

To “improve lives in every home”



Tameer Bank
Micro Finance

Tameer Micro Finance Bank Limited
A-15, Block 7 & 8 Central Commercial Area, K.C.H.S Union Karachi- 75350, Pakistan
www.tameerbank.com | UAN 111 111 004

**Un-Audited Condensed Interim
Financial Statement for the
Half Year Ended June 30th, 2015**

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Corporate Information

Corporate Information

Board of Directors

Mr. Michael Patrick Foley	Chairman
Mr. Nadeem Hussain	Chief Executive Officer & President
Mr. Irfan Wahab Khan	Director
Mr. Roar Bjaerum	Director
Mr. Salim Raza	Director
Mr. Nizar Noor Muhammad	Director
Ms. Mayada Baydas	Director

Chief Financial Officer

Mr. Kabeer Naqvi

Company Secretary

Ms. Sana Tariq

Human Resource Management & Planning Committee

Mr. Irfan Wahab Khan	Chairman
Mr. Nizar Noor Muhammad	Member
Mr. Michael Patrick Foley	Member

Branchless Banking Steering Committee

Mr. Irfan Wahab Khan	Chairman
Mr. Nadeem Hussain	Member
Mr. Roar Bjaerum	Member
Mr. Michael Patrick Foley	Member
Mr. Nizar Noor Mohammed	Member
Mr. Salim Raza	Member

Audit Committee

Mr. Salim Raza	Chairman
Mr. Roar Bjaerum	Member
Mr. Nizar Noor Muhammad	Member

Risk Management Committee

Mr. Salim Raza	Chairman
Mr. Roar Bjaerum	Member

Auditors

KPMG Taseer Hadi & Co	Chartered Accountants
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Legal Advisors

Ali & Ali	Barristers and Corporate Consultants
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Registered Office

Tameer Microfinance Bank Limited
15-A Block 7-8, Central Commercial Area, K.C.H.S. Union, Karachi - 75350, Pakistan
Tel: +92-21-111-111-004
Website: <http://www.tameerbank.com>
Email: info@tameerbank.com

Director's Review

The Board of Directors are pleased to present the Un-audited Condensed Interim Financial Statement of the Bank for the Half Year Ended June 30, 2015.

	Half Year ended June 30, 2015	Half Year ended June 30, 2014
	Rupees in 000's	
Profit before provisions and taxation	641,387	514,937
Provision against loans and advances	20,558	8,842
Bad debts written off directly	20,437	28,444
Profit before taxation	600,392	477,651
Taxation	(217,523)	(167,278)
Profit After Taxation	382,869	310,373
Earnings per share (EPS)	2.84	2.30

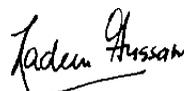
During the half-year ended June 30, 2015, the Bank's profit before taxation stood at Rs.600.392Mn from the previous comparable period of Rs.477.651Mn.

We continue to strengthen our presence in the markets place as of June 30, 2015 we operate through 62 branches and 102 service center nationwide.

PACRA and JCR-VIS, both premier rating agencies of the country, has rated the Bank 'A+' Long-Term and 'A-1' Short-Term. The ratings denote a low expectation of credit risk. The capacities for timely payments of financial commitments are considered strong.

The Board would like to thank our valued customers for their continued patronage and support, the State Bank of Pakistan, Securities Exchange Commission of Pakistan and other regulatory authorities for their continuous guidance and support with whom we enjoy a very cordial relationship. The Board would like to place on record its appreciation for the hard work, dedication, professionalism, and sincere efforts of the senior management, officer, and staff of the Bank at all levels.

On behalf of the Board



Nadeem Hussain
Chief Executive Officer
Date: 21st August 2015
Place: Karachi

Review Report

Independent Auditors' Report on Review of Condensed Interim Financial Information to the members

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Tameer Micro Finance Bank Limited ("the Bank") as at 30 June 2015 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six months period then ended (herein after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. The figures of the condensed interim profit and loss account and the condensed interim statement of comprehensive income for the quarter ended 30 June 2015 have not been reviewed and we do not express conclusion on them.

The financial statements of the Bank for the half year ended 30 June 2014 and for the year ended 31 December 2014 were reviewed and audited respectively by Ernst and Young Ford Rhodes Sidat Hyder & Co., Chartered Accountants who had expressed an unqualified conclusion and opinion thereon dated 13 August 2014 and 03 March 2015, respectively.

Date: 21st August 2015

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Mazhar Saleem

Condensed Interim Statement of Financial Position (UN-AUDITED)

As at 30 June 2015

	Note	30 June 15 (Un-Audited)	31-Dec-14 (Audited)
		----- (Rupees in '000) -----	
ASSETS			
Cash and balances with State Bank of Pakistan and National Bank of Pakistan		1,670,978	1,371,733
Balances with other banks		1,629,374	717,070
Lending to financial institutions		327,063	-
Investments	6	5,347,454	3,775,640
Advances- net of provisions	7	10,298,422	8,941,759
Operating fixed assets	8	615,524	556,761
Other assets	9	1,347,286	1,030,330
Deferred tax asset - net	13	3,757	-
		21,239,858	16,393,293
LIABILITIES			
Deposits and other accounts	10	15,580,150	12,261,354
Borrowings	11	158,172	239,211
Subordinated debt		-	-
Other liabilities	12	2,246,513	1,044,847
Deferred tax liability - net	13	-	3,960
		17,984,835	13,549,372
		3,255,023	2,843,921
NET ASSETS			
REPRESENTED BY:			
Share capital		1,346,939	1,346,939
Reserves		928,571	828,142
Unappropriated profit		926,084	646,831
		3,201,594	2,821,912
Surplus / (deficit) on revaluation of assets - net of deferred tax		21	(959)
Deferred grants		53,408	22,968
		3,255,023	2,843,921
MEMORANDUM / OFF BALANCE SHEET ITEMS			
	14		

The annexed notes 1 to 20 form an integral part of these interim condensed financial statements.

President &
Chief Executive Officer

Chairman

Director

Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE HALF YEAR AND QUARTER ENDED 30 JUNE 2015

	Note	Half Year ended		Quarter ended	
		30 June 2015	30 June 2014	30 June 2015	30 June 2014
----- (Rupees in '000)-----					
Mark-up / return / interest earned	15	1,619,429	1,411,232	863,690	717,807
Mark-up / return / interest expensed	16	(346,177)	(384,825)	(173,205)	(186,547)
Net mark-up / return / interest income		<u>1,273,252</u>	<u>1,026,407</u>	<u>690,485</u>	<u>531,260</u>
Provision against non-performing loans and advances	7.2	(20,558)	(8,842)	(6,228)	(6,401)
Provision for diminution in the value of investments		-	-	-	-
Bad debts written off directly		(20,437)	(28,444)	(16,093)	(16,331)
		<u>(40,995)</u>	<u>(37,286)</u>	<u>(22,321)</u>	<u>(22,732)</u>
Net mark-up / return / interest income after provisions		<u>1,232,257</u>	<u>989,121</u>	<u>668,164</u>	<u>508,528</u>
NON MARK-UP / NON INTEREST INCOME					
Fee, commission and brokerage income	17	697,768	579,853	392,928	292,361
Dividend income		-	-	-	-
Other income		74,584	35,846	42,038	19,817
Total non-mark-up / non-interest income		<u>772,352</u>	<u>615,699</u>	<u>434,966</u>	<u>312,178</u>
		<u>2,004,609</u>	<u>1,604,820</u>	<u>1,103,130</u>	<u>820,706</u>
NON MARK-UP / NON INTEREST EXPENSES					
Administrative expenses		(1,390,671)	(1,115,196)	(745,556)	(552,380)
Other provisions / write-offs		(624)	(2,012)	(325)	(1,063)
Other charges		(12,922)	(9,961)	(7,857)	(5,350)
Total non-mark-up / non-interest expenses		<u>(1,404,217)</u>	<u>(1,127,169)</u>	<u>(753,738)</u>	<u>(558,793)</u>
		<u>600,392</u>	<u>477,651</u>	<u>349,392</u>	<u>261,913</u>
Extraordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		<u>600,392</u>	<u>477,651</u>	<u>349,392</u>	<u>261,913</u>
Taxation - Current		(224,290)	(157,434)	(141,616)	(84,083)
- Prior years		-	-	-	-
- Deferred		6,767	(9,844)	6,767	(9,844)
		<u>(217,523)</u>	<u>(167,278)</u>	<u>(134,849)</u>	<u>(93,927)</u>
PROFIT AFTER TAXATION		<u><u>382,869</u></u>	<u><u>310,373</u></u>	<u><u>214,543</u></u>	<u><u>167,986</u></u>
Basic and diluted earnings per share - Rupees		<u>2.84</u>	<u>2.30</u>	<u>1.59</u>	<u>1.25</u>

The annexed notes 1 to 20 form an integral part of these interim condensed financial statements.

President &
Chief Executive Officer

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CONDENSED INTERIM STATEMENT OF Other COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE HALF YEAR AND QUARTER ENDED 30 JUNE 2015

	Half Year ended		Quarter ended	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	----- (Rupees in '000)-----			
Profit after taxation for the period	382,869	310,373	214,543	167,986
Other comprehensive income: <i>Items that are not to be reclassified to profit and loss account in subsequent periods</i>				
Remeasurement of defined benefit plan	(4,619)	(2,897)	-	-
Related tax impact	1,432	683	-	-
	(3,187)	(2,214)	-	-
Comprehensive income for the period transferred to equity	379,682	308,159	214,543	167,986
Comprehensive income for the period not transferred to equity <i>Items that may be reclassified to profit and loss account in subsequent periods</i>				
Surplus on revaluation of 'available for sale investments'	1,462	1,098	350	24
Related tax impact	(453)	(362)	(109)	(8)
	1,009	736	241	16
Total Comprehensive income for the period - net of tax	380,691	308,895	214,784	168,002

The annexed notes 1 to 20 form an integral part of these interim condensed financial statements.

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CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE HALF YEAR AND QUARTER ENDED 30 JUNE 2015

	Capital reserves					Total
	Share capital	Share premium	Statutory reserve	Depositors' Protection Fund	Accumulated Profit/loss	
	(Rupees in '000)					
Balance as at 01 January 2014 (Audited)	1,346,939	343,469	228,012	70,224	205,787	2,194,431
Transactions with owners for the period						
Interim Cash Dividend - 31 March 2014 declared at the rate of Rs 0.38 per share	-	-	-	-	(51,453)	(51,453)
Total comprehensive income for the period						
Profit after taxation for the period	-	-	-	-	310,373	310,373
Other comprehensive income - net of tax	-	-	-	-	(2,214)	(2,214)
Total comprehensive income for the period	-	-	-	-	308,159	308,159
Transfer to statutory reserve *	-	-	62,075	-	(62,075)	-
Contribution to Depositors' Protection Fund **	-	-	-	19,715	(19,715)	-
Balance as at 30 June 2014	1,346,939	343,469	290,087	89,939	380,703	2,451,137
Total comprehensive income for the period						
Profit after taxation for the period	-	-	-	-	398,120	398,120
Other comprehensive income - net of tax	-	-	-	-	(27,345)	(27,345)
Total comprehensive income for the period	-	-	-	-	370,775	370,775
Transfer to statutory reserve *	-	-	79,624	-	(79,624)	-
Contribution to Depositors' Protection Fund **	-	-	-	25,023	(25,023)	-
Balance as at 31 December 2014 (Audited)	1,346,939	343,469	369,711	114,962	646,831	2,821,912
Profit after taxation for the period	-	-	-	-	382,869	382,869
Other comprehensive income - net of tax	-	-	-	-	(3,187)	(3,187)
Total comprehensive income for the period	-	-	-	-	379,682	379,682
Transfer to statutory reserve *	-	-	76,574	-	(76,574)	-
Contribution to Depositors' Protection Fund **	-	-	-	23,855	(23,855)	-
Balance as at 30 June 2015 (Unaudited)	1,346,939	343,469	446,285	138,817	926,084	3,201,594

* In accordance with the requirements of the Microfinance Institution Ordinance, 2001 and the Prudential Regulations for Microfinance Banks issued by the SBP (Prudential Regulations), the Bank has transferred an amount equivalent to 20% of profit after tax to the statutory reserve.

** In accordance with the requirements of the Microfinance Institution Ordinance, 2001 and the Prudential Regulations, the Bank has transferred an amount equivalent to 5% of profit after tax to the Depositors' Protection Fund, plus the return earned on such funds.

The annexed notes 1 to 20 form an integral part of these interim condensed financial statements.

President &
Chief Executive Officer

Chairman

Director

Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE HALF YEAR AND QUARTER ENDED 30 JUNE 2015

	30 June 15	30 June 14
	(Un-Audited)	
	----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	600,392	477,651
Adjustments:		
Depreciation and amortisation	82,940	73,133
Finance charges on leased assets	587	878
Provision against non-performing advances	40,995	37,286
Provision for Gratuity	20,617	14,965
Other provisions	624	2,012
Amortisation of discount on investments	(162,982)	(99,205)
Loss on derivative financial instruments	-	-
Grant income	(9,161)	(7,497)
Gain on sale of operating fixed assets	(2,833)	(1,474)
	(29,213)	20,098
<i>(Increase) / decrease in operating assets</i>		
Advances	(1,388,513)	(664,231)
Other assets (excluding advance taxation)	(316,956)	(96,827)
	(1,705,469)	(761,058)
<i>Increase / (decrease) in operating liabilities</i>		
Deposits and other accounts	3,318,796	1,613,822
Other liabilities (excluding current taxation)	1,086,777	200,482
	4,405,573	1,814,304
Income tax paid	(92,199)	(19,993)
Payment to employee gratuity fund	(38,846)	(27,402)
<i>Net cash inflow from operating activities</i>	<u>3,140,238</u>	<u>1,503,600</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of investments in available-for-sale securities	(17,031,074)	(12,472,504)
Investments in operating fixed assets	(146,598)	(143,739)
Sale proceed from disposal of available-for-sale securities	15,612,796	12,599,048
Sale proceed from disposal of operating fixed assets	8,867	6,321
Net cash used in investing activities	(1,556,009)	(10,874)
CASH FLOW FROM FINANCING ACTIVITIES		
Payments of lease obligation	(4,179)	(5,260)
Borrowing from financial institution	(81,039)	(131,039)
Subordinated debt	-	(494,976)
Cash dividend paid to shareholders	-	(48,934)
Grant received	39,601	1,666
Net cash used in financing activities	(45,617)	(678,543)
Increase in cash and cash equivalents during the period	<u>1,538,612</u>	<u>814,183</u>
Cash and cash equivalents at beginning of the period	<u>2,088,803</u>	<u>1,796,233</u>
Cash and cash equivalents at end of the period	<u><u>3,627,415</u></u>	<u><u>2,610,416</u></u>

The annexed notes 1 to 20 form an integral part of these interim condensed financial statements.

President &
Chief Executive Officer

Chairman

Director

Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR AND QUARTER ENDED 30 JUNE 2015

1. STATUS AND NATURE OF BUSINESS

Tameer Micro Finance Bank Limited (the Bank) was incorporated in Pakistan on 01 August 2005 as a public limited company under the Companies Ordinance, 1984. The Bank obtained Microfinance banking license from the SBP on 05 August 2005 to operate on a nationwide basis and received the certificate of commencement of business from the Securities and Exchange Commission of Pakistan (SECP) on 05 September 2005. The Bank is a subsidiary of Telenor Pakistan (Private) Limited (the holding company) which owns 51% shareholding in the Bank. The Bank's registered office is situated at 15-A, Block 7 & 8, KCHS, Union, Karachi. The Bank's principal business is to provide micro finance banking and related services to the poor and underserved segment of the society with a view to alleviate poverty under the Microfinance Institution Ordinance, 2001. In 2009, the Bank also started Branchless Banking services with the holding company under the Branchless Banking license from the SBP.

2. BASIS OF PRESENTATION

These financial statements have been presented in accordance with the requirements of Banking Surveillance Department Circular No. 11 dated 30 December 2003 issued by the State Bank of Pakistan (SBP).

3. STATEMENT OF COMPLIANCE

- 3.1 These condensed interim financial statements of the Bank have been prepared, in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting', provisions of the Companies Ordinance, 1984, the Microfinance Institution Ordinance, 2001, the Prudential Regulation for Microfinance Banks and directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP). In case where requirements differ, the provisions of the Companies Ordinance, 1984, the Microfinance Institution Ordinance, 2001, the Prudential Regulation for Microfinance Banks and the said directives have been followed.
- 3.2 The State Bank of Pakistan has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property'. Further, the Securities and Exchange Commission of Pakistan (SECP) has deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments : Disclosures' through its notification S.R.O. 411(I)/2008 dated 28 April 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by SBP through various circulars / regulations.

4. BASIS OF MEASUREMENT

- 4.1 These condensed interim financial statements have been prepared under the historical cost convention except for available for sale investments which are measured at fair value.
- 4.2 These condensed interim financial statements have been presented in Pakistani Rupees, which is the Bank's functional and presentation currency.
- 4.3 The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires management to exercise judgment in the application of its accounting policies. The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR AND QUARTER ENDED 30 JUNE 2015

The significant judgements made by management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the condensed interim financial statements for the period ended 31 December 2014.

5. SIGNIFICANT ACCOUNTING POLICIES AND FINANCIAL RISK MANAGEMENT

- 5.1 The accounting policies adopted in the preparation of these financial statements are consistent with those applied in the preparation of financial statements of the Bank for the year ended 31 December 2014.
- 5.2 The financial risk management objectives and policies adopted by the bank are consistent with those disclosed in the annual financial.

Note	30 June 15 (Un-Audited)	31 Dec 14 (Audited)
	----- (Rupees in '000) -----	

6. INVESTMENTS

Federal Government Securities - available-for-sale		
Market Treasury Bills	5,347,423	3,777,071
Surplus / (deficit) on revaluation of assets	31	(1,431)
	<u>5,347,454</u>	<u>3,775,640</u>

- 6.1 These carry interest rates ranging between 6.52% to 8.32% (31 December 2014: 9.41% to 9.95%) per annum and have maturity upto November 2015. These securities have an aggregate face value of Rs. 5,390 million (31 December 2014: Rs. 3,800 million).

7. ADVANCES - NET OF PROVISIONS

Advances - gross	7.1	10,349,466	8,981,390
Provision against non-performing loans and advances			
- Specific provision	7.1	(8,335)	(9,586)
- General provision		(42,709)	(30,045)
	7.2	(51,044)	(39,631)
Advances - net of provisions		<u>10,298,422</u>	<u>8,941,759</u>

- 7.1 Advances include Rs. 178.255 million (31 December 2014: Rs. 74.381 million) which have been placed under non-performing status as detailed below:

	30 June 2015			31 Dec 2014		
	Amount outstanding	Provision required	Provision held	Amount outstanding	Provision required	Provision held
	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
OAEM	91,418	-	-	43,238	-	-
Substandard	44,614	612	612	5,967	590	590
Doubtful	39,217	5,387	5,387	17,065	2,639	2,639
Loss	3,006	2,336	2,336	8,111	6,357	6,357
	<u>178,255</u>	<u>8,335</u>	<u>8,335</u>	<u>74,381</u>	<u>9,586</u>	<u>9,586</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR AND QUARTER ENDED 30 JUNE 2015

7.2 Particulars of provision against non-performing advances

	30 June 15			31 Dec 14		
	Specific	General	Total	Specific	General	Total
	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
Opening balance	9,586	30,045	39,631	1,533	18,893	20,426
Charge for the year	12,955	12,664	25,619	19,619	11,152	30,771
Reversals	(5,061)	-	(5,061)	(4,651)	-	(4,651)
	7,894	12,664	20,558	14,968	11,152	26,120
Amount written off	(9,145)	-	(9,145)	(6,915)	-	(6,915)
Closing balance	8,335	42,709	51,044	9,586	30,045	39,631

8. OPERATING FIXED ASSETS

	30 June 15	31-Dec-14
	(Un-Audited)	(Audited)
	----- (Rupees in '000) -----	
8.1 Property and equipment	538,977	491,148
Intangible assets	28,587	34,957
Capital work-in-progress - advance against purchase of fixed assets	47,960	30,656
	<u>615,524</u>	<u>556,761</u>
8.2 Additions during the period - at cost		
Improvements to leasehold buildings	20,616	20,973
Furniture and Fixtures	19,119	19,515
Electrical, office and computer equipments	60,449	70,289
Vehicles-owned	24,626	15,161
Intangible assets	4,484	13,578
	<u>129,294</u>	<u>139,516</u>
8.3 Disposals during the period - at cost		
Furniture and Fixtures	-	291
Electrical, office and computer equipments	20	103
Vehicles-owned	10,383	7,929
Vehicles-leased	3,693	-
	<u>14,096</u>	<u>8,323</u>

9. OTHER ASSETS

Mark-up / return / interest accrued		627,961	590,163
Loans to employees	9.1	135,032	143,077
Security deposits		10,065	8,896
Prepayments - rent		58,425	53,576
Prepayment - others		31,267	8,928
Branchless banking transaction fee receivable		336,427	171,948
Others		148,109	53,742
		<u>1,347,286</u>	<u>1,030,330</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR AND QUARTER ENDED 30 JUNE 2015

- 9.1 These represent interest free loans to staff and executives of the Bank for a maximum period of 36 months. These are secured against the retirement benefits of employees.

30 June 15 (Un-Audited)	31-Dec-14 (Audited)
------(Rupees in '000)-----	

10. DEPOSITS AND OTHER ACCOUNTS

Fixed deposits	5,032,281	4,638,659
Savings deposits	1,029,071	865,167
Current accounts	9,518,798	6,757,528
	<u>15,580,150</u>	<u>12,261,354</u>

10.1 Particulars of deposits by ownership

Individual depositors	12,491,799	10,630,350
Institutional depositors		
- Corporations / firms etc	3,027,178	1,595,357
- Banks / financial institutions	61,173	35,647
	<u>15,580,150</u>	<u>12,261,354</u>

11. BORROWINGS - UNSECURED

Banks / financial Institutions inside Pakistan		158,172	239,211
Detail of borrowings - unsecured			
Microfinance Credit Guarantee Facility (MCGF)	11.1	159,167	240,695
Unamortised transaction cost		(995)	(1,484)
		<u>158,172</u>	<u>239,211</u>
		<u>158,172</u>	<u>239,211</u>

- 11.1 This represents financing from commercial banks under the MCGF scheme introduced by the SBP to facilitate and promote channelization of funds from banks / DFIs to Microfinance institutions. These carry mark- up rate of 6 months' KIBOR plus 2% (2014: 6 months' KIBOR plus 2%) and are repayable in fixed installments over a period of 2-5 years.

12. OTHER LIABILITIES

Mark-up / return / interest payable		81,385	93,777
Payable against branchless banking transactions		1,522,892	525,305
Accrued expenses		248,900	178,783
Provision for staff bonus		58,675	100,000
Withholding tax payable		38,764	34,496
Liabilities against assets subject to finance lease		1,346	4,938
Payable to defined contribution plan		6,186	6,149
Payable to defined benefit plan		7,882	21,492
Payable to Workers' Welfare Fund		45,792	33,539
Taxation - net		135,107	3,016
Others		99,584	43,352
		<u>2,246,513</u>	<u>1,044,847</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR AND QUARTER ENDED 30 JUNE 2015

30 June 15
(Un-Audited) 31-Dec-14
(Audited)
------(Rupees in '000)-----

13. DEFERRED TAX ASSET / (LIABILITY)- NET

Deductible temporary differences arising in respect of:		
Provision against non-performing loans and advances	15,824	13,078
Deficit on revaluation of investments	-	472
Remeasurement of defined benefit plan	10,777	9,345
	<u>26,601</u>	<u>22,895</u>
Taxable temporary differences arising in respect of:		
Accelerated depreciation allowance	(22,835)	(26,855)
Surplus on revaluation of investments	(9)	-
	<u>(22,844)</u>	<u>(26,855)</u>
	<u>3,757</u>	<u>(3,960)</u>

14. MEMORANDUM / OFF BALANCE SHEET ITEMS

There are no memorandum / off balance sheet items as at the end of 30 June 2015.

15. MARK-UP / RETURN / INTEREST EARNED

	Half year ended		Quarter ended	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	(Un-Audited)	(Un-Audited)	(Audited)	(Audited)
Note	(Rupees in '000)		(Rupees in '000)	
On loans and advances	1,386,675	1,239,456	730,170	630,277
On available for sale investments	162,982	99,205	91,375	46,243
On deposits with financial institutions	33,274	32,540	17,789	18,227
On call money lendings	19,023	14,892	11,812	5,997
On Repurchase agreement lendings	17,475	25,139	12,544	17,063
	<u>1,619,429</u>	<u>1,411,232</u>	<u>863,690</u>	<u>717,807</u>

16. MARK-UP / RETURN / INTEREST EXPENSED

On deposits	334,055	316,464	167,845	155,295
On borrowings	12,122	28,613	5,360	14,163
On subordinated debt	-	39,748	-	17,089
	<u>346,177</u>	<u>384,825</u>	<u>173,205</u>	<u>186,547</u>

17. FEE, COMMISSION AND BROKERAGE INCOME

Loan processing fee		173,546	140,500	91,571	74,124
Income from branchless banking	17.1	515,894	432,478	296,631	216,311
Others		8,328	6,875	4,726	1,926
		<u>697,768</u>	<u>579,853</u>	<u>392,928</u>	<u>292,361</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR AND QUARTER ENDED 30 JUNE 2015

- 17.1 Represents income from branchless banking operations (Easy Paisa) carried out by the Bank together with the holding company under the SBP's Branchless Banking Regulations. As per the agreement with the holding company, income from Easy Paisa is shared between the Bank and the holding company in the ratio of 14% and 86% (2014: 14% and 86%) respectively.

18. RELATED PARTY TRANSACTIONS

Related parties of the Bank comprise of subsidiaries, associates (including entities having directors in common with the Bank), retirement benefit funds, major share holders, directors and key management personnel and their close family members.

Balances with related parties have been disclosed in respective notes. Transactions with related parties, other than those disclosed elsewhere in the financial statements, are summarised as follows:

	30 June 2015				31-December-2014			
	Holding Company	Directors and key management personnel (Un-Audited)	Others	Total	Holding Company	Directors and key management personnel (Audited)	Others	Total
	----- (Rupees in '000) -----				----- (Rupees in '000) -----			
Advances								
Opening balance	-	33,526	-	33,526	-	31,614	-	31,614
Addition during the period / year	-	9,432	-	9,432	-	25,062	-	25,062
Repaid during the period / year	-	(6,058)	-	(6,058)	-	(23,150)	-	(23,150)
Closing balance	-	36,900	-	36,900	-	33,526	-	33,526
Deposits								
Opening balance	75,979	5,787	318,856	400,622	99,868	2,305	233,789	335,962
Received during the period / year	27,771,165	170,207	326,837	28,268,209	54,625,681	404,962	319,890	55,350,533
Withdrawn during the period / year	(27,735,225)	(167,430)	(126,820)	(28,029,475)	(54,649,570)	(401,480)	(234,823)	(55,285,873)
Closing balance	111,919	8,564	518,873	639,356	75,979	5,787	318,856	400,622
Other Liabilities								
Payable against branchless banking transactions	239,225	-	-	239,225	166,604	-	-	166,604
Mark-up payable	-	-	-	21,033	21,033	-	25,520	25,520
Accrued Expenses	16,829	-	-	16,829	12,791	-	-	12,791
Closing balance	256,054	-	21,033	277,087	179,395	-	25,520	204,915
Other Assets								
Other receivable	43,441	-	-	43,441	-	-	-	-

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR AND QUARTER ENDED 30 JUNE 2015

	30 June 2015 (Un-Audited)				30 June 2014 (Un-Audited)			
	------(Rupees in '000)-----				------(Rupees in '000)-----			
Expenses								
Rent and taxes	-	-	-	-	5,100	-	-	5,100
Mark-up expense	-	27	22,763	22,790	3,456	59	16,835	20,350
Communication expenses	2,270	-	-	2,270	2,949	-	-	2,949
Deposit Mobilization Commission	73,877	-	-	73,877	35,240	-	-	35,240
Contribution to defined contribution plan	-	-	19,183	19,183	-	-	15,748	15,748
Charge for defined benefit plan	-	-	20,617	20,617	-	-	14,965	14,965
Period ended	76,147	27	62,563	138,737	46,745	59	47,548	94,352

19. GENERAL

19.1 Figures have been rounded off to the nearest thousand rupees.

19.2 Figures of the profit and loss account for the quarters ended 30 June 2015 and 30 June 2014 have not been subjected to limited scope review by the auditors.

20. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors in their meeting held on 21st August 2015.

President &
Chief Executive Officer

Chairman

Director

Director