

**MOBILINK MICROFINANCE BANK LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2025**

		<b>March 31, 2025</b> <b>(Un-audited)</b>	<b>December 31,</b> <b>2024</b> <b>(Audited)</b>
<b>ASSETS</b>			
	<b>Note</b>	<b>-----Rupees-----</b>	
Cash and balances with treasury banks	7	22,167,621,469	11,533,419,056
Balances with other MFBs / Banks / NBFIs	8	19,332,770,789	11,223,432,244
Lending to financial institutions	9	26,177,168,381	11,748,833,286
Investments	10	70,042,431,022	61,349,743,593
Advances	11	74,767,069,159	74,932,160,102
Property and equipment	12	1,695,577,094	1,741,771,117
Right-of-use assets	13	1,955,083,985	2,084,596,901
Intangible assets	14	1,097,248,221	1,100,726,535
Deferred tax asset	15	5,321,562,273	4,696,079,850
Other assets	16	7,437,496,367	4,974,387,569
<b>Total assets</b>		<b>229,994,028,759</b>	<b>185,385,150,253</b>
<b>LIABILITIES</b>			
Bills Payable	17	527,066,391	618,273,788
Borrowings	18	3,286,468,237	765,929,898
Deposits and other accounts	19	190,444,533,630	154,950,569,495
Lease Liabilities	20	2,181,204,298	2,173,598,296
Subordinated debt	21	2,094,120,549	2,016,547,946
Deferred grants	22	60,183,566	63,433,566
Other liabilities	23	21,760,987,793	15,381,506,846
<b>Total liabilities</b>		<b>220,354,564,464</b>	<b>175,969,859,835</b>
<b>NET ASSETS</b>		<b>9,639,464,295</b>	<b>9,415,290,418</b>
<b>REPRESENTED BY:</b>			
Share capital	24	2,713,596,830	2,713,596,830
Advance Against Issue of Shares	25	4,175,250,000	4,175,250,000
Statutory reserve		1,218,498,924	1,166,278,556
Depositors' protection fund		536,321,739	506,446,596
Surplus / (Deficit) On Fair Value Of Assets	26	(13,247,370)	40,500,645
Unappropriated profit		1,009,044,172	813,217,791
		<b>9,639,464,295</b>	<b>9,415,290,418</b>
		<b>9,639,464,295</b>	<b>9,415,290,418</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	<b>27</b>		

The annexed notes 1 to 41 form an integral part of these financial statements.

**MOBILINK MICROFINANCE BANK LIMITED**  
**CONDENSED INTERIM PROFIT & LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025**

		<b>Period Ended March 31,</b>	
		<b>2025</b>	<b>2024</b>
		<b>-----Rupees-----</b>	
	<b>Note</b>		
Mark-up / Return / Interest earned	<b>28</b>	<b>14,450,992,615</b>	12,358,576,461
Mark-up / Return / Interest expensed	<b>29</b>	<b>(2,470,104,980)</b>	(3,348,510,675)
Net markup / interest income		<b>11,980,887,635</b>	9,010,065,786
<b>NON MARK-UP / INTEREST INCOME</b>			
Fee and commission income	<b>30</b>	<b>4,769,919,883</b>	3,220,957,389
Foreign exchange income / (Loss)		<b>(2,338,709)</b>	4,195,165
Other income	<b>31</b>	<b>35,307,853</b>	164,811
Total non-markup / interest income		<b>4,802,889,027</b>	3,225,317,365
Total income		<b>16,783,776,662</b>	12,235,383,151
<b>NON MARK-UP / INTEREST EXPENSES</b>			
Operating expenses	<b>32</b>	<b>(10,934,066,143)</b>	(9,469,351,994)
Workers welfare fund		<b>(8,108,650)</b>	(16,193,628)
Other charges	<b>33</b>	<b>(20,000)</b>	(177,638)
Total non-markup / interest expenses		<b>(10,942,194,793)</b>	(9,485,723,260)
<b>Profit Before Credit Loss Allowance</b>		<b>5,841,581,869</b>	2,749,659,891
Credit loss allowance and write offs - net	<b>34</b>	<b>(5,436,149,376)</b>	(1,938,817,384)
<b>(LOSS) / PROFIT BEFORE TAXATION</b>		<b>405,432,493</b>	810,842,507
<b>TAXATION</b>	<b>35</b>	<b>(144,330,652)</b>	(309,249,663)
<b>(LOSS) / PROFIT AFTER TAXATION</b>		<b>261,101,841</b>	501,592,844
<b>Basic (loss) / earnings per share</b>	<b>36</b>	<b>0.96</b>	1.85
<b>Diluted (loss) / earnings per share</b>	<b>37</b>	<b>0.63</b>	1.85

The annexed notes 1 to 41 form an integral part of these financial statements.

**MOBILINK MICROFINANCE BANK LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025**

		<b>Period Ended March 31,</b>	
		<b>2025</b>	<b>2024</b>
	<b>Note</b>	<b>-----Rupees-----</b>	
<b>(Loss) / Profit after taxation for the year</b>		<b>261,101,841</b>	<b>501,592,844</b>
<b>Other comprehensive income</b>			
<b>Items that may be reclassified to profit and loss account in subsequent periods:</b>			
Movement in surplus / (deficit) on revaluation of investments	<b>26</b>	<b>(88,111,500)</b>	<b>(53,467,826)</b>
Related tax impact		<b>34,363,485</b>	<b>20,852,452</b>
Movement in surplus / (deficit) on revaluation of investments - net of tax		<b>(53,748,015)</b>	<b>(32,615,374)</b>
<b>Total comprehensive (Loss)/Income</b>		<b>207,353,826</b>	<b>468,977,470</b>

The annexed notes 1 to 41 form an integral part of these financial statements.

**MOBILINK MICROFINANCE BANK LIMITED**  
**SONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025**

	Share capital	Advance Against Issue of Shares	Capital reserves		Revenue reserve		Total
			Statutory reserve	Depositors Protection Fund	Unappropriated Profit	Surplus/(Deficit) on revaluation of Investments	
<b>Balance at January 01, 2024</b>	2,713,596,830	-	1,166,278,556	431,879,951	2,674,762,084	(3,106,242)	6,983,411,179
Profit for the Quarter ended March 31, 2024	-	-	-	-	501,592,844	-	501,592,844
Other comprehensive income - net of tax	-	-	-	-	-	(32,615,374)	(32,615,374)
Total comprehensive income for the year	-	-	-	-	501,592,844	(32,615,374)	(468,977,470)
Transfers to statutory reserves	-	-	100,318,569	-	(100,318,569)	-	-
<b>Transfer to Depositors protection fund</b>							
- 5% of the profit after tax for the year	-	-	-	25,079,642	(25,079,642)	-	-
- return on investments	-	-	-	16,949,423	-	-	16,949,423
	-	-	-	42,029,065	(25,079,642)	-	16,949,423
<b>Transactions with owners, recorded directly in equity</b>							
Advance against issue of shares	-	-	-	-	-	-	-
<b>Closing Balance as at March 31, 2024</b>	2,713,596,830	-	1,266,597,125	473,909,016	3,050,956,717	(35,721,616)	7,469,338,072
<b>Opening Balance as at April 01, 2024</b>	2,713,596,830	-	1,266,597,125	473,909,016	3,050,956,717	-	7,469,338,072
Loss for the period	-	-	-	-	(2,334,290,647)	-	2,334,290,647
Other comprehensive income - net of tax	-	-	-	-	28,846,490	76,222,261	47,375,771
Total comprehensive income for the year	-	-	-	-	(2,363,137,137)	76,222,261	(2,286,914,876)
Transfers to statutory reserves	-	-	(100,318,569)	-	100,318,569	-	-
<b>Transfer to Depositors protection fund</b>							
- 5% of the profit after tax for the year (reversal of 3-months period)	-	-	-	(25,079,642)	25,079,642	-	-
- return on investments	-	-	-	57,617,222	-	-	57,617,222
	-	-	-	32,537,580	25,079,642	-	57,617,222
<b>Transactions with owners, recorded directly in equity</b>							
Advance against issue of shares	-	4,175,250,000	-	-	-	-	4,175,250,000
<b>Balance at December 31, 2024</b>	2,713,596,830	4,175,250,000	1,166,278,556	506,446,596	813,217,791	40,500,645	9,415,290,418
<b>Opening Balance as at January 01, 2025</b>	2,713,596,830	4,175,250,000	1,166,278,556	506,446,596	813,217,791	40,500,645	9,415,290,418
Profit for the period	-	-	-	-	261,101,841	-	261,101,841
Other comprehensive income - net of tax	-	-	-	-	-	(53,748,015)	(53,748,015)
Total comprehensive income for the year	-	-	-	-	261,101,841	(53,748,015)	207,353,826
Transfers to statutory reserves	-	-	52,220,368	-	(52,220,368)	-	-
<b>Transfer to Depositors protection fund</b>							
- 5% of the profit after tax for the year	-	-	-	13,055,092	13,055,092	-	-
- return on investments	-	-	-	16,820,051	-	-	16,820,051
	-	-	-	29,875,143	13,055,092	-	16,820,051
<b>Transactions with owners, recorded directly in equity</b>							
Advance against issue of shares	-	-	-	-	-	-	-
<b>Balance as at March 31, 2025</b>	2,713,596,830	4,175,250,000	1,218,498,924	536,321,739	1,009,044,172	(13,247,370)	9,639,464,295

The annexed notes 1 to 41 form an integral part of these financial statements.

**MOBILINK MICROFINANCE BANK LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025**

		Period Ended March 31,	
		2025	2024
	Note	-----Rupees-----	
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>			
(Loss) / Profit Before Taxation		405,432,493	810,842,507
<b>Adjustment for non cash items and other items:</b>			
Depreciation on property and equipment	12.2	109,140,077	84,046,387
Depreciation on right-of-use assets	13	115,850,678	47,963,113
Amortization on intangible assets	14.2	64,745,668	29,535,185
Credit loss allowance and write offs - net	34	5,436,149,376	1,938,817,384
Provision for gratuity		33,710,071	22,249,881
(Gain)/Loss on disposal of operating fixed assets	31	11,911,383	(164,811)
Finance charges on subordinated debt	21	77,572,603	116,857,925
Finance charge on borrowings	29	62,858,313	-
Finance charges on lease liability	20	84,877,133	32,379,692
		5,996,815,302	2,271,684,756
		6,402,247,795	3,082,527,263
<b>(Increase) / Decrease in Operating Assets:</b>			
Advances		(5,271,058,433)	(3,712,462,135)
Others assets (excluding advance taxation)		(2,687,342,979)	(2,423,962,556)
		(7,958,401,412)	(6,136,424,692)
<b>Increase / (Decrease) in Operating Liabilities:</b>			
Bills payable		(91,207,397)	110,124,543
Gratuity Payable		(3,210,545)	-
Deposits and other accounts		35,493,964,135	13,969,992,293
Other liabilities (excluding current taxation)		6,345,731,421	3,896,409,059
		41,745,277,614	17,976,525,895
<b>Cash generated from operations</b>		40,189,123,997	14,922,628,466
<b>Payments against off-balance sheet obligations</b>			
Finance cost paid on short term borrowings		(6,093,254)	-
Income tax paid		(511,215,409)	(197,670,096)
		(517,308,663)	(197,670,096)
<b>Net cash flow from operating activities</b>		39,671,815,334	14,724,958,370
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net (Investment in) / Proceeds from amortised cost securities		(156,855,513)	3,160,345,846
Net Proceeds / (Investment in) from FVOCI securities		(35,472,000)	(4,697,304,400)
Net (Investment in) / Proceeds from TDRs		(117,612,500)	(25,000,000)
Investment in Property and equipment		(78,841,470)	(29,593,915)
Investment in Intangible		(61,267,354)	-
Proceeds from sale of Property and equipment		3,984,037	223,225
<b>Net cash used in investing activities</b>		(446,064,800)	(1,591,329,244)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of lease liability	20	(63,608,896)	(61,620,645)
Receipts / (Payment) against borrowings		2,463,773,280	(244,798,121)
<b>Net cash flow from / (used in) financing activities</b>		2,400,164,384	(306,418,766)
<b>Net increase in cash and cash equivalents</b>		53,374,748,204	12,827,210,360
<b>Cash and cash equivalents at beginning of the year</b>		72,286,356,932	44,704,022,227
<b>Cash and cash equivalents at end of the year</b>		125,661,105,136	57,531,232,587

The annexed notes 1 to 41 form an integral part of these financial statements.

**MOBILINK MICROFINANCE BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025**

**1 STATUS AND NATURE OF BUSINESS**

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

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

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

The Pakistan Credit Rating Agency Limited (PACRA) assigned the long-term rating of the Bank at "A" and short term rating at "A1" on April 30, 2024.

**2 BASIS OF PREPARATION**

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

**2.1 STATEMENT OF COMPLIANCE**

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Microfinance Institutions Ordinance, 2001 and the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) (including Prudential Regulations of Microfinance Banks) and the Securities and Exchange Commission of Pakistan (SECP).

Wherever the provisions of and directives issued under the Microfinance Institution Ordinance, 2001, the Companies Act, 2017, the Prudential Regulations of Microfinance Banks and the directives issued by the SBP and SECP differ with the requirements of IFRS, the provisions of and directives issued under the Microfinance Institution Ordinance, 2001, the Companies Act, 2017, the Prudential Regulations of Microfinance Banks and the directives issued by the SBP and SECP shall prevail.

- 2.2** The SBP has deferred the applicability of International Accounting Standard (IAS) 39 - 'Financial Instruments: Recognition and Measurement' and IAS 40 - 'Investment Property' for Banking Companies in Pakistan through BSD Circular Letter 10 dated August 26, 2002 till further instructions. Further, the SECP has deferred the applicability of IAS 40 - 'Investment Property' and IFRS 7 - 'Financial Instruments: Disclosures' through its notification S.R.O 633(I)/2014 dated July 10, 2014. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

- 2.3** In accordance with the implementation of IFRS 9 as per BPRD Circular Letter No. 16 of 2024, the Bank has adopted the Effective Interest Rate (EIR) method for recognizing interest income on financial assets starting from October 1, 2024. This method, which is in line with the requirements of IFRS 9, ensures that interest income is recognized in a manner that reflects the true economic return on financial assets over their respective terms. The Bank has updated its accounting policies and systems to align with this approach, ensuring that the recognition of interest income on financial assets is consistent with the EIR method.
- 2.4** These condensed interim financial statements do not include all the information and disclosures required for the annual financial statements, and should be read in conjunction with the annual financial statements of the Bank as at December 31, 2024, which have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for financial reporting. The accounting and reporting standards as applicable in Pakistan for financial reporting comprise of: 'International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017; Provisions of and directives issued under the Microfinance Institutions Ordinance, 2001 and the Companies Act, 2017; and Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Microfinance Institution Ordinance, 2001, the Companies Act, 2017, or the directives issued by the SBP and SECP differ with the requirements of IFRS, the requirements of the Microfinance Institution Ordinance, 2001, the Companies Act, 2017 and the said directives shall prevail.

### **3 BASIS OF MEASUREMENT AND PRESENTATION**

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

- Investments measured at fair value through profit and loss and fair value through other comprehensive income.
- Right of use asset and lease liability initially measured at their present values.

#### **3.1 FUNCTIONAL AND PRESENTATION CURRENCY**

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

### **4 SIGNIFICANT ACCOUNTING POLICIES**

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

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

The following amendments have become effective. These amendments are either not relevant to the Company's / Bank's operations or are not expected to have significant impact on the Company's / Bank's financial statements other than certain additional disclosures.

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

#### **4.2 Standards, interpretations of and amendments to accounting and reporting standards that are not yet effective**

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

	<b>Effective from Accounting period beginning on or after</b>
IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2026
Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial	

instruments disclosures' - Classification and measurement of financial instruments

January 01, 2026

Annual Improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7

January 01, 2026

Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Contracts Referencing Nature-dependent Electricity

January 01, 2026

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

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

## **5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

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

## **6 FINANCIAL RISK MANAGEMENT**

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



		March 31, 2025	December 31, 2024
		(Un-audited)	(Audited)
Note		----- Rupees -----	-----
<b>7 CASH AND BALANCES WITH TREASURY BANKS</b>			
Cash in hand - Local currency		3,346,984,379	2,668,178,233
<b>With State Bank of Pakistan in</b>			
- Local currency current account	7.1	18,797,666,059	8,849,779,859
<b>With National Bank of Pakistan in</b>			
- Local currency current account		22,971,031	15,460,964
Less: Credit loss allowance		-	-
		<u>22,167,621,469</u>	<u>11,533,419,056</u>

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

		March 31, 2025	December 31, 2024
		(Un-audited)	(Audited)
Note		----- Rupees -----	-----
<b>8</b>			
<b>BALANCES WITH OTHER MFBS / BANKS / NBFIS</b>			
<i>In Pakistan</i>			
- In current accounts - Local currency		20,386,176	514,425,705
- In deposit account - Local currency	8.1	18,970,307,198	10,284,354,184
- In Term deposit account - Local currency	8.2	177,562,500	173,850,000
		19,168,255,874	10,972,629,889
Accrued Markup		164,514,915	250,802,355
Less: Credit loss allowance		-	-
		<u>19,332,770,789</u>	<u>11,223,432,244</u>

**8.1** These carry markup ranging from 9.00% to 11.40% ( 2024: 13.50% to 16.00%).

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

		March 31, 2025	December 31, 2024
		(Un-audited)	(Audited)
Note		----- Rupees -----	-----
<b>9 LENDING TO FINANCIAL INSTITUTIONS</b>			
Repurchase agreement lending's (Reverse repo)	9.1	26,177,168,381	11,748,833,286
Less: Credit loss allowance		-	-
Lendings to Financial Institutions - net of credit loss allowance		<u>26,177,168,381</u>	<u>11,748,833,286</u>

**9.1 Lending to Financial Institutions - Particulars of credit loss allowance**

	March 31,2025	December 31,2024
	(Un-audited)	(Audited)
	Lending	Credit loss allowance
	----- Rupees -----	----- Rupees -----
<b>Stage 1</b>	<u>26,177,168,381</u>	<u>11,748,833,286</u>
	-	-

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

The reverse repo represents the following:

- Askari Bank Limited at the rate of 11.30% amounting to Rs. 1.995 billion (face value of collateral 2.00 billion) with maturity date of April 11, 2025.
- Habib Bank Limited at the rate of 12.00% amounting to Rs. 1.938 billion (face value of collateral Rs. 2.00 billion) with maturity date of April 11, 2025.
- National Bank of Pakistan at the rate of 11.25% amounting to Rs. 2.926 billion (face value of collateral Rs.3.00 billion) with maturity date of April 18, 2025.
- United Bank Limited at the rate of 12.00% amounting to Rs. 2.974 billion (face value of collateral Rs. 3.00 billion) with maturity date of April 04, 2025.
- The Bank of Punjab at the rate of 11.25% amounting to Rs. 2.656 billion (face value of collateral Rs. 2.90 billion) with maturity date of April 11, 2025.
- JS Bank Limited at the rate of 11.60% amounting to Rs. 2.439 billion (face value of collateral Rs. 2.50 billion) with maturity date of April 11, 2025.
- MCB Bank Limited at the rate of 11.50% amounting to Rs. 0.997 billion (face value of collateral Rs. 1.00 billion) with maturity date of April 18, 2025.
- Khushhali Microfinance Bank Limited at the rate of 11.90% amounting to Rs. 1.245 billion (face value of collateral Rs. 1.250 billion) with maturity date of April 11, 2025.
- Saudi Pak Agriculture and Industrial Company Limited at the rate of 11.75% amounting to Rs. 2.668 billion (face value of collateral Rs. 2.7 billion) with maturity date of April 18, 2025.
- HBL Microfinance Bank Limited at the rate of 11.80% amounting to Rs. 0.950 billion (face value of collateral Rs. 1.00 billion) with maturity date of April 11, 2025.
- ZTBL at the rate of 11.40% amounting to Rs. 2.660 billion (face value of collateral Rs. 2.80 billion) with maturity date of April 11, 2025.
- Pak Oman Investment Company Limited at the rate of 11.55% amounting to Rs. 1.50 billion (face value of collateral Rs. 1.50 billion) with maturity date of April 25, 2025.
- Pak Oman Investment Company Limited at the rate of 11.55% amounting to Rs. 1.124 billion (face value of collateral Rs. 1.2 billion) with maturity date of April 25, 2025.

### 9.3 Reverse repo agreements

	March 31, 2025			December 31, 2024		
	Held by Bank	Further given as collateral	Total	Held by Bank	Further given as collateral	Total
	(Un-audited)			(Audited)		
	----- Rupees -----			----- Rupees -----		
Market Treasury Bills / Pakistan Investment Bonds	26,850,000,000	-	26,850,000,000	12,000,000,000	-	12,000,000,000

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

## 10 INVESTMENTS

Investments by type:

Classified as Fair Value Through Other Comprehensive Income

Note

Federal Government Securities

Market Treasury Bills	10.1	61,832,859,502	-	(21,717,000)	61,811,142,502	53,304,326,502	-	66,394,500	53,370,721,002
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Classified as Amortized cost

Market Treasury Bills	10.2	499,609,497	-	-	499,609,497	421,019,132	-	-	421,019,132
Pakistan Investment Bonds	10.3	7,731,679,023	-	-	7,731,679,023	7,558,003,459	-	-	7,558,003,459
<b>Total Investments</b>		<b>70,064,148,022</b>	<b>-</b>	<b>(21,717,000)</b>	<b>70,042,431,022</b>	<b>61,283,349,093</b>	<b>-</b>	<b>66,394,500</b>	<b>61,349,743,593</b>

- 10.1** These represent securities with maturity period of three to twelve months. Investment made during the period carry markup at the rates ranging between **11.50% to 19.25%** ( 2024: 11.65% to 19.25% ) per annum.
- 10.2** These represent securities held for Depositor Protection Fund which have a maturity period of up to six months. These carry markup at the rates ranging between **11.60% to 11.63%** ( 2024: 17.20% to 17.35%) per annum.
- 10.3** Securities amounting to Rs 6.06 billion and Rs 1.49 billion having maturity on 06-May-2026 and 04-July-2026 respectively. Investment made during the period carry markup at the rates ranging between **12.00% to 13.34%** ( 2024: 12.00% to 13.34% ) per annum.
- 10.4** Expected credit loss on government securities have not been estimated due to exemption available under IFRS 09 implementation instructions issued by SBP through circular no. 3 of 2022 dated July 05, 2022.

# 11 ADVANCES

## Loan Type

Micro credit

-Secured against gold

-Unsecured

Income markup/ accrued

**Advances - Gross**

Credit loss allowance against advances

- Stage 1

- Stage 2

- Stage 3

**Advances - net of credit loss allowance**

### 11.1

**Advances - Particlurs of credit loss allowance**

#### 11.1.1 Advances - Exposure

Gross carrying amount

New Advances

Advances derecognized or repaid

Transfer to stage 1

Transfer to stage 2

Transfer to stage 3

Change in exposure

Total movement in advances - exposure

Amounts written-off

Closing balance

#### 11.1.2 Advances - Credit loss allowance

Credit loss allowance opening balance

New Advances

Advances derecognized or repaid

Transfer to stage 1

Transfer to stage 2

Transfer to stage 3

Change in exposure

Total provision charged for the period / year

Amounts written off

Credit loss allowance closing balance

Performing			
Stage 1		Stage 2	
March 31, 2025 (Audited)	December 31, 2024 (Un-audited)	March 31, 2025 (Audited)	December 31, 2024 (Un-audited)
Rupees			
33,011,425,660	30,495,449,308	5,695,413	10,878,084
26,668,577,081	30,075,567,302	4,300,434,866	4,225,208,260
11,356,990,929	11,659,983,877	1,501,001,319	708,603,083
<b>71,036,993,671</b>	<b>72,231,000,487</b>	<b>5,807,131,598</b>	<b>4,944,689,427</b>
3,669,623,469	3,309,408,948	-	-
-	-	2,099,975,037	2,333,313,121
-	-	-	-
<b>3,669,623,469</b>	<b>3,309,408,948</b>	<b>2,099,975,037</b>	<b>2,333,313,121</b>
<b>67,367,370,202</b>	<b>68,921,591,539</b>	<b>3,707,156,561</b>	<b>2,611,376,306</b>

Non-Performing		Total	
Stage 3			
March 31, 2025 (Audited)	December 31, 2024 (Un-audited)	March 31, 2025 (Audited)	December 31, 2024 (Un-audited)
Rupees			
143,995,906	164,329,999	33,161,116,980	30,670,657,391
10,983,890,310	9,501,235,805	41,952,902,257	43,802,011,367
-	-	12,857,992,247	12,368,586,960
<b>11,127,886,216</b>	<b>9,665,565,804</b>	<b>87,972,011,484</b>	<b>86,841,255,718</b>
-	-	3,669,623,469	3,309,408,948
-	-	2,099,975,037	2,333,313,121
<b>7,435,343,819</b>	<b>6,266,373,547</b>	<b>7,435,343,819</b>	<b>6,266,373,547</b>
<b>7,435,343,819</b>	<b>6,266,373,547</b>	<b>13,204,942,325</b>	<b>11,909,095,616</b>
<b>3,692,542,397</b>	<b>3,399,192,257</b>	<b>74,767,069,159</b>	<b>74,932,160,102</b>

March 31, 2025 (Un-audited)			
Rupees			
Stage 1	Stage 2	Stage 3	Total
72,231,000,487	4,944,689,427	9,665,565,804	86,841,255,718
25,654,370,313	1,769,602,639	173,768,546	27,597,741,498
(21,749,540,403)	(583,637,358)	(680,538,517)	(23,013,716,278)
113,963,950	(113,963,950)	-	-
(2,049,770,988)	2,124,097,470	(74,326,483)	-
(14,691,849,530)	(887,865,699)	15,579,715,228	-
(12,722,826,657)	2,308,233,103	14,998,618,774	4,584,025,220
11,533,120,261	452,403,079	(11,298,558,900)	686,964,440
(1,189,706,396)	2,760,636,182	3,700,059,874	5,270,989,660
(4,300,420)	(1,898,194,011)	(2,237,739,462)	(4,140,233,893)
<b>71,036,993,671</b>	<b>5,807,131,598</b>	<b>11,127,886,216</b>	<b>87,972,011,485</b>

March 31, 2025 (Un-audited)			
Rupees			
Stage 1	Stage 2	Stage 3	Total
3,309,408,948	2,333,313,121	6,266,373,547	11,909,095,616
1,462,527,670	701,824,407	101,411,323	2,265,763,400
(1,775,203,307)	(979,775,920)	(2,369,021,295)	(5,124,000,522)
35,779,145	(35,779,145)	-	-
(295,041,516)	339,114,268	(44,072,752)	-
(2,101,417,436)	(314,895,103)	2,416,312,540	-
(2,673,355,444)	(289,511,494)	104,629,816	(2,858,237,122)
3,037,870,386	1,954,367,420	3,302,079,918	8,294,317,724
364,514,941	1,664,855,927	3,406,709,734	5,436,080,602
(4,300,420)	(1,898,194,011)	(2,237,739,462)	(4,140,233,893)
<b>3,669,623,469</b>	<b>2,099,975,037</b>	<b>7,435,343,819</b>	<b>13,204,942,325</b>

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

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

11.1.3	Advances - Credit loss allowance details	Stage 1	March 31, 2025 (Un-audited)		Total	Stage 1	December 31, 2024 (Audited)		Total
			Stage 2	Stage 3			Stage 2	Stage 3	
			----- Rupees -----				----- Rupees -----		
Internal / external rating / stage classification									
	Outstanding gross exposure	71,036,993,671	5,807,131,598	11,127,886,216	87,972,011,484	72,231,000,487	4,944,689,427	9,665,565,804	86,841,255,718
	Performing	71,036,993,671	-	-	71,036,993,671	72,231,000,487	-	-	72,231,000,487
Under Performing									
	Other assets especially mentioned	-	5,807,131,598	-	5,807,131,598	-	4,944,689,427	-	4,944,689,427
Non - Performing									
	Substandard	-	-	1,274,050,369	1,274,050,369	-	-	1,274,050,369	1,274,050,369
	Doubtful	-	-	1,808,982,553	1,808,982,553	-	-	1,808,982,553	1,808,982,553
	Loss	-	-	8,044,853,294	8,044,853,294	-	-	6,582,532,882	6,582,532,882
		-	-	11,127,886,216	11,127,886,216	-	-	9,665,565,804	9,665,565,804
	Total	71,036,993,671	5,807,131,598	11,127,886,216	87,972,011,484	72,231,000,487	4,944,689,427	9,665,565,804	86,841,255,718
Corresponding credit loss allowance									
	Stage 1	3,669,623,469	-	-	3,669,623,469	3,309,408,948	-	-	3,309,408,948
	Stage 2	-	2,099,975,037	-	2,099,975,037	-	2,333,313,121	-	2,333,313,121
	Stage 3	-	-	7,435,343,819	7,435,343,819	-	-	6,266,373,547	6,266,373,547
		3,669,623,469	2,099,975,037	7,435,343,819	13,204,942,325	3,309,408,948	2,333,313,121	6,266,373,547	11,909,095,616

## 11.2 Particulars of write offs

Written off during the period / year  
Change in exposure due to estimate change

11.1.2	March 31, 2025	December 31, 2024
	----- Rupees -----	
	(4,140,233,893)	(14,144,887,071)
	-	-
	<b>(4,140,233,893)</b>	<b>(14,144,887,071)</b>

		March 31, 2025	December 31, 2024
		(Un-audited)	(Audited)
<b>12 PROPERTY AND EQUIPMENT</b>	<b>Note</b>	<b>----- Rupees -----</b>	
Capital Work in progress	<b>12.1</b>	<b>201,802,139</b>	152,445,569
Property and equipment	<b>12.2</b>	<b>1,493,774,955</b>	1,589,325,548
		<b>1,695,577,094</b>	1,741,771,117
<b>12.1 Capital Work in progress</b>			
Opening		<b>152,445,569</b>	63,449,847
Additions during the period / year		<b>55,086,685</b>	227,858,763
Transfers to Property and Equipment		<b>(5,730,115)</b>	(138,863,041)
Closing	<b>12.1.1</b>	<b>201,802,139</b>	152,445,569
<b>12.1.1 CWIP Includes:</b>			
Civil works		<b>140,507,252</b>	91,150,686
Advances to suppliers and contractors		<b>61,294,883</b>	61,294,883
		<b>201,802,139</b>	152,445,569

## 12.2 Property and equipment

March 31, 2025 (Un-audited)				
Furniture and fixture	Electrical, office and computer equipment	Vehicles	Leasehold improvements	Total

### At January 1, 2025

----- Rupees -----

Cost	<b>380,847,009</b>	<b>2,267,840,176</b>	<b>327,812,925</b>	<b>521,961,400</b>	<b>3,498,461,510</b>
Accumulated depreciation	<b>(221,094,643)</b>	<b>(1,241,499,739)</b>	<b>(216,862,407)</b>	<b>(229,679,173)</b>	<b>(1,909,135,962)</b>
Net book value	<b>159,752,366</b>	<b>1,026,340,437</b>	<b>110,950,518</b>	<b>292,282,227</b>	<b>1,589,325,548</b>

### For the 3 months period ended March 31, 2025

Opening net book value	<b>159,752,366</b>	<b>1,026,340,437</b>	<b>110,950,518</b>	<b>292,282,227</b>	<b>1,589,325,548</b>
Additions/Transfers from CWIP	<b>4,879,199</b>	<b>1,231,921</b>	<b>409,123</b>	<b>22,981,969</b>	<b>29,502,212</b>
Disposals/ write offs (Cost)	<b>(4,615,698)</b>	<b>(9,041,006)</b>	<b>(1,596,827)</b>	<b>(17,919,602)</b>	<b>(33,173,134)</b>
Depreciation charge	<b>(12,975,333)</b>	<b>(69,860,549)</b>	<b>(15,181,071)</b>	<b>(11,123,124)</b>	<b>(109,140,077)</b>
Disposals/ write offs (Accumulated Depreciation)	<b>2,920,425</b>	<b>6,932,856</b>	<b>1,691,457</b>	<b>5,715,667</b>	<b>17,260,405</b>
Closing net book value	<b>149,960,959</b>	<b>955,603,659</b>	<b>96,273,200</b>	<b>291,937,137</b>	<b>1,493,774,955</b>

### At March 31, 2025

Cost	<b>381,110,510</b>	<b>2,260,031,091</b>	<b>326,625,221</b>	<b>527,023,767</b>	<b>3,494,790,589</b>
Accumulated depreciation	<b>(231,149,551)</b>	<b>(1,304,427,432)</b>	<b>(230,352,021)</b>	<b>(235,086,630)</b>	<b>(2,001,015,634)</b>
Net book value	<b>149,960,959</b>	<b>955,603,659</b>	<b>96,273,200</b>	<b>291,937,137</b>	<b>1,493,774,955</b>
Rate of depreciation	20%	10-33%	25%	10%	

## Property and equipment

December 31, 2024 (Audited)				
Furniture and fixture	Electrical, office and computer equipment	Vehicles	Leasehold improvements	Total

### At January 1, 2024

----- Rupees -----

Cost	291,458,656	1,661,268,236	309,737,084	481,565,042	2,744,029,018
Accumulated depreciation	(182,424,116)	(1,023,470,915)	(157,682,711)	(189,775,282)	(1,553,353,024)
Net book value	<b>109,034,540</b>	<b>637,797,321</b>	<b>152,054,373</b>	<b>291,789,760</b>	<b>1,190,675,994</b>

### For the Year Ended December 31, 2024

Opening net book value	<b>109,034,540</b>	<b>637,797,321</b>	<b>152,054,373</b>	<b>291,789,760</b>	<b>1,190,675,994</b>
Additions/Transfers from CWIP	91,235,664	616,754,906	18,075,841	45,945,301	772,011,712
Disposals/ write offs (Cost)	(1,847,311)	(10,182,966)	-	(5,548,943)	(17,579,220)
Depreciation charge	(40,417,744)	(227,521,687)	(59,179,696)	(40,775,815)	(367,894,942)
Disposals/ write offs (Accumulated Depreciation)	1,747,217	9,492,863	-	871,924	12,112,004
Closing net book value	<b>159,752,366</b>	<b>1,026,340,437</b>	<b>110,950,518</b>	<b>292,282,227</b>	<b>1,589,325,548</b>

### At December 31, 2024

Cost	380,847,009	2,267,840,176	327,812,925	521,961,400	3,498,461,510
Accumulated depreciation	(221,094,643)	(1,241,499,739)	(216,862,407)	(229,679,173)	(1,909,135,962)
Net book value	<b>159,752,366</b>	<b>1,026,340,437</b>	<b>110,950,518</b>	<b>292,282,227</b>	<b>1,589,325,548</b>
Rate of depreciation	20%	10-33%	25%	10%	

	March 31, 2025	December 31, 2024
	----- Rupees -----	
<b>12.2.1 The cost of fully depreciated assets still in use</b>		
Furniture and fixture	<b>130,382,317</b>	126,450,121
Electrical, office and computer equipment	<b>828,122,550</b>	804,003,181
Vehicles	<b>88,916,465</b>	75,451,922
Leasehold improvements	<b>99,681,785</b>	99,720,127
	<b>1,147,103,117</b>	1,105,625,351

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

**13 RIGHT-OF-USE ASSETS**
**At January 01,**

	March 31, 2025 (Un-audited) ----- Rupees -----			December 31, 2024 (Audited) ----- Rupees -----		
	Buildings	Vehicles	Total	Buildings	Vehicles	Total
Cost	2,710,819,186	155,255,830	2,866,075,016	1,542,437,827	-	1,542,437,827
Accumulated Depreciation	(772,367,475)	(9,110,640)	(781,478,115)	(702,756,793)	-	(702,756,793)
Net Carrying amount	1,938,451,711	146,145,190	2,084,596,901	839,681,034	-	839,681,034

**For the period / year movement**

Additions / Adjustments during the period / year	14,433,180	-	14,433,180	1,368,530,764	155,255,830	1,523,786,594
Depreciation Charge for the period / year	(106,142,938)	(9,707,741)	(115,850,679)	(269,760,087)	(9,110,640)	(278,870,727)
Deletions / Adjustment during the period / year						
- Cost	(30,802,257)	2,706,841	(28,095,417)	(200,149,405)	-	(200,149,405)
- Accumulated Depreciation	-	-	-	200,149,405	-	200,149,405
	(122,512,016)	(7,000,901)	(129,512,916)	1,098,770,677	146,145,190	1,244,915,867
Net Carrying amount as at December 31,	1,815,939,695	139,144,289	1,955,083,985	1,938,451,711	146,145,190	2,084,596,901
Rate of depreciation	10-20%	25%		10-20%	25%	

**14 INTANGIBLE ASSETS**

Capital Work in progress  
Intangible asset

Note

	March 31, 2025 (Un-audited) ----- Rupees -----	December 31, 2024 (Audited)
Capital Work in progress	605,530,906	615,890,424
Intangible asset	491,717,315	484,836,111
	1,097,248,221	1,100,726,535

**14.1 Capital Work in progress**

Opening  
Additions during the period / year  
Transfers to intangible asset

Opening	615,890,424	68,527,434
Additions during the period / year	41,924,471	684,524,592
Transfers to intangible asset	(52,283,990)	(137,161,602)
Closing	605,530,906	615,890,424

Closing

**14.1.1 CWIP Includes:**

Advances to suppliers and contractors

March 31, 2025 (Un-audited)	December 31, 2024 (Audited)
----- Rupees -----	
<b>605,530,906</b>	615,890,424

**14.2 At January 01,**

Cost

Accumulated amortization and impairment

Net book value

**For the period / year movement**

Opening net book value

Additions:

- Directly Purchased/Transfers from CWIP

Disposals (Cost)

Amortization charge

Disposals/Write off (Accumulated Amortization)

Closing net book value

**At the end of the period / year**

Cost

Accumulated amortization and impairment

Net book value

Rate of amortization

Useful life

March 31, 2025 ----- Rupees ----- (Un-audited)		December 31, 2024 ----- Rupees ----- (Audited)	
Software and License	Total	Software and License	Total
1,677,868,452	1,677,868,452	1,474,024,163	1,474,024,163
(1,193,032,341)	(1,193,032,341)	(1,034,413,623)	(1,034,413,623)
<b>484,836,111</b>	<b>484,836,111</b>	439,610,540	439,610,540
<b>484,836,111</b>	<b>484,836,111</b>	439,610,540	439,610,540
71,626,872	71,626,872	203,844,289	203,844,289
-	-	-	-
(64,745,668)	(64,745,668)	(158,618,718)	(158,618,718)
-	-	-	-
<b>491,717,315</b>	<b>491,717,315</b>	484,836,111	484,836,111
1,749,529,261	1,749,529,261	1,677,868,452	1,677,868,452
(1,257,811,946)	(1,257,811,946)	(1,193,032,341)	(1,193,032,341)
<b>491,717,315</b>	<b>491,717,315</b>	484,836,111	484,836,111
10-33%	10-33%		
Over the Term Of Contract		Over the Term Of Contract	

**14.3 The cost of fully depreciated intangibles still in use**

Software and License

March 31, 2025 (Un-audited)	December 31, 2024 (Audited)
----- Rupees -----	
<b>915,601,364</b>	866,104,689

March 31, 2025

At Jan 01, 2024	Recognised in P&L	Recognised in OCI	At Dec 31, 2024
-----------------	-------------------	-------------------	-----------------

(Un-audited)

----- Rupees -----

## 15 DEFERRED TAX ASSET

### **Deductible temporary differences on:**

Credit loss allowance against advances  
Post retirement employee benefits  
Lease liability net of right of use assets  
Deficit on revaluation of investments measured at FVOCI  
Intangible assets

4,606,277,012	505,407,913	-	5,111,684,925
101,919,545	11,894,815	-	113,814,360
34,710,545	53,476,377	-	88,186,922
(25,893,855)	-	34,363,485	8,469,630
666,797	2,514,671	-	3,181,468
4,717,680,044	573,293,776	34,363,485	5,325,337,305

### **Taxable temporary differences on:**

Accelerated tax depreciation

(21,600,194)	17,825,162	-	(3,775,032)
(21,600,194)	17,825,162	-	(3,775,032)
4,696,079,850	591,118,938	34,363,485	5,321,562,273

December 31, 2024

At Jan 01, 2024	Recognised in P&L	Recognised in OCI	At Dec 31, 2024
-----------------	-------------------	-------------------	-----------------

(Audited)

----- Rupees -----

### **Deductible temporary differences on:**

Credit loss allowance against advances  
Post retirement employee benefits  
Lease liability net of right of use assets  
Intangible assets

2,378,668,595	2,227,608,417	-	4,606,277,012
49,993,870	33,482,837	18,442,838	101,919,545
37,130,832	(2,420,287)	-	34,710,545
(4,435,141)	5,101,938	-	666,797

2,461,358,156 2,263,772,905 18,442,838 4,743,573,899

### **Taxable temporary differences on:**

Accelerated tax depreciation  
Deficit on revaluation of investments measured at FVOCI

17,341,516	(38,941,710)	-	(21,600,194)
1,985,958	-	(27,879,813)	(25,893,855)
19,327,474	(38,941,710)	(27,879,813)	(47,494,049)
2,480,685,630	2,224,831,195	(9,436,975)	4,696,079,850



	Note	March 31, 2025 (Un-audited)	December 31, 2024 (Audited)
<b>16 OTHER ASSETS</b>			
<b>----- Rupees -----</b>			
Advances, deposits and prepayments		<b>1,295,718,783</b>	1,046,969,612
Receivable from related parties	<b>16.1</b>	<b>618,059,955</b>	640,535,805
ATM cards / printed stationary		<b>139,476,610</b>	134,422,204
Receivables from State Bank of Pakistan	<b>16.3</b>	<b>339,204,976</b>	331,337,870
Receivable from 1-Link		<b>3,648,425,393</b>	1,255,171,948
Advance tax		<b>291,382,092</b>	515,616,273
Deferred employee benefits		-	389,763,023
Others		<b>1,105,228,558</b>	660,570,834
		<b>7,437,496,367</b>	4,974,387,569
Less: Credit loss allowance held against other assets		-	-
Other assets (net of credit loss allowance)		<b>7,437,496,367</b>	4,974,387,569

**16.1 Receivable from related parties**

Pakistan Mobile Communications Limited (PMCL)	<b>16.2</b>	<b>552,497,178</b>	596,398,014
Jazz cash (Private) Limited		<b>65,531,461</b>	44,118,134
Veon Limited (Ultimate Parent Company)		<b>31,316</b>	19,657

**16.2** Maximum aggregated receivable balance during the period from PMCL amounted to Rs. 552 million (2024: Rs. 1,572 million).

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

	Note	March 31, 2025 (Un-audited)	December 31, 2024 (Audited)
<b>17 BILLS PAYABLE</b>			
<b>----- Rupees -----</b>			
In Pakistan		<b>527,066,391</b>	618,273,788
<b>18 BORROWINGS</b>			
<b>Secured</b>			
<i>Borrowings from State Bank of Pakistan</i>			
Long term facility	<b>18.1</b>	<b>1,513,504,767</b>	686,504,767
Finance cost on Long term facility		<b>21,762,208</b>	73,331,876
<i>Borrowings from Other Banks / Financial Institutions</i>			
Short term facility	<b>18.2</b>	<b>1,710,105,156</b>	-
Finance cost on Short term facility- Net of Payments		<b>41,096,106</b>	6,093,255
		<b>3,286,468,237</b>	765,929,898

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

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

ii) Another long term credit line facility of Rs 827 million was granted on March 28, 2025 by the State Bank of Pakistan (SBP) under Women Inclusive Finance Program. The facility carries markup at the subsidized rate of six months KIBOR - 1% per annum payable semi-annually. The tenure of loan is 3 years. The facility is undiscounted and is carried its face value as at the end of the period.

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

- i) The Bank entered into running finance facility agreement amounting to Rs 1,000 million with Allied bank to finance its operations and carries mark-up at the rate of three months KIBOR + 0.85% per annum payable on quarterly basis. The tenure of loan is 12 months. First pari passu charge over all the present and future advances , loan portfolio , receivables and investments of the bank with 25% margin. As at March 31, 2025 the Bank utilized Rs 710.11 million (2024: Nil).
- ii) The Bank has a Running Finance Facility Agreement amounting to PKR 1,000 million with the Bank of Punjab to finance its working capital requirements. The facility carries a mark-up rate of 3 Months KIBOR + 0.80% per annum, payable quarterly in arrears. The tenure of the loan is 12 months, with the expiry date of 31-May-2025. A First Pari Passu Charge has been created over all the present and future current assets of the Bank with a 25% margin. The facility is secured excluding land and buildings. As at March 31, 2025 the Bank utilized entire facility of Rs 1000 million (2024: Nil).

	Note	March 31, 2025 (Un-audited)	December 31, 2024 (Audited)
----- Rupees -----			
<b>19 DEPOSITS AND OTHER ACCOUNTS</b>			
<b>Customers</b>			
Current Deposits		107,478,343,490	86,135,222,010
Saving Deposits		61,801,224,794	48,486,849,377
Term deposits		16,787,217,095	14,483,927,422
		<b>186,066,785,380</b>	149,105,998,809
<b>Financial Institutions</b>			
Current Deposits		8,077,771	414,286,108
Saving Deposits		809,670,480	1,029,036,798
Term deposits		3,560,000,000	4,401,247,780
		<b>4,377,748,251</b>	5,844,570,686
		<b>190,444,533,630</b>	154,950,569,495

19.1 Current accounts - deposits repayable on demand, non-remunerative 49,968,488 (2024: 48,921,558)

19.2 Saving accounts - deposits repayable on demand, remunerative 151,149 (2024: 201,679)

19.3 Deposits include related parties balance amounting to Rs 520.96 million (2024:Rs 1,851.14 million).

	Note	March 31, 2025 (Un-audited)	December 31, 2024 (Audited)
----- Rupees -----			
<b>20 LEASE LIABILITIES</b>			
At January 01,		2,173,598,296	934,888,295
<i>Additions during the period / year:</i>			
Buidlings		14,433,180	1,368,530,764
Vehicles	20.1	-	155,255,830
Adjustment in Lease liability		(28,095,417)	-
Interest Expense		84,877,133	224,941,713
Payment		(63,608,894)	(510,018,306)
At December 31,		<b>2,181,204,298</b>	2,173,598,296

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

<b>21 SUBORDINATED DEBT</b>			
Opening	21.1	2,016,547,946	2,029,849,186
<b>Finance Cost:</b>			
Finance cost on subordinated debt		77,572,603	455,428,320
Payment during the period / year		-	(468,729,560)
		<b>2,094,120,549</b>	2,016,547,946

- 21.1** This represents Rated, Unsecured, subordinated and privately placed Tier II Term Finance Certificates of worth Rs.2,000,000,000/- fully subscribed on November 23, 2022 to improve the Capital Adequacy Ratio at the rate of 6 Month KIBOR plus 2.10% per annum. The issue is for a period of 7 years from the date of subscription and will mature on November 23, 2029. The issuer has assigned preliminary rating of single "A-" (Single "A minus"). The interest will be payable on Bi-annually basis starting from six months subsequent to subscription of TFCs and the principal amount of issue TFC shall be redeemed in four (4) equal semi-annual installments commencing from the end of 66th month from the Issue Date. The Issuer (MMBL) may call the TFCs, in part or full, after five (5) years from the Issue Date on the Principal Redemption Date thereafter, subject to prior SBP approvals, and after giving 45 days prior notice to the Issue Agent and the Investors. The notice once given shall be irrevocable. The notice shall specify the date fixed for the exercise of the Call Option (the "Call Option Date"). As per the lock-in clause requirement for Tier II Issues (Para 12 of Annexure 3 of BPRD Circular # 6 of 2013), neither profit nor principal will be payable (even at maturity) in respect of the TFCs, if such payment will result in a shortfall in the Bank's Capital Adequacy Ratio or results in an increase in any existing shortfall in CAR. As per Loss Absorbency Clause requirement (Para xix of Annexure 3 and Para A-53 of Annexure 5 of BPRD Circular # 6 of 2013) for Tier II capital purpose, the TFCs will be subject to loss absorbency and/or any other requirements under SBP's instructions on the subject. Upon the occurrence of a Point of Non-Viability event, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank and/or have them immediately written off (either partially or in full). The conversion shall be based on the price as agreed with SBP.

	Note	March 31, 2025 (Un-audited)	December 31, 2024 (Audited)
		----- Rupees -----	
<b>22 DEFERRED GRANTS</b>			
Opening balance		63,433,566	2,595,000
Grant received during the period / year		-	71,181,873
Grant recognised as Income during the period / year		(3,250,000)	(10,343,307)
Closing balance		<u>60,183,566</u>	<u>63,433,566</u>

	Note	March 31, 2025 (Un-audited)	December 31, 2024 (Audited)
		----- Rupees -----	
<b>23 OTHER LIABILITIES</b>			
Accrued expenses	23.1	3,014,468,506	2,291,543,854
Payable to related parties	23.2	5,036,973,381	2,232,110,635
Defined benefit obligation		291,831,692	261,332,166
Taxes and levies withheld		801,730,622	1,004,803,199
Payable to suppliers	23.4	2,056,231,474	1,649,269,148
Bills collected for settlement through NADRA		570,212,641	87,479,372
RAAST payable		2,250,860,425	920,670,423
Remittances	23.5	6,570,191,223	3,051,265,046
Payable to Merchants and others		617,073,096	3,673,046,888
Others		551,414,733	209,986,115
		<u>21,760,987,793</u>	<u>15,381,506,846</u>

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

	Note	March 31, 2025 (Un-audited)	December 31, 2024 (Audited)
		----- Rupees -----	
<b>23.2 Payable to related parties</b>			
Payable to related parties - PMCL	23.2.1	4,668,495,518	1,791,682,244
Payable to related parties - JCPL		16,452,422	88,402,950
Payable to related parties - VEON		352,025,441	352,025,441
		<u>5,036,973,381</u>	<u>2,232,110,635</u>

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

	Note	March 31, 2025 (Un-audited)	December 31, 2024 (Audited)
		----- Rupees -----	
<b>23.3 Tax payable</b>			
Opening balance		-	1,039,694,736
Tax paid		-	(1,039,694,736)
Provision for taxation		-	-
Closing balance		<u>-</u>	<u>-</u>

**23.4** This includes Rs 93.76 million (2024: Rs 88.99 million) payable to a related party PMCL.

**23.5** It also includes Rs. 5.765 billion (2024: 2.02 billion) related to uncollected remittances.

	Note	March 31, 2025 (Un-audited)	December 31, 2024 (Audited)
		----- Rupees -----	
<b>24 SHARE CAPITAL</b>			
<b>Authorized capital</b>			
		2025 Numbers	2024 Numbers
		<u>360,000,000</u>	<u>360,000,000</u>
		<u>3,600,000,000</u>	<u>3,600,000,000</u>
		<i>Ordinary shares of Rs. 10 each.</i>	
<b>Issued, subscribed and paid-up capital</b>			
		<u>271,359,683</u>	<u>271,359,683</u>
		<u>2,713,596,830</u>	<u>2,713,596,830</u>

*Fully paid in cash of Rs. 10 each.*

**24.1** Veon Microfinance Holdings B.V (VMH) is the holding company controlling 271,359,678 i.e. 99.99% shares (2024: 271,359,678 i.e. 99.99%). Each share of the company has equal voting right and power.

	Note	March 31, 2025 (Un-audited)	December 31, 2024 (Audited)
		----- Rupees -----	
<b>25 ADVANCE AGAINST ISSUE OF SHARES</b>	<b>25.1</b>	<u>4,175,250,000</u>	<u>4,175,250,000</u>

**25.1** In 2024, the Bank received advance against Right Issue amounting to Rs 4.18 Billion. The shares are to be issued at a premium of Rs 19.4 per share and would be fully subscribed by the Bank's parent company Veon B.V Microfinance Holdings. Had the share been issued as at March 31, 2025 the paid-up capital of the Bank and total number of paid-up shares would have been Rs 6.89 Billion and 413.37 Million respectively.

	Note	March 31, 2025 (Un-audited)	December 31, 2024 (Audited)
		----- Rupees -----	
<b>26 SURPLUS / (DEFICIT) ON FAIR VALUE OF ASSETS</b>			
<i>Fair Value Surplus / (deficit) on revaluation of</i>			
- FVOCI - debt	<b>10.1</b>	<b>(21,717,000)</b>	66,394,500
<i>Deferred tax on surplus / (deficit) on revaluation of:</i>			
- FVOCI - debt		<b>8,469,630</b>	(25,893,855)
		<u><b>(13,247,370)</b></u>	<u>40,500,645</u>

	Note	March 31, 2025 (Un-audited)	December 31, 2024 (Audited)
		----- Rupees -----	
<b>27 CONTINGENCIES AND COMMITMENTS</b>			
Guarantees	27.1	<b>536,945,995</b>	443,957,947
		<b>536,945,995</b>	443,957,947
<b>27.1 Financial guarantees</b>			
Bank guarantee	27.1.1	<b>431,884,270</b>	339,410,197
Standby letter of guarantee	27.1.2	<b>105,061,725</b>	104,547,750
		<b>536,945,995</b>	443,957,947

**27.1.1** This mainly includes Bank guarantees issued by the Bank to Pakistan Railway amounting to Rs.100 million against the online payment processing services, Nutrition Conditional Cash Transfer (H&N CCT) program Reform Support Unit to Rs 104 million against Disbursement of Girls Stipend in Public Schools Across Sindh, Benazir income support program amounting to Rs. 60 million and Rs. 48.50 million pertaining to Directorate Animal Husbandry Sindh.

**27.1.2** This represents letter of guarantee issued by the Bank to M/s Visa and Master Card International amounting to USD 75,000 and USD 300,000 respectively for interbank settlement. The amounts are translated into PKR at exchange rate prevailing on reporting date.

#### **27.2 Other contingent liabilities**

##### ***Notices issued in 2023 or earlier***

- a) In August 2023, the Taxation Officer issued notice under section 122(9) read with section 122(5A) of the Ordinance to amend the assessment for the Tax Year 2022 on certain matters. Honourable Islamabad High Court, in response to Writ Petition No. 2627 of 2023 dated 30 August 2023 granted stay on the ongoing proceedings seeking para wise report from the Department. However, on 10 September 2024, the Taxation Officer re-issued the notice, following the disposal of the writ petition by the Honourable Islamabad High Court on 27 August 2024 directing the Taxation Officer to substantiate that the assessment is both erroneous as well as prejudicial to the revenue before advancing the proceedings. The Notice was responded to along with the supporting evidence by the Bank. The AdCIR issued the assessment order dated January 29, 2025. The Bank has filed appeal before the ATIR on February 26, 2025 through KPMG and the hearing notice not issued yet.
- b) In November 2023, the Taxation Officer issued another notice under section 122(9) read with section 122(5A) of the Ordinance to amend the assessment for the Tax Year 2023 on certain matters. Honourable Islamabad High Court in Writ Petition No. 3993 of 2023 dated 05 December 2023 granted stay against the subject proceedings seeking para wise report from the Department. However, on 03 September 2024, the Taxation Officer re-issued the notice, following the disposal of the writ petition by the Honourable Islamabad High Court on 27 August 2024. The response, along with supporting evidence, was submitted on 20 January 2025 and February 7, 2025, However, no further action taken by AdCIR.
- c) In addition to the above the bank is contesting various litigations with tax authorities on different forums including litigations such as sales tax and FED. Rs.19.48 million and Rs. 41.66 million related to Sales Tax demands for the years 2019 and 2018 which are still under appeal before the ATIR and Commissioner inland revenue. Management consider these litigations are not material and expects a favorable decision from tax authorities.
- d) In June 2020, the Assessing Officer imposed penalty of Rs. 6.13 million under section 182 of the Ordinance for Tax Year 2019 alleging late filing of the Income Tax return. The Bank's appeal was accepted by the CIR(A) and the demand was deleted. The Department has filed appeal before the ATIR which is pending adjudication.

##### ***Notices issued in 2024***

- e) For the Tax Year 2018, the Taxation Officer raised a tax demand of Rs. 73.92 million including default surcharge of Rs. 33.74 million under section 161 / 205 of the Ordinance for alleged short deduction of tax from expenses appearing in Bank's Income Tax Return, including Salaries, Other Indirect Expenses and Other Admissible Expenses. The Bank filed appeal before the ATIR in terms of the newly introduced amendments through the Tax Laws (Amendment) Act, 2024 and Finance Act, 2024 in the Ordinance. Appeal was filed on July 24, 2024, The appeal was heard for order on 26 September 2024 and order is awaited.
- f) For the Tax Year 2019, the Taxation Officer raised a tax demand of Rs. 1,583.69 million including default surcharge of Rs. 652.11 million under section 161 / 205 of the Ordinance for alleged short deduction of tax from expenses appearing in Bank's Income Tax Return, including Commission to Retailers / Franchises, Commission to Related Party M/s PMCL, Nadra Charges, Rent, Travelling, Repairs / Maintenance, Communication, Stationary, Advertisement, Insurance, Professional Charges, Profit on Debt, Other Indirect Expenses, Other Admissible Expenses and Salaries. Appeal was filed on May 10, 2024, The Bank's appeal before the ATIR was heard on 01 November 2024 and order is awaited.

- g) In December 2024, the Taxation Officer issued notice under section 205 of the Ordinance intending to impose default surcharge of Rs. 42.9 million for contravening the provisions of the section 147 of Ordinance read with section 205(1 B) of the Ordinance. The Bank filed the response through KPMG dated February 7, 2025 however, no further action taken by tax authorities.
- h) For the year ended 31 December 2016 and 2017, the Taxation Officer, SRB issued an assessment order dated 27 April 2024 adjudging Sindh sales tax demand of Rs. 5.57 million (including penalty of Rs.0.27 million) and default surcharge (to be calculated at the time of payment) in the matter of alleged failure to deposit the sales tax on account of services (i.e., Home Remittances / money transfer and Bancassurance) presumed to have been rendered in Sindh. On 21 May 2024, the Bank filed an appeal before the C(A), SRB, the proceedings whereof are underway. However, the likelihood of a favorable outcome is medium.
- Notices issued in Q1 2025**
- i) For the tax periods January 2022 to December 2022, the Taxation Officer, LTO issued show cause notice dated 06 January 2025 to the Bank to justify its position on alleged inadmissibility of input tax of Rs. 301.14 million claimed in its sales tax return filed with the Federal Board of Revenue. Responses were submitted on 20 January 2025 and March 5, 2025. However, no further action has been taken by tax authorities.
- ii) For the tax periods January 2020 to December 2020, the Taxation Officer, LTO issued show cause notice dated 31 January 2025 to the Bank to justify its position on alleged inadmissibility of input tax of Rs. 117.60 million claimed in its sales tax return filed to the Federal Board of Revenue. Response has been filed on 18 March 2025 however, no further action taken by tax authorities.
- iii) For the tax periods January 2021 to December 2021, the Taxation Officer, LTO issued show cause notice dated 31 January 2025 to the Bank to justify its position on alleged inadmissibility of input tax of Rs. 335.06 million claimed in its sales tax return filed to the Federal Board of Revenue. Response has been filed on 20 February 2025 however, no further action taken by tax authorities.
- 27.3 The Bank has various pending litigations mainly involving its customers, and also includes claims filed by its former employees. The Bank has also filed counter claims in various cases. While these litigations remain pending at various forums. Management, based on legal advice, believes that no material liability would be incurred by / against the bank in relation to these cases.

	Note	March 31, 2025 (Un-audited)	March 31, 2024 (Audited)
		----- Rupees -----	
<b>28 MARK-UP / RETURN / INTEREST EARNED</b>			
Loans and advances	28.2	11,745,451,686	9,436,853,856
Investments		1,882,570,064	1,726,573,876
Balances with other MFBs / banks / NBFIs		205,502,531	588,562,966
Lendings to financial institutions		617,468,334	606,585,765
		<u>14,450,992,615</u>	<u>12,358,576,463</u>
<b>28.1 Interest income (calculated using effective interest rate method) recognised on:</b>			
Financial assets measured at amortised cost;		12,832,098,115	10,632,002,588
Financial assets measured at FVOCI.		1,618,894,500	1,726,573,876
		<u>14,450,992,615</u>	<u>12,358,576,463</u>
<b>28.2</b>	This includes markup income on Nano loans amounting to Rs. 7,770 million (2024: 4,831 million)		
	Note	March 31, 2025 (Un-audited)	March 31, 2024 (Audited)
		----- Rupees -----	
<b>29 MARK-UP / RETURN / INTEREST EXPENSED</b>			
Deposits		2,244,796,931	3,198,651,019
Subordinated debt		77,572,603	116,857,924
Borrowings		62,858,313	622,040
Lease liabilities		84,877,133	32,379,692
		<u>2,470,104,980</u>	<u>3,348,510,675</u>
<b>29.1</b>	Interest expense calculated using effective interest rate method		
		<u>2,470,104,980</u>	<u>3,348,510,675</u>
<b>30 FEE AND COMMISSION INCOME</b>			
Branchless banking income	30.1	4,296,272,468	2,852,561,765
Commission from insurance companies		269,342,159	27,452,611
Loan processing fee		69,572,894	237,539,475
Others		134,732,362	103,403,538
		<u>4,769,919,883</u>	<u>3,220,957,389</u>

### 30.1 Branchless banking income

Branchless banking income	30.2	4,562,500,651	2,870,699,746
Interest income on Nano advances		7,770,092,866	4,830,778,903
Commission to retailer / franchisee		(1,242,623,281)	(1,132,025,805)
Commission to a related party - PMCL	30.3	(5,307,374,399)	(4,488,472,123)
		5,782,595,837	2,080,980,721
Amount reclassified to Markup/return interest earned		(7,770,092,866)	(4,830,778,903)
Amount reclassified to Commission from insurance companies		(266,228,183)	(18,137,981)
Commission to retailer / franchisee and PMCL - reclassified to Administrative expenses		6,549,997,680	5,620,497,928
		<u>4,296,272,468</u>	<u>2,852,561,765</u>

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

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

### 31 OTHER INCOME

(Loss) / Gain on disposal of fixed assets		(11,911,983)	164,811
Grant Income		-	-
Miscellaneous income		47,219,836	-
		<u>35,307,853</u>	<u>164,811</u>

### 32 OPERATING EXPENSES

#### Branchless banking commission expense

Commission to retailer / franchisee	30.1	1,242,623,281	1,132,025,805
Commission to related parties	30.1	5,321,481,947	4,488,472,123

#### Others

Total compensation expense		1,325,958,788	1,193,899,950
Contribution to defined contribution plan		54,547,347	41,748,626
Provision for Defined benefit obligation		33,710,071	22,249,881
Directors' fees and allowances		5,100,000	3,000,000
Training / Capacity building		29,945,183	38,203,441
Rent, taxes, insurance, electricity, etc.		208,931,831	176,606,836
Legal and professional charges		20,141,292	19,430,802
Communications		14,142,294	13,687,789
Repair and maintenance - Vehicle		5,296,328	4,874,898
Stationary and printing		64,650,527	48,052,244
Advertisement and publicity		14,730,484	17,432,852
Auditors remuneration	32.1	885,357	3,047,931
Depreciation	12.2 & 13	224,990,755	132,009,499
Amortization	14	64,745,668	29,535,185
Travel and transportation		43,741,713	79,474,427
Management fee	32.2	2,063,040	-
Repair and maintenance - General		19,314,632	31,612,290
Customer verification charges	32.3	381,808,811	139,542,560
Bank charges		564,721,925	399,902,509
IT equipment and software maintenance		603,617,785	264,933,820
Ready cash expense		482,201,839	1,021,989,126
Security		49,899,537	54,185,200
Janitorial services		70,609,524	45,906,791
Office supplies		8,553,681	7,890,705
Entertainment		5,218,661	45,814,706
Other projects expenses		9,370,402	3,450,086
Others		61,063,440	10,371,912
		<u>10,934,066,143</u>	<u>9,469,351,994</u>

- 32.1** This includes fee for audits of financial statements of AJK operations and for other certifications (Capital adequacy ratio, certification on livestock insurance etc.).
- 32.2** The Bank has entered into an arrangement with its parent company, Veon B.V. Microfinance Holdings, whereby certain management fees are cross-charged to Mobilink Microfinance Bank Ltd. (MMBL). These services include, but are not limited to, the coordination and participation in meetings of the Board of Directors.
- 32.3** This includes verification charges of National Database Registration Authority (NADRA) for verisys, eCIB charges and other charges for customer verifications.

	Note	March 31, 2025 (Un-audited)	March 31, 2024 (Audited)
		----- Rupees -----	
<b>33 OTHER CHARGES</b>			
Others		-	177,638
Penalties imposed by the State Bank of Pakistan	33.1	20,000	-
		<u>20,000</u>	<u>177,638</u>

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

	Note	March 31, 2025 (Un-audited)	March 31, 2024 (Audited)
		----- Rupees -----	
<b>34 CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET</b>			
Credit loss allowance against loans & advances	11.1.2	5,436,149,376	1,938,817,384
		<u>5,436,149,376</u>	<u>1,938,817,384</u>

	Note	March 31, 2025 (Un-audited)	March 31, 2024 (Audited)
		----- Rupees -----	
<b>35 TAXATION</b>			
Current		735,449,591	554,837,715
Deferred	15	(591,118,939)	(245,588,052)
		<u>144,330,652</u>	<u>309,249,663</u>

**36 BASIC (LOSS) / EARNINGS PER SHARE**

Profit for the period	<u>261,101,841</u>	<u>501,592,844</u>
Weighted average number of ordinary shares	<u>271,359,683</u>	<u>271,359,683</u>
Basic (loss) / earnings per share	<u>0.96</u>	<u>1.85</u>

**37 DILUTED (LOSS) / EARNINGS PER SHARE**

Profit for the period	<u>261,101,841</u>	<u>501,592,844</u>
Weighted average number of ordinary shares (adjusted for the effects of all dilutive potential ordinary shares)	<u>413,374,989</u>	<u>271,359,683</u>
Diluted (loss) / earnings per share	<u>0.63</u>	<u>1.85</u>



### 38 FAIR VALUE MEASUREMENTS

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

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

Fair value of remaining financial assets and liabilities except fixed term loans, staff loans, non-performing advances and fixed term deposits is not significantly different from the carrying amounts since assets and liabilities are either short term in nature or are frequently repriced in the case of customer loans and deposits.

The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

**a) Financial instruments in level 1**

Currently, no financial instruments are classified in level 1.

**b) Financial instruments in level 2**

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

**c) Financial instruments in level 3**

Currently, no financial instruments are classified in level 3.

The Bank's policy is to recognize transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused such transfer takes place. There were no transfers between levels 1 and 2 during the period.

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

March 31, 2025					
On balance sheet financial instruments	Fair Value				
	Carrying Value	Level 1	Level 2	Level 3	Total
	(Un-audited)				
	Rupees				
<b>Financial assets - measured at fair value</b>					
<i>Investments:</i>					
Federal Government securities	61,811,142,502	-	61,811,142,502	-	61,811,142,502
<b>Financial assets - disclosed but not measured at fair value</b>					
<i>Investments</i>					
Federal Government securities	8,231,288,520	-	-	-	-
Cash and balances with treasury banks	22,167,621,469	-	-	-	-
Balances with other MFBs / Banks / NBFIs	19,332,770,789	-	-	-	-
Lending to financial institutions	26,177,168,381	-	-	-	-
Advances	74,767,069,159	-	-	-	-
Other assets	7,146,114,275	-	-	-	-
<b>Total</b>	<b>219,633,175,095</b>	<b>-</b>	<b>61,811,142,502</b>	<b>-</b>	<b>61,811,142,502</b>

December 31, 2024					
On balance sheet financial instruments	Fair Value				
	Carrying Value	Level 1	Level 2	Level 3	Total
	(Audited)				
	Rupees				
<b>Financial assets - measured at fair value</b>					
<i>Investments:</i>					
Federal Government securities	53,370,721,002	-	53,370,721,002	-	53,370,721,002
<b>Financial assets - disclosed but not measured at fair value</b>					
<i>Investments:</i>					
Federal Government securities	7,979,022,591	-	-	-	-
Cash and balances with treasury banks	11,533,419,056	-	-	-	-
Balances with other MFBs / Banks / NBFIs	11,223,432,244	-	-	-	-
Lending to financial institutions	11,748,833,286	-	-	-	-
Advances	74,932,160,102	-	-	-	-
Other assets	4,458,771,296	-	-	-	-
<b>Total</b>	<b>175,246,359,577</b>	<b>-</b>	<b>53,370,721,002</b>	<b>-</b>	<b>53,370,721,002</b>

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

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

### 39 RELATED PARTY TRANSACTIONS

The Bank's Ultimate Parent is Veon Limited (VL). Therefore, all subsidiaries and associated undertakings of VL are related parties of the Bank. Other related parties include directors, key management personnel (KMP) which include CEO and Head of Departments (HOD's) and entities under common directorship. All transactions involving related parties are subject to the approval of the Board of Directors. Significant transactions with the related parties entered into during the period are as follows:

	March 31, 2025			December 31, 2024		
	Key Management Personnel	Associates	Directors	Key Management Personnel	Associates	Directors
<b>ADVANCES</b>						
Opening balance	255,407,347	-	-	75,543,020	-	-
Addition during the period	-	-	-	198,975,889	-	-
Repaid during the period	(8,023,692)	-	-	(19,111,562)	-	-
<i>Closing balance</i>	<b>247,383,654</b>	-	-	<b>255,407,347</b>	-	-
<b>OTHER ASSETS</b>						
Interest / mark-up accrued	704,116	-	-	620,066	-	-
Other receivable :						
- <i>Pakistan Mobile Communications Limited</i>	-	552,497,178	-	-	596,398,014	-
- <i>Jazzcash (Pvt) Limited</i>	-	65,531,461	-	-	44,118,134	-
- <i>Veon Limited</i>	-	31,316	-	-	19,657	-
Salary and other advances	1,695,266	-	-	5,077,927	-	-
<b>DEPOSITS AND OTHER ACCOUNTS</b>						
Opening balance	21,584,320	1,850,556,485	-	21,483,113	1,563,653,035	-
Received during the period / year	104,343,088	4,498,894,379	-	609,558,202	16,001,464,568	-
Withdrawn during the period / year	(99,733,552)	(5,828,490,637)	-	(609,456,111)	(15,714,561,117)	-
<i>Closing balance</i>	<b>26,193,856</b>	<b>520,960,228</b>		<b>21,585,204</b>	<b>1,850,556,486</b>	-
<b>OTHER LIABILITIES</b>						
Interest / mark-up payable						
- <i>Pakistan Mobile Communications Limited</i>	-	402,000	-	-	546,053	-
- <i>Linkdotnet Pakistan (Pvt) Ltd</i>	-	35,752	-	-	35,247	-
Payable to related parties						
- <i>Pakistan Mobile Communications Limited</i>	-	4,668,495,518	-	-	1,791,682,244	-
- <i>Jazzcash (Pvt) Limited</i>	-	16,452,422	-	-	88,402,950	-
- <i>Veon Limited</i>	-	352,025,441	-	-	352,025,441	-

## INCOME

Mark-up / Return / Interest earned

Fee and commission income

- Jazzcash (Pvt) Limited

## EXPENSE

Mark-up / interest paid to

- Savings Account of KMPS

- Pakistan Mobile Communications Limited

- Linkdot Net (Pvt) Limited

Operating expenses :

- Branchless commission

Deposit mobilization commission paid

- Pakistan Mobile Communications Limited

- Jazzcash (Pvt) Limited

Payments made against defined contribution plan  
being employee and employer contributions

- Veon Limited

Remuneration paid

March 31, 2025			December 31, 2024		
Key Management Personnel	Associates	Directors	Key Management Personnel	Associates	Directors
2,962,531	-	-	785,690	-	-
-	2,901,624	-	-	34	-
447,456	-	-	677,574	-	-
-	2,570,901	-	-	1,869,112	-
-	3,164,094	-	-	53,451,970	-
447,456	5,734,995	-	677,574	55,321,082	-
-	4,345,974,156	-	-	3,434,976,326	-
-	961,400,243	-	-	1,053,495,797	-
-	14,107,548	-	-	-	-
-	109,094,694	-	-	83,497,252	-
-	4,818,800	-	-	-	-
121,967,080	-	-	138,195,505	-	-
121,967,080	5,435,395,441	-	138,195,505	4,571,969,375	-

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

Jazz Cash (Pvt) Ltd

Linkdotnet Pakistan (Pvt) Ltd

Pakistan Mobile Communication Limited

March 31, 2025	December 31, 2024
(Un-audited)	(Audited)
----- Rupees -----	
354,819,806	358,271,534
111,572,557	108,847,830
54,567,865	1,383,437,122
520,960,228	1,850,556,486

## 39.2 Transactions during the period

Payments made for expenses incurred on behalf of PMCL by the Bank

----- Rupees -----	
1,140,923,180	2,049,882,097

#### 40 CAPITAL ADEQUACY & MINIMUM CAPITAL

	March 31, 2025	December 31, 2024
	----- Rupees -----	
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	<b>2,713,596,830</b>	2,713,596,830
The Bank's policy is to maintain a strong capital base to maintain investor, depositor, creditor and market confidence and to sustain future development of the business, while providing adequate returns to shareholders.		
The SBP, through AC&MFD Circular No. 03 dated June 10, 2014, has required Microfinance Banks to maintain a minimum paid-up capital of Rs.1,000 million (net of accumulated losses). The paid-up capital of the Bank as at March 31, 2025 stood at Rs. 2,714 million (2024: Rs. 2,714 million) and is in compliance with SBP requirements.		
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	<b>7,298,439,268</b>	9,177,795,788
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	<b>7,298,439,268</b>	9,177,795,788
Eligible Tier 2 Capital	<b>2,912,029,748</b>	2,937,503,865
Total Eligible Capital (Tier 1 + Tier 2)	<b>10,210,469,016</b>	12,115,299,653
<b>Risk Weighted Assets (RWAs):</b>		
Credit risk	<b>57,689,279,805</b>	58,980,744,324
Operational risk	<b>4,263,785,563</b>	4,263,785,563
Total	<b>61,953,065,368</b>	63,244,529,887
Common Equity Tier 1 Capital Adequacy Ratio	<b>11.78%</b>	14.51%
Tier 1 Capital Adequacy Ratio	<b>11.78%</b>	14.51%
Capital Adequacy Ratio	<b>16.48%</b>	19.16%

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

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

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

In response to the regulatory requirements, the parent company has extended an advance of Rs 4.18 billion to the Bank against the issuance of share capital. This advance has been treated as Tier 1 capital and has provided a further boost to MMBL's CAR.

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

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

**40.2**

Under the requirements of BPRD Circular No. 10 of June 3, 2015, the Bank is required to maintain the Capital Adequacy Ratio of at least 15% of its risk weighted assets.

**41 GENERAL**

**41.1**

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

**41.2**

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