

Financial Statements
AS AT SEPTEMBER 30, 2025



Microfinance Bank Ltd.

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

		(Un-audited)	(Audited)
	Note	September 30, 2025	December 31, 2024
		-----	-----
		(Rupees)	
ASSETS			
Cash and balances with treasury banks	8	388,269,101	317,962,346
Balances with other banks	9	721,832,785	374,343,669
Investments	10	2,059,341,657	1,789,584,902
Advances	11	4,106,954,451	2,310,678,554
Property and equipment	12	599,627,589	213,396,409
Right-of-use assets	13	523,679,972	305,797,319
Intangible assets	14	117,887,987	5,954,054
Deferred tax assets	15	104,864,596	113,221,188
Other assets	16	510,562,487	179,605,507
TOTAL ASSETS		9,133,020,625	5,610,543,948
LIABILITIES			
Borrowings	17	193,657,593	1,094,985
Deposits and other accounts	18	6,847,804,539	4,615,618,531
Lease liabilities	19	576,590,156	333,611,054
Deferred grant		714,669	714,669
Other liabilities	20	382,707,087	157,423,741
TOTAL LIABILITIES		8,001,474,044	5,108,462,980
NET ASSETS		<u>1,131,546,581</u>	<u>502,080,968</u>
REPRESENTED BY			
Share capital	21	4,318,663,150	2,870,663,100
Statutory reserve		13,766,170	13,766,170
Depositor protection fund		18,221,602	14,446,905
Accumulated loss		(3,219,104,341)	(2,396,795,207)
		<u>1,131,546,581</u>	<u>502,080,968</u>
CONTINGENCIES AND COMMITMENTS	22		

The annexed notes 1 to 41 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)
AS AT SEPTEMBER 30, 2025

		Quarter Ended On Sept 30		Nine Month Ended On Sept 30	
	Note	2025	2024	2025	2024
		------(Rupees)-----			
Mark-up / Return / Interest earned	23	500,110,762	410,881,919	1,283,643,912	1,218,686,414
Mark-up / Return / Interest expensed	24	(221,358,130)	(257,511,204)	(665,324,685)	(755,945,252)
Net mark-up / interest income		278,752,631	153,370,715	618,319,227	462,741,162
NON MARK-UP / INTEREST INCOME					
Fee and commission income	25	80,073,993	37,226,431	188,323,091	104,384,256
Other income	26	33,943,775	14,858,753	76,715,829	41,675,498
Total non-markup / interest income		114,017,767	52,085,184	265,038,919	146,059,754
Total income		392,770,398	205,455,899	883,358,146	608,800,916
NON MARK-UP/INTEREST EXPENSES					
Administrative Expenses	27	(561,403,252)	(329,365,569)	(1,431,493,091)	(936,692,861)
Other charges	28	(386,326)	(3,311)	(466,790)	(102,585)
Total non-markup / interest expenses		(561,789,578)	(329,368,880)	(1,431,959,881)	(936,795,446)
(Loss) / profit before credit loss allowance		(169,019,180)	(123,912,981)	(548,601,735)	(327,994,530)
Credit loss allowance and write offs - net	29	(83,511,132)	(78,044,987)	(242,276,172)	(222,013,636)
LOSS BEFORE TAXATION AND MINIMUM TAX DIFFERENTIAL		(252,530,312)	(201,957,968)	(790,877,907)	(550,008,166)
Minimum tax differential	30	(7,722,281)	(5,775,247)	(19,299,938)	(17,076,930)
LOSS BEFORE TAXATION		(260,252,593)	(207,733,215)	(810,177,845)	(567,085,096)
Taxation	31	3,221,065	-	(8,356,592)	(7,608,081)
LOSS AFTER TAXATION		(257,031,528)	(207,733,215)	(818,534,437)	(559,477,015)
Loss per share - Basic and Diluted	32	(0.22)	(0.23)	(1.90)	(1.95)

The annexed notes 1 to 41 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)
AS AT SEPTEMBER 30, 2025

	<u>Quarter Ended On Sept 30</u>		<u>Nine Month Ended On Sept 30</u>	
	2025	2024	2025	2024
	<u>------(Rupees)-----</u>			
Loss after taxation for the period	(257,031,528)	(207,733,215)	(818,534,437)	(559,477,015)
Other comprehensive income	-	-	-	-
Total comprehensive loss	<u>(257,031,528)</u>	<u>(207,733,215)</u>	<u>(818,534,437)</u>	<u>(559,477,015)</u>

The annexed notes 1 to 41 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)
AS AT SEPTEMBER 30, 2025

	dec-2024 audited				
	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	-	-	-	(239,950,982)	(239,950,982)
Issuence of share capital	-	-	-	-	-
Loss after taxation for the period	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-
Balance as at July 01, 2024	2,045,663,100	13,766,170	8,055,042	(1,663,064,154)	404,420,158
Loss after taxation for the period	-	-	-	(727,339,190)	(727,339,190)
Transfer to statutory reserve	-	-	6,391,863	(6,391,863)	-
Transactions with owners, recorded directly in equity	-	-	-	-	-
Issue of share capital	825,000,000	-	-	-	825,000,000
Balance as at Jan 01, 2025	2,870,663,100	13,766,170	14,446,905	(2,396,795,207)	502,080,968
Issuence of share capital	1,448,000,050	-	-	-	1,448,000,050
Loss after taxation for the current period	-	-	-	(818,534,437)	(818,534,437)
Transfer to statutory reserve	-	-	3,774,697	(3,774,697)	-
Balance as at September 30, 2025	<u>4,318,663,150</u>	<u>13,766,170</u>	<u>18,221,602</u>	<u>(3,219,104,341)</u>	<u>1,131,546,581</u>

The annexed notes 1 to 41 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)
AS AT SEPTEMBER 30, 2025

		Nine Month Ended On Sept 30	
	Note	2025	2024
		------(Rupees)-----	
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before taxation and minimum tax differential		(790,877,907)	(550,008,165)
Adjustments:			
Depreciation on property and equipment	27	56,722,289	37,557,564
Depreciation on right-of-use assets	27	58,784,238	42,833,586
Amortization	27	17,544,114	1,090,215
Provision against non-performing advances - net	11.2	243,683,924	-
Loss on disposal of Property and Equipment		(4,687,770)	66,273
Finance charges on leased assets	27	53,437,270	22,236,254
		425,484,065	103,783,892
Decrease / (Increase) in operating assets			
Advances		(1,848,132,642)	639,044,886
Others assets (excluding advance taxation)		(224,782,192)	(85,660,076)
		(2,072,914,834)	553,384,810
Increase in operating liabilities			
Repayment of Borrowings		192,562,608	(140,093,067)
Deposits		2,232,186,009	647,522,639
Other liabilities (excluding current taxation)		88,265,927	37,175,262
		2,513,014,543	544,604,834
Income tax paid		(113,043,554)	(16,617,104)
Net cash flow from operating activities		(38,337,686)	635,148,267
CASH FLOW FROM INVESTING ACTIVITIES			
Additions in property and equipment		(682,178,831)	(9,686,056)
Proceeds from sale of property and equipment		(66,273)	20,924
Net cash flow used in investing activities		(682,245,104)	(9,665,132)
CASH FLOW FROM FINANCING ACTIVITIES			
Issue of right share		1,451,000,000	825,000,000
Payments of lease obligations against right-of-use assets		(504,346,057)	(72,872,662)
Net cash flow used in financing activities		946,653,943	752,127,338
Increase in cash and cash equivalents		226,071,153	1,377,610,473
Cash and cash equivalents at beginning of the period	33	1,818,372,390	1,195,198,830
Cash and cash equivalents at end of the period	33	2,044,443,543	2,572,809,303

The annexed notes 1 to 41 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
AS AT SEPTEMBER 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 44 branches (2024: 24 branches) spread within the province of Sindh as disclosed in note 35 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

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) 39, 'Financial Instruments: Recognition and Measurement' and IAS 40, 'Investment Property' for Banking Companies in Pakistan through BSD Circular Letter 10 dated 26 August 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 28 April 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 nine months period ended September 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 POLICIES

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.

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) September 30, 2025	(Audited) December 31, 2024
	Note	------(Rupees)-----	
8 CASH AND BALANCES WITH TREASURY BANKS			
Cash in Hand		144,386,328	72,440,344
With State Bank of Pakistan			
- Local currency current account	8.1	243,882,773	245,522,002
		<u>388,269,101</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 3% 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		210,220,365	9,164,255
In PLS deposit accounts	9.1	511,612,420	365,179,414
		<u>721,832,785</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:

Debt instruments	Note	September 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									
-Term deposits certificate		1,125,000,000			1,125,000,000	125,000,000	-	-	125,000,000
-Market Treasury Bills		934,341,657	-	-	934,341,657	1,664,584,902	-	-	1,664,584,902
Total Investments		2,059,341,657	-	-	2,059,341,657	1,789,584,902	-	-	1,789,584,902

11 ADVANCES

	Performing		Non Performing		Total	
	(Un-Audited) September 30, 2025	(Audited) December 31, 2024	(Un-Audited) September 30, 2025	(Audited) December 31, 2024	(Un-Audited) September 30, 2025	(Audited) December 31, 2024
-----Rupees-----						
Micro credit	4,278,407,444	2,403,525,021	136,273,589	163,023,370	4,414,681,033	2,566,548,391
Advances - gross	4,278,407,444	2,403,525,021	136,273,589	163,023,370	4,414,681,033	2,566,548,391
Credit loss allowance against advances						
-Stage 1	(206,358,329)	(133,204,126)	-	-	(206,358,329)	(133,204,126)
-Stage 2	-	-	(8,156,450)	(10,576,243)	(8,156,450)	(10,576,243)
-Stage 3	-	-	(93,211,803)	(112,089,468)	(93,211,803)	(112,089,468)
-General	-	-	-	-	-	-
-Specific	-	-	-	-	-	-
	(206,358,329)	(133,204,126)	(101,368,253)	(122,665,711)	(307,726,582)	(255,869,837)
Advances - net of credit loss allowance	4,072,049,115	2,270,320,895	34,905,336	40,357,659	4,106,954,451	2,310,678,554

		(Un-Audited) September 30, 2025	(Audited) December 31, 2024
		------(Rupees)-----	
11	Particulars of advances (gross)		
	In local currency	4,414,681,033	2,566,548,391
		<u>4,414,681,033</u>	<u>2,566,548,391</u>

- 11.1** Advances include Rs.136.273 million (December 31, 2024: Rs. 163.023 million) which have been placed under/non-performing as detailed below:-

Category of Classification	September 30, 2025 (Un-audited)	
	Non performing	Credit loss allowance
	------(Rupees)-----	
Domestic		
Other Assets Especially Mentioned (OAEM)	27,048,243	8,156,450
Substandard	20,361,661	17,388,854
Doubtful	72,334,237	61,648,952
Loss	16,529,449	14,173,997
	<u>136,273,589</u>	<u>101,368,253</u>

11.2 Particulars of credit loss allowance against advances

	September 30, 2025 (Un-audited)				December 31, 2024 (Audited)					
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Specific	General	Total
					(Rupees)					
Opening balance	133,204,126	10,576,243	112,089,468	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	-	5,966,589	309,745,393	315,711,982		3,930,142	337,644,566	-	-	341,574,708
Reversals	(72,028,058)	-	-	(72,028,058)				-	-	-
	(72,028,058)	5,966,589	309,745,393	243,683,924	-	3,930,142	337,644,566	-	-	341,574,708
Amounts written off	-	-	(191,827,178)	(191,827,178)	(41,503,809)		(335,389,209)	-	-	(376,893,018)
Closing balance	<u>206,358,329</u>	<u>8,156,450</u>	<u>93,211,803</u>	<u>307,726,582</u>	<u>133,204,126</u>	<u>10,576,243</u>	<u>112,089,468</u>	<u>-</u>	<u>-</u>	<u>255,869,837</u>

11.3.1 Advances - Category of classification - Domestic

	September 30, 2025 (Un-audited)	
	Outstanding amount	Credit loss allowance Held
	------(Rupees)-----	
Performing	4,278,407,444	206,358,329
Underperforming		
Other Asset especially mentioned	27,048,243	8,156,450
Non-Performing		
Substandard	20,361,661	17,388,854
Doubtful	72,334,237	61,648,952
Loss	16,529,449	14,173,997
Total	<u>4,414,681,033</u>	<u>307,726,582</u>

			(Un-Audited) September 30, 2025	(Audited) December 31,2024	
	Note		-----	-----	
			(Rupees)		
12	PROPERTY AND EQUIPMENT				
		Property and equipment	12.1 & 12.2	371,234,180	213,252,660
		Capital Work-in-progress	12.3	228,393,409	143,749
				<u>599,627,589</u>	<u>213,396,409</u>

12.1 Additions to property and equipment

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

Leasehold improvements	8,050,396	18,500
Furniture and fixture	27,644,515	-
Office and Other Equipment	104,528,454	537,412
Computer equipment	84,123,632	2,606,041
Total	<u>224,346,997</u>	<u>3,161,953</u>

12.2 Disposal of property and equipment

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

Vehicles	1,547,930	-
Computer equipment	-	209,244
Total	<u>1,547,930</u>	<u>209,244</u>

12.3 This represent the addition in CWIP for the construction of new branches.

13 RIGHT-OF-USE ASSETS

At January 01, 2025		
Cost	526,964,810	330,135,162
Accumulated Depreciation	<u>(221,167,491)</u>	<u>(161,560,942)</u>
Net Carrying amount at January 01, 2025	305,797,319	168,574,220
Additions during the year	490,161,157	196,829,648
Depreciation Charge for the year	<u>(272,278,504)</u>	<u>(59,606,549)</u>
Net Carrying amount at Sep 30, 2025	<u>523,679,972</u>	<u>305,797,319</u>

13.1 These represents Right of Use book against head office and branch premises.

		Note	(Un-Audited) September 30, 2025	(Audited) December 31,2024
			------(Rupees)-----	
14	INTANGIBLE ASSETS			
	Computer Software	14.1	117,887,987	5,954,054
14.1	Additions to intangible assets			
	The following additions have been made to intangible assets during the period:			
	Directly purchased		128,806,793	5,769,443
	Total		128,806,793	5,769,443
15	DEFERRED TAX ASSETS			
	Deductible temporary differences on			
	- Accelerated tax depreciation		118,679,571	105,214,016
	- On Fixed Asset and Intangible Asset		(14,743,504)	8,036,152
			103,936,068	113,250,168
	Taxable temporary differences on			
	-Accelerated tax depreciation Intangible Assets		928,529	(28,980)
			104,864,596	113,221,188
16	OTHER ASSETS			
	Income / Mark-up accrued		194,807,650	43,393,069
	Advances to staff		18,772,234	9,164,642
	Receivable from related party	16.1	11,151,692	9,057,600
	Prepayment for Rent, Insurance and Others		173,940,196	35,127,409
	Advance against purchase of CBS	16.2	-	65,226,981
	Advance taxation		109,857,452	3,682,664
	Accrued income on PLS savings account		(7,241,965)	2,768,082
	Security Deposit		10,178,620	9,265,410
	Others.		-	2,823,041
	Other assets - total		511,465,878	180,508,899
	Less: Credit loss allowance held against other assets			
	Advances to staff, Income / markup accrued, Security deposit and accrued income		(903,391)	(903,391)
			510,562,487	179,605,508
16.1	This pertains to expenses paid on behalf of Halan Wallet Private Limited.			
16.2	This represents amount paid was paid for new core banking application.			

17 BORROWINGS**Secured**

Borrowings from Bank / Financial Institutions

- Borrowings from PMIC

- Borrowings from UBL

193,657,593	
-	1,094,985
193,657,593	1,094,985

18 DEPOSITS AND OTHER ACCOUNTS**Customers**

Current deposits

Saving deposits

Term deposits

130,946,764	74,984,433
2,846,534,952	1,459,995,998
3,870,322,823	3,080,638,100
6,847,804,539	4,615,618,531

19 LEASE LIABILITIES

Outstanding amount as at January, 01 2025

Additions during the year

Lease payments including interest

Interest expense

Outstanding amount at Sep, 30, 2025

333,611,054	188,391,507
693,887,889	199,129,122
(504,346,057)	(85,550,901)
53,437,270	31,641,326
576,590,156	333,611,054

20 OTHER LIABILITIES

Mark-up/ Return/ Interest payable in local currency

Accrued expenses

Payable to related parties

Withholding tax payable

Provident fund payable

37,636,161	24,234,369
135,034,936	85,839,774
25,707,831	1,019,100
180,737,459	43,720,039
3,590,701	2,610,459
382,707,087	157,423,741

21 SHARE CAPITAL

21.1 Authorized Capital

	(Unaudited) September 30, 2025 (Number of shares)	(Audited) December 31, 2024		(Un-Audited) September 30, 2025 -----Rupees-----	(Audited) December 31, 2024
	431,866,315	500,000,000	Ordinary shares of Rs.10 each	4,318,663,149.79	5,000,000,000

- 21.1.1 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.

21.2 Issued, subscribed and paid-up

	September 30, 2025 (Number of shares)	December 31, 2024		(Un-Audited) September 30, 2025 -----Rupees-----	(Audited) December 31, 2024
	431,866,314.98	287,066,310	Ordinary shares of Rs. 10 each	4,318,663,150	2,870,663,100
	431,866,315	287,066,310		4,318,663,150	2,870,663,100

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

22 CONTINGENCIES AND COMMITMENTS

There were no contingencies as at September 30, 2025 and (December 31, 2024: none).

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

23 MARK-UP / RETURN / INTEREST EARNED

Loans and Advances	1,079,534,208	988,458,075
Investments	109,166,891	173,657,377
Deposits	94,942,814	56,570,961
	<u>1,283,643,912</u>	<u>1,218,686,414</u>

		(Un-audited) September 30, 2025	(Un-audited) September 30, 2024
	Note	------(Rupees)-----	
24	MARK-UP / RETURN / INTEREST EXPENSED		
	Markup on Deposits	652,029,068	739,693,031
	Markup on Borrowings	13,295,618	16,252,221
		<u>665,324,685</u>	<u>755,945,252</u>
25	FEE & COMMISSION INCOME		
	Loan processing fee	184,271,485	102,704,776
	Other fee and commission	4,051,605	1,679,479
		<u>188,323,091</u>	<u>104,384,256</u>
26	OTHER INCOME		
	Recoveries against write-offs	72,028,059	41,675,498
	Recoveries from Credit Guarantee Scheme	-	-
	Gain on sale of disposal	4,687,770	-
		<u>76,715,829</u>	<u>41,675,498</u>
27	OPERATING EXPENSES		
	Salaries and other allowances	709,270,969	464,402,879
	Staff welfare	9,161,041	8,307,457
	Non executive directors' fees, allowances and other expenses	1,199,997	799,997
	Training and business development	431,958	218,511
	Rent, rates and taxes	35,326,364	15,595,456
	Legal and professional charges	20,660,950	5,912,305
	Utilities	41,293,762	53,191,496
	Communications	29,600,314	15,146,622
	Repairs and maintenance - others	65,697,289	38,394,986
	Repairs and maintenance - Vehicles	91,903,370	38,312,396
	Financial charges on lease liability against right-of-use asset	53,437,270	22,236,254
	Fuel for generator	32,133,925	32,013,046
	Insurance	24,353,409	18,290,446
	Travelling and conveyance	28,368,948	26,667,283
	Printing and stationery	24,372,470	7,980,484
	Fees and subscription	18,359,194	35,757,137
	Security charges	48,236,688	32,580,329
	Advertisement and publicity	12,423,432	6,662,493
	Auditors' remuneration	2,806,056	3,368,348
	Depreciation of Property and Equipment	56,722,289	37,557,564
	Depreciation of Right-of-use-asset	58,784,238	42,833,586
		<u>1,364,543,934</u>	<u>906,229,075</u>

	(Un-audited) September 30, 2025	(Un-audited) September 30, 2024
	------(Rupees)-----	
Amortisation of intangible assets	17,544,114	1,090,215
Loss on disposal of property and equipment	-	73,492
Bank charges	1,333,494	941,682
Office supplies	916,650	591,522
Janitorial charges	27,332,188	10,731,252
Other expenses	19,822,711	17,035,623
	66,949,157	30,463,786
28 OTHER CHARGES		
Loss on sale of investments	466,790	102,585
Penalties imposed by State Bank of Pakistan	-	-
	466,790	102,585
29 CREDIT LOSS ALLOWANCE & WRITE OFFS - NET		
Credit loss allowance against loans & advances	50,448,994	(22,983,086)
Bad debts written off	191,827,178	244,996,722
	242,276,172	222,013,636
30 MINIMUM TAX DIFFERENTIAL		

	<u>For the period ended September 30</u>		<u>Half year ended June 30</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	-----Rupees-----			
Minimum tax differential	19,299,938	17,076,930	11,577,657	11,301,683
	19,299,938	17,076,930	11,577,657	11,301,683

30.1 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) September 30, 2025	(Un-audited) September 30, 2024
		------(Rupees)-----	
31	TAXATION		
	Current	-	-
	Deferred	(8,356,592)	(7,608,081)
		<u>(8,356,592)</u>	<u>(7,608,081)</u>

		(Un-audited) September 30, 2025	(Un-audited) September 30, 2024
		------(Rupees)-----	
32	BASIC LOSS PER SHARE		
	Loss for the period	(818,534,437)	(559,477,015)
	Weighted average number of ordinary shares	<u>431,866,315</u>	<u>287,066,310</u>
	Basic loss per share	<u>(1.90)</u>	<u>(1.95)</u>

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

33	CASH AND CASH EQUIVALENTS		
	Cash and balances with treasury banks	388,269,101	300,988,572
	Balances with other banks	721,832,785	414,552,336
	Investments	934,341,657	1,857,268,395
		<u>2,044,443,543</u>	<u>2,572,809,303</u>

34 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.

34.1 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.

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:

	September 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	-	2,059,341,657	-	2,059,341,657

35 NUMBER OF BRANCHES

	(Un-audited)		(Audited)	
	September 30, 2025		December 31, 2024	
	Branches	Service Centre	Branches	Service Centre
At the beginning of the year	24	-	19	-
Add: Opened during the year/Period	20	50	5	-
At the end of the year / Period	44	50	24	-

RELATED PARTY TRANSACTIONS

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:

	September 30, 2025 (Un- Audited)					December 31, 2024 (Audited)				
	Parent	Directors	Key management personnel	Other Related Party	Employee Provident Fund	Parent	Directors	Key management personnel	Other Related Party	Employee Provident Fund
-----Rupees-----										
Other Assets										
Other receivable	-	-	-	11,114,692	-	-	-	-	9,024,353	-
Deposits and other accounts										
Opening balance	-	-	-	-	-	-	-	-	-	48,000,000
Received during the period / year	-	-	-	-	-	-	-	-	-	13,570,554
Withdrawn during the year	-	-	-	-	-	-	-	-	-	(61,570,554)
Closing balance	-	-	-	-	-	-	-	-	-	-
Other Liabilities										
Remuneration Payable	-	-	-	-	-	-	-	-	-	-
Payable to staff retirement fund	-	-	-	-	-	-	-	-	-	2,610,459
Advance Against Shares	305,707,831	-	-	-	-	1,019,099	-	-	-	-
Intrest payable	-	-	-	-	-	-	-	-	-	-
Income										
Mark-up / Return / Interest earned	-	-	-	-	-	-	-	-	-	-
Fee and commission income	-	-	-	-	-	-	-	-	-	-
Dividend income	-	-	-	-	-	-	-	-	-	-
Net gain on sale of securities	-	-	-	-	-	-	-	-	-	-
Other income (to be specified if > Rs 5 million)	-	-	-	-	-	-	-	-	-	-
Expense										
Interest Expense	-	-	-	-	-	-	-	-	-	13,967,358
Remuneration expense	-	-	-	-	20,447,395	-	-	-	-	-
Closing balance	305,707,831	-	-	11,114,692	20,447,395	1,019,099	-	-	9,024,353	16,577,817

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

37 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Minimum Capital Requirement (MR):

Paid-up capital (net of losses)	1,131,546,581	502,080,968
---------------------------------	---------------	-------------

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital	1,051,458,477	497,861,152
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	1,051,458,477	497,861,152
Eligible Tier 2 Capital	71,850,297	28,824,942
Total Eligible Capital (Tier 1 + Tier 2)	1,123,308,774	526,686,094

Risk Weighted Assets (RWAs):

Credit risk	4,140,870,662	2,403,003,306
Operational risk	2,084,497,944	1,039,059,841
Total	6,225,368,606	3,442,063,147

Common Equity Tier 1 Capital Adequacy Ratio	16.89%	14.46%
Tier 1 Capital Adequacy Ratio	16.89%	14.46%
Total Capital Adequacy Ratio	18.04%	15.30%

38 GENERAL

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

39 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.

40 EVENTS AFTER REPORTING DATE

There were no significant events after reporting date.

41 DATE OF AUTHORISATION FOR ISSUE

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