

CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2026

Bank of Khyber

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Bank of Khyber

CORPORATE INFORMATION
As of September 30, 2026

Board of Directors

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

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

Managing Director / CEO

Hassan Raza

Shariah Board

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

Board Audit Committee

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

Board Human Resource & Remuneration Committee

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

Board Risk Management Committee

Secretary Finance	Chairman
Muhammed Shahid Sadiq	Member
Hassan Raza	Member

Board Information Technology Committee

Osman Asghar Khan	Chairman
Tahir Jawaid	Member
Natasha Jehangir Khan	Member
Syed Asad Ali Shah	Member
Hassan Raza	Member

Board Compliance Committee

Natasha Jehangir Khan	Chairperson
Muhammed Shahid Sadiq	Member
Hassan Raza	Member

Chief Financial Officer

Irfan Saleem Awan

Company Secretary

Raza Mohsin Qizilbash

Registered Office / Head Office

Bank of Khyber
24 – The Mall, Peshawar Cantt.

UAN# 00-92-91-111 95 95 95
URL: www.bok.com.pk

Auditors

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

Legal Advisors

M/s. Mohsin Tayebaly & Co., Karachi

Registrar and Share Registration Office

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

Bank of Khyber

Directors' Review

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

Financial Highlights

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

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

	(Rs. in Million) For the nine-month period ended	
	September 30 2026	September 30 2025
Profit Before Credit Loss Allowance	4,645	9,646
(Reversal) of Credit Loss allowance - Net	(498)	(959)
Profit before taxation	5,143	10,604
Taxation	2,759	5,632
Profit after tax	2,385	4,973
	(Rupees)	
Earnings Per Share	2.06	4.29

Economic and Performance Review

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

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

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

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

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

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

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

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

Update on Subsidiary

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

Ratings

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

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

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

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

Future Outlook

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

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

Acknowledgments

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

For and on behalf of the Board of Directors

Hassan Raza
Managing Director & CEO

Peshawar: October 28, 2026

Bank of Khyber

ڈائریکٹرز کا جائزہ

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

مالیاتی جھلکیاں

زیر جائزہ مدت کے لیے بینک (اسٹینڈ الون) کے مالیاتی نتائج درج ذیل ہیں:

	30 ستمبر 2026	31 دسمبر 2025
	(ملین روپے)	
کل اثاثہ جات	584,282	453,300
ڈپازٹس	432,728	378,123
ایڈوانسز	150,700	126,706
سرمایہ کاری	374,085	274,957

	برائے نو ماہی مدت	
	30 ستمبر 2026	30 ستمبر 2025
	(ملین روپے)	
کریڈٹ لاس الاؤنس سے قبل منافع	4,645	9,646
کریڈٹ لاس الاؤنس کی (ریورسل)- خالص	(498)	(959)
قبل از ٹیکس منافع	5,143	10,604
ٹیکس	2,759	5,632
بعد از ٹیکس منافع	2,385	4,973
	(روپے)	
آمدنی فی حصص	2.06	4.29

معاشی اور کارکردگی کا جائزہ

زیر جائزہ مدت میں پاکستان کی معیشت ایک پیچیدہ ماحول میں کام کرتی رہی، جو عالمی سپلائی چین میں ردوبدل اور علاقائی سطح پر بڑھتی ہوئی جغرافیائی سیاسی کشیدگی کے باعث تشکیل پایا۔ معاشی رفتار بر قرار رکھتے ہوئے قیمتوں میں استحکام کے فروغ کی خاطر، اسٹیٹ بینک آف پاکستان نے زری پالیسی میں محتاط رویہ اپنائے رکھا۔ چنانچہ 28 اپریل 2026 سے اہم پالیسی ریٹ میں 100 بنیادی پوائنٹس کا اضافہ کر کے اسے 11.50 فیصد کی سطح پر لایا گیا اور زیر جائزہ نو ماہی مدت کے اختتام کے بعد مزید 50 بنیادی پوائنٹس بڑھا کر 27 اکتوبر 2026 کو 12.00 فیصد کر دیا۔

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

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

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

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

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

زیر جائزہ مدت کے دوران بیلنس شیٹ گروتھ کا بنیادی سبب ڈپازٹس میں خاطر خواہ اضافہ رہا، جو 30 ستمبر 2026 تک 432,728 ملین روپے تک پہنچ گئے جبکہ 31 دسمبر 2025 کو یہ 378,123 ملین روپے تھے۔ اسی طرح، قرضہ جات بڑھ کر 112,799 ملین روپے ہوگئے جبکہ 31 دسمبر 2025 کو یہ 35,698 ملین روپے تھے۔ بیلنس شیٹ گروتھ کے ساتھ ساتھ، بینک 30 ستمبر 2026 تک بالترتیب 207.56 فیصد اور 16.78 فیصد پر LCR اور CAR کے ساتھ مضبوط لیکویڈیٹی اور سرمائے کی صورتحال برقرار رکھے ہوئے ہے۔

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

ذیلی کمپنی سے متعلق تازہ ترین صورتحال

19 جنوری 2026 کو، ایس ای سی پی نے بینک کی مکمل ملکیتی ذیلی کمپنی، بی او کے کارنسی ایکسچینج کمپنی (پرائیویٹ) لمیٹڈ، کی رجسٹریشن کا سرٹیفکیٹ جاری کیا۔ اس ضمن میں، بینک نے زیر جائزہ نو ماہی مدت کے دوران بی او کے ایکسچینج کمپنی کے پیڈ اپ کیپیٹل کے طور پر 1 ارب روپے کی رقم جمع کروائی ہے۔ اس کے مطابق، بینک نے 30 ستمبر 2026 کو ختم ہونے والی نو ماہی مدت کے لیے اپنے مجموعی (کنسولیڈیٹڈ) مالیاتی گوشوارے بھی تیار اور پیش کیے ہیں۔ فی الحال، ذیلی کمپنی ایکسچینج کے کاروباری آپریشنز شروع کرنے کے لیے درکار ضروری منظوریاں حاصل کرنے کے لیے باقی ماندہ ریگولیٹری تقاضوں کی تکمیل کے عمل میں ہے۔

ریٹنگز

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

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

ان توثیق کردہ رٹینگز کا آؤٹ لک مستحکم (اسٹیبل) ہے۔ درمیانی سے طویل مدتی 'AA-' درجہ بندی مضبوط پروڈکشن فیگیرز کے ساتھ اعلیٰ کریڈٹ معیار کی نشاندہی کرتی ہے۔

اپریل 2026 میں، اسلامک انٹرنیشنل رٹینگ ایجنسی ("IIRA") نے بینک کے اسلامی بینکاری آپریشنز کو قومی سطح پر 'شریعہ کمپلائنس اور فیڈیوشری رٹینگ "SCFR (pk) 1" تفویض کی، جو "شریعہ کمپلائنٹ فنانس کے لیے قومی ریگولیٹری فریم ورک سے کوئی نمایاں انحراف نہ ہونے" کی نشاندہی کرتی ہے، اور عالمی سطح پر High - (Global) "SCFR" تفویض کی، جو "شریعہ کمپلائنٹ فنانس کے فیڈیوشری فرائض کی تکمیل کے لحاظ سے عالمی معیارات کے ساتھ اعلیٰ درجے کی مطابقت" کی نشاندہی کرتی ہے۔

مستقبل کا لائحہ عمل

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

مستقبل کے پیشِ نظر، ہم بنیادی معاشی شعبوں میں اپنے ایڈوانسز پورٹ فولیو کی منظم توسیع کے لیے پر عزم ہیں۔ پائیدار رسک ایڈجسٹڈ منافع کو آگے بڑھانے کے لیے، ہم ٹیزون نحی شعبے کے کارپوریٹس کو شامل کر کے اور ٹریڈ فنانس و ضمنی کاروبار میں زیادہ منافع بخش مواقع حاصل کر کے اپنی بیلنس شیٹ کو فعال طور پر متنوع بنا رہے ہیں۔

اظہارِ تشکر

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

منجانب: بورڈ آف ڈائریکٹرز

حسن رضا
پریذیڈنٹ اینڈ چیف ایگزیکٹو آفیسر

پشاور: 28 اکتوبر 2026



Bank of Khyber

Unconsolidated Condensed Interim Financial Statements

For The Nine Month Period Ended September 30, 2026

Bank of Khyber

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

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

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

MANAGING DIRECTOR	CHIEF FINANCIAL OFFICER	DIRECTOR	DIRECTOR	DIRECTOR

Bank of Khyber

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

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

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

MANAGING DIRECTOR	CHIEF FINANCIAL OFFICER	DIRECTOR	DIRECTOR	DIRECTOR

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

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

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

MANAGING DIRECTOR	CHIEF FINANCIAL OFFICER	DIRECTOR	DIRECTOR	DIRECTOR

Bank of Khyber

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

	Share capital	Statutory reserve	Surplus / (deficit) on revaluation of			Unappropriated profit	Total
			Investments	Property and equipment	Non-banking assets		
	Rupees in '000						
Balance as at December 31, 2024 (audited)	11,579,360	5,066,025	749,966	900,120	26,612	3,577,136	21,899,219
Effect of remeasurement on adoption of IFRS 9 - net of tax	-	-	90,629	-	-	-	90,629
Balance as at January 1, 2025 - restated	11,579,360	5,066,025	840,595	900,120	26,612	3,577,136	21,989,848
Profit after taxation for the nine month period ended 30 September, 2025	-	-	-	-	-	4,972,576	4,972,576
Other comprehensive (loss) / income - net of tax							
Movement in surplus on revaluation of investments in debt instruments through OCI - net of tax	-	-	631,820	-	-	-	631,820
Gain on sale of debt investments carried at FVOCI reclassified to profit and loss - net of tax	-	-	(1,064,216)	-	-	-	(1,064,216)
Share of surplus on revaluation of investment of associate - net of tax	-	-	1,339	-	-	-	1,339
Movement in surplus on revaluation of equity investments - net of tax	-	-	45,005	-	-	-	45,005
Movement of deficit on debt investment reclassified from FVOCI to FVPL - net of tax	-	-	792	-	-	-	792
Total other comprehensive loss - net of tax	-	-	(385,260)	-	-	-	(385,260)
Transfer to statutory reserve	-	994,515	-	-	-	(994,515)	-
Transfer from surplus on revaluation of non-banking asset to unappropriated profit - net of tax	-	-	-	-	(4,059)	4,059	-
Gain on disposal of equity investments at FVOCI of associate transferred to unappropriated profit - net of tax	-	-	(3,791)	-	-	3,791	-
Transactions with owners, recorded directly in equity							
Final cash dividend for the year ended December 31, 2024 (Rs.1.70 per share)	-	-	-	-	-	(1,968,683)	(1,968,683)
Interim cash dividend for the year ended December 31, 2025 (Rs.1.50 per share)	-	-	-	-	-	(1,736,904)	(1,736,904)
Balance as at September 30, 2025 (un-audited) - restated	11,579,360	6,060,540	451,544	900,120	22,553	3,857,460	22,871,577
Profit after taxation for the three month period ended December 31, 2025	-	-	-	-	-	843,188	843,188
Other comprehensive income / (loss) - net of tax						-	
Movement in surplus on revaluation of investments in debt instruments through FVOCI- net of tax	-	-	8,917	-	-	-	8,917
Gain on sale of debt investments carried at FVOCI reclassified to profit and loss - net of tax	-	-	(55,129)	-	-	-	(55,129)
Movement in surplus on revaluation of equity investments - net of tax	-	-	1,014	-	-	-	1,014
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	(24,064)	(24,064)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	31,187	-	31,187
Total other comprehensive loss - net of tax	-	-	(45,198)	-	31,187	(24,064)	(38,075)
Transfer to statutory reserve	-	168,638	-	-	-	(168,638)	-
Transfer from surplus on revaluation of non-banking asset to unappropriated profit - net of tax	-	-	-	-	(1,353)	1,353	-
Gain on disposal of equity investments at FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	-	-	-
Balance as at December 31, 2025 (audited)	**11,579,360**	**6,229,178**	**406,346**	**900,120**	**52,387**	**4,509,299**	**23,676,690**
Impact of adoption of IFRS 9 - net of tax (note 4.1)	**-**	**-**	**-**	**-**	**-**	**8,977**	**8,977**
Balance as at January 1, 2026 - restated	**11,579,360**	**6,229,178**	**406,346**	**900,120**	**52,387**	**4,518,276**	**23,685,667**
Profit after taxation for the nine month period ended 30 September, 2026	**-**	**-**	**-**	**-**	**-**	**2,384,584**	**2,384,584**
Other comprehensive income / (loss) - net of tax							
Movement in deficit on revaluation of investments in debt instruments through OCI - net of tax	**-**	**-**	**(1,271,474)**	**-**	**-**	**-**	**(1,271,474)**
Gain on sale of debt investments carried at FVOCI reclassified to profit and loss - net of tax	**-**	**-**	**(44,558)**	**-**	**-**	**-**	**(44,558)**
Share of surplus on revaluation of investment of associate - net of tax	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Movement in surplus on revaluation of equity investments - net of tax	**-**	**-**	**12,591**	**-**	**-**	**-**	**12,591**
Total other comprehensive loss - net of tax	**-**	**-**	**(1,303,441)**	**-**	**-**	**-**	**(1,303,441)**
Transfer to statutory reserve	**-**	**476,917**	**-**	**-**	**-**	**(476,917)**	**-**
Transfer from surplus on revaluation of non-banking asset - net of tax	**-**	**-**	**-**	**-**	**(4,322)**	**4,322**	**-**
Transactions with owners, recorded directly in equity							
Final cash dividend for the year ended December 31, 2025 (Rs.1.70 per share)	**-**	**-**	**-**	**-**	**-**	**(1,968,692)**	**(1,968,692)**
Balance as at September 30, 2026 (un-audited)	**11,579,360**	**6,706,095**	**(897,095)**	**900,120**	**48,065**	**4,461,573**	**22,798,118**

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

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

Bank of Khyber

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

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

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

MANAGING DIRECTOR	CHIEF FINANCIAL OFFICER	DIRECTOR	DIRECTOR	DIRECTOR

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

1 STATUS AND NATURE OF BUSINESS

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

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

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

2 BASIS OF PREPARATION

2.1 In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan (SBP) has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by the banks from their customers and immediate resale to them at appropriate profit in price on deferred payment basis. The purchases and sales arising under the respective arrangements (except for Murabaha financings accounted for under Islamic Financial Accounting Standard - 1 "Murabaha") are not reflected in these unconsolidated condensed interim financial statements as such, but are restricted to the amount of facility actually utilized and the appropriate portion of profit thereon.

2.2 These unconsolidated condensed interim financial statements represent separate financial statements of the Bank in which investment in subsidiary is accounted for on the basis of cost less accumulated impairment losses, if any. Consolidated condensed interim financial statements are prepared seperately.

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

2.4 The financial results of the Islamic Banking Branches have been included in these unconsolidated condensed interim financial statements for reporting purposes, after eliminating the effects of inter-branch transactions and balances. Key financial figures of the Islamic Banking Branches are disclosed in note 38 to these unconsolidated condensed interim financial statements.

2.5 These unconsolidated condensed interim financial statements have been prepared under the historical cost convention except that certain class of property and equipment and non-banking assets acquired in satisfaction of claims are stated at revalued amounts; certain investments classified at fair value through profit or loss and at fair value through other comprehensive income, foreign exchange contracts and derivative financial instruments, if any, are stated at fair value; staff loans are measured at fair value at initial recognition; and the recognition of certain employees benefits, lease liabilities and corresponding right of use assets at present value, as disclosed in their respective notes.

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

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

3 STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting' issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act, 2017;

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

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

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

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

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

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

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

- IFRS 7, 'Financial Instruments: Disclosures'; the SECP through S.R.O. 742(1)/2025 dated April 16, 2025 has required disclosures regarding the significance of financial instruments to the Bank's financial position and performance, as well as the nature, extent, and management of risks arising from such instruments. Accordingly, the Bank will adopt IFRS 7 in preparing its annual financial statements for the year ending December 31, 2026. However, the disclosure requirements of IFRS 7 do not apply to these unconsolidated condensed interim financial statements except for those specified in paragraph 16A(j) of IAS 34, 'Interim Financial Reporting'.

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

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

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2027 but are considered not to be relevant or do not have any material effect on the Bank's unconsolidated condensed interim financial statements except for:

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

4 MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 IFRS 9 - Financial Instruments

4.1.1 The Bank adopted IFRS 9 effective from January 1, 2024, except for certain relaxations and extensions issued by the SBP from time to time. The impacts of these relaxations and extensions were incorporated in the annual audited financial statements of the Bank for the years ended December 2024 and 2025, with the modified retrospective approach as permitted under IFRS-9.

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

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

4.2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

4.3 FINANCIAL RISK MANAGEMENT

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

		(Un-audited) September 30, 2026	(Audited) December 31, 2025
5	**CASH AND BALANCES WITH TREASURY BANKS**	**-------- Rupees in '000 --------**	
	In hand		
	Local currency	**7,965,257**	7,042,878
	Foreign currencies	**215,276**	142,560
		8,180,533	7,185,438
	With State Bank of Pakistan in		
	Local currency current accounts	**19,517,762**	14,897,044
	Foreign currency current accounts	**96,559**	105,018
	Foreign currency deposit accounts	**320,380**	266,202
		19,934,701	15,268,264
	With National Bank of Pakistan in		
	Local currency current accounts	**2,020,555**	2,321,247
	Local currency deposit accounts	**7**	612,385
	Foreign currency current accounts	**8,529**	10,442
		2,029,091	2,944,074
	Prize bonds	**129**	354
	Less: Credit loss allowance held against cash and balances with treasury banks	**(19)**	(14)
	Cash and balances with treasury banks - net of credit loss allowance	**30,144,435**	25,398,116

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

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

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

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

8 INVESTMENTS

8.1 Investments by type:

	(Un-audited) September 30, 2026			
	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
	----------Rupees in '000----------			
Fair value through profit or loss (FVPL)				
Non Government Debt Securities	**1,364,640**	**-**	**(15,459)**	**1,349,181**
Fair value through other comprehensive income (FVOCI)				
Federal Government Securities	**360,728,573**	**-**	**(1,035,591)**	**359,692,982**
Shares	**677,083**	**-**	**(152,225)**	**524,858**
Non-Government Debt Securities	**2,410,126**	**(137,493)**	**(134,562)**	**2,138,071**
	363,815,782	**(137,493)**	**(1,322,378)**	**362,355,911**
Amortised cost (AC)				
Federal Government Securities	**8,735,361**	**-**	**-**	**8,735,361**
Non-Government Debt Securities	**517,627**	**(18)**	**-**	**517,609**
	9,252,988	**(18)**	**-**	**9,252,970**
Associate	**126,635**	**-**	**-**	**126,635**
Subsidiary	**1,000,000**			**1,000,000**
Total investments	**375,560,045**	**(137,511)**	**(1,337,837)**	**374,084,697**

	(Audited) December 31, 2025			
	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
	----------Rupees in '000----------			
Fair value through profit or loss (FVPL)				
Non Government Debt Securities	1,364,680	-	(15,459)	1,349,221
Fair value through other comprehensive income (FVOCI)				
Federal Government Securities	259,127,494	-	1,661,852	260,789,346
Shares	677,081	-	(178,456)	498,625
Non-Government Debt Securities	2,617,666	(141,626)	(90,270)	2,385,770
	262,422,241	(141,626)	1,393,126	263,673,741
Amortised cost (AC)				
Federal Government Securities	9,308,916	-	-	9,308,916
Non-Government Debt Securities	507,264	(5)	-	507,259
	9,816,180	(5)	-	9,816,175
Associate	117,490	-	-	117,490
Total investments	273,720,591	(141,631)	1,377,667	274,956,627

		(Un-audited)	(Audited)
		September 30, 2026	December 31, 2025
8.2 Investments given as collateral	**Note**	**------- Rupees in '000 -------**	
Market Treasury Bills		**82,550,000**	-
Pakistan Investment Bonds		**8,000,000**	13,878,200
Ijara Sukuks		**21,000,000**	-
	8.2.1	**111,550,000**	13,878,200

8.2.1 The market value of securities given as collateral is Rs.109,021.02 million (December 31, 2025: Rs. 13,871.20 million).

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

8.4 Particulars of credit loss allowance against debt securities

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

8.5 Summarised financial information of associate

8.5.1 Investment in associate - unlisted

	Period / year ended	Number of shares	Percentage of holding	Country of incorporation	Cost Rupees in '000
Taurus Securities Limited	**September 30, 2026 (Un-audited)**	**4,050,374**	**30%**	**Pakistan**	**40,504**
Taurus Securities Limited	December 31, 2025 (Audited)	4,050,374	30%	Pakistan	40,504

8.5.2 Summary of financial information of associate

	Assets	Liabilities	Equity	Revenue	Profit after taxation	Total comprehensive income
	---------- Rupees in '000 ----------					
Based on financial statements:						
- October 1, 2025 to September 30, 2026	**1,038,682**	**616,568**	**422,113**	**360,682**	**30,482**	**30,482**
- October 1, 2024 to September 30, 2025	1,560,181	1,168,548	391,633	325,148	51,292	60,588

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

8.6 Summarised financial information of subsidiary

8.6.1 Investment in subsidiary - unlisted

	Period ended	Number of shares	Percentage of holding	Country of incorporation	Cost Rupees in '000
BoK Currency Exchange Company (Private) Limited	**September 30, 2026 (Un-audited)**	**100,000,000**	**100%**	**Pakistan**	**1,000,000**

8.6.2 Summary of financial information of subsidiary

	Assets	Liabilities	Equity	Revenue	Profit after taxation	Total comprehensive income
	---------- Rupees in '000 ----------					
Based on financial statements:						
- January 19, 2026 to September 30, 2026	**1,048,682**	**37,424**	**1,011,257**	**54,642**	**9,210**	**9,210**

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

9 ADVANCES

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

		(Un-audited) September 30, 2026	(Audited) December 31, 2025
9.1	**Particulars of advances (gross)**	------ Rupees in '000 ------	
In local currency		**162,077,730**	138,604,531
In foreign currencies		**-**	-
		162,077,730	138,604,531

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

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

Category of classification in stage 3	(Un-audited) 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)	**127,986**	**89,894**	151,988	81,548
Substandard	**256,628**	**138,726**	774,959	530,827
Doubtful	**979,736**	**318,618**	419,689	283,341
Loss	**10,669,784**	**9,675,810**	11,183,837	9,904,434
	12,034,134	**10,223,048**	12,530,473	10,800,150
Overseas	-	-	-	-
Total	**12,034,134**	**10,223,048**	12,530,473	10,800,150

Bank of Khyber

9.3 Particulars of credit loss allowance against advances

	(Un-audited) September 30, 2026				(Audited) December 31, 2025			
	Credit loss allowance held							
	Stage 1	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
	---------- Rupees in '000 ----------							
Opening balance	**702,763**	**395,797**	**10,800,150**	**11,898,710**	731,140	584,619	11,425,873	12,741,632
Charge for the period / year	**259,343**	**442,589**	**678,149**	**1,380,081**	522,484	650,837	1,027,433	2,200,754
Reversals for the period / year	**(375,525)**	**(270,595)**	**(1,255,251)**	**(1,901,371)**	(550,861)	(839,659)	(1,653,156)	(3,043,676)
	(116,182)	**171,994**	**(577,102)**	**(521,290)**	(28,377)	(188,822)	(625,723)	(842,922)
Amounts written off	**-**	**-**	**-**	**-**	-	-	-	-
Closing balance	**586,581**	**567,791**	**10,223,048**	**11,377,420**	702,763	395,797	10,800,150	11,898,710

9.4 Advances - Particulars of credit loss allowance

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

9.4.1 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	Stage 1	**136,247,208**	**586,581**	81,305,726	702,763
Underperforming	Stage 2	**13,796,388**	**567,791**	44,768,332	395,797
Non-performing	Stage 3				
Other assets especially mentioned (OAEM)		**127,986**	**89,894**	151,988	81,548
Substandard		**256,628**	**138,726**	774,959	530,827
Doubtful		**979,736**	**318,618**	419,689	283,341
Loss		**10,669,784**	**9,675,810**	11,183,837	9,904,434
		12,034,134	**10,223,048**	12,530,473	10,800,150
Total		**162,077,730**	**11,377,420**	138,604,531	11,898,710
Overseas		-	-	-	-
Total		**-**	**-**	-	-

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

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

10 PROPERTY AND EQUIPMENT	Note	(Un-audited) September 30, 2026	(Audited) December 31, 2025
		Rupees in '000	
Capital work-in-progress	10.1	**133,317**	290,463
Property and equipment		**4,317,350**	4,506,076
		4,450,667	4,796,539

10.1 Capital work-in-progress		
Civil works	**119,152**	76,921
Equipment	**14,158**	212,400
Furniture and fixtures	**7**	216
Advances to suppliers	-	926
	133,317	290,463

		(Un-audited) For the nine months ended	
		September 30, 2026	September 30, 2025
10.2	**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 - net (transfers) / additions	**(157,146)**	44,047
	Property and equipment		
	Furniture and fixtures	**59,577**	45,538
	Electrical, office and computer equipment	**385,476**	170,923
	Vehicles	**-**	44,157
	Books	**10**	-
	Leasehold improvements	**135,240**	174,794
		580,303	435,412
	Total	**423,157**	479,459

10.3 Disposal of property and equipment

The net book value of property and equipment disposed off during the period is as follows:

Furniture and fixtures	**21**	681
Electrical, office and computer equipment	**93**	570
Leasehold improvements	**-**	1,135
Total	**114**	2,386

		(Un-audited) September 30, 2026	(Audited) December 31, 2025
11	**RIGHT-OF-USE ASSETS**	------ **Rupees in '000** ------	
	Buildings		
	At January 1		
	Cost	**5,235,628**	4,965,179
	Accumulated depreciation	**(3,609,467)**	(2,905,209)
	Net carrying amount at January 1	**1,626,161**	2,059,970
	Additions during the period / year	**131,016**	379,414
	Terminations during the period / year - at cost	**(8,424)**	(108,965)
	Accumulated depreciation on termination	**4,806**	63,251
		(3,618)	(45,714)
	Depreciation charge for the period / year	**(525,596)**	(767,509)
	Net carrying amount at the period / year end	**1,227,963**	1,626,161

12 INTANGIBLE ASSETS

Capital work in progress	**44,421**	53,879
Licenses and computer softwares	**328,353**	325,766
	372,774	379,645

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

12.2 Disposals of intangible assets

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

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

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

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

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

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

17 DEPOSITS AND OTHER ACCOUNTS

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

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

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

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

		Note	(Un-audited) September 30, 2026	(Audited) December 31, 2025
			------ Rupees in '000 ------	
19	**OTHER LIABILITIES**			
	Mark-up / return / interest payable in local currency		**9,213,140**	7,389,057
	Mark-up / return / interest payable in foreign currencies		**1,443**	16,380
	Unearned commission and income on bills discounted		**159,754**	150,512
	Accrued expenses and supplier payables		**1,653,100**	1,835,808
	Acceptances		**2,173**	2,910
	Unclaimed dividends		**130,914**	113,242
	Mark to market loss on forward foreign exchange contracts		**37,875**	147
	Deferred income on government schemes		**1,275**	1,275
	Deferred income on Islamic financing		**840,915**	622,651
	Islamic pool management reserves		**95,069**	98,206
	Share subscription money refund		**1,091**	1,091
	Retention money		**39,520**	39,738
	Bills payment system over the counter (BPS-OTC)		**722**	49,502
	Charity fund balance		**12,483**	11,648
	Payable to defined benefit plan		**119,830**	3,499
	Security deposits against ijarah		**25,612**	32,153
	Levies and other taxes payable		**101,121**	38,629
	Credit loss allowance against off-balance sheet obligations	**19.1**	**76,129**	42,406
	Others		**488,343**	383,428
			13,000,509	10,832,282

19.1	**Credit loss allowance against off-balance sheet obligations**		
	Opening balance	**42,406**	44,098
	Charge for the period / year	**105,993**	19,419
	Reversal for the period / year	**(72,270)**	(21,111)
		33,723	(1,692)
	Closing balance	**76,129**	42,406

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

20 SHARE CAPITAL

20.1 Authorized capital

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

20.2 Issued, subscribed and paid up

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

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

21 SURPLUS ON REVALUATION OF ASSETS	(Un-audited) September 30, 2026	(Audited) December 31, 2025
	------ Rupees in '000 ------	
(Deficit) / surplus on revaluation of:		
- Securities measured at FVOCI - Debt	**(1,170,153)**	1,571,582
- Securities measured at FVOCI - Equity	**(152,225)**	(178,456)
- Property and equipment	**900,120**	900,120
- Non-banking assets acquired in satisfaction of claims	**100,134**	109,138
- Investment of associate	**(5,404)**	(5,404)
	(327,528)	2,396,980
Deferred tax on (deficit) / surplus on revaluation of:		
- Securities measured at FVOCI - Debt	**608,480**	(817,223)
- Securities measured at FVOCI - Equity	**(180,603)**	(166,963)
- Non-banking assets acquired in satisfaction of claims	**(52,069)**	(56,751)
- Investment of associate	**2,810**	2,810
	378,618	(1,038,127)
	51,090	1,358,853

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

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

22.2.2 Undrawn loan commitments

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

22.3 Other contingent liabilities

22.3.1 There are certain claims against the Bank that have not been acknowledged as liabilities/ debts. These primarily comprise counterclaims filed by borrowers, claims lodged by former employees of the Bank, and certain other claims. Based on legal advice and/or internal assessments, Management believes that the Bank is likely to succeed in defending these claims and that the likelihood of an adverse outcome is remote. Accordingly, no provision has been recognized in respect of these claims.

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

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

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

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

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

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

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

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

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

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

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

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

vi) In respect of Tax Year 2020, the Additional Commissioner Inland Revenue passed an order dated May 25, 2026, under Section 122(5A) of the Income Tax Ordinance, 2001, creating a tax demand of Rs. 271 million by disallowing the Bank's claim for adjustment of the tax refund. Being aggrieved by the said order, the Bank filed an appeal before the Commissioner Inland Revenue (Appeals) (CIRA) on June 18, 2026. However, CIRA, vide order dated October 14, 2026, upheld the demand. Accordingly, the Bank intends to challenge the appellate order before the Appellate Tribunal Inland Revenue (ATIR).
Further, Assistant Commissioner Inland Revenue issued an order dated September 30, 2026 under section 161(1) of the Income Tax Ordinance, 2001, creating a demand of Rs. 26 million including default surcharge of Rs. 3 million, mainly on account of non-deduction of withholding taxes. Being aggrieved, the Bank filed an appeal before CIRA on July 28, 2026, which is currently pending.

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

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

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

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

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

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

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

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

			(Un-audited) For the nine months ended	
			September 30, 2026	September 30, 2025
23	**MARK-UP / RETURN / INTEREST EARNED**	**Note**	**--------- Rupees in '000 ---------**	
	Loans and advances		**12,311,747**	10,583,595
	Investments		**16,824,422**	19,602,051
	Lendings to financial institutions		**128,871**	440,956
	Balances with banks		**80,810**	158,768
	Sukuk bonds		**10,095,543**	10,400,681
			39,441,393	41,186,051
23.1	**Interest income included in above (calculated using effective interest rate method) recognized on:**			
	Financial assets measured at amortized cost		**13,279,586**	
	Financial assets measured at FVOCI		**26,028,665**	
		24.1.1	**39,308,251**	
24	**MARK-UP / RETURN / INTEREST EXPENSED**			
	Deposits		**19,343,526**	18,620,078
	Borrowings		**7,083,191**	7,746,547
	Lease liability		**254,279**	295,408
			26,680,996	26,662,033
24.1	**Interest expense (included in above calculated using effective interest rate method) recognized on:**			
	Financial liabilities	**24.1.1**	**26,425,716**	

24.1.1 As disclosed in note 4.1.2, the Bank has applied the effective interest rate method during the current period under the modified retrospective approach. The impact has been recognised in opening equity, and accordingly, prior information has not been presented.

			(Un-audited) For the nine months ended	
			September 30, 2026	September 30, 2025
			--------- Rupees in '000 ---------	
25	**FEE AND COMMISSION INCOME**			
	Branch banking customer fees		**21,958**	21,290
	Consumer finance related fees		**300**	475
	Card related fees (Debit cards)		**473,729**	366,828
	Commission on trade		**145,917**	132,133
	Commission on guarantees		**185,679**	187,355
	Commission on remittances including home remittances		**14,769**	36,916
	Rebate from financial institutions		**49,097**	43,201
	Others		**10,822**	12,404
			902,271	800,602
26	**GAIN ON SECURITIES**			
	Realised gain	**26.1**	**92,830**	2,217,118
	Unrealised (loss) - measured at FVPL		**-**	(1,650)
			92,830	2,215,468
26.1	**Realised gain on:**			
	Federal government securities		**92,830**	2,217,118
			92,830	2,217,118
27	**NET GAIN / (LOSS) ON DERECOGNITION OF FINANCIAL ASSETS MEASURED AT AMORTISED COST**			
	Gain on derecognition of financial assets measured at amortised cost		**47,976**	29,736
	Loss on derecognition of financial assets measured at amortised cost		**(50,019)**	(12,632)
			(2,043)	17,104
28	**OTHER INCOME**			
	Rent on property		**1,860**	2,422
	Gain on sale of property and equipment - net		**1,046**	11,251
	Postal, swift and other services		**103,442**	95,106
	Gain on early culmination of lease		**209**	3,904
	Service income on Government schemes		**10**	321
			106,567	113,004

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

		(Un-audited) For the nine months ended	
		September 30, 2026	September 30, 2025
		--------- Rupees in '000 ---------	
29	**OPERATING EXPENSES**		
	Total compensation expense	**4,469,899**	3,929,884
	Property expense		
	Rent and taxes	**14,694**	11,089
	Utilities cost	**401,543**	372,595
	Security (including guards)	**300,080**	291,592
	Repair and maintenance (including janitorial charges)	**22,198**	22,202
	Depreciation - Right of use assets	**525,596**	565,613
	Depreciation - Non banking assets acquired in satisfaction of claims	**44,513**	33,533
	Depreciation - Property and equipment	**309,519**	301,493
		1,618,143	1,598,117
	Information technology expenses		
	Software maintenance	**521,795**	417,453
	Hardware maintenance	**56,215**	58,317
	Depreciation - Property and equipment	**377,629**	252,822
	Amortization	**64,970**	63,563
	Network charges	**15,600**	15,584
	Connectivity charges	**199,958**	199,842
	ATM charges	**150,314**	174,682
		1,386,481	1,182,263
	Other operating expenses		
	Directors' fees and allowances	**77,911**	32,934
	Fees and allowances to Shariah Board	**14,278**	12,363
	Legal and professional charges	**39,402**	37,352
	Outsourced service cost	**376,548**	315,761
	Travelling and conveyance	**92,971**	82,851
	NIFT clearing charges	**33,424**	31,261
	Depreciation - Property and equipment	**81,767**	73,774
	Training and development	**5,471**	13,546
	Postage and courier charges	**51,488**	48,853
	Communication	**237,167**	147,827
	Stationery and printing	**111,547**	109,165
	Marketing, advertisement and publicity	**297,946**	191,995
	Donations	**-**	75,000
	Auditors' remuneration	**26,116**	19,262
	Entertainment	**60,486**	57,389
	Newspapers and periodicals	**1,351**	2,064
	Brokerage and commission	**23,580**	32,868
	Rent and taxes	**681**	1,506
	Cash carriage charges	**122,780**	102,486
	Repair and maintenance	**41,565**	73,410
	Utilities cost	**8,534**	8,604
	Insurance	**42,088**	62,497
	Fees and subscriptions	**12,442**	7,385
	Deposit protection premium	**154,574**	119,895
	Home remittance charges	**73,011**	109,345
	Others	**51,135**	46,709
		2,038,263	1,816,102
		9,512,786	8,526,366
30	**OTHER CHARGES**		
	Penalties imposed by State Bank of Pakistan	**120,848**	230

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

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

34 FAIR VALUE MEASUREMENTS

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

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

34.1 Fair value of financial assets

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

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

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

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

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

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

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

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

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

34.2.1 Fair value of financial assets

(a) Financial instruments in level 1

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

(b) Financial instruments in level 2

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

(c) Financial instruments in level 3

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

34.2.2 Fair value of non - financial assets

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

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

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

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

Pakistan Investment Bonds / Market Treasury Bills	Fair values of Pakistan Investment Bonds and Treasury Bills are derived using the PKRV rates for fixed rate securities and PKFRV rates for floating rate PIB's (Reuters page).
Un-listed GOP ijarah Sukuks	Fair values of unlisted GoP Ijarah Sukuks are derived using the PKISRV rates announced by the Financial Market Association (FMA) through Reuters. These rates denote an average of quotes received from eight different pre-defined / approved dealers / brokers.
Term Finance, Bonds and Sukuk certificates	Investments in debt securities (comprising term finance certificates, bonds, Sukuk certificates and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan. In the determination of the rates, the MUFAP takes into account the holding pattern of these securities and categorizes these as traded, thinly traded and non-traded securities. However, fair values of investments in unquoted debt securities are valued on the basis of present value technique based on market interest rates.

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

Property & equipment (Leasehold land) and non-banking assets acquired in satisfaction of claims	These assets are revalued on regular basis using professional valuers on the panel of Pakistan Banker's Association. The valuation is based on their assessment of market value of the properties. The valuation experts used a market based approach to arrive at the fair value of the Bank's properties. The market approach used prices and other relevant information generated by market transactions involving identical, comparable or similar properties. These values are adjusted to reflect the current condition of the properties. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty accordingly a qualitative disclosure of sensitivity has not been presented in these unconsolidated condensed interim financial statements.
Unquoted equity securities	Fair value of unquoted equity securities is determined on the basis of income approach.

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

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

The following table shows reconciliation of investments measured at level 3 fair value:	(Un-audited) September 30, 2026	(Audited) December 31, 2025
	------ Rupees in '000 ------	
Opening balance	**291,486**	89,302
Impact of adoption of IFRS 9	**-**	188,810
Balance as at January 1	**291,486**	278,112
Remeasurement recognised in OCI	**9,225**	13,374
Closing balance	**300,711**	291,486

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

35 SEGMENT INFORMATION

35.1 Segment details with respect to business activities

	For the nine months ended September 30, 2026 (Un-audited)				
	Corporate Finance	Trading and Sales	Retail Banking	Commercial Banking	Total
	Rupees in 000				
Profit and loss					
Net mark-up / return / profit	(8,390,585)	20,781,510	(2,828,263)	3,197,735	12,760,397
Inter segment revenue - net	10,400,238	(13,196,822)	3,476,344	(679,760)	-
Non mark-up / return / interest income	8,883	698,013	501,808	309,516	1,518,220
Total income	2,018,536	8,282,701	1,149,889	2,827,491	14,278,617
Segment direct expenses	88,159,320	(149,082,372)	31,695,817	19,593,602	(9,633,634)
Inter segment expense allocation	(89,504,121)	143,564,222	(32,461,903)	(21,598,198)	-
Total expenses	(1,344,803)	(5,518,150)	(766,086)	(2,004,596)	(9,633,634)
Credit loss allowance	-	2,760	112,335	383,281	498,375
Profit before tax	673,733	2,767,311	496,138	1,206,176	5,143,358

	As at September 30, 2026 (Un-audited)				
	Corporate Finance	Trading and Sales	Retail Banking	Commercial Banking	Total
	Rupees in 000				
Balance sheet					
Cash and bank balances	4,326,933	21,697,604	1,007,336	4,796,690	31,828,563
Investments	9,252,975	363,705,087	-	1,126,635	374,084,697
Net inter segment lending	223,134,580	(285,888,425)	77,270,759	(14,516,915)	-
Lendings to financial institutions	-	2,130,318	-	-	2,130,318
Advances - performing	63,701,860	-	16,131,795	69,055,569	148,889,224
Advances - non performing	-	-	850,673	960,413	1,811,086
Others	3,560,482	11,513,575	4,766,436	5,697,926	25,538,418
Total assets	303,976,830	113,158,159	100,026,999	67,120,318	584,282,306
Borrowings	24,296,507	87,802,237	-	700,000	112,798,744
Deposits and other accounts	268,625,510	7,452,548	96,578,616	60,070,837	432,727,511
Net inter segment borrowing	(223,134,580)	285,888,425	(77,270,759)	14,516,915	-
Others	7,896,402	2,313,103	2,559,324	3,189,104	15,957,933
Total liabilities	77,683,839	383,456,313	21,867,181	78,476,856	561,484,188
Equity	226,292,990	(270,298,154)	78,159,818	(11,356,536)	22,798,118
Total equity and liabilities	303,976,830	113,158,159	100,026,999	67,120,318	584,282,306
Contingencies and commitments	22,554,557	13,056,437	12,155,112	32,129,136	79,895,242

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

	For the nine months ended September 30, 2025 (Un-audited)				
	Corporate Finance	Trading and Sales	Retail Banking	Commercial Banking	Total
	Rupees in 000				
Profit and loss					
Net mark-up / return / profit	(3,885,822)	21,953,333	(3,221,145)	(322,348)	14,524,018
Inter segment revenue - net	6,119,857	(12,250,258)	3,775,024	2,355,377	-
Non mark-up / return / interest income	15,374	2,885,216	386,414	361,162	3,648,166
Total Income	2,249,409	12,588,291	940,293	2,394,191	18,172,184
Segment direct expenses	(17,310,074)	24,464,585	(7,155,423)	(8,525,684)	(8,526,596)
Inter segment expense allocation	16,254,654	(30,370,995)	6,714,238	7,402,102	-
Total expenses	(1,055,420)	(5,906,410)	(441,185)	(1,123,582)	(8,526,596)
Reversal of credit loss allowance	-	29,880	689	928,116	958,685
Profit before tax	1,193,989	6,711,761	499,797	2,198,725	10,604,273

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

35.2 Geographical segment

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

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

36 RELATED PARTY TRANSACTIONS

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

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

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

	(Un-audited) As at September 30, 2026					(Audited) As at December 31, 2025				
	Directors	Key management personnel	Subsidiary	Associate	Employee Funds & Others	Directors	Key management personnel	Subsidiary	Associate	Employee funds
	Rupees in '000									
Investments										
Opening balance	-		-	117,490	-	-	-	-	102,351	-
Investments during the period / year	-		1,000,000	-	-	-	-	-	-	-
Movement during the period / year	-		-	9,145	-	-	-	-	15,139	-
Transfer (out) / in - net	-		-	-	-	-	-	-	-	-
Closing balance	-	-	1,000,000	126,635	-	-	-	-	117,490	-
Advances										
Opening balance	-	195,993	-	-	-	-	181,425	-	-	-
Addition during the period / year	-	65,432	-	-	-	-	62,999	-	-	-
Repaid during the period / year	-	19,753	-	-	-	-	37,180	-	-	-
Transfer (out) / in - net	-	(73,359)	-	-	-	-	(11,251)	-	-	-
Closing balance	-	168,313	-	-	-	-	195,993	-	-	-
Credit loss allowance / provision held against advances	-	14	-	-	-	-	19		-	-
Other assets										
Other receivables / prepayments	-	-	8,935	-	-	-	-	-	-	-
Deposits and other accounts										
Opening balance	7,239	47,372	-	39,310	4,549,944	148	8,423	-	95,829	3,016,225
Received during the period / year	53,575	118,528	1,058,712	52,055	4,508,453	26,452	216,680	-	245,663	5,985,394
Withdrawn during the period / year	56,115	154,589	856,067	53,144	4,087,088	16,635	169,461	-	302,182	4,451,675
Transfer (out) / in - net	(755)	(3,434)	-	-	-	(2,726)	(8,270)	-	-	-
Closing balance	3,944	7,877	202,645	38,221	4,971,309	7,239	47,372	-	39,310	4,549,944
Other liabilities										
Interest / mark-up payable	8	242	1,562	447	42,103	4	1,110	-	715	23,869

	(Un-audited) For the nine months ended September 30, 2026					(Un-audited) For the nine months ended September 30, 2025				
	Directors	Key management personnel	Subsidiary	Associate	Employee funds	Directors	Key management personnel	Subsidiary	Associate	Employee funds
	Rupees in '000									
Income										
Mark-up / return / interest earned	-	2,909		-	-	-	3,030	-	-	-
Expense										
Mark-up / return / interest expensed	168	3,943	52,377	2,336	515,719	118	1,111	-	9,320	293,588
Operating expenses - Compensation	126,088	261,661		-	-	76,520	212,312	-	-	-

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

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

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

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

Particulars	Note
Investments	8.1
Shareholding	20

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

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

ISLAMIC BANKING BUSINESS

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

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

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

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

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

38.1 Investments by segments	(Un-audited) September 30, 2026			
	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying value
	---------- Rupees in '000 ----------			
Debt Instruments				
Classified / measured at amortised cost				
Federal Government securities				
- GoP ijarah sukuks	**5,003,172**	**-**	**-**	**5,003,172**
- Bai Muajjal	**3,732,189**	**-**	**-**	**3,732,189**
	8,735,361	**-**	**-**	**8,735,361**
Non-Government debt securities	**314,436**	**-**	**-**	**314,436**
Classified / measured at fair value through other comprehensive income (FVOCI)				
Federal Government securities				
- GoP ijarah sukuks	**115,013,973**	**-**	**(1,002,259)**	**114,011,714**
Non - Government debt securities	**100,000**	**-**	**653**	**100,653**
	115,113,973	**-**	**(1,001,606)**	**114,112,367**
Total investments	**124,163,770**	**-**	**(1,001,606)**	**123,162,164**

	(Audited) December 31, 2025			
	Cost / Amortised cost	Credit loss allowance	Surplus	Carrying value
	---------- Rupees in '000 ----------			
Debt Instruments				
Classified / measured at amortised cost				
Federal Government securities				
- GoP ijarah sukuks	5,012,834	-	-	5,012,834
- Bai Muajjal	3,429,747	-	-	3,429,747
	8,442,581	-	-	8,442,581
Non-Government debt securities	304,202	-	-	304,202
Classified / measured at fair value through other comprehensive income (FVOCI)				
Federal Government securities				
- GoP ijarah sukuks	112,687,931	-	444,571	113,132,502
Non - Government debt securities	385,000	-	14,239	399,239
	113,072,931	-	458,810	113,531,741
Total investments	121,819,714	-	458,810	122,278,524

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

		(Un-audited) For the nine months ended	
		September 30, 2026	September 30, 2025
		---- Rupees in '000 ----	
38.5	**Profit / return earned on financing, investments and placements**		
	Profit earned on:		
	Financing	**8,5092,104**	2,657,736
	Investments	**10,095,544**	10,374,359
	Placements	**10,634**	175,158
	Balances with banks	**11,373**	29,300
		18,709,655	13,236,553

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

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

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

38.8 Pool management

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

General Pool

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

Special Pools

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

Features of general pool

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

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

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

Features of special pools

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

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

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

Key features

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

Risks of the special pools

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

Profit sharing and weightages for distribution of profit

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

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

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

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

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

Charging expenses

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

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

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

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

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

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

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

Details regarding pools managed by the Bank

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

39 CORRESPONDING FIGURES

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

40 DATE OF AUTHORIZATION FOR ISSUE

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

MANAGING DIRECTOR	CHIEF FINANCIAL OFFICER	DIRECTOR	DIRECTOR	DIRECTOR

Bank of Khyber

Consolidated Condensed Interim Financial Statements

For The Nine Month Period Ended September 30, 2026

Bank of Khyber

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

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

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

MANAGING DIRECTOR	CHIEF FINANCIAL OFFICER	DIRECTOR	DIRECTOR	DIRECTOR

Bank of Khyber

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

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

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

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

Bank of Khyber

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

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

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

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

Bank of Khyber

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

	Share capital	Statutory reserve	Surplus / (deficit) on revaluation of			Unappropriated profit	Total
			Investments	Property and equipment	Non-banking assets		
	Rupees in '000						
Balance as at December 31, 2024 (audited)	11,579,360	5,066,025	749,966	900,120	26,612	3,577,136	21,899,219
Effect of remeasurement on adoption of IFRS 9 - net of tax	-	-	90,629	-	-	-	90,629
Balance as at January 1, 2025 - restated	11,579,360	5,066,025	840,595	900,120	26,612	3,577,136	21,989,848
Profit after taxation for the nine month period ended 30 September, 2025	-	-	-	-	-	4,972,576	4,972,576
Other comprehensive (loss) / income - net of tax							
Movement in surplus on revaluation of investments in debt instruments through OCI - net of tax	-	-	631,820	-	-	-	631,820
Gain on sale of debt investments carried at FVOCI reclassified to profit and loss - net of tax	-	-	(1,064,216)	-	-	-	(1,064,216)
Share of surplus on revaluation of investment of associate - net of tax	-	-	1,339	-	-	-	1,339
Details regarding pools managed by the Holding Company	-	-	45,005	-	-	-	45,005
Movement of deficit on debt investment reclassified from FVOCI to FVPL - net of tax	-	-	792	-	-	-	792
Total other comprehensive loss - net of tax	-	-	(385,260)	-	-	-	(385,260)
Transfer to statutory reserve	-	994,515	-	-	-	(994,515)	-
Transfer from surplus on revaluation of non-banking asset to u nappropriated profit - net of tax	-	-	-	-	(4,059)	4,059	-
Gain on disposal of equity investments at FVOCI of associate transferred to unappropriated profit - net of tax	-	-	(3,791)	-	-	3,791	-
Transactions with owners, recorded directly in equity							
Final cash dividend for the year ended December 31, 2024 (Rs.1.70 per share)	-	-	-	-	-	(1,968,683)	(1,968,683)
Interim cash dividend for the year ended December 31, 2025 (Rs.1.50 per share)	-	-	-	-	-	(1,736,904)	(1,736,904)
Balance as at September 30, 2025 (un-audited) - restated	11,579,360	6,060,540	451,544	900,120	22,553	3,857,460	22,871,577
Profit after taxation for the three month period ended December 31, 2025	-	-	-	-	-	843,188	843,188
Other comprehensive income / (loss) - net of tax						-	
Movement in surplus on revaluation of investments in debt instruments through FVOCI- net of tax	-	-	8,917	-	-	-	8,917
Gain on sale of debt investments carried at FVOCI reclassified to profit and loss - net of tax	-	-	(55,129)	-	-	-	(55,129)
Movement in surplus on revaluation of equity investments - net of tax	-	-	1,014	-	-	-	1,014
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	(24,064)	(24,064)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	31,187	-	31,187
Total other comprehensive income - net of tax	-	-	(45,198)	-	31,187	(24,064)	(38,075)
Transfer to statutory reserve	-	168,638	-	-	-	(168,638)	-
Transfer from surplus on revaluation of non-banking asset to u nappropriated profit - net of tax	-	-	-	-	(1,353)	1,353	-
Gain on disposal of equity investments at FVOCI transferred to unappropriated profit - net of tax	-	-	-	-	-	-	-
Balance as at December 31, 2025 (audited)	**11,579,360**	**6,229,178**	**406,346**	**900,120**	**52,387**	**4,509,299**	**23,676,690**
Impact of adoption of IFRS 9 - net of tax (note 4.1)	-	-	-	-	-	**8,977**	**8,977**
Balance as at January 1, 2026 - restated	**11,579,360**	**6,229,178**	**406,346**	**900,120**	**52,387**	**4,518,276**	**23,685,667**
Profit after taxation for the nine month period ended 30 September, 2026	-	-	-	-	-	**2,393,796**	**2,393,796**
Other comprehensive income / (loss) - net of tax				-			
Movement in deficit on revaluation of investments in debt instruments through OCI - net of tax	-	-	**(1,269,427)**		-	-	**(1,269,427)**
Gain on sale of debt investments carried at FVOCI reclassified to profit and loss - net of tax	-	-	**(44,558)**	-	-	-	**(44,558)**
Share of surplus on revaluation of investment of associate - net of tax	-	-	**12,591**	-	-	-	**12,591**
Movement in surplus on revaluation of equity investments - net of tax	-	-	-	-	-	-	-
Total other comprehensive loss - net of tax	-	-	**(1,301,394)**	-	-	-	**(1,301,394)**
Transfer to statutory reserve	-	**476,917**	-	-	-	**(476,917)**	-
Transfer from surplus on revaluation of non-banking asset - net of tax	-	-	-	-	**(4,322)**	**4,322**	-
Transactions with owners, recorded directly in equity							
Final cash dividend for the year ended December 31, 2025 (Rs.1.70 per share)	-	-	-	-	-	**(1,968,692)**	**(1,968,692)**
Balance as at September 30, 2026 (un-audited)	**11,579,360**	**6,706,095**	**(895,048)**	**900,120**	**48,065**	**4,470,785**	**22,809,377**

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

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

Bank of Khyber

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

	Note	January 1 to September 30, 2026	January 1 to September 30, 2025
		------- Rupees in '000 -------	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		**5,156,330**	10,604,273
Less: Dividend income		**-**	-
		5,156,330	10,604,273
Adjustments:			
Net mark-up / return / interest income		**(13,069,319)**	(14,819,426)
Depreciation - Property and equipment	29	**769,610**	628,089
Depreciation - Non-banking assets acquired in satisfaction of claims	29	**44,513**	33,533
Depreciation - Right-of-use assets	29	**526,308**	565,613
Amortization	29	**64,970**	63,563
Reversal of credit loss allowance and write offs - net	31	**(498,375)**	(958,685)
Unrealised loss on investments measured at FVPL	26	**-**	1,650
Gain on disposal of property and equipment - net	28	**(1,046)**	(11,251)
Gain on early culmination of lease	28	**(209)**	(3,904)
Finance charges on leased assets	28	**255,202**	295,408
Net loss / (gain) on derecognition of financial assets measured at amortised cost	24	**2,043**	(17,104)
Unwinding of deferred cost on staff loans		**146,289**	138,025
Exchange loss / (gain) on cash and cash equivalents		**26,721**	(100,831)
Share of profit of associate		**(9,145)**	(15,388)
		(11,742,438)	(14,200,708)
		(6,586,108)	(3,596,435)
(Increase) / decrease in operating assets			
Lendings to financial institutions		**1,314,191**	(22,842,152)
Securities classified as FVPL		**40**	5,402
Advances		**(23,497,232)**	25,558,358
Other assets (excluding advance taxation and mark-up receivable)		**291,449**	(78,048)
		(21,891,552)	2,643,560
Increase / (decrease) in operating liabilities			
Bills payable		**(1,594,401)**	(20,373,543)
Borrowings from financial institutions		**77,100,766**	(71,620,459)
Deposits		**54,401,646**	96,698,445
Other liabilities (excluding current taxation and mark-up payable)		**309,727**	833,242
		130,217,738	5,537,685
Mark-up / interest received		**34,577,035**	37,621,740
Mark-up / interest paid		**(24,531,480)**	(28,177,248)
Income tax paid		**(3,670,175)**	(5,133,901)
Net cash flow generated from operating activities		**108,115,458**	8,895,401
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in amortised cost		**(303,759)**	(2,667,142)
Net investments in securities classified as FVOCI		**(101,317,396)**	2,775,022
Investments in property and equipment		**(445,785)**	(479,458)
Investments in intangible assets		**(58,099)**	(83,819)
Disposal of property and equipment		**1,160**	13,638
Net cash flow (used in) investing activities		**(102,123,879)**	(441,759)
CASH FLOW FROM FINANCING ACTIVITIES			
Payments of lease obligations against right-of-use assets		**(800,486)**	(807,064)
Dividend paid		**(1,951,020)**	(3,668,030)
Net cash flow (used in) financing activities		**(2,751,506)**	(4,475,094)
Effects of credit loss allowance changes on cash and cash equivalents		**28**	(117)
Effects of exchange rate changes on cash and cash equivalents		**(26,721)**	100,831
(Decrease) / increase in cash and cash equivalents		**3,213,380**	4,079,262
Cash and cash equivalents at beginning of the period		**28,615,183**	27,245,369
Cash and cash equivalents at end of the period		**31,828,563**	31,324,631

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

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

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

1 STATUS AND NATURE OF BUSINESS

1.1 Holding Company

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

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

1.2 Subsidiary

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

2 BASIS OF PREPARATION

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

2.2 In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan (SBP) has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by the banks from their customers and immediate resale to them at appropriate profit in price on deferred payment basis. The purchases and sales arising under the respective arrangements (except for Murabaha financings accounted for under Islamic Financial Accounting Standard - 1 "Murabaha") are not reflected in these consolidated condensed interim financial statements as such, but are restricted to the amount of facility actually utilized and the appropriate portion of profit thereon.

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

2.4 The financial results of the Islamic Banking Branches have been included in these consolidated condensed interim financial statements for reporting purposes, after eliminating the effects of inter-branch transactions and balances. Key financial figures of the Islamic Banking Branches are disclosed in note 38 to these consolidated condensed interim financial statements.

2.5 These consolidated condensed interim financial statements have been prepared under the historical cost convention except that certain class of property and equipment and non-banking assets acquired in satisfaction of claims are stated at revalued amounts; certain investments classified at fair value through profit or loss and at fair value through other comprehensive income, foreign exchange contracts and derivative financial instruments, if any, are stated at fair value; staff loans are measured at fair value at initial recognition; and the recognition of certain employees benefits, lease liabilities and corresponding right of use assets at present value, as disclosed in their respective notes.

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

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

3 STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting' issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act, 2017;

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

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

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

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

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

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

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

- IFRS 7, 'Financial Instruments: Disclosures'; the SECP through S.R.O. 742(1)/2025 dated April 16, 2025 has required disclosures regarding the significance of financial instruments to the Group's financial position and performance, as well as the nature, extent, and management of risks arising from such instruments. Accordingly, the Group will adopt IFRS 7 in preparing its annual financial statements for the year ending December 31, 2026. However, the disclosure requirements of IFRS 7 do not apply to these consolidated condensed interim financial statements except for those specified in paragraph 16A(j) of IAS 34, 'Interim Financial Reporting'.

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

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

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Group's accounting periods beginning on or after January 1, 2027 but are considered not to be relevant or do not have any material effect on the Group's consolidated condensed interim financial statements except for:

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

4 MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 IFRS 9 - Financial Instruments

4.1.1 The Holding Company adopted IFRS 9 effective from January 1, 2024, except for certain relaxations and extensions issued by the SBP from time to time. The impacts of these relaxations and extensions were incorporated in the annual audited financial statements of the Holding comapny for the years ended December 2024 and 2025, with the modified retrospective approach as permitted under IFRS-9.

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

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

4.2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

4.3 FINANCIAL RISK MANAGEMENT

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

		(Un-audited) September 30, 2026	(Audited) December 31, 2025
5	**CASH AND BALANCES WITH TREASURY BANKS**	-------- **Rupees in '000** --------	
	In hand		
	Local currency	**7,965,257**	7,042,878
	Foreign currencies	**215,276**	142,560
		8,180,533	7,185,438
	With State Bank of Pakistan in		
	Local currency current accounts	**19,517,762**	14,897,044
	Foreign currency current accounts	**96,559**	105,018
	Foreign currency deposit accounts	**320,380**	266,202
		19,934,701	15,268,264
	With National Bank of Pakistan in		
	Local currency current accounts	**2,020,555**	2,321,247
	Local currency deposit accounts	**7**	612,385
	Foreign currency current accounts	**8,529**	10,442
		2,029,091	2,944,074
	Prize bonds	**129**	354
	Less: Credit loss allowance held against cash and balances with treasury banks	**(19)**	(14)
	Cash and balances with treasury banks - net of credit loss allowance	**30,144,435**	25,398,116

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

7.1 Lendings to financial institutions - particulars of credit loss allowance

		Note	(Un-audited) September 30, 2026		(Audited) December 31, 2025	
			Lending	**Credit loss allowance held**	Lending	Credit loss allowance held
			---------- Rupees in '000 ----------			
Domestic						
Performing	Stage 1		**2,000,000**	-	**3,300,000**	-
Under performing	Stage 2		-	-	-	-
Non-performing	Stage 3					
Substandard			-	-	-	-
Doubtful			-	-	-	-
Loss		**7.2**	**210,045**	**79,727**	**224,236**	**85,687**
			210,045	**79,727**	**224,236**	**85,687**
Total			**2,210,045**	**79,727**	**3,524,236**	**85,687**
Overseas			-	-	-	-
Total			-	-	-	-

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

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

8 INVESTMENTS

8.1 Investments by type:

	(Un-audited) September 30, 2026			
	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
	----------Rupees in '000----------			
Fair value through profit or loss (FVPL)				
Non Government Debt Securities	**1,364,640**	**-**	**(15,459)**	**1,349,181**
Fair value through other comprehensive income (FVOCI)				
Federal Government Securities	**361,519,539**	**-**	**(1,031,325)**	**360,488,213**
Shares	**677,083**	**-**	**(152,225)**	**524,858**
Non-Government Debt Securities	**2,410,126**	**(137,493)**	**(134,562)**	**2,138,071**
	364,606,748	**(137,493)**	**(1,318,112)**	**363,151,142**
Amortised cost (AC)				
Federal Government Securities	**8,735,361**	**-**	**-**	**8,735,361**
Non-Government Debt Securities	**517,627**	**(18)**	**-**	**517,609**
	9,252,988	**(18)**	**-**	**9,252,970**
Associate	**126,635**	**-**	**-**	**126,635**
Total investments	**375,351,011**	**(137,511)**	**(1,333,571)**	**373,879,928**

	(Audited) December 31, 2025			
	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
	----------Rupees in '000----------			
Fair value through profit or loss (FVPL)				
Non Government Debt Securities	1,364,680	-	(15,459)	1,349,221
Fair value through other comprehensive income (FVOCI)				
Federal Government Securities	259,127,494	-	1,661,852	260,789,346
Shares	677,081	-	(178,456)	498,625
Non-Government Debt Securities	2,617,666	(141,626)	(90,270)	2,385,770
	262,422,241	(141,626)	1,393,126	263,673,741
Amortised cost (AC)				
Federal Government Securities	9,308,916	-	-	9,308,916
Non-Government Debt Securities	507,264	(5)	-	507,259
	9,816,180	(5)	-	9,816,175
Associate	117,490	-	-	117,490
Total investments	273,720,591	(141,631)	1,377,667	274,956,627

8.2 Investments given as collateral

	Note	(Un-audited) September 30, 2026	(Audited) December 31, 2025
		------- Rupees in '000 --------	
Market Treasury Bills		**82,550,000**	-
Pakistan Investment Bonds	**8.2.1**	**8,000,000**	13,878,200
Ijara Sukuks		**21,000,000**	-
		111,550,000	13,878,200

8.2.1 The market value of securities given as collateral is Rs.109,021.02 million (December 31, 2025: Rs. 13,871.20 million).

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

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

8.4 Details regarding pools managed by the Holding Company

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

8.5 Summarised financial information of associate

8.5.1 Investment in associate - unlisted

	Period / year ended	Number of shares	Percentage of holding	Country of incorporation	Cost Rupees in '000
Taurus Securities Limited	**September 30, 2026 (Un-audited)**	**4,050,374**	**30%**	**Pakistan**	**40,504**
Taurus Securities Limited	December 31, 2025 (Audited)	4,050,374	30%	Pakistan	40,504

	Assets	Liabilities	Equity	Revenue	Profit after taxation	Total comprehensive income
8.5.2 Summary of financial information of associate	---------- Rupees in '000 ----------					
Based on financial statements:						
- October 1, 2025 to September 30, 2026	**1,038,682**	**616,568**	**422,113**	**360,682**	**30,482**	**30,482**
- October 1, 2024 to September 30, 2025	1,560,181	1,168,548	391,633	325,148	51,292	60,588

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

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

9 ADVANCES

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

9.1 Particulars of advances (gross)

	(Un-audited) September 30, 2026	(Audited) December 31, 2025
	------ Rupees in '000 ------	
In local currency	**162,077,730**	138,604,531
In foreign currencies	**-**	-
	162,077,730	138,604,531

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

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

Category of classification in stage 3	(Un-audited) 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)	**127,986**	**89,894**	151,988	81,548
Substandard	**256,628**	**138,726**	774,959	530,827
Doubtful	**979,736**	**318,618**	419,689	283,341
Loss	**10,669,784**	**9,675,810**	11,183,837	9,904,434
	12,034,134	**10,223,048**	12,530,473	10,800,150
Overseas	**-**	**-**	-	-
	-	**-**	-	-
Total	**12,034,134**	**10,223,048**	12,530,473	10,800,150

9.3 Particulars of credit loss allowance against advances

	(Un-audited) September 30, 2026				(Audited) December 31, 2025			
	Credit loss allowance held							
	Stage 1	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
	Rupees in '000							
Opening balance	**702,763**	**395,797**	**10,800,150**	**11,898,710**	731,140	584,619	11,425,873	12,741,632
Charge for the period / year	**259,343**	**442,589**	**678,149**	**1,380,081**	522,484	650,837	1,027,433	2,200,754
Reversals for the period / year	**(375,525)**	**(270,595)**	**(1,255,251)**	**(1,901,371)**	(550,861)	(839,659)	(1,653,156)	(3,043,676)
	(116,182)	**171,994**	**(577,102)**	**(521,290)**	(28,377)	(188,822)	(625,723)	(842,922)
Amounts written off	**-**	**-**	**-**	**-**	-	-	-	-
Closing balance	**586,581**	**567,791**	**10,223,048**	**11,377,420**	702,763	395,797	10,800,150	11,898,710

9.4 Advances - Particulars of credit loss allowance

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

9.4.1 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	Stage 1	**136,247,208**	**586,581**	81,305,726	702,763
Underperforming	Stage 2	**13,796,388**	**567,791**	44,768,332	395,797
Non-performing	Stage 3				
Other assets especially mentioned (OAEM)		**127,986**	**89,894**	151,988	81,548
Substandard		**256,628**	**138,726**	774,959	530,827
Doubtful		**979,736**	**318,618**	419,689	283,341
Loss		**10,669,784**	**9,675,810**	11,183,837	9,904,434
		12,034,134	**10,223,048**	12,530,473	10,800,150
Total		**162,077,730**	**11,377,420**	138,604,531	11,898,710
Overseas		-	-	-	-
Total		**-**	**-**	-	-

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

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

10 PROPERTY AND EQUIPMENT	Note	(Un-audited) September 30, 2026	(Audited) December 31, 2025
		------ Rupees in '000 ------	
Capital work-in-progress	10.1	**133,317**	290,463
Property and equipment		**4,339,282**	4,506,076
		4,472,599	4,796,539

10.1 Capital work-in-progress		
Civil works	**119,152**	76,921
Equipment	**14,158**	212,400
Furniture and fixtures	**7**	216
Advances to suppliers	-	926
	133,317	290,463

		(Un-audited) For the nine months ended	
		September 30, 2026	September 30, 2025
		------ Rupees in '000 ------	
10.2	**Additions to property and equipment**		
	The following additions have been made to property and equipment during the period:		
	Capital work-in-progress - net (transfers) / additions	**(157,146)**	44,047
	Property and equipment		
	Furniture and fixtures	**60,175**	45,538
	Electrical, office and computer equipment	**396,803**	170,923
	Vehicles	**10,024**	44,157
	Books	**10**	-
	Leasehold improvements	**135,918**	174,794
		602,931	435,412
	Total	**445,785**	479,459

10.3	**Disposal of property and equipment**		
	The net book value of property and equipment disposed off during the period is as follows:		
	Furniture and fixtures	**21**	681
	Electrical, office and computer equipment	**93**	570
	Leasehold improvements	-	1,135
	Total	**114**	2,386

		(Un-audited) September 30, 2026	(Audited) December 31, 2025
		------ Rupees in '000 ------	
11	**RIGHT-OF-USE ASSETS**		
	Buildings		
	At January 1		
	Cost	**5,235,628**	4,965,179
	Accumulated depreciation	**(3,609,467)**	(2,905,209)
	Net carrying amount at January 1	**1,626,161**	2,059,970
	Additions during the period / year	**148,113**	379,414
	Terminations during the period / year - at cost	**(8,424)**	(108,965)
	Accumulated depreciation on termination	**4,806**	63,251
		(3,618)	(45,714)
	Depreciation charge for the period / year	**(526,308)**	(767,509)
	Net carrying amount at the period / year end	**1,244,348**	1,626,161

12	**INTANGIBLE ASSETS**		
	Capital work in progress	**44,421**	53,879
	Licenses and computer softwares	**328,353**	325,766
		372,774	379,645

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

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

12.2 Disposals of intangible assets

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

		(Un-audited) September 30, 2026	(Audited) December 31, 2025
13	**DEFERRED TAX ASSETS**	------ Rupees in '000 ------	
	Deductible temporary differences on		
	Deficit on revaluation of FVOCI investments - net	**425,658**	-
	Accelerated accounting depreciation	**533,201**	409,463
	Credit loss allowance against investments	**12,865**	15,007
	Unrealised loss on FVPL investments	**8,039**	8,039
	Credit loss allowance against advances and off balance sheet obligations	**-** **1,427,039**	1,521,093
	Credit loss allowance against cash and balances with treasury banks	**-** **10**	8
	Credit loss allowance against balances with other banks	**5,256**	5,273
	Credit loss allowance against other assets	**23,448**	23,812
	Islamic pool management reserves	**49,436**	51,067
	Others	**171,457**	188,373
		2,656,409	2,222,135
	Taxable temporary differences on		
	Share of profit of associate	**(44,787)**	(40,033)
	Surplus on revaluation of FVOCI investments - net	-	(984,186)
	Surplus on revaluation of non-banking asset	**(52,069)**	(56,751)
	Modification of advances	**(38,638)**	(14,175)
	Fair value of staff loans	**(138,756)**	(94,079)
		(274,250)	(1,189,224)
	Deferred tax assets - net	**2,382,159**	1,032,911

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

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

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

		(Un-audited) September 30, 2026			(Audited) December 31, 2025		
17	**DEPOSITS AND OTHER ACCOUNTS**	**In local currency**	**In foreign currencies**	**Total**	In local currency	In foreign currencies	Total
		---------- Rupees in '000 ----------					
	Customers						
	Current deposits	**72,040,426**	**1,320,789**	**73,361,215**	68,296,014	744,527	69,040,541
	Saving deposits	**181,054,890**	**148,986**	**181,203,876**	176,241,734	116,671	176,358,405
	Term deposits	**157,797,254**	**239,704**	**158,036,958**	107,567,941	601,574	108,169,515
	Others	**16,851,051**	**-**	**16,851,051**	21,709,929	-	21,709,929
		427,743,621	**1,709,479**	**429,453,100**	373,815,618	1,462,772	375,278,390
	Financial Institutions						
	Current deposits	**1,089,479**	**31,110**	**1,120,589**	1,999,589	30,896	2,030,485
	Saving deposits	**1,646,777**	**-**	**1,646,777**	814,345	-	814,345
	Term Deposits	**304,400**	**-**	**304,400**	-	-	-
		3,040,656	**31,110**	**3,071,766**	2,813,934	30,896	2,844,830
		430,784,277	**1,740,589**	**432,524,866**	376,629,552	1,493,668	378,123,220

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

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

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

		Note	(Un-audited) September 30, 2026	(Audited) December 31, 2025
			------ Rupees in '000 ------	
19	**OTHER LIABILITIES**			
	Mark-up / return / interest payable in local currency		**9,211,578**	7,389,057
	Mark-up / return / interest payable in foreign currencies		**1,443**	16,380
	Unearned commission and income on bills discounted		**159,754**	150,512
	Accrued expenses and supplier payables		**1,662,751**	1,835,808
	Acceptances		**2,173**	2,910
	Unclaimed dividends		**130,914**	113,242
	Mark to market loss on forward foreign exchange contracts		**37,875**	147
	Deferred income on government schemes		**1,275**	1,275
	Deferred income on Islamic financing		**840,915**	622,651
	Islamic pool management reserves		**95,069**	98,206
	Share subscription money refund		**1,091**	1,091
	Retention money		**39,520**	39,738
	Bills payment system over the counter (BPS-OTC)		**722**	49,502
	Charity fund balance		**12,483**	11,648
	Payable to defined benefit plan		**119,830**	3,499
	Security deposits against ijarah		**25,612**	32,153
	Levies and other taxes payable		**101,121**	38,629
	Credit loss allowance against off-balance sheet obligations	**19.1**	**76,129**	42,406
	Others		**488,339**	383,428
			13,008,594	10,832,282

19.1	**Credit loss allowance against off-balance sheet obligations**		
	Opening balance	**42,406**	44,098
	Charge for the period / year	**105,993**	19,419
	Reversal for the period / year	**(72,270)**	(21,111)
		33,723	(1,692)
	Closing balance	**76,129**	42,406

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

20 SHARE CAPITAL

20.1 Authorized capital

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

20.2 Issued, subscribed and paid up

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

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

	(Un-audited) September 30, 2026	(Audited) December 31, 2025
21 SURPLUS ON REVALUATION OF ASSETS	------ Rupees in '000 ------	
(Deficit) / surplus on revaluation of:		
- Securities measured at FVOCI - Debt	**(1,165,887)**	1,571,582
- Securities measured at FVOCI - Equity	**(152,225)**	(178,456)
- Property and equipment	**900,120**	900,120
- Non-banking assets acquired in satisfaction of claims	**100,134**	109,138
- Investment of associate	**(5,404)**	(5,404)
	(323,262)	2,396,980
Deferred tax on (deficit) / surplus on revaluation of:		
- Securities measured at FVOCI - Debt	**606,261**	(817,223)
- Securities measured at FVOCI - Equity	**(180,603)**	(166,963)
- Non-banking assets acquired in satisfaction of claims	**(52,069)**	(56,751)
- Investment of associate	**2,810**	2,810
	376,399	(1,038,127)
	53,137	1,358,853

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

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

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

22.2.2 Undrawn loan commitments

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

22.3 Other contingent liabilities

22.3.1 There are certain claims against the Holding Company that have not been acknowledged as liabilities/ debts. These primarily comprise counterclaims filed by borrowers, claims lodged by former employees of the Holding Company, and certain other claims. Based on legal advice and/or internal assessments, Management believes that the Holding Company is likely to succeed in defending these claims and that the likelihood of an adverse outcome is remote. Accordingly, no provision has been recognized in respect of these claims.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

		Note	(Un-audited) For the nine months ended	
			September 30, 2026	September 30, 2025
23	**MARK-UP / RETURN / INTEREST EARNED**		**--------- Rupees in '000 ---------**	
	Loans and advances		**12,311,747**	10,583,595
	Investments		**16,826,688**	19,602,051
	Lendings to financial institutions		**128,871**	440,956
	Balances with banks		**80,810**	158,768
	Sukuk bonds		**10,095,543**	10,400,681
			39,443,659	41,186,051

23.1 Interest income included in above (calculated using effective interest rate method) recognized on:

Financial assets measured at amortized cost		**13,279,586**
Financial assets measured at FVOCI		**26,028,665**
	24.1.1	**39,308,250**

24 MARK-UP / RETURN / INTEREST EXPENSED

Deposits		**19,291,149**	18,620,078
Borrowings		**7,083,191**	7,746,547
Lease liability		**255,202**	295,408
		26,629,542	26,662,033

24.1 Interest expense included in above (calculated using effective interest rate method):

Financial liabilities	**24.1.1**	**26,374,340**

24.1.1 As disclosed in note 4.1.2, the Holding Company has applied the effective interest rate method during the current period under the modified retrospective approach. The impact has been recognised in opening equity, and accordingly, prior information has not been presented.

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

		(Un-audited) For the nine months ended	
		September 30, 2026	September 30, 2025
		--------- Rupees in '000 ---------	
25 FEE AND COMMISSION INCOME			
Branch banking customer fees		**21,958**	21,290
Consumer finance related fees		**300**	475
Card related fees (Debit cards)		**473,729**	366,828
Commission on trade		**145,917**	132,133
Commission on guarantees		**185,679**	187,355
Commission on remittances including home remittances		**14,769**	36,916
Rebate from financial institutions		**49,097**	43,201
Others		**10,822**	12,404
		902,271	800,602
26 GAIN ON SECURITIES			
Realised gain	**26.1**	**92,830**	2,217,118
Unrealised (loss) - measured at FVPL		**-**	(1,650)
		92,830	2,215,468
26.1 Realised gain on:			
Federal government securities		**92,830**	2,217,118
		92,830	2,217,118
27 NET GAIN / (LOSS) ON DERECOGNITION OF FINANCIAL ASSETS MEASURED AT AMORTISED COST			
Gain on derecognition of financial assets measured at amortised cost		**47,976**	29,736
Loss on derecognition of financial assets measured at amortised cost		**(50,019)**	(12,632)
		(2,043)	17,104
28 OTHER INCOME			
Rent on property		**1,860**	2,422
Gain on sale of property and equipment - net		**1,046**	11,251
Postal, swift and other services		**103,442**	95,106
Gain on early culmination of lease		**209**	3,904
Service income on Government schemes		**10**	321
		106,567	113,004

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

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

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

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

34 FAIR VALUE MEASUREMENTS

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

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

34.1 Fair value of financial assets

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

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

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

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

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

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

	(Un-audited) September 30, 2026				
	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
On balance sheet financial instruments		Rupees in '000			
Financial assets - measured at fair value					
Investments					
Federal Government Securities	**360,488,213**	**114,806,945**	**245,681,268**	**-**	**360,488,213**
Shares	**524,858**	**224,147**	**-**	**300,711**	**524,858**
Non-Government Debt Securities	**3,487,252**	**1,084,364**	**2,402,888**	**-**	**3,487,252**
					-
Financial assets - disclosed but not measured at fair value					**-**
Investments					**-**
Federal Government Securities	**8,735,361**	**-**	**9,245,320**	**-**	**9,245,320**
Non-Government Debt Securities	**517,627**	**-**	**-**	**-**	**-**
					-
Off-balance sheet financial instruments - measured at fair value					**-**
Forward exchange contracts purchase	**7,056,707**	**-**	**37,875**	**-**	**37,875**
Forward exchange contracts sale	**5,842,075**	**-**	**45,341**	**-**	**45,341**

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

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

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

34.2.1 Fair value of financial assets

(a) Financial instruments in level 1

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

(b) Financial instruments in level 2

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

(c) Financial instruments in level 3

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

34.2.2 Fair value of non - financial assets

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

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

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

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

Pakistan Investment Bonds / Market Treasury Bills	Fair values of Pakistan Investment Bonds and Treasury Bills are derived using the PKRV rates for fixed rate securities and PKFRV rates for floating rate PIB's (Reuters page).
Un-listed GOP ijarah Sukuks	Fair values of unlisted GoP Ijarah Sukuks are derived using the PKISRV rates announced by the Financial Market Association (FMA) through Reuters. These rates denote an average of quotes received from eight different pre-defined / approved dealers / brokers.
Term Finance, Bonds and Sukuk certificates	Investments in debt securities (comprising term finance certificates, bonds, Sukuk certificates and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan. In the determination of the rates, the MUFAP takes into account the holding pattern of these securities and categorizes these as traded, thinly traded and non-traded securities. However, fair values of investments in unquoted debt securities are valued on the basis of present value technique based on market interest rates.

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

Property & equipment (Leasehold land) and non-banking assets acquired in satisfaction of claims	These assets are revalued on regular basis using professional valuers on the panel of Pakistan Banker's Association. The valuation is based on their assessment of market value of the properties. The valuation experts used a market based approach to arrive at the fair value of the Bank's properties. The market approach used prices and other relevant information generated by market transactions involving identical, comparable or similar properties. These values are adjusted to reflect the current condition of the properties. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty accordingly a qualitative disclosure of sensitivity has not been presented in these consolidated condensed interim financial statements.
Unquoted equity securities	Fair value of unquoted equity securities is determined on the basis of income approach.

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

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

The following table shows reconciliation of investments measured at level 3 fair value:	(Un-audited) September 30, 2026	(Audited) December 31, 2025
	------ Rupees in '000 ------	
Opening balance	**291,486**	89,302
Impact of adoption of IFRS 9	**-**	188,810
Balance as at January 1	**291,486**	278,112
Remeasurement recognised in OCI	**9,225**	13,374
Closing balance	**300,711**	291,486

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

35 SEGMENT INFORMATION

35.1 Segment details with respect to business activities

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

	As at September 30, 2026 (Un-audited)				
	Corporate Finance	Trading and Sales	Retail Banking	Commercial Banking	Total
	Rupees in 000				
Balance sheet					
Cash and bank balances	4,328,615	21,753,223	1,007,727	4,738,998	31,828,563
Investments	9,252,975	364,500,318	-	126,635	373,879,928
Net inter segment lending	223,137,839	(286,733,264)	77,267,150	(13,671,725)	-
Lendings to financial institutions	-	2,130,318	-	-	2,130,318
Advances - performing	63,701,860	-	16,131,795	69,055,569	148,889,224
Advances - non performing	-	-	850,673	960,413	1,811,086
Others	3,577,294	11,557,039	4,775,714	5,666,460	25,576,507
Total assets	303,998,582	113,207,634	100,033,060	66,876,350	584,115,626
Borrowings	24,296,507	87,802,237	-	700,000	112,798,744
Deposits and other accounts	268,625,510	7,452,548	96,578,616	59,868,192	432,524,866
Net inter segment borrowing	(223,137,839)	286,733,264	(77,267,150)	13,671,725	-
Others	7,914,957	2,315,394	2,564,310	3,187,976	15,982,638
Total liabilities	77,699,135	384,303,443	21,875,776	77,427,894	561,306,249
Equity	226,299,447	(271,095,809)	78,157,284	(10,551,545)	22,809,377
Total equity and liabilities	303,998,582	113,207,634	100,033,060	66,876,350	584,115,626
Contingencies and commitments	22,554,570	13,056,841	12,155,115	32,128,717	79,895,242

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

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

35.2 Geographical segment

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

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

36 RELATED PARTY TRANSACTIONS

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

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

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

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

	(Un-audited) For the nine months ended September 30, 2026				(Un-audited) For the nine months ended September 30, 2025			
	Directors	Key management personnel	Associate	Employee funds	Directors	Key management personnel	Associate	Employee funds
	Rupees in '000							
Income								
Mark-up / return / interest earned	-	2,909	-	-	-	3,030	-	-
Expense								
Mark-up / return / interest expensed	168	3,943	2,336	515,719	118	1,111	9,320	293,588
Operating expenses - Compensation	129,988	266,232	-	-	76,520	212,312	-	-

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

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

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

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

Particulars	Note
Investments	8.1
Shareholding	20

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

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

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

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

ISLAMIC BANKING BUSINESS

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

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

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

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

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

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

38.1 **Investments by segments**

	(Un-audited) September 30, 2026			
	Cost / Amortised cost	**Credit loss allowance**	**Surplus / (Deficit)**	**Carrying value**
	---------- **Rupees in '000** ----------			
Debt Instruments				
Classified / measured at amortised cost				
Federal Government securities				
- GoP ijarah sukuks	**5,003,172**	**-**	**-**	**5,003,172**
- Bai Muajjal	**3,732,189**	**-**	**-**	**3,732,189**
	8,735,361	**-**	**-**	**8,735,361**
Non-Government debt securities	**314,436**	**-**	**-**	**314,436**
Classified / measured at fair value through other comprehensive income (FVOCI)				
Federal Government securities				
- GoP ijarah sukuks	**115,013,973**	**-**	**(1,002,259)**	**114,011,714**
Non - Government debt securities	**100,000**	**-**	**653**	**100,653**
	115,113,973	**-**	**(1,001,606)**	**114,112,367**
Classified / measured at fair value through profit or loss (FVPL)				
Non - government debt securities	**-**	**-**	**-**	**-**
Total investments	**124,163,770**	**-**	**(1,001,606)**	**123,162,164**

	(Audited) December 31, 2025			
	Cost / Amortised cost	Credit loss allowance	Surplus	Carrying value
	---------- Rupees in '000 ----------			
Debt Instruments				
Classified / measured at amortised cost				
Federal Government securities				
- GoP ijarah sukuks	5,012,834	-	-	5,012,834
- Bai Muajjal	3,429,747	-	-	3,429,747
	8,442,581	-	-	8,442,581
Non-Government debt securities	304,202	-	-	304,202
Classified / measured at fair value through other comprehensive income (FVOCI)				
Federal Government securities				
- GoP ijarah sukuks	112,687,931	-	444,571	113,132,502
Non - Government debt securities	385,000	-	14,239	399,239
	113,072,931	-	458,810	113,531,741
Classified / measured at fair value through profit or loss (FVPL)				
Non - government debt securities	-	-	-	-
Total investments	121,819,714	-	458,810	122,278,524

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

		(Un-audited) For the nine months ended	
		September 30, 2026	September 30, 2025
38.5	**Profit / return earned on financing, investments and placements**	----- Rupees in '000 -----	
	Profit earned on:		
	Financing	**8,592,104**	2,657,736
	Investments	**10,095,544**	10,374,359
	Placements	**10,634**	175,158
	Balances with banks	**11,373**	29,300
		18,709,654	13,236,553

		(Un-audited) For the nine months ended	
		September 30, 2026	September 30, 2025
38.6	**Profit on deposits and other dues expensed**	**----- Rupees in '000 -----**	
	Deposits and other accounts	**6,246,791**	4,982,902
	Due to financial institutions	**1,991,381**	231,654
	Finance charge on lease liability	**171,714**	136,347
		8,409,886	5,350,903

		(Un-audited) September 30, 2026	(Audited) December 31, 2025
38.7	**Islamic banking business unappropriated profit**	**----- Rupees in '000 -----**	
	Opening balance	**5,516,955**	7,236,196
	Impacts of EIR application	**(32,104)**	-
	Balance after adoption of IFRS 9	**5,484,851**	7,236,196
	Add: Islamic banking profit before taxation for the period / year	**4,912,199**	5,282,861
	Less: Taxation	**(2,554,343)**	(2,799,916)
	Less: Transferred to head office	**(1,307,044)**	(4,202,186)
	Closing balance	**6,535,663**	5,516,955

38.8 Pool management

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

General Pool

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

Special Pools

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

Features of general pool

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

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

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

Features of special pools

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

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

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

Key features

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

Risks of the special pools

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

Profit sharing and weightages for distribution of profit

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

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

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

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

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

Charging expenses

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

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

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

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

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

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

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

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

39 CORRESPONDING FIGURES

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

40 DATE OF AUTHORIZATION FOR ISSUE

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

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



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