

# Annual Report 2015

Celebrating 5 years of  
continued success







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## Our Vision

To become the leading  
Microfinance Bank  
in Pakistan.

## Our Mission

We believe in harnessing  
the potential of the  
people through inclusive  
finance, for poverty reduction  
and a brighter future.

## Our Core Values

### **Integrity**

We endeavor to make integrity and honesty an integral part of our operations.

### **Transparency**

We provide the highest level of disclosure and transparency to our stakeholders.

### **Innovation**

We consistently strive to offer innovative products bringing value to our customers.

### **Accountability**

We take complete responsibility of all our decisions and actions.

# Corporate Information

NRSP Microfinance Bank Limited "NRSP MFB", headquartered in Bahawalpur, commenced operations in March 2011. The Bank's capital has been contributed by highly reputed organizations including the National Rural Support Program (NRSP), Acumen, Kreditanstalt für Wiederaufbau (KfW) and the International Finance Corporation (IFC).

Through a network of 67 branches across 25 districts, NRSP MFB offers a range of financial services including Deposits, Micro-Credit, Micro-Health Insurance and Crop Loan Insurance to a diverse socio-economic customer base living in both urban and rural areas of Pakistan. NRSP MFB enjoys a long-term entity rating of A- and a short-term rating of A2.

Shareholder	Shareholding Percentage
National Rural Support Program (NRSP)	52%
Acumen	16%
Kreditanstalt für Wiederaufbau (KfW)	16%
International Finance Corporation (IFC)	16%

Chairman, Board of Directors	Dr. Rashid Bajwa
President/ Chief Executive Officer	Mr. Zahoor Hussain Khan
Head Finance & Treasury / Company Secretary	Mr. Asif Mahmood

## Auditors

### Deloitte

Deloitte Yousuf Adil  
Chartered Accountants  
1st Floor, Abdali Tower, 77-Abdali Road, Multan, Pakistan.  
Phone: +92(0)61-4783979, +92(0)61-4785211-13  
Fax: +92(0)61-4785214 Web: www.deloitte.com

## Tax Advisors

### KPMG

Taseer Hadi & Co.  
Chartered Accountants  
7th Floor, State Life Building No. 5 Jinnah Avenue,  
Blue Area, Islamabad, Pakistan.  
Phone: +92 (0)51 282 3558

## Head Office

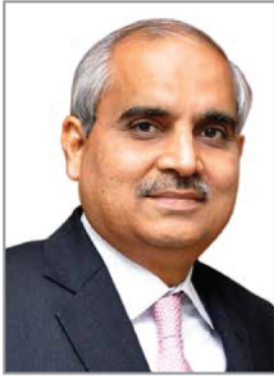
### NRSP Microfinance Bank

Islamia University New Campus Road, Bahawalpur-63100, Pakistan.  
UAN: +92-(0)62-111-011-011  
Web: www.nrspbank.com





## Message from the Chairman



With persistent vigor and sense of purpose, NRSP Microfinance Bank continues to strive on its determined agenda of providing high quality microfinance services to a growing client base. The Bank completed five successful years of operations in 2015. During this period, the Bank has managed to contribute significantly to the microfinance sector in the country and has also affirmed its position as a sustainable financial institution. NRSP MFB furthers the mission of its parent organization NRSP to reduce poverty and alleviate the vulnerability of the poor population. The Bank brings a diverse portfolio of financial services to the unbanked poor by empowering them to transform their future.

Pakistan's microfinance sector has operated in a challenging environment over the last few years due to an unstable economy, social unrest, uncertainty in agriculture sector and natural disasters. However, there has been stability in the recent past, with the likelihood of smoother times as a result of structured reforms to stimulate the economy and enable the country to overcome various challenges. These initiatives will have a positive trickledown effect on the monetary policy which augurs well for the overall banking industry. Despite challenges and tough competition in the microfinance sector, NRSP MFB has been able to expand its operations and outreach, while maintaining the highest standards of service in all aspects of its operations.

Moving forward, the Bank continues to strengthen its customer base by introducing new and innovative microfinance products. As part of its vision for accelerated growth, the Bank also aims to build on the synergies offered by its parent organization in various microcredit and savings operations.

Overall, the Board is very pleased with the market footprint made by NRSP Bank in a short period of time. In view of the particular business characteristics of a microfinance operator, it is evident that a higher degree of efficiency will be required in order for the Bank to become more profitable. As such, we see the year 2016 as a year of consolidation and straightforward balance sheet growth. On behalf of the Board of Directors, I would like to extend my gratitude and congratulations to the staff and management of NRSP Bank for their continued hard work and dedication.

**Dr. Rashid Bajwa**

Chairman, Board of Directors  
March 09, 2016

# Message from the President/CEO



2015 marked the successful completion of half a decade of NRSP Bank's operations. It gives me great pleasure to report that the Bank has been able to position itself as one of the leading industry players in the microfinance sector over the past 5 years. Despite its highs and lows, the journey has reaffirmed the Bank's faith in the impact of micro-lending and small savings for harnessing the potential of the people.

The Bank achieved promising business results in the year 2015 with its deposit and before-tax profit growing by 41% and 127% respectively. Despite challenging environment of agriculture sector, the Bank stood by small farmers and provided 87% of the loans to such clients who were either landless or owned less than 5 acres of agriculture land. The Bank's maximum active loan clients increased to 261,960 during the year 2015. Focused staff efforts and customers' confidence also facilitated the Bank in maintaining a sound credit footing. Macroeconomic stability in the country resulted in falling interest rates, thereby enabling the Bank to reduce its borrowing cost and attract customer deposits at competitive rates.

A significant achievement of the year was the launch of pilot Islamic Microfinance. Being the first regulated provider of Islamic micro-lending products, the Bank identified great demand for Shariah compliant products and services in microfinance market. The Bank also experimented with provision of large microenterprise financing under the Islamic model which yielded encouraging results. Following completion of the pilot, regulatory formalities are underway for seeking a commercial Islamic Microfinance banking license to scale up the future operations.

The Bank also remained focused on building a strong technological infrastructure. Offering of 1-Link enabled ATM cards, collaboration with JCB and launch of IVR-supported Call Center were some of our key landmarks. Work was also initiated to develop the Bank's Branchless Banking Strategy and Business Plan with the support of IFC and KfW. Following successful completion of agri-value chain with PPAF, the Bank began to insure its loan portfolio against crop failure under SBP Crop Loan Insurance Scheme. This insurance will surely facilitate the clients in case of any natural disasters.

I am also glad to share that the Bank received SBP's approval for obtaining a subordinated debt of 6 million Euro during the year. The Bank will seek to benefit a lot in terms of business growth and expansion with receipt of this debt facility.

I would also like to acknowledge the commitment and hard work of our staff for making it possible to achieve such commendable results. My sincerest gratefulness is also for our valuable Directors, Shareholders and SBP who continued to support and encourage us throughout. I profoundly hope that NRSP Bank will continue to grow to become the largest and fastest growing microfinance bank in Pakistan.

**Zahoor Hussain Khan**

President/CEO  
March 09, 2016

# Shareholders' Profile



## National Rural Support Program

Established in 1991, NRSP is the largest Rural Support Program in the country in terms of outreach, staff and development activities. It is a not-for-profit organization registered under Section 42 of the Companies Ordinance 1984.

NRSP's mandate is to alleviate poverty by harnessing people's potential and undertake development activities in Pakistan. The organization has presence in 62 Districts in all the four Provinces including Azad Jammu and Kashmir through Regional Offices and Field Offices. NRSP is currently working with more than 2.6 million poor households organized into a network of 173,304 Community Organizations.



## Kreditanstalt für Wiederaufbau

KfW is a development bank owned by the German government. KfW operates as a promotional bank for the domestic economy and a development bank for the developing countries. Since its inception in 1948, KfW has been supporting change and encouraging forward-looking ideas in Germany and other parts of the world.







### International Finance Corporation

IFC, a member of the World Bank Group, is the largest global development institution focused exclusively on the private sector in developing countries. Established in 1956, IFC is owned by 184 member countries, a group that collectively determines its policies.

IFC's work in more than 100 developing countries allows companies and financial institutions in emerging markets to create jobs, generate tax revenues, improve corporate governance and environmental performance and contribute to their local communities.



### Acumen

Acumen was incorporated on April 1, 2001, with seed capital from the Rockefeller Foundation, Cisco Systems Foundation and three individual philanthropists. Acumen's mission is to change the way the world tackles poverty by investing in companies, leaders, and ideas. Acumen fund has investments in developing countries including Pakistan in sectors ranging from agriculture, education, energy, health, housing to water.

# Board of Directors

NRSP MFB's Board of Directors (BoD) comprises of 9 members including 3 representatives from NRSP, 1 nominee each from IFC, KfW and Acumen, 2 independent directors and the CEO as the ex-officio member.

Meetings of the Board are regularly held to evaluate the Bank's performance, formulate corporate strategy and plan for the mission-focused future operations. The governing body has appropriate gender diversity with two female members. Under the guidance of a strong governing body, the Bank remains devoted to changing the lives of poor through financial inclusion.

<b>Dr. Rashid Bajwa</b>	<b>Chairman</b>	<b>NRSP</b>
Mr. Shoaib Sultan Khan	Director	NRSP
Mr. Fazlullah Qureshi	Director	NRSP
Ms. Amena Arif	Director	IFC
Ms. Judith Brandsma	Director	KfW
Mr. Naeem Zamindar	Director	Acumen
Mr. Rashid Ali Khan	Director	Independent
Mr. Aziz Rajkotwala	Director	Independent
Mr. Zahoor Hussain Khan	Ex-Officio Director	CEO NRSP MFB

## Compensation and Remuneration Committee

Mr. Aziz Rajkotwala	Chairman
Dr. Rashid Bajwa	Member
Mr. Shoaib Sultan Khan	Member

## Audit Committee

Mr. Rashid Ali Khan	Chairman
Dr. Rashid Bajwa	Member
Mr. Fazlullah Qureshi	Member
Mr. Naeem Zamindar	Member

## Operations and Risk Policy Committee

Mr. Rashid Ali Khan	Chairman
Ms. Amena Arif	Member
Ms. Judith Brandsma	Member





## Management Team

Management team of the Bank possesses the experience and skills as are necessary to competently discharge its responsibilities. All departments of the Bank are sufficiently staffed. The Bank is also working on improving skills and competence of its existing staff members through regular training programs and on-the-job training.

<b>Mr. Zahoor Hussain Khan</b>	<b>President/CEO</b>
Mr. Zafar Iqbal	Group Head Business
Mr. Farooq Rashid	Head Branchless Banking
Mr. Asif Mahmood	Head Finance and Treasury / Company Secretary
Mr. Tanveer Hussain	Head Microfinance Services
Mr. Muhammad Asim	Head Operations
Mr. Asad Mushtaq	Head IT
Mr. Idris Qamar	Head HR (Officiating)
Lt. Col. (R) Mir Yousaf	Head Administration and Security
Ms. Rafia Saleem	Head Risk and Compliance
Mr. Waqas Ashraf	Head Internal Audit

### Management Committees

To effectively manage the affairs of the Bank, three management-level committees are functioning at present. The Committee Members, suitably skilled and experienced, meet regularly to address issues of importance.

<b>Operations and Risk Management Committee</b>	<b>IT Steering Committee (ITSC)</b>	<b>Asset and Liability Committee (ALCO)</b>
President/CEO (Chairman)	President/CEO (Chairman)	President/CEO (Chairman)
Group Head Business	Head IT	Group Head Business
Head Microfinance Services	Group Head Business	Head Microfinance Services
Head Finance and Treasury	Head Finance and Treasury	Head Finance and Treasury
Head Operations	Head Operations	Head Operations
Head IT	Head Risk and Compliance	Head Risk and Compliance
Head HR		
Head Administration and Security		
Head Risk and Compliance		



# Products and Services

## Regular Microfinance

At NRSP Microfinance Bank we are proud to offer our valuable clients a host of financial products and services. The products and services we provide include Credit, Savings and Insurance which are designed to meet the needs of our diverse clientele.

### Credit Products

- Agriculture Loans
- Loans for Micro/Small Enterprise
- Livestock Loans
- Loans against Gold Ornaments
- General Loans against Salary/Pension

### Deposit Products

- Current Account
- Asan Bachat Account
- Mahana Bachat Account
- Tanzeem Bachat Account
- Kisan Bachat Account
- Term Deposits
- Regular Savings Plan

### Insurance

- Micro Health Insurance
- Crop Loan Insurance

### Other Facilities

- ATM Cards
- Interbank Funds Transfer
- Utility Bill Payment through ATMs
- SMS Alerts





## Islamic Microfinance

During 2015, NRSP Microfinance Bank initiated the pilot phase of Islamic Microfinance Services by opening a dedicated Islamic Branch in Bahawalpur, offering Shariah Compliant financing and savings products to its valuable clients.

### Shariah Compliant Financing Products

- NRSP Murabaha
- NRSP Sala'm

### Shariah Compliant Deposit Products

- Asan Modarba
- Kisan Modarba
- Mukamal Modarba
- NRSP Islamic Certificate
- NRSP Current Account

### Other Facilities

- ATM Cards
- Interbank Funds Transfer
- Utility Bill Payment through ATMs
- SMS Alerts



## Success Stories



### Aziz Mayee of Bahawalpur City

*Prior to my affiliation with NRSP MICROFINANCE BANK, my family had to strive hard to make both ends meet. My husband's income was marginal and life was pretty hard. I am not educated but know how to do embroidery work. Having decided to build upon this skill, I availed a loan of PKR 15,000 from NRSP Microfinance Bank and started doing embroidery which gradually began to bear fruit. Credit facility by NRSP Microfinance Bank has enabled me to enhance my embroidery business and create employment opportunities for other females as well. I have quite a few workers assisting me in my business. I have been associated with the Bank for the past 5 years. I am also maintaining an account with the bank to deposit my savings. What started as a meager credit facility has developed into a long-term association; I cannot thank NRSP Bank enough for the impact it has made on my life.*







### Muhammad Asghar of Samma Satta

*I had limited resources to cultivate my agricultural land which I inherited from my parents. I required fertilizer and other agriculture inputs and was heavily dependent on a local Arthi who used to offer this on credit at very exorbitant rates. Three years back, I was introduced to NRSP Microfinance Bank through one of my relatives. The Bank offered me a loan of PKR 30,000 through which I was able to purchase fertilizer from an authorized fertilizer dealer on cash at a much cheaper rate. Quality of the fertilizer that I purchased was also better than the fertilizer I used to get from the Arthi.*

*Loan from NRSP Microfinance Bank has helped me to use high quality inputs with a lower cost resulting in increase in per acre yield. Due to cost savings and higher yield, I am planning to purchase my own tractor which will further help me to increase my farm productivity.*

## 5 Years' Performance Highlights

<b>Outreach</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Number of Districts Served	10	14	22	23	<b>25</b>
Number of Branches	19	39	54	58	<b>67</b>
Maximum Number of Active Borrowers during the year	127,018	177,576	205,378	226,165	<b>261,960</b>
Number of Active Borrowers at Year End	101,767	126,717	171,718	194,489	<b>258,444</b>
Number of Savers at Year End	14,683	80,623	108,326	327,128	<b>515,321</b>
<b>Financial Performance</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Gross Advances (PKR Billion)	2.09	3.06	4.85	5.19	<b>9.09</b>
Deposits (PKR Billion)	0.63	1.83	3.62	5.16	<b>7.26</b>
Equity / Net Assets (PKR Billion)	0.90	1.27	1.45	2.13	<b>2.54</b>
Profit Before Taxation (PKR Million)	37	148	338	286	<b>650</b>

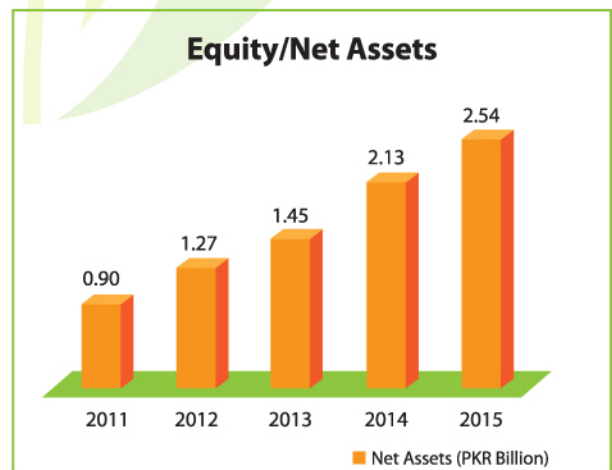
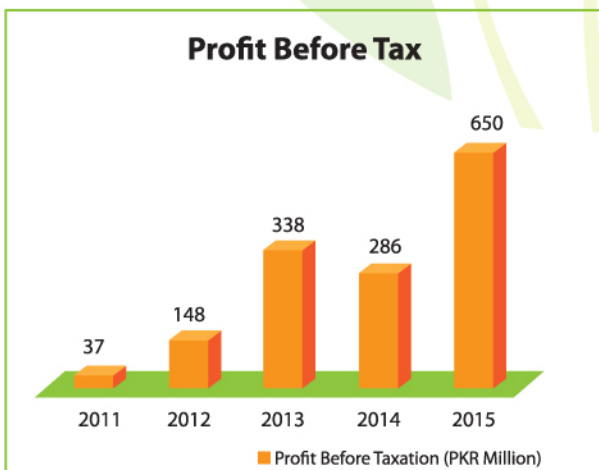
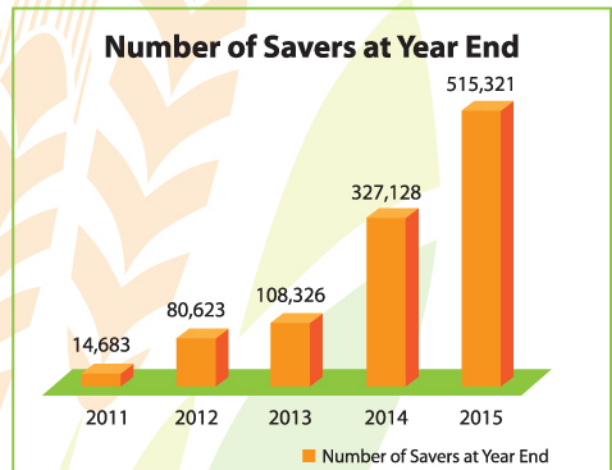
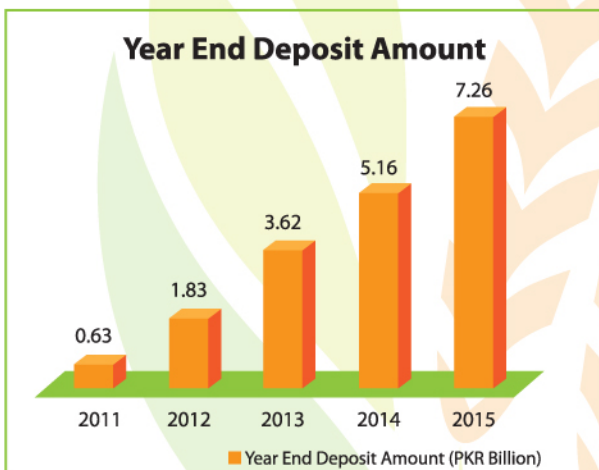
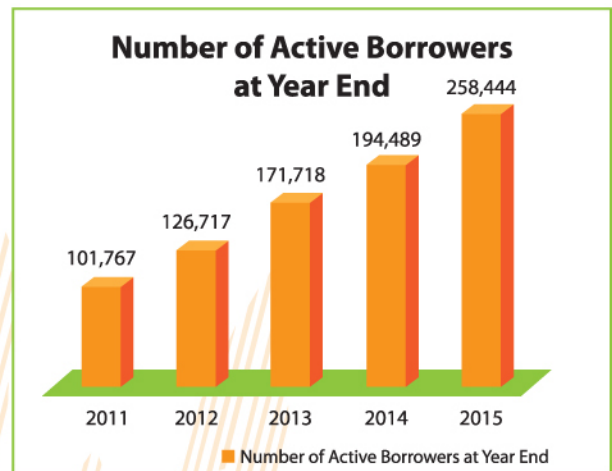
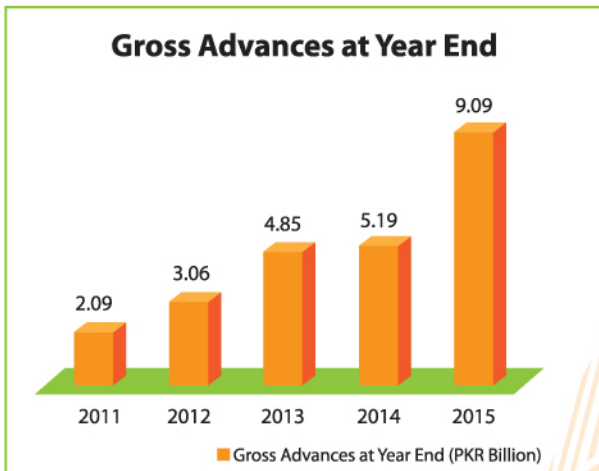
## Ratio Analysis

<b>Ratio</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Return on Equity (RoE)	7.9%	15%	17%	10%	<b>20%</b>
Return on Assets (RoA)	1.7%	3.1%	2.8%	1.7%	<b>3.5%</b>
Earnings Per Share (EPS)	0.54	1.75	2.44	1.32	<b>3.07</b>
Operational Self Sufficiency (OSS)	106%	114%	123%	116%	<b>132%</b>
Non Performing Loans (NPLs)	0.0%	0.40%	0.31%	0.98%	<b>0.16%</b>
Growth in Number of Borrowers	Starting Year	25%	36%	13%	<b>33%</b>
Growth in Gross Advances	Starting Year	46%	58%	7%	<b>75%</b>
Growth in Number of Savers	Starting Year	449%	34%	202%	<b>58%</b>
Growth in Deposit Amount	Starting Year	190%	98%	43%	<b>41%</b>
Growth in Profit Before Tax	Starting Year	300%	128%	-15%	<b>127%</b>





# Graphical Presentation





# Directors' Report – Year 2015

On behalf of the Board of Directors, I am pleased to present the 7th Annual report of the Bank with the audited Financial Statements and Auditors' Report thereon, for the year ended December 31, 2015.

## Corporate Reporting Framework

The Bank has continued to comply with the best corporate governance practices and the Directors are pleased to inform that:

- The financial statements prepared by the management of the Bank presents a true and fair view of the state of its affairs, operational results, cash flows and changes in equity.
- Proper books of accounts of the Bank have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements.
- The Bank has followed international accounting standards (as applicable in Pakistan) in preparation of accounts. Also there has been no departure from the said standards.
- As a continuous process, efforts have been made to effectively implement the internal control system.
- There are no doubts about the Bank's ability to continue as a going concern.
- The Board has functional Audit Committee comprising of non - executive members which has defined terms of reference. The Board has met four times during the financial year 2015.

## Performance Review

The Bank has served 258,444 borrowers during the year mostly in rural areas and has posted a profit before tax of PKR 650 million. Operational activity showed encouraging results, where net advances stood as high as PKR. 9.0 billion at financial year-end. Through loan disbursement, the Bank has processed 400,847 requests from poor masses with a volume of PKR 14.1 billion. In pursuance of the Bank's strategy of generating low cost funding for business growth and expansion, the Bank has focused on scaling up its deposit base to PKR 7.26 billion at the year end with a favorable growth of 40%.

The Bank has opted for non-payment of dividend during the year despite after-tax profit of PKR 459.7 million and retained earnings of PKR 754.5 million. The decision has been made to re-invest funds for future growth.

The operational results for the year are presented below;

	2015 (Rupees)	2014 (Rupees)
Profit before taxation	650,238,265	285,731,671
Less: Taxation-Current	(187,875,246)	(83,216,262)
-Prior	1,488,000	9,888,165
-Deferred	(4,146,119)	(14,724,412)
Profit after taxation	459,704,900	197,679,162
Earnings per share	3.07	1.32

### Transfer to reserves:

As per the requirements of Microfinance Institution Ordinance, 2001 and Prudential Regulations for Microfinance Banks issued by the State Bank of Pakistan, the Bank has transferred an amount equivalent to 20% of profit after tax to the







statutory reserve and 5% of profit after tax to Depositors' Protection Fund along with profits on investments for such funds.

### Pattern of Shareholding

The Pattern of shareholding of the Bank as at December 31, 2015 as required under section 236 of the Companies Ordinance 1984 is as follows:

No of Shareholder(s)	From	To	Total Shares Held
2	1	100	150
3	101	150	450
5	8,000,000	77,999,400	149,836,601
			149,837,201

### Categories of Shareholder

Particular	Number	Shares Held	Percentage
Individual (by directors)	5	600	0.0004%
Corporate entities	5	149,836,601	99.9996%

### Shareholder holding above 5% of voting shares

Shareholders	Shares	Percentage Held
National Rural Support Program (NRSP) – Holding Company	77,999,400	52.1%
KfW Germany	23,837,201	15.9%
International Finance Corporation – IFC	24,000,000	16.0%
Acumen Fund USA	16,000,000	10.7%
Acumen Capital Market	8,000,000	5.3%
Total Shares	149,836,601	

### Capital Adequacy

As of December 31, 2015, the Bank's capital adequacy ratio (CAR) measure at 21.29% against the mandatory requirement of 15% under the Prudential Regulations (PR) for Microfinance Banks.

### Auditors

Statutory Auditors of the Bank, M/S Deloitte M. Yousaf Adil Saleem & Co, Chartered Accountants, Multan, have completed their assignment for the year ended December 31, 2015 and shall retire at the conclusion of the seventh Annual General Meeting. They have confirmed their eligibility and willingness to accept office of the Statutory Auditors, if appointed. Upon recommendation of the Audit Committee, the Board of Directors have recommended reappointment of M/s. Deloitte M. Yousaf Adil Saleem & Co, Chartered Accountants, Multan, as Statutory Auditors of the Company for the FY-2016.

### Appreciation and Acknowledgement

On behalf of the Board of the Bank, I would like to express my sincere gratitude to the State Bank of Pakistan for its guidance; to the shareholders and clients for their support; and to the employees for their commitment.

Chairman

Date: March 9, 2016

## AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of NRSP Microfinance Bank Limited ("the Bank") as at December 31, 2015 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the financial statements) for the year then ended 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 our audit.

It is the responsibility of the Bank's management to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984 and the Microfinance Institutions Ordinance, 2001. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a. In our opinion, proper books of account have been kept by the Bank as required by the Microfinance Institutions Ordinance, 2001 and Companies Ordinance, 1984;
- b. In our opinion:
  - i. the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984 and the Microfinance Institutions Ordinance, 2001, and are in agreement with the books of account;
  - ii. the expenditure incurred during the year was for the purpose of the Bank's business; and
  - iii. the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Bank;

- c. 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, cash flow statement and statement of changes in equity together with notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and give the information required by the Companies Ordinance, 1984 and the Microfinance Institutions Ordinance, 2001, in the manner so required and give a true and fair view of the state of the Bank's affairs as at December 31, 2015 and of the profit, its cash flows and changes in equity for the year then ended; and
- d. in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (xviii of 1980), was deducted by the Bank and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

*Deloitte Yousuf Adil.*

**Chartered Accountants**

**Engagement Partner:**

Talat Javed

Dated: March 09, 2016

Multan



## BALANCE SHEET

### AS AT DECEMBER 31, 2015

	Note	2015 Rupees	2014 Rupees
<b>ASSETS</b>			
Cash and Balances with SBP and NBP	6	472,107,622	308,723,036
Balances with other Banks/NBFIs/MFBs	7	1,752,697,769	1,686,937,820
Lending to financial institutions		-	-
Investment- net of provisions	8	2,171,796,032	3,971,191,370
Advances-net of provisions	9	8,999,191,316	5,125,177,047
Operating fixed assets	10	221,426,706	222,810,333
Other assets	11	681,895,909	473,049,174
Deferred tax asset	12	7,367,307	9,726,853
<b>Total Assets</b>		<b>14,306,482,661</b>	<b>11,797,615,633</b>
<b>LIABILITIES</b>			
Deposits and other accounts	13	7,255,315,825	5,159,809,714
Borrowings	14	4,156,925,000	4,204,216,370
Subordinated debts		-	-
Other liabilities	15	349,740,561	307,485,949
Deferred tax liability		-	-
<b>Total Liabilities</b>		<b>11,761,981,386</b>	<b>9,671,512,033</b>
<b>Net Assets</b>		<b><u>2,544,501,275</u></b>	<b><u>2,126,103,600</u></b>
<b>REPRESENTED BY:</b>			
Share capital	16	1,498,372,010	1,498,372,010
Statutory reserve	5.10	220,781,778	128,840,798
Depositor's protection fund	5.11	60,381,579	34,646,895
Accumulated profit		754,487,456	413,516,645
		2,534,022,823	2,075,376,348
Surplus on revaluation of assets - Net of tax	17	11,397	1,498,750
Deferred grants	18	10,467,055	49,228,502
<b>Total capital</b>		<b><u>2,544,501,275</u></b>	<b><u>2,126,103,600</u></b>
<b>MEMORANDUM / OFF-BALANCE SHEET ITEMS</b>	19		

The annexed notes 1 to 35 form an integral part of these financial statements.

  
PRESIDENT

  
CHAIRMAN

  
DIRECTOR

  
DIRECTOR



## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2015

	Note	2015 Rupees	2014 Rupees
Mark-up / Return / Interest earned	20	2,053,934,092	1,731,236,416
Mark-up / Return / Interest expensed	21	(741,048,862)	(793,087,433)
Net Mark-up / Interest Income		1,312,885,230	938,148,983
Provision Against Non-Performing Loans and Advances	9.4	(129,841,234)	(53,672,400)
Provision for Diminution in the Value of Investments		-	-
Bad debts written off directly	9.5	(12,647,952)	(8,558,847)
		(142,489,186)	(62,231,247)
Net Mark-up / Interest Income after provisions		1,170,396,044	875,917,736
<b>NON MARK-UP / NON INTEREST INCOME</b>			
Fee, Commission and Brokerage income	22	391,542,226	188,017,055
Dividend Income		-	-
Other Income	23	209,840,033	140,009,532
Total Non-Markup / Non Interest Income		601,382,259	328,026,587
		1,771,778,303	1,203,944,323
<b>NON MARK-UP / NON INTEREST EXPENSES</b>			
Administrative expenses	24	(1,121,540,038)	(918,212,652)
Other charges		-	-
Total non-markup / non interest expense		(1,121,540,038)	((918,212,652)
		650,238,265	285,731,671
Extra ordinary / unusual items		-	-
<b>PROFIT BEFORE TAXATION</b>		<b>650,238,265</b>	<b>285,731,671</b>
Taxation - Current	25	(187,875,246)	(83,216,262)
- Prior years		1,488,000	9,888,165
- Deferred		(4,146,119)	(14,724,412)
		(190,533,365)	(88,052,509)
<b>PROFIT AFTER TAXATION</b>		<b>459,704,900</b>	<b>197,679,162</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will never be classified to profit and loss:			
-Re-measurement component - net actuarial loss	15.2.1	(3,807,864)	(10,032,063)
		(3,807,864)	(10,032,063)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>455,897,036</b>	<b>187,647,099</b>
Accumulated profit brought forward		413,516,645	275,289,336
Accumulated profit		869,413,681	462,936,435
<b>APPROPRIATIONS:</b>			
<b>Transfer to:</b>			
Statutory reserve	5.10	91,940,980	39,535,832
Capital reserve		-	-
Depositors' Protection Fund	5.11	22,985,245	9,883,958
Revenue reserve		-	-
		114,926,225	49,419,790
<b>ACCUMULATED PROFIT CARRIED FORWARD</b>		<b>754,487,456</b>	<b>413,516,645</b>
Earnings per share-Basic and Diluted	26	3.07	1.32

The annexed notes 1 to 35 form an integral part of these financial statements.



PRESIDENT



CHAIRMAN



DIRECTOR



DIRECTOR



## CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2015

	Note	2015 Rupees	2014 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before taxation		650,238,265	285,731,671
Less: Dividend income		-	-
		<u>650,238,265</u>	<u>285,731,671</u>
Adjustments for non-cash charges			
Depreciation		64,944,445	61,156,944
Amortization of intangible assets		24,114,680	35,956,504
Provision against non-performing advances		129,841,234	53,672,400
Unrealized loss / (gain) on revaluation of investments classified as held for trading		(13,623,652)	(30,188,529)
Amortization of deferred grant		(80,732,511)	(38,062,723)
Gain on sale of operating fixed assets		(2,359,759)	(611,073)
Advances written off		12,647,952	8,558,847
Finance charges on leased assets		5,122,465	1,055,247
Gain on sale and redemption of securities		(79,849,632)	(104,440,049)
Provision for gratuity and leave encashment		47,335,829	34,814,531
		107,441,051	21,912,099
Increase in operating assets			
Advances		(4,016,503,455)	(397,052,052)
Other assets		(220,908,168)	(96,672,605)
		(4,237,411,623)	(493,724,657)
Increase / (decrease) in operating liabilities			
Borrowings from financial institutions		(47,291,370)	(253,033,630)
Deposits and other accounts		2,095,506,111	1,541,095,673
Other liabilities (excluding current taxation, gratuity and leave encashment, Finance lease)		25,624,906	23,923,932
		2,073,839,647	1,311,985,975
Payments against provisions held against off-balance sheet obligations			
Income tax paid		(175,865,786)	(94,855,884)
Gratuity and Leave encashment paid (including contributions)		(44,855,808)	(21,561,538)
		(1,626,614,254)	1,009,487,666
<b>Net Cash Flow from Operating Activities</b>		<u>(1,626,614,254)</u>	<u>1,009,487,666</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Net investment in available-for-sale securities		25,973,601	-
Net investment in held to maturity securities		(8,707,830)	(30,590,414)
Net investment in held for trading securities		1,736,621,178	(1,489,406,351)
Gain realized on investments		140,243,759	134,743,291
Investments in operating fixed assets		(58,213,249)	(60,935,025)
Sale proceeds of property and equipment disposed-off		3,585,154	2,463,095
<b>Net cash flow from investing activities</b>		<u>1,839,502,613</u>	<u>(1,443,725,404)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Payments of lease obligations		(25,714,888)	(3,968,342)
Issue of share capital		-	498,372,010
Grants received		41,971,064	27,782,225
<b>Net cash flow from financing activities</b>		<u>16,256,176</u>	<u>522,185,893</u>
<b>Net increase in cash and cash equivalents</b>		<u>229,144,535</u>	<u>87,948,155</u>
Cash and cash equivalents at beginning of the year		<u>1,995,660,856</u>	<u>1,907,712,701</u>
<b>Cash and cash equivalents at end of the year</b>		<u>2,224,805,391</u>	<u>1,995,660,856</u>

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The annexed notes 1 to 35 form an integral part of these Financial Statements.

  
PRESIDENT

  
CHAIRMAN

  
DIRECTOR

  
DIRECTOR

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2015

	Capital Reserves		Revenue Reserves	Total	
	Share capital	Statutory reserve	Depositors' protection fund		Unappropriated profit
	.....Rupees.....				
Balance as at January 1, 2014	1,498,372,010	89,304,966	23,100,660	275,289,336	1,886,066,972
Profit for the year	-	-	-	187,647,099	187,647,099
Transfer to statutory reserves	-	39,535,832	-	(39,535,832)	-
<b>Transfer to depositors' protection fund</b>					
- 5% of the profit after tax for the year	-	-	9,883,958	(9,883,958)	-
- return on investments - net of tax	-	-	1,662,277	-	1,662,277
Issue of share capital	-	-	11,546,235	(9,883,958)	1,662,277
<b>Balance as at December 31, 2014</b>	<b>1,498,372,010</b>	<b>128,840,798</b>	<b>34,646,895</b>	<b>413,516,645</b>	<b>2,075,376,348</b>
Profit for the year	-	-	-	455,897,036	455,897,036
Transfer to statutory reserves	-	91,940,980	-	91,940,980	-
<b>Transfer to depositors' protection fund</b>					
- 5% of the profit after tax for the year	-	-	22,985,245	(22,985,245)	-
- return on investments - net of tax	-	-	2,749,439	-	2,749,439
Issue of share capital	-	-	25,734,684	(22,985,245)	2,749,439
<b>Balance as at December 31, 2015</b>	<b>1,498,372,010</b>	<b>220,781,778</b>	<b>60,381,579</b>	<b>754,487,456</b>	<b>2,534,022,823</b>

The annexed notes 1 to 35 form an integral part of these financial statements.



PRESIDENT



CHAIRMAN



DIRECTOR



DIRECTOR





# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED DECEMBER 31, 2015

### 1 STATUS AND NATURE OF BUSINESS

NRSP Microfinance Bank Limited (the Bank) was incorporated as a public limited company incorporated in Pakistan on October 22, 2008 under the Companies Ordinance, 1984. The Bank received a license by the State Bank of Pakistan (SBP) to operate as a microfinance bank on February 18, 2009, and received certificate of commencement of business from Securities and Exchange Commission of Pakistan (SECP) on February 8, 2011. Further SBP approved the application of the Bank for commencement of business on February 28, 2011.

The Bank was established to mobilize funds for providing microfinance services to low income people for mitigating poverty through community building and social mobilization with the ultimate objective of poverty alleviation.

The Bank's registered office is situated at 46, Aga Khan Road, F/6-4, Islamabad and principal place of business is situated at University road, Bahawalpur. There are 67 branches of the Bank as at December 31, 2015 (2014: 58 branches).

National Rural Support Programme (NRSP) is holding company of the Bank which holds 52.06% (2014: 52.06%) shares of the Bank.

### 2 BASIS OF PRESENTATION

These financial statements have been presented in accordance with requirements of format prescribed by the SBP Banking Supervision Department (BSD) Circular number 11 dated December 30, 2003.

### 3 STATEMENT OF COMPLIANCE

3.1 These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance 1984, the requirements of the Companies Ordinance 1984, Microfinance Institutions Ordinance 2001, the Prudential Regulations for Microfinance Banks ("the Regulations") and the directives issued by the Securities and Exchange Commission of Pakistan and State Bank of Pakistan. Wherever the requirements of the Companies Ordinance 1984, the Microfinance Institutions Ordinance 2001, the Prudential Regulations for Microfinance Banks and directives issued by the Securities and Exchange Commission of Pakistan and State Bank of Pakistan differ with the requirements of the IFRSs, the requirements of the Companies Ordinance 1984, the Microfinance Institutions Ordinance 2001, the Prudential Regulations for Microfinance Banks and the requirements of the said directives shall prevail.

SBP has clarified that International Accounting Standard 39, "Financial Instruments: Recognition and Measurement" and International Accounting Standard 40, "Investment Property" are not applicable to the Banking Companies through BSD Circular No. 10 dated August 26, 2002. Further, SECP has deferred the applicability of IFRS 7 – 'Financial instruments – disclosures' through its notification S.R.O. 411(I)/2008 dated April 28, 2008. Accordingly, the requirements of the said standards have not been considered in the preparation of these financial statements.



### 3.2 New accounting standards / amendments and IFRS interpretations that are effective for the year ended December 31, 2015

The following standards, amendments and interpretations are effective for the year ended December 31, 2015. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

IFRS 10 – Consolidated Financial Statements	Effective from accounting period beginning on or after January 01, 2015
IFRS 11 – Joint Arrangements	Effective from accounting period beginning on or after January 01, 2015
IFRS 12 – Disclosure of Interests in Other Entities	Effective from accounting period beginning on or after January 01, 2015
IFRS 13 – Fair Value Measurement	Effective from accounting period beginning on or after January 01, 2015
Amendments to IAS 19 Employee Benefits: Employee contributions	Effective from accounting period beginning on or after January 01, 2015
IAS 27 (Revised 2011) – Separate Financial Statements	Effective from accounting period beginning on or after January 01, 2015
IAS 28 (Revised 2011) – Investments in Associates and Joint Ventures	Effective from accounting period beginning on or after January 01, 2015

Certain annual improvements have also been made to a number of IFRSs

### 3.3 New accounting standards and IFRS interpretations that are not yet effective

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

Amendments to IFRS 11 - Accounting for acquisitions of interests in joint operations	Effective from accounting period beginning on or after January 01, 2016
Amendments to IAS 1 - Disclosure initiative	Effective from accounting period beginning on or after January 01, 2016
Amendments to IAS 16 and IAS 38 Clarification of acceptable methods of depreciation and amortization	Effective from accounting period beginning on or after January 01, 2016
Amendments to IAS 16 and IAS 41 Agriculture: Bearer plants	Effective from accounting period beginning on or after January 01, 2016
Amendments to IAS 27 - Equity method in separate financial statements	Effective from accounting period beginning on or after January 01, 2016
Amendments to IFRS 10 and IAS 28 Sale or contribution of assets between an investor and its associate or joint venture	Effective from accounting period beginning on or after January 01, 2016
Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the consolidation exception	Effective from accounting period beginning on or after January 01, 2016

Certain annual improvements have also been made to a number of IFRSs.



Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 9 – Financial Instruments
- IFRS 14 – Regulatory Deferral Accounts
- IFRS 15 – Revenue from Contracts with Customers
- IFRS 16 – Leases

#### **4 BASIS OF MEASUREMENT**

These financial statements have been prepared under the historical cost convention except for certain investments carried at fair value and recognition of certain staff retirement benefits at present value.

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires the use of certain accounting estimates and judgments in application of accounting policies. The area involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 5.20.

These financial statements are prepared in Pak Rupee which is Bank's functional and presentation currency.

#### **5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **5.1 Cash and cash equivalents**

Cash and cash equivalents for the purpose of cash flow statement represent cash in hand, balances held with State Bank of Pakistan and National Bank of Pakistan (NBP) and balances held with other banks in current and deposit accounts.

##### **5.2 Financial instruments**

Financial assets and liabilities are recognized when the Bank becomes a party to the contractual provisions of the instrument and de-recognized when the Bank loses control of the contractual rights that comprise the financial asset and in case of financial liability when the obligation specified in the contract is discharged, cancelled or expired

Derivatives are initially recorded at fair value on the date a derivative contract is entered into and are re-measured to fair value at subsequent reporting dates. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Bank designates certain derivatives as cash flow hedges.

The Bank documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Bank also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flow of hedged items.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in equity. The gain or loss relating to the ineffective portion is recognized immediately in the profit and loss account.

Amounts accumulated in equity are recognized in profit and loss account in the periods when the hedged item will affect profit or loss. However, when the forecast hedged transaction results in the recognition of a non-financial asset or a liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

Other particular recognition methods adopted by the Bank are disclosed in the individual policy statements associated with each item of financial instruments.

#### **Financial Assets**

Financial assets are cash and balances with SBP and NBP, balances with other banks, lending to financial institutions, investments, advances and other receivables. Advances are stated at their nominal value as reduced by appropriate provisions against non-performing advances, while other financial assets excluding investments are stated at cost. Investments are recognized as per note 5.3.

#### **Financial liabilities**

Financial liabilities are classified according to the substance of the contractual arrangement entered into. Financial liabilities include borrowings and other liabilities which are stated at their nominal value. Financial charges are accounted for on accrual basis.

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

### **5.3 Investments**

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





Investments are classified as follows:

#### **Available for sale investments**

Investments which may be sold in response to need for liquidity or changes in interest rates, exchange rates or equity prices are classified as available for sale. Available for sale investments are initially recognized at cost and subsequently measured at fair value.

After initial measurement, such investments the surplus/ (deficit) arising on revaluation of available for sale investments is kept in "Surplus/ (deficit) on revaluation of assets" and is shown in the balance sheet below equity. The surplus / (deficit) arising on these investments is taken to the profit and loss account, when actually realized upon disposal.

#### **Held for trading investments**

These represent securities acquired with the intention to trade by taking advantage of short-term market / interest rate movements. After initial measurement, these are marked to market and surplus / deficit arising on revaluation of 'held for trading' investments is taken to profit and loss account.

#### **Held to maturity investments**

Investments with fixed maturity, where management has both the intent and the ability to hold till maturity, are classified as held to maturity. Subsequent to initial recognition at cost, these investments are measured at amortized cost, less provision for impairment in value, if any, and revalued at balance sheet date as per local Prudential Regulations based on the value of comparable instruments being traded if an active market exists. Profit on held to maturity investments is recognized on a time proportion basis taking into account the effective yield on the investments.

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

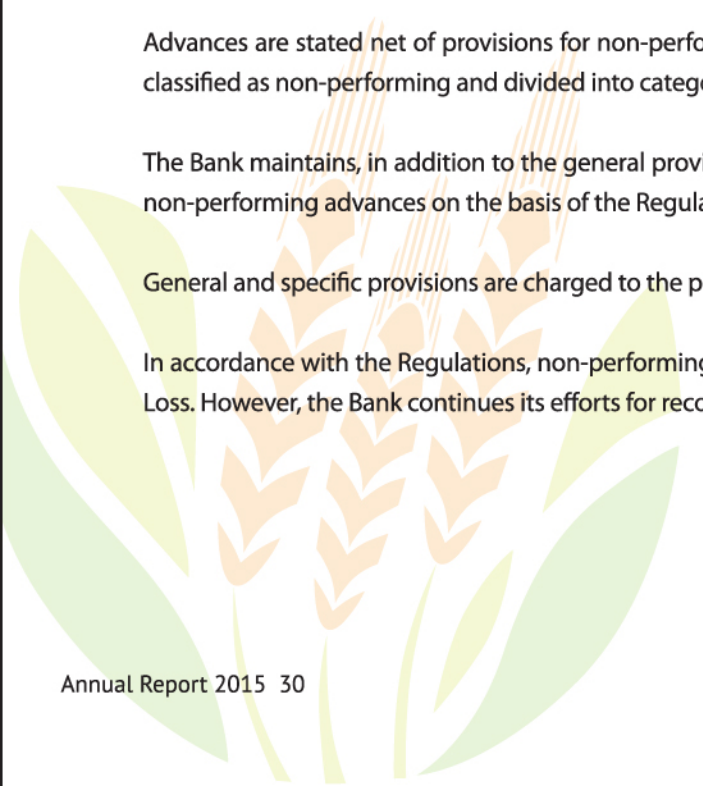
### **5.4 Advances**

Advances are stated net of provisions for non-performing advances. Advances that are overdue for 30 days or more are classified as non-performing and divided into categories as prescribed in the Regulations.

The Bank maintains, in addition to the general provision over total advances, specific provision for potential losses for all non-performing advances on the basis of the Regulations and other directives issued by the State Bank of Pakistan.

General and specific provisions are charged to the profit and loss account.

In accordance with the Regulations, non-performing advances are written-off one month after the loan is categorized as Loss. However, the Bank continues its efforts for recovery of the written-off balances.





## 5.5 Operating fixed assets

### Capital work-in-progress

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

### Property and equipment

Property and equipment's are recognized when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. Subsequent expenditure is capitalized only when it increases the future economic benefit embodied in the specific asset to which it relates. All other expenditures are recognized in profit and loss account as incurred. Carrying amount of the replaced part is derecognized. All other repair and maintenance are charged to profit and loss account.

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

Depreciation is charged on the straight line at rates specified in note 10.2 to the financial statements, so as to write off the cost of assets over their estimated useful lives. Depreciation is charged on acquisition and disposal based on number of months the assets are available for use. Full month's depreciation is charged in the month of acquisition while no depreciation is charged in the month of disposal.

Gain and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amounts of fixed asset and are recognized in the profit and loss account.

### Intangible assets

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

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

## 5.6 Impairment - Non - financial assets

The carrying amounts of the Bank's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.



An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

## 5.7 Taxation

### Current

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

### Deferred

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

Deferred tax assets and liabilities are calculated at the rate that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. Deferred tax, on revaluation of investments, if any, is recognized as an adjustment to surplus/ (deficit) arising on such revaluation.

## 5.8 Employee benefits

The main features of the schemes operated by the Bank for its employees are as follows:

### Defined benefit plan

#### - Staff gratuity

The Bank operates an approved funded gratuity scheme for all its regular employees. The cost of providing benefits under the plan is determined using the projected unit credit actuarial valuation method. Estimate is made on the basis of expected period of service of employees, expected increase in salary, discount rate and other demographic assumptions. Six or more months of service is counted as one full year. Qualifying service period is two years.

#### **- Accumulated compensated absences**

The Bank provides annually for the expected cost of accumulating compensated absences on the basis of actuarial valuations, Regular employees of the Bank are entitled to accumulate the unutilized privilege leaves up to 60 days.

The most recent valuation is carried out as at December 31, 2015 using the projected unit credit method. Actuarial gains and losses arising due to changes in defined benefit obligations and in the fair value of plan assets are recognized immediately in profit and loss in order for the net asset or liability recognized in the statement of financial position to reflect the full value of plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets is calculated by applying the discount rate to the net defined benefit liability or asset.

#### **Defined contribution plan**

The Bank operates an approved defined contribution provident fund for all permanent employees. Equal monthly contributions @ 10% of basic pay are made by the employees and the Bank to the fund.

### **5.9 Earnings per share**

The Bank presents earnings per share (EPS) for its ordinary shares which is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares (if any).

### **5.10 Statutory reserve**

In compliance with the Regulations, the Bank is required to maintain a statutory reserve to which an appropriation equivalent to 20% of the profit after tax is made till such time the reserve fund equals the paid up capital of the Bank. Thereafter, the contribution is reduced to 5% of the profit after tax.

### **5.11 Depositors' protection fund**

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

### **5.12 Grants**

Grants that compensate the Bank for expenses incurred are recognized in the profit and loss account as other operating income on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the Bank for the cost of an asset are recognized in the profit and loss account as other operating income on a systematic basis over the useful life of the asset.

The grant related to an asset is recognized in the balance sheet initially as deferred income when there is reasonable assurance that it will be received and that the Bank will comply with the conditions attached to it.





### 5.13 Revenue recognition

Mark-up/return (service charge) on advances is recognized on accrual/ time proportion basis, except for income, if any, which warrants suspension in compliance with the Regulations. Mark-up recoverable on non-performing advances is recognized on a receipt basis in accordance with the requirements of the Regulations. Application processing fee is recognized as income when service is performed.

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

Fee, commission and brokerage income are recognised as services are performed.

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

Income from interbank deposits in saving accounts are recognized in the profit and loss account as it accrues.

### 5.14 Borrowing costs

Mark up, interest and other charges on borrowings are charged to profit and loss account in the year in which they are incurred.

### 5.15 Leasing

Leases are classified as finance lease when the terms of lease transfer substantially all the risk and rewards of ownership to lessee. All other leases are classified as operating leases.

Operating lease rentals are recorded in profit and loss account on a time proportion basis over the term of the lease arrangements.

Assets held under finance lease are initially recognized at fair value at the inception of lease or, if lower, at present value of minimum lease payments. The corresponding liability to the lesser is included in the statement of financial position as finance lease obligation. Lease payments are apportioned between finance expenses and reduction of lease obligation so as to achieve a constant rate of interest on the remaining balance of liability. Finance are immediately recognized in profit and loss .

### 5.16 Impairment – Financial Assets

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

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

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

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost the reversal is recognized in profit or loss.



#### **5.17 Off-setting**

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

#### **5.18 Foreign currencies**

Transactions in foreign currencies are recorded at the approximate rates of exchange ruling on the date of the transaction. All monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupee at the rate of exchange ruling on the balance sheet date and exchange differences, if any, are charged to profit and loss account.

#### **5.19 Provisions**

Provisions are recognized when the Bank has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate of the amount can be made.

#### **5.20 Use of Critical accounting estimates and judgments**

The preparation of financial statements in conformity with approved accounting standards as applicable in Pakistan requires the use of certain accounting estimates. It also requires management to exercise its judgment in the process of applying the Bank's accounting policies. The Bank uses estimates and assumptions concerning the future. The resulting accounting estimate will, by definition, seldom equal the related actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The areas where assumptions and estimates are significant to the Bank's financial statements or where judgment was exercised in application of accounting policies are as follows:"

- 1) Useful lives of operating fixed assets;
- 2) Income taxes;
- 3) Staff retirement benefits;
- 4) Classification of Advances and Investments;
- 5) Provision of Advances; and
- 6) Valuation and impairment of investments.



	Note	2015 Rupees	2014 Rupees
<b>6 CASH AND BALANCES WITH SBP AND NBP</b>			
Cash in hand		132,309,375	79,625,389
Balances with State Bank of Pakistan (SBP) in:			
Local currency current accounts	6.1	337,948,896	228,887,903
Balances with National Bank of Pakistan (NBP) in:			
Current account		1,847,351	209,744
Deposit account		2,000	-
		<u>472,107,622</u>	<u>308,723,036</u>

**6.1** This represents balance maintained with SBP to meet the requirement of maintaining cash reserve equivalent to not less than 5% (2014: 5%) of the Bank's deposits, including demand deposits and time deposits, with tenor of less than one year, in accordance with regulation R-3A of the Prudential Regulations.

	Note	2015 Rupees	2014 Rupees
<b>7 BALANCES WITH OTHER BANKS/NBFIs/MFBs</b>			
In Pakistan			
Local currency current accounts		187,751,040	24,843,667
Local currency deposit accounts	7.1	<u>1,564,946,729</u>	<u>1,662,094,153</u>
		<u>1,752,697,769</u>	<u>1,686,937,820</u>

**7.1** This represents deposits with commercial banks payable on demand carrying mark-up at 4.9% to 10.19% (2014: 7.92% to 9.50%) per annum. This also includes Term Deposit Receipts amounting to Rs. 176 million (2014: Rs 838 million) with local commercial banks carrying mark-up ranging from 6.53% to 10.19% (2014: 9.09% to 10.17%).

## 8 INVESTMENT- NET OF PROVISIONS

	Note	2015 Rupees	2014 Rupees
<b>Federal Government securities - Held to Maturity</b>			
Pakistan Investment Bonds (PIBs)	8.1	413,418,791	409,710,961
Ijarah Sukuk	8.2	<u>5,000,000</u>	-
		418,418,791	409,710,961
Term finance certificates - Available for Sale	8.3	40,016,760	111,498,750
Mutual funds - Held for Trading		1,713,360,481	3,449,981,659
Less: Provision for diminution in value of investments		-	-
		<u>2,171,796,032</u>	<u>3,971,191,370</u>

**8.1** These PIBs are held to maturity and due to be matured on July 18, 2016 and July 17, 2017. Further, these carries coupon rate of 11.25% per annum.

8.2 Ijarah Sukuk is held to maturity and due to be matured on December 18, 2018. Further, this carries coupon rate of 5.89% per annum.

8.3 This represents term finance certificates issued by the Pakistan Mobile Communication Limited and these are Available for Sale and carries markup at the rate of 3 months KIBOR plus a spread of 2% per annum (2014: 3 months KIBOR plus a spread of 2% per annum) with a maturity period of 4 years from April 18, 2012 to April 18, 2016. The Bank holds 2,000 certificates with face value of Rs. 100,000 each.

## 9 ADVANCES-NET OF PROVISION

Loan type	Note	2015		2014	
		No. of loans outstanding	Amount outstanding Rupees	No. of loans outstanding	Amount outstanding Rupees
Micro Credit	9.1	257,240	9,008,179,150	194,489	5,192,071,349
Islamic Advances		1,204	77,328,879	-	-
			9,085,508,029		5,192,071,349
Less: Provision held:					
Specific		738	(4,362,907)	3,501	(16,333,831)
General	9.2		(81,953,806)		(50,560,471)
			(86,316,713)		(66,894,302)
Advances - net of provision			8,999,191,316		5,125,177,047

9.1 All advances are secured by personal guarantees except for gold loans amounting to Rs. 86.51 million (2014: Rs. 119 million). Further, a mandatory deposit account equivalent to 10% of amount of advances is required to be kept with the Bank. The interest rates on these advances range from 20% to 30% (2014: 28% to 30%) per annum.

9.2 General provision is maintained in accordance with the Prudential Regulations for Microfinance Banks.

9.3 Advances include Rs. 14,520,128 (2014: Rs. 51,108,954) which as detailed below have been placed under non performing status:

Category of Classification	Amount Outstanding	Amount Outstanding Against Collateral Assets	Provision Required	Provision Held
	-----Rupees-----			
OAEM	5,231,473	77,751	-	-
Sub-Standard	1,394,487	40,000	338,621	338,621
Doubtful	6,712,616	618,092	3,047,261	3,047,261
Loss	1,181,552	204,527	977,025	977,025
	14,520,128	940,370	4,362,907	4,362,907



#### 9.4 Particulars of provision against non performing advances:

	2015			2014		
	Specific	General	Total	Specific	General	Total
Opening Balance	16,333,831	50,560,471	66,894,302	7,479,621	47,164,416	54,644,037
Charge for the year	98,447,899	31,393,335	129,841,234	50,276,345	3,396,055	53,672,400
Amounts written off	(110,418,823)	-	(110,418,823)	(41,422,135)	-	(41,422,135)
Reversals	-	-	-	-	-	-
Closing balance	4,362,907	81,953,806	86,316,713	16,333,831	50,560,471	66,894,302

#### 9.5 Particulars of Write Offs

	2015 Rupees	2014 Rupees
Against provision	110,418,823	41,422,135
Directly charged to profit & loss account	12,647,952	8,558,847
	<u>123,066,775</u>	<u>49,980,982</u>

#### 9.6 Movement of advance

	2015		2014	
	No. of loans	Amount Rupees	No. of loans	Amount Rupees
Opening balance	194,490	5,192,071,349	171,718	4,845,000,279
Disbursement during the year	400,847	14,110,547,277	289,706	8,450,966,191
	595,337	19,302,618,626	461,424	13,295,966,470
Recovery during the year	325,615	10,094,043,823	263,189	8,053,914,139
Loans written off	11,278	123,066,775	3,745	49,980,982
Closing	<u>258,444</u>	<u>9,085,508,028</u>	<u>194,490</u>	<u>5,192,071,349</u>

#### 10 OPERATING FIXED ASSETS

	Note	2015 Rupees	2014 Rupees
Capital work-in-progress	10.1	45,226,148	15,475,513
Property and equipment	10.2	173,505,808	182,260,390
Intangible assets	10.3	2,694,750	25,074,430
		<u>221,426,706</u>	<u>222,810,333</u>

#### 10.1 Capital work-in-progress

	2015 Rupees	2014 Rupees
Civil works	45,226,148	15,475,513
	<u>45,226,148</u>	<u>15,475,513</u>



## 10.2 Property and equipment

Particulars	COST			DEPRECIATION			Net Book Value as at December 31, 2015	Rate of depreciation (%)
	As at January 01, 2015	Additions / (deletion) / revaluations	As at December 31, 2015	As at January 01, 2015	Charge / (deletion) / impairment	As at December 31, 2015		
	Rupees							
Furniture and fixtures	90,737,717	10,880,675 (269,611)	101,348,781	19,131,582	9,596,982 (101,475)	28,627,089	72,721,692	10
Office equipment	69,789,800	6,620,370 (437,282)	75,972,888	30,129,118	14,585,800 (511,542)	44,203,376	31,769,512	20
Computer equipment	92,065,012	8,385,024 (1,560,175)	98,889,861	67,793,290	21,532,298 (1,285,853)	88,039,735	10,850,126	33.33
Vehicles	65,826,770	841,545 (4,095,755)	62,572,560	35,390,128	13,373,341 (3,238,558)	45,524,911	17,047,649	20
	<b>318,419,299</b>	<b>26,727,614</b> <b>(6,362,823)</b>	<b>338,784,090</b>	<b>152,444,118</b>	<b>59,088,421</b> <b>(5,137,428)</b>	<b>206,395,111</b>	<b>132,388,979</b>	
<b>Asset held under finance lease</b>								
Vehicles	17,734,799	30,687,644	48,422,443	1,449,590	5,856,024	7,305,614	41,116,829	20
<b>Total Property and Equipment</b>	<b>336,154,098</b>	<b>57,415,258</b> <b>(6,362,823)</b>	<b>387,206,533</b>	<b>153,893,708</b>	<b>64,944,445</b> <b>(5,137,428)</b>	<b>213,700,725</b>	<b>173,505,808</b>	

Particulars	COST			DEPRECIATION			Net Book Value as at December 31, 2014	Rate of depreciation (%)
	As at January 01, 2014	Additions / (deletion) / revaluations	As at December 31, 2014	As at January 01, 2014	Charge / (deletion) / impairment	As at December 31, 2014		
	Rupees							
Furniture and fixtures	73,073,429	17,668,479 (4,191)	90,737,717	10,736,775	8,396,169 (1,362)	19,131,582	71,606,135	10
Office equipment	59,723,547	10,148,237 (81,984)	69,789,800	17,372,554	12,809,073 (52,509)	30,129,118	39,660,682	20
Computer equipment	83,087,077	8,977,935	92,065,012	41,136,242	26,657,048	67,793,290	24,271,722	33.33
Vehicles	58,845,086	9,985,595 (3,003,911)	65,826,770	24,729,257	11,845,064 (1,184,193)	35,390,128	30,436,642	20
	<b>274,729,139</b>	<b>46,780,246</b> <b>(3,090,086)</b>	<b>318,419,299</b>	<b>93,974,828</b>	<b>59,707,354</b> <b>(1,238,064)</b>	<b>152,444,118</b>	<b>165,975,181</b>	
<b>Asset held under finance lease</b>								
Vehicles	-	17,734,799	17,734,799	-	1,449,590	1,449,590	16,285,209	
<b>Total Property and Equipment</b>	<b>274,729,139</b>	<b>64,515,045</b> <b>(3,090,086)</b>	<b>336,154,098</b>	<b>93,974,828</b>	<b>61,156,944</b> <b>(1,238,064)</b>	<b>153,893,708</b>	<b>182,260,390</b>	<b>20</b>

### 10.2.1 Details of disposal of operating fixed assets

The information relating to disposal of operating fixed assets required to be disclosed as part of the financial statements by the BSD Circular No. 11 of 2003 is given in Annexure-I and is an integral part of these financial statements.



### 10.3 Intangible assets

Particulars	COST			Amortization			Net Book Value as at December 31, 2015	Rate of depreciation (%)
	As at January 01, 2015	Additions	As at December 31, 2015	As at January 01, 2015	Amortization	As at December 31, 2015		
Rupees								
Computer Software	114,149,745	1,735,000	115,884,745	89,075,315	24,114,680	113,189,995	2,694,750	33.33
	114,149,745	1,735,000	115,884,745	89,075,315	24,114,680	113,189,995	2,694,750	

Particulars	COST			Amortization			Net Book Value as at December 31, 2014	Rate of depreciation (%)
	As at January 01, 2014	Additions	As at December 31, 2014	As at January 01, 2014	Amortization	As at December 31, 2014		
Rupees								
Computer Software	111,742,078	2,407,667	114,149,745	53,118,811	35,956,504	89,075,315	25,074,430	33.33
	111,742,078	2,407,667	114,149,745	53,118,811	35,956,504	89,075,315	25,074,430	

11 OTHER ASSETS	Note	2015 Rupees	2014 Rupees
Mark-up accrued on advances		495,972,026	324,840,912
Mark-up accrued on bank deposits		9,282,412	15,283,383
Accrued income on investment		705,205	2,755,275
Advances to employees			
- Personal	11.1	32,382,985	35,173,240
- Operational		1,448,234	1,783,154
Advances to suppliers		50,671,328	32,579,057
Prepayments		64,192,300	36,343,701
Advance tax		-	16,342,961
Receivable from National Rural Support Programme (NRSP)		725,919	259,878
Insurance receivable		6,360,397	5,164,570
Other receivables		20,155,103	2,523,043
		<u>681,895,909</u>	<u>473,049,174</u>

11.1 This represents interest bearing loans made to employees of the Bank carrying interest at the rate of 10.91% (2014: 10%) per annum. Further this also includes Rs. 33.77 million (2014: 27.815 million) as present value of minimum lease payments receivables for vehicles leased by the Bank to its employees as per the Bank's policy. The interest rate inherent in the leases is fixed at the contract date for the entire lease term. The average effective interest rate contracted is 5.00% per annum.

12 DEFERRED TAX ASSET - NET	2015 Rupees	2014 Rupees
Deferred debits arising in respect of		
Amortization allowance	653,612	610,086
Accelerated depreciation allowance	3,928,164	-
Actuarial effect on defined benefit plan	1,791,936	-
Provision against advances	-	-
Grants	3,349,458	16,245,406
	9,723,170	16,855,492
Deferred credits arising in respect of		
Accelerated depreciation allowance	-	2,520,799
Leased assets	2,350,500	834,274
Un-realized capital gain	5,363	3,773,566
	2,355,863	7,128,639
	<u>7,367,307</u>	<u>9,726,853</u>

13 DEPOSITS AND OTHER ACCOUNTS	2015		2014		
	Note	No. of accounts	Amount Rupees	No. of accounts	Amount Rupees
Fixed Deposits	13.1	716	2,739,833,234	407	1,862,712,613
Saving Deposits	13.2	473,367	4,059,473,867	296,221	2,945,215,087
Current Deposits		41,238	456,008,724	30,500	351,882,014
		<u>515,321</u>	<u>7,255,315,825</u>	<u>327,128</u>	<u>5,159,809,714</u>

13.1 This represents term deposit receipts carrying interest rates ranging from 6% to 15.39% (2014: 5% to 15.39%) per annum

13.2 This represents saving accounts carrying interest rates ranging from 5.5% to 9% (2014: 6% to 8%) per annum.

13.3 Particulars of Deposits by Ownership	2015		2014	
	No. of accounts	Amount Rupees	No. of accounts	Amount Rupees
1) Individual depositors	515,183	4,839,202,335	327,035	3,551,771,212
2) Institutional depositors				
a) Corporation / firms etc.	138	2,416,113,490	93	1,608,038,502
b) Banks & financial institutions	-	-	-	-
	<u>515,321</u>	<u>7,255,315,825</u>	<u>327,128</u>	<u>5,159,809,714</u>

14 BORROWINGS		2015 Rupees	2014 Rupees
Borrowings from Banks/Financial Institutions in Pakistan	14.1	3,212,500,000	3,259,791,370
Borrowings from Banks/Financial Institutions outside Pakistan	14.2	794,425,000	794,425,000
Borrowings from Govt. of Pakistan		-	-
Borrowings from Others	14.3	150,000,000	150,000,000
		<u>4,156,925,000</u>	<u>4,204,216,370</u>





		2015	2014
		Rupees	Rupees
<b>14.1 Borrowings from Banks/Financial Institutions (Secured)</b>			
JS Bank Limited ( Term Finance )	14.1.1	150,000,000	250,000,000
JS Bank Limited (against PPAF PRISM I)	14.1.2	650,000,000	800,000,000
JS Bank Limited (against PPAF PRISM II)	14.1.3	712,500,000	800,000,000
JS Bank (Running Finance)	14.1.4	-	349,791,370
Pak Oman Investment Company Limited ( TF I )	14.1.5	40,000,000	60,000,000
Pak Oman Investment Company Limited ( TF II )	14.1.6	560,000,000	720,000,000
Askari Commercial Bank	14.1.7	200,000,000	280,000,000
Syndicated Term Finance (Silk Bank- Pak Kuwait- Pak China Investment)	14.1.8	900,000,000	-
		3,212,500,000	3,259,791,370

**14.1.1** The purpose of this loan is to finance on-going business operations of the bank as permitted by its memorandum and articles of association. The loan of Rs. 500 million has been obtained from JS Bank Limited and secured against guarantee issued by the state bank of Pakistan in favour of the JS Bank Limited, securing 40% of the outstanding principal payable to JS Bank Limited as partial security for the obligations of the bank and a first hypothecation charge ranking parri passu with all prior charges on the present and future current assets of the bank with 25% and is repayable in ten equal semi annual installments of Rs. 50 million each commencing from June 06, 2012. This loan carries markup rate of 6 months KIBOR plus 2 percent per annum. The term of the loan is 5 years.

**14.1.2** The purpose of this loan is to finance on-going business operations of the bank as permitted by its memorandum and articles of association. The loan of Rs. 800 million under term finance facility against PPAF PRISM I has been obtained from JS Bank Limited and secured against a demand promissory note, placement of deposit of Rs 500 million by Pakistan Poverty Alleviation Fund with the JS Bank Limited under the lien and a hypothecation charge on all the present and future current assets of the bank. The Principal amount of this loan is repayable in eleven equal installment of Rs. 25 million and remaining Rs. 525 million in last installment. This loan carries markup rate at one months KIBOR plus 1.5 percent per annum. The term of the loan is 1 year commenced from June 23, 2015.

**14.1.3** The purpose of this loan is to finance on-going business operations of the bank as permitted by its memorandum and articles of association. The loan of Rs. 800 million under term finance facility against PPAF PRISM II has been obtained from JS Bank Limited and secured against a demand promissory note, placement of deposit of Rs 500 million by Pakistan Poverty Alleviation Fund with the JS Bank Limited under the lien and a hypothecation charge on all the present and future current assets of the bank. The Principal amount of this loan is repayable in eleven equal installment of Rs. 25 million and remaining Rs. 525 million in last installment. This loan carries markup rate at one months KIBOR plus 1.5 percent per annum. The term of the loan is 1 year commenced from September 30, 2015.

**14.1.4** The purpose of this loan is to finance on-going business operations of the bank as permitted by its memorandum and articles of association. The loan of Rs. 350 million under running finance facility has been obtained from JS Bank Limited and secured against a demand promissory note and a first pari passu hypothecation charge on the present and future current assets of the bank with 25% margin. The principal amount is repayable at the end of the term. This carries markup at the rate of one month KIBOR plus 1.5 percent per annum. The loan has been repaid as at December 31, 2015.

**14.1.5** The purpose of this loan is finance on-going operations of the bank as permitted by its memorandum and articles of association. The loan of Rs. 100,000,000 has been obtained from Pak Oman Investment Company Limited and secured by a partial guarantee of 40% on outstanding principal amount provided by State Bank of Pakistan and a pari passu charge



on present and future current assets of the bank with 25% margin. Principal amount is repayable in ten equal semi annual installments of Rs. 10 million and carries markup rate of six month KIBOR plus 2 percent per annum. The term of the loan is 5 years commenced from October 15, 2012 .

**14.1.6** The purpose of this loan is to finance on-going business operations of the bank and related services operations. The loan of Rs. 800,000,000 has been obtained from Pak Oman Investment Company Limited and secured by a partial guarantee of 40% on outstanding principal amount provided by State Bank of Pakistan and a pari passu charge on present and future current assets of the bank with 25% margin. Principal amount is repayable in ten equal semiannual installments of Rs. 80 million and carries markup rate of six month KIBOR plus 1.85 percent. The term of this loan is 5 years commenced on April 16, 2014.

**14.1.7** The purpose of this loan is to finance on-going operations of the bank as permitted by its memorandum and articles of association. The loan of Rs. 400 million has been obtained from Askari Bank Limited and secured against first pari passu charge on the present and future current assets of the bank with 25% margin and a partial guarantee of 40% is given by the State Bank of Pakistan on the principle outstanding. Principal amount is repayable in ten equal semiannual of Rs. 40 million and carries markup at the rate of six month KIBOR plus 2 percent per annum. The term of this loan is 5 years commenced from July 02, 2013.

**14.1.8** The purpose of this syndicated term finance loan is to finance on-going operations of the bank as permitted by its memorandum and articles of association. The loan of Rs. 900 million has been obtained from Silk Bank, Pakistan Kuwait Investment Company (Pvt.) Limited & Pak China Investment Company Limited for amounting of Rs. 500 million, 250 million and 150 million respectively and secured against first pari passu charge on the present and future current assets of the bank with 25% margin and a partial guarantee of 40% is given by the State Bank of Pakistan on the principle outstanding. Principal amount is repayable in six equal semiannual of Rs. 150 million and carries markup at the rate of six month KIBOR plus 1.85 percent per annum. The term of this loan is 3 years commenced from July 23, 2015.

	Note	2015 Rupees	2014 Rupees
<b>14.2 Borrowings from Banks/Financial Institutions</b>			
ECO Trade And Development Bank :			
First Tranche	14.2.1	542,250,000	542,250,000
Second Tranche	14.2.2	252,175,000	252,175,000
		<u>794,425,000</u>	<u>794,425,000</u>

**14.2.1** This represents borrowings from ECO Trade and Development Bank of USD 5 million. This loan has grace period of two years and principal amount to be repaid in two equal semiannual installments of USD 2.5 million each commencing from June 07, 2016. The term of this loan is 3 years. The loan carries markup at the rate six month USD BBA LIBOR plus a spread of 2.5% per 360 days.

The bank has entered into a currency SWAP agreement with JS Bank Limited for the loan. Under this currency SWAP agreement USD 5 million were translated at the exchange rate of Rs. 108.45 (Rs. 542,250,000) and the loan will be repaid into equal installments of USD 2.5 million, each to be made semi annually commencing from June 06, 2016. Further under this arrangement the interest is payable at the rate of six month KIBOR plus a spread of 2.39% per annum.



**14.2.2** This represents borrowings from ECO Trade and Development Bank of USD 2.5 million. This loan has grace period of two years and principal amount to be repaid in two equal semiannual installments of USD 1.25 million each commencing from June 29, 2016. The term of this loan is 3 years. The loan carries markup at the rate six month USD BBA LIBOR plus a spread of 2.5% per 360 days.

The bank has entered into a currency SWAP agreement with JS Bank Limited for the loan. Under this currency SWAP agreement USD 2.5 million were translated at the exchange rate of Rs. 100.87 (Rs. 252,175,000) and the loan will be repaid into equal installments of USD 1.25 million, each to be made semi annually commencing from June 29, 2016. Further under this arrangement the interest is payable at the rate of six month KIBOR plus a spread of 2.09% per annum.

	Note	2015 Rupees	2014 Rupees
<b>14.3 Others</b>			
Pakistan Poverty Alleviation Fund (Reflows III)	14.3.1	150,000,000	150,000,000
		150,000,000	150,000,000

**14.3.1** This loan amounting of Rs. 150 million is obtained from Pakistan Poverty Alleviation Fund (PPAF) solely for the purpose of on-lending of micro credit to the borrowers. The loan is secured against first charge on all assets / capital items creating out of the proceeds of the loan. The loan carries markup at the rate of 6 month KIBOR plus 1.5 percent with a floor of 9 percent. The term of this loan is 2 years with a grace period of one years and the principal amount is paid at the end of the term.

	Note	2015 Rupees	2014 Rupees
<b>15 OTHER LIABILITIES</b>			
Mark up payable to financial institutions		44,073,105	75,487,347
Mark up payable on Deposits and Other accounts		94,261,721	67,405,979
Payable to defined benefit plan			
Staff gratuity	15.1	40,415,755	43,657,091
Accumulated compensated absences	15.2	40,679,512	31,150,291
Withholding tax payable		9,549,423	4,041,010
Income tax payable		246,600	-
Liability against finance lease of assets		11,456,819	21,376,011
Liability under finance lease	15.3	33,771,518	13,757,105
Accrued expenses		22,727,170	39,559,131
Payable to NRSP		7,524,560	2,133,015
Payable to Suppliers		8,008,722	8,696,286
Others		37,025,656	222,683
		349,740,561	307,485,949

	Note	2015 Rupees	2014 Rupees
<b>15.1 Staff gratuity</b>			
i) Amounts recognized in the balance sheet			
Present value of defined benefit obligations		106,883,110	75,834,651
Fair value of plan assets		(66,467,355)	(32,177,560)
Net liability		<u>40,415,755</u>	<u>43,657,091</u>
ii) Amounts recognized in the profit and loss account			
Current service cost		29,131,983	22,173,152
Interest cost		7,935,106	5,344,484
Expected return on plan assets		(5,307,476)	(2,918,961)
		<u>31,759,613</u>	<u>24,598,675</u>
iii) Remeasurements Chargeable in Other Comprehensive Income			
Experience adjustments		4,582,119	8,795,668
Return on plan assets, excluding interest income		1,017,681	694,945
		<u>5,599,800</u>	<u>9,490,613</u>
iv) Changes in present value of defined benefit obligation			
Opening defined benefit obligation		75,834,651	43,953,400
Current service cost		29,131,983	22,173,152
Interest cost for the year		7,935,106	5,344,484
Benefits paid during the period/ year		(10,600,749)	(4,432,053)
Actuarial loss		4,582,119	8,795,668
Closing defined benefit obligation		<u>106,883,110</u>	<u>75,834,651</u>
v) Changes in fair value of plan assets			
Opening fair value of plan asset		32,177,560	14,953,544
Total contribution paid during the year		40,600,749	19,432,053
Expected return on plan assets for the year		5,307,476	2,918,961
Benefits paid during the year		(10,600,749)	(4,432,053)
Actuarial gain		(1,017,681)	(694,945)
Closing fair value of plan assets		<u>66,467,355</u>	<u>32,177,560</u>
vi) Changes in net liability as follows:			
Opening defined benefit obligation		43,657,091	28,999,856
Amounts recognized in the profit and loss account		31,759,613	24,598,675
Remeasurements chargeable in other comprehensive Income		5,599,800	9,490,613
Benefits paid during the year		(40,600,749)	(19,432,053)
		<u>40,415,755</u>	<u>43,657,091</u>





	2015	2014
vii) Significant actuarial assumptions were as follows:		
Discount rate - per annum	10.00%	11.25%
Expected return on plan assets - per annum	10.00%	11.25%
Expected rate of increase in salaries - per annum	9.00%	10.25%
Mortality rate	SLIC 2001- 2005	SLIC 2001- 2005
Average expected remaining working life of employees	10 years	9 years
	<b>2015</b>	<b>2014</b>
	<b>Rupees</b>	<b>Rupees</b>
viii) Amounts for current and previous year		
Present value of defined benefit obligations	106,883,110	75,834,651
Fair value of plan assets	(66,467,355)	(32,177,560)
Deficit/(surplus)	<u>40,415,755</u>	<u>43,657,091</u>
	<b>2015</b>	<b>2014</b>
	<b>Rupees</b>	<b>Rupees</b>
	<b>Note</b>	

## 15.2 Accumulated compensated absences

i) Present value of accumulated compensated absence	40,679,512	31,150,291
Fair value of plan assets	-	-
Net liability	<u>40,679,512</u>	<u>31,150,291</u>
ii) Amounts recognized in the profit and loss account		
Current service cost	8,431,608	7,426,351
Interest cost	3,265,061	2,789,505
Remeasurements Adjustments	2,087,611	541,450
	<u>13,784,280</u>	<u>10,757,306</u>
iii) Changes in present value of defined benefit obligation		
Opening defined benefit obligation	31,150,291	22,522,470
Current service cost for the year	8,431,608	7,426,351
Interest cost for the year	3,265,061	2,789,505
Benefits paid during the period/ year	(4,255,059)	(2,129,485)
Actuarial (gain) / loss	2,087,611	541,450
Closing defined benefit obligation	<u>40,679,512</u>	<u>31,150,291</u>
iv) Significant actuarial assumptions were as follows:		
Discount rate - per annum	10.00%	11.25%
Expected return on plan assets - per annum	10.00%	11.25%
Expected rate of increase in salaries - per annum	9.00%	10.25%
Mortality rate	SLIC 2001- 2005	SLIC 2001- 2005
Average expected remaining working life of employees	10 years	10 years
Average number of leaves accumulated - per annum	10 days	10 days
v) Amounts for current and previous year		
Present value of defined benefit obligations	40,679,512	31,150,291
Fair value of plan assets	-	-
Deficit/ (surplus)	<u>40,679,512</u>	<u>31,150,291</u>



15.2.1 Re-measurement component - Net Actuarial Loss	(5,599,800)	(10,032,063)
Effect of taxation	1,791,936	-
	<u>(3,807,864)</u>	<u>(10,032,063)</u>

15.2.2 Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected rate of salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant:

**Gratuity**

- If the discount rate is 100 basis points higher / (lower), the defined benefit obligation would decrease by Rs.10,160,333 / (increase by Rs. 12,356,639).
- If the expected rate of salary increases / (decreases) by 100 basis points, the defined benefit obligation would increase by Rs. 12,673,720 / (decrease by Rs. 10,614,769).

**Compensated Absences**

- If the discount rate is 100 basis points higher / (lower), the defined benefit obligation would decrease by Rs.3,802,165 / (increase by Rs. 4,622,064).
- If the expected rate of salary increases / (decreases) by 100 basis points, the defined benefit obligation would increase by Rs. 4,500,610/ (decrease by Rs. 3,756,046).

Furthermore in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognized in the balance sheet.

15.3 LIABILITY UNDER FINANCE LEASE	2015 Rupees	2014 Rupees
<b>15.3.1 Finance lease liabilities</b>		
<b>Minimum lease payments:</b>		
Not later than one year	10,896,240	4,203,887
Later than one year but not later than five years	31,535,159	14,688,273
	<u>42,431,399</u>	<u>18,892,160</u>
Less: Finance cost allocated to future period	8,659,881	5,135,055
	<u>33,771,518</u>	<u>13,757,105</u>
Present value of minimum lease payments		
Not later than one year	7,404,489	2,336,756
Later than one year but not later than five years	26,367,029	11,420,349
	<u>33,771,518</u>	<u>13,757,105</u>

**15.3.2 Leasing arrangements**

The bank leased certain of its vehicles under finance leases. The average lease term is 3- 5 years. The bank has option to purchase the vehicles for a nominal amount at the end of the lease term. The bank's obligations under finance leases are secured by the lessor's title to the leased assets.

Interest rates underlying all obligations under finance leases are fixed at KIBOR plus 4.5% (2014: KIBOR Plus 4.5%) per annum.



## 16 SHARE CAPITAL

### 16.1 Authorized Capital

2015	2014		2015	2014
(Number of shares)			(Rupees)	
300,000,000	300,000,000	Ordinary shares of Rs. 10 each	3,000,000,000	3,000,000,000

### 16.2 Issued, subscribed and paid-up capital

2015	2014		2015	2014
(Number of shares)			(Rupees)	
149,837,201	149,837,201	Ordinary shares of Rs. 10 each fully paid in cash	1,498,372,010	1,498,372,010

#### 16.2.1 The shareholders of the Bank are as follows:

2015	2014		2015	2014
(Number of shares)			(Rupees)	
77,999,400	77,999,400	NRSP Pakistan	779,994,000	779,994,000
23,837,201	23,837,201	KFW Germany	238,372,010	238,372,010
16,000,000	24,000,000	Acumen Fund USA	160,000,000	240,000,000
24,000,000	24,000,000	IFC	240,000,000	240,000,000
8,000,000	-	Acumen Capital Markets I LP	80,000,000	-
150	150	Mr. Shoaib Sultan	1,500	1,500
150	150	Mr. Fazalullah Qureshi	1,500	1,500
150	150	Dr. Rashid Bajwa	1,500	1,500
75	75	Mr. Aziz Raj Kot Wala	750	750
75	75	Mr. Rashid Khan	750	750
149,837,201	149,837,201		1,498,372,010	1,498,372,010

## 17 SURPLUS ON REVALUATION OF ASSETS

- i) Federal & Provisional Government securities
- ii) Quoted shares
- iii) Other securities-TFC
- Related Deferred tax

Note	2015 Rupees	2014 Rupees
	-	-
	-	-
	16,760	1,498,750
	(5,363)	-
	11,397	1,498,750

## 18 DEFERRED GRANTS

	Note	2015 Rupees	2014 Rupees
Opening balance		49,228,502	59,509,000
Grant received from:			
State Bank of Pakistan	18.1	2,044,439	4,100,000
Pakistan Poverty Alleviation Fund	18.2	39,926,625	23,682,225
Amortization of grant during the year		(80,732,511)	(38,062,723)
		10,467,055	49,228,502

**18.1** This represents grant received from State Bank of Pakistan (SBP) under the Financial Innovation Challenge Fund (FICF) (2014: Institutional Strengthening Fund) for activities related to establishment of Islamic Banking .

**18.2** This represents grant received from Pakistan Poverty Allevation Fund (PPAF) for facilitating farmers in selling their agriculture products to main market.

**19 MEMORANDUM / OFF BALANCE SHEET ITEMS**

There are no known commitments and contingent liabilities at year end (2014: Nil).

	Note	2015 Rupees	2014 Rupees
<b>20 MARK-UP / RETURN / INTEREST EARNED</b>			
Mark-up / interest income on advances		1,940,871,134	1,603,278,052
Mark-up / interest income on investment in Government securities		45,508,389	41,525,736
Mark-up / interest income on bank deposits		60,236,624	69,599,961
Others		7,317,945	16,832,667
		<u>2,053,934,092</u>	<u>1,731,236,416</u>
<b>21 MARK-UP / RETURN / INTEREST EXPENSED</b>			
Markup on Deposits		370,683,704	303,004,117
Loan Processing Charges		17,979,251	9,126,100
Interest on borrowings		352,385,907	480,957,216
		<u>741,048,862</u>	<u>793,087,433</u>
<b>22 FEE, COMMISSION AND BROKERAGE INCOME</b>			
Loan Processing Fee		359,592,196	180,693,995
Other Transaction processing fee		31,950,030	7,323,060
		<u>391,542,226</u>	<u>188,017,055</u>
<b>23 OTHER INCOME</b>			
Amortization of Deferred Grant	18	80,732,511	38,062,723
Other Services Incomes		33,274,479	7,888,289
Gain on disposal of operating fixed assets		2,359,759	611,073
Investment Income		93,473,284	93,102,842
Other		-	344,605
		<u>209,840,033</u>	<u>140,009,532</u>



	Note	2015 Rupees	2014 Rupees
<b>24. ADMINISTRATIVE EXPENSES</b>			
Staff salaries and benefits		617,137,076	472,417,848
Non-executive directors expense		3,915,044	1,844,044
Training		9,682,085	3,536,116
Legal and professional charges		15,921,706	18,676,760
Communication		39,588,822	36,859,608
Repair and maintenance		6,435,003	3,810,660
Stationary and printing		26,849,531	17,836,083
Advertisement and publicity		2,814,244	2,855,558
Depreciation	10.2	64,944,445	61,156,944
Amortization	10.3	24,114,680	35,956,504
Staff travel		19,473,302	16,101,598
Fuel charges		48,500,844	66,248,887
Vehicle running and maintenance		17,301,124	18,800,649
Office supplies		4,482,768	4,591,799
Meetings and conferences		7,869,052	5,049,645
Utilities		24,221,679	21,874,844
Rent expenses		50,458,448	38,914,600
Corporate Social Responsibility		688,594	2,186,899
Insurance expenses		68,934,210	31,819,143
Security and administration		29,159,991	29,721,236
Auditor's remuneration	24.1	1,989,880	2,044,825
Core Banking Application Fee		21,611,137	18,353,232
Miscellaneous expenses		13,272,938	6,499,923
Finance charges on leased assets		2,173,435	1,055,247
		<u>1,121,540,038</u>	<u>918,212,652</u>

	Note	2015 Rupees	2014 Rupees
<b>24.1 Auditors' Remuneration</b>			
Audit fee		625,000	540,000
Fee for review of financial statements		500,000	480,000
Fee for special certification and advisory services		550,000	550,000
Out-of-pocket expenses		314,880	474,825
		<u>1,989,880</u>	<u>2,044,825</u>



	2015 Rupees	2014 Rupees
<b>25 TAXATION</b>		
<b>25.1 For the year</b>		
Current	187,875,246	83,216,262
Deferred	4,146,119	14,724,412
	192,021,365	97,940,674
<b>For prior year</b>		
Current	(1,488,000)	(9,888,165)
Deferred	-	-
	(1,488,000)	(9,888,165)
	<u>190,533,365</u>	<u>88,052,509</u>
<b>25.2 Relationship between tax expense and accounting profit:</b>		
	<b>%age</b>	<b>%age</b>
Applicable tax rate	32.00	33.00
Tax effect of:		
Tax relating to prior years	(0.23)	(3.46)
Income charged at different rate of taxes	(2.44)	(6.69)
Effect of reduction in tax rates	0.05	-
Others	(0.10)	7.97
Average effective tax rate	<u>29.28</u>	<u>30.82</u>
<b>26 EARNINGS PER SHARE</b>		
Profit for the year (Rupees)	459,704,900	197,679,162
Weighted average ordinary shares (Numbers)	149,837,201	149,837,201
Basic and diluted earning per share (Rupees)	<u>3.07</u>	<u>1.32</u>
<b>27 CASH AND CASH EQUIVALENTS</b>		
Cash and balances with SBP and NBP	472,107,622	308,723,036
Balances with other Banks / NBFIs / MFBs	1,752,697,769	1,686,937,820
	<u>2,224,805,391</u>	<u>1,995,660,856</u>



## 28 NUMBER OF EMPLOYEES

For the year ended December 31, 2015

	Credit / sales staff	Banking / support staff	Total
	-----Number-----		
Permanent	672	597	1,269
Contractual	134	169	303
<b>Total</b>	<u>806</u>	<u>766</u>	<u>1,572</u>

For the year ended December 31, 2014

	Credit / sales staff	Banking / support staff	Total
	-----Number-----		
Permanent	611	567	1,178
Contractual	127	124	251
<b>Total</b>	<u>738</u>	<u>691</u>	<u>1,429</u>

## 29 NUMBER OF BRANCHES

As at beginning of the year  
Opened during the year  
As at end of the year

	2015	2014
	-----Number-----	
As at beginning of the year	58	54
Opened during the year	9	4
<b>As at end of the year</b>	<u>67</u>	<u>58</u>

## 30 REMUNERATION OF DIRECTORS AND EXECUTIVES

For the year ended December 31, 2015

	President	Directors	Executives
	----- (Rupees) -----		
Managerial remuneration	5,018,184	-	46,971,360
Other benefits	-	-	1,320,643
Provident fund contribution	501,816	-	3,776,087
Charge for defined benefit plan	696,000	-	6,350,897
Rent and house maintenance	2,258,184	-	21,137,140
Medical	51,516	-	906,011
Utilities	501,816	-	4,697,135
Conveyance	501,816	-	4,697,176
Leave encashment	690,000	-	6,126,897
Bonus / Incentive	418,182	-	4,239,502
	<u>10,637,514</u>	<u>-</u>	<u>100,222,848</u>
<b>Number of persons</b>	<u>1</u>	<u>-</u>	<u>43</u>

<b>For the year ended December 31, 2014</b>	<b>President</b>	<b>Directors</b>	<b>Executives</b>
	(Rupees)		
Managerial remuneration	5,018,184	-	32,287,268
Other benefits	-	-	842,867
Provident fund contribution	501,817	-	3,042,747
Charge for defined benefit plan	681,000	-	4,364,612
Rent and house maintenance	2,258,184	-	14,529,285
Medical	173,045	-	494,000
Utilities	501,816	-	3,228,626
Conveyance	501,816	-	3,228,830
Leave encashment	675,000	-	4,178,612
Bonus / Incentive	-	-	405,523
	<u>10,310,862</u>	<u>-</u>	<u>66,602,370</u>
Number of persons	<u>1</u>	<u>-</u>	<u>34</u>

**30.1 The President and certain executives are provided with use of Bank maintained cars.**

**31 RELATED PARTY TRANSACTIONS**

The Bank's related parties comprise of directors, key management personnel, shareholders and entities over which the directors are able to exercise significant influence and employee gratuity fund. The detail of Bank's shareholders is given in note 16.2.1 while remuneration of key employee personnel is disclosed in note 30 to the financial statements. Transactions with the Bank's shareholders during the period were under normal commercial banking terms.

		<b>2015</b>	<b>2014</b>
		<b>Rupees</b>	<b>Rupees</b>
<b>Corporate social Responsibility</b>	Project of NRSP	688,594	2,186,899
<b>Purchases from Rohil Hand Loom</b>	Project of NRSP	1,005,779	1,410,755
<b>Funds Placement by (NRSP PF Trust)</b>	NRSP Employee's Trust	312,600,000	200,000,050
Repayment to (PF Trust)		312,671,761	100,002,307
Profit Paid to (PF Trust)		717,610	22,564
<b>Funds Placement by (NRSP MFBL PF Trust)</b>	Employee's Trust	249,004,468	111,852,307
Repayment to (PF Trust)		215,325,992	83,830,799
Profit Paid to (PF Trust)		3,874,942	12,360,260
<b>Funds Placement</b>			
<b>(GHAZI BAROTHA TARAQIATI IDARA)</b>	Common Directorship	148,685,000	160,000,000
Repayment to (GHAZI BAROTHA TARAQIATI IDARA)		150,665,384	80,000,315
Profit Paid to (GHAZI BAROTHA TARAQIATI IDARA)		113,821	3,147



		2015 Rupees	2014 Rupees
<b>Funds Placement</b>			
<b>(INSTITUTE OF RURAL MANAGEMENT)</b>	Parent's Subsidiary	649,533,388	1,210,911,058
Repayment to (INSTITUTE OF RURAL MANAGEMENT)		659,447,530	1,002,176,576
Profit Paid to (INSTITUTE OF RURAL MANAGEMENT)		5,731,048	189,405
<b>Payment of rent to NRSP including advances</b>	Parent Organisation	3,654,000	3,625,000
<b>Contributions to gratuity fund</b>	Employee's Trust	35,019,155	19,432,053
<b>Contributions to provident fund</b>	Employee's Trust	22,744,151	39,585,274
<b>Funds Placement by (Gratuity Fund)</b>	Employee's Trust	33,063,720	15,372,293
Repayment to (Gratuity Fund)		3,911,498	1,180,651
Profit Paid to (Gratuity Fund)		4,850,428	3,319,518
<b>Funds Placement by (RSPN)</b>	Common Directorship	1,609,652,676	1,300,000,000
Repayment to (RSPN)		1,562,577,593	1,277,105,302
Profit Paid to (RSPN)		17,781,136	23,194,827
<b>Funds Placement (SRSO)</b>	Common Directorship	3,830,147,583	1,216,251,184
Repayment to (SRSO)		3,800,938,180	1,189,913,904
Profit Paid to (SRSO)		33,697,463	72,004,613
<b>Funds Placement (Employee Welfare Trust)</b>	Employee's Trust	20,504,801	6,315,767
Repayment to (Employee Welfare Trust)		18,342,805	3,587,109
Profit Paid to (Employee Welfare Trust)		1,249,741	1,448,422
<b>NRSP Natural Resource Management</b>	NRSP Project	504,630	837,625
Repayment to (NRSP Natural Resource Management)		617,331	921,321
Profit Paid to (NRSP Natural Resource Management)		3,932	18,929
<b>Funds Placement (Rohi Hand loom)</b>	NRSP Project	143,237	2,802,175
Repayment to (Rohi Hand Loom)		142,652	2,914,714
Profit Paid to (Rohi Hand Loom)		142	3,689
<b>Funds Placement (SRSO UC BPRP ENTERPRISE)</b>	Common Directorship	6,185,938	1,074,693
Repayment to (SRSO UC BPRP ENTERPRISE)		9,146,503	29,163
Profit Paid to (SRSO UC BPRP ENTERPRISE)		463,939	291,119
<b>Funds Placement (NRSP EMPLOYEES HOUSING COLONY)</b>	Employee's Trust	3,089,500	198,798
Repayment to (NRSP EMPLOYEES HOUSING COLONY)		2,942,967	354,761
Profit Paid to (NRSP EMPLOYEES HOUSING COLONY)		34,464	17,507



	2015	2014
	Rupees	Rupees
<b>Balances outstanding at the year end:</b>		
Receivable from NRSP	725,919	259,878
Payable to NRSP	7,515,394	2,133,015
Institutional Deposits (RSPN)	415,052,118	350,195,899
Institutional Deposits (SRSO)	672,774,399	609,867,533
Institutional Deposits (Employee Welfare Trust)	17,914,601	14,502,864
Institutional Deposits (Gratuity Fund Trust)	66,467,354	32,464,704
Institutional Deposits NRSP Natural Resource Management	105,704	214,473
Institutional Deposits Rohi Hand loom	2,387	1,660
Institutional Deposits SRSO UC BPRP ENTERPRISE	2,044,920	4,541,546
Institutional Deposits (NRSP PF Trust)	100,666,156	100,020,307
Institutional Deposits (NRSP MFBL PF Trust)	138,525,100	100,971,682
Institutional Deposits NRSP Housing colony	227,864	46,867
Institutional Deposits (GHAZI BAROTHA TARAQIATI IDARA)	78,136,269	80,002,832
Institutional Deposits (INSTITUTE OF RURAL MANAGEMENT)	204,740,793	208,923,887

## 32 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Fair value of fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to absence of current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments. The provision for impairment of loans and advances has been calculated in accordance with the Bank's accounting policy as stated in note 5.4 to these financial statements.

The maturity profile is stated in note 33.

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

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 market for identical assets or liabilities.

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

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

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

The table below analyses the financial and non-financial assets carried at fair values, by valuation methods. For financial assets, the Bank essentially carries its investments in debt and equity securities at fair values. Valuation of investments is carried out as per guidelines specified by the SBP.



**(a) Financial instruments in level 1**

Financial instruments included in level 1 comprise of investments in units of mutual funds.

**(b) Financial instruments in level 2**

Financial instruments included in level 2 comprise of Term Finance Certificates.

**(c) Financial instruments in level 3**

Currently, no financial instruments are classified in level 3.

	2015		
	'Rupees'		
	Level 1	Level 2	Level 3
<b>Financial assets - at fair value</b>			
<b>Available for sale</b>			
Term Finance certificates	-	40,016,760	-
<b>Fair value through profit or loss</b>			
- Held for trading			
Mutual funds	1,713,360,481		-

**Valuation techniques and inputs used in determination of fair values within level 2**

Item	Valuation technique and input used
Units of mutual funds	Fair values of investments in units of mutual funds are determined based on redemption prices as at the close of business day.
Term Finance Certificates	Investments in debt securities (comprising term finance certificates, bonds, sukuk certificates and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan. In the determination of the rates, the MUFAP takes into account the holding pattern of these securities and categorises these as traded, thinly traded and non-traded securities.



**33 SCHEDULE OF MATURITY OF MARKET RATE ASSETS AND LIABILITIES AS AT DECEMBER 31, 2015**

	Total	Up to one month	Over one month upto six months (Rupees)	Over six months upto one year	Over one year
<b>Market rate assets</b>					
Advances-Net of Provision	8,999,191,316	43,893,764	1,880,452,706	2,548,655,737	4,526,189,109
Investment- Net of Provisions	2,171,796,032	1,728,360,481	20,016,760	283,993,452	139,425,339
Balances with other Banks deposit accounts	1,564,946,729	1,468,946,729	96,000,000	-	-
<b>Total market rate assets</b>	<b>12,735,934,077</b>	<b>3,241,200,974</b>	<b>1,996,469,466</b>	<b>2,832,649,189</b>	<b>4,665,614,448</b>
<b>Other non-earning assets</b>					
Cash and balances with SBP	472,107,622	472,107,622	-	-	-
Balances with other Banks - current accounts	187,751,040	187,751,040	-	-	-
Operating fixed assets	221,426,706	-	-	-	221,426,706
Other assets	681,895,909	25,363,951	145,120,079	242,267,541	269,144,338
Deferred tax asset	7,367,307	-	-	7,367,307	-
<b>Total non-earning assets</b>	<b>1,570,548,584</b>	<b>685,222,613</b>	<b>145,120,079</b>	<b>249,634,848</b>	<b>490,571,044</b>
<b>Total assets</b>	<b>14,306,482,661</b>	<b>3,926,423,587</b>	<b>2,141,589,545</b>	<b>3,082,284,037</b>	<b>5,156,185,492</b>
<b>Market rate liabilities</b>					
Deposits	7,255,315,825	5,232,416,660	927,328,500	785,483,000	310,087,665
Borrowings	4,156,925,000	240,000,000	1,161,125,000	1,313,625,000	1,442,175,000
<b>Total market rate liabilities</b>	<b>11,412,240,825</b>	<b>5,472,416,660</b>	<b>2,088,453,500</b>	<b>2,099,108,000</b>	<b>1,752,262,665</b>
<b>Other non-cost bearing liabilities</b>					
Other liabilities	349,740,561	215,573,042	55,223,029	69,800,192	9,144,298
<b>Total non-cost bearing liabilities</b>	<b>349,740,561</b>	<b>215,573,042</b>	<b>55,223,029</b>	<b>69,800,192</b>	<b>9,144,298</b>
<b>Total liabilities</b>	<b>11,761,981,386</b>	<b>5,687,989,702</b>	<b>2,143,676,529</b>	<b>2,168,908,192</b>	<b>1,761,406,963</b>
<b>For the year ended December 31, 2014</b>					
<b>Market rate assets</b>					
Advances-Net of Provision	5,125,177,047	210,443,973	1,038,490,410	2,001,968,972	1,874,273,692
Investment- Net of Provisions	3,971,191,370	3,464,981,659	15,000,000	40,000,000	451,209,711
Balances with other Banks - deposit accounts	1,662,094,153	1,662,094,153	-	-	-
<b>Total market rate assets</b>	<b>10,758,462,570</b>	<b>5,337,519,785</b>	<b>1,053,490,410</b>	<b>2,041,968,972</b>	<b>2,325,483,403</b>
<b>Other non-earning assets</b>					
Cash and balances with SBP and NBP	308,723,036	79,835,133	-	-	228,887,903
Balances with other Banks current accounts	24,843,667	24,843,667	-	-	-
Operating fixed assets	222,810,333	-	-	-	222,810,333
Other assets	473,049,174	122,017,469	72,428,309	126,493,051	152,110,345
Deferred tax asset - net	9,726,853	-	-	9,726,853	-
<b>Total non-earning assets</b>	<b>1,039,153,063</b>	<b>226,696,269</b>	<b>72,428,309</b>	<b>136,219,904</b>	<b>603,808,581</b>
<b>Total assets</b>	<b>11,797,615,633</b>	<b>5,564,216,054</b>	<b>1,125,918,719</b>	<b>2,178,188,876</b>	<b>2,929,291,984</b>
<b>Market rate liabilities</b>					
Deposits	5,159,809,714	3,989,989,714	492,437,000	283,502,000	393,881,000
Borrowings	4,204,216,370	389,791,370	940,000,000	1,130,000,000	1,744,425,000
<b>Total market rate liabilities</b>	<b>9,364,026,084</b>	<b>4,379,781,084</b>	<b>1,432,437,000</b>	<b>1,413,502,000</b>	<b>2,138,306,000</b>
<b>Other non-cost bearing liabilities</b>					
Other liabilities	307,485,949	166,258,790	47,005,913	-	94,221,246
<b>Total non-cost bearing liabilities</b>	<b>307,485,949</b>	<b>166,258,790</b>	<b>47,005,913</b>	<b>-</b>	<b>94,221,246</b>
<b>Total liabilities</b>	<b>9,671,512,033</b>	<b>4,546,039,874</b>	<b>1,479,442,913</b>	<b>1,413,502,000</b>	<b>2,232,527,246</b>





### 34 CAPITAL MANAGEMENT

The Bank's objectives when managing its capital are:

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

Capital requirements applicable to the Bank are set out under Microfinance Institutions Ordinance, 2001. These requirements are put in place to ensure sufficient solvency margins. The Bank manages its capital requirement by assessing its capital structure against required capital level on regular basis. Currently the Bank has paid up capital of Rs. 1,498.37 million. The minimum paid up capital requirement applicable to the Bank is Rs. 1,000 million. The bank has maintained capital adequacy ratio in accordance with regulation Number 1 of the Regulations which states that the Bank shall maintain capital equivalent to at least 15% of its risk-weighted assets. As at December 31, 2015, the Bank's net equity and Capital Adequacy Ratio stood at Rs. 2,611.44 million (2014: Rs. 2,120.39 million) and 21.29% (2014: 21%) respectively as against the minimum requirement of Rs. 1,000,000,000 and 15% prescribed by SBP.

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

### 35 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Bank in their meeting held on

March 09, 2016



  
PRESIDENT

  
CHAIRMAN

  
DIRECTOR

  
DIRECTOR

**Vehicles**

Particulars	Cost	Book Value	Sale Proceed	Gain/Loss	Mode
800 CC - Mehran ( Reg # BRA-08-1374, Eng # B416433, Chassis # 954965 )	318,391	57,156	220,000	162,844	Assets Auction
800 CC - Mehran ( Reg # BRA-08-1576, Eng # B 421627, Chassis # 960068 )	225,621	(18,792)	181,927	200,719	Assets Auction
2400 CC - Double Cabin ( Reg # BRL-06-6557, Eng # 5625783, Chassis # LN 145-7001158 )	425,000	21,248	606,000	584,752	Assets Auction
125 CC - Bike ( Reg # BRK-07-3594, Eng # 6213501, Chassis # S 02867 )	36,120	1,806	27,500	25,694	Assets Auction
125 CC - Bike ( Reg # BNH-07-7689, Eng # 3186206, Chassis # H-75815 )	39,537	1,977	21,100	19,123	Assets Auction
125 CC - Bike ( Reg # BNH-07-7693, Eng # 3186248, Chassis # H-75796 )	38,780	1,939	23,100	21,161	Assets Auction
125 CC - Bike ( Reg # BRK-07-2893, Eng # 8212349, Chassis # S 01673 )	42,763	2,138	20,100	17,962	Assets Auction
125 CC - Bike ( Reg # BRK-08-1285, Eng # 3269787, Chassis # S 57628 )	34,019	1,701	23,000	21,299	Assets Auction
125 CC - Bike ( Reg # BRK-07-2319, Eng # 8209085, Chassis # H 98438 )	38,507	1,926	27,495	25,569	Assets Auction
125 CC - Bike ( Reg # BRK-04-234, Eng # 3041665, Chassis # D-35975 )	33,780	1,689	18,100	16,411	Assets Auction
125 CC - Bike ( Reg # BRK-06-2562, Eng # 3053606, Chassis # D 46842 )	38,007	1,900	17,786	15,886	Assets Auction
125 CC - Bike ( Reg # BRK-04-230 )	42,284	2,114	18,111	15,997	Assets Auction
125 CC - Bike ( Reg # BRK-07-3310, Eng # 3213460, Chassis # S 02809 )	27,937	1,397	23,799	22,402	Assets Auction
125 CC - Bike ( Reg # BRK-07-3311, Eng # 3213456, Chassis # S 02805 )	44,324	2,216	22,390	20,174	Assets Auction
125 CC - Bike ( Reg # BRK-07-3386, Eng # 3213596, Chassis # S 02940 )	39,246	1,962	20,100	18,138	Assets Auction
125 CC - Bike ( Reg # BRK-07-4368, Eng # 3216163, Chassis # S 05506 )	42,678	2,134	26,000	23,866	Assets Auction
125 CC - Bike ( Reg # BRK-07-4373, Eng # 3216432, Chassis # S 05773 )	42,699	2,135	21,500	19,365	Assets Auction
125 CC - Bike ( Reg # BRK-07-4936, Eng # 3218943, Chassis # S 08183 )	33,669	1,683	20,100	18,417	Assets Auction
125 CC - Bike ( Reg # BRK-07-5160, Eng # 3221248, Chassis # S 10378 )	47,685	2,384	20,100	17,716	Assets Auction
125 CC - Bike ( Reg # BRK-07-5163, Eng # 3221134, Chassis # S 10281 )	42,554	2,128	24,100	21,972	Assets Auction
125 CC - Bike ( Reg # BRK-08-5624, Eng # 3245413, Chassis # S 34145 )	45,178	2,259	24,200	21,941	Assets Auction
125 CC - Bike ( Reg # BRK-08-5628, Eng # 3244915, Chassis # S 33649 )	45,178	2,259	35,550	33,291	Assets Auction
125 CC - Bike ( Reg # BRK-08-5630, Eng # 3245368, Chassis # S 34106 )	45,178	2,259	26,999	24,740	Assets Auction
125 CC - Bike ( Reg # BRK-08-5631, Eng # 3244886, Chassis # S 33629 )	45,499	2,275	17,500	15,225	Assets Auction
125 CC - Bike ( Reg # BRK-08-5632, Eng # 3245340, Chassis # S 34088 )	45,499	2,275	18,500	16,225	Assets Auction
125 CC - Bike ( Reg # BRK-08-5639, Eng # 3245442, Chassis # S 34160 )	34,019	1,701	20,100	18,399	Assets Auction
125 CC - Bike ( Reg # BRK-08-5962, Eng # 3222830, Chassis # S 11976 )	51,008	2,551	23,000	20,449	Assets Auction
125 CC - Bike ( Reg # BRK-08-5966, Eng # 3226739, Chassis # S 15900 )	48,508	2,425	18,500	16,075	Assets Auction
125 CC - Bike ( Reg # BRK-07-5971, Eng # 3226765, Chassis # S 15910 )	53,292	2,665	18,500	15,835	Assets Auction
125 CC - Bike ( Reg # BRK-08-6047, Eng # 3249272, Chassis # S 37795 )	44,784	2,239	20,100	17,861	Assets Auction
125 CC - Bike ( Reg # BRK-08-6056, Eng # 3248979, Chassis # S 37511 )	36,135	1,807	42,464	16,693	Assets Auction
125 CC - Bike ( Reg # BRK-08-6086, Eng # 3248938, Chassis # S 37476 )	36,135	1,807	20,100	18,293	Assets Auction
125 CC - Bike ( Reg # BRK-07-6395, Eng # 3251654, Chassis # S 39927 )	47,999	2,400	17,500	15,100	Assets Auction
125 CC - Bike ( Reg # BRK-08-6404, Eng # 3251671, Chassis # S 39990 )	40,178	2,009	26,100	24,091	Assets Auction
125 CC - Bike ( Reg # BRK-08-6716, Eng # 3251885, Chassis # S 40230 )	38,807	1,941	19,100	17,159	Assets Auction
125 CC - Bike ( Reg # BRK-08-6722, Eng # 3251914, Chassis # S 40254 )	36,307	1,815	20,200	18,385	Assets Auction
125 CC - Bike ( Reg # BRK-08-6723, Eng # 3251919, Chassis # S 40259 )	30,000	1,500	24,500	23,000	Assets Auction
125 CC - Bike ( Reg # BRK-08-7496, Eng # 3257181, Chassis # S 45614 )	45,178	2,259	23,000	20,741	Assets Auction
125 CC - Bike ( Reg # BRK-08-7497, Eng # 3257058, Chassis # S 45600 )	45,178	2,259	20,500	18,241	Assets Auction
125 CC - Bike ( Reg # BRK-08-8290, Eng # 3261044, Chassis # S 49176 )	54,039	2,702	28,999	26,297	Assets Auction
125 CC - Bike ( Reg # BRK-08-8306, Eng # 3260838, Chassis # S 48964 )	40,199	2,010	20,900	18,890	Assets Auction
125 CC - Bike ( Reg # BRL-08-1284, Eng # 3269817, Chassis # S 97656 )	50,054	2,503	27,000	24,497	Assets Auction
125 CC - Bike ( Reg # BRL-08-1288, Eng # 3269800, Chassis # S 57639 )	44,019	2,201	23,100	20,899	Assets Auction
125 CC - Bike ( Reg # BRL-08-1793, Eng # 3269972, Chassis # S 57806 )	32,902	1,645	19,000	17,355	Assets Auction
125 CC - Bike ( Reg # BRL-08-3768, Eng # 3280897, Chassis # S 68736 )	36,519	1,826	25,299	23,473	Assets Auction
125 CC - Bike ( Reg # BRM-06-2035, Eng # 3127347, Chassis # H 17976 )	42,571	2,128	24,000	21,872	Assets Auction
125 CC - Bike ( Reg # BRM-07-3273, Eng # 7008191, Chassis # BJ 008182 )	50,146	2,507	29,001	26,494	Assets Auction
125 CC - Bike ( Reg # BRM-06-3289, Eng # 7008313, Chassis # BJ 008251 )	39,246	1,962	28,999	27,037	Assets Auction
125 CC - Bike ( Reg # BRM-08-3707, Eng # 7008762, Chassis # BJ-008644 )	45,389	2,270	27,750	25,480	Assets Auction
125 CC - Bike ( Reg # BRM-06-782, Eng # 315173, Chassis # H 05962 )	36,519	1,826	19,000	17,174	Assets Auction
125 CC - Bike ( Reg # BRM-06-8847, Eng # 7011011, Chassis # BJ 010922 )	30,000	1,500	38,500	37,000	Assets Auction
125 CC - Bike ( Reg # BRN-07-7922, Eng # 3176999, Chassis # H 66682 )	40,441	2,022	20,100	18,078	Assets Auction
125 CC - Bike ( Reg # BRO-07-2717, Eng # 3187396, Chassis # H 76921 )	38,007	1,900	18,786	16,886	Assets Auction
125 CC - Bike ( Reg # BRO-07-2731, Eng # 3187343, Chassis # H 76872 )	46,714	2,336	25,500	23,164	Assets Auction
125 CC - Bike ( Reg # BRM-09-4294, Eng # 3339860, Chassis # U 26681 )	51,629	2,582	24,100	21,518	Assets Auction
125 CC - Bike ( Reg # BRM-09-7638, Eng # 3350912, Chassis # U 37646 )	79,230	3,962	34,400	30,439	Assets Auction
70 CC - Bike ( Reg # BNH-07-7697, Eng # 4190099, Chassis # JC 352934 )	35,200	1,760	18,100	16,340	Assets Auction
70 CC - Bike ( Reg # BRK-07-4478, Eng # 4313885, Chassis # JC-498996 )	29,605	1,480	20,100	18,620	Assets Auction
796 CC - Mehran Car ( Reg # BRA-14-210, Eng # 592443, Chassis # 1130994 )	681,750	535,438	600,000	64,563	Insurance Claim
70 CC - Bike ( Reg # BRK-13-8347, Eng # 5891964, Chassis # JE 412033 )	71,030	52,291	44,000	(8,291)	Insurance Claim
70 CC - Bike ( Reg # BRK-14-8339, Eng # 6187919, Chassis # JE-851889 )	72,885	64,730	58,000	(6,730)	Insurance Claim





## Office Equipment

### Description

Description	Purchased	Book Value	Sale Proceed	Gain/Loss	Mode
	(Rupees)				
LG 14"	3,376	169	4,635	4,466	Assets Auction
LG 14"	3,374	169	5,000	4,831	Assets Auction
LG 14"	4,683	234	5,000	4,766	Assets Auction
LG 14"	4,536	227	5,000	4,773	Assets Auction
LG 14"	3,842	192	5,000	4,808	Assets Auction
Television Sony 21"	4,194	210	5,000	4,790	Assets Auction
Television L.G 14"	3,282	164	5,000	4,836	Assets Auction
Television L.G 14"	7,370	369	4,000	3,631	Assets Auction
Television LG 14"	2,160	108	2,000	1,892	Assets Auction
Television LG 14"	2,231	112	2,000	1,888	Assets Auction
TV Sony 21"	4,386	219	2,000	1,781	Assets Auction
Generator Honda EP 2500 CX	34,465	1,723	13,500	11,777	Assets Auction
Generator ( Honda )	35,452	1,772	10,000	8,228	Assets Auction
Generator Honda EP-5000CX	24,591	1,230	10,000	8,770	Assets Auction
Generator EP-2500 CX 2.0 KVA	31,205	1,560	10,000	8,440	Assets Auction
Generator EP-2500 CX 2.0 KVA	38,365	1,918	10,000	8,082	Assets Auction
Generator Honda	32,170	1,608	10,000	8,392	Assets Auction
Honda EP 2500 CX	29,597	1,480	10,000	8,520	Assets Auction
Air Cooler	4,402	220	834	614	Assets Auction
Air Cooler (Jumbo)	4,257	213	834	621	Assets Auction
Air Cooler (Rado)	5,079	254	834	580	Assets Auction
Air Cooler	2,557	128	834	706	Assets Auction
Room Air Cooler (Millat)	5,156	258	834	576	Assets Auction
Room Air Cooler (Pak)	5,156	258	834	576	Assets Auction
Room Cooler	5,736	287	834	547	Assets Auction
Room Cooler	6,300	315	834	519	Assets Auction
Room Cooler Asia	3,884	194	834	640	Assets Auction
Room Cooler (Rado)	3,884	194	834	640	Assets Auction
Refrigerator (Dawalance) Stabilizer 3000 Watt	8,867	444	500	56	Assets Auction
Refrigerato (Dawalance)	14,748	737	800	63	Assets Auction
Refrigerator Dawlance	14,228	712	800	88	Assets Auction
Refrigerator	8,619	431	500	69	Assets Auction
Refrigerator (Dawalance) with Stabilizer 4500 Watt	18,812	941	1,000	59	Assets Auction
Refrigerator (Dawalance) Stabilizer 2200 Watt Panasonic	17,395	(3,357)	1,500	4,857	Assets Auction
Refrigerator (Pel) Stabilizer 1600 Watt	15,110	756	800	44	Assets Auction
Refrigerator Dawlance	17,513	876	1,000	124	Assets Auction
Bi-Cycle	6,300	735	1,500	765	Assets Auction

## Furniture & Fixture

Bed with mattress	3,440	1,806	3,000	1,194	Assets Auction
Bed with mattress	3,440	1,806	3,000	1,194	Assets Auction
Bed with mattress	3,440	1,806	3,000	1,194	Assets Auction
Bed with mattress	2,360	1,239	2,400	1,161	Assets Auction
Bed with mattress	2,110	1,108	2,200	1,092	Assets Auction
Bed with mattress	3,043	1,597	1,700	103	Assets Auction
Bed With Mattress	6,941	3,644	5,000	1,356	Assets Auction
Bed With Mattress	6,941	3,644	5,000	1,356	Assets Auction
Bed with mattress	2,281	1,197	1,300	103	Assets Auction
Bed With Mattress	2,874	1,509	2,700	1,191	Assets Auction
Bed With Mattress	2,874	1,509	2,700	1,191	Assets Auction
Bed With Mattress	2,874	1,509	2,700	1,191	Assets Auction
Bed with Mattress	2,755	1,446	2,700	1,254	Assets Auction
Bed with Mattress	3,022	1,587	2,700	1,113	Assets Auction
Bed with Mattress	2,778	1,458	2,600	1,142	Assets Auction
Bed with Mattress	2,359	1,238	1,400	162	Assets Auction
Bed with Mattress	2,359	1,238	1,400	162	Assets Auction
Bed with Mattress	2,359	1,238	1,400	162	Assets Auction
Bed with Mattress	2,109	1,107	1,200	93	Assets Auction
Bed with Mattress	2,109	1,107	1,200	93	Assets Auction
Bed with Mattress	2,109	1,107	1,200	93	Assets Auction
Bed with Mattress	2,109	1,107	1,300	193	Assets Auction
Bed with Mattress	2,068	1,086	1,300	214	Assets Auction
Bed with Mattress	2,068	1,086	1,300	214	Assets Auction
Bed with Mattress	2,127	1,117	1,300	183	Assets Auction



Bed with Mattress	2,495	1,310	1,500	190	Assets Auction
Bed with Mattress	6,312	3,314	3,500	186	Assets Auction
Bed with Mattress	3,903	2,049	2,200	151	Assets Auction
Bed with Mattress	4,495	2,360	2,500	140	Assets Auction
bed with Mattress	3,635	1,908	2,100	192	Assets Auction
bed with Mattress	3,635	1,908	2,100	192	Assets Auction
bed with Mattress	3,635	1,908	2,100	192	Assets Auction
bed with Mattress	3,635	1,908	2,100	192	Assets Auction
Bed with Mattress	2,703	1,419	1,600	181	Assets Auction
Bed with Mattress	2,703	1,419	1,600	181	Assets Auction
Bed with Mattress	2,223	1,167	1,400	233	Assets Auction
Bed with Mattress	2,851	1,497	1,700	203	Assets Auction
Bed with Mattress	2,851	1,497	1,700	203	Assets Auction
Bed with Mattress	2,851	1,497	1,700	203	Assets Auction
Bed with Mattress	2,849	1,496	1,700	204	Assets Auction
Bed with Mattress	2,849	1,496	1,700	204	Assets Auction
Bed with Mattress	2,849	1,496	1,700	204	Assets Auction
Bed with Mattress	2,849	1,496	1,700	204	Assets Auction
Bed with Mattress	2,849	1,496	1,700	204	Assets Auction
SINGLE BED (wooden)	2,985	1,567	1,800	233	Assets Auction
SINGLE BED (wooden)	2,649	1,391	1,500	109	Assets Auction
Single Bed	2,422	1,272	1,400	128	Assets Auction
Single Bed	2,422	1,272	1,400	128	Assets Auction
Single Bed with Mattress	12,238	6,425	6,800	375	Assets Auction
Single Bed with Mattress	3,932	2,064	2,200	136	Assets Auction
Single Bed with Mattress	8,047	4,225	4,500	275	Assets Auction
Bed with Mattress	4,795	2,517	2,700	183	Assets Auction
Bed with Mattress	4,795	2,517	2,700	183	Assets Auction
Cot	2,200	1,778	2,000	222	Assets Auction
Cot	2,200	1,778	2,000	222	Assets Auction
Cot	2,200	1,778	2,000	222	Assets Auction
Cot	2,200	1,778	2,000	222	Assets Auction
Cot	2,200	1,778	2,000	222	Assets Auction
Cot	2,200	1,778	2,000	222	Assets Auction
Cot	2,200	1,778	2,000	222	Assets Auction
Cot	2,200	1,778	2,000	222	Assets Auction
Cot	2,000	1,617	2,000	383	Assets Auction
Cot	2,000	1,617	2,000	383	Assets Auction
Cot	2,000	1,617	2,000	383	Assets Auction
Cot	2,000	1,617	2,000	383	Assets Auction
Cot	2,000	1,617	2,000	383	Assets Auction
Cot	2,200	1,870	2,000	130	Assets Auction
Cot	2,200	1,870	2,000	130	Assets Auction
Cot	2,200	1,870	2,000	130	Assets Auction
Cot	2,200	1,870	2,000	130	Assets Auction
Cot	2,200	1,870	2,000	130	Assets Auction
Cot	2,200	1,870	2,000	130	Assets Auction
Pedestal Fan 24"	2,371	1,245	1,500	255	Assets Auction
Pedestal Fan 24"	2,734	1,436	1,500	64	Assets Auction
Ceiling Fan	2,900	2,465	2,500	35	Assets Auction
Ceiling Fan	2,900	2,465	2,500	35	Assets Auction
Pedestal Fan (Royal)	4,100	3,485	3,500	15	Assets Auction
Pedestal Fan (Royal)	4,100	3,485	3,500	15	Assets Auction
Pedestal Fan (Pak)	4,050	3,443	3,500	58	Assets Auction
Pedestal Fan (Pak)	4,050	3,443	3,500	58	Assets Auction
Ceiling Fan (Pak)	2,700	2,318	2,500	183	Assets Auction
Ceiling Fan (Pak)	2,700	2,318	2,500	183	Assets Auction
Ceiling Fan (Pak)	2,700	2,318	2,500	183	Assets Auction
Ceiling Fan (Pak)	2,700	2,318	2,500	183	Assets Auction
Ceiling Fan (Pak)	2,700	2,318	2,500	183	Assets Auction
Ceiling Fan (Pak)	2,700	2,318	2,500	183	Assets Auction
Pedestal Fan (Pak)	4,000	3,433	3,500	67	Assets Auction



Computer with LCD	16,000	156	1,000	844	Assets Auction
Computer with LCD	16,000	156	1,000	844	Assets Auction
Computer with LCD	16,000	156	1,786	1,630	Assets Auction
Computer System (Core 2 Duo 3.0 GHz, 2 GB RAM, 80 GB HDD)	11,291	8,155	8,155	-	As per Inter Office Memo
Computer System (Core 2 Duo 3.0 GHz, 2 GB RAM, 80 GB HDD)	11,291	8,155	8,155	-	As per Inter Office Memo
Computer System (Core 2 Duo 3.0 GHz, 2 GB RAM, 80 GB HDD)	11,291	8,155	8,155	-	As per Inter Office Memo
Computer System (Core 2 Duo 3.0 GHz, 2 GB RAM, 80 GB HDD)	11,291	8,155	8,155	-	As per Inter Office Memo
Scanner HP G 200	7,839	5,662	11,924	6,262	As per Inter Office Memo
HP Lasejet Pro 400 M401 DN Printer	36,270	26,195	26,195	-	As per Inter Office Memo
ups	3,987	39	1,000	961	Assets Auction
UPS	18,763	183	1,000	817	Assets Auction
UPS	2,871	28	1,000	972	Assets Auction
3 KVA UPS	71,282	49,502	49,502	-	As per Inter Office Memo
Blackberry Bold 9900 (Head Internal Audit)	33,000	12,833	15,166	2,333	Insurance Claim
Sony XPeria (Manager Finance)	20,500	8,542	8,097	(445)	Insurance Claim
I Phone 5s Gold 16 GB (Head HR)	33,000	28,417	28,417	-	Assets Auction
Wireless Bridge UBNT	15,000	10,417	10,417	-	As per Inter Office Memo
Wireless Bridge UBNT	15,000	10,417	10,417	-	As per Inter Office Memo
LCD 19"	5,850	4,225	4,225	-	As per Inter Office Memo
LCD 19"	5,850	4,225	4,225	-	As per Inter Office Memo
LCD 19"	5,850	4,225	4,225	-	As per Inter Office Memo
LCD 19"	5,850	4,225	4,225	-	As per Inter Office Memo
UPS (2 KVA Henden)	28,500	-	950	950	Assets Auction
UPS (2 KVA Henden)	28,500	-	1,000	1,000	Assets Auction
UPS (2 KVA Henden)	28,500	-	1,000	1,000	Assets Auction
UPS (2 KVA Henden)	28,500	-	1,000	1,000	Assets Auction
UPS (2 KVA Henden)	28,500	-	1,000	1,000	Assets Auction
<b>Grand Total</b>	<b>6,362,823</b>	<b>1,225,409</b>	<b>3,585,154</b>	<b>2,359,745</b>	





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