

## **Telenor Microfinance Bank Responds Strongly to Employee Collusion**

*“In September 2019, the management of Telenor Microfinance Bank detected cases of collusion to commit fraud between employees and people outside the Bank in a few branches of the Lahore region. After immediately notifying the regulator and law enforcement agencies, an investigation was conducted across all branches nationwide. The investigation has found credit irregularities with policy violations among a large number of employees across various branches. This is unacceptable to Telenor Microfinance Bank.*

*The Bank has since then initiated a thorough process undertaken by an independent committee to investigate all employee cases related to the incident, and taken measures varying from written warnings to terminations. With the most severe cases of fraud, the matter has been reported to the police.*

*The process is now ongoing. To ensure transparency and confidentiality, all suspected employees have been given a full opportunity and a fair chance to defend themselves. For those who appeal, they are allowed for a second hearing.*

*In light of this process, Telenor Microfinance Bank has noticed that some affected employees are spreading false information through different mediums. The terminations from the Bank stem solely from the above-mentioned process and are related to former employees who have seriously violated company policies and the Code of Conduct. We reserve the right to take legal action against the elements spreading fake news and allegations against the Bank.*

*We strongly believe that the above-mentioned process is necessary in strengthening our organization. We have initiated organization-wide exercise to improve internal controls, reinforce risk management mechanisms and revamp compliance policies, including trainings and awareness sessions. In addition to regular trainings, all employees are also retrained to ensure policies and procedures are being followed across the board. The Bank is confident that the improvements made will have a positive impact on the organization and that such instances will be prevented in the future.*

*We would like to assure all our stakeholders that the Bank remains well capitalized and on solid footing, fully capable to meet all its financial obligations and regulatory standards. The credit loss has not affected the deposit customers of the Bank and all their funds are safe. With our team’s unrelenting focus on serving customers, Telenor Microfinance Bank is uniquely positioned to leverage its technological prowess to serve diversified segments of the market and remain on track for continuous growth with high ambitions for the future. Further updates on the matter will be shared once the investigation concludes.”*

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### **About Telenor Microfinance Bank Limited**

Motivated by its vision of ‘transforming the financial landscape of the country’, Telenor Microfinance Bank, the leading microfinance institution of Pakistan is on a mission to provide ‘instant access to convenient digital financial services’ that benefits the people of Pakistan. With Easypaisa, the country’s

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largest branchless banking service, and a range of innovative digital banking solutions, the bank is committed to catering to the ever-growing needs of the people it serves.

Easypaisa, Pakistan's first mobile financial services platform launched in 2009, is also the first and only GSMA Mobile Money Certified service. Easypaisa since then has evolved into a digital payments platform, which empowers people across Pakistan to truly adopt the digital way of life.

Telenor Microfinance Bank is partly owned by Telenor Group, the leading telecommunications company across Scandinavia and Asia with 174 million customers, and Ant Financial, one of the leading fintech companies in the world and an affiliate company of Alibaba Group. Together with the new shareholders and strategic partner, and the Bank's local market presence and knowledge, Telenor Microfinance Bank aims to digitally enable and empower the underserved segments of the Pakistani society.

For more information, please visit: <http://www.telenorbank.pk/>