MOBILINK MICROFINANCE BANK LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

YOUSUF ADIL

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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MOBILINK MICROFINANCE BANK LIMITED

Opinion

We have audited the annexed financial statements of Mobilink Microfinance Bank Limited (the Bank), which comprise the balance sheet as at December 31, 2022, and the profit or loss account, the statement of comprehensive income, the statement of changes in equity, the cash flows 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 accompanying balance sheet, the profit or loss account, the statement of comprehensive income, the statement of changes in equity and the cash flows 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 2022 and of the profit, the comprehensive income, 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 *Auditor's 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 Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements of the Bank and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do 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 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 report that fact. We have nothing to report in this regard.

Responsibilities of Management and 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.

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

Auditor's 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 auditor's 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 auditor's 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 auditor's 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 or loss account, the statement of comprehensive income, the statement of changes in equity and the cash flows 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.

Other Matters

The financial statements of the Bank for the year ended December 31, 2021 were audited by another firm of Chartered Accountants, whose reports dated April 28, 2022 expressed an unmodified opinion on those financial statements.

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

Yousuf Adil.

Chartered Accountants
Islamabad
Date: March 08, 2023
UDIN: AR2022104147DRjLhNm1

MOBILINK MICROFINANCE BANK LIMITED
BALANCE SHEET
AS AT DECEMBER 31, 2022

	Note	2022	2021
		----------------Rupees----------------	
ASSETS			
Cash and balances with SBP and NBP	10	6,345,382,644	4,735,965,535
Balances with other banks	11	5,610,619,698	3,240,610,835
Investments - net of provisions	12	8,347,369,054	13,265,962,908
Advances – net of provisions	13	56,213,431,544	37,463,494,711
Operating fixed assets	14	2,436,658,140	2,125,212,463
Other assets	15	1,350,326,872	7,922,293,841
Deferred tax asset	16	1,174,030,878	405,287,170
Total assets		81,477,818,830	69,158,827,463
LIABILITIES			
Deposits and other accounts	17	64,764,800,201	58,658,397,196
Borrowings	18	1,473,461,236	-
Subordinated debt	19	2,014,636,647	-
Other liabilities	20	7,334,806,732	4,359,605,620
Total liabilities		75,587,704,816	63,018,002,816
Net assets		5,890,114,014	6,140,824,647
REPRESENTED BY:			
Share capital	21	2,713,596,830	2,713,596,830
Statutory reserve		959,599,752	767,940,323
Depositors' protection fund	6.9(b)	317,854,657	239,191,683
Fair value reserve of financial assets at FVOCI	22	(124,306)	-
Unappropriated profit		1,899,187,081	2,423,780,022
		5,890,114,014	6,144,508,858
(Deficit) / surplus on revaluation of assets - net	22	-	(3,684,211)
		5,890,114,014	6,140,824,647
MEMORANDUM / OFF-BALANCE SHEET ITEMS	23		

The annexed notes from 1 to 47 form an integral part of these financial statements.

PRESIDENT/ CHIEF EXECUTIVE	CHAIRMAN	DIRECTOR	DIRECTOR

MOBILINK MICROFINANCE BANK LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2022

	Note	2022	2021
		------------------Rupees----------------	
Markup / return / interest earned	24	17,334,927,752	11,081,740,887
Markup / return / interest expensed	25	(2,785,346,339)	(1,697,010,490)
Net markup / interest income		14,549,581,413	9,384,730,397
Provision against non-performing loans and advances - net	13.3	-	(987,881,475)
Expected credit loss allowance	26	(1,462,137,670)	-
		(1,462,137,670)	(987,881,475)
Net markup / interest income after provisions		13,087,443,743	8,396,848,922
NON MARK-UP/ NON INTEREST INCOME			
Fee, commission and brokerage income - net	27	6,527,203,866	6,199,584,273
Dividend income		3,727,637	3,627,219
Other income	28	(17,561,573)	60,481
Total non-markup / non interest income		6,513,369,930	6,203,271,973
NON MARK-UP/ NON INTEREST EXPENSES			
Administrative expenses	29	(18,470,996,280)	(13,543,517,471)
Other charges	30	(3,820,240)	(228,250)
Total non-markup / non interest expenses		(18,474,816,520)	(13,543,745,721)
		1,125,997,153	1,056,375,174
PROFIT BEFORE TAXATION		1,125,997,153	1,056,375,174
Workers Welfare Fund		(22,078,376)	(4,274,200)
		1,103,918,777	1,052,100,974
TAXATION			
Current	31	(456,936,797)	(608,723,149)
Prior year		153,507,286	-
Deferred		157,807,878	284,303,640
		(145,621,633)	(324,419,509)
PROFIT AFTER TAXATION		958,297,144	727,681,465
Unappropriated profit brought forward		1,170,173,914	1,878,179,840
Profit available for appropriations		2,128,471,058	2,605,861,305
APPROPRIATIONS:			
Transfer to:			
Statutory reserve		(191,659,429)	(145,536,293)
Contribution to depositors protection fund		(47,914,857)	(36,384,073)
		(239,574,286)	(181,920,366)
UNAPPROPRIATED PROFIT CARRIED FORWARD		1,888,896,772	2,423,940,939
Earnings per share	38	3.53	2.68

The annexed notes from 1 to 47 form an integral part of these financial statements.

PRESIDENT/ CHIEF EXECUTIVE | **CHAIRMAN** | **DIRECTOR** | **DIRECTOR**

MOBILINK MICROFINANCE BANK LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
	----------------Rupees----------------	
Profit after taxation	**958,297,144**	727,681,465
Other comprehensive income		
Items not to be reclassified in profit and loss account in subsequent periods		
Remeasurement Gain / (loss) on defined benefit obligation	**15,358,670**	(226,644)
Related tax impact	**(5,068,361)**	65,727
	10,290,309	(160,917)
Total comprehensive income transferred to unappropriated profit	**10,290,309**	(160,917)
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	**5,003,498**	-
Related tax impact	**(1,443,593)**	-
	3,559,905	
Total comprehensive income transferred to Fair value reserve of financial assets at FVOCI	**3,559,905**	-
Total comprehensive income for the year transferred to equity	**972,147,358**	727,520,548
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	-	(5,189,029)
Related tax impact	-	1,504,818
	-	(3,684,211)

The annexed notes from 1 to 47 form an integral part of these financial statements.

PRESIDENT/ CHIEF EXECUTIVE	CHAIRMAN	DIRECTOR	DIRECTOR

MOBILINK MICROFINANCE BANK LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022

		Capital reserves			Revenue reserves	
	Share capital	Statutory reserve	Depositors protection fund	Fair value reserve of financial assets at FVOCI	Unappropriated profit	Total
			Rupees			
Balance at January 01, 2021	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)	-
Transfer to Depositors protection fund						
- 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
Balance at December 31, 2021	2,713,596,830	767,940,323	239,191,683	-	2,423,780,022	6,144,508,858
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 9)	-	-	-	(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 year	-	-	-	-	**958,297,144**	**958,297,144**
Other comprehensive income	-	-	-	**3,559,905**	**10,290,309**	**13,850,214**
Total comprehensive income for the year	-	-	-	**3,559,905**	**968,587,453**	**972,147,358**
Transfers to statutory reserves	-	**191,659,429**	-	-	**(191,659,429)**	-
Transfer to Depositors protection fund						
- 5% of the profit after tax for the year	-	-	**47,914,857**	-	**(47,914,857)**	-
- return on investments	-	-	**30,748,117**	-	-	**30,748,117**
	-	-	**78,662,974**	-	**(47,914,857)**	**30,748,117**
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**

The annexed notes from 1 to 47 form an integral part of these financial statements.

PRESIDENT/ CHIEF EXECUTIVE	CHAIRMAN	DIRECTOR	DIRECTOR

MOBILINK MICROFINANCE BANK LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2022

	Note	2022	2021
		-----------------Rupees---------------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		1,103,918,777	1,056,375,174
Less: Dividend income		(3,727,637)	(3,627,219)
		1,100,191,140	1,052,747,955
Adjustment for non cash items and other items:			
Depreciation on property and equipment		287,857,848	224,912,823
Depreciation on right-of-use assets		175,427,509	132,491,114
Amortization on intangible assets		206,864,256	135,193,820
Loss on redemption of investments		24,938,974	-
Provision against non performing advances		-	987,881,475
Expected credit loss allowance		1,462,137,670	-
Provision for gratuity		54,993,322	23,975,632
Gain on disposal of operating fixed assets		(731,223)	(60,481)
Finance Charge on subordinated debt		39,237,673	-
Finance charges on lease liability		122,502,761	95,992,031
		2,373,228,790	1,600,386,414
		3,473,419,930	2,653,134,369
(Increase) / decrease in operating assets:			
Advances		(13,989,467,945)	(14,227,637,235)
Other assets (excluding advance taxation)		(1,521,693,481)	576,050,678
		(15,511,161,426)	(13,651,586,557)
Increase / (decrease) in operating liabilities:			
Bills payable		(138,215,485)	19,579,762
Deposits and other accounts		5,841,215,750	11,851,570,452
Other liabilities (excluding current taxation)		3,157,909,663	311,981,550
		8,860,909,928	12,183,131,764
Cash (outflow) / inflow from operations		(3,176,831,568)	1,184,679,576
Finance charges on lease liability		(122,502,761)	(95,992,031)
Income tax paid		(403,925,577)	(368,305,451)
Net cash (outflow) / inflow from operating activities		(3,703,259,906)	720,382,094
CASH FLOWS FROM INVESTING ACTIVITIES			
Net proceeds from / (investment in) available for sale securities		306,125,050	(161,251,339)
Net investment in term deposits		(2,200,000)	(222,750,000)
Investment in operating fixed assets		(541,134,386)	(576,493,718)
Sale proceeds of property and equipment disposed off		3,928,770	3,770,147
Net cash outflow from investing activities		(233,280,566)	(956,724,910)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liability		(161,543,702)	(61,775,824)
Receipts against borrowings		1,473,461,236	-
Receipts against issuance of subordinated debt - Net of initial direct cost		1,976,235,000	-
Payment of interest on subordinated debt		(836,026)	-
Net cash inflow / (outflow) from financing activities		3,287,316,508	(61,775,824)
Net (decrease) / increase in cash and cash equivalents		(649,223,964)	(298,118,640)
Cash and cash equivalents at beginning of the year		20,727,645,360	21,025,764,000
Cash and cash equivalent at end of the year	32	20,078,421,396	20,727,645,360

The annexed notes from 1 to 47 form an integral part of these financial statements.

PRESIDENT/ CHIEF EXECUTIVE	**CHAIRMAN**	**DIRECTOR**	**DIRECTOR**

MOBILINK MICROFINANCE BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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 (2021: 105 business locations/ touch points comprising of 105 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 is 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.

The Pakistan Credit Rating Agency Limited (PACRA) assigned the long-term rating of the Bank at "A" and short term rating at "A1" on April 30, 2022.

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.

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.

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.

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 through OCI.
- 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 it's 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 losses on financial assets (Policy applicable after 1 January 2022)

The measurement of impairment losses under IFRS 9 across all categories of financial assets in scope requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Bank's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The segmentation of financial assets when their ECL is assessed on a collective basis.
- Development of ECL models, including the various formulas and the choice of inputs.
- The Bank's criteria for assessing if there has been a significant increase in credit risk.
- Determination of associations between macroeconomic scenarios and, economic inputs.
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

It has been the Bank's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

b) 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.

c) 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.

d) 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.

e) 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 New accounting standard adopted during the year - IFRS 9 'Financial Instrument'

5.1 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.

5.2 The Bank has not restated comparative information for 2021 for financial instruments in the scope of IFRS 9. Therefore, the comparative information for 2021 is reported under previous local regulatory requirements and is not comparable with the information presented for 2022. Differences arising from the adoption of IFRS 9 have been recognized directly in retained earnings as of 1 January 2022 and are disclosed in Note 9.

5.3 Changes to classification and measurement

To determine their classification and measurement category, IFRS 9 requires all financial assets, except equity instruments and derivatives, to be assessed based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics.

New categories of financial assets under IFRS 9 are as follow:

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVOCI), with gains or losses recycled to profit or loss on derecognition
- Equity instruments at FVOCI, with no recycling of gains or losses in profit or loss on derecognition
- Financial assets at FVPL

The accounting for financial liabilities remains largely the same as it was under prior accounting policy.

5.4 Changes to the impairment calculation

The adoption of IFRS 9 has fundamentally changed the Bank's accounting for impairments loss by replacing prior incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Bank to record an allowance for ECLs for all loans and other debt financial assets not held at FVPL, together with loan commitments and financial guarantee contracts. The allowance is based on the ECLs associated with the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination. If the financial asset meets the definition of purchased or originated credit impaired (POCI), the allowance is based on the change in the ECLs over the life of the asset.

5.5 IFRS 7 disclosures

The Bank has not adopted IFRS 7 'Financial Instruments: Disclosures', since its application is held in abeyance by SBP. However, certain useful information about the ECL estimation process has been disclosed in these financial statements.

5.6 Policies prior to adoption of IFRS 9 'Financial Instrument'

a) 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.

b) 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:

i. 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.

ii. 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.

iii. 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.

c) Advances

Advances are stated net of general and specific provision. The outstanding principal and mark-up 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:

On March 16, 2022 SBP AC&MFD has issued Circular No. 02 of 2022 making significant revisions to the MFBs' Prudential Regulations (R-5: Maximum Loan Size and Eligibility of Borrowers, R-8: Classification of Assets and Provisioning Requirements & R-10: Charging-off Non Performing Loans (NPLs))

Major Changes include

Classification		New DPD Criteria			
Days passed due based classification (DPD)	Previous DPD Criteria	General loans	Housing loans	Enterprise loans	Enterprise loans (Property colletral)
OAEM	30-59	30-59	90-179	90-179	90-179
Substandard	60-89	60-89	180-364	180-364	180-364
Doubtful	90-179	90-179	365-729	365-544	365-544
Loss	180-209	180-209	730-1944	545-1214	545-1944
Write Off	=>210	=>210	=>1945	=>1215	=>1945
Provision Percentage					
OAEM	0%	0%	0%	10%	10%
Substandard	25%	25%	25%	25%	25%
Doubtful	50%	50%	50%	50%	50%
Loss	100%	100%	100%	100%	100%
Write Off	100%	100%	100%	100%	100%
Suspension Percentage					
OAEM	100%	0%	0%	100%	100%
Substandard	100%	100%	100%	100%	100%
Doubtful	100%	100%	100%	100%	100%
Loss	100%	100%	100%	100%	100%
Write Off	100%	100%	100%	100%	100%

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

d) 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.

e) 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.

i. 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.

ii. 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.

f) 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.

6 SIGNIFICANT ACCOUNTING POLICIES

6.1 Financial instruments – initial recognition (accounting policy applicable from 1 January 2022)

a) Date of recognition

Financial assets and liabilities, with the exception of loans and advances to customers and balances due to customers, are initially recognized on the trade date, i.e., the date on which the Bank becomes a party to the contractual provisions of the instrument. This includes regular way trades, i.e., purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans and advances to customers are recognized when funds are transferred to the customers' accounts. The Bank recognizes balances due to customers when funds are transferred to the Bank.

b) Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value , except in the case of financial assets and financial liabilities recorded at FVPL, transaction costs are added to, or subtracted from, this amount.

c) Measurement categories of financial assets and liabilities

From 1 January 2022, the Bank classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:
• Amortized cost
• Fair value though Other comprehensive income (FVOCI), and
• Fair value through profit and loss (FVTPL)

The Bank classifies and measures its derivative and trading portfolio at FVPL. The Bank may designate financial instruments at FVPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies.

Financial liabilities, other than loan commitments and financial guarantees, are measured at amortized cost or at FVPL when they are held for trading and derivative instruments or the fair value designation is applied.

d) Financial assets and liabilities

Due from banks, Loans and advances to customers and investments

From 1 January 2022, the Bank measures Due from banks, Loans and advances to customers and Investments at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Business model assessment

The Bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective:

- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)

The expected frequency, value and timing of sales are also important aspects of the Bank's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'best case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Bank's original expectations, the Bank does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The SPPI test

As a second step of its classification process the Bank assesses the contractual terms of the financial asset to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Bank applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de Minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

e) Debt instruments at FVOCI

The Bank applies the new category under IFRS 9 of debt instruments measured at FVOCI when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset meet the SPPI test .

These instruments largely comprise assets that had previously been classified as financial investments available-for-sale. FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Interest income and foreign exchange gains and losses are recognized in profit or loss in the same manner as for financial assets measured at amortized cost. Where the Bank holds more than one investment in the same security, they are deemed to be disposed of on a first–in first–out basis. On derecognition, cumulative gains or losses previously recognized in OCI are reclassified from OCI to profit or loss.

f) Equity instruments at FVOCI

Upon initial recognition, the Bank occasionally elects to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to profit. Dividends are recognized in profit or loss as other operating income when the right of the payment has been established, except when the Bank benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

g) Debt issued and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium on issued funds, and costs that are an integral part of the EIR.

6.2 Derecognition of financial assets and liabilities

a) Derecognition for substantial modification of Financial assets

The Bank derecognizes a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognized as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognized loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be POCI.

For financial liabilities, the Bank considers a modification substantial based on qualitative factors and if it results in a difference between the adjusted discounted present value and the original carrying amount of the financial liability of, or greater than, ten percent. For financial assets, this assessment is based on qualitative factors.

b) Derecognition other than for substantial modification Financial assets

A financial asset (or, where applicable, a part of a financial asset) is derecognized when the rights to receive cash flows from the financial asset have expired. The Bank also derecognizes the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

c) Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognized in profit or loss.

d) Reclassification of financial assets and liabilities

From 1 January 2022, the Bank does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Bank acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Bank did not reclassify any of its financial assets or liabilities in 2022.

6.3 Impairment of financial assets (Policy applicable from 1 January 2022)

a) Overview of the ECL principles

IFRS 9 has fundamentally changed the Bank's loan loss impairment method by replacing incurred loss approach with a forward-looking ECL approach. From 1 January 2022, the Bank has been recording the allowance for expected credit losses for all loans and other debt financial assets not held at FVPL, together with loan commitments and financial guarantee contracts. Equity instruments are not subject to impairment under IFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or (LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL).

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Bank groups its loans into Stage 1, Stage 2, Stage 3 and POCI, as described below:

Stage 1 When loans are first recognized, the Bank recognizes an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2 When a loan has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3 Loans considered credit-impaired . The bank records an allowance for the LTECLs

POCI Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognized based on a credit-adjusted EIR. ECLs are only recognized or released to the extent that there is a subsequent change in the expected credit losses.

b) The calculation of ECLs

The Bank calculates ECLs based on a three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

PD PD The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognized and is still in the portfolio. The concept of PDs is further explained in Note 41.2

LGD The Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral or credit enhancements that are integral to the loan. It is usually expressed as a percentage of the EAD. The LGD is further explained in Note 41.3

EAD The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

When estimating the ECLs, the Bank considers three scenarios (a base case, an upside and a downside). The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Bank has the legal right to call it earlier. Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The mechanics of the ECL method are summarized below:

Stage 1 The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Bank calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios, as explained above.

Stage 2 When a loan has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR

Stage 3 For loans considered credit-impaired , the Bank recognizes the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

POCI POCI assets are financial assets that are credit impaired on initial recognition. The Bank only recognizes the cumulative changes in lifetime ECLs since initial recognition, based on a probability-weighting of the three scenarios, discounted by the credit-adjusted EIR.

c) Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortized cost is recognized in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognized in OCI is recycled to the profit and loss upon derecognition of the assets.

d) Purchased or originated credit impaired financial assets (POCI)

For POCI financial assets, the Bank only recognizes the cumulative changes in LTECL since initial recognition in the loss allowance.

e) Forward looking information

In its ECL models, the Bank relies on a broad range of forward looking information as economic inputs, such as:
• GDP growth
• Consumer price indices
• Unemployment rates
• policy rates

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. Detailed information about these inputs is explained in note 41.4

f) Credit enhancements: collateral

To mitigate its credit risks on financial assets, the Bank seeks to use collateral, where possible. The collateral comes in various forms, such as gold, vehicle, house etc. Collateral, unless repossessed, is not recorded on the Bank's statement of financial position. However, the fair value of eligible collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a requirement basis.

Eligible collateral are those which has i) legal certainly and enforceability, and ii) history of forcibility and recovery. The bank consider cash and cash equivalents as eligible collaterals and EAD of relevant facilities are reduced by the amount of eligible collateral.

g) Write-offs

Financial assets are written off either partially or in their entirety only when the Bank has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense. the Bank also follows Prudential regulations issued by SBP for write off of its advances. Under these PR loans are written off after 30 days from the date of loss categorization.

h) ECL on government guaranteed credit exposure

ECL on credit exposure (in local currency) that have been guaranteed by the Government of Pakistan and Government Securities, has not been estimated due to exemption available under IFRS instructions issued by SBP through circular no. 3 of 2022 dated 05 July 2022.

i) Two track approach for stage 3 loans

As per instructions issued by SBP, the bank used two track approach for ECL assessment on stage 3 loans. As per this approach the bank calculated provision /ECL both under Prudential Regulations (PRs) issued by SBP for microfinance banks and IFRS 9 and higher amount has been taken and final ECL.

6.4 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.

6.5 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.

6.6 Inventory

Inventory consists of printed cards and other stationary. 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.

6.7 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.

6.8 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.

6.9 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.

6.10 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.

6.11 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 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.

6.12 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.

6.13 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.

6.14 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.

6.15 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 specified days for each category as set out in below table. After these specified 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.

Classification	**DPD Criteria**			
Days passed due based classification (DPD)	**General loans**	**Housing loans**	**Enterprise loans**	**Enterprise loans (Property colletral)**
OAEM	30-59	90-179	90-179	90-179
Substandard	60-89	180-364	180-364	180-364
Doubtful	90-179	365-729	365-544	365-544
Loss	180-209	730-1944	545-1214	545-1944
Write Off	=>210	=>1945	=>1215	=>1945
Suspension Percentage				
OAEM	0%	0%	100%	100%
Substandard	100%	100%	100%	100%
Doubtful	100%	100%	100%	100%
Loss	100%	100%	100%	100%
Write Off	100%	100%	100%	100%

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.

6.16 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.

6.17 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.

6.18 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.

6.19 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, 2022 (2021: nil).

6.20 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.

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

The following amendments and improvements are effective for the year ended December 31, 2022. These amendments and improvements are either not relevant to the Bank's operations or are not expected to have significant impact on the Bank's financial statements other than certain additional disclosures.

	Effective from Accounting period beginning on or after
Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions extended beyond June 30, 2021. The change: - permit a lessee to apply the practical expedient regarding COVID-19-related rent concessions to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022 (rather than only payments originally due on or before 30 June 2021); - require a lessee applying the amendment to do so retrospectively, recognizing the cumulative effect of initially applying the amendment as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the lessee first applies the amendment; and - specify that, in the reporting period in which a lessee first applies the amendment, a lessee is not required to disclose the information required by paragraph 28(f) of IAS 8.	April 01, 2021
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework - Update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework; - Add to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and - Add to IFRS 3 an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use. - Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16) amends the standard to prohibit 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
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37) specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).	January 01, 2022
Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)	January 01, 2022

Standard	Subject of amendment
IFRS 9 Financial Instruments	**Fees in the '10 per cent' test for derecognition of financial liabilities.** The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.
IFRS 16 Leases	**Lease incentives.** The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.
IAS 41 Agriculture	**Taxation in fair value measurements.** The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in IFRS 13.

The amendments to IFRS 1, IFRS 9, and IAS 41 published today are all effective for annual periods beginning on or after 1 January 2022. Early application is permitted. The amendment to IFRS 16 only regards an illustrative example, so no effective date is stated.

8 AMENDMENTS TO APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE

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

Standard and IFRIC		**Effective date (annual periods beginning on or after)**
IAS 1 and IFRS Practice Statement 2	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
IAS 12 `	Amendments to 'Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction. The main change in Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) is an exemption from the initial recognition exemption provided in IAS 12. Accordingly, the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.	January 01, 2023
IFRS 16	Amendments to IFRS 16 ' Leases' -Lease Liability in a Sale and Leaseback arrangement.	January 01, 2024
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

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.

As stated in Note 5.1 to the Financial statements,, the bank have early adopted 'IFRS 9 - Financial Instruments'. For remaining items 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.

9 Transition disclosure

9.1 The following paras set out the impact of adopting IFRS 9 on the statement of financial position, and retained earnings including the effect of replacing prior accounting policy of incurred credit loss calculations with IFRS 9's Expected Credit Loss (ECLs). A reconciliation between the carrying amounts under prior accounting policy to the balances reported under IFRS 9 as of 1 January 2022 is, as follows:

Description	Note	Current financial reporting framework		Reclassification	Remeasurement	IFRS 9	
		Category	Amount			Amount	Category
			---- Rupees ----				
Financial Assets							
Cash and balances with SBP and NBP	**10**	Cash and balances with SBP and NBP (amortized cost)	4,735,965,535	-	-	4,735,965,535	Amortized cost
Balances with other banks	**11**	Balances with other banks (amortized cost)	3,240,610,835	-	-	3,240,610,835	Amortized cost
Investments in	**12**						
Debt		Available for sale	13,162,814,144	-	-	13,162,814,144	Fair value through OCI
Equity		Available for sale	103,148,764	-	-	103,148,764	Fair value through OCI
Advances	**13**	Advances (amortized cost)	37,463,494,711	6,806,142,993	(1,871,053,892)	42,398,583,812	Amortized cost
Other assets	**15**	Income / markup accrued (amortized cost)	7,922,293,841	(6,806,142,993)	-	1,116,150,848	Amortized cost
Non-financial assets							
Deferred tax asset	**16**	Deferred tax asset	405,287,170	-	617,447,784	1,022,734,954	Deferred tax asset
Financial Liabilities							
Deposits and other accounts	**17**	Deposits and other accounts (Amortized cost)	(58,658,397,196)	(265,187,255.00)	-	(58,923,584,451)	Amortized cost
Other liabilities excluding tax, Defined benefit obligation and lease liability	**20**	Other liabilities (amortized cost)	(3,297,745,585)	265,187,255.00	-	(3,032,558,330)	Amortized cost
Net Assets							
(Deficit) / surplus on revaluation of assets - net of deferred tax	**22**	Available for sale	(3,684,211)	3,684,211	-	-	-
Deficit on revaluation on investments measured at fair value through OCI - Net of deferred tax		-	-	(3,684,211)	-	(3,684,211)	Fair value through OCI
Total Impact of adopting IFRS 9			**5,073,788,008**	**-**	**(1,253,606,108)**	**3,820,181,900**	

9.2 The Impact of transition to IFRS 9 on unappropriated profit and revaluation of investment as at 1 January 2022 is as follows:

	(Rupees)
Unappropriated profit	
Balance at December 31, 2021	2,423,780,022
Impact of adopting IFRS 9 - net of related deferred tax	(1,253,606,108)
Restated balance at December 31, 2021	1,170,173,914
Fair value reserve of financial assets at FVOCI	
Balance at December 31, 2021	-
Impact of adopting IFRS 9 - net of related deferred tax	(3,684,211)
Restated balance at December 31, 2021	(3,684,211)

10 CASH AND BALANCES WITH SBP AND NBP

	Note	December 31, 2022	December 31, 2021
		------------- Rupees -------------	
Cash in hand - Local currency		**1,207,164,306**	816,788,618
Balance with State Bank of Pakistan (SBP)	**10.1**	**5,137,866,641**	3,801,139,847
Balance with National Bank of Pakistan (NBP) in:			
- Current accounts		**351,697**	118,037,070
		6,345,382,644	4,735,965,535

10.1 This includes balance held with SBP in a current account to comply with the requirement of maintaining minimum balance equivalent to 5% (December 31, 2021: 5%) of the Bank's demand deposits and time deposits with tenor of less than one year.

11 BALANCES WITH OTHER BANKS

	Note	December 31, 2022	December 31, 2021
		------------- Rupees -------------	
In Pakistan			
- on current accounts - Local currency		**-**	154,708,826
- on saving accounts - Local currency	**11.1**	**5,385,669,698**	2,863,152,009
- on term deposits accounts - Local currency	**11.2**	**224,950,000**	222,750,000
		5,610,619,698	3,240,610,835

11.1 These carry markup ranging from 10.0% to 16.20% (December 31, 2021: 5.50% to 9.25%) per annum.

11.2 These carry markup ranging from 13.75% to 15.0% (December 31, 2021: 7.5% to 8.1%) per annum.

12 INVESTMENTS - NET OF PROVISIONS

	Note	December 31, 2022	December 31, 2021
		------------- Rupees -------------	
Available for sale			
Federal Government Securities			
Market Treasury Bills		-	13,168,003,173
Mutual Funds		**-**	103,148,764
(Deficit) / surplus on revaluation of available for sale investments	**12.2**	-	(5,189,029)
Investments by types under IFRS 9			
Investments At Fair Value through OCI			
Market Treasury Bills - Debt	**12.1**	**8,347,554,585**	-
Fair value reserve on investments measured at fair value through OCI		**(185,531)**	-
		8,347,369,054	13,265,962,908

12.1 These represent securities with maturity period of up to three months. Investment made during the year carry markup at the rates ranging between 15.60% to 16.76% (December 31, 2021: 7.10% to 10.49%) per annum. These also include securities with maturity period of up to three months held for the purposes of Depositors' Protection Fund.

12.2 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.

13 ADVANCES - NET OF PROVISIONS

	Note	December 31, 2022 Number of loans outstanding	December 31, 2022 Amount of loans outstanding	December 31, 2021 Number of loans outstanding	December 31, 2021 Amount of loans outstanding
		Number	**Rupees**	Number	Rupees
Micro credit					
-Secured against gold		**94,529**	**20,921,696,816**	77,769	14,632,223,900
-Unsecured		**2,480,169**	**29,888,535,805**	1,941,518	23,737,608,912
Income markup/ accrued			**8,093,660,450**	-	-
		2,574,698	**58,903,893,071**	2,019,287	38,369,832,812
Provision held:					
Specific provision	**13.1**	**-**	**-**	774,432	440,393,866
General provision	**13.2**	**-**	**-**	-	465,944,235
\					
Allowance for Impairment- IFRS 9					
Stage 1			**487,844,697**		-
Stage 2			**381,781,819**		-
Stage 3	**13.1**		**1,820,835,011**		-
			2,690,461,527		906,338,101
Advances - net of provisions			**56,213,431,544**		37,463,494,711

13.1 Particulars of non-performing advances

Advances include Rs 2,604 million (2021: Rs 1,247 million) which as detailed below, have been placed under non performing / stage 3 status.

Category of classification	December 31, 2022 Amount outstanding	December 31, 2022 Provision required	December 31, 2022 Provision held	December 31, 2021 Amount outstanding	December 31, 2021 Provision required	December 31, 2021 Provision held
	---------- **Rupees** ----------					
Prudential regulations classification						
OAEM	**-**	**-**	**-**	387,663,044	-	-
Substandard	**-**	**-**	**-**	228,795,486	57,198,872	57,198,872
Doubtful	**-**	**-**	**-**	494,384,091	247,192,046	247,192,046
Loss	**-**	**-**	**-**	136,006,266	136,006,266	136,006,266
IFRS 9 classification						
Stage 3	**2,604,009,647**	**1,820,835,010**	**1,820,835,010**	-	-	-
	2,604,009,647	**1,820,835,010**	**1,820,835,010**	1,246,848,887	440,397,184	440,397,184

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

13.3 Particulars of provision against non-performing advances -net

	December 31, 2022			December 31, 2021		
	Expected credit loss			Provisioning held		
	Stage 1 & 2	**Stage 3**	**Total**	General	Specific	Total
	Rupees					
Opening balance	**-**	**-**	**-**	332,240,501	22,810,309	355,050,810
IFRS 9 impact	**1,099,427,790**	**1,677,964,203**	**2,777,391,993**	-	-	-
	1,099,427,790	**1,677,964,203**	**2,777,391,993**			
Charge for the year - net	**-**	**-**	**-**	133,700,416	854,181,059	987,881,475
Amounts written-off / Reclassified	**-**	**-**	**-**	3,318	(436,597,502)	(436,594,184)
	-	**-**	**-**	133,703,734	417,583,557	551,287,291
Expected credit loss allowance	**1,290,420,444**	**101,562,108**	**1,391,982,552**	-	-	-
Amounts written-off / Reclassified	**(1,520,221,718)**	**41,308,700**	**(1,478,913,018)**	-	-	-
	(229,801,274)	**142,870,808**	**(86,930,466)**	-	-	-
Closing balance	**869,626,516**	**1,820,835,011**	**2,690,461,527**	465,944,235	440,393,866	906,338,101

13.4 Particulars of write offs

	December 31, 2022	December 31, 2021
	Rupees	
Written off during the year	**1,478,913,018**	436,594,184
Directly charged to profit and loss account	**-**	-
	1,478,913,018	436,594,184

13.5 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 December 31, 2022, total outstanding balance of rescheduled / deferred portfolio is Rs. 2,995 million.

		31 December 2022	31 December 2021
14	**OPERATING FIXED ASSETS**	**(Rupees)**	(Rupees)
	Capital Work in progress - note 14.1	**10,910,911**	74,345,755
	Property and equipment - note 14.2	**2,003,005,083**	1,639,204,149
	Intangible assets - note 14.3	**422,742,146**	411,662,559
		2,436,658,140	2,125,212,463

14.1 Capital Work in progress

	2022	2021
Civil works	**8,091,969**	18,005,569
Equipment	**-**	-
Advances to suppliers and contractors	**2,818,942**	56,340,186
	10,910,911	74,345,755

14.2 Property and equipment

	Cost				**Depreciation**				**Net book value**	
	At January, 01	**Additions**	**Disposals/ write offs**	**At December, 31**	**At January, 01**	**Charge for the year**	**Disposals/ write offs**	**At December, 31**	**At December, 31**	**Rate per annum**
2022	**Rupees**				**Rupees**					**%age**
Leased assets										
Right of use asset	**1,003,355,836**	**443,658,451**	**-**	**1,447,014,287**	**332,408,423**	**175,427,509**	**-**	**507,835,932**	**939,178,355**	**10-20%**
Owned assets										
Furniture and fixture	**200,200,084**	**47,262,903**	**(88,900)**	**247,374,087**	**119,659,792**	**29,011,532**	**(88,900)**	**148,582,424**	**98,791,663**	**20%**
Electrical, office and computer equipment	**1,238,083,538**	**218,690,332**	**(7,540,560)**	**1,449,233,310**	**676,475,517**	**189,216,112**	**(4,408,346)**	**861,283,283**	**587,950,027**	**10-33%**
Vehicles	**178,259,981**	**19,756,000**	**(784,000)**	**197,231,981**	**68,591,805**	**40,443,736**	**(718,667)**	**108,316,874**	**88,915,107**	**25%**
Leasehold improvements	**341,416,577**	**100,916,152**	**-**	**442,332,729**	**124,976,330**	**29,186,468**	**-**	**154,162,798**	**288,169,931**	**10%**
	2,961,316,016	**830,283,838**	**(8,413,460)**	**3,783,186,394**	**1,322,111,867**	**463,285,357**	**(5,215,913)**	**1,780,181,311**	**2,003,005,083**	
2021										
Leased assets										
Right of use asset	818,336,006	185,019,830	-	1,003,355,836	199,917,309	132,491,114	-	332,408,423	670,947,413	10-20%
Owned assets										
Furniture and fixture	143,953,719	56,538,291	(291,926)	200,200,084	94,245,122	25,706,596	(291,926)	119,659,792	80,540,292	20%
Electrical, office and computer equipment	930,772,104	312,338,834	(5,027,400)	1,238,083,538	530,208,025	151,103,396	(4,835,904)	676,475,517	561,608,021	10-33%
Vehicles	90,336,124	102,061,484	(14,137,627)	178,259,981	54,040,646	25,181,635	(10,630,476)	68,591,805	109,668,176	25%
Leasehold improvements	168,956,264	172,499,013	(38,700)	341,416,577	102,082,815	22,921,196	(27,681)	124,976,330	216,440,247	10%
	2,152,354,217	828,457,452	(19,495,653)	2,961,316,016	980,493,917	357,403,937	(15,785,987)	1,322,111,867	1,639,204,149	

14.2.1 The cost of fully depreciated assets still in use

	Amount in Rupees
Furniture and fixture	88,510,808
Electrical, office and computer equipment	536,655,715
Vehicles	45,725,652
Leasehold improvements	101,968,289
	772,860,464

14.2.2 As required by BSD Circular No 11 of 2003, details of property and equipment disposed off during the year is disclosed in Annexure-I and forms integral part of these financial statements.

14.3 Intangible assets

	Cost				Amortization				Net book value	
	At January 01	Additions	Disposals/ write offs/Adjustment	At December 31	At January 01	Charge for the year	Disposals/ write offs/Adjustment	At December 31	At December 31	Rate per annum
	---------- Rupees ----------				---------- Rupees ----------					%age
December 31, 2022										
Software and License	**1,024,698,596**	**217,943,843**	**-**	**1,242,642,439**	**613,036,037**	**206,864,256**	**-**	**819,900,293**	**422,742,146**	**10-33%**
	1,024,698,596	**217,943,843**	**-**	**1,242,642,439**	**613,036,037**	**206,864,256**	**-**	**819,900,293**	**422,742,146**	
December 31, 2021										
Software and License	869,258,284	228,245,398	(72,805,086)	1,024,698,596	477,842,217	135,193,820	-	613,036,037	411,662,559	10-33%
	869,258,284	228,245,398	(72,805,086)	1,024,698,596	477,842,217	135,193,820	-	613,036,037	411,662,559	

14.4 Intangibles includes zero value items having cost of Rs. 431.93 million (2021: 362.83 million).

14.4.1 The cost of fully depreciated intangibles still in use

	Amount in Rupees
Software and License	406,674,633

		Note	December 31, 2022	December 31, 2021
			---------- Rupees ----------	
15	**OTHER ASSETS**			
	Income / markup accrued		**65,014,364**	6,806,142,993
	Advances, deposits and prepayments		**241,470,797**	199,955,574
	Receivable from related parties	**15.1**	**416,991,334**	210,396,042
	ATM cards / printed stationary		**116,434,867**	140,871,876
	Crop and livestock insurance claims	**15.3**	**211,611,368**	244,583,127
	Others		**298,804,142**	320,344,229
			1,350,326,872	7,922,293,841
15.1	**Receivable from related parties**			
	Pakistan Mobile Communications Limited (PMCL)	**15.2**	**416,991,334**	210,396,042

15.2 Maximum aggregated receivable balance during the year from PMCL amounted to Rs. 803.51 million (2021: Rs. 3,352.04

15.3 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.

		Note	December 31, 2022	December 31, 2021
16	**DEFERRED TAX ASSET**		---------- Rupees ----------	
	Arising in respect of following deductible temporary differences			
	Provision against non-performing advances		**887,852,303**	262,838,049
	Provision for gratuity		**25,723,579**	7,018,660
	Other provision	**16.2**	**-**	116,636,920
	Lease liability net of right of use assets		**18,955,283**	12,631,369
	Operating fixed assets		**59,417,922**	4,657,354
	Deficit on revaluation of investments measured at fair value through OCI		**61,225**	-
	Deficit on revaluation of available for sale investments		**-**	1,504,818
	Minimum tax		**182,020,566**	-
			1,174,030,878	405,287,170

16.1 Deferred Tax - Movement

	At December 31, 2021	Impact of adopting IFRS 9	Recognised in profit and loss account	Recognised in other comprehensive income	Recognised in Fair value reserve of financial assets at FVOCI	At December 31, 2022
	---Rupees---					
Deductible temporary differences						
Provision against non-performing advances	262,838,049	617,447,784	7,566,470	-	-	887,852,303
Provision for gratuity	7,018,660	-	23,773,280	(5,068,361)	-	25,723,579
Other provision	116,636,920	-	(116,636,920)	-	-	-
Lease liability net of right of use assets	12,631,369	-	6,323,914	-	-	18,955,283
Operating fixed assets	4,657,354	-	54,760,568	-	-	59,417,922
Deficit on revaluation of investments measured at fair value through OCI	-	1,504,818	-	-	(1,443,593)	61,225
Deficit on revaluation of available for sale investments	1,504,818	(1,504,818)	-	-	-	-
Minimum tax	-	-	182,020,566	-	-	182,020,566
	405,287,170	617,447,784	157,807,878	(5,068,361)	(1,443,593)	1,174,030,878

16.2 This represents deferred tax on other provisions held against unreconciled differences in prior year.

		December 31, 2022		December 31, 2021	
17	**DEPOSITS AND OTHER ACCOUNTS**	**Number**	**---- Rupees ----**	Number	---- Rupees ----
	Time liabilities				
	Fixed deposits	**1,879**	**6,700,275,890**	1,071	9,952,032,819
	Demand Liabilities				
	Saving deposits	**46,612**	**11,120,766,836**	44,570	10,078,010,509
	Current deposits	**688,217**	**3,062,231,020**	520,727	2,910,951,210
	Branchless deposits				
	Saving	**198,322**	**4,335,907,214**	521,586	3,346,151,344
	Current	**43,598,781**	**39,545,619,241**	38,693,565	32,371,251,314
		44,531,932	**58,064,524,311**	39,780,448	48,706,364,377
		44,533,811	**64,764,800,201**	39,781,519	58,658,397,196

17.1 Particulars of deposits by ownership

	December 31, 2022		December 31, 2021	
	Number	**---- Rupees ----**	Number	---- Rupees ----
Individual depositors	**44,529,056**	**50,303,325,563**	39,389,229	35,534,332,053
Institutional depositors:				
Corporations/ firms	**2,100**	**4,584,609,166**	707	9,081,355,172
Banks and financial institutions	**71**	**5,226,945,267**	58	8,438,239,637
Others	**2,584**	**4,649,920,204**	391,525	5,604,470,334
	44,533,811	**64,764,800,201**	39,781,519	58,658,397,196

17.2 Deposits include related parties balance amounting to Rs 0.830 million (2021:Rs 0.187 million) as disclosed in note 39.

			December 31, 2022	December 31, 2021
18	**BORROWINGS**	**Note**	**----------- Rupees -----------**	
	Borrowings from Banks / Financial Institutions			
	In Pakistan	**18.1**	**1,473,461,236**	-
	Outside Pakistan		**-**	-
			1,473,461,236	-

18.1 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 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 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).

			December 31, 2022	December 31, 2021
19	**SUBORDINATED DEBT**	**Note**	**----------- Rupees -----------**	
	TFCs Subordinated Debt	19.1	**2,000,000,000**	-
	Initial direct cost - Agent's fee and commission	19.2	**(23,765,000)**	-
			1,976,235,000	-
	Finance Cost:			
	Finance cost on subordinated debt		**39,237,673**	-
	Payment during the year		**(836,026)**	-
			2,014,636,647	-

19.1 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.

19.2 This represents advisory and arrangement fee paid to issuing agent and other investing partners at the rate of 0.60% and 0.40% respectively of amount of investment along with fee amounting to Rs. 1 million paid on signing of the agreement documents.

			December 31, 2022	December 31, 2021
20	**OTHER LIABILITIES**	**Note**	**----------- Rupees -----------**	
	Mark-up/ return/ interest payable on deposits		**-**	265,187,255
	Bills payable .		**122,845,003**	261,060,488
	Accrued expenses	**20.1**	**1,143,169,834**	950,059,785
	Payable to related parties	**20.2**	**1,618,726,871**	278,122,160
	Tax payable	**20.3**	**11,769,317**	112,824,529
	Defined benefit obligation	**35.3**	**63,836,928**	24,202,276
	Taxes and levies withheld		**204,491,393**	234,531,648
	Payable to suppliers		**700,323,788**	493,295,520
	Bills collected for settlement through NADRA		**259,242,239**	236,605,322
	Lease liability on right of use assets	**20.4**	**996,618,607**	714,503,858
	RAAST payable		**957,846,688**	-
	Remittances		**632,003,720**	567,693,510
	Payable to Merchants and others		**348,751,683**	-
	Others		**275,180,661**	221,519,269
			7,334,806,732	4,359,605,620

20.1 This represents accruals related to utility bills, NADRA charges, Professional charges, employee bonus and incentives.

			December 31, 2022	December 31, 2021
20.2	**Payable to related parties**	**Note**	**----------- Rupees -----------**	
	Pakistan Mobile Communication Limited (PMCL)		**1,618,726,871**	278,122,160

Maximum aggregated payable amount during the year to PMCL is Rs. 1,618 million.

20.3 Tax receivable / (payable)

Opening balance	**(112,824,529)**	127,593,169
Tax deducted on dividend	**559,146**	-
Tax paid	**403,925,577**	368,305,451
Provision for taxation	**(303,429,511)**	(608,723,149)
Closing balance	**(11,769,317)**	(112,824,529)

20.4 Lease liability on right of use asset

Lease liability as at January 1	**714,503,858**	591,259,852
Additions during the year	**443,658,451**	185,019,830
Accretion of interest	**122,502,761**	95,992,031
Payment of lease liability during the year	**(284,046,463)**	(157,767,855)
As at December 31	**996,618,607**	714,503,858

21 SHARE CAPITAL

Authorized capital

2022 Numbers	2021 Numbers		**December 31, 2022**	December 31, 2021
			----------- Rupees -----------	
300,000,000	300,000,000	Ordinary shares of Rs. 10 each.	**3,000,000,000**	3,000,000,000

Issued, subscribed and paid-up capital

271,359,683	271,359,683	Ordinary shares Fully paid in cash of Rs. 10 each.	**2,713,596,830**	2,713,596,830

21.1 Veon Microfinance Holdings B.V (VMH) is the holding company controlling 271,359,678 i.e. 99.99% shares (December 31, 2021: 271,359,678 i.e. 99.99%).

		Note	December 31, 2022	December 31, 2021
			------------ Rupees ------------	
22	**FAIR VALUE RESERVE OF FINANCIAL ASSETS AT FVOCI**			
	Opening		(3,684,211)	-
	Impact of adopting IFRS 9 - Net of related tax impact	9	3,684,211	-
	Adjusted balance at January 01, 2022 under IFRS 9		-	-
	Investments At fair value through OCI			
	Fair value reserve on investments measured at fair value through OCI		(185,531)	-
	Related deferred tax		61,225	-
			(124,306)	-
	(Deficit) / surplus on revaluation of assets - net			
	.		-	(5,189,029)
	Related deferred tax		-	1,504,818
			-	(3,684,211)
			(124,306)	(3,684,211)

23 MEMORANDUM / OFF BALANCE SHEET ITEMS

23.1 Contingencies

a) Assessments for the tax years 2014 through 2018 were amended under section 122(5A) of the Income Tax Ordinance 2001 and following tax demands were raised on multiple issues including disallowance of commission payments to PMCL and brought forward losses, besides levy of super tax and application of tax rate of a 'banking Company':

S. No	Tax Year	Income	liability/(Refund)	Demand
		--------------------(Rupees)--------------------		
1	2014	(234,431,614)	(6,611,215)	6,275,834
2	2015	(152,455,607)	(12,727,982)	125,128,075
3	2016	(192,844,840)	(16,040,667)	192,032,513
4	2017	377,231,365	56,921,902	594,487,535
5	2018	714,355,484	250,024,419	549,360,099

The Commissioner Inland Revenue (Appeals) [CIR(A)], through combined order dated 20 August 2019 deleted tax demands except for PMCL commission payments and levy of tax under section 4B; which were remanded for re-consideration. The Company filed appeals before the Appellate Tribunal Inland Revenue [ATIR] with respect to matters remanded. These appeals are pending decision and the re-assessment proceedings have also not been initiated by the Department.

b) Assessments for the Tax Years 2016 to 2018 were further amended in January- February 2022 along with assessments for the Tax Years 2019 to 2021 on multiple issues including disallowance of provision against non-performing loans, gratuity payments and provident fund contributions, claim of initial allowance on additions in assets, expenses paid by PMCL, and brought forward losses, besides levy of super tax and charging a higher rate of tax by treating the Company as a 'banking Company'.

S. No	Tax Year	Income declared	Liability/(Refund) as per return	Demand
		--------------------(Rupees)--------------------		
1	2016	(192,844,840)	(16,040,667)	210,342,273
2	2017	377,231,365	56,921,902	625,137,050
3	2018	714,355,484	250,024,419	710,640,780
4	2019	1,162,751,712	(13,410,696)	538,111,228
5	2020	1,304,291,024	(36,619,616)	473,356,263
6	2021	524,782,092	(163,727,247)	3,873,820

The Company has filed appeals to the CIR(A) against the above orders and has obtained stay from the High Court against recovery. The appeals are pending decision as of date. However, hearings on these appeals stand concluded and a favorable outcome is expected.

c) In addition to the above the bank is contesting various litigations with tax authorities on different forums including sales tax and FED. Management consider these litigations not material and expects a favorable decision from tax authorities.

		Note	December 31, 2022	December 31, 2021
23.2	**Commitments**		------------- **Rupees** -------------	
	Operating fixed assets		**5,975,000**	43,887,072
	Bank guarantee	**23.3**	**334,950,000**	330,000,000
	Standby letter of guarantee	**23.4**	**87,678,750**	59,250,000
			428,603,750	433,137,072

23.3 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.

23.4 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.

		Note	December 31, 2022	December 31, 2021
			------------- **Rupees** -------------	
24	**MARKUP/RETURN/INTEREST EARNED**			
	Mark-up on advances	**24.1**	**15,741,584,737**	9,935,154,420
	Income on investment in Government Securities		**1,151,724,476**	829,454,741
	Mark-up on deposit accounts with treasury and other banks		**441,618,539**	317,131,726
			17,334,927,752	11,081,740,887

24.1 This includes markup income on nano loans amounting to Rs. 5,863 million (2021: 2,185 million)

25	**MARK-UP/RETURN/INTEREST EXPENSED**	Note	December 31, 2022	December 31, 2021
			------------- **Rupees** -------------	
	Interest on deposits	**25.1**	**2,599,252,157**	1,600,964,698
	Interest on sub-ordinate debt		**39,237,673**	-
	Interest on borrowings		**24,353,748**	53,761
	Finance cost of lease liability on right of use assets		**122,502,761**	95,992,031
			2,785,346,339	1,697,010,490

25.1 Mark-up expense on deposits includes amount of Rs 3.30 million (2021: Rs 2.6 million) in respect of deposit balances of a related party as disclosed in note 39.

26	**EXPECTED CREDIT LOSS ALLOWANCE**	Note	December 31, 2022	December 31, 2021
			------------- **Rupees** -------------	
	On Advances	**13.3**	**1,391,982,552**	-
	Other write offs	**26.1**	**70,155,118**	-
			1,462,137,670	-

26.1 This represents write offs against unreconciled balances included in other assets.

		Note	December 31, 2022	December 31, 2021
			------------- **Rupees** -------------	
27	**FEE, COMMISSION AND BROKERAGE INCOME - NET**			
	Income from branchless banking	**27.1**	**5,428,630,095**	5,479,452,504
	Commission from insurance companies		**4,837,892**	26,922,493
	Loan processing fee		**1,046,674,258**	629,477,931
	Others		**47,061,621**	63,731,345
			6,527,203,866	6,199,584,273

		Note	December 31, 2022	December 31, 2021
			------------- Rupees -------------	
27.1	**Income from branchless banking**			
	Branchless banking income	27.2	**5,428,630,095**	5,479,452,504
	Interest income on nano advances		**5,863,835,877**	2,185,615,808
	Commission to retailer / franchisee		**(4,765,419,546)**	(4,689,146,843)
	Commission to a related party - PMCL	27.3	**(4,498,567,927)**	(1,878,019,949)
		27.4	**2,028,478,499**	1,097,901,520
	Amount reclassified to Markup/return interest earned	24.1	**(5,863,835,877)**	(2,185,615,808)
	Commission to retailer / franchisee and PMCL - reclassified to Administrative expenses	29	**9,263,987,473**	6,567,166,792
			5,428,630,095	5,479,452,504

27.2 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.

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

		December 31, 2022	December 31, 2021
		------------- Rupees -------------	
28	**OTHER INCOME**		
	Gain / (Loss) on disposal of fixed assets	**731,223**	**60,481**
	Loss on disposal of securities	**(24,938,974)**	**-**
	Grant Income	**6,646,178**	-
		(17,561,573)	60,481

	Note	December 31, 2022	December 31, 2021
		------------ Rupees ------------	
29 ADMINISTRATIVE EXPENSES			
Branchless banking commission expense			
Commission to retailer / franchisee		**4,765,419,546**	4,689,146,843
Commission to a related party - PMCL		**4,498,567,927**	1,878,019,949
Others			
Salaries, allowances etc.		**3,126,431,754**	2,318,205,147
Contribution to defined contribution plan		**115,531,233**	99,658,071
Provision for gratuity		**54,993,322**	23,975,632
Non-executive directors' fees, allowances and other expenses		**8,200,000**	8,200,000
Training / Capacity building		**25,629,123**	11,842,598
Rent, taxes, insurance, electricity, etc.		**393,545,250**	330,092,975
Legal and professional charges		**46,098,939**	59,818,099
Communications		**60,810,943**	34,673,371
Repair and maintenance - Vehicle		**7,569,867**	43,224,906
Stationary and printing		**295,352,430**	127,532,218
Advertisement and publicity		**40,513,199**	17,671,004
Auditors remuneration	**29.1**	**5,454,900**	9,538,669
Depreciation	**14.2**	**463,285,357**	357,403,937
Amortization	**14.3**	**206,864,256**	135,193,820
Travel and transportation		**59,604,367**	27,931,194
Repair and maintenance - General		**57,632,149**	36,094,722
Customer verification charges	**29.3**	**778,234,186**	511,616,192
Bank charges	**29.4**	**1,542,335,611**	968,389,502
IT equipment and software maintenance		**602,940,258**	432,983,733
Ready cash expense		**821,461,331**	678,115,545
Security		**141,484,799**	129,163,034
Janitorial services		**122,287,960**	90,037,098
Office supplies		**21,818,142**	16,530,005
Entertainment		**17,647,870**	4,939,001
Other projects expenses		**79,584,218**	58,701,521
Others		**111,697,343**	444,818,685
		18,470,996,280	**13,543,517,471**

	Note	December 31, 2022	December 31, 2021
29.1 Auditors' remuneration			
Audit fee		**2,100,000**	2,200,000
Fee for half yearly review		**900,000**	770,000
Additional fee for annual audit 2020		**-**	2,000,000
Fee for special audits/certifications	**29.2**	**1,275,000**	2,683,000
Out of pocket expenses		**427,500**	661,189
Sales tax		**752,400**	1,224,480
		5,454,900	9,538,669

29.2 This includes fee for audits of financial statements of AJK operations for the year 2022 and for other certifications (Capital adequacy ratio, certification on livestock insurance etc.).

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

29.4 This includes a written off amount of Rs. 291 million (2021: Rs. 402 million) of a reconciliation exercise conducted by management in current year related to other unreconciled assets.

	Note	December 31, 2022	December 31, 2021
		------------ Rupees ------------	
30 OTHER CHARGES			
Exchange Gain/Loss on foreign currency transactions		**628,740**	-
Penalties imposed by the State Bank of Pakistan	**30.1**	**3,191,500**	228,250
		3,820,240	228,250

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

	December 31, 2022	December 31, 2021
	------------ Rupees ------------	

31 TAXATION

For the year		
Current	**456,936,797**	608,723,149
Prior	**(153,507,286)**	-
Deferred	**(157,807,878)**	(284,303,640)
	145,621,633	324,419,509

31.1 Relationship between tax expense and accounting profit

Profit before taxation	**1,125,997,153**	1,056,375,174
Applicable tax rate	**33%**	29%
	371,579,060	306,348,800
Effect of:		
- Permanent differences	**1,053,195**	66,193
- Deductions not allowed	**94,578,060**	-
- Income charged at different tax rate	**(122,711,778)**	(529,165)
- Others	**(198,876,904)**	18,533,681
	145,621,633	324,419,509

31.2 Federal Government (FG) through Finance Act 2022 dated June 30, 2022 have applied super tax at the rate of 4% on taxable profits where taxable income exceeds Rs. 300 million from tax year 2022 onwards. Resultantly the applicable tax rate on the bank will be 33% comprising of 29% normal tax and 4% super tax from the tax year 2022, i.e. Financial year December 2021.

32 CASH AND CASH EQUIVALENTS

Cash and balances with SBP and NBP	**6,345,382,644**	4,735,965,535
Balances with other banks	**5,385,669,698**	3,017,860,835
Investments in government T-bills (having less than three months maturity)	**8,347,369,054**	12,973,818,990
	20,078,421,396	20,727,645,360

32.1 Cash and cash equivalents include, Cash and bank balances and investments with maturity of less than three months.

33 NUMBER OF EMPLOYEES

	2022			2021		
	Credit / Sales Staff	Banking / Support	Total	Credit / Sales Staff	Banking / Support	Total
At year end						
Permanent	1,243	861	2,104	1,250	801	2,051
Temporary/ Contractual	-	-	-	-	-	-
	1,243	861	2,104	1,250	801	2,051
Average during the year						
Permanent	1,247	831	2,078	1,036	784	1,820
Temporary/ Contractual	-	-	-	-	9	9
	1,247	831	2,078	1,036	793	1,829

34 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.

35 DEFINED BENEFIT PLAN

35.1 General description

As explained in note 6.8 (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.

35.2 Principal actuarial assumptions

The latest actuarial valuation of the gratuity scheme was carried out at December 31, 2022. Following are the significant assumptions used in the valuation

	2022	2021
Discount rate	**14.25%**	10.50%
Rate of growth in salary	**14.25%**	10.50%
Mortality rates	**SLIC 2001 - 2005**	SLIC 2001-05
Average expected remaining life of employees	**10 years**	10 years
Average duration of liability	**11 years**	9 years

	Note	December 31, 2022	December 31, 2021
		------------- Rupees -------------	
35.3 Amount recognized in balance sheet			
Present value of defined obligation	35.4	**63,836,928**	24,202,276
35.4 Movement in value of defined benefit obligation			
Balance at January 01		**24,202,276**	-
Service cost		**54,993,322**	23,975,632
Actuarial (gain) / loss		**(15,358,670)**	226,644
Present value of defined obligation		**63,836,928**	24,202,276
35.5 Amount recognized in profit or loss			
Service cost		**54,993,322**	23,975,632
35.6 Amount recognized in OCI			
Actuarial (gain) / losses due to experience adjustments		**(15,358,670)**	226,644
35.7 Sensitivity Analysis			
Present value of defined benefit obligation			
1% increase in discount rate		57,417,752	22,128,833
1% decrease in discount rate		71,389,866	26,469,348
1% increase in salary		71,524,506	26,469,998
1% decrease in salary		57,186,315	22,129,105

36 NUMBER OF BRANCHES/SERVICE CENTRES	**2022 (Number)**	**2021 (Number)**
Beginning of the year	**105**	100
Opened during the year	**4**	5
Closed / merged during the year	**-**	-
At the end of the year	**109**	105

37 REMUNERATION OF DIRECTORS AND EXECUTIVES

	President / Chief Executive		Director		Executives	
	2022	2021	**2022**	2021	**2022**	2021
	Rupees	Rupees	**Rupees**	Rupees	**Rupees**	Rupees
Fee	**-**	**-**	**8,200,000**	8,200,000	**-**	**-**
Managerial Remuneration	**27,354,540**	**24,845,458**	-	-	**461,174,656**	**407,350,694**
Rent & House Maintainace	**270,000**	**270,000**	-	-	**68,894,977**	**66,927,461**
Utilities	**2,735,460**	**2,484,542**	-	-	**46,069,572**	**40,547,002**
Relocation Allowance	**-**	**-**	-	-	**3,339,871**	**3,021,000**
Conveyance Allowance	**-**	**-**	-	-	**2,535,896**	**2,662,728**
Car Allowance	**-**	**-**	-	-	**54,783,941**	**43,107,945**
Car Maintenance Allowance	**-**	**-**	-	-	**5,835,481**	**5,966,033**
Contribution to defined plan	**2,735,460**	**2,484,552**	-	-	**43,719,640**	**38,398,979**
Gratuity	**2,265,157**	**1,035,227**	-	-	**38,269,670**	**3,347,294**
Fuel Allowance	**-**	**-**	-	-	**27,426,239**	**16,602,854**
Sales Staff Incentive	**-**	**-**	-	-	**84,981,354**	**80,764,628**
Meal Allowance	**-**	**-**	-	-	**3,813,031**	**3,366,969**
Transport Allowance	**-**	**-**	-	-	**1,643,564**	**-**
Service completion incentives	**25,958,813**	**-**	-	-	**-**	**-**
Bonus,Prize & Reward	**20,700,000**	**11,287,958**	-	-	**114,915,735**	**85,518,187**
	82,019,430	**42,407,737**	**8,200,000**	8,200,000	**957,403,627**	**797,581,774**
Number of Persons	**1**	**1**	**2**	2	**272**	**270**

a) Executive means any employee whose basic salary exceeds Rs. 500,000 (2021: 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.

38 EARNING PER SHARE (RUPEE)

		2022	**2021**
Profit after taxation - Rupees	**A**	**958,297,144**	727,681,465
Weighted average ordinary shares - Numbers	**B**	**271,359,683**	271,359,683
Earning per share - Rupees	**A/B**	**3.53**	2.68

39 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:

Transactions during the year:	**Relationship with related party**	**December 31, 2022**	December 31, 2021
		------------- **Rupees** -------------	
Pakistan Mobile Communications Limited (PMCL)	Wholly owned subsidiary of parent group		
Payments made for expenses incurred on behalf of PMCL by the Bank		**2,395,619,959**	1,098,537,217
Payments made for expenses incurred on behalf of the Bank by PMCL		**19,230,354**	47,323,210
Payments made against defined contribution plan being employee and employer contributions		**115,531,233**	148,112,078
Deposits made during the year		**10,932,664,811**	10,583,881,813
Withdrawals during the year		**10,935,322,245**	10,703,575,195
Mark-up/ return/ interest expensed to PMCL		**3,301,272**	2,622,526
Deposit mobilization commission paid		**1,637,264,452**	885,997,283
Branchless commission		**2,861,303,475**	992,022,666

		December 31, 2022	December 31, 2021
		------------ Rupees ------------	
Employees' Provident Fund Trust			
Bank's contribution paid to the fund	Employee trust	**115,531,233**	74,056,039
Key Management Personnel			
Remuneration of key management personnel		**145,781,471**	157,053,805
Balances outstanding:	**Relationship with related party**		
Receivable from PMCL	Associated Company	**416,991,334**	210,396,042
Payable to PMCL	Associated Company	**(1,618,726,871)**	(278,122,160)
Deposits accounts contain amounts relating to following related parties:			
Pakistan Mobile Communications Limited	Associated Company	**830,992**	187,154
Key Management Personnel	Key Management Personnel	**72,604,576**	44,819,325
Advances relating to following related parties:			
Key Management Personnel	Key Management Personnel	**10,849,578**	9,452,348

40 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 6.3 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 takes 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 -------------		
December 31, 2022			
Financial assets measured at fair value			
Available for sale investments - Market treasury bills	**-**	**8,347,369,054**	**-**
Available for sale investments - Mutual funds	**-**	**-**	**-**
	-	**8,347,369,054**	**-**
December 31, 2021			
Financial assets measured at fair value			
Available for sale investments - Market treasury bills		13,163,162,073	
Available for sale investments - Mutual funds	102,800,835	-	-

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.

41 CREDIT RISK MANAGEMENT

Credit risk arises from the potential that an obligor is either unwilling to perform on an obligation or its ability is impaired resulting in economic loss to the Bank. The Bank takes necessary measures to control such risk by monitoring credit exposures, limiting transactions with specific counter parties with increased likelihood of default and continually assessing the creditworthiness of counter parties.

41.1 Definition of default and cure

The Bank considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases of its advances to customers when the borrower becomes 60 days past due on its contractual payments. The Bank considers treasury and interbank balances defaulted and takes immediate action when the required intraday payments are not settled by the close of business as outlined in the individual agreements.

As a part of a qualitative assessment of whether a customer is in default, the Bank also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Bank carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

- The borrower is deceased
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral
- A covenant breach not waived by the Bank
- the borrower is unable to pay due to any other reason

It is the Bank's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when none of the default criteria have been present. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated delinquency, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition. However, no financial assets is directly classified from stage 3 to stage 1.

41.2 PD estimation process

Consumer lending

The banks entire loans and advances portfolio consist of consumer lending. Consumer lending comprises agriculture, livestock, enterprise, gold, house and nano loans . The Bank does not have credit score card model for consumer landings, therefore, the Bank used delinquency (day past due) based model for estimation of PDs. Average monthly transitions to default of relevant delinquency states were converted into current 12 months point in time PDs using statistical models. The lifetime PD is developed by applying a maturity profile to the current 12 months PD. Data from 1 January 2017 till date has been used for PD estimations. For nano lending, due to limitations in the availability of data, the Bank used proxy PDs of its enterprise segments which are considered to have similar credit characteristics.

Bank balances

For bank balances and terms deposits, the Bank's credit risk department analyses publicly available information such as financial information and other external data, e.g., the rating of good rating agency. PDs of external ratings are sourced from studies of international credit agencies such as S&P Global and Moody's.

41.3 LGD estimation process

The Bank segments its consumer lending products into smaller homogeneous segments, based on key characteristics that are relevant to the estimation of future cash flows. The bank calculate LGD of each segment based historical experiences of cash recoveries from defaults (including settlements), cost and time of recoveries. Effective interest rate or approximate thereof has been used to discount recoveries to date of default. Data from 1 January 2017 till date has been used for LGD estimations. For receivables from the banks, investments and nano lending, the Bank used LGD percentages prescribed under Basel Foundation – Internal Rating Based (F-IRB) approach to determine ECL under BSD Circular No. 08 dated June27, 2006 issued by SBP.

41.4 Forward looking information:

IFRS 9 requires incorporating future economic conditions into the measurement of ECL. Future economic conditions are incorporated by adjusting estimates of PD to reflect expectations about the stage of economic cycle expected to be prevalent in the economy as-and-when default is expected to arise in the future. The macroeconomic factors were selected based on management judgement and analysis of historical default rates. GDP growth rate and CPI were considered to be the most suitable for the Bank's customers. The GDP and CPI forecast were sourced from International Monetary Fund (IMF) which were used to determine forward looking Point in time PDs (Pit PDs)

42 MATURITIES OF ASSETS AND LIABILITIES

December 31, 2022	Total	Up to one month	Over one month up to six month	Over six month up to one year	Over one year
	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Market rate assets					
Cash and Balance with SBP and NBP	**6,345,382,644**	6,345,382,644	-	-	-
Balances with other Banks/NBFIs/MFBs	**5,610,619,698**	5,385,669,698	220,000,000	4,950,000	-
Investments	**8,347,369,054**	6,106,339,772	2,241,029,282	-	-
Advances	**56,213,431,544**	6,862,154,430	12,366,935,276	30,464,865,266	6,519,476,572
Total market rate assets	**76,516,802,940**	**24,699,546,544**	**14,827,964,558**	**30,469,815,266**	**6,519,476,572**
Other non-earning assets					
Operating fixed assets	**2,436,658,140**	62,002,342	238,652,948	238,487,676	1,897,515,174
Other assets	**1,350,326,872**	1,332,514,466	17,812,406	-	-
Deferred tax asset	**1,174,030,878**	-	-	-	1,174,030,878
Total non-earning assets	**4,961,015,890**	**1,394,516,808**	**256,465,354**	**238,487,676**	**3,071,546,052**
Total assets	**81,477,818,830**	**26,094,063,352**	**15,084,429,912**	**30,708,302,942**	**9,591,022,624**
Market Rate liabilities					
Deposits and other accounts	**64,764,800,201**	58,702,915,271	2,559,423,639	2,823,668,780	678,792,511
Borrowings	**1,473,461,236**	1,473,461,236	-	-	-
Subordinated debt	**2,014,636,647**	-	38,401,647	-	1,976,235,000
	68,252,898,084	**60,176,376,507**	**2,597,825,286**	**2,823,668,780**	**2,655,027,511**
Other non-cost bearing liabilities					
Other liabilities	**7,334,806,732**	6,355,572,542	93,269,789	147,265,767	738,698,634
Total Liabilities	**75,587,704,816**	**66,531,949,049**	**2,691,095,075**	**2,970,934,547**	**3,393,726,145**
Net assets	**5,890,114,014**	**(40,437,885,697)**	**12,393,334,837**	**27,737,368,395**	**6,197,296,479**
Represented by :					
Share Capital	**2,713,596,830**				
Statutory reserves	**959,599,752**				
Depositor's protection fund	**317,854,657**				
Fair value reserve of financial assets at FVOCI	**(124,306)**				
Accumulated profit	**1,899,187,081**				
	5,890,114,014				

42.1 MATURITIES OF ASSETS AND LIABILITIES

December 31, 2021	Total	Up to one month	Over one month up to six month	Over six month up to one year	Over one year
	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Market rate assets					
Cash and Balance with SBP and NBP	**4,735,965,535**	4,735,965,535	-	-	-
Balances with other Banks/NBFIs/MFBs	**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
Total market rate assets	**58,706,033,989**	**14,678,208,660**	**20,118,453,559**	**17,426,103,902**	**6,483,267,868**
Other non-earning assets					
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
Total non-earning assets	**10,452,793,474**	**1,389,570,895**	**4,150,625,504**	**2,598,553,744**	**2,314,043,331**
Total assets	**69,158,827,463**	**16,067,779,555**	**24,269,079,063**	**20,024,657,646**	**8,797,311,199**
Market Rate liabilities					
Deposits and other accounts	**58,658,397,196**	50,038,844,842	6,527,416,337	1,775,531,512	316,604,505
Other non-cost bearing liabilities					
Other liabilities	**4,359,605,620**	3,808,903,334	382,732,559	163,458,102	4,511,625
Total Liabilities	**63,018,002,816**	**53,847,748,176**	**6,910,148,896**	**1,938,989,614**	**321,116,130**
Net assets	**6,140,824,647**	**(37,779,968,621)**	**17,358,930,167**	**18,085,668,032**	**8,476,195,069**
Represented by :					
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)**				
	6,140,824,647				

43 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 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, 2022 is Rs 2.71 billion (2021: 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.

44 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)	
			2022	2021
			------------ Rupees ------------	
1	Channel VAS	Branchless advances management	821,461,331	678,115,545
2	KPMG Taseer Hadi & Co.	Payroll services	4,732,800	2,366,400

45 CORRESPONDING FIGURES

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 27	Administrative expenses - Branchless banking commission expense - Note 28	6,567,166,792

46 GENERAL

46.1 The addresses of the branches of the Bank are as follows:

Sr. No	Branch Name	Address
1	Islamabad F-8	14-O, Atiq Plaza, Near Total Petrol Pump, F-8 Markaz, Islamabad
2	Abbotabad	Jahanzeb plaza, Near ZTBL and Save Mart, Opposite Shell Pump, Mansehra road, Mandian, Abbottabad
3	Swabi	Shop # 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 # 01, Ground Floor, Malakand road, College chowk, Mardan
8	Lahore- DHA	Plot # 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

Sr. No	Branch Name	Address
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 # 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 # 1 & 2, Duniapur Road, Tehsil Kehror Pecca, District Lodhran
24	Khanpur	Shop # 1, 2 & 3, Bypass Road, Opposite Attock Petrol Pump, (Daewoo Terminal) Khanpur, District Rahim Yar Khan
25	Chowk Azam	Shop # 1, 2 & 3, Opposite Bank of Punjab, MM Fatehpur Road, Chowk Azam
26	Shujabad	Shop # 1, Opposite Munawara Masjid, Jalalpur Road, Tehsil Shujabad, District Multan
27	Duniapur	Main Hall, Tariq Iron Plaza, Dokota Road, Duniyapur, District Lodhran
28	Ahmedpur East	Shop # 1,2 & 3,Dera Nawab Road,Abasian Chowk,Ahmedpur East,Tehsil Ahmedpur Dist Bahawalpur
29	Darya Khan	Shop No.3, Hashmi Chowk Oppposite 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
32	Hyderabad	Survey no. 41/187/1, Jamia Masjid Road, Saddar Cantoment, Hyderabad
33	Hala	Plot No. 1403, Oppsite 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 # 435, Baiji Road, Pannu Aqil
36	Rannipur	Shop No. 1 & 2, Behind Al.Shifa Medical Center Near Askari Bank Main National Highway, Ranipur, District Khair Pur
37	Karachi-DHA	Plot # 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 # 476, Ward # 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	Haroonabad	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	Kehror Lal Ehsan	Shop No. 1, Near NADRA Office, Station Chowk Fateh Pur Road, Tehsil Karoor Lal Esan
49	Arif Wala	Main Muhammadi Chowk, Opposite FINCA Microfin ance Bank, Arifwala
50	Bhalwal	Block # 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 Shahe	Bilmuqabil Ghala Mandi Gate # 2, Near ZTBL, Multan Road, Chowk Sarwar Shaheed, Tehsil Kot Addu District Muzaffargarh
54	Muzaffaragarh	Purani Chungi # 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	Shorekot	Ghani 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	Ghulam Rasool Plaza, Near Combined Military Hospital Muzaffrabad 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, Di
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

Sr. No	Branch Name	Address
65	Sammundri	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 Bhatian, Distt Hafizabad
67	Deepalpur	Mughal Arcade, Shop No.1, 2, 3, Main Kasur Road, Near Bus Stand, Tehsil Depalpur District, Okara
68	Phalia	Arfat Plaza,Opposite PTCL Exchange, Main Gujrat & Sargodha Road, Phalia, Distt Mandi Bahauddin
69	Shahdad Kot	Sheikh Mansion, Near Peer Sajawal Shah, Shahdad Kot
70	Talagang	Malik Bashir Market, Oppesite PEPSI Agency, Near Dra Autos, Main MainWali 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 # 1-4, Near Saim Bachat Bazar, Dadu Road, Moro, District Nosheroferoz
74	Quetta	Hall # 2, Agha Chambers, Chuharmal Road of M.A. Jinnah Road, Quetta
75	Haveli Lakha Branch	Plot No.I-P-65, Pak Pattan Road, Haveli Lakhha, Tehsil Depalpur, Distt Okara
76	Khairpur Tamewali Branch	Khewat No. 127/119,khatooni No.274 to 279, Main Highway Hasilpur/Bahwalpur Road, Near New General Bus stand,Khairpur Tamewali, Tehsil Khairpur Tamewali, Distt
77	Gujranwala Branch	Ground Floor, Baig Tower,Mollah 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,# 3,Old GT Road Jhelum.
80	Gulistan-e- Johar Karachi	Plot # A-1, Survay 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 # 01 Ground Floor, Opposite Jalil International Hospital , GT Road, Rahimabad, Mingora, Distt Swat.
85	D I Khan	Al Hameed Mall, Near Besakhi Ground, Opposite Divisional Food Office, South Circular Road, D.I. Khan.
86	Timergarah	Shop No. 1, Jan Plaza, By-Pass Road, Opposite Deen Petrol Pump, Timergara, District Lower Dir.
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 # 24/18/1, Khewat # 2265, Khatooni # 3531, Square # 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 #, 27, Khewar # 504, Khatooni # 1440-1465, Khasra # 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 Sheikhupurwe.
97	Sukker	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, Khasra No. 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
106	GULZAR E QUAID	Executive Arcade St# 01, New Gulzar-e-Quaid, service road west, Mangral town Koral chowk, Expressway, Rawalpindi
107	Gujar Khan	Sheikh Abdul Hafeez Heights, Main Service Road, Near Muslim School, Mohalla Hafizabad, Ward # 5, Gujar Khan
108	Allam Iqbal Town	503 Kareem Block, Commercial Market, Allama Iqbal Town, Lahore
109	Clifton Karachi	Plot No. BC-2, Ground Floor, Elegant Towers, Block 5, Scheme No. 5, Clifton, Karachi

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

46.3 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.

47 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Bank in their meeting held on

03 FEB 2023.

PRESIDENT/ CHIEF EXECUTIVE	CHAIRMAN	DIRECTOR	DIRECTOR

Annexure I

MOBILINK MICROFINANCE BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

Details of property and equipment disposed off during the year as referred to in Note 14.2.2 of financial statements:

Particulars of Asset	Category	Cost (Rs.)	Accumulated Depreciation (Rs.)	Book Value (Rs.)	Sales Proceed (Rs.)	Gain/ (loss) (Rs.)	Mode of Disposal	Relationship	Particulars of buyers
A52S	Computer Hardware	100,000	13,889	86,111	86,111	-	As per Policy	Employee	Shahbaz Basit
A52s	Computer Hardware	100,000	13,889	86,111	86,111	-	As per Policy	Employee	Naveed Ahmed Khan
A72	Computer Hardware	100,000	13,889	86,111	94,444	8,333	As per Policy	Employee	Qasim Amin
Galaxy A52s 5G	Computer Hardware	100,000	13,889	86,111	91,667	5,556	As per Policy	Employee	Faiza Faheem
Galaxy S21 Ultra 5G	Computer Hardware	100,000	25,000	75,000	80,556	5,556	As per Policy	Employee	Hamza Mahmood
Galaxy Z Fold 3 5G	Computer Hardware	300,000	75,000	225,000	225,000	-	As per Policy	Employee	Syed Sajjad Qayyum Ashraf
HP ELITEBOOK 840 G1	Computer Hardware	27,000	27,000	-	5,900	5,900	As per Policy	Employee	Faisal Gul
HP ELITEBOOK 840 G1	Computer Hardware	27,000	27,000	-	2,125	2,125	As per Policy	Employee	Sara Asif
HP ELITEBOOK 840 G1	Computer Hardware	27,000	27,000	-	3,542	3,542	As per Policy	Employee	Ayesha Abdul
HP ELITEBOOK 840 G1	Computer Hardware	27,000	27,000	-	1,417	1,417	As per Policy	Employee	Faryal aslam
HP ELITEBOOK 840 G1	Computer Hardware	27,000	27,000	-	1,417	1,417	As per Policy	Employee	Haris Sami
HP ELITEBOOK 840 G1	Computer Hardware	27,000	27,000	-	4,250	4,250	As per Policy	Employee	Uzair Ahmad
HP ELITEBOOK 840 G1	Computer Hardware	27,000	27,000	-	708	708	As per Policy	Employee	Madhia Abbasi
HP ELITEBOOK 840 G1	Computer Hardware	27,000	27,000	-	2,833	2,833	As per Policy	Employee	Malik Muhammad Obaid
HP ELITEBOOK 840 G1	Computer Hardware	27,000	27,000	-	1,417	1,417	As per Policy	Employee	Luqman Khaliq
HP ELITEBOOK 840 G1	Computer Hardware	27,000	27,000	-	1,417	1,417	As per Policy	Employee	Ayesha Malik
HP ELITEBOOK 840 G1 add cost	Computer Hardware	7,000	7,000	-	-	-	As per Policy	Employee	Shahid Mehmood
HP ELITEBOOK 840 G1 add cost	Computer Hardware	7,000	7,000	-	-	-	As per Policy	Employee	Muhammad Aamil Khan
HP ELITEBOOK 840 G1 add cost	Computer Hardware	7,000	7,000	-	-	-	As per Policy	Employee	Saud Ahmad Khan
HP ELITEBOOK 840 G1 add cost	Computer Hardware	7,000	7,000	-	-	-	As per Policy	Employee	Hamza Mahmood
HP ELITEBOOK 840 G1 add cost	Computer Hardware	7,000	7,000	-	-	-	As per Policy	Employee	ahsan shahid
HP ELITEBOOK 840 G1 add cost	Computer Hardware	7,000	7,000	-	-	-	As per Policy	Employee	Zulfiqar Anwar
HP ELITEBOOK 840 G1 add cost	Computer Hardware	7,000	7,000	-	-	-	As per Policy	Employee	Ayaz Mehmood
HP ELITEBOOK 840 G1 add cost	Computer Hardware	7,000	7,000	-	-	-	As per Policy	Employee	Maira Mansoor
HP ELITEBOOK 840 G1 add cost	Computer Hardware	7,000	7,000	-	-	-	As per Policy	Employee	Agha Bilal Hassan
HP Probook 440 G7	Computer Hardware	134,677	104,749	29,928	75,419	45,491	As per Policy	Employee	Arslan Siddiqui
HP PROBOOK 440 G7	Computer Hardware	153,900	72,675	81,225	96,188	14,963	As per Policy	Employee	Abdul Basit
HP Probook 450 G5	Computer Hardware	94,950	94,950	-	-	-	As per Policy	Employee	Sheikh Muhammad Fahad Iqbal
HP Probook 450 G5	Computer Hardware	112,500	112,500	-	3,956	3,956	As per Policy	Employee	Waqas Ahmad
HP Probook 450 G5	Computer Hardware	112,500	112,500	-	-	-	As per Policy	Employee	Hasan Rauf
HP Probook 450 G5	Computer Hardware	116,500	116,500	-	-	-	As per Policy	Employee	Abdul Rahman Sajjad
HP Probook 450 G7	Computer Hardware	143,844	91,900	51,944	80,912	28,968	As per Policy	Employee	Zunaira Akram
HP Probook 450 G7	Computer Hardware	134,677	97,267	37,410	64,533	27,123	As per Policy	Employee	Adeel Ahmed Khan
HP Probook 450 G7	Computer Hardware	134,677	82,303	52,374	72,950	20,576	As per Policy	Employee	Sarah Asif
HP Probook 450 G7	Computer Hardware	134,677	97,267	37,410	76,317	38,907	As per Policy	Employee	Saud Bin Nazir
HP ProBook 650 G1	Computer Hardware	45,000	40,000	5,000	16,875	11,875	As per Policy	Employee	Faiza Fahim(Internal Audi
HP PROBOOK45OGT	Computer Hardware	153,900	98,325	55,575	94,905	39,330	As per Policy	Employee	Sami Ullah
HP PROBOOK45OGT	Computer Hardware	153,900	98,325	55,575	94,905	39,330	As per Policy	Employee	Muhammad Fawad
HP PROBOOK45OGT	Computer Hardware	153,900	106,875	47,025	94,905	47,880	As per Policy	Employee	Shabaz Faqeer
HP Probooks	Computer Hardware	145,919	121,599	24,320	63,840	39,520	As per Policy	Employee	Mudassar Saleem (IT)
HP Probooks	Computer Hardware	145,919	121,599	24,320	54,719	30,399	As per Policy	Employee	Waqas Ahmed Khan (IT)
HP Probooks	Computer Hardware	153,441	127,868	25,573	60,737	35,164	As per Policy	Employee	Nadeem Alvi
HP-Spectre X360	Computer Hardware	292,000	186,556	105,444	152,083	46,639	As per Policy	Employee	Syed Sajjad Qayyum Ashraf
HP-Spectre X360	Computer Hardware	292,000	202,778	89,222	170,333	81,111	As per Policy	Employee	Samiha Ali Zahid
i-13	Computer Hardware	200,000	50,000	150,000	166,667	16,667	As per Policy	Employee	Usman Khan
Iphone 11	Computer Hardware	100,000	25,000	75,000	77,778	2,778	As per Policy	Employee	Ayesha Rafiq
Iphone 13	Computer Hardware	100,000	25,000	75,000	75,000	-	As per Policy	Employee	Muhammad Aamil Khan
Iphone 13 Mini	Computer Hardware	100,000	13,889	86,111	88,889	2,778	As per Policy	Employee	Zunaira Akram
Iphone 13 Pro	Computer Hardware	100,000	13,889	86,111	91,667	5,556	As per Policy	Employee	Anees Ur Rehman
Iphone 13 pro max	Computer Hardware	200,000	27,778	172,222	172,222	-	As per Policy	Employee	muhammad tanveer shahid
Iphone 13 Pro Max	Computer Hardware	100,000	13,889	86,111	94,444	8,333	As per Policy	Employee	Saleem Jibran Malik
Iphone 13 ProMax	Computer Hardware	100,000	13,889	86,111	88,889	2,778	As per Policy	Employee	Syed Fakhar uz Zaman Haider
OPPO RENO 6 PRO 5G	Computer Hardware	100,000	13,889	86,111	86,111	-	As per Policy	Employee	Muhammad Hassan Siddique
Oppo Reno 6 Pro 5G	Computer Hardware	100,000	25,000	75,000	89,775	14,775	As per Policy	Employee	Shahid Mehmood

Annexure I

Particulars of Asset	Category	Cost (Rs.)	Accumulated Depreciation (Rs.)	Book Value (Rs.)	Sales Proceed (Rs.)	Gain/ (loss) (Rs.)	Mode of Disposal	Relationship	Particulars of buyers
S20 FE	Computer Hardware	100,000	13,889	86,111	97,222	11,111	As per Policy	Employee	Umair Azim
S20FE	Computer Hardware	100,000	25,000	75,000	80,555	5,555	As per Policy	Employee	Ayaz Mehmood
Samsung Galaxy A72	Computer Hardware	100,000	13,889	86,111	91,667	5,556	As per Policy	Employee	Waqas Mehmood
SAMSUNG TAB S4	Computer Hardware	123,000	123,000	-	-	-	As per Policy	Employee	Samiha Ali Zahid
SN A72	Computer Hardware	100,000	33,561	66,439	72,222	5,783	As per Policy	Employee	Rana Furqan Afzal
Xiaomi 11 T	Computer Hardware	92,000	12,778	79,222	91,667	12,445	As per Policy	Employee	SYED ASIM FIDA
Z Fold 3	Computer Hardware	293,000	32,556	260,444	287,000	26,556	As per Policy	Employee	Syed Aizaz Zaidi
Low Back chair B-LB	Furniture	7,200	7,200	-	400	400	As per Policy	Third party	ZFC Restaurant & Fast Food
Low Back chair B-LB	Furniture	7,200	7,200	-	400	400	As per Policy	Third party	ZFC Restaurant & Fast Food
Visitor chair B-VC	Furniture	6,700	6,700	-	300	300	As per Policy	Third party	ZFC Restaurant & Fast Food
Visitor chair B-VC	Furniture	6,700	6,700	-	300	300	As per Policy	Third party	ZFC Restaurant & Fast Food
Visitor chair B-VC	Furniture	6,700	6,700	-	300	300	As per Policy	Third party	ZFC Restaurant & Fast Food
Visitor chair B-VC	Furniture	6,700	6,700	-	300	300	As per Policy	Third party	ZFC Restaurant & Fast Food
Visitor chair B-VC	Furniture	6,700	6,700	-	300	300	As per Policy	Third party	ZFC Restaurant & Fast Food
Steel Bunker	Furniture	41,000	41,000	-	7,650	7,650	As per Policy	Third party	Saeder Khalid welding works
AC Haier 1.5 Ton	Office Equipment	39,500	37,196	2,304	4,000	1,696	As per Policy	Third party	M/S Al Haseeb High Cool Service
AC Haier 1.5 Ton	Office Equipment	39,500	37,196	2,304	4,000	1,696	As per Policy	Third party	M/S Al Haseeb High Cool Service
AC Haier 1.5 Ton	Office Equipment	39,500	37,196	2,304	4,000	1,696	As per Policy	Third party	M/S Al Haseeb High Cool Service
AC Haier 1.5 Ton	Office Equipment	50,433	47,491	2,942	7,000	4,058	As per Policy	Third party	M/S SSD Scrap Shop
AC Haier 1.5 Ton	Office Equipment	50,433	47,491	2,942	7,000	4,058	As per Policy	Third party	M/S SSD Scrap Shop
AC Haier 1.5 Ton	Office Equipment	50,433	47,491	2,942	7,000	4,058	As per Policy	Third party	M/S SSD Scrap Shop
AC Haier 1.5 Ton	Office Equipment	39,500	37,196	2,304	4,500	2,196	As per Policy	Third party	Iqbal Cooling Center
AC Haier 1.5 Ton	Office Equipment	39,500	37,196	2,304	8,000	5,696	As per Policy	Third party	Iqbal Cooling Center
AC Haier 1.5 Ton	Office Equipment	42,940	40,435	2,505	4,000	1,495	As per Policy	Third party	New M Yousif Cooling Centre
AC Haior 1.5 Ton	Office Equipment	42,940	40,435	2,505	4,000	1,495	As per Policy	Third party	New M Yousif Cooling Centre
AC Haier 1.5 Ton	Office Equipment	42,940	40,435	2,505	4,000	1,495	As per Policy	Third party	New M Yousif Cooling Centre
AC Haier 1.5 Ton	Office Equipment	39,500	37,196	2,304	10,000	7,696	As per Policy	Third party	Rehman Refrigeration Service
AC Haier 1.5 Ton	Office Equipment	39,500	37,196	2,304	10,000	7,696	As per Policy	Third party	Rehman Refrigeration Service
AC Haier 1.5 Ton	Office Equipment	39,500	37,196	2,304	10,000	7,696	As per Policy	Third party	Rehman Refrigeration Service
Generator	Office Equipment	95,148	88,805	6,343	10,000	3,657	As per Policy	Third party	M/S Al Haseeb High Cool Service
Generator	Office Equipment	95,148	88,805	6,343	20,000	13,657	As per Policy	Third party	M/s Shahzad Auto Engineering Work Shop
Ceiling fans	Office Equipment	3,138	2,877	261	400	139	As per Policy	Third party	New M Yousif Cooling Centre
Ceiling fans	Office Equipment	3,138	2,877	261	400	139	As per Policy	Third party	New M Yousif Cooling Centre
Ceiling fans	Office Equipment	3,138	2,877	261	400	139	As per Policy	Third party	New M Yousif Cooling Centre
Ceiling fans	Office Equipment	3,138	2,877	261	400	139	As per Policy	Third party	New M Yousif Cooling Centre
Ceiling fans	Office Equipment	3,138	2,877	261	400	139	As per Policy	Third party	New M Yousif Cooling Centre
Ceiling fans	Office Equipment	3,138	2,877	261	400	139	As per Policy	Third party	New M Yousif Cooling Centre
Generator	Office Equipment	94,378	84,154	10,224	13,500	3,276	As per Policy	Third party	New M Yousif Cooling Centre
Generator	Office Equipment	94,380	94,380	-	2,400	2,400	As per Policy	Third party	New M Yousif Cooling Centre
AC (haier 1.5 tonn)	Office Equipment	46,000	36,033	9,967	11,600	1,633	As per Policy	Third party	M/S Al Sami Cooling & Electric Store
AC (haier 1.5 tonn)	Office Equipment	46,000	36,033	9,967	11,600	1,633	As per Policy	Third party	M/S Al Sami Cooling & Electric Store
AC (haier 1.5 tonn)	Office Equipment	46,000	36,033	9,967	11,600	1,633	As per Policy	Third party	M/S Al Sami Cooling & Electric Store
AC (haier 1.5 tonn)	Office Equipment	46,000	36,033	9,967	12,000	2,033	As per Policy	Third party	Asif Cooling Centre Kotla Jam
AC (haier 1.5 tonn)	Office Equipment	46,000	36,033	9,967	12,000	2,033	As per Policy	Third party	Asif Cooling Centre Kotla Jam
Generator 8.5KVA	Office Equipment	82,958	56,688	26,270	27,700	1,430	As per Policy	Third party	Naeem Autos
Haier split AC 1.5 ton	Office Equipment	45,930	29,855	16,075	17,000	925	As per Policy	Third party	Naeem Autos
Haier split AC 1.5 ton	Office Equipment	45,930	29,855	16,075	16,460	385	As per Policy	Third party	M/s Makka Cooling Center
Haier split AC 1.5 ton	Office Equipment	45,930	29,855	16,075	16,460	385	As per Policy	Third party	M/s Makka Cooling Center
Haier split AC 1.5 ton	Office Equipment	45,930	29,855	16,075	16,460	385	As per Policy	Third party	M/s Makka Cooling Center
Suzuki Bolan & Reg Cost	Vehicle	784,000	784,000	-	-	-	As per Policy	Employee	Written off
		8,413,460	5,215,913	3,197,547	4,012,897	815,350			