QUARTER - 2

NEWSLETTER

June 2026

ISSUE
Q2

CEO's Message

Dear Valued Clients, Partners, and Stakeholders,

The second quarter of 2026 marks another important milestone in PFSL's journey. Despite a dynamic operating environment, we continued to strengthen our business, deepen our partnerships, and remain focused on our mission of expanding access to finance for Pakistan's underserved small and medium enterprises.

During the quarter, we also achieved a defining milestone with the Board's approval of Our Strategic Transformation Roadmap. This strategy establishes a clear vision for our next phase of growth as we evolve into a technology-enabled, phygital NBFC that combines digital innovation with a strong customer presence to serve SMEs across Pakistan.

Transformation Roadmap is more than a strategy, it is our commitment to building the next generation of SME finance in Pakistan through innovation, strategic partnerships, digital transformation, and disciplined execution. While the roadmap sets an ambitious direction, our immediate focus is on flawless execution, strengthening our institutional capabilities, and delivering sustainable value for all our stakeholders.

I would like to sincerely thank our customers for their trust, our partners for their continued collaboration, our Board for its guidance and confidence, and our employees whose dedication and commitment continue to drive PFSL forward. Together, we are building an institution that will create lasting impact for Pakistan's SMEs and contribute meaningfully to the country's economic growth.

We look forward to sharing further progress with you in the months ahead.

JAVED IQBAL
CHIEF EXECUTIVE OFFICER
PARWAAZ FINANCIAL SERVICES LIMITED

Parwaaz Pulse

IMPACT FINANCE TRAINING 2026

At Parwaaz Financial Services Limited, we believe that finance has the potential to deliver both sustainable financial returns and meaningful social impact.

Our team had the opportunity to participate in the Impact Finance Training (IFT) 2026: From Value to Vision, hosted by Karandaaz Pakistan in collaboration with the Pakistan Banks Association, and supported by the Ministry of Finance, Government of Pakistan.
Over two insightful days, the training brought together leaders from across Pakistan's financial sector to explore practical frameworks for integrating impact into investment and financing decisions. Participants benefited from valuable perspectives shared by industry leaders, while Lead Trainer Alex MacGillivray, Executive Director of the Joint Impact Model Foundation, facilitated engaging sessions on embedding impact into financial decision-making.

As a purpose-driven financial institution, Parwaaz remains committed to strengthening its capabilities and contributing to a financial ecosystem where capital creates measurable, lasting impact alongside sustainable growth.
We thank Karandaaz Pakistan and all the partners involved for organizing this valuable learning experience and fostering meaningful dialogue on the future of impact finance in Pakistan.

Business Updates

PARWAAZ PARTNERS WITH SYM WELLNESS

Parwaaz Financial Services Limited is proud to have partially financed the capital expenditure of Sym Wellness (Pvt) Ltd., supporting the company's growth and long-term business objectives.

At PFSL, we are committed to enabling businesses with timely financial solutions that foster expansion, strengthen operational capacity, and contribute to Pakistan's economic development.

SUPPORTING SUSTAINABLE GROWTH

PFSL continues to advance sustainable finance by supporting Bashir Sons Steel Casting's transition to solar energy. By enabling investments in clean energy solutions, we are helping businesses reduce their environmental footprint while contributing to a more resilient and sustainable future for Pakistan.

DRIVING GROWTH WITH JEEVAY AZIZ

PFSL supported Jeevay Aziz through fleet financing, enabling the expansion of its operational capacity and strengthening its ability to deliver services more efficiently. This partnership reflects our commitment to providing tailored financing solutions that help businesses grow and create long-term economic value.

Digital Partnerships

COLLATERALIZING THE HARVEST: PARWAAZ'S PUSH TO CLOSE THE FARM FINANCING GAP

Collateralizing the Harvest: Parwaaz's Push to Close the Farm Financing Gap
Electronic Warehouse Receipt (EWR) financing addresses a fundamental challenge faced by Pakistani farmers. After harvest, many are forced to sell their produce immediately, often when market prices are at their seasonal lows, simply because they need working capital and lack bankable collateral to access formal credit.

EWR financing changes this dynamic. Farmers deposit their harvested crop at a certified, collateral-managed warehouse, which issues an Electronic Warehouse Receipt (EWR), a secure digital document that certifies the quantity, quality, and value of the stored commodity. The EWR serves as legally recognized collateral for financing.

Since launching its Electronic Warehouse Receipt (EWR) Financing program, Parwaaz has disbursed over PKR 550 million enabling farmers to access post-harvest liquidity without distress-selling their produce.

PARTNER SPOTLIGHT: CREDITBOOK

This quarter's spotlight is on CreditBook, Parwaaz's leading platform partnership, extending retailer financing through one of Pakistan's fastest-growing embedded finance infrastructure providers. CreditBook helps businesses increase profitability, differentiate their offerings and access financing fast. Under this partnership, Parwaaz provides the capital, financing product, and credit discipline, while CreditBook contributes merchant relationships, transaction data, and distribution.

Since the inception of the partnership, Parwaaz has disbursed over PKR 250 million in financing through CreditBook, enabling retailers to access timely working capital for inventory purchases and business growth. This milestone demonstrates the strength of embedded finance in expanding access to formal credit through trusted digital platforms. As we deepen this integration, extending across CreditBook's broader merchant network and refining our underwriting against richer transaction and ledger data, the goal is to move beyond a single embedded product into a genuine growth engine for Pakistan's retail economy.

CreditBook

Impact

DRIVING SUSTAINABLE IMPACT ACROSS PAKISTAN

As of 30th June 2026, PFSL continues to strengthen its commitment towards sustainable and inclusive growth. Our impact-driven financing model has contributed to generating **PKR 19,030 millio**n in revenue and **PKR 7,985 million** in value addition, reflecting the growing economic contribution of our portfolio across Pakistan.

Beyond financial impact, PFSL's initiatives have supported the creation of **12,369 jobs,** empowering businesses and communities while driving long-term economic resilience. At the same time, our focus on climate-conscious financing has helped avoid **7,177 tCO2e** in net greenhouse gas emissions, reinforcing our commitment to building a greener and more sustainable future.

At PFSL, sustainability is not just a goal; it remains central to our growth strategy and the impact we strive to create every day.

ENTITY RATING
A+

BOND RATING
AA -

Leadership Insights

A CULTURE OF RISK, A FOUNDATION FOR GROWTH

BY M. ATIF KAUSER
CHIEF RISK OFFICER, PARWAAZ FINANCIAL SERVICES LIMITED

At Parwaaz Financial Services Limited, we see risk management as a driver of sustainable growth rather than a barrier to progress. As our business continues to expand, we remain committed to making informed yet progressive decisions that balance opportunity with responsibility.

During the second quarter of 2026, our steady portfolio growth, strategic partnerships, and consistent disbursements are reflective of the strength of our risk framework and governance practices. This progress is made possible by a culture of accountability, collaboration, and continuous monitoring across the organization.

By embedding risk awareness into every stage of our operations, we protect stakeholder value, and support PFSL's mission of delivering responsible, impact-driven financial solutions that contribute to Pakistan's long-term economic and sustainable growth.

DRIVING THE FUTURE OF DIGITAL LENDING

BY ASGHAR HUSSAIN
HEAD OF DIGITAL STRATEGY, PARWAAZ FINANCIAL SERVICES LIMITED

SMEs in the country are not largely financially excluded because they are not creditworthy; they are excluded because the appraisal infrastructure was never built to see them. That is precisely the gap embedded finance and alternate-data underwriting are designed to close.

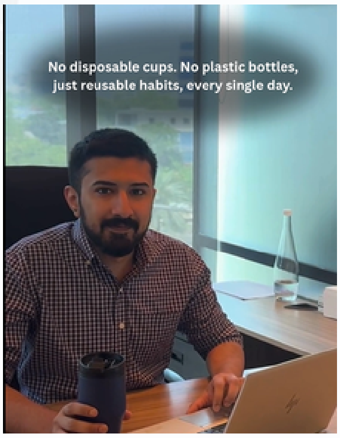
At Parwaaz, we are expanding reach to underserved businesses by extending financing in partnership with e-commerce, logistics, and platform ecosystems that their client base already uses. This embedded finance approach lets us acquire customers faster, underwrite with real-time platform data, and serve them with a convenience traditional lending cannot match, turning everyday transactions into financing moments.

Innovation, collaboration, and customer-centricity remain at our core, building a connected, financially inclusive future.

Life at Parwaaz

Mother's Day

Parwaaz shared a small gesture of appreciation with our colleagues, scented candles paired with heartfelt notes to be gifted to their mothers.
A simple way to celebrate the unconditional love, strength, and care that mothers bring into our lives every day.
Here's to making them feel a little more special, today and always.



Environment Day

Small habits. Big impact.
At Parwaaz, we believe sustainability starts right at your desk.
Plants on desks Lights off for an hour No plastic Going paperless
Small steps, but we're showing up for the planet every day

Prepared for Every Emergency

At PFSL, the safety and well-being of our people remain a top priority. During the quarter, an emergency fire drill was conducted to strengthen workplace preparedness and reinforce essential safety protocols. The exercise provided employees with practical experience in evacuation procedures and emergency response, helping ensure a safe, informed, and resilient work environment.