



FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2026

exchange rates prevailing on the date of transaction or on the date when fair values are determined (for assets carried at fair value). Foreign currency differences arising on retranslation are charged to statement of profit or loss in the period in which they arise.

6.20 Off setting

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legally enforceable right to set off and the Bank intends to either settle on a net basis, or to realize the assets and to settle the liabilities simultaneously.

6.21 Share capital and dividend

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of tax, from the proceeds. Dividend distribution to the shareholders is recognized as liability in the period in which it is declared.

6.22 Earnings per share

The Bank presents earnings per share (EPS) for its ordinary shares which is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares (if any).

		June 2026 Rupees	December 2025 Rupees
7.CASH AND BALANCES WITH TREASURY BANKS	Note		
In hand - local currency		866,190,774	921,703,445
With State Bank of Pakistan in:			
-Local currency - current account	7.1	4,399,775,612	8,896,872,971
With National Bank of Pakistan in:			
-Local currency - deposit account	7.1 & 7.2	19,214	537,975
-Local currency - current account	7.1	4,119,515	44,250,565
		5,270,105,115	9,863,364,956

7.1 These represent balances maintained with SP and NBP to meet the minimum balance requirement equivalent to 3% (December 2025: 5%) as cash reserve of total of demand Liabilities and 12% (December 2025: 10%) as liquidity reserve of the Bank's time and demand liabilities in accordance with the Prudential Regulations.

7.2 These accounts carry markup at Nil % (December 2025: 9% to 11.50%) per annum.

		June 2026 Rupees	December 2025 Rupees
8.BALANCES WITH OTHER MFBS / BANKS / NBFIS	Note		
In Pakistan:			
-In current account	8.1	4,255,534	16,397,441
-In deposit Account		6,561,098,249	3,530,712,400
-In term deposit account	8.2	4,600,000,000	4,000,000,000
		11,165,353,783	7,547,109,841

8.1 These accounts carry mark-up ranging from 4.25% to 13.75% (December 2025: 7% to 12.55%) per annum.

		June 2026 Rupees	December 2025 Rupees
8.2 Composition of term deposits	Note		
Khashali Microfinance Bank Limited		1,500,000,000	1,000,000,000
Halan Microfinance Bank Limited		1,100,000,000	1,000,000,000
LOLC Microfinance Bank Limited		2,000,000,000	2,000,000,000
	8.2.1	4,600,000,000	4,000,000,000

8.2.1 These carry mark-up ranging from 13.50% to 17.50% (December 2025: 7% to 17.50%) and have maturity up to June 2027 (December 2025: December 2026).

		June 2026 Rupees	December 2025 Rupees
9.LENDING TO FINANCIAL INSTITUTION	Note		
Repurchase agreement lendings (Reverse repo)	9.1	11,745,866,367	2,762,889,000
		11,745,866,367	2,762,889,000

9.1 Lending to Financial Institution - Particulars of credit loss allowance

	June 30, 2026		December 31, 2025	
Lending	Credit loss allowance		Lending	Credit loss allowance
	Rupees			Rupees
Stage 1	11,745,866,367	-	2,762,889,000	-

		June 2026 Rupees	December 2025 Rupees
12.PROPERTY AND EQUIPMENT	Note		
Capital work in progress - CWIP	12.1	445,731,477	231,309,860
Property and equipment	12.2	1,283,048,007	760,706,627
		1,728,779,484	992,016,487

		June 2026 Rupees	December 2025 Rupees
12.1 Capital work in progress - CWIP			
Opening		231,309,860	17,624,588
Additions during the year		864,211,645	767,354,702
Transfers to property and equipment		(634,939,630)	(544,713,098)
Transfers to CWIP-intangible assets		(14,850,398)	(8,956,332)
Closing	12.1.1	445,731,477	231,309,860

12.1.1 CWIP includes:

		June 2026 Rupees	December 2025 Rupees
Computer equipment		144,576,754	14,905,793
Leasehold improvements		136,070,389	182,180,346
Furniture and fixture		11,862,261	12,190,475
Office equipment		151,222,073	21,674,746
Advances to suppliers and contractors	12.1.1.1	-	358,500
		445,731,477	231,309,860

12.1.1.1 This represented advances to suppliers given against leasehold improvements.

12.2 Property and equipment

		Note
As at January 01, 2026		
Cost		
Accumulated depreciation		
Net book value		
Period ended June 30, 2026		
Opening net book value		
Additions		
Disposals (net)		12.2.2
Depreciation charge		
Closing net book value		
As at June 30, 2026		
Cost		
Accumulated depreciation		
Net book value		
Rate of depreciation (percentage)		
As at January 01, 2025		
Cost		
Accumulated depreciation		
Net book value		
Year ended December 31, 2025		
Opening net book value		
Additions		
Disposals (net)		
Depreciation charge		
Closing net book value		
As at December 31, 2025		
Cost		
Accumulated depreciation		
Net book value		
Rate of depreciation (percentage)		

9.2 These are secured against market treasury bills and Pakistan investment bonds which carry markup ranging from 11.50% to 11.53% per annum maturing till July 3, 2026.

9.3 Reverse repo agreements - Collateral

Market Treasury Bills (MTB) - Face Value

10. INVESTMENTS

Investments by type

Debt Instruments

Classified / Measured as FVOCI

Federal Government Securities

Market treasury bill

Pakistan Investment Bonds

Classified / Measured as FVTPL

Federal Government Securities

Market treasury bill

Total Investments

10.1 These carry varied rate ranging from 11.77% to 17.22% (December 2025: 10.25% + 11.78%) per annum and have These carry yield rate ranging from 11.72% to 12.33% (December 2025: 10.35% to 11.78%) per annum and have maturities upto April 06, 2028. These securities have an aggregate face value of Rs. 6,500.00 million (December 2025: Rs. 6,500.00 million). This includes Rs. 623.59 million (December 2025: Rs. 541.80 million) maintained with SBP under depositors' protection fund to comply with the statutory liquidity requirements as set under the Prudential Regulations

10.2 Expected credit loss on government securities have not been estimated due to exemption available under IFS 9 implementation instructions issued by SBP through circular no. 3 of 2022 dated Juv os. 2022

11. ADVANCES

Loan Type

Micro credits

Secured

Unsecured

Other advances - staff loan

Advances - gross

Credit loss allowance against advances

- Stage 1

- Stage 2

- Stage 3

Advances - net of credit loss allowance

11.1 Advances - Particulars of credit loss allowance

11.1.1 Advances - Exposure

	2026				2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	Rupees							
Opening balance	37,658,781,488	245,405,719	258,392,150	38,162,579,357	18,634,043,695	59,939,423	480,253,951	19,174,237,071
New advances:								
Advances derecognised or repaid	31,673,583,617	233,721,900	5,455,790	31,912,761,307	37,077,833,743	193,352,819	24,610,119	37,295,796,681
Transfer to stage 1	(19,659,916,554)	(173,032,475)	(35,290,477)	(19,868,239,506)	(17,873,127,280)	(50,866,020)	(90,022,153)	(18,014,015,453)
Transfer to stage 2	55,178	(55,178)	-	-	-	-	-	-
Transfer to stage 3	(707,989,682)	(707,989,682)	-	(1,415,979,364)	(52,052,899)	(52,052,899)	-	(104,105,798)
	(118,341,451)	(65,942,929)	(184,284,380)	(968,608,760)	(47,702,215)	(869,407)	(48,571,622)	(97,143,244)
	11,187,391,108	702,681,000	154,449,693	12,044,521,801	19,104,951,349	193,670,291	(16,840,412)	19,281,781,228
Amounts written off / charged off	(23,899,207)	(4,386,059)	(105,059,951)	(133,325,217)	(80,213,556)	(8,203,995)	(205,021,394)	(293,438,945)
Closing balance	48,822,273,389	943,720,660	307,781,892	50,073,775,941	37,658,781,488	245,405,719	258,392,150	38,162,579,357

11.1.2 Advances - Credit loss allowance

	2026				2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	Rupees							
Credit loss allowance opening balance	428,933,534	3,657,226	174,404,405	606,995,165	459,980,852	5,201,197	322,128,331	787,310,380
Opening balance								
New Advances	40,621,247	4,230,939	45,143	44,897,329	79,435,437	2,302,902	9,285,841	91,024,180
Advances derecognised or repaid	(14,587,227)	(580,069)	(1,281,052)	(16,448,348)	(77,786,932)	(127,970)	(1,577,677)	(79,492,579)
Transfer to stage 2	(588,283)	588,283	-	-	(802,064)	802,064	-	-
Transfer to stage 3	(2,249,071)	(2,044,275)	4,293,346	-	(3,918,786)	(228,298)	4,147,084	-
	23,186,166	2,204,878	3,057,437	28,448,481	(3,072,345)	2,748,698	11,855,248	11,531,601
Amounts written off / charged off	(5,855,095)	(4,366,059)	(105,059,951)	(115,281,105)	(60,107,572)	(8,203,995)	(205,021,394)	(273,332,961)
Changes in risk parameters	(28,705,902)	18,010,231	30,897,019	20,201,348	32,132,599	3,911,326	45,442,220	81,486,145
Closing balance	417,558,703	19,506,276	103,298,910	540,363,889	428,933,534	3,657,226	174,404,405	606,995,165

11.1.3 Advances - Credit loss allowance details

	2026				2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	Rupees							
Internal / external rating / stage classification								
Outstanding gross exposure								
Performing - Stage 1	48,822,273,389	-	-	48,822,273,389	37,658,781,488	-	-	37,658,781,488
Under Performing	-	-	-	-	-	-	-	-
Other assets especially mentioned	-	943,720,660	-	943,720,660	-	245,405,719	-	245,405,719
Non-performing	-	-	-	-	-	-	-	-
Substandard	-	-	125,984,339	125,984,339	-	-	44,421,648	44,421,648
Doubtful	-	-	68,637,582	68,637,582	-	-	23,254,177	23,254,177
Loss	-	-	113,159,971	113,159,971	-	-	190,716,325	190,716,325
	-	-	307,781,892	307,781,892	-	-	258,392,150	258,392,150
Total	48,822,273,389	943,720,660	307,781,892	50,073,775,941	37,658,781,488	245,405,719	258,392,150	38,162,579,357
Corresponding credit loss allowance								
- Stage 1	417,558,703	-	-	417,558,703	428,933,534	-	-	428,933,534
- Stage 2	-	19,506,276	-	19,506,276	-	3,657,226	-	3,657,226
- Stage 3	-	-	103,298,910	103,298,910	-	-	174,404,405	174,404,405
	417,558,703	19,506,276	103,298,910	540,363,889	428,933,534	3,657,226	174,404,405	606,995,165

11.2 Particulars of write offs / charge offs

Against credit loss allowance

Directly charged to statement of profit or loss

	Note	June 2026 Rupees	December 2025 Rupees
		115,281,105	273,332,961
	34	18,044,112	20,105,984
		133,325,217	293,438,945

June 30, 2026					
Leasehold improvements	Furniture and fixture	Computer equipment	Office equipment	Vehicles	Total
Rupees					
701,562,053	225,867,292	727,471,962	538,038,810	20,366,100	2,213,306,217
(437,438,340)	(142,837,067)	(631,190,998)	(220,964,967)	(20,168,218)	(1,452,599,590)
264,123,713	83,030,225	96,280,964	317,073,843	197,882	760,706,627

264,123,713	83,030,225	96,280,964	317,073,843	197,882	760,706,627
280,770,966	15,731,636	137,232,661	200,992,467	211,900	634,939,630
-	-	-	-	-	-
(32,642,885)	(9,263,949)	(39,700,090)	(30,964,828)	(26,498)	(112,598,250)
512,251,794	89,497,912	193,813,535	487,101,482	383,284	1,283,048,007

701,562,053	225,867,292	690,626,643	538,038,810	20,366,100	2,176,460,898
(437,438,340)	(136,369,380)	(496,813,108)	(50,937,328)	(19,982,816)	(893,412,891)
512,251,794	89,497,912	193,813,535	487,101,482	383,284	1,283,048,007
10%	10	%20%-33%	10%	25%	

December 31, 2025					
Leasehold improvements	Furniture and fixture	Computer equipment	Office equipment	Vehicles	Total
----- Rupees -----					
633,232,517 (448,415,738)	204,172,149 (148,637,377)	664,440,383 (596,543,353)	293,649,577 (203,066,547)	20,366,100 (20,168,218)	1,815,860,726 (1,416,831,233)
184,816,779	55,534,772	67,897,030	90,583,030	197,882	399,029,493



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	1,989,186,906
Accumulated depreciation	(1,538,348,975)	(21,521,680)	(1,559,870,655)	(1,328,795,817)	(13,584,287.00)	(1,342,380,104)
Opening net book value	1,012,170,980	17,290,567	1,029,461,547	621,578,842	25,227,960	646,806,802
For the period / year movement						
Additions	425,720,320	295,679,347	721,399,667	600,145,296	-	600,145,296
Modification of leases	13,914,223	-	13,914,223	-	-	-
Depreciation charge	(122,765,557)	(33,151,266)	(155,916,823)	(209,553,158)	(7,937,393)	(217,490,551)
	316,868,966	262,528,081	579,397,067	390,592,138	(7,937,393)	382,654,745
Net carrying amount at closing	1,329,039,966	279,818,648	1,608,858,614	1,012,170,980	17,290,567	1,029,461,547

14. INTANGIBLE ASSETS

	Note	June 2026 Rupees	December 2025 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

Opening	109,106,644	-
Transfers from CWIP to intangible assets	14,850,398	8,958,332
Additions during the period / year	65,827,195	100,150,312
Transfers to intangible assets	(85,658,901)	-
Closing	104,125,336	109,106,644

14.1.1 CWIP Includes:

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	743,300,887
Accumulated amortization and impairment	(661,692,190)	(661,692,190)	(625,214,456)	(625,214,456)
Net book value	81,608,697	81,608,697	118,086,431	118,086,431
For the period / year movement				
Opening net book value	81,608,697	81,608,697	118,086,431	118,086,431
Transferred from CWIP	85,658,901	85,658,901	-	-
Amortization charge	(24,889,307)	(24,889,307)	(36,477,734)	(36,477,734)
Closing net book value	142,378,291	142,378,291	81,608,697	81,608,697
As at				
Cost	826,959,788	826,959,788	743,300,887	743,300,887
Accumulated amortization and impairment	(686,581,497)	(686,581,497)	(661,692,190)	(661,692,190)
Net book value	142,378,291	142,378,291	81,608,697	81,608,697
Rate of amortization (percentage)	10-20%		10-20%	

14.3 The cost of fully amortized intangibles still in use

Softwares and Licenses	518,714,731	513,708,309
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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			
Deductible temporary differences on:			
- Tax losses carried forward	2,378,468,350	89,004,202	-
- Minimum tax / Alternative corporate tax	389,282,510	417,906,619	-
- Post retirement employee benefits	132,526,636	(70,322,545)	14,202,893
- Accelerated tax depreciation	15,481,244	(4,114,985)	-
- Credit loss allowance against advances	1,270,282,946	(950,541,818)	-
- Lease Liabilities against ROUA	88,090,078	(20,465,434)	-
	4,274,131,764	(538,533,961)	14,202,893
Taxable temporary differences on:			
- Surplus on revaluation of investments classified as FVOCI	(5,939,383)	-	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	(538,626,586)	16,498,477
			3,745,887,212
December 31, 2025			
At January 1, 2025	Recognised in P&L A/C	Recognised in OC	At December 31, 2025
Rupees			
Deductible temporary differences on:			
- Tax losses carried forward	2,389,324,102	(10,855,752)	-
- Minimum tax	105,165,645	284,116,865	-
- Post retirement employee benefits	101,516,697	(2,050,179)	33,060,118
- Accelerated tax depreciation	32,794,660	(17,313,416)	-
- Credit loss allowance against advances	1,878,378,166	(608,095,220)	-
- Lease Liabilities against ROUA	98,006,701	(9,916,623)	-
	4,605,185,971	(364,114,325)	33,060,118
Taxable temporary differences on:			
- Surplus on revaluation of investments classified as FVOC	(2,515,033)	-	(3,424,351)
- Unrealized gain of revaluation of securities FVTPL	-	(177,060)	-
	(2,515,033)	(177,060)	(3,424,351)
	4,602,670,938	(364,291,385)	29,635,767
			4,268,015,321

15.1 As at the period end, the Bank has recognized a net deferred tax asset amounting to Rs. 3745.89 million (2025: Rs. 4,268.02 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.

16. OTHER ASSETS

	Not	June 2026 Rupees	December 2025 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	90,151,469
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

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

In Pakistan	145,891,354	114,006,111
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18. BORROWINGS

Un-secured Borrowings from the State Bank of Pakistan	18.1	3,000,000,000	3,000,000,000
Repo T-Bills		3,952,148,000	-
		6,952,148,000	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

	Note	June 2026 Rupees	December 2025 Rupees
Customers			
Current deposits		5,738,234,223	3,158,262,740
Saving deposits	19.1	27,429,320,035	15,659,158,948
Fixed deposits	19.2	43,072,345,254	32,411,123,450
		76,239,899,512	51,228,545,138
Financial Institutions			
Current deposits		80,603,510	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
		9,953,787,289	17,859,738,875
Total deposits		86,193,686,801	69,088,284,013

18.1 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 Rupees	December 2025 Rupees
Individuals	42,880,755,249	35,497,317,735
Government (Federal and Provincial)	6,956,338,828	6,835,513,751
Public sector entities	213,334,819	27,848,251
Banking companies	8,021,579,682	6,996,652,595
Non-banking financial institutions	16,532,526,469	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

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

	Note	June 2026 Rupees	December 2025 Rupees
At opening		1,255,333,543	898,106,035
Movements during the period / year:			
Additions			
- Buildings		425,720,322	600,145,296
- Equipments		295,679,347	-
Modification		721,399,669	600,145,296
Interest expense		13,914,223	-
Payments	28	(110,329,277)	(168,638,771)
		(318,721,575)	(411,556,559)
At closing		1,782,255,137	1,255,333,543

20.1 Contractual Maturity of Lease liabilities

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

	Note	June 2026 Rupees	December 2025 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

	Note	June 2026 Rupees	December 2025 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		119,092,386	209,073,669
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 Rupees	December 2025 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



FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2026

23. SHARE CAPITAL

23.1 Authorized capital

June 2026 (Number of shares)	December 2025		June 2026 Rupee	December 2025 Rupee
1,500,000,000	1,500,000,000	Ordinary shares of Rs 10 each	15,000,000,000	15,000,000,000

23.2 Issued, subscribed and paid-up share capital

June 2026 (Number of shares)	December 2025		June 2026 Rupees	December 2025 Rupees
75,000,000	75,000,000	Ordinary share of Rs. 10 each fully paid in cash	750,000,000	750,000,000
759,888,711	559,888,711	Ordinary share of Rs. 10 each issued at discount	7,598,887,110	5,598,887,110
834,888,711	634,888,711		8,348,887,110	6,348,887,110
-	200,000,000	Ordinary share of Rs. 10 each fully paid in cash	-	2,000,000,000
834,888,711	834,888,711		8,348,887,110	8,348,887,110
275,000,000	275,000,000	Ordinary share of Rs. 10 each fully paid in cash	2,750,000,000	2,750,000,000
559,888,711	559,888,711	Ordinary share of Rs. 10 each issued at discount	5,598,887,110	5,598,887,110
834,888,711	834,888,711		8,348,887,110	8,348,887,110
-	-	Discount on issue of share	(4,089,040,293)	(4,089,040,293)
834,888,711	834,888,711		4,259,846,817	4,259,846,817

23.3 Pattern of Shareholding

June 2026 (Number of shares)	December 2025		June 2026 Rupees	December 2025 Rupees
591,149,827	591,149,827	Abhi (Private) Limited	5,911,498,270	5,911,498,270
210,619,137	210,619,137	TPL Corp Limited	2,106,191,370	2,106,191,370
33,119,747	33,119,747	Kashf Holdings (Private) Limited	331,197,470	331,197,470
834,888,711	834,888,711		8,348,887,110	8,348,887,110

23.4 The Bank has one class of ordinary shares which carry no right to fixed income. The shareholders are entitled to receive dividend as declared from time to time and are entitled to one vote per share at the meeting of the Bank. All shares rank equally with regards to the Bank residual assets.

24. CAPITAL CONTRIBUTION RESERVE

On January 17, 2025, FINCA Microfinance Cooperative U.A transferred Rs. 600 million with the Bank as part of the share purchase agreement between FINCA Microfinance Cooperative U.A and TPL Corp Limited and Abhi (Private) Limited. This amount is non-repatriable and represents no current or future obligation on the part of the Bank and / or any of its shareholders towards FINCA Microfinance Cooperative U.A.

25. SURPLUS ON REVALUATION OF ASSETS - NET OF TAX

June 2026 Rupees	December 2025 Rupees
9,343,075	15,229,186
(3,643,800)	(5,939,384)
5,699,275	9,289,802

26. CONTINGENCIES AND COMMITMENTS

Contingencies

(a) The Punjab Revenue Authority (PRA) issued a notice to the Bank regarding alleged short payment of sales tax on services and shortfall in sales tax withheld on taxable services for financial years 2020 and 2021. After submission of replies and hearings, PRA passed an order dated June 16, 2025 creating a demand of Rs. 196.398 million along with a penalty of Rs. 9.820 million for both years. In addition, default surcharge is chargeable under the Act, the amount of which is dependent on the date of payment and continues to accrue until settlement of the demand. The Bank based on advice from its tax consultants, has filed an appeal before the competent appellate authority. The bank has also paid under protest 10% of the disputed demand Rs. 20.62 million.

(b) During the financial year 2016, a demand of Rs. 9.315 million was raised by the Deputy Commissioner Inland Revenue (DCIR) through order passed under Section 3 of the Federal Excise Act, 2005. Being aggrieved, the Bank preferred an appeal before the Commissioner Inland Revenue (Appeals), which was dismissed vide order dated September 21, 2020. The subsequent appeal before the Appellate Tribunal Inland Revenue (ATIR) was also dismissed through order dated September 29, 2022. The Bank has now filed a reference before the Honorable Lahore High Court through its legal counsel, which is currently pending adjudication.

(c) A fraud incident was detected at the Satellite Town Branch, Rawalpindi, involving fake gold ornaments, linked to 55gold backed loan accounts with outstanding principal of Rs. 62.69 million. These gold ornaments were valued at Rs 82.05 million. Since these gold ornaments were fully insured under the fidelity clause, the Bank had lodged a claim with the Insurance company for the full gold value.

(d) Since the incident, management has further strengthened internal controls in order to reduce the probability of such instances. Furthermore, the management is confident that the insurance company will settle all the outstanding claims and no additional financial impact is expected. In addition, the Bank is maintaining a voluntary general provision of Rs. 350 Million, over and above the statutory requirement, in order to cater for any unforeseen event resulting into operational loss.

Bank's AJK Operations:

(d) During the previous years, the Deputy Commissioner Inland Revenue (DCI) passed orders under section 122(1) of the Ordinance for the Tax Years 2019, 2020 and 2021, thereby raising an aggregate tax demand of Rs. 32.323 million. Feeling aggrieved, the Bank preferred appeals before Commissioner Inland Revenue (Appeals) [CiR(A)], who vide orders dated December 19, 2024, partially confirmed the aggregate demand to the tune of Rs. 12.766 million while remanding back the remaining demand to DCI. The remand back proceedings are underway till this date.

(e) During the previous year, the DCIR passed order under section 122(1) of the Ordinance for the Tax Year 2022, thereby reducing taxable loss by Rs. 14.685 million. Feeling aggrieved, the Bank preferred appeals before CiR(A) which is pending adjudication.

26.2 Commitments

There are no significant commitments as at June 30, 2026 (December 2025: Nil)

27. MARK-UP / RETURN / INTEREST EARNED

Note	(Audited) From January 01, 2026 to June 30, 2026	(Un-audited) From January 01, 2025 to June 30, 2025
Loans and advances	8,122,344,739	4,292,278,893
Investments	268,486,430	337,760,794
Lending to financial institutions	464,615,542	-
Balances with other MFBS / banks / NBFIs	401,946,696	367,341,313
27.1	9,257,393,407	4,997,401,000

27.1 Interest Income

(Calculated using effective interest rate method) recognized on:

	(Audited) From January 01, 2026 to June 30, 2026	(Un-audited) From January 01, 2025 to June 30, 2025
Financial assets measured at amortised cost	8,988,906,977	4,697,150,080
Financial assets measured at FVOCI	199,577,778	202,005,250
Financial assets measured at FVTPL	68,908,652	98,245,670
	9,257,393,407	4,997,401,000

28. MARK-UP / RETURN / INTEREST EXPENSED

	(Audited) From January 01, 2026 to June 30, 2026	(Un-audited) From January 01, 2025 to June 30, 2025
Deposits	4,464,089,595	2,866,626,632
Borrowings	155,762,167	167,576,666
Subordinated loan	47,873,555	-
Lease liabilities	110,329,277	80,342,915
20	4,778,054,594	3,114,546,213

28.1 Interest expense calculated using effective interest rate method

(Audited) (Un-audited)
From January 01, 2026 to June 30, 2026 From January 01, 2025 to June 30, 2025

29. FEE AND COMMISSION INCOME

	(Audited) From January 01, 2026 to June 30, 2026	(Un-audited) From January 01, 2025 to June 30, 2025
Loan processing fee - net	568,281,864	456,532,037
Branchless banking income	143,447,380	9,872,924
Branch banking customer fees	18,701,741	48,074,558
Overdue charges	103,760,488	40,353,153
Early settlement charges	202,917,787	125,801,336
Card related fees	24,497,520	3,327,879
	1,061,606,780	683,961,887

29.1 Branchless banking income

	(Audited) From January 01, 2026 to June 30, 2026	(Un-audited) From January 01, 2025 to June 30, 2025
Lending charges	127,915,991	-
Commission income from bill payments	236,385	277,459
Fees on payment and money transfer services	13,024,772	8,157,198
Fees on cash withdrawal	2,052,755	1,260,354
Others	217,477	177,913
	143,447,380	9,872,924

30. GAIN ON SECURITIES

	(Audited) From January 01, 2026 to June 30, 2026	(Un-audited) From January 01, 2025 to June 30, 2025
Realised	561,905	7,121,473
Unrealised	(454,000)	-
	107,905	7,121,473

	Note	(Audited) From January 01, 2026 to June 30, 2026	(Un-audited) From January 01, 2025 to June 30, 2025
30.1 Realised gain on:			
Federal government securities		561,905	7,121,473
		561,905	7,121,473
30.2 Realised gain on:			
Net gain on financial assets (debt instruments) measured at FVOCI		232,000	6,597,376
Net gain on financial assets (debt instruments) measured at FVTPL		329,905	524,097
		561,905	7,121,473
31. OTHER INCOME			
Gain on sale of property and equipment - net		11,960,940	-
Gain on derecognition on subordinated debt	21.1	-	6,678,382
Others		253,061	2,431,302
		12,214,001	9,109,684
32. OPERATING EXPENSES			
Total compensation expense	32.1	1,924,873,855	1,367,172,583
Directors' fees and allowances		12,148,974	3,000,000
Printing, stationery and periodicals		9,942,759	28,340,953
Advertisement		56,754,951	46,511,568
Rent, rates and taxes		6,140,658	28,637,223
Office running expenses		27,461,568	43,317,345
Vehicle running expenses		90,441,370	51,616,633
Insurance		118,328,757	59,745,961
Office security / personnel services		92,342,608	88,717,648
Janitorial services		75,522,866	24,164,075
Repairs and maintenance		126,805,922	56,054,987
Communication		44,487,858	34,311,921
Travel and transportation		87,913,097	90,498,532
Utilities		64,879,635	93,661,486
IT expenses		122,793,426	59,686,693
Legal and professional charges		45,362,992	38,089,282
Donation		28,000	-
Auditors' remuneration	32.2	3,000,000	2,500,000
Training and research		4,359,592	8,755,635
Depreciation on property and equipment	12	112,598,250	62,515,866
Depreciation on right of use assets	13	155,916,823	102,850,779
Amortization on intangible assets	14	24,889,307	19,030,895
Others		1,679,993	2,653,682
		3,208,673,261	2,311,833,747

	Note	(Audited) From January 01, 2026 to June 30, 2026	(Un-audited) From January 01, 2025 to June 30, 2025
32.1 Total compensation expense			
Fees and allowances etc		25,632,945	24,038,854
Managerial remuneration			
i) Fixed		792,118,687	503,380,000
ii) Variable		234,897,438	262,035,568
Charge for defined benefit plan		74,133,263	55,342,547
Contribution to employees provident fund		61,214,441	33,472,497
Rent & house maintenance		316,738,387	201,314,988
Utilities		194,220	48,698,083
Medical		98,640,881	1,630,728
Conveyance		17,038,760	14,904,631
Staff insurance		16,574,814	7,561,435
Staff medical insurance		24,328,190	25,611,349
Employee old age benefit		20,290,688	19,145,019
Mobio expense		12,003,033	10,807,056
Staff relocation expense		5,652,871	6,748,147
Overtime		77,604	1,374,608
Fuel and maintenance		195,333,950	135,155,126
Recruitment related expenses		1,937,515	28,850
Employee engagement expense		8,297,747	2,615,138
PESSI		122,100	793,599
Driver Allowance		17,844,294	10,714,138
Others		1,782,027	1,800,424
		1,924,873,855	1,367,172,583

32.2 Auditors' remuneration

Audit fee	3,000,000	2,500,000
	3,000,000	2,500,000

33. OTHER CHARGES

Penalties imposed by SBP	33.1	-	72,000
Bank charges		11,387,485	30,694,831
		11,387,485	30,766,831

33.1 This represented penalty paid during last period against non compliance of Cash Management reporting.

	Note	(Audited) From January 01, 2026 to June 30, 2026	(Un-audited) From January 01, 2025 to June 30, 2025
34. CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET			
Credit loss allowance against loans and advances	34.1	48,357,974	46,749,888
Bad debts written off directly	11.2	18,044,112	11,170,672
Recovery against advances previously written off		(191,469,564)	(146,119,757)
		(125,067,478)	(88,159,197)
		(125,067,478)	(88,159,197)
		(Audited)	(Un-audited)
		From January 01, 2026 to June 30, 2026	From January 01, 2025 to June 30, 2025
34.1 Credit loss allowance against loans and advances			
Against advances		48,649,830	46,749,888
Against other assets		(291,856)	-
		48,357,974	46,749,888
35. TAXATION			
Current - for the period	35.1	(417,906,619)	(71,153,425)
Deferred - for the period	15	(538,626,586)	(52,494,409)
		(956,533,205)	(123,647,834)

35.1 There is no relationship between the current tax expense for the period and product of accounting profit multiplied by applicable tax rate as the provision for current tax expense is based on Alternative Corporate Tax under Section 113C of the Income Tax Ordinance, 2001, accordingly, no numerical tax charge reconciliation has been presented.

	Note	(Audited) From January 01, 2026 to June 30, 2026	(Un-audited) From January 01, 2025 to June 30, 2025
36. BASIC AND DILUTED EARNINGS PER SHARE			
Profit for the period		1,501,741,026	200,185,226
		Number	Number
Weighted average number of ordinary shares		834,888,711	834,888,711
		Rupees	Rupees
Basic and diluted earnings per share		1.80	0.24
36.1 Diluted earnings per share has not been presented separately as the Bank does not have any convertible instruments in issue.			

	Note	(Audited) From January 01, 2026 to June 30, 2026	(Un-audited) From January 01, 2025 to June 30, 2025
37. CASH AND CASH EQUIVALENTS			
Cash and balances with SBP and NBP	7	5,270,105,115	1,879,478,802
Balances with other banks	8	11,165,353,783	7,710,331,296
Less: Instruments having maturity more than three months		(4,100,000,000)	-
		12,335,458,898	9,589,810,098