PAKCHINA
INVESTMENT COMPANY LIMITED

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED 31 MARCH 2026

PAK CHINA
INVESTMENT COMPANY LIMITED

DIRECTORS REVIEW ON CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2026

We are pleased to present on behalf of the Board of Directors, the unaudited condensed interim financial statements of Pak China Investment Company Limited (PCICL) for the quarter ended 31 March 2026 together with the Directors' Review thereon.

PCICL's profit after tax stood at Rs. 381.47 million for the first quarter ended 31 March 2026 as compared to Rs. 811.48 million in the comparable quarter last year. It shows a decrease of 52.99%. Resultantly, earning per share has decreased from Re. 0.82 during last year's quarter to Re. 0.34 in current year's quarter. Operating profit during the current quarter was Rs. 552.77 million as compared to Rs. 794.61 million during last comparable quarter.

Net Interest Income in first quarter of 2026 decreased by Rs. 82.04 million, i.e. 9.66% as compared to first quarter of 2025 majorly because of reduction in policy rate from 13% to 10.50%. This quarter has witnessed a modest appreciation of PKR against USD which resulted in foreign exchange revaluation loss of Rs. 18.81 million, while in comparable quarter, depreciation of PKR against USD resulted in foreign exchange revaluation gain of Rs. 31.04 million. Gain on securities represents the unrealized gain arising from the fair value measurement of financial assets.

Operating expenses increased by Rs. 33.04 million compared to the first quarter of 2025, primarily due to annual salary increments and the inflationary increase in other operating costs. Provisions and write-offs – net reversal amounted to Rs. 70.85 million, as compared to reversal of Rs. 475.96 million in last year's first quarter.

Total assets increased by Rs. 4.31 billion as at 31 March 2026 compared to the balance as at 31 December 2025. The increase was primarily attributable to changes in the Company's financial position, mainly driven by an increase in investments and advances.

Finally, on behalf of the Board, I would like to express our gratitude to our shareholders, Ministry of Finance, Government of Pakistan and China Development Bank for their support and State Bank of Pakistan for professional guidance. The Board also wishes to place on record its appreciation of the hard work and dedication of the Management and staff of the Company.

On behalf of the Board of Directors

Song Zhenwen
Managing Director
Pak China Investment Co. Ltd.

Amjad Mahmood
Chairman Board of Directors
Pak China Investment Co. Ltd.

28 August 2026
Islamabad

PAK CHINA INVESTMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 31 MARCH 2026

	Note	(Unaudited) 31 March 2026	(Audited) 31 December 2025
		----------------Rupees----------------	
ASSETS			
Cash and balances with treasury banks	7	5,237,535,552	5,273,505,231
Balances with other banks	8	161,976,655	84,829,920
Lendings to financial institutions	9	2,675,082,930	2,707,063,072
Investments	10	17,245,888,237	14,430,885,792
Advances	11	30,950,685,969	29,530,929,461
Property and equipment	12	197,714,873	202,844,733
Right-of-use assets	13	50,633,060	58,304,779
Intangible assets	14	5,889,062	6,061,343
Deferred tax assets		-	-
Other assets	15	1,439,967,748	1,356,782,186
Total Assets		57,965,374,086	53,651,206,517
LIABILITIES			
Bills payable		-	-
Borrowings	16	27,672,754,179	21,548,301,843
Deposits and other accounts	17	1,007,978,082	2,595,037,656
Lease liabilities	18	44,870,984	43,087,599
Subordinated debt		-	-
Deferred tax liabilities	19	244,116,689	427,355,237
Other liabilities	20	600,707,884	399,956,793
Total Liabilities		29,570,427,818	25,013,739,128
NET ASSETS		28,394,946,268	28,637,467,389
REPRESENTED BY			
Share capital		11,136,400,000	11,136,400,000
Advance against issue of shares	21	906,797	906,797
Reserves		3,414,173,310	3,337,879,023
(Deficit)/Surplus on revaluation of assets	22	(18,062,467)	581,067,889
Unappropriated / Unremitted profit		13,861,528,628	13,581,213,680
		28,394,946,268	28,637,467,389

CONTINGENCIES AND COMMITMENTS 23

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

MANAGING DIRECTOR	CHIEF FINANCIAL OFFICER	CHAIRMAN	DIRECTOR	DIRECTOR

PAK CHINA INVESTMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE PERIOD ENDED 31 MARCH 2026

		For the quarter ended	
		31 March 2026	31 March 2025
	Note	---- **Rupees** ----	
Mark-up / Return / Interest earned	24	**1,430,323,650**	1,452,092,752
Mark-up / Return / Interest expensed	25	**(663,367,917)**	(603,095,689)
Net mark-up / interest income		**766,955,733**	848,997,063
NON MARK-UP / INTEREST INCOME			
Fee and commission income	26	**10,710,159**	12,771,088
Dividend income		**14,200,000**	24,675,000
Foreign exchange income / (loss)		**(18,813,076)**	31,040,185
Income / (Loss) from derivatives		**-**	-
Gain / (Loss) on securities	27	**7,384,891**	69,801,239
Net loss on derecognition of financial assets measured at amortised cost	28	**(6,977,139)**	(4,651,425)
Other income	29	**4,788,376**	4,414,266
Total non-markup / interest income		**11,293,211**	138,050,353
Total income		**778,248,944**	987,047,416
NON MARK-UP/INTEREST EXPENSES			
Operating expenses	30	**225,478,515**	192,441,110
Workers welfare fund		**-**	-
Other charges	31	**-**	-
Total non-markup / interest expenses		**225,478,515**	192,441,110
Profit before credit loss allowance		**552,770,429**	794,606,306
Credit loss allowance and write offs - net	32	**(70,849,952)**	(475,959,625)
PROFIT BEFORE TAXATION		**623,620,381**	1,270,565,931
Taxation	33	**242,148,946**	459,088,616
PROFIT AFTER TAXATION		**381,471,435**	811,477,315
Basic and diluted earnings per share	34	**0.34**	0.82

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

MANAGING DIRECTOR	CHIEF FINANCIAL OFFICER	CHAIRMAN	DIRECTOR	DIRECTOR

PAK CHINA INVESTMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD ENDED 31 MARCH 2026

	For the quarter ended	
	31 March 2026	31 March 2025
	---Rupees---	
Profit after taxation for the period	**381,471,435**	811,477,315
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Movement in (deficit) / surplus on revaluation of debt investments through FVOCI - net of tax	**(72,892,319)**	(182,738,156)
	(72,892,319)	(182,738,156)
Items that will not be reclassified to profit and loss account in subsequent periods:		
Movement in (deficit) / surplus on revaluation of Shares through FVOCI - net of tax	**(526,238,037)**	(27,551,956)
Remeasurement gain on defined benefit obligations - net of tax	**-**	-
	(526,238,037)	(27,551,956)
Total comprehensive income	**(217,658,921)**	601,187,202

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

MANAGING DIRECTOR	CHIEF FINANCIAL OFFICER	CHAIRMAN	DIRECTOR	DIRECTOR

PAK CHINA INVESTMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED 31 MARCH 2026

	Share Capital	Advance against issue of shares	Statutory reserve *	Surplus / (deficit) on revaluation of investments	Unappropriated profit	Total
Balance as at 01 January 2025	9,905,975,280	230,652,672	2,951,596,048	267,400,917	11,823,086,478	25,178,711,394
Impact of change in accounting policy						
Fair Valuation of Un-Listed equity securities Agritech	-	-	-	-	24,317,513	24,317,513
Fair Valuation of Un-Listed equity securities CDC	-	-	-	1,824,492	73,004,816	74,829,308
Fair Valuation of Un-Listed equity securities Deli	-	-	-	10,066,338	-	10,066,338
Fair Valuation of Un-Listed equity securities Khushali	-	-	-	(137,250,000)	137,250,000	-
Change in accounting policy as at January 01, 2025 - note 4.1.1				(125,359,170)	234,572,329	109,213,159
Adjusted balances as at 01 January 2025	9,905,975,280	230,652,672	2,951,596,048	142,041,747	12,057,658,807	25,287,924,553
Profit after taxation for the period ended 31 March 2025	-	-	-	-	811,477,315	811,477,315
Movement in deficit on revaluation of investments in debt instruments - net of tax	-	-	-	(182,738,156)	-	(182,738,156)
Movement in deficit on revaluation of investments in equity instruments - net of tax	-	-	-	(27,551,956)	-	(27,551,956)
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-
Total comprehensive income / (loss) - net of tax	-	-	-	(210,290,112)	-	(210,290,112)
Transfer to statutory reserve	-	-	162,295,463	-	(162,295,463)	-
Transaction with owners recognized directly in equity						
Advance against issue of shares	-	-	-	-	-	-
Balance as at 31 March 2025	9,905,975,280	230,652,672	3,113,891,511	(68,248,366)	12,706,840,659	25,889,111,755
Profit after taxation for the period ended 31 December 2025	-	-	-	-	1,119,937,561	1,119,937,561
Movement in deficit on revaluation of investments in debt instruments - net of tax	-	-	-	114,935,771	(24,317,513)	90,618,258
Movement in deficit on revaluation of investments in equity instruments - net of tax	-	-	-	534,380,484	-	534,380,484
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	2,740,485	2,740,485
Total comprehensive income - net of tax	-	-	-	649,316,255	(21,577,028)	627,739,227
Transfer to statutory reserve	-	-	223,987,512	-	(223,987,512)	-
Transaction with owners recognized directly in equity						
Advance against issue of shares	-	1,000,678,845	-	-	-	1,000,678,845
Issue of Share Capital	1,230,424,720	(1,230,424,720)				-
Balance as at 31 December 2025	11,136,400,000	906,797	3,337,879,023	581,067,889	13,581,213,680	28,637,467,389
Profit after taxation for the period ended 31 March 2026	-	-	-	-	381,471,435	381,471,435
Movement in deficit on revaluation of investments in debt instruments - net of tax	-	-	-	(72,892,319)	-	(72,892,319)
Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax	-	-	-	(526,238,037)	-	(526,238,037)
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-
Total comprehensive income - net of tax	-	-	-	(599,130,356)	-	(599,130,356)
Transfer to statutory reserve	-	-	76,294,287	-	(76,294,287)	-
Transaction with owners recorded directly in equity						
SECP Fee-Increase in Authorized Capital	-	-	-	-	(24,862,200)	(24,862,200)
	-	-	-	-	(24,862,200)	(24,862,200)
Balance as at 31 March 2026	11,136,400,000	906,797	3,414,173,310	- 18,062,467	13,861,528,628	28,394,946,268

* According to BPD Circular No. 15, dated 31 May 2004, issued by the SBP, an amount not less than 20% of the after tax profits shall be transferred to create a reserve fund, till such time the reserve fund equals the amount of the paid-up capital of the Company, and after that a sum not less than 5% of the profit after tax shall be credited to the said reserve.

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

MANAGING DIRECTOR | CHIEF FINANCIAL OFFICER | CHAIRMAN | DIRECTOR | DIRECTOR

PAK CHINA INVESTMENT COMPANY LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE PERIOD ENDED 31 MARCH 2026

	Note	For the quarter ended 31 March 2026	31 March 2025
		----------Rupees----------	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		623,620,381	1,270,565,931
Less: Dividend income		(14,200,000)	(24,675,000)
		609,420,381	1,245,890,931
Adjustments:			
Depreciation	30	6,074,786	5,810,802
Depreciation on right-of-use assets	30	7,671,724	10,368,050
Amortization	30	172,281	521,862
Credit loss allowance and write-offs	32	(68,918,576)	(537,922,620)
Loss on disposal of property and equipment		(20,968)	-
Finance charges on leased assets	25	1,783,385	2,988,218
Provision for gratuity		5,256,813	4,404,411
Unrealized loss on revaluation of 'FVTPL' securities	27	(7,384,891)	(483,713)
Exchange gain		18,813,076	(31,040,185)
		(36,552,370)	(545,353,175)
		572,868,011	700,537,756
(Increase) / Decrease in operating assets			
Lendings to financial institutions		31,980,142	2,009,199,000
Advances		(1,318,974,007)	1,780,660,858
Others assets (excluding advance taxation)		(227,472,603)	75,146,212
		(1,514,466,468)	3,865,006,070
Increase/ (Decrease) in operating liabilities			
Borrowings from financial institutions		7,834,528,277	(45,528,247,707)
Deposits		(1,587,059,574)	-
Others liabilities (excluding current taxation)		199,546,868	(1,021,423,406)
		6,447,015,571	(46,549,671,113)
Payments against off-balance sheet obligations			
Income tax paid		(101,969,721)	(73,791,499)
Contribution to plan assets		-	9,743,443
		(101,969,721)	(64,048,056)
Net cash flow (used in) / from operating activities		5,403,447,393	(42,048,175,343)
CASH FLOW FROM INVESTING ACTIVITIES			
Net Investments in securities classified as FVOCI		(3,593,329,274)	45,664,740,975
Dividends received		14,200,000	24,675,000
Investments in property and equipment		(944,929)	(13,098,267)
Disposal of property and equipment		-	999,064
Net cash flow from / (used in) investing activities		(3,580,074,203)	45,677,316,772
CASH FLOW FROM FINANCING ACTIVITIES			
Payments of lease obligations against right-of-use assets		-	-
Receipts/ Payments of long term liabilities		(1,745,278,559)	1,010,416,666
Issue of share capital		-	-
Advance for issue of share		-	-
Net cash flow from / (used in) financing activities		(1,745,278,559)	1,010,416,666
Effects of exchange rate changes on cash and cash equivalents		(18,813,076)	31,040,185
Increase in cash and cash equivalents		59,281,555	4,670,598,280
Cash and cash equivalents at beginning of the year		288,169,927	287,536,438
Cash and cash equivalents at end of the year		347,451,482	4,958,134,718

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

MANAGING DIRECTOR	CHIEF FINANCIAL OFFICER	CHAIRMAN	DIRECTOR	DIRECTOR

1 STATUS AND NATURE OF BUSINESS

Pak China Investment Company Limited (the Company) is a public limited company incorporated in Pakistan on July 27, 2007 under the Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017 on May 30, 2017). The registered office of the Company is situated at 13th Floor, Saudi Pak Tower, Blue Area, Islamabad. The Company is a 50:50 joint venture between the 'Government of People's Republic of China' and 'Government of Islamic Republic of Pakistan' through China Development Bank and Ministry of Finance, respectively. The Company's objectives include, inter alia, investment and financing in infrastructure projects, and in industrial, manufacturing, non-manufacturing and

The Company commenced business after obtaining the Certificate of Commencement of Business, from the Securities and Exchange Commission of Pakistan (SECP), on 02 November 2007, and the permission to commence business from the State Bank of Pakistan (SBP), on 10 January 2008.

2 BASIS OF PRESENTATION

These financial statements have been presented in accordance with the format prescribed by The Statebank of Pakistan (SBP) vide BPRD Circular letter No. 2 dated 09 February 2023.

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

2.1 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pak. Rupee, which is the Company's functional and presentation currency.

3 STATEMENT OF COMPLIANCE

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) 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).

3.1 Wherever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the directives issued by the SBP and the SECP differ with the requirements of IFRS and IFAS the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives, shall

3.2 The SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment property' for Banks and DFIs through BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. Further, the SECP, through S.R.O 411(1)/2008 dated April 28, 2008, has deferred the applicability of IFRS 7, Financial Instruments: Disclosures, to banks and DFIs.

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

3.3 Standards, interpretations of and amendments to the published accounting and reporting standards that are effective in the current year:

The International Accounting Standards Board (IASB) has issued new and amended standards, interpretations, and amendments effective for accounting periods beginning on or after January 1, 2023. The Company elected to early adopt IFRS 9 'Financial Instruments' and implement the new financial statement format effective January 1, 2023, with related impacts disclosed in note 5.1. Other applicable standards, amendments, and interpretations have been assessed as either not relevant to the Company's operations or having no significant effect, and therefore are not separately detailed in these financial statements.

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

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

- IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) with applicability date of January 01, 2027 by IASB. IFRS 18 when applicable shall impact the presentation of ‘Statement of Profit and Loss Account’ with certain additional disclosures in the unconsolidated financial statements.

- Amendments to IFRS 9 ‘Financial Instruments’ and IFRS 7 ‘Financial Instruments: Disclosures’ clarify the timing of recognition and derecognition of certain financial instruments including settlement of liabilities through banking instruments and channels including electronic transfers. Further, guidance on the SPPI assessment, and disclosure requirements for instruments with cash flow modifying features and equity instruments designated at FVOCI has also been amended. These amendments are effective from January 1, 2026. The amendment when applied may impact the accounting and presentation of the financial instruments.

4 MATERIAL ACCOUNTING POLICY

The material accounting policies applied in the preparation of these unconsolidated condensed interim

4.1 IFRS 9 - Financial Instruments

4.1.1 The Bank had adopted IFRS 9 effective from January 1, 2024 with modified retrospective approach for restatement permitted under IFRS 9. The cumulative impact of initial application was recorded as an adjustment to equity at the beginning of the previous accounting period

4.1.2 - The SBP in a separate instruction BPRD/RPD/822456/25 dated January 22, 2025 has allowed extension for application of Effective Interest Rate upto December 31, 2025. During the current period, the Bank has implemented SBP's instructions regarding application of effective interest rate.

4.1.3 - The SBP has directed the Banks through its BPRD Circular Letter No. 1 dated January 22, 2025 to continue the existing revenue recognition methodology for Islamic Operations, including the requirements of IFAS 1 and IFAS 2 until further instructions.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the financial statements in conformity with the accounting and reporting standards as appliacble in Pakistan requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires management to exercise judgments in application of its accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an on going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if their revision affects only that period, or in the period of revision and future periods if their revision affects both current and future periods. Material accounting estimates applied in the preparation of these financial statements are presented below:

(a) classification and valuation of investments;

(b) expected credit loss/ provision against advances;

(c) depreciation / amortisation of fixed assets and intangible assets;

(d) contingent assets and liabilities, provisions against off balance sheet obligations;

(e) Assumption and estimation in recognition of provision for current and deferred taxation; and

(f) accounting for defined benefit plan and compensated absences.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

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 of the Bank for the year ended December 31, 2025.

	Note	(Unaudited) 31 March 2026	(Audited) 31 December 2025
7 CASH AND BALANCES WITH TREASURY BANKS	**Note**	----------------Rupees----------------	
In hand			
Local currency		**75,000**	75,000
With State Bank of Pakistan in			
Local currency current account	**7.1**	**177,302,783**	193,000,633
With National Bank of Pakistan in			
Local currency current account		**7,988,689**	10,155,630
Foreign currency current account		**108,355**	108,743
Foreign currency deposit account	**7.2**	**5,052,060,725**	5,070,165,225
		5,237,535,552	5,273,505,231
Less: Credit loss allowance held against cash and balances with treasury banks		**-**	-
Cash and balances with treasury banks - net of credit loss allowance		**5,237,535,552**	5,273,505,231

7.1 This mainly represents the minimum cash reserve required to be maintained with SBP, in accordance with the requirements of DMMD Circular No. 21 dated 5 October 2012.

7.2 This mainly represents a foreign currency term deposit of USD 18,104,500 (2025: 18,104,500) carrying mark-up rate of 6.36% (2025: 6.36%) per annum and will mature on 24 June 2026. The related accrued interest on this TDR is also presented in Note 15.

	(Unaudited) 31 March 2026	(Audited) 31 December 2025
8 BALANCES WITH OTHER BANKS	----------------Rupees----------------	
In Pakistan		
In current account	**385,323**	386,702
In deposit account	**161,591,332**	84,443,219
	161,976,655	84,829,921
Less: Credit loss allowance held against balances with other banks	**-**	(1)
Balances with other banks - net of credit loss allowance	**161,976,655**	84,829,920

	(Unaudited) 31 March 2026	(Audited) 31 December 2025
	----------------Rupees----------------	
9 LENDINGS TO FINANCIAL INSTITUTIONS		
Reverse repo agreements	**2,675,082,930**	2,707,063,072
Less: Credit loss allowance held against lending to financial institutions	**-**	-
Lendings to financial institutions - net of credit loss allowance	**2,675,082,930**	2,707,063,072

PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED 31 MARCH 2026

10 INVESTMENTS

10.1 Investments by type

	Note	(Unaudited) 31 March 2026				(Audited) 31 December 2025			
		Cost / Amortized cost	**Credit loss allowance**	**Surplus / (Deficit)**	**Carrying Value**	Cost / Amortized cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value
		-----Rupees-----				-----Rupees-----			
FVTPL									
Shares		**502,872,150**	**-**	**(69,861,694)**	**433,010,456**	502,872,150	-	(77,246,585)	425,625,565
		502,872,150	**-**	**(69,861,694)**	**433,010,456**	502,872,150	-	(77,246,585)	425,625,565
FVOCI									
Federal Government securities		**9,142,084,556**	**-**	**(88,197,769)**	**9,053,886,787**	5,176,722,219	-	4,655,395	5,181,377,614
Shares		**1,798,163,240**	**-**	**4,010,531**	**1,802,173,771**	1,798,163,240	-	683,293,261	2,481,456,501
Non Government debt securities		**6,327,103,834**	**(402,369,700)**	**32,083,089**	**5,956,817,223**	6,456,128,651	(408,802,959)	58,885,238	6,106,210,930
		17,267,351,630	**(402,369,700)**	**(52,104,149)**	**16,812,877,781**	13,431,014,110	(408,802,959)	746,833,894	13,769,045,045
Amortized cost									
Non Government debt securities		**-**	**-**	**-**	**-**	236,219,046	(3,864)	-	236,215,182
Total Investments		**17,770,223,780**	**(402,369,700)**	**(121,965,843)**	**17,245,888,237**	14,170,105,306	(408,806,823)	669,587,309	14,430,885,792

10.1.1 Investments given as collateral

	-----Rupees-----	
T-Bills / Pakistan Investment Bonds	**2,200,000,000**	-

PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED 31 MARCH 2026

		31 March 2026	31 December 2025
		Rupees	
10.2	**Credit Loss Allowance / provision for dimunition in value of investments**		
	Opening Balance	**408,806,823**	438,234,272
	Charge for the period	**-**	65,378,961
	Reversals for the period	**(6,437,123)**	(94,806,410)
		(6,437,123)	(29,427,449)
	Closing Balance	**402,369,700**	408,806,823

			(Unaudited) 31 March 2026		(Audited) 31 December 2025	
			Rupees			
10.3	**Particulars of credit loss allowance against debt securities**		**Outstanding amount**	**Credit loss allowance held**	Outstanding amount	Credit loss allowance held
	Domestic					
	Performing	Stage 1	**5,932,563,334**	**7,829,200**	6,292,937,963	9,991,823
	Underperforming	Stage 2	**-**	**-**	-	-
	Non-performing	Stage 3	**-**	**-**	-	-
	Substandard		**-**	**-**	-	-
	Doubtful		**-**	**-**	-	-
	Loss		**394,540,500**	**394,540,500**	399,409,734	398,815,000
	Total		**6,327,103,834**	**402,369,700**	6,692,347,697	408,806,823

11 ADVANCES

	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	Performing		Non performing		Total	
	31 March 2026	31 December 2025	31 March 2026	31 December 2025	31 March 2026	31 December 2025
	Rupees					
Loans, cash credits, running finances, etc.	28,972,603,351	27,010,218,559	1,428,550,708	1,445,703,611	30,401,154,059	28,455,922,170
Islamic Financing and related assets	2,020,537,304	2,606,369,853	-	-	2,020,537,304	2,606,369,853
Advances - gross	30,993,140,655	29,616,588,412	1,428,550,708	1,445,703,611	32,421,691,363	31,062,292,023
Credit loss allowance against advances						
- Stage 1	10,244,960	15,088,152	-	-	10,244,960	15,088,152
- Stage 2	50,162,989	88,487,413	-	-	50,162,989	88,487,413
- Stage 3	-	-	1,410,597,445	1,427,786,997	1,410,597,445	1,427,786,997
	60,407,949	103,575,565	1,410,597,445	1,427,786,997	1,471,005,394	1,531,362,562
Advances - net of credit loss allowance	30,932,732,706	29,513,012,847	17,953,263	17,916,614	30,950,685,969	29,530,929,461

11.1 Particulars of advances (Gross)

	(Unaudited) 31 March 2026	(Audited) 31 December 2025
	Rupees	
In local currency	32,421,691,363	31,062,292,023

11.2 Advances include Rs.1,428 million (2025: Rs.1,491.3 million) which have been placed under non-performing / Stage 3 status as detailed below:-

		(Unaudited) 31 March 2026		(Audited) 31 December 2025	
		Non Performing Loans	**Credit loss allowance**	Non Performing Loans	Credit loss allowance
Category of Classification in stage 3		Rupees			
Domestic					
Other Assets Especially Mentioned (OAEM)	Stage 3			-	-
Substandard	Stage 3	**173,164,703**	**155,211,440**	173,210,978	155,294,364
Doubtful	Stage 3	**-**	**-**	-	-
Loss	Stage 3	**1,255,386,005**	**1,255,386,005**	1,272,492,633	1,272,492,633
		1,428,550,708	**1,410,597,445**	1,445,703,611	1,427,786,997

11.3 **Particulars of credit loss allowance against advances**

	(Unaudited) 31 March 2026				(Audited) 31 December 2025			
	Stage 1	**Stage 2**	**Stage 3**	Total	Stage 1	Stage 2	Stage 3	Total
	Rupees							
Opening balance	**15,088,152**	**88,487,413**	**1,427,786,997**	**1,531,362,562**	215,611,318	118,888,946	1,404,240,125	1,738,740,389
Charge for the period	**170,427**	**-**	**-**	**170,427**	1,616,472	12,856,302	186,819,155	201,291,929
Reversals	**(5,013,619)**	**(38,324,424)**	**(17,189,552)**	**(60,527,595)**	(202,139,638)	(43,257,835)	(163,272,283)	(408,669,756)
	(4,843,192)	**(38,324,424)**	**(17,189,552)**	**(60,357,168)**	(200,523,166)	(30,401,533)	23,546,872	(207,377,827)
Amounts written off	**-**	**-**	**-**	**-**	-	-	-	-
Closing balance	**10,244,960**	**50,162,989**	**1,410,597,445**	**1,471,005,394**	15,088,152	88,487,413	1,427,786,997	1,531,362,562

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11.4 Advances - Particulars of credit loss allowance

	(Unaudited) 31 March 2026				(Audited) 31 December 2025			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
	Rupees							
Opening Balance	**15,088,152**	**88,487,413**	**1,427,786,997**	**1,531,362,562**	215,611,318	118,888,946	1,404,240,125	1,738,740,389
Impact of IFRS 9	**-**	**-**	**-**	**-**	-	-	-	-
New Advances	**168,280**	**-**	**-**	**168,280**	1,616,470	-	-	1,616,470
Advances derecognised or repaid	**(4,350,057)**	**(8,497,965)**	**(17,189,552)**	**(30,037,574)**	(192,928,761)	(84,289,819)	(108,720,433)	(385,939,013)
Transfer to stage 1	**-**	**-**	**-**	**-**	-	-	-	-
Transfer to stage 2	**-**	**-**	**-**	**-**	-	84,377,795	(84,377,795)	-
Transfer to stage 3	**-**	**-**	**-**	**-**	-	(30,489,509)	30,489,509	-
	(4,181,777)	**(8,497,965)**	**(17,189,552)**	**(29,869,294)**	(191,312,291)	(30,401,533)	(162,608,719)	(384,322,543)
Amounts written off / charged off	**-**	**-**	**-**	**-**	-	-	-	-
Changes in risk parameters	**(661,415)**	**(29,826,459)**	**-**	**(30,487,874)**	(9,210,875)	-	60,687,174	51,476,299
Other Changes	**-**	**-**	**-**	**-**	-	-	125,468,417	125,468,417.00
Closing Balance	**10,244,960**	**50,162,989**	**1,410,597,445**	**1,471,005,394**	15,088,152	88,487,413	1,427,786,997	1,531,362,562
	-	**-**	**-**		-	-	-	-

11.5 Advances - Category of Classification

		(Unaudited) 31 March 2026		(Audited) 31 December 2025	
		Outstanding amount	**Credit loss allowance Held**	Outstanding amount	Credit loss allowance Held
		Rupees			
Domestic					
Performing	Stage 1	**30,371,242,329**	**10,244,960**	28,929,742,865	15,088,152
Underperforming	Stage 2	**621,898,326**	**50,162,989**	687,509,109	88,487,413
Non-performing	Stage 3				-
Other Assets especially mentioned		**-**	**-**		
Substandard		**173,164,703**	**155,211,440**	173,210,978	155,957,926
Doubtful		**-**	**-**	-	-
Loss		**1,255,386,005**	**1,255,386,005**	1,271,829,071	1,271,829,071
		32,421,691,363	**1,471,005,394**	31,062,292,023	1,531,362,562

		Note	(Unaudited) 31 March 2026	(Audited) 31 December 2025
12	**PRPOETRY AND EQUIPMENT**		-----------Rupees---------	
	Capital work-in-progress	12.1	**545,300**	922,249
	Property and equipment		**197,169,573**	201,922,484
			197,714,873	202,844,733
12.1	**Capital work-in-progress**			
	Advances to suppliers		**545,300**	922,249

		(Unaudited) 31 March 2026	(Unaudited) 31 March 2025
12.2	**Additions to property and equipment**	----------------Rupees----------------	
	The following additions have been made to Property and Equipment during the period:		
	Capital work-in-progress	-	-
	Property and equipment		
	Leasehold improvements	**580,748**	-
	Electrical office and computer equipment	**741,130**	13,098,267
		1,321,878	13,098,267
12.3	**Disposal of property and equipment**		
	The net book value of Property and Equipment disposed off during the period is as follows:		
	Property and equipment		
	Furniture and fixtures	-	-
	Computers and office equipment	-	-
		-	-

		(Unaudited) 31 March 2026 Building	(Audited) 31 December 2025 Building
13	**RIGHT-OF-USE ASSETS**	-----------Rupees---------	
	At 01 January		
	Cost	**317,481,395**	317,481,395
	Accumulated Depreciation	**(266,848,335)**	(259,176,616)
	Net Carrying amount at December 31	**50,633,060**	58,304,779
14	**INTANGIBLE ASSETS**		
	Advances to suppliers	**5,080,900**	5,080,900
	Computer Software	**808,162**	980,443
		5,889,062	6,061,343

		Note	(Unaudited) 31 March 2026	(Audited) 31 December 2025
			-----------Rupees-----------	
15	**OTHER ASSETS**			
	Income / mark-up accrued in local currency		**848,764,970**	713,294,798
	Income / mark-up accrued in foreign currency		**250,801,135**	171,084,275
	Advances, deposits, advance rent and other prepayments		**122,345,013**	118,734,712
	Receivable against fee, commission and advisory services		**37,866,610**	34,897,293
	Advance taxation (payments less provisions)		**52,131,162**	175,741,245
	Receivable from provident fund		**4,516,592**	12,001,592
	Deferred fair value loss on derecognition of financia	15.1	**151,171,352**	158,148,491
	Others		**90,915**	599,781
			1,467,687,749	1,384,502,187
	Less: Credit loss allowance held against other assets		**27,720,001**	27,720,001
	Other assets (Net of credit loss allowance)		**1,439,967,748**	1,356,782,186

15.1 As per the privatization initiative approved by the Government of Pakistan (GoP), a new public limited company, Pakistan International Airlines Holding Company Limited (PIAHCL), has been formed by GoP to succeed specified assets and liabilities of Pakistan International Airlines Corporation Limited (PIACL). In this regard, the Company recorded deferred fair value loss, at a benchmark rate corresponding to the tenor of the loan, arising from the restructuring of syndicated exposure to PIACL in accordance with the guidance issued by the SBP vide letter No. BPRD / BRD / PIAHCL / 733688 – 2024 dated August 01, 2024. The impact of deferred loss recognition during the period is disclosed in note 28.1 to these financial statements.

		(Unaudited) 31 March 2026	(Audited) 31 December 2025
16	**BORROWINGS**	-----------Rupees-----------	
	Secured		
	Borrowings from State Bank of Pakistan		
	Renewable Energy Power Projects (REPP)	**-**	-
	Long Term Finance Facility (LTFF)	**1,164,807,318**	1,203,134,228
	Temporary Economic Relief Facility (TERF)	**691,580,367**	731,876,801
		1,856,387,685	1,935,011,029
	Repurchase agreement borrowings	**1,994,810,400**	-
	Borrowing from financial institution		1,500,000,000
	Other borrowings	**12,576,157,012**	9,081,250,000
		14,570,967,412	10,581,250,000
	Total secured	**16,427,355,097**	12,516,261,029
	Unsecured		
	Borrowing from banks	**11,245,399,082**	9,032,040,814
		27,672,754,179	21,548,301,843

		Note	**31 March 2026 (Unaudited)**		
17	**DEPOSITS AND OTHER ACCOUNTS**		**-----------Rupees-----------**		
	Customers		**In Local Currency**	**In Foregin Currency**	**Total**
	- Term deposits		**1,007,978,082**	**-**	**1,007,978,082**
			31 December 2025 (Audited)		
			-----------Rupees-----------		
			In Local Currency	In Foreign Currency	Total
	- Term deposits	17.1	2,595,037,656		2,595,037,656

17.1 All the deposits are in local currency.

18 LEASE LIABILITIES

	(Unaudited) 31 March 2026	(Audited) 31 December 2025
	------Rupees------	
Outstanding amount at the start of the year	**43,087,599**	76,568,960
Additions during the year	**-**	-
Lease payments including interest	**-**	(45,600,246)
Interest expense	**1,783,385**	12,118,885
Outstanding amount at the end of the year	**44,870,984**	43,087,599

18.1 Contractual maturity of lease liabilities

Not later than one year	**44,870,984**	43,087,599
Later than one year and upto five years	**-**	-
Over five years	**-**	-
Total at the year end	**44,870,984**	43,087,599

19 DEFERRED TAX ASSETS / (LIABILITIES)

	(Unaudited) 31 March 2026	(Audited) 31 December 2025
	------Rupees------	
Deductible Temporary Differences on		
- Post retirement employee benefits	**1,687,322**	661,645
- Provision for diminution in the value of FVOCI	**-**	-
- Liabilities against assets subject to lease	**(2,247,210)**	(5,934,712)
- Credit loss allowance / provision against advances, off balance sheet etc.	**625,812,764**	653,444,244
- Revaluation of investments - FVOCI	**33,016,008**	(165,766,005)
- Effective interest rate and modification loss	**71,813,939**	73,982,202
- Capital Losses	**18,728,878**	18,728,878
	748,811,701	575,116,252
Taxable Temporary Differences		
- Accelerated tax depreciation	**9,269,160**	7,027,204
- Revaluation of investments - FVPL	**39,200,311**	40,521,166
-NET investment in leases	**(67,368,248)**	(68,653,147)
- Unrealized exchange gain	**(974,029,613)**	(981,366,712)
	(992,928,390)	(1,002,471,489)
	(244,116,689)	(427,355,237)

20 OTHER LIABILITIES

	Note	(Unaudited) 31 March 2026	(Audited) 31 December 2025
		------Rupees------	
Mark-up / Return / Interest payable in local currency		**463,506,197**	208,729,122
Accrued expenses		**58,389,420**	115,191,303
Unearned fee / commission		**889,278**	2,818,871
Current taxation (provisions less payments)		**-**	-
Withholding tax / sales tax payable		**15,747,071**	6,725,554
Payable to contribution benefit plan		**-**	-
Payable to defined benefit plan		**8,652,934**	3,393,049
Credit loss allowance against off-balance sheet obligations	**20.1**	**19,159,842**	23,215,503
Others		**34,363,142**	39,883,391
		600,707,884	399,956,793

20.1 Credit loss allowance against off-balance sheet obligations

Opening balance	**23,215,503**	48,341,383
Impact of IFRS 09	**-**	-
	23,215,503	48,341,383
Charge for the period	**4,133,618**	(25,125,880)
Reversals	**(8,189,279)**	-
	(4,055,661)	(25,125,880)
Amount written off	**-**	-
Closing balance	**19,159,842**	23,215,503

21 ADVANCE AGAINST ISSUE OF SHARES

This represents difference between amount received and shares issued to Ministry of Finance (MOF). The shares were issued in the ratio of 50:50 to both the sponsors. This amount will be adjusted against next tranche of equity injection.

		Note	(Unaudited) 31 March 2026	(Audited) 31 December 2025
			---Rupees---	
22	**SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS**			
	(Deficit) / surplus on revaluation of			
	- Securities measured at FVOCI - Debt	**10.1**	**(56,114,683)**	63,540,633
	- Securities measured at FVOCI - Equity	**10.1**	**4,010,531**	683,293,261
			(52,104,152)	746,833,894
	Deferred tax on (Deficit) / surplus on revaluation of:			
	- Securities measured at FVOCI - Debt		**21,982,151**	(24,780,846)
	- Securities measured at FVOCI - Equity		**12,059,534**	(140,985,159)
			34,041,685	(165,766,005)
			(18,062,467)	581,067,889
23	**CONTINGENCIES AND COMMITMENTS**			
	Guarantees	**23.1**	**5,451,916,953**	5,418,981,237
	Commitments	**23.2**	**7,337,114,001**	3,897,879,017
	Other contingent liability	**21.3**	**-**	-
			12,789,030,954	9,316,860,254
23.1	**Guarantees**			
	Financial guarantees		**5,451,916,953**	5,001,740,674
	Performance guarantees		**-**	-
			5,451,916,953	5,001,740,674
23.2	**Commitments**			
	Documentary credits and short term trade related transactions			
	Letters of credit		**-**	-
	Commitments in respect of:			
	Forward government securities transactions - Purchase		**1,998,847,400**	-
	Forward government securities transactions - Sale	**9**	**2,676,216,190**	996,719,000
	Non government debt securities transactions - Sale	**9.3**	**-**	1,711,946,873
	Commitments to extend credits	**23.2.1**	**2,661,030,411**	1,188,193,144
	Commitment for acquisition of fixed assets		**1,020,000**	1,020,000
			7,337,114,001	3,897,879,017

23.2.1 Commitments to extend credits

The Company makes commitments to extend credit in the normal course of its business, but these being revocable commitments, normally do not attract any significant penalty or expense if the facility is unilaterally withdrawn. As at reporting date, however, the Company's outstanding irrevocable commitments amounts to Rs. 2,661.03 million (2025: Rs. 1,188.2 million).

			(Unaudited)	
			For the quarter ended	
			31 March 2026	31 March 2025
24	**MARK-UP / RETURN / INTEREST EARNED**	**Note**	---------- Rupees ----------	
	Loans and advances		**860,471,887**	559,430,326
	Investments		**454,192,345**	732,620,950
	Lendings to financial institutions		**32,011,740**	50,921,574
	Balances with banks		**83,647,678**	109,119,902
			1,430,323,650	1,452,092,752
24.1	**Interest income (calculated using effective interest rate method) recognised on:**			
	Financial assets measured at amortised cost		**976,131,305**	719,471,802
	Financial assets measured at fair value through OCI		**454,192,345**	732,620,950
			1,430,323,650	1,452,092,752
25	**MARK-UP / RETURN / INTEREST EXPENSED**			
	Deposits		**52,242,419**	58,667,410
	Borrowings		**609,342,113**	541,440,061
	Lease liability		**1,783,385**	2,988,218
			663,367,917	603,095,689
25.1	Interest expense calculated using effective interest rate method		**663,367,917**	603,095,689
26	**FEE AND COMMISSION INCOME**			
	Credit related fee		**-**	623,211
	Investment banking fees		**-**	863,582
	Commission on trade		**197,377**	32,006
	Commission on guarantees		**10,512,782**	11,252,289
			10,710,159	12,771,088
27	**GAIN / (LOSS) ON SECURITIES**			
	Realized	**27.1**	**-**	69,317,526
	Unrealised - Measured at FVPL	**10.1**	**7,384,891**	483,713
			7,384,891	69,801,239
27.1	**Realized gain / (loss) on:**			
	Federal Government Securities		**-**	(39,338,491)
	Shares		**-**	108,656,017
			-	69,317,526
28	**NET LOSS ON DERECOGNITION OF FINANCIAL ASSETS MEASURED AT AMORTISED COST**			
	Loss on derecognition of financial assets measured at amortised cost	**28.1**	**(6,977,139)**	(4,651,425)
			(6,977,139)	(4,651,425)

28.1 This represents fair value loss arising from the restructuring of Pakistan International Airlines Corporation Limited (PIACL). The SBP through its Circular Letter No. BPRD / BRD / PIAHCL / 733688 – 2024 dated August 01, 2024 has allowed staggering of such fair value impact over a period of 06 years at rates 5%, 10%, 15%, 20%, 25% and 25% from year 01 to year 06. Accordingly, the Company has recognised proportionate amount of 3rd year’s 15% of loss in these unconsolidated financial statements.

		(Unaudited)	
		For the quarter ended	
		31 March 2026	31 March 2025
29	**OTHER INCOME**	---------- Rupees ----------	
	Rent on property	**4,767,408**	4,414,266
	Gain on sale of property and equipment - net	**20,968**	-
	Other income	**-**	-
		4,788,376	4,414,266

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		(Unaudited) For the quarter ended	
		31 March 2026	31 March 2025
		---------- Rupees ----------	
30	**OPERATING EXPENSES**		
	Total Compensation expense	**159,035,583**	140,670,160
	Property expense		
	Rent and taxes	**5,275,230**	634,760
	Insurance	**33,762**	15,564
	Utilities cost	**2,380,934**	2,186,846
	Security	**2,228,161**	2,108,151
	Repair and maintenance	**1,348,669**	1,344,680
	Depreciation	**8,039,236**	10,735,553
		19,305,992	17,025,554
	Information technology expenses		
	Software maintenance	**694,490**	637,380
	Hardware maintenance	**34,400**	49,805
	Amortization	**172,281**	521,862
	Depreciation	**3,011,590**	2,449,953
	Network charges	**261,705**	274,790
		4,174,466	3,933,790
	Other operating expenses		
	Directors' fees and allowances	**-**	2,000,000
	Legal and professional charges	**2,561,663**	1,313,725
	Outsourced services costs	**4,522,446**	3,409,426
	Travelling and conveyance	**11,233,734**	8,826,063
	Insurance	**1,867,794**	1,664,074
	Repair and maintenance	**3,336,526**	633,670
	Depreciation	**2,695,684**	2,993,346
	Training and development	**230,000**	250,250
	Utilities	**-**	-
	Communication	**1,417,016**	941,263
	Stationery and printing	**888,970**	525,488
	Marketing, advertisement and publicity	**5,902,140**	2,431,028
	Auditors remuneration	**1,377,036**	1,030,517
	Bank charges	**55,522**	121,382
	Entertainment	**4,245,998**	2,357,887
	Donations	**-**	-
	Loss on sale of fixed assets	**-**	-
	Others	**2,627,945**	2,313,487
		42,962,474	30,811,606
		225,478,515	192,441,110
31	**OTHER CHARGES**		
	Penalties imposed by Securities and exchange commission of Pakistan	**-**	-
		-	-

			(Unaudited) For the quarter ended	
			31 March 2026	31 March 2025
32	**CREDIT LOSS ALLOWANCE & WRITE OFFS - NET**	**Note**	---------- Rupees ----------	
	Impairment loss on investments	**10.2**	**-**	-
	Credit loss allowance for diminution in value of investments - net	**10.2**	**(6,437,123)**	(78,301,255)
	Credit loss allowance against loans & advances - net	**11.3**	**(60,357,165)**	(270,237,477)
	Other credit loss allowance - net	**7, 15 & 19.1**	**(4,055,664)**	(127,420,893)
			(70,849,952)	(475,959,625)
33	**TAXATION**			
	Current		**225,579,804**	281,589,457
	Prior period		**-**	-
	Deferred		**16,569,142**	177,499,159
			242,148,946	459,088,616
34	**BASIC EARNINGS PER SHARE**			
	Profit for the period		**381,471,435**	811,477,315
	Weighted average number of ordinary shares		**1,113,640,000**	990,597,528
	Basic earnings per share - Rupees		**0.34**	0.82

35 DILUTED EARNINGS PER SHARE

Diluted earning per share has not been separately presented as the Company does not have convertible instruments in issue.

36	**CASH AND CASH EQUIVALENTS**			
	Cash and balance with treasury banks	**7**	**185,474,827**	153,936,033
	Balance with other banks		**161,976,655**	4,804,198,685
			347,451,482	4,958,134,718

35 FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified under held to collect model, is based on quoted market price. Quoted securities classified under held to collect model are carried at amortized cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits, cash & bank balances and borrowings can not be calculated with sufficient reliability due to the absence of current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

35.1 Fair value of financial assets

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

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

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

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

35.2 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 categorized:

	(Unaudited) 31 March 2026				
	Carrying value	**Level 1**	**Level 2**	**Level 3**	**Total**
On balance sheet financial instruments		-------------------------Rupees-------------------------			
Financial assets - measured at fair value					
Investments					
Federal Government Securities	**9,053,886,787**	**-**	**9,053,886,787**	**-**	**9,053,886,787**
Shares	**1,802,173,771**	**1,199,008,995**	**-**	**603,164,776**	**1,802,173,771**
Preference Shares	**433,010,456**	**387,450,000**	**-**	**45,560,456**	**433,010,456**
Non-Government Debt Securities	**5,956,817,223**	**-**	**5,956,817,223**	**-**	**5,956,817,223**
	17,245,888,237	**1,586,458,995**	**15,010,704,010**	**648,725,232**	**17,245,888,237**
Financial assets - disclosed but not measured at fair value					
Shares	**-**	**-**	**-**	**-**	**-**
Non-Government Debt Securities	**-**	**-**	**-**	**-**	**-**
	-	**-**	**-**	**-**	**-**
	17,245,888,237	**1,586,458,995**	**15,010,704,010**	**648,725,232**	**17,245,888,237**
Off-balance sheet financial instruments - measured at fair value					
Forward government securities transactions - purchase	**1,998,847,400**	**-**	**1,998,847,400**	**-**	**1,998,847,400**
Forward government securities transactions - sale	**2,676,216,190**	**-**	**2,676,216,190**	**-**	**2,676,216,190**

	(Audited) 31 December 2025				
	Carrying value	Level 1	Level 2	Level 3	Total
		------------Rupees------------			
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Federal Government Securities	5,181,377,614	3,003,900,000	2,177,477,614	-	5,181,377,614
Shares	2,481,456,501	1,882,668,534	-	598,787,967	2,481,456,501
Preference Shares	425,625,565	378,000,000	-	47,625,565	425,625,565
Non-Government Debt Securities	6,106,210,930	3,846,531,353	2,259,679,577		6,106,210,930
	14,194,670,610	9,111,099,887	4,437,157,191	646,413,532	14,194,670,610
Financial assets - disclosed but not measured at fair value					
Shares	236,215,182	-	-	-	-
Non-Government Debt Securities	-	-	-	-	-
	236,215,182	-	-	-	-
	14,430,885,792	9,111,099,887	4,437,157,191	646,413,532	14,194,670,610
Off-balance sheet financial instruments - measured at fair value					
Forward government securities transactions - purchase	-	-	-	-	-
Forward government securities transactions - sale	-	-	-	1,711,948,873	1,711,948,873

35.3 Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable willing parties in an arms length transaction. Fair value of the financial instrument is based on:

Federal Government Securities	PKRV rates (Reuters page)
Listed Securities	Market Prices
Non-Government Debt Securities	MUFAP

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36 SEGMENT INFORMATION

36.1 Segment Details with respect to Business Activities

	(Unaudited) 31 March 2026				
	Corporate banking & SME group	Investment Banking group	Treasury	Head Office	Total
Profit & Loss	----------------------Rupees----------------------				
Net mark-up / return / profit	544,034,045	114,568,449	21,321,864	87,031,375	766,955,733
Inter segment revenue - net	(453,474,149)	(114,939,748)	(1,767,380)	570,181,277	-
Non mark-up income	10,710,159	21,584,891	-	(21,001,839)	11,293,211
Total Income	101,270,055	21,213,592	19,554,484	636,210,813	778,248,944
Segment direct expenses	(27,221,573)	(10,498,114)	(12,961,330)	(174,797,498)	(225,478,515)
Provisions / Impairment	11,473,351	59,376,601	-	0	70,849,952
Profit before tax	85,521,834	70,092,079	6,593,154	461,413,315	623,620,381

	(Unaudited) 31 March 2026				
	Corporate banking & SME group	Investment Banking group	Treasury	Head Office	Total
Balance Sheet	----------------------Rupees----------------------				
Cash & Bank balances	-	-	2,675,082,930	5,399,512,207	8,074,595,137
Investments	5,468,436,303	2,698,855,630	9,053,886,787	24,709,517	17,245,888,237
Advances					
Performing	26,192,515,470	4,636,841,135	-	163,784,050	30,993,140,655
Credit loss allowance	676,556,606	(736,942,442)	-	(22,113)	(60,407,949)
	26,869,072,076	3,899,898,693	-	163,761,937	30,932,732,706
Non-performing	1,427,887,144	-	-	663,564	1,428,550,708
Credit loss allowance	(1,409,933,881)	-	-	(663,564)	(1,410,597,445)
	17,953,263	-	-	-	17,953,263
Others	682,841,745	276,799,455	151,429,084	583,134,459	1,694,204,743
Total Assets	33,038,303,387	6,875,553,778	11,880,398,801	6,171,118,120	57,965,374,086
Borrowings	15,229,897,800	1,296,000,000	11,146,856,379	0	27,672,754,179
Deposits	1,007,978,082	-	-	-	1,007,978,082
Others	163,998,386	33,641,111	295,368,723	396,687,337	889,695,557
Total liabilities	16,401,874,268	1,329,641,111	11,442,225,102	396,687,337	29,570,427,818
Equity	-	-	-	28,394,946,268	28,394,946,268
Total Equity & liabilities	16,401,874,268	1,329,641,111	11,442,225,102	28,791,633,605	57,965,374,086
Contingencies & Commitments	8,112,947,364	-	4,675,063,590	1,020,000	12,789,030,954

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	(Unaudited)				
	31 March 2025				
	Corporate banking & SME group	Investment Banking group	Treasury	Head Office	Total
Profit & Loss	----------------------Rupees----------------------				
Net mark-up / return / profit	427,452,522	92,993,284	159,045,873	169,505,384	848,997,063
Inter segment revenue - net	(440,703,382)	(73,174,511)	(79,990,714)	593,868,607	-
Non mark-up income	11,284,295	125,682,810	(39,338,491)	40,421,739	138,050,353
Total Income	(1,966,565)	145,501,583	39,716,668	803,795,730	987,047,416
Segment direct expenses	(17,707,776)	(8,439,958)	(10,616,790)	(155,676,586)	(192,441,110)
Provisions	162,514,432	149,225,127	(30)	164,220,096	475,959,625
Profit before tax	142,840,091	286,286,753	29,099,848	812,339,240	1,270,565,931

	(Audited)				
	31 December 2025				
	Corporate banking & SME group	Investment Banking group	Treasury	Head Office	Total
Balance Sheet	----------------------Rupees----------------------				
Cash & Bank balances	-	-	2,707,063,072	5,358,335,151	8,065,398,223
Investments	5,876,386,486	3,237,004,353	5,181,377,614	136,117,339	14,430,885,792
Advances					
Performing	29,465,556,574	-	-	151,031,838	29,616,588,412
General provision	(103,555,176)	-	-	(20,389)	(103,575,565)
	29,362,001,398	-	-	151,011,449	29,513,012,847
Non-Performing	1,445,040,047	-	-	663,564	1,445,703,611
Specific provision	(1,427,123,433)	-	-	(663,564)	(1,427,786,997)
	17,916,614	-	-	-	17,916,614
Others	650,638,888	259,211,123	70,220,845	643,922,185	1,623,993,041
Total Assets	35,906,943,386	3,496,215,476	7,958,661,531	6,289,386,124	53,651,206,517
Borrowings	14,736,026,497	1,146,000,000	5,666,275,346	-	21,548,301,843
Deposits	2,595,037,656	-	-	-	2,595,037,656
Others	124,893,150	12,367,363	114,889,409	618,249,707	870,399,629
Total liabilities	17,455,957,303	1,158,367,363	5,781,164,755	618,249,707	25,013,739,128
Equity	-	-	-	28,637,468,389	28,637,468,389
Total Equity & liabilities	17,455,957,303	1,158,367,363	5,781,164,755	29,255,718,096	53,651,207,517
Contingencies & Commitments	6,607,174,381	-	2,708,665,873	1,020,000	9,316,860,254

37 RELATED PARTY TRANSACTIONS

The Company has related party relationships with shareholders and entities in which its shareholders have any interest, key management personnel, directors and employees' funds. The Government of Pakistan (Ministry of Finance) is a related party of the Company; therefore all government authorities, agencies, affiliates and other organizations ("state-controlled entities") are related parties of the Company. Significant transactions with these state-controlled entities have been separately disclosed, in aggregate. Other entities which for its business acquisition or provision of services relies / depends to a greater extent on the Company / DFI i.e. major portion (50% or more) of its business (upstream or downstream) is also a related party.

Banking transactions with the related parties are executed substantially on the same terms, including mark-up rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties and do not involve more than normal risk (i.e. under the comparable uncontrolled price method) other than those under terms of employment.

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

		31 March 2026 (Unaudited)			31 December 2025 (Audited)		
		Directors	**Key management personnel**	**Other related parties**	Directors	Key management personnel	Other related parties
				---------------------Rupees---------------------			
Lendings to financial institutions							
Opening balance		**-**	**-**	**996,100,000**	-	-	
Addition during the period		**-**	**-**	**22,308,191,657**	-	-	30,704,849,093
Repaid during the period		**-**	**-**	**(20,629,208,727)**	-	-	(29,708,749,093)
Closing balance		**-**	**-**	**2,675,082,930**	-	-	996,100,000
Investments							
Opening balance		**-**	**-**	**2,003,108,315**	-	-	1,313,144,784
Investment made during the period		**-**	**-**	**-**	-	-	-
Investment redeemed / disposed off during the period		**-**	**-**	**-**	-	-	-
Transfer in / (out) - net		**-**	**-**	**-**	-	-	-
Revaluation / impairment impact		**-**	**-**	**(683,659,539)**	-	-	689,963,531
Closing balance	**37.1**	**-**	**-**	**1,319,448,776**	-	-	2,003,108,315
Advances							
Opening balance		**-**	**74,702,206**	**78,947,369**	-	75,107,172	184,210,525
Addition during the period / year		**-**	**1,737,781**	**-**	-	11,765,463	-
Transferred to other assets		**-**	**-**	**-**	-	-	-
Repaid during the period / year		**-**	**(2,491,133)**	**(26,315,789)**		(12,170,429)	(105,263,156)
Closing balance		**-**	**73,948,854**	**52,631,580**	-	74,702,206	78,947,369
Credit loss allowance held against advances		**-**	**156**	**3,132,246**	-	(289)	10,628,382

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	31 March 2026 (Unaudited)			31 December 2025 (Audited)		
	Directors	Key management personnel	Other related parties	Directors	Key management personnel	Other related parties
			---Rupees---			
Other Assets						
Deferred Employees Benefits						
Opening balance	-	37,492,833	-	-	41,876,762	-
Transferred from advances	-	-	-	-	-	-
Addition during the period / year	-	182,561	-	-	1,899,716	-
Repaid during the period / year	-	-			-	
Amortized during the period / year	-	(1,449,876)	-	-	(6,283,645)	-
Closing balance	-	36,225,518	-	-	37,492,833	-
Interest / mark-up accrued	-	-	1,588,559	-	-	1,012,456
Receivable from staff contributed fund	-	-	4,516,592	-	-	14,454,844
Receivable from staff retirement fund		-	-	-	-	-
Other receivable	-	1,096	2,988,372	-	6,243	2,988,372
	-	1,096	9,093,523	-	6,243	18,455,672
Borrowings						
Opening balance	-	-	-	-	-	-
Borrowings during the period	-	-	6,132,084,338	-	-	3,124,773,785
Settled during the period	-	-	(6,132,084,338)	-	-	(3,124,773,785)
Closing balance	-	-	-	-	-	-
Deposits						
Opening balance	-	-	-	-	-	274,951,256
Received during the period / year	-	-	-	-	-	55,130,432
Withdrawn during the period / year	-	-	-	-	-	(330,081,688)
Closing balance	-	-	-	-	-	-
Other Liabilities						
Interest / mark-up payable	-	-	-	-	-	-
Payable to staff contribution fund	-	-	(1,860,609)	-	-	(614,948)
Payable to staff retirement fund	-	-	8,652,934	-	-	3,393,049
Other liabilities	-	3,142,600	45,758,362	345,095	31,138,275	44,853,164
	-	3,142,600	52,550,687	345,095	31,138,275	47,631,265

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	31 March 2026 (Unaudited)			31 March 2025 (Unaudited)		
	Directors	**Key management personnel**	**Other related parties**	Directors	Key management personnel	Other related parties
			---------------------Rupees---------------------			
Income						
Mark-up / return / interest earned	**-**	**2,481,824**	**93,153,624**	-	2,528,568	11,632,681
Fee Received	**-**	**-**	**-**	-	-	1,136,793
Dividend Received	**-**	**-**	**-**	-	-	-
Expense						
Mark-up / return / interest paid	**-**	**-**	**8,384,909**	-	-	13,231,655
Operating expenses						
Charge for defined benefit plan	**100,590**	**1,946,196**	**3,210,027**	430,557	1,667,316	2,306,538
Charge for contribution plan	**583,637**	**913,404**	**2,244,000**	554,670	1,178,607	1,587,022
Salaries	**9,630,008**	**15,071,220**	**-**	9,152,040	18,564,487	-
Bonus expense	**4,282,620**	**8,750,012**	**-**	3,565,536	10,413,952	-
Overseas allowances	**3,433,555**	**-**	**-**	2,144,670	-	-
Leave fair assistance & Encashment	**-**	**4,491,103**	**-**	-	1,425,715	-
Tax borne by employer	**13,061,130**	**-**	**-**	14,645,378	6,828,801	-
Others	**5,883,840**	**7,672,685**	**904,659**	3,148,840	7,485,766	941,904
Depreciation expense on lease hold building	**-**	**-**	**7,671,719**	674,081	674,081	7,671,719
CDC charges paid	**-**	**-**	**-**	-	-	-

The Federal Government through Ministry of Finance holds controlling interest (50% shareholding) in the Company and therefore entities which are owned and / or controlled by the Federal Government, or where the Federal Government may exercise significant influence, are related parties of the Company. The Company in the ordinary course of business enters into transaction with Government related entities. Such transactions include deposits to, investments,lendings, loan and advances and provision of other banking services. As at reporting date, the deposits, loans and advances, investments, lendings and borrowings relating to Government related entities amounted to Rs. 5,060 Million (2025:Rs. 5,080 million), Rs. 901.7 million (2025: 901.7 million), Rs. 251.59 (2025: 251.59 million) Rs. Nil (2025: nil) respectively, and income earned on deposits, advances, investment and lendings and interest expense on borrowings amounted to Rs. Nil (2025: nil), Rs. 29.59 million (2025: 118.2 million), Rs. 133.7 million (2025: 33.4 million) and Rs. 1.02 million (2025: Nil) respectively.

37.1 This includes an equity investment of Rs. 1,199.00 million (2025: Rs. 1,882.69 million) representing 5% (2025: 5%) interest in Pakistan Stock Exchange (PSX) acquired through participation in the consortium under the Consortium Agreement (CA) dated March 02, 2017. Pursuant to CA the director of the Company is serving on the board of PSX as a nominee of the consortium. This also includes an equity investment of Rs. 120.43 million (2025: Rs. 120.43 million) representing a 9.5% (2025: 9.5%) interest in Deli-JW Glassware Company Limited, which is related to the Company by virtue of common directorship.

		Unaudited	(Audited)
38	**CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS**	**31 March 2026**	31 December 2025
38.1	**Minimum Capital Requirement (MCR):**	**---------Rupees---------**	
	Paid-up capital (net of losses)	**11,136,400,000**	11,136,400,000
38.2	**Capital Adequacy Ratio (CAR):**		
	Eligible Common Equity Tier 1 (CET 1) Capital	**27,718,867,301**	27,426,277,768
	Eligible Tier 2 Capital	**-**	219,870,682
	Total Eligible Capital (Tier 1 + Tier 2)	**27,718,867,301**	27,646,148,450
	Risk Weighted Assets (RWAs):		
	Credit Risk	**32,307,514,242**	31,219,591,716
	Market Risk	**7,029,008,319**	6,556,618,732
	Operational Risk	**8,323,631,928**	8,323,631,928
	Total	**47,660,154,489**	46,099,842,375
	Common Equity Tier 1 Capital Adequacy ratio	**58.16%**	59.49%
	Tier 1 Capital Adequacy Ratio	**58.16%**	59.49%
	Total Capital Adequacy Ratio	**58.16%**	59.97%
38.3	**Other information:**		
	Minimum capital requirements prescribed by the SBP		
	CET1 minimum ratio (%)	**6.00%**	6.00%
	Tier 1 minimum ratio (%)	**7.50%**	7.50%
	Total capital minimum ratio (%)	**10.00%**	10.00%
	Capital Conservation Buffer (CCB)	**1.50%**	1.50%
	Total capital plus CCB minimum ratio (%)	**11.50%**	11.50%
38.4	**Leverage Ratio (LR):**		
	Eligible Tier-1 Capital	**27,718,867,301**	27,426,277,768
	Total Exposures	**62,665,219,288**	53,679,102,699
	Leverage Ratio	**44.23%**	51.09%
	Minimum Requirement	**3.00%**	3.00%
38.5	**Liquidity Coverage Ratio (LCR):**		
	Total High Quality Liquid Assets	**17,858,907,336**	12,077,495,566
	Total Net Cash Outflow	**670,766,172**	2,529,928,623
	Liquidity Coverage Ratio	**2662.46%**	477.38%
38.6	**Net Stable Funding Ratio (NSFR):**		
	Total Available Stable Funding	**36,846,861,732**	35,744,509,661
	Total Required Stable Funding	**29,209,771,511**	27,400,304,590
	Net Stable Funding Ratio	**126.15%**	130.45%
	Minimum Requirement	**100.00%**	100.00%

The SBP, vide BPRD Circular No.08 dated 23 June 2016 has set the minimum Net Stable Funding Ratio Requirement (NSFR) for Banks / DFIs at 100%.

***** The link to the full disclosure is available at https://pakchinainvest.com/uploads/files/car2026/car-march-26.pdf

41 GENERAL

41.1 Events after the reporting date

There are no adjusting events after the date of statement of financial position that may have an impact on the financial statements.

41.2 Captions, as prescribed by BPRD Circular No. 2, issued by the SBP, for which there are no amounts, have not been reproduced in these financial statements except for the statement of financial position and profit and loss account.

41.3 Figures have been rounded off to the nearest Rupee, unless otherwise stated.

41.4 The credit rating company limited has issued a long term credit rating of AAA, and the short term rating of A1+, for the Company.

42 DATE OF AUTHORIZATION

These financial statements were authorized for issue in the Board of Directors meeting held on ____________________.

28 AUG 2026

MANAGING DIRECTOR	CHIEF FINANCIAL OFFICER	CHAIRMAN	DIRECTOR	DIRECTOR