

**MOBILINK MICROFINANCE BANK LIMITED
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR SIX MONTHS ENDED JUNE 30, 2023**

INDEPENDENT AUDITORS' REVIEW REPORT**To The Members of Mobilink Microfinance Bank Limited****Report On Review of Condensed Interim Financial Statements****Introduction**

We have reviewed the accompanying condensed interim statement of financial position of Mobilink Microfinance Bank Limited ("the Bank") as at June 30, 2023 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim cash flow statement and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

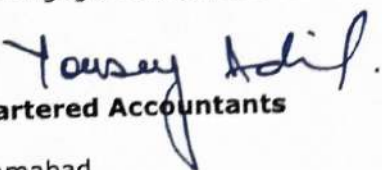
Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of interim financial information performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Syed Asmatullah.


Chartered Accountants

Islamabad

Date: August 31, 2023

UDIN: RR202310414MOUc9p1z2

MOBILINK MICROFINANCE BANK LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT JUNE 30, 2023

		June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
	Note	-----Rupees-----	
ASSETS			
Cash and balances with SBP and NBP	7	9,953,410,609	6,345,382,644
Balances with other banks	8	5,816,688,737	5,610,619,698
Investments - net of provisions	9	8,065,823,169	8,347,369,054
Advances – net of provisions	10	64,813,165,052	56,213,431,544
Operating fixed assets	11	2,412,191,851	2,436,658,140
Other assets	12	4,339,074,769	1,350,326,872
Deferred tax asset	13	2,045,497,153	1,174,030,878
Total assets		97,445,851,340	81,477,818,830
LIABILITIES			
Deposits and other accounts	14	71,429,436,522	64,764,800,201
Borrowings	15	1,894,491,912	1,473,461,236
Subordinated debt	16	2,027,907,336	2,014,636,647
Other liabilities	17	15,467,307,373	7,334,806,732
Total liabilities		90,819,143,143	75,587,704,816
Net assets		6,626,708,197	5,890,114,014
REPRESENTED BY:			
Share capital	18	2,713,596,830	2,713,596,830
Statutory reserve		1,101,382,971	959,599,752
Depositors' protection fund		382,338,218	317,854,657
Fair value reserve of financial assets at FVOCI	19	(1,483,975)	(124,306)
Unappropriated profit		2,430,874,153	1,899,187,081
		6,626,708,197	5,890,114,014
		6,626,708,197	5,890,114,014
MEMORANDUM / OFF-BALANCE SHEET ITEMS	20		

The annexed notes from 1 to 32 form an integral part of these condensed interim financial statements.



 PRESIDENT/ CHIEF EXECUTIVE



 DIRECTOR

MOBILINK MICROFINANCE BANK LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR SIX MONTHS ENDED JUNE 30, 2023

		(Un-audited)	
		Period ended June 30	
Note	2023	2022	
-----Rupees-----			
	Markup / return / interest earned	13,541,039,332	7,873,428,200
	Markup / return / interest expensed	<u>(2,281,045,418)</u>	<u>(1,293,621,167)</u>
	Net markup / interest income	11,259,993,914	6,579,807,033
	Provision against non-performing loans and advances - net	-	-
	Credit loss allowance and write offs - net	<u>(1,705,094,599)</u>	<u>(1,040,738,832)</u>
	Net markup / interest income after provisions	9,554,899,315	5,539,068,201
	NON MARK-UP/ NON INTEREST INCOME		
	Fee, commission and brokerage income - net	3,747,108,805	3,197,633,817
	Dividend income	-	3,727,637
	Other income	2,303,465	<u>(26,074,691)</u>
	Total non-markup / non interest income	3,749,412,270	3,175,286,763
	NON MARK-UP/ NON INTEREST EXPENSES		
	Administrative expenses	<u>(12,262,820,918)</u>	<u>(8,436,064,771)</u>
	Other charges	<u>(120,684,701)</u>	<u>(628,742)</u>
	Total non-markup / non interest expenses	<u>(12,383,505,619)</u>	<u>(8,436,693,513)</u>
	920,805,966	277,661,451	
	PROFIT BEFORE TAXATION	920,805,966	277,661,451
	Workers Welfare Fund	<u>(18,055,019)</u>	<u>(5,444,342)</u>
		902,750,947	272,217,109
	TAXATION		
	Current	<u>(1,246,434,146)</u>	<u>(111,079,042)</u>
	Prior year	182,020,566	(29,662,918)
	Deferred	870,578,729	80,617,922
	28	<u>(193,834,851)</u>	<u>(60,124,038)</u>
	PROFIT AFTER TAXATION	708,916,096	212,093,071
	Unappropriated profit brought forward	1,899,187,081	2,423,780,022
	Profit available for appropriations	<u>2,608,103,177</u>	<u>2,635,873,093</u>
	APPROPRIATIONS:		
	Transfer to:		
	Statutory reserve	<u>(141,783,219)</u>	<u>(42,418,614)</u>
	Contribution to depositors protection fund	<u>(35,445,805)</u>	<u>(10,604,654)</u>
		<u>(177,229,024)</u>	<u>(53,023,268)</u>
	UNAPPROPRIATED PROFIT CARRIED FORWARD	<u>2,430,874,153</u>	<u>2,582,849,825</u>
	Basic and diluted earnings / (loss) per share (Rupee)	<u>2.61</u>	<u>0.78</u>

The annexed notes from 1 to 32 form an integral part of these condensed interim financial statements.


 PRESIDENT/ CHIEF EXECUTIVE


 DIRECTOR

MOBILINK MICROFINANCE BANK LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR SIX MONTHS ENDED JUNE 30, 2023

	(Un-audited)	
	Period ended June 30	
	2023	2022
	-----Rupees-----	
Profit after taxation	708,916,096	212,093,071
Other comprehensive income		
Items to be reclassified in profit and loss account in subsequent periods		
Movement in fair value reserve on investments measured at fair value through OCI	(2,247,215)	-
Related tax impact	887,546	-
	(1,359,669)	
Total comprehensive loss transferred to Fair value reserve of financial assets at FVOCI	(1,359,669)	-
Total comprehensive income for the period transferred to equity	<u>707,556,427</u>	<u>212,093,071</u>
Component of comprehensive income / (loss) for the year not reflected in equity		
Items to be reclassified in profit and loss account in subsequent periods		
(Deficit) / surplus on revaluation on available for sale investments	-	5,370,358
Related tax impact	-	(1,564,657)
	<u>-</u>	<u>3,805,701</u>

The annexed notes from 1 to 32 form an integral part of these condensed interim financial statements.



 PRESIDENT/ CHIEF EXECUTIVE



 DIRECTOR

MOBILINK MICROFINANCE BANK LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR SIX MONTHS ENDED JUNE 30, 2023

	Capital reserves			Revenue reserves		Total
	Share capital	Statutory reserve	Depositors protection fund	Fair value reserve of financial assets at FVOCI	Unappropriated profit	
Rupees						
Balance at January 01, 2022	2,713,596,830	767,940,323	239,191,683	-	2,423,780,022	6,144,508,858
Impact of initial adoption of IFRS 9 - note 2.2	-	-	-	(3,684,211)	(1,253,606,108)	(1,257,290,319)
Restated Balance at January 01, 2022 under IFRS 9	2,713,596,830	767,940,323	239,191,683	(3,684,211)	1,170,173,914	4,887,218,539
Profit for the period	-	-	-	-	212,093,071	212,093,071
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	212,093,071	212,093,071
Transfers to statutory reserves	-	42,418,614	-	-	(42,418,614)	-
Transfer to Depositors protection fund	-	-	5,691,008	-	(5,691,008)	-
- 5% of the profit after tax for the year	-	-	7,725,328	-	-	7,725,328
- return on investments	-	-	13,416,336	-	(5,691,008)	7,725,328
Balance at June 30, 2022	2,713,596,830	810,358,937	252,608,019	(3,684,211)	1,334,157,363	5,107,036,938
Profit for the period	-	-	-	-	746,204,073	746,204,073
Other comprehensive income	-	-	-	3,559,905	10,290,309	13,850,214
Total comprehensive income for the period	-	-	-	3,559,905	756,494,382	760,054,287
Transfers to statutory reserves	-	149,240,815	-	-	(149,240,815)	-
Transfer to Depositors protection fund	-	-	42,223,849	-	(42,223,849)	-
- 5% of the profit after tax for the year	-	-	23,022,789	-	-	23,022,789
- return on investments	-	-	65,246,638	-	(42,223,849)	23,022,789
Balance at December 31, 2022	2,713,596,830	959,599,752	317,854,657	(124,306)	1,899,187,081	5,890,114,014
Profit for the period	-	-	-	-	708,916,096	708,916,096
Other comprehensive income	-	-	-	(1,359,669)	-	(1,359,669)
Total comprehensive income for the period	-	-	-	(1,359,669)	708,916,096	707,556,427
Transfers to statutory reserves	-	141,783,219	-	-	(141,783,219)	-
Transfer to Depositors protection fund	-	-	35,445,805	-	(35,445,805)	-
- 5% of the profit after tax for the period	-	-	29,037,756	-	-	29,037,756
- return on investments	-	-	64,483,561	-	(35,445,805)	29,037,756
Balance at June 30, 2023	2,713,596,830	1,101,382,971	382,338,218	(1,483,975)	2,430,874,153	6,626,708,197

The annexed notes from 1 to 32 form an integral part of these condensed interim financial statements.

PRESIDENT/ CHIEF EXECUTIVE

DIRECTOR

MOBILINK MICROFINANCE BANK LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED JUNE 30, 2023

Note	Half year ended June 30	
	2023	2022
	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	902,750,947	272,217,109
Less: Dividend income	-	(3,727,637)
	902,750,947	268,489,472
Adjustment for non cash items and other items:		
Depreciation on property and equipment	148,280,669	140,802,556
Depreciation on right of use assets	91,135,193	84,848,108
Amortization on intangible assets	103,849,702	100,981,560
Loss on redemption of investments	-	25,505,985
Credit loss allowance and write offs - net	1,705,094,599	1,040,738,832
(Gain) / Loss disposal of operating fixed assets	(1,687,370)	568,706
Gain on disposal of available for sale securities	-	(191,433)
Provision for gratuity	33,679,237	37,116,765
Finance charge on subordinated debt	191,493,702	-
Finance charge on repo transactions	26,495,042	-
Finance charges on lease liability	64,235,980	56,983,378
	2,362,576,754	1,487,354,457
	3,265,327,701	1,755,843,929
(Increase) / decrease in operating assets:		
Advances	(10,304,828,107)	(4,713,410,899)
Other assets (excluding advance taxation)	(2,988,747,897)	(1,586,104,350)
	(13,293,576,004)	(6,299,515,249)
Increase / (decrease) in operating liabilities:		
Bills payable	139,026,981	(56,063,545)
Deposits and other accounts	6,664,636,321	(3,514,325,437)
Other liabilities (excluding current taxation)	7,182,944,621	(532,299,494)
	13,986,607,923	(4,102,688,476)
Cash outflow from operations	3,958,359,620	(8,646,359,796)
Finance charges on lease liability	(64,235,980)	(56,983,378)
Income tax paid	(227,879,650)	(340,189,988)
Net cash outflows from operating activities	3,666,243,990	(9,043,533,162)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net proceeds in available for sale securities	251,740,541	289,514,209
Investment in operating fixed assets	(319,581,623)	(177,160,544)
Sale proceeds from disposal of property and equipment	2,469,718	1,688,306
Net cash (outflow) / Inflow from investing activities	(65,371,364)	114,041,971
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease liability	(59,684,128)	(49,385,433)
Payment of Interest on sub-ordinate debt	(178,223,013)	-
Payment of Interest on repo transaction	(23,876,000)	-
Receipts against borrowings	418,411,634	1,278,039,040
Net cash inflow from financing activities	156,628,493	1,228,653,607
Net Increase / (decrease) in cash and cash equivalents	3,757,501,119	(7,700,837,584)
Cash and cash equivalents at beginning of the period	20,078,421,396	20,727,645,360
	23,835,922,515	13,026,807,776
Cash and cash equivalents comprise of the following:		
Cash and balances with SBP and NBP	9,953,410,609	4,222,030,490
Balances with other banks/NBFIs/MFBs	5,816,688,737	2,915,959,685
Investments with original maturity of less than three months	8,065,823,169	5,888,817,601
	23,835,922,515	13,026,807,776

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The annexed notes from 1 to 32 form an integral part of these condensed interim financial statements.


PRESIDENT/ CHIEF EXECUTIVE


DIRECTOR

MOBILINK MICROFINANCE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR SIX MONTHS ENDED JUNE 30, 2023

1 STATUS AND NATURE OF BUSINESS

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

The Bank has 109 business locations/ touch points comprising of 109 operational branches (including 1 in Muzaffarabad AJK) and no booth/ service centre (2022: 109 business locations/ touch points comprising of 109 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 was completed on July 3, 2020. The Ultimate Parent of the Bank is Veon Limited.

The Bank's principal business is to provide microfinance banking and related services to the poor and under served segment of the society under the Microfinance Institution Ordinance, 2001. The Bank 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.

2 STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 and the Microfinance Institutions Ordinance, 2001; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

Wherever the requirements of the Companies Act, 2017, the Microfinance Institution Ordinance, 2001 or the directives issued by the SBP and SECP differ with the requirements of IFRS, the requirements of the Microfinance Institution Ordinance, 2001, the Companies Act, 2017 and the said directives shall prevail.

State Bank of Pakistan (SBP) via circular no. 3 of 2022 dated 05 July 2022, decided to extend the implementation IFRS 9 from 1 January 2022 to 1 January 2024 for Microfinance Banks (MFBs). Nevertheless, early adoption of the Standard is permissible under the instructions issued through the same circular. The Bank has decided to early adopt the IFRS 9 from 01 January 2022.

As a result of above mentioned initial application of IFRS 9, the Bank had determined the allowance for ECL amounting to Rs 2,777 million, which was adjusted in retained earnings balance amounting to Rs 1,253 million (net of deferred tax), after deducting the provision for non-performing loans as at January 01, 2022, as per transition guidelines of IFRS 9 as detailed in note 9 of annual financial statements for December 31, 2022.

2.2 The bank also assessed the impact of IFRS 9 on comparative period ended June 30, 2022 and determined the total impact of ECL on loan loss approximates to the loan losses determined earlier for the period ended June 30, 2022. Accordingly, the amount of loan loss provision of the comparative period remained the same and does not require any adjustment considering the difference of impact on profit and loss account is not considered material. However, the change in disclosures requirements with regards to the comparative figures has been duly incorporated in these condensed interim financial statements.

MOBILINK MICROFINANCE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR SIX MONTHS ENDED JUNE 30, 2023

- 2.3** Banking Policy & Regulations Department of State Bank of Pakistan (SBP) via circular no. 3 of 2023 dated 09 February 2023, introduced the new format for preparation of annual and interim financial statements for microfinance banks due to significant regulatory developments including implementation of IFRS 9 as well as many other additions / amendments in the International Financial Reporting Standards. The revised format for preparation of annual financial statements are applicable effective from the accounting year ending 31st December, 2024 and revised format for preparation of interim financial statements are applicable effective from the first quarter of year 2024.
- 2.4** The SBP vide BSD Circular No. 10, dated 26 August 2002 has deferred the applicability of the International Accounting Standard (IAS) 40, "Investment Property" for banking companies till further instructions. Further, the SECP vide its SRO 633 (I) / 2014, dated 10 July 2014 has deferred the applicability of International Accounting Standard (IAS) 40. "Investment Property" and International Financial Reporting Standard (IFRS) 7. "Financial Instruments: Disclosures" for banking companies till further instructions. 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 prescribed by SBP through various circulars /regulations.
- 2.5** These condensed interim financial statements do not include all the information and disclosures required for the annual financial statements, and should be read in conjunction with the annual financial statements of the Bank as at December 31, 2022, which have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for financial reporting. The accounting and reporting standards as applicable in Pakistan for financial reporting comprise of: 'International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017; Provisions of and directives issued under the Microfinance Institutions Ordinance, 2001 and the Companies Act, 2017; and Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Microfinance Institution Ordinance, 2001, the Companies Act, 2017, or the directives issued by the SBP and SECP differ with the requirements of IFRS, the requirements of the Microfinance Institution Ordinance, 2001, the Companies Act, 2017 and the said directives shall prevail.

3 AMENDMENTS TO THE PUBLISHED APPROVED ACCOUNTING STANDARDS THAT ARE EFFECTIVE IN THE CURRENT PERIOD

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

There are certain amendments to existing accounting and reporting standards that have become applicable to the Bank for accounting periods beginning on or after January 01, 2022. These are either considered to be not relevant or do not have any significant impact on these condensed interim financial statements.

	Effective from Accounting period beginning on or after
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	January 01, 2022
Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)	January 01, 2022

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

There are certain other new amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2024, but are considered not to be relevant or will not have significant effect on the Bank's operations and are, therefore, not detailed in these condensed interim financial statements.

MOBILINK MICROFINANCE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR SIX MONTHS ENDED JUNE 30, 2023

	Effective from Accounting period beginning on or after
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 ' Income taxes' - International Tax Reform — Pillar Two Model Rules	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IFRS 16 ' Leases' -Clarification on how seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 9 'Financial instruments' - Supplier Finance Arrangements	January 01, 2024
Amendments to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely

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:

Standard	Effective Date
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.

4 BASIS OF MEASUREMENT AND PRESENTATION

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

- Investments classified as held-for-trading are measured at fair value.
- Right of use asset and lease liability initially measured at their present values.

4.2 These condensed interim 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 SBP. These condensed interim financial statements have been presented in Pakistani Rupees, which is the functional and presentation currency of the Bank.

5 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements for the year ended December 31, 2022.

6 ACCOUNTING ESTIMATES

The basis for accounting estimates adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements of the Bank for the year ended December 31, 2022 except for as disclosed in note 10.5 to these condensed interim financial statements.

		(Un-audited) June 30, 2023	(Audited) December 31, 2022
7	CASH AND BALANCES WITH SBP AND NBP	Note	----- Rupees -----
	Cash in hand - Local currency	1,419,788,337	1,207,164,306
	Balance with State Bank of Pakistan (SBP)	8,533,402,881	5,137,866,641
	Balance with National Bank of Pakistan (NBP) in:		
	- Current accounts	219,391	351,697
		<u>9,953,410,609</u>	<u>6,345,382,644</u>
7.1	This includes balance held with SBP in a current account to comply with the requirement of maintaining minimum balance equivalent to 5% (December 31, 2022: 5%) of the Bank's demand deposits and time deposits with tenor of less than one year.		
8	BALANCES WITH OTHER BANKS	Note	----- Rupees -----
	In Pakistan		
	- on current accounts - Local currency	150,000	-
	- on saving accounts - Local currency	5,775,388,737	5,385,669,698
	- on term deposits accounts - Local currency	41,150,000	224,950,000
		<u>5,816,688,737</u>	<u>5,610,619,698</u>
8.1	These carry markup ranging from 14.50% to 19.51% (December 31, 2022: 10.0% to 16.20%) per annum.		
8.2	These carry markup ranging from 15.00% to 19.65% (December 31, 2022: 13.75% to 15.0%) per annum, and have maturity latest by August 19, 2023.		
9	INVESTMENTS - NET OF PROVISIONS	Note	----- Rupees -----
	Investments by types under IFRS 9		
	Fair value through other comprehensive income		
	Market Treasury Bills - Debt	3,779,949,915	8,347,554,585
	Fair value reserve on investments measured at fair value through OCI	(2,432,746)	(185,531)
		<u>3,777,517,169</u>	<u>8,347,369,054</u>
	Amortized cost		
	Market Treasury Bills - Debt	4,288,306,000	-
		<u>8,065,823,169</u>	<u>8,347,369,054</u>
9.1	These represent securities with maturity period of up to three months. Investment made during the year carry markup at the rates ranging between 21.93% to 21.99% (December 31, 2022: 15.60% to 16.76%) per annum. These also include securities with maturity period of up to three months held for the purposes of Depositors' Protection Fund.		
9.2	Investments given as collateral		
	Market Treasury Bills - Amortized cost	1,000,000,000	-
		<u>1,000,000,000</u>	<u>-</u>

	Note	(Un-audited) June 30, 2023		(Audited) December 31, 2022	
		Number of loans outstanding	Amount of loans outstanding	Number of loans outstanding	Amount of loans outstanding
		Number	Rupees	Number	Rupees
10 ADVANCES - NET OF PROVISIONS					
Micro credit					
-Secured against gold		98,410	26,268,126,865	94,529	20,921,696,816
-Unsecured		3,187,152	33,130,470,264	2,480,169	29,888,535,805
Income markup/ accrued			10,197,802,684		8,093,660,450
		<u>3,285,562</u>	<u>69,596,399,813</u>	<u>2,574,698</u>	<u>58,903,893,071</u>
Allowance for Impairment- IFRS 9					
Stage 1			719,343,462		487,844,697
Stage 2			971,751,393		381,781,819
Stage 3	10.1		3,092,139,906		1,820,835,011
			<u>4,783,234,761</u>		<u>2,690,461,527</u>
Advances - net of provisions			<u>64,813,165,052</u>		<u>56,213,431,544</u>

10.1 Particulars of non-performing advances

Advances include Rs 3,177 million (2022: Rs 2,604 million) which as detailed below, have been placed under non performing / stage 3 status.

Category of classification	(Un-audited) June 30, 2023			(Audited) December 31, 2022		
	Amount outstanding	Provision required	Provision held	Amount outstanding	Provision required	Provision held
	----- Rupees -----					
IFRS 9 classification						
Stage 3	4,862,542,323	3,092,139,906	3,092,139,906	2,604,009,647	1,820,835,011	1,820,835,011
	<u>4,862,542,323</u>	<u>3,092,139,906</u>	<u>3,092,139,906</u>	<u>2,604,009,647</u>	<u>1,820,835,011</u>	<u>1,820,835,011</u>

10.2 Particulars of provision against advances -net

	(Un-audited) June 30, 2023			(Audited) December 31, 2022		
	Expected credit loss			Expected credit loss		
	Stage 1 & 2	Stage 3	Total	Stage 1 & 2	Stage 3	Total
	----- Rupees -----					
Opening balance	869,626,516	1,820,835,011	2,690,461,527	-	-	-
IFRS 9 impact	-	-	-	1,099,427,790	1,677,964,203	2,777,391,993
	<u>869,626,516</u>	<u>1,820,835,011</u>	<u>2,690,461,527</u>	<u>1,099,427,790</u>	<u>1,677,964,203</u>	<u>2,777,391,993</u>
Expected credit loss allowance	1,032,461,146	672,633,453	1,705,094,599	1,290,420,444	101,562,108	1,391,982,552
Amounts written-off / Reclassified	(210,992,807)	598,671,442	387,678,635	(1,520,221,718)	41,308,700	(1,478,913,018)
	<u>821,468,339</u>	<u>1,271,304,895</u>	<u>2,092,773,234</u>	<u>(229,801,274)</u>	<u>142,870,808</u>	<u>(86,930,466)</u>
Closing balance	<u>1,691,094,855</u>	<u>3,092,139,906</u>	<u>4,783,234,761</u>	<u>869,626,516</u>	<u>1,820,835,011</u>	<u>2,690,461,527</u>

	(Un-audited)	(Audited)
	June 30, 2023	December 31, 2022
	----- Rupees -----	
10.3 Particulars of write offs		
(Reversed) / Written off during the period / year	(387,678,635)	1,478,913,018
	(387,678,635)	1,478,913,018

10.4 The SBP has advised vide circular letter No. 1 of 2020 dated March 26, 2020 to provide regulatory relief to borrowers to dampen the effect of COVID-19 for microfinance borrowers who were regular as on February 15, 2020 and subsequently vide circular no AC&MFD Circular Letter No. 7 dated August 10, 2020 has extended the eligibility of regular borrowers with effect from December 31, 2019. Accordingly, pursuant to the regulatory relief given by SBP and as per the Bank's internal policy, the Bank has restructured / deferred certain amount of loans. As at June 30, 2023, total outstanding balance of rescheduled / deferred portfolio is Rs. 2,662 million. (December 31, 2022: Rs. 2,995 million, June 30, 2022: Rs. 6,754 million).

10.5 Change in estimates

a) Loans classification

During the year, the Bank has reassessed its loan products classification based on their product features and re-classified these according to criteria given in the prudential regulations ("PR"), based on such assessment certain loan products i.e. Fori cash loan, Karobar loan, Fori cash plus loan, Khushal kisan and Khushal Kisan value chain have been classified according to the PRs of "Loans to microenterprises" from previous classification of "General loans". PRs defines the write off criteria for both classifications separately, the loan to microenterprises are written off after days past due ("DPD") exceeds 1,214 days and 209 days for "General loans". The revisions were accounted for prospectively as a change in accounting estimates and as a result, the "Credit loss allowance and write offs" is increased and "advances net of provisions" are decreased by Rs. 388.21 million.

b) Reassessment of loss rate on Nano loans

During the year, the bank reassessed the loss rate for assessment of Credit loss allowance for Nano loans. Previously, the ECL for Nano loans was determined based on the Loss Given Default and Probability of Default used for Enterprise loans due to non-availability of respective data for the Nano loans following Basel guidelines. However, during the period management made assessment of ECL for Nano loans on the basis of historical data and amended the ECL rates accordingly. The revisions were accounted for prospectively as a change in accounting estimates and as a result, the 'Credit loss allowance and write offs' increased by Rs. 347.21 million. Further, 'Allowance for Impairment-IFRS 9' is increased and 'Advances - net of provisions' are decreased by Rs. 347.21 million.

		(Un-audited) June 30, 2023	(Audited) December 31, 2022
		----- Rupees -----	
11 OPERATING FIXED ASSETS	Note		
Capital work in progress		57,129,740	10,910,911
Property and equipment excluding right of use assets		1,062,180,354	1,063,826,728
Intangible assets		444,838,595	422,742,146
		<u>1,564,148,689</u>	<u>1,497,479,785</u>
Right-of-use Asset		848,043,162	939,178,355
		<u>2,412,191,851</u>	<u>2,436,658,140</u>
11.1 Movement of operating fixed assets excluding right of use assets:			
Carrying value at the beginning of the period/ year		1,497,479,785	1,454,265,050
Add: Additions during the period/ year	11.3	319,581,623	541,134,386
Less: Disposals/ deletion during the period/ year at carrying value		(782,348)	(3,197,547)
		1,816,279,060	1,992,201,889
Less: Depreciation and amortization for the period/ year		(252,130,371)	(494,722,104)
Carrying value at the end of the period/ year		<u>1,564,148,689</u>	<u>1,497,479,785</u>
11.2 Capital Work in progress			
Civil works		295,128	8,091,969
Software		56,834,612	-
Advances to suppliers and contractors		-	2,818,942
		<u>57,129,740</u>	<u>10,910,911</u>
11.3 Additions during the period/ year			
Capital work-in-progress		46,218,829	(63,434,844)
Property and equipment			
Electrical, office and computer equipment		33,091,260	218,690,332
Furniture and fixture		7,786,824	47,262,903
Vehicles		89,847,268	19,756,000
Leasehold improvements		16,691,292	100,916,152
		147,416,644	386,625,387
Intangible assets			
Software and License		125,946,150	217,943,843
		<u>319,581,623</u>	<u>541,134,386</u>
11.4 Right-of-use Asset			
Right of use assets		848,043,162	939,178,355
Movement during the period			
Balance as at January 1		939,178,355	670,947,413
Additions during the period/ year		-	443,658,451
Depreciation charge for the period/ year		(91,135,193)	(175,427,509)
Balance as at period/ year end		<u>848,043,162</u>	<u>939,178,355</u>
12 OTHER ASSETS			
Income / markup accrued other than Advances		36,440,648	65,014,364
Advances, deposits and prepayments		926,144,540	241,470,797
Receivable from related parties - PMCL	12.1	208,171,181	416,991,334
ATM cards / printed stationary		96,346,227	116,434,867
Receivables from State Bank of Pakistan	12.2	213,863,608	211,611,368
Sales Tax Refundable		303,539,738	100,941,464
Receivable from 1-link		2,341,490,730	-
Others		213,078,097	197,862,678
		<u>4,339,074,769</u>	<u>1,350,326,872</u>

	(Un-audited) June 30, 2023	(Audited) December 31, 2022
12.1 Receivable from related parties		
Pakistan Mobile Communications Limited (PMCL)	208,171,181	416,991,334

12.2 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.

	(Un-audited) June 30, 2023	(Audited) December 31, 2022
13 DEFERRED TAX ASSET		

Arising in respect of following deductible temporary differences

Provision against non-performing advances	1,865,461,557	887,852,303
Provision for gratuity	38,031,304	25,723,579
Deficit on revaluation of available for sale investments	948,771	61,225
Operating fixed asset	91,001,703	59,417,922
Lease liability net of right of use assets	50,053,818	18,955,283
Minimum Tax	-	182,020,566
	2,045,497,153	1,174,030,878

14 DEPOSITS AND OTHER ACCOUNTS	(Un-audited) June 30, 2023		(Audited) December 31, 2022	
	Number	---- Rupees ----	Number	---- Rupees ----
Time liabilities				
Fixed deposits	2,103	7,364,823,761	1,879	6,700,275,890
Demand Liabilities				
Saving deposits	49,440	7,757,237,921	46,612	11,120,766,836
Current deposits	756,285	4,194,969,731	688,217	3,062,231,020
Branchless deposits				
Saving	194,796	4,720,297,895	198,322	4,335,907,214
Current	44,522,771	47,392,107,214	43,598,781	39,545,619,241
	45,523,292	64,064,612,761	44,531,932	58,064,524,311
	45,525,395	71,429,436,522	44,533,811	64,764,800,201

14.1 Particulars of deposits by ownership

	June 30, 2023		December 31, 2022	
	Number	---- Rupees ----	Number	---- Rupees ----
Individual depositors	45,519,815	60,255,872,065	44,529,056	50,303,325,563
Institutional depositors:				
Corporations/ firms	2,325	7,168,148,460	2,100	4,584,609,166
Banks and financial institutions	85	3,836,430	71	5,226,945,267
Others	3,170	4,001,579,567	2,584	4,649,920,204
	45,525,395	71,429,436,522	44,533,811	64,764,800,201

14.2 Deposits include related parties balance amounting to Rs 56.834 million (2022: Rs 0.830 million) as disclosed in Note 30.

15	Borrowings	Note	(Un-audited)	(Audited)
			June 30, 2023	December 31, 2022
	Borrowings from Banks / Financial Institutions		---- Rupees ----	
	In Pakistan	15.1	908,027,920	1,473,461,236
	Outside Pakistan		-	-
	Repo Liability	15.2	983,844,950	-
	Interest payable on repo transaction		2,619,042	-
			<u>1,894,491,912</u>	<u>1,473,461,236</u>

15.1 The bank utilized two secured running finance facilities during the period on following terms.

- i) The Bank entered into running finance facility agreement amounting to Rs 500 million with Alfalah Bank to finance its operations and carries mark-up at the rate of one month KIBOR + 0.85% per annum payable on quarterly basis. The tenure of loan is 12 months. First pari passu charge over all the present and future assets of the Bank including but not limited to advances/microcredit receivables and investments bond CRR & SLR requirements of the bank with 25% margin(Excluding land and buildings).
- ii) The Bank entered into running finance facility agreement amounting to Rs 1,000 million with Allied bank to finance its operations and carries mark-up at the rate of three months KIBOR + 0.85% per annum payable on quarterly basis. The tenure of loan is 12 months. First pari passu charge over all the present and future assets of the Bank including but not limited to advances/microcredit receivables and investments beyond CRR & SLR requirements of the bank with 25% margin(Excluding land and buildings).

15.2 Repurchase agreement borrowings carry mark-up ranging from 21.50% to 22.90% per annum having maturity on July 25, 2023. Treasury bills with maturity of 3 months amounting to Rs. 1,000 million are provided as collateral for these repo liabilities as disclosed in Note 9.2.

16	Subordinated Debt	Note	(Un-audited)	(Audited)
			June 30, 2023	December 31, 2022
			----- Rupees -----	
	TFCs Subordinated Debt	16.1	2,014,636,647	2,000,000,000
	Initial direct cost - Agent's fee and commission		-	(23,765,000)
			<u>2,014,636,647</u>	<u>1,976,235,000</u>
	<i>Finance Cost:</i>			
	Finance cost on subordinated debt		191,493,702	39,237,673
	Payment during the period/ year		(178,223,013)	(836,026)
			<u>2,027,907,336</u>	<u>2,014,636,647</u>

16.1 This represents Rated, Unsecured, subordinated and privately placed Tier II Term Finance Certificates of worth Rs.2,000,000,000/- fully subscribed on November 21, 2022 to improve the Capital Adequacy Ratio at the rate of 6 Month KIBOR plus 2.10% per annum. The issue is for a period of 7 years from the date of subscription and will mature on November 20, 2029. The issuer has assigned preliminary rating of single "A-" (Single "A minus"). The interest will be payable on Bi-annually basis starting from six months subsequent to subscription of TFCs and the principal amount of issue TFC shall be redeemed in four (4) equal semi-annual installments commencing from the end of 66th month from the Issue Date.

			(Un-audited) June 30, 2023	(Audited) December 31, 2022
17	OTHER LIABILITIES	Note	----- Rupees -----	
	Bills payable		261,871,984	122,845,003
	Lease liability on right of use asset	17.1	936,934,479	996,618,607
	Accrued expenses		2,257,642,722	1,143,169,834
	Provision for gratuity		97,516,165	63,836,928
	Payable to related parties - PMCL	30	2,062,935,578	1,618,726,871
	Tax payable		848,303,247	11,769,317
	Taxes and levies withheld		236,054,046	204,491,393
	Payable to suppliers		1,035,556,862	700,323,788
	Bills collected for settlement through NADRA		1,032,602,949	259,242,239
	RAAST payable		3,692,701,293	957,846,688
	Remittances		1,943,790,335	632,003,720
	Payable to Merchants and others		741,648,325	348,751,683
	Others		319,749,388	275,180,661
			<u>15,467,307,373</u>	<u>7,334,806,732</u>
			(Un-audited) June 30, 2023	(Audited) December 31, 2022
17.1	Lease liability on right of use asset	Note	----- Rupees -----	
	Lease liability on right of use assets	17.2	936,934,479	996,618,607
17.2	Movement during the period			
	Lease liability as at January 1		996,618,607	714,503,858
	Additions during the period		-	443,658,451
	Accretion of interest		64,235,980	122,502,761
	Payment of lease liability during the period		(123,920,108)	(284,046,463)
	As at period end		<u>936,934,479</u>	<u>996,618,607</u>
			(Un-audited) June 30, 2023	(Audited) December 31, 2022
18	SHARE CAPITAL		----- Rupees -----	
	Authorized capital			
	2023	2022		
	Numbers	Numbers		
	<u>300,000,000</u>	<u>300,000,000</u>	Ordinary shares of Rs. 10 each.	<u>3,000,000,000</u>
	Issued, subscribed and paid-up capital			
			Ordinary shares	
	<u>271,359,683</u>	<u>271,359,683</u>	Fully paid in cash of Rs. 10 each.	<u>2,713,596,830</u>
				<u>2,713,596,830</u>
18.1	Veon Microfinance Holdings B.V (VMH) is the holding company controlling 271,359,678 i.e. 99.99% shares (December 31, 2022: 271,359,678 i.e. 99.99%).			
			(Un-audited) June 30, 2023	(Audited) December 31, 2022
19	FAIR VALUE RESERVE OF FINANCIAL ASSETS AT FVOCI		----- Rupees -----	
	Investments At fair value through OCI			
	Fair value reserve on investments measured at fair value through OCI		(2,432,746)	(185,531)
	Related deferred tax		948,771	61,225
			(1,483,975)	(124,306)
			<u>(1,483,975)</u>	<u>(124,306)</u>
20	MEMORANDUM / OFF BALANCE SHEET ITEMS			
20.1	Contingencies			

There has been no significant change in the status of contingencies, for the period, from those disclosed in the financial statements for the year ended December 31, 2022.

		(Un-audited) June 30, 2023	(Audited) December 31, 2022
20.2 Commitments	Note	----- Rupees -----	
Operating fixed assets		11,669,589	5,975,000
Bank guarantee	20.3	334,950,000	334,950,000
Standby letter of guarantee	20.4	114,396,200	87,678,750
		<u>461,015,789</u>	<u>428,603,750</u>
20.3	This includes 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.		
20.4	This represents letter of guarantee issued by the Bank to Visa and Master card International Service Association amounting to USD 250,000 and USD 125,000 respectively for interbank settlement. The amounts are translated into PKR at exchange rate prevailing on reporting date.		
		(Un-audited) June 30, 2023	(Un-audited) June 30, 2022
21 MARKUP/RETURN/INTEREST EARNED	Note	----- Rupees -----	
Mark-up on advances	21.1	12,531,957,811	6,996,223,521
Income on investment in Government Securities		715,413,116	677,877,528
Mark-up on deposit accounts with treasury and other banks		267,870,805	199,327,151
Reverse Repo Income		25,797,600	-
		<u>13,541,039,332</u>	<u>7,873,428,200</u>
21.1	This includes markup income on Nano loans amounting to Rs. 5,437 million (2022: 2,286 million)		
		(Un-audited) June 30, 2023	(Un-audited) June 30, 2022
22 MARK-UP/RETURN/INTEREST EXPENSED		----- Rupees -----	
Interest on deposits		1,987,372,640	1,229,710,279
Interest on sub-ordinate debt		191,493,702	-
Interest on borrowings		37,943,096	6,927,511
Finance cost of lease liability on right of use assets		64,235,980	56,983,377
		<u>2,281,045,418</u>	<u>1,293,621,167</u>
		(Un-audited) June 30, 2023	(Un-audited) June 30, 2022
23 EXPECTED CREDIT LOSS ALLOWANCE		----- Rupees -----	
On Advances		1,705,094,599	1,040,738,832
		<u>1,705,094,599</u>	<u>1,040,738,832</u>
		(Un-audited) June 30, 2023	(Un-audited) June 30, 2022
24 FEE, COMMISSION AND BROKERAGE INCOME - NET	Note	----- Rupees -----	
Income from branchless banking	24.1	3,021,452,897	2,795,629,353
Commission from insurance companies		2,601,926	2,073,074
Loan processing fee		663,377,991	386,929,271
Others		59,675,991	13,002,119
		<u>3,747,108,805</u>	<u>3,197,633,817</u>

24.1 Income / (loss) from branchless

Branchless banking income	24.2	3,021,452,897	2,795,629,353
Interest income on nano advances		5,437,117,855	2,286,454,105
Commission to retailer / franchisee		(1,203,347,138)	(2,430,818,728)
Commission to a related party - PMCL	24.3	(4,866,387,682)	(1,604,056,891)
		2,388,835,932	1,047,207,839
Amount reclassified to Markup/return interest earned	21.1	(5,437,117,855)	(2,286,454,105)
Commission to retailer / franchisee and PMCL - reclassified to Administrative expenses	26	6,069,734,820	4,034,875,619
		3,021,452,897	2,795,629,353

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

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

	(Un-audited)	(Un-audited)
	June 30,	June 30,
	2023	2022
	----- Rupees -----	
25 OTHER INCOME		
Gain / (Loss) on disposal of fixed assets	1,687,370	(568,706)
Loss on disposal of securities	-	(25,505,985)
Grant Income	616,095	-
	2,303,465	(26,074,691)

		(Un-audited) June 30, 2023	(Un-audited) June 30, 2022
----- Rupees -----			
26 ADMINISTRATIVE EXPENSES			
Branchless banking commission expense			
Commission to retailer / franchisee		1,203,347,138	2,430,818,728
Commission to a related party - PMCL		4,866,387,682	1,604,056,891
Others			
Salaries, allowances etc.		1,869,913,858	1,394,459,168
Contribution to defined contribution plan		60,108,896	59,301,188
Provision for gratuity		33,679,237	37,116,765
Non-executive directors' fees, allowances and other expenses		5,700,000	4,200,000
Training / Capacity building		18,446,894	4,702,320
Rent, taxes, insurance, electricity, etc.		228,411,589	174,567,088
Legal and professional charges		47,103,688	23,035,474
Communications		19,971,812	36,803,355
Repair and maintenance - Vehicle		4,692,925	2,657,596
Stationary and printing		106,355,679	91,149,685
Advertisement and publicity		33,095,170	25,463,969
Auditors remuneration		2,144,500	3,205,316
Depreciation		239,415,862	225,650,664
Amortization		103,849,702	100,981,560
Travel and transportation		41,859,275	21,814,009
Repair and maintenance - General		24,813,540	19,850,229
Customer verification charges		242,944,304	445,015,788
Bank charges		893,196,863	770,971,012
IT equipment and software maintenance		471,723,728	304,420,552
Ready cash expense		1,470,783,492	418,322,282
Security		106,720,342	67,891,218
Janitorial services		81,287,795	59,324,456
Office supplies		11,332,564	9,082,798
Entertainment		12,014,082	11,799,167
Other projects expenses		37,403,258	46,875,868
Others		26,117,043	42,527,625
		12,262,820,918	8,436,064,771
		(Un-audited) June 30, 2023	(Un-audited) June 30, 2022
27 OTHER CHARGES			
Exchange Gain/Loss on foreign currency transactions		39,597,701	628,742.00
Penalties imposed by the State Bank of Pakistan	27.1	81,087,000	-
		120,684,701	628,742.00
27.1	The charge includes the penalties paid to the State Bank of Pakistan (SBP) amounting to Rs. 20.46 million in respect of certain instances of violations.		
28 TAXATION			
For the period/ year			
Current		(1,246,434,146)	(111,079,042)
Prior year		182,020,566	(29,662,918)
Deferred		870,578,729	80,617,922
		(193,834,851)	(60,124,038)
29 CASH AND CASH EQUIVELANTS			
Cash and balances with SBP and NBP		9,953,410,609	4,222,030,490
Balances with other banks/NBFIs/MFBs		5,816,688,737	2,915,959,685
Investments with original maturity of less than three months		8,065,823,169	5,888,817,601
		23,835,922,515	13,026,807,776

30 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 Chief Executive Officer 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 period, no transactions were entered into with the Holding Company and VL by the Bank. Significant transactions with the related parties other than those referred to in the foregoing entered into during the year are as follows:

		(Un-audited) June 30, 2023	(Un-audited) June 30, 2022
		----- Rupees -----	
Transactions during the period:	Relationship with related party		
Pakistan Mobile Communications Limited (PMCL)			
Payments made for expenses incurred on behalf of PMCL by the Bank	Associated company (Wholly owned subsidiary of parent group)	1,976,802,820	906,490,950
Payments made for expenses incurred on behalf of the Bank by PMCL		-	-
Payments made against defined contribution plan being employee and employer contributions		83,454,260	85,322,458
Deposits made during the period		5,262,879,553	5,216,772,895
Withdrawals made during the period		5,208,675,947	5,147,677,156
Mark-up/ return/ interest expensed to PMCL		1,799,455	1,005,675
Deposit mobilization commission paid		1,389,075,283	648,351,548
Branchless commission (net of expenses)		3,477,312,399	955,678,843
Employees' Provident Fund Trust			
Bank's contribution paid to the fund		41,727,130	42,661,229
Key management personnel			
Remuneration of key management personnel	Key management personnel	124,779,066	143,343,980
		(Un-audited) June 30, 2023	(Audited) December 31, 2022
		----- Rupees -----	
Balances outstanding:	Relationship with related party		
Receivable from PMCL	Associated Company	208,171,181	416,991,334
Payable to PMCL	Associated Company	(2,062,935,578)	(1,618,726,871)
Deposits accounts contain amounts relating to following related parties:			
Pakistan Mobile Communications Limited	Associated company	56,834,053	830,992
Key Management Personnel	Key management personnel	20,965,111	72,604,576
Advances relating to following related parties:			
Key Management Personnel	Key Management Personnel	12,224,901	10,849,578

31 GENERAL

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

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

From	To	Amount in Rupees
Profit and loss account		
Fee, commission and brokerage income - income form Branchless banking - Note 23	Administrative expenses - Branchless banking commission expense - Note 25	4,034,875,619
Other Charges	Other income - Note 24	26,074,691
Administrative expenses - Note 25	Markup / return / interest expensed - Note 22	56,983,377
Provision against non-performing loans and advances - net	Credit loss allowance and write offs - net	1,040,738,832
Other Charges	Workers Welfare Fund	5,444,342

31.3 Where there are no amounts to be disclosed in the account captions as prescribed by BSD Circular No.11 dated 30 December 2003 issued by SBP in respect of forms of financial statements for Microfinance banks, these captions have not been reproduced in these condensed interim financial statements.

32 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue by the Board of Directors of the Bank in their meeting held on 30 AUG 2023. y.



PRESIDENT / CHIEF EXECUTIVE



DIRECTOR