

**APNA MICROFINANCE BANK LIMITED  
STREET 141-K, UPPER MALL, LAHORE**

**CONDENSED INTERIM FINANCIAL STATEMENTS  
for the period ended March 31, 2026**

## Directors' Reviews

The Directors of the Apna Microfinance Bank Limited (hereinafter referred to as 'the Bank') are pleased to present the Un-audited Condensed Interim Financial Statements of the Bank for the quarter end March 31<sup>st</sup>, 2026.

### Principal Activity and Financial Performance

The Bank was incorporated as a public limited bank and its shares are listed on Pakistan Stock Exchange Limited. The Bank's principal business is to provide microfinance banking and related services to the poor and underserved segment of society with a view to alleviate poverty under the Microfinance Institutions Ordinance, 2001.

The financial performance of the Bank during the quarter ended March 31<sup>st</sup>, 2026, is as follows.

Particular's	March 31, 2026	December 31, 2025	%
	Un-audited	Audited	Change
	-----Rupees-----		
Advances	10,997,323,867	10,566,072,768	4%
Deposits and other accounts	29,660,183,431	30,059,813,402	-1%
	March 31, 2026	March 31, 2025	
	Un-audited	Un-audited	
	-----Rupees-----		
Mark-up/Return/Interest Earned	916,698,423	676,407,747	36%
Mark-up/Return/Interest Expensed	824,996,393	730,102,740	13%
Operating expenses	518,859,365	493,525,484	5%
Loss for the period	374,485,451	491,793,574	-24%

The Bank posted a loss PKR 374 million during the current period as compared to a loss of PKR 492 million in corresponding period. The equity (net of losses) of the Bank has stood at negative PKR 10,851 million. The loss per share for the period ended March 31<sup>st</sup>, 2026 is PKR 0.87 as compared to loss per share of PKR 1.15 in the corresponding period.

The deposits of the Bank settled at PKR 29,660 million whereas advances stood at PKR 10,977 million. Investments were at PKR 2,709 million.

As of March 31, 2026, the Bank's deferred tax asset (net) totaled PKR. 1,700 million. In current period no additional deferred tax asset is recognized by the Bank.

The Bank continued to prudently manage its operating expenses and recorded an increase of 5% and total operating expenses were reported at PKR. 519 million as against PKR. 494 million for the corresponding period.

Mark-up / return / interest earned for the period ended March 31, 2026 increased to PKR 917 million from PKR 676 million in the corresponding period. This improvement is further evidenced by a significant turnaround in Net Interest Margin (NIM), which moved from a negative PKR 54 million in Q1 2025 to a positive PKR 92 million in Q1 2026. The shift reflects the Bank's successful transition to a stronger and sustainable margin profile, demonstrating the effectiveness of management's strategic and corrective measures

As of March 31, 2026, the Bank's gross NPL ratio (Gross non-performing loans to Gross Advances) decreased to 33.94%, compared to 34.56% recorded on December 31, 2025. This improvement is primarily attributed to the recoveries from the NPL which is the strategic objective and the top priority of the Bank.

## Future Outlook

The Bank has incurred loss for the period amounting to PKR. 374 million (2025: PKR. 492 million) and as at period end, its accumulated loss was PKR. 16,306 million (2025: PKR. 15,932 million). This has resulted in negative net assets of PKR. 10,851 million (2025: PKR. 10,509 million). The Bank has been non-compliant with Minimum Capital Requirements (MCR) and Capital Adequacy Ratio (CAR) requirements of Prudential Regulations for Microfinance Banks (MFBs). There has been material uncertainty related to events and conditions which may cast significant doubt about the Bank's ability to continue as a going concern and, therefore the Bank may not be able to realize its assets and discharge its liabilities in the normal course of business.

The management is executing a comprehensive, multi-faceted plan to tackle the financial and operational challenges facing the Bank. The management believes that the plan is feasible and its implementation is addressing the adverse factors impacting the Bank. Key elements of the plan include:

➤ **Commitment by the Sponsors and Injection of Further Equity:**

The Sponsors demonstrate their unwavering commitment to support the Bank. They have also issued a formal letter of support to the Bank's management, pledging to provide the requisite funding to the Bank. In year 2025, they have injected funds of PKR. 500 million in shape of fresh share deposit money. The total share deposit money stood at PKR. 2,350 million as at date. This funding is enabling the Bank to meet its maturing commitments and to expand its advances portfolio and is leading to increased markup income and improved financial position.

➤ **Increasing Secured Advances Portfolio:**

The Bank is prioritizing the expansion of its secured advances portfolio. Significant growth in our advance's portfolio will enable the Bank to significantly increase its markup income, covering markup costs and other expenses, and ultimately improving financial position of the Bank

➤ **Recovery of Non-Performing Advances:**

The non-performing advances were largely a consequence of the unprecedented economic downturn following the Covid-19 pandemic. As substantial provision has already been made, therefore, significant additional provisions are not expected in future years, and recovery of such advances will improve the financial condition of the Bank. Management is proactively pursuing the recovery of such advances and have recovered PKR. 347 million in principal from these loans in year 2025 and has also made recovery of PKR. 61.1 million in Q 1 of 2026 (PKR. 89.6 million in Q 1 of 2025).

These recoveries are also enabling the Bank to further expand its secured advances portfolio by utilizing these recovered funds.

➤ **Reducing Cost of Deposits:**

Due to reduction in policy rate by Government, the cost of deposit (COD) of the Bank has been reduced, and, its impact started reflecting from the current year. The management is also proactively implementing strategies to attract a higher volume of corporate customer deposits into current accounts, offering competitive incentives and introducing innovative products. This approach is expected to yield a significant increase in current accounts in future and hence, reduction a further reduction in the cost of deposits, leading to a positive impact on the Bank's overall financial performance and profitability.

➤ **Optimization of Operations and Reduction of Costs:**

The Bank is implementing strategic measures to optimize its branch operations, including the closure of non-productive and non-strategic branches, to effectively control costs. Additionally, the management is focused on streamlining administrative expenses without compromising the Bank's operational efficiency. These initiatives are expected to have a positive impact on the Bank's financial performance, enhancing its overall profitability.

The management believes that the results of the measures being taken by them have started reflecting their positive impact and will continue to do so going forward. The management is confident that with the implementation of its plan, it will be able to overcome all adverse financial and operational factors, and the Bank will be able to continue as a going concern.

### **Merger Proposal:**

The State Bank of Pakistan (SBP) has allowed Mobilink Microfinance Bank Limited (MMBL) to conduct Due Diligence (DD) of APNA Microfinance Bank Limited (AMBL), subject to compliance with applicable laws, rules, regulations. In case of successful DD and negotiations, AMBL shall be merged with and into Mobilink Microfinance Bank Limited under section 48 of Banking Company Ordinance 1962.

The management also realizes the importance of digital banking services in today's banking environment. Over the past years the Bank had established internet banking and mobile banking to increase its outreach and cater for the unbanked population. The first phase of this digitization process has already been completed. The next phase of our digital transformation will include the following after complying with regulatory requirements;

- Branchless banking services such as "Merchant Portal" and "Mobile Wallets"
- Issuance of Multiple schemes & Types of payments cards
- Point of Sale (POS)/ Acquiring Business
- Digitally quick Customer on boarding

This digitization initiative will not only promote a culture of social distancing but also expand the Bank's outreach while bringing down operational and branch level costs. Our vision is to build a technology powerhouse which caters to the needs of the payments industry and enhances the businesses of the Bank.

### **Credit Rating**

The long-term rating of the Bank is "BB" (double B) and the short-term rating is "A4" (A Four) with a "Negative" future outlook as determined by The Pakistan Credit Rating Agency Ltd. (PACRA) in their statement issued on May 15<sup>th</sup>, 2025.

### **Acknowledgement**

We would also like to express our gratitude to the State Bank of Pakistan (SBP), the Securities and Exchange Commission of Pakistan (SECP) and the Pakistan Stock Exchange (PSX) for their continued guidance and support. We especially offer our sincere appreciation to the management of the State Bank of Pakistan for the co-operation extended to the Bank during this demanding phase. We duly acknowledge that SBP's constant support and enlightened guidelines provided us with a reason to rethink about the future of this potential organization.

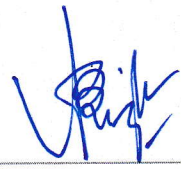
**On behalf of the Board of Directors**



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Nazish Ali  
President/CEO (Acting)

Date: April 29, 2026  
Lahore



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Abdul Aziz Khan Niazi  
Director

**APNA MICROFINANCE BANK LIMITED**  
141 K Upper Mall Scheme Lahore

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
For The Period Ended March 31, 2026

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

	Note	March 2026	December 2025
		Rupees	Rupees
		Un-audited	Audited
<b>ASSETS</b>			
Cash and balances with treasury banks	3	1,189,348,521	1,292,690,277
Balances with other MFBs/Banks/NBFIs	4	1,541,284,322	2,728,467,930
Investments	5	2,709,684,014	2,640,055,660
Advances	6	10,997,323,867	10,566,072,768
Property and equipment	7	474,249,120	486,844,712
Right-of-use assets	8	579,279,773	347,604,532
Intangible assets	9	135,701,688	138,230,459
Deferred tax asset	10	1,700,000,000	1,700,000,000
Other assets	11	855,982,019	830,304,304
<b>Total Assets</b>		<b>20,182,853,324</b>	<b>20,730,270,642</b>
<b>LIABILITIES</b>			
Bills payable - in Pakistan		80,225,652	141,939,087
Deposits and other accounts	12	29,660,183,431	30,059,813,402
Lease liabilities	13	699,707,800	482,616,668
Other liabilities	14	593,838,167	555,134,084
<b>Total liabilities</b>		<b>31,033,955,050</b>	<b>31,239,503,241</b>
<b>NET ASSETS</b>		<b>(10,851,101,726)</b>	<b>(10,509,232,599)</b>
<b>REPRESENTED BY:</b>			
Share capital		4,289,849,620	4,289,849,620
Capital reserves			
Discount on issue of shares		(1,335,963,831)	(1,335,963,831)
Share deposit money		2,350,390,279	2,350,390,279
Statutory reserve		22,078,496	22,078,496
Depositors' protection fund		5,519,624	5,519,624
Fair value reserve on investments	5	123,194,239	90,577,915
Revenue reserve			
Accumulated loss		(16,306,170,153)	(15,931,684,702)
<b>Total Capital</b>		<b>(10,851,101,726)</b>	<b>(10,509,232,599)</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	15		

*The annexed notes from 1 to 30 form an integral part of these condensed interim financial statements.*

  
 President / CEO (Acting)

  
 Chief Financial Officer

  
 Chairman

  
 Director

  
 Director

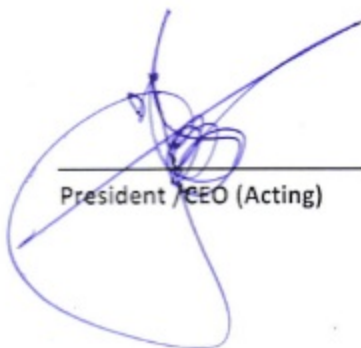
APNA MICROFINANCE BANK LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT - (UN-AUDITED)

FOR THE PERIOD ENDED MARCH 31, 2026

	Note	March 2026	March 2025
		Rupees	Rupees
Mark-up / Return / Interest Earned	16	916,698,423	676,407,747
Mark-up / Return / Interest Expensed	17	(824,996,393)	(730,102,740)
Net mark-up/Interest profit/(loss)		91,702,030	(53,694,993)
<b>NON MARK-UP/ INTEREST INCOME</b>			
Fee and commission income		63,099,334	65,302,260
Other Income	18	18,654,932	16,793,000
Total non mark-up/ interest Income		81,754,266	82,095,260
Net income		173,456,296	28,400,267
<b>NON MARK-UP/ INTEREST EXPENSES</b>			
Operating expenses	19	(518,859,365)	(493,525,484)
Other charges	20	(46,295)	(224,443)
Total non mark-up/ interest expenses		(518,905,660)	(493,749,927)
Loss before credit loss allowance		(345,449,364)	(465,349,660)
Credit loss allowance and write offs - net	22	(16,788,615)	(16,992,654)
Loss for the period before levy and taxation		(362,237,979)	(482,342,314)
Levy - Minimum tax differential	23	(12,247,472)	(9,451,260)
Loss for the period before taxation		(374,485,451)	(491,793,574)
Provision for taxation	24	-	-
Loss for the period		(374,485,451)	(491,793,574)
Loss per share - basic and diluted	25	(0.87)	(1.15)

The annexed notes from 1 to 30 form an integral part of these condensed interim financial statements.

  
 \_\_\_\_\_  
 President / CEO (Acting)

  
 \_\_\_\_\_  
 Chief Financial Officer

  
 \_\_\_\_\_  
 Chairman

  
 \_\_\_\_\_  
 Director

  
 \_\_\_\_\_  
 Director

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

	March 2026 Rupees	March 2025 Rupees
Loss for the period	(374,485,451)	(491,793,574)
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Unrealized gain on revaluation of available for sale investments	32,616,324	33,092,048
Reclassification adjustments relating to available for sale investments disposed off during the period	-	-
	32,616,324	33,092,048
Total comprehensive loss for the period	<u>(341,869,127)</u>	<u>(458,701,526)</u>

*The annexed notes from 1 to 30 form an integral part of these condensed interim financial statements.*



President /CEO (Acting)



Chief Financial Officer



Chairman



Director




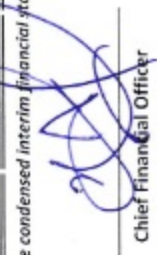
Director

**APNA MICROFINANCE BANK LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED MARCH 31, 2026**

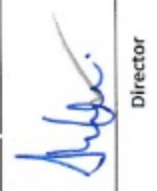
	Capital Reserves					Total	Revenue Reserve		Total
	Share capital	Discount on issue of shares	Share deposit money	Statutory reserve	Depositors' protection fund		Fair value reserve on investments	Accumulated loss	
<b>Balance as at January 01, 2025</b>	4,289,849,620	(1,335,963,831)	1,850,390,279	22,078,496	5,519,624	19,027,605	4,850,901,793	(14,283,606,279)	(9,432,704,486)
Total comprehensive loss for the period	-	-	-	-	-	-	-	(491,793,574)	(491,793,574)
Loss for the period	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	33,092,048	33,092,048	-	33,092,048
Fair value gain on investment	-	-	-	-	-	33,092,048	33,092,048	(491,793,574)	(458,701,526)
Transactions with owners recorded directly in equity	-	-	500,000,000	-	-	-	500,000,000	-	500,000,000
Share deposit money received	-	-	500,000,000	-	-	-	500,000,000	-	500,000,000
<b>Balance as at March 31, 2025</b>	4,289,849,620	(1,335,963,831)	2,350,390,279	22,078,496	5,519,624	52,119,653	5,383,993,841	(14,775,399,853)	(9,391,406,012)
<b>Total comprehensive loss / income for the period</b>	-	-	-	-	-	-	-	(1,156,284,849)	(1,156,284,849)
Loss for the period	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	38,458,262	38,458,262	-	38,458,262
Fair value gain on investment	-	-	-	-	-	38,458,262	38,458,262	(1,156,284,849)	(1,117,826,587)
Transactions with owners recorded directly in equity	-	-	-	-	-	-	-	-	-
Share deposit money received	-	-	-	-	-	-	-	-	-
<b>Balance as at December 31, 2025 - Audited</b>	4,289,849,620	(1,335,963,831)	2,350,390,279	22,078,496	5,519,624	90,577,915	5,422,452,103	(15,931,684,702)	(10,509,232,599)
<b>Total comprehensive loss / income for the period</b>	-	-	-	-	-	-	-	(374,485,451)	(374,485,451)
Loss for the period	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	32,616,324	32,616,324	-	32,616,324
Fair value gain on investment	-	-	-	-	-	32,616,324	32,616,324	(374,485,451)	(341,869,127)
Transactions with owners recorded directly in equity	-	-	-	-	-	-	-	-	-
Share deposit money received	-	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2026 - Un-audited</b>	4,289,849,620	(1,335,963,831)	2,350,390,279	22,078,496	5,519,624	123,194,239	5,455,068,427	(16,306,170,153)	(10,851,101,716)

The annexed notes from 1 to 30 form an integral part of these condensed interim financial statements.

  
 President / CEO (Acting)

  
 Chief Financial Officer

  
 Chairman

  
 Director

  
 Director

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

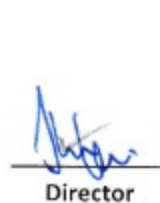
	Note	March 2026 Rupees	March 2025 Rupees
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>			
Loss for the period before levy and taxation		(362,237,979)	(482,342,314)
Adjustments for non-cash charges			
Markup on lease liabilities	17	19,302,732	18,009,064
Gain on disposal of operating fixed assets	18	-	(4,651,690)
Depreciation of operating fixed assets	19	14,762,166	19,865,712
Depreciation on right of use assets	19	42,980,544	34,687,977
Amortization of intangible assets	19	2,528,780	2,281,863
Credit loss allowance	22	18,402,457	19,233,699
		97,976,679	89,426,625
Operating cash flows before working capital changes		(264,261,300)	(392,915,689)
Changes in working capital			
(Increase)/decrease in operating assets			
Advances		(449,653,556)	(311,454,202)
Other assets		(26,125,166)	(4,700,156)
Increase/(decrease) in operating liabilities			
Bills payable - in Pakistan		(61,713,435)	7,909,408
Deposits		(399,629,971)	(1,276,431,141)
Other liabilities		38,704,083	(60,927,935)
		(898,418,045)	(1,645,604,026)
Cash flows from operations		(1,162,679,345)	(2,038,519,715)
Levies paid		(11,799,742)	(13,982,426)
Net cash flows from operating activities		(1,174,479,087)	(2,052,502,141)
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>			
Investments made		(37,012,030)	(16,214,417)
Additions in operating fixed assets		(2,166,862)	(3,799,745)
Repayment of lease liabilities		(76,867,385)	(55,354,879)
Proceeds from disposal of operating fixed assets		-	6,968,932
Net cash flows from investing activities		(116,046,277)	(68,400,109)
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>			
Share deposit money received		-	500,000,000
Net cash flows from financing activities		-	500,000,000
Increase/(decrease) in cash and cash equivalents (A+B+C)		(1,290,525,364)	(1,620,902,250)
Cash and cash equivalents at the beginning of the period		4,021,158,207	3,713,861,317
Cash and cash equivalents at the end of the period	21	2,730,632,843	2,092,959,067

*The annexed notes from 1 to 30 form an integral part of these condensed interim financial statements.*

  
 \_\_\_\_\_  
 President / CEO (Acting)

  
 \_\_\_\_\_  
 Chief Financial Officer

  
 \_\_\_\_\_  
 Chairman

  
 \_\_\_\_\_  
 Director

  
 \_\_\_\_\_  
 Director

**1 STATUS AND NATURE OF BUSINESS**

**1.1** Apna Microfinance Bank Limited (the Bank) was incorporated on May 08, 2003 as a public limited Company under the repealed Companies Ordinance, 1984 updated by 'the Companies Act, 2017' (the Companies Act). The Bank was granted certificate of commencement of business on December 28, 2004 and started its operations on January 01, 2005. Its shares are listed on Pakistan Stock Exchange Limited. The Bank's principal business is to provide microfinance services to the poor and underserved segment of the society as envisaged under the Microfinance Institutions Ordinance, 2001. The Bank has been operating at national level in Pakistan. The Bank has 72 business locations comprising of 71 branches and 1 service centers (2025: 72 business locations comprising of 71 branches and 1 service centers). Its registered office is situated at K-4/3 and 4/4, Ch. Khaliq-uz-Zaman Road, Gizri, Karachi in the Province of Sindh and its head office is situated at 141/K upper mall scheme Lahore, in the Province of Punjab.

**1.2** The Bank has incurred loss for the period amounting to Rs. 374 million (2025: Rs. 492 million) and as at period end, its accumulated loss was Rs. 16,306 million (2025: Rs. 15,932 million). This has resulted in negative net assets of Rs. 10,851 million (2025: Rs. 10,509 million). The Bank has been non-compliant with Minimum Capital Requirements (MCR) and Capital Adequacy Ratio (CAR) requirements of Prudential Regulations for Microfinance Banks (MFB's). There has been material uncertainty related to events and conditions which may cast significant doubt about the Bank's ability to continue as a going concern and, therefore the Bank may not be able to realize its assets and discharge its liabilities in the normal course of business.

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**a. Commitment by the Sponsors and Injection of Further Equity**

The Sponsors demonstrate their unwavering commitment to support the Bank. They have also issued a formal letter of support to the Bank's management, pledging to provide the requisite funding to the Bank. In year 2025, they have injected funds of Rs. 500 million in shape of fresh share deposit money. The total share deposit money stood at Rs. 2,350 million as at date. This funding is enabling the Bank to meet its maturing commitments and to expand its advances portfolio and is leading to increased markup income and improved financial position.

**b. Increasing Secured Advances Portfolio**

The Bank is prioritizing the expansion of its secured advances portfolio. Significant growth in our advance's portfolio will enable the Bank to significantly increase its markup income, covering markup costs and other expenses, and ultimately improving financial position of the Bank.

**c. Recovery of Non-Performing Advances**

The non-performing advances were largely a consequence of the unprecedented economic downturn following the Covid-19 pandemic. As substantial provision has already been made, therefore, significant additional provisions are not expected in future years and recovery of such advances will improve the financial condition of the Bank. Management is proactively pursuing the recovery of such advances, and have recovered Rs 347.3 million in principal from these loans in year 2025 and has also made recovery of Rs. 61.1 million in Q 1 of 2026 (Rs. 89.6 million in Q 1 of 2025).

These recoveries are also enabling the Bank to further expand its secured advances portfolio by utilizing these recovered funds.

**d. Reducing Cost of Deposits**

Due to reduction in policy rate by Government, the cost of deposit (COD) of the Bank has been reduced, and, its impact started reflecting from the current year. The management is also proactively implementing strategies to attract a higher volume of corporate customer deposits into current accounts, offering competitive incentives and introducing innovative products. This approach is expected to yield a significant increase in current accounts in future and hence, reduction a further reduction in the cost of deposits, leading to a positive impact on the Bank's overall financial performance and profitability.

**e. Optimization of Operations and Reduction of Costs**

The Bank is implementing strategic measures to optimize its branch operations, including the closure of non-productive and non-strategic branches, to effectively control costs. Additionally, the management is focused on streamlining administrative expenses without compromising the Bank's operational efficiency. These initiatives are expected to have a positive impact on the Bank's financial performance, enhancing its overall profitability.

The management believes that the results of the measures being taken by them have started reflecting their positive impact and will continue to do so going forward. The management is confident that with the implementation of its plan, it will be able to overcome all adverse financial and operational factors and the Bank will be able to continue as a going concern.

### 1.3 MERGER PROPOSAL

The State Bank of Pakistan (SBP) has allowed Mobilink Microfinance Bank Limited (MML) to conduct Due Diligence (DD) of APNA Microfinance Bank Limited (AMBL), subject to compliance with applicable laws, rules, regulations. In case of successful DD and negotiations, AMBL shall be merged with and into Mobilink Microfinance Bank Limited under section 48 of Banking Company Ordinance 1962.

## 2 BASIS OF PRESENTATION

These financial statements have been presented in accordance with the requirements of Banking Policy & Regulations Department (BPRD) of State Bank of Pakistan (SBP) via circular no. 3 of 2023 dated February 09, 2023.

## 2.1 STATEMENT OF COMPLIANCE

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- the local laws which comprise of the Companies Act, 2017, the Microfinance Institutions Ordinance, 2001, the Prudential Regulations for Microfinance Banks / Institutions and
- the directives issued under these local laws by the Securities and Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP).

Where provisions of and directives issued under the local laws differ from the IFRS Standards, the provisions of and directives issued under the local laws have been followed.

## 2.2 BASIS OF MEASUREMENT AND PRESENTATION

These financial statements have been prepared under the historical cost conversion except;

- investments which are measured at fair value through other comprehensive income
- Right of use asset and lease liability initially measured at their present value.

## 2.3 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Pakistani Rupees which is the Bank's functional and presentation currency. All figures have been rounded to the nearest Rupee, unless otherwise stated.

## 2.4 SIGNIFICANT ACCOUNTING POLICIES

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.

## 2.5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of this condensed interim financial information is the same as that applied in the preparation of the annual audited financial statements for the year ended December 31, 2025.

## 2.6 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the annual audited financial statements for the year ended December 31, 2025.

APNA MICROFINANCE BANK LIMITED  
 SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
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3	CASH AND BALANCES WITH TREASURY BANKS	Note	March 2026	December 2025
			Rupees	Rupees
			Un-audited	Audited
	Cash in hand - local currency		462,154,690	519,822,352
	Balance with State Bank of Pakistan in:			
	Current account	3.1	712,849,116	756,334,816
	Balance with National Bank of Pakistan in:			
	Current Account		14,320,456	16,509,548
	Deposit Account	3.2	24,259	23,561
			<u>1,189,348,521</u>	<u>1,292,690,277</u>

3.1 This represents balance maintained in current accounts with the State Bank of Pakistan (SBP) to meet the requirements of maintaining a minimum balance equivalent to not less than 3% of the Bank's time and demand liabilities in accordance with Regulation R-3 of the Prudential Regulations for Microfinance Banks issued by the SBP.

3.2 This carries markup at the rate of 7.50% per annum (2025: 9.50%)

4	BALANCES WITH OTHER MFBS/BANKS/NBFIS	Note	March 2026	December 2025
			Rupees	Rupees
			Un-audited	Audited
	In Pakistan			
	- In current accounts		11,387,824	13,803,034
	- In deposit accounts	4.1	1,529,896,498	2,714,664,896
			<u>1,541,284,322</u>	<u>2,728,467,930</u>

4.1 These carry mark-up at the rates ranging from 5.00% to 14.50% per annum (2025: 9.50% to 14.50% per annum).

5 INVESTMENTS

Investments by type	Note	Un-audited		
		March 2026		
		Fair value/ Amortised cost	Gain on fair value	Carrying value
		.....Rupees.....		

Debt instruments

Classified/Measured at amortised cost

Market treasury bills	5.1	1,421,086,914	-	1,421,086,914
-----------------------	-----	---------------	---	---------------

Classified/Measured at FVOCI

Market treasury bills	5.1	1,165,402,861	123,194,239	1,288,597,100
		<u>2,586,489,775</u>	<u>123,194,239</u>	<u>2,709,684,014</u>

APNA MICROFINANCE BANK LIMITED  
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 FOR THE PERIOD ENDED MARCH 31, 2026

Investments by type	Note	Audited		
		December 2025		
		Fair value / Amortised cost	Gain on fair value	Carrying value

.....Rupees.....

**Debt instruments**

**Classified/Measured  
at amortised cost**

Market Treasury Bills	5.1	1,384,074,884	-	1,384,074,884
-----------------------	-----	---------------	---	---------------

**Classified/Measured at FVOCI**

Market treasury bills	5.1	1,165,402,861	90,577,915	1,255,980,776
		<u>2,549,477,745</u>	<u>90,577,915</u>	<u>2,640,055,660</u>

**5.1** This represents investment in market treasury bills carrying yields at the rates ranging from 10.70% to 11.94% per annum (2025: 10.70% to 11.94% per annum) and having maturities ranging from 16 to 226 days. These securities have an aggregate face value of Rs. 2,800 million (2025: Rs. 2,800 million).

**5.2** Expected credit loss on Government security have not been estimated due to exemption granted by State Bank of Pakistan (SBP) through Circular No. 3 of 2022 dated July 05, 2022.

**APNA MICROFINANCE BANK LIMITED**  
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6 ADVANCES	Loan Type	March 2026			December 2025		
		Un-audited			Audited		
		Performing	Non-Performing	Total	Performing	Non-Performing	Total
Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Total	

-----Rupees-----

<b>Micro credits</b>									
Secured	9,915,033,991	17,200,900	463,435,174	10,395,670,065	9,607,767,736	17,743,824	401,954,303	10,027,465,863	
Unsecured	2,549,751	549,424	4,640,323,632	4,643,422,807	5,518,479	46,295	4,684,938,401	4,690,503,175	
Markup Accrued	1,225,980,716	2,526,884	-	1,228,507,600	1,097,848,007	2,129,851	-	1,099,977,858	
<b>Advances - gross</b>	<b>11,143,564,458</b>	<b>20,277,208</b>	<b>5,103,758,806</b>	<b>16,267,600,472</b>	<b>10,711,134,222</b>	<b>19,919,970</b>	<b>5,086,892,704</b>	<b>15,817,946,896</b>	

**Credit loss allowance against advances**

- Stage 1	(162,966,748)	-	-	(162,966,748)	(164,216,142)	-	-	(164,216,142)
- Stage 2	(4,921,937)	(4,921,937)	(5,102,387,920)	(4,921,937)	-	(4,535,312)	-	(4,535,312)
- Stage 3	(162,966,748)	(4,921,937)	(5,102,387,920)	(5,102,387,920)	-	-	(5,083,122,674)	(5,083,122,674)
	<b>10,980,597,710</b>	<b>15,355,271</b>	<b>1,370,886</b>	<b>10,997,323,867</b>	<b>10,546,918,080</b>	<b>15,384,658</b>	<b>3,770,030</b>	<b>10,566,072,768</b>

Advances - net of credit loss allowance

**6.1 Advances - Particulars of credit loss allowance**

**6.1.1 Advances - Exposure**

Gross carrying amount	10,711,134,222	19,919,970	5,086,892,704	15,817,946,896	8,347,038,013	13,529,104	5,002,073,480	13,362,640,597
New advances	3,105,280,406	-	3,407,828	3,108,688,234	9,261,262,971	6,243,719	1,587,881	9,269,094,571
Advances derecognised or repaid	(2,543,323,802)	(573,665)	(115,137,191)	(2,659,034,658)	(6,223,010,350)	(7,159,736)	(583,618,186)	(6,813,788,272)
Transfer to stage 1	6,327,211	(5,227,260)	(1,099,951)	-	7,362,042	(849,232)	(6,512,810)	-
Transfer to stage 2	(9,140,650)	10,069,674	(929,024)	-	(16,595,594)	17,002,826	(407,232)	-
Transfer to stage 3	(126,712,929)	(3,911,511)	130,624,440	-	(664,922,860)	(8,846,711)	673,769,571	-
	<b>432,430,236</b>	<b>357,238</b>	<b>16,866,102</b>	<b>449,653,576</b>	<b>2,364,096,209</b>	<b>6,390,866</b>	<b>84,819,224</b>	<b>2,455,306,299</b>
Closing balance	<b>11,143,564,458</b>	<b>20,277,208</b>	<b>5,103,758,806</b>	<b>16,267,600,472</b>	<b>10,711,134,222</b>	<b>19,919,970</b>	<b>5,086,892,704</b>	<b>15,817,946,896</b>

**APNA MICROFINANCE BANK LIMITED**  
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	December 2025					
	March 2026			December 2025		
	Un-audited			Audited		
	Performing	Non-Performing	Total	Performing	Non-Performing	Total
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3

Rupees-----

Credit loss allowance opening balance	164,216,142	4,535,312	5,083,122,674	5,251,874,128	170,297,158	2,389,885	4,993,971,923	5,166,658,966
New Advances/ additional charge	13,683,908	1,220,263	56,297,796	71,201,967	99,361,520	3,653,829	202,202,624	305,217,973
Advances derecognised or repaid	(9,237,677)	(135,880)	(43,425,933)	(52,799,490)	(7,428,895)	(269,842)	(212,304,074)	(220,002,811)
Transfer to stage 1	2,286,924	(1,275,981)	(1,010,943)	-	6,317,300	(183,151)	(6,134,149)	-
Transfer to stage 2	(947,626)	1,555,901	(608,275)	-	(331,652)	529,841	(198,189)	-
Transfer to stage 3	(7,034,923)	(977,678)	8,012,601	-	(103,999,289)	(1,585,250)	105,584,539	-
	(1,249,394)	386,625	19,265,246	18,402,477	(6,081,016)	2,145,427	89,150,751	85,215,162
Amounts written off / charged off								
Credit loss allowance closing balance	162,966,748	4,921,937	5,102,387,920	5,270,276,605	164,216,142	4,535,312	5,083,122,674	5,251,874,128

**6.1.3 Advances - Credit loss allowance details**

Internal / external rating / stage classification

Outstanding gross exposure								
Performing - Stage 1	11,143,564,458	-	-	11,143,564,458	10,711,134,222	-	-	10,711,134,222
Under Performing	-	20,277,208	-	20,277,208	-	19,919,970	-	19,919,970
Non - Performing	-	-	-	-	-	-	-	-
Substandard	-	-	14,794,374	14,794,374	-	-	20,694,440	20,694,440
Doubtful	-	-	20,227,252	20,227,252	-	-	7,677,557	7,677,557
Loss	-	-	5,068,737,180	5,068,737,180	-	-	5,058,520,707	5,058,520,707
Total	11,143,564,458	20,277,208	5,103,758,806	16,267,600,472	10,711,134,222	19,919,970	5,086,892,704	15,817,946,896

**Corresponding credit loss allowance**

Stage 1	162,966,748	-	-	162,966,748	164,216,142	-	-	164,216,142
Stage 2	-	4,921,937	-	4,921,937	-	4,535,312	-	4,535,312
Stage 3	-	-	5,102,387,920	5,102,387,920	-	-	5,083,122,674	5,083,122,674
Total	162,966,748	4,921,937	5,102,387,920	5,270,276,605	164,216,142	4,535,312	5,083,122,674	5,251,874,128

**APNA MICROFINANCE BANK LIMITED**  
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7	PROPERTY AND EQUIPMENT	March 2026	December 2025
		Rupees	Rupees
		Un-audited	Audited
	Property and equipment	471,676,395	484,271,987
	Non operating land	2,572,725	2,572,725
		<u>474,249,120</u>	<u>486,844,712</u>

7.1	Additions to property and equipment	March 31, 2026	March 31, 2025
		Rupees	Rupees
		Un-audited	Un-audited
	Leasedhold Improvements	417,500	-
	Furniture and fixtures	1,126,782	-
	Electrical and office equipment	483,700	-
	Computer equipment	138,880	-
		<u>2,166,862</u>	<u>-</u>

7.2	Disposal of property and equipment - Net book value	March 31, 2026	March 31, 2025
		Rupees	Rupees
		Un-audited	Un-audited
	Vehicles	-	5,603,200
		<u>-</u>	<u>5,603,200</u>

8	RIGHT-OF-USE ASSETS	March 2026	December 2025
		Rupees	Rupees
		Un-audited	Audited
	<b>Buildings</b>		
	Cost	951,388,666	742,301,383
	Accumulated depreciation	(372,108,893)	(394,696,851)
	As at the end of the year	<u>579,279,773</u>	<u>347,604,532</u>

**8.1 Reconciliation of written down value:**

Opening balances	347,604,532	421,806,211
Additions	283,758,874	81,645,506
Deletions/adjustments	(9,103,089)	(10,701,016)
Depreciation charge	(42,980,544)	(145,146,169)
Closing balances	<u>579,279,773</u>	<u>347,604,532</u>

Lease term: 3 to 10 years

**8.2** These represent premises acquired for head office and branches. The right to terminate lease by serving a 1 to 12 months notice is available to the Bank, however, the Bank is reasonably certain not to exercise this right during the lease terms.

9	INTANGIBLE ASSETS	March 2026	December 2025
		Rupees	Rupees
		Un-audited	Audited
	Cost	246,551,459	246,551,459
	Accumulated amortization and impairment	(110,849,771)	(108,321,000)
	Net book value	<u>135,701,688</u>	<u>138,230,459</u>

**APNA MICROFINANCE BANK LIMITED**  
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10	DEFERRED TAX ASSET	March 2026	December 2025
		Rupees	Rupees
		Un-audited	Audited
	Deferred tax asset	1,700,000,000	1,700,000,000

**10.1** Deferred tax asset of Rs. 1,700 million has been recognized considering the probability of availability of future taxable profits against which deductible temporary differences will be utilized as per management's best assessment. Total deferred tax asset, including deductible taxable differences that may be expired before utilization, comprises of the following:

Un-audited March 2026			
Opening balances	Deferred tax for the period related to		Closing balances
	Profit and loss	Other comprehensive income	
.....Rupees.....			

**Deductible temporary differences on:**

Lease liabilities	139,958,834	62,956,428	-	202,915,262
Provision against advances	1,523,043,497	5,336,718	-	1,528,380,215
Minimum tax	155,936,086	(17,654,440)	-	138,281,646
Carry forward tax losses	3,266,763,129	103,973,221	-	3,370,736,350
	5,085,701,546	154,611,928	-	5,240,313,474

**Taxable temporary differences on:**

Accelerated tax depreciation	(141,564,714)	(66,846,448)	-	(208,411,162)
Intangible assets	(6,901,122)	(520,926)	-	(7,422,048)
Fair value reserve on investments	(26,267,595)	-	(9,458,734)	(35,726,329)
	(174,733,431)	(67,367,374)	(9,458,734)	(251,559,539)
	4,910,968,115	87,244,554	(9,458,734)	4,988,753,936

Audited December 2025			
Opening balances	Deferred tax for the year related to		Closing balances
	Profit and loss	Other comprehensive income	
.....Rupees.....			

**Deductible temporary differences on:**

Lease liabilities	168,883,560	(28,924,726)	-	139,958,834
Provision against advances	1,498,331,100	24,712,397	-	1,523,043,497
Minimum Tax	112,455,246	43,480,840	-	155,936,086
Carry forwardable tax losses	2,975,995,142	290,767,987	-	3,266,763,129
	4,755,665,048	330,036,498	-	5,085,701,546

**Taxable temporary differences on:**

Accelerated tax depreciation	(168,050,555)	26,485,841	-	(141,564,714)
Intangible assets	-	(6,901,122)	-	(6,901,122)
Fair value reserve on investments	(5,518,005.00)	-	(20,749,590)	(26,267,595)
	(173,568,560)	19,584,719	(20,749,590)	(174,733,431)
	4,582,096,488	349,621,217	(20,749,590)	4,910,968,115

**10.2** Deferred tax assets and liabilities in respect of temporary differences are measured at tax rate of 29% (2025: 29%).

**APNA MICROFINANCE BANK LIMITED**  
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11	OTHER ASSETS	Note	March 2026	December 2025
			Rupees	Rupees
			Un-audited	Audited
	Income / Mark-up accrued		35,716,352	39,357,262
	Loan to employees	11.1	101,963,337	95,333,288
	Advances, prepayments and other receivable	11.2, 11.3	235,797,877	188,617,498
	Advance income tax - Net of provision		436,333,096	436,780,826
	Security deposits		18,881,320	19,349,523
	Inter Banks ATM settlement account		27,290,037	50,865,907
			<u>855,982,019</u>	<u>830,304,304</u>

**11.1** Loans to staff are granted to the eligible employees of the Bank as per markup rates and the ceiling limits as prescribed under the HR policy of the Bank.

**11.2** It includes an amount of Rs. 5.2 million (2025: Rs. 5.2 million) as an other receivable, which was recovered by the Sindh Revenue Board (SRB) on account of the Sindh Workers Welfare Fund, including penalties. The Bank has filed a suit before Commissioner Appeals IV, Sindh Board of Revenue, Karachi, asserting that the recovery was unjustified. Based on legal advice, management is confident that the amount will be refunded.

**11.3** It includes an amount of Rs. 10.2 million (2025: 10.2 million) has incurred in the year 2025 in connection with the relocation of the Bank's head office to new premises. The said amount is recoverable from the sponsors.

12	DEPOSITS AND OTHER ACCOUNTS	Note	March 2026	December 2025
			Rupees	Rupees
			Un-audited	Audited
	<b>Customer</b>			
	Current deposits	12.1	2,717,300,597	3,391,079,672
	Saving deposits	12.2	12,953,903,533	12,298,421,937
	Fixed / term deposits	12.3	11,604,801,844	12,886,388,900
			<u>27,276,005,974</u>	<u>28,575,890,509</u>
	<b>Financial Institutions</b>			
	Current deposits		50,000	50,000
	Saving deposits	12.2	2,196,727,457	1,196,472,893
	Fixed / term deposits	12.3	187,400,000	287,400,000
			<u>2,384,177,457</u>	<u>1,483,922,893</u>
			<u>29,660,183,431</u>	<u>30,059,813,402</u>

**12.1** An amount of Rs. 58 million (2025: Rs. 58 million) is net off against deposit account of a customer in respect of fake currency deposited by him. An FIR is also lodged against him and the matter is pending at Special Court Banking Crime.

**12.2** These carry interest at the rates ranging from 3% to 16.00% per annum (2025: 3% to 15.25% per annum).

**12.3** These represent deposits received from customers with maturity period ranging from 1 month to 5 years. These carry interest at the rates ranging from 5.5% to 24.75% per annum (2025: 6.3% to 24.75% per annum).

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13	LEASE LIABILITIES	March 2026	December 2025
		Rupees	Rupees
		<b>Un-audited</b>	<b>Audited</b>
	Opening balances	482,616,668	582,357,105
	Addition	283,758,874	81,645,506
	Deletion	(5,131,440)	(17,165,369)
	Finance cost accrued	19,302,732	67,698,821
		780,546,834	714,536,063
	Payments / adjustments made	(80,839,034)	(231,919,395)
	Closing balances	699,707,800	482,616,668

14	OTHER LIABILITIES	March 2026	December 2025
		Rupees	Rupees
		<b>Un-audited</b>	<b>Audited</b>
	Mark-up / Return / Interest payable	286,494,856	278,336,288
	Staff retirement benefits	61,047,836	55,670,472
	Others	246,295,475	221,127,324
		593,838,167	555,134,084

15	CONTINGENCIES AND COMMITMENTS	Note	March 2026	December 2025
			Rupees	Rupees
			<b>Un-audited</b>	<b>Audited</b>

**15.1 Contingencies:**

**15.1.1** Guarantees issued on behalf of customers 5,647,105 5,647,105

**15.1.2** Proceedings for Financial Years (FY) 2016, 2017, and 2018 were initiated by Additional Commissioner (Enforcement-IV) of Punjab Revenue Authority ['PRA'] regarding alleged inadmissible input tax credit claimed without apportionment of same between taxable and non-taxable service. The Bank responded to the notices as per the Bank contention. The said Additional Commissioner passed impugned orders for relevant financial years by raising unjustified demand of Rs. 80.3 million (2025: Rs. 80.3 million) in respect of disallowed input tax. Being aggrieved from the said orders, the Bank filed appeal against the orders to Commissioner (Appeals) of PRA. For FY 2016 the impugned order was upheld by Commissioner (Appeal) and the Bank filed an appeal before honorable PRA Appellate Tribunal. The honorable PRA Appellate Tribunal passed the order wherein the demand along with penalty and default surcharge amounting to Rs. 13.01 million was affirmed. From the above amount, Rs. 3.5 million has been deposited by the Bank to the department. The Bank filed an appeal before the Honorable Lahore High Court where interim relief was granted. Now Honourable Lahore High Court has passed an order in TR (PRA) No. 58085 of 2023 against the Bank and in favour of the department. Being aggrieved from the order of Honourable Lahore High Court, the Bank has filed an appeal against the said order before Honourable Supreme Court of Pakistan through external counsel, M/s Butt & Company. The application for early hearing has also been filed in above said case.

The hearings for FY 2017 and 2018 are still pending before Commissioner (Appeals).

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**15.1.3** Proceedings, as per provisions of Punjab Sales Tax on Services (Withholding) Rules, 2015 for tax period January, 2016 to December, 2016 for non-deduction of Punjab Sales Tax, were initiated by The Additional Commissioner, Enforcement-II, PRA. Recovery notice was issued from the same office indicating that order had been passed by the Commissioner HQ, PRA wherein the impugned demand of Rs. 18.4 million was raised on account of alleged default of withholding of Punjab Sales Tax on Services against which the bank filed appeal before Honorable PRA Appellate Tribunal. The honorable tribunal has passed its judgement in which the impugned order passed by Commissioner HQ PRA is set aside and the matter is referred back to the officer concerned having jurisdiction for decision afresh. Now the proceedings are in progress at commissioner PRA forum.

**15.1.4** A show cause notice was issued to bank by Assistant Commissioner (Unit-09) of Sindh Revenue Board ['SRB'] in which the bank was confronted that it has claimed inadmissible input tax credit during the tax periods from January 2012 to December 2015 under the Sindh Sales Tax Act 2011. Further, it is also alleged that the Bank has short deducted / not deducted of sales tax on services. The amount demanded in the said order was Rs. 5.8 million (2025: Rs. 5.8 million). The proceedings are held from time to time during the year and impugned order is passed by the officer against which the bank has filed an appeal at SRB Commissioner (Appeals) forum.

In respect of above tax cases, based upon advise of its tax consultants, management expects favorable outcomes and is confident that significant outflow of economic resources will not be required, as a result of final decisions.

**15.2 Commitments**

There are no significant commitments as at the period end.

16	MARK-UP / RETURN / INTEREST EARNED		March 2026	March 2025
			Rupees	Rupees
			Un-audited	Un-audited
<b>Mark up/ return/ interest earned on:</b>				
	Loans and advances		828,391,794	632,113,544
	Investments		37,012,031	25,261,416
	Balances with other MFBs/ banks / NBFIs		51,294,598	19,032,787
			<u>916,698,423</u>	<u>676,407,747</u>
<b>16.1</b>	Interest income is calculated using effective interest rate method			
17	MARK-UP / RETURN / INTEREST EXPENSED	Note	March 2026	March 2025
			Rupees	Rupees
			Un-audited	Un-audited
<b>Mark up/ return/ interest expense related to:</b>				
	Deposits		805,693,661	712,093,676
	Lease liabilities	<b>17.1</b>	19,302,732	18,009,064
			<u>824,996,393</u>	<u>730,102,740</u>
<b>17.1</b>	<b>Expense calculation done as under:</b>			
	Interest expense calculated using effective interest rate method		19,302,732	18,009,064
			<u>19,302,732</u>	<u>18,009,064</u>

**APNA MICROFINANCE BANK LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED MARCH 31, 2026**

18	OTHER INCOME	Note	March 2026	March 2025
			Rupees	Rupees
			Un-audited	Un-audited
	Income of SMS services		4,784,229	8,532,554
	Cheque book charges		3,378,570	3,660,730
	Income on ATM card issuance/services		2,646,091	3,143,423
	Gain on disposal of operating fixed assets		-	4,651,690
	Gain/(loss) on leases termination		2,055,149	(4,073,596)
	Others		5,790,893	878,199
			<u>18,654,932</u>	<u>16,793,000</u>
19	OPERATING EXPENSES	Note	March 2026	March 2025
			Rupees	Rupees
			Un-audited	Un-audited
	Total compensation expense		334,260,838	311,466,763
	Directors' fees and allowances		281,250	531,250
	Rent, taxes, insurance, electricity, etc.		26,626,951	28,122,361
	Security charges		24,708,934	24,594,761
	Depreciation on operating fixed assets		14,762,166	19,865,712
	Depreciation on right of use assets		42,980,544	34,687,977
	Fees and subscription		25,702,695	29,765,231
	Repairs and maintenance		11,743,496	7,291,990
	Communication		8,165,320	7,941,334
	Stationery and printing		4,540,784	5,209,734
	Fuel expense		3,746,358	4,738,541
	Entertainment		4,578,294	4,733,752
	Legal and professional charges		3,702,684	3,752,853
	Traveling		3,014,488	2,716,634
	Credit verification expenses		2,004,242	1,880,545
	Amortization of intangible assets		2,528,780	2,281,863
	Advertisement and publicity		1,789,590	871,119
	Auditors' remuneration		587,650	345,000
	Training / capacity building		6,800	59,000
	Others		3,127,501	2,669,064
			<u>518,859,365</u>	<u>493,525,484</u>
20	OTHER CHARGES	Note	March 2026	March 2025
			Rupees	Rupees
			Un-audited	Un-audited
	Penalties imposed by State Bank of Pakistan		-	-
	Penalties imposed by SECP and Others		-	180,070
	Bank charges		46,295	44,373
			<u>46,295</u>	<u>224,443</u>
21	CASH AND CASH EQUIVALENTS	Note	March 2026	March 2025
			Rupees	Rupees
			Un-audited	Un-audited
	Cash and Balances with SBP and NBP		1,189,348,521	1,526,236,928
	Balances with other banks / NBFIs / MFBs		1,541,284,322	566,722,139
			<u>2,730,632,843</u>	<u>2,092,959,067</u>

**APNA MICROFINANCE BANK LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED MARCH 31, 2026**

22	CREDIT LOSS ALLOWANCE AND WRITE OFFS- NET	Note	March 2026	March 2025
			Rupees	Rupees
			Un-audited	Un-audited
	Credit loss allowance against loans & advances		18,402,457	19,233,699
	Recovery of written off bad debts		(1,613,842)	(2,241,045)
			<u>16,788,615</u>	<u>16,992,654</u>

23	LEVY - MINIMUM TAX DIFFERENTIAL		March 2026	March 2025
	Levy - Minimum tax differential	23.1	<u>12,247,472</u>	<u>9,451,260</u>

**23.1** This represents portion of minimum tax paid under section 113 of the Income Tax Ordinance (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.

24	PROVISION FOR TAXATION	Note	March 2026	March 2025
			Rupees	Rupees
			Un-audited	Un-audited
	Current	24.1	-	-
	Deferred		-	-
			<u>-</u>	<u>-</u>

**24.1 Current tax**

The income of the Bank is not subject to normal tax owing to losses, hence no provision is made .

**24.2 Relationship between accounting loss and tax expense**

The relationship between accounting loss and tax expense has not been presented in these financial statements as the income of the Bank is not subject to normal income tax.

APNA MICROFINANCE BANK LIMITED  
 SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
 FOR THE PERIOD ENDED MARCH 31, 2026

25	LOSS PER SHARE - BASIC AND DILUTED		March 2026	March 2025
			Un-audited	Un-audited
	Loss for the year	Rupees	(374,485,451)	(491,793,574)
	Weighted average number of shares	Number	428,984,962	428,984,962
	Loss per share – Basic & diluted	Rupees	(0.87)	(1.15)

26 FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified as amortised cost, is based on quoted market price. Quoted securities classified as amortised cost are carried at cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

26.1 Fair value of financial assets

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

Financial assets measured at fair value

Available for sale investments -

Market treasury bills

Un-audited		
March 2026		
Level 1	Level 2	Level 3
-----Rupees-----		

- 1,288,597,100 -

Available for sale investments -

Market treasury bills

Audited		
December - 2025		
Level 1	Level 2	Level 3
-----Rupees-----		

- 1,255,980,776 -

**Valuation techniques and inputs used in determination of fair value**

Financial instruments	Valuation techniques and inputs
Market treasury bills (T.Bills)	Fair value of treasury bills are derived using PKRV rates. The PKRV rates published by the MUFAP.

**27 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS**

	March 2026	December 2025
	Rupees	Rupees
	Un-audited	Audited
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	(9,665,930,254)	(9,291,444,803)
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	(12,815,517,277)	(12,443,560,597)
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	(12,815,517,277)	(12,443,560,597)
Eligible Tier 2 Capital	-	-
Total Eligible Capital (Tier 1 + Tier 2)	(12,815,517,277)	(12,443,560,597)
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	4,734,922,231	4,745,507,334
Operational Risk	51,402,129	51,402,129
Total	4,786,324,360	4,796,909,463
Common Equity Tier 1 Capital Adequacy ratio	-268%	-259%
Tier 1 Capital Adequacy Ratio	-268%	-259%
Total Capital Adequacy Ratio	-268%	-259%

The SBP, through prudential regulations for microfinance banks (MFBs) as updated on May 16, 2025, has required Microfinance Banks to maintain a minimum paid-up capital of Rs. 2,000 million (net of accumulated losses). The paid-up capital (net of accumulated losses) of the Bank as at December 31, 2025 stood at negative balance of Rs. 9,666 Million (December 31, 2025: Rs. 9,291 million).

Bank uses standardized approach for calculation of credit risk weighted assets. Under this approach, the risk weighted amount of an on-balance sheet 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 dated 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.

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 figures.

**28 TRANSACTION AND BALANCES WITH RELATED PARTIES**

Related parties of the Bank comprise of Chief Executive Officer, Directors and their close family members, entities under common directorship, staff retirement benefits fund, key management personnel and major shareholders of the Bank. The details of transactions and balances with related parties other than those disclosed elsewhere in these financial statements are as under:

	Un-audited March 2026			Audited December 2025		
	Directors	Key management personnel	Associated Companies	Directors	Key management personnel	Associated Companies
-----Rupees-----						
<b>Other Assets</b>						
Interest / mark-up accrued	-	838,785	-	-	842,070	-
<b>Loan to Employees</b>						
Opening balance	-	37,614,203	-	-	22,186,037	-
Addition during the year	-	2,000,000	-	171,536	28,191,573	-
Repaid during the year	-	(1,025,163)	-	(171,536)	(12,763,407)	-
Transfer out	-	(12,510,255)	-	-	-	-
Closing balance	-	25,078,785	-	-	37,614,203	-
<b>Deposits and other accounts</b>						
Opening balance	670,720,049	5,862,551	278,546,776	696,685,470	10,168,035	282,260,201
Received during the year	1,363,038,488	32,806,199	2,385,296,430	2,555,164,307	211,202,365	7,908,472,963
Withdrawn during the year	(1,462,930,289)	(35,019,257)	(2,181,980,502)	(2,586,416,885)	(216,921,658)	(7,912,186,388)
Transfer in / (out) - net	1,147,578	(180,306)	184,291,800	5,287,157	1,413,809	-
Closing balance	571,975,826	3,469,187	666,154,505	670,720,049	5,862,551	278,546,776
<b>Other liabilities</b>						
Interest/mark up payable	8,209,873	10,373	7,161,212	14,829,969	5,076	2,243,992
Payable to staff retirement benefit	-	5,434,692	-	-	6,048,858	-
Others	-	2,000	-	-	-	-
Total	8,209,873	5,447,065	7,161,212	14,829,969	6,053,934	2,243,992
<b>Share deposit money</b>						
Opening balance	79,303,809	-	2,271,086,470	79,303,809	-	1,771,086,470
Received during the year	-	-	-	-	-	500,000,000
Closing balance	79,303,809	-	2,271,086,470	79,303,809	-	2,271,086,470

	Un-audited March 2026			Un-audited March 2025		
	Directors	Key management personnel	Associated Companies	Directors	Key management personnel	Associated Companies
-----Rupees-----						
<b>Income</b>						
Mark-up / Return / Interest earned	-	459,881	-	-	387,885	-
<b>Expense</b>						
Mark-up / Return / Interest expensed	23,244,834	23,003	15,946,766	21,544,258	57,225	2,334,156
Salaries and allowances	2,112,895	20,062,983	-	-	35,502,291	-
Staff retirement benefits	-	1,050,382	-	-	1,115,376	-
Directors' fee	281,250	-	-	531,250	-	-

**29 DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statements were approved and authorised for issue on April 29, 2026 by the Board of Directors of the Bank.

**30 GENERAL**

30.1 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.

30.2 Figures have been rounded off to the nearest rupee unless otherwise stated.







President / CEO (Acting)      Chief Financial Officer      Chairman      Director      Director