



Mobilink  
Microfinance Bank<sup>ltd</sup>



- Aasaan Remittance Current Account
- Mahana Munafa Term Deposit
- Sahulat Current Account
- School Loan
- Ready Cash
- Livestock Loan
- House Loan
- Micro Enterprise Loan
- Karobar Loan
- Bint-e-Hawwa
- Tractor Loan
- Agrri Passbook Loan
- Aasaan Saving Account
- Mera Tahaffuz Term Deposit
- Khushhal Kissan Loan

# ANNUAL REPORT

YEAR 2021



Financial Inclusion is a key enabler for poverty alleviation and a prosperous future for all.

**Chazanfar Azzam**  
President & CEO







## Chairman's Message

As we continue to break barriers and exceed expectations, I am proud of the recognition Mobilink Microfinance Bank has garnered since we began operations in 2012. As a champion of promoting financial inclusion, we pride ourselves on being the country's digital thought leader with a network that reaches far and wide, empowering the underprivileged communities in all corners of Pakistan, and bringing to them a vast array of banking services through cutting-edge and easily accessible banking solutions.

On a mission to alleviate poverty across the board, we offer customized financial products and services that are specifically tailored to serve the diverse needs of our population, the vast majority of which remains unbanked and underserved by traditional financial institutions. While our profitability continues to climb year after year, the guiding principle for us is to bring more and more of Pakistan's unbanked population into the fold of financial inclusion and serve the needs of our customers. Through our myriad of unique product offerings, we empower, uplift, and support some of the most viable and significant socio-economical sectors including Agriculture, Micro-Small & Medium Enterprises (MSME), and more. We believe in tapping into the remarkable potential housed within the MSME segment, which accounts for a notable part of our national economic input.

Aligned with the Sustainable Development Goals (SDGs) set by the United Nations for 2030 as well as the gender equality mandate set forth by the State Bank of Pakistan, our focus remains on empowering women and uplifting other marginalized segments of the population by providing them with accessible financial services on convenient terms and creating a corporate ecosystem that delivers on the promise of equal employment opportunities and a nurturing, inclusive work environment.

In 2021, we put our female empowerment agenda into high gear with the launch of several initiatives, products, services, and partnerships designed to bolster female involvement in the financial sector and promote financial literacy through accessible means under the Women Inspirational Network (WIN) program. Over 300 female entrepreneurs benefited from essential financial knowledge through a series of training activities conducted in 6 major cities across Pakistan. We inked agreements and Memoranda of



Understanding (MoUs) with reputable global organizations that are working towards an equal and inclusive world through consistent interventions designed to uplift women from all walks of life and encourage financial independence across the board. We continue to work with our partners in the private sector, government, and local community level to support entrepreneurship, particularly for women, and impart valuable knowledge on financial services and processes to strengthen value chains and enhance the population's employability at the same time.

MMBL's achievements have not been without its fair share of challenges along the way, particularly in the last two years that were spent under the shadow of the unprecedented COVID-19 pandemic which has forever changed the dynamics of the global economy and revolutionized our ways of working. The financial sectors across the globe, especially those in developing economies such as Pakistan, were put to the ultimate test. Despite these obstacles, and through anxieties about personal health, wellness, and livelihood, the MMBL family came together to uplift and support one another and collectively keep the organizational engine up and running. We organized wellness therapy sessions with globally recognized professionals and introduced countless policy interventions to accommodate our employees and meaningfully address their concerns. And the MMBL family not only responded well to the difficulties at hand but, with an enterprising spirit and a motivated mindset, managed to turn these challenges into opportunities and translate them into ever-improving performances for the organization.

I am pleased to report that our total GLP grew by an astounding 56%, total deposits by 25%, and customer loans increased by 166% in 2021. The JazzCash mobile wallet, our joint product offering with the country's largest telecommunications and digital operator – Jazz – ended a successful year with more than 39 million registered and 25 million active users (180 days), an increase of 39% & 28% respectively from the previous year.

A significant element that contributes to our triumphs as a leading financial institution in the country is the strong Anti-Money Laundering, Anti-Bribery & Corruption, and Combating Financing of Terrorism policies, checks, and processes that are implemented at all tiers of operation. We emphasize systematic training and standard operating procedures regarding Know Your Customer (KYC) and Customer Due Diligence (CDD).

Our collective upward business trajectory is an encouraging development, especially in the realm of digital financial services which are being consumed by a largely rural populace such as that of Pakistan. With the world relying more and more on purely digital services, our organization is well-positioned to match with increasing customer demands and the ongoing digital revolution.

It is always wonderful to receive recognition for your tireless focus and impactful work. The 9-Point Agenda for Financial Inclusion, a holistic policy recommendation document launched in 2021, garnered significant praise from the banking and financial industry in Pakistan. The document highlights areas of influence with exceptional potential and suggests actionable postulates for regulators and policymakers to help make the overall environment more conducive to financial inclusion and empowerment. With the launch of our premium digital financial solution – Dost – we received further acknowledgement from various stakeholders in Pakistan for seamlessly digitizing microfinance banking.

This year also brought several national and international accolades for the Bank in various categories ranging from diversity & inclusion, product offerings, credit rating, employee wellness, to gender balance to name a few. We were honored by The Professionals Network at the CSR awards, winning the coveted 'Diversity & Inclusion Leader' at the very beginning of the year. Another remarkable achievement came when the Pakistan Credit Rating Agency (PACRA) awarded MMBL the only 'Positive Outlook' rating in the entire national banking and financial industry, signifying our commitment to excellence, customer service, data security, and compliance with regulatory and group regulations. Our work was also recognized at the Retail Banker International Asia Trailblazer Awards where MMBL was awarded the 'Best Retail Bank: Pakistan' with an honorable mention of our 'House Loan' product in the 'Best Loan Offering' category. In addition to these remarkable honors, our flagship women empowerment initiative, Women Inspirational Network (WIN), was formally recognized by the State Bank of Pakistan, for being a stellar pillar for female inclusion in the banking and finance sphere and resonating with SBPs vision for the future. These titles and accolades not only enhance our brand's image as a whole but also spur our motivation to continue coming up with further innovative initiatives that help address real, on-ground customer needs as they evolve and change.

I am genuinely proud of the incredible work we have done over the years and look forward to a new and exciting journey ahead. Lastly, I would like to extend my heartfelt gratitude to our Board of Directors, our management team, our hard-working employees, and business partners for their commitment, dedication, and hard work. I would also like to express my gratitude to SBP for its continued guidance and leadership, and for championing various initiatives to promote financial inclusion across the country.

Sincerely,  
**Aamir Hafeez Ibrahim**  
 Chairman Board of Directors  
 Mobilink Microfinance Bank Limited



## CEO's Message

When nurtured with care and devotion, an organization can grow into a remarkable force for good in the world. 10 years ago, alongside a passionate group of professionals I am now proud to call friends, we set out on a mission to address a stark gap in the accessibility of financial services in Pakistan. A clear goal was set: To promote financial inclusion in the country and bank the unbanked! The journey which thus began 10 years ago with a few companions has now grown to an extensive operation of over 2,000 professionals, all dedicated to providing easily accessible banking services to unserved and underserved communities across the nation.

Over the course of this exciting decade, there have been innumerable challenges that MMBL faced, but which were overcome with grace and intelligence by the MMBL family. Through any hurdle, our customer-centric focus allowed us to understand and address the situation in a manner that resulted in the maximum value being delivered to our esteemed customers. Their wellness and livelihood remained our prime concern, keeping us motivated to come up with ever-innovative banking solutions to cater to their evolving needs.

The ongoing digital revolution across the globe has led to unprecedented changes in the way business is done and the expectations and demands of customers from organizations. MMBL's digital agenda has been a strategic priority since its inception and we have always been at the forefront of deploying the latest in digital banking solutions in Pakistan for the benefit of our customers. Our incredible digital financial services portfolio, with over 15 million active mobile wallet subscribers, is a testament to MMBL's vision for a digital and financially inclusive Pakistan.

Here, it is pertinent to acknowledge the hard work of the MMBL teams across the regions, particularly those on the front-line, as they are the reason why currently we are the largest digital bank in the country with a network that spreads far and wide and caters to the varying demands of a diverse and growing population.

The COVID-19 pandemic and its resulting repercussions for the global economy was a particularly tough challenge for organizations across the globe. MMBL faced its brunt as well but the manner in which the MMBL family came together to face it head-on and keep the business running for our customers is extremely praiseworthy. We leveraged our extensive digital and banking expertise, built over the years, to help our customers navigate through a tough economic crisis. During this time, we focused our energies to empower Small & Medium Enterprises (SMEs), which were particularly vulnerable to the vagaries of the unstable economy. Our strategic focus on entrepreneurial product offerings during the pandemic allowed us to ensure that small businesses were sustained and the livelihoods of countless families across the country kept alive.

MMBL also kept a laser-sharp focus on its women empowerment agenda and launched exciting initiatives such as Bint-e-Hawwa, a loan and deposit product, specially designed to serve the specific needs of women customers across Pakistan. Under our flagship WIN program, we have successfully organized several training initiatives to enhance the financial and digital literacy of female entrepreneurs across Pakistan. Additionally, the WIN program has also catalyzed the curation and implementation of a few significant internal gender-inclusive policies for our organization, simultaneously impacting the design and launch of female-centric product offerings that, in the short time they have been in the market, have successfully empowered many females across the nation and brought them into the fold of financial inclusion.

A crucial ingredient to our success over this past decade is the high ethical standards and integrity with which we operate. MMBL has gained a great market reputation for impregnable data security infrastructures and adherence to regulatory and group compliance postulates on every tier of operation. It is no wonder that we have gotten so far in so little time; customers and various stakeholders alike hold us in high regard, and that is something we wish to not only maintain but enhance as well in the years to come.

It is also very motivating to be acknowledged for good work and this year as well, MMBL was able to garner several reputable local and international awards in recognition of our achievements. MMBL won the coveted Diversity & Inclusion Leader Award by The Professionals Network, the Gender Diversity at Workplace award by the CFA Society, and the Best Retail Bank in Pakistan award at the Retail Banker International Asia Trailblazer Awards, with an honorable mention for our House Loan in the Best Loan Offering category. Aside from these fantastic titles, we were also honored with the only Positive Outlook rating by the Pakistan Credit Rating Agency, PACRA.

Our incredible digital financial services portfolio, with over 39,247,874 million total mobile wallet subscribers, is a testament to MMBL's vision for a digital and financially inclusive Pakistan. The Bank's loan portfolio also witnessed an unfettered growth of 50% this year while our network of branchless banking agents increased from 100,000 in 2020 to 166,356 in 2021.

All in all, as the captain of this ship, I could not be more thrilled with the fabulous year of adventures we have had and I see nothing but blue skies on the horizon ahead.

I would like to offer my sincere gratitude to our parent company – VEON, the Board of Directors, State Bank of Pakistan, our management team, business partners, and our close-knit and unstoppable MMBL family for their support, dedication, and loyalty to our goal of enabling a financially included Pakistan. Here is to all of you, who dedicate your valuable time and energy to facilitating the provision of premium financial services to our ever-growing customer base.

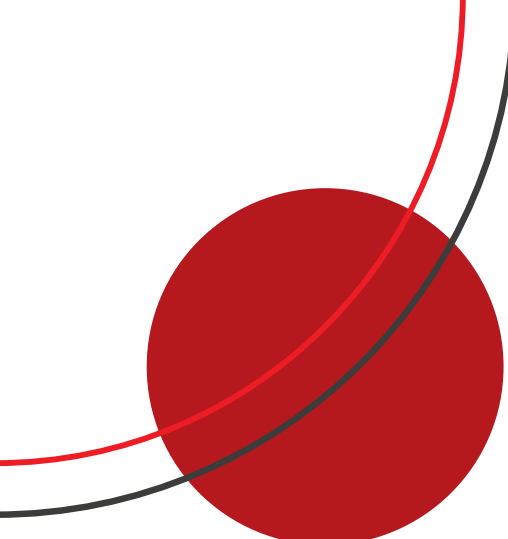
Sincerely,

**Ghazanfar Azzam**

President & Chief Executive Officer  
Mobilink Microfinance Bank Limited

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**ABOUT US**







## **Mobilink Microfinance Bank Limited**

Mobilink Microfinance Bank Limited (MMBL) is Pakistan's largest digital bank and has been providing financial services across the country since 2012.

With a hybrid organizational model that combines traditional microfinance with mobile/digital banking technologies, the bank now operates with over 100 branches, approximately 2,000 employees, and a USSD (GSM) based digital channel offering savings, Micro, Small and Medium Enterprise (MSME) loans, small housing loans, commercial vehicle loans, international remittances (collection of utility bills and loan installments) through mobile wallets, insurance, Government to People (G2P), Business to Business (B2B) & Business to People (B2P) payments; thus, playing a leading role in the promotion of financial inclusion across the nation.

MMBL's game plan aims to take banking away from the confines of limited brick and mortar structures to usher in the age of cell phone banking through branchless banking, digital banking, and micro-financial services offering simple, innovative, and value-added products and services to the people of Pakistan; consequently, making a significant contribution towards banking the unbanked through digital channels.



## VEON

Our parent company VEON is a Nasdaq and Euronext listed major international telecommunications company headquartered in the Netherlands.

For millions of its customers, communication is an essential service. VEON provides connectivity, access to information and vital digital services to almost 220 million customers in nine growth markets across Central Europe, Central and South Asia with a combined population of 680 million people.

As a world leading Digital Operator, VEON is pioneering banking services, entertainment application and e-commerce ecosystems. The company is transforming lives and creating opportunities in some of the world's fastest-growing emerging markets.

VEON's business practices are underpinned by its commitment to sustainability; all VEON's operations adhere to strong ethical principles aimed at uplifting communities through fostering digital entrepreneurship and promoting greater digital skills and literacy.

### VEON's Operating Regions

- Pakistan
- Bangladesh
- Russia
- Georgia
- Ukraine
- Algeria
- Kyrgyzstan
- Kazakhstan
- Uzbekistan





## Jazz

MMBL's sister concern Jazz is Pakistan's leading digital operator, with over 73 million cellular subscribers, including 35 million 4G users. With an investment of over USD 10 billion, Jazz is one of the largest private sector organizations in the country committed to forging a digitally inclusive and progressive Pakistan.

With cutting-edge, integrated communication solutions, strong brand offerings, and the largest portfolio of digital value-added services, the company aims to empower Pakistanis with the tools necessary to progress in an increasingly digital economy.

Together, Jazz and its sister concern Mobilink Microfinance Bank Limited operate the largest digital mobile wallet in Pakistan, JazzCash. With over 15.5 million monthly active consumers, 131,000 retail outlets and around 1.7 billion transactions in 2021, JazzCash offers a broad portfolio of branchless banking services for customers, including travel, ticketing, entertainment, money transfers, bill payments, debit cards, insurance, savings, and payments for a wide variety of services.



## Awards & Achievements



**Best Retail Bank 2021**  
Retail Banker International  
Asia Trailblazer Awards



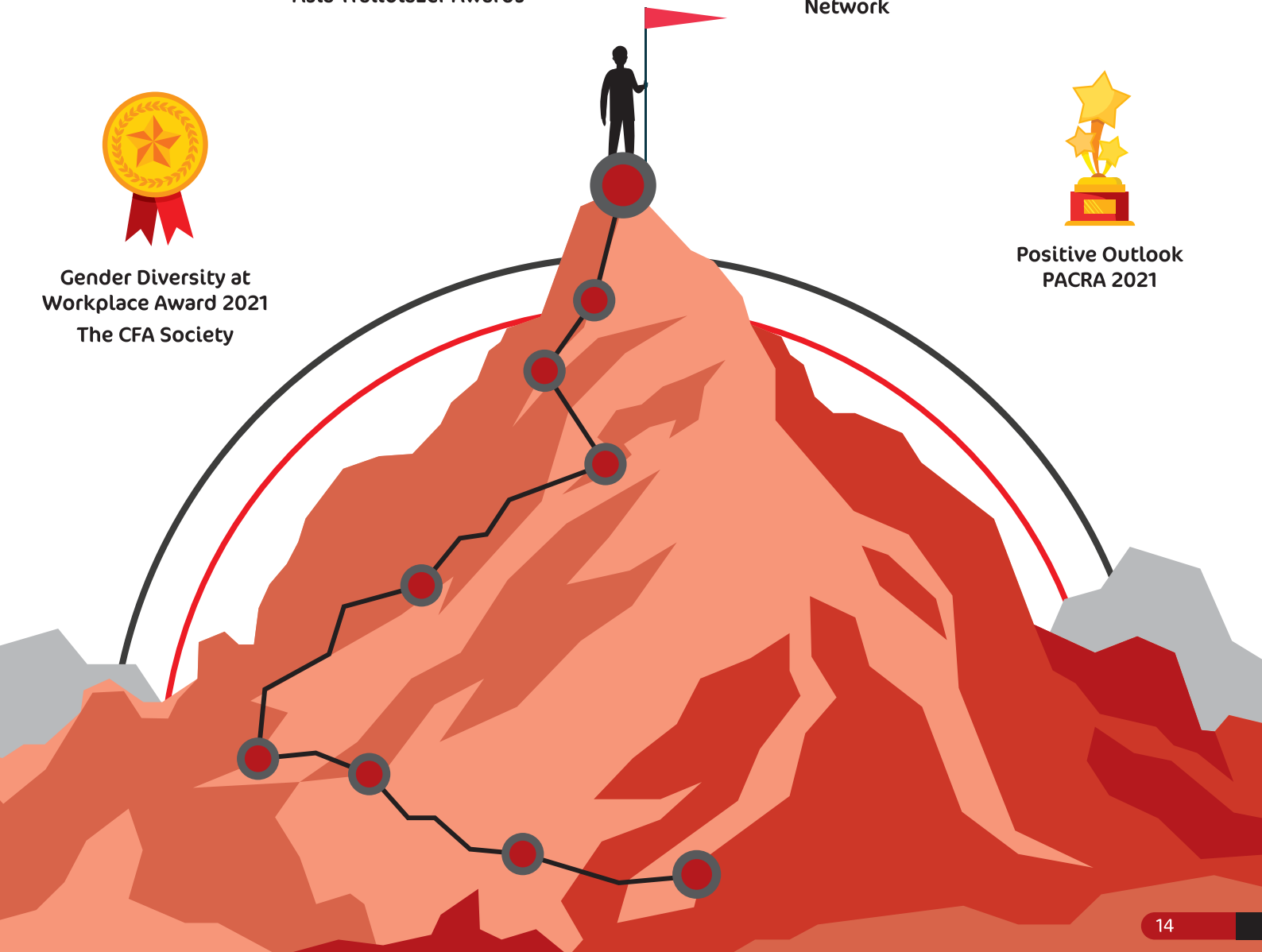
**Diversity & Inclusion  
Leader Award 2021**  
The Professionals  
Network



**Positive Outlook  
PACRA 2021**



**Gender Diversity at  
Workplace Award 2021**  
The CFA Society





## Vision, Mission

### **Vision:**

MMBL aims to alleviate poverty and promote financial inclusion by providing innovative solutions.

### **Mission:**

MMBL aims to provide financial solutions to the economically underprivileged for their economic freedom by using innovative Alternative Delivery Channels (ADCs) and promoting micro-businesses through an ethical and passionate team, which strives to deliver beyond expectations.



## Core Values



### ENTREPRENEURIAL

- Agile & Dynamic Practices; Pushing Boundaries to Explore Possibilities
- Leading through Example
- Taking Smart Risks Only when its Within the Customers' Interest



### TRUTHFUL

- Open, Honest and Reliable in all Internal & External Dealings
- To Customers, Peers, Leadership, and Shareholders, Be Trustworthy, Keep Promises and Admit Mistakes
- Upholding the Highest Level of Ethics



### INNOVATIVE

- Driven towards Unique, Intelligent & Seamless Solutions
- Striving for the Extraordinary
- On a Mission to Digitize Operations



### COLLABORATIVE

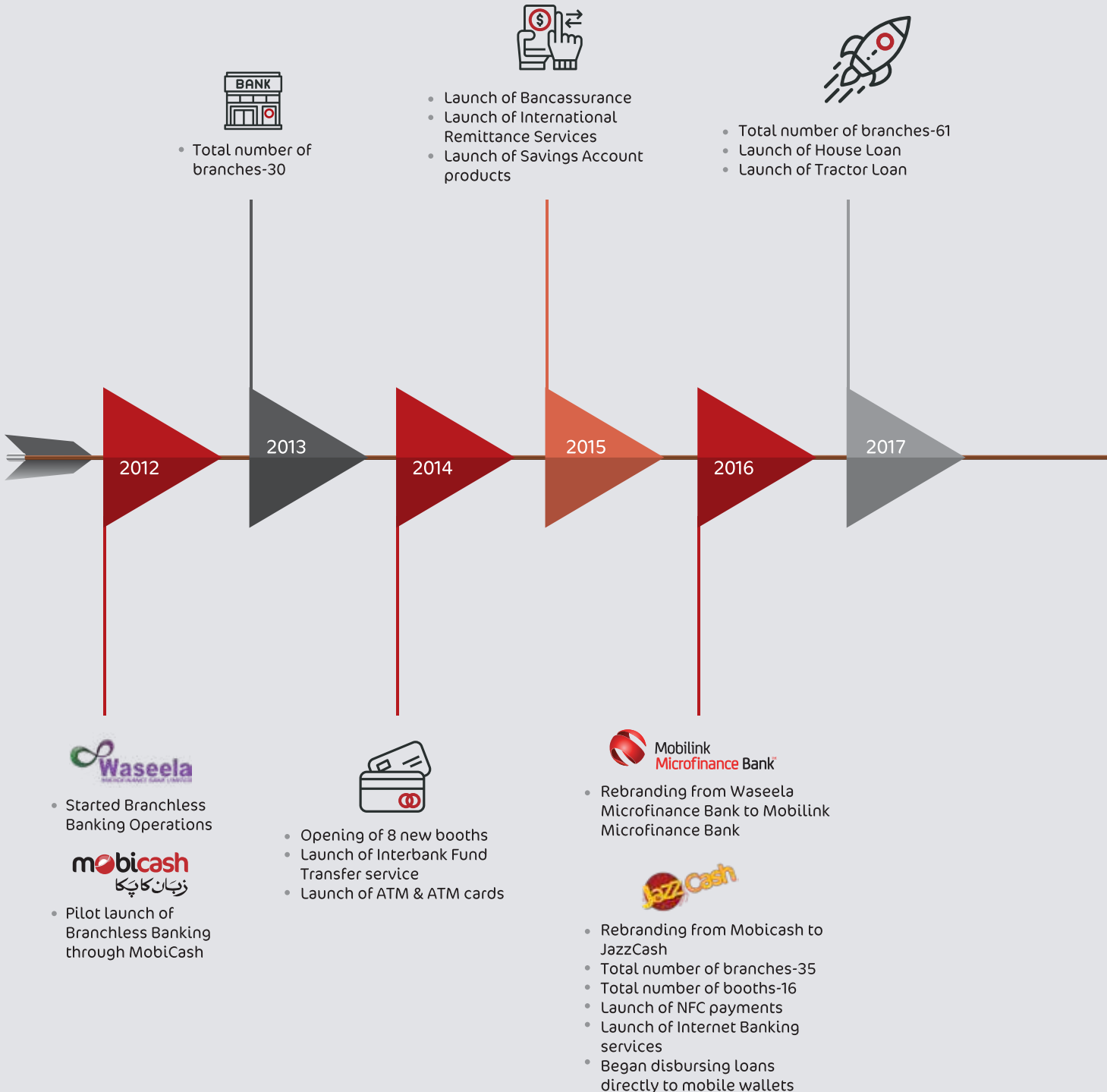
- Our Focus is to Bring People Together
- Working with, Rather than Against Each Other
- Partnering both Internally and Externally, with others, to Achieve More
- Executing Tasks Faster & Smarter with Teamwork



### CUSTOMER OBSESSED

- Driven by Customer Insight
- Keeping Customers at the Heart of Every Activity
- Making Tough Decisions while Keeping the Customers' Best Interest in Mind

## MMBL's Journey in 10 Years

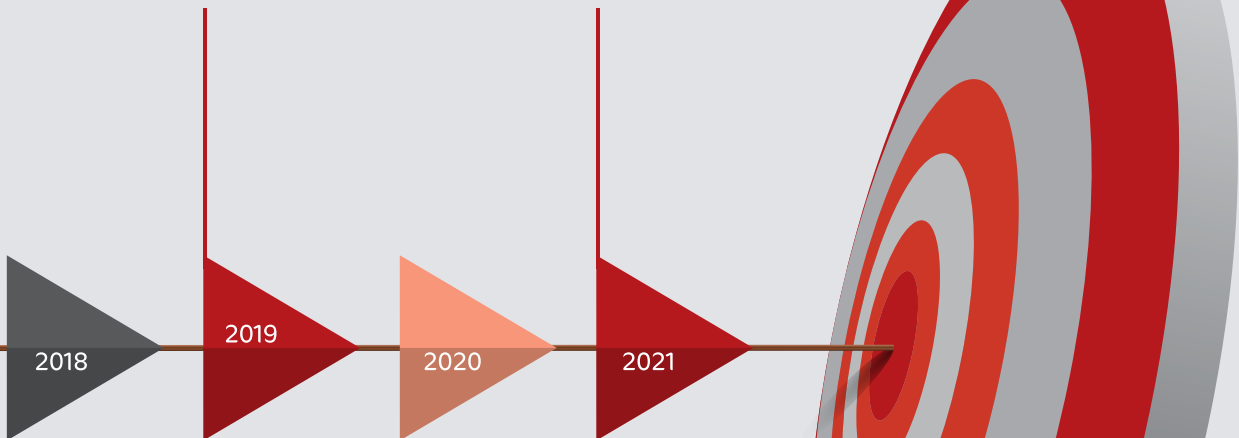




- Launch of Khushhal Kissan Loan Value Chain
- Began digitization processes
- Launch of Mera Tahaffuz Term Deposit
- Awarded 'Bank of the Unbanked' by Institute of Bankers Pakistan



- Diversity & Inclusion Leader Award 2021 - TPN
- Best Retail Bank 2021 - RBI Asia Trailblazer Awards
- Gender Diversity at Workplace Award 2021 - CFA Society Pakistan
- Titled 'Positive Outlook' by PACRA 2021
- Launch of Dost - powered by MMBL, a premium digital financial solution
- Total branches - 105



- 9% increase in total depositors
- 19% increase in investments
- Awarded 'Bank of the Unbanked' by Institute of Bankers Pakistan



- Total number of branches-100
- Launch of Commercial Vehicle Loan
- Launch of Bint-e-Hawwa
- Total Branchless Deposit PKR 17.4 Billion
- Awarded 'Digital Microfinance Bank of the Year' by the CFA Society
- Titled 'Stable Outlook' by PACRA and excluded from PACRA's watchlist
- Semifinalist in European Microfinance Awards



**CORPORATE  
LEADERSHIP**



## Board of Directors



### **Aamir Hafeez Ibrahim** - Chairman Board of Directors

Aamir is Chief Executive Officer of Jazz, Pakistan's number one 4G operator and leading digital service provider with over 75 million subscribers. Prior to his position as CEO, Aamir was Jazz's Deputy CEO and Chief Commercial Officer.

Aamir has over two decades of international experience as a senior executive across multiple industries and continents. Prior to joining Jazz, Aamir was the Senior Vice President for Telenor Group, where he led distribution initiatives across Asia. Aamir has also held senior leadership positions at Ford Motor Company, Jaguar & Land Rover.

Aamir brings with him a wealth of experience specifically in strategic marketing, sales and distribution, analytics, product development, government and regulatory management, business planning, M&A, public relations and crisis management.

Aamir is a Pakistani native, with an undergraduate degree in Accounting from the University of Texas and an MBA from IMD in Switzerland. In 2012, Aamir received an Advanced Management Program diploma from Harvard Business School. Aamir has lived and worked across multiple cultures and countries including Thailand, Pakistan, the UK, the United Arab Emirates, Switzerland and the US.



### **Atiqa Lateef** - Independent Director

Atiqa is a blockchain technology and digital currency regulations expert and the Director of Policy for Rain in Pakistan. She joined Rain from Uber where she led policy relations and strategic operations in her market. Concurrently, Atiqa serves as the Independent Director to the board of Pakistan's largest digital bank. Previously, her roles have included Chief of Staff and Advisor on commercial, government and legal matters in both the petroleum and financial sectors. Atiqa's career began as a management consultant for BearingPoint's Strategy and Transformation group in Chicago. She holds a dual Juris Doctorate/MBA from the South Texas College of Law Houston and Texas A&M University consortium.



### **Elias Yazbeck** - Director/Non-Executive

Elias Yazbeck is VEON's Group Director, Head of Growth and Partnerships, and is responsible for driving the company's Digital Ventures strategy and execution to identify and scale digital venture opportunities across its 9 operating markets. In addition to his Group-wide responsibilities, Elias acted as interim CEO of JazzCash-VEON's fast-growing Mobile Financial Services venture in Pakistan. JazzCash is Pakistan's leading mobile wallet with more than 15.4M MAU. Elias was previously Facebook's Head of Finserv Partnership and Market Development for EMEA following spells at Mastercard and as a management consultant, where he honed his expertise in payments, technology, and - more broadly - growth and turnaround strategies. A French national with Lebanese origins, Elias is passionate about technology and its transformative impact on the lives of people, particularly those in developing countries. He holds a Master's in M&A from London's CASS Business School and a Bachelor's of International Commerce from the ESCE in Paris.





### **Ghazanfar Azzam** - Executive Director

Ghazanfar is one of the leading bankers in Pakistan with many achievements to his credit in the commercial, consumer, retail, SME, and micro-banking segments which include the establishment and successful operations of two leading nationwide microfinance banks in Pakistan i.e. FINCA in 2008 and Mobilink Microfinance Bank in 2012.

Ghazanfar began his banking career with HBL, Pakistan's largest commercial bank, and moved on to work with some of the best private sector commercial banks including Union Bank, Prime Commercial Bank, and Bank Alfalah. Before transitioning to microfinance, Ghazanfar also worked with Shore Bank International (Now Enclude) as a senior consultant and Head of SME downscaling for the USAID-funded WHAM project from 2005 to 2007.

Ghazanfar is a fellow of the Institute of Bankers Pakistan and also a recipient of the prestigious Hubert Humphrey Fellowship for 2000-2001 at Penn State University, PA. As part of this fellowship, he attended a course in International Finance at the World Bank Institute in Washington DC in March 2001. He did his Master's in Business Administration from IBA, Punjab University in Lahore, Pakistan.



### **Murtaza Ali** - Director/Non-Executive

Murtaza Ali is currently the Chief Financial Officer - Digital Financial Services (JazzCash) at Jazz. Prior to joining JazzCash, he has also served as Chief Financial Officer in Telenor Microfinance Bank. He brings with him over 21 years of experience, an extensive track record of leading and managing teams engaged in Risk-based Strategy and their Management Frameworks, Corporate Finance & Financial Planning, Mergers & Acquisitions, Corporate Governance, in a range of corporations including Banking, Telecommunication and FMCGs. He has hands-on experience - ranging from Audit and Consultancy at the Big 4 Chartered Accountancy firms to Financial Management at financial services industry and GSM, supplemented with strategy execution and change management experience.



### **Salman Sarwar Butt** - Independent Director

With over 29 years of experience in Retail & Consumer Banking, including leadership roles in renowned organizations such as GPI, ABN AMRO Bank, Royal Bank of Scotland, NIB Bank, and Citibank, Salman is currently serving as the Chairman of Green Peak International. He has a Bachelor's degree in Arts, Economics, and Religious Philosophy from Oberlin College and a Diploma in Economics from the University of Kent.

## Management Team



### **Ghazanfar Azzam** - President & CEO

As a renowned Pakistani banker, Ghazanfar has several achievements to his credit in commercial, consumer, retail, SME and micro-banking. He has been an integral part of the establishment and successful running of two of the nation's leading microfinance banks - FINCA (2008) and Mobilink Microfinance Bank (2012). He is a Fellow member of the Institute of Bankers Pakistan (IBP), a recipient of the prestigious Hubert Humphrey Fellowship and a graduate of IBA, Punjab University.

Under Ghazanfar's capable leadership, Mobilink Microfinance Bank is positioned as the largest digital bank in Pakistan and has been awarded quite a few widely-coveted titles from the national and international finance and banking communities over the last decade.

Ghazanfar Azzam's career began with Pakistan's largest commercial bank, Habib Bank Limited (HBL) after which he moved on to work for some of the best private sector commercial banks such as Union Bank, Prime Commercial Bank, and Bank Alfalah. He has also served as Senior Consultant at Shore Bank International (now Enclude) and Head of SME Downscaling at the USAID-funded WHAM project from 2005 to 2007.



### **Sana Tariq** - Chief Legal & Corporate Affairs Officer/Company Secretary

Before joining Mobilink Microfinance Bank in her current role, Barrister Sana was a law practitioner with extensive experience in the microfinance industry including but not limited to Joint Ventures, Mergers & Acquisitions, managing Board of Directors and advising shareholders. She has advised on the governance of various microfinance banks and has also served as Ethics & Compliance Officer prior to her role at MMBL. Sana has a Master's degree in Law and is enrolled at Lincolns Inn and the High Court of Sindh.



### **Sardar Mohammad Abubakr** - Chief Finance & Digital Officer

With over 19 years of enriched experience in leadership roles throughout Europe and Asia, Abubakr has a vast array of expertise that is utilized well in his current role at Mobilink Microfinance Bank, where he leads several impactful initiatives for boosting digitization and financial inclusion across the nation. His career is dotted with senior Group and Opco roles in reputable organizations such as Telenor, Cable & Wireless Communications, PwC, and many more. Abubakr is a Professionally Qualified Accountant (UK), a graduate of the Harvard Business School Digital Strategy Program (DIGS), the Strategy Execution Program (INSEAD) and an IT Governance & Control professional as well.

To his credit, he has also been awarded the ITU Global Innovation Award for his inspiring work with startups.



### **Samiha Ali Zahid** - Chief People Officer

Samiha Ali Zahid is an Organizational Development, Staffing, Human Resource Management, and Corporate Communications expert with more than 16 years of cross-functional experience in the industry. She is known for developing cohesive and high-performing teams that grow at remarkable paces in their individual careers while contributing significantly towards the achievement of business goals.

She is a certified trainer and holds a Master's in Public Administration with a proven track record of incredible employee retention rates and the successful promotion of positive brand imaging across the board.



### **Muhammad Asim Anwar** - Chief Business & Products Officer

Upon graduating with a Master's degree in Business Administration from the College of Business Administration, Lahore, Pakistan, Asim proceeded to work in various cross-industry roles. His experience now spans over 20 years and he uses his vast expertise to lead the MMBL workforce across various regional locations through the mobilization of field operations while achieving bank revenue targets, the introduction of quality portfolios, diversified business products, and effective client management.



### **Syed Sajjad Qayyum Ashraf - Chief Service Quality**

As an experienced banker, Sajjad has worked in diverse cross-industry roles for over 30 years in product development, strategic planning/business initiatives, team building and all formats of credit such as corporate, SME, consumer, and microfinance. He has several academic achievements to his name including MBA, LLB (Pb.), D.A.I.B.P, and numerous professional courses on banking, finance and management. As an integral part of the MMBL family, Sajjad has led various functions in the organization since its inception in 2012 ranging from Operations, Business, Credit, Compliance, Service Quality, Policy & Procedures, Procurement, and Administration.



### **Faisal Mahmood - Chief Information Officer**

As a banking technology professional, Faisal has an extensive experience of over 19 years in specialized areas such as Digital Transformation, Business Process Re-engineering, Core Banking Systems, Alternate Delivery Channels, Mobile/Digital Financial Systems, Enterprise Technology Governance, and Process Automations. He has performed several mid to senior management roles in reputable commercial and microfinance banks including ABN AMRO, MCB, FINCA and NRSP.



### **Shahid Umar - Chief Ethics & Compliance Officer**

With a Master's in Law from Karachi University, Pakistan, Shahid has lead compliance operations in notable organizations in the telecommunication and financial sectors for over 20 years. He is a seasoned professional with expertise in managing and advising on commercial law, business ethics, regulatory functions, litigation, risk assessment, settlements, audits, corporate investigations, and more. In his role at Mobilink Microfinance Bank, Shahid leads periodic audits and inspections, monitors and assesses risks, files incident reports and oversees corporate operations as a whole. Additionally, he is a certified trainer for various topics such as Anti-Money Laundering and Anti-Bribery practices.



### **Muhammad Khalid Idrees - Chief Bank Operations**

With an extensive and diverse professional portfolio spanning over 27 years, Khalid has performed notable roles in esteemed financial institutions of the country such as the State Bank of Pakistan, National Bank of Pakistan, Allied Bank and The Bank of Punjab. His professional expertise include Monitoring & Supervising Banking Operations, Devising Banking Strategies & Policies, Risk Assessment & Control Design, Core Systems Implementation, Organizational Development, Internal Audits, and Project Management to name a few.



### **Muhammad Siddique Ahmed - Chief Internal Audit**

Siddique is a dynamic, self-driven and results-focused organizational executive with more than 21 years of international experience in various countries around the world. His diverse, cross-industry roles in FINCA International, HBL Microfinance Bank (formerly First Microfinance Bank), KPMG and more have leant him great expertise in the fields of Auditing, Fraud Examination, Risk Management, and Information Security Management Systems.



### **Syed Aizaz Hassan - Chief Risk Officer**

As a seasoned professional with nearly 30 years of enriched experience behind him, Aizaz has many credits to his illustrious career having led the Operational Risk Management and Transformation portfolios at some of the largest financial institutions in the Gulf region, including professional certifications and memberships from the Chartered Banker Institute (UK), Information Systems Audit & Control Association (USA), Global Association of Risk Professionals (USA), and many more.

Aizaz has an MBA in Banking & Finance from Bangor University (UK) and a Chartered Banker Diploma from the Chartered Banker Institute (UK).



## Management Team





**Seated (L to R):** Ghazanfar Azzam, Syed Sajjad Qayyum Ashraf  
Samiha Ali Zahid, Shahid Umar

**Standing (L to R):** M. Asim Anwar, Sardar Abubakr, M. Khalid Idrees  
Sana Tariq, M. Siddique Ahmed, Faisal Mahmood  
Syed Aizaz Hassan



## Products & Services

### Deposits



#### Aasaan Remittance Savings Account

The Aasaan Remittance Account is targeted at home remittance senders and beneficiaries to send and receive home remittances through formal accounts instead of resorting to traditional cash over the counter transactions. These segments of society may include but are not limited to skilled/unskilled workforce, farmers, less educated/uneducated people, laborers/daily wagers, women/housewives, self-employed individuals, pensioners, and young adult population, etc.



#### Aasaan Remittance Current Account

These accounts are opened without any initial deposit and there is no minimum balance requirement either. No service charges are applicable at the time of opening or closing of these accounts.



#### Aasaan Savings/Current Account

The Aasaan Savings and Current Account is open to all low-income unbanked/underbanked masses who face difficulties in account opening due to normal account opening requirements or lesser means. These segments of society may include but are not limited to skilled/unskilled workforce, farmers, less educated/uneducated people, laborers/daily wagers, women/housewives, self-employed individuals, pensioners, and young adult population, etc. The total Debit per month for Aasaan Savings and Current Account is PKR 500,000 where as the total Credit Balance limit is PKR 500,000.





### Bint-e-Hawwa

Bint-e-Hawwa is a unique offering aimed at financially empowering women from all fields and backgrounds. From homemakers to salaried professionals and entrepreneurs, Bint-e-Hawwa will allow women to own a current or savings account in their names within a few hours of applying and avail several benefits.



### Bachat Account

The Bachat Account is tailored for those individuals/businessmen who regularly need money to supplement their income i.e. each month. Interest earned on your deposit becomes another source of income with opportunity to deposit/withdraw the funds at any time.



### Sahulat Current Account

The Sahulat Current Account product is ideal for firms, companies, institutions, and individuals etc., who need banking services more frequently. This is one of the most basic and flexible deposit options, allowing unlimited transactions.



### Mustaqbil Term Deposit

The Mustaqbil Term Deposit product is designed to keep the customers' assets secure and offer convenient liquidity options as well.



## Insurance Products



### Sehat Yaqeen

This is a complete Health Insurance Plan which is specially designed for all Mobilink Microfinance Bank Account Holders and their Dependents (if opted). This exclusively designed plan not only provides health insurance facilities to the customers and their dependents (Covered with TPL LIFE) but also provides hospitalization, co-payment, and more.

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### Waseela-e-Zindagi

Waseela-e-Zindagi ensures that the customers' family and loved ones are protected and cared for even in case of their demise. This is a flexible premium unitized investment linked assurance plan that gives the client access to professionally managed Unit Linked Funds with the benefit of life insurance cover packaged in.

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### Waseela-e-Zindagi Plus

The policy value of this plan will vary directly with the investment performance of the Unit Funds. To cater to a client's changing needs, the plan provides many flexible options such as altering his/her investment and protection level, topping up, switching among Unit Funds, etc. This is a flexible premium unitized investment linked assurance plan that gives the Client access to professionally managed Unit Linked Funds with the benefit of life insurance cover packaged in.

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## Loans



### Fori Cash Plus Loan

The Fori Cash Plus Loan is offered against gold/gold ornaments to cater to the needs of individuals having ownership of a running business in the following economic sectors: Trade, Production, Manufacturing, Services, Agriculture, and Livestock, etc.



### Mera Pakistan Mera Ghar

Mera Pakistan Mera Ghar, in line with the Government of Pakistan's vision to cater to the housing needs of low-income groups, seeks to facilitate the purchase or rental of houses/flats as well as the extension of existing homes.



### House Loan

People who want to buy a house, construct a new house, want to have extra construction on their existing house, or want to renovate their house can apply for the House Loan.



### Karobar Loan

The Karobar Loan is an 'Individual Loan' with acceptable personal guarantee. The loan may be utilized to expand micro-enterprises/small businesses to meet working capital requirements or purchase of assets.



### Khushhal Kissan Value Chain

The Khushhal Kissan Value Chain Loan is a financial facility for farmers covering purchase cost of agriculture inputs including seeds, fertilizer, and pesticides.



### Commercial Vehicle Loan

Individuals and entrepreneurs, who are self-employed, providing services or doing business and wish to own a new or used (up to maximum 03 years old vehicle) local commercial vehicle for business use as well as for rental income generating activities can avail this loan.



### School Loan

The School Loan product is designed for all Pakistani non-state schools (local private schools, technical educational institutions, and local school chains) to access affordable capital to help meet their schools' financial requirements.



### Passbook Loan

The target group for Agriculture Passbook Loan is micro-entrepreneurs (both men & women) who require loans to fulfill their agricultural and farming requirements with respect to production and development as well as for purchase of agricultural assets, etc.





**Diversity &  
Inclusion**

## Women Financial Services

Under MMBL's flagship program, Women Inspirational Network (WIN), we aim to empower women through a powerful set of purpose-driven actions. To facilitate our female borrowers and ease their path to financial inclusion, MMBL has designed exclusive female-centric products to address the specific financing needs of women and allow them to overcome barriers restricting their access to finance. In tandem with this step, we have increased the female proportion of our branch staff, so that women from rural areas and villages can comfortably visit and engage freely in dialogue and information exchange to improve their financial literacy, in addition to availing financial services.

Under WIN, MMBL has partnered with key stakeholders across different industries to collaborate on projects aimed at the skill enhancement of female entrepreneurs through training workshops, financial and digital literacy programs, and targeted awareness campaigns.

Furthermore, our gender-inclusive HR policy helps our female workers maximize their job satisfaction and reach their full professional potential. We have female representation in the Board, at headquarters, and all branches leading their specific domains and contributing effectively to the overall growth of the organization.

Mobi-Circle is an exclusive forum for MMBL's female employees to explore and resolve workplace opportunities and challenges, as well as to facilitate cross-functional learning, provide mentoring and networking opportunities, and foster capacity building.

At MMBL, we cater to more than just financial and professional growth. We give our employees the satisfaction that they crave in terms of work-life balance, flexibility, diversity, gender inclusivity, and additional benefits that make it difficult for people to actively seek other employment prospects. Moreover, our policies lean heavily towards facilitating the unique needs of female employees, including but not limited to conveyance, maternity leaves, day-care/child-care coverage, flexible working conditions, equal opportunities, health benefits, and exclusive channels for safe discussions on isolated incidents of concern.







Women Inspirational Network

## EMPOWERING WOMEN THROUGH A SET OF POWERFUL, PURPOSE-DRIVEN ACTIONS

**25%**

IMPROVED  
DISBURSEMENT  
RATIO



**21%**

IMPROVED  
ACTIVE BORROWER  
RATIO



**100%**

FEMALE STAFF  
GROWTH ANNUALLY



**+500**

WOMEN  
BORROWERS  
UPSKILLED & TRAINED



**+136**

Million PKR

INCREASE IN  
BINT-E-HAWWA  
DEPOSITS



**+1.8**

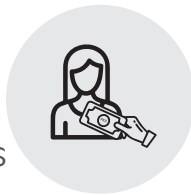
Million PKR

BINT-E-HAWWA  
LOAN AMOUNT  
DISBURSED



**+55,000**

WOMEN BORROWERS



**+110,000**

FEMALE DEPOSITORS



## HUMQADAM - Leave No One Behind

The Humqadam initiative aims to build and empower inclusive communities by helping marginalized segments achieve financial success and independence. According to the National Human Development Report published by the United Nations Development Program, 64% of Pakistan's total population is below the age of 30 while 29% is between the ages of 15 and 29 – making us among the youngest countries of the world. The Humqadam program taps into that immense potential in a positive way.

The program caters to the needs of the differently-abled by incubating their existing skillset in a formal, corporate environment. This not only helps open new avenues and career opportunities for the participants but empowers them to search for capacity building initiatives rather than letting their circumstances demotivate them from becoming successful professionals in the market.

The State Bank of Pakistan has also introduced a comprehensive policy to enhance the financial inclusion of Persons with Disabilities (PWDs), by improving access to banking services as well as providing opportunities to contribute as bank employees.

We placed nine (9) trainees, all with different handicaps, across various departments in MMBL, based on their education and skills. All the participants were then subjected to a comprehensive 3-month on-the-job learning program focused on various digital and financial tools essential for their career progression. 4 out of 9 trainees have successfully been retained at permanent positions at the Bank, following the completion of their training.

MMBL's efforts directly influence the achievement of the UN's Sustainable Development Goals for 2030 and are also in line with the Gender Equality Draft Policy from the State Bank of Pakistan. These efforts helped MMBL win the prestigious "Diversity & Inclusion Leader" award at the 10<sup>th</sup> Annual CSR Summit in Pakistan.





Mobilink  
Microfinance Bank



**Balqees**  
Faisalabad

## Success Stories

### Microfinancing Happiness

Hardship and struggle often act as catalysts for people to understand their true strengths and reach their full potential. Hailing from the heart of suburban Faisalabad, a lower-middle-class woman – Balqees – triumphed over several personal, financial, and social hurdles to become an independent, self-reliant, and empowered member of society.

Balqees, now aged 56, lives a humble life with her husband, five daughters, and two sons – one of whom has special needs. Her husband is employed at a nearby factory and struggles to make ends meet on a meager wage with ever-rising inflation rates factored in. In addition to their existing financial troubles, the culminating social pressure to marry off their daughters pushed Balqees towards exploring entrepreneurial avenues that could help generate more income for the family of 9.

Her drive towards lending a helping hand to her husband did not deter as she faced a myriad of challenges, both personal and socio-normative. One of the key limitations for Balqees was her limited knowledge of business dealings as she had been a housewife for most of her life. Despite that, she pushed on and learned as much as she could as quickly as possible so she could help facilitate a better standard of living for her family.

Balqees struck a balance between her home life and her business ambitions by deciding to open up a small corner store. However, she lacked the required capital to put her plan into action. At this critical juncture, Balqees came to learn about Mobilink Microfinance Bank (MMBL)'s diverse product range specifically designed to cater to the needs of small business owners and budding entrepreneurs such as herself. She approached the bank for financial assistance and with the help of an officer from MMBL, she was able to attain the funds that she needed to kickstart her business. The store turned out to be an ideal setup because it allowed her to stay close to her family while adding value to her neighborhood and earning her way to a more comfortable life.

Despite having limited experience with financial dealings in the past, Balqees received her loan quite seamlessly through the bank's convenient digital ecosystem and, in a matter of days, her store was rented, stocked, and ready for opening.



Five years later, Balqees' store is a success. The neighbors rely on her for their daily grocery needs and through the combined efforts of Balqees and her husband, they have happily married off three of their five daughters and are now availing quality medical care facilities for their differently-abled son.

Balqees' appreciation for MMBL has only grown throughout her relationship with the bank and she is currently in the 5th loan cycle, steadily expanding her operations to stock new and greater number of products in her store.

"Our lives have changed.", said Balqees when asked about MMBL's impact on her family, "None of this would've been possible without the bank. MMBL brings financial services to people like us, who can genuinely benefit from them. They make acquiring funds simple, swift, and convenient. The most important thing is that the services are always customized to fit the customer's needs. I look forward to growing my business in the future with MMBL's support."

Like Balqees' corner store, Mobilink Microfinance Bank uplifts millions of small and medium-sized business ventures situated in urban as well as rural settings. Investing in SMEs through flexible and accessible financial services is a significant stimulant to enhance the socio-economic landscape of Pakistan. The bank uses its diverse product portfolio and ever-evolving digital ecosystem to facilitate all income groups, particularly those on the lower end. Its digital capabilities lend a unique advantage to MMBL which anchors its position in the industry as the largest digital bank in the country.

The financial empowerment of women is central to realizing their rights and conforming to gender equality. It is certain that economic development cannot be attained without women's contribution to society, as they comprise almost half of Pakistan's overall population. According to World Bank, Pakistan has the world's lowermost rate of women's entrepreneurship with only 1% of female entrepreneurs compared to 21% of males.

Given such dismal indicators, it should be the prime priority of financial institutions to take effective steps for including women in the financial landscape of Pakistan. Under its flagship program, Women Inspirational Network (WIN), MMBL aims at further strengthening the base for enhancing gender parity across the board and promote women entrepreneurs by further broadening the portfolio of its female-centric products. The bank prides itself on aligning its operations with SBP's policy - Banking on Equality - and continues on its mission of serving the unserved.





**Nasir Gill**  
Youhanabad, Lahore

## The Success Story of a Fast-Growing Tailoring Business

Hard work and perseverance are essential elements of success. Nasir Gill, the owner of a fast-growing tailoring business from the low-income locality of Youhanabad, Lahore, is a living example of the continuous, unflinching struggle for one's goals that can lead to the achievement of outstanding accomplishments.

Growing up, Nasir saw his family struggle through financial hardships and decided early on to change the course of his life. He aimed to become a financially independent and self-reliant member of his community. He decided to learn tailoring and worked for several tailoring businesses at a meager wage for a few years. However, working for others did not bring him the personal fulfillment he sought. He wanted to stand on his own and start his business.

He had already developed a loyal clientele during his apprenticeship period and was optimistic that they would support his new enterprise. However, with minimal to no savings of his own, he was without the financial capital required to rent a shop, buy the necessary equipment, and secure the required inventory. He kept exploring his options until he came across a representative of Mobilink Microfinance Bank (MMBL), who introduced him to the extensive range of lending products at MMBL that were tailor-made to support self-starters like him. He found MMBL's Karobar loan perfectly suited to his needs and immediately applied for the first loan cycle.

His loan request was processed and released much faster than he expected due to the bank's state-of-the-art digital financial services that made the process quick and hassle-free. Nasir received PKR 80,000 in the first loan cycle which allowed him to kickstart his dream venture. Within a short time, due to his skills, hard work, and the support of his satisfied customers, his business began to flourish and he was able to return his loan in easy installments within the stipulated time.

In the subsequent years, Nasir availed two more loans, of up to PKR 125,000 to further expand his scale of operations and add new tailoring products for his customers. As more and more work started coming in, he was able to hire two employees to assist him in the shop.

“I cannot imagine doing it all without my bank,” said Nasir. “MMBL has made availing loans very easy, and returning them is even more convenient. The decision to avail this loan changed my family’s fortune and we are now living a life that we couldn’t envision a few years ago. I couldn’t have found a better partner than Mobilink Microfinance Bank Limited to help me through my hard times.”

While Nasir is grateful for the remarkable change in his family’s standard of living, he has further ambitions to enhance his operations with MMBL’s financial support.

“I want to give a new look to my shop by installing an air conditioner and an LED TV,” Nasir said. “Additionally, I want to buy the best sewing and Kaj overlock machines in the market to improve the quality and efficacy of our work.”

He also wants to create shared value in society by employing more and more people in his locality where there is a severe dearth of economic opportunities.

In Pakistan, around 99% of economic establishments are SMEs which collectively contribute 40% to the GDP and 26% to the exports from the manufacturing sector. Mobilink Microfinance Bank’s microloans are supporting hundreds of thousands of small and medium-sized businesses, catalyzing economic prosperity and wellbeing at the grassroots. A significant number of these businesses are based in rural economies and are led by women and thereby qualify to receive preferential processing at MMBL under its women-empowerment initiatives. As Pakistan’s largest digital bank, MMBL is leveraging its groundbreaking digital financial ecosystem to disburse digital loans and bring unserved segments of the population into the fold of digital and financial inclusion.







Mobilink  
Microfinance Bank



**Shamim Bibi**

Fort Abbas, Bahawalnagar

## From Microfinance to Micro-entrepreneurship

The greatest weapon against failure is the ability to continue struggling for the better, despite hardships, and steer towards a clear ambition with commitment, hard work, and perseverance. Hailing from a small village near Fort Abbas in Punjab, a lower-middle-class woman – Shamim – conquered several personal, monetary, and social barriers to become a financially independent, self-sufficient, and empowered member of society.

“I thank God for His countless blessings. I also owe it to my bank for helping me grow my small venture.”

Despite being surrounded by a family that loved her profusely, Shamim Bibi’s life has not been the most ideal and was dotted with its fair share of hurdles. She worked with her husband day-in and day-out to provide a comfortable life to her family and educate her children to lead them towards a progressive future.

Being a doting mother and a loving wife, Shamim Bibi’s story is a true testament to the fact that obstacles faced in life often turn out to be the most significant stimuli that propel us towards our path of growth and prosperity. Utilizing her entrepreneurial prowess, she set up a dairy business and expanded it to fulfill the financial needs of her family, and on her voyage towards triumph, she found Mobilink Microfinance Bank Limited (MMLB), a support system that fostered her journey towards further economic independence.

Shamim Bibi had only four goats in the beginning but her will and desire to expand her business were unbounded. While pursuing her dream to establish a more formal setup of a dairy farm, she was approached by a representative from Mobilink Microfinance Bank, the largest digital bank of Pakistan, committed towards serving the unserved. Shamim Bibi applied for a livestock loan in 2019 and utilized this money to purchase a cow. While her husband worked in a factory for labor, she showed immense strength of will, courage, and dedication to pouring her energy into the livestock business. After successfully paying back her first loan, a year later, she was able to avail another MMLB loan cycle, purchasing a second cow in the process.

Owing to her profound business acumen, her entrepreneurial plunge proved worthwhile and her earnings increased substantially. She is now able to send her children to school and even though her dream of setting up an entire dairy farm remains yet to be fulfilled, today, her monthly revenue exceeds PKR 30,000.

“MMBL’s livestock loan has completely transformed our lives. The bank was extremely supportive and helpful through its procedures. While many hesitate in availing a loan due to the complicated procedures and policies as well as extensive paperwork, MMBL introduced me to a simple, easy, and efficient loaning experience. It has always been my dream to set up a dairy farm, and with MMBL, I feel this goal will reach fruition sooner than my expectations.”

Shamim Bibi’s amazing story serves as a testament to the fact that great initiatives lead to greater rewards. Despite all the hardships she faced, Shamim Bibi remained hopeful for a better future and this quality of optimism is what is needed by women across the country.

As a leading microfinance provider, MMBL has been a witness to numerous examples of women from rural areas, who carry remarkable qualities to seek economic empowerment but remain tied down due to little support and lack of access to financial resources. MMBL thoroughly believes that an individual with initiative can become an agent of change in their community when provided the correct stepping stones, and hence it is playing its role of bringing more and more women into the fold of financial inclusion.

The State Bank of Pakistan’s policy, ‘Banking on Equality: Reducing the Gender Gap in Financial Inclusion’ has set an objective to boost the number of active women-transaction bank accounts from the existing 14.5 M to around 20 M by 2023 and increase female participation in the workforce of financial institutions from 13% to 20% by 2024. With its flagship women empowerment initiative, Women Inspirational Network (WIN), MMBL aims at bridging the gender divide in banking services by significantly contributing towards the financial inclusion of women from the most remote parts of the country and deploying a gender lens in all of its key systems and processes, for making the banking system more gender-intentional, rather than gender-neutral.







### Kaneez Mai

Kot Addu, Muzaffargarh

## In Light, There is Power: The Story of A Woman Who Revitalized Her Life While Protecting the Planet

Kaneez Mai embodies not just the spirit of resilience and perseverance but the courage to break cultural norms and stand out as a champion of change in the community. In the small village of Kot Addu, Muzaffargarh, renewable energy is hardly something its population is concerned about. The people of this humble community are absorbed in the daily grind to put food on the table and earn a comfortable living. In these circumstances, it takes real initiative and drive to search for and understand the short-term and long-term significance of solar power as a key source to bolster agricultural production. Kaneez used what resources she had to learn all that she could about solar power.

Per a recent study conducted by World Bank, Pakistan has immense potential for solar power and by utilizing merely 0.071% of the area that can be used to generate it, the entire country's demand for electricity can effectively be met. The prolonged and intense summers in the country make solar power a truly viable alternative energy source to meet the growing electrical disparities among various socio-economic strata. Having experienced most of these firsthand in the form of regular load-shedding and power outages, Kaneez Mai was more motivated than ever to design a long-term, cost-effective and sustainable agricultural model to earn her livelihood.

Pakistan's economy relies significantly on its well-integrated agriculture sector which contributes approximately 25% to the overall GDP. A major portion of the population is employed in the agrarian segment, the current gender distribution being 30% and 67% for males and females respectively. With the digital revolution encapsulating all of the developing world, our agricultural practices are undergoing a steady digitalization as well. Innovative technological solutions are paving the way for more and more involvement and employment in this vastly essential industry. Not only that but technology is also seamlessly penetrating previously unserved markets through optimized solutions for vendor management, raw material acquisition, digital loans and payment services.

This is where MMBL comes in. As one of the leading digital financial institutions in the country, MMBL has an established and well-oiled operational mandate for promoting financial inclusion through digitally optimal solutions that are strategically catered to serve the underserved. Kaneez Mai, driven by her dream to earn a sustainable livelihood, came across the seamless nature of MMBL's loan facilities and approached the bank for some capital to expand her agricultural venture. She owned 3 acres of land which could not be cultivated due to limited agriculture resources. Through the digitally powered services that require minimal paperwork, Kaneez was able to receive her loaned amount, PKR 700,000, in no time.

With the loaned amount in her hands, Kaneez intelligently opted for a solar-powered pump which eventually helped increase her future savings and aided her loan repayment since she was able to cut significant costs by not paying regularly for fossil fuel-powered electricity generators and extensive electrical bills. Through her smart use of the loan, Kaneez Mai is now able to support her 5 children, 4 daughters and 1 son, and provide a comfortable life for them with her renewed income.

It is estimated that 90% of all Pakistani farmers are classified as subsistence farmers, signifying their limited to no access to sufficient financing which leads to an overall lessened investment in agricultural technology designed to aid their operations and enhance their produce. MMBL has been a champion of the underserved segments of the Pakistani population for well over 9 years and Kaneez Mai's adoption of our customer-centric services is among many similar stories that have resulted in dreams being realized and lives being transformed for the better.

Since its inception, MMBL has devoted its policies, services and products to address the sustainable development goals of 2030 and promote digitization, innovation and financial inclusion for a nationwide socio-economic uplift that is driven by the desire to serve the underserved.

On a mission to empower women to adopt bold ideas and strive for their dreams, MMBL, under its flagship Women Inspirational Network (WIN) program, has a wide majority of female borrowers just like Kaneez Mai, who have utilized their entrepreneurial prowess to inch closer to their dreams.







## Customer Services & Complaint Handling

Customer service and satisfaction are a prime concern of the Bank in recognition of the fact that by providing prompt, efficient and quality services, it becomes easier to acquire new customers as well as retain valuable existing customers. The net result can be a much more successful business model. Similarly, great organizations also recognize the importance of customer complaints and consider these as a unique opportunity to improve their customer services. And the best way to ensure business growth is to know your customers' complaints and treat them as a highly valuable feedback mechanism that leads to the creation of a solid customer service strategy which enhances the overall customer experience.

MMBL fully recognizes the importance of effective and speedy resolution of its customers' grievances. The Bank attaches great importance to its customers' feedback and the prompt resolution of their complaints in order to maintain professional excellence. The Bank has a Centralized Complaint Management System (CMS) for both Branch & Branchless Banking complaints that are received through multiple channels-call centres, email, postal mail, in-person visits at the Head Office & business centres, website, social media, and the State Bank of Pakistan. The CMS helps in capturing, tracking, automatic escalation of unresolved complaints, managing complaint statuses, recording of actions performed by the respective teams and producing & extracting relevant data to support and resolve these.

MMBL, being the largest digital bank is maintaining accounts of over 39 Million customers; hence, catering to the banking needs of a large section of people from all walks of life. During 2021, the Bank had a total of approximately 1.4 billion transactions against which 231,841 complaints were received, which were resolved within an average time of five (5) working days.

The Bank is committed to excel in its customer experience and has worked upon several customer experienced areas including the following:

- Customer Experience Survey tabs have been deployed in selected MMBL Branches to digitize the customer experience survey process and to allow customers to share their candid feedback to improve services.

- A Q-Matic Solution is in place in specific MMBL branches which provides the Bank with an opportunity to provide effective & timely services.
- Specific branches have been provided with digital screens for displaying customer awareness messaging which helps customers to not only know about the Bank's products & services but also stay updated with any market scams or fraudulent activities.
- The Service Quality team carried out a Mystery Shopping activity in all 100 MMBL branches which helped identify improvement areas and gauge customer services being delivered at the branches.
- As a regular practice, guidelines for quality customer services are cascaded to all Bank staff regularly to keep them updated and focused on being customer service-oriented. This includes circulars on providing excellent customer service, banking facilities for Persons with Disabilities (PWDs), and understanding the Bank's target market.
- The Customer Experience Survey is a regular feature that is carried out through various channels: SMS, email, website, calls and engaging field staff to acquire candid customer feedback regarding the Bank's products & services.
- New staff members are allowed to interact with customers only after receiving adequate training on customer dealings/etiquettes, FTC (Fair Treatment of Customers), complaint handling, and Service Quality standards.
- A training on Fair Treatment of Customers is mandatory for all of the Bank's staff during the year. The annual FTC training of all MMBL staff achieved a 100% completion rate in 2021.
- Social Media is regularly monitored to address any customer complaints and queries.
- A Service Quality Management Committee was formed in order to monitor progress and suggest improvements on various activities performed throughout the year.
- Customer awareness programs are in place in all MMBL branches, website & social media platforms so that customers can make informed decisions and are able to keep themselves safe from any fraudulent scams.







**Financial  
Performance  
2021**



## Director's Report

For the year ended  
December 31, 2021

**Aamir Hafeez Ibrahim**  
 Chairman Board of Directors



On behalf of the Board of Directors, I am pleased to present the audited financial statements and Auditors' Report thereon, for the year ended December 31, 2021.

**Financial Performance:**

The Bank's strategic vision has helped us stay ahead of our competition, and deliver on our promise to promote financial inclusion for all, even in the remotest parts of the country. This remarkable accomplishment is despite the tremendous challenges and uncertainty posed by the global COVID-19 pandemic at each step. Despite an overall economic slowdown, MMBL registered stellar financial results for all quarters, on the back of superior performances and a winning team spirit.

In 2021, the 9th year of the operations, the Bank generated PKR 10,718 million in revenue, a growth of 55%, over PKR 6,906 million in 2020. Profit before tax for the year was PKR 1,056 million, a 41% increase from last year's PKR 748 million. Net equity now stands at PKR 6,141 growing 14% from PKR 5,404 million in the previous year. Total assets grew by 23% to PKR 69,159 million from PKR 56,003 million in 2020.

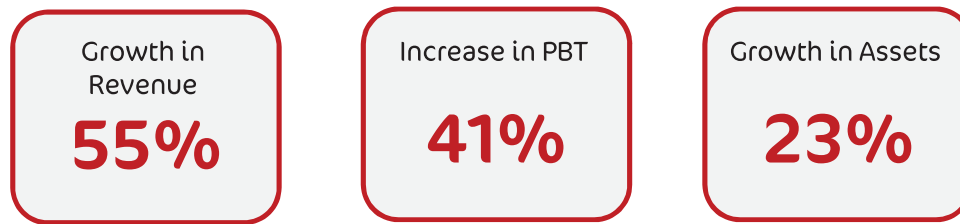
Operating with 105 branches, the Bank achieved year-on-year growth of 56% and 25% in the loan and customer deposit portfolios respectively by enhancing the current branch network's productivity and delivering significant increase over the previous year's financial results while maintaining loan asset quality. The institution is geared towards further growth and expansion in the future, centered around its unique advantage as a key digital financial services provider.

Financial Highlights	2021	2020
	----Amount in PKR '000'---	
Net Markup/Interest Income	9,384,730	5,402,794
Provision against NPLs	(987,882)	(202,456)
Net Markup/Interest Income after provisions	8,396,848	5,200,338
Non Markup/Non-Interest Income	(363,895)	(152,572)
Total Income	8,032,953	5,047,766
Non Markup/Non-Interest Expenses	(6,976,579)	(4,299,603)
Profit Before Tax	1,056,375	748,164
Taxation	(324,420)	(21,6,203)
Profit After Tax	727,681	530,319
Earnings per share (Rupees)	2.68	1.95

Indicators	2021	2020
Number of Branches	105	100
Number of branchless Banking Agents	164,332	103,440
Active Borrowers	2,019,287	760,212
Gross Loan Portfolio (PKR in millions)	38,370	24,579
No. of Depositors	39,781,519	28,692,283
Deposits (PKR in millions)	58,658	46,807

In 2021, the Bank continued to advance on its digital and strategic agendas now serving 2,000,000+ active loan clients (2020: 760,000+) and 39.7+ million deposit customers (2020: 28.6+ million) and operating with 96 ATMs deployed nationwide. Going forward, further network expansion is planned along with a revamped strategy for digital financial services in 2022. To build capacity for efficient and effective growth, the Bank invested in the further enhancement of core technology systems.

## Key Financial Indicators:



Our top products during the year remained Gold-backed loans, Agri & Livestock loans, Nano loans, Commercial Vehicle loans, and Housing Finance, with an average current collection FY 2021 standing at 90%. The Bank also placed a prime focus on SME loans last year, enabling them further as a key contributor to the GDP.

**Investment Projects:**

2021 witnessed ground-breaking innovations for MMBL including the launch of our cutting-edge banking application, DOST, to provide 24/7 banking services to our customers. Moreover, the release of the 9-Point Agenda to foster financial inclusion and mobilize support for promoting access to finance for crucial sectors including SMEs and e-commerce also served as a torch-bearer for the entire banking sector. MMBL also signed an agreement with Virtual Remittance Gateway (VRG), a veteran mobile financial services platform for banking customers to allow non-smartphone users to use their MMBL bank accounts via Unstructured Supplementary Service Data (USSD) Channels.

**Creating Shared Value (CSV):**

The launch of MMBL's flagship program, **Women Inspirational Network (WIN)** also paved the way for increased empowerment for women across the network and beyond, enhancing their entrepreneurial skills and building their capacity. The program was well-received by all stakeholders and is in line with SBP's Banking on Equality Policy. Just



within 2021, **over 100 women urban startups** were upskilled on design thinking through collaborations with Google and National Incubation Centre (NIC), and **over 400 rural women businesses** were upskilled through a Learning Management System and in-person sessions covering business fundamentals through CARE. Moreover, end-to-end support was given to women borrowers for establishing digital shops without cost through DARAZ.

Additionally, partnerships with like-minded organizations also carved the way for expanding the network of our services and broadening our outreach across Pakistan, while providing top-notch and seamless solutions for our customers. Some of the key partnerships undertaken during 2021 included **TPL Trakker Ltd., The Institute of Bankers Pakistan (IBP), Network of Organizations Working with Persons with Disabilities, Pakistan (NOWPDP), Care International in Pakistan, Team up, United Auto Industries, Fecto Belarus Tractors Private Limited,** and others.

**Awards & Accolades:**

Besides registering remarkable achievements in its core business, MMBL also garnered valuable recognition and accolades from the industry at large. MMBL bagged the prestigious **'Gender Diversity at Workplace Award (Banks)'** by CFA society Pakistan and also won the Retail Banker International (RBI) Asia Trailblazer Award 2021 for being the **'Best Retail Bank in Pakistan'**, along with an honorable mention of **'Highly Commended'** for our House Loan product in the Best Loan Offering category. Another feather in the cap was the **'D&I Leader'** Award for our flagship Humqadam Program.



### Human Resources Management & Employees' Relations:

In 2021, as an employer of choice, we continued to spread a positive vibe across the organization by digitalizing our people processes to enhance transparency and efficiency. Key focus areas for the year included Leadership development, capability building of employees across the network, utilization of online learning resources, and cross-functional relations management for building winning teams that achieve organizational goals together. As always, diversity and inclusion continued to remain at the heart of our corporate agenda.



In line with the Bank's digital focus, in-house tech-oriented software and platforms were also launched that helped increase efficiency and make internal processes stronger. Some of them are PeopleHub, Electronic Contract Management System (e-CMS), Oracle, and Learning Management System (LMS) amongst others that have helped us become an increasingly agile and people-focused organization as we continue on our entrepreneurial and collaborative journey.

### Transfer to Reserve:

As per the requirements of Microfinance Institution Ordinance, 2001 and the Prudential Regulations for Microfinance Banks issued by the State Bank of Pakistan, the Bank has transferred an amount equivalent to 20% of profit after tax to the statutory reserve PKR 146 million and 5% of profit after tax to the Depositors' Protection Fund PKR 36 million during 2021.

### Controls Framework:

The Bank's management, being responsible to establish and maintain an adequate and effective system of internal controls and procedures, evaluates the effectiveness of the Bank's internal control system and reviews significant policies and procedures. To make these functions more effective and independent, Board Sub-Committees have been set up to provide the necessary supervision.

### Statement of Corporate Governance:

The Directors are pleased to state that:

1. The financial statements prepared by the management of the Bank present a true and fair view of the state of its affairs, operational results, cash flows, and changes in equity.
2. Proper books of accounts of the company have been maintained.
3. Appropriate accounting policies have been consistently applied in the preparation of the financial statements.
4. The Bank has followed all accounting standards as applicable to the microfinance banks in Pakistan.
5. The system of internal control is sound in design and as a continuous process, efforts are made to effectively implement the internal control systems.
6. There are no doubts about the Bank's ability to continue as a growing enterprise.
7. The board has constituted the following four committees which have defined terms of reference:
  - Board Audit Committee (BAC)
  - Board Human Resources & Remuneration Committee (BHRRC)
  - Board Information Technology Committee (BITC)
  - Board Risk Management & Compliance Committee (BRMCC)



During the year, five (5) Board of Director meetings were held. The attendance of these meetings is given below:

Names of Directors	Designation	Meetings attended
Mr. Aamir Hafeez Ibrahim	Chairman/ Non-Executive Director	4
Mr. Murtaza Ali	Non-Executive Director	2
Mr. Ghazanfar Azzam	Executive Director	5
Ms. Atiqa Lateef	Independent Director	5
Mr. Salman Sarwar Butt	Independent Director	5
Mr. Elias Yazbeck	Non-Executive Director	5
Mr. Erwan Gelebart	Non-Executive Director	4

#### Change in Composition in Board of Directors:

Names of Out going and Retiring Directors	Names of Incoming and Elected Directors
Mr. Gabor Kocsis	Mr. Aamir Hafeez Ibrahim
Mr. Erwan Gelebart	Mr. Murtaza Ali
Mr. Aamir Hafeez Ibrahim	Mr. Ghazanfar Azzam
Mr. Murtaza Ali	Ms. Atiqa Lateef
Mr. Ghazanfar Azzam	Mr. Salman Sarwar Butt
Ms. Atiqa Lateef	Mr. Elias Yazbeck
Mr. Salman Sarwar Butt	Mr. Muhammad Tamoor Sabir
Mr. Elias Yazbeck	

#### Principal Risk and Uncertainties:

The banking industry is one of the most highly regulated industries in Pakistan. The State Bank of Pakistan (SBP) does not only keep a regular eye on each unit of the industry by frequently inspecting affairs of the banks but has also put various stress indicators such as Minimum Capital Requirement (MCR), Capital Adequacy Ratio (CAR), Cash Reserve Requirement (CRR), and Statutory Liquidity Reserve (SLR).

Through the years, the Bank has remained compliant with all of the regulatory requirements. In addition, the Bank also maintained a high quality of its asset portfolio including investments and maintained industry-standard liquidity, stress, and delinquency ratios.

#### Events after Balance Sheet Date:

There have not been any material events that occurred subsequent to the date of the Balance Sheet that require adjustments to the enclosed financial statements, except those which have already been made or disclosed.

#### Holding Company:

VEON Microfinance Holding B.V is the holding company with its head office in Amsterdam, Netherlands, controlling 271,359,678 i.e. 99.99% shares (2021: 99.99%) of the Bank.



**Pattern of Shareholding:**

The pattern of shareholding of the Bank as of December 31, 2021, as required under section 236 of the Companies Ordinance, 1984 is as follows:

No. of shareholders	Shareholder(s)	No. of shares	% shareholding
1	VEON Microfinance Holding B. V	271,359,678	99.99%
2	VEON Pakistan Holding B. V	2	Less than 0.001%
3	Telecom Management Limited	2	Less than 0.001%
4	International Wireless Communication	1	Less than 0.001%
Total		271,359,683	100%

**Credit Rating:**

The Pakistan Credit Rating Agency Limited (PACRA) rating, as in the report published on April 30, 2021, is as follows:

	Previous – Oct 20	New – April 21
Long term	A	A
Short term	A1	A1
Outlook	Stable	Positive

MMBL is the only bank in Pakistan amongst micro and commercial banks to receive a ‘Positive Outlook’ rating from PACRA.

**Capital Adequacy Ratio:**

During the year, the Bank remained compliant with the statutory capital adequacy requirements.

**Future Outlook:**

Maintaining its position as the Largest Digital Bank of Pakistan, the Bank continues on the path of empowering every Pakistani, financially and digitally. We step ahead with a positive outlook on the long-term growth potential of the business, despite challenges, while having an edge over our competitors. The management remains fully committed towards managing these challenges and delivering sustainable profitable growth capitalizing on our strong corporate and ethical values, digital capabilities, and operational excellence with MMBL’s continuous excellence mindset.

**Acknowledgements**

On behalf of the Board of Directors, I would like to congratulate the management and employees of the Bank on delivering the most impressive performance through another year and on the remarkable achievements which have led to the Bank being recognized as a key player in microfinance and branchless banking space. Our people are our biggest asset and their overall capability is what makes us the largest digital bank of Pakistan. We would also like to express gratitude to the State Bank of Pakistan as well for its continued support and guidance. Lastly, I am much grateful to our customers for their confidence in us which reaffirms our commitment to maintaining the highest service standards, strong corporate governance, and compliance in all our endeavors.

For and on behalf of the Board



Aamir Ibrahim,  
 Chairman – Board of Directors  
 Dated: **February 15, 2022**  
 Place: Islamabad



## Auditor's Report



**Mobilink**  
**Microfinance Bank**



**EY**  
Building a better

**EY Ford Rhodes**  
Chartered Accountants  
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## INDEPENDENT AUDITORS' REPORT

To the members of Mobilink Microfinance Bank Limited

Report on the Audit of the Financial Statements

### Opinion

We have audited the annexed financial statements of Mobilink Microfinance Bank Limited (the Bank), which comprise balance sheets at 31 December 2021 and the profit and loss account, the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the balance sheet, the profit and loss account, the statement of comprehensive income, the statement of changes in equity and the cash flow statement together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan, and, give the information required by the Companies Act, 2017(XIX of 2017), provisions of and directives issued under the Microfinance Institutions Ordinance, 2001 and directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP) in the manner so required and respectively give a true and fair view of the state of the Bank's affairs as at 31 December 2021 and of the profit, the other comprehensive loss, the changes in equity and its cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the Director's Report but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.





If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to communicate the matter to the Board of Directors. We have nothing to report in this regard.

### Responsibilities of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, the requirements of the Companies Act, 2017 (XIX of 2017), provisions of and directives issued under the Microfinance Institutions Ordinance, 2001 and directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Bank's financial reporting process.

### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Bank as required by the Companies Act, 2017 (XIX of 2017);
- b) the balance sheet, the profit and loss account, the statement of comprehensive Income, the statement of changes in equity and the cash flow statement (together with the notes thereon have been drawn up in conformity with the Companies Act, 2017(XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Bank's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Bank and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditors' report is Muhammad Ahsan Shahzad.



EY Ford Rhodes  
Chartered Accountants  
Islamabad, Pakistan  
Date: 28 April 2022  
UDIN: AR202110079ul74tBoTV







**FINANCIAL  
STATEMENTS**

For the year ended  
December 31, 2021





Mobilink Microfinance Bank Limited

## Balance Sheet

As at December 31, 2021

	Note	2021 ----- PKR	2020 ----- PKR
<b>ASSETS</b>			
Cash and balances with SBP and NBP	8	4,735,965,535	3,674,148,710
Balances with other banks	9	3,240,610,835	5,425,344,104
Lending to financial institutions		-	-
Investments	10	13,265,962,908	12,073,885,361
Advances - net of provisions	11	37,463,494,711	24,223,738,951
Operating fixed assets	12	2,125,212,463	1,860,006,338
Other assets	13	7,922,293,841	8,625,937,688
Deferred tax asset	14	405,287,170	119,866,407
<b>Total assets</b>		<b>69,158,827,463</b>	<b>56,002,927,559</b>
<b>LIABILITIES</b>			
Deposits and other accounts	15	58,658,397,196	46,806,826,744
Borrowings	16	-	-
Subordinated debt		-	-
Other liabilities	17	4,359,605,620	3,791,975,773
Deferred tax liabilities		-	-
<b>Total liabilities</b>		<b>63,018,002,816</b>	<b>50,598,802,517</b>
<b>Net assets</b>		<b>6,140,824,647</b>	<b>5,404,125,042</b>
<b>REPRESENTED BY:</b>			
Share capital	18	2,713,596,830	2,713,596,830
Statutory reserve		767,940,323	622,404,030
Depositors' protection fund	5.9(b)	239,191,683	188,995,154
Unappropriated profit		2,423,780,022	1,878,179,840
		6,144,508,858	5,403,175,854
(Deficit)/surplus on revaluation of assets - net	19	(3,684,211)	949,188
Deferred grants		-	-
		<b>6,140,824,647</b>	<b>5,404,125,042</b>
<b>MEMORANDUM/OFF-BALANCE SHEET ITEMS</b>	20		

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

PRESIDENT/CHIEF EXECUTIVE OFFICER      CHAIRMAN      DIRECTOR      DIRECTOR

## Mobilink Microfinance Bank Limited

**PROFIT AND LOSS ACCOUNT**

As at December 31, 2021

	Note	2021 ----- PKR	2020 ----- PKR
Markup/return/interest earned	21	11,081,740,887	7,058,799,003
Markup/return/interest expensed	22	(1,697,010,490)	(1,656,004,584)
Net markup/interest income		<u>9,384,730,397</u>	<u>5,402,794,419</u>
Provision against non-performing loans and advances - net	11.3	(987,881,475)	(202,455,576)
Provision for diminution in the value of investments		-	-
Bad debts written-off directly		-	-
		<u>(987,881,475)</u>	<u>(202,455,576)</u>
Net markup/interest income after provisions		<u>8,396,848,922</u>	<u>5,200,338,843</u>
<b>NON MARKUP/NON INTEREST INCOME</b>			
Fee, commission and brokerage income - net	23	(367,582,519)	(159,380,080)
Dividend income		3,627,219	6,770,285
Other income	24	60,481	38,107
Total non-markup/non interest income		<u>(363,894,819)</u>	<u>(152,571,688)</u>
<b>NON MARKUP/NON INTEREST EXPENSES</b>			
Administrative expenses	25	(6,976,350,679)	(4,299,567,074)
Other provisions/write-offs		-	-
Other charges	26	(228,250)	(35,585)
Total non-markup/non-interest expenses		<u>(6,976,578,929)</u>	<u>(4,299,602,659)</u>
		<u>1,056,375,174</u>	<u>748,164,496</u>
Extraordinary/unusual items		-	-
<b>PROFIT BEFORE TAXATION</b>		<u>1,056,375,174</u>	<u>748,164,496</u>
Workers Welfare Fund		(4,274,200)	(1,642,464)
		<u>1,052,100,974</u>	<u>746,522,032</u>
<b>TAXATION</b>			
Current	27	(608,723,149)	(194,298,034)
Prior year		-	-
Deferred		284,303,640	(21,905,069)
		<u>(324,419,509)</u>	<u>(216,203,103)</u>
<b>PROFIT AFTER TAXATION</b>		<u>727,681,465</u>	<u>530,318,929</u>
Unappropriated profit brought forward		1,878,179,840	1,480,440,643
<b>Profit available for appropriations</b>		<u>2,605,861,305</u>	<u>2,010,759,572</u>
<b>APPROPRIATIONS:</b>			
Transfer to:			
Statutory reserve		(145,536,293)	(106,063,786)
Capital reserve		-	-
Contribution to depositors protection fund		(36,384,073)	(26,515,946)
Revenue reserve		-	-
Proposed cash dividend Rs. Nil per share (2020: Rs. Nil per share)		-	-
Others		-	-
		<u>(181,920,366)</u>	<u>(132,579,732)</u>
<b>UNAPPROPRIATED PROFIT CARRIED FORWARD</b>		<u>2,423,940,939</u>	<u>1,878,179,840</u>
<b>Earnings per share (Rupee)</b>	34	<u>2.68</u>	<u>1.95</u>

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

PRESIDENT/CHIEF EXECUTIVE OFFICER

CHAIRMAN

DIRECTOR

DIRECTOR



Mobilink Microfinance Bank Limited  
**STATEMENT OF COMPREHENSIVE INCOME**  
 As at December 31, 2021

	<b>2021</b>	<b>2020</b>
	PKR	
<b>Profit after taxation</b>	727,681,465	530,318,929
<b>Other comprehensive income</b>		
<b>Items not to be reclassified in profit and loss account in subsequent periods</b>		
Remeasurement loss on defined benefit obligation	(226,644)	-
Related tax impact	65,727	-
	(160,917)	
<b>Total comprehensive income for the year transferred to equity</b>	<b>727,520,548</b>	<b>530,318,929</b>
<b>Component of comprehensive income/(loss) for the year not reflected in equity</b>		
Items to be reclassified in profit and loss account in subsequent periods		
(Deficit)/surplus on revaluation on available for sale investments	(5,189,029)	1,336,884
Related tax impact	1,504,818	(387,696)
	<b>(3,684,211)</b>	<b>949,188</b>

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

PRESIDENT/CHIEF EXECUTIVE OFFICER	CHAIRMAN	DIRECTOR	DIRECTOR
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Mobilink Microfinance Bank Limited  
**STATEMENT OF CHANGES IN EQUITY**  
 As at December 31, 2021

	Capital reserves			Revenue reserves	Total
	Share capital	Statutory reserve	Depositors protection fund	Unappropriated profit	
	----- PKR -----				
<b>Balance at January 01, 2020</b>	2,713,596,830	516,340,244	147,614,175	1,480,440,643	4,857,991,892
Profit for the year	-	-	-	530,318,929	530,318,929
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	530,318,929	530,318,929
Transfers to statutory reserves	-	106,063,786	-	(106,063,786)	-
<b>Transfer to Depositors protection fund</b>					
- 5% of the profit after tax for the year	-	-	26,515,946	(26,515,946)	-
- return on investments	-	-	14,865,033	-	14,865,033
	-	-	41,380,979	(26,515,946)	14,865,033
<b>Balance at December 31, 2020</b>	2,713,596,830	622,404,030	188,995,154	1,878,179,840	5,403,175,854
Profit for the year	-	-	-	727,681,465	727,681,465
Other comprehensive income	-	-	-	(160,917)	(160,917)
Total comprehensive income for the year	-	-	-	727,520,548	727,520,548
Transfers to statutory reserves	-	145,536,293	-	(145,536,293)	-
<b>Transfer to Depositors protection fund</b>					
- 5% of the profit after tax for the year	-	-	36,384,073	(36,384,073)	-
- return on investments	-	-	13,812,456	-	13,812,456
	-	-	50,196,529	(36,384,073)	13,812,456
<b>Balance at December 31, 2021</b>	<b>2,713,596,830</b>	<b>767,940,323</b>	<b>239,191,683</b>	<b>2,423,780,022</b>	<b>6,144,508,858</b>

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

PRESIDENT/CHIEF EXECUTIVE OFFICER	CHAIRMAN	DIRECTOR	DIRECTOR
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Mobilink Microfinance Bank Limited

## CASH FLOW STATEMENT

As at December 31, 2021

	2021	2020
Note	-----	PKR -----
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,056,375,174	746,522,032
Less: Dividend income	(3,627,219)	(6,770,285)
	<b>1,052,747,955</b>	739,751,747
<b>Adjustment for non cash items and other items:</b>		
Depreciation on property and equipment	224,912,823	199,057,989
Depreciation on right-of-use assets	132,491,114	109,140,425
Amortization on intangible assets	135,193,820	232,662,899
Provision against non performing advances	987,881,475	202,455,576
Provision for gratuity	23,975,632	569,157
Gain on disposal of operating fixed assets	(60,481)	(38,107)
Finance charges on lease liability	95,992,031	56,726,013
	<b>1,600,386,414</b>	800,573,952
	<b>2,653,134,369</b>	1,540,325,699
<b>(Increase)/decrease in operating assets:</b>		
Advances	(14,227,637,235)	(9,353,318,173)
Other assets (excluding advance taxation)	576,050,678	(5,372,344,839)
	<b>(13,651,586,557)</b>	(14,725,663,012)
<b>Increase/(decrease) in operating liabilities:</b>		
Bills payable	19,579,762	87,737,976
Deposits and other accounts	11,851,570,452	17,581,950,311
Other liabilities (excluding current taxation)	311,981,550	(546,814,587)
	<b>12,183,131,764</b>	17,122,873,700
<b>Cash inflow from operations</b>	<b>1,184,679,576</b>	3,937,536,387
Income tax paid	(368,305,451)	(318,774,409)
<b>Net cash inflows from operating activities</b>	<b>816,374,125</b>	3,618,761,978
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net investment in available for sale securities	(161,251,339)	5,059,593
Net investment in term deposits	(222,750,000)	-
Investment in operating fixed assets	(576,493,718)	(574,334,447)
Sale proceeds of property and equipment disposed off	3,770,147	120,103
<b>Net cash outflow from investing activities</b>	<b>(956,724,910)</b>	(569,154,751)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of lease liability	(157,767,855)	(163,060,975)
<b>Net cash outflow from financing activities</b>	<b>(157,767,855)</b>	(163,060,975)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(298,118,640)</b>	2,886,546,252
<b>Cash and cash equivalents at beginning of the year</b>	<b>21,025,764,000</b>	18,139,217,748
<b>Cash and cash equivalent at the end of the year</b>	<b>20,727,645,360</b>	21,025,764,000

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

PRESIDENT/CHIEF EXECUTIVE OFFICER

CHAIRMAN

DIRECTOR

DIRECTOR

Mobilink Microfinance Bank Limited

## NOTES TO THE FINANCIAL STATEMENTS

As at December 31, 2021

### 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 its 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 the 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 has one branch in Muzaffarabad AJK.

The Bank has 105 business locations/touch points comprising of 105 operational branches (including 1 in Muzaffarabad AJK) and no booth/service centre (2020: 100 business locations/touch points comprising of 100 branches (including 1 in Muzaffarabad AJK) and no booth/service centre ) in operation. The Bank's registered and principal office is situated at Plot No. 3-A/2, 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 has been 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 underserved segment of society under the Microfinance Institution Ordinance, 2001. The Bank is also offering Branchless Banking Services through an agency agreement with Pakistan Mobile Communications Limited (PMCL), a related party, under the Branchless Banking license from the SBP.

The Pakistan Credit Rating Agency (PACRA) assigned the long-term rating of the Bank at "A" and short term rating at "A1" on April 30, 2021.

### 2 BASIS OF PRESENTATION

These financial statements have been prepared in compliance with the format as prescribed under the Banking Surveillance Department (BSD) Circular No. 11 dated December 30, 2003 issued by the State Bank of Pakistan (SBP).

### 3 STATEMENT OF COMPLIANCE

3.1 These 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;
- 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.

The State Bank of Pakistan, vide SBP BPRD circular no. 24, dated July 05, 2021, deferred the applicability of IFRS-9 'Financial Instruments' till annual periods beginning on or after January 01, 2022. Previously the application of IAS 39 'Financial Instruments Recognition and Measurement' and IAS 40 'Investment Property' were also deferred by SBP. According to the notification of the SECP issued vide SRO 411(1)/2008 dated April 28, 2008, IFRS 7, Financial Instruments: Disclosures has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the SBP.





#### **4 BASIS OF MEASUREMENT**

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

- Investments classified as held-for-trading and available-for-sale are measured at fair value
- Right of use asset and lease liability initially measured at their present values
- Obligation in respect of defined benefit plan at their present values

##### **4.1 Functional and presentation currency**

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

##### **4.2 Significant accounting estimates and judgments**

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

###### **Estimates and assumptions**

The assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustments to the carrying amounts of assets and liabilities within the next financial year are described below:

The Bank based its assumptions and estimates on the parameters under which these financial statements were prepared.

Existing circumstances and assumptions about the future development may change due to market changes or circumstances arising that are beyond the control of the Bank. Such changes are reflected in the assumptions when they occur.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have significant effect on the amounts recognized in the financial statements relates to valuation and impairment of investments, advances, determination of useful lives of depreciable assets and intangible assets, provision for income taxes and other provisions which are discussed in following paragraphs:

###### **a) Impairment of investments**

Impairment in the value of investments is made after considering objective evidence of impairment. Provision for diminution in the value of investments is made as per the Regulations issued by SBP.

###### **b) Provision against advances**

The Bank reviews its micro credit loan portfolio to assess amount of non-performing advances and provision required there against on regular basis. While assessing this requirement, the Regulations of SBP are taken into consideration.

###### **c) Taxation**

The Bank takes into account the current income tax law and decisions taken by the taxation authorities. Those amounts are shown as contingent liabilities wherein, the Bank's views differ from the views taken by the taxation authorities at the assessment stage and where the Bank considers that its view on items of material nature is in accordance with law.

###### **d) Operating fixed assets/intangible assets/useful life**

Estimates of residual values and useful lives of operating fixed assets and intangible assets are reassessed annually and any change in estimate is taken into account in the determination of depreciation/amortization charge and impairment loss. Changes in estimates are accounted for over the estimated remaining useful life of the assets.

**e) Impairment of financial assets**

A financial asset is considered to be impaired if objective evidence indicates that one or more events would have a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognized in profit and loss account.

**f) Lease term and effective interest rate for recognition of lease contracts**

The Bank determines the lease term as the non-cancellable period of lease, together with periods covered by an option to extend and terminate the lease, if the Bank is reasonably certain to exercise that option at the time of entering the contract. Further, the Bank uses incremental borrowing rate to discount the lease payments to measure lease liability at the time of entering the contract.

**g) Defined benefit plan**

Defined benefit plan is provided for permanent employees of the Bank. Calculations in this respect require assumptions to be made of future outcomes, the principal ones being in respect of mortality rate, withdrawal rate, increase in remuneration and the discount rate used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions.

**5 SIGNIFICANT ACCOUNTING POLICIES****5.1 Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, balance with SBP/National Bank of Pakistan (NBP) and other banks/Non-Banking Financial Institutions (NBFIs)/Microfinance Banks (MFBs) and highly liquid investments that are readily convertible to known amounts of cash, are subject to only an insignificant risk of changes in value and have an maturity of less than three months from the date of acquisition.

**5.2 Investment**

All purchases and sale of investments are recognized using settlement date accounting. Settlement date is the date on which investments are delivered to or by the Bank. All investments are derecognized when the right to receive economic benefits from the investments has expired or has been transferred or the Bank has transferred substantially all the risks and rewards of ownership.

Investments of the Bank are classified into the following categories:

**a) Held for trading**

These represent securities acquired with the intention to trade by taking advantage of short-term market/interest rate movements. These securities are disposed off within 90 days from the date of their acquisition. These are marked to market and surplus/deficit arising on revaluation of 'held for trading' investments is taken to profit and loss account in accordance with the requirements prescribed by SBP.

**b) Held to maturity**

Investments with fixed maturity, where management has both the intention and the ability to hold to maturity, are classified as held to maturity. Subsequent to initial recognition at cost, these investments are measured at amortized cost, less provision for impairment in value, if any. Amortized cost is calculated taking into account effective interest rate method. Profit on held to maturity investments is recognized on a time proportion basis taking into account the effective yield on the investments.

Premium or discount on acquisition of held to maturity investments is amortized through profit and loss account over the remaining period till maturity.



**c) Available-for-sale**

Investments which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices are classified as available for sale. Available-for-sale investments are initially recognized at cost and subsequently measured at fair value. Profit on available-for-sale investments is recognized on a time proportion basis taking into account the effective yield on the investments.

The surplus/(deficit) arising on revaluation of available for sale investments is kept in "surplus/(deficit) on revaluation of assets" through statement of comprehensive income. The surplus/(deficit) arising on these investments is taken to profit and loss account, when actually realized upon disposal of the investment.

Impairment assessment of AFS investments is carried out as per the requirements of the Prudential Regulations and directives issued by SBP. T Bill, being a sovereign investment, are not considered for impairment under current applicable financial reporting framework.

**5.3 Advances**

Advances are stated net of general and specific provision. The outstanding principal and markup of the loans and advances, payments against which are overdue for 30 days or more are classified as non-performing loans (NPLs). The unrealized interest/profit/markup/service charges on NPLs is suspended and credited to interest suspense account. Further the NPLs are divided into following categories:

**a) Other assets especially mentioned**

These are advances in arrears (payments/instalments overdue) for 30 days or more but less than 60 days.

**b) Substandard**

These are advances in arrears (payments/instalments overdue) for 60 days or more but less than 90 days.

**c) Doubtful**

These are advances in arrears (payments/instalments overdue) for 90 days or more but less than 180 days.

**d) Loss**

These are advances in arrears (payments/instalments overdue) for 180 days or more.

In addition the Bank maintains a Watch List of all accounts overdue for 5-29 days. However, such accounts are not treated as non-performing for the purpose of classification/provisioning.

In accordance with the Regulations, the Bank maintains specific provision of outstanding principal net of cash collaterals and Gold (ornaments and bullion) realizable without recourse to a Court of Law at the following rates:

<b>Other assets especially mentioned</b>	Nil
<b>Substandard</b>	25% of outstanding principal net of cash and gold collaterals
<b>Doubtful</b>	50% of outstanding principal net of cash and gold collaterals
<b>Loss</b>	100% of outstanding principal net of cash and gold collaterals

In addition to the above, a general provision is made equivalent to 2% (2020: 2%) of the net outstanding balance (advances net of specific provisions) against the requirement of 1% specified under the Prudential Regulations issued by the State Bank of Pakistan.

General and specific provisions are charged to the profit and loss account in the period in which they occur.

Non-performing advances are written off one month after the loan is classified as "Loss". However, the Bank continues its efforts for recovery of the written off balances.

## 5.4 Operating fixed assets

### a) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset and the costs of dismantling and removing the items and restoring on which they are located, if any.

Depreciation is charged on the straight line method at rates specified in note 12.2 to the financial statements, so as to write off the cost of assets over their estimated useful lives.

Full month's depreciation is charged in the month of addition while no depreciation is charged in the month of deletion.

Subsequent costs are included in the assets carrying amount when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. Carrying amount of the replaced part is derecognized. All other repair and maintenance are charged to profit and loss during the year.

Gains or losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amounts. Gains are recognized within "other income" while losses are recognized in administrative expenses in the profit and loss account.

### b) Capital work-in-progress

Capital work-in-progress is stated at cost less impairment losses, if any.

### c) Intangible assets

An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the Bank and that the cost of such asset can also be measured reliably. These are stated at cost less accumulated amortization and impairment losses, if any.

Intangible assets comprise of computer software and related applications. Intangible assets are amortized over their estimated useful lives at rate specified in note 12.3 to the financial statements. Subsequent expenditure is capitalized only when it increases the future economic benefit embodied in the specific asset to which it relates. All other expenditure is recognized in profit and loss account as incurred.

## 5.5 Inventory

Inventory consists of printed cards and other stationery. Inventory is valued at the lower of cost and net realizable value less allowance for obsolete items. Cost is determined on the weighted average basis and comprises cost of purchases and other costs incurred in bringing the inventories to their present location and condition.

## 5.6 Deposits

Deposits are initially recorded at the amount received. Markup accrued on deposits, if any, is recognized separately as part of other liabilities and is charged to the profit and loss account over the period.

## 5.7 Taxation

Income tax expense comprises of current and deferred tax. Income tax expense is recognized in the profit and loss account except to the extent that it relates to items recognized directly in equity or below equity/other comprehensive income in which case it is recognized in equity or below equity/other comprehensive income.

Management periodically evaluates positions taken in tax returns, with respect to situations in which applicable tax regulation is subject to interpretation, and establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.





**a) Current**

Current tax is the tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, taking into account tax credits, rebates and tax losses, if any, and any adjustment to tax payable in respect of previous years.

**b) Deferred**

Deferred tax is accounted for on all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. At each balance sheet date, the bank reassesses the carrying amount and the unrecognized amount of deferred tax assets.

Deferred tax assets and liabilities are calculated at the rate that are expected to apply for the period when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantially enacted till the balance sheet date. Deferred tax, on revaluation of investments, if any, is recognized as an adjustment to surplus/(deficit) arising on such revaluation.

**5.8 Staff retirement benefits**

**a) Defined contribution plan**

The Bank participates in a defined contribution provident fund for its eligible employees. Monthly contributions are made by the Bank and its employees at the rate of 10% of basic salary. The Bank's obligation for contribution to the provident fund scheme is recognized in the profit and loss, as incurred.

**b) Defined benefit plan**

"The Bank operates defined benefit plan comprising an unfunded gratuity scheme covering all eligible employees completing the minimum qualifying period of service (three years) as specified by the scheme. The Scheme was commenced on July 01, 2021.

The calculation of defined benefit liability is performed annually by a qualified actuary using the projected unit credit method. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses are recognized immediately in other comprehensive income. The Bank determines the net interest expense on the net defined benefit liability for the year by applying the discount rate used to measure the defined benefit liability at the beginning of the annual period to the then net defined benefit liability, taking into account any changes in the net defined benefit liability during the year as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plan are recognized in profit and loss account and any gain/loss on remeasurement of defined benefit liability is recognized net of tax in other comprehensive income."

**5.9 Reserves**

**a) Statutory reserve**

In compliance with the related regulatory requirements, the Bank is required to maintain statutory reserve to which an appropriation equivalent to 20% of the profit after tax is required to be made till such time the reserve fund equals the paid up capital of the Bank. However, thereafter, the contribution is to be reduced to 5% of the profit after tax.

**b) Depositor's protection fund**

The Bank is required under the Microfinance Institutions Ordinance, 2001, to contribute 5% of annual after tax profit and profit earned on investments of the fund to be credited to depositors protection fund for the purpose of providing security or guarantee to persons depositing money in the Bank.

**c) Cash reserve requirement**

In compliance with the related regulatory requirements, the Bank is required to maintain a cash reserve equivalent to not less than 5% of its deposits (including demand deposits and time deposits with tenor of less than 1 year) in a current account opened with the State Bank or its agent.

**d) Statutory liquidity requirement**

In compliance with the related regulatory requirements, the Bank is required to maintain liquidity equivalent to at least 10% of its total demand liabilities and time liabilities with tenor of less than one year in the form of liquid assets i.e. cash, gold, unencumbered treasury bills, Pakistan Investment Bonds and Government of Pakistan Sukuk bonds. Treasury bills and Pakistan Investment Bonds held under Depositor Protection Fund are excluded for the purpose of determining liquidity.

**5.10 Provisions**

A provision is recognized when, and only when, the Bank has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

**5.11 Contract liability**

The contract liabilities of the Bank comprises of advance payments received from customers in respect of which services are yet to be rendered by the Bank.

**5.12 Foreign currency transactions**

The financial statements are presented in Pakistani Rupee, which is the Bank's functional currency. Transactions in foreign currencies are translated into Pak Rupee at exchange rate on the date of transaction. All monetary assets and liabilities in foreign currencies are translated into Pak Rupee at the rate of exchange approximating those ruling at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit and loss account.

**5.13 Revenue recognition****a) Markup/income on advances**

Markup/income/return/service charges on advances is recognized on accrual/time proportion basis using effective interest rate method at the Bank's prevailing interest rates for the loan products. Markup/income on advances is collected with loan instalments. Due but unpaid service charges/income are accrued on overdue advances for period up to 30 days. After 30 days, overdue advances are classified as non-performing and recognition of unpaid service charges/income ceases. Further, accrued markup on non-performing advances are reversed and credited to suspense account. Subsequently, markup recoverable on non-performing advances is recognized on a receipt basis in accordance with the requirements of the Regulations.

**b) Income from investments**

Markup/income on investments is recognized on accrual/time proportion basis or the effective interest method where applicable. Where debt securities are purchased at premium or discount, those premiums/discounts are amortized through profit and loss account over the remaining period of maturity.

**c) Fee, commission and brokerage income**

Fee, commission and brokerage income is recognized in the profit and loss account to the extent of services rendered. Any advance payments received from customers for which services are yet to be rendered by the Bank, are recognized as contract liability in the financial statements.

**d) Income from inter bank deposits**

Income from inter bank deposits in saving accounts is recognized in the profit and loss account as it accrues using the effective interest method.

**e) Dividend income**

Dividend income is recognized when the Bank's right to receive the dividend is established.



**f) Gain/loss on sale of operating fixed assets**

Gain on sale of operating fixed assets are recognized under other income in the profit and loss account.

Loss on sale of operating fixed assets are recognized under administrative expenses in the profit and loss account.

**g) Gain/loss on sale of investments**

Gains and losses on sale of investments are recognized in the profit and loss account.

**5.14 Financial instruments**

Financial assets and liabilities are recognized when the Bank becomes a party to the contractual provisions of the instrument. These are derecognized when the Bank ceases to be the party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or historical cost, as the case may be.

**a) Financial assets**

Financial assets are cash and balances with SBP and NBP, balances with other banks/NBFls/MFBs, lending to financial institutions, investments, advances and other assets. Advances are stated at their nominal value as reduced by appropriate provisions against non-performing advances, while other financial assets excluding investments are stated at cost. Investments classified as held for trading and available for sale are valued at year end prices and investments classified as held to maturity are stated at amortized cost.

**b) Financial liabilities**

Financial liabilities are classified according to the substance of the contractual arrangement entered into. Financial liabilities include deposit and other accounts and other liabilities which are stated at their nominal value. Financial charges are accounted for on accrual basis.

Any gain or loss on the recognition and derecognition of the financial assets and liabilities is included in the profit and loss for the year in which it arises.

**5.15 Off-setting**

Financial assets and financial liabilities and tax assets and tax liabilities are only off-set and the net amount is reported in the financial statements when there is a legally enforceable right to set off the recognized amount and the Bank intends either to settle on net basis or to realize the assets and to settle the liabilities simultaneously. Income and expense items of such assets and liabilities are also off-set and the net amount is reported in the financial statements.

**5.16 Borrowing costs**

Borrowing costs are recognized as an expense in the period in which they are incurred except where such costs relate to the acquisition, construction or production of a qualifying asset in which case such costs are capitalized as part of the cost of that asset. Borrowing cost includes exchange differences arising from foreign currency borrowings to the extent these are regarded as an adjustment to borrowing costs.

**5.17 Markup bearing borrowings**

Markup bearing borrowings are recognized initially at cost being the fair value of consideration received, less attributable transaction costs. Subsequent to initial recognition markup bearing borrowings are stated at original cost less subsequent repayments.

**5.18 Grants**

The grant related to an asset is recognized in the balance sheet initially as deferred income when grant is received or there is reasonable assurance that it will be received and that the Bank will comply with the conditions attached to it. Grants that compensate the Bank for expenses incurred are recognized as revenue in the profit and loss account on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Bank for the cost of an asset are recognized in the profit and loss account as other operating income on a systematic basis over the useful life of the asset.

### 5.19 Earnings per share

The Bank presents basic and diluted earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the year. Diluted EPS, if any is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares. There were no dilutive potential ordinary shares in issue at December 31, 2021 (2020: nil).

### 5.20 Right-of-use assets and their related lease liability

#### Right-of-use assets

On initial recognition, right-of-use assets are measured at an amount equal to initial lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to be incurred to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

Right-of-use assets are subsequently stated at cost less any accumulated depreciation and accumulated impairment losses and are adjusted for any remeasurement of lease liability. The remeasurement of lease liability will only occur in cases where the terms of the lease are changed during the lease tenor.

Right-of-use assets are depreciated over their expected useful lives using the straight-line method. Depreciation on additions (new leases) is charged from the month in which the leases are entered into. No depreciation is charged in the month in which the leases mature or are terminated.

#### Lease liability against right-of-use assets

The lease liabilities are initially measured as the present value of the remaining lease payments, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Bank's incremental borrowing rate.

The lease liability is subsequently measured at amortized cost using the effective interest rate method. The lease liability is also remeasured to reflect any reassessment or change in lease terms. These remeasurements of lease liabilities are recognized as adjustments to the carrying amount of related right-of-use assets after the date of initial recognition.

Each lease payment is allocated between a reduction of the liability and a finance cost. The finance cost is charged to the profit and loss account as markup expense over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

## 6 AMENDMENTS TO THE PUBLISHED APPROVED ACCOUNTING STANDARDS THAT ARE EFFECTIVE IN THE CURRENT YEAR

Following amendments to existing standards that have become applicable to the Bank for accounting periods beginning on or after January 1, 2020 but are considered not to be either relevant or not have any significant impact on these financial statements:

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - These amendments had no impact on the financial statements of the Bank

COVID-19-Related Rent Concessions beyond 30 June 2021 Amendments to IFRS 16 - These amendments had no impact on the financial statements of the Bank



## 7 AMENDMENTS TO APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE

The following standards, amendments and interpretations with respect to the approved accounting standards, as applicable in Pakistan, would be effective from the dates mentioned below and have not been adopted early by the Bank:

Standard and IFRIC	Effective date (annual periods beginning on or after)
IFRS 3 Business Combinations – The amendment updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.	January 01, 2022
IAS 16 'Property, plant and equipment – Amendment to clarify the prohibition on an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.	January 01, 2022
IAS 37 Provisions, Contingent Liabilities and Contingent Assets to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.	January 01, 2022
IAS 1 and IFRS Practice Statement Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 - The amendments aim to help entities provide accounting policy disclosures that are more useful by:  - Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies; and  - Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.	January 01, 2023
IAS 8 Definition of Accounting Estimates - Amendments to IAS 8 - The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.	January 01, 2023
IAS 1 Classification of liabilities as current or non-current (Amendments to IAS 1)	January 01, 2023
IFRS 10 & IAS 28 Consolidated Financial Statements & Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – (Amendment)	Not yet finalized

As per BPRD Circular No. 24 of 2021 dated July 05, 2021 of SBP, effective date of IFRS 9 implementation is January 01, 2022. The standard has introduced a new impairment model for financial assets which requires recognition of impairment charge based on an 'expected credit losses' (ECL) approach rather than the 'incurred credit losses' approach as currently followed. The ECL approach has an impact on all assets of the Bank which are exposed to credit risk. The Bank is in the process of assessing the full impact of this standard and the Bank awaits final guidelines from SBP for application of some aspects of IFRS 9.

In addition to the above new standards (other than IFRS 9) and amendments to standards, improvements to various accounting standards (under the annual improvements 2018 - 2020 cycle) have also been issued by the IASB in May 2020. Such improvements are generally effective for accounting periods beginning on or after January 01, 2022.

The Bank expects that the adoption of the above improvements to the standards will have no material effect on the Bank's financial statements, in the period of initial application.

Further, the following new standards have been issued by the IASB, which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

<b>Standard</b>	<b>Effective Date</b>
IFRS 1      First-time Adoption of International Financial Reporting Standards	January 1, 2004
IFRS 17      Insurance Contracts	January 1, 2023

The Bank expects that the adoption of the above standards will have no material effect on the Bank's financial statements, in the period of initial application.

		December 31, 2021	December 31, 2020
		----- PKR -----	-----
<b>8</b>	<b>CASH AND BALANCES WITH SBP AND NBP</b>		
	Cash in hand - Local currency	<b>816,788,618</b>	775,854,032
	Balance with State Bank of Pakistan (SBP)	<b>3,801,139,847</b>	2,781,538,762
	Balance with National Bank of Pakistan (NBP)		
	- Current accounts	<b>118,037,070</b>	116,755,916
		<b>4,735,965,535</b>	3,674,148,710

**8.1** This includes balance held with SBP in a current account to comply with the requirement of maintaining minimum balance equivalent to 5% (December 31, 2020: 5%) of the Bank's demand deposits and time deposits with tenor of less than one year.

		December 31, 2021	December 31, 2020
		----- PKR -----	-----
<b>9</b>	<b>BALANCES WITH OTHER BANKS</b>		
	In Pakistan		
	- on current accounts - Local currency	<b>154,708,826</b>	6,465,697
	- on saving accounts - Local currency	<b>2,863,152,009</b>	5,418,878,407
	- on term deposits accounts - Local currency	<b>222,750,000</b>	-
		<b>3,240,610,835</b>	5,425,344,104

**9.1** These carry markup ranging from 5.50% to 9.25% (December 31, 2020: 5.50% to 13.80%) per annum.

**9.2** These carry markup ranging from 7.5% to 8.1% (December 31, 2020: 13.50% to 14.08%) per annum.

		December 31, 2021	December 31, 2020
		----- PKR -----	-----
<b>10</b>	<b>INVESTMENTS</b>		
	<b>Available for sale</b>		
	<b>Federal Government Securities</b>		
	Market Treasury Bills	<b>13,168,003,173</b>	12,072,548,477
	Mutual Funds	<b>103,148,764</b>	-
	<b>(Deficit)/surplus on revaluation of available for sale investments</b>	<b>(5,189,029)</b>	1,336,884
		<b>13,265,962,908</b>	12,073,885,361

**10.1** These represent securities with maturity period of up to three months. Investment made during the year carry markup at the rates ranging between 7.10% to 10.49% (December 31, 2020: 6.29% to 13.42%) per annum. These also include securities with maturity period of up to three months held for the purposes of Depositors' Protection Fund.

**10.2** In accordance with R-11C of the Prudential Regulations, available for sale securities have been valued on mark-to-market basis and the resulting surplus/(deficit) is kept in a separate account titled 'surplus/(deficit) on revaluation of investments' and is charged through statement of comprehensive income in accordance with the R -11 (c) "Treatment of surplus/(deficit)" of the Prudential Regulations.

## December 31, 2021

December 31, 2020

	December 31, 2021		December 31, 2020	
	Number of loans outstanding	Amount of loans outstanding	Number of loans outstanding	Amount of loans outstanding
	Number	PKR	Number	PKR
<b>11 ADVANCES - NET OF PROVISIONS</b>				
Micro credit				
-Secured against gold	77,769	14,632,223,900	50,636	7,954,290,304
-Unsecured	1,941,518	23,737,608,912	709,576	16,624,499,457
	<b>2,019,287</b>	<b>38,369,832,812</b>	<b>760,212</b>	<b>24,578,789,761</b>
Less:				
Specific provision	774,432	440,393,866	97,669	22,810,309
General provision		465,944,235		332,240,501
		906,338,101		355,050,810
Advances - net of provisions		<b>37,463,494,711</b>		<b>24,223,738,951</b>

**11.1 Particulars of non-performing advances**

Advances include Rs 1,247 million (2020: Rs 68.5 million) which as detailed below, have been placed under non-performing status. Further, the below provision also includes impact of SBP AC and MFD circular letter number 1 of 2021, under this circular the bank provided 30 days relief in classification of loan of eligible borrowers.

Category of classification	December 31, 2021		December 31, 2020	
	Amount outstanding	Provision required	Amount outstanding	Provision required
			PKR	
OAEM	387,663,044	-	25,096,685	-
Substandard	228,795,486	57,198,872	11,759,784	2,939,946
Doubtful	494,384,091	247,192,046	23,527,459	11,763,730
Loss	136,006,266	136,006,266	8,106,633	8,106,633
	<b>1,246,848,887</b>	<b>440,397,184</b>	<b>68,490,561</b>	<b>22,810,309</b>

**11.2** This represents general provision maintained against unsecured microcredit advances net of specific provision at the rate of 2% (2020: 2%) against the requirement of 1% specified under the Prudential Regulations issued by the State Bank of Pakistan.









	Note	December 31, 2021	PKR	December 31, 2020	
		-----	-----	-----	
<b>13 OTHER ASSETS</b>					
Income/markup accrued		6,806,142,993		4,461,564,125	
Advances, deposits and prepayments		199,955,574		250,993,243	
Advance taxation - net	17.2	-		127,593,169	
Receivable from related parties	13.1	210,396,042		3,063,720,809	
ATM cards/printed stationery		140,871,876		25,435,542	
Crop and livestock insurance claims	13.2	244,583,127		265,823,200	
Others		320,344,229		430,807,600	
		<b>7,922,293,841</b>		<b>8,625,937,688</b>	
<b>13.1 Receivable from related parties</b>					
Pakistan Mobile Communications Limited (PMCL)		<b>210,396,042</b>		<b>3,063,720,809</b>	
<b>13.2</b> This represents claims for the amount of insurance premiums lodged/to be lodged with SBP under crop loan insurance scheme and livestock insurance scheme for borrowers of the Bank.					
		December 31, 2021	PKR	December 31, 2020	
		-----	-----	-----	
<b>14 DEFERRED TAX ASSET</b>					
Arising in respect of following deductible temporary differences					
Provision against non-performing advances		262,838,049		102,964,736	
Provision for gratuity		7,018,660		925,873	
Other provision		116,636,920		-	
Lease liability net of right of use assets		12,631,369		10,556,301	
deficit on revaluation of available for sale investments		1,504,818		-	
		<b>400,629,817</b>		<b>114,446,910</b>	
Operating fixed assets		4,657,353		5,807,193	
Surplus on revaluation of available for sale investments		-		(387,696)	
		<b>4,657,353</b>		<b>5,419,497</b>	
		<b>405,287,170</b>		<b>119,866,407</b>	
<b>15 DEPOSITS AND OTHER ACCOUNTS</b>		December 31, 2021		December 31, 2020	
		Number	PKR	Number	PKR
<b>Time liabilities</b>					
Fixed deposits		1,071	9,952,032,819	378	10,240,596,621
<b>Demand Liabilities</b>					
Saving deposits		44,570	10,078,010,509	41,611	4,929,589,568
Current deposits		520,727	2,910,951,210	415,485	2,205,914,379
Branchless deposits					
Saving		521,586	3,346,151,344	311,511	2,623,515,229
Current		38,693,565	32,371,251,314	27,923,298	26,807,210,947
		<b>39,780,448</b>	<b>48,706,364,377</b>	<b>28,691,905</b>	<b>36,566,230,123</b>
		<b>39,781,519</b>	<b>58,658,397,196</b>	<b>28,692,283</b>	<b>46,806,826,744</b>



### 15.1 Particulars of deposits by ownership

	December 31, 2021			December 31, 2020		
	Number	PKR		Number	PKR	
Individual depositors	39,389,229	35,534,332,053		28,587,760	29,839,328,116	
<b>Institutional depositors:</b>						
Corporations/firms	707	9,081,355,172		1,094	6,513,393,147	
Banks and financial institutions	58	8,438,239,637		89	7,430,911,801	
Others	391,525	5,604,470,334		103,340	3,023,193,680	
	<b>39,781,519</b>	<b>58,658,397,196</b>		<b>28,692,283</b>	<b>46,806,826,744</b>	

15.2 Deposits include related parties balance amounting to Rs 0.187 million (2020:Rs 119 million) as disclosed in note 35.

### 16 BORROWINGS

The Bank has un-availed borrowing facilities from two financial institutions at following terms:

- 1 year renewable running finance facility of Rs 500 million expiring on July 31, 2022 and having interest rate of 1 month Kibor + 0.85%.
- The Bank has 1 year renewable running finance facility of Rs 1,000 million expiring on July 31, 2022 and having interest rate at 3 months Kibor + 0.85%.

17 OTHER LIABILITIES	Note	December 31,	
		2021	2020
		PKR	
Markup/return/interest payable on deposits		265,187,255	269,925,877
Bills payable		261,060,488	241,480,726
Accrued expenses		950,059,785	468,781,142
Payable to related parties	17.1	278,122,160	223,769,081
Tax payable	17.2	112,824,529	-
Defined benefit obligation	31.3	24,202,276	-
Taxes and levies withheld		234,531,648	165,250,088
Payable to suppliers		493,295,520	354,443,586
Bills collected for settlement through NADRA		236,605,322	-
Lease liability on right of use assets	17.3	714,503,858	591,259,852
Remittances		567,693,510	284,408,140
Others		221,519,269	1,192,657,281
		<b>4,359,605,620</b>	<b>3,791,975,773</b>

#### 17.1 Payable to related parties

Pakistan Mobile Communication Limited (PMCL)	278,122,160	221,286,958
Oracap - Global Telecom Holdings (GTH)	-	2,482,123
	<b>278,122,160</b>	<b>223,769,081</b>

#### 17.2 Tax payable

Opening balance	127,593,169	3,116,794
Tax paid	368,305,451	318,774,409
Provision for taxation	(608,723,149)	(194,298,034)
Closing balance	<b>(112,824,529)</b>	<b>127,593,169</b>

#### 17.3 Lease liability on right of use asset

Lease liability as at January 1	591,259,852	431,736,954
Additions during the year	185,019,830	265,857,860
Accretion of interest	95,992,031	56,726,013
Payment of lease liability during the year	(157,767,855)	(163,060,975)
As at December 31	<b>714,503,858</b>	<b>591,259,852</b>

<b>18 SHARE CAPITAL</b>		<b>December 31,</b>	<b>December 31,</b>
<b>Authorized capital</b>		<b>2021</b>	<b>2020</b>
<b>2021</b>	<b>2020</b>	<b>PKR</b>	
<b>Numbers</b>	<b>Numbers</b>	<b>-----</b>	<b>-----</b>
<b>300,000,000</b>	300,000,000	<b>3,000,000,000</b>	3,000,000,000
<b>Issued, subscribed and paid-up capital</b>			
	Ordinary shares		
<b>271,359,683</b>	271,359,683	<b>2,713,596,830</b>	2,713,596,830
Fully paid in cash of Rs. 10 each.			
<b>18.1</b> Veon Microfinance Holdings B.V (VMH) is the holding company controlling 271,359,678 i.e. 99.99% shares (December 31, 2020: 271,359,678 i.e. 99.99%).			
		<b>December 31,</b>	<b>December 31,</b>
		<b>2021</b>	<b>2020</b>
		<b>PKR</b>	
		<b>-----</b>	<b>-----</b>
<b>19 (DEFICIT)/SURPLUS ON REVALUATION OF ASSETS - NET</b>			
Available for sale investments		<b>(5,189,029)</b>	1,336,884
Related deferred tax		<b>1,504,818</b>	(387,696)
		<b>(3,684,211)</b>	949,188
<b>20 MEMORANDUM/OFF BALANCE SHEET ITEMS</b>			
<b>20.1 Contingencies</b>			
There are no material contingencies as at year end (December 31, 2020: Nil).			
		<b>December 31,</b>	<b>December 31,</b>
		<b>2021</b>	<b>2020</b>
		<b>PKR</b>	
		<b>-----</b>	<b>-----</b>
<b>20.2 Commitments</b>			
		<b>Note</b>	
Operating fixed assets			115,081,631
Bank guarantee		<b>20.3</b>	110,000,000
Standby letter of guarantee		<b>20.4</b>	42,125,000
		<b>433,137,072</b>	267,206,631
<b>20.3</b> This represents Bank guarantees issued by the Bank to Pakistan Railway amounting to Rs.110 million against the online payment processing services and Social Protection Strategy Unit Government of Sindh amounting to Rs.220 million against disbursement of Fund to CNIC under Health and Nutrition Conditional Cash Transfer (H&N CCT) program.			
<b>20.4</b> This represents letter of guarantee issued by the Bank to Visa and Mastercard International Service Association for interbank settlement.			
		<b>December 31,</b>	<b>December 31,</b>
		<b>2021</b>	<b>2020</b>
		<b>PKR</b>	
		<b>-----</b>	<b>-----</b>
<b>21 MARKUP/RETURN/INTEREST EARNED</b>			
		<b>Note</b>	
Markup on advances		<b>21.1</b>	5,639,637,808
Income on investment in Government Securities			924,570,009
Markup on deposit accounts with treasury and other banks			494,591,186
		<b>11,081,740,887</b>	7,058,799,003
<b>21.1</b> This includes markup income on nano loans amounting to Rs. 2,185 million (2020 : 375.811 million).			

22	MARKUP/RETURN/INTEREST EXPENSED	Note	December 31, 2021	December 31, 2020
			----- PKR -----	
	Interest on deposits	22.1	1,600,964,698	1,599,278,571
	Interest on borrowings		53,761	-
	Finance cost of lease liability on right of use assets		95,992,031	56,726,013
			<b>1,697,010,490</b>	<b>1,656,004,584</b>

22.1 Markup expense on deposits includes amount of Rs 2.6 million (2020: Rs 52 million) in respect of deposit balances of a related party as disclosed in note 35.

23	FEE, COMMISSION AND BROKERAGE INCOME - NET	Note	December 31, 2021	December 31, 2020
			----- PKR -----	
	(loss)/gain from branchless banking	23.1	(1,087,714,288)	(642,890,907)
	Commission from insurance companies		26,922,493	53,041,783
	Loan processing fee		629,477,931	416,130,192
	Others		63,731,345	14,338,852
			<b>(367,582,519)</b>	<b>(159,380,080)</b>
23.1	<b>(Loss)/income from branchless</b>			
	Branchless banking income	23.2	5,479,452,504	4,518,357,049
	Commission to retailer/franchisee		(4,689,146,843)	(4,560,487,626)
	Commission to a related party - PMCL	23.3	(1,878,019,949)	(224,948,891)
		23.4	<b>(1,087,714,288)</b>	<b>(267,079,468)</b>

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

23.3 This represents PMCL's share in fee income and expenses at the rate of 70% and 50% share in float.

23.4 This deficit primarily presents excess of commission incurred over commission earned related to branchless banking. Markup income related to branchless banking loans and markup earned on branch banking loans/investments (financed through branchless banking deposits) is included in the markup income on advances and investments. Similarly, administrative expenses related to branchless banking are included in administrative expenses.

24	OTHER INCOME	December 31, 2021	December 31, 2020
		----- PKR -----	
	Gain on disposal of fixed assets	60,481	38,107

	Note	December 31, 2021	December 31, 2020
		PKR	
<b>25 ADMINISTRATIVE EXPENSES</b>			
Salaries, allowances etc.		2,318,205,147	1,749,925,107
Contribution to defined contribution plan		99,658,071	81,316,266
Provision for gratuity		23,975,632	569,157
Non-executive directors' fees, allowances and other expenses		8,200,000	5,000,000
Training/Capacity building		11,842,598	4,552,242
Rent, taxes, insurance, electricity, etc.		330,092,975	228,004,826
Legal and professional charges		59,818,099	34,695,534
Communications		34,673,371	12,500,722
Repair and maintenance - Vehicle		43,224,906	23,453,967
Stationery and printing		127,532,218	125,362,079
Advertisement and publicity		17,671,004	2,054,857
Auditors remuneration	25.1	9,538,669	5,250,000
Depreciation	12.2	357,403,937	308,198,414
Amortization	12.3	135,193,820	232,662,899
Travel and transportation		27,931,194	24,462,470
Repair and maintenance - General		36,094,722	34,051,404
Customer verification charges	25.3	511,616,192	392,568,097
Bank charges		968,389,502	264,677,464
IT equipment and software maintenance		432,983,733	443,888,848
Ready cash expense		678,115,545	43,947,046
Security		129,163,034	104,569,141
Janitorial services		90,037,098	60,021,058
Office supplies		16,530,005	12,189,667
Entertainment		4,939,001	4,695,837
Other projects expenses		58,701,521	57,326,538
Others	25.4	444,818,685	43,623,434
		<b>6,976,350,679</b>	<b>4,299,567,074</b>
<b>25.1 Auditors' remuneration</b>			
Audit fee		2,200,000	2,000,000
Fee for half yearly review		770,000	700,000
Additional fee for annual audit 2020		2,000,000	-
Fee for special audits/certifications	25.2	2,683,000	2,250,000
Out of pocket expenses		661,189	300,000
Sales tax		1,224,480	-
		<b>9,538,669</b>	<b>5,250,000</b>

**25.2** This includes fee for audits of financial statements of AJK operations for the year 2021 and for other certifications (Capital adequacy ratio, certification on livestock insurance etc.).

**25.3** This includes verification charges of National Database Registration Authority (NADRA) for verisys, eCIB charges and other charges for customer verifications.

**25.4** This includes a net financial impact of a reconciliation exercise conducted by management during the year.

	Note	December 31, 2021	December 31, 2020
		PKR	
<b>26 OTHER CHARGES</b>			
Penalties imposed by the State Bank of Pakistan	26.1	228,250	35,585

**26.1** The charge represents the penalties paid to the State Bank of Pakistan (SBP) in respect of certain instances of violations.

	December 31, 2021	December 31, 2020
	----- PKR -----	
<b>27 TAXATION</b>		
<b>For the year</b>		
Current	<b>608,723,149</b>	194,298,034
Deferred	<b>(284,303,640)</b>	21,905,069
	<b>324,419,509</b>	216,203,103
<b>27.1 Relationship between tax expense and accounting profit</b>		
Profit before taxation	<b>1,056,375,174</b>	746,522,032
Applicable tax rate	<b>29%</b>	29%
	<b>306,348,800</b>	216,491,389
Effect of:		
- Permanent differences	<b>66,193</b>	-
- Income charged at different tax rate	<b>(529,165)</b>	(2,380,330)
- Others	<b>18,534,643</b>	2,092,044
	<b>324,420,472</b>	216,203,103
<b>28 CASH AND CASH EQUIVALENTS</b>		
Cash and balances with SBP and NBP	<b>4,735,965,535</b>	3,674,148,710
Balances with other banks	<b>3,017,860,835</b>	5,425,344,104
Investments (having less than three months maturity)	<b>12,973,818,990</b>	11,926,271,186
	<b>20,727,645,360</b>	21,025,764,000
<b>29 NUMBER OF EMPLOYEES</b>		

	2021			2020		
	Credit/ Sales Staff	Banking/ Support	Total	Credit/ Sales Staff	Banking/ Support	Total
<b>At year end</b>						
Permanent	<b>1,250</b>	<b>801</b>	<b>2,051</b>	821	767	1,588
Contractual/temporary	-	-	-	-	17	17
	<b>1,250</b>	<b>801</b>	<b>2,051</b>	821	784	1,605
<b>Average during the year</b>						
Permanent	<b>1,036</b>	<b>784</b>	<b>1,820</b>	822	670	1,492
Contractual/temporary	-	<b>9</b>	<b>9</b>	-	24	24
	<b>1,036</b>	<b>793</b>	<b>1,828</b>	822	694	1,516

### **30 PROVIDENT FUND TRUST**

The provident fund has been established collectively for the employees of Mobilink Microfinance Bank Limited, Pakistan Mobile Communication Limited, LINKdotNET Telecom Limited, Business & Communication Systems (Private) Limited, Veon Global Services (Private) Limited and Deodar (Private) Limited.

All the investments out of provident fund trust have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for that purpose.

### **31 DEFINED BENEFIT PLAN**

#### **31.1 General description**

As explained in note 5.8 (b) the Bank operates defined benefit plan comprising an unfunded gratuity scheme covering all eligible employees completing the minimum qualifying period of service (three years) as specified by the scheme.



**31.2 Principal actuarial assumptions**

The latest actuarial valuation of the gratuity scheme was carried out at December 31, 2021. Following are the significant assumptions used in the valuation

		2021	2020
Discount rate		10.5%	-
Rate of growth in salary		10.5%	-
Mortality rates		SLIC 2001-05	-
Average expected remaining life of employees		10 years	-
Average duration of liability		9 years	-
	<b>Note</b>	<b>December 31, 2021</b>	December 31, 2020
		-----	-----
		PKR	
		-----	-----
<b>31.3 Amount recognized in balance sheet</b>			
Present value of defined obligation	<b>31.4</b>	<b>24,202,276</b>	-
<b>31.4 Movement in value of defined benefit obligation</b>			
Balance at January 01		-	-
Service cost		<b>23,975,632</b>	-
Actuarial loss		<b>226,644</b>	-
Present value of defined obligation		<b>24,202,276</b>	-
<b>31.5 Amount recognized in profit or loss</b>			
Service cost		<b>23,975,632</b>	-
<b>31.6 Amount recognized in OCI</b>			
Actuarial losses due to experience adjustments		<b>226,644</b>	-
<b>31.7 Sensitivity Analysis</b>			
<b>Present value of defined benefit obligation</b>			
1% increase in discount rate		22,128,833	-
1% decrease in discount rate		26,469,348	-
1% increase in salary		26,469,998	-
1% decrease in salary		22,129,105	-
<b>32 NUMBER OF BRANCHES/SERVICE CENTRES</b>		<b>2021</b>	<b>2020</b>
		<b>(Number)</b>	<b>(Number)</b>
Beginning of the year		100	74
Opened during the year		5	26
Closed/merged during the year		-	-
At the end of the year		<b>105</b>	100

### 33 REMUNERATION OF DIRECTORS AND EXECUTIVES

	President/Chief Executive		Director		Executives	
	2021 PKR	2020 PKR	2021 PKR	2020 PKR	2021 PKR	2020 PKR
Fees	-	-	8,200,000	5,000,000	-	-
Managerial remuneration	24,845,458	19,070,832	-	-	407,350,694	287,660,477
Rent and house maintenance	270,000	270,000	-	-	66,927,461	52,544,079
Utilities	2,484,542	1,907,088	-	-	40,547,002	28,808,878
Relocation allowance	-	-	-	-	3,021,000	1,851,201
Conveyance allowance	-	-	-	-	2,662,728	3,602,176
Car allowance	-	-	-	-	43,107,945	29,604,941
Car maintenance	-	-	-	-	5,966,033	4,706,929
Contribution to defined contribution plan	2,484,552	1,907,086	-	-	38,398,979	27,855,951
Gratuity	1,035,227	-	-	-	3,347,294	-
Fuel allowance/reimbursements	-	-	-	-	16,602,854	9,727,864
Sales staff incentive	-	-	-	-	80,764,628	44,341,261
Meal Allowance	-	-	-	-	3,366,969	2,554,252
Transport Allowance	-	-	-	-	-	-
Training compensation	-	-	-	-	-	-
Bonus, Prizes and rewards	11,287,958	9,720,000	-	-	85,518,187	75,406,984
	<b>42,407,737</b>	<b>32,875,006</b>	<b>8,200,000</b>	<b>5,000,000</b>	<b>797,581,774</b>	<b>568,664,993</b>
<b>Number of persons</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>270</b>	<b>205</b>

- a) Executive means any employee whose basic salary exceeds Rs. 500,000 (2020: Rs. 500,000) per year.
- b) The President/Chief Executive Officer is provided with the Bank's owned and maintained car in accordance with their entitlement as per rules of the Bank.

		2021	2020
<b>34 EARNING PER SHARE (RUPEE)</b>			
Profit after taxation - Rupees	<b>A</b>	<b>727,681,465</b>	530,318,929
Weighted average ordinary shares - Numbers	<b>B</b>	<b>271,359,683</b>	271,359,683
Earning per share - Rupees	<b>A/B</b>	<b>2.68</b>	1.95

### 35 BALANCES AND TRANSACTIONS WITH RELATED PARTIES

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. During the year, no transactions were entered into with the Holding Company and VL by the Bank. Significant transactions with the related parties entered into during the year are as follows:

	Relationship with related party	December 31, 2021	December 31, 2020
		PKR	PKR
<b>Transactions during the year:</b>			
<b>Pakistan Mobile Communications Limited (PMCL)</b> Associated Company			
Payments made for expenses incurred on behalf of PMCL by the Bank		1,098,537,217	585,328,324
Payments made for expenses incurred on behalf of the Bank by PMCL		47,323,210	47,014,641
Payments made against defined contribution plan being employee and employer contributions		148,112,078	123,471,724
Deposits made during the year		10,583,881,813	17,433,359,673
Withdrawals during the year		10,703,575,195	17,910,088,081
Markup/return/interest expensed to PMCL		2,622,526	52,075,705
Deposit mobilization commission paid		885,997,283	840,963,905
Branchless commission		992,022,666	(616,015,014)

		December 31, 2021	December 31, 2020
		----- PKR -----	-----
<b>Employees' Provident Fund Trust</b>			
	Bank's contribution paid to the fund	74,056,039	61,596,747
<b>Key Management Personnel</b>			
	Remuneration of key management personnel	157,053,805	142,421,955
<b>Balances outstanding:</b>			
	Receivable from PMCL	210,396,042	3,063,720,809
	Payable to PMCL	(278,122,160)	(221,286,958)
	Receivable from Business Communication System (Private) Limited	-	209,870
<b>Deposits accounts contain amounts relating to following related parties:</b>			
	Pakistan Mobile Communications Limited	187,154	119,880,536
	Key Management Personnel	44,819,325	29,272,507
<b>Advances relating to following related parties:</b>			
	Key Management Personnel	9,452,348	6,240,098

### 36 FAIR VALUE OF FINANCIAL INSTRUMENTS

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 as stated in note 5.3 to these financial statements.

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**

Financial instruments included in level 1 comprise of investment mutual funds.

**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 to take place. There were no transfers between levels 1 and 2 during the year.

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.

	Level 1	Level 2	Level 3
	----- Rupees -----		
<b>December 31, 2021</b>			
<b>Financial assets measured at fair value</b>			
Available for sale investments - Market treasury bills	-	13,163,162,073	-
Available for sale investments - Mutual funds	102,800,835	-	-
	<u>102,800,835</u>	<u>13,163,162,073</u>	<u>-</u>
<b>December 31, 2020</b>			
<b>Financial assets measured at fair value</b>			
Available for sale investments - Market treasury bills	-	12,072,548,477	-

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

Item	Valuation techniques and inputs used
Market treasury bills	Fair value of investment in market treasury bills is determined based on the rates/prices sourced from Reuters.
Mutual funds	The fair values of investments in units of mutual funds are determined based on their net asset values as published at the close of each business day.

## 37 MATURITIES OF ASSETS AND LIABILITIES

	Total (PKR)	Up to one month (PKR)	Over one month up to six months (PKR)	Over six months up to one year (PKR)	Over one year (PKR)
<b>December 31, 2021</b>					
<b>Market rate assets</b>					
Cash and Balance with SBP and NBP	4,735,965,535	4,735,965,535	-	-	-
Balances with other Banks/NBFIs/MIFBs	3,240,610,835	3,017,860,835	222,750,000	-	-
Investments	13,265,962,908	3,096,557,208	10,169,405,700	-	-
Advances	37,463,494,711	3,827,825,082	9,726,297,859	17,426,103,902	6,483,267,868
<b>Total market rate assets</b>	<b>58,706,033,989</b>	<b>14,678,208,660</b>	<b>20,118,453,559</b>	<b>17,426,103,902</b>	<b>6,483,267,868</b>
<b>Other non-earning assets</b>					
Operating fixed assets	2,125,212,463	57,056,429	285,282,145	342,338,573	1,440,535,316
Other assets	7,922,293,841	1,332,514,466	3,865,343,359	2,256,215,171	468,220,845
Deferred tax asset	405,287,170	-	-	-	405,287,170
<b>Total non-earning assets</b>	<b>10,452,793,474</b>	<b>1,389,570,895</b>	<b>4,150,625,504</b>	<b>2,598,553,744</b>	<b>2,314,043,331</b>
<b>Total assets</b>	<b>69,158,827,463</b>	<b>16,067,779,555</b>	<b>24,269,079,063</b>	<b>20,024,657,646</b>	<b>8,797,311,199</b>
<b>Cost/non-cost bearing liabilities</b>					
Deposits and other accounts	58,658,397,196	50,038,844,842	6,527,416,337	1,775,531,512	316,604,505
<b>Other non-cost bearing liabilities</b>					
Other liabilities	4,359,605,620	3,808,903,334	382,732,559	163,458,102	4,511,625
<b>Total Liabilities</b>	<b>63,018,002,816</b>	<b>53,847,748,176</b>	<b>6,910,148,896</b>	<b>1,938,989,614</b>	<b>321,116,130</b>
<b>Net assets</b>	<b>6,140,824,647</b>	<b>(37,779,968,621)</b>	<b>17,358,930,167</b>	<b>18,085,668,032</b>	<b>8,476,195,069</b>
<b>Represented by :</b>					
Share Capital	2,713,596,830				
Statutory reserves	767,940,323				
Depositor's protection fund	239,191,683				
Accumulated profit	2,423,780,022				
Surplus/(deficit) on revaluation of assets	(3,684,211)				
	<b>6,140,824,647</b>				





**38 MATURITIES OF ASSETS AND LIABILITIES**

	Total (PKR)	Up to one month (PKR)	Over one month up to six months (PKR)	Over six months up to one year (PKR)	Over one year (PKR)
<b>December 31, 2021</b>					
<b>Market rate assets</b>					
Cash and Balance with SBP and NBP	3,674,148,710	3,674,148,710	-	-	-
Balances with other Banks/NBFIs/MIFBs	5,425,344,104	5,425,344,104	-	-	-
Investments	12,073,885,361	1,180,658,600	10,893,226,761	-	-
Advances	24,223,738,951	6,701,015,799	4,910,950,277	9,970,881,120	2,640,891,755
<b>Total market rate assets</b>	<b>45,397,117,126</b>	<b>16,981,167,213</b>	<b>15,804,177,038</b>	<b>9,970,881,120</b>	<b>2,640,891,755</b>
<b>Other non-earning assets</b>					
Operating fixed assets	1,860,006,338	109,280	546,400	655,680	1,858,694,978
Other assets	8,625,937,688	4,542,856,715	3,470,222,945	124,127,571	488,730,457
Deferred tax asset	119,866,407	-	-	-	119,866,407
<b>Total non-earning assets</b>	<b>10,605,810,433</b>	<b>4,542,965,995</b>	<b>3,470,769,345</b>	<b>124,783,251</b>	<b>2,467,291,842</b>
<b>Total assets</b>	<b>56,002,927,559</b>	<b>21,524,133,208</b>	<b>19,274,946,383</b>	<b>10,095,664,371</b>	<b>5,108,183,597</b>
<b>Cost/non-cost bearing liabilities</b>					
Deposits and other accounts	46,806,826,744	37,856,050,572	7,449,057,500	1,025,766,000	475,952,672
<b>Other non-cost bearing liabilities</b>					
Other liabilities	3,791,975,773	1,927,245,018	1,694,674,114	94,153,270	75,903,371
<b>Total Liabilities</b>	<b>50,598,802,517</b>	<b>39,783,295,590</b>	<b>9,143,731,614</b>	<b>1,119,919,270</b>	<b>551,856,043</b>
<b>Net assets</b>	<b>5,404,125,042</b>	<b>(18,259,162,382)</b>	<b>10,131,214,769</b>	<b>8,975,745,101</b>	<b>4,556,327,554</b>
<b>Represented by :</b>					
Share Capital	2,713,596,830				
Statutory reserves	622,404,030				
Depositor's protection fund	188,995,154				
Accumulated profit	1,878,179,840				
Surplus/(deficit) on revaluation of assets	949,188				
	<b>5,404,125,042</b>				

### 39 CAPITAL RISK MANAGEMENT

The Bank's objectives when managing its capital are:

- a) To comply with the capital requirements set by the SBP;
- b) To safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- c) To maintain a strong capital base to support the development of its business.

Capital requirements applicable to the Bank are set out under Microfinance Institutions Ordinance, 2001. These requirements are put in place to ensure sufficient solvency margins. The Bank manages its capital requirement by assessing its capital structure against required capital level on a regular basis. The minimum paid up capital requirement applicable to the Bank is Rs. 1 billion whereas the paid up capital of the Bank as at December 31, 2021 is Rs. 2.71 billion (2020: Rs. 2.71 billion).

The Bank intends to maintain the required regulatory capital either through its risk management strategies or by increasing the capital in line with the business and capital needs.

### 40 MATERIAL OUTSOURCING ARRANGEMENTS

In compliance to the BPRD circular No. 06 of 2017 of SBP, the material outsourcing arrangements of the bank are listed below;

Sr. No.	Name of the service provider	Nature of service	Estimated cost of outsourcing (per annum)	
			2021	2020
			-----	-----
			PKR	-----
1	Channel VAS	Branchless advances management	678,115,545	43,947,046
2	KPMG Taseer Hadi & Co.	Payroll services	4,732,800	2,366,400

### 41 CORRESPONDING FIGURES

The following figures have been rearranged/reclassified in the current year to enhance the understanding of disclosure.

From	To	Amount in Rupees
<b>Profit and loss account</b>		
Administrative expenses - Finance cost of lease liability	Markup/return/interest expensed - Finance cost of lease liability	56,726,013
Other Charges-Workers Welfare Fund Sindh	Workers Welfare Fund	1,642,464
Fee, commission and brokerage income - Markup income on nano loans	Markup on advances	375,811,439
(Loss)/income from branchless - NADRA verification charges	Administrative expenses - customer verification charges	328,831,646

### 42 GENERAL

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

**42.2** Captions as prescribed by BSD circular No. 11 dated December 30, 2003 issued by SBP, in respect of which there are no amounts, have not been reproduced in these financial statements, except for the captions of the balance sheet and profit and loss account.





**Regional  
Presence**

Sr. No	Branch Name	Address
1	Islamabad F-8	14-O, Atiq Plaza, Near Total Petrol Pump, F-8 Markaz, Islamabad.
2	Abbottabad	Jahanzeb plaza, Near ZTBL and Save Mart, Opposite Shell Pump, Mansehra road, Mandian, Abbottabad.
3	Swabi	Shop No. 1, fazal dad khan Market, Mardan road near Meezan Bank swabi.
4	Khushab	Plot No 198, Block No14, Main Bazar Jauharabad, District Khushab.
5	Peshawar	Tilla Mansion, Near WAPDA labour Colony Krishan Pura Main GT Road Peshawar.
6	Haripur	Shop No. 7-8, Naeem khan Market GT Road, Opposite Total Petrol Pump, Haripur.
7	Mardan	S&B Tower, Hall No. 01, Ground Floor, Malakand road, College chowk, Mardan.
8	Lahore- DHA	Plot No. 37-A, Khyban e Iqbal Block XX(Commercial), Phase 3, D.H.A Lahore.
9	Lodhran	Opposite shell Petrol Pump Near Jalalpur Mor Multan Road, Lodhran.
10	Sialkot	M.A. Heights, Ground Floor, Defence Road, Near Sublime Chowk, Opposite WAPDA Office, Sialkot.
11	Sahiwal	Plot No. 515-B, Office No. G-3, Ground Floor, Saeed Center Farid Road, Sahiwal.
12	Sargodha	5, Zahoor Plaza, Noori Gate, Sargodha.
13	Pakpattan	Opposite Govt. Fazilka High School, college Road, Pakpattan.
14	Faisalabad	P-7 Santpura, Main Allama Iqbal Road Opposite GC University, Faisalabad.
15	Bhakkar	Plot No. 12/13, Ward No. 12/6 Near Nasir Hospital, Mandi Town Bhakkar.
16	Multan	Plot No. 3626-AB, Azmat Wasti Road, Chowk Sadu Hassam, Multan.
17	Layyah	Shop No. 2, Karim Market, Near Gilani Manzil Chowk Azam Road Layyah.
18	Liaquatpur	Plot No 7 Ghalla Mandi Raod, Tehsil Liaqat Pur District Rahim Yar Khan.
19	Rahim Yar Khan	Bin Hakim Plaza, Shahi Road, City Pul, Behind Zam Zam Store, Rahim Yar Khan.
20	Chishtian	Plot No. 13-14, E Block, Jamia Bazar Opposite PTCL Franchise Near Stylo Shoes Chishtian District Bahawalnager.
21	Toba Tek Singh	Shop No. 240 & 241, Mal Godown Road, Grain Market, Toba Tek Singh.
22	Jhang	Building No.93, Near Girls College Chowk, Gojra Road, Jhang Sadar.
23	Kehror Pecca	Shop No. 1 & 2, Duniapur Road, Tehsil Kehror Pecca, District Lodhran.
24	Khanpur	Shop No. 1, 2 & 3, Bypass Road, Opposite Attock Petrol Pump, (Daewoo Terminal) Khanpur, District Rahim Yar Khan.
25	Chowk Azam	Shop No. 1, 2 & 3, Opposite Bank of Punjab, MM Fatehpur Road, Chowk Azam.
26	Shujabad	Shop No. 1, Opposite Munawara Masjid, Jalalpur Road, Tehsil Shujabad, District Multan.
27	Duniapur	Main Hall, Tariq Iron Plaza, Dokota Road, Duniapur, District Lodhran.
28	Ahmedpur East	Shop No. 1,2 & 3, Dera Nawab Road, Abasian Chowk, Ahmedpur East, Tehsil Ahmedpur Dist Bahawalpur.
29	Darya Khan	Shop No.3, Hashmi Chowk Opposite GPO, Main GT Road, Tehsil Darya Khan, District Bhakkar.
30	Jalalpur Pirwala	Arain Plaza, Opposite Allied Bank, Permit Road, Tehsil Jalal Pur Pirwala, District Multan.
31	Chota Sahiwal	Vinni House, Main Jhang-Sargodha Road, Tehsil Chota Sahiwal District Sargodha.



Sr. No	Branch Name	Address
32	Hyderabad	Survey no. 41/187/1, Jamia Masjid Road, Saddar Cantonment, Hyderabad.
33	Hala	Plot No. 1403, Opposite Sarwari College, Dargah Road New Hala.
34	Daherki	Plot No. 446 shop No. 02 Near EFU Office, main GT Road, Daherki.
35	Pannu Aqil	Plot No. 435, Baiji Road, Pannu Aqil.
36	Ranipur	Shop No. 1 & 2, Behind AL.Shifa Medical Center Near Askari Bank Main National Highway, Ranipur, District Khair Pur.
37	Karachi-DHA	Plot No. 40D, 24th Commercial Street, Phase II Ext, DHA, Karachi.
38	Burewala	Shop No. 1, Al-Ramay industries Multan Road, Tehsil Burewala, District Vehari.
39	Fort Abbas	Shop No. 3 & 4, Grain Market, Zia Shaheed Road, Fort Abbas, District Bahawalnagar.
40	Kot Addu	Shop No. 476, Ward No. 11, Main G.T Road Kot Addu, District Muzaffargarh.
41	Mian Channu	Shop No. 3 & 4 Batalvi Plaza, Near Ghallani Plaza, Shaheed Road, Tehsil Mian Channu, District Khanewal.
42	Mandi Bahauddin	Main Hall, Al Kausar Plaza, Punjab Cerntre, Near Cheema chowk, Phalia Road, Mandi Bahauddin.
43	Sadiqabad	Near KLP Fanoos, Nishtar Chowk Cinema Road, Tehsil Sadiq Abad District Rahim Yar Khan.
44	Haronabad	Plot No 738, Block C, Main Bangla Road, Haroonabad.
45	Hasilpur	Near Khushhali Bank, Rasool Abad Colony, Bahawalpur Road, Tehsil Hasilpur District Bahawalpur.
46	Gojra	Opposite Side ZTBL, Near Rana Chowk, Pensra Road, Gojra.
47	Mankera	Gohar Wala Chowk, Near Highway Rest House, Jhang Bhakkar Road, Mankera.
48	Karor Lal Esan	Shop No. 1, Near NADRA Office, Station Chowk Fateh Pur Road, Tehsil Karor Lal Esan.
49	Arif Wala	Main Muhammadi Chowk, Opposite FINCA Microfinance Bank, Arifwala.
50	Bhalwal	Block No. 04, Post Office Road, Opposite Tehsil Court, Bhalwal District Sargodha.
51	Minchanabad	Plot number 150, Circular Road Minchinabad District Bahawalnagar.
52	Basirpur	Shop No 1 & 2 opposite Govt Degree college for Women, Tehsil Depalpur, Haveli Road, Basirpur, District Okara.
53	Chowk Sarwar Shaheed	Bilmuqabil Ghala Mandi Gate No. 2, Near ZTBL, Multan Road, Chowk Sarwar Shaheed, Tehsil Kot Addu District Muzaffargarh.
54	Muzaffargarh	Purani Chungi No. 2, Jhang Road Tehsil & District Muzaffargarh.
55	Pasrur	Hall No. 1, Faisal Colony, Mashriki, Near PSO Pump, Narowal Bypass, Sialkot Road Pasrur.
56	Chiniot	Shop No. 7, 8, Main Faisalabad Road, Sagheer Town Chiniot.
57	Shorkot	Chani Building, Jhang Road, Near Bus Stand, Shorkot City District Jhang.
58	Larkana	Plot no. 72 Old Anaj Mandi, Shaikh Mohallah, near Haji Dhani Bux oil mill, Bank Square Road Larkana.
59	Qambar	Old bus Stand, Main Mangan Road Qamber.
60	Muzaffarabad	Chulam Rasool Plaza, Near Combined Military Hospital Muzaffarabad AJ&K.
61	Narowal	Yousaf Hall, Circular Road, Near Civil Hospital Jassar Bypass, Narowal.
62	Jandanwala	Al Karam Plaza, Kalma Chowk, Sargodha road, Nawan Jandan wala Tehsil Jandanwala, Distt Bhakkar.



Sr. No	Branch Name	Address
63	Alipur	Shop No. 1.2.3 Rana Building, Near Rashid Minhas School, Bahawal Cannal by Pass Road, Ali Pur Distt. Muzaffargarh.
64	Shahkot	Main Nankana Sahib Road, Opposite Government Elementary school No 3, Shahkot, Distt Nankana.
65	Samundri	Al Iqbal Center, Main Faisalabad Road, Mohallah Muhammad Pura, Near GO petrol Pump, Samundri, Distt Faisalabad.
66	Pindi Bhattian	Ali Shopping Complex, Main Hafiz Abad Road, Pindi Bhattian, Distt Hafizabad.
67	Dipalpur	Mughal Arcade, Shop No.1, 2, 3, Main Kasur Road, Near Bus Stand, Tehsil Dipalpur District, Okara.
68	Phalia	Arfat Plaza, Opposite PTCL Exchange, Main Gujrat & Sargodha Road, Phalia, Distt Mandi Bahauddin.
69	Shahdadkot	Sheikh Mansion, Near Peer Sajawal Shah, Shahdad Kot.
70	Talagang	Malik Bashir Market, Opposite PEPSI Agency, Near Dra Autos, Main Mianwali Road, Talagang, Distt Chakwal.
71	Naseerabad	Indus Plaza, Main Hall, Main Road, Naseerabad, Distt Larkana.
72	Chakdara	Samad Plaza, University Road, Hajiabad, Chakdara, Distt Lower Dir.
73	Moro	Memom Plaza, Shop No. 1-4, Near Saim Bachat Bazar, Dadu Road, Moro, District Nosheroferoz.
74	Quetta	Hall No. 2, Agha Chambers, Chuharmal Road of M.A. Jinnah Road, Quetta.
75	Haveli Lakha	Plot No. I-P-65, Pak Pattan Road, Haveli Lakhha, Tehsil Depalpur, Distt Okara.
76	Khairpur Tamewali	Khewat No. 127/119, khatooni No.274 to 279, Main Highway Hasilpur/Bahawalpur Road, Near New General Bus stand, Khairpur Tamewali, Tehsil Khairpur Tamewali, Distt Bahawalpur.
77	Gujranwala	Ground Floor, Baig Tower, Mohallah Badhia Nagar, Opposite General Bus Stand, GT Road Gujranwala.
78	Islamabad I-8	Plot No I-J Bazar No 3, Near potohar Metro Station, Mughal Market, 9th Avenue, sector I-8/1, Islamabad.
79	Jhelum	Azan Plaza, Ground floor, Machine Mohalla, No. 3, Old GT Road Jhelum.
80	Gulistan-e- Johar Karachi	Plot No. A-1, Survey no. 11/8, Rahat Arcade, Gulistan-e-Johar, Karachi.
81	Rawat Islamabad	Khasra No 1543, Kulsum Plaza, Opposite Chamber More, Main G.T. Road Rawat, Islamabad.
82	Piplan	Near Alkarim Hospital, Mandi town, Liaqatabad, Piplan, Tehsil Piplan Distt Mianwali.
83	Muridke	Shop No.1 Bahauddin Arcade, Main GT Road, Muridke, Tehsil Muridke, District Lahore.
84	Mingora Swat	Hall No. 01 Ground Floor, Opposite Jalil International Hospital, GT Road, Rahimabad, Mingora, Distt Swat.
85	Dera Ismail Khan	Al Hameed Mall, Near Besakhi Ground, Opposite Divisional Food Office, South Circular Road, Dera Ismail Khan.
86	Timergarah	Shop No. 1, Jan Plaza, By-Pass Road, Opposite Deen Petrol Pump, Timergara, District Lower Dir.

Sr. No	Branch Name	Address
87	Pir Mahal	Khewat No. 3, Khatoni No. 12-13 Shahnawaz Plaza, Kamalia road, by pass, Pir Mahal, Tehsil Pir Mahal Distt Toba Tek Singh.
88	Jaranwala	Khasra No. 24/18/1, Khewat No. 2265, Khatooni No. 3531, Square No. 4, Faisalabad road, Near Chattha Hospital, Jaranwala, Tehsil Jaranwala, Distt Faisalabad.
89	Jatoi	Shop No.1 Dawood Wali Plaza, Rampur Road Jatoi, Tehsil Jatoi, District Muzaffargarh.
90	Gujrat	Khasra No 1098/599, 1293/1099, Khewat No 91, Khatooni No 118, Mohallah Allah Lok Colony,GT Road, Gujrat.
91	Bahawalpur	Gulberg Road, Opposite Chase Value Center, Bahawalpur.
92	Hafizabad	Qilat No. 27, Khewat No. 504, Khatooni No. 1440-1465, Khasra No. 82/25461, Opposite NADRA office, Gujranwala Road, Hafizabad.
93	Chunian	Khasra No. 3311/4, khewat No. 20, Khatoni No. 564, Changa Manga Raod, Chunian, Distt Kasur.
94	Bahawalnagar	Waheed Arshad Chowk, Main Raod,1-A, Jinnah Colony, Bahawalnagar.
95	Mansehra	Khewat No. 590-1167, Khatoni No. 1138-612, Ammar Arcade, Ghulam Ghous Hazarvi Road, Mansehra.
96	Sheikhupura	Lahore raod, Near National Floor Mill, Tehsil & Distt Sheikhupura.
97	Sukkur	Khasra No. 33/5 C, Khatooni No. 33/5 C 1, Memon Plaza, work shop raod, Tehsil & Distt Sukkur.
98	Wazirabad	Khewat No. 394, Khatoni No. 727, Shadman Town, Naseer Colony, Main GT Road, Wazirabad 4 Main GT road Wazirabad, Distt Gujranwala.
99	Nowshera	Hall No. 01, Sanam Plaza Mardan/Noshera Raod Tehsil & Distt Nowshera.
100	Dina	Hajra Plaza Mangla Road Dina, Tehsil Dina Distt Jhelum opposite APNA Bank, Dina.
101	Mozang- lahore	5-56 Commercial Area, Mazang Chungi, Ferozepur Road, Lahore.
102	Pind Dadan Khan	Opposite Katcheri, Main Jhelum Road, Pind Dadan Khan.
103	Hassanabdal	Ali Aksar Plaza, Opposite Hassan Medical Complex Main GT Road, Near Main Bus Stand Hassanabdal.
104	18-Hazari	Bhakkar Road Near Nadra Office, Tehsil 18-Hazari, District Jhang.
105	Tando Allah Yar	Main Mirpur khas Road Tando Allah Yar.

## Business Footprint

Khyber Pakhtunkhwa **11** •

Federal **03** •

Azad Jammu & Kashmir **01** •

Punjab **75** •

Balochistan **01** •

Sindh **14** •

Total branches **105**





# Mera Fone Mera Bank

Head Office: Mobilink Microfinance Bank,  
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