,366)	48,732,002	23,288,940	(59,263,964)	(685)	177,073	-
Non mark-up / return / interest income	1,916,560	3,065,744	994,377	3,712,092	276,053	(431,420)	9,533,406
Total income	18,851,959	54,372,606	34,817,888	25,637,077	9,602,307	1,266,227	144,548,064
Segment total expenses	13,156,946	41,668,261	27,586,138	21,902,342	8,089,338	16,793,667	129,196,692
Profit before credit loss allowance and tax	5,695,013	12,704,345	7,231,750	3,734,735	1,512,969	(15,527,440)	15,351,372
(Reversal) / charge of credit loss allowance	(1,264,383)	975,605	609,561	(120,179)	336,782	(72,635)	464,751
Profit / (loss) before tax	6,959,396	11,728,740	6,622,189	3,854,914	1,176,187	(15,454,805)	14,886,621

	(Audited) December 31, 2025						
Consolidated statement of financial position							
Cash and bank balances	-	190,118	34,287,713	62,569,729	20,550,710	-	117,598,270
Investments - net	903,661	-	-	1,430,455,797	116,683,761	-	1,548,043,219
Net inter segment lending	-	753,710,611	554,686,619	-	3,030,374	32,746,438	1,344,174,042
Lendings to financial institutions	-	-	-	219,424,747	1,997,051	-	221,421,798
Advances - performing	422,531,230	106,517,334	198,855,108	-	130,680,448	15,014,783	873,598,903
- non-performing	2,798,404	1,629,792	2,952,000	-	1,777,315	7,418	9,164,929
Others	35,491,690	6,587,853	22,710,766	23,737,472	18,822,850	73,562,036	180,912,667
Total assets	461,724,985	868,635,708	813,492,206	1,736,187,745	293,542,509	121,330,675	4,294,913,828
Borrowings	48,872,487	-	2,626,436	566,500,498	6,808,571	-	624,807,992
Subordinated debts	-	-	-	-	-	30,812,558	30,812,558
Deposits and other accounts	218,020,501	855,075,604	726,703,961	-	251,147,748	-	2,050,947,814
Net inter segment borrowing	177,270,371	-	-	1,166,903,671	-	-	1,344,174,042
Others	17,561,626	13,560,104	84,161,809	2,783,576	11,156,976	11,626,299	140,850,390
Total liabilities	461,724,985	868,635,708	813,492,206	1,736,187,745	269,113,295	42,438,857	4,191,592,796
Equity							103,321,032
Total equity and liabilities							4,294,913,828
Contingencies and commitments	305,984,951	-	27,885,919	417,169,343	46,912,843	364,256	798,317,312

Due to change in reportable sub-business segments, the figures of comparative period are realigned for the purpose of comparison.

39 RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its subsidiaries, associate, employee benefit plans, directors and Key Management Personnel. The Banks 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.

	(Un-audited) June 30, 2026					(Audited) December 31, 2025				
	Directors	**Key management personnel**	**Associate**	**Employee funds**	**Other related parties**	Directors	Key management personnel	Associate	Employee funds	Other related parties
					Rupees in '000'					
Investments (gross):										
Opening balance	**-**	**-**	**285,000**	**-**	**-**	-	-	-	-	-
Addition during the period / year	**-**	**-**	**-**	**-**	**-**	-	-	285,000	-	-
Repaid during the period / year	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Closing balance	**-**	**-**	**285,000**	**-**	**-**	-	-	285,000	-	-
Credit loss allowance for diminution in value of investments	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Advances (gross):										
Opening balance	**-**	**627,665**	**-**	**-**	**27,684**	-	567,927	-	-	-
Addition during the period / year	**-**	**98,635**	**84,545**	**-**	**-**	-	255,954	-	-	30,000
Repaid during the period / year	**-**	**215,575**	**-**	**-**	**2,840**	-	196,216	-	-	2,316
Closing balance	**-**	**510,725**	**84,545**	**-**	**24,844**	-	627,665	-	-	27,684
Credit loss allowance held against advances	**-**	**6,344**	**500**	**-**	**72**	-	8,735	-	-	89
Fair value loss held against advances	**-**	**219,018**	**-**	**-**	**-**	-	235,636	-	-	-
Other assets - markup receivable	**-**	**112,483**	**228**	**-**	**61**	-	28,760	-	-	71
Credit loss allowance against other assets	**-**	**2,688**	**1**	**-**	**5**	-	706	-	-	5
Right of use assets	**-**	**-**	**-**	**-**	**76,682**	-	-	-	-	- 79,974
Lease liability against right of use assets	**-**	**-**	**-**	**-**	**5,405**	-	-	-	-	5,057
Deposits and other accounts:										
Opening balance	**16,544**	**63,017**	**2,684,614**	**1,399,082**	**1,990,851**	22,222	116,975	-	2,587,664	874,152
Received during the period / year	**22,419**	**666,074**	**9,816,151**	**8,005,799**	**1,123,737**	29,745	2,093,993	122,250,831	6,542,556	3,612,472
Withdrawn during the period / year	**15,923**	**617,752**	**11,629,181**	**8,251,909**	**2,194,524**	35,423	2,147,951	119,566,217	7,731,138	2,495,773
Closing balance	**23,040**	**111,339**	**871,584**	**1,152,972**	**920,064**	16,544	63,017	2,684,614	1,399,082	1,990,851
Markup & commission payable	**-**	**167**	**834**	**-**	**-**	62	289	11,820	-	615
Contingencies (non funded exposure)	**-**	**-**	**100,000**	**-**	**55,939**	-	-	-	-	56,300

	June 30, 2026 (Un-audited)					June 30, 2025 (Un-audited)				
	Directors	**Key management personnel**	**Associate**	**Employee Funds**	**Other related parties**	Directors	Key management personnel	Associate	Employee Funds	Other related parties
					Rupees in '000'					
Income:										
Mark-up / return / interest earned	**-**	**28,338**	**228**	**-**	**1,686**	-	25,711	-	-	-
Fee and commission income	**10**	**812**	**-**	**-**	**122**	36	1,050	-	-	1,061
Expense:										
Mark-up expensed on deposits	**889**	**1,833**	**50,204**	**58,218**	**65,332**	1,034	4,960	-	92,915	38,940
Depreciation on right of use assets	**-**	**-**	**-**	**-**	**3,292**	-	-	-	-	2,213
Mark-up on lease liability against right of use assets	**-**	**-**	**-**	**-**	**347**	-	-	-	-	1,194
Compensation expense	**-**	**753,772**	**-**	**-**	**-**	-	652,128	-	-	-
Training and development	**-**	**-**	**-**	**-**	**2,794**	-	-	-	-	7,613
Directors fee and allowances	**30,754**	**-**	**-**	**-**	**-**	29,648	-	-	-	-

39.1 Balances pertaining to parties that were related at the beginning of the year but ceased to be so related during any part of the current period are not reflected as part of the closing balance. The same are accounted for through movement presented above.

39.2 The GoPb holds controlling interest (57.47% shareholding) in the Bank and therefore entities which are owned and / or controlled by the GoPb, or where the GoPb may exercise significant influence, are related parties of the Bank. The Bank in the ordinary course of business enters into transaction with Government- related entities. Such transactions include lending to, deposits from and provision of other banking services to Government-related entities. The detail of transactions are as follows:

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	Rupees in '000'	
Advances	**6,098,583**	6,832,672
Credit loss allowance held against advances	**3,769**	5,148
Deposits and other accounts	**1,002,984,932**	929,677,436
Bills payable	**166,334**	435,155
Subordinated debts	**13,121,295**	13,122,981
Acceptances	**71,929**	71,929
Contingencies and commitments	**43,020,724**	31,106,542
Credit loss allowance against off balance sheet obligations	**284**	107
Mark-up receivable	**12,218,888**	7,398,490
Credit loss allowance against other assets	**3**	3
Mark-up payable on subordinated debts	**198,708**	206,698
Mark-up payable on deposits and other accounts	**15,483,958**	34,402,345

	(Un-audited) June 30, 2026	(Un-audited) June 30, 2025
	Rupees in '000'	
Mark-up earned	**518,803**	707,586
Mark-up expensed	**30,422,314**	9,661,807
Income on contingencies and commitments	**140,416**	164,779
Mark-up expense on subordinated debts	**799,773**	992,159

39.3 The Bank made contribution of Rs. 412,676 thousand and Rs. 704,791 thousand (June 30, 2025: Rs. 348,222 thousand and Rs. 421,347 thousand) to employees provident fund and gratuity fund during the period respectively.

39.4 The Bank has allocated 3rd floor, National Tower, 28-Egerton road, Lahore to PMSL for its utilization and grants PMSL the authority to assign, sub-let or otherwise transfer possession of the premises or any portion thereof, on an arm's length basis, to its associated entities for business and commercial purposes, under its regulatory framework.

39.5 Advances to employees as at June 30, 2026, other than key management personnel, net of deferred fair value adjustments amounted to Rs. 15,186,770 thousand (December 31, 2025: Rs. 14,987,326 thousand) with markup receivable of Rs. 4,417,605 thousand (December 31, 2025: Rs. 3,934,785 thousand) and markup income of Rs. 1,386,062 thousand (June 30, 2025: Rs. 741,797 thousand) and fee & commission income of Rs. 22,655 thousand (June 30, 2025: Rs. 24,801 thousand). The ECL on said advances including markup and unutilized limits amounted to Rs. 474,300 thousand (December 31, 2025: Rs. 472,513 thousand). Compensation expense includes deferred cash bonus for President / CEO, key management personnel and other material risk takers / controllers. Deferred cash bonus as on June 30, 2026 stood at Rs. 162,836 thousand (December 31, 2025: Rs. 128,175 thousand).

39.6 In terms of service agreement of President / CEO, certain benefits including provision of Bank maintained cars, medical insurance cover etc. are also available to him. Further, certain executives are also entitled for Bank maintained car along with driver, corporate club membership and mobile phone as per Bank's policy.

39.7 The Bank held government securities in fiduciary capacity for its employee fund, GOPb & other related parties in IPS account amounting to Rs. 10,824,100 thousand (December 31, 2025: Rs. 9,021,700 thousand).

		(Un-audited) June 30, 2026	(Audited) December 31, 2025
40	**CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS**	Rupees in '000'	
	Minimum Capital Requirement (MCR):		
	Paid-up capital including share premium (net of losses)	**34,667,575**	34,667,575
	Capital Adequacy Ratio (CAR):		
	Eligible Common Equity Tier 1 (CET 1) Capital	**94,224,922**	91,882,060
	Eligible Additional Tier 1 (ADT 1) Capital	**11,967,500**	11,967,500
	Total Eligible Tier 1 Capital	**106,192,422**	103,849,560
	Eligible Tier 2 Capital	**24,012,709**	29,371,987
	Total Eligible Capital (Tier 1 + Tier 2)	**130,205,131**	133,221,547
	Risk Weighted Assets (RWAs):		
	Credit risk	**745,279,921**	672,763,927
	Market risk	**76,471,802**	133,421,822
	Operational risk	**131,613,037**	131,613,037
	Total	**953,364,760**	937,798,786
	Common equity tier I capital adequacy ratio	**9.88%**	9.80%
	Tier 1 Capital Adequacy Ratio	**11.14%**	11.07%
	Total Capital Adequacy Ratio	**13.66%**	14.21%
40.1	**Leverage Ratio (LR):**		
	Eligible Tier-I Capital	**106,192,422**	103,849,560
	Total exposures	**2,939,593,527**	3,362,575,836
	Leverage Ratio	**3.61%**	3.09%
40.2	**Liquidity Coverage Ratio (LCR):**		
	Total high quality liquid assets	**1,067,816,691**	1,044,794,202
	Total net cash outflow	**560,486,474**	517,654,929
	Liquidity Coverage Ratio	**190.52%**	201.83%
40.3	**Net Stable Funding Ratio (NSFR):**		
	Total available stable funding	**1,591,451,381**	1,501,658,047
	Total required stable funding	**973,684,498**	883,472,667
	Net Stable Funding Ratio	**163.45%**	169.97%

40.4 The Bank availed the benefit of stage I and II staggering as allowed by SBP vide IFRS-09 application instructions. Had this relaxation not availed, the CAR, LR and NSFR would have been 13.64%, 3.46% and 163.23% respectively.

41 ISLAMIC BANKING BUSINESS

The Bank has started Islamic banking operations in the year 2013. As at close of the June 30, 2026, the Bank is operating 212 Islamic banking branches (December 31, 2025: 210 Islamic banking branches) and 674 Islamic banking windows (December 31, 2025: 534).

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		**12,411,772**	17,123,462
Balances with other banks		**5,889,873**	3,427,248
Due from financial institutions	41.1	**7,496,128**	1,997,051
Investments	41.2	**104,379,467**	116,683,760
Islamic financing and related assets	41.3	**160,718,952**	132,457,763
Property and equipment		**2,289,554**	2,347,799
Right of use assets		**3,185,597**	3,301,907
Intangible assets		**10,653**	11,708
Due from head office		**-**	3,030,374
Other assets		**17,237,325**	13,161,436
Total assets		**313,619,321**	293,542,508
LIABILITIES			
Bills payable		**1,144,908**	1,185,243
Due to financial institutions		**1,636,030**	6,808,571
Deposits and other accounts	41.4	**264,875,009**	251,147,748
Lease liabilities		**4,415,822**	4,390,951
Due to head office		**9,956,185**	-
Other liabilities		**5,249,320**	5,580,782
		287,277,274	269,113,295
NET ASSETS		**26,342,047**	24,429,213
REPRESENTED BY			
Islamic banking fund		**2,000,000**	2,000,000
Reserves		**422**	14,001
(Deficit) / surplus on revaluation of assets		**(250,099)**	312,447
Unappropriated profit	41.5	**24,591,724**	22,102,765
		26,342,047	24,429,213
CONTINGENCIES AND COMMITMENTS	41.6		

ISLAMIC BANKING BUSINESS
STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE PERIOD ENDED JUNE 30, 2026

	Note	Quarter Ended		Period Ended	
		June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
		Rupees in '000'			
Profit / return earned	41.7	**8,166,917**	4,500,400	**14,518,516**	9,326,939
Profit / return expensed	41.8	**4,285,553**	2,597,921	**7,160,877**	4,761,948
Net profit / return		**3,881,364**	1,902,479	**7,357,639**	4,564,991
Fee and commission income		**356,154**	189,899	**668,928**	371,414
Dividend income		**-**	-	**-**	-
Foreign exchange gain / (loss) - net		**20,146**	(74,643)	**(11,026)**	(124,832)
Gain on securities - net		**-**	411	**-**	518
Other income		**17,473**	15,281	**44,515**	28,953
		393,773	130,948	**702,417**	276,053
Total income		**4,275,137**	2,033,427	**8,060,056**	4,841,044
Operating expenses		**2,394,339**	1,692,272	**4,488,187**	3,327,895
Workers' Welfare Fund		**-**	-	**-**	-
Other charges		**5**	80	**5**	180
		2,394,344	1,692,352	**4,488,192**	3,328,075
Profit before credit loss allowance		**1,880,793**	341,075	**3,571,864**	1,512,969
Credit loss allowance and write offs - net		**1,079,452**	(155,165)	**1,082,905**	336,782
Profit before taxation		**801,341**	496,240	**2,488,959**	1,176,187
Taxation	41.9	**-**	-	**-**	-
Profit after taxation		**801,341**	496,240	**2,488,959**	1,176,187

			June 30, 2026 (Un-audited)			December 31, 2025 (Audited)		
			In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
41.1	DUE FROM FINANCIAL INSTITUTIONS				Rupees in '000'			
	Placements		7,500,000	-	7,500,000	2,000,000	-	2,000,000
	Less: Credit loss allowance	Stage 1	(3,872)	-	(3,872)	(2,949)	-	(2,949)
			7,496,128	-	7,496,128	1,997,051	-	1,997,051

41.1.1 Profit rate on these placements ranging from 10.50% to 12.17% per anum (December 31, 2025: 10.91% per anum). These placements are unsecured (December 31, 2025: Unsecured).

		June 30, 2026 (Un-audited)				December 31, 2025 (Audited)			
41.2	INVESTMENTS	Cost/ Amortized cost	Credit loss allowance	Surplus / (Deficit)	Carrying value	Cost / Amortized cost	Credit loss allowance	Surplus / (Deficit)	Carrying value
	Investments by segment:				Rupees in '000'				
	Debt instruments								
	Classified / measured at FVTPL								
	Federal government securities								
	- Islamic Naya Pakistan Certificate	121,315	-	-	121,315	322,201	-	-	322,201
		121,315	-	-	121,315	322,201	-	-	322,201
	Classified / measured at FVOCI								
	Federal government securities								
	- Ijara Sukuk	91,322,150	-	(389,694)	90,932,456	102,565,732	-	172,852	102,738,584
		91,322,150	-	(389,694)	90,932,456	102,565,732	-	172,852	102,738,584
	Classified / measured at amortised cost								
	Federal Government securities								
	- Ijara Sukuk	9,522,682	-	-	9,522,682	9,529,795	-	-	9,529,795
	- Bai Muajjal	3,160,214	-	-	3,160,214	3,160,214	-	-	3,160,214
	Non government debt securities	1,250,704	(607,904)	-	642,800	1,541,158	(608,192)	-	932,966
		13,933,600	(607,904)	-	13,325,696	14,231,167	(608,192)	-	13,622,975
	Total investments	105,377,065	(607,904)	(389,694)	104,379,467	117,119,100	(608,192)	172,852	116,683,760

		(Un-audited) June 30, 2026	(Audited) December 31, 2025
		Rupees in '000'	
41.2.1	**Particulars of credit loss allowance - non government debt securities**		
	Stage 1	836	1,124
	Stage 2	-	-
	Stage 3	607,068	607,068
		607,904	608,192
41.3	**ISLAMIC FINANCING AND RELATED ASSETS**		
	Ijarah	11,930,892	8,515,516
	Murabaha	275,724	261,848
	Musharaka	18,059,393	20,428,804
	Diminishing musharaka	102,152,738	75,135,626
	Payment against documents	55,302	55,304
	Waqala	4,289,805	4,107,244
	Istisna	16,259,783	15,786,835
	Musawamah financing	10,183,594	8,732,339
	Tijarah financing	634,975	1,392,151
	Gross islamic financing and related assets	163,842,206	134,415,667
	Less: credit loss allowance against Islamic financings		
	-Stage 1	1,398,901	469,962
	-Stage 2	239,916	218,987
	-Stage 3	1,484,437	1,268,955
		3,123,254	1,957,904
	Islamic financing and related assets - net	160,718,952	132,457,763

		June 30, 2026 (Un-audited)			December 31, 2025 (Audited)		
41.4	DEPOSITS AND OTHER ACCOUNTS	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
				Rupees in '000'			
	Customers:						
	Current deposits	101,814,987	2,810,071	104,625,058	83,549,224	2,152,123	85,701,347
	Savings deposits	119,375,793	519,356	119,895,149	125,553,606	485,182	126,038,788
	Term deposits	32,217,326	6,578,878	38,796,204	31,464,235	6,432,976	37,897,211
	Margin deposits	259,806	-	259,806	41,434	-	41,434
		253,667,912	9,908,305	263,576,217	240,608,499	9,070,281	249,678,780
	Financial institutions:						
	Current deposits	238,912	54,221	293,133	48,653	69,567	118,220
	Savings deposits	1,005,128	14	1,005,142	1,350,573	-	1,350,573
	Term deposits	-	-	-	-	-	-
	Margin deposits	517	-	517	175	-	175
		1,244,557	54,235	1,298,792	1,399,401	69,567	1,468,968
		254,912,469	9,962,540	264,875,009	242,007,900	9,139,848	251,147,748

41.4.1 Current deposits include call deposits amounting to Rs. 13,443,640 thousand (December 31, 2025: Rs. 6,266,180 thousand).

		(Un-audited) June 30, 2026	(Audited) December 31, 2025
		Rupees in '000'	
41.5	**UNAPPROPRIATED PROFIT - ISLAMIC BANKING BUSINESS**		
	Opening balance	**22,102,765**	17,713,483
	Islamic banking profit for the period / year	**2,488,959**	4,389,282
	Closing balance	**24,591,724**	22,102,765
41.6	**CONTINGENCIES AND COMMITMENTS**		
	Guarantees:		
	Financial guarantees	**18,200**	18,200
	Performance guarantees	**3,126,929**	2,488,032
	Other guarantees	**12,816,912**	3,745,185
		15,962,041	6,251,417
	Commitments:		
	Documentary credits and short-term trade-related transactions - letters of credit	**17,758,229**	14,627,627
	Commitments in respect of forward lending	**22,750,285**	21,457,478
	Commitments in respect of purchase forward foreign exchange contracts	**6,314,332**	4,553,767
	Commitments for acquisition of:		
	- fixed assets	**3,980**	1,513
	- intangible assets	**8,357**	21,041
		46,835,183	40,661,426
		62,797,224	46,912,843

		(Un-audited) June 30, 2026	(Un-audited) June 30, 2025
		Rupees in '000'	
41.7	**PROFIT / RETURN EARNED OF FINANCING, INVESTMENTS AND PLACEMENT**		
	Profit earned on:		
	Financing	**8,084,619**	4,987,995
	Investments	**6,224,862**	3,632,305
	Placements	**121,230**	628,134
	IFRS-09 adjustments - notional:		
	Staff loans	**60,601**	76,590
	Other loans	**27,204**	1,915
		14,518,516	9,326,939
41.8	**PROFIT ON DEPOSITS AND OTHER DUES EXPENSED**		
	Deposits and other accounts	**5,439,401**	4,393,987
	Markup on lease liability against right of use assets	**298,916**	265,110
	Markup on call borrowings	**1,229,607**	9,519
	Markup on borrowings from SBP	**90,227**	69,204
	Profit on deposits from conventional head office	**59,666**	685
	IFRS-09 adjustment on borrowings - notional	**43,060**	23,443
		7,160,877	4,761,948

41.9 The Bank calculates and files a single corporate tax return as per the requirements of Income Tax Ordinance, 2001. Segmental calculation is not required for filing. However, considering the format requirement of the financial statements to disclose Islamic Banking segment's tax charge separately, a notional net tax charge for Islamic Banking is expected to be Rs. 1,294,259 thousand (June 30, 2025: Rs. 623,379 thousand).

41.10 During the period, following pools have been created:
- Taqwa Foreign Currency AED Pool (AED POOL)
- Taqwa Foreign Currency SAR Pool (SAR POOL)

The main characteristics of the pools are as under:

i) Profit sharing ratio between Mudarib and Rab-ul-mal is 50:50.
ii) Profit equalization reserve up to 2% of net income will be created, if needed.
iii) Investment risk reserve up to 1% of distributable profit of depositors will be created, if needed.

42 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

42.1 The Board of Directors of the Bank in its meeting held on August 28, 2026 has proposed an interim Cash Dividend of 16 percent (December 2025: cash dividend @ 25%). These consolidated financial statements for the six month ended June 30, 2026 do not include the effect of these appropriations which will be accounted for subsequent to the period.

42.2 The Board of Directors, in their 334th, meeting held on August 07, 2026, have proposed, subject to obtaining all applicable regulatory and corporate approvals, the issuance of ordinary shares, otherwise than by way of right issue, to the Government of Punjab, against proposed equity subscription of up to Rs. 30,000,000 thousand to be undertaken in two tranches: up to Rs. 20,000,000 thousand by December 31, 2026, and the balance by June 30, 2027.

The issue price for the proposed issuance shall be Rs. 38.20 per ordinary share; provided that, where the prevailing market price of Bank's ordinary shares at the time of issuance exceeds Rs. 38.20 per share, the applicable issue price for such issuance shall be the prevailing market price plus a premium of five percent (5%).

42.3 The Bank has obtained in-principle approval from SBP dated August 05, 2026 for establishment of an overseas wholesale banking unit in the Kingdom of Bahrain.

43 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on August 28, 2026 by the Board of Directors of the Bank.

44 GENERAL

44.1 Figures have been rounded off to the nearest thousand rupees, unless otherwise specified.

44.2 Corresponding figures have been re-arranged or re-classified wherever necessary, for better and fair presentation. However, no significant reclassification or re-arrangement has been made during the period except for following:

- In 'Other assets', Rs. 105,752 thousand previously included in 'Income / mark-up accrued in local currency' has now been presented in 'Others' for better presentation and comparability.

- In 'Other liabilities', Rs. 169,127 thousand and Rs. 231,787 thousand previously included in 'Others' has now been presented in 'Sundry creditors and accrued expenses' and 'Payable on account of GoPb schemes' respectively, for better presentation and comparability.

- 'In 'Operating expenses' Rs. 98,334 thousand related to 'Promotional expenses for public sector programs', previously included in 'Marketing, advertisement and publicity' has now been presented separately for better presentation and comparability.

Chief Financial Officer	President	Chairman	Director	Director

BOP

THE BANK OF PUNJAB

10-B, E-II, Main Boulevard, Gulberg III, Lahore

www.bop.com.pk

111 267 200

MAKHDOOMS +92-42-35965469