

## HALAN MICROFINANCE BANK LIMITED

### Analyst:

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### RATING DETAILS

RATINGS CATEGORY	Latest Rating		Previous Rating	
	Long-term	Short-term	Long-term	Short-term
ENTITY	BBB+	A3	BBB	A3
RATING OUTLOOK/ WATCH	Stable		Positive	
RATING ACTION	Upgrade		Reaffirmed	
RATING DATE	April 30, 2026		April 30 <sup>th</sup> , 2025	

### Shareholding (5% or More)

MNT-Halan Pak B.V. – 99.99%

### Other Information

Incorporated in 2012

Public Limited Company (Unlisted)

Chairman: Mr. Mounir Nakhla

CEO: Mr. Christos Stefano Argyriou

External Auditor: BDO Ebrahim & Co. Chartered Accountants

### Applicable Rating Methodology

VIS Entity Rating Criteria: Micro-Finance Bank Rating

<https://docs.vis.com.pk/Methodologies-2025/MicroFinance-Nov-2025.pdf>

### Rating Scale

<https://docs.vis.com.pk/docs/VISRatingScales.pdf>

### Rating Rationale

The assigned ratings reflect Halan Microfinance Bank Limited's (formerly Advans Pakistan Microfinance Bank Limited) ('Halan' or the 'Bank') evolving business profile following the transition towards a nationwide operating model. The Bank has demonstrated strong growth momentum, supported by aggressive branch expansion, increasing outreach, and rising customer base, underpinned by strategic backing from its foreign parent with expertise in digital financial services and microfinance. The strengthening of digital infrastructure, ongoing product diversification, and planned rollout of mobile banking solutions are expected to enhance operational efficiency and customer penetration over the medium term. Asset quality indicators have shown notable improvement with rapid portfolio growth, reflecting prudent underwriting and recovery efforts; however, the portfolio remains largely unsecured, which continues to pose inherent credit risk. As per Management, this risk is being addressed through the bank's geographic expansion and the introduction of various new products. Additionally, there has been a gradual shift in the loan mix contributing to improved risk diversification. Profitability remains under pressure due to elevated operating expenses associated with expansion and infrastructure investments, resulting in sustained losses, though management expects gradual improvement as newer branches mature. The funding profile has strengthened with significant deposit mobilization, albeit with some concentration risk and cost sensitivities evident. Liquidity remains adequate. Capitalization has been supported by fresh equity injection, providing a buffer for growth, with another injection in the pipeline to materialize before the end of the second quarter in 2026. The ratings also incorporate challenges within the microfinance sector, including competitive pressures and sensitivity to macroeconomic conditions. The ratings remain sensitive to the Bank's ability to achieve sustainable profitability, maintain asset quality through secured products amid rapid expansion, and preserve capital adequacy while improving funding concentration risk.

## Company Profile

Halan Microfinance Bank Limited (formerly Advans Pakistan Microfinance Bank Limited) ('Halan' or the 'Bank') was established in Pakistan on April 17, 2012. The Bank previously operated as a subsidiary of Advans S.A. Sicar, Luxembourg, which held 99.99% of the Bank's share capital. Following the share sale agreement signed on August 04, 2023, MNT-Halan Pak B.V. acquired the entire shareholding of the Bank on March 20, 2024, after obtaining SBP approval, resulting in a complete change in sponsor ownership and strategic direction.

During CY25, the Bank achieved a major milestone through the successful acquisition of a nationwide microfinance banking license, transitioning from its earlier regional footprint to a pan-Pakistan operating model. Consequently, Halan's network expanded materially to 49 branches and 68 service centres (Dec'24: 24 branches and no service centres), reflecting rapid franchise scale-up under the new sponsor. The expansion was accompanied by strong balance sheet growth, with gross advances increasing to PKR 7.22bn and deposits rising to PKR 11.61bn by end-CY25. The majority shareholding continues to vest with MNT-Halan Pak B.V. (99.99%), enabling the Bank to leverage the sponsor's international fintech, digital lending, and microfinance expertise.

## Group Profile

MNT-Halan Group is a financial technology platform with operations spanning digital lending, payments, wallets, and related financial services, primarily based in Egypt. The Group was formed through the merger of Halan's mobility platform and MNT Investments' microlending operations. In relation to Halan Microfinance Bank Limited, this association is reflected through MNT-Halan Pak B.V.'s 99.99% shareholding, along with continued Board representation and sponsor-led strategic oversight. During the review period, the ownership structure remained unchanged, while the sponsor continued to support the Bank's nationwide expansion, digital process implementation, and product diversification initiatives in Pakistan.

At the group level, operations are established in Egypt and Turkey, alongside ongoing activities in the UAE. The Group's expanding international footprint is also relevant from a remittance perspective, given the concentration of Pakistani and Egyptian expatriates across these markets.

## Management and Governance

### CHAIRMAN/CEO PROFILE

Mr. Mounir Nakhla is the Chairman of Halan Microfinance Bank Limited. He is the Founder of Halan and has extensive experience in microfinance, entrepreneurship, and digital financial services. He has previously founded and scaled microfinance institutions in Egypt, including Tasaheel and Mashroey, and has held senior roles in microfinance consultancy and sustainable development. He holds an MSc in Environment and Development from the London School of Economics and a BSc in International Business Studies.

Mr. Christos Stefano Argyriou is the CEO of Halan Microfinance Bank Limited. He brings diversified experience across banking, investments, fintech, energy, and retail sectors. Prior to his current role, he led MNT-Halan's first international expansion into Pakistan, giving him direct oversight of the Bank's acquisition integration and nationwide expansion strategy. He holds a Bachelor's degree in Business Administration from The American University in Cairo.

### BOARD & SENIOR MANAGEMENT

Name of Director	Position
Mr. Mounir Nakhla	Chairperson
Mr. Christos Stefano Argyriou	CEO / Executive Director
Mr. Andre Fotis Valavanis	Non-Executive Director
Mr. Ahmed Mohsen Soliman	
Mr. Yasir Hamid	
Mr. Sherif Samir Mahmoud Samy	Independent Director
Ms. Atiqa Lateef	

The Board consists of 7 Directors including the CEO. There are 4 Non-Executive Directors including the Chairman, 2 Independent Directors, and 1 Executive Director. During CY25, the Board underwent selective reconstitution, with Mr. Sherif Samir Mahmoud Samy elected as Independent Director, while Ms. Atiqa Lateef was appointed in September 2025. At the same time, Ms. Yusra Arshad Gillani and Ms. Aysha Gulzar retired during the year upon completion of their tenure.

The Board continues to comprise sponsor nominees and experienced professionals with backgrounds in microfinance, fintech, investments, technology, regulatory affairs, and local market development. In line with the Bank's expansion strategy, management has also strengthened its business and operational teams during CY25, including the onboarding of a new business development team to support branch ramp-up, portfolio growth, and market penetration across newly established locations.

## SHARIAH

During the review period, all financing facilities of Halan remained conventional in nature, and the Bank does not currently operate through a dedicated Shariah-compliant window. As per management's strategic roadmap and in line with the broader SBP direction for transition toward Islamic banking, the Bank is expected to initiate development of Shariah-compliant products and related governance framework in the medium term, including constitution of a Shariah Board and staff capacity building once the conversion roadmap is formally approved.

## AUDITOR'S OPINION

BDO Ebrahim & Co. Chartered Accountants, an SBP panel 'A' category audit firm, has issued an unmodified and unqualified opinion on the Bank's CY25 financial statements, confirming that the financial statements present a true and fair view of Halan's financial position as at end-CY25 in accordance with the applicable accounting and reporting standards. The audit report also includes an emphasis of matter relating to deferred tax asset recognition, linked to management's assumptions regarding future taxable profitability.

## Business Risk

### INDUSTRY UPDATE

The microfinance industry experienced a contraction in 2025, with total assets declining by 3.6% to PKR 1.03trn, primarily reflected in a 35.2% reduction in investments in government securities. Credit growth was moderate with the Gross Loan Portfolio (GLP) up 15.5% to PKR 536.0bn, alongside a 13.3% increase in deposits to PKR 830.5bn. Borrowings reduced by 55.0% to PKR 91.8bn. Capital adequacy remained a critical concern as the total capital to total RWA ratio shifted from a positive 2.6% in late 2024 to a negative 1.2% by the end of 2025.

Asset quality showed mixed signals during 2025. While the Non-Performing Loans (NPLs) to total loans improved slightly from 9.7% in Dec'24 to 9.1% in Dec'25, the underlying volume of NPLs actually rose to PKR 48.9bn (Dec'24: PKR 44.9bn). To mitigate this, institutions significantly increased their coverage, with provisions to NPLs surging from 95.3% in Dec'24 to 138.1% in Dec'25. Consequently, provisioning charges for the year rose 22.9%, reaching PKR 48.2bn in 2025.

Operational shifts were also evident in the sector's earnings and reach. The net interest margin improved from 13.9% to 15.6%, and the cost-to-income ratio saw a healthy decline from 89.8% to 70.6%. However, the sector remained loss-making, reporting a profit after tax of negative PKR 2.1bn in 2025. As the total number of clients decreased from approximately 9.28 million to 8.34 million, individual lending continued to dominate the portfolio, accounting for 98.8% in 2025.

### PRODUCTIVITY

Productivity	CY'23	CY'24	CY'25
No. of loan Officers	258	236	806
No. of branches	19	24	115
No. of active Borrowers	17,941	13,411	53,219
LOs / Branch	14	10	7
Active Borrowers / LO	70	57	66
Active Borrowers / Branch	944	559	463
Average Loan Size (PKR)	200,539	240,653	135,611

Over the past three years, Halan reflected a significant increase in the number of loan officers to 806 (Dec'24: 236), alongside branch network expansion and service outreach to 49 branches and 68 service centres (Dec'24: 24 branches and no service centres), with active borrowers rising sharply to 53,219 (Dec'24: 13,411). The increase in outreach is primarily attributable to the Bank's nationwide expansion strategy, supported by rapid branch rollout, establishment of service centres, and aggressive field-force hiring during CY25.

While the active borrowers per branch ratio moderated to 463 (Dec'24: 559) and loan officers per branch also declined to 7 (Dec'24: 10), this is consistent with the early ramp-up phase of newly established business units, which typically operate below optimal productivity in initial months. At the same time, the increase in active borrowers per loan officer to 66 (Dec'24: 57) indicates improving utilization of the expanded

field-force. In line with evolving business strategy, management has indicated a greater focus on unsecured and smaller-ticket retail lending, which is reflected in the decline in average loan size to PKR 135,611 (Dec'24: PKR 240,653).

#### DIGITIZATION

During CY25, Halan strengthened its digital infrastructure by upgrading its Core Banking System (CBS) to the AB4 platform, which now serves as the main system for managing customer accounts, deposits, financing, and branch operations. The Bank also implemented an Anti-Money Laundering (AML) system in line with State Bank of Pakistan (SBP) requirements, having internally developed systems such as the complaint management system, transaction reconciliation portal, reporting dashboards, and automated CNIC status update system through KAFKA. In addition, the Customer Biometric Verification System (CBVS) remained integrated with the core banking system and NADRA for real-time biometric verification of customer identity.

On the customer side, the Bank expanded its digital footprint through the launch of Debit Card services in December 2025, enabling access through Automated Teller Machines (ATMs) and Point-of-Sale (POS) terminals. In parallel, the Bank is in the process of launching its mobile banking application, with a pilot phase scheduled for May 2026, currently undergoing internal testing by the business team. Following successful testing, a commercial rollout is planned, which is expected to enhance customer access, facilitate digital onboarding, and improve overall transaction efficiency. The application is expected to offer functionalities including Inter Bank Funds Transfer (IBFT), Raast-based payments, account management, and debit card controls.

In parallel, the Bank continued to strengthen its infrastructure and control environment through the deployment of HP DL380 Gen10 servers at both primary and disaster recovery sites, implementation of redundant FortiGate firewalls, and Veeam backup and replication systems. Management has also indicated plans for the implementation of a Security Operations Center (SOC) and Privileged Access Management (PAM) solution. Additionally, the Bank is in the process of outsourcing cybersecurity monitoring and related services to Transworld, which is expected to further enhance threat detection capabilities and overall cyber resilience as digital transaction volumes increase.

#### ESG INITIATIVES

During CY25, Halan's ESG framework showed progress, particularly in employee development, governance strengthening, and future sustainability reporting readiness. The Bank conducted multiple structured staff development initiatives covering orientation for newly hired employees, branch operations, Anti-Money Laundering / Counter Financing of Terrorism (AML/CFT), Know Your Customer (KYC), Fair Treatment of Customers, workplace harassment awareness, and introductory sign language workshops. In addition, the Bank disclosed that 7 employees received external specialized training during CY25, while the majority of training interventions remained internally managed.

#### MICROCREDIT PORTFOLIO & RISK SEGREGATIONS

(PKR Mn)	Dec'23	%	Dec'24	%	Dec'25	%
Microenterprises	3,147	97.5%	2,526	98.4%	4,992	69.2%
Agriculture	34	1.1%	4	0.2%	101	1.4%
Livestock	46	1.4%	36	1.4%	131	1.8%
Others	-	0.0%	-	0.0%	1,994	27.6%
<b>Gross Loan Portfolio</b>	<b>3,594</b>	<b>100.0%</b>	<b>2,567</b>	<b>100.0%</b>	<b>7,217</b>	<b>100.0%</b>

As of Dec'25, Halan's gross loan portfolio expanded materially in absolute terms to PKR 7.22bn (Dec'24: PKR 2.57bn), reflecting the impact of nationwide branch expansion and product diversification. While the microenterprise portfolio (Tijarat/ Salary) remained the single largest segment, its share declined to 69.2% (Dec'24: 98.4%) as of Dec'25. At the same time, the portfolio mix shifted toward "Others" (Group Lending and Gold Finance), with each gaining a higher share of the total portfolio. This reflects a deliberate move toward relatively granular and secured borrower segments. The growing contribution of smaller-ticket products supports the Bank's strategy of broadening its customer base and improving outreach across retail micro-borrowers.

Product-wise Portfolio (PKR Mn)	Dec'23	%	Dec'24	%	Dec'25	%
<b>CONVENTIONAL VS SHARIAH</b>						
Conventional Loans	3,227	100.0%	2,566	100.0%	7,217	100.0%
Shariah Loans	-	-	-	-	-	-
<b>SECURED VS UNSECURED</b>						

Type	Dec'23	%	Dec'24	%	Dec'25	%
Secured Loans	95	2.9%	64	2.5%	705	9.8%
Unsecured Loans	3,132	97.1%	2,502	97.5%	6,512	90.2%
<b>EMI VS BULLET</b>						
Type	Dec'23	%	Dec'24	%	Dec'25	%
EMI	3,113	96.5%	2,508	97.7%	6,561	90.9%
Bullet	114	3.5%	58	2.3%	656	9.1%
<b>GROUP VS INDIVIDUAL</b>						
Type	Dec'23	%	Dec'24	%	Dec'25	%
Group	-	-	-	-	-	-
Individual	3,227	100.0%	2,566	100.0%	7,217	100.0%

Although the State Bank of Pakistan (SBP) has directed a transition toward a fully Islamic banking model by 2028, Halan's financing portfolio remained entirely conventional during CY25, with no Shariah-compliant products identified in its current mix. While earlier disclosures indicated management's intention to initiate the Islamic banking conversion roadmap, no separate Shariah window or product rollout was evidenced during the year.

The Bank's business model places greater focus on unsecured lending, supporting faster portfolio growth and broader customer outreach. In parallel, the Bank's repayment structure has continued to emphasize Equal Monthly Installment (EMI)-based financing, indicating a preference for more predictable repayment cash flows and reducing exposure to higher-risk structures.

Size-wise Loan Break-up (PKR Mn)	% of GLP Dec' 24	# of Clients	% of GLP Dec'25	# of Clients
Up to PKR 25,000	-	-	-	-
Rs. 25,001 - Rs. 50,000	0.0%	14	2.0%	3,314
PKR 50,001 - PKR 100,000	1.1%	346	24.0%	24,812
PKR 100,001 - PKR 250,000	22.8%	5,921	27.7%	14,479
PKR 250,001 - PKR 500,000	61.7%	6,557	37.2%	9,314
PKR 500,001 and above	14.4%	573	9.0%	1,300
<b>Total</b>	<b>2,566</b>	<b>100.0%</b>	<b>7,217</b>	<b>100.0%</b>

As observed, loans exceeding PKR 100,000 accounted for 73.9% (Dec'4: 98.9%) of Halan's gross loan portfolio in Dec'25, while the share of smaller-ticket loans increased during the year. The rise in customer count within the up-to-PKR 100,000 segment also aligns with the decline in average loan size, indicating broader outreach across smaller borrower segments. At the same time, the PKR 250,001-500,000 bucket remained the single largest category, reflecting a continued emphasis on core microenterprise and business lending.

## PROFITABILITY

Income Statement Extract (PKR Mn)	FY23	FY24	FY25
Return on Markup Bearing Assets	47.1%	38.2%	25.4%
Cost of Funds	22.6%	23.2%	11.7%
Spreads	24.5%	15.0%	13.7%

Operating Self Sufficiency (OSS)	85.9%	71.8%	72.7%
Profit / (Loss) after taxation	(329.9)	(727.3)	(961.4)

Halan reported markup income of PKR 2,080.9mn in CY25 (CY24: PKR 1,613.0mn), reflecting a strong increase in line with the material expansion in its financing portfolio and earning asset base during the year. Despite the increase in absolute income, the return on markup-bearing assets declined to 25.4% (CY24: 38.2%), primarily due to a higher share of investments and liquid placements within earning assets, which typically carry lower yields than the financing book and were significantly impacted by the 808 bps year-on-year decrease in the average policy rate. Although the cost of funds declined sharply to 11.7% (CY24: 23.2%), the Bank's spread shrunk to 13.7% (CY24: 15.0%).

Non-markup income increased to PKR 440.8mn (CY24: PKR 222.5mn), mainly led by higher fee and commission income of PKR 325.3mn (CY24: PKR 153.8mn), supported by transaction activity, branch expansion, and debit card rollout. However, the benefit of higher mark-up and non-markup income was offset by a sharp rise in non-markup expenses to PKR 2,290.9mn (CY24: PKR 1,260.9mn), largely reflecting branch rollout costs, new hiring, and infrastructure investment during the nationwide expansion phase. Consequently, the Bank reported a loss after tax of PKR 961.4mn (CY24: PKR 727.3mn) in CY25. The Bank is likely to continue to post loss in the early part of the current year, turning around in the second half of 2026 and once business has picked momentum and infrastructure development costs have begun to normalize.

## Financial Risk

### ASSET QUALITY

Infection (PKR Mn)	Dec'23	Dec'24	Dec'25
Gross Advances	3,227	2,567	7,217
Incremental Infection	8.7%	11.1%	3.7%
Specific Provisioning Coverage	48.1%	75.2%	55.6%
General Provisioning Coverage	1.0%	5.5%	2.5%
Net Advances	3,120	2,311	6,991
NPLs	160	163	92
NPLs written off	338	335	252
Gross Infection	4.9%	6.4%	1.3%
Net Infection	2.6%	1.7%	0.6%
Net NPLs / Tier 1 Equity	15.0%	8.1%	2.9%

Despite growth in the gross loan portfolio, NPLs declined to PKR 91mn (Dec'24: PKR 163mn) as of Dec'25, resulting in a marked improvement in the gross infection ratio to 1.3% (CY24: 6.4%). The incremental infection ratio also improved to 3.7% (CY24: 11.1%), with write-offs reported at PKR 252.4mn (Dec'24: PKR 335.4mn). Specific provisioning coverage decreased to 55.6% (CY23: 75.2%), while provisioning against performing advances (Stage 1 assets) also declined to 2.5% (CY24: 5.5%) during CY25. Supported by an increase in Halan's Tier-1 equity, the reduction in net NPLs led to an improvement in the net NPLs-to-Tier-1 equity ratio, which stood at 2.9% (CY24: 8.0%). Provision buffers may benefit from enhancement, although overall risk in the portfolio is indicated to be moderately low.

### INVESTMENT MIX

Halan's investment portfolio increased materially to PKR 3,181.5mn (Dec'24: PKR 1,789.6mn) as of Dec'25, reflecting the build-up of surplus liquidity alongside strong deposit mobilization during the year. The portfolio remained entirely invested in Federal Government Securities, primarily Market Treasury Bills (MTBs / T-Bills), maintaining a highly liquid and low credit risk investment profile. Market risk also remained low due to the short duration of the investments.

### LIQUIDITY & LEVERAGE PROFILE

(PKR Mn)	Dec'23	Dec'24	Dec'25
Liquid Assets	1,195	2,482	5,412
Deposits	3,777	4,616	11,611

Borrowing	182	1	201
Liquid Assets to Deposits and Borrowings (LADB)	30.2%	53.8%	45.8%
Advances to Deposits (ADR)	85.4%	55.6%	62.2%
CA (%)	1.8%	1.6%	1.5%
CASA (%)	25.8%	33.3%	47.3%
Liquid Assets / TA	24.4%	44.2%	36.5%

The Liquid Assets to Deposits and Borrowings (LADB) ratio decreased to 45.8% (Dec'24: 53.8%), owing to the channeling of new deposit growth into the lending portfolio, still indicating adequate liquidity buffers. Halan's deposit base expanded to PKR 11.6 bn (Dec'24: PKR 4.6 bn), while the Advances-to-Deposits Ratio (ADR) increased to 62.2% (Dec'24: 55.6%) in Dec'25. The deposit composition indicates that growth was predominantly driven by savings deposits, contributing 55.1% of the overall increase, followed by fixed deposits at 43.4%, with a negligible contribution from current deposits. Term deposits continue to dominate the funding mix.

Concentration risk remains elevated, as the share of the top 10 depositors rose to 57.3% (Dec'24: 55.1%). Notably, the largest depositor alone accounted for 16.6% (Dec'24: 22.9%) of total deposits. Liquid reserves may become constrained in the event of unexpected liquidity demands, highlighting the importance of cultivating a broad-based depositor profile for effective liquidity management.

#### CAPITALIZATION

Capitalization (PKR Mn)	Dec'23	Dec'24	Dec'25
Issued ordinary share capital	2,046	2,871	4,927
Statutory & General Reserves	14	14	14
Accumulated profit / (losses)	-1,423	-2,397	-3,368
<b>Total Equity</b>	<b>645</b>	<b>502</b>	<b>1,597</b>
<b>CAR</b>	<b>15.1%</b>	<b>15.3</b>	<b>15.7%</b>

Halan's Capital Adequacy Ratio (CAR) remained borderline at 15.7% (Dec'24: 15.7%) in Dec'25, despite the equity infusion last year and given the sharp increase in risk-weighted assets to PKR 9.5 bn (Dec'24: PKR 3.4 bn) arising from rapid branch expansion and significant growth in the financing portfolio. A fresh equity injection of PKR 2.1 bn during CY25 increased issued share capital to PKR 4.9 bn (Dec'24: PKR 2.9 bn) and strengthened total equity to PKR 1.6 bn (Dec'24: PKR 502mn). The capital buffer is important as the Bank is currently operating in a high-growth phase, with continued investment in branch rollout, digital infrastructure, and portfolio expansion. During the current year, a further USD 3mn is expected into the Bank, to sustain future growth and absorb ongoing losses on account of infrastructure development. As financial turnaround is expected by the end of the current year, the capital position will become self sustaining.

<b>FINANCIAL SUMMARY (amounts in PKR millions)</b>			
<b>BALANCE SHEET</b>	<b>31-Dec-23</b>	<b>31-Dec-24</b>	<b>31-Dec-25</b>
Cash and Bank Balances with SBP and NBP	391	318	718
Balances with other Banks and/NBFIs/MFBs	97	374	1,512
Lending to Financial Institutions	0	0	0
Total Investments	707	1,790	3,182
Net Advances	3,120	2,311	6,991
Operating Fixed Assets	367	525	1,937
Other Assets	223	293	475
<b>Total Assets</b>	<b>4,906</b>	<b>5,611</b>	<b>14,814</b>
Total Deposits	3,777	4,616	11,611
Borrowings	182	1	201
Subordinated Debt	0	0	0
Other Liabilities	301	492	1,405
<b>Total Liabilities</b>	<b>4,261</b>	<b>5,108</b>	<b>13,217</b>
Tier-1 Equity	644	502	1,597
Net Worth	645	502	1,597
Paid Up Capital	2,046	2,871	4,927
<b>INCOME STATEMENT</b>	<b>CY23</b>	<b>CY24</b>	<b>CY25</b>
Net Mark-up Income	883	618	1,124
Net Provisioning / (Reversal)	299	300	222
Non-Markup Income	247	222	441
Operating Expenses	1,154	1,261	2,291
Profit Before Tax	-324	-720	-949
Profit After Tax	-330	-727	-961
<b>RATIO ANALYSIS</b>	<b>CY23</b>	<b>CY24</b>	<b>CY25</b>
Market Share - Advances	0.8%	0.6%	1.3%
Market Share - Deposits	0.6%	0.6%	1.4%
Gross Infection (%)	4.9%	6.4%	1.3%
Incremental Infection (%)	8.7%	11.1%	3.7%
Specific Provisioning Coverage (%)	48.1%	75.2%	55.6%
General Provisioning Coverage (%)	1.0%	5.5%	2.5%
Net Infection (%)	2.6%	1.7%	0.6%
Net NPLs to Tier-1 Capital (%)	15.0%	8.1%	2.9%
Capital Adequacy Ratio (%)	15.1%	15.3%	15.7%
Markup on earning assets (%)	47.1%	38.2%	25.4%
Cost of Funds (%)	22.6%	23.2%	11.7%
Markup Spreads (%)	24.5%	15.0%	13.7%
OSS (%)	85.9%	71.8%	72.7%
ROAA (%)	-7.0%	-13.8%	-9.4%
ROAE (%)	-50.8%	-126.9%	-91.6%
Advances to Deposit Ratio (%)	85.4%	55.6%	62.2%
Liquid Assets to Deposits & Borrowings (%)	30.2%	53.8%	45.8%

REGULATORY DISCLOSURES					Appendix I
Name of Rated Entity	Halan Microfinance Bank Limited				
Sector	Microfinance Bank				
Type of Relationship	Solicited				
Purpose of Rating	Entity Ratings				
Rating History	Rating Date	Medium to Long Term	Short Term	Rating Outlook	Rating Action
	RATING TYPE: ENTITY				
	30-Apr-2026	BBB+	A3	Stable	Upgrade
	30-Apr-2025	BBB	A3	Positive	Reaffirmed
	30-Apr-2024	BBB	A3	Positive	Maintained
	28-Apr-2023	BBB	A3	Stable	Downgrade
	29-Apr-2022	BBB+	A3	Stable	Reaffirmed
	29-Apr-2021	BBB+	A3	Stable	Maintained
	28-Apr-2020	BBB+	A3	Rating Watch - Developing	Maintained
	26-Apr-2019	BBB+	A3	Stable	Reaffirmed
	25-Apr-2018	BBB+	A3	Stable	Reaffirmed
	16-Mar-2017	BBB+	A3	Stable	Reaffirmed
	29-Apr-2016	BBB+	A3	Stable	Reaffirmed
	28-Apr-2015	BBB+	A3	Stable	Reaffirmed
25-Apr-2013	BBB+	A3	Stable	Initial	
Instrument Structure	N/A				
Statement by the Rating Team	VIS, the analysts involved in the rating process and members of its rating committee do not have any conflict of interest relating to the credit rating(s) mentioned herein. This rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities.				
Probability of Default	VIS' ratings opinions express ordinal ranking of risk, from strongest to weakest, within a universe of credit risk. Ratings are not intended as guarantees of credit quality or as exact measures of the probability that a particular issuer or particular debt issue will default.				
Disclaimer	Information herein was obtained from sources believed to be accurate and reliable; however, VIS does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Copyright 2026 VIS Credit Rating Company Limited. All rights reserved. Contents may be used by news media with credit to VIS.				
Due Diligence Meeting Conducted	Name	Designation		Date	
	Mr. Kaleem Raza	Chief Financial Officer (CFO)		14 <sup>th</sup> April 2026	
	Ms. Sania Kazi	Head of Finance			
	Mr. Taha Ahmed	Manager Finance			