



Quarterly Report September 30, 2026 (Un-audited)



Table of Contents

02	Company Information
03	Directors' Review
08	Directors' Review Urdu
17	Unconsolidated Condensed Interim Statement of Financial Position
18	Unconsolidated Condensed Interim Statement of Profit and Loss Account
19	Unconsolidated Condensed Interim Statement of Comprehensive Income
20	Unconsolidated Condensed Interim Statement of Changes in Equity
21	Unconsolidated Condensed Interim Cash Flow Statement
22	Notes to the Unconsolidated Condensed Interim Financial Statements
55	Consolidated Condensed Interim Statement of Financial Position
56	Consolidated Condensed Interim Statement of Profit and Loss Account
57	Consolidated Condensed Interim Statement of Comprehensive Income
58	Consolidated Condensed Interim Statement of Changes in Equity
59	Consolidated Condensed Interim Cash Flow Statement
60	Notes to the Consolidated Condensed Interim Financial Statements

COMPANY INFORMATION

Board of Directors

Mr. Adil Matcheswala	Chairman
Mr. Khalid Rahman	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. Khalid Rahman	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. Saad Ali Bhimjee	Chairman
Mr. Khalid Rahman	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 Shahrah-e-Faisal,
Karachi

Registered Office

JS Bank Limited,
Shaheen Commercial Complex
Dr. Ziauddin Ahmed Road
P.O. Box 4847, Karachi-74200,
UAN: +92 21 111 JS Bank (572 265)
111-654-321

www.jsbl.com

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 for the nine months ended September 30, 2026.

Economy Review

Pakistan's macroeconomic position remained broadly stable during the third quarter of 2026, supported by a manageable external account, record foreign exchange reserves and an improved sovereign credit profile. However, the continued geopolitical tension in the Middle East emerged as the primary macroeconomic headwind during the quarter, with its repercussions increasingly filtering through to domestic prices, supply chains and market sentiment.

Disruption to Gulf oil routes, coupled with shrinking buffer stocks and global refining tightness, pushed Brent crude above US\$ 100/barrel during September 2026- an increase of approximately 70% from December 2025 levels. This energy shock fed directly into the domestic price levels, keeping headline CPI inflation averaged ~10% during the period, driven primarily by persistent food price pressures and steep upward adjustments in domestic transport and fuel costs.

Despite these pressures, the State Bank of Pakistan (SBP) kept the policy rate unchanged at 11.5%. The Monetary Policy Committee drew comfort from the medium-term inflation outlook and contained pressures on the external account. It nonetheless highlighted risks to inflation from the intensifying Middle East crisis and its potential impact on global commodity prices.

The external account faced renewed pressure toward the end of the quarter. The current account posted a deficit of US\$ 356 million in September 2026, following revised deficits of US\$ 73 million in August and US\$ 445 million in July. Consequently, the cumulative current account deficit for Q1 FY27 stood at US\$ 874 million (a 16% increase YoY), primarily driven by an energy-led surge in imports that outpaced resilient workers' remittances and export receipts.

On the external front, Moody's upgraded Pakistan's sovereign credit rating in August 2026 to B3 from Caa1 with a stable outlook, reflecting ongoing structural reforms and easing fiscal vulnerabilities. Capitalizing on this rating enhancement, Pakistan successfully raised US\$ 3.0 billion through an international Eurobond issuance in September 2026. Supported by these inflows, SBP's foreign exchange reserves crossed the US\$ 21 billion mark, touching record levels and significantly enhancing the country's import cover.

Banking Sector Review

The industry nonetheless entered the period on a sound footing as per the SBP's Mid-Year Performance Review, total assets stood at around PKR 69 trillion and deposits at PKR 43 trillion at June 2026 end, with a CAR of ~19.6%. The banking industry operated in a steadier interest rate environment during the quarter, although conditions remained challenging. Following the 100 bps increase in April 2026, SBP kept the policy rate unchanged at 11.5% through the quarter. With inflation rising to around 10% on the back of higher oil prices, however, market yields remained elevated and continued to weigh on the valuation of fixed-rate government securities. During the quarter, SBP encouraged banks to reorient their business models towards stronger retail deposit mobilization and greater private sector financing. On the remittance front, the SBP discontinued

the Sohni Dharti Remittance Programme (SDRP) and Telegraphic Transfer Charges Incentive Scheme (TTCIS) effective July 1, 2026, following concerns over the rising fiscal cost of bank incentives. In response, the Pakistan Banks Association (PBA) launched the Pasban Remittance Reward Scheme, offering Rs16bn in annual cash prizes to incentivize remittance recipients through a market-based and sustainable framework. The sector continued its structural transition toward Islamic banking, while the adoption of digital payments, led by RAAST, continued to strengthen financial inclusion and transaction efficiency.

Review of the Bank's Performance

Key highlights of the Bank's financial results for the nine months ended September 30, 2026, are presented below:

Financial Position	PKR Million	
	September 30, 2026	December 31, 2025
Shareholders' Equity	49,616	46,661
Total Deposits	598,123	543,502
Total Assets	733,719	655,636
Advances - Net	227,828	249,776
Investments - Net	398,457	278,028
Financial Performance		
	September 30, 2026	September 30, 2025
Net Mark-up/Interest Income	22,154	20,546
Non-Markup/Interest Income	8,197	10,713
Non-Markup/Interest Expenses	23,152	22,411
Credit loss allowance and write-offs - net	(1,733)	3,183
Profit Before Tax	8,932	5,665
Profit After Tax	4,300	2,569
Basic/Diluted Earnings Per Share - PKR	2.10	1.25

The Bank posted Profit Before Tax (PBT) of PKR 8,932 million and Profit After Tax (PAT) of PKR 4,300 million for the nine months ended 30 September 2026, as compared to PKR 5,665 million and PKR 2,569 million, respectively, for the comparative period last year, indicating a significant improvement of 57.68% and 67.39% respectively.

The Bank's Net Interest Income increased by 7.83% year-over-year, primarily as a result of mix improvement, as interest rates remained lower as against the prior period. Non-Remunerative Deposits grew by an impressive PKR 59 billion, or 29%, to reach PKR 259.290 billion compared to September 2025, resulting in the share of Non-Remunerative Deposits in Total Deposits increasing to 43%. More importantly, the Bank's average non-remunerative deposits rose from PKR 182.605 billion in September 2025 to PKR 207.415 billion in September 2026, indicating a year-on-year growth of 13.6%.

Period end total deposits were reported at PKR 598.123 billion as against PKR 543.052 billion reported at December 31, 2025, growing by 10.05%.

The Bank's Non-Markup Income ended lower by 23.48% year-on-year, ending at PKR 8,197 million, primarily due to normalized realized capital gains in the current period against the outsized capital gains recorded in the prior period. Core fee income and dividend income remained flat, while foreign exchange income declined by 31.71% against the level achieved in the prior comparative period.

With stricter cost discipline and controlled spending, the Bank's Non-Markup expenses remained relatively flat at PKR 23,152 million, increasing by 3.30%. The expenses for the comparative prior period included an uptick resulting from one off technology-related costs and increase in certain operating expenditures, which were rationalized in the current period. While costs remained controlled, the Bank's cost-to-income ratio stood at 75.69%, as against 70.56% for the same period last year, primarily due to the outsized capital gains recorded in the prior period. However, Net Interest Income to Operating Cost ratio improved to 96.44% for the period under review as against a level of 93.16% in the comparative prior period. The Bank continues to target further improvement in both ratios to increase intermediation efficiency.

As reported earlier, a significant development during the current nine month's reporting period was the settlement of a large overdue exposure, which resulted in the Bank acquiring additional listed equity shares of TRG Pakistan Limited, through a pledge call. As a result, the 100% credit loss allowance held against the same was reversed. Consequently, the Bank reported a net reversal in credit loss allowances of PKR 1,733 million in the period ended September 30, 2026, as against a net charge of PKR 3,183 million recognized in the prior period.

There are certain legal impediments due to ongoing litigations which currently restrict the Bank to affect onward transfer of the shares so acquired. The Bank is actively pursuing the matter through its legal counsel, for removal of these impediments.

Another significant milestone during the period was the successful closure of the Bank's sixth Term Finance Certificate Issue, having a total issue size of PKR 4 billion. The issue was fully subscribed (including the green shoe option of PKR 1.0 billion) in the first week of July 2026. The TFCs are rated, unsecured, privately placed, subordinated and subsequently listed instruments, having a value of Rs. 4 billion and forms part of the Bank's Tier 2 Capital.

Period end Gross Advances stood at PKR 250.483 billion, down from PKR 274.547 billion in December 2025. Despite the reduction in gross advances, the infection ratio has improved to 7.94% in September 2026, as against 8.46% in December 2025. The Bank's collateral coverage remains strong, and the specific coverage has improved to 79.5%, compared to 77.3% in December 2025 in terms of overall provisioning against classified exposures.

The Bank remains active in extending loans towards the SME and private sector and targets to empower the small and medium enterprises (SMEs) and individual consumers by offering tailored financing solutions and advisory support to facilitate diverse segments of the economy, without compromising on credit quality.

As at September 30, 2026, the Bank's Capital Adequacy Ratio stands at 13.30% (December 31, 2025: 13.12%). The Capital Adequacy Ratio has been worked out based on the revised instructions on Standardised approach for Credit Risk as outlined via BPRD Circular No. 03 of 2025.

Consolidated Financial Statements

Key highlights of the Bank's consolidated financial results for the nine months ended September 30, 2026, are presented below:

Consolidated Financial Position	PKR Million	
	September 30, 2026	December 31, 2025
Shareholders' Equity	83,537	81,124
Total Deposits	1,225,132	1,199,432
Total Assets	1,491,596	1,415,624
Advances - Net	532,016	542,342
Investments - Net	704,478	581,459
Consolidated Financial Performance		
	September 30, 2026	September 30, 2025
Net Mark-up/Interest Income	49,832	47,048
Non-Markup/Interest Income	13,350	18,027
Non-Markup/Interest Expenses	52,340	47,440
Credit loss allowance and write-offs - net	(2,987)	2,393
Profit Before Tax	13,829	15,242
Profit After Tax	5,716	6,093
Profit After Tax – attributable to Equity Holders	4,880	4,641
Basic/Diluted Earnings Per Share – PKR	2.38	2.26

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 13,829 million (Profit After Tax of PKR 5,716 million) for the nine months ended September 30, 2026, as compared to a Profit Before Tax of PKR 15,242 million (Profit After Tax of PKR 6,093 million) for the corresponding period last year. The earnings per share stood at PKR 2.38 for the period. The Bank's Consolidated Capital Adequacy Ratio as of September 30, 2026, stood at 14.01% (December 31, 2025: 14.63%).

Credit Rating

The Pakistan Credit Rating Agency Limited (PACRA) has assigned a long-term entity rating of JS Bank Limited at "AA" (Double A). The Bank's short-term rating is "A1+" (A-One Plus), which is the highest possible rating in this category.

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

Acknowledgments

On behalf of the Board of Directors, we express our gratitude to our customers and stakeholders for their continued trust. We also extend our thanks to the Ministry of Finance, the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan, the Pakistan Stock Exchange, and other regulatory bodies for their unwavering support.

We would also like to acknowledge the efforts of the Bank's management and staff, for their dedicated efforts that help drive the Bank forward.

Our philosophy keeps us focused on value addition, service quality, and ease of banking for our customers. We remain committed to strengthening our existing relationships and onboarding new customers with improved banking services. We also remain dedicated to supporting Pakistan's economic recovery, with a focus on resilience, innovation, and sustainable growth for the benefit of all our stakeholders.

On behalf of the Board,

Basir Shamsie
President and CEO

Adil Matcheswala
Chairman

Karachi: October 28, 2026

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 ریٹنگ اعلیٰ کریڈٹ معیار اور کریڈٹ رسک کی کم توقع کو ظاہر کرتی ہیں اور مالیاتی ذمہ داریوں کی بروقت ادائیگی کے لئے مضبوط صلاحیت کی نشاندہی کرتی ہیں۔

اظہار تشکر:

بورڈ آف ڈائریکٹرز کی جانب سے ہم اپنے صارفین اور اسٹیک ہولڈرز کے مسلسل اعتماد پر دل سے ان کے شکر گزار ہیں۔ ہم وزارت خزانہ، اسٹیٹ بینک آف پاکستان، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، پاکستان اسٹاک ایکسچینج اور دیگر ریگولیٹری اداروں کا بینک کو تعاون فراہم کرنے کیلئے بھی ممنون ہیں۔

ہم بینک کے عملے کی کوششوں کو بھی تسلیم کرتے ہیں، جن کی لگن، محنت اور بھرپور تعاون بینک کی ترقی اور اسے مسلسل آگے بڑھانے میں اہم کردار ادا کرتا ہے۔

ہمارا فلسفہ ہمیں صارفین کے لیے ویلیو ایڈیشن، خدمت کے معیار اور بینکاری کو آسان بنانے پر مرکوز رکھتا ہے۔ ہم موجودہ تعلقات کو مضبوط بنانے اور نئے صارفین کو بہتر بینکاری خدمات فراہم کرنے کے لیے پرعزم ہیں۔ ہم پاکستان کی اقتصادی بحالی کی حمایت میں بھی کوشاں رہیں گے، جس میں مضبوطی، جدت اور پائیدار ترقی پر توجہ دی جائے گی تاکہ تمام اسٹیک ہولڈرز کو فائدہ پہنچے۔

منجانب بورڈ

عادل ماچس والا

چیئر مین

باصر مشی

صدر اور سی ای او

کراچی: 28 اکتوبر 2026

مجموعی مالیاتی گوشوارے:

30 ستمبر 2026 کو ختم ہونے والی نو ماہ کے لئے بینک کے مجموعی مالی نتائج کا خلاصہ درج ذیل ہے:

مجموعی مالی پوزیشن		ملین پاکستانی روپے
30 ستمبر 2026	31 دسمبر 2025	
شیر ہولڈرز ایکویٹی	83,537	81,124
مجموعی ڈپازٹس	1,225,132	1,199,432
مجموعی اثاثہ جات	1,491,596	1,415,624
خالص ایڈوانسز	532,016	542,342
خالص سرمایہ کاریاں	704,478	581,459

مجموعی مالیاتی کارکردگی		ملین پاکستانی روپے
30 ستمبر 2026	30 ستمبر 2025	
مارک اپ / انٹریٹ آمدنی - خالص	49,832	47,048
غیر مارک اپ / انٹریٹ آمدنی	13,350	18,027
غیر مارک اپ اخراجات	52,340	47,440
کریڈٹ خسارہ الاؤنس اور رائٹ آف - خالص	(2,987)	2,393
قبل از ٹیکس منافع	13,829	15,242
بعد از ٹیکس منافع	5,716	6,093
بعد از ٹیکس منافع - ایکویٹی ہولڈرز سے منسوب	4,880	4,641
بنیادی / ڈیلویٹڈ آمدنی فی حصص - روپے میں	2.38	2.26

مجموعی مالیاتی گوشواروں کی بنیاد پر، جے ایس بینک نے اپنی ذیلی کمپنیوں بینک اسلامی پاکستان لمیٹڈ، جے ایس گلوبل کیپیٹل لمیٹڈ، اور جے ایس انویسٹمنٹس لمیٹڈ کے ساتھ مل کر 30 ستمبر 2026 کو ختم ہونے والی نو ماہی مدت کیلئے قبل از ٹیکس منافع 13,829 ملین روپے (بعد از ٹیکس منافع 5,716 ملین روپے) ریکارڈ کیا، جس کا موازنہ گذشتہ سال کی اسی مدت کے قبل از ٹیکس منافع 15,242 ملین روپے (بعد از ٹیکس منافع 6,093 ملین روپے) سے کیا جاسکتا ہے۔ دوران مدت فی حصص آمدنی 2.38 روپے رہی۔ 30 ستمبر 2026 تک بینک کا مجموعی کیپیٹل ایڈیکسی ریشو 14.01 فیصد رہا جو کہ 31 دسمبر 2025 کو 14.63 فیصد تھا۔

جاری مقدمات کی وجہ سے کچھ قانونی رکاوٹیں حائل ہیں۔ جو اس وقت بینک کو اس طرح حاصل کردہ شیرز کی آگے منتقلی سے روکتی ہیں۔ بینک ان رکاوٹوں کو دور کرنے کے لئے اپنے قانونی مشیر کے ذریعے معاملے کی فعال طور پر پیروکاری کر رہا ہے۔

اس عرصے کے دوران ایک اور اہم سنگ میل بینک کے چھٹے ٹرم فنانس سٹریٹجی (TFC) کے اجرا کی کامیاب تکمیل تھی، جس کا مجموعی حجم 4 ارب پاکستانی روپے تھا۔ جولائی 2026 کے پہلے ہفتے میں اس اجرا کے لیے مختص پوری رقم کی سبسکریپشن مکمل ہو گئی، جس میں 1 ارب روپے کا گرین شو آپشن بھی شامل تھا۔ یہ ٹرم فنانس سٹریٹجی ریٹنگ یافتہ، غیر ضمانتی، نجی طور پر جاری کردہ، ماتحت درجے کے اور بعد ازاں اسٹاک ایکسچینج میں لسٹ ہونے والے مالیاتی انسٹرومنٹس ہیں۔ ان کا مجموعی حجم 4 ارب روپے ہے اور یہ بینک کے ٹائر 2 کپیٹل کا حصہ ہیں۔

مدت کے اختتام پر بینک کے مجموعی ایڈوانسز کا حجم 250.483 ارب پاکستانی روپے رہا، جو دسمبر 2025 میں 274.547 ارب روپے تھا۔ مجموعی ایڈوانسز میں کمی کے باوجود، ستمبر 2026 میں انفیکشن ریشو بہتر ہو کر 7.94 فیصد ہو گیا، جبکہ دسمبر 2025 میں یہ 8.46 فیصد تھا۔ بینک کے پاس موجود ضمانتی اثاثوں کی کوریج بدستور مضبوط ہے، جبکہ درجہ بند قرضہ جات کے مقابلے میں مجموعی پروویژنگ کی بنیاد پر مخصوص کوریج کا تناسب دسمبر 2025 کے 77.3 فیصد سے بہتر ہو کر 79.5 فیصد تک پہنچ گیا۔

بینک چھوٹے اور درمیانے درجے کے کاروباری اداروں (SMEs) اور نجی شعبے کو قرضے فراہم کرنے کا عمل جاری رکھے ہوئے ہے۔ بینک کا ہدف موزوں مالیاتی سہولیات اور مشاورتی معاونت فراہم کر کے چھوٹے اور درمیانے درجے کے کاروباری اداروں اور انفرادی صارفین کو باختیار بنانا ہے، تاکہ معیشت کے مختلف شعبوں کی ضروریات پوری کرنے میں مدد مل سکے، جبکہ قرضوں کے معیار پر کوئی سمجھوتہ نہ کیا جائے۔

30 ستمبر 2026 تک بینک کا کپیٹل ایڈیکویسی ریشو 13.30 فیصد رہا، جبکہ 31 دسمبر 2025 کو یہ 13.12 فیصد تھا۔ کپیٹل ایڈیکویسی کے اس تناسب کا حساب کریڈٹ رسک کے لیے معیاری طریقہ کار سے متعلق نظر ثانی شدہ ہدایات کی بنیاد پر کیا گیا ہے، جو بی پی آر ڈی سرکلر نمبر 03 برائے 2025 کے ذریعے جاری کی گئی تھیں۔

کیا گیا۔ ستمبر 2025 کے مقابلے میں ان ڈپازٹس میں 59 ارب پاکستانی روپے، یعنی 29 فیصد اضافہ ہوا، جس کے نتیجے میں ان کا حجم بڑھ کر 259.290 ارب روپے تک پہنچ گیا۔ اس اضافے کے باعث مجموعی ڈپازٹس میں غیر منافع بخش ڈپازٹس کا تناسب بڑھ کر 43 فیصد ہو گیا۔ مزید اہم بات یہ ہے کہ بینک کے اوسط غیر منافع بخش ڈپازٹس ستمبر 2025 کے 182.605 ارب روپے سے بڑھ کر ستمبر 2026 میں 207.415 ارب روپے ہو گئے، جو سال بہ سال 13.6 فیصد اضافے کی عکاسی کرتے ہیں۔

مدت کے اختتام پر بینک کے مجموعی ڈپازٹس کا حجم 598.123 ارب پاکستانی روپے ریکارڈ کیا گیا، جبکہ 31 دسمبر 2025 کو یہ 543.052 ارب روپے تھا۔ اس طرح مجموعی ڈپازٹس میں 10.05 فیصد اضافہ ہوا۔

بینک کی نان مارک اپ آمدنی میں گزشتہ سال کی اسی مدت کے مقابلے میں 23.48 فیصد کمی ہوئی اور یہ کم ہو کر 8,197 ملین پاکستانی روپے رہ گئی۔ اس کمی کی بنیادی وجہ یہ تھی کہ موجودہ مدت میں سرمایہ کاری کی فروخت سے حاصل ہونے والے منافع معمول کی سطح پر رہے، جبکہ گزشتہ سال کی اسی مدت میں اس مد میں غیر معمولی طور پر زیادہ منافع حاصل ہوا تھا۔ بنیادی فیسیوں سے حاصل ہونے والی آمدنی اور ڈیویڈنڈ کی آمدنی تقریباً گزشتہ سطح پر برقرار رہی، جبکہ زرمبادلہ سے حاصل ہونے والی آمدنی گزشتہ سال کی تقابلی مدت میں حاصل ہونے والی آمدنی کے مقابلے میں 31.71 فیصد کم ہو گئی۔

اخراجات پر سخت کنٹرول اور محتاط مالی نظم و ضبط کے باعث بینک کے نان مارک اپ اخراجات نسبتاً مستحکم رہے اور ان کا حجم 23,152 ملین پاکستانی روپے ریکارڈ کیا گیا، جو 3.30 فیصد اضافے کو ظاہر کرتا ہے۔ گزشتہ سال کی تقابلی مدت کے اخراجات میں ٹیکنالوجی سے متعلق بعض یک وقتی اخراجات اور چند دیگر عملی اخراجات میں اضافے کا اثر شامل تھا، جنہیں موجودہ مدت میں معقول اور مناسب سطح پر لایا گیا۔ اخراجات پر قابو برقرار رہنے کے باوجود، بینک کا اخراجات بہ نسبت آمدنی کا تناسب 75.69 فیصد رہا، جبکہ گزشتہ سال کی اسی مدت میں یہ 70.56 فیصد تھا۔ اس کی بنیادی وجہ گذشتہ مدت میں ریکارڈ کئے گئے غیر معمولی طور پر زیادہ کمپنٹل گینئر (سرمائے کا منافع) تھا۔ تاہم، زیر جائزہ مدت کے دوران خالص انٹریسٹ آمدنی بہ نسبت عملی اخراجات کا تناسب بہتر ہو کر 96.44 فیصد تک پہنچ گیا، جبکہ گزشتہ سال کی اسی مدت میں یہ 93.16 فیصد تھا۔ بینک اپنی مالیاتی وساطت کی کارکردگی اور وسائل کے مؤثر استعمال کو مزید بہتر بنانے کے لیے ان دونوں تناسبات میں مزید بہتری لانے کا ہدف برقرار رکھے ہوئے ہے۔

جیسا کہ پہلے بتایا گیا ہے موجودہ مدت کے دوران ایک اہم پیش رفت ایک بڑی واجب الادا مالیاتی سہولت کی تصفیہ کاری تھی، جس کے نتیجے میں بینک نے ضمانتی حصص پر حق استعمال کرنے کے باعث ٹی آر جی پاکستان لمیٹڈ کے مزید لسٹڈ ایکویٹی حصص حاصل کیے۔ اس پیش رفت کے نتیجے میں مذکورہ ایکسپوزر کے مقابلے میں پہلے سے مختص کردہ 100 فیصد کریڈٹ خسارہ الاؤنس کو بینک کے حسابات میں رپورس کر دیا گیا۔ چنانچہ موجودہ مدت کے دوران بینک نے کریڈٹ خسارہ الاؤنسز میں 1,733 ملین پاکستانی روپے کی خالص رپورسل رپورٹ کیا ہے، جبکہ گزشتہ سال کی تقابلی مدت میں اس مد میں 3,183 ملین روپے کا خالص چارج تسلیم کیا گیا تھا۔

بینک کی کارکردگی کا جائزہ:

30 ستمبر 2026 کو ختم ہونے والی نو ماہ کے لئے بینک کے مالی نتائج کا خلاصہ درج ذیل ہے:

مالی پوزیشن	30 ستمبر 2026	31 دسمبر 2025
شیر ہولڈرز ایکویٹی	49,616	46,661
مجموعی ڈپازٹس	598,123	543,502
مجموعی اثاثہ جات	733,719	655,636
خالص ایڈوانسز	227,828	249,776
خالص سرمایہ کاریاں	398,457	278,028

مالیاتی کارکردگی	30 ستمبر 2026	30 ستمبر 2025
مارک اپ / انٹریسٹ آمدنی - خالص	22,154	20,546
غیر مارک اپ / انٹریسٹ آمدنی	8,197	10,713
غیر مارک اپ اخراجات	23,152	22,411
کریڈٹ خسارہ الاؤنس اور رائٹ آف - خالص	(1,733)	3,183
قبل از ٹیکس منافع	8,932	5,665
بعد از ٹیکس منافع	4,300	2,569
بنیادی / ڈیلویٹڈ آمدنی فی حصص - روپے میں	2.10	1.25

30 ستمبر 2026 کو ختم ہونے والے نو ماہ کے دوران بینک نے قبل از ٹیکس منافع (PBT) 8,932 ملین پاکستانی روپے اور بعد از ٹیکس منافع (PAT) 4,300 ملین پاکستانی روپے ریکارڈ کیا، جبکہ گزشتہ سال کی اسی مدت میں یہ منافع بالترتیب 5,665 ملین روپے اور 2,569 ملین روپے تھا۔ جو کہ بالترتیب 57.68 فیصد اور 67.39 فیصد کا نمایاں بہتری کو ظاہر کرتا ہے۔

بینک کی خالص انٹریسٹ آمدنی میں گزشتہ سال کی اسی مدت کے مقابلے میں 7.83 فیصد اضافہ ہوا، جس کی بنیادی وجہ ڈپازٹس اور سرمایہ کاری کے تناسب میں بہتری تھی، جبکہ شرح سود گزشتہ سال کی متعلقہ مدت کے مقابلے میں کم رہی۔ غیر منافع بخش ڈپازٹس میں متاثر کن اضافہ ریکارڈ

بیرونی محاذ پر، موڈیز نے اگست 2026 میں پاکستان کی خود مختار قرضہ جاتی درجہ بندی کو Caa1 سے بہتر کر کے مستحکم نقطہ نظر کے ساتھ "B3" کر دیا۔ اس بہتری کی عکاسی ملک میں جاری ساختی اصلاحات اور مالیاتی کمزوریوں میں کمی سے ہوتی ہے۔ بہتر درجہ بندی سے فائدہ اٹھاتے ہوئے پاکستان نے ستمبر 2026 میں بین الاقوامی یوروبانڈز کے اجرا کے ذریعے کامیابی سے 3.0 بلین امریکی ڈالر حاصل کیے۔ ان رقوم کی آمد سے اسٹیٹ بینک کے زرمبادلہ کے ذخائر 21 بلین امریکی ڈالر کی سطح سے تجاوز کر گئے اور ریکارڈ سطح تک پہنچ گئے، جس سے ملک کی درآمدات کے لیے زرمبادلہ کی دستیابی اور درآمدی ضروریات پوری کرنے کی صلاحیت میں نمایاں بہتری آئی۔

بینکنگ سیکٹر کا جائزہ:

اسٹیٹ بینک آف پاکستان (SBP) کے ششماہی سالانہ کارکردگی جائزے کے مطابق، بینکنگ سیکٹر اس عرصے میں مضبوط بنیادوں کے ساتھ داخل ہوا۔ جون 2026 کے اختتام پر بینکنگ سیکٹر کے مجموعی اثاثوں کا حجم تقریباً 69 ٹریلین پاکستانی روپے، جبکہ ڈپازٹس کا حجم 43 ٹریلین روپے تھا۔ اس دوران بینکوں کا کیپٹل ایڈیکویسی ریشو کا تناسب (CAR) تقریباً 19.6 فیصد رہا۔ سہ ماہی کے دوران بینکنگ سیکٹر نسبتاً مستحکم شرح سود کے ماحول میں کام کرتا رہا، تاہم کاروباری حالات بدستور چیلنجنگ رہے۔ اپریل 2026 میں شرح سود پالیسی میں 100 بیس پوائنٹس (ایک فیصد) اضافے کے بعد اسٹیٹ بینک نے پوری سہ ماہی کے دوران 11.5 فیصد پر برقرار رکھا۔ تاہم، تیل کی بڑھتی ہوئی قیمتوں کے باعث افراط زر کی شرح تقریباً 10 فیصد تک پہنچنے سے مارکیٹ میں منافع کی شرح بلند رہی، جس سے مقررہ شرح منافع والی حکومتی سیکوریٹیز کی قدر پر دباؤ برقرار رہا۔ اس سہ ماہی کے دوران اسٹیٹ بینک نے بینکوں کی حوصلہ افزائی کی کہ وہ اپنے کاروباری ماڈلز کو اس انداز میں ازسرنو ترتیب دیں کہ انفرادی صارفین سے ڈپازٹس جمع کرنے پر زیادہ توجہ دی جائے اور نجی شعبے کو مالی معاونت فراہم کرنے کا عمل بڑھایا جائے۔ ترسیلات زر کے حوالے سے، بینکوں کو دی جانے والی مراعات کی بڑھتی ہوئی مالی لاگت پر تحفظات کے باعث اسٹیٹ بینک نے یکم جولائی 2026 سے سوہنی دھرتی رییمینٹس پروگرام (SDRP) اور ٹیلی گرافک ٹرانسفر چارجز انسینو اسکیم (TTCIS) ختم کر دیں۔ اس اقدام کے جواب میں پاکستان بینکس ایسوسی ایشن (PBA) نے ”پاسبان رییمینٹس ریوارڈ اسکیم“ متعارف کرائی، جس کے تحت ترسیلات زر وصول کرنے والوں کی حوصلہ افزائی کے لیے سالانہ 16 ارب روپے کے نقد انعامات مختص کیے گئے، تاکہ مارکیٹ کی بنیاد پر ایک پائیدار نظام کے ذریعے ترسیلات زر کی آمد کو فروغ دیا جاسکے۔ بینکنگ سیکٹر اسلامی بینکاری کی جانب اپنے ساختی منتقلی کا عمل جاری رکھے ہوئے ہے، جبکہ راست (RAAST) کی قیادت میں ڈیجیٹل ادائیگیوں کے بڑھتے ہوئے استعمال نے مالیاتی خدمات تک رسائی کو وسیع کرنے اور لین دین کی کارکردگی بہتر بنانے میں مسلسل اہم کردار ادا کیا۔

ڈائریکٹر کا جائزہ

ہم انتہائی مسرت کے ساتھ 30 ستمبر 2026 کو ختم ہونے والی نو ماہ کی مدت کیلئے جے ایس بینک لمیٹڈ ("جے ایس بی ایل") کے مالیاتی گوشواروں بشمول مجموعی مالیاتی گوشواروں کا جائزہ پیش کر رہے ہیں۔

معاشی جائزہ:

2026 کی تیسری سہ ماہی کے دوران پاکستان کی مجموعی معاشی صورتحال کافی حد تک مستحکم رہی۔ اس استحکام کو بیرونی کھاتوں کی قابل انتظام صورتحال، زرمبادلہ کے ملکی ذخائر میں ریکارڈ اضافے اور ملک کی خود مختار قرضہ جاتی ساکھ میں بہتری سے تقویت ملی۔ تاہم، مشرق وسطیٰ میں جاری جغرافیائی و سیاسی کشیدگی اس سہ ماہی کے دوران معیشت کے لیے سب سے بڑا منفی عامل بن کر سامنے آئی، جس کے اثرات بتدریج ملکی قیمتوں، سپلائی چین اور مارکیٹ کے عمومی رجحانات پر نمایاں ہونے لگے۔

خلیجی خطے میں تیل کی ترسیل کے راستوں میں رکاوٹوں، ہنگامی حالات سے نمٹنے کے لیے دستیاب ذخائر میں کمی اور عالمی سطح پر تیل صاف کرنے کی صنعت میں محدود گنجائش کے باعث ستمبر 2026 کے دوران بریٹ خام تیل کی قیمت 100 امریکی ڈالر فی بیرل سے تجاوز کر گئی، جو دسمبر 2025 کی سطح کے مقابلے میں تقریباً 70 فیصد اضافہ تھا۔ توانائی کی قیمتوں میں اس اچانک اضافے کے براہ راست اثرات ملکی قیمتوں پر مرتب ہوئے، جس کے نتیجے میں اس عرصے کے دوران عمومی صارف اشاریہ قیمت (CPI) پر مبنی افراط زر کی اوسط شرح تقریباً 10 فیصد رہی۔ اس اضافے کی بنیادی وجوہات میں اشیائے خورد و نوش کی قیمتوں پر مسلسل دباؤ اور اندرون ملک نقل و حمل اور ایندھن کے اخراجات میں نمایاں اضافہ شامل تھے۔

ان معاشی دباؤ کے باوجود اسٹیٹ بینک آف پاکستان (SBP) نے شرح سود پالیسی 11.5 فیصد پر برقرار رکھی۔ مانیٹری پالیسی کمیٹی نے درمیانی مدت کے دوران افراط زر کی متوقع صورتحال اور بیرونی کھاتوں پر قابو میں رہنے والے دباؤ کو اطمینان بخش قرار دیا۔ تاہم، کمیٹی نے مشرق وسطیٰ میں بڑھتے ہوئے بحران اور اس کے نتیجے میں عالمی منڈی میں اشیائے ضروریہ کی قیمتوں پر پڑنے والے ممکنہ اثرات کو افراط زر کے لیے خطرہ قرار دیا۔

سہ ماہی کے اختتام کے قریب بیرونی کھاتوں پر دباؤ ایک بار پھر بڑھ گیا۔ ستمبر 2026 میں کرنٹ اکاؤنٹ کا خسارہ 356 ملین امریکی ڈالر ریکارڈ کیا گیا، جبکہ اگست میں نظر ثانی شدہ خسارہ 73 ملین ڈالر اور جولائی میں 445 ملین ڈالر رہا تھا۔ اس کے نتیجے میں مالی سال 2027 کی پہلی سہ ماہی کے دوران کرنٹ اکاؤنٹ کا مجموعی خسارہ 874 ملین امریکی ڈالر تک پہنچ گیا، جو گزشتہ سال کی اسی مدت کے مقابلے میں 16 فیصد زیادہ تھا۔ اس خسارے کی بنیادی وجہ توانائی کی قیمتوں اور ضروریات کے باعث درآمدات میں ہونے والا نمایاں اضافہ تھا، جو بیرون ملک مقیم پاکستانیوں کی ترسیلات زر اور برآمدات سے حاصل ہونے والی آمدنی میں برقرار رہنے والی بہتری کے باوجود تجاوز کر گیا۔



UNCONSOLIDATED FINANCIAL STATEMENTS

FINANCIAL CORE TRAINING

Strengthen your financial core by focusing on wealth building and securing your long-term foundation.

Fitness Challenge: Hold a plank for two minutes daily.



JS BANK LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2026

		(Un-audited) September 30, 2026	(Audited) December 31, 2025
	Note	----- Rupees in '000 -----	
ASSETS			
Cash and balances with treasury banks	6	28,154,870	40,697,301
Balances with other banks	7	3,745,860	5,197,190
Lendings to financial institutions	8	4,791,711	19,838,794
Investments	9	398,457,096	278,028,312
Advances	10	227,828,112	249,776,370
Property and equipment	11	13,174,586	12,793,947
Right-of-use assets	12	3,273,141	3,073,822
Intangible assets	13	6,440,027	6,529,662
Deferred tax assets	14	703,199	-
Other assets	15	47,150,479	39,700,933
Total Assets		733,719,081	655,636,331
LIABILITIES			
Bills payable	16	7,585,368	7,839,367
Borrowings	17	36,033,012	26,128,080
Deposits and other accounts	18	598,122,998	543,502,051
Lease liabilities	19	3,451,068	3,193,531
Subordinated debt	20	12,389,693	8,493,900
Deferred tax liabilities	14	-	694,409
Other liabilities	21	26,521,372	19,124,285
Total Liabilities		684,103,511	608,975,623
NET ASSETS		49,615,570	46,660,708
REPRESENTED BY			
Share capital		20,506,625	20,506,625
Reserves		8,511,784	7,680,779
Surplus on revaluation of assets	22	1,740,431	3,076,042
Unappropriated profit		18,856,730	15,397,262
		49,615,570	46,660,708
CONTINGENCIES AND COMMITMENTS	23		

The annexed notes 1 to 43 form an integral part of these unconsolidated condensed interim financial statements.

**President and
Chief Executive Officer**

**Chief Financial
Officer**

Director

Director

Director

JS BANK LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2026

		Quarter Ended		Nine Months Ended	
		September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Note		----- Rupees in '000 -----			
Mark-up / return / interest earned	25	18,624,395	16,751,406	52,472,457	56,181,190
Mark-up / return / interest expensed	26	11,097,804	10,162,894	30,318,655	35,635,359
Net mark-up / interest income		7,526,591	6,588,512	22,153,802	20,545,831
NON MARK-UP / INTEREST INCOME					
Fee and commission income	27	1,393,301	1,202,926	3,827,982	3,668,727
Dividend income		1,259,186	1,259,186	2,354,790	2,427,545
Foreign exchange income		134,319	486,233	1,113,311	1,630,298
Income from derivatives		1,416	27,185	1,416	27,185
Gain on securities - net	28	403,894	313,984	747,391	2,479,427
Net gains / (loss) on derecognition of financial assets measured at amortized cost		-	-	-	-
Other income	29	39,104	13,963	152,412	479,606
Total non mark-up / interest income		3,231,220	3,303,477	8,197,302	10,712,788
Total Income		10,757,811	9,891,989	30,351,104	31,258,619
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	30	8,428,047	7,622,987	22,972,450	22,055,255
Workers' welfare fund	31	45,849	43,533	178,648	113,301
Other charges	32	-	135,407	707	242,763
Total non-mark-up / interest expenses		8,473,896	7,801,927	23,151,805	22,411,319
Profit before credit loss allowance		2,283,915	2,090,062	7,199,299	8,847,300
(Reversal of) / credit loss allowance and write offs - net	33	(8,551)	(86,450)	(1,733,124)	3,182,398
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		2,292,466	2,176,512	8,932,423	5,664,902
Taxation	34	1,190,760	1,164,142	4,632,086	3,095,915
PROFIT AFTER TAXATION		1,101,706	1,012,370	4,300,337	2,568,987
----- Rupees -----					
Earnings per share - basic and diluted	35	0.54	0.49	2.10	1.25

The annexed notes 1 to 43 form an integral part of these unconsolidated condensed interim financial statements.

**President and
Chief Executive Officer**

**Chief Financial
Officer**

Director

Director

Director

JS BANK LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2026

	Quarter Ended		Nine Months Ended	
	September 30,	September 30,	September 30,	September 30,
	2026	2025	2026	2025
	----- Rupees in '000 -----			
Profit after taxation for the period	1,101,706	1,012,370	4,300,337	2,568,987
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	(10,888)	(19,084)	(29,062)	19,046
Movement in (deficit) / surplus on revaluation of debt investments through FVOCI - net of tax	(113,775)	(105,206)	(679,523)	925,162
Debt investments at FVOCI – reclassified to profit or loss	(115,985)	(190,695)	(285,928)	(832,859)
	(240,648)	(314,985)	(994,513)	111,349
Items that will not be reclassified to profit and loss account in subsequent periods:				
Movement in (deficit) / surplus on revaluation of equity investments - net of tax	(355,011)	250,185	(332,360)	59,644
Total comprehensive income	506,047	947,570	2,973,464	2,739,980

The annexed notes 1 to 43 form an integral part of these unconsolidated condensed interim financial statements.

**President and
Chief Executive Officer**

**Chief Financial
Officer**

Director

Director

Director

JS BANK LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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 (September 30, 2025)	-	-	-	-	-	-	-	2,568,987	2,568,987
Other comprehensive income - net of tax									
Effect of translation of net investment in foreign branch	-	-	19,046	-	-	-	-	-	19,046
Movement in surplus on revaluation of investments in debt instruments - net of tax	-	-	-	-	925,162	-	-	-	925,162
Debt investments at FVOCI – reclassified to profit or loss	-	-	-	-	(832,859)	-	-	-	(832,859)
Movement in deficit on revaluation of investments in equity instruments - net of tax	-	-	-	-	59,644	-	-	-	59,644
	-	-	19,046	-	151,947	-	-	-	170,993
Transfer to statutory reserve	-	-	-	513,797	-	-	-	(513,797)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(14,847)	(15,592)	30,439	-
Gain on disposal of equity investments at FVOCI transferred to unappropriated profit	-	-	-	-	(360,660)	-	-	360,660	-
Opening Balance as at October 01, 2025 (Un-audited) - Restated	20,506,625	2,689,217	676,821	4,280,488	1,217,942	1,438,859	495,023	15,154,755	46,459,730
Profit after taxation	-	-	-	-	-	-	-	226,583	226,583
Other comprehensive income - net of tax									
Effect of translation of net investment in foreign branch	-	-	(11,064)	-	-	-	-	-	(11,064)
Movement in surplus on revaluation of investments in debt instruments - net of tax	-	-	-	-	556,853	-	-	-	556,853
Debt investments at FVOCI – reclassified to profit or loss	-	-	-	-	(393,030)	-	-	-	(393,030)
Movement in surplus on revaluation of investments in equity instruments- net of tax	-	-	-	-	(58,031)	-	-	-	(58,031)
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-	29,671	29,671
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	(150,004)	-	(150,004)
	-	-	(11,064)	-	105,792	-	(150,004)	29,671	(25,605)
Transfer to statutory reserve	-	-	-	45,317	-	-	-	(45,317)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(21,741)	(418)	22,159	-
Gain on disposal of equity investments at FVOCI transferred to unappropriated profit	-	-	-	-	(9,411)	-	-	9,411	-
Opening Balance as at January 01, 2026	20,506,625	2,689,217	665,757	4,325,805	1,314,323	1,417,118	344,601	15,397,262	46,660,708
Impact of adoption of IFRS 9 - net of tax (note 3.1.1)	-	-	-	-	(2,680)	-	-	(15,922)	(18,602)
Balance as at January 01, 2026 after adoption of IFRS 9	20,506,625	2,689,217	665,757	4,325,805	1,311,643	1,417,118	344,601	15,381,340	46,642,106
Profit after taxation for the current period	-	-	-	-	-	-	-	4,300,337	4,300,337
Other comprehensive income - net of tax									
Effect of translation of net investment in foreign branch	-	-	(29,062)	-	-	-	-	-	(29,062)
Movement in deficit on revaluation of investments in debt instruments - net of tax	-	-	-	-	(679,523)	-	-	-	(679,523)
Debt investments at FVOCI – reclassified to profit or loss	-	-	-	-	(285,928)	-	-	-	(285,928)
Movement in deficit on revaluation of investments in equity instruments- net of tax	-	-	-	-	(332,360)	-	-	-	(332,360)
	-	-	(29,062)	-	(1,297,811)	-	-	-	(1,326,873)
Transfer to statutory reserve	-	-	-	860,067	-	-	-	(860,067)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(27,441)	(1,824)	29,265	-
Gain on disposal of equity investments at FVOCI transferred to unappropriated profit	-	-	-	-	(5,855)	-	-	5,855	-
Balance as at September 30, 2026 (Un-audited)	20,506,625	2,689,217	636,695	5,185,872	7,977	1,389,677	342,777	18,856,730	49,615,570

The annexed notes 1 to 43 form an integral part of these unconsolidated condensed interim financial statements.

**President and
Chief Executive Officer**

**Chief Financial
Officer**

Director

Director

Director

JS BANK LIMITED
UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2026

		September 30, 2026	September 30, 2025
		----- Rupees in '000 -----	
Note			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		8,932,423	5,664,902
Less: Dividend income		(2,354,790)	(2,427,545)
		6,577,633	3,237,357
Adjustments:			
Net mark-up / interest income		(22,462,118)	(20,867,230)
Depreciation on property and equipment	30	1,176,191	1,064,572
Depreciation on non-banking assets	30	30,040	30,195
Depreciation on right-of-use assets	30	1,272,936	1,153,998
Amortisation	30	439,434	364,597
(Reversal of) / credit loss allowance and write offs - net		(1,555,137)	3,237,934
Loss on disposal of associate		44,400	-
Gain on sale of property and equipment - net	29	(22,785)	(10,471)
Gain on sale of non-banking asset - net	29	(25,032)	(20,896)
Gain on termination of leases - net	29	(19,223)	(6,845)
Finance charges on leased assets	26	308,316	321,399
Charge for defined benefit plan		148,839	140,494
Unrealised gain on revaluation of investments measured at FVPL - net	28	(124,307)	(4,622)
Provision for workers' welfare fund		178,648	113,301
		(20,609,798)	(14,483,574)
		(14,032,165)	(11,246,217)
Decrease / (increase) in operating assets			
Lendings to financial institutions		15,051,111	151,015
Securities measured at FVPL		(22,524,227)	4,145,870
Advances		21,228,782	33,327,573
Others assets (excluding advance taxation and mark-up receivable)		(3,308,974)	(7,548,281)
		10,446,692	30,076,177
Increase / (decrease) in operating liabilities			
Bills payable		(253,999)	(1,808,097)
Borrowings		7,343,650	2,554,170
Deposits and other accounts		54,620,947	31,269,423
Other liabilities (excluding current taxation and mark-up payable)		3,650,943	4,220,588
		65,361,541	36,236,084
		61,776,068	55,066,044
Mark-up / return / interest received		46,640,724	57,347,015
Mark-up / return / interest paid		(26,805,418)	(35,813,575)
Income tax paid		(4,278,126)	(3,991,207)
Net cash flows generated from operating activities		77,333,248	72,608,277
CASH FLOWS FROM INVESTING ACTIVITIES			
Net investments in securities measured at amortised cost		(72,161,007)	87,735,552
Net investments in securities classified at FVOCI		(24,997,712)	(156,308,259)
Proceed from disposal of associate		135,600	-
Dividend received		2,354,790	2,427,545
Acquisition of property and equipment		(1,638,315)	(1,591,011)
Acquisition of intangible assets		(351,282)	(788,630)
Proceeds from sale of property and equipment		55,532	26,120
Proceeds from sale of non-banking assets		151,410	109,500
Effect of translation of net investment in foreign branch		(29,062)	19,046
Net cash flows used in investing activities		(96,480,046)	(68,370,137)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipt /(payment) of subordinated debt		3,944,302	(1,200)
Payments of lease obligations against right-of-use assets		(1,156,879)	(1,429,953)
Net cash flows generated / (used in) from financing activities		2,787,423	(1,431,153)
(Decrease) / Increase in cash and cash equivalents		(16,359,375)	2,806,987
Cash and cash equivalents at beginning of the period		45,605,697	46,152,555
Effect of exchange rate changes on cash and cash equivalents		(147,566)	148,726
		45,458,131	46,301,281
Cash and cash equivalents at end of the period	36	29,098,756	49,108,268

The annexed notes 1 to 43 form an integral part of these unconsolidated condensed interim financial statements.

**President and
Chief Executive Officer**

**Chief Financial
Officer**

Director

Director

Director

JS BANK LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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'.

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.

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.

Certain amendments to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments' have become applicable to the Bank, which clarify the timing of recognition and derecognition of a financial asset or financial liability. These amendments do not have any significant impact and, accordingly, have not been separately disclosed in these unconsolidated condensed interim financial statements. The Bank will assess and incorporate the application and impact of these amendments in its financial statements for the year ending December 31, 2026.

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
Amendments to IAS 28 'Investments in Associates' - Amendments to the Fair Value Option for Investments in Associates and Joint Ventures	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
IFRS 17 Insurance Contracts	January 01, 2027

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

IFRS 20 'Regulatory Assets and Regulatory Liabilities' has been issued by IASB effective from January 01, 2029. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

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.

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. 18.602 million, net of tax, has been recorded as an adjustment to equity at the beginning of the current period.

To account for the changes, the Bank has elected to follow the modified retrospective approach for restatement as allowed under IFRS 9. The cumulative impact has been recorded as an adjustment to equity as of January 01, 2026. Accordingly, the information presented as of December 31, 2025 and for the nine months and six months ended September 30, 2025 and June 30, 2025 respectively has not been restated.

The following table reconciles the carrying amounts of financial instruments reported in accordance with the previous financial reporting framework with the carrying amounts reported under the new financial reporting framework.

Financial Assets / Liabilities	Carrying amount as of December 31, 2025	EIR impact	Carrying amount as of January 01, 2026
	----- Rupees in '000 -----		
Cash and balances with treasury banks	40,697,301	-	40,697,301
Balances with other banks	5,197,190	-	5,197,190
Lending to financial institutions	19,838,794	-	19,838,794
Investments	278,028,312	(14,435)	278,013,877
Advances	249,776,370	(51,278)	249,725,092
Other assets	29,889,368	(28,339)	29,861,029
Total financial assets	623,427,335	(94,052)	623,333,283
Bills payable	7,839,367	-	7,839,367
Borrowings	26,128,080	(488)	26,127,592
Deposits and other accounts	543,502,051	-	543,502,051
Lease liabilities	3,193,531	-	3,193,531
Subordinated debt	8,493,900	(54,810)	8,439,090
Other liabilities	15,809,888	-	15,809,888
Total financial liabilities	604,966,817	(55,298)	604,911,519
Net financial assets	18,460,518	(38,754)	18,421,764
Net non financial assets	28,894,599	-	28,894,599
Deferred tax liabilities	694,409	(20,152)	674,257
Total net assets	46,660,708	(18,602)	46,642,106

3.1.2 Reconciliation of retained earnings

The impact of EIR on retained earnings as at January 01, 2026 is as follows:

--Rupees in '000--

Retained earnings

Closing balance as at December 31, 2025 - as reported	15,397,262
Impact of EIR	(33,170)
Less: related tax	17,248
Opening balance as at January 01, 2026 - as restated	15,381,340

Surplus on revaluation of investments

Closing balance as at December 31, 2025 - as reported	1,314,323
Impact of EIR	(5,584)
Less: related tax	2,904
Opening balance as at January 01, 2026 - as restated	1,311,643

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) September 30, 2026	(Audited) December 31, 2025
		----- Rupees in '000 -----	
6.	CASH AND BALANCES WITH TREASURY BANKS		
	In hand		
	Local currency	9,314,834	10,038,043
	Foreign currencies	1,446,446	1,350,949
		10,761,280	11,388,992
	With State Bank of Pakistan in		
	Local currency current account	10,744,967	21,864,209
	Foreign currency current accounts	1,302,438	1,274,560
	Foreign currency deposit accounts	3,007,778	3,257,492
		15,055,183	26,396,261
	With National Bank of Pakistan in local currency current accounts	2,380,967	2,906,667
	Prize Bonds	5,669	6,385
		28,203,099	40,698,305
	Less: Credit loss allowance held against cash and balances with treasury banks (stage 1)	(48,229)	(1,004)
	Cash and balances with treasury banks - net of credit loss allowance	28,154,870	40,697,301
7.	BALANCES WITH OTHER BANKS		
	In Pakistan		
	In current accounts	5,285	5,188
		5,285	5,188
	Outside Pakistan		
	In current accounts	3,742,660	5,194,224
		3,747,945	5,199,412
	Less: Credit loss allowance held against balances with other banks (stage 1)	(2,085)	(2,222)
	Balances with other banks - net of credit loss allowance	3,745,860	5,197,190
8.	LENDINGS TO FINANCIAL INSTITUTIONS		
	Call / clean money lendings	4,018,159	-
	Reverse repo agreements	-	15,944,886
	Lending under margin trading system	773,912	3,898,296
		4,792,071	19,843,182
	Less: Credit loss allowance held against lendings to financial institutions (stage 1)	(360)	(4,388)
	Lending to financial institutions - net of credit loss allowance	4,791,711	19,838,794

8.1 Lending to Financial Institutions - Particulars of credit loss allowance

		(Un-audited) September 30, 2026	(Audited) December 31, 2025
Category of classification		Credit loss allowance held	Credit loss allowance held
	Lending	Lending	
----- Rupees in '000 -----			
Domestic			
Performing	Stage 1	4,792,071	360
		19,843,182	4,388
Total		4,792,071	360
		19,843,182	4,388

9. INVESTMENTS

		September 30, 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 Investments by type	Note	Rupees in '000							
Debt instruments									
Classified / Measured at amortised cost									
Federal Government Securities	9.1.1	105,775,491	-	-	105,775,491	33,636,907	-	-	33,636,907
Classified / Measured at FVOCI									
Federal Government Securities		238,292,994	-	38,173	238,331,167	193,490,337	-	1,903,003	195,393,340
Non Government Debt Securities		1,440,789	(705,427)	(13,156)	722,206	1,533,877	(559,486)	(23,659)	950,732
Foreign Securities		4,333,346	(133)	(88,754)	4,244,459	22,609,049	(197)	73,859	22,682,711
		244,067,129	(705,560)	(63,737)	243,297,832	217,633,263	(559,683)	1,953,203	219,026,783
Classified / Measured at FVPL									
Federal Government Securities		23,665,924	-	153,813	23,819,737	1,236,244	-	1,654	1,237,898
Foreign securities		357,913	-	(25,876)	332,037	363,201	-	(1,489)	361,712
		24,023,837	-	127,937	24,151,774	1,599,445	-	165	1,599,610
Instruments mandatorily classified / measured at FVPL									
Non Government Debt Securities		100,000	-	(3,630)	96,370	-	-	-	-
Equity instruments									
Classified / Measured at FVOCI (Non-reclassifiable)									
Shares - Listed		3,763,812	-	231,554	3,995,366	1,553,092	-	1,133,259	2,686,351
Shares - Unlisted		404,186	-	(151,198)	252,988	404,074	-	(348,288)	55,786
		4,167,998	-	80,356	4,248,354	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		399,083,797	(767,627)	140,926	398,457,096	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 September 30, 2026 amounted to Rs. 103,570.047 million (December 31, 2025: Rs. 33,709.882 million).

		(Un-audited) September 30, 2026		(Audited) December 31, 2025	
		Cost	Market value	Cost	Market value
9.2 Investments given as collateral		Rupees in '000			
Federal Government Securities					
Market Treasury Bills		3,822,650	3,812,170	484,782	485,489
Pakistan Investment Bonds		4,902,094	4,921,350	3,452,225	3,484,055
		8,724,744	8,733,520	3,937,007	3,969,544

9.3 Credit loss allowance / provision for diminution in value of investments

		(Un-audited) September 30, 2026	(Audited) December 31, 2025
		Rupees in '000	
Opening balance - provision for diminution other than associates		559,683	763,048
Opening balance - provision for diminution on associates		106,467	62,067
		666,150	825,115
Exchange rate adjustments		(2)	1,889
Charge for the period / year other than associates		146,046	58
Provision for diminution on associates for the period / year		-	44,400
Reversals for the period / year		(139)	(205,312)
Reversal on disposals		(44,428)	-
		101,479	(160,854)
Closing balance		767,627	666,150

9.3.1 Particulars of credit loss allowance against debt securities

		(Un-audited) September 30, 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	224,979	157	500,023	103
Under-performing	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		181,956	-	-	-
Doubtful		-	-	-	-
Loss		1,033,854	705,270	1,033,854	559,383
		1,215,810	705,270	1,033,854	559,383
		1,440,789	705,427	1,533,877	559,486
Overseas					
Performing	Stage 1	4,333,346	133	22,609,049	197
Under-performing	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
		4,333,346	133	22,609,049	197
Total		5,774,135	705,560	24,142,926	559,683

9.3.2 Debt securities amounting to Rs. 344,068.485 million (December 31, 2025: Rs. 227,127.244 million) relate to government securities that are exempt from the calculation of ECL by the SBP.

9.3.3 The State Bank of Pakistan through various circulars has allowed benefit of the forced sale value (FSV) of mortgaged residential, commercial and industrial properties (land and building only) held as collateral against non-performing investments (NPIs) for a maximum of five years from the date of classification. As at September 30, 2026, the Bank has availed cumulative FSV benefit under the directives of the SBP of Rs. 328.584 million (December 31, 2025: Rs. 474.471 million).

The additional profit arising from availing the FSV benefit - net of tax amounts to Rs. 157.720 million (December 31, 2025: Rs. 227.746 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.

9.4 Summary of financial position and performance of subsidiaries

September 30, 2026 (Un-audited)							
Holding (%)	Country of incorporation	Assets	Liabilities	Revenue	Profit for the period	Total comprehensive income	
Rupees in '000							
Subsidiaries							
JS Global Capital Limited	92.90%	Pakistan	12,830,121	8,763,788	1,649,724	463,118	475,254
JS Investments Limited	84.73%	Pakistan	3,328,370	522,936	873,125	210,564	210,564
BankIslami Pakistan Limited	75.12%	Pakistan	767,604,425	719,961,894	27,297,047	3,072,826	2,077,557
December 31, 2025 (Audited)				September 30, 2025 (Un-audited)			
Holding (%)	Country of incorporation	Assets	Liabilities	Revenue	Profit for the period	Total comprehensive income	
Rupees in '000							
Subsidiaries							
JS Global Capital Limited	92.90%	Pakistan	12,005,571	8,414,493	1,364,622	429,950	450,943
JS Investments Limited	84.73%	Pakistan	3,360,892	766,022	794,736	369,931	369,931
BankIslami Pakistan Limited	75.12%	Pakistan	771,342,878	722,728,970	26,350,695	5,077,105	2,346,625

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

		June 30, 2025 (Audited)						
	Holding (%)	Country of incorporation	Assets	Liabilities	Revenue	Loss for the period	Total comprehensive loss	
			Rupees in '000					
Associates								
	Veda Transit Solutions Private Limited	3.92%	Pakistan	3,046,698	4,566,504	3,285,870	(893,370)	(919,348)

9.5.1 The Bank has classified this investment as an associate, as it exercises significant influences over the investee company.

9.6 As previously disclosed as part of the Bank's unconsolidated condensed interim financial statements for the half year ended June 30, 2025, the Bank held an overdue principal exposure amounting to Rs. 2,590.565 million extended to a borrower, alongside accrued mark-up receivable and other recoverable amounts, which was fully collateralized through liquid equity shares. Post default, resulting from non-payments, the Bank had exercised its due right and enforced the pledge call. However, transfer of ownership of the pledged shares in the Bank's name remained pending due to certain legal constraints and ongoing litigations at the time. Accordingly, the exposure was classified as loss, and the Bank recognised a 100% credit loss allowance against the same.

During the quarter ended June 30, 2026, legal constraints restricting transfer in the Bank's name were successfully resolved pursuant to a favourable order passed by the relevant Court, enabling the Bank to affect the transfer of the said shares on May 21, 2026. Accordingly, the beneficial ownership of 81,358,289 shares was duly transferred to the Bank towards the recovery of the outstanding liabilities.

Following the transfer, the recovered collateral, comprising ordinary shares of TRG Pakistan Limited ('TRGPL') was apportioned between the Bank and its subsidiary, JS Global Capital Limited ('JSGCL'), pursuant to cross-default and general lien provisions. Initially, 57,956,681 shares were recognized as direct listed equity investments by the Bank, fully settling the borrower's direct exposure at the Bank, resulting in the reversal of the corresponding credit loss allowance. The remaining 23,401,608 shares were allocated to settle liabilities owed by the borrowers and its affiliates to JSGCL and held in custody under a share custody agreement executed on July 27, 2026.

During the quarter ended September 30, 2026, an addendum to the custody agreement was executed to reflect extended obligations of the pledgor towards JSGCL, whereby an additional 3,545,039 shares were reallocated from the Bank's investment portfolio to the subsidiary's custodial account. Consequently, as at September 30, 2026, the Bank holds 54,411,642 shares recognized as listed equity investments at fair value in its unconsolidated statement of financial position, while 26,946,647 shares are held strictly in a fiduciary and custodial capacity on behalf of JSGCL.

At present, due to certain ongoing litigations, the Bank is restricted to affect sale of the said shares. While these administrative stays restrict liquidation or disposal temporarily, as per legal advice, this does not affect or impair the Bank's perfected title and beneficial ownership. The Management is actively pursuing legal recourse and remains confident that the disposal restrictions will be set aside in due course.

10. ADVANCES

	Performing		Non-Performing		Total	
	September 30, 2026 (Un-audited)	December 31, 2025 (Audited)	September 30, 2026 (Un-audited)	December 31, 2025 (Audited)	September 30, 2026 (Un-audited)	December 31, 2025 (Audited)
Note ----- Rupees in '000 -----						
Loans, cash credits, running finances, etc.	222,679,786	233,345,653	19,588,853	22,850,299	242,268,639	256,195,952
Bills discounted and purchased	7,926,383	17,979,708	288,127	371,067	8,214,510	18,350,775
Advances - gross	230,606,169	251,325,361	19,876,980	23,221,366	250,483,149	274,546,727
Credit loss allowance against advances						
- Stage 1	(567,520)	(579,313)	-	-	(567,520)	(579,313)
- Stage 2	(586,638)	(361,027)	-	-	(586,638)	(361,027)
- Stage 3	-	-	(15,799,016)	(17,948,051)	(15,799,016)	(17,948,051)
10.5	(1,154,158)	(940,340)	(15,799,016)	(17,948,051)	(16,953,174)	(18,888,391)
Fair value adjustment	10.2 and 10.3	(5,881,966)	-	-	(5,701,863)	(5,881,966)
Advances - net of credit loss allowance	223,750,148	244,503,055	4,077,964	5,273,315	227,828,112	249,776,370

			(Un-audited) September 30, 2026	(Audited) December 31, 2025
----- Rupees in '000 -----				
10.1 Particulars of advances (gross)				
In local currency			238,136,948	265,866,682
In foreign currencies			12,346,201	8,680,045
			250,483,149	274,546,727

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.

10.4 Advances include Rs. 19,876.980 million (December 31, 2025: Rs. 23,221.366 million) which have been placed under Stage 3 / Non-performing status as detailed below:

Category of classification in stage 3	(Un-audited) September 30, 2026		(Audited) December 31, 2025	
	Non-Performing Loans	Credit loss allowance	Non-Performing Loans	Credit loss allowance
----- Rupees in '000 -----				
Domestic				
Other Assets Especially Mentioned (OAEM) *	136,859	896	317,035	29,459
Substandard	743,034	170,321	887,288	177,256
Doubtful	728,434	194,910	730,318	249,121
Loss	18,268,653	15,432,889	21,286,725	17,492,215
Total	19,876,980	15,799,016	23,221,366	17,948,051
Overseas	-	-	-	-

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

10.5 Particulars of credit loss allowance against advances

Note	September 30, 2026 (Un-audited)				December 31, 2025 (Audited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	Rupees in '000				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	(179)	-	-	(179)	21	1,741	-	1,762
Charge for the period / year	384,460	523,022	1,729,249	2,636,731	470,054	1,312,453	5,610,219	7,392,726
Reversals for the period / year	(396,074)	(297,411)	(3,672,207)	(4,365,692)	(136,688)	(1,389,323)	(2,292,762)	(3,818,773)
	(11,614)	225,611	(1,942,958)	(1,728,961)	333,366	(76,870)	3,317,457	3,573,953
Amounts written off	-	-	-	-	-	-	(171,009)	(171,009)
Amounts charged off	-	-	(140,845)	(140,845)	-	-	(125,855)	(125,855)
Amounts charged off - agricultural financing	-	-	(65,232)	(65,232)	-	-	(156,262)	(156,262)
Closing balance	10.6 567,520	586,638	15,799,016	16,953,174	579,313	361,027	17,948,051	18,888,391

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 September 30, 2026, the Bank has availed cumulative FSV benefit under the directives of the SBP of Rs. 3,079.283 million (December 31, 2025: Rs. 4,098.908 million).

The additional profit arising from availing the FSV benefit - net of tax amounts to Rs. 1,478.056 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.

10.6 Advances - Particulars of credit loss allowance

	(Un-audited) September 30, 2026			(Audited) December 31, 2025		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	Rupees in '000			Rupees in '000		
Opening balance	579,313	361,027	17,948,051	245,926	436,156	15,083,720
New Advances	247,002	81,147	52,680	247,634	75,235	247,799
Advances derecognised or repaid	(88,891)	(46,904)	(3,028,881)	(51,839)	(252,165)	(942,999)
Transfer to stage 1	57,150	(57,150)	-	39,182	(39,182)	-
Transfer to stage 2	(46,017)	125,516	(79,499)	(14,988)	1,044,990	(1,030,002)
Transfer to stage 3	(3,893)	(13,486)	17,379	(2,536)	(40,410)	42,946
	165,351	89,123	(3,038,321)	217,453	788,468	(1,682,256)
Amounts written off / charged off	-	-	(206,077)	-	-	(453,126)
Changes in risk parameters (PDs/LGDs/EADs)	(176,965)	136,488	1,095,363	115,913	(865,338)	4,999,713
Exchange adjustments	(179)	-	-	21	1,741	-
Closing balance	567,520	586,638	15,799,016	579,313	361,027	17,948,051

10.7 Advances - Category of classification

	(Un-audited) September 30, 2026		(Audited) December 31, 2025	
	Outstanding amount	Credit loss allowance	Outstanding amount	Credit loss allowance
	Rupees in '000			
Domestic				
Performing	194,093,888	540,399	217,997,909	573,325
Under-performing	31,543,676	586,638	29,738,689	361,027
Non-performing				
OAEM	136,859	896	317,035	29,459
Substandard	743,034	170,321	887,288	177,256
Doubtful	728,434	194,910	730,318	249,121
Loss	18,268,653	15,432,889	21,286,725	17,492,215
	245,514,544	16,926,053	270,957,964	18,882,403
Overseas				
Performing	4,968,605	27,121	3,588,763	5,988
Under-performing	-	-	-	-
Non-performing				
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-
	4,968,605	27,121	3,588,763	5,988
Total	250,483,149	16,953,174	274,546,727	18,888,391

		(Un-audited) September 30, 2026	(Audited) December 31, 2025
	Note	----- Rupees in '000 -----	
11. PROPERTY AND EQUIPMENT			
Capital work-in-progress	11.1	350,925	882,594
Property and equipment		12,823,661	11,911,353
		13,174,586	12,793,947
11.1 Capital work-in-progress			
Civil works		175,557	401,591
Equipment		175,368	376,126
Advance to suppliers		-	104,877
		350,925	882,594
		(Un-audited) Nine months ended	
		September 30, 2026	September 30, 2025
11.2 Additions to property and equipment		----- Rupees in '000 -----	
The following additions have been made to property and equipment during the period:			
Capital work-in-progress		511,857	1,009,714
Property and equipment			
Leasehold improvements		658,484	720,549
Furniture and fixture		62,859	78,278
Electrical, office and computer equipment		1,289,509	659,610
Vehicles		110,456	8,124
	11.2.1	2,121,308	1,466,561
		2,633,165	2,476,275
11.2.1	This includes transfer from capital work in progress during the period amounting to Rs. 994.850 million (September 30, 2025: Rs. 885.191 million).		
		(Un-audited) Nine months ended	
		September 30, 2026	September 30, 2025
11.3 Disposal of property and equipment		----- Rupees in '000 -----	
The net book value of property and equipment disposed off during the period is as follows:			
Property and equipment			
Leasehold improvements		3,145	2,681
Furniture and fixture		4,380	1,156
Electrical, office and computer equipment		20,753	11,002
Vehicles		4,469	810
Total		32,747	15,649

		(Un-audited) September 30, 2026	(Audited) December 31, 2025
		----- Rupees in '000 -----	
		Buildings	Buildings
12. RIGHT-OF-USE ASSETS			
At January 1			
Cost		8,000,733	5,946,075
Accumulated Depreciation		(4,926,911)	(3,335,982)
Net Carrying amount at January 1		3,073,822	2,610,093
Additions during the period / year		1,477,859	2,122,775
Deletions during the period / year		(5,117)	(68,005)
Depreciation charge for the period / year		(1,272,936)	(1,590,929)
Exchange rate adjustments		(487)	(112)
Closing net carrying amount		3,273,141	3,073,822
13. INTANGIBLE ASSETS			
Capital work-in-progress - computer software		953,969	816,532
Computer software		4,022,434	4,249,506
Goodwill		1,463,624	1,463,624
		6,440,027	6,529,662
13.1 Additions to intangible assets			
The following additions have been made to intangible assets during the period:			
		(Un-audited) Nine months ended	
		September 30, 2026	September 30, 2025
		----- Rupees in '000 -----	
Directly purchased	Note		
Capital work-in-progress		351,282	1,312,684
Developed internally			
Computer software	13.1.1	213,408	1,256,112
		564,690	2,568,796
13.1.1	This includes transfer from capital work in progress during the period of Rs. 213.408 million (September 30, 2025: Rs. 1,256.112 million).		
13.2	There were no disposals of intangible assets during the periods ended September 30, 2026 and September 30, 2025.		
14. DEFERRED TAX ASSETS / (LIABILITIES)	Note	(Un-audited) September 30, 2026	(Audited) December 31, 2025
		----- Rupees in '000 -----	
Deductible Temporary Differences on:			
Credit loss allowance against advances		2,976,239	3,205,886
Credit loss allowance - others		196,513	162,405
Impact of Effective Interest Rate adoption		26,875	-
Right-of-use assets and related lease liabilities		135,508	112,305
		3,335,135	3,480,596
Taxable Temporary Differences on:			
Unrealized gain on FVPL investments		(63,966)	(87)
Surplus on revaluation of investments	22	(8,642)	(1,423,851)
Surplus on revaluation of property and equipment	22	(679,260)	(708,988)
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	22	(255,757)	(257,733)
Accelerated tax depreciation		(851,643)	(913,597)
Credit loss allowance against investments		(263)	(53,032)
Fair value adjustment		(11,321)	(56,633)
Goodwill		(761,084)	(761,084)
		(2,631,936)	(4,175,005)
		703,199	(694,409)

		(Un-audited) September 30, 2026	(Audited) December 31, 2025
	Note	----- Rupees in '000 -----	
15. OTHER ASSETS			
Mark-up / return / interest accrued in local currency		15,485,260	11,382,384
Mark-up / return / interest accrued in foreign currencies		732,712	88,324
Advances, deposits, advance rent and other prepayments		1,712,983	1,534,999
Acceptances		6,246,962	4,881,615
Advance taxation (payments less provision)		3,549,124	3,874,577
Stationery and stamps in hand		22,058	12,186
Receivable from defined benefit plan		76,161	-
Receivable in respect of home remittance		9,158	11,376
Receivable against bancassurance / bancatakaful		10,969	13,208
Due from State Bank of Pakistan		1,081,283	2,179,874
Fair value adjustment on advances	10.2	2,418,598	2,728,769
Deferred cost on staff loans		3,004,086	2,763,505
Non-banking assets acquired in satisfaction of claims		4,730,344	4,882,960
Mark to market gain on forward foreign exchange contracts		271,320	156,440
Advance against investments in securities		792,000	792,000
Inter bank fund transfer settlement		5,329,746	2,131,870
Credit card settlement		713,789	77,438
Clearing and settlement accounts		-	1,038,710
Insurance claims receivable		85,947	61,597
Receivable from subsidiary		-	459,000
Others		460,884	181,724
		<u>46,733,384</u>	<u>39,252,556</u>
Less: Credit loss allowance held against other assets	15.1	<u>(181,439)</u>	<u>(153,957)</u>
Other assets (net of credit loss allowance)		<u>46,551,945</u>	<u>39,098,599</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	22	<u>598,534</u>	<u>602,334</u>
Other assets - total		<u><u>47,150,479</u></u>	<u><u>39,700,933</u></u>
15.1 Credit loss allowance held against other assets			
Mark-up / return / interest accrued		24,388	15,360
Advances, deposits, advance rent and other prepayments		134,177	126,371
Receivable against bancassurance / bancatakaful		3	2
Advance against investments in securities		8,803	8,803
Insurance claim receivable		26	8
Others		14,042	3,413
		<u>181,439</u>	<u>153,957</u>
15.1.1 Movement in credit loss allowance held against other assets			
Opening balance		153,957	23,914
Exchange rate adjustments		(3)	1
Charge for the period / year		35,302	140,541
Reversals for the period / year		(7,817)	(10,499)
		<u>27,485</u>	<u>130,042</u>
Closing balance		<u><u>181,439</u></u>	<u><u>153,957</u></u>

	(Un-audited) September 30, 2026	(Audited) December 31, 2025
	----- Rupees in '000 -----	
16. BILLS PAYABLE		
In Pakistan	7,266,083	7,516,630
Outside Pakistan	319,285	322,737
	<u>7,585,368</u>	<u>7,839,367</u>
17. BORROWINGS		
Secured		
Borrowings from State Bank of Pakistan under:		
Export refinancing scheme	3,020,583	5,762,946
Long-term finance facility	652,516	1,018,633
Financing facility for storage of agricultural produce	240,001	275,929
Financing facility for renewable energy projects	414,411	707,729
Refinance for women entrepreneurs	76,707	125,052
Refinance facility for modernization of Small and Medium Enterprises (SMEs)	208,866	223,147
Refinance facility for combating COVID-19	-	15,521
Temporary economic refinance facility (TERF)	2,450,947	3,037,394
Small enterprise financing and credit guarantee scheme for special persons	-	67
Refinance facility for working capital of SMEs	-	5,383,440
Refinance facility for SME Asaan Finance (SAAF) scheme	3,668,204	4,540,447
Repurchase agreement borrowings	-	2,962,005
	<u>10,732,235</u>	<u>24,052,310</u>
Fair value adjustment on TERF borrowings	(556,210)	(705,181)
Borrowing from financial institutions:		
Refinancing facility for mortgage loans	2,236,490	2,341,365
Repurchase agreement borrowings	8,275,921	-
Total secured	<u>20,688,436</u>	<u>25,688,494</u>
Unsecured		
Call borrowings	12,492,288	-
Overdrawn nostro accounts	2,852,288	439,586
Total unsecured	<u>15,344,576</u>	<u>439,586</u>
	<u>36,033,012</u>	<u>26,128,080</u>
17.1 Particulars of borrowings		
In local currency	27,638,436	25,688,494
In foreign currencies	8,394,576	439,586
	<u>36,033,012</u>	<u>26,128,080</u>

18. DEPOSITS AND OTHER ACCOUNTS

	September 30, 2026 (Un-audited)			December 31, 2025 (Audited)		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
----- Rupees in '000 -----						
Customers						
Current deposits	202,786,217	17,478,959	220,265,176	183,720,414	11,289,374	195,009,788
Savings deposits	133,914,066	7,208,036	141,122,102	182,050,071	8,165,386	190,215,457
Term deposits	111,741,130	72,107,034	183,848,164	81,905,046	33,122,492	115,027,538
Margin deposits	32,706,834	250,172	32,957,006	21,565,499	17,288	21,582,787
	481,148,247	97,044,201	578,192,448	469,241,030	52,594,540	521,835,570
Financial Institutions						
Current deposits	6,061,418	6,527	6,067,945	5,513,362	15,338	5,528,700
Savings deposits	12,000,578	797	12,001,375	14,048,557	7,245	14,055,802
Term deposits	1,861,230	-	1,861,230	2,081,979	-	2,081,979
	19,923,226	7,324	19,930,550	21,643,898	22,583	21,666,481
	501,071,473	97,051,525	598,122,998	490,884,928	52,617,123	543,502,051

	Note	(Un-audited) September 30, 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		1,128,096	1,442,945
Lease payments including interest		(1,156,879)	(1,366,323)
Interest expense	19.2	308,316	435,839
Terminations		(24,340)	(92,719)
Exchange rate adjustments		(521)	(118)
Other adjustments		2,865	(14,522)
Outstanding amount at the end of the period / year		3,451,068	3,193,531
19.1 Outstanding liabilities			
Not later than one year		1,182,779	1,182,268
Later than one year and upto five years		1,903,694	1,920,330
Over five years		364,595	90,933
Total at the period / year end		3,451,068	3,193,531

19.2 This carries average effective rate of 13.01% per annum (December 31, 2025: 15.26%)

	Note	(Un-audited) September 30, 2026	(Audited) December 31, 2025
		----- Rupees in '000 -----	
20. SUBORDINATED DEBT			
Term Finance Certificates - Sixth Issue	20.1	3,947,382	-
Term Finance Certificates - Fifth Issue	20.2	3,460,641	3,497,900
Term Finance Certificates - Fourth Issue	20.3	2,481,670	2,496,000
Term Finance Certificates - Third Issue	20.4	2,500,000	2,500,000
		12,389,693	8,493,900

- 20.1** During the period, the Bank issued Rs. 4.0 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 further strengthening with the capital adequacy ratio requirement and to utilize the funds in the Bank's business operations as permitted by its Memorandum & Articles of Association.
Issue date	July 06, 2026.
Tenure	Up to ten years from the issue date.
Maturity date	July 06, 2036.
Rating	AA - (Double A Minus).
Security	The issue is unsecured.
Mark-up 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.
Mark-up 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 294,755,646 shares.

- 20.2** 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.
Mark-up 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.
Mark-up 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.

- 20.3** 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).
Mark-up 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.
Mark-up 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.

- 20.4** 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).
Mark-up 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.
Mark-up 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.
Loss absorbency clause - Pre-Specified Trigger (PST)	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: <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.
Loss absorbency clause - Point of Non-Viability (PONV)	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: The PONV trigger event is the earlier of: <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.

		(Un-audited) September 30, 2026	(Audited) December 31, 2025
	Note	----- Rupees in '000 -----	
21. OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		3,006,508	1,313,491
Mark-up / return / interest payable in foreign currencies		1,519,163	162,628
Unearned income on guarantees		570,798	526,400
Accrued expenses		1,858,689	1,973,583
Acceptances		6,246,962	4,881,615
Unclaimed dividends		4,214	4,214
Mark to market loss on forward foreign exchange contracts		1,750,001	441,137
Mark to market loss on forward government securities transaction		116	-
Payable to defined benefit plan		-	124,732
Withholding taxes payable		1,126,058	2,218,038
Donation payable		156,427	123,812
Security deposits against leases, lockers and others		6,093,625	4,883,358
Workers' welfare fund		801,134	622,485
Payable in respect of home remittance		15,759	1,185
Retention money payable		60,567	86,852
Insurance payable		547,047	476,937
Payable to vendors against SBS goods		336,619	-
Branchless banking fund settlement		1,008,246	106,276
Debit card settlement		432,170	363,128
Clearing and settlement accounts		345,065	-
Credit loss allowance against off-balance sheet obligations	21.1	268,516	270,587
Others		373,688	543,827
		26,521,372	19,124,285
21.1 Credit loss allowance against off-balance sheet obligations			
Opening balance		270,587	190,889
Exchange rate adjustments		(89)	25
Charge for the period / year		230,711	128,680
Reversals for the period / year		(232,693)	(49,007)
		(1,982)	79,673
Closing balance		268,516	270,587

		(Un-audited) September 30, 2026	(Audited) December 31, 2025
		----- Rupees in '000 -----	
22.	SURPLUS ON REVALUATION OF ASSETS	Note	
	Surplus on revaluation of:		
	- Securities measured at FVOCI - debt	9.1	(63,737)
	- Securities measured at FVOCI - equity	9.1	80,356
	- Property and equipment		2,068,937
	- Non-banking assets acquired in satisfaction of claims	15	598,534
			2,684,090
			1,953,203
			784,971
			2,126,106
			602,334
			5,466,614
	Deferred tax on surplus on revaluation of:		
	- Securities measured at FVOCI - debt		33,143
	- Securities measured at FVOCI - equity		(41,785)
	- Property and equipment		(679,260)
	- Non-banking assets acquired in satisfaction of claims		(255,757)
			(943,659)
			1,740,431
			3,076,042
23.	CONTINGENCIES AND COMMITMENTS		
	Guarantees	23.1	139,322,305
	Commitments	23.2	192,067,725
	Other contingencies	23.3	1,200,524
			332,590,554
			114,322,261
			108,452,698
			1,204,016
			223,978,975
23.1	Guarantees		
	Financial guarantees		26,189,387
	Performance guarantees		58,359,719
	Other guarantees		54,773,199
			139,322,305
			22,275,534
			51,690,524
			40,356,203
			114,322,261
23.2	Commitments		
	Documentary credits and short-term trade-related transactions		
	- Letters of credit		76,213,755
			40,537,796
	Commitments in respect of:		
	- Forward foreign exchange contracts	23.2.1	114,976,244
	- Forward government securities transactions	23.2.2	482,671
	- Forward lending	23.2.3	42,000
	Commitments for acquisition of:		
	- Property and equipment	23.2.4	126,216
	- Intangible assets	23.2.4	226,839
			192,067,725
			67,437,910
			-
			52,000
			337,483
			87,509
			108,452,698
23.2.1	Commitments in respect of forward foreign exchange contracts		
	Purchase		96,799,146
	Sale		18,177,098
			114,976,244
			40,462,368
			26,975,542
			67,437,910
23.2.2	Commitments in respect of forward government securities transactions		
	Sale		482,671
			-
23.2.3	Commitments in respect of forward lending		
	Undrawn formal standby facilities, credit lines and other commitments to lend	23.2.3.1	42,000
			52,000

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 These represent commitments related to purchase of leasehold improvements, furniture and fixtures, hardware and network equipment, electrical equipment and computer software.

		(Un-audited) September 30, 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>1,200,524</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.

		(Un-audited) Nine months ended September 30, 2026	September 30, 2025
25. MARK-UP / RETURN / INTEREST EARNED	Note	----- Rupees in '000 -----	
Loans and advances		21,192,407	18,921,591
Investments		30,522,786	36,318,546
Lendings to financial institutions		288,085	170,167
Balances with other banks		153,002	228,841
Securities purchased under repurchase agreements		316,177	542,045
		<u>52,472,457</u>	<u>56,181,190</u>

25.1 Interest income (calculated using effective interest rate method) recognised on:

Financial assets measured at amortised cost		27,209,803	-
Financial assets measured at FVOCI		23,601,120	-
	26.1.1	<u>50,810,923</u>	<u>-</u>

26. MARK-UP / RETURN / INTEREST EXPENSED

Deposits		22,312,440	25,577,522
Borrowings		4,720,333	7,472,492
Subordinated debt		987,566	887,521
Cost of foreign currency swaps against foreign currency deposits / borrowings		1,990,000	1,376,425
Finance charges on leased assets		308,316	321,399
		<u>30,318,655</u>	<u>35,635,359</u>

26.1 Interest expense calculated using effective interest rate method:

Financial liabilities	26.1.1	<u>28,328,655</u>	<u>-</u>
-----------------------	--------	--------------------------	----------

- 26.1.1** As disclosed in note 3.1.1, the Bank has applied the effective interest rate method during the current period under the modified retrospective approach. The impact has been recognised in opening equity, and accordingly, prior information has not been presented.

		(Un-audited)	
		Nine months ended	
		September 30,	September 30,
		2026	2025
		----- Rupees in '000 -----	
27.	FEE AND COMMISSION INCOME	Note	
	Branch banking customer fees		80,770 112,245
	Finance related fees		417,125 472,258
	Card related fees (debit and credit cards)		1,002,501 1,060,884
	Investment banking fees		17,129 36,826
	Commission on trade		803,236 778,216
	Commission on guarantees		686,597 594,366
	Commission on cash management		46,928 33,070
	Commission on remittances including home remittances		24,009 90,233
	Commission on bancassurance		45,876 66,894
	Commission on distribution of mutual funds		4,141 7,406
	Commission on online services		447,846 107,020
	Rebate income		251,824 309,309
			3,827,982 3,668,727
28.	GAIN ON SECURITIES - NET		
	Realised	28.1	623,084 2,474,805
	Unrealised - measured at FVPL		124,307 4,622
		28.2	747,391 2,479,427
28.1	Realised gain / (loss) on:		
	Federal government securities		663,825 2,079,797
	Shares		- 478,874
	Mutual fund units		- 2,233
	Associate		(44,400) -
	Foreign securities		3,659 (86,099)
			623,084 2,474,805
28.2	Net gain / (loss) on financial assets		
	Measured at FVPL:		
	Designated upon initial recognition		199,737 565,635
	Mandatorily measured at FVPL		(3,630) 178,669
			196,107 744,304
	Measured at FVOCI		595,684 1,735,123
	Associate		(44,400) -
			747,391 2,479,427
29.	OTHER INCOME		
	Rent income		9,343 13,029
	Gain on sale of property and equipment - net		22,785 10,471
	Gain on sale of non banking assets - net		25,032 20,896
	Gain on termination of leases - net		19,223 6,845
	Auction charges recovered		1,748 1,795
	Legal charges recovered		70,000 -
	Charges recovered from subsidiary		3,200 425,000
	Others		1,081 1,570
			152,412 479,606

		(Un-audited)	
		Nine months ended	
		September 30, 2026	September 30, 2025
Note		----- Rupees in '000 -----	
30. OPERATING EXPENSES			
Total compensation expense	30.1	9,178,273	8,267,715
Property expense			
Rent and taxes		162,490	44,757
Insurance		7,196	5,381
Utilities cost		700,614	694,013
Security (including guards)		387,891	374,860
Repair and maintenance (including janitorial charges)		313,931	312,182
Depreciation		418,084	341,372
Depreciation on right-of-use assets		1,272,936	1,153,998
Depreciation on non-banking assets		30,040	30,195
		3,293,182	2,956,758
Information technology expenses			
Software maintenance		1,655,142	1,878,581
Hardware maintenance		262,747	306,130
Depreciation		386,538	390,433
Amortisation		439,434	364,597
Network charges		229,510	222,162
		2,973,371	3,161,903
Other operating expenses			
Directors' fees and allowances		14,300	11,250
Legal and professional charges		217,014	309,798
Insurance		225,757	212,400
Outsourced services costs		957,449	686,835
Travelling and conveyance		252,335	274,907
NIFT clearing charges		73,620	64,479
Depreciation		371,569	332,767
Training and development		38,340	54,095
Postage and courier charges		83,440	71,023
Communication		217,279	490,453
Stationery and printing		360,774	334,984
Marketing, advertisement and publicity		1,065,677	1,276,555
Donations		178,648	113,301
Auditors' remuneration		25,454	17,668
Staff auto fuel and maintenance		522,569	451,462
Bank charges		79,908	62,387
Stamp duty		19,932	31,034
Online verification charges		89,594	69,958
Brokerage, fee and commission		65,102	98,506
Card related fees (debit and credit cards)		1,525,564	1,595,841
CDC and other charges		21,752	7,258
Consultancy fee		88,229	53,838
Deposit protection premium		218,219	191,456
Entertainment expenses		167,071	156,557
Repair and maintenance		65,934	64,884
Cash handling charges		254,714	308,409
Fee and subscription		138,932	152,164
Employees social security		5,615	7,052
Generator fuel and maintenance		169,535	147,323
Others		13,298	20,235
		7,527,624	7,668,879
		22,972,450	22,055,255

30.1 This includes impact of fair value adjustment on concessional rate staff loans amounting to Rs. 302.525 million (September 30, 2025: Rs. 278.635 million).

31. WORKERS' WELFARE FUND

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

		(Un-audited)	
		Nine months ended	
		September 30, 2026	September 30, 2025
		----- Rupees in '000 -----	
32. OTHER CHARGES		707	242,763
Penalties imposed by State Bank of Pakistan			
33. (REVERSAL OF) / CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET			
Credit loss allowance against cash and balances with treasury banks		47,225	736
Reversal of credit loss allowance against balance with other banks		(135)	(2,496)
(Reversal of) / credit loss allowance against lending to financial institutions		(4,026)	394
Credit loss allowance / (reversal) for diminution in value of investments		101,479	(205,363)
(Reversal of) / credit loss allowance against loans and advances		(1,728,961)	3,246,251
Credit loss allowance against other assets		27,485	128,426
(Reversal of) / credit loss allowance against off balance sheet obligations		(1,982)	57,224
Bad debts written off directly		293	-
Recovery of written off / charged off bad debts		(177,987)	(55,536)
Modification loss - net		-	3,713
Operational loss		3,485	9,049
		(1,733,124)	3,182,398
34. TAXATION			
Current		4,597,236	3,232,315
Prior years		-	23,740
Deferred		34,850	(160,140)
		4,632,086	3,095,915

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		Nine months ended	
		September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
		----- Rupees in '000 -----			
Profit after taxation for the period		1,101,706	1,012,370	4,300,337	2,568,987
		----- Number of shares -----			
Weighted average number of ordinary shares		2,050,662,536	2,050,662,536	2,050,662,536	2,050,662,536
		(Un-audited)			
		Quarter Ended		Nine months ended	
		September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
		----- Rupees -----			
Earnings per share - basic and diluted		0.54	0.49	2.10	1.25
		(Un-audited)	(Audited)	(Un-audited)	
		September 30, 2026	December 31, 2025	September 30, 2025	

36. CASH AND CASH EQUIVALENTS

		----- Rupees in '000 -----			
		Quarter ended		Nine months ended	
		September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Cash and balances with treasury banks - gross	6	28,203,099	40,698,305	48,066,587	
Balances with other banks - gross	7	3,747,945	5,199,412	2,249,233	
Overdrawn nostro accounts	17	(2,852,288)	(439,586)	(1,207,552)	
		29,098,756	45,458,131	49,108,268	

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:

September 30, 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	-	262,150,904	-	262,150,904
Shares - listed companies	3,995,366	-	-	3,995,366
Shares - unlisted companies	-	19,747	233,241	252,988
Non Government Debt Securities	-	489,992	-	489,992
Foreign Securities	-	4,576,496	-	4,576,496
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	-	103,570,047	-	103,570,047
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	95,068,729	-	95,068,729
Forward sale of foreign exchange	-	17,925,362	-	17,925,362
Forward sale of government securities	-	482,787	-	482,787
December 31, 2025 (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	-	196,631,238	-	196,631,238
Shares - listed companies	2,686,351	-	-	2,686,351
Shares - unlisted companies	-	18,478	37,308	55,786
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

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	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. The fair values of ISE REIT Tower and ISE REIT Management Company shares have 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.
Preference shares - unlisted	The fair values of Apothecare and Augmentcare shares have 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.
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 summarizes the quantitative information about the significant unobservable inputs used in level 3 fair value measurements of investments:

Description	Fair value September 30, 2026	Fair value December 31, 2025	Unobservable inputs	Sensitivity of inputs
-----Rupees in '000-----				
Ordinary shares - unlisted (ISE REIT Tower)	16,396	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. 1.640 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. 1.366 million in the fair value.
Ordinary shares - unlisted (ISE REIT Management Company)	11,133	-	- 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. 1.113 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. 928 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 fair value movement:

	(Un-audited) September 30, 2026	(Audited) December 31, 2025
----- Rupees in' 000 -----		
Opening balance	37,308	289,259
Impact of adoption of IFRS 9	-	18,634
Remeasurement recognized in Profit and Loss	-	(278,259)
Remeasurement recognized in OCI	195,933	7,674
Closing balance	233,241	37,308

37.3 The Bank's policy is to recognize transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred. 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 September 30, 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.

38.2 Segment Details with respect to Business Activities

For the nine months ended September 30, 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	(6,159,315)	3,083,985	23,449,678	918,738	122,264	(204,211)	942,663	22,153,802
Inter segment revenue - net	21,578,952	913,217	(20,220,427)	-	(156,082)	738,141	(2,853,801)	-
Non mark-up / return / interest income	1,690,283	1,353,477	1,803,081	291,421	(30,787)	535,479	2,554,348	8,197,302
Total Income	17,109,920	5,350,679	5,032,332	1,210,159	(64,605)	1,069,409	643,210	30,351,104
Segment direct expenses	11,872,387	521,909	473,186	288,316	57,449	3,244,604	6,693,954	23,151,805
Inter segment expense allocation	3,062,244	1,014,531	286,683	66,793	26,028	577,235	(5,033,514)	-
Total expenses	14,934,631	1,536,440	759,869	355,109	83,477	3,821,839	1,660,440	23,151,805
(Reversal of) / credit loss allowance and write offs - net	111,303	548,961	41,248	113,422	101,645	7,417	(2,657,120)	(1,733,124)
Profit / (loss) before tax	2,063,986	3,265,278	4,231,215	741,628	(249,727)	(2,759,847)	1,639,890	8,932,423
September 30, 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	12,484,759	306,751	16,134,967	2,677,620	-	296,633	-	31,900,730
Investments	1,309,765	-	366,427,436	4,576,503	1,044,602	-	25,098,790	398,457,096
Net inter segment lending	295,970,950	12,618,713	-	59,025,366	-	13,367,768	-	380,982,797
Lendings to financial institutions	-	-	773,911	3,926,199	-	-	91,601	4,791,711
Advances - performing	101,840,883	108,574,658	2,947,139	4,941,477	-	64,884	5,381,107	223,750,148
Advances - non-performing	2,796,959	1,185,730	-	-	-	5,005	90,270	4,077,964
Others	-	-	-	-	792,000	-	69,949,432	70,741,432
Total Assets	414,403,316	122,685,852	386,283,453	75,147,165	1,836,602	13,734,290	100,611,200	1,114,701,878
Borrowings	7,217,228	5,195,287	23,620,497	-	-	-	-	36,033,012
Subordinated debt	-	-	-	-	-	-	12,389,693	12,389,693
Deposits and other accounts	393,256,440	110,911,355	9,094,984	71,749,891	385,609	12,724,719	-	598,122,998
Net inter segment borrowing	-	6,166,894	353,559,123	-	1,402,203	-	19,854,577	380,982,797
Others	13,929,648	412,316	8,849	3,397,274	48,790	1,009,571	18,751,360	37,557,808
Total Liabilities	414,403,316	122,685,852	386,283,453	75,147,165	1,836,602	13,734,290	50,995,630	1,065,086,308
Equity	-	-	-	-	-	-	49,615,570	49,615,570
Total Equity and Liabilities	414,403,316	122,685,852	386,283,453	75,147,165	1,836,602	13,734,290	100,611,200	1,114,701,878
Contingencies and Commitments	55,838,052	136,646,222	112,748,934	25,803,767	-	-	1,553,579	332,590,554

For the nine months ended September 30, 2025 (Un-audited) - Restated

	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	(9,863,837)	1,390,962	29,266,399	456,071	133,374	(120,548)	(716,590)	20,545,831
Inter segment revenue - net	23,512,322	3,327,786	(24,314,383)	-	(206,846)	442,139	(2,761,018)	-
Non mark-up / return / income	1,940,083	1,339,567	3,720,181	130,634	39,369	587,945	2,955,009	10,712,788
Total income / (loss)	15,588,568	6,058,315	8,672,197	586,705	(34,103)	909,536	(522,599)	31,258,619
Segment direct expenses	11,235,846	579,839	414,494	296,307	64,716	3,392,164	6,427,953	22,411,319
Inter segment expense allocation	2,967,626	890,299	274,606	62,417	24,284	587,278	(4,806,510)	-
Total expenses	14,203,472	1,470,138	689,100	358,724	89,000	3,979,442	1,621,443	22,411,319
Credit loss allowance / (reversal) and write offs - net	676,559	(193,239)	(6,350)	(130,078)	-	27,071	2,808,435	3,182,398
Profit / (loss) before tax	708,537	4,781,416	7,989,447	358,059	(123,103)	(3,096,977)	(4,952,477)	5,664,902

As at December 31, 2025 (Audited) - Restated

	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	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	943,499,913
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

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

	September 30, 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	-	-	-	-	-	3,646,634
Investment redeemed / disposed off during the period	-	-	-	-	(180,000)	(1,435,914)
Deficit during the period - net	-	-	-	-	-	(691,422)
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	20,887,275	89,800	4,160,299
Credit loss allowance / provision 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	-	1,519	383,220	2,640,023	-	9,044,734
Repaid during the period	-	(1,385)	(272,032)	(2,842,857)	(21,315)	(6,249,091)
Transfer in / (out) - net	-	-	(1,234)	-	-	(172,126)
Closing balance	-	259	800,093	595,381	142,233	5,663,200
Credit loss allowance held against advances	-	8	1,470	-	142,233	29,594
Other assets						
Interest mark-up accrued	-	-	1,005	21,156	-	58,744
Receivable against bancassurance	-	-	-	-	-	9,438
Prepaid insurance	-	-	-	-	-	72,494
Advance against investment in securities	-	-	-	-	-	792,000
Receivable from subsidiaries	-	-	-	529	-	-
Receivable from defined benefit plan	-	-	-	-	-	76,161
Mark to market gain on forward foreign exchange contracts	-	-	-	-	-	1,131
Credit loss allowance against other assets	-	-	2	-	-	9,253
Deposits and other accounts						
Opening balance	58,666	27,056	121,035	3,040,658	16,957	7,562,780
Received during the period	2,749,819	50,606	1,567,658	411,532,425	250,739	682,202,973
Withdrawn during the period	(2,795,259)	(53,270)	(1,574,485)	(411,846,662)	(248,598)	(681,616,299)
Transfer in / (out) - net	-	-	(460)	-	(109)	(1,247,901)
Closing balance	13,226	24,392	113,748	2,726,421	18,989	6,901,553
Subordinated debt						
Opening balance	-	-	-	-	-	109,946
Issued / purchase during the period	-	-	-	-	-	236,000
Redeemed / sold during the period	-	-	-	-	-	(18)
Transfer in / (out) - net	-	-	-	-	-	(20,000)
Closing balance	-	-	-	-	-	325,928
Other liabilities						
Interest / return / mark-up payable on deposits	304	-	860	46,489	457	130,310
Interest / return / mark-up payable on subordinated debt	-	-	-	-	-	8,794
Mark to market loss on forward foreign exchange contracts	-	-	-	-	-	185
Mark to market loss on forward government securities transaction	-	-	-	-	-	116
Others Liabilities	-	-	-	1,785	-	-
Contingencies and commitments						
Letter of Guarantee	-	-	-	-	-	248,979
Letter of Credit	-	-	-	-	-	128,926
Commitment in respect of forward foreign exchange contracts	-	-	-	-	-	169,755
Commitment in respect of forward government securities	-	-	-	-	-	482,671

	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 during the period - net	-	-	-	-	-	67,616
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	20,887,275	269,800	2,641,001
Credit loss allowance / provision 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
Subordinated debts						
Opening balance	-	-	-	-	-	109,976
Issued / purchase during the year	-	-	-	-	-	-
Redeemed / sold 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 debt	-	-	-	-	-	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 nine months ended September 30, 2026 (Un-audited)						
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	Rupees in '000					
Income						
Mark-up / return / interest earned	-	16	27,285	62,029	217	324,907
Fee and commission income	-	56	1,295	4,146	-	37,069
Dividend income	-	-	-	2,290,233	-	62,433
Gain / (loss) on sale of securities - net	-	-	16	3	(44,400)	(6,668)
Gain on sale of property and equipment's - net	-	-	-	2,703	-	-
Services rendered to subsidiaries	-	-	-	3,200	-	-
Rent Income	-	-	-	3,349	-	-
Other Income	-	20	300	324	-	-
Expense						
Mark-up / return / interest expensed	1,763	1,477	3,792	154,430	1,274	527,050
Operating expenses						
Compensation	-	-	861,961	-	-	-
Charge for defined contribution plans	-	-	-	-	-	369,366
Charge for defined benefit plans	-	-	-	-	-	148,839
Rent	-	-	-	4,560	-	-
Software Maintenance	-	-	-	-	-	14,822
Directors' fee and allowances	-	14,300	-	-	-	-
Insurance	-	-	-	-	-	221,371
Training and development	-	-	-	396	-	-
Marketing, advertisement and publicity	-	-	-	-	-	-
Consultancy fee	-	-	-	-	-	47,003
Other expenses	1,935	-	-	4,041	-	1,569
Credit loss allowance on:						
Advances	-	(2)	(2,151)	-	(21,315)	27,630
Investment	-	-	-	-	(44,400)	-
Other asset	-	-	(4)	(62)	-	423
Payments made during the period						
Insurance premium paid	-	-	-	-	-	317,833
Insurance claims settled	-	-	-	-	-	99,887
Donation	-	-	-	-	-	123,811
Other Transactions						
Gain on sale of FVOCI securities	-	-	-	-	-	12,199
Sale of Government Securities	-	-	44,858	1,858	-	315,802,988
Purchase of Government Securities	-	-	-	-	-	164,381,241

For the nine months ended September 30, 2025 (Un-audited)						
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	Rupees in '000					
Income						
Mark-up / return / interest earned	-	-	28,019	66,499	-	168,441
Fee and commission income	300	71	1,819	7,417	-	70,913
Dividend income	-	-	-	2,290,233	-	62,433
Gain on sale of securities - net	-	-	-	1,892	-	37,014
Gain on sale of property and equipment's - net	-	-	16	-	-	-
Services rendered to subsidiaries	-	-	-	425,000	-	-
Rent Income	-	-	-	3,797	-	-
Other Income	40	20	340	154	-	-
Expense						
Mark-up / return / interest expensed	4,345	559	3,533	128,622	1,461	379,099
Operating expenses						
Compensation	-	-	785,461	-	-	-
Charge for defined contribution plans	-	-	-	-	-	327,812
Charge for defined benefit plans	-	-	-	-	-	140,494
Rent	-	-	-	-	-	8,481
Software Maintenance	-	-	-	-	-	11,404
Directors' fee and allowances	-	11,250	-	-	-	-
Insurance	-	-	-	-	-	154,431
Training and development	-	-	12,709	-	-	-
Marketing, advertisement and publicity	-	-	-	-	-	2,228
Consultancy fee	-	-	-	-	-	35,609
Other expenses	1,680	827	-	3,254	-	1,093
Credit loss allowance on:						
Advances	-	(1)	2	(143)	(16,013)	1,028
Investment	-	-	-	-	-	-
Other assets	-	-	1	-	-	8,866
Payments made during the period						
Insurance premium paid	-	-	-	-	-	208,357
Insurance claims settled	-	-	-	-	-	96,660
Donation Paid	-	-	-	-	-	120,291
Other transactions						
Gain on sale of FVOCI securities	-	-	-	-	-	-
Sale of Government Securities	-	-	4,003	1,321,784	-	164,129,355
Purchase of Government Securities	-	-	-	453,505	-	7,715,039

	(Un-audited) September 30, 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)	20,506,625	20,506,625
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	25,063,838	20,978,779
Eligible Additional Tier 1 (ADT 1) Capital	2,500,000	2,500,000
Total Eligible Tier 1 Capital	27,563,838	23,478,779
Eligible Tier 2 Capital	8,737,112	7,275,853
Total Eligible Capital (Tier 1 + Tier 2)	36,300,950	30,754,632
Risk Weighted Assets (RWAs):		
Credit Risk	197,019,533	161,741,570
Market Risk	8,513,466	5,255,606
Operational Risk	67,451,656	67,451,656
Total	272,984,655	234,448,832
Common Equity Tier 1 Capital Adequacy ratio	9.18%	8.95%
Tier 1 Capital Adequacy Ratio	10.10%	10.01%
Total Capital Adequacy Ratio	13.30%	13.12%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	27,563,838	23,478,779
Total Exposures	873,331,547	720,521,074
Leverage Ratio	3.16%	3.26%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	304,125,718	303,483,999
Total Net Cash Outflow	131,805,681	107,163,784
Liquidity Coverage Ratio	230.74%	283.20%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	523,294,235	484,703,363
Total Required Stable Funding	372,862,925	288,156,867
Net Stable Funding Ratio	140.34%	168.21%

- 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	9.18%	9.03%
T1 Capital to TRWAs	10.10%	9.95%
Total eligible capital to TRWAs	13.30%	13.09%
Leverage	3.16%	3.11%

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. SUBSEQUENT EVENT

No events were identified other than those disclosed in the respective notes to these unconsolidated condensed interim financial statements.

43. DATE OF AUTHORISATION FOR ISSUE

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



JS BANK LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2026

		(Un-audited) September 30, 2026	(Audited) December 31, 2025
	Note	----- Rupees in '000 -----	
ASSETS			
Cash and balances with treasury banks	6	73,997,432	112,518,691
Balances with other banks	7	5,759,017	6,849,702
Lendings to financial institutions	8	24,491,052	38,838,746
Investments	9	704,477,456	581,458,618
Advances	10	532,016,070	542,341,772
Property and equipment	11	38,382,054	39,242,673
Right-of-use assets	12	9,181,251	8,968,662
Intangible assets	13	12,534,772	12,465,883
Deferred tax assets	14	5,045,521	3,356,645
Other assets	15	85,711,447	69,582,312
Total Assets		1,491,596,072	1,415,623,704
LIABILITIES			
Bills payable	16	13,989,570	17,734,525
Borrowings	17	84,112,914	40,741,188
Deposits and other accounts	18	1,225,132,293	1,199,431,741
Lease liabilities	19	10,428,511	10,055,035
Subordinated debt	20	15,382,938	11,490,890
Deferred tax liabilities		-	-
Other liabilities	21	59,013,028	55,046,690
Total Liabilities		1,408,059,254	1,334,500,069
NET ASSETS		83,536,818	81,123,635
REPRESENTED BY			
Share capital		20,506,625	20,506,625
Reserves		12,379,795	11,087,154
Surplus on revaluation of assets	22	3,089,992	5,529,752
Unappropriated profit		35,017,595	31,287,298
		70,994,007	68,410,829
Non-controlling interest		12,542,811	12,712,806
		83,536,818	81,123,635
CONTINGENCIES AND COMMITMENTS	23		

The annexed notes from 1 to 43 form an integral part of these consolidated condensed interim financial statements.

**President and
Chief Executive Officer**

**Chief Financial
Officer**

Director

Director

Director

JS BANK LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2026

		Quarter ended		Nine Months Ended	
		September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
	Note	----- Rupees in '000 -----			
Mark-up / return / interest / profit earned	25	36,976,091	33,989,719	105,349,702	112,389,765
Mark-up / return / interest / profit expensed	26	19,636,105	19,519,098	55,517,812	65,341,462
Net mark-up / interest income		17,339,986	14,470,621	49,831,890	47,048,303
NON MARK-UP / INTEREST INCOME					
Fee and commission income	27	3,110,556	2,860,379	9,179,342	8,394,152
Dividend income		97,394	86,860	356,092	426,823
Foreign exchange income		772,669	1,292,875	2,828,203	2,683,549
Loss from derivatives		(121,246)	(287,147)	(128,469)	(30,254)
Gain on securities - net	28	556,818	1,317,756	859,826	5,947,305
Net gains / (loss) on derecognition of financial assets measured at amortised cost		-	-	-	-
Share of profit / (loss) from associates		2,136	272,329	(39,382)	384,324
Other income	29	74,232	108,730	293,779	220,704
Total non mark-up / interest income		4,492,559	5,651,782	13,349,391	18,026,603
Total Income		21,832,545	20,122,403	63,181,281	65,074,906
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	30	18,744,171	16,467,595	51,997,637	46,650,667
Workers' welfare fund	31	91,554	93,200	327,115	358,092
Other charges	32	255	137,232	15,254	431,374
Total non-mark-up / interest expenses		18,835,980	16,698,027	52,340,006	47,440,133
Profit before credit loss allowance		2,996,565	3,424,376	10,841,275	17,634,773
(Reversal of) / credit loss allowance and write offs - net	33	(244,614)	116,224	(2,987,274)	2,392,693
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		3,241,179	3,308,152	13,828,549	15,242,080
Taxation	34	2,248,990	2,538,350	8,113,011	9,148,770
PROFIT AFTER TAXATION		992,189	769,802	5,715,538	6,093,310
Attributable to:					
Equity holders of the Holding Company		723,726	567,239	4,880,372	4,640,705
Non-controlling interest		268,463	202,563	835,166	1,452,605
		992,189	769,802	5,715,538	6,093,310
----- Rupees -----					
Earnings per share - basic and diluted	35	0.35	0.27	2.38	2.26

The annexed notes from 1 to 43 form an integral part of these consolidated condensed interim financial statements.

President and
Chief Executive Officer

Chief Financial
Officer

Director

Director

Director

JS BANK LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2026

	Quarter ended		Nine Months Ended	
	September 30,	September 30,	September 30,	September 30,
	2026	2025	2026	2025
	----- Rupees in '000 -----			
Profit after taxation for the period	992,189	769,802	5,715,538	6,093,310
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	(10,888)	(19,084)	(29,062)	19,046
Movement in deficit on revaluation of debt investments through FVOCI - net of tax	(35,921)	(101,588)	(1,566,843)	(1,000,635)
Debt investments at FVOCI – reclassified to profit or loss	(185,513)	(571,268)	(286,725)	(2,337,576)
	(232,322)	(691,940)	(1,882,630)	(3,319,165)
Items that will not be reclassified to profit and loss account in subsequent periods:				
Movement in (deficit) / surplus on revaluation of equity investments - net of tax	(574,371)	786,504	(422,495)	785,551
Movement in surplus on revaluation of property and equipment - net of tax	-	-	(219,927)	-
Total comprehensive (loss) / income	185,496	864,366	3,190,486	3,559,696
Attributable to:				
Equity holders of the Holding Company	(33,698)	625,798	2,614,687	2,784,711
Non-controlling interest	219,194	238,568	575,799	774,985
	185,496	864,366	3,190,486	3,559,696

The annexed notes from 1 to 43 form an integral part of these consolidated condensed interim financial statements.

**President and
Chief Executive Officer**

**Chief Financial
Officer**

Director

Director

Director

JS BANK LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2026

	Attributable to equity holders of the Holding Company								Non-controlling interest	Total
	Share capital	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	5,698,629	1,911,983	523,884	26,121,333	64,380,704	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	76,809,670
Profit after taxation (September 30, 2025)	-	-	-	-	-	-	-	4,640,705	4,640,705	6,093,310
Other comprehensive income / (loss) - net of tax										
Effect of translation of net investment in foreign branch	-	-	19,046	-	-	-	-	-	19,046	19,046
Movement in deficit on revaluation of investments in debt instruments - net of tax	-	-	-	-	(426,709)	-	-	-	(426,709)	(1,000,635)
Debt investments at FVOCI - reclassified to profit or loss	-	-	-	-	(2,057,842)	-	-	-	(2,057,842)	(2,337,576)
Movement in deficit on revaluation of investments in equity instruments - net of tax	-	-	-	-	609,511	-	-	-	609,511	785,551
	-	-	19,046	-	(1,875,040)	-	-	-	(1,855,994)	(677,620)
Transfer to statutory reserve	-	-	-	1,276,539	-	-	-	(1,276,539)	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	(79,420)	(15,664)	95,084	-	-	-
Gain on disposal of equity investments at FVOCI transferred to unappropriated profit	-	-	-	-	(374,843)	-	-	374,843	-	-
Transactions with owners recorded directly in equity										
Final cash dividend to non-controlling interest by subsidiary company at Rs. 1.25 per share	-	-	-	-	-	-	-	-	(344,864)	(344,864)
Interim cash dividend to non-controlling interest by subsidiary at Rs. 1.50 per share	-	-	-	-	-	-	-	-	(413,837)	(413,837)
Opening Balance as at October 01, 2025 (Un-audited) - Restated	20,506,625	2,689,217	676,821	7,547,797	3,461,862	1,832,563	508,220	29,955,426	67,178,531	79,610,665
Profit after taxation	-	-	-	-	-	-	-	1,186,275	1,186,275	259,643
Other comprehensive income / (loss) - net of tax										
Effect of translation of net investment in foreign branch	-	-	(11,063)	-	-	-	-	-	(11,063)	(11,063)
Movement in deficit on revaluation of investments in debt instruments - net of tax	-	-	-	-	(263,946)	-	-	-	(263,946)	(409,775)
Debt investments at FVOCI - reclassified to profit or loss	-	-	-	-	(577,353)	-	-	-	(577,353)	(764,490)
Movement in (deficit) / surplus on revaluation of investments in equity instruments- net of tax	-	-	-	-	(15,551)	-	-	-	(15,551)	(4,182)
Remeasurement gain / (loss) on defined benefit obligations - net of tax	-	-	-	-	-	-	-	5,587	5,587	(2,395)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	1,059,335	-	-	1,059,335	1,410,268
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	(150,986)	-	(150,986)	(151,311)
	-	-	(11,063)	-	(856,850)	1,059,335	(150,986)	5,587	46,023	67,052
Transfer to statutory reserve	-	-	-	184,382	-	-	-	(184,382)	-	-
Transfer from surplus on revaluation of assets to unappropriated profits - net of tax	-	-	-	-	(248,510)	(21,169)	269,679	-	-	-
Gain on disposal of equity investments at FVOCI transferred to unappropriated profit	-	-	-	-	(54,713)	-	-	54,713	-	-
Opening Balance as at January 01, 2026	20,506,625	2,689,217	665,758	7,732,179	2,550,299	2,643,388	336,065	31,287,298	66,410,829	81,123,635
Impact of adoption of IFRS 9 - net of tax (note 3.1.1)	-	-	-	-	(2,680)	-	-	(15,922)	(18,602)	(18,602)
Balance as at January 01, 2026 after adoption of IFRS 9	20,506,625	2,689,217	665,758	7,732,179	2,547,619	2,643,388	336,065	31,271,376	66,392,227	81,105,033
Profit after taxation for the current period	-	-	-	-	-	-	-	4,880,372	4,880,372	5,715,538
Other comprehensive (loss) / income - net of tax										
Effect of translation of net investment in foreign branch	-	-	(29,062)	-	-	-	-	-	(29,062)	(29,062)
Movement in deficit on revaluation of investments in debt instruments - net of tax	-	-	-	-	(1,345,803)	-	-	-	(1,345,803)	(1,566,843)
Debt investments at FVOCI - reclassified to profit or loss	-	-	-	-	(286,765)	-	-	-	(286,765)	(286,725)
Movement in deficit on revaluation of investments in equity instruments- net of tax	-	-	-	-	(397,035)	-	-	-	(397,035)	(422,495)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	(219,927)	-	-	(219,927)	(219,927)
	-	-	(29,062)	-	(2,029,603)	(219,927)	-	-	(2,278,592)	(2,525,052)
Transfer to statutory reserve	-	-	-	1,321,703	-	-	-	(1,321,703)	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	(90,880)	(1,829)	92,709	-	-	-
Gain on disposal of equity investments at FVOCI transferred to unappropriated profit	-	-	-	-	(94,841)	-	-	94,841	-	-
Transactions with owners recorded directly in equity										
Final cash dividend to non-controlling interest by subsidiary at Rs. 1.25 per share	-	-	-	-	-	-	-	-	(344,864)	(344,864)
Interim cash dividend to non-controlling interest by subsidiary at Rs. 1.50 per share	-	-	-	-	-	-	-	-	(413,837)	(413,837)
Balance as at September 30, 2026 (Un-audited)	20,506,625	2,689,217	636,696	9,053,882	423,175	2,332,581	334,236	35,017,595	70,994,007	83,536,818

The annexed notes from 1 to 43 form an integral part of these consolidated condensed interim financial statements.

President and
Chief Executive Officer

Chief Financial
Officer

Director

Director

Director

JS BANK LIMITED
CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2026

		September 30, 2026	September 30, 2025
	Note	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		13,828,549	15,242,080
Less: Dividend income		(356,092)	(426,823)
Share of (profit) / loss from associates		39,382	(384,324)
		<u>13,511,839</u>	<u>14,430,933</u>
Adjustments:			
Net mark-up / interest income		(50,852,172)	(48,061,397)
Depreciation on property and equipment	30	3,241,634	2,699,691
Depreciation on non-banking assets	30	30,203	31,964
Depreciation on right-of-use assets	30	2,824,373	2,462,526
Amortisation	30	1,054,326	768,922
(Reversal of) / credit loss allowance and write offs - net		(2,809,287)	2,392,693
Gain on sale of property and equipment - net	29	(54,966)	(65,579)
Gain on sale of non-banking asset - net	29	(25,032)	(20,896)
Gain on termination of leases - net	29	(26,569)	(15,804)
Gain on termination of Islamic financing	29	(61,054)	(54,105)
Finance charges on leased assets	26	1,020,282	1,013,094
Charge for defined benefit plan		294,751	405,932
Unrealised gain on revaluation of investments measured at FVPL - net	28	(72,417)	(25,172)
Provision for workers' welfare fund		327,115	358,092
		<u>(45,108,813)</u>	<u>(38,110,039)</u>
		<u>(31,596,974)</u>	<u>(23,679,106)</u>
(Increase) / decrease in operating assets			
Lendings to financial institutions		14,351,363	(6,760,752)
Securities measured at FVPL		(25,323,226)	3,945,364
Advances		11,232,471	74,760,411
Other assets (excluding current taxation and mark-up receivable)		(6,530,038)	(38,874,646)
		<u>(6,269,430)</u>	<u>33,070,377</u>
Increase / (decrease) in operating liabilities			
Bills payable		(3,744,955)	(10,166,050)
Borrowings		39,451,915	(21,002,979)
Deposits and other accounts		25,700,552	77,448,137
Other liabilities (excluding current taxation and mark-up payable)		286,626	11,727,186
		<u>61,694,138</u>	<u>58,006,294</u>
		<u>23,827,734</u>	<u>67,397,565</u>
Mark-up / return / interest received		94,844,759	110,591,781
Mark-up / return / interest paid		(51,519,797)	(66,535,023)
Income tax paid		(8,239,856)	(13,051,992)
Net cash flows generated from operating activities		<u>58,912,840</u>	<u>98,402,331</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Net investments in securities measured at amortised cost		(114,226,501)	87,735,552
Net investments in securities measured at FVOCI		14,757,197	(168,454,395)
Net investments in associates		542,966	205,949
Dividend received		356,092	426,823
Acquisition of property and equipment		(2,781,708)	(10,945,764)
Acquisition of intangible assets		(1,124,700)	(1,399,677)
Proceeds from sale of property and equipment		412,108	121,259
Proceeds from sale of non-banking assets		151,410	109,500
Proceeds from termination of Islamic financing		61,054	36,653
Effect of translation of net investment in foreign branch		(29,062)	19,046
Net cash flows used in investing activities		<u>(101,881,144)</u>	<u>(92,145,054)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of subordinated debt		3,940,557	(2,690)
Payments of lease obligations against right-of-use assets		(3,331,772)	(1,614,190)
Dividend paid to non-controlling interest		(679,999)	(758,701)
Net cash flows generated / (used in) from financing activities		<u>(71,214)</u>	<u>(2,375,581)</u>
(Decrease) / Increase in cash and cash equivalents		<u>(43,039,518)</u>	<u>3,881,696</u>
Cash and cash equivalents at beginning of the period		119,196,474	88,030,945
Effect of exchange rate changes on cash and cash equivalents		(763,241)	238,752
		<u>118,433,233</u>	<u>88,269,697</u>
Cash and cash equivalents at end of the period	36	<u>75,393,715</u>	<u>92,151,393</u>

The annexed notes from 1 to 43 form an integral part of these consolidated condensed interim financial statements.

President and
Chief Executive Officer

Chief Financial
Officer

Director

Director

Director

JS BANK LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2026

1. STATUS AND NATURE OF BUSINESS

1.1 The Group consists of:

Holding Company: JS Bank Limited

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

The Holding Company 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 Holding Company 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.

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

1.3 Composition of the Group

	Effective Holding	
	September 30, 2026	December 31, 2025
Subsidiaries		
JS Global Capital Limited (JSGCL)	92.90%	92.90%
JS Investments Limited (JSIL)	84.73%	84.73%
BankIslami Pakistan Limited (BIPL)	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 Group

Omar Jibran Engineering Industries Limited	-	9.60%
Veda Transit Solutions (Private) Limited	3.92%	3.92%
Intercity Touring Company (Private) Limited	9.12%	9.12%
Shakarganj Food Products Limited	27.33%	27.33%
KASB Funds Limited	32.97%	32.97%

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

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 include financial statements of JS Bank Limited and its subsidiary companies, and share of the profit / reserves of associates.

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 financial statements continue to be prepared on the going concern basis.

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 consolidated condensed interim financial statements include the financial statements of the Holding Company 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 IFRS 10 is not applicable in case of investment by companies in mutual funds established under Trust structure.
- 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 unconsolidated condensed interim financial statements of the subsidiary companies are prepared for the same reporting year as the Group 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 Holding Company.
- Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Associates are accounted for using the equity method as disclosed in note 4.5 of the annual consolidated financial statements for the year ended December 31, 2025.
- 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 condensed interim financial statements.

Certain amendments to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments' have become applicable to the Bank, which clarify the timing of recognition and derecognition of a financial asset or financial liability. These amendments do not have any significant impact and, accordingly, have not been separately disclosed in these unconsolidated condensed interim financial statements. The Bank will assess and incorporate the application and impact of these amendments in its financial statements for the year ending December 31, 2026.

2.4 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
Amendments to IAS 28 'Investments in Associates' - Amendments to the Fair Value Option for Investments in Associates and Joint Ventures	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
IFRS 17 Insurance Contracts	January 01, 2027

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

IFRS 20 'Regulatory Assets and Regulatory Liabilities' has been issued by IASB effective from January 01, 2029. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

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 Group 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 Holding Company an extension for the application of Effective Interest Rate (EIR) methodology up to December 31, 2025. Accordingly, during the current period, the Holding Company has applied EIR with effect from January 01, 2026 and the cumulative impact of EIR adoption amounting to Rs. 18.602 million, net of tax, has been recorded as an adjustment to equity at the beginning of the current period.

To account for the changes, the Holding Company has elected to follow the modified retrospective approach for restatement as allowed under IFRS 9. The cumulative impact has been recorded as an adjustment to equity as of January 01, 2026. Accordingly, the information presented as of December 31, 2025 and for the nine months and six months ended September 30, 2025 and June 30, 2025 respectively has not been restated.

The following table reconciles the carrying amounts of financial instruments reported in accordance with the previous financial reporting framework with the carrying amounts reported under the new financial reporting framework.

Financial Assets / Liabilities	Carrying amount as of December 31, 2025	EIR impact	Carrying amount as of January 01, 2026
	----- Rupees in '000 -----		
Cash and balances with treasury banks	112,518,691	-	112,518,691
Balances with other banks	6,849,702	-	6,849,702
Lending to financial institutions	38,838,746	-	38,838,746
Investments	581,458,618	(14,435)	581,444,183
Advances	542,341,772	(51,278)	542,290,494
Other assets	18,735,236	(28,339)	18,706,897
Total financial assets	1,300,742,765	(94,052)	1,300,648,713
Bills payable	17,734,525	-	17,734,525
Borrowings	40,741,188	(488)	40,740,700
Deposits and other accounts	1,199,431,741	-	1,199,431,741
Lease liabilities	10,055,035	-	10,055,035
Subordinated debt	11,490,890	(54,810)	11,436,080
Other liabilities	10,839,557	-	10,839,557
Total financial liabilities	1,290,292,936	(55,298)	1,290,237,638
Net financial assets	10,449,829	(38,754)	10,411,075
Non financial assets	67,317,161	-	67,317,161
Deferred tax assets	3,356,645	20,152	3,376,797
Total net assets	81,123,635	(18,602)	81,105,033

3.1.2 Reconciliation of retained earnings

The impact of EIR on retained earnings as at January 01, 2026 is as follows:

-- Rupees in '000 --

Retained earnings

Closing balance as at December 31, 2025 - as reported	31,287,298
Impact of EIR	(33,170)
Less: related tax	17,248
Opening balance as at January 01, 2026 - as restated	<u>31,271,376</u>

Surplus on revaluation of investments

Closing balance as at December 31, 2025 - as reported	2,550,299
Impact of EIR	(5,584)
Less: related tax	2,904
Opening balance as at January 01, 2026 - as restated	<u>2,547,619</u>

- 3.1.3** State Bank of Pakistan (SBP) adopted requirements of IFRS 9 along with the application instructions through BPRD Circular No. 07 of 2023, dated April 13, 2023, but deferred certain requirements. Islamic banking institutions have been allowed to follow Islamic Financial Accounting Standards (IFAS) 1 & 2 where applicable and continue existing accounting practices for other Islamic products until further instructions. Had IFRS 9 been adopted for revenue recognition related to Islamic financing, related assets and advances, the unappropriated profit of the Holding Company's banking subsidiary, BankIslami Pakistan Limited (BIPL) as at September 30, 2026 would have been higher by Rs. 445.329 million (net of tax).

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

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.

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) September 30, 2026	(Audited) December 31, 2025
	----- Rupees in '000 -----	
6. CASH AND BALANCES WITH TREASURY BANKS		
In hand		
Local currency	22,598,529	23,367,414
Foreign currencies	1,786,940	1,796,258
	<u>24,385,469</u>	<u>25,163,672</u>
With State Bank of Pakistan in		
Local currency current accounts	37,785,148	74,459,115
Foreign currency current accounts	1,302,438	1,274,560
Foreign currency deposit accounts	6,422,993	6,649,045
	<u>45,510,579</u>	<u>82,382,720</u>
With National Bank of Pakistan in local currency current accounts	4,143,951	4,967,376
Prize Bonds	5,669	6,385
	<u>74,045,668</u>	<u>112,520,153</u>
Less: Credit loss allowance held against cash and balances with treasury banks (stage 1)	(48,236)	(1,462)
Cash and balances with treasury banks - net of credit loss allowance	<u>73,997,432</u>	<u>112,518,691</u>
7. BALANCES WITH OTHER BANKS		
In Pakistan		
In current accounts	597,317	98,998
In deposit accounts	146,143	491,318
	<u>743,460</u>	<u>590,316</u>
Outside Pakistan		
In current accounts	4,159,374	5,618,534
In deposit accounts	858,310	643,117
	<u>5,017,684</u>	<u>6,261,651</u>
Less: Credit loss allowance held against balances with other banks (stage 1)	(2,127)	(2,265)
Balances with other banks - net of credit loss allowance	<u>5,759,017</u>	<u>6,849,702</u>
8. LENDINGS TO FINANCIAL INSTITUTIONS		
Call / clean money lendings	4,018,159	-
Reverse repo agreements	-	15,944,886
Lending under margin trading system	773,912	3,898,296
Bai Muajjal receivable	19,699,748	-
	<u>24,491,819</u>	<u>19,843,182</u>
Unsecured		
Bai Muajjal receivable	-	19,000,000
	<u>24,491,819</u>	<u>38,843,182</u>
Less: Credit loss allowance held against lending to financial institutions (stage 1)	(767)	(4,436)
Lendings to financial institutions - net of credit loss allowance	<u>24,491,052</u>	<u>38,838,746</u>

8.1 Lending to Financial Institutions - Particulars of credit loss allowance

		(Un-audited) September 30, 2026	(Audited) December 31, 2025
Category of classification		Lending	Credit loss allowance held
		Lending	Credit loss allowance held
----- Rupees in '000 -----			
Domestic			
Performing	Stage 1	24,491,819	767
Total		<u>24,491,819</u>	<u>767</u>
		38,843,182	4,436
		<u>38,843,182</u>	<u>4,436</u>

9. INVESTMENTS

		September 30, 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	Investments by type	Rupees in '000							
	Debt Instruments								
	Classified / Measured at amortised cost								
9.1.1	Federal Government Securities	147,617,785	-	-	147,617,785	33,636,907	-	-	33,636,907
	Non Government Debt securities	223,200	-	-	223,200	-	-	-	-
		147,840,985	-	-	147,840,985	33,636,907	-	-	33,636,907
	Classified / Measured at FVOCI								
	Federal Government securities	507,919,233	-	398,421	508,317,654	506,045,375	-	4,084,204	510,129,579
	Non Government Debt securities	3,330,821	(932,769)	(1,732)	2,396,320	4,060,293	(824,427)	17,055	3,252,921
	Foreign securities	4,333,346	(133)	(88,754)	4,244,459	22,609,049	(197)	73,859	22,682,711
		515,583,400	(932,902)	307,935	514,958,433	532,714,717	(824,624)	4,175,118	536,065,211
	Classified / Measured at FVPL								
	Federal Government securities	25,797,844	-	153,799	25,951,643	1,444,974	-	12,588	1,457,562
	Non Government Debt securities	125,000	-	-	125,000	126,688	-	(1,688)	125,000
	Foreign securities	357,913	-	(25,876)	332,037	363,201	-	(1,489)	361,712
		26,280,757	-	127,923	26,408,680	1,934,863	-	9,411	1,944,274
	Instruments mandatorily classified / measured at FVPL								
	Non Government Debt Securities	150,000	-	(3,630)	146,370	50,000	-	-	50,000
	Equity Instruments								
	Classified / Measured at FVOCI (Non-Reclassifiable)								
	Shares - Listed	10,761,772	-	1,316,569	12,078,341	4,555,391	-	2,611,909	7,167,300
	Shares - Unlisted	411,006	-	(139,541)	271,465	410,894	-	(336,631)	74,263
		11,172,778	-	1,177,028	12,349,806	4,966,285	-	2,275,278	7,241,563
	Classified / Measured at FVPL								
	Shares - Listed	1,145,274	-	(23,578)	1,121,696	344,227	-	29,565	373,792
	Shares - Unlisted	265	-	-	265	265	-	-	265
	Mutual Funds	97,669	-	(7,997)	89,672	38,755	-	4,966	43,721
	REIT Funds	89,333	-	40,440	129,773	52,179	-	36,582	88,761
		1,332,541	-	8,865	1,341,406	435,426	-	71,113	506,539
	Associates	2,492,020	(1,060,244)	-	1,431,776	3,074,368	(1,060,244)	-	2,014,124
	Total Investments	704,852,481	(1,993,146)	1,618,121	704,477,456	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 September 30, 2026 amounted to Rs. 145,001.579 million (December 31, 2025: Rs. 33,709.882 million).

		(Un-audited)		(Audited)	
		September 30, 2026	December 31, 2025	Cost	Market value
9.2	Investments given as collateral	Rupees in '000			
	Federal Government Securities				
	Market Treasury Bills	3,822,650	3,812,170	484,782	485,489
	Pakistan Investment Bonds	4,902,094	4,921,350	3,452,225	3,484,055
	Government of Pakistan Ijarah Sukuks	35,561,800	36,007,552	5,261,800	5,261,800
		44,286,544	44,741,072	9,198,807	9,231,344

		(Un-audited)		(Audited)	
		September 30, 2026	December 31, 2025	Cost	Market value
9.3	Credit loss allowance / provision for diminution in value of investments	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		(2)		1,889
	Charge for the period / year other than associates		146,046		109
	Provision for diminution on associate for the period / year		-		127,656
	Reversals for the period / year		(37,738)		(339,743)
	Reversal on disposals		(28)		(211,978)
			108,280		(169,523)
	Amounts written off		-		-
	Closing balance		1,993,146		1,884,868

			(Un-audited)		(Audited)	
			September 30, 2026	December 31, 2025	Outstanding amount	Credit loss allowance held
9.3.1	Particulars of credit loss allowance against debt securities		Rupees in '000			
	Category of classification					
	Domestic					
	Performing	Stage 1	1,834,664	202	2,485,301	157
	Under-performing	Stage 2	-	-	-	-
	Non-performing	Stage 3	-	-	-	-
	Substandard		181,956	-	-	-
	Doubtful		-	-	-	-
	Loss		1,537,401	932,567	1,574,992	824,270
			1,719,357	932,567	1,574,992	824,270
			3,554,021	932,769	4,060,293	824,427
	Overseas					
	Performing	Stage 1	4,333,346	133	22,609,049	197
	Under-performing	Stage 2	-	-	-	-
	Non-performing	Stage 3	-	-	-	-
	Substandard		-	-	-	-
	Doubtful		-	-	-	-
	Loss		-	-	-	-
			4,333,346	133	22,609,049	197
	Total		7,887,367	932,902	26,669,342	824,624

9.3.2 Debt securities amounting to Rs. 655,537.018 million (December 31, 2025: Rs. 539,683.282 million) relate to government securities that are exempt from the calculation of ECL by the SBP.

9.3.3 The State Bank of Pakistan through various circulars has allowed benefit of the forced sale value (FSV) of mortgaged residential, commercial and industrial properties (land and building only) held as collateral against non-performing investments (NPIs) for a maximum of five years from the date of classification. As at September 30, 2026, the Holding Company has availed cumulative FSV benefit under the directives of the SBP of Rs. 328.584 million (December 31, 2025: Rs. 474.471 million).

The additional profit arising from availing the FSV benefit - net of tax amounts to Rs. 157.720 million (December 31, 2025: Rs. 227.746 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.

9.4 Investment in associates

9.4.1 Movement of Investment in associates

September 30, 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) during the period	Dividend received during the period	Share of other comprehensive income during the period	Investment as at September 30, 2026
Rupees in '000								
Omar Jibran Engineering Industries Limited	Pakistan	9.60%	135,600	-	(135,600)	-	-	-
JS Cash Fund	Pakistan	0.14%	4,356	-	32	2,239	(2)	6,625
JS Government Securities Fund	Pakistan	0.00%	37,723	-	(38,622)	899	-	-
JS Growth Fund	Pakistan	5.55%	-	-	215,910	3,595	-	219,505
JS Income Fund	Pakistan	0.00%	580,309	-	(589,424)	9,115	-	-
JS Islamic Fund	Pakistan	0.00%	48,969	-	(41,198)	(7,771)	-	-
JS Islamic Income Fund	Pakistan	13.10%	-	-	122,891	7,239	(846)	129,284
JS KPK Islamic Pension Fund - Debt Sub Fund	Pakistan	100.00%	500	-	-	-	-	500
JS KPK Islamic Pension Fund - Equity Sub Fund	Pakistan	100.00%	500	-	-	-	-	500
JS KPK Islamic Pension Fund - MM Sub Fund	Pakistan	15.51%	40,850	-	-	3,047	-	43,897
JS KPK Islamic Pension Fund -Equity Index Sub Fund	Pakistan	100.00%	500	-	-	-	-	500
JS KPK Pension Fund - Debt Sub Fund	Pakistan	100.00%	500	-	-	-	-	500
JS KPK Pension Fund - Equity Sub Fund	Pakistan	100.00%	500	-	-	-	-	500
JS KPK Pension Fund - MM Sub Fund	Pakistan	58.53%	41,562	-	-	3,004	-	44,566
JS KPK Pension Fund - Equity Index Sub Fund	Pakistan	100.00%	500	-	-	-	-	500
JS Balochistan Islamic Pension Fund-Money Market S	Pakistan	100.61%	-	-	500	3	-	503
JS Balochistan Pension Fund-Money Market Sub Fund	Pakistan	100.00%	-	-	500	9	-	509
JS Large Cap Fund	Pakistan	4.70%	259,340	-	(56,522)	(63,460)	-	139,358
JS Microfinance Sector Fund	Pakistan	0.84%	233,117	-	83,566	25,128	-	341,811
JS Momentum Factor Exchange Traded Fund	Pakistan	21.77%	257,498	-	38,709	(28,701)	(21,512)	245,994
JS Money Market Fund	Pakistan	0.26%	118,970	-	(100,255)	8,700	(66)	27,349
JS Motion Picture Fund	Pakistan	100.00%	82,060	-	-	6,090	-	88,150
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	-	-	23	-	523
JS Punjab Islamic Pension Fund - Debt Sub Fund	Pakistan	100.00%	-	-	500	-	-	500
JS Punjab Pension Fund - Debt Sub Fund	Pakistan	100.00%	-	-	500	-	-	500
JS Punjab Pension Fund Equity Index Sub Fund	Pakistan	100.00%	-	-	500	-	-	500
JS Punjab Pension Fund Equity Active Sub Fund	Pakistan	100.00%	-	-	500	-	-	500
JS Punjab Islamic Pension Fund Equity Fund	Pakistan	100.00%	-	-	500	-	-	500
JS Rental REIT Fund	Pakistan	6.05%	129,638	-	679	7,372	-	137,689
Unit Trust of Pakistan	Pakistan	0.00%	40,132	-	(24,206)	(15,926)	-	-
			2,014,124	-	(520,540)	(39,382)	(22,426)	1,431,776

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) during the year	Dividend received during the year	Share of other comprehensive income during the year	Investment as at December 31, 2025
Rupees in '000								
Omar Jibran Engineering Industries Limited	Pakistan	9.60%	184,354	-	-	(48,754)	-	135,600
JS Cash Fund	Pakistan	0.03%	1,550,943	-	(1,580,786)	34,320	(121)	4,356
JS Fixed Term Munafa Plan-10	Pakistan	0.00%	301,890	-	(322,230)	20,340	-	-
JS Fund of Funds	Pakistan	0.00%	423,005	-	(418,358)	(4,647)	-	-
JS Government Securities Fund	Pakistan	0.40%	-	-	(8,007)	46,764	(1,034)	37,723
JS Growth Fund	Pakistan	0.00%	127,316	-	(192,957)	65,953	(312)	-
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 Islamic Income Fund	Pakistan	0.00%	-	-	(1,704)	1,704	-	-
JS Islamic Money Market Fund	Pakistan	0.00%	-	-	(1,090)	1,090	-	-
(Formerly: JS Islamic Daily Dividend Fund)	Pakistan	100.00%	500	-	-	-	-	500
JS KPK Islamic Pension Fund - Debt Sub Fund	Pakistan	100.00%	500	-	-	-	-	500
JS KPK Islamic Pension Fund - Equity Sub Fund	Pakistan	15.51%	37,124	-	-	3,726	-	40,850
JS KPK Islamic Pension Fund - MM 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 - Debt Sub Fund	Pakistan	100.00%	500	-	-	-	-	500
JS KPK Pension Fund - Equity Sub Fund	Pakistan	58.53%	37,274	-	-	4,288	-	41,562
JS KPK Pension Fund - MM Sub Fund	Pakistan	100.00%	500	-	-	-	-	500
JS KPK Pension Fund -Equity Index Sub Fund	Pakistan	7.36%	-	-	168,855	90,485	-	259,340
JS Large Cap Fund	Pakistan	0.69%	-	-	219,797	13,339	(19)	233,117
JS Microfinance Sector Fund	Pakistan	23.55%	-	-	225,641	61,935	(30,078)	257,498
JS Momentum Factor Exchange Traded Fund	Pakistan	3.94%	-	-	115,000	3,970	-	118,970
JS Motion Picture Fund	Pakistan	100.00%	81,920	-	-	7,692	(7,552)	82,060
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 Rental REIT Fund	Pakistan	5.62%	-	-	130,000	(362)	-	129,638
Unit Trust of Pakistan	Pakistan	1.41%	-	-	(36,311)	76,443	-	40,132
			2,746,826	-	(1,110,755)	418,902	(40,849)	2,014,124

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

	As at	September 30, 2026 (Un-audited)				December 31, 2025 (Audited)			
		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, 2025	3,046,698	4,566,504	3,285,870	(893,370)	4,242,630	3,236,774	2,468,979	(80,262)
Shakarganj Food Products Limited	Sep 30, 2025	8,983,095	5,409,771	8,482,240	(980,687)	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 Balochistan Islamic Pension Fund-Money Market S	Sep 30, 2026	1,384	881	6	3	-	-	-	-
JS Balochistan Pension Fund-Money Market Sub Fund	Sep 30, 2026	1,430	921	9	9	-	-	-	-
JS Cash Fund	Sep 30, 2026	4,746,885	12,723	133,803	113,943	13,118,970	43,465	402,447	364,891
JS Government Securities Fund	Sep 30, 2026	7,540,717	19,620	148,248	130,173	9,596,218	65,827	594,426	507,647
JS Growth Fund	Sep 30, 2026	4,118,488	166,324	(374,520)	(415,506)	-	-	-	-
JS Income Fund	Sep 30, 2026	3,061,064	12,408	65,304	49,546	4,615,120	78,148	424,222	352,337
JS Islamic Income Fund	Sep 30, 2026	990,178	3,116	23,726	22,577	-	-	-	-
JS Islamic Fund	Sep 30, 2026	555,320	15,233	(66,196)	(74,302)	589,971	12,794	157,928	143,804
JS KPK Islamic Pension Fund - Debt Sub Fund	Sep 30, 2026	635	135	-	-	635	135	-	-
JS KPK Islamic Pension Fund - Equity Sub Fund	Sep 30, 2026	635	135	-	-	635	135	-	-
JS KPK Islamic Pension Fund - MM Sub Fund	Sep 30, 2026	863,724	888	21,298	20,658	264,066	622	10,963	9,997
JS KPK Islamic Pension Fund -Equity Index Sub Fund	Sep 30, 2026	635	135	-	-	635	135	-	-
JS KPK Pension Fund - Debt Sub Fund	Sep 30, 2026	635	135	-	-	635	135	-	-
JS KPK Pension Fund - Equity Sub Fund	Sep 30, 2026	635	135	-	-	635	135	-	-
JS KPK Pension Fund - MM Sub Fund	Sep 30, 2026	109,246	687	2,766	2,539	71,581	568	4,223	3,618
JS KPK Pension Fund -Equity Index Sub Fund	Sep 30, 2026	635	135	-	-	635	135	-	-
JS Large Cap Fund	Sep 30, 2026	3,029,561	37,460	(267,908)	(299,899)	3,560,402	37,515	1,089,715	1,022,623
JS Microfinance Sector Fund	Sep 30, 2026	40,981,543	155,538	1,571,898	1,425,465	33,858,882	145,335	1,290,845	151,252
JS Momentum Factor Exchange Traded Fund	Sep 30, 2026	1,144,161	14,148	18,308	6,666	1,096,928	3,653	288,127	269,193
JS Money Market Fund	Sep 30, 2026	10,554,336	9,851	265,635	261,015	3,022,956	6,146	114,854	108,986
JS Motion Picture Fund	Jun 30, 2026	86,480	657	8,719	7,699	82,247	183	4,284	3,939
JS Punjab Islamic Pension Fund - MM Sub Fund	Sep 30, 2026	1,751	1,238	10	8	-	-	-	-
JS Punjab Pension Fund - MM Sub Fund	Sep 30, 2026	1,711	1,188	10	8	-	-	-	-
JS Punjab Islamic Pension Fund - Debt Sub Fund	Sep 30, 2026	510	10	-	-	-	-	-	-
JS Punjab Pension Fund - Debt Sub Fund	Sep 30, 2026	510	10	-	-	-	-	-	-
JS Punjab Pension Fund Equity Index Sub Fund	Sep 30, 2026	510	10	-	-	-	-	-	-
JS Punjab Pension Fund Equity Active Sub Fund	Sep 30, 2026	510	10	-	-	-	-	-	-
JS Punjab Islamic Pension Fund Equity Fund	Sep 30, 2026	510	10	-	-	-	-	-	-
JS Rental REIT Fund	Sep 30, 2026	2,478,735	195,318	31,335	759	2,468,744	162,579	33,432	(56,580)
Unit Trust of Pakistan	Dec 31, 2025	-	-	-	-	2,863,596	26,316	856,717	807,762

9.5 As previously disclosed as part of the Group's consolidated condensed interim financial statements for the half year ended June 30, 2025, the Holding Company held an overdue principal exposure amounting to Rs. 2,590,565 million extended to a borrower, alongside accrued mark-up receivable and other recoverable amounts, which was fully collateralized through liquid equity shares. Post default, resulting from non-payments, the Holding Company had exercised its due right and enforced the pledge call. However, transfer of ownership of the pledged shares in the Holding Company's name remained pending due to certain legal constraints and ongoing litigations at the time. Accordingly, the exposure was classified as loss, and the Holding Company recognised a 100% credit loss allowance against the same.

During the quarter ended June 30, 2026, legal constraints restricting transfer in the Holding Company's name were successfully resolved pursuant to a favourable order passed by the relevant Court, enabling the Holding Company to affect the transfer of the said shares on May 21, 2026. Accordingly, the beneficial ownership of 81,358,289 shares was duly transferred to the Holding Company towards the recovery of the outstanding liabilities.

Following the transfer, the recovered collateral, comprising ordinary shares of TRG Pakistan Limited ("TRGPL") was apportioned between the Holding Company and its subsidiary, JS Global Capital Limited ("JSGCL"), pursuant to cross-default and general lien provisions. Initially, 57,956,681 shares were recognized as direct listed equity investments by the Holding Company, fully settling the borrower's direct exposure at the Holding Company, resulting in the reversal of the corresponding credit loss allowance. The remaining 23,401,608 shares were allocated to settle liabilities owed by the borrowers and its affiliates to JSGCL and held in custody under a share custody agreement executed on July 27, 2026.

During the quarter ended September 30, 2026, an addendum to the custody agreement was executed to reflect extended obligations of the pledgor towards JSGCL, whereby an additional 3,545,039 shares were reallocated from the Holding Company's investment portfolio to the subsidiary's custodial account. Consequently, as at September 30, 2026, the Holding Company holds 54,411,642 shares recognized as listed equity investments at fair value in its consolidated statement of financial position, while 26,946,647 shares are held strictly in a fiduciary and custodial capacity on behalf of JSGCL.

At present, due to certain ongoing litigations, the Holding Company is restricted to affect sale of the said shares. While these administrative stays restrict liquidation or disposal temporarily, as per legal advice, this does not affect or impair the Holding Company's perfected title and beneficial ownership. The management is actively pursuing legal recourse and remains confident that the disposal restrictions will be set aside in due course.

10. ADVANCES

Note

Loans, cash credits, running finances, etc.		223,845,781	234,958,013	23,452,711	27,231,091	247,298,492	262,189,104
Bills discounted and purchased		7,926,383	17,979,708	969,419	1,052,359	8,895,802	19,032,067
Islamic financing and related assets	10.4	310,849,056	299,514,421	16,050,467	16,922,520	326,899,523	316,436,941
Advances - gross		542,621,220	552,452,142	40,472,597	45,205,970	583,093,817	597,658,112
Credit loss allowance against advances							
- Stage 1		(3,323,691)	(3,793,938)	-	-	(3,323,691)	(3,793,938)
- Stage 2		(1,492,884)	(1,302,475)	-	-	(1,492,884)	(1,302,475)
- Stage 3		-	-	(35,261,735)	(38,842,682)	(35,261,735)	(38,842,682)
	10.6	(4,816,575)	(5,096,413)	(35,261,735)	(38,842,682)	(40,078,310)	(43,939,095)
Modification loss due to IFRS 9		(61,382)	(67,991)	-	-	(61,382)	(67,991)
Fair value adjustment	10.2 and 10.3	(10,938,055)	(11,309,254)	-	-	(10,938,055)	(11,309,254)
Advances - net of credit loss allowance		526,805,208	535,978,484	5,210,862	6,363,288	532,016,070	542,341,772

10.1 Particulars of advances (gross)

In local currency	560,286,569	576,640,318
In foreign currencies	22,807,248	21,017,794
	583,093,817	597,658,112

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.

	September 30, 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	73,004,254	1,948,463	74,952,717	75,864,281	1,444,955	77,309,236
Diminishing Musharakah financing and related assets - others	86,750,446	3,921,514	90,671,960	90,955,249	4,039,670	94,994,919
Diminishing Musharakah - Housing	26,652,653	1,374,237	28,026,890	21,446,826	1,756,203	23,203,029
Istisna financing and related assets	23,930,524	2,972,202	26,902,726	29,391,392	3,533,832	32,925,224
Diminishing Musharakah financing and related assets - Auto	37,757,388	700,711	38,458,099	26,385,709	678,921	27,064,630
Murabahah financing and related assets	25,175,599	992,665	26,168,264	27,888,608	958,175	28,846,783
Musawamah financing and related assets / Tijarah	11,485,393	3,778,422	15,263,815	8,611,822	3,905,606	12,517,428
Investment Agency Wakalah	3,013,821	-	3,013,821	3,233,383	-	3,233,383
Murabahah against Bills	506,794	143,648	650,442	1,107,066	192,048	1,299,114
Ijarah financing under IFAS 2 and related assets	19,265,410	30,605	19,296,015	12,145,748	43,394	12,189,142
Financing against Bills	2,649,815	-	2,649,815	2,137,622	-	2,137,622
Qardh-e-Hasana	55,542	120,563	176,105	49,527	124,338	173,865
Musharakah financing	-	-	-	-	160,000	160,000
Past Due Acceptance	159,711	27,128	186,839	212,146	27,128	239,274
Net investment in Ijarah financing in Pakistan	11,702	34,197	45,899	15,040	42,425	57,465
Housing finance portfolio - others	-	6,112	6,112	-	15,825	15,825
Salam	430,004	-	430,004	70,002	-	70,002
Islamic financing and related assets - gross	310,849,056	16,050,467	326,899,523	299,514,421	16,922,520	316,436,941
Credit loss allowance against Islamic financing and related assets						
- Stage 1	(2,756,171)	-	(2,756,171)	(3,123,208)	-	(3,123,208)
- Stage 2	(906,246)	-	(906,246)	(941,448)	-	(941,448)
- Stage 3	-	(14,978,100)	(14,978,100)	-	(15,891,111)	(15,891,111)
	(3,662,417)	(14,978,100)	(18,640,517)	(4,064,656)	(15,891,111)	(19,955,767)
Modification loss due to IFRS 9	(61,382)	-	(61,382)	(67,991)	-	(67,991)
Fair value adjustment	(5,236,192)	-	(5,236,192)	(5,427,288)	-	(5,427,288)
Islamic financing and related assets - net of credit loss allowance	301,889,065	1,072,367	302,961,432	289,954,486	1,031,409	290,985,895

10.5 Advances include Rs. 40,572.057 million (December 31, 2025: Rs. 45,205.970 million) which have been placed under non-performing / Stage 3 status as detailed below:

Category of classification in stage 3	(Un-audited) September 30, 2026		(Audited) December 31, 2025	
	Non-Performing Loans	Credit loss allowance	Non-Performing Loans	Credit loss allowance
Rupees in '000				
Domestic				
Other Assets Especially Mentioned*	361,906	69,028	478,644	84,786
Substandard	1,640,204	658,802	1,321,997	376,023
Doubtful	1,300,511	530,781	1,530,795	719,623
Loss	37,169,976	34,003,124	41,874,534	37,662,250
Total	40,472,597	35,261,735	45,205,970	38,842,682
Overseas	-	-	-	-

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

10.6 Particulars of credit loss allowance against advances

Note	September 30, 2026 (Un-audited)				December 31, 2025 (Audited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	Rupees in '000				Rupees in '000			
Opening balance	3,793,938	1,302,475	38,842,682	43,939,095	3,003,698	895,572	37,330,232	41,229,502
Exchange rate adjustments	(179)	-	-	(179)	21	1,741	-	1,762
Charge for the period / year	1,270,422	1,122,504	2,649,103	5,042,029	2,408,009	2,094,405	6,606,252	11,108,666
Reversals for the period / year	(1,648,930)	(932,095)	(5,618,505)	(8,199,530)	(1,712,660)	(1,698,607)	(4,640,676)	(8,051,943)
	(378,508)	190,409	(2,969,402)	(3,157,501)	695,349	395,798	1,965,576	3,056,723
Transfer in / (out)	(91,560)	-	-	(91,560)	94,870	9,364	-	104,234
Amount written off	-	-	(405,468)	(405,468)	-	-	(171,009)	(171,009)
Amounts charged off	-	-	(140,845)	(140,845)	-	-	(125,855)	(125,855)
Amounts charged off - agricultural financing	-	-	(65,232)	(65,232)	-	-	(156,262)	(156,262)
Closing balance	3,323,691	1,492,884	35,261,735	40,078,310	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 September 30, 2026, the Group has availed cumulative FSV benefit under the directives of the SBP of Rs. 3,079.441 million (December 31, 2025: Rs. 4,335.108 million).

The additional profit arising from availing the FSV benefit - net of tax amounts to Rs. 1,478.132 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 the SBP.

10.7 Advances - Particulars of credit loss allowance

	(Un-audited) September 30, 2026			(Audited) December 31, 2025		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	Rupees in '000			Rupees in '000		
Opening balance	3,793,938	1,302,475	38,842,682	3,003,698	895,572	37,330,232
New Advances	807,274	83,839	52,680	1,540,327	98,584	257,509
Advances derecognised / repaid	(366,504)	(64,382)	(3,858,774)	(259,055)	(288,915)	(1,686,876)
Transfer to stage 1	263,254	(143,888)	(119,366)	334,225	(144,421)	(189,804)
Transfer to stage 2	(115,473)	196,687	(81,214)	(41,400)	1,826,452	(1,785,052)
Transfer to stage 3	(39,824)	(29,639)	69,463	(24,017)	(70,838)	94,855
	548,727	42,617	(3,937,211)	1,550,080	1,420,862	(3,309,368)
Amounts written off / charged off	-	-	(611,545)	-	-	(453,126)
Transfer in / (out)	(91,560)	-	-	94,870	9,364	-
Changes in risk parameters (PDs/LGDs/EADs)	(927,235)	147,792	967,809	(854,731)	(1,025,064)	5,274,944
Exchange adjustments	(179)	-	-	21	1,741	-
Closing balance	3,323,691	1,492,884	35,261,735	3,793,938	1,302,475	38,842,682

10.8 Advances - Category of classification

	(Un-audited) September 30, 2026		(Audited) December 31, 2025	
	Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
	Rupees in '000			
Domestic				
Performing	498,407,207	3,296,570	513,835,672	3,787,950
Under-performing	39,245,408	1,492,884	35,027,707	1,302,475
Non-performing				
OAEM	361,906	69,028	478,644	84,786
Substandard	1,640,204	658,802	1,321,997	376,023
Doubtful	1,300,511	530,781	1,530,795	719,623
Loss	37,169,976	34,003,124	41,874,534	37,662,250
	578,125,212	40,051,189	594,069,349	43,933,107
Overseas				
Performing	4,968,605	27,121	3,588,763	5,988
Under-performing	-	-	-	-
Non-performing				
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-
	4,968,605	27,121	3,588,763	5,988
Total	583,093,817	40,078,310	597,658,112	43,939,095

		(Un-audited) September 30, 2026	(Audited) December 31, 2025
		----- Rupees in '000 -----	
11. PROPERTY AND EQUIPMENT	Note		
Capital work-in-progress	11.1	3,981,926	4,668,083
Property and equipment		34,400,128	34,574,590
		38,382,054	39,242,673
11.1 Capital work-in-progress			
Civil works		175,557	401,591
Equipment		175,368	376,126
Advance to supplier		171,315	516,889
Advance for acquiring properties and office premises		3,459,686	3,373,477
		3,981,926	4,668,083
		(Un-audited) Nine months ended	
		September 30, 2026	September 30, 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		712,057	7,230,609
Property and equipment			
Leasehold improvements		659,915	720,549
Furniture and fixture		736,188	1,340,126
Electrical, office and computer equipments		1,910,715	2,908,056
Vehicles		117,558	67,412
	11.2.1	3,424,376	5,036,143
Total		4,136,433	12,266,752
11.2.1	This includes transfer from capital work in progress during the period of Rs. 1,349.538 million (September 30, 2025: Rs. 1,291.043 million).		
		(Un-audited) Nine months ended	
		September 30, 2026	September 30, 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		62,670	2,681
Furniture and fixture		8,592	3,977
Electrical, office and computer equipments		281,411	13,215
Vehicles		4,469	810
Total		357,142	20,683

		(Un-audited) September 30, 2026			(Audited) December 31, 2025		
		----- Rupees in '000 -----					
12.	RIGHT-OF-USE ASSETS	Buildings	Vehicles	Total	Buildings	Vehicles	Total
	At January 1,						
	Cost	21,218,267	149,208	21,367,475	16,045,257	-	16,045,257
	Accumulated Depreciation	(12,383,162)	(15,651)	(12,398,813)	(8,966,680)	-	(8,966,680)
	Net Carrying amount at January 1	8,835,105	133,557	8,968,662	7,078,577	-	7,078,577
	Modification impact during						
	the period / year	65,349	-	65,349	1,151,946	-	1,151,946
	Additions during the period / year	2,941,809	47,015	2,988,824	4,204,656	149,208	4,353,864
	Deletions during the period / year	(16,724)	-	(16,724)	(174,753)	-	(174,753)
	Depreciation charge for the						
	period / year	(2,797,134)	(27,239)	(2,824,373)	(3,425,207)	(15,651)	(3,440,858)
	Exchange rate adjustments	(487)	-	(487)	(112)	-	(112)
	Other adjustments	-	-	-	(2)	-	(2)
	Closing net carrying amount	9,027,918	153,333	9,181,251	8,835,105	133,557	8,968,662

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

13. INTANGIBLE ASSETS

Capital work-in-progress - Computer software	953,969	818,386
Computer software	6,008,488	5,954,365
Goodwill	4,407,921	4,407,921
Core Deposits Intangible on Acquisition	1,126,642	1,250,030
Others	37,752	35,181
	<u>12,534,772</u>	<u>12,465,883</u>

13.1 Additions to intangible assets

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

		(Un-audited) Nine months ended	
		September 30, 2026	September 30, 2025
	Note	----- Rupees in '000 -----	
Directly purchased			
Capital work-in-progress		351,282	1,312,684
Developed internally			
Computer software	13.1.1	215,262	1,256,112
Directly purchased			
Computer software		774,168	611,049
		<u>1,340,712</u>	<u>3,179,845</u>

13.1.1 This includes transfer from capital work in progress during the period of Rs. 215.262 million (September 30, 2025: Rs. 1,256.112 million).

	(Un-audited) Nine Months Ended	
	September 30, 2026	September 30, 2025
	----- Rupees in '000 -----	

13.2 Disposal of intangible assets

The net book value of intangible assets disposed off during the period is as follows:

Membership and Subscription	750	3,033
-----------------------------	-----	-------

		(Un-audited) September 30, 2026	(Audited) December 31, 2025
14. DEFERRED TAX ASSETS	Note	----- Rupees in '000 -----	
Deductible Temporary Differences on:			
Accumulated tax losses		27,295	35,578
Credit loss allowance against investments		663,060	544,159
Credit loss allowance against advances		8,817,897	9,767,466
Credit loss allowance - others		955,658	863,256
Impact of Effective Interest Rate adoption		26,875	-
Right-of-use assets and related lease liabilities		732,755	820,285
Workers' Welfare Fund		896,171	834,728
Pre-commencement expenditure		5,679	6,990
		12,125,390	12,872,462
Taxable Temporary Differences on:			
Unrealized gain on FVPL investments		(81,023)	(34,428)
Surplus on revaluation of investments		(728,998)	(3,315,190)
Surplus on revaluation of property and equipment		(2,982,166)	(2,832,474)
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		(273,593)	(275,577)
Accelerated tax depreciation		(902,199)	(1,120,962)
Remeasurement of defined benefit obligation		(34,736)	(34,736)
Ijarah financing and related assets		(127,114)	(127,114)
Modification and fair value adjustment		20,598	(21,278)
Fair value adjustment on acquisition		(1,205,659)	(959,822)
Associates		(3,895)	(33,152)
Goodwill		(761,084)	(761,084)
		(7,079,869)	(9,515,817)
		5,045,521	3,356,645
15. OTHER ASSETS			
Mark-up / return / interest / profit accrued in local currency		31,924,336	23,481,851
Mark-up / return / interest / profit accrued in foreign currencies		848,446	194,277
Advances, deposits, advance rent and other prepayments		5,950,752	6,172,154
Acceptances		10,473,891	8,293,474
Advance taxation (payments less provision)		5,879,898	5,161,159
Stationery and stamps in hand		22,058	12,186
Receivable against First WAPDA Sukuk		50,000	50,000
Receivable in respect of home remittance		9,158	11,376
Due from State Bank of Pakistan		1,081,283	2,179,874
Fair value adjustment on advances	10.2	2,418,598	2,728,769
Deferred cost on staff loans		6,415,505	6,055,014
Non-banking assets acquired in satisfaction of claims		6,078,670	6,231,433
Mark to market gain on forward foreign exchange contracts		271,320	156,440
Advance against investments in securities		792,000	792,000
Inter bank fund transfer settlement		5,329,746	2,131,870
Credit card settlement		713,789	77,438
Clearing and settlement accounts		2,353,663	1,038,710
Insurance claims receivable		850,573	858,711
Trade receivable from brokerage and advisory business - net		3,350,736	3,386,233
Balances due from funds under management		283,463	292,708
Others		1,683,195	1,324,432
		86,781,080	70,630,109
Less: Credit loss allowance held against other assets	15.1	(1,709,073)	(1,691,048)
Other assets (net of credit loss allowance)		85,072,007	68,939,061
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		639,440	643,251
Other assets - total		85,711,447	69,582,312
15.1 Credit loss allowance held against other assets			
Mark-up / return / interest / profit accrued		110,076	93,518
Advances, deposits, advance rent and other prepayments		160,869	177,213
Receivable against bancassurance / bancatakaful		3	2
Trade receivable from brokerage and advisory business - net		446,844	420,587
Advance against investments in securities		8,803	8,803
Insurance claim receivable		26	8
Non-banking assets acquired in satisfaction of claims		303,911	303,911
Others		678,541	687,006
		1,709,073	1,691,048

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

15.1.1 Movement in credit loss allowance held against other assets

Opening balance	1,691,048	1,585,067
Exchange rate adjustments	(3)	1
Charge during the period / year	66,252	153,392
Reversals during the period / year	(48,224)	(47,412)
	18,028	105,980
Closing balance	1,709,073	1,691,048

16. BILLS PAYABLE

In Pakistan	13,670,285	17,411,788
Outside Pakistan	319,285	322,737
	13,989,570	17,734,525

17. BORROWINGS

Secured

Borrowings from State Bank of Pakistan under:

Export refinancing scheme	7,439,113	9,539,742
Long-term finance facility	1,289,273	1,790,735
Financing facility for storage of agricultural produce	352,943	413,836
Financing facility for renewable energy projects	798,650	1,174,746
Refinance for women entrepreneurs	221,964	306,710
Refinance facility for modernization of Small and Medium Enterprises (SMEs)	298,899	298,305
Refinance facility for combating COVID-19	-	65,521
Temporary Economic Refinance Facility (TERF)	7,120,913	8,750,775
Small enterprise financing and credit guarantee scheme for special persons	-	67
Refinance facility for working capital of SMEs	-	5,433,440
Refinance facility for SME Asaan Finance (SAAF) scheme	3,668,204	4,540,447
Repurchase agreement borrowings	24,234,581	2,962,005
	45,424,540	35,276,329

Fair value adjustment on TERF borrowings **(1,611,384)** (2,057,376)

Borrowing from financial institutions:

Refinancing facility for mortgage loans	8,818,517	6,583,348
Repurchase agreement borrowings	8,275,921	-
Musharakah	1,800,000	-
Running finance facility	499,935	-

Total secured **63,207,529** 39,802,301

Unsecured

Call borrowings	12,492,288	-
Overdrawn nostro accounts	4,413,097	938,887
Musharakah Acceptance	4,000,000	-
Total unsecured	20,905,385	938,887

84,112,914 40,741,188

17.1 Particulars of borrowings

In local currency	74,157,529	39,802,301
In foreign currencies	9,955,385	938,887
	84,112,914	40,741,188

18. DEPOSITS AND OTHER ACCOUNTS

	September 30, 2026 (Un-audited)			December 31, 2025 (Audited)		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
----- Rupees in '000 -----						
Customers						
Current deposits	484,538,461	28,255,554	512,794,015	449,976,623	22,114,554	472,091,177
Savings deposits	283,249,550	11,023,428	294,272,978	328,716,474	11,570,861	340,287,335
Term deposits	256,255,728	85,789,757	342,045,485	257,101,473	47,583,956	304,685,429
Margin deposits	53,548,742	375,316	53,924,058	30,983,270	118,795	31,102,065
	1,077,592,481	125,444,055	1,203,036,536	1,066,777,840	81,388,166	1,148,166,006
Financial Institutions						
Current deposits	6,427,740	229,321	6,657,061	4,482,579	32,323	4,514,902
Savings deposits	12,856,750	15,570	12,872,320	44,441,463	7,245	44,448,708
Term deposits	2,566,230	-	2,566,230	2,301,979	-	2,301,979
Margin deposits	146	-	146	146	-	146
	21,850,866	244,891	22,095,757	51,226,167	39,568	51,265,735
	1,099,443,347	125,688,946	1,225,132,293	1,118,004,007	81,427,734	1,199,431,741

	Note	(Un-audited) September 30, 2026	(Audited) December 31, 2025
		----- Rupees in '000 -----	
19. LEASE LIABILITIES			
Outstanding amount at the start of the period / year		10,055,035	7,845,190
Additions during the period / year		2,621,760	3,480,206
Modification impact during the period / year		104,154	1,485,305
Lease payments including interest		(3,331,772)	(3,947,363)
Interest expense	19.2	1,020,282	1,429,761
Terminations		(43,293)	(223,422)
Exchange rate adjustments		(521)	(118)
Other adjustments		2,866	(14,524)
Outstanding amount at the end of the period / year		10,428,511	10,055,035

19.1 Outstanding liabilities

Not later than one year	1,519,620	1,526,793
Later than one year and upto five years	8,544,296	8,437,309
Over five years	364,595	90,933
Total at the period / year end	10,428,511	10,055,035

19.2 This carries effective rates ranging from 7.00% to 17.25% per annum (December 31, 2025: 8.99% to 17.5%)

	Note	(Un-audited) September 30, 2026	(Audited) December 31, 2025
		----- Rupees in '000 -----	
20. SUBORDINATED DEBT			
Term Finance Certificates - Sixth Issue	20.1	3,947,382	-
Term Finance Certificates - Fifth Issue	20.2	3,460,641	3,497,900
Term Finance Certificates - Fourth Issue	20.3	2,481,670	2,496,000
Term Finance Certificates - Third Issue	20.4	2,500,000	2,500,000
Modaraba Sukuk Issue II	20.5.1	997,990	997,990
Modaraba Sukuk Issue I	20.5.2	1,995,255	1,999,000
		15,382,938	11,490,890

- 20.1** During the period, the Holding Company issued Rs. 4.0 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 Holding Company's Tier II Capital for further strengthening with the capital adequacy ratio requirement and to utilize the funds in the Holding Company's business operations as permitted by its Memorandum & Articles of Association.
Issue date	July 06, 2026.
Tenure	Up to ten years from the issue date.
Maturity date	July 06, 2036.
Rating	AA - (Double A Minus).
Security	The issue is unsecured.
Mark-up 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.
Mark-up payment	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 Holding Company 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 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 PONV as declared by SBP, subject to a cap of 294,755,646 shares.

- 20.2** 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 Holding Company's Tier II 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	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.
Mark-up 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.
Mark-up payment	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 Holding Company 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 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 Holding Company's common share on the date of trigger of PONV as declared by SBP, subject to a cap of 924,772,179 shares.

- 20.3** 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 Holding Company's Tier II 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 28, 2021
Tenure	Up to Seven years from the issue date.
Maturity date	December 28, 2028
Rating	AA - (Double A Minus)
Mark-up 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.
Mark-up 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 instalments of 49.88% each in the last year.
Security	The Issue is unsecured
Subordination	The Issue is subordinated all other indebtedness of the Holding Company 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 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 Holding Company'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.

- 20.4 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)
Mark-up 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.
Mark-up 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 Holding Company 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.
Loss absorbency clause - Pre-Specified Trigger (PST)	<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> <ul style="list-style-type: none"> - 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); - 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 - 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.
Loss absorbency clause - Point of Non-Viability (PONV)	<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 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 Value of the TFCs' divided by market value per share of the Holding Company'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 Pre-Specified Trigger 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.

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

20.5.1 Salient features of the Modaraba 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	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 Modaraba 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.

20.5.2 Salient features of the Modaraba Sukuk issue I are as follows:

Amount	Rs. 2,000 million.
Issue date	April 21, 2020
Tenor	Perpetual (i.e. no fixed or final redemption date)
Instrument Rating	PACRA has rated this Sukuk at 'A'
Security	Unsecured
Profit payment frequency	Profit shall be payable monthly in arrears, on a non-cumulative basis
Expected Profit Rate	The Sukuk carries a profit at the rate of 3 Months KIBOR + 2.75%. The Modaraba 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	The 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.

		(Un-audited) September 30, 2026	(Audited) December 31, 2025
21. OTHER LIABILITIES	Note	----- Rupees in '000 -----	
Mark-up / return / interest / profit payable in local currency		8,228,604	7,187,512
Mark-up / return / interest / profit payable in foreign currencies		1,868,213	383,962
Unearned income on guarantees		570,798	526,400
Accrued expenses		6,708,773	6,750,474
Acceptances		10,473,891	8,293,474
Unclaimed dividends		12,444	12,444
Dividend payable		128,970	50,268
Mark to market loss on forward foreign exchange contracts		1,933,499	487,590
Mark to market loss on forward government securities transaction		116	-
Payable to defined benefit plan		361,918	616,899
Payable to defined contribution plan		93,421	8,024
Withholding taxes payable		1,819,305	2,974,127
Donation payable		156,427	135,792
Security deposits against leases, lockers and others		6,627,036	5,305,595
Workers' Welfare Fund		2,647,866	2,320,750
Payable in respect of home remittance		15,759	1,185
Retention money payable		133,163	187,433
Insurance payable		547,047	476,937
Payable to vendors against SBS goods		336,619	-
Trade creditors		5,454,480	5,708,545
Liability against disputed settlement		399,058	-
Branchless banking fund settlement		1,008,246	106,276
Debit card settlement		432,170	363,128
Clearing and settlement accounts		-	3,076,931
Deferred Murabahah income financing and IERS		4,312,436	5,169,867
Sundry creditors		1,925,605	1,179,285
Credit loss allowance against off-balance sheet obligations	21.1	635,501	530,976
Charity payable		283,309	161,109
Others		1,898,354	3,031,707
		<u>59,013,028</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	(89)	25
Charge for the period / year	340,165	191,878
Reversals for the period / year	(235,551)	(229,925)
	<u>104,614</u>	<u>(38,047)</u>
Closing balance	<u>635,501</u>	<u>530,976</u>

22. SURPLUS ON REVALUATION OF ASSETS

	September 30, 2026 (Un-audited)			December 31, 2025 (Audited)		
	Attributable to			Attributable to		
	Equity Holders	Non - Controlling Interest	Total	Equity Holders	Non - Controlling Interest	Total
----- Rupees in '000 -----						
Surplus / (deficit) on revaluation of:						
- Securities measured at FVOCI - debt	95,949	52,900	148,849	3,502,715	513,317	4,016,032
- Securities measured at FVOCI - equity	719,364	248,694	968,058	1,757,229	304,198	2,061,427
- Property and equipment	3,694,535	404,277	4,098,812	3,847,858	419,358	4,267,216
- Non-banking assets acquired in satisfaction of claims	578,534	(6,629)	571,905	582,345	(6,629)	575,716
	5,088,382	699,242	5,787,624	9,690,147	1,230,244	10,920,391
Deferred tax on surplus / (deficit) on revaluation of:						
- Securities measured at FVOCI - debt	(53,479)	(28,695)	(82,174)	(1,824,997)	(268,112)	(2,093,109)
- Securities measured at FVOCI - equity	(338,659)	(127,818)	(466,477)	(884,648)	(157,159)	(1,041,807)
- Property and equipment	(1,361,954)	(156,352)	(1,518,306)	(1,204,470)	(164,144)	(1,368,614)
- Non-banking assets acquired in satisfaction of claims	(244,298)	3,797	(240,501)	(246,280)	3,795	(242,485)
	(1,998,390)	(309,068)	(2,307,458)	(4,160,395)	(585,620)	(4,746,015)
	3,089,992	390,174	3,480,166	5,529,752	644,624	6,174,376

23. CONTINGENCIES AND COMMITMENTS

	Note	(Un-audited) September 30, 2026	(Audited) December 31, 2025
Rupees in '000			
Guarantees	23.1	186,311,108	147,627,979
Commitments	23.2	415,139,269	311,548,829
Other contingent liabilities	23.3	1,227,328	1,205,820
		<u>602,677,705</u>	<u>460,382,628</u>

23.1 Guarantees

Financial guarantees	26,189,387	22,275,534
Performance guarantees	83,909,721	70,245,027
Other guarantees	76,212,000	55,107,418
	<u>186,311,108</u>	<u>147,627,979</u>

23.2 Commitments

Documentary credits and short-term trade-related transactions			
- Letters of credit		130,712,855	75,180,527
Commitments in respect of:			
- Forward foreign exchange contracts	23.2.1	205,168,171	152,790,318
- Derivative instruments	23.2.2	992,294	240,701
- Forward government securities transactions	23.2.3	482,671	-
- Forward lending	23.2.4	76,674,155	80,366,223
Commitments for acquisition of:			
- Property and equipment	23.2.5	498,008	470,427
- Intangible assets	23.2.5	611,115	2,500,633
		<u>415,139,269</u>	<u>311,548,829</u>

23.2.1 Commitments in respect of forward foreign exchange contracts

Purchase	150,014,983	90,251,536
Sale	55,153,188	62,538,782
	<u>205,168,171</u>	<u>152,790,318</u>

23.2.2 Commitments in respect of derivative instruments

Forward securities contract		
Sale	992,294	240,701

23.2.3 Commitments in respect of forward government securities transactions

Sale	482,671	-
------	---------	---

23.2.4 Commitments in respect of forward lending

Undrawn formal standby facilities, credit lines and other commitments to lend	23.2.4.1	76,674,155	80,366,223
---	----------	------------	------------

23.2.4.1 These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Group without the risk of incurring significant penalty or expense. Further, the Group 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.

23.2.5 These represent commitments related to purchase of leasehold improvements, furniture and fixtures, hardware and network equipment, electrical equipment and computer software.

		(Un-audited) September 30, 2026	(Audited) December 31, 2025
	Note	----- Rupees in '000 -----	
23.3 Other contingent liabilities			
Claims against the Group not acknowledged as debts	23.3.1	1,227,328	1,205,820

23.3.1 These mainly represent counter claims filed by borrowers for damages, claims by former employees of the Group 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 Group favour and the possibility of any outcome against the Group 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 also entered into Foreign Currency and Commodity Options from its Wholesale Banking Branch Bahrain for market making activities.

The Group held no derivative instruments as at September 30, 2026 (December 31, 2025: Nil).

		(Un-audited) Nine Months Ended	
		September 30, 2026	September 30, 2025
	Note	----- Rupees in '000 -----	
25. MARK-UP / RETURN / INTEREST / PROFIT EARNED			
Loans and advances		46,493,489	41,762,127
Investments		55,906,636	68,577,062
Lendings to financial institutions		288,085	788,475
Balances with other banks		2,345,315	720,056
Securities purchased under repurchase agreements		316,177	542,045
		105,349,702	112,389,765
25.1 Interest / profit income (calculated using effective interest rate method) recognised on:			
Financial assets measured at amortised cost		55,363,127	-
Financial assets measured at FVOCI		48,300,279	-
	26.1.1	103,663,406	-
26. MARK-UP / RETURN / INTEREST / PROFIT / EXPENSED			
Deposits		42,778,933	48,821,221
Borrowings		7,888,013	12,332,702
Subordinated debt		1,309,377	1,213,520
Cost of foreign currency swaps against foreign currency deposits / borrowings		2,521,207	1,960,925
Finance charges on leased assets		1,020,282	1,013,094
		55,517,812	65,341,462
26.1. Interest expense calculated using effective interest rate method:			
Financial liabilities	26.1.1	52,996,605	-

- 26.1.1** As disclosed in note 3.1.1, the Holding Company has applied the effective interest rate method during the current period under the modified retrospective approach. The impact has been recognised in opening equity, and accordingly, prior information has not been presented.

		(Un-audited)	
		Nine Months Ended	
		September 30,	September 30,
		2026	2025
		----- Rupees in '000 -----	
27. FEE AND COMMISSION INCOME	Note		
Branch banking customer fees		166,998	196,185
Finance related fees		514,653	491,345
Card related fees (debit and credit cards)		2,448,423	2,441,043
Investment banking fees		242,462	324,842
Commission on trade		1,292,771	1,225,829
Commission on guarantees		878,906	753,237
Commission on cash management		74,419	56,058
Commission on remittances including home remittances		38,888	123,656
Commission on bancassurance / bancatakaful		159,884	192,215
Commission on distribution of mutual funds		4,141	7,406
Commission on online services		447,846	107,020
Rebate income		251,824	309,309
Brokerage income		1,641,456	1,344,334
Income from funds under management		1,003,097	804,375
Others		13,574	17,298
		<u>9,179,342</u>	<u>8,394,152</u>
28. GAIN ON SECURITIES - NET			
Realised	28.1	787,409	5,922,133
Unrealised - measured at FVPL		72,417	25,172
	28.2	<u>859,826</u>	<u>5,947,305</u>
28.1 Realised gain / (loss) on:			
Federal government securities		666,844	4,904,397
Shares - Listed companies		80,114	668,022
Non Government Debt Securities		18,335	411,997
Mutual fund units		18,457	23,816
Foreign securities		3,659	(86,099)
		<u>787,409</u>	<u>5,922,133</u>
28.2 Net gain / (loss) on financial assets			
Measured at FVPL:			
Designated upon initial recognition		266,112	669,112
Mandatorily measured at FVPL		(3,630)	341,545
		<u>262,482</u>	<u>1,010,657</u>
Measured at FVOCI		597,344	4,936,648
		<u>859,826</u>	<u>5,947,305</u>
29. OTHER INCOME			
Rent Income		11,782	23,996
Gain on sale of property and equipment - net		54,966	65,579
Gain on sale of non banking assets - net		25,032	20,896
Gain on termination of leases - net		26,569	15,804
Gain on termination of Islamic financing		61,054	54,105
Auction charges recovered		1,748	1,795
Insurance claim recovered		4,361	-
Legal charges recovered		70,000	-
Recoveries against previously expensed items		34,953	34,530
Others		3,314	3,999
		<u>293,779</u>	<u>220,704</u>

		(Un-audited)	
		Nine Months Ended	
		September 30, 2026	September 30, 2025
		----- Rupees in '000 -----	
30. OPERATING EXPENSES	Note		
Total compensation expense	30.1	22,382,089	20,080,706
Property expense			
Rent and taxes		285,675	125,845
Insurance / Takaful		23,334	15,115
Utilities cost		1,844,564	1,700,484
Security (including guards)		1,467,083	1,257,779
Repair and maintenance (including janitorial charges)		744,765	803,614
Depreciation		1,001,391	887,137
Depreciation on right-of-use assets		2,797,134	2,462,526
Depreciation on non-banking assets		30,203	31,964
		8,194,149	7,284,464
Information technology expenses			
Software maintenance		3,980,988	3,221,570
Hardware maintenance		971,054	738,686
Depreciation		1,283,832	957,976
Amortisation		922,260	636,604
Network charges		857,603	687,170
		8,015,737	6,242,006
Other operating expenses			
Directors' fees and allowances		43,200	36,618
Fee and allowances to Shariah Board		31,272	28,445
Legal and professional charges		558,819	660,815
Insurance / Takaful, tracker and other charges on car Ijarah - net of income		947,340	657,524
Outsourced services costs		957,449	704,851
Travelling and conveyance		523,141	609,732
NIFT clearing charges		137,132	111,305
Depreciation		956,411	854,578
Depreciation on right-of-use assets		27,239	-
Amortisation		132,066	132,318
Training and development		74,731	130,169
Postage and courier charges		170,712	151,373
Communication		488,893	865,499
Stationery and printing		766,125	762,723
Marketing, advertisement and publicity		1,644,034	1,926,089
Donations		190,449	172,300
Auditors' remuneration		73,047	57,934
Staff auto fuel and maintenance		1,098,347	946,391
Bank charges		81,932	62,588
Stamp duty		19,932	41,384
Online verification charges		89,594	69,958
Brokerage, fee and commission		51,540	97,957
Card related fees (debit and credit cards)		1,525,564	1,595,841
CDC and other charges		103,698	83,817
Consultancy fee		195,417	58,113
Deposit protection premium		218,219	191,456
Entertainment expenses		182,073	163,678
Repair and maintenance		388,444	350,673
Cash handling charges		254,714	308,409
Fee and subscription		925,473	854,229
Employees social security		5,615	8,845
Generator fuel and maintenance		169,535	147,376
Royalty		35,000	38,250
Others		338,505	265,969
		13,405,662	13,147,207
		51,997,637	46,754,383
Less: Reimbursement of selling and distribution expenses		-	(103,716)
		51,997,637	46,650,667

30.1. This includes impact of fair value adjustment on concessional rate staff loans amounting to Rs. 641.164 million (September 30, 2025: Rs. 529.641 million).

31. WORKERS' WELFARE FUND

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

32. OTHER CHARGES

	(Un-audited) Nine Months Ended	
	September 30, 2026	September 30, 2025
	----- Rupees in '000 -----	
Penalties imposed by State Bank of Pakistan	15,254	317,960
Penalties imposed by Federal Board of Revenue	-	113,414
	<u>15,254</u>	<u>431,374</u>

33. (REVERSAL OF) / CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET

Credit loss allowance against cash and balances with treasury banks	46,774	1,678
Reversal of credit loss allowance against balance with other banks	(136)	(2,496)
Reversal of credit loss allowance against lending to financial institutions	(3,667)	(2,001)
Credit loss allowance / (reversal) for diminution in value of investments	108,280	(274,186)
(Reversal of) / credit loss allowance against loans and advances	(3,157,501)	2,545,330
(Reversal of) / credit loss allowance against other assets	18,028	135,201
(Reversal of) / credit loss allowance against off balance sheet obligations	104,614	115,850
Fair value loss recognized	-	(21,505)
Bad debts written off directly	293	-
Recovery of written off / charged off bad debts	(177,987)	(81,582)
Modification gain / (loss) - net	6,205	(32,645)
Operational loss	3,485	9,049
Other assets written off	64,338	-
	<u>(2,987,274)</u>	<u>2,392,693</u>

34. TAXATION

Current	7,446,337	9,119,972
Prior years	(27,964)	344,233
Deferred	694,638	(315,435)
	<u>8,113,011</u>	<u>9,148,770</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.

35. EARNINGS PER SHARE - BASIC AND DILUTED

	(Un-audited)			
	Quarter ended		Nine Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
	----- Rupees in '000 -----			
Profit after taxation for the period attributable to ordinary equity holders of the Holding Company	<u>723,726</u>	<u>567,239</u>	<u>4,880,372</u>	<u>4,640,705</u>
	----- Number of shares -----			
Weighted average number of ordinary shares	<u>2,050,662,536</u>	<u>2,050,662,536</u>	<u>2,050,662,536</u>	<u>2,050,662,536</u>
	(Un-audited)			
	Quarter ended		Nine Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
	----- Rupees -----			
Earnings per share - basic and diluted	<u>0.35</u>	<u>0.27</u>	<u>2.38</u>	<u>2.26</u>

36. CASH AND CASH EQUIVALENTS

		(Un-audited) September 30, 2026	(Audited) December 31, 2025	(Un-audited) September 30, 2025
	Note	----- Rupees in '000 -----		
Cash and balances with treasury banks - gross	6	74,045,668	112,520,153	90,021,786
Balances with other banks - gross	7	5,761,144	6,851,967	4,382,596
Overdrawn nostro accounts	17	(4,413,097)	(938,887)	(2,252,989)
		<u>75,393,715</u>	<u>118,433,233</u>	<u>92,151,393</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, 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 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:

September 30, 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	73,249,032	461,020,265	-	534,269,297
Shares - listed companies	13,200,037	-	-	13,200,037
Shares - unlisted companies	-	38,224	233,241	271,465
Mutual Funds	89,672	-	-	89,672
REIT Funds	129,773	-	-	129,773
Non Government Debt Securities	-	2,667,690	-	2,667,690
Foreign Securities	-	4,576,496	-	4,576,496
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	24,005,000	120,773,379	-	144,778,379
Non Government Debt Securities	-	223,200	-	223,200
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	148,284,566	-	148,284,566
Forward sale of foreign exchange	-	54,901,452	-	54,901,452
Forward sale of securities contract	-	1,466,499	-	1,466,499
Forward sale of government securities	-	-	-	-
December 31, 2025 (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	78,801,265	432,785,876	-	511,587,141
Shares - listed companies	7,541,092	-	-	7,541,092
Shares - unlisted companies	-	36,955	37,308	74,263
Mutual Funds	43,721	-	-	43,721
REIT Funds	88,761	-	-	88,761
Non Government Debt Securities	-	3,427,921	-	3,427,921
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
Non Government Debt Securities	-	-	-	-
Off-balance sheet financial instruments				
Forward purchase of foreign exchange	-	89,841,270	-	89,841,270
Forward sale of foreign exchange	-	62,413,351	-	62,413,351
Forward sale of securities contract	-	240,445	-	240,445

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. The fair value of GoP Sukuks listed on the Pakistan Stock Exchange is determined through closing rates of the Pakistan Stock Exchange. The fair value of other GIS is determined using 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	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. The fair values of ISE REIT Tower and ISE REIT Management Company shares have 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.
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.
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 for the year ended December 31, 2025. The valuations are conducted by the valuation experts appointed by the Group 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 Group'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 September 30, 2026	Fair value December 31, 2025	Unobservable inputs	Sensitivity of inputs
-----Rupees in '000-----				
Ordinary shares - unlisted (ISE REIT Tower)	16,396	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. 1.640 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. 1.366 million in the fair value.
Ordinary shares - unlisted (ISE REIT Management Company)	11,133	-	- 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. 1.113 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. 928 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 fair value movement:

	(Un-audited) September 30, 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	195,933	7,674
Closing balance	233,241	37,308

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 September 30, 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.

38.2 Segment Details with respect to Business Activities

For the nine months ended September 30, 2026 (Un-audited)										
	Retail Banking	Corporate / Commercial Banking	Treasury, FI and Home Remittance	International Banking	Investment Banking	Zindigi	Islamic Banking	Brokerage	Asset Management	Others
Profit and loss account	Rupees in '000									
Net mark-up / return / interest / profit / (expense)	(6,159,315)	3,083,985	23,449,678	918,738	122,264	(204,211)	27,307,054	348,385	19,221	946,091
Inter segment revenue - net	21,578,952	913,217	(20,220,427)	-	(156,082)	738,141	-	-	-	(2,853,801)
Non mark-up / return / income	1,690,283	1,353,477	1,803,081	291,421	(30,787)	535,479	4,610,963	1,829,113	964,775	301,586
Total Income / (loss)	17,109,920	5,350,679	5,032,332	1,210,159	(64,605)	1,069,409	31,918,017	2,177,498	983,996	(1,606,124)
Segment direct expenses	11,872,387	521,909	473,186	288,316	57,449	3,244,604	26,869,184	1,492,537	760,060	6,760,374
Inter segment expense allocation	3,062,244	1,014,531	286,683	66,793	26,028	577,235	-	-	-	(5,033,514)
Total expenses	14,934,631	1,536,440	759,869	355,109	83,477	3,821,839	26,869,184	1,492,537	760,060	1,726,860
Credit loss allowance / (reversal) and write offs - net	111,303	548,961	41,248	113,422	101,645	7,417	(1,263,722)	(34,829)	-	(2,612,719)
Profit / (loss) before tax	2,063,986	3,265,278	4,231,215	741,628	(249,727)	(2,759,847)	6,312,555	719,790	223,936	(720,265)
September 30, 2026 (Un-audited)										
	Retail Banking	Corporate / Commercial Banking	Treasury, FI and Home Remittance	International Banking	Investment Banking	Zindigi	Islamic Banking	Brokerage	Asset Management	Others
Statement of financial position	Rupees in '000									
Cash and bank balances	12,484,759	306,751	16,134,967	2,677,620	-	296,633	47,116,809	735,002	3,678	230
Investments	1,309,765	-	366,427,436	4,576,503	1,044,602	-	322,021,330	2,925,044	1,778,741	4,394,035
Net inter segment lending	295,970,950	9,892,291	-	59,025,366	-	13,367,768	-	-	-	55,342,898
Lendings to financial institutions	-	-	773,911	3,926,199	-	-	19,699,341	-	-	91,601
Advances - performing	101,840,883	108,574,658	2,947,139	4,941,477	-	64,884	301,889,065	1,730,985	30,391	4,785,726
Advances - non-performing	2,796,959	1,185,730	-	-	-	5,005	1,132,898	-	-	90,270
Others	-	-	-	-	792,000	-	74,453,438	4,782,755	1,235,505	69,591,347
Total Assets	414,403,316	119,959,430	386,283,453	75,147,165	1,836,602	13,734,290	766,312,881	10,173,786	3,048,315	134,296,107
Borrowings	7,217,228	5,195,287	23,620,497	-	-	-	47,579,967	499,935	-	-
Subordinated debt	-	-	-	-	-	-	2,993,245	-	-	12,389,693
Deposits and other accounts	393,256,440	108,184,933	9,094,984	71,749,891	385,609	12,724,719	629,735,717	-	-	-
Net inter segment borrowing	-	6,166,894	353,559,123	-	1,402,203	-	47,354,806	2,540,481	2,511,587	20,064,179
Others	13,929,648	412,316	8,849	3,397,274	48,790	1,009,571	38,649,146	7,133,370	536,728	18,305,417
Total Liabilities	414,403,316	119,959,430	386,283,453	75,147,165	1,836,602	13,734,290	766,312,881	10,173,786	3,048,315	134,296,107
Equity	-	-	-	-	-	-	-	-	-	70,994,007
Non-controlling interest	-	-	-	-	-	-	-	-	-	12,542,811
Total Equity and Liabilities	414,403,316	119,959,430	386,283,453	75,147,165	1,836,602	13,734,290	766,312,881	10,173,786	3,048,315	134,296,107
Contingencies and Commitments	55,838,052	136,646,222	112,748,934	25,803,767	-	-	269,094,857	992,294	-	1,553,579

For the nine months ended September 30, 2025 (Un-audited) - Restated											
	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 account	Rupees in '000										
Net mark-up / return / interest / profit / (expense)	(9,863,837)	1,390,962	29,266,399	456,071	133,374	(120,548)	26,312,375	201,142	(11,703)	(715,932)	47,048,303
Inter segment revenue - net	23,512,322	3,327,786	(24,314,383)	-	(206,846)	442,139	-	-	-	(2,761,018)	-
Non mark-up / return / income	1,940,083	1,339,567	3,720,181	130,634	39,369	587,945	7,233,418	1,599,493	1,195,146	240,767	18,026,603
Total Income / (loss)	15,588,568	6,058,315	8,672,197	586,705	(34,103)	909,536	33,545,793	1,800,635	1,183,443	(3,236,183)	65,074,906
Segment direct expenses	11,235,846	579,839	414,494	296,307	64,716	3,392,164	23,131,633	1,308,049	582,038	6,435,047	47,440,133
Inter segment expense allocation	2,967,626	890,299	274,606	62,417	24,284	587,278	-	-	-	(4,806,510)	-
Total expenses	14,203,472	1,470,138	689,100	358,724	89,000	3,979,442	23,131,633	1,308,049	582,038	1,628,537	47,440,133
Credit loss allowance / (reversal) and write offs - net	676,559	(193,239)	(6,350)	(130,078)	-	27,071	(727,463)	(62,056)	-	2,808,249	2,392,693
Profit / (loss) before tax	708,537	4,781,416	7,989,447	358,059	(123,103)	(3,096,977)	11,141,623	554,642	601,405	(7,672,969)	15,242,080
December 31, 2025 (Audited) - Restated											
	Retail Banking	Corporate / Commercial Banking	Treasury, FI and Home Remittance	International Banking	Investment Banking	Zindigi	Islamic Banking	Brokerage	Asset Management	Others	Total
Statement of financial position	Rupees in '000										
Cash and bank balances	12,805,370	322,712	28,334,538	3,360,120	-	1,071,751	72,888,569	581,955	3,378	-	119,368,393
Investments	620,383	-	229,440,753	23,044,422	1,154,495	-	321,687,104	400,332	2,230,145	2,880,984	581,458,618
Net inter segment lending	313,115,000	14,631,581	-	-	-	6,777,709	-	-	-	56,439,271	390,963,561
Lendings to financial institutions	-	-	19,838,794	-	-	-	18,999,952	-	-	-	38,838,746
Advances - performing	88,593,670	102,967,350	44,624,017	3,582,775	-	40,830	289,954,486	2,119,930	20,891	4,074,535	535,978,484
Advances - non-performing - net	3,229,830	1,952,665	-	-	-	2,446	1,089,973	-	-	88,374	6,363,288
Others	-	-	-	-	792,000	-	65,344,223	6,256,178	1,071,634	60,152,140	133,616,175
Total Assets	418,364,253	119,874,308	322,238,102	29,987,317	1,946,495	7,892,736	769,964,307	9,358,395	3,326,048	123,635,304	1,806,587,265
Borrowings	14,280,581	8,445,908	3,401,591	-	-	-	14,613,108	-	-	-	40,741,188
Subordinated debt	-	-	-	-	-	-	2,996,990	-	-	8,493,900	11,490,890
Deposits and other accounts	391,760,535	111,110,987	5,711,461	27,010,721	15,611	7,892,736	655,929,690	-	-	-	1,199,431,741
Net inter segment borrowing	-	-	313,116,201	-	1,930,884	-	51,961,362	1,909,099	2,570,343	19,475,672	390,963,561
Others	12,323,137	317,413	8,849	2,976,596	-	-	44,463,157	7,449,296	755,705	14,542,097	82,836,250
Total Liabilities	418,364,253	119,874,308	322,238,102	29,987,317	1,946,495	7,892,736	769,964,307	9,358,395	3,326,048	42,511,669	1,725,463,630
Equity	-	-	-	-	-	-	-	-	-	68,410,829	68,410,829
Non-controlling interest	-	-	-	-	-	-	-	-	-	12,712,806	12,712,806
Total Equity and Liabilities	418,364,253	119,874,308	322,238,102	29,987,317	1,946,495	7,892,736	769,964,307	9,358,395	3,326,048	123,635,304	1,806,587,265
Contingencies and Commitments	25,732,975	111,535,314	67,437,910	17,643,768	-	-	236,162,952	240,701	-	1,629,008	460,382,628

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 during the period, other than those which have been disclosed elsewhere in these condensed interim consolidated financial statements are as follows:

	September 30, 2026 (Un-audited)				
	Parent	Directors	Key management personnel	Associates	Other related parties
	Rupees in '000				
Statement of financial position					
Investments					
Opening balance	-	-	-	3,102,101	2,641,001
Investment made during the period	-	-	-	6,722,463	5,119,063
Investment redeemed / disposed off during the period	-	-	-	(7,243,003)	(1,254,948)
Deficit during the period - net	-	-	-	-	(820,715)
Equity method adjustment during the period	-	-	-	(61,808)	-
Write off during the period	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	153,191
Closing balance	-	-	-	2,519,753	5,837,592
Credit loss allowance / provision for diminution in value of investments	-	-	-	1,087,977	-
Advances					
Opening balance	-	125	690,139	643,548	3,676,112
Addition during the period	-	1,519	383,220	-	9,380,164
Repaid during the period	-	(1,385)	(272,032)	(501,315)	(6,499,440)
Transfer in / (out) - net	-	-	(1,234)	-	396,995
Closing balance	-	259	800,093	142,233	6,953,831
Credit loss allowance held against advances	-	8	1,470	142,233	31,950
Other assets					
Mark-up / return / interest / profit accrued	-	-	1,005	-	65,676
Receivable from funds under management	-	-	-	773,322	-
Receivable against bancassurance / bancatakaful	-	-	-	-	9,438
Prepaid insurance	-	-	-	-	72,494
Prepaid rent	-	-	-	14,235	-
Mark to market gain on forward foreign exchange contracts	-	-	-	-	1,131
Advance against investment in securities	-	-	-	-	792,000
Trade Receivable from brokerage and advisory business	-	-	-	-	5,189
Rent receivable	-	-	-	-	2,960
Other receivable	-	-	-	-	2,247
Credit loss allowance against other assets	-	-	2	-	9,253
Deposits and other accounts					
Opening balance	58,666	27,056	121,035	19,067	9,891,460
Received during the period	2,749,819	50,606	1,567,658	1,104,841	711,601,987
Withdrawn during the period	(2,795,259)	(53,270)	(1,574,485)	(1,104,720)	(710,710,996)
Transfer in / (out) - net	-	-	(460)	(109)	(1,215,895)
Closing balance	13,226	24,392	113,748	19,079	9,566,556
Subordinated debt					
Opening balance	-	-	-	-	250,296
Issued / purchased during the period	-	-	-	-	236,000
Redeemed / sold during the period	-	-	-	-	(18)
Transfer in / (out) - net	-	-	-	-	(20,020)
Closing balance	-	-	-	-	466,258
Other liabilities					
Mark-up / return / interest / profit payable on deposits	304	-	860	457	137,999
Mark-up / return / interest / profit payable on subordinated debt	-	-	-	-	10,477
Payable to defined benefit plan	-	-	-	-	361,918
Payable to defined contribution plan	-	-	-	-	93,421
Mark to market loss on forward foreign exchange contracts	-	-	-	-	185
Mark to market loss on forward government securities	-	-	-	-	116
Insurance payable	-	-	-	-	110
Payable to funds under management	-	-	-	5,285	-
Dividend Payable	-	-	-	-	1
Trade creditors	-	-	-	-	17,434
Rent payable	-	-	-	-	36
Others payable	100	-	-	-	4,754
Contingencies and commitments					
Letters of guarantee	-	-	-	-	298,979
Letters of credit	-	-	-	-	144,266
Commitment in respect of forward foreign exchange contracts	-	-	-	-	310,866
Commitment in respect of forward government securities	-	-	-	-	482,671

December 31, 2025 (Audited)					
	Parent	Directors	Key management personnel	Associates	Other related parties
Statement of financial position	Rupees in '000				
Investments					
Opening balance	-	-	-	3,876,670	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 during the year - net	-	-	-	-	67,616
Equity method adjustment during the year	-	-	-	378,053	-
Write off during the year	-	-	-	(41,867)	-
Transfer in / (out) - net	-	-	-	-	-
Closing balance	-	-	-	3,102,101	2,641,001
Credit loss allowance / provision for diminution in value of investments	-	-	-	1,087,977	-
Advances					
Opening balance	-	-	635,459	665,920	4,318,253
Addition during the year	-	520	418,151	-	11,154,042
Repaid during the year	-	(395)	(418,131)	(22,372)	(12,124,333)
Transfer in / (out) - net	-	-	54,660	-	328,150
Closing balance	-	125	690,139	643,548	3,676,112
Credit loss allowance held against advances	-	10	3,621	643,548	5,661
Other assets					
Mark-up / return / interest / profit accrued	-	-	902	-	37,724
Receivable from funds under management	-	-	-	483,920	-
Receivable against bancassurance / bancatakaful	-	-	-	-	2,069
Prepaid insurance	-	-	-	-	187,786
Prepaid rent	-	-	-	-	-
Mark to market gain on forward foreign exchange contracts	-	-	-	-	-
Advance against investment in securities	-	-	-	-	792,000
Trade receivable from brokerage and advisory business	-	-	-	-	6,162
Rent receivable	-	-	-	-	2,961
Other receivable	12,564	-	-	-	-
Credit loss allowance against other assets	-	-	6	-	8,830
Deposits and other accounts					
Opening balance	112,836	9,446	56,248	21,675	6,861,946
Received during the year	8,332,480	43,869	1,357,201	1,131,482	438,441,096
Withdrawn during the year	(8,386,650)	(26,259)	(1,264,754)	(1,134,090)	(435,499,844)
Transfer in / (out) - net	-	-	(27,660)	-	88,262
Closing balance	58,666	27,056	121,035	19,067	9,891,460
Subordinated debts					
Opening balance	-	-	-	-	250,776
Issued / purchased during the year	-	-	-	-	-
Redeemed / sold during the year	-	-	-	-	(30)
Transfer in / (out) - net	-	-	-	-	(450)
Closing balance	-	-	-	-	250,296
Other liabilities					
Mark-up / return / interest / profit payable on deposits	-	-	579	2	17,316
Mark-up / return / interest / profit payable on subordinated debt	-	-	-	-	2,725
Payable to defined benefit plan	-	-	-	-	616,899
Payable to defined contribution plan	-	-	-	-	8,024
Mark to market loss on forward foreign exchange contracts	-	-	-	-	470
Mark to market loss on forward government securities	-	-	-	-	-
Insurance payable	-	-	-	-	8,783
Advance against subordinated debt	-	-	-	-	-
Payable to funds under management	-	-	-	39,896	-
Dividend payable	-	-	-	-	-
Trade creditors	60	-	-	-	22,259
Rent payable	-	-	-	-	36
Others payable	314	-	-	-	3,555
Contingencies and commitments					
Letters of guarantee	-	-	-	-	842,950
Letters of credit	-	-	-	-	186,580
Commitment in respect of forward foreign exchange contracts	-	-	-	-	160,911
Commitment in respect of forward government securities	-	-	-	-	-

For the nine months ended September 30, 2026 (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	-	16	27,285	11,986	417,442
Fee and commission income	5	56	1,295	-	62,437
Dividend income	-	-	-	-	62,433
Foreign exchange loss	-	-	-	-	(2,039)
Gain on sale of securities - net	-	-	16	-	4,893
Gain on sale of property and equipment - net	-	-	-	-	-
Rent income	-	-	-	-	-
Other income	-	20	300	-	-
Expense					
Mark-up / return / interest / profit paid	1,763	1,477	3,792	2,353	628,343
Operating expenses					
Compensation	-	-	861,961	-	1,131,233
Charge for defined contribution plans	-	-	-	-	797,100
Charge for defined benefit plans	-	-	-	-	294,751
Rent	2,630	-	-	-	428
Utilities cost	-	-	-	-	27,848
Software Maintenance	-	-	-	-	15,225
Directors' fee and allowances	-	14,300	-	-	27,625
Insurance	-	-	-	-	643,999
Training and Development	-	-	-	-	-
Marketing, advertisement and publicity	-	-	-	-	-
Consultancy fee	-	-	-	-	47,003
Advisory fee	-	-	-	-	19,500
Royalty	-	-	-	-	20,000
Other expenses	1,935	-	-	-	1,569
Credit loss allowance on:					
Advances	-	(2)	(2,151)	(501,315)	26,289
Investment	-	-	-	-	-
Other Assets	-	-	(4)	-	423
Payments made during the period					
Insurance premium paid	-	-	-	-	328,764
Insurance claims settled	-	-	-	-	99,887
Donation paid	-	-	-	-	266,402
Dividend paid	-	-	-	-	390,052
Other Transactions					
Gain on sale of FVOCI securities	-	-	-	-	193,165
Sale of Government Securities	-	-	44,858	-	318,609,298
Purchase of Government Securities	-	-	-	-	164,381,241
For the nine months ended September 30, 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	-	-	28,019	-	322,152
Fee and commission income	5,463	71	1,819	802,924	113,578
Dividend income	-	-	-	-	62,433
Foreign exchange loss	-	-	-	-	-
Gain on sale of securities - net	-	-	-	-	79,125
Gain on sale of property and equipment - net	-	-	16	-	-
Rent income	-	-	-	-	11,202
Other income	40	20	340	-	-
Expense					
Mark-up / return / interest / profit paid	4,345	559	3,533	1,568	556,836
Operating expenses					
Compensation	-	-	785,461	-	934,837
Charge for defined contribution plans	-	-	-	-	663,572
Charge for defined benefit plans	-	-	-	-	405,932
Rent	4,199	-	-	-	8,808
Utilities cost	-	-	-	-	28,099
Software Maintenance	-	-	-	-	19,109
Directors' fee and allowances	-	11,250	-	-	25,368
Insurance	-	-	-	-	435,857
Training and Development	-	-	12,709	-	-
Marketing, advertisement and publicity	-	-	-	-	2,228
Consultancy fee	-	-	-	-	35,609
Advisory fee	-	-	-	-	19,500
Royalty	-	-	-	-	18,750
Other expenses	1,680	827	-	-	6,680
Credit loss allowance on:					
Advances	-	(1)	2	(16,013)	1,028
Investment	-	-	-	(187)	-
Other Assets	-	-	1	-	8,866
Payments made during the period					
Insurance premium paid	-	-	-	-	229,753
Insurance claims settled	-	-	-	-	72,240
Donation paid	-	-	-	-	265,822
Dividend paid	-	-	-	-	272,962
Other transactions					
Gain on sale of FVOCI securities	-	-	-	-	-
Sale of Government Securities	-	-	4,003	-	167,259,189
Purchase of Government Securities	-	-	-	-	7,715,039

	(Un-audited) September 30, 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)	20,506,625	20,506,625
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	67,277,029	59,347,711
Eligible Additional Tier 1 (ADT 1) Capital	6,743,400	6,620,002
Total Eligible Tier 1 Capital	74,020,429	65,967,713
Eligible Tier 2 Capital	15,213,494	12,059,482
Total Eligible Capital (Tier 1 + Tier 2)	89,233,923	78,027,195
Risk Weighted Assets (RWAs):		
Credit Risk	458,611,305	357,014,442
Market Risk	24,236,171	22,186,950
Operational Risk	154,166,864	154,166,864
Total	637,014,340	533,368,256
Common Equity Tier 1 Capital Adequacy ratio	10.56%	11.13%
Tier 1 Capital Adequacy Ratio	11.62%	12.37%
Total Capital Adequacy Ratio	14.01%	14.63%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	74,020,429	65,967,713
Total Exposures	1,762,488,437	1,591,413,044
Leverage Ratio	4.20%	4.15%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	618,775,286	683,125,801
Total Net Cash Outflow	272,103,882	235,790,416
Liquidity Coverage Ratio	227.40%	289.72%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	1,088,580,351	1,043,783,306
Total Required Stable Funding	689,523,723	539,039,271
Net Stable Funding Ratio	157.87%	193.64%

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	10.56%	10.37%
T1 Capital to TRWAs	11.62%	11.43%
Total eligible capital to TRWAs	14.01%	14.01%
Leverage	4.20%	4.13%

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. SUBSEQUENT EVENT

No events were identified other than those disclosed in the respective notes to these consolidated condensed interim financial statements.

43. DATE OF AUTHORISATION FOR ISSUE

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

**President and
Chief Executive Officer**

Chief Financial Officer

Director

Director

Director



Registered office

JS Bank Limited, Shaheen Commercial Complex,
Dr. Zia Uddin Ahmed Road, P.O. Box 4847,
Karachi-74200 Sindh, Pakistan.

UAN: (021-051)111-654-321