LOLC MICROFINANCE BANK LIMITED

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

BDO Ebrahim & Co. Chartered Accountants
BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF LOLC MICROFINANCE BANK LIMITED

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **LOLC Microfinance Bank Limited** ("the Bank") as at June 30, 2025 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim cash flow statement, and notes to the financial statements for the six-month period then ended (herein after referred as the "condensed interim financial statements"). Management is responsible for the preparation and fair presentation of condensed interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on the condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other Matter

Pursuant to the requirement of Section 237 (1) (b) of the Companies Act 2017, only cumulative for the half year, presented in the second quarter accounts are subject to a limited scope review by the statutory auditor of the company. Accordingly, the figures for the "condensed interim profit and loss account and condensed interim statement of comprehensive income for the three months period ended June 30, 2025 have not been reviewed by us.

The engagement partner on the review resulting in this independent auditors' review report is Atif Riaz.

ISLAMABAD

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

DATED:
UDIN:

LOLC MICROFINANCE BANK LIMITED
CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	Note	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
		-------- Rupees --------	
ASSETS			
Cash and balances with treasury banks	7	1,679,223,356	460,010,780
Balances with other banks	8	1,465,628,348	1,673,311,932
Lendings to financial institutions		-	-
Investments	9	1,050,141,829	567,398,711
Advances	10	5,735,790,604	4,138,259,964
Property and equipment	11	237,440,186	185,176,015
Right-of-use assets	12	277,161,270	212,020,792
Intangible assets	13	55,799,355	42,709,137
Deferred tax assets	14	414,950,394	409,026,891
Other assets	15	544,278,448	268,250,698
		11,460,413,790	7,956,164,920
LIABILITIES			
Bills payable		-	-
Borrowings	16	1,176,999,000	-
Deposits and other accounts	17	8,084,929,475	5,434,711,765
Lease liabilities	18	305,443,684	255,934,517
Subordinated debt		-	-
Deferred tax liabilities		-	-
Other liabilities	19	652,012,782	651,754,739
		10,219,384,941	6,342,401,021
NET ASSETS		1,241,028,849	1,613,763,899
REPRESENTED BY			
Share capital		3,220,000,000	3,220,000,000
Reserves		183,178,511	183,178,511
Surplus on revaluation of assets - net of tax	20	27,469,740	897,663
Unappropriated loss		(2,189,619,402)	(1,790,312,275)
		1,241,028,849	1,613,763,899
CONTINGENCIES AND COMMITMENTS	21		

The annexed notes 1 to 38 form an integral part of these condensed interim financial statements (un-audited).

President	Chief Financial Officer	Director	Director	Director

LOLC MICROFINANCE BANK LIMITED
CONDENSED PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2025

	Note	Quarter Ended		Period Ended	
		June, 30 2025	June, 30 2024	June, 30 2025	June, 30 2024
		Rupees			
Mark-up / Return / Interest earned	22	680,319,138	498,281,282	1,290,075,681	991,549,894
Mark-up / Return / Interest expensed	23	(350,049,496)	(165,844,617)	(665,709,046)	(353,171,601)
Net mark-up / interest income		330,269,642	332,436,665	624,366,635	638,378,293
NON MARK-UP / INTEREST INCOME					
Fee and commission income	24	57,068,861	32,755,153	93,564,703	89,475,505
Dividend income		-	-	-	-
Foreign exchange loss		(2,571,359)	-	(2,571,359)	-
Income / (Loss) from derivatives		-	-	-	-
Gain / (Loss) on securities		-	-	-	-
Net gains/(loss) on derecognition of financial assets measured at amortised cost		-	-	-	-
Other income	25	4,740,493	50,472,618	8,740,949	15,442,631
Total non-markup / interest income / (loss)		59,237,995	83,227,771	99,734,293	104,918,136
Total income		389,507,637	415,664,436	724,100,928	743,296,429
NON MARK-UP/INTEREST EXPENSES					
Operating expenses	26	527,162,062	423,050,605	1,042,154,550	873,964,412
Workers welfare fund		-	-	-	-
Other charges	27	-	-	-	2,716,000
Total non-markup / interest expenses		527,162,062	423,050,605	1,042,154,550	876,680,412
Loss before credit loss allowance		(137,654,425)	(7,386,169)	(318,053,622)	(133,383,983)
Credit loss allowance and write offs - net	28	(7,362,488)	(240,026,376)	(77,882,199)	(431,289,272)
LOSS BEFORE LEVIES AND TAXATION		(145,016,913)	(247,412,545)	(395,935,821)	(564,673,255)
Levies	29	(10,052,758)	(6,228,516)	(20,105,515)	(14,597,524)
LOSS BEFORE TAXATION		(155,069,671)	(253,641,061)	(416,041,336)	(579,270,779)
Taxation	30	16,734,209	969,804	16,734,209	2,214,859
LOSS AFTER TAXATION		(138,335,462)	(252,671,257)	(399,307,127)	(577,055,920)
Basic loss per share	31	(0.60)	(1.09)	(1.73)	(2.50)
Diluted loss per share	31	(0.60)	(1.09)	(1.73)	(2.50)

The annexed notes 1 to 38 form an integral part of these condensed interim financial statements (un-audited).

President **Chief Financial Officer** **Director** **Director** **Director**

LOLC MICROFINANCE BANK LIMITED
CONDENSED STATEMENT OF COMPREHENSIVE LOSS (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2025

	Quarter Ended		Period Ended	
	June, 30 2025	June, 30 2024	June, 30 2025	June, 30 2024
	Rupees			
Loss after taxation for the period	(138,335,462)	(252,671,257)	(399,307,127)	(577,055,920)
Other comprehensive income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in surplus on revaluation of investments	104,486	616,939	104,486	616,939
Related tax impact	(30,301)	(240,606)	(30,301)	(240,606)
Movement in surplus on revaluation of investments - net of tax	74,185	376,333	74,185	376,333
Items that will not be reclassified to profit and loss account in subsequent periods:				
Remeasurement of defined benefit obligation	-	9,175,453	-	9,175,453
Related tax impact	-	(3,676,777)	-	(3,676,777)
Remeasurement of defined benefit obligation - net of tax	-	5,498,676	-	5,498,676
Movement in surplus on revaluation of property and equipment	37,278,297	-	37,278,297	-
Related tax impact	(10,810,706)	-	(10,810,706)	-
Movement in surplus on revaluation of property and equipment - net of tax	26,467,591	-	26,467,591	-
Total comprehensive loss for the year	(111,793,686)	(246,796,248)	(372,765,351)	(571,180,911)

The annexed notes 1 to 38 form an integral part of these condensed interim financial statements (un-audited).

President **Chief Financial Officer** **Director** **Director** **Director**

LOLC MICROFINANCE BANK LIMITED
CONDENSED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2025

	Share capital	Share premium	Statutory reserve	Depositors' Protection Fund	Accumulated losses	Surplus on revaluation of assets -net of tax	Total
	---------- Rupees ----------						
Balance as at January 01, 2024 (Audited)	3,220,000,000	52,041,600	98,175,982	32,488,002	(853,100,056)	201,558	2,549,807,086
Loss after taxation for the half year ended June 30, 2024	-	-	-	-	(577,055,920)	-	(577,055,920)
Other comprehensive income for the half year ended June 30, 2024	-	-	-	-	5,498,676	376,333	5,875,009
Total comprehensive (loss) / income for the half year ended June 30, 2024	-	-	-	-	(571,557,244)	376,333	(571,180,911)
Transfer to Depositors' Protection Fund							
- 5% of the profit after tax	-	-	-	-	-	-	-
- return on investment - net of tax	-	-	-	472,927	-	-	472,927
	-	-	-	472,927	-		472,927
Balance as at June 30, 2024 (Un-Audited)	3,220,000,000	52,041,600	98,175,982	32,960,929	(1,424,657,300)	577,891	1,979,099,102
Loss after taxation for the half year ended December 31, 2024	-	-	-	-	(356,475,751)	-	(356,475,751)
Other comprehensive (loss) / income for the half year ended December 31, 2024	-	-	-	-	(9,179,224)	319,772	(8,859,452)
Total comprehensive (loss) / income for the half year ended December 31, 2024	-	-	-	-	(365,654,975)	319,772	(365,335,203)
Transfer to Depositors' Protection Fund							
- 5% of the profit after tax	-	-		-	-		-
- return on investment - net of tax	-	-		-	-		-
	-	-	-	-	-		-
Balance as at December 31, 2024 (Audited)	3,220,000,000	52,041,600	98,175,982	32,960,929	(1,790,312,275)	897,663	1,613,763,899
Loss after taxation for the half year ended June 30, 2025	-	-	-	-	(399,307,127)	-	(399,307,127)
Other comprehensive income for the half year ended June 30, 2025	-	-	-	-	-	26,572,077	26,572,077
Total comprehensive (loss) / income for the half year ended June 30, 2025	-	-	-	-	(399,307,127)	26,572,077	(372,735,050)
Transfer to Depositors' Protection Fund							
- 5% of the profit after tax	-	-	-	-	-	-	-
- return on investment - net of tax	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Balance as at June 30, 2025 (Un-Audited)	3,220,000,000	52,041,600	98,175,982	32,960,929	(2,189,619,402)	27,469,740	1,241,028,849

The annexed notes 1 to 38 form an integral part of these condensed interim financial statements (un-audited).

President **Chief Financial Officer** **Director** **Director** **Director**

LOLC MICROFINANCE BANK LIMITED
CONDENSED STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2025

	Note	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
		-------- Rupees --------	
CASH FLOW FROM OPERATING ACTIVITIES			
Operating (loss) / profit before working capital changes	32	(90,429,871)	40,520,284
(Increase)/Decrease in operating assets			
Advances		(1,793,836,157)	(798,854,349)
Other assets (excluding advance taxation)		(247,705,889)	198,936,983
		(2,041,542,046)	(599,917,366)
(Increase)/Decrease in operating liabilities			
Deposit and other accounts		2,650,217,710	1,254,288,257
Other liabilities		(11,295,713)	77,921,952
		2,638,921,997	1,332,210,209
		506,950,080	772,813,127
Levies / Income Tax Paid		(58,708,425)	(41,303,658)
Gratuity and leave encashment paid (including contribution)		(4,516,930)	(12,069,350)
		(63,225,355)	(53,373,008)
Net cash generated in operating activites		443,724,725	719,440,119
CASH FLOW FROM INVESTING ACTIVITES			
Net investment in classified as amortised cost		(485,416,410)	299,043,814
Net investment in classified as FVOCI		2,081,583	5,562,671
Rent paid against lease obligation		(51,997,574)	(37,807,231)
Investment in operating fixed assets		(48,468,179)	(30,922,289)
Investment in intangible assets		(25,394,153)	(6,545,157)
Sales proceeds of property and equipments disposed off		-	16,843,183
Net cash (used in) / generated from investing activities		(609,194,733)	246,174,991
CASH FLOWS FROM FINANCING ACTIVITIES			
Borrowing from SBP		1,176,999,000	(1,200,000,000)
Net cash generated from / (used in) financing activities		1,176,999,000	(1,200,000,000)
Increase / (Decrease) in cash and cash equivalents		1,011,528,992	(234,384,890)
Cash and cash equivalent at the beginning of the period		2,133,322,712	1,327,207,525
Cash and cash equivalent at the end of the period	33	3,144,851,704	1,092,822,635

The annexed notes 1 to 38 form an integral part of these condensed interim financial statements (un-audited).

President **Chief Financial Officer** **Director** **Director** **Director**

LOLC MICROFINANCE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2025

1 STATUS AND NATURE OF BUSINESS

LOLC Microfinance bank Limited formerly Pak Oman Microfinance bank Limited (the bank) was incorporated on 09 March 2006 as a public limited company under Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017 on 30 May 2017) and was granted license by the State bank of Pakistan (SBP) on 12 April 2006. The bank received certificate of commencement of business on 06 May 2006, effective from 08 May 2006. The bank's principal business is to provide microfinance services to the poor and under served segment of the society as envisaged under the Microfinance Institutions Ordinance, 2001. The Bank is a subsidiary of LOLC Asia (Private) Limited and LOLC Holdings PLC is the ultimate parent.

The registered office of the bank is situated at Park View Plaza, Bearing No. CB-6300, near Royal Palace Hotel, Jhelum Road, Rawalpindi. As at 31 December 2024, the bank has 87 branches (2023: 86) in operation in all provinces of Pakistan, and Azad Jammu & Kashmir other than Gilgit Baltistan, including the Federal Capital Islamabad and is licensed to operate nationwide.

In the year 2016, the Board of Directors of the bank entered into an agreement with LOLC PLC, the Parent Company, who in lieu of the agreement acquired the majority of the stake (50.1%) in the bank. In the year 2021, the remaining of the stake (49.9%) of the bank was acquired.

Name of the bank was rebranded from Pak Oman Microfinance bank Limited to LOLC Microfinance bank Limited with the approvals from SECP vide their document B 048901 dated October 10, 2022 and SBP vide their letter No. BPRD (LD-01) / 2022 -12317 dated December 12, 2022. Therefore, the bank shall be known as LOLC Microfinance bank Limited effective from January 01, 2023.

JCR-VIS has determined the bank's medium to long-term rating as 'A-' and the short-term rating as 'A2'.The rating was provided to the bank on May 05, 2025.

2 BASIS OF PRESENTATION

These financial statements are presented in accordance with the requirements of format as per BPRD Circular No. 03 of 2023 dated February 09, 2023. Further the financial statements are also presented in accordance with International Financial Reporting Framework (IFRS) as applicable in Pakistan.

2.1 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Provisions of and directives issued under The Microfinance Institutions Ordinance, 2001 (the MFI Ordinance) and the Companies Act, 2017; and

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, the requirements of the Microfinance Institution Ordinance, 2001, the Companies Act, 2017 and the said directives shall prevail.

2.2 The condensed interim financial statements does not include all the disclosures required in the annual audited financial statements, and should be read in conjunction with the financial statements (audited) of the bank for the year ended December 31, 2024.

2.3 Standards, interpretations and amendments to published approved accounting standards that are effective in the current period

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on January 01, 2025, however, these are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim financial statements.

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

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Figures for tax, gratuity and IBNR are provisional and subject to adjustment at year end.

IFRS 17 – 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However, SECP has notified the timeframe for the adoption of IFRS 17, which will be adopted by January 01, 2027.

The provisions for taxation for the six months period ended June 30, 2025, have been made using the estimated effective tax rate applicable to expected total annual earnings. The applicable income tax rate for the Tax Year 2025 is 39%, including super tax. Income tax expense is recognized in each interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year. Amounts accrued for income tax expense in one interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate of the annual income tax rate changes.

3 BASIS OF MEASUREMENT

The financial statements are prepared under the historical cost convention except:

- Investments measured at fair value through profit and loss and fair value through other comprehensive income.
- Right of use asset and lease liability initially measured at their present values.
- Obligation in respect of defined benefit plan at their present values.
- Motor vehicles at revaluation model.

4 MATERIAL ACCOUNTING POLICY INFORMATION

Except as disclosed in note 4.1.1, the material accounting policy information related to preparation of these condensed interim financials statements (un-audited) are consistent with those applied in preparation of annual audited financials statements (audited) of the bank for the year ended December 31, 2024.

4.1 Change in accounting policy

During the current period, the bank changed its accounting policy for the motor vehicle class of property, plant and equipment from the cost model to the revaluation model, in accordance with the options permitted under IAS 16 – Property, Plant and Equipment.

Previously, motor vehicles were measured at historical cost less accumulated depreciation and impairment losses (if any). Under the revised policy, motor vehicles are now carried at their revalued amounts, representing fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

This change has been made to enhance the relevance and reliability of information provided in the financial statements with respect to this asset class.

In line with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors and IAS 16 , this change in accounting policy has been applied prospectively from the date of revaluation.

The revaluation resulted in an increase in the carrying amount of motor vehicles, and the resulting surplus has been recognised in other comprehensive income and presented within equity under revaluation surplus.

4.1.1 Motor vehicles at revaluation model

Any revaluation increase arising on the revaluation of motor vehicles is recognised in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of motor vehicles is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus on property, plant and equipment relating to a previous revaluation of that asset. The revaluation reserve is not available for distribution to the Bank's shareholders. The surplus on revaluation to the extent of incremental depreciation charged (net of deferred tax) is transferred to unappropriated profit.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

6 FINANCIAL RISK MANAGEMENT

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

		Note	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
			-------- Rupees --------	
7	**CASH AND BALANCES WITH TREASURY BANKS**			
	In hand			
	- local currency		212,562,218	168,584,268
	Balance with State Bank of Pakistan (SBP)			
	-Local Currency current account	7.1	1,466,661,138	291,426,512
	Less: Credit loss allowance		-	-
			1,679,223,356	460,010,780

7.1 This represents current accounts maintained with SBP to meet the minimum balance requirement equivalent to 3% (2024: 5%) as cash reserve of Bank's demand and time deposits with tenor of less than 1 year in accordance with the Prudential Regulations.

		Note	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
			-------- Rupees --------	
8	**BALANCES WITH OTHER BANKS**			
	In Pakistan			
	- in current accounts		242,469,258	285,348,713
	- in deposit accounts	8.1	1,223,159,090	1,387,963,219
			1,465,628,348	1,673,311,932

8.1 These represents deposits with commercial banks carrying mark-up at rates ranging from 10% to 11.5% per annum (2024: 17% to 24% per annum).

9 INVESTMENTS

Investment by Type	June 30, 2025 (Un-audited) Fair Value / Amortised Cost	Credit Loss Allowance	Surplus / (Deficit)	Carring Value	December 31, 2024 (Audited) Cost / Amortised Cost	Provision for diminution	Surplus / (Deficit)	Carring Value
	Rupees				Rupees			
Classified as Amortised Cost								
Market treasury bills	938,035,685	-	-	938,035,685	512,619,275	-	-	512,619,275
Term deposit receipts (TDRs)	100,000,000	-	-	100,000,000	40,000,000	-		40,000,000
	1,038,035,685	-	-	1,038,035,685	552,619,275	-	-	552,619,275
Classified as FVOCI								
Term finance certificates (TFCs)	15,882,055	(15,882,055)	-	-	5,882,055	(5,882,055)	-	-
Sukuk	12,001,658	-	104,486	12,106,144	24,083,241	(10,000,000)	696,195	14,779,436
	27,883,713	(15,882,055)	104,486	12,106,144	29,965,296	(15,882,055)	696,195	14,779,436
Total Investments	1,065,919,398	(15,882,055)	104,486	1,050,141,829	582,584,571	(15,882,055)	696,195	567,398,711

9.1 Investments - Particulars of credit loss allowance

	June 30, 2025 (Un-audited) Stage 1	Stage 2	Stage 3	Total	December 31, 2024 (Audited) Stage 1	Stage 2	Stage 3	Total
	Rupees				Rupees			
9.1.1 Investments - Exposure								
Gross carrying amount	552,619,275	-	30,661,491	583,280,766	371,190,389	-	40,882,055	412,072,444
New Investments	775,520,896	-	-	775,520,896	341,428,886	-	-	341,428,886
Investments derecognised or repaid	(290,000,000)	-	(2,777,778)	(292,777,778)	(160,000,000)	-	(10,220,564)	(170,220,564)
Transfer to stage 1	-		-	-	-		-	-
Transfer to stage 2	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
	485,520,896	-	- 2,777,778	482,743,118	181,428,886	-	(10,220,564)	171,208,322
Amounts written off / charged off	-	-	-	-	-	-	-	-
Closing balance	1,038,140,171	-	27,883,713	1,066,023,884	552,619,275	-	30,661,491	583,280,766
9.1.2 Investments - Credit loss allowance								
Credit loss allowance Opening balance	-	-	15,882,055	15,882,055	-	-	15,882,055	15,882,055
New Investments	-	-	-	-	-	-	-	-
Investments derecognised or repaid	-	-	-	-	-	-	-	-
Transfer to stage 1	-	-	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Amounts written off / charged off	-	-	-	-	-	-	-	-
Changes in risk parameters	-	-	-	-	-	-	-	-
Credit loss allowance closing balance	-	-	15,882,055	15,882,055	-	-	15,882,055	15,882,055

		June 30, 2025 (Un-audited)		December 31, 2024 (Audited)	
		NPL	Credit loss allowance	NPL	Credit loss allowance
		-------- Rupees --------		-------- Rupees --------	
9.1.3 Particulars of credit loss allowance against debt securities					
Domestic					
Up to 29 days	Stage 1	-	-	-	-
Substandards	Stage 2	-	-	-	-
	Stage 3				
Doubtful		-	-	-	-
Loss		15,882,055	15,882,055	15,882,055	15,882,055
		15,882,055	15,882,055	15,882,055	15,882,055

9.1.4 The market value of securities classified at amortized cost as at June 30, 2025 amounted to Rs. 1,038.035 million (December 31, 2024: Rs. 552.619 million).

10 ADVANCES

Loan Type	Performing				Non Performing		Total	
	Stage 1		Stage 2		Stage 3			
	(Un-audited) June 30, 2025	(Audited) December 31, 2024	(Un-audited) June 30, 2025	(Audited) December 31, 2024	(Un-audited) June 30, 2025	(Audited) December 31, 2024	(Un-audited) June 30, 2025	(Audited) December 31, 2024
	-------- Rupees --------		-------- Rupees --------		-------- Rupees --------		-------- Rupees --------	
Microcredits								
Secured	3,632,591,218	1,694,102,577	17,700,235	16,630,650	25,612,755	21,449,678	3,675,904,208	1,732,182,905
Un-Secured	1,876,018,519	2,092,476,515	143,735,522	117,415,621	377,747,526	530,397,895	2,397,501,567	2,740,290,031
Staff Loan	39,646,620	38,652,104	-	-	-	-	39,646,620	38,652,104
Advances - gross	5,548,256,357	3,825,231,196	161,435,757	134,046,271	403,360,281	551,847,573	6,113,052,395	4,511,125,040
Credit loss allowance against advances								
Stage 1	85,335,990	99,373,639	-	-	-	-	85,335,990	99,373,639
Stage 2	-	-	26,493,556	16,442,000	-	-	26,493,556	16,442,000
Stage 3	-	-	-	-	265,432,245	257,049,437	265,432,245	257,049,437
	85,335,990	99,373,639	26,493,556	16,442,000	265,432,245	257,049,437	377,261,791	372,865,076
Advances - net of credit loss allowance	5,462,920,367	3,725,857,557	134,942,201	117,604,271	137,928,036	294,798,136	5,735,790,604	4,138,259,964

10.1 Advances - Particulars of credit loss allowance

10.1.1 Advances - Exposure

	June 30, 2025 (Un-audited)				December 31, 2024 (Audited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	---------- Rupees ----------				---------- Rupees ----------			
Gross carrying amount	3,825,231,196	134,046,271	551,847,573	4,511,125,040	3,294,843,555	179,699,248	645,942,317	4,120,485,120
New advances	4,520,899,832	19,938,043	4,403,564	4,545,241,439	4,855,565,980	141,840,525	95,162,139	5,092,568,644
Advances derecognised or repaid	(2,622,734,140)	(67,643,460)	(61,027,682)	(2,751,405,282)	(3,968,724,357)	(228,713,955)	455,661,285	(3,741,777,027)
Transfer to stage 1	10,046,631	(7,998,775)	(2,047,856)	-	1,179,760	(1,077,405)	(102,355)	-
Transfer to stage 2	(116,622,628)	121,344,034	(4,721,406)	-	(66,562,580)	66,756,957	(194,377)	-
Transfer to stage 3	(68,564,534)	(38,250,356)	106,814,890	-	(291,071,162)	(24,459,099)	315,530,261	-
	1,723,025,161	27,389,486	43,421,510	1,793,836,157	530,387,641	- 45,652,977	866,056,953	1,350,791,617
Amounts written off / charged off	-	-	(191,908,802)	(191,908,802)	-	-	(960,151,697)	(960,151,697)
Closing balance	5,548,256,357	161,435,757	403,360,281	6,113,052,395	3,825,231,196	134,046,271	551,847,573	4,511,125,040

	June 30, 2025 (Un-audited)				December 31, 2024 (Audited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	Rupees				Rupees			
10.1.2 Advances - Credit loss allowance								
Opening balance	396,657,058	16,442,000	(40,233,982)	372,865,076	200,358,424	-	323,725,344	524,083,768
New advances	56,496,540	6,778,223	3,269,385	66,544,148	79,780,736	8,871,293	50,268,417	138,920,446
Advances derecognised or repaid	(346,071,872)	(21,229,372)	309,709,104	(57,592,140)	(249,948,352)	(4,152,439)	(198,984,894)	(453,085,685)
Transfer to Stage 1	243,105	(217,451)	(25,654)	-	63,686	(59,517)	(4,169)	-
Transfer to Stage 2	(16,443,545)	17,317,176	(873,631)	-	(7,373,391)	7,388,998	(15,607)	-
Transfer to Stage 3	(46,763,068)	(22,198,875)	68,961,943	-	(121,678,284)	(10,176,149)	131,854,433	-
	(352,538,840)	(19,550,299)	381,041,147	8,952,008	(299,155,605)	1,872,186	(16,881,820)	(314,165,239)
Provision charge for the year	41,217,772	29,601,854	116,533,883	187,353,509	495,454,239	14,569,814	613,074,191	1,123,098,244
Amounts written off/charged Off	-	-	(191,908,802)	(191,908,802)	-	-	(960,151,697)	(960,151,697)
Changes in risk parameters	-	-	-	-	-	-	-	-
Closing balance	85,335,990	26,493,555	265,432,246	377,261,791	396,657,058	16,442,000	(40,233,982)	372,865,076
10.2 Credit loss allowance details								
Outstanding gross exposure								
Performing - Stage 1	5,548,256,357	-	-	5,548,256,357	3,825,231,196	-	-	3,825,231,196
Under Performing - Stage 2	-	161,435,757		161,435,757	-	134,046,271		134,046,271
Non- Perfroming Stage- 3								
Substandard	-	-	137,845,951	137,845,951	-	-	195,323,060	195,323,060
Doubtful	-	-	79,832,068	79,832,068	-	-	251,954,910	251,954,910
Loss	-	-	185,682,262	185,682,262	-	-	104,569,603	104,569,603
	-	-	403,360,281	403,360,281	-	-	551,847,573	551,847,573
	5,548,256,357	161,435,757	403,360,281	6,113,052,395	3,825,231,196	134,046,271	551,847,573	4,511,125,040
Corresponding credit loss allowance								
Stage 1	85,335,990	-	-	85,335,990	396,657,058	-	-	396,657,058.0
Stage 2	-	26,493,555	-	26,493,555	-	16,442,000	-	16,442,000.0
Stage 3	-	-	265,432,246	265,432,246	-	-	(40,233,982)	(40,233,982)
	85,335,990	26,493,555	265,432,246	377,261,791	396,657,058	16,442,000	(40,233,982)	372,865,076

	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
10.3 Particulars of write offs	Rupees	
Against provision	191,908,802	858,252,152
Directly charged to profit or loss account	-	101,899,545
	191,908,802	960,151,697

	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
	-------- Rupees --------	
11 PROPERTY AND EQUIPMENT		
Property and equipment	237,440,186	185,176,015

11.1 Additions to property and equipment

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

Leasehold improvements (Building's fixtures)	15,365,229	39,237,266
Office equipment	27,931,727	9,007,474
Furniture and fixture	4,264,093	36,075,301
Computers	907,130	14,018,836
Total	48,468,179	98,338,877

11.2 Disposal of property and equipment

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

Vehicles	-	4,198,217

11.3 Revaluation of property plant and equipment

11.3.1 The bank has adopted the revaluation model for subsequent measurement of motor vehicles. Details of revaluation carried out by the Company are as follows:

Vehicles are revalued on 30 June 2025 by W.W Engineering Services (Pvt) Ltd an independent firm of valuers. The revaluation is based on vehicle condition and market prices. At the above date, the revaluation resulted in a surplus of Rs. 37.278 million.

11.3.2 Had there been no revaluation, the net book value of the specific classes of property, plant and equipment would have been as follows:

	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
	-------- Rupees --------	
Motor Vehicles	24,452,703	27,998,803
	24,452,703	27,998,803

11.3.3 The forced sale value of the revalued property, plant and equipment has been assessed at Rs. 52.866 million on June 30, 2025.

		June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
		-------- Rupees --------	
12	**RIGHT-OF-USE ASSETS**		
	Buildings	277,161,270	212,020,792
12.1	**Movement in Right of Use Asset**		
	Opening balance		
	Cost	373,055,517	335,981,347
	Accumulated Depreciation	(161,034,725)	(112,935,266)
	Net Carrying amount	212,020,792	223,046,081
	Additions during the period	91,076,560	37,074,170
	Depreciation Charge for the period	(25,936,082)	(48,099,459)
	Closing balance	277,161,270	212,020,792
13	**INTANGIBLE ASSETS**		
	Computer software	55,799,355	42,709,137
13.1	**Additions to intangible assets**		
	The following additions have been made to intangible assets during the period:		
	Directly purchased	25,394,153	42,276,263
	Total	25,394,153	42,276,263
13.2	**Disposals of intangible assets**		
	The net book value of intangible assets disposed off during the period is as follows:		
	Directly purchased	-	-
	Total	-	-
14	**DEFERRED TAX ASSETS**		
	Deductible temporary differences on		
	- Tax losses carried forward	227,466,279	162,791,514
	- Current Tax Loss	-	64,674,765
	- Post retirement employee benefits	13,816,923	11,088,687
	- Provision for leave fare assistance	20,456	82,190
	- Provision for compensated absences	8,816,295	260,311
	- Accelerated tax depreciation against operating fixed assets	11,170,788	6,354,955
	- Credit loss allowance against advances	109,405,919	108,130,872
	- Credit loss allowance against investments	4,605,796	13,113,964
	- Minimum tax under section 113	45,586,157	28,181,391
	- lease obligation	88,578,668	74,221,040
		509,467,281	468,899,689

	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
	-------- Rupees --------	
Taxable temporary differences on		
- Surplus on revaluation of investments	30,301	-
- Surplus on revaluation of property and equipment	10,810,706	-
- Accelerated tax depreciation against right-of-use assets & computer software	83,675,880	59,872,798
	94,516,887	59,872,798
	414,950,394	409,026,891

15 OTHER ASSETS

Income / Mark-up accrued in local currency - net of credit loss allowance	311,691,540	117,659,055
Advances, deposits, advance rent and other prepayments	114,985,382	64,692,839
Advance taxation / refundable taxes	108,352,799	80,030,938
Others	9,248,727	5,867,866
	544,278,448	268,250,698
Less: Credit loss allowance held against other assets	-	-
Total	544,278,448	268,250,698

15.1 Credit loss allowance held against other assets

Advances, deposits, advance rent & other prepayments	-	-
	-	-

	Note	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
		-------- Rupees --------	
16 BORROWINGS			
Unsecured			
Borrowing from State Bank of Pakistan	16.1	1,176,999,000	-

16.1 This represents Line of Credit facility carrying interest at 6 month KIBOR minus 100 bps and is repayable in June 30, 2030.

	Note	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
		-------- Rupees --------	
17 DEPOSITS AND OTHER ACCOUNTS			
Customers			
Current deposits		52,306,831	27,228,695
Savings deposits		200,031,355	66,200,445
Term deposits		7,832,591,289	5,341,282,625
		8,084,929,475	5,434,711,765
Financial Institutions		-	-
		8,084,929,475	5,434,711,765
18 LEASE LIABILITIES			
Opening Balance		255,934,517	251,940,707
Additions during the period		78,718,154	27,940,386
Interest expense		22,788,587	44,910,102
Payment		(51,997,574)	(68,856,678)
Closing Balance		305,443,684	255,934,517
19 OTHER LIABILITIES			
Mark-up / Return / Interest payable in local currency		190,174,767	129,823,264
Accrued expenses		91,042,258	77,532,264
Payable to shareholders	19.1	266,466,451	341,539,772
Payable to defined benefit plan		47,644,562	38,236,853
Withholding taxes payable		22,687,968	33,266,261
Provision for compensated absences		30,401,016	27,901,016
Sales taxes		2,801,284	2,256,446
Provision for leave fare assistance		(70,537)	283,416
Security Deposit		744,140	800
Zakat Payable		-	(22,700)
Payable to customer		120,873	937,347
		652,012,782	651,754,739

19.1 Payable to shareholder represents amount of Rs. 266.466 million which is payable to LOLC Technology Services Limited.

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

20 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX

Surplus / (deficit) on revaluation of		
-FVOCI - debt	1,002,149	1,099,533
-Property and equipment	26,467,591	(201,870)
	27,469,740	897,663
	27,469,740	897,663

21 CONTINGENCIES AND COMMITMENTS

21.1 Contingencies

The Company has no contingencies as at June 30, 2025 (2024: nil).

21.2 Commitments

The Company has no commitments as at June 30, 2025 (2024: nil).

	June 30, 2025 (Un-audited)	June 30, 2024 (Un-audited)
	-------- Rupees --------	

22 MARK-UP RETURN/ INTEREST EARNED

Interest / mark-up on:		
Loans and advances	1,122,430,484	868,006,466
Investments	53,143,838	44,642,670
Balances with other banks	114,501,359	78,900,758
	1,290,075,681	991,549,894
22.1 Interest income (calculated using effective interest rate method) recognised on:		
Financial assets measured at amortised cost	1,350,896	2,740,119
	1,350,896	2,740,119

23 MARK-UP / RETURN / INTEREST EXPENSED

Deposits	632,572,293	155,853,210
Borrowings	10,348,166	175,233,497
Lease liabilities	22,788,587	22,084,894
	665,709,046	353,171,601
23.1 Interest income (calculated using effective interest rate method) recognised on:		
Finance cost on borrowings from SBP	10,348,166	175,233,497

		Note	June 30, 2025 (Un-audited)	June 30, 2024 (Un-audited)
			-------- Rupees --------	
24	**FEE AND COMMISSION INCOME**			
	Fee and commission income		73,859,867	55,172,295
	Overdue interest		19,704,836	34,300,774
	Miscellaneous income		-	2,436
			93,564,703	89,475,505
25	**OTHER INCOME**			
	Gain on disposal of fixed assets		1,157,709	7,759,333
	Moratorium income		7,417,914	7,623,408
	Miscellaneous income		165,326	59,890
			8,740,949	15,442,631
26	**OPERATING EXPENSES**			
	Total compensation expense	26.1	563,507,756	556,453,878
	Property expense			
	Rent, rates and taxes		32,338,779	27,152,849
	Repairs and maintenance		7,483,786	4,378,498
	Insurance		24,159,909	23,670,834
	Depreciation on property and equipment		33,809,598	28,535,277
	Depreciation on right-of-use assets		26,336,191	21,214,537
			124,128,263	104,951,995
	Information technology expenses			
	IT supplies and software		57,066,204	17,476,148
	Fusion expenses		39,883,372	36,239,376
	Amortisation of intangible assets		12,303,935	5,337,961
			109,253,511	59,053,485
	Other operating expenses			
	Travel and transportation		15,968,149	14,245,459
	Stationery and printing		7,983,163	8,962,645
	Training		802,260	2,769,803
	Legal and professional charges		4,578,665	3,439,789
	Utilities		21,625,030	14,611,635
	Communications		35,725,144	30,569,776
	Vehicle running		1,713,693	3,878,232
	Office supplies		8,654,601	5,729,498
	Fees and subscription		10,806,978	7,006,405
	Advertisement and business promotions		51,432,631	12,257,828
	Bank charges		6,921,303	2,087,034
	Security expense		52,935,039	24,238,950
	Kitchen expenses		4,831,490	4,256,506

	Note	June 30, 2025 (Un-audited)	June 30, 2024 (Un-audited)
		-------- Rupees --------	
Entertainment expenses		5,124,412	4,148,554
Archiving		1,191,945	2,935,766
Fuel Expenses		7,954,457	3,593,059
Auditors' remuneration	25.2	1,436,938	1,067,400
Other expenses		5,579,122	7,706,715
		245,265,020	153,505,054
		1,042,154,550	873,964,412

26.1 Total compensation expense

Salaries, allowances etc.	524,423,286	512,030,184
Bonus to employees	14,500,000	24,000,000
Contribution to defined contribution plan	14,615,074	11,028,279
Charge for defined benefit plan	9,407,709	9,337,607
Charge for leave fare assistance	49,056	1,577
Non-executive directors' allowances and other expenses	348,732	-
Medical staff	163,899	56,231
Total	563,507,756	556,453,878

26.2 Auditors' remuneration

Audit services		
Audit fee	970,000	796,700
Out of pocket expenses	466,938	270,700
	1,436,938	1,067,400

27 OTHER CHARGES

Penalties imposed by State Bank of Pakistan	-	2,716,000

28 CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET

Credit loss allowance against loans & advances	187,353,509	501,623,152
Bad debts written off directly	-	1,000,000
Recovery of written off / charged off bad debts	(109,471,310)	(71,333,880)
	77,882,199	431,289,272

29 LEVIES

Minimum tax differential	20,105,515	14,597,524

29.1 The company has recoreded minimum tax under Section (113) of the Income Tax Ordinance, 2001 against which deferred tax asset has been recorded as it is expected to be realized in subsequent tax years.

	June 30, 2025 (Un-audited)	June 30, 2024 (Un-audited)
	-------- Rupees --------	

30 TAXATION

For the year		
- current	-	-
- deferred	16,734,209	2,214,859
	16,734,209	2,214,859

30.1 The Finance Act 2007 had introduced amendments to the Income Tax Ordinance, 2001, through which income of Microfinance Banks has been conditionally exempted from tax for five years commencing 1 January 2008 under clause 66 (viii) of Part I of the Second Schedule. However, the Finance Act 2007 had also introduced the Seventh Schedule to the Income Tax Ordinance, 2001 which is applicable to Banking Companies. Under Rule 8 of the Seventh Schedule, no exemptions of the Second Schedule are to apply to Banking Companies. The exemption of Clause 66 (viii) therefore appears to be overruled by Rule 8 of the Seventh Schedule. However, based on the opinion of the Bank's lawyer, the Bank continues to prepare and submit its tax returns as a microfinance institution and does not follow the Seventh Schedule.

	June 30, 2025 (Un-audited)	June 30, 2024 (Un-audited)

31 LOSS PER SHARE - BASIC AND DILUTED

Loss after taxation (Rupees)	(399,307,127)	(577,055,920)
Weighted average number of ordinary shares (Numbers)	230,830,000	230,830,000
Earnings per share - basic and diluted (Rupees)	(1.73)	(2.50)

32 OPERATING (LOSS) / PROFIT BEFORE WORKING CAPITAL CHANGES

Loss before levies and taxation	(395,935,821)	(564,673,255)
Adjustments for non cash charges:		
Depreciation on property and equipment	33,809,598	28,535,277
Depreciation on right-of-use assets	26,336,191	21,214,537
Amortisation of intangible assets	12,303,935	5,337,961
Credit loss allowance and write-offs	187,353,509	512,372,760
Gain on disposal of fixed assets	(1,157,709)	- 7,759,333
Finance cost on lease obligations	22,788,587	22,084,894
Contribution to defined contribution plan	14,615,074	11,028,279
Provision for gratuity	9,407,709	9,337,607
Reversal of refundable tax	-	3,039,980
Provison for leave fare assistance	49,056	1,577
	305,505,950	605,193,539
	(90,429,871)	40,520,284

	June 30, 2025 (Un-audited)	June 30, 2024 (Un-audited)
	-------- Rupees --------	

33 CASH AND CASH EQUIVALENTS

Cash and balances with treasury banks	1,679,223,356	462,526,726
Balances with other banks	1,465,628,348	630,295,909
	3,144,851,704	1,092,822,635

34 FAIR VALUE MEASUREMENT

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

The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

The MFB measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

34.1 The table below analyzes financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	June 30, 2025 (Un-audited)			
	Level 1	Level 2	Level 3	Total
	---------- Rupees ----------			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investmnents				
- Non-Government debt securities	12,106,144	-	-	12,106,144
	12,106,144	-	-	12,106,144
Financial assets - disclosed but not measured at fair value				
Investmnents				
- Federal Government Securities	-	938,035,685	-	938,035,685
- Non-Government debt securities	-	100,000,000	-	100,000,000
	-	1,038,035,685	-	1,038,035,685
Off-balance sheet financial instruments - measured at fair value	-	-	-	-
	12,106,144	1,038,035,685	-	1,050,141,829

	December 31, 2024 (Audited)			
	Level 1	Level 2	Level 3	Total
	---------- Rupees ----------			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investmnents				
- Non-Government debt securities	14,779,436	-	-	14,779,436
	14,779,436	-	-	14,779,436
Financial assets - disclosed but not measured at fair value				
Investmnents				
- Federal Government Securities	-	512,619,275	-	512,619,275
- Non-Government debt securities	-	40,000,000	-	40,000,000
	-	552,619,275	-	552,619,275
Off-balance sheet financial instruments - measured at fair value	-	-	-	-
	14,779,436	552,619,275	-	567,398,711

35 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 enters into transacitons with related paties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment.

Details of transacitons with related parties during the period, other than those which have been disclosed elsewhere in these financial

	June 30, 2025 (Un-Audited)			December 31, 2024 (Audited)		
	Directors	Key management personnel	Other related parties	Directors	Key management personnel	Other related parties
	-------- Rupees --------			-------- Rupees --------		
Balances with related parties						
Balances with other banks / MFBs / DFIs	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Advances						
Opening balance	-	17,187,052	-	-	56,854,569	-
Addition during the period / year	-	7,558,000	-	-	13,510,750	-
Repaid during the period / year	-	(8,266,683)	-	-	(53,178,267)	-
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	-	16,478,369	-	-	17,187,052	-
Other Assets	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-
Deposits and other accounts	-	-	-	-	-	-
Other liabilities						
Payable to staff retirement fund	-	-	47,644,562	-	-	38,236,853
Payable against IT services						
- to LOLC technology services limited	-	-	266,466,451	-	-	341,539,772
	-	-	314,111,013	-	-	379,776,625
Contingencies and commitments	-	-	-	-	-	-

	June 30, 2025 (Un-Audited)			June 30, 2024 (Un-Audited)		
	Directors	Key management personnel	Other related parties	Directors	Key management personnel	Other related parties
	-2189619402			-2189619402		
Transactions with related parties						
Income						
Markup income	-	1,350,896	-	-	830,711	-
Expense						
Remuneration to key management personnel	-	37,055,445	-	-	74,110,890	-
Non-executive director's fee / remuneration	200,000	-	-	500,000	8,480,000	-
Charge for defined contribution plan	-	-	14,615,074	-	-	11,028,279
Charge for defined benefit plan	-	-	9,407,709	-	-	9,337,607
System Maintenance (Fusion charges)	-	-	39,883,372	-	-	36,239,376
	200,000	37,055,445	63,906,155	500,000	82,590,890	56,605,262

The term 'related party' shall have the same meaning as specified under IAS 24 - Related party disclosures.

36 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
	-------- Rupees --------	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	1,082,422,198	1,429,687,725

As per amendments on Prudential Regulations (R-1) issued vide BPRD Circular No. 10 of 2015 dated June 03, 2015, the minimum paid up capital requirement (MCR), free of losses for Microfinance Banks operating at national level is Rs. 1,000 million.

The Bank manages its capital structure and makes adjustments to it in light of changes in regulatory and economic conditions. In order to maintain or adjust the capital structure, the Bank may adjust the amount of dividend paid to shareholders, return capital to shareholders or issue new shares.

	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
	-------- Rupees --------	
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	823,878,623	1,301,440,208
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	823,878,623	1,301,440,208
Eligible Tier 2 Capital	59,428,520	32,960,929
Total Eligible Capital (Tier 1 + Tier 2)	883,307,143	1,334,401,137
Risk Weighted Assets (RWAs):		
Credit risk	2,674,184,667	2,407,405,128
Operational risk	2,214,815,333	2,081,299,333
	4,889,000,000	4,488,704,461
Common Equity Tier 1 Capital Adequacy Ratio	16.85%	28.99%
Tier 1 Capital Adequacy Ratio	16.85%	28.99%
Total Capital Adequacy Ratio	18.07%	18.07%

At present, the Bank defines capital as shareholders' equity i.e. share capital and reserves. The capital of the Bank is managed keeping in view the minimum "Capital Adequacy Ratio" (15%) required by the Prudential Regulations for Microfinance Banks / Institutions. The adequacy of the capital is tested with reference to the risk-weighted assets of the Bank. The calculation of capital adequacy enables the Bank to assess the long-term soundness. As the Bank conducts business on a wide area network basis, it is critical that it is able to continuously monitor the exposure across the entire organisation.

37. GENERAL

Comparative information has been reclassified, rearranged or additionally incorporated in these financial statements for the purposes of better presentation.

Figures have been rounded off to the nearest Rupee unless otherwise specified.

Where there are no amounts to be disclosed in the account captions as prescribed by BSD Circular No. 3 dated February 9, 2023 issued by the State Bank of Pakistan (SBP) in respect of forms of financial statements for Microfinance Institutions / Banks, these captions have not been reproduced in these financial statements except for the statement of financial position and statement of profit or loss.

38. DATE OF AUTHORISATION

These financial statements were authorised for issue on _____ by the Board of Directors of the Bank.

President	**Chief Financial Officer**	**Director**	**Director**	**Director**