



Quarterly Report March 31, 2026 (Un-audited)



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Company Information

Board of Directors

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

Board Audit Committee

Mr. Khalilullah Shaikh*	Chairman
Ms. Nargis Ali Akber Ghaloo	Member
Lt. Gen. (Retd). Sadiq Ali	Member

Board Human Resource, Remuneration and Nomination Committee

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

Board Risk Management Committee

Mr. Khalilullah Shaikh*	Chairman
Mr. Saad Ali Bhimjee	Member
Lt. Gen. (Retd). Sadiq Ali	Member
Mr. Basir Shamsie	Member

Board IT Committee

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

Chief Financial Officer

Syed Adeel Ehtesham

Company Secretary and Head of Legal

Syed Muhammad Talib Raza

Auditors

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

Legal Advisors

Bawaney & Partners
Haidermota & Co.
Liaquat Merchant Associates

Share Registrar

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

Registered office

JS Bank Limited
Shaheen Commercial Complex
Dr. Ziauddin Ahmed Road
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*Mr. Khalilullah Shaikh has resigned from the Board of Directors of JS Bank Limited, effective from April 28, 2026.

Directors' Review

On behalf of the Board of Directors, we are pleased to present the unconsolidated condensed interim financial statements along with the consolidated condensed interim financial statements of JS Bank Limited ("JSBL") for the quarter ended March 31, 2026.

Economy Review

Pakistan's economy demonstrated a resilient recovery trajectory in the first quarter of 2026, building on the stabilization achieved in the previous fiscal year. Real GDP grew by 3.7% during the period, primarily driven by a robust rebound in the industrial sector, and a steady performance in agriculture. While structural reforms under the IMF program have bolstered reserves, geopolitical volatility in the Middle East has introduced new risks to the inflationary and fiscal outlook.

The State Bank of Pakistan (SBP) maintained the policy rate at 10.5% during 1QCY26, citing comfort in its outlook for external flows, inflation, GDP growth, and foreign exchange reserves. However, the central bank also highlighted risks to inflation and the fiscal account stemming from the intensity and duration of the US–Iran conflict.

As of early April 2026, the SBP's foreign exchange reserves stood at US\$ 16.3 billion, following the successful fulfillment of over US\$ 1.43 billion in external debt obligations—including a US\$ 1.3 billion Eurobond repayment. While total liquid foreign reserves reached US\$ 21.89 billion, the central bank remains well-positioned to meet its year-end targets, supported by the anticipated US\$ 1.2 billion tranche from the IMF and a current account turnaround in 9MFY26 – the Current Account recorded a surplus of \$1.37 billion for Q1 2026, supported by record-high remittances (reaching approx. \$3.8 billion in March alone) and a contraction in the trade deficit. Fiscal consolidation remains a priority, with the primary balance remaining in surplus.

Petrol prices were increased by 24% following a surge in international oil prices amid escalating geopolitical tensions and concerns over global energy supplies. However, the government opted to keep oil prices unchanged later in the month of March. Notably, international oil prices surged to a four-year high of US\$118/bbl in March 2026, as oil and gas trade through the Strait of Hormuz was disrupted by Iran, alongside multiple attacks on energy facilities across the Middle East. The spike in oil prices also had a negative impact on equity markets, with the KSE-100 Index registering a 15% decline compared to December 2025 levels. Meanwhile, PIB yields increased by over 200bps across various tenors in the auction held during March.

Banking sector review

The banking industry navigated an increasingly complex landscape during the quarter, as a sharp upward shift in the yield curve put significant pressure on balance sheet valuations and capital adequacy buffers. The most critical development for the sector was a significant surge in PIB yields, which reached approximately 12.5% in March auctions. This environment led to a significant decline in revaluation surpluses for banks, impacting capital ratios. The sector remains highly sensitive to these movements as banks continue to hold a massive exposure to government securities. Furthermore, floating-rate bonds now constitute over 50% of total domestic debt, introducing meaningful spread duration risk across the industry.

Private sector credit recorded a 14% year-on-year growth as of February 2026—led by a 19% rise in consumer loans and a 35% surge in auto financing. Outstanding loans to the textile sector remained flat on a YoY basis in February 2026, compared to consecutive YoY declines over the previous three months. This stabilization mainly reflects a 300bps reduction in the Export Refinancing Rate, coupled with cuts in industrial power tariffs aimed at lowering the cost of doing business for exporters—the industry-wide Advances-to-Deposit Ratio (ADR) stayed at approximately 40.3%.

The industry is also undergoing a fundamental structural transformation. In compliance with the constitutional mandate to eliminate Riba, banks are accelerating their conversion to Islamic banking. This shift is reflected in the government debt portfolio, where the share of Shariah-compliant Sukuk has risen to 14%. Concurrently, the digital ecosystem is scaling at pace; the RAAST instant payment system processed PKR 18 trillion in FY26, signaling a definitive shift away from cash-based transactions.

While the sector remains well-capitalized with a Capital Adequacy Ratio (CAR) of 18.7% entering the year, the recent revaluation shocks necessitate a disciplined approach to capital management and dividend payouts in the near term.

Performance overview

Key highlights of the financial results of the Bank for the first quarter ended March 31, 2026, are presented below:

Financial Position	PKR Million	
	March 31, 2026	December 31, 2025
Shareholders' Equity	46,001	46,661
Total Deposits	544,898	543,502
Total Assets	682,877	655,636
Advances – net	211,330	249,776
Investments – net	367,105	278,028
Financial Performance	PKR Million	
	March 31, 2026	March 31, 2025
Net Mark-up/Interest Income	6,685	7,484
Non-Markup/Interest Income	2,830	3,125
Non-Markup Expenses	7,417	7,129
Credit loss allowances and write offs – net	(78)	742
Profit Before Tax	2,175	2,738
Profit After Tax	1,045	1,289
Basic/Diluted Earnings Per Share – Rupee	0.51	0.63

For the first quarter ended March 31, 2026, the Bank reported a Profit before Tax of PKR 2,175.343 million (Profit after Tax of PKR 1,044.644 million), as compared to a Profit before Tax of PKR 2,737.516 million (Profit after Tax of PKR 1,288.567 million) for the corresponding period last year. The Bank's Net Interest Income decreased by 10.7%YoY primarily on account of lower interest rates.

The Bank's non-markup income reflected a marginal decline of PKR 295.273 million, which mainly stemmed from lower Foreign Exchange Income, which decreased by PKR 298.318 million YoY.

Operating expenses were maintained within budgeted levels, registering a YoY increase of 4%. The Bank's operating cost-to-income ratio increased to 77% as compared to 67% during the corresponding period last year, primarily on account of lower revenues as against the prior corresponding period.

As at March 31, 2026, the Bank's deposits ended at PKR 544.898 billion, as against PKR 543.502 billion at December 2025. Non-remunerative mix remained above 40%, with non-remunerative averages growing by approximately PKR 17.94 billion or 10.30% YoY.

During the current period, the Bank adopted the Effective Interest Rate (EIR) method with effect from January 01, 2026. The application of EIR resulted in a change in the recognition of interest income and related balances in accordance with the applicable accounting requirements. Accordingly, the cumulative impact of EIR adoption amounting to Rs. 14.860 million, net of tax, was recorded as an adjustment to equity at the beginning of the current period.

Driven by the sharp upward shift in secondary market yields and widening spreads on floating-rate instruments, the Bank's unrealized mark-to-market position on government securities transitioned from an unrealized surplus of PKR 1.903 billion in December 2025 to an unrealized deficit of PKR 628.173 million as of March 31, 2026, impacting period end book values and ratios. The Bank continues to focus on active duration management to protect capital buffers against further volatility.

The Bank's NPL Coverage Ratio remained at 77% (December 31, 2025: 77%). The Bank's Capital Adequacy Ratio as at March 31, 2026 stood at 12.53% (December 2025: 13.12%).

Consolidated Financial Statements

Key highlights of the Bank's consolidated financial results for the first quarter ended March 31, 2026, are presented below:

Consolidated Financial Position	PKR Million	
	March 31, 2026	December 31, 2025
Shareholders' Equity	78,804	81,124
Total Deposits	1,185,295	1,199,432
Total Assets	1,440,146	1,415,624
Advances - Net	505,041	542,342
Investments - Net	689,469	581,459
Consolidated Financial Performance	PKR Million	
	March 31, 2026	March 31, 2025
Mark-up/Interest Income – Net	15,213	16,771
Non-Markup/Interest Income	4,234	5,973
Non-Markup Expenses	16,683	14,954
Credit loss allowance and write-offs - net	(615)	301
Profit Before Tax	3,379	7,489
Profit After Tax	1,157	3,101
Profit After Tax – attributable to Equity Holders	909	2,424
Basic/Diluted Earnings Per Share – PKR	0.44	1.18

On a consolidated basis, JS Bank along with its subsidiaries BankIslami Pakistan Limited, JS Global Capital Limited, and JS Investments Limited recorded a Profit Before Tax of PKR 3,379.132 million (Profit After Tax of PKR 1,157.270 million) for the first quarter ended March 31, 2026, as compared to a Profit Before Tax of 7,488.709 million (Profit After Tax of PKR 3,100.945 million) for the corresponding period last year. The earnings per share stood at PKR 0.44 for the period. The Bank's Consolidated Capital Adequacy Ratio as of March 31, 2026, stood at 14.64% (December 31, 2025: 14.63%).



Credit Ratings

The Pakistan Credit Rating Agency Limited (PACRA) has assigned to the Bank a long-term rating of “AA” (Double A) and a short-term rating of “A1+” (A One Plus), which is the highest possible rating within the category.

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

Acknowledgments

We express our gratitude to our customers and stakeholders for their patronage. We would also like to thank the Ministry of Finance, the State Bank of Pakistan, the Securities & Exchange Commission of Pakistan, and other regulatory authorities for their continued guidance and support of our Bank.

For and on behalf of the Board,

Basir Shamsie

President and CEO

Adil Matcheswala

Chairman

Karachi: April 28, 2026

ڈائریکٹرز کا جائزہ

اظہار تشکر:

ہم اپنے صارفین اور تمام اسٹیک ہولڈرز کے تعاون اور اعتماد پر ان کے تہہ دل سے شکر گزار ہیں۔ ہم وزارت خزانہ، اسٹیٹ بینک آف پاکستان، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور دیگر ریگولیٹری اداروں کا بھی شکریہ ادا کرتے ہیں جنہوں نے ہمارے بینک کی مسلسل رہنمائی اور معاونت کی۔

منجانب بورڈ

ناصر سٹیشی

صدر اور سی ای او

عادل ماجس والا

چیئرمین

کراچی: 28 اپریل 2026ء

مجموعی مالیاتی کارکردگی		ملین پاکستانی روپے
31 مارچ 2025	31 مارچ 2026	
16,771	15,213	مارک اپ/ انٹریٹ آمدنی۔ خالص
5,973	4,234	غیر مارک اپ/ انٹریٹ آمدنی
14,954	16,683	غیر مارک اپ اخراجات
301	(615)	کریڈٹ خسارہ الاؤنس اور رائٹ آف۔ خالص
7,489	3,379	قبل از ٹیکس منافع
3,101	1,157	بعد از ٹیکس منافع
2,424	909	بعد از ٹیکس منافع۔ ایگزٹو ہولڈرز سے منسوب
1.18	0.44	بنیادی/ ڈیلو پیئڈ آمدنی فی حصص۔ روپے میں

مجموعی مالیاتی بیانات کی بنیاد پر، 31 مارچ 2026ء کو ختم ہونے والی پہلی سہ ماہی میں جے ایس بینک نے اپنی ذیلی کمپنیوں بینک اسلامی پاکستان لمیٹڈ، جے ایس گلوبل کیپیٹل لمیٹڈ اور جے ایس انویسٹمنٹس لمیٹڈ کے ساتھ قبل از ٹیکس منافع 3,379.132 ملین روپے (بعد از ٹیکس منافع 1,157.270 ملین روپے) حاصل کیا جس کا موازنہ گذشتہ سال کی اسی مدت کے قبل از ٹیکس منافع 7,488.709 ملین روپے (بعد از ٹیکس منافع 3,100.945 ملین روپے) سے کیا جاسکتا ہے۔ 31 مارچ 2025ء کو ختم ہونے والی پہلی سہ ماہی کے لیے فی حصص آمدنی 0.44 روپے رہی۔ 31 مارچ 2026ء کو جمع شدہ سرمائے کی مناسبت کا تناسب 14.64 فیصد (31 دسمبر 2025ء 14.63 فیصد) تھا۔

کریڈٹ ریٹنگ:

پاکستانی کریڈٹ ریٹنگ ایجنسی لمیٹڈ (پاکرا) نے بینک کو "AA" (ڈبل اے) کی طویل مدتی درجہ بندی اور "A1+" (اے ون پلس) کی مختصر مدتی درجہ بندی تفویض کی ہے، جو کہ اس زمرے کے لئے سب سے زیادہ ممکنہ درجہ بندی ہے۔

یہ ریٹنگز بہت اعلیٰ کریڈٹ کوالٹی اور کریڈٹ رسک کے امکانات نہایت کم ہونے کی نشاندہی کرتی ہیں، اور مالی ذمہ داریوں کی بروقت ادائیگی کی نہایت مضبوط صلاحیت کو ظاہر کرتی ہیں۔

ڈائریکٹرز کا جائزہ

آپریٹنگ اخراجات بچت کی حد کے اندر ہی رہے اور سال بہ سال 4 فیصد اضافہ ریکارڈ کیا گیا۔ تاہم آپریٹنگ کاسٹ ٹو اگم ریشو بڑھ کر 77 فیصد تک پہنچ گیا، جبکہ گذشتہ سال اسی عرصے میں یہ 67 فیصد تھا۔ اس اضافے کی بنیادی وجہ آمدنی میں کمی تھی۔

31 مارچ 2026 تک بینک کے ڈپازٹس 544.898 ارب روپے تک پہنچ گئے، جبکہ دسمبر 2025 میں یہ 543.502 ارب روپے تھے۔ غیر منافع بخش ڈپازٹس کا حصہ 40 فیصد سے زیادہ رہا، اور اس کی اوسط میں تقریباً 17.94 ارب روپے یعنی 10.30 فیصد سال بہ سال اضافہ ہوا۔

اس عرصے کے دوران بینک نے یکم جنوری 2026 سے ایٹیکٹیو انٹرنس ریٹ (EIR) میں تھوڑا سا شروع کیا۔ اس تبدیلی کے باعث سودی آمدنی کی ریکارڈنگ اور متعلقہ اکاؤنٹنگ طریقہ کار میں تبدیلی آئی۔ اس کا مجموعی اثر 14.860 ملین روپے (بعد از ٹیکس) کی صورت میں ہوا، جسے آغاز میں ایٹیکٹیوٹی میں ایڈجسٹمنٹ کے طور پر شامل کیا گیا۔

مارکیٹ بیلیڈز میں تیزی سے اضافہ اور فلوئنگ ریٹ انسر وٹمنس پر اسپریڈز کے بڑھنے کے باعث حکومتی سیکورٹیز پر بینک کی غیر محسوس شدہ مارک ٹو مارکیٹ پوزیشن تبدیل ہو گئی۔ دسمبر 2025 میں یہ 1.903 ارب روپے کا غیر محسوس شدہ سرپلس تھا، جو مارچ 2026 تک 628.173 ملین روپے کے خسارے میں تبدیل ہو گیا۔ اس تبدیلی نے بینک کی مدت کے اختتامی بک ویلیوز اور ریشوز کو متاثر کیا۔ بینک اس وقت اپنی سرمایہ جاتی پوزیشن کو محفوظ رکھنے کے لیے مدت کے بہتر انتظام پر توجہ دے رہا ہے۔

نان پرفارمنگ لونز (NPL) کا کوریج ریشو 77 فیصد پر برقرار رہا، جو دسمبر 2025 میں بھی 77 فیصد تھا۔ جبکہ بینک کا کپیٹل ایٹیکٹیوٹی ریشو (CAR) مارچ 2026 میں کم ہو کر 12.53 فیصد رہ گیا، جو دسمبر 2025 میں 13.12 فیصد تھا۔

مجموعی مالیاتی گوشوارے:

31 مارچ 2026 کو ختم ہونے والی پہلی سہ ماہی کے لیے بینک کے مجموعی مالیاتی بیانات درج ذیل ہیں:

ملین پاکستانی روپے		مجموعی مالی پوزیشن
31 دسمبر 2025	31 مارچ 2026	
81,124	78,804	شیر ہولڈرز اکیویٹی
1,199,432	1,185,295	مجموعی ڈپازٹس
1,415,624	1,440,146	مجموعی اثاثہ جات
542,342	505,041	خالص ایڈوانسز
581,459	689,469	خالص سرمایہ کاریاں

کارکردگی کا جائزہ

31 مارچ 2026ء کو ختم ہونے والی پہلی سہ ماہی کیلئے بینک کے مالی نتائج کا خلاصہ درج ذیل ہے:

ملین پاکستانی روپے		مالی پوزیشن
31 دسمبر 2025	31 مارچ 2026	
46,661	46,001	شیر ہولڈرز اکیوٹی
543,502	544,898	مجموعی ڈپازٹس
655,636	682,877	مجموعی اثاثہ جات
249,776	211,330	خالص ایڈوانسز
278,028	367,105	خالص سرمایہ کاریاں

ملین پاکستانی روپے		مالیاتی کارکردگی
31 مارچ 2025	31 مارچ 2026	
7,484	6,685	مارک اپ/ انٹریٹ آمدنی - خالص
3,125	2,830	غیر مارک اپ/ انٹریٹ آمدنی
7,129	7,417	غیر مارک اپ اخراجات
742	(78)	کریڈٹ خسارہ الاؤنس اور رائٹ آف - خالص
2,738	2,175	قبل از ٹیکس منافع
1,289	1,045	بعد از ٹیکس منافع
0.63	0.51	بہادری/ ڈیلویٹنڈ آمدنی فی حصص - روپے میں

31 مارچ 2026ء کو ختم ہونے والی پہلی سہ ماہی میں بینک نے 2,175.343 ملین روپے کا قبل از ٹیکس منافع حاصل کیا، جبکہ بعد از ٹیکس منافع 1,044.644 ملین روپے رہا۔ گذشتہ سال اسی عرصے میں یہ منافع بالترتیب 2,737.516 ملین روپے اور 1,288.567 ملین روپے تھا۔ بینک کی خالص انٹرسٹ آمدنی میں سال بہ سال 10.7 فیصد کمی ہوئی، جس کی بنیادی وجہ شرح سود میں کمی تھی۔

اسی طرح نان مارک اپ آمدنی میں بھی معمولی کمی دیکھی گئی، جو 295.273 ملین روپے رہی۔ اس کمی کی بڑی وجہ فارن ایکسچج آمدنی میں کمی تھی، جو سال بہ سال 298.318 ملین روپے کم ہو گئی۔

ڈائریکٹرز کا جائزہ

بیلڈ مختلف مدتوں میں 200 میسر پوائنٹس سے زیادہ بڑھ گئیں۔

بینکاری شعبے کا جائزہ:

اس سہ ماہی کے دوران بینک کے شعبہ نے ایک پیچیدہ صورتحال کا سامنا کیا، کیونکہ شرح منافع میں تیزی سے اضافہ ہوا، جس نے بینکوں کے اثاثہ جاتی بیلنس شیٹس کی قدر اور ان کے سرمائے کے تحفظ پر دباؤ ڈال دیا۔ اس شعبے کے لیے سب سے اہم پیش رفت پاکستان انویسٹمنٹ بانڈز (PIB) کی شرح منافع میں نمایاں اضافہ تھا، جو مارچ کی بیلابیلوں میں تقریباً 12.5 فیصد تک پہنچ گئی۔ اس صورتحال کے باعث بینکوں کے ری ویلیویشن سرپلس میں واضح کمی آئی، جس نے ان کے کپیٹل ریشوز کو متاثر کیا۔ بینکاری شعبہ اب بھی ان اتار چڑھاؤ کے لیے حساس ہے، کیونکہ بینکوں کی بڑی سرمایہ کاری حکومتی سیکورٹیز میں موجود ہے۔ مزید یہ کہ فلونگ ریٹ بانڈز اب ملکی مجموعی قرضے کا 50 فیصد سے زیادہ حصہ بن چکے ہیں، جس سے پورے نظام میں شرح منافع کے فرق سے جڑا ہوا خطرہ مزید بڑھ گیا ہے۔

نئی شعبے کو دیا جانے والا قرض فروری 2026 تک سال بہ سال 14 فیصد بڑھ گیا۔ اس میں سب سے زیادہ اضافہ صارفین کے قرضوں میں ہوا، جو 19 فیصد بڑھے، جبکہ گائیڈوں کی فنانسنگ میں 35 فیصد کا نمایاں اضافہ دیکھا گیا۔ ٹیکسٹائل شعبہ کو دیے گئے بقایا قرضوں کی صورتحال فروری 2026 میں تقریباً مستحکم رہی اور سال بہ سال کوئی تبدیلی نہیں آئی، جبکہ اس سے پہلے کے تین مہینوں میں مسلسل کمی دیکھی جا رہی تھی۔ اس بہتری کی بڑی وجہ ایکسپورٹ ری فنانسنگ ریٹ میں 300 میسر پوائنٹس کی کمی اور صنعتی بجلی کے نرخوں میں کمی تھی، جس کا مقصد برآمد کنندگان کے لیے کاروبار کرنے کی لاگت کم کرنا تھا۔ مجموعی طور پر بینکنگ انڈسٹری کا ایڈوانسز نوڈ پائڈ ریٹو (ADR) تقریباً 40.3 فیصد پر برقرار رہا۔

یہ شعبہ ایک بڑی ساختی تبدیلی سے بھی گزر رہا ہے۔ آئینی تقاضوں کے مطابق سود (Riba) کے خاتمے کی سمت پیش رفت کرتے ہوئے بینک تیزی سے اسلامی بینکاری کی طرف منتقل ہو رہے ہیں۔ اس تبدیلی کی عکاسی حکومتی قرضوں کے پورٹ فولیو میں بھی نظر آتی ہے، جہاں شریعہ کے مطابق صلوک کا حصہ بڑھ کر 14 فیصد تک پہنچ گیا ہے۔ اسی دوران ڈیجیٹل نظام بھی تیزی سے ترقی کر رہا ہے۔ فوری ادائیگیوں کے نظام ’’راست‘‘ نے مالی سال 2026 میں 18 کھرب روپے کی لین دین کی، جو اس بات کی واضح علامت ہے کہ معیشت بتدریج نقدی لین دین سے ڈیجیٹل نظام کی طرف جا رہی ہے۔

اگرچہ شعبہ مالی طور پر مضبوط ہے اور مالی سال کے آغاز پر اس کا کپیٹل ایڈیٹوری ریٹو (CAR) 18.7 فیصد تھا، حالیہ ویلیویشن کے دباؤ نے اس بات کی ضرورت بڑھادی ہے کہ آئندہ عرصے میں سرمایہ جاتی نظم و ضبط اور منافع کی تقسیم میں محتاط حکمت عملی اپنائی جائے۔

ڈائریکٹرز کا جائزہ

ہم 31 مارچ 2026ء کو ختم ہونے والی سہ ماہی کیلئے جے ایس بینک لمیٹڈ (جے ایس بی ایل) کے عبوری مالیاتی گوشوارے بشمول مجموعی مالیاتی گوشوارے پیش کرنے میں مسرت محسوس کرتے ہیں۔

معاشی جائزہ:

2026 کی پہلی سہ ماہی کے دوران پاکستان کی معیشت نے بحالی کے ایک مضبوط رجحان کا مظاہرہ کیا، جو گزشتہ مالی سال میں حاصل ہونے والے استحکام کے تسلسل پر مبنی ہے۔ اس مدت میں حقیقی مجموعی ملکی پیداوار (GDP) میں 3.7 فیصد اضافہ ہوا، جس کی بنیادی وجہ صنعتی شعبے میں نمایاں بہتری اور زرعی شعبے کی مستحکم کارکردگی ہے۔ اگرچہ آئی ایم ایف پروگرام کے تحت کیے گئے ساختی اصلاحاتی اقدامات نے زرمبادلہ کے ذخائر کو مضبوط بنانے میں مدد دی ہے، تاہم مشرق وسطیٰ میں جغرافیائی و سیاسی عدم استحکام نے مہنگائی اور مالیاتی صورتحال کے حوالے سے نئے خطرات پیدا کیے ہیں۔

2026 کی پہلی سہ ماہی کے دوران اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ 10.5 فیصد پر برقرار رکھا، اور اس فیصلے کی بنیاد بیرونی آمدن، مہنگائی کے رجحان، جی ڈی پی کی گرتھ اور زرمبادلہ کے ذخائر کے بارے میں نسبتاً بہتر توقعات کو قرار دیا گیا۔ تاہم مرکزی بینک نے یہ بھی نشاندہی کی کہ امریکہ اور ایران کے درمیان جاری تنازع کی شدت اور دو راہیہ مہنگائی اور مالیاتی خسارے کے لیے خطرات پیدا کر سکتا ہے۔

اپریل 2026 کے آغاز تک، اسٹیٹ بینک آف پاکستان (SBP) کے زرمبادلہ کے ذخائر 16.3 ارب امریکی ڈالر تک پہنچ گئے تھے۔ یہ صورتحال اس وقت بنی جب ملک نے 1.43 ارب ڈالر سے زائد بیرونی قرضوں کی کامیاب ادائیگی کی، جن میں 1.3 ارب ڈالر کا یورو بانڈ بھی شامل تھا۔ اگرچہ مجموعی یکویڈ زرمبادلہ کے ذخائر 21.89 ارب ڈالر تک پہنچ گئے، اسٹیٹ بینک اپنی سال کے اختتامی اہداف پورے کرنے کی پوزیشن میں ہے۔ اس کی حمایت بین الاقوامی مالیاتی فنڈ (IMF) سے متوقع 1.2 ارب ڈالر کی قسط اور مالی سال 2026 کے پہلے نو ماہ میں کرنٹ اکاؤنٹ کی بہتری سے ہو رہی ہے۔ 2026 کی پہلی سہ ماہی میں کرنٹ اکاؤنٹ 1.37 ارب ڈالر سرپلس میں رہا، جس کی بڑی وجہ ریکارڈ ٹریڈ سلیٹ زرخیز (صرف مارچ میں تقریباً 3.8 ارب ڈالر تک پہنچ گئیں) اور تجارتی خسارے میں کمی تھی۔ مالی نظم و ضبط برقرار رکھنا حکومت کی ترجیح ہے، اور پرائمری بیلنس بدستور سرپلس میں ہے۔

پیٹرول کی قیمتوں میں 24 فیصد اضافہ کیا گیا، جس کی وجہ عالمی سطح پر تیل کی قیمتوں میں اضافہ تھا۔ یہ اضافہ بڑھتی ہوئی جغرافیائی کشیدگی اور عالمی توانائی کی سپلائی سے متعلق خدشات کے باعث ہوا۔ تاہم بعد میں حکومت نے مارچ کے مہینے کے دوران تیل کی قیمتیں مزید بڑھانے کا فیصلہ کیا اور انہیں برقرار رکھا۔ خاص طور پر مارچ 2026 میں عالمی تیل کی قیمتیں چار سال کی بلند ترین سطح یعنی 118 امریکی ڈالر فی بیرل تک پہنچ گئیں۔ یہ اضافہ اس وقت ہوا جب ایران کی جانب سے آبنائے ہرمز کے ذریعے تیل اور گیس کی ترسیل میں رکاوٹ پیدا ہوئی، اور مشرق وسطیٰ میں توانائی کے مراکز پر متعدد حملے بھی ہوئے۔ تیل کی قیمتوں میں اس اچانک اضافے کا منفی اثر اسٹاک مارکیٹ پر بھی پڑا، جہاں KSE-100



UNCONSOLIDATED FINANCIAL STATEMENTS

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Unconsolidated Condensed Interim Statement of Financial Position

As at March 31, 2026

		(Un-audited) March 31, 2026	(Audited) December 31, 2025
	Note	----- Rupees in '000 -----	
ASSETS			
Cash and balances with treasury banks	6	37,067,105	40,697,301
Balances with other banks	7	4,729,375	5,197,190
Lendings to financial institutions	8	1,211,170	19,838,794
Investments	9	367,104,594	278,028,312
Advances	10	211,329,695	249,776,370
Property and equipment	11	12,754,604	12,793,947
Right-of-use assets	12	3,050,540	3,073,822
Intangible assets	13	6,449,512	6,529,662
Deferred tax assets	14	832,843	-
Other assets	15	38,347,201	39,700,933
Total Assets		682,876,639	655,636,331
LIABILITIES			
Bills payable	16	5,934,856	7,839,367
Borrowings	17	53,171,631	26,128,080
Deposits and other accounts	18	544,898,476	543,502,051
Lease liabilities	19	3,173,917	3,193,531
Subordinated debt	20	8,439,630	8,493,900
Deferred tax liabilities	14	-	694,409
Other liabilities	21	21,256,854	19,124,285
Total Liabilities		636,875,364	608,975,623
NET ASSETS		46,001,275	46,660,708
REPRESENTED BY			
Share capital		20,506,625	20,506,625
Reserves		7,881,129	7,680,779
Surplus on revaluation of assets	22	1,559,829	3,076,042
Unappropriated profit		16,053,692	15,397,262
		46,001,275	46,660,708

CONTINGENCIES AND COMMITMENTS 23

The annexed notes 1 to 42 form an integral part of these unconsolidated condensed interim financial statements.

President and
Chief Executive Officer

Chief Financial
Officer

Director

Director

Director

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

For the Quarter Ended March 31, 2026

	Note	March 31, 2026	March 31, 2025
		----- Rupees in '000 -----	
Mark-up / return / interest earned	25	15,925,959	21,359,354
Mark-up / return / interest expensed	26	9,241,429	13,875,418
Net mark-up / interest income		6,684,530	7,483,936
NON MARK-UP / INTEREST INCOME			
Fee and commission income	27	1,239,283	1,257,934
Dividend income		1,085,636	1,145,436
Foreign exchange income		361,704	660,022
Loss from derivatives		(289)	(39)
Gain on securities - net	28	136,930	23,888
Net gains / (loss) on derecognition of financial assets measured at amortised cost		-	-
Other income	29	6,491	37,787
Total non mark-up / interest income		2,829,755	3,125,028
Total Income		9,514,285	10,608,964
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	30	7,373,156	7,074,097
Workers' welfare fund	31	43,507	54,750
Other charges	32	707	265
Total non-mark-up / interest expenses		7,417,370	7,129,112
Profit before credit loss allowance		2,096,915	3,479,852
Credit loss allowance and write offs - net Extra ordinary / unusual items	33	(78,428)	742,336
		-	-
PROFIT BEFORE TAXATION		2,175,343	2,737,516
Taxation	34	1,130,699	1,448,949
PROFIT AFTER TAXATION		1,044,644	1,288,567
		----- Rupee -----	
Earnings per share - basic and diluted	35	0.51	0.63

The annexed notes 1 to 42 form an integral part of these unconsolidated condensed interim financial statements.

President and
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Officer

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Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-audited)

For the Quarter Ended March 31, 2026

	March 31, 2026	March 31, 2025
	----- Rupees in '000 -----	
Profit after taxation for the period	1,044,644	1,288,567
Other comprehensive (loss) / income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Effect of translation of net investment in foreign branch	(8,579)	11,890
Movement in (deficit) / surplus on revaluation of debt investments through FVOCI - net of tax	(1,252,815)	(453,157)
	(1,261,394)	(441,267)
Items that will not be reclassified to profit and loss account in subsequent periods:		
Movement in surplus on revaluation of equity investments - net of tax	(253,644)	(63,186)
Total comprehensive (loss) / income	(470,394)	784,114

The annexed notes 1 to 42 form an integral part of these unconsolidated condensed interim financial statements.

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Unconsolidated Condensed Interim Statement of Changes in Equity

For the Quarter Ended March 31, 2026

	Share capital	Capital Reserves		Statutory reserve	Surplus / (deficit) on revaluation of			Unappropriated profit	Total
		Share premium	Exchange translation reserve		Investments	Property and equipment	Non-banking assets		
Rupees in '000									
Balance as at December 31, 2024 (Audited)	20,506,625	2,689,217	657,775	3,766,691	1,413,539	1,453,706	510,615	12,708,466	43,706,634
Impact of adoption of IFRS 9 - net of tax	-	-	-	-	13,116	-	-	-	13,116
Balance as at January 01, 2025 after adoption of IFRS 9	20,506,625	2,689,217	657,775	3,766,691	1,426,655	1,453,706	510,615	12,708,466	43,719,750
Profit after taxation (March 31, 2025)	-	-	-	-	-	-	-	1,288,567	1,288,567
Other comprehensive income - net of tax									
Effect of translation of net investment in foreign branch	-	-	11,890	-	-	-	-	-	11,890
Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	-	-	-	-	(453,157)	-	-	-	(453,157)
Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax	-	-	-	-	(63,186)	-	-	-	(63,186)
	-	-	11,890	-	(516,343)	-	-	-	(504,453)
Transfer to statutory reserve	-	-	-	257,713	-	-	-	(257,713)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(5,010)	(14,755)	19,765	-
Opening Balance as at April 01, 2025 (Un-audited) - Restated	20,506,625	2,689,217	669,665	4,024,404	910,312	1,448,696	495,860	13,759,085	44,503,864
Profit after taxation	-	-	-	-	-	-	-	1,507,003	1,507,003
Other comprehensive income - net of tax									
Effect of translation of net investment in foreign branch	-	-	(3,908)	-	-	-	-	-	(3,908)
Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	-	-	-	-	709,283	-	-	-	709,283
Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax	-	-	-	-	64,799	-	-	-	64,799
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-	29,671	29,671
Movement in surplus / (deficit) on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	(150,004)	-	(150,004)
	-	-	(3,908)	-	774,082	-	(150,004)	29,671	649,841
Transfer to statutory reserve	-	-	-	301,401	-	-	-	(301,401)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(31,578)	(1,255)	32,833	-
Gain on disposal of equity investments at FVOCI transferred to unappropriated profit	-	-	-	-	(370,071)	-	-	370,071	-
Opening Balance as at January 1, 2026	20,506,625	2,689,217	665,757	4,325,805	1,314,323	1,417,118	344,801	16,397,262	46,660,708
Impact of adoption of IFRS 9 - net of tax (note 3.1.1)	-	-	-	-	174,179	-	-	(189,039)	(14,860)
Balance as at January 01, 2025 after adoption of IFRS 9	20,506,625	2,689,217	665,757	4,325,805	1,488,502	1,417,118	344,801	15,208,223	46,645,848
Profit after taxation for the current period	-	-	-	-	-	-	-	1,044,644	1,044,644
Other comprehensive income - net of tax									
Effect of translation of net investment in foreign branch	-	-	(8,579)	-	-	-	-	-	(8,579)
Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	-	-	-	-	(1,426,994)	-	-	-	(1,426,994)
Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax	-	-	-	-	(253,644)	-	-	-	(253,644)
	-	-	(8,579)	-	(1,680,638)	-	-	-	(1,689,217)
Transfer to statutory reserve	-	-	-	208,929	-	-	-	(208,929)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(9,147)	(607)	9,754	-
Balance as at March 31, 2026 (Un-audited)	20,506,625	2,689,217	657,178	4,534,734	(192,136)	1,407,971	343,994	16,053,692	46,001,275

The annexed notes 1 to 42 form an integral part of these unconsolidated condensed interim financial statements.

President and
Chief Executive Officer

Chief Financial
Officer

Director

Director

Director



Unconsolidated Condensed Interim Cash Flow Statement (Un-audited)

For the Quarter Ended March 31, 2026

	March 31, 2026	March 31, 2025
	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,175,343	2,737,516
Less: Dividend income	<u>(1,085,636)</u>	<u>(1,145,436)</u>
	1,089,707	1,592,080
Adjustments:		
Net mark-up / interest income	(6,782,727)	(7,483,936)
Depreciation on property and equipment	393,951	364,461
Depreciation on non-banking assets	10,174	10,119
Depreciation on right-of-use assets	409,887	368,280
Amortisation	144,954	108,008
Credit loss allowance and write offs - net	55,944	743,535
Gain on sale of property and equipment - net	(3,511)	(3,715)
Gain on sale of non-banking asset - net	-	(20,896)
Gain on termination of leases - net	(1,069)	(7,153)
Finance charges on leased assets	98,197	97,760
Charge for defined benefit plan	50,227	48,631
Unrealised loss on revaluation of investments measured at FVPL - net	21,832	66,647
Provision for workers' welfare fund	43,507	54,750
	<u>(5,558,634)</u>	<u>(5,653,509)</u>
	(4,468,927)	(4,061,429)
(Increase) / decrease in operating assets		
Lendings to financial institutions	18,631,155	2,000,000
Securities measured at FVPL	(400,918)	(87,123,398)
Advances	38,532,368	31,437,462
Others assets (excluding advance taxation and mark-up receivable)	<u>2,703,551</u>	<u>(3,816,548)</u>
	59,466,156	(67,502,484)
Increase / (decrease) in operating liabilities		
Bills payable	(1,904,511)	(2,617,431)
Borrowings	27,149,887	24,348,351
Deposits and other accounts	1,396,425	9,184,992
Other liabilities (excluding current taxation and mark-up payable)	<u>(37,886)</u>	<u>1,044,187</u>
	26,603,915	31,960,099
	81,601,144	(29,603,814)
Mark-up / return / interest received	15,894,479	23,165,641
Mark-up / return / interest paid	(7,150,427)	(12,408,074)
Income tax paid	<u>(1,088,312)</u>	<u>(1,119,778)</u>
Net cash flows generated from / (used in) operating activities	<u>89,256,884</u>	<u>(19,966,025)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investments in securities measured at amortised cost	(42,058,285)	(1,803,180)
Net investments in securities classified at FVOCI	(50,218,696)	30,236,390
Dividend received	2,124	1,145,436
Acquisition of property and equipment	(362,332)	(537,574)
Acquisition of intangible assets	(64,804)	(548,653)
Proceeds from sale of property and equipment	8,408	9,902
Proceeds from sale of non-banking assets	-	109,500
Effect of translation of net investment in foreign branch	(8,579)	11,890
Net cash flows (used in) / generated from investing activities	<u>(92,702,164)</u>	<u>28,623,711</u>
CASH FLOW FROMS FINANCING ACTIVITIES		
Payment of subordinated debt	540	(233)
Payments of lease obligations against right-of-use assets	<u>(503,352)</u>	<u>(534,341)</u>
Net cash flows used in financing activities	<u>(502,812)</u>	<u>(534,574)</u>
(Decrease) / Increase in cash and cash equivalents	<u>(3,948,092)</u>	<u>8,123,112</u>
Cash and cash equivalents at beginning of the period	45,387,645	46,358,063
Effect of exchange rate changes on cash and cash equivalents	70,486	(61,262)
	45,458,131	46,296,801
Cash and cash equivalents at end of the period	<u>36</u> <u>41,510,039</u>	<u>54,419,913</u>

The annexed notes 1 to 42 form an integral part of these unconsolidated condensed interim financial statements.

President and
Chief Executive Officer

Chief Financial
Officer

Director

Director

Director

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

1. STATUS AND NATURE OF BUSINESS

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

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

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

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

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

2. BASIS OF PRESENTATION

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

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

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

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

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

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

2.1 Statement of Compliance

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

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

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

The SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for banking companies vide BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' on banks vide its notification S.R.O 411(I)/2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

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

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

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

The SECP through S.R.O.742(I)/2025 dated April 16, 2025 has made IFRS 7 - Financial Instruments: Disclosures' applicable for Bank's from the annual reporting period beginning on or after January 01, 2026 resulting in certain additional disclosures in the annual unconsolidated financial statements.

2.3 Standards, interpretations of and amendments to published accounting and reporting standards that are not yet effective

Following standards, amendments and interpretations with respect to accounting and reporting standards would be effective from the dates mentioned below against the respective standards, amendments or interpretations:

Standards and Amendments	Effective date (annual periods beginning on or after)
IFRS 18 - Presentation and disclosure in financial statements	January 01, 2027
Standard	IASB effective date (accounting periods beginning on or after)
IFRS 1 – First-time Adoption of International Financial Reporting Standards	January 01, 2024

The application of IFRS 18 - Presentation and Disclosure in Financial Statements will impact the presentation of the 'Statement of Profit and Loss Account' and require certain additional disclosures, as and when instructed by the SBP.

3. MATERIAL ACCOUNTING POLICY INFORMATION

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

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

3.1. Changes in Accounting Policies

3.1.1 Impact of IFRS 9 - Financial Instruments

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

In addition, through its letter SBPHOK-BPRD-RPD-JSB-827402 dated January 22, 2025, the SBP granted the Bank an extension for the application of Effective Interest Rate (EIR) methodology up to December 31, 2025. Accordingly, during the current period, the Bank has applied EIR with effect from January 01, 2026 and the cumulative impact of EIR adoption amounting to Rs. 14.860 million, net of tax, has been recorded as an adjustment to equity at the beginning of the current period.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

5. FINANCIAL RISK MANAGEMENT

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

	(Un-audited) March 31, 2026	(Audited) December 31, 2025
6. CASH AND BALANCES WITH TREASURY BANKS	----- Rupees in '000 -----	
In hand:		
Local currency	13,711,067	10,038,043
Foreign currencies	<u>1,159,744</u>	<u>1,350,949</u>
	14,870,811	11,388,992
With State Bank of Pakistan in		
Local currency current account	16,860,247	21,864,209
Foreign currency current accounts	1,158,486	1,274,560
Foreign currency deposit accounts	2,920,952	3,257,492
	20,939,685	26,396,261
With National Bank of Pakistan in local currency current accounts	1,296,517	2,906,667
Prize Bonds	5,610	6,385
Less: Credit loss allowance held against cash and balances with treasury banks (stage 1)	(45,518)	(1,004)
Cash and balances with treasury banks - net of credit loss allowance	<u>37,067,105</u>	<u>40,697,301</u>

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

	(Un-audited) March 31, 2026	(Audited) December 31, 2025
	----- Rupees in '000 -----	
7. BALANCES WITH OTHER BANKS		
In Pakistan		
In current accounts	5,185	5,188
	<u>5,185</u>	<u>5,188</u>
Outside Pakistan		
In current accounts	4,725,969	5,194,224
	<u>4,731,154</u>	<u>5,199,412</u>
Less: Credit loss allowance held against balances with other banks (stage 1)	(1,779)	(2,222)
Balances with other banks - net of credit loss allowance	<u><u>4,729,375</u></u>	<u><u>5,197,190</u></u>
8. LENDINGS TO FINANCIAL INSTITUTIONS		
Reverse repo agreements	-	15,944,886
Lending under margin trading system	1,212,027	3,898,296
Less: Credit loss allowance held against lendings to financial institutions (stage 1)	(857)	(4,388)
Lending to financial institutions - net of credit loss allowance	<u><u>1,211,170</u></u>	<u><u>19,838,794</u></u>
8.1 Lending to Financial Institutions - Particulars of credit loss allowance		

Category of classification	(Un-audited) March 31, 2026		(Audited) December 31, 2025	
	Lending	Credit loss allowance held	Lending	Credit loss allowance held
	----- Rupees in '000 -----			
Domestic				
Performing Stage 1	1,212,027	(857)	19,843,182	(4,388)
Under-performing Stage 2	-	-	-	-
Non-performing Stage 3				
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-
Total	<u><u>1,212,027</u></u>	<u><u>(857)</u></u>	<u><u>19,843,182</u></u>	<u><u>(4,388)</u></u>

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

9. INVESTMENTS

	Note	March 31, 2026 (un-audited)				December 31, 2025 (Audited)			
		Cost / Amortised cost	Credit loss allowance / Provision for diminution	Surplus / (deficit)	Carrying value	Cost / Amortised cost	Credit loss allowance / Provision for diminution	Surplus / (deficit)	Carrying value
9.1		Rupees in '000							
Investments by type									
Debt instruments									
Classified / Measured at amortised cost									
Federal Government Securities	9.1.1	75,810,541	-	-	75,810,541	33,636,907	-	-	33,636,907
Classified / Measured at FVOCI									
Federal Government Securities		239,452,517	-	(628,173)	238,824,344	193,490,337	-	1,903,003	195,393,340
Non Government Debt Securities		1,333,885	(662,083)	(12,173)	659,629	1,533,877	(559,486)	(23,659)	950,732
Foreign Securities		26,747,263	(201)	(16,484)	26,730,578	22,609,049	(197)	73,859	22,682,711
		267,533,665	(662,284)	(656,830)	266,214,551	217,633,263	(559,683)	1,953,203	219,026,783
Classified / Measured at FVPL									
Federal Government Securities		1,540,246	-	(3,322)	1,536,924	1,236,244	-	1,654	1,237,898
Foreign securities		360,282	-	(13,550)	346,732	363,201	-	(1,489)	361,712
		1,900,528	-	(16,872)	1,883,656	1,599,445	-	165	1,599,610
Instruments mandatorily classified / measured at FVPL									
Non Government Debt Securities		100,000	-	(4,960)	95,040	-	-	-	-
Equity instruments									
Classified / Measured at FVOCI (Non-reclassifiable)									
Shares		1,956,986	-	256,545	2,213,531	1,957,166	-	784,971	2,742,137
Subsidiaries		20,887,275	-	-	20,887,275	20,887,275	-	-	20,887,275
Associates		62,067	(62,067)	-	-	242,067	(106,467)	-	135,600
Total Investments		368,251,062	(724,351)	(422,117)	367,104,594	275,956,123	(666,150)	2,738,339	278,028,312

9.1.1 The market value of securities measured at amortised cost as at March 31, 2026 amounted to Rs. 73,749.628 million (December 31, 2025: Rs. 33,709.882 million).

	(Un-audited) March 31, 2026		(Audited) December 31, 2025	
	Cost	Market value	Cost	Market value
9.2	Rupees in '000			
Investments given as collateral				
Federal Government Securities				
Market Treasury Bills	-	-	484,782	485,489
Pakistan Investment Bonds	28,581,370	28,657,390	3,452,225	3,484,055
Total	28,581,370	28,657,390	3,937,007	3,969,544

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

	(Un-audited) March 31, 2026	(Audited) December 31, 2025
	----- Rupees in '000 -----	
9.3 Credit loss allowance / provision for diminution in value of investments		
Opening balance - provision for diminution other than associates	559,683	781,970
Opening balance - provision for diminution on associates	<u>106,467</u>	<u>43,145</u>
	666,150	825,115
Exchange rate adjustments	(1)	1,889
Charge for the period / year other than associates	102,634	58
Provision for diminution on associates for the period / year	-	44,400
Reversals for the period / year	(32)	(205,312)
Reversal on disposals	(44,400)	-
	58,202	(160,854)
Closing balance	<u>724,351</u>	<u>666,150</u>

9.3.1 Particulars of credit loss allowance against debt securities

		(Un-audited) March 31, 2026		(Audited) December 31, 2025	
Category of classification		Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
----- Rupees in '000 -----					
Domestic					
Performing	Stage 1	75,014	192	500,023	103
Under-performing	Stage 2	225,017	2,666	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		1,033,854	659,225	1,033,854	559,383
		1,333,885	662,083	1,533,877	559,486
Overseas					
Performing	Stage 1	26,747,263	201	22,609,049	197
Under-performing	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
		26,747,263	201	22,609,049	197
Total		<u>28,081,148</u>	<u>662,284</u>	<u>24,142,926</u>	<u>559,683</u>

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

9.4 Summary of financial position and performance of subsidiaries

		March 31, 2026 (Un-audited)					
Holding (%)	Country of incorporation	Assets	Liabilities	Revenue	Profit / (loss)	Total comprehensive income / (loss)	
Rupees in '000							
Subsidiaries							
92.90%	Pakistan	12,251,118	8,488,584	802,017	206,479	171,456	
84.73%	Pakistan	3,390,479	731,744	420,401	63,866	63,866	
75.12%	Pakistan	768,549,384	721,978,245	9,807,875	900,105	(656,890)	
		December 31, 2025 (Audited)			March 31, 2025 (Un-audited)		
Holding (%)	Country of incorporation	Assets	Liabilities	Revenue	Profit / (loss)	Total comprehensive income / (loss)	
Rupees in '000							
Subsidiaries							
92.90%	Pakistan	12,005,571	8,414,493	530,798	156,613	151,316	
84.73%	Pakistan	3,390,892	766,022	204,605	103,163	103,163	
75.12%	Pakistan	771,342,878	722,728,970	12,369,963	2,613,726	(1,508,790)	

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

		June 30, 2024 (Audited)					
Holding (%)	Country of incorporation	Assets	Liabilities	Revenue	Profit / (loss)	Total comprehensive income / (loss)	
Rupees in '000							
Associates							
3.92%	Pakistan	3,223,156	3,823,614	3,235,181	(1,235,269)	(1,245,683)	

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

10.5 Particulars of credit loss allowance against advances

	March 31, 2026 (un-audited)			December 31, 2025 (Audited)				
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	----- Rupees in '000 -----			----- Rupees in '000 -----				
Opening balance	579,313	361,027	17,948,051	18,888,391	245,926	436,156	15,083,720	15,765,802
Exchange rate adjustments	(98)	-	-	(98)	21	1,741	-	1,762
Charge for the period / year	242,489	339,929	361,408	943,826	470,054	1,312,453	5,610,219	7,392,726
Reversals for the period / year	(209,135)	(202,821)	(683,862)	(1,095,818)	(136,688)	(1,389,323)	(2,292,762)	(3,818,773)
	33,354	137,108	(322,454)	(151,992)	333,366	(76,870)	3,317,457	3,573,953
Amounts written off	-	-	(44,798)	(44,798)	-	-	(171,009)	(171,009)
Amounts charged off - credit card	-	-	(31,706)	(31,706)	-	-	(125,855)	(125,855)
Amounts charged off - agricultural financing	-	-	-	-	-	-	(156,262)	(156,262)
Closing balance	612,569	498,135	17,549,093	18,659,797	579,313	361,027	17,948,051	18,888,391

10.6

10.5.1

The State Bank of Pakistan through various circulars has allowed benefit of the forced sale value (FSV) of Plant and Machinery under charge, pledged stock and mortgaged residential, commercial and industrial properties (land and building only) held as collateral against non-performing loans (NPLs) for a maximum of five years from the date of classification. As at March 31, 2026, the Bank has availed cumulative FSV benefit under the directives of the SBP of Rs.3,974,579 million (December 31, 2025: Rs. 4,098,908 million).

The additional profit arising from availing the FSV benefit - net of tax amounts to Rs. 1,907,798 million (December 31, 2025: Rs. 1,967,476 million). The additional impact on profitability arising from availing the benefit of FSV shall not be available for payment of cash or stock dividend to shareholders or bonus to employees under the requirements of Prudential Regulations of Corporate / Commercial Banking of SBP.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

10.6 Advances - Particulars of credit loss allowance

	(Un-audited)			(Audited)		
	March 31, 2026			December 31, 2025		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	Rupees in '000			Rupees in '000		
10.6.1 Opening balance	579,313	361,027	17,948,051	245,926	436,156	15,083,720
New Advances	160,215	36,740	231	247,634	75,235	247,799
Advances derecognised or repaid	(48,270)	(26,497)	(361,809)	(51,839)	(252,165)	(942,999)
Transfer to stage 1	2,662	(2,662)	-	39,182	(39,182)	-
Transfer to stage 2	(13,774)	95,859	(82,085)	(14,988)	1,044,990	(1,030,002)
Transfer to stage 3	(1,221)	(9,400)	10,621	(2,536)	(40,410)	42,946
	99,612	94,040	(433,042)	217,453	788,468	(1,682,256)
Amounts written off / charged off	-	-	(76,504)	-	-	(453,126)
Changes in risk parameters (PDs/LGDs/EADs)	(66,258)	43,068	110,588	115,913	(965,338)	4,999,713
Exchange adjustments	(98)	-	-	21	1,741	-
Closing balance	612,569	498,135	17,549,093	579,313	361,027	17,948,051
10.6.2 Advances - Category of classification	(Un-audited)		(Audited)			
	March 31, 2026		December 31, 2025			
	Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held		
	Rupees in '000					
Domestic						
Performing	174,276,586	561,929	217,997,909	573,325		
Under-performing	33,145,547	498,135	29,738,689	361,027		
Non-performing						
OAEM	92,831	-	317,035	29,459		
Substandard	1,072,564	230,693	887,288	177,256		
Doubtful	760,412	254,620	730,318	249,121		
Loss	20,785,662	17,063,780	21,286,725	17,492,215		
	230,133,602	18,609,157	270,957,964	18,882,403		
Overseas						
Performing	5,602,329	50,640	3,588,763	5,988		
Under-performing	-	-	-	-		
Non-performing						
Substandard	-	-	-	-		
Doubtful	-	-	-	-		
Loss	-	-	-	-		
	5,602,329	50,640	3,588,763	5,988		
Total	235,735,931	18,659,797	274,546,727	18,888,391		

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

		(Un-audited) March 31, 2026	(Audited) December 31, 2025
	Note	----- Rupees in '000 -----	
11. PROPERTY AND EQUIPMENT			
Capital work-in-progress	11.1	616,911	882,594
Property and equipment		<u>12,137,693</u>	<u>11,911,353</u>
		<u><u>12,754,604</u></u>	<u><u>12,793,947</u></u>
11.1 Capital work-in-progress			
Civil works		301,383	401,591
Equipment		210,050	376,126
Advance to suppliers		<u>105,478</u>	<u>104,877</u>
		<u><u>616,911</u></u>	<u><u>882,594</u></u>
		<u>(Un-audited)</u>	
		<u>Quarter ended</u>	
		<u>March 31,</u>	<u>March 31,</u>
		<u>2026</u>	<u>2025</u>
11.2 Additions to property and equipment	Note	----- Rupees in '000 -----	
The following additions have been made to property and equipment during the period:			
Capital work-in-progress		183,257	236,632
Property and equipment			
Leasehold improvements		296,223	331,110
Furniture and fixture		23,897	36,434
Electrical, office and computer equipment		296,347	254,013
Vehicles		<u>8,761</u>	<u>319</u>
		<u>625,228</u>	621,876
Total	11.2.1	<u><u>808,485</u></u>	<u><u>858,508</u></u>

11.2.1 This includes transfer from capital work in progress during the period amounting to Rs. 446.113 million (March 31, 2025: Rs. 307.321 million).

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

	(Un-audited) Quarter ended	
	March 31, 2026	March 31, 2025
	----- Rupees in '000 -----	
11.3 Disposal of property and equipment		
The net book value of property and equipment disposed off during the period is as follows:		
Property and equipment		
Leasehold improvements	218	774
Furniture and fixture	575	582
Electrical, office and computer equipment	4,104	4,021
Vehicles	-	810
Total	<u>4,897</u>	<u>6,187</u>
	(Un-audited) March 31, 2026	(Audited) December 31, 2025
	----- Rupees in '000 -----	
12. RIGHT-OF-USE ASSETS	Buildings	Buildings
At January 1		
Cost	8,000,733	5,946,075
Accumulated Depreciation	(4,926,911)	(3,335,982)
Net Carrying amount at January 1	<u>3,073,822</u>	<u>2,610,093</u>
Additions during the period / year	391,888	2,122,775
Deletions during the period / year	(5,117)	(68,005)
Depreciation charge for the period / year	(409,887)	(1,590,929)
Exchange rate adjustments	(166)	(112)
Closing net carrying amount	<u>3,050,540</u>	<u>3,073,822</u>
13. INTANGIBLE ASSETS		
Capital work-in-progress - computer software	881,683	816,532
Computer software	4,104,205	4,249,506
Goodwill	1,463,624	1,463,624
	<u>6,449,512</u>	<u>6,529,662</u>

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

13.1 Additions to intangible assets

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

	(Un-audited) Quarter ended	
	March 31, 2026	March 31, 2025
	----- Rupees in '000 -----	
Directly purchased		
Capital work-in-progress - net	65,151	48,424
Computer software	-	289
Total	<u>65,151</u>	<u>48,713</u>

13.2 There were no disposals of intangible assets during the periods ended March 31, 2026 and March 31, 2025.

		(Un-audited) March 31, 2026	(Audited) December 31, 2025
		----- Rupees in '000 -----	
14. DEFERRED TAX ASSETS / (LIABILITIES)	Note		
Deductible Temporary Differences on:			
Credit loss allowance against advances		2,704,372	3,205,886
Credit loss allowance - others		238,049	162,405
Impact of Effective Interest Rate adoption		194,331	-
Deficit / (surplus) on revaluation of investments	22	208,149	(1,423,851)
Unrealized loss / (gain) on FVPL investments		11,353	(87)
Right-of-use assets		4,290,501	4,077,360
		<u>7,646,755</u>	6,021,713
Taxable Temporary Differences on:			
Credit loss allowance against investments		(22,767)	(53,032)
Surplus on revaluation of property and equipment	22	(699,079)	(708,988)
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	22	(257,074)	(257,733)
Accelerated tax depreciation		(850,004)	(913,597)
Lease liabilities		(4,174,303)	(3,965,055)
Fair value adjustment		(49,601)	(56,633)
Goodwill		(761,084)	(761,084)
		<u>(6,813,912)</u>	(6,716,122)
		<u>832,843</u>	<u>(694,409)</u>

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

		(Un-audited) March 31, 2026	(Audited) December 31, 2025
		----- Rupees in '000 -----	
15. OTHER ASSETS			
Mark-up / return / interest accrued in local currency		11,345,841	11,382,384
Mark-up / return / interest accrued in foreign currencies		156,347	88,324
Advances, deposits, advance rent and other prepayments		4,412,529	4,298,504
Acceptances		5,212,863	4,881,615
Advance taxation (payments less provision)		4,141,732	3,874,577
Stationery and stamps in hand		21,400	12,186
Dividend receivable		1,083,512	-
Receivable in respect of home remittance		18,098	11,376
Receivable against bancassurance / bancatakaful		3,963	13,208
Due from State Bank of Pakistan		2,334,320	2,179,874
Fair value adjustment on advances	10.2	2,610,031	2,728,769
Non-banking assets acquired in satisfaction of claims		4,874,053	4,882,960
Mark to market gain on forward foreign exchange contracts		221,673	156,440
Advance against investments in securities		792,000	792,000
Inter bank fund transfer settlement		24,479	2,131,870
Credit card settlement		373,288	77,438
Clearing and settlement accounts		-	1,038,710
Insurance claims receivable		77,387	61,597
Receivable from Subsidiary		-	459,000
Others		217,734	181,724
		37,921,250	39,252,556
Less: Credit loss allowance held against other assets	15.1	(175,116)	(153,957)
Other Assets (Net of credit loss allowance)		37,746,134	39,098,599
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	22	601,067	602,334
Other assets - total		38,347,201	39,700,933
15.1 Credit loss allowance held against other assets			
Mark-up / return / interest accrued		18,882	15,360
Advances, deposits, advance rent and other prepayments		134,176	126,371
Dividend receivable		271	-
Receivable against bancassurance / bancatakaful		12	2
Advance against investments in securities		8,803	8,803
Insurance claim receivable		243	8
Others		12,729	3,413
		175,116	153,957

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

	(Un-audited) March 31, 2026	(Audited) December 31, 2025
	----- Rupees in '000 -----	
15.1.1 Movement in credit loss allowance held against other assets		
Opening balance	153,957	23,914
Exchange rate adjustments	(2)	1
Charge for the period / year	21,457	140,541
Reversals for the period / year	(296)	(10,499)
Amount written off	-	130,042
Closing balance	175,116	153,957
16. BILLS PAYABLE		
In Pakistan	5,613,238	7,516,630
Outside Pakistan	321,618	322,737
	5,934,856	7,839,367
17. BORROWINGS		
Secured		
Borrowings from State Bank of Pakistan under:		
Export refinancing scheme	4,622,931	5,762,946
Long-term finance facility	818,260	1,018,633
Financing facility for storage of agricultural produce	271,357	275,929
Financing facility for renewable energy projects	603,652	707,729
Refinance for women entrepreneurs	111,931	125,052
Refinance facility for modernization of Small and Medium Enterprises (SMEs)	202,165	223,147
Refinance facility for combating COVID-19	8,869	15,521
Temporary economic refinance facility (TERF)	2,840,292	3,037,394
Small enterprise financing and credit guarantee scheme for special persons	-	67
Refinance facility for working capital of SMEs	5,135,021	5,383,440
Refinance facility for SME Asaan Finance (SAAF) scheme	4,064,846	4,540,447
Repurchase agreement borrowings	12,482,554	2,962,005
	31,161,878	24,052,310
Fair value adjustment on TERF borrowings	(649,330)	(705,181)
Borrowing from financial institutions:		
Refinancing facility for mortgage loans	2,296,192	2,341,365
Repurchase agreement borrowings	15,629,153	-
Total secured	48,437,893	25,688,494
Unsecured		
Call borrowings	4,400,000	-
Overdrawn nostro accounts	333,738	439,586
Total unsecured	4,733,738	439,586
	53,171,631	26,128,080
17.1 Particulars of borrowings		
In local currency	52,837,893	25,688,494
In foreign currencies	333,738	439,586
	53,171,631	26,128,080

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

18. DEPOSITS AND OTHER ACCOUNTS

	March 31, 2026 (un-audited)			December 31, 2025 (Audited)		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
----- Rupees in '000 -----						
Customers						
Current deposits	178,612,714	10,769,926	189,382,640	183,720,414	10,621,727	194,342,141
Savings deposits	167,834,737	9,030,562	176,865,299	182,050,071	8,130,654	190,180,725
Term deposits	94,954,751	15,405,872	110,360,623	81,905,046	19,240,992	101,146,038
Margin deposits	24,206,844	194	24,207,038	21,565,499	17,288	21,582,787
	<u>465,609,046</u>	<u>35,206,554</u>	<u>500,815,600</u>	<u>469,241,030</u>	<u>38,010,661</u>	<u>507,251,691</u>
Financial Institutions						
Current deposits	5,726,086	746,017	6,472,103	5,513,362	682,985	6,196,347
Savings deposits	16,102,998	188,373	16,291,371	14,048,557	41,977	14,090,534
Term deposits	2,019,021	19,300,381	21,319,402	2,081,979	13,881,500	15,963,479
	<u>23,848,105</u>	<u>20,234,771</u>	<u>44,082,876</u>	<u>21,643,898</u>	<u>14,606,462</u>	<u>36,250,360</u>
	<u><u>489,457,151</u></u>	<u><u>55,441,325</u></u>	<u><u>544,898,476</u></u>	<u><u>490,884,928</u></u>	<u><u>52,617,123</u></u>	<u><u>543,502,051</u></u>

	Note	(Un-audited) March 31, 2026	(Audited) December 31, 2025
----- Rupees in '000 -----			
19. LEASE LIABILITIES			
Outstanding amount at the start of the period / year		3,193,531	2,788,429
Additions during the period / year		277,908	1,442,945
Lease payments including interest		(389,372)	(1,366,323)
Interest expense	19.2	98,197	435,839
Terminations		(6,186)	(92,719)
Exchange rate adjustments		(161)	(118)
Other adjustments		-	(14,522)
Outstanding amount at the end of the period / year		<u><u>3,173,917</u></u>	<u><u>3,193,531</u></u>

19.1 Outstanding liabilities

Not later than one year	161,961	650,855
Later than one year and upto five years	2,536,803	1,959,047
Over five years	475,153	583,629
Total at the period / year end	<u><u>3,173,917</u></u>	<u><u>3,193,531</u></u>

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

	Note	(Un-audited) March 31, 2026	(Audited) December 31, 2025
----- Rupees in '000 -----			
20. SUBORDINATED DEBT			
Term Finance Certificates - Fifth Issue	20.1	3,459,684	3,497,900
Term Finance Certificates - Fourth Issue	20.2	2,479,946	2,496,000
Term Finance Certificates - Third Issue	20.3	2,500,000	2,500,000
		<u><u>8,439,630</u></u>	<u><u>8,493,900</u></u>

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

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

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

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

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

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

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

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

Purpose	To contribute towards the Bank's Tier I Capital for complying with the capital adequacy requirement and to utilize the funds in the Bank's business operations as permitted by its Memorandum & Articles of Association.
Issue date	December 31, 2018.
Maturity date	Perpetual.
Rating	A+ (Single A plus).
Markup rate	Floating rate of return at Base Rate + 2.25 percent per annum. Base Rate is defined as the average six months KIBOR prevailing on the Base Rate setting date. The Base Rate will be set for the first time on the last working day prior to the issue date and subsequently on the immediately preceding business day before the start of each six monthly period.
Markup payment frequency	Semi-annually on a non-cumulative basis.
Redemption	Not applicable.
Security	The Issue is unsecured
Subordination	The Issue is subordinated as to payment of Principal and profit to all other claims except common shares.
Call option	Exercisable in part or in full at a par value on or after five years from the issue date, with prior approval of SBP. The Bank shall not exercise the call option unless the called instrument is replaced with capital of same or better quality.
Lock-in-clause	Payment of profit will be made from current year's earning and subject to compliance with MCR and / or CAR or LR set by SBP.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

<p>Loss absorbency clause - Pre-Specified Trigger (PST)</p>	<p>Upon the occurrence of a PST as defined under SBP BPRD Circular No. 06 dated August 15, 2013 which stipulates that if an Issuer's Common Equity Tier 1 (CET 1) ratio falls to or below 6.625% of Risk Weighted Assets (RWAs), the Issuer will have full discretion to determine the amount of TFCs to be permanently converted into common shares or written off, subject to SBP regulations / instructions, and the cap specified below. The Bank will be able to exercise this discretion subject to:</p> <ul style="list-style-type: none"> - If and when Bank's CET 1 reaches the loss absorption trigger point, the aggregate amount of Additional Tier-1 capital to be converted must at least be the amount sufficient to immediately return the CET 1 ratio to above 6.625% of total RWAs (if possible); - The converted amount should not exceed the amount needed to bring the CET 1 ratio to 8.5% of RWAs (i.e. minimum CET 1 of 6.0% plus capital conservation buffer of 2.5%); and - In case, conversion of Additional Tier-1 capital Instrument is not possible following the trigger event, the amount of the Instrument must be written off in the accounts resulting in increase in CET 1 of the Issuer.
<p>Loss absorbency clause - Point of Non-Viability (PONV)</p>	<p>Upon the occurrence of a PONV event as defined under SBP BPRD Circular No. 06 dated August 15, 2013, which stipulates that SBP may, at its option, fully and permanently convert the TFCs into common shares of the Bank and / or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Value of the TFCs' divided by market value per share of the Bank's common / ordinary share on the date of the PONV trigger event as declared by SBP, subject to the cap specified below:</p> <p>The PONV trigger event is the earlier of:</p> <ul style="list-style-type: none"> - A decision made by SBP that a conversion or temporary / permanent write-off is necessary without which the Issuer would become non-viable; - The decision to make a public sector injection of capital, or equivalent support, without which the Issuer would have become non-viable, as determined by SBP; - The maximum number of shares to be issued to TFC holders at the PST and / or PONV (or otherwise as directed by SBP) will be subject to a specified cap of 329,595,476 ordinary shares, or such other number as may be agreed to in consultation with SBP.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

		(Un-audited) March 31, 2026	(Audited) December 31, 2025
21.	OTHER LIABILITIES	----- Rupees in '000 -----	
	Mark-up / return / interest payable in local currency	3,199,214	1,313,491
	Mark-up / return / interest payable in foreign currencies	269,710	162,628
	Unearned income on guarantees	556,906	526,400
	Accrued expenses	1,237,813	1,973,583
	Acceptances	5,212,863	4,881,615
	Unclaimed dividends	4,214	4,214
	Mark to market loss on forward foreign exchange contracts	421,349	441,137
	Mark to market loss on forward government securities transaction	289	-
	Defined benefit obligation	174,960	124,732
	Withholding taxes payable	1,351,615	2,218,038
	Donation payable	167,319	123,812
	Security deposits against leases, lockers and others	5,334,376	4,883,358
	Workers' welfare fund	665,992	622,485
	Payable in respect of home remittance	140,109	1,185
	Retention money payable	110,753	86,852
	Insurance payable	492,704	476,937
	BLB fund settlement	309,284	106,276
	Debit card settlement	393,864	363,128
	Clearing and settlement accounts	369,711	-
	Credit loss allowance against off-balance sheet obligations	357,289	270,587
	Others	486,520	543,827
		<u>21,256,854</u>	<u>19,124,285</u>
21.1	Credit loss allowance against off-balance sheet obligations		
	Opening balance	270,587	190,889
	Transfer in	-	-
	Exchange rate adjustments	(40)	25
	Charge for the period / year	163,935	128,680
	Reversals for the period / year	(77,193)	(49,007)
		86,742	79,673
	Closing balance	<u>357,289</u>	<u>270,587</u>

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

		(Un-audited) March 31, 2026	(Audited) December 31, 2025
22. SURPLUS ON REVALUATION OF ASSETS	Note	----- Rupees in '000 -----	
Surplus / (deficit) on revaluation of:			
- Securities measured at FVOCI - debt	9.1	(656,830)	1,953,203
- Securities measured at FVOCI - equity	9.1	256,545	784,971
- Property and equipment		2,107,050	2,126,106
- Non-banking assets acquired in satisfaction of claims	15	601,068	602,334
		2,307,833	5,466,614
Deferred tax on surplus / (deficit) on revaluation of:			
- Securities measured at FVOCI - debt		341,552	(1,015,666)
- Securities measured at FVOCI - equity		(133,403)	(408,185)
- Property and equipment		(699,079)	(708,988)
- Non-banking assets acquired in satisfaction of claims		(257,074)	(257,733)
		(748,004)	(2,390,572)
		1,559,829	3,076,042
23. CONTINGENCIES AND COMMITMENTS			
Guarantees	23.1	114,679,533	114,322,261
Commitments	23.2	110,051,476	108,452,698
Other contingencies	23.3	1,202,245	1,204,016
		225,933,254	223,978,975
23.1 Guarantees:			
Financial guarantees		23,824,753	22,275,534
Performance guarantees		48,075,049	51,690,524
Other guarantees		42,779,731	40,356,203
		114,679,533	114,322,261
23.2 Commitments			
Documentary credits and short-term trade-related transactions			
- Letters of credit		39,201,931	40,537,796
Commitments in respect of:			
- Forward foreign exchange contracts	23.2.1	70,395,880	67,437,910
- Forward government securities transactions	23.2.2	76,911	-
- Forward lending	23.2.3	52,000	52,000
Commitments for acquisition of:			
- Property and equipment	23.2.4	277,511	337,483
- Intangible assets	23.2.4	47,243	87,509
		110,051,476	108,452,698

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

		(Un-audited) March 31, 2026	(Audited) December 31, 2025
23.2.1	Commitments in respect of forward foreign exchange contracts	Note	----- Rupees in '000 -----
	Purchase	<u>40,123,373</u>	40,462,368
	Sale	<u>30,272,507</u>	26,975,542
		<u>70,395,880</u>	<u>67,437,910</u>
23.2.2	Commitments in respect of forward government securities transaction		
	Purchase	<u>76,911</u>	-
23.2.3	Commitments in respect of forward lending		
	Undrawn formal standby facilities, credit lines and other commitments to lend	23.2.3.1	<u>52,000</u> <u>52,000</u>

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

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

		(Un-audited) March 31, 2026	(Audited) December 31, 2025
23.3	Other contingent liabilities	Note	----- Rupees in '000 -----
	Claims against the Bank not acknowledged as debts	23.3.1	<u>1,202,245</u> <u>1,204,016</u>

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

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

23.3.2 Tax related contingencies are disclosed in note 34.1.

24. DERIVATIVE INSTRUMENTS

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

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

The Bank held no derivative instruments as at March 31, 2026 (December 31, 2025: Nil).

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

	(Un-audited) Quarter ended	
	March 31, 2026	March 31, 2025
	----- Rupees in '000 -----	
25. MARK-UP / RETURN / INTEREST EARNED		
Loans and advances	6,445,324	6,582,713
Investments	9,212,252	14,442,581
Lendings to financial institutions	82,026	149,015
Balances with other banks	46,126	80,376
Securities purchased under repurchase agreements	140,231	104,669
	<u>15,925,959</u>	<u>21,359,354</u>
25.1 Interest income recognised on:		
Financial assets measured at amortised cost	1,535,830	5,306,730
Financial assets measured at FVOCI	7,993,475	9,021,543
Financial assets measured at FVPL	180,619	645,177
Financial assets measured at cost	6,216,035	6,385,904
	<u>15,925,959</u>	<u>21,359,354</u>
26. MARK-UP / RETURN / INTEREST EXPENSED		
Deposits	6,675,843	9,279,845
Borrowings	1,944,212	3,772,884
Subordinated debt	269,714	301,326
Cost of foreign currency swaps against foreign currency deposits / borrowings	253,463	423,603
Finance charges on leased assets	98,197	97,760
	<u>9,241,429</u>	<u>13,875,418</u>
27. FEE AND COMMISSION INCOME		
Branch banking customer fees	26,818	39,209
Finance related fees	127,238	129,302
Card related fees (debit and credit cards)	342,505	365,597
Investment banking fees	9,979	34,108
Commission on trade	251,241	266,736
Commission on guarantees	190,593	182,265
Commission on cash management	14,389	9,940
Commission on remittances including home remittances	11,907	66,132
Commission on bancassurance	10,599	14,726
Commission on distribution of mutual funds	300	2,899
Commission on online services	166,434	32,239
Rebate income	87,280	114,781
	<u>1,239,283</u>	<u>1,257,934</u>

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

		(Un-audited) Quarter ended	
		March 31, 2026	March 31, 2025
		----- Rupees in '000 -----	
28.	GAIN ON SECURITIES - NET		
	Realised	158,762	90,535
	Unrealised - measured at FVPL	(21,832)	(66,647)
		<u>136,930</u>	<u>23,888</u>
28.1	Realised gain / (loss) on:		
	Federal government securities	203,162	165,033
	Associates	(44,400)	-
	Foreign securities	-	(74,498)
		<u>158,762</u>	<u>90,535</u>
28.2	Net gain / (loss) on financial assets:		
	Measured at FVPL:		
	Designated upon initial recognition	(1,204)	13,960
	Mandatorily Measured at FVPL	-	-
		(1,204)	13,960
	Measured at amortised cost	-	-
	Measured at FVOCI	204,366	76,575
	Equity instruments designated at FVOCI	(44,400)	-
		<u>158,762</u>	<u>90,535</u>
29.	OTHER INCOME		
	Rent income	1,070	5,618
	Gain on sale of property and equipment - net	3,511	3,715
	Gain on sale of non banking assets - net	-	20,896
	Gain on termination of leases - net	1,069	7,153
	Scrap sales	233	-
	Auction charges recovered	350	405
	Beach hut charges recovered	212	-
	Others	46	-
		<u>6,491</u>	<u>37,787</u>

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

	Note	(Un-audited) Quarter ended	
		March 31, 2026	March 31, 2025
		----- Rupees in '000 -----	
30. OPERATING EXPENSES			
Total compensation expense	30.1	3,046,829	2,767,039
Property expense			
Rent and taxes		37,444	8,995
Insurance		2,087	1,740
Utilities cost		172,041	182,550
Security (including guards)		128,543	124,691
Repair and maintenance (including janitorial charges)		95,001	110,702
Depreciation		134,797	123,897
Depreciation on right-of-use assets		409,887	368,280
Depreciation on non-banking assets		10,174	10,119
		989,974	930,974
Information technology expenses			
Software maintenance		557,023	464,742
Hardware maintenance		130,555	175,661
Depreciation		139,935	131,379
Amortisation		144,954	108,008
Network charges		77,248	75,243
		1,049,715	955,033
Other operating expenses			
Directors' fees and allowances		3,350	4,950
Legal and professional charges		61,643	90,895
Insurance		69,459	71,570
Outsourced services costs		274,773	152,010
Travelling and conveyance		80,670	99,325
NIFT clearing charges		23,758	21,831
Depreciation		119,219	109,185
Training and development		7,171	18,177
Postage and courier charges		26,077	25,217
Communication		78,996	125,767
Stationery and printing		87,648	101,815
Marketing, advertisement and publicity		306,067	532,077
Donations		43,507	54,750
Auditors' remuneration		6,501	5,640
Staff auto fuel and maintenance		152,811	148,142
Bank charges		26,871	21,533
Stamp duty		6,716	7,436
Online verification charges		25,299	23,302
Brokerage, fee and commission		13,819	12,720
Card related fees (debit and credit cards)		525,213	425,033
CDC and other charges		8,700	1,710
Consultancy fee		24,902	21,522
Deposit protection premium		63,819	51,298
Entertainment expenses		53,066	58,195
Repair and maintenance		18,413	20,780
Cash handling charges		85,129	103,463
Fee and subscription		42,342	56,012
Employees social security		1,883	2,422
Generator fuel and maintenance		43,735	48,315
Others		5,081	5,959
		2,286,638	2,421,051
		7,373,156	7,074,097

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

30.1 This includes impact of fair value adjustment on concessional rate staff loans amounting to Rs. 96.330 million (March 31, 2025: Rs. 98.048 million).

31. WORKERS' WELFARE FUND

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

	(Un-audited) Quarter ended	
	March 31, 2026	March 31, 2025
	----- Rupees in '000 -----	
32. OTHER CHARGES		
Penalties imposed by State Bank of Pakistan	<u>707</u>	<u>265</u>

33. CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET

Credit loss allowance against cash and balances with treasury banks	44,514	497
Credit loss allowance against balance with other banks	(443)	(2,046)
Credit loss allowance against lending to financial institutions	(3,531)	(270)
Credit loss allowance for diminution in value of investments	58,202	(178,257)
Credit loss allowance against loans and advances	(151,992)	820,777
Credit loss allowance against other assets	21,161	112,997
Credit loss allowance against off balance sheet obligations	86,742	(12,392)
Bad debts written off directly	293	-
Recovery of written off / charged off bad debts	(134,372)	(1,199)
Operational loss	998	2,229
	<u>(78,428)</u>	<u>742,336</u>

34. TAXATION

Current	821,157	1,287,891
Prior years	-	-
Deferred	309,542	161,058
	<u>1,130,699</u>	<u>1,448,949</u>

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

35. EARNINGS PER SHARE - BASIC AND DILUTED

	(Un-audited) Quarter Ended	
	March 31, 2026	March 31, 2025
	----- Rupees in '000 -----	
Profit after taxation for the period	<u>1,044,644</u>	<u>1,288,567</u>
	----- Number of shares -----	
Weighted average number of ordinary shares	<u>2,050,662,536</u>	<u>2,050,662,536</u>
	----- Rupee -----	
Earnings per share - basic and diluted	<u>0.51</u>	<u>0.63</u>

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

		(Un-audited) March 31, 2026	(Audited) December 31, 2025	(Un-audited) March 31, 2025
36. CASH AND CASH EQUIVALENTS	Note		----- Rupees in '000 -----	
Cash and balances with treasury banks - gross	6	37,112,623	40,698,305	51,836,973
Balances with other banks - gross	7	4,731,154	5,199,412	3,139,050
Overdrawn nostro accounts	17	(333,738)	(439,586)	(556,110)
		<u>41,510,039</u>	<u>45,458,131</u>	<u>54,419,913</u>

37 FAIR VALUE MEASUREMENTS

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

37.1 Fair value of financial instruments

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

- Level 1:** Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2:** Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3:** Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

	March 31, 2026 (Un-audited)			
	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments	----- Rupees in '000 -----			
Financial assets - measured at fair value				
Investments				
Federal Government Securities	-	240,361,268	-	240,361,268
Shares - listed companies	1,955,799	-	-	1,955,799
Shares - unlisted companies	-	17,988	239,744	257,732
Non Government Debt Securities	-	380,040	-	380,040
Foreign Securities	-	27,077,310	-	27,077,310
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	-	73,749,628	-	73,749,628
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	39,715,779	-	39,715,779
Forward sale of foreign exchange	-	30,064,727	-	30,064,727
Forward purchase - Government securities	-	76,622	-	76,622
	December 31, 2025 (Audited)			
	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments	----- Rupees in '000 -----			
Financial assets - measured at fair value				
Investments				
Federal Government Securities	-	196,631,238	-	196,631,238
Shares	2,686,351	18,478	37,308	2,742,137
Non Government Debt Securities	-	476,261	-	476,261
Foreign Securities	-	23,044,423	-	23,044,423
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	-	33,709,882	-	33,709,882
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	40,052,102	-	40,052,102
Forward sale of foreign exchange	-	26,850,111	-	26,850,111

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

37.2 Valuation techniques

Item	Valuation approach and input used
Units of mutual funds	Fair values of investments in units of mutual funds are determined based on redemption prices disclosed at the Mutual Funds Association of Pakistan (MUFAP) as at the close of the business days.
Market Treasury Bills (MTB), Pakistan Investment Bonds (PIB) and GoP Sukuks	Fair values of Pakistan Investment Bonds and Market Treasury Bills are derived using PKRV, PKFRV and PKISRV rates.
Debt Securities (TFCs) and Sukuk other than Government	Investments in debt securities (comprising of Term Finance Certificates, Bonds and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the SECP.
Overseas Government Sukuks, Overseas and Euro Bonds	The fair value of Overseas Government Sukuks, and Overseas Bonds are valued on the basis of price available on Bloomberg.
Ordinary shares - listed	The fair value of investments in listed equity securities are valued on the basis of closing quoted market price available at the Pakistan Stock Exchange.
Ordinary shares - unlisted	<p>The fair value of the investment in SWIFT shares has been determined using a market based approach, based on the share value annually calculated and published by SWIFT for all shareholders.</p> <p>The fair value of ISE REIT shares has been determined using a market based approach, applying price to book multiples of comparable listed REITs to the net asset value, adjusted for discounts for lack of control and lack of marketability.</p>
Preference shares - unlisted	The fair value of Apothecare and Augmentcare shares has been determined using an income-based approach, applying the Free Cash Flow to Firm (FCFF) method, whereby projected cash flows are discounted using the Weighted Average Cost of Capital (WACC).
Forward foreign exchange contracts	The valuation has been determined by interpolating the foreign exchange revaluation rates announced by the State Bank of Pakistan.
Derivatives	The fair values of derivatives which are not quoted in active markets are determined by using valuation techniques. The valuation techniques take into account the relevant underlying parameters including foreign currencies involved, interest rates, yield curves, volatilities, contracts duration, etc.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

Property and Equipment - Land and buildings	Land and buildings and Non-banking assets under satisfaction of claims are carried at revalued amounts determined by professional valuers based on their assessment of the market values as disclosed in note 10 and 13 of unconsolidated financial statements for the year ended December 31, 2025. The valuations are conducted by the valuation experts appointed by the Bank which are also on the panel of State Bank of Pakistan. The valuation experts used a market based approach to arrive at the fair value of the Bank's properties. The market approach used prices and other relevant information generated by market transactions involving identical or comparable or similar properties. These values are adjusted to reflect the current condition of the properties.
Non-banking assets acquired in satisfaction of claims	

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

Description	Fair value as at March 31, 2026	Fair value as at December 31, 2025	Unobservable inputs	Sensitivity of inputs
---- Rupees in '000 ----				
Ordinary shares - unlisted (ISE REIT)	34,032	37,308	<ul style="list-style-type: none"> - Price to book (P/B) multiple - Discount for lack of control - Discount for lack of marketability 	a 10% increase / decrease in the P/B multiple would result in an increase / decrease of Rs 3.403 million in the fair value. A 5.0 percentage point change in either the discount for lack of control or the discount for the lack of marketability would result in a change of Rs 2.836 million in the fair value
Preference shares - unlisted (Apothecare)	127,394	-	<ul style="list-style-type: none"> WACC Terminal growth rate - FCFF 	A 1.0 percentage point increase / decrease in the WACC would result in a decrease / increase in the fair value of Rs 7.136 million. A 1.0 percentage point increase / decrease in the terminal growth rate would result in an increase / decrease in the fair value of Rs 2.630 million.
Preference shares - unlisted (Augmentcare)	78,318	-	<ul style="list-style-type: none"> WACC Terminal growth rate - FCFF 	A 1.0 percentage point increase / decrease in the WACC would result in a decrease / increase in the fair value of Rs 8.045 million. A 1.0 percentage point increase / decrease in the terminal growth rate would result in an increase / decrease in the fair value of Rs 4.755 million.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

The following table shows reconciliation of investment fair value movement:

	(Un-audited) March 31, 2026	(Audited) December 31, 2025
	----- Rupees in '000 -----	
Opening balance	37,308	289,259
Impact of adoption of IFRS 9	-	18,634
Remeasurement recognised in Profit and Loss	-	(278,259)
Remeasurement recognised in OCI	202,436	7,674
Closing balance	239,744	37,308

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

38. SEGMENT INFORMATION

38.1 Change in reportable segments

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

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

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

Following the revision in internal reporting, the Bank's reportable segments for the period ended March 31, 2026 are presented as:

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

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

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

38.2 Segment Details with respect to Business Activities

For the quarter ended March 31, 2026 (Un-audited)								
Retail Banking	Corporate / Commercial Banking	Treasury, FI and Home Remittance	International Banking	Investment Banking	Zindigi	Others	Total	
----- Rupees in '000 -----								
Profit and loss								
Net mark-up / return / profit	(1,857,108)	1,043,464	7,279,224	201,040	39,475	(57,933)	36,368	6,684,530
Inter segment revenue - net	6,004,057	214,039	(5,507,005)	-	(41,214)	205,353	(875,230)	-
Non mark-up / return / interest income	568,636	373,153	548,323	88,962	(43,676)	212,455	1,081,902	2,829,755
Total Income	4,715,585	1,630,656	2,320,542	290,002	(45,415)	359,875	243,040	9,514,285
Segment direct expenses	3,762,534	170,863	128,192	96,236	17,754	1,059,381	2,182,410	7,417,370
Inter segment expense allocation	1,021,468	331,785	93,118	21,649	8,565	197,859	(1,674,444)	-
Total expenses	4,784,002	502,648	221,310	117,885	26,319	1,257,240	507,966	7,417,370
Credit loss allowance and write offs - net	(274,037)	(203,633)	48,249	51,383	55,443	448	243,719	(78,428)
Profit / (loss) before tax	205,620	1,331,641	2,050,983	120,734	(127,177)	(897,813)	(508,645)	2,175,343

As at March 31, 2026 (Un-audited)								
Retail Banking	Corporate / Commercial Banking	Treasury, FI and Home Remittance	International Banking	Investment Banking	Zindigi	Others	Total	
----- Rupees in '000 -----								
Balance sheet								
Cash and bank balances	15,263,995	552,361	22,522,830	3,167,106	-	290,188	-	41,796,480
Investments	798,426	-	315,165,148	27,077,317	774,641	-	23,289,062	367,104,594
Net inter segment lending	299,751,501	13,374,920	-	-	-	9,124,841	-	322,251,262
Lendings to financial institutions	-	-	1,211,170	-	-	-	-	1,211,170
Advances - performing	89,883,469	100,223,442	5,755,555	5,551,688	-	80,771	4,672,394	206,167,319
Advances - non-performing	3,270,124	1,815,562	-	-	-	2,452	74,238	5,162,376
Others	-	-	-	-	792,000	-	60,642,700	61,434,700
Total Assets	408,967,515	115,966,285	344,654,703	35,796,111	1,566,641	9,498,252	88,678,394	1,005,127,901
Borrowings	13,006,706	7,319,480	32,845,445	-	-	-	-	53,171,631
Subordinated debt	-	-	-	-	-	-	8,439,630	8,439,630
Deposits and other accounts	384,820,882	108,327,899	9,337,020	32,895,982	18,441	9,498,252	-	544,898,476
Net inter segment borrowing	-	-	302,463,389	-	1,492,563	-	18,295,310	322,251,262
Others	11,139,927	318,906	8,849	2,900,129	55,637	-	15,942,179	30,365,627
Total Liabilities	408,967,515	115,966,285	344,654,703	35,796,111	1,566,641	9,498,252	42,677,119	958,126,626
Equity	-	-	-	-	-	-	-	46,001,275
Total Equity and Liabilities	408,967,515	115,966,285	344,654,703	35,796,111	1,566,641	9,498,252	88,678,394	1,005,127,901
Contingencies and Commitments	23,261,851	107,398,729	70,472,791	23,220,884	-	-	1,578,999	225,933,254

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

For the quarter ended March 31, 2025 (Un-audited) - Restated

	Retail Banking	Corporate / Commercial Banking	Treasury, FI and Home Remittance	International Banking	Investment Banking	Zindgi	Others	Total
----- Rupees in '000 -----								
Profit and loss								
Net mark-up / return / profit	(3,806,746)	135,764	11,163,574	141,832	25,561	(33,429)	(142,620)	7,483,936
Inter segment revenue - net	8,153,007	1,318,377	(8,543,704)	-	(62,859)	137,620	(1,002,441)	-
Non mark-up / return / income	603,922	460,149	826,606	(21,474)	36,645	44,415	1,174,765	3,125,028
Total income	4,950,183	1,914,290	3,446,476	120,358	(653)	148,606	29,704	10,608,964
Segment direct expenses	3,602,798	194,172	191,543	99,101	28,299	931,164	2,082,035	7,129,112
Inter segment expense allocation	986,064	284,978	88,721	20,492	7,597	197,657	(1,585,509)	-
Total expenses	4,588,862	479,150	280,264	119,593	35,896	1,128,821	496,526	7,129,112
Credit loss allowance and write offs - net	12,663	821,390	(9,733)	(159,394)	-	28,592	48,808	742,336
Profit / (loss) before tax	348,658	613,750	3,175,945	160,149	(36,549)	(1,008,807)	(515,630)	2,737,516

As at December 31, 2025 (Audited) - Restated

	Retail Banking	Corporate / Commercial Banking	Treasury, FI and Home Remittance	International Banking	Investment Banking	Zindgi	Others	Total
----- Rupees in '000 -----								
Balance sheet								
Cash and bank balances	12,805,370	322,712	28,334,538	3,360,120	-	1,071,751	-	45,894,491
Investments	620,383	-	229,440,753	23,044,422	1,154,495	-	23,768,259	278,028,312
Net inter segment lending	313,115,000	14,631,581	-	-	-	6,777,709	-	334,524,290
Lendings to financial institutions	-	-	19,838,794	-	-	-	-	19,838,794
Advances - performing	88,593,670	102,967,350	44,624,017	3,582,775	-	40,830	4,694,413	244,503,055
Advances - non-performing	3,229,830	1,952,665	-	-	-	2,446	88,374	5,273,315
Others	-	-	-	-	792,000	-	61,306,364	62,098,364
Total Assets	418,364,253	119,874,308	322,238,102	29,987,317	1,946,495	7,892,736	89,857,410	990,160,621
Borrowings	14,280,581	8,445,908	3,401,591	-	-	-	-	26,128,080
Subordinated debt	-	-	-	-	-	-	8,493,900	8,493,900
Deposits and other accounts	391,760,535	111,110,987	5,711,461	27,010,721	15,611	7,892,736	-	543,502,051
Net inter segment borrowing	-	-	313,116,201	-	1,930,884	-	19,477,205	334,524,290
Others	12,323,137	317,413	8,849	2,976,596	-	-	15,225,597	30,851,592
Total Liabilities	418,364,253	119,874,308	322,238,102	29,987,317	1,946,495	7,892,736	43,196,702	943,949,913
Equity	-	-	-	-	-	-	46,660,708	46,660,708
Total Equity and Liabilities	418,364,253	119,874,308	322,238,102	29,987,317	1,946,495	7,892,736	89,857,410	990,160,621
Contingencies and Commitments	25,732,975	111,535,314	67,437,910	17,643,768	-	-	1,629,008	223,978,975

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

39. RELATED PARTY TRANSACTIONS

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

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

Details of balances and transactions with related parties are as follows:

As at March 31, 2026 (Un-audited)						
Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties	
----- Rupees in '000 -----						
Lendings to financial institutions						
Opening balance	-	-	-	-	-	-
Addition during the period	-	-	-	-	-	-
Repaid during the period	-	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-
Investments						
Opening balance	-	-	20,887,275	269,800	2,641,001	
Investments made during the period	-	-	-	-	-	
Investment redeemed / disposed off during the period	-	-	-	(180,000)	-	
Surplus / (Deficit) on Investments	-	-	-	-	(513,595)	
Transfer in / (out) - net	-	-	-	-	-	
Closing balance	-	-	20,887,275	89,800	2,127,406	
Credit loss allowance for diminution in value of investments	-	-	-	89,800	-	
Advances						
Opening balance	-	125	690,139	798,215	163,548	3,039,683
Addition during the period	-	515	51,129	-	-	3,336,987
Repaid during the period	-	(360)	(69,592)	(203,963)	(5,174)	(2,349,834)
Transfer in / (out) - net	-	-	(843)	-	-	-
Closing balance	-	280	670,833	594,252	158,374	4,026,836
Credit loss allowance held against advances	-	6	3,678	5	158,374	45,698
Other assets						
Interest mark-up accrued	-	-	998	20,829	-	48,601
Receivable against bancassurance	-	-	-	-	-	1,308
Prepaid insurance	-	-	-	-	-	100,673
Dividend Income Receivable	-	-	-	1,041,015	-	42,497
Advance against investment in securities	-	-	-	-	-	792,000
Mark to market gain on forward foreign exchange contracts	-	-	-	-	-	113
Credit loss allowance against other assets	-	-	9	141	-	9,876

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

	As at March 31, 2026 (Un-audited)					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	----- Rupees in '000 -----					
Deposits and other accounts						
Opening balance	58,666	27,056	121,035	3,040,658	16,957	7,562,780
Received during the period	2,024,651	12,917	329,048	109,043,114	36,576	319,774,225
Withdrawn during the period	(2,049,952)	(26,024)	(306,899)	(107,894,919)	(36,056)	(316,956,099)
Transfer in / (out) - net	-	-	(327)	-	(109)	-
Closing balance	<u>33,365</u>	<u>13,949</u>	<u>142,857</u>	<u>4,188,853</u>	<u>17,368</u>	<u>10,380,906</u>
Subordinated debt						
Opening balance	-	-	-	-	-	109,946
Purchased / Issued during the period	-	-	-	-	-	-
Redeemed during the period	-	-	-	-	-	(6)
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>109,940</u>
Other liabilities						
Interest / return / mark-up payable on deposits	988	-	810	48,342	379	192,224
Interest / return / mark-up payable on subordinated loans	-	-	-	-	-	1,666
Payable to defined benefit plan	-	-	-	-	-	174,960
Mark to market loss on forward foreign exchange contracts	-	-	-	-	-	24
Others Liabilities	-	-	-	129	-	-
Contingencies and commitments						
Letter of Guarantee	-	-	-	-	-	337,259
Letter of Credit	-	-	-	-	-	133,323
Commitment in respect of forward foreign exchange contracts	-	-	-	-	-	178,115

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

As at December 31, 2025 (Audited)

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

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

As at December 31, 2025 (Audited)

	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
----- Rupees in '000 -----						
Subordinated debts						
Opening balance	-	-	-	-	-	109,976
Purchased / Issued during the year	-	-	-	-	-	-
Redeemed during the year	-	-	-	-	-	(30)
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	-	-	109,946
Other liabilities						
Interest / return / mark-up payable on deposits	-	-	579	-	-	1,025
Interest / return / mark-up payable on subordinated loans	-	-	-	-	-	1,074
Payable to defined benefit plan	-	-	-	-	-	124,732
Mark to market loss on forward foreign exchange contracts	-	-	-	-	-	470
Others Payable	-	-	-	1,050	-	-
Contingencies and commitments						
Letter of Guarantee	-	-	-	-	-	342,950
Letter of Credit	-	-	-	-	-	186,580
Commitment in respect of forward foreign exchange contracts	-	-	-	-	-	160,911

For the quarter ended March 31, 2026 (Un-audited)

	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
----- Rupees in '000 -----						
Income						
Mark-up / return / interest earned	-	-	8,770	20,829	-	79,759
Fee and commission income	-	52	482	300	-	9,796
Dividend income	-	-	-	1,041,015	-	42,497
Gain on sale of securities - Net	-	-	15	-	-	(13,911)
Other Income	-	20	90	1,190	-	-
Expense						
Mark-up / return / interest expensed	988	326	1,220	48,342	379	197,304
Operating expenses						
Compensation	-	-	421,134	-	-	-
Charge for defined contribution plans	-	-	-	-	-	121,817
Charge for defined benefit plans	-	-	-	-	-	50,227
Rent	-	-	-	-	-	5,195
Software Maintenance	-	-	-	-	-	8,118
Directors' fee and allowances	-	3,350	-	-	-	-
Insurance	-	-	-	-	-	69,327
Commission	-	-	-	-	-	-
Consultancy fee	-	-	-	-	-	14,243
Other expenses	835	-	-	819	-	-
Credit loss allowance on:						
Advances	-	(4)	57	5	(5,174)	43,734
Other asset	-	-	3	79	-	1,046
Payments made during the period						
Insurance premium paid	-	-	-	-	-	178,293
Insurance claims settled	-	-	-	-	-	7,087
Other Transactions						
Sale of Government Securities	-	-	13,964	408	-	115,836,934
Purchase of Government Securities	-	-	-	-	-	78,069,422



Notes to the Unconsolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

For the quarter ended March 31, 2025 (Un-audited)

	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
----- Rupees in '000 -----						
Income						
Mark-up / return / interest earned	-	-	9,307	22,760	-	82,621
Fee and commission income	-	52	438	10	-	16,037
Dividend income	-	-	-	1,041,015	-	42,497
Gain on sale of securities - Net	-	-	-	-	-	1,497
Other Income	-	-	7	777	-	-
Expense						
Mark-up / return / interest expensed	666	12	264	17,642	197	49,510
Operating expenses						
Compensation	-	-	348,445	-	-	-
Charge for defined contribution plans	-	-	-	-	-	110,992
Charge for defined benefit plans	-	-	-	-	-	48,631
Rent	-	-	-	-	-	4,502
Software Maintenance	-	-	-	-	-	2,127
Directors' fee and allowances	-	4,950	-	-	-	-
Insurance	-	-	-	-	-	28,868
Training and development	-	-	12,709	-	-	-
Consultancy fee	-	-	-	-	-	11,870
Other expenses	-	-	-	373	-	2,563
Credit loss allowance on:						
Advances	-	14	379	54	-	3,914
Other assets	-	-	-	4	-	39
Payments made during the period						
Insurance premium paid	-	-	-	-	-	267,757
Insurance claims settled	-	-	-	-	-	6,603
Donation Paid	-	-	-	-	-	120,291
Other transactions						
Sale of Government Securities	-	-	-	-	-	14,022,483
Purchase of Government Securities	-	-	-	35,204	-	3,701,015

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

	(Un-audited) March 31, 2026	(Audited) December 31, 2025
40 CAPITAL ADEQUACY, LEVERAGE RATIO AND LIQUIDITY REQUIREMENTS		
	----- Rupees in '000 -----	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	<u>20,506,625</u>	<u>20,506,625</u>
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	<u>20,545,095</u>	20,978,779
Eligible Additional Tier 1 (ADT 1) Capital	<u>2,500,000</u>	2,500,000
Total Eligible Tier 1 Capital	<u>23,045,095</u>	23,478,779
Eligible Tier 2 Capital	<u>6,074,147</u>	7,275,853
Total Eligible Capital (Tier 1 + Tier 2)	<u>29,119,242</u>	<u>30,754,632</u>
Risk Weighted Assets (RWAs):		
Credit Risk	<u>163,254,267</u>	161,741,570
Market Risk	<u>1,665,777</u>	5,255,606
Operational Risk	<u>67,451,656</u>	67,451,656
Total	<u>232,371,700</u>	<u>234,448,832</u>
Common Equity Tier 1 Capital Adequacy ratio	<u>8.84%</u>	8.95%
Tier 1 Capital Adequacy Ratio	<u>9.92%</u>	10.01%
Total Capital Adequacy Ratio	<u>12.53%</u>	13.12%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	<u>23,045,095</u>	23,478,779
Total Exposures	<u>748,100,860</u>	720,521,074
Leverage Ratio	<u>3.08%</u>	3.26%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	<u>285,988,938</u>	303,483,999
Total Net Cash Outflow	<u>127,179,817</u>	107,163,784
Liquidity Coverage Ratio	<u>224.87%</u>	283.20%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	<u>483,538,825</u>	484,703,363
Total Required Stable Funding	<u>326,716,617</u>	288,156,867
Net Stable Funding Ratio	<u>148.00%</u>	168.21%



Notes to the Unconsolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

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

	Transition Arrangement	Full ECL Impact
CET1 to TRWAs	8.84%	8.66%
T1 Capital to TRWAs	9.92%	9.74%
Total eligible capital to TRWAs	12.53%	12.51%
Leverage	3.08%	3.02%

41 GENERAL

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

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

42. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue by the Board of Directors of the Bank in their meeting held on April 28, 2026.

President and
Chief Executive Officer

Chief Financial
Officer

Director

Director

Director



CONSOLIDATED FINANCIAL STATEMENTS

THE FINANCIAL *WEIGH-IN*

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

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





Consolidated Condensed Interim Statement of Financial Position

As at March 31, 2026

		(Un-audited) March 31, 2026	(Audited) December 31, 2025
	Note	----- Rupees in '000 -----	
ASSETS			
Cash and balances with treasury banks	6	78,981,161	112,518,691
Balances with other banks	7	6,550,089	6,849,702
Lendings to financial institutions	8	20,910,399	38,838,746
Investments	9	689,469,403	581,458,618
Advances	10	505,040,698	542,341,772
Property and equipment	11	38,496,569	39,242,673
Right-of-use assets	12	8,583,061	8,968,662
Intangible assets	13	12,932,734	12,465,883
Deferred tax assets	14	6,366,479	3,356,645
Other assets	15	72,815,330	69,582,312
Total Assets		1,440,145,923	1,415,623,704
LIABILITIES			
Bills payable	16	12,103,080	17,734,525
Borrowings	17	86,950,748	40,741,188
Deposits and other accounts	18	1,185,295,480	1,199,431,741
Lease liabilities	19	9,751,772	10,055,035
Subordinated debt	20	11,436,620	11,490,890
Deferred tax liabilities	14	-	-
Other liabilities	21	55,804,444	55,046,690
Total Liabilities		1,361,342,144	1,334,500,069
NET ASSETS		78,803,779	81,123,635
REPRESENTED BY			
Share capital		20,506,625	20,506,625
Reserves		11,422,728	11,087,154
Surplus on revaluation of assets	22	2,908,575	5,529,752
Unappropriated profit		31,693,202	31,287,298
		66,531,130	68,410,829
Non-controlling interest		12,272,649	12,712,806
		78,803,779	81,123,635
CONTINGENCIES AND COMMITMENTS			
	23		

The annexed notes from 1 to 42 form an integral part of these consolidated condensed interim financial statements.

President and
Chief Executive Officer

Chief Financial
Officer

Director

Director

Director

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

For the Quarter Ended March 31, 2026

	March 31, 2026	March 31, 2025	
Note	----- Rupees in '000 -----		
Mark-up / return / interest / profit earned	25	32,701,555	41,110,501
Mark-up / return / interest / profit expensed	26	<u>17,488,169</u>	<u>24,339,984</u>
Net mark-up / interest income		15,213,386	16,770,517
NON MARK-UP / INTEREST INCOME			
Fee, commission and brokerage income	27	<u>3,162,785</u>	2,553,110
Dividend income		<u>140,199</u>	197,697
Foreign exchange income		<u>813,061</u>	899,317
(Loss) / Income from derivatives		<u>(18,925)</u>	(1,022)
Gain on securities - net	28	<u>196,332</u>	2,149,082
Net gains / (loss) on derecognition of financial assets measured at amortised cost		-	-
Share of (loss) / profit from associates		<u>(124,769)</u>	90,530
Other income	29	<u>65,258</u>	84,633
Total non mark-up / interest income		4,233,941	5,973,347
Total Income		19,447,327	22,743,864
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	30	<u>16,589,890</u>	14,666,218
Workers' welfare fund	31	<u>88,200</u>	173,742
Other charges	32	<u>5,235</u>	113,701
Total non-mark-up / interest expenses		16,683,325	14,953,661
Profit before credit loss allowance		2,764,002	7,790,203
Credit loss allowance and write offs - net	33	<u>(615,130)</u>	301,494
Extra ordinary / unusual items		-	-
PROFIT BEFORE TAXATION		3,379,132	7,488,709
Taxation	34	<u>2,221,862</u>	4,387,764
PROFIT AFTER TAXATION		1,157,270	3,100,945
Attributable to:			
Equity holders of the Bank		<u>909,339</u>	2,423,896
Non-controlling interest		<u>247,931</u>	677,049
		1,157,270	3,100,945
			----- Rupees -----
Earnings per share - basic and diluted	35	<u>0.44</u>	<u>1.18</u>

The annexed notes from 1 to 42 form an integral part of these consolidated condensed interim financial statements.

President and
Chief Executive Officer

Chief Financial
Officer

Director

Director

Director



Consolidated Condensed Interim Statement of Comprehensive Income (Un-audited)

For the Quarter Ended March 31, 2026

	March 31, 2026	March 31, 2025
	----- Rupees in '000 -----	
Profit after taxation for the period	1,157,270	3,100,945
Other comprehensive (loss) / income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Effect of translation of net investment in foreign branch	(8,579)	11,888
Movement in surplus on revaluation of debt investments through FVOCI - net of tax	(2,265,081)	(4,585,662)
	<u>(2,273,660)</u>	<u>(4,573,774)</u>
Items that will not be reclassified to profit and loss account in subsequent periods:		
Movement in surplus / (deficit) on revaluation of equity investments - net of tax	(572,897)	(53,431)
Movement in surplus on revaluation of property and equipment - net of tax	(96,666)	-
Total comprehensive loss	<u>(1,785,953)</u>	<u>(1,526,260)</u>
Attributable to:		
Equity holders of the Bank	(1,691,675)	(1,177,440)
Non-controlling interest	(94,278)	(348,820)
	<u>(1,785,953)</u>	<u>(1,526,260)</u>

The annexed notes from 1 to 42 form an integral part of these consolidated condensed interim financial statements.

President and
Chief Executive Officer

Chief Financial
Officer

Director

Director

Director

Consolidated Condensed Interim Statement of Changes in Equity

For the Quarter Ended March 31, 2026

Share capital	Attributable to equity holders of the Bank							Non-controlling interest	Total		
	Capital Reserves		Statutory reserve	Surplus / (deficit) on revaluation of			Unappropriated profit			Sub-total	
	Share premium	Exchange translation reserve		Investments	Property and equipment	Non-banking assets					
Rupees in '000											
Balance as at December 31, 2024 (Audited)	20,506,625	2,689,217	657,775	6,271,258	5,696,629	1,911,983	523,884	26,121,333	64,380,704	12,415,850	76,796,554
Impact of adoption of IFRS 9 - net of tax	-	-	-	-	13,116	-	-	-	13,116	-	13,116
Balance as at January 01, 2025 after adoption of IFRS 9	20,506,625	2,689,217	657,775	6,271,258	5,711,745	1,911,983	523,884	26,121,333	64,393,820	12,415,850	76,809,670
Profit after taxation (March 31, 2025)	-	-	-	-	-	-	-	2,423,896	2,423,896	677,049	3,100,945
Other comprehensive income / (loss) - net of tax	-	-	-	-	-	-	-	-	-	-	-
Effect of translation of net investment in foreign branch	-	-	11,888	-	-	-	-	-	11,888	-	11,888
Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	-	-	-	-	(3,557,323)	-	-	-	(3,557,323)	(1,026,339)	(4,583,662)
Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax	-	-	-	-	(55,911)	-	-	-	(55,911)	2,470	(53,441)
	-	-	11,888	-	(3,613,234)	-	-	-	(3,601,339)	(1,023,869)	(4,625,208)
Transfer to statutory reserve	-	-	-	650,378	-	-	-	(650,378)	-	-	-
Transfer from surplus on revaluation of assets - net of tax	-	-	-	-	-	(26,336)	(14,805)	41,141	-	-	-
Transactions with owners recorded directly in equity	-	-	-	-	-	-	-	-	-	-	-
Interim cash dividend to NCI by subsidiary company @ Rs. 1.25 per share	-	-	-	-	-	-	-	-	-	(344,894)	(344,894)
Opening Balance as at April 01, 2025 (Restated)	20,506,625	2,689,217	669,663	6,921,636	2,086,521	1,865,647	509,079	27,335,992	63,216,360	11,722,166	74,938,546
Profit after taxation	-	-	-	-	-	-	-	3,403,084	3,403,084	1,035,199	4,438,283
Other comprehensive income / (loss) - net of tax	-	-	-	-	-	-	-	-	-	-	-
Effect of translation of net investment in foreign branch	-	-	(3,905)	-	-	-	-	-	(3,905)	-	(3,905)
Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	-	-	-	-	231,473	-	-	-	231,473	(152,287)	73,186
Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax	-	-	-	-	649,861	-	-	-	649,861	184,939	834,800
Remeasurement gain / (loss) on defined benefit obligations - net of tax	-	-	-	-	-	-	-	5,587	5,587	(7,982)	(2,395)
Movement in surplus / (deficit) on revaluation of property and equipment - net of tax	-	-	-	-	1,059,335	-	-	-	1,059,335	350,933	1,410,268
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	(3,905)	-	-	(150,986)	-	-	(150,986)	(325)	(151,311)
	-	-	(3,905)	-	881,334	1,059,335	(150,986)	5,587	1,791,365	369,278	2,160,643
Transfer to statutory reserve	-	-	-	810,543	-	-	-	(810,543)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profits - net of tax	-	-	-	-	-	(901,594)	(22,028)	323,622	-	-	-
Gain on disposal of equity investments at FVOCI transferred to unappropriated profit	-	-	-	-	(429,556)	-	-	429,556	-	-	-
Transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-	-	-
Interim cash dividend to NCI by subsidiary @ Rs. 1.5 per share	-	-	-	-	-	-	-	-	-	(413,837)	(413,837)
Opening Balance as at January 1, 2026	20,506,625	2,689,217	665,758	7,732,179	2,550,289	2,643,388	336,065	31,287,298	68,410,829	12,712,806	81,123,635
Impact of adoption of IFRS 9 - net of tax (note 3.1.1)	-	-	-	-	174,179	-	-	(189,039)	(14,860)	-	(14,860)
Balance as at January 01, 2025 after adoption of IFRS 9	20,506,625	2,689,217	665,758	7,732,179	2,724,478	2,643,388	336,065	31,098,259	68,395,969	12,712,806	81,108,775
Profit after taxation	-	-	-	-	-	-	-	909,339	909,339	247,931	1,157,270
Other comprehensive income / (loss) - net of tax	-	-	-	-	-	-	-	-	-	-	-
Effect of translation of net investment in foreign branch	-	-	(8,579)	-	-	-	-	-	(8,579)	-	(8,579)
Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	-	-	-	-	(2,187,366)	-	-	-	(2,187,366)	(251,894)	(2,439,260)
Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax	-	-	-	-	(472,687)	(32,935)	-	-	(505,622)	(67,275)	(572,897)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	(72,611)	-	-	(72,611)	(24,055)	(96,666)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	(8,579)	-	(2,660,053)	(105,546)	-	-	(2,774,178)	(343,224)	(3,117,402)
Transfer to statutory reserve	-	-	-	344,153	-	-	-	(344,153)	-	-	-
Transfer from surplus on revaluation of assets - net of tax	-	-	-	-	-	(27,032)	(607)	27,639	-	-	-
Gain on disposal of equity investments at FVOCI transferred to unappropriated profit	-	-	-	-	(2,118)	-	-	2,118	-	-	-
Transactions with owners recorded directly in equity	-	-	-	-	-	-	-	-	-	-	-
Interim cash dividend to NCI by subsidiary @ Rs. 1.25 per share	-	-	-	-	-	-	-	-	-	(344,894)	(344,894)
Balance as at March 31, 2026 (Un-audited)	20,506,625	2,689,217	657,179	8,076,332	62,307	2,510,810	335,458	31,693,202	66,531,130	12,272,649	78,803,779

The annexed notes from 1 to 42 form an integral part of these consolidated condensed interim financial statements.

President and
Chief Executive Officer

Chief Financial
Officer

Director

Director

Director



Consolidated Condensed Interim Cash Flow Statement (Un-audited)

For the Quarter Ended March 31, 2026

	March 31, 2026	March 31, 2025
	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	3,379,132	7,488,709
Less: Dividend income	(140,199)	(197,697)
Share of (profit) / loss from associates	124,769	(90,530)
	<u>3,363,702</u>	<u>7,200,482</u>
Adjustments:		
Net mark-up / interest income	(15,213,386)	(16,717,450)
Depreciation on property and equipment	30 1,078,239	854,177
Depreciation on non-banking assets	30 10,228	10,702
Depreciation on right-of-use assets	30 895,336	775,487
Amortisation	30 347,521	227,178
Credit loss allowance and write offs - net	33 (480,758)	301,494
Gain on sale of property and equipment - net	29 (23,361)	(15,578)
Gain on sale of non-banking asset - net	29 -	(20,896)
Gain on termination of Islamic financing	29 (15,201)	(22,194)
Gain on termination of leases - net	29 (1,069)	(7,153)
Finance charges on leased assets	26 325,025	410,812
Charge for defined benefit plan	209,282	171,083
Unrealised loss on revaluation of investments measured at FVPL - net	28 121,444	41,359
Provision for workers' welfare fund	31 88,200	173,742
	<u>(12,658,500)</u>	<u>(13,817,237)</u>
	<u>(9,294,798)</u>	<u>(6,616,755)</u>
(Increase) / decrease in operating assets		
Lendings to financial institutions	17,931,407	3,259,008
Securities measured at FVPL	(557,576)	(88,130,242)
Advances	38,038,629	44,435,418
Other assets (excluding current taxation and markup receivable)	1,740,348	(7,714,050)
	<u>57,152,808</u>	<u>(48,149,866)</u>
Increase / (decrease) in operating liabilities		
Bills payable	(5,631,445)	(12,057,216)
Borrowings	46,044,405	25,823,192
Deposits and other accounts	(14,136,261)	26,403,497
Other liabilities (excluding current taxation and markup payable)	(676,502)	5,389,952
	<u>25,600,197</u>	<u>45,559,425</u>
	<u>73,458,207</u>	<u>(9,207,196)</u>
Mark-up / return / interest received	28,024,448	40,961,425
Mark-up / return / interest paid	(16,559,747)	(24,499,105)
Income tax paid	(3,046,551)	(8,411,771)
Net cash flows generated from / (used in) operating activities	<u>81,876,357</u>	<u>(1,156,647)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investments in securities measured at amortised cost	(75,182,944)	(1,803,180)
Net investments in securities measured at FVOCI	(38,116,907)	23,763,975
Net investments in associates	-	15,659
Dividend received	140,199	95,983
Acquisition of property and equipment	(362,980)	(1,379,772)
Acquisition of intangible assets	(814,372)	(533,394)
Proceeds from sale of property and equipment	30,151	22,450
Proceeds from sale of non-banking assets	-	109,500
Proceeds from termination of Islamic Financing	15,201	-
Effect of translation of net investment in foreign branch	(8,579)	11,888
Net cash flows (used in) / generated from investing activities	<u>(114,300,231)</u>	<u>20,303,109</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of subordinated debt	(54,270)	(2,443)
Payments of leased obligations against right-of-use assets	(1,135,675)	(965,471)
Dividend paid to NCI	(344,864)	(344,864)
Net cash flows used in financing activities	<u>(1,534,809)</u>	<u>(1,312,778)</u>
(Decrease) / Increase in cash and cash equivalents	<u>(33,958,683)</u>	<u>17,833,684</u>
Cash and cash equivalents at beginning of the period	118,362,747	88,330,959
Effect of exchange rate changes on cash and cash equivalents	70,486	(61,262)
	<u>118,433,233</u>	<u>88,269,697</u>
Cash and cash equivalents at end of the period	<u>84,474,550</u>	<u>106,103,381</u>

The annexed notes from 1 to 42 form an integral part of these consolidated condensed interim financial statements.

President and
Chief Executive Officer

Chief Financial
Officer

Director

Director

Director

Notes to the Consolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

1. STATUS AND NATURE OF BUSINESS

1.1 The Group consists of:

Holding Company: JS Bank Limited

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

The Bank is a scheduled bank, engaged in commercial banking and related services as described in the Banking Companies Ordinance, 1962 and is operating through 316 (December 31, 2025: 317) branches / sub-branches in Pakistan and one wholesale banking branch in Bahrain (December 31, 2025: 1). The Pakistan Credit Rating Agency Limited (PACRA) has assigned the long-term entity rating of the Bank to AA (Double A) whereas short-term rating is maintained at A1+ (A One Plus), which is the highest possible short-term rating. The ratings denote a very low expectation of credit risk and indicate very strong capacity for timely repayment of financial commitments.

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

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

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

Notes to the Consolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

1.3 Composition of the Group

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

1.4 Composition of the associated companies

Associates of the Bank

Omar Jibrán Engineering Industries Limited	-	9.60%
Veda Transit Solutions (Private) Limited	3.92%	3.92%
Intercity Touring Company (Private) Limited	9.12%	9.12%

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

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

2. BASIS OF PRESENTATION

These consolidated condensed interim financial statements include financial statements of JS Bank Limited and its subsidiary companies, and share of the profit / reserves of associates. The disclosures made in these consolidated condensed interim financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 02 dated February 09, 2023 and International Accounting Standard (IAS) 34, 'Interim Financial Reporting'.

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

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

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

Notes to the Consolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

2.1 Statement of Compliance

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

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

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

The SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for banking companies vide BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' on banks vide its notification S.R.O 411(I)/2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements.

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

2.2 Basis of Consolidation

The Group

- The consolidated condensed interim financial statements include the financial statements of the Bank and its subsidiary companies together - the Group.
- Subsidiaries are entities controlled by the Group. Control exists when the Group is exposed, or has rights, to variable returns from its investment with investee and has the ability to effect those return through its power over the investee, except investment in mutual funds established under trust structure where International Financial Reporting Standard (IFRS) 10, 'Consolidated Financial Statements' is not applicable.

Notes to the Consolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

- These consolidated condensed interim financial statements incorporate the financial statements of subsidiaries from the date that control commences until the date that control ceases.
- The financial statements of the subsidiary companies are prepared for the same reporting year as the holding company for the purpose of consolidation, using consistent accounting policies.
- The assets, liabilities, income and expenses of subsidiary companies have been consolidated on a line by line basis.
- Non-controlling interests are that part of the net results of operations and of net assets of subsidiaries attributable to interest which are not owned by the Bank.
- Material intra-group balances and transactions are eliminated.

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

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

The SECP through S.R.O.742(I)2025 dated April 16, 2025 has made IFRS 7 - Financial Instruments: Disclosures' applicable for Bank's from the annual reporting period beginning on or after January 01, 2026 resulting in certain additional disclosures in the annual consolidated financial statements.

2.4 Standards, interpretations of and amendments to published accounting and reporting standards that are not yet effective

Standards and Amendments	Effective date (annual periods beginning on or after)
IFRS 18 - Presentation and disclosure in financial statements	January 01, 2027
IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)	Not yet finalised
Standard	IASB effective date (accounting periods beginning on or after)
IFRS 1 – First-time Adoption of International Financial Reporting Standards	January 01, 2024

The application of IFRS 18 - Presentation and Disclosure in Financial Statements will impact the presentation of the 'Statement of Profit and Loss Account' and require certain additional disclosures, as and when instructed by the SBP.

Notes to the Consolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

3. MATERIAL ACCOUNTING POLICY INFORMATION

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

3.1 Changes in Accounting Policies

3.1.1 Impact of IFRS 9 - Financial Instruments

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

In addition, through its letter SBPHOK-BPRD-RPD-JSB-827402 dated January 22, 2025, the SBP granted the Bank an extension for the application of Effective Interest Rate (EIR) methodology up to December 31, 2025. Accordingly, during the current period, the Bank has applied EIR with effect from January 01, 2026 and the cumulative impact of EIR adoption amounting to Rs. 14.860 million, net of tax, has been recorded as an adjustment to equity at the beginning of the current period.

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Notes to the Consolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

5. FINANCIAL RISK MANAGEMENT

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

	(Un-audited) March 31, 2026	(Audited) December 31, 2025
	----- Rupees in '000 -----	
6. CASH AND BALANCES WITH TREASURY BANKS		
In hand:		
Local currency	32,152,969	23,367,414
Foreign currencies	1,524,076	1,796,258
	<u>33,677,045</u>	<u>25,163,672</u>
With State Bank of Pakistan in		
Local currency current accounts	34,592,174	74,459,115
Foreign currency current accounts	1,158,486	1,274,560
Foreign currency deposit accounts	6,094,367	6,441,931
US dollar clearing account	150,432	207,114
	<u>41,995,459</u>	<u>82,382,720</u>
With National Bank of Pakistan in local currency current accounts	3,348,572	4,967,376
Prize Bonds	5,610	6,385
Less: Credit loss allowance held against cash and balances with treasury banks (stage 1)	(45,525)	(1,462)
Cash and balances with treasury banks - net of credit loss allowance	<u>78,981,161</u>	<u>112,518,691</u>
7. BALANCES WITH OTHER BANKS		
In Pakistan		
In current accounts	750,694	98,998
In deposit accounts	647,460	491,318
	<u>1,398,154</u>	<u>590,316</u>
Outside Pakistan		
In current accounts	4,996,580	5,618,534
In deposit accounts	157,172	643,117
	<u>5,153,752</u>	<u>6,261,651</u>
Less: Credit loss allowance held against balances with other banks (stage 1)	(1,817)	(2,265)
Balances with other banks - net of credit loss allowance	<u>6,550,089</u>	<u>6,849,702</u>
8. LENDINGS TO FINANCIAL INSTITUTIONS		
Reverse repo agreements	-	15,944,886
Lending under margin trading system	1,212,027	3,898,296
Unsecured		
Bai Muajjal receivable - with other Financial Institutions	19,699,748	19,000,000
	<u>20,911,775</u>	<u>38,843,182</u>
Less: Credit loss allowance held against lending to financial institutions (stage 1)	(1,376)	(4,436)
Lendings to financial institutions - net of credit loss allowance	<u>20,910,399</u>	<u>38,838,746</u>

Notes to the Consolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

8.1 Lending to Financial Institutions - Particulars of credit loss allowance

Category of classification	(Un-audited) March 31, 2026		(Audited) December 31, 2025		
	Lending	Credit loss allowance held	Lending	Credit loss allowance held	
----- Rupees in '000 -----					
Domestic					
Performing	Stage 1	20,911,775	(1,376)	38,843,182	(4,436)
Under-performing	Stage 2	-	-	-	-
Non-performing	Stage 3	-	-	-	-
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
Total		20,911,775	(1,376)	38,843,182	(4,436)

9. INVESTMENTS

	March 31, 2026 (Un-audited)				December 31, 2025 (Audited)				
	Cost / Amortised cost	Credit loss allowance / provision for diminution	Surplus / (deficit)	Carrying value	Cost / Amortised cost	Credit loss allowance / provision for diminution	Surplus / (deficit)	Carrying value	
----- Rupees in '000 -----									
9.1 Investments by type	Note								
Debt Instruments									
Classified / Measured at amortised cost									
Federal Government Securities	9.1.1	75,810,541	-	-	75,810,541	33,636,907	-	-	33,636,907
Federal Government Shariah Compliant securities		33,009,310	-	-	33,009,310	-	-	-	-
Classified / Measured at FVOCI									
Federal Government securities		239,452,517	-	(628,173)	238,824,344	193,490,337	-	1,903,003	195,393,340
Federal Government Shariah Compliant securities		300,217,579	-	71,975	300,289,554	312,555,038	-	2,181,201	314,736,239
Non-Government Shariah Compliant securities		2,250,089	(35,934)	41,052	2,255,207	2,297,409	(35,934)	40,714	2,302,189
Non-Government Debt securities		1,550,362	(878,560)	(12,173)	659,629	1,762,884	(788,493)	(23,659)	950,732
Foreign securities		26,747,263	(201)	(16,484)	26,730,578	22,609,049	(197)	73,859	22,682,711
		570,217,810	(914,695)	(543,803)	568,759,312	532,714,717	(824,824)	4,175,118	536,065,211
Classified / Measured at FVPL									
Federal Government securities		1,758,898	-	(3,322)	1,755,576	1,444,974	-	12,588	1,457,562
Non-Government Shariah Compliant securities		50,000	-	-	50,000	50,000	-	-	50,000
Non-Government Debt securities		125,000	-	-	125,000	126,688	-	(1,688)	125,000
Foreign securities		360,282	-	(13,550)	346,732	363,201	-	(1,469)	361,712
		2,294,180	-	(16,872)	2,277,308	1,984,863	-	9,411	1,994,274
Instruments mandatorily classified / measured at FVPL									
Non Government Debt Securities		100,000	-	(4,960)	95,040	-	-	-	-
Equity Instruments									
Classified / Measured at FVOCI (Non-Reclassifiable)									
Shares		6,393,199	-	769,897	7,163,096	4,966,265	-	2,275,278	7,241,563
Instruments mandatorily classified / measured at FVPL									
Mutual Funds		148,610	-	9,546	158,156	90,934	-	41,548	132,482
Classified / Measured at FVPL									
Shares		515,599	-	(48,416)	467,183	344,492	-	29,565	374,057
Associates		2,789,701	(1,060,244)	-	1,729,457	3,074,368	(1,060,244)	-	2,014,124
Total Investments		691,278,950	(1,974,939)	165,392	689,469,403	576,812,566	(1,884,868)	6,530,920	581,458,618

9.1.1 The market value of securities classified as measured at amortised cost as at March 31, 2026 amounted to Rs. 73,749,628 million (December 31, 2025: Rs. 33,709,882 million).

Notes to the Consolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

9.2	Investments given as collateral	(Un-audited) March 31, 2026		(Audited) December 31, 2025	
		Cost	Market value	Cost	Market value
----- Rupees in '000 -----					
Federal Government Securities					
	Market Treasury Bills	-	-	484,782	485,489
	Pakistan Investment Bonds	28,581,370	28,657,390	3,452,225	3,484,055
	Government of Pakistan Ijarah Sukuks	25,161,800	25,161,800	5,261,800	5,261,800
	Total	53,743,170	53,819,190	9,198,807	9,231,344

9.3	Credit loss allowance / provision for diminution in value of investments	(Un-audited)	(Audited)
		March 31, 2026	December 31, 2025
----- Rupees in '000 -----			
	Opening balance - provision for diminution other than associates	824,624	1,162,369
	Opening balance - provision for diminution on associates	1,060,244	1,102,111
		1,884,868	2,264,480
	Exchange rate adjustments	(1)	1,889
	Charge for the period / year other than associates	102,634	109
	Provision for diminution on associates for the period / year	-	127,656
	Reversals for the period / year	(32)	(339,743)
		102,602	(211,978)
	Amounts written off	(12,530)	(169,523)
	Closing balance	1,974,939	1,884,868

9.3.1 Particulars of credit loss allowance against debt securities

Category of classification		(Un-audited) March 31, 2026		(Audited) December 31, 2025	
		Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
----- Rupees in '000 -----					
Domestic					
Performing	Stage 1	335,283,753	246	315,040,339	157
Under-performing	Stage 2	225,017	2,666	-	-
Non-performing	Stage 3	-	-	-	-
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		1,562,461	911,582	1,574,992	824,270
		337,071,231	914,494	316,615,331	824,427
Overseas					
Performing	Stage 1	26,747,263	201	22,609,049	197
Under-performing	Stage 2	-	-	-	-
Non-performing	Stage 3	-	-	-	-
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
		26,747,263	201	22,609,049	197
Total		363,818,494	914,695	339,224,380	824,624

Notes to the Consolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

9.4 Investment in associates

9.4.1 Movement of Investment in associates

March 31, 2026 (Un-audited)								
Country of incorporation	Holding (%)	Investment at the beginning of the period	Reclassified during the period	Investment / (redemption) during the period	Share of Profit / (loss)	Dividend received	Share of other comprehensive income	Investment at the end of the period
Rupees in '000								
Omar Jibran Engineering Industries Limited	Pakistan	9.60%	-	-	-	-	-	-
Veda Transit Solutions Private Limited	Pakistan	3.92%	-	-	-	-	-	-
JS Motion Picture Fund	Pakistan	100.00%	82,060	-	-	1,810	-	83,870
JS KPK Islamic Pension Fund								
- Equity Sub Fund	Pakistan	100.00%	500	-	-	-	-	500
JS KPK Islamic Pension Fund - Equity Index Sub Fund	Pakistan	100.00%	500	-	-	-	-	500
JS KPK Pension Fund - Equity Sub Fund	Pakistan	100.00%	500	-	-	-	-	500
JS KPK Pension Fund - Equity Index Sub Fund	Pakistan	100.00%	500	-	-	-	-	500
JS Islamic Income Fund	Pakistan	0.00%	-	-	-	-	-	-
JS MicroFinance Sector Fund	Pakistan	0.68%	233,117	-	51,812	8,110	-	293,038
JS Government Securities Fund	Pakistan	0.42%	37,723	-	-	(80)	-	37,643
JS Money Market Fund	Pakistan	3.02%	118,970	-	-	2,928	-	121,898
JS Cash Fund	Pakistan	2.59%	4,356	-	146,031	1,456	-	151,842
JS KPK Islamic Pension Fund - MM Sub Fund	Pakistan	5.96%	40,850	-	-	840	-	41,690
JS KPK Pension Fund - MM Sub Fund	Pakistan	44.53%	41,562	-	-	853	-	42,415
JS KPK Islamic Pension Fund - Debt Sub Fund	Pakistan	100.00%	500	-	-	-	-	500
JS KPK Pension Fund - Debt Sub Fund	Pakistan	100.00%	500	-	-	-	-	500
JS Fund of Funds	Pakistan	0.00%	-	-	-	-	-	-
JS Islamic Money Market Fund (Formerly: JS Islamic Daily Dividend Fund)	Pakistan	0.00%	-	-	-	-	-	-
JS Growth Fund	Pakistan	0.00%	-	-	20,910	(20,910)	-	-
Unit Trust of Pakistan	Pakistan	0.00%	40,132	-	(24,206)	(15,926)	-	-
JS Income Fund	Pakistan	18.81%	580,309	-	200,000	4,280	-	784,589
JS Islamic Fund	Pakistan	0.00%	48,968	-	(41,197)	(7,771)	-	-
JS Fixed Term Munafa Plan-10	Pakistan	0.00%	-	-	-	-	-	-
JS Punjab Islamic Pension Fund - MM Sub Fund	Pakistan	100.00%	500	-	-	13	-	513
JS Punjab Pension Fund - MM Sub Fund	Pakistan	100.00%	500	-	-	13	-	513
JS Large Cap Fund	Pakistan	0.01%	259,340	-	(206,319)	(52,772)	-	249
JS Rental REIT Fund	Pakistan	5.63%	129,638	-	-	-	-	129,638
JS Momentum Factor Exchange Traded Fund	Pakistan	3.84%	257,499	-	(149,816)	(47,611)	(21,513)	38,559
			<u>1,878,524</u>	<u>-</u>	<u>(2,785)</u>	<u>(124,767)</u>	<u>(21,513)</u>	<u>1,729,457</u>



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December 31, 2025 (Audited)

Country of incorporation	Holding (%)	Investment at the beginning of the year	Reclassified during the year	Investment / (redemption) during the year	Share of Profit / (loss)	Dividend received	Share of other comprehensive income	Investment at the end of the year
----- Rupees in '000 -----								
Omar Jilran Engineering Industries Limited	Pakistan	9.60%	184,354	-	(48,754)	-	-	135,600
Veda Transit Solutions Private Limited	Pakistan	3.92%	-	-	-	-	-	-
JS Motion Picture Fund	Pakistan	100.00%	81,920	-	7,692	(7,552)	-	82,060
JS KPK Islamic Pension Fund - Equity Sub Fund	Pakistan	100.00%	500	-	-	-	-	500
JS KPK Islamic Pension Fund - Equity Index Sub Fund	Pakistan	100.00%	500	-	-	-	-	500
JS KPK Pension Fund - Equity Sub Fund	Pakistan	100.00%	500	-	-	-	-	500
JS KPK Pension Fund - Equity Index Sub Fund	Pakistan	100.00%	500	-	-	-	-	500
JS Islamic Income Fund	Pakistan	0.00%	-	(1,704)	1,704	-	-	-
JS Microfinance Sector Fund	Pakistan	0.69%	-	219,797	13,339	(19)	-	233,117
JS Government Securities Fund	Pakistan	0.40%	-	(8,007)	46,764	(1,034)	-	37,723
JS Money Market Fund	Pakistan	3.94%	-	115,000	3,970	-	-	118,970
JS Cash Fund	Pakistan	0.03%	1,550,943	(1,580,786)	34,320	(121)	-	4,356
JS KPK Islamic Pension Fund - MM Sub Fund	Pakistan	15.51%	37,124	-	3,726	-	-	40,850
JS KPK Pension Fund - MM Sub Fund	Pakistan	58.53%	37,274	-	4,288	-	-	41,562
JS KPK Islamic Pension Fund - Debt Sub Fund	Pakistan	100.00%	500	-	-	-	-	500
JS KPK Pension Fund - Debt Sub Fund	Pakistan	100.00%	500	-	-	-	-	500
JS Fund of Funds	Pakistan	0.00%	423,005	(418,358)	(4,647)	-	-	-
JS Islamic Money Market Fund (Formerly: JS Islamic Daily Dividend Fund)	Pakistan	0.00%	-	(1,090)	1,090	-	-	-
JS Growth Fund	Pakistan	0.00%	127,316	(192,957)	65,953	(312)	-	-
Unit Trust of Pakistan	Pakistan	1.41%	-	(36,311)	76,443	-	-	40,132
JS Income Fund	Pakistan	12.79%	-	547,329	34,636	(1,656)	-	580,309
JS Islamic Fund	Pakistan	8.48%	-	43,066	5,980	(77)	-	48,969
JS Fixed Term Munaafa Plan-10	Pakistan	0.00%	301,890	(322,230)	20,340	-	-	-
JS Punjab Islamic Pension Fund - MM Sub Fund	Pakistan	100.00%	-	500	-	-	-	500
JS Punjab Pension Fund - MM Sub Fund	Pakistan	100.00%	-	500	-	-	-	500
JS Large Cap Fund	Pakistan	7.36%	-	168,855	90,485	-	-	259,340
JS Rental REIT Fund	Pakistan	5.62%	-	130,000	(362)	-	-	129,638
JS Momentum Factor Exchange Traded Fund	Pakistan	23.55%	-	225,641	61,935	(30,078)	-	257,498
			<u>2,746,828</u>	<u>-</u>	<u>(1,110,755)</u>	<u>418,902</u>	<u>(40,849)</u>	<u>2,014,124</u>

Notes to the Consolidated Condensed Interim Financial Statements

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

	March 31, 2026 (Un-audited)				December 31, 2025 (Audited)				
	As at	Assets	Liabilities	Revenue	Profit / (loss)	Assets	Liabilities	Revenue	Profit / (loss)
	Rupees in '000				Rupees in '000				
Omar Jibran Engineering Industries Limited	Jun 30, 2023	-	-	-	-	5,372,772	2,430,640	2,345,882	(145,624)
Veda Transit Solutions (Private) Limited	Jun 30, 2022	3,223,156	3,823,614	3,235,181	(1,235,269)	4,242,630	3,236,774	2,468,979	(80,262)
Shekarganj Food Products Limited	Sep 30, 2023	9,883,569	6,723,952	2,640,239	(226,663)	10,335,484	6,782,556	15,068,704	166,682
KASB Funds Limited	Dec 31, 2015	46,465	32,465	23,640	(66,241)	46,465	32,465	23,640	(66,241)
JS Motion Picture Fund	Dec 31, 2025	-	-	-	-	82,247	183	4,284	3,939
JS KPK Islamic Pension Fund - Equity Sub Fund	Mar 31, 2026	635	135	-	-	635	135	-	-
JS KPK Islamic Pension Fund - Equity Index Sub Fund	Mar 31, 2026	635	135	-	-	635	135	-	-
JS KPK Islamic Pension Fund - MM Sub Fund	Mar 31, 2026	700,760	771	20,111	18,919	264,066	622	10,963	9,997
JS Islamic Pension Savings Fund - Equity Sub Fund	Mar 31, 2026	71,569	2,625	5,549	3,226	-	-	-	-
JS Islamic Pension Savings Fund - Debt Sub Fund	Mar 31, 2026	77,055	907	3,977	2,896	-	-	-	-
JS Islamic Pension Savings Fund - MM Sub Fund	Mar 31, 2026	283,410	1,038	18,357	16,590	-	-	-	-
JS Islamic Sammaya Mehtooz Fund	Mar 31, 2026	2,016,359	3,594	44,564	21,549	-	-	-	-
JS Rental REIT Fund	Dec 31, 2025	-	-	-	-	2,468,744	182,579	33,432	(56,580)
JS Islamic Income Fund	Mar 31, 2026	2,076,701	6,334	70,465	51,160	2,056,893	3,043	56,171	48,426
JS Microfinance Sector Fund	Mar 31, 2026	43,200,584	72,575	2,731,686	2,476,784	33,858,882	145,335	1,290,845	151,252
JS Government Securities Fund	Mar 31, 2026	9,031,665	21,985	642,510	500,546	9,596,218	65,827	594,426	507,647
JS Money Market Fund	Mar 31, 2026	4,043,507	2,961	198,894	190,646	3,022,956	6,146	114,854	108,986
JS Momentum Factor Exchange Traded Fund	Mar 31, 2026	1,013,335	9,211	30,632	(46,045)	1,096,928	3,653	288,127	269,193
Unit Trust of Pakistan	Mar 31, 2026	2,444,982	25,467	546,786	475,738	2,863,596	26,316	856,717	807,762
JS Income Fund	Mar 31, 2026	4,183,691	11,770	483,639	391,408	4,615,120	78,148	424,222	352,337
JS Islamic Fund	Mar 31, 2026	446,410	13,227	58,136	37,452	589,971	12,794	157,928	143,804
JS Islamic Money Market Fund	Mar 31, 2026	9,935,782	13,671	566,728	529,312	-	-	-	-
JS Punjab Islamic Pension Fund - MM Sub Fund	Mar 31, 2026	1,424	912	14	12	-	-	-	-
JS Punjab Pension Fund - MM Sub Fund	Mar 31, 2026	1,374	862	14	12	-	-	-	-
JS Large Cap Fund	Mar 31, 2026	2,235,481	38,496	481,735	379,111	3,560,402	37,515	1,089,715	1,022,623
JS KPK Pension Fund - Equity Sub Fund	Mar 31, 2026	635	135	-	-	635	135	-	-
JS KPK Pension Fund - Equity Index Sub Fund	Mar 31, 2026	635	135	-	-	635	135	-	-
JS Cash Fund	Mar 31, 2026	5,889,930	25,348	553,758	511,928	13,118,970	43,465	402,447	364,891
JS KPK Pension Fund - MM Sub Fund	Mar 31, 2026	95,823	578	5,928	5,291	71,581	568	4,223	3,618
JS KPK Islamic Pension Fund - Debt Sub Fund	Mar 31, 2026	635	135	3,977	2,896	635	135	-	-
JS KPK Pension Fund - Debt Sub Fund	Mar 31, 2026	635	135	-	-	635	135	-	-
JS Fund of Funds	Mar 31, 2026	2,048,082	3,014	162,564	157,177	2,375,582	2,867	128,731	124,678
JS Growth Fund	Mar 31, 2026	3,736,799	170,452	812,340	681,175	4,486,549	170,633	1,594,487	1,506,616
JS Fixed Term Munafa Fund Plan 1-21	Mar 31, 2026	8,921,372	215,326	58,588	51,812	-	-	-	-
JS Fixed Term Munafa Fund II	Mar 31, 2026	12,978,453	90,298	125,217	21,796	-	-	-	-
		USD in '000							
KASB Capital Limited*	Dec 31, 2016	\$653	\$135	-	\$(34)	\$653	\$135	-	\$(34)

* This represents USD amount in thousands as the company is incorporated in Mauritius.

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For the Quarter Ended March 31, 2026

	Note	Performing		Non-Performing		Total	
		March 31, 2026 (Un-audited)	December 31, 2025 (Audited)	March 31, 2026 (Un-audited)	December 31, 2025 (Audited)	March 31, 2026 (Un-audited)	December 31, 2025 (Audited)
----- Rupees in '000 -----							
10. ADVANCES							
Loans, cash credits, running finances, etc.		200,824,363	234,958,013	26,761,145	27,231,091	227,585,508	262,189,104
Bills discounted and purchased		13,215,573	17,979,708	970,384	1,052,359	14,185,957	19,032,067
Islamic financing and related assets	10.4	301,049,123	299,514,421	16,360,252	16,922,520	317,409,375	316,436,941
Advances - gross		515,089,059	532,452,142	44,091,781	45,205,970	559,180,840	597,658,112
Credit loss allowance against advances							
- Stage 1		(3,827,902)	(3,793,938)	-	-	(3,827,902)	(3,793,938)
- Stage 2		(1,261,372)	(1,302,475)	-	-	(1,261,372)	(1,302,475)
- Stage 3		-	-	(38,011,028)	(38,842,682)	(38,011,028)	(38,842,682)
	10.6	(5,089,274)	(5,096,413)	(38,011,028)	(38,842,682)	(43,100,302)	(43,939,095)
Modification loss due to IFRS 9		(66,552)	(67,991)	-	-	(66,552)	(67,991)
Fair value adjustment	10.2 and 10.3	(10,973,288)	(11,309,254)	-	-	(10,973,288)	(11,309,254)
Advances - net of credit loss allowance		498,959,945	535,978,484	6,080,753	6,363,288	505,040,698	542,341,772

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

10.1 Particulars of advances (Gross)

In local currency	537,717,367	576,640,318
In foreign currencies	21,463,473	21,017,794
	<u>559,180,840</u>	<u>597,658,112</u>

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

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

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For the Quarter Ended March 31, 2026

	March 31, 2026 (Un-audited)			December 31, 2025 (Audited)		
	Performing	Non-Performing	Total	Performing	Non-Performing	Total
----- Rupees in '000 -----						
10.4 Islamic financing and related assets						
Running Musharakah	73,439,210	1,444,955	74,884,165	75,864,281	1,444,955	77,309,236
Diminishing Musharakah financing and related assets - Others	82,743,553	4,071,166	86,814,719	90,955,249	4,039,670	94,994,919
Diminishing Musharakah - Housing	22,592,187	1,583,447	24,175,634	21,446,826	1,756,203	23,203,029
Istisna financing and related assets	40,313,937	3,133,017	43,446,954	29,391,392	3,533,832	32,925,224
Diminishing Musharakah financing and related assets - Auto	29,483,121	728,379	30,211,500	26,385,709	678,921	27,064,630
Murabahah financing and related assets	25,754,867	952,456	26,707,323	27,888,608	958,175	28,846,783
Musawamah financing and related assets / Tijarah	8,685,726	3,867,047	12,552,773	8,611,822	3,905,606	12,517,428
Investment Agency Wakalah	3,490,976	-	3,490,976	3,233,383	-	3,233,383
Murabahah against Bills	299,345	190,337	489,682	1,107,066	192,048	1,299,114
Ijarah financing under IFAS 2 and related assets	11,863,986	31,966	11,895,952	12,145,749	43,394	12,189,142
Financing against Bills	1,977,836	-	1,977,836	2,137,622	-	2,137,622
Qardh-e-Hasana	45,636	123,730	169,366	49,527	124,338	173,865
Musharakah financing	-	160,000	160,000	-	160,000	160,000
Past Due Acceptance	227,223	27,128	254,351	212,146	27,128	239,274
Net investment in Ijarah financing in Pakistan	12,827	36,192	49,019	15,040	42,425	57,465
Housing finance portfolio - others	-	10,432	10,432	-	15,825	15,825
Salam	118,693	-	118,693	70,002	-	70,002
Islamic financing and related assets - gross	301,049,123	16,360,252	317,409,375	299,514,421	16,922,520	316,436,941
Credit loss allowance against Islamic financing and related assets						
- Stage 1	(3,179,792)	-	(3,179,792)	(3,123,208)	-	(3,123,208)
- Stage 2	(707,361)	-	(707,361)	(941,448)	-	(941,448)
- Stage 3	-	(15,498,639)	(15,498,639)	-	(15,891,111)	(15,891,111)
	(3,887,153)	(15,498,639)	(19,385,792)	(4,064,656)	(15,891,111)	(19,955,767)
Modification loss due to IFRS 9	(66,552)	-	(66,552)	(67,991)	-	(67,991)
Fair value adjustment	(5,226,849)	-	(5,226,849)	(5,427,288)	-	(5,427,288)
Islamic financing and related assets - net of credit loss allowance	291,868,569	861,613	292,730,182	289,954,486	1,031,409	290,985,895

10.5 Advances include Rs. 44,091.781 million (December 31, 2025: Rs. 45,205.970 million) which have been placed under non-performing / Stage 3 status as detailed below:

	(Un-audited)		(Audited)	
	March 31, 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 -----				
Domestic				
Other Assets Especially Mentioned (OAEM)*	265,153	47,303	478,644	84,786
Substandard	1,466,052	400,499	1,321,997	376,023
Doubtful	1,284,656	548,116	1,530,795	719,623
Loss	41,075,920	37,015,110	41,874,534	37,662,250
Total	44,091,781	38,011,028	45,205,970	38,842,682
Overseas	-	-	-	-

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

Notes to the Consolidated Condensed Interim Financial Statements

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10.6 Particulars of credit loss allowance against advances

Note	March 31, 2026 (Un-audited)				December 31, 2025 (Audited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	----- Rupees in '000 -----							
Opening balance	3,793,938	1,302,475	38,842,682	43,939,095	2,994,334	904,936	37,330,232	41,229,502
Exchange rate adjustments	(98)	-	-	(98)	21	1,741	-	1,762
Charge for the period / year	1,132,473	619,353	661,208	2,413,034	2,417,375	2,085,040	6,606,252	11,108,667
Reversals for the period / year	(1,098,411)	(660,456)	(1,416,358)	(3,175,225)	(1,712,662)	(1,698,606)	(4,640,676)	(8,051,944)
	34,062	(41,103)	(755,150)	(762,191)	704,713	386,434	1,965,576	3,056,723
Transfer in / (out)	-	-	-	-	94,870	9,364	-	104,234
Amount written off	-	-	(44,798)	(44,798)	-	-	(171,009)	(171,009)
Amounts charged off - credit card	-	-	(31,706)	(31,706)	-	-	(125,855)	(125,855)
Amounts charged off - agricultural financing	-	-	-	-	-	-	(156,262)	(156,262)
Closing balance	3,827,902	1,261,372	38,011,028	43,100,302	3,793,938	1,302,475	38,842,682	43,939,095

10.6.1 The State Bank of Pakistan through various circulars has allowed benefit of the forced sale value (FSV) of Plant and Machinery under charge, pledged stock and mortgaged residential, commercial and industrial properties (land and building only) held as collateral against non-performing loans (NPLs) for a maximum of five years from the date of classification. As at March 31, 2026, the Bank has availed cumulative FSV benefit under the directives of the SBP of Rs. 4,147,279 million (December 31, 2025: Rs. 4,335,108 million).

The additional profit arising from availing the FSV benefit - net of tax amounts to Rs. 2,736,798 million (December 31, 2025: Rs. 2,076,128 million). The additional impact on profitability arising from availing the benefit of FSV shall not be available for payment of cash or stock dividend to shareholders or bonus to employees under the requirements of Prudential Regulations of Corporate / Commercial Banking of SBP.

10.7 Advances - Particulars of credit loss allowance

	March 31, 2026 (Un-audited)			December 31, 2025 (Audited)		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	----- Rupees in '000 -----					
Opening balance	3,793,938	1,302,475	38,842,682	3,003,698	895,572	37,330,232
New Advances	342,502	36,740	231	1,540,327	98,584	257,509
Advances derecognised / repaid	(110,738)	(28,951)	(494,475)	(259,055)	(288,915)	(1,686,876)
Transfer to stage 1	91,363	(37,065)	(54,298)	334,225	(144,421)	(189,804)
Transfer to stage 2	(99,558)	182,096	(82,538)	(41,400)	1,826,452	(1,785,052)
Transfer to stage 3	(6,964)	(22,167)	29,131	(24,017)	(70,838)	94,855
	216,605	130,653	(601,949)	1,550,080	1,420,862	(3,309,368)
Amounts written off or charged off	-	-	(76,504)	-	-	(453,126)
Transfer in / (out)	-	-	-	94,870	9,364	-
Changes in risk parameters (PDs/LGDs/EADs)	(182,543)	(171,756)	(153,201)	(854,731)	(1,025,064)	5,274,944
Exchange adjustments	(98)	-	-	21	1,741	-
Closing balance	3,827,902	1,261,372	38,011,028	3,793,938	1,302,475	38,842,682

Notes to the Consolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

10.8 Advances - Category of classification

	March 31, 2026 (Un-audited)		December 31, 2025 (Audited)	
	Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
----- Rupees in '000 -----				
Domestic				
Performing	464,196,194	3,833,138	513,835,672	3,787,950
Under-performing	45,290,536	1,205,496	35,027,707	1,302,475
Non-performing				
OAEM	265,153	47,303	478,644	84,786
Substandard	1,466,052	400,499	1,321,997	376,023
Doubtful	1,284,656	548,116	1,530,795	719,623
Loss	41,075,920	37,015,110	41,874,534	37,662,250
	<u>553,578,511</u>	<u>43,049,662</u>	<u>594,069,349</u>	<u>43,933,107</u>
Overseas				
Performing	5,602,329	50,640	3,588,763	5,988
Under-performing	-	-	-	-
Non-performing				
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-
	<u>5,602,329</u>	<u>50,640</u>	<u>3,588,763</u>	<u>5,988</u>
Total	<u><u>559,180,840</u></u>	<u><u>43,100,302</u></u>	<u><u>597,658,112</u></u>	<u><u>43,939,095</u></u>

11. PROPERTY AND EQUIPMENT	Note	(Un-audited)	(Audited)
		March 31, 2026	December 31, 2025
----- Rupees in '000 -----			
Capital work-in-progress	11.1	4,175,278	4,668,083
Property and equipment		34,321,291	34,574,590
		<u>38,496,569</u>	<u>39,242,673</u>
11.1 Capital work-in-progress			
Civil works		301,383	401,591
Equipment		210,050	376,126
Advance to supplier		247,128	516,889
Advance for acquiring properties and office premises		3,416,717	3,373,477
		<u>4,175,278</u>	<u>4,668,083</u>

Notes to the Consolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

		(Un-audited) Quarter ended	
		March 31, 2026	March 31, 2025
		----- Rupees in '000 -----	
11.2	Additions to property and equipment		
	The following additions have been made to property and equipment during the period:		
	Capital work-in-progress	309,795	475,758
	Property and equipment		
	Leasehold improvements	300,601	331,110
	Furniture and fixture	148,556	229,486
	Electrical, office and computer equipments	434,653	633,147
	Vehicles	8,761	36,659
		892,571	1,230,402
	Total	1,202,366	1,706,160

11.2.1 This includes transfer from capital work in progress during the period of Rs. 558.701 million (March 31, 2025: Rs. 332.363 million)

		(Un-audited) Quarter ended	
		March 31, 2026	March 31, 2025
		----- Rupees in '000 -----	
11.3	Disposal of property and equipment		
	The net book value of property and equipment disposed off during the period is as follows:		
	Property and equipment		
	Leasehold improvements	218	774
	Furniture and fixture	1,773	1,107
	Electrical, office and computer equipments	4,799	4,181
	Vehicles	-	810
	Total	6,790	6,872

Notes to the Consolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

	(Un-audited) March 31, 2026	(Audited) December 31, 2025
	----- Rupees in '000 -----	
12. RIGHT-OF-USE ASSETS		
At January 01,		
Cost	21,418,409	16,045,257
Accumulated Depreciation	<u>(12,449,747)</u>	<u>(8,966,680)</u>
Net Carrying amount at January 01	8,968,662	7,078,577
Modification Impact	-	1,151,946
Additions during the period / year	515,018	4,353,864
Deletions during the period / year	(5,117)	(174,753)
Depreciation charge for the period / year	(895,336)	(3,440,858)
Exchange rate adjustments	(166)	(112)
Other adjustments	-	(2)
Closing net carrying amount	<u>8,583,061</u>	<u>8,968,662</u>
13. INTANGIBLE ASSETS		
Capital work-in-progress		
- Computer software	883,537	818,386
Computer software	6,236,974	5,954,365
Goodwill	4,407,921	4,407,921
Core Deposits Intangible on Acquisition	1,372,061	1,250,030
Others	32,241	35,181
	<u>12,932,734</u>	<u>12,465,883</u>
	(Un-audited) Quarter ended	
	March 31, 2026	March 31, 2025
13.1 Additions to intangible assets	----- Rupees in '000 -----	
The following additions have been made to intangible assets during the period:		
Directly purchased		
Capital work-in-progress - net	65,151	48,424
Computer software	586,853	34,283
Total	<u>652,004</u>	<u>82,707</u>
13.2 Disposal of intangible assets		
The net book value of intangible assets disposed off during the period is as follows:		
Membership and Subscription	-	1,789

Notes to the Consolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

	(Un-audited) March 31, 2026	(Audited) December 31, 2025
14. DEFERRED TAX ASSET		
		----- Rupees in '000 -----
Deductible Temporary Differences on:		
Credit loss allowance against advances	9,234,233	9,767,466
Credit loss allowance against investments	678,358	597,375
Credit loss allowance - others	506,285	106,664
Impact of Effective Interest Rate adoption	194,331	-
Unrealized (loss) / gain on FVPL investments	11,353	-
(Deficit) / Surplus on revaluation of investments	(95,598)	(3,134,916)
Right-of-use assets	4,894,921	4,680,716
Lease liability	111,880	-
Intangible Assets	493	32
Unabsorbed tax depreciation and amortization	-	85,433
Pre-commencement expenditure	6,553	6,990
Workers' Welfare Fund	15,964	15,795
Accumulated tax losses	10	35,578
	15,558,783	12,161,133
Taxable Temporary Differences on:		
Credit loss allowance against investments	(22,767)	(53,032)
Ijarrah financing and related assets	(136,623)	(127,114)
Surplus on revaluation of property and equipment	(1,445,050)	(1,368,614)
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	(241,826)	(242,485)
Accelerated tax depreciation	(1,121,692)	(3,382,866)
Lease liabilities	(4,174,303)	(1,162,590)
Fair value adjustment	(1,112,715)	-
Surplus on revaluation of investments	(128,424)	(725,515)
Right-of-use assets	(47,819)	(981,100)
Unrealized (loss) / gain on FVPL investments	-	(87)
Goodwill	(761,085)	(761,085)
	(9,192,304)	(8,804,488)
	6,366,479	3,356,645

Notes to the Consolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

		(Un-audited) March 31, 2026	(Audited) December 31, 2025
		----- Rupees in '000 -----	
15. OTHER ASSETS	Note		
Mark-up / return / interest / profit accrued in local currency		28,059,184	23,481,851
Mark-up / return / interest / profit accrued in foreign currencies		294,051	194,277
Advances, deposits, advance rent and other prepayments		11,339,794	12,227,168
Receivable against First WAPDA Sukuk		50,000	50,000
Acceptances		8,451,224	8,293,474
Advance taxation (payments less provision)		6,412,579	5,161,159
Dividend receivable		42,497	-
Stationery and stamps on hand		21,400	12,186
Receivable in respect of home remittance		18,098	11,376
Due from State Bank of Pakistan		2,334,320	2,179,874
Fair value adjustment on advances	10.2	2,610,031	2,728,769
Non-banking assets acquired in satisfaction of claims		6,222,471	6,231,433
Mark to market gain on forward foreign exchange contracts		221,673	156,440
Advance against investments in securities		792,000	792,000
Inter bank fund transfer settlement		24,479	2,131,870
Credit card settlement		373,288	77,438
Clearing and settlement accounts		-	1,038,710
Insurance claims receivable		741,401	858,711
Trade receivable from brokerage and advisory business - net		4,180,615	3,386,233
Balances due from funds under management		244,998	292,708
Others		1,496,337	1,391,967
		<u>73,930,440</u>	<u>70,697,644</u>
Less: Credit loss allowance held against other assets	15.1	<u>(1,689,565)</u>	<u>(1,691,048)</u>
Other assets - net of credit loss allowance		<u>72,240,875</u>	<u>69,006,596</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	22	<u>574,455</u>	<u>575,716</u>
Other assets - total		<u><u>72,815,330</u></u>	<u><u>69,582,312</u></u>
15.1 Credit loss allowance held against other assets			
Mark-up / return / interest / profit accrued		92,172	93,518
Advances, deposits, advance rent and other prepayments		160,868	177,213
Dividend receivable		271	-
Receivable against bancassurance / bancatakaful		12	-
Trade receivable from brokerage and advisory business - net		420,587	420,587
Advance against investments in securities		8,803	8,803
Insurance claim receivable		243	8
Non-banking assets acquired in satisfaction of claims		303,911	303,911
Others		702,698	687,008
		<u>1,689,565</u>	<u>1,691,048</u>
15.1.1 Movement in credit loss allowance held against other assets			
Opening balance		1,691,048	1,585,067
Exchange rate adjustments		(2)	1
Charge during the period / year		21,457	153,392
Reversals during the period / year		(22,938)	(47,412)
		(1,481)	105,980
Amount written off		-	-
Closing balance		<u><u>1,689,565</u></u>	<u><u>1,691,048</u></u>

Notes to the Consolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

	(Un-audited) March 31, 2026	(Audited) December 31, 2025
	----- Rupees in '000 -----	
16. BILLS PAYABLE		
In Pakistan	11,781,462	17,411,788
Outside Pakistan	321,618	322,737
	<u>12,103,080</u>	<u>17,734,525</u>
17. BORROWINGS		
Secured		
Borrowings from State Bank of Pakistan under:		
Export refinancing scheme	4,622,931	5,762,946
Long-term finance facility	1,507,853	1,790,735
Financing facility for storage of agricultural produce	405,572	413,836
Financing facility for renewable energy projects	1,042,913	1,174,746
Refinance for women entrepreneurs	281,593	306,710
Refinance facility for modernization of Small and Medium Enterprises(SMEs)	271,785	298,305
Refinance facility for combating COVID-19	42,202	65,521
Temporary Economic Refinance Facility (TERF)	8,245,803	8,750,775
Small enterprise financing and credit guarantee scheme for special persons	-	67
Refinance facility for working capital of SMEs	5,135,021	5,383,440
Refinance facility for SME Asaan Finance (SAAF) scheme	4,064,846	4,540,447
Acceptances from SBP under Mudaraba	20,189,721	-
Islamic Refinance Scheme for Working Capital Financing	-	50,000
Islamic Export Finance Scheme - Rupee based discounting	4,470,745	3,776,796
Repurchase agreement borrowings	12,482,554	2,962,005
	62,763,539	35,276,329
Fair value adjustment on TERF borrowings	(1,899,302)	(2,057,376)
Borrowing from financial institutions:		
Repurchase agreement borrowings	15,629,153	-
Refinancing facility for mortgage loans	2,296,192	2,341,365
Refinance facility for Islamic Mortgage	2,657,124	4,241,983
Total secured	<u>81,446,706</u>	<u>39,802,301</u>
Unsecured		
Call borrowings	4,400,000	-
Overdrawn nostro accounts	1,104,042	938,887
Total unsecured	<u>5,504,042</u>	<u>938,887</u>
	<u>86,950,748</u>	<u>40,741,188</u>
17.1 Particulars of borrowings		
In local currency	85,846,706	39,802,301
In foreign currencies	1,104,042	938,887
	<u>86,950,748</u>	<u>40,741,188</u>

Notes to the Consolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

18. DEPOSITS AND OTHER ACCOUNTS

	(Un-audited) March 31, 2026			(Audited) December 31, 2025		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
----- Rupees in '000 -----						
Customers						
Current deposits	445,514,837	20,908,607	466,423,444	449,976,623	21,446,907	471,423,530
Savings deposits	312,269,517	15,465,987	327,735,504	328,716,474	11,536,129	340,252,603
Term deposits	244,781,309	27,077,508	271,858,817	257,101,473	33,702,456	290,803,929
Margin deposits	36,077,076	81,769	36,158,845	30,983,270	118,795	31,102,065
	<u>1,038,642,739</u>	<u>63,533,871</u>	<u>1,102,176,610</u>	<u>1,066,777,840</u>	<u>66,804,287</u>	<u>1,133,582,127</u>
Financial Institutions						
Current deposits	5,389,042	1,237,630	6,626,672	4,482,579	699,970	5,182,549
Savings deposits	54,464,277	188,373	54,652,650	44,441,463	41,977	44,483,440
Term deposits	2,539,021	19,300,381	21,839,402	2,301,979	13,881,500	16,183,479
Margin deposits	146	-	146	146	-	146
	<u>62,392,486</u>	<u>20,726,384</u>	<u>83,118,870</u>	<u>51,226,167</u>	<u>14,623,447</u>	<u>65,849,614</u>
	<u>1,101,035,225</u>	<u>84,260,255</u>	<u>1,185,295,480</u>	<u>1,118,004,007</u>	<u>81,427,734</u>	<u>1,199,431,741</u>

19. LEASE LIABILITIES	Note	(Un-audited)	(Audited)
		March 31, 2026	December 31, 2025
----- Rupees in '000 -----			
Opening balance		10,055,035	7,845,190
Additions during the period / year		423,170	3,480,206
Lease payments including interest		(1,011,380)	(3,947,363)
Interest expense	19.2	291,294	1,429,761
Terminations during the period / year		(6,186)	(223,422)
Exchange difference		(161)	(118)
Modification Impact		-	1,485,305
Others		-	(14,524)
Outstanding amount at the end of the period / year		<u>9,751,772</u>	<u>10,055,035</u>

19.1 Outstanding liabilities

Not later than one year	414,452	995,380
Later than one year and upto five years	8,862,167	8,476,026
Over five years	475,153	583,629
Total	<u>9,751,772</u>	<u>10,055,035</u>

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

20. SUBORDINATED DEBT	Note	(Un-audited)	(Audited)
		March 31, 2026	December 31, 2025
----- Rupees in '000 -----			
Term Finance Certificates - Fifth Issue	20.1	3,459,684	3,497,900
Term Finance Certificates - Fourth Issue	20.2	2,479,946	2,496,000
Term Finance Certificates - Third Issue	20.3	2,500,000	2,500,000
ADT-1 Sukuk Issue I	20.4.1	1,999,000	1,999,000
ADT-1 Sukuk Issue II	20.4.2	997,990	997,990
		<u>11,436,620</u>	<u>11,490,890</u>

Notes to the Consolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

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

Purpose	To contribute towards the Bank's Tier II Capital for complying with the capital adequacy requirement and to utilize the funds in the Bank's business operations as permitted by its Memorandum and Articles of Association.
Issue amount	Rs. 3.5 billion
Issue date	August 30, 2023
Maturity date	August 30, 2033
Rating	AA - (Double A Minus)
Security	The Issue is unsecured
Profit payment frequency	Quarterly
Redemption	The instrument is structured to redeem 0.24% of the Issue amount during the first nine years after the issue date and the remaining Issue amount of 99.76% in four equal quarterly instalments of 24.94% each in the last year.
Profit rate	Floating rate of return at Base Rate + 2 percent per annum; Base rate is defined as the average three months KIBOR prevailing on the Base Rate setting date. The Base Rate will be set for the first time on the last working day prior to the issue date and subsequently on the immediately preceding business day before the start of each three monthly period.
Subordination	The Issue is subordinated all other indebtedness of the Bank including depositors, however, senior to the claims of investors in instruments eligible for inclusion in Tier I Capital
Call option	Exercisable in part or in full on or after five years from the issue date, subject to SBP's approval.
Lock-in-clause	Principal and profit will be payable subject to compliance with MCR or CAR or Leverage Ratio set by SBP.
Loss absorbency clause	Upon the occurrence of a Point of Non-Viability (PONV) event as defined under SBP BPRD Circular No. 06 of 2013 dated August 15, 2013, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank and/or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFCs' divided by market value per share of the Bank's common share on the date of trigger of PONV as declared by SBP, subject to a cap of 924,772,179 shares.

Notes to the Consolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

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

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

Notes to the Consolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

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

Purpose	To contribute towards the holding company's Tier I Capital for complying with the capital adequacy requirement and to utilize the funds in the holding company's business operations as permitted by its Memorandum and Articles of Association.
Issue date	December 31, 2018
Maturity date	Perpetual
Rating	A + (Single A Plus)
Markup rate	Floating rate of return at Base Rate + 2.25 percent per annum; Base rate is defined as the average six months KIBOR prevailing on the Base Rate setting date. The Base Rate will be set for the first time on the last working day prior to the issue date and subsequently on the immediately preceding business day before the start of each six monthly period.
Markup payment frequency	Semi-annually on a non-cumulative basis
Redemption	Not applicable
Security	The Issue is unsecured
Subordination	The Issue is subordinated as to payment of Principal and profit to all other claims except common shares.
Call option	Exercisable in part or in full at a par value on or after five years from the issue date, with prior approval of SBP. The Bank shall not exercise the call option unless the called instrument is replaced with capital of same or better quality.
Lock-in-clause	Payment of profit will be made from current year's earning and subject to compliance with MCR and / or CAR or LR set by SBP.

Notes to the Consolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

<p>Loss absorbency clause: Pre-Specified Trigger (PST)</p>	<p>Upon the occurrence of a Pre-Specified Trigger as defined under SBP BPRD Circular No. 06 of 2013 dated August 15, 2013 which stipulates that if an issuer's Common Equity Tier 1 (CET 1) ratio falls to or below 6.625% of Risk Weighted Assets (RWA), the Issuer will have full discretion to determine the amount of TFCs to be permanently converted into common shares or written off, subject to SBP regulations / instructions, and the cap specified below. The holding company will be able to exercise this discretion subject to:</p> <p>If and when holding company's CET 1 reaches the loss absorption trigger point, the aggregate amount of Additional Tier-1 capital to be converted must at least be the amount sufficient to immediately return the CET 1 ratio to above 6.625% of total RWA (if possible);</p> <p>The converted amount should not exceed the amount needed to bring the CET 1 ratio to 8.5% of RWA (i.e. minimum CET 1 of 6.0% plus capital conservation buffer of 2.5%); and</p> <p>In case, conversion of Additional Tier-1 capital Instrument is not possible following the trigger event, the amount of the Instrument must be written off in the accounts resulting in increase in CET 1 of the issuer.</p>
<p>Loss absorbency clause: Point of Non-Viability (PONV)</p>	<p>Upon the occurrence of a Point of Non-Viability event as defined under SBP BPRD Circular No. 06 of 2013 dated August 15, 2013, which stipulates that SBP may, at its option, fully and permanently convert the TFCs into common shares of the Issuer and / or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Value of the TFCs' divided by market value per share of the Issuer's common / ordinary share on the date of the PONV trigger event as declared by SBP, subject to the cap specified below:</p> <p>The PONV trigger event is the earlier of:</p> <p>A decision made by SBP that a conversion or temporary / permanent write-off is necessary without which the Issuer would become non-viable;</p> <p>The decision to make a public sector injection of capital, or equivalent support, without which the Issuer would have become non-viable, as determined by SBP.</p> <p>The maximum number of shares to be issued to TFC holders at the Pre-Specified Trigger and / or Point of Non Viability (or otherwise as directed by SBP) will be subject to a specified cap of 329,595,476 ordinary shares, or such other number as may be agreed to in consultation with SBP.</p>

Notes to the Consolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

20.4 BIPL has issued fully paid up, rated, listed, perpetual, unsecured, subordinated, non-cumulative and contingent convertible debt instruments in the nature of sukuk under Section 66 of the Companies Act, 2017 which qualify as Additional Tier I (ADT-1) Capital as outlined by State Bank of Pakistan (SBP) under BPRD Circular No. 6 dated August 15, 2013.

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

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

Notes to the Consolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

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

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

Notes to the Consolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

		(Un-audited) March 31, 2026	(Audited) December 31, 2025
		----- Rupees in '000 -----	
21. OTHER LIABILITIES	Note		
Mark-up / return / interest / profit payable in local currency		7,775,327	7,187,512
Mark-up / return / interest / profit payable in foreign currencies		399,544	383,962
Unearned income on guarantees		556,906	526,400
Accrued expenses		5,273,736	6,750,474
Current taxation (payments less provision)		154,625	71,633
Acceptances		8,451,224	8,293,474
Unclaimed dividends		12,444	12,444
Mark to market loss on forward foreign exchange contracts		421,349	441,137
Mark to market loss on forward government securities transaction		289	-
Defined benefit obligation - net		619,254	612,222
Payable to defined contribution plan		104,515	12,701
Payable to defined benefit plan		4,677	-
Withholding taxes payable		2,092,760	2,974,127
Donation payable		167,319	135,792
Security deposits against leases, lockers and others		5,776,756	5,305,595
Workers' Welfare Fund		2,409,383	2,320,750
Payable in respect of home remittance		140,109	1,185
Retention money payable		199,759	187,433
Insurance payable		492,704	476,937
Trade creditors		5,864,885	5,696,238
BLB fund settlement		309,284	106,276
Debit card settlement		393,864	363,128
Clearing and settlement accounts		2,756,086	3,076,931
Trade payable from brokerage and advisory business - net		332,518	12,307
Dividend payable		394,892	50,268
Deferred Murabahah income financing and IERS		4,802,690	5,169,867
Unrealized loss on Shariah compliant alternative of forward foreign exchange contracts		90,631	46,453
Sundry Creditors		1,004,280	1,179,285
Credit loss allowance against off-balance sheet obligations	21.1	646,057	530,976
Charity payable		183,133	161,109
Others		3,973,444	2,960,074
		<u>55,804,444</u>	<u>55,046,690</u>
21.1 Credit loss allowance against off-balance sheet obligations			
Opening balance		530,976	571,959
Transfer in		-	(2,961)
Exchange rate adjustments		(40)	25
Charge for the period / year		193,666	191,878
Reversals for the period / year		(78,545)	(229,925)
		115,121	(38,047)
Closing balance		<u>646,057</u>	<u>530,976</u>

Notes to the Consolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

22. SURPLUS ON REVALUATION OF ASSETS

	Note	(Un-audited) March 31, 2026			(Audited) December 31, 2025		
		Attributable to			Attributable to		
		Equity Holders	Non - Controlling Interest	Total	Equity Holders	Non - Controlling Interest	Total
Note ----- Rupees in '000 -----							
Surplus / (deficit) on revaluation of:							
- Securities measured at FVOCI - debt	9.1	(571,929)	28,126	(543,803)	3,622,214	552,904	4,175,118
- Securities measured at FVOCI - equity	9.1	649,770	120,127	769,897	1,637,731	264,610	1,902,341
- Property and equipment		3,774,760	414,320	4,189,080	3,847,859	419,357	4,267,216
- Non-banking assets acquired in satisfaction of claims	15	581,082	(6,627)	574,455	582,343	(6,627)	575,716
		<u>4,433,683</u>	<u>555,946</u>	<u>4,989,629</u>	<u>9,690,147</u>	<u>1,230,244</u>	<u>10,920,391</u>

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

- Securities measured at FVOCI - debt	297,403	(14,625)	282,778	(1,748,082)	(242,632)	(1,990,714)
- Securities measured at FVOCI - equity	(317,470)	(60,906)	(378,376)	(961,563)	(182,639)	(1,144,202)
- Property and equipment	(1,259,420)	(185,630)	(1,445,050)	(1,204,470)	(164,144)	(1,368,614)
- Non-banking assets acquired in satisfaction of claims	(245,621)	3,795	(241,826)	(246,280)	3,795	(242,485)
	<u>(1,525,108)</u>	<u>(257,366)</u>	<u>(1,782,474)</u>	<u>(4,160,395)</u>	<u>(585,620)</u>	<u>(4,746,015)</u>
	<u>2,908,575</u>	<u>298,580</u>	<u>3,207,155</u>	<u>5,529,752</u>	<u>644,624</u>	<u>6,174,376</u>

23. CONTINGENCIES AND COMMITMENTS

	Note	(Un-audited) March 31, 2026	(Audited) December 31, 2025
Note ----- Rupees in '000 -----			
Guarantees	23.1	<u>149,121,315</u>	147,627,979
Commitments	23.2	<u>374,925,725</u>	311,548,829
Other contingent liabilities	23.3	<u>4,529,074</u>	3,009,282
		<u>528,576,114</u>	<u>462,186,090</u>

23.1 Guarantees:

Financial guarantees	<u>23,824,753</u>	22,275,534
Performance guarantees	<u>66,741,761</u>	70,245,027
Other guarantees	<u>58,554,801</u>	55,107,418
	<u>149,121,315</u>	<u>147,627,979</u>

Notes to the Consolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

		(Un-audited) March 31, 2026	(Audited) December 31, 2025
		----- Rupees in '000 -----	
23.2	Commitments		
	Documentary credits and short-term trade-related transactions		
	- Letters of credit	71,875,823	75,180,527
	Commitments in respect of:		
	- Forward foreign exchange contracts	23.2.1 169,656,539	152,790,318
	- Derivative instruments	23.2.2 367,061	240,701
	- Forward government securities transactions	23.2.3 76,911	-
	- Forward lending	23.2.4 128,639,087	80,366,223
	Commitments for acquisition of:		
	- Property and equipment	23.2.5 446,709	470,427
	- Intangible assets	23.2.5 3,863,595	2,500,633
		<u>374,925,725</u>	<u>311,548,829</u>
23.2.1	Commitments in respect of forward foreign exchange contracts		
	Purchase	97,470,367	90,251,536
	Sale	72,186,172	62,538,782
		<u>169,656,539</u>	<u>152,790,318</u>
23.2.2	Commitments in respect of derivative instruments		
	Forward securities contract		
	Purchase	-	-
	Sale	367,061	240,701
		<u>367,061</u>	<u>240,701</u>
23.2.3	Commitments in respect of forward government securities transactions		
	Purchase	<u>76,911</u>	-
23.2.4	Commitments in respect of forward lending		
	Undrawn formal standby facilities, credit lines and other commitments to lend	23.2.4.1 128,639,087	80,366,223
23.2.4.1	These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the holding company and BIPL without the risk of incurring significant penalty or expense.		
23.2.5	This represents commitments related to purchase of leasehold improvements, furniture and fixtures, hardware and network equipment, electrical equipment and computer software.		

Notes to the Consolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

		(Un-audited) March 31, 2026	(Audited) December 31, 2025
	Note	----- Rupees in '000 -----	
23.3 Other contingent liabilities			
Claims against the Bank not acknowledged as debts	23.3.1	26,804	1,804
Other contingencies		<u>4,502,270</u>	<u>3,007,478</u>
		<u>4,529,074</u>	<u>3,009,282</u>

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

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

23.3.2 Tax related contingencies are disclosed in note 34.1.

24. DERIVATIVE INSTRUMENTS

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

The Group has entered into a Cross Currency Swap transaction with its customer on back-to-back basis with an Authorized Derivative Dealer (ADD) without carrying any open position in its books. Specific approvals for the transactions have been granted by State Bank of Pakistan. Policies in line with SBP instructions have been formulated and are operative.

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

These transactions cover the aspects of both market making and hedging.

Notes to the Consolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

		March 31, 2026 (Un-audited)					
		Cross currency swaps		Options and Accumulators		Forward securities	
		Notional principal	Mark to market	Notional principal	Mark to market	Notional principal	Mark to market
24.1	Product Analysis	----- Rupees in '000 -----					
	With Banks						
	Hedging	-		-		-	
	Market making	-	-	-		367,061	25,542
		-	-	-		367,061	25,542
	With FIs other than banks						
	Hedging	-		-		-	
	Market making	-	-	-		-	
		-	-	-		-	
	Total						
	Hedging	-		-		-	
	Market making	-	-	-		367,061	25,542
		-	-	-		367,061	25,542
		----- Rupees in '000 -----					
		December 31, 2025 (Audited)					
		Cross currency swaps		Options and Accumulators		Forward securities	
		Notional principal	Mark to market	Notional principal	Mark to market	Notional principal	Mark to market
		----- Rupees in '000 -----					
	With Banks						
	Hedging	-		-		-	
	Market making	-	-	-		240,445	651
		-	-	-		240,445	651
	With FIs other than banks						
	Hedging	-		-		-	
	Market making	-	-	-		-	
		-	-	-		-	
	Total						
	Hedging	-		-		-	
	Market making	-	-	-		240,445	651
		-	-	-		240,445	651

Notes to the Consolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

	(Un-audited) Quarter ended	
	March 31, 2026	March 31, 2025
	----- Rupees in '000 -----	
25. MARK-UP / RETURN / INTEREST / PROFIT EARNED		
Loans and advances	13,923,569	15,077,383
Investments	17,756,999	25,425,214
Lendings to financial institutions	82,026	260,649
Balances with banks	598,144	110,385
Securities purchased under resale agreements	140,231	80,376
Others	200,586	156,494
	<u>32,701,555</u>	<u>41,110,501</u>
25.1 Interest income recognised on:		
Financial assets measured at amortised cost	2,475,003	5,842,838
Financial assets measured at FVOCI	16,531,232	20,002,433
Financial assets measured at FVPL	187,609	646,920
Financial assets measured at cost	13,507,711	14,618,310
	<u>32,701,555</u>	<u>41,110,501</u>
26. MARK-UP / RETURN / INTEREST PROFIT / EXPENSED		
Deposits	12,950,894	17,171,733
Borrowings	3,469,814	5,752,738
Subordinated debt	368,147	412,567
Cost of foreign currency swaps against foreign currency deposits / borrowings	374,289	592,134
Finance charges on leased assets	325,025	410,812
	<u>17,488,169</u>	<u>24,339,984</u>
27. FEE AND COMMISSION INCOME		
Branch banking customer fees	51,539	60,210
Finance related fees	139,168	128,956
Card related fees (debit and credit cards)	823,232	737,716
Investment banking fees	32,463	78,158
Commission on trade	408,678	419,428
Commission on guarantees	234,028	222,584
Commission on cash management	23,093	15,871
Commission on remittances including home remittances	15,247	79,278
Commission on bancassurance / bancatakaful	46,427	54,629
Commission on distribution of mutual funds	-	-
Commission on online services	166,434	32,239
Rebate income	87,280	114,781
Brokerage income	670,686	354,216
Management fee	410,245	199,884
Commission on arrangement with financial institutions	53,309	50,578
Others	956	4,582
	<u>3,162,785</u>	<u>2,553,110</u>

Notes to the Consolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

		(Un-audited) Quarter ended	
		March 31, 2026	March 31, 2025
		----- Rupees in '000 -----	
28.	GAIN / (LOSS) ON SECURITIES - NET	Note	
	Realised	28.1	317,776
	Unrealised - measured at FVPL		2,190,441
			<u>(121,444)</u>
			<u>196,332</u>
			<u>2,149,082</u>
28.1	Realised gain / (loss) on:		
	Federal government securities		2,130,169
	Shares - Listed companies		114,515
	Non Government Debt Securities		14,847
	Mutual fund units		5,408
	Associates		-
	Foreign currency bonds		(74,498)
		28.2	<u>317,776</u>
			<u>2,190,441</u>
28.2	Net gain / (loss) on financial assets:		
	Measured at FVPL:		
	Designated upon initial recognition		15,695
	Mandatorily Measured at FVPL		(6,010)
			9,685
	Measured at amortised cost		-
	Measured at FVOCI		-
			<u>341,218</u>
			<u>2,180,756</u>
			<u>317,776</u>
			<u>2,190,441</u>
29.	OTHER INCOME		
	Rent Income		12,152
	Gain on sale of property and equipment - net		15,578
	Gain on sale of non banking assets - net		20,896
	Gain on termination of leases - net		7,153
	Gain on termination of Islamic financing		22,194
	Charges recovered on account of internal audit services to subsidiary		-
	Scrap sales		-
	Auction charges recovered		405
	Recoveries against previously expensed items		5,636
	Others		619
			<u>13,661</u>
			<u>84,633</u>
			<u>65,258</u>
			<u>84,633</u>

Notes to the Consolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

		(Un-audited) Quarter ended	
		March 31, 2026	March 31, 2025
		----- Rupees in '000 -----	
30.	OPERATING EXPENSES		
	Total compensation expense	30.1 7,412,298	6,388,544
	Property expense		
	Rent and taxes	62,990	32,933
	Insurance / Takaful	7,466	1,740
	Utilities cost	483,183	466,757
	Security (including guards)	469,707	389,233
	Repair and maintenance (including janitorial charges)	242,843	270,835
	Depreciation	313,059	307,951
	Depreciation on right-of-use assets	895,336	775,487
	Depreciation on non-banking assets	10,228	10,702
	Other	-	321
		2,484,812	2,255,959
	Information technology expenses		
	Software maintenance	1,252,990	869,825
	Hardware maintenance	282,968	265,288
	Depreciation	442,750	274,974
	Amortisation	303,897	183,431
	Network charges	274,085	214,064
		2,556,690	1,807,582
	Other operating expenses		
	Directors' fees and allowances	3,350	12,313
	Fee and allowances to Shariah Board	16,688	9,442
	Legal and professional charges	191,051	196,801
	Insurance / Takaful, tracker and other charges on car ljarah - net of income	255,712	138,662
	Outsourced services costs	274,773	158,263
	Travelling and conveyance	165,857	199,190
	NIFT clearing charges	43,218	39,739
	Depreciation	322,430	271,252
	Amortisation	43,624	43,747
	Training and development	20,923	38,996
	Postage and courier charges	60,909	55,747
	Communication	238,050	236,671
	Stationery and printing	246,667	270,929
	Marketing, advertisement and publicity	484,057	835,158
	Donations	49,683	92,171
	Auditors' remuneration	23,278	15,885
	Staff auto fuel and maintenance	318,241	310,703
	Bank charges	29,490	21,654
	Stamp duty	6,716	31,723
	Online verification charges	25,299	23,302
	Brokerage, fee and commission	9,730	21,263
	Card related fees (debit and credit cards)	525,213	425,033
	CDC and other charges	12,285	33,435
	Consultancy fee	64,491	22,947
	Deposit protection premium	63,819	51,298
	Entertainment expenses	55,970	135,247
	Repair and maintenance	104,299	102,224
	Cash handling charges	85,129	103,463
	Fee and subscription	257,290	283,944
	Employees social security	1,883	2,962
	Generator fuel and maintenance	43,735	48,327
	Royalty	11,250	12,663
	Others	80,980	60,277
		4,136,090	4,305,431
		16,589,890	14,757,516
	Less: Reimbursement of selling and distribution expenses	-	(91,298)
		16,589,890	14,666,218

30.1. This includes impact of fair value adjustment on concessional rate staff loans amount to Rs. 195.822 million (March 31, 2025: Rs. 580.956 million).

Notes to the Consolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

31. WORKERS' WELFARE FUND

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

	(Un-audited) Quarter ended	
	March 31, 2026	March 31, 2025
	----- Rupees in '000 -----	
32. OTHER CHARGES		
Penalties imposed by State Bank of Pakistan	<u>5,235</u>	<u>113,701</u>
33. CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET		
Credit loss allowance against cash and balances with treasury banks	44,063	497
Credit loss allowance / (Reversal) against balance with other banks	(448)	(2,046)
Credit loss allowance / (Reversal) against lending to financial institutions	(3,060)	(1,080)
(Reversal of credit loss allowance) / provision for diminution in value of investments	102,602	(228,377)
Credit loss allowance against loans and advances	(762,191)	216,069
Credit loss allowance against other assets	(1,481)	112,997
Credit loss allowance against off balance sheet obligations	115,121	226,649
Modification loss	7,203	(33,673)
Operational loss	-	2,229
Fair value loss recognized	-	9,428
Bad debts written off directly	17,433	-
Recovery of written off / charged off bad debts	(134,372)	(1,199)
	<u>(615,130)</u>	<u>301,494</u>
34. TAXATION		
Current	1,803,415	4,307,311
Prior years	(8,284)	-
Deferred	426,731	80,453
	<u>2,221,862</u>	<u>4,387,764</u>

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

Notes to the Consolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

35. EARNINGS PER SHARE - BASIC AND DILUTED

	(Un-audited) Quarter Ended	
	March 31, 2026	March 31, 2025
	----- Rupees in '000 -----	
Profit after taxation - attributable to ordinary Equity holders of the Bank	<u>909,339</u>	<u>2,423,896</u>
	----- Number of shares -----	
Weighted average number of ordinary shares	<u>2,050,662,536</u>	<u>2,050,662,536</u>
	----- Rupees -----	
Earnings per share - basic and diluted	<u>0.44</u>	<u>1.18</u>

	Note	(Un-audited) March 31, 2026	(Audited) December 31, 2025	(Un-audited) March 31, 2025
		----- Rupees in '000 -----		
36. CASH AND CASH EQUIVALENTS				
Cash and balances with treasury banks - gross	6	79,026,686	112,520,153	100,091,827
Balances with other banks - gross	7	6,551,906	6,851,967	6,567,664
Overdrawn nostro accounts	17	<u>(1,104,042)</u>	<u>(938,887)</u>	<u>(556,110)</u>
		<u>84,474,550</u>	<u>118,433,233</u>	<u>106,103,381</u>

37. FAIR VALUE OF MEASUREMENTS

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

37.1 Fair value of financial instruments

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

- Level 1:** Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2:** Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3:** Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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

Notes to the Consolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

	March 31, 2026 (Un-audited)			
	Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----				
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government Securities	-	240,579,920	-	240,579,920
Federal Government Shariah Compliant Securities	-	300,289,554	-	300,289,554
Shares	7,353,805	36,465	240,009	7,630,279
Non Government Debt Securities	-	784,629	-	784,629
Non-Government Shariah Compliant Securities	-	2,305,207	-	2,305,207
Foreign Securities	-	27,077,310	-	27,077,310
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	-	73,749,628	-	73,749,628
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	97,062,773	-	97,062,773
Forward sale of foreign exchange	-	71,978,392	-	71,978,392
Forward purchase - Government securities	-	76,622	-	76,622
----- Rupees in '000 -----				
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government Securities	-	196,850,902	-	196,850,902
Federal Government Shariah Compliant Securities	78,801,265	235,934,974	-	314,736,239
Shares	7,541,092	36,955	37,573	7,615,620
Non Government Debt Securities	-	1,075,732	-	1,075,732
Non-Government Shariah Compliant Securities	-	1,227,194	1,124,995	2,352,189
Foreign Securities	-	23,044,423	-	23,044,423
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	-	33,709,882	-	33,709,882
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	89,868,528	-	89,868,528
Forward sale of foreign exchange	-	62,440,609	-	62,440,609
Forward sale of securities contract	-	240,445	-	240,445

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For the Quarter Ended March 31, 2026

37.2 Valuation techniques

Item	Valuation approach and input used
Units of mutual funds	Fair values of investments in units of mutual funds are determined based on redemption prices disclosed at the Mutual Funds Association of Pakistan (MUFAP) as at the close of the business days.
Market Treasury Bills (MTB), Pakistan Investment Bonds (PIB) and GoP Sukuks	Fair values of Pakistan Investment Bonds and Market Treasury Bills are derived using PKRV, PKFRV and PKISRV rates.
Debt Securities (TFCs) and Sukuk other than Government	Investments in debt securities (comprising of Term Finance Certificates, Bonds and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the SECP.
Overseas Government Sukuks, Overseas and Euro Bonds	The fair value of Overseas Government Sukuks, and Overseas Bonds are valued on the basis of price available on Bloomberg.
Ordinary shares - listed	The fair value of investments in listed equity securities are valued on the basis of closing quoted market price available at the Pakistan Stock Exchange.
Ordinary shares - unlisted	<p>The fair value of the investment in SWIFT shares has been determined using a market based approach, based on the share value annually calculated and published by SWIFT for all shareholders.</p> <p>The fair value of ISE REIT shares has been determined using a market based approach, applying price to book multiples of comparable listed REITs to the net asset value, adjusted for discounts for lack of control and lack of marketability.</p>
Preference shares - unlisted	The fair value of Apothecare and Augmentcare shares has been determined using an income-based approach, applying the Free Cash Flow to Firm (FCFF) method, whereby projected cash flows are discounted using the Weighted Average Cost of Capital (WACC).
Forward foreign exchange contracts	The valuation has been determined by interpolating the foreign exchange revaluation rates announced by the State Bank of Pakistan.
Derivatives	The fair values of derivatives which are not quoted in active markets are determined by using valuation techniques. The valuation techniques take into account the relevant underlying parameters including foreign currencies involved, interest rates, yield curves, volatilities, contracts duration, etc.

Notes to the Consolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

Property and Equipment - Land and buildings	Land and buildings and Non-banking assets under satisfaction of claims are carried at revalued amounts determined by professional valuers based on their assessment of the market values as disclosed in note 10 and 13 of these consolidated financial statements. The valuations are conducted by the valuation experts appointed by the Bank which are also on the panel of State Bank of Pakistan. The valuation experts used a market based approach to arrive at the fair value of the Bank's properties. The market approach used prices and other relevant information generated by market transactions involving identical or comparable or similar properties. These values are adjusted to reflect the current condition of the properties.
Non-banking assets acquired in satisfaction of claims	

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

Description	Fair value as at March 31, 2026	Fair value as at December 31, 2025	Unobservable inputs	Sensitivity of inputs
-----Rupees in '000-----				
Ordinary shares - unlisted (ISE REIT)	34,032	37,308	- Price to book (P/B) multiple - Discount for lack of control - Discount for lack of marketability	A 10% increase / decrease in the P/B multiple would result in an increase / decrease of Rs 3.403 million in the fair value. A 5.0 percentage point change in either the discount for lack of control or the discount for the lack of marketability would result in a change of Rs 2.836 million in the fair value.
Preference shares - unlisted (Apothecare)	127,394	-	WACC Terminal growth rate - FCFF	A 1.0 percentage point increase / decrease in the WACC would result in a decrease / increase in the fair value of Rs 7.136 million. A 1.0 percentage point increase / decrease in the terminal growth rate would result in an increase / decrease in the fair value of Rs 2.630 million.
Preference shares - unlisted (Augmentcare)	78,318	-	WACC Terminal growth rate - FCFF	A 1.0 percentage point increase / decrease in the WACC would result in a decrease / increase in the fair value of Rs 8.045 million. A 1.0 percentage point increase / decrease in the terminal growth rate would result in an increase / decrease in the fair value of Rs 4.755 million.

The following table shows reconciliation of investment and advances fair value movement:

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	(Un-audited) March 31, 2026	(Audited) December 31, 2025
	Rupees in ' 000	
Opening balance	37,308	289,259
Impact of adoption of IFRS 9	-	18,634
Remeasurement recognised in Profit and Loss	-	(278,259)
Remeasurement recognised in OCI	202,436	7,674
Closing balance	<u>239,744</u>	<u>37,308</u>

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

38. SEGMENT INFORMATION

38.1 Change in reportable segments

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

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

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

Following the revision in internal reporting, the Group's reportable segments for the period ended March 31, 2026 are presented as:

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

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

Notes to the Consolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

38.2 Segment Details with respect to Business Activities

For the quarter ended March 31, 2026 (Un-audited)											
	Retail Banking	Corporate / Commercial Banking	Treasury, FI and Home Remittance	International Banking	Investment Banking	Zindigi	Islamic Banking	Brokerage	Asset Management	Others	Total
Profit and loss	Rupees in '000										
Net mark-up / return / interest / profit / (expense)	(1,854,425)	1,043,464	7,279,224	201,040	39,475	(57,933)	8,423,763	98,874	3,616	36,288	15,213,386
Inter segment revenue - net	6,004,057	214,039	(5,507,005)	-	(41,214)	205,353	-	-	-	(875,230)	-
Non mark-up / return / income	568,636	372,853	548,323	88,962	(43,676)	212,455	1,398,822	716,095	287,896	83,575	4,233,941
Total Income / (loss)	4,718,268	1,630,356	2,320,542	290,002	(45,415)	359,875	9,822,585	814,969	291,512	(755,367)	19,447,327
Segment direct expenses	3,762,534	170,044	128,192	96,236	17,754	1,059,381	8,552,227	491,509	201,490	2,204,490	16,683,847
Inter segment expense allocation	1,021,468	331,785	93,118	21,649	8,565	197,659	-	-	-	(1,674,966)	(522)
Total expenses	4,784,002	501,829	221,310	117,885	26,319	1,257,240	8,552,227	491,509	201,480	529,524	16,683,325
Credit loss allowance and write offs - net	(274,037)	(203,633)	48,249	95,783	55,443	448	(581,102)	-	-	243,719	(615,130)
Profit / (loss) before tax	208,303	1,332,160	2,050,983	76,334	(127,177)	(897,813)	1,851,460	323,460	90,032	(1,528,610)	3,379,132
As at March 31, 2026 (Un-audited)											
	Retail Banking	Corporate / Commercial Banking	Treasury, FI and Home Remittance	International Banking	Investment Banking	Zindigi	Islamic Banking	Brokerage	Asset Management	Others	Total
Balance Sheet	Rupees in '000										
Cash and bank balances	11,075,142	552,361	22,522,830	3,167,106	-	290,188	46,530,140	1,388,726	3,757	-	85,531,250
Lendings to financial institutions	-	-	1,211,170	-	-	-	19,699,229	-	-	-	20,910,399
Investments	798,426	-	315,165,148	27,077,217	774,641	-	341,852,576	521,461	2,078,047	1,201,787	689,469,403
Net inter segment lending	299,751,501	13,374,920	-	-	-	9,124,841	-	-	-	53,334,650	375,585,912
Advances - performing	89,893,768	100,223,442	5,755,555	4,963,512	-	80,771	282,901,684	2,133,978	26,958	3,095,264	499,064,932
Advances - non-performing	3,259,825	1,815,562	-	-	-	2,452	826,960	-	-	70,967	5,975,766
Others	-	-	-	-	792,000	-	71,178,046	5,016,204	1,240,495	60,967,428	139,194,173
Total Assets	404,778,662	115,966,285	344,654,703	35,197,935	1,566,641	9,498,252	772,988,635	9,061,369	3,349,257	118,670,096	1,815,731,835
Borrowings	13,006,706	7,319,480	32,845,445	-	-	-	33,779,117	-	-	-	86,950,748
Deposits and other accounts	380,632,029	108,327,899	9,337,020	32,895,982	18,441	9,498,252	644,585,857	-	-	-	1,185,295,480
Subordinated debt	-	-	-	-	-	-	2,996,990	-	-	8,439,630	11,436,620
Net inter segment borrowing	-	-	302,463,389	598,176	296,211	-	52,574,054	1,870,829	2,567,277	15,215,976	375,585,912
Others	11,139,927	318,906	8,849	1,703,777	1,251,989	-	39,052,617	7,190,540	781,980	16,210,711	77,659,296
Total Liabilities	404,778,662	115,966,285	344,654,703	35,197,935	1,566,641	9,498,252	772,988,635	9,061,369	3,349,257	118,670,096	1,815,731,835
Equity	-	-	-	-	-	-	-	-	-	66,531,130	66,531,130
Non-controlling interest	-	-	-	-	-	-	-	-	-	12,272,649	12,272,649
Total Equity and Liabilities	404,778,662	115,966,285	344,654,703	35,197,935	1,566,641	9,498,252	772,988,635	9,061,369	3,349,257	118,670,096	1,815,731,835
Contingencies and Commitments	23,261,851	107,398,729	70,472,791	23,220,684	-	-	302,275,799	367,061	-	1,578,999	528,576,114

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For the quarter ended March 31, 2025 (Un-audited) - Restated											
Retail Banking	Corporate / Commercial Banking	Treasury, FI and Home Remittance	International Banking	Investment Banking	Zindgi	Islamic Banking	Brokerage	Asset Management	Others	Total	
Profit and loss											
Rupees in '000											
Net mark-up / return / interest / profit / (expense)	(3,773,967)	86,368	11,163,574	141,832	25,561	(33,429)	9,229,960	84,125	(30,650)	(122,857)	16,770,517
Inter segment revenue - net	7,750,640	1,165,725	(8,543,704)	-	(82,659)	137,169	-	-	-	(446,971)	-
Non mark-up / return / income	597,240	508,172	826,606	(21,474)	36,645	44,415	3,148,612	447,854	294,250	91,027	5,973,347
Total Income / (loss)	4,573,913	1,760,265	3,446,476	120,358	(653)	148,155	12,378,572	531,979	263,600	(478,801)	22,743,864
Segment direct expenses	3,305,620	193,878	191,543	99,101	28,299	931,164	7,318,950	374,163	131,809	2,174,116	14,748,843
Inter segment expense allocation	1,102,167	259,270	88,721	20,492	7,597	189,766	-	-	-	(1,463,195)	204,818
Total expenses	4,407,987	453,148	280,264	119,593	35,896	1,120,930	7,318,950	374,163	131,809	710,921	14,953,961
Credit loss allowances and write offs - net	73,824	821,390	(9,733)	(159,384)	-	28,592	(390,536)	(50,120)	-	(12,539)	301,494
Profit / (loss) before tax	92,102	485,727	3,175,945	160,149	(36,549)	(1,001,367)	5,450,158	207,836	131,791	(1,177,183)	7,486,709
As at December 31, 2025 (Audited) - Restated											
Retail Banking	Corporate / Commercial Banking	Treasury, FI and Home Remittance	International Banking	Investment Banking	Zindgi	Islamic Banking	Brokerage	Asset Management	Others	Total	
Balance Sheet											
Rupees in '000											
Cash and bank balances	9,603,614	322,712	28,495,635	3,360,120	-	1,071,751	75,929,228	581,955	3,378	-	119,368,393
Lendings to financial institutions	-	-	19,838,794	-	-	-	18,999,952	-	-	-	38,838,746
Investments	620,383	-	229,440,755	23,044,422	1,154,495	-	322,887,104	403,437	2,230,145	1,677,877	581,458,618
Net inter segment lending	371,390,754	8,935,091	-	-	-	6,777,709	-	-	-	53,334,650	440,438,204
Advances - performing	88,326,522	102,967,350	44,624,017	3,582,775	-	40,830	289,954,486	2,211,347	20,891	4,602,997	536,331,215
Advances - non-performing - net	3,228,590	1,952,665	-	-	-	2,446	738,482	-	-	88,374	6,010,557
Others	-	-	-	-	792,000	-	64,756,915	6,136,242	1,097,154	60,833,864	133,616,175
Total Assets	473,169,863	114,177,818	322,399,201	29,987,317	1,946,495	7,892,736	773,266,167	9,332,981	3,351,568	120,537,762	1,866,061,908
Borrowings	14,280,581	8,445,908	3,401,591	-	-	-	14,613,108	-	-	-	40,741,188
Deposits and other accounts	390,375,641	99,695,224	5,711,461	26,973,606	15,611	7,892,736	668,767,462	-	-	-	1,199,431,741
Subordinated debt	-	-	-	-	-	-	2,996,990	-	-	-	8,493,900
Net inter segment borrowing	56,227,618	5,719,273	313,277,300	-	1,930,884	-	42,425,450	1,870,829	2,567,277	16,419,573	440,438,204
Others	12,286,023	317,413	8,849	3,013,711	-	-	44,463,157	7,462,152	784,291	14,500,654	82,836,250
Total Liabilities	473,169,863	114,177,818	322,399,201	29,987,317	1,946,495	7,892,736	773,266,167	9,332,981	3,351,568	39,414,127	1,774,938,273
Equity	-	-	-	-	-	-	-	-	-	68,410,829	68,410,829
Non-controlling interest	-	-	-	-	-	-	-	-	-	12,712,806	12,712,806
Total Equity and Liabilities	473,169,863	114,177,818	322,399,201	29,987,317	1,946,495	7,892,736	773,266,167	9,332,981	3,351,568	120,537,762	1,866,061,908
Contingencies and Commitments	28,599,261	111,535,314	67,437,910	14,777,482	-	-	237,662,353	544,762	-	1,629,008	462,186,090

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39. RELATED PARTY TRANSACTIONS

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

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

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

	As at March 31, 2026 (Un-audited)				
	Parent	Directors	Key management personnel	Associates	Other related parties
	----- Rupees in '000 -----				
Statement of financial position					
Lendings to financial institutions					
Opening balance	-	-	-	-	-
Addition during the period	-	-	-	-	-
Repaid during the period	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-
Closing balance	-	-	-	-	-
Investments					
Opening balance	-	-	-	3,193,551	2,641,001
Investment made during the period	-	-	-	12,219,949	-
Investment redeemed / disposed off during the period	-	-	-	(13,510,704)	-
Surplus / (Deficit) on Investments	-	-	-	431,989	(513,595)
Transfer in / (out) - net	-	-	-	-	-
Closing balance	-	-	-	2,334,785	2,127,406
Credit loss allowance for diminution in value of investments	-	-	-	1,087,977	-
Advances					
Opening balance	-	125	690,139	163,548	5,210,952
Addition during the period	-	515	51,129	-	3,537,170
Repaid during the period	-	(360)	(69,592)	(5,174)	(2,409,456)
Transfer in / (out) - net	-	-	(843)	-	551,795
Closing balance	-	280	670,833	158,374	6,890,461
Credit Loss Allowance held against advances	-	10	3,678	158,374	481,964
Other assets					
Mark-up / return / interest accrued	-	-	998	-	58,166
Receivable against bancassurance / bancatakaful	-	-	-	-	1,308
Prepaid Insurance	-	-	-	-	100,673
Trade Receivable from brokerage and advisory business	-	-	-	-	2,350
Advance against investment in securities	-	-	-	-	792,000
Mark to market gain on forward foreign exchange contracts	-	-	-	-	113
Other receivable	150	-	-	-	2,961
Credit Loss Allowance of other assets	-	-	9	-	9,876

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	As at March 31, 2026 (Un-audited)				
	Parent	Directors	Key management personnel	Associates	Other related parties
	----- Rupees in '000 -----				
Deposits and other accounts					
Opening balance	58,666	27,056	121,035	16,957	10,365,008
Received during the period	2,024,651	12,917	329,048	154,792	328,787,552
Withdrawn during the period	(2,049,952)	(26,024)	(306,899)	(145,081)	(326,598,605)
Transfer in / (out) - net	-	-	(327)	(11,410)	(12,321)
Closing balance	33,365	13,949	142,857	15,258	12,541,634
Subordinated debt					
Opening balance	-	-	-	-	253,445
Issued during the period	-	-	-	-	2,940
Redeemed during the period	-	-	-	-	(116)
Transfer in / (out) - net	-	-	-	-	-
Closing balance	-	-	-	-	256,269
Other liabilities					
Mark-up / return / interest payable on deposits	988	-	810	379	203,454
Mark-up / return / interest payable on subordinated debt	-	-	-	-	1,666
Dividend Payable	-	-	-	-	177,182
Trade payable from brokerage and advisory business	-	-	-	-	2,504
Payable to defined benefit plan	-	-	-	-	174,960
Others payable	150	-	-	-	3,135
Contingencies and commitments					
Letter of guarantee	-	-	-	-	837,259
Letter of credit	-	-	-	-	133,323

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	As at December 31, 2025 (Audited)				
	Parent	Directors	Key management personnel	Associates	Other related parties
Statement of financial position	----- Rupees in '000 -----				
Lendings to financial institutions					
Opening balance	-	-	-	-	-
Addition during the year	-	-	-	-	500,000
Repaid during the year	-	-	-	-	(500,000)
Transfer in / (out) - net	-	-	-	-	-
Closing balance	-	-	-	-	-
Investments					
Opening balance	-	-	-	3,872,317	2,573,385
Investment made during the year	-	-	-	12,219,949	1,350,000
Investment redeemed / disposed off during the year	-	-	-	(13,330,704)	(1,350,000)
Surplus / (Deficit) on investments	-	-	-	431,989	67,616
Transfer in / (out) - net	-	-	-	-	-
Closing balance	-	-	-	3,193,551	2,641,001
Credit loss allowance for diminution in value of investments	-	-	-	1,174,244	-
Advances					
Opening balance	-	-	635,459	665,920	4,473,281
Addition during the year	-	520	418,151	-	10,479,042
Repaid during the year	-	(395)	(418,131)	(22,185)	(10,549,521)
Transfer in / (out) - net	-	-	54,660	(480,187)	808,150
Closing balance	-	125	690,139	163,548	5,210,952
Credit Loss allowance held against advances	-	10	3,621	163,548	481,964
Other assets					
Mark-up / return / interest accrued	-	-	902	-	42,707
Receivable against bancassurance / bancatakaful	-	-	-	-	2,069
Prepaid insurance	-	-	-	-	187,786
Trade receivable from brokerage and advisory business	-	-	-	-	7,177
Advance against investment in securities	-	-	-	-	792,000
Mark to market gain on forward foreign exchange contracts	-	-	-	-	-
Other receivable	164	-	-	-	2,961
Credit Loss allowance against other assets	-	-	6	-	8,830

Notes to the Consolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

	As at December 31, 2025 (Audited)				
	Parent	Directors	Key management personnel	Associates	Other related parties
	----- Rupees in '000 -----				
Deposits and other accounts					
Opening balance	112,836	9,446	56,248	21,675	6,865,671
Received during the year	8,332,480	43,869	1,357,201	1,131,482	438,447,033
Withdrawn during the year	(8,386,650)	(26,259)	(1,264,754)	(1,134,090)	(435,038,067)
Transfer in / (out) - net	-	-	(27,660)	(2,110)	90,371
Closing balance	58,666	27,056	121,035	16,957	10,365,008
Subordinated debts					
Opening balance	-	-	-	-	253,925
Issued during the year	-	-	-	-	-
Redeemed during the year	-	-	-	-	(30)
Transfer in / (out) - net	-	-	-	-	(450)
Closing balance	-	-	-	-	253,445
Other liabilities					
Mark-up / return / interest payable on deposits	-	-	579	-	19,010
Mark-up / return / interest payable on subordinated debt	-	-	-	-	1,074
Trade payable from brokerage and advisory business	-	-	-	-	22,392
Defined benefit obligation - net	-	-	-	-	124,732
Dividend payable	-	-	-	-	-
Others payable	375	-	-	-	12,373
Contingencies and commitments					
Letters of guarantee	-	-	-	-	588,170
Letters of credit	-	-	-	-	441,360



Notes to the Consolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

	For the quarter ended March 31, 2026 (Un-audited)				
	Parent	Directors	Key management personnel	Associates	Other related parties
Profit and loss account	----- Rupees in '000 -----				
Income					
Mark-up / return / interest / profit earned	-	-	8,770	-	90,001
Fee, commission and brokerage income	5	52	482	-	20,934
Dividend income	-	-	-	-	64,009
Gain / (loss) on sale of securities - net	-	-	15	-	(12,060)
Rental income	-	-	-	-	-
Other income	-	20	90	-	-
Expense					
Mark-up / return / interest paid	988	326	1,220	448	234,029
Operating expenses					
Compensation	-	-	421,134	-	790,851
Charge for defined contribution plans	-	-	-	-	261,738
Charge for defined benefit plans	-	-	-	-	98,864
Rent	1,799	-	-	-	5,195
Software Maintenance	-	-	-	-	8,118
Directors' fee and allowances	-	3,350	-	-	6,762
Insurance	-	-	-	-	77,346
Training and Development	-	-	-	-	-
Marketing, advertisement and publicity	-	-	-	-	-
Commission	-	-	-	-	-
Consultancy fee	-	-	-	-	14,416
Advisory fee	6,500	-	-	-	-
Royalty	-	-	-	-	6,250
Other expenses	10,997	-	-	-	43,474
Credit loss allowance on:					
Advances	-	(5)	3,159	(22,184)	(1,691)
Other Assets	-	-	6	-	8,804
Payments made during the period					
Insurance premium paid	-	-	-	-	178,293
Insurance claims settled	-	-	-	-	7,087
Donation paid	-	-	-	-	5,855
Other Transactions					
Sale of Government Securities	-	-	13,964	-	116,606,660
Purchase of Government Securities	-	-	-	-	78,069,422

Notes to the Consolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

	For the quarter ended March 31, 2025 (Un-audited)				
	Parent	Directors	Key management personnel	Associates	Other related parties
	----- Rupees in '000 -----				
Profit and loss account					
Income					
Mark-up / return / interest / profit earned	-	-	9,307	-	144,609
Fee, commission and brokerage income	1,583	52	438	-	30,869
Dividend income	-	-	-	-	42,497
Gain on sale of securities - net	-	-	-	-	3,437
Rental income	-	-	-	-	3,734
Other income	-	-	7	-	33,509
Expense					
Mark-up / return / interest paid	666	12	264	267	87,324
Operating expenses					
Compensation	-	-	348,445	-	564,206
Charge for defined contribution plans	-	-	-	-	217,307
Charge for defined benefit plans	-	-	-	-	137,110
Rent	1,214	-	-	-	3,202
Directors' fee and allowances	-	4,950	-	-	7,363
Insurance	-	-	-	-	41,015
Training and Development	-	-	12,709	-	-
Marketing, advertisement and publicity	-	-	-	-	2,228
Commission	-	-	-	-	-
Consultancy fee	-	-	-	-	12,215
Advisory fee	20,500	-	-	-	-
Royalty	-	-	-	-	6,250
Other expenses	1,906	-	-	-	25,347
Credit loss allowance on:					
Advances	-	14	379	-	3,978
Payments made during the period					
Insurance premium paid	-	-	-	-	267,757
Insurance claims settled	-	-	-	-	-
Donation paid	-	-	-	-	139,382
Other transactions					
Sale of Government Securities	-	-	-	-	14,538,483
Purchase of Government Securities	-	-	-	-	3,701,015

Notes to the Consolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

	(Un-audited) March 31, 2026	(Audited) December 31, 2025
	----- Rupees in '000 -----	
40. CAPITAL ADEQUACY, LEVERAGE RATIO and LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	<u>20,506,625</u>	<u>20,506,625</u>
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	<u>60,739,967</u>	59,347,711
Eligible Additional Tier 1 (ADT 1) Capital	<u>6,619,880</u>	6,620,002
Total Eligible Tier 1 Capital	<u>67,359,847</u>	65,967,713
Eligible Tier 2 Capital	<u>10,566,744</u>	12,059,482
Total Eligible Capital (Tier 1 + Tier 2)	<u>77,926,591</u>	<u>78,027,195</u>
Risk Weighted Assets (RWAs):		
Credit Risk	<u>362,432,748</u>	357,014,442
Market Risk	<u>15,807,028</u>	22,186,950
Operational Risk	<u>154,166,864</u>	154,166,864
Total	<u>532,406,640</u>	<u>533,368,256</u>
Common Equity Tier 1 Capital Adequacy ratio	<u>11.41%</u>	11.13%
Tier 1 Capital Adequacy Ratio	<u>12.65%</u>	12.37%
Total Capital Adequacy Ratio	<u>14.64%</u>	14.63%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	<u>67,359,848</u>	65,967,713
Total Exposures	<u>1,625,968,458</u>	1,591,413,044
Leverage Ratio	<u>4.14%</u>	4.15%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	<u>594,527,338</u>	683,125,801
Total Net Cash Outflow	<u>270,320,706</u>	235,790,416
Liquidity Coverage Ratio	<u>219.93%</u>	289.72%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	<u>1,018,043,408</u>	1,043,783,306
Total Required Stable Funding	<u>635,781,095</u>	539,039,271
Net Stable Funding Ratio	<u>160.12%</u>	193.64%
40.1	<p>In order to mitigate the impact of expected credit loss (ECL) provisioning on capital, SBP has allowed transitional arrangement to absorb the impact on regulatory capital. Accordingly, transitional arrangement is applied. If Transition wasn't applied Capital Position would have been as below</p>	
	<u>Transition Arrangement</u>	<u>Full ECL Impact</u>
CET1 to TRWAs	11.41%	11.14%
T1 Capital to TRWAs	12.65%	12.38%
Total eligible capital to TRWAs	14.64%	14.61%
Leverage	4.14%	4.05%

Notes to the Consolidated Condensed Interim Financial Statements

For the Quarter Ended March 31, 2026

41. GENERAL

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

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

42. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue by the Board of Directors of the Bank in their meeting held on April 28, 2026.

President and
Chief Executive Officer

Chief Financial
Officer

Director

Director

Director



Registered office

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