



Mobilink
Microfinance Bank^{Ltd}

Mera Fone, Mera Bank



MMBL wins

Bank of the Unbanked Award at Pakistan Banking Award 2019





Mobilink Microfinance Bank wins 'Bank of the Unbanked Award' 2019 for the second year running, we are humbled and honored to have served over 19.2 million of our customers who selected MMBL and JazzCash over others. We will continue to adhere to our core value of "customer first" with greater zeal and higher enthusiasm.

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About Us

Mobilink Microfinance Bank Limited (MMBL) is Pakistan's largest digital bank with over 18 million registered and 6.5 million active digital wallets. Backed by Global Telecom - VEON Co, MMBL started operations in April 2012 and launched branch-less banking operations under the brand name JAZZCASH in partnership with Pakistan's largest telecom operator JAZZ in November 2012.

Being a hybrid model that combines traditional microfinance with mobile/digital banking technologies, the bank now operates with 74 branches, 1,428 employees, a network of over 87,999 branchless banking and a USSD (GSM) based digital channel in the country offering savings, micro-enterprise (MSME) loans, small housing loans, remittances, (collection of utility bills and Loan instalments) mobile wallets, insurance G2P, B2B & B2P payments and thus playing a leading role in the promotion of Financial Inclusion.

Despite being a young bank, Mobilink bank has emerged as one of the front runners in the sector and has been successful at achieving financial break-even within four years of commencing operations in 2016, one of the fastest in the Industry. The financial performance of the Bank has been remarkable in 2016, 2017 and 2018.

Mobilink bank & JAZZ, under the brand name JAZZCASH, envision become market leaders in branchless banking, digital banking, and micro financial-services offering simple, innovative and value-added products and services to the people of Pakistan. MMBL's game plan aims at taking banking from the confines of Limited-number of brick and mortar structures, to cell phones and thus make a significant contribution in banking the unbanked through digital channels. The Bank so far has financed over 500,000 individual micro and small businesses since the inception of the Bank in 2012 and is the proud recipient of "Bank of the unbanked Award" in 2018 and 2019.



Vision

Mobilink Microfinance Bank aims to alleviate poverty and promote financial inclusion by providing innovative solutions.

Mission

Mobilink Microfinance Bank aims to provide financial solutions to the economically underprivileged for their economic freedom by using innovative ADC's and promoting micro-businesses through an ethical and passionate team, which strives to deliver beyond expectations.

Core Values



Customer-Obsessed



Innovative



Entrepreneurial



Collaborative



Truthful



2019 Highlights:

The Year in a Glimpse

Earning
Per Share

PKR **3.39^B**

Return of Assets
(ROA)

3.1%

Average Outstanding
Loan Balance

48,640

Return on Equity
(ROE)

20.7%

Happy Employees

1,428

Active Borrowers

319,445

Locations
Across Pakistan

74

Portfolio at Risk
(PAR)

3.76%

Satisfied Depositors

19,621,035

Branchless
Banking Agents

87,999



Chairman's Message

Pakistan's Microfinance industry is growing at a current penetration rate of 11.5% depicts that the microfinance industry has much more opportunity towards growth. Mobilink Bank has continued to increase and maintain its market share and this year the Bank's total assets grew by 36%, deposits by 32%, and loans to customers by 21%. Mobilink Bank's expanding footprint is located in all major regions of Pakistan, supported by alternative delivery channels including ATMs, internet and mobile banking apps.

Bank's registered branchless banking wallets increased by 18% amounting to Rs. 19 million in 2019 along with the substantial increase of 25% in active wallets to over 11 million in 2019 as compared to 9 million in 2018. Further, the branchless banking deposits also rose to Rs. 17 billion showing a 33% increase over the last year.

The volume of our transactions also increased by 35% with 717 million transactions processed through our system amounting to Rs. 2 trillion representing 41% increase over the last year. The industry at large is now placing a lot of emphasis on providing value-added services and strengthening financial inclusion through innovation. Delivering adequately to stakeholders and enforcing a positive role in the society by responding to the challenges of technological disruption is a priority for Mobilink Bank. The Bank is all set up to address this unique challenge and has initiated its digital transformation through the collaboration with JazzCash with a focus on becoming a digital bank emphasizing financial well-being. Mobilink Bank with its advanced financial platform and stabilized financial model is technically suited for the future. With special emphasis on development and offering of digital products through both branch and branchless banking businesses, the Bank has enabled customers to open their account and carry out their transactions with minimum human intervention and with the best possible experience. In our portfolio, apart from the conventional banking products, we offer diverse products ranging from mobile top-ups, internet bundles, bus and railway tickets, food ordering, instant Debit card issuance from branches, freelance payments, account top-up through ATM cards and digital lending.

The Bank is proactively responding to the growth and expansion in its business by placing greater emphasis on establishing and implementing best governance practices. The Board has adopted a zero-tolerance policy and has implemented comprehensive measures to fight against Money Laundering (ML) & Terror Financing (TF) threats by inculcating true Compliance Culture with a top to bottom approach. A well-defined policy based on local as well as the international regulations is put in place and disseminated to all staff down the line. A training program with all the essential ingredients is adopted through a mix of online and conventional training. Key focus is given to staff performing Know Your Customer (KYC) and Customer Due Diligence (CDD) to strengthen the baseline and Enhanced Due Diligence (EDD) for high-risk customers. A robust monitoring system has been integrated with core systems which is capable of screening the relationships with customers and



to provide safeguard against PROSCRIBED individuals and entities at the time of establishing the relationship as well as through Periodic LOOKBACK at suitable intervals. The system is also capable of monitoring suspicious patterns based on recommended business rules to further filter potential ML threats and reporting of Cash Transaction Report (CTR) and Suspicious Transaction Report (STR).

Mobilink Bank is one of the few banks to launch Asaan Mobile Account (AMA) in the microfinance industry, currently in a pilot phase, to expand its outreach, especially to rural areas where traditional infrastructure is lacking and ultimately, meeting the financial needs of a diverse range of customers. Keeping in view that an estimated 135 million people own a cell phone in Pakistan, but only 5% of households use mobile money and about 0.3% of households have registered mobile money accounts, represents a huge opportunity for Mobilink Bank to expand in this market.

Mobilink Bank arranged various promotional and publicity campaigns to increase awareness among the consumers to understand the financial products offered by the Bank and encourage them to shift towards digital finance; DukanPay was one of the successful campaigns where more than 600 merchants participated in facilitating customers through digital payments. The Bank is dedicated to supporting growth in the microfinance banking industry as well as the society as a

whole. We are confident about the responsible lending portfolio and our digital offerings which will only improve over time. In recognition of the Banks' efforts, the Institute of the Bankers Pakistan awarded the BANK OF THE UNBANKED AWARD, 2019 to Mobilink Bank. This was indeed a big compliment to the institution concerning the deliverance of its promise through exceptional performance.

Mobilink Bank has maintained its tradition and culture of excellence in serving with integrity and professionalism for 07 years of its operations and will continue to do so with a firm BELIEVE IN THE MANAGEMENT TEAM and PERSONNEL. I would also like to extend my appreciation and gratitude to the State Bank of Pakistan, the Board of directors, Management and all the employees for their efforts and commitment toward the Bank's continued growth and progress.

Aamir Hafeez Ibrahim

Chairman Board of Directors



CEO's Message

On behalf of Mobilink Microfinance Bank, I'm honoured to share the highlights of the year 2019 – a year in which we continued to focus on creating greater value for our clients, communities and shareholders.

I am pleased to share that the Bank's net profit grew by 4% to Rs. 1,266 million in 2019. Total assets rose to Rs. 38 billion in 2019 compared to Rs. 28 billion in 2018 and the deposit base increased by 32% to Rs. 29 billion. Asset portfolio increased by 21% to Rs. 15 billion in 2019 from Rs. 12 billion in 2018. Keeping true to the Bank's strategic goal of offering digital products, the Bank under its Branchless Banking partnership with JAZZ under the umbrella of JAZZCASH, acquired the largest customer base in a country of over 19 million registered wallets of which 11 million are active, this is an increase of 18% and 25% respectively over the last year. Today, Mobilink Microfinance Bank has a network of 74 branches, 87,999 agents, 41 ATMs and more than 1,428 employees.

Mobilink Microfinance Bank focused on significant infrastructure investments to revitalize its technology platforms and was first in moving towards paperless in its Recruitment program, to ensure its step towards environment friendliness. Mobilink Bank is also the first bank in the microfinance sector to upgrade its core banking system from R10 to R17. We have also achieved another milestone of reducing the loan processing time to under one hour by transforming more than 50% of the branch network to Digital lending and Digital account opening, ultimately, increasing the efficiency of our operations.

Mobilink Microfinance Bank is always committed and dedicated to providing its workforce with the best means and solutions to equip and facilitate them to achieve their career goals; training and coaching sessions, at all levels, have been conducted throughout the year to nurture and improve the capabilities of our personnel to thrive in this world.

Empowering women has always been the bank's priority, currently 14% of MMBL's asset portfolio comprises of women. Mobilink Microfinance Bank, in collaboration with Women Chamber of Commerce Islamabad, was a leading sponsor in 5th Expo where a new product by the name of Binte Hawa Account was launched with specific facilities for this very important segment of our society



Recognizing the Bank's achievements in terms of promotion of financial inclusion, Institute of Bankers Pakistan in collaboration with DAWN media group and prominent accounting firm M/s Ferguson awarded BANK OF THE UNBANKED AWARD for 2019, for the second year in a row, to the Bank. This was indeed a huge compliment for our organization and devoted and passionate staff of which the bank is rightly so proud of. Financial inclusion remains our priority as a financial institution and we aim to deliver on these goals through our superior digital footprint.

In the end, I would like to extend my profound gratitude to the State Bank of Pakistan and board of directors for their leadership, guidance and right direction; our shareholders for their confidence; customers and business partners for the continued trust and loyalty; and our employees for their significant and notable contributions.

Ghazanfar Azzam

Executive Director, President & CEO

JazzCash



QR Payments



Money Transfer



Wallet Top-Up



Insurance



Mobile Load and Bundles



Online Payments



dunya ko bataa do

**IT'S ALL
POSSIBLE
WITH
JAZZCASH**

**DOWNLOAD APP
OR DIAL *786#**



**Mobilink
Microfinance Bank**



Corporate Leadership



Board of Directors



Aamir Hafeez Ibrahim

Chairman Board of Directors

Mr. Aamir is currently serving as CEO PMCL (Jazz), Pakistan, and Head of Emerging Markets Veon-Amsterdam Netherlands. Mr. Ibrahim is a highly motivated leader with the proven ability to develop organizations and drive revenues. Mr. Ibrahim possesses vast cross-functional experience that encompasses strategic marketing & sales, stakeholder management, and corporate strategy. His track record includes successful leadership roles in Pakistan as well as Thailand, UK, UAE, Switzerland, and the USA across the telecom and automotive Industry.



Nadeem Shaikh

Director

Mr. Nadeem is a global leader, innovator, and entrepreneur with over 25 years' experience in the financial services & information technology sectors. Nadeem serves as President of Global Digital Financial Services for Veon. Nadeem's extensive fintech experience includes his role as Founder & CEO of Anthemis Group, a global financial services group that aims to cultivate change and enhance opportunities for entrepreneurs and institutions. Previously, he was Head of International Financial Institutions and President, EMEA, at First Data Corporation, a provider of commerce-enabling technology. At American Management Systems, Nadeem served as European Director and worked on strategy and technology consulting for the firm. Nadeem has also held numerous non-executive positions in a wide-ranging set of startup businesses and other organizations, including the Financial Planning Standards Board, Moven Enterprise, Currency Cloud, Bento for Business, Jumo World and PayPerks. Nadeem gives his time to numerous philanthropic causes including Access Afya, which runs clinics and a healthy school program for children in Nairobi and Prospero World, a charity that aims to enrich society through the arts. He is a Trustee of CARE Pakistan (UK) which provides free education to Pakistani children. Nadeem is also a Member of the Advisory Council of Baobab Group, a creative communication agency. Educated at the University at Albany, State University of New York, Nadeem graduated with a Bachelor of Science in Computer Science and Finance & MIS and holds an MBA from the London Business School.



Gabor Kocsis

Director

Mr. Gabor is currently serving as Chief Financial Officer at Jazz and has vast experience in the field of finance in the telecom industry. He has served at top-level positions in different organizations including Kyistar, Telenor Pakistan and Telenor Group.



Richard James

Non-Executive Director

Mr. James is currently working as Group Corporate Finance Director at Veon since 2016. Mr. James has served as Group Corporate Finance Director at Letter one, Group Treasurer at Alfa Group and was Deputy Chief Executive at Association of Corporate Treasurers. Mr. James is a senior financial expert with 29 years of vast professional experience in Telecom, Finance and Audit sector. Mr. James has also served as Director of Investor Relations and Corporate Communications at ICI and was Head of Investor Relations & Treasury at Cookson Group plc.



Ghazanfar Azzam

Executive Director

Mr. Ghazanfar is President and CEO of Mobilink Microfinance Bank Limited since its inception in 2012. His vast experience and exceptional achievements in retail, commercial, consumer, SME and micro banking segments including, the launching of not one, but two leading greenfield nationwide microfinance banks in Pakistan, i.e. Kashf MF Bank in 2008 (now FINCA) & MOBILINK MICROFINANCE BANK in 2012 make his expertise in this field unparalleled.

Mobilink Bank, backed by Global Telecom Holdings and Veon now operates with 61 brick and mortar branches and 73,000 branchless banking agents offering micro-enterprise loans, micro-housing loans, savings, domestic remittances, utility bill collection, mobile wallets, life insurance along with C2P and B2P payments through a strategic alliance with Pakistan's largest telecom operator JAZZ under the umbrella of JAZZCASH.

In a career spanning over 32 years, Ghazanfar worked for some of the best banks in Pakistan including HBL, Union Bank, Prime Bank & Bank Alfalah in retail, commercial, consumer & SME banking segments. Besides this, he spent several years as head of training & development at Prime Bank and Bank Alfalah.

In recognition of his contributions towards Human Resource development and training in the Banking industry, he was awarded the prestigious Hubert Humphrey Fellowship by the United States Government for the year 2000-01 under Fulbright program. The program included studies at Penn State, PA in Human Resource Development and a Leadership position and practical work experience at ABN Amro Bank, North America in Chicago.

Before moving back to business leadership, Ghazanfar worked with Shore Bank International (Now include), a leading international consulting company in SME and microfinancing, based out of Washington DC and operating globally, as a senior consultant and Head of a USAID funded SME downscaling project in 2005-7.

He has extensive global exposure and has been to Indonesia, Cambodia, Turkey, Romania, Kenya, Ethiopia, South Africa, Nigeria, Morocco, Oman, Bolivia, United States and the United Kingdom on work-related trips and assignments.

Management Team





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

Standing (L to R): Khurram Adeel, Tayseer Ali, M Rizwan Ikram, Faisal Mahmood, Ayyaz Haideri, M Asim Anwar

Management Team



Ghazanfar Azzam

Executive Director, President & CEO

Mr. Ghazanfar is President & CEO of Mobilink Microfinance Bank Limited since its inception from 2012. He has vast experience & exceptional achievements to his credit in retail, commercial, consumer, SME & micro banking segments including the launch of two leading greenfield nationwide microfinance banks in Pakistan i.e. Kashf MF Bank in 2008 (now FINCA) & MOBILINK BANK in 2012. Mobilink Bank, backed by Global Telecom Holdings & Veon now operates with 61 brick & mortar branches and 73,000 branchless banking agents offering micro-enterprise loans, micro-housing loans, savings, domestic remittances, utility bill collection, mobile wallets, life insurance & G2P & 82P payments through a strategic alliance with Pakistan's largest telecom operator JAZZ under the umbrella of JAZZCASH.

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Samiha Ali Zahid

Chief Human Resource Officer

Ms. Samiha brings with her 15 years of cross-functional experience in OD, Staffing & HRM resulting in creating cohesive and high performing teams that contribute towards business goals. She holds a Masters' Degree in Public Administration and is a Certified Trainer. She also holds a Certification in Korn Ferry's product suite "Korn Ferry Leadership Architect". Samiha has proven experience of collaborating with other Business functions to initiate programs aimed at developing and sustaining a positive employer image which is crucial to attract and retain talent. Her expertise includes the development of policy guidelines aiming to bring internal and external equity for employees. For the last 6 years, she has addressed and implemented strategic plans for managing people's experience, compensation structure, retention and succession plans.



Sana Tariq

Chief Legal Officer & Company Secretary

Barrister Sana is experienced in various areas of law and has overseen Joint Ventures, Mergers & Acquisitions in the past. She holds vast experience in the Microfinance Sector and Branchless Banking. She holds a Masters in Law (ICSL), a Member of Lincolns Inn and enrolled in the High Court of Sindh.



Muhammad Asim Anwar

Chief Business Officer

Leading the workforce across various locations in the country, Mr. Asim has been deeply involved in mobilizing the field operations and achieving bank revenue targets through quality portfolios, diversified business products, and effective client management.



Syed Sajjad Qayyum Ashraf

Chief Credit Management and Service Quality

Mr. Sajjad is an experienced banker having worked in different Banks over three decades in various capacities, including Leadership roles. Sajjad's experience covers key banking functions such as Credit, Operations, Business Banking, Compliance, Risk Management, Strategic Planning/Business Initiatives, and Teams Building. He is an MBA, LLB (Pb.), D.A.I.B.P.



Faisal Mahmood

Chief Digital & Technology Officer

A BANKING TECHNOLOGIES professional with overall 15 years of working experience in the specialized areas of Digital Transformation, Business Process Re-engineering and have meticulous exposure of Core Banking Systems, Alternate Delivery Channels, MobUe/Di9ital Financial Systems, and Process Automations. Worked as mid and senior management positions in Commercial and Microfinance Banks including ABN AMRO, MCB, FINCA, Waseela, and NRSP Banks.



Tayseer Ali

Chief Financial Officer

Mr. Tayseer is a Chartered Accountant from ICAEW and a Fellow Chartered Certified Accountant. He joined the Bank in January 2017 and has been associated with the financial services industry since 2011 in various leading roles.



Shahid Umar

Chief Compliance Officer

Mr. Shahid is a corporate lawyer with a track record of heading legal and compliance functions in diversified environments. He carries experience in a wide spectrum of industries i.e. Oil and Gas, Banking, financial services, Pharmaceutical, Plant Protection, Chemicals, and Telecommunications, managing and advising on commercial law, business ethics, corporate compliance, litigation, risk assessments, settlements, and HR related matters.

He has worked on several local and global initiatives for rolling out compliance programs and structuring legal and compliance functions. He has been handling litigation, contract management, periodic audit and monitoring, risk assessments, and managing incident reports and Investigations. He has managed DOJ monitorship complying with the obligations under the deferred prosecution agreement. He also participated in M&A activities including due-diligence, compliance Integration, pre/ post-merger due diligence and implemented compliance program within newly acquired entities and joint ventures. He is also certified compliance and ethics professional and a certified trainer. He is a speaker on diversified areas including antitrust and anti-corruption enforcement (US FCPA enforcement) and compliance program.



Muhammad Rizwan Ikram

Chief Risk Officer

Mr. Ikram has more than 19 years of vast experience in Commercial, Microfinance and Financial banking to his credit. He has worked in the fields of Risk Management, Credit underwriting, Banking Operations, Finance, Compliance and training with prestigious organizations like MCB Bank Ltd, Khushhali Microfinance Bank Ltd, Waseela Microfinance Bank Ltd. And U Microfinance Bank Ltd. Before joining Mobilink Microfinance Bank team, Mr. Ikram was working for U Microfinance Bank as Chief Risk Officer. He was a member of the core team that established and launched Waseela and U Microfinance Banks along with the launching of their Branchless Banking Brands of MobiCash and UPatsa. Mr. Ikram is CFA & ACCA qualified besides holding banking diploma from the Institute of Bankers, Pakistan and Risk Management Certification from Frankfurt School of Finance & Management.



Khurram Adeel

Head Internal Audit

Mr. Khurram Adeel is a professional auditor with 14+ years of internal auditing experience in commercial and microfinance banking services. Before joining Mobilink Microfinance Bank, he has worked with Pakistan Mobile Communications Ltd (Jazz), HBL, Askari Bank Ltd and Banque Saudi Fransi (Riyadh, KSA). Mr. Khurram is a Certified Internal Auditor (CIA), Associate Chartered Certified Accountant (ACCA), and Certified Information Security Manager (CISM).



Ayyaz Haideri

Head Operations

With the experience of 12 years, Ayyaz is a thorough professional and expert in the field of branchless banking and telecommunications. He successfully delivered critical projects showcasing his skills and leadership. Some of his notable projects of which he was a part were Easypaisa, HBL Express, JazzCash, etc. where he looked after end-to-end development and deployment. He has also managed alternative delivery channels for Mobilink Bank. Ayyaz is a Business Graduate from UCP Lahore and currently working as Head of Bank Operations and Branchless Banking at Mobilink Bank.

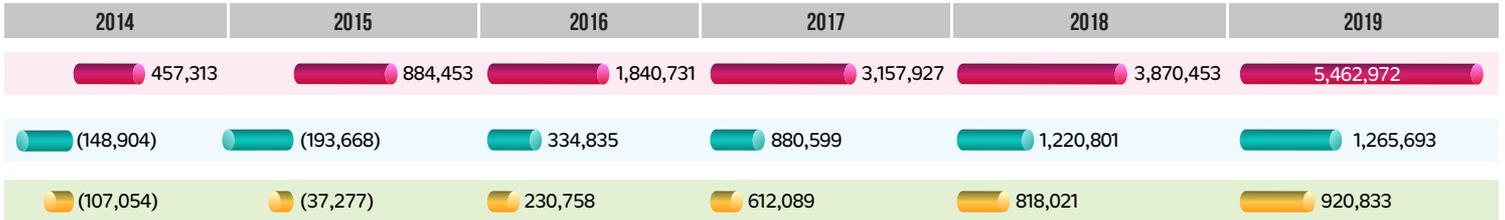




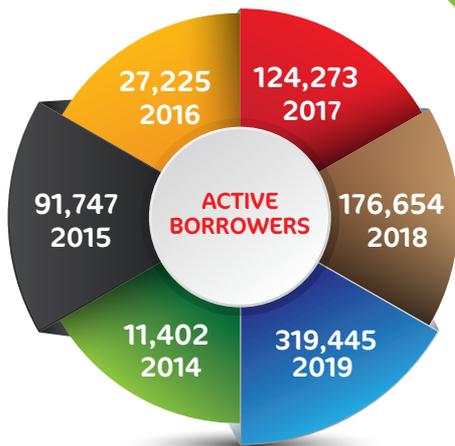
Six-Year Performance

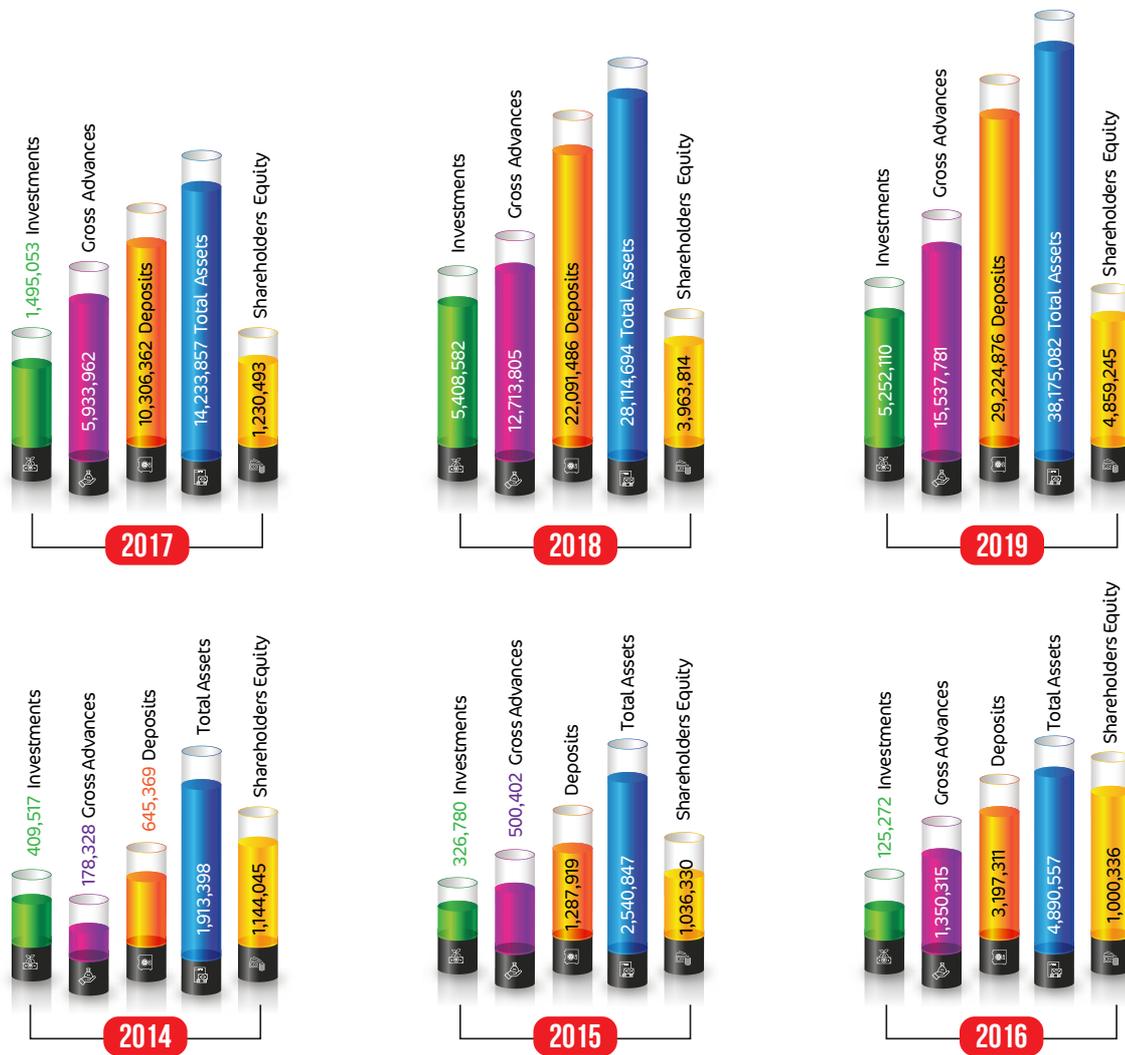
For the period 2014 to 2019

Revenue & Profit



Key Stats





Timeline of Key Performance Indicators

	2019	2018	2017	2016	2015	2014
Return on Assets	3.1%	3.7%	3.4%	2.4%	-1.0%	-4.8%
Return on Equity	20.7%	23.0%	37.9%	20.7%	-3.7%	-9.8%
PAR	3.76%	1.27%	0.31%	0.04%	0.0%	0.0%
Advances to Deposits	53%	58%	67%	58%	42%	39%
Operating Self Sufficiency	130%	146%	139%	122%	82%	75%
Earnings/(Loss) Per Share (PKR)	3.39	3.01	4.18	1.59	(0.26)	(0.75)

Achievements of MMBL

1. Digital Account Opening & Lending (Paperless Process)

Through bio-metrically enabled hand-held devices, MMBL business segments and end-users are now onboarding customers and offering lending products without the need of a single paper. The application is the first in the industry to use digital signatures to make this onboarding and lending process even more secure.

2. ATMs

As one of the largest Digital Bank, Mobilink Microfinance Bank has been constantly striving to provide improved customer services and experience through digital channels. ATM is one of the key channel in that, now MMBL has increased its ATM footprint to 41 locations.

3. Oracle Financial

To have unified experience in finance domain. MMBL has implemented oracle financials (one of the best ERP solution). this will help to align bank financial reporting and reconciliation across all systems.

4. EFT 3.0

It was a regulatory requirement, to comply with the IBFT 3.0 specification. With this implementation now the sender/receiver details will be received by both acquiring and issuer financial institutions. This information would also be shared with the customer through email/SMS.

5. Mobilink Bank Website

The Bank website was revamped having dynamic features and improved security and latest cross-platform technology. MMBL became first MFB to launch comprehensive Urdu website version.

6. Digital Zakat Exemption

Considering the initiative of value addition and contributing to the customer-centric approach, we have successfully launched real-time Zakat Exemption (CZ-50) to facilitate our customer on Mobilink Bank public website. This will not only save a lot of time of the customers who had to visit the notary service and get the Zakat Exemption form stamped and then submit it to the concerned branch and also making this service available 24/7 for our valued customers.

6. HR Suite

Recruitment Management System (RMS)

MMBL has become the first in the banking industry to offer an end to end digital experience to onboard potential candidates with the following key benefits

- Time Saving
- Resource Management in an Efficient and Robust Manner
- Paper Saving Making Socially Responsible and Cost Effective
- Data Accuracy and Less Chances of Error
- Digital CV Pool Available for Talent Hunt

7. Human Resource Management System (HRMS)

HRMS efficiently handles HR daily operation systematically to remove the dependency on HITS, HRMS is developed with following enhanced features: Independent HRMS System, Efficient resource Management, Change of Status Logs and Available report to avoid audit observation.

8. Performance Management System (PMS)

MMBL has its home grown Performance Management System to evaluate employees performance, right from assigning the KPIs till its achievement the employees' evaluations are more transparent and fair than ever.

Voucher Management System

Manual voucher generation is a lengthy and time-consuming process and involves a lot of paperwork which makes it difficult for the Ops team to handle it during the audit period. Based on the request of the Ops team we together came up with a digital solution to the problem.

Customer experience and complaint management

Excellence in customer service is the most important tool for sustained business growth. Complaints are an opportunity to win back a customer. More importantly, they're an opportunity to identify and fix problems in the company before they become stumbling blocks to success.

MMBL is committed to achieve and excel in customer service. The Bank gives great importance to customers' feedback & resolution of their complaints to maintain professional excellence. A centralized Complaint Management Unit is established at Head Office to ensure that complaints raised by the customers are dealt with promptly, efficiently, fairly and courteously at all levels. The CMU is effectively engaged in resolving & responding customers' complaints, queries & service requests regarding Branch & Branchless Banking received through multiple channels such as Call Centers, E-mail, Written, In-Person visit at HO, Website, SBP, Branch & CMU Landline on daily basis.

MMBL being largest digital bank is maintaining accounts of over 19 Million Customers and hence catering to banking needs of a large section of the people from all walks of life. During 2019, the Bank handled a total number of 720.63 Million Transactions and received 111,508 complaints which were resolved within an average time of Five (5) working days.

The Bank is committed to enhance its Customer Experience to the excellence and work upon several customers experienced tangents including but not limited to the following;

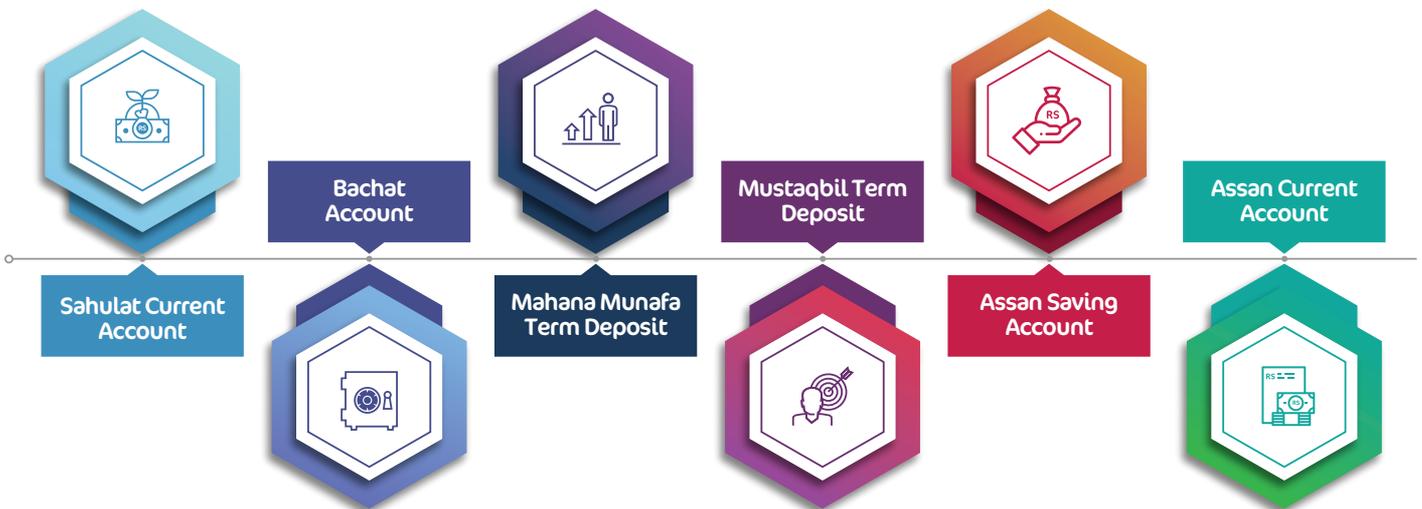
- To provide effective & timely services, the Bank has deployed Queue Matic Solution, Digital Customer awareness screens and feedback acquiring tabs in several branches.
- The Bank has a robust Video Mystery Shopping Program (VMSP) to better gauge the service standards at its branches. This helps the Bank for taking corrective measures for improvement of SQ deliverables & Customer Experience.
- The Bank Conducts Customers' Experience Surveys via SMS, Email, Website & Channels (independent of its business lines) to gauge customer's satisfaction level and to obtain their suggestions/recommendations.
- The Bank arranges regular training programs focused on increasing staff awareness levels on products, processes and customer handling techniques including Fair Treatment of Consumer Training.
- To enable the customers to make informed decisions, the Bank has displayed various Customer awareness program/contents at the Mobilink Bank's websites and different business locations.



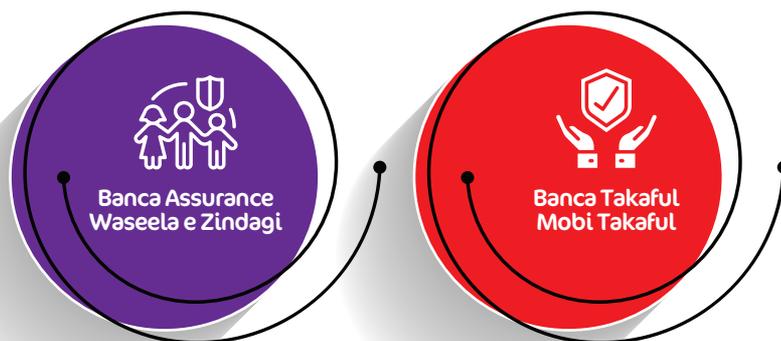
Solutions for Financial Inclusion



Savings Products for Your Tomorrow



Investment for Transformation



Creating Opportunities



Microfinance changes women's life

Asmat Begum had always dreamed of success and to come forward in society. For years she doing business of livestock Farming and sale/purchase. Her children worked with her and play a supportive role. Her husband is a government employee but she also wants to expand her business independently.

She had the goat and poultry business already in her home and need financial assistance for the cow/buffalo. She came to know about Mobilink Microfinance Bank Ltd (formerly known as Waseela Microfinance Bank Ltd) as our RO-Mr. Imran Ali approaches her. She availed Rs. 150000/Foricash 1st loan from MMBL and bought a cow for the first time. Then she settled loans and take 2nd,3rd, and 4th loans.

Now she has availed Rs. 430,000 in the 5th loan cycle.

She has four Cows and has also started the sale/purchase of livestock. She now has a workforce of two women and one man who works for her.

She had six children's including (four daughters and two sons). She married her two daughters and opened a karyana store for her son. Nowadays her monthly net earnings are rupees 50 thousand and Asmat Begum is now a confident woman living a life of dignity and Independence.



A Driver turned Entrepreneur

Mr. Said Ali, a father of four, is resident of Pabbi district Nowshera started his journey as a driver of a school van in Pakistan with small earnings. Said Ali took his first step toward the prosperity and well-being of his family by going to Dubai as a driver to relieve himself and his family from the very intricate financial conditions. But after serving for five years in Dubai things got worse-off there, and he returned to Pakistan with the unaccomplished dreams, being the sole bread earner of his family, he started his own business of making small steel furniture, windows, and gates, by purchasing small scale machinery for steel cutting with his handful of savings. Amid his voyage for a startup, he felt a dire need for some capital injection into his new setup. He visited Mobilink Microfinance Bank Peshawar Branch for a Karobar loan to purchase the raw material (unfinished steel) for his business. That small loan of Rs. 100,000/- provided a sparkplug in his business expansion.

After a few months of his business expansion's plight, he succeeded in procuring a small contract from a private school operating in that area to provide them with his furniture and do all their steelwork. After successfully paying-off the first loan he applied for a repeat loan from Mobilink Microfinance Bank Limited Peshawar Branch to meet the cost of raw material for completing his two new school contracts.

Indeed, the moulds the steel, to mould the future of his children.

One of his sons is an Electrical Engineer recently graduated, while three sons are studying in different grades in an elite school in the area.









Directors' Report

For the year ended December 31, 2019

Mr. Aamir Hafeez Ibrahim
Chairman / Board of Directors



On behalf of the Board of Directors, I am pleased to present the audited financial statements and Auditors' Report thereon, for the year ended December 31, 2019.

Performance Highlights:

In 2019, the 7th year of the operations, the bank generated PKR 5,463 million in revenue, a growth of 41% over PKR 3,870 million in 2018. Profit before tax for the year was PKR 1,266 million, 4% over last year's PKR 1,221 million. Net equity now stands at PKR 4,858 million growing 24% from PKR 3,922 million in the previous year. Total assets grew by 36% to PKR 38 billion from PKR 28 billion in 2018.

Operating with 74 branches, the bank achieved year-on-year growth of 21% and 32% in the loan and customer deposit portfolios respectively, by enhancing the current branch network's productivity and delivering a significant increase over the previous year's financial results. The institution is geared towards further growth and expansion in the future, centered around its unique advantage as a key digital financial services provider.

	2019	2018
	---- Amount in PKR '000' ---	
Net Mark-up/Interest Income	4,342,466	2,967,320
Provision against NPLs	(460,476)	(197,192)
Net Mark-up/Interest Income after provisions	3,881,990	2,770,128
Non-Mark-up/Non-interest Income	158,991	513,589
Total Income	4,040,981	3,283,717
Non-Mark-up/Non-interest expenses	(2,775,288)	(2,062,916)
Profit/(Loss) before Tax	1,265,693	1,220,801
Taxation	(331,071)	(402,780)
Profit/(Loss) after Tax	934,622	818,021
Indicators		
Number of branches	74	61
Number of branchless banking agents	87,999	78,521
Active borrowers	319,445	176,654
Gross loan portfolio (PKR in millions)	15,538	12,714
No. of depositors	19,621,035	16,599,230
Deposits (PKR in millions)	29,225	22,091

In 2019 the bank continued to advance on its digital and strategic agendas now serving 319,000+ active loan clients (2018: 176,000+) and 19.5+ million deposit customers (2018: 16.5+ million) and operating with 41 ATMs deployed nationwide. Going forward, further network expansion is planned along with a revamped strategy for digital financial services in 2020. To build capacity for efficient and effective growth the bank invested in the enhancement of core technology systems. AML/CFT and fraud management functions have been strengthened and a transaction monitoring system has been deployed to further strengthen the bank's capacity in light of increasing AML/CFT concerns globally. The bank is committed to the enforcement of AML/CFT guidelines and the deployed system has enabled the bank to perform real-time & offline screening against prescribed sanction lists with the capability of generating alerts and identifying suspicious transactions instantly. Platforms for human resource management, audit, and risk management tools are also in the process of deployment.

Controls Framework:

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

Statement of Corporate Governance

The Directors are pleased to state that:

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

During the year Five meetings of the Board of Directors were held. The attendance of these meetings was as given below:

Names of Directors	Designation	Meetings attended
Mr. Aamir Hafeez Ibrahim	Chairman/ Non-Executive Director	5
Mr. Gabor Kocis	Non-Executive Director	5
Mr. Ghazanfar Azzam	Executive Director	5
Mr. Richard James	Non-Executive Director	5
Ms. Aniqaf Afzal Sandhu	Non-Executive Director	1
Ms. Asma Shaikh	Independent Director	3
Mr. Khurram Zafar	Independent Director	4
Mr. Nadeem Raof Shaikh	Non-Executive Director	2

Change in Composition in the Board of Directors

Names of Outgoing Directors	Designation
Ms. Aniqaf Afzal Sandhu	Non-Executive Director
Ms. Asma Shaikh	Independent Director
Mr. Khurram Zafar	Independent Director

Change in Composition in the Board of Directors

Names of Incoming Director	Designation
Mr. Nadeem Raof Shaikh	Non-Executive Director

Holding Company

Global Telecom Holding S.A.E. (GTH) is the holding company controlling 271,359,678 i.e. 99.99% shares (2017: 99.99%) of the Bank.

Pattern of Shareholding

The pattern of shareholding of the bank as of December 31, 2019, as required under section 236 of the Companies Ordinance, 1984 is as follows:

No. of shareholders	Shareholder(s)	No. of shares	% shareholding
2	Members of the Board of Directors	3	Less than 0.001%
1	Mr. Niaz Hussain Brohi	2	Less than 0.001%
1	Global Telecom Holding S.A.E	271,359,678	99.99%
4	-	271,359,683	100%

Credit Rating

The Pakistan Credit Rating Agency Limited (PACRA) rating, as in the report published on October 18, 2019, is as follows:

	New – Oct 19	Previous – Apr 19
Long term	A	A
Short term	A1	A1
Outlook	Positive	Positive

Capital Adequacy Ratio

During the year the bank remained compliant with the statutory capital adequacy requirement.

Acknowledgments

On behalf of the Board of Directors, I would like to congratulate the management and employees of the bank on delivering the most impressive performance since inception and on the remarkable achievements which have led to the bank being recognized as a key player in the microfinance and branchless banking space. We would also like to express gratitude to the State Bank of Pakistan for its continued support and guidance. I would also like to thank our customers for their confidence in us and reaffirm our commitment to maintaining the highest service standards, strong corporate governance, and compliance in all our endeavors.

For and on behalf of the Board



Aamir Ibrahim,
Chairman – Board of Directors.

Dated: March 27, 2020
Place: Islamabad

Auditor's Report





A.F.FERGUSON & Co.

INDEPENDENT AUDITOR'S REPORT

To the members of Mobilink Microfinance Bank Limited

Report on the Audit of Financial Statements

Opinion

We have audited the annexed financial statements of Mobilink Microfinance Bank Limited, (the Company), which comprise of the balance sheet as at December 31, 2019, and the profit and loss account, the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the balance sheet, the profit and loss account, the statement of comprehensive income, the statement of changes in equity and the cash flow statement together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), Microfinance Institutions Ordinance, 2001 and the directives issued by the State Bank of Pakistan in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2019 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the director's report, but does not include the financial statements of the Company and our auditor's report thereon.

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

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

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If based on the work we have performed, on other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the balance sheet, the profit and loss account, the statement of comprehensive income, the statement of changes in equity and the cash flow statement together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017), Microfinance Institutions Ordinance, 2001 and the directives issued by the State Bank of Pakistan and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Jehanzeb Amin.

Chartered Accountants
Islamabad

Date: April 14, 2020



Financial Statements

For the year ended December 31, 2019

Mobilink Microfinance Bank Limited

Balance Sheet

As at December 31, 2019

ASSETS	Note	2019 (Rupees)	2018 (Rupees)
Cash and Balances with SBP and NBP	6	2,187,973,424	2,134,916,179
Balances with other Banks/NBFIs/MFBs	7	10,830,601,597	5,162,381,361
Lending to financial institutions		-	-
Investments – net of provisions	8	5,252,109,674	5,408,581,609
Advances – net of provisions	9	15,072,876,354	12,428,377,027
Operating fixed assets	10	1,560,757,340	729,541,801
Other assets	11	3,129,116,474	2,194,622,020
Deferred tax asset - net	12	141,647,212	56,273,879
Total Assets		38,175,082,075	28,114,693,876
LIABILITIES			
Deposits and other accounts	13	29,224,876,433	22,091,485,932
Borrowings		-	-
Subordinated debt		-	-
Other liabilities	14	4,090,960,329	2,059,393,830
Deferred tax liabilities		-	-
Total Liabilities		33,315,836,762	24,150,879,762
Net assets		4,859,245,313	3,963,814,114
REPRESENTED BY:			
Share Capital	15	2,713,596,830	2,713,596,830
Statutory reserve	5.8	516,340,244	332,173,703
Depositor's protection fund	5.8	147,614,175	86,860,323
Unappropriated Profit		1,480,440,643	789,816,115
		4,857,991,892	3,922,446,971
Surplus on revaluation of assets	16	1,253,421	41,367,143
Deferred grants		-	-
Total Capital		4,859,245,313	3,963,814,114
MEMORANDUM / OFF-BALANCE SHEET ITEMS	17		

The annexed notes from 1 to 36 form an integral part of these financial statements.

Mobilink Microfinance Bank Limited

Profit and Loss Account

For the Year Ended December 31, 2019

		2019	2018
	Note	(Rupees)	(Rupees)
Markup/Return/Interest Earned	18	5,303,981,442	3,356,863,523
Markup/Return/Interest Expensed	19	(961,515,684)	(389,543,416)
Net Mark-up/ Interest Income		4,342,465,758	2,967,320,107
Provision against non-performing loans and advances - net	9.3	(460,475,975)	(197,192,207)
Provision for diminution in the value of investments		-	-
Bad debts written off directly	9.4	-	-
		(460,475,975)	(197,192,207)
		-	-
Net Markup/ Interest Income after provisions		3,881,989,783	2,770,127,900
NON-MARKUP/ NON-INTEREST INCOME			
Fee, Commission and Brokerage Income - net	20	79,245,758	430,200,263
Dividend income		75,109,486	82,832,546
Other Income	21	4,635,404	556,437
Total non-markup/non-interest Income		158,990,648	513,589,246
		4,040,980,431	3,283,717,146
NON-MARKUP/ NON-INTEREST EXPENSES			
Administrative expenses	22	(2,767,197,147)	(2,058,286,242)
Other provisions/write offs		-	-
Other charges	23	(8,090,646)	(4,629,562)
Total non-markup/non-interest expenses		(2,775,287,793)	(2,062,915,804)
Extra ordinary/unusual items		-	-
PROFIT BEFORE TAXATION		1,265,692,638	1,220,801,342
Taxation - Current	24	(416,956,181)	(391,914,275)
- Prior year		-	(32,489,925)
- Deferred		72,096,247	21,624,108
		(344,859,934)	(402,780,092)
PROFIT AFTER TAXATION		920,832,704	818,021,250
Unappropriated profit / (Loss) brought forward		793,633,011	180,117,074
Profit available for appropriation		1,714,465,715	998,138,324
APPROPRIATIONS:			
Transfer to:			
Statutory reserve		(184,166,541)	(163,604,250)
Capital reserve		-	-
Contribution to depositors protection fund		(46,041,635)	(40,901,063)
Revenue reserve		-	-
Proposed cash dividend Rs. Nil per share (2018: Rs. Nil per share)		-	-
Others		-	-
		(230,208,176)	(204,505,313)
Unappropriated profit carried forward		1,484,257,539	793,633,011
Earnings per share (Rupees)	29	3.39	3.01

The annexed notes from 1 to 36 form an integral part of these financial statements.

Mobilink Microfinance Bank Limited

Statement of Comprehensive Income

For the Year Ended December 31, 2019

	2019	2018
Note	(Rupees)	(Rupees)
Profit after taxation	920,832,704	818,021,250
Other comprehensive loss	-	-
Comprehensive income transferred to equity	920,832,704	818,021,250
Components of comprehensive income not reflected in equity		
Surplus on revaluation of investments	8.2 1,765,381	55,156,190
Related tax impact	(511,960)	(13,789,047)
	1,253,421	41,367,143
Total comprehensive income for the year	922,086,125	859,388,393

The annexed notes from 1 to 36 form an integral part of these financial statements.

Mobilink Microfinance Bank Limited

Statement of Changes in Equity

For the Year Ended December 31, 2019

	Capital Reserves		Revenue Reserves		Total (Rupees)
	Share Capital (Rupees)	Statutory Reserve (Rupees)	Depositors Protection Fund (Rupees)	Unappropriated Profit (Rupees)	
Balance at January 01, 2018	2,713,596,830	168,569,453	42,283,977	179,975,461	3,104,425,721
Profit for the year	-	-	-	818,021,250	818,021,250
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	818,021,250	818,021,250
Transfers to Statutory reserves	-	163,604,250	-	(163,604,250)	-
Transfer to Depositors protection fund	-	-	40,901,063	(40,901,063)	-
- 5% of the profit after tax for the year	-	-	3,675,283	(3,675,283)	-
- return on investments - net of tax	-	-	44,576,346	(44,576,346)	-
Balance at December 31, 2018	2,713,596,830	332,173,703	86,860,323	789,816,115	3,922,446,971
Profit for the year	-	-	-	920,832,704	920,832,704
Other comprehensive loss	-	-	-	-	-
Total comprehensive income for the year	-	-	-	920,832,704	920,832,704
Transfers to Statutory reserves	-	184,166,541	-	(184,166,541)	-
Transfer to Depositors protection fund	-	-	46,041,635	(46,041,635)	-
- 5% of the profit after tax for the year	-	-	14,712,217	-	14,712,217
- return on investments	-	-	60,753,852	(46,041,635)	14,712,217
Balance at December 31, 2019	2,713,596,830	516,340,244	147,614,175	1,480,440,643	4,857,991,892

The annexed notes from 1 to 36 form an integral part of these financial statements.

Mobilink Microfinance Bank Limited

Cash Flow Statement

For the Year Ended December 31, 2019

	Note	2019 (Rupees)	2018 (Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		1,265,692,638	1,220,801,342
Less: Dividend income		(75,109,486)	(82,832,546)
		1,190,583,152	1,137,968,796
Adjustments for non-cash charges			
Depreciation		253,457,345	135,448,467
Amortization		97,754,816	35,534,077
Provision against non-performing advances		460,475,975	197,192,207
Provision for diminution in the value of investments / other assets		-	-
Gain on sale of fixed assets		(4,635,404)	(556,437)
Finance charges on leased liability		47,443,996	-
Operating fixed assets written off		1,041,729	3,747,153
Provision for gratuity		750,000	3,595,820
		856,288,457	374,961,287
		2,046,871,609	1,512,930,083
(Increase)/ decrease in operating assets			
Lendings to financial Institutions		-	-
Advances		(3,104,975,302)	(2,806,223,270)
Other Assets (excluding advance taxation)		(984,229,450)	(590,889,650)
		(4,089,204,752)	(3,397,112,920)
Increase/ (decrease) in operating liabilities			
Bills payable		35,866,710	(5,406,409)
Borrowings from financial institutions		-	-
Deposits		7,133,390,501	7,148,428,596
Other Liabilities (excluding current taxation and gratuity)		1,581,295,816	(432,341,538)
		8,750,553,027	6,710,680,649
Cash inflows from operations		6,708,219,884	4,826,497,812
Payments against provisions held against off-balance-sheet obligations		-	-
Income tax paid		(437,707,456)	(445,906,499)
Contribution made to gratuity fund		-	(17,329,979)
Net cash inflow from operating activities		6,270,512,428	4,363,261,334
CASH FLOWS FROM INVESTING ACTIVITIES			
Net investment in available-for-sale securities		117,793,344	(825,617,928)
Net investment in held-to-maturity securities		-	-
Dividend income		75,109,486	82,832,546
Investments in operating fixed assets		(627,232,730)	(442,792,875)
Sale proceeds of property and equipment disposed		6,548,399	807,509
Net cash outflow from investing activities		(427,781,501)	(1,184,770,748)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts / payments of sub-ordinated loan		-	-
Payments of lease obligations		(121,453,446)	-
Issue of share capital		-	-
Dividend paid		-	-
Net cash outflow from financing activities		(121,453,446)	-
Increase in cash and cash equivalents		5,721,277,481	3,178,490,586
Cash and cash equivalents at beginning of the year		7,297,297,540	4,118,806,954
Cash and cash equivalents at the end of the year	31	13,018,575,021	7,297,297,540

The annexed notes from 1 to 36 form an integral part of these financial statements.

Mobilink Microfinance Bank Limited

Notes to the Financial Statements

For the Year Ended December 31, 2019

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 the 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 71 business locations/ touchpoints comprising of 74 branches (including 1 in Muzaffarabad AJK) and no booth/ service center (2018: 61 business locations/ touchpoints comprising of 61 branches and no booths/ service centers) 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 Global Telecom Holding S.A.E (the holding company) which owns 99.99% share capital in the Bank.

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

2 BASIS OF PRESENTATION

These financial statements are presented following the Banking Supervision Department (BSD) Circular No. 11 dated December 30, 2003 issued by the SBP.

3 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for Banks/DFIs/MFIs. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as notified under the Companies Act, 2017.
- Provisions of and directives issued under the Companies Act, 2017, Microfinance Institutions Ordinance, 2001.
- And the directives issued by the SECP and SBP.

Wherever the requirements of the Companies Act, 2017, the Microfinance Institutions Ordinance, 2001, and directives issued by SECP and SBP differ with the requirements of the IFRSs and IFASs, the requirements of the Companies Act, 2017, the Microfinance Institutions Ordinance, 2001, and the requirements of the said directives shall prevail.

The SECP, through SRO 229(I)/2019 dated February 14, 2019, has notified that IFRS 9, Financial Instruments, is applicable for accounting periods ending on or after June 30, 2019. The SBP, vide its circular BPRD Circular No. 04 of 2019 dated October 23, 2019 has deferred the requirements of IFRS 9; the effective date for implementation of IFRS 9 for Microfinance Institution is January 1, 2021. Accordingly, the requirements of IFRS 9 have not been considered in the preparation of these financial statements.

The SBP vide BSD Circular No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard (IAS) 39, "Financial Instruments: Recognition and Measurement" and IAS 40, "Investment Property" till further instructions. Further, SECP vide its S.R.O. 411(I)/2008 dated April 28, 2008 has deferred the applicability of IFRS 7 – 'Financial instruments – disclosures'. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. However, investments have been measured in accordance with the Prudential Regulations (the Regulations) of the SBP and presented in accordance with the requirements of SBP BSD Circular No. 11 dated December 30, 2003.

4 BASIS OF MEASUREMENT

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

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

4.1 Functional and presentation currency

These financial statements are presented in Pakistan Rupee (PKR), which is the Bank's functional currency. All financial information presented in PKR has been rounded to the nearest of PKR, unless otherwise stated.

4.2 Significant accounting estimates

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments/ estimates and associated assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These judgments/ estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the estimates about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

a) Impairment of investments

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

b) Advances

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

c) Taxation

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

d) Operating fixed assets/ intangible assets

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

e) Provisions and contingencies

The Bank reviews the status of all the legal cases on a regular basis. Based on the expected outcome and consideration of the opinion of its legal advisor, appropriate provision/ disclosure is made.

f) Impairment of financial assets

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

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

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

g) Other provisions

Estimates of the number of provisions recognized are based on current legal and constructive requirements. As actual outflows can differ from estimates due to changes in laws, regulations, public expectations, prices and conditions, and can take many years in the future, the carrying amounts of provisions are regularly reviewed and adjusted to take account of such changes.

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

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

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

Cash and cash equivalents comprise cash in hand, balance with SBP/ National Bank of Pakistan (NBP), and other banks/ Non-Banking Financial Institutions (NBFIs)/ Microfinance Banks (MFBs).

5.2 Investment

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

Investments of the Bank are classified into the following categories:

a) Held for trading

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

b) Held to maturity

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

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

c) Available-for-sale

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

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

5.3 Advances

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

a) Other assets especially mentioned

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

b) Substandard

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

c) Doubtful

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

d) Loss

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

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

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

Other assets especially mentioned	Nil
Substandard	25% of outstanding principal net of cash collaterals
Doubtful	50% of outstanding principal net of cash collaterals
Loss	100% of outstanding principal net of cash collaterals

In addition to above, a general provision is made equivalent to 2% (2018: 2%) of the net outstanding balance (advances net of specific provisions) in accordance with the requirement of the Regulations.

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

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

5.4 Operating fixed assets

a) Property and equipment

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

Depreciation is charged on the straight-line method at rates specified note 10.2 to the financial statements, so as to write off the cost of assets over their estimated useful lives.

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

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

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

b) Capital work-in-progress

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

c) Intangible assets

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

Intangible assets comprise of computer software and related applications. Intangible assets are amortized over their estimated useful lives at the rate specified in note 10.3 to the financial statements. Subsequent expenditure is capitalized only when it increases the future economic benefit embodied in the specific asset to which it relates. All other expenditure is recognized in profit and loss account as incurred.

5.5 Deposits

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

5.6 Taxation

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

Management periodically evaluates positions taken in tax returns, with respect to situations in which applicable tax regulation is subject to interpretation, and establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities. Instances where the Bank's view differs from the view taken by the income tax department at the assessment stage, the amounts are shown as contingent liabilities.

a) Current

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

b) Deferred

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

Deferred tax assets and liabilities are calculated at the rate that are expected to apply for the period when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have

been enacted or substantially enacted until the balance sheet date. Deferred tax, on revaluation of investments, if any, is recognized as an adjustment to surplus/ (deficit) arising on such revaluation.

5.7 Staff retirement benefits

a) Provident fund

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

b) Gratuity

The Bank maintains provision of gratuity for all contractual employees, according to the agreement signed with HRSG Outsourcing (Pvt) Limited, an outsourcing company. Gratuity equivalent to one month's last drawn basic salary for each completed year of service is paid to outgoing employees with at least 1 year of past service rendered.

5.8 Reserves

a) Statutory reserve

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

b) Depositor's protection fund

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

c) Cash reserve

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

d) Statutory liquidity requirement

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

5.9 Provisions

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

5.10 Contract liability

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

5.11 Foreign currency transactions

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

5.12 Revenue recognition

a) Markup / income on advances

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

b) Income from investments

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

c) Fee, commission and brokerage income

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

d) Income from interbank deposits

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

e) Dividend income

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

f) Gain/ loss on sale of operating fixed assets

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

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

g) Gain/ loss on sale of investments

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

5.13 Financial instruments

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

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

a) Financial assets

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

b) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangement

entered into. Financial liabilities include deposit and other accounts and other liabilities which are stated at their nominal value. Financial charges are accounted for on accrual basis.

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

5.14 Off-setting

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

5.15 Borrowing costs

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

5.16 Markup bearing borrowings

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

5.17 Grants

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

5.18 Earnings per share

The Bank presents basic and diluted earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the year. Diluted EPS, if any is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares. There were no dilutive potential ordinary shares in issue on December 31, 2019 (2018: nil).

5.19 Standards, interpretations of and amendments to published approved accounting standards that are effective in the current year

IFRS 16: 'Leases', became effective from the annual period beginning on or after January 1, 2019. The impact of the adoption of IFRS 16 on the Bank's financial statements is disclosed in note 5.21.

There are certainly other new and amended standards, interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2019, but are considered not to be relevant or do not have any significant effect on the Bank's operations and are therefore not detailed in these financial statements.

5.20 Standards, interpretations of and amendments to published approved accounting standards that are not yet effective

- a) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

		<u>"Effective date (annual periods beginning on or after)"</u>
IAS 1	Presentation of Financial Statements (Amendments)	January 1, 2020
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors (Amendments)	January 1, 2020
IAS 39	Financial Instruments: Recognition and Measurement (Amendments)	January 1, 2020
IFRS 3	Business Combinations (Amendments)	January 1, 2020
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 1, 2020
IFRS 9	Financial Instruments (Amendments)	January 1, 2020
IFRS 17	Insurance Contracts	January 1, 2022

The management does not anticipate early adoption of the above standards and amendments and is currently evaluating the impact of adopting these standards.

- b) Following standards have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of its applicability in Pakistan:

IFRS 1	First Time Adoption of International Financial Reporting Standards
IFRS 17	Insurance contracts

5.21 Changes In Accounting Policies

Leases

- (a) During the period, IFRS 16 - 'Leases' became applicable to the Bank. IFRS 16 replaces existing guidance on accounting for leases, including IAS 17 - 'Leases', IFRIC 4 - 'Determining whether an Arrangement contains a Lease', SIC 15 - 'Operating Leases - Incentives' and SIC 27 - 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 introduces an on-balance sheet accounting model for leases entered by the lessee. A lessee recognizes a right of use asset representing its right of using the underlying asset and a corresponding lease liability representing its obligations to make lease payments. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as either finance or operating leases.

The Bank has adopted IFRS 16 from January 1, 2019 and has not restated comparatives for the 2018 reporting period, as the said treatment is permitted under the specific transitional provisions, specified in IFRS 16.

- (b) On adoption of IFRS 16, the Bank has recognized liabilities in respect of leases which had previously been classified as operating leases under IAS 17. These liabilities were initially measured as the present value of the remaining lease payments, discounted using the Bank's incremental weighted average borrowing rate as of January 1, 2019. The lease liability is subsequently measured at amortized cost using the effective interest rate method.

	December 31, 2019	January 01, 2019
	-----Rupees-----	
Lease liability recognized	<u>431,736,954</u>	<u>329,689,757</u>

- (c) On adoption of IFRS 16, the associated right of use assets was measured at the amount equal to the lease liability, adjusted by the amount of prepaid lease payments recognized in the balance sheet immediately before the date of initial application.

The right of use assets recognized subsequent to the adoption is measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The right of use assets are depreciated on a straight-line basis over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right to use assets is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

	December 31, 2019	January 01, 2019
	-----Rupees-----	
Right of use Assets	461,701,262	382,093,047
(d) The effect of this change in accounting policy is as follows:		
Impact on Balance sheet		
Increase in fixed assets - the right-of-use assets	461,701,262	382,093,047
Decrease in other assets - advances, deposits and prepayments	(72,701,192)	(52,851,790)
Increase in other assets - advance taxation	9,470,252	-
Increase in total assets	398,470,322	329,241,257
Decrease in other liabilities - rent payable	10,080,843	448,500
Increase in other liabilities - Lease liability against right of use assets	(431,736,954)	(329,689,757)
	(421,656,111)	(329,241,257)
Decrease in net assets	(23,185,789)	-
		For the year ended December 31, 2019
		---- 'Rupees ----
Impact on Profit and Loss account		
(Increase) / decrease in administrative expenses:		
- Depreciation on the right-of-use assets		(96,448,432)
- Finance cost - lease liability of right of use assets		(47,443,996)
- Rent expense		111,236,387
Decrease in profit before tax		(32,656,041)
Decrease in tax		(9,470,252)
Decrease in profit after tax		(23,185,789)

Earnings per share for the year ended December 31, 2019 is Rs. 0.09 lower as a result of the adoption of IFRS 16.

While implementing IFRS 16, the Bank has used a single discount rate methodology for a portfolio of leases with similar characteristics. The Bank has opted not to recognize the right of use assets for leases of low value. The payments associated with such leases are recognized as an expense on a straight-line basis over the lease term.

	2019 (Rupees)	2018 (Rupees)
6. CASH AND BALANCES WITH SBP AND NBP		
Cash in hand	646,081,183	391,041,079
Balance with State Bank of Pakistan (SBP) - note 6.1	1,530,331,292	1,642,440,128
Balance with National Bank of Pakistan (NBP)		
- Current accounts	11,560,949	101,434,972
- Deposit accounts	-	-
	2,187,973,424	2,134,916,179

6.1 This includes balance held with SBP in a current account to comply with the requirement of maintaining minimum balance equivalent to 5% (2018: 5%) of the Bank's demand deposits and time deposits with tenor of less than one year.

	2019 (Rupees)	2018 (Rupees)
7. BALANCES WITH OTHER BANKS/NBFIs/MFBs		
In Pakistan		
- on current accounts - Local currency	6,465,697	-
- on saving accounts - Local currency - note 7.1	3,324,135,900	554,332,817
- on term deposits accounts - Local currency - note 7.2	7,500,000,000	4,608,048,544
	10,830,601,597	5,162,381,361
- on current accounts - Foreign currency - note 7.3	-	-
	10,830,601,597	5,162,381,361

7.1 These carry markup ranging from 11.25% to 13.8% (2018: 3.75% to 9%) per annum.

7.2 These carry markup ranging from 13.50% to 14.08% (2018: 5.95% to 10.75%) per annum.

7.3 This account is being maintained with United Bank Limited for the purpose of Home Remittance under Pakistan remittance initiative as approved by the SBP.

	2019 (Rupees)	2018 (Rupees)
8. INVESTMENTS - net of provisions		
Available for Sale		
- Federal Government securities		
- Market Treasury Bills - note 8.1	5,250,344,293	2,599,246,556
- Mutual Funds		
- Lackson Investments - 7,448,041 units (2018: 4,863,681 units)	-	747,141,457
- Atlas Money Market - 992,188 units (2018: Nil units)	-	498,246,942
- ABL Investments - 97,866,510 units (2018: Nil units)	-	1,000,000,000
- Faysal Asset Management - 2,456,340 units (2018: Nil units)	-	249,382,730
- Alfalah GHP - 2,634,183 units (2018: Nil units)	-	259,407,734
	-	2,754,178,863
Surplus on revaluation of available for sale investments - note 8.2	1,765,381	55,156,190
	5,252,109,674	5,408,581,609

8.1 These represent securities with the original maturity period of up to three months and carry markup at the rates ranging between 13.05% to 13.69% (2018: 5.96% to 9.15%) per annum. These also include securities with an original maturity period of up to three months and carry markup at the rate of held for the purposes of Depositors' Protection Fund with a cumulative face value of the amount of Rs. 150 million (2018: Rs. 87 million) and carry markup at the rates of 13.05% (2018: 8.715%) per annum.

	2019 (Rupees)	2018 (Rupees)
8.2 Particulars of surplus / (deficit) on revaluation of available for sale investments:		
Balance at the beginning	55,156,190	245,405
Transferred to/ (from) revaluation of assets	(53,390,809)	54,910,785
Balance at the end	1,765,381	55,156,190

9. ADVANCES - net of provisions

	2019		2018	
	Loans outstanding (Number)	Amount outstanding (Rupees)	Loans outstanding (Number)	Amount outstanding (Rupees)
Microcredit				
-Secured against gold	26,407	2,954,576,765	18,745	1,582,305,636
-Unsecured	293,038	12,583,204,513	157,909	11,131,499,166
	<u>319,445</u>	<u>15,537,781,278</u>	<u>176,654</u>	<u>12,713,804,802</u>
Less: Provision held				
Specific provision	7,020	217,592,687	3,035	64,079,380
General provision - note 9.1	291,965	247,312,237	157,909	221,348,395
	<u>298,985</u>	<u>464,904,924</u>	<u>160,944</u>	<u>285,427,775</u>
Advances - net of provisions		<u>15,072,876,354</u>		<u>12,428,377,027</u>

9.1 This represents general provision maintained against unsecured microcredit advances net of specific provision at the rate of 2% (2018: 2%) against the requirement of 1% specified under the Prudential Regulations issued by the State Bank of Pakistan.

9.2 Particulars of non-performing advances

Advances include Rs 584.7 million (2018: 161.8 million) which as detailed below, have been placed under non-performing status.

Category of classification	2019			2018		
	Amount outstanding	Provision required	Provision held	Amount outstanding	Provision required	Provision held
	-----Rupees-----			-----Rupees-----		
OAEM	152,357,855	-	-	42,766,790	-	-
Sub-standard	131,105,790	32,776,447	32,776,447	26,976,779	6,679,441	6,679,441
Doubtful	232,930,071	116,465,035	116,465,035	67,359,796	33,392,369	33,392,369
Loss	68,351,205	68,351,205	68,351,205	24,755,970	24,007,570	24,007,570
	<u>584,744,921</u>	<u>217,592,687</u>	<u>217,592,687</u>	<u>161,859,334</u>	<u>64,079,380</u>	<u>64,079,380</u>

9.3 Particulars of provision against non-performing Loans

	2019			2018		
	Specific	General	Total	Specific	General	Total
	-----Rupees-----			-----Rupees-----		
Opening balance	64,079,380	221,348,395	285,427,775	8,730,729	174,241,149	182,971,878
Charge for the year	434,512,133	25,963,842	460,475,975	153,205,957	47,107,246	200,313,203
Amounts written off - note 9.4	(280,998,826)	-	(280,998,826)	(94,736,310)	-	(94,736,310)
Reversals	-	-	-	(3,120,996)	-	(3,120,996)
Closing balance	<u>217,592,687</u>	<u>247,312,237</u>	<u>464,904,924</u>	<u>64,079,380</u>	<u>221,348,395</u>	<u>285,427,775</u>

9.4 Particulars of write offs

	2019 (Rupees)	2018 (Rupees)
Against provisions	280,998,826	94,736,310
Directly charged to profit and loss account	-	-
	<u>280,998,826</u>	<u>94,736,310</u>

10. OPERATING FIXED ASSETS

	2019 (Rupees)	2018 (Rupees)
Capital Work in progress - note 10.1	458,701,557	172,505,780
Property and equipment - note 10.2	874,822,112	369,379,463
Intangible assets - note 10.3	227,233,671	187,656,558
	<u>1,560,757,340</u>	<u>729,541,801</u>

10.1 Capital Work in progress

	2019 (Rupees)	2018 (Rupees)
Civil works	458,701,557	172,505,780
Equipment	-	-
Advances to suppliers and contractors	-	-
Others	-	-
	<u>458,701,557</u>	<u>172,505,780</u>

10.2 Property and equipment

	Cost				Accumulated Depreciation				Net book value			Rate per annum %
	At January 01	Additions	Adjustments /transfers	Disposals/ write offs	At December 31	Charge for the year	Adjustments /transfers	Disposals/ write offs	At December 31	At December 31	At December 31	
	----- Rupees -----											
2019												
Leased Assets												
Right of Use - Asset	382,093,047	176,056,647	-	(5,671,548)	552,478,146	96,448,432	-	(5,671,548)	90,776,884	461,701,262		
Owned Assets												
Freehold land	99,172,856	27,527,803	-	(4,274,004)	122,426,655	18,294,725	-	(3,876,751)	73,863,619	48,563,036		20%
Furniture and fixture	571,414,984	90,115,436	-	(1,666,491)	659,863,929	97,301,807	-	(1,088,396)	404,819,768	255,044,161		10-33%
Electrical, office and computer equipment	56,908,893	27,087,552	-	(7,237,614)	76,758,831	18,308,966	-	(5,538,922)	33,399,477	43,359,354		25%
Vehicles	85,169,977	58,974,233	-	(6,528,902)	137,615,308	23,103,395	-	(6,248,218)	71,461,009	66,154,299		25%
Leasehold improvements	1,194,759,757	379,761,671	-	(25,378,559)	1,549,142,869	253,457,345	-	(22,423,635)	674,320,757	874,822,112		
2018												
Leased Assets												
Freehold Land	100,255,086	6,069,603	(43,919)	(7,107,914)	99,172,856	17,747,197	-	(5,412,805)	59,445,645	39,727,211		20%
Furniture and fixture	449,629,453	127,325,011	(4,800)	(5,534,680)	571,414,984	90,517,164	-	(4,989,074)	308,606,357	262,808,627		10-33%
Electrical, office and computer equipment	28,544,482	28,364,411	-	-	56,908,893	9,872,245	-	-	20,629,413	36,279,480		25%
Vehicles	102,952,049	6,284,507	(98,537)	(23,968,042)	85,169,977	17,311,861	-	(22,210,532)	54,605,832	30,564,145		25%
Leasehold improvements	681,381,070	168,043,532	(147,256)	(36,610,636)	812,666,710	135,448,467	-	(32,612,411)	443,287,247	369,379,463		

10.2.1 The cost of fully depreciated assets still in use is Rs. 297,443,472 (2018: Rs. 185,454,818).

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

10.2.3 Operating fixed assets written off during the year had cost of Rs. 11,217,790 (2018: 31,843,912) and written down value of Rs. 1,041,729 (2018: 3,747,153).

10.3 Intangible assets

	Cost				Amortization				Net book value		Rate per annum %
	At January 01	Additions	Disposals/ write offs	At December 31	At January 01	Charge for the year	Disposals/ write offs	At December 31	At December 31	At December 31	
	Rupees										
2019											
Software License	335,081,060	137,331,929	-	472,412,989	147,424,502	97,754,816	-	245,179,318	227,233,671	227,233,671	10-33%
	335,081,060	137,331,929	-	472,412,989	147,424,502	97,754,816	-	245,179,318	227,233,671	227,233,671	
2018											
Software License	207,123,455	127,957,605	-	335,081,060	111,890,425	35,534,077	-	147,424,502	187,656,558	187,656,558	10-33%
	207,123,455	127,957,605	-	335,081,060	111,890,425	35,534,077	-	147,424,502	187,656,558	187,656,558	

10.3.1 This includes Temenos - 24 (R-17) software with carrying value of Rs. 78,797,089 (2018: 43,368,339) and remaining amortization period of 1.9 (2018: 2.9) years.

		2019	2018		
		(Rupees)	(Rupees)		
11.	OTHER ASSETS				
	Income/ Markup accrued	2,395,761,571		1,472,204,257	
	Advances, deposits and prepayments	166,032,475		115,588,692	
	Advance taxation - net - note 11.1	3,116,794		-	
	Branch adjustment account	-		-	
	Suspense account	-		-	
	Deferred cost	-		-	
	Receivable from related parties - note 11.2	71,380,556		83,936,323	
	Inventory / printed stationery - note 11.3	10,715,459		34,158,508	
	Crop and livestock insurance claims - note 11.4	265,708,860		315,729,129	
	Others	216,400,759		173,005,111	
		3,129,116,474		2,194,622,020	
	Less: Provisions held against classified other assets	-		-	
	Other assets - net of provisions	3,129,116,474		2,194,622,020	
11.1	Advance taxation - net				
	Opening balance	(17,634,481)		-	
	Tax paid	437,707,456		-	
	Provision for taxation	(416,956,181)		-	
	Closing balance	3,116,794		-	
11.2	Receivable from related parties				
	PMCL	71,170,686		83,760,008	
	Business Communication System (Private) Limited	209,870		176,315	
		71,380,556		83,936,323	
11.3	This represent the inventory of cards held by the third party.				
11.4	This represents claims for the amount of insurance premiums lodged with SBP under crop loan insurance scheme and livestock insurance scheme for borrowers of the Bank.				
12.	DEFERRED TAX ASSET				
	Deferred tax asset arising on account of deductible temporary differences on:				
	- Provision against non-performing advances	134,822,428		79,919,777	
	- Provision for gratuity	760,818		524,583	
	- Lease Liability net of the right of use assets	9,470,252		-	
		145,053,498		80,444,360	
	Deferred tax liability arising on account of taxable temporary differences on:				
	- Operating fixed assets	(2,894,325)		(10,381,434)	
		142,159,173		70,062,926	
	- Surplus on revaluation of available for sale investments	(511,960)		(13,789,047)	
		141,647,212		56,273,879	
13.	DEPOSITS AND OTHER ACCOUNTS				
		2019	2019	2018	2018
	Note	(Number)	(Rupees)	(Number)	(Rupees)
	Time Liabilities:				
	- Term deposits	1,087	6,706,676,219	2,533	4,649,732,587
	Demand Liabilities:				
	- Savings deposits	40,597	3,876,553,959	41,527	3,249,863,366
	- Current deposits	316,511	1,420,782,576	261,327	1,229,266,255
	- Branchless deposits	19,262,840	17,220,863,679	16,293,843	12,962,623,724
		19,619,948	22,518,200,214	16,596,697	17,441,753,345
		19,621,035	29,224,876,433	16,599,230	22,091,485,932

	2019 (Number)	2019 (Rupees)	2018 (Number)	2018 (Rupees)
13.1 Particulars of deposits by ownership				
Individual depositors	19,532,570	19,594,801,205	16,516,578	13,867,310,791
Institutional depositors				
a) Corporations/ firms etc.	454	7,255,696,559	3,715	5,096,865,886
b) Banks & financial institutions	12	1,872,694,596	416	1,556,375,005
Retailers	87,335	347,140,269	77,858	1,364,112,101
Franchisees	639	148,561,066	642	201,714,161
Customer care centers	25	5,982,739	21	5,107,988
	19,621,035	29,224,876,433	16,599,230	22,091,485,932

13.2 Deposits include related parties balance amounting to Rs 615 million (2018: Rs 496 million) as disclosed in note 30.

	2019 (Rupees)	2018 (Rupees)
14. OTHER LIABILITIES		
Markup/ Interest payable	217,261,138	32,346,688
Unearned commission and income on bills discounted	-	-
Bills payable	153,742,750	117,876,040
Accrued expenses	232,389,573	169,913,631
Advance payments	-	-
Provision of taxation - net - note 14.1	-	17,634,481
Unclaimed dividends	-	-
Unpaid dividends	-	-
Proposed dividends	-	-
Payable to related parties - note 14.2	204,246,532	2,482,123
Branch adjustment account	-	-
Provision for gratuity - note 14.3	2,623,509	1,873,509
Payable to defined contribution plan	-	-
Provision against off-balance-sheet obligations	-	-
Security deposits against lease	-	-
Taxes and levies withheld	215,363,180	171,270,755
Payable to suppliers	156,963,719	422,479,204
Bills collected for settlement through NADRA	672,172,970	243,104,714
Uncollected remittances	937,931,841	446,028,681
Others - note 14.4	866,528,163	434,384,004
Lease liability on the right of use asset - note 14.5	431,736,954	-
	4,090,960,329	2,059,393,830
14.1 Provision of taxation - net		
Opening balance	-	39,136,780
Tax paid	-	(445,906,499)
Provision for taxation	-	424,404,200
Closing balance	-	17,634,481
14.2 Payable to related parties		
PMCL	201,764,409	-
Global Telecom Holding S.A.E	-	-
Oracap - GTH	2,482,123	2,482,123
	204,246,532	2,482,123
14.3 Provision for gratuity		
Opening balance	1,873,509	15,607,668
Charge for the year	750,000	3,595,820
Payment during the year	-	(17,329,979)
Closing balance	2,623,509	1,873,509
14.4		

14.4 This includes an amount of Rs. 574,372,704 (2018: 154,753,161) in respect of remittances received through Western Union.

		2019	2018
		(Rupees)	(Rupees)
14.5	Lease liability on right of use asset		
	Lease liability on the right of use asset - Initial Recognition under IFRS-16	329,689,757	-
	Additions during the period	176,056,647	-
	Deletion during the period	-	-
	Finance cost on Lease liability on the right of use assets	47,443,996	-
	Payment of Lease liability on the right of use assets	(121,453,446)	-
	Netbook value at the end	<u>431,736,954</u>	<u>-</u>
15.	SHARE CAPITAL		
	Authorized Capital		
		2019	2018
		Numbers	Numbers
		<u>300,000,000</u>	<u>300,000,000</u>
	Ordinary shares of Rs. 10 each.	<u>3,000,000,000</u>	<u>3,000,000,000</u>
	Issued, subscribed and paid-up capital		
	Ordinary shares		
		<u>271,359,683</u>	<u>271,359,683</u>
	Fully paid in cash of Rs. 10 each.	<u>2,713,596,830</u>	<u>2,713,596,830</u>
15.1	Global Telecom Holding S.A.E. (GTH) is the holding company controlling 271,359,678 i.e. 99.99% shares (2018: 99.99%) of the Bank.		
		2019	2018
		(Rupees)	(Rupees)
16.	SURPLUS ON REVALUATION OF ASSETS		
	Available for sale investments - net of tax	<u>1,253,421</u>	<u>41,367,143</u>
17.	MEMORANDUM / OFF-BALANCE SHEET ITEMS		
17.1	Contingencies		
	There are no known material contingencies at the year-end (2018: Nil).		
17.2	Commitments:		
	Operating fixed assets	39,640,000	16,905,056
	Bank Guarantee - note 17.3	100,000,000	100,000,000
	Standby Letter of Guarantee - note 17.4	15,484,760	13,886,190
		<u>155,124,760</u>	<u>130,791,246</u>
17.3	This represents Bank guarantees issued by the Bank to Pakistan Railway against the online payment processing services.		
17.4	This represents the letter of guarantee issued by the Bank to Visa International Service Association for interbank settlement.		
		2019	2018
		(Rupees)	(Rupees)
18.	MARK-UP/RETURN/INTEREST EARNED		
	Interest / Mark-up on;		
	- Advances	3,963,314,859	2,923,301,688
	- Government securities	489,242,681	269,959,582
	- On Deposit accounts/placements with other banks/financial institution	851,423,902	163,602,253
		<u>5,303,981,442</u>	<u>3,356,863,523</u>
19.	MARK-UP/RETURN/INTEREST EXPENSED		
	On deposits	<u>961,515,684</u>	<u>389,543,416</u>
19.1	Mark-up expense on deposits includes the amount of Rs 39 million (2018: Rs 12 million) in respect of deposit balances of related parties as disclosed in note 30.		

		2019 (Rupees)	2018 (Rupees)
20. FEE, COMMISSION AND BROKERAGE INCOME - NET			
(Loss) / income from branchless banking - note 20.1		(260,667,555)	151,932,689
Loan processing fee		307,299,582	265,144,504
Others		32,613,731	13,123,070
		79,245,758	430,200,263
20.1 (Loss) / income from branchless			
Branchless banking income - note 20.2		6,107,258,187	5,165,562,270
Commission to retailer/ franchisee		(4,680,354,706)	(3,638,991,322)
Commission to related party		(1,441,027,497)	(1,102,169,306)
NADRA charges related to branchless banking		(246,543,539)	(272,468,953)
		(260,667,555)	151,932,689
20.2	This represents the income from branchless banking operations (Jazz cash formerly Mobicash) 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.		
21. OTHER INCOME		2019 (Rupees)	2018 (Rupees)
Gain on disposal of fixed assets	Note	4,635,404	556,437
22. ADMINISTRATIVE EXPENSES			
Salaries, allowances etc.		1,231,137,163	1,022,775,336
Contribution to defined contribution plan		55,550,907	37,132,401
Provision for gratuity		750,000	3,595,820
Non-executive directors' fees, allowances and other expenses		410,000	600,000
Training/ Capacity building		11,833,119	7,108,784
Rent, taxes, insurance, electricity, etc.		212,075,608	248,401,158
Legal and professional charges		11,732,799	16,749,193
Communications		17,889,203	13,352,092
Repair and Maintenance - Vehicle		22,245,221	12,358,317
Rentals of operating leases		-	-
Finance cost of lease liability on the right of use assets		47,443,996	-
Stationary and printing		73,824,439	68,717,678
Advertisement and publicity		13,910,033	7,936,398
Donations		-	-
Auditors remuneration	22.1	5,725,000	2,850,000
Depreciation	10.2	253,457,345	135,448,467
Amortization	10.3	97,754,816	35,534,077
Operating fixed assets written off		1,041,729	3,747,153
Travel and transportation		34,489,610	22,377,576
Repair and maintenance - General		34,806,758	15,645,716
NADRA verification charges	22.3	37,594,263	5,337,299
Bank charges		152,980,591	110,809,876
IT equipment and software maintenance		292,456,835	137,599,046
Security		68,196,838	56,027,440
Janitorial services		43,932,838	35,094,570
Office supplies		12,050,357	8,984,177
Entertainment		5,349,844	15,507,720
G2P Project Cost		10,807,000	11,978,864
Others		17,750,835	22,617,084
		2,767,197,147	2,058,286,242

	2019 (Rupees)	2018 (Rupees)
22.1 Auditors' remuneration		
Audit fee	2,000,000	2,000,000
Fee for half-yearly review	700,000	-
Fee for special audits/certifications - note 22.2	2,725,000	700,000
Tax services	-	-
Out of pocket expenses	300,000	150,000
	5,725,000	2,850,000

22.2 This includes a fee for audits of financial statements of AJK operations for the years 2017 to 2019 and certifications required for submission to SBP.

22.3 This includes verification charges of National Database and Registration Authority (NADRA) for verisys and eCIB charges of SBP.

23. OTHER CHARGES

Penalties imposed by the State Bank of Pakistan - note 23.1	3,580,000	1,062,000
Loss on foreign currency transactions	2,644,639	1,489,449
Workers Welfare Fund - Sindh	1,866,007	2,078,113
	8,090,646	4,629,562

23.1 The charge for the year represents the penalties paid to the State Bank of Pakistan (SBP) in respect of certain instances of violations of the Anti Money Laundering / Combating The Financing of Terrorism regulations and related directives issued by SBP.

	2019 (Rupees)	2018 (Rupees)
24. TAXATION		
For the year		
- Current	416,956,181	391,914,275
- Deferred	(72,096,247)	(21,624,108)
For the prior years		
- Current	-	32,489,925
- Deferred	-	-
	344,859,934	402,780,092

24.1 Relationship between tax expense and accounting loss

Profit before taxation	1,265,692,638	1,220,801,342
Tax at the applicable tax rate of 29% percent (2018: 29% percent)	29%	29%
	367,050,865	354,032,389
Effect of:		
- Prior years	-	32,489,925
- Permanent differences	1,579,342	307,980
- Income charged at different tax rate	(22,342,850)	12,816,547
- Super tax	-	1,698,322
- Others	(1,427,423)	1,434,929
	344,859,934	402,780,092

25. NUMBER OF EMPLOYEES

	2019			2018		
	Credit / Sales Staff	Banking / Support	Total	Credit / Sales Staff	Banking / Support	Total
Permanent	823	573	1,396	479	633	1,112
Contractual/ temporary	-	30	30	-	53	53
	823	603	1,426	479	686	1,165

26 PROVIDENT FUND TRUST

The provident fund has been established collectively for the employees of Mobilink Microfinance Bank Limited, Pakistan Mobile Communication limited, LINKdotNET Telecom Limited, Business Communication Systems (Private) Limited, Veon Global Services (Private) Limited (formerly known as Vimpelcom Global services Pakistan (Private) Limited) and Warid Telecom (Pvt.) Limited. Details of employees Provident Fund are as follows:

	2019 (Rupees) Un-Audited	2018 (Rupees) Audited
Size of the Fund -Total Assets	1,761,921,000	1,600,765,699
Cost of investments made	1,719,187,000	1,478,120,616
Percentage of investments made	98%	92%
Fair value of investments	1,715,830,000	1,454,863,741

Breakup of Investments is as follows:

	(Rupees)	%	(Rupees)	%
Saving Accounts	99,667,000	6%	126,375,024	9%
Term Deposit Certificates	900,000,000	52%	236,813,037	16%
	999,667,000	58%	363,188,061	25%
Wapda Bonds	118,731,000	7%	176,057,762	12%
Term Finance Certificates (TFC)	105,370,000	6%	72,987,839	5%
Government Securities	202,411,000	12%	84,304,252	6%
Listed Unit Trust Schemes	139,705,000	8%	574,674,928	40%
Listed Securities	149,946,000	9%	183,650,899	13%
	1,715,830,000		1,454,863,741	

26.1 The figures for 2019 are based on the un-audited financial statements (2018: Audited financial statements) of the Provident Fund. All the investments out of provident fund trust have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for that purpose.

27. NUMBER OF BRANCHES/SERVICE CENTRES

	2019 (Number)	2018 (Number)
Beginning of the year	61	61
Opened during the year		
-Branches	13	-
-Closed / Merged during the year	-	-
At the end of the year	74	61

28. REMUNERATION OF DIRECTORS AND EXECUTIVES

	President/ Chief Executive		Directors		Executives	
	2019 (Rupees)	2018 (Rupees)	2019 (Rupees)	2018 (Rupees)	2019 (Rupees)	2018 (Rupees)
Fees	-	-	410,000	600,000	-	-
Managerial remuneration	17,695,554	16,347,918	-	-	215,308,761	163,802,182
Rent and house maintenance	270,000	292,500	-	-	38,632,930	27,262,343
Utilities	1,742,724	1,609,906	-	-	21,472,154	16,359,240
Relocation allowance	-	-	-	-	2,408,812	852,693
Conveyance allowance	-	-	-	-	2,573,220	1,427,886
Car allowance	-	-	-	-	17,858,623	17,136,999
Car maintenance	-	-	-	-	3,806,401	1,911,867
Contribution to defined contribution plan	1,742,724	1,609,906	-	-	20,786,131	15,528,679
Fuel allowance / reimbursements	-	-	-	-	8,099,382	3,558,855
Sales staff incentive	-	-	-	-	21,367,629	12,882,624
Meal Allowance	-	-	-	-	1,907,833	1,044,917
Transport Allowance	-	-	-	-	-	-
Training compensation	-	-	-	-	-	-
Bonus, Prizes and rewards	9,000,000	6,620,731	-	-	31,387,553	24,261,444
	30,451,002	26,480,961	410,000	600,000	385,609,429	286,029,729
Number of persons	1	1	2	2	153	90

a) Executive means any employee whose basic salary exceeds Rs. 500,000 (2018: Rs. 500,000) per year.

b) The President / Chief Executive Officer and certain other executives are provided with free use of the Bank's owned and maintained cars in accordance with their entitlement as per rules of the Bank.

29. EARNING PER SHARE (RUPEE)

	2019	2018
Profit after taxation - Rupees	920,832,704	818,021,250
Weighted average ordinary shares - Numbers	271,359,683	271,359,683
Earning per share - Rupees	3.39	3.01

BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The Bank is a subsidiary of Global Telecom Holding S.A.E. (GTH) which holds 99.99% share capital of the Bank. Therefore, all subsidiaries and associated undertakings of GTH are related parties of the Bank. Other related parties include directors, key management personnel which include CEO and Head of Departments (HOD's), entities under common directorship. Remuneration to directors and executives is disclosed in note 28 to these financial statements. Amounts due from and due to the related party companies are shown in note 11 and 14 to these financial statements. All transactions involving related parties are subject to the approval of the Board of Directors. Significant transactions with the related parties other than those referred to in the foregoing entered into during the year are as follows:

	2019 (Rupees)	2018 (Rupees)
Transactions during the year:		
Global Telecom Holding (GTH)		
Payment set off against CDC subscription	-	1,000,000
Pakistan Mobile Communications Limited (PMCL)		
Payments made for expenses incurred on behalf of PMCL by the Bank	1,096,459,237	102,534,431
Payments made for expenses incurred on behalf of the Bank by PMCL	2,127,510	20,059,742
Payments made against defined contribution plan being employee and employer contributions	80,440,026	58,451,556
Deposits made during the year	25,111,930,127	18,087,024,620
Withdrawals during the year	24,992,811,412	18,160,416,208
Mark-up / return / interest expensed to PMCL	38,753,567	12,291,261
Deposit Mobilization Commission Paid	790,614,155	323,547,212
Branch Less commission (Net of agents commission)	650,413,342	778,622,094
Employees' Provident Fund Trust		
Bank's contribution paid to the fund	55,550,907	37,132,401
Balances outstanding as at December 31, 2018		
Payable to GTH	2,482,123	2,482,123
(Payable) / Receivable from PMCL	(130,593,723)	83,670,008
Payable to Business Communication System (Private) Limited	209,870	176,315
Deposits accounts contain amounts relating to following related parties:		
Pakistan Mobile Communications Limited (PMCL)	614,764,579	495,645,889
31. CASH AND CASH EQUIVALENTS		
Cash and balances with SBP and NBP - note 6	2,187,973,424	2,134,916,179
Balances with other banks/NBFIs/MFBs - note 7	10,830,601,597	5,162,381,161
	<u>13,018,575,021</u>	<u>7,297,297,340</u>

32 FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of traded investments is based on quoted market prices, except for securities classified by the Bank as 'held to maturity'. Securities classified as held to maturity are carried at amortized cost. The fair value of unquoted equity investments is determined based on the break up value of these investments as per the latest available audited financial statements.

The fair value of fixed-term loans, other assets, other liabilities, fixed-term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments. The provision for impairment of loans and advances has been calculated in accordance with the Bank's accounting policy as stated in note 4.2 to these financial statements.

The fair value of remaining financial assets and liabilities except for 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 year.

The table below analyses the financial and non-financial assets carried at fair values, by valuation methods. The valuation of investments is carried out as per guidelines specified by the SBP.

	Level 1	Level 2	Level 3
-----Rupees-----			
December 31, 2019			
Financial assets measured at fair value			
Available for sale investments - Market treasury bills	-	5,250,344,293	-
Available for sale investments - Units of mutual funds	-	-	-
	-	5,250,344,293	-
December 31, 2018			
Financial assets measured at fair value			
Available for sale investments - Market treasury bills	-	2,599,246,556	-
Available for sale investments - Units of mutual funds	-	2,754,178,863	-
	-	5,353,425,419	-

Valuation techniques and inputs used in the determination of fair values

Item	Valuation techniques and inputs used
Market treasury bills	Fair value of investment in market treasury bills is determined based on the rates/ prices sourced from Reuters.
Units of mutual funds	Fair value of investment in units of mutual funds is determined based on Net Asset Value per unit as at close of the business day available at MUFAP.

33. MATURITIES OF ASSETS AND LIABILITIES

	December 31, 2019				
	Total (Rupees)	Up to one month (Rupees)	Over one month up to six month (Rupees)	Over six month up to one year (Rupees)	Over one year (Rupees)
Market rate assets					
Cash and Balances with SBP and NBP	2,187,973,424	2,187,973,424	-	-	-
Balances with other Banks/NBFIs/MFBs	10,830,601,597	10,830,601,597	-	-	-
Investments	5,252,109,674	5,252,109,674	-	-	-
Advances	15,072,876,354	698,869,550	5,664,168,664	7,440,169,984	1,269,668,156
Total market rate assets	33,343,561,049	18,969,554,245	5,664,168,664	7,440,169,984	1,269,668,156
Other non-earning assets					
Operating fixed assets	1,560,757,340	114,874,826	5,094,933	16,398,781	1,424,388,800
Other assets	3,129,116,474	31,142,558	2,633,174,599	207,336,736	257,462,581
Deferred tax asset	141,647,212	-	-	-	141,647,212
Total non-earning assets	4,831,521,026	146,017,384	2,638,269,532	223,735,517	1,823,498,593
Total assets	38,175,082,075	19,115,571,629	8,302,438,196	7,663,905,501	3,093,166,749
Cost/ non cost bearing liabilities					
Deposits and other accounts	29,224,876,433	23,377,080,104	2,455,902,188	2,778,047,527	613,846,614
Other non-cost bearing liabilities					
Other liabilities	4,090,960,329	2,796,808,436	619,222,997	233,875,607	441,053,289
Total Liabilities	33,315,836,762	26,173,888,540	3,075,125,185	3,011,923,134	1,054,899,903
Net assets	4,859,245,313	(7,058,316,911)	5,227,313,011	4,651,982,367	2,038,266,846
Represented by:					
Share Capital	2,713,596,830				
Statutory reserve	516,340,244				
Depositor's protection fund	147,614,175				
Unappropriated Profit	1,480,440,643				
Surplus on revaluation of assets	1,253,421				
	4,859,245,313				

34. MATURITIES OF ASSETS AND LIABILITIES

	December 31, 2018				
	Total (Rupees)	Up to one month (Rupees)	Over one month up to six month (Rupees)	Over six month up to one year (Rupees)	Over one year (Rupees)
Market rate assets					
Cash and Balance with SBP and NBP	2,134,916,179	-	-	-	-
Balances with other Banks/NBFIs/MFBs	5,162,381,361	4,162,381,361	1,000,000,000	-	-
Investments	5,408,581,609	5,408,581,609	-	-	-
Advances	12,428,377,027	742,317,715	3,912,389,602	6,475,689,437	1,297,980,273
Total market rate assets	25,134,256,176	12,448,196,864	4,912,389,602	6,475,689,437	1,297,980,273
Other non-earning assets					
Operating fixed assets	729,541,801	8,834,119	44,170,595	53,004,715	623,532,372
Other assets	2,194,622,020	196,109,157	1,352,590,690	538,776,537	107,145,636
Deferred tax asset	56,273,879	-	-	-	56,273,879
Total non-earning assets	2,980,437,700	204,943,276	1,396,761,285	591,781,252	786,951,887
Total assets	28,114,693,876	12,653,140,140	6,309,150,887	7,067,470,689	2,084,932,160
Cost/ non cost bearing liabilities					
Deposits and other accounts	22,091,485,932	17,497,602,345	3,348,317,500	663,885,287	581,680,800
Other non-cost bearing liabilities					
Other liabilities	2,059,393,830	1,592,663,138	466,730,692	-	-
Total Liabilities	24,150,879,762	19,090,265,483	3,815,048,192	663,885,287	581,680,800
Net assets	3,963,814,114	(6,437,125,343)	2,494,102,695	6,403,585,402	1,503,251,360
Represented by:					
Share Capital	2,713,596,830				
Statutory reserve	332,173,703				
Depositor's protection fund	86,860,323				
Unappropriated Profit	789,816,115				
Surplus on revaluation of assets	41,367,143				
	3,963,814,114				

35. CAPITAL MANAGEMENT

The Bank's objectives when managing its capital are:

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

Capital requirements applicable to the Bank are set out under Microfinance Institutions Ordinance, 2001. These requirements are put in place to ensure sufficient solvency margins. The Bank manages its capital requirement by assessing its capital structure against required capital level on a regular basis. The minimum paid-up capital requirement applicable to the Bank is Rs 1 billion whereas the paid-up capital of the Bank as at December 31, 2019 is Rs 2.71 billion (2018: Rs 2.71 billion).

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

DATE OF AUTHORIZATION FOR ISSUE

- 36.** These financial statements were authorized for issue by the Board of Directors of the Bank in their meeting held on 27-03-2020.

Mobilink Microfinance Bank Limited

Notes to the Financial Statements

For the Year Ended December 31, 2019

Details of property and equipment disposed off during the year as referred to in Note 10.2.2 of financial statements:

Particulars of Asset	Cost	Accumulated Depreciation	Book Value	Sales Proceed
----- Rupees -----				
Hp Probook 450 G2	75,400	75,400	-	-
HP ProBook 450 G2	73,950	73,950	-	-
Hp Probook 450 G2	75,400	75,400	-	-
Hp Probook 450 Laptop	109,000	109,000	-	-
Laptop Lenovo E550	72,000	72,000	-	16,500
Laptop Lenovo E550	72,000	72,000	-	-
Laptop Lenovo E550	72,000	72,000	-	-
Laptop Lenovo E550	72,000	72,000	-	-
HP Probook 450 (Ci5)	76,650	76,650	-	-
HP Probook 450 G2	75,400	75,400	-	-
Motor Cycle	69,500	69,500	-	32,538
Honda City PT	1,702,330	1,702,330	-	1,331,100
Suzuki Cultus FB-632	1,052,936	1,009,064	43,872	936,700
Hilux Revo	4,225,500	2,515,040	1,710,461	4,119,196
Hilux Revo Registration cost	187,348	117,093	70,256	-
Laptop Lenovo E550	72,000	72,000	-	6,000
Laptop Lenovo E550	70,000	70,000	-	8,750
Laptop Lenovo E560	70,000	68,056	1,944	23,333
HP Probook 450G3	91,500	81,333	10,167	36,219
HP Probook 450 G3	91,350	71,050	20,300	38,063
Generator 8.5KVA	82,957	26,961	55,996	-
	8,489,221	6,576,226	1,912,995	6,548,399

Gain/ (loss)	Mode of Disposal	Particulars of buyers
-		
-	As per Policy	Given to Employees
-	As per Policy	Given to Employees
-	As per Policy	Given to Employees
-	As per Policy	Given to Employees
16,500	As per Policy	Given to Employees
-	As per Policy	Given to Employees
-	As per Policy	Given to Employees
-	As per Policy	Given to Employees
-	As per Policy	Given to Employees
-	As per Policy	Given to Employees
32,538	Asset Auction	Mumtaz Khan
1,331,100	Asset Auction	Sajid Hussain
892,828	Asset Auction	Khalid Iqbal Malik
2,408,736	Asset Auction	Muhammad Sabeel Khan
(70,256)	Asset Auction	Muhammad Sabeel Khan
6,000	As per Policy	Given to Employees
8,750	As per Policy	Given to Employees
21,389	As per Policy	Given to Employees
26,052	As per Policy	Given to Employees
17,763	As per Policy	Given to Employees
(55,996)	Insurance Claim	Insurance Claim
4,635,404		

Regional Presence

Branch Network

74
BRANCHES

10
BUSINESS AREAS





Business Regions

	Islamabad	04
	Peshawar	04
	Gujranwala	03
	Lahore	01
	Sargodha	09
	Faisalabad	06
	Sahiwal	07
	Layyah	07
	Multan	07
	Rahim Yar Khan	08
	Sukkur	09
	Chishtian	06
	Hyderabad	02
	Karachi	01

S No.	City	Area	Province
1	Quetta	Hall # 2, Agha Chambers, Chuharmal Road of M.A. Jinnah Road, Quetta. Contact Number: +92-301-8511020	Balochistan
2	Chakdara	Samad Plaza. University Road, Hajiabad, Chakdara, Distt Lower Dir Contact Number: +92-301-8508747	khyber Pakhtunkhwa
3	Abbottabad	Ground floor, Shalimar Motors, Mansehra Road, Abbottabad Contact Number: 0992-384488	
4	Haripur	Shop # 7,8, Naeem Khan Market, GT Road, Opposite Total Pump Haripur Contact Number: 0995-627725	
5	Mardan	Naeem Khan Market, College Chowk, Mardan Contact Number: 0937-875122	
6	Peshawar	Tilla Mansion, Near Wapda Labour Colony, Krishan Pura, Main G.T. Road, Peshawar. Contact Number: 091-2612188	
7	Swabi	Shop #1, Fazal Dad Khan Market, Mardan Road, Near Meezan Bank, Swabi Contact Number: 0938-222325	
8	Moro	Memom Plaza, Shop # 1-4, Near Saim Bachat Bazar, Dadu Road, Moro. Contact Number: +92-301-85 94148	Sindh
9	Dherki	Property No. 446, Near EFU office, Main Road, Deharki Contact Number: 0723-644402	
10	Hala	Dargah Road, Opposite HBL, New Hala, District Matiari Contact Number: 0223-331124	
11	Hyderabad	Survey No 41/187/1 Jamia Masjid Road, Saddar Cantonment Hyderabad Contact Number: 022-2730821	
12	Karachi	40D, 24th Commercial Street, Phase II Ext., DHA, Karachi Contact Number: 021-35380039	
13	Larkana	Shaikh Muhallah, survey no. 72 old anaj Mandi, near Haji Dhani Bux oil mill, Bank Square Road Larkana. Contact Number: 0744-040134	
14	Pannu Akil	Plot # 435, Baiji Road, Pannu Aqil Contact Number: 071-5692437	
15	Qamber	Old bus Stand, Mian Mangan Main Road Qamber Contact Number: 074-4210441	
16	Rannipur	Shop no. 1 & 2, Behind Al-Shifa Medical Center, Near Askari Bank, Main National Highway, Ranipur. Contact Number: 0243-730372	
17	Hasilpur	Near Khushali Bank, opposite to Sabzi Mandi, Rasoolabad Colony, Bahawalpur Road, Hasilpur. Contact Number: 062-2441094	
18	Talagang	Main Mian Wali Road Near Dara Autos Talagang District Chakwal Contact Number: 054-3286654	
19	Shahdadkot	Sheikh Mansion, Near Peer Sajawal Shah, Shahdad Kot. Contact: 0744012177-78	
20	Naseerabad	Near UBL, Main Road, Naseerabad. Contact Number: 0563712470-71	
21	Pindi Bhatian	Ali Shopping Complex, Main Hafiz Abad Road, Pindi Bhatian Contact Number: 054-7531521	
22	Depalpur	Mughal Arcade, Shop # 1,2 & 3, Main Kasur Road, Near Bus Stand, Tehsil Depalpur District, Okara. Contact Number: 044-4540107	
23	Phalia	Arfat Plaza, Opposite PTCL Exchange, Main Gujrat & Sargodha Road, Phalia District Mandi Bahauddin. Contact Number: 054-6566037	
24	Samundri	Al-Iqbal Center, Main Faisalabad road, Mohallah Muhammad Pura, Near Go Petrol pump, Samundri. Contact Number: 041-3421871	
25	Shahkot	Nankana sahib road, opposite Govt elementary school#3, Shahkot Contact Number: 056-3712470-71	
26	Alipur	Shop No. 1.2.3 Rana Building Near Rashid Minhas School, Bahawal Cannal by Pass Road, Ali Pur Distt. Muzaffargarh. Contact Number: 066-2700402	
27	Jhandanwala	Al Karam Plaza Kalama Chowk, Sargodha Road, Nawan Jhandanwala Contact Number: 0453440777	
28	Ahmedpur	Shop No. 1,2 & 3, Dera Nawab Road, Opposite MCB Bank, Abasia Chowk, Ahmedpur east. Contact Number: 062227144	
29	Arif Wala	Main Muhammadi Road, Adjacent NRSP Bank. Contact Number: 045-7830510	
30	Baseer Pur	Shop No. 1 and 2, for the Government Degree College for the Upper, Women, Tehsil Deepapura, Haveli Road, Basirpur Okada. Contact Number: 0444 771010	
31	Bhakkar	Ward # 12/6, Jhang Road Near Nasir Hospital, Mandi Town Bhakkar Contact Number: 0453-514014	
32	Bhalwal	Khewat No 100, Khattoni No 103, Liaquat Shaheed road, Bhalwal District Sargodha. Contact Number: 048-6643406	
33	Burewala	Al Ramay industries, Near Khushhali bank limited, Multan road Burewala Contact Number: 067-3770828	
34	Chiniot	Shop#7&8, Main Faisalabad Road, Sagheer bTown, Chiniot, MobilinkBank Contact Number: 047-6330181	
35	Karor Lal Esan	Fateh Pur road opposite ZTBL, Karor Lal Esan. Contact Number: 0606-811555	

S No.	City	Area	Province
36	Chishtian	Plot #68-D, Gulistan Plaza Gurudwara Road, Main Bazar Chishtian Contact Number: 063-2500177	Punjab
37	Chota Sahiwal	Vinni House, Jhang sargodha Road Tehsil Chota Sahiwal District Sargodha Contact Number: 048-6786157	
38	Chowk Azam	Shop # 1,2 & 3, Opposite BOP, MM Fatehpur Road, Chowk Azam Contact Number: 0606-381141	
39	Chowk Sarwar Shaheed	Multan Road, Bloomqal Gala Mandi Gate # 2, near ZTL, Square Server Shaheed, Tehsil Kot Addu District Muzaffar. Contact Number: 0662-210621	
40	Darya Khan	Shop # 3, Hashmi Chowk opposite GPO, Main GT Road, Darya Khan, District Bhakkar. Contact Number: 0453-252314	
41	Dunyapur	Main Hall, Tariq Iron Plaza, Dokota Road, Dunyapur. Contact Number: 0608304342	
42	Phalia	Arfat Plaza, Opposite PTCL Exchange, Main Gujrat & Sargodha Road, Phalia District Mandi Bahauddin. Contact Number: 054-6566037	
43	Faisalabad	P-7 santpura main Allama iqbal road, opp GC University, Faisalabad Contact Number: 041-2620622	
44	Fort Abbas	Grain Market, along with Meezan bank, Fort Abbas. Contact Number: 041-2620622	
45	Gojra	Rana Chowk, Mohallah Abid Park, Opposite ZTBL Bank, Pensra Road, Gojra Contact Number: 046-3511461	
46	Haroon Abad	Jamia masjid road, Near UBL bank, Haroon Abad. Contact Number: 063-2250042	
47	Jalalpur Pirwala	Opposite Allied Bank Permat Road Jalalpur Pirwala. Contact Number: 0614420197	
48	Jhang	Building No. 93, Near Girls College Chowk, Gojra Road, Jhang Saddar Contact Number: 047-7650148	
49	Kehror Pecca	Shop # 1 & 2, Dunyapur Road, Kehror Pakka, District Lodhran Contact Number: 0608340223	
50	Khanpur	Shop # 1,2 & 3, Bypass Road, Opposite Attock Patrol Pump, (Daewoo Terminal) Khan Pur. Contact Number: 0685955072	
51	Khushab	Shop No. 198, Block No. 14, Main Bazar, Jouharabad, Khushab Contact Number: 0454-721491	
52	Kot Addu	Shop No. 476 Ward No.11, Main GT Road Kot Adu Distt Muzaffar Garh Contact Number: 066-2243951	
53	Lahore	37-A, XX, Commercial Area Phase3 Khayaban-e-Iqbal, DHA Lahore Contact Number: 042-37186466	Punjab
54	Layyah	Al-Karim Market, Near Geelani Manzil, Chowk Azam Road, Layyah. Contact Number: 0606-410141	
55	Liaquatpur	Plot #7, Challa Mandi Road Branch, Liaquatpur. Contact Number: 0685-693442	
56	Lodhran	Malik Arcade, Main Hall, Ops Shell Petrol Pump, Jalapur Morr, Multan Road Lodhran. Contact Number: 060 8361105	
57	Mandi Bahauddin	Al Kausar Plaza, Punjab Center, Near Cheema Chowk, Mandi Bahauddin Contact Number: 054-6515287	
58	Mankera	Shop no. 4 Bhatti market, Opposite UBL-Jhang road, Mankera Contact Number: 045-3410101	
59	Mian Channu	Batalvi Plaza, Near Ghallani Plaza, Shaheed Road, Mian Channu Contact Number: 065-2660287	
60	Minchanabad	Plot # 150, circular Road Minchanabad, District Bahawalnagar Contact Number: 063-2750244	
61	Multan	3626 AB, Azmat Wasti Road, Chowk Sadu Hassam, Multan. Contact #: 061-4588868	
62	Muzaffargarh	Purani Chungi # 2, Jhang Road Tehsil & District Muzaffargarh Contact Number: 0662-422472	
63	Narowal	Circular Road, Near Civil Hospital Jassar Bypass Opposite Old Nadra Office, Narowal. Contact Number: 054-2410024	
64	Pakpattan	Opposite Govt. Fazilka Islamia Model High school. Contact Number: 0457-372172	
65	Pasrur	Sialkot Road, Near Narowal By Pass, Pasrur Contact Number: 0302-8544119,052-6442724, 6442725	
66	Rahimyarkhan	Bin Hakim Plaza Shahi Road, Opposite Police Station City A Division, Behind Zam Zam Plaza, Rahim Yar Khan. Contact Number: 0685-878072	
67	Sadiqabad	Nashtar Chowk, KLP Road, near Fanoos Cinema, Sadiqabad. Contact: 068-5705333	Punjab
68	Sahiwal	Office No 03, Ground Floor, Opposite DPO Office, Saeed Center, Farid Town Road, Sahiwal. Contact Number: 040-422219	
69	Sargodha	Zahoor Plaza Nori Gate Hussain Chowk, Sargodha. Contact Number: 0243-730372	
70	Shorkot	Ghani Building, Jhang Road, Near Bus Stand, Shorkot, District Jhang Contact Number: 047-5310178	
71	Shujaabad	Shop # 1, Opposite Munawara Masjid, Jalalpur Road, Shujahabad, District Multan. Contact Number: 061-4397699	
72	Sialkot	M.A. Heights, Defence Road, Sublime Chowk Opposite WAPDA OFFICE Sialkot Contact Number: 052-3258877	
73	Toba Tek Sing	Shop # 240-241, Mall Godown Road, Grain Market, Toba Tek Singh,Contact: 046-2510721	
74	Islamabad	3-A / 2 Kaghan Road, F-8 Center. Islamabad. Contact Number: 051-2817070-77	



Mobilink
Microfinance Bank^{Ltd.}

Head Office

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