



FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2026

12.2.1 Cost of property and equipment include cost of fully depreciated assets that are still in use amounting to Rs. 839.65 million (December 2025: Rs. 843.29 million).

12.2.2 This includes disposals of computer equipment carrying cost and accumulated depreciation amounting to Rs. 36.85 million.

13. RIGHT-OF-USE ASSETS

June 30, 2026			December 31, 2025		
Buildings	Equipment	Total	Buildings	Equipment	Total
Rupees					
At opening					
Cost	2,550,519,955	38,812,247	2,589,332,202	1,950,374,659	38,812,247.00
Accumulated depreciation	(1,538,348,975)	(21,521,680)	(1,559,870,655)	(1,328,795,817)	(13,584,287.00)
Opening net book value	1,012,170,980	17,290,567	1,029,461,547	621,578,842	25,227,960
For the period / year movement					
Additions	425,720,320	295,679,347	721,399,667	600,145,296	-
Modification of leases	13,914,223	-	13,914,223	-	-
Depreciation charge	(122,765,507)	(33,151,266)	(155,916,823)	(209,553,158)	(7,937,393)
	316,869,036	262,528,081	579,397,067	390,592,138	(7,937,393)
Net carrying amount at closing	1,329,039,966	279,818,648	1,608,858,614	1,012,170,980	17,290,567

14. INTANGIBLE ASSETS

		June 2026	December 2025
		Rupees	Rupees
Capital work in progress	14.1	104,125,336	109,106,644
Intangible assets	14.2	142,378,291	81,608,697
		246,503,627	190,715,341

14.1 Capital work in progress

		June 2026	December 2025
		Rupees	Rupees
Opening		109,106,644	-
Transfers from CWIP to intangible assets		14,850,398	8,956,332
Additions during the period / year		65,827,195	100,150,312
Transfers to intangible assets		(85,668,901)	-
Closing	14.1.1	104,125,336	109,106,644

14.1.1 CWIP Includes:

		June 2026	December 2025
		Rupees	Rupees
Softwares		104,125,336	109,106,644
		104,125,336	109,106,644

14.2 Intangible Assets

June 30, 2026		December 31, 2025	
Software and Licenses	Total	Software and Licenses	Total
Rupees			
At opening			
Cost	743,300,887	743,300,887	743,300,887
Accumulated amortization and impairment	(661,692,190)	(661,692,190)	(625,214,456)
Net book value	81,608,697	81,608,697	118,086,431
For the period / year movement			
Opening net book value	81,608,697	81,608,697	118,086,431
Transferred from CWIP	85,668,901	85,668,901	-
Amortization charge	(24,889,307)	(24,889,307)	(36,477,734)
Closing net book value	142,378,291	142,378,291	81,608,697

		June 2026	December 2025
		Rupees	Rupees
As at Cost		828,959,788	828,959,788
Accumulated amortization and impairment		(666,581,497)	(661,692,190)
Net book value		142,378,291	81,608,697
Rate of amortization (percentage)		10-20%	10-20%

14.3 The cost of fully amortized intangibles still in use

		June 2026	December 2025
		Rupees	Rupees
Softwares and Licenses		518,714,731	513,708,309

15. DEFERRED TAX ASSET

June 30, 2026			
At January 1, 2026	Recognised in P&L A/C	Recognised in OCI	At June 30, 2026
Rupees			
2,378,468,350	89,094,202	-	2,467,562,552
398,292,516	(417,696,819)	-	(19,404,303)
132,526,636	(76,322,545)	14,202,893	70,406,984
15,481,244	(4,116,985)	-	11,364,259
1,270,282,946	(950,541,818)	-	319,741,128
88,090,078	(20,465,434)	-	67,624,644
4,274,131,764	(538,533,961)	14,202,893	3,749,800,696

Taxable temporary differences on:

		June 2026	December 2025
		Rupees	Rupees
Surplus on revaluation of investments classified as FVOCI	(5,809,389)	-	2,295,584
Unrealized gain of revaluation of securities FVTPL	(177,060)	(92,625)	-
	(6,116,443)	(92,625)	2,295,584
		4,268,015,321	(538,625,586)

December 31, 2025			
At January 1, 2025	Recognised in P&L A/C	Recognised in OC	At December 31, 2025
Rupees			
2,389,324,102	(10,855,752)	-	2,378,468,350
105,165,645	284,116,865	-	389,282,510
101,518,687	(2,050,179)	33,060,118	132,526,636
32,794,660	(17,513,416)	-	15,281,244
1,678,376,166	(808,095,220)	-	1,270,282,946
88,090,078	(9,916,623)	-	88,090,078
4,605,185,971	(364,114,325)	33,060,118	4,274,131,764

Deductible temporary differences on:

		June 2026	December 2025
		Rupees	Rupees
Tax losses carried forward		2,378,468,350	2,378,468,350
Minimum tax		105,165,645	105,165,645
Post retirement employee benefits		101,518,687	101,518,687
Accelerated tax depreciation		32,794,660	32,794,660
Credit loss allowance against advances		1,678,376,166	1,678,376,166
Lease Liabilities against ROUA		88,090,078	88,090,078
		4,605,185,971	4,605,185,971

Taxable temporary differences on:

		June 2026	December 2025
		Rupees	Rupees
Surplus on revaluation of investments classified as FVOC	(5,809,389)	-	2,295,584
Unrealized gain of revaluation of securities FVTPL	(177,060)	(92,625)	-
	(6,116,443)	(92,625)	2,295,584
		4,268,015,321	(538,625,586)

15.1 As at the period end, the Bank has recognized a net deferred tax asset amounting to Rs. 3745.89 million (2025: Rs. 4268.02 million) based on the business plan and financial projections duly approved by the board of directors of the Bank. The projections involve certain key assumptions underlying the estimation of future taxable profits. Any significant change in such assumptions may have an effect on the recoverability of the deferred tax asset. The management believes that it is probable that the Bank will be able to achieve the projected profits and consequently the deferred tax asset will be fully realized in the future.

		June 2026	December 2025
		Rupees	Rupees
Income / mark-up accrued on advances		8,301,711,688	5,434,341,618
Income / mark-up accrued on balance with banks		167,051,418	79,693,565
Prepayments		620,314,306	227,161,870
Security deposits		38,406,212	26,319,762
Fair value adjustment staff advances		180,279,682	90,151,499
Receivable from SBP against crop insurance		53,704,639	53,704,639
Others		680,393,585	240,160,303
		10,041,861,530	6,151,533,256
Less: Credit loss allowance held against other assets	16.1	(1,607,414)	(1,899,270)
		10,040,254,116	6,149,633,986

16.1 Movement in credit loss allowance held against other assets

		June 2026	December 2025
		Rupees	Rupees
At opening		1,899,270	8,026,079
Charge for the period / year		318,755	-
Reversals		(610,611)	(6,126,809)
At closing		1,607,414	1,899,270

17. BILLS PAYABLE

		June 2026	December 2025
		Rupees	Rupees
In Pakistan		145,891,354	114,006,111

18. BORROWINGS

		June 2026	December 2025
		Rupees	Rupees
Un-secured		3,000,000,000	3,000,000,000
Borrowings from the State Bank of Pakistan	18.1	3,962,148,000	-
Repo T-Bills		6,962,148,000	3,000,000,000

18.1 This represents unsecured long term borrowing obtained on June 24, 2019 from SBP under Financial Inclusion Infrastructure Program (FIIP) to provide access to long term market based funding, enhancing lending to microfinance borrowers including micro enterprises and micro housing especially women borrowers. The markup is payable at the rate of 6 months KIBOR minus 100 bps per annum (December 2025: 6 months KIBOR minus 100 bps per annum). Initially the principal amount was repayable in last four quarters of 5 years loan period or in bullet form at the end of said tenor. However, the State Bank of Pakistan has extended the principal repayment period for further 5 years from June 30, 2024, to June 30, 2029.

19. DEPOSITS AND OTHER ACCOUNTS

		June 2026	December 2025
		Rupees	Rupees
Customers			
Current deposits		6,738,234,323	3,158,262,740
Saving deposits	19.1	27,429,320,035	15,659,158,948
Fixed deposits	19.2	43,072,345,254	32,411,123,540
		76,239,899,512	51,228,545,138
Financial Institutions			
Current deposits		80,602,510	4,467,110,584
Saving deposits	19.1	9,473,183,779	10,585,628,291
Fixed deposits	19.2	400,000,000	2,807,000,000
		9,963,787,289	17,859,738,875
Total deposits		86,193,686,801	69,088,284,013

19.1 These carry interest rates ranging from 5.00% to 16.00% (December 2025: 7.25% to 14.00%) per annum.

19.2 These represent fixed deposits having tenure of 1 to 60 months carrying profit rates ranging from 9.99% to 23.00% (December 2025: 9.99% to 23.50%) per annum.

19.3 Composition of Deposits

		June 2026	December 2025
		Rupees	Rupees
Individuals		42,880,755,249	35,487,317,735
Government (Federal and Provincial)		6,956,338,828	6,835,513,751
Public sector entities		21,334,819	27,848,251
Banking companies		8,021,579,682	6,996,652,595
Non-banking financial institutions		16,332,526,489	10,863,086,280
Private sector		11,589,151,734	8,867,865,401
		86,193,686,801	69,088,284,013

19.4 Composition of Deposits

		June 2026	December 2025
		Rupees	Rupees
Branchless banking		961,146,738	1,432,409,086
Branches deposits		85,232,540,063	67,655,874,927
		86,193,686,801	69,088,284,013

19.5 Deposits include deposits from related parties amounting to Rs. 2.52 billion (December 2025: Rs. 4.42 billion).

20. LEASE LIABILITIES

		June 2026	December 2025
		Rupees	Rupees
At opening		1,255,333,543	898,106,035
During the period / year:			
Additions		425,720,320	600,145,296
- Buildings		295,679,347	-
- Equipments		721,399,669	600,145,296
Modification		13,914,223	-
Interest expense		110,329,277	168,638,771
Payments	28	(318,721,575)	(411,556,559)
At closing		1,782,255,137	1,255,333,543

20.1 Contractual Maturity of Lease liabilities

		June 2026	December 2025
		Rupees	Rupees
Short term lease liabilities - within one year		242,330,640	-
Long term lease liabilities			
- 1 to 5 years		704,065,208	403,903,701
- 5 to 10 years		835,859,289	851,429,842
- More than 10 years		-	-
		1,539,924,497	1,255,333,543
Total lease liabilities		1,782,255,137	1,255,333,543

21. SUBORDINATED DEBT

		June 2026	December 2025
		Rupees	Rupees
Pakistan Microfinance Investment Company (PMIC)	21.1	720,160,167	672,286,612
		720,160,167	672,286,612

21.1 This represents an unsecured and subordinated loan facility raised by the Bank in the year 2019, amounting to Rs.800 million to contribute towards the Bank's Tier I capital. The instrument was initially structured to redeem in 6 semi-annual installments in arrears starting from 6th year after the end of grace period of 5 years.

The Bank and Pakistan Microfinance Investment Company Limited (PMICL) entered into an addendum to the subordinate debt agreement in November 2024 which became effective from January 21, 2025, the Amendment Effective Date. As per the revised terms, the Subordinated Term Finance Facility has been extended for a further period of seven years commencing from the Amendment Effective Date. Further mark-up accrued up to the date of amendment effective date, has been waived by the lender.

The facility carries mark-up at the rate of 6 months KIBOR plus 3% per annum, to be charged from the earlier of October 1, 2027 or when CAR and MC requirements are complied with by the Bank. The principal amount is repayable in 4 semi annual installments starting from 6th year after the end of revised grace period of 5 years starting from the amendment effective date.

The instrument is unsecured and subordinated to payment of principal and profit to all other indebtedness of the Bank, including deposits, and it is not redeemable before maturity without prior approval of SBP.

22. OTHER LIABILITIES

		June 2026	December 2025
		Rupees	Rupees
Markup / return / interest payable	22.1	1,229,238,514	1,088,843,431
Accrued expenses		186,249,920	901,979,707
Payable to defined benefit plan	40	140,551,037	369,217,115
Income tax payable - net	22.2	92,290,971	22,938,546
Withholding tax payable		119,092,286	209,073,659
Sundry creditors		466,217,515	353,097,966
Workers' welfare fund		33,320,951	33,320,951
Settlement accounts		384,339,193	90,860,102
		2,651,300,487	3,069,331,477

22.1 This includes markup payable on deposits from related parties amounting to Rs. 0.120 million (December 2025: Rs. 1.88 million).

22.2 Income tax payable - net

		June 2026	December 2025
		Rupees	Rupees
Advance income tax		(701,869,124)	(422,619,210)
Provision for income tax		794,160,095	445,557,756
		92,290,971	22,938,546