

NRSP MICROFINANCE BANK LIMITED
BALANCE SHEET
AS AT MARCH 31, 2020

	Note	Mar-20 ----- Rupees -----	Dec-19 -----
ASSETS			
Cash and balances with SBP and NBP	8	1,084,946,412	1,483,412,144
Balances with other Banks/ NBFIs /MFBs	9	2,705,892,450	3,967,373,842
Lending to financial institutions	10	-	-
Investments - net of provisions	11	1,439,997,845	1,590,417,993
Advances - net of provision	12	29,178,184,134	27,370,611,457
Operating fixed assets	13	1,986,298,345	2,023,314,033
Other assets	14	3,863,674,765	3,338,470,431
Deferred tax asset - net	15	231,670,697	231,670,697
Total Assets		40,490,664,648	40,005,270,596
LIABILITIES			
Deposits and other accounts	16	26,799,143,671	26,650,662,052
Borrowings	17	3,801,910,016	3,764,296,762
Subordinated debt	18	672,360,000	672,360,000
Other liabilities	19	4,263,188,298	4,230,319,099
Deferred tax liability - net		-	-
Total liabilities		35,536,601,985	35,317,637,913
Net assets		4,954,062,663	4,687,632,684
REPRESENTED BY			
Share capital	20	1,498,372,010	1,498,372,010
Statutory reserve		709,568,378	657,079,487
Depositors' protection fund		211,534,429	198,412,206
Unappropriated profit		2,527,152,003	2,330,318,661
		4,946,626,820	4,684,182,365
Surplus/ (deficit) on revaluation of assets		156,600	(7,001)
Deferred grants	21	7,279,243	3,457,323
Total capital		4,954,062,663	4,687,632,687
MEMORANDUM/ OFF-BALANCE SHEET ITEMS	22		

The annexed notes from 1 to 40 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, 2020

		Mar-20	Mar-19
	Note	----- Rupees -----	
Mark-up/ return/ interest earned	23	2,161,946,469	1,742,241,893
Mark-up/ return/ interest expensed	24	(919,060,863)	(753,665,226)
Net mark-up/ interest income		1,242,885,606	988,576,667
Provision against non-performing loans and advances	12.3	(361,258,822)	(288,998,481)
Provision for demuntion in the value of investments			
Bad debts written off directly - net of insurance recoveries	12.4	(3,197,757)	(8,818,613)
		(364,456,579)	(297,817,094)
Net mark-up/ interest income after provisions		878,429,027	690,759,573
NON MARK-UP/ NON INTEREST INCOME			
Fee, commission and brokerage income	25	276,400,094	126,313,117
Dividend income		-	-
Other income - net	26	104,008,661	106,451,871
Total non mark-up/ non interest income		380,408,755	232,764,988
NON MARK-UP/ NON INTEREST EXPENSES			
Administrative expenses	27	(879,582,268)	(843,399,274)
Other charges	28	(4,000)	(5,000)
Total non mark-up/ non interest expenses		(879,586,268)	(843,404,274)
		379,251,514	80,120,287
Extra ordinary/ unusual items		-	-
PROFIT/ (LOSS) BEFORE TAXATION		379,251,514	80,120,287
Taxation - Current	29	(116,807,058)	(5,000,000)
Prior year		-	-
Deferred		-	-
		(116,807,058)	(5,000,000)
PROFIT/ (LOSS) AFTER TAXATION		262,444,455	75,120,287
Unappropriated profit/ (loss) brought forward		2,330,318,660	2,278,585,988
Less: Other comprehensive income		-	-
Profit available for appropriation		<u>2,592,763,116</u>	<u>2,353,706,275</u>
APPROPRIATIONS			
Transfer to:			
Statutory reserve		(52,488,891)	(15,024,057)
Depositors' protection fund		(13,122,223)	(3,756,014)
		(65,611,114)	(18,780,071)
Unappropriated profit/ (loss) carried forward		<u>2,527,152,002</u>	<u>2,334,926,204</u>
Earnings/ (loss) per share	30	<u>1.75</u>	<u>0.50</u>

The annexed notes from 1 to 40 form an integral part of these financial statements.

President/ Chief Executive

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**NRSP MICROFINANCE BANK LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED MARCH 31,2020**

Note	Mar-20 ----- Rupees	Mar-19 -----
Profit/ (loss) after taxation	262,444,455	75,120,287
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>262,444,455</u>	<u>75,120,287</u>

The annexed notes from 1 to 40 form an integral part of these financial statements.

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NRSP MICROFINANCE BANK LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED ON MARCH 31, 2020

	Share capital	Capital reserves		Revenue reserve	Total
		Statutory reserve	Depositors' protection fund	Unappropriated profit	
----- Rupees -----					
Balance as at January 01, 2019	1,498,372,010	640,217,412	180,937,261	2,278,585,988	4,598,112,671
Profit for the year	-	-	-	75,120,287	75,120,287
Other comprehensive income/ (loss) for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	75,120,287	75,120,287
Transfer to statutory reserve	-	15,024,057	-	(15,024,057)	-
Transfer to depositors' protection fund:					
- 5% of the profit after tax for the year	-	-	3,756,014	(3,756,014)	-
- Return on investments - net of tax	-	-	-	-	-
	-	-	3,756,014	(3,756,014)	-
Balance as at March 31, 2019	<u>1,498,372,010</u>	<u>655,241,469</u>	<u>184,693,275</u>	<u>2,334,926,204</u>	<u>4,673,232,958</u>
Profit for the year	-	-	-	9,190,092	9,190,092
Other comprehensive income/ (loss) for the year	-	-	-	(11,500,112)	(11,500,112)
Total comprehensive income for the year	-	-	-	(2,310,020)	(2,310,020)
Transfer to statutory reserve	-	1,838,018	-	(1,838,018)	-
Transfer to depositors' protection fund:					
- 5% of the profit after tax for the year	-	-	459,505	(459,505)	-
- Return on investments - net of tax	-	-	13,259,426	-	-
	-	-	13,718,931	(459,505)	-
Balance as at December 31, 2019	<u>1,498,372,010</u>	<u>657,079,487</u>	<u>198,412,206</u>	<u>2,330,318,661</u>	<u>4,670,922,938</u>
Profit for the year	-	-	-	262,444,455	262,444,455
Other comprehensive income/ (loss) for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	262,444,455	262,444,455
Transfer to statutory reserve	-	52,488,891	-	(52,488,891)	-
Transfer to depositors' protection fund:					
- 5% of the profit after tax for the year	-	-	13,122,223	(13,122,223)	-
- Return on investments - net of tax	-	-	-	-	-
	-	-	13,122,223	(13,122,223)	-
Balance as at March 31, 2020	<u>1,498,372,010</u>	<u>709,568,378</u>	<u>211,534,429</u>	<u>2,527,152,003</u>	<u>4,933,367,394</u>

The annexed notes from 1 to 40 form an integral part of these financial statements.

President/ Chief Executive

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NRSP MICROFINANCE BANK LIMITED
CASH FLOW STATEMENT
FOR THE PERIOD ENDED ON MARCH 31, 2020

	Note	Mar-20 ----- Rupees -----	Mar-19 ----- Rupees -----
CASH FLOW FROM OPERATING ACTIVITIES			
Profit/ (loss) before taxation		379,251,514	80,120,287
Less : Dividend income		-	-
		379,251,514	80,120,287
Adjustments for non-cash changes			
Depreciation		53,761,466	48,839,328
Amortization		11,867,681	7,042,830
Provision against non-performing advances		361,258,822	288,998,481
Provision against advances to employees		-	-
Advances directly written-off - net of insurance recoveries		3,197,757	8,818,613
Unrealized gain on revaluation of investments classified as held-for-trading		-	(18,975,729)
Gain on sale/ redemption of securities		(45,475,821)	(47,018,174)
Unrealized exchange (gain) / loss		-	-
Unrealized loss/ (gain) on derivative financial asset		-	-
Gain on sale of fixed assets		7,544,405	(3,988)
Finance charges on leased assets		1,690,851	2,402,249
Amortization of deferred grants		(23,143,312)	-
Provision for gratuity and leave encashment		180,280,736	-
		550,982,584	290,103,610
(Increase)/ decrease in operating assets			
Lending to financial institutions		-	497,202,000
Net investment in held for trading securities		5,227,422	(101,704,774)
Advances		(2,172,029,256)	(1,457,835,859)
Other assets (excluding advance taxation)		(467,209,175)	(142,791,446)
		(2,634,011,010)	(1,205,130,079)
Increase/ (decrease) in operating liabilities			
Bills payable		(86,990,603)	1,002,083
Borrowings from financial institutions		155,389,254	(1,595,117,586)
Deposits		148,481,619	(565,122)
Other liabilities (excluding bills payable, current taxation, gratuity and leave encashment, finance lease)		108,289,146	268,174,172
		325,169,416	(1,326,506,453)
Payment against provision held against off- balance sheet obligations			
Income tax paid		(127,004,201)	(81,026,623)
Gratuity and leave ensachment paid (including contributions)		(167,673,863)	40,697,651
Net cash flow from operating activities		(1,673,285,560)	(2,201,741,607)
CASH FLOW FROM INVESTING ACTIVITIES			
Net investment in available-for-sale securities		(290,380,350)	-
Net investment in held-to-maturity securities		318,168,602	(260,581,517)
Investment in operating fixed assets		1,064,597,565	(160,012,833)
Interest income on depositors' protection fund		-	-
Dividend received from mutual funds		-	-
Sale proceeds from property and equipment disposed-off		85,303	990,264
Net cash flow from/ (used in) investing activities		1,092,471,120	(419,604,085)
CASH FLOW FROM FINANCING ACTIVITIES			
Grants received		26,965,232	174,660
Net payments of lease obligations		(1,106,097,916)	(9,612,463)
Net cash flow from/ (used in) financing activities		(1,079,132,684)	(9,437,803)
Increase/ (decrease) in cash and cash equivalents		(1,659,947,124)	(2,630,783,495)
Cash and cash equivalents at the beginning of the year		5,450,785,986	6,844,951,850
Cash and cash equivalents at the end of the year	31	3,790,838,862	4,214,168,355

The annexed notes from 1 to 40 form an integral part of these financial statements.

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Director

Director

	Note	Mar-20 ----- Rupees -----	Dec-19 -----
8 CASH AND BALANCES WITH SBP AND NBP			
Cash in hand		465,255,616	560,336,948
Balance with State Bank of Pakistan	8.1	607,223,451	880,708,958
Balance with National Bank of Pakistan in			
Current account		3,032,223	28,836
Deposit accounts		9,435,122	42,337,402
		<u>1,084,946,412</u>	<u>1,483,412,144</u>

8.1 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% (2018: 5%) of the Bank's demand deposits and time deposits with tenor of less than one year.

	Note	Mar-20 ----- Rupees -----	Dec-19 -----
9 BALANCES WITH OTHER BANKS			
In Pakistan			
Local currency current accounts	9.1	45,344,701	63,348,593
Local currency deposit accounts	9.2	2,660,547,749	3,286,294,367
Local currency term deposits	9.3	-	617,730,882
		<u>2,705,892,450</u>	<u>3,967,373,842</u>

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

9.2 These represent deposits with commercial banks and Islamic banks payable on demand carrying mark-up/profit ranging from 5% to 13.80% (2018: 5% to 10.30%) per annum.

9.3 Local currency term deposits include amount of Rs 617.7 Million (2018: Rs 300 million) which carrying mark-up/profit from 13.5% to 14.25% (2018: 9.60%)

	Note	Mar-20 ----- Rupees -----	Dec-19 -----
10 LENDING TO FINANCIAL INSTITUTIONS			
Call money lendings		-	-
Repurchase agreement lendings (Reverse repo)	10.1 & 10.2	-	-
		<u>-</u>	<u>-</u>

10.1 These were 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. These carried mark-up at the rate of NIL in 2019 (2018: 10.15% per annum).

10.2 Securities held as collateral against lending to financial institutions

	Held by Bank	Further given as collateral	Total
As at December 31, 2019			
Market treasury bills (MTBs)	-	-	-
As at December 31, 2018			
Market treasury bills (MTBs)	500,000,000	-	500,000,000

11 INVESTMENTS - NET OF PROVISIONS	Note	Mar-20 ----- Rupees -----	Dec-19 -----
Held to maturity			
Federal Government Securities			
Market treasury bills (MTBs)	11.1	988,690,467	1,191,609,401
Ijarah Sukuks	11.2	152,032,479	149,957,479
		<u>1,140,722,945</u>	<u>1,341,566,879</u>
Available for sale			
Federal Government Securities			
Market treasury bills (MTBs)	11.4	299,118,300	243,649,000
Deficit on revaluation of available for sale investments		156,600	(7,000)
		<u>299,274,900</u>	<u>243,642,000</u>
Held for trading			
Mutual funds	10.4	(0)	5,209,113
		<u>1,439,997,845</u>	<u>1,590,417,993</u>

11.1 The T-Bills carry mark up at the rate of 13.05% to 13.13% (2018: 8.72% to 8.88%) per annum and are matured in January 2020.

11.2 Ijarah Sukuk carries mark up at the rate of 5.24%(2018: 5.59% to 6.10%) per annum and is due to mature between June 2020.

11.3 The T-Bills carry mark up at the rate of 13.40% per annum and are due to mature in March 2020.

11.4 This represents units held in funds as tabulated below:

Fund name	Mar-20		Dec-19	
	No. of units	Rupees	No. of units	Rupees
Alfalah GHP Money Market Fund	-	-	16,653	1,634,153
Alfalah GHP Sovereign Fund	-	-	107	12,141
Askari Sovereign Cash Fund	-	-	4,971	533,860
Atlas Money Market Fund	-	-	0	108
Faysal Money Market Fund	-	-	6,592	713,483
Faysal Financial Sector Opportunity Fund-	-	-	192	20,865
Faysal Savings Growth Fund	-	-	0	33
First Habib Cash Fund	-	-	813	81,519
Lakson Money Market Fund	-	-	-	-
MCB Cash Management Optimizer	-	-	3,188	321,815
NAFA Money Market Fund	-	-	109,570	1,083,397
HBL Money Market Fund	-	-	6,732	731,226
HBL Cash Fund	-	-	-	-
Primus / AWT - ISLAMIC INCOME FUND	-	-	8	865
UBL Liquidity Plus Fund	-	-	749	75,649
		<u>-</u>		<u>5,209,113</u>

12 ADVANCES - NET OF PROVISION

Loan type	Note	Mar-20		Dec-19	
		Number	Rupees	Number	Rupees
Micro credit		344,200	23,701,170,963	330,461	21,915,522,516
Islamic financing		21,998	6,123,042,895	21,385	5,853,238,237
		366,198	29,824,213,858	351,846	27,768,760,754
Less: Provision held					
Specific	12.1	14,529	(373,047,967)	6,743	(141,715,892)
General	12.2		(272,981,757)		(256,433,405)
			(646,029,724)		(398,149,297)
Advances - net of provisions			<u>29,178,184,134</u>		<u>27,370,611,457</u>

12.1 Particulars of non performing loans

Advances include Rs 450 million (2018: 646 million) which as detailed below, have been placed under non performing status.

Category of classification	Mar-20			Dec-19		
	Amount outstanding	Provisions required	Provisions held	Amount outstanding	Provisions required	Provisions held
	-----Rupees-----			-----Rupees-----		
Watchlist	620,673,618	-	-	831,575,509	-	-
OAEM	146,613,537	-	-	195,885,182	-	-
Sub-Standard	96,994,567	23,536,050	23,536,049	85,232,812	20,403,360	20,403,360
Doubtful	651,458,317	322,094,968	322,094,970	90,811,814	43,791,191	43,791,190
Loss	28,001,059	27,416,949	27,416,948	78,471,559	77,521,341	77,521,341
	<u>923,067,480</u>	<u>373,047,967</u>	<u>373,047,967</u>	<u>450,401,366</u>	<u>141,715,891</u>	<u>141,715,892</u>

12.2 This represents general provision maintained against unsecured microcredit advances net of specific provision at the rate of 1 % (2018: 1%) in accordance with the requirement of Prudential Regulations issued by the State Bank of Pakistan.

12.3 Particulars of provision against non-performing advances

	Mar-20			Dec-19		
	Specific	General	Total	Specific	General	Total
	-----Rupees-----			-----Rupees-----		
Opening balance	141,715,893	256,433,406	398,149,298	238,020,547	228,490,380	466,510,927
Charge for the year	344,710,470	16,548,352	361,258,822	1,792,526,418	27,943,026	1,820,469,443
Amounts written off	(113,378,394)	-	(113,378,394)	(1,888,831,072)	-	(1,888,831,072)
Reversals	-	-	-	-	-	-
Closing balance	<u>373,047,968</u>	<u>272,981,757</u>	<u>646,029,726</u>	<u>141,715,893</u>	<u>256,433,406</u>	<u>398,149,298</u>

12.4 Particulars of advances written off	Note	Mar-20	Dec-19
		-----Rupees-----	
Against provisions		113,378,394	1,888,831,072
Directly charged to profit & loss account		3,197,757	24,571,874
		<u>116,576,151</u>	<u>1,913,402,946</u>

13 OPERATING FIXED ASSETS

Capital work-in-progress	13.1	35,351,915	38,484,276
Property and equipment	13.2	1,821,423,360	1,868,796,418
Intangible assets	13.3	129,523,070	116,033,339
		<u>1,986,298,345</u>	<u>2,023,314,033</u>

13.1 Capital work-in-progress

Civil works		9,230,439	13,903,268
ATM machines installation		-	-
Implementation of Oracle Softwares		26,121,476	24,581,008
		<u>35,351,915</u>	<u>38,484,276</u>

13.2 Property and equipment

Particulars	COST				ACCUMULATED DEPRECIATION				Net Book Value As At March 31,2020	Rate of depreciation (%)
	As At January 01,2020	Additions	Disposal	As At March 31,2020	As At January 01,2020	Charge for the year	Disposal	As At March 31,2020		
Rupees										
Owned assets										
Freehold land	253,419,808	-	-	253,419,808	-	-	-	-	253,419,808	-
Furniture and fixtures	467,653,027	10,222,069	(9,870,530)	468,004,566	129,158,997	11,811,377	(2,552,897)	138,417,477	329,587,089	10
Office equipment	286,332,654	1,110,645	(990,846)	286,452,454	156,693,638	11,389,302	(743,106)	167,339,834	119,112,620	20
Computer equipment	397,641,821	1,503,590	(218,100)	398,927,312	290,506,001	21,857,749	(153,765)	312,209,985	86,717,327	33.33
Vehicles	94,566,275	1,181,810	-	95,748,085	36,610,146	3,709,959	0	40,320,105	55,427,980	20
	1,499,613,585	14,018,115	(11,079,476)	1,502,552,224	612,968,783	48,768,386	(3,449,768)	658,287,401	844,264,823	
Leased assets										
Vehicles	116,909,563	-	-	116,909,563	73,511,558	4,993,079	-	78,504,636	38,404,927	20
Right-of-use	1,090,483,362	-	-	1,090,483,362	151,729,753	-	-	151,729,753	938,753,610	
	2,707,006,511	14,018,115	(11,079,476)	2,709,945,150	838,210,093	53,761,465	(3,449,768)	888,521,790	1,821,423,360	

Particulars	COST				ACCUMULATED DEPRECIATION				Net Book Value As At December 31,2019	Rate of depreciation (%)
	As At January 01,2019	Additions	Disposal	As At December 31,2019	As At January 01,2019	Charge for the year	Disposal	As At December 31,2019		
Rupees										
Owned assets										
Freehold land	253,090,088	329,720	-	253,419,808	-	-	-	-	253,419,808	-
Furniture and fixtures	353,675,666	114,000,241	(22,880)	467,653,027	86,155,672	43,021,055	(17,730)	129,158,997	338,494,030	10
Office equipment	259,042,754	31,056,710	(3,766,810)	286,332,654	114,926,021	45,465,171	(3,697,554)	156,693,638	129,639,016	20
Computer equipment	338,651,089	64,581,977	(5,591,245)	397,641,821	208,360,722	87,217,939	(5,072,660)	290,506,001	107,135,820	33.33
Vehicles	56,322,678	40,458,534	(2,214,937)	94,566,275	24,310,058	14,121,740	(1,821,652)	36,610,146	57,956,129	20
	1,260,782,275	250,427,182	(11,595,872)	1,499,613,585	433,752,473	189,825,906	(10,609,596)	612,968,783	886,644,803	
Leased assets										
Vehicles	115,687,331	1,222,232	-	116,909,563	52,173,872	21,337,686	-	73,511,558	43,398,005	20
Right-of-use	-	1,090,483,362	-	1,090,483,362	-	151,729,753	-	151,729,753	938,753,610	
	1,376,469,606	1,342,132,777	(11,595,872)	2,707,006,511	485,926,345	362,893,344	(10,609,596)	838,210,093	1,868,796,418	

13.2.1 Cost of fully depreciated property and equipment that are still in use is Rs 316.3 million (2018: Rs 131 million).

13.2.2 As required by BSD Circular No 11 of 2003, details of property and equipment disposed off during the year is disclosed in Annexure-I and forms integral part of these financial statements.

13.2.3 Right of use assets	Note	Mar-20	Dec-19
		-----Rupees-----	
Right of use assets - Initial Recognition under IFRS-16		896,343,375	896,343,375
Additions during the period		194,139,987	194,139,987
Deletions during the year			
Depreciation charged during the period		(151,729,753)	(151,729,753)
Net book value at the end		<u>938,753,610</u>	<u>938,753,610</u>
13.3 Intangible assets			
Computer softwares	12.3.1	<u>129,523,070</u>	<u>116,033,339</u>
13.3.1 Computer softwares			
Cost			
Opening balance		365,069,167	264,909,230
Additions during the year		25,357,412	100,159,937
Closing balance		390,426,579	365,069,167
Amortization			
Opening balance		(249,035,828)	(215,747,028)
Charge for the year		(11,867,681)	(33,288,800)
Closing balance		(260,903,509)	(249,035,828)
Net book value		<u>129,523,070</u>	<u>116,033,339</u>

13.3.2 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.

14 OTHER ASSETS	Note	Mar-20	Dec-19
		-----Rupees-----	
Income / mark-up accrued on			
Loans and Advances		2,791,005,351	2,307,559,543
Bank deposits		10,938,079	17,019,687
Lending to financial institutions		-	-
Advances to employees			
Personal advances - net of provision	14.1	144,869,001	141,278,790
Operational		2,527,183	16,225,253
Advances to suppliers		19,195,912	14,959,314
Prepayments		61,710,101	60,311,106
Income tax refundable (payments less provisions)		75,858,200	78,938,495
FED/Sales tax refundable		-	864,819
Fair value of derivative financial instrument		250,634,032	250,634,032
Insurance claims receivables		73,492,325	82,621,905
Crop and livestock insurance claims	14.2	285,908,444	268,977,801
Receivable from Employees' Provident Fund		-	-
Receivable from parent company		171,532	171,532
Others		147,364,605	98,908,154
		<u>3,863,674,765</u>	<u>3,338,470,431</u>
Less : Provisions held against classified other assets		-	-
Other assets - net of provisions		<u>3,863,674,765</u>	<u>3,338,470,431</u>

- 14.1** The Bank provides advances & loans to its employees as per Bank's HR policies. Specific and general provision is charged against personal advances to employees in accordance with provisions of the Regulations as explained in note 7.5. Breakup of employee advances and provision held there against is as follow:

	Markup Rate		Amount	
	2019 Numbers	2019 Percentage	Mar-20 ----- Rupees -----	Dec-19 -----
Advances against Salary	768	14.40%	41,583,149	33,192,375
Advances for house	21	KIBOR + 1%	59,748,182	60,946,405
Advances for cars - note 14.1.1	51	5%	39,293,545	42,823,731
Advances for motorbike - note 14.1.1	21	5%	1,029,646	1,133,725
Other personal advances			3,214,479	3,182,554
			<u>144,869,001</u>	<u>141,278,790</u>
Less provision held				
Specific			-	-
General			-	-
			<u>144,869,001</u>	<u>141,278,790</u>

- 14.1.1** The loan for acquisition of personal vehicles represent present value of minimum lease payments in respect of vehicles leased by the Bank for its employees as per the Bank's policy. The interest rate inherent in the leases range from 7.56% to 13.11% (2018: 7.56% to 13.38%) per annum however interest rate charged to the employee is fixed at 5% (2018: 5%) per annum.

- 14.2** This represents claims for the amount of insurance premiums lodged with SBP under crop loan insurance scheme and livestock insurance scheme for borrowers of the Bank.

	Mar-20 ----- Rupees -----	Dec-19 -----
15 DEFERRED TAX ASSET - NET		
Deferred tax asset arising on account of deductible temporary differences on:		
Amortization on intangible assets	-	2,001,250
Lease liability	306,514,673	20,739,415
Grants	1,002,624	2,700,676
Un-realized exchange loss on borrowings	72,279,020	63,611,100
Provision for non-performing loans	115,463,296	130,723,658
Minimum tax	112,029,283	-
	<u>607,288,896</u>	<u>607,288,896</u>
Deferred tax liability arising on account of taxable temporary differences on:		
Accelerated depreciation allowance - owned assets	(12,822,569)	(22,342,887)
Accelerated depreciation allowance - leased assets	(284,823,968)	(17,530,990)
Amortization on intangible assets	(1,069,625)	-
Un-realized gain on derivative financial instrument	(72,683,869)	(83,336,225)
Un-realised mark-up on Government Securities	(4,218,168)	(1,998,510)
Un-realised mark-up on capital gains on Mutual Funds	-	(1,119,947)
	<u>(375,618,199)</u>	<u>(375,618,199)</u>
	<u>231,670,697</u>	<u>231,670,697</u>

	Mar-20		Dec-19	
	No of accounts	Rupees	No of accounts	Rupees
16 DEPOSITS AND OTHER ACCOUNTS				
Conventional				
Current deposits	323,408	1,594,648,296	302,646	1,621,850,588
Saving deposits	797,616	4,847,163,902	796,327	5,135,405,820
Fixed deposits	6,417	17,041,122,491	5,939	16,592,973,673
	1,127,441	23,482,934,690	1,104,912	23,350,230,081
Islamic				
Current deposits	45,964	330,920,180	42,890	651,289,200
Saving deposits	20,786	1,361,205,218	20,685	1,174,911,369
Fixed deposits	1,591	1,624,083,583	1,370	1,474,231,402
	68,341	3,316,208,981	64,945	3,300,431,971
	1,195,782	26,799,143,671	1,169,857	26,650,662,052
16.1 Particulars of Deposits by ownership				
Individual depositors	1,193,572	12,749,448,467	1,167,707	8,609,707,762
Institutional depositors				
Corporation / firms etc.	2,094	11,621,668,069	2,015	12,250,200,835
Banks & financial institutions	130	2,428,027,135	135	5,790,753,455
	2,224	14,049,695,204	2,150	18,040,954,290
Total	1,195,782	26,799,143,671	1,169,857	26,650,662,052

16.2 Deposits include related parties balances amounting to Rs 3,990 million (2018: Rs 4,062 million) as disclosed in note 35.

	Note	Mar-20	Dec-19
		-----Rupees-----	
17 BORROWINGS			
Borrowings from Banks / Financial Institutions			
In Pakistan	17.1	3,027,672,016	2,990,058,762
Outside Pakistan	17.2	774,238,000	774,238,000
		3,801,910,016	3,764,296,762
17.1 Borrowings from Banks / Financial Institutions in Pakistan			
Secured			
Pak Oman Investment Company Limited (TF II)	17.1.1	-	-
Pak Oman Investment Company Limited	17.1.2	166,666,664	166,666,664
United Bank Limited (Term Finance)	17.1.3	-	-
Allied Bank Limited (Term Finance)	17.1.4	150,000,000	175,000,000
United Bank Limited (Running Finance)	17.1.5	564,107,511	700,651,757
Askari Bank Limited (Running Finance)	17.1.6	-	300,000,330
Allied Bank Limited (Running Finance)	17.1.7	199,000,223	199,842,393
Faysal Bank Limited (Running Finance)	17.1.8	450,000,405	450,000,405
National Bank of Pakistan (Running Finance)	17.1.9	997,897,213	997,897,213
Bank Alfalah Ltd (Running Finance)	17.1.10	-	-
Borrowing from BOP (Running Finance)	17.1.11	500,000,000	-
		3,027,672,016	2,990,058,762

	Note	Mar-20	#	Dec-19
		-----Rupees-----		
18 SUBORDINATED DEBT				
KfW - Germany	18.1	672,360,000		672,360,000

18.1 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.

	Note	Mar-20	#	Dec-19
		-----Rupees-----		
19 OTHER LIABILITIES				
Mark-up / return / interest payable on				
Deposits and other accounts		858,538,139		795,855,275
Borrowings	19.1	453,208,390		372,743,112
Payable for employees' benefit plans				
Employees' gratuity fund	19.2	312,743,877		304,390,486
Accumulated compensated absences	19.3	170,604,693		166,351,211
Provident Fund	19.4	12,507,545		401,403
Payable to employees' - final settlement		455,931		(4,997,770)
Obligation under finance lease				
Right-of-use asset		1,010,048,627		1,010,048,627
Company's vehicles		39,610,276		16,074,393
Vehicles sub-leased to employees'		-		30,824,128
	19.5	1,049,658,903		1,056,947,148
Payable to suppliers		17,207,756		17,843,194
Withholding tax payable		90,713,804		84,461,775
Sindh Workers' Welfare Fund		4,741,385		4,741,385
Accrued expenses		88,654,649		44,754,751
Security deposits against Islamic financing		584,529,890		586,288,969
Payable to the parent company		35,818,815		34,859,640
Insurance payable		41,311,100		38,238,402
Unearned / deferred income on Islamic financing		473,745,126		521,509,841
Unearned / deferred income o ATM and SMS services		-		55,692,298
Bills payable		56,579,241		143,569,844
Others		12,169,055		6,668,134
		<u>4,263,188,298</u>		<u>4,230,319,099</u>

20 SHARE CAPITAL

20.1 Authorized capital

Mar-20	Dec-19		Mar-20	Dec-19
-----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>

20.2 Issued, subscribed and paid-up capital

Mar-20	Dec-19		Mar-20	Dec-19
-----Number-----			-----Rupees-----	
		Ordinary shares of Rs 10 each		
<u>149,837,201</u>	<u>149,837,201</u>	fully paid in cash	<u>1,498,372,010</u>	<u>1,498,372,010</u>

20.3 The shareholders of the Bank are as follows:

Mar-20	Dec-19		Mar-20	Dec-19
-----Number-----			-----Rupees-----	
77,999,550	77,999,550	NRSP	779,995,500	779,995,500
24,000,000	24,000,000	International Finance Corporation (IFC)	240,000,000	240,000,000
23,837,201	23,837,201	KfW Germany	238,372,010	238,372,010
16,000,000	16,000,000	Acumen Fund USA	160,000,000	160,000,000
8,000,000	8,000,000	Acumen Capital Markets LLP	80,000,000	80,000,000
150	150	Mr. Shoaib Sultan	1,500	1,500
150	150	Mr. Fazalullah Qureshi	1,500	1,500
<u>150</u>	<u>150</u>	Dr. Rashid Bajwa	<u>1,500</u>	<u>1,500</u>
<u>149,837,201</u>	<u>149,837,201</u>		<u>1,498,372,010</u>	<u>1,498,372,010</u>

21 DEFERRED GRANTS	Note	Mar-20	Dec-19
		-----Rupees-----	
Opening balance		3,457,323	9,645,271
Grants received from			
SBP	21.1	1,061,920	2,239,565
KfW	21.2	23,143,312	14,809,162
SWF - PMIC		-	-
Karandaz		2,760,000	-
		24,205,232	17,048,727
Interest income		-	0
Amortization of grants during the year		(23,143,312)	(23,236,675)
		<u>7,279,243</u>	<u>3,457,323</u>

21.1 This represents grant received from State Bank of Pakistan (SBP) under the National Financial Literacy Program (NFLP) for activities related to financial inclusion and under the Financial Innovation Challenge Fund (FCIF) for activities related to establishment of Islamic Banking.

21.2 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.

	Note	Mar-20	Mar-19
		-----Rupees-----	
23 MARK-UP / RETURN / INTEREST EARNED			
Interest / mark-up on			
Advances		1,699,849,781	1,458,729,142
Lending to financial institutions		2,559,423	9,233,664
Investments in government securities		45,475,821	23,681,931
Deposits accounts, placements with other bank / financial institutions		70,033,806	80,829,220
Employees' loan		3,066,858	1,649,273
Profit on Islamic financing		340,960,780	168,118,663
		<u>2,161,946,469</u>	<u>1,742,241,893</u>
24 MARK-UP / RETURN / INTEREST EXPENSED			
Deposits	24.1	683,247,193	592,096,802
Profit Sharing Islamic Deposits		88,141,895	48,751,627
Borrowings	24.2	144,677,310	91,406,103
Ammortization of loan processing fee on borrowings		1,299,982	2,009,970
Finance lease charges		1,690,849	2,402,257
Other costs of deposits		3,634	16,998,467
		<u>919,060,863</u>	<u>753,665,226</u>