



Industrial and Commercial Bank of China Limited - Pakistan Branches

Annual Financial Statements
for the Year Ended
March 31, 2026

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED - PAKISTAN BRANCHES
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2026

	Note	Un-audited Mar 31, 2026	Audited Dec 31, 2025
----- (Rupees in '000) -----			
ASSETS			
Cash and balances with treasury banks	6	58,576,004	67,628,351
Balances with other banks	7	28,230,175	25,648,898
Lendings to financial institutions	8	45,311,298	110,713,375
Investments	9	783,384,329	799,014,314
Advances	10	382,328,810	374,941,363
Property and Equipment	11	536,815	564,083
Right of use assets	12	513,627	493,914
Intangible assets	13	39,353	46,494
Deferred tax assets	14	5,674,371	1,485,738
Other assets	15	1,472,979	6,274,176
Total Assets		1,306,067,761	1,386,810,706
LIABILITIES			
Bills payable	16	961,369	738,279
Borrowings	17	560,117,571	571,076,735
Deposits and other accounts	18	538,966,981	613,021,313
Lease liabilities	19	177,890	286,757
Subordinated debt		-	-
Deferred tax liabilities		-	-
Other liabilities	20	28,258,615	30,656,466
Total Liabilities		1,128,482,426	1,215,779,550
NET ASSETS		177,585,335	171,031,156
REPRESENTED BY			
Head office capital account - net	21	41,872,995	42,018,465
Surplus on revaluation of assets	22	(2,213,368)	1,347,999
Unremitted profit		137,925,708	127,664,692
		177,585,335	171,031,156
CONTINGENCIES AND COMMITMENTS	23		

The annexed notes 1 to 46 form an integral part of these financial statements.



Chief Executive Officer



Head of Finance

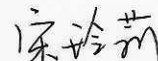
INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED - PAKISTAN BRANCHES
PROFIT AND LOSS ACCOUNT
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2026

	Note	Un-audited Mar 31, 2026 ----- (Rupees in '000) -----	Un-audited Mar 31, 2025
Mark-up / return / interest earned	25	26,206,965	39,513,191
Mark-up / return / interest expensed	26	10,606,695	23,465,018
Net mark-up / interest income		<u>15,600,270</u>	<u>16,048,173</u>
NON MARK-UP / INTEREST INCOME			
Fee and commission income	27	1,155,943	791,211
Dividend income		-	-
Foreign exchange income		2,742,283	7,375,194
Income / (Loss) from derivatives		-	-
Gain / (Loss) on securities		-	-
Net gains / (losses) on derecognition of financial assets measured at		-	-
Other income	28	2,263	2,382
Total non-markup / interest income		<u>3,900,489</u>	<u>8,168,787</u>
Total income		<u>19,500,759</u>	<u>24,216,960</u>
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	29	729,007	546,384
Workers welfare fund	30	375,435	473,412
Other charges		-	-
Total non-markup / interest expenses		<u>1,104,442</u>	<u>1,019,796</u>
Profit before credit loss allowance		<u>18,396,317</u>	<u>23,197,164</u>
Credit loss allowance and write offs - net	31	87,111	(55,922)
PROFIT BEFORE TAXATION		<u>18,309,206</u>	<u>23,253,086</u>
Taxation	32	(8,048,190)	(9,892,657)
PROFIT AFTER TAXATION		<u>10,261,016</u>	<u>13,360,429</u>

The annexed notes 1 to 46 form an integral part of these financial statements.



Chief Executive Officer



Head of Finance

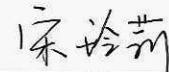
INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED - PAKISTAN BRANCHES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2026

	Un-audited Mar 31, 2026	Un-audited Mar 31, 2025
	----- (Rupees in '000) -----	
Profit after taxation for the year	10,261,016	13,360,429
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent year:		
Movement in (deficit) / surplus on revaluation of investments through FVOCI - net of tax	(3,561,367)	(2,070,910)
Items that will not be reclassified to profit and loss account in subsequent periods:		
Remeasurement (loss) / gain on defined benefit obligations	-	-
Total comprehensive income	6,699,649	11,289,519

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Chief Executive Officer




Head of Finance

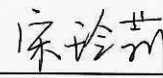
INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED - PAKISTAN BRANCHES
STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2026

	Head office capital account	Surplus / (Deficit) on revaluation of assets	Unremitted profit	Total
	----- (Rupees in '000) -----			
Balance as at January 01, 2025	41,782,500	1,633,933	107,946,253	151,362,686
Total comprehensive income for the year ended December 31, 2025				
Profit after taxation	-	-	39,530,993	39,530,993
Other comprehensive income - net of tax	-	(285,934)	(12,065)	(297,999)
	-	(285,934)	39,518,928	39,232,994
Transactions with owners, recorded directly in equity				
Exchange adjustments on revaluation of capital	235,965	-	-	235,965
Profit Remittances made to head office	-	-	(19,800,489)	(19,800,489)
Balance as at December 31, 2025	42,018,465	1,347,999	127,664,692	171,031,156
Expected Credit Loss adjustment under IFRS 9 on adoption of IFRS 9 adoption	-	-	-	-
Balance as at December 31, 2025-Audited	42,018,465	1,347,999	127,664,692	171,031,156
Total comprehensive income for the period ended March 31, 2026				
Profit after taxation	-	-	10,261,016	10,261,016
Other comprehensive income - net of tax	-	(3,561,367)	-	(3,561,367)
	-	(3,561,367)	10,261,016	6,699,649
Transactions with owners, recorded directly in equity				
Exchange adjustments on revaluation of capital	(145,470)	-	-	(145,470)
Profit Remittances made to head office	-	-	-	-
Balance as at March 31, 2026	41,872,995	(2,213,368)	137,925,708	177,585,335

The annexed notes 1 to 46 form an integral part of these financial statements.



Chief Executive Officer



Head of Finance

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED - PAKISTAN BRANCHES
CASH FLOW STATEMENT
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2026

	Un-audited Mar 31, 2026	Un-audited Mar 31, 2025
	----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	18,309,206	23,253,086
Adjustments:		
Depreciation on Property and Equipment	27,268	24,813
Depreciation on right of use assets	56,383	42,436
Amortisation	7,141	3,299
Financial charges on leased assets	6,026	10,026
Charge for defined benefit plan	2,031	221
Credit loss allowance and write offs	87,111	(49,369)
Provision for workers' welfare fund	375,435	473,412
Gain on lease termination	-	-
Gain on sale of Property and Equipment	-	-
	561,395	504,838
	18,870,601	23,757,924
(Increase) / decrease in operating assets		
Lendings to financial institutions	65,402,077	142,376,340
Advances	(7,474,368)	278,259,420
Others assets	4,796,385	12,114,813
	62,724,094	432,750,573
Increase / (decrease) in operating liabilities		
Bills payable	223,090	(300,428)
Borrowings from financial institutions	(10,959,164)	(454,550,278)
Deposits	(74,054,332)	72,274,426
Other liabilities	(351,511)	(62,124,773)
	(85,141,917)	(444,701,053)
	(3,547,222)	11,807,444
Contribution in gratuity fund	(3,448)	(1,187)
Income tax paid	(6,759,972)	(12,467,862)
	(10,310,642)	(661,605)
Net cash generated from operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Investments in securities classified as FVOCI	8,210,471	(28,386,740)
Net investments in amortized cost securities	-	(39,904)
Investments in Property and Equipment	-	(176)
Investment in intangible assets	-	-
Proceeds from sale of fixed assets	-	-
Net cash used in investing activities	8,210,471	(28,426,820)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease liability against right of use assets	(190,989)	(4,520)
Profit Remittances made to head office	-	(5,856,483)
Net cash used in financing activities	(190,989)	(5,861,003)
Effects of exchange rate changes on cash and cash equivalents	(145,470)	242,190
Decrease / Increase in cash and cash equivalents	(2,436,630)	(34,707,238)
Cash and cash equivalents at beginning of the year	89,242,809	123,950,047
Cash and cash equivalents at end of the year	86,806,179	89,242,809

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The annexed notes 1 to 46 form an integral part of these financial statements.

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED - PAKISTAN BRANCHES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2026

1 STATUS AND NATURE OF BUSINESS

The Pakistan branches of Industrial and Commercial Bank of China Limited ("the Branches" / "the Bank") commenced operations in Pakistan with effect from August 18, 2011. Industrial and Commercial Bank of China Limited ('Head office') is incorporated in the People's Republic of China.

The Pakistan Branches presently operate through three branches (December 31, 2024: three branches) in Pakistan and are engaged in banking activities permissible under the Banking Companies Ordinance, 1962. The registered office of the Branches is located at 15th Floor, Ocean Tower, Block 9, Clifton, Karachi.

The credit rating provided by Moody's Investor Services Inc. to ICBC Pakistan Branches is A1 (2024: A1) for long-term and P1 (2024: P1) for short-term with stable outlook.

2 BASIS OF PRESENTATION

These financial statements have been prepared in conformity with the format of financial statements prescribed by the State Bank of Pakistan (SBP) vide its BPRD Circular No. 13 dated July 01, 2024.

3 STATEMENT OF COMPLIANCE

3.1 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:

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

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

The SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for Banking Companies in Pakistan through BSD Circular Letter 10 dated 26 August 2002 till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7 'Financial Instruments: Disclosures' through its notification S.R.O 411(I)/2008 dated 28 April 2008. During the year, the SECP has notified vide S.R.O. 742(I)/2025 dated 16 April 2025 that IFRS 7 'Financial Instruments: Disclosures' will be applicable for the preparation of financial statements of banks from annual reporting period beginning on or after January 01, 2026. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements.

The Securities and Exchange Commission of Pakistan (SECP) has notified Islamic Financial Accounting Standard (IFAS) 3, 'Profit and Loss Sharing on Deposits' issued by the Institute of Chartered Accountants of Pakistan. IFAS 3 shall be followed with effect from the financial periods beginning after 1 January 2014 in respect of accounting for transactions relating to 'Profit and Loss Sharing on Deposits' as defined by the said standard. The standard has resulted in certain new disclosures in these financial statements of the Bank. The SBP through BPRD Circular Letter No. 4 dated 25 February 2015, has deferred the applicability of IFAS 3 till further instructions. Accordingly, the requirements of the standard has not been considered in the preparation of these financial statements.

In accordance with IFRS 9 application instructions issued by the SBP, the Banks are directed to continue the existing revenue recognition methodology for Islamic Operations, including the requirements of IFAS 1 and IFAS 2 until further instructions.

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

The Bank has adopted the following amendments to the approved accounting and reporting standards which became effective for the current year:

- Lack of exchangeability – Amendments to IAS 21

The adoption of the above amendment to accounting standard did not have any material effect on the Bank's financial statements.

3.3 Standards, interpretations and amendments to published accounting and reporting standards as applicable in Pakistan that are not yet effective in the current year

The following standards, amendments and interpretations as notified under the Companies Act, 2017 will be effective for accounting periods beginning on or after January 01, 2026:

Amendments	Effective date (annual periods beginning on or
Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	01 January 2026
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	01 January 2026
Annual improvements to IFRS Accounting Standards - Volume 11	01 January 2026
IFRS 18 - Presentation and Disclosures in the financial statements	01 January 2026
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	01 January 2026
Translation to a Hyperinflationary Presentation Currency - Amendments to IAS 21	01 January 2027
IFRS S1 - General requirements for disclosures of sustainability related financial information	01 January 2027
IFRS S2 - Climate-related Disclosures	01 January 2027

The above standards and amendments are not expected to have any material impact on the Bank's financial statements in the period of initial application except for IFRS 18. The impact of adoption of IFRS 18 is described below:

In April 2024, the IASB issued IFRS 18, which replaces IAS 1. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures in the notes and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes.

Narrow scope amendments have been made to IAS 7 Statement of Cash Flows, and some requirements previously included within IAS 1 have been moved to IAS 8, which has been renamed IAS 8 Basis of Preparation of Financial Statements.

In addition, there are consequential amendments to several other standards. Earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Bank is currently working to identify all impacts the amendments will have on the financial statements of future period and notes thereto.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

Standard	IASB Effective date (annual periods beginning
IFRS 1 - First-time Adoption of International Financial Reporting Standards	July 01, 2009

4. BASIS OF MEASUREMENT

4.1 Accounting Convention

These financial statements have been prepared under the historical cost convention except available for sale investments and forward foreign exchange contracts which have been measured at fair value and obligations in respect of gratuity scheme which are measured at present value of defined benefit obligations less fair value of plan assets and lease liabilities which are measured at their present value.

4.2 Critical accounting estimates and judgments

The preparation of financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities and income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Significant accounting estimates and areas where critical judgements were made by the management in the application of accounting policies are as follows:

- Depreciation and amortisation rates for property and equipment (note 5.6.2)
- Classification and expected credit loss (note 5.1.7)
- Defined benefit plan (note 5.11)
- Contingencies and commitments (note 5.13)

4.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the Bank's functional and presentation currency. The amounts are rounded off to the nearest thousand rupees except as stated otherwise.

5 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all years presented.

5.1 Financial Instruments

5.1.1 Financial assets and liabilities

Financial instruments carried on the balance sheet include cash and balances with treasury banks, balances with other banks, lendings to financial and other institutions, investments, advances, certain receivables, bills payable, borrowings from financial institutions, deposit accounts and other payables.

5.1.2 Financial assets and liabilities – initial recognition

Financial assets and financial liabilities are recognised when the entity becomes party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade date, the date on which the Bank purchases or sells the asset. Other financial assets and liabilities like advances, lending to financial institutions, deposits etc. are recognised when funds are transferred to the customers' account or financial institutions. However, for cases, where funds are transferred on deferred payment basis, recognition is done when underlying asset

5.1.3 Classification and subsequent measurement of financial assets

Financial Assets

Financial assets are classified into following categories for measurement subsequent to initial recognition:

- Financial assets at amortized cost
- Financial assets at fair value through other comprehensive income (FVOCI)
- Financial assets at fair value through profit or loss account (FVTPL)

a. Financial assets at amortized cost

Financial assets and liabilities under amortised cost category are initially recognised at fair value adjusted for directly attributable transaction cost. These are subsequently measured at amortised cost. An expected credit loss allowance (ECL) is recognised for financial assets in the profit or loss. Interest income / profit / expense on these assets / liabilities are recognised in the profit or loss account. On derecognition of these financial assets and liabilities, capital gain / loss will be recognised in the profit or loss account.

b. Financial assets at fair value through other comprehensive income (FVOCI)

Financial assets under FVOCI category are initially recognised at fair value adjusted for directly attributable transaction cost. These assets are subsequently measured at fair value with changes recorded in OCI. An expected credit loss allowance (ECL) is recognised for debt based financial assets in the profit or loss account. Interest / profit / dividend income on these assets are recognised in the profit or loss account. On derecognition of debt based financial assets, capital gain / loss will be recognised in the profit or loss account. For equity based financial assets classified as FVOCI, capital gain / loss is transferred from surplus / deficit to retained earnings.

c. Financial assets at fair value through profit or loss (FVTPL)

Financial assets under FVTPL category are initially recognised at fair value. Transaction cost will be directly recorded in the profit or loss. These assets are subsequently measured at fair value with changes recorded in the profit or loss account. Interest / dividend income on these assets are recognised in the profit or loss account. On derecognition of these financial assets, capital gain / loss will be recognised in the profit or loss account. An expected credit loss allowance (ECL) is not recognised for these financial assets.

The Bank determines the business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Bank's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- The objectives for the portfolio, in particular, whether the management's strategy focuses on earning contractual revenue, maintaining a particular yield profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Bank's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed; and
- The expected frequency, value and timing of sale are also important aspects of the Bank's assessment. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank's stated objective for managing the financial assets is achieved and how cash flows are realised.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

Eventually, the financial assets fall under either of the following two business models:

- i) Hold to Collect (HTC) business model: Holding assets in order to collect contractual cash flows
- ii) Hold to Collect and Sell (HTC&S) business model: Collecting contractual cash flows and selling financial assets

5.1.4 Assessments whether contractual cash flows are solely payments of principal and interest / profit (SPPI)

As a second step of its classification process, the Bank assesses the contractual terms of financial assets to identify whether they meet the SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount). The most significant elements of profit within a financing arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Bank applies judgement and considers relevant factors such as, but not limited to, the currency in which the financial asset is denominated, and the period for which the interest / profit rate is set. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with basic lending arrangement, the related financial asset is classified and measured at FVTPL

Debt based financial assets

Debt based financial assets held by the Bank include: advances, lending to financial institutions, investment in federal government securities, corporate bonds and other private sukuk, cash and balances with treasury banks, balances with other banks, and other financial assets.

- a. These are measured at amortised cost if they meet both of the following conditions and are not designated as FVTPL:
 - the assets are held within a business model whose objective is to hold assets to collect contractual cash flows; and
 - the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The Bank's business model for these financial assets can still be HTC even when sales of these financial assets occur. However, if more than an infrequent number of sales or sale(s) of significant value are/is made, the Bank assesses whether and how the sales are consistent with the HTC objective.

b. Corporate finance

This represents the banking services (on and off balance sheet finance and guarantees) including treasury and international trade activities to large corporate customers, multinational companies, government and semi-government departments and institutions and SMEs treated as corporate under Prudential Regulations.

In addition, on initial recognition, the Bank may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

5.1.5 Derecognition

Financial Assets

The Branch derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire;
- It transfers the rights to receive the contractual cash flows in a transaction in which either:
- substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- the Branch neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Bank enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial Liabilities

The Branch derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Bank also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the profit or loss account.

5.1.6 Modification

The Branch sometimes renegotiates or otherwise modifies the contractual cash flows of financing to its customers. When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset in accordance with IFRS 9, the Branch recalculates the gross carrying amount of the financial asset to recognise a modification gain or loss in the profit or loss account. The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective profit rate (or credit-adjusted effective profit rate for purchased or originated credit-impaired financial assets). Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

5.1.7 Impairment of financial assets

Overview of the ECL principles

The Branch assesses on a forward-looking basis the expected credit losses ('ECL') associated with all advances and other debt financial assets not held at FVTPL, together with letter of credit, guarantees and unutilised financing commitments hereinafter referred to as "Financial Instruments". The Bank recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12mECLs are calculated at transactional / facility level.

The Branch has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Branch considers an exposure to have significantly increased in credit risk when there is considerable deterioration in the internal rating grade for subject customer. The Branch also applies a secondary qualitative method for triggering a significant increase in credit risk for an asset, such as moving a customer / facility to the watch list, or the account becoming forborne. Regardless of the change in credit grades, generally, the Branch considers that there has been a significant increase in credit risk when contractual payments are more than 60 days past due. However, for certain portfolios, the Bank rebuts 60 DPD presumption based on behavioural analysis of its borrowers. When estimating ECLs on a collective basis for a group of similar assets, the Branch applies the similar principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Based on the above process, the Branch groups its financial instruments into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1:

When financial instruments are first recognised, the Branch recognises an allowance based on 12mECLs. Stage 1 financial instruments also include facilities where the credit risk has improved and they have been reclassified from Stage 2. The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Branch calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast Exposure At Default (EAD) and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for all the scenarios.

Stage 2:

When a financial instrument has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECLs. Stage 2 also includes facilities, where the credit risk has improved and the instrument has been reclassified from Stage 3. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs are applied over the lifetime of the instrument. The expected cashflows are discounted by an approximation to the original EIR.

Stage 3

For financial instruments considered credit-impaired, the Bank recognises the lifetime expected credit losses for these instruments. The Bank uses a PD of 100% and LGD as computed for each portfolio or as prescribed by the SBP.

Undrawn financing commitments

When estimating LTECLs for undrawn financings commitments, the Bank estimates the expected portion of the financings commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected cash flows if the financing is drawn down, based on a probability-weighting of the three scenarios. For revolving facilities that include both a financings and an undrawn commitment, ECLs are calculated on un-drawn portion of the facility and presented within other liabilities.

Guarantee and letters of credit contracts

The Branch estimates ECLs based on the BASEL driven & Internally developed credit conversion factor (CCF) for Guarantee and letter of credit contracts respectively. The calculation is made using a probability-weighting of the three scenarios. The ECLs related to guarantee and letter of credit contracts are recognised within other liabilities.

The calculation of ECLs

The Bank calculates ECLs based on a three probability-weighted scenarios to measure the expected cash flows, discounted at an approximation to the EIR.

PD

The Probability of Default (PD) is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. PD is estimated based on statistical technique such as Transition Matrix approach. PDs for non advances portfolio is based on S&Ps global transition default matrices, PDs are then adjusted using Vicesek Model to incorporate forward looking information.

EAD

The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and profit, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Bank has the legal right to call it earlier. The Bank's product offering includes a variety of corporate and retail facilities, in which the Bank has the right to cancel and / or reduce the facilities with one day notice. However, in case of revolving facilities, the Bank does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Bank's expectations of the customer behaviour, its likelihood of default and the Bank's future risk mitigation procedures, which could include reducing or cancelling the facilities.

LGD

The Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The discount rate used to discount the ECLs is based on the effective profit rate that is expected to be charged over the expected period of exposure to the facilities.

Effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liabilities to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

To mitigate its credit risks on financial assets, the Branch seeks to use collateral, where possible. The Bank considers only those collaterals as eligible collaterals in the EAD calculation which have the following characteristics:

- History of legal certainty and enforceability
- History of enforceability and recovery.

When estimating the ECLs, the Bank considers three scenarios (a base case, an upside, a downside). Each of these is associated with different PDs.

The Branch's management has only considered cash, liquid securities, and Government of Pakistan guarantees as eligible collaterals, while calculating EADs.

Forward looking information

In its ECL models, the Branch relies on range of following forward looking information as economic inputs, such as:

- GDP growth
- Consumer price index (Inflation rate)
- Unemployment rate
- USD currency fluctuation risk
- Balance of trade to its GDP

The Bank has defined that an exposure will be treated as having defaulted if it becomes 90+ days past due (DPDs) in repaying its contractual dues or as defined in Prudential Regulations from State Bank of Pakistan (SBP) issued from time to time. Accordingly, such exposures will be classified under Stage 3 under the Standard.

This implies that if one facility of a counterparty becomes 90+ DPD in repaying its contractual dues or as defined in PRs; all other facilities would deem to be classified as stage 3.

Write-offs

Financial assets are written off when there is no realistic prospect of recovery. The amount so written-off is a book entry and does not necessarily prejudice the Bank's right of recovery against the defaulter.

5.1.8 Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date at which the derivative contract is entered into and subsequently re-measured at fair value using appropriate valuation techniques. All derivative instruments are carried as assets where fair value is positive and as liabilities where fair value is negative. Any changes in the fair value of derivative financial instruments are taken to profit and loss account.

5.1.9 Off-setting

Financial assets and financial liabilities are off-set and the net amount is reported in the financial statements only when there is a legally enforceable right to set-off the recognised amount and the Bank intend either to settle on a net basis, or to realize the assets and to settle the liabilities simultaneously. Income and expense items of such assets and liabilities are also off-set and the net amount is reported in the financial statements.

5.2 Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise of cash and balances with treasury banks, balances with other banks and overdrawn nostros.

5.3 Lendings to / borrowings from financial institutions

The Bank enter into transactions of repos and reverse repos at contracted rates for a specified period of time. These are recorded as under:

5.3.1 Sale of securities under repurchase agreement

Securities sold subject to a repurchase agreement (repo) are retained in the financial statements as investments and the counterparty liability is included in borrowings. The difference between the sale and contracted repurchase price is recognised on time proportion basis over the period of the contract and recorded as an expense.

5.3.2 Purchase of securities under resale agreements

Securities purchased under agreement to resell (reverse repo) are not recognised in the financial statements as investments and the amount extended to the counterparty is included in lendings to financial institutions. The difference between the purchase and contracted resale price is recognised on time proportion basis over the period of the contract and recorded as income.

Securities held as collateral are not recognised in the financial statements, unless these are sold to third parties, in which case the obligation to return them is recorded at fair value as a trading liability under borrowings from financial institutions.

5.4 Acceptances

Acceptances comprise of undertakings by the Bank to pay bills of exchange drawn on customers. The Bank expects most acceptances to be simultaneously settled with the reimbursement from the customers. Acceptances are accounted for as on-balance sheet transactions.

5.5 Advances

Advances are stated net of credit loss allowance, for policy applicable to credit loss allowance is outlined in note 5.1.7 to these financial statements.

The Bank determines write-offs in accordance with the criteria prescribed by the SBP vide BPRD Circular No. 6 dated June 5, 2007.

5.6 Property and Equipment

5.6.1 Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under this head. These are transferred to specific assets as and when assets become available for use.

5.6.2 Property and equipment and depreciation

Property and Equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditures that are directly attributable to the acquisition of the items.

Depreciation is charged to profit and loss account by applying the straight-line method using the rates specified in note 11 to these financial statements. The depreciation charge for the year is calculated after taking into account residual value, if any. The depreciation method, residual values and useful lives are reviewed and adjusted, if appropriate, at each reporting date. Depreciation on additions is charged from the date in which the assets become available for use while no depreciation is charged for the month in which the asset is disposed off.

Costs of maintenance and normal repairs are charged to profit and loss account as and when incurred. Subsequent costs are included in the assets' carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably.

5.7 Leases

A contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The Bank mainly lease properties for its operations. The Bank recognises a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. The right-of-use asset is depreciated using the straight line method from the commencement date to the earlier of end of the useful life of right-of-use asset or end of the lease term. The estimated useful lives of assets are determined on the same basis as that for owned assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Bank's incremental borrowing rate. The lease liability is subsequently increased by the finance cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Bank has elected not to recognise right-of-use assets and lease liabilities for short term and low value assets. The lease payments associated with these leases are recognised as an expense on a straight line basis over the lease term. The right-of-use assets are presented in the same line items as it presents underlying assets of the same nature that it owns.

5.8 Intangible assets and amortisation

Intangible assets having a finite useful life are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Such intangible assets are amortised using the straight-line method over their estimated useful life as specified in note 13 to the financial statements. The useful lives and amortisation method are reviewed and adjusted, if appropriate at each reporting date. Intangible assets having an indefinite useful life are stated at acquisition cost, less accumulated impairment losses, if any.

5.9 Impairment of non-financial assets

The carrying amounts of the Bank's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated pre-tax future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

5.10 Borrowings / deposits and their cost

- a. Borrowings / deposits are initially recorded at the amount of proceeds received.
- b. Costs of borrowings / deposits are recognised as an expense in the period in which these are incurred using effective mark-up / interest rate method to the extent that they are not directly attributable to the acquisition of or construction of qualifying assets. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) are capitalised as part of the cost of that asset.

5.11 Staff retirement benefits

Defined benefit plan

The Bank operate an approved funded gratuity scheme covering eligible employees (excluding expatriates) whose period of employment with the Bank is five years or more. Contributions to the fund are made on the basis of actuarial recommendations. The Projected Unit Credit Method is used for the actuarial valuation. Actuarial gains and losses are recognised in other comprehensive income with no subsequent recycling through profit and loss account. Gratuity is payable to staff on completion of the prescribed qualifying period of service under the scheme.

Defined contribution plan

The Bank operate an approved Provident Fund for all of its permanent employees (excluding expatriates) in respect of which contributions are made to discharge liability under the respective rules of the schemes. Equal monthly contributions are made by both the Bank and its employees to the fund at the rate of 10% of the basic salary in accordance with the terms of the scheme. The Bank has no further payment obligation once the contributions have been paid. The contributions are recognised as an expense when the obligation to make payments to the fund has been established. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future contributions.

5.12 Foreign currency translation

5.12.1 Transactions and balances

Transactions in foreign currencies are translated into Pakistan Rupees at the exchange rates prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into Pakistan Rupees at the exchange rates prevailing at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit and loss account.

Non-monetary assets and liabilities in foreign currencies are expressed in rupee terms at the rates of exchange prevailing at the date of initial recognition of the non-monetary assets / liabilities.

Forward contracts are valued at forward rates applicable to the respective maturities of the relevant foreign exchange contract.

Forward contracts other than contracts with the State Bank of Pakistan relating to foreign currency deposits are valued at forward rates applicable to the respective maturities of the relevant foreign exchange contract.

Forward purchase contracts with the State Bank of Pakistan relating to foreign currency deposits are valued at the spot rate prevailing on the reporting date. The forward cover fee payable on such contracts is amortised over the term of the contracts.

5.13 Contingencies and Commitments

Commitments for outstanding forward foreign exchange contracts are disclosed at contracted rates. Contingent liabilities / commitments for letters of credit and letters of guarantee denominated in foreign currencies are expressed in rupee terms at the exchange rate prevailing at the reporting date.

5.14 Revenue recognition

Mark-up / return on advances and investments are recognised on an accrual basis using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability.

Mark-up recoverable on classified loans, advances and investments is recognised on receipt basis in accordance with the requirements of Prudential Regulations issued by the State Bank of Pakistan. Mark-up on rescheduled / restructured loans, advances and investments is also recognised in accordance with the requirements of these Prudential Regulations.

Where debt securities are purchased at a premium or discount, those premiums / discounts are amortised through profit and loss account over the remaining maturity, using the effective interest method.

Fee and commission income is recognised upon performance of obligations. Fees for ongoing account management are charged to the customer's account on monthly basis. Transaction based fees are charged to the customer's account when the transaction takes place.

Dividend income is recognised when the right to receive income is established.

5.15 Taxation

Income tax expense comprises of current and deferred tax. Income tax expense is recognised in profit and loss account except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

5.15.1 Current tax

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing laws and at the prevailing rates for taxation on income earned by the Bank. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects uncertainty related to income taxes, if any.

5.15.2 Deferred tax

Deferred tax is recognised using the balance sheet method on all temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for the taxation purposes. The amount of deferred tax provided reflects the expected manner of realisation or settlement of the carrying amounts of assets and liabilities using the tax rates enacted or substantively enacted at the reporting date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available and the credits can be utilised. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realised.

5.15.3 Provisions

Provision for guarantee claims and other off balance sheet obligations is recognised when intimated and reasonable certainty exists for the Bank to settle the obligation. Expected recoveries are recognised from the customer's account. Charge to profit and loss account is stated net of expected recoveries.

Other provisions are recognised when the Bank has a present obligation, legal or constructive, as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

Contingent assets are not recognised and are also not disclosed unless an inflow of economic benefits is probable. Contingent liabilities are not recognised but disclosed unless the probability of an outflow of resources embodying economic benefits are remote.

5.16 Segment reporting

A segment is a distinguishable component of the Bank that is engaged either in providing product or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Bank' primary format of reporting is based on business segments. The details are as follows:

5.16.1 Business segments

a. Treasury

It includes fixed income, equity, foreign exchanges, commodities, credit, funding, own position securities, lending and repos, brokerage debt and prime brokerage.

b. Branch Banking

It includes deposits and banking services to private individuals and businesses.

c. Corporate finance

This represents the banking services (on and off balance sheet finance and guarantees) including treasury and international trade activities to large corporate customers, multinational companies, Government and semi-Government departments and institutions and SMEs treated as corporate under Prudential Regulations.

5.16.1 There are no geographical segments as the Branches only operate in Pakistan.

6. CASH AND BALANCES WITH TREASURY BANKS

		Un-audited Mar 31,2026	Audited Dec 31,2025
Note		----- (Rupees in '000) -----	
In hand			
Local currency		200,372	189,953
Foreign currency		105,427	88,005
		305,799	277,958
With State Bank of Pakistan in			
Local currency current account	6.1	15,679,398	24,530,345
Foreign currency current account	6.2	42,080,488	42,310,716
Foreign currency deposit account (non-remunerative)	6.3	174,471	175,077
Foreign currency deposit account (remunerative)	6.4	335,848	334,255
		58,270,205	67,350,393
Cash and bank with treasury banks		58,576,004	67,628,351

6.1 This represents cash reserve requirement maintained with the State Bank of Pakistan (SBP) under Section 22 of the Banking Companies Ordinance, 1962. This section requires the Bank to maintain a reserve in the current account opened with the SBP at a sum not less than such percentage of its demand and time liabilities in Pakistan as may be prescribed by the SBP.

6.2 This includes capital maintained with SBP in accordance with the requirements of Section 13 of Banking Companies Ordinance, 1962 amounting to USD 150 million (December 31, 2025: USD 150 million) and US \$ settlement account maintained with the State Bank of Pakistan.

6.3 This represents cash reserve of 6% required to be maintained with the SBP on FE-25 deposits as specified in DMMD Circular No. 08 dated April 17, 2020.

6.4 This represents special cash reserve of 10% required to be maintained with the SBP on FE-25 deposits as specified in DMMD Circular No. 08 dated April 20, 2020. Profit rates on these deposits are fixed by SBP on a monthly basis. These carry mark-up at rate of 2.86% (December 31, 2025: 2.86%).

		Un-audited Mar 31,2026	Audited Dec 31,2025
Note		----- (Rupees in '000) -----	
7. BALANCES WITH OTHER BANKS			
In Pakistan			
In current accounts		327	298
Outside Pakistan			
In current accounts	7.1 & 7.2	28,237,294	25,654,471
		28,237,621	25,654,769
Less: Credit loss allowance held against balances with other banks	7.3	(7,446)	(5,871)
Cash and balances with treasury banks - net of credit loss allowance		28,230,175	25,648,898

7.1 This includes amount held in Automated Investment Plans. The Bank is entitled to earn interest from the correspondent banks at agreed upon rates when the balance exceeds a specified amount.

7.2 This includes balance of Rs 26,922 Million (2025: Rs 17,834 Million) held with ICBC branches and Head Office outside Pakistan.

7.3 This represents ECL allowance in line with IFRS 9 and SBP Application Instructions.

8. LENDINGS TO FINANCIAL INSTITUTIONS

	Un-audited Mar 31,2026	Audited Dec 31,2025
Repurchase agreement lendings (Reverse Repo)	8.1 <u>45,311,298</u>	<u>110,713,375</u>

8.1 This represent repurchase agreement lendings with SBP and local banks at a mark-up rate ranging from 9.50% to 11.20% per annum (December 31, 2025: 9.50% to 11.25% per annum) with maturity in April 2026 (December 31, 2025: January 2026).

8.2 Lendings to the financial institutions include certain approved / government securities which are held by the Bank to comply with the Statutory Liquidity Requirement determined on the basis of the Bank's demand and time liabilities as set out under section 29 of the Banking Companies Ordinance, 1962.

8.3 Particulars of lending

In local currency	<u>45,311,298</u>	<u>110,713,375</u>
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8.4 Market value of securities held as collateral against Lending to financial institutions

	Un-audited Mar 31,2026			Audited Dec 31,2025		
	Held by Bank	Further given as collateral	Total	Held by Bank	Further given as collateral	Total
Market Treasury Bills	7,856,656	-	7,856,656	55,967,968	-	55,967,968
Pakistan Investment Bonds	37,452,930	-	37,452,930	57,453,173	-	57,453,173
Total	<u>45,309,586</u>	<u>-</u>	<u>45,309,586</u>	<u>113,421,141</u>	<u>-</u>	<u>113,421,141</u>

8.5 There is no credit loss allowance in lending as at March 31, 2026.

	Un-audited Mar 31,2026				Audited Dec 31,2025			
	Cost / Amortised cost	Credit Loss Allowance/ Provision	Surplus/ (Deficit)	Carrying Value	Cost / Amortised cost	Credit Loss Allowance/ Provision	Surplus/ (Deficit)	Carrying Value
9. INVESTMENTS	(Rupees in '000)							
9.1 Investments by type:	-----FVOCI-----				-----FVOCI-----			
Federal Government Securities	787,995,512	-	(4,611,183)	783,384,329	796,205,983	-	2,808,331	799,014,314
	-----Amortised Cost-----				-----Amortised Cost-----			
Federal Government Securities	-	-	-	-	-	-	-	-
Total Investments	<u>787,995,512</u>	<u>-</u>	<u>(4,611,183)</u>	<u>783,384,329</u>	<u>796,205,983</u>	<u>-</u>	<u>2,808,331</u>	<u>799,014,314</u>

9.2 Investments by segments

Federal Government Securities								
	Cost / Amortised cost	Credit Loss Allowance/ Provision	Surplus/ (Deficit)	Carrying Value	Cost / Amortised cost	Credit Loss Allowance/ Provision	Surplus/ (Deficit)	Carrying Value
Market Treasury Bills	787,995,512	-	(4,611,183)	783,384,329	796,205,983	-	2,808,331	799,014,314
Pakistan Investment Bonds	-	-	-	-	-	-	-	-
Total Investments	<u>787,995,512</u>	<u>-</u>	<u>(4,611,183)</u>	<u>783,384,329</u>	<u>796,205,983</u>	<u>-</u>	<u>2,808,331</u>	<u>799,014,314</u>

9.3 There is no credit loss allowance in value of investments as at March 31, 2026.

9.4 The market value of securities classified as amortised cost as at March 31, 2026 amounted to Rs. 0 million (December 31, 2025: Rs.0 million).

9.4 Investments include certain approved / government securities which are held by the Bank to comply with the Statutory Liquidity Requirement determined on the basis of the Bank's demand and time liabilities as set out under section 29 of the Banking Companies Ordinance, 1962.

9.5 Quality of securities

	Un-audited Mar 31,2026	Audited Dec 31,2025
Details regarding quality of securities held under "Held to Collect and Sell" model	----- (Rupees in '000) -----	----- (Rupees in '000) -----
Federal government securities - Government guaranteed	Cost	
Market Treasury Bills	787,995,512	796,205,983
Pakistan Investment Bonds	-	-
	<u>787,995,512</u>	<u>796,205,983</u>

9.6 Details regarding quality of securities held under "Held to Collect" model

Federal government securities - Government guaranteed		
	Un-audited Mar 31,2026	Audited Dec 31,2025
Market Treasury Bills	-	-
Pakistan Investment Bonds	-	-
	<u>-</u>	<u>-</u>

9.6.1 The market value of securities classified under "Held to Collect" model as at March 31, 2026 is Nil (December 31, 2025: Rs. 0 million).

10. ADVANCES

	Performing		Non Performing		Total	
	Un-audited Mar 31,2026	Audited Dec 31,2025	Un-audited Mar 31,2026	Audited Dec 31,2025	Un-audited Mar 31,2026	Audited Dec 31,2025
Loans, cash credits, running finances, etc.	<u>382,505,557</u>	375,031,189	-	-	<u>382,505,557</u>	375,031,189
Advances - gross	<u>382,505,557</u>	375,031,189	-	-	<u>382,505,557</u>	375,031,189
Credit loss allowance against advances						
-Stage 1	(3,315)	(4,274)	-	-	(3,315)	(4,274)
-Stage 2	(173,432)	(85,552)	-	-	(173,432)	(85,552)
-Stage 3	-	-	-	-	-	-
	(176,747)	(89,826)	-	-	(176,747)	(89,826)
Provision against advances - General	10.3	-	-	-	-	-
Advances - net of credit loss allowance	<u>382,328,810</u>	374,941,363	-	-	<u>382,328,810</u>	374,941,363

10.1 Particulars of advances (gross)

	Un-audited Mar 31,2026	Audited Dec 31,2025
	----- (Rupees in '000) -----	
In local currency	6,908,317	2,281,609
In foreign currency	375,597,240	372,749,580
	382,505,557	375,031,189

10.2 No advances have been placed under non-performing / Stage 3 status as at March 31, 2026 (December 31, 2025: Nil).

10.3 This includes PKR 375.597 billion (December 31, 2025: PKR 372.749 billion), which comprises a foreign currency commercial loan facility of RMB 9.3 billion extended to the Ministry of Finance, Government of Pakistan. Credit loss allowance has been exempted by SBP with reference to SBP letter No. SBPHOK-BPRD-BRD-ICB-898582 dated April 16, 2025.

10.4 Particulars of credit loss allowance

10.4.1 Advances - Exposure

	Un-audited Mar 31,2026				Audited Dec 31,2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	----- (Rupees in '000) -----				----- (Rupees in '000) -----			
Opening balance	374,719,505	311,684	-	375,031,189	364,936,768	767,264	-	365,704,032
New advances	4,802,000	-	-	4,802,000	372,749,580	-	-	372,749,580
Advances derecognised or repaid	(71,397)	(103,895)	-	(175,292)	(362,966,843)	(455,580)	-	(363,422,423)
Transfer to stage 1	-	-	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
	379,450,108	207,789	-	379,657,897	374,719,505	311,684	-	375,031,189
Amounts written off / charged off	-	-	-	-	-	-	-	-
Changes	2,847,660	-	-	2,847,660	-	-	-	-
Closing balance - Current year	382,297,768	207,789	-	382,505,557	374,719,505	311,684	-	375,031,189

10.4.2 Advances - Credit loss allowance

	Un-audited Mar 31,2026				Audited Dec 31,2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	----- (Rupees in '000) -----				----- (Rupees in '000) -----			
Opening balance	4,274	85,552	-	89,826	76,095	3,052	-	79,147
Impact of adoption of IFRS 9:	-	-	-	-	-	-	-	-
Reversal of general provision	-	-	-	-	-	-	-	0
Recognition of expected credit losses (ECL)	-	-	-	-	-	-	-	-
	4,274	85,552	-	89,826	76,095	3,052	-	79,147
New Advances	-	-	-	-	-	-	-	-
Advances derecognised or repaid	-1,030	-157	-	-1,187	-	-1,559	-	-1,559
Transfer to stage 1	-	-	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-49,039	49,039	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
	3,244	85,395	-	88,639	27,056	50,532	-	77,588
Amounts written off / charged off	-	-	-	-	-	-	-	-
Changes in risk parameters (PDs/LGDs/EADs)	71	88,037	-	88,108	-22,782	35,020	-	12,238
Closing balance	3,315	173,432	-	176,747	4,274	85,552	-	89,826

10.4.3 Advances - Credit loss allowance details

Internal / External rating / stage classification

	Un-audited Mar 31,2026				Audited Dec 31,2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	----- (Rupees in '000) -----				----- (Rupees in '000) -----			
Outstanding gross exposure								
Performing - Stage 1	382,297,768	-	-	382,297,768	374,719,505	-	-	374,719,505
Under Performing - Stage 2	-	207,789	-	207,789	-	311,684	-	311,684
Non-performing - Stage 3	-	-	-	-	-	-	-	-
Other Assets Especially Mentioned	-	-	-	-	-	-	-	-
Substandard	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-
Total	382,297,768	207,789	-	382,505,557	374,719,505	311,684	-	375,031,189

Corresponding ECL

Stage 1 and stage 2	3,315	173,432	-	176,747	4,274	85,552	-	89,826
Stage 3	-	-	-	-	-	-	-	-
	3,315	173,432	-	176,747	4,274	85,552	-	89,826

10.4.4

Particulars of credit loss allowance against advances

	Un-audited Mar 31,2026			Audited Dec 31,2025		
	Stage 3	Stage 1 & 2	Total	Stage 3	Stage 1 & 2	Total
	----- Rupees in '000 -----			----- Rupees in '000 -----		
Opening balance	-	89,826	89,826	-	79,147	79,147
Charge for the year	-	88,108	88,108	-	36,462	36,462
Reversals	-	-1,187	-1,187	-	-25,783	-25,783
	-	86,921	86,921	-	10,679	10,679
Amounts written off	-	-	-	-	-	-
Closing balance	-	176,747	176,747	-	89,826	89,826

10.4.5 Particulars of credit loss allowance against advances

	Un-audited Mar 31,2026			Audited Dec 31,2025		
	Stage 1 & 2	Stage 3	Total	Stage 1 & 2	Stage 3	Total
	----- Rupees in '000 -----			----- Rupees in '000 -----		
In local currency	176,747	-	176,747	89,826	-	89,826
In foreign currency	-	-	-	-	-	-
	176,747	-	176,747	89,826	-	89,826

11 Property and equipment

Un-audited Mar 31,2026

Leasehold buildings	Leasehold improvements	Furniture and fixtures	Vehicles	Electrical, office and computer equipments	Total
---------------------	------------------------	------------------------	----------	--	-------

----- (Rupees in '000) -----

At January 1, 2026

Cost	443,100	288,810	126,106	248,787	301,295	1,408,098
Accumulated depreciation	(147,756)	(281,345)	(112,045)	(112,072)	(190,797)	(844,015)
Net book value	<u>295,344</u>	<u>7,465</u>	<u>14,061</u>	<u>136,715</u>	<u>110,498</u>	<u>564,083</u>

Quarter ended March 2026

Opening net book value	295,344	7,465	14,061	136,715	110,498	564,083
Additions	-	-	-	-	-	-
Disposals - cost	-	-	-	-	-	-
Disposals - accumulated depreciation	-	-	-	-	46	46
Depreciation charge	(3,597)	(275)	(1,268)	(7,716)	(14,458)	(27,314)
Closing net book value	<u>291,747</u>	<u>7,190</u>	<u>12,793</u>	<u>128,999</u>	<u>96,086</u>	<u>536,815</u>

At March 31, 2026

Cost	443,100	288,810	126,106	248,787	301,295	1,408,098
Accumulated depreciation	(151,353)	(281,620)	(113,313)	(119,788)	(205,209)	(871,283)
Net book value	<u>291,747</u>	<u>7,190</u>	<u>12,793</u>	<u>128,999</u>	<u>96,086</u>	<u>536,815</u>

Rate of depreciation (percentage)

<u>3.33</u>	<u>10-33</u>	<u>20.00</u>	<u>16.67</u>	<u>33.33</u>
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Audited Dec 31,2025

Leasehold buildings	Leasehold improvements	Furniture and fixtures	Vehicles	Electrical, office and computer equipments	Total
---------------------	------------------------	------------------------	----------	--	-------

----- (Rupees in '000) -----

At January 1, 2025

Cost	443,100	288,810	128,268	248,787	219,238	1,328,203
Accumulated depreciation	(132,956)	(265,617)	(113,670)	(81,442)	(151,248)	(744,933)
Net book value	<u>310,144</u>	<u>23,193</u>	<u>14,598</u>	<u>167,345</u>	<u>67,990</u>	<u>583,270</u>

Year ended December 2025

Opening net book value	310,144	23,193	14,598	167,345	67,990	583,270
Additions	-	-	5,399	-	82,142	87,541
Disposals - cost	-	-	(7,561)	-	(85)	(7,646)
Disposals - accumulated depreciation	-	-	7,561	-	85	7,646
Depreciation charge	(14,800)	(15,728)	(5,936)	(30,630)	(39,634)	(106,728)
Closing net book value	<u>295,344</u>	<u>7,465</u>	<u>14,061</u>	<u>136,715</u>	<u>110,498</u>	<u>564,083</u>

At December 31, 2025

Cost	443,100	288,810	126,106	248,787	301,295	1,408,098
Accumulated depreciation	(147,756)	(281,345)	(112,045)	(112,072)	(190,797)	(844,015)
Net book value	<u>295,344</u>	<u>7,465</u>	<u>14,061</u>	<u>136,715</u>	<u>110,498</u>	<u>564,083</u>

Rate of depreciation (percentage)

<u>3.33</u>	<u>10-33</u>	<u>20.00</u>	<u>16.67</u>	<u>33.33</u>
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**23 INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED -
PAKISTAN BRANCHES**

11.1 The cost of fully depreciated assets still in use are as follows:

	Un-audited Mar 31,2026	Audited Dec 31,2025
	----- (Rupees in '000) -----	
Leasehold improvements	144,101	144,101
Electrical, office and computer equipments	125,860	125,776
Furniture and fixtures	100,221	100,221
Vehicles	64,100	64,100
	434,282	434,198

12 Right-of-use assets

	Un-audited Mar 31,2026			Audited Dec 31,2025		
	Property	Vehicles	Total	Property	Vehicles	Total
	----- (Rupees in '000) -----					
At January 1,2026						
Cost	970,251	-	970,251	685,505	-	685,505
Accumulated Depreciation	(476,337)	-	(476,337)	(288,848)	-	(288,848)
Net book value at January 1,2026	493,914	-	493,914	396,657	-	396,657
Additions during the year	76,096	-	76,096	341,930	-	341,930
Deletions during the year	-	-	-	(57,184)	-	(57,184)
Depreciation for the year	(56,383)	-	(56,383)	(187,489)	-	(187,489)
Net Carrying amount at March 31,2026	513,627	-	513,627	493,914	-	493,914

13 INTANGIBLE ASSETS

		Un-audited Mar 31,2026	Audited Dec 31,2025
	Note	----- (Rupees in '000) -----	
Computer software	13.1	39,353	46,494

13.1 Computer Software

Opening

Cost	95,180	49,085
Accumulated amortisation	(48,686)	(25,246)
Net book value	46,494	23,839

Year ended December

Opening net book value	46,494	23,839
Additions	-	46,095
Amortisation charge	(7,141)	(23,440)
Closing net book value	39,353	46,494

Closing

Cost	95,180	95,180
Accumulated amortisation	(55,827)	(48,686)
Net book value	39,353	46,494

Rate of amortisation (percentage)	20-33	20-33
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Useful life	3-5 years	3-5 years
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14. DEFERRED TAX ASSETS

Movement of deferred tax during the year

		Un-audited Mar 31,2026			
		At January 1, 2026	Recognised in profit and (loss)	Recognised in SOCI/ SOCE	At March 31, 2026
		----- (Rupees in '000) -----			
Deductible Temporary Differences on:					
	Workers welfare fund	3,000,607	275,899	-	3,276,506
	Credit loss allowance/ provision held against financial assets	68,662	27,060	-	95,722
		3,069,269	302,959	-	3,372,228
Taxable Temporary Differences on					
	Property and Equipment	(102,917)	7,304	-	(95,613)
	Intangible	(20,282)	20,223	-	(59)
	Surplus on revaluation of investments	(1,460,332)	-	3,858,147	2,397,815
		(1,583,531)	27,527	3,858,147	2,302,143
		1,485,738	330,486	3,858,147	5,674,371

Note

		Audited Dec 31,2025			
		At January 1, 2026	Recognised in profit and (loss)	Recognised in SOCI/ SOCE	At March 31, 2026
		----- (Rupees in '000) -----			
Deductible Temporary Differences on:					
	Workers welfare fund	2,129,198	871,409	-	3,000,607
	Credit loss allowance/ provision held	144,332	(75,670)	-	68,662
		2,273,530	795,739	-	3,069,269
Taxable Temporary Differences on					
	Property and Equipment	(40,489)	(62,428)	-	(102,917)
	Intangible	(2,510)	(17,772)	-	(20,282)
	(Surplus) / deficit on revaluation of	(1,569,859)	-	109,527	(1,460,332)
		(1,612,858)	(80,200)	109,527	(1,583,531)
		660,672	715,539	109,527	1,485,738

Note

15. OTHER ASSETS

		Un-audited Mar 31,2026	Audited Dec 31,2025
		----- (Rupees in '000) -----	
	Income / mark-up accrued in local currency	102,515	145,812
	Income / mark-up accrued in foreign currencies	93,899	93,187
	Advances, deposits, advance rent and other prepayments	131,641	122,967
	Mark to market gain on forward foreign exchange contracts	5,633	11,438
	Mark to market gain on FX swap contracts	1,127,087	5,883,416
	Acceptances	-	-
	Receivable from defined benefit plan	13,590	18,265
	Others	-	348
		1,474,365	6,275,433
	Less: Credit loss allowance / provision held against other assets	(1,386)	(1,257)
		1,472,979	6,274,176

Note

15.1 Credit loss allowance held against other assets

		Un-audited Mar 31,2026	Audited Dec 31,2025
		----- (Rupees in '000) -----	
	Refundable deposits and other receivables	(1,386)	(1,257)
	Acceptances	-	-
		(1,386)	(1,257)

Note

**25 INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED -
PAKISTAN BRANCHES**

15.2 Movement in credit loss allowance held against other assets

Opening balance	1,257	791
Impact of adoption of IFRS 9	-	-
	1,257	791
Charge for the year	129	474
Reversals	-	(8)
	129	466
Closing Balance	1,386	1,257

16. BILLS PAYABLE

In Pakistan	961,369	738,279
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17. BORROWINGS

Unsecured

Call borrowings	17.1	560,117,571	571,076,735
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17.1 This represents foreign currency borrowings from ICBC branches outside Pakistan at mark-up rates ranging from 2.50% to 4.10% per annum (December 31, 2025:1.62% to 5.72% per annum) maturing upto July 7, 2026 (December 31, 2025: upto July 7, 2026).

17.2 Particulars of borrowings with respect to currencies

In foreign currencies	560,117,571	571,076,735
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18. DEPOSITS AND OTHER ACCOUNTS

	Un-audited Mar 31,2026			Audited Dec 31,2025		
	In Local	In Foreign	Total	In Local	In Foreign	Total
----- (Rupees in '000) -----						
Customers						
Current deposits	69,823,116	3,450,333	73,273,449	59,632,288	3,476,261	63,108,550
Savings deposits	296,389,814	2,221,577	298,611,391	314,010,159	1,108,030	315,118,189
Term deposits	110,465,003	-	110,465,003	190,950,241	-	190,950,241
Others	30,425,129	-	30,425,129	30,444,304	-	30,444,304
	507,103,062	5,671,910	512,774,972	595,036,992	4,584,291	599,621,283
Financial Institutions						
Current deposits	26,074	26,165,935	26,192,009	21,534	13,378,496	13,400,030
Savings deposits	-	-	-	-	-	-
	26,074	26,165,935	26,192,009	21,534	13,378,496	13,400,030
	507,129,136	31,837,845	538,966,981	595,058,526	17,962,787	613,021,313

18.1 Composition of deposits

	Un-audited Mar 31,2026	Audited Dec 31,2025
	----- (Rupees in '000) -----	
Individuals	831,148	1,108,399
Public Sector Entities	2,495	20,393,937
Banking Companies	26,165,935	42,916,323
Private Sector	511,967,403	548,602,654
	538,966,981	613,021,313

18.2 This includes deposits amounting to PKR1,098.26 million as at December 31, 2025, eligible to be covered under insurance arrangements as per the requirement of Deposit Protection Corporation Act, 2016 (the Act), and DPC Circular No. 04 of 2018. The Bank is liable to pay annual premium, on quarterly basis, to the Deposit Protection Corporation (a subsidiary company of State Bank of Pakistan) at the rate of 0.16% on eligible deposits as of December 31 of each preceding calendar year.

19. Lease Liabilities

	Un-audited Mar 31,2026	Audited Dec 31,2025
Note	----- (Rupees in '000) -----	
Outstanding amount at the start of the year	286,757	271,876
Additions during the year	76,096	341,930
Termination impact arised during the year	-	(237,127)
Payment made during the year	(190,989)	(135,496)
Interest expense	6,026	45,574
Outstanding amount at the end of the year	177,890	286,757

19.1 Contractual maturity of lease liabilities

Short-term lease liabilities - within one year	-	12,290
Long-term lease liabilities - 1 to 5 years	177,890	274,467
Total lease liabilities	177,890	286,757

20. OTHER LIABILITIES

Mark-up / return / interest payable in local currency		2,695,601	5,958,499
Mark-up / return / interest payable in foreign currency		7,628,962	5,007,763
Performance bonus payable		1,836,117	2,247,238
Unearned commission income		270,605	395,591
Current taxation (provisions less payments)		1,727,513	166,051
Acceptances		-	-
Mark to market loss on forward foreign exchange contracts		5,362	11,107
Mark to market loss on FX swap contracts		5,142,933	7,416,900
Accrued expenses		(1,266,417)	34,046
Workers' welfare fund	20.1	6,300,973	5,925,538
Withholding tax payable		74,716	38,082
Clearing and settlements		3,426,579	3,303,371
Credit loss allowance against off-balance sheet obligations	20.2	85,611	87,114
Others		330,060	65,166
		28,258,615	30,656,466

20.1 Provision held at 2% of the higher of profit before tax or taxable income under Sindh Workers' Welfare Act, 2014 and the Punjab Workers' Welfare Fund Act, 2019.

Through Finance Act 2008, the Federal Government introduced amendments to the Workers' Welfare Fund (WWF) Ordinance, 1971 whereby the definition of industrial establishment was extended. The amendments were challenged and conflicting judgments were rendered by various courts. Appeals against these orders were filed in the Supreme Court of Pakistan.

COURT OF PAKISTAN.

The Supreme Court of Pakistan vide its order dated November 10, 2016 has held that the amendments made in the law introduced by the Federal Government for the levy of WWF were not lawful. The Federal Board of Revenue has filed review petitions against the above judgment. These petitions are currently pending with the Supreme Court of Pakistan.

A legal advice has been obtained by the Pakistan Banks Association which highlights that consequent to filing of these review petitions, a risk has arisen and the judgment is not conclusive until the review petition is decided. Accordingly, the amount charged for WWF since 2013 has not been reversed.

Government of Sindh (Sindh WWF) and Government of Punjab (Punjab WWF) which was effective from January 1, 2014 and January 01, 2019 respectively, where definition of industrial undertakings under the aforesaid WWF laws includes banks and financial institutions as well. However, the Bank along with the other banks has challenged the issue of jurisdiction claimed by Sindh Revenue Board before the Honorable High Court of Sindh (SHC) on grounds that banking companies cannot be considered as industrial establishment. The Court has restrained the Sindh Revenue Board to collect / recover Sindh WWF till the next date of hearing whereas the Bank will challenge the recovery of Punjab WWF in the court of law on same grounds in case of SWWF.

On prudent basis, the Bank has charged WWF provision at the rate of 2% on higher of profit before tax or declared (taxable income) as per tax return.

20.2 Credit loss allowance against off-balance sheet obligations

	Un-audited Mar 31,2026	Audited Dec 31,2025
	----- (Rupees in '000) -----	
Opening balance	87,114	74,908
Impact of adoption of IFRS 9	-	-
	87,114	74,908
Charge for the year	-	30,822
Reversals	(1,503)	(18,616)
	(1,503)	12,206
Closing balance	85,611	87,114

21. HEAD OFFICE CAPITAL ACCOUNT

Capital held as:

Interest free deposit in approved foreign exchange

i) Remitted from Head Office (USD 150 million)	6.2	42,018,465	41,782,500
ii) Revaluation surplus / (deficit) allowed by the State Bank of Pakistan		(145,470)	235,965
		41,872,995	42,018,465

22. SURPLUS ON REVALUATION OF ASSETS

	Un-audited Mar 31, 2026	Audited Dec 31, 2025
	----- (Rupees in '000) -----	
Surplus on revaluation of Investment at FVOCI - Debt	(4,611,183)	2,808,331
Deferred tax on surplus on revaluation of Investment at FVOCI -Debt	2,397,815	(1,460,332)
	<u>(2,213,368)</u>	<u>1,347,999</u>

23. CONTINGENCIES AND COMMITMENTS

Guarantees	23.1	344,049,121	362,648,307
Commitments	23.2	758,308,648	2,329,071,409
		<u>1,102,357,769</u>	<u>2,691,719,716</u>

23.1 Guarantees:

Financial guarantees	563,251	563,251
Performance guarantees	170,474,207	184,810,514
Other guarantees	173,011,663	177,274,542
	<u>344,049,121</u>	<u>362,648,307</u>

23.2 Commitments:

Documentary credits and short-term trade-related transactions - Letters of credit (including LC confirmations)		34,502,132	33,897,370
Commitments in respect of:			
- Forward foreign exchange contracts	23.2.1	4,422,011	3,837,231
- FX Swap contracts	23.2.2	719,384,505	2,291,336,808
		<u>758,308,648</u>	<u>2,329,071,409</u>

23.2.1 Commitments in respect of FX Forward contracts

Purchase	2,208,773	1,308,163
Sale	2,213,238	2,529,068
	<u>4,422,011</u>	<u>3,837,231</u>

The Bank utilises foreign exchange instruments to meet the needs of its customers and as part of its asset and liability management activity to hedge its own exposure to currency risk. At year end, all foreign exchange contracts have a remaining maturity of less than one year.

23.2.2 Commitments in respect of FX Swap contracts

Purchase	357,199,425	1,143,523,177
Sale	362,185,080	1,147,813,631
	<u>719,384,505</u>	<u>2,291,336,808</u>

24 DERIVATIVE INSTRUMENTS

24.1 FX Swap Contracts - Product analysis

Counterparties	Un-audited Mar 31,2026		Audited Dec 31,2025	
	Notional principal	Mark to market gain /	Notional principal	Mark to market gain / loss
	----- (Rupees in '000) -----			
With banks for				
Hedging	402,719,649	(3,475,605)	404,434,586	(1,637,070)
Market making	317,387,669	1,755	1,866,902,222	103,586
With FIs other than banks				
Hedging	-	-	-	-
Market making	-	-	-	-
With other entities for				
Hedging	-	-	-	-
Market making	-	-	-	-
Total				
Hedging	402,719,649	(3,475,605)	404,434,586	(1,637,070)
Market making	317,387,669	1,755	1,866,902,222	103,586

24.2 Maturity analysis

Remaining Maturity	Un-audited Mar 31,2026				
	No. of contracts	Notional principal	Negative	Mark to market Positive	
	----- (Rupees in '000) -----				
				Net	
Upto 1 month	32	451,748,092	(1,757,220)	223,101	(1,534,119)
1 to 3 months	9	268,359,226	(1,939,731)	-	(1,939,731)
3 to 6 months	-	-	-	-	-
6 month to 1 year	-	-	-	-	-
1 to 2 year	-	-	-	-	-
2 to 3 years	-	-	-	-	-
3 to 5 years	-	-	-	-	-
5 to 10 years	-	-	-	-	-
Above 10 years	-	-	-	-	-
Total	41	720,107,318	(3,696,951)	223,101	(3,473,850)

Remaining Maturity	Audited Dec 31,2025				
	No. of contracts	Notional principal	Negative	Mark to market Positive	
	----- (Rupees in '000) -----				
				Net	
Upto 1 month	54	672,843,381	(2,163,232)	2,181,852	18,620
1 to 3 months	61	914,344,351	(3,047,927)	3,067,276	19,349
3 to 6 months	34	704,149,076	(2,205,741)	634,289	(1,571,452)
6 month to 1 year	-	-	-	-	-
1 to 2 year	-	-	-	-	-
2 to 3 years	-	-	-	-	-
3 to 5 years	-	-	-	-	-
5 to 10 years	-	-	-	-	-
Above 10 years	-	-	-	-	-
Total	149	2,291,336,808	(7,416,900)	5,883,417	(1,533,483)

24.2.1 Risk management related to derivatives is discussed in note 41.5.

25. MARK-UP / RETURN / INTEREST EARNED

		Un-audited Mar 31, 2026	Un-audited Mar 31, 2025
	Note	----- (Rupees in '000) -----	
On:			
Loans and advances	25.1	4,322,535	5,493,512
Investments		19,166,437	21,312,526
Lendings to financial institutions		2,671,223	12,567,443
Balances with other banks		46,770	139,710
	25.2	<u>26,206,965</u>	<u>39,513,191</u>

25.1 This includes PKR 4.226 billion (December 31, 2025: PKR 14.097 billion) interest earned from loan to Ministry of Finance, Pakistan.

25.2 Interest income calculated using effective interest rate recognised on:

		Un-audited Mar 31, 2026	Un-audited Mar 31, 2025
	Note	----- (Rupees in '000) -----	
Financial assets measured at amortised cost		7,040,528	18,364,113
Financial assets measured at FVOCI		19,166,437	21,149,078
		<u>26,206,965</u>	<u>39,513,191</u>

26. MARK-UP / RETURN / INTEREST EXPENSED

On:			
Deposits		4,516,151	5,410,761
Borrowings	26.1	4,165,299	9,895,377
Cost of foreign currency swaps against foreign currency deposits / borrowings		1,919,219	8,148,854
Finance charges on lease liability against right of use asset		6,026	10,026
	26.2	<u>10,606,695</u>	<u>23,465,018</u>

26.1 Borrowings

Call Borrowings from ICBC Head office and branches	26.1.1	4,157,094	9,890,062
Securities sold under repurchase agreements		8,205	5,315
		<u>4,165,299</u>	<u>9,895,377</u>

26.1.1 This includes PKR 2,348 Million (December 31, 2025: 8,867 Million) interest expense on Call Borrowings arranged from ICBC Dubai and Doha Branch for loan to Ministry of Finance, Pakistan.

		Un-audited Mar 31, 2026	Un-audited Mar 31, 2025
	Note	----- (Rupees in '000) -----	
26.2 Interest expense calculated using effective interest rate method		8,687,476	15,316,163
Other financial liabilities		1,919,219	8,148,855
		<u>10,606,695</u>	<u>23,465,018</u>

27. FEE & COMMISSION INCOME

Branch banking customer fees		2,428	1,622
Card related fees (debit cards)		42	40
Investment banking fees		123,267	141,360
Commission on trade		177,274	87,340
Commission on guarantees		197,442	215,215
Commission on remittances including home remittances		9,289	8,183
Credit related fees	27.1	646,201	337,451
		<u>1,155,943</u>	<u>791,211</u>

27.1 This relates to arrangement fee on loan to Ministry of Finance, Pakistan.

28. OTHER INCOME

	Un-audited Mar 31,2026	Un-audited Mar 31,2025
Recovered from employees against waiver of notice period	2,263	2,382
Gain on Termination of Leases under IFRS 16	-	-
Gain on sale of Property and Equipment	-	-
	2,263	2,382

29. OPERATING EXPENSES

Total compensation expense	527,226	364,066
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Property expense

Rent & taxes	8	1,189
Insurance	394	-
Utilities cost	2,965	4,011
Security (including guards)	4,994	7,081
Repair & maintenance (including janitorial charges)	10,169	9,904
Depreciation	3,957	3,639
Depreciation on right-of-use assets	56,383	42,436
	78,870	68,260

Information technology expenses

Software maintenance	4,150	1,828
Hardware maintenance	7,139	546
Depreciation	14,458	1,480
Amortisation	7,141	3,299
Insurance	-	-
Network and connectivity charges	9,618	26,970
	42,506	34,123

Other operating expenses

Legal & professional charges		3,104	762
Insurance		-	1,094
Outsourced services costs	29.2	2,407	16,726
Repair & maintenance		810	268
Travelling & conveyance		8,335	11,862
Entertainment expense		6,572	3,643
Depreciation		8,853	19,694
Depreciation on right-of-use assets		-	-
Training & development		25	39
Postage & courier charges		209	514
Communication		295	4,791
Fees and subscription		35,740	14,768
Stationery, printing and low value consumables		3,444	1,304
Marketing, advertisement & publicity		4,870	1,233
Donations	29.3	-	-
Auditor remuneration	29.4	194	-
Commission expense		3,330	677
NIFT clearing charges		1,042	1,383
Deposit protection premium		435	321
Others		740	855
		80,405	79,934
		729,007	546,383

29.2 Total cost for the year relating to outsourcing activities included in other operating activities is Rs. 16.5 million (December 31, 2024: Rs.63.8 million) being paid to companies incorporated in Pakistan. The material outsourcing arrangements service are as follows:

		Un-audited Mar 31,2026	Un-audited Mar 31,2025
Name of Service Provider	Type of Services	Note ----- (Rupees in '000) -----	
Fulcrum Private Limited	Support Staff	2,360	16,640
Phoenix Security Services Private Limited	Security Service	47	86

29.3 Donations above Rs.0.1 million

Pakistan - China Institute	-	-
	<hr style="border-top: 3px double #000;"/>	<hr style="border-top: 3px double #000;"/>

29.3.1 Donations were not made to any related party.

29.4 Auditors' remuneration

Annual audit fee	-	-
Half yearly and Other certifications	194	-
	<hr style="border-top: 3px double #000;"/>	<hr style="border-top: 3px double #000;"/>
	194	-

30. WORKERS' WELFARE FUND

Charge during the year	20.1	375,435	473,412
		<hr style="border-top: 3px double #000;"/>	<hr style="border-top: 3px double #000;"/>

31. CREDIT LOSS ALLOWANCE AND WRITE OFFS / (REVERSAL OF PROVISION)	Un-audited Mar 31,2026	Un-audited Mar 31,2025
Note	----- (Rupees in '000) -----	
Balances with other banks	1,576	(6,553)
Loans & advances	10.4.4 86,921	(45,513)
Other assets	137	(95)
Off balance sheet items	20.2 (1,523)	(3,761)
	<u>87,111</u>	<u>(55,922)</u>

32. TAXATION

Current	8,321,434	10,111,554
Prior years	-	-
Deferred	(273,244)	(218,897)
	<u>8,048,190</u>	<u>9,892,657</u>

32.1 Relationship between tax expense and accounting profit

Profit before taxation	<u>18,309,206</u>	23,253,086
Tax at the applicable rate of 42% (December 31, 2025: 43%)	7,689,867	9,998,827
Effect of:		
Super tax	1,600,276	1,907,840
Exempt Income	(1,241,953)	(2,014,010)
Prior year charge/ (income)	-	-
Effect of change in rate	-	-
	<u>8,048,190</u>	<u>9,892,657</u>

32.2 With reference to FBR letter no.C.No.1(1)M(IR-OPS)/2025 dated April 14, 2025 and sub rule 4 of Rule 8 of seventh schedule of Income Tax Ordinance, 2001, profit on debt on the Bank's commercial foreign currency commercial loan facility of RMB 9.3 billion to Ministry of Finance, Government of Pakistan is exempt from all taxes but limited to Income Tax, Super Tax and withholding taxes.

32.3 The returns of income tax have been filed up to tax year 2025. The return for the year 2025 (tax year 2026) will be due for filing by September 30,2026.

32.4 Super Tax for Banking companies has been further amended through Finance Act, 2023 though Rule 7CA of the Seventh Schedule under Income Tax Ordinance, 2001. Under that rule, the rate of Super Tax increased from 4% to 10% in case of banking companies from the tax year 2023 onwards.The Branch has challenged the retrospective application of Super Tax levy at the rate of 10% on the grounds of past and closed transactions and granted stay order from Honorable Islamabad High Court against recovery of until final outcome of the case.

32.5 Based on the ordinance promulgated on 28th December, 2024 by the President , the ordinance called, Income Tax (Amendment) Ordinance, 2024, from tax year 2025 and onwards, profits and gains of a banking company shall be subjected to tax rates under Division II of Part I to the First Schedule where standard rate of tax was increased to 44% for tax year 2025 and abolished 15% ADR tax.

33. CASH AND CASH EQUIVALENTS

	Un-audited Mar 31,2026	Audited Dec 31,2025	Un-audited Mar 31,2025
	----- (Rupees in '000) -----		
Cash and balances with treasury banks	58,576,004	67,628,351	70,093,419
Balances with other banks	28,230,175	25,648,898	19,149,390

86,806,179	93,277,249	89,242,809
-------------------	------------	------------

34. STAFF STRENGTH

	Audited Dec 31,2025	Audited Dec 31,2024
	----- (Number) -----	
Permanent	89	92
On third party contract	20	22
Bank's own staff strength at the end of the year	109	114

In addition to the above, 12 employees of outsourcing services companies were assigned to the Bank as at the end of the year to perform services other than guarding and janitorial services.

MS Fulcrum Private Limited an outsourcing service company, were assigned to the Bank to perform services other than guarding and janitorial services.

35. DEFINED BENEFIT PLAN**35.1 General description**

The Bank operate an approved gratuity fund registered in October 2013 w.e.f July 2013 for all its local permanent employees who have completed the qualifying period as defined in the scheme. In the current year, the branches have carried out an actuarial valuation as at December 31, 2025 using Projected Unit Credit Method and recorded the obligation accordingly.

35.2 Number of Employees under the scheme

The number of employees covered under the defined benefit scheme are as follows:

	Audited Dec 31,2025	Audited Dec 31,2024
	----- (Number) -----	
Gratuity fund	57	57

35.3 Principal actuarial assumptions

The actuarial valuations were carried out as at December 31, 2025 using the following significant assumptions:

	Audited Dec 31,2025	Audited Dec 31,2024
	----- (Per annum) -----	
Discount rate	10.75%	12.25%
Expected rate of salary increase	10.75%	10.25%
Mortality rates	70% of EFU	70% of EFU
Withdrawal rates	20%	20%

35.4 Reconciliation of receivable from defined benefit plans

	Audited Dec 31,2025	Audited Dec 31,2024
	----- (Rupees in '000) -----	
Present value of defined benefit obligations	66,089	58,492
Fair value of plan assets	(84,354)	(83,373)
Receivable from defined benefit plan	(18,265)	(24,881)

35.5 Movement in defined benefit obligations

Obligations at the beginning of the year	58,492	51,728
Interest cost	6,036	8,050
Current service costs	9,073	9,490
Benefits paid	(18,442)	(2,827)
Re-measurement loss / (gain) - Experience	10,930	(7,949)
Obligations at the end of the year	66,089	58,492

35.6 Movement in fair value of plan assets

Fair value at the beginning of the year	83,373	55,946
Interest income on plan assets	9,746	9,706
Contribution paid in the fund	10,812	12,264
Investment return	(1,135)	8,284
Benefits paid from the fund	(18,442)	(2,827)
Re-measurements Actuarial gain / (loss) on plan assets	-	-
Fair value at the end of the year	<u>84,354</u>	<u>83,373</u>

35.7 Movement in receivable from defined benefit plan

	Audited	Audited
	Dec 31,2025	Dec 31,2024
	----- (Rupees in '000) -----	
Opening balance	(24,881)	(4,218)
Charge for the year in profit and loss account	5,363	7,834
Re-measurement loss/(gain) recognised in OCI during the year	12,065	(16,233)
Contribution by the Bank	(10,812)	(12,264)
Closing balance	<u>(18,265)</u>	<u>(24,881)</u>

35.8 Charge for defined benefit plan**Cost recognised in profit and loss**

Current service costs	9,073	9,490
Net interest expense on defined benefit asset / liability	(3,710)	(1,656)
	<u>5,363</u>	<u>7,834</u>

Re-measurements recognised in OCI during the year**Loss / (gain) on obligation**

Experience adjustment	5,935	(4,376)
Financial assumptions	4,994	(3,573)
Return on plan assets over interest income	-	-
Investment return	1,136	(8,284)
Total re-measurements recognised in OCI	<u>12,065</u>	<u>(16,233)</u>

35.9 Components of plan assets

Cash and cash equivalents	<u>84,354</u>	<u>83,373</u>
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35.10 Maturity profile

Expected maturity analysis of undiscounted defined benefit obligation (benefit payments) for the gratuity fund is as

	Up to one	Over 1-2	Over 2- 5	Over 5 and	Total
	----- Rs.000 -----				
Balance as at December 31, 2025	12,720	14,395	47,141	76,807	151,063
Balance as at December 31, 2024	12,923	13,320	44,338	66,726	137,307

35.11 Sensitivity analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate, and expected rate of salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant:

Impact on obligation of change in assumptions over the year

	% age	Audited Dec 31,2025		Audited Dec 31,2024	
		Increase	Decrease	Increase	Decrease
----- (Rupees in '000) -----					
Discount rate	1%	(2,586)	2,807	(2,122)	2,296
Salary increase rate	1%	2,781	(2,608)	2,318	(2,178)

35.12 Expected contributions to be paid to the fund in the next financial year

The contributions are equal to the current service cost with adjustment for any surplus or deficit.

Audited Dec 31,2025	Audited Dec 31,2024
----- (Rupees in '000) -----	
12,720	12,922

35.13 Expected charge for the next financial year

Service cost
Net interest

10,467	9,073
(1,963)	(3,048)
8,504	6,025

35.14 Maturity profile

The weighted average duration of the obligation (in years)

4.6	4.3
------------	------------

35.15 Funding Policy

The Bank endeavour to ensure that liabilities under the employee benefit scheme are covered by the Fund on any valuation date having regards to the various actuarial assumptions such as projected future salary increase, expected future contributions to the fund, projected increase in liability associated with future service and the projected investment income of the Fund.

The significant risks associated with the staff retirement benefit scheme include:

Asset volatility

The fund is exposed to asset volatility risk to the extent of change in bond yields.

Changes in bond yields

The valuation of the defined benefit liability is discounted with reference to the Government bond yields. So, any increase in bond yields will lower the defined benefit liability but it will also lower the plan asset values and vice versa.

Inflation risk

The salary inflation (especially the final salary risk) is the major risk that the Gratuity liability carries. In a general economic sense and in a longer view, there is a case that if bond yields increase, the ensuing change in salary inflation generally offsets the gains from the decrease in discounted gratuity. But viewed with the fact that, for gratuity, asset values will also decrease; the salary inflation does, as an overall effect, increase the net liability of the Bank.

Life expectancy / withdrawal rate

The Gratuity is paid off at the maximum of age 60. The life expectancy is in almost minimal range and is quite predictable in the ages when the employee is in the accredited employment of the Bank for the purpose of the Gratuity. Thus, the risk of life expectancy is almost negligible.

The withdrawal risk is dependent upon the benefit structure, age and retention profile of the staff, the valuation methodology, and long-term valuation assumptions. In this case, it is not a significant downside risk as higher withdrawals, although troublesome for the Bank, will give rise to a release in the liability as retirement benefits for unvested due to earlier withdrawals.

36. DEFINED CONTRIBUTION PLAN**36.1 General Description**

The Bank operate an approved Provident Fund scheme for all of its local permanent employees to which both Branches and employees contribute at the rate of 10% of basic salary in equal monthly contributions. During the year, the Branches contributed an amount of Rs 8.123 million (2024: Rs.5.145 million) to the recognised Provident Fund.

COMPENSATION OF CHIEF EXECUTIVE AND EXECUTIVES

	Chief Executive		Executives	
	2025	2024	2025	2024
	----- (Rupees in '000) -----			
Managerial remuneration & bonus	88,156	74,104	480,138	506,399
Charge for defined benefit plan	-	-	353	640
Contribution to defined contribution plan	-	-	173	312
Rent and house maintenance	468	550	8,305	9,098
Utilities	532	891	8,269	12,789
Medical	-	115	1,181	1,120
Conveyance	4,150	4,110	11,133	13,007
Others	-	-	24	24
	93,306	79,770	509,576	543,389
Number of persons	1	1	16	14

The chief executive and certain executives are also provided with drivers, security arrangements, accommodation and payment of travel bills in accordance with their terms of employment.

The remuneration of the CEO includes the remuneration of the outgoing CEO. The CEO was appointed with effect from May 29, 2023.

37. FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

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

37.1 Fair value of financial assets

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

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

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).

38. SEGMENT INFORMATION

38.1 Segment details with respect to business activities

	Un-audited Mar 31,2026				
	Corporate finance	Treasury	Branch Banking	Others	Total
	----- (Rupees in '000) -----				
December 31, 2025					
Profit & Loss					
Net mark-up / return / profit	(1,636,156)	17,242,452	-	(6,026)	15,600,270
Inter segment revenue - net	2,389,710	(2,389,710)	-	-	-
Non mark-up / return / interest income	3,176,255	710,212	11,759	2,263	3,900,489
Total Income	3,929,808	15,562,955	11,759	(3,763)	19,500,759
Segment direct expenses	222,525	881,251	666	-	1,104,442
Inter segment expense allocation	-	-	-	-	-
Total expenses	222,525	881,251	666	-	1,104,442
Credit loss allowance / (reversal of provision)	85,535	1,576	-	-	87,111
Profit before tax	3,621,748	14,680,128	11,093	(3,763)	18,309,206
December 31, 2025					
Statement of financial position					
Cash & Bank balances	-	86,806,179	-	-	86,806,179
Investments	-	783,384,329	-	-	783,384,329
Net inter segment lending	532,235,411	-	-	-	532,235,411
Lendings to financial institutions	-	45,311,298	-	-	45,311,298
Advances - performing	382,328,810	-	-	-	382,328,810
- non-performing	-	-	-	-	-
Others	184,271	17,776	-	8,035,098	8,237,145
Total Assets	914,748,492	915,519,582	-	8,035,098	1,838,303,172
Borrowings	375,597,240	184,520,331	-	-	560,117,571
Deposits & other accounts	538,966,981	-	-	-	538,966,981
Net inter segment borrowing	-	532,235,411	-	-	532,235,411
Others	5,079,490	5,606,651	4,387,948	14,323,785	29,397,874
Total liabilities	919,643,711	722,362,393	4,387,948	14,323,785	1,660,717,837
Equity	-	-	-	177,585,335	177,585,335
Total Equity & liabilities	919,643,711	722,362,393	4,387,948	191,909,120	1,838,303,172
Contingencies & Commitments	378,551,253	723,806,516	-	-	1,102,357,769

**40 INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED -
PAKISTAN BRANCHES**

	Audited Dec 31,2025				
	Corporate finance	Treasury	Branch Banking	Others	Total
	----- (Rupees in '000) -----				
December 31, 2025					
Profit & Loss					
Net mark-up / return / profit	1,772,961	63,705,314	-	(45,574)	65,432,701
Inter segment revenue - net	2,376,532	(2,376,532)	-	-	-
Non mark-up / return / interest income	9,789,420	7,209,324	73,120	9,512	17,081,376
Total Income	13,938,913	68,538,106	73,120	(36,062)	82,514,077
Segment direct expenses	864,450	4,250,533	4,536	-	5,119,519
Inter segment expense allocation					
Total expenses	864,450	4,250,533	4,536	-	5,119,519
Credit loss allowance	23,351	(4,929)	-	-	18,422
Profit before tax	13,051,112	64,292,502	68,584	(36,062)	77,376,136
December 31, 2025					
Statement of financial position					
Cash & Bank balances	-	93,277,249	-	-	93,277,249
Investments	-	799,014,314	-	-	799,014,314
Net inter segment lending	610,829,530	-	-	-	610,829,530
Lendings to financial institutions	-	110,713,375	-	-	110,713,375
Advances - performing	374,941,363	-	-	-	374,941,363
- non-performing	-	-	-	-	-
Others	135,178	115,259	-	2,730,552	2,980,989
Total Assets	985,906,071	1,003,120,197	-	2,730,552	1,991,756,820
Borrowings	372,749,580	198,327,155	-	-	571,076,735
Deposits & other accounts	613,021,313	-	-	-	613,021,313
Net inter segment borrowing	-	610,829,530	-	-	610,829,530
Others	8,468,877	2,991,197	4,041,650	8,762,878	24,264,602
Total liabilities	994,239,770	812,147,882	4,041,650	8,762,878	1,819,192,180
Equity	-	-	-	171,031,156	171,031,156
Total Equity & liabilities	994,239,770	812,147,882	4,041,650	179,794,034	1,990,223,336
Contingencies & Commitments	396,545,677	2,295,174,039	-	-	2,691,719,716

38.2 The Bank only have Pakistan Operations and reported as that geographical location.

40. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	Un-audited Mar 31,2026	Audited Dec 31,2025
Minimum Capital Requirement (MCR):	----- (Rupees in '000) -----	

Paid-up capital (net of losses)	<u>41,872,995</u>	<u>42,018,465</u>
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Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital	177,731,620	169,656,945
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	<u>177,731,620</u>	<u>169,656,945</u>
Eligible Tier 2 Capital	-	1,416,861
Total Eligible Capital (Tier 1 + Tier 2)	<u>177,731,620</u>	<u>171,073,806</u>

Risk Weighted Assets (RWAs):

Credit Risk	140,069,397	167,768,967
Market Risk	72,781,779	57,797,745
Operational Risk	140,177,573	140,177,573
Total	<u>353,028,749</u>	<u>365,744,285</u>

Common Equity Tier 1 Capital Adequacy Ratio	<u>50.34%</u>	<u>46.39%</u>
Tier 1 Capital Adequacy Ratio	<u>50.34%</u>	<u>46.39%</u>
Total Capital Adequacy Ratio	<u>50.34%</u>	<u>46.77%</u>

The SBP, through BPRD circular 12, dated March 26, 2020 has provided the following relaxations to banks to enable them to continue providing credit to the real economy:

With effect from December 31, 2019 an additional Capital Conversation Buffer of 2.50% was required to be maintained over and above the minimum required level. However, from March 26, 2020 Capital Conversation Buffer requirement has been reduced from its existing level of 2.50% to 1.50% to reduce the effects of COVID-19.

As at December 31, 2025 the SBP requires to maintain a ratio of total regulatory capital to the risk - weighted assets at or above the required minimum level of 11.5% and maintain Common Equity Tier 1 (CET 1) ratio and Tier 1 ratio of 6.0% and 7.5% respectively. ICBC, bears additional 1.5% minimum CAR requirement as a Bucket 3 Global Systemically Important Bank (GSIB).

For capital adequacy calculation, Bank has adopted Simple approach for Credit & Market Risk related exposures and Basic Indicator Approach for Operational Risk.

	Un-audited Mar 31,2026	Audited Dec 31,2025
Minimum capital requirements prescribed by the SBP	----- (Rupees in '000) -----	
CET1 minimum ratio (%)	<u>9.50%</u>	<u>9.50%</u>
Tier 1 minimum ratio (%)	<u>11.00%</u>	<u>11.00%</u>
Total capital minimum ratio (%)	<u>13.50%</u>	<u>13.50%</u>

Leverage Ratio (LR):

Eligible Tier-1 Capital	177,731,620	169,656,945
Total Exposure	1,361,418,011	1,415,272,102

Leverage Ratio	<u>13.05%</u>	<u>11.99%</u>
Minimum Requirement (%)	<u>3.00%</u>	<u>3.00%</u>

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets	845,574,408	987,140,718
Total Net Cash Outflow	458,091,564	500,642,570

Liquidity Coverage Ratio	<u>184.59%</u>	<u>197.17%</u>
Minimum Requirement (%)	<u>100.00%</u>	<u>100.00%</u>

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding	638,430,278	668,545,405
Total Required Stable Funding	49,721,914	52,114,591

Net Stable Funding Ratio	<u>1284.00%</u>	<u>1282.84%</u>
Minimum Requirement (%)	<u>100.00%</u>	<u>100.00%</u>

- 40.1** With reference to SBP letter No. SBPHOK-BPRD-BRD-ICB-898582 dated April 16, 2025, conditions given under Basel III Guidelines for CAR, Leverage Ratio, LCR and NSFR (Issued under BPRD circular # 06 dated August 15, 2013 and BPRD circular # 08 dated June 23, 2016) and the requirement of Foreign Exposure Exposure Limit (FEEL) in accordance with DMMD Circular No. 16 of 2020 dated July 22, 2020, are not applicable on the foreign currency commercial loan facility of RMB 9.3 billion to Ministry of Finance, Government of Pakistan by the Bank.

The full disclosures on the Capital adequacy, leverage ratio & Liquidity ratio requirements as per SBP instructions issued from time to time are placed on the website.

41. GENERAL

41.1 Corresponding figures have been re-arranged and re-classified to reflect more appropriate presentation of events and transactions to enhance comparability with the current period's financial statements.

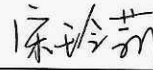
41.2 The figures in these financial statements have been rounded off to the nearest thousand.

42. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on April 28 by the Chief Executive Officer and Head of Finance.



Chief Executive Officer



Head of Finance