

# DIRECTORS' REVIEW REPORT

Half Year ended 30 June 2025



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

The Board of Directors is pleased to present the Condensed Interim unaudited financial statements for Raqami Islamic Digital Bank Limited ("RIDBL") for the half year ended 30 June 2025.

## Economic Review

The country's economic condition shows cautious optimism, with signs of recovery and improving outlook. This sentiment was further reinforced by Global Rating Agencies' recent upgrade of Pakistan's Foreign Currency rating from 'CCC+' to 'B-', citing a stable economic outlook supported by external account stabilization and fiscal consolidation, among other factors. The economy continues to face a complex mix of opportunities and challenges, as evident from persistent pressure in currency markets.

The Government has set a GDP growth target of 3.25% - 4.25%, while the multilateral agencies such as the International Monetary Fund ("IMF") and World Bank ("WB") have forecasted a moderate growth of around 3%. Their forecast takes into account the structural constraints, including limited exports growth, geopolitical uncertainties, a narrow tax base and the impact of global trade tensions driven by the U.S. tariff policies.

To keep the inflationary pressure in check, the State Bank of Pakistan ("SBP") has maintained the policy rate at 11%. This decision was attributed to a persistent core inflation and uncertain global economic environment.

## Pakistan's Digital Banking Landscape: Rapid Evolution and Strategic Growth

Pakistan's digital banking sector is undergoing a rapid transformation, poised to redefine the country's financial services ecosystem. This evolution is being led by the five digital banks licensed by the SBP, marking a significant shift toward technology-driven, branchless banking models. Easypaisa Digital Bank became the first to receive a full commercial license, while Mashreq Bank and Raqami Islamic Digital Bank have commenced Pilot operations under restricted licenses. Hugo Bank and Bank Buraq (formerly KT Bank) are currently in the preparatory stages of applying for their Pilot phase. These developments reflect the SBP's strategic vision to enhance financial inclusion by reducing dependence on physical infrastructure and promoting digital-first solutions.

This positive trajectory is further reinforced by strong growth in digital transactions, as outlined in SBP's Q3 FY25 Payment Systems Report. According to the report, digital channels processed 89% of all retail transactions by volume, signaling a strong shift toward electronic payment methods. Mobile and internet banking, branchless banking, and Electronic Money Institutions (EMIs) collectively facilitated 1.7 billion transactions worth PKR 27 trillion, underlining the growing adoption of app-based and wallet-enabled payments.

The number of internet banking users rose to 14.1 million, while digital wallets handled 44 million transactions during the quarter. E-commerce also maintained its growth momentum, expanding 40% in volume and 34% in value, with a rising preference for account-based and wallet payments. Concurrently, the country's digital infrastructure saw continued expansion, with 179,383 Point-of-Sale (PoS) terminals and 271 million ATM transactions, highlighting growing consumer confidence in digital payment systems. With nearly 58 million payment cards in circulation and a maturing infrastructure, Pakistan is well-positioned to support the sustained growth of digital banking.

# DIRECTORS' REVIEW REPORT

Half Year ended 30 June 2025



A standout achievement in Q3 was the continued progress of Raast, Pakistan's instant payment platform. Person-to-Person (P2P) transactions surged 25% quarter-over-quarter to 368 million, amounting to PKR 8 trillion, while Person-to-Merchant (P2M) transactions more than doubled to 1.5 million, valued at PKR 4.5 billion. This momentum is driven by the onboarding of over 770,000 merchants and the implementation of interoperable QR code-based payments, enabling faster, simpler, and more inclusive transactions.

SBP is also focused on developing the regulatory framework to foster financial inclusion. The regulator has introduced a consolidated framework for customer onboarding, requiring Banks and other Regulated Entities (REs) to provide digital payment solutions for merchants involved in in-store and online business activities. Recently, draft regulations on SME Financing have also been circulated, which are aimed to remove structural barriers in SME Finance encouraging banks to leverage technology and foster partnerships with Fin-techs and other non-financial service providers to better serve the financing needs of SMEs.

These advancements are integral to SBP's broader digitalization strategy, which includes the Licensing and Regulatory Framework Digital Banks. Raast participation and QR implementation guidelines, nationwide "Go Cashless", launch of Google Wallet and financial literacy campaigns, as well as forward-looking initiatives like the Central Bank Digital Currency (CBDC) pilot.

Further, various Government level initiatives have also been undertaken to further foster an enabling digital ecosystem, including establishment of the Pakistan Virtual Assets Regulatory Authority (PVARA) and the approval of the National AI Policy by the Federal Cabinet.

## Risk Overview

As a Digital Bank, RIDBL operates in a dynamic and rapidly evolving risk environment. During the Pilot Phase, Risk Function has already developed a robust Enterprise Risk Management framework including Risk Type Frameworks/Policies for all Principal Risk Types in terms of the Bank's business model. The Frameworks cover the key components such as the concept of three lines of defense, control model, Risk Committee Governance Structure, Stress Testing and Capital Adequacy Requirements, Data Aggregation and Dynamic Risk Scanning Process etc. Key developments also include development and deployment of Risk & Governance IT Systems and Processes, Risk Appetite Limits, Credit Risk Scoring Model, IFRS 9 ECL Model, Product Programs as per the Bank's business plan.

## Operational and Financial Review.

A key highlight of the period was successful commencement of Pilot operations after securing a restricted license from SBP on 13 May 2025. During this phase RIDBL's core banking system was operationalized; onboarding for employees and their family members commenced and critical integrations were completed.

RIDBL reported revenue of PKR 64.54 million for the half year ended 30 June 2025, primarily earned through treasury investments. The Bank posted a loss after tax of PKR 811.88 million, driven by operating expenses of PKR 875.47 million. These expenses largely relate to human resources, legal and professional charges, technology infrastructure and other foundational costs, as RIDBL moved towards operational readiness in alignment with SBP's digital banking framework. The Bank plans to leverage technology to achieve growth and sustainability in the future as per its business plan.



# DIRECTORS' REVIEW REPORT

Half Year ended 30 June 2025



| (Rs in 000)                                      |                  |                  |
|--|------------------|------------------|
| Half Year Ended                                  |                  |                  |
|  | June 30, 2025    | June 30, 2024    |
| <b>Net Profit / return</b>                       | <b>63,446</b>    | <b>89,651</b>    |
| <b>Total other income</b>                        | <b>1,096</b>     | <b>-</b>         |
| <b>Total Income</b>                              | <b>64,542</b>    | <b>89,651</b>    |
| <b>Total other expenses</b>                      | <b>875,475</b>   | <b>444,887</b>   |
| <b>Loss before provisions</b>                    | <b>(810,933)</b> | <b>(355,236)</b> |
| Credit loss allowance and reversals - net        | (19)             | -                |
| <b>LOSS BEFORE TAXATION</b>                      | <b>(810,952)</b> | <b>(355,236)</b> |
| <b>LOSS AFTER TAXATION</b>                       | <b>(811,880)</b> | <b>(356,346)</b> |
| <b>Basic and diluted loss per share (Rupees)</b> | <b>(3.04)</b>    | <b>(5.60)</b>    |

## Core Banking & IT Infrastructure

With the launch of the Pilot phase, the base level technology setup was operationalized including Core Banking, banking application and ancillary systems including Treasury, AML / Transaction Monitoring, Payment Systems (Euronet, 1 Link etc.). Key integrations including Nadra Biometric Integration and SBP connectivity were also successfully completed.

The Bank is utilizing cloud infrastructure (currently with onshore Huawei cloud), which offers flexibility to the Bank to support its growth.

The dedicated space for the Call Centre staff has been set up and a comprehensive call centre solution is in place to ensure timely complaint resolution and deliver enhanced experience for our customers.

## Information Security

Being a digital bank, world class information security architecture is being built at RIDBL. Some key initiatives include deployment of SOC (Security Operations Centre), implementation of Verimatrix - Mobile App Security Solution and Cyber Threat Intelligence Monitoring System. Further, the Bank is in the process of implementing ISO 27001 certification, an internationally recognized standard for Information Security Management System, which is expected to be completed by the end of September 2025.

## Data Science

The Data Science function is actively working to establish RIDBL's data ecosystem on cloud infrastructure. A centralized data lakehouse is being developed to serve enterprise-wide data needs. In parallel, the Bank has rolled out executive and operational dashboards across various domains for performance tracking, reporting and timely decision making.

Looking ahead, the data function will evolve into a strategic enabler—powering personalized customer experiences, real-time decisioning (including customer financing), and intelligent automation. The

# DIRECTORS' REVIEW REPORT

Half Year ended 30 June 2025



lakehouse will support advanced analytics, AI models, and self-service capabilities, positioning data as a core asset for innovation and growth across the Bank.

## Board Meetings

Meetings of the Board of Directors of RIDBL were held during the period, as per the following schedule:

| SR # | BOARD MEETING                  | DATE             |
|------|--------------------------------|------------------|
| 1.   | 11 <sup>th</sup> Board Meeting | 20 February 2025 |
| 2.   | 12 <sup>th</sup> Board Meeting | 17 April 2025    |
| 3.   | 13 <sup>th</sup> Board Meeting | 30 June 2025     |

The Board composition of Directors during this period includes the following Independent and Non-Executive Directors and the CEO, as Executive Director:

| SR # | NAME                      | CATEGORY               |
|------|---------------------------|------------------------|
| 1.   | Mr. Abdullah Al-Mutairi   | Non-Executive Director |
| 2.   | Mr. Yasser Malik*         | Non-Executive Director |
| 3.   | Mr. Atif Anwer            | Non-Executive Director |
| 4.   | Mr. Muhammad Farooq Nasim | Non-Executive Director |
| 5.   | Mr. Umair Aijaz           | Executive Director     |
| 6.   | Mr. Syed Nadeem Hussain*  | Executive Director     |
| 7.   | Mr. Naeem Abdul Sattar    | Non-Executive Director |
| 8.   | Mr. Ariful Islam          | Non-Executive Director |
| 9.   | Mr. Atif Azim             | Independent Director   |
| 10.  | Mr. Shahid Sattar         | Independent Director   |

\* Resigned/ left the Board during the half year ended 30 June 2025

## Shariah Board

The following individuals acted as members of the Shariah Board of RIDBL during the half year ended 30 June 2025:

| SR # | NAME                                   | TITLE                         |
|------|--|-------------------------------|
| 1.   | Dr. Mufti Muhammad Imran Ashraf Usmani | Chairman                      |
| 2.   | Mufti Hassaan Kaleem                   | Shariah Board Member          |
| 3.   | Mufti Muhammad Ashja Khan              | Resident Shariah Board Member |
| 4.   | Mufti Azfer Iqbal                      | Shariah Board Member          |
| 5.   | Mufti Muhammad Muaz Ashraf             | Shariah Board Member          |

## Board Committees

The following Directors served as members of the respective Board Committees during the half year ended 30 June 2025:



# DIRECTORS' REVIEW REPORT

Half Year ended 30 June 2025



| SR # | BOARD COMMITTEE                               | MEMBERS   |
|------|---|---|
| 1.   | Board Human Resource & Remuneration Committee | Mr. Naeem Abdul Sattar (Chairman)<br>Mr. Shahid Sattar<br>Mr. Atif Azim                                 |
| 2.   | Board Information Technology Committee        | Mr. Atif Azim (Chairman)<br>Mr. Atif Anwer<br>Mr. Ariful Islam<br>Mr. Umair Aijaz                       |
| 3.   | Board Audit Committee                         | Mr. Shahid Sattar (Chairman)<br>Mr. Naeem Abdul Sattar<br>Mr. Muhammad Farooq Nasim<br>Mr. Ariful Islam |
| 4.   | Board Risk Committee                          | Mr. Muhammad Farooq Nasim (Chairman)<br>Mr. Atif Anwer<br>Mr. Shahid Sattar                             |

## Future Outlook

RIDBL is gearing up for Commercial Launch. Our strategy will focus on offering fully digital current and savings accounts, term deposits and financing optimized for seamless digital banking experience. To support our ambition of shaping the future of Shariah compliant digital banking in Pakistan, Bank is implementing cutting-edge technology solutions for first class customer experience and cost efficiency.

Cloud services available in Pakistan currently offer a range of services, which are evolving rapidly as per the growing sectoral requirements. Global cloud services, offering a wider suite of cloud services, are also being explored to support bank's requirements in the future as per its hybrid multi-cloud strategy.

Bank remains committed to delivering operational excellence while staying ahead of evolving industry trends and customer expectations.

## Acknowledgement

The Board of Directors of RIDBL would like to take this opportunity to express their gratitude to the shareholders of RIDBL, for their continued support and trust and the regulators, the State Bank of Pakistan (SBP) and the Securities & Exchange Commission of Pakistan for the provision of an enabling and forward-looking regulatory environment. The Board would also like to acknowledge the efforts and commitment of the management and staff of RIDBL, who have contributed toward RIDBL's journey.

For and on behalf of the Board of Directors of RIDBL:

Chief Executive Officer

Date:

Karachi

Director

Date:

Karachi

**RAQAMI ISLAMIC DIGITAL BANK LIMITED**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED JUNE 30, 2025**





**INDEPENDENT AUDITOR'S REVIEW REPORT**

**To the members of Raqami Islamic Digital Bank Limited**

**Report on review of interim financial statements**

**Introduction**

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

**Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements 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 interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

**Other matters**

Pursuant to the requirement of BSD Circular No. 01 of 2004, only cumulative figures for the half year, presented in the second quarter accounts are subject to a limited scope review by the statutory auditors of the Bank. Accordingly, the figures of the condensed interim statement of profit and loss account and condensed interim statement of comprehensive income for the quarter ended June 30, 2025 have not been reviewed by us.

The comparative information for the condensed interim statement of financial position is based on the audited financial statements as at December 31, 2024. The comparative information for the condensed interim statement of profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement and related notes for the half year and quarter ended June 30, 2024 has not been audited or reviewed.

The engagement partner on the audit resulting in this independent auditor's report is **Noman Abbas Sheikh**.

  
A.F. Ferguson & Co.  
Chartered Accountants  
Place: Karachi  
Dated: August 25, 2025  
UDIN: RR202510061M8EvCI20

RAQAMI ISLAMIC DIGITAL BANK LIMITED  
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2025

Note      June 30,      December  
                 2025      31, 2024  
                 (Unaudited)      (Audited)  
----- (Rupees in '000) -----

**ASSETS**

|                                       |    |                  |                  |
|---------------------------------------|----|------------------|------------------|
| Cash and balances with treasury banks | 8  | 28,702           | 14               |
| Balances with other banks             | 9  | 18,786           | 170,081          |
| Due from financial institutions       | 10 | 524,942          | 250,000          |
| Investments                           | 11 | 444,679          | 1,008            |
| Islamic financing and related assets  | 12 | 20,055           | 20,249           |
| Property and equipment                | 13 | 184,267          | 190,029          |
| Right-of-use assets                   | 14 | 102,459          | -                |
| Intangible assets                     | 15 | 548,659          | 388,035          |
| Deferred tax assets                   | 16 | -                | -                |
| Other assets                          | 17 | 200,269          | 125,425          |
| <b>Total Assets</b>                   |    | <b>2,072,818</b> | <b>1,144,841</b> |

**LIABILITIES**

|   |    |                |                |
|---|----|----------------|----------------|
| Bills payable                               |    | -              | -              |
| Due to financial institutions               |    | -              | -              |
| Deposits and other accounts                 |    | -              | -              |
| Lease liability against right-of-use assets | 18 | 106,497        | -              |
| Subordinated sukuk                          |    | -              | -              |
| Deferred tax liabilities                    |    | -              | -              |
| Other liabilities                           | 19 | 198,623        | 252,484        |
| <b>Total liabilities</b>                    |    | <b>305,120</b> | <b>252,484</b> |

**NET ASSETS**

**REPRESENTED BY**

|                    |    |                  |                |
|--------------------|----|------------------|----------------|
| Share capital      | 20 | 4,187,500        | 2,500,000      |
| Accumulated losses |    | (2,419,802)      | (1,607,643)    |
|                    |    | <b>1,767,698</b> | <b>892,357</b> |

**CONTINGENCIES AND COMMITMENTS**

21

The annexed notes 1 to 33 form an integral part of these condensed interim financial statements.

*Alh*



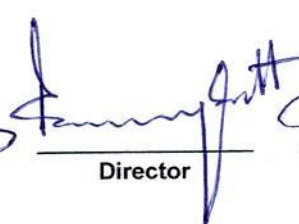
Chief Executive Officer



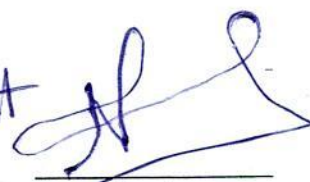
Chief Financial Officer



Director



Director



Director



RAQAMI ISLAMIC DIGITAL BANK LIMITED  
CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UNAUDITED)  
FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2025


|  |      | Quarter ended    |                  | Half year ended  |                  |
|--|------|------------------|------------------|------------------|------------------|
|  | Note | June 30,<br>2025 | June 30,<br>2024 | June 30,<br>2025 | June 30,<br>2024 |
|  |      | (Rupees in '000) |                  |                  |                  |
| <b>INCOME</b>  |      |                  |                  |                  |                  |
| Profit / return earned on Islamic financing and related assets, investments and placements | 22   | 32,843           | 47,649           | 74,211           | 89,651           |
| Profit / return on deposits and other dues expensed  | 23   | (4,706)          | -                | (10,765)         | -                |
| Net Profit / return  |      | 28,137           | 47,649           | 63,446           | 89,651           |
| <b>OTHER INCOME</b>  |      |                  |                  |                  |                  |
| Fee and commission income  |      | -                | -                | -                | -                |
| Dividend income  |      | -                | -                | -                | -                |
| Foreign exchange income  |      | -                | -                | -                | -                |
| Income from shariah compliant forward and future contracts                                 |      | -                | -                | -                | -                |
| Gain on securities   |      | -                | -                | -                | -                |
| Net gains/(loss) on derecognition of financial assets measured at amortised cost           |      | -                | -                | -                | -                |
| Other income   | 24   | 1,068            | -                | 1,096            | -                |
| Total other income   |      | 1,068            | -                | 1,096            | -                |
| Total Income   |      | 29,205           | 47,649           | 64,542           | 89,651           |
| <b>OTHER EXPENSES</b>  |      |                  |                  |                  |                  |
| Operating expenses   | 25   | 369,967          | 252,183          | 875,475          | 444,887          |
| Workers' Welfare Fund  |      | -                | -                | -                | -                |
| Other charges  |      | -                | -                | -                | -                |
| Total other expenses   |      | 369,967          | 252,183          | 875,475          | 444,887          |
| Loss before provisions   |      | (340,762)        | (204,534)        | (810,933)        | (355,236)        |
| Credit loss allowance and reversals - net  | 26   | -                | -                | (19)             | -                |
| Extra ordinary / unusual items   |      | -                | -                | -                | -                |
| LOSS BEFORE TAXATION   |      | (340,762)        | (204,534)        | (810,952)        | (355,236)        |
| Taxation   | 27   | (411)            | (590)            | (928)            | (1,110)          |
| LOSS AFTER TAXATION  |      | (341,173)        | (205,124)        | (811,880)        | (356,346)        |
| -----Rupees-----   |      |                  |                  |                  |                  |
| Basic and diluted loss per share   | 28   | (1.28)           | (3.22)           | (3.04)           | (5.60)           |

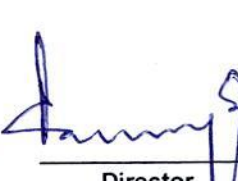
The annexed notes 1 to 33 form an integral part of these condensed interim financial statements.


*Alfaro*

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

  
Director

  
Director

RAQAMI ISLAMIC DIGITAL BANK LIMITED  
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2025


|   | Quarter ended    |                  | Half year ended  |                  |
|---|------------------|------------------|------------------|------------------|
|   | June 30,<br>2025 | June 30,<br>2024 | June 30,<br>2025 | June 30,<br>2024 |
|   | (Rupees in '000) |                  |                  |                  |
| Loss after taxation for the period      | (341,173)        | (205,124)        | (811,880)        | (356,346)        |
| Other comprehensive income              | -                | -                | -                | -                |
| Total comprehensive loss for the period | <u>(341,173)</u> | <u>(205,124)</u> | <u>(811,880)</u> | <u>(356,346)</u> |

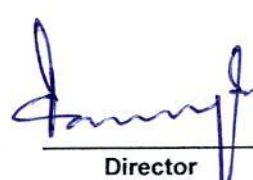
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Attn

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

  
Director

  
Director



**RAQAMI ISLAMIC DIGITAL BANK LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF YEAR ENDED JUNE 30, 2025**

| Share capital    | Advance against issue of shares | Capital reserves |                   |                             | Revenue reserves | Surplus / (deficit) on revaluation of |                    | Accumulated losses | Total     |
|------------------|---------------------------------|------------------|-------------------|-----------------------------|------------------|---------------------------------------|--------------------|--------------------|-----------|
|                  |                                 | Share premium    | Statutory reserve | Share based payment reserve | General reserve  | Investments                           | Non-banking assets |                    |           |
| (Rupees in '000) |                                 |                  |                   |                             |                  |                                       |                    |                    |           |
| 10,000           | 1,500,000                       | -                | -                 | 154,272                     | -                | -                                     | -                  | (539,654)          | 1,124,618 |
| -                | -                               | -                | -                 | -                           | -                | -                                     | -                  | (356,346)          | (356,346) |
| -                | -                               | -                | -                 | -                           | -                | -                                     | -                  | -                  | -         |
|                  |                                 |                  |                   |                             |                  |                                       |                    |                    |           |
| 1,500,000        | (1,500,000)                     | -                | -                 | -                           | -                | -                                     | -                  | -                  | -         |
| -                | 803,250                         | -                | -                 | -                           | -                | -                                     | -                  | -                  | 803,250   |
|                  |                                 |                  |                   |                             |                  |                                       |                    |                    |           |
| 1,510,000        | 803,250                         | -                | -                 | 154,272                     | -                | -                                     | -                  | (896,000)          | 1,571,522 |
|                  |                                 |                  |                   |                             |                  |                                       |                    |                    |           |
| -                | -                               | -                | -                 | -                           | -                | -                                     | -                  | (711,643)          | (711,643) |
|                  |                                 |                  |                   |                             |                  |                                       |                    |                    |           |
| 803,250          | (803,250)                       | -                | -                 | -                           | -                | -                                     | -                  | -                  | -         |
| -                | -                               | -                | -                 | 32,478                      | -                | -                                     | -                  | -                  | 32,478    |
|                  |                                 |                  |                   |                             |                  |                                       |                    |                    |           |
| 186,750          | -                               | -                | -                 | (186,750)                   | -                | -                                     | -                  | -                  | -         |
|                  |                                 |                  |                   |                             |                  |                                       |                    |                    |           |
| 2,500,000        | -                               | -                | -                 | -                           | -                | -                                     | -                  | (1,607,643)        | 892,357   |
|                  |                                 |                  |                   |                             |                  |                                       |                    |                    |           |
| -                | -                               | -                | -                 | -                           | -                | -                                     | -                  | (279)              | (279)     |
|                  |                                 |                  |                   |                             |                  |                                       |                    |                    |           |
| -                | -                               | -                | -                 | -                           | -                | -                                     | -                  | (811,880)          | (811,880) |
| -                | -                               | -                | -                 | -                           | -                | -                                     | -                  | -                  | -         |
|                  |                                 |                  |                   |                             |                  |                                       |                    |                    |           |
| -                | 1,687,500                       | -                | -                 | -                           | -                | -                                     | -                  | -                  | 1,687,500 |
|                  |                                 |                  |                   |                             |                  |                                       |                    |                    |           |
| 1,687,500        | (1,687,500)                     | -                | -                 | -                           | -                | -                                     | -                  | -                  | -         |
|                  |                                 |                  |                   |                             |                  |                                       |                    |                    |           |
| 4,187,500        | -                               | -                | -                 | -                           | -                | -                                     | -                  | (2,419,802)        | 1,767,698 |

The annexed notes 1 to 33 form an integral part of these condensed interim financial statements.

*Amir*



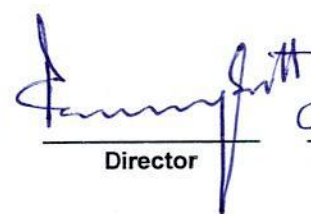
Chief Executive Officer



Chief Financial Officer



Director



Director



Director

RAQAMI ISLAMIC DIGITAL BANK LIMITED  
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)  
FOR THE HALF YEAR ENDED JUNE 30, 2025

| Note   | Half year ended              |                              |
|--|------------------------------|------------------------------|
|  | June 30, 2025<br>(Unaudited) | June 30, 2024<br>(Unaudited) |
| ----- (Rupees in '000) -----   |                              |                              |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>   |                              |                              |
| Loss before taxation   | (810,952)                    | (355,236)                    |
|  | (810,952)                    | (355,236)                    |
| <b>Adjustments:</b>  |                              |                              |
| Net profit / return  | (63,446)                     | (89,651)                     |
| Depreciation on property and equipment   | 23,091                       | 14,969                       |
| Depreciation on right-of-use assets  | 27,831                       | -                            |
| Amortisation   | 894                          | 249                          |
| Credit loss allowance and write offs - net   | 19                           | -                            |
| Charge for defined contribution plan   | 23,479                       | -                            |
| Charge for defined benefit plan  | 2,717                        | 2,769                        |
| Gain on termination of lease   | (1,096)                      | -                            |
|  | 13,489                       | (71,664)                     |
|  | (797,463)                    | (426,900)                    |
| <b>(Increase) / decrease in operating assets</b>                                   |                              |                              |
| Due from financial institutions  | (275,000)                    | (155,315)                    |
| Islamic financing and related assets   | 152                          | 885                          |
| Other assets (excluding advance taxation)  | (79,134)                     | (37,850)                     |
|  | (353,982)                    | (192,280)                    |
| <b>(Decrease) / increase in operating liabilities</b>                              |                              |                              |
| Other liabilities  | (56,724)                     | 47,275                       |
|  | (1,208,169)                  | (571,905)                    |
| Profit / return received   | 68,244                       | 81,940                       |
| Payments of final settlements to employees   | (11,155)                     | -                            |
| Income tax paid  | (7,260)                      | (12,300)                     |
| <b>Net cash used in operating activities</b>                                       | (1,158,340)                  | (502,265)                    |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>   |                              |                              |
| Net investments in amortised cost securities                                       | (445,774)                    | -                            |
| Additions in property and equipment  | (55,070)                     | (288,477)                    |
| Additions in intangible assets   | (161,518)                    | (5,226)                      |
| Proceeds from sale of property and equipment                                       | 37,693                       | -                            |
| <b>Net cash used in investing activities</b>                                       | (624,669)                    | (293,703)                    |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>   |                              |                              |
| Payment of lease liability against right-of-use assets                             | (27,094)                     | -                            |
| Issuance of ordinary shares  | 1,687,499                    | 803,250                      |
| <b>Net cash generated from financing activities</b>                                | 1,660,405                    | 803,250                      |
| <b>(Decrease) / increase in cash and cash equivalents</b>                          | (122,604)                    | 7,282                        |
| Cash and cash equivalents at the beginning of the period                           | 170,095                      | 28,407                       |
| Impact of net credit loss allowance on cash and cash equivalents during the period | (3)                          | -                            |
| <b>Cash and cash equivalents at the end of the period</b>                          | 47,488                       | 35,689                       |

The annexed notes 1 to 33 form an integral part of these condensed interim financial statements.

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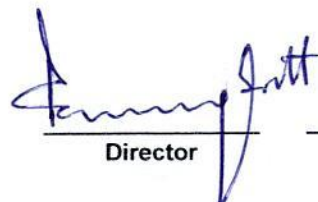
Chief Executive Officer



Chief Financial Officer



Director



Director



Director



**RAQAMI ISLAMIC DIGITAL BANK LIMITED**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED JUNE 30, 2025**

**1 STATUS AND NATURE OF BUSINESS**

Raqami Islamic Digital Bank Limited (the Bank) was incorporated in Pakistan on July 10, 2023, as an unlisted public limited company under the Companies Act, 2017. The principal line of business of the Bank is to carry on the business of banking as a Shariah Compliant Digital bank and undertake financial transactions as permitted under the applicable laws of Pakistan including, but not limited to the Banking Companies Ordinance, 1962, the Companies Act 2017, and all other applicable laws, rules and regulations and the rules, directions and circulars of the State Bank of Pakistan (SBP) as in force from time to time.

On January 13, 2023, the SBP granted the Bank a 'No Objection Certificate' (NOC), followed by an issuance of an in-principle approval (IPA) on September 20, 2023 under the Licensing and Regulatory Framework for Digital Banks. Upon ensuring compliance with all the stipulated terms and conditions outlined in the IPA, including meeting the requisite minimum capital requirement, the Bank submitted an application to the SBP on December 30, 2024, to obtain a restricted license, enabling the Bank to commence pilot operations. The SBP granted the restricted license to commence pilot operations as Islamic Digital Retail Bank under the Licensing and Regulatory Framework for Digital Banks on May 13, 2025, subsequent to which the Bank has started its pilot operations.

The Bank is a subsidiary of Pakistan Kuwait Investment Company (Private) Limited (the Holding Company), a 50:50 joint venture between the Government of Pakistan and Kuwait, which holds 80.59% shareholding (2024: 67.5%) in the Bank.

The Bank is operating through the head office and its two other offices in Islamabad and Lahore as at June 30, 2025. The Bank's registered head office is at 4th Floor, Bahria Complex I, MT Khan Road, Lalazar, Karachi, Pakistan.

**2 BASIS OF PREPARATION**

**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", 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 as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities Exchange Commission of Pakistan (SECP).

Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of IAS 34, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives, shall prevail.

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. 02 dated February 09, 2023 and the requirements of International Accounting Standard 34, "Interim Financial Reporting". They 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 December 31, 2024.

**3 TRANSITION TO THE INTERNATIONAL FINANCIAL REPORTING STANDARDS AS APPLICABLE IN PAKISTAN**

**3.1 Basis of the transition**

**3.1.1 Application**

As per the criteria given in the third schedule to the Companies Act, 2017, the applicable financial reporting framework for the Bank is International Financial Reporting Standards (IFRS) as applicable in Pakistan. Previously, the Bank's applicable financial reporting framework was IFRS for SMEs. During the current period, the Bank has transitioned to IFRS as applicable in Pakistan in accordance with the criteria given in the third schedule to The Companies Act, 2017.

**3.1.2** Upon transition to IFRS as applicable in Pakistan, since IFRS 1 is not applicable in Pakistan, the Bank has adopted modified retrospective approach for adoption of IFRS 9 and IFRS 16 as allowed under transition provisions of these standards.

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### - IFRS 9 'Financial Instruments' (IFRS 9)

The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach. The accounting policy and adjustments to the amounts recognised in the financial statements on adoption of IFRS 9 'Financial Instruments' from are set out in note 7.1.1.1.

### - IFRS 16 'Leases' (IFRS 16)

The standard introduces a single, on balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right-of-use of the underlying asset and a lease liability representing its obligations to make lease payments. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. The accounting policy and adjustments to the amounts recognised in the financial statements on adoption of IFRS 16 'Leases' from January 1, 2025 are set out in note 7.1.1.2.

### 3.1.3 Comparison

The following amounts show the effect on the Bank's accumulated losses as a result of transition from the revised International and Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) to the International Financial Reporting Standards (IFRS Standards) as applicable in Pakistan.

|  | January 1, 2025<br>Rupees in '000 |
|--|-----------------------------------|
| Accumulated losses under revised International and Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) | (1,607,643)                       |
| Impact of transition to IFRS as applicable in Pakistan   | (279)                             |
| Revised accumulated losses under International Financial Reporting Standards (IFRS Standards) as applicable in Pakistan              | <u>(1,607,922)</u>                |

- 3.2 Upon transition to IFRS as applicable in Pakistan, there are no impacts on measurement, classification and recognition on the assets and liabilities and income and expenses other than those disclosed in notes 7.1.1.1 and 7.1.1.2 in the condensed interim financial statements.

### 4 STANDARDS, AMENDMENTS AND INTERPRETATIONS TO ACCOUNTING AND REPORTING STANDARDS THAT ARE EFFECTIVE IN THE CURRENT PERIOD:

- 4.1 There are certain new and amended standards, interpretations and amendments that have become applicable for the Bank's accounting periods beginning on January 1, 2025 but are considered not to be relevant or do not have any significant effect on the Bank's operations and are therefore not detailed in these condensed interim financial statements except for the effects of transition to IFRS as applicable in Pakistan as disclosed in note 3.1.

### 5 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO ACCOUNTING AND REPORTING STANDARDS THAT ARE NOT YET EFFECTIVE:

The following standards, amendments and interpretations with respect to accounting and reporting standards would be effective from the date mentioned below against the respective standards, amendments or interpretations:

| Standards, interpretations or amendments  | Effective date (annual periods beginning on or after) |
|---|---|
| - IFRS 1- 'First-time Adoption of International Financial Reporting Standards' (amendments) | January 1, 2026                                       |
| - IFRS 9 - 'Financial Instruments' (amendments)   | January 1, 2026                                       |
| - IAS 7 - 'Statement of Cash Flows' (amendments)  | January 1, 2026                                       |
| - IFRS 18 - 'Presentation and Disclosure in Financial Statements'                           | January 1, 2027                                       |

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The management is in the process of assessing the impact of these standards and amendments on the condensed interim financial statements of the Bank.

## 6 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention, except otherwise mentioned in the relevant accounting policies.

### 6.1 Functional and presentation currency

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

### 6.2 Rounding off

Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

### 6.3 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 annual audited financial statements of the Bank for the year ended December 31, 2024 except for changes mentioned in notes 7.1.

## 7 MATERIAL ACCOUNTING POLICY INFORMATION AND FINANCIAL RISK MANAGEMENT POLICIES

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 December 31, 2024 except for changes mentioned in note 7.1.

### 7.1 Changes in accounting policies and transition disclosures

7.1.1 As stated in note 3.1.2, IFRS 9 and IFRS 16 became effective on the Bank during the current period. The Bank has used the modified retrospective approach and has not restated comparatives for the 2024 reporting period, as permitted under the specific transitional provisions of IFRS 9 and IFRS 16.

The disclosures relating to impact as a result of application of IFRS 9 and IFRS 16 on the Bank are set out below. Further details of the specific IFRS 9 and IFRS 16 accounting policies applied in the current period are described in notes 7.1.1.1 and 7.1.1.2.

#### 7.1.1.1 Impact of IFRS 9

The measurement category and the carrying amount of financial assets and liabilities in accordance with IFRS for SMEs and IFRS 9 at January 1, 2025 are compared as follows:

| IFRS for SMEs                         |  | IFRS 9                 |                  |
|---------------------------------------|--|------------------------|------------------|
| Measurement category                  | Carrying amount                            | Measurement category   | Carrying amount  |
|                                       | –Rupees in '000–                           |                        | –Rupees in '000– |
| Financial assets                      |  |                        |                  |
| Cash and balances with treasury banks | Loans and receivables 14                   | Amortised cost 14      |                  |
| Balances with other banks             | Loans and receivables 170,081              | Amortised cost 170,058 |                  |
| Due from financial institutions       | Loans and receivables 250,000              | Amortised cost 249,966 |                  |
| Investments                           | At fair value through profit or loss 1,008 | Amortised cost 1,008   |                  |
| Islamic financing and related assets  | Loans and receivables 20,249               | Amortised cost 20,195  |                  |
| Security deposits                     | Loans and receivables 15,390               | Amortised cost 15,222  |                  |
|                                       | <u>456,742</u>                             |                        | <u>456,463</u>   |

The difference in the carrying amount above has arisen due to implementation of expected credit loss model over the financial assets. The impact of adoption of IFRS 9 on the financial statement line items are disclosed in the note 7.1.3 to the condensed interim financial statements.

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### 7.1.1.2 Impact of IFRS 16

As stated in note 3.1.2, IFRS 16 as issued by the IASB in January 2016 became effective on the Bank during the current period. In accordance with transition provisions as applicable in Pakistan, the Bank has recognised liabilities in respect of leases except for certain short term leases in accordance with IFRS 16. These liabilities were initially measured at the present value of the remaining lease payments, discounted using the appropriate discount rates at inception of respective lease. The lease liability is subsequently measured at amortised cost using the effective interest rate method.

The right-of-use asset recognised subsequent to the transition are measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The right-of-use assets are depreciated on a straight line basis over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset are reduced by impairment losses, if any, and adjusted for certain remeasurements of lease liability.

The impacts of adoption of IFRS 16 on the financial statement line items are disclosed in note 7.1.3 to the condensed interim financial statements.

**7.1.3** The Bank has adopted IFRS 9 and IFRS 16 with modified retrospective approach for restatement permitted under IFRS 9 and IFRS 16. The cumulative impact of initial application has been recorded as an adjustment to equity at the beginning of the current accounting period. The details of the impacts of initial application are tabulated below:

| Balances as at<br>December 31,<br>2024 (Audited) | Impact due to:   |                        | Total impact -<br>gross of tax | Balances as at<br>January 01,<br>2025 | Measurement category as per<br>IFRS 9 / IFRS 16 |
|--|--|------------------------|--------------------------------|---------------------------------------|---|
|  | Recognition of<br>expected credit<br>losses (ECL) /<br>remeasurement | Adoption<br>of IFRS 16 |                                |                                       |   |
| (Rupees in '000)                                 |  |                        |                                |                                       |   |
| <b>ASSETS</b>                                    |  |                        |                                |                                       |   |
| Cash and balances with treasury banks            | 14   | -                      | -                              | 14                                    | Amortised cost                                  |
| Balances with other banks                        | 170,081  | (23)                   | (23)                           | 170,058                               | Amortised cost                                  |
| Due from financial institutions                  | 250,000  | (34)                   | (34)                           | 249,966                               | Amortised cost                                  |
| Investments                                      | 1,008  | -                      | -                              | 1,008                                 | Amortised cost                                  |
| Islamic financing and related assets             | 20,249   | (54)                   | (54)                           | 20,195                                | Amortised cost                                  |
| Property and equipment                           | 190,029  | -                      | -                              | 190,029                               | Outside the scope of IFRS 9                     |
| Right-of-use assets                              | -  | -                      | 137,461                        | 137,461                               | Right-of-use asset                              |
| Intangible assets                                | 388,035  | -                      | -                              | 388,035                               | Outside the scope of IFRS 9                     |
| Deferred tax asset                               | -  | -                      | -                              | -                                     | Outside the scope of IFRS 9                     |
| Other assets - financial assets                  | 15,786   | (168)                  | (168)                          | 15,618                                | Amortised cost                                  |
| Other assets - non financial assets              | 109,639  | -                      | (6,370)                        | 103,269                               | Outside the scope of IFRS 9                     |
|  | 1,144,841  | (279)                  | 131,091                        | 1,275,653                             |   |
| <b>LIABILITIES</b>                               |  |                        |                                |                                       |   |
| Bills payable                                    | -  | -                      | -                              | -                                     | Amortised cost                                  |
| Due to financial institutions                    | -  | -                      | -                              | -                                     | Amortised cost                                  |
| Deposits and other accounts                      | -  | -                      | -                              | -                                     | Amortised cost                                  |
| Lease liability against right-of-use assets      | -  | -                      | 131,091                        | 131,091                               | Lease liability                                 |
| Sub-ordinated sukuks                             | -  | -                      | -                              | -                                     | Amortised cost                                  |
| Deferred tax liabilities                         | -  | -                      | -                              | -                                     | Outside the scope of IFRS 9                     |
| Other liabilities                                | 252,484  | -                      | -                              | 252,484                               | Amortised cost                                  |
|  | 252,484  | -                      | 131,091                        | 383,575                               |   |
| <b>NET ASSETS</b>                                | 892,357  | (279)                  | -                              | 892,078                               |   |
| <b>REPRESENTED BY</b>                            |  |                        |                                |                                       |   |
| Share capital                                    | 2,500,000  | -                      | -                              | 2,500,000                             |   |
| Accumulated losses                               | (1,607,643)  | (279)                  | -                              | (1,607,922)                           |   |
|  | 892,357  | (279)                  | -                              | 892,078                               |   |

As disclosed in note 16, since the Bank has restricted the recognition of deferred tax asset, there is no tax impact of these adjustments.

### 7.2 IFRS 9 - 'Financial Instruments'

IFRS 9 brings fundamental changes to the accounting for financial assets and to certain aspects of accounting for financial liabilities. To determine appropriate classification and measurement category, IFRS 9 requires all financial assets, except equity instruments, to be assessed based on combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics. The adoption of IFRS 9 has also fundamentally changed the impairment method of financial assets with a forward-looking Expected Credit Losses (ECL) approach.

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## 7.2.1 Classification

### Financial assets

Under IFRS 9, existing categories of financial assets: Held for Trading (HFT), Available for Sale (AFS) and Held to Maturity (HTM) and loans and receivables have been replaced by:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income (FVOCI)
- Financial assets at fair value through profit or loss account (FVTPL)

### Financial liabilities

Under IFRS 9, the accounting for financial liabilities remains largely the same as before adoption of IFRS 9 and thus all financial liabilities are being carried at amortised cost. Financial liabilities can also be designated at FVTPL where gains or losses arising from entity's own credit rating risk relating to, are required to be presented in other comprehensive income with no reclassification to profit or loss account. The Bank does not have any financial liability measured at FVTPL.

## 7.2.2 Business model assessment

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

The Bank's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- The objectives for the portfolio, in particular, whether management's strategy focuses on earning contractual revenue, maintaining a particular yield profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed; and
- The expected frequency, value and timing of sales are also important aspects of the Bank's assessment. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank's stated objective for managing the financial assets is achieved and how cash flows are realised.

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

Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVTPL.

Eventually, the financial assets fall under either of the following three business models:

- i) Hold to Collect (HTC) Business Model: Holding assets in order to collect contractual cash flows.
- ii) Hold to Collect and Sell (HTC&S) Business Model: Collecting contractual cash flows and selling financial assets.
- iii) Other Business Models: Resulting in classification of financial assets as FVTPL.

## 7.2.3 Assessments whether contractual cash flows are solely payments of principal and profit (SPPI)

As a second step of its classification process the Bank assesses the contractual terms of financial assets to identify whether they meet the SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium / discount). The most significant elements of profit within a financing arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Bank applies judgment and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the profit rate is set. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with basic financing arrangement, the related financial asset is classified and measured at FVTPL.

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## 7.2.4 Application to the Bank's financial assets

### Debt based financial assets

Debt based financial assets held by the Bank includes: Islamic financing and related assets, investment in federal government securities, due from financial institutions, cash and balances with treasury banks; balances with other banks; and other financial assets.

a) These are measured at amortised cost if they meet both of the following conditions and is not designated as at FVTPL:

- the assets are held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

The Bank's business model for these financial assets can still be HTC even when sales of these financial assets occur. However, if more than an infrequent number of sale of significant value are made, the Bank assess whether and how the sales are consistent with the HTC objective. This assessment include the reasons for the sales, the expected frequency of sales, and whether the assets that are sold are held for an extended period of time relative to their contractual maturities.

b) Aforementioned financial assets are measured at FVOCI only if it meets both of the following conditions and are not designated as at FVTPL:

- the asset are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

c) Aforementioned financial assets, if held for trading purposes are measured at FVTPL.

In addition, on initial recognition, the Bank may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

## 7.2.5 Initial recognition and subsequent measurement

Financial assets and financial liabilities are recognised when the entity becomes party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade date, the date on which the Bank purchase or sell the asset. Other financial assets and liabilities like Islamic financing and related assets, due from financial institutions, deposits etc. are recognised when funds are transferred to the customers' account or financial institutions or as per underlying Shariah mode. However, for cases, where funds are transferred on deferred payment basis, recognition is done when underlying asset is purchased. The Bank will recognise due to customer and financial institution balances when these funds reach the Bank.

### a) Amortised cost (AC)

Financial assets and financial liabilities under amortised cost category are initially recognised at fair value adjusted for directly attributable transaction cost. They are subsequently measured at amortised cost. An expected credit loss allowance (ECL) is recognised for financial assets in condensed interim statement of profit and loss account. Rental / profit income / expense on these assets / liabilities are recognised in condensed interim statement of profit and loss account. On derecognition of these financial assets and liabilities, capital gain / loss will be recognised in condensed interim statement of profit and loss account.

### b) Fair value through other comprehensive income (FVOCI)

Financial assets under FVOCI category are initially recognised at fair value adjusted for directly attributable transaction cost. These assets are subsequently measured at fair value with changes recorded in Other Comprehensive Income (OCI). An expected credit loss allowance (ECL) is recognised for these financial assets in condensed interim statement of profit and loss account. Rental / profit / dividend income on these assets are recognised in condensed interim statement of profit and loss account. On derecognition of these financial assets, capital gain / loss will be recognised in condensed interim statement of profit and loss account only in case of debt instruments. For equity based financial assets classified as FVOCI, capital gain / loss is transferred from surplus / deficit on revaluation of assets to unappropriated profit.

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### c) Fair value through profit or loss (FVTPL)

Financial assets under FVTPL category are initially recognised at fair value. Transaction cost will be directly recorded in condensed interim statement of profit and loss account. These assets are subsequently measured at fair value with changes recorded in condensed interim statement of profit and loss account. Rental / profit / dividend income on these assets are recognised in condensed interim statement of profit and loss account. On derecognition of these financial assets, capital gain / loss will be recognised in condensed interim profit and loss account. An expected credit loss allowance (ECL) is not recognised for these financial assets.

## 7.2.6 Derecognition

### Financial assets

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Bank transfers substantially all the risks and rewards of ownership, or (ii) the Bank neither transfers nor retains substantially all the risks and rewards of ownership and the Bank has not retained control.

The Bank enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as 'pass through' transfers that result in derecognition if the Bank:

- (i) has no obligation to make payments unless it collects equivalent amounts from the assets;
- (ii) is prohibited from selling or pledging the assets; and
- (iii) has an obligation to remit any cash it collects from the assets without material delay.

### Financial liabilities

Financial liabilities are derecognised when these are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

The exchange between the Bank and its original participants of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of profit rate, new conversion features attached to the instrument and change in covenants are also taken into consideration.

If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

## 7.2.7 Modification

The Bank can renegotiate or otherwise modify the contractual cash flows of financing to its customers. When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset in accordance with IFRS 9, the Bank will recalculate the gross carrying amount of the financial asset and shall recognise a modification gain or loss in condensed interim statement of profit and loss account. The gross carrying amount of the financial asset will be recalculated as the present value of the renegotiated or modified contractual cash flows that will be discounted at the financial asset's original effective profit rate (or credit-adjusted effective profit rate for purchased or originated credit-impaired financial assets). Any costs or fees incurred will adjust the carrying amount of the modified financial asset and will be amortised over the remaining term of the modified financial asset.

## 7.2.8 Overview of the expected credit loss (ECL) principles

The Bank assesses on a forward-looking basis the expected credit losses ('ECL') associated with Islamic financing and related assets and other debt financial assets not held at FVTPL, hereinafter referred to as "Financial Instruments". The Bank recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

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- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

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

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12mECLs are calculated at facility level.

The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Bank considers an exposure to have significantly increased in credit risk when there is considerable deterioration in the internal rating grade for subject customer. Regardless of the change in credit grades, generally, the Bank considers that there has been a significant increase in credit risk when contractual payments are more than 60 days past due. When estimating ECLs on a collective basis for a group of similar assets, the Bank applies the similar principles for assessing whether there has been a significant increase in credit risk since initial recognition.

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- Stage 1: When financial instruments are first recognised, the Bank recognises an allowance based on 12mECLs. Stage 1 financial instruments also include facilities where the credit risk has improved and they have been reclassified from Stage 2. The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Bank calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast Exposure at default (EAD) and multiplied by the expected Loss given default (LGD) and discounted by an approximation to the original effective profit rate (EIR). This calculation is made for all the scenarios.
- Stage 2: When a financial instrument has shown a significant increase in credit risk (SICR) since origination, the Bank records an allowance for the LTECLs. Stage 2 also include facilities, where the credit risk has improved and the instrument has been reclassified from Stage 3. The mechanics are similar to those explained above, including the use of multiple scenarios, but probability of default (PD) are applied over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.
- Stage 3: For financial instruments considered credit-impaired, the Bank recognises the lifetime expected credit losses for these instruments. The Bank uses a PD of 100% and LGD as computed for each portfolio or as prescribed by the SBP under the prudential regulations which ever is higher.

#### The calculation of ECLs

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

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

- PD The Probability of Default (PD) is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. PD is estimated based on transitioning among credit states. Credit states are defined by rating classes and are based on the Bank's internal risk ratings (i.e. from 0 to 4). The Bank's internal risk ratings model is currently under development. Where practical, they also build on information from External Rating Agencies. PDs are then adjusted for IFRS 9 ECL calculations to incorporate forward looking information. Where both internal and external ratings are available for a given financial asset, the Bank shall exercise due caution and choose the more conservative risk rating.

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- EAD** The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and profit, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued profit from missed payments. The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Bank has the legal right to call it earlier.
- LGD** The Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Due to the unavailability of historical information for the modeling of PD, EAD and Loss Given Default LGD, the bank is using alternative approach for the calculation of ECL. The Bank is using proxy PDs from as external sources based on external credit rating matrices. BPRD Circular No. 03 of 2022 allows the use of a standard LGD as prescribed under Basel Foundation – Internal Rating Based (F-IRB) approach to determine ECL which is 45%.

Effective profit rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liabilities to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

When estimating the ECLs, the Bank considers three scenarios (base case, best case, worst case). Each of these is associated with different PDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted financing are expected to be recovered, including the probability that the financing will cure and the value of collateral or the amount that might be received for selling the asset.

The Bank considers only those collaterals as eligible collaterals in the EAD calculation which have the following characteristics:

- History of legal certainty and enforceability
- History of enforceability and recovery.

The credit exposure (in local currency) that have been guaranteed by the Government and Government Securities are exempted from the application of ECL calculation.

The SBP has issued FAQs in its BPRD Circular Letter No. 16 dated July 29, 2024 with regard to certain interpretation of the SBP application instructions. In respect of Stage 3 provision, the SBP has clarified that the banks, while assessing the higher of IFRS 9 ECL and provision under the SBP Prudential Regulations, shall take into account the ECL against corporate / commercial / SME loan portfolios at the borrower / facility level, and for the retail borrowers at segment / product basis.

#### **Definition of default**

The Bank defines a financial instrument as in default, which is fully aligned with the definition of credit impaired, when it meets one or more of the following criteria:

The customer is more than 90 days past due on its contractual payments, except in case of agriculture, project infrastructure and housing financing. This implies that if one facility of a counterparty is defaulted as per the definition; all other facilities would deem to be classified as stage 3.

#### **Write-offs**

The Bank's accounting policy under IFRS 9 remains the same as it was under SBP regulations / existing reporting framework.

### **7.3 Regular way contracts**

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Bank commits to purchase or sell the asset. Regular way purchases / sales of equity securities require delivery of securities within two days from the transaction date as per the stock exchange regulations.

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## 7.4 Right-of-use assets and their related lease liability

### 7.4.1 Right-of-use assets

On initial recognition, right-of-use assets are measured at an amount equal to initial lease liability adjusted for any lease payments made at or before the commencement date, plus any initial costs incurred and an estimate of costs to be incurred to dismantle and remove the underlying asset or the site on which it is located.

Right-of-use assets are subsequently stated at cost less any accumulated depreciation / accumulated impairment losses and are adjusted for any remeasurement of lease liability. The remeasurement of lease liability will only occur in cases where the terms of the lease are changed during the lease tenure.

Right-of-use assets are depreciated over their expected useful lives using the straight-line method. Depreciation on additions (new leases) is charged from the month in which leases are entered into. No depreciation is charged in month in which the leases mature or are terminated.

The Bank has elected to apply the practical expedient not to recognise right-of-use assets for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognised as an expense on a straight line basis over the lease term.

### 7.4.2 Lease liability against right-of-use assets

The lease liabilities are initially measured as the present value of the remaining lease payments, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Bank's incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. The lease liability is also measured to reflect any remeasurement or change in lease terms. These remeasurement of lease liabilities are recognised as an adjustment to the carrying amount of related right-of-use assets after the date of initial recognition.

Each lease payment is allocated between a reduction of the liability and a finance cost. The finance cost is charged to the statement of profit or loss as financial charges over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Bank has elected to apply the practical expedient not to recognise lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognised as an expense on a straight line basis over the lease term.

## 7.5 Employee benefits

### 7.5.1 Defined contribution plan

the Bank operates a recognised provident fund for its permanent employees. Equal monthly contributions are made to the fund by the Bank and the employees in accordance with the rules of the fund. the Bank has no further payment obligation once the contributions have been paid. The contributions made by the Bank are recognised as employee benefit expense when they are due.

|   | Note | June 30,<br>2025<br>(Unaudited)     | December 31,<br>2024<br>(Audited) |
|---|------|-------------------------------------|-----------------------------------|
| <b>8 CASH AND BALANCES WITH TREASURY BANKS</b>                                    |      | <b>----- (Rupees in '000) -----</b> |                                   |
| In hand   |      |                                     |                                   |
| - Local currency  |      | 15                                  | 14                                |
| With the State Bank of Pakistan in  |      |                                     |                                   |
| - Local currency current account  | 8.1  | 28,687                              | -                                 |
| Less: Credit loss allowance held against<br>cash and balances with treasury banks |      | <u>-</u>                            | <u>-</u>                          |
|   |      | <u>28,702</u>                       | <u>14</u>                         |

8.1 This represents amounts required to be maintained by the Bank with the SBP under the Banking Companies Ordinance, 1962 and / or stipulated by the SBP. This account is non-remunerative in nature.

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|  | Note | June 30,<br>2025<br>(Unaudited) | December 31,<br>2024<br>(Audited) |
|--|------|---------------------------------|-----------------------------------|
| <b>9 BALANCES WITH OTHER BANKS</b>                                 |      |                                 |                                   |
| <b>In Pakistan</b>   |      |                                 |                                   |
| - In deposit accounts  | 9.1  | 18,789                          | 170,081                           |
| Less: Credit loss allowance held against balances with other banks |      | (3)                             | -                                 |
| Balances with other banks - net of credit loss allowance           |      | <u>18,786</u>                   | <u>170,081</u>                    |

9.1 These include a bank balance of Rs. 8.143 million (December 31, 2024: Rs. 168.022 million) maintained with Meezan Bank Limited (a related party).

9.2 These carry rate of return ranging from 2.78% to 7% per annum (December 31, 2024: 3% to 6% per annum).

|  | Note | June 30,<br>2025<br>(Unaudited) | December 31,<br>2024<br>(Audited) |
|--|------|---------------------------------|-----------------------------------|
| <b>10 DUE FROM FINANCIAL INSTITUTIONS</b>                                |      |                                 |                                   |
| Musharakah placements  | 10.1 | 525,000                         | 250,000                           |
| Less: Credit loss allowance held against due from financial institutions |      | (58)                            | -                                 |
|  |      | <u>524,942</u>                  | <u>250,000</u>                    |

10.1 The effective average return on these placements is 10% (December 31, 2024: 9.75%) per annum. The balances have been maintained with Meezan Bank Limited (a related party) with maturities in July 2025.

**10.2 Due from financial institutions -  
particulars of credit loss  
allowance / provision held**

| June 30, 2025<br>(Unaudited)          |                                  | December 31, 2024<br>(Audited)        |                               |
|---------------------------------------|----------------------------------|---------------------------------------|-------------------------------|
| Due from<br>financial<br>institutions | Credit loss<br>allowance<br>held | Due from<br>financial<br>institutions | Credit loss<br>allowance held |
| (Rupees in '000)                      |                                  |                                       |                               |

**Domestic**

|                            |                |           |                |          |
|----------------------------|----------------|-----------|----------------|----------|
| Stage 1 / Performing       | 525,000        | 58        | 250,000        | -        |
| Stage 2 / Under performing |                |           |                |          |
| Stage 3 / Non-performing   |                |           |                |          |
| - Substandard              | -              | -         | -              | -        |
| - Doubtful                 | -              | -         | -              | -        |
| - Loss                     | -              | -         | -              | -        |
| Total                      | <u>525,000</u> | <u>58</u> | <u>250,000</u> | <u>-</u> |

**11 INVESTMENT**

| June 30, 2025 (Unaudited)   |                          |                        |                   | December 31, 2024 (Audited) |                          |         |                   |
|-----------------------------|--------------------------|------------------------|-------------------|-----------------------------|--------------------------|---------|-------------------|
| Cost /<br>amortised<br>cost | Credit loss<br>allowance | Surplus /<br>(deficit) | Carrying<br>value | Cost /<br>amortised<br>cost | Credit loss<br>allowance | Deficit | Carrying<br>value |
| (Rupees in '000)            |                          |                        |                   |                             |                          |         |                   |

**Amortised Cost / FVTPL**

|                                  |                |          |          |                |              |          |            |              |
|----------------------------------|----------------|----------|----------|----------------|--------------|----------|------------|--------------|
| Federal Government<br>Securities | 444,679        | -        | -        | 444,679        | 1,009        | -        | (1)        | 1,008        |
| <b>Total Investments</b>         | <u>444,679</u> | <u>-</u> | <u>-</u> | <u>444,679</u> | <u>1,009</u> | <u>-</u> | <u>(1)</u> | <u>1,008</u> |

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|   | June 30,<br>2025<br>(Unaudited) | December<br>31, 2024<br>(Unaudited) |
|---|---------------------------------|-------------------------------------|
|   | ----- (Rupees in '000) -----    |                                     |
| 11.1 Credit loss allowance / provision for diminution in value of investments |                                 |                                     |
| Opening balance   | -                               | -                                   |
| Charge / (reversal)   | -                               | -                                   |
| Charge for the period / year  | -                               | -                                   |
| Reversals for the period / year   | -                               | -                                   |
| Reversal on disposals   | -                               | -                                   |
| Closing Balance   | -                               | -                                   |

11.2 Particulars of credit loss allowance / provision against debt securities

| June 30, 2025 (Unaudited)    |                            | December 31, 2024 (Audited) |                |
|------------------------------|----------------------------|-----------------------------|----------------|
| Outstanding amount           | Credit loss allowance held | Outstanding amount          | Provision held |
| ----- (Rupees in '000) ----- |                            |                             |                |
| Domestic                     |                            |                             |                |
| Performing - Stage 1         | 444,679                    | -                           | 1,008          |
| Under performing - Stage 2   | -                          | -                           | -              |
| Non-performing - Stage 3     |                            |                             |                |
| Substandard                  | -                          | -                           | -              |
| Doubtful                     | -                          | -                           | -              |
| Loss                         | -                          | -                           | -              |
| 444,679                      | -                          | 1,008                       | -              |

11.3 The market value of securities classified as amortised cost as at June 30, 2025 amounted to Rs 440.716 million (December 31, 2024: Rs 1.008 million).

12 ISLAMIC FINANCING AND RELATED ASSETS

|  | Performing    |                   | Non-Performing |                   | Total         |                   |
|--|---------------|-------------------|----------------|-------------------|---------------|-------------------|
|  | (Unaudited)   | (Audited)         | (Unaudited)    | (Audited)         | (Unaudited)   | (Audited)         |
|  | June 30, 2025 | December 31, 2024 | June 30, 2025  | December 31, 2024 | June 30, 2025 | December 31, 2024 |
| ----- (Rupees in '000) -----   |               |                   |                |                   |               |                   |
| Diminishing Musharakah   | 20,097        | 20,249            | -              | -                 | 20,097        | 20,249            |
| Islamic financing and related assets - gross                                   | 20,097        | 20,249            | -              | -                 | 20,097        | 20,249            |
| Credit loss allowance / provision against islamic financing and related assets |               |                   |                |                   |               |                   |
| Stage 1  | (42)          | -                 | -              | -                 | (42)          | -                 |
| Stage 2  | -             | -                 | -              | -                 | -             | -                 |
| Stage 3  | -             | -                 | -              | -                 | -             | -                 |
| Specific provision   | -             | -                 | -              | -                 | -             | -                 |
| General provision  | -             | -                 | -              | -                 | -             | -                 |
|  | (42)          | -                 | -              | -                 | (42)          | -                 |
| Islamic financing and related assets - net of credit loss allowance            | 20,055        | 20,249            | -              | -                 | 20,055        | 20,249            |

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|                                      | June 30,<br>2025<br>(Unaudited)<br>(Rupees in '000) | December<br>31, 2024<br>(Audited)<br>(Rupees in '000) |
|--------------------------------------|---|---|
| 12.1 Particulars of advances (gross) |   |   |
| In local currency                    | 20,097  | 20,249  |
|                                      | <u>20,097</u>                                       | <u>20,249</u>   |

## 12.2 Particulars of credit loss allowance against Islamic financing and related assets

|                              | (Unaudited)      |         |         |       | (Audited)         |         |         |       |
|------------------------------|------------------|---------|---------|-------|-------------------|---------|---------|-------|
|                              | June 30, 2025    |         |         |       | December 31, 2024 |         |         |       |
|                              | Stage 1          | Stage 2 | Stage 3 | Total | Stage 1           | Stage 2 | Stage 3 | Total |
|                              | (Rupees in '000) |         |         |       | (Rupees in '000)  |         |         |       |
| Opening balance              | -                | -       | -       | -     | -                 | -       | -       | -     |
| Impact of adoption of IFRS 9 | 54               | -       | -       | 54    | -                 | -       | -       | -     |
| Exchange adjustments         | -                | -       | -       | -     | -                 | -       | -       | -     |
| Charge for the period / year | -                | -       | -       | -     | -                 | -       | -       | -     |
| Reversals                    | (12)             | -       | -       | (12)  | -                 | -       | -       | -     |
|                              | (12)             | -       | -       | (12)  | -                 | -       | -       | -     |
| Amounts written off          | -                | -       | -       | -     | -                 | -       | -       | -     |
| Closing balance              | 42               | -       | -       | 42    | -                 | -       | -       | -     |

## 12.3 Islamic financing and related assets - Particulars of credit loss allowance

|  | June 30, 2025 (Unaudited) |         |         | December 31, 2024 (Audited) |         |         |
|--|---------------------------|---------|---------|-----------------------------|---------|---------|
|  | Expected Credit Loss      |         |         | Expected Credit Loss        |         |         |
|  | Stage 1                   | Stage 2 | Stage 3 | Stage 1                     | Stage 2 | Stage 3 |
|  | (Rupees in '000)          |         |         | (Rupees in '000)            |         |         |
| 12.3.1 Opening balance                     | -                         | -       | -       | -                           | -       | -       |
| Impact of adoption of IFRS 9               | 54                        | -       | -       | -                           | -       | -       |
| Fresh disbursements                        | -                         | -       | -       | -                           | -       | -       |
| Amount derecognised / repaid               | (12)                      | -       | -       | -                           | -       | -       |
| Transfer to stage 1                        | -                         | -       | -       | -                           | -       | -       |
| Transfer to stage 2                        | -                         | -       | -       | -                           | -       | -       |
| Transfer to stage 3                        | -                         | -       | -       | -                           | -       | -       |
| Charge for the year - specific and general | -                         | -       | -       | -                           | -       | -       |
| Reversal for the year                      | -                         | -       | -       | -                           | -       | -       |
|  | (12)                      | -       | -       | -                           | -       | -       |
| Amounts written off / charged off          | -                         | -       | -       | -                           | -       | -       |
| Changes in risk parameters                 | -                         | -       | -       | -                           | -       | -       |
| Closing balance                            | 42                        | -       | -       | -                           | -       | -       |

## 12.3.2 Islamic financing and related assets - Category of classification

|                 |         | June30, 2025       |                    | December 31, 2024  |                    |
|-----------------|---------|--------------------|--------------------|--------------------|--------------------|
|                 |         | Outstanding amount | Credit loss amount | Outstanding amount | Credit loss amount |
| Domestic        |         | (Rupees in '000)   |                    |                    |                    |
| Performing      | Stage 1 | 20,097             | (42)               | 20,249             | -                  |
| Underperforming | Stage 2 | -                  | -                  | -                  | -                  |
| Non-Performing  | Stage 3 |                    |                    |                    |                    |
| Substandard     |         | -                  | -                  | -                  | -                  |
| Doubtful        |         | -                  | -                  | -                  | -                  |
| Loss            |         | -                  | -                  | -                  | -                  |
|                 |         | -                  | -                  | -                  | -                  |
|                 |         | 20,097             | (42)               | 20,249             | -                  |

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|  | Note                                | June 30,<br>2025<br>(Unaudited) | December 31,<br>2024<br>(Audited) |
|--|-------------------------------------|---------------------------------|-----------------------------------|
|  |                                     | ----- (Rupees in '000) -----    |                                   |
| 13   | PROPERTY AND EQUIPMENT              |                                 |                                   |
| Capital work-in-progress   | 13.1                                | 11,255                          | -                                 |
| Property and equipment   |                                     | 173,012                         | 190,029                           |
|  |                                     | <u>184,267</u>                  | <u>190,029</u>                    |
| 13.1   | Capital work-in-progress            |                                 |                                   |
| Advances to suppliers and contractors for:   |                                     |                                 |                                   |
| - civil works  |                                     | 11,255                          | -                                 |
|  |                                     | <u>11,255</u>                   | <u>-</u>                          |
| 13.2   | Additions to property and equipment |                                 |                                   |
| The following additions have been made to property and equipment during the period:        |                                     |                                 |                                   |
| Capital work-in-progress   |                                     | 11,255                          | -                                 |
| Property and equipment   |                                     |                                 |                                   |
| Furniture and fixture  |                                     | 781                             | -                                 |
| Leasehold improvement  |                                     | 10,996                          | -                                 |
| Electrical, office and computer equipment  |                                     | 25,335                          | 40,518                            |
| Vehicles   |                                     | 6,703                           | 29,573                            |
|  |                                     | <u>43,815</u>                   | <u>70,091</u>                     |
| 13.3   | Disposal of property and equipment  |                                 |                                   |
| The net book value of Property and Equipment disposed off during the period is as follows: |                                     |                                 |                                   |
| Electrical, office and computer equipment  |                                     | 20                              | -                                 |
| Vehicles   |                                     | 37,673                          | -                                 |
|  |                                     | <u>37,693</u>                   | <u>-</u>                          |
| 14   | RIGHT-OF-USE ASSETS                 |                                 |                                   |
|  |                                     |                                 |                                   |
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|   | June 30,<br>2025<br>(Unaudited) | December 31,<br>2024<br>(Audited) |
|---|---------------------------------|-----------------------------------|
|   | ----- (Rupees in '000) -----    |                                   |
| <b>16 DEFERRED TAX ASSETS</b>                 |                                 |                                   |
| Deductible temporary differences on           |                                 |                                   |
| - Business losses                             | 13,013                          | 19,351                            |
| - Lease liability against right-of-use assets | 46,859                          | -                                 |
|   | 59,872                          | 19,351                            |
| Taxable temporary differences on              |                                 |                                   |
| - Accelerated tax depreciation                | (15,815)                        | (19,351)                          |
| - Right-of-use assets                         | (44,057)                        | -                                 |
|   | (59,872)                        | (19,351)                          |
|   | -                               | -                                 |

- 16.1** As at June 30, 2025, the Bank has an aggregate deferred tax asset arising on business losses amounting to Rs 380.194 million (2024: Rs 302.057 million). The Bank has opted for recognising deferred tax asset on deductible temporary differences only to the extent of taxable temporary differences.

|   | Note          | June 30,<br>2025<br>(Unaudited) | December 31,<br>2024<br>(Audited) |
|---|---------------|---------------------------------|-----------------------------------|
|   |               | ----- (Rupees in '000) -----    |                                   |
| <b>17 OTHER ASSETS</b>                                |               |                                 |                                   |
| Profit / return accrued in local currency             |               | 6,817                           | 396                               |
| Advances and prepayments                              |               | 116,010                         | 57,149                            |
| Security deposits                                     |               | 19,453                          | 15,390                            |
| Advance taxation                                      |               | 38,528                          | 32,196                            |
| Prepaid staff benefit                                 |               | 19,656                          | 20,294                            |
|   |               | 200,464                         | 125,425                           |
| Less: Credit loss allowance held against other assets | 17.1 & 17.1.1 | (195)                           | -                                 |
| Other Assets (Net of credit loss allowance)           |               | 200,269                         | 125,425                           |
| Other assets - total                                  |               | 200,269                         | 125,425                           |

**17.1 Credit loss allowance held against other assets**

|   |     |   |
|---|-----|---|
| Profit / return accrued in local currency | 1   | - |
| Security deposits                         | 194 | - |
|   | 195 | - |

**17.1.1 Movement in Credit loss allowance held against other assets**

|                                 |     |   |
|---------------------------------|-----|---|
| Opening balance                 | -   | - |
| Impact of adoption of IFRS 9    | 168 | - |
| Charge for the period / year    | 27  | - |
| Reversals for the period / year | -   | - |
| Amount written off              | -   | - |
| Closing balance                 | 195 | - |

**18 LEASE LIABILITY AGAINST RIGHT-OF-USE ASSETS**

|   |          |   |
|---|----------|---|
| Opening balance   | -        | - |
| Impact of adoption of IFRS 16                               | 131,091  | - |
| Additions during the period / year                          | 22,920   | - |
| Amortisation of lease liability against right-of-use assets | 10,765   | - |
| Derecognition during the period / year                      | (31,187) | - |
| Payments made during the period / year                      | (27,092) | - |
| Closing balance   | 106,497  | - |

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|  | June 30,<br>2025<br>(Unaudited) | December 31,<br>2024<br>(Audited) |
|--|---------------------------------|-----------------------------------|
|  | ----- (Rupees in '000) -----    |                                   |
| 18.1 Contractual maturity of lease liabilities |                                 |                                   |
| Not later than one year                        | 39,747                          | -                                 |
| Long-term lease liabilities                    |                                 |                                   |
| - 1 to 5 years                                 | 66,750                          | -                                 |
| - 5 to 10 years                                | -                               | -                                 |
| - More than 10 years                           | -                               | -                                 |
|  | 66,750                          | -                                 |
|  | 106,497                         | -                                 |

18.2 Discount rates ranging from 12.25% to 16.80% (12.25% to 17.66%) have been used as the discounting factor for the leased assets.

|                                      | June 30,<br>2025<br>(Unaudited) | December 31,<br>2024<br>(Audited) |
|--------------------------------------|---------------------------------|-----------------------------------|
|                                      | ----- (Rupees in '000) -----    |                                   |
| 19 OTHER LIABILITIES                 |                                 |                                   |
| Accrued expenses                     | 24,212                          | 32,407                            |
| Withholding taxes payable            | 5,613                           | 31,298                            |
| Payable to defined benefit plan      | 8,036                           | 5,319                             |
| Payable to defined contribution plan | 101,611                         | 69,434                            |
| Others                               | 59,151                          | 114,026                           |
|                                      | 198,623                         | 252,484                           |

## 20 SHARE CAPITAL

### 20.1 Authorised capital

| June 30,<br>2025<br>(Unaudited) | December 31,<br>2024<br>(Audited) | Note                          | June 30,<br>2025<br>(Unaudited) | December 31,<br>2024<br>(Audited) |
|---------------------------------|-----------------------------------|-------------------------------|---------------------------------|-----------------------------------|
| ----- (Number of shares) -----  |                                   |                               | ----- (Rupees in '000) -----    |                                   |
| 1,000,000,000                   | 1,000,000,000                     | Ordinary shares of Rs 10 each | 10,000,000                      | 10,000,000                        |

### 20.2 Issued, subscribed and paid up capital

|                        |        |           |           |
|------------------------|--------|-----------|-----------|
| Ordinary share capital | 20.2.1 | 4,187,500 | 2,500,000 |
|------------------------|--------|-----------|-----------|

#### 20.2.1 The breakup of ordinary share capital is as follows:

| June 30,<br>2025<br>(Unaudited) | December 31,<br>2024<br>(Audited) |   | June 30,<br>2025<br>(Unaudited) | December 31,<br>2024<br>(Audited) |
|---------------------------------|-----------------------------------|---|---------------------------------|-----------------------------------|
| ----- (Number of shares) -----  |                                   |   | ----- (Rupees in '000) -----    |                                   |
|                                 |                                   | Fully paid-up ordinary shares of Rs 10 each   |                                 |                                   |
| 400,074,999                     | 231,325,000                       | Ordinary shares of Rs. 10 each paid in cash   | 4,000,750                       | 2,313,250                         |
| 18,675,000                      | 18,675,000                        | Ordinary shares of Rs. 10 each issued as fully paid for consideration other than cash | 186,750                         | 186,750                           |
| 418,749,999                     | 250,000,000                       |   | 4,187,500                       | 2,500,000                         |

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## 20.3 Pattern of shareholding

| June 30,<br>2025<br>(Unaudited) | December 31,<br>2024<br>(Audited) |  | June 30,<br>2025<br>(Unaudited) | December 31,<br>2024<br>(Audited) |
|---------------------------------|-----------------------------------|--|---------------------------------|-----------------------------------|
| ------(%)-----                  |                                   |  | ------(Number of shares)-----   |                                   |
| 80.60%                          | 67.50%                            | - Pakistan Kuwait Investment Company (Private) Limited | 337,499,998                     | 168,749,999                       |
| 14.93%                          | 25.00%                            | - Enertech Holding Company, KSC                        | 62,500,001                      | 62,500,001                        |
| 2.99%                           | 5.00%                             | - Planet - N (Private) Limited                         | 12,500,000                      | 12,500,000                        |
| 1.49%                           | 2.50%                             | - Mr. Nadeem Hussain                                   | 6,250,000                       | 6,250,000                         |
| <u>100.00%</u>                  | <u>100.00%</u>                    |  | <u>418,749,999</u>              | <u>250,000,000</u>                |

| Note | June 30,<br>2025<br>(Unaudited) | December 31,<br>2024<br>(Audited) |
|------|---------------------------------|-----------------------------------|
|      | ------(Rupees in '000)-----     |                                   |

## 21 CONTINGENCIES AND COMMITMENTS

- Commitments

|      |                |                |
|------|----------------|----------------|
| 21.1 | <u>656,453</u> | <u>613,136</u> |
|------|----------------|----------------|

## 21.1 Commitments:

Commitments for acquisition of:  
- Intangible assets

|                |                |
|----------------|----------------|
| <u>656,453</u> | <u>613,136</u> |
|----------------|----------------|

## 21.2 Other contingent liabilities

There were no other contingent liabilities as at June 30, 2025 and December 31, 2024.

## 22 PROFIT / RETURN EARNED ON ISLAMIC FINANCING AND RELATED ASSETS, INVESTMENTS AND PLACEMENTS

Profit earned on:

- Financing
- Investments
- Placements
- Balances with banks

| Half year ended                 |                                 |
|---------------------------------|---------------------------------|
| June 30,<br>2025<br>(Unaudited) | June 30,<br>2024<br>(Unaudited) |
| ------(Rupees in '000)-----     |                                 |
| 1,572                           | 839                             |
| 22,350                          | -                               |
| 47,407                          | 87,598                          |
| 2,882                           | 1,214                           |
| <u>74,211</u>                   | <u>89,651</u>                   |

## 22.1 Profit income (calculated using effective profit rate method) recognised on:

Financial assets measured at amortised cost

|               |               |
|---------------|---------------|
| <u>74,211</u> | <u>89,651</u> |
|---------------|---------------|

## 23 PROFIT / RETURN ON DEPOSITS AND OTHER DUES EXPENSED

Amortisation of lease liability against right-of-use of assets

|               |          |
|---------------|----------|
| <u>10,765</u> | <u>-</u> |
|---------------|----------|

## 24 OTHER INCOME

Gain on termination of lease

|              |          |
|--------------|----------|
| <u>1,096</u> | <u>-</u> |
| <u>1,096</u> | <u>-</u> |

## 25 OPERATING EXPENSES

Total compensation expense

|         |         |
|---------|---------|
| 636,017 | 325,234 |
|---------|---------|

Property expense

Rent and taxes

Utilities cost

Security charges

Repair &amp; maintenance

Depreciation

Depreciation on right-of-use assets

|               |               |
|---------------|---------------|
| 2,056         | 30,168        |
| 4,281         | 673           |
| 551           | -             |
| 1,501         | -             |
| 5,592         | -             |
| 27,831        | -             |
| <u>41,812</u> | <u>30,841</u> |

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|  | Note   | Half year ended                 |                                 |
|--|--------|---------------------------------|---------------------------------|
|  |        | June 30,<br>2025<br>(Unaudited) | June 30,<br>2024<br>(Unaudited) |
|  |        | (Rupees in '000)                |                                 |
| <b>Information technology expenses</b>   |        |                                 |                                 |
| Software maintenance   |        | 24,296                          | 11,017                          |
| Depreciation   |        | 9,469                           | 4,755                           |
| Amortisation   |        | 894                             | 249                             |
| Network charges  |        | 10,481                          | 712                             |
|  |        | 45,140                          | 16,733                          |
| <b>Other operating expenses</b>  |        |                                 |                                 |
| Directors' fees and allowances   |        | 10,794                          | -                               |
| Fees and allowances to Shariah Board   |        | 149                             | 178                             |
| Legal and professional charges   |        | 72,538                          | 33,307                          |
| Travelling & conveyance  |        | 7,593                           | 2,544                           |
| Depreciation on vehicle, equipment etc.  |        | 8,030                           | 10,215                          |
| Entertainment expense  |        | 1,258                           | 581                             |
| Training & development   |        | 2,683                           | 208                             |
| Postage & courier charges  |        | 490                             | 48                              |
| Stationery & printing  |        | 339                             | 172                             |
| Marketing, advertisement & publicity   |        | 15,395                          | 5,728                           |
| Takaful expense  |        | 1,520                           | 808                             |
| Fee and subscription   |        | 6,356                           | 4,926                           |
| Vehicle running and maintenance  |        | 223                             | 11                              |
| Auditors' remuneration   |        | 7,224                           | 2,750                           |
| CDC and share registrar services   |        | 5,326                           | 2,594                           |
| Others   |        | 12,588                          | 5,641                           |
|  |        | 152,506                         | 72,079                          |
|  |        | 875,475                         | 444,887                         |
| <b>26 CREDIT LOSS ALLOWANCE &amp; REVERSALS - NET</b>  |        |                                 |                                 |
| Credit loss allowance against lending to financial institutions  |        | 24                              | -                               |
| Net reversal of credit loss allowance against balances with other banks  |        | (20)                            | -                               |
| Net reversal of credit loss allowance against loans & advances   | 12.3.1 | (12)                            | -                               |
| Credit loss allowance against other assets   | 17.1.1 | 27                              | -                               |
|  |        | 19                              | -                               |
| <b>27 TAXATION</b>   |        |                                 |                                 |
| Current  | 27.1   | 928                             | 1,110                           |
| Prior periods  |        | -                               | -                               |
| Deferred   |        | -                               | -                               |
|  |        | 928                             | 1,110                           |
| <b>27.1</b> The tax being charged is minimum tax under section 113 of Income Tax Ordinance, 2001.                                    |        |                                 |                                 |
| <b>28 BASIC AND DILUTED LOSS PER SHARE</b>   |        |                                 |                                 |
| Loss for the period  |        | (811,880)                       | (356,346)                       |
|  |        | Number of shares                |                                 |
| Weighted average number of ordinary shares   |        | 266,689,560                     | 63,637,363                      |
|  |        | (Rupees)                        |                                 |
| Basic and diluted loss per share   |        | (3.04)                          | (5.60)                          |
| <b>28.1</b> Diluted loss per share has not been presented separately as the Bank does not have any convertible instruments in issue. |        |                                 |                                 |

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## 29 CASH AND CASH EQUIVALENTS

Cash and balances with treasury banks  
Balances with other banks

| Half year ended                 |                                 |
|---------------------------------|---------------------------------|
| June 30,<br>2025<br>(Unaudited) | June 30,<br>2024<br>(Unaudited) |
| (Rupees)                        |                                 |
| 28,702                          | 21                              |
| 18,786                          | 35,668                          |
| <u>47,488</u>                   | <u>35,689</u>                   |

## 30 FAIR VALUE MEASUREMENTS

Fair value measurement defines fair value as the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of quoted securities other than those classified as amortised cost / held to maturity, is based on quoted market price. Quoted debt securities classified as amortised cost / held to maturity are carried at cost.

In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since these are either short-term in nature or, in the case of customer loans and deposits, are frequently repriced.

### 30.1 Fair value of financial assets

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

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

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset 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).

The table below analyses financial instruments measured as at June 30, 2025 and December 31, 2024 by the level in the fair value hierarchy into which the fair value measurement is categorised.

#### On balance sheet financial instruments

##### Financial assets - disclosed but not measured at fair value

##### Investments

- Federal Government securities

| June 30, 2025 (Unaudited) |            |                |          |                |
|---------------------------|------------|----------------|----------|----------------|
| Carrying value            | Fair value |                |          |                |
|                           | Level 1    | Level 2        | Level 3  | Total          |
| (Rupees in '000)          |            |                |          |                |
| 444,679                   | -          | 440,716        | -        | 440,716        |
| <u>444,679</u>            | <u>-</u>   | <u>440,716</u> | <u>-</u> | <u>440,716</u> |

#### On balance sheet financial instruments

##### Financial assets - measured at fair value

##### Investments

- Federal Government securities

| December 31, 2024 (Audited) |            |              |          |              |
|-----------------------------|------------|--------------|----------|--------------|
| Carrying value              | Fair value |              |          |              |
|                             | Level 1    | Level 2      | Level 3  | Total        |
| (Rupees in '000)            |            |              |          |              |
| 1,008                       | -          | 1,008        | -        | 1,008        |
| <u>1,008</u>                | <u>-</u>   | <u>1,008</u> | <u>-</u> | <u>1,008</u> |

#### Valuation techniques used in determination of fair valuation of financial instruments within level 2 and level 3

| Item              | Valuation approach and input used   |
|-------------------|---|
| GoP Ijarah sukuks | The fair value of other GoP Ijarah sukuks quoted are derived using PKISRV rates. The PKISRV rates are announced by FMA (Financial Market Association) through Reuters. The rates announced are simple average of quotes received from eight different pre-defined / approved dealers / brokers. |

There were no transfers between levels 1 and 2 during the period / year.

At 60

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions and includes a subsidiary companies, associated companies, retirement benefit funds, directors, and key management personnel and their close family members.

The Bank has related party transactions with its parent, employee benefit plans and its directors and Key Management Personnel.

The Bank enters into transactions with related parties 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 transactions with related parties during the period, other than those which have been disclosed elsewhere in these financial statements are as follows:

|  | June 30, 2025 (Unaudited) |           |                          |             |                       | December 31, 2024 (Audited) |           |                          |             |                       |
|--|---------------------------|-----------|--------------------------|-------------|-----------------------|-----------------------------|-----------|--------------------------|-------------|-----------------------|
|  | Parent                    | Directors | Key management personnel | Associates  | Other related parties | Parent                      | Directors | Key management personnel | Associates  | Other related parties |
| (Rupees in '000)                                   |                           |           |                          |             |                       |                             |           |                          |             |                       |
| <b>Balances with other banks</b>                   |                           |           |                          |             |                       |                             |           |                          |             |                       |
| In current accounts                                | -                         | -         | -                        | -           | -                     | -                           | -         | -                        | -           | -                     |
| In deposit accounts                                | -                         | -         | -                        | 8,413       | -                     | -                           | -         | -                        | 162,022     | -                     |
|  | -                         | -         | -                        | 8,413       | -                     | -                           | -         | -                        | 162,022     | -                     |
| <b>Due from financial institutions</b>             |                           |           |                          |             |                       |                             |           |                          |             |                       |
| Opening balance                                    | -                         | -         | -                        | -           | -                     | -                           | -         | -                        | 300,000     | -                     |
| Addition during the period / year                  | -                         | -         | -                        | 4,950,000   | -                     | -                           | -         | -                        | 4,231,260   | -                     |
| Repaid during the period / year                    | -                         | -         | -                        | (4,425,000) | -                     | -                           | -         | -                        | (4,531,260) | -                     |
| Transfer in / (out) - net                          | -                         | -         | -                        | -           | -                     | -                           | -         | -                        | -           | -                     |
| Closing balance                                    | -                         | -         | -                        | 525,000     | -                     | -                           | -         | -                        | -           | -                     |
| <b>Credit loss allowance held against advances</b> |                           |           |                          |             |                       |                             |           |                          |             |                       |
|  | -                         | -         | -                        | (58)        | -                     | -                           | -         | -                        | -           | -                     |
| <b>Islamic financing and related assets</b>        |                           |           |                          |             |                       |                             |           |                          |             |                       |
| Opening balance                                    | -                         | 20,249    | -                        | -           | -                     | -                           | 20,519    | -                        | -           | -                     |
| Addition during the period / year                  | -                         | -         | -                        | -           | -                     | -                           | -         | -                        | -           | -                     |
| Repaid during the period / year                    | -                         | (152)     | -                        | -           | -                     | -                           | (270)     | -                        | -           | -                     |
| Transfer in / (out) - net                          | -                         | -         | -                        | -           | -                     | -                           | -         | -                        | -           | -                     |
| Closing balance                                    | -                         | 20,097    | -                        | -           | -                     | -                           | 20,249    | -                        | -           | -                     |
| <b>Credit loss allowance held against advances</b> |                           |           |                          |             |                       |                             |           |                          |             |                       |
|  | -                         | (42)      | -                        | -           | -                     | -                           | -         | -                        | -           | -                     |

Atty Co



|  | June 30, 2025 (Unaudited) |           |                          |            |                       | December 31, 2024 (Audited) |           |                          |            |                       |
|--|---------------------------|-----------|--------------------------|------------|-----------------------|-----------------------------|-----------|--------------------------|------------|-----------------------|
|  | Parent                    | Directors | Key management personnel | Associates | Other related parties | Parent                      | Directors | Key management personnel | Associates | Other related parties |
| Other Assets                               |                           |           |                          |            |                       |                             |           |                          |            |                       |
| Profit receivable                          | -                         | -         | -                        | 3,596      | -                     | -                           | -         | -                        | -          | -                     |
| Credit loss allowance against other assets | -                         | -         | -                        | (1)        | -                     | -                           | -         | -                        | -          | -                     |

## RELATED PARTY TRANSACTIONS

|  | Half year ended June 30, 2025 |           |                          |            |                       | Half year ended June 30, 2024 |           |                          |            |                       |
|--|-------------------------------|-----------|--------------------------|------------|-----------------------|-------------------------------|-----------|--------------------------|------------|-----------------------|
|  | Parent                        | Directors | Key management personnel | Associates | Other related parties | Parent                        | Directors | Key management personnel | Associates | Other related parties |

|  |   |        |         |        |   |   |        |         |        |   |
|--|---|--------|---------|--------|---|---|--------|---------|--------|---|
| Income   |   |        |         |        |   |   |        |         |        |   |
| Profit earned  | - | 1,572  | -       | 34,020 | - | - | 839    | -       | 88,812 | - |
| Expense  |   |        |         |        |   |   |        |         |        |   |
| Meeting fee / remuneration                             | - | 43,794 | 335,331 | -      | - | - | 61,800 | 193,389 | -      | - |
| Rent and taxes   | - | -      | -       | -      | - | - | -      | -       | 2,316  | - |
| Others   | - | -      | -       | -      | - | - | -      | -       | 2,797  | - |
| Contribution to employees provident fund               | - | 3,300  | 15,115  | -      | - | - | 3,060  | 8,004   | -      | - |
| Charge for employees gratuity fund                     | - | 2,717  | -       | -      | - | - | 2,769  | -       | -      | - |
| Sales proceeds from the sale of property and equipment | - | 37,693 | -       | -      | - | - | -      | -       | -      | - |

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


*Amr*

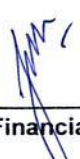
## 32 CORRESPONDING FIGURES

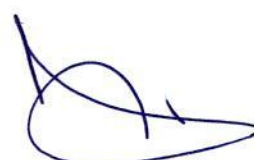
Comparative information has been re-classified, re-arranged or additionally incorporated in these condensed interim financial statements, wherever necessary to facilitate comparison.

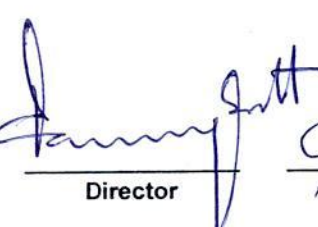
## 33 DATE OF AUTHORISATION


These condensed interim financial statements were authorised for issue on August 12, 2025 by the Board of Directors of the Bank.

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

  
Director

  
Director