

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

		March 31, 2026 (Un-audited)	December 31, 2025 (Audited)
ASSETS			
	Note	-----Rupees-----	
Cash and balances with treasury banks	7	9,935,220,648	9,769,793,011
Balances with other MFBs / Banks / NBFIs	8	9,197,710,027	7,612,121,991
Lending to financial institutions	9	7,996,841,518	26,409,646,615
Investments	10	128,359,535,084	95,281,453,678
Advances	11	106,376,634,428	101,060,415,978
Property and equipment	12	2,540,131,237	2,572,349,251
Right-of-use assets	13	2,650,746,213	2,398,823,114
Intangible assets	14	1,358,478,687	1,384,561,195
Deferred tax asset	15	8,800,085,966	6,878,114,415
Other assets	16	9,244,681,522	8,520,397,024
Total assets		286,460,065,330	261,887,676,272
LIABILITIES			
Bills payable	17	392,159,001	703,185,185
Borrowings	18	3,847,855,722	3,518,017,954
Deposits and other accounts	19	232,488,833,600	213,933,455,780
Lease liabilities	20	2,970,405,070	2,813,484,781
Subordinated debt	21	2,076,894,582	2,011,404,171
Deferred grants	22	94,467,205	94,467,205
Other liabilities	23	26,776,556,143	21,331,217,810
Total liabilities		268,647,171,323	244,405,232,886
NET ASSETS		17,812,894,007	17,482,443,386
REPRESENTED BY:			
Share capital	24	4,131,964,180	4,131,964,180
Share premium		2,756,882,650	2,756,882,650
Advance against issue of shares	25	5,611,750,000	5,611,750,000
Statutory reserve		1,752,484,745	1,644,500,858
Depositors' protection fund		726,807,675	684,083,452
(Deficit) / Surplus on fair value of assets	26	(162,488,819)	62,708,244
Unappropriated profit		2,995,493,576	2,590,554,002
		17,812,894,007	17,482,443,386
CONTINGENCIES AND COMMITMENTS	27	17,812,894,007	17,482,443,386

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

MOBILINK MICROFINANCE BANK LIMITED
CONDENSED INTERIM PROFIT & LOSS ACCOUNT (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2026

		Period Ended March 31	
		2026	2025
	Note		
Markup / return / interest earned	28	23,518,286,286	14,450,992,615
Markup / return / interest expensed	29	(3,177,661,152)	(2,470,104,980)
Net markup / interest income		20,340,625,134	11,980,887,635
NON MARK-UP/ NON INTEREST INCOME			
Fee, commission and brokerage income	30	7,356,249,551	4,769,919,883
Gain on securities		-	-
Foreign exchange income / (Loss)		611,744	(2,338,709)
Other income	31	44,373,922	35,307,853
Total non-markup / non interest income		7,401,235,217	4,802,889,027
Total income		27,741,860,351	16,783,776,662
NON MARK-UP/ NON INTEREST EXPENSES			
Operating expenses	32	19,679,315,380	10,934,066,143
Workers welfare fund		17,174,152	8,108,650
Other charges	33	-	20,000
Total non-markup / non interest expenses		(19,696,489,532)	(10,942,194,793)
Profit before credit loss allowance		8,045,370,819	5,841,581,869
Credit loss allowance and write offs - net	34	(7,175,797,311)	(5,436,149,376)
PROFIT BEFORE TAXATION		869,573,508	405,432,493
TAXATION	35	(329,654,075)	(144,330,652)
PROFIT AFTER TAXATION		539,919,433	261,101,841
Earnings per share	36	1.31	0.96
Diluted earnings per share	37	0.85	0.63

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

MOBILINK MICROFINANCE BANK LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2026

	<u>Period Ended March 31</u>	
	2026	2025
Profit after taxation for the period	539,919,433	261,101,841
Other comprehensive income for the period		
Items that may be reclassified to profit and loss account in subsequent periods:		
Movement in fair value reserve on investments measured at fair value through OCI	(369,175,513)	(88,111,500)
Related tax impact	143,978,450	34,363,485
	(225,197,063)	(53,748,015)
Total comprehensive income for the period transferred to equity	314,722,370	207,353,826

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

MOBILINK MICROFINANCE BANK LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2026

	Capital reserves				Revenue reserve		Total	
	Share capital	Share premium	Advance Against Issue of Shares	Statutory reserve	Depositors Protection Fund	Unappropriated Profit		Surplus/(Deficit) on revaluation of
	Rupees							
Balance at January 01, 2025	2,713,596,830	-	4,175,250,000	1,166,278,556	506,446,596	813,217,791	40,500,645	9,415,290,418
Profit for the period	-	-	-	-	-	261,101,841	-	261,101,841
Other comprehensive income - net of tax	-	-	-	-	-	-	(53,748,015)	(53,748,015)
Total comprehensive income for the period	-	-	-	-	-	261,101,841	(53,748,015)	207,353,826
Transfers to statutory reserves	-	-	-	52,220,368	-	(52,220,368)	-	-
Transfer to Depositors protection fund								
- 5% of the profit after tax for the period	-	-	-	-	13,055,092	(13,055,092)	-	-
- return on investments	-	-	-	-	16,820,051	-	-	16,820,051
	-	-	-	-	29,875,143	(13,055,092)	-	16,820,051
Transactions with owners, recorded directly in equity								
Advance against issue of shares	-	-	-	-	-	-	-	-
Closing Balance as at March 31, 2025	2,713,596,830	-	4,175,250,000	1,218,498,924	536,321,739	1,009,044,172	(13,247,370)	9,639,464,295
Opening Balance as at April 01, 2025	2,713,596,830	-	4,175,250,000	1,218,498,924	536,321,739	1,009,044,172	(13,247,370)	9,639,464,295
Profit for the period	-	-	-	-	-	2,130,009,669	-	2,130,009,669
Other comprehensive income - net of tax	-	-	-	-	-	(15,997,422)	75,955,614	59,958,192
Total comprehensive income for the period	-	-	-	-	-	2,114,012,247	75,955,614	2,189,967,861
Transfers to statutory reserves - Reversal of reserves	-	-	-	426,001,934	-	(426,001,934)	-	-
Transfer to Depositors protection fund								
- 5% of the profit after tax for the period (reversal of 6-months period)	-	-	-	-	106,500,483	(106,500,483)	-	-
- return on investments	-	-	-	-	41,261,229	-	-	41,261,229
	-	-	-	-	147,761,712	(106,500,483)	-	41,261,229
Transactions with owners, recorded directly in equity								
Advance against issue of shares converted to share capital and share premium	1,418,367,350	2,756,882,650	(4,175,250,000)	-	-	-	-	-
Advance against issue of shares	-	-	5,611,750,000	-	-	-	-	5,611,750,000
Balance at December 31, 2025	4,131,964,180	2,756,882,650	5,611,750,000	1,644,500,858	684,083,452	2,590,554,002	62,708,244	17,482,443,385
Opening Balance as at January 01, 2026	4,131,964,180	2,756,882,650	5,611,750,000	1,644,500,858	684,083,452	2,590,554,002	62,708,244	17,482,443,385
Profit for the period	-	-	-	-	-	539,919,433	-	539,919,433
Other comprehensive income - net of tax	-	-	-	-	-	-	(225,197,063)	(225,197,063)
Total comprehensive income for the year	-	-	-	-	-	539,919,433	(225,197,063)	314,722,370
Transfers to statutory reserves	-	-	-	107,983,887	-	(107,983,887)	-	-
Transfer to Depositors protection fund								
- 5% of the profit after tax for the period	-	-	-	-	26,995,972	(26,995,972)	-	-
- return on investments	-	-	-	-	15,728,251	-	-	15,728,251
	-	-	-	-	42,724,223	(26,995,972)	-	15,728,251
Transactions with owners, recorded directly in equity								
Advance against issue of shares converted to share capital and share premium	-	-	-	-	-	-	-	-
Advance against issue of shares	-	-	-	-	-	-	-	-
Balance as at March 31, 2026	4,131,964,180	2,756,882,650	5,611,750,000	1,752,484,745	726,807,675	2,995,493,576	(162,488,819)	17,812,894,006

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

MOBILINK MICROFINANCE BANK LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2026

		Period Ended March 31,	
		2026	2025
CASH FLOW FROM OPERATING ACTIVITIES:			
		869,573,508	405,432,493
Profit Before Taxation			
Adjustment for non cash items and other items:			
		155,768,004	109,140,077
		111,479,724	115,850,678
		77,203,240	64,745,668
		7,175,797,311	5,436,149,376
		43,125,173	33,710,071
		(347,221)	11,911,383
		-	-
		65,490,411	77,572,603
		69,927,629	62,858,313
		105,473,124	84,877,133
		7,803,917,395	5,996,815,302
		8,673,490,903	6,402,247,795
(Increase) / Decrease in Operating Assets:			
		18,412,805,097	-
		(12,492,015,761)	(5,271,058,433)
		(724,284,498)	(2,687,342,979)
		5,196,504,838	(7,958,401,412)
Increase / (Decrease) in Operating Liabilities:			
		(311,026,184)	(91,207,397)
		259,910,139	-
		(14,786,144)	(3,210,545)
		18,555,377,820	35,493,964,135
		3,824,452,531	6,345,731,421
		22,313,928,162	41,745,277,614
		36,183,923,903	40,189,123,997
Surplus / (Deficit) on fair Value of assets			
Payments against off-balance sheet obligations			
		-	(6,093,254)
		(515,100,403)	(511,215,409)
		(515,100,403)	(517,308,663)
		35,668,823,500	39,671,815,334
Net cash flow from operating activities			
CASH FLOWS FROM INVESTING ACTIVITIES			
		(127,593,830)	(156,855,513)
		(9,494,322,177)	(35,472,000)
		(14,587,408)	(117,612,500)
		(155,975,577)	(78,841,470)
		(51,120,732)	(61,267,354)
		32,772,808	3,984,037
		(9,810,826,916)	(446,064,800)
Net cash used in investing activities			
CASH FLOWS FROM FINANCING ACTIVITIES			
		(311,955,658)	(63,608,896)
		-	2,463,773,280
		(311,955,658)	2,400,164,384
		25,546,040,926	53,374,748,204
		92,944,110,355	72,286,356,932
		118,490,151,281	125,661,105,136
		25,546,040,926	53,374,748,204
		92,944,110,355	72,286,356,932
		118,490,151,281	125,661,105,136

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

MOBILINK MICROFINANCE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2026

1 STATUS AND NATURE OF BUSINESS

Mobilink Microfinance Bank Limited (the Bank) was incorporated in Pakistan on November 29, 2010 as a public limited company under the then applicable Companies Ordinance, 1984 (Repealed by the Companies Act, 2017). The Bank obtained license for Microfinance operations from the State Bank of Pakistan (SBP) on September 12, 2011 to operate on a nationwide basis and received the certificate of commencement of business from Securities and Exchange Commission of Pakistan (SECP) on February 13, 2012 whereas certificate of commencement of business from SBP was received on April 20, 2012. The Bank also operates in the territory of Azad Jammu Kashmir (AJK) and Gilgit Baltistan (GB) has one branch in each.

The Bank has 124 business locations / operational branches, including 2 Islamic banking branches (2025: 124 business locations / operational branches, no Islamic banking branch). The Bank also has operations in AJK with 1 branch in Muzaffarabad, (2025: 1) and GB with 1 branch in Gilgit, (2025: 1). The Bank's registered and principal office is situated at Plot No. 1-B, F-8 Markaz, Islamabad, Pakistan. The Bank is a subsidiary of Veon Microfinance Holdings B.V (VMH) (the Holding Company), with effect from March 27, 2020 upon transfer of 99.99% shareholding in the Bank, from Global Telecom Holdings (GTH), being a transfer of control between entities held under common control. The transfer has been registered with SBP whereas the registration with SECP was completed on July 3, 2020. The Ultimate Parent of the Bank is Veon Limited.

The Bank's principal business is to provide microfinance banking and related services to the poor and under served segment of the society under the Microfinance Institution Ordinance, 2001. The Bank was offering Branchless Banking Services through an agency agreement with Pakistan Mobile Communications Limited (PMCL). The Bank now operates under a tripartite agreement with Pakistan Mobile Communications Limited (PMCL) and JC Fintech (Private) Limited (JCFL).

The Bank has allocated Rs. 200 million specifically for its Islamic Microfinance Division (IMD).

The Bank listed its Term Finance Certificates on the Pakistan Stock Exchange (PSX) and is now classified as a listed entity. Accordingly, the Bank is subject to the applicable requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019, the PSX Rule Book, and the SECP's regulatory framework for listed companies.

The Pakistan Credit Rating Agency Limited (PACRA) assigned the long-term rating of the Bank at "A" and short term rating at "A1" on April 30, 2026.

2 BASIS OF PREPARATION

These financial statements have been in accordance with the SBP BPRD circular no. 3 of 2023 dated February 09, 2023 and new disclosures have been presented in the condensed interim financial statements and comparative figures in these condensed interim financial statements have been reclassified accordingly as per new format.

The Islamic banking branches of the Bank have complied with the requirements as set out in the Islamic Financial Accounting Standards (IFAS), issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the provisions of Companies Act, 2017.

The financial results of the Islamic Banking Branches have been consolidated in these condensed interim financial statements, after eliminating the effects of inter-branch transactions and balances. Key financial figures of the Islamic Banking Branches are disclosed in Annexure "II" to these financial statements.

2.1 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS Standards) issued by the Accounting and Auditing organisation for Islamic Financial Institutions (AAOIFI) as are adopted by SBP.
- Provisions of and directives issued under the Microfinance Institutions Ordinance, 2001 and the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) (including Prudential Regulations of Microfinance Banks) and the Securities and Exchange Commission of Pakistan (SECP).

Wherever the provisions of and directives issued under the Microfinance Institution Ordinance, 2001, the Companies Act, 2017, the Prudential Regulations of Microfinance Banks and the directives issued by the SBP and SECP differ with the requirements of IFRS, the provisions of and directives issued under the Microfinance Institution Ordinance, 2001, the Companies Act, 2017, the Prudential Regulations of Microfinance Banks and the directives issued by the SBP and SECP shall prevail.

- 2.2** The SBP has deferred the applicability of International Accounting Standard (IAS) 39 - 'Financial Instruments: Recognition and Measurement' and IAS 40 - 'Investment Property' for Banking Companies in Pakistan through BSD Circular Letter 10 dated August 26, 2002 till further instructions. Further, the SECP has deferred the applicability of IAS 40 - 'Investment Property' and IFRS 7 - 'Financial Instruments: Disclosures' through its notification 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. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

2.3 These condensed interim financial statements do not include all the information and disclosures required for the annual financial statements, and should be read in conjunction with the annual financial statements of the Bank as at December 31, 2025, which 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; Islamic Financial Accounting Standards (IFAS Standards) issued by the Accounting and Auditing organisation for Islamic Financial Institutions (AAOIFI) as are adopted by SBP, Provisions of and directives issued under the Microfinance Institutions Ordinance, 2001 and the Companies Act, 2017; and Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Microfinance Institution Ordinance, 2001, the Companies Act, 2017, or the directives issued by the SBP and SECP differ with the requirements of IFRS, the requirements of the Microfinance Institution Ordinance, 2001, the Companies Act, 2017 and the said directives shall prevail.

3 BASIS OF MEASUREMENT AND PRESENTATION

The financial statements are prepared under the historical cost convention except:

- Investments measured at fair value through profit and loss and fair value through other comprehensive income.
- Obligation in respect of defined benefit plan at their respective values.
- Right of use asset and lease liability initially measured at their present values.

3.1 FUNCTIONAL AND PRESENTATION CURRENCY

These condensed interim financial statements are presented in Pakistani Rupee (PKR), which is the Bank's functional currency.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements for the year ended December 31, 2025.

4.1 Standards, interpretations of and amendments to accounting and reporting standards that are effective in the current period

The following amendments are effective for the year ended June 30, 2026. These amendments are either not relevant to the Bank's operations or are not expected to have significant impact on the Bank's financial statements other than certain additional disclosures.

Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability

4.2 Standards, interpretations of and amendments to accounting and reporting standards that are not yet effective

The following standards and amendments are effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments are either not relevant to the Bank's operations or are not expected to have significant impact on the Bank's financial statements other than certain additional disclosures.

Effective from Accounting period beginning on or after

IFRS 17 – Insurance Contracts	January 01, 2027
IFRS 18 - Presentation and Disclosures in Financial Statements	January 01, 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	January 01, 2027

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 18 - Presentation and Disclosures in Financial Statements
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements of the Bank for the year ended December 31, 2025.

6 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.

	March 31, 2026 (Un-audited)	Dec 31, 2025 (Audited)
Note	----- Rupees -----	
7 CASH AND BALANCES WITH TREASURY BANKS		
Cash in hand - Local currency	2,610,834,143	2,265,051,345
With State Bank of Pakistan in		
- Local currency current account	7,268,789,300	7,457,538,978
With National Bank of Pakistan in		
- Local currency current account	55,597,205	47,202,688
Less: Credit loss allowance	-	-
	<u>9,935,220,648</u>	<u>9,769,793,011</u>

7.1 This includes balance held with SBP in a current account to comply with the requirement of maintaining minimum balance equivalent to 3% (December 31, 2025: 3%) of the Bank's demand deposits and time deposits with tenor of less than one year.

	March 31, 2026 (Un-audited)	Dec 31, 2025 (Audited)
Note	----- Rupees -----	
8 BALANCES WITH OTHER MFBS / BANKS / NBFIS		
<i>In Pakistan</i>		
- In current accounts - Local currency	34,497,969	27,653,029
- In deposit account - Local currency	8,845,443,678	7,232,593,806
- In Term deposit account - Local currency	196,684,800	200,396,796
	9,076,626,447	7,460,643,631
Accrued Markup	121,083,580	151,478,360
Less: Credit loss allowance	-	-
	<u>9,197,710,027</u>	<u>7,612,121,991</u>

8.1 These carry markup ranging from 7.50% to 12.00% (2025: 8.00% to 12.00%).

8.2 These carry markup ranging from 8.70% to 10.50% (2025: 9.40% to 10.50%).

	March 31, 2026 (Un-audited)	Dec 31, 2025 (Audited)
Note	----- Rupees -----	
9 LENDING TO FINANCIAL INSTITUTIONS		
Repurchase agreement lending's (Reverse repo)	7,996,841,518	26,409,646,615
Less: Credit loss allowance	-	-
Lendings to Financial Institutions - net of credit loss allowance	<u>7,996,841,518</u>	<u>26,409,646,615</u>

9.1 Lending to Financial Institutions - Particulars of credit loss allowance

	March 31, 2026 (Un-audited)		December 31, 2025 (Audited)	
	Lending	Credit loss allowance	Lending	Credit loss allowance
	----- Rupees -----		----- Rupees -----	
Stage 1	7,996,841,518	-	26,409,646,615	-

9.2 These are secured against underlying Market Treasury Bills. The differential between contract rate and resale price is amortized over the period of related contracts and recorded under markup/ return/ interest earned.

The reverse repo represents the following:

- Saudi Pak Agriculture and Industrial Company Limited at the rate of 10.08% amounting to Rs. 4.00 billion (face value of collateral Rs. 4.00 billion) with maturity date of April 06, 2026.
- Habib Bank Limited at the rate of 10.45% amounting to Rs. 1.956 billion (face value of collateral Rs. 2.00 billion) with maturity date of April 10, 2026.
- Askari Bank Limited at the rate of 11.10% amounting to Rs. 2.00 billion (face value of collateral 2.00 billion) with maturity date of April 01, 2026.

9.3 Securities held as collateral against lending to financial Institutions

	March 31, 2026 (Un-audited)			December 31, 2025 (Audited)		
	Held by Bank	Further given as collateral	Total	Held by Bank	Further given as collateral	Total
	(Un-audited)			(Audited)		
	----- Rupees -----			----- Rupees -----		
Market Treasury Bills (MTB)	2,000,000,000	-	2,000,000,000	14,600,000,000	-	14,600,000,000
Pakistan Investment Bonds (PIBs)	6,000,000,000	-	6,000,000,000	12,500,000,000	-	12,500,000,000
	8,000,000,000	-	8,000,000,000	27,100,000,000	-	27,100,000,000

Note	March 31, 2026 (Un-audited)				December 31, 2025 (Audited)			
	Fair Value / Amortised cost	Credit Loss Allowance	Fair value Surplus/(Deficit)	Carrying Value	Fair Value / Amortised cost	Credit Loss Allowance	Fair value Surplus/(Deficit)	Carrying Value
	(Un-audited)				(Audited)			
	----- Rupees -----				----- Rupees -----			

10 INVESTMENTS

Investments by type:

Classified as Fair Value Through Other Comprehensive Income

Federal Government Securities

Market Treasury Bills	10.1	100,164,480,002	-	(213,285,500)	99,951,194,502	85,334,457,402	-	92,724,400	85,427,181,802
Pakistan Investment Bonds	10.2	2,253,638,677	-	(53,089,613)	2,200,549,064	1,706,314,000	-	10,076,000	1,716,390,000

Classified as Amortized cost

Market Treasury Bills	10.3	18,429,992,810	-	-	18,429,992,810	503,405,249	-	-	503,405,249
Pakistan Investment Bonds	10.4	7,777,798,708	-	-	7,777,798,708	7,634,476,627	-	-	7,634,476,627
Total Investments		128,625,910,197	-	(266,375,113)	128,359,535,084	95,178,653,278	-	102,800,400	95,281,453,678

- 10.1** These represent securities with maturity period of three months to 1 Year. Investment made during the period carry markup at the rates ranging between 9.70% to 11.3400% (2025: 10.35% to 11.34%) per annum.
- 10.2** Securities amounting to Rs 1.725 billion and Rs .475 billion having maturity on 17-Jul-2027 and 15-Jan-2031 respectively. Investment made during the period carry markup at the rates ranging between 10.68% to 11.02%per annum.
- 10.3** These represent securities held for Held to Maturity and Depositor Protection Fund which have a maturity period of up to one to three months. These carry markup at the rates to ranging from between 9.72% to 10.60% (2025: 10.96% to 11.00%) per annum.
- 10.4** Securities amounting to Rs 6.26 billion and Rs 1.52 billion having maturity on 06-May-2026 and 04-July-2026 respectively. Investment made during the period carry markup at the rates ranging between 10.94% to 12.00% (2025: 10.94% to 12.00%) per annum.
- 10.5** Expected credit loss on government securities have not been estimated due to exemption available under IFRS 09 implementation instructions issued by SBP through circular no. 3 of 2022 dated July 05, 2022.

11 ADVANCES

Loan Type

	Performing			
	Stage 1		Stage 2	
	March 31, 2026 (Un-audited)	December 31, 2025 (Audited)	March 31, 2026 (Un-audited)	December 31, 2025 (Audited)
	----- Rupees -----			
Micro credit				
-Secured against gold	47,165,854,955	48,427,846,014	6,155,863,735	104,461,394
-Unsecured	37,757,524,459	35,453,940,224	6,674,344,065	5,896,207,291
Income markup/ accrued	11,362,745,298	11,754,761,442	4,640,352,922	3,551,718,803
Advances - Gross	96,286,124,712	95,636,547,680	17,470,560,722	9,552,387,488
Credit loss allowance against advances				
- Stage 1	4,292,419,434	3,406,037,154	-	-
- Stage 2	-	-	6,358,421,133	3,842,114,956
- Stage 3	-	-	-	-
	4,292,419,434	3,406,037,154	6,358,421,133	3,842,114,956
Advances - net of credit loss allowance	91,993,705,278	92,230,510,526	11,112,139,589	5,710,272,532

	Non-Performing		Total	
	Stage 3			
	March 31, 2026 (Un-audited)	December 31, 2025 (Audited)	March 31, 2026 (Un-audited)	December 31, 2025 (Audited)
	----- Rupees -----			
	42,731,617	241,476,712	53,364,450,308	48,773,784,120
	14,286,835,906	12,801,268,972	58,718,704,431	54,151,416,487
	-	-	16,003,098,220	15,306,480,245
	14,329,567,524	13,042,745,684	128,086,252,959	118,231,680,852
	-	-	4,292,419,434	3,406,037,154
	-	-	6,358,421,133	3,842,114,956
	11,058,777,964	9,923,112,764	11,058,777,964	9,923,112,764
	11,058,777,964	9,923,112,764	21,709,618,531	17,171,264,874
	3,270,789,560	3,119,632,920	106,376,634,428	101,060,415,978

11.1 Advances - Particulars of credit loss allowance

11.1.1 Advances - Exposure

	March 31, 2026 (Un-audited)			
	----- Rupees -----			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	95,636,547,680	9,552,387,488	13,042,745,685	118,231,680,853
New Advances	50,328,439,030	-	-	50,328,439,030
Advances derecognized or repaid	(39,016,263,915)	-	-	(39,016,263,915)
Transfer to stage 1	96,161,367	(92,547,753)	(3,613,614)	-
Transfer to stage 2	(20,796,655,838)	21,001,477,117	(204,821,279)	-
Transfer to stage 3	(8,419,465,282)	(4,141,045,407)	12,560,510,689	-
	(17,807,784,636)	16,767,883,956	12,352,075,795	11,312,175,115
Change in exposure	19,179,988,829	(8,849,710,721)	(8,427,866,449)	1,902,411,660
Total movement in advances - exposure	1,372,204,193	7,918,173,235	3,924,209,346	13,214,586,775
Amounts written-off	(56,148)	-	(2,637,387,507)	(2,637,443,655)
Closing balance	97,008,695,725	17,470,560,723	14,329,567,524	128,808,823,972

	December 31, 2025 (Audited)			
	----- Rupees -----			
	Stage 1	Stage 2	Stage 3	Total
	72,231,000,487	4,944,689,427	9,665,565,804	86,841,255,718
	101,231,070,823	-	-	101,231,070,823
	(61,025,768,995)	-	-	(61,025,768,995)
	34,380,429	(7,290,650)	(27,089,779)	-
	(4,532,284,117)	4,570,569,763	(38,285,646)	-
	(3,706,662,351)	(79,256,417)	3,785,918,768	-
	32,000,735,789	4,484,022,696	3,720,543,343	40,205,301,827
	492,088,293	2,622,488,719	3,384,892,582	6,499,469,593
	32,492,824,081	7,106,511,415	7,105,435,925	46,704,771,421
	(9,087,276,888)	(2,498,813,354)	(3,728,256,044)	(15,314,346,287)
	95,636,547,680	9,552,387,488	13,042,745,685	118,231,680,852

11.1.2 Advances - Credit loss allowance

	March 31, 2026 (Un-audited)			
	----- Rupees -----			
	Stage 1	Stage 2	Stage 3	Total
Credit loss allowance opening balance	3,406,037,154	3,842,114,956	9,923,112,765	17,171,264,875
New Advances	3,797,320,423	-	-	3,797,320,423
Advances derecognized or repaid	1,103,999,824	-	-	1,103,999,824
Transfer to stage 1	10,865,559	(8,677,212)	(2,188,347)	-
Transfer to stage 2	(1,196,817,620)	1,212,058,539	(15,240,919)	-
Transfer to stage 3	(2,020,074,461)	(1,922,199,522)	3,942,273,983	-
	1,695,293,725	(718,818,194)	3,924,844,717	4,901,320,247
Change in exposure	(808,855,297)	3,235,124,371	(151,792,010)	2,274,477,065
Total provision charged for the period / year	886,438,428	2,516,306,177	3,773,052,707	7,175,797,312
Amounts written off	(56,148)	-	(2,637,387,507)	(2,637,443,655)
Credit loss allowance closing balance	4,292,419,434	6,358,421,133	11,058,777,965	21,709,618,532

	December 31, 2025 (Audited)			
	----- Rupees -----			
	Stage 1	Stage 2	Stage 3	Total
	3,309,408,948	2,333,313,121	6,266,373,546	11,909,095,615
	8,609,822,941	-	-	8,609,822,941
	(5,317,222,704)	-	-	(5,317,222,704)
	15,216,887	(829,683)	(14,387,204)	-
	(432,594,228)	454,649,148	(22,054,920)	-
	(273,056,619)	(34,184,374)	307,240,993	-
	2,602,166,277	419,635,091	270,798,869	3,292,600,237
	6,581,738,817	3,587,980,098	7,114,196,394	17,283,915,309
	9,183,905,094	4,007,615,189	7,384,995,263	20,576,515,546
	(9,087,276,888)	(2,498,813,354)	(3,728,256,044)	(15,314,346,286)
	3,406,037,154	3,842,114,956	9,923,112,765	17,171,264,875

		March 31, 2026 (Un-audited)	December 31, 2025 (Audited)
	Note	----- Rupees -----	
12 PROPERTY AND EQUIPMENT			
Capital work in progress	12.1	382,716,669	294,425,480
Property and equipment	12.2	2,157,414,568	2,277,923,771
		<u>2,540,131,237</u>	<u>2,572,349,251</u>
12.1 Capital work in progress			
Civil works		185,804,340	97,513,150
Advances to suppliers and contractors		196,912,329	196,912,329
		<u>382,716,669</u>	<u>294,425,479</u>
12.2 Additions			

The following additions have been made to property and equipment during the period:

Capital Work in progress - net

88,291,190 414,985,112

Property and Equipment

Electrical, office and computer equipment
Furniture and fixture
Vehicles
Leasehold improvements

7,139,521	813,519,202
10,524,736	94,675,195
-	55,024,746
-	230,410,095
<u>17,664,257</u>	<u>1,193,629,237</u>
<u>105,955,447</u>	<u>1,608,614,349</u>

12.3 Disposal of property and equipment

The net book value of property and equipment disposed off during the period is as follows:

Disposals:

Electrical, office and computer equipment
Furniture and fixture
Leasehold improvements

32,425,587	690,103
-	100,094
-	4,677,019
<u>32,425,587</u>	<u>5,467,216</u>

Total

13 RIGHT-OF-USE ASSETS	March 31,2026 (Un-audited) ----- Rupees -----			December 31,2025 (Audited) ----- Rupees -----		
	Buildings	Vehicles	Total	Buildings	Vehicles	Total
	At January 01,					
Cost	3,470,363,200	121,908,355	3,592,271,555	2,710,819,186	155,255,830	2,866,075,016
Accumulated depreciation	(1,160,127,469)	(33,320,972)	(1,193,448,441)	(772,367,475)	(9,110,640)	(781,478,115)
Net carrying amount	<u>2,310,235,731</u>	<u>88,587,383</u>	<u>2,398,823,114</u>	<u>1,938,451,711</u>	<u>146,145,190</u>	<u>2,084,596,901</u>
For the period / year movement						
Additions during the period/ year	335,553,101	32,248,125	367,801,227	790,361,206	15,121,397	805,482,603
Depreciation charge for the period/ year	(102,273,610)	(9,206,114)	(111,479,724)	(387,759,994)	(37,275,351)	(425,035,344)
Remeasurement/Modification	-	(4,398,404)	(4,398,404)	(30,817,192)	6,536,740	(24,280,452)
Deletions during the period/ year						
- Cost	-	-	-	-	(55,005,612)	(55,005,612)
- Accumulated depreciation	-	-	-	-	13,065,019	13,065,019
	<u>233,279,491</u>	<u>18,643,607</u>	<u>251,923,099</u>	<u>371,784,020</u>	<u>(57,557,807)</u>	<u>314,226,213</u>
Net carrying amount at Period end	<u>2,543,515,222</u>	<u>107,230,990</u>	<u>2,650,746,213</u>	<u>2,310,235,731</u>	<u>88,587,383</u>	<u>2,398,823,114</u>

14 INTANGIBLE ASSETS	March 31, 2026 (Un-audited) ----- Rupees -----	December 31, 2025 (Audited)	
	Capital work in progress	568,544,916	520,785,384
	Computer software	789,933,772	863,775,811
	<u>1,358,478,687</u>	<u>1,384,561,195</u>	
14.1 Additions to intangible assets			
The following additions have been made to intangible assets during the period:			
Directly purchased	3,361,200	733,040,660	
Capital work in progress	47,759,531	425,880,880	
	<u>51,120,731</u>	<u>1,158,921,540</u>	

15 DEFERRED TAX ASSET	Note	March 31,	December 31,
		2026	2025
		(Un-audited)	(Audited)
		----- Rupees -----	
Deductible temporary differences on:			
Provision against non-performing advances		8,466,751,227	6,696,793,301
Provision for gratuity		169,658,023	158,605,802
Lease liabilities		1,158,457,977	1,097,259,065
Right of use assets		(1,033,791,024)	(935,541,015)
Intangible assets		9,539,245	1,711,896
Property and equipment		(74,415,776)	(100,622,478)
Taxable temporary differences on:		8,696,199,672	6,918,206,571
Surplus on revaluation of investments measured at fair value through OCI		103,886,294	(40,092,156)
Property and equipment		-	-
		103,886,294	(40,092,156)
		8,800,085,966	6,878,114,415
		March 31,	December 31,
		2026	2025
		(Un-audited)	(Audited)
		----- Rupees -----	
16 OTHER ASSETS			
Advances, deposits and prepayments		1,585,017,023	1,196,116,491
Receivable from related parties	16.1	399,873,908	617,270,156
ATM cards / printed stationary		142,695,750	68,210,242
Receivables from State Bank of Pakistan	16.2	1,443,098,954	1,352,288,682
Receivable from Raast		-	1,687,947,982
Advance tax		-	-
Deferred employee benefits		722,571,013	722,571,013
Others		4,951,424,874	2,875,992,458
		9,244,681,522	8,520,397,024
16.1 Receivable from related parties			
Pakistan Mobile Communications Limited (PMCL)		2,844,472	-
JC Fintech (Private) Limited (JCFL)		348,569,461	584,056,711
Jazz cash (Private) Limited		45,778,446	30,539,588
Veon Limited (Ultimate Parent Company)		2,681,529	2,673,857
16.2 This represents claims for the amount of insurance premiums lodged / to be lodged with SBP under crop loan insurance scheme, livestock insurance scheme, Mera Ghar Mera Pakistan scheme and Interest free loan for Landless farmers of borrowers of the Bank.			
		March 31,	December 31,
		2026	2025
		(Un-audited)	(Audited)
		----- Rupees -----	
17 Bills payable			
In Pakistan		392,159,001	703,185,185

Note	March 31,	December 31,
	2026 (Un-audited)	2025 (Audited)
----- Rupees -----		
18 Borrowings		
Secured		
<i>Borrowings from State Bank of Pakistan</i>		
Long term facility	18.1	1,439,505,236
Finance cost on Long term facility		50,851,143
94,488,485		
<i>Borrowings from Other Banks / Financial Institutions</i>		
Short term facility	18.2	2,343,615,043
1,981,640,000		
<i>Finance cost on Short term facility- Net of Payments</i>		
		13,884,300
		2,384,232
		<u>3,847,855,722</u>
		<u>3,518,017,954</u>

18.1 The Bank has secured Demand finance facilities during the period on following terms:

i) State Bank of Pakistan provided the bank a credit line facility under Women Inclusive Finance Program amounting to Rs. 750 million on June 28, 2024 to ease the liquidity constraints of microfinance sector and provide access to long-term market based funding that will enhance lending to women microfinance borrowers including microenterprises and microhousing. It carries markup at the subsidized rate of six months KIBOR - 1% per annum payable by 15th of the subsequent month of half year. The tenure of loan is 5 years. The loan is discounted using level 2 inputs other than quoted prices that are observable for the liability.

ii) Another long term credit line facility of Rs 827 million was granted on March 28, 2025 by the State Bank of Pakistan (SBP) under Women Inclusive Finance Program.

The facility carries markup at the subsidized rate of six months KIBOR - 1% per annum payable semi-annually. The tenure of loan is 3 years. The loan is discounted using level 2 inputs other than quoted prices that are observable for the liability.

The difference between the present value of subsidized rate and the market rate observed from level 2 inputs has been taken to deferred grant and will be amortized over the remaining tenure of the loan.

18.2 The Bank has two secured running finance facilities during the period on following terms.

i) The Bank entered into running finance facility agreement amounting to Rs 1,000 million with Allied bank to finance its operations and carries mark-up at the rate of three months KIBOR + 0.85% per annum payable on quarterly basis. The tenure of loan is 12 months. First pari passu charge over all the present and future advances , loan portfolio , receivables and investments of the bank with 25% margin. As at March 31, 2026 the facility was utilized Rs. 844.47 million (2025: PKR 979.2 Million).

ii) The Bank has a Running Finance Facility Agreement amounting to PKR 1,000 million with the Bank of Punjab to finance its working capital requirements. The facility carries a mark-up rate of 3 Months KIBOR + 0.80% per annum, payable quarterly in arrears. The tenure of the loan is 12 months, with the expiry date of 31-May-2026. A First Pari Passu Charge (FPPC) has been created over all the present and future current assets of the Bank with a 25% margin. The facility is secured excluding land and buildings. As at March 31, 2026 the facility was not utilized (2025: Nil).

iii) The Company has a Running Finance Facility Agreement amounting to PKR 1,000 million with MCB to finance its working capital requirements. The facility carries a mark-up rate of 1 Months KIBOR + 1% per annum, payable quarterly in arrears. The tenure of the loan is 12 months, with the expiry date of 30-Apr-2026. A First Pari Passu Charge (FPPC) has been created over all the present and future current assets of the Company with a 25% margin. The facility is secured excluding land and buildings. As at March 31, 2026, the facility was utilized upto PKR 1,000 Million. (2025: PKR 1,000 Million).

iv) The Company has a Running Finance Facility Agreement amounting to PKR 500 million with JS Bank Limited to finance its working capital requirements. The facility carries a mark-up rate of 1 Months KIBOR + 1% per annum, payable quarterly in arrears. The tenure of the loan is 12 months, with the expiry date of 31-Aug-2026. A First Pari Passu Charge (FPPC) has been created over all the present and future current assets of the Company with a 25% margin. The facility is secured excluding land and buildings. As at March 31, 2026, the facility was utilized upto PKR 499 Million. (2025: Nil).

	March 31,	December 31,
	2026 (Un-audited)	2025 (Audited)
----- Rupees -----		
19 DEPOSITS AND OTHER ACCOUNTS		
Customers		
Current Deposits	130,376,575,299	114,238,166,298
Saving Deposits	93,025,177,675	87,824,275,584
Term deposits	6,990,202,613	9,983,558,096
	230,391,955,586	212,045,999,978
Financial Institutions		
Current Deposits	525,884,685	146,151,221
Saving Deposits	1,248,493,328	1,343,317,325
Term deposits	322,500,000	397,987,256
	2,096,878,014	1,887,455,802
	<u>232,488,833,600</u>	<u>213,933,455,780</u>

Note	March 31,	December 31,
	2026	2025
	(Un-audited)	(Audited)
	----- Rupees -----	
20 LEASE LIABILITIES		
At January 01	2,813,484,781	2,173,598,296
<i>Additions during the period / year:</i>		
Buidlings	335,553,101	790,361,206
Vehicles	20.1 32,248,125	15,121,397
<i>Deletions during the year:</i>		
Vehicles	-	(45,150,228)
Remeasurement/Modification	(400,022)	(24,280,452)
Interest Expense	105,473,124	386,678,333
Payment	(315,954,040)	(482,843,771)
At March 31	<u>2,970,405,070</u>	<u>2,813,484,781</u>

- 20.1** The Bank (MMBL) has entered in to Lease Finance Facility (LFF) agreement amounting to Rs 300 Million with The Bank of Punjab, for the procurement of new or used vehicles, either local or imported, to meet the operational requirements of MMBL and its staff/employees. The applicable interest rate is the 3-month Karachi Inter-Bank Offer Rate (KIBOR) plus 0.85% per annum, with the mark-up payable quarterly in arrears. The tenor for each lease facility is limited to a maximum of 4 years. No grace period is provided for this lease facility. The title of the leased vehicles will be held in the name of The Bank of Punjab (BOP) as security.

Note	March 31,	December 31,
	2026	2025
	(Un-audited)	(Audited)
	----- Rupees -----	
21 SUBORDINATED DEBT		
Opening	20.1 2,011,404,171	2,016,547,946
Finance Cost:		
Finance cost on subordinated debt	65,490,411	286,780,274
Payment during the period / year	-	(291,924,049)
	<u>2,076,894,582</u>	<u>2,011,404,171</u>

- 21.1** This represents Rated, Unsecured, Subordinated, and Privately Placed Tier II Term Finance Certificates (TFCs) of worth Rs. 2,000,000,000/-, fully subscribed on November 23, 2022, to improve the Capital Adequacy Ratio, carrying a floating coupon rate of 6-month KIBOR plus 2.10% per annum. The issue is for a period of 7 years from the date of subscription and will mature on November 23, 2029. The issuer has assigned a preliminary rating of "A-" (Single A minus).
- The TFCs were listed on the Pakistan Stock Exchange (PSX) on May 22, 2025, with trading commencing on May 23, 2025. Only Qualified Institutional Buyers (QIBs) are allowed to trade these TFCs. The market lot is one certificate with a face value of PKR 100,000, and settlement is carried out through the National Clearing Settlement System (NCSS) on a T+1 basis.
- The interest is payable on a bi-annual basis, starting from six months subsequent to the subscription of the TFCs. The principal amount shall be redeemed in four (4) equal semi-annual installments commencing from the end of the 66th month from the issue date. The Issuer (MMBL) may call the TFCs, in part or in full, after five (5) years from the issue date on the principal redemption date, subject to prior SBP approvals, by giving 45 days' prior notice to the Issue Agent and Investors. The notice, once given, shall be irrevocable, and shall specify the date fixed for the exercise of the Call Option (the "Call Option Date").
- As per the lock-in clause requirement for Tier II Issues (Para 12 of Annexure 3 of BPRD Circular # 6 of 2013), neither profit nor principal will be payable (even at maturity) in respect of the TFCs if such payment will result in a shortfall in the Bank's Capital Adequacy Ratio (CAR) or an increase in any existing shortfall in CAR.
- As per the Loss Absorbency Clause requirement (Para xix of Annexure 3 and Para A-53 of Annexure 5 of BPRD Circular # 6 of 2013) for Tier II capital purposes, the TFCs will be subject to loss absorbency and/or any other requirements under SBP's instructions. Upon the occurrence of a Point of Non-Viability event, SBP may, at its option, fully and permanently convert the TFCs into common shares of the Bank and/or have them immediately written off (either partially or in full). The conversion shall be based on the price as agreed with SBP.
- Given the instrument's floating-rate feature (6M KIBOR + 210 bps) and lack of an active secondary market, Management considers that the carrying amount of the TFC, including accrued profit, approximates its fair value.

22 DEFERRED GRANTS	Note	March 31,	December 31,
		2026	2025
		(Un-audited)	(Audited)
		----- Rupees -----	
Opening balance		94,467,205	63,433,566
Grant received during the period / year		-	58,920,913
Grant recognised as Income during the period / year		-	(27,887,274)
Closing balance		<u>94,467,205</u>	<u>94,467,205</u>

23 OTHER LIABILITIES	Note	March 31,	December 31,
		2026	2025
		(Un-audited)	(Audited)
		----- Rupees -----	
Accrued expenses	23.1	5,928,389,088	3,969,664,128
Payable to related parties	23.2	7,838,708,597	5,009,705,705
Tax payable	23.3	1,770,786,545	178,239,772
Defined benefit obligation		435,020,572	406,681,543
Taxes and levies withheld		1,144,272,935	1,903,838,597
Payable to suppliers		2,229,310,954	1,997,712,282
Bills collected for settlement through NADRA		193,552,706	141,406,693
RAAST payable		-	-
Remittances	23.4	4,541,386,600	2,974,554,855
Payable to Merchants and others		1,656,382,017	3,018,672,203
Others		1,038,746,129	1,730,742,032
		<u>26,776,556,143</u>	<u>21,331,217,810</u>

23.1 This represents accruals related to utility bills, NADRA charges, professional charges, employee bonus and incentives.

23.2 Payable to related parties	Note	March 31,	December 31,
		2026	2025
		(Un-audited)	(Audited)
		----- Rupees -----	
Payable to related parties - PMCL		708,689,676	700,528,437
Payable to related parties - JCFL		6,672,168,785	3,713,722,916
Payable to related parties - JCPL		22,051,143	159,631,264
Payable to related parties - VEON		435,798,993	435,823,089
		<u>7,838,708,597</u>	<u>5,009,705,706</u>

23.3 Tax payable	Note	March 31,	December 31,
		2026	2025
		(Un-audited)	(Audited)
		----- Rupees -----	
Opening balance		178,239,772	(515,616,279)
Provision for taxation		2,107,647,177	3,417,644,035
Tax paid	35	(515,100,404)	(2,723,787,984)
Advance tax paid		-	-
Closing balance		<u>1,770,786,545</u>	<u>178,239,772</u>

23.4 It also includes Rs.3.94 billion (2025: Rs 1.99 billion) related to uncollected remittances.

		<u>March 31, 2026</u>	<u>December 31, 2025</u>
		(Un-audited)	(Audited)
		----- Rupees -----	
24 SHARE CAPITAL			
Authorized capital			
	2026		
	Numbers		
	2025		
	Numbers		
	<u>1,360,000,000</u>	<u>13,600,000,000</u>	<u>13,600,000,000</u>
	<i>Ordinary shares of Rs. 10 each.</i>		
Issued, subscribed and paid-up capital			
	<u>413,196,418</u>	<u>4,131,964,180</u>	<u>4,131,964,180</u>
	<i>Fully paid in cash of Rs. 10 each.</i>		

- 24.1** Veon Microfinance Holdings B.V (VMH) is the holding company controlling 413,196,413 i.e. 99.99% shares (2025: 413,196,413 i.e. 99.99%). Each share of the company has equal voting right and power.

	Note	<u>March 31, 2026</u>	<u>December 31, 2025</u>
		(Un-audited)	(Audited)
		----- Rupees -----	
25 ADVANCE AGAINST ISSUE OF SHARES	25.1	<u>5,611,750,000</u>	<u>5,611,750,000</u>

- 25.1** In 2025, the Bank received advance against Right Issue amounting to Rs 1.4 Billion and Rs. 4.2 Billion for issuance of 56,490,780 and 168,441,840 shares respectively, to be fully subscribed by the Bank's parent company Veon Microfinance Holdings B.V.

	Note	<u>March 31, 2026</u>	<u>December 31, 2025</u>
		(Un-audited)	(Audited)
		----- Rupees -----	
26 (DEFICIT) / SURPLUS ON FAIR VALUE OF ASSETS			
<i>Fair Value Surplus / (deficit) on revaluation of</i>			
- FVOCI - debt	10.1	(266,375,113)	102,800,400
<i>Deferred tax on surplus / (deficit) on revaluation of:</i>			
- FVOCI - debt		<u>103,886,294</u>	(40,092,156)
		<u>(162,488,819)</u>	<u>62,708,244</u>

Note	March 31,	December 31,
	2026	2025
	(Un-audited)	(Audited)
	----- Rupees -----	
27 CONTINGENCIES AND COMMITMENTS		
Guarantees	27.1	620,629,066
		<u>620,629,066</u>
		<u>679,443,894</u>
27.1 Financial guarantees		
Bank guarantee	27.1.1	452,642,722
Standby letter of guarantee	27.1.2	167,986,344
		<u>167,986,344</u>
		<u>679,443,894</u>

27.1.1 This mainly includes Bank guarantees issued by the Bank to Pakistan Railway amounting to Rs.100 million against the online payment processing services, Benzair income support program amounting to Rs. 65 million, Punjab Social Protection Authority amounting to Rs. 75 million, Directorate Animal Husbandry Sindh amounting to Rs. 48.5 million and World Food Programme amounting to Rs. 20.34 million.

27.1.2 This represents letter of guarantee issued by the Bank to M/s Visa amounting to Rs. 14.16 million and Master Card International amounting to USD 100,000 and Rs.282.26 million respectively for interbank settlement. The amount is translated into PKR at exchange rate prevailing on reporting date.

27.2 Other contingent liabilities

- a) The Taxation Officer issued the assessment order under section 122(5A) of the Income Tax Ordinance, 2001 dated January 29, 2025 by reducing refund amount by Rs. 58.31 M. The Bank has filed appeal before the ATIR on February 26, 2025 and the case is not yet fixed for hearing.
- b) In addition to the above the bank is contesting litigations with tax authorities on different forums including litigations such as sales tax and FED. Rs.19.48 M, Rs. 41.66 M Rs. 66.32 M, Rs.280.23M and Rs.248.66 M related to Sales Tax demands for the years from 2019 to 2022 which are still under appeal before the CIR(A) and ATIR. Management consider these litigations are not material and expects a favorable decision from tax authorities.
- c) In June 2020, the Assessing Officer imposed penalty of Rs. 6.13 million under section 182 of the Ordinance for Tax Year 2019 alleging late filing of the Income Tax return. The Bank's appeal was accepted by the CIR(A) and the demand was deleted. The Department has filed appeal before the ATIR which is pending adjudication.
- d) For the year ended 31 December 2016 and 2017, the Taxation Officer, SRB issued an assessment order dated 27 April 2024 adjudging Sindh sales tax demand of Rs. 5.57 million. On 21 May 2024, the Bank filed an appeal before the C(A), SRB, the proceedings whereof are underway. However, the likelihood of a favorable outcome is medium.

27.3 The Bank has various pending litigations mainly involving its customers, and also includes claims filed by its former employees. The Bank has also filed counter claims in various cases. While these litigations remain pending at various forums. Management, based on legal advice, believes that no material liability would be incurred by / against the bank in relation to these cases.

Note	March 31,	March 31,
	2026	2025
	(Un-audited)	(Un-audited)
	----- Rupees -----	
28 MARKUP / RETURN / INTEREST EARNED		
Loans and advances	28.2	11,745,451,686
Investments		1,882,570,064
Balances with other MFBs / banks / NBFIs		205,502,531
Lendings to financial institutions		617,468,334
		<u>14,450,992,615</u>
		<u>23,518,286,286</u>

28.1 Interest income (calculated using effective interest rate method) recognised on:

Financial assets measured at amortised cost;	22,607,110,800	12,832,098,115
Financial assets measured at FVOCI.	911,175,486	1,618,894,500
	<u>23,518,286,286</u>	<u>14,450,992,615</u>

28.2 This includes markup income on Nano loans amounting to Rs.14,758 million (2025: Rs 7,700 million)
This Markup Income includes JCFL Share amounting to Rs. 10,835 million under Revenue Sharing arrangement with JCFL.

	Note	March 31, 2026 (Un-audited)	March 31, 2025 (Un-audited)
		----- Rupees -----	
29 MARK-UP / RETURN / INTEREST EXPENSED			
Deposits		2,936,769,986	2,244,796,931
Subordinated debt		65,490,412	77,572,603
Borrowings		69,927,630	62,858,313
Lease liabilities		105,473,124	84,877,133
		<u>3,177,661,152</u>	<u>2,470,104,980</u>
29.1 Interest expense calculated using effective interest rate method		<u>3,177,661,152</u>	<u>2,470,104,980</u>
30 FEE AND COMMISSION INCOME			
Branchless banking income	30.1	6,470,452,914	4,296,272,468
Commission from insurance companies		548,775,625	269,342,159
Loan processing fee		256,300,998	69,572,894
Others		80,720,014	134,732,362
		<u>7,356,249,551</u>	<u>4,769,919,883</u>
	Note	March 31, 2026 (Un-audited)	March 31, 2025 (Un-audited)
		----- Rupees -----	
30.1 Branchless banking income			
<i>Income</i>			
Branchless banking income	30.3	6,999,103,881	4,562,500,651
Interest income on Nano advances		14,758,151,269	7,770,092,866
		<u>21,757,255,150</u>	<u>12,332,593,517</u>
<i>Expenses</i>			
Commission to retailer / franchisee		(461,718,107)	(1,242,623,281)
Commission to a related party - JCFL	30.4	(10,860,799,560)	(5,307,374,399)
		<u>(11,322,517,667)</u>	<u>(6,549,997,680)</u>
Net income from branchless banking		<u>10,434,737,483</u>	<u>5,782,595,837</u>
Amounts reclassified			
To markup/return interest earned			
Interest income on Nano advances Reclassified to Markup/return interest earned	28	(14,758,151,269)	(7,770,092,866)
Fee and commission income			
Reclassified to Commission from insurance companies		(528,650,967)	(266,228,183)
To Operating and administrative expenses			
Commission to retailer / franchisee	32	461,718,107	1,242,623,281
Commission to a related party - JCFL	32	10,860,799,560	5,307,374,399
Net reclassification		<u>(3,964,284,569)</u>	<u>(1,486,323,369)</u>
Branchless banking income		<u>6,470,452,914</u>	<u>4,296,272,468</u>

30.2 The total income from branchless banking comprises earnings from wallet-based transactions conducted through the JazzCash platform and interest income on nano advances extended via digital channels. Associated expenses include commissions paid to retailers and agents, as well as the share of profit attributable to JC Fintech (Private) Limited (JCFL) under the revenue-sharing arrangement. For presentation purposes, interest income on nano advances is classified under mark-up/interest earned, while the related commission and profit-sharing expenses are reported under operating and administrative expenses. Consequently, the income disclosed under branchless banking represents the residual profit arising solely from wallet transaction commission

30.3 This represents the income from branchless banking operations (Jazz cash) carried out by the Bank together with JCFL through agency agreement under SBP Branchless Banking Regulations. As per the agreement, Income from Jazz cash (Net of Agents commission) is shared between the Bank and JCFL in the ratio of 30:70 respectively.

30.4 This represents JCFL's share in fee income and expenses at the rate of 70% and 50% share in float as per agency agreement with JCFL.

	Note	March 31, 2026 (Un-audited)	March 31, 2025 (Un-audited)
31 OTHER INCOME			
(Loss) / Gain on disposal of fixed assets		347,221	(11,911,983)
Grant Income	22	-	-
Miscellaneous income		44,026,701	47,219,836
		<u>44,373,922</u>	<u>35,307,853</u>

	Note	March 31, 2026 (Un-audited)	March 31, 2025 (Un-audited)
32 OPERATING EXPENSES			
		----- Rupees -----	
<i>Branchless banking commission expense</i>			
Commission to retailer / franchisee	30.1	461,718,107	1,242,623,281
Commission to a related party - JCFL	30.1	10,860,799,560	5,321,481,947
<i>Others</i>			
Total compensation expense		1,819,030,503	1,325,958,788
Contribution to defined contribution plan		68,882,005	54,547,347
Provision for Defined benefit obligation		43,125,173	33,710,071
Directors' fees and allowances		2,400,000	5,100,000
Training / Capacity building		29,210,661	29,945,183
Rent, taxes, insurance, electricity, etc.		347,015,800	208,931,831
Legal and professional charges		81,580,340	20,141,292
Communications		18,004,742	14,142,294
Repair and maintenance - Vehicle		3,696,733	5,296,328
Stationary and printing		81,097,359	64,650,527
Advertisement and publicity		24,027,999	14,730,484
Auditors remuneration	32.1	52,581,951	885,357
Depreciation		267,247,728	224,990,755
Amortization		77,203,240	64,745,668
Travel and transportation		146,689,080	43,741,713
Management fee		26,598,765	2,063,040
Repair and maintenance - General		30,553,136	19,314,632
Customer verification charges	32.2	604,525,130	381,808,811
Bank charges		879,606,871	564,721,925
IT equipment and software maintenance		595,249,371	603,617,785
Ready cash expense	32.3	1,903,564,692	482,201,839
Security		76,999,526	49,899,537
Janitorial services		92,846,713	70,609,524
Office supplies		10,899,752	8,553,681
Entertainment		20,832,901	5,218,661
Technical Support Charges - JCFL		597,881,986	-
Other projects expenses		318,636,477	9,370,402
Others		136,809,079	61,063,440
		<u>19,679,315,380</u>	<u>10,934,066,143</u>

- 32.1** This includes fee for audits of financial statements of AJK operations, group auditors fee accrual for current year and for other certifications.
- 32.2** This includes verification charges of National Database Registration Authority (NADRA) for verisys, eCIB charges and other charges for customer verifications.
- 32.3** This represents expense incurred by MMBL in relation to services offered by ChannelVas (CVAS) for monitoring the nano loan portfolio and for recovering nano loans.

	Note	March 31, 2026 (Un-audited)	March 31, 2025 (Un-audited)
		----- Rupees -----	
33 OTHER CHARGES			
Others		-	20,000
Penalties imposed by the State Bank of Pakistan	33.1	-	-
		<u>-</u>	<u>20,000</u>
33.1			
The charge represents the penalties paid to the State Bank of Pakistan (SBP) in respect of certain instances of violations.			
	Note	March 31, 2026 (Un-audited)	March 31, 2025 (Un-audited)
		----- Rupees -----	
34 CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET			
Credit loss allowance against loans & advances	11.1.2	8,788,965,410	5,436,149,376
Recovery of written off / charged off bad debts		(1,613,168,099)	-
Other writeoffs		-	-
		<u>7,175,797,311</u>	<u>5,436,149,376</u>
		March 31, 2026 (Un-audited)	March 31, 2025 (Un-audited)
		----- Rupees -----	
35 TAXATION			
Current		(2,107,647,177)	735,449,591
Prior Year		-	-
Deferred		1,777,993,102	(591,118,939)
		<u>(329,654,075)</u>	<u>144,330,652</u>
36 BASIC EARNINGS PER SHARE			
Profit for the period		<u>539,919,433</u>	<u>261,101,841</u>
Weighted average number of ordinary shares		<u>413,196,418</u>	<u>271,359,683</u>
Basic (loss) / earnings per share		<u>1.31</u>	<u>0.96</u>
37 DILUTED (LOSS) / EARNINGS PER SHARE			
Profit for the period		<u>539,919,433</u>	<u>261,101,841</u>
Weighted average number of ordinary shares (adjusted for the effects of all dilutive potential ordinary shares)		<u>638,129,038</u>	<u>413,374,989</u>
Diluted (loss) / earnings per share		<u>0.85</u>	<u>0.63</u>

38 FAIR VALUE MEASUREMENTS

The fair value of traded investments is based on quoted market prices, except for securities classified by the Bank as 'held to maturity'. Securities classified as held to maturity are carried at amortized cost. Fair value of unquoted equity investments is determined on the basis of break up value of these investments as per the latest available audited financial statements.

Fair value of fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments. The provision for impairment of loans and advances has been calculated in accordance with the Bank's accounting policy.

Fair value of remaining financial assets and liabilities except fixed term loans, staff loans, non-performing advances and fixed term deposits is not significantly different from the carrying amounts since assets and liabilities are either short term in nature or are frequently repriced in the case of customer loans and deposits.

The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. 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).

a) Financial instruments in level 1

Currently, no financial instruments are classified in level 1.

b) Financial instruments in level 2

Financial instruments included in level 2 comprise of investment in market treasury bills.

c) Financial instruments in level 3

Currently, no financial instruments are classified in level 3.

The Bank's policy is to recognize transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused such transfer takes place. There were no transfers between levels 1 and 2 during the period.

The table below analyses the financial and non-financial assets carried at fair values, by valuation methods. Valuation of investments is carried out as per guidelines specified by the SBP.

On balance sheet financial instruments	March 31, 2026 (Un-audited)				Total
	Carrying Value	Level 1	Level 2	Level 3	
	(Un-audited)				
	----- Rupees -----				
Financial assets - measured at fair value					
<i>Investments:</i>					
Federal Government securities	102,151,743,566	-	102,151,743,566	-	102,151,743,566
Financial assets - disclosed but not measured at fair value					
<i>Investments:</i>					
Federal Government securities	26,207,791,518	-	-	-	26,207,791,518
Cash and balances with treasury banks	9,935,220,648	-	-	-	9,935,220,648
Balances with other MFBs / Banks / NBFIs	9,197,710,027	-	-	-	9,197,710,027
Lending to financial institutions	7,996,841,518	-	-	-	7,996,841,518
Advances	106,376,634,428	-	-	-	106,376,634,428
Other assets	9,244,681,522	-	-	-	9,244,681,522
Total	271,110,623,227	-	102,151,743,566	-	271,110,623,227

On balance sheet financial instruments	December 31, 2025 (Audited)				Total
	Carrying Value	Level 1	Level 2	Level 3	
	(Audited)				
	----- Rupees -----				
Financial assets - measured at fair value					
<i>Investments:</i>					
Federal Government securities	87,143,571,802	-	87,143,571,802	-	87,143,571,802
Financial assets - disclosed but not measured at fair value					
<i>Investments:</i>					
Federal Government securities	8,137,881,876	-	-	-	-
Cash and balances with treasury banks	9,769,793,011	-	-	-	-
Balances with other MFBs / Banks / NBFIs	7,612,121,991	-	-	-	-
Lending to financial institutions	26,409,646,615	-	-	-	-
Advances	101,060,415,978	-	-	-	-
Other assets	8,520,397,024	-	-	-	-
Total	248,653,828,297	-	87,143,571,802	-	87,143,571,802

Valuation techniques and inputs used in determination of fair valuation of financial instruments within Level 2 :

38.1	Item	Valuation techniques and inputs used
	Federal Government Securities	Marked to Market on the basis of PKRV rates.

39.1 Segment details with respect to business activities

	March 31, 2026 (Un-audited)		
	Core Banking	Islamic Banking	Total
	----- Rupees-----		
Profit and loss			
Net mark-up / return / profit	20,317,569,245	23,055,889	20,340,625,134
Inter segment revenue - net	-	-	-
Non mark-up / return / interest income	7,400,596,632	638,585	7,401,235,217
Total income	27,718,165,877	23,694,474	27,741,860,351
Segment direct expenses	(19,665,555,221)	(30,934,311)	(19,696,489,532)
Inter segment expense allocation	-	-	-
Total expenses	(19,665,555,221)	(30,934,311)	(19,696,489,532)
Credit loss allowance and write offs - net	(7,175,797,311)	-	(7,175,797,311)
Profit before tax	876,813,345	(7,239,837)	869,573,508

	March 31, 2025 (Un-audited)		
	Core Banking	Islamic Banking	Total
	----- Rupees-----		
Profit and loss			
Net mark-up / return / profit	11,980,887,635	-	11,980,887,635
Inter segment revenue - net	-	-	-
Non mark-up / return / interest income	4,802,889,027	-	4,802,889,027
Total income	16,783,776,662	-	16,783,776,662
Segment direct expenses	(10,942,194,793)	-	(10,942,194,793)
Inter segment expense allocation	-	-	-
Total expenses	(10,942,194,793)	-	(10,942,194,793)
Credit loss allowance and write offs - net	(5,436,149,376)	-	(5,436,149,376)
Profit before tax	405,432,493	-	405,432,493

	March 31, 2026 (Un-audited)		
	Core Banking	Islamic Banking	Total
	----- Rupees-----		
Balance sheet			
Cash and bank balances	17,892,184,449	1,240,746,226	19,132,930,675
Investments	128,359,535,084	-	128,359,535,084
Net inter segment lending	-	-	-
Lendings to financial institutions	7,996,841,518	-	7,996,841,518
Advances - performing	103,105,844,869	-	103,105,844,869
Advances - non performing	3,270,789,559	-	3,270,789,559
Others	24,444,543,169	149,580,456	24,594,123,625
Total assets	285,069,738,648	1,390,326,682	286,460,065,330
Borrowings	3,847,855,722	-	3,847,855,722
Deposits and other accounts	232,487,399,920	1,433,680	232,488,833,600
Net inter segment borrowing	-	-	-
Others	31,086,696,715	1,223,785,286	32,310,482,001
Total liabilities	267,421,952,357	1,225,218,965	268,647,171,323
Equity	17,647,386,291	165,507,716	17,812,894,007
Total equity and liabilities	285,069,338,648	1,390,726,681	286,460,065,330
Contingencies and commitments	679,443,894	-	679,443,894

	December 31, 2025 (Audited)		
	Core Banking	Islamic Banking	Total
	----- Rupees-----		
Balance sheet			
Cash and bank balances	17,168,638,343	213,276,659	17,381,915,002
Investments	95,281,453,678	-	95,281,453,678
Net inter segment lending	26,037,816	(26,037,816)	-
Lendings to financial institutions	26,409,646,615	-	26,409,646,615
Advances - performing	97,940,783,058	-	97,940,783,058
Advances - non performing	3,119,632,920	-	3,119,632,920
Others	21,605,420,711	148,824,288	21,754,244,999
Total assets	261,551,613,142	336,063,131	261,887,676,272
Borrowings	3,518,017,954	-	3,518,017,954
Deposits and other accounts	213,928,847,517	4,608,263	213,933,455,780
Net inter segment borrowing	(26,037,816)	26,037,816	-
Others	26,769,014,020	184,745,132	26,953,759,152
Total liabilities	244,189,841,675	215,391,211	244,405,232,886
Equity	17,309,695,833	172,747,553	17,482,443,386
Total equity and liabilities	261,499,537,508	388,138,764	261,887,676,272
Contingencies and commitments	620,629,066	-	620,629,066

39.2 Segment details with respect to geographical locations

Segment details with respect to geographical locations are not presented in these financial statements as geographically the Bank is concentrated in Pakistan only.

40 RELATED PARTY TRANSACTIONS

The Bank's Ultimate Parent is Veon Limited (VL). Therefore, all subsidiaries and associated undertakings of VL are related parties of the Bank. Other related parties include directors, key management personnel (KMP) which include CEO and Head of Departments (HOD's) and entities under common directorship. All transactions involving related parties are subject to the approval of the Board of Directors. Significant transactions with the related parties entered into during the period are as follows:

	March 31, 2026 (Un-audited)				December 31, 2025 (Audited)			
	Parent	Key Management Personnel	Associates	Directors	Parent	Key Management Personnel	Associates	Directors
----- Rupees -----								
ADVANCES								
Opening balance	-	393,816,364	-	-	-	255,407,347	-	-
Addition during the period	-	70,511,346	-	-	-	179,787,313	-	-
Repaid during the period	-	(23,810,749)	-	-	-	(41,378,295)	-	-
<i>Closing balance</i>	-	440,516,961	-	-	-	393,816,364	-	-
OTHER ASSETS								
Interest / mark-up accrued	-	418,425	-	-	-	385,290	-	-
Other receivable :								
- Pakistan Mobile Communications Limited	-	-	2,844,472	-	-	-	-	-
- JC Fintech (Private) Limited	-	-	348,569,461	-	-	584,056,711	-	-
- Jazzcash (Pvt) Limited	-	-	45,778,446	-	-	30,539,588	-	-
- Veon Limited	-	-	2,681,529	-	-	2,673,857	-	-
Salary and other advances	-	3,220,000	-	-	-	4,000,000	-	-
DEPOSITS AND OTHER ACCOUNTS								
Opening balance	-	7,038,714	2,050,729,349	-	-	21,585,204	1,850,556,486	-
Received during the period / year	-	271,058,358	15,920,407,301	-	-	596,553,781	36,982,365,252	-
Withdrawn during the period / year	-	(241,906,168)	(16,915,520,791)	-	-	(611,100,272)	(36,782,192,389)	-
<i>Closing balance</i>	40.1	36,190,904	1,055,615,859	-	-	7,038,714	2,050,729,349	-
OTHER LIABILITIES								
Interest / mark-up payable								
- Pakistan Mobile Communications Limited	-	-	33,301	-	-	-	49,032	-
- JC Fintech (Pvt) Limited	-	-	240,681	-	-	-	293,585	-
Payable to related parties								
- Pakistan Mobile Communications Limited	-	-	708,689,676	-	-	-	700,528,437	-
- JC Fintech (Private) Limited	-	-	6,672,168,785	-	-	-	3,713,722,916	-
- Jazzcash (Pvt) Limited	-	-	22,051,143	-	-	-	159,631,264	-
- Veon Limited	-	-	435,798,993	-	-	-	435,823,089	-
NET ASSETS								
Advance against issue of shares								
- Veon Microfinance Holdings B.V	25	5,611,750,000	-	-	5,611,750,000	-	-	-

	March 31, 2026 (Un-audited)				March 31, 2025 (Un-audited)			
	Parent	Key Management Personnel	Associates	Directors	Parent	Key Management Personnel	Associates	Directors
INCOME								
Mark-up / Return / Interest earned	-	4,077,586	-	-	-	-	-	-
Fee and commission income								
- Jazzcash (Pvt) Limited	-	-	1,884,447	-	-	-	2,901,624	-
EXPENSE								
Mark-up / interest paid to								
- Savings Account of KMPS	-	43,796	-	-	-	-	-	-
- Pakistan Mobile Communications Limited	-	-	2,409,595	-	-	-	2,570,901	-
- JC Fintech (Pvt) Limited	-	-	47,145,914	-	-	-	-	-
- Linkdot Net (Pvt) Limited	-	-	-	-	-	-	3,164,094	-
	-	43,796	49,555,509	-	-	-	5,734,995	-
Operating expenses :								
- Branchless commission	-	-	9,560,312,390	-	-	-	4,345,974,156	-
- JC Fintech (Pvt) Limited - Technical Charges	-	-	597,881,986	-	-	-	-	-
Deposit mobilization commission paid								
- JC Fintech (Private) Limited	-	-	1,291,286,759	-	-	-	-	-
- Pakistan Mobile Communications Limited	-	-	-	-	-	-	961,400,243	-
- Jazzcash (Pvt) Limited	-	-	9,200,411	-	-	-	14,107,548	-
Payments made against defined contribution plan being employee and employer contributions	-	-	105,136,770	-	-	-	77,777,894	-
- Veon Limited	-	-	-	-	-	-	4,818,800	-
Remuneration paid	-	168,197,837	-	-	-	121,967,080	-	-
	-	168,197,837	11,563,818,316	-	-	121,967,080	5,404,078,641	-

40.1 The Deposits and other accounts balance with related parties include the following namely:

JC Fintech (Pvt) Limited
Jazz Cash (Pvt) Ltd
Pakistan Mobile Communication Limited

March 31, 2026 (Un-audited)	December 31, 2025 (Audited)
Rupees	
931,585,946	1,072,657,420
-	803,470,743
124,029,913	174,601,186
1,055,615,859	2,050,729,349

41 CAPITAL ADEQUACY & MINIMUM CAPITAL

Period Ended March 31,	December 31, 2025
----- Rupees -----	

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)	4,131,964,180	4,131,964,180
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The Bank's policy is to maintain a strong capital base to maintain investor, depositor, creditor and market confidence and to sustain future development of the business, while providing adequate returns to shareholders.

The SBP, through AC&MFD Circular No. 03 dated June 10, 2014, has required Microfinance Banks to maintain a minimum paid-up capital of Rs.1,000 million (net of accumulated losses). The paid-up capital of the Bank as at March 31, 2026 stood at Rs. 4,132 million (2025: Rs. 4,132 million) and is in compliance with SBP requirements.

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital	11,368,922,195	13,505,828,708
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	11,368,922,195	13,505,828,708
Eligible Tier 2 Capital	3,040,715,518	3,003,219,384
Total Eligible Capital (Tier 1 + Tier 2)	14,409,637,713	16,509,048,092
<i>Risk Weighted Assets (RWAs):</i>		
Credit risk	77,993,777,237	73,395,364,852
Operational risk	11,118,850,213	11,118,850,213
Total	89,112,627,450	84,514,215,065
Common Equity Tier 1 Capital Adequacy Ratio	12.76%	15.98%
Tier 1 Capital Adequacy Ratio	12.76%	15.98%
Capital Adequacy Ratio	16.17%	19.53%

- 41.1 Bank uses standardized approach for calculation of Credit risk weighted asset. Under this approach, the risk weighted amount of an on-balance sheet asset is determined by multiplying its current book value (including accrued interest or revaluations, and net of any specific provision or associated depreciation) by the relevant risk weight as provided by State Bank of Pakistan through BPRD Circular No. 10 of June 3, 2015. The bank is using transitional provisions as provided in IFRS 9 application instructions through BPRD Circular No. 03 of 2022 dated July 05, 2022 for absorption of impact of expected credit loss allowance after implementation of IFRS 9 till June 30, 2024.

In 2024, Mobilink Microfinance Bank Ltd. (MMBL) was granted a specific approval by the State Bank of Pakistan (SBP) to follow a relaxation in the calculation of its Capital Adequacy Ratio (CAR). As per the decision letter issued by SBP, with reference number [SBPHOK-BPRD-RPD-MML-815197], MMBL is allowed to adopt a following transitional arrangement to absorb the impact of Stage 1 and Stage 2 ECL provisioning on regulatory capital for the year 2024 onward:

2024 (Year-End): 70% of Stage 1 & Stage 2 provisions added back to CET1 Capital
 2025 (Interims and Annual): 50%
 2026 (Interims and Annual): 30%
 2027 (Interims and Annual): 10%

In response to the regulatory requirements, the parent company has extended an advance of Rs 5.6 billion to the Bank in 2025 against the issuance of share capital. This advance has been treated as Tier 1 capital and has provided a further boost to MMBL's CAR.

For the calculation of operational risk weighted assets, average positive Gross Income of the bank over the past three years is used. Figures for any year in which gross income is negative or zero is excluded from both numerator and denominator when calculating average.

Gross Income (GI) is defined as the sum of net interest income and net non-interest income and is arrived at before accounting for: (i) provisions (including those for credit impairment), (ii) operating expenses (netted off by agent's share against Branchless Banking income), (iii) realized profits/ losses

- 41.2 Under the requirements of updated prudential regulations, the Bank is required to maintain the Capital Adequacy Ratio of at least 15% of its risk weighted assets.

MOBILINK MICROFINANCE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2026

42 ISLAMIC BANKING BUSINESS

The Bank is operating 2 (2025: 2) Islamic Banking Branches at the end of the period.

	March 31, 2026 (Un-audited)	December 31, 2025 (Audited)
ASSETS		
Cash and balances with treasury banks	19,478,699	11,747,600
Balances with other banks	1,221,267,527	201,529,059
Due from financial institutions	-	-
Investments	-	-
Islamic financing and related assets - net	400,000	-
Property and equipment	22,362,748	22,443,309
Right-of-use assets	69,916,783	71,886,270
Intangible assets	54,494,709	54,494,709
Due from head office	-	-
Other assets	2,806,216	-
Total assets	1,390,726,682	362,100,947
LIABILITIES		
Bills payable	-	-
Due to financial institutions	-	-
Deposits and other accounts	1,433,680	4,608,263
Due to head office	-	-
Lease liabilities	82,086,230	78,947,441
Subordinated debt	-	-
Other liabilities	1,141,699,055	105,797,690
	1,225,218,965	189,353,394
NET ASSETS	165,507,716	172,747,553
REPRESENTED BY		
Islamic banking fund	200,000,000	200,000,000
Reserves	-	-
Surplus/ (Deficit) on revaluation of assets	-	-
Unappropriated profit	(34,492,284)	(27,252,447)
	165,507,716	172,747,553
CONTINGENCIES AND COMMITMENTS		
	-	-

The profit and loss account of the Bank's Islamic banking branches for the period ended March,30 2026 is as follows:

		Period Ended March 31	
		2026	2025
Profit / return earned	42.9	26,194,931	-
Profit / return expensed	42.9.1	3,139,042	-
Net profit / return		23,055,889	-
Other income			
Fee and commission income		17,975	-
Dividend Income		-	-
Foreign exchange income		620,610	-
Gain / (Loss) on securities		-	-
Other income		-	-
Total other income		638,585	-
Total income		23,694,474	-
Other expenses			
Operating expenses		30,934,311	-
Workers welfare fund		-	-
Other charges		-	-
Total other expenses		(30,934,311)	-
Loss before credit loss allowance		(7,239,837)	-
Credit loss allowance and write offs - net		-	-
Loss before taxation		(7,239,837)	-
Taxation		-	-
Loss after taxation		(7,239,837)	-

	March 31, 2026(Un-audited)			December 31, 2025(Audited)		
	In local currency	In foreign currency	Total	In local currency	In foreign currency	Total
42.1 Due from financial institutions	----- Rupees -----					
Unsecured						
Placements with other banks	1,212,003,567		1,212,003,567	200,000,000	-	200,000,000

	March 31, 2026(Un-audited)					
	Cost / amortised cost	Credit loss allowance	Surplus	Carrying value		
42.2 Investments by segments	----- Rupees -----					
Debt Instruments						
Classified / measured at amortised cost						
Federal Government Securities:						
- GoP Ijarah Sukuks	-	-	-	-		
Classified / measured at FVOCI						
Federal Government Securities:						
- GoP Ijarah Sukuks	-	-	-	-		
Non-Government debt securities	-	-	-	-		
Total investments	-	-	-	-		

	December 31, 2025(Audited)					
	Cost / amortised cost	Provision for diminution	(Deficit) / surplus	Carrying value		
Federal Government Securities:	----- Rupees -----					
- GoP Ijarah Sukuks	-	-	-	-		
Non-government debt securities						
- Power / gas and other Sukuks - listed	-	-	-	-		
- unlisted	-	-	-	-		
Total investment	-	-	-	-		

42.3 Particulars of credit loss allowance / provision

	March 31, 2026(Un-audited)				December 31, 2025(Audited)
	Stage 1	Stage 2	Stage 3	Total	Provision
	----- Rupees -----				
Non-Government debt securities	-	-	-	-	-

42.4 Islamic financing and related assets

Note

	March 31, 2026 (Un-audited)	December 31, 2025 (Audited)
	----- Rupees in -----	
Ijarah	-	-
Murabaha	400,000	-
Diminishing Musharaka	-	-
Running Musharka	-	-
Qarz e Hasna	-	-
Istisna	-	-
Impact of fair valuation of Islamic financing and related assets	-	-
Gross Islamic financing and related assets	400,000	-
Less: Credit loss allowance / provision against Islamic financings		
Stage 1	-	-
Stage 2	-	-
Stage 3	-	-
Specific	-	-
General	-	-
	-	-
Islamic financing and related assets - net of credit loss allowance / provision	400,000	-

42.5	Deposits	March 31, 2026(Un-audited)			December 31, 2025(Audited)		
		In local currency	In foreign currencie	Total	In local currency	In foreign currencies	Total
							----- Rupees -----
Customers							
	Current deposits	1,353,184	-	1,353,184	4,608,263	-	4,608,263
	Savings deposits	80,496	-	80,496	-	-	-
	Term deposits	-	-	-	-	-	-
	Others	-	-	-	-	-	-
		1,433,680	-	1,433,680	4,608,263	-	4,608,263
Financial Institutions							
	Current deposits	-	-	-	-	-	-
	Savings deposits	-	-	-	-	-	-
		1,433,680	-	1,433,680	4,608,263	-	4,608,263

42.6	Composition of deposits	Note	March 31, 2026	December 31,
			(Un-audited)	2025
----- Rupees-----				
	- Individuals		1,433,680	4,608,263
	- Government (Federal and Provincial)		-	-
	- Public sector entities		-	-
	- Banking companies		-	-
	- Non-banking financial institutions		-	-
	- Private Sector		-	-
			1,433,680	4,608,263

42.7	Other liabilities			
	Other liabilities		(1,141,699,056)	(105,797,691)

42.8	Contingencies and commitments	Note	March 31, 2026	December 31,
			(Un-audited)	2025
----- Rupees-----				
	- Guarantees		-	-
	- Commitments		-	-
			-	-

42.9	Profit/return earned on financing, investments and placements	Note	March 31, 2026	December 31,
			(Un-audited)	2025
Profit earned on:				
	Financing		-	-
	Investments		-	-
	Placements		26,194,931	2,712,621
			26,194,931	2,712,621

	March 31, 2026 (Un-audited)	December 31, 2025 (Audited)
	----- Rupees-----	
42.9.1 Profit on deposits and other dues expensed	-	-
Deposits and other accounts	-	-
Due to Financial Institutions	3,138,789	10,967,967
Unwinding of discount- IFRS 16	3,138,789	10,967,967
42.9.2 Islamic banking business unappropriated profit		
Opening balance	(27,252,447)	-
Impact of adoption of IFRS 9	-	-
Balance as at January 1, 2026	(27,252,447)	-
Add: Islamic banking loss for the year	(7,239,837)	(27,252,447)
Less: Taxation	-	-
Less: Transferred to head office	-	-
Closing balance	(34,492,284)	(27,252,447)

43 GENERAL

43.1 Figures in these financial statements have been rounded to the nearest Rupee, unless otherwise stated.

43.2 Captions as prescribed by The Banking Policy & Regulations Department of State Bank of Pakistan (SBP) via circular no. 3 of 2023 dated February 09, 2023 in respect of which there are no amounts, have not been reproduced in these financial statements.