

**MOBILINK MICROFINANCE BANK LIMITED**  
**BALANCE SHEET**  
**AS AT MARCH 31, 2023**

		March 31, 2023 (Un-audited)	December 31, 2022 (Audited)
	Note	-----Rupees-----	
<b>ASSETS</b>			
Cash and balances with SBP and NBP	6	4,302,860,269	6,345,382,644
Balances with other banks	7	3,654,232,433	5,610,619,698
Investments - net of provisions	8	8,398,139,067	8,347,369,054
Advances – net of provisions	9	60,143,012,097	56,213,431,544
Operating fixed assets	10	1,535,001,253	1,497,479,785
Right-to-use Asset	11	893,307,295	939,178,355
Other assets	12	1,792,006,943	1,350,326,872
Deferred tax asset		1,397,255,297	1,174,030,878
<b>Total assets</b>		<b>82,115,814,654</b>	<b>81,477,818,830</b>
<b>LIABILITIES</b>			
Deposits and other accounts	13	66,697,719,336	64,764,800,201
Borrowings	14	407,989,298	1,473,461,236
Subordinated debt	15	2,103,255,828	2,014,636,647
Lease Liabilities	17	967,410,158	996,618,607
Other liabilities	16	5,782,097,964	6,338,188,125
<b>Total liabilities</b>		<b>75,958,472,584</b>	<b>75,587,704,816</b>
<b>Net assets</b>		<b>6,157,342,070</b>	<b>5,890,114,014</b>
<b>REPRESENTED BY:</b>			
Share capital	18	2,713,596,830	2,713,596,830
Statutory reserve		1,011,136,916	959,599,752
Depositors' protection fund		343,411,470	317,854,657
Fair value reserve of financial assets at FVOCI	19	(3,254,592)	(124,306)
Unappropriated profit		2,092,451,445	1,899,187,081
		<b>6,157,342,070</b>	<b>5,890,114,014</b>
		<b>6,157,342,070</b>	<b>5,890,114,014</b>

**MOBILINK MICROFINANCE BANK LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE PERIOD ENDED MARCH 31, 2022**

		(Un-audited)		
		Period ended March 31		
Note		2023	2022	
-----Rupees-----				
	Markup / return / interest earned	20	6,294,612,486	3,697,003,980
	Markup / return / interest expensed	21	(1,127,169,017)	(618,653,136)
	Net markup / interest income		5,167,443,469	3,078,350,844
	Provision against non-performing loans and advances - net		-	(426,528,918)
	Expected credit loss allowance	22	(831,970,917)	-
			(831,970,917)	(426,528,918)
	Net markup / interest income after provisions		4,335,472,552	2,651,821,926
	<b>NON MARK-UP/ NON INTEREST INCOME</b>			
	Fee, commission and brokerage income - net	23	1,604,778,449	1,622,932,178
	Dividend income		-	2,777,820
	Other income	24	1,490,392	(644,827)
	Total non-markup / non interest income		1,606,268,841	1,625,065,172
	<b>NON MARK-UP/ NON INTEREST EXPENSES</b>			
	Administrative expenses	25	(5,510,246,341)	(4,178,039,280)
	Other charges	26	(37,108,421)	-
	Total non-markup / non interest expenses		(5,547,354,762)	(4,178,039,280)
			394,386,631	98,847,818
	<b>PROFIT BEFORE TAXATION</b>		394,386,631	98,847,818
	Workers Welfare Fund		(7,733,071)	(1,840,396)
			386,653,560	97,007,422
	<b>TAXATION</b>			
	Current		(352,192,162)	(41,426,359)
	Deferred		223,224,420	15,252,946
			(128,967,742)	(26,173,413)
	<b>PROFIT AFTER TAXATION</b>		257,685,819	70,834,009
	Unappropriated profit brought forward		1,899,187,081	2,423,780,022
	<b>Profit available for appropriations</b>		2,156,872,900	2,494,614,031
	<b>APPROPRIATIONS:</b>			
	Transfer to:			
	Statutory reserve		(51,537,164)	(14,166,802)
	Contribution to depositors protection fund		(12,884,291)	(3,541,700)
			(64,421,455)	(17,708,502)
	<b>UNAPPROPRIATED PROFIT CARRIED FORWARD</b>		2,092,451,445	2,476,905,529

**MOBILINK MICROFINANCE BANK LIMITED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED MARCH 31, 2022**

(Un-audited)  
Period ended March 31

	2023	2022
	-----Rupees-----	
<b>Profit after taxation</b>	<b>257,685,819</b>	<b>70,834,009</b>
<b>Other comprehensive income</b>		
<b>Items to be reclassified in profit and loss account in subsequent periods</b>		
Movement in fair value reserve on investments measured at fair value through OCI	(4,672,068)	-
Related tax impact	1,541,783	-
	(3,130,286)	
<b>Total comprehensive (loss) / income transferred to Fair value reserve of financial assets at FVOCI</b>	<b>(3,130,286)</b>	<b>-</b>
<b>Total comprehensive income for the period transferred to equity</b>	<b>254,555,533</b>	<b>70,834,009</b>

**MOBILINK MICROFINANCE BANK LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED MARCH 31, 2022**

	Capital reserves			Revenue reserves	Total	
	Share capital	Statutory reserve	Depositors protection fund	Fair value reserve of financial assets at FVOCI		Unappropriated profit
	----- Rupees -----					
<b>Balance at January 01, 2022</b>	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)
<b>Restated Balance at January 01, 2022 under IFRS 9</b>	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)	-
<b>Transfer to Depositors protection fund</b>						
- 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
<b>Balance at December 31, 2022 (Audited)</b>	<b>2,713,596,830</b>	<b>959,599,752</b>	<b>317,854,657</b>	<b>(124,306)</b>	<b>1,899,187,081</b>	<b>5,890,114,014</b>
<b>Balance at January 01, 2023</b>	2,713,596,830	959,599,752	317,854,657	(124,306)	1,899,187,081	5,890,114,014
Profit for the period	-	-	-	-	257,685,819	257,685,819
Other comprehensive income	-	-	-	(3,130,285)	-	(3,130,285)
Total comprehensive income for the period	-	-	-	-	257,685,819	254,555,534
Transfers to statutory reserves	-	51,537,164	-	-	(51,537,164)	-
<b>Transfer to Depositors protection fund</b>						
- 5% of the profit after tax for the period	-	-	12,884,291	-	(12,884,291)	-
- return on investments	-	-	12,672,522	-	-	12,672,522
	-	-	25,556,813	-	(12,884,291)	12,672,522
<b>Balance at March 31, 2023 (Un-audited)</b>	2,713,596,830	1,011,136,916	343,411,470	(3,254,592)	2,092,451,445	6,157,342,070

**MOBILINK MICROFINANCE BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE PERIOD ENDED MARCH 30, 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 (2022: 109 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.

**2 STATEMENT OF COMPLIANCE**

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

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

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

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

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.

**MOBILINK MICROFINANCE BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE PERIOD ENDED MARCH 30, 2022**

- 2.2** These condensed interim financial statements do not include all the information and disclosures required for the annual financial statements, and should be read in conjunction with the annual financial statements of the Bank as at December 31, 2022, which have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for financial reporting. The accounting and reporting standards as applicable in Pakistan for financial reporting comprise of: 'International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017; Provisions of and directives issued under the Microfinance Institutions Ordinance, 2001 and the Companies Act, 2017; and Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Microfinance Institution Ordinance, 2001, the Companies Act, 2017, or the directives issued by the SBP and SECP differ with the requirements of IFRS, the requirements of the Microfinance Institution Ordinance, 2001, the Companies Act, 2017 and the said directives shall prevail.
- 2.3** There are certain new standards and interpretations of and amendments to existing accounting and reporting standards that have become applicable to the Bank for accounting periods beginning on or after January 01, 2022. These are considered either not to be relevant or not to have any significant effect on the Bank's condensed interim financial statements.

**3 BASIS OF MEASUREMENT AND PRESENTATION**

- 3.1** The financial statements are prepared under the historical cost convention except:
- Investments classified as held-for-trading and available-for-sale are measured at fair value.
  - Right of use asset and lease liability initially measured at their present values.
- 3.2** These condensed interim financial statements have been prepared in compliance with the format as prescribed under the Banking Surveillance Department (BSD) Circular No. 11 dated December 30, 2003 issued by the SBP. These condensed interim financial statements have been presented in Pakistani Rupees, which is the functional and presentation currency of the Bank.

**4 SIGNIFICANT ACCOUNTING POLICIES**

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

**5 ACCOUNTING ESTIMATES**

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

		(Un-audited) March 31, 2023	Audited December 31, 2022
		----- Rupees -----	
<b>6</b>	<b>CASH AND BALANCES WITH SBP AND NBP</b>		
	Cash in hand - Local currency	1,087,001,564	1,207,164,306
	Balance with State Bank of Pakistan (SBP)	3,215,884,193	5,137,866,641
	Balance with National Bank of Pakistan (NBP) in:		
	- Current accounts	(25,488)	351,697
		<u>4,302,860,269</u>	<u>6,345,382,644</u>

**6.1** This includes balance held with SBP in a current account to comply with the requirement of maintaining minimum balance equivalent to 5% (December 31, 2022: 5%) of the Bank's demand deposits and time deposits with tenor of less than one year.

		(Un-audited) March 31, 2023	Audited December 31, 2022
		----- Rupees -----	
<b>7</b>	<b>BALANCES WITH OTHER BANKS</b>		
	In Pakistan		
	- on current accounts - Local currency	10,726,397	-
	- on saving accounts - Local currency	3,393,556,036	5,385,669,698
	- on term deposits accounts - Local currency	249,950,000	224,950,000
		<u>3,654,232,433</u>	<u>5,610,619,698</u>

		(Un-audited) March 31, 2023	Audited December 31, 2022
		----- Rupees -----	
<b>8</b>	<b>INVESTMENTS - NET OF PROVISIONS</b>		
	<b>Investments by types under IFRS 9</b>		
	<b>Fair value through other comprehensive income</b>		
	Market Treasury Bills - Debt	3,913,377,166	8,347,554,585
	Fair value reserve on investments measured at fair value through OCI	(4,857,599)	(185,531)
		<u>3,908,519,567</u>	<u>8,347,369,054</u>
	<b>Amortized cost</b>		
	Market Treasury Bills - Debt	4,489,619,500	-
		<u>8,398,139,067</u>	<u>8,347,369,054</u>

9	ADVANCES - NET OF PROVISIONS	Note	(Un-audited) March 31, 2023		Audited December 31, 2022	
			Number of loans outstanding	Amount of loans outstanding	Number of loans outstanding	Amount of loans outstanding
			Number	Rupees	Number	Rupees
	Micro credit					
	-Secured against gold		96,290	23,294,359,578	94,529	20,921,696,816
	-Unsecured		2,571,974	31,011,303,001	2,480,169	29,888,535,805
	Income markup/ accrued			9,113,203,129		8,093,660,450
			<b>2,668,264</b>	<b>63,418,865,708</b>	<b>2,574,698</b>	<b>58,903,893,071</b>
	Allowance for Impairment- IFRS 9					
	Stage 1			462,537,040		487,844,697
	Stage 2			832,529,952		381,781,819
	Stage 3	9.1		1,980,786,618		1,820,835,011
				<b>3,275,853,611</b>		<b>2,690,461,527</b>
	Advances - net of provisions			<b>60,143,012,097</b>		<b>56,213,431,544</b>

#### 9.1 Particulars of non-performing advances

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

Category of classification	March 31, 2023			December 31, 2022		
	Amount outstanding	Provision required	Provision held	Amount outstanding	Provision required	Provision held
	----- Rupees -----					
IFRS 9 classification						
Stage 3	3,177,220,888	1,980,786,618	1,980,786,618	2,604,009,647	1,820,835,010	1,820,835,010
	<b>3,177,220,888</b>	<b>1,980,786,618</b>	<b>1,980,786,618</b>	<b>2,604,009,647</b>	<b>1,820,835,010</b>	<b>1,820,835,010</b>



9.2 Particulars of provision against non-performing advances -net

	(Un-audited) March 31, 2023			Audited December 31, 2022		
	Expected credit loss			Expected credit loss		
	Stage 1 & 2	Stage 3	Total	Stage 1 & 2	Stage 3	Total
	----- Rupees -----					
Opening balance	869,626,516	1,820,835,011	2,690,461,527	-	-	-
IFRS 9 impact	-	-	-	1,099,427,790	1,677,964,203	2,777,391,993
	<u>869,626,516</u>	<u>1,820,835,011</u>	<u>2,690,461,527</u>	<u>1,099,427,790</u>	<u>1,677,964,203</u>	<u>2,777,391,993</u>
Expected credit loss allowance	<u>425,440,477</u>	<u>406,530,440</u>	<u>831,970,917</u>	<u>1,290,420,444</u>	<u>101,562,108</u>	<u>1,391,982,552</u>
Amounts written-off / Reclassified	-	(246,578,833)	(246,578,833)	(1,520,221,718)	41,308,700	(1,478,913,018)
	<u>425,440,477</u>	<u>159,951,607</u>	<u>585,392,084</u>	<u>(229,801,274)</u>	<u>142,870,808</u>	<u>(86,930,466)</u>
Closing balance	<u>1,295,066,993</u>	<u>1,980,786,618</u>	<u>3,275,853,611</u>	<u>869,626,516</u>	<u>1,820,835,011</u>	<u>2,690,461,527</u>

9.3 Particulars of write offs

	(Un-audited) March 31, 2023	Audited December 31, 2022
	----- Rupees -----	
Written off during the period / year	246,578,833	1,478,913,018
Directly charged to profit and loss account	-	-
	<u>246,578,833</u>	<u>1,478,913,018</u>

		(Un-audited) March 31, 2023	Audited December 31, 2022
		----- Rupees -----	
<b>10 OPERATING FIXED ASSETS</b>	<b>Note</b>		
Capital work in progress		54,982,185	10,910,911
Property and equipment excluding right of use assets		983,774,212	1,063,826,728
Intangible assets		496,244,856	422,742,146
		<u>1,535,001,253</u>	<u>1,497,479,785</u>
<b>10.1</b>	Movement of operating fixed assets excluding right of use assets:		
Carrying value at the beginning of the period/ year		1,486,568,874	1,379,919,295
Add: Additions during the period/ year	10.2	119,363,864	604,569,230
Less: Disposals/ deletion during the period/ year at carrying value		(283,581)	(3,197,547)
		<u>1,605,649,157</u>	<u>1,981,290,978</u>
Less: Depreciation and amortization for the period/ year		(125,630,089)	(494,722,104)
Carrying value at the end of the period/ year		<u>1,480,019,068</u>	<u>1,486,568,874</u>
<b>10.2 Additions during the period/ year</b>			
Additions:			
Electrical, office and computer equipment		10,730,483	218,690,332
Furniture and fixture		1,016,710	47,262,903
Vehicles		-	19,756,000
Leasehold improvements		4,540,869	100,916,152
Intangible assets		103,075,801	217,943,843
		<u>119,363,863</u>	<u>604,569,230</u>
Net transfers - capital work-in-progress		(44,071,274)	(63,434,844)
		<u>75,292,589</u>	<u>541,134,386</u>
		(Un-audited)	Audited
		March 31,	December 31,
		2023	2022
		----- Rupees -----	
<b>11 Right-of-use Asset</b>			
Right of use assets		893,307,295	939,178,355
<b>Movement during the period</b>			
Balance as at January 1		939,178,355	670,947,413
Additions during the period/ year		-	443,658,451
Depreciation charge for the period/ year		(45,871,060)	(175,427,509)
Balance as at period/ year end		<u>893,307,295</u>	<u>939,178,355</u>
		(Un-audited)	Audited
		March 31,	December 31,
		2023	2022
		----- Rupees -----	
<b>12 OTHER ASSETS</b>			
Income / markup accrued other than Advances		74,868,364	65,014,364
Advances, deposits and prepayments		415,255,157	241,470,797
Receivable from related parties	11.1	52,517,695	416,991,334
ATM cards / printed stationary		106,081,937	116,434,867
Receivables from State Bank of Pakistan		320,901,832	211,611,368
Sales Tax Refundable		398,924,132	100,941,464
Others		423,457,826	197,862,678
		<u>1,792,006,943</u>	<u>1,350,326,872</u>
<b>12.1 Receivable from related parties</b>			
Pakistan Mobile Communications Limited (PMCL)		<u>52,517,695</u>	<u>416,991,334</u>

		(Un-audited) March 31, 2023	Audited December 31, 2022
---- Rupees ----			
<b>13</b>	<b>DEPOSITS AND OTHER ACCOUNTS</b>		
	<b>Time liabilities</b>		
	Fixed deposits	6,759,966,993	6,700,275,890
	<b>Demand Liabilities</b>		
	Saving deposits	8,435,170,630	11,120,766,836
	Current deposits	3,587,709,153	3,062,231,020
	Branchless deposits		
	Saving	4,335,907,214	4,335,907,214
	Current	43,578,965,346	39,545,619,241
		<b>59,937,752,343</b>	58,064,524,311
		<b>66,697,719,336</b>	64,764,800,201

		(Un-audited) March 31, 2023	Audited December 31, 2022
---- Rupees ----			
<b>14</b>	<b>BORROWINGS</b>		
	Borrowings from Banks / Financial Institutions		
	In Pakistan	407,989,298	1,473,461,236
	Outside Pakistan	-	-
		<b>407,989,298</b>	1,473,461,236

**14.1** 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 beyond 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).

		(Un-audited) March 31, 2023	Audited December 31, 2022
----- Rupees -----			
<b>15</b>	<b>SUBORDINATED DEBT</b>		
	TFCs Subordinated Debt	2,014,636,647	2,000,000,000
	Initial direct cost - Agent's fee and commission	-	(23,765,000)
		<b>2,014,636,647</b>	1,976,235,000
	<i>Finance Cost:</i>		
	Finance cost on subordinated debt	88,619,181	39,237,673
	Payment during the period/ year	-	(836,026)
		<b>2,103,255,828</b>	2,014,636,647

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

		(Un-audited) March 31, 2023	Audited December 31, 2022
<b>16</b>	<b>OTHER LIABILITIES</b>		
		----- Rupees -----	
	Bills payable	216,359,237	122,845,003
	Accrued expenses	1,480,678,113	1,143,169,834
	Provision for gratuity	80,505,532	63,836,928
	Payable to related parties	1,011,964,878	1,618,726,871
	Tax payable	301,106,289	11,769,317
	Taxes and levies withheld	465,404,706	204,491,393
	Payable to suppliers	820,390,961	700,323,788
	Bills collected for settlement through NADRA	185,951,915	259,242,239
	RAAST payable	461,023,318	957,846,688
	Remittances	695,026,693	632,003,720
	Payable to Merchants and others	51,422,200	348,751,683
	Others	12,264,122	275,180,661
		<b>5,782,097,964</b>	<b>6,338,188,125</b>
		(Un-audited) March 31, 2023	Audited December 31, 2022
<b>17</b>	<b>Lease liability on right of use asset</b>		
		----- Rupees -----	
	Lease liability on right of use assets	967,410,158	996,618,607
<b>17.1</b>	<b>Movement during the period</b>		
	Lease liability as at January 1	996,618,607	714,503,858
	Additions during the period	-	443,658,451
	Accretion of interest	32,494,414	122,502,761
	Payment of lease liability during the period	(61,702,864)	(284,046,463)
	As at period end	<b>967,410,158</b>	<b>996,618,607</b>
		(Un-audited) March 31, 2023	Audited December 31, 2022
<b>18</b>	<b>SHARE CAPITAL</b>		
	<b>Authorized capital</b>		
		----- Rupees -----	
	2023	2022	
	Numbers	Numbers	
	<b>300,000,000</b>	300,000,000	Ordinary shares of Rs. 10 each.
		<b>3,000,000,000</b>	3,000,000,000
	<b>Issued, subscribed and paid-up capital</b>		
		----- Rupees -----	
	2023	2022	
	Numbers	Numbers	
	<b>271,359,683</b>	271,359,683	Ordinary shares Fully paid in cash of Rs. 10 each.
		<b>2,713,596,830</b>	2,713,596,830
<b>18.1</b>	Veon Microfinance Holdings B.V (VMH) is the holding company controlling 271,359,678 i.e. 99.99% shares (December 31, 2022: 271,359,678 i.e. 99.99%).		
		(Un-audited) March 31, 2023	(Un-audited) March 31, 2022
<b>19</b>	<b>FAIR VALUE RESERVE OF FINANCIAL ASSETS AT FVOCI</b>		
	<b>Investments At fair value through OCI</b>		
	Fair value reserve on investments measured at fair value through OCI	(4,857,599)	-
	Related deferred tax	1,603,008	-
		(3,254,592)	-
		<b>(3,254,592)</b>	-
		(Un-audited) March 31, 2023	(Un-audited) March 31, 2022
<b>20</b>	<b>MARKUP/RETURN/INTEREST EARNED</b>		
		----- Rupees -----	
	Mark-up on advances	5,828,022,064	3,271,048,151
	Income on investment in Government Securities	329,166,737	318,259,243
	Mark-up on deposit accounts with treasury and other banks	137,423,685	107,696,586
		<b>6,294,612,486</b>	<b>3,697,003,980</b>
<b>20.1</b>	This includes markup income on nano loans amounting to Rs. 2,466 million (2022: 1,011 million)		

	(Un-audited) March 31, 2023	(Un-audited) March 31, 2022
<b>21 MARK-UP/RETURN/INTEREST EXPENSED</b>	----- Rupees -----	
Interest on deposits	1,002,228,336	591,158,722
Interest on sub-ordinate debt	88,619,181	-
Interest on borrowings	3,827,086	360,260
Finance cost of lease liability on right of use assets	32,494,414	27,134,154
	<b>1,127,169,017</b>	<b>618,653,136</b>
	(Un-audited) March 31, 2023	(Un-audited) March 31, 2022
<b>22 EXPECTED CREDIT LOSS ALLOWANCE</b>	----- Rupees -----	
On Advances	831,970,917	-
	<b>831,970,917</b>	<b>-</b>
	(Un-audited) March 31, 2023	(Un-audited) March 31, 2022
<b>23 FEE, COMMISSION AND BROKERAGE INCOME - NET</b>	----- Rupees -----	
Income from branchless banking	1,295,439,458	1,446,007,012
Commission from insurance companies	1,321,223	1,312,028
Loan processing fee	284,367,045	170,323,707
Others	23,650,723	5,289,432
	<b>1,604,778,449</b>	<b>1,622,932,178</b>
	(Un-audited) March 31, 2023	(Un-audited) March 31, 2022
<b>24 OTHER INCOME</b>	----- Rupees -----	
Gain / (Loss) on disposal of fixed assets	874,297	99,450
Gain / (Loss) on disposal of securities	-	(744,277)
Grant Income	616,095	-
	<b>1,490,392</b>	<b>(644,827)</b>

	(Un-audited) March 31, 2023	(Un-audited) March 31, 2022
<b>25 ADMINISTRATIVE EXPENSES</b>	----- Rupees -----	
<b>Branchless banking commission expense</b>		
Commission to retailer / franchisee	506,617,850	1,222,207,785
Commission to a related party - PMCL	2,248,684,465	785,862,276
<b>Others</b>		
Salaries, allowances etc.	950,255,864	709,158,512
Contribution to defined contribution plan	29,863,625	29,831,249
Provision for gratuity	16,668,604	19,532,914
Non-executive directors' fees, allowances and other expenses	3,000,000	2,000,000
Training / Capacity building	14,081,716	848,467
Rent, taxes, insurance, electricity, etc.	102,035,720	81,906,600
Legal and professional charges	25,437,228	10,235,608
Communications	8,906,513	21,236,141
Repair and maintenance - Vehicle	2,497,651	1,353,877
Stationary and printing	38,885,100	42,780,855
Advertisement and publicity	15,992,910	15,800,681
Auditors remuneration	872,775	2,980,746
Depreciation	118,059,343	111,492,944
Amortization	54,504,301	49,274,871
Travel and transportation	24,082,342	10,020,758
Repair and maintenance - General	10,672,499	8,457,842
Customer verification charges	124,431,195	144,588,137
Bank charges	367,963,165	428,867,333
IT equipment and software maintenance	176,038,784	161,608,560
Ready cash expense	546,075,156	221,701,423
Security	49,814,442	30,274,200
Janitorial services	34,945,519	25,798,023
Office supplies	6,633,774	5,446,868
Entertainment	5,221,441	3,854,821
Other projects expenses	16,012,023	20,661,135
Others	11,992,336	10,256,655
	<b>5,510,246,341</b>	<b>4,178,039,280</b>
	(Un-audited) March 31, 2023	(Un-audited) March 31, 2022
<b>26 OTHER CHARGES</b>	----- Rupees -----	
Exchange Gain/Loss on foreign currency transactions	3,196,441	-
Penalties imposed by the State Bank of Pakistan	33,911,980	-
	<b>37,108,421</b>	-
	(Un-audited) March 31, 2023	(Un-audited) March 31, 2022
<b>27 TAXATION</b>	----- Rupees -----	
<b>For the period/ year</b>		
Current	352,192,162	41,426,359
Deferred	(223,224,420)	(15,252,946)
	<b>128,967,742</b>	<b>26,173,413</b>
<b>28 GENERAL</b>		
<b>28.1</b>	Figures in these condensed interim financial statements have been rounded to the nearest Rupee, unless otherwise stated.	
<b>28.2</b>	Corresponding figures have been re-arranged and reclassified, wherever necessary, for the purpose of comparison.	
<b>28.3</b>	Where there are no amounts to be disclosed in the account captions as prescribed by BSD Circular No.11 dated 30 December 2003 issued by SBP in respect of forms of financial statements for Microfinance banks, these captions have not been reproduced in these condensed interim financial statements.	