

KHUSHALI BANK LIMITED
BALANCE SHEET
As at 30-June-2012

(RUPEES)

	Note	30-Jun-2012	31-Dec-2011
ASSETS			
Cash and balance with SBP & NBP	1	319,248,131	232,404,452
Balances with other banks	2	373,054,833	817,280,992
Lending to financial institutions	3	1,225,066,056	1,138,028,622
Investments - net of provisions	4	1,087,858,300	944,757,075
Advances - net of provisions	5	4,410,186,026	4,167,113,455
Operating fixed assets	6	230,661,578	197,494,669
Other assets	7	657,066,645	654,404,692
Deferred tax assets		69,996,068	69,996,068
		8,373,137,638	8,221,480,025
LIABILITIES			
Deposits and other accounts	8	2,166,889,641	1,677,010,488
Borrowings	9	3,675,380,536	3,957,627,416
Other liabilities	10	160,755,060	221,062,240
Deferred grants		21,123,985	27,235,473
		6,024,149,222	5,882,935,617
NET ASSETS		2,348,988,416	2,338,544,408
REPRESENTED BY :			
CAPITAL			
Paid up capital		1,705,000,000	1,705,000,000
Capital and general reserves	11	227,527,983	229,067,678
Unappropriated profit		416,460,433	404,476,730
		2,348,988,416	2,338,544,408

PROFIT & LOSS ACCOUNT
From 01-Jan-2012 to 30-June-2012

(RUPEES)

Year To Date

Jan - June 12 Jan June- 11

Mark up / Interest on advances	574,159,701	490,022,104
Insurance/Credit processing fee/FSB income	119,856,103	97,749,298
	694,015,804	587,771,402
Return on investments/bank accounts	124,712,317	117,243,037
	818,728,122	705,014,439
Borrowing cost	(135,098,117)	(123,460,302)
Interest on deposits	(30,622,473)	(10,519,068)
	(165,720,589)	(133,979,369)
	653,007,532	571,035,070

OPERATING EXPENSES

Salaries , wages & other benefits	344,869,444	310,182,791
Incentive Sales	4,341,114	131,828
Recruitment & Development	2,159,017	1,112,094
Management consultancy	734,137	714,950
IT Operations	18,095,643	12,763,367
Training	6,698,245	4,329,268
Rent, rates & taxes	52,863,903	47,480,834
Meeting & Conferences	6,604,740	4,177,816
Utilities	26,076,340	20,285,982
Communication	12,218,701	10,692,849
Traveling & conveyance	5,445,514	3,551,882
Insurance	11,453,844	10,873,384
Repair & maintenance	9,582,224	7,749,339
Security services	2,152,488	1,366,294
Vehicle running & maintenance	48,432,738	43,816,235
Legal & Professional	1,494,771	748,221
Printing, stationery & office supplies	28,889,869	23,216,848
Subscription	908,867	786,123
Advertisement & business promotion	9,838,467	6,017,707
Financial charges	4,602,462	3,495,528
Depreciation	38,369,446	35,019,131
IBA Implementation cost	4,412,765	2,139,387
Miscellaneous expenses	2,170,720	1,036,830
	640,415,457	551,490,690
Reimbursement of USAID program costs	(9,458,919)	(4,516,510)
	630,956,538	546,974,180
Net Provision against advances / other assets	73,446,805	70,974,437
Total operating expenses	704,403,343	617,948,617
OPERATING (LOSS) / PROFIT	(51,395,809)	(46,913,547)

OTHER INCOME

Amortization of deferred grant & USAID reimbursement cost	6,111,488	2,129,024
Reimbursement cost of Social Mobilization cost	58,709,300	41,272,000
Operational cost support - ERF	-	-
Gain / (Loss) on Disposal of Fixed Asset	6,383,987	17,046,034
Misc Income	121,538	477,871
Gain / (Loss) on foreign currency transactions	195,530	1,003,786
	71,521,844	61,928,714
Extra ordinary / unusual items	-	-
PROFIT / (LOSS) BEFORE TAXATION	20,126,033	15,015,167
Taxation - Current	8,142,329	7,050,145
- Deferred	-	-
	8,142,329	7,050,145
PROFIT / (LOSS) AFTER TAXATION	11,983,703	7,965,022
Contributions	-	-
Statutory Reserves	-	-
Contribution to Microfinance Sector Development Fund	-	-
Contribution to Risk Mitigation Fund	-	-
Contribution to Depositors' Protection Fund	-	-
PROFIT / (LOSS) AFTER CONTRIBUTIONS	11,983,703	7,965,022
Un-appropriated profit brought forward	404,476,730	313,538,195
UN-APPROPRIATED PROFIT CARRIED FORWARD	416,460,433	221,250,410
Transfer to General Reserve	-	-
UN-APPROPRIATED PROFIT CARRIED FORWARD	416,460,433	321,503,217

NOTES TO THE ACCOUNTS
For the period ended 30-June-2012

	30-Jun-2012		31-Dec-2011	
	Rupees		Rupees	
1. CASH AND BALANCES WITH SBP & NBP				
Cash in hand		198,212,179		148,030,385
Balances with SBP		116,511,338		82,254,869
Balances with NBP				
Current Account		755,192		1,337,172
Saving Account		4,769,421		782,026
		5,524,613		2,119,198
		319,248,131		232,404,462
2. BALANCES WITH OTHER BANKS				
Current Account		225,195,808		338,649,337
Saving Account		147,859,025		478,631,655
		373,054,833		817,280,992
3. LENDING TO FINANCIAL INSTITUTIONS				
Reverse repo lending		925,068,056		1,138,028,622
TDR placements/clean lending		400,000,000		100,000,000
Less: Provision for impairment		100,000,000		100,000,000
		300,000,000		-
		1,225,068,056		1,138,028,622
4. INVESTMENTS - NET OF PROVISIONS				
Market Treasury Bills		1,087,887,300		943,246,380
(Deficit) / surplus on revaluation		(29,000)		1,510,695
		1,087,858,300		944,757,075
Pakistan Investment Bonds		-		-
		1,087,858,300		944,757,075
5. ADVANCES - NET OF PROVISIONS	No of loans	Rupees	No of loans	Rupees
Gross advances :				
Unsecured	341,889	4,537,141,614	352,962	4,273,802,377
Secured	290	23,282,142.0	-	-
	342,179	4,560,423,756	352,962	4,273,802,377
Less : provisions held				
Specific provision		63,047,590		21,718,887
General provision		87,190,140		84,970,035
		150,237,730		106,688,922
		4,410,186,026		4,187,113,455
Category of classification	Amount - Out standing	Provision	Amount - Out standing	Provision
			Rupees	
OAEM	34,672,700	-	55,569,665	-
Sub-standard	18,859,576	10,620,651	4,714,894	6,634,897
Doubtful	77,374,978	36,543,498	38,687,489	7,145,925
Loss	56,611,728	2,773,181	56,611,728	93,586,433
	187,518,982		100,014,111	107,367,255
Provision deferred against reschedule	49,998,080		36,966,521	85,648,368
	137,520,902		63,047,590	21,718,887
Particulars of the provisions	Specific	General	Specific	General
			Rupees	
Balance at the beginning of the year	21,718,887	84,970,035	28,004,701	72,737,776
Charge for the year	190,813,977	2,220,105	161,533,177	12,232,259
Amount written off	(149,485,274)	-	(167,818,991)	-
Balance at end of the year	63,047,590	87,190,140	21,718,887	84,970,035
Particulars of write offs				
		Rupees		Rupees
Against provision		149,485,274		167,818,991
Directly charge to profit and loss account				-
		149,485,274		167,818,991

NOTES TO THE ACCOUNTS
For the period ended -30-June-2012

(RUPEES)

6. OPERATING FIXED ASSETS

	Cost			Depreciation			Book Value	Dep
	Opening balance	Addition/ Deletion - during the period	Total	Opening balance	Addition/ Deletion - during the period	Total	Total	% age
Furniture & Fixtures	121,961,810	25,503,918	147,465,728	47,751,025	4,909,989	52,661,014	94,825,014	10
Office Equipment	53,840,843	5,022,133	58,862,976	31,949,059	3,045,990	34,995,049	23,867,927	20
Computer hardware	144,505,863	17,833,352	162,339,215	102,850,444	12,914,295	115,764,739	46,574,476	33
Computer software	51,102,796	2,511,746	53,614,542	28,053,020	5,705,972	33,759,002	19,855,540	33
Electrical Appliances	85,292,298	11,264,380	96,556,678	50,858,468	8,285,320	59,143,788	38,412,890	20
Vehicle	181,381,832	(2,743,538)	178,638,294	178,208,728	(8,614,674)	169,594,054	6,024,440	25
As at 30-June-2012	638,185,413	89,392,890	727,578,303	446,670,744	26,225,981	472,896,725	230,681,578	
As at 31-Dec-2011	604,787,189	33,399,344	638,186,533	436,043,483	(4,622,281)	431,421,202	197,494,889	

7. OTHER ASSETS

	30-Jun-12 Rupees	31-Dec-11 Rupees
Markup/interest on advances receivable	375,825,881	379,055,512
Interest receivable on investments	23,884,078	37,151,088
Loans & advances to staff	59,274,743	61,045,537
Advances to suppliers	10,700,295	4,318,478
Security deposit	2,282,845	2,272,845
Prepayments	58,289,475	57,948,022
Advance tax deducted - Net of Provisions	5,357,834	12,334,587
Receivable from MSDF	97,171,578	85,363,050
Receivable from USAID	5,786,803	5,229,783
Insurance Claim Receivable	6,866,428	7,325,823
Receivable from SBP	-	742,537
Other receivables	24,140,243	9,710,727
	667,190,189	682,468,585
Opening Provision	8,093,893	1,043,633
Provision for the year	2,550,045	7,049,469
Receivable written off against provision	(350,417)	801
	10,093,521	8,093,893
	677,283,710	690,562,478

8. DEPOSITS

	30-Jun-12 Rupees	31-Dec-11 Rupees
Time Liabilities:		
Term Deposits:		
01 Month	21,863,000	46,982,508
03 Months	51,098,008	27,273,832
06 Months	63,323,189	29,842,000
12 Months	555,879,100	331,298,500
	692,063,300	435,154,840
Demand Liabilities:		
Saving Deposits	476,589,336	146,878,366
Current deposits	896,246,005	1,084,977,282
	1,474,835,340	1,241,855,648
	2,166,898,640	1,677,010,488

9. BORROWINGS

Unsecured:		
Borrowings from ADB	3,081,700,572	3,273,565,312
Borrowings from FI	-	-
	3,081,700,572	3,273,565,312
Secured:		
Borrowings from FI	583,679,964	684,052,104
	3,675,380,536	3,957,617,416

10. OTHER LIABILITIES

	30-Jun-12 Rupees	31-Dec-11 Rupees
Markup/ interest payable on borrowing	54,078,648	52,358,331
Markup/return payable on deposits	14,922,674	17,805,947
Bills Payable	17,888,925	31,406,184
Accrued expenses	26,899,588	34,024,189
Payable to SPs	8,819,800	4,908,000
Payable to defined benefit plan - gratuity	4,157,336	4,458,181
Contribution payable to funds	-	30,312,850
Payable to suppliers	6,438,450	6,065,866
Provision for WVF	5,887,980	5,887,980
Sundry deposits	18,820,586	-
Other Payables	5,475,284	33,345,712
	180,755,680	221,692,340

11. CAPITAL AND GENERAL RESERVES

Statutory reserve	174,916,408	174,916,408
Capital Reserve	24,255,224	24,255,224
Contingency reserves	28,385,353	28,385,353
(loss)/Surplus on revaluation of investments	(20,000)	1,510,695
	227,527,985	229,067,680