



## INDEPENDENT AUDITOR'S REPORT

To the members of BOP Exchange (Private) Limited

Report on the Audit of the Financial Statements

### Opinion

We have audited the annexed financial statements of BOP Exchange (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 annual report but does not include the financial statements and our auditor's report 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.

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## **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.



A.F.FERGUSON & Co.

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.*

**A. F. Ferguson & Co.,  
Chartered Accountants**

**Lahore**

**Date:** March 31, 2026

**UDIN:** AR202510889grYHsXOun

**BOP EXCHANGE (PRIVATE) LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2025**

|  | Note | <u>2025</u>          | <u>2024</u>          |
|--|------|----------------------|----------------------|
|  |      | Rupees               | Rupees               |
| <b>ASSETS</b>  |      |                      |                      |
| <b>NON-CURRENT ASSETS</b>                                      |      |                      |                      |
| Property and equipment   | 6    | 213,048,156          | 87,291,257           |
| Intangible assets  | 7    | 7,539,974            | 8,710,630            |
| Right-of-use assets  | 8    | 83,005,194           | 83,876,128           |
| Deferred taxation - net  | 9    | 14,862,894           | 18,527,520           |
|  |      | 318,456,218          | 198,405,535          |
| <b>CURRENT ASSETS</b>  |      |                      |                      |
| Advances, deposits, prepayments and other receivables          | 10   | 21,972,570           | 4,922,214            |
| Advance tax - net of provision                                 | 11   | 11,738,155           | 3,313,812            |
| Short term investments   | 12   | 225,419,973          | 172,802,556          |
| Cash and bank balances   | 13   | 729,822,398          | 763,695,164          |
|  |      | 988,953,096          | 944,733,746          |
| <b>TOTAL ASSETS</b>  |      | <u>1,307,409,314</u> | <u>1,143,139,281</u> |
| <b>EQUITY AND LIABILITIES</b>                                  |      |                      |                      |
| <b>EQUITY</b>  |      |                      |                      |
| <b>SHARE CAPITAL AND RESERVES</b>                              |      |                      |                      |
| <b>Authorized share capital</b>                                |      |                      |                      |
| Ordinary share of Rs. 10/- each                                | 14   | <u>2,500,000,000</u> | <u>2,500,000,000</u> |
| <b>Issued, subscribed and paid up share capital</b>            |      |                      |                      |
| Ordinary share of Rs. 10/- each                                | 14   | 1,500,000,000        | 1,000,000,000        |
| <b>Revenue Reserve</b>   |      |                      |                      |
| Unappropriated losses  |      | (330,604,040)        | (44,657,003)         |
| <b>TOTAL EQUITY</b>  |      | 1,169,395,960        | 955,342,997          |
| <b>LIABILITIES</b>   |      |                      |                      |
| <b>NON-CURRENT LIABILITIES</b>                                 |      |                      |                      |
| Lease liability against right-of-use assets                    | 15   | 77,249,887           | 77,654,475           |
| <b>CURRENT LIABILITIES</b>                                     |      |                      |                      |
| Accrued expenses and other liabilities                         | 16   | 46,745,034           | 107,999,557          |
| Current portion of lease liability against right-of-use assets | 15   | 14,018,433           | 2,142,252            |
|  |      | 60,763,467           | 110,141,809          |
| <b>TOTAL EQUITY AND LIABILITIES</b>                            |      | <u>1,307,409,314</u> | <u>1,143,139,281</u> |
| <b>CONTINGENCIES AND COMMITMENTS</b>                           |      |                      |                      |
|  | 17   |                      |                      |

The annexed notes from 1 to 37 form an integral part of these financial statements.

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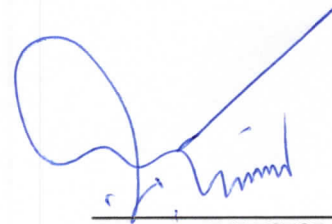
For



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



DIRECTOR

**BOP EXCHANGE (PRIVATE) LIMITED**  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

|   |      | For the year<br>ended<br>December 31,<br>2025 | For the period<br>from April 18,<br>2024 to<br>December 31,<br>2024 |
|---|------|---|---|
|   | Note | Rupees  | Rupees  |
| Income from exchange operations - net                         | 18   | 52,653,974                                    | 1,432,452   |
| Cost of services  | 19   | (166,075,044)                                 | (34,048,947)  |
| <b>Gross loss</b>   |      | <b>(113,421,070)</b>                          | <b>(32,616,495)</b>   |
| Administrative expenses                                       | 20   | (203,912,166)                                 | (65,421,135)  |
| Reversal / (charge) of credit loss allowance on bank balances | 13   | 4,498,026                                     | (5,949,854)   |
| Other income - net  | 21   | 48,324,940                                    | 43,319,179  |
| <b>Operating loss</b>   |      | <b>(264,510,270)</b>                          | <b>(60,668,305)</b>   |
| Finance costs   | 22   | (11,359,904)                                  | (1,730,232)   |
| <b>Loss before levy and taxation</b>                          |      | <b>(275,870,174)</b>                          | <b>(62,398,537)</b>   |
| Levy  | 23   | (6,412,237)                                   | (498,650)   |
| <b>Loss before taxation</b>                                   |      | <b>(282,282,411)</b>                          | <b>(62,897,187)</b>   |
| Taxation - net  | 24   | (3,664,626)                                   | 18,240,184  |
| <b>Loss after taxation for the year / period</b>              |      | <b>(285,947,037)</b>                          | <b>(44,657,003)</b>   |
| <b>Loss per share - basic and diluted</b>                     | 25   | <b>(2.86)</b>                                 | <b>(0.45)</b>   |

The annexed notes from 1 to 37 form an integral part of these financial statements.

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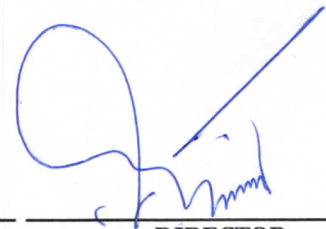
For



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



DIRECTOR

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

|  | <b>For the year<br/>ended<br/>December 31,<br/>2025</b> | <b>For the period<br/>from April 18,<br/>2024 to<br/>December 31,<br/>2024</b> |
|--|---|--|
|  | <b>Rupees</b>   | <b>Rupees</b>  |
| <b>Loss after taxation for the year / period</b>                     | (285,947,037)   | (44,657,003)   |
| <b>Other comprehensive income for the year / period - net of tax</b> |   |  |
| - Item that will be reclassified subsequently to profit or loss      | -   | -  |
| - Item that will not be reclassified subsequently to profit or loss  | -   | -  |
| <b>Total comprehensive loss for the year / period</b>                | <u>(285,947,037)</u>                                    | <u>(44,657,003)</u>  |

The annexed notes from 1 to 37 form an integral part of these financial statements.

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For

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**CHIEF FINANCIAL OFFICER**

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**CHIEF EXECUTIVE OFFICER**

\_\_\_\_\_  
**DIRECTOR**

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

|  | Issued,<br>subscribed and<br>paid up share<br>capital | Revenue reserve<br>Unappropriated<br>losses | Total<br>shareholder's<br>equity |
|--|---|---|----------------------------------|
|  | Rupees  |   |                                  |
| <b>Balance as at April 18, 2024</b>                        | -   | -   | -                                |
| <b>Total comprehensive loss for the period</b>             |   |   |                                  |
| - Loss after taxation                                      | -   | (44,657,003)                                | (44,657,003)                     |
| - Other comprehensive income - net of tax                  | -   | -   | -                                |
| <b>Transaction with owners recorded directly in equity</b> |   |   |                                  |
| - Issuance of ordinary shares                              | 1,000,000,000   | -   | 1,000,000,000                    |
| <b>Balance as at December 31, 2024</b>                     | 1,000,000,000   | (44,657,003)                                | 955,342,997                      |
| <b>Total comprehensive loss for the year</b>               |   |   |                                  |
| - Loss after taxation                                      | -   | (285,947,037)                               | (285,947,037)                    |
| - Other comprehensive income - net of tax                  | -   | -   | -                                |
| <b>Transaction with owners recorded directly in equity</b> |   |   |                                  |
| - Issuance of ordinary shares                              | 500,000,000   | -   | 500,000,000                      |
| <b>Balance as at December 31, 2025</b>                     | <u>1,500,000,000</u>                                  | <u>(330,604,040)</u>                        | <u>1,169,395,960</u>             |

The annexed notes from 1 to 37 form an integral part of these financial statements.

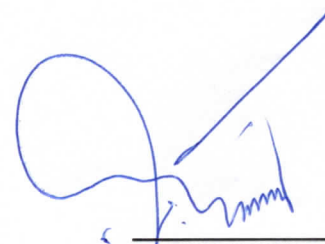
For



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



DIRECTOR

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

|  | For the year<br>ended<br>December 31,<br>2025 | For the period<br>from April 18,<br>2024 to<br>December 31,<br>2024 |
|--|---|---|
| Note   | Rupees  | Rupees  |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |   |   |
| Loss before taxation   | (282,282,411)                                 | (62,897,187)  |
| <b>Adjustments for non-cash and other items:</b>   |   |   |
| Depreciation on property and equipment   | 29,636,182                                    | 1,649,966   |
| Amortization on intangible assets  | 2,447,218                                     | 668,954   |
| Depreciation on right-of-use assets  | 16,691,167                                    | 2,710,865   |
| Bank charges   | 177,354                                       | 120,498   |
| Reversal / (charge) of credit loss allowance on bank balances  | (4,498,026)                                   | 5,949,854   |
| Levy   | 6,412,237                                     | 498,650   |
| Finance cost on lease liability against right-of-use assets  | 11,182,550                                    | 1,609,734   |
| Profit received on saving accounts   | (10,991,493)                                  | (27,331,993)  |
| Interest on Market Treasury Bills (MTBs)   | (33,491,402)                                  | (11,127,556)  |
| Gain on modification of lease  | (67,520)                                      | -   |
| Capital gain on sale of MTBs   | (3,780,392)                                   | (990,814)   |
| Revaluation loss / (gain) on MTBs - unrealized   | 5,867   | (3,868,816)   |
| <b>Operating cash flows before working capital changes</b>   | <b>13,723,742</b>                             | <b>(30,110,658)</b>   |
| <b>Increase in current assets</b>  |   |   |
| Advances, deposits, prepayments and other receivables  | (17,050,356)                                  | (4,922,214)   |
| <b>(Decrease) / increase in current liabilities</b>  |   |   |
| Accrued expenses and other liabilities   | (61,254,523)                                  | 107,999,557   |
| <b>Cash (used in) / generated from operating activities</b>  | <b>(346,863,548)</b>                          | <b>10,069,498</b>   |
| Advance income tax and levy paid during the year / period  | (14,836,580)                                  | (4,099,798)   |
| <b>Net cash (used in) / generated from operating activities</b>  | <b>(361,700,128)</b>                          | <b>5,969,700</b>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |   |   |
| Purchase of property and equipment and capital work in progress  | (155,393,081)                                 | (88,941,223)  |
| Purchase of intangible assets  | (1,276,562)                                   | (9,379,584)   |
| Investment in MTBs   | (182,452,218)                                 | (214,010,250)   |
| Proceeds from disposal of MTBs   | 167,100,727                                   | 57,194,880  |
| Profit received on saving accounts   | 10,991,493                                    | 27,331,993  |
| <b>Net cash used in investing activities</b>   | <b>(161,029,641)</b>                          | <b>(227,804,184)</b>  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |   |   |
| Proceeds from issuance of shares   | 500,000,000                                   | 1,000,000,000   |
| Repayments made against lease liability  | (15,463,669)                                  | (8,400,000)   |
| Bank charges paid  | (177,354)                                     | (120,498)   |
| <b>Net cash generated from financing activities</b>  | <b>484,358,977</b>                            | <b>991,479,502</b>  |
| <b>Net (decrease) / increase in cash and cash equivalents during the year / period</b>                       | <b>(38,370,792)</b>                           | <b>769,645,018</b>  |
| Cash and cash equivalents at the beginning of the year / period  | 763,695,164                                   | -   |
| Impact of reversal / (charge) of credit loss allowance on cash and cash equivalents during the year / period | 4,498,026                                     | (5,949,854)   |
| <b>Cash and cash equivalents at the end of the year / period</b>   | <b>729,822,398</b>                            | <b>763,695,164</b>  |

The annexed notes from 1 to 37 form an integral part of these financial statements.


For



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



DIRECTOR

**BOP EXCHANGE (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1** BOP Exchange (Private) Limited (the Company) was incorporated in Pakistan on April 18, 2024, 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 September 18, 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 The Bank of Punjab, 10-B, E-II, Main Boulevard, Gulberg III, Lahore while the Head Office of the Company is located at 2nd & 3rd Floor, 6-C, Khayaban e Shahbaz, Phase VI, Defence Housing Authority (DHA), Karachi, Pakistan.
- 1.3** The Company is a wholly owned subsidiary of The Bank of Punjab (the "Parent Entity"), which holds 100% shares (either directly or through its nominees) in the Company.
- 1.4** The Company commenced its commercial operations on October 03, 2024 and is engaged in the business of dealing in foreign currency. The Company operates through a network of 50 outlets (2024: 13 outlets). The geographical location and addresses are mentioned in note 33.
- 1.5** The financial statements for the year ended December 31, 2025, are presented alongside comparative figures for the period from April 18, 2024 to December 31, 2024. As a result, the current year's figures and comparative figures are not comparable.

**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:

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB), as notified under the Companies Act, 2017,
- Provisions of, directives and notifications 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 provisions of, directives and notifications 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 Basis of measurement**

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

**2.3 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.

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### **3 NEW ACCOUNTING STANDARDS / AMENDMENTS AND IFRS INTERPRETATIONS THAT ARE EFFECTIVE FOR THE YEAR ENDED DECEMBER 31, 2025**

There are certain new and amended standards, issued by the IASB, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 1, 2025 but are considered not to be relevant or do not have any material effect on the Company's operations and therefore are not detailed in these financial statements.

#### **3.1 Standards, interpretations and amendments to 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 in the process of assessing the impact of the above amendments on the financial statements.

### **4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of the financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, income and expenses. It also requires the management to exercise its judgment in the application of the Company's accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both the current and future periods. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in the application of accounting policies are as follows:

- Classification, valuation and impairment of investment (notes 5.4 and 12);
- Residual values, useful lives and depreciation rates of property and equipment (notes 5.1 and 6);
- Useful lives and amortization rates of intangible assets (notes 5.2 and 7);
- Valuation of right-of-use asset and its related lease liability (notes 5.15, 8 and 15);
- Assumptions and estimations in recognition of current tax and deferred taxation (note 5.5, 9, 11, 23 and 24); and
- Contingencies (notes 5.14 and 17).

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## **5 MATERIAL ACCOUNTING POLICY INFORMATION**

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

### **5.1 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 6.1. 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 or loss during the financial year in which they are incurred. Residual values and useful lives are reviewed at each reporting date and adjusted prospectively, if appropriate.

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 or 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.

#### **5.1.1 Capital work in progress**

Capital work in progress is stated at cost less accumulated impairment losses, if any. All expenditure connected with specific assets incurred during installation and construction / development period are carried under this head. These are transferred to specific assets as and when assets become available for use.

### **5.2 Intangible assets**

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 7 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.

### **5.3 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.

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## **5-4 Financial instruments**

### **5-4.1 Financial Assets**

#### **5-4.1.1 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 5.4.1.2.

##### **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 5.4.1.2, interest revenue and foreign exchange gains and losses on the instrument's amortised cost, which are recognised in the statement of profit or 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 or loss.

##### **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 or loss in the period in which it arises.

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## **(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 or 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 or 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 or loss on derecognition.

### **5.4.1.2 Expected Credit Loss / 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.

### **5.4.1.3 De-recognition**

Financial assets, or a portion thereof, are de-recognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either:

- the Company transfers substantially all the risks and rewards of ownership; or
- 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 de-recognition 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 de-recognition of financial assets is taken to the statement of profit or loss.

### **5.4.1.4 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.

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#### **5.4.2 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.

#### **5.4.2.1 De-recognition**

Financial liabilities are de-recognised 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 de-recognition of financial liabilities is taken to the statement of profit or loss.

#### **5.4.3 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 or loss.

#### **5.4.4 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.

#### **5.4.5 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.

#### **5.4.6 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.

#### **5.4.7 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 year / period.

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## **5.5 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 have been classified as levy in these financial statements.

### **Income Tax**

The tax expense for the period comprises of current and deferred tax. Tax is recognised in the statement of profit or 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.

### **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.

## **5.6 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 or loss.

## **5.7 Accrued expenses and other liabilities**

Accrued expenses and other liabilities 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.

## **5.8 Revenue recognition**

The Company is in the business of providing service of dealing in foreign currency. Revenue from contracts with customers is recognised at a point in time when the service is provided to the customer at an amount that reflects the net consideration to which the Company expects to be entitled in exchange for the service.

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The Company recognises revenue based on the following principles:

- identification of customer contracts;
- identification of performance obligations;
- determination of transaction price in the contract;
- allocation of price to performance obligations; and
- recognition of revenue when the performance obligations are fulfilled.

#### **Revenue from services**

- Exchange income is recognised at the time of recording of an exchange transaction;
- 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; and
- Commission income is recognised at the time of satisfaction of performance obligation in relation to the relevant currency exchange agreement with the counter party based on the agreed rate(s) and terms.

#### **Returns on financial assets**

- Income on investments is recognised using the effective yield method over the term of investment;
- Income on de-recognition of financial assets is recognised when derecognition criteria is met; and
- Income on saving account is recognised on an accrual basis.

### **5.9 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 or loss.

### **5.10 Earnings / loss 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 year / 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.

### **5.11 Advances, deposits, prepayments and othe receivables (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.

**DX**

## **5.12 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.

## **5.13 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.

## **5.14 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; or
  
- 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.

## **5.15 Right-of-use asset and lease liability**

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In determining the lease term, the management considers all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease liability is initially measured at the present value of the lease payments over the period of lease term and that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

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Lease payments include fixed payments less any lease incentive receivable, variable lease payment that are based on an index or a rate which are initially measured using the index or rate as at the commencement date, amounts expected to be payable by the Company under residual value guarantees, the exercise price of a purchase option if the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease if the lease term reflects that the lessee will exercise that option. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. The lease liability is also remeasured to reflect any reassessment or lease modification, or to reflect revised in-substance fixed lease payment.

The lease liability is remeasured when the Company reassesses the reasonable certainty to exercise extension or termination option upon occurrence of either a significant event or a significant change in circumstances, or when there is a change in assessment of an option to purchase an underlying asset, or when there is a change in amount expected to be payable under a residual value guarantee, or when there is a change in future lease payments resulting from a change in an index or rate used to determine those payments. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit or loss if the carrying amount of right of use asset has been reduced to zero.

When there is a change in scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions, the same is accounted for as a lease modification. The lease modification is accounted for as a separate lease if modification increases the scope of lease by adding the right to use one or more underlying assets and the consideration for lease increases by an amount that is commensurate with the standalone price for the increase in scope adjusted to reflect the circumstances of the particular contract, if any. When the lease modification is not accounted for as a separate lease, the lease liability is remeasured and corresponding adjustment is made to right-of-use asset.

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

The right-of-use asset is subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any. The right-of-use asset is depreciated using the straight line method in accordance with the rates specified in note 8 to these financial statements and after taking into account residual values, if any. The useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each reporting date. The right of use asset is adjusted for certain remeasurements of the lease liability.

#### **5.16 Other receivables**

Other receivables are carried at amortised cost, less expected credit loss allowance determined in accordance with the accounting policy as mentioned in note 5.4.1.2.

#### **5.17 Employee retirement and other benefits**

##### **Defined contribution plan – Provident fund**

The Company operates a defined contribution plan i.e. provident fund scheme, covering all permanent employees. Contributions are made monthly by the Company and the employees at the rate of 8.33% of basic salary. Contributions by the Company are charged to statement of profit or loss. The Company is currently in the process of obtaining recognition of its provident fund scheme.

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December 31, 2024

|                                   | Furniture & Fixture | Computer Equipment | Office and other Electric Equipment | Vehicles  | Lease Hold Improvement | Total       |
|-----------------------------------|---------------------|--------------------|-------------------------------------|-----------|------------------------|-------------|
|                                   | Rupees              |                    |                                     |           |                        |             |
| <b>Net carrying value basis</b>   |                     |                    |                                     |           |                        |             |
| As at April 18, 2024              | -                   | -                  | -                                   | -         | -                      | -           |
| Additions during the period       | 21,583,100          | 11,607,095         | 21,390,016                          | 9,167,880 | 744,918                | 64,493,009  |
| Transfers during the period       | -                   | -                  | -                                   | -         | 5,880,347              | 5,880,347   |
| Depreciation charge               | (297,553)           | (444,295)          | (647,719)                           | (152,798) | (107,601)              | (1,649,966) |
| Net book value                    | 21,285,547          | 11,162,800         | 20,742,297                          | 9,015,082 | 6,517,664              | 68,723,390  |
| <b>Gross carrying value basis</b> |                     |                    |                                     |           |                        |             |
| Cost                              | 21,583,100          | 11,607,095         | 21,390,016                          | 9,167,880 | 6,625,265              | 70,373,356  |
| Accumulated depreciation          | (297,553)           | (444,295)          | (647,719)                           | (152,798) | (107,601)              | (1,649,966) |
| Net book value                    | 21,285,547          | 11,162,800         | 20,742,297                          | 9,015,082 | 6,517,664              | 68,723,390  |
| Rate of depreciation (%)          | 10                  | 20                 | 20                                  | 20        | 10                     |             |

**6.1.1** There were no disposals during the year / period.

**6.1.2** Depreciation charge for the year / period has been allocated as follows:

|                         | For the year ended December 31, 2025 | For the period from April 18, 2024 to December 31, 2024 | Note |
|-------------------------|--------------------------------------|---|------|
|                         | Rupees                               |   |      |
| Cost of services        | 25,570,326                           | 901,056   | 19   |
| Administrative expenses | 4,065,856                            | 748,910   | 20   |
|                         | <u>29,636,182</u>                    | <u>1,649,966</u>  |      |

**6.2** **Capital work in progress**

Leasehold improvements

**6.2.1** **Movement in capital work-in-progress is as follows:**

|   | December 31, 2025 | December 31, 2024 |
|---|-------------------|-------------------|
|   | Rupees            |                   |
| Balance at the beginning of the year / period | -                 | 18,567,867        |
| Additions during the year / period            | 18,567,867        | 13,671,375        |
| Capitalized during the year / period          | (32,239,242)      | (5,880,347)       |
| Balance at end of the year / period           | -                 | <u>18,567,867</u> |

**6.2.2** This represents advance given to supplier(s) for development / renovation of booths' premises.

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|            |   | <b>December 31,<br/>2025</b> | <b>December 31,<br/>2024</b> |
|------------|---|------------------------------|------------------------------|
|            |   | <b>Rupees</b>                |                              |
| <b>7</b>   | <b>INTANGIBLE ASSETS</b>                  |                              |                              |
|            |   |                              |                              |
|            | Intangible assets - net book value        | 7,539,974                    | 8,710,630                    |
| <b>7.1</b> | <b>Intangible assets - net book value</b> |                              |                              |
|            |   |                              |                              |
|            |   | <b>December 31, 2025</b>     |                              |
|            |   | <b>Software</b>              | <b>Licensing fee</b>         |
|            |   | <b>Total</b>                 |                              |
|            |   | <b>Rupees</b>                |                              |
|            | <b>Net carrying value basis</b>           |                              |                              |
|            |   |                              |                              |
|            | As at January 1, 2025                     | 7,960,605                    | 750,025                      |
|            | Additions during the year                 | 1,276,562                    | -                            |
|            | Amortization charge for the year          | (1,697,193)                  | (750,025)                    |
|            | <b>Net Book Value (NBV)</b>               | <b>7,539,974</b>             | <b>-</b>                     |
|            |   |                              |                              |
|            | <b>Gross carrying value basis</b>         |                              |                              |
|            |   |                              |                              |
|            | Cost                                      | 9,656,146                    | -                            |
|            | Accumulated amortization                  | (2,116,172)                  | -                            |
|            |   | <b>7,539,974</b>             | <b>-</b>                     |
|            |   |                              |                              |
|            | <b>Annual rate of amortization (%)</b>    | 20%                          | 33%                          |
|            |   |                              |                              |
|            |   | <b>December 31, 2024</b>     |                              |
|            |   | <b>Software</b>              | <b>Licensing fee</b>         |
|            |   | <b>Total</b>                 |                              |
|            |   | <b>Rupees</b>                |                              |
|            | <b>Net carrying value basis</b>           |                              |                              |
|            |   |                              |                              |
|            | As at 18 April, 2024                      | -                            | -                            |
|            | Additions during the period               | 8,379,584                    | 1,000,000                    |
|            | Amortization charge for the period        | (418,979)                    | (249,975)                    |
|            | <b>Net Book Value (NBV)</b>               | <b>7,960,605</b>             | <b>750,025</b>               |
|            |   |                              |                              |
|            | <b>Gross carrying value basis</b>         |                              |                              |
|            |   |                              |                              |
|            | Cost                                      | 8,379,584                    | 1,000,000                    |
|            | Accumulated amortization                  | (418,979)                    | (249,975)                    |
|            |   | <b>7,960,605</b>             | <b>750,025</b>               |
|            |   |                              |                              |
|            | <b>Annual rate of amortization (%)</b>    | 20                           | 33                           |

7.1.1 There were no disposals during the year / period.

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- 7.2 Licensing fee was initially being amortised over the tenure of three years as the same was issued by the SBP for three years and was subject to renewal. However, during the current year, the SBP issued a revised license for indefinite life. Accordingly, the Company has charged off the remaining amount of Rs 0.74 million in the statement of profit or loss.

|          |   | <u>December 31,</u><br><u>2025</u> | <u>December 31,</u><br><u>2024</u> |
|----------|---|------------------------------------|------------------------------------|
|          |   | <u>Rupees</u>                      |                                    |
| <b>8</b> | <b>RIGHT-OF-USE ASSETS</b>  |                                    |                                    |
|          | <b>Cost</b>   |                                    |                                    |
|          | Opening balance   | 86,586,993                         | -                                  |
|          | Additions   | 17,066,978                         | 86,586,993                         |
|          | Impact of modification  | (1,246,745)                        | -                                  |
|          | Disposals   | -                                  | -                                  |
|          | Closing balance   | <u>102,407,226</u>                 | <u>86,586,993</u>                  |
|          | <b>Accumulated depreciation</b>   |                                    |                                    |
|          | Opening balance   | 2,710,865                          | -                                  |
|          | Charge for the year / period  | 16,691,167                         | 2,710,865                          |
|          | Reversal for the year / period  | -                                  | -                                  |
|          | Closing balance   | <u>19,402,032</u>                  | <u>2,710,865</u>                   |
|          | <b>Net book value</b>   | <u>83,005,194</u>                  | <u>83,876,128</u>                  |
|          | <b>Annual rate of depreciation (%)</b>  | 13 to 33.33                        | 13 to 33.33                        |
|          |   | <u>December 31,</u><br><u>2025</u> | <u>December 31,</u><br><u>2024</u> |
|          |   | <u>Rupees</u>                      |                                    |
|          |   |                                    |                                    |
|          | <b>8.1 Depreciation charge for the year / period has been allocated as follows:</b> |                                    |                                    |
|          | Cost of services  | 9,521,439                          | 1,900,855                          |
|          | Administrative expenses   | 7,169,728                          | 810,010                            |
|          |   | <u>16,691,167</u>                  | <u>2,710,865</u>                   |

Note

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## DEFERRED TAXATION - NET

| December 31, 2025   |                      |                      |                         |            |
|---|----------------------|----------------------|-------------------------|------------|
| At January<br>01, 2025  | Recognised<br>in P&L | Recognised in<br>OCI | At December 31,<br>2025 |            |
| Rupees  |                      |                      |                         |            |
| <b>Deferred tax asset arising on deductible temporary differences:</b>    |                      |                      |                         |            |
| - Lease liabilities   | 23,141,051           | 3,326,762            | -                       | 26,467,813 |
| - Pre-commencement expenditure(s)   | 4,413,098            | (906,630)            | -                       | 3,506,468  |
| - Unadjusted taxable losses   | 19,438,290           | -                    | -                       | 19,438,290 |
| - Short term investments  | -                    | 1,701                | -                       | 1,701      |
| - Intangible assets   | 154,471              | 284,834              | -                       | 439,305    |
| - Credit loss allowance on bank balances                                  | 1,725,457            | (1,304,427)          | -                       | 421,030    |
|   | 48,872,367           | 1,402,240            | -                       | 50,274,607 |
| <b>Deferred tax liabilities arising on taxable temporary differences:</b> |                      |                      |                         |            |
| - Property and equipment  | 4,898,813            | 6,441,394            | -                       | 11,340,207 |
| - Right-of-use assets   | 24,324,077           | (252,571)            | -                       | 24,071,506 |
| - Short term investments  | 1,121,957            | (1,121,957)          | -                       | -          |
|   | 30,344,847           | 5,066,866            | -                       | 35,411,713 |
|   | 18,527,520           | (3,664,626)          | -                       | 14,862,894 |
| December 31, 2024   |                      |                      |                         |            |
| At April 18,<br>2024  | Recognised<br>in P&L | Recognised in<br>OCI | At December 31,<br>2024 |            |
| Rupees  |                      |                      |                         |            |
| <b>Deferred tax asset arising on deductible temporary differences:</b>    |                      |                      |                         |            |
| - Lease liabilities   | -                    | 23,141,051           | -                       | 23,141,051 |
| - Pre-commencement expenditure(s)   | -                    | 4,413,098            | -                       | 4,413,098  |
| - Unadjusted taxable losses   | -                    | 19,438,290           | -                       | 19,438,290 |
| - Intangible assets   | -                    | 154,471              | -                       | 154,471    |
| - Credit loss allowance on bank balances                                  | -                    | 1,725,457            | -                       | 1,725,457  |
|   | -                    | 48,872,367           | -                       | 48,872,367 |
| <b>Deferred tax liabilities arising on taxable temporary differences:</b> |                      |                      |                         |            |
| - Property and equipment  | -                    | 4,898,813            | -                       | 4,898,813  |
| - Right-of-use assets   | -                    | 24,324,077           | -                       | 24,324,077 |
| - Short term investments  | -                    | 1,121,957            | -                       | 1,121,957  |
|   | -                    | 30,344,847           | -                       | 30,344,847 |
|   | -                    | 18,527,520           | -                       | 18,527,520 |

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| 10     | ADVANCES, DEPOSITS, PREPAYMENTS AND<br>OTHER RECEIVABLES  | Note        | December 31,<br>2025       | December 31,<br>2024         |
|--------|---|-------------|----------------------------|------------------------------|
|        |   |             | Rupees                     |                              |
|        | Advances for branch license fee   |             | 115,000                    | 1,850,000                    |
|        | Prepaid expenses  |             | 4,792,086                  | 1,240,757                    |
|        | Security and advance deposits   |             | 14,065,620                 | -                            |
|        | Advance for expenses  |             | 103,738                    | -                            |
|        | Other receivables   |             | 2,896,126                  | 1,831,457                    |
|        |   |             | <u>21,972,570</u>          | <u>4,922,214</u>             |
| 11     | ADVANCE TAX - NET OF PROVISION  |             |                            |                              |
|        | Opening balance   |             | 3,313,812                  | -                            |
|        | Provision for levy and taxation for the year / period   |             | (6,412,237)                | (785,986)                    |
|        | Advance income tax and levy deducted during the year / period   | 11.1        | 14,836,580                 | 4,099,798                    |
|        | Closing balance   |             | <u>11,738,155</u>          | <u>3,313,812</u>             |
| 11.1   | Advance tax deducted includes tax withheld on profits earned from bank deposits / saving accounts and capital gain on short term investments.   |             |                            |                              |
| 12     | SHORT TERM INVESTMENTS  |             |                            |                              |
|        | Market Treasury Bills (MTBs) - held at FVTPL  |             | <u>225,419,973</u>         | <u>172,802,556</u>           |
| 12.1   | Investment by type / segment:   |             | <b>December 31, 2025</b>   |                              |
|        |   |             | <b>Cost</b>                | <b>Credit loss allowance</b> |
|        |   |             | <b>Surplus / (Deficit)</b> | <b>Carrying value</b>        |
|        |   |             | <b>Rupees</b>              |                              |
|        | <b>Debt instrument -</b>  | <b>Note</b> |                            |                              |
|        | <b>Federal government securities</b>  |             |                            |                              |
|        | Market Treasury Bills (MTBs)  | 12.1.1      | 225,425,840                | -                            |
|        |   |             | (5,867)                    | 225,419,973                  |
|        |   |             | <u>225,425,840</u>         | <u>-</u>                     |
|        |   |             | <u>(5,867)</u>             | <u>225,419,973</u>           |
|        |   |             | <b>December 31, 2024</b>   |                              |
|        |   |             | <b>Cost</b>                | <b>Credit loss allowance</b> |
|        |   |             | <b>Surplus / (Deficit)</b> | <b>Carrying value</b>        |
|        |   |             | <b>Rupees</b>              |                              |
|        | <b>Debt instrument -</b>  | <b>Note</b> |                            |                              |
|        | <b>Federal government securities</b>  |             |                            |                              |
|        | Market Treasury Bills (MTBs)  | 12.1.2      | 168,933,740                | -                            |
|        |   |             | 3,868,816                  | 172,802,556                  |
|        |   |             | <u>168,933,740</u>         | <u>-</u>                     |
|        |   |             | <u>3,868,816</u>           | <u>172,802,556</u>           |
| 12.1.1 | This represents 1 year MTBs with a face value of Rs. 248.4 million purchased on December 26, 2025. These carry yield to maturity of 10.40% and will be matured on December 24, 2026.                    |             |                            |                              |
| 12.1.2 | This represents 1 year MTBs with a face value of Rs. 180 million purchased on August 22, 2024. These carry yield to maturity of 12.02% and will be matured on August 22, 2025.                          |             |                            |                              |
| 12.2   | These investments have been deposited with the State Bank of Pakistan to meet the Statutory Liquidity Reserve (SLR) requirement under Para 2, Chapter 3 of Regulatory Framework for Exchange Companies. |             |                            |                              |

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| 13 | CASH AND BANK BALANCES  | Note | December 31,       | December 31,       |
|----|---|------|--------------------|--------------------|
|    |   |      | 2025               | 2024               |
|    |   |      | <b>Rupees</b>      |                    |
|    | Cash in hand  |      |                    |                    |
|    | - in local currency   |      | 17,609,614         | 16,197,236         |
|    | - in foreign currencies   |      | 208,757,202        | 61,201,779         |
|    |   |      | 226,366,816        | 77,399,015         |
|    | Balances with banks   |      |                    |                    |
|    | - saving accounts - in local currency                                 | 13.1 | 486,668,423        | 44,072,356         |
|    | - current accounts - in local currency                                |      | 158,279            | 611,155,143        |
|    | - current accounts - in foreign currencies                            |      | 18,080,708         | 37,018,504         |
|    |   |      | 504,907,410        | 692,246,003        |
|    | Less: credit loss allowance held against local and foreign currencies | 13.2 | (1,451,828)        | (5,949,854)        |
|    |   |      | <u>729,822,398</u> | <u>763,695,164</u> |

13.1 These balances are maintained with The Bank of Punjab (Parent Entity) - a related party. The savings accounts carry mark-up / interest at the rate of 5.8% to 11.5% per annum (2024: 13.5% to 16% per annum).

| 13.2 | Movement in credit loss allowance on bank balances | December 31,     | December 31,     |
|------|--|------------------|------------------|
|      |  | 2025             | 2024             |
|      |  | <b>Rupees</b>    |                  |
|      | Opening balance                                    | 5,949,854        | -                |
|      | Charge for the year / period                       | -                | 5,949,854        |
|      | Reversal for the year / period                     | (4,498,026)      | -                |
|      | Closing balance                                    | <u>1,451,828</u> | <u>5,949,854</u> |

#### 14 SHARE CAPITAL AND RESERVES

##### 14.1 Authorized share capital

| December           |                    |
|--------------------|--------------------|
| December 31,       | 31,                |
| 2025               | 2024               |
| Number of Shares   |                    |
| <u>250,000,000</u> | <u>250,000,000</u> |

Ordinary shares of Rs. 10 each

| December 31,         | December 31,         |
|----------------------|----------------------|
| 2025                 | 2024                 |
| Rupees               |                      |
| <u>2,500,000,000</u> | <u>2,500,000,000</u> |

##### 14.2 Issued, subscribed and paid-up share capital

|                    |                    |
|--------------------|--------------------|
| <u>150,000,000</u> | <u>100,000,000</u> |
|--------------------|--------------------|

Ordinary shares of Rs. 10 each

| December 31,         | December 31,         |
|----------------------|----------------------|
| 2025                 | 2024                 |
| Rupees               |                      |
| <u>1,500,000,000</u> | <u>1,000,000,000</u> |

| 14.3 | Particulars of the shareholders | 2025               |                            | 2024               |                            |
|------|---------------------------------|--------------------|----------------------------|--------------------|----------------------------|
|      |                                 | Number of Shares   | Percentage of Shareholding | Number of Shares   | Percentage of Shareholding |
|      | <b>Number of shares</b>         |                    |                            |                    |                            |
|      | The Bank of Punjab              | 149,999,994        | 100%                       | 99,999,994         | 100%                       |
|      | Nominee directors               | 6                  | 0%                         | 6                  | 0%                         |
|      |                                 | <u>150,000,000</u> | <u>100%</u>                | <u>100,000,000</u> | <u>100%</u>                |

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

14.5 The minimum authorised and paid-up capital of an exchange company as required by the State Bank of Pakistan is Rs. 1,000 million vide its FE Circular letter No. 02 of 2024. The Minimum Capital Requirement has been calculated as paid-up capital less accumulated losses.

14.6 During the year, The Bank of Punjab (BOP), the Parent Company of BOP Exchange Private Limited, injected an additional capital of Rs. 500 million into the Company pursuant to the approval of the Board of the Company dated November 25, 2025. This capital injection (first tranche) was against the total approved amount of Rs. 1,000 million to meet the regulatory requirements. While, additional injection (second tranche) is subject to operational and funding requirements of the Company.

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|   | December 31,<br>2025 | December 31,<br>2024 |
|---|----------------------|----------------------|
|   | Rupees               |                      |
| <b>15 LEASE LIABILITY AGAINST RIGHT-OF-USE ASSETS</b> |                      |                      |
| Present value of minimum lease payments               | 91,268,320           | 79,796,727           |
| Less: current portion                                 | (14,018,433)         | (2,142,252)          |
|   | <u>77,249,887</u>    | <u>77,654,475</u>    |

**15.1** The lease liabilities represent obligations relating to right-of-use assets for the Head Office located at 6-C, Khayaban-e-Shahbaz, DHA Karachi, and two outlets situated at DHA XX, Lahore, and Tricon Corporate Centre, Jail Road, Lahore. These premises are leased under lease agreements for terms of three years for the Head Office and Tricon Corporate Centre, and 7.5 years for the DHA XX, Lahore outlet.

The lease liabilities have been measured using the respective incremental borrowing rates of 13.15%, 13.97%, and 13.83% respectively, which have been applied as discount rates in accordance with the terms of the underlying lease agreements. As per the contractual arrangements, rentals are payable annually in advance.

|  | December 31,<br>2025 | December 31,<br>2024 |
|--|----------------------|----------------------|
|  | Rupees               |                      |
| <b>15.2 Movement of lease liabilities against right-of-use assets:</b> |                      |                      |
|  |                      | Note                 |
| Opening balance  | 79,796,727           | -                    |
| Additions during the year / period                                     | 17,066,977           | 86,586,993           |
| Markup accrued for the year / period                                   | 11,182,550           | 1,609,734            |
| Terminations during the year / period                                  | -                    | -                    |
| Payment of lease liabilities against right of use assets               | (15,463,669)         | (8,400,000)          |
| Impact of modification   | (1,314,265)          | -                    |
| Closing balance  | <u>91,268,320</u>    | <u>79,796,727</u>    |

|   |                    |                    |
|---|--------------------|--------------------|
| <b>15.3 Maturity of outstanding lease liabilities</b> |                    |                    |
| Not later than one year                               | 24,759,143         | 12,843,300         |
| Later than one year and upto five years               | 96,754,808         | 86,419,780         |
| Later than five years                                 | 8,754,094          | 28,283,005         |
|   | <u>130,268,045</u> | <u>127,546,085</u> |
| Future finance cost                                   | (38,999,725)       | (47,749,358)       |
| Total lease liability against right-of-use assets     | <u>91,268,320</u>  | <u>79,796,727</u>  |

**16 ACCRUED EXPENSES AND OTHER LIABILITIES**

|   |      |                   |                    |
|---|------|-------------------|--------------------|
| Payable to The Bank of Punjab (Parent Entity) - a related party | 16.1 | 2,877,321         | 81,472,862         |
| Performance bonus   |      | 13,355,660        | 4,637,011          |
| Provident fund payable  | 16.2 | 5,020,402         | 31,647             |
| Payable to suppliers  |      | 8,700,492         | 16,015,062         |
| EOBI payable  |      | 3,225,363         | -                  |
| Provision for utility expenses                                  |      | 5,990,289         | -                  |
| Other payables  |      | 5,816,257         | 4,325,475          |
| Audit fee payable   |      | 1,759,250         | 1,517,500          |
|   |      | <u>46,745,034</u> | <u>107,999,557</u> |

**16.1** This represents amount payable on account of reimbursement of charge back expenses of the exchange outlets located in different branches.

**16.2** As of the reporting date, the Company is in the process of establishing a recognized provident fund scheme. Accordingly, the provident fund contributions held by the Company, along with the accrued markup, will be transferred to the provident fund once the due process is complete.

**17 CONTINGENCIES AND COMMITMENTS**

**17.1** There are no contingencies and commitments as at December 31, 2025 (December 31, 2024: Nil).

|   | For the year<br>ended<br>December 31,<br>2025 | For the period<br>from April 18,<br>2024 to<br>December 31,<br>2024 |
|---|---|---|
|   | Rupees  |   |
| <b>18 INCOME FROM EXCHANGE OPERATIONS - NET</b> |   |   |
| Income from exchange operations                 | 33,795,073                                    | 1,723,837   |
| Revaluation gain on foreign currencies - net    | 58,901  | (291,385)   |
| Commission income                               | 18,800,000                                    | -   |
|   | <u>52,653,974</u>                             | <u>1,432,452</u>  |

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| 19 | COST OF SERVICES                       | Note  | For the year ended | For the period                           |
|----|--|-------|--------------------|--|
|    |  |       | December 31, 2025  | from April 18, 2024 to December 31, 2024 |
|    |  |       | Rupees             |  |
|    | Salaries and other benefits            |       | 84,559,047         | 22,405,498                               |
|    | Depreciation on property and equipment | 6.1.2 | 25,570,326         | 901,056                                  |
|    | Amortization of intangible assets      | 7.1   | 2,447,218          | 668,954                                  |
|    | Rent expense                           |       | 10,066,805         | 935,105                                  |
|    | Insurance                              |       | 3,382,323          | -  |
|    | Repair and maintenance                 |       | 5,124,200          | 356,009                                  |
|    | Utilities expenses                     |       | 13,353,793         | -  |
|    | Communication expense                  |       | 2,974,919          | -  |
|    | Legal and professional charges         |       | 68,449             | -  |
|    | Printing and stationery                |       | 1,125,448          | -  |
|    | Entertainment                          |       | 2,787,251          | -  |
|    | Travelling and conveyance              |       | 377,456            | -  |
|    | Security charges                       |       | 3,038,758          | -  |
|    | Miscellaneous expenses                 |       | 314,922            | -  |
|    | Marketing and development              |       | 203,675            | 6,231,470                                |
|    | Depreciation on right-of-use assets    | 8.1   | 9,521,439          | 1,900,855                                |
|    | Fee and subscription                   |       | 1,159,015          | 650,000                                  |
|    |  |       | <u>166,075,044</u> | <u>34,048,947</u>                        |
| 20 | ADMINISTRATIVE EXPENSES                |       |                    |  |
|    | Salaries and other benefits            |       | 145,405,273        | 36,276,729                               |
|    | Export shipment expense                |       | 10,517,208         | -  |
|    | Depreciation on property and equipment | 6.1.2 | 4,065,856          | 748,910                                  |
|    | Depreciation on right-of-use assets    | 8.1   | 7,169,728          | 810,010                                  |
|    | Rent expense                           |       | 1,282,313          | 726,000                                  |
|    | Repair and maintenance                 |       | 592,416            | 403,542                                  |
|    | Utilities expenses                     |       | 1,216,714          | 314,144                                  |
|    | Communication expense                  |       | 10,250,204         | 931,091                                  |
|    | Legal and professional charges         |       | 1,672,559          | 1,552,800                                |
|    | Insurance                              |       | 3,761,445          | 196,060                                  |
|    | Fee and subscription                   |       | 1,585,050          | 17,530,735                               |
|    | Printing and stationery                |       | 1,055,107          | 315,973                                  |
|    | Entertainment                          |       | 642,427            | 916,238                                  |
|    | Auditors' remuneration                 | 20.1  | 1,759,250          | 1,517,500                                |
|    | Travelling and conveyance              |       | 4,128,203          | 1,245,101                                |
|    | Marketing and development              |       | 7,832,347          | 989,408                                  |
|    | Security charges                       |       | 280,089            | 179,344                                  |
|    | Miscellaneous expenses                 |       | 695,977            | 767,550                                  |
|    |  |       | <u>203,912,166</u> | <u>65,421,135</u>                        |

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|             |  |             | For the year<br>ended<br>December 31,<br>2025 | For the period<br>from April 18,<br>2024 to<br>December 31,<br>2024 |
|-------------|--|-------------|---|---|
|             |  |             | Rupees  |   |
| <b>20.1</b> | <b>Auditors' remuneration</b>  | <b>Note</b> |   |   |
|             | Audit fee  |             | 1,485,000                                     | 1,350,000   |
|             | Out of pocket expenses   |             | 200,000                                       | 100,000   |
|             | Sales tax  |             | 74,250  | 67,500  |
|             |  |             | <u>1,759,250</u>                              | <u>1,517,500</u>  |
| <b>21</b>   | <b>OTHER INCOME - NET</b>  |             |   |   |
|             | Profit on savings accounts - BOP   |             | 10,991,493                                    | 27,331,993  |
|             | Interest income on MTBs  |             | 33,491,402                                    | 11,127,556  |
|             | Gain on modification of lease  |             | 67,520  | -   |
|             | Capital gain on sale of MTBs   |             | 3,780,392                                     | 990,814   |
|             | Revaluation (loss) / gain on MTBs - unrealized   |             | (5,867)                                       | 3,868,816   |
|             |  |             | <u>48,324,940</u>                             | <u>43,319,179</u>   |
| <b>22</b>   | <b>FINANCE COSTS</b>   |             |   |   |
|             | Finance cost on lease liabilities  |             | 11,182,550                                    | 1,609,734   |
|             | Bank charges   |             | 177,354                                       | 120,498   |
|             |  |             | <u>11,359,904</u>                             | <u>1,730,232</u>  |
| <b>23</b>   | <b>LEVY</b>  |             |   |   |
|             | Final tax and minimum tax  | 23.1        | <u>6,412,237</u>                              | <u>498,650</u>  |
|             |  |             | <u>6,412,237</u>                              | <u>498,650</u>  |
| <b>23.1</b> | This represents final tax and provision for minimum tax under section 113 of the Income Tax Ordinance, 2001, representing levy in terms of the requirements of IFRIC 21. |             |   |   |
|             |  |             | For the year<br>ended<br>December 31,<br>2025 | For the period<br>from April 18,<br>2024 to<br>December 31,<br>2024 |
| <b>24</b>   | <b>TAXATION - NET</b>  |             | Rupees  |   |
|             | Current  |             | -   | 287,336   |
|             | Deferred   |             | <u>3,664,626</u>                              | <u>(18,527,520)</u>   |
|             |  |             | <u>3,664,626</u>                              | <u>(18,240,184)</u>   |

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**24.1** The numerical reconciliation between average tax rate and the applicable tax rate for the current period has not been presented as the provision for income represents minimum tax as stipulated in the Income Tax Ordinance, 2001.

**25 LOSS PER SHARE - BASIC AND DILUTED**

**25.1 Basic loss per share**

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

|   | <b>For the year<br/>ended<br/>December 31,<br/>2025</b> | <b>For the period<br/>from April 18,<br/>2024 to<br/>December 31,<br/>2024</b> |
|---|---|--|
|   | <b>Rupees</b>   |  |
| Loss after taxation attributable to ordinary shareholders - in Rupees | <u>(285,947,037)</u>                                    | <u>(44,657,003)</u>  |
| Weighted average number of ordinary shares (number of shares)         | <u>100,136,986</u>                                      | <u>100,000,000</u>   |
| Basic loss per share (in Rupees)                                      | <u>(2.86)</u>   | <u>(0.45)</u>  |

**25.2 Diluted earnings per share**

Diluted earning per share has not been presented as the Company does not have any convertible instruments in issue as at December 31, 2025 and December 31, 2024 which would have any dilutive effect on the earnings per share if the option to convert is exercised.

|                        | <b>December 31,<br/>2025</b> | <b>December 31,<br/>2024</b> |
|------------------------|------------------------------|------------------------------|
|                        | <b>Rupees</b>                |                              |
| Cash and bank balances | 729,822,398                  | 763,695,164                  |
| Short term investments | <u>225,419,973</u>           | <u>172,802,556</u>           |
|                        | <u>955,242,371</u>           | <u>936,497,720</u>           |

**27 NUMBER OF EMPLOYEES**

|  | <b>December 31,<br/>2025</b> | <b>December 31,<br/>2024</b> |
|--|------------------------------|------------------------------|
|  | <b>Number</b>                |                              |
| Permanent employees as at year / period end          | <u>158</u>                   | <u>49</u>                    |
| Average number of employees during the year / period | <u>129</u>                   | <u>37</u>                    |

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**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 |            | For the period from April 18, 2024 to December 31, 2024 |                 |            |            |
|-------------------------------|--------------------------------------|------------|---|-----------------|------------|------------|
|                               | Chief Executive                      | Executives | Total   | Chief Executive | Executives | Total      |
| Management Remuneration       | 13,645,442                           | 22,556,758 | 36,202,200  | 5,164,815       | 12,303,324 | 17,468,139 |
| Allowances and other benefits | 17,035,530                           | 39,000,785 | 56,036,315  | 7,646,503       | 22,224,513 | 29,871,016 |
|                               | 30,680,972                           | 61,557,543 | 92,238,515  | 12,811,318      | 34,527,837 | 47,339,155 |
| Number of Persons             | 1                                    | 11         | 12  | 1               | 15         | 16         |

**28.1** 'Executive' means an employee other than the Chief Executive Officer and directors, whose basic salary exceeds Rs. 1,200,000 in a financial year.

**28.2** Total number of Directors of the Company as at December 31, 2025 were 6 (December 31, 2024: 6) excluding CEO. None of the Directors was paid any remuneration. Directors are not entitled for any remuneration for attending the board meetings.

**28.3** Managerial remuneration includes charges in respect of reimbursement, to the Parent Entity, of salary and other benefits, paid by that Parent Entity to the Chief Executive and certain other executives as they are on secondment from the Parent Entity.



## FINANCIAL INSTRUMENTS BY CATEGORY

|   | December 31, 2025  |                                      | December 31, 2024  |                    |                                      |                    |
|---|--------------------|--------------------------------------|--------------------|--------------------|--------------------------------------|--------------------|
|   | At amortised cost  | At fair value through profit or loss | Total              | At amortised cost  | At fair value through profit or loss | Total              |
|   | <b>Rupees</b>      |                                      |                    |                    |                                      |                    |
| <b>Financial assets</b>                     |                    |                                      |                    |                    |                                      |                    |
| Other receivables                           | 2,896,126          | -                                    | 2,896,126          | 1,800,000          | -                                    | 1,800,000          |
| Short term investments                      | 225,419,973        | -                                    | 225,419,973        | -                  | 172,802,556                          | 172,802,556        |
| Cash and bank balances                      | 729,822,398        | -                                    | 729,822,398        | 763,695,164        | -                                    | 763,695,164        |
|   | <u>958,138,497</u> | <u>-</u>                             | <u>958,138,497</u> | <u>765,495,164</u> | <u>172,802,556</u>                   | <u>938,297,720</u> |
| <b>Financial liabilities</b>                |                    |                                      |                    |                    |                                      |                    |
| Lease liability against right-of-use assets | 91,268,320         | -                                    | 91,268,320         | 79,796,727         | -                                    | 79,796,727         |
| Accrued expenses and other payables         | 46,745,035         | -                                    | 46,745,035         | 107,999,557        | -                                    | 107,999,557        |
|   | <u>138,013,355</u> | <u>-</u>                             | <u>138,013,355</u> | <u>187,796,284</u> | <u>-</u>                             | <u>187,796,284</u> |

## FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to the following 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.

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### 31.1

#### 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, deposits, prepayments and other receivables 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. 1,310 million (2024: Rs. 1,143 million) the financial assets which are subject to credit risk amounted to Rs. 733 million (2024: 867 million). The carrying amounts of these financial assets represents the maximum credit exposure at the reporting date:

The maximum exposure to credit risk at statement of financial position date is as follows:

|                        | December 31, 2025                                     | December 31, 2024                      |   |  |
|------------------------|---|--|---|--|
|                        | <b>Balance as per statement of financial position</b> | <b>Maximum exposure to credit risk</b> | <b>Balance as per statement of financial position</b> | <b>Maximum exposure to credit risk</b> |
|                        | ----- (Rupees in '000) -----                          |  |   |  |
| Other receivables      | 2,896,126   | 2,896,126                              | 1,800,000   | 1,800,000                              |
| Short term investments | 225,419,973   | -                                      | 172,802,556   | -                                      |
| Bank balances          | 504,907,410   | 504,863,795                            | 692,246,003   | 692,246,003                            |
|                        | <u>733,223,509</u>                                    | <u>507,759,921</u>                     | <u>866,848,559</u>                                    | <u>694,046,003</u>                     |

Difference in the balance as per the statement of financial position and maximum exposure is due to the fact that short term investment and bank balance of Rs. 43,615 (2024: Nil) are with the State Bank of Pakistan which are not exposed to credit risk.

#### 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 credit quality of financial asset that are neither past nor impaired can be assessed by reference to external credit rating or to historical information about counterparty default rate as follows:

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31.1.1 The credit quality of balances with bank, its related profit receivable and investment in special musharikhah certificates can be assessed with reference to external credit rating as follows:

| Name of Bank        | Rating        |           | December 31, 2025 |                 | December 31, 2024   |                 |                     |
|---------------------|---------------|-----------|-------------------|-----------------|---------------------|-----------------|---------------------|
|                     | Rating agency | Long term | Short term        | Amount - Rupees | % of total balances | Amount - Rupees | % of total balances |
| The Bank of Punjab  | PACRA         | AA+       | A1+               | 504,829,529     | 100%                | 692,246,003     | 100%                |
| Sonari Bank Limited | PACRA         | AA-       | A1+               | 34,267          | 0%                  | -               | 0%                  |
| Faysal Bank Limited | PACRA         | AA        | A1+               | -               | 0%                  | -               | 0%                  |
|                     |               |           |                   | 504,863,796     | 100%                | 692,246,003     | 100%                |

### 31.2 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.

### 31.2.1

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.

| Financial liabilities                       | Note | 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 |
| Lease liability against right-of-use assets | 15   | 91,268,320        | 3,316,983         | 10,701,450                               | 38,548,606                             | 38,701,281           |
| Accrued expenses and other payables         | 16   | 46,745,035        | 46,745,035        | -  | -                                      | -                    |
|   |      | 138,013,355       | 50,062,018        | 10,701,450                               | 38,548,606                             | 38,701,281           |
|   |      | 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 |
| Lease liability against right-of-use assets |      | 79,796,727        | (1,264,095)       | 3,406,347                                | 37,876,801                             | 39,777,674           |
| Accrued expenses and other payables         |      | 107,999,557       | 107,999,557       | -  | -                                      | -                    |
|   |      | 187,796,284       | 106,735,462       | 3,406,347                                | 37,876,801                             | 39,777,674           |

### 31.3 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. The Company does not hold any fixed rate instrument as at December 31, 2025.

### 31.3.1

#### Sensitivity analysis for variable rate instruments

Presently, the Company holds balances with banks which expose the Company to cash flow interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net profit for the period and net assets of the Company would have been higher / lower by Rs. 5.1 million (2024: Rs. 4.41 million).

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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                              |  |                    |                                       |             |
| <b>On balance sheet financial instruments</b>   |                                      |                                     |  |                    |                                       |             |
| <b>Financial assets</b>                         |                                      |                                     |  |                    |                                       |             |
| Short term investments                          | 12                                   | -                                   | 172,802,556                              | -                  | -                                     | 172,802,556 |
| Cash and bank balances                          | 13                                   | 44,072,356                          | -  | -                  | 725,572,662                           | 769,645,018 |
|   |                                      | 44,072,356                          | 172,802,556                              | -                  | 725,572,662                           | 942,447,574 |
| <b>Financial liabilities</b>                    |                                      |                                     |  |                    |                                       |             |
| Lease liabilities                               | 15                                   | (1,264,095)                         | 3,406,347                                | 77,654,475         | -                                     | 79,796,727  |
| Accrued expenses and other liabilities          | 16                                   | -                                   | -  | -                  | 107,999,557                           | 107,999,557 |
|   |                                      | (1,264,095)                         | 3,406,347                                | 77,654,475         | 107,999,557                           | 187,796,284 |
| <b>On balance sheet gap (a)</b>                 |                                      |                                     |  |                    |                                       |             |
|   |                                      | 45,336,451                          | 169,396,209                              | (77,654,475)       | 617,573,105                           | 754,651,290 |
| <b>Off balance sheet financial instruments</b>  |                                      |                                     |  |                    |                                       |             |
| <b>Off balance sheet gap (b)</b>                |                                      |                                     |  |                    |                                       |             |
|   |                                      | -                                   | -  | -                  | -                                     | -           |
| <b>Total yield / profit rate (a+b)</b>          |                                      |                                     |  |                    |                                       |             |
|   |                                      | 45,336,451                          | 169,396,209                              | (77,654,475)       |                                       |             |
| <b>Cumulative interest rate sensitivity gap</b> |                                      |                                     |  |                    |                                       |             |
|   |                                      | 45,336,451                          | 214,732,660                              | 137,078,185        |                                       |             |

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### 31.3.3 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:

|                                       | <b>December 31, 2025</b>    |                   |                   |                    |
|---------------------------------------|-----------------------------|-------------------|-------------------|--------------------|
|                                       | <b>USD</b>                  | <b>GBP</b>        | <b>EUR</b>        | <b>Others</b>      |
|                                       | <b>Equivalent in Rupees</b> |                   |                   |                    |
| <b>Financial Assets</b>               |                             |                   |                   |                    |
| Foreign currencies - in hand and bank | 33,047,949                  | 23,310,107        | 45,396,128        | 125,083,726        |
| Net currency exposure                 | <u>33,047,949</u>           | <u>23,310,107</u> | <u>45,396,128</u> | <u>125,083,726</u> |
| Currency exchange rates as at         |                             |                   |                   |                    |
| December 31, 2025*                    | 280.77                      | 378.22            | 329.92            | Various            |

\* The currency conversion rates are based on the closing revaluation rates communicated by Exchange Companies Association of Pakistan (ECAP) to the exchange companies.

|                                       | <b>December 31, 2024</b>    |                  |                  |                   |
|---------------------------------------|-----------------------------|------------------|------------------|-------------------|
|                                       | <b>USD</b>                  | <b>GBP</b>       | <b>EUR</b>       | <b>Others</b>     |
|                                       | <b>Equivalent in Rupees</b> |                  |                  |                   |
| <b>Financial Assets</b>               |                             |                  |                  |                   |
| Foreign currencies - in hand and bank | 58,821,717                  | 6,154,223        | 8,816,666        | 24,427,678        |
| Net currency exposure                 | <u>58,821,717</u>           | <u>6,154,223</u> | <u>8,816,666</u> | <u>24,427,678</u> |
| Currency exchange rates as at         |                             |                  |                  |                   |
| December 31, 2024*                    | 278.67                      | 349.50           | 289.75           | Various           |

\* The currency conversion rates are based on the closing revaluation rates communicated by Exchange Companies Association of Pakistan (ECAP) to the exchange companies.

### 31.3.4 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. 11.34 million (2024: Rs. 4.9 million) .

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### **31.3.5 Price risk**

Price 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 prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

### **31.4 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.

### **31.5 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.

## **32 FAIR VALUE MEASUREMENT**

Fair value is the price that would be received to sell an asset or paid or 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 32.1.

### **32.1 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:

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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.

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:

| Carrying Amount | December, 31, 2025 |             |         | Total       |
|-----------------|--------------------|-------------|---------|-------------|
|                 | Level 1            | Level 2     | Level 3 |             |
|                 |                    |             |         |             |
| 225,419,973     | -                  | 225,419,973 | -       | 225,419,973 |
| 225,419,973     | -                  | 225,419,973 | -       | 225,419,973 |

**Financial assets measured at fair value :**

- Short term investment - Market Treasury Bills

**Valuation techniques used in determination of fair values**

| Item                  | December, 31, 2025 |  |  |  |
|-----------------------|--------------------|--|--|--|
| Market Treasury Bills |                    |  |  |  |

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

**Financial assets measured at fair value :**

- Short term investment - Market Treasury Bills

**Valuation techniques used in determination of fair values**

| Item                  | December, 31, 2024 |  |  |  |
|-----------------------|--------------------|--|--|--|
| Market Treasury Bills |                    |  |  |  |

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

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33 GEOGRAPHICAL LOCATIONS

The Company commenced its commercial operations on October 03, 2024 and is engaged in the business of dealing in foreign currency. The Company operates through a network of Fifty outlets. The addresses of all outlets are as follows:

| Sr. No. | Outlet                         | Address  |
|---------|--------------------------------|--|
| 1       | Tricon Center Branch Lahore    | Tricon Center Branch Lahore  |
| 2       | DHA Phase I G Block            | Plot No. 115, Block G, Phase 1C, D.H.A. LAHORE   |
| 3       | Allah Hoo Chowk                | 9-B, Main Boulevard, Allah Hoo Chowk, Johar Town Lahore  |
| 4       | Egerton Road Branch            | 7- Egerton Road Lahore   |
| 5       | DHA Phase VI                   | Plaza # 64 Sector A, Phase 6 C, D.H.A. Lahore  |
| 6       | II chandrigarh Branch          | Schon Center, Survey Sheet # SR-13, Survey # 3/2, Serai Quarter, I.I. Chundrigar Road, Karachi |
| 7       | Shahra e Faisal Branch         | Marine Faysal Block-6, PECHS, Shahra-e-Faisal, Karachi   |
| 8       | Toheed Commercial              | Plot # 20-C, Khayaban-e-Tanzeem, DHA Phase-5 Toheed Commercial Area, Karachi                   |
| 9       | D Ground Branch                | 360/A, Peoples Colony No.1, Small D-Ground, Faisalabad   |
| 10      | Jinnah Avenue Blue Area        | Raza Noor Plaza, 24 West, Jinnah Avenue, Blue Area Islamabad                                   |
| 11      | Multan Cantt Branch            | City Centre Nusrat Road, Multan Cantt  |
| 12      | Trust Plaza Branch             | G.T Road Trust Plaza Gujranwala  |
| 13      | Ram Talai Branch               | Ramtalai Chowk G.T. Road Gujrat  |
| 14      | Hunza Block, LHR               | 7 Hunza Block, Allama Iqbal Town, Lahore   |
| 15      | Luckyone Mall Branch, KHI      | Luckyone Mall Karachi  |
| 16      | Jalalpur Jattan, Gujrat        | Shehbaz pur Road Jalal Pur Jattan  |
| 17      | Lala Musa, Gujrat              | G T Road Lalamusa  |
| 18      | DHA XX Block, LHR              | 12/1 XX Block DHA Phase III Lahore   |
| 19      | Gulyana, Kharian               | Gulyana Kharian  |
| 20      | Kotla Arab Ali Khan            | Kotla Arab Ali Khan  |
| 21      | Jhelum Cantt.                  | 102 Server Shaheed Road Jhelum Cantt.  |
| 22      | Sarai Alamgir                  | G.T Road, Sarai Alamgir  |
| 23      | Ravi Road, LHR                 | Ravi Road Lahore   |
| 24      | DHA Phase 2, ISB               | DHA Phase 2 Rawalpindi   |
| 25      | Mirpur                         | Plot # 01, Sub-Sector A/5, Allama Iqbal Road, Mirpur, AJK                                      |
| 26      | Gulistan e Johar, KHI          | Gulistan-e-Johar Karachi   |
| 27      | Bahadurabad, KHI               | Bahadurabad, Karachi   |
| 28      | Kunjah                         | Fauji Tower, Muhallah Eidgah, Kunjah   |
| 29      | Saddar-Rawalpindi              | Haider Road, Saddar Cantt, Rawalpindi  |
| 30      | Kotwali Road Faisalabad        | P-21 Civil Lines, Bilal Road, Faisalabad   |
| 31      | Phalia                         | Main Mandi Gujrat Road, Phalia, Tehsil Phalia, District Mandi Bahauddin                        |
| 32      | Paris Road Sialkot             | RS Tower, Opposite Chamber of Commerce, Paris Road, Sialkot                                    |
| 33      | Sufi City Mandi Bahuddin       | Sufi City Mandi Bahuddin   |
| 34      | D.G.Khan                       | Mouza Gadai Shumali, Multan Road, D.G. Khan, Tehsil & District D.G. Khan                       |
| 35      | Shaheen Chowk Sargodha         | 121/A, Club Chowk, Opposite DPO House, University Road Sargodha                                |
| 36      | Burewala                       | 31-D, Arabia Islamia Road ,Burewala  |
| 37      | Gujar Khan                     | B-11, 152-A, G.T Road, Gujar Khan  |
| 38      | Mardan                         | Shaheen Shopping, Qazi Bashir Road, PRC Mardan Cantt   |
| 39      | Bahawalpur                     | Plot No. 12 A, Model Town-A, Ahmedpur Road, Bahawalpur   |
| 40      | Shakargarh                     | Near Thana Mor, Railway Road Shakargarh  |
| 41      | Gul-e-Akra Plaza Rawalpindi    | Gul-e-Akra Plaza, Murree Road, Rawalpindi  |
| 42      | Bahria Town Phase 4 Rawalpindi | Shop # 1, 2, 3 & Office # 1, 2, Main Civic Center, Bahria Town, Phase-4, Rawalpindi            |
| 43      | Disco Bakery                   | Gulshan Block-4 Branch, Plot B-3 Block 04 K.D.A. Scheme #24-Karachi                            |
| 44      | Peer Mahal                     | Madina Chowk, near Sabzi Mandi Road Peer Mahal   |
| 45      | Narowal                        | Mohalla Miran Shah Hussain, Main Circular Road, Near Virtual University of Pakistan, Narowal   |
| 46      | Peshawar                       | Dean Heights, Phase # 2 Hayatabad, Peshawar  |

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| Sr. No. | Outlet                      | Address  |
|---------|-----------------------------|--|
| 47      | Malakwal                    | Khasra No. 4707/427 Badshahpur Road Malakwal District Mandi Bahuddin |
| 48      | 6-C Khyaban Shahbaz Karachi | 6-C Khayaban e Shahbaz Phase 6 D.H.A., Karachi.                      |
| 49      | Kotli AJK                   | Khata # 681, Khasra # 579, Kotli, Tehsil & District Kotli            |
| 50      | Dina                        | G.T. Road, Dina  |

**34 GENERAL**

Figures in these financial statements have been rounded off to the nearest rupee, except otherwise stated.

**35 SUBSEQUENT EVENT(S)**

There is no subsequent event affecting the financial statements for the period ended December 31, 2025 except for the following:

- as referred to in note 14.6 to the financial statements, subsequent to the year end, The Bank of Punjab, the Parent Company, has made an additional capital injection of Rs. 500 million (second tranche) on March 24, 2026 to meet the operational and funding requirements of the Company.

**36 CORRESPONDING FIGURES**

Corresponding figures have been re-arranged or re-classified wherever necessary, for better and fair presentation. However, no significant reclassification or re-arrangement has been made during the year except for the following:

- In 'Accrued expenses and other liabilities', Rs. 16,015,062 related to 'Payable to Suppliers', previously included in 'Other Payables' has now been presented separately for better presentation and comparability; and

- 'Depreciation on right-of-use assets' amounting to Rs. 1,900,855, previously included in 'Administrative expenses' has now been reclassified to 'Cost of services' for better presentation and comparability.

**37 DATE OF AUTHORIZATION**

These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on 30 March 2026.

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For



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



DIRECTOR