

MCB Exchange Company (Private) Limited

Financial Statements

For the year ended December 31, 2025



INDEPENDENT AUDITOR'S REPORT

To the members of MCB Exchange Company (Private) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of MCB Exchange Company (Private) Limited (the Company), which comprise the statement of financial position as at December 31, 2025, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2025 and of the loss and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the directors' report but does not include the financial statements and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

41

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network, 308-Upper Mall, Shahrāh-e-Quaid-e-Azam, P.O. Box 39, Lahore-54000, Pakistan
Tel: +92 (42) 35199343-50/Fax: +92 (42) 35199351



Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

11



We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- (a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- (c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Aleem Zubair.

A. F. Ferguson & Co
Chartered Accountants

Date: March 24, 2026

Lahore

UDIN: AR2025108896CDv7gJVF

MCB EXCHANGE COMPANY (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

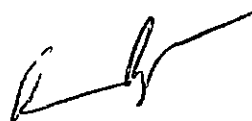
		<u>DECEMBER</u> <u>31, 2025</u>	<u>DECEMBER</u> <u>31, 2024</u>
	Note	Rupees	
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	163,936,998	89,419,403
Intangible assets	5	2,724,850	3,977,316
Long term investments	6	159,386,622	158,487,025
Deferred taxation-net	11	12,252,543	-
		<u>338,301,013</u>	<u>251,883,744</u>
CURRENT ASSETS			
Cash and bank balances	7	719,174,692	837,636,476
Accrued markup	8	3,682,572	9,774,147
Advances, prepayments and other receivables	8	35,997,137	15,187,152
		<u>758,854,401</u>	<u>862,597,775</u>
TOTAL ASSETS		<u><u>1,097,155,414</u></u>	<u><u>1,114,481,519</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
Ordinary share of Rs. 10/- each	9	<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued, subscribed and paid up share capital			
Ordinary share of Rs. 10/- each	9	1,000,000,000	1,000,000,000
Revenue Reserves			
Unappropriated profit		156,043	43,296,733
		<u>1,000,156,043</u>	<u>1,043,296,733</u>
NON-CURRENT LIABILITIES			
Long term employee benefits	10	3,118,933	97,472
Deferred taxation-net	11	-	4,555,377
		<u>3,118,933</u>	<u>4,652,849</u>
CURRENT LIABILITIES			
Accrued and other liabilities	12	93,880,438	66,531,937
		<u>93,880,438</u>	<u>66,531,937</u>
TOTAL EQUITY AND LIABILITIES		<u><u>1,097,155,414</u></u>	<u><u>1,114,481,519</u></u>
CONTINGENCIES AND COMMITMENTS	13	-	-

The annexed notes from 1 to 31 form an integral part of these financial statements.

211



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



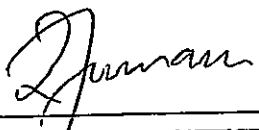
DIRECTOR

MCB EXCHANGE COMPANY (PRIVATE) LIMITED
STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED DECEMBER 31, 2025

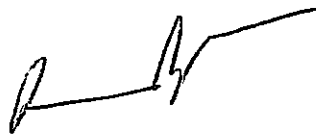
		FOR THE YEAR ENDED DECEMBER 31, 2025	FOR THE PERIOD FROM JULY 01, 2024 TO DECEMBER 31, 2024
			('Restated)
	Note	Rupees	
Income from exchange operations	14	90,062,073	19,300,398
Cost of services	15	(124,496,404)	(35,035,034)
Gross loss		<u>(34,434,331)</u>	<u>(15,734,636)</u>
Administrative expenses	16	(110,542,567)	(56,501,246)
Workers Welfare Fund		-	(1,036,467)
Credit loss reversal on bank balances	7.2	201,403	1,635,259
Other income - net	17	86,385,600	83,826,055
Operating (loss) / profit		<u>(58,389,895)</u>	<u>12,188,965</u>
Finance Cost	18	(432,939)	(55,919)
(Loss) / profit before levy and taxation		<u>(58,822,834)</u>	<u>12,133,046</u>
Minimum tax levy	19	(1,125,776)	-
		<u>(59,948,610)</u>	<u>12,133,046</u>
Income tax			
Current tax expense	20	-	(1,296,714)
Deferred tax income / (expense)	20	16,807,920	(2,221,869)
(Loss) / profit after taxation for the period		<u>(43,140,690)</u>	<u>8,614,463</u>
(Loss) / earnings per share - basic and diluted	21	<u>(0.43)</u>	<u>0.09</u>

The annexed notes from 1 to 31 form an integral part of these financial statements.

04



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER




DIRECTOR

MCB EXCHANGE COMPANY (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2025


	Issued, subscribed and paid up share capital	Revenue reserve	Total shareholder's equity
		Unappropriated Profit	
Rupees			
Balance as at July 1, 2024	1,000,000,000	34,682,270	1,034,682,270
Total comprehensive income for the period	-	-	-
- Profit after taxation	-	8,614,463	8,614,463
- Other comprehensive income - net of tax	-	-	-
Transaction with owners recorded directly in equity			
- Issuance of ordinary shares	-	-	-
Balance as at December 31, 2024	1,000,000,000	43,296,733	1,043,296,733
Total comprehensive income for the period			
- Loss after taxation	-	(43,140,690)	(43,140,690)
- Other comprehensive income - net of tax	-	-	-
Balance as at December 31, 2025	1,000,000,000	156,043	1,000,156,043

The annexed notes from 1 to 31 form an integral part of these financial statements.

14


 CHIEF FINANCIAL OFFICER


 CHIEF EXECUTIVE OFFICER


 DIRECTOR

MCB EXCHANGE COMPANY (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025

	FOR THE YEAR ENDED DECEMBER 31, 2025	FOR THE PERIOD FROM JULY 01, 2024 TO DECEMBER 31, 2024
	Rupees	
(Loss) / profit after taxation for the period	(43,140,690)	8,614,463
Other comprehensive income for the period		
-Items that may be reclassified subsequently to profit or loss	-	-
-Items that will not be reclassified subsequently to profit or loss	-	-
	-	-
Total comprehensive (loss) / income for the period	<u>(43,140,690)</u>	<u>8,614,463</u>

The annexed notes from 1 to 31 form an integral part of these financial statements.

BH



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



DIRECTOR

MCB EXCHANGE COMPANY (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

		FOR THE YEAR ENDED DECEMBER 31, 2025	FOR THE PERIOD FROM JULY 01, 2024 TO DECEMBER 31, 2024
	Note	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit before levy and taxation		(58,822,834)	12,133,046
Adjustments for non-cash and other items:			
Depreciation on property and equipment	4.1	15,856,203	5,028,317
Amortization on intangible assets	5.2	2,146,928	866,597
Bank charges	18	432,939	55,919
Credit loss reversal on bank balances	7.2	(201,403)	(1,635,259)
Profit on savings accounts	17	(64,666,644)	(68,217,206)
Interest income on Pakistan Investment Bonds (PIBs)	17	(20,819,359)	(15,224,975)
Unwinding of discount on Pakistan Investment Bonds (PIBs)	17	(899,597)	(383,874)
Provision for long term employee benefits	10.1.3	3,273,718	-
Workers Welfare Fund		-	1,036,467
Operating cash flows before working capital changes		(64,877,215)	(78,474,014)
Increase in current assets			
Advances, prepayments and other receivables		(3,667,481)	(937,609)
Increase in current liabilities			
Accrued and other liabilities		27,348,501	13,101,463
Cash used in operating activities		(100,019,029)	(54,177,114)
Tax paid	8.1	(18,268,280)	(14,487,055)
Long term employee benefits paid	10.1.2	(252,257)	-
Net cash used in operating activities		(118,539,566)	(68,664,169)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(90,373,798)	(50,024,479)
Addition in intangible assets		(894,462)	-
Profit received on long term investments		21,931,430	17,511,477
Profit received on savings accounts		69,646,148	63,237,700
Net cash generated from investing activities		309,318	30,724,698
CASH FLOWS FROM FINANCING ACTIVITIES			
Bank charges paid		(432,939)	(55,919)
Cash used in financing activities		(432,939)	(55,919)
Net decrease in cash and cash equivalents during the period		(118,663,187)	(37,995,390)
Cash and cash equivalents at the beginning of the period		837,636,476	873,996,607
Credit loss reversal on bank balances	7.2	201,403	1,635,259
Cash and cash equivalents at the end of the period	7	719,174,692	837,636,476

The annexed notes from 1 to 31 form an integral part of these financial statements.

8/4



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



DIRECTOR

MCB EXCHANGE COMPANY (PRIVATE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2025

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 MCB Exchange Company (Private) Limited (the Company) was incorporated in Pakistan on November 14, 2023, as a private limited company under the Companies Act, 2017. The Company obtained license for commencement of operations from the State Bank of Pakistan (SBP) on March 22, 2024. The Company is required to operate in accordance with the rules and regulations laid down by the State Bank of Pakistan (SBP) through Foreign Exchange Circular No. 9 dated July 30, 2002.
- 1.2 The registered office of the Company is situated at 15-Main Gulberg, Jail Road, Lahore, Pakistan. The head office of the Company is situated at MCB Center, 1st floor, Airport Access Road (Near Rangers Headquarters Opposite, Askari X), Lahore, Punjab.
- 1.3 The Company is a wholly owned subsidiary of MCB Bank Limited (the Holding Company).
- 1.4 The Company commenced its business operations on April 29, 2024 and is engaged in the business of dealing in foreign currency. The Company operates through a network of 46 outlets (as at December 31, 2024: 23 outlets). The geographical location and addresses are mentioned in note 28.
- 1.5 The financial statements for the year ended December 31, 2025, are presented alongside comparative figures for the six month period ended December 31, 2024. Accordingly, the current year's figures are not comparable with the comparative figures in respect of the Statement of Profit and Loss and the Statement of Cash Flows.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under 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 Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of IFRS, the requirements of the Companies Act, 2017 and the said directives, shall prevail.

2.2 Change in Accounting Policy

During the year, the Company has changed its accounting policy (refer note 3.10) for the presentation of the statement of profit and loss and has opted to present the expenses based on the functional classification. The change in accounting policy is intended to provide more relevant and reliable information to the users of the financial statements.

DX

The change in accounting policy has been applied retrospectively and the comparative information has been restated in accordance with the treatment specified in International Accounting Standard (IAS) 8 'Accounting Policies, Changes in Accounting Estimates and Errors':

The above restatement as a result of change in accounting policy has not resulted in any impact on the statement of financial position, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows. Therefore, third statement of financial position has not been presented.

STATEMENT OF PROFIT AND LOSS	Six-month period ended December 31, 2024 (Audited)
	Rupees

Reclassified from	Reclassified to	
Administrative expenses:	Cost of Services:	
Accommodation	Accommodation	92,000
Cash in Transit Services	Cash in Transit Services	72,318
Conveyance	Conveyance	63,989
Depreciation and Amortization	Depreciation and Amortization	2,988,653
Entertainment	Entertainment	37,288
Fee and Subscription	Fee and Subscription	35,000
Insurance	Insurance	743,169
Marketing and Development	Marketing and Development	498,720
Miscellaneous	Miscellaneous	137,892
Petty Capital item	Petty Capital item	81,491
Printing and Stationery	Printing and Stationery	64,320
Rent and Shared Services Expenses	Rent and Shared Services Expenses	7,614,000
Rents, Rates and Taxes	Rents, Rates and Taxes	206,000
Repair and Maintenance	Repair and Maintenance	131,050
Salaries and Other Benefits	Salaries and Other Benefits	20,826,193
Travel Expenses	Travel Expenses	88,766
NADRA-Biometric	NADRA-Biometric	149,988
Utilities	Utilities	1,204,197
		<u>35,035,034</u>

2.3 Basis of measurement

These financial statements have been prepared under the historical cost convention unless otherwise disclosed in the accounting policies below.

2.4 Functional and presentation currency

These financial statements are presented in Pakistani Rupees ("Rupees"), which is the functional currency of the Company. All amounts have been rounded to the nearest rupee, unless otherwise indicated.

104

2.5 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective:

There are certain new standards and amendments to the published accounting and reporting standards that will be applicable to the Company for its annual periods beginning on or after January 1, 2026. However, these are not considered to be relevant or did not have any material effect on the Company's financial statement except for:

- The new standard - IFRS 18 'Presentation and Disclosure in the Financial statements' (published in April 2024) with applicability date of January 1, 2027 by IASB. IFRS 18 when adopted and applicable shall impact the presentation of 'statement of profit or loss' with certain additional disclosures in the financial statements; and
- Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' clarify the timing of recognition and derecognition of certain financial instruments including settlement of liabilities through banking instruments and channels including electronic transfers. Further, guidance on the SPPI assessment, and disclosure requirements for instruments with cash flow modifying features and equity instruments designated at FVOCI has also been amended. These amendments are effective from January 1, 2026. The amendment when applied may impact the accounting and presentation of the financial instruments.

The management is currently in the process of assessing the impact of these amendments on the financial statements of the Company.

2.6 Standards, interpretations and amendments to published accounting and reporting standards that are effective:

There are certain amendments to the published accounting and reporting standards that are mandatory for the Company's annual accounting period beginning on January 1, 2026. However, these are not considered to be relevant or did not have any material effect on the Company's financial statements and have, therefore, not been disclosed in these financial statements

2.7 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements is in conformity with approved accounting standards as applicable in Pakistan, requires the management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and judgments, if any, are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the financial statements or where judgment was exercised in application of accounting policies are as follows:

- Classification of investment (note 6)
- Residual values, useful lives and depreciation rates of property and equipment (notes 4);
- Residual values, useful lives and amortization rates of intangible assets (notes 5);
- Assumptions and estimations in recognition of current tax and deferred taxation (note 11 and 20)
- Contingencies (note 13)

BT

MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the presentation of these financial statements are set out below:

3.1 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment, if any. The cost of property and equipment are depreciated over their estimated useful lives using straight line method at the rates specified in note 4.1. Depreciation on additions is charged from the month in which the item of property and equipment is available for use and no depreciation is charged in the month of disposal.

Subsequent costs are included in the property and equipment's carrying amount or recognized as a separate item of property and equipment, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to statement of profit and loss during the financial year in which they are incurred.

Item of property and equipment is derecognized when disposed off or when no future economic benefits are expected from its use or disposal. Gains or losses on disposal of property and equipment, if any, are recognized in statement of profit and loss as and when incurred.

Assets' residual values, if significant and their useful lives are reviewed at each financial position date and adjusted prospectively, if appropriate.

3.2 Intangible asset

Intangible assets are stated at cost less accumulated amortization and any impairment losses. Amortization is charged over the estimated useful life of the asset on a systematic basis applying the straight line method at the rates specified in note 5 to the financial statements. The estimate of useful life and amortization method are reviewed at the end of each financial year with the effect of any changes in estimate being accounted for prospectively.

The amortization is charged from the month in which asset is available for use while no amortization is charged for the month in which that asset is disposed off.

3.3 Capital work in progress

Capital work-in-progress is stated at cost less accumulated impairment losses, if any. These are transferred to specific assets as and when assets become available for use.

3.4 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost less credit loss allowance. These include cash in hand, balances with banks in saving and current accounts and short term highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. Investments normally only qualify as cash equivalents if they have a short maturity of three months or less.

BXX

3.5 Financial instruments

3.5.1 Financial Assets

3.5.1.1 Classification and subsequent measurement

The Company has applied IFRS 9 and classifies its financial assets in the following measurement categories:

- at amortized cost;
- at fair value through other comprehensive income (FVOCI); and
- at fair value through profit and loss (FVPL).

The classification requirements for debt and equity instruments are described below:

(i) Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and puttable instruments like units of open-end mutual funds.

Classification and subsequent measurement of debt instruments depend on:

- the Company's business model for managing the asset; and
- the cash flow characteristics of the asset.

Based on these factors, the Company classifies its debt instruments in one of the following three measurement categories:

a) At amortised cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and that are not designated as FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in note 3.5.1.2.

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

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated as FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, recognised and measured as described in note 3.5.1.2, interest revenue and foreign exchange gains and losses on the instrument's amortised cost, which are recognised in the statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the statement of profit and loss.

BA

c) Fair value through profit and loss (FVPL):

Assets that do not meet the criteria for classification at amortised cost or FVOCI are measured at fair value through profit and loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit and loss and is not part of a hedging relationship is recognised in the statement of profit and loss in the period in which it arises.

(ii) Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the statement of financial position at fair value, with gains and losses recognised in the statement of profit and loss, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI.

The dividend income for equity securities classified under FVOCI is recognised in the statement of profit and loss. However, any surplus / (deficit) arising as a result of subsequent movement in the fair value of equity securities classified as FVOCI is to be recognised in other comprehensive income and is not recycled to the statement of profit and loss on derecognition.

3.5.1.2 Impairment

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instrument assets carried at amortised cost and FVOCI. The Company recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- 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 Company considers that a financial asset is in default when the counterparty fails to make contractual payments within 90 days of when these fall due. Further, financial assets are written off by the Company, in whole or part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery.

3.5.1.3 Derecognition

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 Company transfers substantially all the risks and rewards of ownership; or
- (ii) the Company neither transfers nor retains substantially all the risks and rewards of ownership and the Company has not retained control.

When the Company 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 Company:

- (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.

Any gain or loss on derecognition of financial assets is taken to the statement of profit and loss.

3.5.1.4 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 Company commits to purchase or sell the asset.

3.5.2 Financial liabilities

Financial liabilities are measured at fair value upon initial recognition and subsequently measured at amortised cost except for:

- Financial liabilities at fair value through profit and loss; and
- Financial liabilities arising from the transfer of financial assets which did not qualify for derecognition, whereby a financial liability is recognised for the consideration received for the transfer.

3.5.2.1 Derecognition

Financial liabilities are derecognised at the time when these are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expires. Any gain or loss on derecognition of financial liabilities is taken to the statement of profit and loss.

3.5.3 Initial recognition

Financial assets and financial liabilities are recognised at the time the Company becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value plus transaction costs except for financial assets carried at FVPL. Financial assets carried at FVPL are initially recognised at fair value and transaction costs associated with these financial assets are taken directly to the statement of profit and loss.

3.5.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

211

3.5.5 Business model

The business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Company in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

3.5.6 Solely payment of principal and interest

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit and loss.

3.5.7 Reclassifications

The Company reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

3.6 Taxation - Levy and Income Tax

Levy

In accordance with the Income Tax Ordinance, 2001, computation of final taxes is not based on taxable income. Therefore, as per IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes issued by the Institute of Chartered Accountants of Pakistan (ICAP), these fall within the scope of IFRIC 21 / IAS 37 and accordingly are classified as levy.

Income Tax

The tax expense for the period comprises of current and deferred tax. Tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in Other Comprehensive Income (OCI) or directly in equity. In which case, the tax is also recognised in OCI or directly in equity

Current

Provision for current tax is based on taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any.

13/11

Deferred

Deferred taxation is recognised using the balance sheet liability method on all temporary differences arising between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax asset is recognised only to the extent it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on the tax rates that have been enacted or substantially enacted by the end of the reporting period.

3.7 Impairment of non-financial assets

The carrying amount of the assets is reviewed at each reporting date to determine whether there is any indication of impairment loss. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amounts. Where carrying values exceed the respective recoverable amounts, assets are written down to their recoverable amounts and the resulting impairment charge is recognised in the statement of profit and loss.

3.8 Accrued expenses and other payables

Accrued expenses and other payables are carried at cost, which is the fair value of consideration to be paid in the future for goods and services whether or not billed to the Company.

3.9 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the institute and the revenue can be reliably measured. Revenue is recognised as follows:

Revenue from services

- Exchange income is recognised at the time of recording of an exchange transaction; and
- Exchange differences on translation of monetary assets and liabilities in foreign currencies are recognised as gain / (loss) on revaluation at the end of each day.

Returns on financial assets

- Income on investments is recognised using the effective yield method over the term of investment; and
- Income on savings account is recognised on an accrual basis.

3.10 Expenses

Expenses are recognized in the statement of income and expenditure when incurred.

The expenses are allocated to 'Cost of services' and 'Administrative expenses' on the following basis:

a) Cost of services

Expenses relating to the booths and branches of the Company, together with the salaries and depreciation of assets employed in the exchange business, are presented under 'Cost of services'.

BA

b) **Administrative expenses**

All other expenses which primarily relate to administration and head management activities carried out at Head Office located in Lahore are presented under this head.

3.11 Foreign currencies

Transactions in foreign currencies are translated into Pakistani rupees at the exchange rates prevailing on the transaction date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit and loss.

3.12 Earnings per share

The Company presents basic and diluted earnings / losses per share for its shareholders. Basic earnings / loss per share is calculated by dividing the profit and loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings / loss per share is determined by adjusting the profit and loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

3.13 Advances and prepayments (other than financial assets)

These are initially recognised at cost, which is the fair value of the consideration given. Subsequent to initial recognition, assessment is made at each statement of financial position date to determine whether there is an indication that an asset or group of assets may be impaired. If such indication exists, the estimated recoverable amount of that asset or group of assets is determined and any impairment loss is recognised for the difference between the recoverable amount and the carrying value.

3.14 Share capital and reserves

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Revenue reserves comprise of unappropriated profit. The purpose of general reserves includes, but not limited to, fulfilling various business needs like meeting contingencies, offsetting future losses, enhancing the working capital, etc.

3.15 Provisions

Provisions are recognised in the statement of financial position when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at each statement of financial position date and adjusted to reflect current best estimate.

3.16 Contingent liabilities

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company;
- there is a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

10/11

4	property and equipment	Note	December 31,	December 31,
			2025	2024
			Rupees	
	Property and equipment - net book value	4.1	137,079,147	78,688,774
	Capital work in progress	4.2	26,857,851	10,730,629
			163,936,998	89,419,403

4.1 Property and equipment - net book value

December 31, 2025					
Furniture & Fixture	Computer Equipment	Office Equipment	Vehicles	Lease Hold Improvement	Total
Rupees					

Net carrying value basis

Opening as at January 01, 2025	2,160,334	12,272,924	26,284,007	16,060,596	21,910,913	78,688,774
Additions during the year	1,656,484	11,205,689	22,354,333	2,882,770	36,147,300	74,246,576
Adjustment during the year	-	-	-	43,700	-	43,700
Depreciation charge for the year	(293,531)	(5,194,775)	(3,583,198)	(3,175,593)	(3,652,806)	(15,899,903)
Net book value	3,523,287	18,283,838	45,055,142	15,811,473	54,405,407	137,079,147

Gross carrying value basis

Cost	3,938,944	25,795,597	49,794,780	20,779,031	59,128,191	159,436,543
Accumulated depreciation	(415,657)	(7,511,759)	(4,739,638)	(4,967,558)	(4,722,784)	(22,357,396)
Net book value	3,523,287	18,283,838	45,055,142	15,811,473	54,405,407	137,079,147

Rate of depreciation (%)	10	25	10	20	10
--------------------------	----	----	----	----	----

81

December 31, 2024					
Furniture & Fixture	Computer Equipment	Office Equipment	Vehicles	Lease Hold Improvement	Total

Rupees

Net carrying value basis

Opening as at July 01, 2024	1,156,252	8,874,793	8,991,255	17,325,423	8,075,518	44,423,241
Additions during the period	1,096,561	5,123,464	18,218,647	157,900	14,698,308	39,294,880
Adjustment during the period	-	-	-	(1,030)	-	(1,030)
Depreciation charge for the period	(92,479)	(1,725,333)	(925,895)	(1,421,697)	(862,913)	(5,028,317)
Net book value	<u>2,160,334</u>	<u>12,272,924</u>	<u>26,284,007</u>	<u>16,060,596</u>	<u>21,910,913</u>	<u>78,688,774</u>

Gross carrying value basis

Cost	2,282,461	14,589,908	27,440,447	17,896,260	22,980,891	85,189,967
Accumulated depreciation	(122,127)	(2,316,984)	(1,156,440)	(1,835,664)	(1,069,978)	(6,501,193)
Net book value	<u>2,160,334</u>	<u>12,272,924</u>	<u>26,284,007</u>	<u>16,060,596</u>	<u>21,910,913</u>	<u>78,688,774</u>

Rate of depreciation (%)	10	25	10	20	10
--------------------------	----	----	----	----	----

4.1.1 There were no disposals during the year (for the period ended December 31, 2024: Nil)

11

4.2	Capital work in progress	Note	December	December 31,
			31,2025	2024
			Rupees	
	Opening balance		10,730,629	-
	Additions during the year		33,862,571	10,730,629
	Transferred to property and equipment during the year		(17,735,349)	-
	Closing balance		<u>26,857,851</u>	<u>10,730,629</u>

5	Intangible assets			
	Capital work in progress	5.1	-	-
	Intangible assets - net book value	5.2	2,724,850	3,977,316
			<u>2,724,850</u>	<u>3,977,316</u>

5.1	Capital work in progress			
	Opening balance		-	1,260,000
	Additions during the year		-	-
	Transferred to intangible assets during the period		-	(1,260,000)
	Closing balance		<u>-</u>	<u>-</u>

5.2	Intangible Assets - net book value	December 31, 2025		
		Software	Licensing fee	Total
		Rupees		
	Net carrying value basis (NBV)			
	Opening as at January 01, 2025	3,255,094	722,222	3,977,316
	Additions during the year	894,462	-	894,462
	Amortization charge for the year	(1,424,706)	(722,222)	(2,146,928)
	Net book value (NBV)	<u>2,724,850</u>	<u>-</u>	<u>2,724,850</u>
	Gross carrying value basis			
	Cost	5,094,462	1,000,000	6,094,462
	Accumulated amortization	(2,369,612)	(1,000,000)	(3,369,612)
	Net book value	<u>2,724,850</u>	<u>-</u>	<u>2,724,850</u>

Rate of amortization (%)

844

	December 31, 2024		
	Software	Licensing fee	Total
	Rupees		
Net carrying value basis (NBV)			
Opening as at July 01, 2024	2,695,024	888,889	3,583,913
Transfer from capital work in progress	1,260,000	-	1,260,000
Amortization charge for the period	(699,930)	(166,667)	(866,597)
Net book value (NBV)	3,255,094	722,222	3,977,316

Gross carrying value basis

Cost	4,200,000	1,000,000	5,200,000
Accumulated amortization	(944,906)	(277,778)	(1,222,684)
Net book value	3,255,094	722,222	3,977,316
Rate of amortization (%)	33	33	

5.2.1 There were no disposals during the year (for the period ended December 31, 2024: Nil)

6	Long term investments	Note	December 31,	December 31,
			2025	2024
	Pakistan Investment		Rupees	
	Bonds (PIBs) - amortized cost	6.1	159,386,622	158,487,025
			159,386,622	158,487,025

6.1 This represents five-year Pakistan Investment Bonds (PIBs) purchased on May 14, 2024, with a face value of Rs. 164.4 million. The investment carries a coupon rate of 11.95% and a yield-to-maturity of 13.25% for the period from April 18, 2025 to October 17, 2025, and a coupon rate of 10.87% with a yield-to-maturity of 12.17% for the period from October 18, 2025 to April 17, 2026. Profit is receivable on a semi-annual basis. The PIBs will mature on April 18, 2029. The market value of the investment as at December 31, 2025 amounted to Rs. 163.0 million (December 31, 2024: Rs. 159.9 million).

BA

7.	Cash and bank balances	Note	December 31,	December 31,
			2025	2024
			Rupees	
	Cash in hand			
	- Local currency		11,240,015	13,959,149
	- Foreign currencies		128,616,417	43,954,507
			139,856,432	57,913,656
	Balances with banks			
	- Saving accounts - in local currency	7.1	578,550,979	775,861,993
	- Current account - in local currency		21,147	21,148
	- Current accounts - in foreign currencies		801,830	4,096,778
			579,373,956	779,979,919
	Less: credit loss allowance on bank balances	7.2	(55,696)	(257,099)
			<u>719,174,692</u>	<u>837,636,476</u>

7.1 This amount is placed with the Holding Company and carries mark-up / interest at the rate of 9.5% per annum (for the period ended December 31, 2024: 13.5% per annum).

7.2	Movement in credit loss allowance on bank balances	Note	December 31,	December 31,
			2025	2024
			Rupees	
	Opening Balance		(257,099)	(1,892,358)
	Reversal for the period		201,403	1,635,259
	Closing Balance		<u>(55,696)</u>	<u>(257,099)</u>

8 Advances, prepayments and other receivables

Advance paid to SBP for outlet processing fee		200,000	1,350,000
Advance income tax - net	8.1	28,481,706	11,339,202
Prepaid expenses		6,845,413	2,497,950
Branch current accounts		18	-
Securities & deposits		470,000	-
		<u>35,997,137</u>	<u>15,187,152</u>

8.1	Advance income tax - net	Note	December 31,	December 31,
			2025	2024
			Rupees	
	Opening balance		11,339,202	(1,851,139)
	Provision for taxation for the year		(1,125,776)	(1,296,714)
	Advance tax deducted during the year	8.2	18,268,280	14,487,055
	Closing balance		<u>28,481,706</u>	<u>11,339,202</u>

8.2 Advance tax deducted includes tax withheld on profits earned from bank deposits.

11

9 Share capital and reserves

9.1 Authorized share capital

December 31, 2025 December 31, 2024

Number of Shares
100,000,000 100,000,000

Ordinary shares of
Rs. 10 each

December 31, 2025

December 31, 2024

Rupees
1,000,000,000 1,000,000,000

Issued, subscribed and paid-up share capital

December 31, 2025 December 31, 2024

Number of Shares
100,000,000 100,000,000

Ordinary shares of Rs. 10
each issued as fully
paid in

1,000,000,000 1,000,000,000

9.2 Particulars of the shareholders

MCB Bank Limited - the Holding Company

Nominee directors

December 31, 2025	
Number of shares	Percentage of holding
99,999,997	99.99%
3	0.01%
<u>100,000,000</u>	<u>100%</u>

MCB Bank Limited - the Holding Company

Nominee directors

December 31, 2024	
Number of shares	Percentage of holding
99,999,996	99.99%
4	0.01%
<u>100,000,000</u>	<u>100%</u>

9.4 Voting rights, board selection, right of first refusal and block voting are in proportion of the shareholding.

9.5 Minimum authorised and paid-up capital of an exchange company as required by the State Bank of Pakistan is Rs. 500 million vide its EPD Circular letter No. 13 of 2023. The Minimum Capital Requirement is calculated as paid-up capital less accumulated losses.

9.6 Fitness and propriety clearance (FTP) and NOC to the proposed nominee directors Mr. Hammad Khalid and Mr. Omair Safdar was granted on January 2, 2026.

10 Long term employee benefits

Defined Benefit Plan - Gratuity

Note

December 31, 2025

December 31, 2024

10.1

3,118,933

Rupees

11

10.1 Defined benefit plan - Gratuity

This represents the benefits payable on retirement / resignation which is equal to one month's last drawn basic salary for each year of eligible service or part thereof subject to minimum of one year of service.

10.1.1 Number of employees covered under the following defined benefit scheme are:

	December 31, 2025	December 31, 2024
- Eligible employees under the gratuity scheme	122	-

10.1.2 Movement in net Liability / (asset) recognised

Opening net liability	97,472	-
Expense for the year	3,273,718	-
Other comprehensive income	-	-
Benefits paid	(252,257)	-
Closing net liability	3,118,933	-

10.1.3 (Income)/Expense for the year

Current service cost	3,273,718	-
Net interest	-	-
	3,273,718	-

10.1.4 Principal actuarial assumptions

The latest valuation was carried out at December 31, 2025 using the "Projected Credit Method". The mortality rates used for active employees are based on SLIC (2001-05) Mortality Table. The principal assumptions used in the valuation were as follows:

Discount rate	11%	-
Rate of growth in salary-short term (p.a) for next one year	6%	-
Rate of growth in salary-long term (p.a)	11%	-
Salary increase timings	1st Jan	-
Duration (years)	5.32 Years	-
Withdrawal rate	Moderate	-

DX

10.1.5 Additional Disclosures

Sensitivity Analysis

Particulars	PVDBO (Amounts in PKR)	Percentage Change
Current liability	3,118,933	
+1% Discount rate	2,796,262	-5.03%
-1% Discount rate	3,109,286	5.60%
+1% Salary increase rate	3,123,013	6.07%
-1% Salary increase rate	2,781,174	-5.54%
+10% Withdrawal rate	2,944,364	0.00%
-10% Withdrawal rates	2,944,364	0.00%
1 Year Mortality age set back	2,944,364	0.00%
1 Year Mortality age set forward	2,944,364	0.00%

Expected EOSB Expense for Next One Year

Particulars	Amounts in PKR December 31, 2026
Current service cost	4,070,783
Net interest	265,809
Expected EOSB expense	4,336,592

Maturity Profile

Particulars	Undiscounted Payments (Amounts in PKR)
Year 1	470,280
Year 2	443,225
Year 3	417,713
Year 4	393,652
Year 5	370,957
Year 6 to Year 10	1,556,840
Year 11 & above	3,105,800

811

11 DEFERRED TAXATION - NET

Deferred tax asset arising on deductible temporary differences:

- Intangible assets
- Employee Old Age Benefits
- Gratuity
- Tax Loss
- On Minimum Tax
- Credit loss allowance on bank balances

Deferred tax liabilities arising on taxable temporary differences:

- Property and equipment

Deferred tax asset arising on deductible temporary differences:

- Intangible assets
- Credit loss allowance on bank balances

Deferred tax liabilities arising on

taxable temporary differences:

- Property and equipment

December 31, 2025			
At January 01, 2025	Recognised in P&L	Recognised in OCI	At December 31, 2025
Rupees			

33,052	(4,921)	-	28,131
-	754,023	-	754,023
-	904,491	-	904,491
-	18,529,072	-	18,529,072
-	1,125,776	-	1,125,776
74,559	(58,407)	-	16,152
<u>107,611</u>	<u>21,250,034</u>	<u>-</u>	<u>21,357,645</u>

4,662,988	4,442,114	-	9,105,102
4,662,988	4,442,114	-	9,105,102
<u>(4,555,377)</u>	<u>16,807,920</u>	<u>-</u>	<u>12,252,543</u>

December 31, 2024			
At July 01, 2024	Recognised in P&L	Recognised in OCI	At December 31, 2024
Rupees			

27,462	5,590	-	33,052
548,784	(474,226)	-	74,559
576,246	(468,636)	-	107,611

2,909,755	1,753,233	-	4,662,988
2,909,755	1,753,233	-	4,662,988
<u>(2,333,509)</u>	<u>(2,221,869)</u>	<u>-</u>	<u>(4,555,377)</u>

511

		December 31, 2025	December 31, 2024
	Note	Rupees	
12	Accrued and other liabilities		
	Payable to MCB Bank Limited -		
	the Holding Company	53,461,510	37,031,986
	Bonus payable	15,536,839	16,594,995
	Payable to contractors & vendors	15,955,748	6,565,698
	Other payables	3,311,591	1,029,135
	Sales tax payable	451,049	1,165,112
	Provision for Workers Welfare Fund	1,036,467	1,036,467
	Withholding tax payable	970,971	858,399
	Professional tax Payable	100,000	-
	Audit fee payable	1,380,000	837,500
	Retention money payable	701,330	536,531
	Other professional fee payable	-	518,371
	Insurance payable	676,821	296,292
	Provision for utilities	298,112	61,451
		93,880,438	66,531,937

12.1 This represents amount payable on account of reimbursement of assets purchased, deputed employees from MCB Bank Limited and rent and shared expenses for exchange outlets located in different branches.

12.2 This includes bonus payable to Chief Executive Officer and other executives for the year amounting to Rs. 10,721,367 (for the period ended December 31, 2024: Rs. 12,026,131.)

13 Contingencies and commitments

13.1 There were no contingencies and commitments as at December 31, 2025 (December 31, 2024: Nil)

		FOR THE YEAR ENDED DECEMBER 31, 2025	FOR THE PERIOD FROM JULY 01, 2024 TO DECEMBER 31, 2024
	Note	Rupees	
14	Income from exchange operations		
	Exchange income - net	90,062,073	19,300,398
		90,062,073	19,300,398

14.1 Income from exchange operations includes income from sale and purchase of foreign currencies and revaluation gain / loss on foreign currencies.

18/1

**FOR THE YEAR
ENDED
DECEMBER 31,
2025**

**FOR THE PERIOD
FROM JULY 01,
2024 TO
DECEMBER 31,
2024**

15	Cost of services	Note	Rupees	
	Salaries and other benefits	15.1, 15.2 & 15.3	64,621,922	20,826,193
	Depreciation on property and equipment	4.1	10,230,965	2,988,653
	Rent, shared expenses and utilities	15.4	33,639,164	7,872,416
	Repair and maintenance		581,723	131,050
	Network connectivity charges		7,303,636	1,151,781
	Legal and professional charges		2,000	-
	Insurance		3,559,354	743,169
	Fee and subscription		157,000	35,000
	Printing and stationery		284,414	64,320
	Marketing		948,775	498,720
	Entertainment		141,762	37,288
	Travelling and conveyance		133,587	244,755
	Vehicle running		40,593	-
	NADRA-Biometric		388,951	149,988
	Cash in transit services		1,695,877	72,318
	Miscellaneous expenses		766,681	219,383
			124,496,404	35,035,034
			124,496,404	35,035,034

15.1 This includes provision for bonus of employees amounting to Rs. 2,544,670 (for the period ended December 31, 2024: Rs. 2,101,474).

15.2 During last year Board approved Gratuity Scheme for employees who have completed one year of employment with the company.

15.3 This includes expense relating to five outsourced staff from 3-E Business Solution (Pvt) Ltd amounting to Rs. 1,393,746 (For the period ended December 31, 2024: Nil)

15.4 This includes rent, shared expenses and utilities amounting to Rs. 23,875,400 (for the period ended December 31, 2024: Rs. 7,339,000) payable to Holding Company

04

		FOR THE YEAR ENDED DECEMBER 31, 2025	FOR THE PERIOD FROM JULY 01, 2024 TO DECEMBER 31, 2024
	Note	Rupees	
16	Administrative expenses		
	Salaries and other benefits	77,341,994	41,403,023
	Depreciation on property and equipment	5,625,238	2,039,664
	Amortization of intangible assets	2,146,928	866,597
	Rent, shared expenses and utilities	4,516,085	2,773,333
	Repair and maintenance	6,166,288	2,466,510
	Network connectivity charges	243,383	1,030,772
	Legal and professional charges	1,266,716	1,078,337
	Insurance	3,615,007	396,216
	Fee and subscription	1,576,180	755,000
	Printing and stationery	749,237	1,210,651
	Marketing	635,570	29,231
	Entertainment	292,562	152,244
	Auditors' remuneration	1,380,000	837,500
	Travelling and conveyance	596,250	208,216
	Vehicle running	2,198,325	1,030,578
	Penalty	400,000	-
	Cash in transit services	1,178,842	-
	Miscellaneous expenses	613,962	223,374
		<u>110,542,567</u>	<u>56,501,246</u>

- 16.1** This includes provision for bonus of employees amounting to Rs. 9,698,544 (for the period ended December 31, 2024 :Rs. 14,493,521).
- 16.2** During last year Board approved Gratuity Scheme for employees who have completed one year of employment with the company.
- 16.3** This includes expense relating to two outsourced staff from 3-E Business Solution (Pvt) Ltd amounting to Rs. 899,922 (For the period ended December 31, 2024: 228,737)
- 16.4** This includes rent, shared expenses and utilities amounting to Rs. 3,780,000 (for the period ended December 31, 2024: Rs. 1,800,000) payable to Holding Company

BT

		FOR THE YEAR ENDED DECEMBER 31, 2025	FOR THE PERIOD FROM JULY 01, 2024 TO DECEMBER 31, 2024
	Note	Rupees	
16.5	Auditors' remuneration		
	Audit Fee	1,200,000	750,000
	Out of pocket expenses	120,000	50,000
	Punjab sales tax	60,000	37,500
		1,380,000	837,500
17	Other income - net		
	Profit on savings accounts with - the Holding Company	24 64,666,644	68,217,206
	Interest income on Pakistan Investment Bonds (PIBs)	17.1 20,343,609	15,224,975
	Interest income on T-Bill	17.2 475,750	-
	Unwinding of discount on Pakistan Investment Bonds (PIBs)	899,597	383,874
		86,385,600	83,826,055
17.1	This represents interest income earned on Pakistan Investment Bonds (PIBs) purchased from the State Bank of Pakistan, classified as part of long-term investments.		
17.2	This represents interest income earned on Treasury Bills purchased from MCB Bank for a period of seven days during the year ended December 31, 2025.		
		FOR THE YEAR ENDED DECEMBER 31, 2025	FOR THE PERIOD FROM JULY 01, 2024 TO DECEMBER 31, 2024
		Rupees	
18	Finance cost		
	Bank charges	432,939	55,919
19	Minimum tax levy		
	Minimum tax expense	1,125,776	-
19.1	This represents portion of minimum tax paid under section 113 of Income Tax Ordinance (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.		

211

	FOR THE YEAR ENDED DECEMBER 31, 2025	FOR THE PERIOD FROM JULY 01, 2024 TO DECEMBER 31, 2024
20 Taxation	Rupees	
Current tax expense	-	1,296,714
Deferred tax expense/(income)	(16,807,920)	2,221,869
	<u>(16,807,920)</u>	<u>3,518,583</u>

20.1 Income tax is calculated on self-assessment basis and is deemed to be assessed under section 120 of the Income Tax Ordinance, 2001 upon submission of the relevant tax return.

21 Earnings per share - basic and diluted

21.1 Basic earnings per share

Basic earnings per share has been computed by dividing profit for the period attributable to ordinary shareholders by the weighted average number of shares outstanding as at the period end.

	FOR THE YEAR ENDED DECEMBER 31, 2025	For the period from July 01, 2024 to December 31, 2024
	Rupees	
(Loss)/profit after taxation attributable to ordinary shareholders	(43,140,690)	8,614,463
Weighted average number of ordinary shares (number of shares)	100,000,000	100,000,000
Basic earnings per share	<u>(0.43)</u>	<u>0.09</u>

21.2 Diluted earnings per share

Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at December 31, 2025 which would have any dilutive effect on the earnings per share if the option to convert is exercised.

	December 31, 2025	December 31, 2024
22 Number of employees	Numbers	
Number of employees as at reporting date	<u>126</u>	<u>71</u>
Average number of employees during the period	<u>94</u>	<u>56</u>

184

23 Remuneration of chief executive officer, directors and executives

The aggregate amount charged in the financial statements for remuneration including all benefits of Chief Executive Officer, Directors and Executives of the Company are as follows:

For the Year ended December 31, 2025			
	Executives	Chief Executive Officer	Total
	Rupees		
Managerial remuneration			
i) Fixed	11,582,088	11,760,000	23,342,088
ii) Bonus	5,221,367	5,500,000	10,721,367
Contribution to defined contribution plan	554,700	-	554,700
Medical	172,000	209,337	381,337
Rent and house maintenance	4,250,472	3,360,000	7,610,472
Fuel allowance	5,437,350	4,546,362	9,983,712
	<u>27,217,977</u>	<u>25,375,699</u>	<u>52,593,676</u>
Number of person(s)	<u>3</u>	<u>1</u>	<u>4</u>

For the period from July 01, 2024 to December 31, 2024			
	Executives	Chief Executive Officer	Total
	Rupees		
Managerial remuneration			
i) Fixed	8,829,150	9,600,000	18,429,150
ii) Bonus	4,026,131	8,000,000	12,026,131
Contribution to defined contribution plan	244,776	-	244,776
Medical	179,840	-	179,840
Rent and house maintenance	300,000	-	300,000
Fuel allowance	802,023	-	802,023
	<u>14,381,920</u>	<u>17,600,000</u>	<u>31,981,920</u>
Number of person(s)	<u>3</u>	<u>1</u>	<u>4</u>

23.1 Executive' means an employee other than the Chief Executive Officer and directors, whose basic salary exceeds Rs. 1.2 million in a financial year.

23.2 Mr. Amer Nazir Khan joined the Company as Chief Executive Officer on March 1, 2024. He has over 35 years of experience in the banking industry, including his ex-position as Head of Treasury Sales & International Treasuries at MCB Bank.

23.3 Total number of Directors of the Company as at December 31, 2025 were 3 (December 31, 2024: 4). None of the Directors is paid any remuneration. Fitness and propriety clearance (FTP) and NOC to the proposed nominee directors Mr. Hammad Khalid and Mr. Omair Safdar was granted on January 2, 2026.

211

TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties of the Company comprise of MCB Bank Limited being the Holding Company and major shareholder and the companies owned by the Holding company, directors and entities owned by the directors of the Company where they also hold directorships and key management personnel and their close family members. Transactions with related parties are entered in the normal course of business at the agreed terms and conditions. Remuneration to key management personnel is disclosed in note 23 to the financial statements. The aggregate value of transactions and outstanding balances as at December 31, 2025 with related parties other than those which have been disclosed elsewhere are as follows:

	December 31, 2025			
	The Holding Company	Directors	Key management personnel	Other related parties
	Rupees			
Transactions during the year from January 1, 2025 to December 31, 2025:				
Exchange income earned	2,680,300	16,701	-	441,920
FCY Sale Transactions	-	5,735,536	-	151,804,082
FCY Buy Transactions	-	613,150	-	292,695
Profit return earned	64,666,644	-	-	-
Bank charges	432,939	-	-	-
Payroll expenses	25,499,864	-	-	-
Rent and shared expenses	27,655,400	-	-	-
Other expenses paid on behalf of the Company	1,183,061	-	-	-
Purchase of property and equipment on behalf of the Company	1,803,485	-	-	-
Insurance expense	-	-	-	7,174,361
Payments made during the year	37,031,986	-	-	7,837,190
Balances as at December 31, 2025				
Payable to the Holding Company	53,461,510	-	-	-
Payable to Adamjee Insurance Company	-	-	-	676,821
Prepaid to Adamjee Insurance Company	-	-	-	399,986
Cash and bank balances	579,352,809	-	-	-

184

**Transactions during the period from
July 1, 2024 to December 31, 2024:**

December 31, 2024			
The Holding company	Directors	Key management personnel	Other related parties
Rupees			

Exchange income earned	-	-	-	72,483
FCY Sale Transactions	-	-	-	31,703,210
FCY Buy Transactions	-	-	-	849,468
Profit return earned	68,217,206	-	-	-
Bank charges	55,919	-	-	-
Payroll expenses	15,738,527	-	-	-
Rent and shared expenses	9,139,000	-	-	-
Other expenses paid on behalf of the Company	1,306,634	-	-	-
Computer sale by the Holding company	368,513	-	-	-
Purchase of property and equipment on behalf of the Company	10,479,312	-	-	-
Insurance expense	-	-	-	1,139,384
Security Stationery purchased form MCB Foundation	-	-	-	810,080
Payments made during the year	49,764,401	-	-	-
Balances as at December 31, 2024				
Payable to the Holding company	37,031,986	-	-	-
Payable to Adamjee Insurance Company	-	-	-	296,292
Prepaid to Adamjee Insurance Company	-	-	-	96,291
Payable to MCB Foundation	-	-	-	810,080
Cash and bank balances	779,958,771	-	-	-

BA

FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets

- Long term investments
- Cash and bank balances
- Accrued markup

Financial liabilities

- Accrued and other liabilities

Financial assets

- Long term investments
- Cash and bank balances
- Accrued markup

Financial liabilities

- Accrued and other liabilities

December 31, 2025		
At amortised cost	At fair value through profit and loss	Total

Rupees

159,386,622	-	159,386,622
719,174,692	-	719,174,692
3,682,572	-	3,682,572
<u>882,243,886</u>	<u>-</u>	<u>882,243,886</u>

93,880,438	-	93,880,438
<u>93,880,438</u>	<u>-</u>	<u>93,880,438</u>

December 31, 2024		
At amortised cost	At fair value through profit and loss	Total

Rupees

158,487,025	-	158,487,025
837,636,476	-	837,636,476
9,774,147	-	9,774,147
<u>1,005,897,648</u>	<u>-</u>	<u>1,005,897,648</u>

66,629,409	-	66,629,409
<u>66,629,409</u>	<u>-</u>	<u>66,629,409</u>

8/1

26 Financial risk management

The Company is exposed to the following risks in respect of financial instruments:

- Credit risk,
- Liquidity risk,
- Market risk, and
- Operational risk.

The Board of Directors (the Board) of the Company has the overall responsibility for establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies. To assist the Board in discharging its oversight responsibility, the management has been made responsible for identifying, monitoring and managing the Company's financial risk exposure.

26.1 Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties. Concentration of credit risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Company is mainly exposed to credit risk on bank balances, advances, prepayments and other receivables, long term investment and accrued markup. The Company seeks to minimise the credit risk exposure by dealing mostly with regular and permanent parties who pay on due dates. Out of total assets of Rs. 1,097 million the financial assets which are subject to credit risk amounted to Rs. 742 million. The carrying amounts of these financial assets represents the maximum credit exposure at the reporting date.

		December 31, 2025	
		Balance as per statement of financial position	Maximum exposure to credit risk
		Rupees	
	Note		
Accrued mark-up		3,682,572	-
Bank balances	7	579,352,809	579,352,809
Long term investments	6	159,386,622	-
		742,422,003	579,352,809
		December 31, 2024	
		Balance as per statement of financial position	Maximum exposure to credit risk
		Rupees	
	Note		
Accrued mark-up		9,774,147	-
Bank balances	7	779,979,919	779,979,919
Long term investments	6	158,487,025	-
		948,241,091	779,979,919

Quality of financial assets

Concentration of credit risk exists when changes in economic or industry factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure.

The Company's portfolio of financial assets is broadly diversified and transactions are entered into with diverse credit worthy counterparties, thereby mitigating any significant concentration of credit risk.

The credit quality of financial assets that are neither past nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates as follows:

184

26.1.1 The credit quality of balances with banks can be assessed with reference to external credit ratings as follows:

Name of Bank

MCB Bank Limited

Rating agency	Rating		December 31, 2025	
	Long term	Short term	Amount	% of total balances
PACRA	AAA	A1+	579,352,809	100%
			<u>579,352,809</u>	<u>100%</u>

Name of Bank

MCB Bank Limited

Rating agency	Rating		December 31, 2024	
	Long term	Short term	Amount	% of total balances
PACRA	AAA	A1+	779,958,771	100%
			<u>779,958,771</u>	<u>100%</u>

26.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in raising funds to meet its obligations and commitments associated with financial instruments. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as these fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by monitoring future cash flows on a day-to-day basis.

The table below summarizes the maturity profile of the financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date.

		December 31, 2025				
		Total	Upto three months	More than three months and upto one year	More than one year and upto five years	More than five years
	Note	Rupees				
Accrued and other liabilities	12	93,880,438	39,382,461	54,497,977	-	-
		<u>93,880,438</u>	<u>39,382,461.0</u>	<u>54,497,977</u>	-	-
		December 31, 2024				
		Total	Upto three months	More than three months and upto one year	More than one year and upto five years	More than five years
	Note	Rupees				
Accrued and other liabilities	12	66,629,409	20,429,592	46,199,817	-	-
		<u>66,629,409</u>	<u>20,429,592.0</u>	<u>46,199,817</u>	-	-

DA

26.3 Market risk

Market risk is the risk that changes in market interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's / issuer's credit standing) will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

26.3.1 Yield / profit rate risk

Yield / profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. Company's significant interest bearing financial instruments are as follows:

		December 31, 2025				
Effective yield / profit rate risk	Note	Exposed to yield / profit rate risk			Not exposed to yield/profit rate risk	Total
		Up to three months	More than three months and upto one year	More than one year		
		Rupees				
On balance sheet financial instruments						
Financial assets						
Long term investments	6	12.17%	-	159,386,622	-	159,386,622
Accrued mark-up		-	-	-	3,682,572	3,682,572
Cash and bank balances	7	9.50%	578,550,979	-	-	719,230,388
Advances, prepayments and other receivables	8	-	-	-	35,997,137	35,997,137
			578,550,979	159,386,622	-	918,296,719
Financial liabilities						
Accrued and other liabilities	12		-	-	-	93,880,438
			-	-	-	93,880,438
On balance sheet gap (a)			<u>578,550,979</u>	<u>159,386,622</u>	<u>-</u>	<u>824,416,281</u>
Off balance sheet financial instruments						
Off balance sheet gap (b)			<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total yield / profit rate (a+b)			<u>578,550,979</u>	<u>159,386,622</u>	<u>-</u>	
Cumulative interest rate sensitivity gap			<u>578,550,979</u>	<u>737,937,601</u>	<u>737,937,601</u>	

DX

December 31, 2024					
Effective yield / profit rate risk	Exposed to yield / profit rate risk			Not exposed to yield/profit rate risk	Total
	Up to three months	More than three months and upto one year	More than one year		
Rupees					

Note

On balance sheet financial instruments

Financial assets

Long term investments	6	15.45%	-	158,487,025	-	-	158,487,025
Accrued mark-up		-	-	-	-	9,774,147	9,774,147
Cash and bank balances	7	13.50%	775,861,993	-	-	62,010,434	837,872,427
Advances, prepayments and other receivables	8		-	-	-	15,187,152	15,187,152

			775,861,993	158,487,025	-	86,971,733	1,021,320,751
--	--	--	-------------	-------------	---	------------	---------------

Financial liabilities

Accrued and other liabilities	12		-	-	-	66,629,409	66,629,409
-------------------------------	----	--	---	---	---	------------	------------

			-	-	-	66,629,409	66,629,409
--	--	--	---	---	---	------------	------------

On balance sheet gap (a)

			775,861,993	158,487,025	-	20,342,324	954,691,342
--	--	--	-------------	-------------	---	------------	-------------

Off balance sheet financial instruments

			-	-	-	-	-
--	--	--	---	---	---	---	---

Off balance sheet gap (b)

			-	-	-	-	-
--	--	--	---	---	---	---	---

Total yield / profit rate (a+b)

			775,861,993	158,487,025	-		
--	--	--	-------------	-------------	---	--	--

Cumulative interest rate sensitivity gap

			775,861,993	934,349,018	934,349,018		
--	--	--	-------------	-------------	-------------	--	--

BK

26.3.2 Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. In order to avoid losses arising from adverse movements in the exchange rates the management monitors compliance with all external and internal limits (including currency, dealer and counterparty limits), review of foreign exchange exposure and regular revaluation of the entire portfolio.

The Company's exposure to foreign exchange risk is as follows:

	December 31, 2025			
	USD	GBP	EUR	Others
	Equivalent in Rupees			
Financial Assets				
Foreign currencies - in hand and bank	46,937,538	5,659,815	3,761,278	73,059,617
Net currency exposure	46,937,538	5,659,815	3,761,278	73,059,617
Currency exchange rates *	280.77	378.22	329.92	Various

* The currency conversion rates are based on the closing revaluation rates calculated by the Company.

	December 31, 2024			
	USD	GBP	EUR	Others
	Equivalent in Rupees			
Financial Assets				
Foreign currencies - in hand and bank	20,387,489	5,885,779	2,436,796	19,341,223
Net currency exposure	20,387,489	5,885,779	2,436,796	19,341,223
Currency exchange rates *	278.67	349.50	289.75	Various

* The currency conversion rates are based on the closing revaluation rates calculated by the Company.

26.3.3 Sensitivity analysis

Every 5% increase or decrease in exchange rate, with all other variables held constant, will increase or decrease profit for the year by Rs. 6.4 million (For the period ended December 31, 2024: Rs. 2.4 million).

84

26.4 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's operations either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behavior. Operational risks arise from all of the Company's activities.

The Company's objective is to manage operational risk so as to balance financial losses and damage to its reputation with achieving its investment objective of generating returns for investors.

The primary responsibility for the development and implementation of controls over operational risk rests with the Board of Directors. Senior management ensures that the Company's employees' have adequate training and experience and fosters effective communication related to operational risk management.

26.5 CAPITAL RISK MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. As of the reporting date, the Company is not leveraged.

27 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants and measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The estimated fair value of financial assets and liabilities is considered not to be significantly different from carrying values as the items are either short-term in nature or are periodically repriced other than those mentioned in note 28.1.

27.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- 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 inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Valuation techniques include net present value and net assets value. Assumptions and inputs used include risk-free and benchmark interest rates used in estimating discount rates.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The Company uses widely recognized valuation techniques, for determining the fair value of assets and liabilities, that use only observable market data and require little management judgment and estimation.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

1011

The following table analyses financial assets and liabilities at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorized:

December 31, 2025				
Carrying Amount	Fair value			
	Level 1	Level 2	Level 3	Total
Rupees				

Financial assets -
disclosed but not measured at fair value

- Long term investment - Pakistan Investment Bonds	159,386,622	-	159,386,622	-	159,386,622
	<u>159,386,622</u>	<u>-</u>	<u>159,386,622</u>	<u>-</u>	<u>159,386,622</u>

There were no transfer between level 1 and 2 during the year ended December 31, 2025.

December 31, 2024				
Carrying Amount	Fair value			
	Level 1	Level 2	Level 3	Total
Rupees				

Financial assets -
disclosed but not measured at fair value

- Long term investment - Pakistan Investment Bonds	158,487,025	-	158,487,025	-	158,487,025
	<u>158,487,025</u>	<u>-</u>	<u>158,487,025</u>	<u>-</u>	<u>158,487,025</u>

There were no transfer between level 1 and 2 during the period ended December 31, 2024.

16/11

The Company commenced its operations on April 29, 2024 and is engaged in the business of dealing in foreign currency. The Company operates through a network of forty six outlets. The addresses of all outlets are as follows:

Sr. No	Outlet	Address
1	CBC Islamabad	MCB Chinese Business Centre (1604), Shop No 57, 85 East, Kamran Centre, F Block, Blue Area, Islamabad
2	Civil Lines Jehlum Booth	MCB Civil lines Jhelum (0933), Jahangir House, Civil Lines, Jhelum
3	F-11 Islamabad	MCB F-11 Markez (1568), Shop No 2 to 6, Plot No 9, Hassan Arcade F11 Markaz, Islamabad
4	Ghalla Mandi Gujranwala	MCB Ghalla Mandi Gujranwala (0219), Bhatia Nagar, Main G.T. Road, Gujranwala
5	Gujar Khan	MCB Gujar Khan (0586), Property No B III 359A 359B, GT Road Gujar Khan
6	Gujrat	MCB Kutchery Chowk Branch (1297), Mauza Nanwan Shahpur, Kutchery Chowk, Gujrat
7	Karachi Bath Island	MCB Bath Island (1453), Clifton Broadway Building, Frere Town Quarters, 13-FT-4, Main Clifton Road, Karachi
8	Karachi Tariq Road (PECHS)	MCB Tariq Road (0014), 124-P, Block-2, P.E.C.H.S, Karachi
9	Kutchery Road Mandi Bahauddin	MCB Mandi Bahauddin (1806), Mouza/Mahaal Chak No. 51, Kutchery Road, Mandi Bahauddin
10	Lalamusa	MCB Lala Musa (0192), Khasra No 95768 Khewat Khatooni No 433, G No 117, GT Road Lala Musa
11	Main Branch Karachi	MCB Main Branch (0001), Ground Floor Adamjee House, II Chundrigar Road, Karachi
12	MirPur	MCB Mirpur (0596), Main Iqbal Road, Mirpur AK, Mirpur
13	Multan Cantt. Booth	MCB Multan Cantt (0501), Property No. 370, Survey No. 183/615, Quaid-e-Azam Road, Multan Cantt.,
14	Nila Gumbad	MCB Nila Gumbad (0176), Nila Gumbad, Bank Square, Lahore
15	Nursery Karachi	MCB Nursery (0042), Fortune Centre, PECHS Block 6, Nursery Shahrah-e-Faisal Karachi
16	Premier Branch Gulberg Lahore	MCB Premier (1400), 31-Q Industrial Area, Gulberg Lahore
17	Railway Road Wazirabad	MCB Wazirabad (0196), Railway Road, Wazirabad
18	T Block DHA	MCB DHA T Block (1523), T 64 Phase II, Commercial Area DHA, Lahore
19	Township Branch Lahore	MCB Township (0888), 45-B-1, Sector-10, Township, Lahore
20	Trunk Bazar Sialkot	MCB Sialkot (0195), Trunk Bazar, Sialkot

Sr. No	Outlet	Address
21	University Road Booth Karachi	MCB University Road (8018), SB-4, Block 13-B, University Road, Gulshan-e-Iqbal, Karachi
22	Faisalabad Madina Town	MCB Faisalabad (0451), Chenab Market, 25/4, Main Susan Road, Madina Town, Faisalabad
23	Main Market Branch Lahore	Ground Floor Al-Ghani Building, 27-E, Main Market Gulberg II Branch, Lahore
24	Liaquat Market Sargodha	MCB Liaquat Market Sargodha, District Sargodha
25	Satellite Town, Rawalpindi	MCB Ground Floor, Al-Gilan Building, Murree Road, Satellite Town, Rawalpindi
26	City Bank Square, Rawalpindi	MCB City Bank Square, Trunk Bazar, Rawalpindi
27	Nasim Nagar Hyderabad	MCB Plot No. B-01, GECH Society, 8009 Near Ali CNG, Qasimabad, Hyderabad
28	Sahiwal, Mission Chowk	MCB Mission Chowk, Jinnah Road, Sahiwal
29	Burewala Ghalla Mandi	MCB Burewala Ghalla Mandi, Vehari Bazar Burewala
30	PIA Society Lahore	MCB PIA Society Lahore, 13-G Main Road, PIA Employees Co-operative Housing Society Ltd. Lahore
31	GTS Chowk Branch Gujrat	Nanowan Rangpur, Center Point Plaza, Access GT Road, GTS Chowk, Gujrat
32	U.P. More, North Karachi	MCB C-145, Sector 11-B, U.P. More, North Karachi
33	North Nazimabad Karachi	MCB North Plaza-SD-11, Off. Jinnah College, Block 'A' North Nazimabad Karachi
34	Sambrial Wazirabad Road	MCB B1-732-A, Wazirabad Road, Sambrial
35	DHA Y Block Lahore	Shop No 45-Ground Floor Inner Circle Defence Commercial Plaza, Y Block, Phase: 3C, DHA Lahore Cantt
36	Bahawalpur, Farid Gate	MCB B-III-2785/D, Opposite Borstal Jail, TMA Office, Farid Gate, Bahawalpur
37	Abbottabad Jinnah Chowk	MCB Abbottabad Main MCB Building Jinnah Chowk, Abbottabad
38	Haripur GT Road	MCB Shop No. 1-4 Ashraf Market GT Road, Haripur
39	University Town Peshawar	MCB 3A-Park Avenue Road, University Town Peshawar
40	Kutchery Road D.G. Khan	MCB Shop No. 6 to 9, Block No. 1, Railway Road, D.G. Khan
41	Deans Centre Peshawar	UG-46, Deans Trade Center Islamia Road, Peshawar
42	Saddar Bazar Lahore	MCB Saddar Bazar 57-4 Lahore Road, Lahore Cantt
43	Mardan Mall Road	Shop No. 09 1st Floor/Ground Floor Pak Plaza Mardan
44	Mansehra Abbottabad Road Booth	MCB Opposite Old Bus Stand, Abbottabad Road, Mansehra
45	Lala Rukh, Wah Cantt Booth	MCB PO Lala Rukh, Wah Cantt., Tehsil Taxila, District Rawalpindi
46	Kallar Syedan Booth	MCB Hafeez Cheema Plaza, Choha Road, Kallar Syedan, Rawalpindi

211

29 **General**

Comparative information has been reclassified, rearranged or additionally incorporated wherever necessary for better presentation of the financial statements. There have been no significant reclassifications during the year.

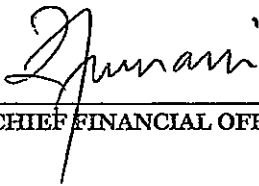
30 **Subsequent event**

There is no subsequent event effecting the financial statements for the period ended December 31, 2025.

31 **Date of authorization**

These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on March 09, 2026.

BH



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



DIRECTOR