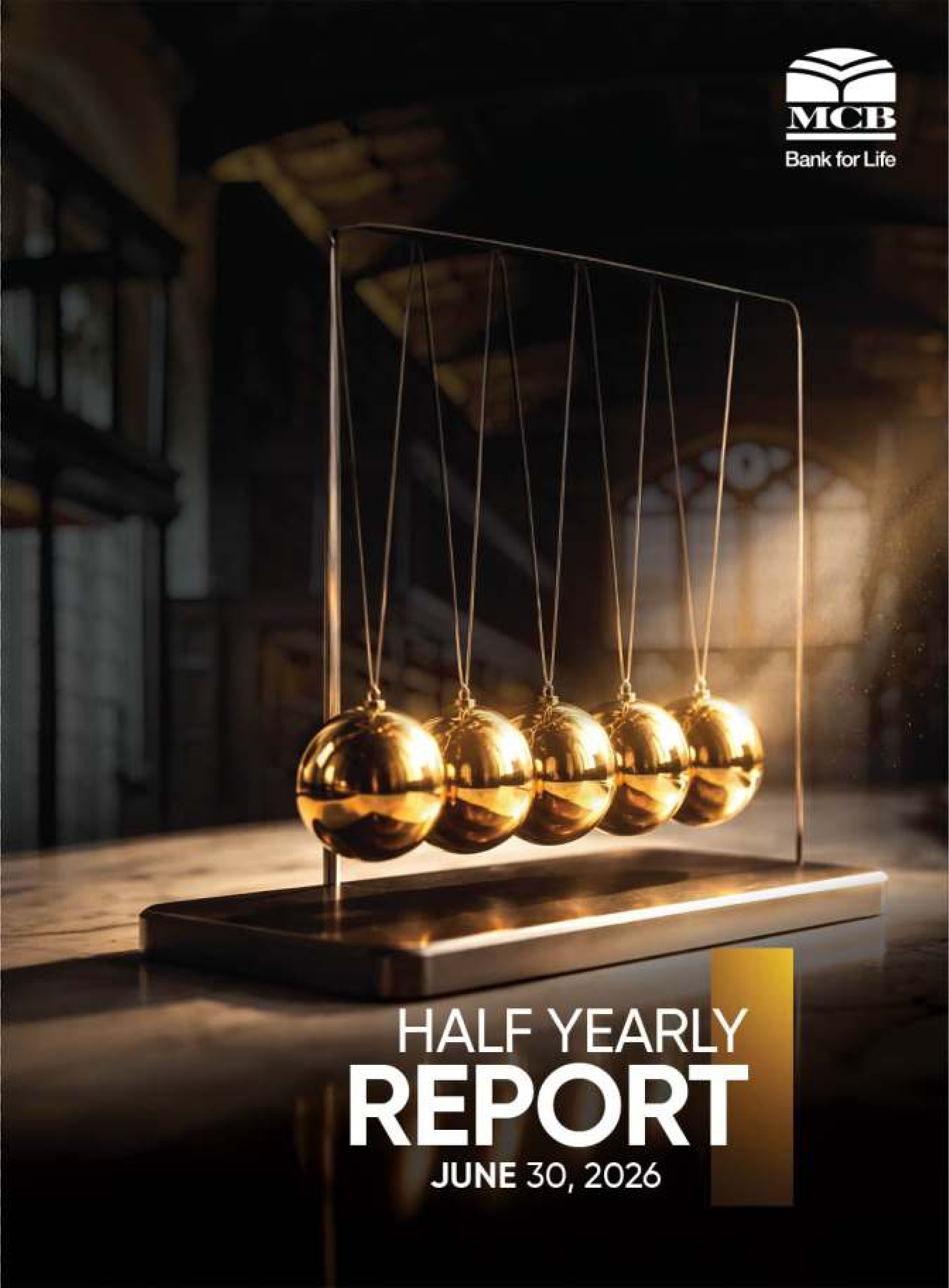

MCB

Bank for Life

HALF YEARLY REPORT

JUNE 30, 2026

MCB
Bank for Life

Vision

To be the leading financial services provider, partnering with our customers for a more prosperous and secure future.

Mission

We are a team of committed professional, providing innovative and efficient financial solutions to create and nurture long-team relationships with our customers. In doing so, we ensure that out shareholders can invest with confidence in us.

Core Values

- Integrity
- Innovation
- Excellence
- Customer Centricity
- Respect

Credit Rating
Long-Term AAA (Triple A)
Short –Term A1+ (A one plus)
By PACRA

Corporate Profile

Board of Directors:

Mian Mohammad Mansha	**Chairman**
Mr. Muhammad Tariq Rafi	Director
Mian Umer Mansha	Director
Mrs. Iqraa Hassan Mansha	Director
Mr. Muhammad Ali Zeb	Director
Mr. Yahya Saleem	Director
Mr. Salman Khalid Butt	Director
Mr. Shahzad Hussain	Director
Mr. Masood Ahmed Puri	Director
Shaikh Muhammad Jawed	Director
Mr. Norzulkarnien bin Nor Mohamad	Director
Dr. Mohd Zaini bin Aris	Director
Mr. Muhammad Nauman Chughtai	President & CEO

Audit Committee:

Mr. Shahzad Hussain	**Chairman**
Mian Umer Mansha	Member
Mr. Muhammad Ali Zeb	Member
Mr. Norzulkarnien bin Nor Mohamad	Member

Chief Financial Officer:	Mr. Anjum Javed
Company Secretary:	Mr. Farid Ahmad
Auditors:	M/s. KPMG Taseer Hadi & Co. Chartered Accountants
Legal Advisors:	M/s. Khalid Anwer & Co. Advocates & Legal Consultants
Registered /Principal Office:	MCB Building, 15-Main Gulberg, Jail Road, Lahore, Pakistan.
Contact us:	UAN: + 92 42 111 000 622 E-mail: investor.relations@mcb.com.pk Visit us: www.mcb.com.pk
Registrar's and Share Registration Office(s):	**Head Office:** M/s. THK Associates (Pvt.) Limited Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi, Pakistan. **Branch Office:** M/s. THK Associates (Pvt.) Limited Office No. 309, 3rd Floor, North Tower, LSE Building, 19-Shahrah-e-Aiwan-e-Iqbal, Lahore, Pakistan.

Directors' Review – June 30, 2026

On behalf of the Board of Directors, we are pleased to present the financial statements of MCB Bank Limited (MCB) for the half year ended June 30, 2026.

Performance Review

On a standalone basis, the profit before and after taxation for the half year ended June 30, 2026 together with appropriations is as under:

	Rs. in Million
Profit Before Taxation	**55,134**
Taxation	28,659
Profit After Taxation	**26,475**
Un-appropriated Profit Brought Forward	121,802
Surplus realized on disposal of investments in equity instruments through FVOCI - net of tax	1,090
Transfer in respect of incremental depreciation from surplus on revaluation of property & equipment to un-appropriated profit-net of tax	79
	122,971
Profit Available for Appropriation	**149,446**
Appropriations:	
Statutory Reserve	(2,647)
Final Cash Dividend at Rs. 9.0 per share - December 2025	(10,666)
First Interim Cash Dividend at Rs. 9.0 per share - March 2026	(10,666)
Total Appropriations	**(23,979)**
Un-appropriated Profit Carried Forward	**125,467**

MCB reported a Profit Before Tax (PBT) of Rs. 55.1 billion and a Profit After Tax (PAT) of Rs. 26.5 billion, translating into Earnings Per Share (EPS) of Rs. 22.34. On a consolidated basis, PBT and PAT stood at Rs. 58.8 billion and Rs. 28.1 billion respectively.

Total income for the half year stood at Rs. 93.9 billion, reflecting a 6% year-on-year increase. The improvement was primarily driven by net markup income, which rose to Rs. 75.3 billion (H1'25: Rs. 71.3 billion), supported by a higher low-cost deposit base and effective yield optimization despite the relatively lower average policy rate compared to last year.

Non-markup income rose to Rs. 18.7 billion (H1'25: Rs. 17.5 billion) representing a 7% year-on-year increase. Fee and commission income increased by 21% year-on-year to Rs. 11.9 billion, supported by sustained momentum in the Bank's digital banking franchise and higher transaction volumes. Within this segment, card-related income increased by 13%, branch banking fee income rose by 5% on the back of improved customer engagement and cross-selling initiatives, while consumer banking fee income recorded a robust 27% increase, reflecting higher customer activity and greater uptake of consumer financing products. Foreign exchange income and dividend income further contributed Rs. 4.1 billion and Rs. 2.1 billion respectively to the non-markup income base.

Operating expenses increased by 9% year-on-year, reflecting continued investment in technology, human capital, and brand development to strengthen the Bank's long-term growth platform. Despite these investments, the Bank maintained a healthy cost-to-income ratio of 39.20%, underscoring disciplined cost management while continuing to enhance operational efficiency.

On the balance sheet side, total assets of the Bank increased to Rs. 3.430 trillion (YE'25: Rs. 3.247 trillion). Gross Advances registered growth of Rs. 67 billion (9%), reflecting improved credit uptake. The investment portfolio stood at Rs. 2.067 trillion (YE'25: Rs. 1.947 trillion).

Asset quality remained satisfactory, with non-performing loans (NPLs) reported at Rs. 50.3 billion. The infection and coverage ratios improved to 6.26% and 93.13% respectively. The Bank continues to focus on proactive management of its delinquent portfolio through targeted recovery efforts, timely resolution of non-performing exposures, and disciplined measures to contain credit losses.

Total deposits of the Bank stood at Rs. 2.604 trillion, with the current account mix improving to 55% (YE'25: 54%), reinforcing the Bank's strength in low-cost deposit mobilization. This favorable mix, along with the lower interest rate environment, reduced the domestic cost of deposits to 4.43% (H1'25: 5.23%). The Bank reported Return on Assets (ROA) of 1.59% and Return on Equity (ROE) of 21.49%.

MCB Bank maintained its position as one of the leading players in the home remittance market, with a market share of 10.38%, processing USD 2.27 billion in remittance inflows during the period. Leveraging its extensive branch footprint and expanding digital channels, the Bank continued to support the State Bank of Pakistan's financial inclusion and formal remittance initiatives, contributing meaningfully to foreign exchange inflows and overall economic stability.

The Bank's capital and liquidity positions remained robust, with the Capital Adequacy Ratio (CAR) standing at 19.65% and the Common Equity Tier-1 (CET1) ratio at 14.93%, well above minimum regulatory requirements. Liquidity buffers remained strong, reflected in a Liquidity Coverage Ratio (LCR) of 233.41% and a Net Stable Funding Ratio (NSFR) of 161.14%.

The Board declared a second interim cash dividend of Rs. 9.00 per share (90%), in addition to the 90% dividend paid earlier, bringing the total cash dividend for the half year ended June 30, 2026 to 180%.

Looking ahead, the Bank remains well-positioned to deliver sustainable growth, supported by a strong capital base, ample liquidity, diversified revenue streams, and disciplined risk management, while continuing to focus on operational efficiency and customer-centric innovation.

Ratings

Pakistan Credit Rating Agency re-affirmed credit ratings of MCB at "AAA / A1+" for long term and short term respectively, through its notification dated June 23, 2026.

Economic Review

The global macroeconomic environment in the first half of 2026 was shaped primarily by three forces, the outbreak and evolution of the US–Iran war, a sharp reversal in monetary policy expectations across advanced economies, and sustained structural optimism about artificial intelligence and digital infrastructure. These factors lifted the geopolitical risk premium and produced sharply divergent outcomes across asset classes over the half-year.

The US–Iran tensions escalated from a prolonged stand-off into open military conflict early in H1'26, centered on Iran's nuclear program and culminating in the temporary closure of the 'Strait of Hormuz'. The conflict had a significant impact on global financial markets. Oil and LNG prices surged as investors priced in the loss of a major share of supply transiting the Strait, marking a sharp disruption in energy markets. A ceasefire framework took hold by mid-year, but subsequent flare-ups underscored how fragile that de-escalation remained, with volatility persisting even as markets began to normalize.

Monetary policy in advanced economies moved in the opposite direction from what had been anticipated at the start of the year. Rather than continuing a shift toward a more neutral, easing-oriented stance, several key central banks paused or reversed course as energy-driven inflation reasserted itself, with policymakers increasingly signaling that further tightening, rather than cuts, could not be ruled out. This pushed global bond yields higher as investors priced out rate cuts, tightening financial conditions and raising external financing costs for emerging markets.

At the same time, structural optimism about artificial intelligence (AI) and digital infrastructure continued to underpin global risk appetite. Strong earnings and sustained investment in data centers, semiconductors, and cloud-related services drove major equity indices to fresh highs even as the geopolitical backdrop deteriorated, helping offset the drag from energy-driven inflation and softer global trade. This AI-driven growth narrative became an increasingly dominant pillar of market performance over the half-year, though it also produced growing concentration risk, with gains increasingly reliant on a narrow set of technology-intensive names.

Pakistan's real GDP grew provisionally by 3.70% in FY26, up from 3.18% in FY25, with agriculture, industry, and services growing by 2.89%, 3.51%, and 4.09% respectively. The size of the economy rose to 452.1 billion dollars, with per capita income increasing to 1,901 dollars from 1,824 dollars in FY25. As anticipated, economic activity recorded some slowdown in Q4 of FY26 in the wake of the Middle East conflict, the surge in global energy prices, and austerity measures taken by the Government. However, high frequency indicators, including automobile sales, cement dispatches, and business sentiment, suggest some recovery in economic activity in June. Accordingly, the MPC expects real GDP growth to be in the range of 3.5 – 4.5 percent during FY27. Moreover, Pakistan's sovereign credit rating was upgraded to “B” by Standard & Poor's.

Inflation rose sharply in H1'26. National CPI increased from 5.8% year-on-year in January to a peak of 11.7% in May, before easing to 11.1% in June. FY26 average CPI inflation stood at 7.05%. As of July 2026, CPI stood at 9.2% year-on-year.

The current account posted a deficit of $139 million in FY26, close to the lower bound of the projected range for the year. Workers' remittances rose 8.6% to a record $41.6 billion, from $38.3 billion in FY25. These developments helped SBP strengthen its FX reserves and significantly reduce forward liabilities. SBP-held reserves closed at $18.4 billion in FY26.

Fiscal consolidation continued to anchor the macroeconomic framework. The Government achieved a primary surplus for the third consecutive year, with FY26 estimated at 2.5% of GDP and the FY27 Budget targeting 2.0% of GDP. The FBR successfully achieved its revised FY26 tax collection target of PKR 13 trillion.

The SBP's Monetary Policy Committee (MPC) increased the policy rate by 100 basis points to 11.5% in April, citing rising geopolitical tensions and elevated inflation risks. As of July 2026, the MPC unanimously decided to keep the policy rate unchanged at 11.5% citing the improvement in the macroeconomic outlook despite geopolitical risks.

Future Outlook

Global growth is expected to remain modest into H2 2026, with the US–Iran conflict's de-escalation in mid-year offering only a fragile reprieve. Advanced-economy central banks, having shifted toward a more hawkish bias through the first half as energy prices pushed inflation higher, are likely to remain cautious and data-dependent rather than resume the easing path anticipated at the start of the year.

For Pakistan, the outlook depends on policy continuity and reform implementation under the IMF-supported program, alongside how durably the Middle East de-escalation holds. SBP's own guidance points to growth strengthening further into FY27, building on FY26's momentum, though officials have noted that growth would likely have been higher in FY26 absent the conflict's disruption in the second half of the fiscal year. Inflation is expected to remain elevated in the near term before gradually easing, with risks skewed by the pace of any renewed geopolitical escalation, upcoming energy tariff adjustments, and weather-related food price pressures. On the external side, continued reserve accumulation and record remittances are expected to persist into FY27. With the policy rate having ended H1'26 higher than it began, following the year's sole hike in April, the SBP has since held the rate steady at 11.5% through its June and July reviews, judging the current monetary stance appropriate to guide inflation back toward the 5-7% target range over the medium term.

Appreciation and Acknowledgements

The Board of Directors of MCB Bank Limited would like to extend their sincere gratitude towards the Government of Pakistan, the State Bank of Pakistan, the Securities & Exchange Commission of Pakistan and other regulatory bodies for their continued support and guidance, all shareholders and customers of the Bank for their trust, and our employees for their continuous dedication and commitment.

For and on behalf of the Board of Directors,

Muhammad Nauman Chughtai
President & CEO
MCB Bank Limited
August 06, 2026

Mian Umer Mansha
Director
MCB Bank Limited

آمدنی مالی سال 2025ء کے 1,824 امریکی ڈالرسے بڑھ کر 1,901 امریکی ڈالرز ہوگئی۔ توقعات کے مطابق مالی سال 2026ء کی چوتھی سہ ماہی میں مشرق وسطیٰ کے تنازع، عالمی توانائی کی قیمتوں میں اضافے اور حکومت کی جانب سے کفایت شعاری کے اقدامات کے باعث، معاشی سرگرمی میں کچھ کمی آئی۔ تاہم، جون میں گاڑیوں کی فروخت، سیمنٹ کی ترسیل اور کاروباری اعتماد سمیت مختلف اہم اشاریوں سے معاشی سرگرمی میں کچھ بحالی کے آثار ظاہر ہوئے۔ مالیاتی پالیسی کمیٹی کے مطابق، اسی مناسبت میں مالی سال 2027ء میں حقیقی معاشی ترقی کی شرح 3.5 سے 4.5 فیصد کے درمیان رہنے کی توقع ہے۔مزید برآں، پاکستان کی خودمختار کریڈٹ ریٹنگ کو اسٹینڈرڈ اینڈ پورز (Standard & Poor's) نے بڑھا کر" بی (B) " کردیا۔

2026ء کی پہلی ششماہی میں افراط زر میں نمایاں اضافہ ہوا۔کنزیومر پرائس انڈیکس (سی پی آئی) جنوری میں، سال بہ سال کی بنیاد پر، 5.8 فیصد سے بڑھ کر مئی میں 11.7 فیصد کی بلند ترین سطح کو چھوکر جون میں قدرے کم ہوکر 11.1 فیصد ہوگیا۔مالی سال 2026ء میں اوسط سی پی آئی 7.05 فیصد کی سطح پر رہا۔ جولائی 2026ء میں افراط زر کی شرح سال بہ سال کی بنیاد پر 9.2 فیصد رہی۔

مالی سال 2026 میں کرنٹ اکاونٹ کا خسارہ 139 ملین امریکی ڈالرز رہا ، جو سال کے لیے متوقع حد کی نچلی سطح کے قریب ہے۔ بیرون ملک مقیم پاکستانیوں کی ترسیلات زر میں 8.6 فیصد اضافہ ہوا اور یہ 41.6 بلین امریکی ڈالرز کی ریکارڈ سطح پر درج ہوئیں۔ جبکہ، مالی سال 2025ء میں انکا حجم 38.3 بلین امریکی ڈالرز تھا۔ان پیش رفتوں سے اسٹیٹ بینک کو زرمبادلہ کے ذخائر مضبوط بنانے اور مستقبل کی ادائیگیوں کی ذمہ داریوں میں نمایاں کمی لانے میں مدد ملی۔ مالی سال 2026ء کے اختتام پر اسٹیٹ بینک آف پاکستان کے زیرِ انتظام زرمبادلہ کے ذخائر 18.4 بلین امریکی ڈالرز پر شمار ہوئے۔

مالیاتی استحکام کلاں معاشی فریم ورک کا اہم حصہ رہا ہے۔حکومت نے مسلسل تیسرے سال بنیادی بجٹ سرپلس حاصل کیا جس کی شرح مالی سال 2026ء کے لیے مجموعی قومی پیداوار (جی ڈی پی) کے 2.5 فیصد کے برابر اور مالی سال 2027ء کے لیے اس کا ہدف 2.0 فیصد پر تخمینہ کیا گیا ہے۔ ایف بی آر نے مالی سال 2026ء کے لیے اپنا 13 ٹریلین روپے کا نظر ثانی شدہ بجٹ کامیابی سے حاصل کیا۔

اسٹیٹ بینک آف پاکستان کی مالیاتی پالیسی کمیٹی نے اپریل میں جغرافیائی و سیاسی کشیدگی اور افراطِ زر کے بڑھتے ہوئے خطرات کے پیش نظر اسے 100 بیسز پوائنٹس بڑھا کر 11.5 فیصد کردیا۔جولائی 2026ء میں مالیاتی پالیسی کمیٹی نے متفقہ طور پر پالیسی ریٹ کی شرح 11.5 فیصد پر برقرار رکھنے کا فیصلہ کیا، جس کی وجہ جغرافیائی وسیاسی خطرات کے باوجود مجموعی معاشی صورتحال میں بہتری کو قرار دیا گیا۔

مستقبل کی پیش بینی

2026ء کی دوسری ششماہی میں عالمی ترقی نسبتاً محدود رہنے کی توقع ہے۔سال کے وسط میں امریکہ اور ایران کے درمیان کشیدگی میں کمی نے عارضی ریلیف فراہم کیا۔ اس پہلی ششماہی کے دوران، ترقی یافتہ معیشتوں کے مرکزی بینک، جو توانائی کی قیمتوں میں اضافے کے زیراثر افراطِ زر کے بڑھتے دباؤ کے تناظر میں، اس پوری ششماہی کے دوران ایک جارحانہ رویہ اختیار کیے ہوئے تھے اب امکانی طور پر قدرے محتاط اور اعداد و شمار پر مبنی رویے کی پیروی کریں گے بجائے اس کے کہ سال کے اوائل میں متوقع نرمی کا راستہ دوبارہ شروع کریں۔

پاکستان کے لیے معاشی منظرنامہ، آئی ایم ایف کے تعاون سے جاری پروگرام کے تحت پالیسیوں کے تسلسل اور اصلاحات پر عمل درآمد کے ساتھ ساتھ مشرق وسطیٰ میں کشیدگی میں کمی کے پائیدار رہنے پر منحصر ہے۔ اسٹیٹ بینک آف پاکستان کی رہنمائی کے مطابق، سال 2026ء سے جاری تحریک کے تسلسل میں مالی سال 2027ء میں معاشی ترقی مزید مضبوط ہونے کی توقع ہے۔ تاہم، قلیل مدت میں افراط زر کے بلند رہنے کا امکان ہے۔ جبکہ، جغرافیائی وسیاسی کشیدگی میں دوبارہ اضافہ، توانائی کے نرخوں میں ممکنہ تبدیلی اور موسمی حالات کے باعث غذائی قیمتوں میں اضافے جیسے خطرات موجود رہیں گے۔ بیرونی شعبے میں زرمبادلہ کے ذخائر میں مسلسل اضافہ اور ریکارڈ ترسیلات زر مالی سال 2027ء میں بھی جاری رہنے کی توقع ہے۔ پالیسی شرح اپریل میں اضافے کے بعد 11.5 فیصد پر برقرار ہے، اور اسٹیٹ بینک نے جون اور جولائی کے جائزوں میں بھی اسے تبدیل نہیں کیا۔ موجودہ مالیاتی پالیسی کا مقصد درمیانی مدت میں مہنگائی کو 5 تا 7 فیصد کے ہدف کی جانب واپس لانا ہے۔

تسلیم وتحسین:

ایم سی بی بینک لمیٹڈ کے بورڈ آف ڈائریکٹرز، حکومت پاکستان، اسٹیٹ بینک آف پاکستان، اسکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور دیگر انضباطی اداروں کی مسلسل حمایت اور رہنمائی پر دلی تشکر کا اظہار کرتے ہیں۔ بورڈ، تمام حصص یافتگان اور بینک کے صارفین کا ان کے اعتماد اور بینک کے ملازمین کا ان کی مسلسل محنت، لگن اور وابستگی پر بھی تہہ دل سے شکریہ ادا کرتا ہے۔

منجانب و برائے بورڈ آف ڈائریکٹرز

محمد نعمان چغتائی
پریذیڈینٹ اور سی ای او
ایم سی بی بینک لمیٹڈ
06 اگست 2026ء

میاں عمر منشاء
ڈائریکٹر
ایم سی بی بینک لمیٹڈ

ڈائریکٹرز کا تجزیہ ۔ 30 جون 2026ء

بورڈ آف ڈائریکٹرز کی جانب سے ہم، ایم سی بی بینک لمیٹڈ (ایم سی بی) کے 30 جون 2026ء کو اختتام پذیر ششماہی کے مالیاتی گوشواروں کو آپ کے سامنے پیش کرتے ہوئے نہایت مسرت محسوس کرتے ہیں۔

کارکردگی کا جائزہ

30 جون 2026ء کو اختتام پذیر مدت تک کے بینک کے انفرادی منافع قبل و بعد از ٹیکس اور تخصیص، مندرجہ ذیل ہے:

	ملین روپے
منافع قبل از ٹیکس	55,134
ٹیکس	28,659
منافع بعد از ٹیکس	26,475
افتتاحی غیر تخصیص شدہ منافع	121,802
ایف وی او سی آئی (FVOCI) کے ذریعے ایکویٹی انسٹرومینٹس کی فروخت سے حاصل شدہ سرپلس ۔ خالص از ٹیکس	1,090
ازسرِ نو تخمینہ شدہ جائیداد و آلات کے سرپلس سے اضافی فرسودگی کی غیر تخصیص شدہ منافع میں منتقلی ۔ خالص از ٹیکس	79
	122,971
تخصیص کے لیے دستیاب منافع	149,446
تخصیص:	
قانونی ریزرو میں منتقلی	(2,647)
حتمی کیش ڈیویڈنڈ 9 روپے فی حصص 31 دسمبر 2025	(10,666)
پہلا عبوری کیش ڈیویڈنڈ 9 روپے فی حصص 31 مارچ 2026	(10,666)
کل تخصیص	(23,979)
اختتامی غیر تخصیص شدہ منافع	125,467

ایم سی بی نے 55.1 بلین روپے کا منافع قبل از ٹیکس اور 26.5 بلین روپے کا منافع بعد از ٹیکس رپورٹ کیا۔ جس کی بدولت فی شیئر آمدنی 22.34 روپے پر ریکارڈ ہوئی۔ مجموعی بنیاد پر، منافع قبل از ٹیکس 58.8 بلین روپے اور منافع بعد از ٹیکس 28.1 بلین روپے رہا۔

اس ششماہی مدت کے لیے کل آمدنی 93.9 بلین روپے رہی، جو گزشتہ سال کی اسی مدت کے مقابلے میں 6 فیصد کا، سال بہ سال کی بنیاد پر، اضافہ ظاہر کرتی ہے۔ اس بہتری کی بنیادی وجہ خالص مارک اپ آمدنی میں اضافہ تھا، جو 75.3 بلین روپے تک پہنچ گئی (گزشتہ سال کی پہلی ششماہی میں: 71.3 بلین روپے)۔ باوجود اس امر کے کہ، گزشتہ سال کے مقابلے میں اوسط پالیسی ریٹ میں نسبتاً کمی واقع ہوئی، اس اضافے کو کم لاگت کے حامل ڈیپازٹس میں اضافے اور بہتر منافع بخش شرح کے مؤثر استعمال کی اعانت حاصل رہی۔

نان مارک اپ آمدنی بھی بڑھ کر 18.7 بلین روپے ہوگئی، جو گزشتہ سال کی اسی مدت کے 17.5 بلین روپے کے مقابلے میں، سال بہ سال کی بنیاد پر 7 فیصد کا اضافہ ہے۔ فیس اور کمیشن سے حاصل ہونے والی آمدنی میں سال بہ سال کی بنیاد پر 21 فیصد کا اضافہ ہوا اور یہ 11.9 بلین روپے تک پہنچ گئی۔ اس اضافے کی بڑی وجوہات میں بینک کی ڈیجیٹل بینکاری کی خدمات میں مسلسل و مضبوط کارکردگی اور لین دین کے حجم میں اضافہ تھیں۔ اس شعبے میں کارڈ سے متعلق آمدنی میں 13 فیصد کی نمو دیکھی گئی، جبکہ برانچ بینکاری کی فیس آمدنی میں 5 فیصد اضافہ درج ہوا، جس کی وجہ صارفین کے ساتھ بہتر روابط اور بینکاری کی مصنوعات کی اضافی فروخت کی کوششیں تھیں۔ دوسری جانب کنزیومر بینکاری فیس آمدنی میں 27 فیصد کی نمایاں بڑھوتی کا اندراج کیا گیا جو کہ صارفین کی بڑھتی سرگرمیوں اور کنزیومر فنانسنگ مصنوعات کے زیادہ استعمال کی عکاسی کرتی ہے۔ فارن ایکسچینج آمدنی اور ڈیویڈینڈ آمدنی نے بالترتیب 4.1 بلین روپے اور 2.1 بلین روپے سے نان مارک اپ آمدنی میں شمولیت ظاہر کی۔

کاروباری اخراجات میں گزشتہ سال کی اسی مدت کے مقابلے میں سال بہ سال کی بنیاد پر 9 فیصد اضافہ شمار ہوا، جو بینک کی طویل المدتی ترقی کے لیے ٹیکنالوجی، انسانی وسائل اور برانڈ کی ترقی میں مسلسل سرمایہ کاری کی غمازی کرتا ہے۔ ان سرمایہ کاریوں کے باوجود، بینک نے آمدنی کے مقابلے میں اپنے اخراجات کا تناسب 39.20 فیصد کی صحت مند سطح پر برقرار رکھا، جو اخراجات کے مؤثر انتظام اور عملی کارکردگی میں مسلسل بہتری کی نشاندہی کرتا ہے۔

بیلنس شیٹ کے حوالے سے، بینک کے کل اثاثہ جات 3.430 ٹریلین روپے تک بڑھ گئے (سال 2025ء : 3.247 ٹریلین روپے)۔ مجموعی قرضوں میں 67 بلین روپے (9 فیصد) کا اضافہ ہوا جو قرضوں کے حصول میں بہتری کا مظہر ہے۔ سرمایہ کاری کا مجموعی حجم 2.067 ٹریلین روپے رہا (سال 2025ء :1.947 ٹریلین روپے)۔

اثاثہ جات کا معیار اطمینان بخش رہا جس میں غیر فعال قرضے 50.3 بلین روپے پر رپورٹ ہوئے۔ انفیکشن اور کوریج کی شرحیں بہتری کے ساتھ بالترتیب 6.26 فیصد اور 93.13 فیصد پر درج ہوئیں۔ بینک اپنے غیر مؤثر قرضوں کے پیش قدم انتظام پر مسلسل توجہ دے رہا ہے، جس میں ہدف کے مطابق وصولی کی کوششیں، غیر فعال قرضوں کے بروقت حل اور قرضوں سے ہونے والے نقصانات کو محدود رکھنے کے لیے محتاط اقدامات شامل ہیں۔

بینک کے کل ڈیپازٹس 2.604 ٹریلین روپے رہے، جبکہ کرنٹ اکاؤنٹس کا حصہ بہتر ہو کر 55 فیصد ہو گیا (سال 2025ء: 54 فیصد)۔ جو کم لاگت کے حامل ڈیپازٹس کے حصول میں بینک کی مضبوط پوزیشن کو ظاہر کرتا ہے۔ ڈیپازٹس کے اس سازگار تناسب اور کم شرح سود کے ماحول کے باعث، ڈیپازٹس کی داخلی لاگت کم ہو کر 4.43 فیصد رہ گئی (گزشتہ سال کی پہلی ششماہی:5.23 فیصد)۔ بینک نے اثاثوں پر منافع 1.59 فیصد اور ایکویٹی پر منافع 21.49 فیصد کی شرح پر رپورٹ کیا۔

ایم سی بی بینک نے بیرون ملک سے آنے والی ترسیلات زر کی مارکیٹ میں اپنی نمایاں پوزیشن برقرار رکھی، جہاں اس کا مارکیٹ شیئر 10.38 فیصد رہا۔ اس عرصے کے دوران، بینک نے 2.27 بلین امریکی ڈالرز کی ترسیلات زر وصول کیں۔ اپنے وسیع برانچ نیٹ ورک اور بڑھتے ہوئے ڈیجیٹل ذرائع کو بروئے کار لاتے ہوئے بینک نے اسٹیٹ بینک آف پاکستان کے مالیاتی شمولیت اور ترسیلات زر کو باقاعدہ نظام کے ذریعے لانے کے اقدامات میں مسلسل تعاون کیا، جس سے زرمبادلہ کی آمد اور مجموعی معاشی استحکام میں نمایاں کردار ادا ہوا۔

بینک کی سرمایہ اور سیالیت کی پوزیشن مضبوط رہی۔ کیپٹل ایڈیکویسی کا تناسب 19.65 فیصد جبکہ کامن ایکویٹی ٹیئر ۔ا (CET-1) کا تناسب 14.93 فیصد رہا، جو کم از کم ضوابطی تقاضوں سے نمایاں طور پر بلند ہیں۔ لیکویڈٹی بفرز بھی مضبوط رہے، جس کا اظہار لیکویڈٹی کوریج کے 233.41 فیصد کے تناسب اور نیٹ اسٹیبل فنڈنگ کے 161.14 فیصد کے تناسب سے ہوتا ہے۔

بورڈ نے پہلے سے اداشدہ 90 فیصد کے کیش ڈیوڈینڈ کے علاوہ 9.00 روپے فی شیئر یعنی 90 فیصد کے دوسرے عبوری کیش ڈیوڈینڈ کا اعلان کیا۔ اس طرح 30 جون 2026ء کو ختم ہونے والی ششماہی مدت کے لیے مجموعی کیش ڈیوڈینڈ 180 فیصد ہو گیا۔

مستقبل کے حوالے سے، بینک اپنے مضبوط سرمایہ، وافر سیالیت، آمدنی کے متنوع ذرائع اور خدشات کے محتاط انتظام کی بدولت پائیدار ترقی کے حصول کے لیے اچھی پوزیشن میں ہے۔ بینک عملی کارکردگی میں بہتری اور صارفین کی ضروریات پر مبنی جدت پر بھی مسلسل توجہ برقرار رکھے ہوئے ہے۔

درجہ بندی

پاکستان کریڈٹ ریٹنگ ایجنسی نے 23 جون 2026 کو جاری کردہ اعلامیے کے ذریعے ایم سی بی بینک کی طویل المدتی اور قلیل المدتی کریڈٹ ریٹنگ بالترتیب ٹرپل اے اور اے ون پلس کی سطح پر برقرار رکھی ہے۔

معاشی جائزہ

2026ء کی پہلی ششماہی میں عالمی معاشی صورتحال بنیادی طور پر تین اہم عوامل سے متاثر رہی: امریکہ اور ایران کے درمیان جنگ کا آغاز اور اس میں پیش رفت، ترقی یافتہ معیشتوں میں مالیاتی پالیسی سے متعلق توقعات میں نمایاں تبدیلی اور مصنوعی ذہانت و ڈیجیٹل بنیادی ڈھانچے کے حوالے سے مسلسل مثبت توقعات۔ ان عوامل نے اس پوری ششماہی کے دوران جغرافیائی وسیاسی خطرات میں اضافہ کیا اور مختلف سرمایہ کاری شعبوں پر نمایاں مختلف اثرات مرتب کیے۔

سال 2026ء کی پہلی ششماہی کے آغاز میں امریکہ اور ایران کے درمیان کشیدگی ایک طویل جھگڑے کے بعد کھلے فوجی تصادم میں تبدیل ہو گئی۔ یہ تنازع بنیادی طور پر ایران کے جوہری پروگرام کے گرد گھومتا رہا اور بالآخر آبنائے ہرمز کی عارضی بندش کا سبب بنا۔ اس تنازع نے عالمی مالیاتی منڈیوں کو نمایاں طور پر متاثر کیا۔ تیل اور مائع قدرتی گیس کی قیمتوں میں تیزی سے اضافہ ہوا کیونکہ سرمایہ کاروں نے آبنائے ہرمز سے گزرنے والی رسد کے ایک بڑے حصے میں ممکنہ رکاوٹ کو مدنظر رکھا۔ سال کے وسط تک جنگ بندی کا ایک فریم ورک قائم ہوا، تاہم، اس کے بعد دوبارہ پیدا ہونے والی کشیدگی نے اس فریم ورک میں موجود نزاکت اور کمزوری کی نشاندہی کی۔ اور مارکیٹس کے معمول کی طرف آنے کے باوجود اُتار چڑھاؤ کی کیفیت برقرار رہی۔

ترقی یافتہ معیشتوں میں مالیاتی پالیسی بھی سال کے آغاز میں متوقع سمت کے برعکس چلی گئی۔ کئی اہم مرکزی بینکوں نے توانائی کی قیمتوں میں اضافے کے باعث افراطِ زر میں دوبارہ اضافے کے پیشِ نظر پالیسی ریٹ میں آسانی فراہم کرنے اور غیر جانبدار بیانیے کے تسلسل کو برقرار رکھنے کی بجائے اپنا مؤقف سخت رکھا یا اس میں تبدیلی کی۔ اس فیصلہ سازی کے نتیجے میں عالمی بانڈز کی شرح منافع میں اضافہ ہوا، مالیاتی حالات سخت ہوئے اور ابھرتی ہوئی معیشتوں کے لیے بیرونی قرضوں کی لاگت بڑھ گئی۔

دوسری جانب مصنوعی ذہانت اور ڈیجیٹل بنیادی ڈھانچے کے حوالے سے مثبت توقعات نے عالمی سرمایہ کاری کے رجحان کو مضبوط رکھا۔ ڈیٹا سینٹرز، سیمی کنڈکٹرز اور کلاؤڈ سروسز میں مضبوط آمدنی اور مسلسل سرمایہ کاری کے باعث بڑی حصص انڈیکس نئی بلند ترین سطحوں تک جا پہنچے، جس سے جغرافیائی وسیاسی کشیدگی، توانائی سے پیدا ہونے والے افراطِ زر اور عالمی تجارت کے ناموافق اثرات کسی حد تک متوازن ہوئے۔ مصنوعی ذہانت کے موزوں استعمال سے نمو کے حصول کا یہ بیانیہ اس پوری ششماہی کے دوران مارکیٹ کی کارکردگی کا بنیادی رکن بنا رہا۔ چہ جائیکہ کہ اس سے ارتکازی خدشات میں اضافے کا رجحان بھی ظہور پذیر ہوا اور منافع و آمدنی کا بہاؤ ٹیکنالوجی پر منحصر چند مخصوص ہاتھوں تک محدود ہو گیا۔

پاکستان کی حقیقی مجموعی قومی پیداوار (جی ڈی پی) میں مالی سال 2026ء کے دوران، ابتدائی طور پر 3.70 فیصد اضافہ ہوا، جبکہ مالی سال 2025ء میں یہ 3.18 فیصد تھا۔ زراعت، صنعت اور خدمات کے شعبوں میں بالترتیب 2.89 فیصد، 3.51 فیصد اور 4.09 فیصد کا اضافہ ہوا۔ ملکی معیشت کا حجم بڑھ کر 452.1 بلین امریکی ڈالرز ہو گیا۔ جبکہ، فی کس

MCB Bank for Life

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF MCB BANK LIMITED
REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of MCB Bank Limited ("the Bank") as at 30 June 2026 and the related unconsolidated condensed interim statement of profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter - Figures for three months' period ended 30 June 2026

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

Other matter - Comparative Information

The unconsolidated condensed interim financial statements of the Bank as at and for the half year ended 30 June 2025 and the annual unconsolidated financial statements of the Bank as at and for the year ended 31 December 2025, were reviewed and audited by another auditor who expressed an unmodified conclusion and opinion on those unconsolidated condensed interim financial statements and annual unconsolidated financial statements on 13 August 2025 and 06 March 2026, respectively.

The engagement partner on the audit resulting in this independent auditor's report is **M. Rehan Chughtai**.

KPMG Taseer Hadi & Co.
Chartered Accountants

Lahore
Date: 24 August 2026
UDIN: RR202610183IPxa6Clig

MCB Bank for Life

Unconsolidated Condensed Interim Statement of Financial Position
As at June 30, 2026

	Note	Unaudited June 30, 2026	Audited December 31, 2025
		---------Rupees in '000---------	
ASSETS			
Cash and balances with treasury banks	7	203,317,164	190,083,526
Balances with other banks	8	24,076,084	39,698,066
Lendings to financial institutions	9	112,142,549	99,048,299
Investments	10	2,066,921,821	1,947,224,674
Advances	11	756,174,994	690,318,710
Property and equipment	12	99,268,271	97,069,222
Right-of-use assets	13	7,419,293	7,456,518
Intangible assets	14	1,388,903	1,351,034
Other assets	15	159,352,066	174,806,913
Total Assets		3,430,061,145	3,247,056,962
LIABILITIES			
Bills payable	17	19,328,041	25,617,252
Borrowings	18	352,917,112	457,871,857
Deposits and other accounts	19	2,603,544,435	2,261,275,030
Lease liabilities	20	12,094,859	11,804,530
Subordinated debt		-	-
Deferred tax liabilities	21	35,519,987	44,947,104
Other liabilities	22	93,776,987	129,799,963
Total Liabilities		3,117,181,421	2,931,315,736
NET ASSETS		312,879,724	315,741,226
REPRESENTED BY			
Share capital		11,850,600	11,850,600
Reserves	23	111,728,775	109,983,273
Surplus on revaluation of assets	24	63,833,647	72,105,363
Unappropriated profit		125,466,702	121,801,990
		312,879,724	315,741,226
CONTINGENCIES AND COMMITMENTS	25		

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

Anjum Javed	Muhammad Nauman Chughtai	Main Umer Mansha	Shahzad Hussain	Muhammad Ali Zeb
Chief Financial Officer	President / CEO	Director	Director	Director

Unconsolidated Condensed Interim Statement of Profit and Loss Account (Un-Audited)
For The Half Year Ended June 30, 2026

	Note	Quarter Ended April 01 to June 30, 2026	Quarter Ended April 01 to June 30, 2025	Half Year Ended January 01 to June 30, 2026	Half Year Ended January 01 to June 30, 2025
		---------Rupees in '000---------			
Mark-up / return / interest earned	27	74,210,154	74,305,021	146,560,427	144,144,631
Mark-up / return / interest expensed	28	37,152,868	38,142,861	71,271,504	72,798,372
Net mark-up / interest income		37,057,286	36,162,160	75,288,923	71,346,259
NON MARK-UP / INTEREST INCOME					
Fee and commission income	29	5,977,722	4,561,702	11,918,706	9,833,067
Dividend income		923,844	860,977	2,061,132	2,577,655
Foreign exchange income		2,689,468	2,708,584	4,073,440	4,950,646
Income from derivatives		452	1,402	975	2,282
Gain / (loss) on securities - net	30	431,884	45,516	387,351	(140,883)
Net gains / (loss) on derecognition of financial assets measured at amortised cost		-	-	-	-
Other income	31	155,694	135,952	226,351	298,866
Total non-markup / interest Income		10,179,064	8,314,133	18,667,955	17,521,633
Total income		47,236,350	44,476,293	93,956,878	88,867,892
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	32	18,338,727	16,848,273	36,835,541	33,818,399
Workers Welfare Fund		567,998	575,267	1,102,676	1,161,321
Other charges	33	111,463	88,290	178,827	158,443
Total non-markup / interest expenses		19,018,188	17,511,830	38,117,044	35,138,163
Profit before credit loss allowance		28,218,162	26,964,463	55,839,834	53,729,729
Credit loss allowance and write offs - net	34	(181,751)	(1,798,914)	706,016	(4,336,326)
PROFIT BEFORE TAXATION		28,399,913	28,763,377	55,133,818	58,066,055
Taxation	35	14,725,577	15,269,544	28,658,787	30,760,351
PROFIT AFTER TAXATION		13,674,336	13,493,833	26,475,031	27,305,704
		---------Rupees ---------			
Basic and diluted earnings per share	36	11.54	11.39	22.34	23.04

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

Anjum Javed
Chief Financial Officer

Muhammad Nauman Chughtai
President / CEO

Main Umer Mansha
Director

Shahzad Hussain
Director

Muhammad Ali Zeb
Director

Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-Audited)
For The Half Year Ended June 30, 2026

	Quarter Ended April 01 to June 30, 2026	Quarter Ended April 01 to June 30, 2025	Half Year Ended January 01 to June 30, 2026	Half Year Ended January 01 to June 30, 2025
	---------Rupees in '000---------			
Profit after taxation for the period	13,674,336	13,493,833	26,475,031	27,305,704
Other comprehensive income / (loss)				
Items that may be reclassified to statement of profit and loss account in subsequent periods:				
Effect of translation of net investment in foreign branches	(527,078)	232,791	(902,001)	278,288
Movement in surplus / (deficit) on revaluation of debt investments through FVOCI - net of tax	9,181,660	11,207,139	(7,457,875)	10,164,811
	8,654,582	11,439,930	(8,359,876)	10,443,099
Items that will not be reclassified to statement of profit and loss account in subsequent periods:				
Movement in surplus / (deficit) on revaluation of equity investments through FVOCI - net of tax	5,446,508	(1,857,815)	354,423	172,698
	5,446,508	(1,857,815)	354,423	172,698
Total comprehensive income	27,775,426	23,075,948	18,469,578	37,921,501

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

Anjum Javed
Chief Financial Officer

Muhammad Nauman Chughtai
President / CEO

Main Umer Mansha
Director

Shahzad Hussain
Director

Muhammad Ali Zeb
Director

Unconsolidated Condensed Interim Statement of Changes in Equity (Un-Audited)
For The Half Year Ended June 30, 2026

	Share capital	Capital reserve: Share premium	Capital reserve: Non-distributable capital reserve	Capital reserve: Exchange translation reserve	Statutory reserve	Revenue reserve: General reserve	Surplus / (deficit) on revaluation of: Investments	Surplus / (deficit) on revaluation of: Property and equipment / non-banking assets	Unappropriated profit	Total
	--				Rupees in '000			--		
Balance as at December 31, 2024 (Audited)	11,850,600	23,751,114	908,317	9,030,207	52,640,181	18,600,000	7,432,621	35,620,516	110,425,784	270,259,340
Effect of remeasurement on adoption of IFRS 9	-	-	-	-	-	-	1,734,405	-	-	1,734,405
Opening balance as at January 01, 2025	11,850,600	23,751,114	908,317	9,030,207	52,640,181	18,600,000	9,167,026	35,620,516	110,425,784	271,993,745
Profit after taxation for the period ended June 30, 2025	-	-	-	-	-	-	-	-	27,305,704	27,305,704
Other comprehensive income - net of tax										
Effect of translation of net investment in foreign branches	-	-	-	278,288	-	-	-	-	-	278,288
Movement in surplus / (deficit) on revaluation of equity investments through FVOCI - net of tax	-	-	-	-	-	-	172,698	-	-	172,698
Movement in surplus / (deficit) on revaluation of debt investments through FVOCI - net of tax	-	-	-	-	-	-	10,164,811	-	-	10,164,811
	-	-	-	278,288	-	-	10,337,509	-	-	10,615,797
Transfer to statutory reserve	-	-	-	-	2,730,570	-	-	-	(2,730,570)	-
Transfer in respect of incremental depreciation from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	-	-	-	(65,244)	65,244	-
Surplus realized on disposal of investments in equity instruments through FVOCI - net of tax	-	-	-	-	-	-	(817,337)	-	817,337	-
Surplus realized on disposal of revalued property and equipment - net of tax	-	-	-	-	-	-	-	(91,754)	91,754	-
Surplus realized on disposal of non-banking assets - net of tax	-	-	-	-	-	-	-	(23,873)	23,873	-
Transactions with owners, recorded directly in equity										
Final cash dividend at Rs. 9.0 per share - December 31, 2024	-	-	-	-	-	-	-	-	(10,665,540)	(10,665,540)
Interim cash dividend at Rs. 9.0 per share - March 31, 2025	-	-	-	-	-	-	-	-	(10,665,540)	(10,665,540)
	-	-	-	-	-	-	-	-	(21,331,080)	(21,331,080)
Balance as at June 30, 2025 (Un-audited)	11,850,600	23,751,114	908,317	9,308,495	55,370,751	18,600,000	18,687,198	35,439,645	114,668,046	288,584,166
Profit after taxation for the six months period ended December 31, 2025	-	-	-	-	-	-	-	-	26,889,430	26,889,430
Other comprehensive income - net of tax										
Effect of translation of net investment in foreign branches	-	-	-	(644,347)	-	-	-	-	-	(644,347)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	-	7,215,411	-	7,215,411
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	(27,483)	-	(27,483)
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	1,210,935	1,210,935
Movement in surplus / (deficit) on revaluation of equity investments through FVOCI - net of tax	-	-	-	-	-	-	7,897,877	-	-	7,897,877
Movement in surplus / (deficit) on revaluation of debt investments through FVOCI - net of tax	-	-	-	-	-	-	5,946,317	-	-	5,946,317
	-	-	-	(644,347)	-	-	13,844,194	7,187,928	1,210,935	21,598,710
Transfer to statutory reserve	-	-	-	-	2,688,943	-	-	-	(2,688,943)	-
Transfer in respect of incremental depreciation from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	-	-	-	(65,176)	65,176	-
Surplus realized on disposal of investments in equity instruments through FVOCI - net of tax	-	-	-	-	-	-	(2,290,755)	-	2,290,755	-
Surplus realized on disposal of revalued property and equipment - net of tax	-	-	-	-	-	-	-	(682,073)	682,073	-
Surplus realized on disposal of non-banking assets - net of tax	-	-	-	-	-	-	-	(15,598)	15,598	-
Transactions with owners, recorded directly in equity										
Interim cash dividend at Rs. 9.0 per share - June 30, 2025	-	-	-	-	-	-	-	-	(10,665,540)	(10,665,540)
Interim cash dividend at Rs. 9.0 per share - September 30, 2025	-	-		-	-	-	-	-	(10,665,540)	(10,665,540)
	-	-	-	-	-	-	-	-	(21,331,080)	(21,331,080)
Balance as at December 31, 2025 (Audited)	11,850,600	23,751,114	908,317	8,664,148	58,059,694	18,600,000	30,240,637	41,864,726	121,801,990	315,741,226
Profit after taxation for the period ended June 30, 2026	-	-	-	-	-	-	-	-	26,475,031	26,475,031
Other comprehensive loss - net of tax										
Effect of translation of net investment in foreign branches	-	-	-	(902,001)	-	-	-	-	-	(902,001)
Movement in surplus / (deficit) on revaluation of equity investments through FVOCI - net of tax	-	-	-	-	-	-	354,423	-	-	354,423
Movement in surplus / (deficit) on revaluation of debt investments through FVOCI - net of tax	-	-	-	-	-	-	(7,457,875)	-	-	(7,457,875)
	-	-	-	(902,001)	-	-	(7,103,452)	-	-	(8,005,453)
Transfer to statutory reserve	-	-	-	-	2,647,503	-	-	-	(2,647,503)	-
Transfer in respect of incremental depreciation from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	-	-	-	(78,524)	78,524	-
Surplus realized on disposal of investments in equity instruments through FVOCI - net of tax	-	-	-	-	-	-	(1,089,740)	-	1,089,740	-
Transactions with owners, recorded directly in equity										
Final cash dividend at Rs. 9.0 per share - December 31, 2025	-	-	-	-	-	-	-	-	(10,665,540)	(10,665,540)
Interim cash dividend at Rs. 9.0 per share - March 31, 2026	-	-	-	-	-	-	-	-	(10,665,540)	(10,665,540)
	-	-	-	-	-	-	-	-	(21,331,080)	(21,331,080)
Balance as at June 30, 2026 (Un-audited)	11,850,600	23,751,114	908,317	7,762,147	60,707,197	18,600,000	22,047,445	41,786,202	125,466,702	312,879,724

For details of dividend declaration and appropriations, please refer note 41 to these unconsolidated condensed interim financial statements.

For details of reserves, please refer note 23 to these unconsolidated condensed interim financial statements.

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

Anjum Javed	Muhammad Nauman Chughtai	Main Umer Mansha	Shahzad Hussain	Muhammad Ali Zeb
Chief Financial Officer	President / CEO	Director	Director	Director

Unconsolidated Condensed Interim Cash Flow Statement (Un-Audited)
For The Half Year Ended June 30, 2026

	Note	Half Year Ended: January 01 to June 30, 2026	Half Year Ended: January 01 to June 30, 2025
		----------Rupees in '000--------	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		55,133,818	58,066,055
Less: Dividend income		(2,061,132)	(2,577,655)
		53,072,686	55,488,400
Adjustments:			
Net mark-up / interest income		(75,288,923)	(71,346,259)
Depreciation on property and equipment	32	2,453,983	2,111,436
Depreciation on right-of-use assets	32	940,163	915,048
Depreciation on non-banking assets acquired in satisfaction of claims	32	6,283	8,221
Amortization	32	265,325	284,610
Credit loss allowance and write offs - net	34	706,016	(4,336,326)
Gain on sale of property and equipment - net	31	(128,985)	(170,153)
Finance charges on lease liability against right-of-use assets	28	1,006,405	893,922
Workers Welfare Fund		1,102,676	1,161,321
Reversal for defined benefit plans - net		(626,246)	(509,119)
Gain on termination of lease liability against right-of-use assets	31	(33,479)	(31,486)
Unrealized loss / (gain) on revaluation of investments classified as FVTPL	30	147,826	(110,721)
		(69,448,956)	(71,129,506)
		(16,376,270)	(15,641,106)
(Increase) / decrease in operating assets			
Lendings to financial institutions		(13,093,263)	(66,535,823)
Securities classified as FVTPL		740,880	1,353,686
Advances		(67,070,347)	389,853,933
Others assets (excluding advance taxation)		4,656,284	(12,820,191)
		(74,766,446)	311,851,605
Increase / (decrease) in operating liabilities			
Bills Payable		(6,289,211)	(24,317,880)
Borrowings		(102,041,274)	391,484,794
Deposits		342,269,405	313,260,055
Other liabilities (excluding current taxation)		(19,720,360)	5,192,324
		214,218,560	685,619,293
Mark-up / interest received		145,758,329	135,238,734
Mark-up / interest paid		(70,508,228)	(107,731,636)
Defined benefits paid		(130,232)	(136,884)
Income tax paid		(36,024,794)	(37,558,368)
Net cash generated from operating activities		162,170,919	971,641,638
CASH FLOW FROM INVESTING ACTIVITIES			
Net investment in securities classified as FVOCI		(137,460,862)	(879,580,428)
Net divestment / (investment) in securities classified as amortized cost		2,140,956	(3,319,173)
Dividends received		2,057,995	2,568,140
Investments in property and equipment		(4,714,576)	(7,186,276)
Proceeds from sale of property and equipment		157,833	310,270
Investments in Intangible assets		(308,389)	(307,919)
Proceeds from sale of non-banking assets acquired in satisfaction of claims		-	151,000
Effect of translation of net investment in foreign branches		(902,001)	278,288
Net cash used in investing activities		(139,029,044)	(887,086,098)
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liability against right-of-use-assets	20.1	(1,581,802)	(1,346,884)
Dividend paid		(21,177,544)	(21,141,820)
Net cash used in financing activities		(22,759,346)	(22,488,704)
Effects of credit loss allowance changes on cash and cash equivalents		142,597	(134,860)
Increase in cash and cash equivalents		525,126	61,931,976
Cash and cash equivalents at beginning of the period		228,274,254	191,153,150
Effects of exchange rate changes on cash and cash equivalents		(918,316)	1,456,047
Opening expected credit loss allowance on cash and cash equivalents		(619,315)	(562,567)
		226,736,623	192,046,630
Cash and cash equivalents at end of the period		227,261,749	253,978,606

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

Anjum Javed	Muhammad Nauman Chughtai	Main Umer Mansha	Shahzad Hussain	Muhammad Ali Zeb
Chief Financial Officer	President / CEO	Director	Director	Director

1. STATUS AND NATURE OF BUSINESS

MCB Bank Limited (the 'Bank') is a banking company incorporated in Pakistan and is engaged in commercial banking and related services. The Bank's ordinary shares are listed on the Pakistan stock exchange. The Bank's Registered Office and Principal Office are situated at MCB - 15 Main Gulberg, Lahore. The Bank operates 1413 branches (2025: 1,401 branches) within Pakistan and 9 branches (2025: 9 branches) outside Pakistan (including the Karachi Export Processing Zone branch).

2. BASIS OF PREPARATION

2.1 These unconsolidated condensed interim financial statements represent separate financial statements of MCB Bank Limited. The consolidated condensed interim financial statements of the Group are being issued separately.

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 has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by banks from their customers and immediate resale to them at appropriate profit in price on deferred payment basis. The purchases and sales arising under these arrangements 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.

2.3 The unconsolidated condensed interim financial statements are presented in Pak Rupees, which is the Bank's functional and presentation currency of its primary economic environment.

2.4 These unconsolidated condensed interim financial statements have been prepared under the historical cost convention except that certain classes of property and equipment and non-banking assets acquired in satisfaction of claims are stated at revalued amounts; investments classified at fair value through profit and loss and fair value through other comprehensive income; foreign exchange contracts and derivative financial instruments are measured at fair value and net defined benefit obligations are carried at fair value of plan assets less present value of defined benefit obligations.

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

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

3.2 The State Bank of Pakistan has deferred the applicability of International Accounting Standards 40, 'Investment Property' for Banking Companies through BSD Circular No. 10 dated August 26, 2002. Accordingly, the requirements of the standard have not been considered in the preparation of these unconsolidated condensed interim financial statements.

3.3 IFRS 10 "Consolidated Financial Statements" was made applicable from period beginning on or after January 01, 2015 vide S.R.O 633(I) / 2014 dated July 10, 2014 by SECP. However, SECP has directed through S.R.O 56(I) / 2016 dated January 28, 2016, that the requirements of consolidation under section 237 of the repealed Companies Ordinance 1984 (Section 228 of Companies Act, 2017) and IFRS 10 "Consolidated Financial Statements" are not applicable in case of investment by companies in mutual funds established under Trust structure.

3.4 The disclosures made in these unconsolidated condensed interim financial statements have been limited based on a format prescribed by the SBP vide BPRD Circular No. 02 of 2023 dated February 09, 2023 and IAS 34 "Interim Financial Reporting". 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 unconsolidated financial statements for the financial year ended December 31, 2025.

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

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, 2026 but are considered not to be relevant or do not have any material effect on the Bank's operations and therefore are not detailed in these unconsolidated condensed interim financial statements.

3.6 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following new standard will be effective from the date mentioned below:

	Effective date (annual periods beginning on or after)
IFRS 18 – Presentation and Disclosure in Financial Statements	January 01, 2027

4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the audited annual unconsolidated financial statements of the Bank for the year ended December 31, 2025.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

6. FINANCIAL RISK MANAGEMENT

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

	Unaudited June 30, 2026	Audited December 31, 2025
	----------Rupees in '000--------	
7. CASH AND BALANCES WITH TREASURY BANKS		
In hand		
Local currency	48,514,981	39,426,882
Foreign currencies	6,253,970	7,212,191
	54,768,951	46,639,073
With State Bank of Pakistan in		
Local currency current account	77,588,792	83,881,413
Foreign currency current accounts	8,190,483	5,606,778
Foreign currency deposit account	11,332,644	8,716,198
	97,111,919	98,204,389
With other central banks in		
Foreign currency current accounts	20,377,246	22,595,643
With National Bank of Pakistan in		
Local currency current accounts	31,422,246	22,917,504
Prize bonds	92,411	109,340
Less: Credit loss allowance held against cash and balances with treasury banks	(455,609)	(382,423)
Cash and balances with treasury banks - net of credit loss allowance	203,317,164	190,083,526
8. BALANCES WITH OTHER BANKS		
Inside Pakistan		
In current account	88,194	247,620
Outside Pakistan		
In current accounts	9,811,108	20,886,919
In deposit accounts	14,197,762	18,800,419
	24,008,870	39,687,338
Less: Credit loss allowance held against balances with other banks	(20,980)	(236,892)
Balances with other banks - net of credit loss allowance	24,076,084	39,698,066

	Note	Unaudited June 30, 2026	Audited December 31, 2025
		----------Rupees in '000--------	
9. LENDINGS TO FINANCIAL INSTITUTIONS			
Call / clean money lendings		112,142,555	94,049,292
Repurchase agreement lendings (Reverse Repo)		-	5,000,000
		112,142,555	99,049,292
Less: Credit loss allowance held against lending to financial institutions	9.1	(6)	(993)
Lendings to financial institutions - net of credit loss allowance		112,142,549	99,048,299

9.1 Particulars of credit loss allowance

		Unaudited June 30, 2026		Audited December 31, 2025	
		Lendings	Credit loss allowance held	Lendings	Credit loss allowance held
		----------Rupees in '000---------			
Domestic					
Performing	Stage 1	814,416	(6)	16,747,596	(993)
Under performing	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
		-	-	-	-
Sub total		814,416	(6)	16,747,596	(993)
Overseas					
Performing	Stage 1	111,328,139	-	82,301,696	-
Under performing	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
		-	-	-	-
Sub total		111,328,139	-	82,301,696	-
Total		112,142,555	(6)	99,049,292	(993)

10. INVESTMENTS

10.1 Investments by type:

	Unaudited June 30, 2026				Audited December 31, 2025			
	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value
	----------Rupees in '000----------							
FVTPL								
Federal Government Securities	1,177,225	-	-	1,177,225	873,016	-	-	873,016
Non Government Debt Securities	9,096,500	-	(37,203)	9,059,297	8,646,961	-	(9,586)	8,637,375
Foreign securities	1,430,901	-	(42,567)	1,388,334	1,398,413	-	(5,135)	1,393,278
Shares and units	1,437,849	-	(68,056)	1,369,793	2,703,278	-	276,408	2,979,686
	13,142,475	-	(147,826)	12,994,649	13,621,668	-	261,687	13,883,355
FVOCI								
Federal Government Securities	1,890,473,903	(126,206)	21,919,246	1,912,266,943	1,726,971,121	(169,923)	37,363,453	1,764,164,651
Shares	49,341,893	-	24,043,493	73,385,386	50,659,782	-	25,575,402	76,235,184
Foreign Securities	44,506,226	-	(30,562)	44,475,664	66,938,879	-	62,470	67,001,349
	1,984,322,022	(126,206)	45,932,177	2,030,127,993	1,844,569,782	(169,923)	63,001,325	1,907,401,184
Amortised Cost								
Federal Government Securities	3,904,706	(178,894)	-	3,725,812	6,389,592	(201,618)	-	6,187,974
Provincial Government Securities	118	(118)	-	-	118	(118)	-	-
Non Government Debt Securities	1,107,493	(467,547)	-	639,946	1,191,229	(469,426)	-	721,803
Foreign securities	765,808	(1,025)	-	764,783	361,880	(160)	-	361,720
	5,778,125	(647,584)	-	5,130,541	7,942,819	(671,322)	-	7,271,497
Associates	700,401	-	-	700,401	700,401	-	-	700,401
Subsidiaries	17,968,237	-	-	17,968,237	17,968,237	-	-	17,968,237
Total Investments	2,021,911,260	(773,790)	45,784,351	2,066,921,821	1,884,802,907	(841,245)	63,263,012	1,947,224,674

	Unaudited June 30, 2026	Audited December 31, 2025
	---------Rupees in '000--------	
10.1.1 Investments given as collateral		
- Market Treasury Bills	3,087,359	4,459,153
- Pakistan Investment Bonds	294,041,400	389,509,264
	297,128,759	393,968,417
10.2 Credit loss allowance for diminution in value of investments		
Opening balance	841,245	1,120,960
Exchange adjustments	(2,650)	4,482
Charge for the period / year	1,403	11,979
Reversals for the period / year	(66,208)	(296,176)
	(64,805)	(284,197)
Closing balance	773,790	841,245

		Unaudited June 30, 2026		Audited December 31, 2025	
		Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
		----------Rupees in '000----------			
10.3 Particulars of credit loss allowance against debt securities					
Domestic					
Performing	Stage 1	1,886,234,160	3,690	1,719,109,725	2,287
Under performing	Stage 2	1,055,909	-	563,891	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		463,975	463,975	467,257	467,257
		463,975	463,975	467,257	467,257
		1,887,754,044	467,665	1,720,140,873	469,544
Overseas					
Performing	Stage 1	58,050,970	1,025	81,244,226	160
Under performing	Stage 2	6,657,866	305,100	11,386,110	371,541
Non-performing	Stage 3	-	-	-	-
		64,708,836	306,125	92,630,336	371,701
Total		1,952,462,880	773,790	1,812,771,209	841,245

10.4 Summarized financial information of associates and subsidiaries

	Unaudited June 30, 2026						
	Country of incorporation	% of interest held	Revenue	Profit / (loss) after tax	Total comprehensive income / (loss)	Assets	Liabilities
	---------- Rupees in '000 ----------						
Associates							
Euronet Pakistan (Private) Limited (unaudited based on June 30, 2026)	Pakistan	30.00%	1,269,190	(80,805)	(80,805)	3,922,716	3,382,571
Adamjee Insurance Company Limited (unaudited based on March 31, 2026)	Pakistan	20.00%	20,039,372	1,076,599	(678,019)	263,842,151	212,705,502
Subsidiaries							
MCB Islamic Bank Limited (unaudited based on June 30, 2026)	Pakistan	100.00%	15,944,737	893,522	156,543	395,974,479	368,049,955
MCB Investment Management Limited (audited based on June 30, 2026)	Pakistan	81.42%	4,715,286	1,772,478	1,772,478	6,549,055	1,964,194
MCB Non-Bank Credit Organization Closed Joint Stock Company (unaudited based on June 30, 2026)	Azerbaijan	99.94%	631,070	188,229	188,229	7,820,379	5,961,575
MCB Exchange Company (Private) Limited (unaudited based on June 30, 2026)	Pakistan	100.00%	97,015	(27,934)	(27,934)	1,039,209	66,987

	Audited December 31, 2025						
	Country of incorporation	% of interest held	Revenue	Profit / (loss) after tax	Total comprehensive income / (loss)	Assets	Liabilities
	---------- Rupees in '000 ----------						
Associates							
Euronet Pakistan (Private) Limited (unaudited based on December 31, 2025)	Pakistan	30.00%	2,417,659	440,980	440,980	3,155,701	2,434,018
Adamjee Insurance Company Limited (unaudited based on September 30, 2025)	Pakistan	20.00%	52,612,992	4,475,970	7,807,970	258,072,849	208,571,009
Subsidiaries							
MCB Islamic Bank Limited (audited based on December 31, 2025)	Pakistan	100.00%	32,684,154	2,279,490	1,821,975	337,298,018	309,530,037
MCB Investment Management Limited (audited based on June 30, 2025)	Pakistan	81.42%	4,787,594	1,758,371	1,758,371	5,023,564	1,743,181
MCB Non-Bank Credit Organization Closed Joint Stock Company (audited based on December 31, 2025)	Azerbaijan	99.94%	1,102,344	255,490	255,490	7,439,845	5,756,939
MCB Exchange Company (Private) Limited (unaudited based on December 31, 2025)	Pakistan	100.00%	90,062	(43,141)	(43,141)	1,097,364	97,208

11. ADVANCES

	Note	Performing		Non Performing		Total	
		Unaudited June 30, 2026	Audited December 31, 2025	Unaudited June 30, 2026	Audited December 31, 2025	Unaudited June 30, 2026	Audited December 31, 2025
		----------Rupees in '000----------					
Loans, cash credits, running finances, etc.		726,964,075	658,172,285	49,612,016	49,261,137	776,576,091	707,433,422
Bills discounted and purchased		25,755,825	28,400,780	657,302	495,012	26,413,127	28,895,792
Advances - gross		752,719,900	686,573,065	50,269,318	49,756,149	802,989,218	736,329,214
Credit loss allowance against advances	11.3						
- Stage 1		(2,459,737)	(1,676,548)	-	-	(2,459,737)	(1,676,548)
- Stage 2		(551,996)	(343,162)	-	-	(551,996)	(343,162)
- Stage 3		-	-	(38,024,300)	(38,140,724)	(38,024,300)	(38,140,724)
- General		(5,778,191)	(5,850,070)	-	-	(5,778,191)	(5,850,070)
		(8,789,924)	(7,869,780)	(38,024,300)	(38,140,724)	(46,814,224)	(46,010,504)
Advances - net of credit loss allowance		743,929,976	678,703,285	12,245,018	11,615,425	756,174,994	690,318,710

	Unaudited June 30, 2026	Audited December 31, 2025
11.1 Particulars of advances (gross)	----------Rupees in '000--------	
In local currency	665,756,368	613,784,005
In foreign currencies	137,232,850	122,545,209
	802,989,218	736,329,214

11.2 Advances include Rs.50,269.318 million (2025: Rs. 49,756.149 million) which have been placed under Stage 3 status as detailed below:

Category of Classification	Note	Unaudited June 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)	11.2.1	1,313,523	600,613	1,418,889	709,130
Substandard		2,206,314	1,039,887	570,962	309,611
Doubtful		1,720,199	909,820	779,098	392,197
Loss		29,840,973	29,259,364	31,624,820	31,037,324
		35,081,009	31,809,684	34,393,769	32,448,262
Overseas					
Substandard		322,252	93,054	1,731,951	870,979
Doubtful		235,432	126,444	226,390	113,849
Loss		14,630,625	5,995,118	13,404,039	4,707,634
		15,188,309	6,214,616	15,362,380	5,692,462
Total		50,269,318	38,024,300	49,756,149	38,140,724

11.2.1 This includes non-performing port folio of agricultural, small enterprise and infrastructure project financing classified as "Other Assets Especially Mentioned "as per ther equirements of respective Prudential Regulations issued by the State Bank of Pakistan.

11.3 Particulars of credit loss allowance against advances

	Unaudited June 30, 2026					Audited December 31, 2025				
	Expected Credit Loss			General	Total	Expected Credit Loss			General	Total
	Stage 1	Stage 2	Stage 3			Stage 1	Stage 2	Stage 3		
	--------Ru pees in '000--------									
Opening balance	1,676,548	343,162	38,140,724	5,850,070	46,010,504	2,400,994	845,982	41,492,020	8,456,884	53,195,880
Exchange adjustments	(40,181)	-	(86,908)	-	(127,089)	(25,817)	-	(7,333)	-	(33,150)
Charge for the period / year	1,049,097	340,253	2,988,334	-	4,377,684	747,774	228,346	3,123,507	-	4,099,627
Reversal for the period / year	(225,727)	(131,419)	(2,532,172)	(71,879)	(2,961,197)	(1,446,403)	(731,166)	(4,143,751)	(2,606,814)	(8,928,134)
	823,370	208,834	456,162	(71,879)	1,416,487	(698,629)	(502,820)	(1,020,244)	(2,606,814)	(4,828,507)
Amounts written off	-	-	(128,375)	-	(128,375)	-	-	(130,872)	-	(130,872)
Amounts charged off	-	-	(357,303)	-	(357,303)	-	-	(2,192,847)	-	(2,192,847)
Closing balance	2,459,737	551,996	38,024,300	5,778,191	46,814,224	1,676,548	343,162	38,140,724	5,850,070	46,010,504

11.3.1 An analysis of changes in credit loss allowance in relation to loans & advances of the Bank is as follows:

	Unaudited June 30, 2026					Audited December 31, 2025				
	Expected Credit Loss			General	Total	Expected Credit Loss			General	Total
	Stage 1	Stage 2	Stage 3			Stage 1	Stage 2	Stage 3		
	--------Rupees in '000--------									
Opening balance	1,676,548	343,162	38,140,724	5,850,070	46,010,504	2,400,994	845,982	41,492,020	8,456,884	53,195,880
Exchange adjustments	(40,181)	-	(86,908)	-	(127,089)	(25,817)	-	(7,333)	-	(33,150)
New Advances	186,368	8,863	68,617	1,075,284	1,339,132	416,506	38,125	38,215	654,995	1,147,841
Advances derecognized or repaid	(39,559)	(1,911)	(563,098)	(351,518)	(956,086)	(367,958)	(49,677)	(2,015,120)	(852,610)	(3,285,365)
Transfer to stage 1	96,447	(82,969)	(13,478)	(371,726)	(371,726)	51,000	(50,915)	(85)	(733,497)	(733,497)
Transfer to stage 2	(25,983)	275,772	(249,789)	765,872	765,872	(163,828)	167,263	(3,435)	397,501	397,501
Transfer to stage 3	(7,685)	(23,268)	30,953	(81,990)	(81,990)	(1,234,858)	(601,451)	1,836,309	1,757,248	1,757,248
	209,588	176,487	(726,795)	1,035,922	695,202	(1,299,138)	(496,655)	(144,116)	1,223,637	(716,272)
Amounts written off	-	-	(128,375)	-	(128,375)	-	-	(130,872)	-	(130,872)
Amounts charged off	-	-	(357,303)	-	(357,303)	-	-	(2,192,847)	-	(2,192,847)
Changes in risk parameters	613,782	32,347	1,182,957	(1,107,801)	721,285	600,509	(6,165)	(876,128)	(3,830,451)	(4,112,235)
Closing balance	2,459,737	551,996	38,024,300	5,778,191	46,814,224	1,676,548	343,162	38,140,724	5,850,070	46,010,504

11.3.2 Category of Classification

		Unaudited June 30, 2026		Audited December 31, 2025	
		Outstanding amount	Credit loss allowance	Outstanding amount	Credit loss allowance
		--------Rupees in '000--------			
Domestic					
Performing	Stage 1	663,843,339	2,201,749	614,540,196	1,524,534
Under performing	Stage 2	29,316,021	540,081	21,305,994	318,100
Non-performing	Stage 3				
Other Assets Especially Mentioned		1,313,523	600,613	1,418,889	709,130
Substandard		2,206,314	1,039,887	570,962	309,611
Doubtful		1,720,199	909,820	779,098	392,197
Loss		29,840,973	29,259,364	31,624,820	31,037,324
		35,081,009	31,809,684	34,393,769	32,448,262
General Provision		-	5,362,405	-	5,368,068
		728,240,369	39,913,919	670,239,959	39,658,964
Overseas					
Performing	Stage 1	57,308,439	257,988	46,931,636	152,014
Under performing	Stage 2	2,252,101	11,915	3,795,239	25,062
Non-performing	Stage 3				
Substandard		322,252	93,054	1,731,951	870,979
Doubtful		235,432	126,444	226,390	113,849
Loss		14,630,625	5,995,118	13,404,039	4,707,634
		15,188,309	6,214,616	15,362,380	5,692,462
General Provision		-	415,786	-	482,002
		74,748,849	6,900,305	66,089,255	6,351,540
Total		802,989,218	46,814,224	736,329,214	46,010,504

11.3.3 State Bank of Pakistan vide BSD Circular No. 2 dated January 27, 2009, BSD Circular No. 10 dated October 20, 2009, BSD Circular No. 02 of 2010 dated June 03, 2010 and BSD Circular No. 1 of 2011 dated October 21, 2011 has allowed benefit of Forced Sale Value (FSV) of Plant & Machinery under charge, pledged stock and mortgaged residential, commercial & industrial properties (land and building only) held as collateral against Non Performing Loans (NPLs) for five years from the date of classification. However, management has not taken the FSV benefit in calculation of specific provision.

11.3.4 The Bank maintains the general provision, over and above the ECL for Stage 1 and Stage 2 exposures, which is allowed to be maintained by SBP vide BPRD Circular Letter No. 01 dated January 22, 2025 up to December 31, 2026.

		Note	Unaudited June 30, 2026	Audited December 31, 2025
12.	**PROPERTY AND EQUIPMENT**		----------Rupees in '000--------	
	Capital work-in-progress	12.1	4,015,288	6,040,900
	Property and equipment		95,252,983	91,028,322
			99,268,271	97,069,222
12.1	**Capital work-in-progress**			
	Civil works		2,687,538	2,209,260
	Equipment		551,530	17,535
	Advance payment - suppliers and property acquisition		770,396	3,804,026
	Others		5,824	10,079
			4,015,288	6,040,900

		Unaudited	
		Half year ended June 30, 2026	Half year ended June 30, 2025
		----------Rupees in '000--------	
12.2	**Additions to property and equipment**		
	The following additions have been made to property and equipment during the period:		
	Capital work-in-progress - net of transferred out for capitalization	(2,025,612)	3,604,864
	Property and equipment		
	Building on freehold land	958,869	418,393
	Building on leasehold land	1,399	106,213
	Freehold land	3,421,059	894,934
	Leasehold land	-	9,055
	Electrical office and computer equipment	946,132	1,011,228
	Furniture and fixture	173,116	133,434
	Leasehold Improvements	681,946	550,845
	Vehicles	557,667	457,310
		6,740,188	3,581,412
		4,714,576	7,186,276
12.3	**Disposal of property and equipment**		
	The net book value of property and equipment disposed off during the period is as follows:		
	Freehold land	-	92,039
	Vehicles	23,632	36,102
	Furniture and fixture	1,099	820
	Electrical office and computer equipment	4,117	8,497
	Building on leasehold land	-	2,659
		28,848	140,117

		Note	Unaudited June 30, 2026	Audited December 31, 2025
13.	**RIGHT-OF-USE ASSETS**		----------Rupees in '000--------	
	Right-of-use assets	13.1	7,419,293	7,456,518

		Unaudited June 30, 2026			Audited December 31, 2025		
		Buildings	Others	Total	Buildings	Others	Total
		----------Rupees in '000----------					
13.1	**At January 01,**						
	Cost	14,948,743	-	14,948,743	12,441,274	-	12,441,274
	Accumulated depreciation	(7,492,225)	-	(7,492,225)	(6,395,928)	-	(6,395,928)
	Net carrying amount at January 01,	7,456,518	-	7,456,518	6,045,346	-	6,045,346
	Additions / adjustments during the period / year	950,651	-	950,651	3,313,968	-	3,313,968
	Deletions during the period / year	(39,657)	-	(39,657)	(94,181)	-	(94,181)
	Exchange adjustments	(8,056)	-	(8,056)	3,324	-	3,324
	Depreciation charge for the period / year	(940,163)	-	(940,163)	(1,811,939)	-	(1,811,939)
	Closing net carrying amount	7,419,293	-	7,419,293	7,456,518	-	7,456,518

		Note	Unaudited June 30, 2026	Audited December 31, 2025
			---------Rupees in '000--------	
12.	**PROPERTY AND EQUIPMENT**			
	Capital work-in-progress	12.1	4,015,288	6,040,900
	Property and equipment		95,252,983	91,028,322
			99,268,271	97,069,222
12.1	**Capital work-in-progress**			
	Civil works		2,687,538	2,209,260
	Equipment		551,530	17,535
	Advance payment - suppliers and property acquisition		770,396	3,804,026
	Others		5,824	10,079
			4,015,288	6,040,900

		Unaudited Half year ended June 30, 2026	Unaudited Half year ended June 30, 2025
		---------Rupees in '000--------	
12.2	**Additions to property and equipment**		
	The following additions have been made to property and equipment during the period:		
	Capital work-in-progress - net of transferred out for capitalization	(2,025,612)	3,604,864
	Property and equipment		
	Building on freehold land	958,869	418,393
	Building on leasehold land	1,399	106,213
	Freehold land	3,421,059	894,934
	Leasehold land	-	9,055
	Electrical office and computer equipment	946,132	1,011,228
	Furniture and fixture	173,116	133,434
	Leasehold Improvements	681,946	550,845
	Vehicles	557,667	457,310
		6,740,188	3,581,412
		4,714,576	7,186,276
12.3	**Disposal of property and equipment**		
	The net book value of property and equipment disposed off during the period is as follows:		
	Freehold land	-	92,039
	Vehicles	23,632	36,102
	Furniture and fixture	1,099	820
	Electrical office and computer equipment	4,117	8,497
	Building on leasehold land	-	2,659
		28,848	140,117

		Note	Unaudited June 30, 2026	Audited December 31, 2025
			---------Rupees in '000--------	
13.	**RIGHT-OF-USE ASSETS**			
	Right-of-use assets	13.1	7,419,293	7,456,518

		Unaudited June 30, 2026			Audited December 31, 2025		
		Buildings	Others	Total	Buildings	Others	Total
		--------------------------Rupees in '000-------------------------					
13.1	**At January 01,**						
	Cost	14,948,743	-	14,948,743	12,441,274	-	12,441,274
	Accumulated depreciation	(7,492,225)	-	(7,492,225)	(6,395,928)	-	(6,395,928)
	Net carrying amount at January 01,	7,456,518	-	7,456,518	6,045,346	-	6,045,346
	Additions / adjustments during the period / year	950,651	-	950,651	3,313,968	-	3,313,968
	Deletions during the period / year	(39,657)	-	(39,657)	(94,181)	-	(94,181)
	Exchange adjustments	(8,056)	-	(8,056)	3,324	-	3,324
	Depreciation charge for the period / year	(940,163)	-	(940,163)	(1,811,939)	-	(1,811,939)
	Closing net carrying amount	7,419,293	-	7,419,293	7,456,518	-	7,456,518

MCB Bank Limited

Notes To The Unconsolidated Condensed Interim Financial Statements (Un-Audited)
For The Half Year Ended June 30, 2026

		Note	Unaudited June 30, 2026	Audited December 31, 2025
			---------Rupees in '000--------	
14.	**INTANGIBLE ASSETS**			
	Computer software		636,249	698,275
	Capital work-in-progress		752,654	652,759
			1,388,903	1,351,034

		Unaudited Half year ended June 30, 2026	Unaudited Half year ended June 30, 2025
		---------Rupees in '000--------	
14.1	**Additions to intangible assets**		
	The following additions have been made to intangible assets during the period:		
	Computer software	208,494	131,879
	Capital work-in-progress - net of transferred out for capitalization	99,895	176,040
		308,389	307,919

		Note	Unaudited June 30, 2026	Audited December 31, 2025
			---------Rupees in '000--------	
15.	**OTHER ASSETS**			
	Income / mark-up accrued in local currency		67,360,510	65,139,900
	Income / mark-up accrued in foreign currencies		861,932	1,007,491
	Advances, deposits, advance rent and other prepayments		21,187,982	16,662,201
	Advance taxation (payments less provisions)		2,613,623	-
	Non-banking assets acquired in satisfaction of claims		1,159,341	1,165,624
	Branch adjustment account		-	278,694
	Mark to market gain on forward foreign exchange contracts		2,202,956	1,012,088
	Unrealized gain on derivative financial instruments		141	15,921
	Acceptances	22	27,332,110	41,015,271
	Receivable from the pension fund		18,235,333	17,312,255
	Clearing and settlement accounts		8,859,352	23,346,488
	Deferred cost on staff loans		6,916,195	6,534,465
	Claims receivable against fraud and forgeries		765,205	802,160
	Others		4,785,041	3,691,705
			162,279,721	177,984,263
	Less: Credit loss allowance held against other assets	15.1	3,349,310	3,599,005
	Other assets net of credit loss allowance		158,930,411	174,385,258
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	24	421,655	421,655
	Other assets - total		159,352,066	174,806,913
15.1	**Credit loss allowance held against other assets**			
	Non banking assets acquired in satisfaction of claims		40,091	40,091
	Claims receivable against fraud and forgeries		765,205	802,160
	Mark-up accrued		48,966	51,365
	Others		2,495,048	2,705,389
			3,349,310	3,599,005

	Unaudited June 30, 2026	Audited December 31, 2025
	----------Rupees in '000--------	
15.1.1 Movement in credit loss allowance held against other assets		
Opening balance	3,599,005	3,610,740
Charge for the period / year	2,743	262,660
Reversal for the period / year	(242,569)	(281,927)
	(239,826)	(19,267)
Amounts written off	-	(250)
Exchange and other adjustments	(9,869)	7,782
Closing balance	3,349,310	3,599,005

16. CONTINGENT ASSETS

There are no contingent assets of the Bank as at June 30, 2026 (2025: Nil).

	Unaudited June 30, 2026	Audited December 31, 2025
	----------Rupees in '000--------	
17. BILLS PAYABLE		
In Pakistan	15,354,797	24,593,446
Outside Pakistan	3,973,244	1,023,806
	19,328,041	25,617,252
18. BORROWINGS		
Secured		
Borrowings from State Bank of Pakistan		
Under export refinance scheme	19,292,854	26,677,629
Under long term financing facility	9,962,077	11,778,273
Under renewable energy performance platform	1,512,194	1,717,767
Under temporary economic refinance facility	20,386,901	22,229,277
Under financing facility for storage of agricultural produce	242,891	121,881
Under refinance and credit guarantee scheme for Women Entrepreneurs	2,235	3,012
	51,399,152	62,527,839
Repurchase agreement borrowings	294,724,175	391,729,648
Total secured	346,123,327	454,257,487
Unsecured		
Call borrowings	6,500,000	407,115
Overdrawn nostro accounts	131,499	3,044,969
Others	162,286	162,286
Total unsecured	6,793,785	3,614,370
	352,917,112	457,871,857

MCB Bank Limited

Notes To The Unconsolidated Condensed Interim Financial Statements (Un-Audited)
For The Half Year Ended June 30, 2026

19. DEPOSITS AND OTHER ACCOUNTS

	Unaudited June 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	998,679,727	286,962,717	1,285,642,444	881,225,829	263,167,081	1,144,392,910
Savings deposits	892,699,082	24,908,670	917,607,752	933,409,161	29,216,445	962,625,606
Term deposits	77,113,861	21,014,437	98,128,298	26,046,977	22,926,920	48,973,897
Others	116,634,390	4,715,169	121,349,559	46,748,775	4,596,666	51,345,441
	2,085,127,060	337,600,993	2,422,728,053	1,887,430,742	319,907,112	2,207,337,854
Financial Institutions						
Current deposits	32,959,706	2,235,168	35,194,874	17,685,271	4,333,159	22,018,430
Savings deposits	135,436,006	878,677	136,314,683	21,559,407	355,790	21,915,197
Term deposits	404,968	8,817,900	9,222,868	419,968	9,499,168	9,919,136
Others	-	83,957	83,957	-	84,413	84,413
	168,800,680	12,015,702	180,816,382	39,664,646	14,272,530	53,937,176
	2,253,927,740	349,616,695	2,603,544,435	1,927,095,388	334,179,642	2,261,275,030

	Note	Unaudited June 30, 2026	Audited December 31, 2025
		----------Rupees in '000--------	
20. LEASE LIABILITIES			
Lease Liabilities	20.1	12,094,859	11,804,530

	Unaudited June 30, 2026			Audited December 31, 2025		
	Buildings	Others	Total	Buildings	Others	Total
	--------Rupees in '000--------					
20.1 At January 01,	11,804,530	-	11,804,530	9,586,216	-	9,586,216
Additions / adjustments during the period / year	950,651	-	950,651	3,313,968	-	3,313,968
Lease payments	(1,581,802)	-	(1,581,802)	(2,836,943)	-	(2,836,943)
Finance charges	1,006,405	-	1,006,405	1,898,239	-	1,898,239
Deletions during the period / year	(73,136)	-	(73,136)	(176,283)	-	(176,283)
Exchange adjustments	(11,789)	-	(11,789)	19,333	-	19,333
Closing Balance	12,094,859	-	12,094,859	11,804,530	-	11,804,530
20.2 Liabilities Outstanding						
Not later than one year	1,504,793	-	1,504,793	1,368,142	-	1,368,142
Later than one year and upto five years	5,075,483	-	5,075,483	4,975,333	-	4,975,333
Over five years	5,514,583	-	5,514,583	5,461,055	-	5,461,055
Total at the period / year end	12,094,859	-	12,094,859	11,804,530	-	11,804,530

	Note	Unaudited June 30, 2026	Audited December 31, 2025
		----------Rupees in '000--------	
21. DEFERRED TAX LIABILITIES			
Taxable Temporary Differences on			
- Surplus on revaluation of property and equipment		5,259,030	5,344,100
- Surplus on revaluation of non-banking assets		219,261	219,261
- Accelerated tax depreciation		4,130,477	4,336,550
- Receivable from pension fund		9,482,373	9,002,373
- Surplus on revaluation of investments		23,884,732	32,760,688
- Business combination		705,218	705,218
		43,681,091	52,368,190
Deductible Temporary Differences on			
- Leases (net)		(2,711,222)	(2,524,378)
- Credit loss allowance against financial assets		(5,449,882)	(4,896,708)
		35,519,987	44,947,104

	Note	Unaudited June 30, 2026	Audited December 31, 2025
		----------Rupees in '000--------	
22. OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		2,808,736	1,146,669
Mark-up / return / interest payable in foreign currencies		523,744	533,949
Unearned commission and income on bills discounted		3,582,626	3,366,801
Accrued expenses		7,447,588	8,930,266
Current taxation (provisions less payments)		-	3,020,673
Workers Welfare Fund	22.1	19,590,723	18,488,047
Acceptances	15	27,332,110	41,015,271
Unclaimed / dividends payable		3,262,239	3,108,703
Mark to market loss on forward foreign exchange contracts		2,120,495	1,172,792
Unrealised loss on derivative financial instruments		141	15,921
Branch adjustment account		201,204	-
Provision for employees' compensated absences		1,594,333	1,517,876
Provision for post retirement medical benefits		2,340,152	2,246,751
Provision for employees' contributory benevolent scheme		134,725	137,984
Insurance payable against consumer assets		49,414	36,172
Unclaimed balances		455,902	471,496
Duties and taxes payable		2,230,994	5,233,443
Credit loss allowance against off-balance sheet obligations	22.2	1,466,539	1,538,494
Security deposits against lease		6,092,901	5,015,676
Clearing and settlement accounts		3,624,714	23,649,074
Others		8,917,707	9,153,905
		93,776,987	129,799,963

22.1 The Supreme Court of Pakistan vide its order dated November 10, 2016 has held that the amendments made in the law introduced by the Federal Government for the levy of Workers Welfare Fund were not lawful. The Federal Board of Revenue has filed review petitions against this order which are currently pending.

Legal advice obtained on the matter indicates that consequent to filing of these review petitions the judgment may not currently be treated as conclusive. Accordingly, the Bank maintained its provision in respect of WWF.

22.2 An analysis of changes in credit loss allowance against off-balance sheet obligations is as follows:

	Note	Unaudited June 30, 2026	Audited December 31, 2025
		----------Rupees in '000--------	
Opening balance		1,538,494	1,459,096
Exchange adjustment		(12,123)	(7,396)
Charge for the period / year		583,059	479,384
Reversal for the period / year		(642,891)	(392,590)
		(59,832)	86,794
Closing balance		1,466,539	1,538,494
23. RESERVES			
Share premium		23,751,114	23,751,114
Non - distributable capital reserve - gain on bargain purchase option	23.1	908,317	908,317
Exchange translation reserve		7,762,147	8,664,148
Statutory reserve	23.2	60,707,197	58,059,694
General reserve		18,600,000	18,600,000
		111,728,775	109,983,273

23.1 Under IFRS 3 a bargain purchase represents an economic gain which should be immediately recognized by the acquirer as income. However, the amount of bargain purchase gain has not been taken to the profit and loss account as the SBP, through its letter BPRD(R&PD)/2017/14330 dated June 13, 2017 recommended that the amount of gain may be routed directly into equity as a Non-distributable Capital Reserve (NCR). The NCR may become available for distribution through a stock dividend only with prior approval of the SBP. The Bank, before distribution of the gain as a stock dividend, may adjust any subsequent provisions / deficit, assessed by the Bank or recommended by the Banking Inspection Department of SBP, in the acquired assets and liabilities of NIB Bank Limited against the NCR.

23.2 Statutory reserve represents amount set aside as per the requirements of section 21 of the Banking Companies Ordinance, 1962.

	Note	Unaudited June 30, 2026	Audited December 31, 2025
		----------Rupees in '000--------	
24. SURPLUS ON REVALUATION OF ASSETS			
Surplus / (deficit) on revaluation of			
- Securities measured at FVOCI - Debt securities	10.1	21,888,684	37,425,923
- Securities measured at FVOCI - Equity securities	10.1	24,043,493	25,575,402
- Property and equipment		46,842,838	47,006,432
- Non-banking assets acquired in satisfaction of claims	15	421,655	421,655
		93,196,670	110,429,412
Deferred tax on (surplus) / deficit on revaluation of:			
- Securities measured at FVOCI - Debt securities	21	(11,382,116)	(19,461,480)
- Securities measured at FVOCI - Equity securities	21	(12,502,616)	(13,299,208)
- Property and equipment	21	(5,259,030)	(5,344,100)
- Non-banking assets acquired in satisfaction of claims	21	(219,261)	(219,261)
		(29,363,023)	(38,324,049)
		63,833,647	72,105,363

	Note	Unaudited June 30, 2026	Audited December 31, 2025
		----------Rupees in '000--------	
25. CONTINGENCIES AND COMMITMENTS			
-Guarantees	25.1	235,131,364	248,096,091
-Commitments	25.2	927,132,456	613,863,246
-Other contingent liabilities	25.3	33,702,283	35,710,949
		1,195,966,103	897,670,286
25.1 Guarantees:			
Financial guarantees		163,104,186	168,117,809
Performance guarantees		70,059,984	74,943,843
Other guarantees		1,967,194	5,034,439
		235,131,364	248,096,091
25.2 Commitments:			
Documentary credits and short-term trade-related transactions			
- letters of credit		275,004,004	275,290,399
Commitments in respect of:			
- forward foreign exchange contracts	25.2.1	598,640,447	264,399,969
- forward government securities transactions	25.2.2	-	4,000,000
- derivatives (notional)	25.2.3	674,092	6,984,430
- extending credit (irrevocable)	25.2.4	50,194,765	61,161,546
Commitments for acquisition of:			
- property and equipment		2,101,269	1,594,661
- intangible assets		517,879	432,241
		927,132,456	613,863,246
25.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		312,642,525	131,361,638
Sale		285,997,922	133,038,331
		598,640,447	264,399,969
25.2.2 Commitments in respect of forward government securities transactions			
Purchase		-	4,000,000
Sale		-	-
		-	4,000,000
25.2.3 Commitments in respect of derivatives			
FX options (notional)			
Purchase		337,046	3,492,215
Sale		337,046	3,492,215
		674,092	6,984,430

25.2.4 The Bank makes commitments to extend credit (including to related parties) in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facilities are unilaterally withdrawn except for Rs. 50,194.765 million (2025: Rs. 61,161.546 million) which are irrevocable in nature.

	Note	Unaudited June 30, 2026	Audited December 31, 2025
		----------Rupees in '000--------	
25.3 Other contingent liabilities			
Claims against the Bank not acknowledged as debts	25.3.1	33,702,283	35,710,949

25.3.1 These mainly represent counter claims by borrowers for damages and other claims relating to banking transactions. Based on legal advice and / or internal assessments, management is confident that the matters will be decided in the Bank's favour and the possibility of any adverse outcome is remote. Accordingly, no provision has been made in these unconsolidated condensed interim financial statements.

25.4 Taxation

For assessment year 1988-89 through tax year 2024, the tax department disputed Bank's treatment on certain issues, where the Bank's appeals are pending at various appellate forums, entailing an additional tax liability of Rs. 2,632.384 million (2025: Rs. 2,632.390 million). Such issues inter alia principally include disallowance of expenses for non-deduction of withholding tax and non availability of underlying records, provision for non performing loans, attribution of expenses to heads of income other than income from business and disallowance of credit for taxes paid in advance / deducted at source.

The Bank has filed appeals which are pending at various appellate forums. In addition, certain decisions made in favour of the Bank are being contested by the department at higher forums. No provision has been made in these unconsolidated condensed interim financial statements regarding the aforesaid additional tax demand and already issued favourable decisions where the department is in appeal, as the management is of the view that the issues will be decided in the Bank's favour as and when these are taken up by the Appellate Authorities.

The tax authorities have also carried out monitoring for Sales tax and withholding taxes covering period from year ended 2018 to 2022. Consequently various add backs and arbitrary demands were raised creating a total demand of Rs. 3,412.883 million. The Bank has filed appeals against all such demands and is confident that these would be decided in the favor of the Bank.

25.5 Amortization of goodwill and other intangibles amounting to Rs 28.08 billion of Ex. NIB

Issue of goodwill and other related assets amortization for few years has been assessed in Bank's favour at appellate forums, however, the tax department has filed appeal against these decisions. The management has not recorded any tax benefit because the issue has not attained finality.

26. DERIVATIVE INSTRUMENTS

	Unaudited June 30, 2026					
	Cross Currency Swaps		Interest Rate Swaps		FX Options	
	Notional Principal	Mark to market gain / loss	Notional Principal	Mark to market gain / loss	Notional Principal	Mark to market gain / loss
	----------Rupees in '000----------					
Total						
Hedging	-	-	-	-	337,046	141
Market Making	-	-	-	-	337,046	(141)
	Audited December 31, 2025					
	----------Rupees in '000----------					
Total						
Hedging	-	-	-	-	3,492,215	15,921
Market Making	-	-	-	-	3,492,215	(15,921)

	Note	Unaudited Half year ended June 30, 2026	Unaudited Half year ended June 30, 2025
		----------Rupees in '000--------	
27. MARK-UP / RETURN / INTEREST EARNED			
Loans and advances		39,343,418	43,192,198
Investments		103,831,451	98,088,734
Lendings to financial institutions		2,570,557	2,176,760
Balances with banks		815,001	686,939
		146,560,427	144,144,631
27.1 Interest income recognised on:			
Financial assets measured at amortised cost		43,006,080	46,668,770
Financial assets measured at FVOCI		102,506,486	94,655,277
Financial assets measured at FVTPL		1,047,861	2,820,584
		146,560,427	144,144,631
28. MARK-UP / RETURN / INTEREST EXPENSED			
Deposits		47,813,550	49,253,765
Borrowings		21,592,970	22,533,790
Cost of foreign currency swaps against foreign currency deposits / borrowings		858,579	116,895
Finance charges on lease liability against right-of-use assets	20.1	1,006,405	893,922
		71,271,504	72,798,372
29. FEE & COMMISSION INCOME			
Branch banking customer fees		2,409,630	2,289,173
Consumer finance related fees		485,469	382,801
Card related fees (debit and credit cards)		5,012,068	4,430,783
Credit related fees		215,923	320,239
Investment banking fee		96,281	60,671
Commission on trade		1,370,296	1,550,028
Commission on guarantees		448,915	353,293
Commission on cash management		579,337	542,084
Commission on remittances including home remittances		242,138	(1,247,627)
Commission on bancassurance		679,072	515,193
Rent on lockers		127,625	136,613
Commission on utility bills		54,213	48,627
Commission on investments services		89,035	349,605
Others		108,704	101,584
		11,918,706	9,833,067
30. GAIN / (LOSS) ON SECURITIES - NET			
Realised	30.1	535,177	(251,604)
Unrealised - measured at FVTPL	10.1	(147,826)	110,721
		387,351	(140,883)
30.1 Realised gain / (loss) on:			
Federal Government Securities		396,611	(164,258)
Non Government Debt Securities		19,550	31,075
Shares		119,016	(118,421)
		535,177	(251,604)
30.2 Realised gain / (loss) on:			
Financial assets measured at FVTPL			
Designated upon initial recognition		167,698	(270,637)
Mandatorily measured at FVTPL		-	-
		167,698	(270,637)
Financial assets measured at FVOCI		367,479	19,033
		367,479	19,033
		535,177	(251,604)

MCB Bank Limited

Notes To The Unconsolidated Condensed Interim Financial Statements (Un-Audited)
For The Half Year Ended June 30, 2026

	Unaudited Half year ended June 30, 2026	Unaudited Half year ended June 30, 2025
	----------Rupees in '000--------	
31. OTHER INCOME		
Rent on property	63,887	97,227
Gain on termination of lease liability against right of use assets	33,479	31,486
Gain on sale of property and equipment - net	128,985	170,153
	226,351	298,866
32. OPERATING EXPENSES		
Total compensation expense	17,917,753	15,009,720
Property expense		
Rent and taxes	237,534	157,989
Insurance	15,308	13,715
Utilities cost	1,164,991	1,032,739
Fuel expense generators	522,534	406,427
Security (including guards)	1,182,512	1,158,380
Repair and maintenance (including janitorial charges)	717,914	630,819
Depreciation on right-of-use assets	940,163	915,048
Depreciation	717,445	608,264
	5,498,401	4,923,381
Information technology expenses		
Software maintenance	1,308,175	1,138,940
Hardware maintenance	112,899	182,531
Depreciation	771,765	750,382
Amortization	265,325	284,610
Network charges	350,023	320,475
Insurance	5,580	5,943
	2,813,767	2,682,881
Other operating expenses		
Directors' fees and allowances	28,520	30,520
Legal and professional charges	346,168	236,977
Outsourced services costs	682,936	595,287
Travelling and conveyance	309,096	304,015
NIFT clearing charges	151,403	137,884
Depreciation	964,773	752,790
Depreciation on non-banking assets acquired in satisfaction of claims	6,283	8,221
Training and development	110,978	50,308
Postage and courier charges	138,236	152,887
Communication	1,286,500	1,288,423
Stationery and printing	596,103	556,374
Marketing, advertisement & publicity	348,153	1,916,319
Auditors' remuneration	35,489	46,275
Cash transportation charges	572,000	575,721
Repair and maintenance	451,666	422,510
Subscription	12,983	19,193
Entertainment	262,527	222,235
Remittance charges	100,612	153,826
Brokerage expenses	42,722	27,324
Card related expenses	2,263,701	1,924,149
CNIC verification charges	200,835	156,122
Insurance	1,455,071	1,285,729
Others	238,865	339,328
	10,605,620	11,202,417
	36,835,541	33,818,399

	Note	Unaudited Half year ended June 30, 2026	Unaudited Half year ended June 30, 2025
		----------Rupees in '000--------	
33. OTHER CHARGES			
Penalties of State Bank of Pakistan		616	17,575
VAT & National Building tax & Crop Insurance Levy		82,632	78,668
Education cess		95,579	62,200
		178,827	158,443
34. CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET			
(Reversal) / credit loss allowance against balance with other banks		(215,783)	91,878
Credit loss allowance against cash and balances with treasury banks		73,186	42,982
(Reversal) / credit loss allowance for diminution in value of investments	10.2	(64,805)	93,008
Credit loss allowance / (reversal) against loans and advances	11.3	1,416,487	(4,715,800)
(Reversal) / credit loss allowance against lendings to financial institutions		(987)	1,655
(Reversal) / credit loss allowance against off balance sheet items		(59,832)	297,496
Reversal of credit loss allowance against other assets	15.1.1	(239,826)	(16,557)
Recovery of written off / charged off bad debts		(202,424)	(130,988)
		706,016	(4,336,326)
35. TAXATION			
Current		29,209,946	28,500,704
Prior years		-	2,174,994
Deferred		(551,159)	84,653
		28,658,787	30,760,351
36. BASIC AND DILUTED EARNINGS PER SHARE			
		----------Rupees in '000--------	
Profit after tax		26,475,031	27,305,704
		----------Number--------	
Weighted average number of ordinary shares		1,185,060,006	1,185,060,006
		----------Rupees-------	
Basic and diluted earnings per share		22.34	23.04

MCB Bank Limited

Notes To The Unconsolidated Condensed Interim Financial Statements (Un-Audited)
For The Half Year Ended June 30, 2026

37. FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified as amortised cost, is based on quoted market price. Quoted debt securities classified as amortised cost are carried at cost. The fair value of unquoted equity securities, other than investments in associates and subsidiary, is determined on the basis of valuation methodologies.

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 absence of current and active market for such 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 financial liabilities are not significantly different from their carrying values since these are either short-term in nature or, in the case of customer loans and deposits, are frequently repriced.

37.1 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. Financial instruments included in Level 1 comprise of investments in listed ordinary shares.

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). Financial instruments included in Level 2 comprise of Sukuk Bonds, Pakistan Investment Bonds, Market Treasury Bills, Mutual Fund units, Term Finance certificates, FX options, Cross Currency Swaps, Interest Rate Swaps and Forward Exchange Contracts.

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs). Financial instruments included in Level 3 comprise of investments in unquoted equity investments.

37.2 Fair value of non-financial assets

Certain categories of property and equipment (land and buildings) and non banking assets acquired in satisfaction of claims are carried at revalued amounts determined by professional valuers based on their assessment of the market values. The valuations are conducted by the valuation experts appointed by the Bank which are also on the panel of the State Bank of Pakistan.

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

	Unaudited June 30, 2026 Carrying / Notional Value	Level 1	Level 2	Level 3	Total
	------------------Rupees in '000------------------				
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Federal Government Securities	1,913,444,168	-	1,913,444,168	-	1,913,444,168
Shares and units	74,755,179	67,266,845	17,677	7,470,657	74,755,179
Non-Government Debt Securities	9,059,297	-	9,059,297	-	9,059,297
Foreign Securities	45,863,998	-	45,863,998	-	45,863,998
Financial assets - disclosed but not measured at fair value					
Investments (amortized cost)	5,130,541	-	-	-	-
Non - Financial Assets measured at fair value					
Property and equipment (land and buildings)	78,747,440	-	78,747,440	-	78,747,440
Non-banking assets	1,540,905	-	1,540,905	-	1,540,905
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	312,642,525	-	1,845,684	-	1,845,684
Forward sale of foreign exchange	285,997,922	-	1,928,145	-	1,928,145
Derivatives purchase	337,046	-	141	-	141
Derivatives sale	337,046	-	141	-	141

	Audited December 31, 2025				
	Carrying / Notional Value	Level 1	Level 2	Level 3	Total
	--------Rupees in '000--------				
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Federal Government Securities	1,765,037,667	-	1,765,037,667	-	1,765,037,667
Shares and units	79,214,870	71,590,221	243,070	7,381,579	79,214,870
Non-Government Debt Securities	8,637,375	-	8,637,375	-	8,637,375
Foreign Securities	68,394,627	-	68,394,627	-	68,394,627
Financial assets - disclosed but not measured at fair value					
Investments (amortized cost)	7,271,497	-	-	-	-
Non - Financial Assets measured at fair value					
Property and equipment (land and buildings)	74,794,092	-	74,794,092	-	74,794,092
Non-banking assets	1,547,188	-	1,547,188	-	1,547,188
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	131,361,638	-	938,631	-	938,631
Forward sale of foreign exchange	133,038,331	-	777,927	-	777,927
Forward purchase of government securities	4,000,000	-	-	-	-
Derivatives purchase	3,492,215	-	15,921	-	15,921
Derivatives sale	3,492,215	-	15,921	-	15,921

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

37.5 Valuation techniques used in determination of fair valuation of financial instruments within Level 2 and Level 3

Item	Valuation approach and input used
Federal Government securities	The fair values of Treasury Bills and fixed rate Pakistan Investments Bonds are determined using the PKRV rates while floating rate Pakistan Investments Bonds are revalued using PKFRV rates. The fair values of foreign currency denominated GoP Eurobonds are determined on the basis of rates taken from Bloomberg.
Term Finance and Bonds	Investments in debt securities (comprising term finance certificates, sukuks, bonds and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.
Foreign Government Debt Securities	The fair values of Foreign Government debt securities are determined on the basis of rates taken from Bloomberg.
Foreign exchange contracts	The valuation has been determined by interpolating the mark-to-market currency rates announced by the State Bank of Pakistan.
Derivatives	The fair values of derivatives which are not quoted in active markets are determined by using valuation techniques. The valuation techniques take into account the relevant underlying parameters including foreign currency involved, interest rates, yield curves, volatilities, contracts duration etc.
Unquoted equity investments	The fair value of unquoted equity investments is determined using the discounted cash flow (DCF) method based on projected cash flows, where available. In the absence of reliable projections, a comparable market approach is applied using relevant P/B and P/E multiples of comparable listed companies. For entities with negative equity and sustained losses or negative cash flows, fair value is assessed at the lower of cost or break-up value.
Mutual Funds	Units of mutual funds are valued using the Net Asset Value (NAV) announced by the Mutual Funds Association of Pakistan (MUFAP).

Item	Valuation approach and input used
Property and equipment (land and building) & Non-banking assets acquired in satisfaction of claims	Land, buildings and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using valuation experts. 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.

The following table summarises the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements of investment in unquoted equity securities.

Description	Valuation technique	Unobservable inputs*	Discount rate	Relationship of unobservable inputs to fair value
Unquoted equity investments (Income approach)	DCF method	Discount rate	19.63%	Increase / decrease in discount rate by 1% with all other variables held constant, would decrease / increase the fair value by Rs. 386.910 million and Rs 473.460 million respectively.
		Terminal growth rate	4% - 13%	Increase / decrease in terminal growth factor rate by 1% with all other variables held constant, would increase / decrease the fair value by Rs. 358.119 million and Rs. 286.786 million respectively.
Unquoted equity investments (market approach)	Price to Earnings and Price to Book Value	Market multiple/ transaction price	Not applicable	Not applicable

* There were no significant inter-relationships between unobservable inputs that materially affect fair values.

The following table shows reconciliation of investments Level 3 fair value movement:

	Unaudited June 30, 2026	Audited December 31, 2025
	---------Rupees in '000---------	
Opening balance	7,381,579	5,017,877
Remeasurement recognised in OCI / adjustments	89,078	2,363,702
Closing balance	7,470,657	7,381,579

38 SEGMENT INFORMATION

38.1 Segment details with respect to business activities

The segment analysis with respect to business activity is as follows:

	Unaudited Half Year ended June 30, 2026								
	Retail Banking	Consumer Banking	Corporate Banking	Treasury	International Banking	Others	Sub-total	Eliminations	Total
	Rupees in '000								
Statement of Profit & Loss Account									
Net mark-up / return / profit	(41,077,735)	3,543,580	26,115,895	82,571,186	4,135,997	-	75,288,923	-	75,288,923
Inter segment revenue - net	97,334,884	(2,353,750)	(21,558,279)	(77,889,487)	(243,856)	4,710,488	-	-	-
Non mark-up / return / interest income	7,411,911	1,717,480	4,563,586	3,549,794	1,474,009	(48,825)	18,667,955	-	18,667,955
Total Income	63,669,060	2,907,310	9,121,202	8,231,493	5,366,150	4,661,663	93,956,878	-	93,956,878
Segment direct expenses	24,953,779	1,600,685	827,447	378,829	1,902,536	8,453,768	38,117,044	-	38,117,044
Inter segment expense allocation	-	-	-	-	-	-	-	-	-
Total Expenses	24,953,779	1,600,685	827,447	378,829	1,902,536	8,453,768	38,117,044	-	38,117,044
Credit loss allowance and write offs - net	37,552	59,576	1,492,885	-	673,409	(1,557,406)	706,016	-	706,016
Profit before tax	38,677,729	1,247,049	6,800,870	7,852,664	2,790,205	(2,234,699)	55,133,818	-	55,133,818
Statement of Financial Position	Unaudited June 30, 2026								
Cash & Bank balances	85,665,019	146,788	735,864	103,717,091	37,128,486	-	227,393,248	-	227,393,248
Investments	-	-	9,699,243	1,992,717,920	64,504,658	-	2,066,921,821	-	2,066,921,821
Net inter segment lending	2,009,830,434	-	-	-	-	324,359,607	2,334,190,041	(2,334,190,041)	-
Lendings to financial institutions	-	-	-	814,410	111,328,139	-	112,142,549	-	112,142,549
Advances - performing / underperforming	58,514,959	62,392,086	569,510,485	-	59,290,637	(5,778,191)	743,929,976	-	743,929,976
- non performing	129,367	137,185	2,427,379	-	8,973,693	577,394	12,245,018	-	12,245,018
Others	65,319,075	6,385,665	57,343,594	53,248,246	2,844,617	82,287,336	267,428,533	-	267,428,533
Total Assets	2,219,458,854	69,061,724	639,716,565	2,150,497,667	284,070,230	401,446,146	5,764,251,186	(2,334,190,041)	3,430,061,145
Borrowings	1,878,657	32,672	49,650,109	299,717,991	1,637,683	-	352,917,112	-	352,917,112
Deposits and other accounts	2,199,910,989	-	164,225,989	-	239,407,457	-	2,603,544,435	-	2,603,544,435
Net inter segment borrowing	-	58,381,761	393,373,039	1,847,921,272	34,513,969	-	2,334,190,041	(2,334,190,041)	-
Others	17,669,208	10,647,291	32,467,428	2,858,404	8,511,121	88,566,422	160,719,874	-	160,719,874
Total liabilities	2,219,458,854	69,061,724	639,716,565	2,150,497,667	284,070,230	88,566,422	5,451,371,462	(2,334,190,041)	3,117,181,421
Equity	-	-	-	-	-	312,879,724	312,879,724	-	312,879,724
Total Equity and liabilities	2,219,458,854	69,061,724	639,716,565	2,150,497,667	284,070,230	401,446,146	5,764,251,186	(2,334,190,041)	3,430,061,145
Contingencies and Commitments	102,831,886	-	441,374,245	599,314,539	16,119,231	36,326,202	1,195,966,103	-	1,195,966,103

	Unaudited Half Year ended June 30, 2025								
	Retail Banking	Consumer Banking	Corporate Banking	Treasury	International Banking	Others	Sub-total	Eliminations	Total
	Rupees in '000								
Statement of Profit & Loss Account									
Net mark-up / return / profit	(41,441,481)	3,280,795	28,711,070	76,710,489	4,085,386	-	71,346,259	-	71,346,259
Inter segment revenue - net	89,881,690	(1,892,495)	(23,706,131)	(69,485,662)	(144,424)	5,347,022	-	-	-
Non mark-up / return / interest income	7,324,439	1,681,401	3,397,519	3,974,897	1,191,931	(48,554)	17,521,633	-	17,521,633
Total Income	55,764,648	3,069,701	8,402,458	11,199,724	5,132,893	5,298,468	88,867,892	-	88,867,892
Segment direct expenses	21,191,302	1,425,536	2,412,910	421,292	1,597,767	8,089,356	35,138,163	-	35,138,163
Inter segment expense allocation	-	-	-	-	-	-	-	-	-
Total Expenses	21,191,302	1,425,536	2,412,910	421,292	1,597,767	8,089,356	35,138,163	-	35,138,163
Credit loss allowance and write offs - net	1,440,961	57,338	(332,802)	(264,300)	(455,690)	(4,781,833)	(4,336,326)	-	(4,336,326)
Profit before tax	33,132,385	1,586,827	6,322,350	11,042,732	3,990,816	1,990,945	58,066,055	-	58,066,055
Statement of Financial Position	Audited December 31, 2025								
Cash & Bank balances	68,843,100	118,623	285,083	108,325,440	52,209,346	-	229,781,592	-	229,781,592
Investments	-	-	9,359,179	1,845,307,619	92,557,876	-	1,947,224,674	-	1,947,224,674
Net inter segment lending	1,760,188,077	-	-	-	-	355,720,293	2,115,908,370	(2,115,908,370)	-
Lendings to financial institutions	-	-	-	16,746,603	82,301,696	-	99,048,299	-	99,048,299
Advances - performing / underperforming	47,606,751	49,912,087	536,484,718	-	50,549,799	(5,850,070)	678,703,285	-	678,703,285
- non performing	127,017	160,553	746,315	-	9,669,918	911,622	11,615,425	-	11,615,425
Others	60,129,463	3,587,468	63,618,182	54,663,139	2,673,183	96,012,252	280,683,687	-	280,683,687
Total Assets	1,936,894,408	53,778,731	610,493,477	2,025,042,801	289,961,818	446,794,097	5,362,965,332	(2,115,908,370)	3,247,056,962
Borrowings	1,786,061	35,830	60,868,235	392,856,382	2,325,349	-	457,871,857	-	457,871,857
Deposits and other accounts	1,910,873,393	-	104,181,107	-	246,220,530	-	2,261,275,030	-	2,261,275,030
Net inter segment borrowing	-	45,539,151	403,770,695	1,630,088,435	36,510,089	-	2,115,908,370	(2,115,908,370)	-
Others	24,234,954	8,203,750	41,673,440	2,097,984	4,905,850	131,052,871	212,168,849	-	212,168,849
Total liabilities	1,936,894,408	53,778,731	610,493,477	2,025,042,801	289,961,818	131,052,871	5,047,224,106	(2,115,908,370)	2,931,315,736
Equity	-	-	-	-	-	315,741,226	315,741,226	-	315,741,226
Total Equity and liabilities	1,936,894,408	53,778,731	610,493,477	2,025,042,801	289,961,818	446,794,097	5,362,965,332	(2,115,908,370)	3,247,056,962
Contingencies and Commitments	101,275,094	-	460,776,721	275,384,399	22,491,394	37,742,678	897,670,286	-	897,670,286

38.2 Transactions between reportable segments are based on an appropriate transfer pricing mechanism using agreed rates. Furthermore, segment assets and liabilities include inter segment balances. Costs which are not allocated to segments are included in the Head office. Income taxes are managed at bank level and are not allocated to operating segments.

39 RELATED PARTY TRANSACTIONS

The Bank has related party relationship with its subsidiaries, associates, employee benefit plans, its directors and key management personnel and their close family members.

The Banks 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 / officers is determined in accordance with the terms of their appointment.

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

	Un-Audited June 30, 2026					Audited December 31, 2025				
	Directors	Key Management Personnel	Subsidiaries	Associates	Other Related Parties	Directors	Key Management Personnel	Subsidiaries	Associates	Other Related Parties
	(Rupees in '000)									
Lendings to Financial Institutions										
Opening balance	-	-	8,747,596	-	-	-	-	-	-	-
Addition during the period / year	-	-	93,994,416	-	-	-	-	105,742,434	-	-
Repaid during the period / year	-	-	(101,927,596)	-	-	-	-	(96,994,838)	-	-
Closing balance	-	-	814,416	-	-	-	-	8,747,596	-	-
Credit loss allowance held against lending to financial institutions*	-	-	(6)	-	-	-	-	(519)	-	-
Investments										
Opening balance	-	-	17,968,237	700,401	249,253	-	-	17,968,237	700,401	249,253
Investment made during the period / year	-	-	-	-	-	-	-	-	-	-
Investment disposed off during the period / year	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	17,968,237	700,401	249,253	-	-	17,968,237	700,401	249,253
Credit loss allowance for diminution in value of investments*	-	-	-	-	-	-	-	-	-	-
Advances										
Opening balance	13,582	209,268	560,245	-	2,242,934	20,707	368,057	614,054	-	5,288,804
Addition / exchange adjustment during the period / year	4,610	29,655	-	-	899,339	16,935	54,666	-	-	3,193,959
Repaid / exchange adjustment during the period / year	(8,816)	(35,581)	(3,035)	-	(1,346,501)	(24,060)	(66,112)	(53,809)	-	(6,239,829)
Transfer in / (out)	-	1,971	-	-	-	-	(147,343)	-	-	-
Closing balance	9,376	205,313	557,210	-	1,795,772	13,582	209,268	560,245	-	2,242,934
Credit loss allowance against advances*	(76)	(1,868)	(4,541)	-	(9,776)	(33)	(1,571)	(4,344)	-	(13,877)
Property and equipment										
Purchase of property and equipment	-	-	-	19,125	7,242	-	-	-	8,555	66,834
Other Assets										
Income / Markup Accrued	914	3,775	14,391	-	21,925	836	3,957	87,508	-	24,919
Unrealized gain on forward foreign exchange contracts - outstanding	-	-	-	-	-	-	-	-	-	-
Advances, deposits, advance rent and other prepayments	-	-	49,138	593,171	58,719	-	-	84,618	387,190	27,588
Receivable from Pension Fund	-	-	-	-	18,235,333	-	-	-	-	17,312,255
	914	3,775	63,529	593,171	18,315,977	836	3,957	172,126	387,190	17,364,762
Credit loss allowance against other assets*	(1)	(6)	(50)	-	(23)	(13)	(55)	(58)	-	(234)

	Un-Audited June 30, 2026					Audited December 31, 2025				
	Directors	Key Management Personnel	Subsidiaries	Associates	Other Related Parties	Directors	Key Management Personnel	Subsidiaries	Associates	Other Related Parties
	(Rupees in '000)									
Borrowings										
Opening balance	-	-	31,769	-	-	-	-	33,725	-	-
Borrowings / exchange adjustment during the period / year	-	-	1,055,437	-	-	-	-	3,873,624	-	-
Settled during the period / year	-	-	(1,068,206)	-	-	-	-	(3,875,580)	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	19,000	-	-	-	-	31,769	-	-
Deposits and other accounts										
Opening balance	303,185	177,151	838,214	9,535,138	13,866,224	147,783	204,135	939,294	9,178,670	8,319,616
Received during the period / year	5,872,224	1,006,694	30,471,189	271,922,144	904,604,780	7,527,883	1,634,686	49,471,655	80,084,735	243,465,421
Withdrawn during the period / year	(5,864,113)	(973,869)	(30,568,707)	(263,499,601)	(806,679,897)	(7,372,481)	(1,960,080)	(49,572,735)	(79,728,267)	(237,800,375)
Transfer in / (out) - net	-	3,195	-	-	(569)	-	298,410	-	-	(118,438)
Closing balance	311,296	213,171	740,696	17,957,681	111,790,538	303,185	177,151	838,214	9,535,138	13,866,224
Other Liabilities										
Markup / return / interest payable	1,245	43	148	30,990	161,595	3,290	6	-	99,635	5,457
Accrued expenses and other payable	-	-	27,231	91,967	165	-	-	22,042	35,163	202
Unrealized loss on forward foreign exchange contracts - outstanding	-	-	1,809	-	-	-	-	20	-	-
Advance received against sale of property	-	-	20,000	-	-	-	-	20,000	-	-
	1,245	43	49,188	122,957	161,760	3,290	6	42,062	134,798	5,659
Credit loss allowance against off-balance sheet obligations*	-	-	207	3,397	14,948	-	-	121	329	11,246
Contingencies and Commitments										
Letter of Credit	-	-	-	-	2,518,001	-	-	-	-	1,828,407
Bank guarantee	-	-	137,499	8,722,384	2,890,844	-	-	138,064	8,784,002	2,896,611
Forward foreign exchange contracts (Notional)	-	-	399,511	-	-	-	-	1,120,840	-	-
	-	-	537,010	8,722,384	5,408,845	-	-	1,258,904	8,784,002	4,725,018

	Un-Audited June 30, 2026					Un-Audited June 30, 2025				
	Directors	Key Management Personnel	Subsidiaries	Associates	Other Related Parties	Directors	Key Management Personnel	Subsidiaries	Associates	Other Related Parties
	----------(Rupees in '000)----------									
Income										
Markup / return / interest earned	1,137	9,680	270,628	-	57,279	337	8,609	220,058	-	63,399
Fee and commission income	-	-	94,956	655,487	12,966	-	-	197,859	656,492	11,939
Dividend income	-	-	175,863	140,000	103,599	-	-	205,173	-	102,584
Net gain / (loss) on forward foreign exchange contracts matured during the period	-	-	6,110	-	18,827	-	-	-	-	27,353
Net gain / (loss) on sale of securities	-	-	423	8,452	30,449	-	11	-	2,192	(413)
Gain on sale of Property and equipment	-	252	-	-	-	-	142	-	-	-
Rent income	-	-	88,990	5,141	1,408	-	-	79,777	5,981	2,618
Expense										
Markup / return / interest expensed	9,161	3,547	15,648	404,758	2,220,678	6,982	6,910	44,232	189,219	337,914
Other Operating expenses										
Clearing expenses paid to NIFT	-	-	-	-	151,403	-	-	-	-	137,884
Contribution to provident fund	-	-	-	-	433,326	-	-	-	-	350,214
Rent expenses	-	-	-	50,725	43,971	-	-	-	46,108	31,513
Cash sorting expenses	-	-	-	-	67,372	-	-	-	-	72,012
Stationery expenses	-	-	-	-	181,586	-	-	-	-	242,513
Security guards expenses	-	-	-	-	3,362	-	-	-	-	2,914
Remuneration to key executives and non-executive directors fee	141,683	693,310	-	-	-	93,623	628,626	-	-	-
Outsourcing service expenses	-	-	-	117,379	-	-	-	-	72,190	-
E-dividend processing fee and CDC charges	-	-	-	-	6,965	-	-	-	-	7,634
Travelling Expenses	-	-	-	-	54,629	-	-	-	-	62,372
Hotel stay expenses	-	-	-	-	11,578	-	-	-	-	4,036
Repair & Maintenance Charges	-	-	-	-	5,136	-	-	-	-	3,380
Miscellaneous expenses and payments	-	-	-	-	2,919	-	-	-	-	3,762
Utility expenses	-	-	-	-	-	-	-	-	-	710
Insurance premium paid-net of refund	-	-	-	679,605	-	-	-	-	599,904	-
Insurance claim settled	-	-	-	141,326	-	-	-	-	103,418	-
Other Transactions										
Proceeds from sale of Property and equipment	-	535	-	-	-	-	142	-	-	-
Sale of foreign currency	-	-	27,600,532	-	-	-	-	13,972,147	-	-
Purchase of foreign currency	-	-	30,573,039	-	-	-	-	14,670,425	-	-
Payments against home remittances	-	-	1,674,574	-	-	-	-	2,798,058	-	-
Reimbursement of other expenses	-	-	237	-	-	-	-	74,094	-	-
Sale of government securities	-	11,542	1,676,361	72,903,268	403,925,860	-	45,951	-	10,890,789	2,639,568
Purchase of government securities	-	1,894	1,689,407	58,119,114	433,356,253	-	70,307	-	1,385,322	318,795
Forward exchange contracts matured during the period	-	-	10,834,973	-	2,220,937	-	-	-	-	3,844,874

*Represents credit loss allowance recognized against performing exposures under IFRS 9 .

The chairman has been provided with free use of the Bank maintained car. The Chief Executive and certain executives are provided with free use of the Bank's maintained cars and household equipment in accordance with the terms of their employment.

	Unaudited June 30, 2026	Audited December 31, 2025
	----------Rupees in '000-------	
40 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
40.1 Capital Adequacy		
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	11,850,600	11,850,600
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	235,225,323	230,337,134
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	235,225,323	230,337,134
Eligible Tier 2 Capital	74,370,714	82,571,219
Total Eligible Capital (Tier 1 + Tier 2)	309,596,037	312,908,353
Risk Weighted Assets (RWAs):		
Credit Risk	919,209,814	938,955,723
Market Risk	315,899,877	322,478,845
Operational Risk	340,803,917	340,803,917
Total	1,575,913,608	1,602,238,485
Common Equity Tier 1 Capital Adequacy ratio	14.93%	14.38%
Tier 1 Capital Adequacy Ratio	14.93%	14.38%
Total Capital Adequacy Ratio	19.65%	19.53%

The Bank has not taken benefit allowed to banks to absorb the impact of IFRS 9 on regulatory capital.

	Unaudited June 30, 2026	Audited December 31, 2025
	----------Rupees in '000-------	
40.2 Leverage Ratio (LR):		
Eligible Tier-1 Capital	235,225,323	230,337,134
Total Exposures	4,104,472,541	3,955,924,632
Leverage Ratio	5.73%	5.82%
40.3 Liquidity Requirements		
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	1,712,421,583	1,540,865,591
Total Net Cash Outflow	733,639,901	576,357,861
Liquidity Coverage Ratio	233.41%	267.35%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	2,060,663,765	1,970,592,090
Total Required Stable Funding	1,278,831,594	1,203,698,874
Net Stable Funding Ratio	161.14%	163.71%

Notes To The Unconsolidated Condensed Interim Financial Statements (Un-Audited)
For The Half Year Ended June 30, 2026

41 EVENTS AFTER THE REPORTING DATE

The Board of Directors in its meeting held on August 06, 2026 has announced an interim cash dividend in respect of half year ended June 30, 2026 of Rs. 9.00 per share (June 30, 2025: Rs. 9.00 per share). These unconsolidated condensed interim financial statements for the period ended June 30, 2026 do not include the effect of these appropriations which will be accounted for subsequent to the period end.

42 GENERAL

Comparative information has been rearranged in these unconsolidated condensed interim financial statements for the purposes of better presentation.

Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

43 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue by the Board of Directors of the Bank in their meeting held on August 06, 2026.

Anjum Javed Chief Financial Officer	Muhammad Nauman Chughtai President / CEO	Main Umer Mansha Director	Shahzad Hussain Director	Muhammad Ali Zeb Director

MCB BANK LIMITED

Consolidated Condensed Interim Financial Statements for the Half Year Ended June 30, 2026

MCB Bank Limited & Subsidiary Companies
Consolidated Condensed Interim Statement of Financial Position
As at June 30, 2026

MCB Bank for Life

	Note	Unaudited June 30, 2026	Audited December 31, 2025
		---------Rupees in '000---------	
ASSETS			
Cash and balances with treasury banks	7	223,974,822	211,224,339
Balances with other banks	8	25,552,918	41,825,804
Lendings to financial institutions	9	140,874,094	99,041,793
Investments	10	2,249,640,859	2,099,046,161
Advances	11	891,394,481	821,711,633
Property and equipment	12	106,062,637	103,683,770
Right-of-use assets	13	10,407,864	10,442,271
Intangible assets	14	3,369,063	3,453,209
Other assets	15	178,629,365	188,312,726
Total Assets		3,829,906,103	3,578,741,706
LIABILITIES			
Bills payable	17	22,459,486	31,132,570
Borrowings	18	376,255,291	476,169,106
Deposits and other accounts	19	2,935,941,859	2,529,503,221
Lease liabilities	20	15,853,102	15,505,119
Subordinated debt		-	-
Deferred tax liabilities	21	39,571,210	49,340,982
Other liabilities	22	104,655,462	139,912,047
Total Liabilities		3,494,736,410	3,241,563,045
NET ASSETS		335,169,693	337,178,661
REPRESENTED BY			
Share capital		11,850,600	11,850,600
Reserves	23	115,586,309	113,681,018
Surplus on revaluation of assets	24	65,828,535	74,810,215
Unappropriated profit		141,058,833	136,068,597
		334,324,277	336,410,430
Non-controlling interest		845,416	768,231
		335,169,693	337,178,661
CONTINGENCIES AND COMMITMENTS	25		

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

Anjum Javed	Muhammad Nauman Chughtai	Main Umer Mansha	Shahzad Hussain	Muhammad Ali Zeb
Chief Financial Officer	President / CEO	Director	Director	Director

MCB Bank Limited & Subsidiary Companies
Consolidated Condensed Interim Statement of Profit and Loss Account (Un-Audited)
For The Half Year Ended June 30, 2026

MCB Bank for Life

	Note	Quarter Ended April 01 to June 30, 2026	Quarter Ended April 01 to June 30, 2025	Half Year Ended January 01 to June 30, 2026	Half Year Ended January 01 to June 30, 2025
		---------Rupees in '000---------			
Mark-up / return / interest earned	27	83,003,962	82,233,347	163,019,705	160,220,638
Mark-up / return / interest expensed	28	42,303,716	42,349,641	80,663,529	81,264,671
Net mark-up / interest income		40,700,246	39,883,706	82,356,176	78,955,967
NON MARK-UP / INTEREST INCOME					
Fee and commission income	29	7,634,652	5,694,810	14,848,355	12,308,752
Dividend income		784,561	759,708	1,746,823	2,284,992
Foreign exchange income		3,033,559	2,837,083	4,653,307	5,194,122
Income from derivatives		452	1,402	975	2,282
Gain / (loss) on securities - net	30	490,119	14,204	485,002	(125,451)
Net gains / (loss) on derecognition of financial assets measured at amortised cost		-	-	-	-
Other income	31	183,807	123,295	245,738	270,180
Total non-markup / interest Income		12,127,150	9,430,502	21,980,200	19,934,877
Total income		52,827,396	49,314,208	104,336,376	98,890,844
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	32	22,588,356	20,147,643	44,835,519	40,290,998
Workers Welfare Fund		605,679	611,384	1,161,838	1,242,453
Other charges	33	111,746	88,978	179,575	163,388
Total non-markup / interest expenses		23,305,781	20,848,005	46,176,932	41,696,839
Share of profit of associates		856,947	706,507	1,021,935	1,199,458
Profit before credit loss allowance		30,378,562	29,172,710	59,181,379	58,393,463
Credit loss allowance and write offs - net	34	(544,416)	(1,822,222)	348,034	(4,154,787)
PROFIT BEFORE TAXATION		30,922,978	30,994,932	58,833,345	62,548,250
Taxation	35	15,969,030	16,340,144	30,737,857	33,158,240
PROFIT AFTER TAXATION		14,953,948	14,654,788	28,095,488	29,390,010
Less: Profit attributable to non-controlling interest		(88,591)	(72,064)	(117,328)	(155,767)
PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE BANK		14,865,357	14,582,724	27,978,160	29,234,243
		---------Rupees ---------			
Basic and diluted earnings per share	36	12.54	12.31	23.61	24.67

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

Anjum Javed	Muhammad Nauman Chughtai	Main Umer Mansha	Shahzad Hussain	Muhammad Ali Zeb
Chief Financial Officer	President / CEO	Director	Director	Director

MCB Bank Limited & Subsidiary Companies
Consolidated Condensed Interim Statement of Comprehensive Income (Un-Audited)
For The Half Year Ended June 30, 2026

MCB
Bank for Life

	Quarter Ended		Half Year Ended	
	April 01 to June 30, 2026	April 01 to June 30, 2025	January 01 to June 30, 2026	January 01 to June 30, 2025
	---------Rupees in '000---------			
Profit after taxation for the period	14,953,948	14,654,788	28,095,488	29,390,010
Other comprehensive income / (loss)				
Items that may be reclassified to statement of profit and loss account in subsequent periods:				
Effect of translation of net investment in foreign branches and subsidiary				
- Equity shareholders of the bank	(533,473)	252,031	(914,326)	305,774
- Non-controlling interest	(5)	12	(7)	17
	(533,478)	252,043	(914,333)	305,791
Share of exchange translation reserve of associate	(3,219)	(4,105)	(6,590)	(2,324)
Movement in surplus on associated undertaking-net of tax.	220,749	(76,353)	28,114	93,121
Movement in surplus / (deficit) on revaluation of debt investments through FVOCI - net of tax	9,118,315	11,659,022	(8,194,854)	9,715,195
	8,802,367	11,830,607	(9,087,663)	10,111,783
Items that will not be reclassified to statement of profit and loss account in subsequent periods:				
Movement in surplus / (deficit) on revaluation of equity investments through FVOCI - net of tax	5,446,508	(1,860,206)	354,423	230,511
	5,446,508	(1,860,206)	354,423	230,511
Total comprehensive income	29,202,823	24,625,189	19,362,248	39,732,304
Attributable to:				
- Equity shareholders of the bank	29,114,237	24,553,113	19,244,927	39,576,520
- Non-controlling interest	88,586	72,076	117,321	155,784
Total comprehensive income	29,202,823	24,625,189	19,362,248	39,732,304

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

Anjum Javed
Chief Financial Officer

Muhammad Nauman Chughtai
President / CEO

Main Umer Mansha
Director

Shahzad Hussain
Director

Muhammad Ali Zeb
Director

MCB Bank Limited & Subsidiary Companies
Consolidated Condensed Interim Statement of Changes in Equity (Un-Audited)
For The Half Year Ended June 30, 2026

MCB
Bank for Life

	Share capital	Capital reserve			Statutory reserve	Revenue reserve	Surplus / (deficit) on revaluation of			Unappropriated profit	Total	Non controlling interest	Grand Total
		Share premium	Non-distributable capital reserve	Exchange translation reserve		General reserve	Investments	Associate	Property and equipment / non-banking assets				
	-----Rupees in '000-----												
Balance as at December 31, 2024 (Audited)	11,850,600	23,973,024	908,317	9,760,029	54,916,400	18,600,000	8,491,749	950,523	36,368,797	120,926,276	286,745,715	501,529	287,247,244
Effect of remeasurement on adoption of IFRS 9	-	-	-	-	-	-	1,734,405	-	-	-	1,734,405	-	1,734,405
Opening balance as at January 01, 2025	11,850,600	23,973,024	908,317	9,760,029	54,916,400	18,600,000	10,226,154	950,523	36,368,797	120,926,276	288,480,120	501,529	288,981,649
Profit after taxation for the period ended June 30, 2025	-	-	-	-	-	-	-		-	29,234,243	29,234,243	155,767	29,390,010
Other comprehensive income - net of tax													
Effect of translation of net investment in foreign branches and subsidiary	-	-	-	303,450	-	-	-	-	-	-	303,450	17	303,467
Movement in surplus on associated undertaking-net of tax	-	-	-	-	-	-	-	93,121	-	-	93,121	-	93,121
Movement in surplus / (deficit) on revaluation of equity investments through FVOCI - net of tax	-	-	-	-	-	-	230,511	-	-	-	230,511	-	230,511
Movement in surplus / (deficit) on revaluation of debt investments through FVOCI - net of tax	-	-	-	-	-	-	9,715,195	-	-	-	9,715,195	-	9,715,195
	-	-	-	303,450	-	-	9,945,706	93,121	-	-	10,342,277	17	10,342,294
Transfer to statutory reserve	-	-	-	-	2,940,219	-	-	-	-	(2,940,219)	-		-
Transfer in respect of incremental depreciation from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	(66,289)	66,289	-	-	-
Surplus realized on disposal of investments in equity instruments through FVOCI - net of tax	-	-	-	-	-	-	(858,117)	-	-	858,117	-	-	-
Surplus realized on disposal of revalued property and equipment - net of tax	-	-	-	-	-	-	-	-	(91,754)	91,754	-	-	-
Surplus realized on disposal of non-banking assets - net of tax	-	-	-	-	-	-	-	-	(23,873)	23,873	-	-	-
Transactions with owners, recorded directly in equity													
Final cash dividend at Rs. 9.0 per share - December 31, 2024	-	-	-	-	-	-	-	-	-	(10,665,540)	(10,665,540)	-	(10,665,540)
Interim cash dividend at Rs. 9.0 per share - March 31, 2025	-	-	-	-	-	-	-	-	-	(10,665,540)	(10,665,540)	-	(10,665,540)
	-	-	-	-	-	-	-	-	-	(21,331,080)	(21,331,080)	-	(21,331,080)
Share of dividend attributable to Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(46,827)	(46,827)
Balance as at June 30, 2025 (Un-audited)	11,850,600	23,973,024	908,317	10,063,479	57,856,619	18,600,000	19,313,743	1,043,644	36,186,881	126,929,253	306,725,560	610,486	307,336,046
Profit after taxation for the six months period ended December 31, 2025	-	-	-	-	-	-	-		-	29,180,813	29,180,813	204,585	29,385,398
Other comprehensive income - net of tax													
Effect of translation of net investment in foreign branches and subsidiary	-	-	-	(655,613)	-	-	-	-	-	-	(655,613)	(13)	(655,626)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	-	-	7,421,362	-	7,421,362	-	7,421,362
Movement in surplus on associated undertaking-net of tax	-	-	-	-	-	-	-	313,405	-	-	313,405	-	313,405
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	-	(27,483)	-	(27,483)	-	(27,483)
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	-	1,210,935	1,210,935	-	1,210,935
Movement in surplus / (deficit) on revaluation of equity investments through FVOCI - net of tax	-	-	-	-	-	-	7,840,064	-	-	-	7,840,064	-	7,840,064
Movement in surplus / (deficit) on revaluation of debt investments through FVOCI - net of tax	-	-	-	-	-	-	5,732,467	-	-	-	5,732,467	-	5,732,467
	-	-	-	(655,613)	-	-	13,572,531	313,405	7,393,879	1,210,935	21,835,137	(13)	21,835,124
Transfer to statutory reserve	-	-	-	-	2,935,192	-	-	-	-	(2,935,192)	-	-	-
Transfer in respect of incremental depreciation from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	(66,222)	66,222	-	-	-
Surplus realized on disposal of investments in equity instruments through FVOCI - net of tax	-	-	-	-	-	-	(2,249,975)	-	-	2,249,975	-	-	-
Surplus realized on disposal of revalued property and equipment - net of tax	-	-	-	-	-	-	-	-	(682,073)	682,073	-	-	-
Surplus realized on disposal of non-banking assets - net of tax	-	-	-	-	-	-	-	-	(15,598)	15,598	-	-	-
Transactions with owners, recorded directly in equity													
Interim cash dividend at Rs. 9.0 per share - June 30, 2025	-	-	-	-	-	-	-	-	-	(10,665,540)	(10,665,540)	-	(10,665,540)
Interim cash dividend at Rs. 9.0 per share - September 30, 2025	-	-		-	-	-	-	-	-	(10,665,540)	(10,665,540)	-	(10,665,540)
	-	-	-	-	-	-	-	-	-	(21,331,080)	(21,331,080)	-	(21,331,080)
Share of dividend attributable to Non-controlling interest	-	-	-	-	-	-	-	-	-	-		(46,827)	(46,827)
Balance as at December 31, 2025 (Audited)	11,850,600	23,973,024	908,317	9,407,866	60,791,811	18,600,000	30,636,299	1,357,049	42,816,867	136,068,597	336,410,430	768,231	337,178,661
Profit after taxation for the period ended June 30, 2026	-	-	-	-	-	-			-	27,978,160	27,978,160	117,328	28,095,488
Other comprehensive loss - net of tax													
Effect of translation of net investment in foreign branches and subsidiary	-	-	-	(920,916)	-	-	-	-	-	-	(920,916)	(7)	(920,923)
Movement in surplus / (deficit) on revaluation of equity investments through FVOCI - net of tax	-	-	-	-	-	-	354,423	-	-	-	354,423	-	354,423
Movement in surplus on associated undertaking-net of tax	-	-	-	-	-	-	-	28,114	-	-	28,114	-	28,114
Movement in surplus / (deficit) on revaluation of debt investments through FVOCI - net of tax	-	-	-	-	-	-	(8,194,854)	-	-	-	(8,194,854)	-	(8,194,854)
	-	-	-	(920,916)	-	-	(7,840,431)	28,114	-	-	(8,733,233)	(7)	(8,733,240)
Transfer to statutory reserve	-	-	-	-	2,826,207	-	-	-	-	(2,826,207)	-	-	-
Transfer in respect of incremental depreciation from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	(79,623)	79,623	-	-	-
Surplus realized on disposal of investments in equity instruments through FVOCI - net of tax	-	-	-	-	-	-	(1,089,740)	-	-	1,089,740	-	-	-
Transactions with owners, recorded directly in equity													
Final cash dividend at Rs. 9.0 per share - December 31, 2025	-	-	-	-	-	-	-	-	-	(10,665,540)	(10,665,540)	-	(10,665,540)
Interim cash dividend at Rs. 9.0 per share - March 31, 2026	-	-	-	-	-	-	-	-	-	(10,665,540)	(10,665,540)	-	(10,665,540)
	-	-	-	-	-	-	-		-	(21,331,080)	(21,331,080)	-	(21,331,080)
Share of dividend attributable to Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(40,136)	(40,136)
Balance as at June 30, 2026 (Un-audited)	11,850,600	23,973,024	908,317	8,486,950	63,618,018	18,600,000	21,706,128	1,385,163	42,737,244	141,058,833	334,324,277	845,416	335,169,693

For details of dividend declaration and appropriations, please refer note 41 to these consolidated condensed interim financial statements.

For details of reserves, please refer note 23 to these consolidated condensed interim financial statements.

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

Anjum Javed
Chief Financial Officer

Muhammad Nauman Chughtai
President / CEO

Main Umer Mansha
Director

Shahzad Hussain
Director

Muhammad Ali Zeb
Director

MCB Bank Limited & Subsidiary Companies

Consolidated Condensed Interim Cash Flow Statement (Un-Audited)

For The Half Year Ended June 30, 2026

	Note	Half Year Ended January 01 to June 30, 2026	Half Year Ended January 01 to June 30, 2025
		----------Rupees in '000--------	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		58,833,345	62,548,250
Less: Dividend income and share of profit of associates		(2,768,758)	(3,484,450)
		56,064,587	59,063,800
Adjustments:			
Net mark-up / interest income		(82,356,176)	(78,955,967)
Depreciation on property and equipment	32	2,955,877	2,540,208
Depreciation on right-of-use assets	32	1,452,064	1,278,988
Depreciation on non-banking assets acquired in satisfaction of claims	32	6,283	8,221
Amortization	32	358,573	342,597
Credit loss allowance and write offs - net	34	348,034	(4,154,787)
Gain on sale of property and equipment - net	31	(172,599)	(170,681)
Finance charges on lease liability against right-of-use assets	28	1,244,511	1,106,557
Workers Welfare Fund		1,161,838	1,242,453
Reversal for defined benefit plans - net		(626,246)	(509,119)
Gain on conversion of Ijarah agreements	31	(1,641)	(4,395)
Gain on termination of lease liability against right-of-use assets	31	(33,479)	(31,486)
Unrealized loss / (gain) on revaluation of investments classified as FVTPL	30	186,201	(103,999)
		(75,476,760)	(77,411,410)
		(19,412,173)	(18,347,610)
(Increase) / decrease in operating assets			
Lendings to financial institutions		(41,832,001)	(66,234,074)
Securities classified as FVTPL		2,067,812	1,338,641
Advances		(70,612,744)	397,675,842
Others assets (excluding advance taxation)		360,102	(17,536,942)
		(110,016,831)	315,243,467
Increase / (decrease) in operating liabilities			
Bills Payable		(8,673,084)	(32,947,684)
Borrowings		(96,961,160)	359,967,010
Deposits		406,438,638	360,016,203
Other liabilities (excluding current taxation)		(18,031,153)	5,743,844
		282,773,241	692,779,373
Mark-up / interest received		160,849,135	152,897,136
Mark-up / interest paid		(80,230,071)	(116,783,422)
Defined benefits paid		(130,232)	(136,884)
Income tax paid		(37,921,003)	(39,840,871)
Net cash generated from operating activities		195,912,066	985,811,189
CASH FLOW FROM INVESTING ACTIVITIES			
Net investment in securities classified as FVOCI		(169,442,481)	(886,068,121)
Net divestment / (investment) in securities classified as amortized cost		2,148,791	(3,317,363)
Dividends received		1,891,466	2,400,063
Investments in property and equipment		(5,418,458)	(8,383,361)
Proceeds from sale of property and equipment		221,593	311,086
Investments in Intangible assets		(279,648)	(665,694)
Proceeds from sale of non-banking assets acquired in satisfaction of claims		-	151,000
Net investment in associates		(1,332,124)	(730,838)
Effect of translation of net investment in foreign branches and subsidiary		(920,916)	303,450
Net cash used in investing activities		(173,131,777)	(895,999,778)
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liability against right-of-use-assets	20.1	(2,276,923)	(1,864,819)
Dividend paid		(21,217,481)	(21,188,394)
Net cash used in financing activities		(23,494,404)	(23,053,213)
Effects of credit loss allowance changes on cash and cash equivalents		144,366	(174,087)
Increase in cash and cash equivalents		(569,749)	66,584,111
Cash and cash equivalents at beginning of the period		251,603,519	210,414,218
Effects of exchange rate changes on cash and cash equivalents		(918,316)	1,456,047
Opening expected credit loss allowance on cash and cash equivalents		(622,553)	(582,389)
		250,062,650	211,287,876
Cash and cash equivalents at end of the period		249,492,901	277,871,987

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

Anjum Javed	Muhammad Nauman Chughtai	Main Umer Mansha	Shahzad Hussain	Muhammad Ali Zeb
Chief Financial Officer	President / CEO	Director	Director	Director

MCB Bank Limited & Subsidiary Companies

Notes to the Consolidated Condensed Interim Financial Statements (Un-Audited)

For The Half Year Ended June 30, 2026

1. STATUS AND NATURE OF BUSINESS

The Group consists of:

- Holding Company - MCB Bank Limited

Subsidiary Companies	"Percentage holding of MCB Bank Limited"
- MCB Investment Management Limited	81.42%
- MCB Non-Bank Credit Organization Closed Joint Stock Company	99.94%
- MCB Islamic Bank Limited	100%
- MCB Exchange Company (Private) Limited	100%

MCB Bank Limited (the 'Bank') is a banking company incorporated in Pakistan and is engaged in commercial banking and related services. The Bank's ordinary shares are listed on the Pakistan stock exchange. The Bank's Registered Office and Principal Office are situated at MCB - 15 Main Gulberg, Lahore. The Bank operates 1,413 branches (2025: 1,401 branches) within Pakistan and 9 branches (2025: 9 branches) outside Pakistan (including the Karachi Export Processing Zone branch).

2. BASIS OF PREPARATION

2.1 These consolidated financial statements include the financial statements of MCB Bank Limited and its subsidiary companies and share of the profit / reserves of associates (the "Group").

a. Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date when control ceases. The assets and liabilities of subsidiary companies have been consolidated on a line by line basis based on the financial statements for the half year ended June 30, 2026 and the carrying value of investments held by the parent is eliminated against the subsidiaries' shareholders' equity in these consolidated condensed interim financial statements. Material intra-Group balances and transactions have also been eliminated.

b. Associates are entities over which the Group has significant influence but not control. Investments in associates are accounted for under the equity method of accounting and are initially recognised at cost, thereafter adjusted for the post-acquisition change in the Group's share of net assets of the associates. The cumulative post-acquisition movements are adjusted in the carrying amount of the investment. Accounting policies of the associates have been changed where necessary to ensure consistency with the policies adopted by the Group. The Group's share in associates have been accounted for based on the financial statements for the half year ended June 30, 2026.

c. Non-controlling interest is that part of the net results of operations and of net assets of subsidiary companies attributable to interests which are not owned by the Group.

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 has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by banks from their customers and immediate resale to them at appropriate profit in price on deferred payment basis. The purchases and sales arising under these arrangements 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.

The financial results of the Group's Islamic Banking business have been consolidated in these financial statements for reporting purposes, after eliminating material inter-group transactions / balances.

2.3 The consolidated condensed interim financial statements are presented in Pak Rupees, which is the Group's functional and presentation currency of its primary economic environment.

2.4 These consolidated condensed interim financial statements have been prepared under the historical cost convention except that certain classes of property and equipment and non-banking assets acquired in satisfaction of claims are stated at revalued amounts; investments classified at fair value through profit and loss and fair value through other comprehensive income; foreign exchange contracts and derivative financial instruments are measured at fair value and net defined benefit obligations are carried at fair value of plan assets less present value of defined benefit obligations.

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 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act 2017;

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

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

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

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

3.2 The State Bank of Pakistan has deferred the applicability of International Accounting Standards 40, 'Investment Property' for Banking Companies through BSD Circular No. 10 dated August 26, 2002. Accordingly, the requirements of the standard have not been considered in the preparation of these consolidated condensed interim financial statements.

3.3 IFRS 10 "Consolidated Financial Statements" was made applicable from period beginning on or after January 01, 2015 vide S.R.O 633(I) / 2014 dated July 10, 2014 by SECP. However, SECP has directed through S.R.O 56(I) / 2016 dated January 28, 2016, that the requirements of consolidation under section 237 of the repealed Companies Ordinance 1984 (Section 228 of Companies Act, 2017) and IFRS 10 "Consolidated Financial Statements" are not applicable in case of investment by companies in mutual funds established under Trust structure.

3.4 The disclosures made in these consolidated condensed interim financial statements have been limited based on a format prescribed by the SBP vide BPRD Circular No. 02 of 2023 dated February 09, 2023 and IAS 34 "Interim Financial Reporting". 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 consolidated financial statements for the financial year ended December 31, 2025.

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

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, 2026 but are considered not to be relevant or do not have any material effect on the Group's operations and therefore are not detailed in these consolidated condensed interim financial statements.

3.6 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following new standard will be effective from the date mentioned below:

	Effective date (annual periods beginning on or after)
IFRS 18 – Presentation and Disclosure in Financial Statements	January 01, 2027

4 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies and methods of computation adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the audited annual consolidated financial statements of the Group for the year ended December 31, 2025.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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 audited annual consolidated financial statements for the year ended December 31, 2025.

6 FINANCIAL RISK MANAGEMENT

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

MCB Bank Limited & Subsidiary Companies
Notes to the Consolidated Condensed Interim Financial Statements (Un-Audited)
For The Half Year Ended June 30, 2026

	Note	Unaudited June 30, 2026	Audited December 31, 2025
		----------Rupees in '000--------	
7. CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		53,817,310	43,681,313
Foreign currencies		7,067,121	7,915,456
		60,884,431	51,596,769
With State Bank of Pakistan in			
Local currency current accounts		90,456,816	98,447,311
Foreign currency current accounts		9,235,440	6,630,888
Foreign currency deposit account		11,332,644	8,716,198
		111,024,900	113,794,397
With other central banks in			
Foreign currency current accounts		20,377,246	22,595,643
With National Bank of Pakistan in			
Local currency current accounts		32,051,478	23,513,255
Prize bonds		92,411	109,340
Less: Credit loss allowance held against cash and balances with treasury banks		(455,644)	(385,065)
Cash and balances with treasury banks - net of credit loss allowance		223,974,822	211,224,339
8. BALANCES WITH OTHER BANKS			
Inside Pakistan			
In current accounts		305,515	316,426
In deposit accounts		12,827	18,483
		318,342	334,909
Outside Pakistan			
In current accounts		11,059,139	22,927,964
In deposit accounts		14,197,851	18,800,419
		25,256,990	41,728,383
Less: Credit loss allowance held against balances with other banks		(22,414)	(237,488)
Balances with other banks - net of credit loss allowance		25,552,918	41,825,804
9. LENDINGS TO FINANCIAL INSTITUTIONS			
Call / clean money lendings		111,328,139	85,301,696
Repurchase agreement lendings (Reverse Repo)		-	5,000,000
Wakala placements		16,305,558	-
Bai mu'ajjal		3,241,138	3,241,138
Musharaka arrangements		10,000,000	5,500,000
		140,874,835	99,042,834
Less: Credit loss allowance held against lending to financial institutions	9.1	(741)	(1,041)
Lendings to financial institutions - net of credit loss allowance		140,874,094	99,041,793

9.1 Particulars of credit loss allowance

		Unaudited June 30, 2026		Audited December 31, 2025	
		Lendings	Credit loss allowance held	Lendings	Credit loss allowance held
		----------Rupees in '000---------			
Domestic					
Performing	Stage 1	29,546,696	(741)	16,741,138	(1,041)
Under performing	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
		-	-	-	-
Sub total		29,546,696	(741)	16,741,138	(1,041)
Overseas					
Performing	Stage 1	111,328,139	-	82,301,696	-
Under performing	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
		-	-	-	-
Sub total		111,328,139	-	82,301,696	-
Total		140,874,835	(741)	99,042,834	(1,041)

10. INVESTMENTS

10.1 Investments by type:

	Unaudited June 30, 2026				Audited December 31, 2025			
	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value
	----------Rupees in '000----------							
FVTPL								
Federal Government Securities	1,863,325	-	(1,456)	1,861,869	2,304,608	-	2,374	2,306,982
Non Government Debt Securities	10,566,500	-	(47,211)	10,519,289	9,316,961	-	(16,595)	9,300,366
Foreign securities	1,430,901	-	(42,567)	1,388,334	1,398,413	-	(5,135)	1,393,278
Shares and units	1,719,115	-	(94,967)	1,624,148	4,219,506	-	427,521	4,647,027
	15,579,841	-	(186,201)	15,393,640	17,239,488	-	408,165	17,647,653
FVOCI								
Federal Government Securities	2,046,917,881	(126,206)	21,208,168	2,067,999,843	1,851,433,214	(169,923)	38,187,749	1,889,451,040
Shares	49,341,893	-	24,043,493	73,385,386	50,660,047	-	25,575,402	76,235,449
Foreign Securities	44,506,226	-	(30,562)	44,475,664	66,938,879	-	62,470	67,001,349
	2,140,766,000	(126,206)	45,221,099	2,185,860,893	1,969,032,140	(169,923)	63,825,621	2,032,687,838
Amortised Cost								
Federal Government Securities	32,263,758	(178,894)	-	32,084,864	34,756,479	(201,618)	-	34,554,861
Provincial Government Securities	118	(118)	-	-	118	(118)	-	-
Non Government Debt Securities	1,107,493	(467,547)	-	639,946	1,191,229	(469,426)	-	721,803
Foreign securities	765,808	(1,025)	-	764,783	361,880	(160)	-	361,720
	34,137,177	(647,584)	-	33,489,593	36,309,706	(671,322)	-	35,638,384
Associates	14,896,733	-	-	14,896,733	13,072,286	-	-	13,072,286
Total Investments	2,205,379,751	(773,790)	45,034,898	2,249,640,859	2,035,653,620	(841,245)	64,233,786	2,099,046,161

10.1.1 Investments given as collateral

	Unaudited June 30, 2026	Audited December 31, 2025
	----------Rupees in '000--------	
- Market Treasury Bills	3,087,359	4,459,153
- Pakistan Investment Bonds	294,041,400	389,509,264
	297,128,759	393,968,417

10.2 Credit loss allowance for diminution in value of investments

	Unaudited June 30, 2026	Audited December 31, 2025
Opening balance	841,245	1,120,960
Exchange adjustments	(2,650)	4,482
Charge for the period / year	1,403	11,979
Reversals for the period / year	(66,208)	(296,176)
	(64,805)	(284,197)
Closing balance	773,790	841,245

		Unaudited June 30, 2026		Audited December 31, 2025	
		Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
		-----Rupees in '000-----			
10.3 Particulars of credit loss allowance against debt securities					
Domestic					
Performing	Stage 1	2,073,193,290	3,690	1,874,040,297	2,287
Under performing	Stage 2	1,055,909	-	563,891	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		463,975	463,975	467,257	467,257
		463,975	463,975	467,257	467,257
		2,074,713,174	467,665	1,875,071,445	469,544
Overseas					
Performing	Stage 1	58,050,970	1,025	81,244,226	160
Under performing	Stage 2	6,657,866	305,100	11,386,110	371,541
Non-performing	Stage 3	-	-	-	-
		64,708,836	306,125	92,630,336	371,701
Total		2,139,422,010	773,790	1,967,701,781	841,245

10.4 Summarized financial information of associates

	Unaudited June 30, 2026						
	Country of incorporation	% of interest held	Revenue	Profit / (loss) after tax	Total comprehensive income / (loss)	Assets	Liabilities
	----- Rupees in '000 -----						
Associates							
Euronet Pakistan (Private) Limited (unaudited based on June 30, 2026)	Pakistan	30.00%	1,269,190	(80,805)	(80,805)	3,922,716	3,382,571
Adamjee Insurance Company Limited (unaudited based on March 31, 2026)	Pakistan	20.00%	20,039,372	1,076,599	(678,019)	263,842,151	212,705,502

	Audited December 31, 2025						
	Country of incorporation	% of interest held	Revenue	Profit / (loss) after tax	Total comprehensive income / (loss)	Assets	Liabilities
	----- Rupees in '000 -----						
Associates							
Euronet Pakistan (Private) Limited (unaudited based on December 31, 2025)	Pakistan	30.00%	2,417,659	440,980	440,980	3,155,701	2,434,018
Adamjee Insurance Company Limited (unaudited based on September 30, 2025)	Pakistan	20.00%	52,612,992	4,475,970	7,807,970	258,072,849	208,571,009

10.5 Investment in Adamjee Insurance Company Limited under equity method - holding 20.00% (2025: 20.00%)

Investment of the Group in Adamjee Insurance Company Limited has been accounted for under the equity method of accounting in accordance with the treatment specified in International Accounting Standard 28, (IAS 28) 'Accounting for Investments in Associates'. The market value of the investment in Adamjee Insurance Company Limited as at June 30, 2026 amounted to Rs. 5,603.500 million. (2025: Rs. 5,679.100 million).

	Unaudited June 30, 2026	Audited December 31, 2025
	-----Rupees in '000-----	
Opening balance	10,353,752	8,551,051
Share of profit for the period / year before tax	860,090	1,981,698
Dividend from associate	(140,000)	(245,000)
Share of tax	(374,843)	(795,001)
	345,247	941,697
Share of other comprehensive income	44,843	861,004
Closing balance	10,743,842	10,353,752
Share of other comprehensive income		
Share of unrealized surplus on assets -net of tax	51,433	854,248
Share of exchange translation reserve of associate	(6,590)	6,756
	44,843	861,004

10.6 Investment in Euronet Pakistan Private Limited under equity method - holding 30.00% (2025: 30.00%)

Investment of the Group in Euronet Pakistan Private Limited has been accounted for under the equity method of accounting in accordance with the treatment specified in International Accounting Standard 28, (IAS 28) 'Accounting for Investments in Associates'.

	Unaudited June 30, 2026	Audited December 31, 2025
	-----Rupees in '000-----	
Opening balance	216,505	106,318
Share of (loss) / profit for the period / year before tax	(2,630)	172,117
Share of tax	(51,832)	(61,930)
	(54,462)	110,187
Closing balance	162,043	216,505

10.7 Investment in units of funds under management of MCB Investment Management Limited

Investment of the Group in units of funds under management of MCB Investment Management Limited has been accounted for under the equity method of accounting in accordance with the treatment specified in International Accounting Standard 28, (IAS 28) 'Accounting for Investments in Associates'.

	Unaudited June 30, 2026	Audited December 31, 2025
	-----Rupees in '000-----	
Investment at the beginning of the period / year	2,502,029	1,911,056
Investment / (redemptions) during the period / year	1,332,124	(51,861)
Share of profit for the period / year	164,475	672,775
Dividend Income	(7,780)	(29,941)
	1,488,819	590,973
Closing balance	3,990,848	2,502,029

11. ADVANCES

	Note	Performing Unaudited June 30, 2026	Performing Audited December 31, 2025	Non Performing Unaudited June 30, 2026	Non Performing Audited December 31, 2025	Total Unaudited June 30, 2026	Total Audited December 31, 2025
		Rupees in '000					
Loans, cash credits, running finances, etc.		733,437,298	664,240,336	49,680,942	49,266,343	783,118,240	713,506,679
Islamic financing and related assets		129,491,310	126,328,653	2,358,846	2,448,485	131,850,156	128,777,138
Bills discounted and purchased		25,755,825	28,400,780	657,302	495,012	26,413,127	28,895,792
Advances - gross		888,684,433	818,969,769	52,697,090	52,209,840	941,381,523	871,179,609
Credit loss allowance against advances	11.3						
- Stage 1		(2,723,039)	(1,952,417)	-	-	(2,723,039)	(1,952,417)
- Stage 2		(594,158)	(667,795)	-	-	(594,158)	(667,795)
- Stage 3		-	-	(40,249,109)	(40,355,149)	(40,249,109)	(40,355,149)
- General		(6,420,736)	(6,492,615)	-	-	(6,420,736)	(6,492,615)
		(9,737,933)	(9,112,827)	(40,249,109)	(40,355,149)	(49,987,042)	(49,467,976)
Advances - net of credit loss allowance		878,946,500	809,856,942	12,447,981	11,854,691	891,394,481	821,711,633

11.1 Particulars of advances (gross)

	Unaudited June 30, 2026	Audited December 31, 2025
	Rupees in '000	
In local currency	797,626,375	742,578,094
In foreign currencies	143,755,148	128,601,515
	941,381,523	871,179,609

11.2 Advances include Rs.52,697.090 million (2025: Rs. 52,209.840 million) which have been placed under Stage 3 status as detailed below:

Category of Classification	Note	Unaudited June 30, 2026 Non Performing Loans	Unaudited June 30, 2026 Credit loss allowance	Audited December 31, 2025 Non Performing Loans	Audited December 31, 2025 Credit loss allowance
		Rupees in '000			
Domestic					
Other Assets Especially Mentioned (OAEM)	11.2.1	1,313,523	600,613	1,418,889	709,130
Substandard		2,218,278	1,046,023	756,194	485,237
Doubtful		1,910,847	1,034,619	1,043,463	652,654
Loss		31,997,207	31,333,299	33,623,708	32,814,365
		37,439,855	34,014,554	36,842,254	34,661,386
Overseas					
Substandard		391,178	112,993	1,737,157	872,280
Doubtful		235,432	126,444	226,390	113,849
Loss		14,630,625	5,995,118	13,404,039	4,707,634
		15,257,235	6,234,555	15,367,586	5,693,763
Total		52,697,090	40,249,109	52,209,840	40,355,149

11.2.1 This includes non-performing port folio of agricultural, small enterprise and infrastructure project financing class if iedas "Other Assets Especially Mentioned "as per ther equirements of respective Prudential Regulations issued by the State Bank of Pakistan.

11.3 Particulars of credit loss allowance against advances

	Unaudited June 30, 2026 Expected Credit Loss Stage 1	Stage 2	Stage 3	General	Total	Audited December 31, 2025 Expected Credit Loss Stage 1	Stage 2	Stage 3	General	Total
	Rupees in '000									
Opening balance	1,952,417	667,795	40,355,149	6,492,615	49,467,976	3,003,535	1,283,679	43,422,799	8,739,178	56,449,191
Exchange adjustments	(40,656)	(3)	(86,917)	-	(127,576)	(25,780)	-	(7,335)	-	(33,115)
Charge for the period / year	1,153,812	364,316	3,406,869	-	4,924,997	946,395	508,537	3,570,936	-	5,025,868
Reversal for the period / year	(342,534)	(437,950)	(2,940,314)	(71,879)	(3,792,677)	(1,971,733)	(1,124,421)	(4,307,532)	(2,246,563)	(9,650,249)
	811,278	(73,634)	466,555	(71,879)	1,132,320	(1,025,338)	(615,884)	(736,596)	(2,246,563)	(4,624,381)
Amounts written off	-	-	(128,375)	-	(128,375)	-	-	(130,872)	-	(130,872)
Amounts charged off	-	-	(357,303)	-	(357,303)	-	-	(2,192,847)	-	(2,192,847)
Closing balance	2,723,039	594,158	40,249,109	6,420,736	49,987,042	1,952,417	667,795	40,355,149	6,492,615	49,467,976

11.3.1 An analysis of changes in credit loss allowance in relation to loans & advances of the Group is as follows:

	Unaudited June 30, 2026 Expected Credit Loss Stage 1	Stage 2	Stage 3	General	Total	Audited December 31, 2025 Expected Credit Loss Stage 1	Stage 2	Stage 3	General	Total
	Rupees in '000									
Opening balance	1,952,417	667,795	40,355,149	6,492,615	49,467,976	3,003,535	1,283,679	43,422,799	8,739,178	56,449,191
Exchange adjustments	(40,656)	(3)	(86,917)	-	(127,576)	(25,780)	-	(7,335)	-	(33,115)
New Advances	256,499	14,096	110,609	1,075,284	1,456,488	617,893	291,557	65,388	1,015,246	1,990,084
Advances derecognized or repaid	(106,706)	(157,605)	(944,466)	(351,518)	(1,560,295)	(625,818)	(83,772)	(2,046,144)	(852,610)	(3,608,344)
Transfer to stage 1	104,096	(90,618)	(13,478)	(371,726)	(371,726)	51,963	(51,878)	(85)	(733,497)	(733,497)
Transfer to stage 2	(29,604)	279,393	(249,789)	765,872	765,872	(184,424)	187,936	(3,512)	397,501	397,501
Transfer to stage 3	(10,757)	(93,460)	104,217	(81,990)	(81,990)	(1,253,320)	(988,771)	2,242,091	1,757,248	1,757,248
	213,528	(48,194)	(992,907)	1,035,922	208,349	(1,393,706)	(644,928)	257,738	1,583,888	(197,008)
Amounts written off	-	-	(128,375)	-	(128,375)	-	-	(130,872)	-	(130,872)
Amounts charged off	-	-	(357,303)	-	(357,303)	-	-	(2,192,847)	-	(2,192,847)
Changes in risk parameters	597,750	(25,440)	1,459,462	(1,107,801)	923,971	368,368	29,044	(994,334)	(3,830,451)	(4,427,373)
Closing balance	2,723,039	594,158	40,249,109	6,420,736	49,987,042	1,952,417	667,795	40,355,149	6,492,615	49,467,976

11.3.2 Category of Classification

		Unaudited June 30, 2026 Outstanding amount	Unaudited June 30, 2026 Credit loss allowance	Audited December 31, 2025 Outstanding amount	Audited December 31, 2025 Credit loss allowance
		Rupees in '000			
Domestic					
Performing	Stage 1	783,152,961	2,393,372	719,117,760	1,732,250
Under performing	Stage 2	39,517,560	582,120	42,494,841	642,342
Non-performing	Stage 3				
Other Assets Especially Mentioned		1,313,523	600,613	1,418,889	709,130
Substandard		2,218,278	1,046,023	756,194	485,237
Doubtful		1,910,847	1,034,619	1,043,463	652,654
Loss		31,997,207	31,333,299	33,623,708	32,814,365
		37,439,855	34,014,554	36,842,254	34,661,386
General Provision		-	6,004,950	-	6,012,096
		860,110,376	42,994,996	798,454,855	43,048,074
Overseas					
Performing	Stage 1	63,761,811	329,667	53,542,982	220,167
Under performing	Stage 2	2,252,101	12,038	3,814,186	25,453
Non-performing	Stage 3				
Substandard		391,178	112,993	1,737,157	872,280
Doubtful		235,432	126,444	226,390	113,849
Loss		14,630,625	5,995,118	13,404,039	4,707,634
		15,257,235	6,234,555	15,367,586	5,693,763
General Provision		-	415,786	-	480,519
		81,271,147	6,992,046	72,724,754	6,419,902
Total		941,381,523	49,987,042	871,179,609	49,467,976

11.3.3 State Bank of Pakistan vide BSD Circular No. 2 dated January 27, 2009, BSD Circular No. 10 dated October 20, 2009, BSD Circular No. 02 of 2010 dated June 03, 2010 and BSD Circular No.1 of 2011 dated October 21, 2011 has allowed benefit of Forced Sale Value (FSV) of Plant & Machinery under charge, pledged stock and mortgaged residential, commercial & industrial properties (land and building only) held as collateral against Non Performing Loans (NPLs) for five years from the date of classification. The Bank (Holding Company) has not taken the FSV benefit in calculation of specific provision. However, one of the subsidiary of the Bank has availed benefit of forced sale values amounting to Rs.104.840 million (December 31, 2025: Rs. 165.977 million) in determining the provisioning against non-performing Islamic financing and related assets as at June 30, 2026. The additional benefit arising from availing the FSV benefit - net of tax amounts to Rs. 50.33 million as at June 30, 2026 (December 31, 2025: Rs. 78.01 million) is not available for payment of cash or stock dividends to shareholders.

11.3.4 The Group maintains the general provision, over and above the ECL for Stage 1 and Stage 2 exposures, which is allowed to be maintained by SBP vide BPRD Circular Letter No. 01 dated January 22, 2025 up to December 31, 2026.

		Note	Unaudited June 30, 2026	Audited December 31, 2025
			----------Rupees in '000--------	
12.	**PROPERTY AND EQUIPMENT**			
	Capital work-in-progress	12.1	4,913,611	6,554,403
	Property and equipment		101,149,026	97,129,367
			106,062,637	103,683,770
12.1	**Capital work-in-progress**			
	Civil works		2,966,107	2,419,950
	Equipment		1,149,356	181,083
	Advance payment - suppliers and property acquisition		792,324	3,943,291
	Others		5,824	10,079
			4,913,611	6,554,403

		Unaudited Half year ended June 30, 2026	Unaudited Half year ended June 30, 2025
		----------Rupees in '000--------	
12.2	**Additions to property and equipment**		
	The following additions have been made to property and equipment during the period:		
	Capital work-in-progress - net of transferred out for capitalization	(1,640,792)	3,953,222
	Property and equipment		
	Building on freehold land	958,869	424,949
	Building on leasehold land	1,399	106,213
	Freehold land	3,421,059	1,399,141
	Leasehold land	-	9,055
	Electrical office and computer equipment	1,155,162	1,221,823
	Furniture and fixture	187,617	151,335
	Leasehold Improvements	753,995	617,643
	Vehicles	581,149	499,980
		7,059,250	4,430,139
		5,418,458	8,383,361
12.3	**Disposal of property and equipment**		
	The net book value of property and equipment disposed off during the period is as follows:		
	Freehold land	-	92,039
	Vehicles	31,656	36,102
	Furniture and fixture	1,115	985
	Electrical office and computer equipment	16,223	8,620
	Building on leasehold land	-	2,659
		48,994	140,405

		Note	Unaudited June 30, 2026	Audited December 31, 2025
			----------Rupees in '000--------	
13.	**RIGHT-OF-USE ASSETS**			
	Right-of-use assets	13.1	10,407,864	10,442,271

		Unaudited June 30, 2026			Audited December 31, 2025		
		Buildings	Others	Total	Buildings	Others	Total
		----------------------------Rupees in '000--------------------------					
13.1	**At January 01,**						
	Cost	21,705,008	-	21,705,008	17,814,517	-	17,814,517
	Accumulated depreciation	(11,262,737)	-	(11,262,737)	(9,361,703)	-	(9,361,703)
	Net carrying amount at January 01,	10,442,271	-	10,442,271	8,452,814	-	8,452,814
	Additions / adjustments during the period / year	1,465,699	-	1,465,699	4,787,070	-	4,787,070
	Deletions during the period / year	(39,657)	-	(39,657)	(94,181)	-	(94,181)
	Exchange adjustments	(8,385)	-	(8,385)	3,334	-	3,334
	Depreciation charge for the period / year	(1,452,064)	-	(1,452,064)	(2,706,766)	-	(2,706,766)
	Closing net carrying amount	10,407,864	-	10,407,864	10,442,271	-	10,442,271

		Note	Unaudited June 30, 2026	Audited December 31, 2025
			----------Rupees in '000--------	
14.	**INTANGIBLE ASSETS**			
	Computer software		1,515,885	1,610,471
	Goodwill		82,127	82,127
	Management rights		192,000	192,000
	Capital work-in-progress		1,579,051	1,568,611
			3,369,063	3,453,209

		Unaudited Half year ended June 30, 2026	Unaudited Half year ended June 30, 2025
		----------Rupees in '000--------	
14.1	**Additions to intangible assets**		
	The following additions have been made to intangible assets during the period:		
	Computer software	269,208	141,441
	Capital work-in-progress - net of transferred out for capitalization	10,440	524,253
		279,648	665,694

		Note	Unaudited June 30, 2026	Audited December 31, 2025
			----------Rupees in '000--------	
15.	**OTHER ASSETS**			
	Income / mark-up accrued in local currency		74,242,637	70,653,555
	Income / mark-up accrued in foreign currencies		861,932	1,007,491
	Advances, deposits, advance rent and other prepayments		22,520,322	18,014,012
	Advance taxation (payments less provisions)		3,639,874	-
	Non-banking assets acquired in satisfaction of claims		1,159,341	1,165,624
	Branch adjustment account		1,435,105	-
	Mark to market gain on forward foreign exchange contracts		2,308,138	1,036,546
	Unrealized gain on derivative financial instruments		141	15,921
	Acceptances	22	28,167,886	41,769,268
	Receivable from the pension fund		18,235,333	17,312,255
	Clearing and settlement accounts		14,035,191	27,367,114
	Deferred cost on staff loans		8,489,913	7,796,934
	Claims receivable against fraud and forgeries		765,205	802,160
	Others		5,703,424	4,571,109
			181,564,442	191,511,989
	Less: Credit loss allowance held against other assets	15.1	3,356,732	3,620,918
	Other assets net of credit loss allowance		178,207,710	187,891,071
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	24	421,655	421,655
	Other assets - total		178,629,365	188,312,726
15.1	**Credit loss allowance held against other assets**			
	Non banking assets acquired in satisfaction of claims		40,091	40,091
	Claims receivable against fraud and forgeries		765,205	802,160
	Mark-up accrued		56,388	73,278
	Others		2,495,048	2,705,389
			3,356,732	3,620,918

	Unaudited June 30, 2026	Audited December 31, 2025
	----------Rupees in '000--------	
15.1.1 Movement in credit loss allowance held against other assets		
Opening balance	3,620,918	3,685,865
Charge for the period / year	2,743	262,660
Reversal for the period / year	(257,060)	(335,139)
	(254,317)	(72,479)
Amounts written off	-	(250)
Exchange and other adjustments	(9,869)	7,782
Closing balance	3,356,732	3,620,918

16. CONTINGENT ASSETS

There are no contingent assets of the Group as at June 30, 2026 (2025: Nil).

	Unaudited June 30, 2026	Audited December 31, 2025
	----------Rupees in '000--------	
17. BILLS PAYABLE		
In Pakistan	18,486,242	30,108,764
Outside Pakistan	3,973,244	1,023,806
	22,459,486	31,132,570
18. BORROWINGS		
Secured		
Borrowings from State Bank of Pakistan		
Under export refinance scheme	20,852,313	28,582,782
Under long term financing facility	11,297,902	13,237,900
Under renewable energy performance platform	1,642,666	1,905,809
Under temporary economic refinance facility	22,417,020	24,410,395
Under financing facility for storage of agricultural produce	262,335	142,946
Under refinance and credit guarantee scheme for Women Entrepreneurs	2,235	3,012
	56,474,471	68,282,844
Repurchase agreement borrowings	294,724,175	391,729,648
Total secured	351,198,646	460,012,492
Unsecured		
Call borrowings	6,500,000	407,115
Borrowings from other financial institution	4,872,158	4,731,826
Overdrawn nostro accounts	34,839	2,987,493
Musharaka Arrangements	13,487,362	7,867,894
Others	162,286	162,286
Total unsecured	25,056,645	16,156,614
	376,255,291	476,169,106

19. DEPOSITS AND OTHER ACCOUNTS

	Unaudited June 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	1,088,672,134	290,629,860	1,379,301,994	959,454,612	266,725,949	1,226,180,561
Savings deposits	1,009,420,434	26,323,236	1,035,743,670	1,027,956,884	30,323,987	1,058,280,871
Term deposits	107,271,995	23,440,088	130,712,083	58,769,399	25,449,316	84,218,715
Others	154,746,762	4,715,169	159,461,931	57,906,076	4,596,666	62,502,742
	2,360,111,325	345,108,353	2,705,219,678	2,104,086,971	327,095,918	2,431,182,889
Financial Institutions						
Current deposits	33,074,724	2,236,239	35,310,963	17,970,604	4,333,534	22,304,138
Savings deposits	185,045,844	883,549	185,929,393	65,543,080	355,565	65,898,645
Term deposits	579,968	8,817,900	9,397,868	533,968	9,499,168	10,033,136
Others	-	83,957	83,957	-	84,413	84,413
	218,700,536	12,021,645	230,722,181	84,047,652	14,272,680	98,320,332
	2,578,811,861	357,129,998	2,935,941,859	2,188,134,623	341,368,598	2,529,503,221

	Note	Unaudited June 30, 2026	Audited December 31, 2025
		----------Rupees in '000--------	
20. LEASE LIABILITIES			
Lease Liabilities	20.1	15,853,102	15,505,119

	Unaudited June 30, 2026			Audited December 31, 2025		
	Buildings	Others	Total	Buildings	Others	Total
	---------Rupees in '000---------					
20.1 At January 01,	15,505,119	-	15,505,119	12,663,814	-	12,663,814
Additions / adjustments during the period / year	1,465,699	-	1,465,699	4,787,070	-	4,787,070
Lease payments	(2,276,923)	-	(2,276,923)	(4,157,320)	-	(4,157,320)
Finance charges	1,244,511	-	1,244,511	2,368,490	-	2,368,490
Deletions during the period / year	(73,136)	-	(73,136)	(176,283)	-	(176,283)
Exchange adjustments	(12,168)	-	(12,168)	19,348	-	19,348
Closing Balance	15,853,102	-	15,853,102	15,505,119	-	15,505,119
20.2 Liabilities Outstanding						
Not later than one year	2,530,809	-	2,530,809	2,332,971	-	2,332,971
Later than one year and upto five years	7,300,195	-	7,300,195	7,188,023	-	7,188,023
Over five years	6,022,098	-	6,022,098	5,984,125	-	5,984,125
Total at the period / year end	15,853,102	-	15,853,102	15,505,119	-	15,505,119

	Note	Unaudited June 30, 2026	Audited December 31, 2025
		----------Rupees in '000--------	
21. DEFERRED TAX LIABILITIES			
Taxable Temporary Differences on			
- Surplus on revaluation of property and equipment		5,380,787	5,467,046
- Surplus on revaluation of non-banking assets		219,261	219,261
- Accelerated tax depreciation		4,441,502	4,706,194
- Receivable from pension fund		9,482,373	9,002,373
- Surplus on revaluation of investments		23,514,971	33,189,322
- Business combination		705,218	705,218
- Investments in associated undertaking		5,249,899	5,047,052
		48,994,011	58,336,466
Deductible Temporary Differences on			
- Leases (net)		(3,193,122)	(2,993,758)
- Worker Welfare Fund		(335,087)	(315,720)
- Credit loss allowance against financial assets		(5,894,592)	(5,686,006)
		39,571,210	49,340,982

	Note	Unaudited June 30, 2026	Audited December 31, 2025
		----------Rupees in '000--------	
22. OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		4,739,545	3,410,620
Mark-up / return / interest payable in foreign currencies		547,501	554,382
Unearned commission and income on bills discounted		3,659,446	3,471,757
Accrued expenses		9,995,545	11,244,513
Current taxation (provisions less payments)		-	2,670,318
Workers Welfare Fund	22.1	20,442,295	19,280,457
Acceptances	15	28,167,886	41,769,268
Unclaimed / dividends payable		3,268,850	3,115,115
Mark to market loss on forward foreign exchange contracts		2,296,872	1,172,792
Unrealised loss on derivative financial instruments		141	15,921
Branch adjustment account		-	17,961
Provision for employees' compensated absences		1,594,333	1,517,876
Provision for post retirement medical benefits		2,340,152	2,246,751
Provision for employees' contributory benevolent scheme		134,725	137,984
Insurance payable against consumer assets		49,414	36,172
Unclaimed balances		455,902	471,496
Duties and taxes payable		2,811,276	5,808,518
Charity fund balance		36,485	31,844
Credit loss allowance against off-balance sheet obligations	22.2	1,552,257	1,682,454
Security deposits against lease		7,089,471	6,008,377
Clearing and settlement accounts		3,624,714	24,602,583
Others		11,848,652	10,644,888
		104,655,462	139,912,047

22.1 The Supreme Court of Pakistan vide its order dated November 10, 2016 has held that the amendments made in the law introduced by the Federal Government for the levy of Workers Welfare Fund were not lawful. The Federal Board of Revenue has filed review petitions against this order which are currently pending.

Legal advice obtained on the matter indicates that consequent to filing of these review petitions the judgment may not currently be treated as conclusive. Accordingly, the Group maintained its provision in respect of WWF.

22.2 An analysis of changes in credit loss allowance against off-balance sheet obligations is as follows:

	Note	Unaudited June 30, 2026	Audited December 31, 2025
		----------Rupees in '000--------	
Opening balance		1,682,454	1,543,367
Exchange adjustment		(12,123)	(7,396)
Charge for the period / year		583,060	539,073
Reversal for the period / year		(701,134)	(392,590)
		(118,074)	146,483
Closing balance		1,552,257	1,682,454
23. RESERVES			
Share premium		23,973,024	23,973,024
Non - distributable capital reserve - gain on bargain purchase option	23.1	908,317	908,317
Exchange translation reserve		8,486,950	9,407,866
Statutory reserve	23.2	63,618,018	60,791,811
General reserve		18,600,000	18,600,000
		115,586,309	113,681,018

23.1 Under IFRS 3 a bargain purchase represents an economic gain which should be immediately recognized by the acquirer as income. However, the amount of bargain purchase gain has not been taken to the profit and loss account as the SBP, through its letter BPRD(R&PD)/2017/14330 dated June 13, 2017 recommended that the amount of gain may be routed directly into equity as a Non-distributable Capital Reserve (NCR). The NCR may become available for distribution through a stock dividend only with prior approval of the SBP. The Holding Company, before distribution of the gain as a stock dividend, may adjust any subsequent provisions / deficit, assessed by the Bank or recommended by the Banking Inspection Department of SBP, in the acquired assets and liabilities of NIB Bank Limited against the NCR.

23.2 Statutory reserve represents amount set aside as per the requirements of section 21 of the Banking Companies Ordinance, 1962.

	Note	Unaudited June 30, 2026	Audited December 31, 2025
		----------Rupees in '000--------	
24. SURPLUS ON REVALUATION OF ASSETS			
Surplus / (deficit) on revaluation of			
- Securities measured at FVOCI - Debt securities	10.1	21,177,606	38,250,219
- Securities measured at FVOCI - Equity securities	10.1	24,043,493	25,575,402
- Property and equipment		47,915,637	48,081,519
- Non-banking assets acquired in satisfaction of claims		421,655	421,655
- Associated undertaking		3,347,169	3,295,737
		96,905,560	115,624,532
Deferred tax on (surplus) / deficit on revaluation of:			
- Securities measured at FVOCI - Debt securities	21	(11,012,355)	(19,890,114)
- Securities measured at FVOCI - Equity securities	21	(12,502,616)	(13,299,208)
- Property and equipment	21	(5,380,787)	(5,467,046)
- Non-banking assets acquired in satisfaction of claims		(219,261)	(219,261)
- Associated undertaking		(1,962,006)	(1,938,688)
		(31,077,025)	(40,814,317)
		65,828,535	74,810,215

	Note	Unaudited June 30, 2026	Audited December 31, 2025
		----------Rupees in '000--------	
25. CONTINGENCIES AND COMMITMENTS			
-Guarantees	25.1	281,630,093	287,348,991
-Commitments	25.2	1,003,901,690	688,049,419
-Other contingent liabilities	25.3	33,836,710	35,870,144
		1,319,368,493	1,011,268,554
25.1 Guarantees:			
Financial guarantees		162,966,687	167,979,896
Performance guarantees		86,669,794	91,081,060
Other guarantees		31,993,612	28,288,035
		281,630,093	287,348,991
25.2 Commitments:			
Documentary credits and short-term trade-related transactions			
- letters of credit		300,967,667	297,666,130
Commitments in respect of:			
- forward foreign exchange contracts	25.2.1	648,200,805	314,027,563
- forward government securities transactions	25.2.2	-	4,000,000
- derivatives (notional)	25.2.3	674,092	6,984,430
- extending credit (irrevocable)	25.2.4	50,780,554	62,987,024
Commitments for acquisition of:			
- property and equipment		2,236,567	1,700,208
- intangible assets		1,042,005	684,064
		1,003,901,690	688,049,419
25.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		330,124,333	156,792,284
Sale		318,076,472	157,235,279
		648,200,805	314,027,563
25.2.2 Commitments in respect of forward government securities transactions			
Purchase		-	4,000,000
Sale		-	-
		-	4,000,000
25.2.3 Commitments in respect of derivatives			
FX options (notional)			
Purchase		337,046	3,492,215
Sale		337,046	3,492,215
		674,092	6,984,430

25.2.4 The Group makes commitments to extend credit (including to related parties) in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facilities are unilaterally withdrawn except for Rs. 50,780.554 million (2025: Rs. 62,987.024 million) which are irrevocable in nature.

	Note	Unaudited June 30, 2026	Audited December 31, 2025
		----------Rupees in '000--------	
25.3 Other contingent liabilities			
Claims against the Group not acknowledged as debts	25.3.1	33,836,710	35,870,144

25.3.1 These mainly represent counter claims by borrowers for damages and other claims relating to banking transactions. Based on legal advice and / or internal assessments, management is confident that the matters will be decided in the Group's favour and the possibility of any adverse outcome is remote. Accordingly, no provision has been made in these consolidated condensed interim financial statements.

25.4 Taxation

For assessment year 1988-89 through tax year 2024, the tax department disputed Group's treatment on certain issues, where the Group's appeals are pending at various appellate forums, entailing an additional tax liability of Rs. 2,632.384 million (2025: Rs. 2,632.390 million). Such issues inter alia principally include disallowance of expenses for non-deduction of withholding tax and non availability of underlying records, provision for non performing loans, attribution of expenses to heads of income other than income from business and disallowance of credit for taxes paid in advance / deducted at source.

The Group has filed appeals which are pending at various appellate forums. In addition, certain decisions made in favour of the Group are being contested by the department at higher forums. No provision has been made in these consolidated condensed interim financial statements regarding the aforesaid additional tax demand and already issued favourable decisions where the department is in appeal, as the management is of the view that the issues will be decided in the Group's favour as and when these are taken up by the Appellate Authorities.

The tax authorities have also carried out monitoring for Sales tax and withholding taxes covering period from year ended 2018 to 2022. Consequently various add backs and arbitrary demands were raised creating a total demand of Rs. 3,412.883 million. The Group has filed appeals against all such demands and is confident that these would be decided in the favor of the Group.

25.5 Amortization of goodwill and other intangibles amounting to Rs 28.08 billion of Ex. NIB

Issue of goodwill and other related assets amortization for few years has been assessed in Holding company's favour at appellate forums, however, the tax department has filed appeal against these decisions. The management has not recorded any tax benefit because the issue has not attained finality.

26. DERIVATIVE INSTRUMENTS

	Unaudited June 30, 2026					
	Cross Currency Swaps		Interest Rate Swaps		FX Options	
	Notional Principal	Mark to market gain / loss	Notional Principal	Mark to market gain / loss	Notional Principal	Mark to market gain / loss
	----Rupees in '000----					
Total						
Hedging	-	-	-	-	337,046	141
Market Making	-	-	-	-	337,046	(141)
	Audited December 31, 2025					
	----Rupees in '000----					
Total						
Hedging	-	-	-	-	3,492,215	15,921
Market Making	-	-	-	-	3,492,215	(15,921)

		Note	Unaudited Half year ended June 30, 2026	Unaudited Half year ended June 30, 2025
			----------Rupees in '000--------	
27.	**MARK-UP / RETURN / INTEREST EARNED**			
	Loans and advances		46,888,824	50,043,801
	Investments		112,651,847	107,382,551
	Lendings to financial institutions		2,662,997	2,105,720
	Balances with banks		816,037	688,566
			163,019,705	160,220,638
27.1	Interest income recognised on:			
	Financial assets measured at amortised cost		52,269,246	55,309,637
	Financial assets measured at FVOCI		109,662,075	102,045,212
	Financial assets measured at FVTPL		1,088,384	2,865,789
			163,019,705	160,220,638
28.	**MARK-UP / RETURN / INTEREST EXPENSED**			
	Deposits		55,421,341	55,442,239
	Borrowings		23,139,098	24,598,980
	Cost of foreign currency swaps against foreign currency deposits / borrowings		858,579	116,895
	Finance charges on lease liability against right-of-use assets	20.1	1,244,511	1,106,557
			80,663,529	81,264,671
29.	**FEE & COMMISSION INCOME**			
	Branch banking customer fees		2,421,347	2,299,425
	Consumer finance related fees		499,224	398,778
	Card related fees (debit and credit cards)		5,342,331	4,643,141
	Credit related fees		223,237	344,168
	Investment banking fee		96,281	60,671
	Commission on trade		1,489,613	1,652,820
	Commission on guarantees		510,360	402,489
	Commission on cash management		597,778	570,190
	Commission on remittances including home remittances		249,967	(1,216,157)
	Commission on bancassurance		703,471	553,493
	Rent on lockers		145,966	151,540
	Commission on utility bills		54,213	48,627
	Commission on investments services		2,111,545	2,092,405
	Others		403,022	307,162
			14,848,355	12,308,752
30.	**GAIN / (LOSS) ON SECURITIES - NET**			
	Realised	30.1	671,203	(229,450)
	Unrealised - measured at FVTPL	10.1	(186,201)	103,999
			485,002	(125,451)
30.1	Realised gain / (loss) on:			
	Federal Government Securities		393,379	(154,231)
	Non Government Debt Securities		19,550	31,075
	Shares		258,274	(106,294)
			671,203	(229,450)
30.2	Realised gain / (loss) on:			
	Financial assets measured at FVTPL			
	Designated upon initial recognition		164,466	(248,483)
	Mandatorily measured at FVTPL		-	-
			164,466	(248,483)
	Financial assets measured at FVOCI		506,737	19,033
			506,737	19,033
			671,203	(229,450)

		Unaudited Half year ended June 30, 2026	Unaudited Half year ended June 30, 2025
		----------Rupees in '000--------	
31.	**OTHER INCOME**		
	Rent on property	38,019	63,618
	Gain on conversion of Ijarah agreements	1,641	4,395
	Gain on termination of lease liability against right of use assets	33,479	31,486
	Gain on sale of property and equipment - net	172,599	170,681
		245,738	270,180
32.	**OPERATING EXPENSES**		
	Total compensation expense	22,107,760	18,309,383
	Property expense		
	Rent and taxes	294,440	233,785
	Insurance	42,196	39,013
	Utilities cost	1,368,293	1,229,028
	Fuel expense generators	563,448	437,294
	Security (including guards)	1,420,832	1,404,090
	Repair and maintenance (including janitorial charges)	860,328	782,981
	Depreciation on right-of-use assets	1,452,064	1,278,988
	Depreciation	1,006,977	866,292
		7,008,578	6,271,471
	Information technology expenses		
	Software maintenance	1,578,594	1,326,584
	Hardware maintenance	227,210	233,334
	Depreciation	914,170	872,092
	Amortization	358,573	342,597
	Network charges	475,188	426,871
	Insurance	8,420	12,025
		3,562,155	3,213,503
	Other operating expenses		
	Directors' fees and allowances	28,520	30,520
	Remuneration to shariah board members	12,073	10,336
	Legal and professional charges	444,235	292,751
	Outsourced services costs	822,861	725,683
	Travelling and conveyance	480,281	383,721
	NIFT clearing charges	184,296	165,900
	Depreciation	1,034,730	801,824
	Depreciation on non-banking assets acquired in satisfaction of claims	6,283	8,221
	Training and development	120,604	63,721
	Postage and courier charges	175,311	187,868
	Communication	1,394,436	1,404,607
	Stationery and printing	685,523	653,478
	Marketing, advertisement & publicity	474,349	2,051,982
	Auditors' remuneration	59,304	62,931
	Cash transportation charges	714,143	669,295
	Repair and maintenance	516,753	472,575
	Subscription	50,659	46,023
	Entertainment	311,848	280,554
	Remittance charges	100,612	153,826
	Brokerage expenses	77,272	53,345
	Card related expenses	2,304,064	1,972,615
	CNIC verification charges	218,768	170,332
	Insurance	1,590,259	1,414,274
	Others	349,842	420,259
		12,157,026	12,496,641
		44,835,519	40,290,998

	Note	Unaudited Half year ended June 30, 2026	Unaudited Half year ended June 30, 2025
		----------Rupees in '000--------	
33. OTHER CHARGES			
Penalties of State Bank of Pakistan		1,364	22,520
VAT & National Building tax & Crop Insurance Levy		82,632	78,668
Education cess		95,579	62,200
		179,575	163,388
34. CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET			
(Reversal) / credit loss allowance against balance with other banks		(214,945)	132,702
Credit loss allowance against cash and balances with treasury banks		70,579	41,385
(Reversal) / credit loss allowance for diminution in value of investments	10.2	(64,805)	93,008
Credit loss allowance / (reversal) against loans and advances	11.3	1,132,320	(4,570,918)
(Reversal) / credit loss allowance against lendings to financial institutions		(300)	1,699
(Reversal) / credit loss allowance against off balance sheet items		(118,074)	269,266
(Reversal) / credit loss allowance against other assets	15.1.1	(254,317)	9,059
Recovery of written off / charged off bad debts		(202,424)	(130,988)
		348,034	(4,154,787)
35. TAXATION			
Current		30,430,553	30,442,890
Prior years		(294)	2,714,369
Deferred		(298,605)	(447,179)
Share of tax of associates		426,675	448,160
		30,558,329	33,158,240
36. BASIC AND DILUTED EARNINGS PER SHARE			
		----------Rupees in '000--------	
Profit after tax attributable to Equity Shareholders of the Bank		27,978,160	29,234,243
		----------Number--------	
Weighted average number of ordinary shares		1,185,060,006	1,185,060,006
		----------Rupees-------	
Basic and diluted earnings per share		23.61	24.67

37. FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified as amortised cost, is based on quoted market price. Quoted debt securities classified as amortised cost are carried at cost. The fair value of unquoted equity securities, other than investments in associates is determined on the basis of valuation methodologies.

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 absence of current and active market for such 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 financial liabilities are not significantly different from their carrying values since these are either short-term in nature or, in the case of customer loans and deposits, are frequently repriced.

37.1 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. Financial instruments included in Level 1 comprise of investments in listed ordinary shares.

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). Financial instruments included in Level 2 comprise of Sukuk Bonds, Pakistan Investment Bonds, Market Treasury Bills, Mutual Fund units, Term Finance certificates, FX options, Cross Currency Swaps, Interest Rate Swaps and Forward Exchange Contracts.

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs). Financial instruments included in Level 3 comprise of investments in unquoted equity investments.

37.2 Fair value of non-financial assets

Certain categories of property and equipment (land and buildings) and non banking assets acquired in satisfaction of claims are carried at revalued amounts determined by professional valuers based on their assessment of the market values. The valuations are conducted by the valuation experts appointed by the Bank which are also on the panel of the State Bank of Pakistan.

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

	Unaudited June 30, 2026				
	Carrying / Notional Value	Level 1	Level 2	Level 3	Total
	--Rupees in '000-------------------------------------				
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Federal Government Securities	2,069,861,712	-	2,069,861,712	-	2,069,861,712
Shares and units	75,009,534	67,521,200	17,677	7,470,657	75,009,534
Non-Government Debt Securities	10,519,289	-	10,519,289	-	10,519,289
Foreign Securities	45,863,998	-	45,863,998	-	45,863,998
Financial assets - disclosed but not measured at fair value					
Investments (amortized cost)	33,489,593	-	-	-	-
Non - Financial Assets measured at fair value					
Property and equipment (land and buildings)	78,747,440	-	78,747,440	-	78,747,440
Non-banking assets	1,540,905	-	1,540,905	-	1,540,905
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	330,124,333	-	2,006,772	-	2,006,772
Forward sale of foreign exchange	318,076,472	-	2,018,038	-	2,018,038
Derivatives purchase	337,046	-	141	-	141
Derivatives sale	337,046	-	141	-	141

	Audited December 31, 2025				
	Carrying / Notional Value	Level 1	Level 2	Level 3	Total
	----------Rupees in '000----------				
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Federal Government Securities	1,891,758,022	-	1,891,758,022	-	1,891,758,022
Shares and units	80,882,476	73,257,827	243,070	7,381,579	80,882,476
Non-Government Debt Securities	9,300,366	-	9,300,366	-	9,300,366
Foreign Securities	68,394,627	-	68,394,627	-	68,394,627
Financial assets - disclosed but not measured at fair value					
Investments (amortized cost)	35,638,384	-	-	-	-
Non - Financial Assets measured at fair value					
Property and equipment (land and buildings)	76,959,384	-	76,959,384	-	76,959,384
Non-banking assets	1,547,188	-	1,547,188	-	1,547,188
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	157,913,124	-	914,173	-	914,173
Forward sale of foreign exchange	157,235,279	-	777,927	-	777,927
Forward purchase of government securities	4,000,000	-	-	-	-
Derivatives purchase	3,492,215	-	15,921	-	15,921
Derivatives sale	3,492,215	-	15,921	-	15,921

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

37.5 Valuation techniques used in determination of fair valuation of financial instruments within Level 2 and Level 3

Item	Valuation approach and input used
Federal Government securities	The fair values of Treasury Bills and fixed rate Pakistan Investments Bonds are determined using the PKRV rates while floating rate Pakistan Investments Bonds are revalued using PKFRV rates. The fair values of foreign currency denominated GoP Eurobonds are determined on the basis of rates taken from Bloomberg.
Term Finance and Bonds	Investments in debt securities (comprising term finance certificates, sukuks, bonds and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.
Foreign Government Debt Securities	The fair values of Foreign Government debt securities are determined on the basis of rates taken from Bloomberg.
Foreign exchange contracts	The valuation has been determined by interpolating the mark-to-market currency rates announced by the State Bank of Pakistan.
Derivatives	The fair values of derivatives which are not quoted in active markets are determined by using valuation techniques. The valuation techniques take into account the relevant underlying parameters including foreign currency involved, interest rates, yield curves, volatilities, contracts duration etc.
Unquoted equity investments	The fair value of unquoted equity investments is determined using the discounted cash flow (DCF) method based on projected cash flows, where available. In the absence of reliable projections, a comparable market approach is applied using relevant P/B and P/E multiples of comparable listed companies. For entities with negative equity and sustained losses or negative cash flows, fair value is assessed at the lower of cost or break-up value.
Mutual Funds	Units of mutual funds are valued using the Net Asset Value (NAV) announced by the Mutual Funds Association of Pakistan (MUFAP).

Item	Valuation approach and input used
Property and equipment (land and building) & Non-banking assets acquired in satisfaction of claims	Land, buildings and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using valuation experts. The valuation experts used a market based approach to arrive at the fair value of the Group's properties. The market approach used prices and other relevant information generated by market transactions involving identical, 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.

The following table summarises the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements of investment in unquoted equity securities.

Description	Valuation technique	Unobservable inputs*	Discount rate	Relationship of unobservable inputs to fair value
Unquoted equity investments (Income approach)	DCF method	Discount rate	19.63%	Increase / decrease in discount rate by 1% with all other variables held constant, would decrease / increase the fair value by Rs. 386.910 million and Rs 473.460 million respectively.
		Terminal growth rate	4% - 13%	Increase / decrease in terminal growth factor rate by 1% with all other variables held constant, would increase / decrease the fair value by Rs. 358.119 million and Rs. 286.786 million respectively.
Unquoted equity investments (market approach)	Price to Earnings and Price to Book Value	Market multiple/ transaction price	Not applicable	Not applicable

* There were no significant inter-relationships between unobservable inputs that materially affect fair values

The following table shows reconciliation of investments Level 3 fair value movement:

	Unaudited June 30, 2026	Audited December 31, 2025
	---------Rupees in '000---------	
Opening balance	7,381,579	5,017,877
Remeasurement recognised in OCI / adjustments	89,078	2,363,702
Closing balance	7,470,657	7,381,579

38 SEGMENT INFORMATION

38.1 Segment details with respect to business activities

The segment analysis with respect to business activity is as follows:

	Unaudited Half Year ended June 30, 2026										
	Retail Banking	Consumer Banking	Corporate Banking	Treasury	International Banking	Islamic Banking	Asset Management	Others	Sub-total	Eliminations	Total
	Rupees in '000										
Statement of Profit & Loss Account											
Net mark-up / return / profit	(41,077,735)	3,543,580	26,115,895	82,571,186	4,135,997	6,681,235	39,407	346,611	82,356,176	-	82,356,176
Inter segment revenue - net	97,334,884	(2,353,750)	(21,558,279)	(77,889,487)	(243,856)	-	-	4,710,488	-	-	-
Non mark-up / return / interest income	7,411,911	1,717,480	4,563,586	3,233,931	1,474,009	1,359,417	2,279,994	961,807	23,002,135	-	23,002,135
Total Income	63,669,060	2,907,310	9,121,202	7,915,630	5,366,150	8,040,652	2,319,401	6,018,906	105,358,311	-	105,358,311
Segment direct expenses	24,953,779	1,600,685	827,447	378,829	1,902,536	6,558,726	1,219,807	8,735,123	46,176,932	-	46,176,932
Inter segment expense allocation	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	24,953,779	1,600,685	827,447	378,829	1,902,536	6,558,726	1,219,807	8,735,123	46,176,932	-	46,176,932
Credit loss allowance and write offs - net	37,552	59,576	1,492,885	-	673,409	(380,395)	-	(1,534,993)	348,034	-	348,034
Profit before tax	38,677,729	1,247,049	6,800,870	7,536,801	2,790,205	1,862,321	1,099,594	(1,181,224)	58,833,345	-	58,833,345
Statement of Financial Position	Unaudited June 30, 2026										
Cash & Bank balances	85,665,019	146,788	735,864	103,717,091	37,128,486	21,768,287	150,819	215,386	249,527,740	-	249,527,740
Investments	-	-	9,699,243	1,974,609,683	64,504,658	185,646,123	4,675,757	10,505,395	2,249,640,859	-	2,249,640,859
Net inter segment lending	2,009,830,434	-	-	-	-	-	-	338,516,274	2,348,346,708	(2,348,346,708)	-
Lendings to financial institutions	-	-	-	-	111,328,139	29,545,955	-	-	140,874,094	-	140,874,094
Advances - performing / underperforming	58,514,959	62,392,086	568,954,162	-	59,290,637	128,615,103	19,851	1,159,702	878,946,500	-	878,946,500
- non performing	129,367	137,185	2,427,379	-	8,973,691	153,976	-	626,383	12,447,981	-	12,447,981
Others	65,319,075	6,385,665	57,899,917	53,248,246	2,844,619	28,823,949	1,620,844	82,326,614	298,468,929	-	298,468,929
Total Assets	2,219,458,854	69,061,724	639,716,565	2,131,575,020	284,070,230	394,553,393	6,467,271	433,349,754	6,178,252,811	(2,348,346,708)	3,829,906,103
Borrowings	1,878,657	32,672	49,650,109	299,717,991	1,637,683	18,562,681	-	4,775,498	376,255,291	-	376,255,291
Deposits and other accounts	2,199,325,047	-	164,225,989	-	239,407,457	332,983,366	-	-	2,935,941,859	-	2,935,941,859
Net inter segment borrowing	-	58,381,761	393,373,039	1,828,998,625	34,513,969	28,642,753	4,436,561	-	2,348,346,708	(2,348,346,708)	-
Others	18,255,150	10,647,291	32,467,428	2,858,404	8,511,121	14,364,593	2,030,710	93,404,563	182,539,260	-	182,539,260
Total liabilities	2,219,458,854	69,061,724	639,716,565	2,131,575,020	284,070,230	394,553,393	6,467,271	98,180,061	5,843,083,118	(2,348,346,708)	3,494,736,410
Equity	-	-	-	-	-	-	-	335,169,693	335,169,693	-	335,169,693
Total Equity and liabilities	2,219,458,854	69,061,724	639,716,565	2,131,575,020	284,070,230	394,553,393	6,467,271	433,349,754	6,178,252,811	(2,348,346,708)	3,829,906,103
Contingencies and Commitments	102,831,886	-	441,374,245	598,777,529	16,119,231	123,939,400	-	36,326,202	1,319,368,493	-	1,319,368,493

	Unaudited Half Year ended June 30, 2025										
	Retail Banking	Consumer Banking	Corporate Banking	Treasury	International Banking	Islamic Banking	Asset Management	Others	Sub-total	Eliminations	Total
	Rupees in '000										
Statement of Profit & Loss Account											
Net mark-up / return / profit	(41,441,481)	3,280,795	28,711,070	76,710,489	4,085,386	7,271,216	10,253	328,239	78,955,967	-	78,955,967
Inter segment revenue - net	89,881,690	(1,892,495)	(23,706,131)	(69,485,662)	(144,424)	-	-	5,347,022	-	-	-
Non mark-up / return / interest income	7,324,439	1,681,401	3,397,518	3,664,724	1,191,931	822,614	2,091,823	959,885	21,134,335	-	21,134,335
Total Income	55,764,648	3,069,701	8,402,457	10,889,551	5,132,893	8,093,830	2,102,076	6,635,146	100,090,302	-	100,090,302
Segment direct expenses	21,191,302	1,425,536	2,412,910	421,292	1,597,767	5,633,375	726,680	8,287,977	41,696,839	-	41,696,839
Inter segment expense allocation	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	21,191,302	1,425,536	2,412,910	421,292	1,597,767	5,633,375	726,680	8,287,977	41,696,839	-	41,696,839
Credit loss allowance and write offs - net	1,440,961	57,338	(332,802)	(264,300)	(455,690)	131,870	-	(4,732,164)	(4,154,787)	-	(4,154,787)
Profit before tax	33,132,385	1,586,827	6,322,349	10,732,559	3,990,816	2,328,585	1,375,396	3,079,333	62,548,250	-	62,548,250
Statement of Financial Position	Audited December 31, 2025										
Cash & Bank balances	68,843,100	118,623	285,083	108,325,440	52,209,346	23,058,567	46,975	163,009	253,050,143	-	253,050,143
Investments	-	-	9,359,179	1,827,094,382	92,557,876	155,824,222	3,936,260	10,274,242	2,099,046,161	-	2,099,046,161
Net inter segment lending	1,760,188,077	-	-	-	-	-	-	369,219,890	2,129,407,967	(2,129,407,967)	-
Lendings to financial institutions	-	-	-	7,999,007	82,301,696	8,741,090	-	-	99,041,793	-	99,041,793
Advances - performing / underperforming	47,606,751	49,912,087	535,924,472	-	50,549,799	125,154,149	16,951	692,733	809,856,942	-	809,856,942
- non performing	127,017	160,553	746,315	-	9,669,918	235,361	-	915,527	11,854,691	-	11,854,691
Others	60,129,463	3,587,468	64,178,428	54,663,139	2,673,183	23,031,123	1,668,911	95,960,261	305,891,976	-	305,891,976
Total Assets	1,936,894,408	53,778,731	610,493,477	1,998,081,968	289,961,818	336,044,512	5,669,097	477,225,662	5,708,149,673	(2,129,407,967)	3,578,741,706
Borrowings	1,786,061	35,830	60,868,235	392,856,382	2,325,349	13,622,899	-	4,674,350	476,169,106	-	476,169,106
Deposits and other accounts	1,910,167,310	-	104,181,107	-	246,220,530	268,934,274	-	-	2,529,503,221	-	2,529,503,221
Net inter segment borrowing	-	45,539,151	403,770,695	1,603,127,602	36,510,089	36,458,100	4,002,330	-	2,129,407,967	(2,129,407,967)	-
Others	24,941,037	8,203,750	41,673,440	2,097,984	4,905,850	17,029,239	1,666,767	135,372,651	235,890,718	-	235,890,718
Total liabilities	1,936,894,408	53,778,731	610,493,477	1,998,081,968	289,961,818	336,044,512	5,669,097	140,047,001	5,370,971,012	(2,129,407,967)	3,241,563,045
Equity	-	-	-	-	-	-	-	337,178,661	337,178,661	-	337,178,661
Total Equity and liabilities	1,936,894,408	53,778,731	610,493,477	1,998,081,968	289,961,818	336,044,512	5,669,097	477,225,662	5,708,149,673	(2,129,407,967)	3,578,741,706
Contingencies and Commitments	101,275,094	-	460,776,721	274,125,646	22,491,394	114,857,021	-	37,742,678	1,011,268,554	-	1,011,268,554

38.2 Transactions between reportable segments are based on an appropriate transfer pricing mechanism using agreed rates. Furthermore, segment assets and liabilities include inter segment balances. Costs which are not allocated to segments are included in the Head office. Income taxes are managed at group level and are not allocated to operating segments.

39 RELATED PARTY TRANSACTIONS

The Group has related party relationship with its associates, employee benefit plans, its directors and key management personnel and their close family members.

The Groups 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 / officers is determined in accordance with the terms of their appointment.

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

	Un-Audited June 30, 2026				Audited December 31, 2025			
	Directors	Key Management Personnel and Shariah advisors	Associates	Other Related Parties	Directors	Key Management Personnel and Shariah advisors	Associates	Other Related Parties
	(Rupees in000)							
Balances with other banks								
In current accounts	-	-	-	3,404	-	-	-	-
In deposit accounts	-	-	-	-	-	-	-	-
	-	-	-	3,404	-	-	-	-
Investments								
Opening balance	-	-	13,072,286	1,367,493	-	-	10,568,425	1,367,493
Equity method adjustments	-	-	492,323	-	-	-	2,759,349	-
Investment made during the period / year	-	-	8,611,750	-	-	-	11,418,895	-
Investment disposed off during the period / year	-	-	(7,279,626)	-	-	-	(11,674,383)	-
Closing balance	-	-	14,896,733	1,367,493	-	-	13,072,286	1,367,493
Credit loss allowance for diminution in value of investments*	-	-	-	-	-	-	-	-
Advances								
Opening balance	13,582	295,850	-	4,329,232	20,707	461,038	-	6,946,631
Addition / exchange adjustment during the period / year	4,610	77,814	-	1,767,150	16,935	54,666	-	5,607,945
Repaid / exchange adjustment during the period / year	(8,816)	(36,163)	-	(2,162,789)	(24,060)	(72,511)	-	(8,225,344)
Transfer in / (out)	-	1,971	-	-	-	(147,343)	-	-
Closing balance	9,376	339,472	-	3,933,593	13,582	295,850	-	4,329,232
Credit loss allowance against advances*	(76)	(1,886)	-	(12,819)	(33)	(1,571)	-	(6,489)
Property and equipment								
Purchase of property and equipment	-	-	19,125	7,242	-	-	49,816	66,834
Other Assets								
Income / markup accrued	914	3,919	-	66,273	836	3,957	-	63,223
Advances, deposits, advance rent and other prepayments	-	-	1,048,237	127,192	-	-	902,030	27,589
Receivable from Pension Fund	-	-	-	18,235,333	-	-	-	17,312,255
	914	3,919	1,048,237	18,428,798	836	3,957	902,030	17,403,067
Credit loss allowance against other assets*	(1)	(6)	-	(23)	(13)	(55)	-	(234)

	Un-Audited June 30, 2026				Audited December 31, 2025			
	Directors	Key Management Personnel and Shariah advisors	Associates	Other Related Parties	Directors	Key Management Personnel and Shariah advisors	Associates	Other Related Parties
	(Rupees in000)							
Deposits and other accounts								
Opening balance	303,185	260,881	9,535,138	14,366,059	147,783	284,882	9,178,670	11,681,947
Received during the period / year	5,872,224	1,930,323	271,922,144	914,226,577	7,527,883	5,716,351	80,084,735	265,236,555
Withdrawn during the period / year	(5,864,113)	(1,043,128)	(263,499,601)	(814,486,727)	(7,372,481)	(6,038,762)	(79,728,267)	(259,874,063)
Transfer in / (out) - net	-	(32,610)	-	(8,116)	-	298,410	-	(2,678,380)
Closing balance	311,296	1,115,466	17,957,681	114,097,793	303,185	260,881	9,535,138	14,366,059
Other Liabilities								
Markup / return / interest payable	1,245	418	30,990	165,747	3,290	317	99,635	10,457
Accrued expenses and other payable	-	194	506,346	54,721	-	194	438,584	53,703
	1,245	612	537,336	220,468	3,290	511	538,219	64,160
Credit loss allowance against off-balance sheet obligations*	-	-	3,397	14,948	-	-	329	11,246
Contingencies and Commitments								
Letter of Credit	-	-	-	3,231,600	-	-	-	2,479,787
Bank guarantee	-	-	8,722,384	4,715,280	-	-	8,784,002	4,722,150
	-	-	8,722,384	7,946,880	-	-	8,784,002	7,201,937

	Un-Audited June 30, 2026				Un-Audited June 30, 2025			
	Directors	Key Management Personnel and Shariah advisors	Associates	Other Related Parties	Directors	Key Management Personnel and Shariah advisors	Associates	Other Related Parties
	----(Rupees in'000)----							
Income								
Markup / return / interest earned	1,137	10,875	-	147,894	337	9,083	-	154,448
Fee and commission income	-	181	676,992	40,383	-	-	673,435	54,144
Dividend Income	-	-	147,768	103,599	-	-	105,000	120,528
Net gain / (loss) on forward foreign exchange contracts matured during the period	-	-	-	18,827	-	-	-	27,353
Net gain / loss on sale of securities	-	-	8,452	30,449	-	11	2,192	(413)
Gain on sale of Property and equipment	-	252	-	-	-	142	-	-
Rent income and reimbursement of other expenses	-	10	5,540	21,176	-	24	19,835	6,412
Management fee and Advisory income	-	-	2,202,791	-	-	-	2,441,634	-
Expense								
Markup / return / interest expensed	9,161	6,858	404,758	2,240,813	6,982	11,563	189,558	367,859
Other Operating expenses								
Clearing expenses paid to NIFT	-	-	-	151,403	-	-	-	137,884
Contribution to provident fund	-	-	-	589,181	-	-	-	478,632
Rent expenses	-	-	70,483	43,971	-	-	49,902	31,513
Cash sorting expenses	-	-	-	67,372	-	-	-	72,012
Stationery expenses	-	-	-	181,586	-	-	-	242,513
Security guards expenses	-	-	-	3,362	-	-	-	2,914
Remuneration to key executives, shariah advisors and non-executive directors fee	141,683	1,355,193	-	-	93,623	1,024,257	-	-
Outsourcing service expenses	-	-	117,379	-	-	-	72,190	-
E-dividend processing fee and CDC charges	-	-	-	6,965	-	-	-	7,634
Travelling Expenses	-	-	-	54,629	-	-	-	62,372
Hotel stay expenses	-	-	-	11,578	-	-	-	4,036
Repair & Maintenance Charges	-	-	-	5,136	-	-	-	3,380
Utilities cost	-	-	8,116	113	-	-	13,961	955
Miscellaneous expenses and payments	-	-	-	2,925	-	-	-	3,762
Selling & Marketing	-	-	414	-	-	-	10,116	-
Sharia Fee Paid	-	-	3,100	-	-	-	1,459	-
Insurance premium-net of refund	-	-	684,657	150,804	-	-	615,756	238,742
Insurance claim settled	-	-	141,326	-	-	-	103,418	-
Other Transactions								
Proceeds from sale of Property and equipment	-	594	-	10	-	182	-	-
Sale of government securities	-	11,542	72,903,268	403,925,860	-	45,951	10,890,789	2,639,568
Purchase of government securities	-	1,894	58,119,114	433,356,253	-	70,307	1,385,322	318,795
Sale of foreign currency	-	3,510	220,992	-	-	-	-	-
Purchase of foreign currency	-	2,790	-	-	-	-	-	-
Forward exchange contracts matured during the period	-	-	-	2,220,937	-	-	-	3,844,874

*Represents credit loss allowance recognized against performing exposures on adoption of IFRS 9 .

The Chairman has been provided with free use of the Bank's maintained car. The Chief Executive and certain executives are provided with free use of the Bank's maintained cars and household equipment in accordance with the terms of their employment.

40 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

40.1 Capital Adequacy

	Unaudited June 30, 2026	Audited December 31, 2025
	----------Rupees in '000-------	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	11,850,600	11,850,600
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	243,066,066	236,783,465
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	243,066,066	236,783,465
Eligible Tier 2 Capital	77,408,954	86,689,405
Total Eligible Capital (Tier 1 + Tier 2)	320,475,020	323,472,870
Risk Weighted Assets (RWAs):		
Credit Risk	1,005,256,771	1,011,273,444
Market Risk	334,280,120	339,272,581
Operational Risk	380,423,662	380,423,662
Total	1,719,960,553	1,730,969,687
Common Equity Tier 1 Capital Adequacy ratio	14.13%	13.68%
Tier 1 Capital Adequacy Ratio	14.13%	13.68%
Total Capital Adequacy Ratio	18.63%	18.69%

The Group has not taken benefit allowed to banks to absorb the impact of IFRS 9 on regulatory capital.

	Unaudited June 30, 2026	Audited December 31, 2025
	----------Rupees in '000-------	
40.2 Leverage Ratio (LR):		
Eligible Tier-1 Capital	243,066,066	236,783,465
Total Exposures	4,531,796,463	4,337,042,211
Leverage Ratio	5.36%	5.46%
40.3 Liquidity Requirements		
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	1,862,953,627	1,675,952,526
Total Net Cash Outflow	834,945,837	674,887,672
Liquidity Coverage Ratio	223.12%	248.33%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	2,347,149,210	2,180,700,976
Total Required Stable Funding	1,424,009,224	1,350,322,708
Net Stable Funding Ratio	164.83%	161.49%

MCB
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41 EVENTS AFTER THE REPORTING DATE

The Board of Directors in its meeting held on August 06, 2026 has announced an interim cash dividend in respect of half year ended June 30, 2026 of Rs. 9.00 per share (June 30, 2025: Rs. 9.00 per share). These consolidated condensed interim financial statements for the period ended June 30, 2026 do not include the effect of these appropriations which will be accounted for subsequent to the period end.

42 GENERAL

Comparative information has been rearranged in these consolidated condensed interim financial statements for the purposes of better presentation.

Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

43 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue by the Board of Directors of the Bank in their meeting held on August 06, 2026.

Anjum Javed Chief Financial Officer	Muhammad Nauman Chughtai President / CEO	Main Umer Mansha Director	Shahzad Hussain Director	Muhammad Ali Zeb Director