

MOBILINK MICROFINANCE BANK LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2023

		September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
	Note	-----Rupees-----	
ASSETS			
Cash and balances with SBP and NBP	7	5,862,000,384	6,345,382,644
Balances with other banks	8	6,247,325,968	5,610,619,698
Lending to financial institutions	9	979,312,000	-
Investments - net of provisions	10	10,015,833,856	8,347,369,054
Advances – net of provisions	11	67,333,686,290	56,213,431,544
Operating fixed assets	12	2,296,312,894	2,436,658,140
Other assets	13	3,703,782,687	1,350,326,872
Deferred tax asset	14	2,222,085,319	1,174,030,878
Total assets		98,660,339,398	81,477,818,830
LIABILITIES			
Deposits and other accounts	15	75,387,870,733	64,764,800,201
Borrowings	16	-	1,473,461,236
Subordinated debt	17	2,149,801,034	2,014,636,647
Other liabilities	18	14,363,402,745	7,334,806,732
Total liabilities		91,901,074,512	75,587,704,816
Net assets		6,759,264,886	5,890,114,014
REPRESENTED BY:			
Share capital	19	2,713,596,830	2,713,596,830
Statutory reserve		1,123,335,977	959,599,752
Depositors' protection fund		404,557,402	317,854,657
Fair value reserve of financial assets at FVOCI	20	4,576,754	(124,306)
Unappropriated profit		2,513,197,923	1,899,187,081
		6,759,264,886	5,890,114,014
		6,759,264,886	5,890,114,014

MOBILINK MICROFINANCE BANK LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR NINE MONTHS ENDED SEPTEMBER 30, 2023

		(Un-audited)	
		Period ended September 30	
Note	2023	2022	
-----Rupees-----			
Markup / return / interest earned	21	21,008,891,582	12,148,520,743
Markup / return / interest expensed	22	<u>(3,541,083,373)</u>	<u>(1,956,694,449)</u>
Net markup / interest income		17,467,808,209	10,191,826,294
Provision against non-performing loans and advances - net		-	(1,687,461,153)
Credit loss allowance and write offs - net	23	<u>(4,099,218,950)</u>	<u>-</u>
		(4,099,218,950)	(1,687,461,153)
Net markup / interest income after provisions		<u>13,368,589,259</u>	<u>8,504,365,141</u>
NON MARK-UP/ NON INTEREST INCOME			
Fee, commission and brokerage income - net	24	<u>6,805,741,349</u>	4,771,072,599
Dividend income		-	3,727,637
Other income	25	<u>2,727,148</u>	574,242
Total non-markup / non interest income		6,808,468,497	4,775,374,479
NON MARK-UP/ NON INTEREST EXPENSES			
Administrative expenses	26	<u>(18,678,491,799)</u>	(12,906,956,489)
Other charges	27	<u>(40,711,040)</u>	(628,742)
Total non-markup / non interest expenses		<u>(18,719,202,839)</u>	<u>(12,907,585,231)</u>
		1,457,854,917	372,154,389
PROFIT BEFORE TAXATION			
		1,457,854,917	372,154,389
Workers Welfare Fund		<u>(28,585,386)</u>	<u>(7,297,145)</u>
		1,429,269,531	364,857,244
TAXATION			
Current		<u>(1,658,642,849)</u>	(194,524,240)
Deferred		<u>1,048,054,441</u>	101,142,220
	28	<u>(610,588,408)</u>	<u>(93,382,020)</u>
PROFIT AFTER TAXATION			
		818,681,123	271,475,224
Unappropriated profit brought forward		<u>1,899,187,081</u>	<u>2,423,780,022</u>
Profit available for appropriations		<u>2,717,868,204</u>	<u>2,695,255,246</u>
APPROPRIATIONS:			
Transfer to:			
Statutory reserve		<u>(163,736,225)</u>	(54,295,045)
Contribution to depositors protection fund		<u>(40,934,056)</u>	(13,573,761)
		<u>(204,670,281)</u>	<u>(67,868,806)</u>
UNAPPROPRIATED PROFIT CARRIED FORWARD			
		<u>2,513,197,923</u>	<u>2,627,386,440</u>
Basic and diluted earnings / (loss) per share (Rupee)		<u>3.02</u>	<u>1.00</u>

MOBILINK MICROFINANCE BANK LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR NINE MONTHS ENDED SEPTEMBER 30, 2023

(Un-audited)
Period ended September 30
2023 2022
-----Rupees-----

Profit after taxation	818,681,123	271,475,224
Other comprehensive income		
Items to be reclassified in profit and loss account in subsequent periods		
Movement in fair value reserve on investments measured at fair value through OCI - net off tax	4,701,060	2,366,346
	4,701,060	2,366,346
Total comprehensive loss transferred to Fair value reserve of financial assets at FVOCI	4,701,060	2,366,346
Total comprehensive income for the period transferred to equity	823,382,183	273,841,570

MOBILINK MICROFINANCE BANK LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR NINE MONTHS ENDED SEPTEMBER 30, 2023

	Capital reserves			Revenue reserves		Total
	Share capital	Statutory reserve	Depositors protection fund	Fair value reserve of financial assets at FVOCI	Unappropriated profit	
	----- Rupees -----					
Balance at January 01, 2022	2,713,596,830	767,940,323	239,191,683	-	2,423,780,022	6,144,508,858
Impact of initial adoption of IFRS 9	-	-	-	(3,684,211)	(1,253,606,108)	(1,257,290,319)
Restated Balance at January 01, 2022 under IFRS 9	2,713,596,830	767,940,323	239,191,683	(3,684,211)	1,170,173,914	4,887,218,539
Profit for the period	-	-	-	-	958,297,144	958,297,144
Other comprehensive income	-	-	-	-	10,290,309	10,290,309
Total comprehensive income for the period	-	-	-	-	968,587,453	968,587,453
Transfers to statutory reserves	-	191,659,429	-	-	(191,659,429)	-
Transfer to Depositors protection fund						
- 5% of the profit after tax for the year	-	-	5,691,008	-	(5,691,008)	-
- return on investments	-	-	7,725,328	-	-	7,725,328
	-	-	13,416,336	-	(5,691,008)	7,725,328
Balance at June 30, 2022	2,713,596,830	959,599,752	252,608,019	(3,684,211)	1,941,410,930	5,863,531,320
Profit for the period	-	-	-	-	-	-
Other comprehensive income	-	-	-	3,559,905	-	3,559,905
Total comprehensive income for the period	-	-	-	3,559,905	-	3,559,905
Transfers to statutory reserves	-	-	-	-	-	-
Transfer to Depositors protection fund						
- 5% of the profit after tax for the year	-	-	42,223,849	-	(42,223,849)	-
- return on investments	-	-	23,022,789	-	-	23,022,789
	-	-	65,246,638	-	(42,223,849)	23,022,789
Balance at December 31, 2022	2,713,596,830	959,599,752	317,854,657	(124,306)	1,899,187,081	5,890,114,014
Profit for the period	-	-	-	-	818,681,123	818,681,123
Other comprehensive income	-	-	-	4,701,060	-	4,701,060
Total comprehensive income for the period	-	-	-	4,701,060	818,681,123	823,382,183
Transfers to statutory reserves	-	163,736,225	-	-	(163,736,225)	-
Transfer to Depositors protection fund						
- 5% of the profit after tax for the period	-	-	40,934,056	-	(40,934,056)	-
- return on investments	-	-	45,768,689	-	-	45,768,689
	-	-	86,702,745	-	(40,934,056)	45,768,689
Balance at September 30, 2023	2,713,596,830	1,123,335,977	404,557,402	4,576,754	2,513,197,923	6,759,264,886

MOBILINK MICROFINANCE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR NINE MONTHS ENDED SEPTEMBER 30, 2023

1 STATUS AND NATURE OF BUSINESS

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

The Bank has 109 business locations/ touch points comprising of 109 operational branches (including 1 in Muzaffarabad AJK) and no booth/ service centre (2022: 109 business locations/ touch points comprising of 109 branches (including 1 in Muzaffarabad AJK) and no booth/ service centre) in operation. The Bank's registered and principal office is situated at Plot No. 3-A/2, F-8 Markaz, Islamabad, Pakistan. The Bank is a subsidiary of Veon Microfinance Holdings B.V (VMH) (the Holding Company), with effect from March 27, 2020 upon transfer of 99.99% shareholding in the Bank, from Global Telecom Holdings (GTH), being a transfer of control between entities held under common control. The transfer has been registered with SBP whereas the registration with SECP 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.

2 STATEMENT OF COMPLIANCE

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

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

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

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

2.2 Banking Policy & Regulations Department of State Bank of Pakistan (SBP) via circular no. 3 of 2023 dated 09 February 2023, introduced the new format for preparation of annual and interim financial statements for microfinance banks due to significant regulatory developments including implementation of IFRS 9 as well as many other additions / amendments in the International Financial Reporting Standards. The revised format for preparation of annual financial statements are applicable effective from the accounting year ending 31st December, 2024 and revised format for preparation of interim financial statements are applicable effective from the first quarter of year 2024.

MOBILINK MICROFINANCE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR NINE MONTHS ENDED SEPTEMBER 30, 2023

2.3 The SBP vide BSD Circular No. 10, dated 26 August 2002 has deferred the applicability of the International Accounting Standard (IAS) 40, "Investment Property" for banking companies till further instructions. Further, the SECP vide its SRO 633 (I) / 2014, dated 10 July 2014 has deferred the applicability of International Accounting Standard (IAS) 40. "Investment Property" and International Financial Reporting Standard (IFRS) 7. "Financial Instruments: Disclosures" for banking companies till further instructions. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by SBP through various circulars /regulations.

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, 2022, which have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for financial reporting. The accounting and reporting standards as applicable in Pakistan for financial reporting comprise of: 'International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017; Provisions of and directives issued under the Microfinance Institutions Ordinance, 2001 and the Companies Act, 2017; and Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Microfinance Institution Ordinance, 2001, the Companies Act, 2017, or the directives issued by the SBP and SECP differ with the requirements of IFRS, the requirements of the Microfinance Institution Ordinance, 2001, the Companies Act, 2017 and the said directives shall prevail.

3 AMENDMENTS TO THE PUBLISHED APPROVED ACCOUNTING STANDARDS THAT ARE EFFECTIVE IN THE CURRENT PERIOD

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

There are certain amendments to existing accounting and reporting standards that have become applicable to the Bank for accounting periods beginning on or after January 01, 2022. These are either considered to be not relevant or do not have any significant impact on these condensed interim financial statements.

	Effective from Accounting period beginning on or after
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	January 01, 2022
Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)	January 01, 2022

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

There are certain other new amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2024, but are considered not to be relevant or will not have significant effect on the Bank's operations and are, therefore, not detailed in these condensed interim financial statements.

	Effective from Accounting period beginning on or after
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 ' Income taxes' - International Tax Reform — Pillar Two Model Rules	January 01, 2023

MOBILINK MICROFINANCE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR NINE MONTHS ENDED SEPTEMBER 30, 2023

Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IFRS 16 'Leases' -Clarification on how seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 9 'Financial instruments' - Supplier Finance Arrangements	January 01, 2024
Amendments to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely

Further, the following new standards have been issued by the IASB, which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

Standard	Effective Date
IFRS 1 First-time Adoption of International Financial Reporting Standards	January 1, 2004
IFRS 17 Insurance Contracts	January 1, 2023

The Bank expects that the adoption of the above standards will have no material effect on the Bank's financial statements, in the period of initial application.

4 BASIS OF MEASUREMENT AND PRESENTATION

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

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

4.2 These condensed interim financial statements have been prepared in compliance with the format as prescribed under the Banking Surveillance Department (BSD) Circular No. 11 dated December 30, 2003 issued by the SBP. These condensed interim financial statements have been presented in Pakistani Rupees, which is the functional and presentation currency of the Bank.

5 SIGNIFICANT ACCOUNTING POLICIES

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

6 ACCOUNTING ESTIMATES

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

		(Un-audited) September 30, 2023	(Audited) December 31, 2022
7	CASH AND BALANCES WITH SBP AND NBP	----- Rupees -----	
	Cash in hand - Local currency	1,623,852,670	1,207,164,306
	Balance with State Bank of Pakistan (SBP)	4,237,421,833	5,137,866,641
	Balance with National Bank of Pakistan (NBP) in:		
	- Current accounts	725,881	351,697
		<u>5,862,000,384</u>	<u>6,345,382,644</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, 2022: 5%) of the Bank's demand deposits and time deposits with tenor of less than one year.		
		(Un-audited) September 30, 2023	(Audited) December 31, 2022
8	BALANCES WITH OTHER BANKS	----- Rupees -----	
	In Pakistan		
	- on current accounts - Local currency	166,415,368	-
	- on saving accounts - Local currency	6,039,760,600	5,385,669,698
	- on term deposits accounts - Local currency	41,150,000	224,950,000
		<u>6,247,325,968</u>	<u>5,610,619,698</u>
9	LENDING TO THE FINANCIAL INSTITUTIONS		
	Reverse Repo- United Bank Limited	979,312,000	-
		<u>979,312,000</u>	<u>-</u>
		(Un-audited) September 30, 2023	(Audited) December 31, 2022
10	INVESTMENTS - NET OF PROVISIONS	----- Rupees -----	
	Investments by types under IFRS 9		
	Fair value through other comprehensive income		
	Market Treasury Bills - FVOCI	5,227,784,880	8,347,554,585
	Fair value reserve on investments measured at fair value through OCI	6,830,976	(185,531)
		<u>5,234,615,856</u>	<u>8,347,369,054</u>
	Amortized cost		
	Market Treasury Bills - Amortized cost	4,781,218,000	-
		<u>10,015,833,856</u>	<u>8,347,369,054</u>

	Note	(Un-audited) September 30, 2023		(Audited) December 31, 2022	
		Number of loans outstanding	Amount of loans outstanding	Number of loans outstanding	Amount of loans outstanding
		Number	Rupees	Number	Rupees
11 ADVANCES - NET OF PROVISIONS					
Micro credit					
-Secured against gold		101,079	28,498,129,665	94,529	20,921,696,816
-Unsecured		3,885,584	32,850,704,939	2,480,169	29,888,535,805
Income markup/ accrued			11,205,663,764		8,093,660,450
		3,986,663	72,554,498,368	2,574,698	58,903,893,071
Allowance for Impairment- IFRS 9					
Stage 1			1,333,751,753		487,844,697
Stage 2			219,526,352		381,781,819
Stage 3	11.1		3,667,533,973		1,820,835,011
			5,220,812,078		2,690,461,527
Advances - net of provisions			67,333,686,290		56,213,431,544

11.1 Particulars of non-performing advances

Advances include Rs 5,100 million (2022: Rs 2,604 million) which as detailed below, have been placed under non performing / stage 3 status.

Category of classification	(Un-audited) September 30, 2023			(Audited) December 31, 2022		
	Amount outstanding	Provision required	Provision held	Amount outstanding	Provision required	Provision held
	----- Rupees -----					
IFRS 9 classification						
Stage 3	5,100,178,743	3,667,533,973	3,667,533,973	2,604,009,647	1,820,835,011	1,820,835,011
	5,100,178,743	3,667,533,973	3,667,533,973	2,604,009,647	1,820,835,011	1,820,835,011

		(Un-audited) September 30, 2023	(Audited) December 31, 2022
		----- Rupees -----	
12 OPERATING FIXED ASSETS	Note		
Capital work in progress	12.2	57,386,932	10,910,911
Property and equipment excluding right of use assets		1,023,282,931	1,063,826,728
Intangible assets		412,455,728	422,742,146
	12.1	1,493,125,591	1,497,479,785
Right-of-use Asset	12.4	803,187,303	939,178,355
		<u>2,296,312,894</u>	<u>2,436,658,140</u>
12.1 Movement of operating fixed assets excluding right of use assets:			
Carrying value at the beginning of the period/ year		1,497,479,785	1,454,265,050
Add: Additions during the period/ year	12.3	375,086,648	541,134,386
Less: Disposals/ deletion during the period/ year at carrying value		(1,122,950)	(3,197,547)
		1,871,443,483	1,992,201,889
Less: Depreciation and amortization for the period/ year		(378,317,892)	(494,722,104)
Carrying value at the end of the period/ year		<u>1,493,125,591</u>	<u>1,497,479,785</u>
12.2 Capital Work in progress			
Civil works		459,088	8,091,969
Software		56,927,844	-
Advances to suppliers and contractors		-	2,818,942
		<u>57,386,932</u>	<u>10,910,911</u>
12.3 Additions during the period/ year			
Capital work-in-progress		46,476,021	(63,434,844)
Property and equipment			
Electrical, office and computer equipment		43,735,374	218,690,332
Furniture and fixture		26,102,338	47,262,903
Vehicles		91,891,373	19,756,000
Leasehold improvements		24,010,885	100,916,152
		185,739,971	386,625,387
Intangible assets			
Software and License		142,870,656	217,943,843
		<u>375,086,648</u>	<u>541,134,386</u>
12.4 Right-of-use Asset			
Right of use assets		803,187,303	939,178,355
Movement during the period			
Balance as at January 1		939,178,355	670,947,413
Additions during the period/ year		-	443,658,451
Depreciation charge for the period/ year		(135,991,052)	(175,427,509)
Balance as at period/ year end		<u>803,187,303</u>	<u>939,178,355</u>
13 OTHER ASSETS			
Income / markup accrued other than Advances		44,954,302	65,014,364
Advances, deposits and prepayments		823,365,380	241,470,797
Receivable from related parties - PMCL	13.1	55,518,523	416,991,334
ATM cards / printed stationary		118,398,933	116,434,867
Receivables from State Bank of Pakistan	13.2	365,651,496	211,611,368
Sales Tax Refundable		115,782,516	100,941,464
Receivable from 1-link		1,850,883,539	-
Others		329,227,998	197,862,678
		<u>3,703,782,687</u>	<u>1,350,326,872</u>

		(Un-audited) September 30, 2023	(Audited) December 31, 2022
		---- Rupees ----	
13.1	Receivable from related parties		
	Pakistan Mobile Communications Limited (PMCL)	<u>55,518,523</u>	<u>416,991,334</u>
13.2	This represents claims for the amount of insurance premiums lodged / to be lodged with SBP under crop loan insurance scheme & livestock insurance scheme for borrowers of the Bank, mark-up on advances given under Mera Ghar Mera Pakistan scheme and mark-up on advances given under zero mark-up schemes.		
14	DEFERRED TAX ASSET		
	Arising in respect of deductible temporary differences	<u>2,222,085,319</u>	<u>1,174,030,878</u>
		(Un-audited) September 30, 2023	(Audited) December 31, 2022
15	DEPOSITS AND OTHER ACCOUNTS	---- Rupees ----	
	Time liabilities		
	Fixed deposits	5,831,320,870	6,700,275,890
	Demand Liabilities		
	Saving deposits	13,511,251,305	11,120,766,836
	Current deposits	3,981,616,573	3,062,231,020
	Branchless deposits		
	Saving	4,720,297,895	4,335,907,214
	Current	47,343,384,090	39,545,619,241
		<u>69,556,549,863</u>	<u>58,064,524,311</u>
		<u>75,387,870,733</u>	<u>64,764,800,201</u>
16	BORROWINGS		
	Borrowings from Banks / Financial Institutions		
	In Pakistan	16.1	-
	Outside Pakistan	-	1,473,461,236
		<u>-</u>	<u>-</u>
		<u>-</u>	<u>1,473,461,236</u>
16.1	The bank utilized two secured running finance facilities during the period on following terms.		
	i) The Bank entered into running finance facility agreement amounting to Rs 500 million with Alfalah Bank to finance its operations and carries mark-up at the rate of one month KIBOR + 0.85% per annum payable on quarterly basis. The tenure of loan is 12 months. First pari passu charge over all the present and future assets of the Bank including but not limited to advances/microcredit receivables and investments bond CRR & SLR requirements of the bank with 25% margin(Excluding land and buildings).		
	ii) The Bank entered into running finance facility agreement amounting to Rs 1,000 million with Allied bank to finance its operations and carries mark-up at the rate of three months KIBOR + 1% per annum payable on quarterly basis. The tenure of loan is 12 months. First pari passu charge over all the present and future assets of the Bank including but not limited to advances/microcredit receivables and investments beyond CRR & SLR requirements of the bank with 25% margin(Excluding land and buildings).		
17	SUBORDINATED DEBT	(Un-audited) September 30, 2023	(Audited) December 31, 2022
		----- Rupees -----	
	TFCs Subordinated Debt	2,014,636,647	2,000,000,000
	Initial direct cost - Agent's fee and commission	-	(23,765,000)
		<u>2,014,636,647</u>	<u>1,976,235,000</u>
	<i>Finance Cost:</i>		
	Finance cost on subordinated debt	313,387,400	39,237,673
	Payment during the period/ year	<u>(178,223,013)</u>	<u>(836,026)</u>
		<u>2,149,801,034</u>	<u>2,014,636,647</u>

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

		(Un-audited) September 30, 2023	(Audited) December 31, 2022
18 OTHER LIABILITIES	Note	----- Rupees -----	
Bills payable		262,222,423	122,845,003
Lease liability on right of use asset	18.1	892,675,427	996,618,607
Accrued expenses		2,543,394,046	1,143,169,834
Provision for gratuity		114,961,202	63,836,928
Payable to related parties - PMCL		1,642,167,245	1,618,726,871
Tax payable		1,260,294,585	11,769,317
Taxes and levies withheld		683,539,666	204,491,393
Payable to suppliers		818,997,342	700,323,788
Bills collected for settlement through NADRA		1,504,813,887	259,242,239
RAAST payable		2,064,351,443	957,846,688
Remittances		1,523,257,029	632,003,720
Payable to Merchants and others		869,486,147	348,751,683
Others		183,242,303	275,180,661
		<u>14,363,402,745</u>	<u>7,334,806,732</u>

		(Un-audited) September 30, 2023	(Audited) December 31, 2022
18.1 Lease liability on right of use asset	Note	----- Rupees -----	
Lease liability on right of use assets	18.2	892,675,427	996,618,607
18.2 Movement during the period			
Lease liability as at January 1		996,618,607	714,503,858
Additions during the period		-	443,658,451
Accretion of interest		95,778,524	122,502,761
Payment of lease liability during the period		(199,721,704)	(284,046,463)
As at period end		<u>892,675,427</u>	<u>996,618,607</u>

19 SHARE CAPITAL

Authorized capital

	2023	2022		2023	2022
	Numbers	Numbers		Numbers	Numbers
	<u>360,000,000</u>	300,000,000	Ordinary shares of Rs. 10 each.	<u>3,600,000,000</u>	3,000,000,000

Issued, subscribed and paid-up capital

	2023	2022		2023	2022
	<u>271,359,683</u>	271,359,683	Ordinary shares Fully paid in cash of Rs. 10 each.	<u>2,713,596,830</u>	2,713,596,830

- 19.1 Veon Microfinance Holdings B.V (VMH) is the holding company controlling 271,359,678 i.e. 99.99% shares (December 31, 2022: 271,359,678 i.e. 99.99%).

	(Un-audited) September 30, 2023	(Audited) December 31, 2022
20 FAIR VALUE RESERVE OF FINANCIAL ASSETS AT FVOCI	----- Rupees -----	
Investments At fair value through OCI		
Fair value reserve on investments measured at fair value through OCI	6,830,976	(185,531)
Related deferred tax	(2,254,222)	61,225
	<u>4,576,754</u>	(124,306)
	<u>4,576,754</u>	(124,306)

		(Un-audited) September 30, 2023	(Un-audited) September 30, 2022
21	MARKUP/RETURN/INTEREST EARNED		
	Mark-up on advances	19,350,276,721	10,983,547,851
	Income on investment in Government Securities	1,156,465,716	870,637,295
	Mark-up on deposit accounts with treasury and other banks	381,418,991	294,335,597
	Mark-up on reverse repo transactions	120,730,154	-
		21,008,891,582	12,148,520,743
21.1	This includes markup income on Nano loans amounting to Rs. 8,303 million (2022: 3,801 million)		
22	MARK-UP/RETURN/INTEREST EXPENSED		
	Interest on deposits	3,087,366,848	1,850,014,325
	Interest on sub-ordinate debt	313,387,400	-
	Interest on borrowings	44,550,601	18,775,273
	Finance cost of lease liability on right of use assets	95,778,524	87,904,851
		3,541,083,373	1,956,694,449
23	EXPECTED CREDIT LOSS ALLOWANCE		
	On Advances	4,099,218,950	-
		4,099,218,950	-
	Provision against non-performing loans and advances	-	1,687,461,153
		-	1,687,461,153
24	FEE, COMMISSION AND BROKERAGE INCOME - NET		
	Income from branchless banking	5,606,360,501	4,083,076,258
	Commission from insurance companies	11,680,579	2,804,977
	Loan processing fee	1,030,169,196	656,347,183
	Others	157,531,073	28,844,181
		6,805,741,349	4,771,072,599
24.1	Income / (loss) from branchless		
	Branchless banking income	5,606,360,501	4,083,076,258
	Interest income on nano advances	8,303,278,284	3,801,220,781
	Commission to retailer / franchisee	(2,241,613,296)	(3,607,613,948)
	Commission to a related party - PMCL	(7,088,764,993)	(2,763,479,033)
		4,579,260,496	1,513,204,058
	Amount reclassified to Markup/return interest earned	(8,303,278,284)	(3,801,220,781)
	Commission to retailer / franchisee and PMCL - reclassified to Administrative expenses	9,330,378,289	6,371,092,981
		5,606,360,501	4,083,076,258
25	OTHER INCOME		
	Gain / (Loss) on disposal of fixed assets	2,111,053	(355,527)
	Grant Income	616,095	929,769
		2,727,148	574,242

	(Un-audited) September 30, 2023	(Un-audited) September 30, 2022
	----- Rupees -----	
26 ADMINISTRATIVE EXPENSES		
Branchless banking commission expense		
Commission to retailer / franchisee	2,241,613,296	3,607,613,948
Commission to a related party - PMCL	7,088,764,993	2,763,479,033
Others	9,348,113,510	6,535,863,508
	<u>18,678,491,799</u>	<u>12,906,956,489</u>
27 OTHER CHARGES		
Exchange Gain/Loss on foreign currency transactions	40,711,040	628,742
	<u>40,711,040</u>	<u>628,742</u>
28 TAXATION		
For the period/ year		
Current	(1,658,642,849)	(194,524,240)
Deferred	1,048,054,441	101,142,220
	<u>(610,588,408)</u>	<u>(93,382,020)</u>
29 GENERAL		
29.1	Figures in these condensed interim financial statements have been rounded to the nearest Rupee, unless otherwise stated.	