# HALAN MICROFINANCE BANK LIMITED

## CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED
SEPTEMBER 30, 2026

**HALAN MICROFINANCE BANK LIMITED**
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**
**AS AT SEPTEMBER 30, 2026**

| | Note | Un-audited Sep 30, 2026 | Audited Dec 31, 2025 |
|---|---|---|---|
| | | ----------(Rupees) ---------- | |
| **ASSETS** | | | |
| Cash and balances with treasury banks | 8 | 1,189,986,937 | 717,594,126 |
| Balances with other banks and microfinance bank | 9 | 124,592,922 | 1,512,393,930 |
| Investments | 10 | 4,702,726,638 | 3,181,494,868 |
| Advances | 11 | 15,801,930,532 | 6,991,037,937 |
| Property and equipment | 12 | 1,214,539,909 | 712,598,979 |
| Right-of-use assets | 13 | 1,432,059,342 | 1,053,676,816 |
| Intangible assets | 14 | 181,396,966 | 170,435,639 |
| Deferred tax assets | 15 | 174,792,862 | 130,615,519 |
| Other assets | 16 | 885,070,205 | 344,408,488 |
| **TOTAL ASSETS** | | 25,707,096,313 | 14,814,256,302 |
| **LIABILITIES** | | | |
| Borrowings | 17 | 201,323,000 | 201,323,000 |
| Deposits and other accounts | 18 | 20,941,566,905 | 11,611,201,195 |
| Lease liabilities | 19 | 1,493,081,671 | 1,114,842,840 |
| Deferred grant | 20 | 714,669 | 714,669 |
| Other liabilities | 21 | 608,770,970 | 289,181,256 |
| **TOTAL LIABILITIES** | | 23,245,457,215 | 13,217,262,960 |
| **NET ASSETS** | | 2,461,639,097 | 1,596,993,342 |
| **REPRESENTED BY** | | | |
| Share capital | 22 | 6,230,988,100 | 4,926,988,100 |
| Statutory reserve | | 13,766,170 | 13,766,170 |
| Depositor protection fund | | 48,824,515 | 24,474,128 |
| Accumulated loss | | (3,831,939,688) | (3,368,235,056) |
| | | 2,461,639,097 | 1,596,993,342 |
| **CONTINGENCIES AND COMMITMENTS** | 23 | | |

The annexed notes 1 to 43 form an integral part of these condensed inerim financial statements.

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

**HALAN MICROFINANCE BANK LIMITED**
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**
**AS AT SEPTEMBER 30, 2026**

| | Note | Quarter Ended On Sep 30 | | Nine Months Ended On Sep 30 | |
|---|---|---|---|---|---|
| | | 2026 | 2025 | 2026 | 2025 |
| | | (Rupees) | | (Rupees) | |
| Mark-up / Return / Interest earned | 24 | 1,923,174,594 | 500,110,762 | 4,672,134,992 | 1,283,643,912 |
| Mark-up / Return / Interest expensed | 25 | (722,753,790) | (221,358,130) | (1,878,985,788) | (665,324,685) |
| Net mark-up / interest income | | 1,200,420,804 | 278,752,631 | 2,793,149,204 | 618,319,227 |
| **NON MARK-UP / INTEREST INCOME** | | | | | |
| Fee and commission income | 26 | 242,244,919 | 80,073,993 | 567,947,611 | 188,323,091 |
| Other income | 27 | 73,809,579 | 33,943,775 | 133,313,309 | 76,715,829 |
| Total non-markup / interest income | | 316,054,498 | 114,017,767 | 701,260,920 | 265,038,919 |
| Total income | | 1,516,475,303 | 392,770,398 | 3,494,410,125 | 883,358,146 |
| **NON MARK-UP/INTEREST EXPENSES** | | | | | |
| Operating expenses | 28 | (1,490,013,192) | (561,403,252) | (3,657,181,262) | (1,431,493,091) |
| Other charges | 29 | (300,236) | (386,326) | (715,925) | (466,790) |
| Total non-markup / interest expenses | | (1,490,313,428) | (561,789,578) | (3,657,897,187) | (1,431,959,881) |
| Loss before credit loss allowance | | 26,161,875 | (169,019,180) | (163,487,062) | (548,601,735) |
| Credit loss allowance and write offs - net | 30 | (76,675,552) | (83,511,132) | (253,569,526) | (242,276,172) |
| **LOSS BEFORE TAXATION AND MINIMUM TAX DIFFERENTIAL** | | (50,513,677) | (252,530,312) | (417,056,588) | (790,877,907) |
| Minimum tax differential | 31 | (27,781,767) | (7,722,281) | (66,475,001) | (19,299,938) |
| **LOSS BEFORE TAXATION** | | (78,295,444) | (260,252,593) | (483,531,589) | (810,177,845) |
| Taxation | 32 | 17,692,978 | 3,221,065 | 44,177,343 | (8,356,592) |
| **LOSS AFTER TAXATION** | | (60,602,466) | (257,031,528) | (439,354,246) | (818,534,437) |
| **Loss per share - Basic and Diluted** | 33 | (0.11) | (0.22) | (0.80) | (1.90) |

The annexed notes 1 to 43 form an integral part of these condensed inerim financial statements.

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

**HALAN MICROFINANCE BANK LIMITED**
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE LOSS (UN-AUDITED)**
**AS AT SEPTEMBER 30, 2026**

| | Quarter Ended On Sep 30 | | Nine Months Ended On Sep 30 | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| | (Rupees) | | | |
| Loss after taxation for the period | (60,602,466) | (257,031,528) | (439,354,246) | (818,534,437) |
| Other comprehensive income | - | - | - | - |
| Total comprehensive loss for the period | (60,602,466) | (257,031,528) | (439,354,246) | (818,534,437) |

The annexed notes 1 to 43 form an integral part of these condensed inerim financial statements.

CHIEF EXECUTIVE OFFICER CHIEF FINANCIAL OFFICER CHAIRMAN DIRECTOR DIRECTOR

**HALAN MICROFINANCE BANK LIMITED**
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**
**AS AT SEPTEMBER 30, 2026**

| | Share capital | Statutory reserve | Depositor Protection fund | Accumulated Loss | Total |
|---|---|---|---|---|---|
| | | | (Rupees) | | |
| **Balance as at January 1, 2025** | 2,870,663,100 | 13,766,170 | 14,446,905 | (2,396,795,207) | 502,080,968 |
| Loss after taxation for the year | - | - | - | (818,534,437) | (818,534,437) |
| Transfer to depositor protection fund | - | - | 3,774,697 | (3,774,697) | - |
| Transactions with owners, recorded directly in equity | | | | | |
| Issue of share capital | 1,448,000,000 | - | - | - | 1,448,000,000 |
| **Balance as at Sep 30, 2025** | 4,318,663,100 | 13,766,170 | 18,221,602 | (3,219,104,341) | 1,131,546,531 |
| Loss after taxation for the period | - | - | - | (142,878,189) | (142,878,189) |
| Transfer to depositor protection fund | - | - | 6,252,526 | (6,252,526) | - |
| Transactions with owners, recorded directly in equity | | | | | |
| Issue of share capital | 608,325,000 | - | - | - | 608,325,000 |
| **Balance as at December 31, 2025** | 4,926,988,100 | 13,766,170 | 24,474,128 | (3,368,235,056) | 1,596,993,342 |
| Loss after taxation for the current period | - | - | - | (439,354,246) | (439,354,246) |
| Transferred to depositors' protection fund | - | - | 24,350,387 | (24,350,387) | - |
| Transactions with owners, recorded directly in equity | | | | | |
| Issue of share capital | 1,304,000,000 | - | - | - | 1,304,000,000 |
| **Balance as at Sep 30, 2026** | 6,230,988,100 | 13,766,170 | 48,824,515 | (3,831,939,688) | 2,461,639,097 |

The annexed notes 1 to 43 form an integral part of these condensed inerim financial statements.

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

**HALAN MICROFINANCE BANK LIMITED**
**CASH FLOW STATEMENT (UN-AUDITED)**
**AS AT SEPTEMBER 30, 2026**

| | Note | Un-audited Sep 30, 2026 | Un-audited Sep 30, 2025 |
|---|---|---|---|
| | | ----------(Rupees)---------- | |
| **CASH FLOW FROM OPERATING ACTIVITIES** | | | |
| Loss before taxation and minimum tax differential for the p | | (417,056,588) | (790,877,907) |
| Adjustments: | | | |
| Depreciation on property and equipment | 28 | 146,686,716 | 56,722,289 |
| Depreciation on right-of-use assets | 28 | 170,434,830 | 58,784,238 |
| Amortisation on intangibles | 28 | 43,030,191 | 17,544,114 |
| Provision against non-performing advances - net | 11.3 | 253,569,525 | 243,683,924 |
| Return on investment | | (160,628,881) | - |
| Provision against other assets | | 1,361,934 | - |
| Gain disposal of Property and Equipment | | (508,804) | - |
| Loss on disposal of Property and Equipment | | - | (4,687,770) |
| Gain on modification of lease liabilities | | (2,316,331) | - |
| Net loss/ (gain) on sale of Govt Securities | | 468,751 | - |
| Finance charges on leased assets | 28 | 165,213,636 | 53,437,270 |
| | | 617,311,566 | 425,484,065 |
| **Decrease / (Increase) in operating assets** | | | |
| Advances | | (9,064,462,119) | (1,848,132,642) |
| Others assets | | (608,498,652) | (337,825,746) |
| | | (9,672,960,771) | (2,185,958,388) |
| **Increase in operating liabilities** | | | |
| Deposits and other accounts | | 9,330,365,712 | 2,232,186,009 |
| Repayment of Borrowings | | - | 192,562,608 |
| Other liabilities (excluding current taxation) | | 319,589,714 | 88,265,927 |
| | | 9,649,955,426 | 2,513,014,544 |
| **Net cash flow from operating activities** | | 177,249,633 | (38,337,686) |
| **CASH FLOW FROM INVESTING ACTIVITIES** | | | |
| Additions in property and equipment | | (648,612,043) | (682,178,831) |
| Additions in intangible | | (53,991,517) | |
| Proceeds from sale of property and equipment | | 493,197 | (66,273) |
| Investment made during the period | | 195,631,420 | |
| **Net cash used in investing activities** | | (506,478,943) | (682,245,104) |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | | |
| Issue of right share | | 1,304,000,000 | 1,451,000,000 |
| Payments of lease obligations against right-of-use assets | | (333,475,829) | (504,346,057) |
| Net cash flow from financing activities | | 970,524,171 | 946,653,943 |
| Net Increase in cash and cash equivalents during the period | | 641,294,861 | 226,071,153 |
| Cash and cash equivalents at beginning of the period | | 3,587,745,556 | 1,818,372,390 |
| Cash and cash equivalents at end of the period | 34 | 4,229,040,417 | 2,044,443,543 |

The annexed notes 1 to 43 form an integral part of these condensed inerim financial statements.

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

**HALAN MICROFINANCE BANK LIMITED**
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**
**AS AT SEPTEMBER 30, 2026**

## 1 STATUS AND NATURE OF BUSINESS

Halan 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 205 business units (2025 : 117 business units) spread within the province of Sindh as disclosed in note 35 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 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”. On June 03, 2025 the Bank has obtained the nation-wide 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. 2,461.6 million as at September 30, 2026 (December 31, 2025: Rs. 1,597.0 million) which is above the minimum capital requirements of Rs. 2,620 million as at September 30, 2026.

1.3 The credit rating company JCR-VIS upgraded the assigned the long-term entity rating of the Bank at "BBB+" and short term rating at "A-3" on April 30, 2026.

## 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 statements.

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, 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 un-audited condensed interim financial statements for the nine months period ended September 30,

## 4 BASIS OF MEASUREMENT

### 4.1 Accounting convention

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

### 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 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.

### 4.4 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.

Significant accounting estimates and areas where judgments were made by management in the application of accounting policies are as follows:

## 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.

## 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, 2025.

## 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, 2025.

| | Note | (Un-audited) Sep 30, 2026 | Audited December 31, 2025 |
|---|---|---|---|
| | | ----------(Rupees)---------- | |
| **8 CASH AND BALANCES WITH TREASURY BANKS** | | | |
| Cash in Hand - Local currency | | 486,704,587 | 285,203,324 |
| With State Bank of Pakistan | | | |
| - Local currency current account | 8.1 | 703,282,350 | 432,390,802 |
| | | 1,189,986,937 | 717,594,126 |

8.1 This includes current account maintained with SBP amounting to Rs. 611,648,560 (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.

| | | | |
|---|---|---|---|
| **9 BALANCES WITH OTHER BANKS AND MICROFINANCE BANK** | | | |
| In current accounts | | 23,300,280 | 34,075,110 |
| In deposit accounts | 9.1 | 101,292,643 | 1,478,318,820 |
| | | 124,592,922 | 1,512,393,930 |

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

## 10 INVESTMENTS

### Investments by type:

| | Sep 30, 2026 ( Un-audited) | | | | December 31, 2025 (Audited) | | | |
|---|---|---|---|---|---|---|---|---|
| Debt instruments | Amortised cost | Credit Loss Allowance | Surplus / (Deficit) | Carrying Value | Amortized Cost | Credit Loss Allowance | Surplus / (Deficit) | Carrying Value |
| | ----------(Rupees)---------- | | | | | | | |
| **Classified as Amortized cost** | | | | | | | | |
| -Term deposits certificate | 375,000,000 | - | - | 375,000,000 | 1,475,000,000 | - | - | 1,475,000,000 |
| -Market Treasury Bills | 4,327,726,638 | - | - | 4,327,726,638 | 1,706,494,867 | - | - | 1,706,494,867 |
| **Total Investments** | 4,702,726,638 | - | - | 4,702,726,638 | 3,181,494,867 | - | - | 3,181,494,867 |

## 11 ADVANCES

| | Performing | | | | Non Performing | | Total | |
|---|---|---|---|---|---|---|---|---|
| | Stage 1 | Stage 1 | Stage 2 | Stage 2 | Stage 3 | Stage 3 | | |
| | (Un-Audited) Sep 30, 2026 | (Audited) December 31, 2025 | (Un-Audited) Sep 30, 2026 | (Audited) December 31, 2025 | (Un-Audited) Sep 30, 2026 | (Audited) December 31, 2025 | (Un-Audited) Sep 30, 2026 | (Audited) December 31, 2025 |
| | ----------Rupees---------- | | | | | | | |
| Micro credit | | | | | | | | |
| Secured | 2,976,979,544 | 704,444,576 | 1496400 | 59,612 | 925,225 | - | 2,979,401,169 | 704,504,187 |
| Unsecured | 12,991,493,213 | 6,420,681,208 | 70,217,788 | 56,145,131 | 78,405,237 | 35,264,494 | 13,140,116,238 | 6,512,090,833 |
| Advances - gross | 15,968,472,757 | 7,125,125,783 | 71,714,188 | 56,204,743 | 79,330,462 | 35,264,494 | 16,119,517,407 | 7,216,595,020 |
| Credit loss allowance against advances | | | | | | | | |
| -Stage 1 | (238,309,609) | (174,711,718) | | | | | (238,309,609) | (174,711,718) |
| -Stage 2 | | | (20,755,757) | (15,580,871) | - | - | (20,755,757) | (15,580,871) |
| -Stage 3 | - | - | | | (58,521,509) | (35,264,494) | (58,521,509) | (35,264,494) |
| | (238,309,609) | (174,711,718) | (20,755,757) | (15,580,871) | (58,521,509) | (35,264,494) | (317,586,875) | (225,557,083) |
| | - | - | - | - | - | - | - | - |
| | (238,309,609) | (174,711,718) | (20,755,757) | (15,580,871) | (58,521,509) | (35,264,494) | (317,586,875) | (225,557,083) |

| | (Un-audited) Sep 30, 2026 | Audited December 31, 2025 |
|---|---|---|
| | ----------(Rupees)---------- | |

**11.1 Particulars of advances (gross)**

| | | |
|---|---|---|
| In local currency | 16,119,517,407 | 7,216,595,020 |

**11.2** Advances include Rs. 79.33 million (December 31, 2025: Rs. 35.204 million) which have been placed under non-performing status as detailed below:-

| Category of Classification | Sep 30, 2026 (Un-audited) | |
|---|---|---|
| | Non performing loans | Credit loss allowance |
| | ----------(Rupees)---------- | |
| Substandard | 71,064,936 | 52,652,561 |
| Loss | 8,265,527 | 5,868,948 |
| | 79,330,463 | 58,521,509 |

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

| | Note | Sep 30, 2026 (Un-audited) | | | | Dec 31, 2025 (Audited) | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 | Total |
| | | ----------(Rupees)---------- | | | | | | | |
| 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 period | | 63,597,891 | - | 184,796,748 | 248,394,639 | 41,507,592 | 5,004,628 | 252,384,892 | 298,897,112 |
| Reversals | | - | 5,174,886 | - | 5,174,886 | | - | (76,824,974) | (76,824,974) |
| | 30.1 | 63,597,891 | 5,174,886 | 184,796,748 | 253,569,525 | 41,507,592 | 5,004,628 | 175,559,918 | 222,072,138 |
| Amounts written off | | - | - | (161,539,733) | (161,539,733) | - | - | (252,384,892) | (252,384,892) |
| Closing balance | | 238,309,609 | 20,755,757 | 58,521,509 | 317,586,875 | 174,711,718 | 15,580,871 | 35,264,494 | 225,557,083 |

**11.4 Advances - Category of classification - Domestic**

| | Sep 30, 2026 (Un-audited) | |
|---|---|---|
| | Outstanding amount | Credit loss allowance held |
| | ----------(Rupees)---------- | |
| **Performing** | 15,968,472,757 | 238,309,609 |
| **Underperforming** | 71,714,188 | 20,755,757 |
| **Non-Performing** | | |
| Substandard | 71,064,936 | 52,652,561 |
| Loss | 8,265,527 | 5,868,948 |
| **Total** | 16,119,517,408 | 317,586,875 |

| | (Un-audited) Sep 30, 2026 | Audited December 31, 2025 |
|---|---|---|
| | ----------(Rupees)---------- | |
| **12 PROPERTY AND EQUIPMENT** | | |
| Property and equipment | 1,069,918,399 | 694,775,065 |
| Capital work-in-progress | 144,621,510 | 17,823,914 |
| | 1,214,539,909 | 712,598,979 |

| | (Un-audited) Sep 30, 2026 | (Un-audited) Sep 30, 2025 |
|---|---|---|
| | For the nine months ended | |
| | ----------(Rupees)---------- | |
| **12.1 Additions to property and equipment** | | |
| The following additions have been made to Property and Equipment during the period: | | |
| Leasehold Improvements | 185,806,017 | 8,050,396 |
| Furniture and fixtures | 60,460,643 | 27,644,515 |
| Office and Other equipment | 170,019,310 | 104,528,454 |
| Computer Equipment | 99,333,881 | 84,123,632 |
| Vehicles | 6,703,400 | |
| Total | 522,323,251 | 224,346,997 |

**12.2 Disposal of property and equipment**

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

| | | |
|---|---|---|
| Furniture and fixtures | 493,197 | |
| Vehicles | - | 1,547,930 |
| Total | 493,197 | 1,547,930 |

| | Note | (Un-audited) Sep 30, 2026 | Audited December 31, 2025 |
|---|---|---|---|
| | | ----------(Rupees)---------- | |
| **13 RIGHT-OF-USE ASSETS** | | | |
| At January 01 | | | |
| Cost | | 1,378,390,736 | 526,964,810 |
| Accumulated Depreciation | | (324,713,920) | (221,167,491) |
| Net Carrying amount at January 01 | | 1,053,676,816 | 305,797,319 |
| Additions during the period / year | | 751,770,750 | 851,425,926 |
| Modification of lease - decrease in scope during the perioc | | (202,953,394) | - |
| Depreciation Charge / Disposal for the period / year | | (170,434,830) | (103,546,429) |
| Net Carrying amount at June 30 | | 1,432,059,342 | 1,053,676,816 |
| Buildings | | | |
| Amounts recognized in profit or loss | | | |
| -Depreciation expense on right-of-use | 28 | 170,434,830 | 103,546,428 |
| -Interest expense on lease liability | 28 | 165,213,636 | 107,449,010 |
| | | 335,648,466 | 210,995,438 |

13.1 These represent right-of-use booked against head office and branch premises.

| | | |
|---|---|---|
| **14 INTANGIBLE ASSETS** | | |
| Computer Software | 2,319,482 | 3,882,229 |
| Core banking application and other licenses | 167,418,104 | 153,026,153 |
| Capital Work-in-progress | 11,659,380 | 13,527,257 |
| | 181,396,966 | 170,435,639 |

| | (Un-audited) Sep 30, 2026 | (Un-audited) Sep 30, 2025 |
|---|---|---|
| | For the nine months ended | |
| | ----------(Rupees)---------- | |
| **14.1 Additions to intangible assets** | | |
| The following additions have been made to intangible assets during the period: | | |
| Directly purchased | 55,859,395 | 128,806,793 |
| Total | 55,859,395 | 128,806,793 |

| | (Un-audited) Sep 30, 2026 | Audited December 31, 2025 |
|---|---|---|
| | ----------(Rupees)---------- | |

## 15 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 | 205,945,462 | 150,865,869 |
| - Property and equipment | (28,904,472) | (16,364,028) |
| | 177,040,991 | 134,501,841 |
| Taxable temporary differences arising due to | | |
| - Intangible assets | (2,248,129) | (3,886,322) |
| | 174,792,862 | 130,615,519 |

## 16 OTHER ASSETS

| | | | |
|---|---|---|---|
| Income / Mark-up accrued | | 736,026,862 | 175,803,522 |
| Advances to staff | 16.1 | 4,743,537 | 9,589,974 |
| Receivable from related party | 16.2 | 13,354,858 | 11,234,192 |
| Prepayment for Rent, Insurance and Others | | 22,462,831 | 85,177,373 |
| Advance taxation (payment less provision) | | 54,701,848 | 22,851,379 |
| Accrued income on PLS savings account | | 14,072,017 | 4,990,908 |
| Security Deposit | | 11,902,620 | 10,178,620 |
| Others | | 30,963,398 | 26,378,352 |
| | | 888,227,971 | 346,204,320 |
| Less: Credit loss allowance held against other assets | 16.3 | (3,157,766) | (1,795,832) |
| | | 885,070,205 | 344,408,488 |

16.1 This include loans to employees carrying markup at KIBOR + 3%.

16.2 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.

| | Note | (Un-audited) Sep 30, 2026 | Audited December 31, 2025 |
|---|---|---|---|
| | | ----------(Rupees)---------- | |
| **16.3 Movement in Credit loss allowance held against other assets** | | | |
| Opening balance | | 1,795,832 | 903,391 |
| Charge for the period | | 1,361,934 | 892,441 |
| Closing balance | | 3,157,766 | 1,795,832 |
| **17 BORROWINGS** | | | |
| **Secured** | | | |
| Borrowings from Bank / Financial Institutions | | | |
| - Borrowings from SBP | 17.1 | 201,323,000 | 201,323,000 |
| | | 201,323,000 | 201,323,000 |

17.1 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.

| | | | |
|---|---|---|---|
| **18 DEPOSITS AND OTHER ACCOUNTS** | | | |
| **Customers** | | | |
| Current deposits | | 358,015,017 | 176,460,234 |
| Saving deposits | | 6,531,980,479 | 2,675,586,584 |
| Term deposits | | 6,123,189,437 | 4,720,064,837 |
| | | 13,013,184,933 | 7,572,111,655 |
| **Financial Institutions** | | | |
| Current deposits | | 144,809 | - |
| Saving deposits | | 6,028,237,163 | 2,639,089,540 |
| Term deposits | | 1,900,000,000 | 1,400,000,000 |
| | | 7,928,381,972 | 4,039,089,540 |
| | | 20,941,566,905 | 11,611,201,195 |
| **Composition of deposits** | | | |
| - Individuals | | 15,225,443,512 | 7,146,727,376 |
| - Public sector entities | | 5,716,123,393 | 4,464,473,819 |
| | | 20,941,566,905 | 11,611,201,195 |

| | Note | (Un-audited) Sep 30, 2026 | Audited December 31, 2025 |
|---|---|---|---|
| | | ----------(Rupees)---------- | |
| **19 LEASE LIABILITIES** | | | |
| Outstanding amount as at January 01 | | 1,114,842,840 | 333,611,054 |
| Additions during the period / year | | 751,770,750 | 861,314,953 |
| Modification of lease - decrease in scope during the period | | (205,269,726) | - |
| Deletions during the period / year | | - | (13,396,868) |
| Lease payments including interest | | (333,475,829) | (174,135,309) |
| Interest expense | | 165,213,636 | 107,449,010 |
| Outstanding amount at Sep 30 | | 1,493,081,671 | 1,114,842,840 |

| | Note | (Un-audited) Sep 30, 2026 | Audited December 31, 2025 |
|---|---|---|---|
| | | ----------(Rupees)---------- | |
| **20 DEFERRED GRANT** | | | |
| Opening balance | | 714,669 | 714,669 |
| Closing balance | | 714,669 | 714,669 |

20.1 This represents grant received from the State Bank of Pakistan (SBP) vide circular letter no. 4 of 2017 in respect of financial assistance. Under the circular, the grant's utilization is subject to conducting research to develop a financing product for serving the identified sectors, developing marketing and promotion material for identified sectors and, conducting awareness sessions. The Bank was entitled to receive Rs. 1.2 million out of which equal tranches of Rs. 0.6 million were received during the year ended December 31, 2018 and December 31, 2019. The Bank performed the specified activities in the year 2018 and accordingly, recognized Rs. 0.485 million as income during the year ended December 31, 2018. Thereafter, the Bank has not undertaken the specified activities as of the reporting date.

| | Note | (Un-audited) Sep 30, 2026 | Audited December 31, 2025 |
|---|---|---|---|
| | | ----------(Rupees)---------- | |

## 21 OTHER LIABILITIES

| | | | |
|---|---|---|---|
| Mark-up/ Return/ Interest payable in local currency | | 120,464,669 | 42,815,036 |
| Accrued expenses | 21.1 | 180,985,060 | 86,353,242 |
| Payable to related parties | 21.2 | 64,703,114 | 75,962,415 |
| Withholding tax payable | 21.3 | 223,958,067 | 73,267,746 |
| Provident fund payable | | 18,660,061 | 10,782,817 |
| | | 608,770,970 | 289,181,256 |

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

### 21.2 Payable to Related parties

| | | |
|---|---|---|
| Advance against shares | 2,224,012 | 27,168,567 |
| Payable to MNT Halan | 62,479,101 | 48,793,848 |
| | 64,703,114 | 75,962,415 |

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

## 22 SHARE CAPITAL

### 22.1 Authorized Capital

| (Un-audited) Sep 30, 2026 | Audited December 31, 2025 | | (Un-audited) Sep 30, 2026 | Audited December 31, 2025 |
|---|---|---|---|---|
| (Number of shares) | | | ---------Rupees--------- | |
| 750,000,000 | 500,000,000 | Ordinary shares of Rs.10 each | 7,500,000,000 | 5,000,000,000 |

### 22.2 Issued, subscribed and paid-up

| (Un-audited) Sep 30, 2026 | Audited December 31, 2025 | | (Un-audited) Sep 30, 2026 | Audited December 31, 2025 |
|---|---|---|---|---|
| (Number of shares) | | | ---------Rupees--------- | |
| | | Ordinary shares of Rs. 10 each | | |
| 623,098,810 | 492,698,810 | - Fully paid in cash | 6,230,988,100 | 4,926,988,100 |
| 623,098,810 | 492,698,810 | | 6,230,988,100 | 4,926,988,100 |

22.2.1 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 paid up capital has been increased from Rs 4.927 billion to Rs 6.230 billion.

22.3 The Parent Company injected fresh equity by way of rights shares amounting to Rs. 1,304 million, equivalent to 130.4 million shares, as at 30th Sep 2026. Subsequent to period ended parent injected Rs. 278 million equivalent to 27.8 million shares on Oct 08, 2026.

## 23 CONTINGENCIES AND COMMITMENTS

### 23.1 Contigencies

23.2 The Company does not have any contigencies that are required to be disclosed in these condensed interim financial statements.

### 23.2 Commitments

23.2.1 The Company does not have any commitments that are required to be disclosed in these condensed interim financial statements.

| | (Un-audited) Sep 30, 2026 | (Un-audited) Sep 30, 2025 |
|---|---|---|
| | ----------(Rupees)---------- | |

## 24 MARK-UP / RETURN / INTEREST EARNED

| | | |
|---|---|---|
| Interest / mark-up on: | | |
| Loans and Advances | 4,168,156,893 | 1,079,534,208 |
| Investments | 383,825,780 | 109,166,891 |
| Deposits | 120,152,320 | 94,942,814 |
| | 4,672,134,992 | 1,283,643,912 |

| | Note | (Un-audited) Sep 30, 2026 | (Un-audited) Sep 30, 2025 |
|---|---|---|---|
| | | ----------(Rupees)---------- | |
| **25 MARK-UP / RETURN / INTEREST EXPENSED** | | | |
| Markup on Deposits | | 1,863,763,196 | 652,029,068 |
| Markup on Borrowings | | 15,222,592 | 13,295,618 |
| | | 1,878,985,788 | 665,324,685 |
| **26 FEE & COMMISSION INCOME** | | | |
| Loan processing fee | | 524,248,909 | 184,271,485 |
| Other fee and commission | | 43,698,702 | 4,051,605 |
| | | 567,947,611 | 188,323,091 |
| **27 OTHER INCOME** | | | |
| Recoveries against write-offs | | 91,480,344 | 72,028,059 |
| Net gain on sale of fixed assets | | 508,804 | 4,687,770 |
| Others | 27.1 | 39,007,831 | - |
| Gain on modification of lease liabilities | 27.2 | 2,316,331 | - |
| | | 133,313,309 | 76,715,829 |

27.1 This represents interest income on loan given to employee.

27.2 During the period, the Bank modified 16 lease contracts relating to its branch and service center premises by reducing the respective lease terms in alignment with operational requirements and footprint optimization strategies. In accordance with IFRS 16 Leases (paragraph 45(a)), these modifications have been accounted for as partial terminations of the leases.Resulting in a reduction in the scope of the lease due to a reduction in the lease term. In accordance with IFRS 16, the lease liability was remeasured based on the revised lease payments using the revised discount rate applicable at the modification date and the modified lease term. The related right-of-use asset was reduced accordingly, resulting in a gain on lease modification of Rs. 2.316 million recognized in profit or loss.

| | | |
|---|---|---|
| **28 OPERATING EXPENSES** | | |
| Salaries and other allowances | 1,904,794,956 | 709,270,969 |
| Staff welfare | 22,919,336 | 9,161,041 |
| Non executive directors' fees, allowances and other expenses | 999,999 | 1,199,997 |
| Training and business development | 379,272 | 431,958 |
| Rent, rates and taxes | 30,502,212 | 35,326,364 |
| Legal and professional charges | 19,586,097 | 20,660,950 |
| Utilities | 91,894,522 | 41,293,762 |
| Communications | 110,123,930 | 29,600,314 |
| Repairs and maintenance - others | 149,328,539 | 65,697,289 |
| Repairs and maintenance - Vehicles | 264,627,566 | 91,903,370 |

| | Note | (Un-audited) Sep 30, 2026 | (Un-audited) Sep 30, 2025 |
|---|---|---|---|
| | | ----------(Rupees)---------- | |
| Financial charges on lease liability against right-of-use asset | | 165,213,636 | 53,437,270 |
| Fuel for generator | | 2,828,748 | 32,133,925 |
| Insurance | | 75,367,683 | 24,353,409 |
| Travelling and conveyance | | 83,360,333 | 28,368,948 |
| Printing and stationery | | 31,567,970 | 24,372,470 |
| Fees and subscription | | 39,130,742 | 18,359,194 |
| Security charges | | 89,766,779 | 48,236,688 |
| Advertisement and publicity | | 26,804,563 | 12,423,432 |
| Auditors' remuneration | | 5,584,330 | 2,806,056 |
| Depreciation of Property and Equipment | | 146,686,716 | 56,722,289 |
| Depreciation of right-of-use-asset | | 170,434,830 | 58,784,238 |
| Amortisation of intangible assets | | 43,030,191 | 17,544,114 |
| Bank charges | | 36,882,000 | 1,333,494 |
| Office supplies | | - | 916,650 |
| Technical assistance | | 643,586 | - |
| Janitorial charges | | 86,199,362 | 27,332,188 |
| Other expenses | | 58,523,365 | 19,822,711 |
| | | 3,657,181,262 | 1,431,493,091 |

## 29 OTHER CHARGES

| | | |
|---|---|---|
| Loss on sale of investments | 675,347 | 466,790 |
| Exchange loss | 40,578 | - |
| | 715,925 | 466,790 |

## 30 CREDIT LOSS ALLOWANCE & WRITE OFFS - NET

| | | |
|---|---|---|
| Opening Balance | 225,557,083 | 255,869,837 |
| Charge for the period | 253,569,525 | 158,765,040 |
| Write-offs | (161,539,733) | (135,041,442) |
| Net charge/(reversal) | 92,029,792 | 23,723,598 |
| Closing Blance | 317,586,875 | 279,593,435 |
| | | |
| Credit loss allowance against loans & advances | 92,029,793 | 50,448,994 |
| Bad debts written off | 161,539,733 | 191,827,178 |
| | 253,569,526 | 242,276,172 |

30.1 This note should be read in conjunction with Note 11.3 for additional information and context.

## 31 MINIMUM TAX DIFFERENTIAL

| | | |
|---|---|---|
| Minimum tax differential | 66,475,001 | 19,299,938 |

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.

| | Note | (Un-audited) Sep 30, 2026 | (Un-audited) Sep 30, 2025 |
|---|---|---|---|
| | | ----------(Rupees)---------- | |

## 32 TAXATION

| | | |
|---|---|---|
| Current | - | - |
| Deferred | 44,177,343 | (8,356,592) |
| | 44,177,343 | (8,356,592) |

## 33 LOSS PER SHARE

### 33.1 Basic

| | | | |
|---|---|---|---|
| Loss for the period | Rupees | (439,354,246) | (818,534,437) |
| Weighted average number of ordinary shares | Number | 545,911,631 | 431,866,315 |
| Basic loss per share | Rupee | (0.80) | (1.90) |

### 33.2 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.

## 34 CASH AND CASH EQUIVALENTS

| | | | |
|---|---|---|---|
| Cash and balances with treasury banks | 8 | 1,189,986,937 | 388,269,101 |
| Balances with other banks and microfinance bank | 9 | 124,592,922 | 721,832,785 |
| Investments | | 2,914,460,558 | 934,341,657 |
| | | 4,229,040,417 | 2,044,443,543 |

## 35 NUMBER OF BRANCHES

| | 2026 | | | 2025 | | |
|---|---|---|---|---|---|---|
| | Branches | Service Centre | Total | Branches | Service Centre | Total |
| At the beginning of the year | 49 | 68 | 117 | 24 | - | 24 |
| Add: Opened during the period | 15 | 73 | 88 | 25 | 68 | 93 |
| At the end of the year | 64 | 141 | 205 | 49 | 68 | 117 |

## 36 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:

| | Un-audited Sep 30, 2026 | | | | | December 31, 2025 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 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** | | | | | | | | | | |
| Receivable from Halan Wallet Private Limited | - | - | - | 13,272,358 | - | - | - | - | - | - |
| Receivable from Halan Finance Limited | - | - | - | 82,500 | - | - | - | - | - | - |
| **Other Liabilities** | | | | | | | | | | |
| Payable to staff retirement fund | - | - | - | - | 18,660,061 | - | - | - | - | 10,782,817 |
| Advance Against Shares | 2,224,012 | - | - | - | - | 27,168,567 | - | - | - | - |
| Payable to MNT Halan | 62,479,101 | - | - | - | - | 48,793,848 | - | - | - | - |
| Closing balance | **64,703,114** | **-** | **-** | **13,354,858** | **18,660,061** | **75,962,415** | **-** | **-** | **-** | **10,782,817** |

| | (Un-audited) Sep 30, 2026 | Audited December 31, 2025 |
|---|---|---|
| | ----------Rupees---------- | |

## 37 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

| | | |
|---|---|---|
| Minimum Capital Requirement (MR): | | |
| Paid-up capital (net of losses) | 2,461,639,097 | 1,596,993,342 |
| Capital Adequacy Ratio (CAR): | | |
| Eligible Common Equity Tier 1 (CET 1) Capital | 2,186,157,436 | 1,418,200,126 |
| Eligible Additional Tier 1 (ADT 1) Capital | - | - |
| Total Eligible Tier 1 Capital | 2,186,157,436 | 1,418,200,126 |
| Eligible Tier 2 Capital | 178,357,198 | 81,561,905 |
| Total Eligible Capital (Tier 1 + Tier 2) | 2,364,514,634 | 1,499,762,031 |
| Risk Weighted Assets (RWAs): | | |
| Credit risk | 13,673,925,215 | 7,181,330,526 |
| Operational risk | 3,807,475,014 | 2,360,753,449 |
| Total | 17,481,400,230 | 9,542,083,975 |
| Common Equity Tier 1 Capital Adequacy Ratio | 12.51% | 14.86% |
| Tier 1 Capital Adequacy Ratio | 12.51% | 14.86% |
| Total Capital Adequacy Ratio | 13.53% | 15.72% |

37.1 The bank has received Rs. 278 million capital injection from the share holders and the CAR improved to 15.12% after taking the capital injection amount.

37.2 Adjusted CAR after capital injection is 15.12 %

## 38 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.

### 38.1 Fair value of financial assets

Fair value is the price that would be received to sell an asset or paid to transfer / settle a liability in an orderly transaction between market participants at the measurement date.

Fair value estimation:

The Bank discloses the financial instruments measured in the balance sheet at fair value in accordance with the following fair value hierarchy that reflects the significance of inputs in making the measurements. The fair value hierarchy has the following levels:

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:

| | Stage 1 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| | ----------Rupees---------- | | | |
| On balance sheet financial instruments | | | | |
| Financial assets - disclosed but not measured at fair value | | | | |
| Investments | - | 4,701,137,619 | - | 4,701,137,619 |

| | December 31, 2025 (Audited) | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| | ----------Rupees---------- | | | |
| On balance sheet financial instruments | | | | |
| Financial assets - disclosed but not measured at fair value | | | | |
| Investments | - | 3,181,494,868 | - | 3,181,494,868 |

## 39 RISK MANAGEMENT FRAMEWORK

### 39.1 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.

## 39.2 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.

## 39.3 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.

## 40 GENERAL

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

## 41 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.

## 42 EVENTS AFTER REPORTING DATE

There were no significant events after reporting date.

## 43 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue on _____ by the Board of Directors of the Bank.

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