

**NRSP MICROFINANCE BANK LIMITED**  
**BALANCE SHEET**  
**AS AT SEPTEMBER 30, 2022**

		Un-Audited	Audited
		Sep-22	Dec-21
Note		----- Rupees -----	
<b>ASSETS</b>			
Cash and balances with SBP and NBP	1	1,647,210,510	2,611,549,980
Balances with other Banks/ NBFIs /MFBs	2	1,818,879,313	6,806,536,615
Lending to financial institutions		-	-
Investments - net of provisions	4	2,685,275,331	6,782,215,699
Advances - net of provision	5	30,200,943,448	27,178,816,014
Operating fixed assets	6	1,317,478,667	1,340,988,129
Other assets	7	2,850,973,435	5,435,818,551
Deferred tax asset - net		2,426,928,909	1,224,789,867
<b>Total Assets</b>		<b>42,947,689,614</b>	<b>51,380,714,854</b>
<b>LIABILITIES</b>			
Deposits and other accounts	8	29,086,078,535	34,126,738,257
Borrowings	9	5,739,800,822	6,935,832,100
Subordinated debt	10	1,442,360,000	1,442,360,000
Other liabilities	11	4,930,396,270	4,596,811,462
Deferred tax liability - net		-	-
<b>Total liabilities</b>		<b>41,198,635,626</b>	<b>47,101,741,819</b>
<b>Net assets</b>		<b>1,749,053,987</b>	<b>4,278,973,035</b>
<b>REPRESENTED BY</b>			
Share capital	12	1,498,372,010	1,498,372,010
Statutory reserve		815,766,515	815,766,515
Depositors' protection fund		294,718,879	269,646,194
Unappropriated profit / (loss)		(862,333,331)	1,693,039,364
		1,746,524,073	4,276,824,082
Surplus/ (deficit) on revaluation of assets		217,493	(2,638,100)
Deferred grants	13	2,312,422	4,787,054
<b>Total capital</b>		<b>1,749,053,988</b>	<b>4,278,973,037</b>

**MEMORANDUM/ OFF-BALANCE SHEET ITEMS**

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

**NRSP MICROFINANCE BANK LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE PERIOD ENDED ON SEPTEMBER 30, 2022**

		Un-Audited	Un-Audited
		<b>Sep-22</b>	<b>Sep-21</b>
	<b>Note</b>	<b>----- Rupees -----</b>	
Mark-up/ return/ interest earned		1,986,760,571	5,404,523,881
Mark-up/ return/ interest expensed		(2,894,199,320)	(2,896,327,737)
<b>Net mark-up/ interest income</b>		(907,438,749)	2,508,196,144
Provision against non-performing loans and advances		(1,708,176,451)	(1,902,178,220)
Provision for demunitation in the value of investments		-	-
Bad debts written off directly - net of insurance recoveries		(15,596,675)	(10,532,726)
		(1,723,773,126)	(1,912,710,945)
<b>Net mark-up/ interest income after provisions</b>		(2,631,211,876)	595,485,198
<b>NON MARK-UP/ NON INTEREST INCOME</b>			
Fee, commission and brokerage income		382,479,275	414,637,010
Dividend income		-	-
Other income - net		976,708,302	403,291,400
<b>Total non mark-up/ non interest income</b>		1,359,187,576	817,928,409
<b>NON MARK-UP/ NON INTEREST EXPENSES</b>			
Administrative expenses		(2,362,579,588)	(2,336,704,388)
Other charges		(4,615,174)	(6,852,754)
<b>Total non mark-up/ non interest expenses</b>		(2,367,194,762)	(2,343,557,142)
		(3,639,219,061)	(930,143,534)
Extra ordinary/ unusual items		-	-
<b>PROFIT/ (LOSS) BEFORE TAXATION</b>		(3,639,219,061)	(930,143,534)
Taxation - Current	29	(70,395,634)	(79,047,826)
Prior year		(17,577,150)	-
Deferred		1,201,921,549	57,159,895
		1,113,948,766	(21,887,930)
<b>PROFIT/ (LOSS) AFTER TAXATION</b>		(2,525,270,296)	(952,031,465)
Unappropriated profit/ (loss) brought forward		1,693,039,367	2,929,766,106
Less: Other comprehensive income		(30,102,399)	(27,336,329)
Profit available for appropriation		(862,333,327)	1,950,398,312
<b>APPROPRIATIONS</b>			
Transfer to:			
Statutory reserve		-	-
Depositors' protection fund		-	-
		-	-
<b>Unappropriated profit/ (loss) carried forward</b>		(862,333,327)	1,950,398,312
Earnings/ (loss) per share	30	(16.85)	(6.35)

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

**NRSP MICROFINANCE BANK LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED ON SEPTEMBER 30, 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	-	-	-	(952,031,465)	(952,031,465)
Other comprehensive income/ (loss) for the year	-	-	-	(27,336,329)	(27,336,329)
Total comprehensive income for the year	-	-	-	(979,367,794)	(979,367,794)
Transfer to statutory reserve	-	-	-	-	-
Transfer to depositors' protection fund:					
- 5% of the profit after tax for the year	-	-	-	-	-
- Return on investments - net of tax	-	-	11,446,851	-	11,446,851
	-	-	11,446,851	-	11,446,851
Balance as at September 30, 2021	1,498,372,010	815,766,515	265,239,732	1,950,398,309	4,529,776,566
Profit for the year	-	-	-	(279,777,689)	(279,777,689)
Other comprehensive income/ (loss) for the year	-	-	-	22,418,744	22,418,744
Total comprehensive income for the year	-	-	-	(257,358,945)	(257,358,945)
Transfer to statutory reserve	-	-	-	-	-
Transfer to depositors' protection fund:					
- 5% of the profit after tax for the year	-	-	-	-	-
- Return on investments - net of tax	-	-	4,406,462	-	4,406,462
	-	-	4,406,462	-	4,406,462
Balance as at December 31, 2021	1,498,372,010	815,766,515	269,646,194	1,693,039,364	4,276,824,082
Profit for the year	-	-	-	(2,525,270,296)	(2,525,270,296)
Other comprehensive income/ (loss) for the year	-	-	-	(30,102,399)	(30,102,399)
Total comprehensive income for the year	-	-	-	(2,555,372,695)	(2,555,372,695)
Transfer to statutory reserve	-	-	-	-	-
Transfer to depositors' protection fund:					
- 5% of the profit after tax for the year	-	-	-	-	-
- Return on investments - net of tax	-	-	25,072,685	-	25,072,685
	-	-	25,072,685	-	25,072,685
Balance as at September 30, 2022	1,498,372,010	815,766,515	294,718,879	(862,333,331)	1,746,524,073

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

**NRSP MICROFINANCE BANK LIMITED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED SEPTEMBER 30,2022**

	Un-Audited	Un-Audited
	<b>Sep-22</b>	<b>Sep-21</b>
<b>Note</b>	----- Rupees -----	-----
<b>Profit/ (loss) after taxation</b>	(2,525,270,296)	(952,031,465)
<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	(30,102,399)	(27,336,329)
<b>Total comprehensive income for the year</b>	<u>(2,555,372,695)</u>	<u>(979,367,794)</u>

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

**NRSP MICROFINANCE BANK LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED ON SEPTEMBER 30, 2022**

Un-Audited Un-Audited

Note	Sep-22	Sep-21
	Rupees -----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before taxation	(3,639,219,061)	(930,143,534)
Less : Dividend income	-	-
	(3,639,219,061)	(930,143,534)
<b>Adjustments for non-cash changes</b>		
Depreciation	106,577,813	126,777,172
Amortization (IFRS-16)	99,528,581	97,054,989
Amortization	31,572,094	41,233,982
Provision against non-performing advances	1,708,176,450	1,902,178,220
Provision against advances to employees	-	-
Advances directly written-off - net of insurance recoveries	15,596,675	10,532,726
Unrealized gain on revaluation of investments classified as held-for-trading	-	-
Gain on sale/ redemption of securities	(323,064,363)	(397,070,850)
Unrealized exchange (gain) / loss	-	(12,714,334)
Unrealized loss/ (gain) on derivative financial asset	-	14,573,523
Gain on sale of fixed assets	(130,279)	395,857
Loss on Termination of Leased Agreements	(17,258)	3,536,171
Finance charges on leased assets	97,376,373	95,772,449
Amortization of deferred grants	(3,433,649)	(9,490,144)
Capital Gain on Available for Sale Securities	160,301	(122,463)
Provision for gratuity and leave encashment	86,518,595	117,786,301
	1,818,861,334	1,990,443,598
<b>(Increase)/ decrease in operating assets</b>		
Lending to financial institutions	-	1,496,209,150
Advances	(4,745,900,562)	(2,074,470,545)
Other assets (excluding advance taxation)	2,588,889,329	177,127,973
	(2,157,011,233)	(401,133,422)
<b>Increase/ (decrease) in operating liabilities</b>		
Bills payable	(39,701,048)	193,382,386
Borrowings from financial institutions	(1,196,031,278)	993,864,786
Deposits	(5,040,659,723)	(2,912,281,551)
Other liabilities (excluding bills payable, current taxation, gratuity and leave encashment, finance lease)	427,944,091	114,749,803
	(5,848,447,958)	(1,610,284,577)
Payment against provision held against off- balance sheet obligations		
Income tax paid	(169,101,700)	(174,535,941)
Gratuity and leave encashment paid (including contributions)	(88,127,936)	(93,135,653)
<b>Net cash flow from operating activities</b>	<b>(10,083,046,554)</b>	<b>(1,218,789,529)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investment in available-for-sale securities	2,851,112,239	1,998,559,413
Net investment in held-to-maturity securities	1,571,370,290	(315,266,154)
Net investment in held for trading securities	-	-
Investment in operating fixed assets	(137,331,162)	(47,275,885)
Interest income on depositors' protection fund	25,072,685	11,446,851
Dividend received from mutual funds	-	-
Sale proceeds from property and equipment disposed-off	558,127	529,463
<b>Net cash flow from/ (used in) investing activities</b>	<b>4,310,782,179</b>	<b>1,647,993,688</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Grants received	959,017	7,625,638
Net payments of lease obligations	(180,691,422)	(164,773,526)
<b>Net cash flow from/ (used in) financing activities</b>	<b>(179,732,404)</b>	<b>(157,147,888)</b>
<b>Increase/ (decrease) in cash and cash equivalents</b>	<b>(5,951,996,780)</b>	<b>272,056,271</b>
Cash and cash equivalents at the beginning of the year	9,418,086,595	7,801,263,241
<b>Cash and cash equivalents at the end of the year</b>	<b>3,466,089,823</b>	<b>8,073,319,508</b>

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

	Note	Un-Audited Sep-22	Audited Dec-21
		----- Rupees -----	
<b>1 CASH AND BALANCES WITH SBP AND NBP</b>			
Cash in hand		521,587,875	653,818,533
Balance with State Bank of Pakistan	1.1	893,965,859	1,020,600,234
Balance with National Bank of Pakistan in			
Current account		5,192,852	9,423,752
Deposit accounts		226,463,923	927,707,461
		<u>1,647,210,510</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% (2021: 5%) of the Bank's demand deposits and time deposits with tenor of less than one year.

	Note	Un-Audited Sep-22	Audited Dec-21
		----- Rupees -----	
<b>2 BALANCES WITH OTHER BANKS</b>			
In Pakistan			
Local currency current accounts	2.1	45,946,870	31,471,011
Local currency deposit accounts	2.2	1,772,932,443	3,575,065,604
Local currency term deposits	2.3	-	3,200,000,000
		<u>1,818,879,313</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 16.00% (2021: 6.70% to 14.00%) per annum.

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

	Note	Un-Audited Sep-22	Audited Dec-21
		----- Rupees -----	
<b>3 LENDING TO FINANCIAL INSTITUTIONS</b>			
Call money lendings		-	-
Repurchase agreement lendings (Reverse repo)		-	-
		<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. (2021: nil)

**3.2 Securities held as collateral against lending to financial institutions**

	<b>Held by Bank</b>	<b>Further given as collateral</b>	<b>Total</b>
As At September 30, 2022			
Market treasury bills (MTBs)	-	-	-
As at December 31, 2021			
Market treasury bills (MTBs)	-	-	-

<b>4 INVESTMENTS - NET OF PROVISIONS</b>	<b>Note</b>	<b>Un-Audited Sep-22</b>	<b>Audited Dec-21</b>
		----- Rupees -----	
<b>Held to maturity</b>			
<b>Federal Government Securities</b>			
Market treasury bills (MTBs)		1,773,312,064	1,999,565,729
Ijarah Sukuks		311,963,268	304,338,170
		2,085,275,331	2,303,903,899
<b>Term Deposit Receipts (TDRs)</b>		600,000,000	1,800,000,000
		2,685,275,331	4,103,903,899
<b>Available for sale</b>			
<b>Federal Government Securities</b>			
Market treasury bills (MTBs)		(217,493)	2,680,949,900
Deficit on revaluation of available for sale investments		217,493	(2,638,100)
		-	2,678,311,800
<b>Held for trading</b>			
Mutual funds		0	0
		2,685,275,331	6,782,215,699

**5 ADVANCES - NET OF PROVISION**

Loan type	Note	Un-Audited		Audited	
		Sep-22		Dec-21	
		Number	Rupees	Number	Rupees
Micro credit		259,641	24,615,405,520	296,643	23,647,176,395
Islamic financing		18,035	8,384,816,742	19,588	7,200,336,415
		277,676	33,000,222,262	316,231	30,847,512,809
Less: Provision held					
Specific		81,440	(2,566,760,990)	30,969	(1,332,725,416)
General			(232,517,824)		(244,306,672)
Mandatory			-		(2,091,664,707)
Additional			(2,799,278,814)		(3,668,696,795)
Advances - net of provisions			30,200,943,448		27,178,816,014

**5.1 Particulars of non performing loans**

Advances include Rs 6,550.53 million (2021: 2,121.55 million) which as detailed below, have been placed under non performing status.

Category of classification	Un-Audited			Audited		
	Sep-22			Dec-21		
	Amount outstanding	Provisions required	Provisions held	Amount outstanding	Provisions required	Provisions held
	-----Rupees-----			-----Rupees-----		
OAEM	324,300,110	7,363,267	7,363,268	87,961,116	-	-
Sub-Standard	570,198,727	140,012,150	140,012,151	44,331,669	10,312,771	10,312,771
Doubtful	2,512,188,420	1,251,159,613	1,251,159,620	1,323,628,008	657,755,440	657,755,440
Loss	3,143,840,811	1,168,225,946	1,168,225,951	665,629,586	664,657,206	664,657,206
	<u>6,550,528,067</u>	<u>2,566,760,976</u>	<u>2,566,760,990</u>	<u>2,121,550,379</u>	<u>1,332,725,416</u>	<u>1,332,725,416</u>

**6 OPERATING FIXED ASSETS**

Capital work-in-progress	8,136,348	8,300,582
Property and equipment	677,712,264	659,235,829
Right of use assets	597,250,725	619,063,594
Intangible assets	34,379,330	54,388,123
	<u>1,317,478,667</u>	<u>1,340,988,129</u>

**6.1 Capital work-in-progress**

Civil works	947,155	3,293,042
ATM machines installation	-	-
Implementation of Oracle Softwares	<u>7,189,193</u>	<u>5,007,540</u>
	8,136,348	8,300,582

6.2 Property and equipment

Particulars	COST				ACCUMULATED DEPRECIATION				Net Book Value As At September 30,2022	Rate of depreciation (%)
	As At January 01,2022	Additions	Disposal	As At September 30,2022	As At January 01,2022	Charge for the year	Disposal	As At September 30,2022		
-----Rupees-----										
<b>Owned assets</b>										
Freehold land	253,419,808	-	-	253,419,808	-	-	-	-	253,419,808	-
Furniture and fixtures	495,944,179	5,881,981	(326,850)	501,499,310	219,956,321	35,534,042	(167,084)	255,323,279	246,176,031	10
Office equipment	287,765,979	1,571,905	(389,523)	288,948,361	237,529,316	24,396,442	(367,192)	261,558,566	27,389,795	20
Computer equipment	422,946,799	116,673,544	(769,263)	538,851,080	385,168,551	29,704,221	(523,512)	414,349,260	124,501,819	33.33
Vehicles	95,833,354	814,700	-	96,648,054	65,430,316	10,233,386	-	75,663,702	20,984,352	20
	1,555,910,119	124,942,130	(1,485,636)	1,679,366,613	908,084,504	99,868,092	(1,057,788)	1,006,894,808	672,471,805	
<b>Leased assets</b>										
Vehicles	116,651,367	540,475	-	117,191,842	105,241,153	6,710,230	-	111,951,383	5,240,459	20
	<b>1,672,561,486</b>	<b>125,482,605</b>	<b>(1,485,636)</b>	<b>1,796,558,455</b>	<b>1,013,325,657</b>	<b>106,578,322</b>	<b>(1,057,788)</b>	<b>1,118,846,191</b>	<b>677,712,264</b>	

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-----										
<b>Owned assets</b>										
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	
<b>Leased assets</b>										
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
	<b>1,643,340,033</b>	<b>50,729,818</b>	<b>(21,508,365)</b>	<b>1,672,561,486</b>	<b>870,732,961</b>	<b>154,868,425</b>	<b>(12,275,729)</b>	<b>1,013,325,657</b>	<b>659,235,829</b>	

6.2.3 Right of use assets	Note	Un-Audited Sep-22	Audited Dec-21
-----Rupees-----			
Right of use assets - Initial Recognition under IFRS-16		619,063,594	774,557,328
Additions during the period		77,971,892	127,415,732
Deletions during the year		(256,180)	(151,641,718)
Depreciation charged during the period		(99,528,581)	(128,386,453)
Net book value at the end		<u>597,250,725</u>	<u>619,063,594</u>

### 6.3 Intangible assets

Computer softwares		<u>34,379,330</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		11,563,301	20,337,533
Closing balance		<u>422,986,513</u>	<u>411,423,212</u>

##### Amortization

Opening balance	(357,035,089)	(302,979,981)
Charge for the year	(31,572,094)	(54,055,108)
Closing balance	<u>(388,607,183)</u>	<u>(357,035,089)</u>
Net book value	<u>34,379,330</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 Sep-22	Audited Dec-21
-----Rupees-----			
Income / mark-up accrued on			
Loans and Advances		2,127,748,483	4,783,706,943
Bank deposits		75,162,746	33,178,862
Lending to financial institutions		-	-
Advances to employees			
Personal advances - net of provision		99,061,741	129,977,627
Operational		26,321,093	1,339,505
Advances to suppliers		37,682,013	51,548,438
Prepayments		66,584,597	49,209,182
Income tax refundable (payments less provisions)		-	-
FED/Sales tax refundable		53,222,599	43,743,927
Insurance claims receivables		116,872,579	103,425,988
Crop and livestock insurance claims		87,882,904	124,789,123
Receivable from Employees' Provident Fund		353,994	-
Receivable from parent company		68,655	68,655
Others		160,012,033	114,830,301
		<u>2,850,973,435</u>	<u>5,435,818,551</u>
Less : Provisions held against classified other assets		-	-
Other assets - net of provisions		<u>2,850,973,435</u>	<u>5,435,818,551</u>

	Un-Audited Sep-22		Audited Dec-21	
	No of accounts	Rupees	No of accounts	Rupees
<b>8 DEPOSITS AND OTHER ACCOUNTS</b>				
<b>Conventional</b>				
Current deposits	331,198	2,315,965,093	367,744	2,596,864,217
Saving deposits	742,039	7,497,694,159	785,532	8,375,368,196
Fixed deposits	4,266	13,563,690,127	5,203	16,600,064,137
	1,077,503	23,377,349,378	1,158,479	27,572,296,550
<b>Islamic</b>				
Current deposits	55,873	1,006,304,417	57,654	917,616,091
Saving deposits	19,769	1,915,569,880	21,036	2,270,588,018
Fixed deposits	2,716	2,786,854,859	3,196	3,366,237,599
	78,358	5,708,729,156	81,886	6,554,441,707
	1,155,861	29,086,078,535	1,240,365	34,126,738,257

	Note	Un-Audited	Audited
		Sep-22	Dec-21
		-----Rupees-----	
<b>9 BORROWINGS</b>			
Borrowings from Banks / Financial Institutions			
In Pakistan		5,739,800,822	6,935,832,100
Outside Pakistan		-	-
		5,739,800,822	6,935,832,100

	Note	Un-Audited	Audited
		Sep-22	Dec-21
		#	#
		-----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	Un-Audited	Audited
		Sep-22	Dec-21
		#	#
		-----Rupees-----	
<b>11 OTHER LIABILITIES</b>			
Mark-up / return / interest payable on			
Deposits and other accounts		846,281,583	860,878,751
Borrowings		751,692,043	523,089,286
Payable for employees' benefit plans			
Employees' gratuity fund		28,527,241	18,112,194
Accumulated compensated absences		206,884,783	188,806,772
Provident Fund		-	496,178
Payable to employees' - final settlement		3,797,245	581,951
Obligation under finance lease			
Right-of-use asset		843,747,660	853,207,440
Company's vehicles		(0)	2,041,269
Vehicles sub-leased to employees'		-	-
		<u>843,747,660</u>	<u>855,248,709</u>
Payable to suppliers		26,971,387	21,345,322
Withholding tax payable		15,130,755	36,618,325
Income tax payable		177,230,934	227,393,608
Workers' Welfare Fund		37,017,442	32,781,268
Accrued expenses		87,675,916	84,708,594
Security deposits against Islamic financing		582,357,353	594,122,062
Payable to the parent company		141,238,201	134,112,799
Insurance payable		23,383,370	19,693,934
Unearned / deferred income on Islamic financing		692,985,792	528,030,712
Unearned / Deferred income on LPF ATM and SMS services		295,902,488	225,033,171
Bills payable		129,300,672	169,001,720
Others		40,271,405	76,756,107
		<u>4,930,396,270</u>	<u>4,596,811,462</u>

## 12 SHARE CAPITAL

### 12.1 Authorized capital

		Un-Audited	Audited
Sep-22	Dec-21	Sep-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

Sep-22	Dec-21	Sep-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:

Sep-22	Dec-21		Sep-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>

	Note	Un-Audited Sep-22	Audited Dec-21
-----Rupees-----			
<b>13 DEFERRED GRANTS</b>			
Opening balance		4,787,054	12,384,504
Grants received from			
SBP	13.1	870,600	2,390,890
KfW	13.2	-	3,294,561
Karandaz	13.3	-	7,500,000
		870,600	13,185,451
Interest income		88,417	205,984
Amortization of grants during the year		(3,433,649)	(20,988,885)
		2,312,422	4,787,054

- 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 former 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.