



# CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026

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**CORPORATE INFORMATION****As of September 30, 2026****Board of Directors**

|                            |                                            |
|----------------------------|--------------------------------------------|
| Islam Zaib                 | Chairman / Non-Executive Director          |
| Kamran Ahmed Afridi*       | Secretary Finance / Non-Executive Director |
| Syed Asad Ali Shah         | Independent Director                       |
| Tahir Jawaid               | Independent Director                       |
| Osman Asghar Khan          | Independent Director                       |
| Muhammed Shahid Sadiq      | Independent Director                       |
| Natasha Jehangir Khan      | Independent Director                       |
| Syed Kashif-Ul-Hassan Shah | Independent Director                       |

*\*Mr. Kamran Ahmed Afridi relinquished charge on October 11, 2026*

**Managing Director / CEO**

Hassan Raza

**Shariah Board**

|                          |                                      |
|--------------------------|--------------------------------------|
| Mufti Muhammad Zahid     | Chairman Shariah Board               |
| Mufti Muhammad Arif Khan | Member Shariah Board                 |
| Mufti Abdul Wahab        | Member Shariah Board                 |
| Gazi Abdul Samad         | Resident Shariah Board Member (RSBM) |

**Board Audit Committee**

|                       |          |
|-----------------------|----------|
| Syed Asad Ali Shah    | Chairman |
| Secretary Finance     | Member   |
| Muhammed Shahid Sadiq | Member   |
| Osman Asghar Khan     | Member   |

**Board Human Resource & Remuneration Committee**

|                       |          |
|-----------------------|----------|
| Islam Zaib            | Chairman |
| Natasha Jehangir Khan | Member   |
| Tahir Jawaid          | Member   |
| Osman Asghar Khan     | Member   |

**Board Risk Management Committee**

|                       |          |
|-----------------------|----------|
| Secretary Finance     | Chairman |
| Muhammed Shahid Sadiq | Member   |
| Hassan Raza           | Member   |

**Board Information Technology Committee**

|                       |          |
|-----------------------|----------|
| Osman Asghar Khan     | Chairman |
| Tahir Jawaaid         | Member   |
| Natasha Jehangir Khan | Member   |
| Syed Asad Ali Shah    | Member   |
| Hassan Raza           | Member   |

**Board Compliance Committee**

|                       |             |
|-----------------------|-------------|
| Natasha Jehangir Khan | Chairperson |
| Muhammed Shahid Sadiq | Member      |
| Hassan Raza           | Member      |

**Chief Financial Officer**

Irfan Saleem Awan

**Company Secretary**

Raza Mohsin Qizilbash

**Registered Office / Head Office****Bank of Khyber**

24 – The Mall, Peshawar Cantt.

UAN# 00-92-91-111 95 95 95

URL: [www.bok.com.pk](http://www.bok.com.pk)

**Auditors**

M/s Pwc A.F. Ferguson & Co.  
Chartered Accountants

**Legal Advisors**

M/s. Mohsin Tayebaly & Co., Karachi

**Registrar and Share Registration Office**

THK Associates (Pvt) Ltd.  
Plot # 32 – C, Jami Commercial Street 2  
D.H.A, Phase – VII,  
Karachi – 75500

## Directors' Review

On behalf of the Board of Directors of the Bank of Khyber ("The Bank"), I am pleased to present the condensed interim financial information of the Bank for the nine-month period ended September 30, 2026.

### Financial Highlights

The financial results of the Bank (Standalone) for the period under review are as follows:

|              | (Rs. in Million)     |                     |
|--------------|----------------------|---------------------|
|              | September 30<br>2026 | December 31<br>2025 |
| Total Assets | 584,282              | 453,300             |
| Deposits     | 432,728              | 378,123             |
| Advances     | 150,700              | 126,706             |
| Investments  | 374,085              | 274,957             |

|                                           | (Rs. in Million)                                        |                      |
|-------------------------------------------|---------------------------------------------------------|----------------------|
|                                           | For the nine-month period ended<br>September 30<br>2026 | September 30<br>2025 |
| Profit Before Credit Loss Allowance       | 4,645                                                   | 9,646                |
| (Reversal) of Credit Loss allowance - Net | (498)                                                   | (959)                |
| Profit before taxation                    | 5,143                                                   | 10,604               |
| Taxation                                  | 2,759                                                   | 5,632                |
| Profit after tax                          | 2,385                                                   | 4,973                |

|                    | (Rupees) |      |
|--------------------|----------|------|
| Earnings Per Share | 2.06     | 4.29 |

### Economic and Performance Review

During the period under review, Pakistan's economy operated within a complex environment shaped by global supply chain realignments and heightened regional geopolitical tensions. To manage price stability while supporting economic momentum, the State Bank of Pakistan (SBP) maintained a cautious monetary policy stance. Consequently, the SBP raised the key policy rate by 100 basis points to 11.50% effective April 28, 2026, and subsequent to the period-end further increased it by 50 basis points to 12.00% effective October 27, 2026.

In this backdrop, during the nine-month period ended September 30, 2026, the Bank posted a profit before tax of Rs. 5,143 million, while profit after tax stood at Rs. 2,385 million, compared to profit before tax of Rs. 10,604 million and profit after tax of Rs. 4,973 million earned in the corresponding period last year. The market interest rate movements had negative impact on the comparative net yields of Bank's portfolio which thereby resulted in reduction in the net interest income as well as gain on securities for the nine-month period under review.

Non-markup expenses registered an increase of 13% during the nine-month period compared to the corresponding period last year, mainly reflecting the impacts of increase in business operations, inflationary adjustments and other charges.

As a result of continuous recovery efforts and the prudent lending strategy pursued by management, the Bank achieved net reduction in NPLs from Rs. 12,530 million as of December 31, 2025 to Rs. 12,034 million as at September 30, 2026. Similarly, the Bank recorded a net reversal of credit loss allowance of Rs. 498.37 million during this nine month under review.

On quarterly basis, profitability during Q3-2026 improved compared to Q2-2026, mainly driven by higher net markup income, lower non-markup expenses and net reversal in credit loss provisions during the current quarter.

The Bank maintained strong balance sheet growth during the nine-month period, reflecting continued business expansion and focus on strategy implementation. The Bank's total assets increased to Rs. 584,282 million as at September 30, 2026 against Rs. 453,300 million as of December 31, 2025. Net advances increased to Rs. 150,700 million as at September 30, 2026 (December 31, 2025: Rs. 126,706 million) while net investments increased to Rs. 374,085 million as compared to Rs. 274,957 million as of December 31, 2025.

The balance sheet growth during the period was funded by sizeable increase in deposits which amounted to Rs. 432,728 million as at September 30, 2026 as compared to Rs. 378,123 as of December 31, 2025. Similarly, borrowings increased to Rs. 112,799 million as against Rs. 35,698 million as at December 31, 2025. Alongside growth in balance sheet, the Bank continues to maintain strong liquidity and capital profile with LCR and CAR standing 207.56% and 16.78% respectively as at September 30, 2026.

The Bank also continued to make progress towards implementation of its Islamic Banking conversion strategy. During the nine month period under review, the Bank converted additional 22 conventional banking branches into Islamic banking Branches (IBBs). At the period-end, the Bank is operating with 256 branches across the country out of which 223 are dedicated IBBs. The deposit of Islamic banking operations of the Bank as of September 30, 2026 stood at Rs. 226,645 million thereby reflecting growth of 11.86% since December 31, 2025.

#### **Update on Subsidiary**

On January 19, 2026, the SECP issued certificate of incorporation of the BOK Currency Exchange Company (Pvt.) Limited, a wholly owned subsidiary of the Bank. In this respect, the Bank has injected an amount of Rs. 1 billion as paid-up capital of the BOK exchange company during the nine-month period under review. Accordingly, the Bank has also prepared and presented its consolidated financial statements for the nine-month ended September 30, 2026. Currently, the subsidiary is in the process of completing the remaining regulatory formalities required for obtaining necessary approvals to commence foreign exchange business operations.

#### **Ratings**

In June 2026, The Pakistan Credit Rating Agency Limited (PACRA) upgraded the medium to long-term entity rating of the Bank to 'AA-' (Double A Minus), while maintaining the short-term rating at 'A1' (Single A One).

Moreover, in June 2026, VIS Credit Rating Company Limited (VIS) re-affirmed Bank's medium to long term entity rating of the Bank at 'AA-' (Double A Minus) and short-term rating at 'A1' (Single A One).

Outlook on these assigned ratings is 'Stable'. The medium to long-term rating of 'AA-' denotes high credit quality, with strong protection factors.

In April 2026, Islamic International Rating Agency ("IIRA") assigned the 'Shari'ah Compliance and Fiduciary Rating' of "SCFR (pk) 1" to Islamic Banking Operations of the Bank on the national scale, which denotes "No material deviations from national regulatory framework for Shari'ah Compliant Finance" and "SCFR (Global) - High" on the global scale, which denotes, "High level of conformance to global standards in terms of fulfilling fiduciary obligations of Shari'ah compliant Finance".

#### **Future Outlook**

The Bank continues to proactively navigate prevailing macroeconomic dynamics, balancing growth momentum with rigorous asset quality management and capital discipline. Crucial to our strategic execution is the continuous enhancement of our service standards and digital banking capabilities, backed by targeted investments in technology and human capital.

Looking ahead, we remain committed to a disciplined expansion of our advance portfolio across core economic sectors. To drive sustainable risk-adjusted returns, we are actively diversifying our balance sheet by onboarding tier-one private sector corporates and capturing high-margin opportunities in trade finance and ancillary business.

#### **Acknowledgments**

The Board would like to thank the Provincial Government, State Bank of Pakistan, Shareholders, regulatory authorities and all other stakeholders for their continued trust and support. We are also grateful to our valued customers for their patronage and continued confidence in the Bank.

For and on behalf of the Board of Directors

Peshawar: October 28, 2026



**Hassan Raza**  
Managing Director & CEO

## ڈائریکٹر کا جائزہ

بینک آف خیبر (بینک) کے بورڈ آف ڈائریکٹرز کی جانب سے، مجھے 30 ستمبر 2026 کو ختم ہونے والی نو ماہی مدت کے لیے بینک کی مختصر عبوری مالیاتی معلومات پیش کرتے ہوئے خوش محسوس ہو رہی ہے۔

## مالیاتی جھلکیاں

زیر جائزہ مدت کے لیے بینک (اسٹیٹ لاون) کے مالیاتی نتائج درج ذیل ہیں:

| (ملین روپے)   |               |                                    |
|---------------|---------------|------------------------------------|
| 31 دسمبر 2025 | 30 ستمبر 2026 |                                    |
| 453,300       | 584,282       | کل اثاثہ جات                       |
| 378,123       | 432,728       | فیکڈز                              |
| 126,706       | 150,700       | ایڈوانسز                           |
| 274,957       | 374,085       | سرمایہ کاری                        |
| (ملین روپے)   |               |                                    |
| 30 ستمبر 2025 | 30 ستمبر 2026 |                                    |
| 9,646         | 4,645         | کریڈٹ اس الاؤنس سے قفل منافع       |
| (959)         | (498)         | کریڈٹ اس الاؤنس کی (ریورسل) - خالص |
| 10,604        | 5,143         | قبل از ٹیکس منافع                  |
| 5,632         | 2,759         | ٹیکس                               |
| 4,973         | 2,385         | بعد از ٹیکس منافع                  |
| (روپے)        |               |                                    |
| 30 ستمبر 2025 | 30 ستمبر 2026 |                                    |
| 4.29          | 2.06          | آمدنی فی حصص                       |

## معاشی اور کارکردگی کا جائزہ

زیر جائزہ مدت میں پاکستان کی معیشت ایک پیچیدہ ماحول میں کام کرتی رہی، جو عالمی سپلائی چین میں رد و بدل اور علاقائی سطح پر بڑھتی ہوئی جغرافیائی سیاسی کشیدگی کے باعث تھک چکا ہے۔ معاشی رفتار پر قرار رکھتے ہوئے قیمتوں میں استحکام کے فروغ کی خاطر، اسٹیٹ بینک آف پاکستان نے زری پالیسی میں متناظر رویہ اپنانے کا فیصلہ کیا۔ چنانچہ 28 اپریل 2026 سے اس پالیسی ریت میں 100 بنیادی پوائنٹس کا اضافہ کر کے اسے 11.50 فیصد کی سطح پر لایا گیا اور زیر جائزہ نو ماہی مدت کے اختتام کے بعد مزید 50 بنیادی پوائنٹس بڑھا کر 27 اکتوبر 2026 کو 12.00 فیصد کر دیا۔

اسی تناظر میں، 30 ستمبر 2026 کو اختتام پزیر نو ماہی مدت کے دوران بینک کا منافع قبل از ٹیکس 5,143 ملین روپے اور منافع بعد از ٹیکس 2,385 ملین روپے رہا، جبکہ گزشتہ سال کی اسی مدت میں یہ بااثر تیب 10,604 ملین روپے اور 4,973 ملین روپے تھا۔ انٹرسٹ ریت میں مارکیٹ کے اتار چڑھاؤ نے بینک کے پورٹ فولیو کی تقابلی خالص آمدنی کو منفی طور پر متاثر کیا، جس سے زیر جائزہ مدت میں خالص انٹرسٹ آمدنی اور سیکیورٹیز پر حاصل ہونے والے منافع، دونوں میں کمی آئی۔

غیر مارک اپ اخراجات میں نو ماہی مدت کے دوران گزشتہ سال کی اسی مدت کے مقابلے میں 13 فیصد اضافہ ریکارڈ کیا گیا، جو بنیادی طور پر کاروباری آپریشن میں اضافے، افراط زر کی ایلیمنٹیشن اور دیگر اخراجات کے اثرات کی عکاسی کرتا ہے۔

انتظامیہ کی جانب سے مسلسل وصولی کی کوششوں اور قرضوں کی فراہمی میں داخلہ شدہ نکتہ عملی کے نتیجے میں، بینک نے NPLs میں 31 دسمبر 2025 میں 12,530 ملین روپے سے 30 ستمبر 2026 تک 12,034 ملین روپے تک بے تحاشہ وصولی حاصل کی۔ اسی طرح، بینک نے زیر جائزہ نو ماہی مدت کے دوران کریڈٹ اس الاؤنس میں 498.37 ملین روپے کا خالص ریلو ریکارڈ کیا۔

سرمایہ بنیادوں پر مالی سال 2026 کی تیسری سہ ماہی کے دوران منافع کے حصول میں دوسری سہ ماہی کے مقابلے میں بہتری آئی۔ اس کی بنیادی وجہ زیر جائزہ سہ ماہی کے دوران خالص مارک اپ آمدنی میں اضافہ، غیر مارک اپ اخراجات میں کمی، اور کریڈٹ لاس پر پوزیشن میں خالص ریلو رسل ہے۔

بینک نے اس مدت کے دوران مضبوط پلٹس شیٹ گروتھ پر قرار رکھی، جو کاروبار میں مسلسل توسیع اور نکتہ عملی کے نفاذ پر توجہ کی عکاسی کرتی ہے۔ بینک کے کل اثاثہ جات 30 ستمبر 2026 تک بڑھ کر 584,282 ملین روپے ہو گئے جبکہ 31 دسمبر 2025 کو یہ 453,300 ملین روپے تھے۔ خالص ایڈوانسز 30 ستمبر 2026 تک بڑھ کر 150,700 ملین روپے ہو گئے (31 دسمبر 2025: 126,706 ملین روپے)، جبکہ خالص سرمایہ کاری 31 دسمبر 2025 کے 374,085 ملین روپے کے مقابلے میں بڑھ کر 274,957 ملین روپے ہو گئی۔

زیر جائزہ مدت کے دوران پینٹنس شیٹ گروٹھ کا بنیادی سبب پائرس میں خاطر خواہ اضافہ رہا، جو 30 ستمبر 2026 تک 432,728 ملین روپے تک پہنچ گئے جبکہ 31 دسمبر 2025 کو یہ 378,123 ملین روپے تھے۔ اس طرح، قرضہ جات بڑھ کر 112,799 ملین روپے ہو گئے جبکہ 31 دسمبر 2025 سے 35,698 ملین روپے تھے۔ پینٹنس شیٹ گروٹھ کے ساتھ ساتھ، بینک 30 ستمبر 2026 تک بائرنیٹ 207.56 فیصد اور 16.78 فیصد پر LCR اور CAR کے ساتھ مشبوط ٹیکہ بیڑ بنی اور سرمائے کی صورت حال برقرار رکھے ہوئے ہے۔

بینک نے اپنی اسلامی بینکاری تہذیب کی حکمت عملی کے نفاذ کی جانب جوش و خروش جاری رکھی۔ زیر جائزہ نو ماہی مدت کے دوران، بینک نے مزید 22 روایتی بینکاری شاخوں کو اسلامی بینکاری شاخوں میں تبدیل کیا۔ مدت کے اختتام پر، بینک ملک بھر میں 256 شاخوں کے ساتھ کام کر رہا ہے جن میں سے 223 مخصوص اسلامی بینکاری شاخیں ہیں۔ 30 ستمبر 2026 تک بینک کے اسلامی بینکاری آپریشنز کے پائرس 226,645 ملین روپے رہے، جو 31 دسمبر 2025 سے 11.86 فیصد کی ترقی ظاہر کرتے ہیں۔

## ذیلی کمپنی سے متعلق تازہ ترین صورتحال

19 جنوری 2026 کو، ایس ای سی سی نے بینک کی عملیاتی کمپنی، بی سی سی، کے اوکے کی ایک پیچھے کمپنی (پرائیویٹ) لمیٹڈ، کی رجسٹریشن کو ریٹیکٹ جاری کیا۔ اس ضمن میں، بینک نے زیر جائزہ نو ماہی مدت کے دوران بی او کے کی پیچھے کمپنی کے پیڈ اپ کیسٹبل کے طور پر 1 ارب روپے کی رقم جمع کروائی ہے۔ اس کے مطابق، بینک نے 30 ستمبر 2026 کو قلم ہونے والی نو ماہی مدت کے لیے اپنے مجموعی (کنسولیڈیٹڈ) مالیاتی کو خوشوارے بھی تیار اور پیش کیے ہیں۔ بی ایچ ایچ کی کاروباری آپریشنز شروع کرنے کے لیے درکار ضروری منظوری حاصل کرنے کے لیے بائی مائندور ٹیکہ لیوری فنانسنگ کی سہولت کے عمل میں ہے۔

## ریٹنگز

جون 2026 میں، پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے بینک کی درمیانی سے طویل مدتی ریٹنگ کو بڑھا کر 'AA' (ڈبل اے، آئس) کر دیا، جبکہ قلیل مدتی ریٹنگ 'A1' (سنگل اے، ون) پر برقرار رکھی۔

مزید برآں، جون 2026 میں، وی آئی ایس کریڈٹ ریٹنگ ایجنسی (VIS) نے بینک کی درمیانی سے طویل مدتی ریٹنگ کو بڑھا کر 'AA' (ڈبل اے، آئس) کر دیا، جبکہ قلیل مدتی ریٹنگ 'A1' (سنگل اے، ون) پر برقرار رکھی۔

ان تقویمیں کردہ ریٹنگز کا آؤٹ لک مسٹقم (مستقبل) ہے۔ درمیانی سے طویل مدتی 'AA' درجہ بندی مشبوط پرو پیکش جھنڈے کے ساتھ اعلیٰ کریڈٹ معیار کی نشاندہی کرتی ہے۔

اپریل 2026 میں، اسٹاک انٹرنیشنل ریٹنگ ایجنسی (IIRA) نے بینک کے اسلامی بینکاری آپریشنز کو قوی سطح پر 'مثریہ' کیپٹالس اور فیڈ یوشری ریٹنگ '1 SCFR (pk)' تقویمیں کی، جو 'مثریہ' کیپٹالس فنانس کے لیے قوی ریٹنگز پر فریم ورک سے کوئی نمایاں انحراف نہ ہونے کی نشاندہی کرتی ہے، اور عالمی سطح پر High - Global) SCFR" (Global) - High) تقویمیں کی، جو 'مثریہ' کیپٹالس فنانس کے فیڈ یوشری فرائض کی سہولت کے لیے عالمی معیارات کے ساتھ اعلیٰ درجے کی مطابقت کی نشاندہی کرتی ہے۔

## مستقبل کا لاچر عمل

بینک موجودہ معاشی حالات اور ان میں ہونے والی تبدیلیوں سے نمونہ انداز میں غصنے کے لیے مسلسل سرگرم عمل ہے، اور ترقی کی رفتار برقرار رکھنے کے ساتھ اثاثوں کے معیار کے نمونہ انتظام اور سرمائے کے محتاط استعمال کو بھی یقینی بنا رہا ہے۔ ہماری حکمت عملی پر نمونہ عمل درآمد کے لیے خدمات کے معیار اور ڈیجیٹل بینکاری کی سہولیات میں مسلسل بہتری بنیادی اہمیت رکھتی ہے، جس کے لیے ٹیکنالوجی اور افرادی قوت میں جاری سرمایہ کاری کی جاری ہے۔

مستقبل کے پیش نظر، ہم بنیادی معاشی شعبوں میں اپنے ایڈوانسز پورٹ فولیو کی معطر توسیع کے لیے پرعزم ہیں۔ پائیدار رسک ایڈجسٹمنٹس کو آگے بڑھانے کے لیے، ہم ہیروڈن فنی شعبے کے کارپوریشن کو شامل کر کے اور ریڈ فنانس و فنی کاروبار میں زیادہ منافع بخش مواقع حاصل کر کے اپنی پینٹنس شیٹ کو فعال طور پر متنوع بنا رہے ہیں۔

## اتحاد و تفکر

یورڈ صوبائی حکومت، اسٹیٹ بینک آف پاکستان، شیئر ہولڈرز، ٹیکہ لیوری اداروں، اور دیگر تمام اسٹیک ہولڈرز کا ان کے مسلسل اعتماد اور معاونت کے لیے شکریہ ادا ہے۔ ہم اپنے معزز صارفین کا بھی شکریہ ادا کرتے ہیں جن کی سرپرستی اور بینک پر مسلسل بھروسہ قائم ہے۔

مجاہد: یورڈ آف ڈائریکٹرز

حسن رضا  
چینگ ڈائریکٹر اور سی ای او



# Bank of Khyber

Unconsolidated Condensed  
Interim Financial Statements

For The Nine Month Period Ended September  
30, 2026

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

|                                       |      | (Un-audited)<br>September 30,<br>2026 | (Audited)<br>December 31,<br>2025 |
|---------------------------------------|------|---------------------------------------|-----------------------------------|
|                                       | Note | ----- Rupees in '000 -----            |                                   |
| <b>ASSETS</b>                         |      |                                       |                                   |
| Cash and balances with treasury banks | 5    | 30,144,435                            | 25,398,116                        |
| Balances with other banks             | 6    | 1,684,128                             | 3,217,067                         |
| Lendings to financial institutions    | 7    | 2,130,318                             | 3,438,549                         |
| Investments                           | 8    | 374,084,697                           | 274,956,627                       |
| Advances                              | 9    | 150,700,310                           | 126,705,821                       |
| Property and equipment                | 10   | 4,450,667                             | 4,796,539                         |
| Right-of-use assets                   | 11   | 1,227,963                             | 1,626,161                         |
| Intangible assets                     | 12   | 372,774                               | 379,645                           |
| Deferred tax assets                   | 13   | 2,384,378                             | 1,032,911                         |
| Other assets                          | 14   | 17,102,636                            | 11,748,178                        |
| <b>Total Assets</b>                   |      | <b>584,282,306</b>                    | <b>453,299,614</b>                |
| <b>LIABILITIES</b>                    |      |                                       |                                   |
| Bills payable                         | 15   | 1,617,939                             | 3,212,340                         |
| Borrowings                            | 16   | 112,798,744                           | 35,697,978                        |
| Deposits and other accounts           | 17   | 432,727,511                           | 378,123,220                       |
| Lease liabilities                     | 18   | 1,339,485                             | 1,757,104                         |
| Subordinated debt                     |      | -                                     | -                                 |
| Deferred tax liabilities              |      | -                                     | -                                 |
| Other liabilities                     | 19   | 13,000,509                            | 10,832,282                        |
| <b>Total Liabilities</b>              |      | <b>561,484,188</b>                    | <b>429,622,924</b>                |
| <b>NET ASSETS</b>                     |      | <b>22,798,118</b>                     | <b>23,676,690</b>                 |
| <b>REPRESENTED BY</b>                 |      |                                       |                                   |
| Share capital                         | 20   | 11,579,360                            | 11,579,360                        |
| Reserves                              |      | 6,706,095                             | 6,229,178                         |
| Surplus on revaluation of assets      | 21   | 51,090                                | 1,358,853                         |
| Unappropriated profit                 |      | 4,461,573                             | 4,509,299                         |
|                                       |      | <b>22,798,118</b>                     | <b>23,676,690</b>                 |
| <b>CONTINGENCIES AND COMMITMENTS</b>  |      |                                       |                                   |
|                                       | 22   |                                       |                                   |

The annexed notes 1 to 40 form an integral part of these unconsolidated condensed interim financial statements.



**MANAGING  
DIRECTOR**



**CHIEF FINANCIAL  
OFFICER**



**DIRECTOR**



**DIRECTOR**

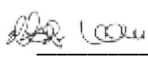
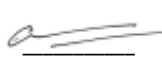


**DIRECTOR**

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

|                                                                                      |    | Quarter ended                      |                                    | Period ended                          |                                       |
|--------------------------------------------------------------------------------------|----|------------------------------------|------------------------------------|---------------------------------------|---------------------------------------|
|                                                                                      |    | July 1 to<br>September 30,<br>2026 | July 1 to<br>September 30,<br>2025 | January 1 to<br>September 30,<br>2026 | January 1 to<br>September 30,<br>2025 |
| Note                                                                                 |    | ----- Rupees in '000 -----         |                                    |                                       |                                       |
| Mark-up / return / interest earned                                                   | 23 | 14,906,655                         | 13,597,221                         | 39,441,393                            | 41,186,051                            |
| Mark-up / return / interest expensed                                                 | 24 | 10,495,547                         | 8,918,549                          | 26,680,996                            | 26,662,033                            |
| Net mark-up / interest income                                                        |    | 4,411,108                          | 4,678,672                          | 12,760,397                            | 14,524,018                            |
| <b>NON MARK-UP / INTEREST INCOME</b>                                                 |    |                                    |                                    |                                       |                                       |
| Fee and commission income                                                            | 25 | 289,799                            | 249,788                            | 902,271                               | 800,602                               |
| Dividend income                                                                      |    | -                                  | -                                  | -                                     | -                                     |
| Foreign exchange income                                                              |    | 183,891                            | 204,438                            | 409,450                               | 486,600                               |
| Income / (loss) from derivatives                                                     |    | -                                  | -                                  | -                                     | -                                     |
| Gain on securities                                                                   | 26 | 42,381                             | 718,895                            | 92,830                                | 2,215,468                             |
| Net (loss) / gain on derecognition of financial assets<br>measured at amortised cost | 27 | (14,880)                           | 7,494                              | (2,043)                               | 17,104                                |
| Share of profit of associate                                                         |    | 641                                | 6,922                              | 9,145                                 | 15,388                                |
| Other income                                                                         | 28 | 44,253                             | 40,491                             | 106,567                               | 113,004                               |
| Total non-mark-up / interest income                                                  |    | 546,085                            | 1,228,028                          | 1,518,220                             | 3,648,166                             |
| Total income                                                                         |    | 4,957,193                          | 5,906,700                          | 14,278,617                            | 18,172,184                            |
| <b>NON MARK-UP / INTEREST EXPENSES</b>                                               |    |                                    |                                    |                                       |                                       |
| Operating expenses                                                                   | 29 | 3,205,680                          | 2,837,008                          | 9,512,786                             | 8,526,366                             |
| Workers Welfare Fund                                                                 |    | -                                  | -                                  | -                                     | -                                     |
| Other charges                                                                        | 30 | -                                  | 70                                 | 120,848                               | 230                                   |
| Total non-mark-up / interest expenses                                                |    | 3,205,680                          | 2,837,078                          | 9,633,634                             | 8,526,596                             |
| <b>PROFIT BEFORE CREDIT LOSS ALLOWANCE</b>                                           |    | 1,751,513                          | 3,069,622                          | 4,644,983                             | 9,645,588                             |
| Reversal of credit loss allowance and write offs - net                               | 31 | (206,800)                          | (340,213)                          | (498,375)                             | (958,685)                             |
| <b>PROFIT BEFORE TAXATION</b>                                                        |    | 1,958,313                          | 3,409,835                          | 5,143,358                             | 10,604,273                            |
| Taxation                                                                             | 32 | 1,039,710                          | 1,802,625                          | 2,758,774                             | 5,631,697                             |
| <b>PROFIT AFTER TAXATION</b>                                                         |    | 918,603                            | 1,607,210                          | 2,384,584                             | 4,972,576                             |
| -----Rupees -----                                                                    |    |                                    |                                    |                                       |                                       |
| <b>Basic and diluted earnings per share</b>                                          | 33 | 0.79                               | 1.39                               | 2.06                                  | 4.29                                  |

The annexed notes 1 to 40 form an integral part of these unconsolidated condensed interim financial statements.

  
**MANAGING  
DIRECTOR**
  
**CHIEF FINANCIAL  
OFFICER**
  
**DIRECTOR**
  
**DIRECTOR**
  
**DIRECTOR**

## UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026

|                                                                                                           | Quarter ended                      |                                    | Period ended                          |                                       |
|-----------------------------------------------------------------------------------------------------------|------------------------------------|------------------------------------|---------------------------------------|---------------------------------------|
|                                                                                                           | July 1 to<br>September 30,<br>2026 | July 1 to<br>September 30,<br>2025 | January 1 to<br>September 30,<br>2026 | January 1 to<br>September 30,<br>2025 |
|                                                                                                           | Rupees in '000                     |                                    |                                       |                                       |
| <b>Profit after taxation for the period</b>                                                               | <b>918,603</b>                     | <b>1,607,210</b>                   | <b>2,384,584</b>                      | <b>4,972,576</b>                      |
| <b>Other comprehensive income / (loss)</b>                                                                |                                    |                                    |                                       |                                       |
| <b>Items that may be reclassified to statement of profit and loss account in subsequent periods:</b>      |                                    |                                    |                                       |                                       |
| Movement in surplus / (deficit) on revaluation of debt investments through FVOCI - net of tax             | 17,828                             | 33,269                             | (1,271,474)                           | 631,820                               |
| Gain on sale of debt investments carried at FVOCI reclassified to profit and loss - net of tax            | (20,342)                           | (345,861)                          | (44,558)                              | (1,064,216)                           |
| Deficit transferred to profit and loss on debt investment reclassified from FVOCI to FVPL- net of tax     | -                                  | 792                                | -                                     | 792                                   |
|                                                                                                           | (2,514)                            | (311,800)                          | (1,316,032)                           | (431,604)                             |
| <b>Items that will not be reclassified to statement of profit and loss account in subsequent periods:</b> |                                    |                                    |                                       |                                       |
| Movement in surplus on revaluation of equity investments - net of tax                                     | 1,656                              | 25,526                             | 12,591                                | 45,005                                |
| Share of surplus on revaluation of investment in associate - net of tax                                   | 1,656                              | 25,526                             | 12,591                                | 1,339                                 |
|                                                                                                           |                                    |                                    |                                       | 46,344                                |
| <b>Total comprehensive income</b>                                                                         | <b>917,745</b>                     | <b>1,320,936</b>                   | <b>1,081,143</b>                      | <b>4,587,316</b>                      |

The annexed notes 1 to 40 form an integral part of these unconsolidated condensed interim financial statements.



**MANAGING  
DIRECTOR**



**CHIEF FINANCIAL  
OFFICER**



**DIRECTOR**



**DIRECTOR**

## UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026

|                                                                                                                | Share capital | Statutory reserve | Surplus / (deficit) on revaluation of |                        |                    | Unappropriated profit | Total       |
|----------------------------------------------------------------------------------------------------------------|---------------|-------------------|---------------------------------------|------------------------|--------------------|-----------------------|-------------|
|                                                                                                                |               |                   | Investments                           | Property and equipment | Non-banking assets |                       |             |
|                                                                                                                |               |                   |                                       |                        |                    |                       |             |
| Rupees in '000                                                                                                 |               |                   |                                       |                        |                    |                       |             |
| Balance as at December 31, 2024 (audited)                                                                      | 11,579,360    | 5,066,025         | 749,966                               | 900,120                | 26,612             | 3,577,136             | 21,899,219  |
| Effect of remeasurement on adoption of IFRS 9 - net of tax                                                     | -             | -                 | 90,629                                | -                      | -                  | -                     | 90,629      |
| Balance as at January 1, 2025 - restated                                                                       | 11,579,360    | 5,066,025         | 840,595                               | 900,120                | 26,612             | 3,577,136             | 21,989,848  |
| Profit after taxation for the nine month period ended 30 September, 2025                                       | -             | -                 | -                                     | -                      | -                  | 4,972,576             | 4,972,576   |
| Other comprehensive (loss) / income - net of tax                                                               | -             | -                 | -                                     | -                      | -                  | -                     | -           |
| Movement in surplus on revaluation of investments in debt instruments through OCI - net of tax                 | -             | -                 | 631,820                               | -                      | -                  | -                     | 631,820     |
| Gain on sale of debt investments carried at FVOCI reclassified to profit and loss - net of tax                 | -             | -                 | (1,084,216)                           | -                      | -                  | -                     | (1,084,216) |
| Share of surplus on revaluation of investment of associate - net of tax                                        | -             | -                 | 1,339                                 | -                      | -                  | -                     | 1,339       |
| Movement in surplus on revaluation of equity investments - net of tax                                          | -             | -                 | 45,005                                | -                      | -                  | -                     | 45,005      |
| Movement of deficit on debt investment reclassified from FVOCI to FVPL - net of tax                            | -             | -                 | 792                                   | -                      | -                  | -                     | 792         |
| Total other comprehensive loss - net of tax                                                                    | -             | -                 | (385,260)                             | -                      | -                  | -                     | (385,260)   |
| Transfer to statutory reserve                                                                                  | -             | 994,515           | -                                     | -                      | -                  | (994,515)             | -           |
| Transfer from surplus on revaluation of non-banking asset to unappropriated profit - net of tax                | -             | -                 | -                                     | -                      | (4,059)            | 4,059                 | -           |
| Gain on disposal of equity investments at FVOCI of associate transferred to unappropriated profit - net of tax | -             | -                 | (3,791)                               | -                      | -                  | 3,791                 | -           |
| Transactions with owners, recorded directly in equity                                                          |               |                   |                                       |                        |                    |                       |             |
| Final cash dividend for the year ended December 31, 2024 (Rs.170 per share)                                    | -             | -                 | -                                     | -                      | -                  | (1,968,683)           | (1,968,683) |
| Interim cash dividend for the year ended December 31, 2025 (Rs.150 per share)                                  | -             | -                 | -                                     | -                      | -                  | (1,736,904)           | (1,736,904) |
| Balance as at September 30, 2025 (un-audited) - restated                                                       | 11,579,360    | 6,060,540         | 451,544                               | 900,120                | 22,553             | 3,867,460             | 22,871,577  |
| Profit after taxation for the three month period ended December 31, 2025                                       | -             | -                 | -                                     | -                      | -                  | 843,188               | 843,188     |
| Other comprehensive income / (loss) - net of tax                                                               | -             | -                 | -                                     | -                      | -                  | -                     | -           |
| Movement in surplus on revaluation of investments in debt instruments through FVOCI - net of tax               | -             | -                 | 8,917                                 | -                      | -                  | -                     | 8,917       |
| Gain on sale of debt investments carried at FVOCI reclassified to profit and loss - net of tax                 | -             | -                 | (55,129)                              | -                      | -                  | -                     | (55,129)    |
| Movement in surplus on revaluation of equity investments - net of tax                                          | -             | -                 | 1,014                                 | -                      | -                  | -                     | 1,014       |
| Remeasurement loss on defined benefit obligations - net of tax                                                 | -             | -                 | -                                     | -                      | -                  | (24,064)              | (24,064)    |
| Movement in surplus on revaluation of non-banking assets - net of tax                                          | -             | -                 | -                                     | -                      | 31,187             | -                     | 31,187      |
| Total other comprehensive loss - net of tax                                                                    | -             | -                 | (45,198)                              | -                      | -                  | (24,064)              | (58,016)    |
| Transfer to statutory reserve                                                                                  | -             | 168,638           | -                                     | -                      | -                  | (168,638)             | -           |
| Transfer from surplus on revaluation of non-banking asset to unappropriated profit - net of tax                | -             | -                 | -                                     | -                      | (1,353)            | 1,353                 | -           |
| Gain on disposal of equity investments at FVOCI transferred to unappropriated profit - net of tax              | -             | -                 | -                                     | -                      | -                  | -                     | -           |
| Balance as at December 31, 2025 (audited)                                                                      | 11,579,360    | 6,229,178         | 406,346                               | 900,120                | 52,387             | 4,509,299             | 23,676,690  |
| Impact of adoption of IFRS 9 - net of tax (note 4.1)                                                           | -             | -                 | -                                     | -                      | -                  | 8,977                 | 8,977       |
| Balance as at January 1, 2026 - restated                                                                       | 11,579,360    | 6,229,178         | 406,346                               | 900,120                | 52,387             | 4,518,276             | 23,685,667  |
| Profit after taxation for the nine month period ended 30 September, 2026                                       | -             | -                 | -                                     | -                      | -                  | 2,384,584             | 2,384,584   |
| Other comprehensive income / (loss) - net of tax                                                               | -             | -                 | -                                     | -                      | -                  | -                     | -           |
| Movement in deficit on revaluation of investments in debt instruments through OCI - net of tax                 | -             | -                 | (1,271,474)                           | -                      | -                  | -                     | (1,271,474) |
| Gain on sale of debt investments carried at FVOCI reclassified to profit and loss - net of tax                 | -             | -                 | (44,558)                              | -                      | -                  | -                     | (44,558)    |
| Share of surplus on revaluation of investment of associate - net of tax                                        | -             | -                 | 12,591                                | -                      | -                  | -                     | 12,591      |
| Movement in surplus on revaluation of equity investments - net of tax                                          | -             | -                 | -                                     | -                      | -                  | -                     | -           |
| Total other comprehensive loss - net of tax                                                                    | -             | -                 | (1,303,441)                           | -                      | -                  | -                     | (1,303,441) |
| Transfer to statutory reserve                                                                                  | -             | 476,917           | -                                     | -                      | -                  | (476,917)             | -           |
| Transfer from surplus on revaluation of non-banking asset - net of tax                                         | -             | -                 | -                                     | -                      | (4,322)            | 4,322                 | -           |
| Transactions with owners, recorded directly in equity                                                          |               |                   |                                       |                        |                    |                       |             |
| Final cash dividend for the year ended December 31, 2025 (Rs.170 per share)                                    | -             | -                 | -                                     | -                      | -                  | (1,968,692)           | (1,968,692) |
| Balance as at September 30, 2026 (un-audited)                                                                  | 11,579,360    | 6,706,095         | (897,095)                             | 900,120                | 48,065             | 4,461,573             | 22,798,118  |

The annexed notes 1 to 40 form an integral part of these unconsolidated condensed interim financial statements.



**MANAGING  
DIRECTOR**



**CHIEF FINANCIAL  
OFFICER**



**DIRECTOR**



**DIRECTOR**



**DIRECTOR**

**UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

|                                                                                   |          | January 1 to<br>September 30,<br>2026 | January 1 to<br>September 30,<br>2025 |
|-----------------------------------------------------------------------------------|----------|---------------------------------------|---------------------------------------|
|                                                                                   | Note     | ----- Rupees in '000 -----            |                                       |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                                        |          |                                       |                                       |
| Profit before taxation                                                            |          | 5,143,358                             | 10,604,273                            |
| Less: Dividend income                                                             |          | -                                     | -                                     |
|                                                                                   |          | <b>5,143,358</b>                      | <b>10,604,273</b>                     |
| <b>Adjustments:</b>                                                               |          |                                       |                                       |
| Net mark-up / return / interest income                                            |          | (13,014,676)                          | (14,819,426)                          |
| Depreciation - Property and equipment                                             | 29       | 768,915                               | 628,089                               |
| Depreciation - Non-banking assets acquired in satisfaction of claims              | 29       | 44,513                                | 33,533                                |
| Depreciation - Right-of-use assets                                                | 29       | 525,596                               | 565,613                               |
| Amortization                                                                      | 29       | 64,970                                | 63,563                                |
| Reversal of credit loss allowance and write offs - net                            | 31       | (498,375)                             | (958,685)                             |
| Unrealised loss on investments measured at FVPL                                   | 26       | -                                     | 1,650                                 |
| Gain on disposal of property and equipment - net                                  | 28       | (1,046)                               | (11,251)                              |
| Gain on early culmination of lease                                                | 28       | (209)                                 | (3,904)                               |
| Finance charges on leased assets                                                  | 24       | 254,279                               | 295,408                               |
| Net loss / (gain) on derecognition of financial assets measured at amortised cost | 27       | 2,043                                 | (17,104)                              |
| Unwinding of deferred cost on staff loans                                         |          | 146,289                               | 138,025                               |
| Exchange loss / (gain) on cash and cash equivalents                               |          | 26,721                                | (100,831)                             |
| Share of profit of associate                                                      |          | (9,145)                               | (15,388)                              |
|                                                                                   |          | <b>(11,690,125)</b>                   | <b>(14,200,708)</b>                   |
|                                                                                   |          | <b>(6,546,767)</b>                    | <b>(3,596,435)</b>                    |
| <b>(Increase) / decrease in operating assets</b>                                  |          |                                       |                                       |
| Lendings to financial institutions                                                |          | 1,314,191                             | (22,842,152)                          |
| Securities classified as FVPL                                                     |          | 40                                    | 5,402                                 |
| Advances                                                                          |          | (23,497,232)                          | 25,558,358                            |
| Other assets (excluding advance taxation and mark-up receivable)                  |          | 288,655                               | (78,048)                              |
|                                                                                   |          | <b>(21,894,346)</b>                   | <b>2,643,560</b>                      |
| <b>Increase / (decrease) in operating liabilities</b>                             |          |                                       |                                       |
| Bills payable                                                                     |          | (1,594,401)                           | (20,373,543)                          |
| Borrowings from financial institutions                                            |          | 77,100,766                            | (71,620,459)                          |
| Deposits                                                                          |          | 54,604,291                            | 96,698,445                            |
| Other liabilities (excluding current taxation and mark-up payable)                |          | 299,374                               | 833,242                               |
|                                                                                   |          | <b>130,410,030</b>                    | <b>5,537,685</b>                      |
| Mark-up / interest received                                                       |          | 34,574,769                            | 37,621,740                            |
| Mark-up / interest paid                                                           |          | (24,582,294)                          | (28,177,248)                          |
| Income tax paid                                                                   |          | (3,660,927)                           | (5,133,901)                           |
| <b>Net cash flow generated from operating activities</b>                          |          | <b>108,300,465</b>                    | <b>8,895,401</b>                      |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                                        |          |                                       |                                       |
| Net investments in amortised cost                                                 |          | (303,759)                             | (2,667,142)                           |
| Net investments in securities classified as FVOCI                                 |          | (100,526,431)                         | 2,775,022                             |
| Investment in BOK Currency Exchange Company (Private) Limited                     |          | (1,000,000)                           | -                                     |
| Investments in property and equipment                                             |          | (423,157)                             | (479,458)                             |
| Investments in intangible assets                                                  |          | (58,099)                              | (83,819)                              |
| Disposal of property and equipment                                                |          | 1,160                                 | 13,638                                |
| <b>Net cash flow (used in) investing activities</b>                               |          | <b>(102,310,286)</b>                  | <b>(441,759)</b>                      |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                                        |          |                                       |                                       |
| Payments of lease obligations against right-of-use assets                         |          | (799,086)                             | (807,064)                             |
| Dividend paid                                                                     |          | (1,951,020)                           | (3,668,030)                           |
| <b>Net cash flow (used in) financing activities</b>                               |          | <b>(2,750,106)</b>                    | <b>(4,475,094)</b>                    |
| Effects of credit loss allowance changes on cash and cash equivalents             | 28       | (117)                                 | (117)                                 |
| Effects of exchange rate changes on cash and cash equivalents                     | (26,721) | 100,831                               | 100,831                               |
| Increase in cash and cash equivalents                                             |          | <b>3,213,380</b>                      | <b>4,079,262</b>                      |
| Cash and cash equivalents at beginning of the period                              |          | <b>28,615,183</b>                     | <b>27,245,369</b>                     |
| <b>Cash and cash equivalents at end of the period</b>                             |          | <b>31,828,563</b>                     | <b>31,324,631</b>                     |

The annexed notes 1 to 40 form an integral part of these unconsolidated condensed interim financial statements.



**MANAGING  
DIRECTOR**



**CHIEF FINANCIAL  
OFFICER**



**DIRECTOR**



**DIRECTOR**



**DIRECTOR**

## NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026

### 1 STATUS AND NATURE OF BUSINESS

The Bank of Khyber (the Bank) was established in Pakistan under The Bank of Khyber Act, 1991 and is principally engaged in the business of commercial banking and related services. The Bank acquired the status of a scheduled bank in 1994 and is listed on the Pakistan Stock Exchange Limited. The registered office of the Bank is situated at 24-The Mall, Peshawar Cantt, Peshawar. The Bank operates 256 branches including 223 Islamic banking branches (December 31, 2025: 254 branches including 199 Islamic banking branches). During the period, the Bank has converted additional 22 of its conventional banking branches into Islamic banking branches. The long term credit rating of the Bank assigned by VIS Credit Rating Company Limited and Pakistan Credit Rating Agency Limited (PACRA) are 'AA-' and 'AA-' (December 31, 2025: 'AA-' and 'A+') respectively and the short-term credit ratings assigned are 'A1' (A-One) and 'A-1' (A-One) (December 31, 2025: 'A1' (A-One) and 'A-1' (A-One)) respectively. The majority shares (i.e. 70.20%) of the Bank are held by Government of Khyber Pakhtunkhwa (GoKP).

During the period, the Securities and Exchange Commission of Pakistan (SECP) has issued certificate of incorporation of 'BOK Currency Exchange Company (Private) Limited' dated January 19, 2026 (incorporated as a wholly owned subsidiary of the Bank), and the Bank has injected an amount of Rs. 1,000 million as paid up capital in BOK Exchange Company. Currently, the BOK Exchange Company is in the process of completing the regulatory formalities and obtaining the necessary approvals to commence its operations.

The Provincial Assembly of Khyber Pakhtunkhwa has passed the Bank of Khyber (Amendment) Act, 2022. As part of the amendments, the name of Bank has been changed from "بنك كھبر" to "بنك كھبر". The Bank is in the process of seeking necessary regulatory approval for the same.

### 2 BASIS OF PREPARATION

- 2.1 In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan (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 profit in price on deferred payment basis. The purchases and sales arising under the respective arrangements (except for Murabaha financings accounted for under Islamic Financial Accounting Standard - 1 "Murabaha") 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.
- 2.2 These unconsolidated condensed interim financial statements represent separate financial statements of the Bank in which investment in subsidiary is accounted for on the basis of cost less accumulated impairment losses, if any. Consolidated condensed interim financial statements are prepared separately.
- 2.3 The Islamic banking branches of the Bank have complied with the requirements as set out in the Islamic Financial Accounting Standards (IFAS), issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the provisions of Companies Act, 2017.
- 2.4 The financial results of the Islamic Banking Branches have been included in these unconsolidated condensed interim financial statements for reporting purposes, after eliminating the effects of inter-branch transactions and balances. Key financial figures of the Islamic Banking Branches are disclosed in note 38 to these unconsolidated condensed interim financial statements.
- 2.5 These unconsolidated condensed interim financial statements have been prepared under the historical cost convention except that certain class of property and equipment and non-banking assets acquired in satisfaction of claims are stated at revalued amounts; certain investments classified at fair value through profit or loss and at fair value through other comprehensive income, foreign exchange contracts and derivative financial instruments, if any, are stated at fair value; staff loans are measured at fair value at initial recognition; and the recognition of certain employees benefits, lease liabilities and corresponding right of use assets at present value, as disclosed in their respective notes.

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

**2.6** The Bank believes that there is no significant doubt on the Bank's ability to continue as a going concern. Therefore, these unconsolidated condensed interim financial statements have been prepared on a going concern basis.

**2.7** These unconsolidated condensed interim financial statements have been presented in Pakistani Rupee, which is the Bank's functional and presentation currency. The figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

**3 STATEMENT OF COMPLIANCE**

**3.1** 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' 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 (ICAP) as are notified under the Companies Act, 2017;

- Provisions of, directives and notifications issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and

- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives and notifications issued by the SBP and the SECP differ with the requirements of IAS 34 or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives and notifications, shall prevail.

**3.2** The disclosures made in these unconsolidated condensed interim financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 2 dated February 9, 2023 and IAS 34. These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the audited annual financial statements, and should be read in conjunction with the audited annual financial statements for the year ended December 31, 2025.

**3.3** SBP vide BSD Circular Letter No. 10, dated August 26, 2002, has deferred the applicability of International Accounting Standard (IAS) 40, Investment Property for banking companies till further instructions. Moreover, SBP vide BPRD Circular No. 4, dated February 25, 2015, has deferred the applicability of Islamic Financial Accounting Standards (IFAS) 3, Profit and Loss Sharing on Deposits. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements.

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026****3.4 Standards, interpretations of and amendments to published approved accounting and reporting standards that are effective in the current period**

There are certain new and amended standards, issued by the 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 will not have any material effect on the Bank's unconsolidated condensed interim financial statements including 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. However, the disclosure requirements of IFRS 7 do not apply to these unconsolidated condensed interim financial statements except for those specified in paragraph 16A(j) of IAS 34, 'Interim Financial Reporting'.

- 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.

**3.5 Standards, interpretations of and amendments to published approved accounting and reporting standards 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, 2027 but are considered not to be relevant or do not have any material effect on the Bank's unconsolidated condensed interim financial statements except for:

- the new standard - IFRS 18 'Presentation and Disclosure in Financial Statements' (published in April 2024) with applicability date of January 1, 2027. Application of IFRS 18 will impact the presentation of 'Statement of Profit and Loss Account' with certain additional disclosures as and when instructed by SBP.

**4 MATERIAL ACCOUNTING POLICY INFORMATION**

The material accounting policies applied in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the annual audited financial statements of the Bank for the year ended December 31, 2025, except for changes mentioned in note 4.1 below.

**4.1 IFRS 9 - Financial Instruments**

- 4.1.1** The Bank adopted IFRS 9 effective from January 1, 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 audited financial statements of the Bank for the years ended December 2024 and 2025, with the modified retrospective approach as permitted under IFRS-9.

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

**4.1.2** In addition, SBP in a separate instruction vide letter BPRD/RPD/822456/25 dated January 22, 2025 allowed an extension for application of Effective Interest Rate (EIR) upto December 31, 2025. During the current period, in accordance with aforementioned instructions, the Bank has applied the EIR on the financial instruments as at January 1, 2026. Accordingly, cumulative impact of application of EIR amounting to Rs. 8,977 thousand, net of tax, has increased the equity at the beginning of the current period with a corresponding impact on the income / mark-up accrued and mark-up / return / interest payable.

**4.1.3** The SBP has directed the Banks through its BPRD Circular Letter No. 1 dated January 22, 2025 to continue to apply the existing revenue recognition methodology for Islamic Operations, including the requirements of IFAS 1 and IFAS 2 until further instructions. Had the IFRS-9 been adopted in its entirety for revenue recognition from Islamic operations. The profit after tax of the bank would have been higher by Rs.456.74 Million.

**4.2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

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

**4.3 FINANCIAL RISK MANAGEMENT**

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

**5 CASH AND BALANCES WITH TREASURY BANKS**

**In hand**

Local currency  
Foreign currencies

**With State Bank of Pakistan in**

Local currency current accounts  
Foreign currency current accounts  
Foreign currency deposit accounts

**With National Bank of Pakistan in**

Local currency current accounts  
Local currency deposit accounts  
Foreign currency current accounts

**Prize bonds**

Less: Credit loss allowance held against cash and  
balances with treasury banks

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

| <b>(Un-audited)<br/>September 30,<br/>2026</b> | <b>(Audited)<br/>December 31,<br/>2025</b> |
|------------------------------------------------|--------------------------------------------|
|------------------------------------------------|--------------------------------------------|

| ----- Rupees in '000 ----- |                   |
|----------------------------|-------------------|
| <b>7,965,257</b>           | 7,042,878         |
| <b>215,276</b>             | 142,560           |
| <b>8,180,533</b>           | 7,185,438         |
| <b>19,517,762</b>          | 14,897,044        |
| <b>96,559</b>              | 105,018           |
| <b>320,380</b>             | 266,202           |
| <b>19,934,701</b>          | 15,268,264        |
| <b>2,020,555</b>           | 2,321,247         |
| <b>7</b>                   | 612,385           |
| <b>8,529</b>               | 10,442            |
| <b>2,029,091</b>           | 2,944,074         |
| <b>129</b>                 | 354               |
| <b>(19)</b>                | <b>(14)</b>       |
| <b>30,144,435</b>          | <b>25,398,116</b> |

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

|                                                                             | Note                                      | (Un-audited)<br>September 30,<br>2026 | (Audited)<br>December 31,<br>2025 |
|-----------------------------------------------------------------------------|-------------------------------------------|---------------------------------------|-----------------------------------|
| <b>6</b>                                                                    | <b>BALANCES WITH OTHER BANKS</b>          | ----- Rupees in '000 -----            |                                   |
| <b>In Pakistan</b>                                                          |                                           |                                       |                                   |
| In current accounts                                                         |                                           | 317,601                               | 1,010,786                         |
| In deposit accounts                                                         |                                           | 1,078                                 | 344,727                           |
|                                                                             |                                           | 318,679                               | 1,355,513                         |
| <b>Outside Pakistan</b>                                                     |                                           |                                       |                                   |
| In current accounts                                                         |                                           | 788,209                               | 357,530                           |
| In deposit accounts                                                         |                                           | 587,347                               | 1,514,164                         |
|                                                                             |                                           | 1,375,556                             | 1,871,694                         |
| Less: Credit loss allowance held against balances with other banks          |                                           | (10,107)                              | (10,140)                          |
| Balances with other banks - net of credit loss allowance                    |                                           | 1,684,128                             | 3,217,067                         |
| <b>7</b>                                                                    | <b>LENDINGS TO FINANCIAL INSTITUTIONS</b> |                                       |                                   |
| Placements with financial institutions                                      |                                           | 210,045                               | 224,236                           |
| Call / clean money lending                                                  |                                           | 2,000,000                             | 3,300,000                         |
|                                                                             |                                           | 2,210,045                             | 3,524,236                         |
| Less: Credit loss allowance held against lendings to financial institutions | 7.1                                       | (79,727)                              | (85,687)                          |
| Lendings to financial institutions - net of credit loss allowance           |                                           | 2,130,318                             | 3,438,549                         |

|                  |                                                                                  | (Un-audited)<br>September 30, 2026 |                            | (Audited)<br>December 31, 2025 |                            |
|------------------|----------------------------------------------------------------------------------|------------------------------------|----------------------------|--------------------------------|----------------------------|
| <b>7.1</b>       | <b>Lendings to financial institutions - particulars of credit loss allowance</b> | Lending                            | Credit loss allowance held | Lending                        | Credit loss allowance held |
|                  | Note                                                                             | ----- Rupees in '000 -----         |                            |                                |                            |
| <b>Domestic</b>  |                                                                                  |                                    |                            |                                |                            |
| Performing       | Stage 1                                                                          | 2,000,000                          | -                          | 3,300,000                      | -                          |
| Under performing | Stage 2                                                                          | -                                  | -                          | -                              | -                          |
| Non-performing   | Stage 3                                                                          |                                    |                            |                                |                            |
| Substandard      |                                                                                  | -                                  | -                          | -                              | -                          |
| Doubtful         |                                                                                  | -                                  | -                          | -                              | -                          |
| Loss             | 7.2                                                                              | 210,045                            | 79,727                     | 224,236                        | 85,687                     |
|                  |                                                                                  | 210,045                            | 79,727                     | 224,236                        | 85,687                     |
| Total            |                                                                                  | 2,210,045                          | 79,727                     | 3,524,236                      | 85,687                     |
| <b>Overseas</b>  |                                                                                  | -                                  | -                          | -                              | -                          |
| Total            |                                                                                  | -                                  | -                          | -                              | -                          |

- 7.2** As at September 30, 2026, the Bank has availed the forced sales value benefit amounting to Rs. 130.32 million (December 31, 2025: Rs. 138.55 million), that is equivalent to the market value of the Pakistan Investment Bonds received by the Bank as part of the settlement agreement against a non performing lending of the Bank. The resulting increase in the unappropriated profit (net of tax) amounting to Rs. 62.55 million (December 31, 2025: Rs. 65.12 million) is not available for the distribution of cash or stock dividend to shareholders or bonus to employees.

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

|       |                                                                                                                         | (Un-audited)<br>September 30, 2026    |                            |                                   |                   |
|-------|-------------------------------------------------------------------------------------------------------------------------|---------------------------------------|----------------------------|-----------------------------------|-------------------|
|       |                                                                                                                         | Cost /<br>amortised<br>cost           | Credit loss<br>allowance   | Surplus /<br>(deficit)            | Carrying<br>value |
|       |                                                                                                                         | -----Rupees in '000-----              |                            |                                   |                   |
| 8     | INVESTMENTS                                                                                                             |                                       |                            |                                   |                   |
| 8.1   | Investments by type:                                                                                                    |                                       |                            |                                   |                   |
|       | Fair value through profit or loss (FVPL)                                                                                |                                       |                            |                                   |                   |
|       | Non Government Debt Securities                                                                                          | 1,364,640                             | -                          | (15,459)                          | 1,349,181         |
|       | Fair value through other comprehensive income (FVOCI)                                                                   |                                       |                            |                                   |                   |
|       | Federal Government Securities                                                                                           | 360,728,573                           | -                          | (1,035,591)                       | 359,692,982       |
|       | Shares                                                                                                                  | 677,083                               | -                          | (152,225)                         | 524,858           |
|       | Non-Government Debt Securities                                                                                          | 2,410,126                             | (137,493)                  | (134,562)                         | 2,138,071         |
|       |                                                                                                                         | 363,815,782                           | (137,493)                  | (1,322,378)                       | 362,355,911       |
|       | Amortised cost (AC)                                                                                                     |                                       |                            |                                   |                   |
|       | Federal Government Securities                                                                                           | 8,735,361                             | -                          | -                                 | 8,735,361         |
|       | Non-Government Debt Securities                                                                                          | 517,627                               | (18)                       | -                                 | 517,609           |
|       |                                                                                                                         | 9,252,988                             | (18)                       | -                                 | 9,252,970         |
|       | Associate                                                                                                               | 126,635                               | -                          | -                                 | 126,635           |
|       | Subsidiary                                                                                                              | 1,000,000                             |                            |                                   | 1,000,000         |
|       | Total investments                                                                                                       | 375,560,045                           | (137,511)                  | (1,337,837)                       | 374,084,697       |
|       |                                                                                                                         | (Audited)<br>December 31, 2025        |                            |                                   |                   |
|       |                                                                                                                         | Cost /<br>amortised<br>cost           | Credit loss<br>allowance   | Surplus /<br>(deficit)            | Carrying<br>value |
|       |                                                                                                                         | -----Rupees in '000-----              |                            |                                   |                   |
|       | Fair value through profit or loss (FVPL)                                                                                |                                       |                            |                                   |                   |
|       | Non Government Debt Securities                                                                                          | 1,364,680                             | -                          | (15,459)                          | 1,349,221         |
|       | Fair value through other comprehensive income (FVOCI)                                                                   |                                       |                            |                                   |                   |
|       | Federal Government Securities                                                                                           | 259,127,494                           | -                          | 1,661,852                         | 260,789,346       |
|       | Shares                                                                                                                  | 677,081                               | -                          | (178,456)                         | 498,625           |
|       | Non-Government Debt Securities                                                                                          | 2,617,666                             | (141,626)                  | (90,270)                          | 2,385,770         |
|       |                                                                                                                         | 262,422,241                           | (141,626)                  | 1,393,126                         | 263,673,741       |
|       | Amortised cost (AC)                                                                                                     |                                       |                            |                                   |                   |
|       | Federal Government Securities                                                                                           | 9,308,916                             | -                          | -                                 | 9,308,916         |
|       | Non-Government Debt Securities                                                                                          | 507,264                               | (5)                        | -                                 | 507,259           |
|       |                                                                                                                         | 9,816,180                             | (5)                        | -                                 | 9,816,175         |
|       | Associate                                                                                                               | 117,490                               | -                          | -                                 | 117,490           |
|       | Total investments                                                                                                       | 273,720,591                           | (141,631)                  | 1,377,667                         | 274,956,627       |
|       |                                                                                                                         | (Un-audited)<br>September 30,<br>2026 |                            | (Audited)<br>December 31,<br>2025 |                   |
| 8.2   | Investments given as collateral                                                                                         | Note                                  | ----- Rupees in '000 ----- |                                   |                   |
|       | Market Treasury Bills                                                                                                   |                                       | 82,550,000                 | -                                 |                   |
|       | Pakistan Investment Bonds                                                                                               |                                       | 8,000,000                  | 13,878,200                        |                   |
|       | Ijara Sukuks                                                                                                            |                                       | 21,000,000                 | -                                 |                   |
|       | 8.2.1                                                                                                                   |                                       | 111,550,000                | 13,878,200                        |                   |
| 8.2.1 | The market value of securities given as collateral is Rs.109,021.02 million (December 31, 2025: Rs. 13,871.20 million). |                                       |                            |                                   |                   |

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

|                                                                         | (Un-audited)<br>September<br>30, 2026 | (Audited)<br>December 31,<br>2025 |
|-------------------------------------------------------------------------|---------------------------------------|-----------------------------------|
|                                                                         | ----- Rupees in '000 -----            |                                   |
| <b>8.3 Credit loss allowance for diminution in value of investments</b> |                                       |                                   |
| Opening balance                                                         | 141,631                               | 158,189                           |
| Charge / (reversals)                                                    |                                       |                                   |
| Charge for the period / year                                            | 15                                    | 5                                 |
| Reversal on disposals / repayment during the period / year              | (4,135)                               | (16,563)                          |
|                                                                         | (4,120)                               | (16,558)                          |
| Closing balance                                                         | 137,511                               | 141,631                           |

**8.4 Particulars of credit loss allowance against debt securities**

| Category of classification |         | (Un-audited)       |                            | (Audited)          |                            |
|----------------------------|---------|--------------------|----------------------------|--------------------|----------------------------|
|                            |         | September 30, 2026 |                            | December 31, 2025  |                            |
|                            |         | Outstanding amount | Credit loss allowance held | Outstanding amount | Credit loss allowance held |
| ----- Rupees in '000 ----- |         |                    |                            |                    |                            |
| Domestic                   |         |                    |                            |                    |                            |
| Performing                 | Stage 1 | 2,790,260          | 18                         | 2,983,304          | 5                          |
| Underperforming            | Stage 2 | -                  | -                          | -                  | -                          |
| Non-performing             | Stage 3 |                    |                            |                    |                            |
| Substandard                |         | -                  | -                          | -                  | -                          |
| Doubtful                   |         | -                  | -                          | -                  | -                          |
| Loss                       |         | 137,493            | 137,493                    | 141,626            | 141,626                    |
|                            |         | 137,493            | 137,493                    | 141,626            | 141,626                    |
| Total                      |         | 2,927,753          | 137,511                    | 3,124,930          | 141,631                    |
|                            |         |                    |                            |                    |                            |
| Overseas                   |         | -                  | -                          | -                  | -                          |
| Total                      |         | -                  | -                          | -                  | -                          |

## NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026

### 8.5 Summarised financial information of associate

#### 8.5.1 Investment in associate - unlisted

**Taurus Securities Limited**  
Taurus Securities Limited

| Period / year ended             | Number of shares | Percentage of holding | Country of incorporation | Cost Rupees in '000        |
|---------------------------------|------------------|-----------------------|--------------------------|----------------------------|
| September 30, 2026 (Un-audited) | 4,050,374        | 30%                   | Pakistan                 | 40,504                     |
| December 31, 2025 (Audited)     | 4,050,374        | 30%                   | Pakistan                 | 40,504                     |
| Assets                          | Liabilities      | Equity                | Revenue                  | Total comprehensive income |

#### 8.5.2 Summary of financial information of associate

Based on financial statements:

- October 1, 2025 to September 30, 2026
- October 1, 2024 to September 30, 2025

| ----- Rupees in '000 ----- |           |         |         |        |
|----------------------------|-----------|---------|---------|--------|
| 1,038,682                  | 616,568   | 422,113 | 360,682 | 30,482 |
| 1,560,181                  | 1,168,548 | 391,633 | 325,148 | 60,588 |

**8.5.3** Reporting date of associate (i.e. Taurus Securities Limited) is December 31. Further, results of its operations including share of profit and other comprehensive income for the three months period October 1, 2025 to December 31, 2025 has been extracted by subtracting nine months period January 1, 2025 to September 30, 2025 figures from the annual audited financial statements for the year ended December 31, 2025 and then adding that to nine months period figures from January 1, 2026 to September 30, 2026 based on its un-audited interim financial statements.

### 8.6 Summarised financial information of subsidiary

#### 8.6.1 Investment in subsidiary - unlisted

**BoK Currency Exchange Company (Private) Limited**

| Period ended                    | Number of shares | Percentage of holding | Country of incorporation | Cost Rupees in '000        |
|---------------------------------|------------------|-----------------------|--------------------------|----------------------------|
| September 30, 2026 (Un-audited) | 100,000,000      | 100%                  | Pakistan                 | 1,000,000                  |
| Assets                          | Liabilities      | Equity                | Revenue                  | Total comprehensive income |

#### 8.6.2 Summary of financial information of subsidiary

Based on financial statements:

- January 19, 2026 to September 30, 2026

| ----- Rupees in '000 ----- |        |           |        |       |
|----------------------------|--------|-----------|--------|-------|
| 1,048,682                  | 37,424 | 1,011,257 | 54,642 | 9,210 |

**8.7** The market value of securities classified as amortised cost as at September 30, 2026 amounted to Rs. 9,245.32 million (December 31, 2025: Rs. 9,921.04 million).

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

| 9 | ADVANCES                                              | Note | Performing                            |                                   | Non performing                        |                                   | Total                                 |                                   |
|---|-------------------------------------------------------|------|---------------------------------------|-----------------------------------|---------------------------------------|-----------------------------------|---------------------------------------|-----------------------------------|
|   |                                                       |      | (Un-audited)<br>September 30,<br>2026 | (Audited)<br>December 31,<br>2025 | (Un-audited)<br>September 30,<br>2026 | (Audited)<br>December 31,<br>2025 | (Un-audited)<br>September 30,<br>2026 | (Audited)<br>December 31,<br>2025 |
|   |                                                       |      | -----Rupees in '000-----              |                                   |                                       |                                   |                                       |                                   |
|   | Loans, cash credits, running finances, etc.           |      | 33,111,934                            | 41,044,761                        | 9,620,340                             | 10,367,438                        | 42,732,274                            | 51,412,199                        |
|   | Islamic financing and related assets                  |      | 118,859,278                           | 86,833,272                        | 2,194,164                             | 1,943,405                         | 121,053,442                           | 88,776,677                        |
|   | Bills discounted and purchased                        |      | -                                     | 99,608                            | 219,630                               | 219,630                           | 219,630                               | 319,238                           |
|   |                                                       |      | 151,971,212                           | 127,977,641                       | 12,034,134                            | 12,530,473                        | 164,005,346                           | 140,508,114                       |
|   | Impact of fair valuation and modification of advances |      | (1,927,616)                           | (1,903,583)                       | -                                     | -                                 | (1,927,616)                           | (1,903,583)                       |
|   | Advances - gross                                      |      | 150,043,596                           | 126,074,058                       | 12,034,134                            | 12,530,473                        | 162,077,730                           | 138,604,531                       |
|   |                                                       | 9.3  |                                       |                                   |                                       |                                   |                                       |                                   |
|   | Credit loss allowance against advances                |      | 586,581                               | 702,763                           | -                                     | -                                 | 586,581                               | 702,763                           |
|   | - Stage 1                                             |      | 567,791                               | 395,797                           | -                                     | -                                 | 567,791                               | 395,797                           |
|   | - Stage 2                                             |      | -                                     | -                                 | -                                     | -                                 | -                                     | -                                 |
|   | - Stage 3                                             |      | -                                     | -                                 | -                                     | -                                 | -                                     | -                                 |
|   |                                                       |      | 1,154,372                             | 1,098,560                         | 10,223,048                            | 10,800,150                        | 10,223,048                            | 10,800,150                        |
|   | Advances - net of credit loss allowance               |      | 148,889,224                           | 124,975,498                       | 1,811,086                             | 1,730,323                         | 11,377,420                            | 11,898,710                        |
|   |                                                       |      |                                       |                                   | 150,700,310                           |                                   | 150,700,310                           | 126,705,821                       |
|   |                                                       |      |                                       |                                   |                                       |                                   |                                       |                                   |
|   |                                                       |      |                                       |                                   | (Un-audited)<br>September 30,<br>2026 | (Audited)<br>December 31,<br>2025 |                                       |                                   |
|   | Particulars of advances (gross)                       |      | ----- Rupees in '000 -----            |                                   |                                       |                                   |                                       |                                   |
|   | In local currency                                     |      |                                       |                                   | 162,077,730                           | 138,604,531                       | -                                     | -                                 |
|   | In foreign currencies                                 |      |                                       |                                   | 162,077,730                           | 138,604,531                       | -                                     | -                                 |

**9.1.1** The Gross loans disbursed to women, women-owned and managed enterprises outstanding as at September 30, 2026 are Rs.1,395 million (December 31, 2025: Rs. 775.71 million).

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

**9.2** Advances include Rs. 12,034,13 million (December 31, 2025; Rs. 12,530.47 million) which have been placed under non-performing / stage 3 status as detailed below:

|                                           | (Un-audited)               |                       | (Audited)            |                       |
|-------------------------------------------|----------------------------|-----------------------|----------------------|-----------------------|
|                                           | September 30, 2026         |                       | December 31, 2025    |                       |
| Category of classification in stage 3     | Non performing loans       | Credit loss allowance | Non performing loans | Credit loss allowance |
|                                           | ----- Rupees in '000 ----- |                       |                      |                       |
| <b>Domestic</b>                           |                            |                       |                      |                       |
| Other assets especially mentioned (OAEVI) | 127,986                    | 89,894                | 151,988              | 81,548                |
| Substandard                               | 256,628                    | 138,726               | 774,959              | 530,827               |
| Doubtful                                  | 979,736                    | 318,618               | 419,689              | 283,341               |
| Loss                                      | 10,669,784                 | 9,675,810             | 11,183,837           | 9,904,434             |
|                                           | 12,034,134                 | 10,223,048            | 12,530,473           | 10,800,150            |
| <b>Overseas</b>                           | -                          | -                     | -                    | -                     |
| <b>Total</b>                              | 12,034,134                 | 10,223,048            | 12,530,473           | 10,800,150            |

# NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026

## 9.3 Particulars of credit loss allowance against advances

|                                 | (Un-audited)<br>September 30, 2026 |           |             |                            | (Audited)<br>December 31, 2025 |           |             |             |
|---------------------------------|------------------------------------|-----------|-------------|----------------------------|--------------------------------|-----------|-------------|-------------|
|                                 | Stage 1                            | Stage 2   | Stage 3     | Credit loss allowance held | Stage 1                        | Stage 2   | Stage 3     | Total       |
|                                 | Rupees in '000                     |           |             |                            |                                |           |             |             |
| Opening balance                 | 702,763                            | 395,797   | 10,800,150  | 11,898,710                 | 731,140                        | 584,619   | 11,425,873  | 12,741,632  |
| Charge for the period / year    | 259,343                            | 442,589   | 678,149     | 1,380,081                  | 522,484                        | 650,837   | 1,027,433   | 2,200,754   |
| Reversals for the period / year | (376,525)                          | (270,595) | (1,255,251) | (1,901,371)                | (550,861)                      | (839,659) | (1,653,156) | (3,043,676) |
|                                 | (116,182)                          | 171,994   | (577,102)   | (521,290)                  | (28,377)                       | (188,822) | (625,723)   | (842,922)   |
| Amounts written off             | -                                  | -         | -           | -                          | -                              | -         | -           | -           |
| Closing balance                 | 586,581                            | 567,791   | 10,223,048  | 11,377,420                 | 702,763                        | 395,797   | 10,800,150  | 11,898,710  |

## 9.4 Advances - Particulars of credit loss allowance

|                                            | (Un-audited)<br>September 30, 2026 |           |             |                            | (Audited)<br>December 31, 2025 |           |             |             |
|--------------------------------------------|------------------------------------|-----------|-------------|----------------------------|--------------------------------|-----------|-------------|-------------|
|                                            | Stage 1                            | Stage 2   | Stage 3     | Credit loss allowance held | Stage 1                        | Stage 2   | Stage 3     | Total       |
|                                            | Rupees in '000                     |           |             |                            |                                |           |             |             |
| Opening balance                            | 702,763                            | 395,797   | 10,800,150  | 11,898,710                 | 731,140                        | 584,619   | 11,425,873  | 12,741,632  |
| New advances                               | 247,518                            | 305,866   | 403,019     | 956,403                    | 435,680                        | 88,991    | 88,754      | 613,425     |
| Advances derecognised or repaid            | (300,319)                          | (245,377) | (1,253,180) | (1,798,876)                | (170,478)                      | (94,545)  | (1,162,741) | (1,427,764) |
| Transfer to stage 1                        | 11,825                             | (11,588)  | (237)       | -                          | 86,804                         | (82,910)  | (3,894)     | -           |
| Transfer to stage 2                        | (33,338)                           | 35,172    | (1,834)     | -                          | (75,325)                       | 561,846   | (486,521)   | -           |
| Transfer to stage 3                        | (5,399)                            | (13,630)  | 19,029      | -                          | (8,594)                        | (132,486) | 141,080     | -           |
|                                            | (79,713)                           | 70,443    | (833,203)   | (842,473)                  | 288,087                        | 340,896   | (1,423,322) | (814,339)   |
| Changes in risk parameters (PDs/LGDs/EADs) | (36,469)                           | 101,551   | 256,101     | 321,183                    | (296,464)                      | (529,718) | 797,599     | (28,583)    |
| Closing balance                            | 586,581                            | 567,791   | 10,223,048  | 11,377,420                 | 702,763                        | 395,797   | 10,800,150  | 11,898,710  |

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

|                            |                                          | (Un-audited)          |                                  | (Audited)             |                               |            |
|----------------------------|------------------------------------------|-----------------------|----------------------------------|-----------------------|-------------------------------|------------|
|                            |                                          | September 30, 2026    |                                  | December 31, 2025     |                               |            |
|                            |                                          | Outstanding<br>amount | Credit loss<br>allowance<br>held | Outstanding<br>amount | Credit loss<br>allowance held |            |
| ----- Rupees in '000 ----- |                                          |                       |                                  |                       |                               |            |
| 9.4.1                      | Advances - Category of classification    |                       |                                  |                       |                               |            |
|                            | Domestic                                 |                       |                                  |                       |                               |            |
|                            | Performing                               | Stage 1               | 136,247,208                      | 586,581               | 81,305,726                    | 702,763    |
|                            | Underperforming                          | Stage 2               | 13,796,388                       | 567,791               | 44,768,332                    | 395,797    |
|                            | Non-performing                           | Stage 3               |                                  |                       |                               |            |
|                            | Other assets especially mentioned (OAEM) |                       | 127,986                          | 89,894                | 151,988                       | 81,548     |
|                            | Substandard                              |                       | 256,628                          | 138,726               | 774,959                       | 530,827    |
|                            | Doubtful                                 |                       | 979,736                          | 318,618               | 419,689                       | 283,341    |
|                            | Loss                                     |                       | 10,669,784                       | 9,675,810             | 11,183,837                    | 9,904,434  |
|                            |                                          |                       | 12,034,134                       | 10,223,048            | 12,530,473                    | 10,800,150 |
|                            | Total                                    | 162,077,730           | 11,377,420                       | 138,604,531           | 11,898,710                    |            |
|                            | Overseas                                 | -                     | -                                | -                     | -                             |            |
|                            | Total                                    | -                     | -                                | -                     | -                             |            |

- 9.4.2** State Bank of Pakistan (SBP) through BSD Circular No.1 dated October 21, 2011 has allowed benefit of the forced sales value (FSV) of plant & machinery under charge, pledged stocks & mortgaged residential, commercial and industrial properties (land and building only), held as collateral against Non-Performing Loans (NPLs) for a maximum of five years from the date of classification.

The Bank has adopted IFRS 9 with effect from January 1, 2024. In accordance with the SBP's IFRS 9 Application Instructions (together with BPRD Circular Letter No.16 of 2024 dated July 29, 2024), credit loss allowance / provision against NPLs has been taken at higher of the i) provision as required under SBP's Prudential Regulations; or ii) credit loss allowance computed in accordance with the requirements of the Application Instructions. This has effectively reduced the cumulative FSV benefit availed by the Bank as on period end. As at September 30, 2026, the Bank has availed cumulative benefit of forced sales value of Rs. 896.84 million (December 31, 2025: Rs. 936.19 million). Increase in unappropriated profit amounting to Rs. 466.36 million (December 31, 2025: Rs. 440.00 million) is not available for the distribution of cash or stock dividend to shareholders or bonus to employees.

|      |                          | (Un-audited)  | (Audited)                  |           |
|------|--------------------------|---------------|----------------------------|-----------|
|      |                          | September 30, | December 31,               |           |
|      |                          | 2026          | 2025                       |           |
| 10   | PROPERTY AND EQUIPMENT   | Note          | ----- Rupees in '000 ----- |           |
|      | Capital work-in-progress | 10.1          | 133,317                    | 290,463   |
|      | Property and equipment   |               | 4,317,350                  | 4,506,076 |
|      |                          |               | 4,450,667                  | 4,796,539 |
| 10.1 | Capital work-in-progress |               |                            |           |
|      | Civil works              |               | 119,152                    | 76,921    |
|      | Equipment                |               | 14,158                     | 212,400   |
|      | Furniture and fixtures   |               | 7                          | 216       |
|      | Advances to suppliers    |               | -                          | 926       |
|      |                          |               | 133,317                    | 290,463   |

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

|                                                                                            |                                                        | (Un-audited)<br>For the nine months ended |                       |
|--------------------------------------------------------------------------------------------|--------------------------------------------------------|-------------------------------------------|-----------------------|
|                                                                                            |                                                        | September 30,<br>2026                     | September 30,<br>2025 |
|                                                                                            |                                                        | ----- Rupees in '000 -----                |                       |
| 10.2                                                                                       | Additions to property and equipment                    |                                           |                       |
| The following additions have been made to property and equipment during the period:        |                                                        |                                           |                       |
|                                                                                            | Capital work-in-progress - net (transfers) / additions | (157,146)                                 | 44,047                |
|                                                                                            | Property and equipment                                 |                                           |                       |
|                                                                                            | Furniture and fixtures                                 | 59,577                                    | 45,538                |
|                                                                                            | Electrical, office and computer equipment              | 385,476                                   | 170,923               |
|                                                                                            | Vehicles                                               | -                                         | 44,157                |
|                                                                                            | Books                                                  | 10                                        | -                     |
|                                                                                            | Leasehold improvements                                 | 135,240                                   | 174,794               |
|                                                                                            | Total                                                  | 580,303                                   | 435,412               |
|                                                                                            |                                                        | 423,157                                   | 479,459               |
| 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                                 | 21                                        | 681                   |
|                                                                                            | Electrical, office and computer equipment              | 93                                        | 570                   |
|                                                                                            | Leasehold improvements                                 | -                                         | 1,135                 |
|                                                                                            | Total                                                  | 114                                       | 2,386                 |
|                                                                                            |                                                        | (Un-audited)                              | (Audited)             |
|                                                                                            |                                                        | September 30,                             | December 31,          |
|                                                                                            |                                                        | 2026                                      | 2025                  |
|                                                                                            |                                                        | ----- Rupees in '000 -----                |                       |
| 11                                                                                         | RIGHT-OF-USE ASSETS                                    |                                           |                       |
|                                                                                            | Buildings                                              |                                           |                       |
|                                                                                            | At January 1                                           |                                           |                       |
|                                                                                            | Cost                                                   | 5,235,628                                 | 4,965,179             |
|                                                                                            | Accumulated depreciation                               | (3,609,467)                               | (2,905,209)           |
|                                                                                            | Net carrying amount at January 1                       | 1,626,161                                 | 2,059,970             |
|                                                                                            | Additions during the period / year                     | 131,016                                   | 379,414               |
|                                                                                            | Terminations during the period / year - at cost        | (8,424)                                   | (108,965)             |
|                                                                                            | Accumulated depreciation on termination                | 4,806                                     | 63,251                |
|                                                                                            |                                                        | (3,618)                                   | (45,714)              |
|                                                                                            | Depreciation charge for the period / year              | (525,596)                                 | (767,509)             |
|                                                                                            | Net carrying amount at the period / year end           | 1,227,963                                 | 1,626,161             |
| 12                                                                                         | INTANGIBLE ASSETS                                      |                                           |                       |
|                                                                                            | Capital work in progress                               | 44,421                                    | 53,879                |
|                                                                                            | Licenses and computer softwares                        | 328,353                                   | 325,766               |
|                                                                                            |                                                        | 372,774                                   | 379,645               |

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

|             |                                                                                | (Un-audited)<br>For the nine months ended |                       |
|-------------|--------------------------------------------------------------------------------|-------------------------------------------|-----------------------|
|             |                                                                                | September 30,<br>2026                     | September 30,<br>2025 |
|             |                                                                                | ----- Rupees in '000 -----                |                       |
| <b>12.1</b> | <b>Additions to intangible assets</b>                                          |                                           |                       |
|             | The following additions have been made to intangible assets during the period: |                                           |                       |
|             | Directly purchased - intangible assets                                         | -                                         | -                     |
|             | Capital work in progress - net                                                 | 68,446                                    | 72,155                |
|             | <b>Total</b>                                                                   | <b>68,446</b>                             | <b>72,155</b>         |

**12.2 Disposals of intangible assets**

No intangible assets were disposed off during the periods ended September 30, 2026 and September 30, 2025.

|           |                                                                          | (Un-audited)<br>September 30,<br>2026 | (Audited)<br>December 31, 2025 |
|-----------|--------------------------------------------------------------------------|---------------------------------------|--------------------------------|
|           |                                                                          | ----- Rupees in '000 -----            |                                |
| <b>13</b> | <b>DEFERRED TAX ASSETS</b>                                               |                                       |                                |
|           | <b>Deductible temporary differences on</b>                               |                                       |                                |
|           | Deficit on revaluation of FVOCI investments - net                        | 427,877                               | -                              |
|           | Accelerated accounting depreciation                                      | 533,201                               | 409,463                        |
|           | Credit loss allowance against investments                                | 12,865                                | 15,007                         |
|           | Unrealised loss on FVPL investments                                      | 8,039                                 | 8,039                          |
|           | Credit loss allowance against advances and off balance sheet obligations | 1,427,039                             | 1,521,093                      |
|           | Credit loss allowance against cash and balances with treasury banks      | 10                                    | 8                              |
|           | Credit loss allowance against balances with other banks                  | 5,256                                 | 5,273                          |
|           | Credit loss allowance against other assets                               | 23,448                                | 23,812                         |
|           | Islamic pool management reserves                                         | 49,436                                | 51,067                         |
|           | Others                                                                   | 171,457                               | 188,373                        |
|           |                                                                          | <b>2,658,628</b>                      | <b>2,222,135</b>               |
|           | <b>Taxable temporary differences on</b>                                  |                                       |                                |
|           | Share of profit of associate                                             | (44,787)                              | (40,033)                       |
|           | Surplus on revaluation of FVOCI investments - net                        | -                                     | (984,186)                      |
|           | Surplus on revaluation of non-banking asset                              | (52,069)                              | (56,751)                       |
|           | Modification of advances                                                 | (38,638)                              | (14,175)                       |
|           | Fair value of staff loans                                                | (138,756)                             | (94,079)                       |
|           |                                                                          | <b>(274,250)</b>                      | <b>(1,189,224)</b>             |
|           | <b>Deferred tax assets - net</b>                                         | <b>2,384,378</b>                      | <b>1,032,911</b>               |

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

|                                                                                    |      | (Un-audited)<br>September 30,<br>2026 | (Audited)<br>December 31,<br>2025 |
|------------------------------------------------------------------------------------|------|---------------------------------------|-----------------------------------|
|                                                                                    | Note | ----- Rupees in '000 -----            |                                   |
| <b>14 OTHER ASSETS</b>                                                             |      |                                       |                                   |
| Income / mark-up accrued in local currency                                         |      | 11,098,646                            | 6,522,531                         |
| Advances, deposits, advance rent and other prepayments                             |      | 551,176                               | 373,019                           |
| Advance taxation (payments less provisions)                                        |      | 1,577,465                             | 623,647                           |
| Non-banking assets acquired in satisfaction of claims                              |      | 190,949                               | 226,459                           |
| Mark to market gain on forward foreign exchange contracts                          |      | 45,341                                | 8,926                             |
| Acceptances                                                                        |      | 2,173                                 | 2,910                             |
| Branch adjustment account                                                          |      | 13,356                                | 10,812                            |
| Pre-IPO investment                                                                 |      | 100,000                               | 100,000                           |
| Stationary and stamps on hand                                                      |      | 161,999                               | 169,411                           |
| Clearing and settlement accounts                                                   |      | 474,610                               | 1,019,518                         |
| Receivable from the State Bank of Pakistan                                         |      | 517,276                               | 477,287                           |
| Deferred cost on staff loans                                                       |      | 2,268,758                             | 2,111,764                         |
| Others                                                                             |      | 190,272                               | 182,975                           |
|                                                                                    |      | <u>17,192,021</u>                     | <u>11,829,259</u>                 |
| Less: Credit loss allowance held against other assets                              | 14.1 | <u>(189,519)</u>                      | <u>(190,219)</u>                  |
| <b>Other assets - net of credit loss allowance</b>                                 |      | <u>17,002,502</u>                     | <u>11,639,040</u>                 |
| Surplus on revaluation of non-banking assets acquired<br>in satisfaction of claims | 21   | <u>100,134</u>                        | <u>109,138</u>                    |
| <b>Other assets - total</b>                                                        |      | <u><u>17,102,636</u></u>              | <u><u>11,748,178</u></u>          |
| <b>14.1 Credit loss allowance held against other assets</b>                        |      |                                       |                                   |
| Income / mark-up accrued in local currency                                         |      | 2,023                                 | 2,723                             |
| Advances for Pre-IPO investment                                                    |      | 100,000                               | 100,000                           |
| Others                                                                             |      | 87,496                                | 87,496                            |
|                                                                                    |      | <u>189,519</u>                        | <u>190,219</u>                    |
| <b>14.1.1 Movement in credit loss allowance held against other assets</b>          |      |                                       |                                   |
| Opening balance                                                                    |      | 190,219                               | 190,357                           |
| Charge for the period / year                                                       |      | 701                                   | 1,250                             |
| Reversal for the period / year                                                     |      | (1,401)                               | (1,388)                           |
|                                                                                    |      | (700)                                 | (138)                             |
| Closing balance                                                                    |      | <u>189,519</u>                        | <u>190,219</u>                    |
| <b>15 BILLS PAYABLE</b>                                                            |      |                                       |                                   |
| In Pakistan                                                                        |      | 1,617,939                             | 3,212,340                         |
| Outside Pakistan                                                                   |      | -                                     | -                                 |
|                                                                                    |      | <u>1,617,939</u>                      | <u>3,212,340</u>                  |

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

| 16 | <b>BORROWINGS</b>                                                             | (Un-audited)<br>September 30,<br>2026 | (Audited)<br>December 31,<br>2025 |
|----|-------------------------------------------------------------------------------|---------------------------------------|-----------------------------------|
|    |                                                                               | ----- Rupees in '000 -----            |                                   |
|    | <b>Secured</b>                                                                |                                       |                                   |
|    | Borrowings from State Bank of Pakistan (SBP) under:                           |                                       |                                   |
|    | - Export refinance scheme                                                     | 1,204,000                             | 2,205,700                         |
|    | - Long term financing facility                                                | 1,858,246                             | 2,367,827                         |
|    | - Refinance and credit guarantee scheme for women entrepreneurs               | 35,748                                | 46,242                            |
|    | - Financing facility for renewable energy                                     | 161,909                               | 204,448                           |
|    | - Refinance facility for modernization of Small and Medium Enterprises (SMEs) | 110,008                               | 134,449                           |
|    | - Refinance facility for combating COVID-19                                   | 4,444                                 | 182,745                           |
|    | - SME Asaan Scheme (SAAF)                                                     | 199,980                               | 321,801                           |
|    | - Financing facility for storage of agriculture produce                       | 90,077                                | 107,538                           |
|    | - Repurchase agreement borrowings                                             | 87,254,833                            | -                                 |
|    | - Acceptance mudarbah                                                         | 20,632,095                            | -                                 |
|    |                                                                               | 111,551,340                           | 5,570,750                         |
|    | Repurchase agreement borrowings                                               | 547,404                               | 13,878,200                        |
|    | <b>Total secured</b>                                                          | 112,098,744                           | 19,448,950                        |
|    | <b>Unsecured</b>                                                              |                                       |                                   |
|    | Call borrowings                                                               | 700,000                               | 16,249,028                        |
|    | <b>Total</b>                                                                  | 112,798,744                           | 35,697,978                        |

**17 DEPOSITS AND OTHER ACCOUNTS**

|                               | (Un-audited)<br>September 30, 2026 |                          |             | (Audited)<br>December 31, 2025 |                          |             |
|-------------------------------|------------------------------------|--------------------------|-------------|--------------------------------|--------------------------|-------------|
|                               | In local<br>currency               | In foreign<br>currencies | Total       | In local<br>currency           | In foreign<br>currencies | Total       |
|                               | ----- Rupees in '000 -----         |                          |             |                                |                          |             |
| <b>Customers</b>              |                                    |                          |             |                                |                          |             |
| Current deposits              | 72,040,426                         | 1,320,789                | 73,361,215  | 68,296,014                     | 744,527                  | 69,040,541  |
| Saving deposits               | 181,054,890                        | 148,986                  | 181,203,876 | 176,241,734                    | 116,671                  | 176,358,405 |
| Term deposits                 | 157,797,254                        | 239,704                  | 158,036,958 | 107,567,941                    | 601,574                  | 108,169,515 |
| Others                        | 16,851,051                         | -                        | 16,851,051  | 21,709,929                     | -                        | 21,709,929  |
|                               | 427,743,621                        | 1,709,479                | 429,453,100 | 373,815,618                    | 1,462,772                | 375,278,390 |
| <b>Financial Institutions</b> |                                    |                          |             |                                |                          |             |
| Current deposits              | 1,089,479                          | 31,110                   | 1,120,589   | 1,999,589                      | 30,896                   | 2,030,485   |
| Saving deposits               | 1,849,422                          | -                        | 1,849,422   | 814,345                        | -                        | 814,345     |
| Term Deposits                 | 304,400                            | -                        | 304,400     | -                              | -                        | -           |
|                               | 3,243,301                          | 31,110                   | 3,274,411   | 2,813,934                      | 30,896                   | 2,844,830   |
|                               | 430,986,922                        | 1,740,589                | 432,727,511 | 376,629,552                    | 1,493,668                | 378,123,220 |

| 18 | <b>LEASE LIABILITIES</b>                                   | (Un-audited)<br>September 30,<br>2026 | (Audited)<br>December 31,<br>2025 |
|----|------------------------------------------------------------|---------------------------------------|-----------------------------------|
|    |                                                            | ----- Rupees in '000 -----            |                                   |
|    | Outstanding amount at the start of the period / year       | 1,757,104                             | 2,147,700                         |
|    | Additions during the period / year                         | 131,016                               | 379,414                           |
|    | Lease payments including interest during the period / year | (799,086)                             | (1,097,755)                       |
|    | Interest expense                                           | 254,279                               | 390,465                           |
|    | Terminations / modifications during the period / year      | (3,828)                               | (62,720)                          |
|    |                                                            | (417,619)                             | (390,596)                         |
|    | Outstanding amount at the end of the period / year         | 1,339,485                             | 1,757,104                         |

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

|                                          | (Un-audited)<br>September 30,<br>2026 | (Audited)<br>December 31,<br>2025 |
|------------------------------------------|---------------------------------------|-----------------------------------|
|                                          | ----- Rupees in '000 -----            |                                   |
| <b>18.1 Liabilities outstanding</b>      |                                       |                                   |
| Not later than one year                  | <b>824,269</b>                        | 585,565                           |
| Later than one year and up to five years | <b>515,216</b>                        | 1,171,539                         |
| Total at the period / year end           | <b>1,339,485</b>                      | 1,757,104                         |

- 18.2** The Bank mainly has lease contracts for real estate that are used in its operations including branches and other offices. Generally, the Bank is restricted from assigning and subleasing the lease assets. As a practical expedient, management does not separate lease and non-lease components, wherever applicable. The additions to lease obligations during the period have been discounted at rates ranging between 10.40% to 11.61% (December 31, 2025: 10.98% to 12.24%) per annum; being the relevant incremental borrowing rate of the Bank.

|                                                             | (Un-audited)<br>September 30,<br>2026 | (Audited)<br>December 31,<br>2025 |
|-------------------------------------------------------------|---------------------------------------|-----------------------------------|
|                                                             | ----- Rupees in '000 -----            |                                   |
| <b>19 OTHER LIABILITIES</b>                                 |                                       |                                   |
| Mark-up / return / interest payable in local currency       | <b>9,213,140</b>                      | 7,389,057                         |
| Mark-up / return / interest payable in foreign currencies   | <b>1,443</b>                          | 16,380                            |
| Unearned commission and income on bills discounted          | <b>159,754</b>                        | 150,512                           |
| Accrued expenses and supplier payables                      | <b>1,653,100</b>                      | 1,835,808                         |
| Acceptances                                                 | <b>2,173</b>                          | 2,910                             |
| Unclaimed dividends                                         | <b>130,914</b>                        | 113,242                           |
| Mark to market loss on forward foreign exchange contracts   | <b>37,875</b>                         | 147                               |
| Deferred income on government schemes                       | <b>1,275</b>                          | 1,275                             |
| Deferred income on Islamic financing                        | <b>840,915</b>                        | 622,651                           |
| Islamic pool management reserves                            | <b>95,069</b>                         | 98,206                            |
| Share subscription money refund                             | <b>1,091</b>                          | 1,091                             |
| Retention money                                             | <b>39,520</b>                         | 39,738                            |
| Bills payment system over the counter (BPS-OTC)             | <b>722</b>                            | 49,502                            |
| Charity fund balance                                        | <b>12,483</b>                         | 11,648                            |
| Payable to defined benefit plan                             | <b>119,830</b>                        | 3,499                             |
| Security deposits against ijarah                            | <b>25,612</b>                         | 32,153                            |
| Levies and other taxes payable                              | <b>101,121</b>                        | 38,629                            |
| Credit loss allowance against off-balance sheet obligations | <b>76,129</b>                         | 42,406                            |
| Others                                                      | <b>488,343</b>                        | 383,428                           |
|                                                             | <b>13,000,509</b>                     | 10,832,282                        |

**19.1 Credit loss allowance against off-balance sheet obligations**

|                                |                 |          |
|--------------------------------|-----------------|----------|
| Opening balance                | <b>42,406</b>   | 44,098   |
| Charge for the period / year   | <b>105,993</b>  | 19,419   |
| Reversal for the period / year | <b>(72,270)</b> | (21,111) |
|                                | <b>33,723</b>   | (1,692)  |
| Closing balance                | <b>76,129</b>   | 42,406   |

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

**20 SHARE CAPITAL**

**20.1 Authorized capital**

| (Un-audited)<br>September 30,<br>2026 | (Audited)<br>December 31,<br>2025 |                                | (Un-audited)<br>September 30,<br>2026 | (Audited)<br>December 31,<br>2025 |
|---------------------------------------|-----------------------------------|--------------------------------|---------------------------------------|-----------------------------------|
| Number of shares                      |                                   |                                | ----- Rupees in '000 -----            |                                   |
| <b>1,500,000,000</b>                  | <b>1,500,000,000</b>              | Ordinary shares of Rs. 10 each | <b>15,000,000</b>                     | <b>15,000,000</b>                 |

**20.2 Issued, subscribed and paid up**

| (Un-audited)<br>September 30,<br>2026 | (Audited)<br>December 31,<br>2025 |                                       | (Un-audited)<br>September 30,<br>2026 | (Audited)<br>December 31,<br>2025 |
|---------------------------------------|-----------------------------------|---------------------------------------|---------------------------------------|-----------------------------------|
| Number of shares                      |                                   |                                       | ----- Rupees in '000 -----            |                                   |
|                                       |                                   | <b>Ordinary shares of Rs. 10 each</b> |                                       |                                   |
| <b>722,698,448</b>                    | 722,698,448                       | Fully paid in cash                    | <b>7,226,984</b>                      | 7,226,984                         |
| <b>435,237,541</b>                    | 435,237,541                       | Issued as fully paid bonus shares:    | <b>4,352,376</b>                      | 4,352,376                         |
| <b>1,157,935,989</b>                  | <b>1,157,935,989</b>              | <b>Closing balance</b>                | <b>11,579,360</b>                     | <b>11,579,360</b>                 |

**20.3** The Bank has only one class of shares and at reporting date, the Government of Khyber Pakhtunkhwa and Ismail Industries Limited held 812,893,804 (December 31, 2025: 812,893,804) and 282,852,969 (December 31, 2025: 282,852,969) ordinary shares respectively. Moreover, the Bank has no reserved shares under options.

**21 SURPLUS ON REVALUATION OF ASSETS**

(Deficit) / surplus on revaluation of:

- Securities measured at FVOCI - Debt
- Securities measured at FVOCI - Equity
- Property and equipment
- Non-banking assets acquired in satisfaction of claims
- Investment of associate

| (Un-audited)<br>September 30,<br>2026 | (Audited)<br>December 31,<br>2025 |
|---------------------------------------|-----------------------------------|
| ----- Rupees in '000 -----            |                                   |
| <b>(1,170,153)</b>                    | 1,571,582                         |
| <b>(152,225)</b>                      | (178,456)                         |
| <b>900,120</b>                        | 900,120                           |
| <b>100,134</b>                        | 109,138                           |
| <b>(5,404)</b>                        | (5,404)                           |
| <b>(327,528)</b>                      | <b>2,396,980</b>                  |

Deferred tax on (deficit) / surplus on revaluation of:

- Securities measured at FVOCI - Debt
- Securities measured at FVOCI - Equity
- Non-banking assets acquired in satisfaction of claims
- Investment of associate

|                  |                    |
|------------------|--------------------|
| <b>608,480</b>   | (817,223)          |
| <b>(180,603)</b> | (166,963)          |
| <b>(52,069)</b>  | (56,751)           |
| <b>2,810</b>     | 2,810              |
| <b>378,618</b>   | <b>(1,038,127)</b> |
| <b>51,090</b>    | <b>1,358,853</b>   |

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

|                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | (Un-audited)<br>September 30,<br>2026 | (Audited)<br>December 31,<br>2025 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|-----------------------------------|
|                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | ----- Rupees in '000 -----            |                                   |
| <b>22</b>                                                                                                                                                                                                                                                                                                                         | <b>CONTINGENCIES AND COMMITMENTS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                       |                                   |
|                                                                                                                                                                                                                                                                                                                                   | Guarantees                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>22.1 32,591,250</b>                | 44,153,665                        |
|                                                                                                                                                                                                                                                                                                                                   | Commitments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>22.2 47,303,992</b>                | 27,482,911                        |
|                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>79,895,242</b>                     | <b>71,636,576</b>                 |
| <b>22.1</b>                                                                                                                                                                                                                                                                                                                       | <b>Guarantees:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                       |                                   |
|                                                                                                                                                                                                                                                                                                                                   | Financial guarantees                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>300,000</b>                        | 300,000                           |
|                                                                                                                                                                                                                                                                                                                                   | Performance guarantees                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>31,242,743</b>                     | 43,847,583                        |
|                                                                                                                                                                                                                                                                                                                                   | Other guarantees                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>1,048,507</b>                      | 6,082                             |
|                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>32,591,250</b>                     | <b>44,153,665</b>                 |
| <b>22.2</b>                                                                                                                                                                                                                                                                                                                       | <b>Commitments:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                       |                                   |
|                                                                                                                                                                                                                                                                                                                                   | Documentary credits and short-term trade-related transactions                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                       |                                   |
|                                                                                                                                                                                                                                                                                                                                   | - Letters of credit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>27,271,139</b>                     | 14,495,539                        |
|                                                                                                                                                                                                                                                                                                                                   | Commitments in respect of:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                       |                                   |
|                                                                                                                                                                                                                                                                                                                                   | - Forward foreign exchange contracts                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>22.2.1 12,898,782</b>              | 2,660,236                         |
|                                                                                                                                                                                                                                                                                                                                   | Commitments for acquisition of:                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                       |                                   |
|                                                                                                                                                                                                                                                                                                                                   | - Property and equipment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>173,629</b>                        | 396,538                           |
|                                                                                                                                                                                                                                                                                                                                   | - Intangible assets                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>53,442</b>                         | 69,828                            |
|                                                                                                                                                                                                                                                                                                                                   | Undrawn loan commitments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>22.2.2 6,907,000</b>               | 9,860,770                         |
|                                                                                                                                                                                                                                                                                                                                   | Other commitments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>-</b>                              | -                                 |
|                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>47,303,992</b>                     | <b>27,482,911</b>                 |
| <b>22.2.1</b>                                                                                                                                                                                                                                                                                                                     | <b>Commitments in respect of forward foreign exchange contracts</b>                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                       |                                   |
|                                                                                                                                                                                                                                                                                                                                   | Purchase                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>7,056,707</b>                      | 792,236                           |
|                                                                                                                                                                                                                                                                                                                                   | Sale                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>5,842,075</b>                      | 1,868,000                         |
|                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>12,898,782</b>                     | <b>2,660,236</b>                  |
| Commitments for outstanding forward foreign exchange contracts are disclosed in these unconsolidated condensed interim financial statements at contracted rates.                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                       |                                   |
| <b>22.2.2</b>                                                                                                                                                                                                                                                                                                                     | <b>Undrawn loan commitments</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                       |                                   |
| 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. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                       |                                   |
| <b>22.3</b>                                                                                                                                                                                                                                                                                                                       | <b>Other contingent liabilities</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                       |                                   |
| <b>22.3.1</b>                                                                                                                                                                                                                                                                                                                     | There are certain claims against the Bank that have not been acknowledged as liabilities/ debts. These primarily comprise counterclaims filed by borrowers, claims lodged by former employees of the Bank, and certain other claims. Based on legal advice and/or internal assessments, Management believes that the Bank is likely to succeed in defending these claims and that the likelihood of an adverse outcome is remote. Accordingly, no provision has been recognized in respect of these claims. |                                       |                                   |

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

**22.3.2** The Bank is contesting a case filed by an employee in the Peshawar High Court regarding changes in post retirement benefit plans made by the Bank w.e.f. January 1, 2019. The management based on a legal opinion is of the view that such changes were lawfully made as per Bank's policy and is optimistic about the favourable outcome of the case. Hence, no provision in this respect is recognised in these unconsolidated condensed interim financial statements. Considering the complexity and uncertainty in nature, the financial impact cannot be reasonably ascertained.

**22.3.3** The Bank is subject to periodic inspections and reviews by the State Bank of Pakistan. Such inspections may result in observations, remedial actions, administrative penalties or other regulatory measures. As of the reporting date, an inspection is underway. Management believes that the outcome of this matter cannot be presently determined with sufficient certainty and accordingly no provision has been recognised. Moreover, as per the practice, the financial effect, if any, will be recognised when it becomes probable and can be reliably estimated.

**22.3.4** During the period, the Bank entered into an agreement with M/s Mastercard Middle East Africa; under which certain support payments are linked to specified performance targets. As at period end, support payments amounting to USD 647 thousand received by the Bank remain contingent upon achievement of such targets over the period of ten years of the agreement. Based on an assessment performed, management is confident of achieving the specified targets in future periods, accordingly, no provision has been recognized in these unconsolidated condensed interim financial statements.

**22.3.5** The matters arising from income tax assessments of the Bank up to Tax Year 2026 are detailed below:

- i) In respect of Tax Year 2014, the Commissioner Inland Revenue, Appeals (CIRA), issued an order dated November 24, 2021 under section 129 of the Income Tax Ordinance, 2001 in which he remanded back certain matters to Commissioner Inland Revenue (CIR) for reassessment and also upheld few matters. Being aggrieved, the Bank filed an appeal with Appellate Tribunal Inland Revenue (ATIR) on February 23, 2022, which is currently pending.

The remand back proceedings were also completed by CIR, and order was issued, creating a total demand of Rs. 231 million (December 31, 2025: Rs. 231 million) in respect of remand back proceedings and for matter upheld by CIRA and mainly included disallowances on account of provision for doubtful debt, depreciation and workers welfare fund. The Bank filed correction application with CIR as well as appeal with CIRA, on May 18, 2022 which is currently pending.

- ii) In respect of Tax Year 2015, Deputy Commissioner Inland Revenue issued an order dated February 23, 2023 creating an additional tax demand along with default surcharge of Rs. 645 million (December 31, 2025: Rs. 645 million) under section 161 of Income Tax Ordinance, 2001, mainly on account of non-deduction of withholding taxes on profit on debt, salaries and wages, advertisement and professional charges etc. Being aggrieved, the Bank filed an appeal before CIRA on March 22, 2023 which is currently pending.

Further, the assessment was amended under Section 122(5A) of the Income Tax Ordinance, 2001, by the Additional Commissioner Inland Revenue (ACIR) on December 13, 2016. The Bank filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)], who deleted the additions made by the ACIR. Subsequently, the case was selected for audit, which was concluded on September 30, 2021, resulting in a tax demand of Rs. 64.13 million. The Bank challenged the demand before the CIR(A); however, vide order dated May 24, 2023, the CIR(A) upheld the disallowance of markup. The Bank thereafter filed an appeal before the Appellate Tribunal Inland Revenue (ATIR), which reduced the tax demand to Rs. 54.24 million. Subsequently, the Peshawar High Court decided the matter in favour of the FBR. The Bank paid the demand under protest and challenged the High Court's decision before the Supreme Court of Pakistan, where the matter is currently pending adjudication.

- iii) In respect of Tax Year 2016, Additional Commissioner Inland Revenue issued an order dated June 21, 2022 creating a demand of Rs. 188 million (December 31, 2025: Rs. 188 million) on account of provision for non-performing loans and advances. Being aggrieved the Bank filed an appeal with CIRA on July 22, 2022 which is currently pending.
- iv) In respect of Tax Year 2017, Additional Commissioner Inland Revenue issued an order dated May 29, 2023 creating a demand of Rs. 130 million (December 31, 2025: Rs. 130 million) on account of provision for non-performing loans and advances. Being aggrieved the Bank filed an appeal with CIRA on July 4, 2023 which is currently pending.

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

- v) In respect of Tax Year 2019, Assistant Commissioner Inland Revenue issued an order dated November 30, 2023 creating a demand of Rs. 962 million (December 31, 2025: Rs. 962 million) along with default surcharge amounting to Rs. 567 million (December 31, 2025: Rs. 567 million) under section 161 of Income Tax Ordinance, 2001, mainly on account of non-deduction of withholding taxes. Being aggrieved, the Bank filed an appeal against the order on January 1, 2024. Appellate Tribunal Inland Revenue (ATIR) issued an order dated March 7, 2025, remanding the matter back to the assessing officer for a fresh decision after the examination of records.

During the period, the assessing officer completed the remand back proceedings and issued an order dated June 29, 2026 under section 161(1) of the Income Tax Ordinance, 2001, reducing the demand to Rs. 28 million including default surcharge of Rs. 6 million. Being aggrieved, the Bank filed an appeal before CIR(A) on July 28, 2026, which is currently pending.

- vi) In respect of Tax Year 2020, the Additional Commissioner Inland Revenue passed an order dated May 25, 2026, under Section 122(5A) of the Income Tax Ordinance, 2001, creating a tax demand of Rs. 271 million by disallowing the Bank's claim for adjustment of the tax refund. Being aggrieved by the said order, the Bank filed an appeal before the Commissioner Inland Revenue (Appeals) (CIRA) on June 18, 2026. However, CIRA, vide order dated October 14, 2026, upheld the demand. Accordingly, the Bank intends to challenge the appellate order before the Appellate Tribunal Inland Revenue (ATIR). Further, Assistant Commissioner Inland Revenue issued an order dated September 30, 2026 under section 161(1) of the Income Tax Ordinance, 2001, creating a demand of Rs. 26 million including default surcharge of Rs. 3 million, mainly on account of non-deduction of withholding taxes. Being aggrieved, the Bank filed an appeal before CIRA on July 28, 2026, which is currently pending.
- vii) In respect of Tax Year 2021, Additional Commissioner Inland Revenue issued an order dated May 25, 2026 under section 122(5A) of the Income Tax Ordinance, 2001, creating a demand of Rs. 199 million by disallowing the Bank's claim of refund adjustment. Being aggrieved, the Bank filed an appeal before CIRA on June 18, 2026. However, CIRA, vide order dated October 14, 2026, upheld the demand. Accordingly, the Bank intends to challenge the appellate order before the Appellate Tribunal Inland Revenue (ATIR).
- viii) In respect of Tax Year 2022, the Deputy Commissioner Inland Revenue (DCIR), vide order dated December 8, 2025, raised a tax demand of Rs. 6.620 billion, including default surcharge, under Section 161 of the Income Tax Ordinance, 2001, primarily on account of the alleged non-deduction of withholding tax on profit on debt, dividends, salaries and wages, advertisement expenses, professional fees, and other charges. Being aggrieved, the Bank filed an appeal before the Commissioner Inland Revenue (Appeals) CIRA on January 9, 2026. The CIR(A) remanded the matter for reconciliation and verification of the relevant tax records. Upon completion of the reconciliation, a fresh order dated April 8, 2026, was issued, reducing the demand to Rs. 25 million, inclusive of default surcharge. The Bank subsequently challenged the revised demand before the Appellate Tribunal Inland Revenue (ATIR) and paid the disputed amount under protest. The matter is currently pending adjudication before the ATIR.
- ix) In respect of Tax Year 2023, Additional Commissioner Inland Revenue issued an order dated May 25, 2026 under section 122(5A) of the Income Tax Ordinance, 2001, creating a demand of Rs. 71 million by disallowing the Bank's claim of refund adjustment. Being aggrieved, the Bank filed an appeal before CIRA on June 18, 2026. However, CIRA, vide order dated October 14, 2026, upheld the demand. Accordingly, the Bank intends to challenge the appellate order before the Appellate Tribunal Inland Revenue (ATIR).
- x) In respect of Tax Year 2024, Additional Commissioner Inland Revenue issued an order dated April 14, 2026 under section 122(5A) of the Income Tax Ordinance, 2001, creating a demand of Rs. 210 million by disallowing the Bank's claim of refund adjustment. Being aggrieved, the Bank filed an appeal before CIRA on May 14, 2026 which is currently pending.

Moreover, a recovery notice under section 138(1) was issued to the Bank, against which the Bank's stay application was rejected by CIRA on May 20, 2026. The Bank thereafter filed an interim appeal along with a stay application before ATIR on May 21, 2026. The Division Bench of the ATIR, Peshawar, vide order dated May 25, 2026 granted a stay against recovery proceedings until the disposal of the main appeal by CIRA. Subsequently, CIRA on July 10, 2026 upheld the department's decision. Being aggrieved, the Bank filed an appeal before ATIR on July 23, 2026 and ATIR granted stay on Sept 19, 2026.

Management is confident of a favourable outcome of the above matters. Hence, no provision has been recognised for the same in these unconsolidated condensed interim financial statements.

- 22.3.6** The Bank's share of contingencies of its associated company i.e. Taurus Securities Limited amounts to Rs. 8.61 million (December 31, 2025: Rs. 9.37 million). No provision has been recognised for the same in these unconsolidated condensed interim financial statements.

## NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026

|               |                                                                                                                                                                                                                                                                       | (Un-audited)<br>For the nine months ended |                       |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|-----------------------|
|               |                                                                                                                                                                                                                                                                       | September 30,<br>2026                     | September 30,<br>2025 |
|               |                                                                                                                                                                                                                                                                       | ----- Rupees in '000 -----                |                       |
| <b>23</b>     | <b>MARK-UP / RETURN / INTEREST EARNED</b>                                                                                                                                                                                                                             | <b>Note</b>                               |                       |
|               | Loans and advances                                                                                                                                                                                                                                                    | 12,311,747                                | 10,583,595            |
|               | Investments                                                                                                                                                                                                                                                           | 16,824,422                                | 19,602,051            |
|               | Lendings to financial institutions                                                                                                                                                                                                                                    | 128,871                                   | 440,956               |
|               | Balances with banks                                                                                                                                                                                                                                                   | 80,810                                    | 158,768               |
|               | Sukuk bonds                                                                                                                                                                                                                                                           | 10,095,543                                | 10,400,681            |
|               |                                                                                                                                                                                                                                                                       | <u>39,441,393</u>                         | <u>41,186,051</u>     |
| <b>23.1</b>   | <b>Interest income included in above (calculated using effective interest rate method) recognized on:</b>                                                                                                                                                             |                                           |                       |
|               | Financial assets measured at amortized cost                                                                                                                                                                                                                           | 13,279,586                                |                       |
|               | Financial assets measured at FVOCI                                                                                                                                                                                                                                    | 26,028,665                                |                       |
|               |                                                                                                                                                                                                                                                                       | <u>39,308,251</u>                         |                       |
| <b>24</b>     | <b>MARK-UP / RETURN / INTEREST EXPENSED</b>                                                                                                                                                                                                                           |                                           |                       |
|               | Deposits                                                                                                                                                                                                                                                              | 19,343,526                                | 18,620,078            |
|               | Borrowings                                                                                                                                                                                                                                                            | 7,083,191                                 | 7,746,547             |
|               | Lease liability                                                                                                                                                                                                                                                       | 254,279                                   | 295,408               |
|               |                                                                                                                                                                                                                                                                       | <u>26,680,996</u>                         | <u>26,662,033</u>     |
| <b>24.1</b>   | <b>Interest expense (included in above calculated using effective interest rate method) recognized on:</b>                                                                                                                                                            |                                           |                       |
|               | Financial liabilities                                                                                                                                                                                                                                                 | 24.1.1 <u>26,425,716</u>                  |                       |
| <b>24.1.1</b> | As disclosed in note 4.1.2, the Bank has applied the effective interest rate method during the current period under the modified retrospective approach. The impact has been recognised in opening equity, and accordingly, prior information has not been presented. |                                           |                       |
|               |                                                                                                                                                                                                                                                                       | (Un-audited)<br>For the nine months ended |                       |
|               |                                                                                                                                                                                                                                                                       | September 30,<br>2026                     | September 30,<br>2025 |
|               |                                                                                                                                                                                                                                                                       | ----- Rupees in '000 -----                |                       |
| <b>25</b>     | <b>FEE AND COMMISSION INCOME</b>                                                                                                                                                                                                                                      |                                           |                       |
|               | Branch banking customer fees                                                                                                                                                                                                                                          | 21,958                                    | 21,290                |
|               | Consumer finance related fees                                                                                                                                                                                                                                         | 300                                       | 475                   |
|               | Card related fees (Debit cards)                                                                                                                                                                                                                                       | 473,729                                   | 366,828               |
|               | Commission on trade                                                                                                                                                                                                                                                   | 145,917                                   | 132,133               |
|               | Commission on guarantees                                                                                                                                                                                                                                              | 185,679                                   | 187,355               |
|               | Commission on remittances including home remittances                                                                                                                                                                                                                  | 14,769                                    | 36,916                |
|               | Rebate from financial institutions                                                                                                                                                                                                                                    | 49,097                                    | 43,201                |
|               | Others                                                                                                                                                                                                                                                                | 10,822                                    | 12,404                |
|               |                                                                                                                                                                                                                                                                       | <u>902,271</u>                            | <u>800,602</u>        |
| <b>26</b>     | <b>GAIN ON SECURITIES</b>                                                                                                                                                                                                                                             |                                           |                       |
|               | Realised gain                                                                                                                                                                                                                                                         | 26.1 <u>92,830</u>                        | 2,217,118             |
|               | Unrealised (loss) - measured at FVPL                                                                                                                                                                                                                                  |                                           | (1,650)               |
|               |                                                                                                                                                                                                                                                                       | <u>92,830</u>                             | <u>2,215,468</u>      |
| <b>26.1</b>   | <b>Realised gain on:</b>                                                                                                                                                                                                                                              |                                           |                       |
|               | Federal government securities                                                                                                                                                                                                                                         | <u>92,830</u>                             | 2,217,118             |
|               |                                                                                                                                                                                                                                                                       | <u>92,830</u>                             | <u>2,217,118</u>      |
| <b>27</b>     | <b>NET GAIN / (LOSS) ON DERECOGNITION OF FINANCIAL ASSETS<br/>MEASURED AT AMORTISED COST</b>                                                                                                                                                                          |                                           |                       |
|               | Gain on derecognition of financial assets measured at amortised cost                                                                                                                                                                                                  | 47,976                                    | 29,736                |
|               | Loss on derecognition of financial assets measured at amortised cost                                                                                                                                                                                                  | (50,019)                                  | (12,632)              |
|               |                                                                                                                                                                                                                                                                       | <u>(2,043)</u>                            | <u>17,104</u>         |
| <b>28</b>     | <b>OTHER INCOME</b>                                                                                                                                                                                                                                                   |                                           |                       |
|               | Rent on property                                                                                                                                                                                                                                                      | 1,860                                     | 2,422                 |
|               | Gain on sale of property and equipment - net                                                                                                                                                                                                                          | 1,046                                     | 11,251                |
|               | Postal, swift and other services                                                                                                                                                                                                                                      | 103,442                                   | 95,106                |
|               | Gain on early culmination of lease                                                                                                                                                                                                                                    | 209                                       | 3,904                 |
|               | Service income on Government schemes                                                                                                                                                                                                                                  | 10                                        | 321                   |
|               |                                                                                                                                                                                                                                                                       | <u>106,567</u>                            | <u>113,004</u>        |

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

**29 OPERATING EXPENSES**

|                            | (Un-audited)<br>For the nine months ended |                       |
|----------------------------|-------------------------------------------|-----------------------|
|                            | September 30,<br>2026                     | September 30,<br>2025 |
|                            | ----- Rupees in '000 -----                |                       |
| Total compensation expense | 4,469,899                                 | 3,929,884             |

**Property expense**

|                                                                      |           |           |
|----------------------------------------------------------------------|-----------|-----------|
| Rent and taxes                                                       | 14,694    | 11,089    |
| Utilities cost                                                       | 401,543   | 372,595   |
| Security (including guards)                                          | 300,080   | 291,592   |
| Repair and maintenance (including janitorial charges)                | 22,198    | 22,202    |
| Depreciation - Right of use assets                                   | 525,596   | 565,613   |
| Depreciation - Non banking assets acquired in satisfaction of claims | 44,513    | 33,533    |
| Depreciation - Property and equipment                                | 309,519   | 301,493   |
|                                                                      | 1,618,143 | 1,598,117 |

**Information technology expenses**

|                                       |           |           |
|---------------------------------------|-----------|-----------|
| Software maintenance                  | 521,795   | 417,453   |
| Hardware maintenance                  | 56,215    | 58,317    |
| Depreciation - Property and equipment | 377,629   | 252,822   |
| Amortization                          | 64,970    | 63,563    |
| Network charges                       | 15,600    | 15,584    |
| Connectivity charges                  | 199,958   | 199,842   |
| ATM charges                           | 150,314   | 174,682   |
|                                       | 1,386,481 | 1,182,263 |

**Other operating expenses**

|                                        |           |           |
|----------------------------------------|-----------|-----------|
| Directors' fees and allowances         | 77,911    | 32,934    |
| Fees and allowances to Shariah Board   | 14,278    | 12,363    |
| Legal and professional charges         | 39,402    | 37,352    |
| Outsourced service cost                | 376,548   | 315,761   |
| Travelling and conveyance              | 92,971    | 82,851    |
| NIFT clearing charges                  | 33,424    | 31,261    |
| Depreciation - Property and equipment  | 81,767    | 73,774    |
| Training and development               | 5,471     | 13,546    |
| Postage and courier charges            | 51,488    | 48,853    |
| Communication                          | 237,167   | 147,827   |
| Stationery and printing                | 111,547   | 109,165   |
| Marketing, advertisement and publicity | 297,946   | 191,995   |
| Donations                              | -         | 75,000    |
| Auditors' remuneration                 | 26,116    | 19,262    |
| Entertainment                          | 60,486    | 57,389    |
| Newspapers and periodicals             | 1,351     | 2,064     |
| Brokerage and commission               | 23,580    | 32,868    |
| Rent and taxes                         | 681       | 1,506     |
| Cash carriage charges                  | 122,780   | 102,486   |
| Repair and maintenance                 | 41,565    | 73,410    |
| Utilities cost                         | 8,534     | 8,604     |
| Insurance                              | 42,088    | 62,497    |
| Fees and subscriptions                 | 12,442    | 7,385     |
| Deposit protection premium             | 154,574   | 119,895   |
| Home remittance charges                | 73,011    | 109,345   |
| Others                                 | 51,135    | 46,709    |
|                                        | 2,038,263 | 1,816,102 |
|                                        | 9,512,786 | 8,526,366 |

**30 OTHER CHARGES**

|                                             |         |     |
|---------------------------------------------|---------|-----|
| Penalties imposed by State Bank of Pakistan | 120,848 | 230 |
|---------------------------------------------|---------|-----|

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

|           |                                                                                                                            | (Un-audited)<br>For the nine months ended |                            |
|-----------|----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------|
|           |                                                                                                                            | September 30,<br>2026                     | September 30,<br>2025      |
|           |                                                                                                                            | ----- Rupees in '000 -----                |                            |
| <b>31</b> | <b>(REVERSAL OF) / CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET</b>                                                          | <b>Note</b>                               |                            |
|           | (Reversal) / credit loss allowance held against cash and<br>and balances with treasury banks and balances with other banks | <b>5 &amp; 6</b>                          | <b>(28)</b> 117            |
|           | (Reversal) of credit loss allowance against lendings<br>to financial institutions                                          | <b>7</b>                                  | <b>(5,960)</b> (17,464)    |
|           | (Reversal) of credit loss allowance for diminution in<br>value of investments                                              | <b>8.3</b>                                | <b>(4,120)</b> (12,422)    |
|           | (Reversal) of credit loss allowance against advances                                                                       | <b>9.3</b>                                | <b>(521,290)</b> (928,419) |
|           | (Reversal) / credit loss allowance against other assets                                                                    | <b>14.1.1</b>                             | <b>(700)</b> 619           |
|           | Credit loss allowance against / (reversal of)<br>off balance sheet obligations                                             | <b>19.1</b>                               | <b>33,723</b> (1,116)      |
|           |                                                                                                                            |                                           | <b>(498,375)</b> (958,685) |
| <b>32</b> | <b>TAXATION</b>                                                                                                            |                                           |                            |
|           | Current                                                                                                                    | <b>2,707,109</b>                          | 5,021,897                  |
|           | Deferred                                                                                                                   | <b>51,665</b>                             | 609,800                    |
|           |                                                                                                                            | <b>2,758,774</b>                          | 5,631,697                  |
| <b>33</b> | <b>BASIC AND DILUTED EARNINGS PER SHARE</b>                                                                                |                                           |                            |
|           | Profit for the period                                                                                                      | <b>2,384,584</b>                          | 4,972,576                  |
|           |                                                                                                                            | ----- (Number of shares) -----            |                            |
|           | Weighted average number of ordinary shares                                                                                 | <b>1,157,935,989</b>                      | 1,157,935,989              |
|           |                                                                                                                            | ----- (Rupees) -----                      |                            |
|           | Basic and diluted earnings per share                                                                                       | <b>2.06</b>                               | 4.29                       |

**33.1** There were no dilutive potential ordinary shares outstanding as at September 30, 2026 and September 30, 2025.

**34 FAIR VALUE MEASUREMENTS**

The fair value of quoted securities other than those classified under amortised cost, is based on quoted market price. Quoted securities classified under amortised cost are carried at cost. The fair value of unquoted equity securities, other than investments in subsidiary and associates, 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 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 assets and liabilities are either short-term in nature or in the case of customer loans and deposits, are frequently re-priced.

**34.1 Fair value of financial assets**

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

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

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

Level 3: Fair value measurements using inputs that are not based on observable market data (i.e. unobservable inputs).

## NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026

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

|                                                                         | (Un-audited)<br>September 30, 2026 |             |             |         |             |
|-------------------------------------------------------------------------|------------------------------------|-------------|-------------|---------|-------------|
|                                                                         | Carrying<br>value                  | Fair value  |             |         |             |
|                                                                         |                                    | Level 1     | Level 2     | Level 3 | Total       |
| On balance sheet financial instruments                                  | ----- Rupees in '000 -----         |             |             |         |             |
| <b>Financial assets - measured at fair value</b>                        |                                    |             |             |         |             |
| Investments                                                             |                                    |             |             |         |             |
| Federal Government Securities                                           | 359,692,982                        | 114,011,714 | 245,681,268 | -       | 359,692,982 |
| Shares                                                                  | 524,858                            | 224,147     | -           | 300,711 | 524,858     |
| Non-Government Debt Securities                                          | 3,487,252                          | 1,084,364   | 2,402,888   | -       | 3,487,252   |
| <b>Financial assets - disclosed but not measured at fair value</b>      |                                    |             |             |         |             |
| Investments                                                             |                                    |             |             |         |             |
| Federal Government Securities                                           | 8,735,361                          | -           | 9,245,320   | -       | 9,245,320   |
| Non-Government Debt Securities                                          | 517,627                            | 535,959     | -           | -       | 535,959     |
| <b>Off-balance sheet financial instruments - measured at fair value</b> |                                    |             |             |         |             |
| Forward exchange contracts purchase                                     | 7,056,707                          | -           | 37,875      | -       | 37,875      |
| Forward exchange contracts sale                                         | 5,842,075                          | -           | 45,341      | -       | 45,341      |

|                                                                         | (Audited)<br>December 31, 2025 |            |             |         |             |
|-------------------------------------------------------------------------|--------------------------------|------------|-------------|---------|-------------|
|                                                                         | Carrying<br>value              | Fair value |             |         |             |
|                                                                         |                                | Level 1    | Level 2     | Level 3 | Total       |
| On balance sheet financial instruments                                  | ----- Rupees in '000 -----     |            |             |         |             |
| <b>Financial assets measured at fair value</b>                          |                                |            |             |         |             |
| Investments                                                             |                                |            |             |         |             |
| Federal Government Securities                                           | 260,789,346                    | 84,287,213 | 176,502,133 | -       | 260,789,346 |
| Shares                                                                  | 498,625                        | 207,139    | -           | 291,486 | 498,625     |
| Non-Government Debt Securities                                          | 3,734,991                      | 1,057,884  | 2,677,107   | -       | 3,734,991   |
| <b>Financial assets - disclosed but not measured at fair value</b>      |                                |            |             |         |             |
| Investments                                                             |                                |            |             |         |             |
| Federal Government Securities                                           | 9,308,916                      | -          | 9,364,123   | -       | 9,364,123   |
| Non-Government Debt Securities                                          | 507,259                        | 556,914    | -           | -       | 556,914     |
| <b>Off-balance sheet financial instruments - measured at fair value</b> |                                |            |             |         |             |
| Forward exchange contracts purchase                                     | 792,236                        | -          | 147         | -       | 147         |
| Forward exchange contracts sale                                         | 1,868,000                      | -          | 8,926       | -       | 8,926       |

**34.2** The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements. The Bank's policy is to recognize transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred. During the period, the Bank has reclassified two (2) Pakistan Investment Bonds (PIBs) with a carrying amount of Rs. 866,951 million from amortised cost to FVOCI following a reassessment of the business model for managing the PIB portfolio. There were no transfers between level 1 and 2 during the period.

Leasehold land is carried at revalued amount as determined by professional valuer, based on their assessment of market value and has been classified under level-3 as the effect of changes in the unobservable inputs used in the valuation cannot be determined with certainty.

### 34.2.1 Fair value of financial assets

#### (a) Financial instruments in level 1

Financial instruments included in level 1 comprise of investments in listed ordinary shares and listed Government of Pakistan (GoP) - Ijarah Sukuks, and listed non-government debt securities.

#### (b) Financial instruments in level 2

Financial instruments included in level 2 comprise of Sukuks Bonds, Pakistan Investment Bonds, Market Treasury Bills, Term Finance certificates, and un-listed non-government debt securities and forward exchange contracts.

#### (c) Financial instruments in level 3

Financial instruments included in level 3 comprise of investments in un-listed ordinary shares.

## NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026

### 34.2.2 Fair value of non - financial assets

Certain categories of property and equipment (leasehold land) of Rs. 1,016.28 million (December 31, 2025: Rs. 1,016.28 million) and non banking assets acquired in satisfaction of claims of Rs. 305.92 million (December 31, 2025: Rs. 335.60 million) are carried at revalued amounts (level 3 measurements) determined by professional valuers based on their assessment of the market values. The valuations are conducted by the valuation experts appointed by Bank which are also on panel of State Bank of Pakistan.

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

Fully paid-up ordinary shares, listed GOP Ijarah, Sukuks (GIS) and listed non-government debt securities

Fair values of investments in listed equity securities, listed GOP Ijarah Sukuks (GIS) and listed non-government debt securities are valued on the basis of closing quoted market prices available at the Pakistan Stock Exchange.

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

Pakistan Investment Bonds / Market Treasury Bills

Fair values of Pakistan Investment Bonds and Treasury Bills are derived using the PKRV rates for fixed rate securities and PKFRV rates for floating rate PIB's (Reuters page).

Un-listed GOP Ijarah Sukuks

Fair values of unlisted GoP Ijarah Sukuks are derived using the PKISRV rates announced by the Financial Market Association (FMA) through Reuters. These rates denote an average of quotes received from eight different pre-defined / approved dealers / brokers.

Term Finance, Bonds and Sukuk certificates

Investments in debt securities (comprising term finance certificates, bonds, Sukuk certificates and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan. In the determination of the rates, the MUFAP takes into account the holding pattern of these securities and categorizes these as traded, thinly traded and non-traded securities. However, fair values of investments in unquoted debt securities are valued on the basis of present value technique based on market interest rates.

### Valuation techniques and inputs used in determination of fair values within level 3

Property & equipment (Leasehold land) and non-banking assets acquired in satisfaction of claims

These assets are revalued on regular basis using professional valuers on the panel of Pakistan Banker's Association. The valuation is based on their assessment of market value of the properties. The valuation experts used a market based approach to arrive at the fair value of the Bank's properties. The market approach used prices and other relevant information generated by market transactions involving identical, comparable or similar properties. 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 qualitative disclosure of sensitivity has not been presented in these unconsolidated condensed interim financial statements.

Unquoted equity securities

Fair value of unquoted equity securities is determined on the basis of income approach.

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

| Description                | Fair value<br>Rupees in '000 | Unobservable<br>input | Discount rate | Relationship of unobservable inputs to<br>fair value                                                                                                   |
|----------------------------|------------------------------|-----------------------|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| Unquoted equity securities | 300,711                      | Discount rate         | 15%           | Increase / (decrease) in discount rate by 1% with all other variables held constant, would (decrease) / increase the fair value by Rs. 9,021 thousand. |

The following table shows reconciliation of investments measured at level 3 fair value:

Opening balance  
Impact of adoption of IFRS 9  
Balance as at January 1  
Remeasurement recognised in OCI  
Closing balance

| (Un-audited)<br>September 30,<br>2026 |  | (Audited)<br>December 31,<br>2025 |  |
|---------------------------------------|--|-----------------------------------|--|
| ----- Rupees in '000 -----            |  |                                   |  |
| 291,486                               |  | 89,302                            |  |
| -                                     |  | 188,810                           |  |
| 291,486                               |  | 278,112                           |  |
| 9,225                                 |  | 15,574                            |  |
| 300,711                               |  | 291,486                           |  |

## NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026

### 35 SEGMENT INFORMATION

#### 35.1 Segment details with respect to business activities

| For the nine months ended September 30, 2026 (Un-audited) |                           |                      |                    |                       |                    |
|-----------------------------------------------------------|---------------------------|----------------------|--------------------|-----------------------|--------------------|
|                                                           | Corporate<br>Finance      | Trading and<br>Sales | Retail Banking     | Commercial<br>Banking | Total              |
|                                                           | ----- Rupees in 000 ----- |                      |                    |                       |                    |
| <b>Profit and loss</b>                                    |                           |                      |                    |                       |                    |
| Net mark-up / return / profit                             | (8,390,585)               | 20,781,510           | (2,828,263)        | 3,197,735             | 12,760,397         |
| Inter segment revenue - net                               | 10,400,238                | (13,196,822)         | 3,476,344          | (679,760)             | -                  |
| Non mark-up / return / interest income                    | 8,883                     | 698,013              | 501,808            | 309,516               | 1,518,220          |
| <b>Total income</b>                                       | <b>2,018,536</b>          | <b>8,282,701</b>     | <b>1,149,889</b>   | <b>2,827,491</b>      | <b>14,278,617</b>  |
| Segment direct expenses                                   | 88,159,320                | (149,082,372)        | 31,695,817         | 19,593,602            | (9,633,634)        |
| Inter segment expense allocation                          | (89,504,121)              | 143,564,222          | (32,461,903)       | (21,598,198)          | -                  |
| <b>Total expenses</b>                                     | <b>(1,344,803)</b>        | <b>(5,518,150)</b>   | <b>(766,086)</b>   | <b>(2,004,596)</b>    | <b>(9,633,634)</b> |
| Credit loss allowance                                     | -                         | 2,760                | 112,335            | 383,281               | 498,375            |
| <b>Profit before tax</b>                                  | <b>673,733</b>            | <b>2,767,311</b>     | <b>496,138</b>     | <b>1,206,176</b>      | <b>5,143,358</b>   |
|                                                           |                           |                      |                    |                       |                    |
| As at September 30, 2026 (Un-audited)                     |                           |                      |                    |                       |                    |
|                                                           | Corporate<br>Finance      | Trading and<br>Sales | Retail Banking     | Commercial<br>Banking | Total              |
|                                                           | ----- Rupees in 000 ----- |                      |                    |                       |                    |
| <b>Balance sheet</b>                                      |                           |                      |                    |                       |                    |
| Cash and bank balances                                    | 4,326,933                 | 21,697,604           | 1,007,336          | 4,796,690             | 31,828,563         |
| Investments                                               | 9,252,975                 | 363,705,087          | -                  | 1,126,635             | 374,084,697        |
| Net inter segment lending                                 | 223,134,580               | (285,888,425)        | 77,270,759         | (14,516,915)          | -                  |
| Lendings to financial institutions                        | -                         | 2,130,318            | -                  | -                     | 2,130,318          |
| Advances - performing                                     | 63,701,860                | -                    | 16,131,795         | 69,055,569            | 148,889,224        |
| Advances - non performing                                 | -                         | -                    | 850,673            | 960,413               | 1,811,086          |
| Others                                                    | 3,560,482                 | 11,513,575           | 4,766,436          | 5,697,926             | 25,538,418         |
| <b>Total assets</b>                                       | <b>303,976,830</b>        | <b>113,158,159</b>   | <b>100,026,999</b> | <b>67,120,318</b>     | <b>584,282,306</b> |
|                                                           |                           |                      |                    |                       |                    |
| Borrowings                                                | 24,296,507                | 87,802,237           | -                  | 700,000               | 112,798,744        |
| Deposits and other accounts                               | 268,625,510               | 7,452,548            | 96,578,616         | 60,070,837            | 432,727,511        |
| Net inter segment borrowing                               | (223,134,580)             | 285,888,425          | (77,270,759)       | 14,516,915            | -                  |
| Others                                                    | 7,896,402                 | 2,313,103            | 2,559,324          | 3,189,104             | 15,957,933         |
| <b>Total liabilities</b>                                  | <b>77,683,839</b>         | <b>383,456,313</b>   | <b>21,867,181</b>  | <b>78,476,856</b>     | <b>561,484,188</b> |
| Equity                                                    | 226,292,990               | (270,298,154)        | 78,159,818         | (11,356,536)          | 22,798,118         |
| <b>Total equity and liabilities</b>                       | <b>303,976,830</b>        | <b>113,158,159</b>   | <b>100,026,999</b> | <b>67,120,318</b>     | <b>584,282,306</b> |
|                                                           |                           |                      |                    |                       |                    |
| <b>Contingencies and commitments</b>                      | <b>22,554,557</b>         | <b>13,056,437</b>    | <b>12,155,112</b>  | <b>32,129,136</b>     | <b>79,895,242</b>  |

## NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026

|                                        | For the nine months ended September 30, 2025 (Un-audited) |                      |                   |                       |             |
|----------------------------------------|-----------------------------------------------------------|----------------------|-------------------|-----------------------|-------------|
|                                        | Corporate<br>Finance                                      | Trading and<br>Sales | Retail<br>Banking | Commercial<br>Banking | Total       |
|                                        | ----- Rupees in 000 -----                                 |                      |                   |                       |             |
| <b>Profit and loss</b>                 |                                                           |                      |                   |                       |             |
| Net mark-up / return / profit          | (3,885,822)                                               | 21,953,333           | (3,221,145)       | (322,348)             | 14,524,018  |
| Inter segment revenue - net            | 6,119,857                                                 | (12,250,258)         | 3,775,024         | 2,355,377             | -           |
| Non mark-up / return / interest income | 15,374                                                    | 2,885,216            | 386,414           | 361,162               | 3,648,166   |
| <b>Total Income</b>                    | 2,249,409                                                 | 12,588,291           | 940,293           | 2,394,191             | 18,172,184  |
| Segment direct expenses                | (17,310,074)                                              | 24,464,585           | (7,155,423)       | (8,525,684)           | (8,526,596) |
| Inter segment expense allocation       | 16,254,654                                                | (30,370,995)         | 6,714,238         | 7,402,102             | -           |
| <b>Total expenses</b>                  | (1,055,420)                                               | (5,906,410)          | (441,185)         | (1,123,582)           | (8,526,596) |
| Reversal of credit loss allowance      | -                                                         | 29,880               | 689               | 928,116               | 958,685     |
| <b>Profit before tax</b>               | 1,193,989                                                 | 6,711,761            | 499,797           | 2,198,725             | 10,604,273  |
|                                        | ----- Rupees in 000 -----                                 |                      |                   |                       |             |
|                                        | As at December 31, 2025 (Audited)                         |                      |                   |                       |             |
|                                        | Corporate<br>Finance                                      | Trading and<br>Sales | Retail<br>Banking | Commercial<br>Banking | Total       |
|                                        | ----- Rupees in 000 -----                                 |                      |                   |                       |             |
| <b>Balance sheet</b>                   |                                                           |                      |                   |                       |             |
| Cash and bank balances                 | 3,908,003                                                 | 17,966,414           | 886,196           | 5,854,570             | 28,615,183  |
| Investments                            | 9,816,175                                                 | 265,022,962          | -                 | 117,490               | 274,956,627 |
| Net inter segment lending              | 168,242,348                                               | (263,810,079)        | 77,687,081        | 17,880,650            | -           |
| Lendings to financial institutions     | -                                                         | 3,438,549            | -                 | -                     | 3,438,549   |
| Advances - performing                  | 48,578,815                                                | -                    | 12,994,176        | 63,402,507            | 124,975,498 |
| Advances - non performing              | -                                                         | -                    | 242,664           | 1,487,659             | 1,730,323   |
| Others                                 | 3,343,288                                                 | 7,236,330            | 3,624,791         | 5,379,025             | 19,583,434  |
| <b>Total assets</b>                    | 233,888,629                                               | 29,854,176           | 95,434,908        | 94,121,901            | 453,299,614 |
| Borrowings                             | 5,570,750                                                 | 13,878,200           | -                 | 16,249,028            | 35,697,978  |
| Deposits and other accounts            | 216,876,558                                               | -                    | 91,356,440        | 69,890,222            | 378,123,220 |
| Net inter segment borrowing            | (168,242,348)                                             | 263,810,079          | (77,687,081)      | (17,880,650)          | -           |
| Others                                 | 8,012,494                                                 | 637,338              | 3,151,465         | 4,000,429             | 15,801,726  |
| <b>Total liabilities</b>               | 62,217,454                                                | 278,325,617          | 16,820,824        | 72,259,029            | 429,622,924 |
| Equity                                 | 171,671,175                                               | (248,471,441)        | 78,614,084        | 21,862,872            | 23,676,690  |
| <b>Total equity and liabilities</b>    | 233,888,629                                               | 29,854,176           | 95,434,908        | 94,121,901            | 453,299,614 |
| Contingencies and commitments          | 22,590,344                                                | 2,969,298            | 12,163,032        | 33,913,902            | 71,636,576  |

### 35.2 Geographical segment

Segment details with respect to geographical locations are not presented in these unconsolidated condensed interim financial statements as geographically the Bank conducts all its operations in Pakistan only.

## NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026

### 36 RELATED PARTY TRANSACTIONS

The Bank has related party relationship with its majority shareholders (Government of Khyber Pakhtunkhwa and Ismail Industries Limited), subsidiary, associate, directors, key management personnel, staff retirement benefit plan and other related parties.

The Bank enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives are determined in accordance with terms of their appointments. Further, the Bank acts as a custodian for securities held in Investor Portfolio Securities (IPS) account maintained on behalf of Government of Khyber Pakhtunkhwa having face value of Rs. 52,933.00 million (December 31, 2025: Rs. 16,688.43 million).

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

|                                                         | (Un-audited)<br>As at September 30, 2026     |                          |            |           |                         | (Audited)<br>As at December 31, 2025                         |                          |            |           |                |
|---------------------------------------------------------|----------------------------------------------|--------------------------|------------|-----------|-------------------------|--------------------------------------------------------------|--------------------------|------------|-----------|----------------|
|                                                         | Directors                                    | Key management personnel | Subsidiary | Associate | Employee Funds & Others | Directors                                                    | Key management personnel | Subsidiary | Associate | Employee funds |
|                                                         | Rupee s in '000                              |                          |            |           |                         |                                                              |                          |            |           |                |
| <b>Investments</b>                                      |                                              |                          |            |           |                         |                                                              |                          |            |           |                |
| Opening balance                                         | -                                            | -                        | -          | 117,490   | -                       | -                                                            | -                        | -          | 102,351   | -              |
| Investments during the period / year                    | -                                            | -                        | 1,000,000  | -         | -                       | -                                                            | -                        | -          | -         | -              |
| Movement during the period / year                       | -                                            | -                        | -          | 9,145     | -                       | -                                                            | -                        | -          | 15,139    | -              |
| Transfer (out) / in - net                               | -                                            | -                        | -          | -         | -                       | -                                                            | -                        | -          | -         | -              |
| Closing balance                                         | -                                            | -                        | 1,000,000  | 126,635   | -                       | -                                                            | -                        | -          | 117,490   | -              |
| <b>Advances</b>                                         |                                              |                          |            |           |                         |                                                              |                          |            |           |                |
| Opening balance                                         | -                                            | 195,993                  | -          | -         | -                       | -                                                            | 181,425                  | -          | -         | -              |
| Addition during the period / year                       | -                                            | 65,432                   | -          | -         | -                       | -                                                            | 62,999                   | -          | -         | -              |
| Repaid during the period / year                         | -                                            | 19,753                   | -          | -         | -                       | -                                                            | 37,180                   | -          | -         | -              |
| Transfer (out) / in - net                               | -                                            | (173,359)                | -          | -         | -                       | -                                                            | (11,251)                 | -          | -         | -              |
| Closing balance                                         | -                                            | 168,313                  | -          | -         | -                       | -                                                            | 195,993                  | -          | -         | -              |
| Credit loss allowance / provision held against advances | -                                            | 14                       | -          | -         | -                       | -                                                            | 19                       | -          | -         | -              |
| <b>Other assets</b>                                     |                                              |                          |            |           |                         |                                                              |                          |            |           |                |
| Other receivables / prepayments                         | -                                            | -                        | 8,935      | -         | -                       | -                                                            | -                        | -          | -         | -              |
| <b>Deposits and other accounts</b>                      |                                              |                          |            |           |                         |                                                              |                          |            |           |                |
| Opening balance                                         | 7,239                                        | 47,372                   | -          | 39,310    | 4,549,944               | 148                                                          | 8,423                    | -          | 95,829    | 3,016,225      |
| Received during the period / year                       | 53,575                                       | 118,528                  | 1,058,712  | 52,055    | 4,508,453               | 26,452                                                       | 216,680                  | -          | 245,663   | 5,985,394      |
| Withdrawn during the period / year                      | 56,115                                       | 154,589                  | 856,067    | 53,144    | 4,087,088               | 16,635                                                       | 169,461                  | -          | 302,182   | 4,451,675      |
| Transfer (out) / in - net                               | (755)                                        | (3,434)                  | -          | -         | -                       | (2,726)                                                      | (8,270)                  | -          | -         | -              |
| Closing balance                                         | 3,944                                        | 7,877                    | 202,645    | 38,221    | 4,971,309               | 7,239                                                        | 47,372                   | -          | 39,310    | 4,549,944      |
| <b>Other liabilities</b>                                |                                              |                          |            |           |                         |                                                              |                          |            |           |                |
| Interest / mark-up payable                              | 8                                            | 242                      | 1,562      | 447       | 42,103                  | 4                                                            | 1,110                    | -          | 715       | 23,869         |
|                                                         | (Un-audited)                                 |                          |            |           |                         |                                                              |                          |            |           |                |
|                                                         | For the nine months ended September 30, 2026 |                          |            |           |                         | (Un-audited)<br>For the nine months ended September 30, 2025 |                          |            |           |                |
|                                                         | Directors                                    | Key management personnel | Subsidiary | Associate | Employee funds          | Directors                                                    | Key management personnel | Subsidiary | Associate | Employee funds |
|                                                         | Rupee s in '000                              |                          |            |           |                         |                                                              |                          |            |           |                |
| <b>Income</b>                                           |                                              |                          |            |           |                         |                                                              |                          |            |           |                |
| Mark-up / return / interest earned                      | -                                            | 2,909                    | -          | -         | -                       | -                                                            | 3,030                    | -          | -         | -              |
| <b>Expense</b>                                          |                                              |                          |            |           |                         |                                                              |                          |            |           |                |
| Mark-up / return / interest expensed                    | 168                                          | 3,943                    | 52,377     | 2,336     | 515,719                 | 118                                                          | 1,111                    | -          | 9,320     | 293,588        |
| Operating expenses - Compensation                       | 126,088                                      | 261,661                  | -          | -         | -                       | 76,520                                                       | 212,312                  | -          | -         | -              |

**36.1** As of September 30, 2026, the Bank has an equity investment having cost of Rs. 112.50 million (December 31, 2025: Rs. 112.50 million) and carrying value of Rs. 300.71 million (December 31, 2025: Rs. 291.49 million) in Dawood Family Takaful Limited, a related party.

**36.2** Government of Khyber Pakhtunkhwa (GoKP) holds 70.20% shareholding in the Bank and therefore, entities which are owned and / or controlled by the GoKP, or where the GoKP may exercise significant influence, are also related parties of the Bank. The Bank in the ordinary course of its business enters into transaction with various departments of the GoKP and its related entities. Such transactions include advances to, deposits from and provision for other banking services to Government related entities.

Transactions and balances with Government and its related entities, other than those disclosed in the respective notes to these consolidated condensed interim financial statements, as at period end includes loans and advances and deposits amounting to Rs. 63,702 million (December 31, 2025: Rs. 48,579 million) and Rs. 268,626 million (December 31, 2025: Rs. 216,877 million), respectively.

Detailed related party disclosure for being government entity is disclosed as required under IAS-24 "Related Party Disclosures". Relevant details are referred in the following notes:

| Particulars  | Note |
|--------------|------|
| Investments  | 8.1  |
| Shareholding | 20   |

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

|                                                                         | (Un-audited)<br>September 30,<br>2026 | (Audited)<br>December 31,<br>2025 |
|-------------------------------------------------------------------------|---------------------------------------|-----------------------------------|
|                                                                         | ---- Rupees in '000 ----              |                                   |
| <b>37 CAPITAL ADEQUACY, LEVERAGE RATIO &amp; LIQUIDITY REQUIREMENTS</b> |                                       |                                   |
| <b>Minimum Capital Requirement (MCR):</b>                               |                                       |                                   |
| Paid-up capital (net of losses)                                         | <b>11,579,360</b>                     | 11,579,360                        |
| <b>Capital Adequacy Ratio (CAR):</b>                                    |                                       |                                   |
| Eligible common equity tier 1 (CET1) capital                            | <b>22,227,304</b>                     | 21,938,809                        |
| Eligible additional tier 1 (ADT1) capital                               | -                                     | -                                 |
| Total eligible tier 1 capital                                           | <b>22,227,304</b>                     | 21,938,809                        |
| Eligible tier 2 capital                                                 | <b>1,109,248</b>                      | 2,207,478                         |
| Total eligible capital (Tier 1 + Tier 2)                                | <b>23,336,552</b>                     | 24,146,287                        |
| <b>Risk weighted assets (RWAs):</b>                                     |                                       |                                   |
| Credit risk                                                             | <b>89,604,051</b>                     | 72,981,998                        |
| Market risk                                                             | <b>15,106,782</b>                     | 12,497,974                        |
| Operational risk                                                        | <b>34,362,037</b>                     | 34,362,037                        |
| <b>Total</b>                                                            | <b>139,072,870</b>                    | 119,842,009                       |
| Common equity tier 1 capital adequacy ratio                             | <b>15.98%</b>                         | 18.31%                            |
| Tier 1 capital adequacy ratio                                           | <b>15.98%</b>                         | 18.31%                            |
| Total capital adequacy ratio                                            | <b>16.78%</b>                         | 20.15%                            |
| <b>National minimum capital requirements prescribed by SBP</b>          |                                       |                                   |
| CET1 minimum ratio                                                      | <b>6.00%</b>                          | 6.00%                             |
| ADT-1 minimum ratio                                                     | <b>1.50%</b>                          | 1.50%                             |
| Tier 1 minimum ratio                                                    | <b>7.50%</b>                          | 7.50%                             |
| Total capital minimum ratio                                             | <b>10.00%</b>                         | 10.00%                            |
| Capital conservation buffer (CCB- consisting of CET1 only)              | <b>1.50%</b>                          | 1.50%                             |
| Total capital plus CCB                                                  | <b>11.50%</b>                         | 11.50%                            |
| <b>Leverage Ratio (LR):</b>                                             |                                       |                                   |
| Eligible tier 1 capital                                                 | <b>22,227,304</b>                     | 21,938,809                        |
| Total exposures                                                         | <b>639,050,719</b>                    | 506,810,207                       |
| Leverage ratio                                                          | <b>3.48%</b>                          | 4.33%                             |
| <b>Liquidity Coverage Ratio (LCR):</b>                                  |                                       |                                   |
| Total high quality liquid assets                                        | <b>276,826,666</b>                    | 257,620,116                       |
| Total net cash outflow                                                  | <b>133,371,869</b>                    | 110,482,513                       |
| Liquidity coverage ratio                                                | <b>207.56%</b>                        | 233.18%                           |
| <b>Net Stable Funding Ratio (NSFR):</b>                                 |                                       |                                   |
| Total available stable funding                                          | <b>342,993,905</b>                    | 255,767,794                       |
| Total required stable funding                                           | <b>142,974,991</b>                    | 116,739,966                       |
| Net stable funding ratio                                                | <b>239.90%</b>                        | 219.09%                           |

- 37.1** The SBP in its application instructions for IFRS 9 has permitted the banks to adopt a transitional approach to phase in the initial impact of ECL for stage 1 and 2 financial assets over a period of five years. However, the Bank has opted to disclose the figures of "fully loaded" CAR.

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

**ISLAMIC BANKING BUSINESS**

- 38** The Bank is operating 223 (December 31, 2025: 199) Islamic banking branches and 33 (December 31, 2025 : 55) Islamic banking windows at September 30, 2026. As detailed in note 1, the Bank has converted additional 22 of its conventional banking branches into Islamic banking branches during the period.

|                                              |             | (Un-audited)<br>September 30,<br>2026 | (Audited)<br>December 31,<br>2025 |
|----------------------------------------------|-------------|---------------------------------------|-----------------------------------|
|                                              |             | ---- Rupees in '000 ----              |                                   |
| <b>STATEMENT OF FINANCIAL POSITION</b>       | <b>Note</b> |                                       |                                   |
| <b>ASSETS</b>                                |             |                                       |                                   |
| Cash and balances with treasury banks        |             | <b>18,872,673</b>                     | 15,904,625                        |
| Balances with other banks                    |             | <b>330,128</b>                        | 590,967                           |
| Investments                                  | <b>38.1</b> | <b>123,162,164</b>                    | 122,278,524                       |
| Islamic financing and related assets - net   | <b>38.2</b> | <b>117,330,482</b>                    | 85,781,232                        |
| Property and equipment                       |             | <b>1,183,618</b>                      | 1,163,565                         |
| Right-of-use assets                          |             | <b>794,154</b>                        | 983,931                           |
| Due from head office                         |             | <b>737,390</b>                        | 8,134,954                         |
| Other assets                                 |             | <b>8,309,347</b>                      | 5,084,531                         |
| <b>Total Assets</b>                          |             | <b>270,719,956</b>                    | 239,922,329                       |
| <b>LIABILITIES</b>                           |             |                                       |                                   |
| Bills payable                                |             | <b>1,166,702</b>                      | 2,026,512                         |
| Due to financial institutions                |             | <b>27,925,313</b>                     | 16,702,858                        |
| Deposits and other accounts                  | <b>38.3</b> | <b>226,645,288</b>                    | 202,619,318                       |
| Due to head office                           |             | <b>-</b>                              | -                                 |
| Lease liabilities                            |             | <b>925,909</b>                        | 1,251,641                         |
| Sub-ordinated debt                           |             | <b>-</b>                              | -                                 |
| Other liabilities                            |             | <b>7,547,827</b>                      | 10,341,474                        |
| <b>Total Liabilities</b>                     |             | <b>264,211,039</b>                    | 232,941,803                       |
| <b>NET ASSETS</b>                            |             | <b>6,508,917</b>                      | 6,980,526                         |
| <b>REPRESENTED BY</b>                        |             |                                       |                                   |
| Islamic banking fund                         |             | <b>1,000,000</b>                      | 1,000,000                         |
| Reserves                                     |             | <b>-</b>                              | 4,761                             |
| (Deficit) / surplus on revaluation of assets |             | <b>(1,001,606)</b>                    | 458,810                           |
| Unappropriated profit                        | <b>38.7</b> | <b>6,510,523</b>                      | 5,516,955                         |
|                                              |             | <b>6,508,917</b>                      | 6,980,526                         |
| <b>CONTINGENCIES AND COMMITMENTS</b>         | <b>38.4</b> |                                       |                                   |

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

The profit and loss account of the Bank's Islamic banking branches including windows for the nine months period ended September 30, 2026 is as follows:

|                                                                               |             | <b>(Un-audited)</b>              |                      |
|-------------------------------------------------------------------------------|-------------|----------------------------------|----------------------|
|                                                                               |             | <b>For the nine months ended</b> |                      |
|                                                                               |             | <b>September 30,</b>             | <b>September 30,</b> |
|                                                                               |             | <b>2026</b>                      | <b>2025</b>          |
|                                                                               |             | <b>---- Rupees in '000 ----</b>  |                      |
| <b>PROFIT AND LOSS ACCOUNT</b>                                                | <b>Note</b> |                                  |                      |
| Profit / return earned                                                        | <b>38.5</b> | <b>18,709,655</b>                | 13,236,553           |
| Profit / return expensed                                                      | <b>38.6</b> | <b>8,462,263</b>                 | 5,350,903            |
| Net profit / return                                                           |             | <b>10,247,392</b>                | 7,885,650            |
| <b>Other income</b>                                                           |             |                                  |                      |
| Fee and commission income                                                     |             | <b>603,359</b>                   | 353,549              |
| Dividend income                                                               |             | <b>-</b>                         | -                    |
| Foreign exchange income                                                       |             | <b>274,759</b>                   | 221,913              |
| (Loss) / gain on securities                                                   |             | <b>(388)</b>                     | 87,599               |
| Net (loss) on derecognition of financial assets<br>measured at amortized cost |             | <b>(17,847)</b>                  | (2,075)              |
| Other income                                                                  |             | <b>86,993</b>                    | 66,694               |
| Total other income                                                            |             | <b>946,876</b>                   | 727,680              |
| Total income                                                                  |             | <b>11,194,268</b>                | 8,613,330            |
| <b>Other expenses</b>                                                         |             |                                  |                      |
| Operating expenses                                                            |             | <b>5,794,831</b>                 | 4,527,064            |
| Workers Welfare Fund                                                          |             | <b>-</b>                         | -                    |
| Other charges                                                                 |             | <b>50</b>                        | 60                   |
| Total other expenses                                                          |             | <b>5,794,881</b>                 | 4,527,124            |
| <b>Profit before credit loss allowance</b>                                    |             | <b>5,399,387</b>                 | 4,086,206            |
| Credit loss allowance and write offs - net                                    |             | <b>539,564</b>                   | 287,767              |
| <b>Profit before taxation</b>                                                 |             | <b>4,859,823</b>                 | 3,798,439            |
| Taxation                                                                      |             | <b>2,527,107</b>                 | 2,013,173            |
| <b>Profit after taxation</b>                                                  |             | <b>2,332,716</b>                 | 1,785,266            |

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

|                                                                                           |  | (Un-audited)<br>September 30, 2026 |                          |                        |                   |
|-------------------------------------------------------------------------------------------|--|------------------------------------|--------------------------|------------------------|-------------------|
| 38.1 Investments by segments                                                              |  | Cost /<br>Amortised<br>cost        | Credit loss<br>allowance | Surplus /<br>(Deficit) | Carrying<br>value |
| ----- Rupees in '000 -----                                                                |  |                                    |                          |                        |                   |
| <b>Debt Instruments</b>                                                                   |  |                                    |                          |                        |                   |
| <b>Classified / measured at amortised cost</b>                                            |  |                                    |                          |                        |                   |
| Federal Government securities                                                             |  |                                    |                          |                        |                   |
| - GoP ijarah sukuks                                                                       |  | 5,003,172                          | -                        | -                      | 5,003,172         |
| - Bai Muajjal                                                                             |  | 3,732,189                          | -                        | -                      | 3,732,189         |
|                                                                                           |  | 8,735,361                          | -                        | -                      | 8,735,361         |
| Non-Government debt securities                                                            |  |                                    |                          |                        |                   |
|                                                                                           |  | 314,436                            | -                        | -                      | 314,436           |
| <b>Classified / measured at fair value through<br/>other comprehensive income (FVOCI)</b> |  |                                    |                          |                        |                   |
| Federal Government securities                                                             |  |                                    |                          |                        |                   |
| - GoP ijarah sukuks                                                                       |  | 115,013,973                        | -                        | (1,002,259)            | 114,011,714       |
| Non - Government debt securities                                                          |  | 100,000                            | -                        | 653                    | 100,653           |
|                                                                                           |  | 115,113,973                        | -                        | (1,001,606)            | 114,112,367       |
| <b>Total investments</b>                                                                  |  |                                    |                          |                        |                   |
|                                                                                           |  | 124,163,770                        | -                        | (1,001,606)            | 123,162,164       |
| ----- Rupees in '000 -----                                                                |  |                                    |                          |                        |                   |
|                                                                                           |  | (Audited)<br>December 31, 2025     |                          |                        |                   |
|                                                                                           |  | Cost /<br>Amortised<br>cost        | Credit loss<br>allowance | Surplus                | Carrying<br>value |
| ----- Rupees in '000 -----                                                                |  |                                    |                          |                        |                   |
| <b>Debt Instruments</b>                                                                   |  |                                    |                          |                        |                   |
| <b>Classified / measured at amortised cost</b>                                            |  |                                    |                          |                        |                   |
| Federal Government securities                                                             |  |                                    |                          |                        |                   |
| - GoP ijarah sukuks                                                                       |  | 5,012,834                          | -                        | -                      | 5,012,834         |
| - Bai Muajjal                                                                             |  | 3,429,747                          | -                        | -                      | 3,429,747         |
|                                                                                           |  | 8,442,581                          | -                        | -                      | 8,442,581         |
| Non-Government debt securities                                                            |  |                                    |                          |                        |                   |
|                                                                                           |  | 304,202                            | -                        | -                      | 304,202           |
| <b>Classified / measured at fair value through<br/>other comprehensive income (FVOCI)</b> |  |                                    |                          |                        |                   |
| Federal Government securities                                                             |  |                                    |                          |                        |                   |
| - GoP ijarah sukuks                                                                       |  | 112,687,931                        | -                        | 444,571                | 113,132,502       |
| Non - Government debt securities                                                          |  | 385,000                            | -                        | 14,239                 | 399,239           |
|                                                                                           |  | 113,072,931                        | -                        | 458,810                | 113,531,741       |
| <b>Total investments</b>                                                                  |  |                                    |                          |                        |                   |
|                                                                                           |  | 121,819,714                        | -                        | 458,810                | 122,278,524       |

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

|                                                                             | (Un-audited)<br>September 30,<br>2026     | (Audited)<br>December 31,<br>2025 |
|-----------------------------------------------------------------------------|-------------------------------------------|-----------------------------------|
|                                                                             | -----Rupees in '000-----                  |                                   |
| <b>38.2 Islamic financing and related assets</b>                            |                                           |                                   |
| Ijarah                                                                      | 56,106                                    | 82,512                            |
| Murabaha                                                                    | 8,953,045                                 | 6,002,101                         |
| Diminishing Musharaka                                                       | 26,982,249                                | 18,206,589                        |
| Running Musharaka                                                           | 52,664,754                                | 39,715,360                        |
| Qarz e Hasna                                                                | 21,341                                    | 463                               |
| Istisna                                                                     | 24,925,881                                | 16,306,496                        |
| Tijarah                                                                     | 258,385                                   | 127,145                           |
| Wakalah                                                                     | 333,909                                   | 578,000                           |
| Bai Muajjal                                                                 | 6,857,773                                 | 7,758,011                         |
|                                                                             | <b>121,053,442</b>                        | <b>88,776,677</b>                 |
| Impact of fair valuation of Islamic financing and related assets            | (927,235)                                 | (692,021)                         |
| <b>Gross Islamic financing and related assets</b>                           | <b>120,126,207</b>                        | <b>88,084,656</b>                 |
| <b>Less: Credit loss allowance against Islamic financing</b>                |                                           |                                   |
| - Stage 1                                                                   | 470,105                                   | 490,260                           |
| - Stage 2                                                                   | 439,410                                   | 144,080                           |
| - Stage 3                                                                   | 1,886,209                                 | 1,669,084                         |
|                                                                             | <b>2,795,724</b>                          | <b>2,303,424</b>                  |
| <b>Islamic financing and related assets - net of credit loss allowance</b>  | <b>117,330,482</b>                        | <b>85,781,232</b>                 |
| <b>38.3 Deposits</b>                                                        |                                           |                                   |
| <b>Customers</b>                                                            |                                           |                                   |
| Current deposits                                                            | 59,354,496                                | 53,938,227                        |
| Savings deposits                                                            | 140,115,458                               | 118,580,782                       |
| Term deposits                                                               | 10,092,018                                | 10,836,479                        |
| Others                                                                      | 14,088,277                                | 16,662,005                        |
|                                                                             | <b>223,650,249</b>                        | <b>200,017,493</b>                |
| <b>Financial Institutions</b>                                               |                                           |                                   |
| Current Deposits                                                            | 934,163                                   | 1,909,207                         |
| Savings deposits                                                            | 1,760,876                                 | 692,618                           |
| Term Deposits                                                               | 300,000                                   | -                                 |
|                                                                             | <b>2,995,039</b>                          | <b>2,601,825</b>                  |
|                                                                             | <b>226,645,288</b>                        | <b>202,619,318</b>                |
| <b>38.4 Contingencies and commitments</b>                                   |                                           |                                   |
| Guarantees                                                                  | 22,636,690                                | 16,097,383                        |
| Commitments                                                                 | 29,166,783                                | 22,225,306                        |
|                                                                             | <b>51,803,473</b>                         | <b>38,322,689</b>                 |
| <b>38.5 Profit / return earned on financing, investments and placements</b> | (Un-audited)<br>For the nine months ended |                                   |
|                                                                             | September 30,<br>2026                     | September 30,<br>2025             |
|                                                                             | ---- Rupees in '000 ----                  |                                   |
| Profit earned on:                                                           |                                           |                                   |
| Financing                                                                   | 8,5092,104                                | 2,657,736                         |
| Investments                                                                 | 10,095,544                                | 10,374,359                        |
| Placements                                                                  | 10,634                                    | 175,158                           |
| Balances with banks                                                         | 11,373                                    | 29,300                            |
|                                                                             | <b>18,709,655</b>                         | <b>13,236,553</b>                 |

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

|                                                        | (Un-audited)               |                       |
|--------------------------------------------------------|----------------------------|-----------------------|
|                                                        | For the nine months ended  |                       |
|                                                        | September 30,<br>2026      | September 30,<br>2025 |
|                                                        | ----- Rupees in '000 ----- |                       |
| <b>38.6 Profit on deposits and other dues expensed</b> |                            |                       |
| Deposits and other accounts                            | 6,296,147                  | 4,982,902             |
| Due to financial institutions                          | 1,994,402                  | 231,654               |
| Finance charge on lease liability                      | 171,714                    | 136,347               |
|                                                        | <b>8,462,263</b>           | <b>5,350,903</b>      |

|                                                                   | (Un-audited)               |  | (Audited)            |  |
|-------------------------------------------------------------------|----------------------------|--|----------------------|--|
|                                                                   | September 30,<br>2026      |  | December 31,<br>2025 |  |
|                                                                   | ----- Rupees in '000 ----- |  |                      |  |
| <b>38.7 Islamic banking business unappropriated profit</b>        |                            |  |                      |  |
| Opening balance                                                   | 5,516,955                  |  | 7,236,196            |  |
| Impacts of EIR application                                        | (32,104)                   |  | -                    |  |
| Balance after adoption of IFRS 9                                  | <b>5,484,851</b>           |  | 7,236,196            |  |
| Add: Islamic banking profit before taxation for the period / year | 4,859,823                  |  | 5,282,861            |  |
| Less: Taxation                                                    | (2,527,107)                |  | (2,799,916)          |  |
| Less: Transferred to head office                                  | (1,307,044)                |  | (4,202,186)          |  |
| Closing balance                                                   | <b>6,510,523</b>           |  | <b>5,516,955</b>     |  |

**38.8 Pool management**

Islamic Banking Segment of the Bank is operating following pools / sub-pools:

**General Pool**

- i. General pool (PKR)
- ii. General pool (FCY)

**Special Pools**

- i. Riba Free Special Deposit Pool - 1
- ii. Riba Free Special Deposit Pool - 2
- iii. Riba Free Special Deposit Pool - Corporate - 1
- iv. Riba Free Special Deposit Pool - Corporate - 2
- v. Riba Free Special Deposit Pool - Corporate - 3
- vi. Riba Free Special Deposit Pool - Corporate - 4
- vii. Riba Free Special Deposit Pool - Corporate - 5
- viii. Riba Free Special Deposit Pool - Corporate - 6
- ix. Riba Free Special Deposit Pool - Corporate - 7
- x. Riba Free Special Deposit Pool - Mutual fund / FI
- xi. Riba Free Special Deposit Pool 2 - Mutual fund / FI
- xii. RFSD - Daily Product - 1 Pool
- xiii. RFSD - Daily Product - 2 Pool
- xiv. RFSD - Daily Product - 3 Pool
- xv. RFSD - Daily Product - 4 Pool
- xvi. RFSD - Daily Product - 5 Pool
- xvii. RFSD - Daily Product - 6 Pool
- xviii. Khyber Islamic Investment Certificates - 1
- xix. Khyber Islamic Investment Certificates - 2
- xx. Raast Financial Institutions Pool - 1
- xxi. Raast Financial Institutions Pool - 2
- xxii. RFSD - I'tmanan Mahana Certificate - pool
- xxiii. Riba free special deposit pool - Islamic export refinance security (IERS)
- xxiv. Riba free special deposit pool - Profit Equalization Reserves (PER)
- xxv. Riba free special deposit pool - Investment Risk Reserves (IRR)
- xxvi. General Pool (FCY)
- xxvii. RFSD Special Pool (USD)
- xxviii. RFSD Special Pool 2 (USD)
- xxix. RFSD Special Pool FCY (Euro)
- xxx. RFSD Special Pool FCY (GBP)

**Features of general pool**

In this pool all types of deposits are accepted on Mudarabah basis. The Bank converted its pool management and profit and loss distribution mechanism from Musharakah to Mudarabah with effect from December 1, 2024 and is accepting deposits against all types of assets and income earned from these assets. Certificates can also be issued for a fixed period.

Deposits received in this Pool are invested in Islamic assets like Murabaha, Ijarah, Diminishing Musharakah, Running Musharakah, Istisna, Islamic Sukuks and any other Shariah Compliant Investment which are duly approved by the Shariah Advisor. Deposits are accepted through all Islamic branches of the Bank.

## NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026

### Features of special pools

In special pools, deposits are accepted on Mudarabah basis by providing extended avenues to the depositors for placement of their funds attracting high rate of return. Certificates are issued for a fixed period against specific assets allocated to each special pool based on expected rate of return.

Deposits received in this pool are invested in Islamic assets like Ijarah, Diminishing Musharakah, Running Musharakah, Islamic Sukuks and any other Shariah Compliant investment which are duly approved by the Shariah Advisor. Deposits are accepted through all Islamic branches of the Bank.

Deposits in these special pools are accepted with prior approval from the management and are utilized for liquidity management along with some opportunity of investment.

### Key features

- Minimum investment is prescribed by the Bank for each special pool.
- Profit payment on monthly basis.
- Profit calculated on daily average balance for the month.
- Investment as deposit and certificate for 1 month, 3 months and 6 months etc.
- Pre-mature termination is allowed without any adjustment for next two months, if sharing ratios and / or weightages are changed during disclosure.

### Risks of the special pools

All special pools are created as separate entities which have respective assets and liabilities and income and expense position. In each pool, depositors bear the risk of all direct losses and expenses of the pool. All indirect expenses of the pools are borne by the Bank as Mudarib. Same rate of return is paid to all the depositors in same category.

### Profit sharing and weightages for distribution of profit

Assignment of weightage for profit distribution to different types of profit bearing sources of funds is as follows:

While considering weightages emphasis shall be given to the quantum, type and the period of risk assessed by following factors:

- i. Period of investment (number of months, years)
- ii. Profit payment option (monthly, quarterly, yearly maturity)
- iii. Purpose of deposit (Haji, Umrah etc.)
- iv. Type of customer (pensioners, widows, corporate, individual)

Weightages are declared at least three days before start of each month.

As per policy of the Bank, no gift (Hiba) is given in favour of any particular customer, however, as per SBP guidelines (Circular No. 9 of Nov, 2024), Hiba can be given to saving account depositors or category of customers / investors. However, the Bank has reduced its own share as Mudarabah Fee. Out of distributable income, an amount of Rs. 4,728.19 million (45.03%) has been charged as Mudarabah fee. The total Hiba amount of Rs. 702.43 million (12.35%) has been distributed during the period.

### Charging expenses

Net income is distributed as per SBP instruction, therefore, all pools shall bear their respective identified expenses. The Bank converted its pool management and distribution mechanism from Musharakah to Mudarabah effective December 1, 2024. Under the previous policy, both direct and administrative expenses were charged to the Gross Income of the Pool (GIP). Following the transition to Mudarabah, only direct expenses attributable to the pool are charged. A list of lines of direct expenses are maintained, duly vetted from Shariah Board of the Bank. Indirect expenses are borne by the Mudarib and are not part of distribution.

All credit loss allowance created against non-performing financing and diminution in the value of investment under IFRS 9, prudential regulations and other SBP directives will be borne by the Bank as Mudarib. However, write-offs of financings and loss on sale of investments shall be charged to respective pool along with other direct expenses.

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

The profit equalization reserves amounting to Rs. NIL (December 31, 2025: Rs. 4.76 million) has been presented in note 19 to these unconsolidated condensed interim financial statements.

**Classification of assets, revenues, expenses, gain and loss on the basis of sources of finance**

All earning assets of Islamic banking group are jointly financed by unrestricted investments/PLS deposits account holders and the Bank. Detail of jointly financed earning assets is:

|                                                                  | (Un-audited)<br>September 30,<br>2026 | (Audited)<br>December 31,<br>2025 |
|------------------------------------------------------------------|---------------------------------------|-----------------------------------|
|                                                                  | ----- Rupees in '000 -----            |                                   |
| <b>Financings</b>                                                |                                       |                                   |
| Agri business                                                    | 2,055,511                             | 2,442,413                         |
| Chemical and pharmaceuticals                                     | 4,836,863                             | 3,320,724                         |
| Cement                                                           | 502,498                               | 3,850,921                         |
| Textile                                                          | 19,258,779                            | 13,479,648                        |
| Automobile and transportation equipment                          | 5,893,389                             | 3,620,561                         |
| Food and Beverages                                               | 1,695,566                             | -                                 |
| Petro chemical                                                   | -                                     | 3,078,125                         |
| Housing                                                          | 2,081,366                             | 1,046,544                         |
| Manufacturing of match                                           | 140,000                               | 140,000                           |
| Miscellaneous manufacturing                                      | 13,642,330                            | 9,545,168                         |
| Mining                                                           | 22,994                                | -                                 |
| Personal                                                         | 2,535,565                             | 2,050,481                         |
| Construction                                                     | 334,205                               | 274,225                           |
| Tradings                                                         | 2,263,418                             | 3,677,316                         |
| Communication                                                    | 22,750                                | 28,000                            |
| Services                                                         | 1,109,782                             | 1,299,630                         |
| Auto loans                                                       | 1,039,977                             | 441,156                           |
| Metal products                                                   | 1,177,055                             | 973,688                           |
| Commodity finance                                                | 33,663,590                            | 20,000,000                        |
| CNG station / gas                                                | 273,841                               | 2,541,592                         |
| Consumer finance                                                 | 1,569,678                             | 640,075                           |
| Power                                                            | 17,864,313                            | 13,872,582                        |
| Sugar                                                            | 8,488,936                             | 2,169,996                         |
| Others                                                           | 581,036                               | 283,832                           |
| Impact of fair valuation of Islamic financing and related assets | (927,235)                             | (692,021)                         |
|                                                                  | <b>120,126,207</b>                    | <b>88,084,656</b>                 |

**Investments**

|                       |                    |                    |
|-----------------------|--------------------|--------------------|
| GOP Ijarah Sukuks     | 119,014,887        | 118,145,336        |
| Bai Muajjal           | 3,732,189          | 3,429,747          |
| Power and electricity | 100,653            | 399,239            |
| Food                  | 314,436            | 304,202            |
|                       | <b>123,162,165</b> | <b>122,278,524</b> |
|                       | <b>243,288,372</b> | <b>210,363,180</b> |

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

**Details regarding pools managed by the Bank**

| Remunerative depositors pools | Profit rate and announcement period | Profit rate return earned - average | Profit sharing ratios |                   | Mudarib share  | Profit rate return distributed to remunerative deposits (saving and fixed) - average | Percentage of Mudarib share transferred through Hiba | Amount of Mudarib share transferred through Hiba Rupees in '000 |
|-------------------------------|-------------------------------------|-------------------------------------|-----------------------|-------------------|----------------|--------------------------------------------------------------------------------------|------------------------------------------------------|-----------------------------------------------------------------|
|                               |                                     |                                     | Mudarib share         | Rab-ul-maal share | Rupees in '000 |                                                                                      |                                                      |                                                                 |
| General Pool                  |                                     |                                     |                       |                   |                |                                                                                      |                                                      |                                                                 |
| PKR Pool                      | Monthly                             | 8.73%                               | 49%                   | 51%               | 4,281,053      | 5.74%                                                                                | 10.52%                                               | 314,339                                                         |
| USD Pool                      | Monthly                             | 2.50%                               | 73%                   | 27%               | 565            | 0.85%                                                                                | 45.65%                                               | 73                                                              |
| Special Pools                 |                                     |                                     |                       |                   |                |                                                                                      |                                                      |                                                                 |
| Saving & TDRs                 | Monthly                             | 10.82%                              | 25.47%                | 74.53%            | 1,294,138      | 7.80%                                                                                | 46.47%                                               | 384,200                                                         |
|                               |                                     |                                     | Bank                  | SBP               |                |                                                                                      |                                                      |                                                                 |
| IEERS Pool                    | Monthly                             | 9.38%                               | 74.39%                | 25.61%            | 59,107         | Nil                                                                                  | 33.1%                                                | 11,563                                                          |

**39 CORRESPONDING FIGURES**

Comparative information has been restated in these unconsolidated condensed interim financial statements, wherever necessary to facilitate comparison.

**40 DATE OF AUTHORIZATION FOR ISSUE**

These unconsolidated condensed interim financial statements were authorized for issue in the Board of Directors meeting of the Bank held on October 28, 2026.

  
**MANAGING  
DIRECTOR**
  
**CHIEF FINANCIAL  
OFFICER**
  
**DIRECTOR**
  
**DIRECTOR**
  
**DIRECTOR**



# Bank of Khyber

Consolidated Condensed  
Interim Financial Statements  
For The Nine Month Period Ended September  
30, 2026

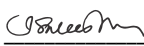
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT SEPTEMBER 30, 2026**

|                                       |    | (Un-audited)<br>September 30,<br>2026 | (Audited)<br>December 31,<br>2025 |
|---------------------------------------|----|---------------------------------------|-----------------------------------|
|                                       |    | ----- Rupees in '000 -----            |                                   |
| <b>ASSETS</b>                         |    |                                       |                                   |
| Cash and balances with treasury banks | 5  | 30,144,435                            | 25,398,116                        |
| Balances with other banks             | 6  | 1,684,128                             | 3,217,067                         |
| Lendings to financial institutions    | 7  | 2,130,318                             | 3,438,549                         |
| Investments                           | 8  | 373,879,928                           | 274,956,627                       |
| Advances                              | 9  | 150,700,310                           | 126,705,821                       |
| Property and equipment                | 10 | 4,472,599                             | 4,796,539                         |
| Right-of-use assets                   | 11 | 1,244,348                             | 1,626,161                         |
| Intangible assets                     | 12 | 372,774                               | 379,645                           |
| Deferred tax assets                   | 13 | 2,382,159                             | 1,032,911                         |
| Other assets                          | 14 | 17,104,627                            | 11,748,178                        |
| <b>Total Assets</b>                   |    | <b>584,115,626</b>                    | <b>453,299,614</b>                |
| <b>LIABILITIES</b>                    |    |                                       |                                   |
| Bills payable                         | 15 | 1,617,939                             | 3,212,340                         |
| Borrowings                            | 16 | 112,798,744                           | 35,697,978                        |
| Deposits and other accounts           | 17 | 432,524,866                           | 378,123,220                       |
| Lease liabilities                     | 18 | 1,356,106                             | 1,757,104                         |
| Subordinated debt                     |    | -                                     | -                                 |
| Deferred tax liabilities              |    | -                                     | -                                 |
| Other liabilities                     | 19 | 13,008,594                            | 10,832,282                        |
| <b>Total Liabilities</b>              |    | <b>561,306,249</b>                    | <b>429,622,924</b>                |
| <b>NET ASSETS</b>                     |    | <b>22,809,377</b>                     | <b>23,676,690</b>                 |
| <b>REPRESENTED BY</b>                 |    |                                       |                                   |
| Share capital                         | 20 | 11,579,360                            | 11,579,360                        |
| Reserves                              |    | 6,706,095                             | 6,229,178                         |
| Surplus on revaluation of assets      | 21 | 53,137                                | 1,358,853                         |
| Unappropriated profit                 |    | 4,470,785                             | 4,509,299                         |
|                                       |    | <b>22,809,377</b>                     | <b>23,676,690</b>                 |
| <b>CONTINGENCIES AND COMMITMENTS</b>  | 22 |                                       |                                   |

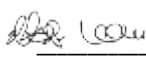
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**MANAGING  
DIRECTOR**



**CHIEF FINANCIAL  
OFFICER**



**DIRECTOR**



**DIRECTOR**



**DIRECTOR**

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

|                                                                                      |    | Quarter ended                      |                                    | Period ended                          |                                       |
|--------------------------------------------------------------------------------------|----|------------------------------------|------------------------------------|---------------------------------------|---------------------------------------|
|                                                                                      |    | July 1 to<br>September 30,<br>2026 | July 1 to<br>September 30,<br>2025 | January 1 to<br>September 30,<br>2026 | January 1 to<br>September 30,<br>2025 |
| Note                                                                                 |    | ----- Rupees in '000 -----         |                                    |                                       |                                       |
| Mark-up / return / interest earned                                                   | 23 | 14,908,921                         | 13,597,221                         | 39,443,659                            | 41,186,051                            |
| Mark-up / return / interest expensed                                                 | 24 | 10,476,857                         | 8,918,549                          | 26,629,542                            | 26,662,033                            |
| Net mark-up / interest income                                                        |    | 4,432,064                          | 4,678,672                          | 12,814,117                            | 14,524,018                            |
| <b>NON MARK-UP / INTEREST INCOME</b>                                                 |    |                                    |                                    |                                       |                                       |
| Fee and commission income                                                            | 25 | 289,799                            | 249,788                            | 902,271                               | 800,602                               |
| Dividend income                                                                      |    | -                                  | -                                  | -                                     | -                                     |
| Foreign exchange income                                                              |    | 183,891                            | 204,438                            | 409,450                               | 486,600                               |
| Income / (loss) from derivatives                                                     |    | -                                  | -                                  | -                                     | -                                     |
| Gain on securities                                                                   | 26 | 42,381                             | 718,895                            | 92,830                                | 2,215,468                             |
| Net (loss) / gain on derecognition of financial assets<br>measured at amortised cost | 27 | (14,880)                           | 7,494                              | (2,043)                               | 17,104                                |
| Share of profit of associate                                                         |    | 641                                | 6,922                              | 9,145                                 | 15,388                                |
| Other income                                                                         | 28 | 44,253                             | 40,491                             | 106,567                               | 113,004                               |
| Total non-mark-up / interest income                                                  |    | 546,085                            | 1,228,028                          | 1,518,220                             | 3,648,166                             |
| Total income                                                                         |    | 4,978,149                          | 5,906,700                          | 14,332,337                            | 18,172,184                            |
| <b>NON MARK-UP / INTEREST EXPENSES</b>                                               |    |                                    |                                    |                                       |                                       |
| Operating expenses                                                                   | 29 | 3,227,239                          | 2,837,008                          | 9,553,534                             | 8,526,366                             |
| Workers Welfare Fund                                                                 |    | -                                  | -                                  | -                                     | -                                     |
| Other charges                                                                        | 30 | -                                  | 70                                 | 120,848                               | 230                                   |
| Total non-mark-up / interest expenses                                                |    | 3,227,239                          | 2,837,078                          | 9,674,382                             | 8,526,596                             |
| <b>PROFIT BEFORE CREDIT LOSS ALLOWANCE</b>                                           |    | 1,750,910                          | 3,069,622                          | 4,657,955                             | 9,645,588                             |
| Reversal of credit loss allowance and write offs - net                               | 31 | (206,800)                          | (340,213)                          | (498,375)                             | (958,685)                             |
| <b>PROFIT BEFORE TAXATION</b>                                                        |    | 1,957,710                          | 3,409,835                          | 5,156,330                             | 10,604,273                            |
| Taxation                                                                             | 32 | 1,039,533                          | 1,802,625                          | 2,762,534                             | 5,631,697                             |
| <b>PROFIT AFTER TAXATION</b>                                                         |    | 918,177                            | 1,607,210                          | 2,393,796                             | 4,972,576                             |
| -----Rupees -----                                                                    |    |                                    |                                    |                                       |                                       |
| <b>Basic and diluted earnings per share</b>                                          | 33 | 0.79                               | 1.39                               | 2.07                                  | 4.29                                  |

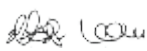
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**MANAGING  
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**CHIEF FINANCIAL  
OFFICER**



**DIRECTOR**



**DIRECTOR**



**DIRECTOR**

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

|                                                                                                           | Quarter ended                      |                                    | Period ended                          |                                       |
|-----------------------------------------------------------------------------------------------------------|------------------------------------|------------------------------------|---------------------------------------|---------------------------------------|
|                                                                                                           | July 1 to<br>September 30,<br>2026 | July 1 to<br>September 30,<br>2025 | January 1 to<br>September 30,<br>2026 | January 1 to<br>September 30,<br>2025 |
|                                                                                                           | ----- Rupees in '000 -----         |                                    |                                       |                                       |
| <b>Profit after taxation for the period</b>                                                               | <b>918,177</b>                     | 1,607,210                          | <b>2,393,796</b>                      | 4,972,576                             |
| <b>Other comprehensive income/ (loss)</b>                                                                 |                                    |                                    |                                       |                                       |
| <b>Items that may be reclassified to statement of profit and loss account in subsequent periods:</b>      |                                    |                                    |                                       |                                       |
| Movement in surplus / (deficit) on revaluation of debt investments through FVOCI - net of tax             | 19,875                             | 33,269                             | (1,269,427)                           | 631,820                               |
| Gain on sale of debt investments carried at FVOCI reclassified to profit and loss - net of tax            | (20,342)                           | (345,861)                          | (44,558)                              | (1,064,216)                           |
| Deficit transferred to profit and loss on debt investment reclassified from FVOCI to FVPL- net of tax     | -                                  | 792                                | -                                     | 792                                   |
|                                                                                                           | (467)                              | (311,800)                          | (1,313,985)                           | (431,604)                             |
| <b>Items that will not be reclassified to statement of profit and loss account in subsequent periods:</b> |                                    |                                    |                                       |                                       |
| Movement in surplus on revaluation of equity investments - net of tax                                     | 1,656                              | 25,526                             | 12,591                                | 45,005                                |
| Share of surplus on revaluation of investment in associate - net of tax                                   | -                                  | -                                  | -                                     | 1,339                                 |
|                                                                                                           | 1,656                              | 25,526                             | 12,591                                | 46,344                                |
| <b>Total comprehensive income</b>                                                                         | <b>919,366</b>                     | 1,320,936                          | <b>1,092,402</b>                      | 4,587,316                             |

The annexed notes 1 to 40 form an integral part of these consolidated condensed interim financial statements.



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**DIRECTOR**



**DIRECTOR**

## CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026

|                                                                                                                | Share capital | Statutory reserve | Surplus / (deficit) on revaluation of |                        |                    | Unappropriated profit | Total       |
|----------------------------------------------------------------------------------------------------------------|---------------|-------------------|---------------------------------------|------------------------|--------------------|-----------------------|-------------|
|                                                                                                                |               |                   | Investments                           | Property and equipment | Non-banking assets |                       |             |
|                                                                                                                |               |                   | Rupees in '000                        |                        |                    |                       |             |
| <b>Balance as at December 31, 2024 (audited)</b>                                                               | 11,579,360    | 5,066,025         | 162,964                               | 900,120                | 26,612             | 8,511,136             | 21,899,219  |
| Effect of re-measurement on adoption of IFRS 9 - net of tax                                                    | -             | -                 | 90,629                                | -                      | -                  | -                     | 90,629      |
| <b>Balance as at January 1, 2025 - restated</b>                                                                | 11,579,360    | 5,066,025         | 840,595                               | 900,120                | 26,612             | 3,577,136             | 21,989,818  |
| Profit after taxation for the nine-month period ended 30 September, 2025                                       | -             | -                 | -                                     | -                      | -                  | 4,972,576             | 4,972,576   |
| Other comprehensive (loss) / income - net of tax                                                               | -             | -                 | -                                     | -                      | -                  | -                     | -           |
| Movement in surplus on revaluation of investments in debt instruments through OCI - net of tax                 | -             | -                 | 631,820                               | -                      | -                  | -                     | 631,820     |
| Gain on sale of debt investments carried at FVOCI reclassified to profit and loss - net of tax                 | -             | -                 | (1,064,216)                           | -                      | -                  | -                     | (1,064,216) |
| Share of surplus on revaluation of investment of associate - net of tax                                        | -             | -                 | 1,339                                 | -                      | -                  | -                     | 1,339       |
| Details regarding pools managed by the Holding Company                                                         | -             | -                 | 45,005                                | -                      | -                  | -                     | 45,005      |
| Movement of deficit on debt investment reclassified from FVOCI to P&L - net of tax                             | -             | -                 | 780                                   | -                      | -                  | -                     | 780         |
| Total other comprehensive loss - net of tax                                                                    | -             | -                 | (385,260)                             | -                      | -                  | -                     | (385,260)   |
| Transfer to statutory reserve                                                                                  | -             | 994,515           | -                                     | -                      | -                  | (994,515)             | -           |
| Transfer from surplus on revaluation of non-banking asset to a appropriated profit - net of tax                | -             | -                 | -                                     | -                      | (4,059)            | 4,059                 | -           |
| Gain on disposal of equity investments at FVOCI of associate transferred to unappropriated profit - net of tax | -             | -                 | (3,791)                               | -                      | -                  | 3,791                 | -           |
| <b>Transactions with owners, recorded directly in equity</b>                                                   |               |                   |                                       |                        |                    |                       |             |
| Final cash dividend for the year ended December 31, 2024 (Rs.1.70 per share)                                   | -             | -                 | -                                     | -                      | -                  | (1,968,683)           | (1,968,683) |
| Interim cash dividend for the year ended December 31, 2025 (Rs.1.50 per share)                                 | -             | -                 | -                                     | -                      | -                  | (1,736,904)           | (1,736,904) |
| <b>Balance as at September 30, 2025 (un-audited) - restated</b>                                                | 11,579,360    | 6,060,540         | 451,544                               | 900,120                | 22,553             | 3,857,480             | 22,817,577  |
| Profit after taxation for the three-month period ended December 31, 2025                                       | -             | -                 | -                                     | -                      | -                  | 843,188               | 843,188     |
| Other comprehensive income / (loss) - net of tax                                                               | -             | -                 | -                                     | -                      | -                  | -                     | -           |
| Movement in surplus on revaluation of investments in debt instruments through FVOCI- net of tax                | -             | -                 | 8,917                                 | -                      | -                  | -                     | 8,917       |
| Gain on sale of debt investments carried at FVOCI reclassified to profit and loss - net of tax                 | -             | -                 | (55,129)                              | -                      | -                  | -                     | (55,129)    |
| Movement in surplus on revaluation of equity investments - net of tax                                          | -             | -                 | 1,014                                 | -                      | -                  | -                     | 1,014       |
| Re-measurement loss on defined benefit obligations - net of tax                                                | -             | -                 | -                                     | -                      | -                  | (24,064)              | (24,064)    |
| Movement in surplus on revaluation of non-banking assets - net of tax                                          | -             | -                 | -                                     | -                      | 31,187             | -                     | 31,187      |
| Total other comprehensive income - net of tax                                                                  | -             | -                 | (45,188)                              | -                      | 31,187             | (24,064)              | (38,075)    |
| Transfer to statutory reserve                                                                                  | -             | 168,638           | -                                     | -                      | -                  | (168,638)             | -           |
| Transfer from surplus on revaluation of non-banking asset to a appropriated profit - net of tax                | -             | -                 | -                                     | -                      | (1,353)            | 1,353                 | -           |
| Gain on disposal of equity investments at FVOCI transferred to unappropriated profit - net of tax              | -             | -                 | -                                     | -                      | -                  | -                     | -           |
| <b>Balance as at December 31, 2025 (audited)</b>                                                               | 11,579,360    | 6,229,178         | 406,346                               | 900,120                | 52,387             | 4,509,299             | 23,676,690  |
| Impact of adoption of IFRS 9 - net of tax (note 4.1)                                                           | -             | -                 | -                                     | -                      | -                  | 8,977                 | 8,977       |
| <b>Balance as at January 1, 2026 - restated</b>                                                                | 11,579,360    | 6,229,178         | 406,346                               | 900,120                | 52,387             | 4,518,276             | 23,685,667  |
| Profit after taxation for the nine-month period ended 30 September, 2026                                       | -             | -                 | -                                     | -                      | -                  | 2,933,796             | 2,933,796   |
| Other comprehensive income / (loss) - net of tax                                                               | -             | -                 | -                                     | -                      | -                  | -                     | -           |
| Movement in deficit on revaluation of investments in debt instruments through OCI - net of tax                 | -             | -                 | (1,269,427)                           | -                      | -                  | -                     | (1,269,427) |
| Gain on sale of debt investments carried at FVOCI reclassified to profit and loss - net of tax                 | -             | -                 | (44,548)                              | -                      | -                  | -                     | (44,548)    |
| Share of surplus on revaluation of investment of associate - net of tax                                        | -             | -                 | 12,591                                | -                      | -                  | -                     | 12,591      |
| Movement in surplus on revaluation of equity investments - net of tax                                          | -             | -                 | -                                     | -                      | -                  | -                     | -           |
| Total other comprehensive loss - net of tax                                                                    | -             | -                 | (1,301,394)                           | -                      | -                  | -                     | (1,301,394) |
| Transfer to statutory reserve                                                                                  | -             | 476,917           | -                                     | -                      | -                  | (476,917)             | -           |
| Transfer from surplus on revaluation of non-banking asset - net of tax                                         | -             | -                 | -                                     | -                      | (4,322)            | 4,322                 | -           |
| <b>Transactions with owners, recorded directly in equity</b>                                                   |               |                   |                                       |                        |                    |                       |             |
| Final cash dividend for the year ended December 31, 2025 (Rs.1.70 per share)                                   | -             | -                 | -                                     | -                      | -                  | (1,968,692)           | (1,968,692) |
| <b>Balance as at September 30, 2026 (un-audited)</b>                                                           | 11,579,360    | 6,706,095         | (895,048)                             | 900,120                | 48,065             | 4,470,785             | 22,809,377  |

The annexed notes 1 to 40 form an integral part of these consolidated condensed interim financial statements.



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**DIRECTOR**

**CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

|                                                                                   |      | January 1 to<br>September 30,<br>2026 | January 1 to<br>September 30, 2025 |
|-----------------------------------------------------------------------------------|------|---------------------------------------|------------------------------------|
|                                                                                   | Note | ----- Rupees in '000 -----            |                                    |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                                        |      |                                       |                                    |
| Profit before taxation                                                            |      | 5,156,330                             | 10,604,273                         |
| Less: Dividend income                                                             |      | -                                     | -                                  |
|                                                                                   |      | <b>5,156,330</b>                      | <b>10,604,273</b>                  |
| <b>Adjustments:</b>                                                               |      |                                       |                                    |
| Net mark-up / return / interest income                                            |      | (13,069,319)                          | (14,819,426)                       |
| Depreciation - Property and equipment                                             | 29   | 769,610                               | 628,089                            |
| Depreciation - Non-banking assets acquired in satisfaction of claims              | 29   | 44,513                                | 33,533                             |
| Depreciation - Right-of-use assets                                                | 29   | 526,308                               | 565,613                            |
| Amortization                                                                      | 29   | 64,970                                | 63,563                             |
| Reversal of credit loss allowance and write offs - net                            | 31   | (498,375)                             | (958,685)                          |
| Unrealised loss on investments measured at FVPL                                   | 26   | -                                     | 1,650                              |
| Gain on disposal of property and equipment - net                                  | 28   | (1,046)                               | (11,251)                           |
| Gain on early culmination of lease                                                | 28   | (209)                                 | (3,904)                            |
| Finance charges on leased assets                                                  | 28   | 255,202                               | 296,408                            |
| Net loss / (gain) on derecognition of financial assets measured at amortised cost | 24   | 2,043                                 | (17,104)                           |
| Unwinding of deferred cost on staff loans                                         |      | 146,289                               | 138,025                            |
| Exchange loss / (gain) on cash and cash equivalents                               |      | 26,721                                | (100,831)                          |
| Share of profit of associate                                                      |      | (9,145)                               | (15,388)                           |
|                                                                                   |      | <b>(11,742,438)</b>                   | <b>(14,200,708)</b>                |
|                                                                                   |      | <b>(6,586,108)</b>                    | <b>(3,596,435)</b>                 |
| <b>(Increase) / decrease in operating assets</b>                                  |      |                                       |                                    |
| Lendings to financial institutions                                                |      | 1,314,191                             | (22,842,152)                       |
| Securities classified as FVPL                                                     |      | 40                                    | 5,402                              |
| Advances                                                                          |      | (23,497,232)                          | 25,558,358                         |
| Other assets (excluding advance taxation and mark-up receivable)                  |      | 291,449                               | (78,048)                           |
|                                                                                   |      | <b>(21,891,552)</b>                   | <b>2,643,560</b>                   |
| <b>Increase / (decrease) in operating liabilities</b>                             |      |                                       |                                    |
| Bills payable                                                                     |      | (1,594,401)                           | (20,373,543)                       |
| Borrowings from financial institutions                                            |      | 77,100,766                            | (71,620,459)                       |
| Deposits                                                                          |      | 54,401,646                            | 96,698,445                         |
| Other liabilities (excluding current taxation and mark-up payable)                |      | 309,727                               | 833,242                            |
|                                                                                   |      | <b>130,217,738</b>                    | 5,537,685                          |
| Mark-up / interest received                                                       |      | 34,577,035                            | 37,621,740                         |
| Mark-up / interest paid                                                           |      | (24,531,480)                          | (28,177,248)                       |
| Income tax paid                                                                   |      | <b>(3,670,175)</b>                    | <b>(5,133,901)</b>                 |
|                                                                                   |      | <b>108,115,458</b>                    | <b>8,895,401</b>                   |
| <b>Net cash flow generated from operating activities</b>                          |      |                                       |                                    |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                                        |      |                                       |                                    |
| Net investments in amortised cost                                                 |      | (303,759)                             | (2,667,142)                        |
| Net investments in securities classified as FVOCI                                 |      | (101,317,396)                         | 2,775,022                          |
| Investments in property and equipment                                             |      | (445,785)                             | (479,458)                          |
| Investments in intangible assets                                                  |      | (58,099)                              | (83,819)                           |
| Disposal of property and equipment                                                |      | 1,160                                 | 13,638                             |
| <b>Net cash flow (used in) investing activities</b>                               |      | <b>(102,123,879)</b>                  | <b>(441,759)</b>                   |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                                        |      |                                       |                                    |
| Payments of lease obligations against right-of-use assets                         |      | (800,486)                             | (807,064)                          |
| Dividend paid                                                                     |      | (1,951,020)                           | (3,668,030)                        |
| <b>Net cash flow (used in) financing activities</b>                               |      | <b>(2,751,506)</b>                    | <b>(4,475,094)</b>                 |
| Effects of credit loss allowance changes on cash and cash equivalents             |      | 28                                    | (117)                              |
| Effects of exchange rate changes on cash and cash equivalents                     |      | (26,721)                              | 100,831                            |
| (Decrease) / increase in cash and cash equivalents                                |      | <b>3,213,380</b>                      | <b>4,079,262</b>                   |
| Cash and cash equivalents at beginning of the period                              |      | <b>28,615,183</b>                     | <b>27,245,369</b>                  |
| <b>Cash and cash equivalents at end of the period</b>                             |      | <b>31,828,563</b>                     | <b>31,324,631</b>                  |

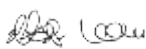
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## NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026

### 1 STATUS AND NATURE OF BUSINESS

#### 1.1 Holding Company

The Bank of Khyber (the Bank) was established in Pakistan under The Bank of Khyber Act, 1991 and is principally engaged in the business of commercial banking and related services. The Bank acquired the status of a scheduled bank in 1994 and is listed on the Pakistan Stock Exchange Limited. The registered office of the Bank is situated at 24-The Mall, Peshawar Cantt, Peshawar. The Bank operates 256 branches including 223 Islamic banking branches (December 31, 2025: 254 branches including 199 Islamic banking branches). During the period, the Bank has converted additional 22 of its conventional banking branches into Islamic banking branches. The long term credit rating of the Bank assigned by VIS Credit Rating Company Limited and Pakistan Credit Rating Agency Limited (PACRA) are 'AA-' and 'AA-' (December 31, 2025: 'AA-' and 'A+') respectively and the short-term credit ratings assigned are 'A1' (A-One) and 'A-1' (A-One) (December 31, 2025: 'A1' (A-One) and 'A-1' (A-One)) respectively. The majority shares (i.e. 70.20%) of the Bank are held by Government of Khyber Pakhtunkhwa (GoKP).

The Provincial Assembly of Khyber Pakhtunkhwa has passed the Bank of Khyber (Amendment) Act, 2022. As part of the amendments, the name of Bank has been changed from "Bank of Khyber" to "Bank of Khyber". The Bank is in the process of seeking necessary regulatory approval for the same.

#### 1.2 Subsidiary

BoK Currency Exchange (Private) Limited (the company) is a wholly owned subsidiary of the Bank of Khyber incorporated as a private limited company under the Companies Act 2017 on January 19 2026. Currently, the subsidiary is in the process of completing the remaining regulatory formalities and obtaining the necessary approvals to commence foreign exchange business operations.

### 2 BASIS OF PREPARATION

2.1 These consolidated condensed interim financial statements consists of holding company and its subsidiary company for the nine month period ended September 30, 2026. These are the first nine month period consolidated condensed interim financial statements of the Group. Therefore, corresponding figures of these consolidated condensed interim financial statements are the same as those presented in the unconsolidated condensed interim financial statements of the Holding Company.

2.2 In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan (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 profit in price on deferred payment basis. The purchases and sales arising under the respective arrangements (except for Murabaha financings accounted for under Islamic Financial Accounting Standard - 1 "Murabaha") 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.

2.3 The Islamic banking branches of the Bank have complied with the requirements as set out in the Islamic Financial Accounting Standards (IFAS), issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the provisions of Companies Act, 2017.

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

- 2.4** The financial results of the Islamic Banking Branches have been included in these consolidated condensed interim financial statements for reporting purposes, after eliminating the effects of inter-branch transactions and balances. Key financial figures of the Islamic Banking Branches are disclosed in note 38 to these consolidated condensed interim financial statements.
- 2.5** These consolidated condensed interim financial statements have been prepared under the historical cost convention except that certain class of property and equipment and non-banking assets acquired in satisfaction of claims are stated at revalued amounts; certain investments classified at fair value through profit or loss and at fair value through other comprehensive income, foreign exchange contracts and derivative financial instruments, if any, are stated at fair value; staff loans are measured at fair value at initial recognition; and the recognition of certain employees benefits, lease liabilities and corresponding right of use assets at present value, as disclosed in their respective notes.
- 2.6** The Holding Company believes that there is no significant doubt on the Group's ability to continue as a going concern. Therefore, these consolidated condensed interim financial statements have been prepared on a going concern basis.
- 2.7** These consolidated condensed interim financial statements have been presented in Pakistani Rupee, which is the Group's functional and presentation currency. The figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

**3 STATEMENT OF COMPLIANCE**

- 3.1** 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' 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 (ICAP) as are notified under the Companies Act, 2017;

- Provisions of, directives and notifications issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and

- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives and notifications issued by the SBP and the SECP differ with the requirements of IAS 34 or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives and notifications, shall prevail.

- 3.2** The disclosures made in these consolidated condensed interim financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 2 dated February 9, 2023 and IAS 34. These consolidated condensed interim financial statements do not include all the information and disclosures required in the audited annual financial statements, and should be read in conjunction with the audited annual financial statements of the holding company for the year ended December 31, 2025.
- 3.3** SBP vide BSD Circular Letter No. 10, dated August 26, 2002, has deferred the applicability of International Accounting Standard (IAS) 40, Investment Property for banking companies till further instructions. Moreover, SBP vide BPRD Circular No. 4, dated February 25, 2015, has deferred the applicability of Islamic Financial Accounting Standards (IFAS) 3, Profit and Loss Sharing on Deposits. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements.

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
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**3.4 Standards, interpretations of and amendments to published approved accounting and reporting standards that are effective in the current period**

There are certain new and amended standards, issued by the International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Group's accounting periods beginning on or after January 1, 2026 but are considered not to be relevant or will not have any material effect on the Group's consolidated condensed interim 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 Group's financial position and performance, as well as the nature, extent, and management of risks arising from such instruments. Accordingly, the Group will adopt IFRS 7 in preparing its annual financial statements for the year ending December 31, 2026. However, the disclosure requirements of IFRS 7 do not apply to these consolidated condensed interim financial statements except for those specified in paragraph 16A(j) of IAS 34, 'Interim Financial Reporting'.

- certain amendments to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments' have become applicable on the Group 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.

**3.5 Standards, interpretations of and amendments to published approved accounting and reporting standards 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 Group's accounting periods beginning on or after January 1, 2027 but are considered not to be relevant or do not have any material effect on the Group's consolidated condensed interim financial statements except for:

- the new standard - IFRS 18 'Presentation and Disclosure in Financial Statements' (published in April 2024) with applicability date of January 1, 2027. Application of IFRS 18 will impact the presentation of 'Statement of Profit and Loss Account' with certain additional disclosures as and when instructed by SBP.

**4 MATERIAL ACCOUNTING POLICY INFORMATION**

The material accounting policies applied in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the annual audited financial statements of the Holding Company for the year ended December 31, 2025, except for changes mentioned in note 4.1 below.

## NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026

### 4.1 IFRS 9 - Financial Instruments

4.1.1 The Holding Company adopted IFRS 9 effective from January 1, 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 audited financial statements of the Holding Company for the years ended December 2024 and 2025, with the modified retrospective approach as permitted under IFRS-9.

4.1.2 In addition, SBP in a separate instruction vide letter BPRD/RPD/822456/25 dated January 22, 2025 allowed an extension for application of Effective Interest Rate (EIR) upto December 31, 2025. During the current period, in accordance with aforementioned instructions, the Holding Company has applied the EIR on the financial instruments as at January 1, 2026. Accordingly, cumulative impact of application of EIR amounting to Rs. 8,977 thousand, net of tax, has increased the equity at the beginning of the current period with a corresponding impact on the income / mark-up accrued and mark-up / return / interest payable.

4.1.3 The SBP has directed the Banks through its BPRD Circular Letter No. 1 dated January 22, 2025 to continue to apply the existing revenue recognition methodology for Islamic Operations, including the requirements of IFAS 1 and IFAS 2 until further instructions. Had the IFRS-9 been adopted in its entirety for revenue recognition from Islamic operations. The profit after tax of the Group would have been higher by Rs.456.74 Million.

### 4.2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

### 4.3 FINANCIAL RISK MANAGEMENT

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

## 5 CASH AND BALANCES WITH TREASURY BANKS

#### In hand

Local currency  
Foreign currencies

#### With State Bank of Pakistan in

Local currency current accounts  
Foreign currency current accounts  
Foreign currency deposit accounts

#### With National Bank of Pakistan in

Local currency current accounts  
Local currency deposit accounts  
Foreign currency current accounts

#### Prize bonds

Less: Credit loss allowance held against cash and  
balances with treasury banks

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

| (Un-audited)<br>September 30,<br>2026 | (Audited)<br>December 31,<br>2025 |
|---------------------------------------|-----------------------------------|
| ----- Rupees in '000 -----            |                                   |
| 7,965,257                             | 7,042,878                         |
| 215,276                               | 142,560                           |
| <b>8,180,533</b>                      | <b>7,185,438</b>                  |
| 19,517,762                            | 14,897,044                        |
| 96,559                                | 105,018                           |
| <b>320,380</b>                        | <b>266,202</b>                    |
| <b>19,934,701</b>                     | <b>15,268,264</b>                 |
| 2,020,555                             | 2,321,247                         |
| 7                                     | 612,385                           |
| <b>8,529</b>                          | <b>10,442</b>                     |
| <b>2,029,091</b>                      | <b>2,944,074</b>                  |
| <b>129</b>                            | <b>354</b>                        |
| (19)                                  | (14)                              |
| <b>30,144,435</b>                     | <b>25,398,116</b>                 |

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

|                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (Un-audited)<br>September 30,<br>2026 | (Audited)<br>December 31,<br>2025 |
|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|-----------------------------------|
|                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | ----- Rupees in '000 -----            |                                   |
| 6                          | BALANCES WITH OTHER BANKS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Note                                  |                                   |
| In Pakistan                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                       |                                   |
|                            | In current accounts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 317,601                               | 1,010,786                         |
|                            | In deposit accounts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 1,078                                 | 344,727                           |
|                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 318,679                               | 1,355,513                         |
| Outside Pakistan           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                       |                                   |
|                            | In current accounts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 788,209                               | 357,530                           |
|                            | In deposit accounts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 587,347                               | 1,514,164                         |
|                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 1,375,556                             | 1,871,694                         |
|                            | Less: Credit loss allowance held against balances with other banks                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | (10,107)                              | (10,140)                          |
|                            | Balances with other banks - net of credit loss allowance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 1,684,128                             | 3,217,067                         |
| 7                          | LENDINGS TO FINANCIAL INSTITUTIONS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                       |                                   |
|                            | Placements with financial institutions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 210,045                               | 224,236                           |
|                            | Call / clean money lending                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 2,000,000                             | 3,300,000                         |
|                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 2,210,045                             | 3,524,236                         |
|                            | Less: Credit loss allowance held against lendings to financial institutions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 7.1 (79,727)                          | (85,687)                          |
|                            | Lendings to financial institutions - net of credit loss allowance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 2,130,318                             | 3,438,549                         |
|                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                       |                                   |
|                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (Un-audited)<br>September 30, 2026    | (Audited)<br>December 31, 2025    |
| 7.1                        | Lendings to financial institutions - particulars of credit loss allowance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Lending                               | Credit loss allowance held        |
|                            | Note                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Lending                               | Credit loss allowance held        |
| ----- Rupees in '000 ----- |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                       |                                   |
| Domestic                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                       |                                   |
|                            | Performing                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 2,000,000                             | 3,300,000                         |
|                            | Under performing                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | -                                     | -                                 |
|                            | Non-performing                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                       |                                   |
|                            | Substandard                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | -                                     | -                                 |
|                            | Doubtful                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | -                                     | -                                 |
|                            | Loss                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 210,045                               | 85,687                            |
|                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 210,045                               | 85,687                            |
|                            | Total                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 2,210,045                             | 3,524,236                         |
| Overseas                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                       |                                   |
|                            | Total                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | -                                     | -                                 |
| 7.2                        | As at September 30, 2026, the Holding Company has availed the forced sales value benefit amounting to Rs. 130.32 million (December 31, 2025: Rs. 138.55 million), that is equivalent to the market value of the Pakistan Investment Bonds received by the Holding Company as part of the settlement agreement against a non performing lending of the Bank. The resulting increase in the unappropriated profit (net of tax) amounting to Rs. 62.55 million (December 31, 2025: Rs. 65.12 million) is not available for the distribution of cash or stock dividend to shareholders or bonus to employees. |                                       |                                   |

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

|       |                                                                                                                         | (Un-audited)<br>September 30, 2026 |                          |                        |                   |
|-------|-------------------------------------------------------------------------------------------------------------------------|------------------------------------|--------------------------|------------------------|-------------------|
| 8     | INVESTMENTS                                                                                                             | Cost /<br>amortised<br>cost        | Credit loss<br>allowance | Surplus /<br>(deficit) | Carrying<br>value |
| 8.1   | Investments by type:                                                                                                    | -----Rupees in '000-----           |                          |                        |                   |
|       | <b>Fair value through profit or loss (FVPL)</b>                                                                         |                                    |                          |                        |                   |
|       | Non Government Debt Securities                                                                                          | 1,364,640                          | -                        | (15,459)               | 1,349,181         |
|       | <b>Fair value through other comprehensive income (FVOCI)</b>                                                            |                                    |                          |                        |                   |
|       | Federal Government Securities                                                                                           | 361,519,539                        | -                        | (1,031,325)            | 360,488,213       |
|       | Shares                                                                                                                  | 677,083                            | -                        | (152,225)              | 524,858           |
|       | Non-Government Debt Securities                                                                                          | 2,410,126                          | (137,493)                | (134,562)              | 2,138,071         |
|       |                                                                                                                         | 364,606,748                        | (137,493)                | (1,318,112)            | 363,151,142       |
|       | <b>Amortised cost (AC)</b>                                                                                              |                                    |                          |                        |                   |
|       | Federal Government Securities                                                                                           | 8,735,361                          | -                        | -                      | 8,735,361         |
|       | Non-Government Debt Securities                                                                                          | 517,627                            | (18)                     | -                      | 517,609           |
|       |                                                                                                                         | 9,252,988                          | (18)                     | -                      | 9,252,970         |
|       | <b>Associate</b>                                                                                                        | 126,635                            | -                        | -                      | 126,635           |
|       | <b>Total investments</b>                                                                                                | 375,351,011                        | (137,511)                | (1,333,571)            | 373,879,928       |
|       |                                                                                                                         | (Audited)<br>December 31, 2025     |                          |                        |                   |
|       |                                                                                                                         | Cost /<br>amortised<br>cost        | Credit loss<br>allowance | Surplus / (deficit)    | Carrying<br>value |
|       |                                                                                                                         | -----Rupees in '000-----           |                          |                        |                   |
|       | <b>Fair value through profit or loss (FVPL)</b>                                                                         |                                    |                          |                        |                   |
|       | Non Government Debt Securities                                                                                          | 1,364,680                          | -                        | (15,459)               | 1,349,221         |
|       | <b>Fair value through other comprehensive income (FVOCI)</b>                                                            |                                    |                          |                        |                   |
|       | Federal Government Securities                                                                                           | 259,127,494                        | -                        | 1,661,852              | 260,789,346       |
|       | Shares                                                                                                                  | 677,081                            | -                        | (178,456)              | 498,625           |
|       | Non-Government Debt Securities                                                                                          | 2,617,666                          | (141,626)                | (90,270)               | 2,385,770         |
|       |                                                                                                                         | 262,422,241                        | (141,626)                | 1,393,126              | 263,673,741       |
|       | <b>Amortised cost (AC)</b>                                                                                              |                                    |                          |                        |                   |
|       | Federal Government Securities                                                                                           | 9,308,916                          | -                        | -                      | 9,308,916         |
|       | Non-Government Debt Securities                                                                                          | 507,264                            | (5)                      | -                      | 507,259           |
|       |                                                                                                                         | 9,816,180                          | (5)                      | -                      | 9,816,175         |
|       | <b>Associate</b>                                                                                                        | 117,490                            | -                        | -                      | 117,490           |
|       | <b>Total investments</b>                                                                                                | 273,720,591                        | (141,631)                | 1,377,667              | 274,956,627       |
|       |                                                                                                                         | (Un-audited)<br>September 30, 2026 |                          |                        |                   |
| 8.2   | Investments given as collateral                                                                                         | (Audited)<br>December 31, 2025     |                          |                        |                   |
|       | <b>Note</b>                                                                                                             | -----Rupees in '000-----           |                          |                        |                   |
|       | Market Treasury Bills                                                                                                   | 82,550,000                         | -                        | -                      | -                 |
|       | Pakistan Investment Bonds                                                                                               | 8,000,000                          | -                        | -                      | 13,878,200        |
|       | Ijara Sukuks                                                                                                            | 21,000,000                         | -                        | -                      | -                 |
|       |                                                                                                                         | 111,550,000                        | -                        | -                      | 13,878,200        |
| 8.2.1 | The market value of securities given as collateral is Rs.109,021.02 million (December 31, 2025: Rs. 13,871.20 million). |                                    |                          |                        |                   |

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

|                                                                         | (Un-audited)<br>September 30,<br>2026 | (Audited)<br>December 31,<br>2025 |
|-------------------------------------------------------------------------|---------------------------------------|-----------------------------------|
|                                                                         | ----- Rupees in '000 -----            |                                   |
| <b>8.3 Credit loss allowance for diminution in value of investments</b> |                                       |                                   |
| Opening balance                                                         | 141,631                               | 158,189                           |
| Charge / (reversals)                                                    |                                       |                                   |
| Charge for the period / year                                            | 15                                    | 5                                 |
| Reversal for the period / year                                          | (4,135)                               | (16,563)                          |
| Reversal on disposals / repayment during the period / year              | -                                     | -                                 |
|                                                                         | (4,120)                               | (16,558)                          |
| Closing balance                                                         | <u>137,511</u>                        | <u>141,631</u>                    |

**8.4 Details regarding pools managed by the Holding Company**

| Category of classification |         | (Un-audited)       |                            | (Audited)          |                            |
|----------------------------|---------|--------------------|----------------------------|--------------------|----------------------------|
|                            |         | September 30, 2026 |                            | December 31, 2025  |                            |
|                            |         | Outstanding amount | Credit loss allowance held | Outstanding amount | Credit loss allowance held |
| ----- Rupees in '000 ----- |         |                    |                            |                    |                            |
| Domestic                   |         |                    |                            |                    |                            |
| Performing                 | Stage 1 | 2,518,205          | 18                         | 2,983,304          | 5                          |
| Underperforming            | Stage 2 | -                  | -                          | -                  | -                          |
| Non-performing             | Stage 3 |                    |                            |                    |                            |
| Substandard                |         | -                  | -                          | -                  | -                          |
| Doubtful                   |         | -                  | -                          | -                  | -                          |
| Loss                       |         | 137,493            | 137,493                    | 141,626            | 141,626                    |
|                            |         | 137,493            | 137,493                    | 141,626            | 141,626                    |
| Total                      |         | 2,655,698          | 137,511                    | 3,124,930          | 141,631                    |
|                            |         |                    |                            |                    |                            |
| Overseas                   |         | -                  | -                          | -                  | -                          |
| Total                      |         | -                  | -                          | -                  | -                          |

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

**8.5 Summarised financial information of associate**

**8.5.1 Investment in associate - unlisted**

**Taurus Securities Limited**  
Taurus Securities Limited

|  | Period / year ended             | Number of shares | Percentage of holding | Country of incorporation | Cost Rupees in '000   |                            |
|--|---------------------------------|------------------|-----------------------|--------------------------|-----------------------|----------------------------|
|  | September 30, 2026 (Un-audited) | 4,050,374        | 30%                   | Pakistan                 | 40,504                |                            |
|  | December 31, 2025 (Audited)     | 4,050,374        | 30%                   | Pakistan                 | 40,504                |                            |
|  | Assets                          | Liabilities      | Equity                | Revenue                  | Profit after taxation | Total comprehensive income |

**8.5.2 Summary of financial information of associate**

Based on financial statements:

- October 1, 2025 to September 30, 2026  
- October 1, 2024 to September 30, 2025

|                  |                |                |                |               |
|------------------|----------------|----------------|----------------|---------------|
| <b>1,038,682</b> | <b>616,568</b> | <b>422,113</b> | <b>360,682</b> | <b>30,482</b> |
| 1,560,181        | 1,168,548      | 391,633        | 325,148        | 51,292        |
|                  |                |                |                | 60,588        |

**8.5.3**

Reporting date of associate (i.e. Taurus Securities Limited) is December 31. Further, results of its operations including share of profit and other comprehensive income for the three months period October 1, 2025 to December 31, 2025 has been extracted by subtracting nine months period January 1, 2025 to September 30, 2025 figures from the annual audited financial statements for the year ended December 31, 2025 and then adding that to nine months period figures from January 1, 2026 to September 30, 2026 based on its un-audited interim financial statements.

**8.6** The market value of securities classified as amortised cost as at September 30, 2026 amounted to Rs. 9,245,32 million (December 31, 2025: Rs. 9,921,04 million).

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

| 9 | ADVANCES                                    | Note | Performing                            |                                   | Non performing                        |                                   | Total                                 |                                   |
|---|---------------------------------------------|------|---------------------------------------|-----------------------------------|---------------------------------------|-----------------------------------|---------------------------------------|-----------------------------------|
|   |                                             |      | (Un-audited)<br>September 30,<br>2026 | (Audited)<br>December 31,<br>2025 | (Un-audited)<br>September 30,<br>2026 | (Audited)<br>December 31,<br>2025 | (Un-audited)<br>September 30,<br>2026 | (Audited)<br>December 31,<br>2025 |
|   |                                             |      | -----Rupees in '000-----              |                                   |                                       |                                   |                                       |                                   |
|   | Loans, cash credits, running finances, etc. |      | 33,111,934                            | 41,044,761                        | 9,620,340                             | 10,367,438                        | 42,732,274                            | 51,412,199                        |
|   | Islamic financing and related assets        |      | 118,859,278                           | 86,833,272                        | 2,194,164                             | 1,943,405                         | 121,053,442                           | 88,776,677                        |
|   | Bills discounted and purchased              |      | -                                     | 99,608                            | 219,630                               | 219,630                           | 219,630                               | 319,238                           |
|   | Impact of fair valuation of advances        |      | 151,971,212                           | 127,977,641                       | 12,034,134                            | 12,530,473                        | 164,005,346                           | 140,508,114                       |
|   | Advances - gross                            |      | 150,043,596                           | 126,074,058                       | 12,034,134                            | 12,530,473                        | 162,077,730                           | 138,604,531                       |
|   |                                             | 9.3  |                                       |                                   |                                       |                                   |                                       |                                   |
|   | Credit loss allowance against advances      |      |                                       |                                   |                                       |                                   |                                       |                                   |
|   | - Stage 1                                   |      | 586,581                               | 702,763                           | -                                     | -                                 | 586,581                               | 702,763                           |
|   | - Stage 2                                   |      | 567,791                               | 395,797                           | -                                     | -                                 | 567,791                               | 395,797                           |
|   | - Stage 3                                   |      | -                                     | -                                 | 10,223,048                            | 10,800,150                        | 10,223,048                            | 10,800,150                        |
|   |                                             |      | 1,154,372                             | 1,098,560                         | 10,223,048                            | 10,800,150                        | 11,377,420                            | 11,898,710                        |
|   | Advances - net of credit loss allowance     |      | 148,889,224                           | 124,975,498                       | 1,811,086                             | 1,730,323                         | 150,700,310                           | 126,705,821                       |
|   |                                             |      |                                       |                                   |                                       |                                   |                                       |                                   |
|   |                                             |      |                                       |                                   |                                       |                                   |                                       |                                   |
|   |                                             |      |                                       |                                   |                                       |                                   |                                       |                                   |
|   |                                             |      |                                       |                                   |                                       |                                   |                                       |                                   |
|   |                                             |      |                                       |                                   |                                       |                                   |                                       |                                   |
|   |                                             |      |                                       |                                   |                                       |                                   |                                       |                                   |
|   |                                             |      |                                       |                                   |                                       |                                   |                                       |                                   |
|   |                                             |      |                                       |                                   |                                       |                                   |                                       |                                   |
|   |                                             |      |                                       |                                   |                                       |                                   |                                       |                                   |
|   |                                             |      |                                       |                                   |                                       |                                   |                                       |                                   |
|   |                                             |      |                                       |                                   |                                       |                                   |                                       |                                   |
|   |                                             |      |                                       |                                   |                                       |                                   |                                       |                                   |
|   |                                             |      |                                       |                                   |                                       |                                   |                                       |                                   |
|   |                                             |      |                                       |                                   |                                       |                                   |                                       |                                   |
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**9.1.1** The Gross loans disbursed to women, women-owned and managed enterprises outstanding as at September 30, 2026 are Rs.1,395 million (December 31, 2025: Rs. 775.71 million).

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

- 9.2** Advances include Rs. 12,034.13 million (December 31, 2025: Rs. 12,530.47 million) which have been placed under non-performing / stage 3 status as detailed below:

| Category of classification in stage 3    | (Un-audited)<br>September 30, 2026 |                          | (Audited)<br>December 31, 2025 |                          |
|------------------------------------------|------------------------------------|--------------------------|--------------------------------|--------------------------|
|                                          | Non<br>performing<br>loans         | Credit loss<br>allowance | Non<br>performing<br>loans     | Credit loss<br>allowance |
|                                          | ----- Rupees in '000 -----         |                          |                                |                          |
| <b>Domestic</b>                          |                                    |                          |                                |                          |
| Other assets especially mentioned (OAEM) | 127,986                            | 89,894                   | 151,988                        | 81,548                   |
| Substandard                              | 256,628                            | 138,726                  | 774,959                        | 530,827                  |
| Doubtful                                 | 979,736                            | 318,618                  | 419,689                        | 283,341                  |
| Loss                                     | 10,669,784                         | 9,675,810                | 11,183,837                     | 9,904,434                |
|                                          | <u>12,034,134</u>                  | <u>10,223,048</u>        | <u>12,530,473</u>              | <u>10,800,150</u>        |
| <b>Overseas</b>                          | -                                  | -                        | -                              | -                        |
|                                          | <u>-</u>                           | <u>-</u>                 | <u>-</u>                       | <u>-</u>                 |
| <b>Total</b>                             | <u>12,034,134</u>                  | <u>10,223,048</u>        | <u>12,530,473</u>              | <u>10,800,150</u>        |

## NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026

### 9.3 Particulars of credit loss allowance against advances

|                                 | (Un-audited)<br>September 30, 2026 |           |             |             |                | (Audited)<br>December 31, 2025 |           |             |             |  |
|---------------------------------|------------------------------------|-----------|-------------|-------------|----------------|--------------------------------|-----------|-------------|-------------|--|
|                                 | Credit loss allowance held         |           |             |             |                |                                |           |             |             |  |
|                                 | Stage 1                            | Stage 2   | Stage 3     | Total       | Rupees in '000 | Stage 1                        | Stage 2   | Stage 3     | Total       |  |
| Opening balance                 | 702,763                            | 395,797   | 10,800,150  | 11,898,710  |                | 731,140                        | 584,619   | 11,425,873  | 12,741,632  |  |
| Charge for the period / year    | 259,343                            | 442,589   | 678,149     | 1,380,081   |                | 522,484                        | 650,837   | 1,027,433   | 2,200,754   |  |
| Reversals for the period / year | (375,525)                          | (270,595) | (1,255,251) | (1,901,371) |                | (550,661)                      | (839,659) | (1,653,156) | (3,043,676) |  |
|                                 | (116,182)                          | 171,994   | (577,102)   | (521,290)   |                | (28,377)                       | (188,822) | (625,723)   | (842,922)   |  |
| Amounts written off             | -                                  | -         | -           | -           |                | -                              | -         | -           | -           |  |
| Closing balance                 | 586,581                            | 567,791   | 10,223,048  | 11,377,420  |                | 702,763                        | 395,797   | 10,800,150  | 11,898,710  |  |

### 9.4 Advances - Particulars of credit loss allowance

|                                              | (Un-audited)<br>September 30, 2026 |           |             |             |                | (Audited)<br>December 31, 2025 |           |             |             |  |
|----------------------------------------------|------------------------------------|-----------|-------------|-------------|----------------|--------------------------------|-----------|-------------|-------------|--|
|                                              | Credit loss allowance held         |           |             |             |                |                                |           |             |             |  |
|                                              | Stage 1                            | Stage 2   | Stage 3     | Total       | Rupees in '000 | Stage 1                        | Stage 2   | Stage 3     | Total       |  |
| Opening balance                              | 702,763                            | 395,797   | 10,800,150  | 11,898,710  |                | 731,140                        | 584,619   | 11,425,873  | 12,741,632  |  |
| New advances                                 | 247,518                            | 305,866   | 403,019     | 956,403     |                | 435,680                        | 88,991    | 88,754      | 613,425     |  |
| Advances derecognised or repaid              | (300,319)                          | (245,377) | (1,253,180) | (1,798,876) |                | (170,478)                      | (94,545)  | (1,162,741) | (1,427,764) |  |
| Transfer to stage 1                          | 11,825                             | (11,588)  | (237)       | -           |                | 86,804                         | (82,910)  | (3,894)     | -           |  |
| Transfer to stage 2                          | (33,338)                           | 35,172    | (1,834)     | -           |                | (75,325)                       | 561,846   | (486,521)   | -           |  |
| Transfer to stage 3                          | (5,399)                            | (13,630)  | 19,029      | -           |                | (8,594)                        | (132,486) | 141,080     | -           |  |
|                                              | (79,713)                           | 70,443    | (833,203)   | (842,473)   |                | 268,087                        | 340,896   | (1,423,322) | (814,339)   |  |
| Changes in risk parameters (PDs/ LGDs/ EADs) | (36,469)                           | 101,551   | 256,101     | 321,183     |                | (296,464)                      | (529,718) | 797,599     | (28,583)    |  |
| Closing balance                              | 586,581                            | 567,791   | 10,223,048  | 11,377,420  |                | 702,763                        | 395,797   | 10,800,150  | 11,898,710  |  |

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

|                                                    |         | (Un-audited)<br>September 30, 2026 |                               | (Audited)<br>December 31, 2025 |                               |
|----------------------------------------------------|---------|------------------------------------|-------------------------------|--------------------------------|-------------------------------|
|                                                    |         | Outstanding<br>amount              | Credit loss<br>allowance held | Outstanding<br>amount          | Credit loss<br>allowance held |
| ----- Rupees in '000 -----                         |         |                                    |                               |                                |                               |
| <b>9.4.1 Advances - Category of classification</b> |         |                                    |                               |                                |                               |
| <b>Domestic</b>                                    |         |                                    |                               |                                |                               |
| Performing                                         | Stage 1 | 136,247,208                        | 586,581                       | 81,305,726                     | 702,763                       |
| Underperforming                                    | Stage 2 | 13,796,388                         | 567,791                       | 44,768,332                     | 395,797                       |
| Non-performing                                     | Stage 3 |                                    |                               |                                |                               |
| Other assets especially mentioned (OAEM)           |         | 127,986                            | 89,894                        | 151,988                        | 81,548                        |
| Substandard                                        |         | 256,628                            | 138,726                       | 774,959                        | 530,827                       |
| Doubtful                                           |         | 979,736                            | 318,618                       | 419,689                        | 283,341                       |
| Loss                                               |         | 10,669,784                         | 9,675,810                     | 11,183,837                     | 9,904,434                     |
| <b>Total</b>                                       |         | <b>12,034,134</b>                  | <b>10,223,048</b>             | <b>12,530,473</b>              | <b>10,800,150</b>             |
|                                                    |         | <b>162,077,730</b>                 | <b>11,377,420</b>             | <b>138,604,531</b>             | <b>11,898,710</b>             |
| <b>Overseas</b>                                    |         | -                                  | -                             | -                              | -                             |
| <b>Total</b>                                       |         | -                                  | -                             | -                              | -                             |

- 9.4.2** State Bank of Pakistan (SBP) through BSD Circular No.1 dated October 21, 2011 has allowed benefit of the forced sales value (FSV) of plant & machinery under charge, pledged stocks & mortgaged residential, commercial and industrial properties (land and building only), held as collateral against Non-Performing Loans (NPLs) for a maximum of five years from the date of classification.

The Holding Company has adopted IFRS 9 with effect from January 1, 2024. In accordance with the SBP's IFRS 9 Application Instructions (together with BPRD Circular Letter No.16 of 2024 dated July 29, 2024), credit loss allowance / provision against NPLs has been taken at higher of the i) provision as required under SBP's Prudential Regulations; or ii) credit loss allowance computed in accordance with the requirements of the Application Instructions. This has effectively reduced the cumulative FSV benefit availed by the Holding Company as on period end. As at September 30, 2026, the Holding Company has availed cumulative benefit of forced sales value of Rs. 896.84 million (December 31, 2025: Rs. 936.19 million). Increase in unappropriated profit amounting to Rs. 466.36 million (December 31, 2025: Rs. 440.00 million) is not available for the distribution of cash or stock dividend to shareholders or bonus to employees.

|      |                          | (Un-audited)<br>September 30,<br>2026 | (Audited)<br>December 31,<br>2025 |           |
|------|--------------------------|---------------------------------------|-----------------------------------|-----------|
|      |                          | ----- Rupees in '000 -----            |                                   |           |
| 10   | PROPERTY AND EQUIPMENT   | Note                                  |                                   |           |
|      | Capital work-in-progress | 10.1                                  | 133,317                           | 290,463   |
|      | Property and equipment   |                                       | 4,339,282                         | 4,506,076 |
|      |                          |                                       | 4,472,599                         | 4,796,539 |
| 10.1 | Capital work-in-progress |                                       |                                   |           |
|      | Civil works              |                                       | 119,152                           | 76,921    |
|      | Equipment                |                                       | 14,158                            | 212,400   |
|      | Furniture and fixtures   |                                       | 7                                 | 216       |
|      | Advances to suppliers    |                                       | -                                 | 926       |
|      |                          |                                       | 133,317                           | 290,463   |

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

|                                                                                            |                                                               | (Un-audited)<br>For the nine months ended |                                   |
|--------------------------------------------------------------------------------------------|---------------------------------------------------------------|-------------------------------------------|-----------------------------------|
|                                                                                            |                                                               | September 30,<br>2026                     | September 30,<br>2025             |
|                                                                                            |                                                               | ----- Rupees in '000 -----                |                                   |
| <b>10.2</b>                                                                                | <b>Additions to property and equipment</b>                    |                                           |                                   |
| The following additions have been made to property and equipment during the period:        |                                                               |                                           |                                   |
|                                                                                            | <b>Capital work-in-progress - net (transfers) / additions</b> | (157,146)                                 | 44,047                            |
|                                                                                            | <b>Property and equipment</b>                                 |                                           |                                   |
|                                                                                            | Furniture and fixtures                                        | 60,175                                    | 45,538                            |
|                                                                                            | Electrical, office and computer equipment                     | 396,803                                   | 170,923                           |
|                                                                                            | Vehicles                                                      | 10,024                                    | 44,157                            |
|                                                                                            | Books                                                         | 10                                        | -                                 |
|                                                                                            | Leasehold improvements                                        | 135,918                                   | 174,794                           |
|                                                                                            | <b>Total</b>                                                  | <b>602,931</b>                            | <b>435,412</b>                    |
|                                                                                            |                                                               | <b>445,785</b>                            | <b>479,459</b>                    |
| <b>10.3</b>                                                                                | <b>Disposal of property and equipment</b>                     |                                           |                                   |
| The net book value of property and equipment disposed off during the period is as follows: |                                                               |                                           |                                   |
|                                                                                            | Furniture and fixtures                                        | 21                                        | 681                               |
|                                                                                            | Electrical, office and computer equipment                     | 93                                        | 570                               |
|                                                                                            | Leasehold improvements                                        | -                                         | 1,135                             |
|                                                                                            | <b>Total</b>                                                  | <b>114</b>                                | <b>2,386</b>                      |
|                                                                                            |                                                               | (Un-audited)<br>September 30,<br>2026     | (Audited)<br>December 31,<br>2025 |
|                                                                                            |                                                               | ----- Rupees in '000 -----                |                                   |
| <b>11</b>                                                                                  | <b>RIGHT-OF-USE ASSETS</b>                                    |                                           |                                   |
|                                                                                            | <b>Buildings</b>                                              |                                           |                                   |
|                                                                                            | At January 1                                                  |                                           |                                   |
|                                                                                            | Cost                                                          | 5,235,628                                 | 4,965,179                         |
|                                                                                            | Accumulated depreciation                                      | (3,609,467)                               | (2,905,209)                       |
|                                                                                            | Net carrying amount at January 1                              | 1,626,161                                 | 2,059,970                         |
|                                                                                            | Additions during the period / year                            | 148,113                                   | 379,414                           |
|                                                                                            | Terminations during the period / year - at cost               | (8,424)                                   | (108,965)                         |
|                                                                                            | Accumulated depreciation on termination                       | 4,806                                     | 63,251                            |
|                                                                                            |                                                               | (3,618)                                   | (45,714)                          |
|                                                                                            | Depreciation charge for the period / year                     | (526,308)                                 | (767,509)                         |
|                                                                                            | Net carrying amount at the period / year end                  | <b>1,244,348</b>                          | <b>1,626,161</b>                  |
| <b>12</b>                                                                                  | <b>INTANGIBLE ASSETS</b>                                      |                                           |                                   |
|                                                                                            | Capital work in progress                                      | 44,421                                    | 53,879                            |
|                                                                                            | Licenses and computer softwares                               | 328,353                                   | 325,766                           |
|                                                                                            |                                                               | <b>372,774</b>                            | <b>379,645</b>                    |

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

|             |                                                                                                            | (Un-audited)<br>For the nine months ended |                                |
|-------------|------------------------------------------------------------------------------------------------------------|-------------------------------------------|--------------------------------|
|             |                                                                                                            | September 30,<br>2026                     | September 30,<br>2025          |
|             |                                                                                                            | ----- Rupees in '000 -----                |                                |
| <b>12.1</b> | <b>Additions to intangible assets</b>                                                                      |                                           |                                |
|             | The following additions have been made to intangible assets during the period:                             |                                           |                                |
|             | Directly purchased - intangible assets                                                                     | -                                         | -                              |
|             | Capital work in progress - net                                                                             | 68,446                                    | 72,155                         |
|             | <b>Total</b>                                                                                               | <b>68,446</b>                             | <b>72,155</b>                  |
| <b>12.2</b> | <b>Disposals of intangible assets</b>                                                                      |                                           |                                |
|             | No intangible assets were disposed off during the periods ended September 30, 2026 and September 30, 2025. |                                           |                                |
| <b>13</b>   | <b>DEFERRED TAX ASSETS</b>                                                                                 | (Un-audited)<br>September 30,<br>2026     | (Audited)<br>December 31, 2025 |
|             |                                                                                                            | ----- Rupees in '000 -----                |                                |
|             | <b>Deductible temporary differences on</b>                                                                 |                                           |                                |
|             | Deficit on revaluation of FVOCI investments - net                                                          | 425,658                                   | -                              |
|             | Accelerated accounting depreciation                                                                        | 533,201                                   | 409,463                        |
|             | Credit loss allowance against investments                                                                  | 12,865                                    | 15,007                         |
|             | Unrealised loss on FVPL investments                                                                        | 8,039                                     | 8,039                          |
|             | Credit loss allowance against advances and off balance sheet obligations                                   | -                                         | -                              |
|             |                                                                                                            | 1,427,039                                 | 1,521,093                      |
|             | Credit loss allowance against cash and balances with treasury banks                                        | -                                         | -                              |
|             |                                                                                                            | 10                                        | 8                              |
|             | Credit loss allowance against balances with other banks                                                    | 5,256                                     | 5,273                          |
|             | Credit loss allowance against other assets                                                                 | 23,448                                    | 23,812                         |
|             | Islamic pool management reserves                                                                           | 49,436                                    | 51,067                         |
|             | Others                                                                                                     | 171,457                                   | 188,373                        |
|             |                                                                                                            | <b>2,656,409</b>                          | <b>2,222,135</b>               |
|             | <b>Taxable temporary differences on</b>                                                                    |                                           |                                |
|             | Share of profit of associate                                                                               | (44,787)                                  | (40,033)                       |
|             | Surplus on revaluation of FVOCI investments - net                                                          | -                                         | (984,186)                      |
|             | Surplus on revaluation of non-banking asset                                                                | (52,069)                                  | (56,751)                       |
|             | Modification of advances                                                                                   | (38,638)                                  | (14,175)                       |
|             | Fair value of staff loans                                                                                  | (138,756)                                 | (94,079)                       |
|             |                                                                                                            | <b>(274,250)</b>                          | <b>(1,189,224)</b>             |
|             | <b>Deferred tax assets - net</b>                                                                           | <b>2,382,159</b>                          | <b>1,032,911</b>               |

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

|                                                                                    |      | (Un-audited)<br>September 30,<br>2026 | (Audited)<br>December 31,<br>2025 |
|------------------------------------------------------------------------------------|------|---------------------------------------|-----------------------------------|
|                                                                                    | Note | ----- Rupees in '000 -----            |                                   |
| <b>14 OTHER ASSETS</b>                                                             |      |                                       |                                   |
| Income / mark-up accrued in local currency                                         |      | 11,098,646                            | 6,522,531                         |
| Advances, deposits, advance rent and other prepayments                             |      | 547,679                               | 373,019                           |
| Advance taxation (payments less provisions)                                        |      | 1,582,953                             | 623,647                           |
| Non-banking assets acquired in satisfaction of claims                              |      | 190,949                               | 226,459                           |
| Branch adjustment account                                                          |      | 13,356                                | 10,812                            |
| Mark to market gain on forward foreign exchange contracts                          |      | 45,341                                | 8,926                             |
| Acceptances                                                                        |      | 2,173                                 | 2,910                             |
| Pre-IPO investment                                                                 |      | 100,000                               | 100,000                           |
| Stationary and stamps on hand                                                      |      | 161,999                               | 169,411                           |
| Clearing and settlement accounts                                                   |      | 474,610                               | 1,019,518                         |
| Receivable from the State Bank of Pakistan                                         |      | 517,276                               | 477,287                           |
| Deferred cost on staff loans                                                       |      | 2,268,758                             | 2,111,764                         |
| Others                                                                             |      | 190,272                               | 182,975                           |
|                                                                                    |      | <u>17,194,012</u>                     | <u>11,829,259</u>                 |
| Less: Credit loss allowance held against other assets                              | 14.1 | <u>(189,519)</u>                      | <u>(190,219)</u>                  |
| <b>Other assets - net of credit loss allowance</b>                                 |      | <u>17,004,493</u>                     | <u>11,639,040</u>                 |
| Surplus on revaluation of non-banking assets acquired<br>in satisfaction of claims | 21   | <u>100,134</u>                        | <u>109,138</u>                    |
| <b>Other assets - total</b>                                                        |      | <u><u>17,104,627</u></u>              | <u><u>11,748,178</u></u>          |
| <b>14.1 Credit loss allowance held against other assets</b>                        |      |                                       |                                   |
| Income / mark-up accrued in local currency                                         |      | 2,023                                 | 2,723                             |
| Advances for Pre-IPO investment                                                    |      | 100,000                               | 100,000                           |
| Others                                                                             |      | 87,496                                | 87,496                            |
|                                                                                    |      | <u>189,519</u>                        | <u>190,219</u>                    |
| <b>14.1.1 Movement in credit loss allowance held against other assets</b>          |      |                                       |                                   |
| Opening balance                                                                    |      | 190,219                               | 190,357                           |
| Charge for the period / year                                                       |      | 701                                   | 1,250                             |
| Reversal for the period / year                                                     |      | (1,401)                               | (1,388)                           |
|                                                                                    |      | (700)                                 | (138)                             |
| Closing balance                                                                    |      | <u>189,519</u>                        | <u>190,219</u>                    |
| <b>15 BILLS PAYABLE</b>                                                            |      |                                       |                                   |
| In Pakistan                                                                        |      | 1,617,939                             | 3,212,340                         |
| Outside Pakistan                                                                   |      | -                                     | -                                 |
|                                                                                    |      | <u>1,617,939</u>                      | <u>3,212,340</u>                  |

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

| 16 | <b>BORROWINGS</b>                                                             | (Un-audited)<br>September 30,<br>2026 | (Audited)<br>December 31, 2025 |
|----|-------------------------------------------------------------------------------|---------------------------------------|--------------------------------|
|    |                                                                               | ----- Rupees in '000 -----            |                                |
|    | <b>Secured</b>                                                                |                                       |                                |
|    | Borrowings from State Bank of Pakistan (SBP) under:                           |                                       |                                |
|    | - Export refinance scheme                                                     | 1,204,000                             | 2,205,700                      |
|    | - Long term financing facility                                                | 1,858,246                             | 2,367,827                      |
|    | - Refinance and credit guarantee scheme for women entrepreneurs               | 35,748                                | 46,242                         |
|    | - Financing facility for renewable energy                                     | 161,909                               | 204,448                        |
|    | - Refinance facility for modernization of Small and Medium Enterprises (SMEs) | 110,008                               | 134,449                        |
|    | - Refinance facility for combating COVID-19                                   | 4,444                                 | 182,745                        |
|    | - SME Asaan Scheme (SAAF)                                                     | 199,980                               | 321,801                        |
|    | - Financing facility for storage of agriculture produce                       | 90,077                                | 107,538                        |
|    | - Repurchase agreement borrowings                                             | 87,254,833                            | -                              |
|    | - Acceptance mudarbah                                                         | 20,632,095                            | -                              |
|    |                                                                               | 111,551,340                           | 5,570,750                      |
|    | Repurchase Agreement borrowings                                               | 547,404                               | 13,878,200                     |
|    | <b>Total secured</b>                                                          | 112,098,744                           | 19,448,950                     |
|    | <b>Unsecured</b>                                                              |                                       |                                |
|    | Call borrowings                                                               | 700,000                               | 16,249,028                     |
|    | <b>Total</b>                                                                  | 112,798,744                           | 35,697,978                     |

| 17 | <b>DEPOSITS AND OTHER ACCOUNTS</b> | (Un-audited)<br>September 30, 2026 | (Audited)<br>December 31, 2025 |
|----|------------------------------------|------------------------------------|--------------------------------|
|    |                                    | ----- Rupees in '000 -----         |                                |
|    | <b>Customers</b>                   |                                    |                                |
|    | Current deposits                   | 72,040,426                         | 1,320,789                      |
|    | Saving deposits                    | 181,054,890                        | 148,986                        |
|    | Term deposits                      | 157,797,254                        | 239,704                        |
|    | Others                             | 16,851,051                         | -                              |
|    |                                    | 427,743,621                        | 1,709,479                      |
|    | <b>Financial Institutions</b>      | 73,361,215                         | 429,453,100                    |
|    | Current deposits                   | 1,089,479                          | 31,110                         |
|    | Saving deposits                    | 1,646,777                          | -                              |
|    | Term Deposits                      | 304,400                            | -                              |
|    |                                    | 3,040,656                          | 31,110                         |
|    |                                    | 430,784,277                        | 1,740,589                      |
|    |                                    | 432,524,866                        | 378,123,220                    |

| 18 | <b>LEASE LIABILITIES</b>                                   | (Un-audited)<br>September 30,<br>2026 | (Audited)<br>December 31, 2025 |
|----|------------------------------------------------------------|---------------------------------------|--------------------------------|
|    |                                                            | ----- Rupees in '000 -----            |                                |
|    | Outstanding amount at the start of the period / year       | 1,757,104                             | 2,147,700                      |
|    | Additions during the period / year                         | 148,114                               | 379,414                        |
|    | Lease payments including interest during the period / year | (800,486)                             | (1,097,755)                    |
|    | Interest expense                                           | 255,202                               | 390,465                        |
|    | Terminations / modifications during the period / year      | (3,828)                               | (62,720)                       |
|    |                                                            | (400,998)                             | (390,596)                      |
|    | Outstanding amount at the end of the period / year         | 1,356,106                             | 1,757,104                      |

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

|                                          | (Un-audited)<br>September 30,<br>2026 | (Audited)<br>December 31, 2025 |
|------------------------------------------|---------------------------------------|--------------------------------|
|                                          | ----- Rupees in '000 -----            |                                |
| <b>18.1 Liabilities outstanding</b>      |                                       |                                |
| Not later than one year                  | 824,338                               | 585,565                        |
| Later than one year and up to five years | 531,768                               | 1,171,539                      |
| Total at the period / year end           | <u>1,356,106</u>                      | <u>1,757,104</u>               |

- 18.2** The Group mainly has lease contracts for real estate that are used in its operations including branches and other offices. Generally, the Group is restricted from assigning and subleasing the lease assets. As a practical expedient, management does not separate lease and non-lease components, wherever applicable. The additions to lease obligations during the period have been discounted at rates ranging between 10.40% to 11.61% (December 31, 2025: 10.98% to 12.24%) per annum; being the relevant incremental borrowing rate of the Group.

|                                                             | (Un-audited)<br>September 30,<br>2026 | (Audited)<br>December 31, 2025 |
|-------------------------------------------------------------|---------------------------------------|--------------------------------|
|                                                             | ----- Rupees in '000 -----            |                                |
| <b>19 OTHER LIABILITIES</b>                                 |                                       |                                |
| Mark-up / return / interest payable in local currency       | 9,211,578                             | 7,389,057                      |
| Mark-up / return / interest payable in foreign currencies   | 1,443                                 | 16,380                         |
| Unearned commission and income on bills discounted          | 159,754                               | 150,512                        |
| Accrued expenses and supplier payables                      | 1,662,751                             | 1,835,808                      |
| Acceptances                                                 | 2,173                                 | 2,910                          |
| Unclaimed dividends                                         | 130,914                               | 113,242                        |
| Mark to market loss on forward foreign exchange contracts   | 37,875                                | 147                            |
| Deferred income on government schemes                       | 1,275                                 | 1,275                          |
| Deferred income on Islamic financing                        | 840,915                               | 622,651                        |
| Islamic pool management reserves                            | 95,069                                | 98,206                         |
| Share subscription money refund                             | 1,091                                 | 1,091                          |
| Retention money                                             | 39,520                                | 39,738                         |
| Bills payment system over the counter (BPS-OTC)             | 722                                   | 49,502                         |
| Charity fund balance                                        | 12,483                                | 11,648                         |
| Payable to defined benefit plan                             | 119,830                               | 3,499                          |
| Security deposits against ijarah                            | 25,612                                | 32,153                         |
| Levies and other taxes payable                              | 101,121                               | 38,629                         |
| Credit loss allowance against off-balance sheet obligations | 76,129                                | 42,406                         |
| Others                                                      | 488,339                               | 383,428                        |
|                                                             | <u>13,008,594</u>                     | <u>10,832,282</u>              |

**19.1 Credit loss allowance against off-balance sheet obligations**

|                                |               |               |
|--------------------------------|---------------|---------------|
| Opening balance                | 42,406        | 44,098        |
| Charge for the period / year   | 105,993       | 19,419        |
| Reversal for the period / year | (72,270)      | (21,111)      |
|                                | 33,723        | (1,692)       |
| Closing balance                | <u>76,129</u> | <u>42,406</u> |

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

**20 SHARE CAPITAL**

**20.1 Authorized capital**

| (Un-audited)<br>September 30,<br>2026 | (Audited)<br>December 31,<br>2025 |                                | (Un-audited)<br>September 30,<br>2026 | (Audited)<br>December 31,<br>2025 |
|---------------------------------------|-----------------------------------|--------------------------------|---------------------------------------|-----------------------------------|
| Number of shares                      |                                   |                                | ----- Rupees in '000 -----            |                                   |
| 1,500,000,000                         | 1,500,000,000                     | Ordinary shares of Rs. 10 each | 15,000,000                            | 15,000,000                        |

**20.2 Issued, subscribed and paid up**

| (Un-audited)<br>September 30,<br>2026 | (Audited)<br>December 31,<br>2025 |                                   |            |            |
|---------------------------------------|-----------------------------------|-----------------------------------|------------|------------|
| Number of shares                      |                                   |                                   |            |            |
| 722,698,448                           | 722,698,448                       | Ordinary shares of Rs. 10 each    | 7,226,984  | 7,226,984  |
| 435,237,541                           | 435,237,541                       | Fully paid in cash                | 4,352,376  | 4,352,376  |
| 1,157,935,989                         | 1,157,935,989                     | Issued as fully paid bonus shares | 11,579,360 | 11,579,360 |
|                                       |                                   | <b>Closing balance</b>            |            |            |

**20.3** The Holding Company has only one class of shares and at reporting date, the Government of Khyber Pakhtunkhwa and Ismail Industries Limited held 812,893,804 (December 31, 2025: 812,893,804) and 282,852,969 (December 31, 2025: 282,852,969) ordinary shares respectively. Moreover, the Holding Company has no reserved shares under options.

**21 SURPLUS ON REVALUATION OF ASSETS**

(Deficit) / surplus on revaluation of:

- Securities measured at FVOCI - Debt
- Securities measured at FVOCI - Equity
- Property and equipment
- Non-banking assets acquired in satisfaction of claims
- Investment of associate

| (Un-audited)<br>September 30,<br>2026 | (Audited)<br>December 31,<br>2025 |
|---------------------------------------|-----------------------------------|
| ----- Rupees in '000 -----            |                                   |
| (1,165,887)                           | 1,571,582                         |
| (152,225)                             | (178,456)                         |
| 900,120                               | 900,120                           |
| 100,134                               | 109,138                           |
| (5,404)                               | (5,404)                           |
| <b>(323,262)</b>                      | <b>2,396,980</b>                  |

Deferred tax on (deficit) / surplus on revaluation of:

- Securities measured at FVOCI - Debt
- Securities measured at FVOCI - Equity
- Non-banking assets acquired in satisfaction of claims
- Investment of associate

| (Un-audited)<br>September 30,<br>2026 | (Audited)<br>December 31,<br>2025 |
|---------------------------------------|-----------------------------------|
| 606,261                               | (817,223)                         |
| (180,603)                             | (166,963)                         |
| (52,069)                              | (56,751)                          |
| 2,810                                 | 2,810                             |
| <b>376,399</b>                        | <b>(1,038,127)</b>                |
| <b>53,137</b>                         | <b>1,358,853</b>                  |

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

|                                                                            |               | (Un-audited)<br>September 30,<br>2026 | (Audited)<br>December 31,<br>2025 |
|----------------------------------------------------------------------------|---------------|---------------------------------------|-----------------------------------|
|                                                                            | Note          | ----- Rupees in '000 -----            |                                   |
| <b>22 CONTINGENCIES AND COMMITMENTS</b>                                    |               |                                       |                                   |
| Guarantees                                                                 | <b>22.1</b>   | <b>32,591,250</b>                     | 44,153,665                        |
| Commitments                                                                | <b>22.2</b>   | <b>47,303,992</b>                     | 27,482,911                        |
|                                                                            |               | <u><b>79,895,242</b></u>              | <u><b>71,636,576</b></u>          |
| <b>22.1 Guarantees:</b>                                                    |               |                                       |                                   |
| Financial guarantees                                                       |               | <b>300,000</b>                        | 300,000                           |
| Performance guarantees                                                     |               | <b>31,242,743</b>                     | 43,847,583                        |
| Other guarantees                                                           |               | <b>1,048,507</b>                      | 6,082                             |
|                                                                            |               | <u><b>32,591,250</b></u>              | <u><b>44,153,665</b></u>          |
| <b>22.2 Commitments:</b>                                                   |               |                                       |                                   |
| Documentary credits and short-term trade-related transactions              |               |                                       |                                   |
| - Letters of credit                                                        |               | <b>27,271,139</b>                     | 14,495,539                        |
| Commitments in respect of:                                                 |               |                                       |                                   |
| - Forward foreign exchange contracts                                       | <b>22.2.1</b> | <b>12,898,782</b>                     | 2,660,236                         |
| Commitments for acquisition of:                                            |               |                                       |                                   |
| - Property and equipment                                                   |               | <b>173,629</b>                        | 396,538                           |
| - Intangible assets                                                        |               | <b>53,442</b>                         | 69,828                            |
| Undrawn loan commitments                                                   | <b>22.2.2</b> | <b>6,907,000</b>                      | 9,860,770                         |
| Other commitments                                                          |               | <b>-</b>                              | -                                 |
|                                                                            |               | <u><b>47,303,992</b></u>              | <u><b>27,482,911</b></u>          |
| <b>22.2.1 Commitments in respect of forward foreign exchange contracts</b> |               |                                       |                                   |
| Purchase                                                                   |               | <b>7,056,707</b>                      | 792,236                           |
| Sale                                                                       |               | <b>5,842,075</b>                      | 1,868,000                         |
|                                                                            |               | <u><b>12,898,782</b></u>              | <u><b>2,660,236</b></u>           |

Commitments for outstanding forward foreign exchange contracts are disclosed in these consolidated condensed interim financial statements at contracted rates.

**22.2.2 Undrawn loan commitments**

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

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026****22.3 Other contingent liabilities**

- 22.3.1** There are certain claims against the Holding Company that have not been acknowledged as liabilities/ debts. These primarily comprise counterclaims filed by borrowers, claims lodged by former employees of the Holding Company, and certain other claims. Based on legal advice and/or internal assessments, Management believes that the Holding Company is likely to succeed in defending these claims and that the likelihood of an adverse outcome is remote. Accordingly, no provision has been recognized in respect of these claims.
- 22.3.2** The Holding Company is contesting a case filed by an employee in the Peshawar High Court regarding changes in post retirement benefit plans made by the Bank w.e.f. January 1, 2019. The management based on a legal opinion is of the view that such changes were lawfully made as per Holding Company's policy and is optimistic about the favourable outcome of the case. Hence, no provision in this respect is recognised in these consolidated condensed interim financial statements. Considering the complexity and uncertainty in nature, the financial impact cannot be reasonably ascertained.
- 22.3.3** The Holding Company is subject to periodic inspections and reviews by the State Bank of Pakistan. Such inspections may result in observations, remedial actions, administrative penalties or other regulatory measures. As of the reporting date, an inspection is underway. Management believes that the outcome of this matter cannot be presently determined with sufficient certainty and accordingly no provision has been recognised. Moreover, as per the practice, the financial effect, if any, will be recognised when it becomes probable and can be reliably estimated.
- 22.3.4** During the period, the Holding company entered into an agreement with M/s Mastercard Middle East Africa; under which certain support payments are linked to specified performance targets. As at period end, support payments amounting to USD 647 thousand received by the Holding company remain contingent upon achievement of such targets over the period of ten years of the agreement. Based on an assessment performed, management is confident of achieving the specified targets in future periods, accordingly, no provision has been recognized in these consolidated condensed interim financial statements.
- 22.3.5** The matters arising from income tax assessments of the Holding Company up to Tax Year 2026 are detailed below:
- i) In respect of Tax Year 2014, the Commissioner Inland Revenue, Appeals (CIRA), issued an order dated November 24, 2021 under section 129 of the Income Tax Ordinance, 2001 in which he remanded back certain matters to Commissioner Inland Revenue (CIR) for reassessment and also upheld few matters. Being aggrieved, the Holding Company filed an appeal with Appellate Tribunal Inland Revenue (ATIR) on February 23, 2022, which is currently pending.

The remand back proceedings were also completed by CIR, and order was issued, creating a total demand of Rs. 231 million (December 31, 2025: Rs. 231 million) in respect of remand back proceedings and for matter upheld by CIRA and mainly included disallowances on account of provision for doubtful debt, depreciation and workers welfare fund. The Holding company filed correction application with CIR as well as appeal with CIRA, on May 18, 2022 which is currently pending.

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- ii) In respect of Tax Year 2015, Deputy Commissioner Inland Revenue issued an order dated February 23, 2023 creating an additional tax demand along with default surcharge of Rs. 645 million (December 31, 2025: Rs. 645 million) under section 161 of Income Tax Ordinance, 2001, mainly on account of non-deduction of withholding taxes on profit on debt, salaries and wages, advertisement and professional charges etc. Being aggrieved, the Holding company filed an appeal before CIRA on March 22, 2023 which is currently pending.

Further, the Holding **ٲٲٲٲٲٲٲٲ** assessment was amended under Section 122(5A) of the Income Tax Ordinance, 2001, by the Additional Commissioner Inland Revenue (ACIR) on December 13, 2016. The Holding Company filed an appeal before the Commissioner Inland Revenue (Appeals) CIRA, who deleted the additions made by the ACIR. Subsequently, the case was selected for audit, which was concluded on September 30, 2021, resulting in a tax demand of Rs. 64.13 million. The Bank challenged the demand before the CIR(A); however, vide order dated May 24, 2023, the CIR(A) upheld the disallowance of markup. The Holding Company thereafter filed an appeal before the Appellate Tribunal Inland Revenue (ATIR), which reduced the tax demand to Rs. 54.24 million. Subsequently, the Peshawar High Court decided the matter in favour of the FBR. The Holding Company paid the demand under protest and challenged the High **ٲٲٲٲٲٲٲٲٲ** decision before the Supreme Court of Pakistan, where the matter is currently pending adjudication.

- iii) In respect of Tax Year 2016, Additional Commissioner Inland Revenue issued an order dated June 21, 2022 creating a demand of Rs. 188 million (December 31, 2025: Rs. 188 million) on account of provision for non-performing loans and advances. Being aggrieved the Holding Company filed an appeal with CIRA on July 22, 2022 which is currently pending.

- iv) In respect of Tax Year 2017, Additional Commissioner Inland Revenue issued an order dated May 29, 2023 creating a demand of Rs. 130 million (December 31, 2025: Rs. 130 million) on account of provision for non-performing loans and advances. Being aggrieved the Holding company filed an appeal with CIRA on July 4, 2023 which is currently pending.

- v) In respect of Tax Year 2019, Assistant Commissioner Inland Revenue issued an order dated November 30, 2023 creating a demand of Rs. 962 million (December 31, 2025: Rs. 962 million) along with default surcharge amounting to Rs. 567 million (December 31, 2025: Rs. 567 million) under section 161 of Income Tax Ordinance, 2001, mainly on account of non-deduction of withholding taxes. Being aggrieved, the Holding company filed an appeal against the order on January 1, 2024. Appellate Tribunal Inland Revenue (ATIR) issued an order dated March 7, 2025, remanding the matter back to the assessing officer for a fresh decision after the examination of records.

During the period, the assessing officer completed the remand back proceedings and issued an order dated June 29, 2026 under section 161(1) of the Income Tax Ordinance, 2001, reducing the demand to Rs. 28 million including default surcharge of Rs. 6 million. Being aggrieved, the Holding company filed an appeal before CIR(A) on July 28, 2026, which is currently pending.

- vi) In respect of Tax Year 2020, the Additional Commissioner Inland Revenue passed an order dated May 25, 2026, under Section 122(5A) of the Income Tax Ordinance, 2001, creating a tax demand of Rs. 271 million by disallowing the Holding **ٲٲٲٲٲٲٲٲٲ** claim for adjustment of the tax refund. Being aggrieved by the said order, the Holding Company filed an appeal before the Commissioner Inland Revenue (Appeals) (CIRA) on June 18, 2026. However, CIRA, vide order dated October 14, 2026, upheld the demand. Accordingly, the Holding Company intends to challenge the appellate order before the Appellate Tribunal Inland Revenue (ATIR).

Further, Assistant Commissioner Inland Revenue issued an order dated September 30, 2026 under section 161(1) of the Income Tax Ordinance, 2001, creating a demand of Rs. 26 million including default surcharge of Rs. 3 million, mainly on account of non-deduction of withholding taxes. Being aggrieved, the Holding Company filed an appeal before CIRA on July 28, 2026, which is currently pending.

- vii) In respect of Tax Year 2021, Additional Commissioner Inland Revenue issued an order dated May 25, 2026 under section 122(5A) of the Income Tax Ordinance, 2001, creating a demand of Rs. 199 million by disallowing the Holding Company's claim of refund adjustment. Being aggrieved, the Holding Company filed an appeal before CIRA on June 18, 2026. However, CIRA, vide order dated October 14, 2026, upheld the demand. Accordingly, the Holding Company intends to challenge the appellate order before the Appellate Tribunal Inland Revenue (ATIR).

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
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viii) In respect of Tax Year 2022, the Deputy Commissioner Inland Revenue (DCIR), vide order dated December 8, 2025, raised a tax demand of Rs. 6.620 billion, including default surcharge, under Section 161 of the Income Tax Ordinance, 2001, primarily on account of the alleged non-deduction of withholding tax on profit on debt, dividends, salaries and wages, advertisement expenses, professional fees, and other charges. Being aggrieved, the Holding Company filed an appeal before the Commissioner Inland Revenue (Appeals) CIRA on January 9, 2026. The CIR(A) remanded the matter for reconciliation and verification of the relevant tax records. Upon completion of the reconciliation, a fresh order dated April 8, 2026, was issued, reducing the demand to Rs. 25 million, inclusive of default surcharge. The Holding Company subsequently challenged the revised demand before the Appellate Tribunal Inland Revenue (ATIR) and paid the disputed amount under protest. The matter is currently pending adjudication before the ATIR.

ix) In respect of Tax Year 2023, Additional Commissioner Inland Revenue issued an order dated May 25, 2026 under section 122(5A) of the Income Tax Ordinance, 2001, creating a demand of Rs. 71 million by disallowing the Holding Company's claim of refund adjustment. Being aggrieved, the Holding Company filed an appeal before CIRA on June 18, 2026. However, CIRA, vide order dated October 14, 2026, upheld the demand. Accordingly, the Holding Company intends to challenge the appellate order before the Appellate Tribunal Inland Revenue (ATIR).

x) In respect of Tax Year 2024, Additional Commissioner Inland Revenue issued an order dated April 14, 2026 under section 122(5A) of the Income Tax Ordinance, 2001, creating a demand of Rs. 210 million by disallowing the Holding Company's claim of refund adjustment. Being aggrieved, the Holding Company filed an appeal before CIRA on May 14, 2026 which is currently pending.

Moreover, a recovery notice under section 138(1) was issued to the Bank, against which the Holding Company's stay application was rejected by CIRA on May 20, 2026. The Holding Company thereafter filed an interim appeal along with a stay application before ATIR on May 21, 2026. The Division Bench of the ATIR, Peshawar, vide order dated May 25, 2026 granted a stay against recovery proceedings until the disposal of the main appeal by CIRA. Subsequently, CIRA on July 10, 2026 upheld the department's decision. Being aggrieved, the Bank filed an appeal before ATIR on July 23, 2026 and ATIR granted stay on Sept 19, 2026.

Management is confident of a favourable outcome of the above matters. Hence, no provision has been recognised for the same in these consolidated condensed interim financial statements.

**22.3.6** The Holding company's share of contingencies of its associated company i.e. Taurus Securities Limited amounts to Rs. 8.61 million (December 31, 2025: Rs. 9.37 million). No provision has been recognised for the same in these consolidated condensed interim financial statements.

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FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

|               |                                                                                                                                                                                                                                                                                  | (Un-audited)<br>For the nine months ended |                       |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|-----------------------|
|               |                                                                                                                                                                                                                                                                                  | September 30,<br>2026                     | September 30,<br>2025 |
|               |                                                                                                                                                                                                                                                                                  | ----- Rupees in '000 -----                |                       |
| <b>23</b>     | <b>MARK-UP / RETURN / INTEREST EARNED</b>                                                                                                                                                                                                                                        | <b>Note</b>                               |                       |
|               | Loans and advances                                                                                                                                                                                                                                                               | 12,311,747                                | 10,583,595            |
|               | Investments                                                                                                                                                                                                                                                                      | 16,826,688                                | 19,602,051            |
|               | Lendings to financial institutions                                                                                                                                                                                                                                               | 128,871                                   | 440,956               |
|               | Balances with banks                                                                                                                                                                                                                                                              | 80,810                                    | 158,768               |
|               | Sukuk bonds                                                                                                                                                                                                                                                                      | 10,095,543                                | 10,400,681            |
|               |                                                                                                                                                                                                                                                                                  | <u>39,443,659</u>                         | <u>41,186,051</u>     |
| <b>23.1</b>   | <b>Interest income included in above (calculated using effective interest rate method) recognized on:</b>                                                                                                                                                                        |                                           |                       |
|               | Financial assets measured at amortized cost                                                                                                                                                                                                                                      | 13,279,586                                |                       |
|               | Financial assets measured at FVOCI                                                                                                                                                                                                                                               | 26,028,665                                |                       |
|               |                                                                                                                                                                                                                                                                                  | <u>24.1.1 39,308,250</u>                  |                       |
| <b>24</b>     | <b>MARK-UP / RETURN / INTEREST EXPENSED</b>                                                                                                                                                                                                                                      |                                           |                       |
|               | Deposits                                                                                                                                                                                                                                                                         | 19,291,149                                | 18,620,078            |
|               | Borrowings                                                                                                                                                                                                                                                                       | 7,083,191                                 | 7,746,547             |
|               | Lease liability                                                                                                                                                                                                                                                                  | 255,202                                   | 295,408               |
|               |                                                                                                                                                                                                                                                                                  | <u>26,629,542</u>                         | <u>26,662,033</u>     |
| <b>24.1</b>   | <b>Interest expense included in above (calculated using effective interest rate method):</b>                                                                                                                                                                                     |                                           |                       |
|               | Financial liabilities                                                                                                                                                                                                                                                            | <u>24.1.1 26,374,340</u>                  |                       |
| <b>24.1.1</b> | As disclosed in note 4.1.2, the Holding Company has applied the effective interest rate method during the current period under the modified retrospective approach. The impact has been recognised in opening equity, and accordingly, prior information has not been presented. |                                           |                       |

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

(Un-audited)

For the nine months ended

| September 30,<br>2026      | September 30,<br>2025 |
|----------------------------|-----------------------|
| ----- Rupees in '000 ----- |                       |

**25 FEE AND COMMISSION INCOME**

|                                                      |                |                |
|------------------------------------------------------|----------------|----------------|
| Branch banking customer fees                         | 21,958         | 21,290         |
| Consumer finance related fees                        | 300            | 475            |
| Card related fees (Debit cards)                      | 473,729        | 366,828        |
| Commission on trade                                  | 145,917        | 132,133        |
| Commission on guarantees                             | 185,679        | 187,355        |
| Commission on remittances including home remittances | 14,769         | 36,916         |
| Rebate from financial institutions                   | 49,097         | 43,201         |
| Others                                               | 10,822         | 12,404         |
|                                                      | <u>902,271</u> | <u>800,602</u> |

**26 GAIN ON SECURITIES**

|                                      |      |               |                  |
|--------------------------------------|------|---------------|------------------|
| Realised gain                        | 26.1 | 92,830        | 2,217,118        |
| Unrealised (loss) - measured at FVPL |      | -             | (1,650)          |
|                                      |      | <u>92,830</u> | <u>2,215,468</u> |

**26.1 Realised gain on:**

|                               |               |                  |
|-------------------------------|---------------|------------------|
| Federal government securities | 92,830        | 2,217,118        |
|                               | <u>92,830</u> | <u>2,217,118</u> |

**27 NET GAIN / (LOSS) ON DERECOGNITION OF FINANCIAL ASSETS  
MEASURED AT AMORTISED COST**

|                                                                      |                |               |
|----------------------------------------------------------------------|----------------|---------------|
| Gain on derecognition of financial assets measured at amortised cost | 47,976         | 29,736        |
| Loss on derecognition of financial assets measured at amortised cost | (50,019)       | (12,632)      |
|                                                                      | <u>(2,043)</u> | <u>17,104</u> |

**28 OTHER INCOME**

|                                              |                |                |
|----------------------------------------------|----------------|----------------|
| Rent on property                             | 1,860          | 2,422          |
| Gain on sale of property and equipment - net | 1,046          | 11,251         |
| Postal, swift and other services             | 103,442        | 95,106         |
| Gain on early culmination of lease           | 209            | 3,904          |
| Service income on Government schemes         | 10             | 321            |
|                                              | <u>106,567</u> | <u>113,004</u> |

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

|           |                                                                      | (Un-audited)              |               |
|-----------|----------------------------------------------------------------------|---------------------------|---------------|
|           |                                                                      | For the nine months ended |               |
|           |                                                                      | September 30,             | September 30, |
|           |                                                                      | 2026                      | 2025          |
|           |                                                                      | -----Rupees in '000-----  |               |
| <b>29</b> | <b>OPERATING EXPENSES</b>                                            |                           |               |
|           | Total compensation expense                                           | 4,499,165                 | 3,929,884     |
|           | <b>Property expense</b>                                              |                           |               |
|           | Rent and taxes                                                       | 15,387                    | 11,089        |
|           | Utilities cost                                                       | 401,543                   | 372,595       |
|           | Security (including guards)                                          | 300,080                   | 291,592       |
|           | Repair and maintenance (including janitorial charges)                | 22,198                    | 22,202        |
|           | Depreciation - Right of use assets                                   | 526,308                   | 565,613       |
|           | Depreciation - Non banking assets acquired in satisfaction of claims | 44,513                    | 33,533        |
|           | Depreciation - Property and equipment                                | 309,550                   | 301,493       |
|           |                                                                      | 1,619,579                 | 1,598,117     |
|           | <b>Information technology expenses</b>                               |                           |               |
|           | Software maintenance                                                 | 521,795                   | 417,453       |
|           | Hardware maintenance                                                 | 56,215                    | 58,317        |
|           | Depreciation - Property and equipment                                | 377,952                   | 252,822       |
|           | Amortization                                                         | 64,970                    | 63,563        |
|           | Network charges                                                      | 15,600                    | 15,584        |
|           | Connectivity charges                                                 | 199,958                   | 199,842       |
|           | ATM charges                                                          | 150,314                   | 174,682       |
|           |                                                                      | 1,386,804                 | 1,182,263     |
|           | <b>Other operating expenses</b>                                      |                           |               |
|           | Directors' fees and allowances                                       | 77,911                    | 32,934        |
|           | Fees and allowances to Shariah Board                                 | 14,278                    | 12,363        |
|           | Legal and professional charges                                       | 39,403                    | 37,352        |
|           | Outsourced service cost                                              | 376,548                   | 315,761       |
|           | Travelling and conveyance                                            | 93,111                    | 82,851        |
|           | NIFT clearing charges                                                | 33,424                    | 31,261        |
|           | Depreciation - Property and equipment                                | 82,109                    | 73,774        |
|           | Training and development                                             | 5,471                     | 13,546        |
|           | Postage and courier charges                                          | 51,488                    | 48,853        |
|           | Communication                                                        | 237,224                   | 147,827       |
|           | Stationery and printing                                              | 111,597                   | 109,165       |
|           | Marketing, advertisement and publicity                               | 297,989                   | 191,995       |
|           | Donations                                                            | -                         | 75,000        |
|           | Auditors' remuneration                                               | 26,116                    | 19,262        |
|           | Entertainment                                                        | 60,486                    | 57,389        |
|           | Newspapers and periodicals                                           | 1,351                     | 2,064         |
|           | Brokerage and commission                                             | 23,580                    | 32,868        |
|           | Rent and taxes                                                       | 681                       | 1,506         |
|           | Cash carriage charges                                                | 122,780                   | 102,486       |
|           | Repair and maintenance                                               | 41,570                    | 73,410        |
|           | Utilities cost                                                       | 8,534                     | 8,604         |
|           | Insurance                                                            | 42,088                    | 62,497        |
|           | Fees and subscriptions                                               | 21,069                    | 7,385         |
|           | Deposit protection premium                                           | 154,574                   | 119,895       |
|           | Home remittance charges                                              | 73,011                    | 109,345       |
|           | Others                                                               | 51,594                    | 46,709        |
|           |                                                                      | 2,047,986                 | 1,816,102     |
|           |                                                                      | 9,553,534                 | 8,526,366     |
| <b>30</b> | <b>OTHER CHARGES</b>                                                 |                           |               |
|           | Penalties imposed by State Bank of Pakistan                          | 120,848                   | 230           |

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

|                                                                                                                     |        | (Un-audited)                   |                       |
|---------------------------------------------------------------------------------------------------------------------|--------|--------------------------------|-----------------------|
|                                                                                                                     |        | For the nine months ended      |                       |
|                                                                                                                     |        | September 30,<br>2026          | September 30,<br>2025 |
|                                                                                                                     | Note   | ----- Rupees in '000 -----     |                       |
| <b>31 (REVERSAL OF) / CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET</b>                                                |        |                                |                       |
| (Reversal) / credit loss allowance held against cash and balances with treasury banks and balances with other banks | 5 & 6  | (28)                           | 117                   |
| (Reversal) of credit loss allowance against lendings to financial institutions                                      | 7      | (5,960)                        | (17,464)              |
| (Reversal) of credit loss allowance for diminution in value of investments                                          | 8.3    | (4,120)                        | (12,422)              |
| (Reversal) of credit loss allowance against advances                                                                | 9.3    | (521,290)                      | (928,419)             |
| (Reversal) / credit loss allowance against other assets                                                             | 14.1.1 | (700)                          | 619                   |
| Credit loss allowance against / (reversal of) off balance sheet obligations                                         | 19.1   | 33,723                         | (1,116)               |
|                                                                                                                     |        | <u>(498,375)</u>               | <u>(958,685)</u>      |
| <b>32 TAXATION</b>                                                                                                  |        |                                |                       |
| Current                                                                                                             |        | 2,710,870                      | 5,021,897             |
| Deferred                                                                                                            |        | 51,665                         | 609,800               |
|                                                                                                                     |        | <u>2,762,534</u>               | <u>5,631,697</u>      |
| <b>33 BASIC AND DILUTED EARNINGS PER SHARE</b>                                                                      |        |                                |                       |
| Profit for the period                                                                                               |        | <u>2,393,796</u>               | <u>4,972,576</u>      |
|                                                                                                                     |        | ----- (Number of shares) ----- |                       |
| Weighted average number of ordinary shares                                                                          |        | <u>1,157,935,989</u>           | <u>1,157,935,989</u>  |
|                                                                                                                     |        | ----- (Rupees) -----           |                       |
| Basic and diluted earnings per share                                                                                |        | <u>2.07</u>                    | <u>4.29</u>           |

**33.1** There were no dilutive potential ordinary shares outstanding as at September 30, 2026 and September 30, 2025.

**34 FAIR VALUE MEASUREMENTS**

The fair value of quoted securities other than those classified under amortised cost, is based on quoted market price. Quoted securities classified under amortised cost are carried at cost. The fair value of unquoted equity securities, other than investments in associates, is determined on the basis of valuation methodologies. The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of 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 assets and liabilities are either short-term in nature or in the case of customer loans and deposits, are frequently re-priced.

**34.1 Fair value of financial assets**

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

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

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

Level 3: Fair value measurements using inputs that are not based on observable market data (i.e. unobservable inputs).

## NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026

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

|                                                                  | (Un-audited)<br>September 30, 2026 |                            |             |         |             |
|------------------------------------------------------------------|------------------------------------|----------------------------|-------------|---------|-------------|
|                                                                  | Carrying<br>value                  | Fair value                 |             |         |             |
|                                                                  |                                    | Level 1                    | Level 2     | Level 3 | Total       |
| On balance sheet financial instruments                           |                                    | ----- Rupees in '000 ----- |             |         |             |
| Financial assets - measured at fair value                        |                                    |                            |             |         |             |
| Investments                                                      |                                    |                            |             |         |             |
| Federal Government Securities                                    | 360,488,213                        | 114,806,945                | 245,681,268 | -       | 360,488,213 |
| Shares                                                           | 524,858                            | 224,147                    | -           | 300,711 | 524,858     |
| Non-Government Debt Securities                                   | 3,487,252                          | 1,084,364                  | 2,402,888   | -       | 3,487,252   |
|                                                                  |                                    |                            |             |         | -           |
| Financial assets - disclosed but not measured at fair value      |                                    |                            |             |         |             |
| Investments                                                      |                                    |                            |             |         |             |
| Federal Government Securities                                    | 8,735,361                          | -                          | 9,245,320   | -       | 9,245,320   |
| Non-Government Debt Securities                                   | 517,627                            | -                          | -           | -       | -           |
|                                                                  |                                    |                            |             |         | -           |
| Off-balance sheet financial instruments - measured at fair value |                                    |                            |             |         |             |
| Forward exchange contracts purchase                              | 7,056,707                          | -                          | 37,875      | -       | 37,875      |
| Forward exchange contracts sale                                  | 5,842,075                          | -                          | 45,341      | -       | 45,341      |
|                                                                  |                                    |                            |             |         | -           |
|                                                                  |                                    |                            |             |         |             |
|                                                                  | (Audited)<br>December 31, 2025     |                            |             |         |             |
|                                                                  | Carrying<br>value                  | Fair value                 |             |         |             |
|                                                                  |                                    | Level 1                    | Level 2     | Level 3 | Total       |
| On balance sheet financial instruments                           |                                    | ----- Rupees in '000 ----- |             |         |             |
| Financial assets measured at fair value                          |                                    |                            |             |         |             |
| Investments                                                      |                                    |                            |             |         |             |
| Federal Government Securities                                    | 260,789,346                        | 84,287,213                 | 176,502,133 | -       | 260,789,346 |
| Shares                                                           | 498,625                            | 207,139                    | -           | 291,486 | 498,625     |
| Non-Government Debt Securities                                   | 3,734,991                          | 1,057,884                  | 2,677,107   | -       | 3,734,991   |
|                                                                  |                                    |                            |             |         | -           |
| Financial assets - disclosed but not measured at fair value      |                                    |                            |             |         |             |
| Investments                                                      |                                    |                            |             |         |             |
| Federal Government Securities                                    | 9,308,916                          | -                          | 9,364,123   | -       | 9,364,123   |
| Non-Government Debt Securities                                   | 507,259                            | -                          | 556,914     | -       | 556,914     |
|                                                                  |                                    |                            |             |         | -           |
| Off-balance sheet financial instruments - measured at fair value |                                    |                            |             |         |             |
| Forward exchange contracts purchase                              | 792,236                            | -                          | 147         | -       | 147         |
| Forward exchange contracts sale                                  | 1,868,000                          | -                          | 8,926       | -       | 8,926       |
|                                                                  |                                    |                            |             |         | -           |
|                                                                  |                                    |                            |             |         |             |

**34.2** The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements. The Holding Company's policy is to recognize transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred. During the period, the Holding Company has reclassified two (2) Pakistan Investment Bonds (PIBs) with a carrying amount of Rs. 866.951 million from amortised cost to FVOCI following a reassessment of the business model for managing the PIB portfolio. There were no transfers between level 1 and 2 during the period.

Leasehold land is carried at revalued amount as determined by professional valuer, based on their assessment of market value and has been classified under level-3 as the effect of changes in the unobservable inputs used in the valuation cannot be determined with certainty.

### 34.2.1 Fair value of financial assets

#### (a) Financial instruments in level 1

Financial instruments included in level 1 comprise of investments in listed ordinary shares and listed Government of Pakistan (GoP) - Ijarah Sukuks, and listed non-government debt securities.

#### (b) Financial instruments in level 2

Financial instruments included in level 2 comprise of Sukuks Bonds, Pakistan Investment Bonds, Market Treasury Bills, Term Finance certificates, and un-listed non-government debt securities and forward exchange contracts.

#### (c) Financial instruments in level 3

Financial instruments included in level 3 comprise of investments in un-listed ordinary shares.

## NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026

### 34.2.2 Fair value of non-financial assets

Certain categories of property and equipment (leasehold land) of Rs. 1,016.28 million (December 31, 2025: Rs. 1,016.28 million) and non banking assets acquired in satisfaction of claims of Rs. 305.92 million (December 31, 2025: Rs. 335.60 million) are carried at revalued amounts (level 3 measurements) determined by professional valuers based on their assessment of the market values. The valuations are conducted by the valuation experts appointed by Holding Company which are also on panel of State Bank of Pakistan.

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

Fully paid-up ordinary shares, listed GOP ijarah, Sukuks (GIS) and listed non-government debt

Fair values of investments in listed equity securities, listed GOP ijarah Sukuks (GIS) and listed non-government debt securities are valued on the basis of closing quoted market prices available at the Pakistan Stock Exchange.

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

Pakistan Investment Bonds / Market Treasury Bills

Fair values of Pakistan Investment Bonds and Treasury Bills are derived using the PKRV rates for fixed rate securities and PKFRV rates for floating rate PIB's (Reuters page).

Un-listed GOP ijarah Sukuks

Fair values of unlisted GOP ijarah Sukuks are derived using the PKSRV rates announced by the Financial Market Association (FMA) through Reuters. These rates denote an average of quotes received from eight different pre-defined / approved dealers / brokers.

Term Finance, Bonds and Sukuk certificates

Investments in debt securities (comprising term finance certificates, bonds, Sukuk certificates and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan. In the determination of the rates, the MUFAP takes into account the holding pattern of these securities and categorizes these as traded, thinly traded and non-traded securities. However, fair values of investments in unquoted debt securities are valued on the basis of present value technique based on market interest rates.

### Valuation techniques and inputs used in determination of fair values within level 3

Property & equipment (Leasehold land) and non-banking assets acquired in satisfaction of claims

These assets are revalued on regular basis using professional valuers on the panel of Pakistan Banker's Association. The valuation is based on their assessment of market value of the properties. The valuation experts used a market based approach to arrive at the fair value of the Bank's properties. The market approach used prices and other relevant information generated by market transactions involving identical, comparable or similar properties. 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 qualitative disclosure of sensitivity has not been presented in these consolidated condensed interim financial statements.

Unquoted equity securities

Fair value of unquoted equity securities is determined on the basis of income approach.

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

| Description                | Fair value<br>Rupees in '000 | Unobservable<br>input | Discount rate | Relationship of unobservable inputs to<br>fair value                                                                                                   |
|----------------------------|------------------------------|-----------------------|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| Unquoted equity securities | 300,711                      | Discount rate         | 15%           | Increase / (decrease) in discount rate by 1% with all other variables held constant, would (decrease) / increase the fair value by Rs. 9,021 thousand. |

(Un-audited)  
September 30,  
2026

(Audited)  
December 31,  
2025

The following table shows reconciliation of investments measured at level 3 fair value:

Opening balance  
Impact of adoption of IFRS 9  
Balance as at January 1  
Remeasurement recognised in OCI  
Closing balance

| ----- Rupees in '000 ----- |         |
|----------------------------|---------|
| 291,486                    | 89,302  |
| -                          | 188,810 |
| 291,486                    | 278,112 |
| 9,225                      | 13,374  |
| 300,711                    | 291,486 |

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

**35 SEGMENT INFORMATION**

**35.1 Segment details with respect to business activities**

|                                        | For the nine months ended September 30, 2026 (Un-audited) |                      |                   |                       |                    |
|----------------------------------------|-----------------------------------------------------------|----------------------|-------------------|-----------------------|--------------------|
|                                        | Corporate<br>Finance                                      | Trading and<br>Sales | Retail<br>Banking | Commercial<br>Banking | Total              |
|                                        | ----- Rupees in 000 -----                                 |                      |                   |                       |                    |
| <b>Profit and loss</b>                 |                                                           |                      |                   |                       |                    |
| Net mark-up / return / profit          | (8,364,532)                                               | 20,829,238           | (2,818,854)       | 3,168,264             | 12,814,117         |
| Inter segment revenue - net            | 10,380,762                                                | (13,210,612)         | 3,468,655         | (638,805)             | -                  |
| Non mark-up / return / interest income | 8,884                                                     | 698,015              | 501,808           | 309,513               | 1,518,220          |
| <b>Total income</b>                    | <b>2,025,114</b>                                          | <b>8,316,640</b>     | <b>1,151,609</b>  | <b>2,838,973</b>      | <b>14,332,337</b>  |
| Segment direct expenses                | 88,175,682                                                | (149,082,372)        | 31,701,700        | 19,530,607            | (9,674,382)        |
| Inter segment expense allocation       | (89,525,548)                                              | 143,538,812          | (32,469,320)      | (21,543,944)          | -                  |
| <b>Total expenses</b>                  | <b>(1,349,866)</b>                                        | <b>(5,543,561)</b>   | <b>(767,619)</b>  | <b>(2,013,337)</b>    | <b>(9,674,382)</b> |
| Credit loss allowance                  | -                                                         | 2,773                | 112,335           | 383,268               | 498,375            |
| <b>Profit before tax</b>               | <b>675,248</b>                                            | <b>2,775,852</b>     | <b>496,325</b>    | <b>1,208,904</b>      | <b>5,156,330</b>   |

|                                    | As at September 30, 2026 (Un-audited) |                      |                    |                       |                    |
|------------------------------------|---------------------------------------|----------------------|--------------------|-----------------------|--------------------|
|                                    | Corporate<br>Finance                  | Trading and<br>Sales | Retail<br>Banking  | Commercial<br>Banking | Total              |
|                                    | ----- Rupees in 000 -----             |                      |                    |                       |                    |
| <b>Balance sheet</b>               |                                       |                      |                    |                       |                    |
| Cash and bank balances             | 4,328,615                             | 21,753,223           | 1,007,727          | 4,738,998             | 31,828,563         |
| Investments                        | 9,252,975                             | 364,500,318          | -                  | 126,635               | 373,879,928        |
| Net inter segment lending          | 223,137,839                           | (286,733,264)        | 77,267,150         | (13,671,725)          | -                  |
| Lendings to financial institutions | -                                     | 2,130,318            | -                  | -                     | 2,130,318          |
| Advances - performing              | 63,701,860                            | -                    | 16,131,795         | 69,055,569            | 148,889,224        |
| Advances - non performing          | -                                     | -                    | 850,673            | 960,413               | 1,811,086          |
| Others                             | 3,577,294                             | 11,557,039           | 4,775,714          | 5,666,460             | 25,576,507         |
| <b>Total assets</b>                | <b>303,998,582</b>                    | <b>113,207,634</b>   | <b>100,033,060</b> | <b>66,876,350</b>     | <b>584,115,626</b> |

|                                      |                    |                    |                    |                   |                    |
|--------------------------------------|--------------------|--------------------|--------------------|-------------------|--------------------|
| Borrowings                           | 24,296,507         | 87,802,237         | -                  | 700,000           | 112,798,744        |
| Deposits and other accounts          | 268,625,510        | 7,452,548          | 96,578,616         | 59,868,192        | 432,524,866        |
| Net inter segment borrowing          | (223,137,839)      | 286,733,264        | (77,267,150)       | 13,671,725        | -                  |
| Others                               | 7,914,957          | 2,315,394          | 2,564,310          | 3,187,976         | 15,982,638         |
| <b>Total liabilities</b>             | <b>77,699,135</b>  | <b>384,303,443</b> | <b>21,875,776</b>  | <b>77,427,894</b> | <b>561,306,249</b> |
| Equity                               | 226,299,447        | (271,095,809)      | 78,157,284         | (10,551,545)      | 22,809,377         |
| <b>Total equity and liabilities</b>  | <b>303,998,582</b> | <b>113,207,634</b> | <b>100,033,060</b> | <b>66,876,350</b> | <b>584,115,626</b> |
| <b>Contingencies and commitments</b> | <b>22,554,570</b>  | <b>13,056,841</b>  | <b>12,155,115</b>  | <b>32,128,717</b> | <b>79,895,242</b>  |

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

|                                        | For the nine months ended September 25 (Un-audited) |                      |                   |                       | Total       |
|----------------------------------------|-----------------------------------------------------|----------------------|-------------------|-----------------------|-------------|
|                                        | Corporate<br>Finance                                | Trading and<br>Sales | Retail<br>Banking | Commercial<br>Banking |             |
|                                        | ----- Rupees in 000 -----                           |                      |                   |                       |             |
| <b>Profit and loss</b>                 |                                                     |                      |                   |                       |             |
| Net mark-up / return / profit          | (3,885,822)                                         | 21,953,333           | (3,221,145)       | (322,348)             | 14,524,018  |
| Inter segment revenue - net            | 6,119,857                                           | (12,250,258)         | 3,775,024         | 2,355,377             | -           |
| Non mark-up / return / interest income | 15,374                                              | 2,885,216            | 386,414           | 361,162               | 3,648,166   |
| <b>Total Income</b>                    | 2,249,409                                           | 12,588,291           | 940,293           | 2,394,191             | 18,172,184  |
| Segment direct expenses                | (17,310,074)                                        | 24,464,585           | (7,155,423)       | (8,525,684)           | (8,526,596) |
| Inter segment expense allocation       | 16,254,654                                          | (30,370,995)         | 6,714,238         | 7,402,103             | -           |
| <b>Total expenses</b>                  | (1,055,420)                                         | (5,906,410)          | (441,185)         | (1,123,581)           | (8,526,596) |
| Reversal of credit loss allowance      | -                                                   | 29,880               | 689               | 928,116               | 958,685     |
| <b>Profit before tax</b>               | 1,193,989                                           | 6,711,761            | 499,797           | 2,198,726             | 10,604,273  |

|                                      | As at December 31, 2025 (Audited) |                      |                   |                       | Total       |
|--------------------------------------|-----------------------------------|----------------------|-------------------|-----------------------|-------------|
|                                      | Corporate<br>Finance              | Trading and<br>Sales | Retail<br>Banking | Commercial<br>Banking |             |
|                                      | ----- Rupees in 000 -----         |                      |                   |                       |             |
| <b>Balance sheet</b>                 |                                   |                      |                   |                       |             |
| Cash and bank balances               | 3,908,003                         | 17,966,414           | 886,196           | 5,854,570             | 28,615,183  |
| Investments                          | 9,816,175                         | 265,022,962          | -                 | 117,490               | 274,956,627 |
| Net inter segment lending            | 168,242,348                       | (263,810,079)        | 77,687,081        | 17,880,650            | -           |
| Lendings to financial institutions   | -                                 | 3,438,549            | -                 | -                     | 3,438,549   |
| Advances - performing                | 48,578,815                        | -                    | 12,994,176        | 63,402,507            | 124,975,498 |
| Advances - non performing            | -                                 | -                    | 242,664           | 1,487,659             | 1,730,323   |
| Others                               | 3,343,288                         | 7,236,330            | 3,624,791         | 5,379,025             | 19,583,434  |
| <b>Total assets</b>                  | 233,888,629                       | 29,854,176           | 95,434,908        | 94,121,901            | 453,299,614 |
| Borrowings                           | 5,570,750                         | 13,878,200           | -                 | 16,249,028            | 35,697,978  |
| Deposits and other accounts          | 216,876,558                       | -                    | 91,356,440        | 69,890,222            | 378,123,220 |
| Net inter segment borrowing          | (168,242,348)                     | 263,810,079          | (77,687,081)      | (17,880,650)          | -           |
| Others                               | 8,012,494                         | 637,338              | 3,151,465         | 4,000,429             | 15,801,726  |
| <b>Total liabilities</b>             | 62,217,454                        | 278,325,617          | 16,820,824        | 72,259,029            | 429,622,924 |
| Equity                               | 171,671,175                       | (248,471,441)        | 78,614,084        | 21,862,872            | 23,676,690  |
| <b>Total equity and liabilities</b>  | 233,888,629                       | 29,854,176           | 95,434,908        | 94,121,901            | 453,299,614 |
| <b>Contingencies and commitments</b> | 22,590,344                        | 2,969,298            | 12,163,032        | 33,913,902            | 71,636,576  |

### 35.2 Geographical segment

Segment details with respect to geographical locations are not presented in these consolidated condensed interim financial statements as geographically the Group conducts all its operations in Pakistan only.

## NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026

### 36 RELATED PARTY TRANSACTIONS

The Group has related party relationship with its majority shareholders (Government of Khyber Pakhtunkhwa and Ismail Industries Limited), associate, directors, key management personnel, staff retirement benefit plan and other related parties.

The Group 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 are determined in accordance with terms of their appointments. Further, the Holding Company acts as a custodian for securities held in Investor Portfolio Securities (IPS) account maintained on behalf of Government of Khyber Pakhtunkhwa having face value of Rs. 52,933.00 million (December 31, 2025: Rs. 16,688.43 million).

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

|                                                         | (Un-audited)<br>As at September 30, 2026 |                                |           |                               | (Audited)<br>As at December 31, 2025 |                                |           |                               |
|---------------------------------------------------------|------------------------------------------|--------------------------------|-----------|-------------------------------|--------------------------------------|--------------------------------|-----------|-------------------------------|
|                                                         | Key<br>Directors                         | Key<br>management<br>personnel | Associate | Employee<br>Funds &<br>Others | Key<br>Directors                     | Key<br>management<br>personnel | Associate | Employee<br>Funds &<br>Others |
|                                                         | Rupee s in '000                          |                                |           |                               |                                      |                                |           |                               |
| <b>Investments</b>                                      |                                          |                                |           |                               |                                      |                                |           |                               |
| Opening balance                                         | -                                        | -                              | 117,490   | -                             | -                                    | -                              | 102,351   | -                             |
| Investments during the period / year                    | -                                        | -                              | -         | -                             | -                                    | -                              | -         | -                             |
| Movement during the period / year                       | -                                        | -                              | 9,145     | -                             | -                                    | -                              | 15,139    | -                             |
| Transfer (out) / in - net                               | -                                        | -                              | -         | -                             | -                                    | -                              | -         | -                             |
| Closing balance                                         | -                                        | -                              | 126,635   | -                             | -                                    | -                              | 117,490   | -                             |
| <b>Advances</b>                                         |                                          |                                |           |                               |                                      |                                |           |                               |
| Opening balance                                         | -                                        | 195,993                        | -         | -                             | -                                    | 181,425                        | -         | -                             |
| Addition during the period / year                       | -                                        | 65,432                         | -         | -                             | -                                    | 62,999                         | -         | -                             |
| Repaid during the period / year                         | -                                        | 19,753                         | -         | -                             | -                                    | 37,180                         | -         | -                             |
| Transfer (out) / in - net                               | -                                        | (73,359)                       | -         | -                             | -                                    | (11,251)                       | -         | -                             |
| Closing balance                                         | -                                        | 168,313                        | -         | -                             | -                                    | 195,993                        | -         | -                             |
| Credit loss allowance / provision held against advances | -                                        | 14                             | -         | -                             | -                                    | 19                             | -         | -                             |
| <b>Deposits and other accounts</b>                      |                                          |                                |           |                               |                                      |                                |           |                               |
| Opening balance                                         | 7,239                                    | 47,372                         | 39,310    | 4,549,944                     | 148                                  | 8,423                          | 95,829    | 3,016,225                     |
| Received during the period / year                       | 53,575                                   | 118,528                        | 52,055    | 4,508,453                     | 26,452                               | 216,680                        | 245,663   | 5,985,394                     |
| Withdrawn during the period / year                      | 56,115                                   | 154,589                        | 53,144    | 4,087,088                     | 16,635                               | 169,461                        | 302,182   | 4,451,675                     |
| Transfer (out) / in - net                               | (755)                                    | (3,434)                        | -         | -                             | (2,726)                              | (8,270)                        | -         | -                             |
| Closing balance                                         | 3,944                                    | 7,877                          | 38,221    | 4,971,309                     | 7,239                                | 47,372                         | 39,310    | 4,549,944                     |
| <b>Other liabilities</b>                                |                                          |                                |           |                               |                                      |                                |           |                               |
| Interest / mark-up payable                              | 8                                        | 242                            | 447       | 42,103                        | 4                                    | 1,110                          | 715       | 23,869                        |

|                                      | (Un-audited)<br>For the nine months ended September 30, 2026 |                                |           |                   | (Un-audited)<br>For the nine months ended September 30, 2025 |                                |           |                   |
|--------------------------------------|--------------------------------------------------------------|--------------------------------|-----------|-------------------|--------------------------------------------------------------|--------------------------------|-----------|-------------------|
|                                      | Key<br>Directors                                             | Key<br>management<br>personnel | Associate | Employee<br>funds | Key<br>Directors                                             | Key<br>management<br>personnel | Associate | Employee<br>funds |
|                                      | Rupee s in '000                                              |                                |           |                   |                                                              |                                |           |                   |
| <b>Income</b>                        |                                                              |                                |           |                   |                                                              |                                |           |                   |
| Mark-up / return / interest earned   | -                                                            | 2,309                          | -         | -                 | -                                                            | 3,030                          | -         | -                 |
| <b>Expense</b>                       |                                                              |                                |           |                   |                                                              |                                |           |                   |
| Mark-up / return / interest expensed | 168                                                          | 3,943                          | 2,336     | 515,719           | 118                                                          | 1,111                          | 9,320     | 293,588           |
| Operating expenses - Compensation    | 129,988                                                      | 266,232                        | -         | -                 | 76,520                                                       | 212,312                        | -         | -                 |

**36.1** As of September 30, 2026, the Holding Company has an equity investment having cost of Rs. 112.50 million (December 31, 2025: Rs. 112.50 million) and carrying value of Rs. 300.71 million (December 31, 2025: Rs. 291.49 million) in Dawood Family Takaful Limited, a related party.

**36.2** Government of Khyber Pakhtunkhwa (GoKP) holds 70.20% shareholding in the Holding Company and therefore, entities which are owned and / or controlled by the GoKP, or where the GoKP may exercise significant influence, are also related parties of the Holding Company. The Holding Company in the ordinary course of its business enters into transaction with various departments of the GoKP and its related entities. Such transactions include advances to, deposits from and provision for other banking services to Government related entities.

Transactions and balances with Government and its related entities, other than those disclosed in the respective notes to these consolidated condensed interim financial statements, as at period end includes loans and advances and deposits amounting to Rs. 63,702 million (December 31, 2025: Rs. 48,579 million) and Rs. 268,626 million (December 31, 2025: Rs. 216,877 million), respectively.

Detailed related party disclosure for being government entity is disclosed as required under IAS-24 "Related Party Disclosures". Relevant details are referred in the following notes:

| Particulars  | Note |
|--------------|------|
| Investments  | 8.1  |
| Shareholding | 20   |

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

|                                                                         | (Un-audited)<br>September 30,<br>2026 | (Audited)<br>December 31,<br>2025 |
|-------------------------------------------------------------------------|---------------------------------------|-----------------------------------|
|                                                                         | ---- Rupees in '000 ----              |                                   |
| <b>37 CAPITAL ADEQUACY, LEVERAGE RATIO &amp; LIQUIDITY REQUIREMENTS</b> |                                       |                                   |
| <b>Minimum Capital Requirement (MCR):</b>                               |                                       |                                   |
| Paid-up capital (net of losses)                                         | <b>11,579,360</b>                     | 11,579,360                        |
| <b>Capital Adequacy Ratio (CAR):</b>                                    |                                       |                                   |
| Eligible common equity tier 1 (CET 1) capital                           | <b>22,239,653</b>                     | 21,938,809                        |
| Eligible additional tier 1 (ADT 1) capital                              | -                                     | -                                 |
| Total eligible tier 1 capital                                           | <b>22,239,653</b>                     | 21,938,809                        |
| Eligible tier 2 capital                                                 | <b>1,079,075</b>                      | 2,207,478                         |
| Total eligible capital (Tier 1 + Tier 2)                                | <b>23,318,728</b>                     | 24,146,287                        |
| <b>Risk weighted assets (RWAs):</b>                                     |                                       |                                   |
| Credit risk                                                             | <b>86,994,254</b>                     | 72,981,998                        |
| Market risk                                                             | <b>15,168,861</b>                     | 12,497,974                        |
| Operational risk                                                        | <b>34,362,037</b>                     | 34,362,037                        |
| <b>Total</b>                                                            | <b>136,525,152</b>                    | 119,842,009                       |
| Common equity tier 1 capital adequacy ratio                             | <b>16.29%</b>                         | 18.31%                            |
| Tier 1 capital adequacy ratio                                           | <b>16.29%</b>                         | 18.31%                            |
| Total capital adequacy ratio                                            | <b>17.08%</b>                         | 20.15%                            |
| <b>National minimum capital requirements prescribed by SBP</b>          |                                       |                                   |
| CET1 minimum ratio                                                      | <b>6.00%</b>                          | 6.00%                             |
| ADT-1 minimum ratio                                                     | <b>1.50%</b>                          | 1.50%                             |
| Tier 1 minimum ratio                                                    | <b>7.50%</b>                          | 7.50%                             |
| Total capital minimum ratio                                             | <b>10.00%</b>                         | 10.00%                            |
| Capital conservation buffer (CCB- consisting of CET1 only)              | <b>1.50%</b>                          | 1.50%                             |
| Total capital plus CCB                                                  | <b>11.50%</b>                         | 11.50%                            |
| <b>Leverage Ratio (LR):</b>                                             |                                       |                                   |
| Eligible tier 1 capital                                                 | <b>22,239,653</b>                     | 21,938,809                        |
| Total exposures                                                         | <b>638,956,144</b>                    | 506,810,207                       |
| Leverage ratio                                                          | <b>3.48%</b>                          | 4.33%                             |
| <b>Liquidity Coverage Ratio (LCR):</b>                                  |                                       |                                   |
| Total high quality liquid assets                                        | <b>276,826,666</b>                    | 257,620,116                       |
| Total net cash outflow                                                  | <b>133,371,869</b>                    | 110,482,513                       |
| Liquidity coverage ratio                                                | <b>207.56%</b>                        | 233.18%                           |
| <b>Net Stable Funding Ratio (NSFR):</b>                                 |                                       |                                   |
| Total available stable funding                                          | <b>342,993,905</b>                    | 255,767,794                       |
| Total required stable funding                                           | <b>142,974,991</b>                    | 116,739,966                       |
| Net stable funding ratio                                                | <b>239.90%</b>                        | 219.09%                           |

- 37.1** The SBP in its application instructions for IFRS 9 has permitted the banks to adopt a transitional approach to phase in the initial impact of ECL for stage 1 and 2 financial assets over a period of five years. However, the Group has opted to disclose the figures of "fully loaded" CAR.

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

**ISLAMIC BANKING BUSINESS**

- 38** The Holding Company is operating 223 (December 31, 2025: 199) Islamic banking branches and 33 (December 31, 2025 : 55) Islamic banking windows at September 30, 2026. As detailed in note 1, the Holding Company has converted additional 22 of its conventional banking branches into Islamic banking branches during the period.

|                                              |             | (Un-audited)<br>September 30,<br>2026 | (Audited)<br>December 31,<br>2025 |
|----------------------------------------------|-------------|---------------------------------------|-----------------------------------|
|                                              |             | ----- Rupees in '000 -----            |                                   |
| <b>STATEMENT OF FINANCIAL POSITION</b>       | <b>Note</b> |                                       |                                   |
| <b>ASSETS</b>                                |             |                                       |                                   |
| Cash and balances with treasury banks        |             | 18,872,673                            | 15,904,625                        |
| Balances with other banks                    |             | 330,128                               | 590,967                           |
| Investments                                  | <b>38.1</b> | 123,162,164                           | 122,278,524                       |
| Islamic financing and related assets - net   | <b>38.2</b> | 117,330,483                           | 85,781,232                        |
| Property and equipment                       |             | 1,183,618                             | 1,163,565                         |
| Right-of-use assets                          |             | 794,154                               | 983,931                           |
| Due from head office                         |             | 558,323                               | 8,134,954                         |
| Other assets                                 |             | 8,309,347                             | 5,084,531                         |
| <b>Total Assets</b>                          |             | <b>270,540,890</b>                    | <b>239,922,329</b>                |
| <b>LIABILITIES</b>                           |             |                                       |                                   |
| Bills payable                                |             | 1,166,702                             | 2,026,512                         |
| Due to financial institutions                |             | 27,925,313                            | 16,702,858                        |
| Deposits and other accounts                  | <b>38.3</b> | 226,442,643                           | 202,619,318                       |
| Due to head office                           |             | -                                     | -                                 |
| Lease liabilities                            |             | 925,909                               | 1,251,641                         |
| Sub-ordinated debt                           |             | -                                     | -                                 |
| Other liabilities                            |             | 7,546,266                             | 10,341,474                        |
| <b>Total Liabilities</b>                     |             | <b>264,006,833</b>                    | <b>232,941,803</b>                |
| <b>NET ASSETS</b>                            |             | <b>6,534,057</b>                      | <b>6,980,526</b>                  |
| <b>REPRESENTED BY</b>                        |             |                                       |                                   |
| Islamic banking fund                         |             | 1,000,000                             | 1,000,000                         |
| Reserves                                     |             | -                                     | 4,761                             |
| (Deficit) / surplus on revaluation of assets |             | (1,001,606)                           | 458,810                           |
| Unappropriated profit                        | <b>38.7</b> | 6,535,663                             | 5,516,955                         |
|                                              |             | <b>6,534,057</b>                      | <b>6,980,526</b>                  |
| <b>CONTINGENCIES AND COMMITMENTS</b>         | <b>38.4</b> |                                       |                                   |

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

The profit and loss account of the Group's Islamic banking branches including windows for the nine month period ended September 30, 2026 is as follows:

|                                                 |             | <b>(Un-audited)</b>              |                      |
|-------------------------------------------------|-------------|----------------------------------|----------------------|
|                                                 |             | <b>For the nine months ended</b> |                      |
|                                                 |             | <b>September 30,</b>             | <b>September 30,</b> |
|                                                 |             | <b>2026</b>                      | <b>2025</b>          |
|                                                 |             | <b>---- Rupees in '000 ----</b>  |                      |
| <b>PROFIT AND LOSS ACCOUNT</b>                  | <b>Note</b> |                                  |                      |
| Profit / return earned                          | <b>38.5</b> | <b>18,709,654</b>                | 13,236,553           |
| Profit / return expensed                        | <b>38.6</b> | <b>8,409,886</b>                 | 5,350,903            |
| Net profit / return                             |             | <b>10,299,768</b>                | 7,885,650            |
| <b>Other income</b>                             |             |                                  |                      |
| Fee and commission income                       |             | <b>603,359</b>                   | 353,549              |
| Dividend income                                 |             | -                                | -                    |
| Foreign exchange income                         |             | <b>274,759</b>                   | 221,913              |
| (Loss) / gain on securities                     |             | <b>(388)</b>                     | 87,599               |
| Net (loss) on derecognition of financial assets |             | <b>(17,847)</b>                  | (2,075)              |
| Other income                                    |             | <b>86,993</b>                    | 66,694               |
| Total other income                              |             | <b>946,876</b>                   | 727,680              |
| Total income                                    |             | <b>11,246,644</b>                | 8,613,330            |
| <b>Other expenses</b>                           |             |                                  |                      |
| Operating expenses                              |             | <b>5,794,831</b>                 | 4,527,064            |
| Workers Welfare Fund                            |             | -                                | -                    |
| Other charges                                   |             | <b>50</b>                        | 60                   |
| Total other expenses                            |             | <b>5,794,881</b>                 | 4,527,124            |
| <b>Profit before credit loss allowance</b>      |             | <b>5,451,763</b>                 | 4,086,206            |
| Credit loss allowance and write offs - net      |             | <b>539,564</b>                   | 287,767              |
| <b>Profit before taxation</b>                   |             | <b>4,912,199</b>                 | 3,798,439            |
| Taxation                                        |             | <b>2,554,343</b>                 | 2,013,173            |
| <b>Profit after taxation</b>                    |             | <b>2,357,855</b>                 | 1,785,266            |

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

**38.1 Investments by segments**

**Debt Instruments**

**Classified / measured at amortised cost**

Federal Government securities  
- GoP Ijarah sukuk  
- Bai Muajjal

Non-Government debt securities

**Classified / measured at fair value through  
other comprehensive income (FVOCI)**

Federal Government securities  
- GoP Ijarah sukuk  
Non - Government debt securities

**Classified / measured at fair value through  
profit or loss (FVPL)**

Non - government debt securities

**Total investments**

| (Un-audited)<br>September 30, 2026 |                          |                        |                   |
|------------------------------------|--------------------------|------------------------|-------------------|
| Cost /<br>Amortised<br>cost        | Credit loss<br>allowance | Surplus /<br>(Deficit) | Carrying<br>value |
| ----- Rupees in '000 -----         |                          |                        |                   |
| 5,003,172                          | -                        | -                      | 5,003,172         |
| 3,732,189                          | -                        | -                      | 3,732,189         |
| 8,735,361                          | -                        | -                      | 8,735,361         |
| 314,436                            | -                        | -                      | 314,436           |
| 115,013,973                        | -                        | (1,002,259)            | 114,011,714       |
| 100,000                            | -                        | 653                    | 100,653           |
| 115,113,973                        | -                        | (1,001,606)            | 114,112,367       |
| -                                  | -                        | -                      | -                 |
| 124,163,770                        | -                        | (1,001,606)            | 123,162,164       |

**Debt Instruments**

**Classified / measured at amortised cost**

Federal Government securities  
- GoP Ijarah sukuk  
- Bai Muajjal

Non-Government debt securities

**Classified / measured at fair value through  
other comprehensive income (FVOCI)**

Federal Government securities  
- GoP Ijarah sukuk  
Non - Government debt securities

**Classified / measured at fair value through  
profit or loss (FVPL)**

Non - government debt securities

**Total investments**

| (Audited)<br>December 31, 2025 |                          |         |                   |
|--------------------------------|--------------------------|---------|-------------------|
| Cost /<br>Amortised<br>cost    | Credit loss<br>allowance | Surplus | Carrying<br>value |
| ----- Rupees in '000 -----     |                          |         |                   |
| 5,012,854                      | -                        | -       | 5,012,854         |
| 3,429,747                      | -                        | -       | 3,429,747         |
| 8,442,581                      | -                        | -       | 8,442,581         |
| 304,202                        | -                        | -       | 304,202           |
| 112,687,931                    | -                        | 444,571 | 113,132,502       |
| 385,000                        | -                        | 14,239  | 399,239           |
| 113,072,931                    | -                        | 458,810 | 113,531,741       |
| -                              | -                        | -       | -                 |
| 121,819,714                    | -                        | 458,810 | 122,278,524       |

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

|                                                                             | (Un-audited)<br>September 30,<br>2026     | (Audited)<br>December 31,<br>2025 |
|-----------------------------------------------------------------------------|-------------------------------------------|-----------------------------------|
|                                                                             | -----Rupees in '000-----                  |                                   |
| <b>38.2 Islamic financing and related assets</b>                            |                                           |                                   |
| Ijarah                                                                      | 56,106                                    | 82,512                            |
| Murabaha                                                                    | 8,953,045                                 | 6,002,101                         |
| Diminishing Musharaka                                                       | 26,982,249                                | 18,206,589                        |
| Running Musharaka                                                           | 52,664,754                                | 39,715,360                        |
| Qarz e Hasna                                                                | 21,341                                    | 463                               |
| Istisna                                                                     | 24,925,881                                | 16,306,496                        |
| Tijarah                                                                     | 258,385                                   | 127,145                           |
| Wakalah                                                                     | 333,909                                   | 578,000                           |
| Bai Muajjal                                                                 | 6,857,773                                 | 7,758,011                         |
|                                                                             | 121,053,442                               | 88,776,677                        |
| Impact of fair valuation of Islamic financing and related assets            | (927,235)                                 | (692,021)                         |
| <b>Gross Islamic financing and related assets</b>                           | 120,126,207                               | 88,084,656                        |
| <b>Less: Credit loss allowance against Islamic financing</b>                |                                           |                                   |
| - Stage 1                                                                   | 470,105                                   | 490,260                           |
| - Stage 2                                                                   | 439,410                                   | 144,080                           |
| - Stage 3                                                                   | 1,886,209                                 | 1,669,084                         |
|                                                                             | 2,795,724                                 | 2,303,424                         |
| <b>Islamic financing and related assets - net of credit loss allowance</b>  | 117,330,483                               | 85,781,232                        |
| <b>38.3 Deposits</b>                                                        |                                           |                                   |
| <b>Customers</b>                                                            |                                           |                                   |
| Current deposits                                                            | 59,354,496                                | 53,938,227                        |
| Savings deposits                                                            | 140,115,458                               | 118,580,782                       |
| Term deposits                                                               | 10,092,018                                | 10,836,479                        |
| Others                                                                      | 14,088,277                                | 16,662,005                        |
|                                                                             | 223,650,249                               | 200,017,493                       |
| <b>Financial Institutions</b>                                               |                                           |                                   |
| Current Deposits                                                            | 934,163                                   | 1,909,207                         |
| Savings deposits                                                            | 1,558,231                                 | 692,618                           |
| Term Deposits                                                               | 300,000                                   | -                                 |
|                                                                             | 2,792,394                                 | 2,601,825                         |
|                                                                             | 226,442,643                               | 202,619,318                       |
| <b>38.4 Contingencies and commitments</b>                                   |                                           |                                   |
| Guarantees                                                                  | 22,636,690                                | 16,097,383                        |
| Commitments                                                                 | 29,166,783                                | 22,225,306                        |
|                                                                             | 51,803,473                                | 38,322,689                        |
| <b>38.5 Profit / return earned on financing, investments and placements</b> |                                           |                                   |
|                                                                             | (Un-audited)<br>For the nine months ended |                                   |
|                                                                             | September 30,<br>2026                     | September 30,<br>2025             |
|                                                                             | ----- Rupees in '000 -----                |                                   |
| Profit earned on:                                                           |                                           |                                   |
| Financing                                                                   | 8,592,104                                 | 2,657,736                         |
| Investments                                                                 | 10,095,544                                | 10,374,359                        |
| Placements                                                                  | 10,634                                    | 175,158                           |
| Balances with banks                                                         | 11,373                                    | 29,300                            |
|                                                                             | 18,709,654                                | 13,236,553                        |

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

**38.6 Profit on deposits and other dues expensed**

Deposits and other accounts  
Due to financial institutions  
Finance charge on lease liability

| (Un-audited)<br>For the nine months ended |                       |
|-------------------------------------------|-----------------------|
| September 30,<br>2026                     | September 30,<br>2025 |
| ----- Rupees in '000 -----                |                       |
| 6,246,791                                 | 4,982,902             |
| 1,991,381                                 | 231,654               |
| 171,714                                   | 136,347               |
| <b>8,409,886</b>                          | <b>5,350,903</b>      |

**38.7 Islamic banking business unappropriated profit**

Opening balance  
Impacts of EIR application  
Balance after adoption of IFRS 9

Add: Islamic banking profit before taxation for the period / year  
Less: Taxation  
Less: Transferred to head office  
Closing balance

| (Un-audited)<br>September 30, 2026 | (Audited)<br>December 31,<br>2025 |
|------------------------------------|-----------------------------------|
| ----- Rupees in '000 -----         |                                   |
| 5,516,955                          | 7,236,196                         |
| (32,104)                           | -                                 |
| <b>5,484,851</b>                   | <b>7,236,196</b>                  |
| 4,912,199                          | 5,282,861                         |
| (2,554,343)                        | (2,799,916)                       |
| <b>(1,307,044)</b>                 | <b>(4,202,186)</b>                |
| <b>6,535,663</b>                   | <b>5,516,955</b>                  |

**38.8 Pool management**

Islamic Banking Segment of the Holding Company is operating following pools / sub-pools:

**General Pool**

- i. General pool (PKR)
- ii. General pool (FCY)

**Special Pools**

- |                                                         |                                                                           |
|---------------------------------------------------------|---------------------------------------------------------------------------|
| i. Riba Free Special Deposit Pool - 1                   | xvi. RFSD - Daily Product - 5 Pool                                        |
| ii. Riba Free Special Deposit Pool - 2                  | xvii. RFSD - Daily Product - 6 Pool                                       |
| iii. Riba Free Special Deposit Pool - Corporate - 1     | xviii. Khyber Islamic Investment Certificates - 1                         |
| iv. Riba Free Special Deposit Pool - Corporate - 2      | xix. Khyber Islamic Investment Certificates - 2                           |
| v. Riba Free Special Deposit Pool - Corporate - 3       | xx. Raast Financial Institutions Pool - 1                                 |
| vi. Riba Free Special Deposit Pool - Corporate - 4      | xxi. Raast Financial Institutions Pool - 2                                |
| vii. Riba Free Special Deposit Pool - Corporate - 5     | xxii. RFSD - Itminan Mahana Certificate - pool                            |
| viii. Riba Free Special Deposit Pool - Corporate - 6    | xxiii. Riba free special deposit pool - Islamic export refinance          |
| ix. Riba Free Special Deposit Pool - Corporate - 7      | xxiv. Riba free special deposit pool - Profit Equalization Reserves (PER) |
| x. Riba Free Special Deposit Pool - Mutual fund / FI    | xxv. Riba free special deposit pool - Investment Risk Reserves (IRR)      |
| xi. Riba Free Special Deposit Pool 2 - Mutual fund / FI | xxvi. General Pool (FCY)                                                  |
| xii. RFSD - Daily Product - 1 Pool                      | xxvii. RFSD Special Pool (USD)                                            |
| xiii. RFSD - Daily Product - 2 Pool                     | xxviii. RFSD Special Pool 2 (USD)                                         |
| xiv. RFSD - Daily Product - 3 Pool                      | xxix. RFSD Special Pool FCY (Euro)                                        |
| xv. RFSD - Daily Product - 4 Pool                       | xxx. RFSD Special Pool FCY (GBP)                                          |

**Features of general pool**

In this pool all types of deposits are accepted on Mudarabah basis. The Holding Company converted its pool management and profit and loss distribution mechanism from Musharakah to Mudarabah with effect from December 1, 2024 and is accepting deposits against all types of assets and income earned from these assets. Certificates can also be issued for a fixed period.

Deposits received in this Pool are invested in Islamic assets like Murabaha, Ijarah, Diminishing Musharakah, Running Musharakah, Istisna, Islamic Sukuks and any other Shariah Compliant Investment which are duly approved by the Shariah Advisor. Deposits are accepted through all Islamic branches of the Bank.

## NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026

### Features of special pools

In special pools, deposits are accepted on Mudarabah basis by providing extended avenues to the depositors for placement of their funds attracting high rate of return. Certificates are issued for a fixed period against specific assets allocated to each special pool based on expected rate of return.

Deposits received in this pool are invested in Islamic assets like Ijarah, Diminishing Musharakah, Running Musharakah, Islamic Sukuks and any other Shariah Compliant investment which are duly approved by the Shariah Advisor. Deposits are accepted through all Islamic branches of the Bank.

Deposits in these special pools are accepted with prior approval from the management and are utilized for liquidity management along with some opportunity of investment.

### Key features

- Minimum investment is prescribed by the Holding Company for each special pool.
- Profit payment on monthly basis.
- Profit calculated on daily average balance for the month.
- Investment as deposit and certificate for 1 month, 3 months and 6 months etc.
- Pre-mature termination is allowed without any adjustment for next two months, if sharing ratios and / or weightages are changed during disclosure.

### Risks of the special pools

All special pools are created as separate entities which have respective assets and liabilities and income and expense position. In each pool, depositors bear the risk of all direct losses and expenses of the pool. All indirect expenses of the pools are borne by the Holding Company as Mudarib. Same rate of return is paid to all the depositors in same category.

### Profit sharing and weightages for distribution of profit

Assignment of weightage for profit distribution to different types of profit bearing sources of funds is as follows:

While considering weightages emphasis shall be given to the quantum, type and the period of risk assessed by following factors:

- i. Period of investment (number of months, years)
- ii. Profit payment option (monthly, quarterly, yearly maturity)
- iii. Purpose of deposit (Hajji, Umrah etc.)
- iv. Type of customer (pensioners, widows, corporate, individual)

Weightages are declared at least three days before start of each month.

As per policy of the Holding Company, no gift (Hiba) is given in favour of any particular customer, however, as per SBP guidelines (Circular No. 9 of Nov, 2024), Hiba can be given to saving account depositors or category of customers / investors. However, the Holding Company has reduced its own share as Mudarabah Fee. Out of distributable income, an amount of Rs. 4,728.19 million (45.03%) has been charged as Mudarabah fee. The total Hiba amount of Rs. 702.43 million (12.35%) has been distributed during the period.

### Charging expenses

Net income is distributed as per SBP instruction, therefore, all pools shall bear their respective identified expenses. The Holding Company converted its pool management and ~~profit sharing~~ distribution mechanism from Musharakah to Mudarabah effective December 1, 2024. Under the previous policy, both direct and administrative expenses were charged to the Gross Income of the Pool (GIP). Following the transition to Mudarabah, only direct expenses attributable to the pool are charged. A list of lines of direct expenses are maintained, duly vetted from Shariah Board of the Holding Company. Indirect expenses are borne by the Mudarib and are not part of distribution.

All credit loss allowance created against non-performing financing and diminution in the value of investment under IFRS 9, prudential regulations and other SBP directives will be borne by the Holding Company as Mudarib. However, write-offs of financings and loss on sale of investments shall be charged to respective pool along with other direct expenses.

## NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026

The profit equalization reserves amounting to Rs. NIL (December 31, 2025: Rs. 4.76 million) has been presented in note 19 to these consolidated condensed interim financial statements.

### Classification of assets, revenues, expenses, gain and loss on the basis of sources of finance

All earning assets of Islamic banking group are jointly financed by unrestricted investments/PLS deposits account holders and the Bank. Detail of jointly financed earning assets is:

|                                                           | (Un-audited)<br>September 30,<br>2026 | (Audited)<br>December 31,<br>2025 |
|-----------------------------------------------------------|---------------------------------------|-----------------------------------|
|                                                           | ----- Rupees in '000 -----            |                                   |
| <b>Financings</b>                                         |                                       |                                   |
| Agri business                                             | 2,055,511                             | 2,442,413                         |
| Chemical and pharmaceuticals                              | 4,836,863                             | 3,320,724                         |
| Cement                                                    | 502,498                               | 3,850,921                         |
| Textile                                                   | 19,258,779                            | 13,479,648                        |
| Automobile and transportation equipment                   | 5,893,389                             | 3,620,561                         |
| Food and Beverages                                        | 1,695,566                             | -                                 |
| Petro chemical                                            | -                                     | 3,078,125                         |
| Housing                                                   | 2,081,366                             | 1,046,544                         |
| Manufacturing of match                                    | 140,000                               | 140,000                           |
| Miscellaneous manufacturing                               | 13,642,330                            | 9,545,168                         |
| Mining                                                    | 22,994                                | -                                 |
| Personal                                                  | 2,535,565                             | 2,050,481                         |
| Construction                                              | 334,205                               | 274,225                           |
| Tradings                                                  | 2,263,418                             | 3,677,316                         |
| Communication                                             | 22,750                                | 28,000                            |
| Services                                                  | 1,109,782                             | 1,299,630                         |
| Auto loans                                                | 1,039,977                             | 441,156                           |
| Metal products                                            | 1,177,055                             | 973,688                           |
| Commodity finance                                         | 33,663,590                            | 20,000,000                        |
| CNG station / gas                                         | 273,841                               | 2,541,592                         |
| Consumer finance                                          | 1,569,678                             | 640,075                           |
| Power                                                     | 17,864,313                            | 13,872,582                        |
| Sugar                                                     | 8,488,936                             | 2,169,996                         |
| Others                                                    | 581,036                               | 283,832                           |
| Impact of fair valuation of Islamic financing and related | (927,235)                             | (692,021)                         |
|                                                           | <b>120,126,207</b>                    | <b>88,084,656</b>                 |
| <b>Investments</b>                                        |                                       |                                   |
| GOP Ijarah Sukuks                                         | 119,014,887                           | 118,145,336                       |
| Bai Muajjal                                               | 3,732,189                             | 3,429,747                         |
| Power and electricity                                     | 100,653                               | 399,239                           |
| Food                                                      | 314,436                               | 304,202                           |
|                                                           | <b>123,162,165</b>                    | <b>122,278,524</b>                |
|                                                           | <b>243,288,372</b>                    | <b>210,363,180</b>                |

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026**

| Remunerative depositors pools | Profit rate and announcement period | Profit rate return earned - average | Profit sharing ratios |                     | Mudarib share  | Profit rate return distributed to remunerative deposits (saving and fixed) - average | Percentage of Mudarib share transferred through Hiba | Amount of Mudarib share transferred through Hiba Rupees in '000 |
|-------------------------------|-------------------------------------|-------------------------------------|-----------------------|---------------------|----------------|--------------------------------------------------------------------------------------|------------------------------------------------------|-----------------------------------------------------------------|
|                               |                                     |                                     | Mudarib share         | Rab-ul - maal share | Rupees in '000 |                                                                                      |                                                      |                                                                 |
| General Pool                  |                                     |                                     |                       |                     |                |                                                                                      |                                                      |                                                                 |
| PKR Pool                      | Monthly                             | 8.73%                               | 49%                   | 51%                 | 4,281,053      | 5.74%                                                                                | 10.52%                                               | 314,339                                                         |
| USD Pool                      | Monthly                             | 2.50%                               | 73%                   | 27%                 | 565            | 0.85%                                                                                | 45.65%                                               | 73                                                              |
| Special Pools                 |                                     |                                     |                       |                     |                |                                                                                      |                                                      |                                                                 |
| Saving & TDRs                 | Monthly                             | 10.82%                              | 25.47%                | 74.53%              | 1,294,138      | 7.80%                                                                                | 46.47%                                               | 384,200                                                         |
|                               |                                     |                                     | Bank                  | SBP                 |                |                                                                                      |                                                      |                                                                 |
| IERS Pool                     | Monthly                             | 9.38%                               | 74.39%                | 25.61%              | 59,107         | Nil                                                                                  | 33.1%                                                | 11,563                                                          |

**39 CORRESPONDING FIGURES**

Comparative information has been restated in these consolidated condensed interim financial statements, wherever necessary to facilitate comparison.

**40 DATE OF AUTHORIZATION FOR ISSUE**

These consolidated condensed interim financial statements were authorized for issue in the Board of Directors meeting of the Group held on October 28, 2026.

  
**MANAGING  
DIRECTOR**
  
**CHIEF FINANCIAL  
OFFICER**
  
**DIRECTOR**
  
**DIRECTOR**
  
**DIRECTOR**



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