**NRSP MICROFINANCE BANK LIMITED**
**CONDENSED STATEMENT OF FINANCIAL POSITION**
**AS AT SEPTEMBER 30, 2026**

| | Note | (Unaudited) 30-Sept-26 | (Audited) 31-Dec-25 |
|---|---|---|---|
| | | -----Rupees in '000 ----- | |
| **ASSETS** | | | |
| Cash and balances with treasury banks | **7** | **5,743,678** | 8,037,386 |
| Balances with other MFBs / Banks / NBFIs | **8** | **6,399,451** | 2,800,733 |
| Lendings to financial institutions | **9** | **1,100,356** | - |
| Investments | **10** | **19,318,506** | 22,861,669 |
| Advances | **11** | **40,456,874** | 40,927,367 |
| Property and equipment | **12** | **530,918** | 565,269 |
| Right-of-use assets | **13** | **689,836** | 667,550 |
| Intangible assets | **14** | **18,817** | 23,039 |
| Deferred tax assets | **15** | **3,345,727** | 3,119,179 |
| Other assets | **16** | **3,338,296** | 2,610,273 |
| | | **80,942,458** | 81,612,465 |
| **LIABILITIES** | | | |
| Bills payable | **17** | **63,570** | 46,524 |
| Borrowings | **18** | **12,643,967** | 16,072,935 |
| Deposits and other accounts | **19** | **54,000,909** | 52,261,714 |
| Subordinated debt | **21** | **2,562,093** | 2,487,428 |
| Lease liabilities | **20** | **985,118** | 951,819 |
| Deferred grants | **22** | **-** | - |
| Other liabilities | **23** | **3,445,489** | 3,168,724 |
| | | **73,701,145** | 74,989,144 |
| **NET ASSETS** | | **7,241,313** | 6,623,321 |
| **REPRESENTED BY** | | | |
| Share capital | **25** | **4,498,383** | 3,498,383 |
| Advance against future issue of right shares | | **-** | 1,000,000 |
| Statutory and general reserves | | **1,639,853** | 1,512,143 |
| Depositors' protection fund | | **741,342** | 656,430 |
| (Deficit) on revaluation of assets | **24** | **(16,909)** | (3,217) |
| Unappropriated profit / (loss) | | **378,644** | (40,418) |
| | | **7,241,313** | 6,623,321 |
| **CONTINGENCIES AND COMMITMENTS** | **26** | | |

The annexed notes 1 to 40 form an integral part of these financial statements.

**NRSP MICROFINANCE BANK LIMITED**
**CONDENSED PROFIT AND LOSS ACCOUNT (UNAUDITED)**
**FOR THE PERIOD ENDED SEPTEMBER 30, 2026**

| | | Quarter Ended | | Period Ended | |
|---|---|---|---|---|---|
| | | Un-Audited | Un-Audited | Un-Audited | Un-Audited |
| | Note | 30-Sept-26 | 30-Sept-25 | 30-Sept-26 | 30-Sept-25 |
| | | | | Rupees in '000 | |
| Mark-up / Return / Interest earned | 27 | **3,257,179** | 2,810,916 | **9,867,166** | 12,583,590 |
| Mark-up / Return / Interest expensed | 28 | **(1,302,696)** | (1,159,037) | **(3,819,685)** | (7,830,444) |
| **Net mark-up / interest income** | | **1,954,483** | 1,651,879 | **6,047,481** | 4,753,146 |
| **NON MARK-UP / INTEREST INCOME** | | | | | |
| Fee and commission income | 29 | **33,261** | 29,894 | **100,676** | 90,881 |
| Other income | 30 | **10,602** | 4,293 | **33,513** | 35,827 |
| Total non-markup / interest Income | | **43,863** | 34,187 | **134,189** | 126,708 |
| Total income | | **1,998,346** | 1,686,066 | **6,181,670** | 4,879,854 |
| **NON MARK-UP / INTEREST EXPENSES** | | | | | |
| Operating expenses | 31 | **(1,096,191)** | (975,943) | **(3,038,454)** | (2,756,421) |
| Workers welfare fund | | **(9,716)** | - | **(16,924)** | - |
| Other charges | 32 | **-** | (10) | **(110)** | (10) |
| Total non-markup / interest expenses | | **(1,105,907)** | (975,953) | **(3,055,488)** | (2,756,431) |
| **Profit before credit loss allowance** | | **892,439** | 710,113 | **3,126,182** | 2,123,423 |
| Credit loss allowance and write offs - net | 33 | **(404,927)** | 12,775 | **(2,320,509)** | (102,316) |
| Other income / expense items (to be specified) | | **-** | - | **-** | - |
| **PROFIT BEFORE MINIMUM AND REVENUE TAX** | | **487,512** | 722,888 | **805,673** | 2,021,107 |
| Minimum tax differential | 34 | **(70,149)** | (110,705) | **(350,176)** | (364,311) |
| **PROFIT BEFORE TAXATION** | | **417,363** | 612,183 | **455,497** | 1,656,796 |
| Taxation | 35 | **(1,434)** | (84,038) | **183,052** | (157,735) |
| **PROFIT AFTER TAXATION** | | **415,929** | 528,144 | **638,549** | 1,499,061 |
| **Basic Earnings Per Share** | 36 | **0.92** | 2.17 | **1.98** | 6.90 |
| **Diluted Earnings Per Share** | 37 | **0.92** | 2.17 | **1.89** | 6.90 |

The annexed notes 1 to 40 form an integral part of these financial statements.

**NRSP MICROFINANCE BANK LIMITED**
**CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**
**FOR THE PERIOD ENDED SEPTEMBER 30, 2026**

| | Quarter Ended | | Period Ended | |
|---|---|---|---|---|
| | 30-Sept-26 | 30-Sept-25 | 30-Sept-26 | 30-Sept-25 |
| | ----------(Rupees in '000)---------- | | | |
| **Profit after taxation for the period** | **415,929** | 528,144 | **638,549** | 970,916 |
| **Other comprehensive (loss) / income** | | | | |
| **Items that may be reclassified to profit and loss account in subsequent periods:** | | | | |
| Movement in (deficit) / surplus on revaluation of investments | **20,644** | (93,831) | **(22,039)** | (18,578) |
| Related tax | **(7,638)** | 30,964 | **8,347** | 6,132 |
| Closing Balances | **13,006** | (62,867) | **(13,692)** | (12,446) |
| **Items that will not be reclassified to profit and loss account in subsequent periods:** | | | | |
| Remeasurement (loss) /gain on defined benefit obligations | **(95,000)** | (79,723) | **(95,000)** | (17,275) |
| Related tax | **35,150** | 26,309 | **35,150** | 5,699 |
| | **(59,850)** | (53,414) | **(59,850)** | (11,576) |
| **Total comprehensive income** | **369,084** | 581,558 | **565,007** | 946,895 |

The annexed notes 1 to 40 form an integral part of these financial statements.

**NRSP MICROFINANCE BANK LIMITED**
**CONDENSED STATEMENT OF CHANGE IN EQUITY (UNAUDITED)**
**FOR THE PERIOD ENDED SEPTEMBER 30, 2026**

| | Capital Reserve | | | | Revenue reserve | |
|---|---|---|---|---|---|---|
| | Share capital / head office capital account | Advance against issue of shares | Statutory reserve | Depositors' protection fund | Surplus/ (Deficit) on revaluation of financial assets at FVOCI | Unappropriated profit | Total |
| | ----------Rupees in '000---------- | | | | | | |
| **Balance as at December 31,2024** | 1,498,372 | 1,304,296 | 1,242,975 | 533,542 | 28,558 | (1,050,504) | 3,557,239 |
| Transaction with owners, recorded directly in equity | | | | | | | |
| Issuance of right shares against share deposit money | 1,304,296 | (1,304,296) | - | - | - | - | - |
| Receipt against Issuance of right shares | 695,715 | - | - | - | - | - | 695,715 |
| | 2,000,011 | (1,304,296) | - | - | - | - | 695,715 |
| Profit after taxation | - | - | - | - | - | 1,499,061 | 1,499,061 |
| Other comprehensive loss for the period | | | | | | | |
| Other comrehensive loss for the period | - | - | - | - | (18,578) | (17,275) | (35,853) |
| Related tax impact | - | - | - | - | 6,132 | 5,699 | 11,831 |
| | - | - | - | - | (12,446) | (11,576) | (24,022) |
| Transfer to statutory reserve | - | - | 299,812 | - | - | (299,812) | - |
| Transfer to depositors' protection fund | | | | | | | |
| 5% of profit after tax | - | - | - | 74,953 | - | (48,546) | - |
| Return on investment on securities held for DPF | - | - | - | 24,322 | - | - | 24,322 |
| | - | - | - | 99,275 | - | (48,546) | 24,322 |
| **Balance as at June 30,2025** | **3,498,383** | **-** | **1,542,787** | **632,817** | **16,112** | **88,623** | **5,778,722** |
| **Balance as at December 31,2025** | **3,498,383** | **1,000,000** | **1,512,143** | **656,430** | **(3,217)** | **(40,418)** | **6,623,321** |
| Transaction with owners, recorded directly in equity | | | | | | | |
| Issuance of right shares against share deposit money | **1,000,000** | **(1,000,000)** | **-** | **-** | **-** | **-** | **-** |
| Receipt against Issuance of right shares | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| | **1,000,000** | **(1,000,000)** | **-** | **-** | **-** | **-** | **-** |
| Profit after taxation | **-** | **-** | **-** | **-** | **-** | **638,549** | **638,549** |
| Other comprehensive loss for the period | | | | | | | |
| Other comrehensive loss for the period | **-** | **-** | **-** | **-** | **(22,039)** | **(95,000)** | **(117,039)** |
| Related tax impact | **-** | **-** | **-** | **-** | **8,347** | **35,150** | **43,497** |
| | **-** | **-** | **-** | **-** | **(13,692)** | **(59,850)** | **(73,542)** |
| Transfer to statutory reserve | **-** | **-** | **127,710** | **-** | **-** | **(127,710)** | **-** |
| Transfer to depositors' protection fund | | | | | | | |
| 5% of profit after tax | **-** | **-** | **-** | **31,927** | **-** | **(31,927)** | **-** |
| Return on investment on securities held for DPF | **-** | **-** | **-** | **52,985** | **-** | **-** | **52,985** |
| | **-** | **-** | **-** | **84,912** | **-** | **(31,927)** | **52,985** |
| **Closing Balance as at September 30,2026** | **4,498,383** | **-** | **1,639,853** | **741,342** | **(16,909)** | **378,644** | **7,241,313** |

The annexed notes 1 to 40 form an integral part of these financial statements.

**NRSP MICROFINANCE BANK LIMITED**
**CONDENSED CASH FLOW STATEMENT (UNAUDITED)**
**FOR THE PERIOD ENDED JUNE 30, 2026**

| | 30-Sept-26 | 30-Sept-25 |
|---|---|---|
| | Rupees in '000 | |
| **CASH FLOW FROM OPERATING ACTIVITIES** | | |
| Profit before taxation | **455,497** | 1,656,796 |
| Less:Dividend income | **-** | - |
| | **455,497** | 1,656,796 |
| **Adjustments:** | | |
| Depreciation of Property and Equipments | **79,451** | 71,473 |
| Depreciation on right-of-use assets | **122,955** | 103,744 |
| Amortization of Intangibles | **7,463** | 10,190 |
| Interest Expense on Lease Liability | **109,608** | 96,284 |
| Credit Loss Allowance and Write-offs | **2,884,902** | 679,263 |
| Provision for Workers Welfare Fund | **16,924** | - |
| Loss / (Gain) on sale / disposal of property and equipments | **-** | (10,380) |
| Gain on sale/ redemption of securities | **(1,088,129)** | (4,707,701) |
| Gain on Termination of Leased Assets | **(8,360)** | (407) |
| Amortization of deferred grant | **-** | - |
| Provision for gratuity and leave encashment | **114,647** | 47,574 |
| | **2,239,460** | (3,709,961) |
| **(Increase) / Decrease in operating assets** | | |
| Loans and Advances | **(2,291,815)** | (3,158,606) |
| Others Assets (Excluding Assets against:Advance Taxation and Gratuity) | **(476,795)** | 539,833 |
| | **(2,768,610)** | (2,618,773) |
| **Increase / (Decrease) in operating liabilities** | | |
| Bills Payable | **17,046** | 791 |
| Deposits | **1,739,195** | (10,084,955) |
| Other Liabilities (Excluding Liabilities against: Income Tax,WWF,Leave Encashment) | **249,894** | 31,093 |
| | **2,006,135** | (10,053,071) |
| **Payments against off-balance sheet obligations** | | |
| Finance cost paid on lease obligation | **(109,608)** | (96,284) |
| Income tax paid | **(328,835)** | (416,894) |
| Gratuity and leave ensachment paid (including contributions) | **(227,763)** | (101,990) |
| | **(666,205)** | (615,168) |
| **Net cash generated from / (used in) operating activities** | **1,266,277** | (15,340,176) |
| **CASH FLOW FROM INVESTING ACTIVITIES** | | |
| Net Investments in amortised cost securities | **(121,222)** | 4,289,741 |
| Net Investments in FVOCI Securities | **4,674,239** | 109,286,101 |
| Addition in property and equipments | **(45,201)** | (62,543) |
| Investments in Intangibles | **(3,241)** | (537) |
| Interest income on depositors' protection fund | **52,985** | 40,243 |
| Proceeds from sale of property and equipment | **179** | 15,478 |
| **Net cash generated from investing activities** | **4,557,739** | 113,568,483 |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | |
| Payment of lease liability against right-of-use assets | **(64,346)** | (78,889) |
| Issue of share capital | **-** | 695,715 |
| Grants received | **-** | 11,818 |
| Borrowings from financial institutions | **(3,354,303)** | (104,557,031) |
| **Net cash used in financing activities** | **(3,418,650)** | (103,928,387) |
| **Increase in cash and cash equivalents** | **2,405,366** | (5,700,080) |
| Cash and cash equivalents at beginning of the period | **10,838,119** | 12,931,707 |
| Cash and cash equivalents at end of the period | **13,243,485** | 7,231,628 |

The annexed notes 1 to 40 form an integral part of these financial statements.

## 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 Shalimar Avenue, Shalimar Town, Rawalpindi. The Bank is operating 133 branches (2025: 133) as at the year end including 37 (2025:

National Rural Support Programme (NRSP) is holding company of the Bank which holds 91.14% (2025: 81.75%) shares of the Bank.

### 1.1 Capital Adequacy Ratio (CAR)

The Bank is required to maintain the Capital Adequacy Ratio of at least 15% of its risk weighted assets, The bank is compliant with the CAR requirement of State Bank of Pakistan (SBP)

## 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 in note 40 of 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 Financial Reporting Standards (IFRS) 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 Organization 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

**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. IFRS 7 is applicable from January 01, 2026 in accordance with .Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements.

**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, 2025, 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 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, 2025.

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

The following amendments are effective for the period ended June 30, 2026. These amendments are either not relevant to the Bank's operations or are not expected to have significant impact on the Bank's financial statements other than certain additional disclosures.

- Lack of Exchangeability (Amendments to IAS 21)

**4.2 Standards, interpretations of and amendments to accounting and reporting standards that are not yet effective**

The following standards and amendments are effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments are either not relevant to the Bank's operations or are not expected to have significant impact on the Bank's financial statements other than certain additional disclosures.

| | Effective from Accounting period beginning on or after |
|---|---|
| IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17) | January 01, 2027 |
| IFRS 19 - Subsidiaries without Public Accountability : Disclosures | January 01, 2027 |

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 20 - Regulatory Assets and Regulatory Liabilities

**4.3** In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

## 5 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, 2025.

## 6 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the financial statements for the year ended December 31, 2025.

| | | | (Unaudited) 30-Sept-26 | Audited 31-Dec-25 |
|---|---|---|---|---|
| | | | Rupees in '000 | |
| **7** | **CASH AND BALANCES WITH TREASURY BANKS** | | | |
| | In hand - Local currency | | **682,123** | 760,565 |
| | Balance with State Bank of Pakistan in | | | |
| | Local currency current account | **7.1** | **1,163,954** | 4,695,811 |
| | Balance with National Bank of Pakistan in | | | |
| | Local currency current account | | **30,454** | 43,514 |
| | Local currency deposit account | | **3,832,521** | 2,521,265 |
| | | | **3,862,975** | 2,564,778 |
| | Accrued Markup on Balances With NBP | | **34,626** | 16,233 |
| | **Total** | | **5,743,678** | 8,037,386 |

**7.1** This represents balance maintained with State Bank of Pakistan (SBP) in a current account to comply with the requirement of Prudential Regulations for Microfinance Banks to maintain minimum balance equivalent to 3% (December 31, 2025: 3%) of the Bank's demand deposits and time deposits with tenor of less than one year.

| | | | (Unaudited) 30-Sept-26 | Audited 31-Dec-25 |
|---|---|---|---|---|
| | | | Rupees in '000 | |
| **8** | **BALANCES WITH OTHER MFBs/BANKs/NBFIs** | | | |
| | In current account | **8.1** | **83,611** | 65,413 |
| | In deposit account | | **6,224,159** | 2,694,397 |
| | | | **6,307,770** | 2,759,809 |
| | Accrued Markup | | **91,738** | 40,980 |
| | Less: Credit Loss Allowance | | **(57)** | (57) |
| | | | **6,399,451** | 2,800,733 |

**8.1** These represent deposits with commercial banks, Islamic banks and Microfinance Banks payable on demand maintained in current account.

| | | Un-Audited 30-Sept-26 | Audited 31-Dec-25 |
|---|---|---|---|
| **9** | **LENDINGS TO FINANCIAL INSTITUTIONS** | | |
| | Call / clean money lendings | 1,100,000 | - |
| | Reverse repo agreements | - | - |
| | Income / mark-up accrued on Lending to FIs | 356 | - |
| | | 1,100,356 | - |
| | Less: Credit loss allowance | - | - |
| | | **1,100,356** | - |

| | | | (Unaudited) | | | | Audited | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **10** | **INVESTMENTS** | | **30-Sept-26** | | | | 31-Dec-25 | | | |
| | | | **Fair Value / Amortized cost** | **Credit Loss Allowance** | **Surplus / (Deficit)** | **Carrying Value** | Fair Value / Amortized cost | Credit Loss Allowance | Surplus / (Deficit) | Carrying Value |
| **10.1** | **INVESTMENTS BY TYPE:** | | | | | | | | | |
| | **Classified as Amortized Cost** | | **----------Rupees in '000'----------** | | | | | | | |
| | Pakistan Investment Bonds (PIBs) | | **-** | **-** | **-** | **-** | - | - | - | - |
| | Market Treasury Bills (MTBs) | **10.1.1** | **1,280,049** | **-** | **-** | **1,280,049** | 1,070,094 | - | - | 1,070,094 |
| | Ijarah Sukuks | **10.1.2** | **992,383** | **-** | **-** | **992,383** | 967,002 | - | - | 967,002 |
| | | | **2,272,432** | **-** | **-** | **2,272,432** | 2,037,096 | - | - | 2,037,096 |
| | **Classified as FVOCI** | | | | | | | | | |
| | Pakistan Investment Bonds (PIBs) | | **6,135,179** | **-** | **-** | **6,135,179** | - | - | - | - |
| | Market Treasury Bills (MTBs) | **10.1.3** | **8,674,266** | **-** | **(21,688)** | **8,652,578** | 18,614,343 | - | 1,414 | 18,615,756 |
| | Ijarah Sukuks | **10.1.4** | **2,263,469** | **-** | **(5,153)** | **2,258,316** | 2,215,032 | - | (6,215) | 2,208,817 |
| | | | **17,072,914** | **-** | **(26,841)** | **17,046,073** | 20,829,375 | - | (4,802) | 20,824,573 |
| | **Total Investments** | | **19,345,346** | **-** | **(26,841)** | **19,318,506** | 22,866,471 | - | (4,802) | 22,861,670 |

| | | | IFRS 9 classification | | | | IFRS 9 classification | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **10.2** | **Investments - Particulars of credit loss allowance** | | **30-Sept-26** | | | | 31-Dec-25 | | | |
| **10.2.1** | **Investments - Exposure** | | **Stage 1** | **Stage 2** | **Stage 3** | **Total** | Stage 1 | Stage 2 | Stage 3 | Total |
| | | | | **Rupees in '000** | | | | | Rupees in '000 | |
| | **Gross carrying amount** | | **22,866,471** | **-** | **-** | **22,866,471** | 120,068,354 | - | - | 120,068,354 |
| | New Investments | | **21,623,817** | **-** | **-** | **21,623,817** | 27,103,359 | - | - | 27,103,359 |
| | Investments derecognized or repaid | | **(24,076,662)** | **-** | **-** | **(24,076,662)** | (111,155,751) | - | - | (111,155,751) |
| | Transfer between Stages | | **-** | **-** | **-** | **-** | | - | - | - |
| | | | **(2,452,845)** | **-** | **-** | **(2,452,845)** | (84,052,392) | - | - | (84,052,392) |
| | Amounts written off / charged off | | **-** | **-** | **-** | **-** | - | - | - | - |
| | Change in exposure | | **(1,068,280)** | **-** | **-** | **(1,068,280)** | (13,149,491) | - | - | (13,149,491) |
| | **Closing balance** | | **19,345,346** | **-** | **-** | **19,345,346** | 22,866,471 | - | - | 22,866,471 |

**10.2.2** Expected credit loss on Government securities have not been estimated due to exemption available under IFRS 9 instructions issued by SBP through BPRD circular no. 3 of 2022 dated July 05, 2022.

| | | | |
|---|---|---|---|
| **10.3** | **Investments given as collateral** | **30-Jun-26** | 31-Dec-25 |
| | | **Rupees in '000'** | |
| | Market Treasury Bills (MTBs) | **7,500,000** | 7,458,000 |

## 11 Loans and Advances

| | Performing | | | | Non-Performing | | Total | Total |
|---|---|---|---|---|---|---|---|---|
| | Stage 1 | | Stage 2 | | Stage 3 | | | |
| | 30-Sept-26 | 31-Dec-25 | 30-Sept-26 | 31-Dec-25 | 30-Sept-26 | 31-Dec-25 | 30-Sept-26 | 31-Dec-25 |
| | ----------Rupees in '000'---------- | | | | | | | |
| **Micro Credits-CMD** | | | | | | | | |
| Secured | **23,582,747** | 21,687,785 | **371,411** | 46,496 | **104,761** | 40,873 | **24,058,919** | 21,775,154 |
| Unsecured | **206,495** | 746,583 | **799,314** | 1,514,321 | **5,474,346** | 5,381,208 | **6,480,156** | 7,642,112 |
| Income/Markup Accrued | **2,426,148** | 1,862,566 | **82,537** | 58,323 | **-** | - | **2,508,353** | 1,920,889 |
| **Islamic financing** | | | | | | | | |
| Secured | **7,551,574** | 7,793,509 | **468,018** | 119,182 | **653,051** | 484,861 | **8,672,643** | 8,397,552 |
| Unsecured | **188,666** | 537,661 | **28,589** | 28,329 | **220,791** | 252,054 | **438,046** | 818,044 |
| Income/Markup Accrued | **2,734,633** | 2,782,498 | **97,177** | 37,318 | **-** | - | **2,831,807** | 2,819,816 |
| Fair value / EIR impact | **(143,184)** | (133,352) | **(26,038)** | (61,763) | **(124,191)** | (171,696) | **(293,413)** | (366,811) |
| **Advances - Gross** | **36,547,079** | 35,277,250 | **1,821,008** | 1,742,205 | **6,328,758** | 5,987,300 | **44,696,510** | 43,006,756 |
| **Less: Credit Loss Allowance against Advances** | | | | | | | | |
| - Stage 1 | **(19,046)** | (17,105) | **-** | - | **-** | - | **(19,046)** | (17,105) |
| - Stage 2 | **-** | - | **(59,937)** | (118,460) | **-** | - | **(59,937)** | (118,460) |
| - Stage 3 | **-** | - | **-** | - | **(4,160,653)** | (1,943,824) | **(4,160,653)** | (1,943,824) |
| | **(19,046)** | (17,105) | **(59,937)** | (118,460) | **(4,160,653)** | (1,943,824) | **(4,239,636)** | (2,079,389) |
| **Advances - Net of Credit Loss Allowance** | **36,528,033** | 35,260,145 | **1,761,071** | 1,623,746 | **2,168,105** | 4,043,476 | **40,456,874** | 40,927,367 |

## 11.1 Particular of Advances Exposure

| | 30-Sept-26 | | | | 31-Dec-25 | | | |
|---|---|---|---|---|---|---|---|---|
| | IFRS-9 Classification | | | | IFRS-9 Classification | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 | Total |
| | Rupees in '000 | | | | Rupees in '000 | | | |
| **Gross Carrying Amount-Opening** | **35,277,250** | **1,742,205** | **5,987,300** | **43,006,756** | 36,414,628 | 676,770 | 1,018,523 | 38,109,921 |
| New advances at Stage:- | **24,794,307** | **-** | **-** | **24,794,307** | 38,204,671 | - | - | 38,204,671 |
| Advances derecognized or repaid from Stage:- | **(17,558,173)** | **(907,913)** | **(1,872,358)** | **(20,338,443)** | (27,764,367) | (318,109) | (281,971) | (28,364,447) |
| Transfer to stage 1 | **34,436** | **(30,530)** | **(3,905)** | **-** | 78,893 | (17,737) | (61,156) | - |
| Transfer to stage 2 | **(1,554,869)** | **1,557,473** | **(2,603)** | **0** | (368,699) | 436,862 | (68,163) | - |
| Transfer to stage 3 | **(2,586,705)** | **(302,746)** | **2,889,451** | **-** | (1,173,415) | (73,056) | 1,246,471 | - |
| | **3,128,996** | **316,283** | **1,010,585** | **4,455,864** | 8,977,083 | 27,960 | 835,181 | 9,840,224 |
| Amounts Written off / Charged off | **(56,888)** | **(114,723)** | **(529,404)** | **(701,014)** | (364,196) | (68,671) | (364,548) | (797,415) |
| Changes [increase/(decrease)] in exposure | **(1,802,279)** | **(122,758)** | **(139,723)** | **(2,064,759)** | (9,750,265) | 1,106,146 | 4,498,144 | (4,145,974) |
| **Closing balance** | **36,547,079** | **1,821,008** | **6,328,758** | **44,696,845** | 35,277,250 | 1,742,205 | 5,987,300 | 43,006,756 |

## 11.2 Particulars of Credit Loss Allowance

| | IFRS-9 Classification | | | | IFRS-9 Classification | | | |
|---|---|---|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 | Total |
| | Rupees in '000 | | | | Rupees in '000 | | | |
| **Gross Carrying Amount-Opening** | **17,105** | **118,460** | **1,943,824** | **2,079,389** | 180,876 | 139,669 | 619,052 | 939,597 |
| New advances | **945,305** | **-** | **-** | **945,305** | 1,301,325 | - | - | 1,301,325 |
| Advances derecognized or repaid | **(7,592)** | **(55,968)** | **(773,340)** | **(836,900)** | (98,714) | (116,826) | (368,275) | (583,815) |
| Transfer to Stage 1 | **1,563** | **(176)** | **(1,387)** | **(0)** | 20,034 | (5,013) | (15,021) | - |
| Transfer to Stage 2 | **(8,434)** | **9,715** | **(1,280)** | **-** | (32,584) | 40,238 | (7,654) | - |
| Transfer to Stage 3 | **(932,558)** | **(25,044)** | **957,602** | **-** | (407,675) | (38,434) | - | (446,109) |
| | **(1,717)** | **(71,474)** | **181,595** | **108,405** | 782,386 | (120,035) | (390,950) | 271,401 |
| Amounts written off/charged Off | **(56,888)** | **(114,723)** | **(529,404)** | **(701,014)** | (364,196) | (68,671) | (364,548) | (797,415) |
| Changes [increase/(decrease)] in exposure | **60,545** | **127,674** | **2,564,638** | **2,752,856** | (581,961) | 167,497 | 2,080,270 | 1,665,806 |
| **Closing balance** | **19,046** | **59,937** | **4,160,653** | **4,239,636** | 17,105 | 118,460 | 1,943,824 | 2,079,389 |

**11.3 Credit Loss Allowance Breakup**

| | 30-Sept-26 | | | | 31-Dec-25 | | | |
|---|---|---|---|---|---|---|---|---|
| | IFRS-9 Classification | | | | IFRS-9 Classification | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 | Total |
| | Rupees in '000 | | | | Rupees in '000 | | | |
| Credit Loss Related to Stages | **(1,717)** | **(71,474)** | **181,595** | **108,405** | 782,386 | (120,035) | (390,950) | 271,401 |
| Credit Loss Related to Changes in Exposure | **60,545** | **127,674** | **2,564,638** | **2,752,856** | (581,961) | 167,497 | 2,080,270 | 1,665,806 |
| **Total Allowance** | **58,828** | **56,200** | **2,746,233** | **2,861,262** | 200,425 | 47,462 | 1,689,320 | 1,937,207 |

**11.4 Advances and Related Credit Loss Allowance**

| | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|---|---|---|---|
| **Outstanding Gross Exposure** | 30-Sept-26 | | | | 31-Dec-25 | | | |
| **Performing - Stage 1** | | | | | | | | |
| NORM | **34,765,693** | **-** | **-** | **34,765,693** | 34,319,328 | - | - | 34,319,328 |
| WTCH | **1,781,386** | **-** | **-** | **1,781,386** | 957,922 | - | - | 957,922 |
| **Under Performing-Stage 2** | | | | | | | | |
| WTCH | **-** | **1,246,846** | **-** | **1,246,846** | | 191,643 | - | 191,643 |
| SUBJECTIVE CLASSIFIED | **-** | **574,162** | **-** | **574,162** | - | 1,550,563 | - | 1,550,563 |
| **Non- Perfroming-Stage-3** | | | | | | | | |
| SUBS | **-** | **-** | **324,321** | **324,321** | - | - | 355,146 | 355,146 |
| DBFL | **-** | **-** | **409,489** | **409,489** | - | - | 237,671 | 237,671 |
| LOSS | **-** | **-** | **1,181,013** | **1,181,013** | - | - | 201,653 | 201,653 |
| SUBJECTIVE CLASSIFIED | **-** | **-** | **4,413,935** | **4,413,935** | | | 5,192,830 | 5,192,830 |
| Fair value / EIR impact | **-** | **-** | **-** | **-** | | | | |
| **Total** | **36,547,079** | **1,821,008** | **6,328,758** | **44,696,845** | 35,277,250 | 1,742,206 | 5,987,300 | 43,006,756 |
| **Corresponding Credit Loss Allowance/Provisions** | | | | | | | | |
| Stage 1 | **(19,046)** | | | **(19,046)** | 17,105 | | - | 17,105 |
| Stage 2 | **-** | **(59,937)** | | **(59,937)** | - | 118,460 | | 118,460 |
| Stage 3 | **-** | **-** | **(4,160,653)** | **(4,160,653)** | - | - | 1,943,824 | 1,943,824 |
| | **(19,046)** | **(59,937)** | **(4,160,653)** | **(4,239,636)** | 17,105 | 118,460 | 1,943,824 | (2,079,389) |

**11.5 Particulars of write offs / charge offs:**

| | Note | (Unaudited) 30-Sept-26 | Audited 31-Dec-25 |
|---|---|---|---|
| | | Rupees in '000' | |
| Against credit loss allowance | | **701,014** | 797,415 |
| Directly charged to profit & loss account | | **-** | - |
| | | **701,014** | 797,415 |

**11.6 Fair value/ EIR impact**

| | | |
|---|---|---|
| Opening | **227,918** | 448,528 |
| Recognized during the year | **167,465** | 571,426 |
| Unwinding during the year | **(241,935)** | (792,036) |
| **Total fair value impact** | **153,449** | 227,918 |
| Loan processing fee | **139,965** | 138,893 |
| **Closing** | **293,413** | 366,811 |

| | | | (Unaudited) 30-Sept-26 | Audited 31-Dec-25 |
|---|---|---|---|---|
| **12** | **PROPERTY AND EQUIPMENT** | **Note** | **Rupees in '000** | |
| | Capital work-in-progress | ***12.1*** | **1,822** | 2,167 |
| | Property and equipment | | **529,096** | 563,102 |
| | | | **530,918** | 565,269 |

**12.1 Capital work-in-progress**

| | | |
|---|---|---|
| Civil Works | **1,822** | 2,167 |

| | **30-Sept-26** | **30-Sept-25** |
|---|---|---|
| **12.2 Additions to property and equipment** | **Rupees in '000** | |
| The following additions have been made to property and equipment during the period: | | |
| Capital work-in-progress | **159** | - |
| Furniture and fixture | **13,885** | 10,608 |
| Office equipment | **11,617** | 19,436 |
| Computer equipment | **20,476** | 31,927 |
| Vehicles-Owned | **782** | 572 |
| | **46,760** | **62,543** |
| **Total** | **46,920** | **62,543** |

**12.3 Disposal of Property and Equipment**

| | | |
|---|---|---|
| The net book value of property and equipment disposed off during the period is as follows: | | |
| Furniture and fixture | **94** | 4,770 |
| Office equipment | **-** | 3 |
| Computer equipment | **86** | 260 |
| Vehicles-Owned | **-** | 65 |
| **Total** | **179** | 5,098 |

**13 RIGHT-OF-USE ASSETS**

| | **Buildings** | **Equipment's** | **Vehicles** | **Total** |
|---|---|---|---|---|
| **Current period** | **---------- Rupees '000 ----------** | | | |
| At January 1,2026 | | | | |
| Cost | **1,219,187** | **42,942** | **-** | **1,262,129** |
| Accumulated Depreciation | **(581,695)** | **(12,883)** | **-** | **(594,578)** |
| Net Carrying amount at January 1,2026 | **637,491** | **30,059** | **-** | **667,551** |
| Additions during the period | **145,240** | **-** | **-** | **145,240** |
| Depreciation Charge for the period | **(116,513)** | **(6,441)** | **-** | **(122,955)** |
| Net Carrying amount at September 30, 2026 | **666,218** | **23,618** | **-** | **689,836** |
| **Prior period** | | | | |
| At January 1,2025 | | | | |
| Cost | 1,063,407 | 42,942 | 97,497 | 1,203,846 |
| Accumulated Depreciation | (478,880) | (4,697) | (97,497) | (581,074) |
| Net Carrying amount at January 1,2025 | 584,527 | 38,245 | - | 622,772 |
| Additions during the period | 169,686 | - | - | 169,686 |
| Cost of Deletions during the period | (13,907) | - | (97,497) | (111,404) |
| Accumulated Depreciation of | 9,224 | - | 97,497 | 106,721 |
| Depreciation Charge for the period | (112,039) | (8,185) | - | (120,225) |
| Net Carrying amount at December 31, 2025 | 637,491 | 30,059 | - | 667,550 |

| | | (Unaudited) 30-Sept-26 | (Audited) 31-Dec-25 |
|---|---|---|---|
| **14** | **INTANGIBLE ASSETS** | **Rupees in '000** | |
| | Software under development | **5,650** | 3,027 |
| | Computer software | **13,167** | 20,012 |
| | **Total** | **18,817** | 23,039 |

| | | | |
|---|---|---|---|
| **14.1** | **Additions to Intangible Assets** | **30-Sept-26** | 30-Sept-25 |
| | The following additions have been made to intangible assets during the pe | **Rupees in '000** | |
| | Directly purchased | **619** | 537 |
| | | **619** | 537 |

**15 DEFERRED TAX ASSETS**

Bank recognise deferred tax asset only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Based on financial projections for future years, approved by the Board, the management believes that, the Bank will be able to realize the deferred tax asset. The preparation of projections involves management's assumptions regarding future business and economic conditions and therefore any significant change in such assumptions or actual outcome that is different from assumptions may have an effect on the recoverability of the deferred tax asset in future.

| | (Unaudited) 30-Sept-26 | (Audited) 31-Dec-25 |
|---|---|---|
| **Deferred tax asset arising on account of** | | |
| **Deductible temporary differences on** | Rupees in '000 | |
| Tax losses carried forward | **571,453** | 1,339,512 |
| Post retirement employee benefits | **85,884** | 67,732 |
| Fair value adjustment | **47,549** | 42,055 |
| Accelerated tax depreciation | **18,442** | 9,766 |
| Amortization on intangible assets | **338** | 232 |
| Credit loss allowance against advances, off balance sheet etc. | **1,703,115** | 765,657 |
| Lease liability | **364,494** | 314,100 |
| Minimum Tax under 113 & ACT under section 113 C | **865,980** | 852,370 |
| Deficit on revaluation of investments | **9,931** | 1,585 |
| | **3,667,186** | 3,393,009 |
| **Deferred tax liability arising on account of taxable temporary differences on:** | | |
| Accelerated tax depreciation | **(255,239)** | (220,292) |
| Un-realised mark-up on Government Securities | **(36,241)** | (13,855) |
| Receivable from Employees' gratuity fund | **(61,138)** | (39,683) |
| | **3,345,727** | 3,119,179 |

| | | | |
|---|---|---|---|
| **16** | **OTHER ASSETS** | | |
| | Advances, deposits, advance rent and other prepayments | **123,385** | 75,967 |
| | Advance Income Tax | **624,982** | 296,147 |
| | Advance Sales Tax/FED | **224,637** | 187,970 |
| | Branch Adjustment Account-Net | **86,579** | - |
| | Insurance claims receivables | **274,906** | 242,565 |
| | Write off and loss claim Receivable from SBP | **519,279** | 519,279 |
| | Markup Subsidy Receivable from SBP | **1,484,728** | 1,157,765 |
| | Bills for Collection | **3,469** | 42,049 |
| | Receivable from Employees' Gratuity Fund | **165,239** | 120,252 |
| | Stock-in Hand | **32,668** | 32,098 |
| | Receivable from branchless banking agent | **72,658** | 72,658 |
| | Staff Loans | **73,852** | 84,261 |
| | Staff Personal advances | **10,653** | 5,613 |
| | Staff Operational advances | **2,958** | 1,894 |
| | Receivable from KfW against Grant | **(0)** | 5,000 |
| | Others | **1,681** | 7,537 |
| | **Total Other Assets** | **3,701,672** | 2,851,055 |
| | Less: Credit loss allowance held against Other Assets | **(363,376)** | (240,783) |
| | **Total Other Assets - Net of Credit Loss Allowance** | **3,338,296** | 2,610,273 |

| | | Un-Audited 30-Sept-26 | Audited 31-Dec-25 |
|---|---|---|---|
| | | Rupees in '000 | |
| **17** | **BILLS PAYABLE** | | |
| | In Pakistan | **63,570** | 46,524 |
| | | **63,570** | 46,524 |
| **18** | **BORROWINGS** | | |
| | **Secured** | | |
| | **Borrowings from Banks / Financial Institutions in Pakistan** | | |
| | National Bank of Pakistan (Running Finance - 4,000 M) | **2,841,499** | 3,999,999 |
| | National Bank of Pakistan (Running Finance - 2,425 M) | **(0)** | 2,425,000 |
| | National Bank of Pakistan (Running Finance - 5,000 M) | **4,999,999** | 4,999,999 |
| | National Bank of Pakistan (Running Finance - 4,000 M) | **4,000,000** | 3,999,998 |
| | Borrowings from Pakistan Mortgage Refinance Company Ltd. | **119,253** | 121,601 |
| | **Total-secured Borrowing** | **11,960,751** | 15,546,597 |
| | **Mark-up Payable on above Borrowings** | | |
| | Mark-Up Payable on Borrowings from NBP - Running finance | **848,089** | 765,666 |
| | *Mark-Up Payable on Borrowings from PMRC Ltd.* | **28** | 44 |
| | | **848,117** | 765,709 |
| | ***EIR Impact*** | | |
| | *Opening* | **(239,371)** | (461,753) |
| | *Recognized during the Year* | **(180,604)** | (615,485) |
| | *Unwinded during the Year* | **255,073** | 837,867 |
| | | **(164,902)** | (239,371) |
| | **Total Borrowings** | **12,643,967** | 16,072,935 |

| | | (Unaudited) 30-Sept-26 | Audited 31-Dec-25 |
|---|---|---|---|
| | | Rupees in '000 | |
| **19** | **DEPOSITS AND OTHER ACCOUNTS** | | |
| | **Individual Customers** | | |
| | Current deposits | **9,177,830** | 11,288,237 |
| | Savings deposits | **14,514,844** | 9,818,848 |
| | Term deposits | **8,244,316** | 10,285,060 |
| | Others | **162,425** | 156,399 |
| | | **32,099,415** | 31,548,544 |
| | **Financial Institutions** | | |
| | Current deposits | **39,101** | 28,119 |
| | Savings deposits | **568,335** | 680,357 |
| | Term deposits | **6,254,000** | 2,224,500 |
| | | **6,861,436** | 2,932,976 |
| | **Corporation/ Firms etc.** | | |
| | Current deposits | **51,410** | 790,829 |
| | Savings deposits | **787,583** | 5,066,085 |
| | Term deposits | **13,156,410** | 10,892,557 |
| | | **13,995,403** | 16,749,471 |
| | **Mark-up/Return /Interest Payable on Deposits** | **1,044,654** | 1,030,723 |
| | | **54,000,909** | 52,261,714 |
| **20** | **LEASE LIABILITIES** | | |
| | At beginning of period / year | **951,819** | 894,018 |
| | Additions during the period / year | **106,005** | 169,686 |
| | Interest expense | **109,608** | 127,432 |
| | Deletion due to termination of agreement | **(8,360)** | (7,559) |
| | Payment | **(173,954)** | (231,758) |
| | **Closing balance** | **985,118** | 951,819 |
| **21** | **SUBORDINATED DEBT** | | |
| | KfW - Germany | **672,360** | 672,360 |
| | TFCs Subordinated Debt | **770,000** | 770,000 |
| | Mark-Up Payable on Subordinated Debt-KfW | **1,093,807** | 1,019,958 |
| | Mark-Up Payable on Subordinated Debt-TFCs | **25,925** | 25,110 |
| | | **2,562,093** | 2,487,428 |

| | | Note | Un-Audited 30-Sept-26 | Audited 31-Dec-25 |
|---|---|---|---|---|
| **22** | **DEFERRED GRANT** | | **Rupees in '000** | |
| | Opening balance | | **-** | 85 |
| | Grant received/receivable during the year | 22.1 | **-** | 5,074 |
| | Grant Recognized as Income During the Year | | **-** | (5,159) |
| | **Recognized on loans under government schemes** | | | |
| | Fair value impact at initial recognition | | **180,604** | 615,485 |
| | Recognized during the year on corresponding expense | | **(167,465)** | (571,426) |
| | Grant recognized on lending | | **(13,139)** | (44,059) |
| | **Closing balance** | | **-** | - |

**22.1** NRSP Microfinance Bank Limited and KfW Development Bank have entered into a mutual agreement for capacity building and institutional strengthening of the bank. Under this agreement, the bank sends employees each year for Capacity building, International exposure training and process improvements at the Frankfurt School of Finance & Management. As per the terms of the agreement, 70% of the training cost is funded by KfW as a grant, while the remaining 30% is borne by the bank.
The amount recorded represents the training expenses incurred by the bank that are eligible for reimbursement from KfW under the grant arrangement.

| | | Note | Un-Audited 30-Sept-26 | Audited 31-Dec-25 |
|---|---|---|---|---|
| **23** | **OTHER LIABILITIES** | **Note** | **Rupees in '000** | |
| | Accrued expenses | | **274,503** | 102,661 |
| | Payable to defined benefit plan | | **232,118** | 205,248 |
| | Payable to defined contribution plan | | **9,561** | 496 |
| | Payable to employees' - final settlement | | **9,655** | 14,142 |
| | Branch adjustment account | | **-** | 3,496 |
| | Charity fund balance | | **(13)** | 56 |
| | Security deposits against lease | | **46,217** | 85,803 |
| | Unearned / deferred income on Islamic financing | | **2,201,516** | 2,238,129 |
| | Unearned / Deferred income on LPF ATM and SMS services | | **32,421** | 62,767 |
| | Payable to the parent company | | **314,004** | 233,090 |
| | Withholding tax payable | | **136,381** | 101,408 |
| | Workers' Welfare Fund | | **101,264** | 84,340 |
| | Insurance payable | | **20,766** | 708 |
| | Payable to suppliers | | **40,578** | 22,353 |
| | Payable to Banks/Fis/DFIs/NGOs | | **10,079** | 8,134 |
| | Others | | **16,440** | 5,893 |
| | | | **3,445,489** | 3,168,724 |

**24 DEFICIT ON REVALUATION OF ASSETS**

| | | | |
|---|---|---|---|
| deficit on revaluation of | | | |
| - FVOCI - debt | 10.1 | **(26,841)** | (4,802) |
| - Property and equipment | | **-** | - |
| | | **(26,841)** | (4,802) |
| Deferred tax on deficit on revaluation of: | | | |
| - FVOCI - debt | | **9,932** | 1,585 |
| - Property and equipment | | **-** | - |
| | | **9,932** | 1,585 |
| | | **(16,909)** | (3,217) |

| 25 | SHARE CAPITAL | Un-Audited | Audited | Un-Audited | Audited |
|---|---|---|---|---|---|
| 25.1 | **Authorized capital** | **30-Sept-26** | 31-Dec-25 | **30-Sept-26** | 31-Dec-25 |
| | | **Numbers** | | **Rupees in '000** | |
| | Ordinary shares of Rs. 10 each | **1,000,000,000** | 1,000,000,000 | **10,000,000** | 10,000,000 |

| 25.2 | **Issued, subscribed and paid-up capital** | | | | |
|---|---|---|---|---|---|
| | | **Numbers** | | **Rupees in '000** | |
| | Ordinary shares of Rs 10 each fully paid in cash | **449,838,251** | 349,838,251 | **4,498,383** | 3,498,383 |

| 25.3 | **The shareholders of the Bank are as follows:** | | | | |
|---|---|---|---|---|---|
| | | **Numbers** | | **Rupees in '000** | |
| | National Rural Support Programme | **409,999,550** | 285,999,550 | **4,099,996** | 2,859,996 |
| | International Finance Corporation (IFC) | **-** | 24,000,000 | **-** | 240,000 |
| | Acumen Fund USA | **16,000,000** | 16,000,000 | **160,000** | 160,000 |
| | PROPARCO France | **23,837,201** | 23,837,201 | **238,372** | 238,372 |
| | Mr. Shoaib Sultan | **500** | 500 | **5** | 5 |
| | Mr. Fazalulllah Qureshi | **500** | 500 | **5** | 5 |
| | Dr. Rashid Bajwa | **500** | 500 | **5** | 5 |
| | | **449,838,251** | 349,838,251 | **4,498,383** | 3,498,383 |

## 26 CONTINGENCIES AND COMMITMENTS

### 26.1 Contingencies

### 26.2 Commitments

There are no commitments as at September 30, 2026 ( December 31, 2025: Nil)

| | | | Un-Audited 30-Sept-26 | Un-Audited 30-Sept-25 |
|---|---|---|---|---|
| **27** | **MARK-UP / RETURN / INTEREST EARNED** | **Note** | **-------Rupees in '000--------** | |
| | Loans and advances | | **5,636,717** | 4,382,791 |
| | Loan processing fees (EIR impact) | | **72,892** | 106,761 |
| | | | **5,709,609** | 4,489,553 |
| | Balances with other MFBs / banks / NBFIs | | **542,296** | 397,598 |
| | Lending's to financial institutions | | **37,290** | 108,073 |
| | Investments | | **1,088,129** | 4,707,701 |
| | Employees' Loans | | **6,079** | 9,575 |
| | Markup / Return on Islamic Financing | | **1,910,957** | 2,012,438 |
| | Income From Government Subsidy Scheme | **27.2** | **572,806** | 858,653 |
| | | | **9,867,166** | 12,583,590 |
| **27.1** | **Interest income (calculated using effective interest rate method) recognized on:** | | | |
| | Financial assets measured at amortized cost; | | **8,893,151** | 8,156,873 |
| | Financial assets measured at FVOCI. | | **974,015** | 4,426,717 |
| | | | **9,867,166** | 12,583,590 |

**27.2** This income relates to the markup received / receivable from the government regarding the Government's Markup Subsidy Scheme for eligible borrowers on Housing Finance, Kamyab Pakistan Program and Prime Minister Program of the Federal Government of Pakistan.

| | | | Un-Audited 30-Sept-26 | Un-Audited 30-Sept-25 |
|---|---|---|---|---|
| **28** | **MARK-UP / RETURN / INTEREST EXPENSED** | **Note** | **-------Rupees in '000--------** | |
| | Deposits | | **2,413,508** | 2,923,732 |
| | Islamic deposits | | **791,465** | 889,708 |
| | Borrowings | **28.1** | **343,982** | 3,749,486 |
| | Subordinated debt | | **158,155** | 166,971 |
| | Lease liabilities | | **109,608** | 96,284 |
| | Others | | **2,967** | 4,263 |
| | | | **3,819,685** | 7,830,444 |

**28.1** Borrowings include facilities utilized under government subsidy schemes for disbursement of loans to eligible persons. As per the arrangement, no markup is payable on the amounts so disbursed to eligible person. As a result, fair value impact based on market rate has been determined and related expense on borrowings is recognized on effective interest rates based on normal borrowing rate. resultant markup expense on borrowings is as follows;

| | | Un-Audited 30-Sept-26 | Un-Audited 30-Sept-25 |
|---|---|---|---|
| | **Note** | **Rupees in '000** | |
| Markup on borrowings at coupon rate | | **88,909** | 3,262,612 |
| Unwinding of fair value adjustment | **18.6** | **255,073** | 486,874 |
| | | **343,982** | 3,749,486 |

| | | | |
|---|---|---|---|
| **28.2** | **Interest expense calculated using effective interest rate method** | | |
| | Other financial liabilities | **3,819,685** | 7,830,444 |
| | | **3,819,685** | 7,830,444 |

| | | | |
|---|---|---|---|
| **29** | **FEE & COMMISSION INCOME** | | |
| | Branch banking customer fees | **76,627** | 78,833 |
| | Card related fees | **23,919** | 11,615 |
| | Commission income | **129** | 433 |
| | | **100,676** | 90,881 |
| **30** | **OTHER INCOME** | | |
| | Gain on sale of property and equipment - net | **-** | 10,380 |
| | Grant income | **13,139** | 14,588 |
| | Gain on termination of lease agreements | **8,360** | 407 |
| | Others | **12,014** | 10,452 |
| | | **33,513** | 35,827 |

| | | Note | Un-Audited 30-Sept-26 | Un-Audited 30-Sept-25 |
|---|---|---|---|---|
| **31** | **OPERATING EXPENSES** | | **-------Rupees in '000--------** | |
| | Total Compensation to Employees | | **1,944,165** | 1,751,786 |
| | Directors' fees and allowances | | **5,800** | 3,213 |
| | Rent, taxes, insurance, electricity, etc. | | **187,138** | 206,268 |
| | Legal and professional charges | | **21,311** | 26,138 |
| | Communications | | **130,485** | 119,830 |
| | Repairs and maintenance | | **40,598** | 33,721 |
| | Stationery and printing | | **32,048** | 38,650 |
| | Training & development | | **3,495** | 3,159 |
| | Travelling & conveyance | | **23,570** | 18,356 |
| | Fuel and power | | **98,366** | 90,700 |
| | Vehicle running and maintenance | | **17,450** | 16,888 |
| | Office supplies | | **5,498** | 5,138 |
| | Security and Administration | | **150,378** | 129,301 |
| | Advertisement and publicity | | **4,123** | 3,214 |
| | Auditors' remuneration | | **1,164** | 1,353 |
| | Depreciation | | **79,451** | 71,473 |
| | Amortization | | **7,463** | 10,190 |
| | Amortization (IFRS-16) | | **122,955** | 103,744 |
| | IT Related Expense | | **95,871** | 51,224 |
| | Meetings and conferences | | **30,589** | 28,339 |
| | Credit Guarantee Expense | | **224** | 197 |
| | Others | | **36,313** | 43,539 |
| | | | **3,038,454** | 2,756,421 |
| **32** | **OTHER CHARGES** | | | |
| | Penalties imposed by State Bank of Pakistan | | **110** | **10** |
| | | | **110** | **10** |
| **33** | **CREDIT LOSS ALLOWANCE & WRITE OFFS - NET** | | | |
| | Credit Loss Allowance Against Loans & Advances | **11.1** | **2,160,247** | 606,694 |
| | Bad Debts Written Through ECL | | **701,014** | - |
| | Credit Loss Allowance Against Other Assets | | **122,594** | 72,569 |
| | First loss guarantee claim | | **(98,953)** | - |
| | Recovery of written off / charged off bad debts | | **(564,394)** | (576,947) |
| | | | **2,320,509** | 102,316 |
| **34** | **MINIMUM TAX DIFFRENTIAL** | | | |
| | Levy | | **350,176** | **364,311** |

| | | | Un-Audited 30-Sept-26 | Un-Audited 30-Sept-25 |
|---|---|---|---|---|
| **35** | **TAXATION** | | **-------Rupees in '000--------** | |
| | Deferred | | **(183,052)** | 157,735 |
| | | | **(183,052)** | 157,735 |
| **36** | **BASIC EARNINGS/ (LOSS) PER SHARE** | | | |
| | Profit for the period (Rupees in thousands) | A | **638,549** | 1,499,061 |
| | Weighted average number of ordinary shares | B | **430,058,031** | 217,236,822 |
| | **Annualized Basic earnings per share (Rupees)** | **A/B** | **1.98** | 6.90 |
| **37** | **DILUTED EARNINGS/ (LOSS) PER SHARE** | | | |
| | Profit for the period (Rupees in thousands) | A | **638,549** | 1,499,061 |
| | Weighted average number of ordinary shares | B | **449,838,251** | 217,236,822 |
| | **Annualized Diluted earnings per share (Rupees)** | **A/B** | **1.89** | 6.90 |

## 38 BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The Bank is a subsidiary of National Rural Support Program (NRSP) which holds 91.14% 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. 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 | | | |
|---|---|---|---|---|---|---|---|---|
| | September 30, 2026 | | | | December 31, 2025 | | | |
| | **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 | **-** | **-** | **-** | **-** | **-** | **-** | - | **-** |
| **Other Assets** | | | | | | | | |
| Receivable from staff retirement fund | **-** | **-** | **-** | **165,239** | **-** | **-** | **-** | 120,252 |
| **Deposits and other accounts** | | | | | | | | |
| Opening balance | **6,620** | **22,016** | **94,513** | **1,391,092** | 1,224 | 35,111 | 4,221 | 1,221,031 |
| Received during the period / year | **105,675** | **252,095** | **59,024** | **1,488,828** | 47,090 | 245,576 | 397,164 | 1,592,870 |
| Withdrawn during the period / year | **(94,640)** | **(266,996)** | **(21,215)** | **(1,491,283)** | (41,694) | (258,671) | (306,871) | (1,422,809) |
| Transfer in / (out) - net | **-** | **-** | **-** | **-** | 5,396 | (13,095) | 90,293 | 170,061 |
| Closing balance | **17,655** | **13,940** | **132,321** | **1,388,637** | 6,620 | 22,016 | 94,514 | 1,391,092 |
| **Other liabilities** | | | | | | | | |
| Payable to staff retirement fund | **-** | **-** | **-** | **232,118** | - | - | - | 205,248 |
| Sub-ordinate debt | **-** | **-** | **-** | **100,000** | - | - | - | 100,000 |
| Mark-up payable on sub-ordinate debt | **-** | **-** | **-** | **3,367** | - | - | - | 3,261 |
| Payable to Parent | **314,004** | **-** | **-** | **-** | 233,090 | - | - | - |

| | Unaudited | | | | Unaudited | | | |
|---|---|---|---|---|---|---|---|---|
| | September 30, 2026 | | | | September 30, 2025 | | | |
| | **Parent** | **Key management personnel** | **Associates** | **Other Related Parties** | Parent | Key management personnel | Associates | Other Related Parties |
| | **…….(Rupees in '000')……** | | | | | | | |
| **Income** | | | | | | | | |
| Mark-up / return / interest earned | **-** | **-** | **-** | **-** | - | - | 54,912 | - |
| **Expense** | | | | | | | | |
| Mark-up / return / interest paid | **654** | **1,829** | **8540** | **101,602** | 12 | 3,203 | 34 | 188,012 |
| Operating expenses | | | | | | | | |
| Remuneration | **-** | **105,638** | **-** | **-** | | 62,032 | | - |
| Charged for Defined Contribution Gratuity Fund | **-** | **-** | **-** | **49,306** | - | - | - | 49,438 |
| Contribution to Defined Contribution Provident Fund | **-** | **-** | **-** | **35,074** | - | - | - | 23,315 |
| Expense Charged in respect of Leave Encashment | **-** | **-** | **-** | **65,341** | - | - | - | 24,717 |
| Expense Charged in respect of EOBI | **-** | **-** | **-** | **26,907** | - | - | - | 18,814 |
| Rent Expense | **3,021** | **-** | **-** | **-** | 2,014 | | | |
| Other Expense | **-** | **-** | **-** | **-** | | - | - | - |

## 39 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

| | Un-Audited 30-Sept-26 | Audited 31-Dec-25 |
|---|---|---|
| **Minimum Capital Requirement (MCR):** | **Rupees in '000** | |
| Paid-up capital (net of losses) | **4,877,027** | 4,457,965 |

The Bank's policy is to maintain a strong capital base to maintain investor, depositor, creditor and market confidence and to sustain future development of the business, while providing adequate returns to shareholders.

The SBP, through BPRD Circular No. 10 dated June 3, 2015, has required Microfinance Banks to maintain a minimum paid-up capital of Rs. 1,000 million (net of accumulated losses). The paid-up capital (net of accumulated losses)of the Bank as at September 30, 2026 stood at Rs. 4.877 billion (2025: Rs. 4.457 billion) and is in compliance with SBP requirements.

| | Un-Audited 30-Sept-26 | Audited 31-Dec-25 |
|---|---|---|
| | **Rupees in '000** | |
| **Capital Adequacy Ratio (CAR):** | | |
| Eligible Common Equity Tier 1 (CET 1) Capital | **3,356,636** | 3,175,000 |
| Eligible Additional Tier 1 (ADT 1) Capital | **-** | - |
| Total Eligible Tier 1 Capital | **3,356,636** | 3,175,000 |
| Eligible Tier 2 Capital | **1,116,550** | 1,077,000 |
| Total Eligible Capital (Tier 1 + Tier 2) | **4,473,186** | 4,252,000 |
| Risk Weighted Assets (RWAs): | | |
| Credit risk | **23,971,013** | 24,306,000 |
| Operational risk | **1,323,400** | 1,322,400 |
| Total | **25,294,413** | 25,628,400 |
| Common Equity Tier 1 Capital Adequacy Ratio | **13.27%** | 12.39% |
| Total Capital Adequacy Ratio | **17.68%** | 16.59% |

**39.1** Bank uses standardized approach for calculation of Credit risk weighted asset. Under this approach, the risk weighted amount of an on-balance sheet asset is determined by multiplying its current book value (including accrued interest or revaluations, and net of any specific provision or associated depreciation) by the relevant risk weight as provided by State Bank of Pakistan through BPRD Circular No. 10 of June 3, 2015. The bank is using transitional provisions as provided in IFRS 9 application instructions through BPRD Circular No. 03 of 2022 dated July 05, 2022 for absorption of impact of expected credit loss allowance after implementation of IFRS 9. Had the transitional provisions not been adopted, the Tier 1 and overall CAR would have stood at 16.81%.

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

Gross Income (GI) is defined as the sum of net interest income and net non-interest income and is arrived at before accounting for: (i) provisions (including those for credit impairment), (ii) operating expenses (including fee in respect of outsourced activities), (iii) realized profits/ losses from the sale of securities, (iv) extra ordinary items/ windfalls, and (v) income from insurance.

## 40 ISLAMIC BANKING BUSINESS

The bank is operating with 37 (prior year: 37) Islamic banking branchesat the end of the Period.

| | Un-Audited 30-Sept-26 | Audited 31-Dec-25 |
|---|---|---|
| **ASSETS** | **Rupees in '000** | |
| Cash and balances with treasury banks | **4,441,886** | 3,174,444 |
| Balances with other banks | **2,179,494** | 723,594 |
| Investments | **3,250,697** | 3,175,820 |
| Islamic financing and related assets - net | **11,238,540** | 11,519,516 |
| Property and equipment | **39,671** | 50,008 |
| Right-of-use assets' | **75,980** | 71,590 |
| Receivable from Head office | **-** | - |
| Other assets | **44,132** | 33,233 |
| **Total assets** | **21,270,399** | 18,748,205 |
| **LIABILITIES** | | |
| Bills payable | **20,461** | 11,606 |
| Deposits and other accounts | **11,596,248** | 9,771,919 |
| Due to head office | **1,158,421** | 1,418,740 |
| Lease liabilities | **125,552** | 130,504 |
| Charity | **-** | 58 |
| Other liabilities | **2,517,633** | 2,471,476 |
| | **15,418,314** | 13,804,303 |
| **NET ASSETS** | **5,852,085** | 4,943,902 |
| **REPRESENTED BY** | | |
| Islamic banking fund | **440,000** | 440,000 |
| Surplus/ (Deficit) on revaluation of assets | **(5,153)** | (6,215) |
| Unappropriated profit | **5,417,238** | 4,510,117 |
| | **5,852,085** | 4,943,902 |

**CONTINGENCIES AND COMMITMENTS**

The profit and loss account of the Bank's Islamic banking branches for the period ended June 30, 2026 is as follows:

| | 30-Sept-26 | 30-Sept-25 |
|---|---|---|
| | **Rupees in '000** | |
| Profit / return earned | **2,452,589** | 2,238,873 |
| Profit / return expensed | **(805,186)** | (905,819) |
| Net profit / return | **1,647,403** | 1,333,054 |
| Other income | | |
| Fee and commission income | **52,115** | 60,698 |
| Other income | **-** | - |
| Total other income | **52,115** | 60,698 |
| Total income | **1,699,518** | 1,393,753 |
| Other expenses | | |
| Operating expenses | **(555,791)** | (502,190) |
| Workers welfare fund | **-** | - |
| Other charges | **-** | - |
| Total other expenses | **(555,791)** | (502,190) |
| Profit / (Loss) before credit loss allowance | **1,143,727** | 891,563 |
| Credit loss allowance and write offs - net | **(236,606)** | (235,134) |
| Profit / (Loss) before taxation | **907,121** | 656,428 |
| Taxation | **-** | - |
| Profit / (Loss) after taxation | **907,121** | 656,428 |