

## MOBILINK 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	A+	A1	A	A1
RATING OUTLOOK/ WATCH	Stable		Stable	
RATING ACTION	Upgrade		Reaffirmed	
RATING DATE	April 30, 2026		May 05, 2025	

### Shareholding (5% or More)

VEON Microfinance Holding B.V - 99.99%

### Other Information

Incorporated in 2012

Public Limited Unlisted Company

Chairman: Mr. Aamir Hafeez Ibrahim

President & CEO: Mr. Haaris Mahmood Chaudhary

External Auditor: Yousuf Adil 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 Mobilink Microfinance Bank Limited ('MMLB' or the 'Bank') strong market positioning with a growing footprint in the microfinance segment, and resilience in a challenging operating environment, characterized by elevated credit risk and pressure on asset quality. The ratings are also supported by the Bank's association with a well-established international sponsor, which brings to the table both technological solutions enhancing financial access, and equity support. The Bank has demonstrated significant expansion in its lending portfolio, driven by increased outreach through digital channels (NANO) and a focus on small-ticket lending, which has enabled broader financial inclusion. Profitability has improved on the back of higher spreads on account of exceptionally low cost of funds, and growth in non-markup income, particularly from branchless banking operations, while operational self-sufficiency has also strengthened, indicating improved core earnings generation. Asset quality remains an area of concern, as non-performing loans have increased in line with portfolio growth; however, this risk is mitigated to an extent by enhanced provisioning coverage, ongoing efforts to strengthen recoveries and lending policy and strong risk absorption capacity given high margins. The Bank's investment portfolio, concentrated in sovereign instruments, limits credit risk and supports liquidity. The funding profile is considered stable, underpinned by a growing deposit base, although some concentration in deposits persists. Capitalization levels have improved following equity injections and profit retention, providing adequate buffers to support future growth and absorb potential losses. Governance and risk management frameworks are viewed as sound, with no major regulatory concerns noted. Going forward, the ratings are contingent upon the Bank's ability to improve asset quality, maintain adequate capitalization, and manage risks associated with rapid portfolio growth.

## Company Profile

Mobilink Microfinance Bank Limited ('MMBL' or the 'Bank') was established in Pakistan on 29th November, 2010, as a public limited company under the Companies Ordinance, 1984. It received its microfinance operations license from the State Bank of Pakistan (SBP) on September 12, 2011, enabling nationwide operations. The Securities and Exchange Commission of Pakistan (SECP) granted the certificate of commencement of business on 13th February, 2012, followed by SBP's certificate on 20th April, 2012. MMBL primarily focuses on providing microfinance banking and associated services to underserved communities under the Microfinance Institution Ordinance, 2001. Additionally, it offers Branchless Banking Services through an agreement with Pakistan Mobile Communications Limited (PMCL), a related entity, under SBP's Branchless Banking license. During 2025, the Bank modified its arrangement for Branchless Banking services, it now operates under a tripartite agreement with Pakistan Mobile Communications Limited (PMCL) and JC Fintech (Private) Limited (JCFL).

In 2025, the Bank secured its license for Islamic banking operations. The Bank has allocated Rs. 200 million specifically for its Islamic Microfinance Division (IMD). Presently, MMBL operates through a network of 124 branches across Pakistan, including 2 Islamic branches, with its registered head office in Islamabad.

The Bank listed its Term Finance Certificates on the Pakistan Stock Exchange (PSX) and is 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.

## Sponsor Profile

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.

## Management and Governance

### CHAIRMAN/CEO PROFILE

The Board of Directors (BoDs) of MMBL comprises seven members (CY24: seven members), including two independent directors (CY24: two independent director). The Board also includes a female representative, reflecting a commitment to gender diversity. There have been no changes in the composition of the Board during the period under review.

In terms of regulatory compliance, the Board's composition is aligned with the requirements of the SBP and PSX, which emphasize an appropriate mix of executive, non-executive, and independent directors, as well as female representation to promote inclusive governance practices.

### BOARD & SENIOR MANAGEMENT

Name of Director	Position
Mr. Aamir Hafeez Ibrahim	Chairperson
Mr. Syed Muhammad Talib Rizvi	Non-Executive Director
Mr. Syed Ali Naseer	
Mr. Farrukh Hussain Khan	
Mr. Salman Sarwar Butt	Independent Director
Ms. Ayla Majid	
Mr. Haaris Mahmood Chaudhary	President & CEO

### AUDIT OPINION

The CY25 financial statements were audited by Yousuf Adil Chartered Accountants, which is categorized as 'A' on the SBP's Panel of Auditors and 'Satisfactory' rating under Quality Control Review Program, of the Institute of Chartered Accountants of Pakistan (ICAP). The auditor has

provided an unqualified and unmodified opinion, affirming that the Banks's financial statements comply with accounting standards and accurately portray the Bank's financial position as of December 2025.

## SBP REVIEW

The last full-scope inspection of MMBL by the State Bank of Pakistan (SBP) was conducted in 2025, and no major observations were noted.

## 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	CY23	CY24	CY25
No of loan Officers & Recovery officers	970	910	977
No. of branches	109	113	124
No of active Borrowers	2,340,788	4,073,775	5,497,493
LOs/Branch	8	8	8
Active Borrowers/LO	2,413	4,477	5,626
Active Borrowers/Branch	21,475	35,735	44,334
Average Loan Size (PKR)	32,856	21,317	21,507

The Bank's productivity indicators reflect strong client growth alongside a strategic expansion of its workforce. The number of loan and recovery officers increased to 977 (FY24: 910) in FY25, primarily due to the establishment of a dedicated recovery team aimed at strengthening portfolio quality and collections. This increase in staff coincided with a significant rise in active borrowers, indicating continued outreach and client acquisition. Notably, this growth in borrowers is also attributable to the Bank's increasing reliance on digital lending, particularly through lower ticket-size nano loans, which have enabled rapid scaling and broader financial inclusion. While the number of branches expanded, operational efficiency remained stable, as reflected in consistent LOs per branch.

### DIGITIZATION

In 2025, the Bank continued to strengthen its cybersecurity posture through enhanced systems, governance, and risk management practices. Building on prior initiatives, the Bank's collaboration with Garaj enabled the deployment of advanced security solutions, including Trend Micro Server Security, Endpoint Security, and email protection, along with intrusion detection and prevention remained integral to safeguarding critical infrastructure. The implementation of a comprehensive Data Loss Prevention (DLP) system further ensured the protection of sensitive information against unauthorized access and exfiltration.

The Bank also made progress in vulnerability management, addressing a substantial volume of system vulnerabilities to reduce potential exploitation risks. Its cybersecurity maturity, benchmarked against the NIST Cybersecurity Framework (CSF) 2.0, remained above industry averages, reflecting the effectiveness of ongoing initiatives. Enhancements in monitoring and detection capabilities were achieved through the use of Security Information and Event Management (SIEM), Database Activity Monitoring (DAM), and Active Directory (AD) audit tools, enabling real-time threat identification and response.

Policy frameworks were further strengthened in line with ISO 27001 standards for information security management systems (ISMS), while a Privileged Access Management (PAM) system improved oversight of critical and third-party access.

### ESG INITIATIVES

MMBL continues to embed Environmental, Social, and Governance (ESG) principles across its strategy, supported by a dedicated ESG unit within the Strategy & Sustainability Department and oversight from a cross-functional ESG Steering Committee. In 2025, under its "Change to Sustain" climate action program, the Bank made notable progress in advancing sustainability and inclusion. Key achievements included the

solarization of 43 branches, deployment of a carbon emissions tracking system through the SAS ESG Suite, and disbursement of PKR 700 million under its Green Loan Portfolio. The Bank also trained over 2,000 female farmers in climate-resilient practices and reached more than 1,800 employees through ESG capacity-building initiatives. Additionally, two CSR projects focused on clean energy and water access collectively benefited over 1,100 females.

On the social front, MMBL significantly advanced women's financial inclusion through its Women Inspirational Network (WIN). In 2025, the Bank onboarded 58,500 women accounts and trained over 11,000 women in financial and digital literacy. Strategic partnerships with organizations such as CARE, USAID, UNDP, and UN Women further strengthened outreach and impact. Programs like the WIN Incubator and innovation challenges supported women-led entrepreneurship, while initiatives such as Campus Thrive enhanced financial literacy among youth.

Looking ahead to 2026, MMBL aims to deepen ESG integration by undertaking a comprehensive climate risk assessment to inform enterprise risk management and financial planning. The Bank plans to solarize additional branches, expand green financing to PKR 1.5 billion, and train 20,000 women. Continued investments in partnerships, innovation, and capacity building will position MMBL as a leader in sustainable finance and inclusive growth in Pakistan.

## LOAN PORTFOLIO

### MICROCREDIT PORTFOLIO & RISK SEGREGATIONS

(PKR Mn)	CY23	%	CY24	%	CY25	%
<b>Livestock</b>	43,480	57%	46,194	53%	55,690	47%
<b>Agriculture</b>	18,554	24%	14,524	17%	16,643	14%
<b>Microenterprise</b>	3,875	5%	3,060	4%	9,869	8%
<b>Housing</b>	1,025	1%	924	1%	1,652	1%
<b>Nano</b>	7,684	10%	21,096	24%	33,695	28%
<b>General purpose/Others</b>	2,291	3%	1,043	1%	683	1%
<b>Gross Loan Portfolio</b>	<b>76,909</b>	<b>100.0%</b>	<b>86,841</b>	<b>100.0%</b>	<b>118,232</b>	<b>100.0%</b>

During CY25, MMBL's overall gross loan portfolio expanded by 36.1%, with the Livestock and Nano segments continuing to dominate the sectoral composition. Furthermore, the combined share of agriculture and livestock loans declined in CY25, in line with the Bank's strategic decision to reduce its exposure to this segment. Management plans to further limit exposure to the agricultural sector due to elevated credit risk and past experience.

Going forward, the Bank intends to focus primarily on secured agricultural lending to borrowers with strong repayment histories, aiming to mitigate the impact of credit risk that have historically affected asset quality. Additionally, MMBL plans to shift its focus toward microenterprise loans (MSME), which have demonstrated strong credit quality. In line with this strategy, the Bank aims to pivot more towards the MSME sector, expecting lower non-performing loans (NPLs) and stronger repayment behavior in this segment to help reduce overall portfolio credit risk.

Product-wise Portfolio (PKR Mn)	FY23	%	FY24	%	FY25	%
Conventional Loans	76,909	100%	86,841	100%	118,232	100%
Shariah Loans	-	0%	-	0%	-	0%
<b>Secured vs Unsecured</b>						
Secured Loans	40,854	53%	41,102	47%	67,486	57%
Unsecured Loans	36,056	47%	45,739	53%	50,746	43%
<b>EMI vs Bullet</b>						
EMI	15,377	20%	26,874	31%	46,577	39%
Bullet	61,532	80%	59,968	69%	71,655	61%
<b>Group vs Individual</b>						
Group	-	0%	-	0%	-	0%
Individual	76,909	100%	86,841	100%	118,232	100%
<b>Gross Loan Portfolio</b>	<b>76,909</b>	<b>100.0%</b>	<b>86,841</b>	<b>100.0%</b>	<b>118,232</b>	<b>100.0%</b>

In line with the SBP's directive to transition to a fully Islamic banking model by 2028, all microfinance banks are required to prepare comprehensive documentation and a roadmap for submission by the end of the year. Currently, MMBL operates solely on a conventional lending model, with no Shariah-compliant products in its portfolio. In compliance with the said directive, the Bank has obtained an Islamic banking license and allocated PKR 200 million for the establishment of its Islamic Microfinance Division (IMD). It has also opened two Islamic branches. The implementation of an Islamic banking core banking solution is underway (Phase 1), and a Shariah advisor has been appointed, with the relevant details submitted to SBP for approval.

The share of Equal Monthly Installment (EMI) loans increased in CY25, primarily due to heightened credit risk arising from the adverse macroeconomic environment, which has affected borrowers' repayment capacity, as well as higher risk associated with bullet loans. The Bank continues to adhere to its policy of not introducing group-based lending, as part of its strategy to mitigate credit risk within its lending portfolio.

Size-wise Loan Break-up (PKR Mn)	CY24	# of Clients	%	CY25	# of Clients	%
Up to PKR 25,000	14,137	3,638,368	16%	21,511	5,002,675	18%
PKR 25,001 - PKR 50,000	6,804	211,308	8%	12,314	292,857	10%
PKR 50,001 - PKR 100,000	4,183	45,726	5%	2,492	28,585	2%
PKR 100,001 - PKR 250,000	27,985	128,441	32%	22,404	100,472	19%
PKR 250,001 - PKR 500,000	11,907	28,860	14%	15,042	36,411	13%
PKR 500,001 and above	21,827	21,072	25%	44,468	36,493	38%
<b>Total</b>	<b>86,841</b>	<b>4,073,775</b>	<b>100%</b>	<b>118,232</b>	<b>5,497,493</b>	<b>100%</b>

During CY25, the Bank's average loan size has remained stable to PKR 21,507 (CY24: PKR 21,317), reflecting a concentration of clients within the lower ticket segments of upto PKR 25,000, which collectively comprised 91.0 % (CY24: 89.4 %) of the portfolio.

## PROFITABILITY

(PKR Mn)	FY23	FY24	FY25
Return on Markup Bearing Assets	32.9%	39.9%	37.3%
Cost of Funds	6.2%	8.8%	5.6%
Spreads	26.8%	31.0%	31.6%
Operating Self Sufficiency (OSS)	104.0%	95.7%	104.3%
Profit/(Loss) after taxation	1,033	(1,833)	2,391

The Bank's spread increased to 31.6% (CY24: 30.9%) in CY25, driven by a slower decline in the return on markup-bearing assets 37.3% (CY24: 39.9%) compared to the cost of funds, which fell to 5.7% (CY24: 8.9%), with a low cost of funds being the Bank's most significant advantage. The average policy rate during CY25 stood at 11.3%, representing a decrease of 808 basis points from CY24. However, in absolute terms, markup income rose to PKR 66,654m (CY24: PKR 52,981m), primarily due to an increase in markup income from advances, which reached PKR 54,453m (CY24: PKR 41,664m). Almost around 58% of the markup income was generated from Nano Loans, which had contributed under 28% of the portfolio at year end.

Non-markup income increased to PKR 22,821m (CY24: PKR 14,408m) in CY25, primarily due to higher income generated from branchless banking operations. On the other hand, operating expenses rose to PKR 54,437m (CY24: PKR 37,925m), primarily driven by higher commissions paid to a related entity, JCFL, as well as additional inherent costs such as customer verification, bank charges, and ready cash charges, arising from the growth in digital lending activities.

The Operational Self-Sufficiency Ratio (OSS) increased to 104.3% (CY24: 95.7%), reflecting a substantial increase in recurring income. Consequently, the Bank reported a profit after tax of PKR 2,391m (CY24: loss of PKR 1,832m).

Looking ahead, the Bank intends to sustain its high coverage ratios to preserve its capacity to absorb potential future losses. While the Bank's ongoing strategic initiatives continue to entail elevated costs, anticipated efficiencies from increased scale, along with stronger margins from digital lending, are expected to partially offset the associated cost of risk.

## Financial Risk

### ASSET QUALITY

(PKR Mn)	Dec'23	Dec'24	Dec'25
Gross Advances	76,909.2	86,841.3	118,231.7
Stage 1 - Provisioning	1,997.7	3,309.4	3,406.0
Stage 2 - Provisioning	628.5	2,333.3	3,842.1
Stage 3 - Provisioning	3,473.0	6,266.4	9,923.1
<b>Net Advances</b>	<b>70,810.0</b>	<b>74,932.2</b>	<b>101,060.4</b>
NPLs	5,356	9,666	13,043
NPLs written off	3,577	14,145	15,314
Tier 1 Capital	6,186.5	9,177.8	13,505.8
Gross Infection	7.0%	11.1%	11.0%
Net Infection	2.6%	4.2%	2.9%
Incremental Infection <sup>1</sup>	9.4%	21.2%	18.1%
Specific Provisioning Coverage (Stage-3)	64.8%	64.8%	76.1%
General Provisioning Coverage <sup>2</sup>	3.7%	7.3%	6.9%

Net NPLs/Tier 1 Capital	30.4%	37.0%	23.1%
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1 Incremental Infection ratio:  $(\Delta NPLs + NPLs \text{ Written Off}) / (\text{Avg. Net Advances} + NPLs \text{ Written Off})$

2 General provisioning coverage:  $(\text{Stage-1 ECL} + \text{Stage-2 ECL}) / (\text{Gross Advances} - NPLs)$

MMBL's gross advances increased during CY25, with fresh disbursements amounting to PKR 101,231m (CY24: PKR 61,184m), compared to recoveries/derecognized amounts of PKR 61,026m (CY24: PKR 43,719m). However, non-performing loans (NPLs) continued to rise at a pace similar to that of gross advances. As a result, the gross infection ratio remained stable, while the net infection ratio improved, supported by higher specific provisioning coverage. Provisioning against performing loans remained stable during CY25. Net NPLs, although declining year-on-year, remain high relative to Tier-1 Capital.

## INVESTMENT MIX

The Bank's investment portfolio increased significantly as of Dec'25, rising to PKR 95,281m (Dec'24: PKR 61,350m), and comprised entirely of federal government securities. This growth was primarily driven by higher investment in Treasury Bills (T-Bills), with those classified as FVOCI increasing to PKR 85,427m (Dec'24: PKR 53,370m).

Additionally, the Bank expanded its exposure to Pakistan Investment Bonds (PIBs), which stood at a carrying value of PKR 9,351m (Dec'24: PKR 7,558 million) at the end of Dec'25, benefiting from relatively higher returns in a declining interest rate environment. Given the predominant allocation to sovereign instruments, the credit risk inherent in the investment portfolio remains negligible. Moreover, as the majority of the portfolio is invested in securities with maturities of less than one year, the market risk arising from the investment portfolio is also considered low.

## LIQUIDITY & LEVERAGE PROFILE

(PKR Mn)	Dec'23	Dec'24	Dec'25
Liquid Assets	54,172	84,107	112,663
Deposits	119,286	154,951	213,933
Borrowing	245	766	3,518
Subordinated Debt	2,030	2,017	2,011
Liquid Assets to Deposits and Borrowings (LADB)	44.6%	53.3%	51.3%
Advances to Deposits (ADR)	64.5%	56.0%	55.3%
CA (%)	49.8%	55.9%	53.5%
CASA (%)	71.8%	87.8%	95.1%
Liquid Assets/TA	37.5%	45.4%	43.0%

The Liquid Assets to Deposits and Borrowings (LADB) ratio slightly declined to 51.3% (Dec'24: 53.3%), owing to higher channeling of new deposit growth in advances. MMBL's deposit base expanded, while the Advances to Deposits Ratio (ADR) remained stable in CY25. Overall the reserves held represent a sizable buffer against liquidity requests.

(PKR Mn)	Dec'23	Dec' 24	Dec'25
Fixed Deposits	33,635.0	18,885.2	10,381.5
Saving Deposits	26,194.7	49,515.9	89,167.6
Current Deposits	59,456.5	86,549.5	114,384.3
Total Deposits	119,286.3	154,950.6	213,933.5
FD/TD	28.2%	12.2%	4.9%
SD/TD	22.0%	32.0%	41.7%
CD/TD	49.8%	55.9%	53.5%

Deposits constitute MMBL's primary funding source, which ensures cost-effective and stable access to liquidity for growth. Deposits accounted for 97.5% (Dec'24: 98.2%) of the Bank's total funding base. The increase in deposits was primarily driven by a rise of PKR 39,652m in savings deposits and PKR 27,835m in current deposits, which offset a decline of PKR 8,504m in fixed deposits. These shifts contributed to an improvement in MMBL's CASA ratio, which increased to 95.1% (Dec24: 87.8%). Additionally, deposits raised through the Bank's branchless banking network came to comprise 50.6% (CY24: 54.4%) of total deposits, making it the primary channel for deposit mobilization, surpassing traditional branch-based deposits. Nevertheless, depositor concentration has increased significantly and remained high, with the share of top 10 depositors still at 34% (Dec'24: 25.0%), after having fallen in CY24, vis-à-vis prior periods. While the deposits raised through branchless banking represent a diversified pool, dependence on a few large accounts has been noted.

## CAPITALIZATION

Capitalization (PKR Mn)	Dec'23	Dec'24	Dec'25
Share Capital	2,713.6	2,713.6	4,132.0
Share Premium	-	-	2,756.9

Advance against share issue	-	4,175.3	5,611.8
Statutory & General Reserve	1,166.3	1,166.3	1,644.5
Depositors' Protection Fund	431.9	506.4	684.1
Unappropriated Profit	2,674.8	813.2	2,590.6
<b>Total Equity</b>	<b>6,986.5</b>	<b>9,374.8</b>	<b>17,419.7</b>
Surplus/ (Deficit) on Fair Value of Asset	(3.1)	40.5	62.7
<b>CAR</b>	<b>16.2%</b>	<b>19.2%</b>	<b>19.5%</b>

In 2024, the Bank received an advance against a proposed right issue amounting to PKR 4.18b. This advance was subsequently converted into equity through the issuance of ordinary shares, which were allotted on June 26, 2025. As a result, the Bank's paid-up capital rose to PKR 4.13b with a further PKR 2.75b representing share premium. Furthermore, during the year, the Bank received additional advance against a right issue amounting to PKR 1.4b and PKR 4.2b.

As the Bank reported a profit, accumulated earnings increased as of Dec'25. Consequently, the Bank's total equity rose to PKR 17,420m (Dec'24: PKR 9,415m). Meanwhile, Risk-Weighted Assets (RWAs) also increased to PKR 84,514m (Dec'24: PKR 63,244m) as of Dec'25. As the growth in Tier-1 Capital was broadly in line with the increase in RWAs, MMBL maintained a stable Capital Adequacy Ratio (CAR) of 19.5% (Dec'24: 19.2%), remaining compliant with the minimum regulatory requirement of 15.0% for microfinance banks.

Financial Summary	(PKR Mn)			
<b>Balance Sheet</b>	<b>Dec'22</b>	<b>Dec'23</b>	<b>Dec'24</b>	<b>Dec'25</b>
Cash and Bank Balances with SBP and NBP	6,345	9,667	11,533	9,770
Balances with other Banks and/NBFIs/MFBs	5,611	11,116	11,223	7,612
Lending to Financial Institutions	-	7,313	11,749	26,410
Net Investments	8,347	33,388	61,350	95,281
Net Advances	56,213	70,810	74,932	101,060
Operating Fixed Asset	2,437	2,602	4,927	6,356
Other Assets	1,350	7,002	4,974	6,878
<b>Total Assets</b>	<b>81,478</b>	<b>144,379</b>	<b>185,385</b>	<b>261,888</b>
<b>Total Deposits</b>	<b>64,765</b>	<b>119,286</b>	<b>154,951</b>	<b>213,933</b>
Borrowings	1,473	245	766	3,518
Subordinated Debt	2,015	2,030	2,017	2,011
Other Liabilities	7,335	15,835	18,237	24,942
<b>Total Liabilities</b>	<b>75,588</b>	<b>137,396</b>	<b>175,970</b>	<b>244,405</b>
Paid Up Capital	2,714	2,714	2,714	4,132
Tier-1 Capital	4,758	6,187	9,178	13,506
Net Worth	5,890	6,987	9,375	17,420
<b>Income Statement</b>	<b>CY22</b>	<b>CY23</b>	<b>CY24</b>	<b>CY25</b>
Net Mark-up Income	14,550	24,764	40,505	55,902
Credit Allowances and Write Offs	1,462	8,340	20,177	20,593
Non-Markup Income	6,513	10,395	14,408	22,821
Operating Expenses	18,475	25,332	37,753	54,437
Profit Before Tax	1,126	1,487	-3,017	3,694
Profit after tax	958	1,033	-1,833	2,391
<b>Ratio Analysis</b>	<b>Dec'22</b>	<b>Dec'23</b>	<b>Dec'24</b>	<b>Dec'25</b>
Market Share (Advances)	16.3%	18.9%	18.7%	22.1%
Market Share (Deposit)	12.6%	20.0%	21.1%	25.8%
Gross Infection (%)	4.4%	7.0%	11.1%	11.0%
Incremental Infection (%)	5.9%	9.4%	21.2%	18.1%
Specific Provisioning Coverage (%)	69.9%	64.8%	64.8%	76.1%
General Provisioning Coverage (%)	1.5%	3.7%	7.3%	6.9%
Net Infection (%)	1.4%	2.6%	4.2%	2.9%
Net NPLs to Tier-1 Capital (%)	13.3%	27.0%	36.1%	23.1%
Capital Adequacy Ratio (%)	15.8%	16.2%	19.2%	19.5%
Markup on earning assets (%)	28.0%	32.9%	39.9%	37.3%
Cost of Funds (%)	4.4%	6.2%	8.8%	5.6%
Markup Spreads (%)	23.6%	26.8%	31.0%	31.6%
OSS (%)	112.2%	104.0%	95.7%	104.3%
ROAA (%)	1.3%	0.9%	-1.1%	1.1%
ROAE (%)	15.9%	16.1%	-30.0%	17.8%
Advances to Deposit Ratio	91.0%	64.5%	56.0%	55.3%
Liquid Assets to deposits & borrowings (%)	29.8%	44.6%	53.3%	51.3%

REGULATORY DISCLOSURES					Appendix I
Name of Rated Entity	Mobilink Microfinance Bank Limited – MMFB				
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
	<b>RATING TYPE: ENTITY</b>				
	April 30, 2026	A+	A1	Stable	Upgrade
	May 05, 2025	A	A1	Stable	Reaffirmed
	May 07, 2024	A	A1	Stable	Reaffirmed
	May 08, 2023	A	A1	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. For conducting this assignment, analyst did not deem necessary to contact external auditors or creditors given the unqualified nature of audited accounts and diversified creditor profile. 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. Raad Ali Hashmi	Financial Controller		13 <sup>th</sup> April 2026	
	Ms. Silah Tariq	Head Internal Controls & Transformation			
Mr. Muhammad Usman	Manager Regulatory Reporting				