Half Yearly Report 2026

SECURITY INVESTMENT BANK LTD.

COMPANY INFORMATION

BOARD OF DIRECTORS
Haji Jan Muhammad - Chairman
Mr. Muhammad Mehboob
Mrs. Zillay Huma Khan
Mr. Ghazzanfar Ahasan
Mr. Saleem Jessani
Mr. Syed Zafar Hasan Reza

PRESIDENT & CEO
Mr. Zafar M. Sheikh

AUDIT COMMITTEE
Syed Zafar Hasan Reza - Chairman
Mr. Saleem Jessani
Mr. Muhammad Mehboob
Mr. Ghazzanfar Ahasan

HUMAN RESOURCE & REMUNERATION COMMITTEE
Mr. Zafar M. Sheikh
Mr. Muhammad Mehboob
Mr. Syed Zafar Hasan Reza

RISK MANAGEMENT COMMITTEE
Mr. Ghazzanfar Ahasan - Chairman
Mr. Muhammad Mehboob
Mr. Syed Zafar Hasan Reza
Mr. Zafar M. Sheikh

CHIEF FINANCIAL OFFICER
Mr. Shakeel Ahmed

SHARIAH ADVISOR
Mufti Ghaffar Ahmed

MANAGER (INTERNAL AUDIT)
Mr. Masrur Ahmed Siddiqui

AUDITORS
Parker Russell - A.J.S.
Chartered Accountant

TAX ADVISORS
Grant Thornton Anjum Rahman
Chartered Accountants

LEGAL ADVISORS
Mr. Muhammad Altaf
Advocate of the High Court

SHARE REGISTRAR
M/s. C&K Management
Associate (Pvt) Limited
M-13, Progressive Plaza,
Plot No. 5, CL-10,
Civil Lines Quarter,
Beaumont Road, Karachi.

BANKERS
JS Bank Limited
United Bank Limited
Bank Makramah Limited

REGISTERED OFFICE
Office No.15, 3rd Floor,
Al-Rehmat Mall, Sector G-11,
Markaz, Islamabad
Tel: (051) 2221222
Website: www.sibl.com.pk

KARACHI OFFICE
Suit No.502, 5th Floor,
Madina City Mall
Abdullah Haroon Road,
Saddar, Karachi
Tel: (021) 35659753-54
Fax: (021) 35659755
E-mail: sibl@sibl.com.pk

DIRECTOR'S REPORT

DIRECTORS' REPORT

The directors of Security Investment Bank Limited (the Company) are pleased to present the Financial Statements of the Company for the half year ended 30 June 2026.

Pakistan's economy demonstrated broad-based strengthening during the first half of FY2026, marking a significant step forward in the post-stabilization growth phase. Real GDP growth accelerated to 3.7 percent in Q1 FY2026, more than doubling from 1.6 percent recorded in the corresponding quarter of FY2025, supported by a broad-based recovery across agriculture, industry, and services. This performance reflects the cumulative impact of disciplined fiscal management, easing inflationary pressures, a coordinated monetary policy stance, and continued progress on macroeconomic reforms. Collectively, these developments have strengthened economic fundamentals and reinforced Pakistan's trajectory toward stable and balanced growth.

Inflation remained well anchored during H1 FY2026, averaging 5.2 percent, down from 7.2 percent in H1 FY2025. The decline was driven by stable exchange rate conditions, easing global commodity and energy prices, improved domestic food supply, and prudent fiscal and monetary coordination.

SBP, Monetary Policy Committee (Committee) reviewed its policy frequently to take appropriate action towards supporting growth and improvement. The Committee considered that the macroeconomic outlook had improved since its previous meeting, although it remained susceptible to heightened risks, particularly following the resurgence of conflict in the Middle East. Meanwhile, the Committee observed that the earlier de-escalation had contributed to a decline in global oil prices and an easing of supply chain disruptions, resulting in some improvement in recent economic indicators., therefore decided to keep the policy rate unchanged at 11.50%. During the quarter under review, the Pakistan Stock Market (KSE100) registered 22% increased and KSE 100 index posted at 178,415 points in June, 30 2026 compared to 145,843 points compared to March, 31 2026.

Business Performance Review

Alhamdulillah, your company posted profit from its operation Rs. 7.6 million for the half year ended 30 June 2026 as compared to operating profit before taxes was Rs. 22 million of the corresponding period. Your Company's EPS was Rs. 0.09 as compared to Rs. 0.36 of the corresponding period.

The board wishes to place on record the gratitude to Pakistan Stock Exchange and Securities and Exchange Commission of Pakistan for their continued valued support, assistance and guidance. The board would also like to thank untiring efforts of the Management and staff.

On behalf of the Board

Haji Jan Muhammad
Chairman
Karachi, 29 Aug 2026

Zafar M Sheikh
President & CEO

ڈائریکٹرز کی رپورٹ

سیکورٹی انویسٹمنٹ بینک لمیٹڈ (کمپنی) کے ڈائریکٹرز خوشی کے ساتھ کمپنی کے مالی بیانات پیش کر رہے ہیں جو چھ ماہ کے اختتام 30 جون 2026 تک کے ہیں۔

پاکستان کی معیشت نے مالی سال 2026 کے پہلے نصف میں وسیع بنیادوں پر مضبوطی ظاہر کی، جو استحکام کے بعد نمو کے مرحلے میں ایک اہم قدم تھا۔ حقیقی جی ڈی پی کی نمو FY2026 Q1 میں 3.7 فیصد تک بڑھ گئی، جو FY2025 کی اسی مدت میں 1.6 فیصد ریکارڈ ہونے کے مقابلے میں دگنی سے زیادہ ہے، جس کی حمایت زراعت، صنعت، اور خدمات میں وسیع بنیادوں پر بحالی نے کی۔ یہ کارکردگی منظّم مالیاتی انتظام، مہنگائی کے دباؤ میں کمی، مربوط مالیاتی پالیسی کے رویے، اور معاشی اصلاحات میں جاری ترقی کے مجموعی اثر کی عکاسی کرتی ہے۔ مجموعی طور پر، ان ترقیوں نے معاشی بنیادوں کو مضبوط کیا اور پاکستان کے مستحکم اور متوازن ترقی کی سمت کو مزید تقویت دی۔

FY2026 H1 میں مہنگائی بھی اچھی طرح مستحکم رہی، اوسطاً 5.2 فیصد، جو اس سے کم تھی کہ مالی سال 2025 کی پہلی ششماہی میں 7.2 فیصد۔ یہ کمی مستحکم تبادلہ کی شرح، عالمی اجناس اور توانائی کی قیمتوں میں کمی، ملکی خوراک کی بہترین سپلائی، اور محتاط مالی اور مالیاتی ہم آہنگی کی وجہ سے ہوئی۔ اسٹیٹ بینک آف پاکستان (SBP) اور مانیٹری پالیسی کمیٹی نے ترقی اور بہتری کی حمایت کے لیے مناسب اقدامات کرنے کے لیے اپنی پالیسی کا باقاعدگی سے جائزہ لیا۔ کمیٹی نے غور کیا کہ گزشتہ اجلاس کے بعد میکرو اکنامک مناظر بہتر ہوئے ہیں، اگرچہ یہ اب بھی زیادہ خطرات سے متاثر رہنے کے قابل ہے، خاص طور پر مشرق وسطیٰ میں تنازعے کے دوبارہ ابھرنے کے بعد۔ اس دوران، کمیٹی نے مشاہدہ کیا کہ پہلے کی کشیدگی میں کمی نے عالمی تیل کی قیمتوں میں کمی اور سپلائی چین میں رکاوٹ میں نرمی میں مدد دی، جس کے نتیجے میں حالیہ اقتصادی اشاریوں میں کچھ بہتری آئی۔ لہذا اس نے پالیسی کی شرح کو 11.50% پر برقرار رکھنے کا فیصلہ کیا۔ جائزہ لینے والے سہ ماہی کے دوران، پاکستان اسٹاک مارکیٹ (KSE100) میں 22% اضافہ ہوا اور KSE100 انڈیکس جون میں 178,415 پوائنٹس پر پہنچ گیا۔ 30 جون 2026 کے مقابلے میں 145,843 پوائنٹس کے مقابلے میں مارچ، 31۔ 2026

کاروباری کارکردگی کا جائزہ

الحمدللہ، آپ کی کمپنی نے اپنے آپریشنز سے 30 جون 2026 کو ختم ہونے والے چھ ماہ کے لیے 7.6 ملین روپے منافع حاصل کیا، جبکہ اسی مدت میں ٹیکس سے پہلے آپریٹنگ منافع 22 ملین روپے تھا۔ آپ کی کمپنی کا EPS 0.09 روپے رہا، جبکہ اسی مدت میں یہ 0.36 روپے تھا۔

بورڈ پاکستان اسٹاک ایکسچینج اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے مسلسل قیمتی تعاون، مدد اور رہنمائی پر شکریہ ادا کرنا چاہتا ہے۔ بورڈ منیجمنٹ اور اسٹاف کی انتھک محنت کا بھی شکریہ ادا کرنا چاہتا ہے۔

بورڈ کی طرف سے

حاجی جان محمد
چیئرمین،

ظفر ایم شیخ
صدر اور سی ای او

کراچی، 29 اگست 2026

INDEPENDENT AUDITORS' REVIEW REPORT

Independent Auditors' Review Report to the Members of Security Investment Bank Limited Report on Review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Security Investment Bank Limited (the "Company") as at June 30, 2026 and the related condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows and notes to the condensed interim financial statements for the half year then ended (hereinafter referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed 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 condensed 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 condensed 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 condensed 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.

Emphasis of Matter

We draw attention to the following matters:

i) Note 9.4 and 9.5 to the condensed interim financial statements which provide details regarding non-compliance with the Regulation 19(h) and 28(a) respectively, of Non-Banking Finance Companies and Notified Entities Regulations 2008; and

ii) Note 12.1.1 to the condensed interim financial statements, which describes the amount receivable from a related party and the related settlement arrangements.

Our conclusion is not modified in respect of this matter.

Other Matters

Pursuant to the requirement of Section 237(1)(b) of the Companies Act, 2017, only cumulative figures for the half year, presented in the second quarter's accounts are subject to a limited scope review by the statutory auditors of the Company. Accordingly, the figures of the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the quarters ended June 30, 2026 and June 30, 2025 have not been reviewed by us.

The financial statements of the Company for the year ended December 31, 2025 and half year ended June 30, 2025, were audited and reviewed by another firm of Charted Accountants who expressed an unmodified opinion / conclusion on those statements vide their reports dated March 30, 2026 and August 27, 2025 respectively.

The engagement partner on the review resulting in this independent auditor's review report is Muhammad Shabbir Kasbati.

(Chartered Accountants)
UDIN: RR202610192Br5uKANaQ
Date: August 29, 2026

FINANCIAL STATEMENTS

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

	Note	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
		------------- Rupees ------------	
Assets			
Non-current assets			
Fixed assets	6	148,229,203	149,073,342
Investment property	7	26,137,593	26,137,593
Ijara assets under financing arrangements	8	37,901,718	47,960,509
Intangible assets		2,614,243	2,628,335
Long term financing	9	23,850,020	30,617,566
Long term loans and advances	10	5,226,725	5,330,709
Deferred tax asset - net		3,119,459	3,704,697
		247,078,961	265,452,751
Current assets			
Current portion of long term financing	9	52,331,202	32,756,087
Current portion of loans and advances	10	2,248,056	2,391,891
Investments	11	517,289,210	515,730,039
Deposits, prepayments and other receivables	12	20,181,305	21,277,845
Ijara rentals receivable		909,444	2,774,557
Accrued interest		16,216,740	15,522,052
Advance income tax	13	29,010,534	25,058,669
Cash and bank balances	14	25,982,610	30,586,603
		664,169,101	646,097,743
Total assets		911,248,062	911,550,493
Equity and liabilities			
Share capital and reserves			
Authorised share capital			
100,000,000 (2025: 100,000,000) ordinary shares of Rs.10/- each		1,000,000,000	1,000,000,000
Issued, subscribed and paid-up share capital		591,485,917	591,485,917
Statutory reserves	15	150,576,614	149,569,891
Surplus on revaluation of property		12,573,549	12,598,068
Unappropriated profit		33,953,804	29,902,392
		788,589,884	783,556,268
Non-current liabilities			
Security deposits against ijara		11,515,170	14,304,434
Deferred income from financing		11,854,927	6,192,991
		23,370,097	20,497,425
Current liabilities			
Current portion of security deposit against ijara		-	570,000
Unclaimed dividend		23,637,634	28,852,079
Advance against property	16	73,333,326	69,999,993
Accrued and other liabilities		2,317,121	1,167,210
Current portion of deferred income from financing		-	6,907,518
		99,288,081	107,496,800
Total equity and liabilities		911,248,062	911,550,493
Contingencies and commitments	17		

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

Shakeel Ahmed	**Zafar M. Sheikh**	**Haji Jan Muhammad**
Chief Financial Officer	Chief Executive Officer	Chairman / Director

UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2026 (UNAUDITED)

	Note	Six-month ended		Three-months ended	
		June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
		------------------------ Rupees	------------------------	------------------------	------------------------
Income					
Income on financing		12,395,367	28,450,924	6,017,092	13,781,050
Return on securities		26,801,704	32,179,650	13,640,663	14,047,264
Profit on deposit with banks		204,218	275,706	135,358	206,423
		39,401,289	60,906,280	19,793,113	28,034,737
Other income		2,811,306	257,216	1,425,685	55,948
		42,212,595	61,163,496	21,218,798	28,090,685
Expenses					
Administrative and general expenses		34,655,289	39,104,055	17,594,935	21,096,680
Profit before tax		7,557,306	22,059,441	3,623,863	6,994,005
Taxation		(2,523,690)	(892,717)	(2,523,690)	(892,717)
Profit for the period		5,033,616	21,166,724	1,100,173	6,101,288
Earnings per share - basic and diluted	18	0.09	0.36	0.02	0.10

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

Shakeel Ahmed
Chief Financial Officer

Zafar M. Sheikh
Chief Executive Officer

Haji Jan Muhammad
Chairman / Director

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

	Six-month ended		Three-months ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
	---------- Rupees ----------			
Profit for the period	5,033,616	21,166,724	1,100,173	6,101,288
Other comprehensive income	-	-	-	-
Item that will not be reclassified subsequently to statement of profit or loss				
- Surplus on revaluation of property and equipment	-	17,985,498	-	17,985,498
- Related deferred tax on surplus	-	(5,215,794)	-	(5,215,794)
	-	12,769,704	-	12,769,704
Total comprehensive income for the period	5,033,616	33,936,428	1,100,173	18,870,992

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

Shakeel Ahmed
Chief Financial Officer

Zafar M. Sheikh
Chief Executive Officer

Haji Jan Muhammad
Chairman / Director

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

	Issued, subscribed and paid-up share capital	Statutory reserve	Revaluation surplus	Unappropriated profit	Total
	------ Rupees ------				
Balance as at December 31, 2024 (audited)	591,485,917	145,567,871	-	102,445,564	839,499,352
Profit for the period	-	-	-	21,166,724	21,166,724
Other comprehensive income	-	-	12,769,704	-	12,769,704
Total comprehensive income for the period	-	-	12,769,704	21,166,724	33,936,428
Statutory reserves	-	4,233,345	-	(4,233,345)	-
Dividend declared	-	-	-	(88,722,888)	(88,722,888)
Incremental depreciation relating to surplus on revaluation- net of tax	-	-	(24,519)	24,519	-
Balance as at June 30, 2025 (unaudited)	591,485,917	149,801,216	12,745,185	30,680,574	784,712,892
Balance as at December 31, 2025 (audited)	591,485,917	149,569,891	12,598,068	29,902,392	783,556,268
Profit for the period	-	-	-	5,033,616	5,033,616
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	5,033,616	5,033,616
Incremental depreciation relating to surplus on revaluation- net of tax	-	-	(24,519)	24,519	-
Transfer to statutory reserves	-	1,006,723	-	(1,006,723)	-
Balance as at June 30, 2026 (unaudited)	591,485,917	150,576,614	12,573,549	33,953,804	788,589,884

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

Shakeel Ahmed	**Zafar M. Sheikh**	**Haji Jan Muhammad**
Chief Financial Officer	Chief Executive Officer	Chairman / Director

UNCONSOLIDATED CONDENSED CASH FLOW STATEMENT (UNAUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2026 (UNAUDITED)

	Note	June 30, 2026	June 30, 2025
		------------- Rupees	---------------
Cash flow from operating activities			
Profit before tax		7,557,306	22,059,441
Adjustments for non-cash and other items			
Depreciation - owned asset	6.1	1,181,619	1,184,930
Depreciation - ijara asset	8.1	4,236,369	12,802,757
Amortization		14,092	-
Provision for expected credit loss	9	172,700	-
Gain on disposal of ijara assets - net		(504,480)	(42,190)
		5,100,300	13,945,497
Cash flows from operating activities before working capital changes		12,657,606	36,004,938
Decrease / (increase) in current assets			
Deposits, prepayment and other receivables		1,096,540	(654,606)
Ijara rentals receivable		1,865,113	(565,644)
Loans and advances – net		247,819	449,407
Accrued interest		(694,688)	3,845,271
		2,514,784	3,074,428
Increase / (decrease) in current liabilities			
Accrued and other liabilities		1,149,911	21,868,123
Net cash generated from operations		16,322,301	60,947,489
Income tax paid	13	(5,890,317)	(89,433)
Net cash (used in) / generated from operating activities		10,431,984	60,858,056
Cash flow from investing activities			
Purchase of fixed assets	6.2	(337,480)	(4,640,546)
Sale proceeds from disposal of ijara assets		6,326,902	41,295
Purchase of ijara assets		-	(19,291,000)
Investment in government securities - net		(1,559,171)	18,770,199
Security deposit		(3,359,265)	5,100,000
Advance against property		3,333,333	23,333,331
Long term deposits		-	538,172
Net cash generated from investing activities		4,404,319	23,851,451
Cash flow from financing activities			
Dividend paid		(5,214,445)	(59,560,589)
Short term financing		-	45,000,000
Deferred income from financing		(1,245,582)	(5,665,712)
Long term financing - net		(12,980,269)	(31,077,114)
Net cash used in financing activities		(19,440,296)	(51,303,415)
Net (decrease) / increase in cash and cash equivalents		(4,603,993)	33,406,092
Cash and cash equivalents at the beginning of the period		30,586,603	12,967,805
Cash and cash equivalents at the end of the period	14	25,982,610	46,373,896

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

Shakeel Ahmed	**Zafar M. Sheikh**	**Haji Jan Muhammad**
Chief Financial Officer	Chief Executive Officer	Chairman / Director

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE QUARTER ENDED 31 MARCH 2026

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Security Investment Bank Limited (the Company) is a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Company was incorporated in Pakistan on May 23, 1991 and started its commercial operations on December 31, 1991. Its shares are listed on Pakistan Stock Exchange.

The Company is licensed to carry out business of investment finance services as a Non-Banking Finance Company (NBFC) under section 282C of the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 issued by the Securities and Exchange Commission of Pakistan (SECP) as amended through SRO 1002 (I) /2015 dated October 15, 2015 and Non-Banking Finance Companies and Notified Entities Regulations 2008 as amended through SRO 1160(I) / 2015 dated November 25, 2015 (previously this was covered under SRO 585(1)/87 dated July 13, 1987, issued by the Ministry of Finance). The license is valid until May 29, 2028.

From the year 2020, the Company has not renewed its credit rating as there has been no change in the non deposit taking status of the company. Previously, VIS Credit Rating Company Limited (VIS) had assigned initial entity ratings of 'A-/A-2' to Security Investment Bank Limited (SIBL). The long term rating of 'A-' signifies adequate credit quality. The short term rating of 'A-2' signifies good certainty of timely payment.

During the current reporting period, the Company continued the process of converting SIBL into a Shariah-compliant entity, following the submission of its application to the regulator. The conversion plan remains under review by the regulator. While the Company was initially expected to complete the process within two years effective from September 01, 2023, the management subsequently applied for a one-year extension effective from September 01, 2025. However, as the conversion process is still ongoing and could not be finalized within the previous timelines, the management has recently filed for an additional extension with the regulator. Under the revised plan, the Company now intends to complete the entire conversion process by September 1, 2026. Therefore, no separate disclosure regarding Shariah compliance has been included in these condensed interim financial statements.

- Karachi	Head Office	502, 5th Floor, Madina City Mall, Abdullah Haroon Road, Saddar, Karachi.
- Islamabad	Registered office	Office No. 15, 3rd Floor, Al-Rehmat Mall, Plot # 34, Sector G-11 Markaz, Islamabad.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34 "Interim Financial Reporting" 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

- Provisions of and directives issued under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations); and

- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017, the IFAS, the NBFC Rules or the NBFC Regulations differ from IAS 34, the provisions of and directives issued under the Companies Act, 2017, the IFAS, the NBFC Rules or the NBFC Regulations have been followed.

2.2 These condensed interim financial statements do not include all the information required for a full set of financial statements and should be read in conjunction with the annual audited published financial statements of the Company for the year ended December 31, 2025.

2.3 The comparative condensed interim statement of financial position presented in these condensed interim financial statements has been extracted from the annual published audited financial statements of the Company for the year ended December 31, 2025, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows are stated from the unaudited condensed interim financial statements for the half year ended June 30, 2025.

2.4 Basis of measurement

Items in these condensed interim financial statements have been measured at their historical cost, except for:

(i) Investment property carried at fair value; and

(ii) Leasehold land under fixed assets carried at fair value

2.5 Functional and presentation currency

These condensed interim financial statements have been presented in Pakistani Rupees, which is the functional and presentation currency of the Company.

2.6 Changes in accounting standards, interpretations and amendments to accounting and reporting standards

a) Amendments to the accounting and reporting standards which became effective during the half year ended June 30, 2026:

There were certain amendments to the accounting and reporting standards which became mandatory for the Company during the current period. However, these amendments did not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

b) Standards and amendments to approved accounting standards that are not yet effective.

There are certain new standards and amendments to existing standards that are effective for the Company's annual periods beginning on or after January 01, 2026. These include IFRS 18 'Presentation and Disclosure in Financial Statements' (effective for periods beginning on or after January 01, 2027) and amendments to IFRS 7 and IFRS 9 regarding the clarification of recognition and derecognition dates for financial instruments. The Company's management is currently in the process of assessing the potential impact of these standards and amendments on the financial statements and expects to complete this assessment in due course.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim financial statements in conformity with accounting and reporting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

The significant judgments, estimates and assumptions made by the management in applying the Company's accounting policies and the factors used in making those estimates and associated assumptions were the same as those that were applied to the annual audited published financial statements for the year ended December 31, 2025.

5. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Company as at and for the year ended December 31, 2025.

		June 30, 2026 (Unaudited)	Dec 31, 2025 (Audited)
		<----------- Rupees ----------->	
6.	**FIXED ASSETS**		
	Property and equipment	148,229,203	149,073,342
6.1	Book value at the beginning of the period / year	149,073,342	154,224,814
	Additions during the period / year - at cost	337,480	5,342,728
	Revaluation surplus	-	17,985,498
	Transfer to investment property during the period / year	-	(26,137,593)
		149,410,822	151,415,447
	Net book value of disposals during the period / year		
	Cost	-	4,259,635
	Accumulated depreciation	-	(4,259,630)
		-	5
	Depreciation charged during the period / year	(1,181,619)	(2,342,100)
	Book value at the end of the period / year	148,229,203	149,073,342

6.2 Details of additions during the period / year are as follows:

	June 30, 2026	Dec 31, 2025
Office equipment	337,480	764,756
Furniture and fixture	-	1,477,972
Vehicles	-	3,100,000
	337,480	5,342,728

6.3 Cost as at the end of the period include an amount of Rs. 10.72 million (2025: Rs. 10.52 milion) in respect of fully depreciated assets still in use.

	June 30, 2026 (Unaudited)	Dec 31, 2025 (Audited)
	<----------- Rupees ----------->	
7. INVESTMENT PROPERTY		
Investment property	26,137,593	26,137,593

7.1 The market value of the investment properties as per valuations carried out by the professional valuers as at December 31, 2025 and as ascertained by the management is Rs. 26.137 million.

	June 30, 2026 (Unaudited)	Dec 31, 2025 (Audited)
	<----------- Rupees ----------->	
8. IJARA ASSETS UNDER FINANCING ARRANGEMENTS		
Ijara contracts - accounted for under IFAS 2	37,901,718	47,960,509
8.1 Book value at the beginning of the period / year	47,960,509	51,728,480
Additions during the period / year - at cost	-	25,586,000
	47,960,509	77,314,480
Net book value of disposal during the period / year		
Cost	8,795,000	4,350,000
Accumulated depreciation	(2,972,578)	(1,009,375)
	5,822,422	3,340,625
Depreciation charged during the period / year	(4,236,369)	(26,013,346)
Book value at the end of the period / year	37,901,718	47,960,509
9. LONG TERM FINANCING		
Considered good - secured	76,353,922	63,373,653
Less: expected credit loss / provision against long term	(172,700)	-
	76,181,222	63,373,653
Less: current maturity	(52,331,202)	(32,756,087)
	23,850,020	30,617,566
Deferred income from long-term financing	(11,854,927)	(13,100,509)
	11,995,093	17,517,057

9.1 The category-wise breakup of the long-term financing portfolio is as follows:

Murabaha finance	54,942,774	46,262,067
Conventional finance	1,317,589	2,656,649
Diminishing musharakah finance	13,373,614	7,734,992
Tijara finance	6,719,945	6,719,945
	76,353,922	63,373,653

9.2 The mark-up on these finances ranges from K+2% to 5% (December 31, 2025: K+2.5% to 5%) per annum. These finances are repayable within a period of up to five years and are secured against charge over vehicles, pledge over business assets, property mortgage and personal guarantees.

9.3 This includes Tijara financing having an outstanding balance of Rs. 6.72 million which has been overdue since December 2025. As of June 30, 2026, the facility has been overdue for 187 days and has been classified as 'Doubtful' in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations.

The profit on this facility amounting to Rs. 0.57 million has been suspended and not taken to the statement of profit or loss. Although the facility is secured against a legal mortgage of two immovable properties, the latest professional valuation of these assets is 43 million. However, as a matter of prudence and based on the aging of overdue installments, the Company has also maintained an Expected Credit Loss (ECL)

Furthermore, management has negotiated with the borrower according to which the outstanding balance is expected to be recovered in due course.

9.4 Regulation 19(h) of the NBFC Regulations, 2008 prohibits an NBFC from providing financing to its major shareholders, directors, and their associated undertakings. During the current period, the Company remained in non-compliance with the said regulation.

However, it is pertinent to note that no new financing or disbursements were made to any related parties during the period ended June 30, 2026. The existing balances represent carry-forward amounts from previous years.

In response to the SECP's Letter of Findings (December 23, 2024) and subsequent Final Order (November 07, 2025), the Management has taken robust corrective measures. As a result, the total exposure has been significantly reduced from an initial Rs. 150 million to Rs. 33.42 million as of the reporting date. Management is in active coordination with the remaining related parties for the recovery of outstanding amounts as per the rectification plan submitted to the Commission. The SECP, through its order, has issued a stern warning to the Company to ensure future compliance.

9.5 Regulation 28(a) of the NBFC Regulations, 2008 requires an NBFC to invest at least 70% of its total assets in its core business. Currently, the Company's investment in financing activities stands at 16.6%. To address this, the Management is in the process of increasing its core business portfolio in line with a rectification plan. The Board is closely monitoring the progress against defined milestones to ensure compliance with the said regulation.

9.6 The following balances of long term financing are receivable from related parties:

Related parties	Nature of relationship	Basis of	Collateral	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
				------------ Rupees ------------	
New Delite Company Limited	Associated Company	Common Director	Vehicle	1,098,346	1,745,244
Madina Electronics	Associated Undertaking	Common Director	Stock	16,944,656	20,146,841
Stallion Deliveries (Pvt) Limited	Associated Company	Common Director	Vehicles	528,382	1,019,352
Maryam Goods Transport (Pvt) Limited	Associated Company	Common Director	Vehicle and	14,854,161	16,039,666
				33,425,545	38,951,103

9.7 The maximum aggregate amount outstanding at any time during the period calculated by reference to month-end balances:

	Note	June 30, 2026 (Unaudited)	December 31, (Audited)
		------------ Rupees ------------	
New Delite Company Limited		1,745,244	3,500,000
Madina Electronics		20,146,841	4,500,000
Stallion Deliveries (Pvt) Limited		1,019,352	3,000,000
Maryam Goods Transport (Pvt) Limited		11,209,387	2,500,000

10. LONG TERM LOANS AND ADVANCES

	Note	June 30, 2026 (Unaudited)	December 31, (Audited)
Secured			
Loans			
Loans to staff	10.1	4,231,682	4,594,287
Unsecured			
Advances			
Against expenses	10.2	743,099	628,313
Against office premises	10.3	2,500,000	2,500,000
		3,243,099	3,128,313
Total loans and advances		7,474,781	7,722,600
Less: Current portion of loans and advances		(2,248,056)	(2,391,891)
		5,226,725	5,330,709

10.1 This represents the interest-free principal amount of a secured loan provided to the Chief Executive Officer (CEO) for the purchase of a motor vehicle as per the terms of employment and entitlement, since the Company does not provide a company-maintained vehicle.

Reconciliation of carrying amounts of loans to CEO is as follows:

	---Rupees---
As at June 30, 2025	4,733,356
Disbursements	-
Repayments	(1,699,996)
	(1,699,996)
As at December 31, 2025	3,033,360
Disbursements	1,200,000
Repayments	(1,049,998)
	150,002
As at June 30, 2026	3,183,362

10.1.1 The maximum aggregate amount outstanding at any time during the period calculated by reference to month end balances was Rs. 5.9 million (2025: Rs. 5 million).

10.2 These are advances given to employees to meet business expenses and are settled as and when the expenses are incurred.

10.3 This amount represents an advance paid during the years 2003-2004 and 2004-2005 for the acquisition of office space in the Pakistan Mercantile Exchange Limited (PMEX). The completion of the building has been significantly delayed, and the project is currently subject to litigation. Management, based on the current status of legal proceedings and consultations with legal counsel, considers the amount to be fully recoverable; therefore, no provision has been recognized in these condensed interim financial statements.

	Note	June 30, 2026 (Unaudited)	December 2025 (Audited)
		--------------- Rupees	---------------

11. INVESTMENTS

At amortized cost			
Investment in Government securities - Treasury bills		524,000,000	534,300,000
Less: Discount on treasury bills		(6,710,790)	(18,569,961)
		517,289,210	515,730,039

12. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note		
Prepayments		1,297,241	1,892,432
Other receivables - considered good	12.1	18,312,731	18,852,633
Security deposits		571,333	532,780
		20,181,305	21,277,845

12.1 The following balances are receivable from related parties:

Name	Nature of relationship	June 30, 2026 (Unaudited)	December 2025 (Audited)
		--------------- Rupees	---------------
ARY Communication Limited	Associated Concern	-	322,997
Mr. Jan Muhammad	Chairman	17,781,920	17,781,920
		17,781,920	18,104,917

12.1.1 The balance represents an amount receivable from the related party arising from a settlement arrangement in respect of an amount previously settled in connection with the related party. Following the demise of the primary borrower, the settlement could not be completed in accordance with the original terms. Subsequently, in December 2025 another related party undertook to settle the outstanding amount due to the Company by March 2026 in accordance with the settlement agreement entered into with the Company.

Following the expiry of the settlement date, the related party renegotiated the settlement terms with the Company and provided a revised undertaking dated April 15, 2026, whereby the related party has committed to settle the full outstanding balance in due course.

12.1.2 The maximum aggregate amount outstanding at any time during the period, calculated by reference to month-end balances, was as follows:

- Mr. Jan Muhammad: Rs. 17,781,920 (2025: Rs. 18,104,917)

- ARY Communication Limited: Rs. 322,997 (2025: Rs. 322,997)

12.1.3 No provision for doubtful debts has been recognized against these balances as management considers them to be fully recoverable. Further, no loans or advances to related parties were written off during the period.

	Note	June 30, 2026 (Unaudited)	December 2025 (Audited)
		--------------- Rupees	---------------
13. ADVANCE INCOME TAX			
Opening balance		25,058,669	34,031,997
Add: tax deducted / paid during the period / year		5,890,317	5,121,119
Less: provision for taxation	13.1	(1,938,452)	(14,094,447)
As at end of the period / year		29,010,534	25,058,669
13.1 TAXATION & LEVY			
Levy		-	(2,244,344)
Current tax		(1,938,452)	(11,850,103)
Deferred		(585,238)	(1,110,231)
		(2,523,690)	(15,204,678)
14. CASH AND BANK BALANCES			
Cash in hand		98,200	100,014
At banks in:			
Current accounts			
State Bank of Pakistan		15,000	13,538
Deposit accounts			
With other banks		2,534,413	1,760,487
Dividend accounts			
With other banks	14.1	23,334,997	28,712,564
		25,982,610	30,586,603

14.1 Profit rates on deposit accounts range from 6.58% to 9.3% during the period.

	Note	June 30, 2026 (Unaudited)	December 2025 (Audited)
		--------------- Rupees	---------------
15. STATUTORY RESERVES	15.1	150,576,614	149,569,891

15.1 This represents special reserve created in compliance with Regulation 16 of NBFC 2008 for Non-Banking Finance Companies issued by the Securities and Exchange Commission of Pakistan (SECP).

	Note	June 30, 2026 (Unaudited)	December 2025 (Audited)
		--------------- Rupees	---------------
16. ADVANCE AGAINST PROPERTY			
Advance against property	16.1	73,333,326	69,999,993

16.1 This amount represents arrangement made through sale agreement dated January 11, 2024 wherein the Company and ARY Laguna (Pvt) Limited agreed to sell/purchase a commercial plot situated at 49-C, Bader Commercial, Street 12, Phase V, DHA Karachi at the sale consideration of Rs.120 million to be paid in 36 equal monthly installments. The Company has agreed to execute the deed of conveyance in favor of ARY Laguna (Pvt) Limited only upon full and final payment of the purchase price.

17. CONTINGENCIES AND COMMITMENTS

17.1 The Company is a party to Suit No. 2774 of 2025 [CDC - Trustee National Investment (Unit) Trust and others Vs. Pakistan, through Secretary Revenue Division, and others] currently pending before the Ex-Senior Civil Judge (South), at

Karachi. Based on the legal advice of the Company's counsel, the Management is of the view that no financial loss is expected to arise from this matter; therefore, no provision has been made in these condensed interim financial statements.

17.2 Other than the above, the status of tax contingencies as disclosed in Note 36.3 of the annual financial statements for the year ended December 31, 2025 remains unchanged, and no significant development has occurred during the six-month period ended June 30, 2026.

18. EARNINGS PER SHARE - BASIC AND DILUTED

18.1 Basic

Basic earnings per share are calculated by dividing the net profit for the period by the weighted average number of shares outstanding during the period as follows:

	(Unaudited)			
	Six-month ended		Three-months ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Profit after taxation attributable to ordinary shareholders (Rupees)	5,033,616	21,166,724	1,100,173	6,101,288
Weighted average number of ordinary shares	59,148,591	59,148,591	59,148,591	59,148,591
Earnings per share - basic and diluted	0.09	0.36	0.02	0.10

18.2 Diluted

Diluted earnings per share have not been presented separately as the Company does not have any convertible instruments in issue as at June 30, 2026 and June 30, 2025, which would have any effect on the earnings per share if the option to convert is exercised.

19. TRANSACTIONS / BALANCES WITH RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions and includes subsidiary companies, associated companies with or without common directors, directors and major shareholders and their close family members, key management personnel and retirement benefit funds. The Company has a policy whereby all transactions with related parties are entered into at arm's length prices using comparable uncontrolled price method and are in the normal course of business at contracted rates and terms determined in accordance with market rates.

19.1 Transactions with related parties during the period are given below:

Name of related party	Nature of relationship	Basis of relationship	(Unaudited) Six-month period ended June 30, 2026	June 30, 2025
			------------------Rupees	---------------
Advance against property				
ARY Laguna (Private) Limited	Associated Company	Common Director	3,333,333	23,333,331
Income on financing - Ijara rentals				
Stallion Deliveries (Private) Limited	Associated Company	Common Director	412,925	495,714
Maryam Goods Transport (Private) Limited	Associated Company	Common Director	677,260	1,015,890
New Delite Company (Private) Limited	Associated Company	Common Director	-	12,014,850
			1,090,185	13,526,454
Others			5,042,737	4,089,935
			6,132,922	17,616,389

Income on financing - Under Islamic Mode

New Delite Company (Private) Limited	Associated Company	Common Director	175,277	3,654,382
Madina Electronics	Associated Company	Common Director	1,589,072	2,366,831
Stallion Deliveries (Private) Limited	Associated Company	Common Director	59,591	148,213
Maryam Goods Transport (Private) Limited	Associated Company	Common Director	1,305,886	1,546,137
			3,129,826	7,715,563
Others			3,132,619	3,118,972
			6,262,445	10,834,535

Miscellaneous income

ARY Laguna (Private) Limited	Associated Company	Common Director	827,318	-
ARY Communication Limited	Associated Company	Common Director	1,288,050	-
Mr. Shakeel Ahmed	Chief Financial Officer	Executive	74,963	-
			2,190,331	-
Others			620,975	257,216
			2,811,306	257,216

Name of related party	Nature of relationship	Basis of relationship	(Unaudited) Six-month period ended June 30, 2026	June 30, 2025
			------------------Rupees---------------	
Personal loan				
Mr. Zafar M. Sheikh				
Loan granted during the period	Chief Executive Officer	Directorship	1,200,000	1,800,000
Mr. Zafar M. Sheikh				
Loan recovered during the period	Chief Executive Officer	Directorship	1,049,998	1,999,998
Mr. Shakeel Ahmed				
Loan recovered during the period	Chief Financial Officer	Executive	374,767	1,132,663
			1,424,765	3,132,661

19.2 Balances with related parties as at period / year end:

Name of related party	Nature of relationship	Basis of relationship	June 30, 2026 (Unaudited)	December 31, (Audited)
			------------------Rupees---------------	
Advance against property				
ARY Laguna (Private) Limited	Associated Company	Common Director	73,333,326	69,999,993
Murabaha and other finance				
New Delite Company (Private) Limited	Associated Company	Common Director	1,098,346	1,745,244
Madina Electronics	Associated Undertakin	Common Director	16,944,656	20,146,841
Stallion Deliveries (Private) Limited	Associated Company	Common Director	528,382	1,019,352
Maryam Goods Transport (Private) Limited	Associated Company	Common Director	10,475,190	11,209,387
			29,046,574	34,120,824
Others			47,307,348	29,252,829
			76,353,922	63,373,653

Name of related party	Nature of relationship	Basis of relationship	June 30, 2026 (Unaudited)	December 31, (Audited)
			------------------Rupees-----------	
Accrued profit				
New Delite Company (Private) Limited	Associated Company	Common Director	127,104	302,381
Madina Electronics	Associated Undertakin	Common Director	2,445,212	2,996,644
Stallion Deliveries (Private) Limited	Associated Company	Common Director	25,633	259,620
Maryam Goods Transport (Private) Limited	Associated Company	Common Director	4,508,885	5,394,588
			7,106,834	8,953,233
Others			9,109,906	6,568,819
			16,216,740	15,522,052
Ijara rentals receivable				
New Delite Company (Private) Limited	Associated Company	Common Director	-	2,002,475
Maryam Goods Transport (Private) Limited	Associated Company	Common Director	338,630	-
Stallion Deliveries (Private) Limited	Associated Company	Common Director	82,585	-
			421,215	2,002,475
Others			488,229	772,082
			909,444	2,774,557
Other Receivables				
ARY Communication Limited	Associated Company	Common Director	-	322,997
Mr. Jan Muhammad	Chairman	Directorship	17,781,920	17,781,920
			17,781,920	18,104,917
Personal loan				
Mr. Zafar M. Sheikh	Chief Executive Officer	Directorship	3,183,362	3,033,360
Mr. Shakeel Ahmed	Chief Financial Officer	Executive	948,060	1,322,827
			4,131,422	4,356,187
Others			100,260	168,300
			4,231,682	4,524,487

20. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences may arise between the carrying value and the fair value estimates.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

20.1 Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

Level 1 -quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);

Level 2 - inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and

Level 3 - inputs for the asset or liabilities that are not based on observable market data (level 3).

The level in the fair value hierarchy within which the fair value measurement of a financial instrument is categorised in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement of that financial instrument.

	June 30, 2026 (Unaudited)			
	Level 1	Level 2	Level 3	Total
	---------------Rupees---------------			
Financial assets - measured at fair value	-	-	-	-
Non-financial assets - measured at fair value				
Fixed assets (Leasehold land)	-	-	124,668,824	124,668,824
Investment property	-	-	26,137,593	26,137,593
	-	-	150,806,417	150,806,417

	December 31, 2025 (Audited)			
	Level 1	Level 2	Level 3	Total
	---------------Rupees---------------			
Financial assets - measured at fair value	-	-	-	-
Non-financial assets - measured at fair value				
Fixed assets (Leasehold land)	-	-	124,668,824	124,668,824
Investment property	-	-	26,137,593	26,137,593
	-	-	150,806,417	150,806,417

The carrying amount of all the other assets and financial liabilities are a reasonable approximation of their value, therefore, their fair value has not been disclosed in these condensed interim financial statements.

Item	Valuation approach and input used
Fixed assets (Leasehold land) *	The revaluation by the valuer is carried out on the basis of professional assessment of present market values.
Investment properties *	The revaluation by the valuer is carried out on the basis of professional assessment of present market values.

Leasehold land and investment properties are carried at revalued amounts (level 3 measurement) determined by professional valuers based on their assessment of the market values as disclosed in notes 6 and 7 to these condensed interim financial statements. The valuation experts used a market based approach to arrive at the fair value of the Company's properties. The approach uses prices and other relevant information generated by market transactions involving identical or comparable or similar properties. These values are adjusted to reflect the current condition of the properties. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a quantitative disclosure of sensitivity has not been presented in these condensed interim financial statements.

21. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on ________________ by the Board of Directors of the Company.

22. GENERAL

Figures reported in this condensed interim financial statements have been rounded off to the nearest Rupee unless otherwise stated.

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