PAK CHINA INVESTMENT COMPANY LIMITED
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED
JUNE 30, 2026

PAK CHINA
INVESTMENT COMPANY LIMITED

DIRECTORS' REVIEW ON CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 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 half year ended 30 June 2026 together with the Directors' Review thereon.

Profit after tax of PCICL came to Rs. 765.27 million for the half year ended 30 June 2026 as compared to Rs. 1,299.53 million in the first half of prior year, showing a decrease of 41.15%. Earning per share has decreased from Rs. 1.17 during last year's first half to Re. 0.69 in current year's first half. Operating profit (profit before provisions and tax) during the current half year has touched Rs. 1.17 billion as compared to Rs. 1.52 billion during the first half of last year.

Net Interest Income in half year of 2026 decreased by Rs. 56.55 million, i.e. 3.47% as compared to half year of 2025 majorly because of reduction in policy rate from 13% to 10.5%. This half-year has witnessed appreciation of PKR against USD which resulted in foreign exchange revaluation loss of Rs. 37 million, while in comparable half-year, depreciation of PKR against USD resulted in foreign exchange revaluation gain of Rs. 94.58 million. Gain on securities represents the unrealized gain arising from the fair value measurement of financial assets.

Operating expenses increased by Rs. 20.61 million compared to the corresponding period in 2025, primarily attributable to higher rental and fuel expenses, along with the overall impact of inflation on operating costs. Provisions and write-offs – net reversal amounted to Rs. 82.32 million, as compared to reversal of Rs. 507.68 million in last year's first half.

Total assets have increased by Rs. 8.95 billion as of 30 June 2026 as 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.

During the period ended 30 June 2026, VIS Credit Rating Company has reaffirmed the entity ratings of the Company as long term AAA and short term A-1+, highest in both categories. The medium to long term rating of AAA denotes highest credit quality, with negligible risk factors, being only slightly more than risk-free debt of Government of Pakistan. The outlook on the assigned rating is Stable.

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

Grant Thornton

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of
Pak China Investment Company Limited
Report on Review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Pak China Investment Company Limited** (the Company), as at June 30, 2026, and the related condensed interim statement of profit and loss account, the condensed interim statement of comprehensive income, the condensed interim statement of changes in equity, and the condensed interim cash flow statement, and notes to the financial statements for the six-month period 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 is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matters

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 company. Accordingly, the figures of the condensed interim statement of profit and loss account and condensed interim statement of comprehensive income for the three months period ended June 30, 2026, have not been reviewed by us.

The engagement partner on the engagement resulting in this independent auditors' review report is Hassaan Riaz.

Grant Thornton Anjum
Grant Thornton Anjum Rahman
Chartered Accountants
Islamabad
Date: August 28, 2026
UDIN: RR2026101648q1HdjYte

PAK CHINA INVESTMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 30 JUNE 2026

	Note	(Unaudited) 30 June 2026	(Audited) 31 December 2025
		----------------Rupees----------------	
ASSETS			
Cash and balances with treasury banks	7	5,400,407,624	5,273,505,231
Balances with other banks	8	674,747,468	84,829,920
Lendings to financial institutions	9	-	2,707,063,072
Investments	10	22,702,915,351	14,430,885,792
Advances	11	32,364,712,709	29,530,929,461
Property and equipment	12	195,461,671	202,844,733
Right-of-use assets	13	42,876,099	58,304,779
Intangible assets	14	5,715,402	6,061,343
Other assets	15	1,215,787,386	1,356,782,186
Total Assets		62,602,623,710	53,651,206,517
LIABILITIES			
Bills payable		-	-
Borrowings	16	30,804,705,676	21,548,301,843
Deposits and other accounts	17	1,109,512,838	2,595,037,656
Lease liabilities	18	46,674,185	43,087,599
Subordinated debt		-	-
Deferred tax liabilities	19	476,011,170	427,355,237
Other liabilities	20	620,259,221	399,956,793
Total Liabilities		33,057,163,089	25,013,739,128
NET ASSETS		29,545,460,621	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		3,490,932,083	3,337,879,023
Surplus on revaluation of assets	22	748,658,019	581,067,889
Unappropriated / Unremitted profit		14,168,563,722	13,581,213,680
		29,545,460,621	28,637,467,389

CONTINGENCIES AND COMMITMENTS 23

The annexed notes 1 to 41 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 30 JUNE 2026

	Note	For the quarter ended		For the half year ended	
		30 June 2026	30 June 2025	**30 June 2026**	30 June 2025
		----- Rupees -----		----- Rupees -----	
Mark-up / Return / Interest earned	24	**1,576,852,377**	1,185,224,600	**3,007,176,027**	2,637,317,352
Mark-up / Return / Interest expensed	25	**(770,201,359)**	(404,065,132)	**(1,433,569,276)**	(1,007,160,821)
Net mark-up / interest income		**806,651,018**	781,159,468	**1,573,606,751**	1,630,156,531
NON MARK-UP / INTEREST INCOME					
Fee and commission income	26	**16,492,527**	16,010,604	**27,202,686**	28,781,692
Dividend income		**9,000,000**	-	**23,200,000**	24,675,000
Foreign exchange income / (loss)		**(18,191,780)**	63,543,307	**(37,004,856)**	94,583,492
Income / (Loss) from derivatives		**-**	-	**-**	-
Gain / (Loss) on securities	27	**6,675,346**	78,120,000	**14,060,237**	147,921,239
Net loss on derecognition of financial assets measured at amortised cost	28	**(6,977,139)**	(4,651,425)	**(13,954,278)**	(9,302,850)
Other income	29	**4,767,408**	6,031,410	**9,555,784**	10,445,676
Total non-markup / interest income		**11,766,362**	159,053,896	**23,059,573**	297,104,249
Total income		**818,417,380**	940,213,364	**1,596,666,324**	1,927,260,780
NON MARK-UP/INTEREST EXPENSES					
Operating expenses	30	**203,744,641**	216,176,537	**429,223,156**	408,617,647
Workers welfare fund		**-**	-	**-**	-
Other charges	31	**-**	-	**-**	-
Total non-markup / interest expenses		**203,744,641**	216,176,537	**429,223,156**	408,617,647
Profit before credit loss allowance		**614,672,739**	724,036,827	**1,167,443,168**	1,518,643,133
Credit loss allowance and write offs - net	31	**(11,469,000)**	(31,725,370)	**(82,318,952)**	(507,684,995)
PROFIT BEFORE TAXATION		**626,141,739**	755,762,197	**1,249,762,120**	2,026,328,128
Taxation	32	**242,347,870**	267,714,203	**484,496,818**	726,802,819
PROFIT AFTER TAXATION		**383,793,869**	488,047,994	**765,265,302**	1,299,525,309
Basic and diluted earnings per share	33	**0.34**	0.44	**0.69**	1.17

The annexed notes 1 to 41 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 30 JUNE 2026

	For the quarter ended		For the half year ended	
	30 June 2026	30 June 2025	30 June 2026	30 June 2025
	-----Rupees-----		-----Rupees-----	
Profit after taxation for the period	**383,793,869**	488,047,994	**765,265,302**	1,299,525,309
Other comprehensive income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in surplus / (deficit) on revaluation of debt investments through FVOCI - net of tax	**21,871,641**	39,341,743	**(51,020,678)**	(143,396,413)
	21,871,641	39,341,743	**(51,020,678)**	(143,396,413)
Items that will not be reclassified to profit and loss account in subsequent periods:				
Movement in surplus / (deficit) on revaluation of Shares through FVOCI - net of tax	**769,827,269**	57,312,136	**218,610,808**	29,760,180
Remeasurement gain on defined benefit obligations - net of tax	**-**	-	**-**	-
	769,827,269	57,312,136	**218,610,808**	29,760,180
Total comprehensive income	**1,175,492,779**	584,701,873	**932,855,432**	1,185,889,076

The annexed notes 1 to 41 form an integral part of these financial st

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 30 JUNE 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	267,400,916	11,823,086,478	25,178,711,394
Impact of measurement of unquoted securities at fair value	-	-	-	(125,359,171)	234,572,329	109,213,156
Balance as at 01 January 2025 - as restated	9,905,975,280	230,652,672	2,951,596,048	142,041,745	12,057,658,807	25,287,924,551
Profit after taxation for the period ended 30 June 2025	-	-	-	-	1,299,525,309	1,299,525,309
Movement in deficit on revaluation of investments in debt instruments - net of tax	-	-	-	(143,396,413)	-	(143,396,413)
Movement in deficit on revaluation of investments in equity instruments - net of tax	-	-	-	29,760,180	-	29,760,180
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-
Total comprehensive income / (loss) - net of tax	-	-	-	(113,636,234)	-	(113,636,233)
Transfer to statutory reserve	-	-	259,905,062	-	(259,905,062)	-
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)	-	-	-	-
	1,230,424,720	(229,745,875)	-	-	-	1,000,678,845
Balance as at 30 June 2025	**11,136,400,000**	**906,797**	**3,211,501,110**	**28,405,511**	**13,097,279,054**	**27,474,492,472**
Profit after taxation for the period ended 31 December 2025	-	-	-	-	631,889,567	631,889,567
Movement in deficit on revaluation of investments in debt instruments - net of tax	-	-	-	75,594,028	(24,317,513)	51,276,515
Movement in deficit on revaluation of investments in equity instruments - net of tax	-	-	-	477,068,350	-	477,068,350
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	2,740,485	2,740,485
Total comprehensive income - net of tax	-	-	-	552,662,378	(21,577,028)	531,085,350
Transfer to statutory reserve	-	-	126,377,913	-	(126,377,913)	-
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 30 June 2026	-	-	-	-	765,265,302	765,265,302
Movement in deficit on revaluation of investments in debt instruments - net of tax	-	-	-	(51,020,678)	-	(51,020,678)
Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax	-	-	-	218,610,808	-	218,610,808
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-
Total comprehensive income - net of tax	-	-	-	167,590,130	-	167,590,130
Transfer to statutory reserve	-	-	153,053,060	-	(153,053,060)	-
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 30 June 2026	**11,136,400,000**	**906,797**	**3,490,932,083**	**748,658,019**	**14,168,563,722**	**29,545,460,621**

* 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 41 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 30 JUNE 2026

	Note	For the half year ended 30 June 2026	30 June 2025
		---------------Rupees---------------	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		1,249,762,120	2,026,328,128
Less: Dividend income		(23,200,000)	(24,675,000)
		1,226,562,120	2,001,653,128
Adjustments:			
Depreciation	30	12,247,328	11,704,539
Depreciation on right-of-use assets	30	15,428,685	22,390,488
Amortization	30	345,941	1,049,522
Credit loss allowance and write-offs	31	(82,318,952)	(568,927,170)
Loss on disposal of property and equipment		(20,968)	(947,976)
Finance charges on leased assets	25	3,586,586	7,017,107
Provision for gratuity		10,513,626	8,808,822
Unrealized loss on revaluation of 'FVTPL' securities	27	(13,852,260)	(78,603,713)
Exchange gain		37,004,856	(94,583,492)
		(17,065,158)	(692,091,873)
		1,209,496,962	1,309,561,255
(Increase) / Decrease in operating assets			
Lendings to financial institutions		2,707,063,072	2,009,199,000
Advances		(2,689,821,223)	(2,349,121,050)
Others assets (excluding advance taxation)		63,211,658	341,595,932
		80,453,507	1,673,882
Increase/ (Decrease) in operating liabilities			
Borrowings from financial institutions		15,580,276,661	(36,443,541,026)
Deposits		(1,485,524,818)	(1,919,440,823)
Others liabilities (excluding current taxation)		218,343,444	(941,124,455)
		14,313,095,287	(39,304,106,304)
Payments against off-balance sheet obligations			
Income tax paid		(405,883,826)	(496,800,967)
Contribution to plan assets		-	9,743,443
		(405,883,826)	(487,057,524)
Net cash flow (used in) / from operating activities		15,197,161,929	(38,479,928,691)
CASH FLOW FROM INVESTING ACTIVITIES			
Net Investments in securities classified as FVOCI		(8,292,885,457)	37,537,391,791
Dividends received		23,200,000	24,675,000
Investments in property and equipment		(5,099,121)	(18,882,994)
Disposal of property and equipment		255,819	999,064
Net cash flow from / (used in) investing activities		(8,274,528,759)	37,544,182,861
CASH FLOW FROM FINANCING ACTIVITIES			
Payments of lease obligations against right-of-use assets		-	(18,600,000)
Receipts/ Payments of long term liabilities		(6,393,250,000)	(208,916,667)
Issue of share capital		-	1,230,424,720
Advance for issue of share		-	(229,745,875)
Net cash flow from / (used in) financing activities		(6,393,250,000)	773,162,178
Effects of exchange rate changes on cash and cash equivalents		(37,004,856)	94,583,492
Increase in cash and cash equivalents		492,378,315	(68,000,160)
Cash and cash equivalents at beginning of the year		288,169,927	287,508,411
Cash and cash equivalents at end of the year	35	780,548,242	219,508,251

The annexed notes 1 to 41 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 financial sectors.

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 prevail.

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 financial statements are consistent with those applied in the preparation of the annual audited unconsolidated financial statements of the Bank for the year ended December 31, 2025 except as disclosed below.

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.

		(Unaudited)	(Audited)
		30 June 2026	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	**98,149,133**	193,000,633
With National Bank of Pakistan in			
Local currency current account		**7,482,335**	10,155,630
Foreign currency current account		**94,306**	108,743
Foreign currency deposit account	7.2	**5,294,606,850**	5,070,165,225
		5,400,407,624	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		**5,400,407,624**	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 19,038,500 (2025: USD 18,104,500) carrying mark-up rate of 6.01% (2025: 6.36%) per annum and will mature on 24 June 2027. The related accrued interest on this TDR is presented in Note 15.

	(Unaudited)	(Audited)
	30 June 2026	31 December 2025
8 BALANCES WITH OTHER BANKS	----------------Rupees----------------	
In Pakistan		
In current account	**384,012**	386,702
In deposit account	**674,363,456**	84,443,219
	674,747,468	84,829,921
Less: Credit loss allowance held against balances with other banks	-	(1)
Balances with other banks - net of credit loss allowance	**674,747,468**	84,829,920

9 LENDINGS TO FINANCIAL INSTITUTIONS		
Reverse repo agreements	-	2,707,063,072
Less: Credit loss allowance held against lending to financial institutions	-	-
Lendings to financial institutions - net of credit loss allowance	-	2,707,063,072

PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED 30 JUNE 2026

10 INVESTMENTS

10.1 Investments by type

	(Unaudited) 30 June 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	548,625,261	-	(63,394,325)	485,230,936	502,872,150	-	(77,246,585)	425,625,565
	548,625,261	-	(63,394,325)	485,230,936	502,872,150	-	(77,246,585)	425,625,565
FVOCI								
Federal Government securities	8,419,585,523	-	(60,094,449)	8,359,491,074	5,176,722,219	-	4,655,395	5,181,377,614
Shares	1,798,163,240	-	968,395,650	2,766,558,890	1,798,163,240	-	683,293,261	2,481,456,501
Non Government debt securities	10,742,231,291	(398,980,180)	39,994,628	10,383,245,739	6,456,128,651	(408,802,959)	58,885,238	6,106,210,930
	20,959,980,054	(398,980,180)	948,295,829	21,509,295,703	13,431,014,110	(408,802,959)	746,833,894	13,769,045,045
Amortized cost								
Non Government debt securities	708,393,067	(4,355)	-	708,388,712	236,219,046	(3,864)	-	236,215,182
Total Investments	22,216,998,382	(398,984,535)	884,901,504	22,702,915,351	14,170,105,306	(408,806,823)	669,587,309	14,430,885,792

10.1.1 Investments given as collateral

	(Unaudited) 30 June 2026	(Audited) 31 December 2025
	Rupees	
T-Bills / Pakistan Investment Bonds	1,160,000,000	-

10.2 Credit Loss Allowance / provision for dimunition in value of investments

	30 June 2026	31 December 2025
	Rupees	
Opening Balance	**408,806,823**	438,234,272
Charge / Reversal		
Charge for the period	**197,540**	65,378,961
Reversals for the period	**(10,019,828)**	(94,806,410)
	(9,822,288)	(29,427,449)
Closing Balance	**398,984,535**	408,806,823

10.3 Particulars of credit loss allowance against debt securities

		(Unaudited) 30 June 2026		(Audited) 31 December 2025	
		Rupees			
		Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
Domestic					
Performing	Stage 1	**11,060,358,358**	**8,718,535**	6,292,937,963	9,991,823
Underperforming	Stage 2	-	-	-	-
Non-performing	Stage 3	-	-	-	-
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		**390,266,000**	**390,266,000**	399,409,734	398,815,000
Total		**11,450,624,358**	**398,984,535**	6,692,347,697	408,806,823

11 ADVANCES

	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	Performing		Non performing		Total	
	30 June 2026	31 December 2025	30 June 2026	31 December 2025	30 June 2026	31 December 2025
	Rupees					
Loans, cash credits, running finances, etc.	29,923,013,521	27,010,218,559	1,406,862,321	1,445,703,611	31,329,875,842	28,455,922,170
Islamic Financing and related assets	2,501,613,024	2,606,369,853	-	-	2,501,613,024	2,606,369,853
Advances - gross	32,424,626,545	29,616,588,412	1,406,862,321	1,445,703,611	33,831,488,866	31,062,292,023
Credit loss allowance against advances						
- Stage 1	11,941,150	15,088,152	-	-	11,941,150	15,088,152
- Stage 2	47,972,686	88,487,413	-	-	47,972,686	88,487,413
- Stage 3	-	-	1,406,862,321	1,427,786,997	1,406,862,321	1,427,786,997
	59,913,836	103,575,565	1,406,862,321	1,427,786,997	1,466,776,157	1,531,362,562
Advances - net of credit loss allowance	32,364,712,709	29,513,012,847	-	17,916,614	32,364,712,709	29,530,929,461

11.1 Particulars of advances (Gross)

	(Unaudited) 30 June 2026	(Audited) 31 December 2025
	Rupees	
In local currency	33,831,488,866	31,062,292,023

11.2 Advances include Rs.1,406.8 million (2025: Rs.1,445.7 million) which have been placed under non-performing / Stage 3 status as detailed below:-

		(Unaudited)		(Audited)	
		30 June 2026		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	-	-	173,210,978	155,957,926
Doubtful	Stage 3	**174,232,948**	**174,232,948**	-	-
Loss	Stage 3	**1,232,629,373**	**1,232,629,373**	1,272,492,633	1,271,829,071
		1,406,862,321	**1,406,862,321**	1,445,703,611	1,427,786,997

11.3 Particulars of credit loss allowance against advances

	(Unaudited)				(Audited)			
	30 June 2026				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	**1,438,653**	**-**	**18,275,020**	**19,713,673**	1,616,472	12,856,302	186,819,155	201,291,929
Reversals	**(4,585,655)**	**(40,514,727)**	**(39,199,696)**	**(84,300,078)**	(202,139,638)	(43,257,835)	(163,272,283)	(408,669,756)
	(3,147,002)	**(40,514,727)**	**(20,924,676)**	**(64,586,405)**	(200,523,166)	(30,401,533)	23,546,872	(207,377,827)
Amounts written off	**-**	**-**	**-**	**-**	-	-	-	-
Closing balance	**11,941,150**	**47,972,686**	**1,406,862,321**	**1,466,776,157**	15,088,152	88,487,413	1,427,786,997	1,531,362,562

	(Unaudited) 30 June 2026				(Audited) 31 December 2025			
11.4 Advances - Particulars of credit loss allowance	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
	Rupees							
11.4.1 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
New Advances	**999,844**	**-**	**-**	**999,844**	1,616,470	-	-	1,616,470
Advances derecognised or repaid	**(4,146,846)**	**(40,514,727)**	**(39,199,696)**	**(83,861,269)**	(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	-
	(3,147,002)	**(40,514,727)**	**(39,199,696)**	**(82,861,425)**	(191,312,291)	(30,401,533)	(162,608,719)	(384,322,543)
Amounts written off / charged off	**-**	**-**	**-**	**-**	-	-	-	-
Changes in risk parameters	**-**	**-**	**-**	**-**	(9,210,875)	-	60,687,174	51,476,299
Other Changes	**-**	**-**	**18,275,020**	**18,275,020**	-	-	125,468,417	-
	-	**-**	**18,275,020**	**18,275,020**	(9,210,875)	-	186,155,591	51,476,299
Closing Balance	**11,941,150**	**47,972,686**	**1,406,862,321**	**1,466,776,157**	15,088,152	88,487,413	1,427,786,997	1,531,362,562

		(Unaudited) 30 June 2026		(Audited) 31 December 2025	
		Outstanding amount	**Credit loss allowance Held**	Outstanding amount	Credit loss allowance Held
11.4.2 Advances - Category of Classification		Rupees			
Domestic					
Performing	Stage 1	**31,848,555,031**	**11,941,150**	28,929,079,323	15,088,152
Underperforming	Stage 2	**576,071,514**	**47,972,686**	687,509,089	88,487,413
Non-performing	Stage 3				
Other Assets especially mentioned		**-**	**-**	-	-
Substandard		**-**	**-**	173,210,978	155,294,364
Doubtful		**174,232,948**	**174,232,948**	-	-
Loss		**1,232,629,373**	**1,232,629,373**	1,272,492,633	1,272,492,633
		33,831,488,866	**1,466,776,157**	31,062,292,023	1,531,362,562

		Note	(Unaudited) 30 June 2026	(Audited) 31 December 2025
			-----------Rupees---------	
12	**PROPERTY AND EQUIPMENT**			
	Capital work-in-progress	12.1	-	922,249
	Property and equipment	12.2	195,461,671	201,922,484
			195,461,671	202,844,733
12.1	**Capital work-in-progress**			
	Advances to suppliers		-	922,249

		(Unaudited) 30 June 2026	(Unaudited) 30 June 2025
		-----------Rupees---------	
12.2	**Additions to property and equipment**		
	The following additions have been made to Property and Equipment during the period:		
	Capital work-in-progress	-	-
	Property and equipment		
	Leasehold improvements	1,512,914	-
	Furniture and fixture	700,000	-
	Electrical office and computer equipment	3,808,454	14,570,494
	Total	6,021,368	14,570,494
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	-	7,308
	Electrical office and computer equipment	234,851	43,779
		234,851	51,087

		(Unaudited) 30 June 2026 Building	(Audited) 31 December 2025 Building
		-----------Rupees---------	
13	**RIGHT-OF-USE ASSETS**		
	At January 1		
	Cost	317,481,395	317,481,395
	Accumulated Depreciation	(259,176,611)	(225,367,210)
	Net Carrying amount at January 1	58,304,784	92,114,185
	Additions during the year	-	-
	Deletions during the period	-	-
	Depreciation charge for the period	(15,428,685)	(33,809,406)
	Net Carrying amount at 30 June / 31 December	42,876,099	58,304,779
14	**INTANGIBLE ASSETS**		
	Advances to suppliers	5,080,900	5,080,900
	Computer Software	634,502	980,443
		5,715,402	6,061,343

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	Note	(Unaudited) 30 June 2026	(Audited) 31 December 2025
		----------Rupees----------	
15 OTHER ASSETS			
Income / mark-up accrued in local currency		**770,023,608**	713,294,798
Income / mark-up accrued in foreign currency		**6,187,336**	171,084,275
Advances, deposits, advance rent and other prepayments		**164,837,040**	118,734,712
Receivable against fee, commission and advisory services		**46,184,379**	34,897,293
Advance taxation (payments less provisions)		**111,912,381**	175,741,245
Receivable from provident fund		**-**	12,001,592
Deferred fair value loss on derecognition of financial asset	15.1	**144,194,213**	158,148,491
Others		**168,430**	599,781
		1,243,507,387	1,384,502,187
Less: Credit loss allowance held against other assets	15.2	**27,720,001**	27,720,001
Other assets (Net of credit loss allowance)		**1,215,787,386**	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 26.1 to these financial statements.

	(Unaudited) 30 June 2026	(Audited) 31 December 2025
15.2 Credit loss allownce held against other assets	----------Rupees----------	
Receivable against fee, commission and advisory services	**27,720,001**	27,720,001
	27,720,001	27,720,001
16 BORROWINGS		
Secured		
Borrowings from State Bank of Pakistan		
Renewable Energy Power Projects (REPP)	**-**	-
Long Term Finance Facility (LTFF)	**1,098,946,239**	1,203,134,228
Temporary Economic Relief Facility (TERF)	**677,790,027**	731,876,801
	1,776,736,266	1,935,011,029
Repurchase agreement borrowings	**1,087,125,900**	-
Borrowing from financial institution	**4,999,773,827**	1,500,000,000
Other borrowings	**16,940,339,245**	9,081,250,000
	23,027,238,972	10,581,250,000
Total secured	**24,803,975,238**	12,516,261,029
Unsecured		
Borrowing from banks	**6,000,730,438**	9,032,040,814
Borrowing from DFI's	**-**	-
Total unsecured	**6,000,730,438**	9,032,040,814
	30,804,705,676	21,548,301,843

17 DEPOSITS AND OTHER ACCOUNTS

	(Unaudited) 30 June 2026			(Audited) 31 December 2025		
	In Local Currency	**In Foreign Currency**	**Total**	In Local Currency	In Foreign Currency	Total
			----Rupees----			
Customers						
Term deposits	**1,109,512,838**	**-**	**1,109,512,838**	2,595,037,656	-	2,595,037,656
	1,109,512,838	**-**	**1,109,512,838**	2,595,037,656	-	2,595,037,656

17.1 All the deposits are in local currency.

		Note	(Unaudited) 30 June 2026	(Audited) 31 December 2025
18	**LEASE LIABILITIES**		-----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		**3,586,586**	12,118,885
	Outstanding amount at the end of the year		**46,674,185**	43,087,599
18.1	**Liabilities Outstanding**			
	Not later than one year		**46,674,185**	43,087,599
	Later than one year and upto five years		**-**	-
	Over five years		**-**	-
	Total at the year end		**46,674,185**	43,087,599

This Represents space obtained for Office in Islamabad. These are discounted using incremental borrowing rate ranging from 12.33% to 22.13% (2025: 12.33% to 22.13%). Lease rentals are subject to annual escalation of 8.34%.

		Note	(Unaudited) 30 June 2026	(Audited) 31 December 2025
19	**DEFERRED TAX ASSETS / (LIABILITIES)**		-----Rupees-----	
	Deductible Temporary Differences on			
	- Post retirement employee benefits		**2,922,872**	661,645
	- Liabilities against assets subject to lease		**1,481,254**	(5,934,712)
	- Credit loss allowance / provision against advances, off balance sheet etc.		**595,894,303**	653,444,244
	- Accelerated tax depreciation		**11,824,321**	7,027,204
	- Revaluation of investments - FVPL		**37,849,746**	40,521,166
	- Effective interest rate and modification loss		**71,634,132**	73,982,202
	- Capital Losses		**18,682,083**	18,728,878
			740,288,710	788,430,627
	Taxable Temporary Differences on			
	- Revaluation of investments - FVOCI		**(199,637,810)**	(165,766,005)
	-Net investment in leases		**(49,727,252)**	(68,653,147)
	- Unrealized exchange gain		**(966,934,818)**	(981,366,712)
			(1,216,299,880)	(1,215,785,864)
			(476,011,170)	(427,355,237)
20	**OTHER LIABILITIES**			
	Mark-up / Return / Interest payable in local currency		**505,491,587**	208,729,122
	Accrued expenses		**56,025,533**	115,191,303
	Unearned fee / commission		**3,174,536**	2,818,871
	Withholding tax / sales tax payable		**10,141,902**	6,725,554
	Payable to contribution benefit plan		**1,726,792**	-
	Payable to defined benefit plan		**13,262,293**	3,393,049
	Credit loss allowance against off-balance sheet obligations	**20.1**	**15,305,244**	23,215,503
	Others		**15,131,334**	39,883,391
			620,259,221	399,956,793
20.1	**Credit loss allowance against off-balance sheet obligations**			
	Opening balance		**23,215,503**	147,380,517
			23,215,503	147,380,517
	Charge for the period		**4,133,618**	(124,165,014)
	Reversals		**(12,043,877)**	-
			(7,910,259)	(124,165,014)
	Amount written off		**-**	-
	Closing balance		**15,305,244**	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) 30 June 2026	(Audited) 31 December 2025
22	**SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS**		----------Rupees----------	
	(Deficit) / surplus on revaluation of			
	- Securities measured at FVOCI - Debt	10.1	**(20,099,821)**	63,540,633
	- Securities measured at FVOCI - Equity	10.1	**968,395,650**	683,293,261
			948,295,829	746,833,894
	Deferred tax on (Deficit) / surplus on revaluation of:			
	- Securities measured at FVOCI - Debt		**7,838,930**	(24,780,846)
	- Securities measured at FVOCI - Equity		**(207,476,740)**	(140,985,159)
			(199,637,810)	(165,766,005)
			748,658,019	581,067,889
23	**CONTINGENCIES AND COMMITMENTS**			
	Guarantees	23.1	**6,182,739,540**	5,418,981,237
	Commitments	23.2	**3,030,183,107**	3,897,879,017
			9,212,922,647	9,316,860,254
23.1	**Guarantees**			
	Financial guarantees		**6,182,739,540**	5,418,981,237
	Performance guarantees		**-**	-
			6,182,739,540	5,418,981,237
23.2	**Commitments**			
	Documentary credits and short term trade related transactions			
	Letters of credit		**-**	-
	Commitments in respect of:			
	Forward government securities transactions - Purchase		**1,088,142,200**	-
	Forward government securities transactions - Sale	9	**-**	996,719,000
	Non government debt securities transactions - Sale	9	**-**	1,711,946,873
	Commitments to extend credits	23.2.1	**1,941,020,907**	1,188,193,144
	Commitment for acquisition of intangible assets		**1,020,000**	1,020,000
			3,030,183,107	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. 1,941.02 million (2025: Rs. 1,188.2 million).

23.3 Other contingent liability

The status of tax contegencies remain unchanged as disclosed in note 33.2 of the annual audited financial statements for the year ended December 31, 2025.

		Note	(Unaudited) For the half year ended 30 June 2026	30 June 2025
24	**MARK-UP / RETURN / INTEREST EARNED**		---------- Rupees	----------
	Loans and advances		**1,846,753,064**	1,160,485,541
	Investments		**885,528,930**	1,175,456,641
	Lendings to financial institutions		**104,965,517**	85,666,794
	Balances with banks		**169,928,516**	215,708,376
			3,007,176,027	2,637,317,352
24.1	**Interest income (calculated using effective interest rate method) recognised on:**			
	Financial assets measured at amortised cost		**2,121,647,097**	1,461,860,711
	Financial assets measured at fair value through OCI		**885,528,930**	1,175,456,641
			3,007,176,027	2,637,317,352
25	**MARK-UP / RETURN / INTEREST EXPENSED**			
	Deposits		**101,222,927**	72,287,392
	Borrowings		**1,328,759,763**	927,856,324
	Lease liability		**3,586,586**	7,017,107
			1,433,569,276	1,007,160,823
25.1	Interest expense calculated using effective interest rate method		**1,433,569,276**	1,007,160,823
26	**FEE AND COMMISSION INCOME**			
	Credit related fee		**2,500,000**	1,809,351
	Investment banking fees		**-**	4,163,582
	Commission on trade		**1,973,320**	56,645
	Commission on guarantees		**22,729,366**	22,752,114
			27,202,686	28,781,692
27	**GAIN / (LOSS) ON SECURITIES**			
	Realized	27.1	**207,977**	69,317,526
	Unrealised - Measured at FVPL	10.1	**13,852,260**	78,603,713
			14,060,237	147,921,239
27.1	**Realized gain / (loss) on:**			
	Federal Government Securities		**207,977**	(39,338,491)
	Shares		**-**	108,656,017
			207,977	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	**(13,954,278)**	(9,302,850)
			(13,954,278)	(9,302,850)

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 condensed interim financial statements.

		(Unaudited) For the half year ended 30 June 2026	30 June 2025
29	**OTHER INCOME**	---------- Rupees	----------
	Rent on property	**9,534,816**	8,828,532
	Gain on sale of property and equipment - net	**20,968**	947,976
	Other income	**-**	669,168
		9,555,784	10,445,676

		(Unaudited) For the half year ended	
		30 June 2026	30 June 2025
		---------- Rupees ----------	
30	**OPERATING EXPENSES**		
	Total Compensation expense	294,743,542	297,033,663
	Property expense		
	Rent and taxes	10,550,461	2,953,871
	Insurance	67,524	31,128
	Utilities cost	5,271,743	4,770,128
	Security	3,804,398	4,280,415
	Repair and maintenance	2,217,578	1,873,567
	Depreciation	16,163,709	23,125,503
		38,075,413	37,034,612
	Information technology expenses		
	Software maintenance	1,368,748	1,290,184
	Hardware maintenance	207,275	174,328
	Amortization	345,941	1,049,522
	Depreciation	6,062,613	5,039,568
	Network charges	523,410	541,729
		8,507,987	8,095,331
	Other operating expenses		
	Directors' fees and allowances	2,250,000	4,500,000
	Legal and professional charges	4,710,846	4,663,388
	Outsourced services costs	7,845,989	6,102,986
	Travelling and conveyance	29,896,749	19,533,403
	Insurance	3,735,588	3,342,568
	Repair and maintenance	5,997,812	2,697,032
	Depreciation	5,449,691	5,929,956
	Training and development	1,117,134	271,250
	Communication	2,466,491	2,016,410
	Stationery and printing	2,764,821	1,191,903
	Marketing, advertisement and publicity	7,139,757	3,713,125
	Auditors remuneration	2,754,072	2,117,502
	Bank charges	92,143	241,560
	Entertainment	7,362,724	4,994,385
	Donations	-	-
	Loss on sale of fixed assets	-	-
	Others	4,312,397	5,138,573
		87,896,214	66,454,041
		429,223,156	408,617,647

31	**CREDIT LOSS ALLOWANCE & WRITE OFFS - NET**			
	Credit loss allowance for diminution in value of investments - net	10.2	(9,822,288)	(87,538,401)
	Credit loss allowance against loans & advances - net	11.3	(64,586,405)	(291,821,848)
	Other credit loss allowance - net	8, 15 & 20.1	(7,910,259)	(128,324,746)
			(82,318,952)	(507,684,995)
32	**TAXATION**			
	Current		469,712,690	466,921,722
	Prior period		-	-
	Deferred		14,784,128	259,881,097
			484,496,818	726,802,819

	(Unaudited)	
	For the half year ended	
	30 June 2026	30 June 2025
	---------------- Rupees ---------------	
33 BASIC EARNINGS PER SHARE		
Profit for the period	**765,265,302**	1,299,525,309
Weighted average number of ordinary shares	**1,113,640,000**	1,113,640,000
Basic earnings per share - Rupees	**0.69**	1.17

34 DILUTED EARNINGS PER SHARE

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

		(Unaudited)	
		For the half year ended	
35 CASH AND CASH EQUIVALENTS	**Note**	**30 June 2026**	30 June 2025
		--------------- Rupees ---------------	
Cash and balance with treasury banks		**105,800,774**	165,791,437
Balance with other banks	**8**	**674,747,468**	53,716,814
		780,548,242	219,508,251

36 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.

36.1 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).

36.2 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) 30 June 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	8,359,491,074	-	8,359,491,074	-	8,359,491,074
Shares	2,824,765,103	2,211,773,838	-	612,991,265	2,824,765,103
Preference Shares	427,024,723	383,985,000	-	43,039,723	427,024,723
Non-Government Debt Securities	10,383,245,739	-	10,383,245,739	-	10,383,245,739
	21,994,526,639	2,595,758,838	18,742,736,813	656,030,988	21,994,526,639
Financial assets - disclosed but not measured at fair value					
Shares	-	-	-	-	-
Preference Shares	-				
Commercial Paper	708,388,712	-	-	-	-
Non-Government Debt Securities	-	-	-	-	-
	708,388,712	-	-	-	-
	22,702,915,351	2,595,758,838	18,742,736,813	656,030,988	21,994,526,639
Off-balance sheet financial instruments - measured at fair value					
Forward government securities transactions - purchase	1,088,142,200	-	1,088,142,200	-	1,088,142,200
Forward government securities transactions - sale	-	-	-	-	-

	(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	-	-	-	-	-
Preference Shares	-	-	-	-	-
Commercial Paper	236,219,046	-	-	-	-
Non-Government Debt Securities	-	-	-	-	-
	236,219,046	-	-	-	-
	14,430,889,656	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	-	-	-	1,711,946,873	1,711,946,873

36.3 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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37 SEGMENT INFORMATION

37.1 Segment Details with respect to Business Activities

	(Unaudited) 30 June 2026				
	Corporate banking & SME group	Investment Banking group	Treasury	Head Office	Total
Profit & Loss	Rupees				
Net mark-up / return / profit	1,125,515,437	209,644,435	60,265,693	178,181,186	1,573,606,751
Inter segment revenue - net	(929,027,757)	(222,199,154)	(52,301,150)	1,203,528,061	-
Non mark-up income	27,202,686	38,033,422	207,977	(42,384,512)	23,059,573
Total income	223,690,366	25,478,703	8,172,520	1,339,324,734	1,596,666,324
Segment direct expenses	(56,190,927)	(18,495,421)	(24,907,665)	(329,629,145)	(429,223,158)
Provisions / Impairment	(15,282,673)	97,601,627	-	-	82,318,954
Profit before tax	152,216,766	104,584,909	(16,735,145)	1,009,695,589	1,249,762,119

	(Unaudited) 30 June 2026				
	Corporate banking & SME group	Investment Banking group	Treasury	Head Office	Total
Balance Sheet	Rupees				
Cash & Bank balances	-	-	-	6,075,155,092	6,075,155,092
Investments	7,628,018,872	6,701,311,064	8,359,491,074	14,094,341	22,702,915,351
Advances					
Performing	26,792,964,501	5,483,174,277	-	212,930,269	32,489,069,047
Credit loss allowance	548,416,223	(714,185,812)	-	(28,737)	(165,798,326)
	27,341,380,724	4,768,988,465	-	212,901,532	32,323,270,721
Non-performing	1,341,756,255	-	-	663,564	1,342,419,819
Credit loss allowance	(1,300,314,267)	-	-	(663,564)	(1,300,977,831)
	41,441,988	-	-	-	41,441,988
Others	744,664,088	283,937,050	18,116,645	413,122,775	1,459,840,558
Total Assets	35,755,505,672	11,754,236,579	8,377,607,719	6,715,273,740	62,602,623,710
Borrowings	19,088,969,608	5,658,453,230	6,057,282,838	-	30,804,705,676
Deposits	1,109,512,838	-	-	-	1,109,512,838
Others	163,599,605	49,346,735	310,700,484	619,297,752	1,142,944,576
Total liabilities	20,362,082,051	5,707,799,965	6,367,983,322	619,297,752	33,057,163,090
Equity	-	-	-	29,545,460,621	29,545,460,621
Total Equity & liabilities	20,362,082,051	5,707,799,965	6,367,983,322	30,164,758,373	62,602,623,710
Contingencies & Commitments	8,123,760,447	-	1,088,142,200	1,020,000	9,212,922,647

	(Unaudited)				
	30 June 2025				
	Corporate banking & SME group	Investment Banking group	Treasury	Head Office	Total
Profit & Loss			----------Rupees----------		
Net mark-up / return / profit	808,722,582	174,705,350	226,869,993	419,858,606	1,630,156,531
Inter segment revenue - net	(881,406,764)	(146,349,021)	(159,981,429)	1,187,737,214	-
Non mark-up income	22,808,759	206,479,599	(39,338,491)	107,154,382	297,104,249
Total Income	(49,875,423)	234,835,928	27,550,073	1,714,750,202	1,927,260,780
Segment direct expenses	(35,271,517)	(16,050,046)	(23,565,927)	(333,730,157)	(408,617,647)
Provisions	145,575,790	161,152,530	-	200,956,674	507,684,995
Profit before tax	60,428,850	379,938,412	3,984,146	1,581,976,720	2,026,328,128

	(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	-	-	-	28,637,467,389	28,637,467,389
Total Equity & liabilities	17,455,957,303	1,158,367,363	5,781,164,755	29,255,717,096	53,651,206,517
Contingencies & Commitments	6,607,174,381	-	2,708,665,873	1,020,000	9,316,860,254

38 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:

		30 June 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		-	-	**33,452,901,257**	-	-	30,704,849,093
Repaid during the period		-	-	**(34,449,001,257)**	-	-	(29,708,749,093)
Closing balance		-	-	-	-	-	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		-	-	**271,485,781**	-	-	689,963,531
Closing balance	**38.1**	-	-	**2,274,594,096**	-	-	2,003,108,315
Advances							
Opening balance		-	**74,702,206**	**78,947,369**	-	75,107,172	184,210,525
Addition during the period / year		-	**60,506,804**	-	-	11,765,463	-
Transferred to other assets		-	-	-	-	-	-
Repaid during the period / year		-	**(25,564,086)**	**(52,631,578)**		(12,170,429)	(105,263,156)
Closing balance		-	**109,644,924**	**26,315,791**	-	74,702,206	78,947,369
Credit loss allowance held against advances		-	**(4,871)**	**1,138,303**	-	(289)	10,628,382

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	30 June 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	-	20,300,123	-	-	1,899,716	-
Repaid during the period / year	-	-			-	
Amortized during the period / year	-	(3,197,819)	-	-	(6,283,645)	-
Closing balance	-	54,595,137	-	-	37,492,833	-
Interest / mark-up accrued	-	-	244,326	-	-	1,012,456
Receivable from staff contributed fund	-	-	-	-	-	14,454,844
Receivable from staff retirement fund		-	-	-	-	-
Other receivable	-	15,947	2,988,372	-	6,423	2,988,372
	-	15,947	3,232,698	-	6,423	18,455,672
Borrowings						
Opening balance	-	-	-	-	-	-
Borrowings during the period	-	-	6,232,905,730	-	-	3,124,733,785
Settled during the period	-	-	(6,232,905,730)	-	-	(3,124,733,785)
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	-	-	19,200	-	-	-
Payable to staff contribution fund	-	-	(129,401)	-	-	(614,948)
Payable to staff retirement fund	-	-	13,262,293	-	-	3,393,049
Other liabilities	-	3,142,601	47,703,707	345,095	31,138,275	44,853,164
	-	3,142,601	60,855,799	345,095	31,138,275	47,631,265

	30 June 2026 (Unaudited)			30 Jun 2025 (Unaudited)		
	Directors	**Key management personnel**	**Other related parties**	Directors	Key management personnel	Other related parties
			---Rupees---			
Income						
Mark-up / return / interest earned	-	**5,545,495**	**133,622,567**	-	5,021,543	20,838,888
Fee Received	-	-	-	-	-	2,273,586
Dividend Received	-	-	-	-	-	-
Expense						
Mark-up / return / interest paid	-	-	**10,217,856**	251,867	251,867	26,049,846
Operating expenses						
Charge for defined benefit plan	**201,180**	**3,923,118**	**6,389,328**	4,018,010	3,334,632	1,456,180
Charge for contribution plan	**1,171,554**	**2,099,682**	**4,196,441**	1,402,584	2,323,799	3,231,265
Salaries	**19,330,651**	**34,644,840**	-	23,142,628	37,425,204	-
Bonus expense	**6,715,630**	**17,249,874**	-	9,292,525	18,485,680	-
Overseas allowances	**6,369,505**	-	-	6,047,471	-	-
Leave fair assistance & Encashment	-	**4,491,103**	-	1,387,717	4,429,396	-
Tax borne by employer	**21,646,281**	-	-	29,635,688	13,881,605	-
Others	**11,466,567**	**18,658,830**	**2,602,461**	13,244,992	18,292,492	2,502,630
Depreciation expense on lease hold	-	-	**15,428,685**	1,740,450	1,740,450	15,428,680

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. 5,302 Million (2025:Rs. 5,080 million), Rs. 899.38 million (2025: 901.7 million), Rs. 199.36 million (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. 6 million (2025: Nil), Rs. 59.4 million (2025: 58.6 million), Rs. 15.11 million (2025: 25 million), Rs. 31.82 million (2025: 33.4 million) and Rs. 5 million (2025: Nil) respectively.

38.1 This includes an equity investment of Rs. 2153.57 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. 96.46 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)
39	**CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS**	**30 June 2026**	31 December 2025
39.1	**Minimum Capital Requirement (MCR):**	---------Rupees---------	
	Paid-up capital (net of losses)	**11,136,400,000**	11,136,400,000
39.2	**Capital Adequacy Ratio (CAR):**		
	Eligible Common Equity Tier 1 (CET 1) Capital	**25,135,203,756**	27,426,277,768
	Eligible Tier 2 Capital	**-**	219,870,682
	Total Eligible Capital (Tier 1 + Tier 2)	**25,135,203,756**	27,646,148,450
	Risk Weighted Assets (RWAs):		
	Credit Risk	**33,132,559,502**	31,219,591,716
	Market Risk	**7,405,301,939**	6,556,618,732
	Operational Risk	**8,323,631,928**	8,323,631,928
	Total	**48,861,493,368**	46,099,842,375
	Common Equity Tier 1 Capital Adequacy ratio	**51.44%**	59.49%
	Tier 1 Capital Adequacy Ratio	**51.44%**	59.49%
	Total Capital Adequacy Ratio	**51.44%**	59.97%
39.3	**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%
39.4	**Leverage Ratio (LR):**		
	Eligible Tier-1 Capital	**25,135,203,756**	27,426,277,768
	Total Exposures	**66,046,339,848**	53,679,102,699
	Leverage Ratio	**38.06%**	51.09%
	Minimum Requirement	**3.00%**	3.00%
39.5	**Liquidity Coverage Ratio (LCR):**		
	Total High Quality Liquid Assets	**14,711,823,038**	12,077,495,566
	Total Net Cash Outflow	**2,812,957,961**	2,529,928,623
	Liquidity Coverage Ratio	**523.00%**	477.38%
39.6	**Net Stable Funding Ratio (NSFR):**		
	Total Available Stable Funding	**46,439,116,265**	35,744,509,661
	Total Required Stable Funding	**33,186,729,874**	27,400,304,590
	Net Stable Funding Ratio	**139.93%**	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-june-26.pdf

40 GENERAL

40.1 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.

40.2 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.

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

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

41 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