

APNA MICROFINANCE BANK LIMITED
141 K Upper Mall Scheme Lahore

INTERIM CONDENSED FINANCIAL STATEMENTS
NINE MONTHS ENDED SEPTEMBER 30, 2025

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 Statements of the Bank for the nine months ended September 30, 2025.

Economic Overview:

The global economy remained resilient in Q3 2025 but is expected to slow due to rising tariffs, trade tensions, and policy uncertainty, with global growth projected at 3.2% for 2025.

In Pakistan, inflation averaged 4.22% during the quarter—much lower than last year—but rose to 5.6% in September amid higher food prices, signaling lingering inflationary risks.

The Pakistan Stock Exchange sustained its upward momentum, with the KSE-100 Index achieving historic highs on the back of improving macroeconomic stability and investor confidence. The policy rate remained unchanged at 11% as the State Bank maintained its cautious stance.

Principal Activity, Developments 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 the society with a view to alleviate poverty under the Microfinance Institutions Ordinance, 2001.

The highlights of the financial results for the nine months ended September 30, 2025 are as follows:

Particular's	September 30, 2025 Un-audited	December 31, 2024 Audited	% Change
Advances	9,546,377,609	8,195,981,631	16%
Deposits and other accounts	28,348,927,454	25,674,402,711	10%
	September 30, 2025 Un-audited	September 30, 2024 Un-audited	
Mark-up/Return/Interest Earned	2,218,048,566	2,282,150,542	-3%
Mark-up/Return/Interest Expensed	2,213,150,305	2,981,626,551	-26%
Operating expenses	1,520,519,454	1,659,166,124	-8%
Loss for the period	1,345,558,717	2,286,633,575	-41%

The Bank recorded loss PKR 1,346 million in the current period as compared loss PKR. 2,287 million in comparative period. As a result, the loss per share was recorded at PKR 3.140 for the current reporting period (September: 2024 PKR. 5.330). The Bank's equity (net of losses) stood at negative (-) PKR. 10,156 million as against the statutory requirement prescribed by State Bank of Pakistan (SBP) while the Capital Adequacy Ratio (CAR) of the Bank also stood at negative.

The Bank total assets have grown to PKR. 19,329 million from PKR. 17,446 million as at December 31st 2024. The advances-net of provision stood at 9,546 million as at September 30, 2025 as compared to 8,196 million as at December 31st, 2024 by registering a growth of 16%. Investments were also stood at PKR. 2,396 million.

The Bank's deferred tax assets (net) stood at PKR 1,700 million as at September 30, 2025, with no further deferred tax assets recognized during the current period.

During the period, the Bank demonstrated improvement in asset quality through enhanced recoveries from non-performing exposures. The credit loss allowance and write-offs-net stood at PKR 58 million, as against PKR 102 million during the corresponding period of the previous year. Consequently, the Bank's gross Non-Performing Loans (NPL) ratio improved to 36.97% as at September 30, 2025, compared to 40.50% reported as at December 31, 2024, reflecting a positive trend in portfolio quality.

The deposits of the Bank settled at PKR 28,349 million as at September 30, 2025, representing an increase of 10% as compared to year end December 31, 2024. Amidst stiff competition for rates, the Bank's focus remained on CASA mix and retaining non-remunerative accounts. As of September 30, 2025, the Bank's CASA ratio improved to 60.4% (September 2024: 56.8%)

The Bank continued to exercise prudent control over its operating expenses through rigorous monitoring and the implementation of effective cost rationalization initiatives. Consequently, operating expenses were recorded at PKR 1,521 million for the nine-month period ended September 30, 2025, reflecting a reduction of 8% as compared to the corresponding period of the previous year. This improvement demonstrates the management's sustained focus on operational efficiency and resource optimization, contributing positively towards strengthening the Bank's overall financial performance.

Future Outlook

The Bank has incurred loss for the period amounting to PKR. 1,346 million (September 30, 2024: PKR. 2,287 million) and as at period end, its accumulated loss was PKR. 15,629 million (December 31, 2024: PKR. 14,284 million). This has resulted in negative net assets of PKR. 10,156 million (December 31, 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 money to PKR. 2,350 million. This funding is enabling the Bank to meet its maturing commitments and to expand its advances portfolio and will lead 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 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 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 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.

The Bank's Capital Adequacy Ratio (CAR), as also referred in Note no 1.2 to the condensed interim financial statements for the half year ended September 30, 2025, is not in compliance with the requirements of Prudential Regulation for MFB's. However, the sponsors are committed to filling the CAR shortage soon.

Credit Rating

The long-term rating of the Bank is "BB" (double B) 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 May 15th, 2025.

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.

For and on behalf of Board of Directors,



Nazish Ali
President/CEO (Acting)

Date: October 27, 2025
Lahore



Abdul Aziz Khan Niazi
Director

APNA MICROFINANCE BANK LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION - (UN-AUDITED)
AS AT SEPTEMBER 30, 2025

	Note	September 30, 2025	Audited December 31, 2024
		Rupees	Rupees

ASSETS

Cash and balances with treasury banks	7	1,105,372,198	1,645,885,474
Balances with other MFBs/Banks/NBFIs	8	2,801,150,104	2,067,975,843
Investments	9	2,395,847,685	1,873,476,171
Advances	10	9,546,377,609	8,195,981,631
Property and equipment	11	511,603,433	557,130,528
Right-of-use assets	12	364,508,828	421,806,211
Intangible assets	13	140,759,246	148,345,561
Deferred tax asset	14	1,700,000,000	1,700,000,000
Other assets	15	762,972,960	835,018,111
Total Assets		19,328,592,063	17,445,619,530

LIABILITIES

Bills payable - in Pakistan		66,651,469	69,677,100
Deposits and other accounts	16	28,348,927,454	25,674,402,711
Lease liabilities	17	504,880,086	582,357,105
Other liabilities	18	564,447,798	551,887,100
Total liabilities		29,484,906,807	26,878,324,016

NET ASSETS

(10,156,314,744)	(9,432,704,486)
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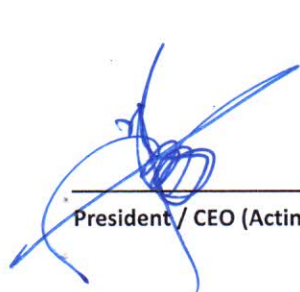




REPRESENTED BY:

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	140,976,064	19,027,605
Accumulated loss		(15,629,164,996)	(14,283,606,279)
Total Capital		(10,156,314,744)	(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 SEPTEMBER 30, 2025

	Note	Nine month period ended September 30,		Three month period ended September 30,	
		2025	2024	2025	2024
		Rupees	Rupees	Rupees	Rupees
Mark-up / Return / Interest Earned	20	2,218,048,566	2,282,150,542	777,319,976	794,140,778
Mark-up / Return / Interest Expensed	21	(2,213,150,305)	(2,981,626,551)	(757,101,668)	(1,006,831,715)
Net mark-up/Interest (loss)/profit		4,898,261	(699,476,009)	20,218,308	(212,690,937)
NON MARK-UP/ INTEREST INCOME					
Fee and commission income		211,338,823	155,792,070	62,513,660	59,317,365
Other Income	22	46,701,253	49,903,716	11,812,139	9,371,031
Total non mark-up/ interest Income		258,040,076	205,695,786	74,325,799	68,688,396
Net income / (loss)		262,938,337	(493,780,223)	94,544,107	(144,002,541)
NON MARK-UP/ INTEREST EXPENSES					
Operating expenses	23	(1,520,519,454)	(1,659,166,124)	(518,795,799)	(568,467,507)
Other charges	24	(103,265)	(862,671)	(30,061)	(682,590)
Total non mark-up/ interest expenses		(1,520,622,719)	(1,660,028,795)	(518,825,860)	(569,150,097)
Loss before credit loss allowance		(1,257,684,382)	(2,153,809,018)	(424,281,753)	(713,152,638)
Credit loss allowance and write offs - net	26	(57,506,993)	(102,350,274)	(23,226,145)	(22,278,161)
Loss before levy and taxation		(1,315,191,375)	(2,256,159,292)	(447,507,898)	(735,430,799)
Minimum tax differential - levy	27	(30,367,342)	(30,474,283)	(10,497,920)	(10,668,227)
Loss for the period before taxation		(1,345,558,717)	(2,286,633,575)	(458,005,818)	(746,099,026)
Provision for taxation	28	-	-	-	-
Loss for the period		(1,345,558,717)	(2,286,633,575)	(458,005,818)	(746,099,026)
Loss per share - basic and diluted	29	(3.140)	(5.330)	(1.068)	(1.739)

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 SEPTEMBER 30, 2025

	Nine month period ended September 30,		Three month period ended September 30,	
	2025	2024	2025	2024
	Rupees	Rupees	Rupees	Rupees
Loss for the period	(1,345,558,717)	(2,286,633,575)	(458,005,818)	(746,099,026)
Other comprehensive income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Unrealized gain on revaluation of available for sale investments	144,408,353	-	58,180,836	-
Reclassification adjustments relating to available for sale investments disposed off during the period	(22,459,894)	-	2,179,944	-
	121,948,459	-	60,360,780	-
Total comprehensive loss for the period	<u>(1,223,610,258)</u>	<u>(2,286,633,575)</u>	<u>(397,645,038)</u>	<u>(746,099,026)</u>

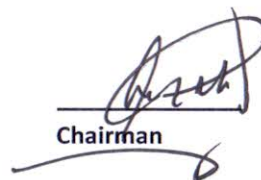
The annexed notes form an integral part of these condensed interim financial statements.



 President /CEO (Acting)



 Chief Financial Officer



 Chairman



 Director



 Director

APNA MICROFINANCE BANK LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2025

	Share capital	Capital Reserves					Revenue Reserve	Total
		Discount on issue of shares	Share deposit money	Statutory reserve	Depositors' protection fund	Fair value reserve on investments	Accumulated loss	
Rupees								
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)	(6,640,802,055)
Impact of IFRS 9 adoption	-	-	-	-	-	-	(210,937,884)	(210,937,884)
	4,289,849,620	(1,335,963,831)	1,350,390,279	22,078,496	5,519,624	-	(11,183,614,127)	(6,851,739,939)
Total comprehensive loss for the year								
Loss for the period	-	-	-	-	-	-	(2,286,633,575)	(2,286,633,575)
Other comprehensive income	-	-	-	-	-	-	(2,286,633,575)	-
	-	-	-	-	-	-	(2,286,633,575)	(2,286,633,575)
Transactions with owners recorded directly in equity								
Share deposit money received	-	-	370,000,000	-	-	-	-	370,000,000
	-	-	370,000,000	-	-	-	-	370,000,000
Balance as at September 30, 2024 - Un-audited	4,289,849,620	(1,335,963,831)	1,720,390,279	22,078,496	5,519,624	-	(13,470,247,702)	(8,768,373,514)
Total comprehensive loss for the year								
Loss for the period	-	-	-	-	-	-	(813,358,577)	(813,358,577)
Other comprehensive income	-	-	-	-	-	19,027,605	-	19,027,605
	-	-	-	-	-	19,027,605	(813,358,577)	(794,330,972)
Transactions with owners recorded directly in equity								
Share deposit money received	-	-	130,000,000	-	-	-	-	130,000,000
	-	-	130,000,000	-	-	-	-	130,000,000
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	19,027,605	(14,283,606,279)	(9,432,704,486)
Total comprehensive loss / income for the year								
Loss for the period	-	-	-	-	-	-	(1,345,558,717)	(1,345,558,717)
Other comprehensive income	-	-	-	-	-	-	-	-
Fair value gain on investment	-	-	-	-	-	121,948,459	-	121,948,459
	-	-	-	-	-	121,948,459	(1,345,558,717)	(1,223,610,258)
Transactions with owners recorded directly in equity								
Share deposit money received	-	-	500,000,000	-	-	-	-	500,000,000
	-	-	500,000,000	-	-	-	-	500,000,000
Balance as at September 30, 2025 - Un-audited	4,289,849,620	(1,335,963,831)	2,350,390,279	22,078,496	5,519,624	140,976,064	(15,629,164,996)	(10,156,314,744)

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 CASH FLOW STATEMENT - (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2025

	Note	Nine month period ended	
		2025	2024
		Rupees	Rupees

A) CASH FLOW FROM OPERATING ACTIVITIES

Loss before levy and taxation		(1,315,191,375)	(2,256,159,292)
Adjustments for non-cash charges			
Depreciation of operating fixed assets	23	52,089,626	63,201,852
Depreciation on right of use assets	23	106,857,394	129,875,516
Amortization of intangible assets	23	7,586,313	6,845,609
Credit loss allowance	26	62,995,769	107,272,408
Markup on lease liabilities	21	51,949,461	12,482,230
Gain on disposal of operating fixed assets	22	(5,613,221)	(4,147,600)
		275,865,342	315,530,015
Operating cash flows before working capital changes		(1,039,326,033)	(1,940,629,277)
Changes in working capital			
(Increase)/decrease in operating assets			
Advances		(1,413,391,747)	(483,571,305)
Other assets		88,815,056	(135,120,631)
Increase/(decrease) in operating liabilities			
Bills payable - in Pakistan		(3,025,631)	(15,818,021)
Deposits		2,674,524,743	2,441,413,814
Other liabilities		12,560,698	(81,276,005)
		1,359,483,119	1,725,627,852
Cash flows from operations		320,157,086	(215,001,425)
Levies paid		(47,137,247)	(106,699,687)
Net cash flows from operating activities		273,019,839	(321,701,112)

B) CASH FLOW FROM INVESTING ACTIVITIES

Investments made	(400,423,055)	(603,420,192)
Additions in operating fixed assets	(10,120,560)	(6,447,723)
Repayment of lease liabilities	(178,986,491)	(125,514,435)
Proceeds from disposal of operating fixed assets	9,171,252	10,150,283
Net cash flows from investing activities	(580,358,854)	(725,232,067)

C) CASH FLOW FROM FINANCING ACTIVITIES

Share deposit money received	500,000,000	370,000,000
Net cash flows from financing activities	500,000,000	370,000,000
Increase in cash and cash equivalents (A+B+C)	192,660,985	(676,933,179)
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 3,906,522,302	3,714,690,613

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

President / CEO (Acting)

Chief Financial Officer

Chairman

Director

Director

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 141/K upper mall scheme Lahore.
- 1.2** The Bank has incurred loss for the period amounting to Rs. 1,346 million (September 30, 2024: Rs. 2,287 million) and as at period end, its accumulated loss was Rs. 15,629 million (December 31, 2024: Rs. 14,284 million). This has resulted in negative net assets of Rs. 10,156 million (December 31, 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 money to Rs. 2,350 million. This funding is enabling the Bank to meet its maturing commitments and to expand its advances portfolio and will lead 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 further 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.

3 Functional and presentation currency

These condensed interim financial statements are presented in Pakistani Rupees which is the Bank's functional and presentation currency. All figures have been rounded to the nearest Rupee, unless otherwise stated.

4 STANDARDS, INTERPRETATIONS & AMENDMENTS EFFECTIVE IN CURRENT PERIOD

4.1 There are certain amendments to standards that became effective during the period and are mandatory for accounting periods of the Bank beginning on or after January 01, 2025 but are considered not to be relevant to the Bank's operations and are, therefore, not disclosed in these condensed interim financial statements.

4.2 There are certain new standards, amendments to standards and interpretations that are effective from different future periods but are considered not to be relevant to the Bank's operations, therefore, not disclosed in these condensed interim financial statements.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Bank's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including the expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

In the preparation of these condensed interim financial statements, the significant judgments made by management in applying the Bank's accounting policies and the key sources of estimation uncertainty were the same as those that were applied in the preparation of annual audited financial statements of the Bank for the year ended December 31, 2024.

6 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.

APNA MICROFINANCE BANK LIMITED
SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - (UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2025

7	CASH AND BALANCES WITH TREASURY BANKS	Note	September 30,	Audited
			2025	December 31,
			Rupees	2024
				Rupees
	Cash in hand - local currency		394,150,944	590,340,829
	Balance with State Bank of Pakistan in:			
	Current account	7.1	691,594,322	1,053,754,311
	Balance with National Bank of Pakistan in:			
	Current Account		19,603,371	1,769,159
	Deposit Account		23,561	21,175
			<u>1,105,372,198</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 3% 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.

8	BALANCES WITH OTHER MFBS/BANKS/NBFIS	Note	September 30,	Audited
			2025	December 31,
			Rupees	2024
				Rupees
	In Pakistan			
	- In current accounts		14,862,384	24,121,153
	- In deposit accounts	8.1	2,786,287,720	2,043,854,690
			<u>2,801,150,104</u>	<u>2,067,975,843</u>

- 8.1** These carry mark-up at the rates ranging from 9.50% to 13.10% per annum (December 31, 2024: 10.75% to 14.75% per annum).

9 INVESTMENTS				
Investments by type	Note	September 30, 2025		
		Fair value/ Amortised cost	Gain on fair value	Carrying value
				Rupees.....
Debt instruments				
Classified/Measured at amortised cost				
Market treasury bills	9.1	382,801,850	-	382,801,850
Classified/Measured at FVOCI				
Treasury bills	9.1	1,872,069,771	140,976,064	2,013,045,835
		<u>2,254,871,621</u>	<u>140,976,064</u>	<u>2,395,847,685</u>

APNA MICROFINANCE BANK LIMITED
SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - (UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2025

Investments by type	Note	Audited		
		December 31, 2024		
		Fair value / Amortised cost	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	9.2	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 carrying yields at the rates ranging from 10.70% to 13.70% per annum (December 31, 2024: 12.85% to 21.75% per annum) and having maturities ranging from 16 to 308 days. These securities have an aggregate face value of Rs. 2,500 million (December 31, 2024: Rs. 1,900 million).

APNA MICROFINANCE BANK LIMITED
SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - (UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2025

10	ADVANCES					Audited			
	Loan Type	September 30, 2025				December 31, 2024			
		Performing		Non-Performing	Total	Performing		Non-Performing	Total
		Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
-----Rupees-----									
Micro credits									
	Secured	8,589,244,264	14,030,434	325,030,816	8,928,305,514	6,996,289,923	7,644,123	367,504,691	7,371,438,737
	Unsecured	27,920,135	1,725,694	4,738,637,803	4,768,283,632	366,984,450	3,266,009	4,634,569,524	5,004,819,983
	Markup Accrued	1,077,164,540	2,239,909	-	1,079,404,449	983,762,906	2,618,971	-	986,381,877
	Advances - gross	9,694,328,939	17,996,037	5,063,668,619	14,775,993,595	8,347,037,279	13,529,103	5,002,074,215	13,362,640,597
Credit loss allowance against advances									
	- Stage 1	(165,492,413)	-	-	(165,492,413)	(170,297,158)	-	-	(170,297,158)
	- Stage 2	-	(4,627,515)	-	(4,627,515)	-	(2,389,885)	-	(2,389,885)
	- Stage 3	-	-	(5,059,496,058)	(5,059,496,058)	-	-	(4,993,971,923)	(4,993,971,923)
		(165,492,413)	(4,627,515)	(5,059,496,058)	(5,229,615,986)	(170,297,158)	(2,389,885)	(4,993,971,923)	(5,166,658,966)
	Advances - net of credit loss allowance	9,528,836,526	13,368,522	4,172,561	9,546,377,609	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	7,017,211,891	1,358,346	380,956	7,018,951,193	6,516,962,630	1,397,313	43,302,806	6,561,662,749
	Advances derecognised or repaid	(5,184,272,664)	(4,220,488)	(417,105,043)	(5,605,598,195)	(5,114,528,955)	(6,982,907)	(675,896,895)	(5,797,408,757)
	Transfer to stage 1	6,836,103	(901,037)	(5,935,066)	-	4,477,434	(495,965)	(3,981,469)	-
	Transfer to stage 2	(17,809,536)	18,034,193	(224,657)	-	(16,109,580)	16,528,628	(419,048)	-
	Transfer to stage 3	(474,674,868)	(9,804,081)	484,478,949	-	(860,829,408)	(13,166,817)	873,996,225	-
		1,347,290,926	4,466,933	61,595,139	1,413,352,998	529,972,121	(2,719,748)	237,001,619	764,253,992
	Closing balance	9,694,328,939	17,996,037	5,063,668,619	14,775,993,595	8,347,038,013	13,529,104	5,002,073,480	13,362,640,597

APNA MICROFINANCE BANK LIMITED
SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - (UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2025

10.1.2 Advances - Credit loss allowance

Advances - Credit loss allowance					Audited			
	September 30, 2025				December 31, 2024			
	Performing		Non-Performing	Total	Performing		Non-Performing	Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
	-----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	84,273,088	3,541,355	152,284,523	240,098,966	30,906,106	1,362,168	375,504,585	407,772,859
Advances derecognised or repaid	(6,676,142)	(118,625)	(170,347,178)	(177,141,945)	(45,933,693)	(1,165,298)	(389,671,574)	(436,770,565)
Transfer to stage 1	5,778,918	(199,667)	(5,579,251)	-	3,833,525	(65,094)	(3,768,431)	-
Transfer to stage 2	(749,623)	805,787	(56,164)	-	(1,144,448)	1,563,496	(419,048)	-
Transfer to stage 3	(87,430,986)	(1,791,219)	89,222,205	-	(131,098,639)	(4,946,626)	136,045,265	-
	(4,804,745)	2,237,631	65,524,135	62,957,021	(143,437,149)	(3,251,354)	117,690,797	(28,997,706)
Amounts written off / charged off	-	-	-	-	-	-	-	-
Credit loss allowance closing balance	165,492,413	4,627,516	5,059,496,058	5,229,615,987	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	9,694,328,939	-	-	9,694,328,939	8,347,038,013	-	-	8,347,038,013
Under Performing	-	17,996,037	-	17,996,037	-	13,529,104	-	13,529,104
Non - Performing								
Substandard	-	-	13,328,266	13,328,266	-	-	10,978,572	10,978,572
Doubtful	-	-	6,949,954	6,949,954	-	-	62,980,792	62,980,792
Loss	-	-	5,043,390,399	5,043,390,399	-	-	4,928,114,851	4,928,114,851
	-	-	5,063,668,619	5,063,668,619	-	-	5,002,074,215	5,002,074,215
Total	9,694,328,939	17,996,037	5,063,668,619	14,775,993,595	8,347,038,013	13,529,104	5,002,074,215	13,362,641,332

Corresponding credit loss allowance

Stage 1	165,492,413	-	-	165,492,413	170,297,158	-	-	170,297,158
Stage 2	-	4,627,515	-	4,627,515	-	2,389,885	-	2,389,885
Stage 3	-	-	5,059,496,058	5,059,496,058	-	-	4,993,971,923	4,993,971,923
	165,492,413	4,627,515	5,059,496,058	5,229,615,986	170,297,158	2,389,885	4,993,971,923	5,166,658,966

APNA MICROFINANCE BANK LIMITED
SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - (UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2025

11	PROPERTY AND EQUIPMENT		Audited
		September 30, 2025	December 31, 2024
		Rupees	Rupees
	Property and equipment	499,407,069	554,557,803
	Capital work in progress - Advances against civil work	9,623,639	-
	Non operating land	2,572,725	2,572,725
		<u>511,603,433</u>	<u>557,130,528</u>
		For the nine month period ended	
	Additions to property and equipment	September 30, 2025	September 30, 2024
		Rupees	Rupees
	Furniture and fixtures	45,200	294,853
	Electrical and office equipment	92,000	2,349,711
	Computer equipment	360,000	1,230,450
		<u>497,200</u>	<u>3,875,014</u>
11.2	Disposal of property and equipment - Net book value		
	Leasehold Improvements	49,139	-
	Electrical and office equipment	1,362,426	264,480
	Vehicles	2,146,466	-
		<u>3,558,031</u>	<u>264,480</u>
12	RIGHT-OF-USE ASSETS		Audited
		September 30, 2025	December 31, 2024
		Rupees	Rupees
	Buildings		
	As at the beginning of the year		
	Cost	905,182,573	1,079,231,013
	Accumulated depreciation	(540,673,745)	(657,424,802)
	As at the end of the period/year	<u>364,508,828</u>	<u>421,806,211</u>
12.1	Reconciliation of written down value:		
	Opening balances	421,806,211	404,201,211
	Additions	58,839,773	229,760,021
	Deletions/adjustments	(9,279,762)	(20,098,980)
	Depreciation charge	(106,857,394)	(192,056,041)
	Closing balances	<u>364,508,828</u>	<u>421,806,211</u>
	Lease term: 3 to 10 years		
12.2	These represent premises acquired for head office and branches. 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.		
13	INTANGIBLE ASSETS		Audited
		September 30, 2025	December 31, 2024
		Rupees	Rupees
	As at the beginning of the year		
	Cost	246,551,459	246,551,459
	Accumulated-amortization and impairment	(105,792,213)	(98,205,898)
	Net book value	<u>140,759,246</u>	<u>148,345,561</u>

APNA MICROFINANCE BANK LIMITED
SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - (UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2025

14	DEFERRED TAX ASSET	Audited	
		September 30, 2025	December 31, 2024
		Rupees	Rupees
	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:

Nine month period ended September 30, 2025			
Opening balances	Charged for the period		Closing balance
	Profit and loss	Other comprehensive income	
			Rupees.....

Deductible temporary differences on:

Lease liabilities	168,883,560	(22,468,335)	-	146,415,225
Provision against advances	1,498,331,100	18,257,536	-	1,516,588,636
Minimum tax	112,455,246	(21,679,521)	-	90,775,725
Carry forward tax losses	2,975,995,142	351,383,680	-	3,327,378,822
	4,755,665,048	325,493,360	-	5,081,158,408

Taxable temporary differences on:

Accelerated tax depreciation	(168,050,555)	24,417,954	-	(143,632,601)
Intangible assets	-	(6,310,510)	-	(6,310,510)
Fair value reserve on investments	(5,518,005)	-	(35,365,054)	(40,883,059)
	(173,568,560)	18,107,444	(35,365,054)	(190,826,170)
	4,582,096,488	343,600,804	(35,365,054)	4,890,332,238

For the year ended December 31, 2024			
Audited			
Opening balances	Charged for the period		Closing balance
	Profit and loss	Other comprehensive income	
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
Minimum Tax	127,571,624	(15,116,378)	-	112,455,246
Carry forwardable tax losses	2,100,027,648	875,967,494	-	2,975,995,142
	3,715,814,865	1,039,850,183	-	4,755,665,048

Taxable temporary differences on:

Accelerated tax depreciation	(60,453,092)	(107,597,463)	-	(168,050,555)
Fair value reserve on investments	-	-	(5,518,005)	(5,518,005)
	(60,453,092)	(107,597,463)	(5,518,005)	(173,568,560)
	3,655,361,773	932,252,720	(5,518,005)	4,582,096,488

- 14.2** Deferred tax assets and liabilities on temporary differences are measured at tax rate of 29% (December 31, 2024: 29%).

APNA MICROFINANCE BANK LIMITED
SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - (UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2025

15	OTHER ASSETS	Note		Audited
			September 30, 2025	December 31, 2024
			Rupees	Rupees
	Income / Mark-up accrued		45,330,916	63,235,630
	Loan to employees	15.1	82,057,433	89,738,630
	Advances, prepayments and other receivable	15.2	200,688,387	204,418,551
	Advance income tax - Net of provision		411,862,246	395,092,341
	Security deposits		19,349,523	27,781,760
	Inter Banks ATM settlement account		3,684,455	54,751,199
			<u>762,972,960</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 It includes an amount of Rs. 5.2 million (December 31, 2024: 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 refunded.

16	DEPOSITS AND OTHER ACCOUNTS	Note		Audited
			September 30, 2025	December 31, 2024
			Rupees	Rupees
	Customer			
	Current deposits	16.1	3,481,526,870	3,315,031,255
	Saving deposits	16.2	13,132,441,549	12,578,162,924
	Fixed / term deposits	16.3	10,765,182,225	9,702,053,546
			<u>27,379,150,644</u>	<u>25,595,247,725</u>
	Financial Institutions			
	Current deposits		50,000	70,000
	Saving deposits	16.2	499,726,810	29,084,986
	Fixed / term deposits	16.3	470,000,000	50,000,000
			<u>969,776,810</u>	<u>79,154,986</u>
			<u>28,348,927,454</u>	<u>25,674,402,711</u>

16.1 An amount of Rs. 58 million (December 31, 2024: 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% per annum (December 31, 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 6.3% to 24.75% per annum (December 31, 2024: 7% to 24.75% per annum).

APNA MICROFINANCE BANK LIMITED
SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - (UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2025

17	LEASE LIABILITIES	Note		Audited
			September 30, 2025	December 31, 2024
			Rupees	Rupees
	Opening balances		582,357,105	510,706,239
	Addition		54,659,561	229,760,021
	Deletion		(14,803,608)	(20,098,980)
	Finance cost accrued		51,949,461	121,922,816
			674,162,519	842,290,096
	Payments / adjustments made		(169,282,433)	(259,932,991)
	Closing balances		504,880,086	582,357,105

18 OTHER LIABILITIES

Mark-up / Return / Interest payable	233,295,550	314,645,556
Staff retirement benefits	57,172,503	49,704,209
Others	273,979,745	187,537,335
	564,447,798	551,887,100

19 CONTINGENCIES AND COMMITMENTS

There is no significant changes in the contingencies and commitments as reported in the annual audited financial statements of the Bank for the year ended December 31, 2024.

20	MARK-UP / RETURN / INTEREST EARNED	For the nine month period ended	
		September 30, 2025	September 30, 2024
		Rupees	Rupees
	Mark up/ return/ interest earned on:		
	Loans and advances	1,980,943,687	1,709,485,303
	Investments	113,671,473	250,178,292
	Balances with other MFBs/ banks / NBFIs	123,433,406	322,486,947
		2,218,048,566	2,282,150,542

20.1 Interest income is calculated using effective interest rate method

21	MARK-UP / RETURN / INTEREST EXPENSED	For the nine month period ended	
		September 30, 2025	September 30, 2024
		Rupees	Rupees
	Mark up/ return/ interest expense related to:		
	Deposits	2,161,200,844	2,964,144,321
	Lease liabilities	51,949,461	17,482,230
		2,213,150,305	2,981,626,551

APNA MICROFINANCE BANK LIMITED
SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - (UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2025

Note	For the nine month period ended		
	September 30, 2025	September 30, 2024	
	Rupees	Rupees	
21.1	Bearkup of the expense is as under:		
	Interest expense is calculated using effective interest rate method		
	51,949,461	17,482,230	
	2,161,200,844	2,964,144,321	
	2,213,150,305	2,981,626,551	
22	OTHER INCOME		
	Income of SMS services	19,244,298	20,801,940
	Cheque book charges	11,528,440	12,089,710
	Gain on disposal of operating fixed assets	5,613,221	4,147,600
	Income on ATM card issuance/services	8,554,494	10,315,100
	Clearing charges	1,043,621	1,032,407
	Gain/(loss) on deletion of lease	(941,654)	-
	Others	1,658,833	1,516,959
	46,701,253	49,903,716	
23	OPERATING EXPENSES		
	Total compensation expense	931,676,576	923,373,651
	Directors' fees and allowances	1,468,750	3,000,000
	Rent, taxes, insurance, electricity, etc.	107,153,256	175,106,193
	Security charges	75,450,697	86,175,223
	Depreciation on operating fixed assets	52,089,626	63,201,852
	Depreciation on right of use assets	106,857,394	129,875,516
	Fees and subscription	90,160,488	87,450,799
	Repairs and maintenance	30,240,986	38,456,164
	Communication	25,990,967	29,604,301
	Stationery and printing	15,998,279	19,879,985
	Fuel expense	14,419,988	21,259,142
	Entertainment	16,446,215	19,810,730
	Legal and professional charges	10,213,869	7,245,087
	Traveling	8,378,262	13,063,916
	Credit verification expenses	5,549,734	6,039,235
	Amortization of intangible assets	7,586,313	6,845,609
	Advertisement and publicity	6,482,677	5,424,332
	Auditors' remuneration	2,816,500	2,009,500
	Training / capacity building	513,214	173,391
	Others	11,025,663	21,171,498
	1,520,519,454	1,659,166,124	

APNA MICROFINANCE BANK LIMITED
SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - (UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2025

24	OTHER CHARGES	Note	For the nine month period ended	
			September 30, 2025	September 30, 2024
			Rupees	Rupees
	Penalties imposed by State Bank of Pakistan		-	534,000
	Bank charges		83,265	78,671
	Other		20,000	250,000
			<u>103,265</u>	<u>862,671</u>

25	CASH AND CASH EQUIVALENTS			
	Cash and Balances with SBP and NBP	7	1,105,372,198	1,546,980,055
	Balances with other banks / NBFIs / MFBs	8	2,801,150,104	2,167,710,558
			<u>3,906,522,302</u>	<u>3,714,690,613</u>

26	CREDIT LOSS ALLOWANCE AND WRITE OFFS- NET			
	Credit loss allowance against loans & advances		62,995,769	107,272,408
	Recovery of written off bad debts		(5,488,776)	(4,922,134)
			<u>57,506,993</u>	<u>102,350,274</u>

27	MINIMUM TAX DIFFERENTIAL - LEVY			
	Minimum tax differential - Levy	27.1	<u>30,367,342</u>	<u>30,474,283</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.

28	PROVISION FOR TAXATION		For the nine month period ended	
			September 30, 2025	September 30, 2024
			Rupees	Rupees
	Current	28.1	-	-
	Deferred		-	-
			<u>-</u>	<u>-</u>

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 not subject to normal income tax.

29	LOSS PER SHARE - BASIC AND DILUTED	For the nine month period ended	
		September 30, 2025	September 30, 2024
		Rupees	Rupees
	Loss for the year	Rupees (1,345,558,717)	(2,286,633,575)
	Weighted average number of shares	Number 428,984,962	428,984,962
	Loss per share – Basic & diluted	Rupees (3.14)	(5.33)

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

September 30, 2025		
Level 1	Level 2	Level 3
-----Rupees-----		

Financial assets measured at fair value

Available for sale investments -

Market treasury bills

-	2,013,045,835	-
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APNA MICROFINANCE BANK LIMITED
SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - (UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2025

Audited		
December 31, 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

September 30, 2025	Audited
	December 31, 2024
Rupees	Rupees

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)	(8,988,925,097)	(8,143,366,380)
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Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital	(12,002,593,614)	(11,286,569,671)
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	(12,002,593,614)	(11,286,569,671)
Eligible Tier 2 Capital	-	-
Total Eligible Capital (Tier 1 + Tier 2)	(12,002,593,614)	(11,286,569,671)

Risk Weighted Assets (RWAs):

Credit Risk	4,711,709,621	4,907,986,895
Operational Risk	90,775,597	90,775,597
Total	4,802,485,218	4,998,762,492

Common Equity Tier 1 Capital Adequacy ratio	-250%	-226%
Tier 1 Capital Adequacy Ratio	-250%	-226%
Total Capital Adequacy Ratio	-250%	-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. 2,000 million (net of accumulated losses). The paid-up capital (net of accumulated losses) of the Bank as at June 30, 2025 stood at negative balance of Rs. 8,989 Million (December 31, 2024: Rs. 8,143 million).

Bank uses standardized approach for calculation of credit risk weighted assets. 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 figures.

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:

	September 30, 2025			Audited December 31, 2024		
	Directors	Key management personnel	Associated Company	Directors	Key management personnel	Associated Company
Other Assets						
Interest / mark-up accrued	593	1,194,959	-	-	1,297,263	-
Loan to Employees						
Opening balance	-	22,186,037	-	-	53,653,448	-
Addition during the year	171,536	18,620,000	-	-	5,800,000	-
Repaid during the year	(102,322)	(10,866,945)	-	-	(37,267,411)	-
Credit loss allowance	-	-	-	-	-	-
Closing balance	69,214	29,939,092	-	-	22,186,037	-
Deposits and other accounts						
Opening balance	696,685,470	10,168,035	282,260,201	2,053,793	1,916,850	121,233,821
Received during the year	1,317,533,449	160,985,296	6,536,288,511	916,651,575	403,011,986	6,926,628,493
Withdrawn during the year	(1,345,780,148)	(164,187,081)	(6,508,566,218)	(420,476,433)	(397,987,435)	(6,932,296,786)
Transfer in / (out) - net	1,636,677	(4,326,540)	-	198,456,536	3,226,634	166,694,673
Closing balance	670,075,448	2,639,710	309,982,494	696,685,471	10,168,035	282,260,201
Other liabilities						
Interest/mark up payable	659,225	4,443	2,196,580	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
	September 30, 2025			September 30, 2024		
	Directors	Key management personnel	Associated Company	Directors	Key management personnel	Associated Company
Income						
Mark-up / Return / Interest earned	7,363	1,178,364	-	-	2,504,383	-
Fee and commission income	-	-	-	-	-	-
Dividend income	-	-	-	-	-	-
Expense						
Mark-up / Return / Interest expensed	65,235,810	132,505	26,460,356	46,533,636	113,303	12,050,913
Salaries and allowances	5,404,500	57,848,936	-	16,456,054	57,704,273	-
Bonus	-	-	-	-	-	-
Staff retirement benefits	-	2,835,227	-	967,570	2,210,349	-
Directors' fee	1,468,750	-	-	3,000,000	-	-

33 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved and authorised for issue on 27-10-2025 by the Board of Directors of the Bank.

34 GENERAL

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



President, CEO (Acting)



Chief Financial Officer



Chairman



Director



Director