

INDEPENDENT AUDITORS' REVIEW REPORT**To the members of Mobilink Microfinance Bank Limited****Report on review of condensed Interim Financial Statements****Introduction**

We have reviewed the accompanying condensed interim statement of financial position of Mobilink Microfinance Bank Limited (the Bank) as at June 30, 2025 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim cash flow statement and notes to the condensed financial statements for the half year then ended (here-in-after referred to as the "condensed interim Financial Statements"). Management is responsible for the preparation and presentation of these condensed interim Financial Statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim Financial Statements based on our review.

Scope of Review

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

Conclusion

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

Other Matter

Pursuant to requirement of Section 237 (1) (b) of the Companies Act, 2017, only cumulative figures for the half year, presented in the second quarter accounts are subject to a limited scope review by the statutory auditors of the company. Accordingly, the figures of the *condensed interim profit or loss and condensed interim statement of comprehensive income for the three months period ended June 30, 2025 have not been reviewed by us.

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

**Chartered Accountants**

Islamabad





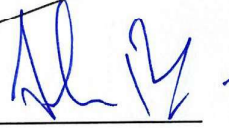
Date: August 31, 2025

UDIN: RR202510414ThO7tndJZ

MOBILINK MICROFINANCE BANK LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

		June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
ASSETS			
	Note	-----Rupees-----	
Cash and balances with treasury banks	7	10,385,896,889	11,533,419,056
Balances with other MFBs / Banks / NBFIs	8	15,677,436,531	11,223,432,244
Lending to financial institutions	9	18,944,459,955	11,748,833,286
Investments	10	81,586,166,537	61,349,743,593
Advances	11	82,459,283,209	74,932,160,102
Property and equipment	12	1,639,436,456	1,741,771,117
Right-of-use assets	13	1,951,692,362	2,084,596,901
Intangible assets	14	1,133,946,913	1,100,726,535
Deferred tax asset	15	5,802,660,334	4,696,079,850
Other assets	16	5,167,418,598	4,974,387,569
Total assets		224,748,397,784	185,385,150,253
LIABILITIES			
Bills payable	17	659,081,790	618,273,788
Borrowings	18	1,532,684,649	765,929,898
Deposits and other accounts	19	191,783,003,199	154,950,569,495
Lease liabilities	20	2,242,508,939	2,173,598,296
Subordinated debt	21	2,011,852,940	2,016,547,946
Deferred grants	22	127,600,912	63,433,566
Other liabilities	23	16,081,738,162	15,381,506,846
Total liabilities		214,438,470,591	175,969,859,835
NET ASSETS		10,309,927,193	9,415,290,418
REPRESENTED BY:			
Share capital	24	4,131,964,180	2,713,596,830
Share premium	24.2	2,756,882,650	-
Advance against issue of shares	25	-	4,175,250,000
Statutory reserve		1,346,639,394	1,166,278,556
Depositors' protection fund		582,405,329	506,446,596
Surplus / (Deficit) on fair value of assets	26	2,464,705	40,500,645
Unappropriated profit		1,489,570,935	813,217,791
		10,309,927,193	9,415,290,418
		10,309,927,193	9,415,290,418
CONTINGENCIES AND COMMITMENTS			
	27		

The annexed notes 1 to 42 form an integral part of these condensed interim financial statements.



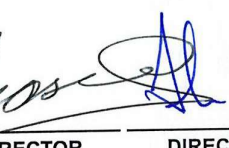






PRESIDENT/ CHIEF EXECUTIVE **CHIEF FINANCIAL OFFICER** **CHAIRMAN** **DIRECTOR** **DIRECTOR**

MOBILINK MICROFINANCE BANK LIMITED
CONDENSED INTERIM PROFIT & LOSS ACCOUNT (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2025

		Quarter Ended		Period Ended June 30,	
		June 30, 2025	June 30, 2024	Year-to-Date June-25	Prior Year Period June-24
		-----Rupees-----			
	Note				
Markup / return / interest earned	28	16,203,547,479	13,160,823,261	30,654,540,094	25,519,399,722
Markup / return / interest expensed	29	(2,645,148,501)	(3,176,590,052)	(5,115,253,481)	(6,525,100,727)
Net markup / interest income		13,558,398,978	9,984,233,209	25,539,286,613	18,994,298,995
NON MARK-UP/ NON INTEREST INCOME					
Fee, commission and brokerage income	30	5,015,570,368	3,178,454,216	9,785,490,251	6,399,411,605
Gain on securities		5,666,500	1,045,500	5,666,500	1,045,500
Foreign exchange income / (Loss)		(3,873,369)	(223,303)	(6,212,078)	3,971,862
Other income	31	117,284,168	450,002	152,592,021	614,813
Total non-markup / non interest income		5,134,647,667	3,179,726,415	9,937,536,694	6,405,043,780
Total income		18,693,046,645	13,163,959,624	35,476,823,307	25,399,342,775
Operating expenses	32	(12,242,650,987)	(9,397,955,331)	(23,176,717,130)	(18,867,307,325)
Workers welfare fund		(20,899,706)	(6,874,019)	(29,008,356)	(23,067,647)
Other charges	33	(49,000)	(156,790)	(69,000)	(334,428)
Total non-markup / non interest expenses		(12,263,599,693)	(9,404,986,140)	(23,205,794,486)	(18,890,709,400)
Profit before credit loss allowance		6,429,446,952	3,758,973,484	12,271,028,821	6,508,633,375
Credit loss allowance and write offs - net	34	(5,359,766,700)	(3,416,180,527)	(10,795,916,076)	(5,354,997,911)
PROFIT BEFORE TAXATION		1,069,680,252	342,792,957	1,475,112,745	1,153,635,464
TAXATION	35	(428,977,901)	(142,999,836)	(573,308,553)	(205,212,263)
PROFIT AFTER TAXATION		640,702,351	199,793,121	901,804,192	948,423,201
Earnings per share	36	2.36	0.74	2.18	3.50

The annexed notes 1 to 42 form an integral part of these condensed interim financial statements.

				
PRESIDENT/ CHIEF EXECUTIVE	CHIEF FINANCIAL OFFICER	CHAIRMAN	DIRECTOR	DIRECTOR

MOBILINK MICROFINANCE BANK LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2025

	Quarter Ended June 30,		Period Ended June 30,	
	2025	2024	2025	2024
	Rupees			
Profit after taxation for the period	640,702,351	199,793,121	901,804,192	948,423,201
Other comprehensive income for the period				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in fair value reserve on investments measured at fair value through OCI	25,757,500	82,078,052	(62,354,000)	31,865,895
Related tax impact	(10,045,425)	(32,010,440)	24,318,060	(12,427,699)
	15,712,075	50,067,612	(38,035,940)	19,438,196
Total comprehensive income for the period transferred to equity	656,414,426	249,860,733	863,768,252	967,861,397


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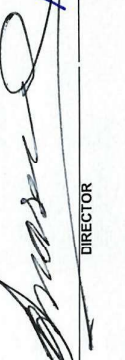
MOBILINK MICROFINANCE BANK LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2025

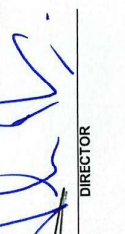
	Share capital	Share premium	Advance Against Issue of Shares	Statutory reserve	Capital reserves	Depositors Protection Fund	Unappropriated Profit	Revenue reserve	Surplus/(Deficit) on revaluation of	Total
Balance at January 01, 2024	2,713,596,830	-	-	1,166,278,556	431,879,951	-	2,674,762,084	(3,106,242)	-	6,983,411,179
Profit for the Quarter ended March 31, 2024	-	-	-	-	-	-	948,423,201	-	-	948,423,201
Other comprehensive income - net of tax	-	-	-	-	-	-	19,438,196	-	-	19,438,196
Total comprehensive income for the period	-	-	-	-	-	-	948,423,201	-	-	967,861,397
Transfers to statutory reserves	-	-	-	-	-	-	(189,684,640)	-	-	-
Transfer to Depositors protection fund	-	-	-	-	-	-	(47,421,160)	-	-	-
- 5% of the profit after tax for the period	-	-	-	-	-	-	38,110,408	-	-	38,110,408
- return on investments	-	-	-	-	-	-	(47,421,160)	-	-	-
Transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-	-
Advance against issue of shares	-	-	-	-	-	-	-	-	-	-
Closing Balance as at June 30, 2024	2,713,596,830	-	-	1,355,963,196	517,411,519	-	3,386,079,485	16,331,954	-	7,985,382,984
Opening Balance as at Jul 01, 2024	2,713,596,830	-	-	1,355,963,196	517,411,519	-	3,386,079,485	16,331,954	-	7,985,382,984
Loss for the period	-	-	-	-	-	-	(2,781,121,004)	-	-	(2,781,121,004)
Other comprehensive income - net of tax	-	-	-	-	-	-	(28,846,490)	-	-	(4,677,799)
Total comprehensive income for the period	-	-	-	-	-	-	(2,809,967,494)	-	-	(2,785,798,803)
Transfers to statutory reserves - Reversal of reserves	-	-	-	-	-	-	189,684,640	-	-	-
Transfer to Depositors protection fund	-	-	-	-	-	-	(47,421,160)	-	-	-
- 5% of the profit after tax for the period (reversal of 6-months period)	-	-	-	-	-	-	36,456,237	-	-	36,456,237
- return on investments	-	-	-	-	-	-	(10,964,923)	-	-	-
Transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-	-
Advance against issue of shares	-	-	-	-	-	-	-	-	-	-
Balance at December 31, 2024	2,713,596,830	-	-	1,166,278,556	506,446,556	-	813,217,791	40,500,645	-	9,415,290,418
Opening Balance as at January 01, 2025	2,713,596,830	-	-	1,166,278,556	506,446,556	-	813,217,791	40,500,645	-	9,415,290,418
Profit for the period	-	-	-	-	-	-	901,804,192	(38,035,940)	-	863,768,252
Other comprehensive income - net of tax	-	-	-	-	-	-	(180,360,838)	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	(45,090,210)	-	-	-
Transfers to statutory reserves	-	-	-	-	-	-	45,090,210	-	-	-
Transfer to Depositors protection fund	-	-	-	-	-	-	30,868,523	-	-	30,868,523
- 5% of the profit after tax for the period	-	-	-	-	-	-	75,958,733	-	-	30,868,523
- return on investments	-	-	-	-	-	-	(45,090,210)	-	-	-
Transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-	-
Advance against issue of shares	-	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2025	4,131,964,180	2,756,882,650	(4,175,250,000)	1,346,639,394	582,406,329	-	1,489,570,935	2,464,705	-	11,309,927,193

The annexed notes 1 to 42 form an integral part of these condensed interim financial statements.


PRESIDENT/ CHIEF EXECUTIVE


CHAIRMAN


DIRECTOR


DIRECTOR

MOBILINK MICROFINANCE BANK LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2025

		Period Ended June 30,	
		2025	2024
CASH FLOW FROM OPERATING ACTIVITIES:			
Profit Before Taxation		1,475,112,745	1,153,635,464
Adjustment for non cash items and other items:			
Depreciation on property and equipment		216,275,089	173,995,201
Depreciation on right-of-use assets	13	209,933,110	97,152,141
Amortization on intangible assets		140,995,786	58,037,808
Credit loss allowance and write offs - net	34	10,795,916,076	5,317,452,222
Provision for gratuity	32	70,159,892	47,027,556
(Gain)/Loss on disposal of operating fixed assets	31	11,594,216	(510,437)
Gain on disposal of securities		(5,666,500)	(1,045,500)
Finance charges on subordinated debt	21	151,220,274	233,417,476
Bills payable	18	135,281,847	1,823,399
Finance charges on lease liability	20	167,738,267	64,322,521
		11,893,448,057	5,991,672,387
		13,368,560,802	7,145,307,851
(Increase) / Decrease in Operating Assets:			
Lendings to financial institutions	9	(7,195,626,669)	7,345,600,636
Advances		(18,323,039,183)	(9,660,550,385)
Others assets (excluding advance taxation)		(500,922,284)	1,092,031,354
		(26,019,588,136)	(1,222,918,395)
Increase / (Decrease) in Operating Liabilities:			
Bills payable		40,808,002	228,016,119
Borrowings	18	679,498,512	508,622,743
Gratuity Payable		(5,271,683)	-
Deposits and other accounts	19	36,832,433,704	5,589,376,034
Other liabilities (excluding taxation)		699,510,453	1,722,426,066
		38,246,978,988	8,048,440,962
		25,595,951,654	13,970,830,418
Surplus / (Deficit) on fair Value of assets			
Payments against off-balance sheet obligations			
Finance cost paid on short term borrowings		(48,025,608)	-
Finance cost paid on subordinated debt	29	(155,915,280)	(233,853,057)
Finance charges on lease liability	20	(167,738,267)	(64,322,521)
Income tax paid		(1,347,679,722)	(863,844,269)
		(1,719,358,877)	(1,162,019,847)
Net cash flow from operating activities		23,876,592,777	12,808,810,571
CASH FLOWS FROM INVESTING ACTIVITIES			
Net (Investment in) / Proceeds from amortised cost securities		1,050,127	(6,491,557,188)
Net Proceeds from FVOCI securities		2,692,161,997	1,719,633,665
Net (Investment in) / Proceeds from TDRs		(66,232,596)	4,950,000
Investment in Property and equipment	12	(129,970,440)	(128,782,830)
Investment in Intangible	14	(174,216,163)	(1,161,090)
Proceeds from sale of Property and equipment		4,435,798	913,649
Net cash used in investing activities		2,327,228,723	(4,896,003,794)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liability	20	(8,117,928)	(81,772,002)
Net cash used in financing activities		(8,117,928)	(81,772,002)
Net increase in cash and cash equivalents		26,195,703,572	7,831,034,775
Cash and cash equivalents at beginning of the year		72,346,306,932	44,728,560,504
Cash and cash equivalents at end of the year		98,542,010,504	52,559,595,279
Cash and cash equivalents comprise of the following:			
Cash and balances with SBP and NBP	7	10,385,896,889	15,486,539,831
Balances with other banks/NBFIs/MFBs		15,437,353,935	6,595,332,706
Investments with original maturity of less than three months		72,718,759,680	21,792,881,670
Lending to Financial Institutions		-	8,684,841,072
		98,542,010,504	52,559,595,279

The annexed notes 1 to 42 form an integral part of these condensed interim financial statements.

**PRESIDENT/ CHIEF
EXECUTIVE**

**CHIEF FINANCIAL
OFFICER**

CHAIRMAN

DIRECTOR

DIRECTOR

MOBILINK MICROFINANCE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2025

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 114 business locations / operational branches (including 1 in Muzaffarabad AJK) (2024: 113 business locations / operational branches including 1 in Muzaffarabad AJK). The Bank's registered and principal office is situated at Plot No. 3-A/2, F-8 Markaz, Islamabad, Pakistan. The Bank is a subsidiary of Veon Microfinance Holdings B.V (VMH) (the Holding Company), with effect from March 27, 2020 upon transfer of 99.99% shareholding in the Bank, from Global Telecom Holdings (GTH), being a transfer of control between entities held under common control. The transfer has been registered with SBP whereas the registration with SECP was completed on July 3, 2020. The Ultimate Parent of the Bank is Veon Limited.

The Bank's principal business is to provide microfinance banking and related services to the poor and under served segment of the society under the Microfinance Institution Ordinance, 2001. The Bank is also offering Branchless Banking Services through an agency agreement with Pakistan Mobile Communications Limited (PMCL), a related party, under the Branchless Banking license from the SBP.

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, 2024.

2 BASIS OF PREPARATION

These financial statements have been in accordance with the SBP BPRD circular no. 3 of 2023 dated February 09, 2023 and new disclosures have been presented in the Financial Statements and comparative figures in these Financial statements have been reclassified accordingly as per new format.

2.1 STATEMENT OF COMPLIANCE

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 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.

- 2.2** The SBP has deferred the applicability of International Accounting Standard (IAS) 39 - 'Financial Instruments: Recognition and Measurement' and IAS 40 - 'Investment Property' for Banking Companies in Pakistan through BSD Circular Letter 10 dated August 26, 2002 till further instructions. Further, the SECP has deferred the applicability of IAS 40 - 'Investment Property' and IFRS 7 - 'Financial Instruments: Disclosures' through its notification S.R.O 633(I)/2014 dated July 10, 2014. 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 the SBP through various circulars.

2.3 These condensed interim financial statements do not include all the information and disclosures required for the annual financial statements, and should be read in conjunction with the annual financial statements of the Bank as at December 31, 2024, which have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for financial reporting. The accounting and reporting standards as applicable in Pakistan for financial reporting comprise of: 'International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017; Provisions of and directives issued under the Microfinance Institutions Ordinance, 2001 and the Companies Act, 2017; and Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Microfinance Institution Ordinance, 2001, the Companies Act, 2017, or the directives issued by the SBP and SECP differ with the requirements of IFRS, the requirements of the Microfinance Institution Ordinance, 2001, the Companies Act, 2017 and the said directives shall prevail.

2.4 During the period the Agriculture Credit & Financial Inclusion Department of State Bank of Pakistan (SBP) via circular no 01. Of 2025 dated May 16, 2025 issued revised prudential regulations (PRs) for microfinance banks. These revisions are made to align with the evolving business environment, the revised regulations consolidate previous circulars and set out updated minimum benchmarks in key areas including governance, operations, consumer protection, and risk management, with the aim of promoting financial stability and long-term sustainability of MFBs. The revised PRs also impose new changes in governance, operations and compliances accordingly. We have been informed that the Bank is currently in the process of updating its internal frameworks to ensure compliance with the revised regulatory requirements.

3 BASIS OF MEASUREMENT AND PRESENTATION

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

- Investments measured at fair value through profit and loss and fair value through other comprehensive income.
- Obligation in respect of defined benefit plan at their respective values.
- Right of use asset and lease liability initially measured at their present values.

3.1 FUNCTIONAL AND PRESENTATION CURRENCY

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

4 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements for the year ended December 31, 2024, except for the following:

4.1 Expected credit loss - Days past due criteria

During the period the State Bank of Pakistan issued revised prudential regulations for microfinance banks. One of such changes was made to the days past due (DPDs) criteria for non performing loans. The DPDs for most portfolios were extended, therefore, impacting the provisions accordingly. Since, the change reflects a change in estimates and the effect of such change is considered prospectively

Classification based on DPDs under new prudential regulations

	DPD Criteria			
	General	Housing	Enterprise	Other
Performing loans	30-59	90-179	90-179	90-179
Non performing loans				
Substandard	60-89	180-364	180-364	60-89
Doubtful	90-179	365-729	365-544	365-544
Loss	180-209	730-1944	545-1214	545-1944
Write off	`=>210	`=>1945	`=>1215	`=>1945

Classification based on DPDs under previous prudential regulations

	DPD Criteria
Performing loans	All Loans
Non performing loans	<=59
Substandard	60-89
Doubtful	90-179
Loss	180 or more
The impact of this change has been carried out and such effect has not been deemed material.	

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

The following amendments are effective for the year ended June 30, 2025. These amendments 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.

- Amendments to IFRS 16 'Leases' - Clarification on how seller-lessee subsequently measures sale and leaseback transactions
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current along with Non-current liabilities with Convenants
- Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements

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

The following standards and amendments are effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments 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
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability	January 01, 2025
IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2026
IFRS 7 - Financial Instruments: Disclosures	January 01, 2026
Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments	January 01, 2026
Annual Improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	January 01, 2026
Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Contracts Referencing Nature-dependent Electricity	January 01, 2026

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 18 - Presentation and Disclosures in Financial Statements
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements of the Bank for the year ended December 31, 2024.

6 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the unconsolidated financial statements for the year ended December 31, 2024.

		June 30, 2025	December 31, 2024
		(Un-audited)	(Audited)
Note		----- Rupees -----	
7 CASH AND BALANCES WITH TREASURY BANKS			
Cash in hand - Local currency		2,797,033,668	2,668,178,233
With State Bank of Pakistan in			
- Local currency current account	0	7,559,275,690	8,849,779,859
With National Bank of Pakistan in			
- Local currency current account		29,587,531	15,460,964
		10,385,896,889	11,533,419,056

This includes balance held with SBP in a current account to comply with the requirement of maintaining minimum balance equivalent to 3% (December 31, 2024: 5%) of the Bank's demand deposits and time deposits with tenor of less than one year.

		June 30, 2025	December 31, 2024
		(Un-audited)	(Audited)
Note		----- Rupees -----	
8 BALANCES WITH OTHER MFBS / BANKS / NBFIS			
<i>In Pakistan</i>			
- In current accounts - Local currency		301,461,825	514,425,705
- In deposit account - Local currency	8.1	14,932,871,200	10,284,354,184
- In Term deposit account - Local currency	8.2	240,082,596	173,850,000
		15,474,415,621	10,972,629,889
Accrued Markup		203,020,910	250,802,355
		15,677,436,531	11,223,432,244

8.1 These carry markup ranging from 8.00% to 12.40% (2024: 13.50% to 16.00%).

8.2 These carry markup ranging from 8.00% to 16.25% (2024: 10.00% to 17.00%).

		June 30, 2025	December 31, 2024
		(Un-audited)	(Audited)
Note		----- Rupees -----	
9 LENDING TO FINANCIAL INSTITUTIONS			
Repurchase agreement lending's (Reverse repo)	9.1	18,944,459,955	11,748,833,286

9.1 Lending to Financial Institutions - Particulars of credit loss allowance

	<div>June 30,2025</div> <div>(Un-audited)</div>			<div>December 31,2024</div> <div>(Audited)</div>	
	<div>Lending</div>	<div>Credit loss allowance</div>		<div>Lending</div>	<div>Credit loss allowance</div>
	<div>----- Rupees -----</div>			<div>----- Rupees -----</div>	
Stage 1	18,944,459,955	-		11,748,833,286	-

9.2 These are secured against underlying Market Treasury Bills. The differential between contract rate and resale price is amortized over the period of related contracts and recorded under markup/ return/ interest earned.

The reverse repo represents the following:

- Saudi Pak Agriculture and Industrial Company Limited at the rate of 10.80% amounting to Rs. 2.682 billion (face value of collateral Rs. 2.7 billion) with maturity date of July 18, 2025.
- Askari Bank Limited at the rate of 10.60% amounting to Rs. 2.00 billion (face value of collateral 2.00 billion) with maturity date of July 17, 2025.
- Habib Bank Limited at the rate of 10.95% amounting to Rs. 1.985 billion (face value of collateral Rs. 2.00 billion) with maturity date of July 18, 2025.
- Pak Oman Investment Company Limited at the rate of 11.01% amounting to Rs. 2.7 billion (face value of collateral Rs. 2.70 billion) with maturity date of July 04, 2025.
- ZTBL at the rate of 10.65% amounting to Rs. 2.693 billion (face value of collateral Rs. 2.80 billion) with maturity date of July 03, 2025.
- United Bank Limited at the rate of 10.85% amounting to Rs. 3.00 billion (face value of collateral Rs. 3.00 billion) with maturity date of July 04, 2025.
- MCB Bank Limited at the rate of 10.81% amounting to Rs. 1.906 billion (face value of collateral Rs. 2.00 billion) with maturity date of July 04, 2025.
- Allied Bank Limited at the rate of 11.00% amounting to Rs. 1.930 billion (face value of collateral Rs. 2.00 billion) with maturity date of July 02, 2025.

9.3 Securities held as collateral against lending to financial institutions

	June 30, 2025			December 31, 2024		
	Held by Bank	Further given as collateral	Total	Held by Bank	Further given as collateral	Total
	(Un-audited)			(Audited)		
	Rupees			Rupees		
Market Treasury Bills / Pakistan Investment Bonds	19,200,000,000	-	19,200,000,000	12,000,000,000	-	12,000,000,000

	June 30, 2025				December 31, 2024			
Note	Fair Value / Amortised cost	Credit Loss Allowance	Fair value Surplus/(Deficit)	Carrying Value	Fair Value / Amortised cost	Credit Loss Allowance	Fair value Surplus/(Deficit)	Carrying Value
	(Un-audited)				(Audited)			
	Rupees				Rupees			

10 INVESTMENTS

Investments by type:

Classified as Fair Value Through Other Comprehensive Income

Federal Government Securities

Market Treasury Bills	10.1	73,493,244,002	-	4,040,500	73,497,284,502	53,304,326,502	-	66,394,500	53,370,721,002
Classified as Amortized cost									
Market Treasury Bills	10.2	501,060,077	-	-	501,060,077	421,019,132	-	-	421,019,132
Pakistan Investment Bonds	10.3	7,587,821,958	-	-	7,587,821,958	7,558,003,459	-	-	7,558,003,459
Total Investments		81,582,126,037	-	4,040,500	81,586,166,537	61,283,349,093	-	66,394,500	61,349,743,593

10.1 These represent securities with maturity period of three to twelve months. Investment made during the period carry markup at the rates ranging between **10.85% to 12.01%** (2024: 11.65% to 19.25%) per annum.

10.2 These represent securities held for Depositor Protection Fund which have a maturity period of up to six months. These carry markup at the rates **to 11.05%** (2024: 17.20% to 17.35%) per annum.

10.3 Securities amounting to Rs 6.06 billion and Rs 1.49 billion having maturity on 06-May-2026 and 04-July-2026 respectively. Investment made during the period carry markup at the rates ranging between **11.97% to 12.00%** (2024: 12.00% to 13.34%) per annum.

10.4 Expected credit loss on government securities have not been estimated due to exemption available under IFRS 09 implementation instructions issued by SBP through circular no. 3 of 2022 dated July 05, 2022.

ADVANCES**Loan Type**

	Performing		Stage 2	
	Stage 1	December 31, 2024 (Audited)	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
	June 30, 2025 (Un-audited)			
Micro credit				
-Secured against gold	39,270,963,451	30,495,449,308	62,897,775	10,878,084
-Unsecured	25,842,619,991	30,075,567,302	8,043,791,633	4,225,208,260
Income markup/ accrued	10,316,565,351	11,659,983,877	3,456,320,254	708,603,083
Advances - Gross	75,430,148,793	72,231,000,487	11,563,009,662	4,944,689,427
Credit loss allowance against advances				
- Stage 1	2,130,020,122	3,309,408,948	-	-
- Stage 2	-	-	4,712,108,983	2,333,313,121
- Stage 3	-	-	-	-
	2,130,020,122	3,309,408,948	4,712,108,983	2,333,313,121
	73,300,128,671	68,921,591,539	6,850,900,679	2,611,376,306

Advances - net of credit loss allowance**11.1 Advances - Particlurs of credit loss allowance**

	Performing		Stage 2		Stage 3		Total	
	Stage 1	December 31, 2024 (Audited)	June 30, 2025 (Un-audited)	Stage 2	Stage 3	Stage 3	Stage 3	Total
	June 30, 2025 (Un-audited)							
Advances - Exposure								
Gross carrying amount	72,231,000,487	4,944,689,427	9,665,565,804	86,841,255,718				
New Advances	51,514,433,839	-	-	51,514,433,839				
Advances derecognized or repaid	(35,884,394,824)	(22,709,369)	(142,911,180)	(36,050,015,373)				
Transfer to stage 1	(8,555,328,748)	7,513,311,634	1,042,017,113	-				
Transfer to stage 2	19,783,915	(873,242,482)	853,458,567	-				
Transfer to stage 3	74,265,241	30,456,757	(104,721,988)	-				
	7,168,759,423	6,647,816,540	1,647,842,502	15,464,418,466				
Change in exposure	(606,133,207)	1,714,258,675	1,750,495,253	2,886,620,721				
Total movement in advances - exposure	6,562,626,216	8,362,075,215	3,398,337,755	18,323,039,187				
Amounts written-off	(3,363,477,907)	(1,743,754,980)	(3,259,113,778)	(8,366,346,665)				
Closing balance	75,430,148,796	11,563,009,662	9,804,789,781	96,797,948,239				

11.1.2 Advances - Credit loss allowance

	Performing		Stage 2		Stage 3		Total	
	Stage 1	December 31, 2024 (Audited)	June 30, 2025 (Un-audited)	Stage 2	Stage 3	Stage 3	Stage 3	Total
	June 30, 2025 (Un-audited)							
Credit loss allowance opening balance	3,309,408,948	2,333,313,121	6,266,373,547	11,909,095,616				
New Advances	4,650,603,245	-	-	4,650,603,245				
Advances derecognized or repaid	(8,026,750,301)	(4,151,531)	(65,352,089)	(8,096,253,921)				
Transfer to stage 1	(1,103,239,554)	847,828,331	255,411,223	-				
Transfer to stage 2	4,169,618	(308,039,495)	303,868,877	-				
Transfer to stage 3	43,136,565	17,391,630	(60,528,195)	-				
	(4,432,080,427)	553,023,935	433,399,816	(3,445,650,676)				
Change in exposure	6,616,169,508	3,569,520,907	4,055,876,337	14,241,566,752				
Total provision charged for the period / year	2,184,089,081	4,122,550,842	4,489,276,153	10,795,916,076				
Amounts written off	(3,363,477,907)	(1,743,754,980)	(3,259,113,778)	(8,366,346,665)				
Credit loss allowance closing balance	2,130,020,122	4,712,108,983	7,496,535,922	14,338,665,027				

	Non-Performing		Stage 3		Total	
	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
	128,264,917	164,329,999	39,462,126,143	30,670,657,391		
	9,676,524,864	9,501,235,805	43,562,936,488	43,802,011,367		
	-	-	13,772,885,605	12,368,586,960		
	9,804,789,781	9,665,565,804	96,797,948,236	86,841,255,718		
	-	-	2,130,020,122	3,309,408,948		
	-	-	4,712,108,983	2,333,313,121		
	7,496,535,922	6,266,373,547	7,496,535,922	6,266,373,547		
	7,496,535,922	6,266,373,547	14,338,665,027	11,909,095,616		
	2,308,253,859	3,399,192,257	82,459,283,209	74,932,160,102		

December 31, 2024 (Audited)

	Stage 1		Stage 2		Stage 3		Total	
	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
	68,563,498,635	2,989,855,484	5,355,842,736	76,909,196,855				
	61,184,044,048	-	-	61,184,044,048				
	(42,160,874,180)	(833,261,932)	(724,411,634)	(43,718,547,746)				
	129,752,865	(74,998,671)	(54,754,194)	-				
	(1,847,394,374)	1,859,946,221	(12,551,847)	-				
	(2,974,856,214)	(952,473,651)	3,927,329,865	-				
	14,330,672,145	(788,033)	3,135,612,190	17,465,496,302				
	(5,515,303,161)	2,750,580,696	9,376,172,097	6,611,449,632				
	8,815,368,984	2,749,792,663	12,511,784,287	24,076,945,934				
	(5,147,867,132)	(794,958,720)	(8,202,061,219)	(14,144,887,071)				
	72,231,000,487	4,944,689,427	9,665,565,804	86,841,255,718				

December 31, 2024 (Audited)

	Stage 1		Stage 2		Stage 3		Total	
	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
	1,997,704,400	628,482,468	3,472,963,375	6,099,150,243				
	5,174,458,630	-	-	5,174,458,630				
	(85,460,351)	(23,386,653)	(137,323,598)	(246,170,602)				
	73,891,262	(40,911,779)	(32,979,483)	-				
	(68,794,265)	76,920,053	(8,125,787)	-				
	(73,377,870)	(284,915,570)	358,293,440	-				
	5,020,717,406	(272,293,949)	179,864,572	4,928,288,028				
	1,438,854,274	2,772,083,322	10,815,606,819	15,026,544,415				
	6,459,571,680	2,499,789,373	10,995,471,391	19,954,832,443				
	(5,147,867,132)	(794,958,720)	(8,202,061,219)	(14,144,887,071)				
	3,309,408,948	2,333,313,121	6,266,373,547	11,909,095,616				

11.1.3 Advances - Credit loss allowance details

	June 30, 2025 (Un-audited)			December 31, 2024 (Audited)		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	Rupees			Rupees		
Internal / external rating / stage classification						
Outstanding gross exposure	75,430,148,793	11,563,009,662	9,804,789,781	72,231,000,487	4,944,689,427	9,665,565,804
Performing	75,430,148,793	-	-	72,231,000,487	-	-
Under Performing						
Other assets especially mentioned	-	11,563,009,662	-	-	4,944,689,427	-
Non - Performing						
Substandard	-	-	3,039,312,777	-	-	1,274,050,369
Doubtful	-	-	2,078,841,819	-	-	1,808,982,553
Loss	-	-	4,686,635,185	-	-	6,582,532,882
	-	-	9,804,789,781	-	-	9,665,565,804
Total	75,430,148,793	11,563,009,662	9,804,789,781	72,231,000,487	4,944,689,427	9,665,565,804
Corresponding credit loss allowance						
Stage 1	2,130,020,122	-	-	3,309,408,948	-	-
Stage 2	-	4,712,108,983	-	-	2,333,313,121	-
Stage 3	-	-	7,496,535,922	-	-	6,266,373,547
	2,130,020,122	4,712,108,983	7,496,535,922	3,309,408,948	2,333,313,121	6,266,373,547
			14,338,665,027			11,909,095,616

11.2 Particulars of write offs

Written off during the period / year

	June 30, 2025	December 31, 2024
	Rupees	
11.1.2	(8,366,346,665)	(14,144,887,071)
	(8,366,346,665)	(14,144,887,071)

	June 30, 2025	December 31, 2024
	(Un-audited)	(Audited)
	----- Rupees -----	
12 PROPERTY AND EQUIPMENT		
Capital work in progress	223,317,145	152,445,569
Property and equipment	1,416,119,311	1,589,325,548
	<u>1,639,436,456</u>	<u>1,741,771,117</u>
12.1 Capital work in progress		
Civil works	162,022,262	91,150,686
Advances to suppliers and contractors	61,294,883	61,294,883
	<u>223,317,145</u>	<u>152,445,569</u>
12.2 Additions		

Note
12.1
12.2

The following additions have been made to property and equipment during the period:

Capital Work in progress - net	70,871,576	227,858,763
Property and Equipment		
Electrical, office and computer equipment	6,281,204	616,754,906
Furniture and fixture	23,578,640	91,235,664
Vehicles	409,123	18,075,841
Leasehold improvements	28,829,902	45,945,301
	<u>59,098,869</u>	<u>772,011,712</u>
	<u>129,970,445</u>	<u>999,870,475</u>

12.3 Disposal of property and equipment

The net book value of property and equipment disposed off during the period is as follows:

Disposals:		
Electrical, office and computer equipment	2,254,256	690,103
Furniture and fixture	1,656,497	100,094
Leasehold improvements	12,119,261	4,677,019
Total	<u>16,030,014</u>	<u>5,467,216</u>

	June 30, 2025 (Un-audited) ----- Rupees -----	December 31, 2024 (Audited) ----- Rupees -----
1. Current assets		
2. Non-current assets		
3. Current liabilities		
4. Non-current liabilities		
5. Equity		
6. Total		

Cost	2,710,819,186	155,255,830	2,866,075,016	1,542,437,827	-	1,542,437,827
Accumulated depreciation	(772,367,475)	(9,110,640)	(781,478,115)	(702,756,793)	-	(702,756,793)
Net carrying amount	1,938,451,711	146,145,190	2,084,596,901	839,681,034	-	839,681,034

Additions during the period/ year	75,886,937	15,121,397	91,008,334	1,388,530,764	155,255,830	1,523,786,594
Depreciation charge for the period/ year	(189,767,795)	(20,165,315)	(209,933,110)	(269,760,087)	(9,110,640)	(278,870,727)
Deletions during the period/ year						
- Cost	(30,817,191)	16,837,428	(13,979,763)	(200,149,405)	-	(200,149,405)
- Accumulated depreciation	-	-	-	200,149,405	-	200,149,405
	(144,698,049)	11,793,510	(132,904,539)	1,098,770,677	146,145,190	1,244,915,867

	June 30,	2025	December 31, 2024
<hr/>			
	1,938,451,711	146,145,190	2,084,596,901
<hr/>			
	1,793,753,662	157,938,700	1,951,692,362
<hr/>			

Capital work in progress	654,811,423	615,890,424
Computer software	479,135,490	484,836,111
	1,133,946,913	1,100,726,535

The following additions have been made to intangible assets during the period:	
Directly purchased	135,351,725
Capital work in progress	38,920,999
	<u>174,272,724</u>
	203,844,289
	684,524,592
	<u>888,368,881</u>

	Note	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
----- Rupees -----			
Deductible temporary differences on:			
Provision against non-performing advances		5,549,498,382	4,606,277,012
Provision for gratuity		127,225,946	101,919,545
Lease liabilities		874,578,487	847,703,336
Right of use assets		(761,160,021)	(812,992,791)
Intangible assets		1,318,333	666,797
Property and equipment		12,775,002	-
		5,804,236,129	4,743,573,899
Taxable temporary differences on:			
Surplus on revaluation of investments measured at fair value through OCI		(1,575,795)	(21,600,194)
Property and equipment		-	(25,893,855)
		(1,575,795)	(47,494,049)
		5,802,660,334	4,696,079,850

		June 30, 2025	December 31, 2024
	Note	(Un-audited)	(Audited)
----- Rupees -----			
16	OTHER ASSETS		

16.1 Receivable from related parties

Pakistan Mobile Communications Limited (PMCL)	16.2	359,008,622	596,398,014
Jazz cash (Private) Limited		54,408,503	44,118,134
Veon Limited (Ultimate Parent Company)		31,316	19,657

16.2 Maximum aggregated receivable balance during the period from PMCL amounted to Rs. 546 million (2024: Rs. 1,572 million).

16.3 This represents claims for the amount of insurance premiums lodged / to be lodged with SBP under crop loan insurance scheme, livestock insurance scheme, Mera Ghar Mera Pakistan scheme and Interest free loan for Landless farmers of borrowers of the Bank.

		June 30, 2025	December 31, 2024
Note		(Un-audited)	(Audited)
		----- Rupees -----	
17	Bills payable		
	In Pakistan	659,081,790	618,273,788

	Note	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
		----- Rupees -----	
18 Borrowings			
Secured			
<i>Borrowings from State Bank of Pakistan</i>			
Long term facility	18.1	1,439,335,155	686,504,767
Finance cost on Long term facility		71,127,803	73,331,876
<i>Borrowings from Other Banks / Financial Institutions</i>			
Short term facility	18.2	-	-
Finance cost on Short term facility- Net of Payments		22,221,691	6,093,255
		<u>1,532,684,649</u>	<u>765,929,898</u>

18.1 The Bank has secured Demand finance facilities during the period on following terms:

i) State Bank of Pakistan provided the bank a credit line facility under Women Inclusive Finance Program amounting to Rs. 750 million on June 28, 2024 to ease the liquidity constraints of microfinance sector and provide access to long-term market based funding that will enhance lending to women microfinance borrowers including microenterprises and microhousing. It carries markup at the subsidized rate of six months KIBOR - 1% per annum payable by 15th of the subsequent month of half year. The tenure of loan is 5 years. The loan is discounted using level 2 inputs other than quoted prices that are observable for the liability.

ii) Another long term credit line facility of Rs 827 million was granted on March 28, 2025 by the State Bank of Pakistan (SBP) under Women Inclusive Finance Program.

The facility carries markup at the subsidized rate of six months KIBOR - 1% per annum payable semi-annually. The tenure of loan is 3 years. The loan is discounted using level 2 inputs other than quoted prices that are observable for the liability.

The difference between the present value of subsidized rate and the market rate observed from level 2 inputs has been taken to deferred grant and will be amortized over the remaining tenure of the loan.

18.2 The Bank has two secured running finance facilities during the period on following terms.

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 advances, loan portfolio, receivables and investments of the bank with 25% margin. As at June 30, 2025 the facility was not utilized (2024: Nil).

ii) The Bank has a Running Finance Facility Agreement amounting to PKR 1,000 million with the Bank of Punjab to finance its working capital requirements. The facility carries a mark-up rate of 3 Months KIBOR + 0.80% per annum, payable quarterly in arrears. The tenure of the loan is 12 months, with the expiry date of 31-May-2025. A First Pari Passu Charge has been created over all the present and future current assets of the Bank with a 25% margin. The facility is secured excluding land and buildings. As at June 30, 2025 the facility was not utilized (2024: Nil).

	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
	----- Rupees -----	
19 DEPOSITS AND OTHER ACCOUNTS		
Customers		
Current Deposits	102,929,394,591	86,135,222,010
Saving Deposits	70,439,840,626	48,486,849,377
Term deposits	16,392,313,011	14,483,927,422
	<u>189,761,548,228</u>	<u>149,105,998,809</u>
Financial Institutions		
Current Deposits	63,102,323	414,286,108
Saving Deposits	948,352,648	1,029,036,798
Term deposits	1,010,000,000	4,401,247,780
	<u>2,021,454,971</u>	<u>5,844,570,686</u>
	<u>191,783,003,199</u>	<u>154,950,569,495</u>

19.1 Current accounts-deposits repayable on demand, non-remunerative 51,880,229 (2024: 48,921,558)

19.2 Saving accounts - deposits repayable on demand, remunerative 192,713 (2024: 201,679)

19.3 Deposits include related parties balance amounting to Rs 491.72 million (2024: 1,851.14 million).

	Note	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
20 LEASE LIABILITIES			
----- Rupees -----			
At January 01,		2,173,598,296	934,888,295
<i>Additions during the period / year:</i>			
Buidlings		75,886,937	1,368,530,764
Vehicles	20.1	15,121,397	155,255,830
Adjustment in Lease liability		(13,979,763)	-
Interest Expense		167,738,267	224,941,713
Payment		(175,856,195)	(510,018,306)
At December 31,		2,242,508,939	2,173,598,296

- 20.1** The Bank (MMBL) has entered in to Lease Finance Facility (LFF) agreement amounting to Rs 300 Million with The Bank of Punjab, for the procurement of new or used vehicles, either local or imported, to meet the operational requirements of MMBL and its staff/employees. The applicable interest rate is the 3-month Karachi Inter-Bank Offer Rate (KIBOR) plus 0.85% per annum, with the mark-up payable quarterly in arrears. The tenor for each lease facility is limited to a maximum of 4 years. No grace period is provided for this lease facility. The title of the leased vehicles will be held in the name of The Bank of Punjab (BOP) as security.

	Note	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
21 SUBORDINATED DEBT			
----- Rupees -----			
Opening	21.1	2,016,547,946	2,029,849,186
Finance Cost:			
Finance cost on subordinated debt		151,220,274	455,428,320
Payment during the period / year		(155,915,280)	(468,729,560)
		2,011,852,940	2,016,547,946

- 21.1** This represents Rated, Unsecured, Subordinated, and Privately Placed Tier II Term Finance Certificates (TFCs) of worth Rs. 2,000,000,000/-, fully subscribed on November 23, 2022, to improve the Capital Adequacy Ratio, carrying a floating coupon 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 23, 2029. The issuer has assigned a preliminary rating of "A-" (Single A minus).

The TFCs were listed on the Pakistan Stock Exchange (PSX) on May 22, 2025, with trading commencing on May 23, 2025. Only Qualified Institutional Buyers (QIBs) are allowed to trade these TFCs. The market lot is one certificate with a face value of PKR 100,000, and settlement is carried out through the National Clearing Settlement System (NCSS) on a T+1 basis.

The interest is payable on a bi-annual basis, starting from six months subsequent to the subscription of the TFCs. The principal amount shall be redeemed in four (4) equal semi-annual installments commencing from the end of the 66th month from the issue date. The Issuer (MMBL) may call the TFCs, in part or in full, after five (5) years from the issue date on the principal redemption date, subject to prior SBP approvals, by giving 45 days' prior notice to the Issue Agent and Investors. The notice, once given, shall be irrevocable, and shall specify the date fixed for the exercise of the Call Option (the "Call Option Date").

As per the lock-in clause requirement for Tier II Issues (Para 12 of Annexure 3 of BPRD Circular # 6 of 2013), neither profit nor principal will be payable (even at maturity) in respect of the TFCs if such payment will result in a shortfall in the Bank's Capital Adequacy Ratio (CAR) or an increase in any existing shortfall in CAR.

As per the Loss Absorbency Clause requirement (Para xix of Annexure 3 and Para A-53 of Annexure 5 of BPRD Circular # 6 of 2013) for Tier II capital purposes, the TFCs will be subject to loss absorbency and/or any other requirements under SBP's instructions. Upon the occurrence of a Point of Non-Viability event, SBP may, at its option, fully and permanently convert the TFCs into common shares of the Bank and/or have them immediately written off (either partially or in full). The conversion shall be based on the price as agreed with SBP.

Given the instrument's floating-rate feature (6M KIBOR + 210 bps) and lack of an active secondary market, Management considers that the carrying amount of the TFC, including accrued profit, approximates its fair value. The fair value has therefore been determined to be equal to the carrying amount. This represents a Level 2 fair value measurement under IFRS 13.

	Note	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
22 DEFERRED GRANTS		----- Rupees -----	
Opening balance		63,433,566	2,595,000
Grant received during the period / year	22.1	74,169,612	71,181,873
Grant recognised as Income during the period / year		(10,002,266)	(10,343,307)
Closing balance		<u>127,600,912</u>	<u>63,433,566</u>

22.1 This represents the difference between the settlement amount and fair value of Long term facility extended by the state bank of Pakistan during the period, amounting to Rs 74.17 million and remaining balance of the previous grant of the state bank amounting to Rs 59.69 million.

	Note	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
23 OTHER LIABILITIES		----- Rupees -----	
Accrued expenses	23.1	3,745,820,158	2,291,543,854
Payable to related parties	23.2	3,441,556,628	2,232,110,635
Defined benefit obligation		326,220,375	261,332,166
Taxes and levies withheld		644,608,081	1,004,803,199
Payable to suppliers	23.4	1,138,250,637	1,649,269,148
Bills collected for settlement through NADRA		440,271,810	87,479,372
1-Link Payable		1,855,103,553	-
RAAST payable		-	920,670,423
Remittances	23.5	2,293,601,005	3,051,265,046
Payable to Merchants and others		1,240,148,583	3,673,046,888
Others		956,157,332	209,986,115
		<u>16,081,738,162</u>	<u>15,381,506,846</u>

23.1 This represents accruals related to utility bills, NADRA charges, professional charges, employee bonus and incentives.

	Note	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
23.2 Payable to related parties		----- Rupees -----	
Payable to related parties - PMCL	23.2.1	3,025,624,462	1,791,682,244
Payable to related parties - JCPL		63,906,725	88,402,950
Payable to related parties - VEON		352,025,441	352,025,441
		<u>3,441,556,628</u>	<u>2,232,110,635</u>

23.2.1 Maximum aggregated payable amount during the period to PMCL is PKR 4,669 million (As at 2024 is PKR 2,844 million)

	Note	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
23.3 Tax payable		----- Rupees -----	
Opening balance		-	1,039,694,736
Tax paid		-	(1,039,694,736)
Provision for taxation	35	1,655,570,978	-
Advance tax paid		(1,655,570,978)	-
Closing balance		<u>-</u>	<u>-</u>

23.4 This includes Rs 18.6 million (2024: Rs 88.99 million) payable to a related party PMCL.

23.5 It also includes Rs.2.12 billion (2024: Rs 2.02 billion) related to uncollected remittances.

		June 30, 2025	December 31, 2024
		(Un-audited)	(Audited)
		----- Rupees -----	
24 SHARE CAPITAL			
Authorized capital			
	2025 Numbers	2024 Numbers	
	<u>1,360,000,000</u>	<u>360,000,000</u>	<u>13,600,000,000</u>
			<u>3,600,000,000</u>
	<i>Ordinary shares of Rs. 10 each.</i>		
Issued, subscribed and paid-up capital			
	<u>413,196,418</u>	<u>271,359,683</u>	<u>4,131,964,180</u>
			<u>2,713,596,830</u>
	<i>Fully paid in cash of Rs. 10 each.</i>		

24.1 Veon Microfinance Holdings B.V (VMH) is the holding company controlling 413,196,413 i.e. 99.99% shares (2024: 271,359,678 i.e. 99.99%). Each share of the company has equal voting right and power. The bank has increased its authorized share capital by 10 billion by passing a special resolution.

24.2 During the period, the Bank converted the Advance Against Issue of Right Shares into ordinary shares. A total of 141,836,735 ordinary shares were allotted on June 26, 2025, against the said advance. These shares have been credited to the respective shareholders' CDC (Central Depository Company) accounts. Following this allotment, the total number of issued ordinary shares increased from 271,359,413 to 413,196,148. Each share was converted at par value of Rs. 10, whereas the effect of above par conversion has been taken to share premium, resulting in a balance of Rs. 2,756,882,650. Therefore, the amount againsts advance for shares has been fully utilized.

		June 30, 2025	December 31, 2024
		(Un-audited)	(Audited)
		----- Rupees -----	
25 ADVANCE AGAINST ISSUE OF SHARES	25.1	<u>-</u>	<u>4,175,250,000</u>
25.1	In 2024, the Bank received an advance against proposed right issue amounting to Rs. 4.18 billion, with shares to be issued at a premium of Rs. 19.40 per share, fully subscribed by the Bank's parent company, Veon Microfinance Holdings B.V. Subsequently, this advance was converted into equity through the issuance of 141,836,735 ordinary shares, which were allotted on June 26, 2025, and credited to the shareholder's CDC account. As a result, the total number of issued shares increased to 413,196,148 and the paid-up capital of the Bank increased to Rs. 6.89 billion. During the period, shares and share premium has been allotted againsts the amount recieved.		

		June 30, 2025	December 31, 2024
		(Un-audited)	(Audited)
		----- Rupees -----	
26 SURPLUS / (DEFICIT) ON FAIR VALUE OF ASSETS			
Fair Value Surplus / (deficit) on revaluation of			
- FVOCI - debt	10.1	4,040,500	66,394,500
Deferred tax on surplus / (deficit) on revaluation of:			
- FVOCI - debt		(1,575,795)	(25,893,855)
		<u>2,464,705</u>	<u>40,500,645</u>

	Note	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
----- Rupees -----			
27 CONTINGENCIES AND COMMITMENTS			
Guarantees	27.1	515,132,410	443,957,947
		515,132,410	443,957,947
27.1 Financial guarantees			
Bank guarantee	27.1.1	408,720,722	339,410,197
Standby letter of guarantee	27.1.2	106,411,688	104,547,750
		515,132,410	443,957,947
27.1.1 This mainly includes Bank guarantees issued by the Bank to Pakistan Railway amounting to Rs.100 million against the online payment processing services, Nutrition Conditional Cash Transfer (H&N CCT) program Reform Support Unit to Rs 104 million against Disbursement of Girls Stipend in Public Schools Across Sindh, Rs. 78 million against Punjab Social Protection Authority, Benzair income support program amounting to Rs. 60 million and Rs. 48.50 million pertaining to Directorate Animal Husbandry Sindh.			
27.1.2 This represents letter of guarantee issued by the Bank to M/s Visa and Master Card International amounting to USD 75,000 and USD 300,000 respectively for interbank settlement. The amounts are translated into PKR at exchange rate prevailing on reporting date.			
27.2 Other contingent liabilities			
a) Tax demands raised under section 122(5A) were mostly deleted by CIR(A) on 20 August 2019, except for commission payments to PMCL, super tax under section 4B, and tax credit withheld, which were remanded. ATIR later deleted demands on commission and super tax; remand on tax credit adjustment was upheld. No appeal has been filed against ATIR orders by the Company			
b) Rectification under section 221 resulted in tax demands of Rs. 104.45 million due to classification as a 'banking company'. CIR(A) accepted appeals for both years; the 2019 decision was on technical grounds. The Department has challenged the 2018 decision before ATIR; no update is available for 2019.			
c) For Tax Year 2015, the return was amended following audit under section 214C, resulting in disallowances of Rs. 42.46 million (salaries) and Rs. 36.21 million (manpower services). No tax liability arose due to declared losses. CIR(A) remanded both matters; in reassessment, Rs. 1.26 million was disallowed. The Company is in the process of filing of appeal before the CIR(A).			
d) For Tax Year 2023, a notice under section 122(5A) was issued in November 2023. After initial stay by Islamabad High Court, proceedings resumed and culminated in a tax demand of Rs. 2.14 billion on 24 April 2025. The Company filed an appeal before ATIR on 08 May 2025, which was heard on 17 July 2025; outcome is awaited.			
e) For Tax Year 2018, a tax demand of Rs. 73.92 million (including default surcharge of Rs. 33.74 million) was raised under sections 161/205 for alleged short deduction of tax on various expenses. The Company filed an appeal before ATIR under amendments introduced via the Tax Laws (Amendment) Act, 2024 and Finance Act, 2024. The appeal is scheduled for hearing on 08 August 2025.			
f) For the Tax Year 2019, the Taxation Officer raised a tax demand of Rs. 1,583.69 million including default surcharge of Rs. 652.11 million by passing order under section 161 / 205 of the Ordinance for alleged short deduction of tax from expenses appearing in Bank's Income Tax Return. The ATIR passed the Order dated May 16, 2025 and the case has been remanded back to the Assessing Officer for denovo consideration.			
g) For Tax Year 2024, AJ&K Taxation Officer issued a show cause notice under sections 161/205 for alleged short deduction of tax on various expenses. The Company has submitted a partial response with supporting documents; proceedings are ongoing.			
h) For Tax Year 2019, a penalty of Rs. 6.13 million for late filing was deleted by CIR(A); the Department's appeal is pending before ATIR.			

- i) For Tax Years 2013 to 2019, Punjab Revenue Authority (PRA) adjudged sales tax demands totaling Rs. 27.64 million (including penalties) for non-withholding and non-deposit of Punjab sales tax. The Company paid principal amounts and penalties for 2013–2015 and 2018–2019; default surcharge remains unpaid. For 2016, PRA's demand of Rs. 23.06 million was upheld by the Appellate Tribunal; a reference has been filed before the Lahore High Court.
- j) For Tax Years 2016 to 2020, Sindh Revenue Board (SRB) adjudged sales tax demands totaling Rs. 118.50 million, primarily related to inadmissible input tax and alleged non-payment on services presumed rendered in Sindh. Appeals have been filed before the Commissioner (Appeals), SRB, with stay granted; likelihood of favorable outcomes is assessed as medium. Additionally, for Tax Year 2017, an audit notice was issued seeking revenue reconciliation, to which the Company responded in February 2022; no further action has been taken.
- k) For Tax Years 2018 to 2022, various sales tax demands and show cause notices were issued by FBR under the Sales Tax Act, 1990, primarily concerning alleged inadmissibility of input tax totaling over Rs. 825 million. For Tax Year 2019, CIR(A) confirmed Rs. 5.79 million and remanded Rs. 19.48 million; appeal before ATIR is pending. For Tax Year 2018, CIR(A) upheld a demand of Rs. 41.66 million; a reference is filed before Islamabad High Court. For Tax Years 2020 to 2022, show cause notices involving significant input tax amounts have been responded to by the Company; no final orders have been issued to date.

27.3 The Bank has various pending litigations mainly involving its customers, and also includes claims filed by its former employees. The Bank has also filed counter claims in various cases. While these litigations remain pending at various forums. Management, based on legal advice, believes that no material liability would be incurred by / against the bank in relation to these cases.

	Note	June 30, 2025 (Un-audited)	June 30, 2024 (Un-audited)
28 MARKUP / RETURN / INTEREST EARNED			
----- Rupees -----			
Loans and advances	28.2	24,807,910,650	19,721,296,143
Investments		4,186,833,499	3,544,782,194
Balances with other MFBs / banks / NBFIs		389,688,567	991,999,250
Lendings to financial institutions		1,270,107,378	1,261,322,135
		<u>30,654,540,094</u>	<u>25,519,399,722</u>
28.1 Interest income (calculated using effective interest rate method) recognised on:			
Financial assets measured at amortised cost;		29,035,645,594	22,026,683,711
Financial assets measured at FVOCI.		1,618,894,500	3,492,716,011
		<u>30,654,540,094</u>	<u>25,519,399,722</u>
28.2 This includes markup income on Nano loans amounting to Rs.15,963 million (2024: Rs 10,775 million)			
	Note	June 30, 2025 (Un-audited)	June 30, 2024 (Un-audited)
29 MARK-UP / RETURN / INTEREST EXPENSED			
----- Rupees -----			
Deposits		4,661,013,093	6,225,537,331
Subordinated debt		151,220,274	233,417,476
Borrowings		135,281,847	1,823,399
Lease liabilities		167,738,267	64,322,521
		<u>5,115,253,481</u>	<u>6,525,100,727</u>
29.1 Interest expense calculated using effective interest rate method			
		<u>5,115,253,481</u>	<u>6,525,100,727</u>
30 FEE AND COMMISSION INCOME			
Branchless banking income	30.1	8,845,857,017	5,761,619,264
Commission from insurance companies		545,160,288	58,896,461
Loan processing fee		106,000,485	322,869,369
Others		288,472,461	256,026,511
		<u>9,785,490,251</u>	<u>6,399,411,605</u>

	Note	June 30, 2025 (Un-audited)	June 30, 2024 (Un-audited)
30.1 Branchless banking income			
Income			
Branchless banking income	30.3	9,354,626,508	5,819,075,714
Interest income on Nano advances		15,963,378,461	10,775,787,798
		<u>25,318,004,969</u>	<u>16,594,863,512</u>
Expenses			
Commission to retailer / franchisee		(2,323,004,188)	(2,182,384,773)
Commission to a related party - PMCL	30.4	(10,833,974,679)	(9,174,076,289)
		<u>(13,156,978,867)</u>	<u>(11,356,461,062)</u>
Net income from branchless banking		<u>12,161,026,102</u>	<u>5,238,402,450</u>
Amounts reclassified			
To markup/return interest earned			
Interest income on Nano advances Reclassified to Markup/return interest earned	28	(15,963,378,461)	(10,775,787,798)
Fee and commission income			
Reclassified to Commission from insurance companies		(508,769,491)	(57,456,450)
To Operating and administrative expenses			
Commission to retailer / franchisee	32	2,323,004,188	2,182,384,773
Commission to a related party - PMCL	32	10,833,974,679	9,174,076,289
Net reclassification		<u>(3,315,169,085)</u>	<u>523,216,814</u>
Branchless banking income		<u>8,845,857,017</u>	<u>5,761,619,264</u>

30.2 The total income from branchless banking comprises earnings from wallet-based transactions conducted through the JazzCash platform and interest income on nano advances extended via digital channels. Associated expenses include commissions paid to retailers and agents, as well as the share of profit attributable to Pakistan Mobile Communications Limited (PMCL) under the revenue-sharing arrangement. For presentation purposes, interest income on nano advances is classified under mark-up/interest earned, while the related commission and profit-sharing expenses are reported under operating and administrative expenses. Consequently, the income disclosed under branchless banking represents the residual profit arising solely from wallet transaction commission

30.3 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.

30.4 This represents PMCL's share in fee income and expenses at the rate of 70% and 50% share in float as per agency agreement with PMCL.

	Note	June 30, 2025 (Un-audited)	June 30, 2024 (Un-audited)
31 OTHER INCOME			
(Loss) / Gain on disposal of fixed assets		(11,594,216)	510,437
Grant Income	22	6,252,266	104,376
Miscellaneous income		157,933,971	-
		<u>152,592,021</u>	<u>614,813</u>

	Note	June 30, 2025 (Un-audited)	June 30, 2024 (Un-audited)
		----- Rupees -----	
32 OPERATING EXPENSES			
<i>Branchless banking commission expense</i>			
Commission to retailer / franchisee	30.1	2,323,004,188	2,182,384,773
Commission to related parties	30.1	10,833,974,679	9,174,076,289
<i>Others</i>			
Total compensation expense		2,830,551,438	2,283,234,284
Contribution to defined contribution plan		111,817,854	84,839,195
Provision for Defined benefit obligation		70,159,892	47,027,556
Directors' fees and allowances		5,300,000	4,600,000
Training / Capacity building		55,546,064	58,207,434
Rent, taxes, insurance, electricity, etc.		462,197,970	391,496,356
Legal and professional charges		43,445,015	50,651,883
Communications		29,313,828	23,250,050
Repair and maintenance - Vehicle		12,578,537	8,906,517
Stationary and printing		159,125,674	77,473,473
Advertisement and publicity		39,248,671	35,075,121
Auditors remuneration	32.1	83,683,677	4,125,357
Depreciation		426,233,089	271,147,342
Amortization		140,995,786	58,037,808
Travel and transportation		84,631,043	126,960,001
Repair and maintenance - General		48,712,993	63,586,009
Customer verification charges	32.3	1,388,875,553	276,434,658
Bank charges		1,344,390,672	829,569,965
IT equipment and software maintenance		769,325,809	562,882,744
Ready cash expense	32.2	1,433,583,928	1,921,568,309
Security		152,339,951	113,291,575
Janitorial services		134,795,645	94,232,445
Office supplies		23,359,093	14,887,028
Entertainment		29,598,041	60,107,649
Other projects expenses		48,426,120	22,369,617
Others		91,501,920	26,883,887
		23,176,717,130	18,867,307,325

32.1 This includes fee for audits of financial statements of AJK operations, group auditors fee accrual for current year and for other certifications (Capital adequacy ratio, certification on livestock insurance etc.).

32.2 This represents expense incurred by MMBL in relation to services offered by ChannelVas (CVAS) for monitoring the nano loan portfolio and for recovering nano loans.

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

	Note	June 30, 2025 (Un-audited)	June 30, 2024 (Un-audited)
		----- Rupees -----	
33 OTHER CHARGES			
Others		-	334,428
Penalties imposed by the State Bank of Pakistan	33.1	69,000	-
		69,000	334,428

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

	Note	June 30, 2025 (Un-audited) ----- Rupees -----	June 30, 2024 (Un-audited)
34 CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET			
Credit loss allowance against loans & advances	11.1.2	13,993,740,447	6,257,693,503
Recovery of written off / charged off bad debts		(3,197,824,371)	(940,241,281)
Other writeoffs		-	37,545,689
		<u>10,795,916,076</u>	<u>5,354,997,911</u>
		June 30, 2025 (Un-audited) ----- Rupees -----	June 30, 2024 (Un-audited)
35 TAXATION			
Current		(1,655,570,978)	(1,500,379,001)
Prior Year		-	498,749,986
Deferred		1,082,262,425	796,416,752
		<u>(573,308,553)</u>	<u>(205,212,263)</u>
36 BASIC EARNINGS PER SHARE			
Profit for the period		<u>901,804,192</u>	<u>948,423,201</u>
Weighted average number of ordinary shares		<u>413,196,418</u>	<u>271,359,683</u>
Basic (loss) / earnings per share		<u>2.18</u>	<u>3.50</u>
37 DILUTED (LOSS) / EARNINGS PER SHARE			
Profit for the period		<u>901,804,192</u>	<u>948,423,201</u>
Weighted average number of ordinary shares (adjusted for the effects of all dilutive potential ordinary shares)		<u>413,196,418</u>	<u>271,359,683</u>
Diluted (loss) / earnings per share		<u>2.18</u>	<u>3.50</u>

38 FAIR VALUE MEASUREMENTS

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.

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

Currently, no financial instruments are classified in level 1.

b) Financial instruments in level 2

Financial instruments included in level 2 comprise of investment in market treasury bills.

c) Financial instruments in level 3

Currently, no financial instruments are classified in level 3.

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 period.

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.

June 30, 2025					
On balance sheet financial instruments	Carrying Value	Level 1	Level 2	Level 3	Total
(Un-audited)					
Rupees					
Financial assets - measured at fair value					
<i>Investments:</i>					
Federal Government securities	73,497,284,502	-	73,497,284,502	-	73,497,284,502
Financial assets - disclosed but not measured at fair value					
<i>Investments</i>					
Federal Government securities	8,088,882,035	-	-	-	-
Cash and balances with treasury banks	10,385,896,889	-	-	-	-
Balances with other MFBs / Banks / NBFIs	15,677,436,531	-	-	-	-
Lending to financial institutions	18,944,459,955	-	-	-	-
Advances	82,459,283,209	-	-	-	-
Other assets	4,959,693,580	-	-	-	-
Total	214,012,936,701	-	73,497,284,502	-	73,497,284,502
December 31, 2024					
On balance sheet financial instruments	Carrying Value	Level 1	Level 2	Level 3	Total
(Audited)					
Rupees					
Financial assets - measured at fair value					
<i>Investments:</i>					
Federal Government securities	53,370,721,002	-	53,370,721,002	-	53,370,721,002
Financial assets - disclosed but not measured at fair value					
<i>Investments:</i>					
Federal Government securities	7,979,022,591	-	-	-	-
Cash and balances with treasury banks	11,533,419,056	-	-	-	-
Balances with other MFBs / Banks / NBFIs	11,223,432,244	-	-	-	-
Lending to financial institutions	11,748,833,286	-	-	-	-
Advances	74,932,160,102	-	-	-	-
Other assets	4,458,771,296	-	-	-	-
Total	175,246,359,577	-	53,370,721,002	-	53,370,721,002

Valuation techniques and inputs used in determination of fair valuation of financial instruments within Level 2 :

38.1	Item	Valuation techniques and inputs used
	Federal Government Securities	Marked to Market on the basis of PKRV rates.

39 RELATED PARTY TRANSACTIONS

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. Significant transactions with the related parties entered into during the period are as follows:

	June 30, 2025			December 31, 2024		
	Key Management Personnel	Associates	Directors	Key Management Personnel	Associates	Directors
Rupees						
ADVANCES						
Opening balance	255,407,347	-	-	75,543,020	-	-
Addition during the period	60,287,326	-	-	198,975,889	-	-
Repaid during the period	(20,589,544)	-	-	(19,111,562)	-	-
Closing balance	295,105,129	-	-	255,407,347	-	-
OTHER ASSETS						
Interest / mark-up accrued	710,289	-	-	620,066	-	-
Other receivable :						
- Pakistan Mobile Communications Limited	-	359,008,622	-	-	596,398,014	-
- Jazzcash (Pvt) Limited	-	54,408,503	-	-	44,118,134	-
- Veon Limited	-	31,316	-	-	19,657	-
Salary and other advances	1,467,059	-	-	5,077,927	-	-
DEPOSITS AND OTHER ACCOUNTS						
Opening balance	21,585,204	1,850,556,485	-	21,483,113	1,563,653,035	-
Received during the period / year	316,857,284	8,886,719,674	-	609,558,202	16,001,464,568	-
Withdrawn during the period / year	(293,677,996)	(10,245,559,843)	-	(609,456,111)	(15,714,561,117)	-
Closing balance	44,764,492	491,716,317	-	21,585,204	1,850,556,486	-
39.1						
OTHER LIABILITIES						
Interest / mark-up payable						
- Pakistan Mobile Communications Limited	-	353,534	-	-	546,053	-
- Linkdotnet Pakistan (Pvt) Ltd	-	197	-	-	35,247	-
Payable to related parties						
- Pakistan Mobile Communications Limited	-	3,025,624,462	-	-	1,791,682,244	-
- Jazzcash (Pvt) Limited	-	63,906,725	-	-	88,402,950	-
- Veon Limited	-	352,025,441	-	-	352,025,441	-

	June 30, 2025 (Un-audited)			June 30, 2024 (Un-audited)		
	Key Management Personnel	Associates	Directors	Key Management Personnel	Associates	Directors
INCOME						
Mark-up / Return / Interest earned	6,168,814	-	-	1,734,089	-	-
Fee and commission income						
- Jazzcash (Pvt) Limited	-	8,469,176	-	-	-	-
EXPENSE						
Mark-up / Interest paid to						
- Savings Account of KMPs	981,456	-	-	1,198,010	-	-
- Pakistan Mobile Communications Limited	-	4,108,821	-	-	4,613,992	-
- Linkdot Net (Pvt) Limited	-	3,935,919	-	-	92,208,992	-
Operating expenses :	981,456	8,044,740	-	1,198,010	96,822,984	-
- Branchless commission	-	8,745,275,612	-	-	7,043,434,384	-
Deposit mobilization commission paid						
- Pakistan Mobile Communications Limited	-	2,071,110,705	-	-	2,130,641,905	-
- Jazzcash (Pvt) Limited	-	17,588,361	-	-	-	-
Payments made against defined contribution plan being employee and employer contributions	-	159,081,068	-	-	115,678,390	-
- Veon Limited	-	4,818,800	-	-	-	-
Remuneration paid	206,283,657	-	5,300,000	215,277,200	-	4,600,000
	206,283,657	10,997,874,546	5,300,000	215,277,200	9,289,754,679	4,600,000

39.1 The Deposits and other accounts balance with related parties include the following namely:

Jazz Cash (Pvt) Ltd	52,189,621	358,271,534
Linkdotnet Pakistan (Pvt) Ltd	656,053	108,847,830
Pakistan Mobile Communication Limited	438,870,642	1,383,437,122
	491,716,317	1,850,556,486

	June 30, 2025	December 31, 2024
	----- Rupees -----	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	4,131,964,180	2,713,596,830
The Bank's policy is to maintain a strong capital base to maintain investor, depositor, creditor and market confidence and to sustain future development of the business, while providing adequate returns to shareholders.		
The SBP, through the revised prudential regulations has set the minimum capital requirements at 2 billion (net of accumulated losses). The paid-up capital of the Bank as at June 30, 2025 stood at Rs. 4,131 million (2024: Rs. 2,714 million) and is in compliance with SBP requirements.		
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	8,196,076,359	9,177,795,788
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	8,196,076,359	9,177,795,788
Eligible Tier 2 Capital	3,006,179,619	2,937,503,865
Total Eligible Capital (Tier 1 + Tier 2)	11,202,255,978	12,115,299,653
Risk Weighted Assets (RWAs):		
Credit risk	61,638,157,675	58,980,744,324
Operational risk	4,263,785,563	4,263,785,563
Total	65,901,943,239	63,244,529,887
Common Equity Tier 1 Capital Adequacy Ratio	12.44%	14.51%
Tier 1 Capital Adequacy Ratio	12.44%	14.51%
Capital Adequacy Ratio	17.00%	19.16%

- 40.1** Bank uses standardized approach for calculation of Credit risk weighted asset. Under this approach, the risk weighted amount of an on-balance sheet asset is determined by multiplying its current book value (including accrued interest or revaluations, and net of any specific provision or associated depreciation) by the relevant risk weight as provided by State Bank of Pakistan through BPRD Circular No. 10 of June 3, 2015. The bank is using transitional provisions as provided in IFRS 9 application instructions through BPRD Circular No. 03 of 2022 dated July 05, 2022 for absorption of impact of expected credit loss allowance after implementation of IFRS 9 till June 30, 2024.

In the previous year, Mobilink Microfinance Bank Ltd. (MMBL) was granted a specific approval by the State Bank of Pakistan (SBP) to follow a relaxation in the calculation of its Capital Adequacy Ratio (CAR). As per the decision letter issued by SBP, with reference number [SBPHOK-BPRD-RPD-MML-815197], MMBL is allowed to adopt a following transitional arrangement to absorb the impact of Stage 1 and Stage 2 ECL provisioning on regulatory capital for the year 2024 onward:

2024 (Year-End): 70% of Stage 1 & Stage 2 provisions added back to CET1 Capital
 2025 (Interims and Annual): 50%
 2026 (Interims and Annual): 30%
 2027 (Interims and Annual): 10%

For the calculation of operational risk weighted assets, average positive Gross Income of the bank over the past three years is used. Figures for any year in which gross income is negative or zero is excluded from both numerator and denominator when calculating average.

Gross Income (GI) is defined as the sum of net interest income and net non-interest income and is arrived at before accounting for: (i) provisions (including those for credit impairment), (ii) operating expenses (netted off by agent's share against Branchless Banking income), (iii) realized profits/ losses from the sale of securities, (iv) extra ordinary items/ windfalls, and (v) income from insurance.





41 GENERAL

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

41.2 Captions as prescribed by The Banking Policy & Regulations Department of State Bank of Pakistan (SBP) via circular no. 3 of 2023 dated February 09, 2023 in respect of which there are no amounts, have not been reproduced in these financial statements.

42 Date for Authorization of Issue

These condensed interim financial statements were authorized for issue by the Board of Directors of the Bank in their meeting held on 6 AUG 2025. uf

				
<hr/> PRESIDENT/ CHIEF EXECUTIVE	<hr/> CHIEF FINANCIAL OFFICER	<hr/> CHAIRMAN	<hr/> DIRECTOR	<hr/> DIRECTOR