

HALAN MF BANK LTD.
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED ON MARCH 31, 2025

HALAN MICROFINANCE BANK LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2025

		(Un-audited)	(Audited)
	Note	March 31, 2025	December 31, 2024
------(Rupees) -----			
ASSETS			
Cash and balances with treasury banks	8	447,446,156	317,962,346
Balances with other banks	9	456,226,795	374,343,669
Investments	10	2,007,975,676	1,789,584,902
Advances	11	2,439,400,818	2,310,678,554
Property and equipment	12	288,331,505	213,396,409
Right-of-use assets	13	386,864,032	305,797,319
Intangible assets	14	86,230,454	5,954,054
Deferred tax assets		113,221,191	113,221,188
Other assets	15	209,259,969	179,605,507
TOTAL ASSETS		6,434,956,596	5,610,543,948
LIABILITIES			
Borrowings	16	201,656,564	1,094,985
Deposits and other accounts	17	4,852,867,906	4,615,618,531
Lease liabilities	18	405,973,651	333,611,054
Deferred grant		714,669	714,669
Other liabilities	19	190,013,889	157,423,741
TOTAL LIABILITIES		5,651,226,679	5,108,462,980
NET ASSETS		783,729,917	502,080,968
REPRESENTED BY			
Share capital	20	3,470,663,100	2,870,663,100
Statutory reserve		13,766,170	13,766,170
Depositor protection fund		16,221,971	14,446,905
Accumulated loss		(2,716,921,324)	(2,396,795,207)
		783,729,917	502,080,968
CONTINGENCIES AND COMMITMENTS			
	21		

The annexed notes 1 to 38 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE CHIEF FINANCIAL OFFICER DIRECTOR DIRECTOR DIRECTOR

HALAN MICROFINANCE BANK LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER YEAR ENDED MARCH 31, 2025

	Note	Quarter Ended	
		March 31, 2025	March 31, 2024
------(Rupees)-----			
Mark-up / Return / Interest earned	22	364,942,237	410,342,218
Mark-up / Return / Interest expensed	23	(229,053,927)	(241,501,173)
Net mark-up / interest income		135,888,310	168,841,045
NON MARK-UP / INTEREST INCOME			
Fee and commission income	24	49,061,392	40,404,750
Other income	25	19,478,323	14,052,822
Total non-markup / interest income		68,539,715	54,457,572
Total income		204,428,025	223,298,617
NON MARK-UP/INTEREST EXPENSES			
Operating Expenses	26	(431,665,852)	(293,772,509)
Other charges	27	(16,778)	-
Total non-markup / interest expenses		(431,682,630)	(293,772,509)
(Loss) / profit before credit loss allowance		(227,254,605)	(70,473,892)
Credit loss allowance and write offs - net	28	(85,812,334)	(95,527,925)
LOSS BEFORE TAXATION AND MINIMUM TAX DIFFERENTIAL		(313,066,939)	(166,001,817)
Minimum tax differential	29	(5,284,112)	(5,809,429)
LOSS BEFORE TAXATION		(318,351,051)	(171,811,246)
Taxation	30	-	-
LOSS AFTER TAXATION		(318,351,051)	(171,811,246)
Loss per share - Basic and Diluted	31	(0.92)	(0.84)

The annexed notes 1 to 38 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE CHIEF FINANCIAL OFFICER DIRECTOR DIRECTOR DIRECTOR

HALAN MICROFINANCE BANK LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2025

	Quarter Ended	
	March 31, 2025	March 31, 2024
	------(Rupees) -----	
Loss after taxation for the period	(318,351,051)	(171,811,246)
Other comprehensive income	-	-
Total comprehensive loss	<u>(318,351,051)</u>	<u>(171,811,246)</u>

The annexed notes 1 to 38 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE CHIEF FINANCIAL OFFICER DIRECTOR DIRECTOR DIRECTOR

HALAN MICROFINANCE BANK LIMITED
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2025

Note	Share capital	Statutory reserve	Depositor Protection fund (Rupees)	Accumulated Loss	Total
Opening Balance as at January 01, 2024	2,045,663,100	13,766,170	8,055,042	(1,423,113,172)	644,371,140
Impact of initial adoption of IFRS 9	-	-	-	(239,950,982)	(239,950,982)
	<u>2,045,663,100</u>	<u>13,766,170</u>	<u>8,055,042</u>	<u>(1,663,064,154)</u>	<u>404,420,158</u>
Loss after taxation for the period	-	-	-	(727,339,190)	(727,339,190)
Transfer to statutory reserve	-	-	6,391,863	(6,391,863)	-
Transactions with owners, recorded directly in equity	-	-	-	-	-
Issue of share capital	825,000,000	-	-	-	825,000,000
Balance as at January 01, 2025	<u>2,870,663,100</u>	<u>13,766,170</u>	<u>14,446,905</u>	<u>(2,396,795,207)</u>	<u>502,080,968</u>
Loss after taxation for the current period	-	-	-	(318,351,051)	(318,351,051)
Transfer to statutory reserve	-	-	1,775,066	(1,775,066)	-
Transactions with owners, recorded directly in equity	-	-	-	-	-
Issue of share capital	600,000,000	-	-	-	600,000,000
Balance as at March 31, 2025	<u><u>3,470,663,100</u></u>	<u><u>13,766,170</u></u>	<u><u>16,221,971</u></u>	<u><u>(2,716,921,324)</u></u>	<u><u>783,729,917</u></u>

The annexed notes 1 to 38 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

DIRECTOR

DIRECTOR

HALAN MICROFINANCE BANK LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2025

	Note	March 31, 2025	December 31, 2024
		------(Rupees)-----	
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before taxation and minimum tax differential		(313,066,939)	(720,402,259)
Adjustments:			
Depreciation on property and equipment	26	15,928,384	51,117,483
Depreciation on right-of-use assets	26	17,483,854	59,606,549
Amortization	26	5,392,450	2,271,259
Provision against non-performing advances - net		-	300,070,899
Return on investment		-	(1,608,527)
Reversal of provision against other assets		-	(78,168)
Loss on sale of investment of security		-	(4,703,925)
Finance charges on leased assets	26	16,679,338	31,641,326
		55,484,026	438,316,896
Decrease / (Increase) in operating assets			
Advances		(128,722,264)	270,329,590
Others assets (excluding advance taxation)		(29,105,676)	(54,347,814)
		(157,827,940)	215,981,776
Increase in operating liabilities			
Borrowings - net		200,561,579	(181,235,196)
Deposits and other accounts		237,249,375	838,643,840
Other liabilities (excluding current taxation)		32,590,148	44,483,933
		470,401,102	701,892,577
Income tax paid		(5,832,901)	(23,385,621)
Net cash flow from operating activities		49,157,348	612,403,369
CASH FLOW FROM INVESTING ACTIVITIES			
Additions in property and equipment		(90,863,480)	(70,319,830)
Additions in intangible		(85,668,850)	(5,769,443)
Investment made during the year		-	(661,910,000)
Proceeds from sale of property and equipment		-	7,020,893
Net cash flow used in investing activities		(176,532,330)	(730,978,380)
CASH FLOW FROM FINANCING ACTIVITIES			
Issue of right share		600,000,000	825,000,000
Paymnet of lease obligation against right-of-use assets		(42,867,308)	(83,251,427)
Net cash flow used in financing activities		557,132,692	741,748,573
Increase in cash and cash equivalents		429,757,710	623,173,562
Cash and cash equivalents at beginning of the period	32	2,481,890,917	1,195,198,828
Cash and cash equivalents at end of the period	32	2,911,648,627	1,818,372,390

The annexed notes 1 to 38 form an integral part of these condensed interim financial statements.

HALAN MICROFINANCE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2025

1 STATUS AND NATURE OF BUSINESS

Halan Microfinance Bank Limited (Formerly Advans Pakistan Microfinance Bank Limited) (the Bank) was incorporated as a public limited company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) on April 17, 2012 and was granted license by the State Bank of Pakistan (SBP) on June 28, 2012 to operate as a microfinance bank in the province of Sindh. The Securities and Exchange Commission of Pakistan (SECP) and the SBP granted permissions to the Bank for the commencement of business with effect from November 21, 2012 and January 04, 2013 respectively. The Bank's primary mission is to offer microfinance banking and related services to the underserved and economically disadvantaged segments of society as envisaged under the Microfinance Institutions Ordinance, 2001.

The registered office of the Bank is situated at Plot No.ST 2/A 3rd Floor Building No.3, Islamic Chamber of Commerce near Ocean Mall, Block 9 KDA Scheme 5, Clifton Karachi, Pakistan. The Bank operates through 24 branches spread within the province of Sindh.

2 BASIS OF PREPERATION

These condensed interim financial statements have been prepared in compliance with the format for preparation of the Interim financial statements of Microfinance Banks issued by the SBP, vide its BPRD circular No. 3 dated February 9, 2023. The Company believes that there is no significant doubt on the Company's ability to continue as a going concern. Therefore, the unconsolidated financial statements continue to be prepared on going concern basis.

3 STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under Microfinance Institutions Ordinance, 2001 (the MFI Ordinance) and the Companies Act, 2017; and
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by the SBP (including Prudential Regulations for Microfinance Banks) and Securities and Exchange Commission of Pakistan (SECP).

Wherever the provisions of and directives issued under the Companies Act, 2017, Microfinance Institutions Ordinance, 2001, the Prudential Regulations for Microfinance Banks and directives issued by SBP and SECP differ with the requirements of the IFRS, the provisions of and directives issued under the Companies Act, 2017, Microfinance Institutions Ordinance, 2001, the Prudential Regulations for Microfinance Banks and directives issued by SBP and SECP shall prevail.

- 3.1** The SBP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and IAS 40, 'Investment Property' for Banking Companies in Pakistan through BSD Circular Letter 10 dated 26 August 2002 till further instructions. SECP has deferred the applicability of IFRS 7 'Financial Instruments: Disclosures' through its notification S.R.O 411 (I) / 2008 dated 28 April 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements of Prudential Regulation for Microfinance Banks or directives issued by SBP.
- 3.2** The disclosures made in these condensed interim financial statements have been limited based on International Accounting Standard 34 - "Interim Financial Reporting". Accordingly, these condensed interim financial statements do not include all the information and disclosures required for annual financial statements and should be read in conjunction with the financial statements for the year ended December 31, 2024. Comparative Statement of financial position is stated from the audited annual financial statements as of December 31, 2024, whereas comparative condensed interim profit and loss account, condensed interim other comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity are stated from unaudited condensed interim financial statements for the three months period ended March 31, 2024.

4 BASIS OF MEASUREMENT

4.1 Accounting convention

These condensed interim financial statements have been prepared under the historical cost convention.

4.2 Functional and presentation currency

These condensed interim financial statements have been presented in Pakistani Rupees, which is the Bank's functional and presentation currency:

4.3 Standards, interpretations and amendments to accounting standards that are not yet effective

There are various amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective. These are not likely to have a material effect on the Bank's financial statements.

5 MATERIAL ACCOUNTING POLICIES INFORMATION

The material accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the audited annual financial statements for the year ended December 31, 2024.

6 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires management to exercise judgment in the application of its accounting policies. The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an 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 revision and future periods if the revision affects both current and future periods.

The significant judgments made by management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the unconsolidated financial statements of the Bank for the year ended December 31, 2024.

7 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the financial statements for the year ended December 31, 2024.

	(Un-audited) March 31, 2025	(Audited) December 31, 2024
Note	------(Rupees)-----	
8 CASH AND BALANCES WITH TREASURY BANKS		
Cash in Hand	164,833,410	72,440,344
With State Bank of Pakistan		
- Local currency current account	8.1 282,612,746	245,522,002
	<u>447,446,156</u>	<u>317,962,346</u>

8.1 This includes current account maintained with SBP amounting to Rs. 239,643,879 (2024: Rs. 225,085,624) to meet the requirement of maintaining a minimum balance equivalent to 5% of the Bank's time and demand liabilities in accordance with the Prudential Regulations for Microfinance Banks.

9 BALANCES WITH OTHER BANKS

In current accounts	35,998,532	9,164,255
In PLS deposit accounts	420,228,263	365,179,414
Less: Credit loss allowance	-	-
	<u>456,226,795</u>	<u>374,343,669</u>

9.1 These include deposits with commercial banks carrying mark-up rates ranging from 9.5% to 11.5% (December 31, 2024: 13.5% to 20.5%) per annum.

10 INVESTMENTS

10.1 Investments by type:

March 31, 2025 (Un-Audited)				December 31, 2024 (Audited)			
Amortised cost	Credit Loss Allowance	Surplus / (Deficit)	Carrying Value	Amortized Cost	Provision for diminutio	Surplus / (Deficit)	Carrying Value

------(Rupees)-----

Classified as Amortized cost

Federal Government securities

-Term deposit certificate	500,000,000	-	-	500,000,000	125,000,000	-	-	125,000,000
-Market Treasury Bills	1,507,975,676	-	-	1,507,975,676	1,664,584,902	-	-	1,664,584,902
Total Investments	2,007,975,676	-	-	2,007,975,676	1,789,584,902	-	-	1,789,584,902

11 ADVANCES

Performing		Non Performing		Total	
(Un-Audited) March 31, 2025	(Audited) December 31, 2024	(Un-Audited) March 31, 2025	(Audited) December 31, 2024	(Un-Audited) March 31, 2025	(Audited) December 31, 2024

-----Rupees-----

Micro credit

Secured	61,615,759	64,313,870	189,084	-	61,804,843	64,313,870
Unsecured	2,497,370,365	2,339,211,151	148,148,558	163,023,370	2,645,518,923	2,502,234,521
Advances - gross	2,558,986,124	2,403,525,021	148,337,642	163,023,370	2,707,323,766	2,566,548,391

Credit loss allowance against advances

-Stage 1	(161,648,726)	(133,204,126)	-	-	(161,648,726)	(133,204,126)
-Stage 2	-	-	(11,583,712)	(10,576,243)	(11,583,712)	(10,576,243)
-Stage 3	-	-	(94,690,510)	(112,089,468)	(94,690,510)	(112,089,468)
-General	-	-	-	-	-	-
-Specific	-	-	-	-	-	-
	(161,648,726)	(133,204,126)	(106,274,222)	(122,665,711)	(267,922,948)	(255,869,837)

Advances - net of credit loss allowance

	2,397,337,398	2,270,320,895	42,063,420	40,357,659	2,439,400,818	2,310,678,554
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(Un-Audited) (Audited)
March 31, **December 31,**
2025 **2024**
------(Rupees)-----

11.1 Particulars of advances (gross)

In local currency	2,707,323,766	2,566,548,391
	2,707,323,766	2,566,548,391

11.2 Advances include Rs. 148.638 million (December 31, 2024: Rs. 163.1 million) which have been placed under/non-performing as detailed below:-

Category of Classification

March 31, 2025 (Un-Audited)

Non performing loans Credit loss allowance

------(Rupees)-----

Domestic

Other Assets Especially Mentioned (OAEM)	36,136,800	11,583,712
Substandard	26,720,028	22,387,559
Doubtful	65,054,088	54,842,758
Loss	20,726,726	17,460,193
	148,637,642	106,274,222

11.3 Particulars of credit loss allowance against advances

	March 31, 2025 (Un-audited)				December 31, 2024 (Audited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	------(Rupees)-----							
Opening balance	133,204,126	10,576,243	112,089,468	255,869,837	174,707,935	6,646,101	109,834,111	291,188,147
Impact of adoption of IFRS 9	-	-	-	-	-	3,930,142	337,644,566	341,574,708
Charge for the period / year	28,444,600	1,007,469	(17,398,958)	12,053,111	-	-	-	(41,503,809)
Reversals	-	-	-	-	(41,503,809)	-	-	(335,389,209)
	28,444,600	1,007,469	(17,398,958)	12,053,111	(41,503,809)	3,930,142	337,644,566	300,070,899
Amounts written off	-	-	-	-	-	-	(335,389,209)	(335,389,209)
Closing balance	161,648,726	11,583,712	94,690,510	267,922,948	133,204,126	10,576,243	112,089,468	255,869,837

11.3.1 Advances - Category of classification - Domestic

March 31, 2025 (Un-Audited)

Outstanding amount Credit loss allowance Held

------(Rupees)-----

Performing		
Underperforming		
Other Asset especially mentioned	36,136,800	11,583,712
Non-Performing		
Substandard	26,720,028	22,387,559
Doubtful	65,054,088	54,842,758
Loss	20,726,726	17,460,193
Total	148,637,642	106,274,222

	(Un-Audited) March 31, 2025	(Audited) December 31, 2024
12	------(Rupees)-----	
	Note	
PROPERTY AND EQUIPMENT		
Property and equipment	253,090,291	213,252,660
Capital work-in-progress	35,241,214	143,749
	<u>288,331,505</u>	<u>213,396,409</u>

12.1 Additions to property and equipment

The following additions have been made to Property and Equipment during the period:

Leasehold improvements	6,551,428	33,289,056
Furniture and fixture	10,692,622	8,334,522
Office and Other Equipment	15,850,353	6,560,600
Computer equipment	22,401,427	14,730,154
Vehicles	9,532,500	7,405,500
Total	<u>65,028,330</u>	<u>70,319,832</u>

12.2 Disposal of property and equipment

The net book value of Property and Equipment disposed off during the period is as follows:

Computer equipment	-	187,165
Vehicles	-	2,122,583
Total	<u>-</u>	<u>2,309,748</u>

13 RIGHT-OF-USE ASSETS

At January 01, 2024

Cost	526,964,810	330,135,162
Accumulated Depreciation	(230,978,120)	(161,560,942)
Net Carrying amount at January 01, 2025	<u>295,986,690</u>	<u>168,574,220</u>
Additions during the year	108,361,196	196,829,648
Deletions during the year	-	-
Depreciation Charge for the year	(17,483,854)	(59,606,549)
Net Carrying amount at March 31, 2025	<u>386,864,032</u>	<u>305,797,319</u>

13.1 These represents Right of Use book against head office and branch premises.

		(Un-Audited) March 31, 2025	(Audited) December 31, 2024
	Note	------(Rupees)-----	
14 INTANGIBLE ASSETS			
Computer Software		86,230,454	5,954,054
14.1 Additions to intangible assets			
The following additions have been made to intangible assets during the period:			
Directly purchased		85,668,850	5,769,443
Total		85,668,850	5,769,443
15 OTHER ASSETS			
Income / Mark-up accrued		37,447,368	43,393,069
Advances to staff	15.1	6,034,271	9,164,642
Receivable from related party	15.2	9,917,235	9,057,600
Prepayment for Rent, Insurance and Others		135,282,887	35,127,409
Advance against purchase of CBS		-	65,226,981
Advance taxation		4,231,450	3,682,664
Accrued income on PLS savings account		7,871,529	2,768,082
Security Deposit		9,378,620	9,265,410
Others		-	2,823,041
Other assets - total		210,163,360	180,508,898
Less: Credit loss allowance held against other assets			
Advances to staff, Income / markup accrued, Security deposit and accrued income	15.3	903,391	903,391
		(903,391)	(903,391)
		209,259,969	179,605,507

15.1 This include loan to employees carrying markup at KIBOR + 3%.

15.2 This represents amount receivable from Halan Wallet (Private) Limited, a related party, for reimbursement of expense. Paid on behalf of Halan Wallet (Private) Limited.

15.3 Movement in Credit loss allowance held against other asset

Opening balance	903,391	981,559
Reversal during the period	-	(78,168)
Closing balance	903,391	903,391

	March 31, 2025	December 31, 2024
Note	------(Rupees)-----	
16 BORROWINGS		
Secured		
Borrowings from Bank / Financial Institutions		
- Borrowings from State Bank of Pakistan	201,322,999	-
- Borrowings from UBL	333,565	1,094,985
	201,656,564	1,094,985
17 DEPOSITS AND OTHER ACCOUNTS		
Customers		
Current deposits	70,668,848	74,984,433
Saving deposits	1,802,702,958	1,459,995,998
Term deposits	2,979,496,100	3,080,638,100
	4,852,867,906	4,615,618,531
18 LEASE LIABILITIES		
Outstanding amount as at January, 01 2025	333,611,054	188,391,507
Additions during the year	131,103,241	199,129,122
Lease payments including interest	(75,419,982)	(85,550,901)
Interest expense	16,679,338	31,641,326
Outstanding amount at March 31, 2025	405,973,651	333,611,054
19 OTHER LIABILITIES		
Mark-up/ Return/ Interest payable in local currency	30,524,586	24,234,369
Accrued expenses	106,614,426	85,839,774
Advance against shares	14,590,732	-
Payable to Advans International	-	1,019,100
Withholding tax payable	36,720,387	43,720,039
Provident fund payable	1,505,284	2,610,459
Payable to EOBI	58,474	-
	190,013,889	157,423,741

20 SHARE CAPITAL

20.1 Authorized Capital

(Un-Audited) March 31, 2025	(Audited) December 31, 2024		(Un-Audited) March 31, 2025	(Audited) December 31, 2024
(Number of shares)			-----Rupees-----	
		Ordinary shares of Rs.10		
<u>500,000,000</u>	<u>500,000,000</u>	each	<u>5,000,000,000</u>	<u>5,000,000,000</u>

20.2 Issued, subscribed and paid-up

March 31, 2025	December 31, 2024		(Un-Audited) March 31, 2025	(Audited) December 31, 2024
(Number of shares)			-----Rupees-----	
		Ordinary shares of Rs. 10		
		each		
<u>347,066,310</u>	<u>287,066,310</u>	- Fully paid in cash	<u>3,470,663,100</u>	<u>2,870,663,100</u>
<u>347,066,310</u>	<u>287,066,310</u>		<u>3,470,663,100</u>	<u>2,870,663,100</u>

20.2.1 The parent company injected fresh equity by way of rights shares amounting to Rs. 600 million which was realized by the Bank on January 31, 2025. Subsequently, the bank issued rights shares totaling Rs. 600 million, equivalent to 60 million shares, in February 2025.

21 CONTINGENCIES AND COMMITMENTS

There were no contingencies as at March 31, 2025 and (December 31, 2024: is as follows:).

The Bank Limited is currently contesting a tax demand of Rs. 5,202,172/-, raised under Section 161(1A) of the Income Tax Ordinance, 2001, through an appeal filed before the Commissioner Inland Revenue (Appeals). The case has been heard and is presently reserved for order. Based on the merits of the case and relevant legal provisions, management anticipates a favorable outcome. Consequently, no provision has been recognized in the financial statements at this stage, as the Bank believes that the likelihood of an outflow of economic resources remains low. The management continues to monitor the case and will reassess the position in light of any further developments.

	(Un-Audited) March 31, 2025	(Un-Audited) March 31, 2024
	------(Rupees)-----	
Loans and Advances	302,699,187	358,719,382
Investments	43,259,471	37,992,206
Deposits	18,983,579	13,630,630
	<u>364,942,237</u>	<u>410,342,218</u>

	(Un-Audited) March 31, 2025	(Un-Audited) March 31, 2024
Note	------(Rupees)-----	
23 MARK-UP / RETURN / INTEREST EXPENSED		
Markup on Deposits	226,851,615	233,296,849
Markup on Borrowings	2,202,312	8,204,324
	<u>229,053,927</u>	<u>241,501,173</u>
24 FEE & COMMISSION INCOME		
Loan processing fee	45,188,540	39,895,759
Other fee and commission	3,872,852	508,991
	<u>49,061,392</u>	<u>40,404,750</u>
25 OTHER INCOME		
Recoveries against write-offs	19,478,323	14,006,660
Others income	-	46,162
	<u>19,478,323</u>	<u>14,052,822</u>
26 OPERATING EXPENSES		
Salaries and other allowances	202,801,614	152,976,983
Staff welfare	1,856,211	3,070,676
Non executive directors' fees, allowances and other expenses	399,999	400,000
Training and business development	47,600	56,511
Rent, rates and taxes	9,090,596	2,975,610
Legal and professional charges	3,017,349	2,446,952
Utilities	17,967,692	11,647,030
Communications	9,295,505	5,359,382
Repairs and maintenance - others	23,752,096	10,292,101
Repairs and maintenance - Vehicles	24,579,276	10,034,863
Financial charges on lease liability against right-of-use asset	16,679,338	7,128,916
Fuel for generator	11,001,892	13,044,803
Insurance	4,666,543	5,561,540
Travelling and conveyance	17,812,272	12,121,102
Printing and stationery	7,327,321	2,048,822
Fees and subscription	9,593,083	3,453,820
Security charges	14,436,555	9,481,358
Advertisement and publicity	8,202,567	1,409,225
Auditors' remuneration	935,352	935,352
Depreciation of Property and Equipment	15,928,384	12,955,482
Depreciation of Right-of-use-asset	17,483,854	14,021,979

	(Un-Audited) March 31, 2025	(Un-Audited) March 31, 2024
	------(Rupees)-----	
Amortisation of intangible assets	5,392,450	376,431
Bank charges	107,911	920,708
Janitorial charges	4,927,487	3,717,912
Other expenses	4,362,905	7,334,951
	<u>431,665,852</u>	<u>293,772,509</u>
27 OTHER CHARGES		
Loss on sale of investments	16,778	-
	<u>16,778</u>	<u>-</u>
28 CREDIT LOSS ALLOWANCE & WRITE OFFS - NET		
Credit loss allowance against loans & advances	85,812,334	95,401,781
Bad debts written off directly	-	126,144
	<u>85,812,334</u>	<u>95,527,925</u>

29 MINIMUM TAX DIFFERENTIAL

	<u>Quarter ended (Un-Audited)</u>	
	<u>March 31, 2025</u>	<u>March 31, 2024</u>
	-----Rupees-----	
Minimum tax differential	5,284,112	5,809,429
	<u>5,284,112</u>	<u>5,809,429</u>

29.1 This represent minimum tax paid under section 113 of Income Tax Ordinance (ITO, 2001), representing levy in terms of requirement of IFRIC 21 / IAS 37.

	(Un-Audited) March 31, 2025	(Un-Audited) March 31, 2024
	------(Rupees)-----	
30 TAXATION		
Current	-	-
Deferred	-	-
	<u>-</u>	<u>-</u>

	(Un-audited) March 31, 2025	(Un-audited) March 31, 2024
	----- (Rupees) -----	
31 BASIC LOSS PER SHARE		
Loss for the period	<u>(318,351,051)</u>	<u>(171,811,246)</u>
Weighted average number of ordinary shares	<u>337,066,310</u>	<u>204,556,310</u>
Basic loss per share	<u>(0.94)</u>	<u>(0.84)</u>

There are no dilutive potential ordinary shares outstanding as at March 31, 2025 and 2024.

32 CASH AND CASH EQUIVALENTS

Cash and balances with treasury banks	447,446,156	317,962,346
Balances with other banks	456,226,795	374,343,669
Investments	2,007,975,676	1,789,584,902
	<u>2,911,648,627</u>	<u>2,481,890,917</u>

33 FAIR VALUE MEASUREMENTS

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

33.1 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

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

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

	March 31, 2025 (Un-Audited)			
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
On balance sheet financial instruments				
Financial assets - disclosed but not measured at fair value				
Investments	-	2,007,975,676	-	2,007,975,676

34 RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its parent, subsidiaries, employee benefit plans and its directors.

Contribution to the accounts in respect of staff retirement benefits are made in accordance with terms of the contribution plan. . Other transactions are carried out as per agreed terms.

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

	March 31, 2025 (Un- Audited)					December 31, 2024 (Audited)				
	Parent	Directors	Key manage-ment personnel	Other Related Party	Employee Provident Fund	Parent	Directors	Key manage-ment personnel	Other Related Party	Employee Provident Fund
-----Rupees-----										
Other Assets										
Other receivable	-	-	-	9,917,235	-	-	-	-	9,024,353	-
Deposits and other accounts										
Opening balance	-	-	-	-	-	-	-	-	-	48,000,000
Received during the period / year	-	-	-	-	-	-	-	-	-	13,570,554
Withdrawn during the year	-	-	-	-	-	-	-	-	-	(61,570,554)
Closing balance	-	-	-	-	-	-	-	-	-	-
Other Liabilities										
Remuneration Payable	-	-	-	-	-	-	-	-	-	-
Payable to staff retirement fund	-	-	-	-	1,505,284	-	-	-	-	2,610,459
Advance Against Shares	14,590,732	-	-	-	-	1,019,099	-	-	-	-
Expense										
Interest Expense	-	-	-	-	-	-	-	-	-	13,967,358
Remuneration expense	-	-	-	-	-	-	-	-	-	-
Closing balance	14,590,732	-	-	9,917,235	1,505,284	1,019,099	-	-	9,024,353	16,577,817

(Un-Audited) (Audited)
March 31, **December 31,**
2025 **2024**
-----Rupees-----

35 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Minimum Capital Requirement (MR):

Paid-up capital (net of losses)	753,741,776	502,080,968
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Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital	723,965,496	497,861,152
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	723,965,496	497,861,152
Eligible Tier 2 Capital	33,545,215	28,824,942
Total Eligible Capital (Tier 1 + Tier 2)	757,510,711	526,686,094
Risk Weighted Assets (RWAs):		
Credit risk	2,566,775,989	2,403,003,306
Operational risk	1,143,682,949	1,039,059,841
Total	3,710,458,938	3,442,063,147
Common Equity Tier 1 Capital Adequacy Ratio	19.51%	14.46%
Tier 1 Capital Adequacy Ratio	19.51%	14.46%
Total Capital Adequacy Ratio	20.42%	15.30%

36 GENERAL

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

37 CORRESPONDING FIGURE

Corresponding figure has been rearranged and reclassified, wherever necessary for the purpose and comparison and to reflect substance of transactions. There have been no significant reclassification.

38 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on _____ by the Board of Directors of the Company.

CHIEF EXECUTIVE CHIEF FINANCIAL OFFICER DIRECTOR DIRECTOR DIRECTOR