

**NRSP MICROFINANCE BANK LIMITED**  
**BALANCE SHEET**  
**AS AT MARCH 31, 2023**

		Un-Audited Mar-23	Audited Dec-22
	Note	----- Rupees -----	
<b>ASSETS</b>			
Cash and balances with SBP and NBP	1	1,674,289,894	1,819,603,457
Balances with other Banks/ NBFIs /MFBs	2	2,516,382,240	4,369,152,215
Lending to financial institutions	3	-	-
Investments - net of provisions	4	2,304,729,393	2,435,811,437
Advances - net of provision	5	28,033,391,562	28,027,829,812
Operating fixed assets	6	1,276,719,581	1,356,094,856
Other assets	7	2,957,409,136	2,820,455,702
Deferred tax asset - net		3,361,981,976	3,361,981,976
<b>Total Assets</b>		42,124,903,782	44,190,929,455
<b>LIABILITIES</b>			
Deposits and other accounts	8	30,700,385,203	32,444,154,687
Borrowings	9	4,069,971,808	5,144,971,808
Subordinated debt	10	1,442,360,000	1,442,360,000
Other liabilities	11	5,109,866,775	5,066,848,066
Deferred tax liability - net		-	-
<b>Total liabilities</b>		41,322,583,786	44,098,334,561
<b>Net assets</b>		802,319,996	92,594,894
<b>REPRESENTED BY</b>			
Share capital	12	1,498,372,010	1,498,372,010
Advance against future issue of right shares		1,000,000,000	-
Statutory reserve		815,766,516	815,766,516
Depositors' protection fund		316,493,330	305,381,330
Unappropriated profit / (loss)		(2,832,042,419)	(2,530,558,502)
		798,589,437	88,961,354
Surplus/ (deficit) on revaluation of assets		-	-
Deferred grants		3,730,559	3,633,540
<b>Total capital</b>		802,319,996	92,594,895

**MEMORANDUM/ OFF-BALANCE SHEET ITEMS**

The annexed notes from 1 to 12 form an integral part of these financial statements.

**NRSP MICROFINANCE BANK LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE PERIOD YEAR ON MARCH 31, 2023**

	Un-Audited <b>Mar-23</b>	Un-Audited <b>Mar-22</b>
<b>Note</b>	----- <b>Rupees</b> -----	
Mark-up/ return/ interest earned	1,768,169,871	1,957,694,034
Mark-up/ return/ interest expensed	(1,201,953,285)	(911,567,716)
<b>Net mark-up/ interest income</b>	<b>566,216,586</b>	<b>1,046,126,318</b>
Provision against non-performing loans and advances	5.3 (447,098,927)	(672,496,511)
Provision for demerit in the value of investments	-	-
Bad debts written off directly - net of insurance recoveries	5.4 (8,657,042)	(5,278,484)
	(455,755,969)	(677,774,995)
<b>Net mark-up/ interest income after provisions</b>	<b>110,460,616</b>	<b>368,351,323</b>
<b>NON MARK-UP/ NON INTEREST INCOME</b>		
Fee, commission and brokerage income	159,566,764	110,169,460
Dividend income	-	-
Other income - net	252,424,232	434,346,372
<b>Total non mark-up/ non interest income</b>	<b>411,990,996</b>	<b>544,515,833</b>
<b>NON MARK-UP/ NON INTEREST EXPENSES</b>		
Administrative expenses	(823,935,530)	(742,015,949)
Other charges	-	(379,000)
<b>Total non mark-up/ non interest expenses</b>	<b>(823,935,530)</b>	<b>(742,394,949)</b>
	(301,483,917)	170,472,207
Extra ordinary/ unusual items	-	-
<b>PROFIT/ (LOSS) BEFORE TAXATION</b>	<b>(301,483,917)</b>	<b>170,472,207</b>
Taxation - Current	-	(32,338,739)
Prior year	-	-
Deferred	-	-
	-	(32,338,739)
<b>PROFIT/ (LOSS) AFTER TAXATION</b>	<b>(301,483,917)</b>	<b>138,133,468</b>
Unappropriated profit/ (loss) brought forward	(2,530,558,503)	1,693,039,370
Less: Other comprehensive income	-	-
Profit available for appropriation	<u>(2,832,042,419)</u>	<u>1,831,172,839</u>
<b>APPROPRIATIONS</b>		
Transfer to:		
Statutory reserve	-	(27,626,694)
Depositors' protection fund	-	(6,906,673)
	-	(34,533,367)
<b>Unappropriated profit/ (loss) carried forward</b>	<u>(2,832,042,419)</u>	<u>1,796,639,472</u>
Earnings/ (loss) per share	<u>(2.01)</u>	<u>0.92</u>

The annexed notes from 1 to 12 form an integral part of these financial statements.

**NRSP MICROFINANCE BANK LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED ON MARCH 31, 2023**

	Share capital	Advance against future issue of right shares	Capital reserves		Revenue reserve	Total
			Statutory reserve	Depositors' protection fund	Unappropriated profit	
			----- Rupees -----			
Balance as at January 01, 2022	1,498,372,010	-	815,766,516	269,646,185	1,693,039,371	4,276,824,082
Profit for the year	-	-	-	-	138,133,468	138,133,468
Other comprehensive income/ (loss) for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	138,133,468	138,133,468
Transfer to statutory reserve	-	-	-	-	-	-
Transfer to depositors' protection fund:						
- 5% of the profit after tax for the year	-	-	-	-	-	-
- Return on investments - net of tax	-	-	-	5,379,527	-	5,379,527
	-	-	-	5,379,527	-	5,379,527
Balance as at March 31, 2022	1,498,372,010	-	815,766,516	275,025,712	1,831,172,839	4,420,337,077
Profit for the year	-	-	-	-	(4,356,427,334)	(4,356,427,334)
Other comprehensive income/ (loss) for the year	-	-	-	-	(5,304,007)	(5,304,007)
Total comprehensive income for the year	-	-	-	-	(4,361,731,341)	(4,361,731,341)
Transfer to statutory reserve	-	-	-	-	-	-
Transfer to depositors' protection fund:						
- 5% of the profit after tax for the year	-	-	-	-	-	-
- Return on investments - net of tax	-	-	-	30,355,618	-	30,355,618
	-	-	-	30,355,618	-	30,355,618
Balance as at December 31, 2022	1,498,372,010	-	815,766,516	305,381,330	(2,530,558,502)	88,961,354
Profit for the year	-	-	-	-	(301,483,917)	(301,483,917)
Other comprehensive income/ (loss) for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	(301,483,917)	(301,483,917)
<b>Advance against future issue of right shares</b>		1,000,000,000	-	-	-	1,000,000,000
Transfer to statutory reserve	-	-	-	-	-	-
Transfer to depositors' protection fund:						
- 5% of the profit after tax for the year	-	-	-	-	-	-
- Return on investments - net of tax	-	-	-	11,112,000	-	11,112,000
	-	-	-	11,112,000	-	11,112,000
Balance as at March 31, 2023	1,498,372,010	1,000,000,000	815,766,516	316,493,330	(2,832,042,419)	798,589,437

The annexed notes from 1 to 12 form an integral part of these financial statements.

**NRSP MICROFINANCE BANK LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE PERIOD YEAR ON MARCH 31, 2023**

Note	Mar-23 ----- Rupees -----	Mar-22
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before taxation	(301,483,917)	170,472,207
Less : Dividend income	-	-
	(301,483,917)	170,472,207
<b>Adjustments for non-cash changes</b>		
Depreciation	30,618,905	35,133,870
Amortization (IFRS-16)	31,174,629	31,033,663
Amortization	9,183,971	11,692,834
Provision against non-performing advances	447,098,926	672,496,511
Provision against advances to employees	-	-
Advances directly written-off - net of insurance recoveries	8,657,042	5,278,484
Unrealized gain on revaluation of investments classified as held-for-trading	-	-
Gain on sale/ redemption of securities	(93,658,075)	(115,553,725)
Unrealized exchange (gain) / loss	-	-
Unrealized loss/ (gain) on derivative financial asset	-	-
Gain on sale of fixed assets	130,025	(377)
Loss on Termination of Leased Agreements	(10,945,360)	-
Finance charges on leased assets	27,904,438	32,709,102
Amortization of deferred grants	(866,603)	(2,300,127)
Capital Gain on Available for Sale Securities	-	204,801
Provision for gratuity and leave encashment	34,355,067	33,840,558
	483,652,968	704,535,596
<b>(Increase)/ decrease in operating assets</b>		
Lending to financial institutions	-	-
Advances	(461,317,735)	(1,595,583,320)
Other assets (excluding advance taxation)	(122,374,704)	(300,852,370)
	(583,692,440)	(1,896,435,690)
<b>Increase/ (decrease) in operating liabilities</b>		
Bills payable	(26,250,052)	14,554,612
Borrowings from financial institutions	(1,075,000,000)	(554,057,300)
Deposits	(1,743,769,484)	(2,997,491,896)
Other liabilities (excluding bills payable, current taxation, gratuity and leave encashment, finance lease)	206,241,059	(17,557,476)
	(2,638,778,477)	(3,554,552,060)
Payment against provision held against off- balance sheet obligations		
Income tax paid	(67,518,733)	(78,553,752)
Gratuity and leave ensachment paid (including contributions)	(67,339,524)	(29,610,499)
<b>Net cash flow from operating activities</b>	<b>(3,175,160,123)</b>	<b>(4,684,144,199)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investment in available-for-sale securities	15,070,500	(117,401,011)
Net investment in held-to-maturity securities	209,669,619	375,466,120
Net investment in held for trading securities	-	-
Investment in operating fixed assets	(14,674,789)	(69,090,388)
Interest income on depositors' protection fund	11,112,000	5,379,527
Dividend received from mutual funds	-	-
Sale proceeds from property and equipment disposed-off	195,698	201,330
<b>Net cash flow from/ (used in) investing activities</b>	<b>221,373,028</b>	<b>194,555,578</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Grants received	963,621	2,455,722
Proceeds against future issue of right shares	1,000,000,000	-
Net payments of lease obligations	(45,260,065)	(35,838,305)
<b>Net cash flow from/ (used in) financing activities</b>	<b>955,703,556</b>	<b>(33,382,583)</b>
<b>Increase/ (decrease) in cash and cash equivalents</b>	<b>(1,998,083,538)</b>	<b>(4,522,971,203)</b>
Cash and cash equivalents at the beginning of the year	6,188,755,672	9,418,086,595
<b>Cash and cash equivalents at the end of the year</b>	<b>4,190,672,134</b>	<b>4,895,115,392</b>

The annexed notes from 1 to 12 form an integral part of these financial statements.

**NRSP MICROFINANCE BANK LIMITED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD YEAR ON MARCH 31, 2023**

	<b>Note</b>	<b>Mar-23</b> ----- Rupees -----	<b>Mar-22</b> -----
<b>Profit/ (loss) after taxation</b>		(301,483,917)	138,133,468
<b>Other comprehensive income/ (loss)</b>			
Items that will not be subsequently reclassified through profit and loss account :			
Loss on remeasurement of employees' retirement benefits - net of tax		-	-
<b>Total comprehensive income for the year</b>		<u>(301,483,917)</u>	<u>138,133,468</u>

The annexed notes from 1 to 12 form an integral part of these financial statements.

		Un-Audited Mar-23	Audited Dec-22
	Note	----- Rupees -----	
<b>1 CASH AND BALANCES WITH SBP AND NBP</b>			
Cash in hand		581,009,656	616,249,507
Balance with State Bank of Pakistan	1.1	812,820,540	905,594,652
Balance with National Bank of Pakistan in			
Current account		38,256,175	13,356,808
Deposit accounts		242,203,523	284,402,491
		1,674,289,894	1,819,603,457
<b>1.1</b>	This represents balance maintained with SBP to comply with requirements of Prudential Regulations for Microfinance Banks to maintain minimum cash reserve equivalent to not less than 5% (2022: 5%) of the Bank's demand deposits and time deposits with tenor of less than one year.		
		Un-Audited Mar-23	Audited Dec-22
	Note	----- Rupees -----	
<b>2 BALANCES WITH OTHER BANKS</b>			
In Pakistan			
Local currency current accounts		22,112,077	42,362,475
Local currency deposit accounts		1,494,270,162	3,726,789,740
Local currency term deposits		1,000,000,000	600,000,000
		2,516,382,240	4,369,152,215
		Mar-23	Dec-22
	Note	----- Rupees -----	
<b>3 LENDING TO FINANCIAL INSTITUTIONS</b>			
Call money lendings		-	-
Repurchase agreement lendings (Reverse repo)		-	-
		-	-
		Un-Audited Mar-23	Audited Dec-22
	Note	----- Rupees -----	
<b>4 INVESTMENTS - NET OF PROVISIONS</b>			
<b>Held to maturity</b>			
<b>Federal Government Securities</b>			
Market treasury bills (MTBs)		1,991,280,604	2,125,832,104
Ijarah Sukuks		313,448,789	309,979,333
		2,304,729,393	2,435,811,437
<b>Term Deposit Receipts (TDRs)</b>		-	-
		2,304,729,393	2,435,811,437
<b>Available for sale</b>			
<b>Federal Government Securities</b>			
Market treasury bills (MTBs)		-	-
Deficit on revaluation of available for sale investments		-	-
		-	-
<b>Held for trading</b>			
Mutual funds		0	0
		2,304,729,393	2,435,811,437

**5 ADVANCES - NET OF PROVISION**

Loan type	Note	Un-Audited		Audited	
		Mar-23		Dec-22	
		Number	Rupees	Number	Rupees
Micro credit		219,408	22,788,433,933	241,509	23,793,928,706
Islamic financing		16,814	8,697,895,334	17,443	8,591,678,908
		236,222	31,486,329,266	258,952	32,385,607,614
Less: Provision held					
Specific-as per PR	5.1	33,265	(1,045,722,382)	32,199	(1,539,521,177)
Specific-SBP Staggering		31,833	(2,214,717,869)	36,023	(2,617,137,028)
General					
Mandatory	5.2		(192,497,453)		(201,119,596)
Additional			-		-
			(3,452,937,704)		(4,357,777,802)
Advances - net of provisions			<u>28,033,391,562</u>		<u>28,027,829,812</u>

**5.1 Particulars of non performing loans**

Advances include Rs 5,097.12 million (2022: 5,215.92 million) which as detailed below, have been placed under non performing status.

Category of classification	Un-Audited			Audited		
	Mar-23			Dec-22		
	Amount outstanding	Provisions required	Provisions held	Amount outstanding	Provisions required	Provisions held
	-----Rupees-----			-----Rupees-----		
Watchlist	1,144,605,466	-	-	530,621,963	-	-
OAEM	642,666,481	8,079,142	8,079,142	291,316,569	4,248,118	4,248,118
Sub-Standard	504,861,513	123,342,043	123,342,043	547,783,334	127,410,770	127,410,770
Doubtful	1,609,463,799	799,952,570	799,952,570	671,164,538	330,091,047	330,091,047
Loss	2,340,129,195	2,329,066,496	2,329,066,496	3,705,658,936	3,694,908,262	3,694,908,262
	<u>5,097,120,988</u>	<u>3,260,440,251</u>	<u>3,260,440,251</u>	<u>5,215,923,378</u>	<u>4,156,658,197</u>	<u>4,156,658,197</u>

**5.2** This represents general provision maintained against unsecured microcredit advances net of specific provision at the rate of 1% (2021: 1%) in accordance with the requirement of Prudential Regulations issued by the State Bank of Pakistan.

**5.3 Particulars of provision against non-performing advances**

	Un-Audited			Audited		
	Mar-23			Dec-22		
	Specific	General	Total	Specific	General	Total
	-----Rupees-----			-----Rupees-----		
Opening balance	4,156,658,205	201,119,598	4,357,777,804	1,332,725,417	2,335,971,380	3,668,696,797
Charge for the year	455,721,071	(8,622,144)	447,098,926	6,713,544,189	(2,134,851,782)	4,578,692,407
Amounts written off	(1,351,939,038)	-	(1,351,939,038)	(3,889,611,400)	-	(3,889,611,400)
Reversals	-	-	-	-	-	-
Closing balance	<u>3,260,440,238</u>	<u>192,497,454</u>	<u>3,452,937,692</u>	<u>4,156,658,205</u>	<u>201,119,598</u>	<u>4,357,777,804</u>

Un-Audited                      Audited  
**Mar-23**                              **Dec-22**  
 -----Rupees-----

**5.4 Particulars of advances written off**

Against provisions	1,351,939,038	3,889,611,400
Directly charged to profit & loss account	8,657,042	12,511,517
	<u>1,360,596,081</u>	<u>3,902,122,917</u>

**6 OPERATING FIXED ASSETS**

Capital work-in-progress	6.1	27,374,032	28,878,433
Property and equipment	6.2	627,312,340	643,965,888
Right of use assets	6.2.3	592,519,560	646,441,024
Intangible assets	6.3	29,513,649	36,809,510
		<u>1,276,719,581</u>	<u>1,356,094,856</u>

**6.1 Capital work-in-progress**

Civil works	3,378,058	2,040,166
ATM machines installation	-	-
Implementation of Oracle Softwares	23,995,974	26,838,267
	<u>27,374,032</u>	<u>28,878,433</u>



6.2 Property and equipment

Particulars	COST				ACCUMULATED DEPRECIATION				Net Book Value As At March 31,2023	Rate of depreciation (%)
	As At January 01,2023	Additions	Disposal	As At March 31,2023	As At January 01,2023	Charge for the year	Disposal	As At March 31,2023		
-----Rupees-----										
<b>Owned assets</b>										
Freehold land	253,419,808	-	-	253,419,808	-	-	-	-	253,419,808	-
Furniture and fixtures	502,169,940	173,640	-	502,343,580	267,205,918	11,590,227	0	278,796,146	223,547,435	10
Office equipment	288,305,449	55,957	(45,000)	288,316,406	267,191,104	5,526,955	(41,250)	272,676,809	15,639,597	20
Computer equipment	540,665,453	13,529,034	(2,090,843)	552,103,643	422,820,620	8,513,690	(1,768,870)	429,565,439	122,538,204	33.33
Vehicles	96,992,202	-	-	96,992,202	84,153,890	3,366,954	-	87,520,844	9,471,358	20
	1,681,552,852	13,758,631	(2,135,843)	1,693,175,640	1,041,371,532	28,997,827	(1,810,120)	1,068,559,238	624,616,401	
<b>Leased assets</b>										
Vehicles	117,531,825	532,450	-	118,064,275	113,747,257	1,621,080	-	115,368,337	2,695,938	20
	<b>1,799,084,677</b>	<b>14,291,081</b>	<b>(2,135,843)</b>	<b>1,811,239,915</b>	<b>1,155,118,788</b>	<b>30,618,906</b>	<b>(1,810,120)</b>	<b>1,183,927,575</b>	<b>627,312,340</b>	

Particulars	COST				ACCUMULATED DEPRECIATION				Net Book Value As At December 31,2022	Rate of depreciation (%)
	As At January 01,2022	Additions	Disposal	As At December 31,2022	As At January 01,2022	Charge for the year	Disposal	As At December 31,2022		
-----Rupees-----										
<b>Owned assets</b>										
Freehold land	253,419,808	-	-	253,419,808	-	-	-	-	253,419,808	-
Furniture and fixtures	495,944,179	6,552,611	(326,850)	502,169,940	219,956,321	50,896,723	(3,647,126)	267,205,918	234,964,022	10
Office equipment	287,765,979	1,827,625	(1,288,155)	288,305,449	237,529,316	33,362,906	(3,701,118)	267,191,104	21,114,345	20
Computer equipment	422,946,799	120,114,872	(2,396,218)	540,665,453	385,168,551	41,322,474	(3,670,405)	422,820,620	117,844,833	33.33
Vehicles	95,833,354	1,292,848	(134,000)	96,992,202	65,430,316	18,857,574	(134,000)	84,153,890	12,838,312	20
	1,555,910,119	129,787,956	(4,145,223)	1,681,552,852	908,084,504	144,439,677	(11,152,649)	1,041,371,532	640,181,320	
<b>Leased assets</b>										
Vehicles	116,651,367	880,458	-	117,531,825	105,241,153	8,506,104	0	113,747,257	3,784,568	20
	<b>1,672,561,486</b>	<b>130,668,414</b>	<b>(4,145,223)</b>	<b>1,799,084,677</b>	<b>1,013,325,657</b>	<b>152,945,781</b>	<b>(11,152,649)</b>	<b>1,155,118,788</b>	<b>643,965,888</b>	

6.2.3 Right of use assets	Note	Un-Audited	Audited
		Mar-23	Dec-22
-----Rupees-----			
Right of use assets - Initial Recognition under IFRS-16		646,441,024	619,063,594
Additions during the period		244,100	165,861,712
Deletions during the year		(22,990,935)	(9,185,264)
Depreciation charged during the period		(31,174,629)	(129,299,018)
Net book value at the end		<u>592,519,560</u>	<u>646,441,024</u>

### 6.3 Intangible assets

Computer softwares	6.3.1	<u>29,513,649</u>	<u>36,809,510</u>
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#### 6.3.1 Computer softwares

##### Cost

Opening balance		436,905,387	411,423,212
Additions during the year		1,888,110	25,482,175
Closing balance		<u>438,793,497</u>	<u>436,905,387</u>

##### Amortization

Opening balance		(400,095,877)	(357,035,089)
Charge for the year		(9,183,971)	(43,060,788)
Closing balance		<u>(409,279,849)</u>	<u>(400,095,877)</u>
Net book value		<u>29,513,649</u>	<u>36,809,510</u>

6.3.2 Amortization is charged on straight line basis at the rate of 33.33% per annum, starting from the month the asset is available for use and no amortization is charged in month of disposal.

7 OTHER ASSETS	Note	Un-Audited	Audited
		Mar-23	Dec-22
-----Rupees-----			
Income / mark-up accrued on			
Loans and Advances		2,348,632,840	2,277,309,286
Bank deposits		34,314,185	11,682,849
Lending to financial institutions		-	-
Advances to employees			
Interest bearing staff loans		83,391,121	89,113,276
Personal advances		9,306,655	6,864,437
Operational advances		16,998,583	8,670,458
Advances to suppliers		62,439,272	8,541,728
Prepayments		56,655,658	45,807,380
Income tax refundable (payments less provisions)		-	-
FED/Sales tax refundable		46,450,562	29,913,404
Fair value of derivative financial instrument		(0)	(0)
Insurance claims receivables		193,687,625	173,253,421
Crop and livestock insurance claims		90,445,313	87,482,567
Receivable from Employees' Provident Fund		-	-
Receivable from parent company		270,849	258,609
Others		27,795,709	94,537,524
		<u>2,970,388,372</u>	<u>2,833,434,937</u>
Less : Provisions held against classified other assets		(12,979,235)	(12,979,235)
Other assets - net of provisions		<u>2,957,409,136</u>	<u>2,820,455,702</u>

	Un-Audited Mar-23		Audited Dec-22	
	No of accounts	Rupees	No of accounts	Rupees
<b>8 DEPOSITS AND OTHER ACCOUNTS</b>				
<b>Conventional</b>				
Current deposits	336,048	3,092,783,567	340,360	2,486,517,819
Saving deposits	735,972	6,894,456,532	741,533	8,520,941,651
Fixed deposits	3,643	15,431,798,434	4,125	15,521,245,699
	1,075,663	25,419,038,534	1,086,018	26,528,705,169
<b>Islamic</b>				
Current deposits	58,296	1,518,649,404	58,051	1,407,205,910
Saving deposits	19,973	1,811,816,888	19,995	2,009,989,182
Fixed deposits	2,388	1,950,880,378	2,592	2,498,254,426
	80,657	5,281,346,670	80,638	5,915,449,518
	1,156,320	30,700,385,203	1,166,656	32,444,154,687

### 8.1 Particulars of Deposits by ownership

Individual depositors	1,152,837	14,021,785,693	1,163,062	14,172,535,848
Institutional depositors				
Corporation / firms etc.	3,306	12,348,189,361	3,422	14,106,081,929
Banks & financial institutions	177	4,330,410,150	172	4,165,536,909
	3,483	16,678,599,510	3,594	18,271,618,839
Total	1,156,320	30,700,385,203	1,166,656	32,444,154,687

	Note	Un-Audited	Audited
		Mar-23	Dec-22
-----Rupees-----			
<b>9 BORROWINGS</b>			
Borrowings from Banks / Financial Institutions			
In Pakistan	9.1	4,069,971,808	5,144,971,808
Outside Pakistan		-	-
		4,069,971,808	5,144,971,808

### 9.1 Borrowings from Banks / Financial Institutions in Pakistan

	Note	Un-Audited	Audited
		Mar-23	Dec-22
-----Rupees-----			
<b>Secured</b>			
United Bank Limited (Running Finance )		-	-
Askari Bank Limited (Running Finance)		345,000,000	345,000,000
Allied Bank Limited (Running Finance)		0	0
National Bank of Pakistan (Running Finance)		0	999,971,808
Bank Alfalah Ltd (Running Finance)		(0)	(0)
Borrowing from BOP (Running Finance)		500,000,000	500,000,000
Borrowing from BOP (Term Finance)		300,000,000	300,000,000
Borrowing from Pakistan Mortgage Refinance Company Limited (Term Finance)		500,000,000	500,000,000
National Bank of Pakistan (Running Finance)		2,424,971,808	2,500,000,000
National Bank of Pakistan (Reverse Repo Borrowing)		-	-
		4,069,971,808	5,144,971,808

	Note	Mar-23	#	Dec-22
		-----Rupees-----		
<b>10 SUBORDINATED DEBT</b>				
KfW - Germany	10.1	672,360,000		672,360,000
TFCs Subordinated Debt	10.2	770,000,000		770,000,000
		<u>1,442,360,000</u>		<u>1,442,360,000</u>

**10.1** The Bank entered into a loan agreement with KfW - Germany, shareholder of the Bank, on December 29, 2014 for an amount of EURO 6 million. The loan is intended to be availed as TIER-II subordinated debt for inclusion in the Bank's Supplementary Capital. The amount was translated into local currency at the exchange rate of Rs.112.06 and sub-ordinated debt of Rs 672,360,000 was recorded in the financial statements. Loan carries interest at rate of KIBOR + 3.5% per annum. Principal amount and interest is repayable in a bullet payment at the end of loan term by converting the principal and accrued markup into EUROs at the exchange rate prevalent as at June 30, 2023. All foreign currency risks in connection with the transaction rest with the KfW.

**10.2** This represents Rated, Unsecured, subordinated and privately placed Tier II Term Finance Certificates of worth Rs.100,000/- each fully subscribed on July 09, 2021 to improve the Capital Adequacy Ratio at the rate of 3 Month KIBOR plus 3% per annum. The issue is for a period of 7 years from the date of subscription and will mature on July 09, 2028. The issue has assigned preliminary rating of single "A-" (Single "A minus"). The principal amount of issue TFC will be redeemed in four (4) equal quarterly installments during the last year of the issue.

	Note	Mar-23	#	Dec-22
		-----Rupees-----		
<b>11 OTHER LIABILITIES</b>				
Mark-up / return / interest payable on				
Deposits and other accounts		780,419,109		765,476,034
Borrowings		832,529,775		765,328,434
Payable for employees' benefit plans				
Employees' gratuity fund		(17,966,301)		9,463,337
Accumulated compensated absences		189,252,110		194,806,929
Provident Fund		433,591		496,111
Payable to employees' - final settlement		1,747,520		3,231,948
Obligation under finance lease				
Right-of-use asset	11.1	823,608,801		876,615,068
Company's vehicles		(0)		(0)
Vehicles sub-leased to employees'		-		-
		<u>823,608,801</u>		<u>876,615,068</u>
Payable to suppliers		30,098,564		8,227,713
Withholding tax payable		17,477,957		26,147,562
Income tax payable		147,277,066		189,589,035
Workers' Welfare Fund		36,494,089		36,494,089
Accrued expenses		107,536,129		93,570,726
Security deposits against Islamic financing		526,971,803		541,660,366
Payable to the parent company		240,935,828		181,199,516
Insurance payable		21,658,989		20,610,254
Unearned / deferred income on Islamic financing		982,297,381		854,577,557
Unearned / Deferred income on LPF ATM and SMS services		287,644,791		338,403,524
Bills payable		92,510,877		118,760,930
Payable to Customer Against Insurance Claims		733,967		34,446,272
Payable to Banks/FIsDFIs/NGOs		50,691		-
Others		8,154,037		7,742,663
		<u>5,109,866,775</u>		<u>5,066,848,066</u>

**11.1 Lease liability on right of use asset:**

	<b>Mar-23</b>	<b>Dec-22</b>
	-----Rupees-----	
Opening lease liability	894,175,202	853,207,439
Lease liability on right of use asset - Initial Recognition under IFRS-16	-	-
Additions during the period	158,540	166,962,955
Deletion during the period	(33,936,295)	(45,578,258)
Finance cost on lease liability on right of use assets	27,904,417	118,823,724
Payment of lease liability on right of use assets	(47,132,929)	(199,240,658)
<b>Net book value at the end</b>	<b><u>841,168,937</u></b>	<b><u>894,175,202</u></b>

**12 SHARE CAPITAL**

**12.1 Authorized capital**

<b>Mar-23</b>	<b>Dec-22</b>		<b>Mar-23</b>	<b>Dec-22</b>
-----Number-----			-----Rupees-----	
<u>300,000,000</u>	<u>300,000,000</u>	Ordinary shares of Rs. 10 each	<u>3,000,000,000</u>	<u>3,000,000,000</u>

**12.2 Issued, subscribed and paid-up capital**

<b>Mar-23</b>	<b>Dec-22</b>		<b>Mar-23</b>	<b>Dec-22</b>
-----Number-----			-----Rupees-----	
<u>149,837,201</u>	<u>149,837,201</u>	Ordinary shares of Rs 10 each fully paid in cash	<u>1,498,372,010</u>	<u>1,498,372,010</u>

**12.3 The shareholders of the Bank are as follows:**

<b>Mar-23</b>	<b>Dec-22</b>		<b>Mar-23</b>	<b>Dec-22</b>
-----Number-----			-----Rupees-----	
85,999,550	85,999,550	NRSP	859,995,500	859,995,500
24,000,000	24,000,000	International Finance Corporation (IFC)	240,000,000	240,000,000
-	-	- KfW Germany	-	-
16,000,000	16,000,000	Acumen Fund USA	160,000,000	160,000,000
-	-	- Acumen Capital Markets LLP	-	-
23,837,201	23,837,201	PROPARCO France	238,372,010	238,372,010
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
<b><u>149,837,201</u></b>	<b><u>149,837,201</u></b>		<b><u>1,498,372,010</u></b>	<b><u>1,498,372,010</u></b>