

**CONDENSED INTERIM FINANCIAL STATEMENTS
OF
HALAN MICROFINANCE BANK LIMITED
(FORMERLY ADVANS PAKISTAN MICROFINANCE BANK LIMITED)
FOR THE HALF YEAR ENDED
JUNE 30, 2025**

HALAN MICROFINANCE BANK LIMITED
(FORMERLY ADVANS PAKISTAN MICROFINANCE BANK LIMITED)
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	Note	(Un-audited) June 30, 2025	(Audited) December 31, 2024
		------(Rupees) -----	
ASSETS			
Cash and balances with treasury banks	8	347,156,448	317,962,346
Balances with other banks	9	415,763,375	374,343,668
Investments	10	2,184,943,344	1,789,584,902
Advances	11	2,925,840,209	2,310,678,554
Property and equipment	12	349,097,079	213,396,409
Right-of-use assets	13	385,788,708	305,797,319
Intangible assets	14	89,651,536	5,954,054
Deferred tax assets	15	104,864,596	113,221,188
Other assets	16	201,531,784	179,605,508
TOTAL ASSETS		7,004,637,080	5,610,543,948
LIABILITIES			
Borrowings	17	201,322,998	1,094,985
Deposits and other accounts	18	5,082,160,498	4,615,618,531
Lease liabilities	19	421,745,753	333,611,054
Deferred grant	20	714,669	714,669
Other liabilities	21	209,995,723	157,423,741
TOTAL LIABILITIES		5,915,939,641	5,108,462,980
NET ASSETS		1,088,697,439	502,080,968
REPRESENTED BY			
Share capital	22	4,038,663,100	2,870,663,100
Statutory reserve		13,766,170	13,766,170
Depositor protection fund		18,221,602	14,446,905
Accumulated loss		(2,981,953,433)	(2,396,795,207)
		1,088,697,439	502,080,968
CONTINGENCIES AND COMMITMENTS			
	23		

The annexed notes 1 to 40 form an integral part of these condensed interim financial statements.

PRESIDENT/CHIEF EXECUTIVE CHIEF FINANCIAL OFFICER DIRECTOR DIRECTOR DIRECTOR

HALAN MICROFINANCE BANK LIMITED
(FORMERLY ADVANS PAKISTAN MICROFINANCE BANK LIMITED)
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2025

		Quarter Ended		Half Year Ended	
	Note	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
----- (Rupees) -----					
Mark-up / Return / Interest earned	24	410,285,802	397,462,278	765,660,607	807,804,495
Mark-up / Return / Interest expensed	25	(230,618,863)	(249,803,959)	(443,966,554)	(498,434,048)
Net mark-up / interest income		179,666,939	147,658,318	321,694,053	309,370,447
NON MARK-UP / INTEREST INCOME					
Fee and commission income	26	71,408,911	40,404,749	103,019,957	67,157,825
Other income	27	(12,257,845)	14,052,822	42,772,053	26,816,745
Total non-markup / interest income		59,151,066	54,457,571	145,792,010	93,974,570
Total income		238,818,005	202,115,889	467,486,063	403,345,017
NON MARK-UP/INTEREST EXPENSES					
Administrative Expenses	28	(427,448,495)	(286,643,593)	(870,089,839)	(607,327,292)
Other charges	29	(665,986)	-	(80,464)	(99,274)
Total non-markup / interest expenses		(428,114,481)	(286,643,593)	(870,170,303)	(607,426,566)
Loss before credit loss allowance		(189,296,476)	(84,527,704)	(402,684,240)	(204,081,549)
Credit loss allowance and write offs - net	30	(44,316,573)	(95,527,924)	(158,765,040)	(143,968,649)
LOSS BEFORE TAXATION AND MINIMUM TAX DIFFERENTIAL		(233,613,049)	(180,055,628)	(561,449,280)	(348,050,198)
Minimum tax differential	31	(5,768,228)	(5,449,283)	(11,577,657)	(11,301,683)
LOSS BEFORE TAXATION		(239,381,277)	(185,504,911)	(573,026,937)	(359,351,881)
Taxation	32	(6,293,545)	-	(8,356,592)	7,608,081
LOSS AFTER TAXATION		(245,674,822)	(185,504,911)	(581,383,529)	(351,743,800)
Loss per share - Basic and Diluted	33	(0.61)	(0.91)	(1.68)	(1.72)

The annexed notes 1 to 40 form an integral part of these condensed interim financial statements.

PRESIDENT/CHIEF EXECUTIVE CHIEF FINANCIAL OFFICER DIRECTOR DIRECTOR DIRECTOR

HALAN MICROFINANCE BANK LIMITED
(FORMERLY ADVANS PAKISTAN MICROFINANCE BANK LIMITED)
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2025

	Quarter Ended		Half Year Ended	
	June 30, 2025	June 30, 2023	June 30, 2025	June 30, 2024
	------(Rupees) -----			
Loss after taxation for the period	(245,674,822)	(185,504,911)	(581,383,529)	(351,743,800)
Other comprehensive income	-	-	-	-
Total comprehensive loss	<u>(245,674,822)</u>	<u>(185,504,911)</u>	<u>(581,383,529)</u>	<u>(351,743,800)</u>

The annexed notes 1 to 40 form an integral part of these condensed interim financial statements.

PRESIDENT/CHIEF EXECUTIVE CHIEF FINANCIAL OFFICER DIRECTOR DIRECTOR DIRECTOR

HALAN MICROFINANCE BANK LIMITED
(FORMERLY ADVANS PAKISTAN MICROFINANCE BANK LIMITED)
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2025

		Share capital	Statutory reserve	Depositor Protection fund (Rupees)	Accumulated Loss	Total
Note						
	Opening Balance as at January 01, 2024	2,045,663,100	13,766,170	8,055,042	(1,423,113,172)	644,371,140
	Impact of initial adoption of IFRS 9	5.2.3 (v)			(136,413,748)	(136,413,748)
		2,045,663,100	13,766,170	8,055,042	(1,559,526,920)	507,957,392
	Loss after taxation for the period	-	-	-	(351,743,800)	(351,743,800)
	Transfer to statutory reserve	-	-	2,591,897	(2,591,897)	-
	Balance as at July 01, 2024	2,045,663,100	13,766,170	10,646,939	(1,913,862,617)	156,213,592
	Loss after taxation for the period	-	-	-	(375,595,390)	(375,595,390)
	Impact of initial adoption of IFRS 9				(103,537,234)	(103,537,234)
	Transfer to statutory reserve	-	-	-	-	-
	Transferred to depositors' protection fund*			3,799,966	(3,799,966)	
	Transactions with owners, recorded directly in equity	-	-	-	-	-
	Issue of share capital	825,000,000	-	-	-	825,000,000
	Balance as at December 31, 2024	2,870,663,100	13,766,170	14,446,905	(2,396,795,207)	502,080,968
	Loss after taxation for the current period	-	-	-	(581,383,529)	(581,383,529)
	Transferred to depositors' protection fund	-	-	3,774,697	(3,774,697)	-
	Transactions with owners, recorded directly in equity	-	-	-	-	-
	Issue of share capital	1,168,000,000	-	-	-	1,168,000,000
	Balance as at June 30, 2025	4,038,663,100	13,766,170	18,221,602	(2,981,953,433)	1,088,697,439

The annexed notes 1 to 40 form an integral part of these condensed interim financial statements.

PRESIDENT/CHIEF EXECUTIVE CHIEF FINANCIAL OFFICER DIRECTOR DIRECTOR DIRECTOR

HALAN MICROFINANCE BANK LIMITED
(FORMERLY ADVANS PAKISTAN MICROFINANCE BANK LIMITED)
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED JUNE 30, 2025

	Note	June 30, 2025	June 30, 2024
		------(Rupees)-----	
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before taxation and minimum tax differential		(561,449,280)	(348,050,198)
Adjustments:			
Depreciation on property and equipment	28	33,269,343	25,413,042
Depreciation on right-of-use assets	28	36,197,483	28,247,782
Amortization	28	11,468,280	752,862
Provision against non-performing advances - net		1,364,241	-
Loss on disposal of Property and Equipment		-	66,273
Finance charges on leased assets	28	32,385,572	14,424,496
		114,684,919	68,904,455
Decrease / (Increase) in operating assets			
Advances		(615,161,655)	510,792,214
Others assets (excluding advance taxation)		(33,780,812)	(59,346,431)
		(648,942,467)	451,445,783
Increase / (Decrease) in operating liabilities			
Repayment of Borrowings		200,228,013	(48,284,410)
Deposits		466,541,967	624,358,655
Other liabilities (excluding current taxation)		52,571,982	25,177,755
		719,341,962	601,252,000
Income tax paid		(22,992,078)	(10,300,905)
Net cash (used in)/generated from operating activities		(399,356,944)	763,251,135
CASH FLOW FROM INVESTING ACTIVITIES			
Additions in property and equipment		(90,462,065)	(1,419,102)
Additions in intangibles		(94,494,468)	-
Investment made during the year - net		(787,893,347)	(70,908,958)
Proceeds from sale of property and equipment		-	20,924
Net cash used in investing activities		(972,849,880)	(72,307,136)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issuance of right shares		1,168,000,000	-
Payments of lease obligations against right-of-use assets		(60,561,595)	(43,474,694)
Net cash flow generated / (used) in financing activities		1,107,438,405	(43,474,694)
Increase / (Decrease) in cash and cash equivalents		(264,768,419)	647,469,305
Cash and cash equivalents at beginning of the period	34	1,818,372,390	1,195,198,830
Cash and cash equivalents at end of the period	34	1,553,603,971	1,842,668,135

The annexed notes 1 to 40 form an integral part of these condensed interim financial statements.

PRESIDENT/CHIEF EXECUTIVE CHIEF FINANCIAL OFFICER DIRECTOR DIRECTOR DIRECTOR

HALAN MICROFINANCE BANK LIMITED
(FORMERLY ADVANS PAKISTAN MICROFINANCE BANK LIMITED)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2025

1 STATUS AND NATURE OF BUSINESS

Halan Microfinance Bank Limited (Formerly Advans Pakistan Microfinance Bank Limited) (the Bank) was incorporated as a public limited company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) on April 17, 2012 and was granted license by the State Bank of Pakistan (SBP) on June 28, 2012 to operate as a microfinance bank in the province of Sindh. The Securities and Exchange Commission of Pakistan (SECP) and the SBP granted permissions to the Bank for the commencement of business with effect from November 21, 2012 and January 04, 2013 respectively. The Bank's primary mission is to offer microfinance banking and related services to the underserved and economically disadvantaged segments of society as envisaged under the Microfinance Institutions Ordinance, 2001.

The registered office of the Bank is situated at Plot No.ST 2/A 3rd Floor Building No.3, Islamic Chamber of Commerce near Ocean Mall, Block 9 KDA Scheme 5, Clifton Karachi, Pakistan. The Bank operates through 25 branches (2024: 24 branches) spread within the province of Sindh as disclosed in note 36 of these financial statements.

- 1.1** The bank was a subsidiary of ADVANS S.A. Sicar (incorporated in Luxembourg) which held 99.99% share capital of the Bank. On August 04, 2023 Advans S.A. Sicar, the parent company of Advans Pakistan Microfinance Bank Limited signed shares sales agreement with MNT Halan Pak B.V. for the sale of 100% shares of Advans Pakistan Microfinance Bank Limited. The SBP accorded the arrangement on October 23, 2023 resulting in change of Bank's parent entity. On March 20, 2024, MNT-Halan Pak B.V (a company registered in Netherland) acquired 100% shareholding of Advans Pakistan Microfinance Bank Limited. Accordingly, from March 20, 2024, 100% shares of Advans Pakistan Microfinance Bank Limited held by Advans S.A. Sicar were transferred to MNT Halan Pak B.V. as a result, Advans S.A. Sicar ceased to be the parent company of the Bank. Accordingly, on September 16, 2024, the name of the Bank was changed to "Halan Microfinance Bank Limited".

The Bank's capital (free of losses) amounted to Rs. 1088.697 million as at June 30, 2025 (December 31, 2024: Rs. 502.081 million) which is above the minimum capital requirements as at December 31, 2024.

The credit rating company JCR-VIS assigned the long-term entity rating of the Bank at "BBB" and short term rating at "A-3" with positive outlook on April 30, 2025.

2 BASIS OF PREPARATION

These condensed interim financial statements have been prepared in compliance with the format for preparation of the Interim financial statements of Microfinance Banks issued by the SBP, vide its BPRD circular No. 3 dated February 9, 2023. The Company believes that there is no significant doubt on the Company's ability to continue as a going concern. Therefore, the unconsolidated financial statements continue to be prepared on going concern basis.

3 STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under Microfinance Institutions Ordinance, 2001 (the MFI Ordinance) and the Companies Act, 2017; and
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by the SBP (including Prudential Regulations for Microfinance Banks) and Securities and Exchange Commission of Pakistan (SECP).

Wherever the provisions of and directives issued under the Companies Act, 2017, Microfinance Institutions Ordinance, 2001, the Prudential Regulations for Microfinance Banks and directives issued by SBP and SECP differ with the requirements of the IFRS, the provisions of and directives issued under the Companies Act, 2017, Microfinance Institutions Ordinance, 2001, the Prudential Regulations for Microfinance Banks and directives issued by SBP and SECP shall prevail.

- 3.1** The SBP has deferred the applicability of International Accounting Standard IAS 40, 'Investment Property' for Banking Companies in Pakistan through BSD Circular Letter 10 dated August 26, 2002 till further instructions. SECP has deferred the applicability of IFRS 7 'Financial Instruments: Disclosures' through its notification S.R.O 411 (I) / 2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements of Prudential Regulation for Microfinance Banks or directives issued by SBP.

- 3.2** The disclosures made in these condensed interim financial statements have been limited based on International Accounting Standard 34 - "Interim Financial Reporting". Accordingly, these condensed interim financial statements do not include all the information and disclosures required for annual financial statements and should be read in conjunction with the financial statements for the year ended December 31, 2024. Comparative Statement of financial position is stated from the audited annual financial statements as of December 31, 2024, whereas comparative condensed interim profit and loss account, condensed interim other comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity are stated from unaudited condensed interim financial statements for the six months period ended June 30, 2024.

4 BASIS OF MEASUREMENT

4.1 Accounting convention

These condensed interim financial statements have been prepared under the historical cost convention.

4.2 Functional and presentation currency

These condensed interim financial statements have been presented in Pakistani Rupees, which is the Bank's functional and presentation currency:

4.3 Standards, interpretations and amendments to accounting standards that are not yet effective

There are various amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective. These are not likely to have a material effect on the Bank's financial statements.

5 MATERIAL ACCOUNTING POLICY INFORMATION

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

6 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires management to exercise judgment in the application of its accounting policies. The estimates and 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. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The significant judgments made by management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements of the Bank for the year ended December 31, 2024.

7 FINANCIAL RISK MANAGEMENT

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

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

8 CASH AND BALANCES WITH TREASURY BANKS

Cash in Hand - Local currency	134,118,659	72,440,344
With State Bank of Pakistan		
- Local currency current account	8.1 213,037,788	245,522,002
	<u>347,156,448</u>	<u>317,962,346</u>

- 8.1 This represents current account maintained with SBP to meet the requirement of maintaining a minimum balance equivalent to 5% of the Bank's time and demand liabilities in accordance with the Prudential Regulations for Microfinance Banks.

9 BALANCES WITH OTHER BANKS

In current accounts	8,934,036	9,164,255
In PLS deposit accounts	9.1 406,829,339	365,179,414
	<u>415,763,375</u>	<u>374,343,668</u>

- 9.1 These include deposits with commercial banks carrying mark-up rates ranging from 8% to 7% (December 31, 2024: 13.5% to 20.5%) per annum.

10 INVESTMENTS

10.1 Investments by type:

June 30, 2025 (Un-Audited)				December 31, 2024 (Audited)			
Amortised cost	Credit Loss Allowance	Surplus / (Deficit)	Carrying Value	Amortized Cost	Provision for diminution	Surplus / (Deficit)	Carrying Value

----- (Rupees) -----

Classified as Amortized cost

Federal Government securities

- Term Deposit Certificates	825,000,000	-	-	825,000,000	125,000,000	-	-	125,000,000
- Market Treasury Bills	1,359,943,344	-	-	1,359,943,344	1,664,584,902	-	-	1,664,584,902
Total Investments	2,184,943,344	-	-	2,184,943,344	1,789,584,902	-	-	1,789,584,902

11 ADVANCES

Performing		Non Performing		Total	
(Un-Audited) June 30, 2025	(Audited) December 31, 2024	(Un-Audited) June 30, 2025	(Audited) December 31, 2024	(Un-Audited) June 30, 2025	(Audited) December 31, 2024

----- Rupees -----

Micro credit

Secured	93,189,205	64,313,870	8,319,187	-	101,508,392	64,313,870
Unsecured	2,948,597,111	2,339,211,151	148,635,113	163,023,370	3,097,232,224	2,502,234,521
Advances - gross	3,041,786,316	2,403,525,021	156,954,300	163,023,370	3,198,740,616	2,566,548,391

Credit loss allowance against advances

- Stage 1	(255,095,834)	(133,204,126)	-	-	(255,095,834)	(133,204,126)
- Stage 2	-	-	(4,013,243)	(10,576,243)	(4,013,243)	(10,576,243)
- Stage 3	-	-	(13,791,330)	(112,089,468)	(13,791,330)	(112,089,468)
	(255,095,834)	(133,204,126)	(17,804,573)	(122,665,711)	(272,900,407)	(255,869,837)

Advances - net of credit loss allowance

	2,786,690,482	2,270,320,895	139,149,728	40,357,659	2,925,840,209	2,310,678,554
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(Un-Audited) (Audited)
June 30, **December 31,**
2025 **2024**
 -----(Rupees)-----

11.1 Particulars of advances (gross)

In local currency 3,198,740,616 2,566,548,391

11.2 Advances include Rs. 117.08 million (December 31, 2024: Rs. 164.2 million) which have been placed under non-performing / Stage 3 status as detailed below:-

Category of Classification

June 30, 2025 (Un-audited)

Non Credit loss
performing allowance

----- (Rupees) -----

Domestic

Other Assets Especially Mentioned (OAEM)
 Substandard
 Doubtful
 Loss

-	-
32,289,352	3,046,049
63,422,678	8,307,341
21,363,204	2,499,983
<u>117,075,234</u>	<u>13,853,373</u>

11.3 Particulars of credit loss allowance against advances

	June 30, 2025 (Un-audited)						December 31, 2024 (Audited)					
	Stage 1	Stage 2	Stage 3	Specific	General	Total	Stage 1	Stage 2	Stage 3	Specific	General	Total
	----- (Rupees) -----											
Opening balance	133,204,126	10,576,243	112,089,468	122,665,711	133,204,126	255,869,837	-	-	-	76,790,350	30,556,236	107,346,586
Impact of adoption of IFRS 9							174,707,935	6,646,101	109,834,111	(76,790,350)	(30,556,236)	183,841,561
Charge for the period / year	94,077,493	6,660,463	51,334,056	57,994,519	94,077,493	152,072,012	-	3,930,142	337,644,566	-	-	341,574,708
							(41,503,809)	3,930,142	337,644,566	-	-	300,070,899
Amounts written off	-	-	(135,041,442)	-	-	(135,041,442)	-	-	(335,389,209)	-	-	(335,389,209)
Closing balance	227,281,619	17,236,706	28,382,082	45,618,788	227,281,619	272,900,408	133,204,126	10,576,243	112,089,468	-	-	255,869,837

11.3.1 Advances - Category of classification - Domestic

June 30, 2025 (Un-audited)

Outstanding Credit loss
amount allowance Held

----- (Rupees) -----

Stage 1

Performing

Stage 2

Underperforming

Other Asset especially mentioned

Stage 3

Non-Performing

Substandard

Doubtful

Loss

Total

3,041,786,315	255,015,738
39,879,066	4,031,297
32,289,352	3,046,049
63,422,678	8,307,341
21,363,204	2,499,983
<u>3,198,740,616</u>	<u>272,900,408</u>

		December 31, 2024 (Audited)	
		Outstanding	Credit loss
		amount	allowance Held
		------(Rupees)-----	
Stage 1			
Performing		2,403,525,021	133,204,126
Stage 2			
Underperforming			
Other Asset especially mentioned		32,475,773	10,576,243
Stage 3			
Non-Performing			
Substandard		26,227,416	22,519,123
Doubtful		79,136,757	67,947,608
Loss		25,183,424	21,622,737
Total		2,566,548,391	255,869,837

12 PROPERTY AND EQUIPMENT

Property and equipment	349,097,079	213,396,409
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12.1 Additions to property and equipment

The following additions have been made to Property and Equipment during the period:

Leasehold improvements	6,551,427	33,289,056
Furniture and fixture	15,096,326	8,334,522
Office and Other Equipment	30,134,553	6,560,600
Vehicles	9,532,500	14,730,154
Computer equipment	29,147,259	7,405,500
Total	90,462,065	70,319,832

12.2 Disposal of property and equipment

The net book value of Property and Equipment disposed off during the period is as follows:

Vehicles	-	2,122,583
Computer equipment	-	187,165
Total	-	2,309,748

		(Un-Audited) June 30, 2025	(Audited) December 31, 2024
	Note	------(Rupees)-----	
13 RIGHT-OF-USE ASSETS			
At January 01, 2025			
Cost		526,964,810	330,135,162
Accumulated Depreciation		(221,167,491)	(161,560,942)
Net Carrying amount at January 01, 2025		305,797,319	168,574,220
Additions during the year		116,310,722	196,829,648
Disposals during the year		-	-
Depreciation Charge for the year		(36,319,334)	(59,606,549)
Net Carrying amount at June 30, 2025		385,788,708	305,797,319
13.1	These represents Right of Use book against head office, branch premises and service centers.		
14 INTANGIBLE ASSETS			
Computer Software		89,651,536	5,954,054
14.1 Additions to intangible assets			
The following additions have been made to intangible assets during the period:			
Directly purchased		93,641,072	5,769,443
Total		93,641,072	5,769,443
15 DEFERRED TAX ASSETS			
Deductible temporary differences arising in respect of			
- Unabsorbed tax depreciation and ammortisation		118,679,571	105,214,016
- Property and equipment		(14,743,504)	8,036,152
		103,936,068	113,250,168
Taxable temporary differences on			
-Intangible assets		928,529	(28,980)
		104,864,596	113,221,188

		(Un-Audited) June 30, 2025	(Audited) December 31, 2024
	Note	------(Rupees)-----	
16 OTHER ASSETS			
Income / Mark-up accrued		35,342,187	43,393,069
Advances to staff		25,226,012	9,164,642
Receivable from related party	16.1	11,139,692	9,057,600
Prepayment for Rent, Insurance and Others		35,940,818	35,127,409
Advance against purchase of Core Banking System		-	65,226,981
Advance taxation		1,243,252	3,682,664
Accrued Income on PLS savings account		3,205,480	2,768,082
Security Deposit		10,178,620	9,265,410
Others		81,523,355	2,823,041
Other assets - total		<u>203,799,415</u>	<u>180,508,899</u>
Less: Credit loss allowance held / (reversal) against other assets			
Advances to staff, Income / markup accrued,			
Security deposit and accrued income		(2,267,632)	(903,391)
		<u>201,531,784</u>	<u>179,605,508</u>

16.1 This pertains to expenses paid on behalf of Halan Wallet (Private) Limited.

16.2 Movement in Credit loss allowance held / (reversal) against other asset

Opening balance	903,391	981,559
Charge/(Reversal) for the period/ year	1,364,241	(78,168)
Closing balance	<u>2,267,632</u>	<u>903,391</u>

17 BORROWINGS

Secured

Borrowings from Bank / Financial Institutions

- Borrowings from SBP

- Borrowings from UBL

17.1

201,322,998	-
-	1,094,985
<u>201,322,998</u>	<u>1,094,985</u>

17.1 During the year, the Bank obtained a Credit Line Facility of PKR 201.323 million from the State Bank of Pakistan under the Women Inclusive Finance Program to ease liquidity constraints and enhance lending to women borrowers, including microenterprises and housing. The demand finance facility, secured against a Demand Promissory Note, has a tenor of four years (maturing June 30, 2029) and carries markup at six-month KIBOR minus 100 bps, payable semi-annually. Utilization is restricted to women borrowers and subject to SBP's Environmental & Social Risk Management guidelines.

		(Un-Audited) June 30, 2025	(Audited) December 31, 2024
		------(Rupees)-----	
18	DEPOSITS AND OTHER ACCOUNTS		
	Customers		
	Current deposits	84,496,978	74,984,433
	Saving deposits	1,645,725,927	1,459,995,998
	Term deposits	3,351,937,592	3,080,638,100
		<u>5,082,160,498</u>	<u>4,615,618,531</u>
19	LEASE LIABILITIES		
	Outstanding amount as at January 01, 2025	333,611,054	188,391,507
	Additions during the year	116,310,722	199,129,122
	Lease payments including interest	(60,561,595)	(85,550,901)
	Interest expense	<u>32,385,572</u>	<u>31,641,326</u>
	Outstanding amount at June 30, 2025	<u>421,745,753</u>	<u>333,611,054</u>
21	OTHER LIABILITIES		
	Mark-up/ Return/ Interest payable in local currency	26,037,216	24,234,369
	Accrued expenses	136,078,504	85,839,774
	Payable to related parties	-	1,019,100
	Withholding tax payable	39,388,879	43,720,039
	Provident fund payable	7,693,524	2,610,459
	Other liabilities	<u>797,600</u>	<u>-</u>
		<u>209,995,723</u>	<u>157,423,741</u>
22	SHARE CAPITAL		
22.1	Authorized Capital		
		(Unaudited) June 30, 2025	(Audited) December 31, 2024
		(Number of shares)	
		-----Rupees-----	
	Ordinary shares of Rs.10		
	<u>500,000,000</u>	<u>500,000,000</u>	each
		<u>5,000,000,000</u>	<u>5,000,000,000</u>

22.1.1 During the period, in order to support the Capital Adequacy Ratio (CAR) and Minimum Capital Requirement 'Requirement (MCR) requirements, as well as to facilitate the future expansion plans of the bank, the authorized 'capital has been increased from Rs 2.060 billion to Rs 5.0 billion.

22.2 Issued, subscribed and paid-up

(Un-Audited) June 30, 2025 (Number of shares)	(Audited) December 31, 2024		(Un-Audited) June 30, 2025 -----Rupees-----	(Audited) December 31, 2024
		Ordinary shares of Rs. 10 each		
403,866,310	287,066,310	Fully paid in cash	4,038,663,100	2,870,663,100
<u>403,866,310</u>	<u>287,066,310</u>		<u>4,038,663,100</u>	<u>2,870,663,100</u>

22.2.1 During the period the Parent Company injected fresh equity by way of rights shares amounting to Rs.1,168 million.

22.2.2 Subsequent to the reporting date, the Parent Company injected fresh equity by way of rights shares amounting to Rs. 280 million which was realized by the bank on August 31, 2025. Subsequently, the Bank issued rights shares of Rs. 280 million, equivalent to 28 million shares, in September 2025.

23 CONTINGENCIES AND COMMITMENTS

23.1 Detailed below are contingency primarily in the nature of tax;

The Bank Limited is currently contesting a tax demand of Rs. 5,202,172/-, raised under Section 161(1A) of the Income Tax Ordinance, 2001, through an appeal filed before the Commissioner Inland Revenue (Appeals). The case has been heard and is presently reserved for order. Based on the merits of the case and relevant legal provisions, management anticipates a favorable outcome. Consequently, no provision has been recognized in the financial statements at this stage, as the Bank believes that the likelihood of an outflow of economic resources remains low. The management continues to monitor the case and will reassess the position in light of any further developments.

24 MARK-UP / RETURN / INTEREST EARNED

Loans and Advances	630,461,068	687,933,312
Investments	81,831,178	82,938,641
Deposits	53,368,361	36,932,541
	<u>765,660,607</u>	<u>807,804,495</u>

25 MARK-UP / RETURN / INTEREST EXPENSED

Markup on Deposits	403,795,659	484,833,659
Markup on Borrowings	40,170,896	13,600,389
	<u>443,966,554</u>	<u>498,434,048</u>

		(Un-audited) June 30, 2025	(Un-audited) June 30, 2024
		------(Rupees)-----	
26	FEE & COMMISSION INCOME		
	Loan processing fee	100,120,654	58,937,947
	Other fee and commission	2,899,303	8,219,878
		<u>103,019,957</u>	<u>67,157,825</u>
27	OTHER INCOME		
	Recoveries against write-offs	42,772,053	26,641,255
	Others	-	175,490
		<u>42,772,053</u>	<u>26,816,745</u>
28	OPERATING EXPENSES		
	Salaries and other allowances	424,639,751	309,676,834
	Training and business development	197,850	67,011
	Rent, rates and taxes	20,447,395	9,952,094
	Legal and professional charges	4,572,687	3,852,637
	Utilities	30,896,309	27,728,352
	Communications	17,514,955	10,460,452
	Repairs and maintenance - others	39,936,043	26,407,357
	Repairs and maintenance - Vehicles	6,472,481	22,061,830
	Financial charges on lease liability against right-of-use asset	32,385,572	14,424,496
	Fuel and lubricants	75,460,995	22,904,663
	Insurance	16,090,104	9,956,352
	Travelling and conveyance	23,848,888	18,697,856
	Printing and stationery	6,620,276	5,241,896
	Fees and subscription	20,582,003	29,676,570
	Security charges	23,565,409	17,933,595
	Advertisement and publicity	11,722,096	3,476,876
	Auditors' remuneration	2,210,000	2,200,532
	Depreciation of Property and Equipment	12 33,269,343	25,413,042
	Depreciation of Right-of-use-asset	13 36,197,483	28,247,782
	Amortisation of intangible assets	11,468,280	752,862
	Loss on disposal of property and equipment	-	66,273
	Bank charges	375,980	927,604
	Office supplies	5,504,255	356,037
	Janitorial charges	13,110,542	7,511,978
	Other expenses	13,001,142	9,332,311
		<u>870,089,839</u>	<u>607,327,292</u>

	(Un-audited) June 30, 2025	(Un-audited) June 30, 2024
	------(Rupees)-----	
29 OTHER CHARGES		
Loss on sale of investments	80,464	99,274
	<u>80,464</u>	<u>99,274</u>
30 CREDIT LOSS ALLOWANCE & WRITE OFFS - NET		
Credit loss allowance against loans & advances	23,723,599	(2,795,904)
Bad debts written off directly	135,041,442	146,764,553
	<u>158,765,040</u>	<u>143,968,649</u>
31 MINIMUM TAX DIFFERENTIAL		

	Quarter ended (Un-audited) June 30, 2025	June 30, 2024	Half year ended (Un-audited) June 30, 2025	June 30, 2024
	-----Rupees-----			
Minimum tax differential	5,768,228	5,449,283	11,577,657	11,301,683
	<u>5,768,228</u>	<u>5,449,283</u>	<u>11,577,657</u>	<u>11,301,683</u>

31.1 This represent minimum tax paid under section 113 of Income Tax Ordinance (ITO, 2001), representing levy in terms of requirement of IFRIC 21 / IAS 37.

	(Un-audited) June 30, 2025	(Un-audited) June 30, 2024
	------(Rupees)-----	
32 TAXATION		
Current	-	-
Deferred	8,356,592	(7,608,081)
	<u>8,356,592</u>	<u>(7,608,081)</u>
33 BASIC LOSS PER SHARE		
Loss for the period	(581,383,529)	(351,743,800)
Weighted average number of ordinary shares	345,466,310	204,566,310
Basic loss per share	<u>(1.68)</u>	<u>(1.72)</u>

There are no dilutive potential ordinary shares outstanding as at June 30, 2025 and 2024.

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

34 CASH AND CASH EQUIVALENTS

Cash and balances with treasury banks
Balances with other banks
Investments

347,156,448	321,880,352
415,763,375	463,549,415
790,684,148	1,057,238,368
<u>1,553,603,971</u>	<u>1,842,668,135</u>

35 FAIR VALUE MEASUREMENTS

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

35.1 Fair value of financial assets

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

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

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

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

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

June 30, 2025 (Un-audited)			
Level 1	Level 2	Level 3	Total
----- Rupees -----			

On balance sheet financial instruments

Financial assets - disclosed but not measured at fair value

Investments

- 2,184,943,344 - 2,184,943,344

December 31, 2024 (Audited)			
Level 1	Level 2	Level 3	Total
----- Rupees -----			

On balance sheet financial instruments

Financial assets - disclosed but not measured at fair value

Investments

- 1,789,584,902 - 1,789,584,902

36 NUMBER OF BRANCHES

	2025		2024	
	Branches	Service Centre	Branches	Service Centre
At the beginning of the year	24	-	19	-
Add: Opened during the year	1	25	5	-
At the end of the year	25	25	24	-

37 RELATED PARTY TRANSACTIONS AND BRANCHES

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

Contribution to the accounts in respect of staff retirement benefits are made in accordance with terms of the contribution plan. . Other transactions are carried out as per agreed terms.

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

	June 30, 2025 (Un- Audited)					December 31, 2024 (Audited)				
	Parent	Directors	Key manage-ment personnel	Other Related Party	Employee Provident Fund	Parent	Directors	Key manage-ment personnel	Other Related Party	Employee Provident Fund
	-----Rupees-----									
Other Assets	-	-	-	-	-	-	-	-	-	-
Other receivable	-	-	-	11,114,692	-	-	-	-	9,024,353	-
Deposits and other accounts										
Opening balance	-	-	-	-	-	-	-	-	-	-
Received during the period / year	-	-	-	-	-	-	-	-	-	-
Other Liabilities										
Remuneration Payable	-	-	-	-	-	-	-	-	-	-
Payable to staff retirement fund	-	-	-	-	-	-	-	-	-	2,610,459
Advance Against Shares	305,707,831	-	-	-	-	1,019,099	-	-	-	-
Expense										
Interest Expense	-	-	-	-	-	-	-	-	-	-
Remuneration expense	-	-	-	-	20,447,395	-	-	-	-	13,967,368
Closing balance	305,707,831	-	-	11,114,692	20,447,395	1,019,099	-	-	9,024,353	16,577,827

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

38 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Minimum Capital Requirement (MR):

Paid-up capital (net of losses)

1,255,366,000	502,080,968
---------------	-------------

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital

1,052,493,000	497,861,152
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Eligible Additional Tier 1 (ADT 1) Capital

-	-
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Total Eligible Tier 1 Capital

1,052,493,000	497,861,152
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Eligible Tier 2 Capital

61,214,000	28,824,942
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Total Eligible Capital (Tier 1 + Tier 2)

1,113,707,000	526,686,094
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Risk Weighted Assets (RWAs):

Credit risk

4,373,563,000	2,403,003,306
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Operational risk

202,649,000	1,039,059,841
-------------	---------------

Total

4,576,212,000	3,442,063,147
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Common Equity Tier 1 Capital Adequacy Ratio

23.00%	14.46%
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Tier 1 Capital Adequacy Ratio

23.00%	14.46%
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Total Capital Adequacy Ratio

24.34%	15.30%
--------	--------

39 GENERAL

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

40 CORRESPONDING FIGURE

Corresponding figure has been rearranged and reclassified, wherever necessary for the purpose and comparison and to reflect substance of transactions. There have been no significant reclassification except for those disclosed in condensed interim financial statements.

41 EVENTS AFTER REPORTING DATE

There were no significant events after reporting date.

42 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on _____ by the Board of Directors of the Company.

PRESIDENT/CHIEF EXECUTIVE CHIEF FINANCIAL OFFICER DIRECTOR DIRECTOR DIRECTOR