

NRSP MICROFINANCE BANK LIMITED
BALANCE SHEET
AS AT MARCH 31, 2022

		Un-Audited	Audited
		Mar-22	Dec-21
	Note	----- Rupees -----	
ASSETS			
Cash and balances with SBP and NBP	1	1,833,602,082	2,611,549,980
Balances with other Banks/ NBFIs /MFBs	2	3,061,513,309	6,806,536,615
Lending to financial institutions	3	-	-
Investments - net of provisions	4	6,639,177,984	6,782,215,699
Advances - net of provision	5	28,092,164,043	27,178,816,014
Operating fixed assets	6	1,332,017,195	1,340,988,129
Other assets	7	5,748,570,039	5,435,818,550
Deferred tax asset - net	15	1,224,789,866	1,224,789,867
Total Assets		47,931,834,518	51,380,714,854
LIABILITIES			
Deposits and other accounts	8	31,129,246,361	34,126,738,257
Borrowings	9	6,381,774,800	6,935,832,100
Subordinated debt	10	1,442,360,000	1,442,360,000
Other liabilities	11	4,556,133,344	4,596,811,461
Deferred tax liability - net		-	-
Total liabilities		43,509,514,504	47,101,741,818
Net assets		4,422,320,014	4,278,973,036
REPRESENTED BY			
Share capital	12	1,498,372,010	1,498,372,010
Statutory reserve		843,393,192	815,766,515
Depositors' protection fund		281,932,381	269,646,185
Unappropriated profit		1,796,639,411	1,693,039,372
		4,420,336,994	4,276,824,081
Surplus/ (deficit) on revaluation of assets		(2,959,630)	(2,638,100)
Deferred grants	13	4,942,650	4,787,054
Total capital		4,422,320,014	4,278,973,036

MEMORANDUM/ OFF-BALANCE SHEET ITEMS

The annexed notes from 1 to 19 form an integral part of these financial statements.

President/ Chief Executive

Chairman

Director

Director

NRSP MICROFINANCE BANK LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED ON MARCH 31, 2022

		Un-Audited	Un-Audited
		Mar-22	Mar-21
	Note	----- Rupees -----	-----
Mark-up/ return/ interest earned	14	1,957,694,034	2,172,580,588
Mark-up/ return/ interest expensed	15	(911,567,716)	(1,008,447,094)
Net mark-up/ interest income		1,046,126,318	1,164,133,494
Provision against non-performing loans and advances	5.4	(672,496,511)	(517,421,766)
Provision for demuntion in the value of investments		-	-
Bad debts written off directly - net of insurance recoveries	5.5	(5,278,484)	(2,528,249)
		(677,774,995)	(519,950,015)
Net mark-up/ interest income after provisions		368,351,323	644,183,479
NON MARK-UP/ NON INTEREST INCOME			
Fee, commission and brokerage income	16	110,169,460	146,710,972
Dividend income		-	-
Other income - net	17	434,346,290	103,955,130
Total non mark-up/ non interest income		544,515,750	250,666,102
NON MARK-UP/ NON INTEREST EXPENSES			
Administrative expenses	18	(742,015,949)	(727,242,175)
Other charges	19	(379,000)	(12,000)
Total non mark-up/ non interest expenses		(742,394,949)	(727,254,175)
		170,472,124	167,595,405
Extra ordinary/ unusual items		-	-
PROFIT/ (LOSS) BEFORE TAXATION		170,472,124	167,595,405
Taxation - Current		(32,338,739)	(29,323,823)
Prior year		-	-
Deferred		-	-
		(32,338,739)	(29,323,823)
PROFIT/ (LOSS) AFTER TAXATION		138,133,386	138,271,582
Unappropriated profit/ (loss) brought forward		1,693,039,375	2,929,766,106
Less: Other comprehensive income		-	-
Profit available for appropriation		<u>1,831,172,761</u>	<u>3,068,037,688</u>
APPROPRIATIONS			
Transfer to:			
Statutory reserve		(27,626,677)	(27,654,316)
Depositors' protection fund		(6,906,669)	(6,913,579)
		(34,533,346)	(34,567,895)
Unappropriated profit/ (loss) carried forward		<u>1,796,639,415</u>	<u>3,033,469,793</u>
Earnings/ (loss) per share		<u>0.92</u>	<u>0.92</u>

The annexed notes from 1 to 19 form an integral part of these financial statements.

President/ Chief Executive

Chair

Director

Director

NRSP MICROFINANCE BANK LIMITED
CASH FLOW STATEMENT
FOR THE PERIOD ENDED ON MARCH 31, 2022

Un-Audited Un-Audited

Note **Mar-22** **Mar-21**
----- Rupees -----

CASH FLOW FROM OPERATING ACTIVITIES

Profit/ (loss) before taxation	170,472,124	167,595,405
Less : Dividend income	-	-
	170,472,124	167,595,405

Adjustments for non-cash changes

Depreciation	35,133,870	43,456,706
Amortization (IFRS-16)	31,033,663	36,674,611
Amortization	11,692,834	14,136,594
Provision against non-performing advances	672,496,510	517,421,766
Provision against advances to employees	-	-
Advances directly written-off - net of insurance recoveries	5,278,484	2,528,249
Unrealized gain on revaluation of investments classified as held-for-trading	-	-
Gain on sale/ redemption of securities	(115,553,725)	(133,494,507)
Unrealized exchange (gain) / loss	-	-
Unrealized loss/ (gain) on derivative financial asset	-	-
Gain on sale of fixed assets	(377)	387,237
Loss on Termination of Leased Agreements	-	-
Finance charges on leased assets	28,248,811	37,193,675
Amortization of deferred grants	(2,300,127)	(932,426)
Capital Gain on Available for Sale Securities	204,801	-
Provision for gratuity and leave encashment	33,840,558	36,115,203
	700,075,304	553,487,107

(Increase)/ decrease in operating assets

Lending to financial institutions	-	541,659,490
Advances	(1,591,123,025)	(559,211,619)
Other assets (excluding advance taxation)	(301,222,939)	(375,442,455)
	(1,892,345,964)	(392,994,583)

Increase/ (decrease) in operating liabilities

Bills payable	14,554,612	14,466,122
Borrowings from financial institutions	(554,057,300)	(2,023,093,318)
Deposits	(2,997,491,896)	2,483,917,909
Other liabilities (excluding bills payable, current taxation, gratuity and leave encashment, finance lease)	(17,557,477)	229,011,218
	(3,554,552,061)	704,301,931

Payment against provision held against off- balance sheet obligations

Income tax paid	(78,553,669)	(21,816,422)
Gratuity and leave ensachment paid (including contributions)	(29,610,499)	(23,558,074)

Net cash flow from operating activities

(4,684,514,765) 987,015,364

CASH FLOW FROM INVESTING ACTIVITIES

Net investment in available-for-sale securities	(117,401,011)	(569,689,750)
Net investment in held-to-maturity securities	375,466,120	61,849,447
Net investment in held for trading securities	-	-
Investment in operating fixed assets	(69,090,388)	(22,427,319)
Interest income on depositors' protection fund	5,379,527	3,341,159
Dividend received from mutual funds	-	-
Sale proceeds from property and equipment disposed-off	201,330	52,113

Net cash flow from/ (used in) investing activities

194,555,578 (526,874,350)

CASH FLOW FROM FINANCING ACTIVITIES

Grants received	2,455,722	1,512,623
Net payments of lease obligations	(35,467,740)	(59,458,001)

Net cash flow from/ (used in) financing activities

(33,012,018) (57,945,378)

Increase/ (decrease) in cash and cash equivalents

(4,522,971,204) 402,195,636

Cash and cash equivalents at the beginning of the year

9,418,086,595 7,801,263,241

Cash and cash equivalents at the end of the year

4,895,115,392 8,203,458,875

The annexed notes from 1 to 19 form an integral part of these financial statements.

President/ Chief Executive

Chairman

Director

Director

**NRSP MICROFINANCE BANK LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED MARCH 31,2022**

	Un-Audited	Un-Audited
	Mar-22	Mar-21
Note	----- Rupees -----	-----
Profit/ (loss) after taxation	138,133,386	138,271,582
Other comprehensive income/ (loss)		
Items that will not be subsequently reclassified through profit and loss account :		
Loss on remeasurement of employees' retirement benefits - net of tax	-	-
Total comprehensive income for the year	<u>138,133,386</u>	<u>138,271,582</u>

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President/ Chief Executive

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NRSP MICROFINANCE BANK LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED ON MARCH 31, 2022

	Share capital	Capital reserves		Revenue reserve	Total
		Statutory reserve	Depositors' protection fund	Unappropriated profit	
----- Rupees -----					
Balance as at January 01, 2021	1,498,372,010	815,766,515	253,792,881	2,929,766,103	5,497,697,509
Profit for the year	-	-	-	138,271,582	138,271,582
Other comprehensive income/ (loss) for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	138,271,582	138,271,582
Transfer to statutory reserve	-	-	-	-	-
Transfer to depositors' protection fund:					
- 5% of the profit after tax for the year	-	-	-	-	-
- Return on investments - net of tax	-	-	3,341,159	-	3,341,159
	-	-	3,341,159	-	3,341,159
Balance as at March 31, 2021	1,498,372,010	815,766,515	257,134,040	3,068,037,685	5,639,310,249
Profit for the year	-	-	-	(1,370,080,728)	(1,370,080,728)
Other comprehensive income/ (loss) for the year	-	-	-	(4,917,585)	(4,917,585)
Total comprehensive income for the year	-	-	-	(1,374,998,313)	(1,374,998,313)
Transfer to statutory reserve	-	-	-	-	-
Transfer to depositors' protection fund:					
- 5% of the profit after tax for the year	-	-	-	-	-
- Return on investments - net of tax	-	-	12,512,145	-	12,512,145
	-	-	12,512,145	-	12,512,145
Balance as at December 31, 2021	1,498,372,010	815,766,515	269,646,185	1,693,039,372	4,276,824,081
Profit for the year	-	-	-	138,133,386	138,133,386
Other comprehensive income/ (loss) for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	138,133,386	138,133,386
Transfer to statutory reserve	-	27,626,677	-	(27,626,677)	-
Transfer to depositors' protection fund:					
- 5% of the profit after tax for the year	-	-	6,906,669	(6,906,669)	-
- Return on investments - net of tax	-	-	5,379,527	-	5,379,527
	-	-	12,286,196	(6,906,669)	5,379,527
Balance as at March 31, 2022	1,498,372,010	843,393,192	281,932,381	1,796,639,411	4,420,336,994

The annexed notes from 1 to 19 form an integral part of these financial statements.

President/ Chief Executive

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Director

Director

	Note	Un-Audited Mar-22	Audited Dec-21
		----- Rupees -----	
1 CASH AND BALANCES WITH SBP AND NBP			
Cash in hand		566,943,607	653,818,533
Balance with State Bank of Pakistan	1.1	999,430,190	1,020,600,234
Balance with National Bank of Pakistan in			
Current account		4,898,102	9,423,752
Deposit accounts		262,330,183	927,707,461
		<u>1,833,602,082</u>	<u>2,611,549,980</u>

1.1 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% (2020: 5%) of the Bank's demand deposits and time deposits with tenor of less than one year.

	Note	Un-Audited Mar-22	Audited Dec-21
		----- Rupees -----	
2 BALANCES WITH OTHER BANKS			
In Pakistan			
Local currency current accounts	2.1	34,191,864	31,471,011
Local currency deposit accounts	2.2	2,277,321,446	3,575,065,604
Local currency term deposits	2.3	750,000,000	3,200,000,000
		<u>3,061,513,309</u>	<u>6,806,536,615</u>

2.1 These represent deposits with commercial banks and Islamic banks payable on demand maintained in current account.

2.2 These represent deposits with commercial banks and Islamic banks payable on demand carrying mark-up/profit ranging from 7.25% to 11.00% (2021: 6.70% to 14.00%) per annum.

2.3 Local currency term deposits amount is Nil in March 2022 (2021: Rs 3,200 million) (2021: 11.15% to 14.50%)

	Note	Un-Audited Mar-22	Audited Dec-21
		----- Rupees -----	
3 LENDING TO FINANCIAL INSTITUTIONS			
Call money lendings	3.1	-	-
Repurchase agreement lendings (Reverse repo)	3.1 & 3.2	-	-
		<u>-</u>	<u>-</u>

3.1 These are secured against underlying Market Treasury Bills. The differential between the contracted rate and resale price is amortised over the period of related contracts and recorded under mark-up / return / interest earned. (2020: 7%)

3.2 Securities held as collateral against lending to financial institutions

	Held by Bank	Further given as collateral	Total
As At March 31, 2022			
Market treasury bills (MTBs)	-	-	-
As at December 31, 2020			
Market treasury bills (MTBs)	1,500,000,000	-	1,500,000,000

	Note	Un-Audited Mar-22	Audited Dec-21
		----- Rupees -----	
4 INVESTMENTS - NET OF PROVISIONS			
Held to maturity			
Federal Government Securities			
Market treasury bills (MTBs)	4.1	1,663,310,994	1,999,565,729
Ijarah Sukuks	4.2	307,196,600	304,338,170
		1,970,507,593	2,303,903,899
Term Deposit Receipts (TDRs)	4.3	1,800,000,000	1,800,000,000
		3,770,507,593	4,103,903,899
Available for sale			
Federal Government Securities			
Market treasury bills (MTBs)	4.4	2,871,630,020	2,680,949,900
Deficit on revaluation of available for sale investments		(2,959,630)	(2,638,100)
		2,868,670,390	2,678,311,800
Held for trading			
Mutual funds		0	0
		6,639,177,984	6,782,215,699

4.1 The T-Bills carry mark up at the rate of 10.10% to 10.31% (2021: 7.38% to 9.75%) per annum and are due to mature in April and May 2022.

4.2 Ijarah Sukuk carries mark up at the rate of 6.3% to 6.98% (2021: 6.3% to 6.98%) per annum and is due to mature in April, July and December 2025.

4.3 The TDR carry mark up at the rate of 11.50% to 13.50% (2021: 11.50% to 13.50%) per annum and is due to mature in June 2022 and December 2022.

4.4 The T-Bills carry mark up at the rate of 10.19% to 11.25% (2021: 7.46% to 10.75%) per annum and are due to mature in April, May, June and September 2022.

5 ADVANCES - NET OF PROVISION

Loan type	Note	Un-Audited		Audited	
		Mar-22		Dec-21	
		Number	Rupees	Number	Rupees
Micro credit		268,800	23,100,736,124	296,643	23,647,176,395
Islamic financing		19,257	7,613,822,458	19,588	7,200,336,415
		288,057	30,714,558,582	316,231	30,847,512,809
Less: Provision held					
Specific	5.1	12,466	(449,728,791)	30,969	(1,332,725,416)
General					
Mandatory	5.2		(247,386,619)		(244,306,672)
Additional	5.3		(1,925,279,130)		(2,091,664,707)
			(2,622,394,540)		(3,668,696,795)
Advances - net of provisions			28,092,164,043		27,178,816,014

5.1 Particulars of non performing loans

Advances include Rs 1,405.19 million (2020: 1,242.29 million) which as detailed below, have been placed under non performing status.

Category of classification	Un-Audited			Audited		
	Mar-22			Dec-21		
	Amount outstanding	Provisions required	Provisions held	Amount outstanding	Provisions required	Provisions held
	-----Rupees-----			-----Rupees-----		
Watchlist	769,328,144	-	-	427,658,728	-	-
OAEM	368,921,118	5,698,434	5,698,434	88,007,116	-	-
Sub-Standard	479,480,569	118,309,814	118,309,815	44,285,669	10,301,270	10,312,771
Doubtful	430,681,796	209,986,924	209,986,923	1,323,733,008	657,807,931	657,755,440
Loss	126,103,072	115,733,619	115,733,618	665,629,586	664,657,199	664,657,206
	1,405,186,555	449,728,791	449,728,791	2,121,655,379	1,332,766,400	1,332,725,416

5.2 This represents general provision maintained against unsecured microcredit advances net of specific provision at the rate of 1% (2020: 1%) in accordance with the requirement of Prudential Regulations issued by the State Bank of Pakistan.

5.3 In the view of the business challenges posed by the COVID-19 outbreak, the management has exercised prudence and recorded General provision of Rs.1925.3 Million (Dec 2021: 2,092 Million) during the Period ended March 31 2022, in addition to the statutory requirement of 1% on net of specific provisions and loans secured against gold or other collateral with appropriate margin. Further, the management believes that its current policies for managing credit, liquidity and market risk are adequate in response to the current situation.

5.3.1 ECL calculated as per IFRS-09 is Rs. 1,441.7 Million, and provision according to PRs is 697.1 Million. This required Rs.744.5 Million incremental provision. We have already maintained additional general provision of Rs. 1,925.3 Million, which is higher than required as at March 31, 2022.

5.4 Particulars of provision against non-performing advances

	Un-Audited Mar-22			Audited Dec-21		
	Specific	General	Total	Specific	General	Total
	-----Rupees-----			-----Rupees-----		
Opening balance	1,332,725,418	2,335,971,380	3,668,696,798	422,149,085	935,269,133	1,357,418,218
Charge for the year	835,802,140	(163,305,630)	672,496,510	2,556,665,694	1,400,702,247	3,957,367,941
Amounts written off	(1,718,798,766)	-	(1,718,798,766)	(1,646,089,361)	-	(1,646,089,361)
Reversals	-	-	-	-	-	-
Closing balance	<u>449,728,792</u>	<u>2,172,665,750</u>	<u>2,622,394,542</u>	<u>1,332,725,418</u>	<u>2,335,971,380</u>	<u>3,668,696,798</u>

5.5 Particulars of advances written off

	Note	
	Mar-22 -----Rupees----- Un-Audited	Dec-21 Audited
Against provisions	1,718,798,766	1,646,089,361
Directly charged to profit & loss account	5,278,484	30,403,454
	<u>1,724,077,250</u>	<u>1,676,492,815</u>

6 OPERATING FIXED ASSETS

Capital work-in-progress	6.1	6,518,351	8,300,582
Property and equipment	6.2	683,349,300	659,235,829
Right of use assets	6.2.3	599,454,255	619,063,594
Intangible assets	6.3	42,695,289	54,388,123
		<u>1,332,017,195</u>	<u>1,340,988,129</u>

6.1 Capital work-in-progress

Civil works	1,510,811	3,293,042
ATM machines installation	-	-
Implementation of Oracle Softwares	5,007,540	5,007,540
	<u>6,518,351</u>	<u>8,300,582</u>

6.2 Property and equipment

Particulars	COST				ACCUMULATED DEPRECIATION				Net Book Value As At March 31,2022	Rate of depreciation (%)
	As At January 01,2022	Additions	Disposal	As At March 31,2022	As At January 01,2022	Charge for the year	Disposal	As At March 31,2022		
-----Rupees-----										
Owned assets										
Freehold land	253,419,808	-	-	253,419,808	-	-	-	-	253,419,808	-
Furniture and fixtures	495,944,179	2,824,609	(78,241)	498,690,547	219,956,321	11,872,942	(29,994)	231,799,269	266,891,278	10
Office equipment	287,765,979	164,164	(196,023)	287,734,120	237,529,316	8,987,911	(187,956)	246,329,271	41,404,849	20
Computer equipment	422,946,799	55,858,919	(457,963)	478,347,755	385,168,551	8,531,709	(313,324)	393,386,935	84,960,819	33.33
Vehicles	95,833,354	452,860	-	96,286,214	65,430,316	3,410,139	-	68,840,455	27,445,759	20
	1,555,910,119	59,300,552	(732,227)	1,614,478,444	908,084,504	32,802,702	(531,274)	940,355,931	674,122,513	
Leased assets										
Vehicles	116,651,367	147,800	-	116,799,167	105,241,153	2,331,227	-	107,572,380	9,226,787	20
	1,672,561,486	59,448,352	(732,227)	1,731,277,611	1,013,325,657	35,133,928	(531,274)	1,047,928,311	683,349,300	

Particulars	COST				ACCUMULATED DEPRECIATION				Net Book Value As At December 31,2021	Rate of depreciation (%)
	As At January 01,2021	Additions	Disposal	As At December 31,2021	As At January 01,2021	Charge for the year	Disposal	As At December 31,2021		
-----Rupees-----										
Owned assets										
Freehold land	253,419,808	-	-	253,419,808	-	-	-	-	253,419,808	-
Furniture and fixtures	483,633,260	14,567,087	(2,256,168)	495,944,179	173,107,304	50,496,143	(3,647,126)	219,956,321	275,987,858	10
Office equipment	287,065,023	4,006,868	(3,305,912)	287,765,979	198,362,590	42,867,844	(3,701,118)	237,529,316	50,236,663	20
Computer equipment	406,010,426	31,608,967	(14,672,594)	422,946,799	355,600,808	33,238,148	(3,670,405)	385,168,551	37,778,248	33.33
Vehicles	95,958,470	333,486	(458,602)	95,833,354	51,532,457	14,353,111	(455,252)	65,430,316	30,403,038	20
	1,526,086,987	50,516,408	(20,693,276)	1,555,910,119	778,603,159	140,955,246	(11,473,901)	908,084,504	647,825,615	
Leased assets										
Vehicles	117,253,046	213,410	(815,089)	116,651,367	92,129,802	13,913,179	(801,828)	105,241,153	11,410,214	20
	1,643,340,033	50,729,818	(21,508,365)	1,672,561,486	870,732,961	154,868,425	(12,275,729)	1,013,325,657	659,235,829	

6.2.3 Right of use assets	Note	Un-Audited	Audited
		Mar-22	Dec-21
-----Rupees-----			
Right of use assets - Initial Recognition under IFRS-16		619,063,594	774,557,328
Additions during the period		11,424,325	127,415,732
Deletions during the year		-	(151,641,718)
Depreciation charged during the period		(31,033,663)	(128,386,453)
Net book value at the end		<u>599,454,255</u>	<u>619,063,594</u>

6.3 Intangible assets

Computer softwares	6.3.1	<u>42,695,289</u>	<u>54,388,123</u>
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6.3.1 Computer softwares

Cost

Opening balance		411,423,212	391,085,679
Additions during the year		-	20,337,533
Closing balance		<u>411,423,212</u>	<u>411,423,212</u>

Amortization

Opening balance		(357,035,089)	(302,979,981)
Charge for the year		(11,692,834)	(54,055,108)
Closing balance		<u>(368,727,923)</u>	<u>(357,035,089)</u>
Net book value		<u>42,695,289</u>	<u>54,388,123</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-22	Dec-21
-----Rupees-----			
Income / mark-up accrued on			
Loans and Advances		4,994,250,351	4,783,706,943
Bank deposits		70,974,374	33,178,862
Lending to financial institutions		-	-
Advances to employees			
Personal advances - net of provision		121,392,615	129,977,627
Operational		4,248,123	1,339,505
Advances to suppliers		74,562,896	51,548,438
Prepayments		55,394,405	49,209,182
Income tax refundable (payments less provisions)		-	-
FED/Sales tax refundable		58,137,990	43,743,927
Fair value of derivative financial instrument		(0)	(0)
Insurance claims receivables		104,390,347	103,425,988
Crop and livestock insurance claims		124,050,603	124,789,123
Receivable from Employees' Provident Fund		-	-
Receivable from parent company		68,655	68,655
Others		141,099,680	114,830,301
		<u>5,748,570,039</u>	<u>5,435,818,550</u>
Less : Provisions held against classified other assets		-	-
Other assets - net of provisions		<u>5,748,570,039</u>	<u>5,435,818,550</u>

	Un-Audited Mar-22		Audited Dec-21	
	No of accounts	Rupees	No of accounts	Rupees
8 DEPOSITS AND OTHER ACCOUNTS				
Conventional				
Current deposits	360,958	2,500,423,932	367,744	2,596,864,217
Saving deposits	770,297	7,221,004,975	785,532	8,375,368,196
Fixed deposits	5,007	15,787,149,690	5,203	16,600,064,137
	1,136,262	25,508,578,597	1,158,479	27,572,296,550
Islamic				
Current deposits	56,964	532,843,597	57,654	917,616,091
Saving deposits	20,362	1,925,024,915	21,036	2,270,588,018
Fixed deposits	3,060	3,162,799,252	3,196	3,366,237,599
	80,386	5,620,667,764	81,886	6,554,441,707
	1,216,648	31,129,246,361	1,240,365	34,126,738,257

8.1 Particulars of Deposits by ownership

Individual depositors	1,213,268	14,108,554,496	1,236,995	15,484,956,551
Institutional depositors				
Corporation / firms etc.	3,183	11,729,310,091	3,178	14,163,150,168
Banks & financial institutions	197	5,291,381,774	192	4,478,631,538
	3,380	17,020,691,865	3,370	18,641,781,706
Total	1,216,648	31,129,246,361	1,240,365	34,126,738,257

	Note	Un-Audited	Audited
		Mar-22	Dec-21
-----Rupees-----			
9 BORROWINGS			
Borrowings from Banks / Financial Institutions			
In Pakistan	9.1	6,381,774,800	6,935,832,100
Outside Pakistan	9.2	-	-
		6,381,774,800	6,935,832,100

9.1 Borrowings from Banks / Financial Institutions in Pakistan

Secured			
Pak Oman Investment Company Limited		-	-
Allied Bank Limited (Term Finance)		-	-
United Bank Limited (Running Finance)		400,000,000	400,000,000
Askari Bank Limited (Running Finance)		345,000,000	345,000,000
Allied Bank Limited (Running Finance)		0	195,583,900
Faysal Bank Limited (Running Finance)		0	0
National Bank of Pakistan (Running Finance)		0	1,000,000,000
Bank Alfalah Ltd (Running Finance)		499,000,000	499,500,350
Borrowing from BOP (Running Finance)		500,000,000	-
Borrowing from BOP (Term Finance)		500,000,000	500,000,000
Borrowing from Pakistan Mortgage Refinance Company Limited (Term Finance)		500,000,000	500,000,000
Borrowing from NBP (PKR 2.5 Billion Under KPP)		2,500,000,000	2,500,000,000
National Bank of Pakistan (Reverse Repo Borrowing)		990,756,500	995,747,850
Allied Bank Limited (Reverse Repo Borrowing)		-	-
Bank of Punjab (Reverse Repo Borrowing)		147,018,300	-
		6,381,774,800	6,935,832,100

	Note	Un-Audited	Audited
		Mar-22	Dec-21
		#	#
		-----Rupees-----	
10 SUBORDINATED DEBT			
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	Un-Audited	Audited
		Mar-22	Dec-21
		#	#
		-----Rupees-----	
11 OTHER LIABILITIES			
Mark-up / return / interest payable on			
Deposits and other accounts		747,706,768	860,878,751
Borrowings		619,538,737	523,089,286
Payable for employees' benefit plans			
Employees' gratuity fund		19,722,127	18,112,194
Accumulated compensated absences		191,426,898	188,806,772
Provident Fund		435,686	496,178
Payable to employees' - final settlement		1,005,254	581,951
Obligation under finance lease			
Right-of-use asset		844,387,650	853,207,440
Company's vehicles		776,614	2,041,269
Vehicles sub-leased to employees'		-	-
		<u>845,164,264</u>	<u>855,248,709</u>
Payable to suppliers		19,336,889	21,345,322
Withholding tax payable		13,491,966	36,618,325
Income tax payable		218,699,099	227,393,608
Workers' Welfare Fund		32,781,268	32,781,268
Accrued expenses		70,697,840	84,708,594
Security deposits against Islamic financing		630,867,222	594,122,062
Payable to the parent company		135,119,932	134,112,799
Insurance payable		32,811,514	19,693,934
Unearned / deferred income on Islamic financing		488,784,889	528,030,712
Unearned / Deferred income on LPF ATM and SMS services		252,241,101	225,033,171
Bills payable		183,556,332	169,001,720
Others		52,745,557	76,756,106
		<u>4,556,133,344</u>	<u>4,596,811,461</u>

12 SHARE CAPITAL

12.1 Authorized capital

		Un-Audited	Audited
Mar-22	Dec-21	Mar-22	Dec-21
-----Number-----		-----Rupees-----	
<u>300,000,000</u>	<u>300,000,000</u>	<u>3,000,000,000</u>	<u>3,000,000,000</u>
Ordinary shares of Rs. 10 each			

12.2 Issued, subscribed and paid-up capital

Mar-22	Dec-21	Mar-22	Dec-21
-----Number-----		-----Rupees-----	
<u>149,837,201</u>	<u>149,837,201</u>	<u>1,498,372,010</u>	<u>1,498,372,010</u>
Ordinary shares of Rs 10 each fully paid in cash			

12.3 The shareholders of the Bank are as follows:

Mar-22	Dec-21		Mar-22	Dec-21
-----Number-----			-----Rupees-----	
85,999,550	77,999,550	NRSP	859,995,500	779,995,500
24,000,000	24,000,000	International Finance Corporation (IFC)	240,000,000	240,000,000
-	23,837,201	KfW Germany	-	238,372,010
16,000,000	16,000,000	Acumen Fund USA	160,000,000	160,000,000
-	8,000,000	Acumen Capital Markets LLP	-	80,000,000
23,837,201	-	PROPARCO France	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
<u>149,837,201</u>	<u>149,837,201</u>		<u>1,498,372,010</u>	<u>1,498,372,010</u>

12.4 During the year, Acumen Capital Markets I. LLP has sold its shareholding in the Bank to National Rural Support Programme (NRSP) and KfW Germany also sold its shareholding in the Bank to PROPARCO (a subsidiary of the French Development Agency) in the month of July 2021.

		Un-Audited Mar-22	Audited Dec-21
	Note	-----Rupees-----	
13 DEFERRED GRANTS			
Opening balance		4,787,054	12,384,504
Grants received from			
SBP	21.1	831,205	2,390,890
KfW	21.2	-	3,294,561
FIP Grant Under IFS-II		-	-
SWF - PMIC		-	-
Union Pay		-	-
Karandaz	21.3	52,325	7,500,000
		883,530	13,185,451
Interest income		205,984	205,984
Amortization of grants during the year		(2,300,127)	(20,988,885)
		<u>4,942,650</u>	<u>4,787,054</u>

13.1 This represents grant received from State Bank of Pakistan (SBP) under the Financial Innovation Challenge Fund (FICF) for activities related to establishment of Islamic Banking.

13.2 This represents grant received under an agreement with KfW-Germany (a shareholder of the Bank) through Economic Affairs Division of Government of Pakistan for the purpose of institutional strengthening , to develop and strengthen its overall strategy and planning process, internal procedures, banking functions, product offerings and staff capacities of the Bank.

13.3 This represents grant received from Karandaz Pakistan for financial inclusion of women at village level by introducing female agents. The main purpose is to provide a new window of earning opportunity for women, while also fostering financial inclusion and ecosystem development in accordance with relevant provisions of agreement.

		Un-Audited Mar-22	Un-Audited Mar-21
	Note	-----Rupees-----	
14 MARK-UP / RETURN / INTEREST EARNED			
Interest / mark-up on			
Advances		1,388,779,967	1,622,800,913
Lending to financial institutions		142,397	24,821,147
Investments in government securities		115,553,725	133,494,507
Deposits accounts, placements with other bank / financial institutions		144,670,219	123,001,299
Employees' loan		3,166,030	1,899,679
Profit on Islamic financing		375,613,749	266,563,043
Income from Government Subsidy Scheme		9,773,191	-
Principal Discount on Def/Res/Rollover/Write-off loans		(80,005,244)	-
		<u>1,957,694,034</u>	<u>2,172,580,588</u>
15 MARK-UP / RETURN / INTEREST EXPENSED			
Deposits		613,690,913	782,264,275
Profit Sharing Islamic Deposits		101,224,028	127,669,171
Borrowings		167,234,519	60,729,542
Ammortization of loan processing fee on borrowings		1,167,711	589,390
Finance lease charges		(90,832)	1,064,436
Finance lease charges (IFRS 16)		28,339,636	36,129,231
Other costs of deposits		1,740	1,050
		<u>911,567,716</u>	<u>1,008,447,094</u>
		Un-Audited Mar-22	Un-Audited Mar-21
	Note	-----Rupees-----	
16 FEE, COMMISSION AND BROKERAGE INCOME			
Loan processing fee on advances		89,244,670	119,578,832
Other banking services fee		18,305,589	25,118,064
Commission Income		2,619,202	2,014,075
		<u>110,169,460</u>	<u>146,710,972</u>
17 OTHER INCOME - NET			
Investment income		(204,801)	-
Amortization of deferred grant	13	2,300,127	932,426
Gain on disposal of fixed assets - Annexure I		377	(387,237)
Un-realized (loss)/ gain on derivative financial instrument		-	-
Un-realized exchange gain/ (loss) on borrowings		-	-
Gain / (Loss) on Termination of Leased Agreements		-	-
Write off recovered		429,799,658	98,782,246
Other services income		2,450,929	4,627,695
		<u>434,346,290</u>	<u>103,955,130</u>

		Un-Audited Mar-22	Un-Audited Mar-21
	Note	-----Rupees-----	
18 ADMINISTRATIVE EXPENSES			
Staff salaries and benefits		377,189,554	378,356,976
Charge for defined benefit plans		33,840,558	36,115,203
Contribution for defined contribution plan		22,084,488	21,222,345
Incentives		33,837,720	19,642,008
Non-Executive directors' fee		450,000	650,000
Trainings		2,375,014	1,321,326
Legal and professional charges		13,309,693	7,430,486
Communication		19,513,542	17,685,313
Postage, courier etc.		3,340,467	3,155,406
Verification fee		4,008,289	5,367,166
Repair and maintenance		7,036,082	9,040,484
Stationary and printing		11,023,524	10,953,391
Advertisement and publicity		619,666	1,335,032
Depreciation	6.2	35,133,870	43,456,706
Amortization	6.3	11,692,834	14,136,594
Amortization (IFRS-16)	6.2.3	31,033,663	36,674,611
Staff travel		3,325,021	3,438,517
Fuel and power		21,996,786	18,866,266
Vehicle running and maintenance		5,744,618	4,829,125
Office supplies		1,684,450	2,379,974
Meetings and conferences		5,566,489	5,497,782
Utilities		15,520,643	11,771,905
Rent expenses		48,713,518	46,747,328
Rent expenses (IFRS-16)		(48,713,518)	(46,747,328)
Flex Cube Maintenance Fee		20,425,252	14,082,468
Insurance expenses		24,067,014	26,231,028
Security and administration		29,330,123	27,124,684
Donations		-	-
Auditor's remuneration	18.3	140,000	7,500
Corporate social responsibility		293,080	-
Financial charges on leased vehicles		-	-
Credit Guarantee Expense		29,556	-
Miscellaneous expenses		7,403,950	6,469,881
		742,015,949	727,242,175
		742,015,949	727,242,175
		Un-Audited Mar-22	Un-Audited Mar-21
	Note	-----Rupees-----	
18.3 Auditor's remuneration			
Annual audit		-	1,089,000
Interim review		-	550,000
Special purpose financial statements and group reporting		-	2,478,500
Special certifications etc.		140,000	4,152,950
Out of pocket expenses		-	489,810
		140,000	8,760,260
		140,000	8,760,260
19 OTHER CHARGES			
Penalties imposed by the State Bank of Pakistan		379,000	12,000
Provision for Workers' Welfare Fund		-	-
		379,000	12,000
		379,000	12,000