

**HALAN MICROFINANCE BANK LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2026**

	Note	Unaudited March 31, 2026	Audited Dec 31, 2025
------(Rupees)-----			
<b>ASSETS</b>			
Cash and balances with treasury banks	6	1,518,934,713	717,594,126
Balances with other banks and microfinance bank	7	1,289,658,804	1,512,393,930
Investments	8	4,364,779,875	3,181,494,868
Advances	9	9,161,072,694	6,991,037,937
Property and equipment	10	884,284,430	712,598,979
Right-of-use assets	11	1,593,660,599	1,053,676,816
Intangible assets	12	189,938,879	170,435,639
Deferred tax assets	13	130,615,567	130,615,518
Other assets	14	430,585,162	344,408,488
<b>TOTAL ASSETS</b>		<b>19,563,530,724</b>	<b>14,814,256,302</b>
<b>LIABILITIES</b>			
Borrowings	15	201,323,000	201,323,000
Deposits and other accounts	16	15,617,658,732	11,611,201,195
Lease liabilities	17	1,614,476,788	1,114,842,840
Deferred grant		714,669	714,669
Other liabilities	18	437,880,066	289,181,256
<b>TOTAL LIABILITIES</b>		<b>17,872,053,255</b>	<b>13,217,262,960</b>
<b>NET ASSETS</b>		<b>1,691,477,468</b>	<b>1,596,993,342</b>
<b>REPRESENTED BY</b>			
Share capital	19	5,205,988,100	4,926,988,100
Statutory reserve		13,766,170	13,766,170
Depositor protection fund		24,474,128	24,474,128
Accumulated loss		(3,552,750,930)	(3,368,235,056)
		<b>1,691,477,468</b>	<b>1,596,993,342</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	20		

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

**CHIEF EXECUTIVE OFFICER    CHIEF FINANCIAL OFFICER    CHAIRMAN    DIRECTOR    DIRECTOR**

**HALAN MICROFINANCE BANK LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT**  
**FOR THE QUARTER ENDED MARCH 31, 2026**

	Note	Unaudited Quarter Ended	
		March 31, 2026	March 31, 2025
------(Rupees)-----			
Mark-up / Return / Interest earned	21	1,208,465,314	364,942,237
Mark-up / Return / Interest expensed	22	(520,688,910)	(229,053,927)
Net mark-up / interest income		687,776,404	135,888,310
<b>NON MARK-UP / INTEREST INCOME</b>			
Fee and commission income	23	147,807,170	49,061,392
Other income	24	27,014,426	19,478,323
Total non-markup / interest income		174,821,596	68,539,715
Total income		862,598,000	204,428,025
<b>NON MARK-UP/INTEREST EXPENSES</b>			
Operating expenses	25	(953,282,752)	(431,665,852)
Other charges	26	(59,895)	(16,778)
Total non-markup / interest expenses		(953,342,647)	(431,682,630)
Loss before credit loss allowance		(90,744,647)	(227,254,605)
Credit loss allowance and write offs - net	27	(76,480,141)	(85,812,334)
<b>LOSS BEFORE TAXATION AND MINIMUM TAX DIFFERENTIAL</b>		(167,224,789)	(313,066,939)
Minimum tax differential	28	(17,291,086)	(5,284,112)
<b>LOSS BEFORE TAXATION</b>		(184,515,875)	(318,351,051)
Taxation	29	-	-
<b>LOSS AFTER TAXATION</b>		(184,515,875)	(318,351,051)
<b>Loss per share - Basic and Diluted</b>	30	(0.37)	(0.92)

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

**CHIEF EXECUTIVE OFFICER    CHIEF FINANCIAL OFFICER    CHAIRMAN    DIRECTOR    DIRECTOR**

**HALAN MICROFINANCE BANK LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME -UNAUDITED**  
**FOR THE QUARTER ENDED MARCH 31, 2026**

	<b>Quarter Ended</b>	
	<b>March 31, 2026</b>	<b>March 31, 2025</b>
	<b>------(Rupees) -----</b>	
Loss after taxation for the year	(184,515,875)	(318,351,051)
Other comprehensive income	-	-
Total comprehensive loss for the year	<u>(184,515,875)</u>	<u>(318,351,051)</u>

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

**CHIEF EXECUTIVE OFFICER    CHIEF FINANCIAL OFFICER    CHAIRMAN    DIRECTOR    DIRECTOR**

**HALAN MICROFINANCE BANK LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - UNAUDITED**  
**FOR THE QUARTER ENDED MARCH 31, 2026**

	Share capital	Statutory reserve	Depositor Protection fund (Rupees)	Accumulated Loss	Total
<b>Balance as at January 1, 2025</b>	2,870,663,100	13,766,170	14,446,905	(2,396,795,207)	502,080,968
Loss after taxation for the year	-	-	-	(961,412,626)	(961,412,626)
Transfer to statutory reserve	-	-	10,027,223	(10,027,223)	-
<b>Transactions with owners, recorded directly in equity</b>					
205,632,500 shares, having face value of Rs. 10 each issued during the year at par	2,056,325,000	-	-	-	2,056,325,000
<b>Balance as at January 01, 2026</b>	<u>4,926,988,100</u>	<u>13,766,170</u>	<u>24,474,128</u>	<u>(3,368,235,056)</u>	<u>1,596,993,342</u>
<b>Transactions with owners, recorded directly in equity</b>					
27,900,000 shares, having face value of Rs. 10 each issued during the year at par	279,000,000	-	-	-	279,000,000
Loss after taxation for the year	-	-	-	(184,515,875)	(184,515,875)
Transfer to statutory reserve	-	-	-	-	-
<b>Balance as at March 31, 2026</b>	<u><u>5,205,988,100</u></u>	<u><u>13,766,170</u></u>	<u><u>24,474,128</u></u>	<u><u>(3,552,750,930)</u></u>	<u><u>1,691,477,468</u></u>

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

**CHIEF EXECUTIVE OFFICER    CHIEF FINANCIAL OFFICER    CHAIRMAN    DIRECTOR    DIRECTOR**

**HALAN MICROFINANCE BANK LIMITED**  
**(FORMERLY ADVANS PAKISTAN MICROFINANCE BANK LIMITED)**  
**CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE QUARTER ENDED MARCH 31, 2026**

	Note	Unaudited March 31, 2026	Unaudited March 31, 2025
------(Rupees)-----			
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Loss before taxation and minimum tax differential for the year		(167,224,789)	(313,066,939)
Adjustments:			
Depreciation on property and equipment	25	38,088,720	15,928,384
Depreciation on right-of-use assets	25	35,572,333	17,483,854
Amortization	25	13,155,766	5,392,450
Provision against non-performing advances - net		76,474,742	-
Return on investment		(50,483,000)	-
Reversal of provision against other assets		532,982	-
Net loss/ (gain) on sale of Govt Securities		21,895	-
Finance charges on leased assets	25	38,896,276	16,679,338
		152,259,714	55,484,026
<b>Decrease / (Increase) in operating assets</b>			
Advances		(2,246,509,499)	(128,722,264)
Others assets		(86,709,656)	(29,105,676)
		(2,333,219,155)	(157,827,940)
<b>Increase in operating liabilities</b>			
Increase in operating liabilities			
Deposits and other accounts		4,006,457,537	237,249,375
Borrowings - net		-	200,561,579
Other liabilities (excluding current taxation)		148,698,810	32,590,148
		4,155,156,347	470,401,102
Income tax paid		(17,291,135)	(5,832,901)
<b>Net cash flow from operating activities</b>		1,789,680,982	49,157,348
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Additions in property and equipment		(209,774,177)	(90,863,480)
Additions in intangible		(32,659,006)	(85,668,850)
Proceeds from sale of property and equipment		-	-
Investment made during the year		(2,201,148,870)	-
<b>Net cash used in investing activities</b>		(2,443,582,054)	(176,532,330)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Issue of right share		279,000,000	600,000,000
Payments of lease obligations against right-of-use assets		(114,818,443)	(42,867,308)
Net cash flow from financing activities		164,181,557	557,132,692
Net Increase in cash and cash equivalents during the year		(489,719,515)	429,757,710
Cash and cash equivalents at beginning of the period		3,587,745,556	2,481,890,917
Cash and cash equivalents at end of the period	31	3,098,026,041	2,911,648,627

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

**HALAN MICROFINANCE BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED MARCH 31, 2026**

**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 137 business units (2025 :117 business units)spread within the province of Sindh as disclosed in note 32 to these condensed interim 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 Adans Pakistan Microfinance Bank Limited held by Advans S.A. Sicar were transferred to MNT-Halan Pak B.V. as a result, Adanvs 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". On June 03, 2025 the Bank has obtained the nationwide license under section - 13(2) of the Microfinance Institution Ordinance No. LV OF 2001 authorizing Halan Microfinance Bank Limited (the MFB) to carry out microfinance banking business in Pakistan subject to compliance of all of the applicable laws, rules, regulations and the conditions mentioned in the License.
- 1.2 The Bank's capital (free of losses) amounted to Rs. 1691.477 million as at March 31, 2026 (December 31, 2025: Rs. 1596.993 million) which is above the minimum capital requirements of Rs. 1,000 million as at December 31, 2025.

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

## **2 BASIS OF PREPARATION**

- 2.1 These condensed interim financial statements have been prepared in compliance with the format for preparation of the 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 condensed interim 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 financial reporting. The accounting and reporting standards as applicable in Pakistan for financial reporting comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Provisions of and directives issued under Microfinance Institutions Ordinance, 2001 (the MFI Ordinance) 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 through BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Further, the SECP has also deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial instruments: disclosures' through its S.R.O. 633(I)/2014 dated July 10, 2014. Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim financial

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, 2025. Comparative Statement of financial position is stated from the audited annual financial statements as of December 31, 2025, 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 three months period ended March 31, 2025.

#### **4 BASIS OF MEASUREMENT**

##### **4.1 Accounting convention**

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

##### **4.2 Functional and presentation currency**

These condensed interim financial statements have been presented in Pakistani Rupees ("Rupees" or "Rs"), which is the Bank's functional and presentation currency.

##### **4.3 Critical accounting estimates and judgements**

The preparation of condensed interim financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Bank's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions 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 current and future periods.

#### **5 MATERIAL ACCOUNTING POLICY INFORMATION**

##### **5.1** The material accounting policy 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, 2025.

	Unaudited March 31, 2026	Audited December 31, 2025
Note	------(Rupees)-----	

## 6 CASH AND BALANCES WITH TREASURY BANKS

Cash in Hand - Local currency	313,872,363	285,203,324
With State Bank of Pakistan		
- Local currency current account	6.1 1,205,062,350	432,390,802
- Local currency deposits account	-	-
	<u>1,205,062,350</u>	<u>432,390,802</u>
With National Bank of Pakistan		
- Local currency current account	-	-
- Local currency deposits account	-	-
Less: Credit loss allowance	-	-
	<u>1,518,934,713</u>	<u>717,594,126</u>

- 6.1 This includes current account maintained with SBP amounting to Rs. 472,578,693 (2025: Rs. 357,847,454) 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.

## 7 BALANCES WITH OTHER BANKS AND MICROFINANCE BANK

In current accounts	38,026,048	34,075,110
In deposit accounts	7.1 1,251,632,756	1,478,318,820
Less: Credit loss allowance	-	-
	<u>1,289,658,804</u>	<u>1,512,393,930</u>

- 7.1 These include deposits with commercial banks carrying mark-up rates ranging from 9% to 14.5% (2025: 9% to 14.5%) per annum.

## 8 INVESTMENTS

### Investments by type:

	March 31, 2026 ( Unaudited)			December 31, 2025 (Audited)				
	Amortised cost	Credit Loss Allowance	Surplus / (Deficit)	Carrying Value	Amortized Cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
<b>Debt instruments</b>								
	------(Rupees)-----							
<b>Classified as Amortized cost</b>								
-Term deposits certificate	1,825,000,000	-	-	1,825,000,000	1,475,000,000	-	-	1,475,000,000
-Market Treasury Bills	2,539,779,875	-	-	2,539,779,875	1,706,494,867	-	-	1,706,494,867
<b>Total Investments</b>	<b>4,364,779,875</b>	<b>-</b>	<b>-</b>	<b>4,364,779,875</b>	<b>3,181,494,867</b>	<b>-</b>	<b>-</b>	<b>3,181,494,867</b>

## 9 ADVANCES

	Performing		Non Performing		Total	
	(Un-Audited) March 31, 2026	(Audited) December 31, 2025	(Un-Audited) March 31, 2026	(Audited) December 31, 2025	(Un-Audited) March 31, 2026	(Audited) December 31, 2025
	-----Rupees-----					
<b>Micro credit</b>						
Secured	1,321,828,003	704,444,575	72,660	59,612	1,321,900,663	704,504,187
Unsecured	8,000,183,529	6,420,681,208	92,454,122	91,409,625	8,092,637,651	6,512,090,833
<b>Advances - gross</b>	<b>9,322,011,532</b>	<b>7,125,125,783</b>	<b>92,526,782</b>	<b>91,469,237</b>	<b>9,414,538,314</b>	<b>7,216,595,020</b>
<b>Credit loss allowance against advances</b>						
-Stage 1	(212,586,214)	(174,711,718)			(212,586,214)	(174,711,718)
-Stage 2	-	-	(20,216,140)	(15,580,871)	(20,216,140)	(15,580,871)
-Stage 3	-	-	(20,663,266)	(35,264,494)	(20,663,266)	(35,264,494)
	(212,586,214)	(174,711,718)	(40,879,405)	(50,845,365)	(253,465,620)	(225,557,083)
<b>Advances - net of credit loss allowance</b>	<b>9,109,425,318</b>	<b>6,950,414,065</b>	<b>51,647,377</b>	<b>40,623,872</b>	<b>9,161,072,694</b>	<b>6,991,037,937</b>

**Unaudited**  
**March 31, 2026**  
-----**(Rupees)**-----  
**Audited**  
**December 31,**  
**2025**

**9.1 Particulars of advances (gross)**

In local currency 9,414,538,314      7,216,595,020

**9.2** Advances include Rs. 92.526 million (December 31, 2025: Rs. 91.469 million) which have been placed under non-performing status as detailed below:-

**Category of Classification**

**March 31, 2026 (Unaudited)**

**Non performing**  
**loans**                      **Credit loss**  
**allowance**

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

Underperforming	63,484,670	20,216,140
Substandard	13,083,890	8,874,501
Loss	<u>15,958,222</u>	<u>11,788,765</u>
	<u>92,526,782</u>	<u>40,879,405</u>

**9.3 Particulars of credit loss allowance against advances**

	March 31, 2026 (Un-audited)				Dec 31, 2025 (Audited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	----- <b>(Rupees)</b> -----							
Opening balance	174,711,718	15,580,871	35,264,494	225,557,083	133,204,126	10,576,243	112,089,468	255,869,837
Charge for the year	37,874,497	4,635,269	48,566,205	91,075,970	41,507,592	5,004,628	252,384,892	298,897,112
Reversals	-	-	(14,601,228)	(14,601,228)	-	-	(76,824,974)	(76,824,974)
	37,874,497	4,635,269	33,964,976	76,474,742	41,507,592	5,004,628	175,559,918	222,072,138
Amounts written off	-	-	(48,566,205)	(48,566,205)	-	-	(252,384,892)	(252,384,892)
Closing balance	<u>212,586,214</u>	<u>20,216,140</u>	<u>(14,601,228)</u>	<u>253,465,620</u>	<u>174,711,718</u>	<u>15,580,871</u>	<u>35,264,494</u>	<u>225,557,083</u>
	(253,465,619)							

**9.4 Advances - Category of classification - Domestic**

**March 31, 2026 (Unaudited)**

**Outstanding**  
**amount**                      **Credit loss**  
**allowance held**

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

<b>Performing</b>	<u>9,322,011,532</u>	<u>212,586,214</u>
<b>Underperforming</b>	<u>63,484,670</u>	<u>20,216,140</u>
<b>Non-Performing</b>		
Substandard	13,083,890	8,874,501
Doubtful & Loss	15,958,222	11,788,765
<b>Total</b>	<u>9,414,538,314</u>	<u>253,465,620</u>

	Note	Unaudited March 31, 2026	Audited December 31, 2025
------(Rupees)-----			
<b>10</b>	<b>PROPERTY AND EQUIPMENT</b>		
	Property and equipment	756,637,850	694,775,065
	Capital work-in-progress	127,646,580	17,823,914
		884,284,430	712,598,979
		884,284,430	712,598,979

### 10.1 Additions to property and equipment

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

Leasehold Improvements	7,892,667	287,993,948
Furniture and fixtures	21,641,751	29,749,507
Office and Other equipment	31,758,962	127,229,680
Computer Equipment	38,658,131	110,512,252
Vehicles	-	17,991,236
Total	99,951,511	573,476,623
	99,951,511	573,476,623

### 10.2 Disposal of property and equipment

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

Furniture and fixtures	-	1,493,110
Vehicles	-	3,235,634
Total	-	4,728,744
	-	4,728,744

### 11 RIGHT-OF-USE ASSETS

At January 01, 2026

Cost		1,378,390,736	526,964,810
Accumulated Depreciation		(324,713,920)	(221,167,491)
Net Carrying amount at January 01, 2026		1,053,676,816	305,797,319
Additions during the year		575,556,116	851,425,926
Depreciation Charge / Disposal for the year		(35,572,333)	(103,546,429)
Net Carrying amount at March 31, 2026		1,593,660,599	1,053,676,816

Buildings

Amounts recognized in profit or loss

-Depreciation expense on right of use	25	35,572,333	103,546,428
-Interest expense on lease liability	25	38,896,276	107,449,010
		74,468,609	210,995,438
		74,468,609	210,995,438

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

		(Un-Audited) March 31, 2026	(Audited) December 31, 2025
		------(Rupees)-----	
<b>12 INTANGIBLE ASSETS</b>	<b>Note</b>		
Computer Software		3,218,526	3,882,229
Core banking application and other licenses		163,515,584	153,026,153
Capital Work-in-progress		23,204,769	13,527,257
		<u>189,938,879</u>	<u>170,435,639</u>

### 12.1 Additions to intangible assets

The following additions have been made to intangible assets during the period:

Directly purchased	19,503,240	185,488,906
Total	<u>19,503,240</u>	<u>185,488,906</u>

### 13 DEFERRED TAX ASSETS

Deferred tax comprises of deductible and taxable timing differences in respect of the following:

Deductible temporary differences arising in respect of

- Unabsorbed tax depreciation and amortisation	150,865,869	150,865,869
- Property and equipment	(16,363,980)	- 16,364,028
	134,501,889	134,501,841

Taxable temporary differences arising due to

- Intangible assets	(3,886,322)	(3,886,322)
	<u>130,615,567</u>	<u>130,615,519</u>

		<b>Unaudited</b> <b>March 31, 2026</b>	<b>Audited</b> <b>December 31,</b> <b>2025</b>
	<b>Note</b>	<b>------(Rupees)-----</b>	
<b>14 OTHER ASSETS</b>			
Income / Mark-up accrued		295,461,865	175,803,522
Advances to staff	14.1	6,240,383	9,589,974
Receivable from related party	14.2	13,354,858	11,234,192
Prepayment for Rent, Insurance and Others		39,252,347	85,177,373
Advance taxation (payment less provision)		28,377,754	22,851,379
Accrued income on PLS savings account		25,485,334	4,990,908
Security Deposit		11,902,620	10,178,620
Others		12,838,816	26,378,352
		<u>432,913,976</u>	<u>346,204,320</u>
Less: Credit loss allowance held against other assets	14.3	(2,328,814)	(1,795,832)
		<u>430,585,162</u>	<u>344,408,488</u>

14.1 This include loan to employees carrying markup at KIBOR + 3%.

14.2 This represents amount receivable from Halan Wallet (Private) Limited & Halan Finance Limited, related parties, for reimbursement of expenses. Paid on behalf of Halan Wallet (Private) Limited & Halan Finance Limited.

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

Opening balance	1,795,832	903,391
Charge/(Reversal) for the year	532,982	892,441
Closing balance	<u>2,328,814</u>	<u>1,795,832</u>

**15 BORROWINGS**

**Secured**

Borrowings from Bank / Financial Institutions	201,323,001	201,323,000
- Borrowings from SBP	201,323,001	201,323,000
	<u>201,323,001</u>	<u>201,323,000</u>

- 15.1 It is 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.

	<b>Unaudited</b>	<b>Audited</b>
	<b>March 31, 2026</b>	<b>December 31, 2025</b>
<b>Note</b>	----- <b>(Rupees)</b> -----	

## 16 DEPOSITS AND OTHER ACCOUNTS

### Customers

Current deposits	199,059,717	176,460,234
Saving deposits	4,084,674,499	2,675,586,584
Term deposits	6,247,319,937	4,720,064,837
	<u>10,531,054,153</u>	<u>7,572,111,655</u>

### Financial Institutions

Current deposits	-	-
Saving deposits	3,786,604,579	2,639,089,540
Term deposits	1,300,000,000	1,400,000,000
	<u>5,086,604,579</u>	<u>4,039,089,540</u>
	<u>15,617,658,732</u>	<u>11,611,201,195</u>

### Composition of deposits

- Individuals	11,161,610,393	7,146,727,376
- Public sector entities	4,456,048,339	4,464,473,819
	<u>15,617,658,732</u>	<u>11,611,201,195</u>

## 17 LEASE LIABILITIES

Outstanding amount as at January, 01 2026	1,114,842,840	333,611,054
Additions during the year	575,556,116	861,314,953
Deletions during the year	-	(13,396,868)
Lease payments including interest	(114,818,444)	(174,135,309)
Interest expense	38,896,276	107,449,010
Outstanding amount at March 31, 2026	<u>1,614,476,788</u>	<u>1,114,842,840</u>

## 18 OTHER LIABILITIES

Mark-up/ Return/ Interest payable in local currency		71,318,503	42,815,036
Accrued expenses	18.1	156,213,382	86,353,242
Payable to related parties	18.2	75,454,060	75,962,415
Withholding tax payable	18.3	129,011,475	73,267,746
Provident fund payable		5,882,646	10,782,817
		<u>437,880,066</u>	<u>289,181,256</u>

18.1 This represent accruals related to head office expenses, professional charges, payable to suppliers, utilities and salaries.

### 18.2 Payable to Related parties

Advance against shares		26,660,212	27,168,567
Payable to MNT Halan		48,793,848	48,793,848
		<u>75,454,060</u>	<u>75,962,415</u>

18.3 This include withholding tax payable on saving accounts and salaries.

## 19 SHARE CAPITAL

### 19.1 Authorized Capital

Unaudited March 31, 2026	Audited December 31, 2025		Unaudited March 31, 2026	Audited December 31, 2025
(Number of shares)			-----Rupees-----	
<u>750,000,000</u>	<u>500,000,000</u>	Ordinary shares of Rs.10 each	<u>7,500,000,000</u>	<u>5,000,000,000</u>

### 19.2 Issued, subscribed and paid-up

Unaudited March 31, 2026	Audited December 31, 2025		Unaudited March 31, 2026	Audited December 31, 2025
(Number of shares)			-----Rupees-----	
		Ordinary shares of Rs. 10 each		
<u>520,598,810</u>	<u>492,698,810</u>	- Fully paid in cash	<u>5,205,988,100</u>	<u>4,926,988,100</u>
<u>520,598,810</u>	<u>492,698,810</u>		<u>5,205,988,100</u>	<u>4,926,988,100</u>

19.3 The Parent Company injected fresh equity by way of rights shares amounting to Rs. 279 million, equivalent to 27.9 million shares, in March 2026.

## 20 CONTINGENCIES AND COMMITMENTS

20.1 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.

	Unaudited March 31, 2026	Unaudited March 31, 2025
Note	------(Rupees)-----	
<b>21 MARK-UP / RETURN / INTEREST EARNED</b>		
Interest / mark-up on:		
Loans and Advances	1,039,420,688	302,699,187
Investments	124,762,827	43,259,471
Deposits	44,281,799	18,983,579
	<u>1,208,465,314</u>	<u>364,942,237</u>
<b>22 MARK-UP / RETURN / INTEREST EXPENSED</b>		
Markup on Deposits	515,889,975	226,851,615
Markup on Borrowings	4,798,935	2,202,312
	<u>520,688,910</u>	<u>229,053,927</u>
<b>23 FEE &amp; COMMISSION INCOME</b>		
Loan processing fee	137,025,160	45,188,540
Other fee and commission	10,782,010	3,872,852
	<u>147,807,170</u>	<u>49,061,392</u>
<b>24 OTHER INCOME</b>		
Recoveries against write-offs	26,861,883	19,478,323
Others	24.1 152,543	-
	<u>27,014,426</u>	<u>19,478,323</u>
24.1 This represent interest income on loan given to employee.		
<b>25 OPERATING EXPENSES</b>		
Salaries and other allowances	543,701,061	202,801,614
Staff welfare	5,938,837	1,856,211
Non executive directors' fees, allowances and other expenses	399,999	399,999
Training and business development	150,096	47,600
Rent, rates and taxes	7,808,376	9,090,596
Legal and professional charges	2,966,923	3,017,349
Utilities	14,355,956	17,967,692
Communications	27,734,833	9,295,505
Repairs and maintenance - others	38,203,859	23,752,096
Repairs and maintenance - Vehicles	65,356,601	24,579,276
Financial charges on lease liability against right-of-use asset	38,896,276	16,679,338
Fuel for generator	1,742,987	11,001,892
Insurance	19,358,221	4,666,543
Travelling and conveyance	13,145,457	17,812,272
Printing and stationery	4,904,815	7,327,321
Fees and subscription	14,518,435	9,593,083
Security charges	25,335,331	14,436,555
Advertisement and publicity	5,512,198	8,202,567
Auditors' remuneration	1,057,352	935,352
Depreciation of Property and Equipment	38,088,720	15,928,384
Depreciation of Right-of-use-asset	35,572,333	17,483,854
Amortisation of intangible assets	13,155,766	5,392,450
Bank charges	5,380,960	107,911
Technical assistance	91,941	-
Janitorial charges	25,367,023	4,927,487
Other expenses	4,538,396	4,362,905
	<u>953,282,752</u>	<u>431,665,852</u>

	Unaudited March 31, 2026	Unaudited March 31, 2025
Note	------(Rupees)-----	
<b>26 OTHER CHARGES</b>		
Loss on sale of investments	51,671	16,778
Exchange loss	8,224	-
	<u>59,895</u>	<u>16,778</u>
<b>27 CREDIT LOSS ALLOWANCE &amp; WRITE OFFS - NET</b>		
Credit loss allowance against loans & advances	27,913,936	85,812,334
Bad debts written off	48,566,205	-
	<u>76,480,141</u>	<u>85,812,334</u>
<b>28 MINIMUM TAX DIFFERENTIAL</b>		
Minimum tax differential	<u>17,291,086</u>	<u>5,284,112</u>

28.1 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.

## 29 TAXATION

Current	-	-
Deferred	-	-
	<u>-</u>	<u>-</u>

## 30 LOSS PER SHARE

### 30.1 Basic

Loss for the period	Rupees	<u>(184,515,875)</u>	<u>(318,351,051)</u>
Weighted average number of ordinary shares	Number	<u>493,008,810</u>	<u>337,066,310</u>
Basic loss per share	Rupee	<u>(0.37)</u>	<u>(0.94)</u>

### 30.2 Diluted

No figure for diluted (loss) / earnings per share has been presented as the Bank has not issued any convertible instrument which would have an impact on basic (loss) / earnings per share.

## 31 CASH AND CASH EQUIVALENTS

Cash and balances with treasury banks	6	1,518,934,713	447,446,156
Balances with other banks and microfinance bank	7	1,289,658,804	456,226,795
Investments		289,432,525	2,007,975,676
		<u>3,098,026,042</u>	<u>2,911,648,627</u>

## 32 NUMBER OF BRANCHES

	2026			2025		
	Branches	Service Centre	Total	Branches	Service Centre	Total
At the beginning of the year	50	67	117	24	-	24
Add: Opened during the year	-	20	20	26	67	93
At the end of the year	<u>50</u>	<u>87</u>	<u>137</u>	<u>50</u>	<u>67</u>	<u>117</u>

### 33 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:

	Unaudited March 31, 2026					December 31, 2025				
	Parent	Directors	Key management personnel	Other Related Party	Employee Provident Fund	Parent	Directors	Key management personnel	Other Related Party	Employee Provident Fund
-----Rupees-----										
<b>Other Assets</b>										
Other receivable	-	-	-	-	-	-	-	-	-	-
<b>Deposits and other accounts</b>										
Opening balance	-	-	-	-	-	-	-	-	-	-
Received during the period / year	-	-	-	-	-	-	-	-	-	-
Withdrawn during the year	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-
<b>Other Liabilities</b>										
Remuneration Payable	-	-	-	-	-	-	-	-	-	-
Payable to staff retirement fund	-	-	-	-	5,882,646	-	-	-	-	10,782,817
Advance Against Shares	26,660,212	-	-	-	-	27,168,567	-	-	-	-
Payable to MNT Halan	48,793,848	-	-	-	-	48,793,848	-	-	-	-
Interest payable	-	-	-	-	-	-	-	-	-	-
<b>Income</b>										
Mark-up / Return / Interest earned	-	-	-	-	-	-	-	-	-	-
Fee and commission income	-	-	-	-	-	-	-	-	-	-
Dividend income	-	-	-	-	-	-	-	-	-	-
Net gain on sale of securities	-	-	-	-	-	-	-	-	-	-
Other income (to be specified if > Rs	-	-	-	-	-	-	-	-	-	-
<b>Expense</b>										
Interest Expense	-	-	-	-	-	-	-	-	-	-
Remuneration expense	-	-	-	-	-	-	-	-	-	-
Closing balance	<b>75,454,060</b>	-	-	-	<b>5,882,646</b>	<b>75,962,415</b>	-	-	-	<b>10,782,817</b>



Level 1: 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 from prices).

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

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

	<b>(Un-Audited) March 31, 2026</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>-----Rupees-----</b>			
On balance sheet financial instruments				
Financial assets - disclosed but not measured at fair value				
Investments	-	4,364,779,875	-	4,364,779,875

## **36 RISK MANAGEMENT FRAMEWORK**

### **36.1 Operational Risk Management**

The Bank is closely monitoring the situation and has invoked required actions to ensure safety and security of Bank staff and an uninterrupted service to the customers. The senior management of the Bank is continuously monitoring the situation and is taking timely decisions to resolve any concerns. The Bank has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network (“VPN”) connections. Further, the Bank has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber attacks.

### **36.2 Credit Risk Management**

The Risk Management function of the Bank is regularly conducting assessments of the credit portfolio to identify borrowers most likely to get affected due to changes in the business and economic environment. The Bank has further strengthened its credit review procedures in the light of Flood. The Bank is continuously reviewing the portfolio, to identify accounts susceptible to higher risk, resulting from the Flood outbreak. In response to the impact of floods on its loan portfolio, the bank has taken steps to manage its credit risk, including restructuring loans and writing off a portion of the outstanding amount. Loan restructuring allows borrowers who have been impacted by the floods to temporarily modify the terms of their loans, such as extending the repayment period to better manage their finances. Meanwhile, the write-off of debt reflects the bank's determination that a portion of its loans will not be recoverable and should be removed from its books. By taking these actions, the bank has taken steps to manage its credit risk and protect its financial stability. These changes to the loan portfolio are reflected in the bank's financial statements in relevant notes.

### **36.3 Liquidity Risk Management**

The Asset and Liability Committee (ALCO) of the Bank is continuously monitoring the liquidity position and the Bank is confident that the liquidity buffer currently maintained is sufficient to cater to any adverse movement in the cash flow maturity profile.

### **37 GENERAL**

Figures have been rounded off to the nearest rupee unless otherwise specified.

### **38 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 financial statements.

### **39 EVENTS AFTER REPORTING DATE**

There were no significant events after reporting date.

### **40 DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorized for issue on April 30, 2026 by the Board of Directors of the Bank.

**CHIEF EXECUTIVE OFFICER    CHIEF FINANCIAL OFFICER    CHAIRMAN    DIRECTOR    DIRECTOR**