NRSP MFBL FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31,2025

	Note	31-Mar-25	(Audited) 31-Dec-24
ASSETS		Rupees in '000	
Cash and balances with treasury banks	*9*	5,366,245	5,923,001
Balances with other MFBs / Banks / NBFIs	*10*	6,001,231	3,907,635
Lendings to financial institutions	*11*	2,402,300	3,101,072
Investments	*12*	17,556,129	120,110,978
Advances	*13*	37,054,796	37,170,323
Property and equipment	*14*	566,756	568,665
Right-of-use assets	*15*	645,079	622,772
Intangible assets	*16*	24,581	28,203
Deferred tax assets	*17*	3,286,032	3,211,739
Other assets	*18*	2,622,179	2,596,909
		75,525,327	**177,241,296**
LIABILITIES			
Bills payable	*19*	46,761	53,036
Deposits and other accounts	*21*	52,790,000	55,000,504
Borrowings	*20*	12,227,310	112,182,676
Subordinated debt	*23*	2,410,918	2,391,879
Lease liabilities	*22*	923,997	894,018
Deferred grants	*24*	85	85
Deferred tax liabilities		-	-
Other liabilities	*25*	2,773,432	3,161,860
		71,172,504	**173,684,058**
NET ASSETS		**4,352,824**	**3,557,239**
REPRESENTED BY			
Share capital / head office capital account - net		1,498,372	1,498,372
Advance against future issue of right shares		1,304,296	1,304,296
Statutory and general reserves		1,371,385	1,242,974
Depositors' protection fund		578,819	533,543
Surplus/ (Deficit) on revaluation of assets	26	(27,530)	28,558
Unappropriated / Unremitted profit		(372,517)	(1,050,504)
		4,352,824	**3,557,239**
CONTINGENCIES AND COMMITMENTS	27		

The annexed notes 1 to 50 and annexure I form an integral part of these financial statements.

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED MARCH 31,2025

	Note	Quarter Ended		Period Ended	
		31-Mar-25	31-Mar-24	31-Mar-25	31-Mar-24
		Rupees in '000			
Mark-up / Return / Interest earned	28	6,409,678	2,881,603	6,409,678	2,881,603
Mark-up / Return / Interest expensed	29	(4,742,040)	(1,777,824)	(4,742,040)	(1,777,824)
Net mark-up / interest income		**1,667,638**	**1,103,779**	**1,667,638**	**1,103,779**
NON MARK-UP / INTEREST INCOME					
Fee and commission income	30	70,739	73,773	70,739	73,773
Dividend income		-	-	-	-
Foreign exchange income		-	-	-	-
Income / (Loss) from derivatives		-	-	-	-
Gain / (Loss) on securities		-	-	-	-
Net gains/(loss) on derecognition of	31	765	6,142	765	6,142
Other income	33	393	3,989	393	3,989
Total non-markup / interest Income		**71,897**	**83,904**	**71,897**	**83,904**
Total income		**1,739,535**	**1,187,683**	**1,739,535**	**1,187,683**
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	34	(1,022,422)	(807,841)	(1,022,422)	(807,841)
Workers welfare fund		-	-	-	-
Other charges	35	-	(402)	-	(402)
Total non-markup / interest expenses		**(1,022,422)**	**(808,243)**	**(1,022,422)**	**(808,243)**
Profit / (Loss) before credit loss allowance		**717,113**	**379,440**	**717,113**	**379,440**
Credit loss allowance and write offs - net	36	186,568	(29,617)	186,568	(29,617)
Other income / expense items (to be		-	-	-	-
PROFIT / (LOSS) BEFORE MINIMUM AND		**903,681**	**349,823**	**903,681**	**349,823**
Minimum tax differential		(139,495)	(62,049)	(139,495)	(62,049)
PROFIT / (LOSS) BEFORE TAXATION		**764,186**	**287,773**	**764,186**	**287,773**
Taxation	37	(122,132)	(42,989)	(122,132)	(42,989)
PROFIT / (LOSS) AFTER TAXATION		**642,054**	**244,785**	**642,054**	**244,785**
Basic earnings / (loss) per share	38	4.29	1.63	4.29	1.63
Diluted earnings / (loss) per share		4.29	1.63	4.29	1.63

The annexed notes 1 to 50 and annexure I form an integral part of these financial statements.

NRSP MFBL FINANCIAL STATEMENTS

CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31,2025

	Note	31-Mar-25	31-Mar-24
		Rupees in '000	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(Loss) before taxation		903,681	349,823
Less: Dividend income		-	-
		903,681	**349,823**
Adjustments:			
Depreciation		22,350	24,000
Amortization		3,622	3,553
Depreciation on right-of-use assets		33,803	34,320
Interest Expense on Lease Liability against right-of-use assets		30,890	35,340
Impairment of assets		-	-
Credit Loss Allowance and Write-Offs-Directly		4,047	238,664
Loss/ (Gain) on sale / disposal of property and equipment		3,556	3,062
Finance charges on leased assets		-	-
Gain on sale/ redemption of securities		(3,938,873)	(273,515)
Loss on Termination of Leased Agreements		(765)	(6,142)
Amortization of deferred grant		-	(1,801)
Provision for gratuity and leave encashment		37,584	33,911
Interest Expense on Sub_Ordinated Debt		55,601	89,297
		(3,748,184)	**180,690**
(Increase) / Decrease in operating assets			
Lendings to financial institutions		-	-
Securities classified as FVPL		-	-
Advances		111,480	(973,286)
Others assets (excluding advance taxation)		(50,171)	(164,262)
		61,309	**(1,137,549)**
Increase / (Decrease) in operating liabilities			
Bills Payable		(6,275)	18,896
Borrowings from financial institutions		(99,955,366)	(327,708)
Deposits		(2,210,504)	(246,678)
Other liabilities (excluding current taxation)		(435,947)	(6,978)
		(102,608,092)	**(562,469)**
Payments against off-balance sheet obligations		-	-
Income tax paid		(67,213)	(78,903)
Gratuity and leave ensachment paid (including contributions)		(38,044)	(67,680)
		(105,257)	**(146,583)**
Net cash flow from / (used in) operating activities		**(105,496,544)**	**(1,316,087)**
CASH FLOW FROM INVESTING ACTIVITIES			
Net Investments in amortised cost securities		1,998,302	105,078
Net Investments in FVOCI Securities		104,439,953	(97,563)
Dividends received		-	-
Investments in property and equipment		(24,203)	(17,579)
Interest income on depositors' protection fund		13,173	10,673
Proceeds from sale of property and equipment		205	760
Others (to be specified)		-	-
Net cash flow from / (used in) investing activities		**106,427,430**	**1,368**
CASH FLOW FROM FINANCING ACTIVITIES			
Receipts/ Payments of Subordinated debt		(36,562)	(49,180)
Receipts/ Payments of long term liabilities		-	-
Payment of lease liability against right-of-use assets		(56,257)	(61,602)
Issue of share capital		-	-
Proceeds against future issue of right shares		-	-
Grants received		0	634
Dividend paid		-	-
Remittances made to/ received from Head Office		-	-
Others (to be specified)		-	-
Net cash flow from / (used in) financing activities		**(92,818)**	**(110,149)**
Increase/(Decrease) in cash and cash equivalents		**838,068**	**(1,424,868)**
Cash and cash equivalents at beginning of the period		**12,931,707**	**8,811,965**
Cash and cash equivalents at end of the period		13,769,775	7,387,098

The annexed notes 1 to 37 form an integral part of these condensed interim financial statements.

NRSP MFBL FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31,2025

		Advance Against Issue	Capital Reserve			Surplus/(Deficit) on Revaluation of		Others		
	Share Capital / Head office Capital Account	Advance against Issue of Shares	Statutory Reserves	Depositors' protection Fund	Revenue Reserves (to be Specified)	Investments	Property and Equipment / Non Banking Assets	(to be Specified)	Unappropriated/ Unremitted Profit/ (Loss)	Total
					Rupees in '000					
Balance as at December 31,2023	**1,498,372**	**1,000,000**	**997,922**	**393,207**	**-**	**(255)**	**-**	**(1,709)**	**(1,844,056)**	**2,043,481**
Net Impact of Adopting IFRS 9 @01-Jan-2024	-	-	-	-	-	-	-	-	(81,840)	**(81,840)**
Related Balance as at January 01,2024	**1,498,372**	**1,000,000**	**997,922**	**393,207**	**-**	**(255)**	**-**	**(1,709)**	**(1,925,896)**	**1,961,641**
Profit / (Loss) after Taxation March 31,2024	-	-	-	-	-	-	-	-	244,785	244,785
Other comprehensive income - net of tax	-	-	-	-	-	-	-	1,709	(1,709)	-
Transfer to statutory reserve	-	-	48,957	-	-	-	-	-	(48,957)	-
Transfer to depositors' protection fund	-	-	-	12,239	-	-	-	-	(12,239)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	-		-
Other appropriations (to be specified)	-	-	-	10,673	-		-	-		10,673
Transactions with owners, recorded										-
directly in equity										-
Dividend (separate line for each dividend)	-	-	-	-	-	-	-	-	-	-
Issue of share capital	-	-	-	-	-	-	-	-	-	-
Discount on issue of shares written off										-
against share premium account.	-	-	-	-	-	-	-	-	-	-
Advance against future issue of right shares		-	-	-	-	-	-	-		-
Net Impact of Adopting IFRS 9 @01-Jan-2024	**-**	**-**	**-**	**-**	-	**-**	-	-		**-**
Balance as at March 31,2024	**1,498,372**	**1,000,000**	**1,046,879**	**416,119**	**-**	**(255)**	**-**	**-**	**(1,744,017)**	**2,217,098**
Profit /(Loss) after Taxation December 31,2024	-		-	-	-	-	-	-	980,472	980,472
Other comprehensive income - net of tax	-		-	-	-	-	-	(41,840)	-	(41,840)
Transfer to statutory reserve	-		196,095	-	-	-	-	-	(196,095)	-
Transfer to depositors' protection fund	-		-	49,024	-	-	-	-	(49,024)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax						28,813				28,813
Other appropriations (to be specified)	-		-	68,400	-		-	-	-	68,400
Transactions with owners, recorded										-
directly in equity										-
Dividend (separate line for each dividend)	-		-	-	-	-	-	-	-	-
Issue of share capital	-		-	-	-	-	-	-	-	-
Discount on issue of shares written off									-	-
against share premium account.	-		-	-	-	-	-	-	-	-
Advance against future issue of right shares		304,296							-	304,296
Balance as at December 31,2024	**1,498,372**	**1,304,296**	**1,242,974**	**533,543**	**-**	**28,558**	**-**	**(41,840)**	**(1,008,663)**	**3,557,239**
Impact of DTA on RA from SBP against Markup Subsi	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	196,446	**196,446**
Profit /(Loss) after Taxation March 31,2025	-	-	-	-	-	-	-	-	642,054	642,054
Other comprehensive income - net of tax	-	-	-	-	-	-	-	41,840	(41,840)	-
Transfer to statutory reserve	-	-	128,411	-	-	-	-	-	(128,411)	-
Transfer to depositors' protection fund	-	-	-	32,103	-	-	-	-	(32,103)	-
Transfer from surplus on revaluation of										-
assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	-	-
Other appropriations (to be specified)	-	-	-	13,173	-	(56,088)	-	-	-	(42,915)
										-
Transactions with owners, recorded										-
directly in equity										-
Dividend (separate line for each dividend)	-	-	-	-	-	-	-	-	-	-
										-
Issue of share capital	-	-	-	-	-	-	-	-	-	-
										-
Discount on issue of shares written off										-
against share premium account.	-	-	-	-	-	-	-	-	-	-
Advance against future issue of right shares										-
										-
Closing Balance as at March 31,2025	**1,498,372**	**1,304,296**	**1,371,385**	**578,819**	**-**	**(27,530)**	**-**	**-**	**(372,517)**	**4,352,824**

NRSP MFBL FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED MARCH 31, 2025

	Quaarter Ended		Period Ended	
	31-Mar-25	31-Mar-24	31-Mar-25	31-Mar-24
	-------------(Rupees in '000)-------------			
Profit / (Loss) after taxation for the period	**642,054**	**244,785**	**642,054**	**244,785**
Other comprehensive income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Effect of translation of net investment in foreign branches	-	-	-	-
Movement in surplus / (deficit) on revaluation of investments - net of tax	(56,088)	-	(27,530)	(255)
Others (to be specified)	-	-	-	-
	(56,088)	-	(27,530)	(255)
Items that will not be reclassified to profit and loss account in subsequent periods:				
Remeasurement gain / (loss) on defined benefit obligations	(62,449)	2,551	-	-
Related tax impact	20,608	(842)	-	-
Movement in surplus / (deficit) on revaluation of investments in equity investments - net of tax	-	-	-	-
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-
Surplus/ (deficit) on revaluation of available for sale	-	-	-	-
Related tax impact	-	-	-	-
	(41,840)	1,709	-	-
Total comprehensive income	**683,895**	**243,075**	**642,054**	**244,785**

The annexed notes 1 to 50 and annexure I form an integral part of these financial statements.

NRSP MICROFINANCE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR 3 THE PERIOD ENDED ON MARCH 31,2025

1 STATUS AND NATURE OF BUSINESS

NRSP Microfinance Bank Limited (the Bank) was incorporated in Pakistan on October 22, 2008 as a Public limited Company under the Companies Ordinance, 1984. The Bank obtained license from the State Bank of Pakistan (SBP) on February 18, 2009 to operate, on nationwide basis, as a microfinance bank under Microfinance Institutions Ordinance, 2001. Certificate of commencement of business was issued by the Securities and Exchange Commission of Pakistan (SECP) on February 8, 2011 and certificate of commencement of business from SBP was received on February 28, 2011.

The Bank was established to mobilize funds for providing microfinance banking and related services to low income and underserved segment of society for mitigating poverty through providing access to financial markets at micro level.

The Bank's registered office is situated at 7th Floor, UBL Tower, Jinnah Avenue, Blue Area, Islamabad and principal place of business is situated at University Road, Bahawalpur. The Bank is operating 133 branches (2023: 143) as at the year end including 37 (2023: 37) Islamic branches.

National Rural Support Programme (NRSP) is holding company of the Bank which holds 57.40% (2023: 57.40%) shares of the Bank.

2 BASIS OF PRESENTATION

2.1 These financial statements have been presented in accordance with the requirements of Banking Policy & Regulations Department (BPRD) Circular No. 03 of 2023 dated February 09, 2023 issued by the State Bank of Pakistan (SBP).

The financial results of the Islamic Microfinance Division (IMD) of the Bank have been consolidated in these financial statements for reporting purpose, after eliminating inter-branch transactions/balances. Key figures of the IMD, derived from the related accounting records of the Bank, are disclosed as Annexure-II to these financial statements for disclosure purpose only to comply with the requirements of the license issued by the SBP to the Bank to commence Islamic microfinance operations. Further, the IMD results are to be separately reported upon for Shariah Compliance by the Shariah Advisor of the Bank as required by the SBP in conditions prescribed for the Bank to commence Islamic Microfinance operations.

2.2 Basis of measurement

a) These financial statements have been prepared under the historical cost convention except for certain investments carried at fair value and recognition of certain staff retirement benefits, liabilities against assets subject to finance lease which are stated at present value.

b) These condensed interim financial statements have been prepared in compliance with the format as prescribed under the Banking Policy & Regulations Department Circular No. 3 dated February 09, 2023 issued by the SBP. These condensed interim financial statements have been presented in Pakistani Rupees, which is the functional and presentation currency of the Bank.

3 STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS Standards) issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) as are adopted by SBP;
- Provisions of and directives issued under the Companies Act, 2017 and the Microfinance Institutions Ordinance, 2001; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

Whenever the requirements of the Microfinance Institution Ordinance, 2001, Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of IFRS or IFAS, the requirements of the Microfinance Institution Ordinance, 2001, the Companies Act, 2017 and the said directives shall prevail.

3.2 Banking Policy & Regulations Department of State Bank of Pakistan (SBP) via circular no. 3 of 2023 dated 09 February 2023, introduced the new format for preparation of annual and interim financial statements for microfinance banks due to significant regulatory developments including implementation of IFRS 9 as well as many other additions / amendments in the International Financial Reporting Standards. The revised format for preparation of annual financial statements are applicable effective from the accounting year ending 31st December, 2024 and revised format for preparation of interim financial statements are applicable effective from the first quarter of year 2024.

3.2 The SBP has deferred the applicability of International Accounting Standard (IAS) 39 - 'Financial Instruments: Recognition and Measurement' and IAS 40 - 'Investment Property' for Banking Companies in Pakistan through BSD Circular Letter 10 dated August 26, 2002 till further instructions. Further, the SECP has deferred the applicability of IAS 40 - 'Investment Property' and IFRS 7 - 'Financial Instruments: Disclosures' through its notification S.R.O 633(I)/2014 dated July 10, 2014. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

3.3 These condensed interim financial statements do not include all the information and disclosures required for the annual financial statements, and should be read in conjunction with the annual financial statements of the Bank as at December 31, 2023, which have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for financial reporting. The accounting and reporting standards as applicable in Pakistan for financial reporting comprise of: 'International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017; Provisions of and directives issued under the Microfinance Institutions Ordinance, 2001 and the Companies Act, 2017; and Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Microfinance Institution Ordinance, 2001, the Companies Act, 2017, or the directives issued by the SBP and SECP differ with the requirements of IFRS, the requirements of the Microfinance Institution Ordinance, 2001, the Companies Act, 2017 and the said directives shall prevail.

4 AMENDMENTS TO THE PUBLISHED APPROVED ACCOUNTING STANDARDS THAT ARE EFFECTIVE IN THE CURRENT PERIOD

a) Standards, interpretations of and amendments to accounting and reporting standards that are effective in the current period

There are certain amendments to existing accounting and reporting standards that have become applicable to the Bank for accounting periods beginning on or after June 30, 2024. These are either considered to be not relevant or do not have any significant impact on these condensed interim financial statements.

	Effective from Accounting period beginning on or after
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	June 30, 2024
Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	June 30, 2024
Amendments to IAS 12 ' Income taxes' - International Tax Reform — Pillar Two Model Rules	June 30, 2024
Amendments to IFRS 16 ' Leases' -Clarification on how seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current along with Non-current liabilities with Convenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements	January 01, 2024

b) Standards, interpretations of and amendments to accounting and reporting standards that are not yet effective

There are certain other new amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2024, but are considered not to be relevant or will not have significant effect on the Bank's operations and are, therefore, not detailed in these condensed interim financial statements.

	Effective from Accounting period beginning on or after
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability	January 01, 2025
IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2026
Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments	January 01, 2026

Further, the following new standards have been issued by the IASB, which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

Standard

IFRS 1 First-time Adoption of International Financial Reporting

IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 19 Subsidiaries without Public Accountability: Disclosures

The Bank expects that the adoption of the above standards will have no material effect on the Bank's financial statements, in the period of initial application.

5 MATERIAL ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements for the year ended December 31, 2023 except for accounting for minimum and final taxes and initial recogition of financial assets and financial liabilities as per IFRS 9.

5.1 Financial instruments – initial recognition (accounting policy applicable from 1 January 2024)

a) Date of recognition

Financial assets and liabilities, with the exception of loans and advances to customers and balances due to customers, are initially recognized on the trade date, i.e., the date on which the Bank becomes a party to the contractual provisions of the instrument. This includes regular way trades, i.e., purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans and advances to customers are recognized when funds are transferred to the customers’ accounts. The Bank recognizes balances due to customers when funds are transferred to the Bank.

b) Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value , except in the case of financial assets and financial liabilities recorded at FVPL, transaction costs are added to, or subtracted from, this amount.

c) Measurement categories of financial assets and liabilities

From 1 January 2024, the Bank classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:
• Amortized cost
• Fair value though Other comprehensive income (FVOCI), and
• Fair value through profit and loss (FVTPL)

The Bank classifies and measures its derivative and trading portfolio at FVPL. The Bank may designate financial instruments at FVPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies.

Financial liabilities, other than loan commitments and financial guarantees, are measured at amortized cost or at FVPL when they are held for trading and derivative instruments or the fair value designation is applied.

d) Financial assets and liabilities

Due from banks, Loans and advances to customers and investments

From 1 January 2024, the Bank measures Due from banks, Loans and advances to customers and Investments at amortized cost if both of the following conditions are met:

• The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
• The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Business model assessment

The Bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective:

• The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
• How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)

The expected frequency, value and timing of sales are also important aspects of the Bank's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'best case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Bank's original expectations, the Bank does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The SPPI test

As a second step of its classification process the Bank assesses the contractual terms of the financial asset to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Bank applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de Minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

e) Debt instruments at FVOCI

The Bank applies the new category under IFRS 9 of debt instruments measured at FVOCI when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset meet the SPPI test .

These instruments largely comprise assets that had previously been classified as financial investments available-for-sale. FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Interest income and foreign exchange gains and losses are recognized in profit or loss in the same manner as for financial assets measured at amortized cost. Where the Bank holds more than one investment in the same security, they are deemed to be disposed of on a first–in first–out basis. On derecognition, cumulative gains or losses previously recognized in OCI are reclassified from OCI to profit or loss.

f) Equity instruments at FVOCI

Upon initial recognition, the Bank occasionally elects to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to profit. Dividends are recognized in profit or loss as other operating income when the right of the payment has been established, except when the Bank benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

g) Debt issued and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium on issued funds, and costs that are an integral part of the EIR.

5.1.1 Derecognition of financial assets and liabilities

a) Derecognition for substantial modification of Financial assets

The Bank derecognizes a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognized as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognized loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be POCI.

For financial liabilities, the Bank considers a modification substantial based on qualitative factors and if it results in a difference between the adjusted discounted present value and the original carrying amount of the financial liability of, or greater than, ten percent. For financial assets, this assessment is based on qualitative factors.

b) Derecognition other than for substantial modification Financial assets

A financial asset (or, where applicable, a part of a financial asset) is derecognized when the rights to receive cash flows from the financial asset have expired. The Bank also derecognizes the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

c) Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognized in profit or loss.

d) Reclassification of financial assets and liabilities

From 1 January 2024, the Bank does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Bank acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Bank did not reclassify any of its financial assets or liabilities in 2024.

5.1.2 Impairment of financial assets (Policy applicable from 1 January 2024)

a) Overview of the ECL principles

IFRS 9 has fundamentally changed the Bank's loan loss impairment method by replacing incurred loss approach with a forward-looking ECL approach. From January 01, 2024, the Bank has been recording the allowance for expected credit losses for all loans and other debt financial assets not held at FVPL, together with loan commitments and financial guarantee contracts. Equity instruments are not subject to impairment under IFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or (LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL).

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Bank groups its loans into Stage 1, Stage 2, Stage 3 and POCI, as described below:

Stage 1 When loans are first recognized, the Bank recognizes an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2 When a loan has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3 Loans considered credit-impaired . The bank records an allowance for the LTECLs

POCI Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognized based on a credit-adjusted EIR. ECLs are only recognized or released to the extent that there is a subsequent change in the expected credit losses.

b) The calculation of ECLs

The Bank calculates ECLs based on a three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

PD PD The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognized and is still in the portfolio. The concept of PDs is further explained in credit risk management.

LGD The Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral or credit enhancements that are integral to the loan. It is usually expressed as a percentage of the EAD. The LGD is further explained in credit risk management.

EAD The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

When estimating the ECLs, the Bank considers three scenarios (a base case, an upside and a downside). The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Bank has the legal right to call it earlier. Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The mechanics of the ECL method are summarized below:

Stage 1 The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Bank calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios, as explained above.

Stage 2 When a loan has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR

Stage 3 For loans considered credit-impaired , the Bank recognizes the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

POCI POCI assets are financial assets that are credit impaired on initial recognition. The Bank only recognizes the cumulative changes in lifetime ECLs since initial recognition, based on a probability-weighting of the three scenarios, discounted by the credit-adjusted EIR.

c) Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortized cost is recognized in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognized in OCI is recycled to the profit and loss upon derecognition of the assets.

d) Purchased or originated credit impaired financial assets (POCI)

For POCI financial assets, the Bank only recognizes the cumulative changes in LTECL since initial recognition in the loss allowance.

e) Forward looking information

In its ECL models, the Bank relies on a broad range of forward looking information as economic inputs, such as:
• GDP growth
• Consumer price indices

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. Detailed information about these inputs is explained in note 41.4.

f) Credit enhancements: collateral

To mitigate its credit risks on financial assets, the Bank seeks to use collateral, where possible. The collateral comes in various forms, such as gold, vehicle, house etc. Collateral, unless repossessed, is not recorded on the Bank's statement of financial position. However, the fair value of eligible collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a requirement basis.

Eligible collateral are those which has i) legal certainly and enforceability, and ii) history of forcibility and recovery. The bank consider cash and cash equivalents as eligible collaterals and EAD of relevant facilities are reduced by the amount of eligible collateral.

g) Write-offs

Financial assets are written off either partially or in their entirety only when the Bank has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense. the Bank also follows Prudential regulations issued by SBP for write off of its advances. Under these PR loans are written off after 30 days from the date of loss categorization.

h) ECL on government guaranteed credit exposure

ECL on credit exposure (in local currency) that have been guaranteed by the Government of Pakistan and Government Securities, has not been estimated due to exemption available under IFRS instructions issued by SBP through circular no. 3 of 2022 dated 05 July 2022.

i) Two track approach for stage 3 loans

As per instructions issued by SBP, the bank used two track approach for ECL assessment on stage 3 loans. As per this approach the bank calculated provision /ECL both under Prudential Regulations (PRs) issued by SBP for microfinance banks and IFRS 9 and higher amount has been taken for final ECL.

5.1.3 Credit risk management

Credit risk arises from the potential that an obligor is either unwilling to perform on an obligation or its ability is impaired resulting in economic loss to the Bank. The Bank takes necessary measures to control such risk by monitoring credit exposures, limiting transactions with specific counter parties with increased likelihood of default and continually assessing the creditworthiness of counter parties.

a) Definition of Default and Cure

The Bank considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations, advances to customers when the borrower becomes 60 days past due for General Loans, 90 days past due for Micro Enterprise loans and 180 days past dues for Housing Loans on its contractual payments. The Bank considers treasury and interbank balances defaulted and takes immediate action when the required intraday payments are not settled by the close of business as outlined in the individual agreements.

As a part of a qualitative assessment of whether a customer is in default, the Bank also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Bank carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

- The borrower is deceased
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral
- A covenant breach not waived by the Bank
- the borrower is unable to pay due to any other reason

It is the Bank's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when none of the default criteria have been present. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated delinquency, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition. However, no financial assets is directly classified from stage 3 to stage 1.

b) PD Estimation Process

Consumer lending

The banks entire loans and advances portfolio consist of consumer lending. Consumer lending comprises agriculture, livestock, enterprise, general, gold, house and Islamic loans . The Bank does not have credit score card model for consumer landings, therefore, the Bank used delinquency (day past due) based model for estimation of PDs. Average monthly transitions to default of relevant delinquency states were converted into current 12 months point in time PDs using statistical models. The lifetime PD is developed by applying a maturity profile to the current 12 months PD. Data from December 31, 2018 till March 31, 2024 has been used for PD estimations.

Bank balances

For bank balances and terms deposits, the Bank's credit risk department analyses publicly available information such as financial information and other external data, e.g., the rating of good rating agency. PDs of external ratings are sourced from studies of international credit agencies such as S&P Global and Moody's.

c) LGD Estimation Process

The Bank segments its consumer lending products into smaller homogeneous segments, based on key characteristics that are relevant to the estimation of future cash flows. The bank calculate LGD of each segment based historical experiences of cash recoveries from defaults (including settlements), cost and time of recoveries. one year set back is maintained for calculation of LGD for defaults, which means parties which are classified as default till end of last year are taken in to the calculation of LGD. Effective interest rate or approximate there of has been used to discount recoveries to date of default. Data from December 31, 2018 till date has been used for LGD estimations for the parties classified as default till June 30, 2023. For receivables from the banks and investments, the Bank used LGD percentages prescribed under Basel Foundation – Internal Rating Based (F-IRB) approach to determine ECL under BSD Circular No. 08 dated June 27, 2006 issued by SBP.

d) Forward looking Information:

IFRS 9 requires incorporating future economic conditions into the measurement of ECL. Future economic conditions are incorporated by adjusting estimates of PD to reflect expectations about the stage of economic cycle expected to be prevalent in the economy as-and-when default is expected to arise in the future. The macroeconomic factors were selected based on management judgement and analysis of historical default rates. GDP growth rate and CPI were considered to be the most suitable for the Bank's customers. The GDP and CPI forecast were sourced from World Bank which were used to determine forward looking Point in time PDs (Pit PDs)

5.2 Accounting for minimum taxes and final taxes

The guide was issued by Institute of Chartered Accountants of Pakistan (ICAP) in May 2024 '*IAS 12 Application Guidance on Accounting for Minimum taxes and Final taxes' (the guide).*

In view of the clarifications from ICAP, it has been established that minimum tax and final taxes do not meet the criteria of income tax expense as per IAS 12 hence it should be accounted for under IFRIC 21 'Levies' and IAS 37 *'Provisions, Contingent Liabilities and Contingent Assets'.*

The guide issued by ICAP provides approaches to account for minimum and final regime taxes according to the facts and circumstances as applicabl to the Company. Accordingly, the Company has adopted the following approach:

The Compnay designate the amount calculated on taxable income using the notified tax rate as an income tax within the scope of IAS 12 'Income Taxes' and recognise it as current income tax expense. Any excess over the amount designated as income tax, is then recognised as a levy falling under the scope of IFRIC 21 "Levies"/IAS 37" Provisions, Contingent Liabilities and Contingent Assets".

Therefore, the effective rate of income tax is equal to the enacted rate of income tax.

Similarly, any amount deducted as final taxes will be classified as a levy in the statement of profit or loss and there would be no deferred tax liability / (asset) recognised in case of final taxes.

Super tax charged to entities as per provisions of Income Tax Ordinance, 2001, will be classified as either 'Income Tax' or 'levy' in accordance with guide stated in preceding paragraphs of this guide [i.e. if super tax calculation is based on taxable profits as defined in IAS 12, then, such super tax shall be recognised as 'income tax' otherwise such super tax shall qualify for recognition as 'levy' as per IFRIC 21 / IAS 37].

Advance taxes paid under any section of the Income Tax Ordinance, 2001, except minimum taxes paid under section 113, which are termed as levy as per the above guide will be classified as 'prepaid assets'.

The above changes have been accounted for in these financial statements as per the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. The adoption of this policy did not result in re-statement of financial statements since deferred tax liability recognised in the year ended June 30, 2023 was already at average rate and the application of this guide did not result any material differences except for reclassifications which are presented note 43

5.2.1 Levy

A levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation (i.e. laws and/or regulations), other than:

- Those outflows of resources that are within the scope of other standards.

- Fines or other penalties that are imposed for breaches of the legislation.

In these financial statements, levy includes minimum taxes differential, if any, final taxes and super taxes which are based on other than taxable profits. The corresponding advance tax paid, except for minimum taxes under section 113, which are treated as levy are recognised in prepaid assets as 'prepaid levies'.

a) Revenue taxes

Revenue taxes includes amount representing excess of :

a)minimum tax paid under section 113 over income tax determined on income streams taxable at general rate of taxation and;

b)minimum tax withheld / collected / paid or computed over tax liability computed on (related income tax streams taxable at general rate of tax), is not adjustable against tax liability of subsequent tax years.

Amount over income tax determined on income streams taxable at general rate of taxation shall be treated as revenue taxes.

The company determines, based on expected future taxable profits, that excess paid under section 113 by the entity over and above its tax liability (on income stream(s) taxable at general rate of taxation) is expected to be realized in subsequent tax years, then, such excess shall be recorded as deferred tax asset adjustable against tax liability for subsequent tax years. This shall be recognized as 'deferred tax asset' for the reason that it represents unused tax credit as it can be adjusted only against tax liability (of subsequent tax years) arising on taxable income subject to general rate of taxation. Such an asset shall be subject to requirements contained in IAS 12 'Income Tax'.

b) Final Taxes

Final taxes includes tax charged / withheld / paid on certain income streams under various provisions of Income Tax Ordinance, 2001 (Ordinance). Final tax is charged / computed under the Ordinance, without reference to income chargeable to tax at the general rate of tax and final tax computed / withheld or paid for a tax year is construed as final tax liability for the related stream of Income under the Ordinance.

Final tax paid is considered to be full and final discharge of the tax liability for the Company for a tax year related to that income stream.

5.2.2 Taxation / Revenue Taxes / Final Taxes

a) Current

Provision for current taxation is based on taxable income at the enacted / corporate tax rate after taking into account tax credits and rebates available, if any, as per the Income Tax Ordinance, 2001.

b) Deferred

Deferred tax is provided using the liability method for all temporary differences at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes after considering, the average effective rate of tax / enacted tax rate.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax asset is recognised for all deductible temporary differences and carried forward unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilised.

Deferred tax assets and liabilities are measured at enacted tax rate that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

6 ACCOUNTING ESTIMATES

The basis for accounting estimates adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements of the Bank for the year ended December 31, 2023 unless otherwise specified in abovementioned adoption of new accounting policies.

7 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the unconsolidated financial statements for the year ended December 31, 2023.

8. Transition Disclosures

8.1 The following paras set out he impact of adopting IFRS9 on the statement of financial position,and retained earnings including the effect of replacing prior accounting policy of incurred credit loss calculations with IFRS9's Expected Credit Loss(ECLs). A reconciliation between the carrying amounts under prior accounting policy to the balances reported under IFRS9 as of 31 December 2023 is, as follows:

Description	Note	Old financial reporting framework		Reclassification	Remeasurement	Current IFRS-9 reporting framework	
		Category	Amount			Amount	Amount
			-------------------------- Rupees"000"			--------------------------------	
Financial Assets							
Cash and balances with SBP and NBP	9	Cash and balances with SBP and NBP (amortized cost)	2,419,392	3,503,609	-	5,923,001	Amortized cost
Balances with other Banks/ NBFIs /MFBs	10	Balances with other Banks/ NBFIs /MFBs (Amortized Cost)	5,164,273	(1,256,581)	(57)	3,907,635	Amortized cost
Lending to financial institutions	11	Lending to financial institutions (Amortized Cost)	1,020,000	2,081,072	-	3,101,072	Amortized cost
Investments in Debt	12	Held-to-Maturity	2,658,906	(1,661,135)	-	997,771	Amortized Cost
		Available for Sale	2,946,912	110,895,505	-	113,842,417	Fair Value through OCI
Advances	13	Advances (Amortized Cost)	31,886,462	2,645,868	(122,085)	34,410,245	Amortized cost
Other assets	18	Income / markup accrued	3,762,063	(1,165,145)	(9)	2,596,909	Amortized cost
Non-financial assets							
Deferred tax asset	17	Deferred tax asset	3,459,593	-	40,310	3,211,739	Deferred tax asset
Financial Liabilities							
Borrowings	20	Borrowings (Amortized cost)	(4,651,094)	###########	-	###########	Amortized cost
Deposits and other accounts	21	Deposits and other accounts (Amortized cost)	(39,569,766)	(15,430,738)	-	(55,000,504)	Amortized cost
Subordinated debt	23	Subordinated-Debt (Amortized cost)	(1,442,360)	(949,519)	-	(2,391,879)	Amortized cost
Other liabilities	25	Other liabilities (Amortized Cost)	(6,910,307)	2,801,393	-	(4,108,914)	Amortized cost
Total Impact of adopting IFRS 9			**744,074**	**(6,067,253)**	**(81,841)**	**(5,693,185)**	

			Audited
		31-Mar-25	31-Dec-24
		Rupees in '000	
9 CASH AND BALANCES WITH TREASURY BANKS			
Cash in hand - Local Currency		**699,572.948**	**898,615**
Balance With State Bank of Pakistan in			
Local Currency Current Accounts	9.1	2,454,120	3,558,410
Local currency Deposit Accounts		-	-
		2,454,120	**3,558,410**
Balance With National Bank of Pakistan in			
Local Currency Current Accounts		15,041	15,611
Local currency Deposit Accounts	9.2	2,173,110	1,397,363
		2,188,151	**1,412,975**
Accrued Markup on Balances With NBP		24,401	53,002
Less: Credit Loss Allowance		-	-
Total		**5,366,245**	**5,923,001**

9.1 This represents balance maintained with SBP to comply with requirements of Prudential Regulations for Microfinance Banks to maintain minimum cash reserve equivalent to not less than 5% (2023: 5%) of the Bank's demand deposits and time deposits with tenor of less than one year.

9.2 These represent deposits with National Bank of Pakistan payable on demand carrying mark-up/profit ranging from 5% to 18.75% (2023: 5% to 6%) per annum.

			Audited
		31-Mar-25	31-Dec-24
10 BALANCES WITH OTHER MFBs/BANKs/NBFIs		Rupees in '000	
- In current account	10.1	48,154	40,987
- In deposit account	10.2	5,912,740	3,592,124
- In Fixed accounts	10.3	-	200,000
		5,960,895	3,833,112
Accrued Markup		40,394	74,580
Less: Credit Loss Allowance		(57)	(57)
		6,001,231	**3,907,635**

10.1 These represent deposits with commercial banks and Islamic banks payable on demand maintained in current account.

10.2 These represent deposits with commercial banks and Islamic banks payable on demand carrying mark-up/profit ranging from 5% to 22% (2023: 7.25% to 22%) per annum.

10.3 Fixed deposits represent an amount of Rs 200 Million (2023: Rs 2,322 million) that carries mark-up/profit at the rate of 24% (2023: 21% to 21.90%).

11 LENDINGS TO FINANCIAL INSTITUTIONS

		31-Mar-25	Audited 31-Dec-24
11.1	Call / clean money lendings	2,400,000	3,100,000
	Reverse repo agreements	-	-
	Income / mark-up accrued on Lending to FIs	2,300	1,072
		2,402,300	3,101,072
	Less: Credit loss allowance	-	-
		2,402,300	**3,101,072**

11.1 These represents call money lending nill in 2024 (2023: 1,020 Million) with markup/profit rate (2023: 21.60%)

12 INVESTMENTS

	31-Mar-25				Audited 31-Dec-24			
	Fair Value / Amortised cost	Credit Loss Allowance	Surplus / (Deficit)	Carrying Value	Fair Value / Amortised cost	Credit Loss Allowance	Surplus / (Deficit)	Carrying Value
12.1 Debt instruments								
Classified as Amortised Cost								
Pakistan Investment Bonds (PIBs)	999,861		-	999,861	997,771	-	-	997,771
Accrued Markup on PIBs	27,654		-	27,654	36,391		-	36,391
Market Treasury Bills (MTBs)	1,429,432		-	1,429,432	3,269,373	-	-	3,269,373
Accrued Markup on T.Bills	87,915		-	87,915	108,790		-	108,790
Ijarah Sukuks	1,802,934		-	1,802,934	1,811,598	-	-	1,811,598
Accrued Markup on Sukuk	92,559		-	92,559	44,639	-	-	44,639
	4,440,354	**-**	**-**	**4,440,354**	**6,268,562**	**-**	**-**	**6,268,562**
Classified as FVOCI								
Pakistan Investment Bonds (PIBs)	4,095,440		-	4,095,440	104,115,971	-	-	104,115,971
Accrued Markup on PIBs	72,070			72,070	168,547			168,547
Market Treasury Bills (MTBs)	6,977,849		621	6,978,470	7,781,905	-	5,265	7,787,170
Accrued Markup on T.Bills	202,997			202,997	34,678			34,678
Ijarah Sukuks	1,660,055		-	1,660,055	1,686,650	-	-	1,686,650
Accrued Markup on Sukuk	106,744		-	106,744	49,400	-	-	49,400
	13,115,154	**-**	**621**	**13,115,775**	**113,837,151**	**-**	**5,265**	**113,842,416**
Classified as FVPL								
Federal Government securities	-	-	-	-	-	-	-	-
Provincial Government securities	-	-	-	-	-	-	-	-
Non Government Debt securities	-	-	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-	-	-
Others (to be specified)	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Associates	-	-	-	-	-	-	-	-
Subsidiaries	-	-	-	-	-	-	-	-
Total investments	**17,555,508**	**-**	**621**	**17,556,129**	**120,105,713**	**-**	**5,265**	**120,110,978**

13 ADVANCES

	Performing	Under Performing	Non-Performing	Total	Performing	Under Performing	Non-Performing	Total
	Rupees in '000							
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
	31-Mar-25	31-Mar-25	31-Mar-25		31-Dec-24	31-Dec-24	31-Dec-24	
Micro Credits-CMD								
Secured	16,207,912	177,543	60,124	**16,445,579**	15,138,994	95,484	52,693	**15,287,171**
Unsecured	8,330,415	181,856	524,489	**9,036,759**	8,607,977	400,259	503,858	**9,512,094**
Income/Markup Accrued	1,898,568	1,412	12,124	**1,912,122**	1,777,901	2,213	-	**1,780,114**
Islamic financing								
Secured	4,294,652	95,359	314,856	**4,704,867**	5,311,507	87,738	162,849	**5,562,094**
Unsecured	3,551,495	60,673	347,691	**3,959,859**	3,741,046	41,923	300,999	**4,083,968**
Income/Markup Accrued	2,327,153	27,301	52,580	**2,407,018**	2,462,678	50,239	-	**2,512,917**
Advances - Gross	**36,610,194**	**544,145**	**1,311,865**	**38,466,204**	**37,040,103**	**677,856**	**1,020,399**	**38,738,357**
EIR Impact on Principal Advances Under IFRS-9	(625,475)	(1,086)	(1,876)	**(628,437)**	(625,475)	(1,086)	(1,876)	**(628,437)**
Credit Loss Allowance against Advances								
Credit Loss Allowance on Advances-CMD	(72,813)	(19,696)	(252,763)	**(345,272)**	(108,905)	(126,818)	(361,417)	**(597,140)**
Credit Loss Allowance on Advances-IMD	(77,353)	(17,392)	(342,955)	**(437,700)**	(71,971)	(12,851)	(257,635)	**(342,457)**
	(150,166)	**(37,088)**	**(595,718)**	**(782,972)**	**(180,876)**	**(139,669)**	**(619,052)**	**(939,597)**
Advances - Net of Credit Loss Allowance	**35,834,554**	**505,971**	**714,271**	**37,054,796**	**36,859,227**	**538,187**	**401,347**	**37,170,323**

13.1 Advances - Particlurs of Credit Loss Allowance

13.1.1 Advances - Exposure

	31-Mar-25				31-Dec-24			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	Rupees in '000							
Gross Carrying Amount-Opening	**36,414,628**	**676,770**	**1,018,523**	**38,109,921**	**34,863,960**	**416,466**	**845,582**	**36,126,008**
New advances at Stage:---	7,978,762	-	-	**7,978,762**	29,611,304	-	-	**29,611,304**
Advances derecognised or repaid from Stage:---	(7,610,851)	(341,472)	(137,920)	**(8,090,244)**	(22,936,901)	(357,754)	(608,891)	**(23,903,546)**
Transfer to stage 1	157,050	(120,103)	(36,947)	**-**	34,343	(22,073)	(12,270)	**-**
Transfer to stage 2	(513,845)	523,603	(9,757)	**-**	(469,203)	471,853	(2,650)	**-**
Transfer to stage 3	(436,265)	(195,447)	631,712	**-**	(897,126)	(19,208)	916,334	**-**
	(425,149)	**(133,420)**	**447,088**	**(111,481)**	5,342,417	72,818	292,523	**5,707,758**
Amounts Written off / Charged off	(4,759)	(291)	(155,622)	**(160,672)**	(232,177)	(35,066)	(1,080,046)	**(1,347,289)**
Changes [increase/(decrease)] in exposure	-	-	-	**-**	(3,559,572)	222,552	960,464	**(2,376,556)**
Closing balance	**35,984,719**	**543,059**	**1,309,989**	**37,837,767**	**36,414,628**	**676,770**	**1,018,523**	**38,109,921**

Disclose the purchase originated and credit impairement assest, if any as per the disclosure requirements of IFRS.

		31-Mar-25				31-Dec-24			
13.1.2	**Credit Loss Allowance of Advances**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	Opening balance	Rupees in '000							
	Gross Carrying Amount-Opening	**180,876**	**139,669**	**619,052**	**939,597**	**222,765**	**821,389**	**671,614**	**1,715,768**
	New advances	23,855	-	-	**23,855**	105,244	-	-	**105,244**
	Advances derecognised or repaid	99,051	(44,786)	(74,072)	**(19,808)**	(112,972)	(32,862)	(522,619)	**(668,453)**
	Transfer to Stage 1	8,774	(3,780)	(4,994)	**-**	5,445	(1,069)	(4,376)	**-**
	Transfer to Stage 2	(33,654)	34,997	(1,343)	**0**	(2,733)	6,280	(3,547)	**-**
	Transfer to Stage 3	(123,976)	(88,721)	212,697	**-**	(12,649)	(1,501)	14,150	**-**
		(25,951)	**(102,289)**	**132,287**	**4,047**	**(17,665)**	**(29,152)**	**(516,392)**	**(563,209)**
13.3	**Amounts written off/charged Off**	(4,759)	(291)	(155,622)	**(160,672)**	(232,177)	(35,066)	(1,080,046)	**(1,347,289)**
	Changes [increase/(decrease)] in exposure	0	0	0	**0**	207,953	(617,502)	1,543,876	**1,134,327**
	Closing balance	**150,166**	**37,088**	**595,718**	**782,972**	**180,876**	**139,669**	**619,052**	**939,597**
13.1.3	**Credit Loss Allowance Breakup**								
	Credit Loss Related to Stages	(25,951)	(102,289)	132,287	**4,047**	(17,665)	(29,152)	(516,392)	**(563,209)**
	Credit Loss Related to Changes in exposure	0	0	0	**0**	207,953	(617,502)	1,543,876	**1,134,327**
	Total Allowance	**(25,951)**	**(102,289)**	**132,287**	**4,047**	**190,288**	**(646,654)**	**1,027,484**	**571,118**

13.2	**Advances and Related Credit Loss Allowance Details**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	Internal / Extrernal rating / stage classification	Rupees in '000							
	Outstanding gross exposure	**35,984,719**	**543,059**	**1,309,989**	**37,837,767**	**36,414,628**	**676,770**	**1,018,523**	**38,109,921**
	Performing - Stage 1				**-**				**-**
	NORM	35,340,046	-	-	**35,340,046**	36,414,628			**36,414,628**
	WTCH	644,673	179,103	-	**823,776**				**-**
	Under Performing-Stage 2				**-**				**-**
	OAEM	-	363,956	-	**363,956**		502,558		**502,558**
	SUBS	-	-	-	**-**		174,212		**174,212**
	Non- Perfroming-Stage-3				**-**				**-**
	OAEM	-	-	353,072	**353,072**			114,540	**114,540**
	SUBS	-	-	331,612	**331,612**			441,773	**441,773**
	DBFL	-	-	451,191	**451,191**			147,032	**147,032**
	LOSS	-	-	174,114	**174,114**			315,178	**315,178**
	Total	**35,984,719**	**543,059**	**1,309,989**	**37,837,767**	**36,414,628**	**676,770**	**1,018,523**	**38,109,921**
	Corresponding Credit Loss Allowance/Provisions								
	Stage 1	(150,166)			**(150,166)**	(180,876)		-	**(180,876)**
	Stage 2	-	(37,088)		**(37,088)**	-	(139,669)		**(139,669)**
	Stage 3	-	-	(595,718)	**(595,718)**	-	-	(619,052)	**(619,052)**
		(150,166)	**(37,088)**	**(595,718)**	**(782,972)**	(180,876)	(139,669)	(619,052)	**(939,597)**

		31-Mar-25	31-Dec-24
13.3	**Particulars of write offs / charge offs:**	**Rupees in '000**	**Rupees in '000**
	Against credit loss allowance	**160,672**	**1,347,289**
	Directly charged to profit & loss account	**-**	**-**
		160,672	**1,347,289**

14 PROPERTY AND EQUIPMENT

	Note	31-Mar-25	Audited 31-Dec-24
		Rupees in '000	
Capital work-in-progress	*14.1*	**9,762**	**3,714**
Property and equipment			
Freehold land		253,420	253,420
Leasehold land		-	-
Buidling on freehold land		-	-
Buidling on leasehold land		-	-
Computer equipment		115,228	114,250
Furniture and fixture		164,074	178,427
Office equipment		15,171	9,145
Vehicles-Owned		9,100	9,709
Vehicles-Leased		-	-
		566,756	**568,665**

14 Capital work-in-progress

	31-Mar-25	31-Dec-24
Civil Works	9,762	3,714
Equipment	-	-
Advances to suppliers	-	-
	9,762	**3,714**

14 Additions to property and equipment

The following additions have been made to property and equipment during the period:

	31-Mar-25	31-Dec-24
		Rupees
Capital work-in-progress		
Property and equipment		
Freehold land	-	-
Leasehold land	-	-
Buidling on freehold land	-	-
Buidling on leasehold land	270	13,738
Computer equipment	10,287	52,106
Furniture and fixture	90	28,209
Office equipment	7,134	7,172
Vehicles-Owned	266	1,182
Vehicles-Leased	-	-
Total	**18,047**	**102,408**

14 Disposal of Property and Equipment

The net book value of property and equipment disposed off during the period is as follows:

	31-Mar-25	31-Dec-24
	Rupees in '000	
Freehold land	-	-
Leasehold land	-	-
Buidling on freehold land	-	-
Buidling on leasehold land	3,742	4,895
Computer equipment	19	706
Furniture and fixture	-	272
Office equipment	-	8
Vehicles-Owned	-	87
Vehicles-Leased	-	-
Total	**3,761**	**5,968**

15 RIGHT-OF-USE ASSETS

	31-Mar-25			31-Dec-24		
	Buidlings	Others (to be specified)	Total	Buidlings	Others (to be specified)	Total
	Rupees'000			Rupees'000		
At January 1						
Opening Cost of RoU Assets	**1,063,407**	**42,942**	**1,106,349**	**1,375,148**	**-**	**1,375,148**
Addition during the Period	56,111	-	56,111	126,567	42,942	169,509
Deletion during the Period	(4,426)	-	(4,426)	(438,307)	-	(438,307)
Closing Cost of RoU Assets	**1,115,092**	**42,942**	**1,158,034**	**1,063,407**	**42,942**	**1,106,349**
Opening Accumulated Depriciation	**(478,880)**	**(4,697)**	**(483,577)**	**(681,345)**	**-**	**(681,345)**
Depreciation Charged for the Period	(31,656)	(2,147)	(33,803)	(125,097)	(4,697)	(129,795)
Depriciation of Deleted for the Period	4,426	-	4,426	327,562	-	327,562
Closing Accumulated Depriciation	**(506,111)**	**(6,844)**	**(512,955)**	**(478,880)**	**(4,697)**	**(483,577)**
Net Carrying amount at March 31, 2025	**608,982**	**36,098**	**645,079**	**584,527**	**38,245**	**622,772**

16 INTANGIBLE ASSETS

	31-Mar-25	31-Dec-24
	Rupees in '000	
Computer software	(0)	(0)
Software under development	464,280	464,280
Accumulated Amortization on Intangibles	(439,699)	(436,077)
	24,581	**28,203**

16 Additions to Intangible Assets

The following additions have been made to intangible assets during the period:

	31-Mar-25	31-Dec-24
	Rupees in '000	
Developed Internally	-	25,487
Directly Purchased	-	-
Through Business Combinations	-	-
Total	**-**	**25,487**

		Audited
	31-Mar-25	31-Dec-24
17 DEFERRED TAX ASSETS	Rupees in '000	
Deductible temporary differences on		
- Tax losses carried forward	**2,078,949**	2,502,150
- ACT- TY-2026	**137,101**	
- ACT- TY-2025	**290,614**	-
- ACT- TY-2024	**159,015**	159,015
- Minimum tax-TY-2023	**54,274**	54,274
- Minimum tax-TY-2022	**90,317**	90,317
- Post retirement employee benefits	**64,836**	66,577
- Receivable from Employees' gratuity fund	**(33,355)**	(28,549)
- Accelerated tax depreciation	**15,584**	20,085
- Credit loss allowance against advances, off balance sheet etc.	**258,381**	525,916
- Amortization on intangible assets	**978**	1,659
- Lease liability	**92,043**	312,205
- Grants	**28**	95
- Others (to be specified if material)	-	-
	4,133,212	**3,936,766**
Taxable temporary differences on		
- Surplus on revaluation of property and equipment		-
- Surplus on revaluation of Land	**-**	
- Surplus on revaluation of investments	**55,006**	-
- Deficit on revaluation of investments	**(205)**	126
- Un-realised mark-up on Government Securities	**25,126**	(14,993)
- Accelerated tax depreciation		(228,955)
- Grants	**-**	
- Others (to be specified if material)	-	-
	(847,180)	**(725,027)**
	3,286,032	**3,211,739**

18 OTHER ASSETS

	31-Mar-25	Audited 31-Dec-24
	Rupees in '000	
Advances, deposits, advance rent and other prepayments	114,787	97,732
Advance Income Tax	57,489	97,286
Advance Sales Tax/FED	123,625	110,928
Insurance Claims Receivables from Insurance Co.	262,357	247,169
Insurance Premium Subsidy Receiveable from SBP	184,150	186,502
Markup Subsidy Receiveable from SBP	722,596	607,346
Receivable from Employees' Gratuity Fund Trust	101,076	98,886
Staff Loans and Advances	76,267	74,874
Personal advances	2,215	10,997
Operational advances	6,765	9,974
Bills for Collection	300,807	296,461
Stock-in Hand	30,859	37,750
Branch Adjustment Account-Net	530,017	695,000
Others (to be specified, if material)	184,427	101,271
	2,697,436	**2,672,176**
Less: Credit loss allowance held against Advance Taxes	(12,979)	(12,979)
Less: Credit loss allowance held against Other Assets	(62,278)	(62,288)
Other assets - net of credit loss allowance	**2,622,179**	**2,596,909**
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	-	-
Other assets - Total	**2,622,179**	**2,596,909**

		Audited
19 BILLS PAYABLE	**31-Mar-25**	**31-Dec-24**
	Rupees in '000	
In Pakistan	46,761	53,036
Outside Pakistan	-	-
	46,761	**53,036**

		Audited
20 BORROWINGS	**31-Mar-25**	**31-Dec-24**
Secured	**Rupees in '000**	
Borrowings-Term Finance from PMRC	122,154	124,143
Borrowings-Running Finance from ASBL	-	-
Borrowings-Term Finance from BOP	-	-
Borrowings-Running Finance from BOP	500,000	500,000
Borrowings-Term Finance from NBP	-	100,000,000
Borrowings-Running Finance from NBP	11,424,989	11,424,996
	12,047,142	**112,049,139**
EIR Impact on Borrowings From Govt For subsidized Financing		
Opening		
Recognized during the Year	(1,345,772)	(1,345,772)
Unwinded during the Year	884,019	884,019
	(461,753)	**(461,753)**
Mark-up Payable on above Borrowings		
Mark-Up Paybale on Borrowings from PMRC	52	44
Mark-Up Payable on Borrowings from ASBL	-	-
Mark-Up Payable on Borrowings from BAF	-	-
Mark-Up Payable on Borrowings from BOP	129	129
Mark-Up Payable on Borrowings from NBP	641,739	595,117
Total	**641,921**	**595,290**
Total Borrowings	**12,227,310**	**112,182,676**

20.1 The Bank entered into running finance facility agreement amounting to Rs 2,000 million with National Bank of Pakistan to participate in Government's scheme of PMYB&ALS. The principal amount is repayable at the end of the term and carries mark-up at the rate of Three month KIBOR + 0.5% per annum on un-utilized amount of financing. The term of the loan is 1 year commencing from December 18, 2023. As at the period end, the facility has been availed upto Rs 1,599 million (2023: 2,000 million).

20.2 The Bank entered into a loan agreement amounting to Rs 500 million with The Bank of Punjab to finance its operations. The principal amount is repayable in five equal semi-annual installments of Rs 100 million each commencing from June 15, 2022 and culminated June 2024. Markup is chargeable at the rate of six months KIBOR+1.5% per annum payable on semi-annual basis.

This loan is secured against a demand promissory note and a first pari passu charge on the present and future current assets of the Bank v

20.3 The Bank entered into a loan agreement amounting to Rs 500 million with Pakistan Mortgage Refinance Company Limited to participate into Government Mark-up Subsidy Scheme and Credit Guarantee Scheme. The principal amount is repayable in 32 quarterly installments commencing from September 30, 2023 and culminating in June 30, 2031. Markup rate is fixed for first five years at 6.50% and for next five years at 8.50%.

This loan is secured through a first pari passu charge on the present and future current assets of the Bank with 25% margin.

20.4 The Bank entered into running finance facility agreement amounting to Rs 2,424 million with National Bank of Pakistan to participate in Government's scheme of Prime Minister Youth Programme for financing under Youth Programme. The principal amount is repayable at the end of the term and carries mark-up at the rate of Three month KIBOR + 0.5% per annum payable on quarterly basis. The term of the loan is from March 29, 2023 to December 31, 2023. As at the period end, the facility has been fully availed (2023: 2,424 million).

This loan is secured against a demand promissory note and a first pari passu charge on the present and future current assets of the Bank with 25% margin. The charge is on 50% facility amount and 50% is secured through Government of Pakistan.

20.5 The Bank entered into running finance facility agreement amounting to Rs 500 million with The Bank of Punjab to finance its operations. The principal amount is repayable at the end of the term and carries mark-up at the rate of Three month KIBOR + 1.25% per annum payable on quarterly basis. The term of the loan is 1 year commencing from January 22, 2020 and is renewed every year. As at the year end, the facility has been repaid (2023: Nil).

This loan is secured against a demand promissory note and a hypothecated First pari passu charge on the present and future current assets of the Bank with 25% margin.

21 DEPOSITS AND OTHER ACCOUNTS

		31-Mar-25	Audited 31-Dec-24
		Rupees in '000	
Individual Customers			
Current deposits		10,719,090	8,473,442
Savings deposits		6,439,134	10,395,603
Term deposits		8,364,823	14,030,962
Others		180,478	171,570
		25,703,524	**33,071,577**
Financial Institutions			
Current deposits		4,273	972
Savings deposits		1,913,404	1,497,741
Term deposits		1,219,500	2,416,300
Others		-	-
		3,137,177	**3,915,013**
Corporation / firms etc.			
Current deposits		1,927,121	2,307,904
Savings deposits		5,737,059	4,160,936
Term deposits		14,504,536	9,807,669
Others		-	-
		22,168,717	**16,276,509**
Mark-up/Return /Interest Payable on Deposits		**1,780,583**	**1,737,405**
		52,790,000	**55,000,504**

22 LEASE LIABILITIES

At beginning of period / year		**894,018**	**946,075**
Additions during the period / year		55,345	47,460
Interest expense		30,890	127,181
Payment		(56,257)	(226,697)
Closing balance		**923,997**	**894,018**

23 SUBORDINATED DEBT

Subordinated Debt-KfW (Germany)	23.1	672,360	672,360
Mark-Up Payable on Subordinated Debt-KfW		942,611	916,136
Subordinated Debt-TFCs	23.2	770,000	770,000
Mark-Up Payable on Subordinated Debt-TFCs		25,948	33,383
		2,410,918	**2,391,879**

23 The Bank entered into a loan agreement with KfW - Germany, on December 29, 2014 for an amount of EURO 6 million. The loan is intended to be availed as TIER-II subordinated debt for inclusion in the Bank's Supplementary Capital. The amount was translated into local currency at the exchange rate of Rs.112.06 and sub-ordinated debt of Rs 672,360,000 was recorded in the financial statements. Loan carries interest at rate of KIBOR + 3.5% per annum. Principal amount and interest is repayable in a bullet payment at the end of loan term by converting the principal and accrued markup into EUROs at the exchange rate prevalent as at June 30, 2023 which is now extended till June 30, 2025. All foreign currency risks in connection with the transaction rest with the KfW.

23 This represents Rated, Unsecured, subordinated and privately placed Tier II Term Finance Certificates of worth Rs.100,000/- each fully subscribed on July 09, 2021 to improve the Capital Adequacy Ratio at the rate of 3 Month KIBOR plus 3% per annum. The issue is for a period of 7 years from the date of subscription and will mature on July 09, 2028. The issue has assigned preliminary rating of single "A-" (Single "A minus"). The principal amount of issue TFC will be redeemed in four (4) equal quarterly installments during the last year of the issue. The Subordinated Debt agreement has a call option exercisable after obtaining written approval of SBP at any point on or after a period of 5 years from the issue date. The issue has Lock in and Lock absorbency clause.

				Audited
			31-Mar-25	31-Dec-24
24	**DEFERRED GRANT**		Rupees in '000	
	Opening balance		85	3,634
	Grant Received During the Year-KfW	24.1	0	80,133
	Grant Recognised as Income During the Year		-	(83,682)
	Closing balance		**85**	**85**

24.1 This represents grant received under an agreement with KfW-Germany through Economic Affairs Division of Government of Pakistan for the purpose of institutional strengthening, to develop and strengthen its overall strategy and planning process, internal procedures, banking functions, product offerings and staff capacities of the Bank.

			Audited
		31-Mar-25	31-Dec-24
25	**OTHER LIABILITIES**	Rupees in '000	
	Mark-up / Return / Interest payable in local currency	-	-
	Mark-up / Return / Interest payable in foreign currency	-	-
	Unearned commission and income on bills discounted	-	-
	Acceptances	-	-
	Unclaimed dividends	-	-
	Dividends payable	-	-
	Mark to market loss on forward foreign exchange contracts	-	-
	Unremitted head office expenses	-	-
	Accrued expenses	172,764	116,712
	Income Tax Payable	-	-
	Sales Tax/FED Payable	-	-
	Withholding tax payable	187,030	141,239
	Payable to defined benefit plan	196,473	194,744
	Payable to defined contribution plan	496	6,900
	Payable to employees' - final settlement	607	70,685
	Charity fund balance	76	23
	Security deposits against lease	177,163	216,581
	Unearned / deferred income on Islamic financing	1,765,795	1,850,888
	Unearned / Deferred income on LPF ATM and SMS services	21,405	34,202
	Payable to the parent company	143,485	105,916
	Workers' Welfare Fund	51,713	51,713
	Insurance payable	18,895	19,607
	Payable to suppliers	11,591	329,255
	Payable to Banks/Fis/DFIs/NGOs	338	289
	Branch adjustment account	-	-
	Others	25,600	23,109
		2,773,432	**3,161,860**

		31-Mar-25	Audited 31-Dec-24
		Rupees in '000	

26 SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS

Surplus / (deficit) on revaluation of			
- FVOCI - debt	12.1	(27,530)	28,558
- FVOCI - equity		-	-
- Property and equipment		-	-
- Non-banking assets acquired in satisfaction of claims		-	-
		(27,530)	28,558
Deferred tax on surplus / (deficit) on revaluation of:			
- FVOCI - debt			
- FVOCI - equity			
- Property and equipment			
- Non-banking assets acquired in satisfaction of claims			
		-	-
		(27,530)	**28,558**

		31-Mar	Audited 31-Dec
		Rupees in '000	

27 CONTINGENCIES AND COMMITMENTS

Other contingent liabilities	27.1	-	-
		-	-

27.1 Other contingent liabilities

i) The income tax assessment for the tax year 2016 was amended by the ADCIR whereby net tax demand of Rs 103.86 million was raised. while deciding the appeal filed by NRSP Bank the CIR (A) decided certain issues in favour of NRSP Bank whereas certain issues were remanded back with directions to officer. The ADCIR while finalizing the remand back proceedings disallowed provision against non- performing loans and advances of Rs. 19.42 million being the difference of the charge for the year towards provision against non- performing loans and actual write off against the aforesaid provision. Further, he also disallowed the refund adjustment claim of 34.30 million from previous years against demand of TY 2016 without assigning any reason thereof, resultantly aggregate tax demand of Rs. 41.10 million was raised.
The hearing of appeal have been concluded and the CIR(A) has upheld the disallowance of the provision against non-performing loans advances of Rs. 19.42 million and with respect to refund adjustment aggregating Rs. 34.30 million the CIR(A) has directed the assessing officer to ascertain the amount of refundable after making proper verifications and adjusting the same. Later on, the ADCIR issued notice for further amendment of assessment for the TY2016 on account of adjustment of tax refunds by NRSP Bank against tax demand and charged default surcharge of Rs. 22.39 million. As a result of final amendment, the aggregate tax demand of Rs. 63.49 million was raised. The NRSP Bank filed appeal before CIR(A) against the order of the ADCIR. The appeal filed on further amendment is pending adjudication with CIR(A).

ii) The income tax assessment for the tax year 2018 was amended by the Assessing Officer Inland Revenue, whereby tax demand of Rs 52.30 million was raised. Major issues on which assessment was amended include disallowing the difference between provision against non-performing loans and actual write-offs against the aforesaid provision, partial disallowance of accounting gain on sale of assets, disallowance of charge for employees' leave encashment scheme and disallowance for foreign tax credit. Being aggrieved with the decision of the ADCIR, the Bank has filed appeal with the Commissioner Inland Revenue (Appeals) [CIR(A)] which has been decided against order of the Bank. The Bank has filed appeal before the ATIR against order of CIR(A) which is pending adjudication till date. Further, the contingent liability involved is only Rs. 27m as the remaining liability pertains to the provision against non performing loans the effect of which is already taken while recording the tax liability in accounts.

iii) Tax authorities of the Punjab Revenue Authority (PRA) have passed the Order in Original NO NRSP/2020 dated February 03, 2020 whereby demand for Punjab Sales Tax amounting to Rs 86.40 million and penalty of Rs 86.40 million have been raised for alleged inadmissible claim of input tax credit without apportionment between taxable services i.e. fee, commission and brokerage income and non-taxable services i.e. mark-up receipts during the financial years 2012, 2013, 2014, 2015 and 2018. The Bank has preferred appeal against the order along with stay application before the Commissioner (Appeals) PRA which has deleted the penalty of 86.4 and raised demand of Rs. 86.4million. The Bank has filed an appeal before ATIR against the order of Commissioner Appeal which is pending till date

iv) The Inland Revenue authorities have concluded the tax audit proceedings initiated under section 177 o the Ordinance for the Tax Year 2015. The Inland Revenue authorities accepted the stance of NRSP Bank on most of the issues; however, expenses on account of training, meeting & conferences, markup, provision against non-performing loans and actuarial loss on employee's retirement benefit were partially disallowed thereby raising tax demand of Rs. 8.55million. The NRSP Bank being aggrieved with the decision filed appeal before CIR(A). The CIR(A) has decided the case against the Bank and passed the order dated Jan 17, 2022. The Bank has file an appeal before ATIR against the order of CIR(A) which is pending adjudication to date.

v) The income tax assessment for the tax years 2013 and 2014 were amended by the Additional Commissioner Inland Revenue (ADCIR) by making certain disallowances and add backs including, apportionment of income and expenses between exempt and taxable period, disallowance of provision against non performing loans, bad debts written off etc. and raising an aggregate tax demand of Rs 362.34 million. The Bank filed appeal against the order of ADCIR before CIR (A) who remanded the case back to ADCIR for reassessment. The Bank has preferred appeal against the decision of CIR (A) before the Appellate Tribunal, Inland Revenue (ATIR). The ATIR has directed the CIR(A) to reconsider the matter after providing proper opportunity to the NRSP Bank. The hearing of appeal has been concluded and the decision of CIR(A) is awaited.

vi) Sindh Sales Tax Authorities issued show- cause Notice whereby it was observed that NRSP Bank had not discharge its due sales tax liability of Rs. 17.67 million in the province of Sindh during the tax period January 2015 to December 2015. Against the Notice comprehensive response was filed. The Notice culminated into passing the OIO dated 04 August 2023 through which Sindh sales tax demand of Rs 0.47 million along with penalty of Rs 0.02 million was raised. NRSP Bank has challenged the OIO before the Commissioner Appeal Sind Revenue Board ["CA(SRB)"], hearing of the appeal has been concluded however the appellate order is awaited.

vii) Bank has unadjusted balance of input tax of approximately Rs.25.958 million pertaining to the tax periods March 2017 to December 2019 which the bank has not been able to claim after implementation of STRIVE software on the web portal of PRA. The Bank has taken up the matter with the PRA Tax Authorities seeking their approval for adjustment/ refund of the said amount however the matter is pending approval.

viii) The Inland Revenue authorities issued show cause notice under section 161/205 of the Ordinance for the Tax Year 2017 in order to verify the withholding compliance. Requisite information was provided. The ACIR has raised demand of Rs. 4.96 million on account of short deduction of tax along with the surcharge of Rs. 3.6million. Major heads on which short deduction of tax was detected are rent charges; salary & wages; printing & stationary; fixed assets; and mark-up on deposit; communication; meeting & conference etc. The NRSP Bank has filed appeal against the decision of CIR. The CIR(A) has remanded back the case to CIR with direction to issue fresh order after affording proper opportunity of being heard to the NRSP Bank.

ix) Assessment of NRSP Bank for TY-2022 was amended by the ADCIR whereby net demand of Rs. 362.7 million was raised. Major issues under amendment proceeding is disallowance of provision for non-performing loan/advances. Being aggrieved with the order of ADCIR, NRSP Bank has filed an appeal with CIR(A) which is pending adjudication to date.

x) The Inland Revenue authorities issued show cause notice under section 161/205 of the Ordinance for the Tax Year 2016 in order to verify the withholding compliance. Requisite information was provided. The ACIR has raised demand of Rs. 45.62 million on account of short deduction of tax. Major heads on which short deduction of tax was detected are vehicle running and maintenance; rent charges; fixed assets; and mark-up on deposit. The NRSP Bank filed rectification application to allow tax credit on mark up on deposit and rent which was earlier not considered by the ACIR while computing the tax demand, the rectification application of the NRSP Bank is partially accepted and total demand under this order was rectified to Rs. 14.09 million. NRSP Bank filed appeal before CIR (A) which has been decided against NRSP Bank. NRSP Bank has filed appeal before the ATI R against order of the CIR(A). The ATIR after hearing of the appeal has vacated the order of ACIR and CIR(A) and remanded the case to the taxation officer for denovo proceedings after fulfilling all the legal requirements of the law for the year under appeal. Remand back proceedings has been finalized and order o Rs. 9.0m along with the surcharge of 7 million has been ordered by CIR. Being aggrieved, the Bank has filed appeal to CIR (A)

xi) Tax authorities of the Punjab Revenue Authority (PRA) have passed the Order in Original No. ENF-IV, UNIT13/22/2023 dated Nov 13, 2023 whereby demand for Punjab Sales Tax amounting to Rs 697.5 million and penalty of Rs 34.87 million have been raised for alleged short payment of Sales tax and Sales tax withholding for the year 2019, 2020, 2021 and 2022. The Bank has preferred appeal against the order along with stay application before the Commissioner (Appeals) PRA which has annulled the order the remanded back the case to Commissioner. The Bank has also got the stay from Honorable Lahore High Court. The Bank has also paid Rs. 30million against order in order to avoid recovery from authority.

			31-Mar-25	31-Mar-24
28	**MARK-UP / RETURN / INTEREST EARNED**		**Rupees in '000**	
	Markup Earned on Conventional Advances		**1,573,261**	**1,722,196**
	Markup Discounted on Conventional Advances	28.1	**(69,118)**	**(77,973)**
	Investments		3,938,873	273,515
	Lendings to financial institutions		53,315	24,684
	Balances with other MFBs / banks / NBFIs		106,220	230,439
	Employees' Loans		**5,761**	**3,298**
	Profit Earned on Islamic Financing		**711,221**	**671,939**
	Profit Discounted on Islamic Financing		**(29,292)**	**(14,052)**
	Income From Government Subsidy Scheme	28.2	**119,438**	**47,557**
			6,409,678	**2,881,603**

28.1 The Bank, during the last year, adopted a policy to waive off the markup for overdue period to improve recovery from its customers and to reduce the potential loss in the future. This amount relates to the waiver provided to customers in this regard.

28.2 This income relates to the subsidy received from the government regarding the Government's Markup Subsidy Scheme on Housing Finance and the Kamyab Pakistan Program and Prime Minister Program of the Federal Government of Pakistan.

			31-Mar-25	31-Mar-24
29	**MARK-UP / RETURN / INTEREST EXPENSED**			
	Deposits		1,165,285	1,286,913
	Islamic deposits		334,238	265,551
	Borrowings		3,153,290	98,030
	Subordinated debt		55,601	89,297
	Lease liabilities		30,890	35,340
	Others		2,736	2,693
			4,742,040	**1,777,824**
28.1	Interest expense calculated using effective interest rate method		-	-
	Other financial liabilities		-	-
			-	-
30	**FEE & COMMISSION INCOME**			
	Loan processing fees		40,771	45,508
	Branch banking customer fees		25,709	21,534
	Branchless banking Income		-	-
	Card related fees		4,025	6,034
	Commission income		233	696
	Others (to be specified, if material)		-	-
			70,739	**73,773**
31	**GAIN / (LOSS) ON SECURITIES**			
	Realised	31.1	-	-
	Unrealised	12.1	-	-
31.1	**Realised gain on:**			
	Federal Government securities		-	-
	Provincial Government securities		-	-
			-	-
32	**NET GAIN/LOSS ON FINANCIAL ASSETS/LIABILITIES MEASURED AT AMORTISED COST**			
	Gain on derecognition of financial assets measured at amortised cost		765	6,142
	loss on derecognition of financial assets measured at amortised cost		-	-
			765	**6,142**
33	**OTHER INCOME**			
	Gain on sale of property and equipment - net		(3,556)	(3,062)
	Grant income		-	1,801
	Others* (to be specified)		3,949	5,250
			393	**3,989**

			31-Mar-25	31-Mar-24
34	**OPERATING EXPENSES**		Rupees in '000	
	Total compensation expense		613,714	519,883
	Directors' fees and allowances		1,708	-
	Rent, taxes, insurance, electricity, etc.		**83,380**	**49,527**
	Legal and professional charges		8,705	9,463
	Communications		45,178	24,901
	Repairs and maintenance		**13,612**	**5,086**
	Stationery and printing		19,178	12,234
	Training & development		356	2,604
	Travelling & conveyance		5,850	5,603
	Fuel and power		32,543	37,185
	Vehicle running and maintenance		**5,501**	**5,463**
	Office supplies		**1,548**	**1,550**
	Security and Administration		41,756	32,098
	Advertisement and publicity		493	946
	Donations		-	-
	Charity		-	-
	Auditors' remuneration		1,344	82
	Depreciation		22,350	24,000
	Amortization		3,622	3,553
	Amortization (IFRS-16)		**33,803**	**34,320**
	IT Related Expense		**68,136**	**24,530**
	Meetings and conferences		7,522	7,374
	Credit Guarentee Expense		65	66
	Others		12,057	7,373
			1,022,422	**807,841**
35	**OTHER CHARGES**			
	Penalties imposed by State Bank of Pakistan		-	402
			-	**402**
36	**CREDIT LOSS ALLOWANCE & WRITE OFFS - NET**			
	Credit loss allowance against lending to financial institutions		-	-
	Credit loss allowance for diminution in value of investments	9.2.2	-	-
	Credit loss allowance against loans & advances	13.1	4,047	238,664
	Credit loss allowance against Bank Balances		-	-
	Credit loss allowance against Other Assets		-	-
	Credit loss allowance against off balance sheet obligations		-	-
	Bad debts written off directly		-	-
	Principal Recovery of written off / charged off bad debts		(116,796)	(126,727)
	Markup Recovery of written off / charged off bad debts		(73,819)	(82,319)
			(186,568)	**29,617**
37	**TAXATION**			
	Current		139,495	-
	Prior periods		-	62,049
	Deferred		122,132	42,989
			261,626	**105,038**
38	**BASIC EARNINGS/ (LOSS) PER SHARE**			
	Profit for the period		**642,054**	**244,785**
	Weighted average number of ordinary shares		149,837,201	149,837,201
	Basic earnings per share		**4.29**	**1.63**

46 BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The Bank is a subsidiary of National Rural Support Program (NRSP) which holds 57.4% share capital of the Bank. Therefore, all subsidiaries and associated undertakings of NRSP are related parties of the Bank. Other related parties include staff retirement benefits, directors, key management personnel which include CEO and Head of Departments (HOD's) and entities under common directorship. Remuneration to directors and executives is disclosed in note 44 to these financial statements. All transactions involving related parties are subject to the approval of the Board of Directors. The bank enters into transaction with related parties on agreed basis. Significant transactions with the related parties other than those referred to in the foregoing entered into during the year are as follows:

	UnAudited				Audited			
	March 31, 2025				December 31, 2024			
	Parent	**Key management personnel**	**Associates**	**Other Related Parties**	Parent	Key management personnel	Associates	Other Related Parties
	……………(Rupees in '000')…………							
Balances with other banks / MFBs / DFIs								
In deposit accounts	**-**	**-**	**315,915**	**-**	-	-	7,750	-
Other Assets								
Receivable from staff retirement fund	**-**	**-**	**-**	**101,076**	-	-	-	167,089
Receivable from PROPARCO				**19,951**				19,951
Receivable from parent	**659**	**-**	**-**	**-**	659	-	-	-
Deposits and other accounts								
Opening balance	**1,224**	**35,111**	**4,221**	**1,221,031**	59	4,256	9,268	1,175,690
Received during the period / year	**9**	**69,109**	**75,425**	**767,430**	1,175	316,037	345,147	1,293,743
Withdrawn during the period / year	**(1,000)**	**(68,077)**	**(72,981)**	**(617,227)**	(10)	(285,182)	(350,194)	(1,248,402)
Transfer in / (out) - net	**(991)**	**1,032**	**2,444**	**150,203**	1,165	30,855	(5,047)	45,341
Closing balance	**233**	**36,143**	**6,665**	**1,371,234**	1,224	35,111	4,221	1,221,031
Other liabilities								
Payable to staff retirement fund	**-**	**-**	**-**	**196,252**	-	-	-	211,188
Payable to Parent	**144,144**	**-**	**-**	**-**	106,575	-	-	-
Income								
Mark-up / return / interest earned	**-**	**-**	**10,814**	**-**	-	-	74,201	-
Expense								
Mark-up / return / interest paid	**9**	**1,490**	**11**	**164,722**	85	4764	203	151,923
Operating expenses								
Remuneration		**32,345**				116,326		
Charged for Defined Contribution Grauity Fund	**-**	**-**	**-**	**25,056**	-	-	-	92,662
Contribution to Defined Contribution Provident Fund	**-**	**-**	**-**	**11,860**	-	-	-	38,229
Expense Charged in respect of Leave Encashment	**-**	**-**	**-**	**12,527**	-	-	-	49,079
Expense Charged in respect of EOBI	**-**	**-**	**-**	**9,514**	-	-	-	36,329
Actuarial Loss/(Gain)	**-**	**-**	**-**	**-**	-	-	-	(62,448)

	31-Mar-25	31-Dec-24
	Rupees in '000	
CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	**2,430,150**	**1,752,164**
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	735,320	213,448
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	**735,320**	**213,448**
Eligible Tier 2 Capital	306,408	88,944
Total Eligible Capital (Tier 1 + Tier 2)	**1,041,727**	**302,391**
Risk Weighted Assets (RWAs):		
Credit risk	30,016,005	30,236,699
Operational risk	940,717	906,473
Total	**30,956,722**	**31,143,172**
Common Equity Tier 1 Capital Adequacy Ratio	2.38%	0.69%
Tier 1 Capital Adequacy Ratio	2.38%	0.69%
Total Capital Adequacy Ratio	3.37%	0.97%

MFBs should specify the capital requirements applicable to them including the minimum capital adequacy ratio

MFBs should also disclose the approach followed by them for determining credit risk and operational risk exposures in the capital adequacy calculation.

1 ISLAMIC BANKING BUSINESS

The bank is operating with 37 (2024: 37) Islamic banking branches and ___ (: xxx) Islamic banking windows at the end of the year.

		31-Mar-25	31-Dec-24
		Rupees in '000	
ASSETS			
Cash and balances with treasury banks		2,249,960	1,792,461
Balances with other banks		1,080,126	632,527
Due from financial institutions	41.1	-	-
Investments	41.2	3,684,012	3,593,088
Islamic financing and related assets - net	41.3	10,634,061	11,816,521
Property and equipment		58,990	62,427
Right-of-use assets'		338,069	337,617
Intangible assets		-	-
Due from head office		-	-
Other assets		23,477	19,471
Total assets		**18,068,695**	**18,254,112**
LIABILITIES			
Bills payable		14,481	18,816
Due to financial institutions			
Deposits and other accounts	41.4	12,330,412	12,823,214
Due to head office		-	-
Lease liabilities		389,821	389,821
Subordinated debt		-	-
Other liabilities		2,321,836	2,237,066
		15,056,551	**15,468,917**
NET ASSETS		**3,012,145**	**2,785,194**
REPRESENTED BY			
Islamic banking fund		440,000	440,000
Reserves		-	-
Surplus/ (Deficit) on revaluation of assets		-	-
Unappropriated / Unremitted profit	41.8	2,572,145	2,345,194
		3,012,145	**2,785,194**
CONTINGENCIES AND COMMITMENTS	41.5		

The profit and loss account of the Bank's Islamic banking branches for the period ended September 30, 2024 is as follows:		31-Mar-25	31-Mar-24
		Rupees in '000	
Profit / return earned	41.6	827,654	708,546
Profit / return expensed	41.7	334,304	405,229
Net profit / return		**493,350**	**303,318**
Other income			
Fee and commission income		21,925	27,985
Dividend Income		-	-
Foreign exchange income		-	-
Gain / (Loss) on securities		-	-
Other income		-	-
Total other income		21,925	27,985
Total income		**515,275**	**331,302**
Other expenses			
Operating expenses		194,690	171,122
Workers welfare fund		-	-
Other charges		-	-
Total other expenses		194,690	171,122
Profit / (Loss) before credit loss allowance		**320,585**	**160,180**
Credit loss allowance and write offs - net		93,634	3,205
Profit / (Loss) before taxation		**226,951**	**156,975**
Taxation		-	-
Profit / (Loss) after taxation		**226,951**	**156,975**

41.2 Investments by segments:

	31-Mar-25 Cost/ Amortised cost	Credit loss allowance for diminution	Surplus / (Deficit)	Carrying value	31-Dec-24 Cost /Amortised cost	Credit loss allowance for diminution	Surplus / (Deficit)	Carrying value
	'Rupees in '000							
- Debt Instruments								
Classified / Measured at amortised cost								
Federal Government securities								
-Ijarah Sukuks	1,802,931	-	-	1,802,931	1,811,595	-	-	1,811,595
-Others (All investments to be specified)	-	-	-	-	-	-	-	-
Provincial Government securities	-	-	-	-	-	-	-	-
Non Government debt securities	-	-	-	-	-	-	-	-
Foreign securities	-	-	-	-	-	-	-	-
Others (to be specified)	92,072	-	-	92,072	44,153	-	-	44,153
	1,895,004	-	-	1,895,004	1,855,748	-	-	1,855,748
Classified / Measured at FVOCI								
Federal Government securities								
-Ijarah Sukuks	1,682,264	-	-	1,682,264	1,687,940	-	-	1,687,940
-Others (All investments to be specified)	-	-	-	-	-	-	-	-
Provincial Government securities	-	-	-	-	-	-	-	-
Non Government debt securities	-	-	-	-	-	-	-	-
Foreign securities	-	-	-	-	-	-	-	-
Others (to be specified)	106,744	-	-	106,744	49,400	-	-	49,400
	1,789,008	-	-	1,789,008	1,737,340	-	-	1,737,340
Total investments	**3,684,012**	**-**	**-**	**3,684,012**	**3,593,088**	**-**	**-**	**3,593,088**

For Investments in associates give details in respect of individual entities specifying percentage of holding and country of incorporation alongwith details regarding assets, liabilities, revenue, profit after taxation and total comprehensive income of these entities.

41.2.1 Particlurs of credit loss allowance

	31-Mar-25				31-Dec-24			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	Rupees in '000				Rupees in '000			
Federal Government securities	-	-	-	-	-	-	-	-
Provincial Government securities	-	-	-	-	-	-	-	-
Non Government debt securities	-	-	-	-	-	-	-	-
Foreign securities	-	-	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-	-	-
Subsdiaries	-	-	-	-	-	-	-	-
Associates	-	-	-	-	-	-	-	-
Others (to be specified)	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

41.3 Islamic financing and related assets

	31-Mar-25	31-Dec-24
	Rupees in '000	
Ijarah	410,153	476,452
Murabaha	7,647,855	8,589,780
Musharaka	-	-
Diminishing Musharaka	3,013,754	3,092,747
Salam	-	-
Istisna	-	-
Other Islamic modes (to be specified)	-	-
Advances against Islamic assets (to be specified)	-	-
Advances against Islamic assets mandatorily classified / measured at FVPL	-	-
Inventory related to Islamic financing (to be specified)	-	-
Gross Islamic financing and related assets	**11,071,761**	**12,158,978**
Less: Credit loss allowance against Islamic financings		
-Stage 1	77,353	
-Stage 2	17,392	
-Stage 3	342,955	342,457
	437,700	342,457
General and Specific Provision on IMD Loans		
Islamic financing and related assets - net of Credit loss allowance	**10,634,061**	**11,816,521**

41.4 Deposits

	31-Mar-25	31-Dec-24
Customers		
Current deposits	630,092	1,925,945
Savings deposits	1,181,792	4,159,370
Term deposits	1,302,599	6,243,276
Other Deposits	34,599	24,182
	3,149,081	**12,352,773**
Financial and Other Institution		
Current deposits	919,647	
Savings deposits	2,307,699	
Term deposits	5,340,263	
Other Deposits	-	
	8,567,609	**-**
Mark-up / return / interest payable on Deposits	613,723	470,442
	12,330,412	**12,823,214**

41.6 Profit / Return Earned of Financing, Investments and Placement

	31-Mar-25	31-Mar-24
Profit earned on:	**Rupees in '000**	
Financing	681,987	658,197
Investments	102,207	15,965
Placements	43,459	34,385
Others (Please specify)	-	-
	827,654	**708,546**

41.7 Profit on Deposits and other Dues Expensed

	31-Mar-25	31-Mar-24
	Rupees in '000	
Deposits and other accounts	334,275	265,488
Due to financial institutions	-	-
Others (please specify)-Inter Branch Transfer pricing	29	139,741
	334,304	**405,229**

41.8 Islamic banking business unappropriated profit

	31-Mar-25	31-Mar-24
	Rupees in '000	
Opening Balance	2,345,194	1,379,790
Add: Islamic banking profit for the period	226,951	156,975
Less: Taxation	-	-
Less: Reserves	-	-
Less: Transferred / Remitted to head office	-	-
Closing balance	**2,572,145**	**1,536,765**