

Directors' Reviews

The Directors of the Apna Microfinance Bank Limited (hereinafter referred to as 'the Bank') are pleased to present the Un-audited Condensed Interim Financial Information of the Bank for the quarter end March 31st, 2025.

Principal Activity and Financial Performance

The Bank was incorporated as a public limited bank and its shares are listed on Pakistan Stock Exchange Limited. The Bank's principal business is to provide microfinance banking and related services to the poor and underserved segment of society with a view to alleviate poverty under the Microfinance Institutions Ordinance, 2001.

The financial performance of the Bank during the quarter ended March 31st, 2025, is as follows.

Particular's	March 31, 2025	December 31, 2024	%
	Un-audited	Audited	Change
Advances	8,488,202,134	8,195,981,631	4%
Deposits and other accounts	24,397,971,570	25,674,402,711	-5%
	March 31, 2025	March 31, 2024	
	Un-audited	Un-audited	
Mark-up/Return/Interest Earned	676,407,747	709,529,083	-5%
Mark-up/Return/Interest Expensed	730,102,740	948,835,099	-23%
Operating expenses	493,525,484	544,331,877	-9%
Loss for the period	491,793,574	777,726,376	-37%

The Bank posted a loss PKR 492 million during the current period as compared to a loss of PKR 778 million in corresponding period. The equity (net of losses) of the Bank has stood at negative PKR 9,391 million and the total assets stood at PKR 16,140 million as at March 31st, 2025. The loss per share for the period ended March 31st, 2025 is PKR 1.12 as compared to loss per share of PKR 1.81 in the corresponding period.

The deposits of the Bank settled at PKR 24,398 million whereas advances stood at PKR 8,488 million. Investments were at PKR 1,923 million.

As of March 31, 2025, the Bank's deferred tax asset (net) totaled PKR. 1,700 million. In current period no additional deferred tax asset recognized by the Bank.

The Bank continued to prudently manage its operating expenses and recorded a decrease of 9% and total non-markup expenses were reported at PKR 494 million as against 544 million for the corresponding period.

The Bank's non-funded income totaled PKR 82 million, compared to PKR 56 million in the corresponding period. The main contributors to this income were loan processing fee income.

As of March 31, 2025, the Bank's gross NPL ratio (Gross non-performing loans to Gross Advances) decreased to 39.98%, compared to 40.50% recorded on December 31, 2024. This improvement is primarily attributed to the recoveries from the NPL which is the strategic objective and the top priority of the Bank.

Future Outlook

The bank has incurred loss for the period amounting to PKR. 492 million (2024: PKR 778 million) and as at period end, its accumulated losses was PKR. 14,775 million (2024: PKR. 14,284 million). This has resulted negative net assets of PKR. 9,391 million (2024: PKR. 9,433 million). The Bank has been non-compliant with Minimum Capital Requirements (MCR) and Capital Adequacy Ratio (CAR) requirements of Prudential Regulations for Microfinance

Banks, 2014. There has been material uncertainty related to events and conditions which may cast significant doubt about the Bank's ability to continue as a going concern and, therefore the Bank may not be able to realize its assets and discharge its liabilities in the normal course of business.

The management is executing a comprehensive, multi-faceted plan to tackle the financial and operational challenges facing the Bank. The management believes that the plan is feasible, and its implementation will address the adverse factors impacting the Bank. Key elements of the plan include:

➤ **Commitment by the Sponsors and Injection of Further Equity:**

The Sponsors demonstrate their unwavering commitment to support the Bank. They have also issued a formal letter of support to the Bank's management, pledging to provide the requisite funding to the Bank. They have injected funds of PKR. 500 million during the period in shape of share deposit money, bringing the total share deposit to PKR. 2,350 million. This funding is enabling the Bank to meet its maturing commitments and to expand its advances portfolio, leading to increased markup income and improved financial position.

➤ **Increasing Secured Advances Portfolio:**

The Bank is prioritizing the expansion of its secured advances portfolio. Significant growth in our advance's portfolio will enable the Bank to significantly increase its markup income, covering markup costs and other expenses, and ultimately improving the financial position of the Bank.

➤ **Recovery of Non-Performing Advances:**

The non-performing advances were largely a consequence of the unprecedented economic downturn following the Covid-19 pandemic. As substantial provisions has already been made, therefore, significant additional provisions are not expected in future periods and the recovery of such advances will improve the financial condition of the Bank. Management is optimistic about the recoverability of these non-performing advances and is proactively pursuing their recovery. These recoveries also enable the Bank to further expand its secured advances portfolio by utilizing these recovered funds.

➤ **Reducing Cost of Deposits:**

Due to reduction in policy rate by the Government, the cost of deposit (COD) of the Bank has been reduced, however, its impact will be reflected in future periods. The management is also proactively implementing strategies to attract a higher volume of corporate customer deposits into current accounts, offering competitive incentives and introducing innovative products. This approach is expected to yield a significant increase in current accounts in future and hence, reduction a further reduction in the cost of deposits, leading to a positive impact on the Bank's overall financial performance and profitability.

➤ **Optimization of Operations and Reduction of Costs:**

The Bank is implementing strategic measures to optimize its branch operations, including the closure of non-productive and non-strategic branches, to effectively control costs. Additionally, the management is focused on streamlining administrative expenses without compromising the Bank's operational efficiency. These initiatives are expected to have a positive impact on the Bank's financial performance, enhancing its overall profitability.

The management believes that the results of the measures being taken by the management will start reflecting their positive impact from next year onwards. The management is confident that with the implementation of its plan, it will be able to overcome all adverse financial and operational factors and the Bank will be able to continue as a going concern.

The management also realizes the importance of digital banking services in today's banking environment. Over the past years the Bank had established internet banking and mobile banking to increase its outreach and cater for the unbanked population. The first phase of this digitization process has already been completed. The next phase of our digital transformation will include the following after complying with regulatory requirements;

- Branchless banking services such as "Merchant Portal" and "Mobile Wallets"
- Issuance of Multiple schemes & Types of payments cards
- Point of Sale (POS)/ Acquiring Business

- Digitally quick Customer on boarding

This digitization initiative will not only promote a culture of social distancing but also expand the Bank's outreach while bringing down operational and branch level costs. Our vision is to build a technology powerhouse which caters to the needs of the payments industry and enhances the businesses of the Bank.

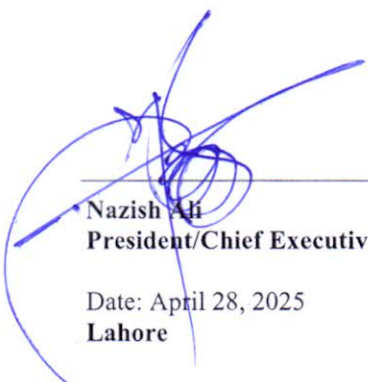
Credit Rating

The long-term rating of the Bank is "BBB-" (Triple B negative) and the short-term rating is "A4" (A Four) with a "Negative" future outlook as determined by The Pakistan Credit Rating Agency Ltd. (PACRA) in their statement issued on July 26th, 2024.

Acknowledgement


We would also like to express our gratitude to the State Bank of Pakistan (SBP), the Securities and Exchange Commission of Pakistan (SECP) and the Pakistan Stock Exchange (PSX) for their continued guidance and support. We especially offer our sincere appreciation to the management of the State Bank of Pakistan for the co-operation extended to the Bank during this demanding phase. We duly acknowledge that SBP's constant support and enlightened guidelines that provided us with a reason to rethink about the future of this potential organization.

On behalf of the Board of Directors



Nazish Ali
President/Chief Executive Officer (Acting)

Date: April 28, 2025
Lahore



Abdul Aziz Khan Niazi
Director

APNA MICROFINANCE BANK LIMITED

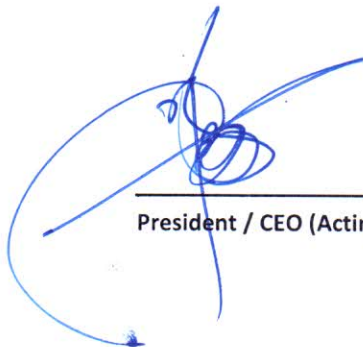
23-A SUNDAR DASS ROAD
NEAR ZAMAN PARK LAHORE.

INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31ST MARCH 2025

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

	Note	March 2025	December 2024
		Rupees	Rupees
		Un-audited	Audited
ASSETS			
Cash and balances with treasury banks	7	1,526,236,928	1,645,885,474
Balances with other MFBs/Banks/NBFIs	8	566,722,139	2,067,975,843
Investments	9	1,922,782,636	1,873,476,171
Advances	10	8,488,202,134	8,195,981,631
Property and equipment	11	538,747,307	557,130,528
Right-of-use assets	12	407,370,278	421,806,211
Intangible assets	13	146,063,710	148,345,561
Deferred tax asset	14	1,700,000,000	1,700,000,000
Other assets	15	844,249,433	835,018,111
Total Assets		16,140,374,565	17,445,619,530
LIABILITIES			
Bills payable - in Pakistan		77,586,508	69,677,100
Deposits and other accounts	16	24,397,971,570	25,674,402,711
Lease liabilities	17	565,263,334	582,357,105
Other liabilities	18	490,959,165	551,887,100
Total liabilities		25,531,780,577	26,878,324,016
NET ASSETS		(9,391,406,012)	(9,432,704,486)
REPRESENTED BY:			
Share capital		4,289,849,620	4,289,849,620
Discount on issue of shares		(1,335,963,831)	(1,335,963,831)
Share deposit money		2,350,390,279	1,850,390,279
Statutory reserve		22,078,496	22,078,496
Depositors' protection fund		5,519,624	5,519,624
Fair value reserve on investments	9	52,119,653	19,027,605
Accumulated loss		(14,775,399,853)	(14,283,606,279)
Total Capital		(9,391,406,012)	(9,432,704,486)
CONTINGENCIES AND COMMITMENTS	19	-	-

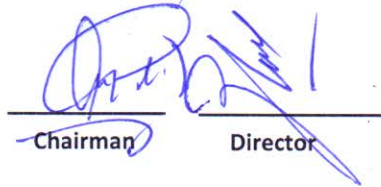
The annexed notes form an integral part of these condensed interim financial statements.



President / CEO (Acting)



Chief Financial Officer



Chairman

Director



Director

APNA MICROFINANCE BANK LIMITED
**CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT - (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2025**

	Note	March 2025 Rupees	March 2024 Rupees
Mark-up / Return / Interest Earned	20	676,407,747	709,529,083
Mark-up / Return / Interest Expensed	21	(730,102,740)	(948,835,099)
Net mark-up/Interest loss		(53,694,993)	(239,306,016)
NON MARK-UP/NON INTEREST INCOME			
Fee and commission income		65,302,260	41,497,536
Other Income	22	16,793,000	14,970,244
Total non mark-up/non interest Income		82,095,260	56,467,780
Net (Loss) / income		28,400,267	(182,838,236)
NON MARK-UP/NON INTEREST EXPENSES			
Operating expenses	23	(493,525,484)	(544,331,877)
Other charges	24	(224,443)	(142,212)
Total non mark-up/non interest expenses		(493,749,927)	(544,474,089)
Loss before credit loss allowance		(465,349,660)	(727,312,325)
Credit loss allowance and write offs - net	26	(16,992,654)	(41,026,218)
Loss before levy and taxation		(482,342,314)	(768,338,543)
Minimum tax differential - levy	27	(9,451,260)	(9,387,833)
Loss for the period before taxation		(491,793,574)	(777,726,376)
Provision for taxation			
- Current	28	-	-
- Deferred	28	-	-
		-	-
Loss for the period		(491,793,574)	(777,726,376)
Loss per share - basic and diluted	29	(1.12)	(1.81)

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



President /CEO (Acting)



Chief Financial Officer



Chairman



Director

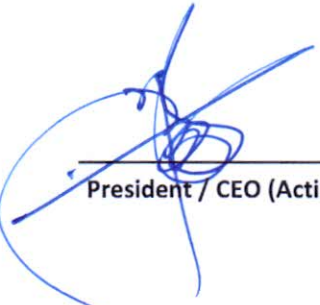


Director

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

	March 2025	March 2024
	Rupees	Rupees
Loss for the period	(491,793,574)	(777,726,376)
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Fair value gain on investments	33,092,048	-
Total comprehensive loss for the period	<u>(458,701,526)</u>	<u>(777,726,376)</u>

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



 President / CEO (Acting)



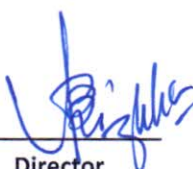
 Chief Financial Officer



 Chairman



 Director

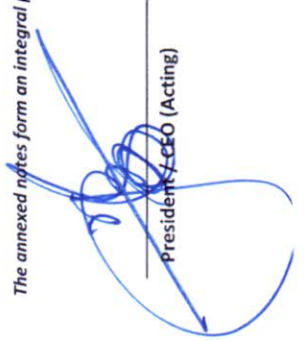


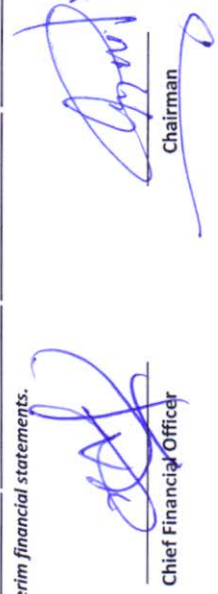
 Director

APNA MICROFINANCE BANK LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2025

	Capital Reserves				Revenue Reserve		Total
	Share capital	Discount on issue of shares	Share deposit money	Statutory reserve	Depositors' protection fund	Accumulated loss	Fair value reserve on investments
Balance as at January 01, 2024 - Audited	4,289,849,620	(1,335,963,831)	1,350,390,279	22,078,496	5,519,624	(10,972,676,243)	-
Impact of IFRS 9 adoption	4,289,849,620	(1,335,963,831)	1,350,390,279	22,078,496	5,519,624	(210,937,884)	(210,937,884)
Total comprehensive loss for the year	-	-	-	-	-	(11,183,614,127)	-
Loss for the period	-	-	-	-	-	(777,726,376)	-
Other comprehensive income	-	-	-	-	-	(777,726,376)	-
Transactions with owners recorded directly in equity	-	-	-	-	-	-	-
Share deposit money received	-	-	-	-	-	-	-
Balance as at March 31, 2024 - Un-audited	4,289,849,620	(1,335,963,831)	1,350,390,279	22,078,496	5,519,624	(11,961,340,503)	-
Total comprehensive loss for the year	-	-	-	-	-	(2,322,265,776)	-
Loss for the period	-	-	-	-	-	(2,322,265,776)	-
Other comprehensive income	-	-	-	-	-	-	19,027,605
Fair value gain on investments	-	-	-	-	-	(2,322,265,776)	19,027,605
Transactions with owners recorded directly in equity	-	-	-	-	-	-	-
Share deposit money received	-	-	500,000,000	-	-	-	-
Balance as at December 31, 2024 - Audited	4,289,849,620	(1,335,963,831)	1,850,390,279	22,078,496	5,519,624	(14,283,606,279)	19,027,605
Total comprehensive loss / income for the year	-	-	-	-	-	(491,793,574)	-
Loss for the period	-	-	-	-	-	(491,793,574)	-
Other comprehensive income	-	-	-	-	-	-	33,092,048
Fair value gain on investments	-	-	-	-	-	(491,793,574)	33,092,048
Transactions with owners recorded directly in equity	-	-	-	-	-	-	-
Share deposit money received	-	-	500,000,000	-	-	-	-
Balance as at March 31, 2025 - Un-audited	4,289,849,620	(1,335,963,831)	2,350,390,279	22,078,496	5,519,624	(14,775,399,853)	52,119,653

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


President/CEO (Acting)


Chief Financial Officer

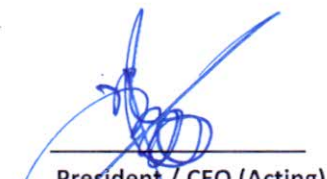

Director


Director

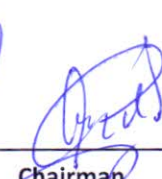
APNA MICROFINANCE BANK LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT - (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2025

	Note	March 2025 Rupees	March 2024 Rupees
A) CASH FLOW FROM OPERATING ACTIVITIES			
Loss before levy and taxation		(482,342,314)	(768,338,543)
Adjustments for non-cash charges			
Depreciation of operating fixed assets	23	19,865,712	21,625,100
Depreciation on right of use assets	23	34,687,977	66,396,482
Amortization of intangible assets	23	2,281,863	2,281,870
Credit loss allowance	26	19,233,699	41,026,218
Markup on lease liabilities	21	18,009,064	11,744,442
Gain on disposal of operating fixed asset	22	(4,651,690)	-
		89,426,625	143,074,112
Operating cash flows before working capital changes		(392,915,689)	(625,264,431)
Changes in working capital			
(Increase)/decrease in operating assets			
Advances		(311,454,202)	121,386,083
Other assets		(4,700,156)	(22,324,946)
Increase/(decrease) in operating liabilities			
Bills payable - in Pakistan		7,909,408	
Deposits		(1,276,431,141)	944,709,214
Other liabilities		(60,927,935)	(81,732,080)
		(1,645,604,026)	962,038,271
Cash flows from operations		(2,038,519,715)	336,773,840
Income tax paid		(13,982,426)	(29,335,525)
Net cash flows from operating activities		(2,052,502,141)	307,438,315
B) CASH FLOW FROM INVESTING ACTIVITIES			
Investments (made) / realized in securities		(16,214,417)	(457,172,132)
Additions in operating fixed assets		(3,799,745)	(2,076,590)
Repayment of lease liabilities		(55,354,879)	(65,940,163)
Proceeds from disposal of operating fixed assets		6,968,932	-
Net cash flows from investing activities		(68,400,109)	(525,188,885)
C) CASH FLOW FROM FINANCING ACTIVITIES			
Share deposit money received		500,000,000	-
Net cash flows from financing activities		500,000,000	-
(Decrease) / Increase in cash and cash equivalents (A+B+C)		(1,620,902,250)	(217,750,570)
Cash and cash equivalents at the beginning of the year		3,713,861,317	4,391,623,792
Cash and cash equivalents at the end of the year	25	2,092,959,067	4,173,873,222

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


President / CEO (Acting)


Chief Financial Officer


Chairman


Director


Director

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

1 STATUS AND NATURE OF BUSINESS

1.1 Apna Microfinance Bank Limited (the Bank) was incorporated on May 08, 2003 as a public limited Company under the repealed Companies Ordinance, 1984 updated by 'the Companies Act, 2017' (the Companies Act). The Bank was granted certificate of commencement of business on December 28, 2004 and started its operations on January 01, 2005. Its shares are listed on Pakistan Stock Exchange Limited. The Bank's principal business is to provide microfinance services to the poor and underserved segment of the society as envisaged under the Microfinance Institutions Ordinance, 2001. The Bank has been operating at national level in Pakistan. The Bank has 72 business locations comprising of 71 branches and 1 service centers (2024: 72 business locations comprising of 71 branches and 1 service centers). Its registered office is situated at K-4/3 and 4/4, Ch. Khaliq-uz-Zaman Road, Gizri, Karachi in the Province of Sindh and its head office is situated at 23 - A, Sundar Das Road, Zaman Park, Lahore, in the Province of Punjab.

1.2 The Bank has incurred loss for the year amounting to Rs. 492 million (2024: Rs. 778 million) and as at year end, its accumulated loss was Rs. 14,775 million (2024: Rs. 14,284 million). This has resulted in negative net assets of Rs. 9,391 million (2024: Rs. 9,433 million). The Bank has been non-compliant with Minimum Capital Requirements (MCR) and Capital Adequacy Ratio (CAR) requirements of Prudential Regulations for Microfinance Banks, 2014. There has been material uncertainty related to events and conditions which may cast significant doubt about the Bank's ability to continue as a going concern and, therefore the Bank may not be able to realize its assets and discharge its liabilities in the normal course of business.

The management is executing a comprehensive, multi-faceted plan to tackle the financial and operational challenges facing the Bank. The management believes that the plan is feasible and its implementation will address the adverse factors impacting the Bank. Key elements of the plan include:

a. Commitment by the Sponsors and Injection of Further Equity

The Sponsors demonstrate their unwavering commitment to support the Bank. They have also issued a formal letter of support to the Bank's management, pledging to provide the requisite funding to the Bank. They have injected funds of Rs. 500 million during the period in shape of share deposit money, bringing the total share deposit to Rs. 2,350 million. This funding is enabling the Bank to meet its maturing commitments and to expand its advances portfolio, leading to increased markup income and improved financial position.

b. Increasing Secured Advances Portfolio

The Bank is prioritizing the expansion of its secured advances portfolio. Significant growth in our advance's portfolio will enable the Bank to significantly increase its markup income, covering markup costs and other expenses, and ultimately improving financial position of the Bank.

c. Recovery of Non-Performing Advances

The non-performing advances were largely a consequence of the unprecedented economic downturn following the Covid-19 pandemic. As substantial provisions has already been made, therefore, significant additional provisions are not expected in future periods and recovery of such advances will improve the financial condition of the Bank. Management is optimistic about the recoverability of these non-performing advances and is proactively pursuing their recovery. These recoveries also enable the Bank to further expand its secured advances portfolio by utilizing these recovered funds.

d. Reducing Cost of Deposits

Due to reduction in policy rate by Government, the cost of deposit (COD) of the Bank has been reduced, however, its impact will be reflected in future periods. The management is also proactively implementing strategies to attract a higher volume of corporate customer deposits into current accounts, offering competitive incentives and introducing innovative products. This approach is expected to yield a significant increase in current accounts in future and hence, reduction a furtehr reduction in the cost of deposits, leading to a positive impact on the Bank's overall financial performance and profitability.

e. Optimization of Operations and Reduction of Costs

The Bank is implementing strategic measures to optimize its branch operations, including the closure of non-productive and non-strategic branches, to effectively control costs. Additionally, the management is focused on streamlining administrative expenses without compromising the Bank's operational efficiency. These initiatives are expected to have a positive impact on the Bank's financial performance, enhancing its overall profitability.

The management believes that the results of the measures being taken by the management will start reflecting their positive impact from next year onwards. The management is confident that with the implementation of its plan, it will be able to overcome all adverse financial and operational factors and the Bank will be able to continue as a going concern.

2 BASIS OF PRESENTATION

These financial statements have been presented in accordance with the requirements of Banking Policy & Regulations Department (BPRD) of State Bank of Pakistan (SBP) via circular no. 3 of 2023 dated February 09, 2023.

2.1 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. The approved accounting standards comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- the local laws which comprise of the Companies Act, 2017, the Microfinance Institutions Ordinance, 2001, the Prudential Regulations for Microfinance Banks / Institutions and the directives issued under these local laws by the Securities and Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP).

Where provisions of and directives issued under the local laws differ from the IFRS Standards, the provisions of and directives issued under the local laws have been followed.

The condensed interim financial statements do not include all the information and disclosures required in the audited annual financial statements, and should be read in conjunction with the audited annual financial statements for the financial year ended December 31, 2024.

3 SIGNIFICANT ACCOUNTING POLICIES

The significant 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.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of this condensed interim financial information is the same as that applied in the preparation of the annual audited financial statements for the year ended December 31, 2024.

5 FINANCIAL RISK MANAGEMENT

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

6 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Pakistan rupees (PKR), which is the Bank's functional and presentation currency.

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

7	CASH AND BALANCES WITH TREASURY BANKS	Note	March 2025	December 2024
			Rupees	Rupees
			Un-audited	Audited
	Cash in hand - local currency		544,337,250	590,340,829
	Balance with State Bank of Pakistan in:			
	Current account	7.1	965,489,930	1,053,754,311
	Balance with National Bank of Pakistan in:			
	Current Account		16,386,923	1,769,159
	Deposit Account	7.2	22,825	21,175
			<u>1,526,236,928</u>	<u>1,645,885,474</u>

7.1 This represents balance maintained in current accounts with the State Bank of Pakistan (SBP) to meet the requirements of maintaining a minimum balance equivalent to not less than 5% of the Bank's time and demand liabilities in accordance with Regulation R-3 of the Prudential Regulations for Microfinance Banks issued by the SBP.

7.2 This carries mark-up at the rate of 10.50 % per annum (2024: 13.50%).

8	BALANCES WITH OTHER MFBS/BANKS/NBFIS	Note	March 2025	December 2024
			Rupees	Rupees
			Un-audited	Audited
	In Pakistan			
	- In current accounts		15,004,328	24,121,153
	- In deposit accounts	8.1	551,717,811	2,043,854,690
			<u>566,722,139</u>	<u>2,067,975,843</u>

8.1 These carry mark-up at the rates ranging from 10.50% to 12.25% per annum (2024: 10.75% to 14.75% per annum).

9 INVESTMENTS					
Investments by type	Note	Un-audited			
		March 2025			
		Fair value/ Amortised cost	Credit loss allowance	Gain on fair value	Carrying value
	Rupees.....			

Debt instruments

Classified/Measured at amortised cost

Market treasury bills	9.1	387,582,232	-	-	387,582,232
Term finance certificate - Silk Bank	9.3	99,920,000	-	-	99,920,000
		487,502,232	-	-	487,502,232

Classified/Measured at FVOCI

Treasury bills	9.1	1,383,160,751	-	52,119,653	1,435,280,404
		<u>1,870,662,983</u>	<u>-</u>	<u>52,119,653</u>	<u>1,922,782,636</u>

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Note	Audited			
	December 2024			
	Fair value / Amortised cost	Credit loss allowance	Gain on fair value	Carrying value

.....Rupees.....

Debt instruments

**Classified/Measured
at amortised cost**

Market Treasury Bills	9.1	862,509,068	-	-	862,509,068
Term Finance Certificate - Silk Bank	9.3	99,920,000	-	-	99,920,000
		962,429,068	-	-	962,429,068

Classified/Measured at FVOCI

Treasury bills	9.1	892,019,498		19,027,605	911,047,103
		1,854,448,566	-	19,027,605	1,873,476,171

9.1 This represents investment in market treasury bills carry yields ranging from 11.80% to 13.60% per annum (2024: 12.85% to 21.75% per annum) and having maturities ranging from 32 to 227 days. These securities have an aggregate face value of Rs. 1,900 million (2024: Rs. 1,900 million).

9.2 Expected credit loss on Government security have not been estimated due to exemption granted by State Bank of Pakistan (SBP) through Circular No. 3 of 2022 dated July 05, 2022.

9.3 This represents investment in 20,000 units in TFC's issued by Silk Bank Limited. The investment will mature on August 10, 2025. It carries mark-up at the rate of 6 months KIBOR plus 1.85% per annum (2024: 6 months KIBOR plus 1.85% per annum).

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10	ADVANCES	Un-audited				Audited			
Loan Type	Note	Performing		Non-Performing	Total	Performing		Non-Performing	Total
		Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
	March 2025					December 2024			
Micro credits		Rupees.....							
Secured		7,307,892,408	11,903,819	352,399,043	7,672,195,270	6,996,289,923	7,644,123	367,504,691	7,371,438,737
Unsecured		251,091,182	1,899,470	4,669,956,947	4,922,947,599	366,984,450	3,266,009	4,634,569,524	5,004,819,983
Markup Accrued		1,076,703,382	2,259,605	-	1,078,962,987	983,762,906	2,618,971	-	986,381,877
Advances - gross		8,635,686,972	16,062,894	5,022,355,990	13,674,105,856	8,347,037,279	13,529,103	5,002,074,215	13,362,640,597
Credit loss allowance against advances									
- Stage 1		(166,416,693)	-	-	(166,416,693)	(170,297,158)	-	-	(170,297,158)
- Stage 2		-	(3,633,071)	-	(3,633,071)	-	(2,389,885)	-	(2,389,885)
- Stage 3		-	-	(5,015,853,958)	(5,015,853,958)	-	-	(4,993,971,923)	(4,993,971,923)
		(166,416,693)	(3,633,071)	(5,015,853,958)	(5,185,903,722)	(170,297,158)	(2,389,885)	(4,993,971,923)	(5,166,658,966)
Advances - net of credit loss allowance		8,469,270,279	12,429,823	6,502,032	8,488,202,134	8,176,740,121	11,139,218	8,102,292	8,195,981,631
10.1	Advances - Particulars of credit loss allowance								
10.1.1	Advances - Exposure								
Gross carrying amount		8,347,038,013	13,529,104	5,002,073,480	13,362,640,597	7,817,065,892	16,248,852	4,765,071,861	12,598,386,605
New Advances		2,135,622,640	76,367	10,107	2,135,709,114	6,516,962,630	1,397,313	43,302,806	6,561,662,749
Advances derecognised or repaid		(1,690,252,066)	(1,850,570)	(132,141,219)	(1,824,243,855)	(5,114,528,955)	(6,982,907)	(675,896,895)	(5,797,408,757)
Transfer to stage 1		4,715,089	(945,085)	(3,770,004)	-	4,477,434	(495,965)	(3,981,469)	-
Transfer to stage 2		(14,480,865)	14,650,745	(169,880)	-	(16,109,580)	16,528,628	(419,048)	-
Transfer to stage 3		(146,955,839)	(9,397,667)	156,353,506	-	(860,829,408)	(13,166,817)	873,996,225	-
		288,648,959	2,533,790	20,282,510	311,465,259	529,972,121	(2,719,748)	237,001,619	764,253,992
Amounts written off / charged off		-	-	-	-	-	-	-	-
Closing balance		8,635,686,972	16,062,894	5,022,355,990	13,674,105,856	8,347,038,013	13,529,104	5,002,073,480	13,362,640,597

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10.1.2 Advances - Credit loss allowance

Note	Un-audited				Audited			
	March 2025				December 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	Rupees.....							
Credit loss allowance opening balance	170,297,158	2,389,885	4,993,971,923	5,166,658,966	313,734,307	5,641,239	4,876,281,126	5,195,656,672
New Advances/ additional charge	(3,643,248)	28,347,598	63,733,861	88,438,211	30,906,106	1,362,168	375,504,585	407,772,859
Advances derecognised or repaid	(3,884,563)	(141,965)	(65,166,927)	(69,193,455)	(45,933,693)	(1,165,298)	(389,671,574)	(436,770,565)
Transfer to stage 1	3,647,346	(111,905)	(3,535,441)	-	3,833,525	(65,094)	(3,768,431)	-
Transfer to stage 2	-	429,014	(429,014)	-	(1,144,448)	1,563,496	(419,048)	-
Transfer to stage 3	-	(27,279,556)	27,279,556	-	(131,098,639)	(4,946,626)	136,045,265	-
	(3,880,465)	1,243,186	21,882,035	19,244,756	(143,437,149)	(3,251,354)	117,690,797	(28,997,706)
Amounts written off / charged off	-	-	-	-	-	-	-	-
Credit loss allowance closing balance	166,416,693	3,633,071	5,015,853,958	5,185,903,722	170,297,158	2,389,885	4,993,971,923	5,166,658,966

10.1.3 Advances - Credit loss allowance details
Internal / external rating / stage classification

Outstanding gross exposure								
Performing - Stage 1	8,635,686,972	-	-	8,635,686,972	8,347,038,013	-	-	8,347,038,013
Under Performing - OAEM	-	16,062,894	-	16,062,894	-	13,529,104	-	13,529,104
Non - Performing								
Substandard	-	-	9,038,666	9,038,666	-	-	10,978,572	10,978,572
Doubtful	-	-	55,694,071	55,694,071	-	-	62,980,792	62,980,792
Loss	-	-	4,957,623,253	4,957,623,253	-	-	4,928,114,851	4,928,114,851
	-	-	5,022,355,990	5,022,355,990	-	-	5,002,074,215	5,002,074,215
Total	8,635,686,972	16,062,894	5,022,355,990	13,674,105,856	8,347,038,013	13,529,104	5,002,074,215	13,362,641,332
Corresponding credit loss allowance								
Stage 1	166,416,693	-	-	166,416,693	170,297,158	-	-	170,297,158
Stage 2	-	3,633,071	-	3,633,071	-	2,389,885	-	2,389,885
Stage 3	-	-	5,015,853,958	5,015,853,958	-	-	4,993,971,923	4,993,971,923
	166,416,693	3,633,071	5,015,853,958	5,185,903,722	170,297,158	2,389,885	4,993,971,923	5,166,658,966

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11	PROPERTY AND EQUIPMENT	Note	March 2025	December 2024
			Rupees	Rupees
			Un-audited	Audited
	Property and equipment		532,374,582	554,557,803
	Capital work in progress - Advances to contractors		3,800,000	-
	Non operating land		2,572,725	2,572,725
			<u>538,747,307</u>	<u>557,130,528</u>
11.1	Additions to property and equipment		March 2025	March 2024
			Rupees	Rupees
			-----Un-audited-----	
	Furniture and fixtures		-	115,061
	Electrical and office equipment		-	1,405,646
	Computer hardware and peripheral		-	555,900
			<u>-</u>	<u>2,076,607</u>
11.2	Disposal of property and equipment		March 2025	March 2024
			Rupees	Rupees
			-----Un-audited-----	
	Vehicles		5,603,200	-
12	RIGHT-OF-USE ASSETS	Note	March 2025	December 2024
			Rupees	Rupees
			Un-audited	Audited
	Buildings			
	As at the beginning of the year			
	Cost		1,099,483,047	1,079,231,013
	Accumulated depreciation		(692,112,769)	(657,424,802)
	As at the end of the year		<u>407,370,278</u>	<u>421,806,211</u>
12.1	Reconciliation of written down value:		March 2025	December 2024
			Rupees	Rupees
	Balance at the beginning of the year		421,806,211	404,201,211
	Additions during the period		20,252,034	229,760,021
	Deletions/adjusted during the period		-	(20,098,980)
	Depreciation charge for the period		(34,687,967)	(192,056,041)
	Balance at the end of the period		<u>407,370,278</u>	<u>421,806,211</u>
	Lease term: 3 to 10 years			
12.2	These represent premises acquired for operating activities. The right to terminate lease by serving a 1 to 12 months notice is available to the Bank, however, the Bank is reasonably certain not to exercise this right during the lease terms.		March 2025	December 2024
			Rupees	Rupees
13	INTANGIBLE ASSETS	Note	March 2025	December 2024
			Rupees	Rupees
			Un-audited	Audited
	As at the beginning of the year			
	Cost		246,551,459	246,551,459
	Accumulated amortization and impairment		(100,487,749)	(98,205,898)
	Net book value		<u>146,063,710</u>	<u>148,345,561</u>

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14	DEFERRED TAX ASSET	Note	March 2025	December 2024
			Rupees	Rupees
			Un-audited	Audited
	Deferred tax asset		1,700,000,000	1,700,000,000

- 14.1** As a matter of prudence, the management has recognized deferred tax asset of Rs. 1,700 million considering the probability of availability of future taxable profits against which deductible temporary differences will be utilized. Total deferred tax asset, excluding deductible taxable differences that may be expired before utilization, comprises of the following;

Un-audited			
March 2025			
At Jan 1	Profit and loss	Other comprehensive income	At March 31
.....Rupees.....			

Deductible temporary differences on:

Lease liabilities	168,883,560	(4,957,193)	-	163,926,367
Provision against advances	1,498,331,100	5,580,979	-	1,503,912,079
Carry forward tax losses	1,126,055,812	133,609,506	-	1,259,665,318
	2,793,270,472	134,233,292	-	2,927,503,764

Taxable temporary differences on:

Accelerated tax depreciation	(168,050,555)	5,383,559	-	(162,666,996)
Investments	(5,518,005)		(4,078,689)	(9,596,694)
	(173,568,560)	5,383,559	(4,078,689)	(172,263,690)
	2,619,701,912	139,616,851	(4,078,689)	2,755,240,074

Audited			
December 2024			
At Jan 1	Profit and loss	Other comprehensive income	At Dec 31
.....Rupees.....			

Deductible temporary differences on:

- Lease liabilities	30,886,458	137,997,102	-	168,883,560
- Provision against advances	1,457,329,135	41,001,965	-	1,498,331,100
- Carry forwardable tax losses	1,218,842,627	(92,786,815)	-	1,126,055,812
	2,707,058,220	86,212,252	-	2,793,270,472

Taxable temporary differences on:

- Accelerated tax depreciation	(60,453,092)	(107,597,463)	-	(168,050,555)
- Investment			(5,518,005)	(5,518,005)
	(60,453,092)	(107,597,463)	(5,518,005)	(173,568,560)
	2,646,605,128	(21,385,211)	(5,518,005)	2,619,701,912

- 14.2** Deferred tax assets and liabilities on temporary differences are measured at tax rate of 29% (2024: 29%).

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15	OTHER ASSETS	Note	March 2025	December 2024
			Rupees	Rupees
			Un-audited	Audited
	Income / Mark-up accrued		44,322,997	63,235,630
	Loan to employees	15.1	76,703,611	89,738,630
	Advances, prepayments and other receivable	15.2	228,843,161	204,418,551
	Advance income tax - Net of provision		399,623,507	395,092,341
	Security deposits		22,830,105	27,781,760
	Inter Banks ATM settlement account		71,926,052	54,751,199
			<u>844,249,433</u>	<u>835,018,111</u>

15.1 Advances to staff are granted to the eligible employees of the Bank as per markup rates and the ceiling limits as prescribed under the HR policy of the Bank.

15.2 The Bank has recorded an amount of Rs. 5.2 million as an other receivable, which was recovered by the Sindh Revenue Board (SRB) on account of the Sindh Workers Welfare Fund, including penalties. The Bank has filed a suit before Commissioner Appeals IV, Sindh Board of Revenue, Karachi, asserting that the recovery was unjustified. Based on legal advice, management is confident that the amount will be recovered.

16	DEPOSITS AND OTHER ACCOUNTS	Note	March 2025	December 2024
			Rupees	Rupees
			Un-audited	Audited
	Customer			
	Current deposits	16.1	2,919,237,371	3,315,031,255
	Saving deposits	16.2	11,464,641,047	12,578,162,924
	Fixed / term deposits	16.3	9,763,205,261	9,702,053,546
			<u>24,147,083,679</u>	<u>25,595,247,725</u>
	Financial Institutions			
	Current deposits		50,000	70,000
	Saving deposits	16.2	837,891	29,084,986
	Fixed / term deposits	16.3	250,000,000	50,000,000
			<u>250,887,891</u>	<u>79,154,986</u>
		16.4	<u>24,397,971,570</u>	<u>25,674,402,711</u>

16.1 An amount of Rs. 58 million is net off against deposit account of a customer in respect of fake currency deposited by him. An FIR is also lodged against him and the matter is pending at Special Court Banking Crime.

16.2 These carry interest at the rates ranging from 3% to 14.50% per annum (2024: 3% to 15.00% per annum).

16.3 These represent deposits received from customers with maturity period ranging from 1 month to 5 years. These carry interest at the rates ranging from 7% to 24.75% per annum (2024: 7% to 24.75% per annum).

16.4.1 These represents deposits with branches.

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17	LEASE LIABILITIES	Note	March 2025	December 2024
			Rupees	Rupees
			Un-audited	Audited
	As at the beginning of the year		582,357,105	510,706,239
	Addition during the year		20,252,034	229,760,021
	Deletion during the year		-	(20,098,980)
	Finance cost accrued during the year		18,009,064	121,922,816
			620,618,203	842,290,096
	Payments / adjustments made during the year		(55,354,869)	(259,932,991)
	As at the end of the year		565,263,334	582,357,105
18	OTHER LIABILITIES	Note	March 2025	December 2024
			Rupees	Rupees
			Un-audited	Audited
	Mark-up / Return / Interest payable		269,821,286	314,645,556
	Staff retirement benefits		53,665,584	49,704,209
	Others		167,472,295	187,537,335
			490,959,165	551,887,100
19	CONTINGENCIES AND COMMITMENTS	Note	March 2025	December 2024
			Rupees	Rupees
			Un-audited	Audited
19.1	Contingencies:			
19.1.1	Guarantees issued on behalf of customers	21.1	8,143,105	-
19.1.2	Proceedings for Financial Years (FY) 2016, 2017, and 2018 were initiated by Additional Commissioner (Enforcement-IV) of Punjab Revenue Authority [‘PRA’] regarding alleged inadmissible input tax credit claimed without apportionment of same between taxable and non-taxable service. The Bank responded to the notices as per the Bank contention. The said commissioner passed impugned orders for relevant financial years by raising unjustified demand of Rs. 80.3 million (2024: Rs. 80.3 million) in respect of disallowed input tax. Being aggrieved from the said orders, the Bank filed appeal against the orders to Commissioner (Appeals) of PRA. For FY 2016 the impugned order was upheld by Commissioner (Appeal) and the Bank filed an appeal before honorable PRA Appellate Tribunal. The honorable PRA Appellate Tribunal passed the order wherein the demand along with penalty and default surcharge amounting to Rs. 13.012 million was affirmed. The Bank filed an appeal before the Honorable High Court where interim relief is granted. From the above amount, Rs. 3.5 million has been deposited by the Bank to the department The hearings for FY 2017 and 2018 are still pending before Commissioner (Appeals).			

19.1.3 Proceedings, as per provisions of Punjab Sales Tax on Services (Withholding) Rules, 2015 for tax period January, 2016 to December, 2016 for non-deduction of Punjab Sales Tax, were initiated by The Additional Commissioner, Enforcement-II, PRA. Recovery notice was issued from the same office indicating that order had been passed by the Commissioner HQ, PRA wherein the impugned demand of Rs. 18.4 million was raised on account of alleged default of withholding of Punjab Sales Tax on Services against which the bank filed appeal before Honorable PRA Appellate Tribunal. The honorable tribunal has passed its judgement in which the impugned order passed by Commissioner HQ PRA is set aside and the matter is referred back to the officer concerned having jurisdiction for decision afresh. Now the proceedings are in progress at commissioner PRA forum.

19.1.4 A show cause notice was issued to bank by Assistant Commissioner (Unit-09) of Sindh Revenue Board ['SRB'] in which the bank was confronted that it has claimed inadmissible input tax credit during the tax periods from January 2012 to December 2015 under the Sindh Sales Tax Act 2011. Further, it is also alleged that the Bank has short deducted / not deducted of sales tax on services. The amount demanded in the said order was Rs. 5.8 million (2024: Rs. 5.8 million). The proceedings are held from time to time during the year and impugned order is passed by the officer against which the bank has filed an appeal at SRB Commissioner (Appeals) forum.

In respect of above tax cases, based upon advise of its tax consultants, management expects favorable outcomes and is confident that significant outflow of economic resources will not be required, as a result of final decisions.

19.2 Commitments

There are no significant commitments as at the period end.

20	MARK-UP / RETURN / INTEREST EARNED	March 2025	March 2024
		Rupees	Rupees
		-----Un-audited-----	
	Mark up/ return/ interest earned on:		
	Loans and advances	632,113,544	527,669,070
	Investments	25,261,416	81,252,232
	Balances with other MFBs/ banks / NBFIs	19,032,787	100,607,781
		<u>676,407,747</u>	<u>709,529,083</u>
	Interest income (calculated using effective-interest rate method) recognised on:		
	Financial assets measured at amortised cost	<u>676,407,747</u>	<u>709,529,083</u>
21	MARK-UP / RETURN / INTEREST EXPENSED	March 2025	March 2024
		Rupees	Rupees
		-----Un-audited-----	
	Mark up/ return/ interest expense related to:		
	Deposits	712,093,676	937,090,657
	Lease liabilities	18,009,064	11,744,442
		<u>730,102,740</u>	<u>948,835,099</u>

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21.1 Bearkup of the expense is as under:

Interest expense calculated using effective interest rate method	18,009,064	11,744,442
Interest on other financial liabilities	712,093,676	937,090,657
	<u>730,102,740</u>	<u>948,835,099</u>

22	OTHER INCOME	March 2025	March 2024
		Rupees	Rupees
		-----Un-audited-----	
	Gain on disposal of operating fixed assets	4,651,690	-
	Others	12,141,310	14,970,244
		<u>16,793,000</u>	<u>14,970,244</u>

23	OPERATING EXPENSES	Note	March 2025	March 2024
			Rupees	Rupees
			-----Un-audited-----	
	Total compensation expense		311,466,763	306,742,002
	Directors' fees and allowances		531,250	-
	Rent, taxes, insurance, electricity, etc.		28,122,361	27,966,365
	Security charges		24,594,761	30,283,473
	Depreciation on operating fixed assets		19,865,712	21,625,100
	Depreciation on right of use assets		34,687,977	66,396,482
	Fees and subscription		29,765,231	31,322,490
	Repairs and maintenance		7,291,990	11,176,641
	Communication		7,941,334	8,070,430
	Stationery and printing		5,209,734	8,601,487
	Fuel expense		4,738,541	6,439,423
	Entertainment		4,733,752	6,435,624
	Legal and professional charges		3,752,853	1,971,251
	Traveling		2,716,634	3,604,706
	Credit verification expenses		1,880,545	1,367,174
	Amortization of intangible assets		2,281,863	2,281,870
	Advertisement and publicity		871,119	711,885
	Auditors' remuneration		345,000	661,250
	Training / capacity building		59,000	49,575
	Others		2,669,064	8,624,649
			<u>493,525,484</u>	<u>544,331,877</u>

24	OTHER CHARGES	Note	March 2025	March 2024
			Rupees	Rupees
			-----Un-audited-----	
	Penalties imposed by State Bank of Pakistan		-	110,500
	Penalties imposed by SECP and others		180,070	-
	Bank charges		44,373	21,712
	Other	24.1	-	10,000
			<u>224,443</u>	<u>142,212</u>

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24.1 These include penalties imposed by Labour court against certain non-compliances.

25	CASH AND CASH EQUIVALENTS	Note	March 2025	March 2024
			Rupees	Rupees
			-----Un-audited-----	
	Cash and Balances with SBP and NBP	7	1,526,236,928	1,708,940,985
	Balances with other banks / NBFIs / MFBs	8	566,722,139	2,464,932,237
			<u>2,092,959,067</u>	<u>4,173,873,222</u>

26	CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET	Note	March 2025	March 2024
			Rupees	Rupees
			-----Un-audited-----	
	Credit loss allowance against loans & advances		19,233,699	41,026,218
	Recovery of written off bad debts		(2,241,045)	-
			<u>16,992,654</u>	<u>41,026,218</u>

27	MINIMUM TAX DIFFERENTIAL - LEVY		March 2025	March 2024
			Rupees	Rupees
			-----Un-audited-----	
	Minimum tax differential - Levy	27.1	<u>9,451,260</u>	<u>9,387,833</u>

27.1 This represents portion of minimum tax paid under section 113 of the Income Tax Ordinance (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37. The comparative has been rearranged accordingly.

28 PROVISION FOR TAXATION

28.1 Current tax

The income of the Bank is not subject to normal tax owing to losses, hence no provision is made .

28.2 Relationship between accounting loss and tax expense

The relationship between accounting loss and tax expense has not been presented in these financial statements as the income of the Bank is subject to levy under section 113 of the Income Tax Ordinance, 2001, as disclosed in note 27.

APNA MICROFINANCE BANK LIMITED
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FOR THE PERIOD ENDED MARCH 31, 2025

29	LOSS PER SHARE - BASIC AND DILUTED		March 2025	March 2024
			Rupees	Rupees
			-----Un-audited-----	
	Loss for the year	Rupees	(482,342,314)	(777,726,376)
	Weighted average number of shares	Number	428,984,962	428,984,962
	Loss per share – Basic & diluted	Rupees	(1.12)	(1.81)

29.1 There is no effect of dilution on basic earnings per share of the Bank.

30 FAIR VALUE MEASUREMENTS

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

The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits 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.

30.1 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).

a) Financial instruments in level 1

Currently, no financial instruments are classified in level 1

b) Financial instruments in level 2

Financial instruments included in level 2 comprise of investment in market treasury bills

c) Financial instruments in level 3

Currently, no financial instruments are classified in level 3

Un-audited		
March 2025		
Level 1	Level 2	Level 3
-----Rupees-----		

Financial assets measured at fair value

Available for sale investments -

Market treasury bills

-	1,435,280,404	-
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APNA MICROFINANCE BANK LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2025

Audited		
December 2024		
Level 1	Level 2	Level 3
-----Rupees-----		

Available for sale investments -

Market treasury bills	-	911,047,103	-
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Valuation techniques and inputs used in determination of fair value

Financial instruments	Valuation techniques and inputs
Market treasury bills (T.Bills)	Fair value of treasury bills are derived using PKRV rates. The PKRV rates published by the MUFAP.

31 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	March 2025 Rupees Un-audited	December 2024 Rupees Audited
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	(8,135,159,954)	(8,143,366,380)
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	(11,240,707,483)	(11,286,569,671)
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	(11,240,707,483)	(11,286,569,671)
Eligible Tier 2 Capital	-	-
Total Eligible Capital (Tier 1 + Tier 2)	(11,240,707,483)	(11,286,569,671)
Risk Weighted Assets (RWAs):		
Credit Risk	4,374,951,707	4,907,986,895
Operational Risk	90,775,597	90,775,597
Total	4,465,727,304	4,998,762,492
Common Equity Tier 1 Capital Adequacy ratio	-252%	-226%
Tier 1 Capital Adequacy Ratio	-252%	-226%
Total Capital Adequacy Ratio	-252%	-226%

The SBP, through BPRD Circular No. 10 dated June 3, 2015, has required Microfinance Banks to maintain a minimum paid-up capital of Rs. 1,000 million (net of accumulated losses). The paid-up capital (net of accumulated losses) of the Bank as at March 31, 2025 stood at negative balance of Rs. 8,135 Million (2024: Rs. 8,143 million).

Bank uses standardized approach for calculation of credit risk weighted asset. Under this approach, the risk weighted amount of an on-balance sheet is determined by multiplying its current book value (including accrued interest or revaluations, and net of any specific provision or associated depreciation) by the relevant risk weight as provided by State Bank of Pakistan through BPRD Circular No. 10 dated June 3, 2015. The bank is using transitional provisions as provided in IFRS 9 application instructions through BPRD Circular No. 03 of 2022 dated July 05, 2022 for absorption of impact of expected credit loss allowance after implementation of IFRS 9.

For the calculation of operational risk weighted assets, average positive Gross Income of the bank over the past three years is used. Figures for any year in which gross income is negative or zero is excluded from both numerator and denominator when calculating average.

32 TRANSACTION AND BALANCES WITH RELATED PARTIES

Related parties of the Bank comprise of Chief Executive Officer, Directors and their close family members, entities under common control, staff retirement benefits fund, key management personnel, entities with common directors, and major shareholders of the Bank. The details of transactions and balances with related parties other than those disclosed elsewhere in these financial statements are as under:

	Un-audited			Audited		
	March - 2025			December - 2024		
	Directors	Key management personnel	Associated Company	Directors	Key management personnel	Associated Company
Other Assets						
Interest / mark-up accrued		1,394,597	-	-	1,297,263	-
Loan to Employees						
Opening balance	-	22,186,037	-	-	53,653,448	-
Addition during the year	-	1,000,000	-	-	5,800,000	-
Repaid during the year	-	(1,068,722)	-	-	(37,267,411)	-
Credit loss allowance	-	-	-	-	-	-
Closing balance	-	22,117,315	-	-	22,186,037	-
Deposits and other accounts						
Opening balance	696,685,471	10,168,035	282,260,201	2,053,793	1,916,850	121,233,821
Received during the year	281,776,356	81,091,377	2,886,947,223	916,651,575	403,011,986	6,926,628,493
Withdrawn during the year	(336,456,831)	(81,536,264)	(2,962,840,953)	(420,476,433)	(397,987,435)	(6,932,296,786)
Transfer in / (out) - net	(1,168)	(3,848,796)	-	198,456,536	3,226,634	166,694,673
Closing balance	642,003,828	5,874,352	206,366,471	696,685,471	10,168,035	282,260,201
Other liabilities						
Interest/mark up payable	472,827	19	61,420	8,568,868	12,218	3,177,400
Payable to staff retirement benefit	-	7,214,847	-	-	8,496,785	-
Share deposit money						
Opening balance	79,303,809	-	1,771,086,470	49,303,809	-	1,301,086,470
Received during the year	-	-	500,000,000	30,000,000	-	470,000,000
Share issued during the year	-	-	-	-	-	-
Repaid during the year	-	-	-	-	-	-
Closing balance	79,303,809	-	2,271,086,470	79,303,809	-	1,771,086,470
	Un-audited			Un-audited		
	March - 2025			March - 2024		
	Directors	Key management personnel	Associated Company	Directors	Key management personnel	Associated Company
Income						
Mark-up / Return / Interest earned	-	387,885	-	-	913,851	-
Fee and commission income	-	-	-	-	-	-
Dividend income	-	-	-	-	-	-
Expense						
Mark-up / Return / Interest expensed	21,544,258	57,225	2,334,156	10,010,274	3,656	3,117,428
Salaries and allowances	-	35,502,291	-	-	16,877,575	-
Bonus	-	-	-	-	-	-
Staff retirement benefits	-	1,115,376	-	-	678,811	-
Directors' fee	531,250	-	-	-	-	-

33 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved and authorised for issue on 28 APR 2025 by the Board of Directors of the Bank.

34 GENERAL

34.1 The corresponding figures have been rearranged / reclassified, wherever necessary, for better presentation. However, no material reclassifications have been made.

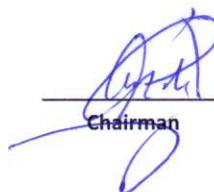
34.2 Figures have been rounded off to the nearest rupee unless otherwise stated.



President / CEO (Acting)



Chief Financial Officer



Chairman



Director



Director