SINDH MICROFINANCE BANK LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2025

	Note	30 September 2025 (Un-audited)	31 December 2024 (Audited)
ASSETS		-------------Rupees-------------	
Cash and balances with treasury banks	5	**69,985,705**	112,004,966
Balances with other MFBs/Banks/NBFIs	6	**583,557,892**	904,487,174
Lendings to financial institutions		**-**	-
Investments	7	**1,283,920,332**	1,133,038,418
Advances	8	**2,291,281,514**	2,097,148,504
Property and equipment	9	**21,992,131**	24,821,590
Right-of-use Assets	10	**88,505,217**	112,514,906
Intangible assets	11	**2,255,162**	4,771,562
Deferred tax assets	12	**91,691,442**	51,853,983
Other assets	13	**130,446,715**	90,312,285
Total assets		**4,563,636,110**	4,530,953,388
LIABILITIES			
Bills payable			-
Borrowings	14	**1,267,000,000**	873,750,000
Deposits and other accounts	15	**1,405,422,605**	1,991,165,392
Lease liabilities	16	**134,580,896**	133,228,774
Subordinated debt		**-**	-
Deferred grant		**-**	-
Deferred tax liabilities		**-**	-
Other liabilities	17	**283,432,295**	278,164,868
Total liabilities		**3,090,435,796**	3,276,309,034
NET ASSETS		**1,473,200,314**	1,254,644,354
REPRESENTED BY			
Share capital		**1,000,000,000**	1,000,000,000
Reserves		**190,196,253**	133,335,679
Unappropriated profit		**283,004,061**	121,308,675
		1,473,200,314	1,254,644,354
CONTINGENCIES AND COMMITMENTS	18		

The annexed from note 1 to 30 form an integral part of these condensed interim financial statements.

President/Chief Executive | Chairman | Chief Financial Officer | Director | Director

SINDH MICROFINANCE BANK LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2025

	Note	Nine Months Period Ended		Quarter Ended	
		30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024
		-------------Rupees-------------			
Mark-up / Return / Interest earned	19	**1,269,738,684**	989,104,053	**439,172,050**	342,734,310
Mark-up / Return / Interest expensed	20	**(320,671,592)**	(368,310,562)	**(93,158,705)**	(122,257,798)
Net mark-up / interest income		**949,067,093**	620,793,491	**346,013,346**	220,476,512
					-
Total income		**949,067,093**	620,793,491	**346,013,346**	220,476,512
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	21	**(457,223,647)**	(362,663,193)	**(145,868,558)**	(115,035,983)
Other charges	22	**-**	(1,201,000)	**-**	-
Total non-markup / interest expenses		**(457,223,647)**	(363,864,193)	**(145,868,558)**	(115,035,983)
Profit before credit loss allowance		**491,843,446**	256,929,298	**200,144,788**	105,440,529
Credit loss allowance and write offs - net	23	**(149,468,517)**	(79,138,246)	**(61,714,627)**	(27,309,166)
Other income / expense items (to be specified)			-		
PROFIT BEFORE TAXATION		**342,374,929**	177,791,052	**138,430,161**	78,131,363
Taxation	24	**(123,818,959)**	(53,039,284)	**(48,193,022)**	(24,640,185)
PROFIT AFTER TAXATION		**218,555,970**	124,751,768	**90,237,139**	53,491,178
		-------------Rupees-------------			
Basic and diluted earnings per share	25	**2.19**	0.71	**0.90**	0.53

The annexed from note 1 to 30 form an integral part of these condensed interim financial statements.

President/Chief Executive   Chairman   Chief Financial Officer   Director   Director

SINDH MICROFINANCE BANK LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2025

	Nine Months period ended		Quarter Ended	
	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024
		-------------Rupees-------------		
Profit after taxation for the period	**218,555,970**	124,751,768	**90,237,139**	53,491,178
Other comprehensive income for the period	**-**	-	**-**	-
Total comprehensive income	**218,555,970**	124,751,768	**90,237,139**	53,491,178

The annexed from note 1 to 30 form an integral part of these condensed interim financial statements.

President/Chief Executive   Chairman   Chief Financial Officer   Director   Director

SINDH MICROFINANCE BANK LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 30 September 2025

	Share capital	Capital reserve		Revenue reserve	Total
		Statutory reserve	Depositors' protection fund	Unappropriated/ Unremitted profit	
	--------Rupees--------				
Opening balance as at 01 January 2024 (audited)	1,000,000,000	70,611,999	20,328,029	9,025,288	1,099,965,316
Changes in equity for the half year ended 30 September 2024					
Profit for the period after taxation	-	-	-	71,260,590	71,260,590
Other comprehensive income - net of tax	-	-	-	-	-
	-	-	-	71,260,590	71,260,590
Transfer to statutory reserve	-	14,252,118	-	(14,252,118)	-
Transfer to depositors' protection fund	-	-	3,563,030	(3,563,030)	-
Return on investment	-	-	1,517,412	(1,517,412)	-
Balance as at 30 September 2024 (un-audited)	**1,000,000,000**	**84,864,117**	**25,408,471**	**60,953,318**	**1,171,225,906**
Changes in equity for the half year ended 31 December 2024					
Profit for the period after taxation	-	-	-	84,003,610	84,003,610
Other comprehensive income - net of tax	-	-	-	(3,026,704)	(3,026,704)
	-	-	-	80,976,906	80,976,906
Transfer to statutory reserve	-	16,497,240	-	(16,497,240)	-
Transfer to depositors' protection fund	-	-	4,124,309	(4,124,309)	-
Return on investment	-	-	2,441,542	-	2,441,542
Balance as at 31 December 2024 (audited)	**1,000,000,000**	**101,361,357**	**31,974,322**	**121,308,675**	**1,254,644,354**
Changes in equity for the quarter year ended 30 September 2025					
Profit for the period after taxation	**-**	**-**	**-**	**218,555,970**	**218,555,970**
Other comprehensive income - net of tax	**-**	**-**	**-**	**-**	**-**
	-	**-**	**-**	**218,555,970**	**218,555,970**
Transfer to statutory reserve	**-**	**43,711,333**	**-**	**(43,711,333)**	**-**
Transfer to depositors' protection fund	**-**	**-**	**10,927,833**	**(10,927,833)**	**-**
Return on investment	**-**	**-**	**2,221,418**	**(2,221,418)**	**-**
Balance as at 30 September 2025 (un-audited)	**1,000,000,000**	**145,072,690**	**45,123,563**	**283,004,061**	**1,473,200,314**

The annexed from note 1 to 30 form an integral part of these condensed interim financial statements.

President/Chief Executive	Chairman	Chief Financial Officer	Director	Director

SINDH MICROFINANCE BANK LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED 30 September 2025

	Note	Quarter Ended 30 September 2025	Quarter Ended 30 September 2024
		-------------Rupees-------------	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		**342,374,929**	177,791,052
Adjustments:			
Depreciation	21	**9,117,863**	6,997,781
Depreciation on right-of-use assets	21	**30,246,623**	24,061,925
Amortization	21	**2,044,454**	1,430,051
Interest expense on lease liability against right of use assets	20	**15,913,036**	15,954,936
Contribution on defined benefit plan	21	**2,400,000**	3,600,000
Credit loss allowance and write-offs - net	23	**145,192,776**	79,138,246
		204,914,752	131,182,939
		547,289,681	308,973,991
Increase in operating assets			
Advances		**(342,534,474)**	(305,714,435)
Others assets (excluding advance taxation)		**61,101,138**	23,441,384
		(281,433,336)	(282,273,051)
Increase in operating liabilities			
Deposits		**(585,742,787)**	613,960,128
Borrowings from financial institutions		**393,250,000**	
Deferred income		**-**	102,808,637
Other liabilities (excluding current taxation)		**(76,229,741)**	(41,552,893)
		(268,722,528)	675,215,872
Income tax paid		**(36,525,262)**	(31,479,423)
Benefits paid		**(13,255,305)**	(8,710,011)
Net cash flow from operating activities		**(52,646,750)**	661,727,378
CASH FLOW FROM INVESTING ACTIVITIES			
Investment in Federal Government Securities		**(150,932,145)**	(71,994,504)
Investment in Term deposits receipts		**(137,500,000)**	(347,500,000)
Investments in property and equipment	9.1	**(2,569,404)**	(10,362,370)
Investments in intangible assets		**-**	(5,115,285)
Net cash flow used in investing activities		**(291,001,549)**	(434,972,159)
CASH FLOW FROM FINANCING ACTIVITIES			
Received/(repayment) of borrowings			(169,750,000)
Payment of lease liability against right-of-use assets	16	**(17,046,402)**	(26,784,185)
Net cash used in financing activities		**(17,046,402)**	(196,534,185)
Impact of expected credit loss allowance on adoption of IFRS-09		**-**	
Reversal of expected credit loss allowance during the period	23	**(2,253,842)**	
		(2,253,842)	
Increase/ (Decrease) in cash and cash equivalents		**(362,948,543)**	30,221,034
Cash and cash equivalents at beginning of the period		**1,016,492,140**	657,805,565
Cash and cash equivalents at end of the period		**653,543,597**	688,026,599

The annexed from note 1 to 30 form an integral part of these condensed interim financial statem 0

President/Chief Executive Chairman Chief Financial Officer Director Director

SINDH MICROFINANCE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2025

1. STATUS AND NATURE OF BUSINESS

Sindh Microfinance Bank Limited (the 'Bank') was incorporated on 27 March 2015 as a public company limited by shares under the Companies Ordinance, 1984 (repealed by Companies Act, 2017). The Bank obtained the microfinance banking license from State Bank of Pakistan on 16 October 2015, to operate in Sindh Province. Subsequently, the Bank received the certificate of commencement of business from Securities & Exchange Commission of Pakistan (SECP) on 30 November 2015 and the certificate of commencement of Banking Business from State Bank of Pakistan on 15 April 2016. The Bank's registered office is situated at 39/F, 2nd Floor, Muhammad Ali Cooperative Housing Society, Karachi. The Bank's principal business is to provide microfinance services to the poor and underserved segment of the society as envisaged in the Microfinance Institutions Ordinance, 2001.

The Bank is the wholly owned subsidiary of Sindh Bank Limited (the 'Holding Bank'). The Bank operates through branches and service centers spread within the province of Sindh, the network of branches and service centers comprise of 22 (31 December 2024: 22) branches and 87 (31 December 2024: 87) service centers.

2. BASIS OF PRESENTATION

2.1 STATEMENT OF COMPLIANCE

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 34 "Interim Financial Reporting" and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act 2017;

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act, 2017;

- Provisions of and directives issued under the Microfinance Ordinance, 2001 (The MFI Ordinance) 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 provisions of and directives issued under the Microfinance Institution Ordinance, 2001, the Companies Act, 2017, the Prudential Regulations of Microfinance Banks and the directives issued by the SBP and SECP differ with the requirements of IFRS, the provisions of and directives issued under the Microfinance Institution Ordinance, 2001, the Companies Act, 2017, the Prudential Regulations of Microfinance Banks and the directives issued by the SBP and SECP shall prevail.

The SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for banking companies through BSD Circular Letter No. 10 dated 26 August 2002 till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' on banks through its notification S.R.O 411(I)/2008 dated 28 April 2008.

The State Bank of Pakistan through BPRD Circular No. 04 of 2015 dated 25 February 2015 has deferred the applicability of Islamic Financial Accounting Standard-3 for Profit and Loss Sharing on Deposits (IFAS-3) issued by the Institute of Chartered Accountants of Pakistan (ICAP) and notified by the SECP, vide their SRO No. 571 of 2013 dated 12 June 2013 for Institutions offering Islamic Financial Services (IIFS). Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim financial statements.

The Bank has received an extension from SBP until 31 December 2025, for the application of the Effective Interest Rate (EIR) method to all financial assets and liabilities, excluding staff and subsidized loans. However, since financial assets other than advances and financial liabilities were already effectively accounted for using EIR before the implementation of IFRS 9, this extension has been applied only to advances (excluding staff loans and subsidized loans, Consequently, advances are currently carried at cost, except for staff loans, , which are measured at amortized cost, net of expected credit loss allowances.

2.1.1 The disclosures made in these condensed interim financial statements have been limited based on the format prescribed by the SBP through BPRD Circular Letter No. 03 dated 09 February 2023 and the requirements of International Accounting Standard 34, "Interim Financial Reporting". These do not include all the information and disclosures required for annual financial statements, and therefore should be read in conjunction with the annual audited financial statements of the Bank for the year ended 31 December 2024

2.2 Standards, interpretations of and amendments to published approved accounting standards that are effective in the current year.

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that have become applicable to the Bank for accounting periods beginning on or after 01 January 2025 but are considered not to be relevant or do not have any material effect on the Bank's operations and are therefore not detailed in these condensed interim financial

2.3 Standards, interpretations of and amendments to published approved accounting standards that are not yet effective.

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that will become applicable to the Bank for accounting periods beginning on or after 01 January 2026 but are considered not to be relevant or will not have any material effect on the Bank's financial statements except for:

- The new standard - IFRS 18 Presentation and Disclosure in Financial Statements ("IFRS 18") which has been published in April 2024 with applicability date of 01 January 2027 by IASB. IFRS 18 is yet to be adopted in Pakistan. IFRS 18 when adopted and applicable shall impact the presentation of 'Statement of Profit and Loss Account' with certain additional disclosures in the financial statements.

- Amendments to IFRS-09 Financial Instruments which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

3. BASIS OF PRESENTATION

3.1 Accounting convention

These condensed interim financial statements have been prepared under the historical cost convention except for obligations in respect of defined benefit plan and lease liabilities against right of use assets, which are carried at present value.

These condensed interim financial statements have been prepared following accrual basis of accounting except for condensed interim cash flow statement.

3.2 Functional and presentation currency

Items included in the condensed interim financial statements are measured using the currency of the primary economic environment in which the Bank operates. The condensed interim financial statements are presented in Pakistani Rupees which is the Bank's functional and presentation currency.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual audited financial statements of the Bank for the year ended 31 December 2024.

4.1 Critical accounting estimates and judgements

The basis for accounting estimates adopted in the preparation of these condensed interim consolidated financial statements is same as that applied in the preparation of the consolidated financial statements for the year ended 31 December 2024.

			30 September 2025 (Un-audited)	31 December 2024 (Audited)
5.	**CASH AND BALANCES WITH TREASURY BANKS**	**Note**	--------Rupees--------	
	In hand - Local currency		**1,398,559**	1,642,656
	Balances with State Bank of Pakistan in			
	-Local currency current account	5.1	**60,476,921**	108,811,954
	Balances with National Bank of Pakistan in			
	-Local currency deposit account	5.2	**8,110,226**	1,550,356
	Less: Credit loss allowance		-	-
	Total		**69,985,705**	**112,004,966**

5.1 This represents balance held with SBP to meet the requirement of maintaining a minimum balance equivalent to 3% (31 December 2024: 5%) and 12% (31 December 2024: 10%) as liquidity reserve of the Bank's time and demand deposits with a tenure of less than one year, in accordance with the regulations R-3A and R-3B of the Prudential Regulations for microfinance banks.

5.2 This represents the balance held in a savings account carrying interest at the rate of 11% (31 December 2024: 11.50%) per annum on outstanding balances.

6. BALANCES WITH OTHER MFBs / BANKs / NBFIs

	Note	30 September 2025	31 December 2024
In Pakistan			
- In current account		**5,120,000**	3,492,000
- In deposit account	6.1	**578,670,869**	901,175,040
		583,790,869	904,667,040
Less: Credit loss allowance		**(232,977)**	(179,866)
		583,557,892	904,487,174

6.1 This represents the balance held in savings accounts carrying interest at the rate ranging from 8.00% to 12.50% (31 December 2024: 11.50% to 15.50%) per annum on outstanding balances.

7. INVESTMENTS

7.1 Investments by type:

	Note	30 September 2025 (Un-audited)				31 December 2024 (Audited)			
		Fair Value / Amortised cost	Credit Loss Allowance	Surplus / (Deficit)	Carrying Value	Fair Value / Amortised cost	Credit Loss Allowance	Surplus / (Deficit)	Carrying Value
		------- Rupees --------							
Classified as Amortised Cost									
Federal Government securities - T Bills	7.4 & 7.6	**246,660,913**	**-**	**-**	**246,660,913**	233,228,768	-	-	233,228,768
Term Deposits Receipts (TDRs)	7.7	**1,037,500,000**	**(240,581)**	**-**	**1,037,259,419**	900,000,000	(190,350)	-	899,809,650
		1,284,160,913	**(240,581)**	**-**	**1,283,920,332**	1,133,228,768	(190,350)	-	1,133,038,418

7.2 Investments given as collateral

	30 September 2025 (Un-audited)	31 December 2024 (Audited)
	--------Rupees--------	
Term Deposit Receipts (TDRs)	**437,500,000**	437,500,000

7.3 Investments - Particulars of credit loss allowance

7.3.1 Investments - Exposure

	30 September 2025 (Un-audited)			31 December 2024 (Audited)		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	------- Rupees --------					
Gross carrying amount	**1,133,228,768**	**-**	**-**	644,408,445	-	-
New Investments	**1,377,500,000**	**-**	**-**	1,583,820,323	-	-
Investments derecognised or repaid	**(1,226,808,436)**	**-**	**-**	(1,095,000,000)	-	-
Transfer to stage 1	**-**	**-**	**-**	-	-	-
Transfer to stage 2	**-**	**-**	**-**	-	-	-
Transfer to stage 3	**-**	**-**	**-**	-	-	-
	150,691,564	**-**	**-**	488,820,323	-	-
Amounts written off / charged off	**-**	**-**	**-**	-	-	-
Closing balance	**1,283,920,332**	**-**	**-**	1,133,228,768	**-**	**-**

7.3.2 Investments - Credit loss allowance

	30 September 2025 (Un-audited)			31 December 2024 (Audited)		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	------- Rupees --------					
Credit loss allowance Opening balance	**190,350**	**-**	**-**	-	-	-
Impact of adoption of IFRS 9	**-**	**-**	**-**	110,237		
New Investments		**-**	**-**	190,350	-	-
Investments derecognised or repaid	**(190,350)**	**-**	**-**	(110,237)	-	-
Transfer to stage 1		**-**	**-**	-	-	-
Transfer to stage 2		**-**	**-**	-	-	-
Transfer to stage 3		**-**	**-**	-	-	-
	(190,350)	**-**	**-**	80,113	-	-
		-	**-**			
Amounts written off / charged off	**-**	**-**	**-**	-	-	-
Changes in risk parameters	**-**	**-**	**-**	-	-	-
Credit loss allowance closing balance	**-**	**-**	**-**	190,350	-	-

7.3.3 Particulars of credit loss allowance against debt securities

Category of classification		30 September 2025 (Un-audited)		31 December 2024 (Audited)	
		Outstanding amount	Credit loss allowance	Outstanding amount	Credit loss allowance
		------Rupees------			
Up to 29 days	Stage 1	**1,284,160,913**	**240,581**	1,133,228,768	190,350
Other assets especially mentioned	Stage 2	**-**	**-**	-	-
Non-performing	Stage 3				
Substandard		**-**	**-**	-	-
Doubtful		**-**	**-**	-	-
Loss		**-**	**-**	-	-
		1,284,160,913	**240,581**	1,133,228,768	190,350

7.4 This represents the market treasury bill held with SBP to meet the requirement of maintaining a minimum balance equivalent to 12% (31 December 2024: 10%) as a liquidity reserve of the Bank's time and demand deposits with a tenure of less than one year, in accordance with regulation number R-3B of the Prudential Regulations for Microfinance Banks. These T-Bills has a maturity period of six months to one year, carrying an interest rates ranging between 11.50% to 11.99% (31 December 2024: 14.05% to 17.10%).

7.5 Expected credit loss on Government security has not been estimated due to the exemption available under IFRS 9 instructions issued by State Bank of Pakistan through Circular No. 3 of 2022 dated 05 July 2022.

7.6 The market value of T-Bills classified at amortized cost as at 30 June 2025 amounted to Rupees 243.074 million (31 December 2024: 233.286)

7.7 Term Deposit Receipts (TDR's) carry interest rates ranging from 12.00% to 21.00% (31 December 2024: 19.00% to 21.00%) with a maturity period of twelve

8. ADVANCES

	Performing				Non Performing		Total	
	Stage 1		Stage 2		Stage 3			
	30 September 2025	31 December 2024	30 September 2025	31 December 2024	30 September 2025	31 December 2024	30 September 2025	31 December 2024
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	--------Rupees--------							
Micro credits								
Secured	**3,361,926**	3,901,122	**-**	-	-		**3,361,926**	3,901,122
Unsecured	**2,542,804,622**	2,202,370,123	**3,427,961**	2,947,728	**11,428,768**	16,161,242	**2,542,804,622**	2,221,479,093
Staff Loans	**11,193,791**	14,028,117	**-**	-	-	-	**11,193,791**	14,028,117
Advances - gross	**2,557,360,339**	2,220,299,362	**3,427,961**	2,947,728	**11,428,768**	16,161,242	**2,557,360,339**	2,239,408,332
Credit loss allowance against advances								
- Stage 1	**(251,341,848)**	(123,347,172)	-	-	-	-	**(251,341,848)**	(123,347,172)
- Stage 2	-	-	**(3,400,330)**	(2,917,444)	-	-	**(3,400,330)**	(2,917,444)
- Stage 3	-	-	-	-	**(11,336,647)**	(15,995,212)	**(11,336,647)**	(15,995,212)
	(251,341,848)	(123,347,172)	**(3,400,330)**	(2,917,444)	**(11,336,647)**	(15,995,212)	**(266,078,825)**	(142,259,828)
Advances - net of credit loss allowance	**2,306,018,491**	2,096,952,190	**27,631**	30,284	**92,121**	166,030	**2,291,281,514**	2,097,148,504

8.1 Advances - Particulars of credit loss allowance

8.1.1 Advances - Exposure

	30 June 2025 (Un-audited)				31 December 2024 (Audited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	--------Rupees--------							
Gross carrying amount	**2,220,299,362**	**2,947,728**	**16,161,242**	**2,239,408,332**	1,919,408,303	1,277,361	4,650,481	1,925,336,145
Impact of adoption of IFRS 9	**-**	**-**	**-**	-	(9,977,462)			(9,977,462)
Opening balance as at 01 January after adoption of IFRS 9	**2,220,299,362**	**2,947,728**	**16,161,242**	**2,239,408,332**	1,909,430,841	1,277,361	4,650,481	1,915,358,683
New advances	**3,375,610,272**	**-**	**-**	**3,375,610,272**	3,866,426,005	-	-	3,866,426,005
Advances derecognised or repaid	**(3,003,717,802)**	**(604,650)**	**(15,168,620)**	**(3,019,491,071)**	(3,518,484,409)	(166,665)	(1,579,172)	(3,520,230,246)
	371,892,470	**(604,650)**	**(15,168,620)**	**356,119,201**	347,941,596	(166,665)	(1,579,172)	346,195,759
Transfer to stage 1	**-**	**-**	**-**	**-**	-	-	-	-
Transfer to stage 2	**(3,582,738)**	**3,582,738**	**-**	**-**	(3,458,491)	3,458,491	-	-
Transfer to stage 3	**(26,034,431)**	**(2,343,078)**	**28,377,510**	**-**	(26,929,557)	(1,110,696)	28,040,253	-
	(29,617,169)	**1,239,660**	**28,377,510**	**-**	(30,388,048)	2,347,795	28,040,253	-
Amounts written off	**(5,214,324)**	**(154,777)**	**(17,941,364)**	**(23,310,465)**	(6,685,027)	(510,763)	(14,950,320)	(22,146,110)
Closing balance	**2,557,360,339**	**3,427,961**	**11,428,768**	**2,572,217,068**	2,220,299,362	2,947,728	16,161,242	2,239,408,332
	-							

8.1.2 Advances - Credit loss allowance

		30 June 2025 (Un-audited)				31 December 2024 (Audited)			
		Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
		--------Rupees--------							
Opening balance		123,347,172	2,917,444	15,995,212	142,259,828	18,931,211	12,774	2,574,495	21,518,480
Impact of adoption of IFRS 9		-	-	-	-	4,192,040	1,259,186	2,150,363	7,601,589
Opening balance as at 01 January after adoption of IFRS 9		123,347,172	2,917,444	15,995,212	142,259,828	23,123,251	1,271,960	4,724,858	29,120,069
New advances		200,427,929	-	-	200,427,929	153,410,448	-	-	153,410,448
Advances derecognised or repaid		(66,813,036)	(589,264)	(14,803,236)	(82,205,536)	(45,917,626)	(167,247)	(430,152)	(46,515,025)
		133,614,893	(589,264)	(14,803,236)	118,222,393	107,492,822	(167,247)	(430,152)	106,895,423
Transfer to Stage 1		-	-	-	-	-	-	-	-
Transfer to Stage 2		(17,298)	17,298	-	-	(66,451)	66,451	-	-
Transfer to Stage 3		(388,595)	(2,319,012)	2,707,607	-	(517,423)	(1,099,200)	1,616,623	-
		(405,893)	(2,301,714)	2,707,607	-	(583,874)	(1,032,749)	1,616,623	-
Changes in risk parameters	8.1.4	-	3,528,641	25,378,428	28,907,069	-	3,356,243	25,034,203	28,390,446
Amounts written off/charged Off		(5,214,324)	(154,777)	(17,941,364)	(23,310,465)	(6,685,027)	(510,763)	(14,950,320)	(22,146,110)
Closing balance		251,341,848	3,400,330	11,336,647	266,078,825	123,347,172	2,917,444	15,995,212	142,259,828

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8.1.3 Advances - Credit loss allowance details

	30 June 2025 (Un-audited)				31 December 2024 (Audited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal / Extrernal rating / stage classification	--------Rupees--------							
Performing - Stage 1	2,557,360,339	-	-	2,557,360,339	2,220,299,362	-	-	2,220,299,362
Performing - Stage 2	-	3,427,961	-	3,427,961	-	2,947,728	-	2,947,728
Non- Performing - Stage 3								
Substandard	-	-	4,808,128	4,808,128	-	-	3,964,700	3,964,700
Doubtful	-	-	927,828	927,828	-	-	8,879,885	8,879,885
Loss	-	-	5,692,812	5,692,812	-	-	3,316,657	3,316,657
	-	-	11,428,768	11,428,768	-	-	16,161,242	16,161,242
Total	2,557,360,339	3,427,961	11,428,768	2,572,217,068	2,220,299,362	2,947,728	16,161,242	2,239,408,332
Corresponding credit loss allowance								
Stage 1	251,341,848	-	-	251,341,848	123,347,172	-	-	123,347,172
Stage 2	-	3,400,330	-	3,400,330	-	2,917,444	-	2,917,444
Stage 3	-	-	11,336,647	11,336,647	-	-	15,995,212	15,995,212
	251,341,848	3,400,330	11,336,647	266,078,825	123,347,172	2,917,444	15,995,212	142,259,828

	Note	30 September 2025 (Un-audited)	31 December 2024 (Audited)
		----------- Rupees -----------	

9 PROPERTY AND EQUIPMENT

Property and equipment		**21,992,131**	24,821,590

9.1 Additions to property and equipment

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

Property and equipment		
Office equipment	**2,569,404**	5,102,085
Office improvement	**-**	504,540
Furniture and fixture	**-**	115,000
Vehicles	**-**	5,035,485
	2,569,404	10,757,110

10. RIGHT-OF-USE ASSETS

At 01 January		
Cost	**191,001,282**	136,491,762
Accumulated depreciation	**(78,486,376)**	(40,981,408)
Net carrying amount at 01 January	**112,514,906**	95,510,354
Additions during the period / year	**2,485,467**	54,509,520
Deletions during the period / year		-
Depreciation charge for the period / year	**(28,681,673)**	(37,504,968)
Closing net book value	**88,505,217**	112,514,906

11. INTANGIBLE ASSETS

Computer software	**2,255,162**	4,771,562

Additions to intangible assets

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

Developed internally	**-**	-
Directly purchased	**-**	491,473
Through business combinations	**-**	-
	-	491,473

		Note	30 September 2025 (Un-audited)	31 December 2024 (Audited)
12.	**DEFERRED TAX ASSETS**		--------Rupees--------	
	Deductible temporary differences on			
	- Right-of-use assets		**12,683,251**	6,007,022
	- Post retirement employee benefits		**1,824,393**	1,400,019
	- Accelerated depreciation		**115,258**	417,842
	- Accelerated amortization		**980,914**	461,030
	- Credit loss allowance against financial assets, off balance sheet etc.		**76,087,626**	43,568,070
			91,691,442	51,853,983
13.	**OTHER ASSETS**			
	Income / Mark-up accrued		**64,308,170**	56,294,040
	Advances, prepayments and deposits		**56,084,657**	17,682,482
	Advance against salary		**2,798,186**	3,930,528
	Deferred expense on staff loans		**8,628,549**	8,628,549
	Profit receivable on TDR		**8,485,675**	11,381,365
			140,305,236	97,916,964
	Less: Credit loss allowance held against other assets		**(9,858,521)**	(7,604,679)
	Other assets (net of credit loss allowance)		**130,446,715**	90,312,285
	Credit loss allowance held against other assets			
	Opening balance		**7,604,679**	-
	Impact of IFRS 09			663,060
	Charged during the year		**-**	6,941,619
	Reversal during the year		**2,253,842**	-
	Closing balance		**9,858,521**	7,604,679
14.	**BORROWINGS**			
	Secured			
	Borrowings from State Bank of Pakistan	14.1	**917,000,000**	495,000,000
	Borrowings from banks / MFBs/ financial institutions in Pakistan	14.2	**350,000,000**	378,750,000
	Total secured		**1,267,000,000**	873,750,000

14.1 The Bank obtained borrowing from the State Bank of Pakistan under its line of Credit Fund Scheme. During the Period Ended 30 September 2025, the Bank obtained further borrowing of Rupees 400 Million from State Bank of Pakistan under its line of Credit Fund Scheme. The sanctioned fund was received by the Bank in a various tranches at a markup rate of six months KIBOR + 1%. Repayment amount during the year was Rupees 428.75 million.

14.2 Borrowings from banks / MFBs/ financial institutions in Pakistan

Pakistan Microfinance Investment Company (PMIC)	14.2.1	**200,000,000**	18,750,000
Sindh Bank Limited	14.2.2	**150,000,000**	360,000,000
		350,000,000	378,750,000

14.2.1 This represents a borrowing from the Pakistan Microfinance Investment Company Limited (PMIC). A total of Rupees 300 million was sanctioned, 200 million was received during the period ended 30 June 2025, at a markup rate of six-month KIBOR plus 2.75%. The interest on this facility is payable quarterly, with the principal repayable in four quarterly installments by January 2025.

14.2.2 The Bank obtained running finance facility from Sindh Bank Limited. Total amount of Rupees 500 million was sanctioned and total amount of Rupees 150 million was overdrawn against the said facility at the markup rate of six months KIBOR +0.85%. The interest on the facility is payable quarterly.

14.2.3 A lien is placed on TDRs held with U Microfinance Bank amounting to Rupees 75 million (31 December 2024: 37.5 million) as collateral against borrowing from PMIC.

14.2.4 A hypothecation charge has been created over all present and future assets of the Bank amounting to Rupees 140.625 million (31 December 2024: Rupees 140.625 million). This charge is established on a pari passu basis with other lenders, ensuring equal ranking in claims against borrowing from Pakistan Microfinance Investment Company Limited.

14.2.5 TDR's have been placed with Sindh Bank Limited as collateral against running finance facility requiring 110% margin.

15 DEPOSITS AND OTHER ACCOUNTS

	Note	30 September 2025 (Un-audited)	31 December 2024 (Audited)
		-----Rupees-----	
Customers			
Current deposits		**9,541,692**	3,044,957
Savings deposits	15.1	**7,349,703**	11,529,830
Fixed / Term deposits	15.2	**1,093,350,937**	1,706,583,408
		1,110,242,331	1,721,158,195
Financial Institutions			
Current deposits		**-**	-
Savings deposits - FI	15.1	**295,180,273**	270,007,197
Fixed / Term deposits		**-**	-
		295,180,273	270,007,197
		1,405,422,605	1,991,165,392

15.1 These are remunerative saving deposits of corporate and individual clients carrying interest rate ranging from 8.5% to 12.15% per annum (31 December 2024: 8.50% to 16.00%) on outstanding balances.

s

15.2 This represents term deposits having tenure ranging from 3 months to 36 months (31 December 2024: 3 months to 36 month) carrying interest rate ranging from 10.5% to 22.50% (31 December 2024: 14.15% to 22.50%) per annum on outstanding balances.

16. LEASE LIABILITIES

	30 September 2025	31 December 2024
Opening balance	**133,228,774**	93,066,862
Additions during the period / year	**2,485,467**	54,509,520
Interest expense	**15,913,058**	21,723,214
Payment of lease liability during the period / year	**(17,046,402)**	(36,070,822)
Closing balance	**134,580,896**	133,228,774

		30 September 2025 (Un-audited)	31 December 2024 (Audited)
17.	**OTHER LIABILITIES**	--------Rupees--------	
	Mark-up / Return / Interest payable on deposits	**61,590,722**	136,150,031
	Mark-up / Return / Interest payable on borrowing	**37,135,022**	49,265,770
	Accrued expenses	**13,714,649**	8,761,767
	Withholding tax payable	**3,730,915**	2,004,830
	EOBI payable	**546,430**	501,990
	Payable to defined benefit plan	**13,255,305**	9,655,305
	Payable to defined contribution plan	**1,318,033**	1,107,236
	Provision for taxation - net	**151,531,759**	70,034,591
	Audit fee payable	**609,460**	683,348
		283,432,295	278,164,868

18. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at 30 June 2025 (31 December 2024: Nil).

		30 September 2025 (Un-audited)	30 June 2024 (Un-audited)
		--------Rupees--------	
19.	**MARK-UP / RETURN / INTEREST EARNED**		
	Loans and advances	**1,051,577,593**	505,949,149
	Investments	**165,547,856**	76,316,099
	Balances with other MFBs / banks / NBFIs	**52,613,236**	64,104,495
		1,269,738,684	646,369,743
20.	**MARK-UP / RETURN / INTEREST EXPENSED**		
	Deposits	**221,607,012**	164,441,394
	Borrowings	**83,151,544**	71,088,026
	Lease liabilities	**15,913,036**	10,523,344
		320,671,592	246,052,764

		30 September 2025 (Un-audited)	30 September 2024 (Un-audited)
		--------Rupees--------	
21.	**OPERATING EXPENSES**		
	Total compensation expense	**334,009,456**	250,146,220
	Contribution to defined benefit plan	**3,600,000**	3,600,000
	Directors' fees and allowances	**1,320,992**	591,737
	Insurance	**2,089,403**	12,513,438
	Utilities	**11,106,261**	10,593,711
	IT equipment and software maintenance	**8,118,423**	6,911,340
	Staff welfare	**6,030,680**	4,252,015
	Fee and subscription	**9,601,916**	8,929,426
	Bank charges	**4,678,247**	3,620,028
	Legal and professional charges	**108,000**	147,900
	Communication expenses	**7,334,661**	4,758,316
	Repair and maintenance expenses	**7,063,344**	5,297,163
	Stationery and printing	**5,076,216**	5,038,047
	Training & development	**849,494**	1,087,523
	Travelling & conveyance	**14,735,305**	11,273,346
	Advertisement and publicity	**715,115**	483,740
	Auditors' remuneration	**546,670**	313,217
	Depreciation	**9,117,863**	6,997,781
	Depreciation on right-of-use assets	**28,681,673**	24,061,925
	Amortization	**2,044,454**	1,430,051
	Others	**395,474**	616,269
		457,223,647	362,663,193

		30 September 2025 (Un-audited)	30 September 2024 (Un-audited)
		----------- Rupees -----------	
22.	**OTHER CHARGES**		
	Penalties imposed by State Bank of Pakistan	**-**	1,201,000
23.	**CREDIT LOSS ALLOWANCE & WRITE OFFS - NET**		
	Credit loss allowance for diminution in value of investments	**50,231**	-
	Credit loss allowance against loans & advances	**145,192,716**	73,710,443
	Insurance claim	**-**	-
	Credit loss allowance - markup accrued	**2,253,842**	-
	Credit loss allowance against balances with other banks	**53,111**	(7,943)
	Advances written off directly	**1,918,617**	5,152,492
	Credit loss allowance against other assets		283,254
		149,468,517	79,138,246
24.	**TAXATION**		
	Current tax	**163,656,410**	74,640,517
	Deferred tax	**(39,837,451)**	(21,601,233)
		123,818,959	53,039,284
25.	**BASIC EARNINGS PER SHARE**		
	Profit for the period / year	**218,555,970**	124,751,768
	Weighted average number of ordinary shares (Number)	**100,000,000**	100,000,000
	Basic earnings per share (Rupees)	**2.19**	1.25

FAIR VALUE MEASUREMENTS

Assets and liabilities measured at fair value in the statement of financial position are grouped into three levels of fair value hierarchy. This grouping is determined based on the lowest level of significant inputs used in fair value measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial instrument in level 1

Currently, no financial instruments are classified in level 1.

Financial instrument in level 2

Currently, no financial instruments are classified in level 2.

Financial instrument in level 3

Currently, no financial instruments are classified in level 3.

The fair value of assets and liabilities except for staff loan and non-performing advances, their carrying values since these assets and liabilities are either short term in nature or frequently repriced in case of customer loan and deposits.

The fair value of staff loan cannot be calculated with sufficient reliability due to the absence of current and active market for such assets and reliable data regarding market rates for similar instruments. The provision for non-performing advances is calculated in accordance with the Bank's accounting policy as stated in policy note.

27. RELATED PARTY TRANSACTIONS

The MFB has related party transactions with its parent, subsidiaries, associates, joint ventures, employee benefit plans and its directors and Key Management Personnel.

The MFB makes contributions to employee retirement benefit plans and accruals related to these benefits in line with the terms of the actuarial valuations or established contribution plans. Furthermore, executive and officer remuneration is determined according to the terms specified in their respective contracts and appointments.

Details of transactions with related parties during the period / year, other than those which have been disclosed elsewhere in these condensed interim financial statements are as follows:

	30 September 2025 (Un-audited)				31 December 2024 (Audited)			
	Parent	Directors	Key management personnel	Other related parties	Parent	Directors	Key management personnel	Other related parties
	-------Rupees-------							
Balances with other MFBs / banks / NBFIs								
In current accounts	**5,120,000**	**-**	**-**	**-**	2,267,000	-	-	-
In deposit accounts	**91,160,955**	**-**	**-**	**-**	218,610,000	-	-	-
	96,280,955	**-**	**-**	**-**	220,877,000	-	-	-
Investments								
Opening balance	**-**	**-**	**-**	**233,228,768**	-	-	-	144,408,445
Investment made during the period / year	**-**	**-**	**-**	**493,432,145**	-	-	-	685,000,000
Investment redeemed / disposed off during the period / year	**-**	**-**	**-**	**(480,000,000)**	-	-	-	(596,179,677)
Transfer in / (out) - net	**-**	**-**	**-**	**-**	-	-	-	-
Closing balance	**-**	**-**	**-**	**246,660,913**	-	-	-	233,228,768
Credit loss allowance for diminution in value of investments	**-**	**-**	**-**	**-**	-	-	-	-
Advances								
Opening balance	**-**	**-**	**22,601,490**	**-**	-	-	28,324,888	-
Addition during the period / year	**-**	**-**	**-**	**-**	-	-	-	-
Repaid during the period / year	**-**	**-**	**(2,836,006)**	**-**	-	-	(4,907,487)	-
Transfer in / (out) - net	**-**	**-**	**-**	**-**	-	-	-	-
Closing balance	**-**	**-**	**19,765,484**	**-**	-	-	23,417,401	-
Credit loss allowance held against advances	**-**	**-**	**-**	**-**	-	-	-	-

	30 September 2025 (Un-audited)				31 December 2024 (Audited)			
	Parent	Directors	Key management personnel	Other related parties	Parent	Directors	Key management personnel	Other related parties
	-------Rupees-------							
Borrowings								
Opening balance	**360,000,000**	**-**	**-**		-	-	-	-
Borrowings during the period / year	-	**-**	**-**	**-**	360,000,000	-	-	-
Settled during the period / year	**210,000,000**	**-**	**-**	**-**	-	-	-	-
Transfer in / (out) - net	-	**-**	**-**	**-**	-	-	-	-
Closing balance	**150,000,000**	**-**	**-**	**-**	360,000,000	-	-	-
Deposits and other accounts								
Opening balance	**-**	**-**	**5,507**	**-**	-	-	5,507	-
Received during the period / year	**-**	**-**	**-**	**-**	-	-	-	-
Withdrawn during the period / year	**-**	**-**	**-**	**-**	-	-	-	-
Transfer in / (out) - net	**-**	**-**	**-**	**-**	-	-	-	-
Closing balance	**-**	**-**	**5,507**	**-**	-	-	5,507	-
Other Liabilities								
Payable to staff retirement fund	**-**	**-**	**13,571,601**	**-**	-	-	10,762,541	-

	30 September 2025 (Un-audited)				31 December 2024 (Audited)			
	Parent	Directors	Key management personnel	Other related parties	Parent	Directors	Key management personnel	Other related parties
	-------Rupees-------							
Income								
Mark-up / return / interest earned	**9,221,500**	**-**	**-**	**-**	6,916,814	-	499,386	-
Expense								
Mark-up / return / interest Exp	**16,172,190**				-	-	-	-
Insurance premium	**-**				-	-	-	12,184,061
Insurance claims settled					-	-	-	6,524,458
Remuneration					-	-	24,055,969	-
Other					-	120,000	2,521,000	-

	30 September 2025 (Un-audited)	31 December 2024 (Audited)
	--------Rupees--------	

28. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	30 September 2025	31 December 2024
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	**1,473,201,021**	1,254,644,354
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	**1,419,482,052**	1,166,044,487
Eligible Additional Tier 1 (ADT 1) Capital	**-**	-
Total Eligible Tier 1 Capital	**1,419,482,052**	1,166,044,487
Eligible Tier 2 Capital	**85,351,210**	66,792,221
Total Eligible Capital (Tier 1 + Tier 2)	**1,504,833,263**	1,232,836,709
Risk Weighted Assets (RWAs):		
Credit Risk	**3,031,559,882**	2,238,503,484
Operational Risk	**186,651,113**	117,636,516
Total	**3,218,210,994**	2,356,140,000
Common Equity Tier 1 Capital Adequacy ratio	**1,419,482,052**	1,166,044,487
Tier 1 Capital Adequacy Ratio		
Total Capital Adequacy Ratio	**44.11%**	44.26%

29. GENERAL

29.1 Amounts in these condensed interim financial statements have been rounded off to the nearest rupee except stated otherwise.

30. DATE OF AUTORIZATION

These condensed interim financial statements were authorized for issue on ______________ by the Board of Directors of the Bank.

President/Chief Executive	Chairman	Chief Financial Office	Director	Director