easypaisa digital bank

leading the digital banking evolution



easypaisa Bank Ltd. formely Telenor Microfinance Bank LTD.

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empowering communities & redefining financial accessibility for all

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following approval from the State Bank of Pakistan, Telenor Microfinance Bank officially transitioned into a Digital Retail Bank on January 28, 2025, and has been rebranded as

easypaisa digital bank

however, for the purpose of this annual report, which covers the year 2024, the Bank will continue to be referred to as "easypaisa."

the information contained in this Annual Report 2024 is published in good faith and easypaisa Bank Limited believes that the provided information is accurate as at the date of publication but no representation of warranty of accuracy, express or implied, is given of any kind and no obligation or responsibility in respect of any errors or omissions which may occur is accepted by easypaisa bank limited. easypaisa Bank Limited shall have no liability of any loss or damage arising out of the use of or reliance on the information provided including without limitation, any loss of profit or any other damage, direct or consequential. No information on this Annual report 2024 constitutes investment, tax, legal or any other advice.

easypaisa 2024

remarkable numbers empowering Pakistan with a seamless digital future







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message from the Chairman

message from the CEO



Irfan Wahab Khan Chairman of the Board

Reflecting on 2024, easypaisa has made monumental strides, becoming Pakistan's first Digital Retail Bank. This transformative journey marked a successful turnaround of business where we have not only increased our customer base, enrich our product offerings, enhance our profitability and transitioned from a microfinance institution to a full-fledged Digital Retail Bank (DRB).

easypaisa has emerged as a leader in Pakistan's digital financial landscape, ushering in a new era. This achievement was driven by the collective efforts of our teams across Pakistan, committed to our mission of delivering financial and digital inclusion for every Pakistani. As a digital-first bank, easypaisa will continue to foster financial inclusion across all segments of Pakistan's economy. By developing top-tier savings, money transfer, insurance and investment products, we are empowering millions of Pakistanis with greater control over their financial lives.

Our technological infrastructure continues to deliver a robust, secure, and seamless digital banking experience to millions. We leverage advanced AI and data analytics to reduce bias, expand financial access, and enhance fraud detection and risk management. We are committed to stepping up our efforts in this area, including awareness campaigns as we have also seen an increased industry-wide trend of scams.

Our employees are the backbone of our success. We are committed to investing in our people by fostering a culture of innovation, agility, and

continuous learning. Combined with our best-in-class technology, this exceptional team ensures an unparalleled digital banking experience for every customer. I express my sincere gratitude to the State Bank of Pakistan (SBP) for their guidance and support throughout this journey. Their role has been instrumental in helping us align our vision with SBP's objectives, leading us to this historic milestone as Pakistan's first Digital Retail Bank.

Additionally, I extend my personal thanks to colleagues and partners across the industry who have been part of easypaisa's journey since its inception as Pakistan's first mobile money platform. What was once a dream is now a reality, we can all take pride in. To our millions of customers, we deeply appreciate your trust and patience throughout this journey. easypaisa digital bank will continue to meet your trust and expectations and keep on bringing in products and services which meet its customers' needs. It is a privilege to serve millions across Pakistan, delivering secure and convenient digital financial services. Looking ahead, we will continue to push boundaries, playing an even greater role in advancing Pakistan's financial inclusion agenda. The future of digital banking is here, and we are humbled to lead the way.



Corporate Growth and Social Impact

In 2024, our corporate segment recorded PKR 2 billion in revenue, a 62% YoY growth, driven by innovation and strategic partnerships. We're expanding support for businesses with smarter, cost-effective payment solutions and data-driven offerings like digital loans, credit cards, earned wage access, and BNPL for blue-collar workers. We also enabled disbursements to over 690,000 beneficiaries via the Benazir Income Support Program and aim to strengthen public-private partnerships for broader impact. With digital donation access to 50+ charities, we remain dedicated to uplifting communities through purposeful giving and support.

Our Stakeholder Commitment

Our people are the driving force behind easypaisa Digital Bank, fueling progress with their dedication and innovation. We remain committed to nurturing a culture of excellence, integrity, and growth. Our customers are central to our mission. With secure, digital-first solutions, we strive to enhance their financial well-being. Today, women make up 31% of our customer base, and we are focused on expanding this further by offering inclusive services at their fingertips. We're thankful to our regulators, SBP and SECP, for their continued support in enabling a safe and compliant digital ecosystem. We also deeply value the strategic trust and global expertise of our shareholders, Telenor Group and Ant Group, which keep us at the forefront of digital banking.

Looking Forward

As we enter 2025, our focus remains on driving meaningful change and setting new standards in digital banking. Backed by the strong values of our shareholders, our organizational culture will continue to be our strength as we grow into an employer of choice.

We'll keep investing in our people, attracting diverse talent that reflects the communities we serve. easypaisa thrives on challenging the status quo, taking smart risks, sharing learnings transparently, and leading with empathy, especially in uncertain times.

By leveraging our scale and global expertise, we aim to elevate customer experience, strengthen risk management, and build lasting impact through innovative and trusted digital financial solutions. We're on a mission to democratize finance by making services faster, better, and more affordable. As we evolve, we're embracing AI and ML to offer hyper-personalized, lifestyle-based financial services, from payments to insurance, cross-border transfers, and wealth management, shifting from a transactional model to one deeply centered on our customers' evolving needs.

easypaisa Bank remains committed to financial self-sustainability by investing in technology and optimizing scalable, responsible digital banking platforms. With a focus on helping customers save, pay, protect, and grow their finances, we'll continue to pioneer inclusive solutions alongside our dedicated partners and employees. We're grateful to our passionate team, supportive shareholders, the progressive State Bank of Pakistan, and our millions of loyal customers. Together, we will keep innovating and redefining banking for a digitally empowered Pakistan.

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Jahanzeb Khan CEO & President

In 2025, easypaisa digital bank became Pakistan's first **Digital Retail Bank (DRB)**, a milestone driven by bold strategy and team dedication. Since rejoining last year, I have witnessed the profound impact of our work in empowering communities and driving financial inclusion. This transition expands our reach, offering innovative financial solutions to millions. I'm proud to be part of this transformative journey.

The unwavering support of our esteemed shareholders, Telenor Group and Ant Group, has been key to our success. Their recent \$10 million equity investment reflects their confidence in our vision and successful execution of our mission. This capital boost strengthens our ability to invest in accelerating the launch of innovative products, reinforcing our commitment to financial inclusion and sustainable economic growth in Pakistan.

Consumer Empowerment

Shareholder Confidence

arow their finances

Empowering Merchants

Our impact on consumers is clear, over 16 million monthly active accounts and 2.8 billion transactions worth PKR 9.5 trillion in 2024, equal to 9% of Pakistans GDP. Money transfers reached PKR 5.5 trillion (46% YOY growth), with PKR 834 billion in cash deposits and over 40 million bill payments, solidifying our leadership in digital finance.

We're advancing financial inclusion through 2.2 million Asaan Digital Accounts and 89,000 youth accounts, extending access across all segments. Products like Savings Pocket, digital term deposits, and PKR 63 billion in digital lending are empowering users to manage and

With our expanding mini-app ecosystem, easypaisa is embedding financial services into everyday life, making digital banking more accessible, convenient, and impactful across

We have empowered over 2 million retail merchants with digitized payments and access to working capital, helping them thrive in the digital economy. Our innovative machine learning based credit tech solutions are unlocking new revenue streams, while improved efficiencies in merchant lending-faster turnaround times and optimized resource allocation ensure timely support for our merchant partners. We will work on unlocking the vast potential of digitizing payments, provide access to capital and enable digital financial tools for merchants via global learnings and best practices of our shareholders in other markets.

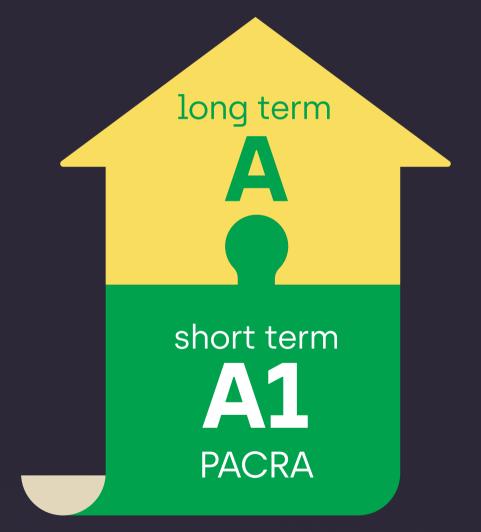
our shareholders



leading the charge for **Pakistan's** digital banking revolution

our shareholders

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about us

from pioneering Pakistan's first branchless mobile money transfer solution in 2009 to transforming the nation's digital financial landscape, easypaisa has redefined accessibility, impact, and scale.

with over 50 million registered users—one in four Pakistani adults—a strong 31% women user base, and 2.7 billion transactions processed in 2024 valued at a staggering PKR 9.5 trillion (approximately 9% of Pakistan's GDP), easypaisa has established itself as a trailblazer in Pakistan's financial ecosystem.

backed by world-class shareholders—Telenor Group, a leading telecom operator in Asia and the Nordics, and Ant Group, the force behind Alipay, the world's leading open internet platform-we are committed to delivering secure, seamless, and innovative financial solutions to millions of Pakistanis.

being Pakistan's first fully digital bank, we are taking a transformative leap in financial services-empowering customers with a complete banking experience that's entirely online. By eliminating traditional branch visits, we are breaking barriers and setting a new standard for digital financial accessibility and innovation.

having introduced branchless banking to Pakistan, we continue to push boundaries-expanding into digital payments, lending, investments, and platform services. With our seamless, 24/7 digital financial solutions, banking is no longer a place you go to-it's wherever you are!

our strategy

vision

creating a transparent economy that all Pakistanis can participate in.



strategic

- #1 payment app that
- scale platform

annual report 2024 10







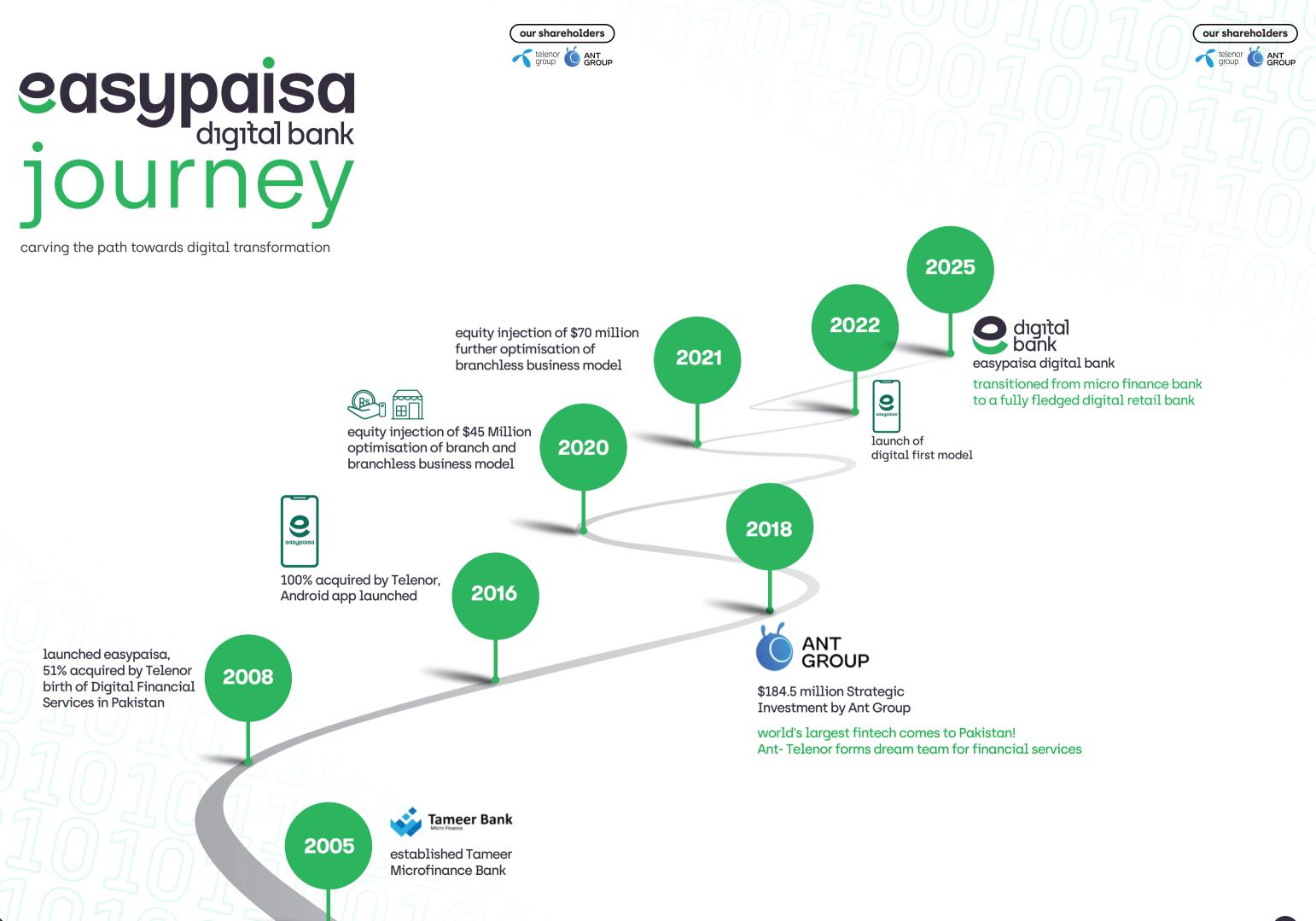
transforming Pakistan into a cashless and financially inclusive society by creating value through the power of collaboration and technology.



enablers

best-in-class technology, people readiness, data science and BI competency, strong governance, compliance and risk controls.





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financially empowering Pakistan

through strategic dialoque & enqagement

easypaisa secured a USD 10 million equity investment from its shareholders, Telenor Group and Ant Group, as it advances toward the launch of its digital retail banking operations in Pakistan, subject to regulatory approvals. This capital infusion marks a significant milestone in the bank's ongoing digital transformation journey and underscores the strong confidence of both shareholders in easypaisa's role in driving financial inclusion across Pakistan.

the equity investment was announced when Douglas Feagin, Director on the Board of easypaisa, visited Pakistan in November 2024. During the visit, Feagin held productive meetings with policymakers, key government stakeholders, and industry leaders, including the Governor of the State Bank of Pakistan (SBP), Jameel Ahmad, and Deputy Governor Dr. Inayat Hussain. He also met with the Minister of State for Finance & Revenue, Ali Pervaiz Malik, and the Minister of State for IT and Telecommunication, Shaza Fatima Khawaja. These meetings focused on strengthening collaboration to advance Pakistan's digital financial ecosystem.

the Corporate Pakistan Group also hosted an exclusive dinner to commemorate Feagin's visit, bringing together industry leaders, key



annual report 2024



our business philosophy

empowering a financially inclusive pakistan through digital banking excellence

our philosophy is centered on operational excellence and scalable growth, driven by a collaborative and technology-first approach. our strategy focuses on transforming easypaisa into an AI-driven organization, utilizing advanced predictive analytics to enhance financial empowerment and provide customers with greater control over their financial journey. being Pakistan's leading digital bank, we remain committed to delivering seamless, secure, and innovative banking solutions.

as a trusted household name in digital financial services, easypaisa continues to push the boundaries of innovation, facilitating millions through a diverse suite of customer-centric products. From seamless money transfers to savings, investments, wealth management, insurance, digital lending, BNPL, and open APIs, we are dedicated to expanding financial accessibility and inclusion across Pakistan.



our core values



our shareholders telenor of ANT group



customer-focused

demonstrated by always keeping customers first. all actions and decisions should bear in mind the impact on both our internal and external customers.

collaboration and teamwork

demonstrated by working collectively and helping each other succeed.

awards & recognitions

awards & recognitions

Best Microfinance Bank & Gender Diversity Award at **CFA Society**



ICAP Digital Award – Use of Technology in Internal Audit



Gold Dragon for Best Digital Campaign

Blue Dragon for Best Campaign by Country – Pakistan Red Dragon for Best Campaign in Asia.



two **Bronze awards** at the **CLIO Awards** in the "Specific Target Audience" and "Use of Platform/Native Integration" categories in the audio and digital/ mobile mediums.



two **Silver awards** at **MADSTARS Korea** 2024 in the "Audio Stars" and "Sustainability Development Goals Stars" categories.



Cultural Driver **Bronze Award** for Popular Culture Impact at **One Show- Asia**!

the only Pakistani brand to win a **Bronze at the prestigious Cresta Awards** 2024 in the "Innovative Use of Sound/Audio" category!



Caples – a Gold in Audio, a **Silver** in Mobile and a **Bronze** in Not for profit.



Bronze Dragon at the **Dragons of Pakistan** for Savings Pocket for Best Digital Campaign.





three **Gold** and two **Bronze** awards at the prestigious **Dubai Lynx Awards**



two **Silvers** at **The Loeries** Awards in the categories of "Branded Content Ratdio & Audio" and "Social Impact".

Gold Effie for eidipaisa at the **effie awards**



board of directors



leadership team



Chairman/Director



President/CEO





Director



(9) Dr. Amjad Waheed

Independent Director

chairperson

member

member

chairman

member

member

Chief Executive Officer Mr. Jahanzeb Khan

People Committee Ms. Musharaf Hai Mr. Irfan Wahab Khan Mr. Douglas Feagin

IT Committee

Mr. Zhixian Li Mr. Irfan Wahab Khan Mr. Muhammad Shoaib

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Independent Director

Chief Financial Officer Mr. Amin Sukhiani

Audit Committee Dr. Amjad Waheed chairman Mr. Henning Thronsen member Mr. Zhixian Li member

Legal Advisors M/s. Haidermota & Co. Advocates and Corporate Counsel

Company Registration No.: 0051908 National Tax Number: 2486636-9

Compliance Committee Mr. Henning Thronsen chairman Dr. Amjad Waheed member Mr. Zhixian Li member



Company Secretary Ms. Amna Abbas

Risk Management Committee

Mr. Henning Thronsen Mr. Douglas Feagin Ms. Musharaf Hai

Auditors M/s. Ernst & Young Chartered Accountants

Registered Office

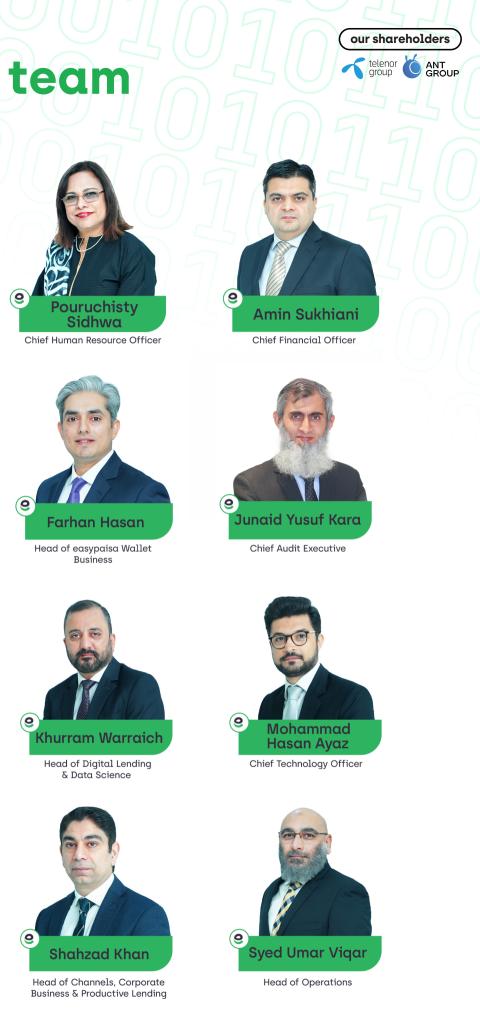
easypaisa Bank Limited 19-C, 9th Commercial Lane, Main Zamzama Boulevard, DHA Phase 5, Karachi - 75600, Pakistan. tel: +92 021 111 003 737 website: www.easypaisa.com.pk email: info@easypaisa.com.pk

chairman

member

member





President/CEO





Chief Legal Officer/Company Secretary

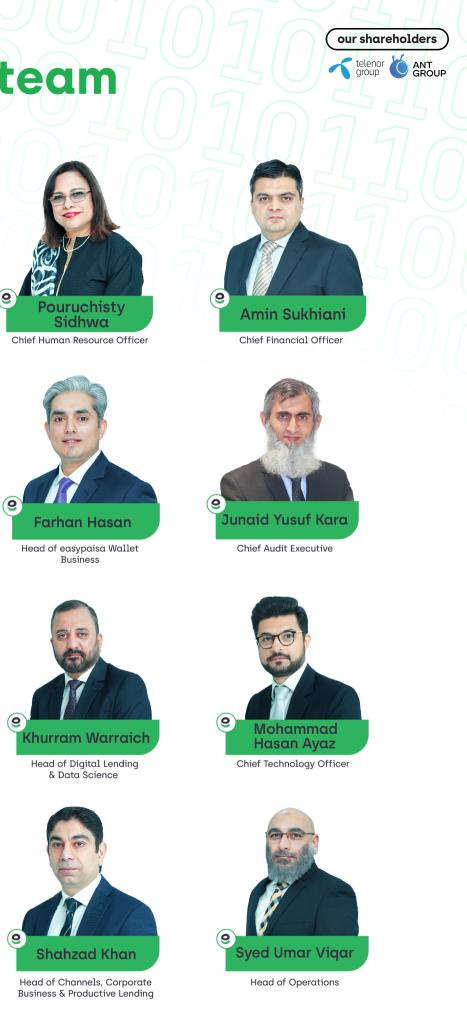
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Chief Compliance Officer



Chief Risk Officer





evolution & technological innovation

easypaisa

unleashing the power of technology for best-in-class digital banking experience!

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easypaisa full digital bank account

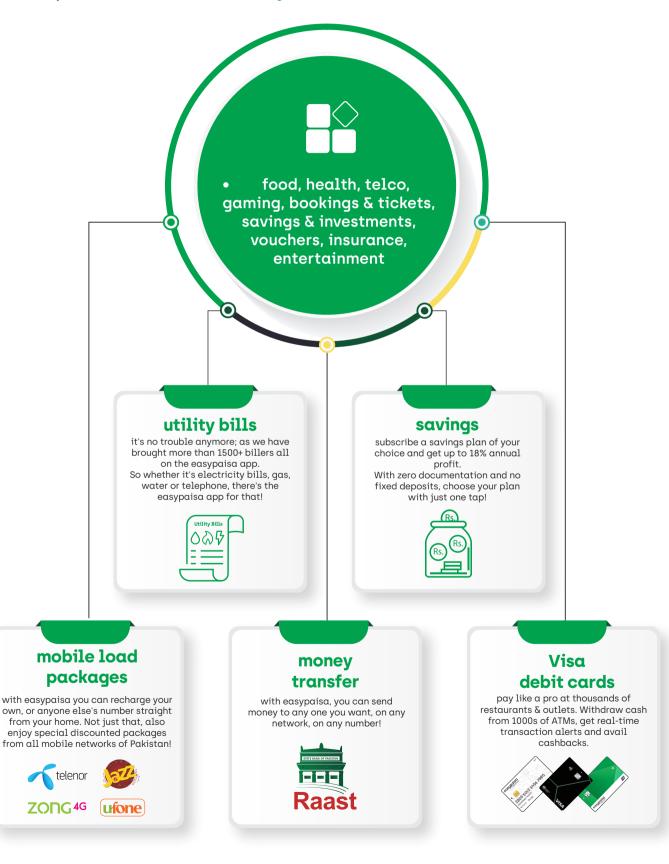
easypaisa, Pakistan's leading digital financial services platform, has now introduced full fledged bank accounts i.e. digital accounts (current and savings). easypaisa is now also offering industry-first digital joint accounts which can be opened entirely online, making it easier to manage finances seamlessly between the partners.

these new accounts allow easypaisa users to operate multiple accounts under a single CNIC within the app. With higher transaction limits, users no longer need to worry about restrictions, simplifying financial management. The increased limits also provide greater flexibility for savings and investments, enabling individuals to maximize opportunities without being held back by low transactional ceilings.

10:23 MS	dıgital bank	I 奈 Q .Q	
easypaisa Account Available Balance ****** ③ Tap to show balance	Му	Rewards O Ingrade Account Add Cash	
-=>> Send Money Bill	Payment	Mobile Packages	
More with easypaisa	G	ĨĒ	
Discounts Mini App	Topups	Education	
Donations Savings	Nadra Fee	Online Payment	- C
Enter Credit And Win Score	Tohfa	OOO See All	09V.

easypaisa app

making your everyday transactions easy, one tap at a time! #liveeasy





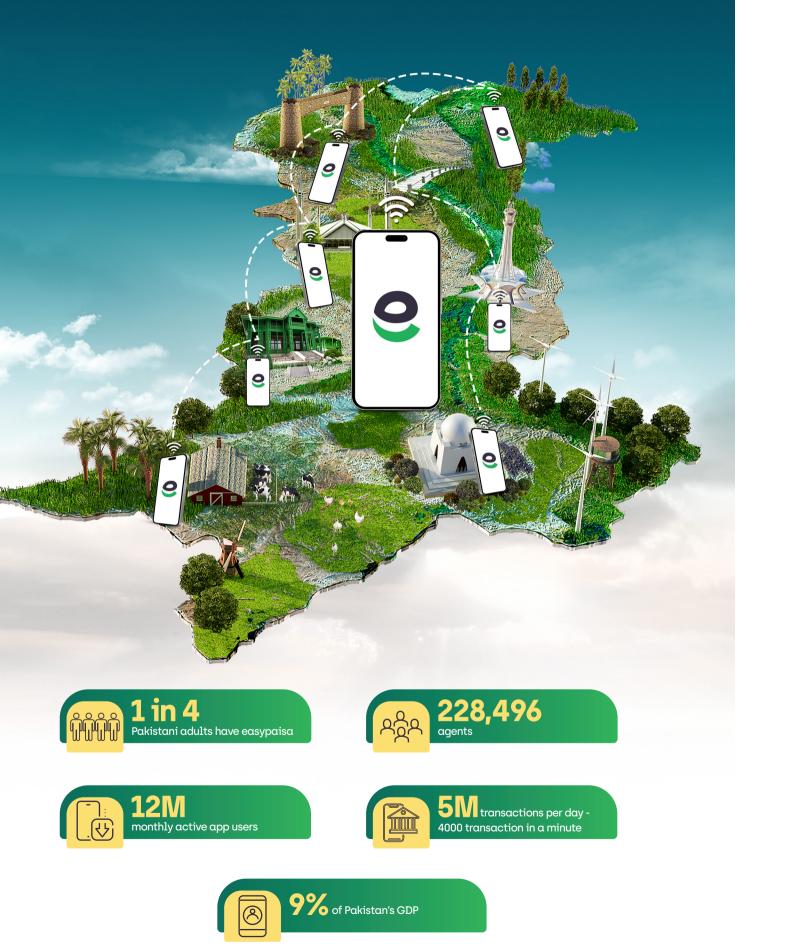
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our shareholders

telenor C ANT group GROUP



digital savings account

international remittances partnership with BAFL



Raast

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Rs.

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(savings and current)





technology

savings & optimization

projected savings of \$6.5M over five years through infrastructure optimization, with annual savings of \$150K-\$180K from AWS Cloud migration and \$30K from CDN implementation.



IT governance

successfully closed 100% of IAD observations by December 2024 and all IT-related DRB observations due by June 2025 ahead of schedule, ensuring ORR report effectiveness. Standardized TORs, strengthened the governance framework, and reengineered SOPs and policies in alignment with ISO standards. Consolidated IT policies for improved governance and collaborated with internal and external auditors to support the Cloud Assessment and SBP Offsite Assessment.



PMO governance & transformation

implemented the Governance Forum and gradually transitioned core banking operations to a Squad/Agile methodology while streamlining artifact collection for cloud-based and key strategic projects.

security & performance improvements

successfully deployed 30 releases across relevant platforms, doubling the previous year's count. Integrated 21 new mini-apps into the easypaisa App and resolved over 5,000 security vulnerabilities across low, medium, and high-impact risks.

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technology optimization & availability

optimized and modernized platforms to enhance availability, upgrading systems to the latest OS versions for improved stability and reliability. Achieved 99.97% system availability and reduced incident occurrences by 53% compared to 2023.

technology enhancement & cloud adoption

upgraded the Ericsson Wallet Platform to EWP22, implemented ExaCC for Oracle databases, executed the Oracle TPC license transfer, and consolidated data centers for greater efficiency.



project deliveries

in 2024, 350+ successful deliveries were made, including projects, change requests (CRs), minor CRs, billers, mini apps, and war room tasks.

key DRB-related deliveries:

- Joint accounts: Enabled customers to open joint/multi accounts within easypaisa.
- accounts under a single CNIC.
- per SBP's Minimum Savings Rate.
- for email, MSISDN, and device change processes.

other critical deliveries:

- providers.

- enhance convenience and retention.
- Corporate Portal Phase II: launched salary disbursement capabilities.
- cards if their previous ones were permanently blocked.
- easypaisa Karobar App Phase II: expanded merchant capabilities, tools.

• TDR (Term Deposit Receipt): a financial product allowing users to save money and earn profits based on their selected tenure.

• Multiple Accounts: Allowed customers to maintain multiple

• Cooling-Off Period Enhancements: Implemented for migration, device changes, PIN resets, new registrations, and high-risk customers.

• Digital Savings Account: Enabled users to earn profit on savings as

• In-App Biometric Verification (BVS): Introduced BVS authentication

• New Telco Integrations (ONIC): added integrations for new telecom

• E-Commerce & 3DS Enablement for PayPak: enabled e-commerce transactions and card-on-file functionality for recurring transactions. • Bank Alfalah Integration: allowed easypaisa users to retrieve remittances directly into their wallets via Bank Alfalah. • Bill Reminders: introduced automatic bill payment reminders to

• Benazir Income Support Program (BISP): implemented LMA-based disbursement for BISP beneficiaries via biometric verification. • Virtual Card Enhancements: enabled customers to order new virtual

enabling cashless transactions, lending, and business management

• Salary Loan: introduced salary-backed loans for employees.

our shareholders

redefining customer journeys

unsurpassed user experience at the core of our digital banking applications



our customers



partnerships

driving financial inclusion through a Platform as a Service (PaaS) business model and creating a collaborative partnership ecosystem that connects fintechs, industry pioneers, and regulators. By building a scalable, interconnected digital infrastructure, easypaisa is enhancing efficiency, driving innovation, and accelerating economic growth for millions of Pakistanis.

















Faizan Bhatti

Customers often don't carry cash, and that's where easypaisa makes things easier for everyone. It allows them to make quick, hassle-free payments while ensuring smooth transactions for us as well. With instant and secure digital payments, it's a win-win for both businesses and customers



Sara Ali

When my parents retired, I suddenly had to manage household tasks alongside my full-time job. With little experience, I needed a simple solution-easypaisa made all the difference. From paying bills to savings, everything became effortless, and with phone contact integration, sending money is as easy as a text!

Shaan Raza

Emergencies can strike anytime. Once my car got a puncture at an inconvenient hour and while I managed to get the tire repaired from a nearby shop, I discovered I had no cash on me at that time and my online balance was also low. Suddenly I realized, I can get some instant funds through easypaisa's digital loan service. With a few clicks I got an instant loan and was able to transfer the payment to the puncture repair guy within minutes. I easily paid off my loan within the next few days. Having an easypaisa account is really a lifesaver



Sanam Bibi

Some customers pay in cash, while others prefer digital payments, and easypaisa makes it easy for both. Whether it's online or in-person orders, they can transfer money instantly, ensuring smooth and hassle-free transactions.



Salman Ali

I use easypaisa more than any other banking app because it makes managing my finances effortless. Whether it's sending money home, paying bills, or handling daily transactions, everything is smooth, secure, and reliable. Receiving payments from customers, paying suppliers, or making instant transfers, anywhere. With easypaisa, I never need to step into a bank again!



Amna Ishtiaq

Balancing a demanding career and personal life with husband & kids used to leave me overwhelmed by financial tasks—racing to banks, chasing bill deadlines, and juggling daily expenses Then I discovered easypaisa. Now, I manage every payment seamlessly through the app, anytime and anywhere. Whether it's settling utility bills, shopping online, or covering everyday costs, easypaisa simplifies it all with just a few taps. With its secure and hassle-free transactions. I have more time to focus on what truly matters-both professionally and personally.

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our shareholders

telenor C ANT group



internal complaint handling mechanism

at easypaisa digital bank the Customer Services and Quality Assurance department works as a focal point for customers' interest and focuses on the customer-centric approach of the Bank which majorly works around:

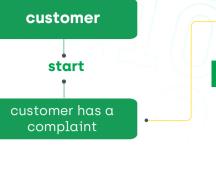
- 1. bank's conduct with its customers.
- 2. service levels of the Bank over processing requests.
- 3. connecting and understanding customers via consistent research.
- 4. customer independence by continuous innovation and development.

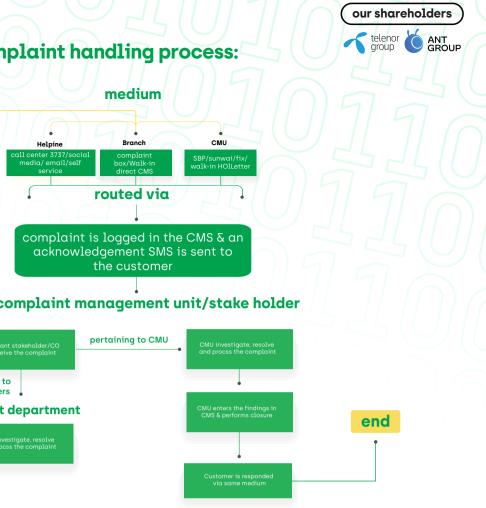
complaint management unit:

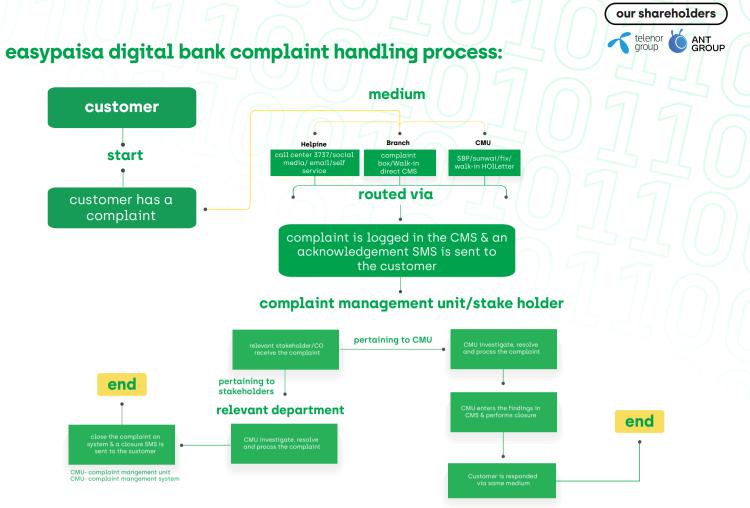
the complaint management unit is housed under the Customer Service and Quality Assurance department. The unit monitors complaints received directly and indirectly by the bank. The department has an independent hierarchy system and defined procedures for the bank to deal with the customer complaints received from all channels. Complaint Management is primarily in control of upholding high FTC (Fair Treatment of Customers) standards by promptly resolving complaints and providing fair resolutions to customers.

multiple channels such as email, website eform, in-app self-registration, social media, help line, drop box at bank locations are available. easypaisa locations are also equipped with real-time complaint lodgment considering the wide-ranging demographics of our customer base. The following points are given special consideration:

- i. provide a visible and easily accessible multiple complaint registration channel to customers.
- ii. prioritize the Voice of Customer received through complaints.
- iii. provide resolutions to customer complaints on the basis of fairness, transparency and equality.
- iv. ensure all complaints are resolved as per the standard TATs.







initiative:

- I. enhanced management reporting over complaints via dashboards to senior management and product owners, enabling to work on customer pain points.
- II. enhance in-app self-service use cases, providing wider range of self-registration and complaint tracking for customer convenience.
- III. enhanced the banks complaint management system with sub-status for improved visibility of the complaint decision.
- IV. reduced the TATs for various back-end complaint handling processes via Robotic Processing. V. implemented push notification and awareness campaigns to raise awareness over bank complaint and redressal channels for our active customers.
- VI. implemented Quality Assurance framework over closed complaints to enhance accuracy and quality of closures.



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Eid Mubarak

Rs. 8,000

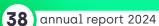


easypaisa, Pakistan's leading digital financial platform, celebrates Eid-ul-Fitr by making eidi transfers seamless and hassle-free.

With its eidipaisa campaign, "Aap ki eidi, Aap ko Mubarak," users can securely send eidi with personalized messages, spreading Eid joy effortlessly. The eidi feature in the easypaisa app allows users to send eidi in just a few taps—simply sign up, tap the eidi icon, enter the recipient's details, add a message, and confirm the transaction.

creative story telling

RS









our shareholders

happy independence day POLISION POLISION Ive easy

we celebrated the cultural diversity of the Pakistani community by inviting people from various cultures to share how they say "paisa" in their native languages showcasing the rich cultural and linguistic diversity of the country and how easypaisa stands as a unifying force.







udhaar mangnay se ? chota feel kartay ho

> easypaisa's easycash offers instant, hassle-free loans of up to PKR 15,000 with no paperwork or hidden charges. Loan approval is based on a user's credit score, determined through our advanced in-house model. Customers can track outstanding amounts, service fees, and due dates, with flexible repayment options directly from the easycash menu.

our sharehold

revolutionizing branch banking



the future of customer-centric finance

transforming the branch distribution network

easypaisa digital bank successfully transformed its branch customer journey in the preceding years, making it completely branch-agnostic. Therefore, the focus in 2024 for the bank was to transform its brick-and-mortar distribution network in line with the transformed footfall. The bank went ahead and converted another 30 branches into sales and service centers. As a result in 2024, the bank concluded with 25 full service smart-branches with remaining 110+ as sales and service centers. The State Bank of Pakistan has also capped the number of full-service branches at 25 for digital banks, which the bank successfully achieved because of this transformation. As it stands, the bank serves the biggest customer base in Pakistan digitally with the smallest physical branch network!

innovations in the customer journey

continuing its goal to innovate branch-based customer journey, the bank was able to achieve a couple of important industry Firsts in 2024

- the bank successfully launched an innovative model to offer gold credit products from sales δ service centers (SSCs) through a cashless process. Unlocking an innovative new model to offer gold credit products from sales and service centers in a cashless manner. The bank piloted and scaled up the model to all its designated locations across the country.
- the bank successfully rolled out a digital repayment schedule, replacing the paper-based repayment schedule used with its lending products. Eliminating paper eliminates the hassle of keeping the paper-based schedule safe. It allows instant digital acceptance from customers via his/her fingertips without visiting the bank's location



total CSCs currently operating

the bank has a distribution network of 25 smart-branches. In addition, the bank serves walk-in customers from 111 additional cashless sales centers. These cashless sales centers are operationally lean and CAPEX light, requiring no visit by borrowers for their unsecured loan application process.

new lending model, how is it different from previous model?

- customer does not need to visit the branch during the entire loan lifecycle. previous model necessitated branch visits for every interaction for which customer had to take out time from business
- plethora of channels are available to interact (APP, USSD, Retailer, ATM). branch was the only available channel
- · loan application is completed at the customer's doorstep (business). previously, all application process had to be completed in the branch, which included requesting guarantor to take out time and visit.
- easypaisa app unlocks a host of payment use cases; right from the customers' fingertips, no such option existed before.
- customers can submit their repeat loan requests from the easypaisa app, continuing their relationship with TMB.
- digitalization opens avenues for more business productivity.
- · lower TAT; greater convenience for customers. leaving business and visiting branch was painful for customers; TAT used to be higher since everything was in-person and analog
- no paper-based documentation; previously, a lot of paper-based documentation was required

advantages

- a side from the above, the bank benefits from
- digitalized process that is great for scaling up
- · lower CAPEX & OPEX footprint
- stickier customer journey
- automated process and faster decision making; decentralization and digitalization of process ensures greater transparency.

brief customer journey

- customer approaches potential businesses at their doorstep.
- application is digitally filled at the business place of the customers.
- application moves digitally through all the approval steps; field risk officer also visits the customer place himself/herself.
- \cdot once the application is approved, amount is disbursed directly into the customer's easypaisa wallet
- customer can withdraw amount according to his/her need from any nearest retailer and/or debit card. This is safer than withdrawing complete loan amount.
- customer can also manage funds from the easypaisa app. He/She can view all the information of the loan in the app; and also make payments directly.

types of loans offered

- karobar loan
- MSME Loan
- gold loan



Easycash Loan



easycash pe

tap karo

driving cultural excellence:

cultivating an inclusive digital mindset to drive banking innovation





our culture

collaboration, innovation, and fun

in our journey towards becoming a digital bank, our colleagues have been the driving force behind our transformation, shaping a future where financial access is seamless and inclusive. More than just a team, we are a tightly knit family, sharing successes, tackling challenges, and supporting each other every step of the way.

our shareholders

our culture is built on extreme ownership and teamwork, fostering diversity, innovation, and a spirit of collaboration that brings out the best in every individual. While we remain committed to our mission of a cashless Pakistan, we never lose sight of the importance of camaraderie and a little fun along the way.

we believe that a strong work culture and a good cup of coffee can go a long way in fueling creativity and productivity. Encouragement, motivation, and mutual support are the cornerstones of our environment, making it impossible to imagine working any other way.

at easypaisa, we work hard, push boundaries, and take pride in what we do while ensuring we celebrate every milestone together. Because when we uplift each other, there are no limits to what we can achieve!





easypaisa was honored with the recognizing gender diversity at workplace award for both 2023 and 2024 at the annual excellence awards by CFA society Pakistan, this recognition reflects our commitment to fostering equality, amplifying diverse voices, and breaking barriers through initiatives like weave together, specialized training programs for Persons With Disabilities (PWDs), and continuous efforts to build an inclusive workplace where everyone can thrive.



learning & development

the learning & development team has successfully conducted over 40 regulatory training sessions within the digital retail banking ambit, enhancing participants' understanding of compliance and banking operations. in addition, TOGAF enterprise training for platform engineering, the TalentForge coaching program for future leaders, and FranklinCovey leadership training on change management and inclusive leadership were held.





our shareholders



ethics

at easypaisa digital bank, ethics is more than a policy, it is an integral part of our organizational DNA. Our employees uphold the highest standards of integrity, compliance, and governance, ensuring that 'ethical decision framework' remains at the heart of our business operations. Our code of conduct defines who we are and how we operate.



the 2024 ethics (anonymous) survey reflects the strength of our ethical culture:



ethics function, leadership team and board of directors have been instrumental in governing & fostering this culture through roll out of ethics roadmap and structured engagement initiatives, including ethics town halls, online sessions, roadshows, internal communications, and direct messaging from the CEO. These collective efforts ensure that ethics is not just a guiding principle but a living experience across the bank.

amplifying Pakistan's commitment towards charity

continuing its commitment to societal welfare, easypaisa processed an impressive 399 million in donations through its platform during 2024, including a significant contribution of PKR 91 million during the holy month of Ramadan. With a deep-rooted belief in the power of collective action, easypaisa contributed PKR 4.5 million, equating to PKR 1 for every PKR 20 donated by customers through the app, amplifying the impact of each contribution.

the donations were distributed to reputable charitable organizations such as Shaukat Khanum, Edhi Foundation, Al Khidmat Foundation, Maulana Tarig Jameel Foundation, and the Akhuwat Foundation, making a tangible difference in the lives of those in need.

with more than 50 listed donation partners on the platform, easypaisa's initiative resulted in a 75% year-over-year increase in donations collected, with more than 268.000 transactions performed



easypaisa contributed **Rs. 1** for every **Rs. 20** donated through the app in Ramadan



live easu

annual report 2024



worth donations processed in 2024.



town halls

multiple town halls were held to align teams on the strategic roadmap for the year, fostering transparency and collaboration across the organization. Key highlights included visits from the board of directors, where leadership engaged in insightful discussions on growth, innovation, and the future of digital banking. Additionally, with the onboarding of our new CEO, special town halls were conducted to introduce the vision for the company's next chapter, reinforcing our commitment to excellence, innovation, and financial inclusion.

our shareholders

DRB planning sessions

the teams had been actively conducting strategic planning sessions in preparation for receiving the digital retail bank license. Led by our leadership team and key stakeholders, these sessions focused on roadmap finalization, operational readiness, and seamless execution. Cross-functional teams collaborated to ensure a smooth transition, aligning business, technology, and regulatory frameworks to position easypaisa as pakistan's first digital retail bank.



elevate - empowering future talent

easypaisa's management trainee, internship, and tech students program are designed to empower emerging talent with hands-on experience, mentorship, and growth opportunities. By integrating young professionals into real-world fintech challenges, we equip them with the skills and insights needed to thrive in the industry. This initiative reflects our commitment to nurturing the next generation of innovators and leaders.



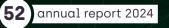








financial empowerment of women









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our shareholders

audio nikahnama

in a historic move to empower women and break taboos, **easypaisa** introduced the **"easypaisa audio nikahnama"**, a first-of-its-kind initiative in pakistan that ensures women understand their matrimonial rights. With **two-thirds of Pakistani women unable to comprehend their nikahnama** due to literacy barriers, this groundbreaking solution provides free access to an audio version in **seven languages** via a **helpline (0341-1171222)** or the **easypaisa app**, making legal awareness simple, accessible, and inclusive.

driving women's financial inclusion with USAID

low financial and digital literacy, coupled with cultural norms limiting women's financial agency, has long excluded them from formal banking. In collaboration with USAID, easypaisa launched a digital financial literacy and community engagement campaign to empower rural women with the knowledge and tools needed for financial independence.

through interactive, on-ground training, we addressed key barriers such as security, usability, and accessibility. Field workers conducted localized awareness sessions, equipping women with hands-on knowledge of easypaisa's features and benefits. By sharing success stories of women who transformed their lives through digital financial services, we inspired confidence and trust in the system.

this initiative has fostered a culture of financial empowerment, reinforcing easypaisa's commitment to championing women's financial inclusion in Pakistan.



0341 1171222 pe missed call dein



meri savings meri pocket mein

Khudmukhtar Nisa Loan

this is a specialized loan product for female microentrepreneurs engaged in income generating activities. The loan is designed for small-scale female entrepreneurs helping them meet their working capital or business expansion needs to keep their business growing.

our shareholders

Khudmukhtar Nisa Loan helps them meet their business needs through a simple and hassle-free process along with quality service and support.

benefits & features:

- equal monthly installment-based loan
- financing tenure up to 12 months
- borrower age limits from 20 years to maximum 65 years (at maturity)
- Ioan amount available from PKR 150,000 to 250,000
- quick turnaround time
- easy and convenient disbursal and repayment via easypaisa mobile wallet

basic documentation:

- CNIC of guarantor (if applicable)
- CNIC of borrower
- e copy of utility bills
- I digital loan application form

we introduced 'Savings Pocket', a game-changing feature designed to offer financial freedom through secure, goal-based savings and effortless money management. It eliminates the need for outdated, cumbersome methods, empowering users—especially women—by providing a modern, practical solution that promotes financial inclusivity and independence.





our shareholders

wymen's day Celebrations











get her

inducted the 3rd batch of back to get her, furthering gender mainstreaming and providing a unique opportunity for women who paused their careers for family responsibilities to rejoin the workforce, rebuild their careers, and reignite their professional growth.





easypaisa leadership: driving thought leadership

easypaisa's leadership actively shapes the future of digital finance through keynote speeches, panel discussions, and university engagements. By sharing insights on fintech innovation, financial inclusion, and digital banking, we drive impactful conversations at industry events and conferences. Committed to innovation and collaboration, we continue to lead discussions that define Pakistan's digital financial landscape.



NFLP

the National Financial Literacy Program (NFLP) is an initiative by the State Bank of Pakistan that aims to promote financial literacy and inclusion, particularly among rural populations and women. In collaboration with commercial, Islamic and microfinance banks, the program conducts a range of activities including classroom sessions, street theaters, and digital outreach.

we successfully exceeded our annual targets for FY2023-24 by 102%, organizing a total of 107 classroom sessions and street theaters, impacting 3428 beneficiaries in 12 districts across Pakistan with 61% female participation. During these sessions, field trainers imparted knowledge to various communities regarding monetary concepts and banking services, facilitating behavioral changes that improve both individual financial wellbeing and the country's economic growth. The costs associated with training field trainers, producing learning materials, organizing sessions and conducting digital outreach activities were covered by our bank. We were also recently awarded a performance certificate from SBP for these efforts.

in addition to this, we played a central role in Pakistan's first Financial Literacy Week, celebrated by SBP from 4th to 8th March 2024. With the objective of advancing financial inclusion through digital methods, we organized financial literacy workshops in 5 districts across Pakistan and launched media campaigns that provided people direct access to information on our digital products, best suited to their needs.

in September 2024, SBP assigned us the annual targets for FY2024-25, which include organizing 120 classroom sessions and street theaters in 14 districts across Pakistan. As of December 31st, 2024, we have already completed 50% of these sessions, putting us well on track to complete the remaining targets in the coming months of 2025.

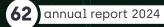
PFLW



our shareholders

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financial statements







directors' report to the shareholders

On behalf of the Board of Directors, we are pleased to present the Directors' Report and audited financial statements of easypaisa Bank Limited (formerly Telenor Microfinance Bank Limited) for the year ended December 31, 2024.

Global Economy Overview

The global economic landscape in 2024 is characterized by a complex interplay of factors, resulting in a somewhat subdued but relatively stable growth outlook. Data indicates a moderate pace of expansion, with variations across different regions. A key theme is the ongoing effort to balance growth with the challenge of persistent, though moderating, inflation. Central banks continue to navigate the delicate task of adjusting monetary policy, with rate cuts beginning in some areas, while being cautious of reigniting inflationary pressures. Geopolitical tensions, including ongoing conflicts and trade uncertainties, add significant layers of risk to the overall economic picture.

A significant point of focus is the divergence in economic performance between advanced and emerging economies. While some advanced economies, particularly the United States, have shown resilience, others, especially in Europe, face slower growth. Emerging markets, particularly in Asia, maintained stronger growth rates, although they also faced multiple internal and external pressures. Additionally, the continued effects of previously implemented monetary policies are still being felt, and the full effects of rate cuts will likely be seen in the latter half of 2025, and into 2026.

Looking ahead, the global economy faces a range of potential challenges and opportunities. The trajectory of inflation, the impact of geopolitical events, and the effectiveness of policy responses will be crucial determinants of future growth. Concerns remain about the potential for renewed inflationary pressures, the risks associated with high levels of public and private debt, and the potential for increased trade protectionism. Conversely, technological advancements, particularly in areas like artificial intelligence, and the ongoing transition to sustainable energy sources, could present significant opportunities for economic growth and transformation.

Pakistan Economy Overview

The Pakistani economy in 2024 faced a complex landscape, marked by both recovery efforts and persistent challenges. Following a period of significant economic strain, there are signs of economic stabilization, with growth showing modest improvements and dropping inflation. Factors contributing to this included strengthened agricultural output, efforts to implement prudent macroeconomic measures, and a reduction in some areas of political uncertainty. However, it's crucial to acknowledge that this recovery occurred against a backdrop of ongoing vulnerabilities.

Key economic indicators reflect this mixed picture. While GDP growth showed signs of positive movement, it remained below potential. Critically, the nation continued to grapple with high financing needs, relatively low foreign exchange reserves, and a substantial debt burden. International financial institutions, like the World Bank and the Asian Development Bank, provided assessments emphasizing the need for sustained structural reforms.

Looking ahead, the emphasis is on the implementation of crucial policy and economic reforms. These include addressing inefficiencies in the tax system, reducing wasteful expenditures, and promoting private sector involvement in the economy. The measures

could help achieve more sustainable and inclusive growth, which would require addressing deep-seated structural issues. There is also a focus on attracting foreign investment, and increasing exports, particularly in sectors such as agriculture, IT, and renewable energy. Moving forward, Pakistan's economic trajectory hinges on its ability to navigate the huge debt repayment burden and implement effective, long-term macroeconomic policies.

Banking Sector Review

The Pakistani banking sector has demonstrated a degree of resilience amidst economic uncertainty. The SBP report for the first half of 2024 indicates that the banking industry experienced an expansion of its asset base, primarily driven by investments in government securities. Deposit growth has also been a positive factor, with increase observed in savings and current accounts. However, the growth in advances, particularly to the private sector, has been more restrained. This reflects the prevailing economic conditions, where private sector borrowing has seen a more subdued trend.

Regarding asset quality, the sector has maintained a relatively stable profile. Non-performing loans (NPLs) have seen a controlled increase, and provisioning coverage has improved. This indicates that banks are taking measures to mitigate potential losses. Profitability within the banking sector has been influenced by various factors, including high interest rates and investment in government bonds by the banks. Furthermore, the Capital Adequacy Ratio remained strong, suggesting that the sector possesses adequate capital reserves to withstand potential shocks.

The Pakistani banking sector's future presents a dynamic interplay of challenges and potential. While economic instability, inflation, and geopolitical factors pose ongoing hurdles, particularly in private sector lending, the sector can leverage digital banking, financial inclusion, and expanded services to SMEs and agriculture for growth. Success hinges on navigating economic uncertainties, capitalizing on digital transformation, and prioritizing financial inclusion through expanded digital access. Strengthening cybersecurity and adapting to evolving regulations will be paramount, but the sector's potential remains significant, driven by innovation, increased financial literacy, and a growing middle class.

Digital Retail Bank License

In January 2025, easypaisa Bank proudly received the coveted Digital Retail Bank License, making us the first digital bank to receive commercial launch approval to commence operations in Pakistan. This is a monumental milestone that cements easypaisa's role as a trailblazer, becoming the country's first Digital Retail Bank. This achievement is a testament to a shared vision, championed by the Board and supported by our regulators. We extend heartfelt gratitude to the State Bank of Pakistan and our exceptional team for bringing this vision to life. Above all, the trust of our customers has been a cornerstone of our success.

This achievement represents a significant milestone for Pakistan's financial sector, signaling a shift towards greater financial inclusion and digital transformation. Granting easypaisa the first digital retail bank license reflects the State Bank of Pakistan's commitment to fostering innovation and expanding access to financial services, particularly for the unbanked and underserved populations. This move is expected to accelerate the adoption of digital banking across the country, driving economic growth and empowering individuals and businesses with greater financial control. It also demonstrates the potential of fintech companies to disrupt traditional banking models and create a more inclusive and efficient financial landscape.

As a fully licensed digital retail bank, easypaisa will expand its product and services





portfolio beyond its current mobile wallet offerings. Customers can expect a comprehensive suite of digital banking services, including deposit accounts, credit cards, digital loans, investment opportunities, and insurance products, all accessible through their smartphones. The bank will focus on leveraging data analytics and AI to offer personalized financial advice and products, catering to the unique financial profiles of its users. Furthermore, the bank will be able to offer enhanced payment solutions for businesses and individuals, including merchant acquiring, payroll services, and international remittances, all within a secure and user-friendly digital environment. This comprehensive digital ecosystem aims to provide a one-stop-shop for all financial needs, eliminating the need for traditional banking interactions.

business review

easypaisa

In 2024, easypaisa further solidified its position as a dominant force in Pakistan's digital financial sector. Today, one out of every four Pakistani adults is a registered easypaisa user, demonstrating the platform's broad reach and growing adoption. The bank experienced a significant 23% year-on-year increase in monthly active mobile accounts, reaching 16.1 million users, which highlights strong user engagement and consistent growth.

easypaisa's mobile first strategy has started to pay dividends with faster adoption of easypaisa app. This strategy led to a 29% surge in monthly active app users, reaching 12.3 million customers. Furthermore, the Asaan Digital Account crossed a significant milestone, surpassing 2.2 million customers and contributing 32% to total deposits—the highest in the industry. As a result, easypaisa maintained its status as the country's leading financial services app, boasting an impressive 4.5-star rating on the Google Play Store. Furthermore, the bank leveraged its telco-agnostic platform, processing nearly 19% of the industry's mobile recharge transactions.

The bank focused on acquiring high-quality customers while optimizing costs. Additionally, the bank prioritized organic growth channels resulting in net customer additions every month during 2024.

In terms of transaction volume, easypaisa processed over 2.8 billion transactions in 2024, amounting to more than PKR 9.5 trillion, effectively moving 9% of the country's GDP. This marks a remarkable 30% growth in transactional value and 47% growth in transactional volume compared to the previous year, underscoring the platform's continued success and expansion.

easypaisa introduced several innovative savings and investment products to enhance financial inclusion and empower users to manage their finances effectively. These offerings cater to diverse customer needs, providing flexible and rewarding saving options like Savings Pocket, Daily Savings and Digital Term Deposits. The Savings Pocket feature enables users to set and achieve financial goals through secure, goal-based savings. In-App/Daily savings product allows users to earn daily profits on their account balances. By subscribing to available plans, users can earn up to 10.5% annual profit, with earnings credited daily. Digital Term Deposits (TDRs), offering users competitive interest rates and flexible terms. This product allows customers to invest their funds digitally, aligning with modern banking preferences and enhancing accessibility to traditional deposit schemes. These offerings have significantly enhanced easypaisa's savings portfolio, attracting 2.6 million users and amassing PKR 12.3 billion in deposits through the app.

Continuing its Super App journey, the bank expanded its mini-app ecosystem, focusing on everyday use cases like wealth management, food delivery, healthcare, gaming, ticketing,

and insurance. Partnerships via open API and mini-app integrations reached approximately 1,200. easypaisa further strengthened its position as an all-in-one digital platform, enhancing convenience for users and driving greater engagement.

To drive operational efficiencies and as a cost saving measures, easypaisa introduced an industry-first in-app notification system. This innovative feature allows customers to receive transactional and promotional notifications directly within the app, eliminating the need for traditional SMS alerts. These initiatives alongside higher revenues driven by bundles, online payment, corporate business, easypsaisa have been able to achieve a strong profitability as compared to last year.

productive lending

The bank underwent a significant transformation to adopt a "digital first" approach, positioning itself as Pakistan's first-ever digital retail bank. As part of this transition, the branch network was reduced to 25 locations, while remaining branches have been converted into cashless service centers. This strategic shift aligns with our commitment to a fully digital retail banking model, providing customers with a more seamless, efficient, and dynamic banking experience.

In addition, loan disbursements increased to PKR 24.4 billion, up from PKR 19.6 billion in the previous year. The Portfolio at Risk (PAR) also improved, decreasing from 3.6% to 3.4%, reflecting enhanced credit portfolio management.

digital lending

As a leading player in the payments sector, the bank continues to drive innovation, particularly in credit tech. By leveraging a data-driven credit scoring model powered by a payment-based machine learning algorithm, the bank has achieved significant growth in nano loan disbursements, now reaching 58,000 loans per day.

In 2024, the bank disbursed 21.2 million micro loans, amounting to PKR 63.0 billion, marking a substantial increase from 8.5 million loans worth PKR 21.5 billion in 2023. Additionally, the bank introduced innovative embedded finance solutions, including Buy Now, Pay Later (BNPL) for airtime and utility bill payments, as well as Merchant Cash Lending, further enhancing financial accessibility for individuals and businesses. These offerings will be further enhanced in 2025 to provide access to credit for consumers and small businesses.

Looking ahead, the bank remains committed to its mission of delivering high-quality financial services, expanding financial inclusion, empowering micro-businesses, and sustaining its leadership in Pakistan's evolving fintech landscape.

risk management

The surge in our digital lending and micro-loan portfolio necessitates an unwavering focus on credit controls & governance, cybersecurity, safeguarding sensitive customer financial information and ensuring strict regulatory compliance. easypaisa Digital Bank, underpinned by its PCI-DSS and ISO 27001 certifications, prioritizes continuous enhancement of its risk management framework. This proactive approach aims to identify and mitigate evolving cyber threats targeting our diverse product range. We achieve this through rigorous continuous monitoring, robust encryption techniques, and stringent access controls, thereby fortifying our defenses against emerging risks. This multi-layered strategy is crucial for maintaining both compliance and the operational integrity vital to the expanding digital finance landscape.

The adoption of IFRS 9, 'Financial Instruments,' has significantly enhanced the Bank's risk

our shareholders



management framework. By moving to an expected credit loss (ECL) model, we have gained a more forward-looking and proactive approach to provisioning. This has allowed us to better anticipate and mitigate potential credit losses, resulting in a more accurate reflection of the Bank's financial health. Furthermore, the improved classification and measurement of financial instruments under IFRS 9 have provided greater transparency and comparability, enabling stakeholders to make more informed assessments of the Bank's performance and risk profile. The implementation of IFRS 9 has strengthened our capital adequacy and resilience, ensuring the Bank's continued stability and sustainable growth in a dynamic economic environment.

financial review

In 2024, the bank demonstrated remarkable growth, further solidifying its position as a leader in Pakistan's digital financial sector. In 2024, pre-tax profit amounted to PKR 4.7 billion compared to last year PBT of PKR 1.2 billion with significant growth of 3.8x. This growth in profit has been achieved along with the significant expansion in both business volumes and monthly active users base while investing in cloud services, technology enhancements, and, increased regulatory cost.

Revenue grew by 50.8% YoY, standing at PKR 38.9 billion compared to PKR 25.8 billion in 2023. Net markup income experienced significant growth of 59.9%, driven by higher average deposits, a strong focus on low-cost deposits, and a favourable discount rate environment.

Non-markup income also increased by 37.6% YoY to PKR 14.5 billion, with growth observed across all fee income lines, particularly, load and bundles, online payments, bank transfers, and corporate business revenue.

With the business expansion that includes higher volumes, registered user base surpassed 50 million, with over 16.1 million active users, higher disbursement, building revenue momentum through ongoing investments in new products, digital technologies, information security, and human resources, high cost of regulatory compliance contributed to an increase in operating expenses. Even with all these expansions and the increase in operating expenses, the bank effectively improved its cost to income ratio to 80.91% from 93.10% last year.

Customer deposits grew by 49.5% to PKR 76.2 billion in 2024 compared to PKR 50.9 billion in 2023. CASA and CA ratios stood at 99.9% and 83.0%, respectively, in 2024 compared to 100% and 82.7% in 2023. This trend reflects the effectiveness of new product offerings and improved service delivery for millions of consumers who have been traditionally unbanked or underbanked.

The advances book experienced a notable 53.5% YoY increase, reaching PKR 28.5 billion in 2024 compared to PKR 18.6 billion in 2023. As of December 2024, the net advances to deposit (ADR) ratio stood at 33.5%. Credit impairment cost increased from PKR 0.4 billion in 2023 to PKR 2.5 billion in 2024. This is primarily driven by adoption of IFRS 9 standard and higher digital lending disbursements.

Moving forward, building on its strong performance in 2024, easypaisa will focus on several key areas like expansion of digital banking services, enhanced customer experience, strategic partnerships and investments, leveraging data and AI for personalization, operational efficiencies and cost optimization, regulatory compliance and security, to sustain growth in Pakistan's digital financial sector.

awards and accolades

easypaisa's outstanding contributions to the digital financial sector have been recognized through multiple prestigious awards. In 2024, the bank was honoured with the "Best Microfinance Bank" and the "Gender Diversity Award" at the CFA 21st Excellence Awards.

These accolades reaffirm easypaisa's commitment to excellence, financial inclusion, and fostering diversity within the organization.

changes in composition in board of directors

The Board of Directors of the Bank underwent changes during the year. Mr. Solomon Jamin and Mr. Yi Zhou resigned from their positions as directors.

Subsequently, Mr. Muhammad Sohaib joined the Board as a new independent director. This appointment increased the number of independent directors from two to three, ensuring compliance with the Corporate Governance Regulatory Framework, 2021. Furthermore, Mr. Jahanzeb Khan was appointed President and Chief Executive Officer in July 2024. All director and appointments were conducted in accordance with the State Bank of Pakistan's Fit and Proper Test (FPT) requirements.

easypaisa bank shareholding and capital injection

easypaisa Bank Ltd is a joint venture between Telenor Pakistan B.V., a public limited company headquartered in Amsterdam, Netherlands, holding a 55% majority shareholding, and Alipay (Hong Kong) Holding Limited, holding a 45% shareholding. Telenor Pakistan B.V. is a subsidiary of Telenor ASA, a Norwegian telecommunications company, while Alipay (Hong Kong) Holding Limited is a subsidiary of Ant Group Co., Ltd., a Chinese financial technology company.

In October 2024, the bank received USD 10 million in equity investment from its shareholders, telenor pakistan b.v. and alipay (hong kong) holding limited, maintaining their existing shareholding proportions. this capital injection demonstrates the continued commitment of both shareholders to expand digital offerings and drive financial inclusion in pakistan.

board meetings

during the year, six board meetings were held. these meetings were attended by the directors as below:

Name of Director	Designation	Number of Meetings	Meetings Attended
Existing Members			
Mr. Irfan Ul Wahab Khan	Chairman	6	6
Mr. Jahanzeb Khan*	President & CEO	3	3
Mr. Zhixian Li	Director	6	6
Mr. Henning Thronsen	Director	6	6
Ms. Musharaf Hai	Independent Director	6	6
Mr. Amjad Waheed	Independent Director	6	6
Mr. Muhammad Shoaib**	Independent Director	Nil	Nil
Mr. Douglas Feagin	Director	6	6
Outgoing Members			
Mr. Solomon Jamin	Director	5	5
Mr. Yi Zhou	Director	5	5
* Received FPT clearance from	m SBP on July 22, 2024		
**Received FPT clearance from SBP on January 15, 2025			





audit committee

the audit committee is comprised of three members: two non-executive directors, mr. henning thronsen, Mr. Zhixian Li, and one independent director, Dr. Amjad Waheed (Chairperson).

credit rating

PACRA has affirmed the Bank's long-term and short-term ratings at "A" and "A-1", respectively, with a stable outlook.

pattern of shareholding

the pattern of shareholding of the bank as of december 31, 2024, is as follows:

No. of shareholders	Shareholders	No. of shares	Percent Shareholding
1	Telenor Pakistan B. V	325,472,345	55 percent
1	Alipay (Hong Kong) Holding Limited	266,295,569	45 percent
1	Ms. Musharaf Hai	10	Less than 0.001 percent
1	Mr. Amjad Waheed	10	Less than 0.001 percent
4		591,767,934	100 percent

acknowledgment

we take this opportunity to express our gratitude to our customers and business partners for their continued support and trust. We offer sincere appreciation to the State Bank of Pakistan and the Securities and Exchange Commission of Pakistan for their guidance and cooperation extended to the bank. finally, we are also thankful to our associates, staff and colleagues for their committed services provided to our valued customers.

on behalf of the board of directors

Mr. Jahanzeb Khan Chief Executive Officer

Place: Karachi Dated: March 06, 2025

financial highlights

key performance highlights for the last six years are summarized and annexed to this report.

earnings per share

the bank's earnings per share (EPS) for the year ended 2024 reported at PKR 5.77, compared to EPS of PKR 0.86 for 2023.

remuneration of Chief Executive Officer and Directors

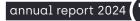
the details of Directors' fees and remuneration of Chief Executive Officer are given in note 39 to the financial statements.

business outlook - year 2025

easypaisa Bank Limited is now established as Pakistan's first digital retail bank, having secured the necessary regulatory approvals. Driving towards a cashless and financially inclusive society, the bank will continue to create value through strategic partnerships and innovative technology. Despite ongoing economic challenges, the bank remains dedicated to delivering best-in-class digital financial services to its customers. Building on its established leadership in payments, the bank will accelerate the expansion of its offerings with innovative lending products, delivered through a fully digitized process encompassing seamless onboarding and loan disbursement. This streamlined and customer-centric approach will enhance the bank's ability to provide tailored financial solutions under its DRB framework. The bank's strategic focus on digitization and its agile business model ensures sustained growth and continued success as the leading digital retail bank in pakistan.



Mr. Irfan Wahab Khan Chairman



easypaisa

six year financial summary

						Rs.'000
Balance Sheet	2024	2023	2022	2021	2020	2019
Assets						
Cash and balances with treasury Banks	4,725,957	6,355,404	5,604,020	3,900,068	2,881,781	3,463,741
Balances with other MFBs/Banks/NBFIs	1,600,132	7,044,873	5,508,160	10,717,441	6,352,885	7,408,549
Lendings to financial institutions	2,196,494	5,000,000	3,000,000	-	6,971,827	4,950,000
Investments	60,881,622	28,588,040	27,971,506	17,752,663	11,855,007	13,773,400
Advances	25,500,848	17,579,972	11,290,600	10,769,884	11,090,960	19,998,939
Property and equipment	3,836,977	3,652,224	3,245,418	3,751,049	5,891,570	4,064,241
Right-of-use assets	866,297	995,205	1,003,570	1,892,560	2,165,810	2,811,770
Intangible assets	3,111,578	2,718,826	2,880,417	2,723,226	593,011	791,046
Other assets	5,709,757	4,319,279	3,195,621	3,037,994	4,462,097	3,598,248
Deferred tax asset - net	-	-	-	-	-	-
Total Assets	108,429,662	76,253,823	63,699,312	54,544,885	52,264,948	60,859,934
=						
Liabilities						
Bills payable	324,880	165,884	189,407	189,693	176,366	791,797
Borrowings	-			,		-
Deposits and other accounts	76,168,441	50,937,750	46,597,944	39,042,927	36,963,810	41,170,537
Lease liabilities	1,078,397	1,160,830	1,110,122	2,298,447	2,314,659	2,682,835
Subordinated debt	-	-	-	-	-	-
Deferred grants	1,538	12,865	14,334	15,802	17,270	18,740
Deferred tax liabilities	-	-	-	-	-	-
Other liabilities	16,774,012	15,980,472	9,590,094	6,987,889	7,645,476	7,894,426
Total Liabilities	94,347,268	68,257,801	57,501,901	48,534,758	47,117,581	52,558,335
Net Assets	14,082,394	7,996,023	6,197,411	6,010,127	5,147,367	8,301,599
=	14,002,004	7,550,020	0,107,411	0,010,12,	5,247,867	0,001,000
REPRESENTED BY:						
Share capital	5,917,680	5,917,680	5,709,017	5,479,488	4,277,589	4,277,589
Advance against Future issue of right shares	2,776,500	-	3,357,060	-	7,442,699	-
Reserves	47,139,559	46,457,113	41,826,866	38,158,156	20,293,649	20,271,939
Depositors' protection fund	806,835	532,717	421,562	368,912	343,036	311,299
Surplus / (Deficit) on revaluation of assets - net of deferred tay	240,082	(29,518)	(29,405)	2,797	(4,130)	(2,359)
Unappropriated loss	(42,798,262)	(44,881,970)	(45,087,689)	(37,999,226)	(27,205,476)	(16,556,869)
	14,082,394	7,996,022	6,197,411	6,010,127	5,147,367	8,301,599
-						





Profit and Loss Statement	2024	2023	2022	2021	2020	2019
Mark-up / return / interest earned	25,907,584	16,312,833	7,966,927	3,998,418	5,981,102	9,288,624
Mark-up / return / interest expensed	(1,499,497)	(1,045,803)	(1,254,243)	(1,926,625)	(2,771,116)	(3,671,426)
Net mark-up / return / interest income	24,408,087	15,267,030	6,712,684	2,071,793	3,209,986	5,617,198
NON MARK-UP / NON INTEREST INCOME						
Fee & Commission Income	14,399,955	10,590,915	6,762,840	6,342,097	6,388,902	8,372,705
Dividend income	-	-				
Gain / (loss) on securities	64,129	(53,382)	(40,312)	(6,619)	(21,342)	4,024
Other income	15,233	(14,733)	481,619	16,125	7,979	42,171
Total non-mark-up / non-interest income	14,479,317	10,522,800	7,204,147	6,351,603	6,375,539	8,418,900
Total income	38,887,404	25,789,830	13,916,831	8,423,396	9,585,525	14,036,098
NON MARK-UP / NON INTEREST EXPENSES						
Operating Expenses	(31,321,747)	(23,984,109)	(20,379,557)	(17,000,461)	(18,774,868)	(20,818,968)
Workers welfare fund	(138,525)	(24,679)	-	-	-	-
Other charges	(3,013)	(1,385)	(4,310)	(1,133)	(210)	(116)
Total non mark-up / interest expenses	(31,463,285)	(24,010,173)	(20,383,867)	(17,001,594)	(18,775,078)	(20,819,084)
	7,424,119	1,779,657	(6,467,036)	(8,578,198)	(9,189,553)	(6,782,986)
Profit before credit loss allowance	7,424,119	1,779,657	(6,467,036)	(8,578,198)	(9,189,553)	(6,782,986)
Credit loss allowance and write offs - net	(2,700,947)	(545,721)	(273,655)	(1,865,926)	(1,232,029)	(9,001,165)
Profit Before Taxation And Minimum Tax	4,723,172	1,233,936	(6,740,691)	(10,444,124)	(10,421,582)	(15,784,151)
Minimum Tax Differential	(825,797)	(579,328)	-	-	-	-
Profit / (loss) before Taxation	3,897,375	654,608	(6,740,691)	(10,444,124)	(10,421,582)	(15,784,151)
Taxation	(485,145)	(152,333)	(359,220)	(320,647)	(282,369)	(447,382)
Profit / (loss) After Taxation	3,412,230	502,275	(7,099,911)	(10,764,771)	(10,703,951)	(16,231,533)

Cashflow statement - Summary	2024	2023	2022	2021	2020	2019
Cash flow from operating activities	21,898,766	5,646,114	4,101,812	77,060	(8,981,482)	(615,487)
Cash flow from investing activities	(34,182,936)	(2,414,241)	(11,497,761)	(5,974,340)	323,779	(6,688,057)
Cash flow from financing activities	2,410,922	1,056,224	6,890,620	11,280,123	7,020,079	10,101,129
Net increase in cash and cash equivalents	(9,873,248)	4,288,097	(505,329)	5,382,843	(1,637,624)	2,797,585
Cash and cash equivalents at beginning of the year	18,400,277	14,112,180	14,617,509	9,234,666	10,872,290	8,074,705
Cash and cash equivalents at end of the year	8,527,029	18,400,277	14,112,180	14,617,509	9,234,666	10,872,290

Financial Ratios:	2024	2023	2022	2021	2020	2019
Return on Equity (RoE)	24%	6%	(115%)	(179%)	(208%)	(196%)
Return on Assets (RoA)	3%	1%	(11%)	(20%)	(20%)	(27%)
Deposits to Liabilities	81%	75%	81%	80%	78%	78%
Net Advance to Deposit	33%	35%	24%	28%	30%	49%
Investment to Deposit	80%	56%	60%	45%	32%	33%
Total Asset to Shareholders' Fund	7.7	9.5	10.3	9.1	10.2	7.3
Capital Adequacy ratio (CAR)	36.9%	21.9%	19.4%	18.3%	18.9%	24.6%
Earning / (Loss) Per Share - PKR	5.77	0.86	(12.75)	(22.27)	(25.02)	(44.92)
Other Information:	2024	2023	2022	2021	2020	2019
Number of Branches	46	48	61	66	89	120
Number of Employees	2,989	3,010	3,215	3,240	2,592	3,694
Number of Borrowers	2,883,628	1,392,072	488,471	177,987	305,619	896,694
Number of Depositors	52,154,757	42,839,209	33,038,566	24,651,621	23,247,513	17,182,377

72 annual report 2024



Rs.'000

Rs.'000



independent auditor's report

To the members of easypaisa Bank Limited (formerly Telenor Microfinance Bank Limited)

report on the audit of the financial statements

opinion

We have audited the annexed financial statements of easypaisa Bank Limited (formerly Telenor Microfinance Bank Limited) (the Bank), which comprise the statement of financial position as at 31 December 2024, the statement of profit and loss account, the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, the statement of comprehensive income, statement of changes in equity and cash flow statement together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan, and give the information required by the Microfinance Institution Ordinance, 2001 and Companies Act, 2017 [XIX of 2017], in the manner so required and respectively give a true and fair view of the state of the Bank's affairs as at 31 December 2024 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

basis for opinion

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

information other than the financial statements and auditor's reports thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's reports thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

responsibilities of management and the board of directors for the financial statements

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

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

The Board of Directors are responsible for overseeing the Bank's financial reporting process.

auditor's responsibilities for the audit of the financial statements

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

exercise professional judgment and maintain professional skepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the financial





As part of an audit in accordance with ISAs as applicable in Pakistan, we

statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional



omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide to the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safequards.

report on other legal and regulatory requirements

- 1. Based on our audit, we further report that in our opinion:
 - a) proper books of account have been kept by the Bank as required by the Companies Act, 2017 [XIX of 2017];
 - b) the statement of Financial position, the statement profit and loss account, the statement of comprehensive income, statement of changes in equity and cash flow statement (together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 [XIX of 2017] and are in agreement with the books of account and returns;

- the year were for the purpose of the Bank's business; and
- Zakat Fund established under Section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Omer Chuahtai.

EY Ford Rhodes Chartered Accountants Place: Karachi Date: 26 March 2025 UDIN: AR202410120M7AnZBeRv





c) investments made, expenditure incurred and guarantees extended during

d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Bank and deposited in the Central



statement of financial position



----- (USD in '000) -----

2023

2024

Ć	our shareholders					
•	telenor group					

2023

2024

----- (Rupees in '000)-----

Note

statement of profit and loss account

For the year ended December 31, 2024

2024	2023 in '000]		Note	2024 (Rupees	2023
[03D	III 000J			(kupees	III 000J
93,009	58,563	Mark-up / return / interest earned	24	25,907,584	16,312,833
(5,383)		· · ·	25	[1,499,497]	[1,045,803]
87,626	54,809	Net mark-up / return / interest income		24,408,087	15,267,030
		NON MARK-UP / NON INTEREST INCOME			
51,696	38,022	Fee & Commission Income	26	14,399,955	10,590,915
-	-	Dividend income			
230	[192]	Gain / (loss) on securities	27	64,129	[53,382]
55	[53]	Other income	28	15,233	[14,733]
51,981		Total non-mark-up / non-interest income		14,479,317	10,522,800
139,607		Total income		38,887,404	25,789,830
		NON MARK-UP / NON INTEREST EXPENSES			
(112,446)	[86,103]	Operating Expenses	29	[31,321,747]	[23,984,109]
(497)				(138,525)	[24,679]
(11		Other charges	30	(3,013)	(1,385)
(112,954)		Total non-mark-up / non-interest expenses		(31,463,285)	[24,010,173]
26,653	6,389	Profit before credit loss allowance		7,424,119	1,779,657
[9,696]	[1,959]	Credit loss allowance and write offs - net	31	(2,700,947)	[545,721]
16,957		PROFIT BEFORE TAXATION AND MINIMUM TAX		4,723,172	1,233,936
(2,965)	[2,080]	Minimum Tax Differential	32	(825,797)	[579,328]
13,992	2,350	PROFIT BEFORE TAXATION		3,897,375	654,608
(1,742)	[547]	Taxation	32	(485,145)	[152,333]
	1 0 0 7	PROFIT AFTER TAXATION		3,412,230	502,275
12,250	1,803				
12,250 (l	1,803			(Rup	ees)

		ASSETS			
16,966	22,816	Cash and balances with treasury Banks	6	4,725,957	6,355,404
5,745	25,291	Balances with other MFBs/Banks/NBFIs	7	1,600,132	7,044,873
7,885	17,950	Lendings to financial institutions	8	2,196,494	5,000,000
218,566	102,632	Investments	9	60,881,622	28,588,040
91,549	63,112	Advances	10	25,500,848	17,579,972
13,775	13,112	Property and equipment	11	3,836,977	3,652,224
3,110	3,573	Right-of-use assets	12	866,297	995,205
11,171	9,761	Intangible assets	13	3,111,578	2,718,826
-	-	Deferred tax asset	14	-	-
20,498	15,506	Other assets	15	5,709,757	4,319,279
389,265	273,753	Total assets		108,429,662	76,253,823
		LIABILITIES			
1,166	596	Bills payable	16	324,880	165,884
-	-	Borrowings		-	-
273,446	182,868	Deposits and other accounts	17	76,168,441	50,937,750
3,871	4,167	Lease liabilities	18	1,078,397	1,160,830
-	-	Subordinated debt		-	-
6	46	Deferred grants	19	1,538	12,865
-	-	Deferred tax liabilities	14	-	-
60,219	57,370	Other liabilities	20	16,774,012	15,980,472
338,708	245,047	Total liabilities		94,347,268	68,257,801
50,557	28,706	NET ASSETS		14,082,394	7,996,022
		REPRESENTED BY:			
21,245	21,245	Share capital	21	5,917,680	5,917,680
9,968		Advance against Future issue of right shares		2,776,500	-
169,232	166,782	Reserves		47,139,559	46,457,113
2,897	1,912	Depositors' protection fund		806,835	532,717
862	(106)	Surplus / (Deficit) on revaluation of assets - net of defe	22	240,082	(29,518)
(153,647)	[161,127]	Unappropriated loss		[42,798,262]	[44,881,970]
50,557	28,706			14,082,394	7,996,022

CONTINGENCIES AND COMMITMENTS

23

Director

The annexed notes 1 to 47 form an integral part of these financial statements.

Chairman

President / **Chief Executive Officer**

Chief Financial Officer

Director

our shareholders					
telenor group	6	ANT GROUI	>		





statement of comprehensive income

For the year ended December 31, 2024

2024 (USD in '	2023 000)		2024 (Rupees in	2023 n '000]
12,250	1,803	Profit after taxation for the period	3,412,230	502,275
		Other comprehensive income		
		Item may be reclassified to profit or loss in subsequent periods		
1,669 (701) 968	[25] 25 -	Movement in surplus / [deficit] on revaluation of investments in debt instruments Related tax impact	464,827 [195,227] 269,600	[6,976] 6,863 [113]
		Items that are not to be reclassified to profit and loss in subsequent periods		
[111] 46 [65]	331 [129] 202	Remeasurement gain on defined benefit obligations Related tax impact	(30,787) 12,931 (17,856)	92,062 [35,904] 56,158
13,153	2,005	Total comprehensive income	3,663,973	558,320

The annexed notes 1 to 47 form an integral part of these financial statements.

Chairman

cash flow statement

For the year ended December 31, 2024

2024	2027		1 2024	2027
2024 (USD in	2023	Note	2024 (Rupees	2023
(050 III	1 000]	CASH FLOW FROM OPERATING ACTIVITIES	[Rupees	III 000J
13,992	2,350	Profit before taxation	3,897,375	654,608
10,772	2,000		0,077,070	004,000
2,965	2,080	Adjustments: Minimum Tax Differential	825,797	579,328
4,585	2,080	Depreciation on property and equipment	1,277,144	1,110,017
4,585	780	Depreciation on right-of-use assets	234,714	217,331
1,714	1,573	Amortisation	477,348	438,135
656	612	Finance charge against Lease liability	182,717	170,597
13,181	4.987	Expected credit loss allowance advances	3,671,658	1,389,176
486	4,987	Expected credit loss allowance other assets	135,409	185,179
100	000	Credit loss allowance against balances with	100,107	100,177
[57]	-	other banks Credit loss allowance against lending to	(15,808)	- 1
13	-	financial institutions	3,506	-
33	[449]	Impairment against fixed assets	9,327	[125,156]
161	-	Write off against Other Assets	44,801	-
-	368	Write-offs against fixed assets	-	102,638
182	155	Bad debts written off directly	50,823	43,079
713	616	Provision for gratuity	198,604	171,454
497	-	Workers' welfare fund	138,525	-
(30)	[5]	Grant income	(8,443)	[1,469]
(19)	[8]	Gain on termination of lease contracts	(5,379)	[2,304]
(5)	66	[Gain] / loss on sale of operating fixed assets	(1,411)	18,505
25,918	15,425		7,219,332	4,296,510
		Increase in operating assets		
(43,035)	[27,721]	Advances	[11,987,264]	[7,721,626]
(,,		Other assets (excluding advance taxation and		
[6,954]	[5,023]	receivable from defined benefit plan]	(1,937,151)	[1,399,102]
[49,989]	[32,744]		[13,924,415]	[9,120,728]
		[Decrease] / increase in operating liabilities		
571	-	Bills payable	158,996	-
90,579	15,580	Deposits and other accounts	25,230,691	4,339,806
1,778	22,425	Other ligbilities	495,141	6,246,417
92,928	38,005		25,884,828	10,586,223
(3,888)		Income tax paid	(1,082,921)	[757,300]
(343)	(47)	Contribution to defined benefit plan	(95,433)	[13,199]
78,618	20,270	Net cash generated from operating activities	21,898,766	5,646,114
		····· 3····· 3······ ··· ··· ··· ··· ··		
		CASH FLOW FROM INVESTING ACTIVITIES		
(114,266)	[2,238]	Net Investment in FVOCI securities	(31,828,755)	[623,510]
(8,458)	[6,564]	Investments in Property, equipment and Intangible	(2,355,908)	[1,828,280]
6	135	Proceeds from sale of Property and equipment	1,727	37,549
(122,718)	[8,667]	Net cash used in investing activities	(34,182,936)	[2,414,241]
		CASH FLOW FROM FINANCING ACTIVITIES		
9,968	4,959	Proceeds against future issue of right shares	2,776,500	1,381,395
(1,312)	[1,167]	Payment of lease liability against right-of-use assets	(365,578)	[325,171]
8,656	3,792	Net cash generated from financing activities	2,410,922	1,056,224
(35,444)	15,395	Net (decrease) / increase in cash and cash equivalents	[9,873,248]	4,288,097
66,057	50,663	Cash and cash equivalents at beginning of the period	18,400,277	14,112,180
30,613	66,058	Cash and cash equivalents at end of the period 34	8,527,029	18,400,277

The annexed notes 1 to 47 form an integral part of these financial statements.

President /	Chairman
Chief Executive Officer	

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Chief Financial Officer

President / **Chief Executive Officer**

Director

Ou	r shar	ehol	ders)
K	telenor group	6	ANT GROUI	5

Director

Director



statement of changes in equity

For the year ended December 31, 2024

Share capital against urg issue of right share share Share premium share Statutory presive Depositors' presive Unappropriate profit Surplus/(deficit) on revolucitori fund Surplus/(deficit) fund Surplus/(defi				C	apital reserve	S	Revenue reserve		
Balance as at 01 January 2023 5,709,017 3,557,060 41,024,385 802,481 421,562 (45,228,793) (29,405) 6,06 Profit after taxation for the prior year Other comprehensive income - net of tax - - - - - 502,275 - 5 5 5 5 1133 5 Transfer to statutory reserve - - - - - - - 5 5 6,118 (113) 5 Transfer to Depositors' Protection Fund - 5% of the Profit After Tax - - - 25,114 (25,114) - - - 100,455 - 100,455 - 111,155 - - - 1,36,041 (26,114) - - - - 1,313 5 - - - 1,313 5 - - 1,313 5 - - 1,313 5 - - 1,313 5 - - 1,313 5 - - 1,313 5 - - 1,313 5 - - 1,313 5 - </th <th></th> <th></th> <th>future issue of right</th> <th></th> <th>reserve</th> <th>protection fund</th> <th>loss</th> <th>on revaluation</th> <th>Total</th>			future issue of right		reserve	protection fund	loss	on revaluation	Total
Other comprehensive income - net of tax - - - - 56.158 (113) Transfer to statutory reserve - - - 558.433 (113) 5 Transfer to Depositors' Protection Fund - - - 100.455 - 100.455 - - 5% of the Profit After Tax - - - 25.114 (25.114) - - - - 86.041 (86.041) - <th>Balance as at 01 January 2023</th> <th>5,709,017</th> <th>3,357,060</th> <th>41,024,385</th> <th></th> <th>-</th> <th></th> <th>(29,405)</th> <th>6,056,308</th>	Balance as at 01 January 2023	5,709,017	3,357,060	41,024,385		-		(29,405)	6,056,308
Transfer to statutory reserve - - - 558,433 (113) 5 Transfer to Depositors' Protection Fund - - 100,455 - (100,455) - - s% of the Profit After Tax - - - 25,114 (25,114) - - - return on investments - - - 26,041 (86,041) - - Transactions with owners, recorded directly in equity - - - 111,155 1111,155 - 1.33 Advance against future issue of right shares - 1,381,395 - - - - 1.3 Issue of share capital 208,663 (4,738,455) 4,529,792 - - - 1.3 Balance as at 31 December 2023 5,917,680 - 45,554,177 902,936 532,717 (44,881,970) (29,518) 7,99 Cher comprehensive income - net of tax - - - - 3,412,230 269,600 2 Transfer to statutory reserve - - - - - 3,412,230 269,600 <t< td=""><td>Profit after taxation for the prior year</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>502,275</td><td>-</td><td>502,275</td></t<>	Profit after taxation for the prior year	-	-	-	-	-	502,275	-	502,275
Transfer to statutory reserve - - 100,455 - (100,455) - Transfer to Depositors' Protection Fund - - 25,114 (25,114) - - - return on investments - - - 26,041 (86,041) - - Transactions with owners, recorded directly in equity - - 111,155 (111,156) - 1.381,395 - - - 1.381,395 - - - 1.3 Advance against future issue of right shares - 1,381,395 - - - - 1.3 Balance as at 31 December 2023 5,917,680 - 45,554,177 902,936 532,717 (44,881,970) (29,518) 7,99 Balance as at 31 December 2023 5,917,680 - 45,554,177 902,936 532,717 (44,283,970) (29,518) 7,99 Balance as at January 01, 2024 - as restated 5,917,680 - 45,554,177 902,936 532,717 (445,257,928) (29,518) 7,94 Transfer to statutory reserve - - - - -	Other comprehensive income - net of tax	-	-	-	-	-		[113]	56,045
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Transactions with owners, recorded directly in equity - - - 111,155 (111,155) - Advance against future issue of right shares - 1,381,395 - - - 1,3 Issue of share capital 208,663 (4,738,455) 4,529,792 - - - - 1,3 Balance as at 31 December 2023 5,917,680 - 45,554,177 902,936 532,717 (44,881,970) (29,518) 7,92 Balance as at 31 December 2023 5,917,680 - 45,554,177 902,936 532,717 (44,881,970) (29,518) 7,92 Balance as at January 01, 2024 - as restated 5,917,680 - 45,554,177 902,936 532,717 (45,253,928) (29,518) 7,62 Profit after taxation for the current year - - - - - 3,412,230 - 3,42 Other comprehensive income - net of tax - - - - - 3,412,230 269,600 3,6 Transfer to Statutory reserve - - - - - 103,507 103,507 -		-	-	-	-			-	-
Transactions with owners, recorded directly in equity Advance against future issue of right shares - 1,381,395 - - - - 1,3 Issue of share capital 208,663 (4,738,455) 4,529,792 - - - - 1,3 Balance as at 31 December 2023 5,917,680 - 45,554,177 902,936 532,717 (44,881,970) (29,518) 7,92 Balance as at January 01, 2024 - as restated 5,917,680 - 45,554,177 902,936 532,717 (45,253,928) (29,518) 7,62 Profit after taxation for the current year - - - - - 3,412,230 - 3,42 Other comprehensive income - net of tax - - - - 3,412,230 269,600 3,6 Transfer to Statutory reserve - - - - - 3,412,230 269,600 3,6 -s% of the Profit After Tax - - - - - - - - - - - - - - - - - - </td <td>retuin on investments</td> <td> -</td> <td>-</td> <td></td> <td></td> <td></td> <td></td> <td>- -</td> <td></td>	retuin on investments	 -	-					- -	
Impact of initial adoption of IFRS 9 (note 5.3) Balance as at January 01, 2024 - as restated 5,917,680 - 45,554,177 902,936 532,717 (45,253,928) (29,518) 7,62 Profit after taxation for the current year - - - - - - - - 3,412,230 - - 3,42 Other comprehensive income - net of tax - - - - - 3,412,230 269,600 2 Transfer to statutory reserve - - - - 3,412,230 269,600 3,60 Transfer to Depositors' Protection Fund - - - 682,446 - (682,446) - - 5% of the Profit After Tax - - - 170,612 (170,612) - - return on investments - - - 274,118 - - 2,776,500 - - - 2,776,500 - - - 2,776,500 - - - 2,77 2,77 Issue of share capital - - - - - <	Advance against future issue of right shares	-		- 4,529,792	-	-	-	-	1,381,395 -
Balance as at January 01, 2024 - as restated 5,917,680 - 45,554,177 902,936 532,717 [45,253,928] [29,518] 7,62 Profit after taxation for the current year - - - - 3,412,230 - 3,4 Other comprehensive income - net of tax - - - - 269,600 2 Transfer to statutory reserve - - - - 3,412,230 269,600 3,6 Transfer to statutory reserve - - - - 3,412,230 269,600 3,6 Transfer to Depositors' Protection Fund - - - 682,446 - [682,446] - - 5% of the Profit After Tax - - - 170,612 [170,612] - - - return on investments - - - - 274,118 - - - 2,776,500 - - - 2,77 2,77 Issue of share capital - - - 2,77 - - 2,77 - - 2,77		5,917,680	-	45,554,177	902,936	532,717		(29,518)	7,996,022 (371,958
Other comprehensive income - net of tax - - - - - 269,600 2 - - - - - - - 3,412,230 269,600 3,6 Transfer to statutory reserve - - - - 682,446 - [682,446] - Transfer to Depositors' Protection Fund - - - 682,446 - [682,446] - - - 5% of the Profit After Tax - - - 170,612 [170,612] -	Balance as at January 01, 2024 - as restated	5,917,680	-	45,554,177	902,936	532,717	[45,253,928]	[29,518]	7,624,064
Transfer to statutory reserve682,446-[682,446]-Transfer to Depositors' Protection Fund- 5% of the Profit After Tax170,612[170,612] return on investments103,507[103,507]274,118[274,118]-Transactions with owners, recorded directly in equity2,7Advance against future issue of right shares-2,776,5002,7Issue of share capital2,7	-	-	-	-	-	-	3,412,230	- 269,600	3,412,230 269,600
Transfer to Depositors' Protection Fund - 5% of the Profit After Tax - return on investments -		-	-		-	-	3,412,230	269,600	3,681,830
- 5% of the Profit After Tax - - - 170,612 [170,612] - - return on investments - - - 103,507 [103,507] - - - return on investments - - - - 103,507 [170,612] - - - return on investments - - - - 274,118 [274,118] - Transactions with owners, recorded directly in equity - - - 2,776,500 - - - 2,7 Advance against future issue of right shares - 2,776,500 - - - - 2,7 Issue of share capital - - - - - - - 2,7	Transfer to statutory reserve	-	-	-	682,446	-	[682,446]	-	-
- return on investments - - - 103,507 (103,507) - - return on investments - - - 103,507 (274,118) - - Transactions with owners, recorded directly in equity - - - 274,118 (274,118) - Advance against future issue of right shares - 2,776,500 - - - - 2,7 Issue of share capital - - - - - - - 2,7								·	
Transactions with owners, recorded directly in equity274,118(274,118)-Advance against future issue of right shares-2,776,5002,7Issue of share capital2,7		-	-	-	-			-	-
Transactions with owners, recorded directly in equity Advance against future issue of right shares - 2,776,500 - - - - 2,77 Issue of share capital - - - - - - 2,77	- return on investments	-	-	-	-			-	-
Advance against future issue of right shares - 2,776,500 - - - - 2,7 Issue of share capital - - - - - - 2,7	Transactions with owners, recorded directly in a		-	-	-	2/4,118	[2/4,118]	-	-
	Advance against future issue of right shares	- -	2,776,500	-	-	-	-	-	2,776,500
Balance as at 31 December 2024 5.917.680 2.776.500 45.554.177 1.585.382 806.835 [42.798.262] 240.082 14.07	Balance as at 31 December 2024	5,917,680	2,776,500	45,554,177	1,585,382	806,835	[42,798,262]	240,082	14,082,394

The annexed notes 1 to 47 form an integral part of these financial statements.

President / Chief Executive Officer

Chairman

Director

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annual report 2024

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notes to the financial statements

For the year ended December 31, 2024

1 STATUS AND NATURE OF BUSINESS

1.1 Easypaisa Bank Limited (formerly Telenor Microfinance Bank Limited) (the Bank) is incorporated in Pakistan as a public limited company and is engaged in providing microfinance and branchless banking service. The Bank's registered office is situated at 19-C, 9th Commercial Lane Main Zamama Boulevard, Phase V, DHA, Karachi. The Bank is operating through 131 locations (December 31, 2023: 138 locations). Out of the 131 locations, 46 (December 31, 2023: 48) are branches, 9 (December 31, 2023: 10) are permanent booth, 65 (December 31, 2023: 60) are Cashless Service Centers and 11 (December 31, 2023: 20) are recovery centers.

In January 2025, the Bank has been granted commercial license for Digital Retail Bank from the State Bank of Pakistan and declared as scheduled bank under the SBP Act, 1956.

1.2 The Bank is jointly held by Telenor Pakistan B.V, a joint stock company based in Amsterdam with 55% shareholding [31 December 2023: 55%] and Alipay (Hong Kong) Holding Limited with 45% [31 December 2023: 45%] shareholding.

The holding company of Telenor Pakistan B.V. is Telenor ASA, Norway, while the holding company of Alipay (Hong Kong) Holding Limited is Ant Group Co. Ltd. China.

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

2. BASIS OF PRESENTATION

These financial statements have been prepared in compliance with the format for preparation of the financial statements of Microfinance Banks issued by the SBP, vide its BPRD circular No. 3 dated February 9, 2023.

3 STATEMENT OF COMPLIANCE

- **3.1** The financial statements of the Bank 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 notified under the Companies Act, 2017;
 - Provisions of and directives issued under Microfinance Institutions Ordinance, 2001 [the MFI Ordinance] and the Companies Act, 2017; and
 - Directives issued by the SBP and Securities and Exchange Commission of Pakistan (SECP).

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

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 26 August 2002 till further instructions. SECP has deferred the applicability of IFRS 7 'Financial Instruments: Disclosures' through its notification S.R.O 411 [I] / 2008 dated 28 April 2008. 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 IFRS 9 requirements.

3.3

Standards, interpretations and amendments to ac Pakistan that are effective in the current period

During the year, the Bank has adopted IFRS 9 as applicable in Pakistan with effect from 01 January 2024 (refer note 5.2 for details). There are certain other amendments to existing accounting and reporting standards that have become applicable to the Bank for accounting periods beginning on or after January 01, 2024. Except for IFRS 9, these are either considered not to be relevant or do not have any significant impact and accordingly have not been detailed in these financial statements.

3.4 Standards, interpretations of and amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective in the current period.

The following standards, amendments and interpretations as notified under the Companies Act, 2017 will be effective for accounting periods beginning on or after January 01, 2025:

Standard, Interpretation or Amendment

Lack of exchangeability – Amendments to IAS 21

Classification and Measurement of Financial Instruments IFRS 17 - Insurance Contracts

Annual Improvements to IFRS Accounting Standards - Volum

Power Purchase Agreements - Amendments to IFRS 9 and IF

Sale or Contribution of Assets between an Investor and its Venture - Amendments to IFRS 10 and IAS 28

The above standards and amendments are not expected to have any significant impact on Bank's financial statements for future periods.

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

Standard

IFRS 1 - First time adoption of International Financial Report IFRS 18 - Presentation and Disclosure in Financial Statement IFRS 19 - Subsidiaries without Public Accountability: Disclosure

4. BASIS OF MEASUREMENT

4.1 Accounting convention

5.

These financial statements have been prepared under the historical cost convention except for investment at fair value through other comprehensive income (FVOCI) which are measured at fair value.

4.2 Functional and presentation currency

These financial statements have been presented in Pakistani Rupees, which is the Bank's functional and presentation currency.

As an additional information, the US Dollar amounts reported in the balance sheet, profit and loss account, statement of comprehensive income and cash flow statement are stated solely for the convenience of the users of financial statements. For the purpose of translation to US Dollar, spot rate of Rs. 278.55 per US Dollar has been used for 2024 and 2023 as it was the prevalent rate on the reporting

MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies adopted in the preparation of these financial statements are consistent with those of the corresponding year, except for adoption of IFRS 9 with effect 01 January 2024 [note 5.4].

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Standards, interpretations and amendments to accounting and reporting standards as applicable in

Effective date (annual periods beginning on or after)

	January 01, 2025
- Amendments to IFRS 9	January 01, 2026
	January 01, 2026
me 11	January 01, 2026
FRS 7	January 01, 2026
Associate or Joint	Not yet finalized

Effective date (annual periods beginning on or after)

rting Standards	January 01, 2004
nts	January 01, 2027
osures	January 01, 2027



5.1 Changes in reporting format

The SBP vide BPRD Circular No. 3 dated February 09, 2023 specified the new format for annual financial statements of microfinance banks. The new format has revised the disclosure requirements of the Bank for the year ended December 31, 2024 which has resulted in additional disclosures relating to IFRS 9 and reclassification of Lease liabilities and Right of use assets on the face of Statement of Financial Position out of Property and equipment and Other Liabilities, respectively in these financial statements.

5.2 Cash and cash equivalents

Cash and cash equivalents represent cash in hand and balances held with State Bank of Pakistan (SBP) and National Bank of Pakistan (NBP), balances held with other banks in current, deposit accounts, TDRs having a maturity up to 3 months and lending to financial institutions.

5.3 Lendings to / borrowings from financial

The Bank enters into transactions of repurchase agreements (repo) and agreements to resell (reverse repo) at contracted rates for a specified period of time. These are recorded as below:

5.3.1 Sale under repurchase agreements

Securities sold subject to a repurchase agreement (repo) are retained in these financial statements as investments and the counter party liability is included in borrowings. The difference between the sale and contracted repurchase price is accrued on a time proportion basis over the period of the contract and recorded as an expense.

5.3.2 Purchase under repurchase agreements

Securities purchased under agreement to resell (reverse repo) are not recognised in these financial statements as investments and the amount extended to the counter party is included in lendings. The difference between the purchase and contracted resale price is accrued on a time proportion basis over the period of the contract and recorded as income.

5.4 Financial Instruments - policies applicable from 01 January 2024

The Bank has adopted IFRS 9 [read with IFRS 9 application instructions issued by SBP] retrospectively with date of initial application as January 01, 2024, which resulted in changes in accounting policies and adjustments to the amounts previously recognised in the financial statements. In terms of the transitional provisions of IFRS 9, adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognised in the opening unappropriated profit at the beginning of the current period without restating the comparative figures. The impact on carrying amounts of the financial assets and liabilities is disclosed in note 5.4.10.

Financial instruments carried on the balance sheet include Cash and balances with treasury banks, Balances with other banks, Lendings to financial institutions, Investments, Advances, certain Other assets, Bills payable, Borrowings, Deposits and certain Other liabilities.

5.4.1 Classification of financial assets

IFRS 9 introduced a new classification model for financial assets that is more principle-based than the previous requirements. Financial assets are classified according to their contractual cash flow characteristics and the business models under which they are held. Instruments will be classified either at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). The previous accounting policies were based on instrument by instrument classification into Held for trading, Held to maturity and Available for Sale categories.

5.4.2 Financial assets – initial recognition

All financial assets under IFRS 9 are initially recognized at fair value plus transaction cost. However, transaction costs in relation to Financial Assets measured at Fair Value through Profit and Loss, is recognized as an expense when incurred.

5.4.3 Classification and subsequent measurement of financial assets

Financial assets are classified into following categories for measurement subsequent to initial recognitic - Financial assets at amortized Cost

- Financial assets at 'fair value through other comprehensive income' FVOCI
- Financial assets at 'fair value through profit or loss' FVTPL

Fair Value through Profit or Loss (FVTPL) is the residual category which is used for financial assets that are held for trading or if a financial asset does not fall into one of the two business models.

5.4.4 Financial assets at amortised cost

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. The Bank classifies its financial assets at amortized cost only if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, these financial assets are subsequently measured at amortized cost.

5.4.5 Financial assets at FVOCI

The Bank applies this new category under IFRS 9 when both of the following conditions are met:

The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets
The contractual terms of the financial asset meet the SPPI test

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income at EIR are recognised in the profit and loss

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit and loss account. The accumulated loss recognised in OCI is recycled to the profit and loss account upon derecognition of the assets.

On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit and loss account.

As per "IFRS 9 Financial Instruments application instructions" issued by SBP via BPRD Circular No. 03 of 2022 Government Securities are exempt from the application of ECL Framework.

5.4.6 Financial assets and financial liabilities at FVPL

Financial assets and financial liabilities in this category are those that are:

held for trading, that is, they have been purchased or issued primarily for short-term profit-making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking, or
 not held for trading and have been either designated by management upon initial recognition, or mandatorily required to be measured at fair value under IFRS 9

Financial assets are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss account.

5.4.7 Financial liabilities at amortised cost

Financial liabilities with a fixed maturity are measured at amortised cost. These include Bills payable, Borrowings, Deposits and certain items within Other Liabilities.

5.4.8 Derecognition of financial assets

5.4.8.1 Derecognition other than due to substantial modification of terms and conditions

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Bank also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

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5.4.8.2 Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or ex

5.4.9 Impairment of financial assets

5.4.9.1 Overview of the ECL principles

The adoption of IFRS 9 has fundamentally changed the Bank's loan loss impairment method by replacing the incurred loss approach of the local regulations with a forward-looking ECL approach. The Bank records allowance for expected credit losses for all loans and other debt financial assets held at amortised cost or FVOCI, together with loan commitments, letters of credit and financial guarantee contracts (if there is any). Under the SBP's instructions, local currency credit exposures guaranteed by the Government and Government Securities are exempted from the application of ECL.

The ECL allowance is based on the credit losses expected to arise over the life of the asset [the lifetime expected credit loss or LTECL], unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss [12m ECL] as outlined below.

The 12m ECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12m ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Bank also applies a secondary qualitative method for triggering a significant increase in credit risk for an asset, such as account becoming forborne. Regardless of the change in credit grades, generally, the Bank considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

When estimating ECLs on a collective basis for a group of similar assets, the Bank applies the similar principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Based on the above process, the Bank groups its loans into Stage 1, Stage 2, and Stage 3, as described

Stage 1

When loans are first recognised, the Bank recognises an allowance based on 12m ECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2. The 12m ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Bank calculates the 12m ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original effective interest rate [EIR]. This calculation is made for all the scenarios.

Stage 2

When a loan has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3

Calculation of ECLs

For loans considered credit-impaired, the Bank recognises the lifetime expected credit losses for these loans. The Bank uses a PD of 100% and LGD as computed for each portfolio or as prescribed by the SBP under the prudential regulations which ever is higher.

The Bank calculates ECLs based on a three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. PDs for Non rated portfolios are calculated based on Days Past Due (DPD) bucket level for each segment separately. PDs are then adjusted for IFRS 9 ECL calculations to incorporate forward looking information.

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Bank has the legal right to call it earlier.

The interest rate used to discount the ECLs is based on the effective interest rate that is expected to be charged over the expected period of exposure to the facilities. In the absence of computation of the effective interest rate (at reporting date), the Bank uses an approximation e.g. contractual rate (at reporting date).

When estimating the ECLs, the Bank considers three scenarios (a base case, an upside, a downside). Each of these is associated with different PDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset.

The new IFRS 9 impairment requirements eliminate the previous threshold for the recognition of credit losses, i.e., it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, an entity always accounts for ECLs, and updates the loss allowance for changes in these ECLs at each reporting date to reflect changes in credit risk since initial recognition. Consequently, the holder of the financial asset needs to take into account more timely and forward-looking information in order to provide users of financial statements with useful information about the ECLs on financial instruments that are in the scope of these impairment requirements. The previous impairment requirements were based solely on Prudential regulations of SBP as stated in note 5.5.

Bank uses minimum five years historical data for computation of LGD or since the inception of product, where product has been launched within five year.

5.4.10 Transition disclosures

PD

LGD

EAD

As permitted by the transitional provisions of IFRS 9, the Bank has opted for modified retrospective approach and has not restated comparative figures. Any adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognised in the opening retained earnings at the beginning of the current year without restating the comparative.

Reconciliation of carrying amount before adoption of IFRS 9 to carrying amount under IFRS 9 at 1 January 2024.

Financial Assets

Cash and balances with treasury Banks Balances with other MFBs/Banks/NBFIs Lendings to financial institutions Investments Advances Other assets

Financial Liabilities

Deposits and other Other liabilities

	Re-			
31 December 2024	measurement/ IFRS 9 adoption impact	01 January 2024		
Rs'000				
6,355,404	-	6,355,404		
7,044,873	[8,374]	7,036,499		
5,000,000	-	5,000,000		
28,588,040	-	28,588,040		
17,579,972	[343,907]	17,236,065		
3,354,973	[111,038]	3,243,935		
67,923,262	[463,319]	67,459,943		
50,937,750	-	50,937,750		
15,980,472	91,361	15,889,111		
66,918,222	91,361	66,826,861		

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The following table provides classification of financial instruments of the Bank by class and their carrying amount as at 01 January 2024.

	Classification as of 01 January 2024			024
	Amortized	FVOCI	FVTPL	Total
	cost			carrying
Financial Assets		Rs'00	0	
Cash and balances with treasury Banks	6,355,404	-	-	6,355,404
Balances with other MFBs/Banks/NBFIs	7,036,499	-	-	7,036,499
Lendings to financial institutions	5,000,000	-	-	5,000,000
Investments	-	28,588,040	-	28,588,040
Advances	17,236,065	-	-	17,236,065
Other assets	3,243,935	-	-	3,243,935
	38,871,903	28,588,040	-	67,459,943
Financial Liabilities				
Deposits and other accounts	50,937,750	-	-	50,937,750
Other liabilities	15,889,111	-	-	15,889,111
	66,826,861	-	-	66,826,861

5.5 Advances

Advances are stated net of ECL provisions determined in accordance with policies stated in note 5.4.9.1. However, for advances that has been classified in Stage 3, provision is determined based on higher of ECL provision determined in accordance with note 5.4.9.1 and provision as per Prudential Regulations for Microfinance Banks (the Prudential Regulations) issued by SBP as explained below. Advances are written off according to the Prudential Regulations or when there is no realistic prospect of recovery. These regulations prescribe a time based criteria for classification of non-performing advances into the following categories:

	Category	General loans	Housing loans	Microenterprise loans
α)	Other Assets Especially Mentioned (OAEM)	Loan (principal / mark- up) is overdue for 30 or		Loan (principal / mark-up) is overdue for 90 or more but less then 180 days
b)	Substandard	Loan (principal / mark- up) is overdue for 60 or		Loan (principal / mark-up) is overdue for 180 or more but less then one year
c)	Doubtful	Loan (principal / mark- up) is overdue for 90 or		Loan (principal / mark-up) is overdue for one year or more but less then 18 months
d)	Loss	Loan (principal / mark- up) is overdue for 180	Loan (principal / mark-up) is	Loan (principal / mark-up) is overdue for 18 months or more

In accordance with the Prudential Regulations, the Bank maintains specific provision for potential loan losses for all non-performing advances. The provision is determined on the basis of outstanding principal net of collaterals (such as gold) realizable without recourse to a Court of Law.

Category	General loans	Housing loans	Microenterprise loans
Other Assets Especially Mentioned (OAEM)	Nil	Nil	10%
Substandard	25%	25%	25%
Doubtful	50%	50%	50%
Loss	100%	100%	100%

Specific and general provisions against loans and advances are made in accordance with the requirements of the Prudential Regulations issued by the State Bank of Pakistan from time to time and management assumptions.

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

Catagories	Criteria for Cha
General loans	One month after
Housing loans	One month after
Microenterprise Loans	Loan secured o industrial prope month after 05 y
Operating fixed assets	All other loan s the date of class

5.6.1 Property and equipment

5.6

These are stated at cost less accumulated depreciation and

Depreciation is charged using the straight-line basis over the estimated useful lives of assets. Depreciation on additions is charged from the month in which the assets are available for use. No depreciation is charged from the month in which the assets are disposed off. The residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each reporting date.

5.6.2 Intangible assets

Intangible assets with a definite useful life are stated at cost less accumulated amortisation and impairment (if any). These are amortised from the month, when these assets are available for use, using the straight-line method (on cost less residual value, if any), whereby the cost of the intangible asset is amortised on the basis of the estimated useful life over which economic benefits are expected to flow to the Bank. The residual value (if any), useful lives and the amortisation method is reviewed and adjusted, if appropriate, at each balance sheet date.

5.7 Right-of-use assets and their related lease liability

5.7.1 Right of-use assets

On initial recognition, right-of-use assets are measured at an amount equal to initial lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to be incurred to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

Right-of-use assets are subsequently stated at cost less any accumulated depreciation and accumulated impairment losses and are adjusted for any remeasurement of lease liability. The remeasurement of lease liability will only occur in cases where the terms of the lease are changed during the lease tenor.

Right-of-use assets are depreciated over their expected useful lives using the straight-line method. Depreciation on additions (new leases) is charged from the month in which the leases are entered into. No depreciation is charged in the month in which the leases mature or are terminated.

Lease liability against right-of-use assets 5.7.2

The lease liabilities are initially measured as the present value of the remaining lease payments, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the

The lease liability is subsequently measured at amortised cost using the effective interest rate method. The lease liability is also remeasured to reflect any reassessment or change in lease terms. These remeasurements of lease liabilities are recognised as adjustments to the carrying amount of related right-of-use assets after the date of initial recognition.

Each lease payment is allocated between a reduction of the liability and a finance cost. The finance cost is charged to the profit and loss account as markup expense over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

arging Off NPLs

- r being classified as "Loss."
- 05 years from the date of classification of loan.
- against Mortgaged residential, commercial and perties (Land & building only) is charged off, one years from the date of classification of loan.

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shall be charged off, one month after 03 years from ssification



5.8 Provisions

Provisions are recognised when the Bank has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

5.9 Deferred grant

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

5.10 Staff retirement benefits

5.10.1 Defined benefit plan

The Bank operates a funded gratuity scheme for its eligible permanent employees. Provision is made in these financial statements based on the actuarial valuation carried out on the balance sheet date using the projected unit credit method. When the calculation results in a potential asset for the Bank, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reduction in future contribution to the plan [if material]. The above benefits are payable to staff at the time of separation / retirement from the Bank's services subject to the completion of qualifying period of service. Remeasurement component which is the net of actuarial gains and losses is recognized immediately in other comprehensive income where as service cost and net interest income / expense are charged to the profit and loss account.

5.10.2 Defined contribution plan

The Bank also operates a recognised provident fund scheme for its eligible employees. Equal monthly contributions are made, both by the Bank and the employees, to the Fund at the rate of 10% of the basic salary. The contribution of the Bank is charged to the profit and loss account.

5.11 Revenue recognition

Mark-up / return / interest earned on advances, investments and bank balances is recognised on a time proportion basis.

Commission / Fee income on branchless banking services is recognised at an amount that reflects the consideration to which the Bank expects to be entitled in exchange for providing the services. The Bank recognises Commision / fee earned on transaction-based arrangements at a point in time when the Bank has provided the service to the customer. Where the contract requires services to be provided over time, income is recognised on a systematic basis over the life of the related services. Unearned fee and

Gain or loss on sale of securities is accounted for in the period in which the sale / settlement occurs.

Other income is recognised on accrual basis when the services have been rendered except that early and late payment charges and recovery of written off loans are recognized on receipt basis.

5.12 Taxation

Income tax on the profit or loss for the year comprises of current and deferred tax. Income tax is recognised in the profit and loss account, except to the extent that it relates to items recognised directly in the surplus / deficit or revaluation of investments, in which case it is recognised in that surplus / deficit account.

Current

Provision for current taxation is based on the taxable income for the year determined in accordance with the provisions of Income Tax Ordinance, 2001 and is recognized in relation to the income stream taxable under different basis. The charge for tax also includes adjustments, where considered necessary relating to prior years.

Deferred

Deferred tax is recognised using the balance sheet liability method on all temporary differences between the amounts attributed to assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deductible temporary differences (deferred tax assets) are temporary differences that are deductible from the taxable income of future periods when the carrying amount of the asset or liability is recovered or settled. Taxable temporary differences (deferred tax liabilities) are temporary differences that will result in a tax liability in future periods when the carrying amount of the asset or liability is recovered or settled. Deferred tax is calculated at the tax rates that are expected to be applicable to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted as at the Balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Where objective evidence exists that the carrying value of a deferred tax asset may not be recoverable, the deferred tax asset is reduced to its recoverable value. The difference between the carrying value and the recoverable value is recognised through the profit and loss account as a deferred tax expense.

5.13 Foreign currency transactions

Foreign currency transactions are translated into Pakistani Rupees [functional currency] using the exchange rate prevailing at the date of transactions. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees using the exchange rate prevailing at the reporting date. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translations of monetary assets and liabilities denominated in foreign currencies at reporting date are included in the profit and loss account.

5.14 Earnings per share

The Bank presents basic and diluted earnings per share [EPS]. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS, if any, is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares. There were no dilutive potential ordinary shares in issue as at 31 December 2024.

5.15 Statutory reserve

The Bank is required under the Microfinance Institutions Ordinance, 2001 to maintain a statutory reserve to which an appropriation equivalent to 20% of the annual after tax profit is made till such time the reserves are equal to paid-up capital and thereafter 5% of profit after taxes.

5.16 Depositors' protection fund

The Bank is required under the Microfinance Institutions Ordinance, 2001 to contribute 5% of its annual after tax profit to the Depositors' protection fund for the purpose of providing security or guarantee to persons depositing money in the Bank, Profits earned on the investments of the fund is credited to the depositors' protection fund and such fund shall either be invested in Government securities or deposited with SBP in a remunerative account.

5.17 Employees Share Appreciation Rights (ESAR)

The Bank grants share appreciation rights to its certain employees under the Bank's Employee Share Appreciation Rights Scheme [ESAR] as approved by the Board of Directors which are settled in cash [Cash Settled Transactons].

Under the terms of ESAR, the vesting of rights is subject to the completion of a minimum service from the grant date upon which the respective employee becomes eligible for the proportionate share appreciation rights. These rights are fully vested upon completion of the service period of four years from the grant date.

Upon completion of the vesting period, these rights are exercisable subject to the terms and conditions of the approved plan and any relevant regulatory requirements at that time, up to an amount equivalent to the appreciation in the fair value of the rights at the time of exercise, over the base price at the grant date, as approved by the Board of Directors. The amount of appreciation in fair value of rights is recognized as an expense with the increase in liability over the vesting period, net off impact of employee turnover. The liability is remeasured at each reporting date and at settlement date based on the fair value of the right. Any changes in the liability are recognized in the profit and loss account.

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Key accounting estimates and judgments 5.18

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

Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. In particular, information about significant areas of estimation, uncertainty and critical judgment in applying accounting policies that have most significant effect on the amount recognized in the financial statements are as follows:

5.18.1 Impairment losses on financial assets

i) Credit loss allowance and write offs - net (notes 5.4.9)

Determination of expected credit losses is a significant estimate and involves the following judgments:

- Development of ECL models, including the various formulas and the choice of inputs
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Qualitative and quantitative indicators used as SICR triggers
- The definition of default against which parameters of ECL model such as PD, LGD and EAD are evaluated
- Selection of forward-looking macroeconomic scenarios and their probability weightings
- Determination of economic inputs, such as GDP growth and CPI

ii) Current and deferred taxation (notes 5.12)

In making the estimates for income taxes currently payable by the Bank, the management looks at the current income tax laws and the decisions of appellate authorities on certain issues in the past. In making the provision for deferred taxes, estimates of the Bank's future taxable profits are taken into account.

iii) Payable against staff retirement benefits (notes 5.10)

The key actuarial assumptions concerning the valuation of the defined benefit plan and the sources of estimation are disclosed in note 35 to these financial statements.

iv) Operating fixed assets, depreciation and amortisation (note 5.6.1 & 5.6.2)

In making estimates of the depreciation / amortization method, the management uses method and rates which reflects the pattern in which economic benefits are expected to be consumed by the Bank. The method applied is reviewed at each financial year end and if there is a change in the expected pattern of consumption of the future economic benefits in the assets, the method and depreciation rates are changed to reflect the change in pattern.

Right-of-use assets and their related lease liability (note 5.7.1) v)

Management uses judgement in estimating the incremental borrowing rate for the recognition of lease liability and corresponding right-of-use assets under IFRS 16 including the term of the lease.

vi) Fair value of share appreciation right (note 5.17)

The Bank determines the fair value of share appreciation rights using a board approved pricing model. For these cash-settled rights, the liability needs to be remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognised in profit or loss account. This requires a reassessment of the estimates used at the end of each reporting period.

CASH AND BALANCES WITH TREASURY BANKS

Cash in hand - local currency

6.

With State Bank of Pakistan - local currency current ac With National Bank of Pakistan - local currency current

6.1 balance requirement equivalent to 5% as cash reserve of the Bank's time and demand liabilities in accordance with the Prudential Regulations.

7 **BALANCES WITH OTHER MFBs/BANKs/NBFIs**

- In current accounts
- In deposit accounts
- In fixed term deposits

Less: Expected credit loss allowance

7.1 Expected credit loss allowance

Opening IFRS 9 Adoption Impact (note 5.3)

Charge/ (reversal) Closina

- 7.1.1 Balances with other banks are all classified as Stage 1.
- 7.2 between 5.87% to 13.50% per annum (31 December 2023: 20.5% to 23.5% per annum).
- 7.3 annum
- 7.4 behalf of the Bank by other financial institution to the Bank's branchless banking corporate customers/ partners. These quarantees are secured against the fixed term deposits maintained with the same financial institution.

LENDINGS TO FINANCIAL INSTITUTIONS 8.

Call money lendings - unsecured Less: Expected credit loss allowance Lendings to Financial Institutions - net of credit loss all

This represent call money lending to various financial institutions carrying mark-up rate ranging from 8.1 13.0% to 14.0% per annum (31 December 2023: 22.0% per annum) and having maturity in January 2025 (31 December 2023: January 2024].

Note 2024 202	
(Rupees in '000)	3
206,501 242	2,101
ccount 6.1 4,515,549 6,112 at account 3,907	2,090 1,213
4,519,456 6,113	,303
4,725,957 6,355	,404

This includes current accounts maintained with State Bank of Pakistan [SBP] to meet the minimum

2024	2023
(Rupees ir	n '000)

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	290,438	426,567
7.2 & 7.3	1,080,634	6,618,306
7.4	230,000	-
	1,601,072	7,044,873
7.1	(940)	-
	1,600,132	7,044,873

-	-
8,374	-
8,374	-
(7,434)	-
940	-

This represents demand deposits with various financial institutions carrying markup at rates ranging

This represents fixed term deposit with financial institution carrying markup at the rate of 9.50% per

Guarantees worth Rs. 199.08 million [31 December 2023: Rs. 171.0 million] which have been given on

2024 2023 (Rupees in '000)

8.1	2,200,000 (3,506)	5,000,000 -
llowance	2,196,494	5,000,000
	=/=/ */ ! / !	010001000





2024

2023

8.2 Lending to FIs - Particulars of credit loss allowance

		2024			2023
		Lending	Credit Loss Allowance	Lending	Credit Loss Allowance
			(Rupees	s in '000)	
orming - upto 29 Days	Stage 1	2,200,000	(3,506)	-	-
sets especially mentioned	Stage 2	-	-	-	-
rforming	Stage 3				
bstandard		-	-	-	-
pubtful		-	-	-	-
S			-	-	-
		2,200,000	(3.506)	-	-

8.3 Expected credit loss allowance

								(Rupees i	n '000)
	Opening							-	-
	IFRS 9 Adoption Impact (r	note 5.3)							-
								-	-
	Charge/ (reversal)							3,506	-
	Closing							3,506	-
9	INVESTMENTS		2024				2023		
9.1	Investments by type:	Fair Value / Amortised cost	Credit Loss Allowance	Surplus / (Deficit)	Carrying Value	Fair Value / Amortised cost	Credit Loss Allowance	Surplus / (Deficit)	Carrying Value

	Note
Debt Instruments	
Classified as FVOCI	

Federal Government securities

Market Treasury Bill	9.4	57,424,672	-	9 57,424,663	25,154,190	-	[46,305] 25,200,495	
Pakistan Investment Bond	9.5	3,456,950	-	(1,929) 3,458,879	3,433,850	-	[2,086] 3,435,936	
		60.881.622	-	(1.920) 60.883.542	28.588.040	-	[48.391] 28.636.431	

upees in '000-

9.2 Investments - Particlurs of credit loss allowance

			2023				
9.2.1	Investments - Exposure	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
		F	Rupees in '000		Ru	upees in '00	0
	Gross carrying amount	28,636,431	-	-	28,012,921	-	-
	New Investments	68,805,144	-	-	128,676,390	-	-
	Investments derecognised or repaid	[43,505,564]	-	-	[131,565,921]	-	-
	Transfer to stage 1	-	-	-	-	-	-
	Transfer to stage 2	-	-	-	-	-	-
	Transfer to stage 3	-	-	-	-	-	-
		25,299,580	-	-	[2,889,531]	-	-
	Amounts written off / charged off	-	-	-	-	-	-
	Amortisation income	6,529,175	-	-	3,513,041	-	-
	Closing balance	60,465,186	-	-	28,636,431	-	-

9.3 Expected credit loss on Government securities has not been recognised due to exemption available under IFRS 9 instructions issued by SBP through circular no. 3 of 2022 dated July 05, 2022.

9.4 These carry mark-up at rates ranging between 14.54% to 14.85% [31 December 2023: 21.25% to 21.51%] per annum, having maturities up to December 2025 (December 31, 2023: Novemeber 2024). These securities have an aggregate face value of Rs. 60,546 million (31 December 2023: Rs. 30,000 million).

9.5 These carry mark-up at rate at 15.06% (31 December 2023: 22.4%) per annum, having maturities up to October 2026 (31 December 2023: October 2026). These securities have face value of Rs. 3,500 million (31 December 2023: Rs. 3,500 million).

9.6 Investments includes securities amounting Rs. 7,676 million (2023: Rs.5,757 million) which are held by the Bank to comply with 10% statutory liquidity requirement of the Bank's time and demand liabilities in accordance with the Prudential Regulations.

0.	ADVANCES		Deafer	ming	Non Performing			al	
		Stag	Perfor e 1	ming Stad	10 2	Non Perro Stage		Tot	ai
		2024	2023	2024	2023	2024	2023	2024	2023
0.1	Micro credit				Rs'00	0	772	-	
	-Secured	11,703,986	7,662,992	67,213	27,648	51,292	17,554	11,822,492	7,708,19
	-Unsecured	12,829,646 24,533,632	9,734,598	936,626	236,637 264,285	2,927,229 2,978,522	898,586 916,140	16,693,501 28,515,993	10,869,82
	Credit loss allowance against advance	24,000,002	17,377,370	1,000,007	204,203	2,770,522	710,140	20,010,770	10,370,01
	-Stage 1	661,111	· ·	-		17	-	661,111	4
	-Stage 2		\frown	289,468	-	2044 544	$\left(\left(\cdot \right) \right)$	289,468	ŕ
	-Stage 3	661,111		289,468		2,064,566 2,064,566		2,064,566 3,015,145	998,04
	Advances - net of credit loss allowance		17,397,590	714,371	264,285	913,956	916,140	25,500,848	17,579,97
							\sim		
	Advances	Stage 1	202 Stage 2	24 Stage 3	Total	Stage 1	2 Stage 2	023 Stage 3	Total
1.2	Particulars of credit loss allowance			00				000	
).2.1	Advance - Exposure								
	Gross carrying amount	17,397,845	264,285	915,885	18,578,015	\sim	<u> </u>		· · ·
	New advances	87,360,746	- 1	-	87,360,746	-	-		· · ·
	Advances derecognised or repaid	(74,908,187)	(141,978)	(321,856)	(75,372,021)	-	-	- [
	Transfer to stage 1 Transfer to stage 2	1,280 (1.044,345)	(558) 1,044,345	(722)		-			
	Transfer to stage 3	[2,896,465]	(18,468)	2,914,933		-	-		
	Total movement in advances - exposure	8,513,029	883,341	2,592,355	11,988,725	-	-	-	-
	Amounts written off / charged off	(1,377,242)	(143,787)	(529,718)	(2,050,747)	_	_	_	_
	Closing balance	24,533,632	1,003,839	2,978,522	28,515,993	-	-	-	-
.2.2	Advances - Credit loss allowance				000 047				
	Opening balance General and Specific provisions	-	-	-	998,043 [998,043]	-	-	-	-
	Impact of adoption of IFRS 9	577,513	129,969	634,468	1,341,950				
		577,513	129,969	634,468	1,341,950				
	New advances	2,843,115	- 1	-	2,843,115	-	-	-	-
	Advances derecognised or repaid	(599,714)	(148,945)	(103,098)	(851,757)	-	-	-	-
	Transfer to stage 1	735	[240]	(495)	-	-	-	-	-
	Transfer to stage 2	(373,347)	373,347	-	-	-	-	-	-
	Transfer to stage 3	(1,718,769) 152,020	<u>[6,264]</u> 217,898	1,725,033 1,621,440	1,991,358	-	-	-	
	Change in risk parameters				,				
	-Due to change in LGD	(7,443)	[13]	-	(7,456)	-	-	-	-
	-Due to change in PD	7,955 512	<u>(1)</u> (14)	-	7,954	-	-	-	-
	Other changes	•	()						
	Change in ECL pertaining to written off	1,260,517	84,114	261,781	1,606,412	-	-	-	-
	Change in ECL due to transfers	(730)	567	75,014	74,851	-	-	-	-
	Credit loss allowance	1,412,319	302,565	1,958,235	3,673,119	-	-	-	-
	charged during the period								
	Amounts written off / charged off	(1,328,721)	[143,066]	(528,137)	[1,999,924]	-	-	-	-
	Closing balance	661,111	289,468	2,064,566	3,015,145	-	-	-	-
.2.3	Advances - Credit loss allowance								
	details stage classification	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
			202	24			2	023	
			Rs'0	00			Rs	'000	
	Outstanding gross exposure	24 FZZ 477	_		24 577 477				
	Performing Under Performing	24,533,633	-	-	24,533,633	-	-	-	-
	Other assets especially mentioned	-	1,003,839	-	1,003,839	-	-	-	-
	Non- Perfroming		· ·						
	Substandard	- T	-][785,434	785,434	-	-	-	-
	Doubtful Loss	-	<u> </u>	1,652,428	1,652,428	-	-	-	-
	2033	-		540,660 2,978,522	540,660 2,978,522	-	-	-	-
	Total	24,533,633	1,003,839	2,978,522	28,515,993	-	-		-
	O								
	Corresponding credit loss allowance	661 111	1		661 111		_	<u> </u>	
	Stage 1 Stage 2	661,111 -	289,468	-	661,111 289,468	-	-	-	-
			,	2044544				_	_
	Stage 3		- 11	2,064,566	2,064,566	-	-		

10.3 Particulars of write offs

Against credit loss allowance Directly charged to the profit and loss account

10.4 Advances to Women, Women-owned and Managed Enterprises

Women Women Owned and Managed Enterprises

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Note	2024 (Rupees i	2023 in '000)
10.2.2	1,994,608 <u>50,823</u> 2,045,431	694,144 43,079 737,222
	7,124,156 -	3,251,725 -
	7,124,156	3,251,725



			2024	2023
11.	PROPERTY AND EQUIPMENT	Notes	(Rupees i	n '000)
	Capital work-in-progress	11.1	559,251	533,091
	Property and equipment	11.2	3,277,726	3,119,133
			3,836,977	3,652,224
11.1	CAPITAL WORK-IN-PROGRESS			
	Improvements to leasehold buildings		5,286	12,403
	Office equipments		16,676	18,887
	Computer equipments		537,289	501,801
			559,251	533,091

11.2 Property and equipment

rioporty and oquipmont	2024					
	Leasehold improvements	Office furniture and fixtures	Office equipments	Computer equipments	Vehicles	Total
				Rupees '00)0	
At January 1, 2024						
Cost	797,559	309,421	681,158	6,564,511	61,420	8,414,069
Accumulated depreciation	(343,905)	[172,226]	(549,432)	(4,201,175)	(28,198)	(5,294,936)
Net book value	453,654	137,195	131,726	2,363,336	33,222	3,119,133
For the year 2024						
Opening net book value	453,654	137,195	131,726	2,363,336	33,222	3,119,133
Additions	93,585	2,092	50,180	1,290,198	-	1,436,055
Disposals	(347)	(952)	(843)	[628]	-	(2,770)
Depreciation charge	(72,020)	[26,659]	(76,157)	(1,095,553)	(6,756)	(1,277,144)
Depreciation charge disposal	347	752	727	628	-	2,454
Closing net book value	475,219	112,428	105,633	2,557,981	26,466	3,277,727
At December 31, 2024						
Cost	890,797	310,561	730,495	7,854,081	61,420	9,847,354
Accumulated depreciation	(415,578)	(198,133)	[624,862]	(5,296,100)	(34,954)	[6,569,626]
Net book value	475,219	112,428	105,633	2,557,981	26,466	3,277,727
Rate of depreciation (%)	10-33	10	20	12.5-33	20-25	

		2023				
	Leasehold improvements	Office furniture and fixtures	Office equipments	Computer equipments	Vehicles	Total
				Rupees '00	0	
At January 1, 2023						
Cost	729,120	370,269	933,158	5,973,531	126,084	8,414,069
Accumulated depreciation	[316,904]	[189,188]	(688,500)	[3,660,300]	[125,260]	(4,980,152
Net book value	412,216	181,081	244,658	2,313,231	824	3,433,917
For the year 2023						
Opening net book value	412,216	181,081	244,658	2,313,231	824	3,152,010
Additions	194,192	30	46,677	961,349	33,779	1,236,027
Disposals / write offs	[125,754]	[60,878]	[298,676]	[370,369]	[98,442]	[954,118
Depreciation charge	[67,691]	[29,744]	[103,727]	(908,275)	(580)	[1,110,017
Depreciation charge on dispos	40,690	46,706	242,795	367,400	97,642	795,233
Closing net book value	453,653	137,195	131,726	2,363,336	33,223	3,119,134
At December 31, 2023						
Cost	797,559	309,421	681,158	6,564,511	61,420	8,414,070
Accumulated depreciation	[343,905]	[172,226]	[549,432]	[4,201,175]	[28,198]	[5,294,936
Net book value	453,654	137,195	131,726	2,363,336	33,222	3,119,134
Rate of depreciation [%]	10-33	10	20	12.5-33	20-25	

11.2.1 Property and equipment include assets costing Rs. 3,504.38 million (31 December 2023: Rs. 2,246.55 million) which are fully depreciated and still in use.

The breakup of fully depreciated assets as follows;

Buildings On Leasehold Land Computers Furniture & Fixture Office Equipments Vehicles

RIGHT-OF-USE ASSETS 12. Buildings

As at 1 January Cost Accumulated Depreciation Net carrying amount at January 1, 2024

Additions during the year Deletions during the year Depreciation charge Net carrying amount at 31 December 2024

13. INTANGIBLE ASSETS

> Intangible assets Capital work-in-progress

13.1 Intangible assets

At 1 January Cost Accumulated amortization Net book value

For the year Opening net book value

Additions - directly purchased

Amortization charge for the year Closing net book value

At 31 December

Cost Accumulated amortization Net book value Rate of amortization [%]

DEFERRED TAX - NET 14.

Deductible temporary differences on:

- Un-absorbed tax depreciation

Taxable temporary differences on:

- Remeasurement gain/(loss) on defined benefit obligation

- Deficit on revaluation of investments - Accelerated tax depreciation

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	2024	2023
Notes	(Rupees	
	198,286	163,115
	2,678,803	1,692,195
	55,290	36,162
	544,356	327,439
	27,641	27,641
	3,504,376	2,246,552
	2024	2023
	(Rupees	in '000)
	JI 11	
	1,863,597	1,673,694
	(868,392)	[670,124]
	995,205	1,003,570
	121,939	221,866
	(16,132)	[12,900]
	(234,715)	(217,331)
	866,297	995,205
13.1	2,864,560	2,581,749
	247,018	137,077
	3,111,578	2,718,826
	4,385,718	3,853,449
	[1,803,969]	[1,365,833]
	2,581,749	2,487,616
	2,581,749	2,487,616
	760,159	532,269
	(477,348)	[438,136]
	2,864,560	2,581,749
	5.145.877	4,385,718
	(2,281,317)	
	2,864,560	[<u>1,803,969</u>] 2,581,740
	6.7%	2,581,749
	0.1%	- JJ /0

2024							
At 1 January	Recongnised in P&L	Recongnised in OCI	At 31 December				
(Rupees'000)							
314,071 362,661 - 676,732							
314,071	362,661	-	676,732				
[96,386]	-	(12,930)	(109,316)				
18,874	-	(193,777)	(174,903)				
[236,559]	(155,954)	-	(392,513)				
(314,071)	(155,954)	(206,707)	(676,732)				
-	206,707	(206,707)	-				





	2023			
	At 1 January	Recongnised in P&L	Recongnised in OCI	At 31 December
		(Ruj		
Deductible temporary differences on:				
- Un-absorbed tax depreciation	339,494	[25,423]	-	314,071
	339,494	[25,423]	-	314,071
Taxable temporary differences on:				
- Remeasurement gain/(loss) on defined benefit obligation	[60,482]	-	[35,904]	[96,386]
Deficit on revaluation of investments	12,011		6,863	18,874
Accelerated tax depreciation	[291,023]	54,464	-	[236,559]
	[339,494]	54,464	[29,041]	(314,071)
	-	29,041	[29,041]	-

14.1 As of 31 December 2024, the carry forward tax loss and other deductible temporary difference amount to Rs. 35,178 million (2023: Rs. 43,944 million) and Rs. 3,737 million (2023: Rs. 1,572 million) respectively. Unrecognized deferred tax asset due to carry forward tax losses and other deductible timing differences calculated at the current rate of taxation amounts to Rs. 16,344 million (2023: Rs. 13,200 million). Such deferred tax asset has not been recognized in these financial statements due to uncertainty of realizability of the amount based on the financial projections which indicate that the bank wpuld be subject to minimum tax over the projected period.

15.	OTHER ASSETS	Notes	2024 (Rupees ir	2023
10.		Notes	(Rupees ii	1 000,
	Income / Mark-up accrued		3,611,333	1,397,571
	Advances, deposits, advance rent and other prepayments		1,098,699	1,042,859
	Branchless banking transaction fee receivable	15.1	1,024,325	737,292
	Receivable from branchless banking agents	15.2	224,239	418,270
	Defined benefit plan asset- net		-	80,717
	Advance to employees	15.3	269,993	245,739
	Advance tax - net		-	207,634
	Others		202,784	763,529
			6,431,373	4,893,611
	Less: Credit loss allowance held against other assets	15.4	(721,616)	[574,332]
			5,709,757	4,319,279
15.1	Details of the branchless banking transaction fee receivable are as follows:			
	Commission receivable from Benazir Income Support Program (BISP)		418,400	362,462
	Commission receivable from utility companies		376,199	211,524
	Commission receivable from insurance companies		148,986	71,526
	Commission on disbursement services from financial institutions		19,333	15,604
	Commission receivable from the Federal and Provincial Governments		56,991	59,247
	Others		4,416	16,930
			1,024,325	737,292

15.2 This represents amount receivable from branchless banking agents against e-cash credited into their M-wallet accounts for providing un-interrupted services to the customers. The balance is unsecured and interest free.

15.3 These represent advance against salaries to staff and executives of the Bank for a maximum period of 60 months. These are partially secured against the contribution benefit scheme of employees.

15.4 Movement in credit loss allowance held against other assets

	2024	2023
	(Rupees in	· '000]
Opening balance	574,332	389,153
IFRS 9 Adoption Impact (note 5.3)	111,038	-
Balance as at January 01, 2024 - restated	685,370	389,153
Charge for the period / year	143,579	192,526
Reversals	(8,170)	[7,347]
Amount written off against provision	(99,163)	-
Closing balance	721,616	574,332

16. BILLS PAYABLE

In Pakistan Outside Pakistan

17. DEPOSITS AND OTHER ACCOUNTS

Customers

Current deposits Saving deposits Fixed / Term deposits

Financial Institutions

Current deposits Saving deposits Fixed / Term deposits

17.1 Composition of deposits

- Individuals

- Government (Federal and Provincial)
- Public sector entities
- Banking companies
- Non-banking financial institutions
- Private sector

17.2 Composition of deposit

- Branchless Banking - Branches

18. LEASE LIABILITIES

Opening Additions during the year Deletions during the year Interest expense Payments Closing

18.1. Contactual maturity of lease laibilities

Long-term lease liabilities - 1 to 5 years - 5 to 10 years Total lease liabilities

19. DEFERRED GRANT

State Bank of Pakistan Consultative Group to Assist the Poor Soros Economic Development Fund The Aga Khan Agency for Microfinance Financial Sector Strengthening Programme Frankfurt School of Management GSMA Mobile for Development Foundation Inc (GSMA Foundation) Karandaaz Pakistan

		our shareh	olders)
		telenor group	ANT GROUP
19	2024	2023	
Notes		in '000]	
	324,880	165,884	
	324,880	165,884	
	63,133,243 12,928,686	42,158,294 8,778,956	
	31,731	500	
	76,093,659	50,937,750	
1	69,853	40,645	
	4,928	18,451 -	
	74,782	59,096	
	76,168,441	50,996,846	
	73,977,945	49,331,892	
	360,284 17,521	468,375 4,153	
	464	11,417	
	282,861 1,529,366	107,715 1,014,199	
	76,168,441	50,937,750	
	71,172,958	46,723,941	
	4,995,483	4,213,809	
	76,168,441	50,937,750	
	1,160,830	1,110,122	
	121,939	221,866	
	(21,511) 182 717	(16,584) 170 597	
	182,717 (365,578)_	170,597 (325,171)	
	1,078,397	1,160,830	
	835,872 242,525	845,951 314,879	
	1,078,397	1,160,830	
	-	1,426	
	-	3,347 149	
	-	64	
	-	219 2,451	
	-	2,205	
	<u> </u>	<u>3,004</u> 12,865	
	1,000	12,000	



19.1.	Details of the income recognized during the year is as follows:	2024 (Rupees in	2023 '000]
	Balance as at 01 January Amount recognized as income during the year	3,004 (1,466)	4,473 [1,469]
	Balance as at 31 December	1,538	3,004

19.2. Represents grant received in Pak Rupees from Karandaz Pakistan to incentivize the development of a product for international remittances. The balance at the year end represents amount utilized for capital expenditure which is being recorded as income over the useful life of the related asset.

		Notes	2024 (Rupees	2023 in '000)
20.	OTHER LIABILITIES	Notes	(Kupees	11 000)
	Mark-up / return / interest payable		6,351	48
	Unearned loan processing fee		164,447	192,479
	Accrued expenses		7,510,173	4,475,705
	Payable to related parties		613,423	1,071,511
	Indirect taxes payable		313,138	135,913
	Payable to defined contribution plan		-	31,840
	Receivable from defined benefit plan		22,454	-
	Provision for staff bonus		501,501	501,500
	Payable to Worker's Welfare Fund	20.1	266,569	127,132
	Commission payable - branchless banking		895,014	411,051
	Payable against branchless banking transactions	20.2	2,847,482	4,443,822
	Withholding tax payable		121,406	126,714
	Switch settlement liability - net		589,222	2,074,044
	Advance tax - net		227,869	-
	Employee share appreciation right liability	20.3	1,848,518	655,327
	Provisions against contigencies		205,686	205,686
	Others		640,759	1,527,700
			16,774,012	15,980,472

Through Finance Act, 2008, the Federal Government introduced amendments to the Workers' Welfare Fund (WWF) 20.1 Ordinance, 1971 whereby the definition of industrial establishment was extended. The amendments were challenged at various levels and conflicting judgments were rendered by the Lahore High Court, Sindh High Court and Peshawar High Court. Appeals against these orders were filed in the Supreme Court. Further, as a consequence of passage of 18th Amendment to the Constitution, levy for Workers Welfare was also introduced by Provinces.

However, the Supreme Court of Pakistan vide its order dated 10 November 2016 has held that the amendments made in the law introduced by the Federal Government for the levy of Workers Welfare Fund were not lawful as this is not in the nature of tax and therefore could not have been introduced through the money bill. The Federal Board of Revenue filed review petitions against the above judgment with the prayer that it may kindly be reviewed in the name of justice. These petitions are currently still pending with the Supreme Court of Pakistan.

In 2018, the Bank was served with a notice from Sindh Revenue Board (SRB), claiming the SWWF contribution for tax year 2017 and subsequently the Bank obtained a stay order from Sindh High court against said tax demand. At the end of 2023, the Bank was served with another demand notices pertaining to years 2016 and 2017, which was challenged by the Bank before the Sindh High Court. Sindh High Court, while recently disposing off the case alongwith similar industry cases has held that since the matter has already been decided by the Council of Common Interest (CoCI) that till a mechanism is devised in respect of payment of WWF between Provinces and the Federation, the Federation shall retain right to charge it from trans-provincial entities.

Since the matter is still undecided by the Supreme Court of Pakistan, as a matter of prudence, the Bank continues to maintain provision for WWF.

		Note	2024 (Rupees in	2023
20.2	Details of amount payable against branchless banking transactions			
	Over counter transactions Utility bills collections Others	\bigcirc	1,655,025 1,119,934 72,523 2,847,482	2,463,257 1,926,772 53,792 4,443,821
20.2.1	This includes Rs.1,397 million (31 December 2023: Rs.1,420 million) ou the counter' transactions.	utstanding for more than c	one year in res	spect of 'over
20.3	The Bank employees are granted share appreciation rights (SARs remeasured at the end of each reporting period until settled, at applying Board approved pricing model, taking into account the ter rights were granted and the extent to which the employees have rend	the fair value of the sha ms and conditions on whi dered services to date.	re appreciati	on rights, by
	Reconciliation of share appreciation rights from beginning to end of	the year is as follows:	2024 Numbers i	2023 n "000"
	Opening Granted during the year Forfeited during the year Unvested SAR for resigned employees Closing		14,814 - - [554] 14,260	9,984 7,463 (1,325) (1,308) 14,814
21.	SHARE CAPITAL			
21.1	Authorised capital			
	2024 2023 (Number of shares in '000)		2024 (Rupees in	2023 n '000)
	2,200,000 2,200,000 Ordinary shares of Rs.10 each		2,000,000	22,000,000
21.2	Issued, subscribed and paid-up capital			

2024 2023 (Number of shares in '000) 591,768 Ordinary shares of Rs.10 each fully 591,768

21.3 Reconciliation of number of shares outstanding

Number of shares outstanding at the beginning of the year Issuance of right shares Number of shares outstanding at the ending of the year

- 21.4 45% respectively.
- 21.5 During the year the Bank has received Rs 2,776.5 million advance against equity from its shareholders in their respective shareholding.

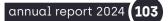
our shareholders

	2024 (Rupees	2023 in '000)
y paid in cash	5,917,680	5,917,680

2024 2023 (Number of shares in '000)

591,768	570,902
-	20,866
591,768	591,768

As at 31 December 2024, the shareholding of Telenor Pakistan B.V. and Alipay (Hong Kong) Holding Limited was 55% and





22.	SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS - net of deferred tax	Notes	2024 (Rupees in	2023 n '000)
	Surplus / (deficit) on revaluation of - FVOCI - debt		416,436	[48,391]
	Deferred tax on surplus / (deficit) on revaluation of - FVOCI - debt		<u>(162,410)</u> 254,026	18,873 (29,518)
23.	CONTIGENCIES AND COMMITMENTS			
	Commitments in respect of acquisition of operating fixed assets Contingent liabilities	23.1 23.2	1,429,278 883,120 2,312,398	754,310 883,120 1,637,430
23.1	Commitments			
	Commitments for acquisition of: - Property and equipment - Intangible assets		955,353 	145,943 608,367 754,310

23.2 Tax Contingencies

23.2.1 The Bank was served with an order from Sindh Revenue Board (SRB) creating demand on account of alleged non/short payment of output sales tax and alleged inadmissible input tax adjustment amounting to Rs. 73.03 million (including penalty) for the tax periods from July 2011 to June 2016. The Bank had filed an appeal with Commissioner (Appeals) after paying 25% of the tax demand and the proceedings are still in process.

Further, SRB also served the Bank with an order disallowing input tax aggregating to Rs. 758.29 million alleged to be claimed unlawfully during the tax periods from July 2016 till June 2020. The Bank's tax advisor is confident of a favorable outcome in appeal, since the Order is illegal and devoid of merit and has been passed without considering factual and legal submissions of the Bank. The Bank has acquired a stay order from Sindh High Court against recovery during pendency of appeal proceedings.

- 23.2.2 The Bank was served with an order from Khyber Pakhtunkhwa Revenue Authority (KPRA) creating a demand aggregating to Rs. 13.59 million against input tax disallowances and sales tax withholding in relation to certain tax periods from September 2016 to January 2018. The Bank filed an appeal with Collector (Appeals) which was disposed against the Bank on September 25, 2019. During Feb 2021, Appellate Tribunal, KPK remanded the case back to KPRA for fresh adjudication. The afore-said decision of KPRA-Tribunal was challenged by the Bank before Peshawar High Court and on May 24, 2022 the Court has set aside the order of Tribunal with direction to Tribunal to address the legal issue of time limitation of show cause notice that became basis of the whole proceeding, until then the appeal shall be deemed to be pending with Tribunal. Tax advisors of the Bank are of the view, that these matters will eventually be settled in favor of the Bank.
- **23.2.3** During 2019, a recovery notice of Rs. 17.95 million (including penalty and surcharge) was received by the Bank from Punjab Revenue Authority (PRA). The Order against the said notice was passed by the Authority during February 2018 in relation to withholding sales tax for the period January to December 2016, however, it was not received by the Bank till May 23, 2019. As the underlying Order was devoid of merit, the Bank is pursuing available legal remedies and the matter is currently pending before the Lahore High Court. Tax advisors of the Bank are of the view, that these matters will eventually be settled in favor of the Bank.
- **23.2.4** During the years 2021 and 2022, the Bank received amended assessment orders with respect to Tax Years 2015 to 2019 raising a demands of Rs. 74.51 million, Rs. 51.73 million, Rs. 88 million, Rs. 92.74 million and Rs. 40.70 million.The Bank got favorable outcome from Commissioner (Appeals) in respect of all major add-backs and filed appeals with Tribunal in respect of the remaining issues. Tax advisors of the Bank are of the view, that these matters will eventually be settled in favor of the Bank.

	2024	2023
MARK-UP / RETURN / INTEREST EARNED	(Rupees	in '000J
Loan and advances	15,390,707	7,420,606
Investments	7,219,902	4,061,713
Balance with other MFBs / Banks / NBFIs	719,541	1,098,888
Lendings to FIs	2,577,434	3,731,626
	25,907,584	16,312,833

25. MARK-UP / RETURN / INTEREST EXPENSED

Deposits Borrowings Lease liabilities

26. FEE & COMMISSION INCOME

Loan processing fee - net Branchless banking income Branch banking customer fees Card related fees

26.1 Income from branchless banking

Fee on payment and money transfer services Fee on cash deposits through channel Fee on cash withdrawal through channel Fee on SMS alert Commission on funds collection services on behalf of corpo Commission from insurance companies Commission on disbursement services on behalf of financic Early repayment fee on digital lending

27. GAIN / (LOSS) ON SECURITIES

Realised Unrealised

27.1 Realised gain on:

Federal Government securities Provincial Government securities

27.2 Net gain/loss on financial assets meeasured at FVOCI

Gain on derecognition of financial assets measured at FVO Loss on derecognition of financial assets measured at FVO

28. OTHER INCOME

Grant income Gain / [loss] on sale of operating fixed assets Gain on termination of lease contracts

24.

			our sharehold	ers)
			telenor of a	
			group G	ROUP
		2024	2023	
	Notes	(Rupees		
		1,316,348	873,172	
		432	2,034	
		<u>182,717</u> 1,499,497	170,597 1,045,803	
		377,228	296,987	
	26.1	13,496,881 368,751	9,923,267 273,226	
		157,095	97,435	
		14,399,955	10,590,915	
		4,439,384	2,967,563	
		3,617,966	1,663,332	
		681,816	899,844	
		480,502	1,319,059	
porate clients		3,013,150 336,500	2,640,067 249,361	
ial institutions		558,726	184,041	
		368,837		
		13,496,881	9,923,267	
	07.4	((53,300)	
	27.1	64,129 -	(53,382) -	
		64,129	[53,382]	
		64,129	(53,382)	
		- 64,129	[53,382]	
		04,129	[55,562]	
JOCI		64,129	-	
OCI		-	(53,382)	
		64,129	[53,382]	
		0 4 4 7	1 440	
		8,443 1,411	1,468 (18,505)	
		5,379	2,304	
		15,233	[14,733]	



2,132

		Notes	2024 (Rupees	2023 in '000)
29.	OPERATING EXPENSES			
	Total compensation expense	29.1	7,419,094	5,766,806
	Directors' fees, allowances		10,200	3,200
	Rent, taxes, insurance, electricity, etc.		481,656	466,388
	Legal and professional charges		2,059,940	1,237,837
	Communications (including SMS cost)		2,482,845	2,583,952
	Repairs and maintenance - IT		5,562,148	3,780,286
	Repairs and maintenance - General		472,076	419,801
	Stationery and printing		178,795	125,698
	Training & development		125,451	79,522
	Travelling & conveyance		249,980	183,063
	Advertisement and publicity		2,772,857	1,603,886
	Donations	29.2	3,854	-
	Commission - Branchless Banking		5,103,962	3,563,324
	Customer Incentives		696,029	750,337
	Security services		376,045	247,544
	Auditors' remuneration	29.2	15,025	13,661
	Bank charges		982,485	913,558
	Depreciation		1,277,144	1,110,017
	Depreciation on right-of-use assets		234,714	217,331
	Amortisation		477,348	438,135
	Exchange loss / (gain)		11,641	250,069
	Other expenses		328,459	229,694
			31,321,747	23,984,109
29.1	Total compensation expense			
	Fees and allowances etc			
	Managerial remuneration			
	i) Fixed		4,999,747	4,096,548
	ii) Variable			
	Cash Bonus / Awards etc.		803,126	778,623
	Employee Shared Based		1,193,191	499,270
	Charge for defined benefit plan		198,604	171,454

191,062 164,273 Contribution to defined contribution Plan Staff life insurance 29,106 33,204 5,743,373 Sub-total 7.414.835 29.1.1 Sign-on bonus 1,066 29.1.2 3,193 21,301 Severance allowance 7,419,094 5,766,806 Grand total

29.1.1 During the year sign-on bonus has been paid to 01 (2023: 01) employee .

29.1.2 During the year serverance bonus has been paid to 27 (2023: 62) employees.

		2024	2023
29.2	Donations	(Rupees ir	n '000)
	Shaukat Khanum Memorial Cancer Hospital	1,490	-
	AlKhidmat Foundation	1,752	-
	Others	611	-
		3,853	-
29.3	Auditors' remuneration		
	Audit fee	9,616	8,541
	Fee for other statutory certifications	1,543	1,447
	Special certifications and sundry advisory services	2,500	2,500
	Out-of-pocket expenses	1,366	1,173
		15,025	13,661

30. OTHER CHARGES

Penalties imposed by State Bank of Pakistan

31. **CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET**

Credit loss allowance against balances with other banks Credit loss allowance against lending to financial institut Credit loss allowance against loans & advances Credit loss allowance against other assets Write off against other assets Write off against operating fixed assets Provision for impairment against operating fixed assets Bad debts written off directly Recovery against write off

MINIMUM TAX DIFFERENTIAL AND TAXATION 32.

Minimum tax differential

Taxation

Current Prior periods Deferred

- 32.1 the requirements of IFRIC 21/IAS 37.
- 32.2 terms of requirements of IFRIC 21/ IAS 37.
- 32.3 pending, details of which are mentioned in note 23.2 to these financial statements.

33. BASIC EARNINGS PER SHARE

Profit after taxation for the period

Weighted average number of ordinary shares

Earning per share - Basic and diluted

33.1 issue.

34. CASH AND CASH EQUIVALENTS

Cash and balances with SBP and NBP Balances with other banks Lendings to financial institutions

35. NUMBER OF EMPLOYEES

Permanent Contractual

In addition to the above 605 [2023: 161] employees of outsourcing companies were assigned to the bank as at end of year to perform services other thanks guarding and janitorial services.

			our sharehold	ers
			telenor of A	
	Notes	2024 (Rupees i	2023 n '000]	
		3,013 3,013	1,385 1,385	
tions	7 8.1 10.2.2	(7,434) 3,506 3,671,658 135,409	1,389,176 185,179	
		44,801 - 9,327	102,638 (125,156)	
	10.3	50,823 (1,207,143) 2,700,947	43,079 [1,049,195] 545,721	
		825,797	579,328	
		692,627 [12,255]	204,845 [23,471]	
		(195,227) 485,145	(29,041) 152,333	

This represents minimum tax under section 148 of Income Tax Ordinance, 2001 (the Ordinance), representing levy under

Reconciliation between current tax under the Ordinance and its categorisation as 'Income Tax' under IAS 12 and 'Levy' in

The Bank has filed returns upto tax year 2024 which are deemed to be assessed orders under section 120 of the Income Tax Ordinance, 2001 unless any amendments have been made by the Tax Authorities. Certain tax related appeals are

2024 2023 (Rupees in '000)

3,412,230	502,276
(Number	in '000)
591,768	586,294
(Rup	ees)
5.77	0.86

Diluted earnings per share has not been presented separately as the Bank does not have any convertible instruments in

Notes	2024 (Rupees i	2023 in '000]
6	4,725,957	6,355,404
7	1,601,072	7,044,873
8	2,200,000	5,000,000
	8,527,029	18,400,277
	2024	2023
	2024 (Numl	
	(Numl	pers)
	(Num) 2,063	2,065



Telenor of ANT

36.	NUMBER OF BRANCHES	2024 (Num	2023 ibers]
	As at 01 January Opened during the year	48	61
	Closed during the year	[2]	(13)
	As at 31 December	46	48

37. DEFINED BENEFIT PLAN

37.1 General description

As disclosed in note 5.10, the Bank operates a funded gratuity scheme for all its employees, who have completed minimum qualifying period of service. Contributions to the fund are made in accordance with the rules of the fund. Gratuity is payable to the employees on the cessation of employment on death, retirement, resignation, or permanent disability. The normal retirement age is 60 years.

The gratuity is payable under the following policy rule:

Length of service less than 5 years Nil Length of service greater than or equal to 5 years One month's gross salary for each year of service

37.2 Number of Employees under the scheme

The number of employees covered under the following defined benefit plan are:

	(Numbers)
Gratuity Fund	1,893 2,067

2024

2024

2023

2023

(NICCORD AND A

37.3 Principal actuarial assumptions

The disclosures made below are based on the information included in the actuarial valuation report of the Bank as of December 31, 2024.

		(pe	r annum)
	- Withdrawal rate	Moderate	Moderate
	- Mortality rates assumed	SLIC 2001-2005	SLIC 2001-2005
	- Discount rate	12.25%	15.50%
	- Expected rate of return on plan assets	12.25%	15.50%
	- Salary increase rate (short term -next one year)	16.00%	17.50%
	- Salary increase rate (long term)	11.75%	17.50%
	- Normal retirement age	60 years	60 years
	- Duration	9 years	8.48 years
37.4	Reconciliation of (receivable from) / payable to defined benefit plan	ns 2024	2023
	Not	es (Rupe	es in '000)
	Present value of defined benefit obligations 37.4	1, 380,36 5	1,029,129
	Fair value of plan assets 37.4	.2 [1,357,911]	[1,109,846]
		22,454	[80,717]
37.4.	1 Movement in present value of defined benefit obligations		

1,029,129 877,045 Balance as at 1 January Current service cost 37.6.1 216,335 195,052 Interest cost 150,715 114,034 [162,731] Benefits paid by the plan [82.899] Past service cost (28,178) 5,729 Remeasurement loss on obligations 95,263 Balance as at 31 December 1,380,365 1,029,129

37.4.2 Movement in fair value of plan assets

Balance as at 1 January Contributions to the fund Benefits paid by the plan Expected return on plan assets Remeasurement gain on plan assets Balance as at 31 December

37.5 Movement in defined benefit plan

Balance as at 1 January Expense charged in the current year Remeasurements recognised in OCI during the year Contributions to gratuity fund Balance as at 31 December

Charge for defined benefit plans 37.6

37.6.1 Cost recognised in profit and loss

Current service cost Net interest on defined benefit asset / liability Past services cost

37.6.2 Re-measurements recognised in OCI during the year

Remeasurement loss / (gain) on obligation - due to exper-Return on plan assets over interest income Total re-measurements recognised in OCI

37.7 Components of plan assets

Bank balances Term Deposit Receipt (TDRs)

Sensitivity analysis 37.8

Base Discount rate +1% Discount rate -1% Future salary increases +1% Future salary increases -1%

Expected contributions to be paid to the funds in the ne 37.9

38 Expected charge / (reversal) for the next financial yea

38.1 Maturity profile

The undiscounted expected payments maturity is tabulate

Distribution of timing of benefit payments

Years Δ 6 - 10

1 2 3

5

11+

			our share	nolders
			telenor group	
	Notes	2024	2023	
		(Rupees in	ו (000)	
		1,109,846	1,023,955	
		95,433 (82,899)	13,199 [162,731]	
		171,055	137,632	
	37.7	64,476 1,357,911	97,791 1,109,846	
	37.7	1,357,411	1,109,840	
	1	(80,717)	(146,910)	
	37.6.1 37.6.2	167,817 30,787	171,454 (92,062)	
	37.4.2	(95,433)	[13,199]	
		22,454	[80,717]	
	37.4.1	216,335	195,052	
		(20,340)	[23,598]	
		(28,718)	-	
		167,277	171,454	
ience adjustment		95,263	5,729	
		<u>(64,476)</u> 30,787	<u>(97,791)</u> (92,062)	
		1,050,103	601,356	
		<u> </u>	508,491 1,109,847	
		2024	4	
		PV of defined	Percentage	
		benefit plan (Rupees in '000	Change %	
		1,380,365 1,266,767	-8.23	
		1,511,597	9.51	
		1,513,819	9.67	
		1,262,943	-8.51	
		(Rup	2024 ees in '000)	
next financial year			232,539	
ır			(34,928)	
ted below:				
		Undiscounted		
		2024 (Rupees ir	2023 1 '000)	
		157,232 143,213	111,855	
		143,213 143,144	112,871 101,915	
		130,718	101,491	
		125,591 747 042	90,296	
		743,942 5,028,610	590,838 6,488,522	
		6,472,450	7,597,788	

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37.10 Funding policy

The bank funds the plan as per expected contribution esitmated by the actuary.

Risks associated with defined benefit plans 37.11

Life expectancy / withdrawal risk:

The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

Longevity risks:

The risk arises when the actual lifetime of retirees is longer than expected. This risk is measured at the planned level over the entire retiree population.

Salary increase risk:

The most common type of retirement benefit is one where the benefit is linked with final salary. The risk arises when the actual increases are higher than expected and impacts the liability accordingly.

DEFINED CONTRIBUTION PLAN 38.

The Bank operates an approved funded contributory provident fund for all its permanent employees to which monthly contributions are made both by the Bank and the employees at the rate of 10% of basic salary.

2024 2023 (Rupees in '000)

Number of employees	2,989	3,010
Total contribution	191,062	164,273

39. COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

			20	024		
		Directors			Key	
Items	Chairman	Executives (other than CEO)	Non- Executives	President / CEO	Management Personnel	Total
			R	upees		
Fee and allowance etc.	-	-	10,200	-	-	10,200
Managerial remuneration						
i) Fixed	-	-	-	29,978	139,144	169,122
ii) Variable						
a) Cash bonus / awards	-	-	-	9,728	63,847	73,575
a) Bonus & awards in shares	-	-	-	-	-	-
Charge for defined benefit plan	-	-	-	2,654	12,809	15,463
Contribution to defined contributio		-	-	3,209	16,012	19,221
Rent & house maintenance	-	-	-	7,703	38,428	46,131
Utilities	-	-	-	2,568	12,809	15,377
Medical	-	-	-	4,174	19,292	23,466
Coveyance	-	-	-	11,957	40,797	52,754
Club membership fee	-	-	-	-	-	-
Total	-	-	10,200	71,971	343,138	425,309
Number of persons	1		3	1	11	

			2	023		
		Directors			Key	
Items	Chairman	Executives (other than CEO)	Non- Executives	President / CEO	Management Personnel	Total
			R	upees		
Fee and allowance etc.	1-1-1		3,200	-	-	3,200
Managerial remuneration						
i) Fixed	1.4		-	25,281	115,777	141,058
ii) Variable						
a] Cash bonus / awards			1141	5,819	32,027	37,846
a) Bonus & awards in shares			ノノトト	-	-	-
Charge for defined benefit plan	11		~	2,233	10,429	12,662
Contribution to defined contributio	11.4	11	· -	2,757	13,396	16,153
Rent & house maintenance				6,615	32,151	38,766
Utilities	/ - /	-	1/-	2,205	10,717	12,922
Medical	<u> </u>	L -	-	3,583	16,311	19,894
Coveyance	-	J(U)	/ - /	10,237	33,465	43,702
Club membership fee	-			/ /-/		-
Total			3,200	58,730	264,273	326,203
Number of persons	1		2	1	13	

40. FAIR VALUE MEASUREMENTS

Fair value measurement defines fair value as the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of quoted securities other than those classified as amortized cost, is based on quoted market

The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since these are either short-term in nature or, in the case of customer loans and deposits, are frequently repriced.

Fair value of financial assets

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 liab Level 2: Fair value measurements using input other than quoted prices included within level 1 that are observable for the asset 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).

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

		202	4			
On balance sheet financial instruments		Fair ve	alue			
	Level 1	Level 2	Level 3	Total		
Financial assets measured at fair value		Rs	'000			
- Investments - market treasury bills	-	57,424,672	-	57,424,672		
- Pakistan Investment Bond	-	3,456,950	-	3,456,950		
	-	60,881,622	-	60,881,622		
		202	:3			
	Fair value					
	Level 1	Level 2	Level 3	Total		
Financial assets measured at fair value		Rs	'000			
- Investments - market treasury bills	-	25,154,190	-	25,154,190		
- Pakistan Investment Bond	-	3,433,850	-	3,433,850		
	-	28,588,040	-	28,588,040		

Valuation techniques

Item	Valuation techniques and inputs used
	The fair value of MTBs and PIBs are derived using PKRV rates. Floating rate PIBs are revalued using PKFRV rates.

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129,672

335.636

940,041

22.984

188.107

16.541

1,632,981

-

-

-

338.649

41. RELATED PARTY TRANSACTIONS

The Bank has related party relationships with its holding company, associates, key management personnel, directors and employee benefit plans.

The Banks enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment

Details of transacitons with related parties during the year, other than those which have been disclosed elsewhere in these financial statements are as foll

		20	24		2023			
Notes	Directors	Key management personnel	Associates	Employee benefit plans	Directors	Key management personnel	Associates	Employee benefit plans
		(Rupe	es in '000]			(Rupə	es in '000)	
Loans to employees / 41.1 Advance Salary								
At 1 January	-	5,200	-	-	-	11,367	-	-
Given during the period	-	35,343	-	-	-	6,950	-	-
Repaid during the period	-	(12,618)	-	-	-	[13,117]	-	-
	-	27,925	-	-	-	5,200	-	-
Other Assets Receivable from defined benefit plan	-	-	-	-	-	-	-	80,717
	-	27,925	-	-	-	5,200	-	80,717
Deposits and other accounts At 1 January					560	2,910	10,388	61,214
Received during the period	-	3	435,443	54,235 655,016	-	23,690	45,329,184	539,260
Withdrawn during the period		2,055	57,325,701	(415,472)	[560]	[26,597]	(44,904,129)	(546,23
withdrawn during the period		(1,216) 842	<u>(57,752,167)</u> 8,977	293,779	[500]	[20,597]	435,443	54,235
Other Liabilities		042	6,777	293,//9		3	435,443	54,23
Payable to defined contribution plan	-	-	-	-	-	-	-	31,84
Payable to defined benefit plan	-	-	-	22,454				
Other payable	-	-	613,423	-		-	1,071,511	-
	-	-	613,423	22,454		-	1,071,511	31,84
	For	the year ended	31 December 3	2024	Fo	r the year ended	d 31 December	2023
	Directors	Key management personnel	Associates	Retirement benefit plans	Directors	Key management personnel	Associates	Retiremen benefit plans
Transactions during the period		(Rupe	os in '000]			(Rupe	es in '000)	
Income								
Fee, commission and brokerage inc	a –	-	(528,712)	-	-	-	[331,167]	-
-	-	-	(528,712)	-		-	[331,167]	-
Expense								
Operating Expenses								
Directors' meeting fees	10,200	-	-	-	3,200	-	-	-
Remuneration of Key Management Personnel	71,971	343,138	-	-	58,730	264,273	-	-
Mark-up expense	-	30	-	10,327	-	-	-	2,921
Charge for defined benefit plan	-	-	-	198,604	-	-	-	171,454
Contribution to defined	· ·			191,062	-	-	-	164,273

41.1 This represents advance to staff and executives of the Bank for a maximum period of 60 months. These are partially secured against the contribution benefi 41.2 Key management personnel represents the senior management of the Bank other than the Chief Executive Officer (included in the 'Directors' column).

343,168

82,171

1,107,164

308.620

722.376

24.823

69,133

12,157

399,992

61.930

264,273

2,244,976

703

CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS 42.

Minimum Capital Requirement (MCR): Paid-up capital (net of losses)

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital Eligible Additional Tier 1 (ADT 1) Capital Total eligible Tier 1 Capital Eligible Tier 2 Capital Total eligible Capital (Tier 1 + Tier 2)

Risk Weighted Assets (RWAs):

Credit risk Operational risk Total

Common Equity Tier 1 Capital Adequacy Ratio Tier 1 Capital Adequacy Ratio Total Capital Adequacy Ratio

The Bank is required to maintain Capital Adequacy Ratio [CAR] equivalent to at least 15% of its risk weighted assets.

For Capital adequacy calculation, the Bank has adopted Standardised Approach for credit risk related exposures and operational risk.

The SBP has permitted banks to adopt a transitional approach to phase in the initial impact of the ECL for stage 1 and 2 financial assets over a period of five years. Had there been no such relaxation the Bank's CAR would have been lower by 1.23%.

RISK MANAGEMENT 43.

The variety of business activities undertaken by the Bank require effective identification, measurement, monitoring, integration and management of different financial and non-financial risks that are constantly evolving as business activities change in response to concurrent internal and external developments. The Board Risk Management Committee (BRMC) is appointed and authorised by the Board of Directors (BOD) to assist in design, regularly evaluating and timely updating the risk management framework of the Bank. The Board has further authorised management committees i.e. Management Risk Committee (MRC), Assets & Liabilities Committee (ALCO), Information Technology Steering Committee [ITSC], and Compliance Committee [CC].

The risk management framework endeavours to be a comprehensive and evolving guideline to cater to changing business dynamics. The framework includes:

- Clearly defined risk management policies, procedures, responsibilities and accountabilities;

- Well constituted organisational structure, in the form of separate risk management departments within the Risk Management Group, Including Credit Risk Policy, Operational Risk, Digital Frauds, and Information Secuirty etc which ensure that individuals responsible for risk approval are independent from risk taking units i.e. Business Units; and

- Mechanism for ongoing review of policies and procedures and risk exposures.

The primary objective of this architecture is to inculcate risk management into the organisation flows to ensure that risks are accurately identified & assessed, properly documented, approved, and adequately monitored & managed in order to enhance long term earning and to protect interest of bank's depositors and shareholders.

The risk management framework has a well-defined organisational structure for effective management of credit risk, market risk, liquidity risk, operational risk, information security risk. Further, there is an advanced focus on optimal utilisation of capital while ensuring compliance with capital requirements. The results of stress tests and internal capital adequacy assessment process and recovery plans are given due consideration in capital and business planning.

contribution Plan

Communication expense

Repair and maintenance

/ bundle for customer

Other expenses

Advertisement and publicity

Rent against lease of premises

Expenditure against air time

Professional consultancy charges

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2024 (Rupees	2023 in '000)
13,035,477	5,917,680
10,293,204	4,744,483
10,293,204	4,744,483
1,360,762	852,025
11,653,966	5,596,508

26,162,187	22,122,856
5,426,937	3,421,768
31,589,124	25,544,624
32.58%	18.57%
32.58%	18.57%
36.89%	21 91%



43.1. Credit Risk

Credit risk is the identification of probability that counterparty will cause a financial loss to the Bank due to its inability or unwillingness to meet its contractual obligation. This credit risk arises mainly from lending, hedging, settlement and other financial transactions. Credit risk management processes encompass identification, assessment, measurement, monitoring and control of the Bank's exposure to credit risk. The credit risk management philosophy is based on the overall business strategy / direction as established by the Board. The Bank is committed to the appropriate level of due diligence to ensure that credit risks have been properly analysed, fully disclosed to the approving authorities and appropriately quantified, also ensuring that the credit commitment is appropriately structured, priced [in line with market practices] and documented.

The Bank has built and maintained a sound loan portfolio in terms of well-defined credit policy approved by the Board of Directors (BOD). Its credit evaluation system comprises of well-designed credit appraisal, sanctioning and review procedures for prudence in lending activities and ensuring the high quality of asset portfolio.

Portfolio analysis is also conducted on regular basis. This portfolio level oversight is maintained by the Risk Management Team.

The Bank determines the amount for provision expense as per IFRS 9, specific and general provisions as per the Prudential Regulations issued by the SBP and the management best estimates.

Credit Policy & Portfolio Management under Risk Management Group keeps a watch on the quality of the credit portfolio in terms of borrowers' behaviour, identifies weakening accounts relationships and reports it to the appropriate authorities with a view to address further deterioration.

To handle the specialised requirements of managing delinquent and problem accounts, the Bank has a separate client facing unit to negotiate repayment / settlement of the non-performing exposure and protect the interests of the depositors and stakeholders.

Types of eligible financial collateral

For credit risk mitigation purposes, the Bank considers all types of financial collaterals that are eligible i.e Gold.

Credit concentration risk

Credit concentration risk arises mainly due to concentration of exposures under various categories viz. geography, and single borrower exposures. Moreover, in order to restrict the single borrower concentration risk, single loan is given to each individual.

43.2. Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and system or from external events.

The Operational Risk Management Framework, policy and Standards of the Bank duly approved by the Management Risk Committee and the Board which is aligned with SBP guidelines on Operational Risk, cover the processes, structure and functions of operational risk management and provides guidelines to identify, assess, monitor, control and report operational risk in a consistent and transparent manner across the Bank.

43.3. Liquidity Risk

Liquidity is a financial capacity to meet its obligations as they fall due without incurring losses. Liquidity risk is the risk to an earnings, capital and reputation arising from its inability (real or perceived) to meet its contractual obligations in a timely manner without incurring unacceptable losses when they come due.

The Bank manages and controls liquidity risk through a detailed risk management framework, which includes BoD approved policy, the management level procedural document and Asset & Liability Committee (ALCO) level guidelines. Under this framework, various liquidity metrics are implemented and monitored on a regular basis.

43.4. Market Risk

Market risk is the risk that the fair value of a financial instrument will fluctuate due to movements in market prices. It results from changes in interest rates, and exchange rates as well as from changes in the correlations between them. To manage and control market risk, a comprehensive Board approved Policy, is in place. The policy outlines a well-defined risk control structure, responsibilities of relevant stakeholders with respect to market risk management and methods to measure and control market risk at a portfolio level. These controls include limits on exposure to individual market risk variables as well as limits on concentrations of tenors. This structure is reviewed, adjusted and approved periodically.

44. ASSETS AND LIABILITIES - BASED ON CONTRACTUAL MATURITY

Ase: Borns Months Months <th></th> <th></th> <th></th> <th></th> <th></th> <th></th> <th></th> <th></th> <th></th>									
Asea Vota Up 51 Morth Monthe			(\cap)	\square	2024				
Assets Constraint Constraint Constraint Constraint Access with other WFB/Biologics/WFB1 4.725,567 1,725,577 220,000 1,751,729 220,000 1,111,111,111,111,111,111,111,111,111,		Total	Upto 1 Month						Over 5 Years
Cah and balances with treasury banks Bandres with treasury bank					(Rupees ir	n '000)			
Balances with other MFBs/Balank/MBFs 1.400.132 1.370.132 280.000 -		4 805 058	4 705 057					14	
Landings to financial institutions Investments Advances thereating to financial institutions Investments Advances Bills popuble Borrowings Deprovings Dep				230.000					
Investments Advances 0.081.622 0.081.027 83.85.077 24.437.68 2.851.079 2.01.773 24.437.282 6.51.527 21.07.428 6.51.527 32.85.050 0.12.483 1 - Property and equipment Right of use sets Deferred tax cases 3.85.077 107.252 201.773 805.228 201.773 10.85.227 13.85.059 1.41.70 805.228 10.82.165 11.45.23 10.82.165 1.08.22.165 1.08.22.165 10.82.265				- 230,000	-				/
Property and equipment (Right of use assets) 3.85.677 107.292 20.1773 805.282 10.42.483 88.271 1.0.82.165 11.176 Bitle of use assets 3.111.678 38.025 98.773 11.8,000 420.964 41.802 10.82.245 <td></td> <td></td> <td></td> <td>7,861,749</td> <td>24,617,658</td> <td>21,094,166</td> <td>3,456,950</td> <td> </td> <td>- /</td>				7,861,749	24,617,658	21,094,166	3,456,950		- /
Bight-Origon Gasets 866.277 17,719 39,019 56.822 116,003 216,023 322,177 113,99 Defined tox coset 0.016,429,633 22,175 30,029 296,733 116,003 306,756 436,823 322,177 113,99 Defined tox coset 0.04,429,633 22,154,93 2,265,093 156,007 346,756 436,823 322,177 113,99 Dimensional tox coset 0.04,429,633 22,154,93 2,286,093 156,007 346,766 436,823 322,179 1,22,265 1,21 -	Advances	25,500,848	8,580,332	2,581,948	4,515,277	9,312,322	510,969		
Information casest 3,11,1578 38,025 98,773 118,000 420,954 416,822 1,062,839 95,555 Other assets 5,709,757 2,263,450 2,266,003 155,67 365,766 416,827 1,062,459 95,555 Bills porphile 5,709,757 2,2263,450 2,266,003 35,270,008 31,212,126 416,827 2,466,795 1,212,255 Bills porphile 506,745,648 2,314,417 76,164,441 76,167,455 117 73,98 72 400 1 -									141,707
Determinant 5,70,72 2,26,430 2,280,93 155,07 365,756 638,869 1 1 Link 108,472,603 233,182,481 13,297,385 30,270,089 31,921,185 6,107,504 2,46,677 1,224,543 Disposition of other accounts 524,880 1									113,994
Cher assets 5,709,787 2,268,030 2,268,037 155,607 365,756 6,388,60 -		3,111,578	38,025	98,773	118,000	420,954	416,822	1,062,453	956,552
Automation 108.429.443 23.182.481 18.290.365 30.270.089 31.921.185 4.107.504 2.446.795 1.212.25 Bills providing Beports and other accounts Support det det Deferred quarks Deferred quarks 324.880 -		- 5 700 757	-	2 284 007	155 407	-	470 040	-	
Likelylities Bits payabe S24,880	Other assets							2 466 795	1 212 253
Bills poryable Borrowing Deposite and other accounts Lessel Liabilities Subordinated debt Deposite and other accounts Lessel Liabilities Other Idebilities Other Idebilities Share capital Advance against Future Issue of right shares Sparse Capital Advances Property and equipment Property and equipment Proper	Liabilities	100,427,000	20,102,401	10,277,000	50,270,007	51,721,105	0,107,504	2,400,773	1,212,200
Borrowings beports and other accounts beborits and other accounts before drants Total 4,641 1,078,397 Total 4,645 2,265 Total 4,641 1,078,397 Total 4,642 2,265 Total 4,641 1,078,397 Total 4,642 2,265 Total 4,643 Total 4,772 Total 4,773 Total 4,773 Total 4,772 Total 4,772 Total 4,772 Total 4,773 Total 4,773 Total 4,7733 <thtotal 4,773<="" th=""> <thtotal 4,7733<="" th=""></thtotal></thtotal>		324.880	324.880	-	-	-			- / -
Deposits and other accounts leases Liabilities 76,168,471 76,167,465 117 78,98 77,1 400 - </td <td></td> <td>-</td> <td>-</td> <td>-</td> <td>_</td> <td>-</td> <td>-</td> <td>-</td> <td></td>		-	-	-	_	-	-	-	
Subordinated debt Lissa 1.22 2.44 3.66 7.32 7.4 1 Deferred gans Deferred tax liabilities 1.6,774,013 5,000,761 2,494,541 2,980,346 2,552,964 530,602 3,205,808 - - Vert liabilities 16,774,013 5,000,761 2,494,541 2,980,346 2,552,964 530,602 732,974 3,625,868 2,42,562 Net Assets 14,082,394 165,363,992 10,798,841 27,210,528 29,259,680 6,363,560 (1,155,851) 969,725 Sharo capital Ations ognist Future issue of right abraes reserves 2,774,800 3,774,800 733,744 74	Deposits and other accounts	76,168,441	76,167,455	117	398	71	400	-	-
Deferred to visibilities 1.638 122 2.44 3.66 7.32 7.4 - Other liabilities 1.6.774.013 5.000.751 2.494.651 2.562.664 5.39.602 5.205.608 - Mark Asset 14.082.394 [58.363.992] 0.798.641 27.210.528 29.259.580 5.363.560 [1.55.861] 969.72 Share capital Advance against Future issue of right shares read differed tax 5.917.680 2.776.500	Lease Liabilities	1,078,397	23,265	5,611	78,451	107,838	203,868	416,837	242,526
Deferred tax liabilities 16,774,013 5,000,751 2,494,541 2,980,344 2,552,964 539,602 3,205,808 - Net Assets 14,022,394 (58,363,992) 10,798,841 27,210,528 29,259,580 5,363,560 (1,155,861) 969,72 Share capital Advance against Future issue of right shares Reserves 5,917,680 2,776,500 47,139,559 80,6335 5,927,680 2,00,082 14,082,394 2,022 10,798,841 27,210,528 29,259,580 5,363,560 (1,155,861) 969,72 Surplus (Deficit) on resolution of assets - net of defirent tax Unappropriated loss 10,082,392 10,798,841 27,210,528 29,259,580 5,363,560 (1,155,861) 969,72 Assets 240,082 10,082,392 10,798,841 27,210,528 29,259,580 5,363,560 10,150,563 969,72 Assets 240,082 10,0234 10,074,873 10,0767 10,0767 10,076 10,076 10,076 10,076 10,076 10,076 10,076 10,076 10,076 10,076 10,076 10,076		-	-	-	-	-	-		-
Other Habilities 16.774.013 5.000.751 2.494.641 2.980.346 2.526.946 537.620 32.05.088 - Net Assets 10.082.394 (58.36.992) 0.796.841 27.05.528 29.259.80 5.363.560 (1.165.851) 96.772 Share capital Advance against Future issue of right shores eserves 5.917.680 2.776.500 2.776.500 2.776.500 Spansor Capital Advance against Future issue of right shores 2.470.827 240.082 1.135.787 0.097.72 3.097.72 Bepositors protection fund Suppur (Derivit) on revaluation of assets 240.082 1.135.787 0.097.73 0.097.73 0.097.72 Assets 1.10.62.394 0.535.404 0.255.404 0.097.72 0.097.72 Cash and balances with treasury Banks Balances with treasury Banks 6.355.404 0.097.72 0.097.72 0.097.72 0.097.72 0.097.72 Advances 7.044.873 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		1,538	122	244	366	732	74	-	
Vet Assets 41,347,269 81,516,473 2,650,614 3,059,651 2,661,605 743,944 3,622,645 242,62 Net Assets 14,082,394 [68,365,992] 10,798,841 27,210,528 29,259,580 5,353,560 (1,155,851) 969,72 Share copital Advance against Future issue of right shares net of derived tax 277,500 47,139,559 30,6825 30,6825 Supploy [Deficit] on revaluation of assets -net of derived tax 240,082 (42,798,262) 14,082,394 14,082,394 14,082,394 Assets Cost and blances with treosury Bonks Bolances with there MB/B Bonk/NEFIs Lendings to financial institutions Investments Advances 5,55,404 5,355,404 1 <td< td=""><td></td><td>-</td><td>-</td><td></td><td>-</td><td></td><td></td><td></td><td>- /</td></td<>		-	-		-				- /
At Assets 14.082.394 [58,353,592] 10.798,841 27,210,528 29,259,580 5,363,560 (1,155,651) 969,72 Share capital Advance against Future issue of right shares Reserves 5,917,680 2,775,600 2,775,600 2,775,600 2,776,700 1,00,021 1,00,022 1,00,022 1,00,022 1,00,022 1,00,022 1,00,022 1,00,023 1,00,022 1,00,023	Other IIdbilities								-
Anome capital Advance against Future issue of right shores 5,917,680 Beserves 2,776,800 Surplus / [Deficit] on revaluation of assets 20,082 Intel of defired tax 20,082 (42,778,282) 20,082 (42,778,282) 20,082 (42,778,282) 20,082 (42,778,282) (10,082,374) (11,102,102,103) (11,102,102,103) (11,102,102,103) (11,102,102,103) (11,102,103,103) (11,102,103,103) (11,102,103,103,103,103,103,103,103,103,103,103		74,347,207	81,810,473	2,500,514	3,089,881	2,001,005	/43,744	3,022,045	242,520
Advance organist Future issue of right shores 2,776,600 Meserves 47,139,555 Depositors protection fund 240,082 Surplus / [J66](ti) on revaluation of assets 240,082 net of deferred tax 242,798,2621 Assets 2023 Cosh and balances with treasury Banks 6,355,404 - Splances with other MFBs/banks/NBF1s 6,355,404 - - Cosh and balances with treasury Banks 5,000,000 - - - Splances with other MFBs/banks/NBF1s 6,355,404 - - - - Cosh and balances with treasury Banks 5,000,000 5,000,000 -	Net Assets	14,082,394	[58,363,992]	10,798,841	27,210,528	29,259,580	5,363,560	(1,155,851)	969,727
Surplus / [Deficit] on revaluation of assets -net of definer dox Unappropriated loss 240.082 (42,798.262) 14,082,394 Ausets Cash and balances with treasury Banks Balances with other MFBs/Banks/MBTIS Endings to financial institutions Investments Advances Property and equipment Right-of-use assets Intresting to asset Deferred tax asset 6,355,404 6,355,404 7,044,873 7,044,873 7,044,873 7,044,873 7,044,873 7,044,873 7,042,879	Advance against Future issue of right shares	2,776,500							
Action of deferred tax 240,082 Unappropriated loss 142,798,2621 It40,892,394 It42,798,2621 Total Upto 1 Month Over 1 to 3Months Over 4 to Months Over 4 to Months Over 1 to 2 Over 2 to 5 over 5 Yea Assets Itages in '000 Assets 6,355,404 5,000,000 Itages in '000 Itages in '000 Itages in '000 Itages in '000 Investments 7,044,473 Itages in '000 Advances 7,044,473 Itages in '000		806,835							
Unappropriated loss I42.798.2621 I.082.394 Total Upto 1 Month Over 1 to 3Months Over 4 to 2 Months Over 5 to 2 Ver 5 ver 5 Yea Assets Image: State of the state		240.082							
Assets Cover 1 to 2 Months Over 2 to 5 Months Over 5 Yec Assets									
Total Upto 1 Month Over 1 to 3Months Over 5 to 6 Months Over 6 to 12 Months Over 1 to 2 years Over 2 to 5 years Over 5 te 2 over 5 tec Assets									
Total Upto 1 Month Over 1 to 3Months Over 5 to 6 Months Over 6 to 12 Months Over 1 to 2 years Over 2 to 5 years Over 5 te 2 over 5 tec Assets		-			2027	,			
Assets Months Months years years Over 5 Pec Assets									
Assets				Owner 1 he					
Cash and balances with treasury Banks 6.355,404 - <td< th=""><th></th><th>Total</th><th>Upto 1 Month</th><th></th><th></th><th></th><th></th><th></th><th>Over 5 Years</th></td<>		Total	Upto 1 Month						Over 5 Years
Balances with other MFBs/Banks/NBFIs 7,044,873 7,044,873 -		Total	Upto 1 Month		Months	Months	years		Over 5 Years
Lendings to financial institutions 5,000,000 5,000,000 -			·		Months	Months	years		Over 5 Years
Investments 28,588,040 - - - 25,154,190 3,433,850 - - Advances 17,579,972 7,295,916 1,745,411 3,330,947 768,874 4,438,824 - - - Property and equipment 3,652,224 100,137 249,628 609,985 629,711 797,089 1,105,142 159,53 Right-of-use assets 995,205 18,626 37,066 55,116 105,965 201,266 395,616 181,54 Deferred tax asset 2,718,826 36,011 87,477 137,018 255,377 398,529 816,599 987,81 Deferred tax asset -	Cash and balances with treasury Banks	6,355,404	6,355,404		Months	Months	years		Over 5 Years
Advances 17,579,972 7,295,916 1,745,411 3,330,947 768,874 4,438,824 - - Property and equipment 3,652,224 101,137 249,628 609,985 629,711 797,089 1,105,142 159,53 Right-of-use assets 995,205 18,626 37,066 55,116 105,965 201,266 395,616 181,54 Deferred tax asset -<	Cash and balances with treasury Banks Balances with other MFBs/Banks/NBFIs	6,355,404 7,044,873	6,355,404 7,044,873		Months	Months	years		Over 5 Years
Right-of-use assets 995,205 18,626 37,066 55,116 105,965 201,266 395,616 181,54 Intangible assets 2,718,826 36,011 87,477 137,018 255,377 398,529 816,599 987,81 Deferred tax asset - <td< td=""><td>Cash and balances with treasury Banks Balances with other MFBs/Banks/NBFIs Lendings to financial institutions</td><td>6,355,404 7,044,873 5,000,000</td><td>6,355,404 7,044,873</td><td></td><td>Months</td><td>Months 1 '000)</td><td>уеатз </td><td></td><td>Over 5 Years</td></td<>	Cash and balances with treasury Banks Balances with other MFBs/Banks/NBFIs Lendings to financial institutions	6,355,404 7,044,873 5,000,000	6,355,404 7,044,873		Months	Months 1 '000)	уеатз 		Over 5 Years
Intangible assets 2,718,826 36,011 87,477 137,018 255,377 398,529 816,599 987,81 Deferred tax asset - <td>Cash and balances with treasury Banks Balances with other MFBs/Banks/NBFIs Lendings to financial institutions Investments</td> <td>6,355,404 7,044,873 5,000,000 28,588,040</td> <td>6,355,404 7,044,873 5,000,000</td> <td>3Months </td> <td>Months (Rupees ir - - - - - -</td> <td>Months 1 '000)</td> <td>γθαrs</td> <td></td> <td>Over 5 Years</td>	Cash and balances with treasury Banks Balances with other MFBs/Banks/NBFIs Lendings to financial institutions Investments	6,355,404 7,044,873 5,000,000 28,588,040	6,355,404 7,044,873 5,000,000	3Months 	Months (Rupees ir - - - - - -	Months 1 '000)	γθαrs		Over 5 Years
Deferred tax asset 4,319,279 2,097,032 731,757 362,723 618,033 509,735 - </td <td>Cash and balances with treasury Banks Balances with other MFBs/Banks/NBFIs Lendings to financial institutions Investments Advances Property and equipment</td> <td>6,355,404 7,044,873 5,000,000 28,588,040 17,579,972</td> <td>6,355,404 7,044,873 5,000,000 7,295,916</td> <td>3Months - - 1,745,411</td> <td>Months (Rupees in - - - 3,330,947</td> <td>Months </td> <td>γθαrs - - - 3,433,850 4,438,824</td> <td>years </td> <td>Over 5 Years</td>	Cash and balances with treasury Banks Balances with other MFBs/Banks/NBFIs Lendings to financial institutions Investments Advances Property and equipment	6,355,404 7,044,873 5,000,000 28,588,040 17,579,972	6,355,404 7,044,873 5,000,000 7,295,916	3Months - - 1,745,411	Months (Rupees in - - - 3,330,947	Months 	γθαrs - - - 3,433,850 4,438,824	years 	Over 5 Years
Other assets 4,319,279 2,097,032 731,757 362,723 618,033 509,735 - - Liabilities 76,253,822 27,948,999 2,851,338 4,495,788 27,532,150 9,779,293 2,317,357 1,328,89 Liabilities Bills payable 165,884 165,884 - <	Cash and balances with treasury Banks Balances with other MFBs/Banks/NBFIs Lendings to financial institutions Investments Advances Property and equipment Right-of-use assets	6,355,404 7,044,873 5,000,000 28,588,040 17,579,972 3,652,224 995,205	6,355,404 7,044,873 5,000,000 7,295,916 101,137 18,626	3Months - - 1,745,411 249,628 37,066	Months (Rupees in - - 3,330,947 609,985 55,116	Months 	years - - 3,433,850 4,438,824 797,089 201,266	years 	- - - 159,532 181,549
Liabilities Bills payable Borrowings Deposits and other accounts Lease Liabilities Subordinated debt Deferred grants Deferred grants Other liabilities Other liabilities States 7,996,022 (31,134,092) 1,102,840 1,102,840 1,102,840 1,100,830 1,100,830 1,2,865 1,2,980,471 1,7,967,927	Cash and balances with treasury Banks Balances with other MFBs/Banks/NBFIs Lendings to financial institutions Investments Advances Property and equipment Right-of-use assets Intangible assets	6,355,404 7,044,873 5,000,000 28,588,040 17,579,972 3,652,224 995,205	6,355,404 7,044,873 5,000,000 7,295,916 101,137 18,626	3Months - - 1,745,411 249,628 37,066	Months (Rupees in - - 3,330,947 609,985 55,116	Months 	years - - 3,433,850 4,438,824 797,089 201,266	years 	
Liabilities Bills payable Borrowings Deposits and other accounts Lease Liabilities Subordinated debt Deferred grants Deferred tax liabilities Other liabilities Other liabilities States are capital Assets 7.996.022 Source against Future issue of right shares reserves 46.457.113 Depositor' protection fund Surplus / [Deficit] on revaluation of assets - net of deferred tax (29.518]	Cash and balances with treasury Banks Balances with other MFBs/Banks/NBFIs Lendings to financial institutions Investments Advances Property and equipment Right-of-use assets Intangible assets Deferred tax asset	6,355,404 7,044,873 5,000,000 28,588,040 17,579,972 3,652,224 995,205 2,718,826	6,355,404 7,044,873 5,000,000 7,295,916 101,137 18,626 36,011	3Months - - 1,745,411 249,628 37,066 87,477	Months (Rupees in 	Months	years	years 	- - - 159,532 181,549
Bills payable 165,884 165,884 -<	Cash and balances with treasury Banks Balances with other MFBs/Banks/NBFIs Lendings to financial institutions Investments Advances Property and equipment Right-of-use assets Intangible assets Deferred tax asset	6,355,404 7,044,873 5,000,000 28,588,040 17,579,972 3,652,224 995,205 2,718,826 4,319,279	6,355,404 7,044,873 5,000,000 7,295,916 101,137 18,626 36,011 2,097,032	3Months	Months (Rupees in - - - 3,330,947 609,985 55,116 137,018 - - 362,723	Months	years	years	
Borrowings 1	Cash and balances with treasury Banks Balances with other MFBs/Banks/NBFIs Lendings to financial institutions Investments Advances Property and equipment Right-of-use assets Intangible assets Deferred tax asset Other assets	6,355,404 7,044,873 5,000,000 28,588,040 17,579,972 3,652,224 995,205 2,718,826 4,319,279	6,355,404 7,044,873 5,000,000 7,295,916 101,137 18,626 36,011 2,097,032	3Months	Months (Rupees in - - - 3,330,947 609,985 55,116 137,018 - - 362,723	Months	years	years	- - - 159,532 181,549
Deposits and other accounts 50,937,750 50,937,250 - - - - 500 - - 500 - - 500 - - 500 - 500 - 500 - 500 - 500 - 500 - 500 - 500 - - - 500 - - - - 500 106 330,533 330,533 330,533 330,533 330,533 -	Cash and balances with treasury Banks Balances with other MFBs/Banks/NBFIs Lendings to financial institutions Investments Advances Property and equipment Right-of-use assets Intangible assets Deferred tax asset Other assets Liabilities	6,355,404 7,044,873 5,000,000 28,588,040 17,579,972 3,652,224 995,205 2,718,826 - - 4,319,279 76,253,822	6,355,404 7,044,873 5,000,000 - 7,295,916 101,137 18,626 36,011 - 2,097,032 27,948,999	3Months	Months (Rupees in - - - 3,330,947 609,985 55,116 137,018 - - 362,723	Months	years	years	
Lease Liabilities 1,160,830 11,908 11,068 73,902 67,900 196,417 469,102 330,53 Subordinated debt - <t< td=""><td>Cash and balances with treasury Banks Balances with other MFBs/Banks/NBFIs Lendings to financial institutions Investments Advances Property and equipment Right-of-use assets Intangible assets Deferred tax asset Other assets Liabilities Bills payable</td><td>6,355,404 7,044,873 5,000,000 28,588,040 17,579,972 3,652,224 995,205 2,718,826 - - 4,319,279 76,253,822</td><td>6,355,404 7,044,873 5,000,000 - 7,295,916 101,137 18,626 36,011 - 2,097,032 27,948,999</td><td>3Months</td><td>Months (Rupees in - - - - - - - - - - - - -</td><td>Months</td><td>years</td><td>years</td><td></td></t<>	Cash and balances with treasury Banks Balances with other MFBs/Banks/NBFIs Lendings to financial institutions Investments Advances Property and equipment Right-of-use assets Intangible assets Deferred tax asset Other assets Liabilities Bills payable	6,355,404 7,044,873 5,000,000 28,588,040 17,579,972 3,652,224 995,205 2,718,826 - - 4,319,279 76,253,822	6,355,404 7,044,873 5,000,000 - 7,295,916 101,137 18,626 36,011 - 2,097,032 27,948,999	3Months	Months (Rupees in - - - - - - - - - - - - -	Months	years	years	
Deferred grants 12,865 122 244 366 732 11,401 -	Cash and balances with treasury Banks Balances with other MFBs/Banks/NBFIs Lendings to financial institutions Investments Advances Property and equipment Right-of-use assets Intangible assets Deferred tax asset Other assets Liabilities Bills payable Borrowings	6,355,404 7,044,873 5,000,000 28,588,040 17,579,972 3,652,224 995,205 2,718,826 - 4,319,279 76,253,822 165,884	6,355,404 7,044,873 5,000,000 7,295,916 101,137 18,626 36,011 2,097,032 27,948,999 165,884	3Months	Months (Rupees in - - - - - - - - - - - - -	Months	years	years	
Deferred tax liabilities - <td>Cash and balances with treasury Banks Balances with other MFBs/Banks/NBFIs Lendings to financial institutions Investments Advances Property and equipment Right-of-use assets Intangible assets Deferred tax asset Other assets Liabilities Bills payable Borrowings Deposits and other accounts Lease Liabilities</td> <td>6,355,404 7,044,873 5,000,000 28,588,040 17,579,972 3,652,224 995,205 2,718,826 - - 4,319,279 76,253,822 165,884 - 50,937,750</td> <td>6,355,404 7,044,873 5,000,000 7,295,916 101,137 18,626 36,011 - - 2,097,032 27,948,999 165,884 - 50,937,250</td> <td>3Months</td> <td>Months (Rupees in - - - - - - - - - - - - -</td> <td>Months</td> <td>years</td> <td>years</td> <td></td>	Cash and balances with treasury Banks Balances with other MFBs/Banks/NBFIs Lendings to financial institutions Investments Advances Property and equipment Right-of-use assets Intangible assets Deferred tax asset Other assets Liabilities Bills payable Borrowings Deposits and other accounts Lease Liabilities	6,355,404 7,044,873 5,000,000 28,588,040 17,579,972 3,652,224 995,205 2,718,826 - - 4,319,279 76,253,822 165,884 - 50,937,750	6,355,404 7,044,873 5,000,000 7,295,916 101,137 18,626 36,011 - - 2,097,032 27,948,999 165,884 - 50,937,250	3Months	Months (Rupees in - - - - - - - - - - - - -	Months	years	years	
Other liabilities 15,980,471 7,967,927 1,737,185 3,266,493 6,947 395,877 2,606,042 - 68,257,800 59,083,091 1,748,497 3,340,762 75,579 603,694 3,075,644 330,53 Net Assets 7,996,022 (31,134,092) 1,102,840 1,155,027 27,456,572 9,175,599 (758,287) 998,36 Share capital Advance against Future issue of right shares Reserves 5,917,680 -<	Cash and balances with treasury Banks Balances with other MFBs/Banks/NBFIs Lendings to financial institutions Investments Advances Property and equipment Right-of-use assets Deferred tax asset Other assets Liabilities Bills payable Borrowings Deposits and other accounts Lease Liabilities Subordinated debt	6,355,404 7,044,873 5,000,000 28,588,040 17,579,972 3,652,224 995,205 2,718,826 4,319,279 76,253,822 165,884 - 50,937,750 1,160,830	6,355,404 7,044,873 5,000,000 7,295,916 101,137 18,626 36,011 2,097,032 27,948,999 165,884 50,937,250 11,908	3Months	Months (Rupees in	Months	years	years	
Ket Assets 68,257,800 59,083,091 1,748,497 3,340,762 75,579 603,694 3,075,644 330,53 Net Assets 7,996,022 (31,134,092) 1,102,840 1,155,027 27,456,572 9,175,599 (758,287) 998,36 Share capital 5,917,680 -	Cash and balances with treasury Banks Balances with other MFBs/Banks/NBFIs Lendings to financial institutions Investments Advances Property and equipment Right-of-use assets Intangible assets Deferred tax asset Other assets Liabilities Bills payable Borrowings Deposits and other accounts Lease Liabilities Subordinated debt Deferred grants	6,355,404 7,044,873 5,000,000 28,588,040 17,579,972 3,652,224 995,205 2,718,826 4,319,279 76,253,822 165,884 - 50,937,750 1,160,830	6,355,404 7,044,873 5,000,000 7,295,916 101,137 18,626 36,011 2,097,032 27,948,999 165,884 50,937,250 11,908	3Months	Months (Rupees in	Months	years	years	
Net Assets 7,996,022 [31,134,092] 1,102,840 1,155,027 27,456,572 9,175,599 [758,287] 998,36 Share capital 5,917,680 -	Cash and balances with treasury Banks Balances with other MFBs/Banks/NBFIs Lendings to financial institutions Investments Advances Property and equipment Right-of-use assets Intangible assets Deferred tax asset Other assets Liabilities Bills payable Borrowings Deposits and other accounts Lease Liabilities Subordinated debt Deferred grants Deferred tax liabilities	6,355,404 7,044,873 5,000,000 28,588,040 17,579,972 3,652,224 995,205 2,718,826 - - 4,319,279 76,253,822 165,884 - 50,937,750 1,160,830 - 12,865	6,355,404 7,044,873 5,000,000 - 7,295,916 101,137 18,626 36,011 - 2,097,032 27,948,999 165,884 - 50,937,250 11,908 - 122	3Months	Months (Rupees in	Months	years	years	
Share capital 5,917,680 Advance against Future issue of right shares - Reserves 46,457,113 Depositors' protection fund 532,717 Surplus / (Deficit) on revaluation of assets - net of deferred tax [29,518]	Cash and balances with treasury Banks Balances with other MFBs/Banks/NBFIs Lendings to financial institutions Investments Advances Property and equipment Right-of-use assets Intangible assets Deferred tax asset Other assets Liabilities Bills payable Borrowings Deposits and other accounts Lease Liabilities Subordinated debt Deferred grants Deferred tax liabilities	6,355,404 7,044,873 5,000,000 28,588,040 17,579,972 3,652,224 995,205 2,718,826 4,319,279 76,253,822 165,884 - 50,937,750 1,160,830 - 12,865 - 15,980,471	6,355,404 7,044,873 5,000,000 7,295,916 101,137 18,626 36,011 2,097,032 27,948,999 165,884 50,937,250 11,908 - 122 - 7,967,927	3Months	Months (Rupees in	Months	years - - - 3,433,850 4,438,824 797,089 201,266 398,529 - 509,735 9,779,293 - - 196,417 - 196,417 - 196,417 - 395,877	years	
Advance against Future issue of right shares Reserves 46,457,113 Depositors' protection fund 532,717 Surplus / [Deficit] on revaluation of assets - net of deferred tax [29,518]	Cash and balances with treasury Banks Balances with other MFBs/Banks/NBFIs Lendings to financial institutions Investments Advances Property and equipment Right-of-use assets Intangible assets Deferred tax asset Other assets Liabilities Bills payable Borrowings Deposits and other accounts Lease Liabilities Subordinated debt Deferred grants Deferred tax liabilities Other liabilities	6,355,404 7,044,873 5,000,000 28,588,040 17,579,972 3,652,224 995,205 2,718,826 - - 4,319,279 76,253,822 165,884 - 50,937,750 1,160,830 - 12,865 - 15,980,471 68,257,800	6,355,404 7,044,873 5,000,000 - 7,295,916 101,137 18,626 36,011 - - 2,097,032 27,948,999 165,884 - 50,937,250 11,908 - - 1222 - 7,967,927 59,083,091	3Months	Months (Rupees in	Months	years	years	
Reserves 46,457,113 Depositors' protection fund 532,717 Surplus / [Deficit] on revaluation of assets - net of deferred tax [29,518]	Cash and balances with treasury Banks Balances with other MFBs/Banks/NBFIs Lendings to financial institutions Investments Advances Property and equipment Right-of-use assets Intangible assets Deferred tax asset Other assets Liabilities Bills payable Borrowings Deposits and other accounts Lease Liabilities Subordinated debt Deferred grants Deferred tax liabilities Other liabilities	6,355,404 7,044,873 5,000,000 28,588,040 17,579,972 3,652,224 995,205 2,718,826 - - 4,319,279 76,253,822 165,884 - 50,937,750 1,160,830 - 12,865 - 15,980,471 68,257,800	6,355,404 7,044,873 5,000,000 - 7,295,916 101,137 18,626 36,011 - - 2,097,032 27,948,999 165,884 - 50,937,250 11,908 - - 1222 - 7,967,927 59,083,091	3Months	Months (Rupees in	Months	years	years	
Depositors' protection fund 532,717 Surplus / (Deficit) on revaluation of assets - - net of deferred tax (29,518)	Cash and balances with treasury Banks Balances with other MFBs/Banks/NBFIs Lendings to financial institutions Investments Advances Property and equipment Right-of-use assets Intangible assets Deferred tax asset Other assets Liabilities Bills payable Borrowings Deposits and other accounts Lease Liabilities Subordinated debt Deferred grants Deferred tax liabilities Other liabilities Net Assets Share capital	6,355,404 7,044,873 5,000,000 28,588,040 17,579,972 3,652,224 995,205 2,718,826 4,319,279 76,253,822 165,884 50,937,750 1,160,830 - 12,865 - 15,980,471 68,257,800 7,996,022 5,917,680	6,355,404 7,044,873 5,000,000 - 7,295,916 101,137 18,626 36,011 - - 2,097,032 27,948,999 165,884 - 50,937,250 11,908 - - 1222 - 7,967,927 59,083,091	3Months	Months (Rupees in	Months	years	years	
Surplus / (Deficit) on revaluation of assets - net of deferred tax [29,518]	Cash and balances with treasury Banks Balances with other MFBs/Banks/NBFIs Lendings to financial institutions Investments Advances Property and equipment Right-of-use assets Intangible assets Deferred tax asset Other assets Liabilities Bills payable Borrowings Deposits and other accounts Lease Liabilities Subordinated debt Deferred grants Deferred grants Deferred tax liabilities Other liabilities Net Assets Share capital Advance against Future issue of right shares	6,355,404 7,044,873 5,000,000 28,588,040 17,579,972 3,652,224 995,205 2,718,826 - 4,319,279 76,253,822 165,884 - 50,937,750 1,160,830 - 12,865 - 15,980,471 68,257,800 7,996,022 5,917,680	6,355,404 7,044,873 5,000,000 - 7,295,916 101,137 18,626 36,011 - - 2,097,032 27,948,999 165,884 - 50,937,250 11,908 - - 1222 - 7,967,927 59,083,091	3Months	Months (Rupees in	Months	years	years	
- net of deferred tax [29,518]	Cash and balances with treasury Banks Balances with other MFBs/Banks/NBFIs Lendings to financial institutions Investments Advances Property and equipment Right-of-use assets Intangible assets Deferred tax asset Other assets Liabilities Bills payable Borrowings Deposits and other accounts Lease Liabilities Subordinated debt Deferred grants Deferred tax liabilities Other liabilities Met Assets Share capital Advance against Future issue of right shares Reserves	6,355,404 7,044,873 5,000,000 28,588,040 17,579,972 3,652,224 995,205 2,718,826 4,319,279 76,253,822 165,884 - 50,937,750 1,160,830 - 12,865 - 15,980,471 68,257,800 7,996,022 5,917,680 46,457,113	6,355,404 7,044,873 5,000,000 - 7,295,916 101,137 18,626 36,011 - - 2,097,032 27,948,999 165,884 - 50,937,250 11,908 - - 1222 - 7,967,927 59,083,091	3Months	Months (Rupees in	Months	years	years	
	Cash and balances with treasury Banks Balances with other MFBs/Banks/NBFIs Lendings to financial institutions Investments Advances Property and equipment Right-of-use assets Intangible assets Deferred tax asset Other assets Liabilities Bills payable Borrowings Deposits and other accounts Lease Liabilities Subordinated debt Deferred grants Deferred tax liabilities Other liabilities Net Assets Share capital Advance against Future issue of right shares Reserves Depositors' protection fund		6,355,404 7,044,873 5,000,000 - 7,295,916 101,137 18,626 36,011 - - 2,097,032 27,948,999 165,884 - 50,937,250 11,908 - - 1222 - 7,967,927 59,083,091	3Months	Months (Rupees in	Months	years	years	
Unappropriated loss (44,881,970)	Cash and balances with treasury Banks Balances with other MFBs/Banks/NBFIs Lendings to financial institutions Investments Advances Property and equipment Right-of-use assets Intangible assets Deferred tax asset Other assets Liabilities Bills payable Borrowings Deposits and other accounts Lease Liabilities Subordinated debt Deferred grants Deferred grants Deferred tax liabilities Other liabilities Net Assets Share capital Advance against Future issue of right shares Reserves Depositors' protection fund Surplus / [Deficit] on revaluation of assets	6,355,404 7,044,873 5,000,000 28,588,040 17,579,972 3,652,224 995,205 2,718,826 - 4,319,279 76,253,822 165,884 - 50,937,750 1,160,830 - 12,865 - 15,980,471 68,257,800 7,996,022 5,917,680 - 46,457,113 532,717	6,355,404 7,044,873 5,000,000 - 7,295,916 101,137 18,626 36,011 - - 2,097,032 27,948,999 165,884 - 50,937,250 11,908 - - 1222 - 7,967,927 59,083,091	3Months	Months (Rupees in	Months	years	years	

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our shareholders



45 MATERIAL OUTSOURCING ARRANGEMENTS

In compliance with BPRD Circular No. 06 of 2017 of SBP, the material outsourcing arrangements of the Bank are listed below:

			2024 (Rupees	2023 in '000)
Name of Service Provider	Nature of Services			
Idemia Pakistan Pvt Limited	ATM Card Production		96,528	64,860
GENERAL				
Comparative information has l better presentation.	peen reclassified or rearro	anged in these financial statem	ents for the p	ourpose c
Material reclassification is as f	ollows:			
			íRupee	2023 (es in '000
Profit and Loss Account Description of item	From	to		
Income				
Fee on nano loans	Fee, commission and brokerage income	Mark-up / return / interest earned		2,534,50
Gain / (loss) on securities	Other Income	Gain / (loss) on securities		(53,382
Cheque book fees, ATM fees and other service charges	Other Income	Fee & Commission Income		273,226
Recoveries against advances written off	Other Income	Credit loss allowance and write offs - net	l	(1,049,195
Expense				
Provision against non- performing loans and advances - net	Provision against non- performing loans and advances - net	Credit loss allowance and write offs - net		1,389,17
Bad debts written off directly	Bad debts written off directly	Credit loss allowance and write offs - net		43,07
Minimum tax	Taxation	Minimum Tax Differential		(579,328
Statement of Financial Positic				
Description of item	From	to		
Assets	On constinue final and in			005.00
Right-of-use assets	Operating fixed assets	Right-of-use assets		995,20
Intangible assets	Operating fixed assets	Intangible assets		2,718,82
Liabilities				
Bills payable	Other liabilities	Bills payable		165,88
Lease liabilities	Other liabilities	Lease liabilities		1,160,83
Unamortised Loan Incremental Cost	Other Assets	Other liabilities (Unearned loan processing fee)		76,25

The figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

DATE OF AUTHORISATION FOR ISSUE

Chairman

These financial statements were authorised for issue by the Board of Directors in their meeting held on March 06, 2025.

President / **Chief Executive Officer** **Chief Financial Officer**

Director

Director

pattern of shareholding

the pattern of shareholding of the bank as at 31st december 2024 is as follows:

o foreign shareholding					
Name	number of shares	% age holding (2024)			
1. Alipay (Hong Kong) Holding Limited	266,295,569	45.00%			
2. Telenor Pakistan B.V	325,472,345	55.00%			
Total - Foreign	591,767,914	100%			
b domesti	c shareholding				
shareholder's name	number of shares	% share			
1. Ms. Musharaf Hai	10	NA			
2. Dr. Amjad Waheed	10	NA			
total - domestic	20	-			
grand total [foreign+domestic]	591,767,934	100.00			

o foreign shareholding				
Name	number of shares	% age holding (2024)		
1. Alipay (Hong Kong) Holding Limited	266,295,569	45.00%		
2. Telenor Pakistan B.V	325,472,345	55.00%		
Total - Foreign	591,767,914	100%		
	c shareholding			
shareholder's name	number of shares	% share		
1. Ms. Musharaf Hai	10	NA		
2. Dr. Amjad Waheed	10	NA		
total - domestic	20	-		
grand total [foreign+domestic]	591,767,934	100.00		

credits

design & concept easypaisa Bank Limited & BBDO advertising llp

copyrights

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