



CONDENSED QUARTERLY ACCOUNTS
(Un-Audited)
MAR - 2022



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Balance Sheet as at Mar 31, 2022

| | Note | Un-Audited 31-Mar-22 Rs. '000 | Audited 31-Dec-21 Rs. '000 |
|--------------------------------------|------|-------------------------------------|----------------------------------|
| ASSETS | | | |
| Balances with State Bank of Pakistan | 1 | 2,426,552 | 2,409,300 |
| Cash in hand and balances with bank | 2 | 1,820,878 | 2,215,943 |
| Lending to financial institutions | 3 | - | 100,000 |
| Investments - net of provisions | 4 | 22,003,105 | 23,525,620 |
| Advances - net of provisions | 5 | 75,411,429 | 70,884,249 |
| Operating fixed assets | 6 | 3,642,941 | 3,578,799 |
| Other assets | 7 | 13,585,947 | 13,270,608 |
| Deferred tax assets | | 773,825 | 539,407 |
| Total Assets | | 119,664,677 | 116,523,926 |
| LIABILITIES | | | |
| Deposits and other accounts | 8 | 92,833,566 | 93,162,366 |
| Borrowings | 9 | 8,383,106 | 4,608,379 |
| Subordinated debt | 10 | 3,000,000 | 3,000,000 |
| Other liabilities | 11 | 4,554,469 | 4,568,632 |
| Total Liabilities | | 108,771,141 | 105,339,377 |
| NET ASSETS | | 10,893,536 | 11,184,549 |
| REPRESENTED BY : | | | |
| CAPITAL | | | |
| Paid up capital | 20 | 1,705,000 | 1,705,000 |
| Capital and general reserves | 12 | 1,881,542 | 1,863,459 |
| Unappropriated profit | | 7,306,994 | 7,616,090 |
| Total Capital | | 10,893,536 | 11,184,549 |

Profit and loss for the quarter ended Mar 31, 2022

| | Note | YTD - Mar - 22 | YTD - Mar - 21 |
|---|------|------------------------|------------------------|
| | | Un-Audited Rs. '000 | Un-Audited Rs. '000 |
| Mark up/Interest Income Earned | | | |
| Mark up / Interest Income on advances | 13 | 3,541,728 | 4,334,207 |
| Mark up / Interest Income on investments/placements | | 565,621 | 489,784 |
| Mark up / Interest earned | | 4,107,349 | 4,823,991 |
| Less: Markup/Interest Expensed | | | |
| Mark up/Interest on borrowings/subordinated debt | | 247,151 | 70,132 |
| Mark up/Interest on deposits | | 2,125,939 | 2,119,336 |
| Mark up / Interest expensed | | 2,373,090 | 2,189,468 |
| Net Mark up / Interest income | | 1,734,259 | 2,634,523 |
| Add: Credit Processing/Retail Banking Fee | | | |
| Micro Credit Processing Fees | 14 | 365,067 | 340,626 |
| Retail Banking Services Fees | 15 | 34,370 | 32,125 |
| Non Mark up/Interest Income | | 399,437 | 372,751 |
| Gross Income Earned | | 2,133,696 | 3,007,274 |
| LESS: OPERATING EXPENSES | | | |
| Salaries, wages & other benefits | | 926,744 | 877,202 |
| Incentive on Asset and Liability Sales | | 46,223 | 30,778 |
| Recruitment & Development | | 1,176 | 4,816 |
| Management consultancy | | 69 | - |
| IT Operations | | 115,692 | 81,694 |
| Training & Development | | 5,104 | 5,062 |
| Operating Lease/Rent Expense | 16 | 164,659 | 165,077 |
| Meeting & Conferences | | 7,258 | 6,983 |
| Utilities | | 60,784 | 39,831 |
| Communication & Verification | | 30,859 | 27,165 |
| Traveling & conveyance | | 6,345 | 3,850 |
| Insurance | 17 | 17,870 | 79,873 |
| Repair & maintenance | | 21,761 | 15,437 |
| Security services | | 14,755 | 18,008 |
| Health Hygiene - COVID -19 | | 988 | 1,033 |
| Vehicle running & maintenance | | 120,044 | 84,944 |
| Legal & Professional | | 5,381 | 3,679 |
| Printing, stationery & office supplies | | 49,876 | 37,654 |
| Subscription | | 886 | 1,508 |
| Advertisement & business promotion | | 52,041 | 30,202 |
| Financial charges | | 16,456 | 14,507 |
| ATM Operations | | 7,009 | 3,901 |
| Depreciation and amortization | | 154,173 | 149,423 |
| Other Expenses | | 1,532 | 1,892 |
| Workers Welfare Fund | | 4,500 | 4,500 |
| Reimbursement of Social Mobilization Cost | | 1,832,185 | 1,689,019 |
| | | 1,471 | 8,726 |
| Net Provision against advances/other assets | 18 | 1,830,714 | 1,680,293 |
| Total operating expenses | | 784,645 | 556,523 |
| | | 2,615,359 | 2,236,816 |
| OPERATING PROFIT/(LOSS) | | (481,663) | 770,458 |
| ADD: OTHER INCOME | | | |
| Gain/(Loss) on Disposal of Fixed Assets | | (740) | (261) |
| Misc. Income | | 775 | 935 |
| Gain/(Loss) on Foreign Currency Transactions | | - | - |
| | | 35 | 674 |
| PROFIT/(LOSS) BEFORE TAXATION | | (481,628) | 771,132 |
| Taxation - Current | 19 | 69,274 | 150,099 |
| - Prior Year | | - | - |
| - Deferred | | (241,804) | 30,209 |
| | | (172,530) | 180,308 |
| PROFIT/(LOSS) AFTER TAXATION | | (309,097) | 590,824 |
| Un-appropriated profit b/f | | 7,616,090 | 7,200,276 |
| Other Comprehensive gain transferred to equity | | - | - |
| Profit available for appropriation | | 7,306,994 | 7,791,100 |
| APPROPRIATIONS: | | | |
| Transfer to: | | | |
| Statutory Reserves | | - | 29,541 |
| Microfinance Sector Development Fund | | - | 59,082 |
| Risk Mitigation Fund | | - | 29,541 |
| Depositors' Protection Fund | | - | 29,541 |
| | | - | 147,705 |
| UNAPPROPRIATED PROFIT c/f | | 7,306,994 | 7,643,395 |

Notes to the Accounts for the quarter ended Mar 31, 2022

| 1 | BALANCES WITH SBP | Note | 31-Mar-2022 | | 31-Dec-2021 | |
|-----|---|------|--------------------------|--------------------|--------------------------|--------------------|
| | | | Rs. '000 | | Rs. '000 | |
| | Balances with SBP | 1.1 | 2,426,552 | | 2,409,300 | |
| | | | <u>2,426,552</u> | | <u>2,409,300</u> | |
| 1.1 | This represents balance held with State Bank of Pakistan to meet the requirement of maintaining minimum balance equivalent to 5% (2021: 5%) of the Bank's time and demand liabilities in accordance with the Regulation R - 3A. | | | | | |
| 2 | CASH IN HAND AND BALANCES WITH BANKS | | 31-Mar-2022 | | 31-Dec-2021 | |
| | | | Rs. '000 | | Rs. '000 | |
| | Cash in hand | | 694,592 | | 1,406,361 | |
| | Current Account | | 668,491 | | 654,488 | |
| | Saving Account | 2.1 | 457,795 | | 155,094 | |
| | | | <u>1,820,878</u> | | <u>2,215,943</u> | |
| 2.1 | This represents corporate accounts carry interest rates ranging from 4.50% to 8.75% (2021: 4.50% to 7.75%) per annum. | | | | | |
| 3. | LENDING TO FINANCIAL INSTITUTIONS | | 31-Mar-2022 | | 31-Dec-2021 | |
| | | | Rs. '000 | | Rs. '000 | |
| | Call/Clean Lending | 3.1 | - | | 100,000 | |
| | | | <u>-</u> | | <u>100,000</u> | |
| 3.1 | This represents call placement at the rate NIL% per annum (2021: 10.70% per annum) maturing on NIL (2021: January 4, 2022.) | | | | | |
| 4. | INVESTMENTS - NET OF PROVISIONS | | 31-Mar-2022 | | 31-Dec-2021 | |
| | | | Rs. '000 | | Rs. '000 | |
| | Available for sale securities | | | | | |
| | Market Treasury Bills | 4.1 | 1,966,615 | | 3,451,863 | |
| | Held for trading | | | | | |
| | Pakistan Investment Bonds | 4.2 | 10,776,295 | | 7,574,186 | |
| | Held to maturity securities | | | | | |
| | Term Finance Certificates | 4.3 | 150,000 | | 150,000 | |
| | Term Deposit Receipts/Placements | 4.4 | 9,170,940 | | 12,435,784 | |
| | | | <u>22,063,850</u> | | <u>23,611,833</u> | |
| | Surplus/(Deficit) on revaluation on T-Bills/PIB's | 4.5 | (60,745) | | (86,213) | |
| | | | <u>22,003,105</u> | | <u>23,525,620</u> | |
| 4.1 | This represents 3 to 6 months T-Bills having yield at the rate 10.74% (2021: 7.47% to 8.15%) per annum. The T-Bill is maturing on June 2, 2022. | | | | | |
| 4.2 | This represents 3 years PIB's having fixed/floater coupon rate ranging from 7.42% to 11.09% per annum (2021: 7.42% to 8.71% per annum) maturing on October 7, 2024. | | | | | |
| 4.3 | This represents 10,000 and 100 term finance certificates (TFC's) having face value of Rs.5,000/- and Rs.1,000,000/- each duly issued by Bank Al Habib Limited and Soneri Bank Limited respectively for perpetual tenor. These TFC's carrying profit @ 6 month KIBOR plus 1.50% and 2.00% respectively receivable on semi annual basis from the date of issue. | | | | | |
| 4.4 | This represents term deposit receipts and placements with commercial and microfinance banks carrying interest rate ranging from 10.60% to 12.50% 10.95% to 14.50% per annum. These Placements/TDR's are due to mature on February 28, 2022 (2021: January 13, 2022) | | | | | |
| 4.5 | In compliance with the requirements of the Regulations (R-11C), available for sale investments have been valued on mark-to market basis and the (deficit) / surplus is kept in a separate account and is charged through statement of comprehensive income. | | | | | |
| 5. | ADVANCES - NET OF PROVISIONS | Note | 31-Mar-2022 | | 31-Dec-2021 | |
| | | | No. of loans outstanding | Amount outstanding | No. of loans outstanding | Amount outstanding |
| | | | Number | Rs. '000 | Number | Rs. '000 |
| | Gross advances : | | | | | |
| | General Loans | | | | | |
| | Secured | 5.1 | 141,190 | 12,582,482 | 133,470 | 11,762,878 |
| | Unsecured | 5.3 | 558,801 | 35,986,573 | 582,442 | 36,690,046 |
| | | | <u>699,991</u> | <u>48,569,055</u> | <u>715,912</u> | <u>48,452,924</u> |
| | Micro Enterprise Loans | | | | | |
| | Secured | 5.2 | 64,535 | 18,566,547 | 55,519 | 15,683,887 |
| | Unsecured | 5.2 | 26,625 | 1,643,213 | 21,187 | 1,372,382 |
| | | | <u>91,160</u> | <u>20,209,760</u> | <u>76,706</u> | <u>17,056,269</u> |
| | Micro Housing Loans | | | | | |
| | Secured | | 1,181 | 1,405,601 | 588 | 620,416 |
| | Unsecured | | 12,655 | 5,907,574 | 10,614 | 4,652,692 |
| | | | <u>13,836</u> | <u>7,313,175</u> | <u>11,202</u> | <u>5,273,108</u> |
| | | | <u>804,987</u> | <u>76,091,990</u> | <u>803,820</u> | <u>70,782,301</u> |
| | Less : provisions held | | | | | |
| | Specific provision | | 53,556 | 1,910,477 | 22,319 | 575,016 |
| | General provision | | 693,397 | 572,995 | 701,310 | 1,053,775 |
| | | | | <u>2,483,472</u> | | <u>1,628,791</u> |
| | Microcredit Advance - Net of Provisions | | | 73,608,518 | | 69,153,510 |
| | Staff Loans - General Purpose | 5.4 | 2,314 | 459,941 | 2,314 | 473,030 |
| | Staff Loans - Housing Finance | 5.5 | 334 | 1,342,970 | 300 | 1,257,709 |
| | Staff Loans | | <u>2,648</u> | <u>1,802,911</u> | <u>2,614</u> | <u>1,730,739</u> |
| | Advances - Net of Provisions | | <u>807,635</u> | <u>75,411,429</u> | <u>806,434</u> | <u>70,884,249</u> |
| 5.1 | This includes microcredit loans amounting to Rs. 34.2 million (2021: Rs. 39.2 million) which are partially (50%) secured against own deposit lien marking with the Bank. | | | | | |
| 5.2 | This includes 183 (2021: 10) micro enterprise clients having aggregate outstanding amount of Rs. 20.5 million (2021: Rs. 1.61 million) which are 50% backed by Guarantee under the terms of Loan Portfolio Guarantee Agreement between USAID and the Bank on September 30, 2014. The Guarantee is effective from November 24, 2014 | | | | | |

- 5.3 This includes 10,611 (2021: 11,691) borrowers having aggregate outstanding amount of Rs. 316.3 million (2021: Rs. 694.4) against the issuance of Credit Guarantee Scheme for Small and Marginalized Farmers (CGSMF) approved by State Bank of Pakistan which is 50% backed by Guarantee under the of the scheme.
- 5.4 This represents short to medium term general purpose loans to employees of the Bank carrying fixed interest at the rate of 5% per annum (2021: 5%) per annum. These loans are partially secured against employees' accrued terminal benefits.
- 5.5 This represents long term housing loans to eligible employees of the Bank for the period ranging from 5 to 20 years carrying fixed interest at the rate 5% per annum (2021: 5%) per annum. These loans are secured against equitable mortgage over unencumbered property.
- 5.6 Particulars of non-performing advances

Non performing advances includes principal amount of Rs. 4,872.1 million and interest/markup amount of Rs. 2,172.1 million (2021: principal amount of Rs. 2,047.3 million and interest/markup amount of Rs. 967.7 million) which, as detailed below, have been placed under non performing status.

| Category of classification | 31-Mar-2022 | | | 31-Dec-2021 | | |
|----------------------------|---------------------|--------------------|------------------|---------------------|--------------------|----------------|
| | Amount out standing | Provision required | Provision held | Amount out standing | Provision required | Provision held |
| | | Rs. '000 | | | Rs. '000 | |
| OAEM | 1,236,637 | 7,208 | 7,208 | 908,812 | - | - |
| Sub-standard | 1,487,322 | 243,869 | 243,869 | 639,075 | 85,071 | 85,071 |
| Doubtful | 3,380,401 | 1,087,392 | 1,087,392 | 1,168,278 | 422,283 | 422,283 |
| Loss | 939,855 | 572,008 | 572,008 | 298,811 | 67,662 | 67,662 |
| | 7,044,214 | 1,910,477 | 1,910,477 | 3,014,976 | 575,016 | 575,016 |

5.7 Particulars of the provisions against non-performing advances

| | 31-Mar-2022 | | | 31-Dec-2021 | | |
|--------------------------------------|------------------|----------------|------------------|----------------|------------------|------------------|
| | Specific | General | Total | Specific | General | Total |
| | | Rs. '000 | | | Rs. '000 | |
| Balance at the beginning of the year | 575,014 | 1,053,777 | 1,628,791 | 649,341 | 815,513 | 1,464,854 |
| Charge during the quarter | 1,251,644 | (480,782) | 770,862 | 3,700,033 | 238,262 | 3,938,295 |
| Less: Amount written off | (83,819) | - | (83,819) | 3,774,358 | - | 3,774,358 |
| Balance at end of the period | 1,910,477 | 572,995 | 2,483,472 | 575,016 | 1,053,775 | 1,628,791 |

5.8 Particulars of write offs

| | 31-Mar-22 | 31-Dec-21 |
|-------------------------------------|-----------------|------------------|
| | Rs. '000 | Rs. '000 |
| Loans Written off against provision | (83,819) | 3,774,358 |
| Loans Written off directly | 7,251 | 22,202 |
| | (76,568) | 3,796,560 |

5.9 Portfolio Quality

The Bank's main measure of loan delinquency is an aged portfolio-at-risk ratio. Loans are separated into classes depending on the number of days they are over-due. For each of such class of loan, the outstanding principal balance of such loan class is divided by the outstanding principal balance of the loan portfolio before deducting allowance for non-performing advances.

Loans payment are applied first to any interest due, then to any installment of principal that is due but unpaid, beginning with the earliest such installment. The number of days of delay is based on the due date of the earliest loan installment that has not been fully paid. Late payment surcharge/ penalty on overdue advances is not added to principal.

| | | 31-Mar-22 | | 31-Dec-21 | |
|--|-------|-------------------|-------------------|-------------------|-------------------|
| | | Portfolio at Risk | Amount Rs. '000 | Portfolio at Risk | Amount Rs. '000 |
| Normal Loans | | | | | |
| Current | 5.9.1 | 0.00% | 54,744,554 | 0.00% | 49,368,477 |
| Watch list | | 1.39% | 799,813 | 1.93% | 986,922 |
| OAEM | | 0.58% | 333,210 | 0.73% | 376,118 |
| Substandard | | 0.66% | 379,432 | 0.36% | 186,610 |
| Doubtful | | 1.59% | 910,998 | 0.44% | 226,959 |
| Loss | | 0.38% | 217,015 | 0.11% | 58,460 |
| | | 4.60% | 57,385,022 | 3.58% | 51,203,546 |
| Deferred and Restructured Loans | | | | | |
| Current | | 0.00% | 14,858,181 | 0.00% | 16,643,430 |
| Watchlist | | 4.39% | 821,154 | 8.87% | 1,736,166 |
| OAEM | | 4.30% | 803,790 | 2.08% | 407,448 |
| Substandard | | 3.21% | 599,696 | 0.82% | 161,448 |
| Doubtful | | 6.78% | 1,268,464 | 3.18% | 621,985 |
| Loss | | 1.90% | 355,683 | 0.04% | 8,274 |
| | | 20.57% | 18,706,968 | 14.99% | 19,578,751 |
| Global Over Due Loans | | 8.53% | 76,091,990 | 6.74% | 70,782,297 |
| Global Non-Performing Loans | | 6.40% | 4,868,288 | 2.89% | 2,047,302 |

5.9.1 Reschedule/Deferred Loan Portfolio

This consist of outstanding rescheduled/deferred loan portfolio (DRP) against SBP COVID relief package.

| | 31-Mar-22 | | 31-Dec-21 | |
|--|------------------|---------------------------------|------------------|---------------------------------|
| | Borrowers Number | Gross Loan Outstanding Rs. '000 | Borrowers Number | Gross Loan Outstanding Rs. '000 |
| Rescheduled/Deferred Loans under regulatory relief | 77,787 | 5,330,596 | 83,138 | 4,806,947 |
| Rollover Loans under internal policy | 216,402 | 13,376,372 | 226,914 | 14,771,804 |
| | 294,189 | 18,706,968 | 310,052 | 19,578,750 |

6. OPERATING FIXED ASSETS

| | Note | 31-Mar-22 | 31-Dec-21 |
|--------------------------|------|------------------|------------------|
| | | Rs. '000 | Rs. '000 |
| Capital work-in-progress | 6.1 | 407,247 | 204,688 |
| Property and equipment | 6.2 | 1,351,877 | 1,394,789 |
| Intangible assets | 6.2 | 531,170 | 560,700 |
| Right of use assets | 6.3 | 1,352,647 | 1,418,622 |
| | | 3,642,941 | 3,578,799 |

6.1 Capital Work-in-progress

This includes payments made to the vendor for the development of various soft wares Modules and purchase of fixed assets.

| | 31-Mar-22 | 31-Dec-21 |
|---------------------------------------|----------------|----------------|
| | Rs. '000 | Rs. '000 |
| Opening Balance | 204,688 | 185,655 |
| Advances issued during the quarter | 290,489 | 340,071 |
| Assets transferred during the quarter | (87,929) | (321,038) |
| Closing Balance | 407,247 | 204,688 |

6.2 Property and Equipment & Intangible Assets

| | Leasehold Improvements | Vehicles | Furniture & Fixture | Electrical and Office Equipment | Computer Equipment | Total | Computer Software |
|----------------------------------|------------------------|----------|---------------------|---------------------------------|--------------------|-----------|-------------------|
| Cost | Rs.'000 | | | | | | Rs.'000 |
| Balances as on January 1, 2022 | 457,424 | 483,288 | 568,722 | 763,848 | 1,155,154 | 3,428,436 | 1,063,400 |
| Additions | 24,944 | 1,785 | 1,974 | 19,583 | 33,591 | 81,877 | 699 |
| Disposals | - | - | (3,041) | (1,495) | (698) | (5,234) | - |
| Balance as on Mar 31, 2022 | 482,368 | 485,073 | 567,655 | 781,936 | 1,188,047 | 3,505,079 | 1,064,099 |
| Depreciation | Rs.'000 | | | | | | Rs.'000 |
| Balances as on January 1, 2022 | 250,677 | 289,227 | 264,498 | 550,433 | 678,812 | 2,033,647 | 502,700 |
| Depreciation/Amortization Charge | 18,983 | 22,219 | 13,220 | 20,187 | 49,334 | 123,943 | 30,229 |
| Disposals | - | 1 | (2,543) | (1,149) | (697) | (4,388) | - |
| Balance as on Mar 31, 2022 | 269,660 | 311,447 | 275,175 | 569,471 | 727,449 | 2,153,202 | 532,929 |
| Carrying Value | Rs.'000 | | | | | | Rs.'000 |
| As on Mar 31, 2022 | 212,708 | 173,626 | 292,480 | 212,465 | 460,598 | 1,351,877 | 531,170 |
| As on Dec 31, 2021 | 206,747 | 194,061 | 304,224 | 213,415 | 476,342 | 1,394,789 | 560,700 |
| Rate of Depreciation per annum | 20.00% | 25.00% | 10.00% | 20.00% | 20% - 33.33% | | 33.33% |

6.3 Right of Use Assets

| | Note | 31-Mar-22 Rs. '000 | 31-Dec-21 Rs. '000 |
|--|------|-----------------------|-----------------------|
| Opening Right of Use Assets | | 2,493,121 | 2,257,249 |
| Asset Recognized/Derecognized during the quarter | | 29,403 | 235,872 |
| Total ROU Assets | | 2,522,524 | 2,493,121 |
| Accumulated Depreciation | | (1,169,877) | (1,074,499) |
| Net Right of Use Assets | | 1,352,647 | 1,418,622 |

7. OTHER ASSETS

| | | | |
|--|-----|------------|------------|
| Markup/interest accrued on advances | | 14,445,937 | 13,038,361 |
| Less: Suspended Markup/interest on non performing advances | | 2,172,090 | 967,674 |
| | | 12,273,847 | 12,070,687 |
| Interest receivable on investments/placements | | 315,116 | 191,094 |
| Advances to staff | | 9,616 | 8,265 |
| Advances to Suppliers and Service Providers | | 14,848 | 16,721 |
| Prepayments & Security deposit | | 263,224 | 178,192 |
| Receivable from MSDF | 7.1 | 24,390 | 21,078 |
| Insurance Claims Receivable | | 50,723 | 56,941 |
| Advance Taxation | | 184,049 | 296,554 |
| Receivable from SBP | | 281,370 | 213,649 |
| Other receivables | | 325,742 | 345,391 |
| | | 13,742,925 | 13,398,572 |
| Less: Provision held against classified assets | | | |
| Opening Provision | | 127,964 | 75,960 |
| Provision Charge during the quarter | | 29,014 | 62,145 |
| Receivable written off against provision | | | (10,141) |
| Closing Provision | | 156,978 | 127,964 |
| | | 13,585,947 | 13,270,608 |

7.1 This represents claims lodged by the Bank with Microfinance Social Development Fund (MSDF) for reimbursement of client acquisition cost incurred by the Bank under the Loan Agreement (Special Operations) - Microfinance Sector Development Project, Loan #1806 between ADB and Islamic Republic of Pakistan.

8. DEPOSITS

| | Note | 31-Mar-22 | | 31-Dec-21 | |
|--|------|--------------------|------------|--------------------|------------|
| | | Number of accounts | Rupees | Number of accounts | Rupees |
| Time Liabilities: | | | | | |
| Term Deposits | 8.2 | 59,368 | 55,928,865 | 64,455 | 54,051,368 |
| Demand Liabilities: | | | | | |
| Saving Deposits | 8.3 | 78,466 | 30,341,314 | 77,276 | 28,840,399 |
| Current Deposits | 8.4 | 2,898,261 | 6,457,117 | 2,847,854 | 10,223,431 |
| Call Deposits (CDR) | | 600 | 106,270 | 537 | 47,168 |
| | | 2,977,327 | 36,904,701 | 2,925,667 | 39,110,998 |
| | | 3,036,695 | 92,833,566 | 2,990,122 | 93,162,366 |
| 8.1 Particulars of Deposits by ownership | | | | | |
| Individual Depositors | | 3,032,273 | 68,170,647 | 2,985,884 | 73,677,817 |
| Institutional Depositors | | | | | |
| a) Corporations/Firms | | 4,394 | 18,470,260 | 4,209 | 15,175,055 |
| a) Banks/Financial Institutions | | 28 | 6,192,659 | 29 | 4,309,494 |
| | | 3,036,695 | 92,833,566 | 2,990,122 | 93,162,366 |

8.2 This represents term deposits having tenure of 3 to 36 months (2021: 3 to 36 months) carrying interest at rates ranging from 6.50% to 15.00% (2021: 6.50% to 15.00%) per annum. The term deposits amounting to Rs 523.97 Million (2021: Rs 594.41 Million) are lien marked against advances to borrowers.

8.3 This represents saving deposits carrying interest rates ranging from 5.00% to 11.75 % per annum (2021: 5.00% to 12.50%). The saving deposits amounting to Rs. 14.98 million (2021: Rs. 56.60 million) are lien marked against advances to borrowers.

8.4 This represents non-remunerative current deposits . The current deposits amounting to Rs. 17.51 million (2021: Rs. 81.21 million) are lien marked against advances to borrowers.

| 9. BORROWINGS | Note | 31-Mar-22 Rs. '000 | 31-Dec-21 Rs. '000 |
|--|--|-----------------------|-----------------------|
| Borrowings from banks/financial Institutions in Pakistan | | | |
| Secured | 9.1 | 8,383,106 | 4,608,379 |
| | | 8,383,106 | 4,608,379 |
| | Note | 31-Mar-22 Rs. '000 | 31-Dec-21 Rs. '000 |
| 9.1 Borrowings from Financial Institutions in Pakistan | | | |
| Pak Oman Investment Company Limited (TF-IV) | 9.1.1 | - | 62,500 |
| Allied Bank Limited (TF-1) | 9.1.2 | 4,166 | 8,333 |
| The Bank of Punjab (TF-2) | 9.1.3 | 500,000 | 500,000 |
| Pakistan Mortgage Refinance Company Limited (TF-1) | 9.1.4 | 900,000 | 900,000 |
| Pakistan Mortgage Refinance Company Limited (TF-2) | 9.1.5 | 450,000 | - |
| Pakistan Mortgage Refinance Company Limited (TF-3) | 9.1.6 | 450,000 | - |
| JS Bank Limited (RF) | 9.1.7 | 300,000 | - |
| Allied Bank Limited (RF) | 9.1.8 | 200,000 | 200,000 |
| Repo Borrowing | 9.1.9 | 5,578,940 | 2,937,546 |
| | | 8,383,106 | 4,608,379 |
| 9.1.1 | This represents interbank money market borrowing for 5 years with grace period of 12 months from draw down date carrying interest rate of 9.21% (2021: 8.88% to 9.22%) per annum and repayable in 8 semi annual equal installments. This borrowing is secured against charge over current and future assets of Rs.667 million. | | |
| 9.1.2 | This represents interbank money market borrowing carrying interest rate ranging from 12.07% to 13.63% (2021: 8.95% to 12.07%) per annum for a period of 5 years from the draw down date inclusive of grace period of 2 years. This borrowing is secured against charge over present and future assets of the Bank worth Rs.334 million. | | |
| 9.1.3 | This represents interbank money market borrowing carrying interest rate ranging from 10.85% to 11.51% (2021: 8.27% to 10.85%) per annum for a period of 3 years from the draw down date inclusive of grace period of 1 year. This borrowing is secured against charge over present and future current assets of the Bank worth Rs.2,667 million. | | |
| 9.1.4 | This represents mortgage refinance facility for creating Bank's housing mortgage portfolio carrying fixed interest rate of 6.5% per annum for first 5 years and 8.5% per annum for next 5 years for a period of 10 years from the draw down date inclusive of 2 years as grace period under the Government's Markup Subsidy Scheme for Housing Finance (GMSS). Markup is payable quarterly in arrears. This borrowing is secured against charge over present and future current assets of the Bank worth Rs.1,200 million. | | |
| 9.1.5 | This represents mortgage refinance facility for creating Bank's housing mortgage portfolio carrying floating interest rate of 11.82% per annum with floor of 8% for a period of 3 years from the draw down date inclusive of 1 years as grace period under the Government's Markup Subsidy Scheme for Housing Finance (GMSS). Markup is payable half yearly in arrears. This borrowing is secured against charge over present and future current assets of the Bank worth Rs. 600 million. | | |
| 9.1.6 | This represents mortgage refinance facility for creating Bank's housing mortgage portfolio carrying floating interest rate of 12.32% per annum with floor of 8% for a period of 5 years from the draw down date inclusive of 1 years as grace period under the Government's Markup Subsidy Scheme for Housing Finance (GMSS). Markup is payable half yearly in arrears. This borrowing is secured against charge over present and future current assets of the Bank worth Rs. 600 million. | | |
| 9.1.7 | This represents running finance borrowing carrying floating interest rate of 11.38% (2021: 8.68%) per annum. This borrowing is secured against charge over present and future assets of the Bank worth of Rs.267 Million. | | |
| 9.1.8 | This represents running finance borrowing carrying floating interest rate ranging from 8.68% to 11.44% (2021: 8.68%) per annum. This borrowing is secured against charge over present and future assets of the Bank worth of Rs.267 Million. | | |
| 9.1.9 | This represents repo borrowings carrying interest rate ranging from 10.25% to 10.76% (2021: 10.50% to 10.70%) per annum maturing on March 8, 2022 (2021: April 1, 2022). | | |
| 10. SUB-ORDINATED DEBT | Note | 31-Mar-22 Rs. '000 | 31-Dec-21 Rs. '000 |
| Term Finance Certificate (TFCs) - I | 10.1 | 1,000,000 | 1,000,000 |
| Term Finance Certificate (TFCs) - II | 10.2 | 1,400,000 | 1,400,000 |
| Term Finance Certificate (TFCs) - III | 10.3 | 600,000 | 600,000 |
| | | 3,000,000 | 3,000,000 |
| 10.1 | This represents rated, unsecured, subordinated and privately placed term finance certificates of worth Rs.100,000/- each fully subscribed on March 19, 2018. The issue for a period of 8 years from the date of subscription and mature on March 19, 2026. The issue has assigned preliminary rating of single 'A' (Single A) with stable outlook. Profit is priced @ 6 months KIBOR plus 2.05% and repayable every six months in arrears while principal shall be redeemed in two equal semi annual installments falling on the end of 90th and 96th months. The issue has call option after 10th redemption date, lock in clause and loss absorbency clause. | | |
| 10.2 | This represents rated, unsecured, subordinated and privately placed term finance certificates of worth Rs.100,000/- each fully subscribed on December 27, 2019. The issue is for a period of 8 years from the date of subscription and mature on December 27, 2027. The issue has assigned preliminary rating of single 'A' (Single A) with stable outlook. Profit is priced @ 3 months KIBOR plus 2.70% and repayable every three months in arrears while principal shall be redeemed in twelve equal quarterly installments commencing from the 63th month from the issue date. The issue has lock in and loss absorbency clause. | | |
| 10.3 | This represents unsecured, subordinated and privately placed term finance certificates of worth Rs.100,000/- each fully subscribed on June 18, 2021. The issue is for period of 8 years from the date of subscription and mature on June 18, 2029. Profit is priced @ 6 months KIBOR plus 2.70% and repayable every three months in while principal shall be redeemed in twelve equal quarterly installments commencing from the 63rd month from the issue date. The issue has lock in and loss absorbency clause. | | |

| 11. OTHER LIABILITIES | Note | 31-Mar-22 Rs. '000 | 31-Dec-21 Rs. '000 |
|---|------|-----------------------|-----------------------|
| Markup/ interest payable on borrowing/subordinated debt | | 23,967 | 45,756 |
| Markup/return payable on deposits | | 1,069,081 | 1,142,876 |
| Bills Payable | | 451,035 | 184,993 |
| Accrued expenses | | 672,853 | 695,932 |
| Payable to defined benefit plan - Gratuity/EOBI | | 77,710 | 54,697 |
| Contribution payable to funds | | 114,335 | 114,335 |
| Payable to suppliers and service providers | | 46,470 | 51,276 |
| Provision for workers welfare fund | | 83,446 | 78,946 |
| Sundry deposits | | 948 | 975 |
| Right of Use Liability | | 1,770,596 | 1,842,788 |
| Taxation Payable | | - | 83,900 |
| Dividend Payable | | 150,244 | 150,244 |
| Other Payables | | 93,784 | 121,914 |
| | | 4,554,469 | 4,568,632 |
| 12. CAPITAL AND GENERAL RESERVES | | | |
| Statutory Reserve | | 1,900,416 | 1,900,415 |
| Capital Reserve | | 24,255 | 24,255 |
| Net Surplus/(Deficit) on revaluation of available for sale securities | | (43,129) | (61,211) |
| | | 1,881,542 | 1,863,459 |
| 13. MARKUP/INTEREST ON ADVANCES | | 31-Mar-22 | 31-Dec-21 |
| | | Rs. '000 | Rs. '000 |
| Markup/Interest on Advances - General Loans - Group | | 581,044 | 5,361,360 |
| Markup/Interest on Advances - General Loans - Individual | | 1,468,360 | 7,480,704 |
| Markup/Interest on Advances - Micro Enterprise Loans | | 1,212,581 | 3,495,547 |
| Markup/Interest on Advances - Micro Housing Loans | | 341,448 | 570,395 |
| Markup/Interest on Advances - Staff Loans | | 19,424 | 67,539 |
| Total Markup Earned | | 3,622,857 | 16,975,545 |
| Less: Markup/Interest Waiver | | (81,129) | (210,536) |
| Net Markup Earned | | 3,541,728 | 16,765,009 |
| 14. MICROCREDIT PROCESSING FEES | | | |
| Micro Credit Processing Fee - General Loans - Group | | 103,972 | 748,980 |
| Micro Credit Processing Fee - General Loans - Individual | | 147,097 | 668,725 |
| Micro Credit Processing Fee - Micro Enterprise Loans | | 90,895 | 264,573 |
| Micro Credit Processing Fee - Micro Housing Loans | | 23,102 | 54,687 |
| | | 365,067 | 1,736,965 |
| 15. RETAIL BANKING SERVICES FEES | | | |
| Banking Services Fee | | 27,941 | 99,015 |
| Remittance Services Fee | | 98 | 4,038 |
| Banc assurance Services Fee | | 6,091 | 18,904 |
| BB Channel Services Fee | | 240 | 521 |
| | | 34,370 | 122,478 |
| 16. OPERATING LEASE | | | |
| Interest Expense - Operating Lease Liability | | 59,912 | 247,394 |
| Depreciation - Right of Use Assets | | 95,378 | 372,643 |
| Rent Expense | | 9,369 | 31,939 |
| | | 164,659 | 651,976 |
| 17. INSURANCE | | | |
| Insurance - Advances | | 3,426 | 304,718 |
| Insurance - Deposits | | 3,101 | 10,450 |
| Insurance - Operating Fixed Assets & Others | | 11,343 | 36,041 |
| | | 17,870 | 351,209 |
| 18. NET PROVISION AGAINST ADVANCES/OTHER ASSETS | | | |
| Provision against advances | | | |
| Specific Provision | 5.7 | 1,251,644 | 3,700,033 |
| General Provision | 5.7 | (480,782) | 238,262 |
| | | 770,862 | 3,938,295 |
| Bad Debts Written off Directly | | 7,251 | 22,202 |
| Bad Debts Recovered | | (22,482) | (85,186) |
| Net Provision against advances | | 755,631 | 3,875,311 |
| Provision against Other Assets | | | |
| Provision against other assets | 7 | 29,014 | 62,145 |
| Recovery against other assets | | - | - |
| | | 29,014 | 62,145 |
| | | 784,645 | 3,937,456 |

19. TAXATION

The bank has provided for corporate tax at the rate of 29% (2021: 29%) for the year with minimum tax being limited to 1.25% of non exempt turnover.

| 20. SHARE CAPITAL | Note | 31-Mar-22 Rs. '000 | 31-Dec-21 Rs. '000 |
|---|--------|-----------------------|-----------------------|
| 20.1 Authorized Capital | 20.1.1 | 6,000,000 | 6,000,000 |
| 20.1.1 The Bank's authorized share capital is 600 million ordinary shares of Rs.10/- each. | | | |
| 20.2 Issued, Subscribed and Paid up Capital | 20.2.1 | 1,705,000 | 1,705,000 |
| 20.2.1 The Bank's issued, subscribed and fully paid up capital for consideration other than cash is 170.5 million ordinary shares of Rs.10/- each as follows: | | | |
| United Bank Limited | | 506,285 | 506,285 |
| Rural Impulse Fund II S.A. SICAV-FIS (Incofin Investment Management Comm. VA) | | 417,057 | 417,057 |
| MultiConcept Fund Management Company S.A (responsibility Global Microfinance Fund) | | 339,295 | 339,295 |
| ShoreCap II Limited (Equator Capital Partners LLC) | | 243,568 | 243,568 |
| ASN Microkredietpool (Tripple Jump B.V) | | 168,795 | 168,795 |
| Bank Al Habib Limited | | 30,000 | 30,000 |
| | | 1,705,000 | 1,705,000 |
| 21. GENERAL INFORMATION | | | |
| 21.1 Number of Employees | | 31-Mar-22 Number | 31-Dec-21 Number |
| Credit Sales Staff | | | |
| Permanent | | 2,659 | 2,743 |
| Banking/Support Staff | | | |
| Permanent | | 1,957 | 2,003 |
| Contractual | | 895 | 898 |
| | | 2,852 | 2,901 |
| Total number of employees at the end of the quarter | | 5,511 | 5,644 |
| 21.1.1 Credit Sales Staff - MSME | | 398 | 385 |
| 21.1.2 Female Staff | | 498 | 499 |
| 21.1.3 Managers | | 119 | 118 |

| 21.2 Network Outreach | 31-Mar-22 | | | | 31-Dec-21 | | | |
|-------------------------------------|------------|----------------|-----------------|---------------|------------|----------------|-----------------|---------------|
| | Branches | Service Center | Permanent Booth | Total Outlets | Branches | Service Center | Permanent Booth | Total Outlets |
| 21.2.1 At the Beginning of the year | 206 | - | 33 | 239 | 193 | - | 41 | 234 |
| Opened/Converted during the quarter | 1 | - | - | 1 | 13 | - | - | 13 |
| Closed/merged during the quarter | - | - | (1) | (1) | - | - | (8) | (8) |
| At the end of the quarter | 207 | - | 32 | 239 | 206 | - | 33 | 239 |



PROSPERITY ON ALL ACCOUNTS

These Financial Statements are proprietary to Finance & Accounts Department, Khushhali Microfinance Bank Limited for the sole intended management purposes.

**Khushhali Microfinance
Bank Limited**

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